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HOUSE OF REPRESENTATIVES—*Thursday, March 11, 2004*

The House met at 10 a.m.

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord, throughout the sacred history of the Bible, You have called people. Sometimes they are asked to leave the familiar and set out into an unknown future. In all cases, they are given a specific purpose or mission. Usually those You call are asked to serve others.

What a blessing it is to serve at Your call and to act in Your name.

Bless the Members of the House of Representatives. You have brought them here to be attentive to the needs of their constituents and at the same time serve the Nation and national interests.

Bless them for Your service. They come to do Your will. To pour out themselves in the service of others is to reveal Your Spirit at work in them.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York (Mr. MCNULTY) come forward and lead the House in the Pledge of Allegiance.

Mr. MCNULTY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 355. Concurrent Resolution congratulating the University of Delaware men's football team for winning the National Collegiate Athletic Association I-AA national championship.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain ten 1-minutes per side.

AMERICA IS TIRED OF NEGATIVE POLITICS

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, I come to the floor outraged and disappointed at the conduct of the Presidential candidate, Senator JOHN KERRY. To issue a term about our Commander in Chief and calling him a liar is disgusting, despicable; and we reject this kind of politics.

Today, it was reported on Fox News that the Saddam Hussein government stole over $4 billion from the Food-for-Oil Program to help the poor people in that country of Iraq. They spent the proceeds of that $4 billion bribing and paying off officers all over the world. 400,000-plus people died at the hands of Saddam Hussein, and the candidate running for President is calling our Commander in Chief a liar.

I think that is regrettable, think it is disgusting; and they have consistently used this kind of terminology throughout this entire campaign. America is tired of negative politics.

I challenge the Senator to talk about what you will do for the people of this country rather than tearing down the institution of the President. You cannot have it both ways. You cannot have it both ways, and I am sick and tired of this kind of language polluting political airways and making our children wonder why they should vote.

He did not think he was miked. What you say in silence is what you will say everywhere you go. So whether you thought the mike on or not, Mr. KERRY, you were wrong.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GOODLATTE). Members are cautioned not to make personal references to Members of the Senate even if they are apparently to be nominated Presidential candidates.

UNJUST IMPRISONMENT OF NGUYEN VU BINH

(Ms. LORETTA SANCHEZ of California asked and was given permission to address the House for 1 minute.)

Ms. LORETTA SANCHEZ of California. Mr. Speaker, I rise today to voice my outrage over the Vietnamese Government's imprisonment of Mr. Nguyen Vu Binh.

On December 31, 2003, writer Nguyen Vu Binh was sentenced to 7 years in jail plus 3 years of house arrest after that. His charge? Writing and exchanging with various opportunistic elements in the country and communicating with reactionary organizations abroad.

My colleagues might be surprised to know that the United States Congress is one of those reactionary organizations. On July 19, 2002, Mr. Binh submitted testimony to the congressional Human Rights Caucus, highlighting Vietnam's assault on human rights, and I would like to read an excerpt from that.

He said, "The ultimate goal of the Vietnamese government is to isolate, separate and divide the democracy activists. They achieve this goal through tactics carefully applied to each target."

Two months after he submitted this testimony here, Mr. Binh became a target and was taken into custody. This simply must stop.

I urge the Vietnamese government to facilitate the immediate release of Mr. Binh and to afford its citizens the freedoms that they deserve.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ANNIVERSARY OF LEBANESE WAR OF LIBERATION

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, 15 years ago today the Lebanese people and their last legitimate government, headed by Prime Minister Aoun, courageously engaged in a war of liberation against Syria.

For 19 months, this heroic people fought to save and defend that which Syria wanted to destroy, Lebanese sovereignty and independence. Tragically, the Syrian regime overpowered them and succeeded in turning Lebanon into a captive nation.

Today, Syria harasses, arrests, imprisons, tortures and disappears anyone who speaks out against Syria's domination of Lebanon, and its campaign of intimidation extends here to the U.S. Congress.

Late last year, General Aoun appeared before the Subcommittee on the Middle East and Central Asia, which I chair, to address Members about Syrian occupation of and terrorist activities in Lebanon. For this, he was charged with treason, tried in absentia and sentenced to 15 years of hard labor.

We must send a clear message to Syria that its continued occupation of Lebanon will not be tolerated. Lebanon is a captive nation, and we must not rest until Lebanon is free from Syria's regime and their strangle hold.

TRANSIT FUNDING

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, Federal transportation law currently penalizes communities like Redding and Lancaster, Pennsylvania, in my district or like South Bend, Indiana; Lubbock, Texas; Shreveport, Louisiana; Wichita, Kansas; Jackson, Mississippi; Fort Collins, Colorado; communities like them all over the country.

When these communities reach 200,000 people, transit systems in these areas are required to spend Federal money like the big-city transit system. They lose their flexibility. What they need is a small system with unique needs. They are lumped in with the New Yorks and the Philadelphias. But areas like Lancaster and Redding are nothing like Philadelphia.

As a result, people in these areas and dozens of others lose out, and that is why I introduced a bill to prevent the Federal Government from penalizing these thriving communities, the Transit Flexibility Protection Act. This bill does not authorize new money. It merely protects small transit systems and their ability to use Federal funds wisely.

If we are going to invest in public transit, we should at least do it in a way that truly promotes it in communities like these.

IN DEFENSE OF ANTHONY RAIMONDO

(Mr. TERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TERRY. Mr. Speaker, I am here today to defend a good American and a good Nebraskan, Tony Raimondo, who lives the American Dream of building a manufacturing plant in Nebraska and having several others throughout the country, employing now 1,200 people that make farm equipment, fencing, tanks, metal buildings. The Bush administration has tapped his expertise to become the new American manufacturing czar; but of course, then this has to be roiled down into Presidential politics.

The Kerry campaign, in a rather deceitful way, attacking a great American, Tony Raimondo, because out of 1,200 American jobs that he has created, they have 180 jobs in China to make farm equipment to sell in China.

This is not an issue of outsourcing jobs. This is an issue of being efficient in a global economy. This is a great American, and I stand to defend him against these unwarranted, deceitful, political, presidential-year politics and attacks.

SIGNING OF IRAQI INTERIM CONSTITUTION

(Mr. BURGESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURGESS. Mr. Speaker, I wanted to come to the floor of the House today to recognize a momentous event and a momentous event that occurred earlier this week, and I do not think it has gotten sufficient press and that, of course, was the signing of the Iraqi interim constitution by the 25 signatories earlier this week.

We heard a lot of information on Friday when the signing was held up, but the press scarcely reported what will likely be one of the events that will shape not only the world events around us but shape events for the next century.

Mr. Speaker, I want to congratulate our President on his leadership for getting this accomplished. I want to congratulate Ambassador Bremer in Iraq. I know he is looking forward to the conclusion of his term there when sovereignty is returned to the Iraqis. They have got a hard job ahead of them. Four elections within the next year's time will be a daunting task for them, but they have laid the groundwork. They have laid the foundation.

Again, congratulations to our President, congratulations on his leadership for getting this interim constitution signed in a timely fashion.

AMERICA STANDS WITH SPAIN

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, America awoke this morning to learn the tragic news that at least 170 people were massacred and over 600 wounded in terrorist attacks on the public transit system in Madrid, Spain. The Basque terrorist group, ETA, is believed to be responsible for these murderous bombings.

This is only the latest in a global campaign of terror that seeks to undermine freedom and democracy throughout the world by taking the lives of innocent civilians. Since the terrorist attacks of September 11 here in America, there have been deadly attacks from Morocco to Indonesia and from India to Turkey and Russia, along with assaults in Iraq and Saudi Arabia.

As British Prime Minister Tony Blair has rightly said this morning, "This terrible attack underlines the threat that we all continue to face from terrorism in many countries and why we must all work together internationally to safeguard our peoples against such attacks and defeat terrorism."

Our allies in Spain, led ably by the courageous prime minister, Jose Maria Aznar, should know that Americans mourn with them today. America is committed to stand by Spain to defeat global terrorism, as we are grateful for the Spanish heritage of America.

In conclusion, may God bless our troops; and we will never forget September 11.

RECOGNIZING ARIZONA CHAPTER OF ASSOCIATED GENERAL CONTRACTORS AND ARIZONA ROCK PRODUCTS ASSOCIATION

(Mr. FLAKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLAKE. Mr. Speaker, I rise today to pay special tribute to two local associations in my home State of Arizona: the Arizona chapter of the Associated General Contractors and the Arizona Rock Products Association.

Sunshine Acres Children Home, in my home district of Mesa, Arizona, was in desperate need of paved roads and paved emergency roads. These are required and mandated by the city of Mesa. The Associated General Contractors and the Arizona Rock Products Association were able to join forces and donate their expertise, materials, equipment, and manpower to build these required road improvements, which otherwise the children's home could not afford.

Sunshine Acres Children's Home is often referred to as the Miracle in the Desert. It is a home for children who are separated from their parents who are either unwilling or unable to care for them. For 50 years, Sunshine Acres has survived primarily on private donations. The home does not receive any aid from the Federal, State, or local governments.

I had the distinct honor and privilege of visiting Sunshine Acres this last Christmas. My wife and family toured the campus, met the children and their house parents, and then served Christmas dinner to all the residents. It was a visit I will not soon forget.

Today, the residents of Sunshine Acres are enjoying smooth paved roads, perfect for riding their bicycles, roller blading and playing basketball, all thanks to the generosity and hard work of the Associated General Contractors and Arizona Rock Products Association. These groups deserve recognition and credit for what they have done.

TRIBUTE TO ROBERT D. ORR

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, last night the State of Indiana lost a giant. The honorable Robert D. Orr passed away at Indiana University's medical center.

Governor Orr served Indiana for 8 years in the State's top office from 1981 to 1989. He spurred our State's economy out of recession and overhauled its education system. He also oversaw the removal of the State license branch system from political and partisan control and led an aggressive effort to promote the export of Indiana products.

Mr. Speaker, his work did not begin in 1981, nor did it stop in 1989. Robert Orr enlisted in the Army in 1942, was commissioned a major for his service in the Pacific theater in World War II. At the end of the war, he went to Evansville and entered the family business, Orr Iron Company. He served as Vanderburgh County Republican chairman and was elected to the State senate in 1968 before being elected the State's lieutenant governor.

Even after leaving office, Governor Orr was appointed U.S. Ambassador to Singapore and helped build an international relationship with that nation that America still enjoys today.

Mr. Speaker, Hoosiers will remember Governor Orr for all these great achievements and his wise actions, but they will most remember him for his humility and his personal decency and kindness. Governor Orr embodied that very verse in Proverbs: "With humility comes wisdom."

Mr. Speaker, I mourn the death of the honorable Robert D. Orr, along with millions of Hoosiers, as we send our heartfelt condolences to his wife, Mary, and his entire family. May Robert D. Orr rest in the peace that he so richly deserves.

□ 1015

SPEAKING OUT AGAINST DOMESTIC VIOLENCE

(Ms. CAPITO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. CAPITO. Mr. Speaker, I rise today to speak out against domestic violence. Domestic violence encompasses all acts of forceful behavior that one person uses to maintain control over another person. While we are taking steps to eradicate the threat of domestic abuse for women and children, unfortunately the statistics demonstrate the need for more community outreach, funding for prevention programs, and help from Congress.

In my home State of West Virginia, there has been a 400 percent increase in the number of domestic violence complaints to our law enforcement agencies. I am committed to stopping violence against women. But women are not the only victims. Many times children are the victims. In our Nation, millions of children, 9 million children, have reported seeing violence in their home. These statistics are just an estimate, 9 million, but I believe one child is one too many. We need to take care of our children and ensure they are safe from violent crimes, particularly in their own homes.

With a strong commitment from Members of Congress to work together to decrease domestic violence in our Nation, hopefully we will see a drop in the domestic violence statistics in the years to come.

POLITICAL DEBATES SHOULD BE ABOUT VALUES AND IDEALS, NOT NAME CALLING

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, it is a presidential election year, and presidential elections are very important. Politics in general, in a republic like ours, is a substitute for Civil War. It is a very important process. At the same time, I think we need to control the rhetoric.

Last night, the leading Democrat nominee, JOHN KERRY, called, or seemed to call, the President of the United States and his crew "a crooked bunch of liars." Now, those are strong words, and somewhat ridiculous when we consider the fact that we should be having a debate of values, of ideals, and that that debate should be conducted with integrity.

As a Member of Congress, I call on our colleague, the Senator from Massachusetts, to publicly apologize not just to the President of the United States but to the American people. We need a good debate. We need to look at the differences between these two candidates. One is obviously a big liberal and likes more government, higher taxes, and more regulation. The other one likes less. But the debate should be about those values, not name calling.

Senator KERRY, please apologize to the American people.

BROADCAST DECENCY ENFORCEMENT ACT OF 2004

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 554 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 554

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3717) to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmission of obscene, indecent, and profane language. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed ninety minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Energy and Commerce now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. GOODLATTE). The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST); pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

On Tuesday, the Committee on Rules met and granted a structured rule for H.R. 3717, the Broadcast Decency Enforcement Act of 2004. H.R. 3717 is a direct response to the increasing levels of indecency on broadcast television and radio. The bill has strong bipartisan support, with over 145 cosponsors, and is a comprehensive measure that is reasonable, fair and firm.

The problem of obscenity on TV has been going on for far too long. However, the Super Bowl brought it to national attention. On February 1, millions of families were at home watching the Super Bowl together. I myself was watching the game, cheering on my Carolina Panthers. This was a moment of pride for my district, and in one moment the attention was shifted.

I was appalled by the shameless stunt that took place during the Super Bowl. And the excuses I have heard ring very hollow. Obviously, if it was deliberate, then Janet Jackson and Justin Timberlake thought they could get away with it.

Mr. Speaker, my constituents are very tired of having to cover over their children's eyes and ears every time they turn on the television set, especially during the time that is supposed to be considered family time.

H.R. 3717 the Broadcast Decency Enforcement Act of 2004 raises the maximum penalty cap for broadcast stations, networks, and performers to $500,000 for each indecency violation. By significantly increasing the FCC fines for indecency, networks and individuals will do more than just apologize for airing such brazen material, they will be paying big bucks for their offenses.

I am very pleased that this legislation streamlines the Federal Communication Commission enforcement process for networks and individuals who willfully and intentionally put indecent material over the broadcast airwaves. So complaints do not languish at the FCC, the bill requires them to complete action on indecency complaints within 270 days of receipt. In the past, there have been examples where it has taken several years, and the broadcasters know they will not be taken to task until long after the offense is over.

I want to commend the chairman of the Subcommittee on Energy and Air Quality of the Committee on Energy and Commerce, the gentleman from Texas (Mr. BARTON), for moving this legislation so swiftly through his committee. I also want to thank the gentleman from Michigan (Mr. UPTON) for his resolve to protect our Nation's airwaves. He has been working on this issue for a long, long time.

Broadcast airwaves belong to the American people, not to the networks. So I believe it is time for Congress to defend and protect America's parents and children and pass a tough bill to ensure decency on the airwaves. To that end, I urge my colleagues to support the rule and the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentlewoman from North Carolina for yielding me this time, and I rise in support of the rule and the underlying bill. I do so because it is time to send a strong message to broadcasters that indecent television and radio programs are not okay.

For too long, the producers of indecent programming have regarded FCC fines as just a minor nuisance; as a cost of doing business. That attitude has to end. Congress needs to send a strong message to broadcasters that doing anything for profit, no matter how much it offends American viewers and harms the public interest, is definitely not okay.

Mr. Speaker, the basic principle of broadcasting in our country is that the American people grant private businesses the ability to make money while using our public airwaves. In exchange for a license, we ask that broadcasters air programs that serve the public interest, and we ask them not to broadcast indecent material at times when children are likely to be watching or listening. In other words, we have a social contract with our media companies. They can use the airwaves, but they must run their businesses in a socially responsible way. They must remember they have a duty to serve not only their shareholders but also the American people.

The reason we have special rules for radio and television programming is that the broadcast media is, in the words of Supreme Court Justice John Paul Stevens, "a uniquely pervasive presence in the lives of all Americans."

When 100 million Americans, including myself, tuned into the Super Bowl, we allowed a broadcast company to enter the privacy of our homes. Just like any other guest, we welcomed them into our home. We expected the Super Bowl broadcast to be respectful of us and our families. We do not expect to agree with our house guests on everything, but we do expect them to show good judgment and to refrain from saying crude and offensive things, especially when children are in the room. What we all got on February 1 was anything but a good guest, Mr. Speaker.

Besides the now infamous incident involving Justin Timberlake and Janet Jackson, the half-time show was full of crude and sexually explicit performances. Throughout the game, we were subjected also to some offensive advertising. And all this was going on in our dens, our living rooms, and the other places we gather every year to watch the Super Bowl. It is estimated that one in five American children were watching this year's Super Bowl broadcast.

I would like to note, Mr. Speaker, that the actual Super Bowl game was one of the most exciting, best-played games in the 38-year history of the sporting event. Decided by a field goal kicked with 4 seconds left, this year's game had plenty of action and drama to sell itself on its own merits, without adding the controversial material that has provoked so much outrage for the past month.

To be fair, we should not be singling out the Super Bowl broadcast for our disapproval. When I drive around the Dallas-Fort Worth metropolitan area, I enjoy going up and down the radio dial to listen to many different stations that offer information and entertainment to the people of North Texas. I hear a lot of good programming, but I am also astonished at the amount of gratuitous foul language some talk show hosts use on a daily basis. The hosts of my favorite sports talk shows in the Dallas market seem to be using more and more offensive language.

I applaud the FCC commissioners for aggressively cracking down on this type of programming and hope that this legislation gives them a more effective enforcement tool.

I would also like to note that this problem goes beyond just the programming we receive in our homes from the FCC broadcast licensees. Congress does not currently have the same power to regulate the indecent content of cable programming as we do over broadcast programming. But all of us who have cable television know that there are cable network shows aired during family hours that are equally offensive and indecent. Although they operate under a regulatory system that would not be covered by the bill we are considering today, I urge the cable networks to remember that they have a social responsibility to the American people too.

Mr. Speaker, some people may be suggesting that with this bill and the speeches we are giving today, we are trying to censor speech or limit expression in our society. Nothing could be further from the truth. As a former broadcast journalist, and as the father of a broadcast journalist, I have a deep respect for the right of journalists, artists, political and religious leaders, and anyone else for that matter, to exercise their constitutional freedom of speech. Our communication laws on obscenity and indecency do not stop free speech or suppression. They simply say it is not always appropriate to broadcast crude and sexually explicit material into our homes and into our motor vehicles, especially when our children could be watching or listening.

I urge all of my colleagues to support this bill and the FCC's new efforts to take back our air waives from the people who have cynically decided the best way to sell advertising is by shocking and offending us. I have more faith in Americans than that. Voting for this bill is not just a vote to protect our families from indecent programming, it is also a vote in support of the vast majority of broadcasters, producers, and performers today who are running profitable businesses while broadcasting in a way that serves the interests of our families and our society.

Mr. Speaker, I reserve the balance of my time.

□ 1030

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. LINDER), a fellow member of the Committee on Rules.

Mr. LINDER. Mr. Speaker, I rise in support of this rule and thank the gentlewoman from North Carolina (Mrs. MYRICK) for yielding me this time.

Mr. Speaker, H. Res. 554 is a fair and balanced rule that will provide House Members with the opportunity to consider a number of issues affecting our efforts to get indecent material off our airwaves. Under this rule, the House will have the opportunity to consider a manager's amendment by the gentleman from Michigan (Mr. UPTON) and an amendment by the gentlewoman from Illinois (Ms. SCHAKOWSKY) to strike the increased fine limit on entertainers, and an amendment by the gentleman from Texas (Mr. SESSIONS) to direct the General Accounting Office to provide a detailed report to Congress about the number of complaints about indecent broadcasting and the processes and procedures that the FCC has implemented to investigate these complaints.

With respect to H.R. 3717, the underlying legislation, I want to commend the gentleman from Michigan (Mr. UPTON), the chairman of the Subcommittee on Telecommunications and the Internet, for all of the time and effort he has invested in bringing this very important and well-crafted legislation to the House floor.

Vulgarity, profanity, and even obscenity are an all-too-common trend on our television and radio airwaves today. Originally, the Golden Globe Awards incident last year appeared to be an isolated event; however, the subsequent profanity during the Billboard Music Awards broadcast and the grossly inappropriate halftime show of the 2004 Super Bowl made clear that Congress needs to take action and give the FCC the tools it needs to crack down on such tawdry programming.

H.R. 3717 provides some of these tools for the FCC and is a step in the right direction. This legislation increases the penalties imposed for broadcast indecency, which allows the FCC to more authoritatively regulate on-air programming. Also, this bill makes it easier for the FCC to hold individuals subject to the same fines as broadcasters for indecent actions.

In conclusion, families must be able to watch prime-time TV together without the fear of watching obscene, profane, or vulgar programming; and H.R. 3717 will help make this a reality.

Mr. Speaker, I urge Members to support the rule so we may proceed to debate the underlying legislation.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. STUPAK).

Mr. STUPAK. Mr. Speaker, the Committee on Rules has denied me and other Democrats the opportunity to offer amendments that are vital and directly relevant to the debate on eliminating indecent content on the public airwaves.

Americans should look at the link between the surge in complaints on indecent content on TV and radio and the increasing media consolidation that has occurred in recent years.

During the Committee on Energy and Commerce's three hearings on Indecency in the Media, it became apparent it is the media giants who are the greatest offenders of the FCC's indecency standard. The biggest FCC fines have gone to the biggest media players. In the past 5 years, 80 percent of the fines on violations of the FCC indecency standard were handed out to the media conglomerates.

I believe the increasing amount of indecent content on our public airwaves is a symptom of media consolidation, but the FCC never bothered to look at this possible link before they issued new rules last year to allow these media giants to get even bigger. The Parents Television Council noted this as well. Director Brent Bozell said after the FCC issued the new rules allowing more media consolidation, and I would like to quote him, he said, "The rules change means that a handful of megaconglomerates will impose their own standards of decency. They have been handed unfettered opportunity to broadcast violent and vulgar programming with impugnity."

My amendment would have delayed the FCC rules on media consolidation while the GAO conducted a thorough review of the correlation between indecent content on our public airwaves and media consolidation.

I had also offered a pared-down amendment that would have authorized a study without delaying the rules. I will still be seeking the GAO study, and I invite my colleagues to join me in this request I will be making later today.

The growing number of media monopolies is relevant to this indecency debate, and the Committee on Rules should not have denied me and others the opportunity to offer our amendments. I urge my colleagues to vote against this rule until we get the amendments that will help us further this debate.

Mrs. MYRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. UPTON), the subcommittee chairman whose bill this is.

Mr. UPTON. Mr. Speaker, I want to compliment the Committee on Rules and the leadership for getting this bill on a fast track, and I want to compliment my colleagues on the Committee on Energy and Commerce. We acted very swiftly to get this bill to the floor. In fact, we passed the bill out 49 to 1 just last week.

I would like to say as well that I think this rule is a fair rule. I think the amendments will be debated fairly. I think that the membership of the House will respond to those amendments; and obviously my hope is to adopt the bill, the legislation, overwhelmingly at the end of the day.

I want to say to the gentleman from Michigan (Mr. STUPAK) on media ownership, there will be a time and place for that debate. We had a little debate on this last year. There was a compromise that was made as part of the appropriations process. This issue is not going to go away, but I think it is imperative that we get this bill to the President's desk as fast we can.

The President did send a veto signal as a statement of administration policy last year on this very issue. If for some reason that amendment was attached to this bill, there is no question it would delay enactment of this bill. It is not in place to add that amendment to this bill. I accept what the Committee on Rules did yesterday. We had a good debate on it yesterday afternoon. I think they made a wise decision not to make that amendment in order, knowing there is another day and time when we can debate that issue.

Mr. Speaker, I compliment the gentleman from Michigan (Mr. STUPAK) for offering virtually the same amendment in full committee last week and then withdrawing that amendment even though a point of order had been raised.

I urge Members to support this fair rule so we can get this bill to the President's desk as fast as we can.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. WEINER).

Mr. WEINER. Mr. Speaker, there are clearly some messages to take from recent events and the bill that is on the floor today. The overriding message is that there is a responsibility that comes with being entrusted to broadcast over the public airwaves.

People say if viewers do not like the content of a certain show and find it offensive, just do not watch. The problem with that argument is when content is being broadcast over public airwaves, it sometimes cannot be avoided. The fact is that people in this country surf and flip up and down channels on TV and radio. If we do not regulate what people can see and hear in these forums, children in particular will be exposed to material that is completely inappropriate.

While we, and broadcasters in particular, should take action to crack down on indecent material, we must not allow this focus on indecency to become a mission instead to do everything possible to gain favor with the FCC and their ultimate leader, President Bush. Being contrary to the government and offensive to the President and his campaign donors should not fall into the category of indecent material.

Unfortunately, the Clear Channel case with Howard Stern leaves that impression. Consider the facts: on February 25, Clear Channel announced that its radio stations would no longer carry the "Howard Stern Show," citing "indecent content" in Stern's February 24 radio broadcast. But nothing in Mr. Stern's recent shows has been cited for indecency, and it has been years since he has been fined by the FCC. Some commentators have said his show has been milder in recent months. According to the Wall Street Journal, Mr. Stern's sponsors have not pulled their advertisements, meaning that the sponsors do not believe the show is across the line.

The only thing that has changed is that just 2 days before his suspension, Mr. Stern had become more critical of the Bush administration, an administration Clear Channel and its top executives have bank-rolled to the tune of $42,000 this election campaign cycle, and hundreds of thousands of dollars in years past.

Even more curious is the location where Mr. Stern's show is being dropped. Is it simple coincidence that political battlegrounds of Ohio and Florida are losing a popular critic of the Bush administration just as the election season begins?

While we are right to take action today to keep indecent material off the public airwaves, this should not be seen as open season on a diversity of views. If we only have radio personalities who are sympathetic to the President and his large corporate backers, then we will only have a small number of voices being heard, and all of them will be at the far right end of the radio dial.

Mrs. MYRICK. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I rise in support of the resolution, but I would like to express a few views on why I will oppose the legislation.

I am convinced that the Congress has been a very poor steward of the first amendment, and we are moving in the direction of further undermining the first amendment with this legislation.

First, many years ago, it was an attack on commercial speech by dividing commercial and noncommercial speech, which the Constitution does not permit. Then there was a systematic attack from the left, writing rules against hate speech which introduced the notion of political correctness. Recently, there was a petition to the Department of Justice that has asked the Department to evaluate "The Passion of Christ" as an example of hate speech. Unintended consequences do occur.

Next came along a coalition between right and left, and there was an attack on campaign speech with the campaign finance reform with a suspension of freedom of speech during an election period.

Now, once again, we are attacking indecency, which we all should, but how we do it is critical; because "indecency" is a subjective term, and it has yet to be defined by the courts.

We should remember that the Congress very clearly by the Constitution is instructed to: "make no laws abridging the freedom of speech." It cannot be any clearer. If we have problems with indecency they are to be solved in different manners. The excuse, because the government is responsible and owns the airwaves, that we can suspend the first amendment is incorrect. That is a good argument for privatizing the airwaves rather than an excuse for suspension of the first amendment.

I would like to close by quoting someone who is obviously not a libertarian and obviously not a liberal who has great concern about what we are doing, and he comes from the conservative right, Rush Limbaugh. He said: "If the government is going to 'censor' what they think is right and wrong, what happens if a whole bunch John Kerrys or Terry McAuliffes start running this country and decide conservative views are leading to violence? I am in the free speech business. It is one thing for a company to determine if they are going to be a party to it. It is another thing for the government to do it."

Mr. Speaker, we all should be in the free speech business.

Mr. BARTON of Texas. Mr. Speaker, I am in support of this rule.

The Broadcast Decency Enforcement Act of 2004, H.R. 3717, has overwhelming bipartisan support. H.R. 3717, which was adopted on a vote of 49 to 1 by my Committee, increases the Federal Communications Commission's authority to assess fines for indecent broadcasts. As Janet Jackson revealed to the entire Nation during the Super Bowl Halftime, broadcasters and performers have stopped minding the public's store, allowing all sorts of offensive material to travel across the public airways.

This is not a new problem. For years now, radio programming has gotten progressively more base, and within the last year and a half a number of so-called celebrities have let expletives fly on live broadcast television coverage of awards shows. Federal law already allows the FCC to assess fines on licensees and non-licensees for the broadcast of indecent content during hours when children are likely to be in the audience, and courts have made clear that the FCC's definition and regulation of indecent content is constitutional.

The problem, however, is that the FCC currently is authorized to assess a maximum fine of only $27,500 per violation on licensees, and $11,000 per violation on individuals. Such weak penalties amount to little more than a cost of doing business, and provide little to no deterrent. What's more, the FCC can only assess such fines on individuals on the second infraction, which means that celebrities such as Ms. Jackson get a free pass on the first offense should they do something indecent.

H.R. 3717 addresses these problems by raising the maximum fine to $500,000; permitting the FCC to consider revoking a broadcast license after the third offense; and allowing the FCC to fine an individual on the first offense. H.R. 3717 does not require such severe penalties, but gives the FCC needed discretion to tailor its sanctions to each particular offense. Perhaps this will send the message to broadcasters and individuals that indecency on our airwaves is no laughing matter. H.R. 3717 also imposes a shot clock on the FCC to ensure that these matters are resolved expeditiously.

Mr. Speaker, this is a fair rule, and I urge Members to support it.

Ms. WATSON. Mr. Speaker, I rise in strong opposition to the rules for H.R. 3717. Yesterday I offered an amendment to the bill that would end industry-paid travel for commissioners and staff of the Federal Communications Commission once and for all. I am very disappointed that it was not made in order. In fact, 5 of the 6 amendments offered by my Democratic colleagues were not made in order. I hope my colleagues would join me in opposing this rule and request an open rule.

My amendment was a modified version of a bill that I introduced last year in response to a report documenting over $2.8 million in travel costs spent by FCC–regulated private companies for more than 2,500 trips taken by FCC commissioners and staff over the past 8 years. Such practices have contributed to the FCC's reputation as a "captured agency" controlled by the industries it regulates.

I am aware that Chairman Powell promised last fall to eliminate the practice of corporate sponsored travel, but I don't believe a one-time promise is strong enough to eliminate the practice once and for all. What if the commission decides to re-institute the policy in a few years? What if there is a change in the administration this fall, and we end up having a new chairman? There is no guarantee that what the FCC has decided to do is not just a way to wait out the storm caused by the report, and that it could revert back to the old arrangement any time.

I support granting the FCC the authority to impose severe penalties for indecent broadcasting, but we must also ensure that the Commission uses the new enforcement powers this bill would provide. One way to do so is to eliminate, once and for all, any potential conflict of interest caused by the practice of corporate sponsored travel for FCC travel. I hope my colleagues would join me in rejecting this rule and allow consideration of my amendment.

Mr. FROST. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mrs. MYRICK). Pursuant to House Resolution 554 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3717.

☐ 1045

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3717) to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmission of obscene, indecent, and profane language, with Mr. GOODLATTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Michigan (Mr. UPTON) and the gentleman from Massachusetts (Mr. MARKEY) each will control 45 minutes.

The Chair recognizes the gentleman from Michigan (Mr. UPTON).

☐ 1045

Mr. UPTON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I ask my colleagues to support this legislation this morning. This legislation actually appeared on my radar screen last year as we began to set our agenda for 2004. I introduced the legislation in early January, held our first hearing on the legislation before the Super Bowl, and the administration supports our bill. They sent us a statement that they supported our bill in committee, and I will include that Statement of Administration Policy as part of the RECORD in support of this legislation today.

STATEMENT OF ADMINISTRATION POLICY

The Administration strongly supports House passage of H.R. 3717. This legislation will make broadcast television and radio more suitable for family viewing by giving the Federal Communications Commission (FCC) the authority to impose meaningful penalties on broadcasters that air obscene or indecent material over the public airwaves. In particular, the Administration applauds the inclusion in the bill of its proposal to require that the FCC consider whether inappropriate material has been aired during children's television programming in determining the fine to be imposed for violations of the law. The Administration looks forward to continuing to work with the Congress to make appropriate adjustments to the language of the bill as it moves through the legislative process.

I remember a speech well by Michael Powell, the Chairman of the Federal Communications Commission, where he said the fines under current law are peanuts. It is a cost of doing business. They are not high enough.

In fact, in the hearings that we held, we discovered that by the time you saddle up some of those attorneys at the Department of Justice and send them out to file a claim in Federal Court to go after the dollars that the FCC might have fined, they are not going to recoup their costs.

The Upton-Markey-Tauzin-Dingell-Barton bill has been cosponsored by more than 140 Members of Congress, Republicans and Democrats. Chairman Powell and his four other commissioners, two Republicans and two Democrats, when you look at their statements in support of this legislation, when you look at their statements as they imposed fines on broadcasters who cross that line, every one of them, Republican or Democrat, has lamented the fact that they cannot raise the fines higher than they are under current law, a maximum of only $27,500.

Because of the legislation we pursued on a strong bipartisan basis, and again, I commend my colleagues on the other side, the gentleman from Massachusetts (Mr. MARKEY) and the gentleman from Michigan (Mr. DINGELL), we were able to pass this legislation out of the Committee on Energy and Commerce last week on a recorded vote of 49 to 1. The other body is beginning to move as well. They passed their legislation out 34 to 0.

Our bill was strengthened in the full committee markup. We added a provision on three-strikes-and-you-are-out. That is, if you are a repeat offender, a broadcaster, and you go through three series of fines violating the current standard, there is set up an automatic revocation hearing to take away that license.

We established a "shot clock" so that the FCC has to act on complaints within a certain number of days. We protected affiliated broadcasters. They do not always know what is coming down the pike in terms of what they are broadcasting. We raised the fine from the initial bill as I introduced it of $275,000 for the maximum fine to $500,000. We added a provision asking for the National Association of Broadcasters to make part of their code a Broadcast Decency Code, something they had years ago and was struck under antitrust violations.

We also added a provision making the performers, the talent, liable for their own words. You cannot tell me that they do not know what the standards are. I have heard them whine, I have heard them take out that violin and whine about what this bill will do. Well, guess what, Mr. Chairman? It is time to take away that violin and give them the fork. They are done. This ought to stop.

Guess what? Our bill does nothing to change existing standards. Zero. Nada. Not a thing. I would note that the 1927 Radio Act has held up in the courts for more than 75 years. The FCC has the authority to punish those who air obscene, indecent or profane language. It has been upheld by the Supreme Court, who ruled in 1978 that the government does have the right to regulate indecent broadcasts and to, in fact, establish a definition of indecency that remains the FCC's guiding principle.

There is language, material, that describes sexual or excretory material or organs, and it is deemed patently offensive as measured by contemporary community standards. In the mid 1990s, the court limited the ban on indecent airing between the hours of 6:00 in the morning and 10:00 at night, when kids are most likely to be watching or listening.

This legislation pertains only to broadcast radio or TV. Why is that? Because it is the public airwaves, that is why. And for those that challenge the standards that are out there and do not realize what some of these broadcasters have said, I would ask them to come see me during the next couple of hours of debate on the floor, because with me I have a notebook, and in that notebook we have the specific language that broadcasters have used in defiance of the law.

You cannot tell me that this stuff should be on the air. It should not be. We need to make sure we stop it, and we do, in its tracks.

Mr. MARKEY. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I rise in support of this legislation. This is a bipartisan bill that the Subcommittee on Telecommunications and the Internet, led by the gentleman from Michigan (Chairman UPTON) and the Chairman of the full committee, the gentleman from Texas (Mr. BARTON), have put together, working in conjunction with the gentleman from Michigan (Mr. DINGELL) and myself and the other members of the minority on the Committee on Energy and Commerce, working in a bipartisan fashion, in order to craft a bill related to the broadcast radio and television obscenity and decency and profanity issues.

Mr. Chairman, at the outset, I would like to note that this legislation was introduced before the Super Bowl this year, not after. It was an issue that had already percolated up to the attention of the American public and to our subcommittee, and we had already decided that extra attention needed to be paid to the Federal Communications Commission and its lack of enforcement of these very important provisions.

The Subcommittee on Telecommunications and the Internet held three hearings on this issue, and from our hearings we confirmed a number of things. We have learned that although the Federal Communications Commission is charged with ensuring that licensees serve the public interest and that the stations do not air obscene, indecent or profane content in violation of the law and Commission rules, that until very recently, the Commission has not been an aggressive enforcer of the rules. Testimony from Federal Communications Commission Chairman Michael Powell indicates that cases are still languishing from 2 to 3 years ago.

We also learned that although the Federal Communications Commission has numerous enforcement tools, including the ability to revoke a station license, it appears as though the industry has largely concluded that the Federal Communications Commission is a paper tiger. The rare and paltry fines the Commission assesses have become nothing more than a joke within the broadcast industry, and the Commission never raises license revocation as a consequence for repeated indecency violations, even in the most egregious cases of these repeat violators. This legislation will help us to address the serious enforcement shortcomings at the Federal Communications Commission that we have identified.

Finally, we have also learned that the industry needs to do a better job in educating parents about the tools that already may be in their hands that parents can utilize to address the myriad concerns they raise with us about what is on television. Parents can use the television rating system and the V-Chip, which stems from legislation which I authored as part of the Telecommunications Act of 1996.

However, we have a huge educational challenge with the TV ratings system and how parents can use it in conjunction with the V-Chip. Studies indicate that if a parent of a child 12 and under has a V-Chip-ready TV and knows this, that some 47 percent of such parents use the V-Chip, and they like it, because it allows them to program their TV set for their children 12 and under. Almost all of these parents who know about it are enthused about it. The problem is with the qualifiers. Almost half of those who have bought the approximately 100 million V-Chip capable televisions since 2000 are not aware that they possess a television set with a V-Chip in it.

In addition, many of these parents express confusion over the TV rating system itself, and one major network, NBC, still does not use the comprehensive rating system utilized by everyone else in the television industry. The industry did a good job with much fanfare after the TV rating system was initially finalized, in doing public service announcements and other educational messages regarding the ratings. Yet those efforts have waned in recent years.

In my view, we need a comprehensive, industry-wide campaign to address this issue. The TV set manufacturers and the electronic retailers need to do a better job in alerting television buyers to the V-Chip, in part because many retail employees at these stores who sell TV sets are apparently unaware that the TV sets have a V-Chip in it. In addition, print media ought to include the television ratings of programs in the television guide so that parents see them when they look up what is on television that day or that evening.

Finally, I believe the broadcast industry should renew its educational efforts on the television ratings system and also consider a number of other ideas to better assist parents, which I will address to our television networks on an ongoing basis, in order to ensure that they know that this is an issue that Americans care about.

At our recent hearings, I challenged the industry to do several things to better help parents understand the TV rating system:

First, use the V-Chip and utilize available per-channel blocking technologies on cable television.

I requested that the television industry increase its public service advertisements about the television rating system and the V-Chip. I am happy to report that many, many industry participants on the networks and cable operators have agreed to do so, with some, such as Fox Television, including print advertising in their campaign as well.

I will come back in a while and outline what is happening in the rest of the television and cable industry, but I think it is important for the Congress to pass this legislation, and then to keep up the pressure so that parents are given the tools that they need in order to protect the sights and the sounds which their children are exposed to.

Mr. UPTON. Mr. Chairman, I yield 2 minutes to the gentleman from the good State of Indiana (Mr. BUYER), a member of the subcommittee, a cosponsor of the bill, and a very helpful force in getting this bill to the floor.

Mr. BUYER. Mr. Chairman, I rise in support of H.R. 3717. Every second of every day and in almost everything we do we are confronted by a multitude of images, some of which benefit our lives, others which do just the complete opposite.

We live at a time when 98 percent of the households have one or more television sets. As of 2001, there were over 100 million Americans on-line, with almost half of all of U.S. households with Internet access. This new media has enriched our lives. It has given up-to-the-very-minute news reports from around the world, television shows that both educate and entertain, and Web sites that have every answer to every question posed, it seems.

However, unfortunately, there is a negative side, those Web sites whose sole purpose is to satiate the prurient interests of its viewers, television programs that play to the lowest denominator of decency. There are those who seek to test the boundaries, and those who try to ignite a firestorm, so the 24-hour news stations have something to report on at 3 a.m., or attempt to revitalize a career by shocking viewers. It is these images, the ones we shield our children from, that this legislation seeks to penalize.

This legislation was not born out of an isolated incident from a Super Bowl. It is not a hasty reaction to that at all.

□ 1100

This is a very serious level of effort that has lasted over the last year.

We are raising the fine so that it is feasible and equitable for the government to enforce standards of decency. We are allowing the independent broadcasters who have no control over what they air to avoid liability. We are looking to the individual, who willfully and intentionally defies the law, to be held accountable.

There are some who claim that we are towing the line of censorship; that that is the next step and we will go too far. However, I place the onus upon the network, the broadcasters, the entertainers, and the Web site managers to be their own guideposts of the Constitution and community standards.

Governments should not be the decency police, but when laws are defied, we are required to step in and enforce the law.

I support this bill and I want to compliment the gentleman from Massachusetts (Mr. MARKEY) and also the gentleman from Michigan (Mr. UPTON) for the bill.

Mr. MARKEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Chairman, I yield to my colleague from California (Mr. WAXMAN.)

Mr. WAXMAN. Mr. Chairman, I thank the gentleman from Texas (Mr. GREEN) for yielding to me.

I want to take 1 minute to say that the broadcasters have an interest in protecting the public's rights, but what are we doing about the concentration of power in the media? What are we doing about the lack of a fairness doctrine or equal time, especially at a time when we have the most important election with the political debate that ought to be honest, really fair and balanced, not just for some broadcaster to tell us it is fair and balanced when it is not? What are we doing about children's programs?

Instead of dealing with those issues, we have a bill to increase the penalties for indecency on the airwaves while the FCC is already not enforcing the penalties they have at their disposal.

I think we ought to recognize that if people feel they are doing something really important with this legislation, then I think it only opens the door to more government interference in free speech on the airwaves, and that it is somewhat hypocritical for the public to think we are doing something about the important issues in the broadcasting area when we are not even addressing, and the Republican leadership has stopped us from addressing, the concentration of the media in all these other matters.

Mr. Chairman, I thank the gentleman for yielding. I plan to vote no on the bill.

Mr. GREEN of Texas. Mr. Chairman, I rise in support of the Broadcast Decency and Enforcement Act of 2004, which is a bipartisan product of the House Committee on Energy and Commerce and the Subcommittee on Telecommunications and the Internet. Both the ranking member, the gentleman from Massachusetts (Mr. MARKEY) and our chairman, the gentleman from Michigan (Mr. UPTON), have produced a good bill incorporating ideas of a number of Members.

Let me say in response to my colleague from California, I noticed a substantial change in the last 2 months with the Federal Communications Commission. And I will talk about that a little bit. That without this legislation increasing the penalties, without the hearings we held, we would not see renewed vigor and renewed interest by the FCC enforcing the decency standards.

And so, that is why even though the bill basically just increases the fines, what it did was it brought attention to the issue along with what has happened with our media outlets all across the country, I think, culminated in with what I think my colleague from New England would agree, was a great Super Bowl football game, but was eclipsed by what happened at half time.

So, granted, this bill raises the penalties, but it also brought the attention of the regulators and a renewed vigor in enforcing the current law.

It also includes an accountability in the bill that allows broadcast TV affiliates to place liability for content provided by the networks when the affiliates had little or no input on programming.

Again, I want to thank the chairman and the ranking member for working with me on this provision. We ought to make the penalties be where the people are making the decisions on the content, and not someone who just happens to have a license, who would not want the Super Bowl.

The legislation also reaffirms the authority of the FCC to evaluate the licenses for television, radio, or broadcasters that repeatedly run afoul of FCC's indecency standards. Congress is not creating a new standard for content for public airwaves, we are only requiring that the current standards be enforced in a meaningful way.

I think many radio and television broadcasters and cable and satellite providers are taking significant steps to respond to the American public on this issue. Broadcasters are going to convene a decency submit at the end of this month. The sickest radio shock jock, Bubba the Love Sponge, is off the air. The television networks are going to delayed feed for live shows so we will not have any accidents as we saw at the Super Bowl.

The cable and satellite providers are stepping up efforts to educate their customers about their ability to block out channels they do not want to receive. And I hope these industry actions continue, and combined with our legislation, will cause the increasing indecency of broadcast content over the past few years to be reversed.

In Congress, we can get back to our important things. And this I do agree with my California colleague on reducing the national debt, creating more American jobs, expanding health care for our needy children.

The FCC has never been particularly motivated on the indecency cases, but in the last 3 years, complaints have increased so substantially, and after these hearings, now the Commission has seen a renewed interest in enforcement, particularly, again, after the hearings. And hopefully our action today will get the Commission in an even more aggressive motion.

Again, the ranking member, the gentleman from Massachusetts (Mr. MARKEY), the chairman, the gentleman from Michigan (Mr. UPTON), the ranking member, the gentleman from Michigan (Mr. DINGELL), and our new chairman, the gentleman from Texas (Mr. BARTON) are to be commended on their work here today. I urge my colleagues to approve the legislation.

Mr. Chairman, I would just briefly say something about our immediate past chairman. I think all of us send our prayers and our hope to the chairman, the gentleman from Louisiana (Mr. TAUZIN) on his treatment and his surgery for his illness that was announced this week. Again, as a Democrat, we worked together typically on our committee, and all of us hope that the gentleman and his family are successful in being treated. Again, I yield back my time.

Mr. UPTON. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from the State of Pennsylvania (Mr. PITTS), a very active member on this issue, an original cosponsor, one that has helped in many ways to get this bill to the floor.

Mr. PITTS. Mr. Chairman, it is about time that we act on broadcast indecency. First I want to commend and thank the chairman, the gentleman from Michigan (Mr. UPTON) for his steadfast leadership on this issue. He has been one of the primary reasons for its success.

This is not a new issue. Parents have been pleading with us to take action on this issue for years. Unfortunately, it took the use of the four letter word on network TV and Janet Jackson's indecent exposure at the Super Bowl and Howard Stern's foul and racist language to push us into action.

I, for one, am tired of parents telling me how they need to cover their children's eyes and ears often too late because of the unacceptable language that has infiltrated television and radio. For too long, we have told the entertainment industry that the Federal Government is unwilling to hold them accountable for their actions.

Today we are saying enough is enough. H.R. 3717 sends a clear signal to the entertainment industry, we are no longer going to stand idly by and force our parents to put up with this filth.

H.R. 3717 is a good bill. Serious fines ensure that the FCC has the freedom to truly hit these huge companies where it hurts. And one of the most important provisions in the bill was added by my friend, the gentleman from Mississippi (Mr. PICKERING), the three-strikes-and-you-are-out provision. It allows broadcast licensees up to two broadcast indecency violations. On the third, proceedings for license revocation will begin. And this provision will make it clear that Congress is not going to put up with multiple violators.

Mr. Chairman, families are sick and tired of worrying about what their children may see or hear every time they turn on television. They are frustrated that the media and industry has seemingly been able to broadcast any type of behavior or speech they feel will bring in advertising dollars. Meanwhile, they feel that the Federal Government has sided with the media elites and turned a blind eye to the concerns of ordinary mom and dads.

To American parents, Congress has finally heard you. We will no longer stand idly by on this topic. As one of our Members said, if the entertainment industry cannot police themselves, we will do it for them. So I thank the gentleman from Michigan (Mr. UPTON), I thank the gentleman from Massachusetts (Mr. MARKEY), and the leadership of the committee for moving this important bill.

Mr. MARKEY. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. WYNN), who added two very important amendments to this legislation.

Mr. WYNN. Mr. Chairman, I would also like to thank the ranking member, the gentleman from Massachusetts (Mr. MARKEY), for allowing me to have this time.

I rise in strong support of this piece of legislation. I would also add in my thanks to the chairman, the gentleman from Texas (Mr. BARTON) and my thanks to the ranking member, the gentleman from Michigan (Mr. DINGELL) for working with me on some amendments that I do believe strengthen this bill.

I think this is a very important issue for our country and our society. I do not think Congressmen should be the overseers of morality, I do not think Congress people are in a position to dictate censorship; but I do believe we are in a position to say that there ought to be some standards for decency in this country on broadcast TV.

You see, unlike cable TV, which we invite into our homes, broadcast TV is ubiquitous. It is a public asset which we give away free to broadcasters to make a great deal of money. Because of that relationship, I believe they should adhere to high standards of decency, particularly during family viewing hours. That is why I think this bill is so important.

I think the situation at the Super Bowl was only a small example of some of the things that American families are concerned about. We have to ask the question, will we sink to the lowest common denominator, the lewdest, most lascivious type of content, or will we say there are standards that have to be balanced. I think this bill says yes, there have to be standards.

Let me tell you, from the Baptist church to the barber shop, people are saying this is the right thing to do. This bill strengthens penalties against broadcasters and others who engage in indecent content, indecent speech over public broadcast airwaves during family hours. And I think it is very appropriate.

I worked with other members, my colleague, the gentlewoman from New Mexico (Mrs. WILSON), as well as my colleague, the gentleman from Mississippi (Mr. PICKERING) on the Republican side, to add some strengthening measures in this legislation. Specifically, current law provides a presumption of license renewal. We should not have that presumption. We have now modified that. There is no presumption if there is evidence of incidents of indecent broadcasting.

Similarly, routinely broadcasters have their licenses renewed. We believe that after three strikes, there ought to be an automatic revocation proceeding in which the merits of your conduct are examined before your license is renewed.

As I said at the onset, this is a very important issue for our society. It describes the type of people we are. We are not censors, we are not morality police, but we are fair and decent people who care about what our children see and what they are exposed to.

This bill, I think, strikes a proper balance by giving some real teeth to the enforcement process and providing incentives for broadcasters to be more conscious, to be more aware of public sensibilities. I think we have done the right thing. I am very proud and pleased to support this legislation.

Mr. UPTON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. BARTON), the distinguished chairman of the Committee on Energy and Commerce, my friend and colleague.

Mr. BARTON of Texas. Mr. Chairman, I rise in strong support of H.R. 3717, the Broadcast Decency Enforcement Act of 2004. And I want to compliment the subcommittee chairman, the gentleman from Michigan (Mr. UPTON) and the ranking member, the gentleman from Massachusetts (Mr. MARKEY) for their strong leadership on this issue as well as the ranking full committee member, the gentleman from Michigan (Mr. DINGELL). They have all worked very well and very positively on this very important legislation.

This bill has strong bipartisan support, 145 cosponsors in the House. It was reported out of the committee last week 49 to 1. The bill has been dubbed the "Super Bowl Bill," but what many people I think do not realize is that H.R. 3717 was well on its way before the antics that we witnessed during the Super Bowl half-time show.

In fact, the gentleman from Michigan (Mr. UPTON) and the gentleman from Massachusetts (Mr. MARKEY) had already held a hearing on it before the Super Bowl show occurred. But after that event did occur, one thing is absolutely crystal clear: This bill answers the call that we have heard from parents around the country, hundreds of thousands, if not millions of them, who are begging for some help. H.R. 3717 will make living rooms safe again all over America.

We have been bombarded in recent past with indecent language and images over and over again. Between the use of an expletive by Bono at the 2003 Golden Globe Awards, Nicole Ritchie's string of expletives at the 2003 Billboard Awards, Janet Jackson's infamous performance during the 2004 Super Bowl half-time show, and innumerable instances of graphic sexual broadcasts by radio "shock jocks," parents want and demand help.

There is a clear need to provide the FCC with increased authority to hold all parties responsible for their actions. H.R. 3717 targets broadcast indecency by doing the following: Number one, it raises the maximum penalty cap for broadcast stations, networks, and performers to $500,000 for each indecency violation.

Number two, it sets out specific factors the FCC must consider when setting fines so that the FCC must examine whether the violator is a small or large broadcaster, a company or an individual, and what entity is responsible for the indecent programming.

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Three, it streamlines the FCC enforcement process for networks and individuals who "willfully and intentionally" put indecent material over broadcast airwaves so that the FCC can prosecute on the first instance, instead of having to wait for a second violation. Now everyone, including performers, will be held responsible for their action from the get-go.

Four, the bill requires the FCC to complete an action on indecency complaints within 270 days of receipt so that complaints do not languish at the FCC. In addition to collecting fines for indecency, the bill gives the FCC the authority to require broadcasters to air public service announcements to reverse harm from indecent programming.

This is an idea that came from the gentleman from Massachusetts (Mr. MARKEY), and it is a very good idea.

Five, it requires the FCC to take indecency violations into account during license applications, renewals and modifications.

This idea came from the gentlewoman from New Mexico (Ms. Wilson).

Number six, after three indecency violations, the bill would require the FCC to hold a hearing to consider revoking the broadcast station license, the gravest of penalties for a broadcaster. That idea, among others, came from the gentleman from Florida (Mr. STEARNS).

Seventh and finally, the bill requires the FCC to report annually to Congress on the progress it is making as a result of legislation.

Mr. Chairman, H.R. 3717 makes great strides in our effort to clean up the broadcast airwaves and return them to the decent Americans of our country. I urge all of my colleagues to support it.

Before I conclude, let me say that on the Schakowsky amendment I am going to strongly oppose that particular amendment. I think it is absolutely constitutional that performers themselves can be held accountable in the first instance and not after the second instance after the so-called "warning ticket" approach. So I will strongly oppose the Schakowsky amendment and then strongly support passage of the final bill.

I thank the chairman for his strong leadership on the bill.

Mr. MARKEY. Mr. Chairman, I yield 4 minutes to the gentlewoman from Los Angeles, California (Ms. WATSON).

Ms. WATSON. Mr. Chairman, very quickly, I want all to know that I rise in support of H.R. 3717, the Broadcast Decency Enforcement Act of 2004, but I am sorry that this was a closed rule on that bill. There are a couple of points I wanted to make.

I have received a letter from the American Federation of Television and Radio Artists on behalf of 80,000 actors, broadcast journalists, announcers, disc jockeys, and sound recording artists saying that they are asking us to reject the provisions of the bill that would fine individual performers and announcers for the programming decisions controlled and implemented by the broadcast licensees. And I would ask my colleagues to think about that particular provision. I understand we have already voted on the rule.

The next point I wanted to make is that since the FCC has already allowed the major networks to own up to 45 percent of the market, I feel that that is the root cause for some of this indecency that we hear through the media. And it is important for us to recognize that this bill taps into the underlying anger of over 2 million individuals who wrote to the FCC last summer opposing its relaxation of media ownership rules. And I just want to mention some shocking statistics that illustrate the connection between indecency and media concentration.

The 1996 Communications Act cleared the way for relaxing some media ownership limits. Since then, complaints received by the FCC regarding indecent programs on television have jumped from 26 in the year 2000 to 217 in the year 2003. Clear Channel Communications Incorporated, the Nation's largest radio chain with 11 percent of the Nation's total studios and stations, has received about 52 percent of the fines that the FCC has imposed. Viacom's Infinity station, about 2 percent of all stations, has received 28 percent of the FCC's fines. So the fact is when big media gets bigger and the race for audiences turns to the lowest denominator in trash programming to appeal to the broadest possible audience, those conglomerates move further away from quality programming and the principles of "diversity, localism and competition" crucial for the service of the public interest.

Finally, I was in support of the Schakowsky amendment that would have exempted individuals from increases in indecency fines. And hearing from the industry, they are very upset about the possibility. So I am hoping that we can clear up some of these issues in another piece of legislation.

Mr. Chairman, I rise in support of H.R. 3717, the Broadcast Decency Enforcement Act of 2004. While I support giving the Federal Communication Commission greater authority in the enforcement of indecency rules, I don't believe it addressed the root cause of indecency in media, namely, the current trend of unfettered media conglomeration and its impact on creative voices.

I think it is important for us to recognize that this bill taps into the underlying anger of the over 2 million individuals who wrote to the FCC last summer opposing its relaxation of media ownership rules, individuals who were truly turned off by a dumb-down media culture that has failed to serve the public interest. The bottom line is, a consolidated media market controlled by profit-driven conglomerates are bound to produce indecent, shock-value programming for the sake of viewership.

I just want to mention some shocking statistics that illustrate the connection between indecency and media concentration. The 1996 Telecommunications Act cleared the way for relaxing some media ownership limits. Since then, complaints received by the FCC regarding indecent programming on television have jumped from 26 in 2000, to 217 in 2003. Clear Channel Communications Inc., the Nation's largest radio chain with 11 percent of the Nation's total stations, has received about 52 percent of the fines the FCC has imposed. Viacom's Infinity Stations, about 2 percent of all stations, has received 28 percent of the FCC's fines.

The fact is, when big media gets bigger, and the race for audiences turns to the lowest denominator in trash programming to appeal to the broadest possible audience, those conglomerates move further away from quality programming and the principles of "diversity, localism, and competition" crucial for the service of public interest.

That is why the Senate this week adopted a provision to impose a 1-year moratorium on the FCC's new media-ownership rules pending the outcome of a new GAO study on the connection between media indecency and ownership. I am very disappointed that a similar amendment offered by the gentleman from New York (Mr. HINCHEY) was rejected by the Rules Committee. Mr. Chairman, while I am prepared to vote for the bill, I strongly urge this Chamber to allow a thorough debate on the issue of media consolidation.

Mr. UPTON. Mr. Chairman, I yield 1½ minutes to the gentleman from Oregon (Mr. WALDEN), who offered a very constructive bipartisan amendment that is part of the package of this bill.

Mr. WALDEN of Oregon. Mr. Chairman, I thank the gentleman for his work on this legislation.

I want to acknowledge up front that I am a broadcast licensee, owner and operator of five radio stations, and I am very supportive of this bill in this form.

It was time that the broadcast community cleaned up the airwaves, that owners took the responsibility to make sure that the talent on their shows operated within the bounds of the law. It is important to note that this legislation does not change the standards that have always been on the books and recognized by the courts when it comes to clean talk on the airwaves.

This legislation, though, gives the FCC the fining authority it needs to deal with egregious violations of the law and also the incentive it needs to act, and act more appropriately.

For those of us who are small-community broadcasters, it also recognizes that the fine should fit and the punishment should be fair; and, therefore, it recognizes both the role of affiliates and their liabilities versus those providing the programming, as well as having the FCC recognize market size when levying fines. Because, indeed, a fine of a half a million dollars on a small-market broadcaster could spell bankruptcy, when on a large conglomerate, it may be just another cost of doing business.

I want to conclude my remarks this morning by having Americans and Members in this Chamber recognize fully that the actions that are taken by some broadcasters are not the actions taken by most broadcasters. Allowing indecent, profane, and obscene language on stations is something most of us find offensive, just as most Americans do. Broadcasters have made enormous contributions to their communities, raising money for charity, helping in emergencies, and providing that vital communication link.

Mr. Chairman, I support this bill. I thank the Chairman for his support of the amendments that were included.

Mr. MARKEY. Mr. Chairman, I yield 6 minutes to the gentleman from Chicago, Illinois (Mr. RUSH).

Mr. RUSH. Mr. Chairman, I want to thank the ranking member for yielding me time.

I want to engage in colloquy with the chairman of the subcommittee, the gentleman from Michigan (Mr. UPTON).

During a recent subcommittee hearing on broadcast indecency, we heard testimony that it is the Federal Communication Commission's policy that persons submitting complaints alleging indecent broadcast must submit a tape, transcript, or significant excerpt of the alleged indecent content or risk having the complaint dismissed.

Do you recall that testimony?

Mr. UPTON. Mr. Chairman, will the gentleman yield?

Mr. RUSH. I yield to the gentleman from Michigan.

Mr. UPTON. Yes, I do. The testimony was provided by Brent Bozell, President of the Parents Television Council. The FCC claims, however, that they no longer adhere to that policy.

Mr. RUSH. I understand that it is the FCC's official position; however, unfortunately, the FCC's claim is incorrect. According to a March 2, 2004, letter from Chairman Powell to the ranking member, the gentleman from Michigan (Mr. DINGELL), since 2001 the commission has dismissed 170 complaints for lack of a tape or transcript, including six already this year, 2004.

Does the gentleman agree that this policy places an enormous and inappropriate burden on consumers who simply wish to file a complaint about indecent broadcast?

Mr. UPTON. I agree with the gentleman from Illinois (Mr. RUSH), consumers should not be forced to record every program that they watch or listen to in order to submit a complaint to the FCC alleging indecent content. It is an outrage that the FCC continues its practice of dismissing consumer complaints for lack of a tape or transcript.

Mr. RUSH. I appreciate the gentleman's concern, Mr. Chairman, on this matter. Do you agree that our committee must closely watch this issue and urge the FCC to change its policy statement in this matter?

Mr. UPTON. I agree with the gentleman from Illinois (Mr. RUSH).

The committee will closely monitor the FCC's action to ensure that the FCC actually changes their policy in that regard, and I thank the gentleman for bringing this to our attention; and I look forward to working with him on this issue to make sure that that change, in fact, is made in order.

Mr. RUSH. I thank my good friend and chairman of the Subcommittee on Telecommunications and the Internet for his concern and assurance on this matter.

That said, Mr. Chairman, I rise in support of H.R. 3717. For the past month, the Committee on Energy and Commerce has held numerous hearings on the issue of broadcast indecency. In those hearings, we heard from the FCC commissioners and the broadcasters on the enforcement of indecency rules. It became clear that the FCC has been neglectful in its duty in enforcing indecency rules. From 2000 to 2003, the commission has received 255,000 complaints on the subject of indecency, yet the commission had filed less than 10 notices of apparent liability. To add insult to injury, since its existence, the commission has yet to fine a broadcaster for airing language that is obscene and profane.

As we can see, there has been a dereliction by the FCC of its duties. Some have argued that the commission needs additional authority from Congress to make a serious effort to stop indecency. That said, Mr. Chairman, I believe that H.R. 3717 will give the commission the ammunition it needs to do just that.

The bill not only increases fines but compels the FCC to use its renewal and revocation processes to go after licensees, and it compels the FCC to act in a timely manner regarding consumer complaints.

Mr. Chairman, I would be remiss if I did not discuss the pervasiveness of violent programs on our airwaves. During our month-long hearing discussing this issue, I offered and withdrew an amendment that would have required the FCC to include excessive violence in its definition of indecency.

Study after study has shown that there may be a causal link between violence in the media and violence in society.

Mr. Chairman, I am pleased that the gentleman from Michigan (Mr. UPTON) and the gentleman from Massachusetts (Mr. MARKEY), the ranking member, have agreed to hold a separate hearing on this issue. Such a hearing is needed to focus the collective attention of this committee on detrimental effects of violence in the media as it relates to our children.

Again, I urge Members on both sides of the aisle to vote in favor of this wonderful bill, H.R. 3717, the Broadcast Decency Enforcement Act.

Mr. Chairman, I rise in support of H.R. 3717, the Broadcast Decency Enforcement Act. For the past month the Energy and Commerce Committee has held numerous hearings on the issue of broadcast indecency. In those hearings we heard from the FCC Commissioners and the broadcasters on the enforcement of the indecency rules. It became clear that the FCC had been neglectful in its duty in enforcing indecency rules. From 2000 to 2003 the Commission had received 255,000 complaints on the subject of indecency yet the Commission had filed less then ten notices of apparent liability (NAL's). To add insult to injury, since its existence the Commission has yet to fine a broadcaster for airing language that is obscene or profane. As you see, there has been a dereliction by the FCC of its duties. Some have argued that the Commission needs additional authority from Congress to make a serious effort to stop indecency. That said, I believe H.R. 3717 would give the Commission the ammunition it needs to do just that. The bill not only increases fines but compels the FCC to use its renewal and renovation processes to go after licensees and it compels the FCC to act in a timely manner regarding consumer complaints.

I would be remiss if I did not discuss the pervasiveness of violent programming on our airwaves. During our month long hearing discussing this issue I offered and withdrew an amendment that would have required the FCC to include excessive violence in the definition of indecency. Study after study has shown that there may be a causal link between violence in the media and violence in society. I am pleased that Chairman UPTON and Ranking Member MARKEY have agreed to have a separate hearing on this issue. Such a hearing is needed to focus the collective attention of this committee on the detrimental effects of violence in the media as it relates to our children.

And lastly, as we give the FCC this increased power, I would like us to consider giving preference to socially and economically disadvantaged groups for the purchase of the revoked licenses.

Again, I urge members on both sides of the aisle to vote in favor of H.R. 3717, the Broadcast Decency Enforcement Act.

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Mr. UPTON. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. Mr. Chairman, I rise today in support of H.R. 3717, the Broadcast Decency Enforcement Act of 2004, and compliment my colleagues on both sides of the aisle, especially the gentleman from Michigan (Mr. UPTON) and the gentleman from Massachusetts (Mr. MARKEY), for bringing this important legislation to the Congress.

Our Nation's television and radio airwaves have increasingly become inundated with indecent, obscene, and profane material. The recent Super Bowl half-time show was only the latest in a string of incidents to make front-page headlines. Other performers, celebrities, and shock jocks have coarsely invaded our homes with their language and their antics.

Networks and entertainers must acknowledge that our liberties also require responsibility and that avoidance of this responsibility places our family and our children at risk.

These incidents involving profanity, lewd behavior and language have been occurring with only a slap on the wrist or no response at all from the FCC. With current allowable fines of only a maximum of $27,500 per violation, there is very little incentive for broadcasters to follow the regulations when the rewards of higher ratings, due to their selection of programming, far outweigh those costs.

H.R. 3717 will put some teeth behind the FCC's enforcement of their standards of indecency by increasing the maximum amount of fines to $500,000 per violation and will allow them to enforce their current regulations in a swift and fair manner by removing the warning after a first offense and a capped maximum fine of only $11,000 after the second offense.

We must provide the FCC with the authority that they need to combat this wave of indecency. Our families and our children deserve nothing less.

I urge my colleagues to support H.R. 3717.

Mr. MARKEY. Mr. Chairman, I yield myself 3 minutes.

I just wanted to point out that I have requested that the television industry increase its public service advertisements about the television rating system, and I am happy to report that many in the industry have agreed to provide much more public education about this technology in TV sets so it is easier for parents to be able to figure out how to program it and to provide just the level of protection which they want for the children in their home, at whatever particular age they may be.

I also challenged the television networks to consider a couple of suggestions with respect to the broadcast of the ratings icon on the screen. I requested that the TV ratings icon appear not only at the top of a show but also after commercial breaks when the show resumes. That is because a lot of times people turn on the show after it has already started and they have no idea what the rating is. So I have asked them to actually put on the rating at each commercial break as well so that parents can see what the level of the rating is and make an adjustment for their own particular families.

I also requested that the networks add a voice-over when the ratings appear to also better alert parents. The ABC television network readily agreed to both suggestions, as did Bud Paxon on behalf of his PAX network. The other three major networks, Fox, NBC and CBS, have indicated that they are considering it but have not yet committed to doing so. I hope that they join ABC in doing it because I think it is helpful, quite frankly, to give parents this kind of additional information.

It does not detract from any network's ability to be able to put any programming on that they want. It just gives parents the information they need in order to shield their children from material which they believe may be inappropriate.

I also challenged the cable industry, in addition to increasing their public service advertisements, to increase consumer awareness of the provisions of the 1992 Cable Act that permits any cable subscriber in America to request that the cable company block any one of the cable programs that they believe is inappropriate for their family. It is a right that every American has in terms of their relationship with their cable company, but no more than 1 percent of all Americans even know they have the right to have any one of these individual cable channels blocked from coming into their home, even if they have bought the whole other part of the cable package.

I believe that if the cable industry made it clear in their bills, the information they give to consumers, that millions of American families would be much happier if they could take the whole cable package and then delete a couple of channels that they believe were too offensive for their young children and their family. I think it can be a real step forward, and I have received some very encouraging information from some of these cable networks that they will provide that option.

Mr. Chairman, I reserve the balance of my time.

Mr. UPTON. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. FORBES), a cosponsor of the legislation.

Mr. FORBES. Mr. Chairman, I rise today in strong support of H.R. 3717 and the gentleman from Michigan's (Mr. UPTON) efforts to pass this act. Over the last several months, I have received hundreds of letters from frustrated constituents expressing their outrage over obscenity on our airwaves.

They tell me it seems that every time they turn on their television or radio they have to cover their children's eyes and ears to protect them from profanity and obscenity. It is a disturbing feeling when one is afraid to leave their living room to check on dinner for fear that their children might be exposed to gross obscenity on television.

My youngest child is still in high school; and as a dad, I would like to be there all the time for him, to turn off the television, to talk to him about why people say the things they do and to provide the guidance he needs; but we all have busy lives, and we know that it is not possible to be there every minute. As parents and as citizens, we should not be forced into a constant battle to protect our children from obscenity. We should have confidence that basic standards of common decency will be upheld.

Several years ago, the Super Bowl half-time show featured characters from Disney and Peanuts. As we all know, this year's Super Bowl half-time was quite the opposite. While there was a time when parents would be happy to see their children emulate their role models on the playground, today that would be a horrifying sight.

With each inappropriate incident, networks weaken our standards of decency and blur our children's sense of propriety. This legislation will hold broadcasters accountable by ensuring that fines for broadcast indecency are not seen as just a cost of doing business. It has become much easier for broadcasters to ask for forgiveness rather than permission.

At this point, our mandate as legislators is clear: stand up against the continued decline in standards of broadcast indecency and pass H.R. 3717.

Mr. MARKEY. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan (Mr. DINGELL), who is the ranking member of the full committee.

Mr. DINGELL. Mr. Chairman, with thanks I accept 2 minutes from my dear friend.

First of all, Mr. Chairman, I rise in support of the legislation.

Second of all, I congratulate my dear friend, the gentleman from Massachusetts (Mr. MARKEY), for his outstanding leadership in this matter. He has been long interested in this matter and has provided remarkably good leadership in this matter.

I also commend my good friend from Michigan (Mr. UPTON). He has served in this body with distinction and has provided extraordinary leadership here, also.

I congratulate the gentleman from Texas (Chairman BARTON) for his new position and for his leadership in shepherding H.R. 3717 through the committee process.

This is a bill which is bipartisan; and the committee has worked well in a bipartisan fashion which does great credit to the Members, and particularly the leadership of the committee, for having done so.

Our constituents are fed up with the level of sex and violence on television and radio, as well as the lax attitude of the Federal Communications Commission's handling of decency complaints. Clearly, the commission has been asleep at the switch for some time.

The bill sets a deadline by which the commission must act on consumer indecency complaints. It raises the penalties for that kind of misbehavior. It makes these matters subject to review in connection with license renewal, or makes it possible for the commission to do what they have now the power to do; and it encourages them so to do by seeing to it that this matter will be raised also at the time of license renewal.

The bill raises fines by a significant amount. That is good. It also requires the commission to report annually to the Congress on the handling of these matters, something which will perhaps alert them to the need to proceed with greater vigor.

I applaud the fact that the commission has developed a remarkable and acute sense of newly found virtue. This is good, and it is my hope that the commission will remain awake, alert and vigilant, although their history is significantly against that kind of prospect.

In any event, I look forward to the bill being enacted into law. I commend my colleagues for the work they have done. I look forward to the prospect that this is going to see to it that free, over-the-air television will be something which we can see to it that our families in this country can have their children watch television without having to worry about the kind of situation that they will confront in terms of decency, profanity and other things which are unseemly and unsuited to the way in which most American parents wish to raise their kids.

I urge my colleagues to support the bill. I, again, commend my colleague, the gentleman from Massachusetts (Mr. MARKEY), and the others for the outstanding job which they have done in presenting this bill to the House, and I urge my colleagues to support it.

Mr. UPTON. Mr. Chairman, I yield 2 minutes to the gentleman from the good State of California (Mr. OSE).

Mr. OSE. Mr. Chairman, I thank the gentleman from Michigan for the time.

I rise today in support of the legislation that he has brought to the floor. I do want to add my compliments to the gentleman from Massachusetts' (Mr. MARKEY) efforts and the gentleman from Michigan's (Mr. DINGELL) and others. I think for the first time we have very clearly approached the root cause of this.

As the gentleman from Michigan (Mr. UPTON) and others have spoken, the broadcasters who have allowed the creeping profanity and indecency to enter our airwaves have done so on the basis of a conscious decision they have made, that is, they are trading that kind of language for the added revenue that comes from increased ratings. The gentleman from Michigan's (Mr. UPTON) bill significantly increases the penalties for violation of existing FCC rules and regulations; and in that regard, I hope that it will go a long way towards abating this kind of activity.

I have always felt that addressing the bottom line of our licensees would be an effective means of influencing their behavior, and I hope this works accordingly. I do think there remains a certain uncertainty as it relates to how the broadcasters shall address this issue having to do with exactly what is profane or what is not profane. I suspect that we will be dealing with that either with regulation at the FCC or here on the floor by statute in the days to come.

It is really remarkable to see the connection between, if you will, the outside world or the private side, how our constituents communicate with those of us elected to the House or the Senate, in some cases, react to certain instances, and what actually transpires. As with many of the Members here, I have received not dozens, but hundreds, of communications regarding the, as the gentleman from Georgia (Mr. GINGREY) said, the creeping profanity.

This is a great step in the right direction. I applaud the chairman for bringing it forward, and I thank him for the time.

Mr. MARKEY. Mr. Chairman, I yield 2½ minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Chairman, I rise today in support of this bill, but it is only a partial step in the battle to clean up our airwaves.

By increasing fines for broadcasters, we are addressing only a symptom of the problem, not the cause. We cannot ignore the correlation between indecency on our airwaves and the increased concentration of media ownership. It is not a perfect correlation, but it is a strong one.

In recognition of that, our colleagues in the other body have improved this bill in several ways. I wish our colleagues in this Chamber had followed suit.

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First, the gentleman from New York (Mr. HINCHEY) and I pushed for an amendment, not made in order, unfortunately, which would have addressed the true effects of media consolidation before moving forward with the FCC's newly relaxed rules. This amendment, introduced by Senator DORGAN and adopted in committee, calls for a GAO study, and it stays the new rules pending the completion of that study. I wish the leadership in this Chamber had allowed us to offer the same.

Secondly, the Senate Commerce Committee also adopted an amendment, sponsored by Senator HOLLINGS, which would take steps to ensure that parents can use V-chips to block violent programming. The bill would require either that programs be rated for content, so that they may be filtered with the V-chip, or that a "safe harbor" family hour be created so that violent programming is simply not televised when children are likely to be watching. My colleagues, the gentleman from California (Mr. BACA) and the gentleman from Nebraska (Mr. OSBORNE) and I have introduced a companion bill in this Chamber.

Mr. Chairman, at the root of all these efforts is the undeniable fact that we are losing control of our airwaves. I hear from constituents all the time saying, "Where are the standards? How can I shield my children from inappropriate programming? And why are the people who put this on the air not held accountable?"

They are right. Our communities virtually have no say in the quality of the programming they are subjected to on broadcast television. And the network executives in L.A. or New York do not seem to feel they owe them anything.

As big media conglomerates get bigger, they are sinking to new lows. We are witnessing a race to the bottom as these networks seek to expand their influence through shock value instead of quality programming.

The Super Bowl was only one example, Mr. Chairman. CBS may blame MTV for its infamous half-time spectacle, but the common denominator for both networks is their owner, Viacom. And the "wardrobe malfunctions," or whatever you want to call these episodes, will not stop there.

If we are serious about cleaning up our airwaves, we need to do what the American people are demanding: Give them back their local media. And we need to do much more than impose fines on the broadcasters that, even if they are increased, are hardly going to make these corporations bat an eye.

Mr. UPTON. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. SMITH), an original cosponsor of the legislation.

Mr. SMITH of Texas. Mr. Chairman, first of all, I would like to thank the gentleman from Michigan (Mr. UPTON) for yielding me this time, but also for introducing this legislation.

Mr. Chairman, the broadcast of offensive language is a growing and disturbing trend. Members of the Parents Television Council, a group that monitors television broadcasts, filed 85,000 complaints about broadcast obscenity and indecency with the Federal Communications last year.

The networks have pushed the limits of decency to the point that family-oriented programs and enjoyable American pastimes, such as the Super Bowl, are no longer safe for our children to watch.

Unfortunately, the FCC has given television and radio stations too much power to broadcast behavior or language they believe will bring in the high ratings or advertising dollars. This undermines standards of common decency and impedes the ability of parents to raise their children free from exposure to profane language.

Low fines for indecency only encourage more indecency. It has become apparent some performers will accept a small fine for offensive and crude behavior in return for the media attention its creates. This is one of the reasons I support this legislation that increases fines for indecent language on radio and television.

Mr. Chairman, this is not a constitutional issue. The Supreme Court has upheld the FCC's authority to regulate broadcasts. In fact, the court said "Of all forms of communication, broadcasting has the most limited first amendment protection. Among the reasons is that broadcasting is uniquely accessible to children."

The entertainment industry has become increasingly isolated from the American people. We are still a Nation that believes in standards of common decency and respect for traditional values. This bill will help us uphold those values.

Mr. MARKEY. Mr. Chairman, could the Chair tell me how much time is remaining on either side?

The CHAIRMAN. The gentleman from Massachusetts (Mr. MARKEY) has 12½ minutes remaining, and the gentleman from Michigan (Mr. UPTON) has 22 minutes remaining.

Mr. MARKEY. Mr. Chairman, I reserve the balance of my time.

Mr. UPTON. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. OSBORNE), not only an original cosponsor of this legislation, but also one that came, before the Super Bowl, who sat through our first hearing, way back in January, to sit with the audience.

Mr. OSBORNE. Mr. Chairman, I particularly want to thank the gentleman from Massachusetts (Mr. MARKEY) for introducing this bill. I think that is standard fare. You always thank people who author these. But, believe me, this is something that many citizens across this country greatly appreciate because it actually introduces some meaningful penalties for indecency, something that has been lacking for a long time.

This bill, as I see it, is not really a reaction to the Super Bowl half-time show, as maybe the chairman pointed out. It is a reaction to the 240,000 complaints that were filed regarding indecency at the FCC in the year 2003. As a result of those 240,000 complaints, only three notices of violations, with minimal fines, were ever compacted. So, essentially, complaints of indecency have been largely ignored.

Also, this is a reaction to the fact that Bono issued four epithets and no violation was found because he used these as adjectives. So also the FCC has suspended no broadcast licenses in the history of its existence.

The Super Bowl half-time show, I think, did serve a purpose because it offended mainstream America. It gave tracks to the bill, and the outcry reached unparalleled proportions.

I feel that the strength of a Nation is measured by its adherence to standards of decency and civil discourse. During the last few years, we have been embarked, as many have said, on a race to the bottom. The standard of decency in place for roughly 200 years of our Nation's history has been shattered, and this has been an alarming trend.

DeTocqueville said, "America is great because America is good." One of the greatest threats to our culture is that America will no longer be a decent, moral, good society. This bill will help reverse an alarming trend. I urge passage, and I would like to thank the committee, and particularly thank the authors.

Mr. UPTON. Mr. Chairman, I yield 2½ minutes to the gentlewoman from New Mexico (Mrs. WILSON), another original cosponsor of the legislation.

Mrs. WILSON of New Mexico. Mr. Chairman, I want to thank the chairman and the ranking member for their leadership on this issue in bringing this bill so rapidly to the floor.

The Federal Communications Commission plays a very important role in protecting Americans, and particularly children, from indecent programming. The FCC has the statutory authority to enforce the laws that are on the books, but their enforcement has been inadequate and the tools that they have had at their disposal have also been insufficient. This bill today will help to change that situation.

This legislation increases the fines from what was really a trivial amount, a cost-of-doing-business kind of fine, to a maximum of $500,000 per violation. It also says that a broadcast company's record of indecency will be a factor when they apply to continue to get their free over-the-air license continued. And I hope that that gets the attention of the companies that are pushing the envelope with respect to indecency.

It also increases the expectations for enforcement by the FCC. We have heard the numbers and the statistics, which are appalling, regarding the enforcement of these laws. Some of the complaints go unanswered or unaddressed for years. This bill establishes a shot clock of 270 days where the FCC has the obligation to take action when there is a complaint for indecency.

I also think that this bill makes very clear, and this effort should make clear, that local affiliates have the right to decline to air programming which is inconsistent with community standards, even when it is not indecent or profane. In the hearings in our committee, we heard about local affiliates who felt as though they really did not have the leverage within the networks. This legislation shows they do have the leverage, they can exercise it, and we also will punish the networks if they fail to follow the law.

Mr. Chairman, I believe we have already had an effect on this industry. FCC enforcement was lax and, when imposed, was largely symbolic. We are changing that. But the real change will come in the board rooms and the general managers' offices and broadcast studios across this country when people decide to be responsible and to entertain rather than denigrate.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, this bill certainly is fine, as far as it goes, but the fact is that higher fines are going to do nothing to mitigate the real problem, which is the concentration of power in the hands of a limited number of large corporations that believe they are outside the reach of the communities they serve.

Communities determine standards of decency, and the most effective enforcement of those standards is through local ownership of television and radio stations. FCC fines, even in the millions, will not stop national broadcasters from lowering standards.

Infinity stations, for instance, were fined $1.7 million to settle a series of indecency cases, but that did not stop them. On the contrary, just last year, they were fined for a radio contest for couples willing to perform sexually in public places in New York, Washington, D.C., and other cities with a different radio announcer following each couple and providing the play-by-play accounting of the activities.

The House tried to do something about the core problem when it adopted, in a bipartisan manner, the Commerce, State, Justice appropriations bill, which had a provision to prevent the FCC from relaxing the established limits on network-owned television stations, and the Senate did the same thing. But at the last moment, in the dead of night, the White House convinced Republican congressional leaders to cave in to the special interest media conglomerates and they agreed to weaken the provision.

So by all means, pass this bill, if you want. It will perhaps have a minor effect. But if you really want to do something to give communities the ability to stop this nonsense, you will take away from the FCC the ability to concentrate broadcasting power in the hands of a few corporations. That is what makes the system so fundamentally arrogant. That is what puts the system so far out of the reach of average citizens, who resent seeing this garbage.

Until the Congress acts on that, it will be simply dealing with window dressing.

Mr. UPTON. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi (Mr. PICKERING), an original cosponsor of the bill and, more importantly, a fellow dad.

Mr. PICKERING. Mr. Chairman, I commend you for your work, the whole House, the ranking member, the gentleman from Michigan (Mr. DINGELL) and the gentleman from Massachusetts (Mr. MARKEY) for their good work, the bipartisan work in response to what we have seen across the country, and that is a rising up of outrage of families and individuals saying "enough."

Our Nation is better than this. We can do better than this. In our public airwaves and in the public square we can be decent. We do not have to glorify what is indecent. We do not have to be profane. We can entertain and enlighten without going to the worst among us or to the lowest common denominator.

Today, we are passing legislation that reaffirms long-established constitutional standards of decency, and we are saying to the networks, and we are saying to the radio stations, you need to do better. There will be three strikes, three opportunities, and if you violate the decency standards three times, then you are in danger of losing your rights and privileges as a licensee. We are increasing the fines to say that there will be a cost, a significant cost of ignoring the common standards of decency.

We hope that through this effort, we will see more corporate responsibility, as well as the common good and public responsibility to bring our standards back up; to affirm it, to establish standards over responsibility, and then have enforcement mechanisms of accountability.

□ 1200

Mr. Chairman, this is good legislation and in the best spirit of the Nation. We are decent people and a good Nation; and we want to maintain, preserve and protect that, for the country and our culture, for our communities and our families.

Mr. Chairman, I commend the gentleman from Michigan for the bipartisan spirit in which this is done, and look forward to having this legislation passed and signed into law.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Chairman, I very much appreciate the sentiments behind this bill. There is no question that indecency in the media is a disease that is infecting all of our society. The problem with this legislation, however, is that it deals only with the symptoms of the problem and not with the underlying cause.

The underlying cause of indecency in the media and other problems that we are witnessing as Americans in our electronic media particularly across the country is the incredible consolidation of the ownership of the airwaves into fewer and fewer hands.

On June 2, the chairman of the Federal Communications Commission, Mr. Powell, led an effort that was endorsed by his two Republican colleagues and opposed by the two Democrats which moved that consolidation effort even further so that now we are facing a situation whereby in any service area across the country, one corporation can own almost all of the radio stations, almost all of the television stations, the one daily newspaper and the cable television station, giving that corporate entity the power to control not only the entertainment but the critically important information that goes to the people who are served in that area.

Mr. Powell's action is not a new phenomenon. This is something that we have been witnessing in this country since the mid-1980s. In fact, it was the Reagan FCC back in 1987 which began this consolidation effort in earnest. They also did something else: they took from the American people the right of ownership of the airwaves. Up to that point, we had something called the equal access clause or the fairness doctrine, which allowed American citizens if they disagreed with a political viewpoint expressed by the owner of a radio or television station to have that right expressed. But that right was taken away in 1987 by the Reagan FCC, and that deprivation has been endorsed by this FCC. That is what needs to change. If we want indecency in the media, we have to attack what is really indecent, and what is indecent is this consolidation that is increasing and destroying the independence of the airwaves.

Mr. UPTON. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Chairman, I rise in strong support of H.R. 3717, the Broadcast Decency Enforcement Act of 2004, and I commend the gentleman from Michigan (Mr. UPTON) for his leadership on this issue.

Like many Americans, I was appalled to see the lack of enforcement of our Nation's Federal obscenity laws after the incident at the Golden Globe Awards program last January. Since that incident, the media has been engaged in an escalating race to the bottom to shock viewers. Most recently, this race took the form of the brazen display during the Super Bowl halftime show, an event watched by millions of men, women, and children. That shameless exhibition was disgraceful and had no place on the public airwaves.

Thankfully, the FCC has started to take its enforcement responsibilities seriously. However, it has become frighteningly clear that the penalties currently on the books are not sufficient to deter this behavior. Those in the media who choose to air these obscene materials will not feel the sting of enforcement until the punishment is considered to be more than a simple cost of doing business.

H.R. 3717 strengthens the penalties at the FCC's disposal to punish those that pollute the public airwaves with obscene and indecent materials. By increasing the fines that the FCC can impose from $27,500 to $500,000, this legislation hits the violators where it hurts the most, their pockets.

In addition, under current law, if an individual willfully violates indecency standards, the FCC must first warn the violator. However, this bill eliminates the warning requirement and increases the maximum penalty for individuals from $11,000 to $500,000 for the first offense.

Furthermore, the bill requires the FCC to act in a timely manner. It requires the FCC to make a determination of whether an alleged offense constitutes obscene, indecent, or profane material within 180 days from date of the complaint.

It is time to take a stand against the constant bombardment of obscene and profane materials into our living rooms. I urge my colleagues to support this important legislation.

Mr. UPTON. Mr. Chairman, I yield 1 minute to the gentleman from Indiana (Mr. PENCE), a cosponsor of the legislation.

Mr. PENCE. Mr. Chairman, I rise in strong support of the Broadcast Decency Enforcement Act of 2004.

Mr. Chairman, I am a Congressman today, but for 7 years I was a radio and television broadcaster in the State of Indiana. Let us be clear on this point, a point that was clear to me as a public broadcaster: the public airwaves are owned and governed by the American people. Everyone who operates in front of a microphone or a camera on the public airwaves knows that they have to do so under the obligations in the family hours of public broadcasting that have been set and upheld by the courts over the decades.

This is not a burden. Eighteen hours a week for over 6 years I hosted a talk radio program, and I lived within the standards that have been established and upheld by the courts. Thanks to the leadership of the gentleman from Michigan (Mr. UPTON) and the ranking member, now we have legislation that will put real teeth behind these standards, and I strongly support it. The opponents say this is an issue of free speech. This is not about free speech. This is about decent speech living within the constitutional standards that every broadcaster should hold on the public airwaves. I urge strong support for the Broadcast Decency Enforcement Act of 2004.

Mr. UPTON. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. COX), an original cosponsor of the legislation.

Mr. COX. Mr. Chairman, I thank the gentleman from Michigan for his leadership and his crafting this bill which underscores the principle that those who have been given multi-billion dollar assets in the form of public airwaves for free, courtesy of the taxpayers, owe in return at least some consideration of the taxpaying audience and the public interest they purport to serve.

I like free enterprise and the opportunity for every business to turn a profit. I support unlimited artistic creativity. None of these provide a reason for multi-billion dollar spectrum subsidies for profit-making entertainment, particularly when it is indecent, obscene and profane. While others in telecommunications pay for their slice of the airwaves, the broadcasting industry has been given multi-billion dollar slices of the public airwaves for free.

In the 1990s, every other industry that uses the airwaves, such as wireless phone companies, paid for their pieces of the airwaves through public auctions that generated billions in revenue for taxpayers. The broadcasting industry has paid nothing to the taxpayers for their continued free use of this valuable public asset.

On top of that, every TV station owner was recently given more free bandwidth to convert to digital TV, and that additional loan spectrum has an estimated value of $100 billion. That is a payment from every man, woman, and child in America of $350.

As we complete action on this bill, our attention turns naturally to the underlying question of whether taxpayers should continue the multi-billion dollar subsidies of this obviously for-profit industry. It is my hunch that if we were to auction the broadcast spectrum without the free ride that such programming now gets, the market and consumers would not demand 184 channels of Howard Stern.

Making for-profit TV pay for its spectrum and compete with other high-tech demands would be a far better way of dealing with the problem of indecent programming than government regulation of speech. I think this bill is welcome news.

Mr. MARKEY. Mr. Chairman, I yield 3½ minutes to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Mr. Chairman, never would I have thought that defending the Constitution would be so lonely a job on the floor of the United States House of Representatives. Do not get me wrong, I believe in decency and Mary Poppins and all things nice; but what is at stake here is freedom of speech and the assault thereon.

I become more and more concerned about the concentration of the media in the hands of so few players, that kind of media power concentrated in the hands of so few and influenced specifically by the far right wing and religious right in this country.

We talk about the President and the Presidency, and we say that the President has a bully pulpit, and he does. That does not concern me. What concerns me is the bullyism and the bullying that is going on. When networks and stations and people-owned medias are afraid to be critical of the administration, to impose a fine on speech that you do not like of a half a million dollars a shot, multiplied by 30 or 300 stations, does not have a chilling effect. It has a freezing-out effect where people will be afraid to speak out.

It is not for us to put limits on free speech. The public decides what they want to listen to and wants to hear. They can change the channel, they can change the station, they can turn it off. To talk about motherhood and breast feeding as something that is good is fine, but people are offended by a breast? Is that obscene? Maybe it was in poor taste at the time, but is it obscene?

That Howard Stern on the radio would be threatened with extinction from broadcast because he did not hang up in time on somebody that called in, that was not the issue. The issue is that he is beginning to speak out against the President and the administration, and he is paying the price because of the pressure on the media by the President and his media cronies.

This concentration of the media denies the public access to the right to speak out. It is not just speech that we agree with and we think is pretty that we have to tolerate. The test of freedom of speech is if we tolerate ugly speech, obnoxious speech, and speech that we disagree with. And saying that we are protecting the country and the children, what about personal responsibility? Everybody should protect their own children from what they do not want to listen to or see.

These become weapons of mass communication, and no one will own them except those who have the hands on the levers of power in the White House and their friends.

That is what we find obscene? What is obscene is public officials lying to the public, lying about public policy, lying about education. It is about not providing enough money for AIDS or cancer; that is what is obscene in this country. We need people to defend our Constitution. We need people to defend freedom of speech, and that is really what is at stake here. This is going to become a very dark day in American history. We are going down the slippery slope of limiting our Constitution and the protections that it gives to the American people.

Mr. Chairman, I for one will be voting against this bill.

Mr. UPTON. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. GILLMOR), again, an original cosponsor of the legislation.

□ 1215

Mr. GILLMOR. Mr. Chairman, I am happy to see that today, after a firestorm of public criticism, we have an increasing appetite, both in Congress and the FCC, for punishing those who repeatedly flout the rules, and we have before us a strong measure, one that will boost maximum fine to $500,000, make it easier for the FCC to fine performers rather than just their employers and threaten to strip licenses of repeat offenders.

I should also point out that before and after the Super Bowl incidents, my office received over 500 e-mails from my district concerning indecent broadcasts. I would like to share the message of just one of those constituents.

"I am very glad to see you are taking action to protect our kids from indecent, profane, vulgar and tasteless programming. Just when I thought that TV couldn't get any worse, I witnessed the appalling display at the half-time show of the Super Bowl. My 11-year old son and 15-year-old daughter were speechless. Please know that I am behind you 100 percent. I hope that this bill will strengthen the power of the FCC and allow them to penalize those sponsors."

I think the American people have had enough of "costume reveals" and "wardrobe malfunctions," and I urge passage of the bill.

Mr. MARKEY. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. SERRANO).

Mr. SERRANO. Mr. Chairman, I thank the gentleman for yielding me time.

The big question on this bill is why now? There are enough laws in place and regulations to deal with this issue. I feel that some of the good, well-intentioned Members have been caught up in this desire to all of a sudden clear up the airwaves. I believe it is a distraction. It is a weapon of mass distraction, to keep us away from the real issues at hand.

The fact is that this is part, in my opinion, of the continuing thinking of the PATRIOT Act, the philosophy of the PATRIOT Act, that says we will read your e-mails, we will find out what you take out from the library, we will hold you in detention without charges or a lawyer, and we will then tell you what you can listen to on the radio.

Now, let us understand something: The target here is coming from the political and religious right, and it is directed only at that which they think is bad anti-American or indecent. Right-wing radio, which demonizes liberals, minorities, environmentalists, pro-choice and animal rights activists, they are fine. They will not be touched. And let me, for the record, say that I support their right to say whatever they want about me and other liberals and Democrats and minorities. They can say whatever they want. But what we are doing in this country is curtailing only people who are saying something else.

The main target these days is Howard Stern. Now, what does Howard Stern have to do with this issue and the political agenda? Well, for years he supported the administration on the war, he supported the administration on capital punishment, he supported the administration on just about everything.

In the last couple of months, he has had a change of heart and started opposing the war, started opposing the opposition to research, opposing the opposition to pro-choice, and, all of a sudden, he is in deeper trouble than he has ever been before.

How else can we explain that the day before his bosses, Clear Channel, were to face a Congressional committee, they fired him from six markets throughout this country? The FCC has been complaining about his locker humor jokes for years. Some people have suggested that he was not in good taste for years. But now, the big bang to get him off the air. He is left now on Infinity Radio, and he says he will be gone in about another 2 weeks.

Why? Was he okay when he was supporting the administration and in trouble, and how did Clear Channel decide to knock out its number one money maker one day before facing Congress? I wish I was the telephone company and could have heard those phone calls coming in with the political pressure.

My friends, this is a dangerous time. This bill should be defeated, if, for no other reason, than to send a message that there is something larger here at work than simply something you do not like. What I do not like may be something you like and vice versa. The best protection we have is not this bill. Just turn the channel, switch the station.

Mr. MARKEY. Mr. Chairman, I yield back the balance of my time.

Mr. UPTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I spoke last night with our former chairman, the gentleman from Louisiana (Mr. TAUZIN). He wishes that he was going to be here today, but he is preparing himself for cancer surgery next week. But I know that he would very much like to cast votes on every one of the recorded votes that we have the balance of the afternoon.

I want to remind my colleagues that we do not change the standards. That is not what this bill does. It strictly enforces the standards that are already on the books.

I told this story in my first hearing back in January before the Super Bowl. My staff prepared this broadcast indecency briefing materials book for me. Inside this book are the transcripts of broadcasters that have been fined for broadcasting indecent material. The material that is in this book was all on radio, it was not on TV. But what alarmed me more than anything else was the series of repeat offenders, whether they be in Detroit, Chicago, Washington or Los Angeles, and all broadcast on the public airwaves.

When I read through this book, I was embarrassed. I was embarrassed for the fellow that was sitting next to me on the airplane, because I had to read it like this. I had to shield the material in this book, the transcripts, that were fined thousands of dollars.

I made a mistake that day, Mr. Chairman. I read through the book, it was a long flight, we had terrible weather. In fact, frankly that day when we landed back at DCA, I thought we had gone back to Detroit, there was such bad weather here.

I looked through a lot of material, and I left it by mistake in the pocket in the seat that was in front of me. I walked off the plane, went back through the security, and got all the way to my car when I realized this book was still on the plane. Now, with the new security arrangements, I could not go back to the plane to get this book.

It has got my name on it, "Chairman UPTON, broadcast indecency briefing materials." Man, was I embarrassed, to go back into the Northwest Airline ticket line and ask someone to go retrieve that book. And, yes, they had found it. They saw my name, and they were very chagrined to get it back to me. But, thank goodness, I did get it back, and I do not think anybody read some of the material. But it is public record, and this stuff, this XXX smut stuff, should never be broadcast on the public airwaves.

I was asked the question by the press when we introduced our bill several weeks ago, "Do you think, Mr. UPTON, that your legislation is going to take this stuff down, that it will increase somehow the FCC's enforcement division?"

I thought about it, and I said, "You know, I hope not. I hope that this legislation will send a message to the broadcasters and to the talent that is making these indecent remarks," and more than just a word, if you come over here and read these transcripts, it is more than a word, it is page, after page, after page, "that we can get this stuff stopped with this legislation."

I welcome the opportunity to work with my friend, the gentleman from Massachusetts (Mr. MARKEY). Together, we fashioned a very bipartisan bill every step of the way, from the calling of the witnesses to the questioning to the amendments, every step of the way, and I am pleased that the other body is working on that same procedure, where, again, they voted 34 to 0 earlier this week to pass similar legislation.

Our bill that passed 49 to 1 is a credit to this institution and to the Members on both sides who care about the public airwaves, to make sure that this stuff is not broadcast, and we send a message, whether it be to the shock jock or the DJ or the person with the finger on the pause button at one of those awards, whether it be the Academy Awards, Golden Globes or whatever else, we are going to make an impact, and we are going to let our families know that this stuff has got to stop.

This bill does it. It is not an infringement of first amendment rights. It has all been certified, made legitimate from the courts of the land, from the highest court of the land down to the lowest court, and needs a positive vote here this afternoon.

Mrs. CUBIN. Mr. Chairman, it's about time. That's what my constituents are telling me. They correctly note the gradual degradation of the quality and decency of programming on TV and radio—and I agree, it's about time Congress acted.

As an original cosponsor of H.R. 3717, I think it's important to note that we introduced this bill prior to the Super Bowl. Some people are blaming Janet Jackson and Justin Timberlake for Congressional action on indecency, but really the Super Bowl halftime show was simply the proverbial straw that broke the camel's back.

It's sort of like cooking a frog in a pot of boiling water. Put him in when it's lukewarm, and slowly turn up the temperature, he'll be cooked by dinner. Throw him into a boiling pot, however, and he'll jump right out. I'm afraid we've let this sneak up on us to the point where we're almost cooked.

I'm not here sharing recipes from Congressman TAUZIN's Cajun cookbook, I'm talking about how we have sat idly by as programming over the public's airwaves has gone to the dogs. The nudity of the Super Bowl halftime show has justly raised the ire of American families, and we are right to demand that people act in a civil manner when they are afforded access to the public's airwaves. Mr. Chairman, it is about time Congress acted and I'm proud to be part of that effort. I urge passage of H.R. 3717.

Ms. MCCARTHY of Missouri. Mr. Chairman, I rise in qualified support of H.R. 3717, the Broadcast Indecency Act of 2004. As an original co-sponsor of this legislation, I agree that we must provide the Federal Communications Commission (FCC) with the resources it needs to effectively enforce existing laws regarding indecent broadcasts. However, I am concerned that giving the FCC the authority to levy exorbitant fines against individuals will have a chilling effect on the exercise of free speech protected under the First Amendment.

Clearly, the FCC should be able to hold individuals responsible for breaching the public trust by violating decency standards in the same way it holds broadcasting entities accountable for what they put on the airwaves. Nonetheless, opening the door to potentially ruinous fines of up to a half a million dollars for individuals, including artists, raises the specter of state sponsored censorship. Will the federal government decide to silence certain individuals in the future for political reasons? Under this bill, it has the authority to do just that.

As this legislation is considered by the Senate, I would hope that this concern is duly addressed and resolved in Conference with the House. Thank you, Mr. Chairman, the opportunity to address my colleagues on this overlooked but critical aspect of what is overall a good and necessary piece of legislation.

Mr. NEUGEBAUER. Mr. Chairman, I rise today in support of H.R. 3717, the Broadcast Decency Enforcement Act.

Over the past few months, I have received nearly 2,000 e-mails, phone calls and letters from my constituents expressing their displeasure with content of TV programs. My constituents are telling me enough is enough. When broadcasters violate indecency rules and a complaint is filed, my constituents want it to be taken seriously by the FCC. They want meaningful penalties that will make broadcasters think twice before airing objectionable programs. They want broadcasters to be held accountable.

Above all, they want to be able to watch an entertainment program with their family without having them exposed to content unsuitable for children. When supposedly family-friendly programming such as the Super Bowl becomes a program many families don't want their children to see, we have a problem. As a grandfather, I worry about being able to turn on the TV and watch a program or sports event with my 3 and 5 year old grandsons.

I think this legislation addresses many of my constituents' concerns. Raising the cap on fines to $500,000 for broadcasts that violate the rules helps show that Congress and the FCC are serious about punishing offenses. The current cap is only $27,000 per violation, a drop in the bucket for most broadcasters. When broadcasters know that indecency violations will be taken into consideration when they ask the FCC to renew their broadcast licenses, they are going to take additional precautions to prevent instances of indecency. If a broadcaster accumulates three violations, this will now trigger a hearing to review revoking that station's license.

This legislation sends a strong signal that Congress is serious about enforcement of broadcast indecency regulations. If all Members' constituents care about this issue as much as mine do, then this should be an easy bill for us to support.

I urge my colleagues to support this legislation.

Ms. WATSON. Mr. Chairman, I rise in strong support to the Schakowsky amendment to H.R. 3717, which would exempt individuals from increase in indecency fines. While I support the goals of H.R. 3717 in giving the Federal Communication Commission more authority to enforce indecency rules, I don't believe individual performers and artists should be threatened by the same penalties imposed on multi-billion dollar corporations, who have the ultimate control on programming decisions.

I believe the provisions within H.R. 3717 to fine individuals would constitute a dangerous chilling effect on artistic expression and a threat to our first amendment rights. It is also completely unnecessary, since broadcast licensees and networks are responsible for programming contents and the decision to air, not the individual artists. Why else would networks start implementing the so-called "five second delay" that would remove any objectionable content before it is broadcasted? The broadcasters understand that they are the ones responsible for the contents they air, because they are the ones who eventually profit from the controversies generated by offensive, indecent, and dumb-down programming.

I hope my colleagues will join me in supporting Congresswoman Shakowsky's amendment that would prevent he broadcasters from scapegoating individual artists and hold them truly responsible in the enforcement of indecency rules.

Mr. BACA. Mr. Chairman, I rise in support of H.R. 3717, a bill that would increase the fines the Federal Communications Commission can impose for the broadcast of obscene, indecent, or profane material.

The level of violent and sexual content in all of forms of media has reached a point where Congress has no choice but to act.

Many people first became aware of this problem while they were watching the Super Bowl, but this is not a new problem.

Whether it is television, movies, video games, or the Internet, you cannot get away from it, and it is getting worse.

As Democrats and Republicans we must continue to work together to address these issues. That is the only way we will be able prevent our children from being needlessly exposed to violent and sexual content in the media.

A growing body of evidence suggests that these messages can be harmful to children's development.

That is why I submitted an amendment that would call on the Surgeon General to produce an annual report assessing the impact of violent media content on children.

Although my amendment was not accepted I hope the Surgeon General will hear us today and understand that Congress takes these issues very seriously and that we demand to know more.

That is also why I created the bipartisan Congressional Sex and Violence in the Media Caucus last October with my friend and colleague, Congressman Tom Osborne.

We will be a strong voice within Congress to reduce violent and sexual content in the media.

We will identify ways to work effectively in Congress and in our districts to prevent violence by and against children through legislation, education, outreach, and advocacy.

Just this Tuesday, we introduced H.R. 3914, the Children's Protection from Violent Programming Act, along with Congressman David Price.

Our bill would require the FCC to assess the effectiveness of the V-chip to determine if it effectively protects children from television violence.

If the study shows that the V-chip is not effective, then it requires the FCC to create a "safe harbor" so that violent programming is not televised when children are likely to be watching.

I am proud to have received the endorsement of the Parents Television Council and the Consumers Union.

Last year I re-introduced the Protect Children from Video Game Sex and Violence Act, H.R. 669, which would impose penalties on those who rent or sell video games with violent or sexual content to minors.

It is wrong that our children are being exposed to this kind of violence at an age when their minds and values are still being formed. They play these games when many of them cannot distinguish fantasy from reality. Yet today's most popular games are full of senseless acts of sex and violence that brainwash our kids.

These games show people having sex with prostitutes, car-jacking soccer moms, using illegal drugs, decapitating police officers, and killing innocent people as they beg for mercy. If that isn't enough, games like BMX Triple X even show live video footage of naked strippers. Is that what we really want our kids to be watching?

Let me be clear. It is the responsibility of parents to raise their children and determine what they watch on television or what kinds of games they buy. But when children see these things when they are watching the Super Bowl or when they can walk into their neighborhood store and buy video games with mature content, a parent is cut out of the process.

Some will tell you that early exposure to violence has no harmful effects, but a growing body of academic research tells a different story.

Several of the Nation's most respected public health groups have found that viewing entertainment violence can lead to increases in aggressive attitudes, values, and behaviors, particularly in children.

But we have to go beyond facts and figures. What does this mean for our kids?

We are at the beginning of a long and difficult battle for the hearts, the minds, and the souls of our children.

I hope that other Members of Congress and the public will continue to work to protect our children from these harmful materials.

Mr. FRELINGHUYSEN. Mr. Chairman, today I rise in strong support of H.R. 3717, the Broadcast Decency Enforcement Act and commend Representative Upton for this initiative to "clean up" our Nation's airwaves.

In response to a number of recently televised events, I have received a deluge of complaints and comments from my constituents in New Jersey who are fed up with the offensive and indecent programming invading their homes through television and radio. With their thoughts in mind I cosponsored this legislation to let it be known: broadcasters offering irresponsible and indecent material—especially at times when our children are likely watching or listening—should be held accountable for their actions.

H.R. 3717 would increase the penalty the FCC can assess for violations of broadcast indecency, obscenity and profanity laws from $27,500 to $500,000 per violation. The current fine has become a mere cost of business for many of the large broadcast companies. Today, Congress, on behalf of America's families, is sending a message to the industry that this kind of disregard is not going to be tolerated and hit them where it hurts—in their pockets.

It is time we act to ensure that every family may watch broadcast television programming free of indecency, obscenity and profanity. I believe this legislation takes the right approach. That is why I urge my colleagues to join me in supporting this important initiative and vote yes for H.R. 3717.

Mr. CANTOR. Mr. Chairman, I rise in strong support of the Broadcast Decency Enforcement Act, H.R. 3717. The use of obscenity, which has recently been so casually used on our public airwaves for the entire country to witness, should not and cannot be tolerated.

As a parent, I share the concerns of many regarding the level of offensive television and radio programs that are transmitted into our homes. The recent violations that have occurred disgusted not only me, but damage our society. Families should be able to turn on the television or radio without worrying that obscene programming will negatively impact our children.

This important legislation calls for tougher fines and enforcement penalties for obscene broadcasts. Shameless acts are inexcusable and should be disciplined to ensure that they will not continue and will not be tolerated.

I have received over one thousand letters, emails and phone calls from outraged constituents regarding obscene TV and radio broadcasts in recent months. We cannot accept anything less than an effective solution to this problem; we will not be satisfied until those who are responsible have been reprimanded, and we can be assured this kind of behavior will not continue.

We must give parents the peace of mind that the programming available to their children on television and radio today is appropriate.

I urge all members to support this legislation.

Mr. ROGERS of Alabama. Mr. Chairman, public decency on the airwaves should be a subject on which we all agree. Alabama citizens, like the vast majority of Americans, respect and value the meaning of decency, and appreciate public institutions that reflect the common values of our society.

But what happens when one or more of those institutions repeatedly violate those standards of decency? In the past year, we have seen one or more of the major broadcast networks repeatedly and blatantly violate the Federal Communications Commission standards for decency, and openly flaunt the laws so clearly upheld in the courts.

CBS's halftime show during the 2004 Super Bowl was a new low for television, Mr. Speaker. Watched by nearly 100 million Americans, as well as my family and children, this 30-minute fantasy of filth managed to break all standards of decency, and brazenly shattered all concepts of responsibility and accountability for our Nation's public broadcasters.

Mr. Chairman, this must stop. It's time we hold the broadcasters accountable for their decisions and help take out the televised trash that continues to invade our homes. H.R. 3717, the Broadcast Decency Enforcement Act of 2004, will help turn the tide. The legislation brings accountability for those broadcasters who follow the rules, as well as penalties for those, like CBS during the Super Bowl, knowingly choose to violate them.

H.R. 3717 increases the FCC's penalties for broadcasting obscene, indecent, and profane language to $275,000 for each violation or each day of a continuing violation. The bill also limits the total amount assessed for any continuing violation to $3 million for any single act or failure to act.

As a co-sponsor of this bi-partisan legislation, I am pleased Congress has chosen to bring this to the House floor today. Let me be clear Mr. Chairman: I am not an advocate of censorship. Although I may find the type of programming seen during the 2004 Super Bowl and the 2003 Golden Globe Awards disgusting and disturbing, we must always work hard to defend the cherished freedoms so clearly outlined in our Constitution, including a healthy and free press.

But when those institutions that are charged with upholding the public trust refuse to live up to their responsibilities, someone must draw the line. The Broadcast Decency Enforcement Act of 2004 helps address the continuing degradation on the broadcast airwaves and helps send a clear message to the broadcast industry that Alabama families, like the rest of American families, have had enough.

Programs like the Super Bowl should be celebrations, not cesspools, Mr. Speaker. It is time we as a Congress rise to this occasion and pass this bill, and help stop the recklessness that has so unnecessarily invaded our homes.

Thank you and congratulations to you, Mr. UPTON, for your work in bringing this importance piece of legislation to the House today.

Mr. OXLEY. Mr. Chairman, like most Americans, I am deeply disturbed by the decline of basic decency on our public airwaves. A new low was probably reached during the half-time show of the recent Super Bowl. It's incredible that parents should have to monitor the content of a football game to protect their children. The groundswell for change has been gathering for some time now. In the last few months alone, I have received more than one thousand constituent letters expressing concern about profanity and indecency on the airwaves. The message has been received, loud and clear.

I am proud to be an original cosponsor of the Broadcast Decency Enforcement Act. The bill holds violating stations accountable for trashing our precious public airwaves and hits purveyors where it matters the most, in the wallet. Currently, an FCC indecency violation carries a maximum $27,500 fine, which hardly threatens a multi-million dollar station. This bill increases the fine to a more fitting $500,000. Repeat violators will find themselves on a very long and expensive trip. The FCC will also be given authority to hold hearings on stripping the licenses of repeat offenders.

It's important that we act because even a small blow struck for decency makes a difference. The Supreme Court recently heard arguments on the Child Online Protection Act, which I helped to write. This is a law we approved to prevent kids from being exposed to Internet pornography. I have also been working with my Democrat colleague CHARLES GONZALEZ on the Video Voyeurism Prevention Act. It's long past time that attitudes about decency started changing in this country.

Mr. UPTON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. ISAKSON). All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 3717

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Broadcast Decency Enforcement Act of 2004".

SEC. 2. INCREASE IN PENALTIES FOR OBSCENE, INDECENT, AND PROFANE BROADCASTS.

Section 503(b)(2) of the Communications Act of 1934 (47 U.S.C. 503(b)(2)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively;

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) Notwithstanding subparagraph (A), if the violator is (i) a broadcast station licensee or permittee, or (ii) an applicant for any broadcast license, permit, certificate, or other instrument or authorization issued by the Commission, and the violator is determined by the Commission under paragraph (1) to have broadcast obscene, indecent, or profane material, the amount of any forfeiture penalty determined under this section shall not exceed $500,000 for each violation."; and

(3) in subparagraph (D), as redesignated by paragraph (1) of this subsection—

(A) by striking "subparagraph (A) or (B)" and inserting "subparagraph (A), (B), or (C)"; and

(B) by adding at the end the following: "Notwithstanding the preceding sentence, if the violator is determined by the Commission under paragraph (1) to have uttered obscene, indecent, or profane material (and the case is not covered by subparagraph (A), (B), or (C)), the amount of any forfeiture penalty determined under this section shall not exceed $500,000 for each violation.".

SEC. 3. ADDITIONAL FACTORS IN INDECENCY PENALTIES; EXCEPTION.

Section 503(b)(2) of the Communications Act of 1934 (47 U.S.C. 503(b)(2)) is further amended by adding at the end (after subparagraph (E) as redesignated by section 2(1) of this Act) the following new subparagraphs:

"(F) In the case of a violation in which the violator is determined by the Commission under paragraph (1) to have uttered obscene, indecent, or profane material, the Commission shall take into account, in addition to the matters described in subparagraph (E), the following factors:

"(i) With respect to the degree of culpability of the violator, the following:

"(I) whether the material uttered by the violator was live or recorded, scripted or unscripted;

"(II) whether the violator had a reasonable opportunity to review recorded or scripted programming or had a reasonable basis to believe live or unscripted programming may contain obscene, indecent, or profane material;

"(III) if the violator originated live or unscripted programming, whether a time delay blocking mechanism was implemented for the programming;

"(IV) the size of the viewing or listening audience of the programming; and

"(V) whether the programming was part of a children's television program as described in the Commission's children's television programming policy (47 CFR 73.4050(c)).

"(ii) With respect to the violator's ability to pay, the following:

"(I) whether the violator is a company or individual; and

"(II) if the violator is a company, the size of the company and the size of the market served.

"(G) A broadcast station licensee or permittee that receives programming from a network organization, but that is not owned or controlled, or under common ownership or control with, such network organization, shall not be subject to a forfeiture penalty under this subsection for broadcasting obscene, indecent, or profane material, if—

"(i) such material was within live or recorded programming provided by the network organization to the licensee or permittee; and

"(ii)(I) the programming was recorded or scripted, and the licensee or permittee was not given a reasonable opportunity to review the programming in advance; or

"(II) the programming was live or unscripted, and the licensee or permittee had no reasonable basis to believe the programming would contain obscene, indecent, or profane material.

The Commission shall by rule define the term 'network organization' for purposes of this subparagraph.".

SEC. 4. INDECENCY PENALTIES FOR NON-LICENSEES.

Section 503(b)(5) of the Communications Act of 1934 (47 U.S.C. 503(b)(5) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by inserting "(A)" after "(5)";

(3) by redesignating the second sentence as subparagraph (B);

(4) in such subparagraph (B) as redesignated—

(A) by striking "The provisions of this paragraph shall not apply, however," and inserting "The provisions of subparagraph (A) shall not apply (i)";

(B) by striking "operator, if the person" and inserting "operator, (ii) if the person";

(C) by striking "or in the case of" and inserting "(iii) in the case of"; and

(D) by inserting after "that tower" the following: ", or (iv) in the case of a determination that a person uttered obscene, indecent, or profane material that was broadcast by a broadcast station licensee or permittee, if the person is determined to have willfully or intentionally made the utterance"; and

(5) by redesignating the last sentence as subparagraph (C).

SEC. 5. DEADLINES FOR ACTION ON COMPLAINTS.

Section 503(b) of the Communications Act of 1934 (47 U.S.C. 503(b)) is amended by adding at the end thereof the following new paragraph:

"(7) In the case of an allegation concerning the utterance of obscene, indecent, or profane material that is broadcast by a station licensee or permittee—

"(A) within 180 days after the date of the receipt of such allegation, the Commission shall—

"(i) issue the required notice under paragraph (3) to such licensee or permittee or the person making such utterance;

"(ii) issue a notice of apparent liability to such licensee or permittee or person in accordance with paragraph (4); or

''(iii) notify such licensee, permittee, or person in writing, and any person submitting such allegation in writing or by general publication, that the Commission has determined not to issue either such notice; and

''(B) if the Commission issues such notice and such licensee, permittee, or person has not paid a penalty or entered into a settlement with the Commission, within 270 days after the date of the receipt of such allegation, the Commission shall—

''(i) issue an order imposing a forfeiture penalty; or

''(ii) notify such licensee, permittee, or person in writing, and any person submitting such allegation in writing or by general publication, that the Commission has determined not to issue either such order.''.

SEC. 6. ADDITIONAL REMEDIES FOR INDECENT BROADCAST.

Section 503 of the Communications Act of 1934 (47 U.S.C. 503) is further amended by adding at the end the following new subsection:

''(c) Additional Remedies for Indecent Broadcasting.—In any proceeding under this section in which the Commission determines that any broadcast station licensee or permittee has broadcast obscene, indecent, or profane material, the Commission may, in addition to imposing a penalty under this section, require the licensee or permittee to broadcast public service announcements that serve the educational and informational needs of children. Such announcements may be required to reach an audience that is up to 5 times the size of the audience that is estimated to have been reached by the obscene, indecent, or profane material, as determined in accordance with regulations prescribed by the Commission.''.

SEC. 7. LICENSE DISQUALIFICATION FOR VIOLATIONS OF INDECENCY PROHIBITIONS.

Section 503 of the Communications Act of 1934 (47 U.S.C. 503) is further amended by adding at the end (after subsection (c) as added by section 6) the following new subsection:

''(d) Consideration of License Disqualification for Violations of Indecency Prohibitions.—If the Commission issues a notice under paragraph (3) or (4) of subsection (b) to a broadcast station licensee or permittee looking toward the imposition of a forfeiture penalty under this Act based on an allegation that the licensee or permittee broadcast obscene, indecent, or profane material, and either—

''(1) such forfeiture penalty has been paid, or

''(2) a forfeiture penalty has been determined by the Commission or an administrative law judge pursuant to paragraph (3) or (4) of subsection (b), and such penalty is not under review, and has not been reversed, by a court of competent jurisdiction,

then, notwithstanding section 504(c), the Commission shall, in any subsequent proceeding under section 308(b) or 310(d), take into consideration whether the broadcast of such material demonstrates a lack of character or other qualifications required to operate a station.''.

SEC. 8. LICENSE RENEWAL CONSIDERATION OF VIOLATIONS OF INDECENCY PROHIBITIONS.

Section 309(k) of the Communications Act of 1934 (47 U.S.C. 309(k)) is amended by adding at the end the following new paragraph:

''(5) License renewal consideration of violations of indecency prohibitions.—If the Commission has issued a notice under paragraph (3) or (4) of section 503(b) to a broadcast station licensee or permittee with respect to a broadcast station looking toward the imposition of a forfeiture penalty under this Act based on an allegation that such broadcast station broadcast obscene, indecent, or profane material, and—

''(A) such forfeiture penalty has been paid, or

''(B) a forfeiture penalty has been determined by the Commission or an administrative law judge pursuant to paragraph (3) or (4) of section 503(b), and such penalty is not under review, and has not been reversed, by a court of competent jurisdiction,

then, notwithstanding section 504(c), such violation shall be treated as a serious violation for purposes of paragraph (1)(B) of this subsection with respect to the renewal of the license or permit for such station.''.

SEC. 9. LICENSE REVOCATION FOR VIOLATIONS OF INDECENCY PROHIBITIONS.

Section 312 of the Communications Act of 1934 (47 U.S.C. 312) is amended by adding at the end the following new subsection:

''(h) License Revocation for Violations of Indecency Prohibitions.—

''(1) Consequences of multiple violations.—If, in each of 3 or more proceedings during the term of any broadcast license, the Commission issues a notice under paragraph (3) or (4) of section 503(b) to a broadcast station licensee or permittee with respect to a broadcast station looking toward the imposition of a forfeiture penalty under this Act based on an allegation that such broadcast station broadcast obscene, indecent, or profane material, and in each such proceeding either—

''(A) such forfeiture penalty has been paid, or

''(B) a forfeiture penalty has been determined by the Commission or an administrative law judge pursuant to paragraph (3) or (4) of section 503(b), and such penalty is not under review, and has not been reversed, by a court of competent jurisdiction,

then, notwithstanding section 504(c), the Commission shall commence a proceeding under subsection (a) of this section to consider whether the Commission should revoke the station license or construction permit of that licensee or permittee for such station.

''(2) Preservation of authority.—Nothing in this subsection shall be construed to limit the authority of the Commission to commence a proceeding under subsection (a).''.

SEC. 10. REQUIRED CONTENTS OF ANNUAL REPORTS OF THE COMMISSION.

Each annual report submitted by the Federal Communications Commission after the date of enactment of this Act shall, in accordance with section 4(k)(2) of the Communications Act of 1934 (47 U.S.C. 154(k)(2)), include the following:

(1) The number of complaints received by the Commission during the year covered by the report alleging that a broadcast contained obscene, indecent, or profane material, and the number of programs to which such complaints relate.

(2) The number of those complaints that have been dismissed or denied by the Commission.

(3) The number of complaints that have remained pending at the end of the year covered by the annual report.

(4) The number of notices issued by the Commission under paragraph (3) or (4) of section 503(b) of the Communications Act of 1934 (47 U.S.C. 503(b)) during the year covered by the report to enforce the statutes, rules, and policies prohibiting the broadcasting of obscene, indecent, or profane material.

(5) For each such notice, a statement of—

(A) the amount of the proposed forfeiture;

(B) the program, station, and corporate parent to which the notice was issued;

(C) the length of time between the date on which the complaint was filed and the date on which the notice was issued; and

(D) the status of the proceeding.

(6) The number of forfeiture orders issued pursuant to section 503(b) of such Act during the year covered by the report to enforce the statutes, rules, and policies prohibiting the broadcasting of obscene, indecent, or profane material.

(7) For each such forfeiture order, a statement of—

(A) the amount assessed by the final forfeiture order;

(B) the program, station, and corporate parent to which it was issued;

(C) whether the licensee has paid the forfeiture order;

(D) the amount paid by the licensee; and

(E) in instances where the licensee refused to pay, whether the Department of Justice brought an action in Federal court to collect the penalty.

SEC. 11. SENSE OF THE CONGRESS.

(a) Reinstatement of Policy.—It is the sense of the Congress that the broadcast television station licensees should reinstitute a family viewing policy for broadcasters.

(b) Definition.—For purposes of this section, a family viewing policy is a policy similar to the policy that existed in the United States from 1975 to 1983, as part of the National Association of Broadcaster's code of conduct for television, and that included the concept of a family viewing hour.

SEC. 12. IMPLEMENTATION.

(a) Regulations.—The Commission shall prescribe regulations to implement the amendments made by this Act within 180 days after the date of enactment of this Act.

(b) Prospective Application.—This Act and the amendments made by this Act shall not apply with respect to material broadcast before the date of enactment of this Act.

(c) Separability.—Section 708 of the Communications Act of 1934 (47 U.S.C. 608) shall apply to this Act and the amendments made by this Act.

The CHAIRMAN pro tempore. No amendment to the committee amendment in the nature of a substitute is in order except those printed in House Report 108–436. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider Amendment No. 1 printed in House Report 108–436.

AMENDMENT NO. 1 OFFERED BY MR. UPTON

Mr. UPTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. Upton:

In subsection (d) of section 503 of the Communications Act of 1934, as added by section 7 of the bill, strike paragraph (2) and insert the following:

''(2) a court of competent jurisdiction has ordered payment of such forfeiture penalty, and such order has become final,

In the matter that follows paragraph (2) of section 503(d) of the Communications Act of 1934, as added by section 7 of the bill, strike '', notwithstanding section 504(c),''.

In paragraph (5) of section 309(k) of the Communications Act of 1934, as added by section 8 of the bill, strike subparagraph (B) and insert the following:

"(B) a court of competent jurisdiction has ordered payment of such forfeiture penalty, and such order has become final,

In the matter that follows subparagraph (B) of section 309(k)(5) of the Communications Act of 1934, as added by section 8 of the bill, strike ", notwithstanding section 504(c),".

In paragraph (1) of section 312(h) of the Communications Act of 1934, as added by section 9 of the bill, strike subparagraph (B) and insert the following:

"(B) a court of competent jurisdiction has ordered payment of such forfeiture penalty, and such order has become final,

In the matter that follows subparagraph (B) of section 312(h)(1) of the Communications Act of 1934, as added by section 9 of the bill, strike ", notwithstanding section 504(c),".

In section 10, insert "and" at the end of subparagraph (C) of paragraph (7), strike "; and" at the end of subparagraph (D) of such paragraph and insert a period, strike subparagraph (E) of such paragraph, and after such paragraph insert the following new paragraphs:

(8) In instances where the licensee has refused to pay, whether the Commission referred such order to the Department of Justice to collect the penalty.

(9) In cases where the Commission referred such order to the Department of Justice—

(A) the number of days from the date the Commission issued such order to the date the Commission referred such order to the Department;

(B) whether the Department has commenced an action to collect the penalty, and if such action was commenced, the number of days from the date the Commission referred such order to the Department to the date the action by the Department commenced; and

(C) whether the collection action resulted in a payment, and if such action resulted in a payment, the amount of such payment.

The CHAIRMAN pro tempore. Pursuant to House Resolution 554, the gentleman from Michigan (Mr. UPTON) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Michigan (Mr. UPTON).

Mr. UPTON. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. BLUNT), the distinguished whip of the House, an original cosponsor of our legislation, and once a proud member of our proud subcommittee.

Mr. BLUNT. Mr. Chairman, with any luck, a future member of the chairman's subcommittee.

Mr. Chairman, I appreciate the great work the gentleman from Michigan (Mr. UPTON) did on this bill, bringing this bill to the floor at this time. I also want to say how much I appreciate the gentleman from Texas (Chairman BARTON), the new chairman of our committee, moving quickly to get this legislation to the floor, and also to join my colleagues in our appreciation for and our concern about our former chairman, the gentleman from Louisiana (Mr. TAUZIN), as he and his family deal with a health crisis right now.

Mr. Chairman, I think this bill is a bill that we need to do. The gentleman's amendment is one that improves the bill and clarifies the process through which people would have to go if they are subject to the penalties of the bill.

I think the penalties here, the enhanced penalties we heard from many, many people, that the current penalties just are not a deterrent. Not only are the penalties now more in the range that they become a real thing for people who are given custody, temporary custody, of the airwaves to think about, but there is also the possibility they could actually lose their license if they become repeat offenders.

Anybody can have something happen on one occasion that they do not expect to happen, do not anticipate happening, do not approve, are embarrassed by, but the gentleman's bill makes the case that these airwaves do belong to the American people, that this is commercial airspace. If repeatedly somebody chooses to try to benefit financially by what they put on the air that goes beyond the bounds of decency, goes beyond their agreement when they are given custody and right to use these airwaves, I think this bill and the gentleman's clarifying amendment is an amendment that the House needs to deal with.

We all know that it was the Super Bowl half-time show that sort of brought this issue to everybody's attention in this current context, but we also know that if you watched the Super Bowl, if you were watching sort of halfway as I was the half-time show, that we see so much there drifting beyond where we need to be in family entertainment. There are plenty of opportunities in other kinds of entertainment that are not on the airwaves used by commercial television and radio for that.

I appreciate the gentleman's hard work in bringing this bill to the floor in such important and quick fashion, and I rise to support the bill and the gentleman's important amendment to it.

Mr. UPTON. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, obviously I rise in strong support of the Upton amendment. This amendment ensures that those who are the subject of indecency complaints are provided with a constitutional right to due process. For instance, until a forfeiture penalty has been paid or a court has finally determined that a forfeiture penalty is justified, a complaint should not be held against the broadcast station license.

□ 1230

Just like someone who is presumed innocent until proven guilty, this amendment guarantees that a broadcast license cannot be revoked or license renewal rejected until all of the appeals have been heard. This is a good amendment, it was pointed out in our hearing at the very end, and I would hope has bipartisan support. It tightens the loophole.

I just want to say in closing in support of this amendment, I want to thank in particular, I think, the many Members who have been so engaged in this legislation, and I want to thank the staff as well. On our side of the aisle, we have had terrific staff that have worked with the very good staff, terrific staff on the other side as well; but I want to particularly cite a number of individuals: Will Nordwind, Howard Waltzman, Neil Fried, Kelly Zerzan, Joan Hillebrands, Sean Bonyur, Jim Barnette, Jaylyn Connaughton, and Andy Black for their hard work in making sure that this bill got to the floor quickly and swiftly, and that, in fact, it was in a very strong bipartisan fashion.

Mr. Chairman, I reserve the balance of my time.

Mr. MARKEY. Mr. Chairman, if there is no one seeking recognition in opposition, I ask unanimous consent to control the time in opposition, even though I support the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objecton.

Mr. MARKEY. Mr. Chairman, I yield myself 1 minute.

I would like to say that this is a good amendment. It has been crafted on a bipartisan basis. We have worked very closely together, Democrat and Republican, on this issue right from the beginning; and this amendment reflects that continuing level of cooperation. I just want any of the Members who are listening to this debate to understand that that consensus has been reached.

Mr. MARKEY. Mr. Chairman, I have no other Members seeking recognition, and I yield back the balance of my time.

Mr. UPTON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. ISAKSON). The question is on the amendment offered by the gentleman from Michigan (Mr. UPTON).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 2 printed in House Report 108-436.

AMENDMENT NO. 2 OFFERED BY MR. SESSIONS

Mr. SESSIONS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. SESSIONS:

After section 10 of the bill insert the following section (and redesignate the succeeding sections accordingly):

SEC. 11. GAO STUDY OF INDECENT BROADCASTING COMPLAINTS.

(a) INQUIRY AND REPORT REQUIRED.—The General Accounting Office shall conduct a study examining—

(1) the number of complaints concerning the broadcasting of obscene, indecent, and

profane material to the Federal Communications Commission;

(2) the number of such complaints that result in final agency actions by the Commission;

(3) the length of time taken by the Commission in responding to such complaints;

(4) what mechanisms the Commission has established to receive, investigate, and respond to such complaints; and

(5) whether complainants to the Commission are adequately informed by the Commission of the responses to their complaints.

(b) SUBMISSION OF REPORT.—The General Accounting Office shall submit a report on the results of such study within one year after the date of enactment of this Act to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives.

The CHAIRMAN pro tempore. Pursuant to House Resolution 554, the gentleman from Texas (Mr. SESSIONS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Chairman, I yield myself such time as I may consume.

My amendment is a simple contribution to this bill that I believe will bring some additional accountability and enforcement to the FCC's current process of handling broadcasting complaints and proposed violation of FCC rules.

My amendment to this legislation would give the General Accounting Office 1 year to study and report back to Congress on the number of complaints concerning the broadcasting of obscenity, indecency, and profane material to the Federal Communications Commission; the number of such complaints that result in final agency actions by the commission; the length of time taken by the commission in responding to such complaints; what mechanisms the commission has established to proceed, investigate, and respond to such complaints; and whether such complaints to the commission are adequately informed by the commission of their responses to those complainants.

I believe that this amendment will help this body to conform with third-party data and the relevant facts and figures that the FCC is doing its utmost to carry out the intent of the important legislation that we are considering today.

The Upton legislation will crack down on indecent over-the-air broadcasts and will bring much-needed accountability to our public airwaves. Last year, there were over 240,000 complaints against 375 programs, but the FCC issued only three notices of proposed violations. I believe that Congress should get more information about what the FCC is doing to help us perform an important oversight function over the FCC's action and its accountability to the American public.

I would like to thank the gentleman from Michigan (Chairman UPTON), the gentleman from Texas (Chairman BARTON), and the gentleman from California (Chairman DREIER) for their important work and leadership in bringing this legislation to the floor today. I urge my colleagues to support this amendment to allow the GAO to gain more information from the FCC about how they are handling complaints that they receive on indecent material.

Mr. Chairman, I would simply ask that we include this amendment, and I ask for its immediate consideration.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. Does any Member claim the time in opposition?

The question is on the amendment offered by the gentleman from Texas (Mr. SESSIONS).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 3 printed in House Report 108-436.

There being no further amendment in order, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Accordingly, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SESSIONS) having assumed the chair, Mr. ISAKSON, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3717) to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmission of obscene, indecent, and profane language, pursuant to House Resolution 554, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. UPTON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on passage will be followed by two 5-minute votes on suspending the rules and adopting House Concurrent Resolution 15 and House Resolution 540, as amended.

The vote was taken by electronic device, and there were—ayes 391, noes 22, answered "present" 1, not voting 19, as follows:

[Roll No. 55]

AYES—391

Abercrombie
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bereuter
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern

McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanders
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (NM)
Upton
Van Hollen
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Watson
Watt
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—22

Ackerman
Baird
Berman
Clay
Grijalva
Harman
Honda
Jackson-Lee (TX)
Jones (OH)
Kucinich
Lee
Lewis (GA)
Lofgren
Nadler
Paul
Schakowsky
Scott (VA)
Serrano
Stark
Velázquez
Waters
Waxman

ANSWERED "PRESENT"—1

Sherman

NOT VOTING—19

Bell
Berkley
Cardoza
Conyers
Davis (IL)
DeFazio
Doolittle
Fossella
Gibbons
John
King (NY)
Lewis (CA)
Maloney
Miller (FL)
Rodriguez
Sanchez, Loretta
Tauzin
Udall (CO)
Wicker

☐ 1303

Mrs. JONES of Ohio changed her vote from "aye" to "no."

Mr. GINGREY and Mr. McINNIS changed their vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmission of obscene, indecent, and profane material, and for other purposes.".

A motion to reconsider was laid on the table.

Stated for:

Mrs. MALONEY. Mr. Speaker, I was unavoidably delayed and missed rollcall vote No. 55. Had I been present I would have voted "aye," in favor of H.R. 3717, the Broadcast Decency Enforcement Act of 2004.

GENERAL LEAVE

Mr. UPTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3717.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed. Votes will be taken in the following order:

House Concurrent Resolution 15, by the yeas and nays;

House Resolution 540, by the yeas and nays.

These remaining electronic votes will be conducted as 5-minute votes.

COMMENDING INDIA ON ITS CELEBRATION OF REPUBLIC DAY

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 15.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 15, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 418, nays 0, not voting 15, as follows:

[Roll No. 56]

YEAS—418

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bereuter
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)

Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—15

Bell
Berkley
Cardoza
Davis (IL)
DeFazio
Fossella
Gibbons
John
King (NY)
Lewis (CA)
Miller (FL)
Rodriguez
Tauzin
Udall (CO)
Wicker

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in the vote.

□ 1313

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXPRESSING CONDOLENCES OF HOUSE OF REPRESENTATIVES FOR UNTIMELY DEATH OF MACEDONIAN PRESIDENT BORIS TRAJKOVSKI

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 540, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and agree to the resolution, H. Res. 540, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 411, nays 0, not voting 22, as follows:

[Roll No. 57]

YEAS—411

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bereuter
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—22

Bell
Berkley
Camp
Cardoza
Davis (IL)
DeFazio
Fossella
Gibbons
Istook
John
King (NY)
Lewis (CA)
Marshall
Miller (FL)
Norwood
Nunes
Pelosi
Rodriguez
Souder
Tauzin
Udall (CO)
Wicker

□ 1324

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. LEWIS of California. Mr. Speaker, due to personal business, I was unavoidably detained during rollcall votes 55 and 56 on March 11, 2004. Had I been present for rollcall 55 on H.R. 3717, the "Broadcast Decency Enforcement Act of 2004," I would have voted "yea." Had I been present for rollcall 56, H. Con. Res. 15, "Commending India on its celebration of Republic Day," I would have voted "yea."

PERSONAL EXPLANATION

Mr. GIBBONS. Mr. Speaker, I would like to offer a personal explanation of the reason for my absence on March 10 and 11, 2004. Last week, former Governor of Nevada Mike O'Callaghan passed away and I had to leave Washington this Wednesday afternoon, March 10, to attend funeral services for Governor O'Callaghan.

I respectfully request that it be entered into the CONGRESSIONAL RECORD that if present, I would have voted:

Rollcall vote No. 48, on agreeing to the Scott (VA) amendment—"no";

Rollcall vote No. 49, on agreeing to the Watt amendment—"no";

Rollcall vote No. 50, on agreeing to the Andrews amendment—"no";

Rollcall vote No. 51, on agreeing to the Ackerman amendment—"no";

Rollcall vote No. 52, on agreeing to the Jackson-Lee amendment—"no";

Rollcall vote No. 53, on agreeing to the Watt amendment—"no";

Rollcall vote No. 54, on agreeing to the Resolution, H.R. 339—"yes";

Rollcall vote No. 55, on passage of H.R. 3717—"yes";

Rollcall vote No. 56, on passage of H. Con. Res. 15—"yes"; and

Rollcall vote No. 57, on passage of H. Res. 540—"yes."

LEGISLATIVE PROGRAM

(Mr. HOYER asked and was given permission to address the House for 1 minute.)

Mr. HOYER. Mr. Speaker, I wish to address the House for the purposes of inquiring of the acting majority leader the schedule for the coming week; and I would be glad to yield to my good friend, the gentleman from Ohio (Mr. PORTMAN), who chairs the leadership committee, or I am not sure of his exact title, but he is my friend and an able Member of this body, and I am glad to yield to him.

Mr. PORTMAN. Mr. Speaker, I thank my friend from Maryland for yielding to me, and I would be happy to talk about the schedule for next week.

Mr. Speaker, the House will convene on Tuesday at 12:30 p.m. for morning business, 2 p.m. for legislative business. We will consider several measures under suspension of the rules. A final list of those will also be sent to Members' offices by the end of this week. Any votes called on those suspensions will be rolled until 6:30 p.m., as has been our custom.

On Wednesday and Thursday, Mr. Speaker, the House will convene at 10 a.m. We still hope to consider the budget resolution for fiscal year 2005, although that is being worked out.

In addition, as we all know, next week is the anniversary of the start of Operation Iraqi Freedom, as well as the anniversary of Saddam Hussein's chemical weapons attacks against the Kurds. So on Wednesday, the House will consider a resolution remembering these historical events and commemorating the allied forces, including our troops, for the liberation of Iraq.

Finally, I would like to remind all Members that we do not plan to have votes next Friday, March 19.

I thank my friend from Maryland very much for yielding to me, and I would be happy to answer any questions, or try to answer any questions, he might have.

Mr. HOYER. Mr. Speaker, I thank the gentleman for the information he has provided us.

This is the first time at least that I have heard of the consideration of the Iraqi resolution next week. I understand the timing of that and the date on which that effort began. Because I have just heard about this and have not had an opportunity to talk to our ranking members on either the foreign affairs committee or on the defense committee, can the gentleman inform me as to whether or not this resolution has been put together in a bipartisan way, with participation by the minority? The reason I ask the gentleman that is I think all of us want to ensure that we are united on it.

I have not seen the statement so I do not know what it is, but clearly we are, I think, all proud of the actions of our Armed Forces; and they carried out their mission in an extraordinarily effective, efficient, and courageous manner. We are all proud of our men and women in uniform for what they have done. We are all pleased, as well, that Saddam Hussein has been captured and is in custody and no longer at least poses a personal threat; but I am sure my friend from Ohio agrees that hopefully this statement will be one which is reached in a bipartisan way and we can have overwhelmingly bipartisan support of.

I certainly, as one who supported, as my colleague knows, the effort in Iraq and supported the funding for that effort, want to be able to support it. I have not seen it, but I am hopeful that we do this in a bipartisan way.

I would be glad to yield to my friend to comment on this issue.

Mr. PORTMAN. Mr. Speaker, I thank my colleague for yielding, and I have not seen the resolution either. It has not been introduced yet. My understanding is that the gentleman from Illinois (Chairman HYDE) has taken the lead on that and the Committee on International Relations, and he will be consulting with the gentleman from California (Ranking Member LANTOS), and I am sure he would appreciate any input that Members have on both sides. It would be good if we could as a House support this resolution on a bipartisan basis because it will be, as my colleague said, important to be able to show that support for our troops who are currently in Iraq performing for us and for the American people.

Mr. HOYER. Mr. Speaker, I thank the gentleman for that information; and I understand he is a little bit in the same position I am, having just learned of this in the last few minutes. I am pleased to hear that the gentleman from Illinois (Mr. HYDE) will be communicating with and working with the gentleman from California (Mr. LANTOS). Again, while there are, obviously, as we all know, disagreements on the prosecution of that effort, whether we should have undertaken it, there is no, I think, dispute on the underlying support of our troops, their effort, their safety, and their objectives. Hopefully, that is what we will articulate.

I thank the gentleman for his information, and I will surely be talking to the gentleman from California (Mr. LANTOS), as I know our leader will, to try to make sure that we are all together on this statement, which I think will be good for our troops and good for the world to see as well. I thank the gentleman.

We had expected to see the budget resolution on the floor next week. Then, frankly, we had heard in the last few hours, or few minutes, that that was not going to be the case, that the markup had been called off or cancelled, rescheduled by the gentleman from Iowa (Mr. NUSSLE) for next week. Our presumption was, if that was the case, then the budget would be delayed a week.

Now the information is, and I know the gentleman from Texas (Mr. DELAY), the leader, is not on the floor, it is my understanding that perhaps he is working on trying to effect agreement, but can the gentleman tell me whether or not he has confidence that that will be on the floor next week, or are we waiting to see what is going to happen today to make that final decision?

Mr. PORTMAN. Mr. Speaker, if my colleague will yield further, it is still up in the air. As the gentleman knows, we had planned to have the budget marked up in committee today and then brought to the floor next week. It is important that we keep our time frame because it is important that we have our appropriations bills done in a timely manner. So we are still hopeful that can happen, but we have had some delays in the markup today. We did get started on the markup. We had some good opening statements, and we are going back into committee later today, but there are currently negotiations over whether we can finish that today or not.

I will say that we are excited about the budget document. It does restrain spending, which we believe is the right thing to do. There have been some disagreements between the bodies, even between Members, on both sides of the aisle, over some of the budget enforcement mechanisms. Those are more the issues here that have to do with caps and PAYGOs and those sorts of issues; but the budget itself, this resolution, we hope to be able to mark up today. If not, we will certainly mark it up next week.

Mr. HOYER. Mr. Speaker, I thank the gentleman.

Last week, I asked the leader and would ask the gentleman, as we approach next week, assuming that the budget is to be on the floor next week, about the commitment of the majority to allowing the minority, as has historically happened, to have various alternatives. As the gentleman knows, the Congressional Black Caucus has always had the opportunity to offer an alternative that was a thoughtful, persuasive budget. I did not always support it.

☐ 1330

We have other caucuses who may want to offer alternatives as well, and clearly the gentleman from South Carolina (Mr. SPRATT), the ranking member of the Committee on the Budget on our side of the aisle, will want to offer a substitute as well.

Is the gentleman aware of whether or not, as has happened in the past, we will be afforded the opportunity to offer various alternatives to the budget document that will be reported out of committee?

Mr. Speaker, I yield to the gentleman.

Mr. PORTMAN. I thank the gentleman for yielding further.

It is my understanding that, as in prior years, the Committee on Rules will give preference to complete substitutes rather than amendments to the budget document. It is my understanding further that we will provide adequate time, as we have in the past, for both general debate and for these substitutes.

Historically, this debate has varied between 3 to 5 hours for general debate and 40 minutes to 1 hour for amendments or substitutes. It is my understanding that it is the intention once again for the Committee on Rules to provide those kinds of rules. Of course, they have not seen the various resolutions yet, including the one that comes out of the Committee on the Budget. But that is certainly the intent of the Committee on Rules at this point.

Mr. HOYER. Mr. Speaker, I thank the gentleman for that observation, and I would hope we do follow that practice. Because, clearly, while the budget document, in particular for those of us who serve on the Committee on Appropriations, is a relatively broad-brush document, it does very pointedly speak to the priorities that Members have and that we think our country ought to have. Because of that, it becomes even more important, I think, in the people's House that the people's representatives have an opportunity to offer alternatives so that not only Members, but the American public can form a judgment of their own as to what alternative is in the best interest of our country.

So I appreciate the gentleman's observation that full substitutes, and usually, as you know, that is what we have been offering, and certainly it is the intention of the gentleman from South Carolina, as the ranking member, to offer a substitute. Of course we do not know what ultimately is going to happen, we will have to see what the Committee on the Budget produces, but I am sure that the gentleman from South Carolina will want to offer a substitute.

The gentleman mentioned enforcement mechanisms. The Senate, as you know, the other body, has adopted an enforcement mechanism, which we think if you are going to have an enforcement mechanism makes sense.

First of all, does the gentleman know whether the enforcement mechanism will be in a separate piece or legislation included in the budget offering itself?

Mr. Speaker, I yield to my friend.

Mr. PORTMAN. Let me say at the outset that we welcome a substitute from the gentleman from South Carolina (Mr. SPRATT), better yet that he supports the substitute the gentleman from Iowa (Mr. NUSSLE) will offer in committee. But certainly having an alternative is welcome and the debate will be a healthy one.

With regard to any budget enforcement mechanisms, there has not been a decision whether that will be part of the budget resolution. I think that is part of the discussion now whether there will be separate legislation. There are advantages and disadvantage to both, I suppose, but that decision has not been made yet.

Mr. HOYER. Mr. Speaker, I appreciate the gentleman's response. In addition, of course, to the substitute, or an amendment to the budget in the form of a substitute, I am sure that we would be, depending upon what comes out of the committee, very much committed to offering an enforcement mechanism proposal of our own. We believe that the enforcement mechanism that was in place some years ago was effective in reaching balance and, in fact, taking us into surplus. That was allowed to lapse, and is not in force now, which allowed us to do the tax cuts that were passed over the last 3 years.

Is the gentleman of the view that we will be allowed to have, under the rules, a substitute and/or amendments to the proposal for enforcement that is reported out of the Committee on the Budget?

I yield to my friend.

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding to me.

I do not know what form it will take. If it is part of the budget resolution, I suppose then other budget resolution substitutes, as we talked about earlier, might include enforcement mechanisms as well. The gentleman mentioned the ranking member may indeed offer one of his own. If it is separate legislation, the Committee on Rules would take that up.

I do not know, I would say to my friend from Maryland, I do not know when that would be. I do not know if it will be the same time as the budget. There are other committees, particularly the Committee on Rules, that will have jurisdiction of any enforcement mechanism. Ultimately, it is up to the will of the Congress, is it not, as to how we enforce our budgets?

I just do not know what the likely form will take. Again, I think our goal would be to have a healthy debate over the enforcement mechanisms. We feel strongly that spending ought to be subject to the pay-go rules. We feel strongly that the tax relief that was enacted over the last 3 years has now turned this economy around and we are beginning to see growth. So we would hate to subject those to the kinds of pay-go rules that would not have permitted, during the time when the economy was in bad shape, for us to begin to get some economic stimulus and growth.

So this may be some of the debates we will have on the floor, and I would think we would encourage that.

Mr. HOYER. Mr. Speaker, I understand the gentleman's comment, but as he knows, Mr. Greenspan, who has not been necessarily an advocate of our side of the argument, as a matter of fact, has been on the gentleman's side of the argument on the tax cuts, has made it very clear that he believes, for the interest of economic security and stability in the country, that the pay-go rules ought to apply on both the spending and the tax side. Because, of course, in either event, you can plunge yourself, as we believe we have, into deep deficits.

So I think that will be a good debate. We will obviously point to Mr. Greenspan's assertions, which we agree in this instance, that it is very difficult to control if you do not have pay-go applying on both sides of the ledger.

Lastly, if I might, as a distinguished member of the Committee on Ways and Means, a senior member of the Committee on Ways and Means, the gentleman knows that the Foreign Sales Corporation legislation has been pending for many, many months now. We are concerned, as you know, that the Europeans are now imposing sanctions as a result of the WTO's finding that we are not in compliance.

Can the gentleman tell me whether or not the FSC legislation will be on the floor any time soon; and, if so, whether or not the Rangel-Manzullo alternative will be made in order as an alternative?

I yield to my friend from Ohio.

Mr. PORTMAN. Mr. Speaker, I thank my friend from Maryland for yielding to me again.

The legislation is very much on our minds. As you know, the Committee on Ways and Means has worked hard on this legislation already. The gentleman mentioned the substitute which the gentleman from New York (Mr. RANGEL) may want to offer in committee. The tariff increases are beginning to take effect, increasing by 1 percent every month, so it is something we are working hard on.

We do want to work closely with the other body on this to be sure that we can actually enact legislation, as well as with the President and with his team, the U.S. Trade Representative's Office and the Treasury Department in particular. So we are working closely with them.

I do not know when legislation may come to the floor, but I understand that the Committee on Ways and Means is planning another meeting next week to discuss certain aspects of this, to be sure that as we repeal the FSC/ETI provisions, we are also providing adequate benefits for U.S. companies who are involved in global competition.

So this is a very high priority on our side of the aisle and we continue to work toward that goal.

Mr. HOYER. Mr. Speaker, I thank the gentleman for his comments, and while I accept his premise that it is a high priority, very frankly, I will tell my friend from Ohio, there is no doubt we could have passed a bipartisan supported bill here with a very substantial number of votes many, many months ago. That was not the determination, apparently, of the committee to report out such a bill. We think that is unfortunate.

We believe that if the Rangel-Crane or the Rangel-Manzullo bill, or the Manzullo-Rangel bill were reported out, I think we would see well over 225 to 230 votes for that, maybe more. But in any event, I appreciate the gentleman's comments.

Mr. PORTMAN. Mr. Speaker, if the gentleman will yield a moment.

Mr. HOYER. Mr. Speaker, I would be glad to yield to the gentleman.

Mr. PORTMAN. I respect the gentleman's vote-counting ability, as he knows, but being on the committee, I can say that I am not certain such a bill could have even been reported out the committee because there are many complexities with responding to this tough issue.

Mr. HOYER. Reclaiming my time, Mr. Speaker, if I can just briefly, I share the gentleman's view. I do not think such a bill could be reported out of the Committee on Ways and Means either. Our perception is, as the gentleman well knows, it is tough to pass bipartisan bills out of the Committee on Ways and Means because I do not think there is any interest in doing that. I think that is unfortunate because this is a critical problem confronting us.

I think we could have, as we have in the past, and the drug reimportation being a perfect example of a bill that passed very handily in a bipartisan fashion through this House. Unfortunately, it did not make it out of the conference committee. Notwithstanding the fact that both Houses were for it, there were people who were not for it.

But this is a critical problem, and my only suggestion to my good friend, with whom I have worked in a very bipartisan fashion on very successful legislation, and I know the gentleman's inclination is to do that, to legislate, not just to throw bombs at one another. I thank the gentleman for his observation and hope, in fact, that he is correct and we move on this quickly. And if it is not a bipartisan bill as it comes to the floor, I hope that we do provide for the minority an opportunity to offer an alternative which we think will be in the best interest of this country. We will debate that and the majority will prevail.

Mr. Speaker, I thank the gentleman for his comments and thank him for the information.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LaHood). The Chair will recognize Members for special order speeches without prejudice to the possible resumption of legislative business.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

LOSS OF JOBS IN OHIO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Brown) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, yesterday President Bush made a campaign trip to Cleveland to speak to small business people to explain his economic policy and to try to answer why Ohio has lost 300,000 jobs in the last 3 years; to try to explain why Ohio has lost 160,000 manufacturing jobs; that one out of every six manufacturing jobs in Ohio has disappeared, likely permanently for most of them. One out of six jobs in manufacturing has disappeared since President Bush took office.

He also came to Ohio to answer why the head of his council, the chairman of his Council of Economic Advisers, Gregory Mankiw, said that outsourcing of jobs, jobs moving overseas, that Mr. Mankiw said and the President signed a report supporting this, that outsourcing was a good thing because it makes the economy more efficient.

Now, Mr. Speaker, I think the President needs to explain a little better. Last week, I was in Akron, in my district. Akron, Ohio. I spoke to some company owners who own small machine shops with 50 employees, 30 employees, or 100 employees, but all small manufacturing businesses. One owner of a machine shop came up to me before I spoke. He gave me a stack of these fliers. He actually gave me about four times this many, about six or seven inches of fliers. He told me that he gets about this many fliers every month, and he says these fliers are auction fliers. They basically are notifications from companies all over the United States that are having fire sales; that are having going-out-of-business sales.

□ 1345

Mr. Speaker, here is an auction flyer that says high-tech manufacturing plant closing in Elk Grove, Indiana.

Another one is a plant closed, everything sells, from Verona, Pennsylvania.

Here are two complete stamping and machine tool shops closing. They are selling all their equipment. They are looking for buyers. This is from Oak Brook, Illinois.

Here is a plant closing, everything must sell, from North Carolina.

Another one here from Marion, Ohio, complete shop close-out auction. The absolute auction, Cuyahoga Falls, Ohio, in my district, complete liquidation of the Cuyahoga Falls plant.

Precision C&C job shop downsizing because of outsourcing, from Scottsboro, Alabama.

Another one from Massachusetts, large-capacity fabricating and machine shop closing.

Another one, 3 days, two tremendous public auctions, two companies, machinery and equipment and real estate. Plant closed, everything must go, real estate for sale.

Another company, plant closed, everything sells.

Another one from Ross, Ohio, plant closing due to relocation overseas.

Another one from Medina, Ohio, facility closed, all must go.

Mr. Speaker, I do not think the President understands the depths of this problem in this country. These are companies, hundreds and hundreds and hundreds of companies representing hundreds of thousands of workers who are going out of business, who are downsizing, who are shipping their jobs overseas; yet the President says that he supports outsourcing, that outsourcing is a good thing.

The President needs to look in the eye of some of those 800,000 workers in this country who have seen their unemployment compensation expire in the last 3 months, and this Republican Congress refuses to extend those benefits. It is not just 800,000 workers. It is 800,000 families; it is millions of children; it is communities; it is our schools. Everyone is affected by the plant closings.

The President's answer, if there is bad economic news, and if he looked at some of these plant closings, fire sales, going out of business auction brochures, he would say we need to do more tax cuts for the wealthy, maybe some of it will trickle down and create jobs; we need to do more trade agreements like NAFTA. That is the President's answer to every bad piece of economic news. When the President sees unemployment goes up, he says more tax cuts for the most privileged and more trade agreements that hemorrhage jobs overseas.

When the President sees bad economic numbers, terrible trade deficits, the highest in history, our trade deficit with China alone is now $124 billion, and that is where a lot of these companies are going, the President's answer is we need more trade agreements like NAFTA and tax cuts for the wealthiest people in the country.

Mr. Speaker, we need to pass Crane-Rangel, which will give incentives for domestic manufacturers and small businesses. We need to extend unemployment compensation to those 800,000 families.

ECONOMIC GROWTH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, a few months ago I came down to the floor to talk about our economy and the steps that President Bush and Congress have taken to offset the recession and the trillion-dollar impact of September 11 on our economy.

Part of my remarks that day focused on tax relief and the effect it has had in helping our families, working families, and small businesses weather what has been some tough economic times; and I think it is important that we reiterate our support for tax relief because there are those across the aisle who are increasingly supportive of raising your tax bill. I want to let my constituents in the Seventh Congressional District of Tennessee know that I am standing beside tax relief legislation. I stand with cutting their tax bills.

In 2003 under Republican leadership and under Republican tax legislation, 91 million taxpayers received on average a tax cut in the amount of $1,126. This is real relief for 91 million Americans. So when the rhetoric from the other side of the aisle starts flying that tax relief is only for the rich, you can judge for yourself whether you think 91 million Americans would consider themselves rich.

A few months ago, candidates for the Democratic nomination were all calling for tax increases. Virtually all of them opposed the tax relief which has allowed 91 million Americans to keep more of their hard-earned paychecks. On July 28, a Washington Post column proclaimed: "Candidates Not Shying Away From Tax Talk: Candidates Discuss Raises, Not Cuts."

It is important to note they may think you can tax your way to prosperity, but you cannot. You cannot. We know that it is important to leave that money with the taxpayer. Well, today we have a single Democratic candidate, and he is on record for raising some income tax brackets to pre-Bush levels. The question every American needs to consider is this: Why should we raise taxes? What do higher taxes do to the economy? It is a simple answer: higher taxes take capital out of the private sector and give government more money to spend.

I think a vast majority of Americans, and I know the folks in my district, know that higher taxes do not grow our economy; they grow the government.

Something else I think the American people should know is that the tax relief that we have passed, the tax relief responsible for giving 91 million Americans an average of $1,126 in relief last year is not permanent. In short, this tax relief will end in 2011; and at that point, virtually all taxpayers will start facing higher tax bills. Democrats largely do not support making this relief permanent. Americans will again be subject to the marriage tax, the death tax. A family of four making $36,268 will see a tax hike of over $2,000; that is if we do not make permanent our tax relief legislation, and that is something that we are working to do.

The President and this Congress are working to ensure that this relief is permanent, and I look forward to the debate because we are on the side of lower taxes, economic growth, not tax hikes and big government. We are for leaving the money with those who earn it.

McGOVERN-DOLE FOOD FOR EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. McGOVERN) is recognized for 5 minutes.

Mr. McGOVERN. Mr. Speaker, currently there are more than 300 million chronically hungry children in the world. Around 130 million of these children, mainly girls, do not attend school. The rest go to school hungry, severely limiting their ability to learn. The U.S. Department of Agriculture's McGovern-Dole International Food for Education Program is helping to change this grim reality. One exciting example of this program is taking place in Afghanistan where World Vision is making a difference in the lives of 37,000 children.

In Afghanistan, 52 percent of children under 5 are malnourished. Access to education is extremely limited, and the quality of education, when available, is poor. The Taliban largely excluded girls from formal education, and women were prohibited from teaching. The World Bank estimates the primary school enrollment rate at 39 percent for boys and 3 percent for girls. In the current environment, the demand for education opportunities far outstrip supply. Schools run multiple shifts, and many classes meet outside with the barest minimum of basic material, teachers, and facilities.

This particular McGovern-Dole International Food Program is being implemented in 115 schools in the remote provinces of Badghis and Ghore in the western region of Afghanistan. In this area, out of a school-aged population of 60,000, only 23,000 students were enrolled in schools last year; and just some 3,400 were girls.

World Vision is providing 37,000 students with a monthly ration of wheat, rice, lentils and vegetable oil for attending school, which also serves as an incentive for poor Afghan families to send both their sons and their daughters to class. These commodity are provided by hard-working farmers in Washington State, California, Tennessee, Wisconsin, and Minnesota. In the most remote areas, World Vision is using donkey trains to transport the food to the schools.

In each of the 115 schools, World Vision trains community volunteers to help identify pressing needs and will provide all 37,000 students with a student kit including notebooks, pens, pencils, erasers, sharpeners, shoes, a book bag, and a cloth wrap for girls so they are not excluded from education in conservative areas due to cultural taboos.

World Vision also works with community volunteers to make sure that the school is a proper learning environment for the children and will be supplying each school with chalkboards and chalk, desks, tables, cabinets, maps, books, water systems, and latrines.

World Vision is building nine schools over the course of the next year in the Jarwand district, where there are only six schools covering just 4 percent of the total school population. While nine schools cannot address all of this need, it will allow another 3,600 students to attend classes. These schools will replace and greatly expand four temporary schools set up last year under UNICEF plastic tents. Five of these schools are being constructed with McGovern-Dole funding, and the other four are being built with private resources raised by World Vision.

World Vision is working with local councils so some of these schools will be set up exclusively for girls. World Vision's agronomists are also helping each school set up its own garden to raise cucumbers, tomatoes, eggplants, okra, onions, carrots, spinach, hot peppers, turnips and watermelon, which will complement the U.S.-grown commodities with the micronutrients that vegetables can supply. These garden projects also teach improved agricultural techniques to students and interested community members which they can use in their own family farming; and they help the schools establish a microenterprise, selling the excess production and using the funds to defray the schools' cost.

World Vision is training 675 teachers in the new ministry of education curriculum, designed by UNICEF to replace the Taliban's restrictive system. It is also complementing teachers' meager salaries with food baskets so they can dedicate their full time to teaching instead of taking on jobs outside the schools.

This support comes at a critical time in Afghanistan's transition as the new government struggles to reestablish infrastructure in these remote areas.

Originally, World Vision's Afghanistan program was designed as a 2-year program; and in the second year it would have greatly expanded benefits to additional communities, students, and teachers. Unfortunately, President Bush severely cut funding for the McGovern-Dole International Food for Education Program, and this Congress failed to protect the program in the appropriations process. Sadly, many projects have been cut back to 1 year.

Mr. Speaker, I call on the leadership of this House to significantly increase funding for the McGovern-Dole International Food for Education Program so its many worthy projects like the World Vision program in Afghanistan can reach even more needy children and communities.

IRAQ AND THE WAR ON TERROR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GERLACH) is recognized for 5 minutes.

Mr. GERLACH. Mr. Speaker, I rise today in an effort to dispel continuing myths which have been propagated with regard to the role of Iraq in the larger war on terrorism. While many Democrat Members have worked hard to promote these myths, it is time that we who know and understand the truth come forward to fully explain it.

Let me be perfectly clear. The war against Iraq is a central component in the global fight against terrorism. The Hussein regime's support for terrorism, within and outside of its borders, its appetite for the world's most dangerous weapons, and its openly declared hostility to the United States were a combination that was a gathering and growing danger to our country.

In light of the September 11 terrorist attacks, ending this regime was central to the war on terrorism and central to ensuring that more attacks on American soil, like the September 11 attacks and the 1993 World Trade Center bombing, never occur again.

□ 1400

The Hussein regime established significant and numerous ties with terrorist organizations like al Qaeda for over a decade prior to September 11, 2001. This included the provision of training, financing and sanctuary. In fact, the Iraqi foreign minister admitted in March 2003 that Iraqi funds were sent to families of Palestinian suicide bombers who attacked and killed innocent Israeli citizens, and also 12 Americans in Israel in 2003. Even the Clinton Administration agreed and repeatedly asserted connections between al Qaeda and Iraq, and explicitly said that Hussein posed a threat to the United States itself.

By ending the Hussein regime, the United States has taken away yet another incubator of terrorism. Terrorist groups benefited for years from support of Saddam Hussein and his regime. Further, by acting decisively in Iraq, the United States has sent very strong signals to other nations that have been or could be terrorist sympathizers. Had the United States not acted in Iraq, Libyan leader Muammar Qadhafi would likely not have declared his weapons programs, submitted to international inspections and voluntarily dismantled its programs. In addition, it is very likely that United States action in Iraq caused Iran to open its nuclear facilities for international inspection and suspend its uranium enrichment activities.

The list goes on and on, from Syria to North Korea. We are seeing changes in the way these nations deal with terrorism because of our actions in Iraq.

Those who like to spread misconceptions and myths often point to the fact that no weapons of mass destruction have yet been found in post-war Iraq. They say the President and his administration deceived the American people and the international community.

However, David Kay, our chief weapons inspector, has stated repeatedly that it was prudent to attack Iraq, and that as the inspection process continues, as it does, we will find that Iraq was more dangerous than we actually understood at the time because the regime was collapsing and Iraq was a country that had capabilities to develop weapons of mass destruction that terrorist groups have sought repeatedly.

Had the Hussein regime lost control completely, Iraq would have become a breeding ground for international terrorism, much like Afghanistan was under the Taliban, the only difference being that Iraq had the wealth and the resources necessary to build weapons that could have been directly threatening to the United States and our allies.

Further, not only the United States, but the French, British, Germans and the United Nations all thought Hussein possessed weapons of mass destruction before the United States intervened.

There is also the myth that the United States and our allies intervened in Iraq solely based only evidence of weapons of mass destruction. This is not true. Again, according to David Kay, Iraq clearly was in violation of United Nations Resolution 1441. This resolution required Iraq to come clean and report on all of its activities.

To date, hundreds of cases have been found that show Iraq was engaged in activities that were prohibited under that resolution and under the initial resolution, 687.

Our case for war was and remains clear. The majority of the American people understand that, the House of Representatives understood that when this body agreed in the 107th Congress by passing H.J. Res. 114 by a vote of 296 to 133, and our allies around the world understood that and continue to share our resolve.

Clearly, there are those Democrat candidates who are using this election year for partisan politics to cloud the truth. These tactics will ultimately fail because we all understand that the United States is safer today and our citizens are far less likely to be victims of domestic terrorist attack because we have removed the Hussein regime and are on the way to helping establish and ally in the Middle East.

Mr. Speaker, it is also important to remember that who made this security possible. The thousands of American sailors, soldiers and airmen who drove the once powerful dictator to cower in a hole are owed the praise of the entire Nation.

I would ask that all Americans take a moment to think about our friends, sons, daughters, mothers and fathers who are serving proudly in Iraq and around the world as part of the global war on terrorism. They are ensuring our safety and working hard to make sure that another day like September 11 never happens again. To Members of our armed services, I say thank you. I would also remind them that no matter what they hear to the contrary from Democrat politicos, their actions in Iraq are justified and necessary.

NEED FOR CONCERN OVER JOB LOSS

The SPEAKER pro tempore (Mr. ISSA). Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, as has been noted here on the floor earlier by my colleague the gentleman from Ohio (Mr. BROWN), the President came to Ohio yesterday. It was his 15th visit since being elected, or since ascending to the presidency.

The fact is that he should come to Ohio, because Ohio is a suffering State. Ohio has lost approximately 300,000 jobs since the President has been in office. About 160,000 of those jobs have been good paying manufacturing jobs, living wage jobs, jobs with good benefits. And, quite frankly, there is no recovery in Ohio as I stand here in this Chamber today. The recovery may be happening on Wall Street, it may be happening in other States, but the recovery has not yet come to Ohio. So I think the President should be concerned.

Just yesterday in this Chamber, a group of high school students from my district, from Jefferson County, were visiting here in the Nation's Capital, and during the question and answer session that I had with them in this Chamber, a high school student asked me what I could say to those who had worked at Weirton Steel, those who had retired, had been a part of this community and of this company, and are now being told that their health benefits are no longer there for them, that their pensions are being reduced.

Quite frankly, it is difficult to answer a question like that coming from one of my constituents, because the sad, sad fact is, there are good citizens, law-abiding, patriotic Americans, who have worked all their lives and are now finding themselves in the most difficult circumstances. They may be in their mid-fifties, with major health problems, only to find that they are no longer covered with health insurance.

So we need to focus on Ohio, and the President needs to be thinking about job creation. But that is why I am so disappointed in the President's recently published economic report to the Nation. In that report there is this sentence: "If a good or a service can be produced at lower cost in another country, it makes sense to import that product rather than to produce it domestically."

Now, the fact is that nearly every job in this country can probably be performed at lower cost in another country. The fact is that the Chinese and the Indians, the Vietnamese, those from Australia, they are doing the producing and they are taking jobs from this country. As is the case in Mexico that I visited a couple months ago, paying $38 a week, an American company paying $38 a week for 9½ hour days, well, of course they can produce it at lower cost there. But the last thing we need is for the President to indicate that this is a good thing.

That economic report was issued under President Bush's signature, so he is responsible for that conclusion, that statement, "if a good or a service can be produced at a lower cost in another country, it makes sense to produce it there, rather than to produce it domestically."

But what do you say, what do you say, Mr. President, to the unemployed steelworkers, to those along the Ohio River, on both the West Virginia, Pennsylvania and Ohio portions of that river, whose jobs depend on producing china and pottery, these jobs that are being threatened by imports from China, when your administration is wanting to reduce or eliminate the current tariffs of 28 percent? What do you say to them?

Of course you can make a plate cheaper in China, if you are going to pay pennies an hour or dollars a week, but that does not make it right. We need a President who is willing to stand up for American jobs, American workers, American communities and American industries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members to address their remarks to the Chair and not to the Executive Branch.

PRESIDENT'S GRAND STRATEGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FOLEY) is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, as Paul Harvey says on his radio show, now for the rest of the story.

It is interesting, many of the Democrats have talked about job loss in America, but they do not mention the fact that trade has actually brought jobs into America. In Ohio, the Honda plant now paying high wages for its employees assembling Honda automobiles. In South Carolina, I know the Democratic governor was very instrumental in getting BMW and other companies to come to their State to create jobs for their citizens, high-wage, high-paying jobs.

You can look at one-half of the spectrum and say we have real problems. We are trying to find employment for every American. But they seem to ignore, they seem to ignore the fact that trade has brought jobs to this country, good jobs to communities that were desperately in need of those jobs.

This morning in a 1-minute, I was extraordinarily critical, rightfully so, of the Democratic candidate for the presidency. I am not allowed under House rules, I was admonished today, for using the name of a Senator, so most of us know who I am talking about.

But the word and phrase used yesterday on an open mike was that this administration is corrupt and is lying. That is the charge by the Democratic nominee for President about the sitting President of the United States of America. I called it this morning despicable and disgraceful, and I stick by that terminology, because that is the truth.

Now, look at who they are talking about. We are talking really about Iraq, because they keep using that as the reason they are calling this President a liar. They are saying Iraq is the reason he should be called these derisive terms, which I believe are disrespectful for any sitting chief executive President of the United States.

So what does that say ultimately, that we should not have done anything in Iraq, we should not have gone to Iraq, we should not have dealt with Iraq? That is their conclusion.

Well, today in the New York Times, "Saddam team skimmed billions in aid projects. Cash in suitcase."

In its final years in power, Saddam Hussein's government systemically extracted billions of dollars in kickbacks from companies doing business with Iraq, funneling most of the illicit funds through a network of foreign bank accounts in violation of the UN treaties. Millions of Iraqis were struggling to survive on rations of food and medicine, yet the government's hidden slush funds were being fed by suppliers and oil traders from around the world, who sometimes lugged suitcases full of cash to ministry offices."

That is who they are defending. Saddam Hussein, who killed hundreds of thousands of his own citizens, we should not have gone there and interrupted his killing spree. We should not have done anything to stop the demonic leadership of Saddam Hussein.

I reject the comments, and I am entering the entirety in the RECORD, because I want people to be able to read in the RECORD what the New York Times discovered about the cash-skimming operations of this ugly regime.

Now, another article that I will enter in its entirety in the RECORD, because it talks again about an outside observer's view of this President, an outside observer. It happens to be Bill Sammon of the Washington Times. The headline, "Bush's Grand Strategy Overlooked by Liberal Historians."

"An influential Democratic historian has credited President Bush with instituting one of only three grand strategies in the history of the U.S. foreign policy, by trading in the doctrine of containment for preemption. John Lewis Gaddis of Yale said his fellow historians have not paid sufficient attention to the importance of Mr. Bush's sweeping overhaul of U.S. foreign policy because they are blinded by their liberal bias. He also accused former President Bill Clinton of failing to adequately address global threats that gathered on his watch," the World Trade Center first bombing, Khobar Towers, the two embassies, all during the watch of Clinton.

"The Bush team really did, in a moment of crisis, come up with a very important statement on grand strategy, which has not been taken as seriously as it should have been taken, particularly within the academic community.

"Mr. Gaddis writes that America's three grand strategies were instituted by Mr. Bush," this President Bush, "John Quincy Adams and Franklin Delano Roosevelt. All three strategies were prompted by rare, catastrophic attacks on America by foreign enemies."

He goes on to quote, "The Clinton administration was somewhat like the Harding and Coolidge administrations after World War I, Mr. Gaddis said. There was the sense that the war had been won, the fundamental processes in world politics were favorable to us, and therefore we could sit back and let them run. But these processes of globalization and self-determination during the Clinton administration did nothing to stop terrorists from using minimal resources to inflict massive death and destruction against the United States and its interests. The former President did not act decisively to head off a gathering threat."

I bring you to September 11. I bring you to the carnage of September 11 as a result of our not being willing to take on any enemy.

☐ 1415

Look at what has happened because of his leadership: Iraq. Look at North Korea turning over nuclear documents. Look at Libya surrendering nuclear hardware. Look at Pakistan and India, finally talking over Kashmir. These are the results of a determination by this President to root out terrorism.

I conclude by saying this, and this is important in context to this article. Mr. Gaddis, who describes himself as a very long-term disillusioned Democrat who still has hopes for the Democratic Party, disputed the liberal stereotype of the President as a lightweight. There certainly have been tendencies to underestimate President Bush himself and to view him in the way that Reagan was viewed when he first came in, as being a cipher, manipulated by his own advisers. That turned out not to be true of Reagan, and it is turning out not to be true of George Bush.

Mr. Speaker, I will at this time enter the entirety of this article into the RECORD, along with other documentation referred to earlier. I salute our President. I am proud of our President and proud to stand with him in Florida in the coming months.

[From the New York Times, Mar. 1, 2004]

SADDAM TEAM SKIMMED BILLIONS IN AID PROJECT CASH IN SUITCASES/UN SANCTIONS VIOLATED

(By Susan Sachs)

BAGHDAD.—In its final years in power, Saddam Hussein's government systematically extracted billions of dollars in kickbacks from companies doing business with Iraq, funneling most of the illicit funds through a network of foreign bank accounts in violation of United Nations sanctions.

Millions of Iraqis were struggling to survive on rations of food and medicine. Yet the government's hidden slush funds were being fed by suppliers and oil traders from around the world who sometimes lugged suitcases full of cash to ministry offices, said Iraqi officials who supervised the skimming operation.

The officials' accounts were enhanced by a trove of internal Iraqi government documents and financial records provided to The New York Times by members of the Iraqi Governing Council. Among the papers was secret correspondence from Saddam's top lieutenants setting up a formal mechanism to siphon cash from Iraq's business deals, an arrangement that went unnoticed by UN monitors.

Under a UN program begun in 1997, Iraq was permitted to sell its oil only to buy food and other humanitarian goods. The kickback order went out from Saddam's inner circle three years later, when limits on the amount of oil sales were lifted and Iraq's oil revenues reached $10 billion a year.

In an Aug. 3, 2000, letter marked urgent and confidential, the Iraqi vice president, Taha Yassin Ramadan, informed government ministers that a high-command committee wanted extra revenues from the oil-for-food program. To that end, he wrote, all suppliers must be told to inflate their contracts by the biggest percentage possible and secretly transfer those amounts to Iraq's bank accounts in Jordan and the United Arab Emirates.

Iraq's sanctions-busting has long been an open secret. Two years ago, the U.S. General Accounting Office estimated that oil smuggling had generated nearly $900 million a year for Iraq. Oil companies had complained that Iraq was squeezing them for illegal surcharges, and Saddam's lavish spending on palaces and monuments provided more evidence of his access to unrestricted cash.

But the dimensions of the corruption have only lately become clear, from the newly available documents and from revelations by government officials who say they were too fearful to speak out before. They show the magnitude and organization of the payoff system, the complicity of the companies involved and the way Saddam bestowed contracts and gifts on those who praised him.

Perhaps the best measure of the corruption comes from a review of the $8.7 billion in outstanding oil for food contracts by the provisional Iraqi government with UN help. It found that 70 percent of the suppliers had inflated their prices and agreed to pay a 10 percent kickback, in cash or by transfer to accounts in Jordanian, Lebanese and Syrian banks.

At that rate, Iraq would have collected as much as $2.3 billion out of the $32.6 billion worth of contracts it signed since mid-2000, when the kickback system began. And some companies were willing to pay even more than the standard 10 percent, according to Trade and Oil Ministry employees.

Iraq's suppliers included Russian factories, Arab trade brokers, European manufacturers and state-owned companies from China and the Middle East. Iraq generally refused to buy directly from U.S. companies, which in any case needed special licenses to trade legally with Iraq.

Iraq also created a variety of other, less lucrative, methods of extorting money from its oil customers. It raised more than $228 million from illegal surcharges it imposed on companies that shipped Iraqi crude oil by sea after September 2000, according to an accounting prepared by the Iraqi Oil Ministry late last year. An additional $540 million was collected in under-the-table surcharges on oil shipped across Iraq's land borders, the documents show.

A lot of it came in cash, recalled Shamkhi Faraj, who managed the Oil Ministry's finance department under the old government and is now general manager of the ministry's oil-marketing arm. I used to see people carrying it in briefcases and bringing it to the ministry.

UN overseers say they were unaware of the systematic skimming of oil-for-food revenues. In any case, they add, they were focused on running aid programs.

The director of the Office of Iraq Programs, Benon Sevan, declined to be interviewed about the oil-for-food program. In written responses to questions sent by e-mail, his office said he learned of the 10 percent kickback scheme from the occupation authority only after the end of major combat operations.

As the details of the corruption have recently emerged, law enforcement authorities in several countries said they had opened criminal and civil investigations into whether companies violated laws against transferring money to Iraq. Treasury Department Investigators have also been helping the Iraqi authorities recover an estimated $2 billion believed to be left in foreign accounts. So far, more than $750 million has been found in foreign accounts and transferred back to Iraq, said Juan Zarate, a deputy assistant Treasury secretary.

To some officials of Iraq's provisional government, what is perhaps most insulting is how little their country got for its oil money. Taking stock of what was bought before the U.S.-led invasion toppled Saddam last spring, they have found piles of nonessential drugs, mismatched equipment and defective hospital machines.

You had cartels that were willing to pay kickbacks but would also bid up the price of goods, said Ali Allawai, a former World Bank official who is now interim Iraqi trade minister. You had rings involved in supplying shoddy goods. You had a system of payoffs to the bourgeoisie and royalty of nearby countries.

Everybody was feeding off the carcass of what was Iraq.

The UN Security Council first imposed a trade embargo on Iraq on Aug. 9, 1990, one week after Saddam's invasion of Kuwait. It has kept in place after the Gulf war in 1991, with the provision that sanctions would be lifted after Iraq destroyed its unconventional weapons and ended its weapons program.

But as living conditions deteriorated, the council made several offers to let Iraq export limited quantities of oil to buy food and medicine. The two sides agreed on a mechanism only in 1966.

In 1999, Iraq was permitted to sell as much oil as it wanted, with the proceeds going into an escrow account at Banque Nationale de Paris, supervised by the United Nations. The new rules also allowed Iraq to sign its own contracts for billions of dollars in imported goods.

As ministry officials and government documents portrayed it, the oil-for-food program quickly evolved into an open bazaar of payoffs, favoritism and kickbacks.

The kickback scheme worked, they said, because the payoffs could be included in otherwise legitimate supply contracts negotiated directly by the former government and then transferred to Iraq once the United Nations released funds to pay the suppliers.

We'd accept the low bid and say to the supplier, "Give us another 10 percent" said Faleh Khawaji, an Oil Ministry official who used to supervise the contracting for spare parts and maintenance equipment. "So that was added to the contract. If the bid was for $1 million, for example, we would tell the supplier to make it $1.1 million."

The contract would then be sent to the U.N. sanctions committee, which was supposed to review contracts with an eye only to preventing Iraq from acquiring items that might have military uses. The kickbacks were paid into Iraq's accounts, and designated ministry employees withdrew the cash and brought it to Baghdad on a regular basis, according to Khawaji and Iraqi financial records.

U.S. and European investigators said they were trying to determine whether the banks knew they were being used for illegal financial dealings with Iraq.

Under the oil-for-food program rules, the United Nations' oil overseers had to certify that Iraq was selling its crude oil at fair value. Until the overseers changed the pricing formula in late 2001, Iraq's oil sold at a discount compared with similar oil from other producers.

At the same time, Oil Ministry officials said, purchasers of Iraqi oil were required to pay a surcharge, either in cash or by transferring money into Iraqi accounts in foreign banks.

When oil companies complained to the United Nations about the per- barrel surcharges, Iraq levied higher charges on ships loading at its port.

When Dr. Khidr Abbas became Iraq's Interim minister of health 6 months ago, he discovered some of the effects of Saddam's political manipulation of the oil-for-food program.

After a review of the ministry's spending, he said, he canceled $250 million worth of contracts with companies he believed were fronts for the former government or got contracts only because they were from countries friendly to Saddam.

[From the Washington Times, Mar. 11 2004]

BUSH'S "GRAND STRATEGY"—OVERLOOKED BY LIBERAL HISTORIANS

(By Bill Sammon)

An influential Democratic historian has credited President Bush with instituting one of only three "grand strategies" in the history of U.S. foreign policy by trading in the doctrine of containment for pre-emption.

John Lewis Gaddis of Yale said his fellow historians have not paid sufficient attention to the importance of Mr. Bush's sweeping overhaul of U.S. foreign policy because they are blinded by their liberal bias.

He also accused former President Bill Clinton of failing to adequately address global threats that gathered on his watch.

"The Bush team really did, in a moment of crisis, come up with a very important statement on grand strategy, which has not been taken as seriously as it should have been taken, particularly within the academic community," Mr. Gaddis said in an interview.

The eminent Cold War historian makes his argument in the new book called "Surprise, Security and the American Experience," published by Harvard University Press, which has caught the attention of National Security Adviser Condoleezza Rice and other White House advisers.

It also has earned the derision of Sen. John Kerry's presidential campaign.

"There's nothing visionary about a reckless, arrogant and rigidly ideological foreign policy that's lost America influence and cooperation in the world to win the war on terror," said David Wade, a spokesman for the Massachusetts Democrat.

Mr. Gaddis writes that America's three grand strategies were instituted by Mr. Bush, John Quincy Adams and Franklin Delano Roosevelt. All three strategies were prompted by rare, catastrophic attacks on America by foreign enemies.

In 1814, after the British burned the White House, Adams, then secretary of state, resolved to secure America through preemptive continental expansion, a grand strategy that endured for a century.

After the Japanese attack on Pearl Harbor prompted the United States to lead the Allies to victory in World War II, Roosevelt and his successors as president went about securing America through a grand strategy that came to be known as containment of communism. But that strategy became obsolete when the Cold War ended shortly before Mr. Clinton took office.

"The Clinton administration was somewhat like the Harding and Coolidge administration after World War I," Mr. Gaddis said. "There was the sense that the war had been won, the fundamental processes in world politics were favorable to us, and therefore you could just kind of sit back and let them run."

But these processes of globalization and self-determination during the Clinton administration did nothing to stop terrorists from using minimal resources to inflict massive death and destruction against the United States and its interests.

The former president did not act decisively to head off this gathering threat, Mr. Gaddis said.

"It just seems to me that any good strategist would be unwise to sit back and assume that things are going our way," he said. "You ought to be thinking through how what appear to be favorable trends can produce backlashes."

Such a backlash occurred on September 11, 2001, necessitating a new grand strategy, which was implemented by Mr. Bush.

The strategy included pre-emptive attacks on enemies such as Iraq that had the potential to use weapons of mass destruction, an aggressive push to democratize the Middle East and an unwillingness to be constrained by international organizations such as the United Nations.

Although Mr. Gaddis faults the president for not gathering sufficient international support before the invasion of Iraq and underestimating the challenges of postwar Iraq, the professor supported Operation Iraqi Freedom.

Many other academics opposed the war, making them reluctant to credit the president for a change in U.S. foreign policy that could very well endure for the next half-century, Mr. Gaddis said.

"The academic world is of course predominantly liberal, predominately Democratic, so there is a predisposition to be less critical of a Democratic administration than there is a Republican administration," he said.

Mr. Gaddis, who described himself as a "very long-term, disillusioned Democrat who still has hope for the Democratic Party," disputed the liberal stereotype of the president as a lightweight.

"There certainly has been a tendency to underestimate Bush himself and to view him in the way that Reagan was viewed when he first came in—as being a cipher, manipulated by his own advisers," he added. " That turned out not to be true of Reagan, and it's turning out not to be true of Bush as well."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISSA). The Chair would remind all Members not to make personally offensive references to Members of the Senate, even if not by name but by inference, including candidates for President.

WESTERN UNITED STATES STUDENTS ARE TREATED UNFAIRLY BECAUSE OF LARGE PORTIONS OF LAND OWNED BY FEDERAL GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. BISHOP) is recognized for 5 minutes.

Mr. BISHOP of Utah. Mr. Speaker, I wish to present a situation to the body that is somewhat unique which we in the West will be talking about in greater detail and more frequently as time goes on. I feel competent in being able to address this issue, because before I joined this august body I spent 16 years in the Utah legislature as Speaker at the end; but all 16 years I was a member of the Public Education Finance Committee, or Appropriations Committee. I also, as I have frequently mentioned on this floor, served for 28 years as a high school teacher before I joined this group. Even though I recognize that money does not equal education excellence and we can do many things to improve our education system without money, at some time, we still have to build schools, and teachers at some time still have to eat.

So I wish to present before the body three factual phenomena of which my colleagues may not be aware. First of all, the fastest growth in the student population happens to be in the States of the Mountain and Pacific time zones. Twelve of the 15 fastest growing States are in the West. In the West we have an average growth in our student population of 7 percent, where in the East, the average growth is a negative 2.6 percent. Ten of the 13 States with the highest teacher-student ratio are also in the West. And as the map that I am looking at right now shows, as far as growth in expenditures per pupil, 12 of the 15 slowest-growth States also happen to be in the West. The amount of money increased to public education for funding of students in the East was 57 percent. In the States of the West, it was half of that, at only a 27 percent rate.

Now, the question we should ask is, Why are these red States in here that are all encompassed in the West, why are they growing so slowly? It is not because we are not taxing our people. Indeed, the tax rate for both local and State governments in the West is actually higher than what it is in the East. It is not because we are not trying to present our portion of the budget for education. In my State of Utah, 42 percent of the budget goes to public education. If we add higher education, then it is up to almost 65 percent of the budget.

The reason for it is very simple, and it deals with this particular chart. What it means is that land and property tax driven by land propel local governments and school funding, and also income brought from property propels local government and school funding. The bottom line is, as we look at this map, the West land is taken from and controlled by the Federal Government. The blue areas within each of these States represent the portion of that State which is controlled by the Federal Government; and thus, the land is taken off the property tax rolls.

The State of Maine has a whopping .8 percent controlled by the Federal Government. New York has .3 percent. The large State of Texas, and it was smart when it became a State because they kept their own debt, but they also control their own land, only 1.5 percent is controlled by the Federal Government. But of the States in the West, every one of them has at least 25 percent of their land controlled by the Federal Government, and the States with over half of their land controlled by the Federal Government are, once again, all found in the West. The States of California and Arizona, Wyoming have 40 percent of their land controlled by the Federal Government. Oregon is 50 percent. Idaho and Alaska are 62 percent. My State is 65 percent, and 83 percent of Nevada is owned and controlled by the Federal Government and off the tax rolls. On average, 52 percent of the West is owned by the Federal Government compared to only 4 percent of the East.

Now, the bottom line for that means we simply do not have the resources to fund our education system accurately and we are falling behind other States, and it is an unfortunate concept. There are several different ways in which that happens.

When these States were entered into the Union, there was an enabling act which provided for this unfairness to be rectified. That has yet to take place, as the Federal Government has changed its policies towards land, and we are now talking about an amount of land that has a value of close to $14 trillion. Secondly, no property tax can be generated from those lands. If we average the acreage at merely $500 per acre and compare that with the tax rate that this land could have generated, these Western States should have been generating $4 billion, which could be used to fund education in the West.

Now, the Federal Government recognizes that because we have a program called PILT, Payment in Lieu of Taxes, in which the Federal Government will compensate Western States. The problem is, what happened in the year 2001, this land should have generated $4.2 billion. The Federal Government compensated these States to the tune of $165 million in the PILT program, and all of this money is going to governments that were local and, once again, not to education.

The bottom line, Mr. Speaker, as we will be talking about at some time in the future is students in the West should be afforded an equal, an equal education opportunity, and they are not. This land is controlled by all of us, and we are saying all of us should be paying for the benefit, because students in the West are still being disproportionately affected unfairly.

CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 108–173)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iran emergency is to continue in effect beyond March 15, 2004, to the Federal Register for publication. The most recent notice continuing this emergency was published in the Federal Register on March 14, 2003 (68 Fed. Reg. 12563).

The crisis between the United States and Iran constituted by the actions and policies of the Government of Iran, including its support for international terrorism, efforts to undermine Middle East peace, and acquisition of weapons of mass destruction and the means to deliver them, that led to the declaration of a national emergency on March 15, 1995, has not been resolved. These actions and policies are contrary to the interests of the United States in the region and pose a continuing unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to Iran and maintain in force comprehensive sanctions against Iran to respond to this threat.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 10, 2004.*

HIGHLIGHTING UNSTEADY BUSH BUDGET POLICIES RELATING TO AFRICAN AMERICANS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 60 minutes as the designee of the minority leader.

Mr. CUMMINGS. Mr. Speaker, I rise today to highlight the unsteady budget policies of President Bush in regards to allocating Federal resources to African Americans and many working American families.

Yesterday, I was joined by the House minority leader, the gentlewoman from California (Ms. PELOSI), and my colleagues in the Congressional Black Caucus to issue a report that paints an accurate picture of how the Bush 2005 fiscal year budget will impact not just African American families but the majority of middle- and lower-income families. Our findings and those of others in the advocacy community reveal that the Bush budget ignores the very urgent challenges facing Americans across this great Nation. In fact, in the face of historic unemployment, President Bush seeks to cut, if not completely eliminate, critical education, health care, housing, and small business development programs that help families and employers survive during difficult economic times. Last Friday, the United States Department of Labor reported that not one, not one single private sector job was created during the month of February, and that the national unemployment rate remains at a staggering 5.6 percent.

This terrible news is particularly frightening for the African American community. The African American unemployment rate for February was 9.8 percent, almost double the national average. What is worse, since President Bush took office, the number of African Americans without jobs has increased by 20 percent. Sadly, Mr. Speaker, the outlook for the Bush 2005 budget is just as dismal as the Bush track record on job creation.

President Bush touts steady leadership, but his actions say otherwise. He once said that he would be a uniter, but his budget proposes to divide Americans by rewarding the wealthiest 1 percent of our population while leaving the rest of the American people behind. The Bush budget is bad news for the 8 million African American children enrolled in our national elementary and secondary schools. It is no secret that schools with high concentrations of low-income minority students spend significantly less per pupil than schools with fewer low-income students.

Instead of rising to the challenge, the President's budget underfunds his own No Child Left Behind legislation by over $9 billion. Additionally, Mr. Speaker, the Bush budget cuts in half the funding for after-school programs that enable parents to educate their children and hold down jobs. If this Congress is truly committed to family values, we must support all families from birth through the golden years.

Mr. Speaker, I want to yield to another member of the Congressional Black Caucus as we come together to highlight the budget of President Bush and how it affects African Americans, the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Speaker, I thank the chairman for his leadership on the budget issues.

Mr. Speaker, before we discuss what we cannot fund, we have to discuss a little bit about where we are in the budget. One cannot discuss these numbers without charts, because we hear rhetoric, and it is confusing. But when we see the numbers on the chart, we get an idea of where we are and how deep a hole we are in.

This is the on-budget deficit for years beginning with the Johnson administration through Nixon and Ford and Carter, Reagan and Bush, larger deficits; the green is the Clinton administration where we passed a budget in 1993 without a single Republican vote in the House, without a single Republican vote in the Senate, and were able to exercise fiscal responsibility, digging ourselves out of the deep hole and into a surplus. And this is an on-budget surplus, so that the Social Security and Medicare are temporary surpluses and are in a lockbox to be used for Social Security and Medicare in the future. We had a surplus.

When the Republicans came in after the 1994 elections, they passed significant tax cuts that President Clinton vetoed. They threatened to close down the government, as my colleagues will remember; and he vetoed them again. They closed down the government, and he still refused to sign those massive tax cuts because they were fiscally irresponsible. When President Bush came in after the 2000 elections, they passed those same tax cuts again, and we see how much damage has been done to the budget. Now, this is a net surplus in the budget, going down to almost $700 billion, a total swing of approximately $750 billion deterioration in our budget situation.

Let us put that into context: the entire revenue from the individual income tax, everybody's individual income tax, less than $800 billion. We have seen a deterioration in the deficit, $750 billion.

Now, this chart shows it another way: the percentage of the budget paid for with borrowed money. You see, this is World War II, you come through the years. The Clinton years, we went into significant surplus; and when this President Bush came in, we started spending, paying for more and more of our budget with borrowed money.

□ 1430

We are up now to over 30 percent, well over 30 percent of the budget, the Federal budget is paid for with borrowed money. And you will notice that that is a level we have not seen since World War II.

Now, we got there with tax cuts. It is interesting to know who got the tax cuts. This chart shows what the upper 20 percent, the next 20 percent, the middle 20 percent and the other 20 percentiles, how much of the tax cut they got. If you look at the top 20 percent and just look at the top 1 percent, about half of the tax cuts have gone to the upper 1 percent of the taxpayers. To put it another way, you can look and see approximately what you got if you made more than a $1 million on average you get about $89,000 tax cuts. $500,000 to $1 million, you got about $13,000. And on average as you get down to $50,000 to $75,000, you are getting about $132. And below $50,000 you hardly need any ink to draw the bar. Off the chart for millionaires, do not need ink to draw the bar for ordinary Americans.

Now, we were told we had to do that to create jobs. Let us see how many jobs have been created because we went so far in debt. We were willing to go so far in debt and give tax cuts to the wealthy, how many jobs were created? Well, we have lost, have not gained, we have lost almost 3 million jobs during this administration.

Now, we hear the great excuse: "9/11." Everything that goes wrong is because of 9/11. Because of 9/11 we lost jobs. But wait. Every 4 years back to Harry Truman, everybody has been gaining jobs, everybody has been able to end their term of office with more jobs than they came in with. President Eisenhower, in his second administration he lost about 200,000 jobs but he gained 1,900,000 in his first term to his net plus 1,700,000 jobs. Everybody else, every 4 years gained jobs.

If you want to blame 9/11, you ought to notice that this chart includes not just 9/11, but it also includes the Korean War and the Vietnam War, hostages in Iran, the Persian Gulf War from 12 years ago, the Cold War, Kosovo, Grenada, everything else, everybody is gaining jobs until the result of this fiscal irresponsibility has actually cost us jobs.

Now, when you run up this kind of debt, you have to pay interest on the national debt. This chart shows the interest on the national debt we expected to pay after President Clinton left office going down to zero because we were on target to paying off the entire national debt.

This red line is the interest on the national debt we are going to end up having to pay because of our fiscal irresponsibility. By 2009, the difference is almost $300 billion. Now, let us put $300 billion into perspective. At $30,000 a piece, you can hire 10 million people with $300 billion. 10 million. And it gets wider and wider as you go out.

This is an opportunity that we are going to lose because we are going to be $300 billion less than we thought we were going to have when President Clinton left office.

We also have to recognize that the Social Security program will be a challenge. These red bars represent the fact that we are bringing in more Social Security funds than we are paying out. That is because we recognize that when the baby boomers retire, we will be paying out more than we are bringing in. And we need to build up the trust fund so that hopefully we can pay this as much as we can.

2017 it goes into deficit. We are now spending all of this Social Security surplus on the present budget. We are in deficit even after we have spent the Social Security and Medicare. The Medicare chart looks similar to this. We are spending the Social Security surplus.

Now, when you cross the 300 line, 2025, somewhere in there, when you cross the 300 line that is $1,000 for every man, woman, and child including those on Social Security. Every man, woman, and child $1,000. When you cross the 600 line, that is $2,000 for every man, woman, and child just to make this, just to pay the Social Security shortfall.

Now, you may look at this and decide, well that is too challenging, we never could have paid it. It is just too much of a problem. But when you look back at this chart, we have been told that if you just look at what this administration wants to give to the top 1 percent, top 1 percent, that would have been enough to pay Social Security benefits without reducing benefits, without increasing the age for 75 years, or you can give the top 1 percent a tax cut.

Now, Mr. Greenspan told us that if you extend the tax cuts like it looks like this administration will propose, it has proposed, if we extend the tax cuts we should cut Social Security. Now, I think he used the word "adjust" Social Security. He is talking about increasing the age, reducing the COLA. I think most people, including the Republican officials, have categorized that as a cut. And I think most people would view that as a cut; they are going to be getting less than they would have if you had not made that adjustment. I would certainly call that a cut.

But he said if you extend the tax cuts, you have to cut Social Security. The GAO issued a report recently that showed that we are on track to disaster. A great political philosopher once said, "If you do not change directions, you may end up where you are headed."

Well, the GAO says that we are headed towards a situation in a few years, a couple of decades where the Social Security deficit and interest on the national debt alone will absorb all of the projected Federal revenues for those years. In other words, all of the revenues will be insufficient to pay just the Social Security shortfall and interest on the national debt. That is without Medicare, and Medicaid, and that is without any other Federal spending. Just the Social Security shortfall and interest on the national debt will absorb all of the Federal revenues.

Obviously, that is a direction we should not be going in. We need to change directions. And the reason we cannot fund many of the things that you mentioned that the gentleman from Maryland (Mr. CUMMINGS), the chairman of the Black Caucus, mentioned is because we are using up the money in interest in the national debt.

We are having trouble funding police officers, 100,000 police officers. And we said we could with the $300 billion additional interest on the national debt that we will be paying in just a few years, we could have hired 10 million people at $30,000 apiece, 5 million at $60,000 a piece, and we are having trouble trying to find funds to hire 100,000 police officers.

We cannot properly fund veterans benefits, education, health care. There are a lot of things we cannot do because it is all being absorbed by the interest on the national debt necessitated because we have put our budget in unprecedented deficit.

Now, the idea that we are going to get a promise that the deficit will be cut in half in 5 years is really insulting. We should be talking about how we get back up into surplus where we were when this administration came in. Instead of running up debt, we ought to be running up surpluses so we will be prepared to meet the challenges of Social Security.

At this rate, with all this red ink, we will be so far in debt that we will not have anything for Social Security. We will not have anything for Medicare. We will not have anything for jobs because we are paying interest on the red ink that we are running up. That is the problem that we have. And the additional problem that we have is that the tough choices that created this green ink, were tough choices, politically tough choices. And you can not make those tough choices until you have at least acknowledged a problem.

This administration refers to this graph and the deficit as "manageable." That is why we need a graph to show the people what we are talking about. This administration refers to this job graph by saying that the tax cuts are working. The tax cuts are not working. We have lost 3 million jobs. And so you need the graph to show specifically what we are talking about in this budget and how bad it is.

And, so, I would say to the chairman of the Congressional Black Caucus,. I thank him for the opportunity to present the problem so that we can, as others participate, can talk about the things that we cannot fund because we have this situation where we are so far in the hole with a graph such as this. You cannot create a graph like this by accident. We are far in the hole, and we need to dig ourselves out so that we can make the important investments in education, in health care, in veterans benefits and the other important challenges that we have before us. And I thank the gentleman from Maryland (Mr. CUMMINGS) for yielding.

Mr. CUMMINGS. Mr. Speaker, if the gentleman from Virginia (Mr. SCOTT) will yield for a second, I want to ask the gentlemen a few questions. They call this a jobless recovery. Would my colleague agree that there is a recovery?

Mr. SCOTT of Virginia. Mr. Speaker, this is the problem with using rhetoric without using charts to show what we are talking about. You have indicated that some have looked at this chart and said we are in a recovery. Others have said the tax cuts are working. One looks at the chart, this is a miserable failure. We have lost 3 million jobs. I do not call that a recovery.

Now, if you go back 50 to 75 years, they blame a recession. The experts will say that this administration did not inherit a recession. The recession began on this administration's watch.

Whenever it started, it has been over by all accounts since the end of 2001. Since then, we have had all of 2002, and 2003 and we are into 2004. No recession from the beginning of any recession in the last 50 years, we have always within about 30 months recovered all of the jobs that were lost during the recession within about 30 months. Here we are almost 40 months after the beginning, whenever they say it started, it has been at least 40 months, we have not recovered the jobs yet.

This is the worst recovery we have had in modern history. That is not a recovery.

Mr. CUMMINGS. Mr. Speaker, there has been a question that has been raised over and over again, and, as a matter of fact, I think I just heard the President say this within the last few days, that one of the problems was 9/11, and that 9/11 caused us to go through some extra economic problems. And I was just wondering when my colleague takes a look at his charts, is he taking into consideration, when he talks about 40 years back, is he taking into consideration the fact that we had this very, very unique situation and regretful situation with 9/11?

Mr. SCOTT of Virginia. Mr. Speaker, when people talk about 9/11, they have to take into consideration that this chart goes back to Truman and Eisenhower, that includes the Korean War, it includes Kennedy, Johnson, Nixon, it included the Vietnam War, the Cold War, the hostages in Iran, Grenada, Somalia, Kosovo, the Persian Gulf War. All of those are on this chart. Everyone created jobs during their four-year administration.

□ 1445

President Clinton, 10 million jobs the first term, over 10 million both the first term and over 10 million jobs over the second term. Everyone has had problems. There have been recessions all the way up and down here. Everyone has been able to deal with adversity and create jobs. Until you get here.

Now, if the President had offered an economic plan that had been rejected, he might say that because you rejected my plan, if you had only adopted my plan, things would have been better. We adopted his plan. We passed, I did not vote for them, but Congress passed his plan. And it resulted in a massive deficit and job loss.

Mr. CUMMINGS. In other words, when you have the loss of jobs and you have, in looking at the very end of your chart there, does that, how does that affect the overall economy?

Mr. SCOTT of Virginia. When you lose jobs, there are things that, first of all, I do not know how you can spend that kind of money. Right after 9/11, we appropriated $40 billion. At $40,000 each you could have hired a million people. I do not know how you end up losing jobs; 9/11 actually should have stimulated jobs, not lost jobs. The problem is that this administration does not look at money, financial responsibility, with anyone. They decided to do something. It does not matter how much it costs.

Just look at the war in Iraq. The Persian Gulf War 12 years ago cost the United States $7.4 billion, 7.4. Now, the 60, 70, $80 billion was the total cost; but because we had allies, total cost was $7.4 billion.

When we appropriated $87 billion a few months ago, we had already spent $79 billion on the war. Total $166 billion; 7.4, 166, just to implement the my-way-or-the-highway, go-it-alone strategy. Had we developed some allies so that someone else could help pay the money and absorb some of the causalities, it is not all our money and all our causalities, it would have been closer to the 7.4 than the 166.

Now, we are going, the estimates are about $50 billion. The chairman of the Committee on the Budget has estimated about $50 billion will be coming next year for Iraq, so that is another 50, 7.4, 166, 50 and who knows what after that.

Let us put the 166 in perspective. That is more money than we spent in a year on the Department of Homeland Security for the security of the United States; and the Department of Education, the entire Department of Education budget. Plus, it is still more than the Department of Transportation, all road-building we are supposed to be doing. And it is more than the Department of Labor and Department of State. Add them all up, combined.

Mr. CUMMINGS. Combined.

Mr. SCOTT of Virginia. Combined. Homeland Security, Education, Transportation, Department of Labor, Department of State, add them all up, it does not come to $166 billion; 7.4, 166. How much do you have to spend before someone suggests that the spending is out of control?

Mr. CUMMINGS. One of the things that I remember when the President was considering going to war, one of the things that was asked of the President by the Congressional Black Caucus was exactly how were we going to pay for this war and exactly where was this money going to come from, because we have a limited situation. But I guess what you are saying is that what we are doing is we are overspending. I am trying to put it in laymen's terms.

Mr. SCOTT of Virginia. If you are going to spend $166 billion and we would be willing to spend whatever it takes to make the United States safe. We are now debating whether we are safer or not as a result of spending as a result of spending $166 billion. It looks to me that there are a lot of other things you could have done with a $166 billion budget that would have made America a lot safer than we are today.

But look at the red ink. I mean, when you start adding it up, there was not a peep mentioned about how we were going to pay it. No sacrifice. And, in fact, when you look at some of the things that the House passed right after 9/11 with most of the votes coming from the Republican side of the aisle, we passed one provision which was a repeal of the alternative minimum tax for corporations. That is kind of technical, but what we found about 15, 20 years ago was that a lot of corporations were paying out dividends year after year after year. They were profitable companies; but because they had so many loopholes and deductions, they were paying no income tax. And so they passed a provision many years ago called the alternative minimum tax for corporations. In the alternative for no tax, at least pay a minimum tax. And that has been a law right after 9/11 when everyone was supposed to be sacrificing. The House passed a provision to eliminate the alternative minimum tax for corporations.

They took that opportunity when everyone is supposed to be sacrificing to eliminate the alternative minimum tax for corporations. And while they were at it, they have made the repeal retroactive for 15 years. So if you had paid the alternative minimum tax in the last 15 years, you would get your money back. Several corporations would be getting a billion dollars back. Enron would get $250 million.

Now, if you had a company and you got a billion dollars retroactive tax relief, an employee of that corporation would be no more likely to have a job the next day than the day before. That is not stimulating the economy. There is no more demand for your product. Now the uppity-ups in the corporation would be more likely to get their bonuses, the stockholders more likely to get their dividends. But an employee for the company, because there is no more demand for the product, is no more likely to have a job the next day than the day before. That is the kind of provision that this House passed.

Thankfully, there was a Democratic majority in the Senate at that time and that was defeated in the Senate. But when you talk about sacrifice and how do you pay for a $166 billion war, well, you do not worry about it; you just let the next generation pay for it. You pay for it out of the next generation's Social Security. You borrow the money and worry about it later. That is not the fiscally responsible thing to do. It is not how you stimulate the economy. It is not how you produce jobs, and it is not what you ought to be doing to the next generations.

Mr. CUMMINGS. One last question. I will never forget when the President talked about the war in Iraq, when the President talked about the war on Iraq. I am sure you will recall one of the things that he said was that this war had been brought to us. I shall never forget it. I was sitting in this Chamber. And he said to us we need to take this responsibility so that our children and our grandchildren would not have to address it. And it sounds like what the gentleman is saying is that at least in part this war will have to be paid by our children and our grandchildren, at least, if not our great grandchildren because of the way things are going.

The other issue is this: one of the things we hear over and over again from the President is that he keeps talking about, saying that this side of the aisle wants to increase the taxes on Americans. And basically what he is saying is that if we do not extend and make these tax cuts permanent, that is like increasing taxes on Americans. That is a very interesting way to put it.

I just want to know what you thought.

Mr. SCOTT of Virginia. The idea that if we do nothing, that that is a tax increase. The important thing is not to worry about what the label is. The important thing is to look at this chart. The policies of this administration which have been pretty much adopted in total have resulted in a deterioration in the budget almost equivalent to the total amount of money that we get from the individual income taxes.

Mr. CUMMINGS. You said that is $800 billion.

Mr. SCOTT of Virginia. The money we get from the individual income tax totals less than $800 billion. We have a $750 billion deterioration in this budget in just 3 years. And so whatever you call it, whatever label you put on it, look at the chart. This is called tax cuts are working, deficit is manageable, whatever you want to call it. Look at what this administration's policy resulted in.

Now, you talked about who is paying for it. Part of the war is being paid for by veterans benefits. We are debating now as to whether or not we are going to at least maintain present services.

Mr. CUMMINGS. To veterans.

Mr. SCOTT of Virginia. For veterans. The President's budget does not include enough money to maintain just the little present benefits for veterans. They want some veterans to pay more fees for health services, some not to be eligible, less services, while the war is being fought. So the veterans themselves will have to come back and pay the interest on the debt on the war that they fought in. That is not right.

We are not able to fund the kind of things like Cops on the Beat. Now remember, in just 5 years we will be spending approximately $300 billion more in interest on the national debt than we should have had to pay. You can hire at $30,000 a piece, 10 million people for that amount of money or 5 million at $60,000. We are trying to find a little money to hire 100,000 police officers, to hire teachers, health care workers; and we cannot find the money because it is all being used up in interest on the national debt that is run up because you have to pay interest on the national debt since you are obviously not paying off any debt while you are in the hole. You only pay off debt when you are above the line. When you are in the hole, you are running up more debt, you have to pay more interest on the national debt.

We cannot pay for our transportation projects. There are so many things that we cannot do because we are running up so much interest on the national debt. And remember that we have the exploding Social Security problem in just a few years. We ought to be preparing for that, not wake up in 2014 and wonder why the Social Security surplus is no longer there. It is not going to be there after 2014. We are going to have to come up with more money. We will not have the gravy train of 100-some billion dollars or go up to $275 billion in Social Security surplus to run through.

It is a growing deficit, and there is no provision in the President's budget or the Committee on the Budget's budget that we are about to, that they will probably adopt; there is nothing in there to prepare us for the Social Security shortfall and the interest on the national debt.

The GAO just issued a report in the last few days that shows if we keep going in the direction we are going, in just a couple of decades the Social Security shortfall and interest on the national debt will absorb all Federal revenues. That means no Medicaid, no Medicare, no Federal spending on anything including defense. You spend all your money just in Social Security and interest on the national debt unless there is a profound change in direction.

Mr. CUMMINGS. What change could reverse that?

Mr. SCOTT of Virginia. Well, you need to make tough choices; and, fundamentally, the strategy ought to be the green.

In 1993 when President Clinton came in, we made tough choices. He vetoed bills that were inconsistent with his tough choices and we went into surplus. These are tough choices. This was the strategy that created fiscal responsibility and 20 million jobs in 8 years. Fiscal irresponsibility is when you start passing massive tax cuts without paying for them, just borrow the money for the tax cuts. Some say we are giving you your money back. No, no, no, no, no. We have spent your money. We are sending back money we have borrowed from overseas and giving it back because we spent your money.

□ 1500

We spend your money and everybody else's money and Social Security and everything else, a deterioration in the budget, $750 billion, almost the same as the total amount that we received from the individual income tax.

Mr. CUMMINGS. I want to thank the gentleman for the explanation and for his excellent work on the budget.

Mr. Speaker, the Bush budget eliminates all kinds of programs, as the gentleman from Virginia (Mr. SCOTT) just talked about. There is one program that eliminates and that is the Even Start program. A lot of times, Mr. Speaker, we look at the numbers in a budget and we look at them purely based upon figures; but the impact on human beings and citizens and children in our country is phenomenal.

For example, this Even Start program is meant to uplift children and families through a combination of childhood education and adult literacy programs. That is very important; and when the gentleman from Virginia (Mr. SCOTT) talked about the whole jobless situation, it is one thing to have opportunities at some point in the future, hopefully. It is another thing for those parents of those children to be prepared to take advantage of those jobs and for them to be able to raise their family. It takes money to raise a family.

Then the Bush budget freezes funding for Head Start, which provides education and nutrition service for over 297,000 African American children, very, very significant. How do you even put a value on a child being able to get a head start in life and in school and to be able to go to school ready?

When we look at health care, the picture gets even worse. The Bush budget does absolutely nothing to hold down the costs of prescription drugs. It jeopardizes medical benefits for the 4.6 million African American children who receive health care through Medicaid, and it severely underfunds programs that combat the spread of HIV/AIDS and the increase of health disparities among minority communities.

These are things that go to the essence of life; and I have often said as we talk about the budget and other issues that the Congressional Black Caucus, as we do that, we are not just speaking for African Americans. A lot of people get a little bit confused. They see African American Congresspeople stand up, and they assume that in all our districts the majority of people are African American. That is just simply not true. We represent a wide range of people of all races and colors, religions in our caucus, and so over 26 million people in total.

But those costs that I just talked about, those are the costs, I guess, like I said, you cannot put a value on making sure that a child is well taken care of because it used to be a commercial that said you either pay me now or pay me later. If you do not give that child a good head start in life, then government, through State government in most instances, will pay later on through, unfortunately, juvenile detention centers, sometimes prisons, sometimes all kinds of programs, teenage pregnancy programs, things of that nature, to help lift people up after they have fallen.

Mr. SCOTT of Virginia. Mr. Speaker, the President's budget eliminates funding for the juvenile justice programs, the prevention programs, the early intervention programs, the kinds of things that you can pay now and pay less later. He had to cut those out because having spent all the money in tax cuts and having gone so far in debt, there is nothing left over for those important programs; and you are talking about hundreds of millions of dollars. This is hundreds of billions of dollars that we are in deficit, and we cannot make the little kinds of payments.

My colleague talked about jobs. The small business program which is just less than $100 million, that is one-tenth of $1 billion. Here we are almost $700 billion in the hole, one-tenth of $1 billion, and that program creates jobs. The only thing the government has to pay out is when the loan defaults because it is a loan guarantee program. So just for every now and then there is a default we have to pay. For every 2 or $3,000 we pay out, we are creating a job because tens and hundreds of thousands of dollars has been borrowed, guaranteed, paid back. So we do not have to pay anything. For every 2 or $3,000 we actually have to pay out, we have created a job.

When you start going in the hole hundreds of billions of dollars and have a program that can create jobs for 2 or $3,000 a piece, why did that get cut out? Because you just ran so far in debt that you did not have any money left over.

Mr. CUMMINGS. Mr. Speaker, I want to thank the gentleman from Virginia (Mr. SCOTT).

I want to yield to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-McDONALD. Mr. Speaker, I thank the gentleman for his leadership on this issue and the gentleman from Virginia (Mr. SCOTT).

I am joining my colleagues because I see now that the President's budget is cutting about 20-plus programs, and those programs are critical to our districts. And you are absolutely right, our districts do not comprise all African Americans. We are talking about Cambodians, Filipinos, Samoans, Vietnamese, Guamanians; and they are all concerned about the loss of jobs.

In L.A. County alone, which is the largest county in California, we have lost over 136,000 jobs. In the State of California, we have lost over 300,000 jobs. No State, no city, no county can be sustained with those types of job losses; and so this budget is absolutely the most outrageous budget I have ever had to deal with because it has no funding in there for No Child Left Behind to any great degree. We know the last budget was $8 billion short. I think now it is $9 billion short; and so here we are trying to grapple with educating our children, some 53-plus million children in this country. California has over 6 million, and we do not have the funding to do that.

I think it has just gone off the chart, and so I thank the gentleman for allowing me to come and speak on this because I have never seen a budget that is so ill-fated, that has absolutely nothing to speak to the American people, when we have 11 million children who are uninsured, and over 44 million adults, and this budget does not speak to insuring them. It is an atrocity, and so I join you in saying this administration's budget is a hoax; it is not for the American people. It is everything but for the American people.

Mr. CUMMINGS. Mr. Speaker, I want to thank the gentlewoman for her statement; and I am just reminded, I think it was just yesterday the President went to Ohio. He stood there in front of quite a few people, and he said, basically, hold on, hold out; I am the one that gave you these tax cuts. Basically what he said, I still believe in this trickle-down theory and that things are going to get better.

The fact is that the President has been saying that over and over again.

As a matter of fact, a little bit earlier this year, in his economic report, he projected that he would be producing some 2.6 million jobs before the end of the year.

Mr. SCOTT of Virginia. Mr. Speaker, if the gentleman would yield, I think they have been revising that number back and forth, but whatever the projections are, let us look at the results. No President has left office in over 50 years with fewer jobs than they started off with until this administration. We are down 3 million jobs; and if you are interested in jobs, remember that in just a few years we will be spending $300 billion on additional interest on the national debt that had not been anticipated when President Clinton left office, $300 billion dollar. At $30,000 each, you can hire 10 million people. There are only 9 million people unemployed and receiving unemployment in America today. Instead of an unemployment check, you have enough money there in additional interest on the national debt that we should not have to pay to hire everybody that is drawing an unemployment check.

Mr. CUMMINGS. Mr. Speaker, I yield to the gentlewoman.

Ms. MILLENDER-McDONALD. Mr. Speaker, the gentleman and I sit on the Committee on Transportation and Infrastructure. That bill alone would bring the types of jobs for folks that have good wages and good benefits, and yet we have asked for over $375 billion for that bill. He has now cut that bill down to some $258 billion. How can we get Americans back to work if we are not going to put the type of funding in programs and on bills to support that?

So we are just outraged. It is outrageous to even speak of the fact that they are going to have so many jobs per month, because that growth is not coming.

Mr. SCOTT of Virginia. On those transportation jobs, is there not something unique about those jobs? We keep talking about transferring jobs overseas. When you have a transportation-created job, where does that work take place?

Ms. MILLENDER-McDONALD. That work takes place right here in America, in the heartlands, in the rural, in the urban areas of our cities and States; and this is why, if the President is really interested in getting jobs to the American people, he would invest in this transportation bill that will keep those jobs right here. They are great construction jobs. There are other suppliers jobs that come from that, and it is a multiplying effect. So if you get those jobs, those jobs create other jobs and, therefore, will bring back a lot of those jobs; but if he is not willing to invest the $375 billion in a transportation bill, then he is not really anxious about getting jobs back to Americans.

Mr. CUMMINGS. Mr. Speaker, reclaiming my time, let me just say this. As my colleagues were talking, I could not help but think about how the President talks.

Could we bring that chart back up, the first one. The President talks so much about that. It is the one that talks about the tax cuts, I mean how much money people get.

Mr. SCOTT of Virginia. This?

Mr. CUMMINGS. You had one with red, that one.

Mr. SCOTT of Virginia. This is if you are making 50 to $75,000, you are on average, the average income group, $132. Below that you hardly need any ink to draw the bar. However, if you are making more than $1 million, you explode way off the chart.

Mr. CUMMINGS. The reason why I wanted to point that chart out is because something interesting is happening here, and we are seeing it in all of our States.

The tuition, for example, in Morgan State University in my district, I sit on the Board of Regents, has gone up some 25, 30 percent. The average family at Morgan State has an income around about $50,000, $55,000. So about how much would they be getting based upon that chart in tax cuts?

Mr. SCOTT of Virginia. Fifty to $75,000: $132. Now there are a lot of different variations in that, depending on the child tax credit. If you have a lot of children, you may get more tax credit. If you are single, you may not get anything at all. On average, 50 to $75,000, you are getting $132 a year.

Mr. CUMMINGS. Let us take it up to $500. I will give them an extra $500 instead of $132. The tuition has gone up almost that much, and Pell grants are being leveled off; and we have got a situation where like other States we suffered a deficit. The State is not getting as much money so, therefore, the State's going through its difficulties. So now our colleges are not getting as much money.

My point is that Americans have to understand that no matter what they are going to pay, they are going to pay one way or another. Property taxes are going up, but yet and still our President runs around talking about how great a tax cut we are getting when, in fact, I think Americans are going backwards and services are being less than they have to be. It is the only way that you can do all of this and still keep institutions open.

Mr. SCOTT of Virginia. Mr. Speaker, the problem is that unless you recognize that there is a problem you are not going to come make the tough choices to fix it. Most people would glance at this chart and say we have a problem. This administration says that this is manageable, and on the job chart where he looks like he will be the first one to leave office with fewer jobs than he started off with, the tax cuts are working. No, the tax cuts are not working. We are losing jobs. If we passed the transportation bill, millions of jobs would be created.

This will go above the line. Pass the transportation bill. There are a lot of things we can do to stimulate jobs. Tax cuts to the wealthy have not worked. Transportation jobs will work. Tax cuts to those in the lower end, who will actually spend it and buy stuff with it, will work.

A millionaire, if he wants a television, he would have already bought a television. If he wants a car, he would have already bought a car. Someone in the lower brackets, if they get a couple hundred extra dollars, they are going to spend the money.

So there are a lot of things. Repealing the alternative minimum tax for corporations, we discussed, will not create any jobs; but that is how we were trying to spend the money, and that is why, as a result of all that spending, it still ended up no jobs. If you look at the study of the Republican-dominated Joint Committee on Taxation, when they looked at the 2003 and looked at tax cuts and looked at the taxes that were cut, they concluded you might have a little short-term spike in jobs. As a direct result of passing that bill, you will have fewer jobs in the fullness of time than you started off with, and that is because you did it with borrowed money. There was limited stimulus, and because you have got to pay interest on it, on the debt that you ran up in the fullness of time and just a few years as a direct result of passing the bill, you will have fewer jobs than you started off with.

We should not be surprised because of the taxes we cut that we are below the line. Had we used the money for transportation, for targeted tax cuts where they would have made a difference to help fund States or other programs, where we actually use the money in such a way that people will be hired, with all the spending, this thing ought to be off the chart. The budget has deteriorated $750 billion, almost the same as what we get from the entire individual income tax. With that kind of spending, it should have been able to create some jobs.

□ 1515

Ms. MILLENDER-McDONALD. Mr. Speaker, if the gentleman will yield once again. The other thing that would create the climate for jobs would be small businesses. And yet here at the end of last year, the 7(a) loan program, which is really the driving force for financing for small businesses was absolutely turned out. No money in it. It was eliminated. But because we raised so much havoc on it, they have brought that back, but with fewer dollars. So we still do not have the infusion of money for this powerful engine that drives the economy through job creation, which are the small businesses.

So, again, the President is not operating in the true sense of helping Americans to get back to work.

Mr. CUMMINGS. Mr. Speaker, again, the Congressional Black Caucus stands up, as we have over and over again. It is said that we are the conscience of the Congress. I claim we are the conscience of the United States of America.

The fact is that President Bush is doing no favors for not only the African American community but communities throughout this country; for hardworking Americans who got up early this morning, some of whom had a job, but for others who are about to lose their job, and still others, Mr. Speaker, who do not have to go to work because they have already lost their job. I just find it very interesting that the President would go to Ohio, a State where there has been phenomenal job loss, and tell people who do not have a paycheck to hold on and hold out.

CONDOLENCES TO TERRORIST VICTIMS IN SPAIN; AND PUBLIC TRANSPORTATION SYSTEMS VULNERABILITY AND REDUCTION ACT OF 2003

The SPEAKER pro tempore (Mr. BOOZMAN). Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

Ms. MILLENDER-McDONALD. Mr. Speaker, I rise today to offer my condolences to the families of the terrorist victims in Madrid, Spain.

This heinous act of violence is becoming all too common an occurrence. This morning, as we are all painfully aware, a series of explosions ripped through several packed commuter trains in Madrid during the morning rush hour. The blast killed at least 173 people and wounded 600.

Last month, in an all too familiar circumstance in Moscow, a bomb exploded inside a crowded subway train during the morning rush hour, killing at least 39 people and wounding more than 130.

Securing our Nation's public transportation system has been a top priority of mine. At the outset of the 108th Congress, I introduced the Public Transportation Systems Vulnerability and Reduction Act of 2003, which is H.R. 1148. For years, Mr. Speaker, governments around the world have recognized that public transportation is a major terrorist target. Until 9–11, the United States had been largely spared the kinds of terrorist campaigns waged against public service transportation. However, we cannot wait for a tragedy to happen to prompt us to address our vulnerabilities.

In October 2001, a study released by the Mineta Institute, Protecting Public Surface Transportation Against Terrorism and Serious Crime: An Executive Overview, cites that between 1920 and 2000, there have been approximately 900 terrorist attacks and other significant criminal incidents involving public surface transportation systems. However, all but 14 of these attacks occurred after 1970, the year that marks the beginning of modern terrorism.

Attacks against transportation and transportation infrastructures accounted for about 42 percent of all international terrorist attacks according to the most recent statistics provided by the U.S. DOT Office of Intelligence and Security in 1998. We are seeing these statistics play out before our eyes on CNN.

My legislation, the Public Transportation Systems Vulnerability and Reduction Act of 2003, will provide our Nation's transportation systems and workers with the training and funding to help protect our homeland. This legislation will provide funding for ongoing vulnerability assessments which would build continuously on information collected, allowing for easier implementation of new technology that will assist in averting terrorist attacks on all modes of public transportation. It will have training programs for front-line transit employees, ensuring that these employees, who are the eyes and ears of transportation systems, are prepared to respond to emergency situations. And it will develop and have implementation of local and regional emergency preparedness plans that fully utilize a community's transportation resources.

Mr. Speaker, I ask all my colleagues to join me in continuing to work to give our Nation's transportation systems and employees the resources to protect our communities. I urge my colleagues to support the Public Transportation Systems Vulnerability and Reduction Act of 2003.

Mr. HOEKSTRA. Mr. Speaker, will the gentlewoman yield?

Ms. MILLENDER-McDONALD. I yield to the gentleman from Michigan.

Mr. HOEKSTRA. Mr. Speaker, I want to thank the gentlewoman for yielding, because I want to identify with the remarks she made starting off her 5-minute speech. I was going to start my special order in the same way, recognizing and extending our sympathy to the families of the victims in Spain.

It was only a short period ago that the prime minister from Spain was here, and last summer I had the opportunity to visit in Spain with the prime minister, along with the Speaker of our House, to express our appreciation to our colleagues in Spain who have been very involved in the war on terrorism. And so I thank the gentlewoman for bringing that to the attention of our colleagues here in the House.

I will also take a look at the legislation that the gentlewoman has authored, recognizing that the war on terrorism is a real war.

Ms. MILLENDER-McDONALD. Reclaiming my time, Mr. Speaker, I thank the distinguished gentleman for his interest.

IRAQ

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. HOEKSTRA) is recognized for 60 minutes as the designee of the majority leader.

Mr. HOEKSTRA. Mr. Speaker, today, I am joined in this special order by my colleague, the gentleman from Indiana (Mr. PENCE). As my colleague from California just indicated, we come to the floor of the House recognizing the tragedy of the terrorist attacks in Spain. We are not quite sure who was responsible, but we know there was a significant loss of life.

We know that Spain has been an ally in the war on terrorism. Their soldiers have fought with our troops in Iraq. Their prime minister was here a couple of months ago indicating their strong support and their partnership, whether it was al-Qaeda, whether it was domestic terrorism, or whatever.

But we join in expressing our sympathy to the government and the people of Spain for the loss that they suffered today and reaffirm our commitment to the people of Spain that we will continue to work and fight with them in this war on terrorism that in so many different ways has reared its ugly head not only in Spain, the United States, but in Africa, in Saudi Arabia, and with the USS *Cole* and a number of other attacks throughout the world.

Today, we want to talk a little bit about the situation that has gone on in Iraq and kind of put that in context. We have recognized this war on terrorism. We have recognized the threats from Saddam Hussein and others for a long period of time. It was back in 1992 that Senator Gore was talking about what a threat Saddam Hussein and Iraq was.

Here is a quote from a speech he gave in 1992. Senator Al Gore: "He," meaning Saddam Hussein, "had already launched poison gas attacks repeatedly, and Bush looked the other way. He had already conducted extensive terrorism activities, and Bush looked the other way. He was already deeply involved in the efforts to obtain nuclear weapons and other weapons of mass destruction. Bush knew it, but he looked the other way. Well, in my view," and the "my" was Senator Gore, "the Bush administration was acting in a manner directly opposite to what you would expect with all the evidence it had available to it at the time. Saddam Hussein's nature and intentions were perfectly visible."

Already in 1992, Senator Gore had identified Saddam Hussein and Iraq as a threat to American Security and to the security of the Middle East and as a danger to his own people. And I think that goes on to President Clinton, who, during the 1990s, identified Saddam Hussein and Iraq as a threat. And I think my colleague from Indiana may have some of the statements that President Clinton was making.

This is not to say what should or not have been in the 1990s, this is saying that through the last 10 to 15 years we knew Saddam was a threat.

Mr. Speaker, I yield to my colleague from Indiana.

Mr. PENCE. Mr. Speaker, I thank the gentleman for hosting this special order. And having just returned from Iraq, it is particularly meaningful to me to acknowledge the gentleman's leadership in this Congress in traveling to Iraq since the end of hostilities more, I think, than any other Member of Congress; and having just learned what that has meant to our troops and what that has meant to the people in the transition process at the coalition authority, I want to thank him for that.

There is no question this issue of weapons of mass destruction, which has become such a political football in America today, represents some form of an intelligence failure, if by that we recognize that we have not found the vials of chemical and biological weapons. But it is absolutely imperative, as the gentleman suggests, to know that if it was an intelligence failure, it was a world intelligence failure and it was an intelligence conclusion that was drawn by at least two previous administrations.

I cite in evidence the remarks of President Bill Clinton on February 17, 1998. Again, these are the words of the President of the United States about what official U.S. policy was relative to the possession of weapons of mass destruction by the regime of Saddam Hussein.

President Clinton said, "And they," referring to predators of the 21st century, "they will be all the more lethal if we allow them to build arsenals of nuclear, chemical, and biological weapons and the missiles to deliver them." President Clinton went on to say, "We simply cannot allow that to happen. There should be no doubt," President Bill Clinton said, "There should be no doubt Saddam's ability to produce and deliver weapons of mass destruction poses a grave threat to the peace of that region and the security of the world."

President Clinton went on to say, "There is no more clear example of this threat than Saddam Hussein's Iraq. His regime threatens the safety of his people, the stability of his region," and he went on to describe Iraq as, "a rogue state with weapons of mass destruction, ready to use them or provide them to terrorists who have traveled the world. If we fail to respond today to Saddam Hussein, he will be emboldened tomorrow by the knowledge that he can act with impunity."

These are the words of the 42nd President of the United States of America, William Jefferson Clinton, about the conclusions of the Intelligence Community and his personal conclusions as our Commander-in-Chief that Iraq did possess biological and chemical weapons in the year 1998.

□ 1530

Mr. HOEKSTRA. Mr. Speaker, what we know is through the 1990s, there was a consensus that there was a war on terrorism that was being fought, that there were issues dealing with Iraq and dealing with Saddam Hussein. It was not only the President; it was the Clinton administration. Madeleine Albright said "Hussein's weapons will not discriminate if and when they are used, and therefore it is important for the region to understand that he is a threat."

In September 1998 she said, "Our adversaries are likely to avoid traditional battlefield situations because there American dominance is well-established. We must be concerned instead about weapons of mass destruction and by the cowardly instruments of sabotage and hidden bombs. These unconventional threats endanger not only our Armed Forces, but all Americans and America's friends everywhere." That is September 9, 1998.

So the threat of weapons of mass destruction, but most importantly the larger threat not specifically identifying what terrorist organizations would use, but recognizing the emergence of a different kind of threat to American, to Western Europe as the Cold War collapsed of unconventional threats that would endanger not military folks, but that would target civilians.

Mr. PENCE. Mr. Speaker, on February 18, completely consistent with Secretary Albright's remarks, "In the next century the community of nations will see more and more of the very kind of threat Iraq poses now." In describing it, President Clinton said, "A rogue state with weapons of mass destruction ready to use them or provide them to terrorists."

Mr. HOEKSTRA. Mr. Speaker, I think the quotes go well on to other folks in 2000. So this is a continuing story of intelligence. As we move through this process, on a bipartisan basis, this is what we believed the threat was to the United States. One of the things that we are going to focus on here today, not what we think about here in Washington, when we put this in context, we will talk about the threat that Saddam Hussein was, not to America, not to the Middle East, but most importantly to his own people.

Mr. PENCE. Mr. Speaker, to that end, and I am anxious to get to that conversation, I have to tell my colleague that the search for weapons of mass destruction found for the Iraqis that I spoke to in Basra, it found its locus the day Saddam Hussein was captured by American troops. This is a man who, according to former prisoners of war, he and his regime were responsible for the death by incarceration or other means of 1.2 to 1.3 million of their countrymen. According to Amnesty International, we have identified the remains thus far in 270 mass graves of 400,000 men, women, boys, and girls in the mass graves of Saddam Hussein.

But the weapons-of-mass-destruction issue is an issue, and the gentleman from Michigan (Mr. HOEKSTRA) is right to address it in the beginning inasmuch as it is in the mind of the American people. But none other than Senator DASCHLE, who has been the majority leader of the Senate in recent years, but at the time in 1998 and President Clinton's decision to fire cruise missiles and attack Iraq was minority leader, Senator DASCHLE said, "We are here today to affirm that we and the American people stand with the President and the international community in an effort to end Iraq's weapons of mass destruction programs and preserve our vital and international interests."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). The Chair reminds Members not to refer to individual Members of the other body.

Mr. PENCE. Mr. Speaker, there is no question whatsoever that the position of the administration and others in America supported the conclusion that the intelligence community, not just of the Bush administration, but of the administration that preceded it came to a singular conclusion: that Iraq was in possession of weapons of mass destruction.

I am always anxious to remind my constituents in eastern Indiana that the reason we know Saddam Hussein possessed weapons of mass destruction was because he used them. He used them on his own people. He used them to kill thousands in Kurdistan in the early 1990s in the immediate aftermath of the first Persian Gulf War. We are told by eyewitness accounts of men, women and children running in the middle of the night out of their bedrooms, out into the streets, grabbing their throats as they were asphyxiated by mustard gas or some other chemical agent and killed in the streets and towns of Kurdistan. Chemical weapons were used against his own people. It is not a subject of theoretical analysis or intelligence analysis; but as the gentleman from Michigan knows, it is a matter of historical fact and record that Saddam Hussein in the early 1990s possessed and used chemical weapons against his own population.

What became of them in the days immediately prior to Operation Iraqi Freedom, we will continue to investigate. I traveled by the site of the

Iraqi survey group in Baghdad just 1 week ago, and I know in meeting with the intelligence community there that that search goes on. And as we continue to bring Iraq forward in the family of nations, and as the people of Iraq, I believe, become more confident in their own future and in the end of the dark days of Iraq and the regime and the thugs that preceded this new Iraqi Governing Council and this new government, more people will speak and more daylight will shine, and we will eventually find out what became of this program and its horrendously dangerous by-products.

Mr. HOEKSTRA. Mr. Speaker, during much of the 1990s this was done on a bipartisan basis, which is maybe different than what we see today; but here is Vice President Gore talking on May 23, 2000: "The classic challenges of war and peace, of course, extend beyond Israel's immediate neighborhoods to Iraq and Iran. In 1991, I broke with many in my own party and voted to use force to stop Saddam Hussein's aggression in the Middle East. I believe in bipartisanship most of all when our national interests are at stake." Going on, he wants to build bipartisan bridges to bring Democrats and Republicans together in support of policies that would promote what is in our Nation's best interest.

As my colleague has gone through and read some of the quotes, there was a bipartisan understanding about Iraq and the threat that it posed. Here again is Al Gore, the Vice President, in May of 2000: "Despite our swift victory and our efforts since, there is no doubt in my mind that Saddam Hussein still seeks to amass weapons of mass destruction. You know as well as I do that as long as Saddam Hussein stays in power, there can be no comprehensive peace for the people of Israel or the people of the Middle East."

Mr. PENCE. Mr. Speaker, a very moving part of my trip to Baghdad was our meetings at the headquarters of the Coalition Provisional Authority at Saddam Hussein's palace.

Mr. HOEKSTRA. One of many palaces.

Mr. PENCE. One of 100. It was the size of three or four resorts in Florida and twice as opulent. But across the street, there is a bunker underground hidden underneath what appears to be a garbage dump or a broken and destroyed building. It was three stories underground. It was one of those sophisticated bunkers we hear about; but what was most provocative to me was to learn that in that bunker was an enormous financial investment in a ventilation system which was designed as a countermeasure to the distribution of chemical or biological weapons. There was a decontamination room to essentially remove chemical or biological agents that were on a person before they could enter the bunker itself.

For a regime that, according to some of the administration's critics, never had weapons of mass destruction, Saddam Hussein's own bunker, literally down the street from his primary palace, had an enormous multi-million dollar investment to protect him from weapons that he apparently did not possess.

Mr. HOEKSTRA. Right. And we knew that he used these weapons, and so he had them at one time. The interesting thing about what Vice President Gore said in May of 2000, "We have made it clear that it is our policy to see Saddam Hussein gone," that became the official policy of the United States, was to remove Saddam Hussein, not only because of the weapons of mass destruction, but because of the threat that he posed to his own people, to the Middle East, and to the rest of the world.

We can go on and there are lots of quotes by other folks who have talked about that. This morning we had the opportunity to meet with Dr. Kay again, the original head of the Iraqi survey group, taking a look at exactly what was going on in Iraq. He has said, and I tend to agree with him after having met with him a number of times and after having gone to Iraq, we may not find the weapons of mass destruction. They may actually not be there. But what he has said is take a look at what was going on. He was developing the capability to go into quick production of weapons of mass destruction. He said I am not going to inventory this stuff, but as soon as the U.N. inspectors are gone, as soon as the sanctions are lifted, I will have the capability that 3 to 6 months I will be able to produce all of the chemical or biological weapons I need, so why store them. Get rid of the inspectors, develop the capability under what appear to be legitimate purposes; but they are dual-use capabilities. I will use them to make this, but just with the flip of a switch and fine-tuning, I can use those to make weapons of mass destruction. We know that he was developing those capabilities.

There is evidence that he was doing human testing to fine-tune the capabilities that he would have and the weapons and products that he would eventually produce. We know that he was doing research on UAVs, unmanned aerial vehicles, potentially to be the means for delivering weapons of mass destruction.

We know that he was developing a missile capability well beyond the authorized levels that had been established by the U.N. So in all of these areas, he was either moving his program forward secretly or moving them beyond what the U.N. sanctions had said. So there is no doubt, and that is the message through the 1990s.

We are not sure exactly what was there because it was a very secretive society. He was very good at deceiving others when we were trying to penetrate into what was going on in Iraq. But there is no doubt about what his plans and intentions were. This is why Dr. Kay will say we may not have found exactly what we were expecting to find when we got into Iraq; but what we found was as dangerous, if not more dangerous, than what we had anticipated that we would find.

Mr. PENCE. Mr. Speaker, if the gentleman would yield, I think that the statement that the gentleman just made is extremely important. I think that statement should be highlighted and underscored and chiseled in a place where every American can read it.

As he said again here on Capitol Hill, Dr. David Kay, weapons inspector who led the original effort after the war with the Iraqi survey group, he said what he found was more dangerous than what they believed would be there. In terms of the establishment of a diverse program of chemical and biological weapons, as the gentleman has with great particularity described, was prepared in the event of the strictures being lifted, was prepared to produce large amounts of these types of weapons.

Of course we found the nose cones on missiles hollowed out just for the size of an inclusion of a vial of certain types of agents that would have no other reason to be hollowed out as a warhead in that way. We found these munitions in large numbers. But David Kay said that what we found was in many respects more dangerous than what we expected to find.

Mr. HOEKSTRA. Mr. Speaker, I think it is a very valuable debate to have here in the United States about what did we find versus what we expected to find; and that will force us to seriously look at our intelligence capabilities, what do we need to do to improve our intelligence capabilities to give us as policymakers better information on which to make decisions in the future; and we will have that discussion and debate. The President is fully cooperating with the various commissions that are out there to do an investigation of the intelligence community.

☐ 1545

The Senate Intelligence Committee is doing it, the House Permanent Select Committee on Intelligence is doing it. We all recognize that the intelligence business is a very, very difficult business; that we do not get all the information we would like to have; that when we go into a place like Iraq or try to take a look at what is going on in North Korea, Libya or Iran, as we are trying to look in and figure out what is going on, these folks are trying to hide and deceive us so that we do not understand what is going on.

Mr. PENCE. If the gentleman will yield, I would like to know why President Bill Clinton got it wrong. I would like to know why Vice President Gore had the weapons of mass destruction estimate for Iraq so wrong. And I do not say that in a partisan spirit, I say that because if, in fact, there were never any weapons of mass destruction following the time he used them against his own people in the early 1990s, then there was an intelligence failure. But if it was, it truly was an institutional failure; not, as some would suggest, not associated with the present administration, but associated with an institutional failure that, I will add one other point if the gentleman will permit me, was not just an intelligence failure of the U.S. intelligence failure, but it was, as I said at the beginning, a world intelligence failure.

The intelligence communities of every one of our allies in the western world, in this cause, and even many who chose not to join us, France and Germany and Russia's intelligence community, as their votes in the U.N. Security Council support, all of them came to the conclusion, unequivocally, that Saddam Hussein possessed biological and chemical weapons.

Mr. HOEKSTRA. I get a little nervous talking about saying we got it wrong, because I have had the opportunity, having served on the Permanent Select Committee on Intelligence now for 3 years, to have met a lot of our men and women involved in this process.

The first thing we have to recognize is they got a very important thing right, Saddam was a threat. It is not like we got into Iraq and it is like, wow, there is nothing here; he was not doing anything, he was just trying to build the country for his people. He was focused on delivering them quality healthcare, education. You guys got it all wrong.

That is not the Saddam Hussein we see and this is not the Saddam Hussein that his own people saw. They got it right, that this guy had every intent of restarting a weapons of mass destruction program, and we missed that he changed his strategy, from stockpiling to producing these things on demand.

So we got some of those things wrong.

But overall, the strategic analysis, because these men and women we have in our Intelligence Community, this is an art, and Saddam Hussein was a master at deceit, and we did not necessarily give our intel folks everything they needed to figure it out.

Mr. PENCE. The gentleman has caught me in a little bit of a rhetorical joust, and it seems to me that those who want to say we did not find what would have amounted, if we were absolutely correct, to a two-car garage load of biological and chemical weapons, it would not have filled more than that. But if we were wrong at the time, we went to war that that did not exist, that is the straining of the gnat when we ignore the elephant in the room.

The elephant in the room is the man and his regime were a weapon of mass destruction, terrorized and killed over 1 million of his own people, had these weapons and used them against his own people in the past, and, as the gentleman from Michigan says eloquently, most assuredly our conclusion that he was a menace and threat was accurate.

Mr. HOEKSTRA. Let us go to where the gentleman wanted to go today. I was in Iraq last year in August, I went back in September of last year, and then I was there 3 weeks ago. You were there last week. If there is any question about whether Saddam was an instrument of mass destruction, I think you and I were most touched when we actually had the opportunity to talk to the people of Iraq and their response. Then you talk to the next group that has had the most interaction with the Iraqi people on a personal level, and that is our troops. Then you talk to the policymakers and all of those kinds of things.

But the closer you get to the people who were closest to Saddam, I think my colleague will agree, that, by and large, the vast majority of those folks, and I will admit and recognize that Iraq continues to be a very dangerous place; there are people there who want to kill our troops; there are people there who want to kill the Iraqis that are working towards building a new Iraq; but for the average person in Iraq, they are absolutely thrilled and thankful that Saddam Hussein is gone.

Mr. PENCE. Apart from the inspiration of meeting particularly Hoosiers in uniform in Baghdad, the most inspiring for me, and this picture gives evidence, was the opportunities we had a week ago to meet with ordinary Iraqis, people working construction, men and women of various traditions, and even various faiths.

One of our meetings, and it may astound some that could be looking in, Mr. Speaker, is we had a meeting with a Shia cleric, a Shiite Muslim politician and the Catholic Bishop of Basra, who walked in in full religious garb, embraced the Shia cleric, as they obviously had great affection for one another, and then spoke of the religious pluralism that was a tradition for over 800 years in the communities of Basra in southeastern Iraq.

Mr. HOEKSTRA. What we forget is the rich tradition of Iraq. I do not know whether you have got it, but I have some things that have been posted on the Internet by folks who recount the history of this part of the world. It is a rich cultural heritage, the cradle of civilization, and that is what the people of Iraq want to be recognized and remembered for. They want to forget about the days of Saddam Hussein, because he robbed them of that great history and tradition.

Mr. PENCE. That is absolutely right. Basra itself is just south of the convergence of the Euphrates and Tigris Rivers, which the Bible records to be the location of the Garden of Eden. At Tallil Air Base, you can see essentially a pyramid from 2100 B.C. that marks the birthplace of Abraham, what was known as Ur of the Chaldeans. It is a place of incalculable historical value and significance, and the people reflect that.

But I have to tell the gentleman from Michigan, Mr. Speaker, that I fell in love with the Iraqi people that I met. The two qualities of the people that I met, and, again, it was only 60 or 70 regular Iraqis that we spent significant time with in the course of that weekend, but the Iraqi people that I met were highly literate, most of them spoke functional English, which was helpful to me, and the two characteristics, there were three. Number one, they were people who had very strong opinions, which made me feel at home, being from Indiana and the Midwest, as the gentleman from Michigan is.

We sat in a meeting, and, boy we heard it. Some people did not like how we were spending money on construction, other people did not like how we were investing in domestic security. But they had strong opinions, they were articulate, and they were revelling in the ability to express the opinions for the first time in their lifetimes.

Mr. HOEKSTRA. I experienced some of the same stuff when I met with the Iraqi people. You went right to where I was going. They are learning the ability to speak out, because under Saddam Hussein, if they had spoken out, they would be dead. So they are aggressive, and sometimes you kind of say look, you cannot say it that way or whatever. But, wait a minute, they have only had the opportunity to speak out for the last 8 months. You are right, they do not know everything they have to do to be politically correct.

But what a wonderful experience for them for the first time to be able to speak out, to meet with Members of the U.S. Congress or of the Parliament from Britain or members from Spain, but representative government, and for the first time, to have the ability to express their opinions and their vision for their own country and communities.

Mr. PENCE. I thank the gentleman. That was evident. The reason I start with that is to say this was not a group of people that were handpicked to tell four Congressmen what they wanted to hear. These people had some sharp elbows. But when you would ask any Iraqi, what do you think of our decision, along with 33 other nations, to remove Saddam Hussein, they would stop in many cases, their eyes would well up with tears, they would often grab us by the hand, and, as one Shia cleric looked me in the eye and said through an interpreter, Saddam Hussein was a nightmare, and I quote, he said, because I will never forget it, he said, "The day you defeated Saddam Hussein was like a dark curtain being lifted off of the Iraqi people and the daylight shone in."

The sense of gratitude among the Iraqis, not only leaders, but rank and file folks that we met, was deeply moving to me as an American, and it was real and it was genuine. And I believe that from what they said, that among the 10 million souls who call themselves Iraqis, it is the dominant, overwhelming opinion of the people, one of gratitude to the people of the United States of America for ending a nightmare in their Nation.

Mr. HOEKSTRA. It is the same experience I had. In September I had the opportunity to spend a day with one of my constituents who is kind of heading up the healthcare rebuilding in Iraq, Jim Hoveman. I spent the day, and we went through one of the facilities where they are rebuilding an administrative building.

Again, I am just kind of walking through the building, and I stopped and talked to two of the construction workers. It was not long, and I had about 40 of them around me, kids, maybe 18 years old, and then individuals that were probably getting closer to 45 or 50. But they wanted to talk, and they wanted to ask questions. But you could see the excitement that they felt, to have the opportunity to talk with people, to express their views and express their appreciation.

Then we went to one of the hospitals. The doctors and everybody focused finally on equality of healthcare, meaning it was going to be available all across the country. In Basra, they did not have much at all. This is a country that spent like $1 per individual.

A couple of weeks ago, I had the opportunity to be at the White House where the First Lady introduced the program that they are going to do with Project Hope to build a highly technical state-of-the-art Children's Hospital in Basra.

There is some debate as to whether this hospital should be built or whether the money should be spent in a different way. Again, we will have that debate. But what it says is is it not awesome that for the first time, rather than seeing a high quality healthcare system that deteriorated for 30 years, now there are people that are looking at going into Iraq and creating a state-of-the-art children's hospital so that not only all the kids from Iraq, but that children from around the Middle East will now go to Iraq for quality healthcare and special care for the kids.

Mr. PENCE. These are the stories, Mr. Speaker, that are not being told. These are the stories of compassion that are, however, reaching the Iraqi people. They may not make it on American broadcast television with great frequency, but they are reaching the hearts of the Iraqi people. You can see from this photograph, which is one of literally dozens I returned with, these men were construction workers at a USAID program, and some were attending a class on democracy. And we just stopped, and I think you can see even from this poor reproduction the warmth with which I was greeted by regular Iraqis.

I share one anecdote. We walked into a classroom, they are holding these democracy classes all over Iraq, and they are probably at, what we would say in the United States as a 5th grade level, where they are teaching what it means to live under a constitution, what the Bill of Rights are. We went into one of these classes. They are all adults. And I walked in, and, of course, was listening in for a time as they spoke in Arabic.

Then they rose and started to greet me and a few other Members of Congress. Several women wearing traditional garb walked up. I said, "Do you speak English?" They all said yes. They proceeded to share with me, and I have got them in my office, handwritten poems about what democracy means to them. And on my Web site, Mike.Spence.House.Gov you can see this picture, literally these women handing this to me as if it were a newborn infant, this poem, their hands literally shaking at excitement with the idea of being able to be involved in representative democracy as citizens.

I close on this point. I looked them in the eye and I said, "You all are like the founding generation of the United States of America. You are like the people that lived in 1776." I said, "I envy you, because future generations of Iraqis will look back at you and thank you for your courage and your success and your belief in a free future."

□ 1600

And they all giggled with delight; they understood what I meant and were obviously thrilled with the comparison to our founding generation.

Mr. HOEKSTRA. Mr. Speaker, I thank the gentleman for yielding; and I think he has it exactly right, because we have to recognize how far these people have to go and where they are coming from. I mean, whether it is in Afghanistan where they were under the control of the Russians and the Taliban for 12 years and their per capita income is $150, where they do not have the rule of law, they do not have police agencies in place, they do not have a judicial system in place, they do not have transparent government agencies, so they have to go through that whole building process and they have to learn about representative government.

It is unrealistic for America, for Congress, or for anyone else to expect that by July 1 they will be like us, that they will fully understand representative government. That is going to take a tremendous amount of work; and we are doing this work in a very difficult environment, because there are still folks there who, if they saw and could identify the Iraqis that were meeting with the gentleman from Indiana (Mr. PENCE), those folks will become targets. There are groups out there, this is still a very deadly environment, but the gentleman is absolutely right. These people are going to be at the leading edge of building a new country.

Mr. PENCE. Mr. Speaker, I thank the gentleman, because the point he just made to me is a colossal one. The very willingness of regular Iraqis to attend democracy classes sponsored by the United States Agency for International Development is an act of personal courage. The day after we left Baghdad, literally a week ago, was the bloodiest day in Iraq since the end of the war. Four mosques were attacked in Karbala and in Baghdad where we just were. Nearly 300 Iraqis were killed; many more hundreds injured, and all of the mosques that were attacked, as the gentleman alluded to, all the mosques that were attacked were clerics and imams who were cooperating or understood to be cooperating with the transition to democracy in Iraq.

One last point. The Iraqis that we spoke to were rather incredulous that we were in any way surprised by the violence. I will never forget the Iraqi who said to me, these people killed over a million of our countrymen to hold on to power. Why does it seem surprising to your people that they would kill to get it back?

And I yield back.

Mr. HOEKSTRA. Mr. Speaker, some ask, are you winning the war on terror, and the level of violence in Iraq is something that we are very, very disappointed in. But the gentleman is absolutely right. We should not be surprised. There was a letter that we intercepted and captured a couple of weeks ago that clearly indicates we are making progress, because the letter indicates that, Hey, we need to kill Americans and coalition forces; but where we really now need to move to, because we know that they are being successful, we need to target Iraqis, either to discourage them from moving forward to building a new Iraq, and to try to create divisions between the Shiites and the Sunnis and the Kurds and try to incite civil war. The terrorist organizations and individuals who feel that they will be disenfranchised because they are associated with the former regime will do just about anything to keep power, and that anything right now means that they will target and kill Iraqis.

When we were there, we had the opportunity to meet with 600, 500, 600 police cadets, and we went there because the week before we were there, again, two bombings and over 100 either police recruits or policemen were killed. They are the first step in building a civil society, keeping law and order on the streets. And we talked to them; we laid a wreath at the academy and spoke with them about how we were going to stand with them. Because we know that these young men and women, men and women in their police academy, the day they leave that academy, they are going to go into an environment where the police are going to have a price on their head. But when we went through, and I mean the gentleman had the same experience with the folks that he saw, the first thing you did is you looked in their eyes. They were glad that we were there. You looked in their face and there was a smile on their face. You heard what they had to say, and I think there was appreciation in what they had to say. You shook their hands, and it was a firm handshake.

Something that I had not experienced in my previous trips: when we were at the police academy, after just about every handshake and every thank you, they put their hand over their heart and then put it at their side. I said, What does that mean? I got it wrong; sometimes I would start with that. And they said, no, no, no, you end with that. What they said when they explained, they said, that demonstrates the intensity and the sincerity with which they are expressing their appreciation and their feelings to you for being there. So we had six Members of Congress who went to their academy and said, thank you, and as the gentleman states, our chairman was very eloquent when he talked to them, saying that you are the generation that will create the foundation for a new Iraq, and people will remember you because of what you are doing and the risks and the sacrifices that you may take. I yield to the gentleman.

Mr. PENCE. Mr. Speaker, I thank the gentleman, and I thank him for that moving explanation. I can candidly tell the gentleman that I did not have the presence to ask why almost every one of the nearly 80 Iraqis that I met ended every conversation like this; but I am very moved to learn it on this blue carpet, that it meant this is the intensity of the gratitude and the feelings. But I can attest on this floor that virtually every Iraqi with whom I spoke ended with their hand on their heart, speaking to me as a member of the United States. And I really believe, although intelligence estimates are that we are dealing with 1,000 to 2,000 insurgents, left over thugs, imported terrorists, people that are doing the killing that is going on and purposing to do more, but this is 1,000 to 2,000 essentially criminals and terrorists in a country of 10 million. And I believe in my heart, and I know the gentleman is my senior in Congress and often cautions me about over generalizations, but I believe in my heart if the Iraqi people could look the American people in the eye and rise as one man or one woman, they would be standing with their hand over their heart.

The people of Iraq that I spoke to are profoundly and overwhelmingly and emotionally grateful to the people of the United States of America, of Great Britain and Spain and all of the 33 nations that freed them from this nightmare of Saddam Hussein. I think of particularly the moment where a man who had been jailed 12 times over 25 years, who now is heading up an organization to identify the fate of nearly 1.2 million Iraqi men, women, and boys and girls who are still missing, who were dragged from their homes because of the belief in their disloyalty to Saddam Hussein. No due process of law, no trial of a jury of their peers, simply dragged away, never to be heard from again. And that man, as I expressed my appreciation for his courage, put his hand over his heart and expressed his thanks to the people of the United States of America for ending the nightmare, as he described it, of Saddam Hussein.

Mr. HOEKSTRA. Mr. Speaker, let us take a look at a different layer, because the gentleman and I know that when we are in Iraq, we do not get to go to all of the places we would like to go. I mean, when I have been in Baghdad, it is kind of like there is a lot of commerce, there is a lot of cars, the roads are busy, there is lots of people; and you want to just grab your driver and say stop, let me out, and let me spend the next half hour, hour just walking down the streets and talking to the people of Iraq, because I want to find out whether you are giving me the straight scoop. I think I am getting good input from the Iraqis, but are you selectively feeding me people that will only come with a smile on their face and those kinds of things.

The gentleman and I have both had the opportunity to talk to another layer of people who have interacted with the Iraqi people, and that is the American and coalition troops. When I was there last time, I had the opportunity to have dinner with 10 soldiers from Michigan, and my colleagues had dinner with 10 to 15 troops from their States. So we are talking to 75, 80 troops. And then I also had the opportunity to talk to parents or spouses whose husbands or wives are over in Iraq; and the American troops and the coalition troops, they are the ones, the ones that I met with. They are the ones that are patrolling the streets of Baghdad. Baghdad is divided into sectors, and the group that I had dinner with, they are patrolling four segments. So you ask them and say, What are the Iraqi people saying to you? And our troops, although I have not spoken to all of them, so I cannot say all of the troops, but the ones that I have spoken to have no doubt that we are there for the right reasons.

The gentleman from Indiana is right, they are not worried about whether we found weapons of mass destruction. Again, they have heard the stories of the torture, the killings, the brutality they have seen, how Saddam took care of himself and did not take care of his own people. They know all of this stuff. And they will tell us we are there for the right reasons. The Iraqi people are thrilled that we are there. The Iraqi people are frustrated that some of the rebuilding is not going as quickly as they would like it, that the security is not where they would like it, it is not where we would like it. But at the end of the day, they are glad we are here, they are glad Saddam is gone, and they are going to help us rebuild. They will tell us great stories about interacting, handing out books, rebuilding schools, digging wells, cleaning up irrigation trenches, getting the power going, and doing all of these things to help the Iraqis on a personal level.

I think the gentleman from Indiana had an opportunity to meet with some of the troops, and I yield to my colleague.

Mr. PENCE. We did, Mr. Speaker. As this picture attests, this is the gentleman from Indiana (Mr. BURTON), who led our delegation with great distinction, and me with a number of Hoosiers in the Air Force at the air base south of Baghdad. We were able to dine, as the gentleman from Michigan did, with a number of men and women in uniform; and it was truly inspiring.

As the gentleman suggested, Mr. Speaker, I just have to say that among the Iraqis with whom I spoke when I was in Baghdad and Basra, and among the soldiers, both British and American, when I would bring up the subject of weapons of mass destruction or the lack thereof or the search therefore, people would be completely uninterested. I remember speaking to an American intelligence officer who had been in charge of surveying a handful of the 270 mass graves that we found so far. And I looked him in the eye and I said, What say you of the lack of weapons of mass destruction? And he looked at me and he looked down at his shoes covered with sand, and he looked back at me with emotion in his eyes and he said, sir, from what I have seen, we did what needed to be done, whether we ever find any of those kinds of weapons or not. And this was the attitude that I got among our troops. I will say this without hesitation.

Having walked into the palace of Saddam Hussein myself and walked into another one of his palaces and seen the opulence with which he indulged himself and his cronies, and then having walked through the ruination of Basra, which is a city with 20 percent of the sewage capacity that it requires, with 50 percent of the electricity it requires, 30 years of neglect and repression, and the tyranny and murder of over 1 million people, I am going to agree strongly with that intelligence officer. We did what needed to be done in Iraq and we, as these soldiers reflected again and again, and the gentleman from Michigan got this as well in his words, these soldiers know we were on the side of the right in ending the 30-year reign of a murderous dictator, Saddam Hussein.

Mr. HOEKSTRA. Mr. Speaker, I have not had the opportunity to go to Basra, but the gentleman from Indiana talked about the Third World conditions. Again, I spent more time in the health care area in talking on a pretty regular basis with Mr. Haveman, talking about what is going on there and what existed before. This is actually what the first lady talked about when she was talking about the new hospital we want to build in Basra. Decades ago Iraq had one of the strongest systems. But here are some of the stories.

Mothers tell stories of watching their children die because doctors do not have a small enough tube to give them oxygen. When parents bring their children to the hospital, they must also bring food, bedding and clothing, even their own blood supply. Under Saddam Hussein, one in eight children died before the age of 5. One in three was malnourished. Infant and child mortality rates doubled in 10 years while low birth weights increased from 4.5 percent to 30 percent. Today, infant mortality rates, and this is when the coalition came in, infant mortality rates in Iraq are similar to those in much less developed countries in sub-Saharan Africa. The prevalence of leukemia has also increased dramatically in the past decade and continues to grow at an alarming rate. Children in the United States with leukemia have a 90 percent survival rate.

□ 1615

In Iraq, the rate is less than 10 percent. Saddam took care of himself, his family, and a core group of Baathists, but other than that, the country just totally slid. And those folks received very little health care, very few benefits from the government.

Mr. Speaker, I will yield to my colleague.

Mr. PENCE. Mr. Speaker, I just remember when my colleague first returned from Baghdad, he shared with a number of us, his colleagues, video footage of Baghdad as a bustling city, a very modern city, which it was. And the reason we went to Basra the first day was because Ambassador Bremer and other officials were locked in round-the-clock negotiations over the constitution. So they sent us as the first delegation of American Congressmen to Basra.

I have to tell you that going from Basra, which is like a Third World country, I mean it is ravaged not by war, it is ravaged by 30 years of neglect and tyranny by Saddam Hussein who refused to, even though billions of dollars were flowing from the Oil for Food program into his regime, and he was building more and more palaces, these monuments to his own greatness with marble floors and crystal chandeliers the size of minivans hanging from the hallway ceilings, but then go to Basra, and there is ramshackle dirt buildings falling down, roads in disrepair, sewers in disrepair, it demonstrated to me that contrast more than anything between the bustling city of Saddam Hussein to a city under the control of Basra, the Shiite population, the mendacity of this regime and the self-indulgence and evil of this regime letting so many people live in poverty while they live in sinful opulence.

Mr. HOEKSTRA. Mr. Speaker, I thank the gentleman from Indiana (Mr. PENCE) for bringing it up. It reinforces the amount of work that needs to be done there: Getting a constitution, establishing a law, getting the police force in place, getting the judiciary, getting government institutions in place, and then also practicing the art of representative government.

But there is no doubt that I believe the people of Iraq are thankful that we are there, that we are making progress in that. And we have talked about the people in Iraq that my colleague and I have personally had the opportunity to meet. We have talked about our second hand accounts that are told to us by our troops who are interacting with the Iraqi folks on a daily basis.

Then there is one other level that I just want to get to before we run out of time, and that is before I went to Iraq the last time we spent a day in Libya. And for those who do not believe that we are making progress in the war on terrorism, there are a lot of folks who are believing that we are not winning or making progress in the war on terror, or that we are not serious about it, Muammar Qaddafi, Colonel Qaddafi believes that we are making progress, that we are serious about winning this war on terrorism.

The changes that have happened in Libya are dramatic, going from somebody who had a weapons of mass destruction program, a nuclear program all under development, all secret, to where we are today, fully exposing it, telling us not only what he has, but how he got it and these types of things.

We do not fully understand exactly why, but I do not doubt that there is some relationship to what we did in Iraq and where we said we are going to be focusing on, a war on terrorism, focused on it like a laser, we are going to go after it, and however he got to where he is and however Libya got to where they are today, we ought to be thankful that in this element of the war of terrorism, we have made that much progress in a very short period of time.

Mr. PENCE. Mr. Speaker, I thank the gentleman for yielding. This photograph illustrates a brief meeting that we had with Ambassador Paul Bremer across the hallway from the negotiations over the constitution. My colleague spoke of the long work we have ahead. There is a new interim Constitution, which is a radical document in the Middle East, people have basic Bill of Rights freedoms in this ancient land for the first time ever in their history. In this picture actually appears the draft of that interim constitution that Ambassador Bremer calls it.

If we will stay the course, not only will we see the changes and the repentance that we have seen of Colonel Qaddafi, but I believe we are going to see the transformation of the society of Iraq as an Islamic country in their own form of democracy and freedom and a society built on rights that will transform that part of the world for our children and grandchildren and for the children and grandchildren of the good people of Iraq.

Mr. HOEKSTRA. Mr. Speaker, there is no doubt we are making progress. I want to read a couple of quotes from a speech that we heard in Libya. And if it becomes the role for the Middle East, we will have made great progress. Think about this quote. This is one of the Libyan parliamentarians. "I believe God created man on this earth. Therefore, they have natural needs and natural rights. These are not bestowed by anyone else and they cannot be taken away by men." This is in Libya.

Now, think if they move that that direction. "Every person has the right to develop to their full potential to live in peace, security and prosperity." "How can you enslave people who are born free?"

There is something that is inside of all of us that we recognize these types of rights as being basic rights. And as we help bring those rights to Libya, as we help bring and foster those rights in Afghanistan and Iraq, we do not light the spark or the flame in these peoples, we give the flame the opportunity to grow and flourish. It is there. That is something that is in all of us, the right to be free; to be secure. And what we are doing is we are giving them the right to do that. But we also, at the same time, recognize the difficulty and also the number of people who want to extinguish that flame and enslave these people one more time just like Saddam did.

With that, Mr. Speaker, I yield back the balance of my time. I thank my colleague for joining me today.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a concurrent resolution of the following title in which the concurrence of the House is requested:

S. Con. Res. 98. Concurrent resolution providing for a conditional adjournment or recess of the Senate.

THE PRESIDENT'S BUDGET

The SPEAKER pro tempore (Mr. BISHOP of Utah). Under the Speaker's announced policy of January 7, 2003, the gentleman from Florida (Mr. MEEK) is recognized for 60 minutes as the designee of the minority leader.

Mr. MEEK of Florida. Mr. Speaker, Members of the House, once again it is a wonderful day to be here in the House and share not only with my colleagues, but with American people, the issues that are facing not only our economy but our children's future.

I guess I would have to start, since this is budget time and as we are here on the floor simultaneously, the Committee on the Budget is meeting to try to work out this $2.4 trillion budget that the President has sent here to the Hill. I must say to my colleagues that it is important on behalf of Americans, on behalf of working Americans, and on behalf of individuals that are unemployed in our country, that we make the right decisions not only for the future but for today.

I can tell you that I am very, very concerned about the direction we are going in right now of Members just following this White House with what they send us. We are trying to do the same thing with what they send us, as we just rubber stamp it and send it through. We cannot allow that to happen.

Under this budget, the reason we are in trouble today is it relates to just under 3 million jobs that have been lost and Americans out of work as we speak today. It is important for us to remember that we still have a health care plan that we have to put forth not only for Americans, but also to allow small businesses to be able to provide a health care plan for Americans who do not have it.

I will tell you right now for those that do have it, in many cases, their contribution is so high and it is continuing to grow, it is just really getting out of hand. But being a creature of the State legislature, where I used to be for some 8 years in the State of Florida, I cannot help but stand here on behalf of State legislators throughout the country, Democrats and Republicans, Independents and non-party, members of the legislatures throughout this country need representation here in the U.S. House of Representatives. And also local government, nonpartisan local government members, partisan local government members need a voice here in the Capital and, not only a voice, but they need action.

I will tell you I came to the floor this afternoon just to share a few things with my colleagues so that they do not think that this is just a Kendrick-Meek report. And there are a few Meeks out there that are a little disgruntled as it relates to the President's budget that falls short of a good vision for our country.

Let me just make a case in point. I could not help this morning when I knocked the dew off the paper here in the Capital city, I could not help but find that the National Association of State Legislatures, that I was a member of for 8 years, is a bipartisan group. That is, legislators come together to make sure that States are not left behind and that they are able to put forth the best government possible for their particular State.

And I could not help but see this article that is on the Federal page of the Washington Post today, and it says, "President's Unfunded Mandates Criticized. Group says that States face huge bills."

Now, I want to make sure that the American people understand what I am talking about. When the President says that he wants to make his tax cuts permanent, he speaks very passionately about making tax cuts permanent on behalf of the most wealthy Americans. Now, I think we can all be under the umbrella as it relates to middle-class tax cuts, as it relates to child credit, as it relates to tax cuts that are helping small businesses. But when you start looking at the big tax cut for the wealthiest Americans, I do mean the individuals who are not knocking on the doors saying I need a tax cut, we are giving it to them. And we are giving it to them at the detriment of our education system.

This points out Leaving No Child Behind as an unfunded mandate to States. I think it is very, very important for us to remember that it is okay to talk about standards because that is free. We can hand standards down to State governments and they can hand standards down to local school boards that will then impose them on children. Nothing wrong with that under a plan that is going to work.

But that makes that very problematic for hard-working teachers and for students that are trying to achieve this goal and for legislators that are trying to put together a budget because States that do not have the luxury that we have here in Washington, D.C. where we will just put it on the charge card. We will forestall it off to another generation or this generation to pay it later because we want to be the ice cream and cake Congress, or ice cream and cake administration.

At a time of war and at a time that we are looking at the deficit that is, I must say, $520 billion in change, that is going to continue to happen or continue to roll out unless we stop this President now as it relates to his budget and do not make these tax cuts permanent.

Let me take an excerpt, Mr. Speaker, from this article today in the Washington Post. "The President's budget next year will increase the burdens to States $34 billion, according to the report made public in a news conference at the National Council of State Legislators in their winter leadership meeting in Washington, D.C., accusing the Federal Government of cost shifting.

That is not just something that they are saying. It is for real. Accusing the Federal Government of cost shifting. Utah House Speaker Stevens, who is a Republican, I must add, president of the National Council of State Legislators said, "We have seen increases in practice of these recent years, and we are concerned that this is going to get worse."

Let me tell you, ladies and gentlemen, there is no way in the world that State governments that are facing a $78 billion deficit across the country are going to close that gap if we are thinking about the wealthiest Americans. We cannot shore up the Social Security trust fund and making sure that we are able to provide Social Security, the promise that we made to so many Americans, if we make these tax cuts permanent.

Now, the President is saying that the tax cuts are going to help the economy. Well, I beg to differ. Because right now we are looking at a job loss of 3 million jobs, just under 3 million jobs. And he would have to go north of that number to even be able to show an increase. So since the Great Depression, no president like this one under his watch has actually seen this kind of job loss.

And I think it is important that we take very close note to what this situation is, not only to us as Americans, adult Americans, but to our children. People talk about our children's children. I think it is also important that this article talks about we like to pass things that sound good.

□ 1630

We want to pass clearer skies. I doubt if there will be funding. We have already passed the Leave No Child Behind, which States are now saying that the Federal government, as it recommends, the Federal commitments, we have done just that, we have left children behind.

We like to talk about the war on terror. I must say the effort on terror because wars are very costly, and I think it is very, very important that we remember, and especially as it relates to my colleagues who were just on the floor commending the President and the justification on behalf of the whole Iraq experience, let me just say this, it is important that we support our troops. Our troops are going to do what they are told to do. Rightfully so. The Commander-in-Chief is the leader. But I will tell you that as Americans, we have to pay very close attention to what one may do to take the attention off of the real agenda.

And I will tell you time after time again, if you watch the President as he moves throughout the country and has press conferences and things of that nature, we talk about standards. He talks about standards. He talks about the fact that he is compassionate towards seniors and veterans and all of the soft music that may be in the background as it relates to his speeches; but I will tell you in the real world that is not the case. We are leaving the troops's children and their parents and their loved ones that are over there with sand in their teeth in Iraq or Afghanistan or in Haiti behind.

It is important that we have remember and we look at the fine print here. We have veterans that are waiting 3 months to get a prescription filled through the VA. Now, I do not fault the good people who are trying to work with what they have at the VA. But I wish that the President and I wish that this Congress would move forth in this budget to make sure that the VA can cut that in half.

Concurrent receipt. I am so glad that my colleagues on the Democratic side had enough gumption to be able to pull a bill up to this floor to allow a veteran that is disabled, so they do not have a veterans tax, of taxing them while they are disabled and a veteran at the same time. This leadership is important.

I want to make sure that the American people do not feel that this is some sort of partisan argument against the President. I will tell you individuals will have their opportunity to stand in judgment of this administration in the coming months. But I will tell you this as Members of Congress, it is very important that articles like this where you have Republican members of the State legislature saying that we are shifting the cost to them, and when we cut the Federal commitment, which when we give this huge tax cut that has already been given to the most wealthy Americans, that there will be no money to respond to the States.

Now, how this works in the real world when you have $78 billion in deficit throughout the country, then what do the States do? Do they raise taxes? Nine times out of ten, they do not. They increase fees. Your driver's license costs a little bit more. For individuals that are in coastal States, registration for your boat may go up a little bit more. For individuals that buy hunting licenses throughout this country, sportsmen, they pay more for their hunting license because the wildlife officers or the wildlife commission, their budget is going to be cut. So when that happens, what happens to the counties, our counties? They were just up here. Well, the cities were up here and I am going to get to them in a minute.

Our counties were just up here recently. And they were so very, very concerned. They are thinking that help is on the way, and that they are going to get some sort of relief. They look to the States for relief. The States are not going to give them the dollars that they used to give them rightfully. So what they should do so they can put forth the function to be able to make sure their residents, taxpaying Americans, are able to have some level of government services, or some level of police services or fire services, or homeland preparedness.

That is not going to happen. You make these tax cuts permanent for the most wealthy Americans, this country is going to continue to see what this speaker said, the president of the Senate of Utah said, that we are concerned it is going to get worse.

So basically, if we do not listen to the chairman of the National Conference of State Legislators make his arguments, it is almost like this Congress, Mr. Speaker, taking out a carton of milk and taking a smell of it and saying, wow, it is spoiled. Let me put it back in the refrigerator. Maybe it will be fresh tomorrow. We do know that is not going to happen.

I feel so bad for my colleagues that are "deficit hawks." It must be very difficult to come up with an argument of where we can kind of cut this deficit in half. How can you do it when you have got a President that is willing to say, let us make sure that we make the tax cuts permanent and the more taxes you pay, the more money you should get. That may sound good in a speech, but in reality, you have Americans receiving on average somewhere maybe 50, $300 in rebate, and then you have millionaires receiving thousands, hundreds of thousands of dollars so that they can go on and do the things that they do, and it does not help the economy whatsoever.

Job growth. Let us just talk about that for a minute, because it is important since we have themed this special order to talk about States, talk about counties, talk about local governments, talk about school boards, about how the devolution of taxes will end up affecting every American's life. Let us talk about that for a minute.

The President said, hang in there. He was talking to some workers the other day. Just hang in there a little longer. It will be okay. It is going to work itself out. I must beg to differ with the President, because I feel this is the sour milk scenario once again. Let us put it back in the refrigerator. Maybe it will be fresh tomorrow. We know it will not be. The evidence is not there to justify the economic backing of what the President may feel as it relates to giving more tax cuts.

My colleague, the gentleman from Texas (Mr. DELAY), on the other side of the aisle, the Republican leader, last year he said there is nothing better the government can do, I am paraphrasing, than at a time of war than to give tax cuts.

Cake and ice cream.

We can not do that. We are supposed to be the responsible ones. Members of Congress who know better should do better. And unless we stop marching in lockstep, I must say on the Democratic side that is not the case, but on the Republican side, there seems to be a sense of pride that we need to just kind of hide behind this administration saying that it is okay. But it is not okay. For us to get to the top of where we were, I must adjust 3½ years ago looking at surpluses, now we have the largest deficit in the history of the country.

How did we get here in such a short time? Let us just give the tax cuts to the most wealthy individuals. Just put it this way, 56 percent of the tax cuts under the Bush plan is to the most wealthy Americans.

Now, I am not standing here saying I do not like individuals who are able to do the things they do, but these are the wealthiest of the wealthy. And it is very, very important for those of us that are here and have the power to do so, bring about the kinds of change that this country deserves.

Now, let me just say as it relates to the jobs, the 3 million jobs lost, the administration has changed the forecast 3 times. Well, we are going to be here by this day. No, I am sorry. We will be here by this day. No, we will be here by this day, just to try to get some sort of goal that could be met. And it is just not adding up, and I will tell you that it is very, very important that we remember that as Members of Congress, that we stand on behalf of what is right for the country, not just because administration and the Vice President comes here and he gets over here in the side room and the next thing you know, you have Members on the other aisle walking back in feeling very beat down and, well, I guess I got to go here and be with the home team.

Well, the home team has gotten us into a 3 million job deficit, the largest deficit in the history of the country and climbing. We have State legislators that are saying, oh, my goodness, they are shifting the burden over to us. And this budget alone, the next year, increased burdens will be on the States on top of what I am telling you right now will be $34 billion. That is not change. That is real money.

What is going to happen to you American people that are working every day, that are taking care of your family every day, that are doing all the things that this country has asked you to do to make us strong? Your children, they go to school every day. They are trying to make their lives better every day. They have hopes of going to college one day. But what we are doing here and what this administration, what the Bush administration is putting on this country right now is very, very unfortunate, and I am sorry to say it, dangerous economically. And our democracy depends on a strong economy.

Now, I will tell you that when the States make their budgets, obviously, they have to look at cuts. Their commitment is going to cut to local government. That means that the feeding program in your local community is going to probably end up reaching the ax. Here in the Federal, in this budget, we cut the COPS program, putting community police officers in communities to what? Prevent crime. Not respond to it, but prevent it. That is cut. You think the States are going to be able to pick up that burden? Of course not.

Then you look at programs as it relates to your quality of life, parks and recreations, that builds character in our communities throughout America. What has going to happen there? Maybe the summer program may not be there for your child. It does not matter what community you live in. I am not talking about Chicago, even though that would be an issue. I am not talking about Los Angeles, even though that would be an issue. I am not talking about just Miami and just my district because the State commitment has been cut because the Federal commitment has been cut to be able to allow tax breaks, permanent, on behalf of the most wealthy Americans.

I am not just talking about those cities. I am talking about Youngstown, Ohio. I am talking about small cities like Ocala, Florida. I am talking about towns and villages that count on State dollars to be able to help make and provide the good services on behalf of their constituents.

Let us talk about cities. Well, cities, they count on counties. They counts on State governments. They count on the Federal Government. The cities were up here last week, which was quite interesting, and I took the time to listen to their arguments. And I will tell you right now, the cities are very concerned about the direction that we have continued to head in. They want homeland dollars. We talk about homeland security here in Washington. Yes, it is a good thing. I am on the Select Committee on Homeland Security. Yes, that is a very important committee. We have an appropriations subcommittee on homeland security. But let me tell you where the front line security takes place. That is in our cities and that is in our counties and that is in our small towns. And I will tell you right now they are hurting and they are feeling the pinch.

Now, you may, in a speech made by the President or by some Members on the other side, defending the President's policies of 3 years, of not really a job growth. And then when you see a job growth, it is about that big. And then we start talking about trying to get McDonald's and Burger King to recategorize to make it manufacturing jobs to try to add on to say, okay, we have a nice little stack there now of jobs. Look what I have done.

This is so very, very important that we remember that we cannot allow this to happen, what the President has put forth in this budget of making these tax cuts permanent.

Now, I think it is important as we look at homeland security or homefront security. We have police departments right now that need equipment. We have already taken the COPS program and snatched that rug out from under them, the most positive and aggressive program of preventing crime in this country in a very long time. And because we have taken those dollars away, police chiefs and sheriffs are hurting. Right now they are responding to crime in many cases. They are not preventing it.

□ 1645

I will tell you right now, I guarantee you I do not even have to take a poll. I do not have to call CNN or MSNBC or any of the networks or the talking heads that are on 24 hours. And I guarantee you, walk up to any American and you can ask them this question: One, do you want to prevent crime or do you want crime to happen and be reported? And as we start looking at this bad trend of the Bush administration of fighting on behalf of the wealthiest Americans, that is going to continue to happen. Crime will go up. Police chiefs are going to have to work with what they have on behalf of providing the very safety that Americans deserve in big and large cities. So when we talk about tax cuts and act like it is really not anything that affects Americans, it does.

Let us talk about what is happening as relates to property taxes. Because of our efforts here, or lack thereof, to stop the Bush administration on this tax cut for the wealthiest Americans, we have a bad situation as it relates to being able to stop property taxes from going up when we talk about local commitment. What is happening as this devolution of taxation, as we continue to move down and putting these unfunded mandates on that the State legislatures are saying that we are, local communities have to raise taxes, property taxes of home-owning Americans.

Let me just share this with you. For me to stand here as a Member of Congress, I have never raised taxes on the American people. When I was in the State legislature I never raised taxes on Floridians. For us to be able to say in the county, well, we do not want to raise taxes, but I shared it with you earlier in my presentation that they come in the form of fees, of increasing fees, need a new tag or hunting license or fishing license, things of that nature, this is kind of invisible what happens in local governments. You all of the sudden see the rate of your property taxes go up because they have no choice.

This is the last area to pass the buck, city and county governments; and it is very unfortunate, very unfortunate that we put those local governments in that position. As we are up here in Washington speaking here on this floor, there are local governments right now scratching their heads, wondering how they are going to meet a budget, how are they going to be able to provide the services to Americans. So while we are putting $50, $200, $300 in a tax cut, they are taking $500, $600, $1,000 out of everyday Americans' pockets as it relates to property taxes because they do not have what we have.

I am going to tell you I am very disappointed as it relates to this. It is really bad to be a Member of the Congress and say you are a Member of the 108th Congress that oversaw the largest deficit in the history, not in recent years, in the history of this democracy of the Republic. I am so happy because I am glad that there is some sort of difference here as it relates to the budget and how Members feel.

We have a Republican and a Democratic side; and I will tell you, my colleagues on the Republican side, I feel for them because for them to try to figure out how they are going to make an argument and not offend the administration, I know that job is getting more difficult every day; and it is so very, very important we let the American people know how their local property taxes are being increased, how their local police services are being decreased. Not because local government is saying we want to cut community policing. We are saying it because we want to stand up on behalf of the wealthiest Americans.

I will tell you this. I am very proud of the Democratic side of this Congress that believes in middle-class tax cuts, but as it relates to these wealthiest Floridians, wealthiest Americans, that are celebrating, an administration that stands up on behalf of giving them big tax cuts towards the detriment of local government and Americans that are trying to work every day. So it is not adding up.

I continue to see article after article of failed attempts by this administration to try to get this economy moving in the right direction. That is creating jobs; that is not a jobless economy.

I will tell you, this one Member of Congress, along with several other Members on the Democratic side, we are very concerned. Not only concerned, we are willing to take action, if given the opportunity, to put this country in the right direction.

Let us look at this, this "Deficit in Trade," New York Times today. It is not just me, a Kendrik Meek report. This is a report, a reputable newspaper here in this country, "Deficit in Trade Tops $43 Billion."

Let me just say this. We give the administration too much credit. We give them too much credit; and I will tell you, I think on the Republican side, it is time to start asking the tough questions. It is time to start taking some action or the American people will stand in judgment of all of us, and those that are willing to stand on behalf of the American people, everyday working Americans, not just the wealthiest Americans that are celebrating this tax cut and the President speaks so passionately about, you would assume he would talk about, he would go and say, well, on behalf of No Child Left Behind, we have to fully fund that. You would assume that this President would knock down the door to try to fight on behalf of dollars to be able to go to local governments and provide teachers with the things that they need to educate our children.

Better yet, we speak passionately about making sure that we make the tax cuts permanent, outsourcing jobs. Like I said, we cannot give the administration the credit or this Congress as some Members of this Congress as though they are the authority and they have a good track record. There is no good track record. If there was one, I would not be able to stand here on this House floor speaking to my colleagues, speaking to the American people in the way that I am speaking right now.

I can speak with great evidence and great backing of how States are concerned about the direction that we are going in. How we are cutting the Federal, I keep saying it, the Federal commitment to local governments and cutting the Federal commitment to the American people.

I will tell you, as we define in the coming months, with this being an election year, yes, people will do things that they ordinarily would not do; but I will tell you one thing that has been consistent. The fact that the President has said that these tax cuts to the wealthiest Americans will help the economy has not happened. Three million jobs lost, that is a long way to go to say that you created something, and I will tell you this. It is very, very important, very, very important in this budget time that this Congress, not just my friends on the Democratic side, but my friends on the Republican side, it is time for some Members of this Congress to go see the wizard and get some courage on behalf of the American people who allowed us to be a part of this Congress.

Remember, Members of the 108th Congress here in this U.S. House and in the other body, history will reflect on the fact that we oversaw and the Republican-controlled Congress, I must add, oversaw the largest deficit in the history of this country that children will have to pay, that living Americans will have to pay for a very, very, very long time.

I cannot help but get off of this wealthiest Americans getting this tax cut that the President wants to make permanent. It just does not add up. With all the needs that we have, efforts against terrorism, efforts to be able to make sure that we provide or we talk about the terrorism, we talk about our troops, being able to have a good national defense, but how about those individuals that have served? How about those veterans? How about those individuals that wore the uniform? How about those members of the American Legion? How about those individuals that are out doing community service like the Shriners and others that are veterans in this country and they are being stepped upon?

They are being stepped upon because they are being devalued as it relates to the commitment that they should have from this White House. Yes, there are some Members of Congress that have now said, okay, Mr. President, I am sorry, I know you want to fight on behalf of the wealthiest Americans; but we have these veterans and they are in my district, and we are going to have to do something about it.

Republicans came together with some very courageous Democrats that put forth a bill. A Member from Florida put forth a bill, but could not get it up under a Republican-controlled Congress. Democrats came together to be able to provide that opportunity so that hopefully we can do some things about concurrent receipt, which is the tax on veterans.

Remember I said earlier about how we pass it on in fees and different things that may take place, like delays on being able to see an ophthalmologist at a VA center, having backlogs at VA centers continue to increase instead of decrease, if we are really honoring and standing towards the commitment of Americans that have allowed us to be able to celebrate the very freedom that we live under and breathe under today.

Police officers, I cannot help but have a level of compassion towards police officers that are out there making $30-something-thousand a year, carrying a weapon, protecting our communities, protecting our highways. I used to be a State trooper. I was a State trooper in Florida for 5 years. I know what it means not to have what you need to have to be able to provide the protection that you raised your right hand and said that you would do and put the other one on the Bible. I will tell you that it is important that we do not leave them behind.

So when we look at these efforts of this White House to send a $2.4 trillion budget to this Congress, that is making tax cuts permanent on behalf of the wealthiest Floridians, I mean wealthiest Americans and Floridians I must add, the wealthiest, not folks that are just kind of, you have a good job, you are making a family income of about $80,000 a year. We are not talking about that group. We are not talking about the individuals that are making a little bit over $100,000.

□ 1700

We are not talking about those individuals. We are not talking about those individuals that are making under $20,000 or $35,000 a year as a joint household income. We are talking about individuals that are making hundreds of thousands of dollars a year, and who are celebrating a great representative in the White House right now, and that is the President of the United States.

But do not take my word, just look at how it is presented. When the President starts talking about tax cuts, of course he does not say we need to make sure the wealthiest Americans receive the tax cuts. But it is somewhere in the message. When you look at how it is playing out, the majority of the money in his tax cuts go to the wealthiest Americans. So it is not like he is fighting on behalf of everyday working people and saying that we want to provide that tax cut for you.

I talked earlier about the legislatures and how they are feeling the pinch and how they are passing that pinch on to local government. But police officers need equipment, and not only for homeland security but they need equipment to be able to provide safety in our local communities.

Now, let us talk for a minute about health care. I mentioned that at the top of my presentation here today before this Congress. There is no health care plan, and there will not be any money for a health care plan if we make tax cuts permanent on behalf of the wealthiest Americans. Do not think it will fall out of the sky. It will not happen. We cannot have cake and ice cream and meet a commitment that we should make to the American people.

Yet we are able to provide a health care plan that we here in this Congress celebrate. We have a health care plan that is just really something else. But I do not think my constituents sent me up here saying to me, well, we are so delighted and we love you so much that we want to give you health care that we cannot even have or afford. I do not think that was their message.

What I am saying to my colleagues on the other side of the aisle is that this is important. And to those who are either listening to me right now in their offices or have even made it back home, since we have finished business this week, think about it over the weekend, about what you have to do on behalf of those individuals at the airport when you get off that plane; think about that ticket agent that is there; think about that individual that is sitting there in that airport who is a development representative on behalf of a small shoe company who needs health care and cannot afford it. Think about those individuals when we start standing in judgment of this budget.

If we allow the wealthiest Americans to receive a tax cut over good health care on behalf of every day working Americans, some that are traveling by car, some that are traveling by plane, some that are trying to make ends meet, it is really a travesty and a shame. We cannot give this Bush administration the rubber stamp and continue to allow them to move forth on failed economic policies that are going to drive this country down, not up. Much more has happened to the American worker than for the American worker, and we have to pay very close attention to that. Let us not just watch the show, let us be a part of the show and make it better on behalf of the American worker.

I would say now that the decisions that are coming out of this White House on the economic front are a shame, and individuals should be embarrassed. People should be fired. We should be able to bring in a new team of strategists and advisers. But I do take comfort in the fact that this is 2004, and in a few months Americans, will be able to make the kind of decision they need to make.

I guarantee that when you do not have health care and you have to go to an emergency room for that health care, or when you are a veteran and you have to go to a Veterans Hospital to get some sort of assistance and you are waiting 3 months to see the ophthalmologist or the cardiologist, or whatever the case may be, that is not a partisan issue. That is an issue of leadership. So whether you are a Democrat, an Independent, or a Republican, whatever the case may be, there is a lot of blame to go around.

We will not be blamed on the Democratic side. I guarantee you we will not be jumping up and down on making these tax cuts permanent on behalf of the wealthiest Americans. I am just so glad that God has allowed me to have enough breath in my body to come here and put this on the RECORD and to let Americans know that we should not allow the wealthiest Americans these tax cuts. And I am not hating on them, I am hating on the leadership of this country as it relates to the President of the United States that keeps selling to the American people that this is a good thing. I just do not know how it is.

And I will say this right now. We need to stand up on behalf of those individuals working every day and that have to stay healthy to be able to provide health care and some sort of way of life on behalf of their families, men and women, some two-parent households, some one-parent households, and with their price of health care continuing to rise, and the price of health care continuing to rise for small businesses, then we are standing up with the President for the wealthiest Americans.

I am sorry if someone is disappointed because I am here speaking on behalf of everyday Americans. The people that work in the Federal Government do not have the kind of health care they need to have, and we need to fight on their behalf. We need to say no to the President as relates to providing tax cuts to the wealthiest Americans. I am going to keep saying it, and I think that Members of this Congress should keep saying it.

I am trying to make the job easier on behalf of my friends on the Republican side that want to say it but cannot say it. And the reason why they cannot say it is that they will fall out of step with the administration. I have seen it. It has been all over the papers, the kind of pressure that this administration put on good Members of Congress who are trying to make good decisions on behalf of their constituents. It is well documented. This is not the Kendrick-Meek Report, this is the report of the reality of what is going on in this Capital city.

We should not stand by and allow this to happen, and I do mean those of us who are carrying 108th Congress voting cards. We should not allow this President to continue to make decisions and give him credit where credit is not deserved, based on the report of this administration and the fact they have not been able to create positive job creation since the President has been President. Just short of 3 million jobs.

Some say we are on our way up. Well, three million is a long way to go. Try to tell that to an individual whose unemployment has ran out and they cannot find a job. Meanwhile, we have a President who thinks and who is talking about, oh, it is good to send jobs overseas.

So while we are here fighting, and the majority, I must add, I am hoping that we can get them to really think the way they want to think and act the way they want to act and saying no to the President of the United States; that we will not allow this to happen. Because the Social Security Trust Fund will never be resolved and it will be going down into deficits.

We believe in community policing, we believe in providing health care for those that have worn the uniform and who are entitled to the respect they should receive, many of whom have lost limbs and have diseases that they cannot shake because they fought on behalf of this country. They should not be waiting 3 to 6 months to try to see a doctor or to try to get some sort of specialty treatment at a VA Hospital.

The VA hospitals should not be closing, but they are closing, because we are about to take away their money. It is already happening, only we are going to make it permanent. So where is the money going to come from? The President is going to walk around and say we have cut taxes, we have made them permanent. Well, that sounds good. Taxes have been cut. But the reality of it is that the majority of Americans are not the ones that are receiving this, 54 percent of the dollars in that tax cut. And it is little increments as relates to every day working Americans, but huge tax cuts, in the hundreds and tens of thousands, to the wealthiest Americans, who will receive and continue to receive as far as the eye can see.

But we are here talking about where are we going to be able to provide affordable health care, talking about why we cannot stop property taxes going up. If there is a local school or bond question on the ballot in your State's primary, or a question on the ballot as relates to a local election, it is not because the school board failed you, it is not because the county government failed you, it is not because of the school boards that are operated by the city, it is not because the city has failed you, it is not because the State has failed you. It is because the President of the United States thought it was important to make sure that we provide a tax cut, and to make it permanent, I must add, on behalf of the wealthiest Americans.

As I close, I just want to say that, and this is important, that these tax cuts for the wealthiest Americans have nothing to do with the effort against terrorism. It has nothing to do with it. Nothing patriotic about giving tax cuts to the wealthiest Americans. I did not see a millionaire or a billionaire coming to my office saying, Congressman, I sure need you to fight on my behalf. I want you to make these tax cuts permanent.

You know the reason why they are not coming to my office saying that? Because they cannot look at me straight in the eye, nor can they look at the American people straight in the eye and say that. But this President, and you need to check it for yourself, this President goes flying around, burning all kinds of Federal jet fuel, talking about it is important that we make it permanent. He leans on the podium carrying on and looking and winking and all that kind of stuff, and that is good for the television, but in reality, he is telling us to forget about a health care plan because there is not one. We can forget about a good Medicare prescription drug plan, because there will not be one. There is not enough money to be able to do it.

And I do not even want to start about what this Congress was told and about what happened afterwards. Millions of dollars underforecast as relates to the plan that was passed. I do not even want to get into that. That is another entire special order. But as far as community policing, we can begin to look to our local communities not preventing crime but reporting crime. We had those days. We want to get away from those days, but I think those day will come back.

Veterans. Veterans. Oh, my goodness, I am so glad this is an election year and that they are getting some level or maybe a small response that is just starting from this Bush administration because of the pressure and the reality of what they have to live under, not being able to receive the kind of health care that they need and waiting in lines.

Mr. Speaker, I close by saying this: I go back to the Washington Post today. State government leaders. The Utah Speaker of the House, Mr. Stevens, said that "we have seen an increase in that practice in recent years and we are concerned this is going to get worse." That is what the evidence shows. That is what will continue to happen if this House allows this President to make these tax cuts permanent on behalf of the wealthiest Americans.

State governments, brace yourself. Local communities, brace yourself. Property owners, brace yourself. Hunters and sportsmen alike, and sportswomen, brace yourself. Brace yourself because you will be paying the price because we want to fight on behalf of the few. We want to make sure individuals that live in gated communities and who burn a full tank of gas getting to their front door get their tax cut.

On behalf of the Democratic side, and on behalf of some Republicans that are thinking in their mind that they want to be able to say something, not only say something but want to vote against some of this stuff that the President is putting down, I am asking this Congress does not continue to follow this President down a track of continuing not only to outsource jobs, but continuing to put this country in economic jeopardy.

I have a problem with us knocking on the bank of China saying we need money to pay down money on the largest deficit under our watch. Something is fundamentally wrong with that. And you can talk about Democrat-Republican, but the reality is there was a surplus until President Bush took the White House, then all of a sudden we have record deficits. We have red lines that are running deep you can lose consciousness.

I think it is important, my colleagues, as we take this recess over the weekend that we come clean with the American people about what is to come. I hope and pray on behalf of veterans that we do better by them.

I pray on behalf of children, who are trying to rise up to the standards that have been set by this administration without the resources in this budget that will be able to respond to the needs of every day teachers and administrators that are working to be able to make sure that they can provide an environment and also be able to put forth an education system that is going to help our children learn, outside of just having test centers and having rhetoric out there, these one-liners talking about how we have raised standards.

I hope and I pray that Members of Congress stand on behalf, and especially on the majority party, because on the Democratic side I know where we stand, but I am hoping and praying that someone, some Member stands up and gets other Members on the Republican side to say no to the President of the United States; I do not care if it is an election year or not, Mr. President, you will not make tax cuts permanent on behalf of the wealthiest Americans. And not just because we do not want you to, but because the Republic depends on the very resources you are willing to give away to individuals who do not even need it, and which will provide for health care, for Social Security, for a prescription drug plan that actually is a plan on behalf of the American people and that will drive costs down, and which will also make sure that we have police officers in our communities that are going to prevent crime and not report it.

□ 1715

ISSUES FACING CONGRESS

The SPEAKER pro tempore (Mr. BISHOP of Utah). Under the Speaker's announced policy of January 7, 2003, the gentleman from Texas (Mr. BURGESS) is recognized for 60 minutes.

Mr. BURGESS. Mr. Speaker, I thought we would finish up this week touching on several issues. We just heard about a lot of issues from the other side of the aisle; and I have several things that I want to address, and the gentleman from New Mexico (Mr. PEARCE) is here to speak as well. I want to speak on the reauthorization of the transportation bill that we will be taking up in the latter weeks of this month. I want to talk a little bit about where we stand on fighting and winning the war on terror, and I would like to finish up with a discussion about retooling Medicare and debunking some of the myths that we have heard expressed on the floor of this House this week.

Mr. Speaker, I yield to the gentleman from New Mexico (Mr. PEARCE) to speak on his part of the discussion.

Mr. PEARCE. Mr. Speaker, first of all, I would like to talk about education and an exciting thing that is occurring in my district.

I would also address some of the economic factors that this Nation has faced and will continue to face. We have important things about Medicare that we need to communicate to the American people, and I will do that this afternoon also. If we get a chance, we will talk about the concurrent receipts issue, an issue of fairness for our veterans that this Congress, under Republican control, took care of. It had been a problem since 1892 when the bill was passed that disallowed concurrent receipts. The Democrats continue to say that we have not taken care of our veterans, and yet we took care of that concurrent receipts issue, which was a problem during the entire time of the 40 years of uninterrupted power that the Democrats held in this Congress and they refused to take care of it. They refused to hear the bill, refused to get it out of committee, and now they are claiming that we did not do that. The facts speak differently.

Mr. Speaker, returning to my education issue first, Roswell High School, New Mexico, is in my district. They recently have been named as one of 12 breakthrough high schools in the Nation by the National Association of Secondary School Principals, the NASSP. The breakthrough high schools project identifies and showcases exemplary high schools which have met the challenges of low-income, high-minority student populations, which describes my district. It describes some of the most desperately needy high schools in the Nation. That is the reason No Child Left Behind was put into place. It causes our school systems to acknowledge the difficulties of teaching the low-income, high-minority student populations because they are the ones that are being left behind.

Roswell High School's success is one of the best examples of school turnaround that I personally have seen. No Child Left Behind gives schools the resources, the flexibility and local control to make great changes. I am both excited and proud to talk about Roswell High School and its principal, Mike Kakuska from the floor of this House. Mike Kakuska is my hero. He is the one who deals with young people on a day-to-day basis, encourages them to do better, convincing them that they can do better, all of the while making progress in his school. His comment is that we have a credo here: dinosaurs disappeared because they did not change. If something does not work, we change it. The education system in America has not been working. We were leaving too many children behind, and simply the title of the bill says it best. Let us stop leaving kids behind because it is the poorer and disenfranchised who never will have an opportunity to go to a different school.

No Child Left Behind has channeled tremendously increased resources at education. When President Bush came to office, the expenditure from a Federal level was about $27 billion on education. That number is over $50 billion now and increasing. Yet we are told by the Democrats that we are underfunding education when they know, when they are talking about the fact that we have increased over double what they funded education at during their tenure.

The most egregious example of Democrats misusing facts is when they send our constituents in to say we are not funding IDEA, the Individuals with Disabilities Education Act; and yet the facts tell us that traditionally from the very onset of IDEA, the funding was around $1 billion. Finally after about 30 years, under President Clinton the funding increased from $1 billion to $2 billion; yet in the time that President Bush has been in office, funding has increased from $2 billion to over $11 billion.

Mr. Speaker, I think that we need to tell the American people the truth. The greatest thing that I see No Child Left Behind doing is that it allows local flexibility and local control. Local school districts are given four different income streams where they can move money back and forth between programs. They are given the flexibility to direct money where it belongs.

If a school is failing, increased resources are sent to that school for mentorship, 101 training, or whatever it takes to get each individual student up to par. One of the most important aspects of No Child Left Behind is right now there are over 150 school districts nationwide who have 100 percent control over the education dollars that go to their school from the Federal Government.

We think that if the local school board will make decisions, if the local school board is responsible for the education of their children, if we take education out of the hands of Washington bureaucrats, if we take Washington out of the hands of the State bureaucrats that local school boards and local administrators and teachers will solve the problem.

The No Child Left Behind Act begins that process of giving local autonomy and local control. I think that Michael Kakuska and Roswell High School are the best examples in my district of what No Child Left Behind can do, and I commend them for that.

Mr. Speaker, I will speak later on about taxes, Medicare, and a few other issues.

Mr. BURGESS. Mr. Speaker, we will transition from the part of the infrastructure in our communities that is responsible for education to the part of the infrastructure in our communities that allows us to get to schools. I am talking about our transportation infrastructure.

Mr. Speaker, in regards to transportation, we are at a crossroads in this country. We are at the intersection of the demands for creating the type of infrastructure that will facilitate commerce and move our citizenry and trying to achieve some type of rational spending limit within our Federal budget.

Back home in my area of north Texas, we face a silent crisis. This crisis is largely unrecognized by residents until they find themselves in an unbearable commute to work, or unable to make the necessary connections between home, work and other activities in their daily lives. My area of north Texas has experienced an increase in traffic over the past 3 decades which is the result of unprecedented population and employment growth. Added to this is the underinvestment of Federal transportation dollars to my area.

Mr. Speaker, the time is now to make the necessary investments in our transportation infrastructure. In Texas, our transportation needs outstrip available funding three to one, and these are not trivial funding needs, these relate to supporting international trade, streamlining the environmental process, and expanding innovative financing techniques.

Handling taxpayers' dollars with care is one of our highest callings here in the House of Representatives. That obligation is enshrined in the Constitution. Our charge as congressional representatives is to protect dollars taken from the taxpayer by streamlining and improving activities of the Federal Government, not just to simply spend and dispose of those dollars.

Sadly, when Federal dollars are not handled with care, important Federal programs such as our transportation programs find themselves being hurt and neglected. Last year shortly after my election to my first term in Congress, I was very fortunate to be chosen a member of the House Committee on Transportation and Infrastructure.

I wanted to be sure that the United States Department of Transportation was ensuring the most efficient business practices within the agency. I requested and had a meeting with the Department of Transportation Inspector General, Mr. Kenneth Mead. We discussed the business practices of the agency and how Congress could better facilitate removing inappropriate expenditures in relationship to transportation spending.

Mr. Speaker, the Department of Transportation has not changed the way the agency disburses transportation funding to State and local entities since President Eisenhower was in office. The Inspector General recommended that if one cent had been saved out of every dollar spent over the last 10 years in transportation programs, the Department of Transportation would have had an initial $5 billion to spend. That is $5 billion. That would equate to the amount of funding needed for four of the 11 major transportation projects currently under way in this country. Clearly, greater efficiency within the Department of Transportation could have an enormous impact on more efficiently spending taxpayer dollars.

The Inspector General shared with me examples of how transportation projects could be used as examples or models of government efficiency. In the State of Utah in the preparation for the Winter Olympics, Interstate 15 needed substantial improvement. By streamlining the design-build process on that project, Interstate 15 was completed ahead of schedule and underbudget and available for individuals traveling to the Winter Olympics that year.

Similarly in north Texas, the Dallas Area Rapid Transit System worked within their budget last year and actually returned over $20 million in transit funding to the Federal Government. Unfortunately, there are examples of transportation projects which are not carefully managed; and as a result, taxpayer dollars are not wisely spent.

The Ted Williams Tunnel, the central artery project in Boston, Massachusetts, the project known as the Big Dig, is the poster child for inefficient Federal spending on a transportation project.

The GAO has estimated that for fiscal years 1998 through 2001, the highway trust fund account lost over $6 billion because of the ethanol tax exemption and the general fund transfer. Using the Department of Treasury's projections of gasohol tax receipts, the General Accounting Office has estimated that the highway trust fund account will not collect $13 billion because of the tax exemption from fiscal years 2002 through 2012. There is an almost $7 million shortfall from the general fund transfer between the same years.

Prior to the last reauthorization bill in 1998, the highway trust fund earned interest on its balance which was paid by the general fund. If the highway trust fund had continued to earn interest on its balance, the United States Department of Treasury estimates that the highway trust fund would have realized about $4 billion from September 1999 through February 2002.

Mr. Speaker, between modifying the Department of Transportation's practices with State and local governments and reevaluating the true purposes of the highway trust fund, I believe we can work together to ensure that the Federal Government is more effective and efficient for the American taxpayer, and we have more dollars to spend on needed transportation projects.

If we are unwilling to make the monetary investment and the necessary policy changes, then I am afraid our vision for our Nation's highways will be of a congestion-bound commuter sitting in a traffic jam literally watching the bridges and roadways crumble before their very eyes.

There are policies that we could put into this year's reauthorization bill which would have a dramatic impact on the efficiency with which our highway dollars are spent. I believe we need to have policies included which will allow States the flexibility to complete large projects in less time and consequently save money. Streamlining the design-build process, as was done with Interstate 15 in Utah, will achieve this goal; and I seek inclusion of this concept in the final reauthorization legislation. More funding and flexibility, which allow for an increase in efficiency, will equate to better roads, better bridges, and better transit facilities.

Logically following from that, we can expect less congestion, improved safety, as well as the economic value of increased commercial transportation.

□ 1730

I remain committed to working with Federal, State and local officials during this reauthorization year to address the long-term needs, not just of my district, not just of my State, but of the country at large. We need to ensure that our Federal Government wisely spends the taxpayer dollars on transportation infrastructure. We need to do our work. We need to produce a bill which adequately provides for our economic security, creates and sustains jobs, enhances safety and continues to improve mobility for our Nation's citizens.

I think a worthwhile goal, Mr. Speaker, would be to allow Americans to spend as much time in family discussions at the dinner table as they currently spend simply trying to get home.

I yield back to my friend from New Mexico.

Mr. PEARCE. I thank the gentleman from Texas.

Mr. Speaker, right now we have National Guard members in Iraq who are defending not only the freedom of this Nation in fighting back in the war on terror that began on 9/11 in this country, Mr. Speaker, but those National Guard troops are serving and putting their lives on the line. And that is not new. Our National Guard has been doing that throughout our history.

In World War II at Omaha Beach, some of the greatest casualties occurred in the Virginia National Guard. Members of my own New Mexico National Guard in World War II were in the Pacific. They made a thing called the Bataan Death March. I have known about that event throughout my entire life because I had next-door neighbors who were on the Bataan Death March. It was not until I went to the New Mexico House of Representatives that I began to understand why we had so many of those, and that is because the New Mexico National Guard was activated, sent there, they did their duty and many of them died.

It is with this backdrop that I was profoundly disappointed several weeks ago when Terry McAuliffe, the chairman of the Democratic National Committee, said President Bush served in the National Guard, but never served in our military and our country.

I will tell you, those comments are so demeaning to the people who served in our National Guard that I was offended and asked for an apology. I am now asking that the chairman of that committee would resign over his comments that detract from the service of all of our National Guard Members.

I came to the floor of this House several weeks ago to talk about the rhetoric that was starting in the campaign, and just earlier today we saw a report from the leading Democrat contender for President where he referred to the "crooks and liars on the other side." I will tell you as a Republican, I will say that his comments were unfounded, they were extremist and they have no basis in fact.

He has already turned down a demand for an apology. I do not think he will do that, because I do not think he is a large enough person to do it. But I am profoundly disappointed by the comments from the Democrat candidate for the office of President.

I yield to the gentleman from Texas for the next segment.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BISHOP of Utah). The Chair would remind Members not to make personal references to Members of the Senate, even if not by name, including candidates for the presidency.

Mr. BURGESS. Mr. Speaker, I thank my friend for yielding.

Mr. Speaker, I heard those same comments last night when I was working late in my office, and I, too, took offense at those. I was reminded that the founder of our party, Abraham Lincoln, said that if a man asserts something to be true, even if he does not know whether it is true or false, that man is in fact himself guilty of a falsehood. When an individual refers to all members of this Republican side of the aisle and this body as crooks and liars, I assert that that man is in fact himself guilty of a falsehood, and then thereby becomes that which he condemns.

I join with my friend from New Mexico in asking for an apology from this individual. I think it is only proper that he do so.

Since the gentleman was talking about the service of our troops and our National Guard overseas, let us also think about our success in the war on terror. We must remember that our President, our leader, George Bush, led us into this battle, and in fact if a Member of the other body had been in control, Saddam Hussein would still be the dictator in Iraq, brutalizing and terrorizing his people. The President and the Republican-led Congress are winning the war on terror and bringing the light of democracy to all corners of the world.

Just this morning on a conference call with Ambassador Bremer in Baghdad, he talked about the signing of the Iraqi Constitution that took place earlier this week. In fact, it was not quite a week ago that all parties were gathered to sign the Constitution, but it did not happen last Friday.

Of course, we saw that reported rather generously in the newspapers, that the signing of the Constitution did not occur at the time that it was supposed to. We did not read that much about its signing on Monday, other than the fact that it was indeed signed. All 25 members of the Iraqi Governing Council signed the Constitution. There was no change in verbiage that occurred between Friday and Monday. Whatever differences there were worked out with a concept of compromise that is apparently a new concept in the country, the free country of Iraq.

The signing of that Constitution was such a big event that sometimes something happens that is so big it almost gets lost and you almost do not realize how big it was and how much that means, not just for that area of the world, but for our country. Maybe not for people in our lifetimes, but certainly in our children's lifetimes, they are going to see a world markedly different because of the work that has gone on in that country, really for not quite a year's time. I believe next week will be the one year anniversary of the beginning of Operation Iraqi Freedom.

Certainly the press in Iraq was amazed by the fact that they had come this far to craft an interim Constitution, the fact that it had happened this quickly. Certainly they have got an aggressive task ahead of them in Iraq in getting approval for this interim Constitution, but Ambassador Bremer emphasized this was indeed a revolutionary concept in the country of Iraq. They are going to be governed under the rule of law, which is a new concept for them.

They have a robust component of individual rights built within that Constitution. I believe, if I am not mistaken, there is a provision that 25 percent of the elected representatives in that country will now be women, a marked change from what they were looking at before. They will have an independent judiciary. They will have majority rule, but the rights of the minority will be protected. There is a commitment to democratic principles. There is freedom of religion, but there is also freedom to practice religion as a person sees fit.

All of these are enormous concepts that have been crafted, again, in a relatively short period of time in an area of the world that has not known much freedom for the last 20 or 30 years.

I was in Iraq just a little over 2 weeks ago. In fact, we heard on the floor of this House earlier this week some criticism of the administration because there is no capture of Osama bin Laden yet, and that the effort was diverted by what was going on in Iraq.

Well, I also visited the country of Afghanistan and the country of Pakistan. I met with both President Musharraf and President Karzai respectively in those countries.

I want to share with this House a picture which was given to me by General Austin of the 10th Mountain Division out of Fort Drum, New York. This is a picture where I think one picture worth 1,000 words, probably so. This picture demonstrates the degree to which our soldiers are going to capture, contain and kill those who would harm innocent Afghani citizens, certainly bring harm to our troops.

This was an individual who was sought by the coalition forces in Afghanistan. He thought he was relatively immune from prosecution, living high on a steep mountainside. He was visited by some of our forces. Then, to bring him to justice, they landed half a helicopter on his house. You can see his campfire still burning down there. He was brought up to the roof and loaded into the back of the helicopter.

Think of the effort involved in the capture and containment of that individual. I do not recall whether that was a Taliban or al Qaeda or simply a warlord that they were attempting to bring to justice, but it was quite a startling turn of events for that man that morning when half of that helicopter landed on his roof to bring him back to meet whatever fate awaited him.

I cannot tell the gentleman from New Mexico how glad I am that he brought up the service of the National Guard in this country. When I was in Iraq and we spoke to the General of the Fourth Infantry Division, General Odierno, the division that captured Saddam Hussein, he said under his control, I cannot say numbers, but there were a substantial number of Guard and Reserve under his command, and he said, "I cannot tell you at this point who is Guard and who is regular Army. They are all the same in my eyes."

As the father of a young man in the Air National Guard back in Texas, I thank the gentleman from New Mexico for bringing up the valor of their service, not just in this conflict, but throughout the history of this country.

Mr. PEARCE. I thank the gentleman for yielding. As I look at that picture, I wonder about the person that is taking the picture. That is a stunning shot from high up in the mountains there, taken at the moment of impact, and it just expresses in detail the fine job that our troops are doing.

At the end of October of last year, October 31, November 1 and 2, I was in Iraq. I visited with our troops to find out what their attitudes were. I can tell you that every single troop I visited with, both from New Mexico and from outside New Mexico, they all believed in what they were doing, they were highly motivated, well trained and doing great work.

Their one comment was, "Why do the people in America not find out the good things we are doing?" I cannot tell them why the news will not cover the good things that are going on in Iraq, the very positive rebuilding efforts, the winning over of the hearts and minds of the Iraqi people, but I can tell you that those soldiers know about it. They see firsthand that people in the neighborhoods who have been told their entire lives, for 35 years under Saddam Hussein, that Americans are evil and will be coming there to hurt them, and as the Iraqis find that not to be true, they bring their kids out in the streets and hold them up to see the Americans eyeball-to-eyeball, and that is touching the lives of the young men and women from New Mexico serving there. I compliment our troops for the fine job that they are doing.

But our reconstruction efforts are going well. We have about 75 percent of Iraq is fairly stable. About 25 percent is unstable. But I visited also with General Odierno. That was before we captured Saddam Hussein. He told me, "My troops have stepped on his tail a couple of times and we missed him." He said, "It is going to be my people to capture him," and the gentleman from Texas (Mr. BURGESS) pointed out it was the troops under General Odierno that captured Saddam Hussein.

I will tell you that when I look back on the short time that we have been engaged in the war on terror, we have the Taliban completely uprooted and out of Afghanistan. Al Qaeda is on the run. The funds raising mechanism in Saudi Arabia that was funding the war on terror has been eliminated. Under A.Q. Khan, nuclear armament components were being sold on the world market, and that completely marketing network of nuclear armament has been taken down and disassembled. We have gone back and repossessed some of the nuclear things that were sold to countries. Pakistan now is energized and willing to help us in the war on terror. Iran is admitting publicly that they had nuclear weapons and nuclear capability. Syria is beginning to change their attitude. Libya has changed theirs.

We have come so far in this war on terror. It disturbs me when I hear the national campaign from the Democrats saying we should back up, we should bring our troops home, we should rethink it. I will tell you that the worst thing we could do is to stop the war on terror, because that is one of the events that destabilized our country.

People wonder why we are doing the tax cuts. I will tell you, our economy has suffered three deep shocks. The first; of course, was the dot.com collapse. That occurred in the last years of the President Clinton term. We had stocks that were valued at way over their actual dollar value. That occurred because people were euphoric. Some of these companies had no products, they had no net income, they had no sales. They just had a name and a concept, and people were bidding the stock up from nothing to $200 and $300 per share. That euphoria in a market cannot be sustained. What we found is that the dot.com collapse came, as well it should have.

□ 1745

It brought a correction into the market to bring reality into the market, but it also set our economy back on its heels. We were just about out from underneath that recession when the 9–11 attack occurred. That was approximately a $2 trillion shock to our economy and over 2,000 lives in one day. When people worry about the cost of the war, I would just remind them, yes, it is extremely expensive. War is never inexpensive. It is at almost $200 billion right now. But I will tell my colleagues that $2 trillion in one day is over 10 times the total cost up to now of the war.

Mr. Speaker, 9–11 set our economy back yet a second time into a little bit different and deeper recession. Finally, we are just about to come out of that when the Enron, Global Crossing, the WorldCom collapses began to occur and people started taking their money out of the stock market. That was a deeper shock still to the economy, causing an interruption in the confidence of the American people in our system. During those three events, we found that our economy was so resilient that it never got plunged as deeply as it could have into recession, but it was always lingering in the last phases of it.

We gave the tax cut in this institution, we voted for the tax cut because tax cuts create jobs. We had hoped when we offered the tax cut that we could get a 3.5 percent rate of growth in our economy. We were stunned in the third quarter to find out that the rate of growth was actually 8.2 percent instead of the 3.5 percent that we had hoped for. The rate of growth has settled down to a more modest 4 percent, but Alan Greenspan says that he expects that number to remain constant; and I will tell my colleagues, if we can remain at the 4 percent growth level, that this economy is going to be in good, good shape.

There are many reasons that the tax cuts were given, but one of the most important things that occurred is that 75 percent of the people in the higher income brackets that got tax cuts are small business owners. When we give small business owners a tax break, we are affecting over half of the employees of the United States. Small business is one of the most vibrant forms of employment in this country; and the tax breaks, the expensing for small businesses, the accelerated depreciation were two of the most dynamic parts of the equation. They are the things that caused our orders of manufactured goods to increase, the orders of vehicles, of large equipment, of new capability; and it is that expansion that brings on new jobs into this economy.

When our opponents talk about the number of jobs lost, they simply refuse to talk about the number of jobs that are sent overseas by hard policies and too invasive regulation. I was in committee the other day, Mr. Speaker, and the Committee on Resources was talking to the people who cut timber and who process timber into lumber. Those fine union members of that group declared to us that 3 million jobs in that one industry had been sent overseas by policies that refuse to let people cut timber anymore. The Democrats on that committee said, you will be okay, you will be fine. You will have jobs in tourism. The members of those unions in that meeting told the Democrats, we do not want jobs in hotels; we want our good, high-paying jobs in the timber industry back.

Many times we fail to account for the jobs that are sent overseas by the regulations that we impose as a government. I think that it is an important consideration in the job loss for this country, because I know that our companies would rather stay here and compete as long as they can.

Mr. Speaker, I yield back to the gentleman from Texas (Mr. BURGESS) before I go into my next discussion. I would ask him to let me know when we would like to yield back the floor.

Mr. BURGESS. Mr. Speaker, I thank the gentleman for yielding. I would like now to move on to the topic of Medicare and perhaps health care in general; but let us start with, let us start with a discussion of Medicare. When I do my town halls and discussions back home, I am asked, Why in the world did you even take on the task of trying to reform Medicare? Why even do it? It is such a heavy lift. It is such a big job.

The fact remains, Mr. Speaker, that in 1965 when the Medicare bill was signed into law, they covered the two things that arguably would pose the greatest financial threat for a senior citizen, and that would be a major surgical procedure or a prolonged hospitalization, say for example, for treatment of pneumonia or a bad kidney infection. The prescription drug benefit was not written into law at that time because prescription drugs available, I think, looking back at that time, I was not in practice, but I think we had penicillin and cortisone and those two were interchangeable; but prescription drugs and the availability of treatments for medical illnesses has drastically changed over the last 39 years since the enactment of Medicare. And to have modern-day practice of medicine without the ability to provide prescription drugs essentially made no sense. We were looking at a situation where, and we have heard this quoted many times on the floor of this House during the debate, we would be more willing to pay for the end-stage renal disease or the amputation than we would be willing to pay for the medication to treat the diabetes to prevent the end-stage condition from happening in the first place.

So it was important, from the standpoint of the perspective, if you are going to have a Medicare system, and I realize that there are people who would argue that perhaps the Federal Government should not be doing that, but the fact is, we are doing it, we have been doing it for almost 40 years now. And if you are going to have a Medicare system in the year 2004, we cannot have a publicly funded health care system that does not provide a way to provide prescription drugs to the beneficiaries.

We also hear a lot of criticism from the other side of the aisle that we did not go far enough, we are not spending enough in this process. We are either spending too much or not enough. But we have to look at who is targeted for coverage under the Medicare Modernization Act that we passed last November.

The individual who is targeted for coverage is the individual who is of extremely low income, the person who is at 150 percent of poverty or below, and those individuals who have high out-of-pocket expenses, the so-called catastrophic drug coverage that was provided in the prescription drug bill as part of the Medicare Modernization Act. Yes, that does leave a group, a segment in the middle that is not going to be covered for every drug purchase; and if someone finds themselves in that area, certainly they can be grateful that they are not at 150 percent of poverty or below as far as an income and that they do not have the needs of catastrophic coverage, and we should always be thankful for good health.

Paying for health care in this country, and I read a rather disappointing op-ed article last December from Ronald Brownstein of the Los Angeles Times when he talked about how you pay for health care in this country, there are only two ways. It is either an employer-derived insurance policy, or it is a government-funded proposition. Mr. Speaker, I would suggest that there are at least two other ways. I know from my years of practice of medicine there is a good number of bills that just simply are not paid, so there is uncompensated care or a gift, if you will, by the hospital or provider that they are not going to be paid for the services rendered. And then, of course, there are individuals who will pay for their care themselves.

Mr. Speaker, tapping into that group of people who are willing to pay for their care for themselves is an enormous reserve that we as yet have not properly addressed in this country. We had the old Archer Medical Savings Account from 1996, and I myself had a medical savings account and found it a very, a very worthwhile type of medical insurance to have. But in the Medicare Modernization Act that we passed in November, we allowed for the formation of what are called health savings accounts, not just for seniors. This is for anyone, any age group in the country who wants to put dollars away for their health care needs in the future. They are now going to have a mechanism for doing that within the health savings account program. This is an enormously powerful way to put money back in the hands of the consumers and put consumers in charge of making their own health care decisions. Because after all, the consumer is going to be more wise with spending their money than they are with someone else's money, and I think someone made the point on the floor of this House back when we were having this debate about, you never spend money washing a rented car. Well, of course not, it is not yours; you do not care what it looks like when you turn it in.

Well, the same can be true, if you are not actually paying yourself for your health care, you do not care how much money you spend. But if it is your money and you are allowed to control it, you tend to be a much wiser steward with health care dollars. I know that from my own experience from having a medical savings account for the last 5 or 6 years.

Other aspects of health care that we need to address, and I believe we are addressing, the Republican leadership is addressing in this House and, in fact, the President of the United States when he stood up and gave his State of the Union address in this House at the end of January, the daily newspaper Roll Call, Mort Kondracke who writes a column for that, not necessarily a great friend of the President or the administration, but talked about the President's speech afterwards and, in a way, he was actually being critical of the President. He said the President's health care initiatives that were outlined in the State of the Union message would only cover about 25 percent of the uninsured in this country. Only about 10 million people would be covered by the programs that the President outlined.

Well, Mr. Speaker, I would submit to my colleagues that if we have within our grasp right now the means of bringing coverage to 10 million uninsured in this country that, for heaven's sakes, we ought to be about the business of doing that.

The President outlined in his State of the Union address the deductibility, full deductibility for old income tax deductibility for a high deductible insurance policy, the one that would fit well with the concept of an HSA. This is a tremendously valuable concept. For the first time, if we will do that in this House, if we will provide that full deductibility of a high deductible insurance policy or a catastrophic insurance policy, anyone who pays income taxes in this country has no excuse for not having health insurance. We will have provided them the health savings account to grow that money tax deferred and the tax deductibility for buying their catastrophic coverage. Mr. Kondracke and I might argue about the number of people who would actually be covered by that, but that is a substantial number of individuals who would have coverage available to them in this country who today, voluntarily, do not have insurance coverage.

Association health plans, a bill that was passed by this House in June of last year, association health plans allow small businesses, and we heard about the value of small businesses and growing our economy, allow small businesses to band together across State lines, if need be, to get the purchasing power of a larger corporation and by having that larger purchasing power, or having that same purchasing power of a large corporation, go out into the insurance market and purchase insurance policies for their employees at a lower price. It is a win-win proposition for both the small business owner and for the employees. This House has passed that bill last June. It languishes and I, for one, do not understand why we do not pick up and get that done, get it to conference and get that bill out there, going to work for the American people.

Finally, there is the concept of tax credits for the uninsured. When talking about the deductibility for a catastrophic policy, well, if somebody does not make enough money to pay income tax, they are going to say well, that is a great program for someone who makes more money than I do, but I do not pay income tax anyway, so that is not going to help me. The gentlewoman from Texas (Ms. GRANGER), my neighbor down in Tarrant County, has a bill on the floor that we have yet to vote on that would allow for tax credits for the uninsured. This is, again, an enormously powerful concept that would bring insurance a pre-fundable tax credit, if you will, that would be available to someone at the beginning of the year before they file their income taxes to purchase health insurance for that year. These three things done together, expansion of the HSAs, tax credits for the uninsured, association health plans, and we are covering 25 percent of the uninsured in this country, right now, this year, without any heavy lifting, again, I do not understand why we do not go forward with those three plans and simply get that done.

The Congress has done the work on health savings accounts and those are now part of the law of the land; full deductibility for the catastrophic policy needs to happen right away. Association health plans have been passed by this House, they await activity on the other side of the Capitol, and I would welcome some activity in the near future. And then finally, tax credits for the uninsured we could take up this spring and pass, get it over to the Senate and get their sign-off on it and provide that coverage to 10 to 15 million of the uninsured in this country and get that done right now.

I will be happy to yield to my friend from New Mexico for his comments.

□ 1800

Mr. PEARCE. Mr. Speaker, I thank the gentleman from Texas (Mr. BURGESS) for yielding.

As he talked about the Medicare bill I began to remember my own discussions in our offices and also with my family about this. The discussions right now that are critical of this Medicare bill that has been passed and signed into law was that there is this donut hole. I called my mom before we voted on it the first time, I asked her, I said, "Mom, you are going to fall in the category that they are describing as the gap in coverage or the donut hole." She said, "Why would that be?" I said, "Because your assets are high enough and your yearly income is up. We are targeting the poor and we are targeting the people with catastrophic health care, prescription drugs cost." She said, "Son, we have been very blessed. I do not mind paying more if I can pay more."

And I feel like that that is the way most Americans are going to approach this, that they do not mind paying more if they can pay more.

Again, I told my mom that. She said, "Exactly why are you doing that?" And I said, "It is so we do not break the country, so we do not tag the next generation with more cost than they could ever pay. So the gap in coverage is there because you are able to do it and we do not want to pass those costs on to the next generation."

My colleague has adequately pointed out the great work that was done, and I want to commend the gentleman as one of the physicians in this freshman class, I think he was very instrumental in driving many of the components of this bill, and I congratulate him for that.

The health savings account is a thing that I talked from the floor of this House last night. Basically it is a medical IRA. You can put the money in tax free, you can take the money out tax free. The difference between this medical IRA the health savings account and other IRAs is that you can take the money out at any age if you pay for medical expenses. You can pay for your premiums, you can pay for deductibles, you can pay for prescription drugs, or you can pay for your doctor visit, dental, whatever.

Now, the nice thing about this account is that not only is it yours, and it is yours to dispose of the way that you would, but it is the part of your estate and it goes to the next generation, to your sons and your daughters to help them pay for their medical costs if you do not use it.

I think that it is one of the most important pieces of legislation that we passed this year. It is in law. It is a part of the prescription drug Medicare bill and has been signed by the President of the United States and is actually in law at this time.

We recently sent a mailer out to my district talking about Medicare in general, but the health savings account particularly got calls back to the office wondering where can we buy them right now.

One of the most significant things that I found there New Mexico that we did in this Medicare bill is that we began to offer certain reforms. To me it is never made sense why Medicare could not do some of the screening so it would catch the diseases up front, so that we catch them before they get to catastrophic stages.

That is one thing that happened in this Medicare bill is we allow preventative care and screening. We allow physical exams for the first time so that we understand if people have a cholesterol problem or have an impending heart problem because the blood pressure is too high, that we take care of it before it becomes catastrophic. And we all know if you take care of medical problems before they are catastrophic, they are much cheaper to take care of. I think that those components make this bill a very good bill. But in New Mexico in my rural district, it is a 9-hour drive across my district at 75 miles an hour, we have got almost 60,000 square miles, it is a very large district, and we have not too much access to health care, but the access that we do have was reimbursed at a different rate.

As a physician, you understand that the urban areas were given far greater reimbursement for the same treatment that would be received by a rural hospital. I campaigned saying that this inequity needed to be fixed. Much to my surprise, we fixed it in this bill. Rural hospitals receive 100 percent of the reimbursement that the urban hospitals receive because of the actions that we took in this bill.

Another thing that I campaigned about, Mr. Speaker, was that our border hospitals are tagged with an expense to take care of the medical cost of immigrants who come to the border. Our immigration law says if they present themselves at the border with a medical problem, that the local hospital or the local county will take care of the problem.

I am on the Mexico border. My district borders the Mexico border. And yet my rural hospitals tell me they have carried people in an ambulance to Denver, Colorado, had heart surgery for them, and when they were recovered, they had to go up in an ambulance, pick them up and take them back to the border. I will tell you that our country was not reimbursing at all the expenses that our border hospitals were having to be faced with. And this bill adds $1 billion into a pool of money to be shared by those hospitals which are currently being faced with those expenses.

So for those two reasons, for rural areas and especially for my district, it was a good bill. But there are good things beyond that. One of the greatest complaints that I hear among my constituents is they do not like the prescription drug manufacturers. I think that they are just mostly upset with them. I think that they would do more than what we should. But we did ring the bell here in this bill for a prescription drug manufacturers. We did not want to choke all of the profits out from the drug manufacturers because the research and development is creating miracle drugs that are causing the fastest growing population group to be the over-100 population.

The second fastest group that we have, the second fastest growing group is 85 to 100. These changes are brought about by prescription drug makers who make great products, but they were doing some things that we felt like we ought to ring the bell on, maybe bring them back.

So we are in the Medicare bill bringing generics to the market much sooner. We also stopped the process of extending patents almost indefinitely to where now we give them patent protection for one period and we extend it for one period, but not the continual extensions that were being gotten before.

Both of these actions serve to lower in the long run the cost of medications that we find in the country. And, of course, we know that that starting right now, everyone that is 150 percent the rate of poverty and below has access to the two drug cards this year and next year, which provides immediate cash relief.

Mr. Speaker, this Medicare bill combined a lot of elements of reform, it combined elements of change for rural areas, it brought in the health savings account, it brought prescription drug coverage to those who most desperately need it who are having to choose between food and medicine. And I am telling this Chamber that this bill is good for people in this New Mexico.

Mr. Speaker, I yield back to the gentleman from Texas (Mr. BURGESS.)

Mr. BURGESS. Mr. Speaker, I thank my friend for yielding.

And the gentleman makes an excellent point that by speeding the availability of generic drugs, we are bringing down the cost of prescription drugs in this country. In other words, an important point that I failed to make in my initial comments is this program is entirely voluntary. No one is forced into this program. You do not have to buy prescription drug coverage. You do not have to change any aspect of Medicare. If you enjoy what you are doing today, it does not have to change for you.

The gentleman from New Mexico (Mr. PEARCE) spoke about the cost of prescription drugs. And, Mr. Speaker, I want to again quote from the Washington periodical Roll Call, Mort Kondracke's column, again, not necessarily any friend of the Republican majority or the administration, but; writing in Roll Call a couple of weeks ago, Mr. Kondracke said, "Mr. KERRY and Mr. EDWARDS regularly attack drug companies for price gouging, neglecting to observe that it costs an average of $700 million to bring a new drug to market. They want, in effect, to impose price controls on drugs by allowing the government to negotiate with drug companies on behalf of the Medicare and Medicaid program and legalizing mass importation of drugs from Canada."

He goes on to say, Mr. Speaker, that Medicare does not negotiate with providers such as doctors and hospitals on reimbursement levels. I know this full well. I lived under Federal price controlled my entire professional life.

Going back and quoting from the article, "It imposes them and Congress often gets into the act of changing formulas." The reasons that drugs are cheaper in Canada and Europe is that governments there fix the prices based on the production costs of new drugs, escaping participation in the astronomical cost of drug development.

In other words, Mr. Speaker, our trade laws which should protect us from this type of activity, are, in fact, asking our poorest individuals, our seniors without prescription drug coverage, to foot the cost of research and development of life savings pharmaceuticals for the rest of the world. And that is wrong. And that is what needs to change, not how we handle reimportation of drugs at the border.

Finally, I do want to, in the few minutes that are left, I want to address something else. We actually heard this this afternoon on the floor of the House from the individual on the other side of the aisle who was talking about health care, and was critical of the prescription drug plan passed by this Congress because of the cost of the prescription drug plan. $395 billion was the Congressional Budget Office estimate for 10 years. The White House Office of the Budget came back with a different figure that was some $500 billion over 10 years time. And that discrepancy has attracted a great deal of attention.

Mr. Speaker, the fact remains that it is almost impossible to precisely fix what the cost of this drug program is going to be over 10 years time. Chairman THOMAS, when he brought the conference report to us last fall, admitted that there was no attempt on the Congressional Budget Office to factor in any cost savings in the Medicare program by virtue of the fact that we were treating illnesses in a more timely fashion and that we were bringing disease management, we were going to be more aggressive about preventative care in the new Medicare with the new Medicare Modernization Act.

Mr. Speaker, in the few minutes, that are left I have to make this point. This House a year ago passed H.R. 5, which was the medical liability bill that would cap the medical liability awards for non-economic damages, pain and suffering at $250,000. We actually did this back in my home State of Texas. And medical liability rates have fallen dramatically. But, more importantly, more importantly, when you look at the cost of defensive medicine in this country, and, in fact, that was looked at in a study at Stanford University in 1996. And these are 1996 dollars, several years ago, the cost of defensive medicine for the Medicare program was estimated to be $50 billion a year.

Mr. Speaker, if we are concerned about the cost of the prescription drug program, we could pay for it by our savings in defensive medicine if we could simply pass that medical liability bill that is stuck on the other side of the capital that we got through this House a year ago. We need to get that bill passed and get it to conference and get on about the business of reducing this high tariff, this high cost of defensive medicine in this country.

Mr. Speaker, we have almost consumed a full hour of talk. And I just wanted to yield to my friend from New Mexico if he had any closing comments. I really appreciate his being here with me and staying in town late today so we could bring our good Republican message to the floor of this House, to the country at large. And I really appreciate him being here and helping me with this discussion this afternoon.

Mr. PEARCE. Mr. Speaker, I thank the gentleman for yielding one last time. Again, I want to talk in one sense if possible to say thanks to those people who work in our education establishment, those who are out there on the front lines of the education war, especially those success stories like Roswell High School in New Mexico. That is one of the 12 break-through high schools in the Nation. I think that this kind of outcome is exactly what we had hoped for when No Child Left Behind was passed.

If the administration in any school is dedicated to the changes that are allowed under No Child Left Behind, I believe that the program will be the success that each of our parents wants throughout the Nation.

So thanks again to the gentleman from Texas (Mr. BURGESS) for yielding time to me today.

□ 1815

HOUR OF MEETING ON FRIDAY, MARCH 12, 2004

Mr. PEARCE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon tomorrow.

The SPEAKER pro tempore (Mr. BONNER). Is there objection to the request of the gentleman from New Mexico?

There was no objection.

ADJOURNMENT FROM FRIDAY, MARCH 12, 2004, TO TUESDAY, MARCH 16, 2004

Mr. PEARCE. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday, March 12, 2004, it adjourn to meet at 12:30 p.m., Tuesday, March 16, 2004, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. PEARCE. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE

The SPEAKER laid before the House the following privileged Senate concurrent resolution (S. Con. Res. 98) providing for a conditional adjournment or recess of the Senate.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 98

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, March 11, or Friday, March 12, or Saturday, March 13, or Sunday, March 14, 2004, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until Monday, March 22, 2004, at 12 noon.

The SPEAKER pro tempore. Without objection, the Senate concurrent resolution is concurred in.

There was no objection.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DEFAZIO (at the request of Ms. PELOSI) for today on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BROWN of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. MCGOVERN, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Mr. KUCINICH, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

(The following Members (at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)

Mr. MURPHY, for 5 minutes, March 16.

Mr. FOLEY, for 5 minutes, today.

BILLS PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on March 11, 2004 he presented to the President of the United States, for his approval, the following bills.

H.R. 506. To provide for the protection of archaeological sites in the Galisteo Basin in New Mexico, and for other purposes.

H.R. 2059. To designate Fort Bayard Historic District in the State of New Mexico as a National Historic Landmark, and for other purposes.

ADJOURNMENT

Mr. PEARCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 18 minutes p.m.), under its previous order, the House adjourned until Friday, March 12, 2004, at noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7141. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule — National Poultry Improvement Plan; Technical Amendment [Docket No. 03-017-3] received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7142. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing 727 Series Airplanes Modified in Accordance With Supplemental Type Certificate SA1767SO or SA1768SO [Docket No. 97-NM-232-AD; Amendment 39-12858; AD 2002-16-19] (RIN: 2120-AA64) received February 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7143. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 727 Series Airplanes Modified in Accordance With Supplemental Type Certificate ST00015AT [Docket No. 97-NM-234-AD; Amendment 39-12860; AD 2002-16-21] (RIN: 2120-AA64) received February 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7144. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Antidrug and Alcohol Misuse Prevention Programs for Personnel Engaged in Specific Aviation Activities [Docket No. FAA-2002-11301; Amendment No. 121-302] (RIN: 2120-AH14) received February 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7145. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — IFR Altitudes; Miscellaneous Amendments [Docket No. 30402; Amdt. No. 446] received February 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7146. A letter from the Acting Chief, Publication and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Imposition of Accuracy Penalty; Imposition of Fraud Penalty; Frivolous Return Policy (Rev. Rul. 2004-33) received March 5, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7147. A letter from the Acting Chief, Publication and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Personal, living, and family expenses (Rev. Rul. 2004-32), pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7148. A letter from the Acting Chief, Publication and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Depreciation of MACRS Property That is Acquired in a Like-kind Exchange or As a Result of an Involuntary Conversion [TD 9115] (RIN: 1545-BC27) received March 5, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7149. A letter from the Acting Chief, Publication and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Health Insurance Costs of Eligible Individuals (Rev. Proc. 2004-12) received March 5, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7150. A letter from the Acting Chief, Publication and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Appeals Settlement Guidline: All Industries; Losses Claimed and Income to be Reported from Lease In/Lease Out Transactions, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARTON: Committee on Energy and Commerce. H.R. 3261. A bill to prohibit the misappropriation of certain databases, with an amendment; adversely (Rept. 108–421, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. SMITH of New Jersey (for himself, Mr. Evans, and Mr. Skelton):

H.R. 3936. A bill to amend title 38, United States Code, to authorize the principal office of the United States Court of Appeals for Veterans Claims to be at any location in the Washington, D.C., metropolitan area, rather than only in the District of Columbia, and expressing the sense of Congress that a dedicated Veterans Courthouse and Justice Center should be provided for that Court and those it serves and should be located, if feasible, at a site owned by the United States that is part of or proximate to the Pentagon Reservation, and for other purposes; to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HASTINGS of Washington (for himself and Mr. Castle):

H.R. 3937. A bill to amend the Congressional Budget Act of 1974 to establish macroeconomic congressional budgets; to the Committee on Rules, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NEY (for himself, Ms. Velázquez, and Mr. Scott of Georgia):

H.R. 3938. A bill to establish an Office of Housing Counseling to carry out the responsibilities of the Department of Housing and Urban Development regarding counseling on homeownership and rental housing issues, to establish a toll-free telephone number to provide referral to entities providing such counseling, and to make grants to such entities for providing such counseling, and for other purposes; to the Committee on Financial Services.

By Mr. ROTHMAN (for himself, Mr. LoBiondo, Mr. Pallone, Mr. Pascrell, Mr. Menendez, Mr. Saxton, Mr. Andrews, Mr. Ferguson, Mr. Smith of New Jersey, Mr. Payne, Mr. Holt, Mr. Garrett of New Jersey, and Mr. Frelinghuysen):

H.R. 3939. A bill to redesignate the facility of the United States Postal Service located at 14-24 Abbott Road in Fair Lawn, New Jersey, as the "Mary Ann Collura Post Office Building"; to the Committee on Government Reform.

By Mr. DINGELL (for himself, Ms. Solis, Mrs. Capps, Mr. Markey, and Mr. Wynn):

H.R. 3940. A bill to amend the Solid Waste Disposal Act to provide for secondary containment to prevent MTBE and petroleum contamination; to the Committee on Energy and Commerce.

By Mr. LAMPSON (for himself, Mr. Chabot, Ms. Millender-McDonald, Ms. DeLauro, Ms. Jackson-Lee of Texas, Mr. Frost, Mr. Cramer, Mr. Foley, Mr. Moran of Virginia, Ms. Woolsey, Mr. Berry, Mr. Thompson of Mississippi, Mr. Green of Texas, Mr. Grijalva, Mrs. Napolitano, Mr. Sherman, Mr. Costello, Mr. Moore, Mr. Wynn, Mr. Tierney, Mr. Etheridge, Mr. Rodriguez, Mr. Sandlin, Mr. Turner of Texas, Mr. Baird, Ms. Baldwin, Mr. Farr, Mrs. Tauscher, Mr. Pomeroy, Mr. Cardoza, Mr. Honda, Mr. Rush, Mr. Pascrell, Mr. Gordon, Mr. Edwards, Mr. McDermott, Mr. Matsui, Mr. Pallone, Ms. Slaughter, Mrs. Maloney, Ms. Linda T. Sánchez of California, Mr. Shimkus, Mr. Weiner, Mr. McNulty, Mr. DeFazio, Ms. Lofgren, Mr. Ruppersberger, Mr. McGovern, Ms. Solis, Mr. George Miller of California, Mr. Larson of Connecticut, Mr. Visclosky, Mr. Van Hollen, Mr. Capuano, Mr. Israel, Mr. Price of North Carolina, Mr. Brown of Ohio, Mr. Langevin, Mr. Reyes, Ms. Eshoo, Mr. Lantos, Mr. Becerra, Ms. Norton, Mr. Lipinski, Mr. Burton of Indiana, Mr. Kind, Ms. Pelosi, Mr. Olver, Mr. Ackerman, Ms. Berkley, Mr. Hinojosa, Mr. John, Mr. Baca, Mr. Brady of Pennsylvania, Mr. Holt, Ms. Eddie Bernice Johnson of Texas, Mr. Kanjorski, Mr. King of New York, Ms. Lee, Mr. McIntyre, Ms. Roybal-Allard, Ms. Loretta Sanchez of California, Mr. Wexler, Mr. Lewis of Georgia, Mr. Peterson of Minnesota, Ms. Schakowsky, Mr. Doyle, Mr. Rangel, Mr. Oberstar, Mr. Stupak, Mr. Hoyer, Ms. McCollum, Mr. Evans, Mr. Gephardt, Mr. Hefley, Ms. DeGette, Mr. Gonzalez, Mr. Hill, Mr. Doggett, Mr. Crowley, Mrs. Lowey, Mr. Ose, Mr. Davis of Tennessee, Ms. Hart, Mr. Bell, and Mr. Bereuter):

H.R. 3941. A bill to amend title 28, United States Code, to give district courts of the United States jurisdiction over competing State custody determinations, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on International Relations, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KENNEDY of Rhode Island (for himself and Mr. Langevin):

H.R. 3942. A bill to redesignate the facility of the United States Postal Service located at 7 Commercial Boulevard in Middletown, Rhode Island, as the "Rhode Island Veterans Post Office Building"; to the Committee on Government Reform.

By Mr. CRANE (for himself, Ms. McCollum, Mr. Houghton, Mr. Dooley of California, Mr. Weller, Mr. Case, Mr. Kolbe, Mr. Evans, Mr. Pitts, Mr. Crowley, and Mr. Larson of Connecticut):

H.R. 3943. A bill to extend nondiscriminatory treatment (normal trade relations treatment) to the products of Laos; to the Committee on Ways and Means.

By Mr. CALVERT:

H.R. 3944. A bill to provide for the conveyance of a small parcel of Natural Resources Conservation Service property in Riverside, California, and for other purposes; to the Committee on Agriculture.

By Mr. CALVERT:

H.R. 3945. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of a project to reclaim and reuse wastewater within and outside of the service area of the City of Corona Water Utility, California; to the Committee on Resources.

By Mr. CAMP (for himself, Mr. McCotter, Mrs. Miller of Michigan, Mr. Upton, Mr. Levin, Mr. Ehlers, Mr. Stupak, Mr. Conyers, and Mr. Kildee):

H.R. 3946. A bill to direct the Secretary of the Interior to conduct a study of maritime sites in the State of Michigan; to the Committee on Resources.

By Mr. CROWLEY (for himself, Mr. Evans, Mr. Sandlin, Mrs. McCarthy of New York, Mr. Ruppersberger, Mr. Clay, Mr. Van Hollen, Mr. Frost, Mr. Towns, Mr. Bishop of New York, Mr. Hinchey, Mr. Owens, Mr. Ackerman, Mr. Weiner, Mrs. Maloney, Mr. McNulty, Mrs. Christensen, Mr. Nadler, Mr. Rangel, Mr. McHugh, Mr. Gordon, Mr. Israel, and Mr. Reynolds):

H.R. 3947. A bill to amend title 38, United States Code, to provide that monetary benefits paid to veterans by States and municipalities shall be excluded from consideration as income for purposes of pension benefits paid by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. FATTAH:

H.R. 3948. A bill to amend the Higher Education Act of 1965 by strengthening and expanding the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) in order to facilitate the transition of low-income high school students into post-secondary education; to the Committee on Education and the Workforce.

By Mr. GRAVES:

H.R. 3949. A bill to amend the Trade Act of 1974 to delegate to the Under Secretary of Commerce for International Trade the functions relating to trade adjustment assistance for firms, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN of Wisconsin (for himself, Mr. Ballenger, Mr. Bradley of New Hampshire, Mr. Evans, Mr. Lipinski, and Mr. Rohrabacher):

H.R. 3950. A bill to amend title 10, United States Code, to provide for the establishment of a combat artillery badge to recognize combat service by members of Army in the artillery branch; to the Committee on Armed Services.

By Mr. HAYES:

H.R. 3951. A bill to amend title 10, United States Code, to require notification to Congress and the public when waivers to certain domestic source requirements are made, and for other purposes; to the Committee on Armed Services.

By Mr. HENSARLING (for himself and Mr. BAKER):

H.R. 3952. A bill to amend the Community Reinvestment Act of 1977 to increase the aggregate asset size limitation of the small bank regulatory relief provision, to provide for future adjustments of such amount for inflation, and for other purposes; to the Committee on Financial Services.

By Mr. HOEKSTRA (for himself, Mr. CAMP, Mr. MANZULLO, and Mrs. JONES of Ohio):

H.R. 3953. A bill to amend the Internal Revenue Code of 1986 to provide a shorter recovery period for the depreciation of certain systems installed in nonresidential buildings; to the Committee on Ways and Means.

By Mr. HUNTER:

H.R. 3954. A bill to authorize the Secretary of the Interior to resolve boundary discrepancies in San Diego County, California, arising from an erroneous survey conducted by a Government contractor in 1881 that resulted in overlapping boundaries for certain lands, and for other purposes; to the Committee on Resources.

By Mr. ISRAEL:

H.R. 3955. A bill to require the Securities and Exchange Commission to require public companies to disclose their payments to foreign governments for the purposes of natural resources exploration, development, and extractions rights; to the Committee on Financial Services.

By Mrs. JOHNSON of Connecticut (for herself and Mr. SHIMKUS):

H.R. 3956. A bill to designate Poland as a program country under the visa waiver program established under section 217 of the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. KING of New York:

H.R. 3957. A bill to amend the Trade Act of 1974 to extend trade adjustment assistance to certain service workers; to the Committee on Ways and Means.

By Mr. LEVIN:

H.R. 3958. A bill to authorize the extension of unconditional and permanent nondiscriminatory treatment (permanent normal trade relations treatment) to the products of Ukraine, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on International Relations, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LOBIONDO:

H.R. 3959. A bill to amend title 49, United States Code, to authorize the Secretary of Homeland Security, acting through the Under Secretary for Border and Transportation Security, to provide air marshal training to law enforcement personnel of foreign countries; to the Committee on Transportation and Infrastructure.

By Ms. MILLENDER-McDONALD:

H.R. 3960. A bill to authorize the use of Federal funds for research on human embryonic stem cells irrespective of the date on which such stem cells were derived, and for other purposes; to the Committee on Energy and Commerce.

By Mr. OSBORNE (for himself and Mr. BOSWELL):

H.R. 3961. A bill to amend the Animal Health Protection Act to direct the Secretary of Agriculture to implement the United States Animal Identification Plan developed by the National Animal Identification Development Team, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHAW:

H.R. 3962. A bill to amend title 10, United States Code, to establish a program of interest-free loans to members of the Selected Reserve who experience financial hardship due to service on active duty in the Armed Forces; to the Committee on Armed Services.

By Mr. SHAYS (for himself, Mr. COOPER, Mr. CASTLE, Mr. FRANK of Massachusetts, Mr. ENGLISH, and Mr. MORAN of Virginia):

H.R. 3963. A bill to amend the Congressional Accountability Act of 1995 to extend to employees of the legislative branch certain protections available to other employees of the Federal Government under certain laws, and for other purposes; to the Committee on House Administration, and in addition to the Committees on Education and the Workforce, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK (for himself, Mr. WAXMAN, Mr. GEORGE MILLER of California, Mr. MATSUI, Mr. LANTOS, Mr. BERMAN, Ms. PELOSI, Ms. WATERS, Mr. BECERRA, Ms. ESHOO, Mr. FILNER, Ms. ROYBAL-ALLARD, Ms. WOOLSEY, Mr. FARR, Ms. LOFGREN, Ms. MILLENDER-MCDONALD, Mr. SHERMAN, Mrs. CAPPS, Ms. LEE, Mr. BACA, Mrs. DAVIS of California, Mr. HONDA, Mr. SCHIFF, Ms. SOLIS, Ms. WATSON, and Ms. LINDA T. SÁNCHEZ of California):

H.R. 3964. A bill to amend part C of title XVIII of the Social Security Act to prohibit the operation of the Medicare comparative cost adjustment (CCA) program in California; to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. WOOLSEY (for herself, Mr. SCOTT of Virginia, Ms. JACKSON-LEE of Texas, Mr. FROST, Mr. LAMPSON, Mr. CONYERS, Mr. BACA, Mr. SHERMAN, Mr. SCHIFF, Mr. MOORE, Mr. CARDOZA, Ms. SLAUGHTER, Mr. CHABOT, Mr. PAYNE, and Mr. THOMPSON of Mississippi):

H.R. 3965. A bill to authorize the Attorney General to make grants to improve the ability of State and local governments to prevent the abduction of children by family members, and for other purposes; to the Committee on the Judiciary.

By Mr. LARSON of Connecticut:

H.J. Res. 89. A joint resolution proposing an amendment to the Constitution of the United States regarding the appointment of individuals to fill vacancies in the House of Representatives; to the Committee on the Judiciary.

By Ms. LOFGREN:

H.J. Res. 90. A joint resolution proposing an amendment to the Constitution of the United States regarding the appointment of individuals to serve as Members of the House of Representatives when, in a national emergency, a significant number of Members are unable to serve; to the Committee on the Judiciary.

By Mr. VITTER:

H. Con. Res. 382. Concurrent resolution affirming that the intent of Congress in passing the National Wildlife Refuge System Improvement Act of 1997 was to allow hunting and fishing on public lands within the National Wildlife Refuge System and declaring that the purpose of reserving certain lands as public lands is to make them available to the public for reasonable uses; to the Committee on Resources.

By Mr. MEEHAN:

H. Con. Res. 383. Concurrent resolution expressing the sense of Congess concerning the well-being of members of the Armed Forces and calling on the Department of Defense to do its utmost to see that deployed military personnel have the best force protection equipment the Nation can make available, and for other purposes; to the Committee on Armed Services.

By Mr. RANGEL:

H. Con. Res. 384. Concurrent resolution calling for the removal of all restrictions from the public, the press, and military families in mourning that would prohibit their presence at the arrival at military installations in the United States or overseas of the remains of the Nation's fallen heroes, the members of the Armed Forces who have died in Iraq or Afghanistan, with the assurance that family requests for privacy will be respected; to the Committee on Armed Services.

By Mr. HYDE (for himself, Mr. DELAY, Mr. BLUNT, Ms. PRYCE of Ohio, Mr. GOSS, and Mr. HUNTER):

H. Res. 557. A resolution relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces; to the Committee on International Relations, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BEREUTER (for himself, Mr. WEXLER, Mr. GILLMOR, and Mr. SHIMKUS):

H. Res. 558. A resolution welcoming the accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia to the North Atlantic Treaty Organization (NATO), and for other purposes; to the Committee on International Relations.

By Mr. GIBBONS (for himself, Mr. REYES, Mr. FOLEY, and Ms. DUNN):

H. Res. 559. A resolution expressing condolences to the families of the individuals killed in the terrorist bombing attacks in Madrid that occurred on March 11, 2004, and expressing deepest sympathy to the individuals injured in those attacks and to the people of the Kingdom of Spain; to the Committee on International Relations.

By Mrs. MCCARTHY of New York (for herself, Ms. BORDALLO, Mrs. TAUSCHER, Ms. WOOLSEY, Ms. LORETTA SANCHEZ of California, Mrs. KELLY, Ms. HARRIS, Mrs. BIGGERT, Mrs. JONES of Ohio, Mrs. CAPPS, Ms. ROS-LEHTINEN, Mrs. LOWEY, Mrs. JOHNSON of Connecticut, Ms. DELAURO, Ms. PRYCE of Ohio, Ms. PELOSI, Ms. SLAUGHTER, Mrs. MALONEY, Ms. NORTON, Mrs. BLACKBURN, Ms. MCCOLLUM, Ms. HARMAN, Mrs. DAVIS of California, Ms.

DEGETTE, Ms. WATERS, Ms. CARSON of Indiana, Mr. WEXLER, and Ms. MILLENDER-MCDONALD):

H. Res. 560. A resolution expressing the sense of the House of Representatives that the Girl Scouts of the United States of America should be commended, on its 92d anniversary, for providing quality age-appropriate experiences that prepare girls to become the leaders of tomorrow and for raising issues important to girls; to the Committee on Government Reform.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 25: Mr. THORNBERRY.

H.R. 173: Mr. SHAYS, Mr. DAVIS of Tennessee, and Mr. PITTS.

H.R. 284: Mr. MCKEON, Mr. SHIMKUS, Mr. DEMINT, Mr. COLLINS, and Mr. AKIN.

H.R. 375: Mr. BURNS.

H.R. 476: Mr. BOUCHER, Mr. BACA, and Mr. STENHOLM.

H.R. 570: Mr. FERGUSON.

H.R. 571: Mr. CALVERT.

H.R. 677: Mr. KIND.

H.R. 728: Mr. GOODE.

H.R. 839: Ms. WATSON, Ms. ROYBAL-ALLARD, Ms. SCHAKOWSKY, and Mr. LOBIONDO.

H.R. 857: Mr. NORWOOD.

H.R. 935: Mr. FATTAH.

H.R. 962: Ms. WATERS.

H.R. 968: Ms. CARSON of Indiana.

H.R. 970: Mr. LATOURETTE, Ms. HOOLEY of Oregon, Mr. SCOTT of Georgia, Mr. CHABOT, Mr. BRADLEY of New Hampshire, Mr. TOWNS, Mr. VISCLOSKY, Mr. JOHNSON of Illinois, Mr. GALLEGLY, and Ms. ESHOO.

H.R. 977: Mrs. CHRISTENSEN.

H.R. 1034: Mr. WAXMAN, Ms. MCCARTHY of Missouri, and Ms. LOFGREN.

H.R. 1083: Mr. BERMAN, Mr. SANDLIN, Mr. BACA, and Mrs. WILSON of New Mexico.

H.R. 1084: Mr. ROGERS of Michigan.

H.R. 1501: Ms. WOOLSEY, Ms. DEGETTE, Mr. RUSH, Mr. ACEVEDO-VILÁ, Mr. MCDERMOTT, and Mr. SCHIFF.

H.R. 1567: Mrs. JO ANN DAVIS of Virginia.

H.R. 1690: Ms. ROYBAL-ALLARD.

H.R. 1700: Mr. PAYNE.

H.R. 1726: Mr. WOLF.

H.R. 1734: Mr. CRAMER, Mrs. CAPITO, and Mr. UDALL of Colorado.

H.R. 1742: Ms. LEE and Mr. ISSA.

H.R. 1864: Mr. ANDREWS.

H.R. 1873: Mr. SENSENBRENNER.

H.R. 2107: Mr. FRANK of Massachusetts, Mr. RUSH, and Mr. LANTOS.

H.R. 2173: Ms. WOOLSEY, Mr. LEWIS of Georgia, and Mr. MEEKS of New York.

H.R. 2402: Mr. FRANK of Massachusetts.

H.R. 2536: Mr. BROWN of Ohio and Mr. CARDOZA.

H.R. 2612: Mrs. DAVIS of California.

H.R. 2732: Mr. CHOCOLA.

H.R. 2735: Mr. BROWN of South Carolina, Mr. CLAY, and Ms. BERKLEY.

H.R. 2863: Mr. HOLDEN.

H.R. 3090: Mr. FRANK of Massachusetts.

H.R. 3104: Mr. CLAY, Mr. OLVER, Mrs. KELLY, Mr. THOMPSON of Mississippi, Ms. CORRINE BROWN of Florida, Mr. HINCHEY, Ms. HART, Mrs. DAVIS of California, and Mr. MEEKS of New York.

H.R. 3177: Mr. MILLER of Florida.

H.R. 3192: Mr. FARR.

H.R. 3193: Mr. GARY G. MILLER of California and Mr. ISSA.

H.R. 3215: Mr. COLLINS, Mr. BURTON of Indiana, Mr. CHABOT, Mr. SMITH of Michigan, and Mr. WELDON of Florida.

H.R. 3313: Mrs. JO ANNE DAVIS of Virginia.

H.R. 3350: Mr. BISHOP of Georgia and Mr. WAXMAN.

H.R. 3359: Mr. KILDEE.

H.R. 3369: Mr. SMITH of Texas.

H.R. 3390: Mr. INSLEE and Mr. PAUL.

H.R. 3429: Mr. BROWN of South Carolina.

H.R. 3436: Mr. KING of New York.

H.R. 3438: Ms. MCCARTHY of Missouri, Mr. BOSWELL, Mr. BERMAN, and Mr. TOM DAVIS of Virginia.

H.R. 3446: Mr. LIPINSKI, Mr. SCHIFF, and Mr. FARR.

H.R. 3453: Mr. ROGERS of Kentucky.

H.R. 3460: Mr. SMITH of New Jersey and Mrs. JO ANN DAVIS of Virginia.

H.R. 3476: Mr. STRICKLAND, Mr. GORDON, Mr. ISSA, Mr. GERLACH, Mr. SABO, Mr. LEACH, Ms. HARRIS, Mr. LINDER, Mr. DEUTSCH, and Ms. MAJETTE.

H.R. 3507: Ms. ROYBAL-ALLARD, Mr. GRIJALVA, Mr. GALLEGLY, Mr. WAXMAN, Mr. ANDREWS, and Mr. LARSON of Connecticut.

H.R. 3545: Mr. MCDERMOTT and Mr. HINCHEY.

H.R. 3619: Ms. LORETTA SANCHEZ of California and Mr. MATHESON.

H.R. 3651: Mr. CANNON.

H.R. 3678: Mr. PAYNE.

H.R. 3699: Mr. BALLANCE, Ms. CORRINE BROWN of Florida, and Mr. TURNER of Texas.

H.R. 3701: Mr. FRANK of Massachusetts and Mr. MORAN of Virginia.

H.R. 3712: Mr. JONES of North Carolina, Ms. CORRINE BROWN of Florida, and Mr. MEEK of Florida.

H.R. 3731: Mr. EVANS.

H.R. 3763: Mr. FEENEY.

H.R. 3773: Mr. BACHUS, Mr. HOSTETTLER, and Mr. SENSENBRENNER.

H.R. 3781: Mr. NEUGEBAUER.

H.R. 3784: Mr. CRANE, Mrs. MUSGRAVE, and Mr. FLAKE.

H.R. 3799: Mr. RYUN of Kansas.

H.R. 3801: Mr. THOMPSON of Mississippi, Mr. BOUCHER, Mrs. JO ANN DAVIS of Virginia, Mr. FEENEY, and Mr. KING of Iowa.

H.R. 3802: Mr. PLATTS, Mr. CLAY, Mr. SKELTON, Mr. LIPINSKI, Mr. BALLANCE, Mr. BOUCHER, Mr. SCHIFF, Mr. STARK, Mr. GRIJALVA, and Mr. LATOURETTE.

H.R. 3803: Mr. KENNEDY of Rhode Island, Mr. ABERCROMBIE, Ms. CARSON of Indiana, Ms. JACKSON-LEE of Texas, and Mr. GRIJALVA.

H.R. 3804: Mr. BURR.

H.R. 3818: Mr. LARSEN of Washington, Mr. GREENWOOD, Mr. MOORE, Mr. MEEKS of New York, and Mr. SULLIVAN.

H.R. 3847: Mr. ROTHMAN.

H.R. 3857: Mr. CRANE and Mr. SHAW.

H.R. 3860: Mr. RYAN of Wisconsin.

H.R. 3867: Mr. DAVIS of Illinois and Ms. MAJETTE.

H.R. 3879: Ms. CORRINE BROWN of Florida.

H.R. 3888: Mr. JACKSON of Illinois and Mr. HOEFFEL.

H.R. 3913: Mr. BAKER.

H.J. Res. 56: Mr. NEY.

H. Con. Res. 314: Mr. OLVER and Mr. KENNEDY of Rhode Island.

H. Con. Res. 321: Mrs. MCCARTHY of New York.

H. Con. Res. 332: Mr. UDALL of Colorado, Mr. PORTER, Mr. MOORE, Mr. TERRY, Mr. RYAN of Wisconsin, Mr. HOLT, and Mr. BALLANCE.

H. Con. Res. 369: Mr. GRIJALVA, Mr. SCOTT of Virginia, and Mr. KUCINICH.

H. Con. Res. 371: Mr. FOLEY.

H. Con. Res. 378: Mr. FILNER.

H. Res. 38: Mr. PAYNE.

H. Res. 313: Mr. WAMP and Mr. PLATTS.

H. Res. 402: Ms. ROS-LEHTINEN.

H. Res. 466: Mr. STARK and Mr. HINOJOSA.

H. Res. 528: Mr. HERGER, Mr. WYNN, Mr. LEWIS of Georgia, Mr. BURTON of Indiana, Mr. PENCE, and Mr. WOLF.

H. Res. 542: Mrs. LOWEY, Mr. BRADY of Pennsylvania, and Mr. BERMAN.

SENATE—*Thursday, March 11, 2004*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Dr. Donald A. Harp, Jr., of the Peachtree Road United Methodist Church, Atlanta, GA.

PRAYER

The guest chaplain offered the following prayer:

Let us pray.

O God, our help in ages past and our hope for years to come, we offer our words of thanksgiving for our Nation and the freedoms that are ours. Hear our words of thanksgiving for those men and women who gave their lives that this freedom is ours today.

Inspire this body to reach decisions based on truth, wisdom, compassion, and fairness for all. Bless each Senator with the ability to reach decisions reflecting our heritage as a "nation under God."

Bless our President and the decisions he reaches on behalf of our Nation. Watch over and care for those men and women in our military and bring them home safely. We offer this our prayer in God's Holy Name. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, today the Senate will work toward completion of our consideration of S. Con. Res. 95, the budget resolution. There are 14 hours remaining under the statutory time limit for debate. Under the Budget Act it is in order to yield back time, and that may occur at the managers' discretion over the course of this morning and early afternoon.

Once time is used or yielded back, we would expect to begin a series of rollcall votes which would include passage of the resolution. Again, the timing for that final vote will be determined by the number of amendments and how soon we get to the series of rollcall votes. I do want to encourage our colleagues that once we begin that series of rollcall votes, we do it in a very timely, orderly fashion.

We made very good progress on the resolution yesterday, conducting six rollcall votes and disposing of eight amendments. The chairman and ranking member are here today on the floor ready to work through the amendments to the resolution. Therefore, Senators should expect a very busy day, as we all know and have appropriately planned for a late evening tonight, with rollcall votes throughout.

MEASURE PLACED ON THE CALENDAR—H.R. 1997

Mr. FRIST. Mr. President, I understand that there is a bill at the desk that is due for a second reading.

The PRESIDENT pro tempore. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1997) to amend title 18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes.

Mr. FRIST. I object to further proceedings.

The PRESIDENT pro tempore. The bill will be set on the calendar.

Mr. FRIST. I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2005

The PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. Con Res. 95, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 95) setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

Pending:

Corzine amendment No. 2777, to eliminate tax breaks for those with incomes greater than $1 million and reserve the savings to prevent future cuts in Social Security benefits.

The PRESIDENT pro tempore. The Senator from California.

Mrs. BOXER. Mr. President, I ask unanimous consent the pending amendment be laid aside.

The PRESIDENT pro tempore. Is there objection?

Mr. NICKLES. Mr. President, reserving the right to object, I have yet to have a chance to review the amendment of the Senator from California. I object at this point and I expect in the near future I will be happy to accommodate our friend. She can begin her debate and maybe that will help clarify the intention of her amendment.

Mrs. BOXER. Mr. President, I appreciate that. I am so sorry. I was sure Senator NICKLES had seen this amendment. I don't think there is anything surprising. It is essentially a jobs amendment, initiatives that have been introduced by other Senators. We packaged it in one package.

The PRESIDENT pro tempore. Does the Senator from California seek time from the manager on your side for proceeding?

Mrs. BOXER. I ask Senator CONRAD if he wants me to take time by discussing Senator CORZINE's amendment and making other remarks or take time off the managers' time? Either way he wants it.

The PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. I thank the Chair. How much time would the Senator need?

Mrs. BOXER. I was hopeful, when I spoke last night, that I could have 20 to 30 minutes for the entire amendment. That would be fine for me.

Mr. CONRAD. Mr. Chairman, might we agree to a time on her amendment of 30 minutes equally divided?

Mrs. BOXER. No, no, 30 minutes on my side, or 20 minutes on my side.

Mr. CONRAD. Then 40 minutes equally divided? Is that what the Senator is seeking?

Mrs. BOXER. No, 20 minutes a side.

Mr. CONRAD. Yes, 40 minutes equally divided.

Mr. NICKLES. I still haven't reviewed the amendment. I will do this: I tell my colleague I am happy to enter into time agreements on a lot of amendments but I will state I want to see the amendments first. I know there is a whole package of amendments. I suggest we go under the assumption it will be that. I will grant you that in just a moment.

Mr. CONRAD. I yield 20 minutes to the Senator from California at this point, just for her side.

The PRESIDENT pro tempore. The Senator is recognized for 20 minutes.

Mrs. BOXER. I thank my colleague very much. I have been looking forward to offering this amendment. I hope at the appropriate moment in time I will be able to send it to the desk.

Mr. President, if you were to go out all over this country and ask most of our constituents from every State in the Union what is on their minds, they

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

are going to say it is the economy; it is jobs; it is their security. In this particular budget we should do much more to ensure that jobs are created and that our families are protected. So what we do in this amendment, which we pay for, is a number of initiatives which will help us create and retain jobs in this great country.

First of all, I want to give my colleagues a sense of why this is so important. The amendment I am offering is cosponsored by Senators DASCHLE, SARBANES, CLINTON, SCHUMER, KENNEDY, KOHL, DURBIN, LEVIN and DODD. I see Senator KOHL is here. I am hopeful he will want to make a few comments as well.

Let me paint a picture of where we are. I think the best way to do it is just show a series of charts, that are very clear:

Private sector jobs decline: Three million jobs lost since January 2001.

We see the incredible graph that just shows, essentially, almost a straight line down. We did see in February we had a little increase of 21,000 jobs, as I understand it, in the public sector. There is very little in the private sector.

Mr. NICKLES. Mr. President, will the Senator from California yield?

Mrs. BOXER. I will if I can reserve the remainder of my time.

Mr. NICKLES. Mr. President, we have entered into a time agreement where the total time consumed on the Boxer amendment will be 20 minutes equally divided.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2783

Mrs. BOXER. Mr. President, I ask unanimous consent to set aside the Corzine amendment and send my amendment to the desk.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. BOXER], for herself and Mr. DASCHLE, Mr. SARBANES, Mrs. CLINTON, Mr. SCHUMER, Mr. KENNEDY, Mr. KOHL, Mr. DURBIN, Mr. LEVIN, and Mr. DODD, proposes an amendment numbered 2783.

Mrs. BOXER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To create jobs, to discourage the shipping of jobs overseas, and provide adjustment assistance for dislocated workers, by changing the tax treatment of certain income from runaway plants and by reducing tax breaks for individuals with incomes in excess of one million dollars per year, without affecting middle-class taxpayers)

On page 3, line 9, increase the amount by $8,000,000,000.

On page 3, line 10, increase the amount by $8,000,000,000.

On page 3, line 11, increase the amount by $8,000,000,000.

On page 3, line 17, increase the amount by $8,000,000,000.

On page 3, line 18, increase the amount by $8,000,000,000.

On page 3, line 19, increase the amount by $8,000,000,000.

On page 4, line 20, increase the amount by $8,000,000,000.

On page 4, line 21, increase the amount by $8,000,000,000.

On page 4, line 22, increase the amount by $8,000,000,000.

On page 5, line 3, decrease the amount by $8,000,000,000.

On page 5, line 4, decrease the amount by $16,000,000,000.

On page 5, line 5, decrease the amount by $24,000,000,000.

On page 5, line 6, decrease the amount by $24,000,000,000.

On page 5, line 7, decrease the amount by $24,000,000,000.

On page 5, line 11, decrease the amount by $8,000,000,000.

On page 5, line 12, decrease the amount by $16,000,000,000.

On page 5, line 13, decrease the amount by $24,000,000,000.

On page 5, line 14, decrease the amount by $24,000,000,000.

On page 5, line 15, decrease the amount by $24,000,000,000.

At the end of title II, insert the following:

SEC. . RESERVE FUND FOR JOB CREATION.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $24,000,000,000 over the total of fiscal years 2005 through 2009 for a bill, joint resolution, motion, amendment, or conference report that would provide resources for job creation, discourage outsourcing of jobs, provide a tax credit for the creation of new manufacturing jobs in the United States, provide small businesses with a tax credit for health care coverage, restore funding to the Manufacturing Extension Program and to the Advanced Technology Partnership, increase spending on federal science research activities, prohibit the use of tax dollars to outsource non-defense and non-homeland security government contracts abroad, require employers to provide workers advance notice of any intention to move their jobs offshore, and expand Trade Adjustment Assistance to include service workers and improve access to affordable health care.

Mrs. BOXER. Mr. President, let me continue with the story that is not a very happy story about job loss. We have seen 3 million jobs lost in the last 3½ years. We see unemployment for 27 weeks or longer. We see that 1.9 million workers are unemployed for more than 6 months. We have statistics that say although the unemployment rate looks to be 5.6 percent, in reality it is over 9 percent if you factor in the people who have given up their search for jobs. We see the smallest share of the population at work since 1994, with 62.2 percent of the population unemployed. These are startling statistics.

Manufacturing jobs in America: From 1993 to 2000, 385,000 manufacturing jobs created; and from 2001 to 2003, 2.785 thousand jobs lost. That is 75,270 jobs lost per month. For my people in California, we have seen an enormous drop in manufacturing jobs.

I want to show my colleagues the context of this job loss if we look back to other administrations. This is the average number of jobs created or lost per month. Under Ronald Reagan, we had 165,000 jobs per month; under George H. Bush, we had 47,604 jobs created every month; under Bill Clinton, we had 236,625 jobs created per month; and under George W. Bush, 58,815 jobs per month on average lost.

By any standard, this is a unique time. We have a chance to do something about it with this budget resolution.

California jobs: From 1993 to 2000, under the Clinton administration, 25,644 jobs were created per month in my State of 35 million people. Under George W. Bush, 284,900 jobs lost. That is 7,913 jobs lost per month. Nearly 8,000 jobs are lost per month in my State. That is about 8,000 family members coming home to tell their families they are in big trouble. We ought to do something about it. The good news is we can do something about it with this amendment I offered.

I want to show one more chart.

President Bush promised a whole different story—promises, promises, wishful thinking on jobs. The Bush administration has consistently over-predicted job growth for 2002, 2003, and 2004.

Today, I read in the paper that the President is going to appoint a manufacturing jobs czar. He came to a decision about the individual he wants to appoint. We have learned that this particular individual built a plant in China. Whether he will continue with that nomination, I do not know, but clearly that sends a very mixed signal, to be polite about it.

Let me talk for a moment about the amendment I am offering to protect America's jobs.

How much time do I have remaining?

The PRESIDENT pro tempore. The Senator has 15 minutes 42 seconds.

Mrs. BOXER. Thank you.

Our amendment creates a $24 billion job reserve fund for the following purposes:

The Manufacturing Extension Partnership Program, $110 million cost; Advanced Technology Program, $125 million cost; Federal science at $1 billion cost; new manufacturing jobs tax credit at $7 billion cost; small business health insurance tax credit at $14 billion cost; stop jobs from moving overseas and end the runaway plant tax break, which saves $2 billion; the Dodd amendment with no Federal funds for outsourcing, no cost; worker notification, which is Senator DASCHLE's amendment in relation to jobs moving overseas, no cost; and worker assistance and trade adjustment expansion for service workers and expanded health insurance, $2 billion.

The way we pay for this amendment is the following: We end the runaway plant tax break, which brings in $2 billion, and we reduce tax breaks for millionaires, which brings in another $1 billion.

I want to spend just a moment explaining why I think that is fair. If you earn over $1 million, under the Bush tax cut you are going to get a refund of about $140,000 every single year.

Let me rephrase that. You are going to get a tax cut of $127,000 every single year. We reduce that refund to $85,000 for a very noble purpose. That purpose is to get America back to work and to help our middle-class families.

I think if you ask the average person in your State, just from what I can tell by looking at polls and talking to people, they will say even if they were in that millionaire category, we will have a stronger economy and more people working by not giving millionaires $127,000 a year from their taxes.

We reduce it to $85,000. Let us talk about that. They will now get back $85,000. How much is that? That is 7.5 times the annual income of a minimum-wage worker, just in the millionaire tax cut. We are, in fact, cutting it to $85,000, but that is 7.5 times the annual income of a minimum-wage worker. It is also two times the median household income. If you are a millionaire and get back $85,000 a year instead of $127,000, you are still getting back every year twice the median household income and 7.5 times the annual income of a minimum-wage worker.

I want to briefly tell you about each of these job creation plans.

Be providing a tax credit for creating new manufacturing jobs—this is a tax credit that goes to businesses that create jobs in manufacturing, originally sponsored by Senator JOHN KERRY—the manufacturing jobs tax credit gives the tax cut to companies that create a new factory job in 2004, 2005 and 2006. This is a good thing for business. It is a great thing for workers. It is a good way to deal with this issue.

We increase the funding for the Manufacturing Extension Partnership. It sets aside $110 million of the reserve fund for the Manufacturing Extension Partnership Program. In 2003, this program helped create or retain 35,000 jobs.

The administration only asks for $13 million in 2004, and it is requesting only $39 million for 2005. They say they care about jobs, but they ought to do more, and $110 million will create a lot more jobs.

For the Advanced Technology Program, this amendment sets aside $140 million in the reserve fund. The administration proposes zeroing out this ATP program. The ATP helps companies get to market and grow, and that means jobs. Of the first 33 small companies to complete ATP programs, 60 percent doubled in size, and 4 grew more than 1,000 percent. The ATP program bridges the gap between the research lab and the marketplace. We need to see that go up to this $140 million level. I might say, even with that, it is still less than we have spent in the past on the program. George Bush, in 2005, requests zero for this important program.

Then we have Federal research and development, which is so key, at the National Science Foundation. It falls $1 billion short of what is called for in the bill we passed 5 years ago. It is very important. When President Bush says he increases Federal research by 5 percent, the problem for our Nation's researchers and research institutions is that increase is largely targeted for weapons development. However, we have other things we need to do which will create jobs, as well. That is the purpose of this amendment.

The health insurance tax credit for small business is clear. If business pays health insurance for its people, we think they ought to get a tax break. That is the kind of tax break we believe in on this side of the aisle because it is to encourage businesses to help employees with their health care.

We end tax subsidies to U.S. companies that send plants overseas. This is a Dorgan-Mikulski idea. This amendment includes language bringing to an end tax subsidies for employers that ship production of goods abroad. This part brings $2 billion.

We prohibit Federal funds from being used for offshore jobs. This is Senator DODD's amendment that passed the Senate 70 to 26. When we give State and local governments Federal funds and when we decide to issue contracts, the jobs ought to stay here.

In my own State, the Defense Department wanted to buy rice for Iraq. Instead of buying it from California, which has the best rice in the world, they bought it from a foreign country. That is my farmers, taxpayer dollars, and all my people's dollars going into the war effort. We give a contract on rice to a foreign country when the sons and daughters of our farmers and our people are going to war. I don't get it.

This is an important amendment. We are improving the Trade Adjustment Assistance Program and extending it to service workers. That means help for people who are pushed out of a job because of trade agreements.

I will save some time for colleagues. How much time remains?

The PRESIDENT pro tempore. The Senator has 7 minutes 24 seconds.

Mrs. BOXER. I yield 4 minutes to Senator KOHL.

The PRESIDENT pro tempore. Senator KOHL is recognized for 4 minutes.

Mr. KOHL. I come to the Senate today as a cosponsor to the Boxer-Dodd amendment.

I thank my colleague from California for pulling together this package—and for including a provision I authored to restore the funding for the Manufacturing Extension Program, MEP. I hope my colleagues will join us in resounding, bipartisan vote for the amendment. It remedies a serious failing of the budget before us.

A budget worthy of the Senate's support should have vision. It should point the way to a better world for our workers, our families, and our communities. Senator BOXER's amendment has a vision for bringing good jobs back to our shores—and training a workforce able to fill and create such jobs. Without the Boxer amendment, the budget will remain a document whose only answer to the deterioration of the manufacturing job base is upper income tax cuts cloaked in discredited trickle-down economic theory.

I am particularly pleased that Senator BOXER's amendment provides the resources to increase funding for the Manufacturing Extension Program from the $39.6 million suggested in the President's budget to $100 million, fully funding the program for fiscal year 2005. I intended to offer this as a free-standing amendment, but in the interest of time, I will defer to my colleague from California. I commend her for allowing the Senate to go on record on this vital program.

Manufacturing makes up 25 percent of Wisconsin's economy—making Wisconsin the fourth largest manufacturing State in the Nation, tied with Michigan. While that statistic may conjure up images of huge businesses, in Wisconsin, 89 percent of our manufacturers have fewer than 100 employees. These small- and medium-sized firms are consistent forces for manufacturing job creation and are less likely than larger firms to outsource jobs. Smaller manufacturers pay good wages and contribute to the overall vitality of the local economy.

In Wisconsin, the unemployment rate dropped to 5 percent, but these figures hide the disappearance of the solid manufacturing jobs on which Wisconsin's prosperity once rested. In January, the number of factory jobs in Wisconsin fell to the lowest level in more than a decade—even as unemployment fell. Since 2000, we have lost one out of every seven manufacturing jobs—79,000 in total.

In Wisconsin, and across our Nation, MEP is one Federal program actively and effectively combating this deterioration of the manufacturing base. By helping small- and medium-sized manufacturers streamline production, integrate new technologies, and improve competitiveness, MEP has created or saved more than 35,000 manufacturing jobs nationwide during the last fiscal year. In Wisconsin, the program is supported—and used—by scores of manufacturers and the largest business association in my State: Wisconsin Manufacturers and Commerce.

I ask unanimous consent that a letter of support for the MEP from Jim

Haney, President of Wisconsin Manufacturers and Commerce be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WISCONSIN MANUFACTURERS
& COMMERCE,
Madison, WI, February 27, 2004.
Hon. HERB KOHL,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR KOHL: It was a pleasure to tour Berntsen International with you last week in Madison. This company is just one example of many WMEP success stories that I have personally witnessed in Wisconsin. I completely agree with you that MEP is one of the best government investments around, and it should be fully supported at the state and federal level.

Wisconsin Manufacturers and Commerce is an association representing 4,300 members. As the largest business association in Wisconsin, we are first and foremost concerned about the business climate in the state. Our primary priorities are to reduce the tax and regulatory burden on our businesses. But we also recognize where smart and appropriate investment of public dollars can produce results for business in the state.

We need to prioritize our economic development initiatives and judiciously place taxpayer dollars in those investments that provide the best return for our state and our country. There are many programs that should not make the cut. However, MEP is one government investment that ranks at the top when evaluated against criteria of national need, effectiveness and results. We should not shortchange or undercut this excellent program.

I understand the Senate Commerce, Justice, and State Appropriations Committee will be reviewing manufacturing support priorities with Secretary Evans this week. Please urge Secretary Evans to do what he can to restore MEP funding support to the FY03 level of $106 million.

Feel free to call me at 608–258–3400 to talk more about MEP and its impact in Wisconsin.

Sincerely,

JAMES HANEY,
President.

Mr. KOHL. Let me quote from that letter:

> We need to prioritize our economic development initiatives and judiciously place taxpayer dollars in those investments that provide the best return for our state and our country. There are many programs that should not make the cut. However, MEP is one government investment that ranks at the top when evaluated against criteria of national need, effectiveness and results. We should not shortchange or undercut this excellent program.

I ask my colleagues, isn't MEP exactly the sort of program a budget with vision would support, a program, as Mr. Haney says, that brings real returns—jobs, economic growth, hope—from our scarce taxpayer dollar, a program that has received strong bipartisan support at the State and national level, a program that faces our challenges head on—and taps the innovation and work ethic of American businesses to solve them?

The Boxer amendment in so many ways adds vision to a budget that is blind when it comes to the trials of the American manufacturing sector. It adds courage to a budget frightened to acknowledge the serious jeopardy our economy faces. And it adds common sense to a budget that calls for short sighted cuts in programs, like MEP, that offer a tenfold return on taxpayer dollars.

I urge my colleagues to support the Boxer amendment. I urge the Senate to continue to work to amend this Budget resolution to turn it into the plan that our Nation needs and deserves.

The PRESIDENT pro tempore. The Senator from Arkansas is recognized for 2 minutes.

Mr. PRYOR. Mr. President, I wish to ask the Senator from California a question. I have been reading in the business magazines and the newspapers about the jobless recovery we are having and I wonder, if the Senator from California feels so passionately about creating jobs in this country, if she could give me a historical perspective about what we are talking in job creation in the last 3 years.

Mrs. BOXER. I thank the Senator for asking this question. I have never known that we have offered such a comprehensive jobs amendment on a budget resolution. These are not ordinary times.

My friend is right when he asked this question. If we go back over time to Herbert Hoover in the Depression years in the 1930s, that is the only time we have actually lost jobs. We have created jobs under Roosevelt, Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, Carter, Reagan, George H.W. Bush, Clinton, and now we are down to this and we have seen 3 million jobs lost. We need a jobs amendment.

Mr. PRYOR. If the Senator will yield for another question, I notice in all the statistics, small business is the sector of the economy that creates jobs and R&D is critical for creating jobs; also, the area we are struggling in in this country is manufacturing jobs.

Again, the Senator from California is so passionate on this issue. I would like to hear the Senator's perspective and how this amendment will help those sectors.

Mrs. BOXER. Clearly, we give tax breaks in this amendment to small businesses that pay or help pay for their employees' health benefits.

When we talk to people, they are scared about the cost of health insurance. They are frightened. They are frightened that the costs are going up, that they may lose it, not to mention their entanglements with HMOs that want to walk away.

We say to employers, employees, we will help if, in fact, you pay for your employees' health care, or at least part of it.

We also give a manufacturing jobs tax credit. And this is Senator KERRY's idea.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator's time has expired.

Mrs. BOXER. Madam President, do I have a remaining minute on my time?

The PRESIDING OFFICER. All the time has been used.

Mr. CONRAD. Madam President, I yield an additional 20 minutes off the resolution to the Senator from California.

Mrs. BOXER. I thank my friend.

The PRESIDING OFFICER. The Senator is recognized for 20 minutes.

Mrs. BOXER. So I say to my friend from Arkansas—because I would like to continue this give-and-take—what we are seeing is a devastating change in what has been known as economic progress in America—a devastating change—something we have not seen since Herbert Hoover. This is serious business.

For our small businesses that are creating whatever jobs are being created—although we still are not seeing a net increase in those jobs—we need them to get help. So in this amendment not only do we suggest a reserve fund to help our workers, but we suggest tax credits and tax breaks to our businesses that create manufacturing jobs. For every job they create, they get a tax credit, and also for those businesses that pay for health care for workers.

So I think the question was right on the mark.

I would be glad if my friend has any other questions.

Mr. PRYOR. Madam President, will the Senator would yield for another question?

Mrs. BOXER. I am happy to yield.

Mr. PRYOR. So it seems you are providing tax relief for companies that are trying to, in effect, stimulate the economy and trying to create jobs in this country. Again, as I understand economic principles and the reality of this economy, it is small businesses that create jobs in this country. With all due respect to the top 500 or 1,000 companies—we love to have them, and I am proud of what they do—it is the small businesses, when you are talking about the bread-and-butter job creation, that do that.

I know the Senator's amendment would help small businesses considerably, not just in the manufacturing sector but in other areas.

I would just like you to comment on that.

Mrs. BOXER. Absolutely.

This health care tax credit is very important as well.

In my State, my small businesses that do the right thing by their employees are being hurt. We ought to recognize if you do the right thing, you ought to get rewarded for it. So that is why we do this.

I say to my friend, he is right; this jobs amendment helps workers and helps businesses. It is a balanced approach.

Here is how we encourage the creation of American jobs: We provide tax credits to companies that create new jobs. We provide tax credits to help small businesses pay for health insurance. We expand funding to the Manufacturing Extension Partnership and the Advanced Technology Program, which really helps small businesses in an enormous way. What we do with these programs is we help them go from the research part of things to the marketing part of things. It has been a huge success.

Unfortunately, the President has zeroed out the ATP. I cannot understand it. This is something our businesspeople really want.

Also, as to basic scientific research, we see it in the budget, but it is mostly for defense weapons programs. We do not have it on the civilian side.

Again, coming from a State—I am sure your State has them, as well—with very entrepreneurial people, who really can take off from scientific research, it is very important.

I say to my friend, we pay for this. We pay for this by ending—this is Senator DORGAN's idea—we end the tax break for companies that move offshore. Oh, yes, they are creating jobs, but they are creating jobs offshore. And we pay for it by saying to the millionaires—people who make over $1 million a year—we are saying to those folks: Instead of getting $127,000 a year back, can you take $85,000 a year back? That is still 7.5 times more than a worker at the minimum wage.

So this is a golden moment for this Senate to come together across party lines on behalf of our small businesses, on behalf of our workers, and create jobs.

I have already shown my colleague the historic proportions of this moment in history in which we find ourselves: the worst record since Herbert Hoover, the only Presidency since Herbert Hoover not to create jobs. This is an extraordinary moment. We need to take a moment to realize if a millionaire gets back $85,000 instead of $127,000, that is not a great sacrifice to make for putting people to work, for giving a lift to small business.

Mr. PRYOR. Madam President, I just have one more observation to make, and I will be glad to yield the floor. It seems to me our economy is changing. As a Congress, we need to recognize that, we need to understand that, and try to harness that change in a positive way for our economy.

One area our economy has changed quite a bit in the last several years is we have gone more and more to a service-oriented economy rather than just purely a manufacturing economy. Back in the 1960s, the Congress passed something called Trade Adjustment Assistance. What it did is it provided sort of a package of various programs for workers who had been dislocated—who had been downsized, in today's vernacular.

What I think we ought to do, and what this amendment does—and I think it is very smart to do this and move in that direction—is it gives workers in the service industries those same TAA benefits.

The reason I think that is important is because a much larger percentage of our economy is now based on the service industries, and what we are seeing is the trend that those service jobs are moving offshore. We have heard about call centers and other things going offshore. That is exactly what we are seeing.

So, here again, the Boxer amendment acknowledges the economic reality today and tries to help people who need help most.

Mrs. BOXER. Madam President, I thank my friend because he is exactly right. This outsourcing is a very tough issue. I say to my friend, before he goes to his committee hearing, I met a young man in California who had an excellent job as a computer program manager. He is a newlywed and very excited about his life. He finds out he is being fired, not because he is not a good employee—he is a great employee, terrific—but because his job is being outsourced to another country. And the person over there is going to get a quarter of what he makes. Now, here is the real kicker. He is told he has to train his replacement.

I have to say, this is what is happening all over America. If we cannot take a stand in this budget which reflects all of our priorities as a nation, if we cannot take a stand for America's workers and America's small businesses, I do not know why we are here. What are we here for?

I ask my friend again to look at this chart which shows that the smallest share of the population is at work since 1994. This is not a good chart when you translate it into real lives of real people—and we know the stories in our States: a mother wakes up worried because her company says it no longer will pay health care—that is why we give a health care tax credit in this amendment—a gentleman, as I described, is told by his boss: You are losing your job. It is being outsourced, and you have to train your replacement. This is what is happening in America.

I know some colleagues are here who would like to be heard on this amendment, which I am very pleased about.

Madam President, I ask unanimous consent to have printed in the RECORD this Washington Post article from today: "Bush Choice for Manufacturing Post in Question."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 11, 2004]

Bush Choice for Manufacturing Post in Question

(By Mike Allen and Jonathan Weissman)

Six months after promising to create an office to help the nation's struggling manufacturers, President Bush settled on someone to head it, but the nomination was being reconsidered last night after Democrats revealed that his candidate had opened a factory in China.

Several officials said the nomination may be scrapped because of the political risk but said that had not been decided. Bush's opponent, Sen. John F. Kerry (D-Mass), has made job losses his chief point of attack, and some administration officials feared the nomination could hand him fresh ammunition.

In late afternoon, the administration announced that the new assistant secretary of commerce for manufacturing and services would be named at a ceremony this morning. Industry officials were told that the job would go to Anthony F. Raimondo, chairman and chief executive of a Nebraska company that makes metal buildings and grain silos.

But Kerry's campaign, tipped off about the impending nomination several hours earlier, hastened to distribute news reports that Raimondo's firm, Behlen Manufacturing Co. of Columbus, Neb., had laid off 75 U.S. workers in 2002, four months after announcing plans for a $3 million factory in northwest Beijing.

Bush aides said Behlen, founded in 1936, has four U.S. plants employing 1,000 people and a 150,000-square-foot plant in China employing 180.

A senior administration official, who refused to be named because Raimondo has not been nominated, said Behlen has exported products to China since 1984 but was losing market share to other U.S. firms. The official said that half the equipment used to build the factory was made in the United States.

"This is not a case of making goods more cheaply in China to sell back in the U.S.," the official said.

Democrats contended, however, that Raimondo's record helps illustrate why the nation has lost 2.2 million jobs, most of them in factories, during the Bush presidency. The layoffs have been concentrated in such swing states as Pennsylvania, Michigan and Ohio.

Seventy-five minutes after the administration announced a news conference with Commerce Secretary Donald L. Evans to name the official, an advisory went out saying the event had been "postponed due to scheduling conflicts."

By last night, three senior administration officials said Raimondo's nomination might be scuttled but said they did not know for sure. Bush announced the new office with fanfare on Labor Day, and Democrats had been saying for weeks that the long delay in naming the new assistant secretary reflected the low priority that Bush puts on preserving jobs.

An aide close to Bush said last night the uncertainty about the nomination had "nothing to do with Senator Kerry or his baseless charges." This aide, who thought the nomination would go forward, said the delay "more has to do with congressional notification issues and things like that than it does anything else."

The congressional issues concerned one of the senators from Raimondo's home state, Sen. Chuck Hagel (R). An aide said last night that Hagel had no comment.

Bush's White House prides itself on orderliness but has been on the defensive on economic issues. Last month, the White House

> had to disavow its own estimate that 2.6 million jobs would be created this year. The same economic report, issued under Bush's signature, touted the economic efficiencies of sending certain types of U.S. work overseas.
>
> Business groups praised plans for the new position, which quickly became known among industry officials as a "manufacturing czar."
>
> Raimondo, who is chairman of the Omaha Branch Board of the Kansas City Federal Reserve Board, contributed the maximum of $2,000 toward Bush's reelection in June, a month after the campaign opened for business.
>
> Raimondo is a longtime board member of the National Association of Manufacturers. Michael E. Baroody, the group's executive vice president, called Raimondo "a class act who understands manufacturing and understands public policy."
>
> When Bush announced the new position Sept. 1, he noted that the nation had "lost thousands of jobs in manufacturing . . . some of it because production moved overseas." He made the announcement in Ohio, which last year suffered the second-worst job losses of any state, mostly in manufacturing.

Mrs. BOXER. Madam President, I will only read the first paragraph, and then I would like to yield 5 minutes to my friend from New Jersey, Senator CORZINE.

Here is what it says:

> Six months after promising to create an office to help the nation's struggling manufacturers, President Bush settled on someone to head it, but the nomination was being reconsidered last night after Democrats revealed that this candidate had opened a factory in China.

Now, I ask you, what signal are we sending to the workers of America, to the businesses of America, when the President's No. 1 choice for manufacturing czar has opened a business in China?

So if you put together this fact with this fact, with the chart I showed you that illustrates the worst problem in job creation since Herbert Hoover, we have an explosive situation on our hands. The vote on this amendment should not be about parties; it should be about our people, whether they are in Alaska, Wyoming, New Jersey, Michigan, or California.

I yield 5 minutes to the Senator from New Jersey and ask, after yielding that time, how much time would be remaining on my side?

The PRESIDING OFFICER. The Senator would have 4½ minutes on her side.

Mrs. BOXER. I yield Senator CORZINE 3 minutes and Senator STABENOW 4 minutes.

Mr. CONRAD. Madam President, I say to the Senator from California, I would be happy to yield time off the resolution to the Senator from Michigan so it would not come out of her time.

Mrs. BOXER. Excellent. So how much time will the Senator yield off the resolution?

Mr. CONRAD. I could yield 10 minutes off the resolution to the Senator from Michigan. How much time does the Senator from New Jersey seek?

Mr. CORZINE. I would use 3 to 5 minutes.

Mr. CONRAD. I am happy to yield 5 minutes off the resolution to the Senator from New Jersey.

Mrs. BOXER. I thank the Senator.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. CORZINE. Madam President, I thank the Senator from California for both raising the issue and addressing it with resources through this budget resolution. There is hardly an issue in America that is more important than that which has been very ably demonstrated by the series of charts the Senator from California has provided.

We have before us the worst record of job creation in the last 70 years. It is one that is not getting better anytime. The only observation I will add to the presentation of the Senator from California is that not only are we losing jobs, but when we lose those jobs it makes the competitive market for wages and real income for Americans go down.

The reality is for those people who lose their jobs—and there have been roughly 3 million in the private sector—their likelihood of retaining another job that pays the same as the one they have lost or the benefits they had in the job they have lost is virtually nil. You see about 75 or 80 percent of the equivalency of the compensation for individuals who lose their jobs.

The problem is, we are putting more people on the job market. The normal economics of supply and demand are undermining the real wages of the people who remain in the workforce. So not only are we getting more unemployed and fewer people working in the overall workforce, but we are seeing a reduction in real wages in the economy.

This is an extraordinarily negative cycle that is being set up. It is absolutely important that we reverse it. That is why this amendment is so important. It will encourage the creation of American jobs in a way that begins creating greater demand which is going to raise the wage of what we pay for the jobs we have.

Certainly, we need to stop this mad rush of sending jobs overseas which is undermining also not only the number of jobs in America but, as I say, is lowering the real cost of real wages, which is undermining the quality of life for everyone, not only the people who are unemployed but those who are working.

This is a dangerous phenomenon. The Senator from California has absolutely focused on the right thing, making sure we are using our tax system to generate jobs. It is one of those issues that is going to resonate most strongly with the American people in 2004 because it matters in people's lives more than anything else.

We have the worst job creation record in 75 years. Contrast that with what went on in the previous 8 years up through 2000, where we created 22.5 million jobs with an entirely different tax structure. We were focused on making sure we were increasing the real wages, increasing the earning power of Americans. We did it by increasing the demand.

The Senator from California has focused on just the right issue. Frankly, as the chart now before us illustrates, in job creation not only for the 1990s but all the way back through President Bush 1 and President Reagan as well, there was a serious effort to try to create jobs. We have a series of economic policies right now that are undermining not only job creation but the real wages of American workers. It is time we all take steps to try to correct that.

Mrs. BOXER. Will the Senator yield for a question before his time expires?

Mr. CORZINE. Certainly.

Mrs. BOXER. When my friend goes home to New Jersey and talks to people, does he find what I find; that people are anxious, they are insecure, they are concerned about retaining their job, retaining a good job, retaining health benefits? What I find is, even if people have good jobs, they are fearful of the cost of health insurance.

As the Senator knows, in our Democratic jobs alternative, we give a tax credit to businesses that pay for all or part of health insurance. I wondered if my friend has that same sense when he goes to talk to his people at home?

The PRESIDING OFFICER. The Senator from New Jersey has used 5 minutes.

Mrs. BOXER. I ask my friend if he will yield an additional minute to the Senator.

Mr. CONRAD. I yield an additional 3 minutes to the Senator from New Jersey off the resolution.

Mr. CORZINE. I appreciate the opportunity to respond.

First, a week ago Friday in New Jersey, we closed our next to last oil production facility. At the end of 2005, an industry that used to have several hundred thousand workers in New Jersey, as recently as 10 years ago, will have zero autoworkers now. We closed a Ford plant a week ago Friday. At the end of 2005, our final auto production facility for GM will close.

We have seen the shrinkage of workers in the telecommunications industry, Lucent, and AT&T, which have been truly remarkable. Over 100,000 telecommunications jobs have been lost over the last 4 years. It is incredible the tension and the anxiety that people feel about both their ability to work and to care for their families. But then to think about the responsibility of health care and their retirement security is overwhelmingly a part of the concerns that middle-class Americans have. The kind of proposal the Senator from California is putting forth addresses those real concerns. I reemphasize, it is not only the people who lose their jobs; it is the people who live next door to those folks who see their real wages being depleted to low levels. We are undermining the economic health and well-being of the Nation.

Mrs. BOXER. If the Senator will yield, he is so right. Consumer confidence is almost everything in our economy, which is a consumer-based economy.

I took economics, so I have an economics background from my college years. But my friend practiced economics and did very well at it. What he says is so important. If your next-door neighbor is suffering because of a loss of jobs or downward pressure on job income, it has a contagious impact. A lot of this lack of consumer confidence is what we are seeing today.

I wish to ask my friend another question that has to do with the fact we paid for this amendment. We paid for this in two ways. First, we eliminate the tax loophole for companies that send their jobs overseas. That brings in $2 billion to pay for this reserve fund for jobs. We also say to millionaires, we know you are going to get back $127,000—and people who earn more than that will get exponentially more—so instead of getting back $127,000, you get $85,000. That difference is more than a minimum-wage worker's salary for an entire year.

As my friend looks as his people in New Jersey and knows the median income level there, do you think this is a fair thing we do here, ask everybody to sacrifice?

To reiterate, we are saying to the millionaires of this country, we are proud of you, that you got the American dream; and you worked for it—most of them did, not all of them. Can't you make that sacrifice so we can put people to work and turn around these numbers?

Look at this chart. We talked about this before, going back to Ronald Reagan. We haven't seen this kind of deal since Herbert Hoover. Looking at New Jersey and the people making over $1 million who would be impacted, does my friend not believe we pay for this in a fair way?

Mr. CORZINE. I think the Senator from California is talking straight common sense. I think even those who are doing very well in our society can understand it.

First, the millionaires you are talking about are two-tenths of 1 percent of the total amount of the taxpayers who would be impacted—two-tenths of 1 percent. What the Senator is talking about is moving marginal tax rates back to the level where they were during the nineties, at a time when 22.5 million jobs were created.

Think about it. Moving it back on two-tenths of 1 percent of the population, to a point in time when economic growth was the highest and the most sustained we had in the 20th century, the most expansionary period we had in the 20th century.

What we are trying to do is turn around the economic performance of the Nation so all will benefit as the performance of our economy spreads out. I think it is fair. It is smart because it actually has been exhibited by history that these kinds of rate structures are not inhibiting to the economy; they were a part of the economy at the most successful period in the 20th century.

Mrs. BOXER. I have one more question and that is it. First, I ask unanimous consent that Senators MIKULSKI and DORGAN be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CORZINE. Will the Senator make the Senator from New Jersey a cosponsor?

Mrs. BOXER. I ask for that as well.

When we look at the promises made and the reality, I would like my friend——

The PRESIDING OFFICER. The initial time has expired.

Mrs. BOXER. I will wait on that. I thank my friend from New Jersey.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Madam President, I rise to speak in strong support of this amendment. I am pleased to be a cosponsor. I, first, thank my friend from California for her ongoing leadership, her eloquence, her understanding of these issues, and also my friend from New Jersey, who speaks with such common sense about what this is all about.

There are several pieces to this amendment that are critical for my State. Frankly, there is nothing more important right now in Michigan than creating a level playing field for our businesses and our workers, helping them to lower the cost of their health care, helping and supporting those efforts to invest in innovation and education, and the ability to move forward with increased skills and productivity and compete in the world economy.

I am very pleased that in this amendment is the type of manufacturing tax credit I first introduced last fall and have been working with the Finance Committee on to make sure we are rewarding those who are creating manufacturing jobs in the United States of America. We need to make sure they have a lower tax rate, and we need to make sure our tax system does not encourage those who wish to take our jobs and export them. We want to export products, not our jobs. That is what this amendment does. It allows us to focus on those things that create jobs in America, good-paying jobs, that focus on work, not wealth, in our country.

It is very common sense to say, rather than another tax cut for the privileged few, we want to invest in jobs and strong businesses in America for everyone. That is what this amendment is all about.

In speaking about this, I want to, once again, raise concern that after 6 months of the President talking about putting someone in the Department of Commerce to focus specifically on manufacturing, we have yet to see that person appointed.

My deep concern is that I read in the paper today the person now being considered, after we have been encouraging this month after month, is someone who actually has—I don't know this gentleman and this is certainly not a personal attack. I certainly don't know him, but I do know of my concern that his company, Behlen Manufacturing, of Columbus, NE, laid off 75 workers in 2002, 4 months after announcing plans for a $3 million factory in northwest Beijing. As Yogi Berra said: It's deja vu all over again.

This is the kind of headline we get every day now in my State. I don't want somebody heading up the manufacturing effort who is doing that. I want to see someone who has made a commitment to America and American jobs and to help American businesses stay here and be productive. That means fighting for a level playing field on trade policy, currency manipulation, and tackling health care issues. It also means focusing on those issues that help our companies be more competitive, more efficient.

Two of those programs, which I have been deeply involved in now for over 7 years, in the House and now in the Senate, are the Manufacturing Extension Partnership and the Advanced Technology Program.

Mrs. BOXER. Will my friend yield for a moment?

Ms. STABENOW. Yes.

Mrs. BOXER. She was right on target about this manufacturing czar, this potential nominee, who may be a very lovely gentleman; nonetheless, what a poor choice. We should be rewarding people and companies that create jobs for the American people.

You know, I wish the world well. I want Iraq to have democracy and the Haitians to have democracy. I want the people of Afghanistan to thrive. Lord knows, we spend enough money there to help them. What about people at home? Isn't that our first responsibility?

I am telling you, when I have to hear stories from constituents who say, Not only was I laid off and my job is going to be outsourced to a foreign country but I have to train my replacement—I say somebody may call that outsourcing; I call it painful. I call it wrong.

Mr. ENSIGN. Madam President, regular order.

Mrs. BOXER. My friend from Nevada wants me to get to the question and I will.

When this gentleman moves his jobs to China, does he not get a tax advantage? And are we not closing that loophole—it is the Dorgan idea—and does my friend support that, as well as the other items on this list?

Ms. STABENOW. Absolutely. This is an issue we have to address. We have to make sure our tax policy rewards those who create jobs here.

As the Senator from California was speaking about individuals, I would like to share for the record two of literally hundreds of letters I have received from people in Michigan speaking about their personal situation. This is not economic theory. These are real-life experiences of businesses and individuals in Michigan who are desperately impacted right now by our unwillingness to have policies that are good for American businesses and jobs at home.

One example: A Michigan resident from Union City, MI, writes:

> My wife and I own a small machine shop in Union City, MI. At one time, we had seven employees. Now my wife, my son, and myself are all that's left. Most of the time we don't even have enough work for ourselves. I watched as many of my friends and competitors have gone out of business and just closed their doors or filed for bankruptcy. While we fight the war on terrorism, if we are not careful, we will lose a much bigger war to the rest of the world without firing a shot.

This economic war, this need to fight for a level playing field for our businesses and workers, is every bit as serious to our quality of life as what is happening abroad.

One other part of a letter I will share, and this is from a resident in Clyde, MI:

> My husband, a 25-year mechanical engineer, designer of automotive special machines, has been laid off seven months. The company he worked for was bought by Fiat and within two years, began outsourcing the engineering to countries such as Bosnia where engineers will work for $6 hourly. Our workers can't compete with that obviously. The engineering department is now closed completely, everything outsourced. He is 55, laid off 2½ weeks short of his retirement vesting at 100 percent, can't draw social security and has been unable to find work. The market is flooded with engineers because outsourcing is happening all over . . . .
>
> If we want to maintain the quality of our environment and keep our families fed, we need legislation to address the inequities in manufacturing standards globally, balancing tariffs, something. Our workers can't compete with the salaries outsourcing provides from other countries . . . .

And maintain our standard of living. I hear this story every single day in my State.

Before my time is up, I wish to address a couple of very important provisions from which Michigan has greatly benefited, in addition to the issues on tax policy and health care, and the other provisions.

The Advanced Technology Program is exactly the kind of program we ought to be doing in this country and we have been doing, although we have been fighting to keep it going. Now the President this year has zero in his budget for this program, even though we hear from the administration rather than tackling issues such as smart trade policies and currency manipulation, they say we should focus on education and innovation. Great. But when we have the innovative programs, such as ATP, they have zero in the budget to fund them.

What does this do? It allows industries, such as the automotive industry, to come together and partner with our universities on programs and research projects that allow them to be more competitive. It allows them to do activities such that got a headline yesterday in the Detroit Free Press:

> Detroit-based automakers can take pride in a report on the latest issue of influential and assiduously objective Consumer Reports magazine that they have surpassed the Europeans in vehicle reliability.

I know some of the ways they do that have been to come together in projects funded by the ATP to allow them to create greater reliability, greater efficiencies, to compete in the world economy.

The Boxer amendment makes sure we continue this important partnership. It is partly funded by the Federal Government and partly funded by the businesses. It is critical.

Madam President, I ask for an additional 5 minutes from my esteemed colleague on the Budget Committee.

Mr. CONRAD. Madam President, I am happy to yield an additional 5 minutes to the Senator from Michigan off the resolution.

Ms. STABENOW. I thank the Senator from North Dakota.

In Michigan, 154 different businesses have been involved with 68 completed and ongoing partnerships. They are joint ventures as well as single business applicants. These are exactly what we hear from the administration we ought to be doing: partnerships, public-private sector, working with the universities, small investment, big results.

The other important part of this amendment that relates to moving forward and being positive is the manufacturing extension partnership. It is interesting; some of us have been involved with agriculture and cooperative extension. This program is based on that model of bringing together the best management practices, cutting-edge information, and working with manufacturers to increase productivity and efficiency to compete in a global economy. A very small amount of dollars is involved in this particular program, and it yields tremendous results.

In Michigan, the Manufacturing Extension Partnership funding is credited with more than $80 million in sales impact, more than $32 million in cost reductions, and through the regional offices they have assisted over 250 companies in my State alone in achieving certification to industry quality standards. This is important. It helps our small and medium-size manufacturers.

It has had, in the past, strong bipartisan support. I was deeply disappointed in the Budget Committee when I offered an amendment to restore funding for MEP and ATP, and we did not have bipartisan support. It was a party-line vote. We certainly can correct that today because I know in the past there has been good bipartisan support for this amendment.

I simply say to my colleagues this amendment gives us an opportunity in a very broad sense to focus on what is the most critical issue facing our families and our businesses today, and that is the ability to compete in a global economy in a way that keeps jobs and our standard of living in the United States.

There is not a business I talk with that does not say: Give us a level playing field and we will do the rest. We know if, in fact, we have the right kind of policies and the right kind of investments, we can do that.

This budget is all about choices. It always is. We are asking for a small change rather than investing, once again, in the success of those privileged few who have been getting tax cuts and are set to get the most tax cuts right on down the line; that we take a portion of that and invest it back in the health of our U.S. economy and the strength of the economy for the future and in the quality of life of every American, and in those policies that will allow us to have the strongest possible businesses, the best workers, and the most successful workers in the world, because the Boxer amendment gives us the ability to do what we need to do to put us on the right track for the future and to continue the quality of life we all want for our families.

I strongly support the Boxer amendment. I thank my colleague from North Dakota for yielding me time. I am very hopeful we will see a strong bipartisan vote.

Mr. BAUCUS. Madam President, I am going to have to oppose this amendment offered by the Senator from California, Mrs. BOXER, and I would like to take a moment to explain why.

The spending proposed by the amendment is for a good purpose. We can and should find ways to fund this important goal.

But I do not believe that we need to roll back tax relief that Congress enacted in 2001 to fund this amendment. I supported those 2001 tax cuts. Congress enacted them in a time of massive surpluses. Returning some of those surpluses to the taxpayer was the right thing to do.

We can find other offsets to pay for the spending in this amendment. Offsets such as the closing of corporate tax shelters currently pending in the JOBS bill come readily to mind. Before we start rolling back the tax relief that we enacted in 2001, we should ensure that we have taken all reasonable steps to obtain revenues through closing down abusive tax shelters.

And so, I shall reluctantly oppose this amendment, as I did the amendment offered by the Democratic leader, Mr. DASCHLE, the day before yesterday increasing veterans' funding—and for the same reason.

I shall look forward to working with my colleagues to find other offsets for their amendments—offsets that as much as possible avoid rolling back the tax relief that we enacted in 2001.

Mr. ROCKEFELLER. Mr. President, I rise in support of the amendment offered by my colleague from California. I urge all Senators to side with working Americans and vote for this amendment.

There has been considerable media attention recently to the dire employment situation in America, but this problem is so acute that I think it bears repeating. Eight million Americans are currently looking for work. Of these, nearly 2 million workers have already been unemployed for more than 6 months.

The Labor Department told us last week that almost 400,000 Americans are not even counted by the unemployment statistics because they have simply given up and left the workforce. In the last 3 years, the Nation has lost 2.5 million jobs—2.5 million.

This situation demands a response from the Nation's leaders that will actually help create jobs. Unfortunately, the Bush administration is failing this test. Instead of appreciating the crisis facing those who have lost their jobs, this administration presses ahead with failed economic policies.

The President continues to call for additional tax cuts tilted toward the wealthiest Americans. He opposes extending unemployment benefits to help families weather the difficult economy. And recently, his administration actually endorsed the shipment of jobs overseas. The budget resolution before us today makes the mistake of affirming the President's failed policies.

The amendment offered by Senator BOXER offers a starkly different direction. Her amendment includes a series of provisions that will respond to the employment crisis facing America by helping American companies stay here and add jobs.

First, this amendment creates a temporary tax break for businesses that create jobs. In order to help employers feel more confident in adding new workers to their payroll, this amendment would reduce the cost of hiring during this uncertain time.

In addition, the amendment would require the Federal Government, whenever possible, to hire American workers when spending taxpayers dollars. This is the least that we owe workers who are struggling to pay their taxes as they worry that their jobs will be shipped overseas.

The amendment also ensures that our Tax Code does not provide incentives for companies to move their factories to other countries. American businesses should not be allowed to avoid taxation on income from production that it moves overseas only to ship the goods back to the U.S. The amendment before us would eliminate this perverse incentive in our Tax Code.

In cases where corporate executives have determined that it is in the best interests of their companies to ship jobs overseas, this amendment requires that the companies show some respect for their workers and communities by providing sufficient notice before pulling up their stakes.

The amendment also calls for increased investment in programs that we know help our small- and medium-sized manufacturing companies benefit from new science and technological developments. Both the Manufacturing Extension Partnership and the Advanced Technology Program help our manufacturing companies globally. This amendment calls for adequate funding for these important programs.

These are just a few of the important provisions of this amendment. The message that this amendment sends is very simple: Congress understands that Americans need good jobs and we are prepared to support policies that will help create and maintain these jobs.

In my own State of West Virginia, hard-working people expect Congress to understand how devastating it is when factories close their doors and ship the jobs overseas. Since President Bush came to office, West Virginia has lost nearly 10,000 good manufacturing jobs.

Manufacturing jobs have traditionally provided a path to the middle class. They offer good wages, health care benefits, and pension plans. Having worked for years to bring new jobs to my State, I know how important it is to have public policies that will support job creation and protect American workers. That is what this amendment would do, and I urge my colleagues to support it.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, I yield myself such time as I may consume off the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Madam President, I thank the Senator from California for this very important amendment. It is becoming increasingly clear jobs are very much an endangered species in this economy. It is the No. 1 subject. When I go home and go from town to town, the No. 1 subject is economic opportunities, jobs, economic growth, and a deepening concern that we are not seeing the kind of economic growth and job opportunities all of us would like.

We saw yesterday in the very steep selloff in the stock market an increasing concern that economic growth is already stalling out.

We have seen in the jobs reports that job growth is badly lagging behind what all of us would like to see, and badly lagging behind what we have seen in other recessions.

On March 9 in the New York Times, Paul Krugman, the noted economist, had this headlined article: "Promises, Promises." The subheadline was "Wishful Thinking on Jobs." He went back and looked at the job history from 1999 to 2004 and then looked at the forecasts of the administration. He pointed out that back in 2002, the administration said by this time, or January of 2005, we would have 138 million jobs. Obviously we do not have 138 million jobs. We are at 130 million jobs now.

Then in 2003 they refined that estimate and lowered it substantially and said, Well, no, we will not have 138 million jobs; we will have 135 million jobs. Now this year they revised the estimate again and said, Whoops, we were wrong again. We are not going to have 135 million jobs; we are going to have 132.7 million jobs. As of the end of February, we are nowhere close to that. We are at 130.2 million jobs.

I will go to this chart that shows what has happened in every recession since World War II. In every one of these recessions, we have seen on average, 17 months after the business cycle peaked, the job recovery really took off. That has been the pattern of the nine recessions since World War II.

Let's compare it to what is happening this time. That is the black line. Here we are 36 months since the business cycle peaked and we still see almost no jobs recovery. Something is wrong and it is seriously wrong. We are now 5.4 million jobs short of the typical recovery going all the way back to World War II. Look at nine previous recessions. In those other recessions, the job market was soaring by this time. Not now. Something is wrong.

Even when the administration dramatically altered and lowered their projection of jobs by January of next year, they still said there would be 2.6 million more jobs by the end of 2004 than 2003. If that forecast is to come true, they will have to generate 520,000 jobs a month between now and the end of the year. The most recent month was not 520,000 jobs; it was not 420,000 jobs; it was not 120,000 jobs; it was 21,000 jobs and every one of them was a

Government job. There was no growth in the private sector. Something is wrong.

Mr. SARBANES. Will the Senator yield for a question?

Mr. CONRAD. I would be happy to yield.

Mr. SARBANES. The quote stating that they expected 2.6 million more jobs, was that by the Chairman of the Council of Economic Advisers?

Mr. CONRAD. That was Mr. Mankiw, the Chairman of the Council of Economic Advisers.

Mr. SARBANES. Is that the same administration official, high economic official, who told us in the annual report, the one President Bush signed off on, that outsourcing jobs was a good thing for America?

Mr. CONRAD. He did say that. It is a rather remarkable statement. He thought it was good for the country that jobs were outsourced overseas.

Mr. SARBANES. Yes.

Mr. CONRAD. I think he has regretted that remark, but that is what he said. He is the Chairman of the Council of Economic Advisers to the President. He is the same person who said there were going to be 2.6 million more jobs in 2004 than the jobs we saw in 2003. We can see that to achieve that goal, they would have to be generating 520,000 jobs a month. In February, they had 21,000, and not a single one of them in the private sector.

If we think about it, the President says his tax policies are working. If his tax policies were working, the jobs that would be generated would not be in the Government. The Government jobs are not developed by his tax plan. One would expect he would be generating jobs in the private sector, and yet if we look at February there were no new jobs in the private sector. The only new jobs that were created were Government jobs, and it was only 21,000.

By the way, they would have to add 128,000 jobs a month just to keep pace with the new people coming into the job market, just to stay even. In February there were only 21,000 new jobs, and none of them in the private sector—all of them in Government. As I say, that is 500,000 jobs short of the necessary number of new jobs that would have to be generated to meet the President's chief economic adviser's forecast.

Mrs. BOXER. Will my friend yield for a quick question before my colleague continues? I find this give-and-take very helpful.

I read an economic report that said although the jobless rate is officially at 5.6 percent, if one factors in the people who have given up, it is well over 9 percent. I wonder if my friend could comment on that, because he talked about how important it is to just keep up with the people who are coming in. What about the people who have given up?

Mr. CONRAD. If we just think in our own lives who do we know who is out of work, and I started thinking about my extended family and my close friends, and you start adding up the number of people who are out of work, in my own family there are people who are highly educated, have had really excellent careers who now are approaching 60 years of age, are out of work and finding it extraordinarily difficult to find new work. These are people with advanced degrees who have had very successful careers, and yet, because of outsourcing, because of this job weakness, they are out of work and cannot find new jobs. Not only do we see it in these statistics, but there is another statistic that also tells us something is wrong, and that is the wage growth of production workers is now starting to fall behind inflation. I think that is why people feel under so much pressure.

The Senator from California mentioned the number of people who have given up looking for work. Once one gets past a certain point, they are no longer counted as unemployed because they have been unemployed so long they are no longer included in the statistics. Being out of work is not just a statistic; it is not just a number on a page; it is a real person living a real life with a real family who has lost hope, who has lost an opportunity, who has lost a chance. That is why I think there is such growing concern about what is happening.

I had a gentleman who is an executive in the machine tool industry who told me, Senator, at this stage of a recovery our order books ought to be full. They are not. Something is happening that is structurally different than previous recoveries. He said he believes the jobs are being created, but the jobs are being created in China, in India, in Mexico. They are not being created in America.

That is why I have to say I believe the amendment of the Senator from California is important. We need to be much more aggressive and proactive at creating job opportunity in this country.

The Senator from California is offering amendments to provide incentives for businesses to create jobs in America. She is also paying for it, which is the responsible thing to do, instead of just sticking it onto the debt. I might remind my colleagues that the budget resolution before us runs up the debt by almost $3 trillion over the next 5 years, and at the worst possible time, right before the baby boomers retire.

Mr. SARBANES. Will the Senator yield on that point?

Mr. CONRAD. I will be happy to yield.

Mr. SARBANES. I say to the very able Senator from California, who earlier showed a chart about how the rate of people participating in the workforce has dropped, what has happened is you have 4.4 million workers today who are working part time for economic reasons. In other words, they want to work full time but they are only working part time.

When you compute the unemployment rate, they are counted as employed, not as unemployed, but really they are only partially employed.

Then you have another 4.6 million people who are discouraged and not currently looking for work who want to work. So they have been knocked out of the labor force as well.

Actually, there are 13.3 million Americans unemployed, and if you use the broadest measure that the BLS prepares, they report an unemployment rate of 10.3 percent. That is factoring in everybody. That is your broadest measure and that is not usually the figure that is focused on. Ordinarily, when the unemployment rate figure comes down, those other figures shrink as well. But it is not all moving in the right direction.

One of the reasons the unemployment rate figure has dropped just a little bit is because people are dropping out of the workforce and they are not looking for a job or they are being shifted from full-time to part-time work. I think that is one of the reasons why, as the able Senator from North Dakota points out, as he moves around his State, he is encountering more and more people who are concerned about the unemployment problem.

What the administration says is this particular rate is the unemployment rate, but that only tells part of the story. That is only part of the story. You have to, in effect, complete the story by looking at those who are working part time but want a full-time job. Of course, if they have been cut from full time to part time, that makes it more difficult to support their family.

Then there are the people who want a job but they are so discouraged and pessimistic that they have dropped out of the effort to find a job. They don't get counted in that unemployment rate.

Mr. CONRAD. I would say in response to the inquiry of the Senator, in terms of what I found at home, North Dakota has one of the lowest unemployment rates in the Nation. We have a very low rate of unemployment in our State. Yet job anxiety is growing there. Why? It is not because the unemployment rate is high; it is because good jobs are not available. It is because people who are more highly educated, more highly trained, are not able to get jobs commensurate with their training and education, and this is creating a whole level of people who are what we would call underemployed—underemployed based on their previous job experiences, underemployed in terms of their education and training.

I say to my colleagues, there was a cartoon in the New Yorker magazine that my wife drew to my attention the other day. The cartoon was two guys who kind of looked like deadbeat guys.

One guy says to the other: You know, you are out of work, aren't you?

He said to the gentleman: I have quit looking. I understand that's good for the economy.

No, it is not good for the economy. That I think is what is increasingly of concern to people. These are middle-class people, people with good education, with good training, who had good jobs.

I have a relative who was very advanced in a major corporation and his entire division was laid off. These are very highly skilled people, very highly trained, very highly paid. They found all of their jobs were being shipped to India. To add insult to injury, they were asked to go to India to train the people to take their jobs.

Mr. SARBANES. Will the Senator yield on that point? The President was in Ohio a day or two ago. Of course, Ohio has been badly hit. They have lost manufacturing jobs and they are being hard hit by, in effect, the flow of jobs overseas.

This morning's paper says we ran a record trade deficit last month of $43 billion. That monthly rate translates into well over a $500 billion annual trade deficit—a $½ trillion trade deficit. Of course, people say we are exporting goods and that is true. But we are importing far more than we are exporting, so much so, that we have set a record monthly trade deficit figure. That only again reflects the flow of jobs out of this country, overseas, exactly the point the Senator is making. In particular, it is the flow of some very good-paying jobs.

The manufacturing sector has been very hard hit. The Administration set up this post of an Assistant Secretary for Manufacturing. They waited 6 months, they didn't nominate anyone, and now it looks as if the person they are nominating they are not going to go through with because it turns out he was establishing a factory over in China and cutting back on jobs in this country. Can you imagine that?

I thank the Senator from California for her amendment. She is right on target. This is an extremely important amendment. The package she has put together is a very sensible package to try to address this problem.

Mr. CONRAD. I want to pick up on a point the Senator was asking about; that is, what are the implications of these massive deficits, both budget and trade?

The Senator mentioned yesterday we just got the latest month's trade deficit, $43 billion. Over a year, obviously, that would be a trade deficit of over $500 billion. At the same time we are running a budget deficit of nearly $500 billion.

This article from the Washington Post of January 26 caught my eye about the long-term effects of these massive deficits, both budget and trade. I think these are warning signals to us all. We are on a dangerous course with these massive deficits. This is what the article said: Currency Traders Fretting Over That Dependency.

The dependency they are talking about is these massive deficits, the trade deficit the Senator from Maryland referenced and the budget deficit.

The currency traders, those who trade currency for their living, are concerned over that dependency, the dependency on borrowing—

> They have been selling dollars fast and buying euros [that's the European currency] furiously. The fear is that foreigners will tire of financing America's appetites. Foreign investors will dump U.S. assets, especially stocks and bonds, sending financial markets plummeting. Interest rates will shoot up to entice them back. Heavily invested Americans will not be able to keep up with rising interest payments. Inflation, bankruptcies, and economic malaise will follow.

If we look at what has happened to the value of the dollar against the euro in the last 2 years, it ought to sober us up about these deficits. The dollar has declined more than 30 percent in value against the European currency in just the last 2 years.

I note Warren Buffett, who, as I understand it, is the second wealthiest man in the world, second wealthiest American as well, worth tens of billions of dollars, has now placed a major bet against the value of the U.S. dollar.

He has made a $12 billion bet against the value of the dollar in part because of the economic weakness of our country reflected in these massive budget and trade deficits.

I believe deeply we have to get serious about the budget deficit and the trade deficit. Why is it the Comptroller General of the United States is warning us these deficits are too large? Why is it the International Monetary Fund is warning us of the danger of these deficits, that they will put upward pressure on interest rates, which will choke off economic growth, which will choke off job creation, and leave us in an even weaker position?

Again, I say this is why I believe the amendment of the Senator from California is so important. It is an insurance policy to prepare for the economic weakness we are already seeing, the job losses we are already experiencing, and to help us prepare for what might yet come.

Mrs. BOXER. Madam President, will my friend yield for a question?

Mr. CONRAD. I am happy to yield.

Mrs. BOXER. I thank Senator SARBANES and Senator CONRAD for their enormous contribution in support of this amendment, which is really an amendment that is made up by the contribution of various members of the Democratic caucus, including Senator DODD, who has just come to the floor. An important amendment ensuring Federal contracts should not be outsourced passed this Chamber with flying colors. It is important. As a matter of fact, I met with my local elected officials and I asked, Do you have any idea whether any of your department jobs are outsourced? They looked at me, and said, I don't know. I will go back and make sure tax dollars aren't being used to create jobs overseas.

I thank my friend for his contribution to this amendment. I want to ask my friend a question. It has to do with this whole notion of the anxiety in this country. I think anyone watching this debate understands there are many reasons for people to feel anxious. They feel anxious when there are deficits as far as the eye can see. It is stunning to think back to 3½ years ago. There were surpluses as far as the eye could see. What mismanagement.

I say to my friend the shocking part is—and when I was an economics major a long time ago we thought when there were big deficits it would create a lot of jobs. Here we have a circumstance where you have runaway deficits, runaway debt, and no job creation whatsoever. In fact, there is a net job loss.

I want to say to my friend from North Dakota, when he talks about the budget deficit, the trade deficit, the twin deficits, there is also the job deficit. Now you have the tripling. I think my friend made a good point when he talked about people being laid off and then having to train their replacement workers. I met such a gentleman who was a newlywed. He had a job as a computer program manager and he had to train his replacement. I cannot tell you the look on this man's face. He is leaving my State. He thought for sure this could never happen in the Golden State. As we know, it is happening in California and all over this country.

This is a stunning moment in history. That is why this amendment is so important.

The budget document is in fact the priority of the country. If we turn our back on the people of this country who need to work for a living, we shouldn't be here, to be honest, because that has to be an essential part of what we do to protect the country, from the standpoint of defense, protect workers and make sure they have jobs.

I want to ask my colleague this point about the anxiety in the land. I think what is feeding it is when your next-door neighbor loses a job, or someone in your family loses a job, you begin to feel anxious. When your next-door neighbor loses his health insurance or pension, you begin to get anxious yourself. Then when you pick up the papers—I put a lot of this together last night, and you can read this. "Analysts Gloomy Over Job Creation"; "Growth In Jobs Is Still Sluggish"; "Job Growth

Falls Short of Forecast"; "Jobs Slump"; "Fewer Small Businesses Plan To Hire".

I am saying to my friend I think all of this is creating an anxiety in the land.

I will ask this question: Given everything we said—it is not rhetoric; it is reality; we have shown the numbers. They are real. We have talked about real families. We have seen what is happening. I ask my friend, is not this the time, if there was ever a time, we should say to the American people whom we care about and their families, their ability to have a quality of life, their ability to educate their children and send them to college, and their ability to look at the future with hope and optimism—wouldn't it be the moment we should be united as Republicans and Democrats and Independents here today in passing the amendment we put forward which not only will stimulate jobs directly but will stimulate small businesses by giving them the tax credits they deserve, so they can pay for health care insurance or create jobs? I ask my friend, is this not the moment in time to make this a priority for this Senate across party lines?

Mr. CONRAD. Madam President, I think it is undeniably the case. Something is very wrong with the economic strategy we are pursuing as a Nation. We see the evidence in the job market as clearly as it can be seen. The fact is we are now 5 million jobs behind what we would normally see in a recovery. Looking at the nine recessions since World War II—I will put that chart back up—this should tell us something is off the track. This is the average job recovery of the nine recessions since World War II that you can see 17 months after the peak of the business cycle peak. We see that, for the average for every one of the 9 major recessions since World War II, the job recovery started soaring 17 months after the business cycle peaked. In this case, we are 36 months past the business cycle peak, and we still do not see job recovery occurring.

At this point, we are now 5.4 million jobs short of the typical recovery for all of the recessions since World War II. If that doesn't tell us something is wrong—and the President's forecasts over and over have had to be revised on jobs. Again, this just appeared in the New York Times on Tuesday. In 2002, the President said by the end of this year there would be 138 million jobs in the country. He revised that in 2003 and said, Whoops, we were wrong in 2002. There will only be 135 million jobs by the end of 2004. At the beginning of this year, they revised their estimates again, and said, Whoops, we were wrong again. There are only going to be 132.7 million jobs by the end of the year, and even now we see we are nowhere close to that forecast. They have been wrong in 2002, wrong in 2003, and it looks like they are going to be wrong again. Their forecast, looking at this year, would have to add 500,000 jobs a month, and in February only 21,000 new jobs were created, a half million behind their forecast for that month, and not a single one of the new jobs is in the private sector. Every one of them was a Government job.

The strategy is not working. I don't know what could be more clear. I think it should tell us it is time for a new game plan.

I think what the Senator from California has offered is entirely constructive and it is the beginning of a plan. What this country needs is a plan. We need a program to go forward.

I thank my colleagues.

At this point, I will yield the floor. I have a colleague who has been very patiently waiting.

The PRESIDING OFFICER (Mr. ENSIGN). The Senator from Wyoming.

Mr. ENZI. Mr. President, I yield myself 15 minutes off the amendment. It should not take me longer than that to debunk the rhetoric I have heard on the budget for the last hour or the last hour and 45 minutes. It actually hasn't been on the budget. It has been an attempt to say they care more about jobs than the Republicans do. That is not true. There isn't anything that would bear that out. I have to get this in the RECORD because I am afraid the college students might read this stuff or may have been listening. If they use some of the information they heard, they could fail economics class. I don't want that to happen.

It has been very depressing listening this hour and 45 minutes. This is a 20-minute amendment. That is a long time on a 20-minute amendment. But it is the way this process works. It was 50 hours of time, equally divided, and each side can spend it however they want. We will probably yield ours back, portions of it, to be able to get to some final votes and get this completed.

This has been depressing and wrong. The budget document is a few assumptions that we use. Granted, it is based on a pile of documents, probably 20 pounds worth of paper. There are all kinds of ways to work the assumptions, but when it comes down to it, we set up a few targets. The specific committees get to arrange the bull's eye in that target for the priorities. Then, finally, the Appropriations Committee, if we ever get to that point, will be able to shoot the real bullets at the target, spend the real money.

This is not spending the money. This is coming up with some assumptions or some real numbers based on assumptions. You can use any assumptions you want, obviously, if you have been listening to the discussion.

If you listen to the discussion and what I have said about assumptions, you might think what they are trying to do is rearrange the deck chairs on the Titanic. It is not the real operation of the ship. What we are doing is rearranging the deck chairs on the deck of the finest cruise ship in the world.

I want to be a lot more positive about what the possibility is for this country and the people of this country and what they can do.

First, I want to know how we pay for it. Then I will go into the jobs part. We need to know how most of these amendments work, where they tell us how to pay. The way they will pay is a tax increase. They can say this is going to be a tax increase just on the rich. From the discussions I have heard around here, the Democrat definition of "rich" is anyone who makes enough money to pay taxes. If you pay taxes, worry about it; you are part of the rich.

They will say it is those who make over $1 million. It would not be the first time we did something against those who make more than $1 million. Congress once passed a law—this fascinates me—that said a CEO could not make more than $1 million in cash compensation. How could anybody possibly do that? If the American dream is to make money—I really hope that is not the American dream—but to make enough to provide for their family, to buy a home, and to contribute to their community, until we get this country going down that road, we have problems. Right now the emphasis is on how much you make. We try to limit that severely. We have done it with laws.

Now we are saying if you get rich, we will take part of your money, and we will put it into the economy where we think it will do the most good. It does not matter what you think. It does not matter that you have been investing and creating jobs. That does not count. The Government will do it for you. By golly, we have some great programs. These programs will create jobs. Yes, they do create jobs because we hire a bunch of people to run the programs, who tell the successful businessmen how to do it better, and a lot of it goes into regulation. I will talk more about regulation in a bit.

In order to do a tax increase, the Finance Committee has to do it. The only thing we have allowed so far are things that deal with the family. What we would be directing them to do is take away any family benefits.

Who are these rich? Some of them are the small businessmen. Every dime of revenue that is net revenue for a small businessman becomes part of their bottom line taxes for that particular year. They have to pay taxes on that. When they pay taxes on it, they are pulling out a third. Some would like it to be a half; some would like it to be three-fourths. What do they do with what is left? It does not go in their pocket. If their business is growing, it goes right back into the business. If we did not tax them as much, they would put more back into the business. When they put more back into the business, that grows jobs.

Do not tell me you will increase the economy by ripping money away from people who are creating jobs already.

Who cares about jobs the most? Who wants outsourcing? None of us want outsourcing. Why does outsourcing happen? Part of it will be because of a lack of confidence we create in the Senate. We have been talking for 2 hours now about the rotten economy and how jobs are being outsourced. We are creating an impression among every businessman out there that if he is not outsourcing his jobs, he is cheating his investors. Did anyone hear a message different than that? That is not right. That is absolutely not right. We do not have to have the jobs go overseas.

When we keep talking about a bad economy, we help create a bad economy. I am reminded of the 1960s ad that used to run on television that I think was partly responsible for pulling us out of a recession. It was a story about a guy who had a hot dog stand. People loved his hot dogs. So he added on to his hot dog stand. Pretty quickly he had more hot dog stands.

Then his son came home from college and said: Dad, don't you realize we are in the middle of a depression? How can you be expanding? He quit expanding and he laid people off and pretty soon he was out of business.

If we keep telling people they should not hire because it is tenuous, save your money, put it in the mattress, we will have a little problem in this country. We expect to be paid the highest wages in the world, and we expect to buy everything for the lowest prices. Where do you think you are going to buy those things from? I hope everyone out there does a quick inventory on what they are wearing and where it was made; what they are driving and where it was made; what they are listening to and where it was made.

You have a responsibility, as well. Government does not solve these problems. You solve these problems. You buy what is made in America, the jobs come back to America, and our people get paid more.

Make a law. Right, we can make a law that says you cannot send the jobs overseas.

Mr. SARBANES. Will the Senator yield?

Mr. ENZI. I listened for almost 2 hours to the other side ask a bunch of questions. I would like to get my statement completed in 15 minutes so we can move on to the vote. There should have been more fairness on give-and-take at the time. There was not. So I will reserve my time to finish my comments.

Another reason the jobs go overseas is regulation. What do we specialize in? Regulation. We pile on regulations that make it extremely difficult for businesses in the United States to do work in the United States.

Lastly, one of the reasons we lose jobs overseas is skills. There are jobs out there that are not being filled because American people do not have the skills to take those. The ones who do are already employed in that field.

I want to tell about a little company in Powell, WY. This is what I am hoping for the world. This little company in Powell, WY, makes tachometers, highly specialized ones for race cars, and very durable ones for heavy equipment that vibrates. The guy who designed these and originally made them had the parts manufactured in Taiwan and the construction of them, the manufacturing of them, in Taiwan.

He said: Now, wait a minute. Maybe I can reduce the error rate putting these things together and make more money if I use American labor and those great people in Powell, WY. He tried that, and he was right. Then what does he say? He said: Let's see, I am having to manufacture them over there, but they have an error rate. Maybe I could manufacture them here. And he is going to do that. Wyoming—the United States—is going to steal a job from Taiwan. That is the creative capability of the people in this country. That is what we can do if we give the people a chance.

On a more basic level, how can we give them the chance? We passed the Workforce Investment Act. We got it out of the Labor Committee, which is usually very contentious, unanimously. We passed it on the floor unanimously. Where is that now? Well, the House has already passed one, too, but we cannot do a conference committee on it. This would be training for 900,000 jobs a year, better jobs, more skilled jobs, the skilled jobs people overseas are getting because we cannot fill them.

What is happening to that bill? We are letting it languish because we will not appoint a conference committee. So what are the reasons given for not appointing a conference committee? Well, we don't trust the Republicans to invite us to the conference committee.

I want to tell you, I worked with the Senator from Washington State and the Senator from Massachusetts in putting together a bill that passed the committee unanimously. I worked with them to get it through this floor unanimously. You do not do that without some degree of trust. I have to believe they would trust me to do a conference committee and include them in the conference committee, and anything else is bunk. You do not have to do every bill, but I cannot believe we will talk about who cares about jobs the most in this country and not get a conference committee on the Workforce Investment Act that will train 900,000 people a year for better jobs.

Mr. President, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, how much time would the Senator from Connecticut like?

Mr. DODD. Three minutes.

Mr. CONRAD. Mr. President, I yield 5 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. DODD. Mr. President, I thank my good friend and colleague. I know there are other Members who want to be heard on these matters. I will try to be brief.

Mr. President, I will show you a chart. I have great respect for my friend from Wyoming. He is a knowledgeable and good Member of this institution, and he cares deeply about these issues.

I cannot help but note, of course, out of all the States—if I am wrong maybe someone will correct me—one of the single lowest job loss of the 50 States has been the State of Wyoming, according to the analysis we have on job losses in manufacturing.

Mr. President, 1,200 jobs have been lost in Wyoming. I am sorry about those losses, but when you compare that to States of similar size—neighboring States—Utah has lost 15,000, Colorado has lost 38,000, Texas has lost 156,000, Maine has lost 15,000. I am not even mentioning large States. Iowa has lost 26,000, Missouri has lost 40,000, Arkansas has lost 29,000, Oklahoma has lost 26,000.

The point is, we are watching a hemorrhaging on jobs. No one likes to recite all the bad news, but reality says you have to know the facts if you are going to set policy.

Unfortunately, no matter what the conditions are in this country, the administration has one answer: cut taxes for the wealthy. When we had a surplus: cut taxes. When we are in a recession: we need to cut taxes. Job growth is weak: we need to cut taxes. It is a Johnny-one-note, no matter what the economic circumstances are.

All of us who are involved in supporting Senator BOXER's amendment are pointing out that this is maybe the critical issue at this hour. People across the country are worried deeply about job creation. They are worried about jobs leaving the country. They are worried about companies making that decision, and doing so either through tax incentives, where we actually encourage, through the Tax Code, to outsource, or actually using Federal taxpayer money.

I express my appreciation to 75 of my colleagues in this Chamber who, last week—Democrats and Republicans—

joined on the amendment I offered that would prohibit the use of Federal taxpayer money to subsidize the outsourcing of jobs.

If a private company, with their money, wants to outsource, I cannot do much about that. But I do not believe you ought to incentivize that decision by offering someone a tax break to do it or providing direct Federal subsidies to do it. We think we ought to be doing everything we can to encourage job growth at home. That does not make you an isolationist. That does not make you a protectionist. It just indicates to us how serious we think this potential problem is.

It is not just us who say this. I would take note that a few days ago, in the Washington Post, in a front-page article was the story of Clintwood, VA, and the loss of 270 jobs. Does anyone think a year or 2 or 5 years ago the loss of 270 jobs in Clintwood, VA, would have merited a front-page story in the leading newspaper in this city or area? I doubt it. Yet the Washington Post, obviously, has some sensibilities about what people care about in this area. And the loss of 270 jobs in one small town in Virginia, that got sent overseas by Travelocity, is yet one more piece of evidence that people are worried about what is going on in this country, particularly when it is occurring because we encourage it through our Tax Code or through direct subsidies.

I am glad the President finally decided to suggest we have a manufacturing czar. But to fail to check to find out if the person you are apparently going to nominate is involved in exporting jobs to a facility in China indicates a lack of sensitivity about this issue. In fact, the other day I read where the administration now is going to do everything it can to fight the efforts some of us are making to slow down the outsourcing of jobs in the country, particularly when outsourcing occurs through Federal subsidies and through tax incentives.

We do not think the Federal Government ought to be in the business of promoting job exportation to another country or suggesting that somehow it is all the same, that it does not make a difference if you have the loss of a product being produced here or a service being performed here and it is now going overseas, watching someone's job go overseas.

You cannot stop it in every case. We are realists. We understand that. But Senator BOXER has put together a very good amendment which, in part, highlights the outsourcing issue. She goes into other areas as well.

The Manufacturing Extension Partnership Program is being cut by 63 percent. I listened to the President the other day say: I am against outsourcing. What we need to be doing is investing——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DODD. Mr. President, I ask for 1 additional minute.

Mr. CONRAD. Mr. President, I yield the Senator 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DODD. Mr. President, I just would note that the Manufacturing Extension Partnership Program is a significant program that helps U.S. manufacturers, small manufacturers with everything from plant modernization to employee training. This cut means that 11,000 small manufacturers are not going to receive services, and 28,000 employees will either be laid off or not hired.

So even if you agree with the President that we ought to not be talking about outsourcing, not be talking about manufacturing job loss, that we ought to be investing in small businesses, what is he doing when he cuts 63 percent of the budget for the Manufacturing Extension Partnership Program? That is a complete reversal of his rhetoric on these issues.

He also tries to eliminate entirely the Advanced Technology Program, which spurs cutting-edge research in solving manufacturing problems and increasing competitiveness. Here we are eliminating that program altogether and slashing by more than 50 percent the Manufacturing Extension Partnership Program.

That is what we do not understand. He is opposed to doing anything about outsourcing. He is opposed to doing anything to provide tax relief for small manufacturers who need help. And he is going to cut the budget in the two areas that can make a significant difference to our manufacturers.

I applaud the Senator from California for offering her amendment, and I urge my colleagues to support it.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I yield to the Senator from Texas such time as he desires on this amendment.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, I want to talk for a few minutes about the Boxer amendment, which would raise taxes by $24 billion, and to say why I think this amendment is a miscalculation. Unless, of course, the intent of this amendment is to try to convince the American people that the American economy is in the tank and offers no opportunity, no hope—something this economy has always provided to American workers, and I believe still does today.

If, in fact, our colleagues across the aisle believe the economy is doing so badly, I wonder why it is that homeownership is at an all-time high in this country. Interest rates are low. Productivity is booming. The gross domestic product is growing by leaps and bounds.

If the economy was really doing badly, which it is not, the last thing you would want to do with a slow economy would be to raise taxes to make it harder for the job creators in this society to create new jobs. I would just ask all of my colleagues to consider what is being proposed here. I believe it is simply the wrong answer to the challenges that confront us when it comes to encouraging further job creation and an economy which continues to be the envy of the free world.

The amendment we are discussing would do exactly the wrong thing. It conflicts with every free market principle this country stands for. We know that entrepreneurs, the risk takers, those who invest their money to try to create a profit for themselves and their families, are the ones who create jobs. When they have more money to invest in their businesses, they create those jobs.

Once again, this amendment is the best indicator that there are still those who believe government really does know best, who want to raise taxes on the American people by $24 billion and throw it around at government's whim and then expect new jobs to somehow miraculously appear.

Let's just step back for a moment and see what the whole picture reveals. Sometimes it seems the world is moving faster every day. New technological advancements have given citizens of the 21st century access to instant information; on-demand services are available everywhere. We have an ability to communicate faster and more comprehensively than ever before in the history of the world. Yet with these technological advancements and enhanced abilities, many companies have come to the conclusion that when it comes to manufacturing and customer assistance and many other areas, location no longer matters. There is not a day that goes by that there isn't another article, another report about a company outsourcing some facet of what they do to another country, to another part of the globe.

Sometimes these changes are noticeable to every consumer, and sometimes not in a positive way. Indeed, what we see with this amendment, and the comments made in the Chamber, demonstrates the backlash that sometimes occurs when jobs leave our shores and go to other countries.

The fact is, there is a real and discernible benefit to consumers from the lower prices that come from efficiencies in labor costs. The dollars American consumers spend on products and services buy them a lot more than ever before.

Yet sometimes these changes are hardly noticeable at all. If a small part of the newest computer is now made in India instead of Abilene, TX, what does it matter to the consumer? It may not matter to them, but it matters to Abilene and it matters to the people who live and work there.

Yet even as outsourcing continues to be a subject of discussion, even as some of my colleagues in this body throw it out as a trend that is bad for America, we all seem to have forgotten that it also runs the other way.

I am proud to say that Texas is one of the leading beneficiaries of insourcing, which is just a fancy way of saying "out-sourcing by foreign companies on American soil." According to the Texas Department of Economic Development, Texas benefits from more than $110 billion in foreign direct investment in the state. There are 430,000 Texans on the payrolls of foreign corporations. There is approximately $5,000 in foreign investment in our state economy per Texan. That is a good thing. That helps create jobs for hard- working citizens of my state.

But I believe we are missing something important in terms of the overall context of the debate. The economy is clearly on the right track back to recovery. The latest numbers bear that out no matter how much some would try to disparage the booming economy and what is reflected in those numbers. That recovery of the economy will take care of the joblessness concerns we all share, regardless of partisanship, regardless of any other issue. Yet we are facing another problem in this recovery, and this recovery is an opportunity for us to face the problem head on: The real motivation behind outsourcing, behind the desire of a manufacturer of a product or a service to find efficiencies in the way they operate so they can grow and continue to prosper and hire more people here in America has to do with the labor force.

Given our advanced technological capabilities, why would a business pay someone in America to do a job when they can go to another country where there is no minimum wage or labor laws or other restrictions on what they do? The conventional wisdom is that no business will choose America merely out of loyalty, that instead they will study the numbers and realize it makes more economic sense to run their telephone banks in Malaysia, for example, instead.

In response, some in this body and elsewhere have concluded that the answer is more job training and funding for education and advanced learning programs. Statistics suggest more and more people are taking advantage of these educational and work-related resources.

Federal Reserve Chairman Alan Greenspan recently commented:

> Generic capabilities in mathematics, writing, and verbal skills are the key to the ability to learn and to apply new skills and thus to earn higher real wages over time.

The PRESIDING OFFICER. Time on the amendment has expired.

Mr. NICKLES. Mr. President, I yield to the Senator such time as he may consume from the resolution to complete his statement.

Mr. CORNYN: I thank the Senator from Oklahoma.

Alan Greenspan said:

> Generic capabilities in mathematics, writing, and verbal skills are key to the ability to learn and to apply new skills and thus to earn higher real wages overtime. The avenues to acquiring those skills are many, and one effective tool we have developed to facilitate the transition to a new job or profession has been our community colleges. These two-year institutions have been in the forefront of teaching the types of skills that build on workers' previous experiences to create new job skills. Currently almost one in three of their enrollees are age thirty or older, a statistic that suggests that these individuals have previous job experience.

I support the job training and community college initiatives the President has endorsed in his State of the Union Message and which Alan Greenspan just referred to. They are a good and positive thing. They provide much of the answer to the global competitiveness we now find with globalization. I believe much of the instruction they provide ought to have been given at the lower levels, but we can't go back and change that. As it is, these programs give many Americans the opportunity to change their job track midstream and to pursue greater dreams and more fulfilling careers.

But that is not enough. If we in Government fail to acknowledge what the outsourcing crisis truly means, if we think more job training alone is a sufficient answer to the problem, we are just fooling ourselves, and we haven't addressed the real problem.

As Ronald Reagan once said:

> We've gone astray from first principles. We've lost sight of the rule that individual freedom and ingenuity are at the very core of everything we've accomplished. Government's first duty is to protect the people, not run their lives.

In America today, we are seeing that all too clearly.

All too many of our states have reached the point where they are simply no longer friendly toward the free market. Why should a business choose to stay in America where they will have to deal with ever expanding red tape and regulation, where they face exponential legal risks in states without real commonsense tort reform and class action reform, where they are virtually guaranteed to pay higher and higher taxes every year?

No, raising taxes won't solve this problem. Job training and educational programs alone won't solve the problem either. The knee-jerk response of many in government, to take more money from the taxpayers so we can throw it around, doesn't work.

The only way we will solve the problem is when we in the Federal Government work in concert with those in the states to effect fundamental change in our government's attitude toward business and the free market—not just for the benefit of business or indeed for an abstract free market, but for the benefit of everybody in this country who wants to work and wants to find a job. We must once again value the principles of free trade and competition. We must encourage success and innovation, and not punish it. We must renew that old American conviction that protecting freedom, not restricting it, is the highest goal of government.

The vision of America as a free market paradise is a very real one, not just the stuff of the so-called overexuberant economists. I strongly believe we have the best workforce in the world, the most dedicated people you can find. We have in this country innovators and thinkers, we have doctors and scientists, and we have all the resources they need. We have people who started businesses in their garage and now create things that change the very way we live and communicate. We have young people who are ready to follow in their footsteps. That is, simply stated, the foundation for a thriving free market economy. It is all right here.

We still hear the voices of those who say the bureaucrats really know best, and government will take care of you if you will give us more and more of your tax dollars. But the truth is the people across this land know that government doesn't know best, and they know government cannot create prosperity; that instead prosperity is created by the entrepreneurs and risk takers, and the people who work hard every day to provide for their families.

The truth is, instead of raising taxes, we ought to reduce the tax burden on the American people by eliminating the tax increases that come with the expiration of the tax cuts this Congress previously passed. There are people, some of whom are in this very body, who still honestly believe we can sue, tax, and regulate our way to economic growth and prosperity.

Finally, I want to say I realize we are in an election season, and there are some who have pinned their political prospects on America doing badly, on unemployment remaining high. When they see that the facts are against the trend they want, that the economy is actually doing better, their only hope for their political prospects is to talk about a "jobless recovery." Well, the economy is recovering; it is creating jobs. But it will not continue to do so if we reverse the policies that have brought us to where we are today. We must ensure that the taxpayers keep more of the money they earn, so they can save it or invest it in a small business—which is a great job-creating engine in this country—the small businesses that proliferate in this Nation, which provide jobs by huge numbers to the American people.

I simply believe we should not let ourselves lose confidence in what has brought us here today. There are those who think they will benefit politically from trash-talking the American economy, from causing a loss of confidence by the American people, from saying that we are no longer the land of opportunity and freedom. But the truth is there are people who are dying to come into this country because they see this nation as their only hope and only opportunity. There are not people knocking down the doors to try to leave this country, because the truth is people are voting with their feet. They understand America remains the last, best hope of freedom-loving people everywhere.

For those who want an opportunity to achieve part of the American dream in the free market system we have in this country—not a government command-and-control system, but a free market system is one that best allows them to achieve those hopes and dreams—they recognize that system is what we need to preserve, not defeat. The effect of passing this amendment and others that would raise taxes on the American people would defeat that system.

I hope we don't listen to the nay-sayers, that we don't believe those who would have us lose confidence in our economic system, because I think that provides the best opportunity for a bright future for all the American people.

With that, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I love everybody in this Senate, but I want to finish this bill this week. My guess is we have a few amendments in the pipeline and we have considered one amendment today and we are not quite finished with it. That is not the kind of discipline we need to finish it. I ask, how much time remains on the resolution on both sides?

The PRESIDING OFFICER. Six hours 50 minutes for the Senator from Oklahoma, and 5 hours 39 minutes for the Senator from North Dakota.

Mr. NICKLES. I plan on yielding back some time, as I have said. Unfortunately, we started this amendment at 9:30 and we have been on it now for a couple of hours. It is an interesting amendment, but it is not that interesting. I am troubled. I have 6 hours and 50 minutes. Mr. President, I yield back 4 hours off of our time on the resolution.

The PRESIDING OFFICER. The Senator has that right. That time is yielded back.

Mr. NICKLES. I plan on yielding back additional time. I came in today thinking we should have 10 minutes on each side on every amendment today. I don't want to cut people off from being able to debate their amendments. My colleague from North Dakota is correctly wanting to have time agreements on a multitude of amendments. I am willing to enter into those, but I am insisting on being able to see the amendment. I know my colleague from North Dakota is trying to get them. A lot of people say I want a time agreement, but they are rewriting the amendment as we speak. That is not fair. We need to have both sides be able to analyze the amendments so we will know what we are debating, especially if we are going to be in a very truncated timeframe. If I am debating an amendment and I say it increases taxes by $24 billion, I want to be accurate. I actually insist on accuracy. It bothers me if we are not accurate.

Mr. President, I am going to speak on the Boxer amendment for a moment. We had a time limit of 20 minutes on each side on the Boxer amendment. It was breached very significantly primarily on the Democrat side, and maybe a little bit on our side. This is an amendment that says we want to do some things to create jobs domestically, but in effect it says we want to sock it to the people creating jobs by increasing their taxes.

Then it says we will give tax credits if you do such and such. It is a tax-spend amendment, $24 billion of increased taxes. Incidentally, the taxes we are assuming for next year—and this has an $8 billion tax increase for 2005. What we are assuming in the budget for 2005 is $2.6 billion for child credit and $5.4 billion on marriage penalty. So this could eliminate the child credit and the marriage penalty. I find it to be a very flawed concept.

Also, I can't help but think the repercussions they would have if we actually did some of what is contemplated in this amendment. We are going to sock it to companies that have runaway plants. I wonder if "runaway plants" is defined by Microsoft or by Intel or General Electric or some of our great multinationals we have in this country. If we are going to tax them at rates that are greatly to the disadvantage to their competitors, this amendment is more or less saying we would like your headquarters, Intel, to be in China, or maybe we should have Microsoft's headquarters in Japan. Our Tax Code actually encouraged the location of Chrysler to be in Germany, and this amendment would make it worse: Let's export jobs and headquarters overseas. This may be well intended, it may be a political amendment, but its economic consequence would be a disaster.

The Finance Committee is working on a FSC/ETI bill that has broad bipartisan support. The essence of it is to be WTO compliant and also to assist manufacturers. I do not happen to agree with preferential corporate rates for manufacturers vis-a-vis other corporations, but it has a lot of positive provisions to help make us competitive with particularly our European allies. That bill has bipartisan support. We ought to pass it.

I think the proposal that has been discussed for the last 3 hours would be very detrimental. It is a big tax increase, and since the only tax change we are contemplating is keeping the tax laws as they are for American families, I am afraid this will be a big hit on American families.

At the appropriate time, I will urge my colleagues to vote no on the amendment.

Mr. President, the next order of business is the Senator from Maryland, Mr. SARBANES, to offer an amendment. I ask unanimous consent that we set the Boxer amendment aside and consider the amendment of Senator SARBANES.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Will the Senator yield?

Mr. NICKLES. Not on my time.

Mr. SARBANES. I was going to try to get a time limitation because the Senator seemed anxious to do that. I am happy to try to cooperate in that effort. Would 30 minutes equally divided be acceptable, 15 minutes on a side?

Mr. NICKLES. That will be more than acceptable. I ask unanimous consent that there be 30 minutes equally divided on the Sarbanes amendment.

Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Might we also lock in the Dorgan amendment? We have a copy of that amendment, and we have gotten an agreement on our side to have 20 minutes equally divided on that amendment.

Mr. NICKLES. I will agree with that, Mr. President. I amend my request to include the Dorgan amendment to be 20 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The pending amendment is set aside, and the Senator from Maryland is recognized.

AMENDMENT NO. 2789

Mr. SARBANES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maryland [Mr. SARBANES], for himself, Mr. DODD, Mr. JOHNSON, Mr. BIDEN, Mr. LEVIN, Ms. MIKULSKI, Mr. CORZINE, Mr. KERRY, Ms. STABENOW, and Mr. ROCKEFELLER, proposes an amendment numbered 2789.

Mr. SARBANES. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To fully fund the FIRE and SAFER Acts and reduce the debt by reducing the tax breaks for the top one percent of income earners)

On page 3, line 9, increase the amount by $429,000,000.

On page 3, line 10, increase the amount by $1,430,000,000.

On page 3, line 11, increase the amount by $858,000,000.

On page 3, line 12, increase the amount by $143,000,000.

On page 3, line 17, increase the amount by $429,000,000.

On page 3, line 18, increase the amount by $1,430,000,000.

On page 3, line 19, increase the amount by $858,000,000.

On page 3, line 20, increase the amount by $143,000,000.

On page 4, line 20, increase the amount by $429,000,000.

On page 4, line 21, increase the amount by $1,430,000,000.

On page 4, line 22, increase the amount by $858,000,000.

On page 4, line 23, increase the amount by $143,000,000.

On page 5, line 3, decrease the amount by $429,000,000.

On page 5, line 4, decrease the amount by $1,859,000,000.

On page 5, line 5, decrease the amount by $2,717,000,000.

On page 5, line 6, decrease the amount by $2,860,000,000.

On page 5, line 7, decrease the amount by $2,860,000,000.

On page 5, line 11, decrease the amount by $429,000,000.

On page 5, line 12, decrease the amount by $1,859,000,000.

On page 5, line 13, decrease the amount by $2,717,000,000.

On page 5, line 14, decrease the amount by $2,860,000,000.

On page 5, line 15, decrease the amount by $2,860,000,000.

SEC. . RESERVE FUND FOR FIRE ACT AND SAFER ACT PROGRAMS.

The Chairman of the committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $1,430,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, amendment, motion, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of the levels provided in this resolution for firefighter assistance grant programs such as those authorized by Title XVII of the FY 2001 National Defense Authorization Act (P.L. 106–398) and by Section 1057 of the FY 2004 National Defense Authorization Act (P.L. 108–136) and are administered by the Department of Homeland Security.

Mr. SARBANES. Mr. President, as I understand it, I have 15 minutes.

The PRESIDING OFFICER. That is correct.

Mr. SARBANES. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. SARBANES. Mr. President, I offer an amendment today to fully fund the Assistance to Firefighters grant program, and to fully fund the Staffing for Adequate Fire and Emergency Response (SAFER) Act, which, of course, provides for additional staffing.

As a Co-Chairman of the Congressional Fire Services Caucus, I am pleased to offer this amendment. I certainly underscore and recognize the significant role which my colleague, Senator DODD of Connecticut, has played on both the firefighter grant program and the SAFER Act.

In his budget for 2005, the President requested only $500 million for the FIRE grant program. This is a cut of close to $250 million, a third of the funding for this program from the levels established by the Congress over the past two fiscal years. The fully authorized amount for the current fiscal year is $900 million, and this amendment would seek to take the program to that level.

The FIRE grant program is a competitive grant process that funds firefighting equipment, firefighting vehicles, fire prevention, and safety programs. Unlike many other programs directed toward first responders, these funds go directly to local communities and fire departments and do not pass through the States.

The Staffing for Adequate Fire and Emergency Response Act, the SAFER Act, would provide 4-year grants to career and volunteer fire departments for firefighter hiring. The Congress authorized this program in the fiscal year 2004 Defense Authorization Act at a level of $1.03 billion, and this amendment seeks to fund that program at the authorized level.

Regrettably, the budget the President sent to the Congress, despite the fact he signed the legislation contending the authorization of the SAFER Act, contained no money; indeed, no mention of it, as I indicated before, while the budget he sent to the Congress with respect to the firefighter grant program reduces that program from the previously appropriated amounts in two successive fiscal years of approximately $750 million to $500 million.

The need for both of these programs is very strong; indeed, I would say overwhelming. In December of 2002, FEMA and the National Fire Protection Association jointly released the congressionally authorized Needs Assessment of the U.S. Fire Service. The results of this report were startling. Among its findings, the report noted that an estimated 57,000 firefighters lacked protective clothing; half of all fire engines are at least 15 years old; and approximately one-third of firefighters are not equipped with essential self-contained breathing apparatus, one of the most important and basic safety devices for any firefighter.

The need for the SAFER program is equally evident. OSHA has set a standard that dictates that four firefighters are needed to respond to any structural fire, two inside the structure and two outside. The FEMA-National Fire Protection Association Needs Assessment estimates that, on average, close to half of all fire departments in communities of less than 1 million people are forced to respond to emergencies with fewer than the four firefighters mandated by these standards.

The SAFER Act would go a long way in ameliorating this severe staffing shortage and would provide funding for 75,000 new firefighters over the next 7 years.

This amendment, which provides the full funding for both the Assistance to Firefighters grant program and the SAFER Act, will go a long way in preparing our Nation's firefighters for the hazards that face them.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SARBANES. I yield myself 1 additional minute.

Mr. President, I say to my colleagues, it is all well and good to run ads on the television that show our firefighters meeting their duty, carrying out their heroic responsibilities. But if we really want to honor our firefighters we need to fund these programs, both to give them the staffing and to provide them the equipment they so desperately need.

I urge my colleagues to support the amendment.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). The Senator from Mississippi.

Mr. COCHRAN. Mr. President, in response to the suggestion of the Senator from Maryland, I point out that this amendment not only increases spending but it raises taxes. It is a specific assumption that tax levels will be increased and spending will be directed with those funds to a homeland security function involving first responders, firefighters.

The budget resolution submitted by the President to the Congress asks for $3.6 billion for fiscal year 2005 for first responders. During the appropriations process, the Congress is going to determine the exact level of funding for each program within that general broad category in the budget resolution, but this resolution before the Senate approves and suggests the President's requested level is appropriate and that ought to be the level the Senate approves.

Since the events of 9/11, Congress has responded with significant and generous support for our Nation's firefighters and other first responders. Over $1 billion has been specifically appropriated for direct assistance to firefighters since fiscal year 2002. In addition to specific Federal assistance, States and local communities can use the funds available through the Office of Domestic Preparedness to support the needs of firefighters at the local level. Over $5.7 billion has been appropriated to the State and local grant program through the Office of Domestic Preparedness since fiscal year 2002.

For our most threatened communities, the funds available through the high-threat, high-density urban grant program can also be used to assist firefighters. Over $1.4 billion has been appropriated to this account since fiscal year 2003.

I do not think Congress has ignored the interests of the first responders, nor has this administration. I know of numerous announcements that have been made in my State, as there have been in many other States, of specific grant allocations throughout the States to the local communities that have applied for funds, that have tried to upgrade equipment, and improve training opportunities. This is all for the purpose of making sure our homeland will be protected in the best possible way by those who are on the front lines; that they will have what they need to do their jobs, and that they will have the training to do it safely.

This is a very important matter, and I think not only has the Appropriations Committee responded through the new Appropriations Subcommittee on Homeland Security, but so have the authorizing committees that have made available these new programs, specifically authorizing them for the benefit of those at the local level who are firefighters and who are called upon to be the first person on the scene in the case of a disaster, whether it is a natural disaster or whether it is a disaster that is occasioned by the attack of terrorists.

Like all programs, we are going to continue to listen to those who have the obligation of meeting these responsibilities to be sure they have what they need to do their jobs and to carry out their mission successfully. We are working hard to assist them to the best of our ability.

Any Senator has the opportunity to offer an amendment to a budget resolution to increase spending for any popular program, but at some point we have to recognize that the committee of jurisdiction has a responsibility, too. That is the responsibility to make the tough decision that it is going to be $1 billion for this program, or $2 billion for that program.

These are not easy decisions. But this committee has gone through the process of reviewing the request from the administration, listening to all of the suggestions made in the committee, weighing our responsibilities to provide the moneys we would like to provide and then providing the moneys available to us through the tax process that we can expect to be available for allocation.

This is a tough job. It is not a fun job. I respect the work that has been done by the Budget Committee. As chairman of the subcommittee that has jurisdiction over the funding of the activities of the Department of Homeland Security, we try to bring to the process the same kind of diligence and sensitivity to the needs of those who will receive the funds but also to the budget process and to the integrity of the process so we do not undermine our capacity to get our economy moving again and to continue to grow.

Working within the current fiscal constraints and trying to exercise good judgment, we must set priorities. I urge the Senate to reject this amendment and make the choice to support the Budget Committee.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 8½ minutes.

Mr. SARBANES. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. SARBANES. Mr. President, the budget submitted by the President reduces funding for grants to local police, fire and emergency medical agencies from $4.2 billion in the current fiscal year to $3.5 billion in fiscal year 2005, a very substantial cut.

This cut comes despite a June 2003 report entitled "Emergency Responders Drastically Underfunded, Dangerously Unprepared," issued by a commission headed by our former colleague, Senator Warren Rudman of New Hampshire. The title of that report, again, is "Emergency Responders Drastically Underfunded, Dangerously Unprepared."

The President's budget for the firefighter grant program, which provides this badly needed equipment, asks for $500 million. We appropriated $750 million in this year's budget and in the previous year's budget. Yet the President is cutting that figure by one-third. The President's budget provides no funding for the SAFER Act, which this Congress passed last fall, and which provides State, local, and regional agencies with funds to hire firefighters, paramedics, emergency medical technicians, rescue workers, ambulance personnel, and hazardous material workers for local fire departments.

These fire departments desperately need these funds. The question is then, as the Senator pointed out, how will they be paid for? Well, the tax cuts that have been received by the top 1 percent are $45 billion annually. A small percentage of that in the single numbers shifted from that purpose to this purpose would enable us to fund these firefighter programs at the fully authorized level.

These are questions of choice, and the choice very directly put by this amendment is whether a portion of these outsized tax reductions for the top 1 percent of the population ought not to be shifted to enable our first responders to get the equipment and staffing, and get the training which they need in order to handle the situations that face them. It is not a sufficient tribute to firefighters, in my judgment, to show them on TV ads carrying out their heroic responsibilities and then to fail to provide them with the resources they so clearly need in order to be able to do the job.

I urge my colleagues to support this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. There remain 9 minutes on the majority side and 4 minutes 18 seconds on the minority side.

Mr. COCHRAN. One other point I should have made when I was responding to the remarks of my good friend from Maryland was he suggested the administration has somehow failed to fund the so-called SAFER Act. This is legislation that was adopted and signed into law last year, at the end of the year, almost, November 25, 2003, by the President. The budget process for fiscal year 2005 had already begun. The budget submissions were on their way, in fact, through the pipeline. Given there will be an opportunity to review the new authorization that was contained in the SAFER Act, which was actually a part of the Defense authorization bill, it will be reviewed as we go through the next budget cycle and it may be reflected as a specific request for funding next year. I don't want to make the presumption as to what the administration's decision will be regarding specific amounts for this purpose. It was simply premature, I think, to suggest the administration has failed to fund the SAFER Act. That is the point.

I mentioned all the other authorizations the Congress has approved and the requests for funding the administration has made for additional programs. I don't think anyone who has been reading the papers or following the progress of the financial commitments that have been made by the Federal Government to State and local communities for first responders can ignore the fact that there has been a gigantic infusion of funding for these purposes. Local volunteer fire departments, communities that have training facilities and those who do not, have been able to get money to send people for specialized training. Some communities have been able to obtain equipment they had never had an opportunity to purchase, and wouldn't, under the tax structures of these towns and cities, have a chance to obtain. The response has been enormous.

You can say: Well, more needs to be done.

My answer is: More will be done. We are continuing to look for ways to support the activities that are important at the local level to equip our first responders. Firefighters are certainly included. I am proud of the aggressive way the administration has moved to respond and to act in a generous way, and to provide the requests and the support for these training and equipment activities. We have special funds allocated to high-threat urban areas. I mentioned that over $1.4 billion that has been appropriated to that grant program since fiscal year 2003.

I am hopeful we can continue to see the Government respond in a thoughtful way to make sure we continue to set the priorities that need to be set and support those who are responding to save lives and protect the citizens of this country. I am proud of the work we are doing, too, here in the Congress to support these efforts. There is not enough money to satisfy some people, and there never will be. But working together with local communities and State governments to identify the highest priorities, to make sure we allocate the funds in a fair and reasonable way is our obligation. I think the Budget Committee has done a good job sorting through all the requests and the suggestions that have been made by the Senate for this resolution. I think we should applaud them.

I support the committee and hope the Senate will reject this amendment.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I again underscore the tremendous need for these resources in order for our firefighters to be able to carry out their responsibilities. In June of last year, not even a year ago, the Rudman Commission, headed by our former colleague Warren Rudman, issued a report entitled "Emergency Responders Drastically Underfunded, Dangerously Unprepared," that found budget shortfalls in the tens of billions of dollars. We need to address this issue.

The history of the administration on this matter is regrettably a sorry tale. When we created the Fire Grant Program in 2000, the Bush Administration, when it came in, moved to eliminate the program in its preliminary budgetary vision for fiscal 2002. We had to fight the administration to put the program back in its budget request for that year. In the end, it proposed flat funding the program.

After the attacks of 9/11—and as I noted earlier, we are now seeing television spots showing our firefighters carrying out their heroic responsibilities—Congress appropriated an additional $210 million in emergency spending for the program, recognizing its significance. The administration refused to spend the money initially, and eventually and reluctantly did so after an outcry from the Congress.

In the fiscal year 2003 budget they proposed rolling this Fire Grant Program into the general first responder account. There was great concern in the Congress about dismantling the specific program. We appropriated almost $750 million to the program in its own account.

Last year the President sought to cut it by a third. Last year the Congress—and I give credit to my colleagues for this—restored the funding to close to $750 million.

This year the budget submitted to us again cuts it to $500 million and there is no money for the SAFER Program, even though it had been authorized back in November.

We need these resources. The Rudman Commission has told us in their report, emergency responders are drastically underfunded and dangerously unprepared. We need to change that equation and we can begin the process of doing so by providing the resources to fund these two programs at their authorized level, paying the firefighters the tribute they deserve by giving them the protective tools and the staffing with which to do their job.

The PRESIDING OFFICER. Who yields time? The Senator from Oklahoma.

Mr. NICKLES. How much time remains on the amendment?

The PRESIDING OFFICER. There remain 4 minutes 20 seconds for the majority, 34 seconds for the minority.

Mr. NICKLES. Does the Senator from Mississippi mind if I make a couple of additional comments and I will be happy to yield him additional time if he wishes.

I know some people think we never do enough anywhere. Basically they will want to increase spending everywhere. In this particular area we are increasing spending a lot.

The Department of Homeland Security has a 15-percent increase, according to the Congressional Budget Office. That is counting bioshield. That is kind of hard to compute. Take bioshield out. It is a 10-percent increase—a 10-percent increase. Secretary Ridge wants to reallocate some of it into higher threat areas. I know some people want to use homeland security as basically revenue sharing and give more money to every city in the area, or every county in the area, maybe every police department or fire department and say this is for homeland security. Secretary Ridge said we should reallocate some of these moneys. It is still a big increase. Actually, it is the largest percentage increase of any of our major departments, and we should direct this toward the high critical threat area. I compliment him for that.

I also say this is money wasted. A lot of money is being wasted. Maybe a little tightening might be in order.

The District of Columbia used this to outfit leather jackets on the police side; in Maryland, money is used to buy the Prince George's County prosecutor's office a security system.

This is homeland security, but this is all in one pot. We can try to pretend this is going to this or that, but, frankly, we are giving so much money to the appropriators. But we are expecting at least a 10-percent increase going to homeland security.

In Virginia, a small volunteer fire department spent $350,000 on a custom-made fire boat. The Metropolitan Washington Council of Governments used some of the money for janitorial services. The District of Columbia Hospital Association shows a formula that guaranteed every city hospital a share of an $8 million grant. Prince George's homeland security funds, instead of buying protective gear for police officers, they chose to purchase a half-million-dollar digital camera system used for mug shots. The District of Columbia, Leslie Hotaling, director of the District's Department of Public Works said, "If we can tie it to 9/11 and build capacity into our core functioning, let's do it." Her agency spent more than $55,000 on basic training courses such as map reading and handling problem employees.

My point is that Secertary Ridge requested—and he has a very difficult and challenging job—10 percent more money for the Department of Homeland Security, and we have provided it for them. He wants to reallocate some of it to higher priority areas. I think we are trying to give that to him to fulfill that function. Senator COCHRAN manages this appropriations bill, and he does it very well.

I urge our colleagues to vote no on the Sarbanes amendment.

Also, I failed to add this amendment raises taxes by $2.9 billion. It is another big tax increase.

The only taxes we are really assuming in the next couple of years are family-friendly tax cuts. Maybe that means the 20-percent tax credit won't continue to be as broad as it is. Maybe it means the child credit won't be extended.

I urge our colleagues not to support this amendment.

Mr. DODD. Mr. President. I rise in support of this amendment to help the Nation's firefighters safely do their jobs.

Specifically, this amendment does three things. First, it restores funding to the Assistance to Firefighters Grant Program, which I authored in 2000 with Senators DEWINE, LEVIN, and WARNER. This law stands as the first federal grant program explicitly designed to help firefighters throughout America obtain better equipment, improved training, and needed personnel.

Second, this amendment provides funding for the implementation of the SAFER Act. This law, which I authored with Senator WARNER and was enacted last November, authorizes a federal grant program to hire an expected 75,000 new firefighters over the next seven years.

Finally, this amendment allocates much-needed funding for deficit reduction. The Senate budget resolution, which largely reflects President Bush's irresponsible fiscal policies, adds a staggering $2.86 trillion to the national debt over the next 5 years.

Mr. President, $2.86 trillion dollars! These numbers are totally mind-boggling. The Republicans have always claimed that they are the party of fiscal responsibility. Under their Senate Budget resolution, however, $612 billion will be added to the gross debt from 2004 to 2005; the next year $569 billion will be added; the next year $553 billion; the next year $553 billion; the next year $563 billion; and the next year $564 billion will be added to the debt. Despite the claims of President Bush and the Budget Committee majority, I see no significant progress being made at reducing the increases to the debt. In fact, we've gone from record surpluses to record deficits in only 3 years!

The offset we are proposing to pay for this amendment is a reduction in the tax cuts benefiting individuals with annual incomes over $1 million. According to the Center on Budget and Policy Priorities, the Senate budget resolution calls for tax cuts which are extremely beneficial to the wealthiest Americans such as accelerating the repeal of the estate tax by 1 year, and making permanent the capital gains and dividend tax cuts. With the deficit exploding, the country still vulnerable to terrorist attack, and our Nation's firefighters in need of the resources necessary to respond to emergencies and to save lives, it is only right that the top one-tenth of one percent of the wealthiest Americans pay their fair share for homeland security.

In fact, Mr. President, homeland security is exactly what this amendment is all about. The defenders on our home front are not dressed in combat fatigues. They do not drive tanks on the streets of the Nation's cities. They wear firefighter uniforms, and they drive fire engines. They risk their lives to keep us safe just like our troops overseas, and I for one appreciate their efforts greatly.

I know that the fire service has men and women who are willing to do whatever it takes to get their jobs done. We have first-rate firefighters throughout the Nation, but they are underfunded, understaffed, undertrained, and underequiped to deal with many emergencies that may arise.

The responsibilities of America's firefighters have changed. They have certainly come a long way from the "bucket brigades" in colonial America, where two rows of people would stretch from the town well to the fire, passing buckets of water back and forth until the fire was extinguished.

Today, firefighters must do more. They still have their traditional responsibilities of extinguishing fires, delivering emergency medical services, and ensuring that fire codes are inspected. Now the fire service has new homeland security responsibilities, such as responding to biological and radiological agents.

The reality, however, is that cash-strapped States and cities simply do not have the resources—financial as well as personnel—needed to single-handedly safeguard their populations. Nor do they have the fiscal reserves necessary to deal with heightened warning levels for any extended period of time.

According to a national Needs Assessment study of the U.S. Fire Service published in December 2002, most fire departments lack the necessary resources and training to properly handle terrorist attacks and large-scale emergencies. The study found that:

Using local personnel, only 11 percent of fire departments can handle a rescue with emergency medical services at a structural collapse of a building with 50 occupants. Nearly half of all fire departments consider such an incident beyond their scope.

Using local personnel, only 13 percent of fire departments can handle a hazardous material incident involving chemical and/or biological agents with 10 injuries. Only 21 percent have a written agreement to direct the use of nonlocal resources to handle the situation.

An estimated 40 percent of fire department personnel involved in hazardous material response lack formal training in those duties, most of them serving smaller communities.

Finally, an estimated 60 to 75 percent of fire departments do not have enough fire stations to achieve widely used response time guidelines. Many fire departments often fail to respond to fires with sufficient personnel to safely initiate an interior attack on a structural fire.

These statistics are startling. The risks that firefighters are expected to respond to have far outgrown the ability of city governments to equip firefighters to do what we are asking them to do. This situation demands immediate action by the Senate to address these concerns.

Unfortunately, the Bush administration is talking out of both sides of its mouth when it comes to helping firefighters. Secretary Ridge of the Department of Homeland Security talks about training and equipping first responders yet the President's Budget and the Senate budget resolution cuts the FIRE Act grant program by $250 million. This amendment will restore these funds to their authorized level of $900 million for fiscal year 2005.

Mr. President, the FIRE Act grant program has been one of the most successful initiatives in recent years. I am currently working closely with Senator DEWINE to reauthorize this program for the future. The need is certainly out there in all regions of the country urban and rural, large cities and small communities, North and South, East and West—for these competitive, merit-based grants that assist fire departments with their heaviest burdens. For Fiscal Year 2003, the program received approximately 19,950 applications from fire departments across the nation, totaling $2.5 billion in grant requests, while only $750 million in federal funding was available for such grants.

A January 31, 2003 report by the U.S. Department of Agriculture found that 99 percent of program participants were satisfied with the program's ability to meet the needs of their department. In addition, 97 percent of the participants reported that the program had "a positive impact on their ability to handle fire and fire-related incidents." The report concluded that "overall, the results of our survey and our analysis reflect that the Assistance to Firefighters Grant program was highly effective in improving the readiness and capabilities of firefighters across the nation." The FIRE Act grant program is truly a success story, and it deserves the Senate's full support.

It is surprising to me then that President Bush and the Senate budget resolution would slash $250 million from this very successful program. It is also surprising to me that President Bush would show images of firefighters in a campaign advertisement when his budget, as well as the Senate budget resolution, provides not one cent for the SAFER Act, which would fund 75,000 new firefighters over the next seven years. It makes no sense.

The need for additional firefighters on our Nation's streets is great. According to National Fire Protection Association standards, a minimum of four firefighters is required to initiate an interior attack on a house fire. And 73 percent of departments serving populations between 10,000 and 25,000 lack such personnel.

For fire departments serving populations between 25,000 and 50,000, the number climbs to 82 percent.

For fire departments serving populations between 50,000 and 100,000, 76 percent lack the minimum of four firefighters.

And 56 percent of fire departments protecting 100,000 and 250,000 people also do not have the necessary four firefighters.

Then it is 41 percent for departments serving 250,000 and 500,000 people, 40 percent for departments protecting populations between 500,000 and one million people, and 0 percent for departments protecting at least one million people.

Just as the FIRE Act provides the equipment and training resources for firefighters to do their job, the SAFER Act complements it by also providing the human resources to meet the challenge of an extended war against terrorism. Since 1970, the number of firefighters as a percentage of the nation's workforce has steadily declined. Today in the United States there is one firefighter for every 280 citizens. We have fewer firefighters per capita than nurses and police officers.

We need to turn the trend around now more than ever. Understaffing is dangerous for the public and for firefighters. Chronic understaffing means that many firefighters do not have the backup and on-the-ground support they need to do their jobs safely. The sad consequence is that about every three days we lose a firefighter in the line of duty. On some days, the losses are unimaginably high. Firefighters need reinforcements, and the Congress should be prepared to give them all the help they need. This amendment therefore provides funding for the SAFER Act at its FY2005 authorized level of $1.03 billion.

In closing, it is important to recall the important role that firefighters have played in American history since its earliest days. In fact, firefighting can be linked to some of our Nation's most illustrious personages. Benjamin Franklin established the first volunteer fire department in Philadelphia in 1735. George Washington himself was a volunteer firefighter across the Potomac River in Alexandria, Virginia, and he imported the first fire engine from England in 1765.

Of course, on September 11, 2001, 343 members of the New York Fire Department made the ultimate sacrifice in their efforts to save thousands of lives trapped in the World Trade Center. The role played by those firefighters who lived and died in the line of duty on that tragic day made the Nation proud.

On that day and on every other day, they are the first ones in and the last ones out. They risk their own lives to save the lives of others. They stare danger in the face because they know that they have a duty to fulfill.

The Congress has a duty to the fire service as well. We must ensure that there is full funding for the FIRE Act and the SAFER Act, so I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I want to point out that the examples the chairman of the committee used for the supposed waste of money, other than one, did not involve firefighters. You can drag all these cats and dogs in from anywhere you want. The only firefighter example that was used was a purchase of a firefighting boat. On the face of it, that may well have been a good expenditure.

In any event, these are competitive grants and the judgment on who gets the grants and for what purpose is made by the administration. To the extent you can site something, the ultimate responsibility for it comes back on the administration.

Furthermore—will the Senator give me 2 minutes?

Mr. CONRAD. I yield 2 minutes to the Senator from Maryland off the resolution.

Mr. SARBANES. Furthermore, the Senator says if we are going to get this money, $2.8 billion, you would have to—then he mentions all kinds of possibilities on the tax side. Obviously, we can't direct specific instructions to the tax committee, but we can point out what the opportunities are. The top 1 percent is getting that billion-dollar tax credit. The cost of the Bush tax cut for those making over $337,000 in 2005—the top 1 percent, over a $337,000 income—$45 billion.

We are suggesting very simply that a small portion of that be shifted in order to help address the challenges that confront our firefighters.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I will speak on time off the resolution.

My colleague keeps coming back saying we want to sock it to the wealthy. You don't do that in a budget resolution. You tell the committee to raise more taxes. I will tell you that all we are assuming the committee is going to do is extend present law. This would make it so you can't do that. That means low-income people are going to see a tax increase, if we don't extend present law. That is what we are assuming we are going to do.

I know my colleagues would like to raise the 35-percent rate. That is what corporations pay. A lot of us really do not think individuals will pay more than Exxon. How about a little fairness?

I tell my colleagues that this idea of tax and spend, we are always going to tax that person behind the tree, it is going to be that multimillionaire, that is not the way the Budget Committee works and that is not the way the Finance Committee works.

We have defeated these amendments. I hope we will continue to defeat the amendments that sock it to them by raising taxes and increasing spending.

I hope our colleagues will realize it is not going anywhere, and then maybe we can eliminate a lot of these amendments so we can get some business done.

I am trying to cooperate with my colleague from North Dakota. But we are making very little progress. I know there are a lot of amendments. I am trying to be fair to all colleagues if they wish to debate their amendments. But this idea of spending 3 hours on 2 amendments is not very productive. I hope we will be more successful in moving a little more quickly through amendments, especially ones that are so close to being repetitive.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield myself such time as I might use off the resolution.

I urge my colleagues to support the amendment of the Senator from Maryland. The amendment of the Senator from Maryland does two things: It restores the cuts to firefighters that have been made in this budget, and it reduces the deficit. It reduces the deficit. We have record deficits. The amendment of the Senator from Maryland is a twofer. He restores the cuts to firefighters, the first responders. We know from the disaster of September 11 that one of the biggest failings was our first responders, including our firefighters, who could not communicate with each other. They had units from different jurisdictions and they couldn't communicate. That has to be fixed. That costs money.

The Senator from Maryland has offered an amendment to restore the cuts to firefighters. That makes sense.

Second, he reduces the deficit. To pay for it, he takes a tiny fraction of the tax cut going to the wealthiest 1 percent in this country, those earning over $337,000 a year. The total cost of the tax cuts for that group in 2005 is $45 billion. The Senator from Maryland reduces the deficit and restores the cuts to firefighters by using 1.6 percent of that money over four years.

This amendment is a serious amendment and it deserves support.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized to offer an amendment.

AMENDMENT NO. 2793

Mr. DORGAN. Mr.President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 2793.

Mr. DORGAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To increase funding for COPS, Byrne grants, and Local Law Enforcement Block Grants, and reduce the debt by reducing the President's tax breaks for taxpayers with incomes in excess of $1 million a year)

On page 3, line 9, increase the amount by $344,000,000.

On page 3, line 10, increase the amount by $632,000,000.

On page 3, line 11, increase the amount by $510,000,000.

On page 3, line 12, increase the amount by $610,000,000.

On page 3, line 13, increase the amount by $104,000,000.

On page 3, line 17, increase the amount by $344,000,000.

On page 3, line 18, increase the amount by $632,000,000.

On page 3, line 19, increase the amount by $510,000,000.

On page 3, line 20, increase the amount by $610,000,000.

On page 3, line 21, increase the amount by $104,000,000.

On page 4, line 20, increase the amount by $344,000,000.

On page 4, line 21, increase the amount by $632,000,000.

On page 4, line 22, increase the amount by $510,000,000.

On page 4, line 23, increase the amount by $610,000,000.

On page 4, line 24, increase the amount by $104,000,000.

On page 5, line 3, decrease the amount by $344,000,000.

On page 5, line 4, decrease the amount by $976,000,000.

On page 5, line 5, decrease the amount by $1,486,000,000.

On page 5, line 6, decrease the amount by $2,096,000,000.

On page 5, line 7, decrease the amount by $2,200,000,000.

On page 5, line 11, decrease the amount by $344,000,000.

On page 5, line 12, decrease the amount by $976,000,000.

On page 5, line 13, decrease the amount by $1,486,000,000.

On page 5, line 14, decrease the amount by $2,096,000,000.

On page 5, line 15, decrease the amount by $2,200,000,000.

SEC. . RESERVE FUND FOR COPS AND OTHER LAW ENFORCEMENT GRANT PROGRAMS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $1,100,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, amendment, motion, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of the levels provided in this resolution for the Community Oriented Policing Services (COPS) program, the Edward Byrne formula grant program, and the Local Law Enforcement Block Grant program at the Department of Justice.

Mr. DORGAN. Mr. President, I have agreed to a rather short time limit for a debate on my amendment. I know we are facing a lot of votes in the later hours of today and perhaps even tomorrow. So I have agreed to 10 minutes on each side.

This budget that is brought to the Senate deals with choices. We make choices. I have great respect for people who have a differing view than mine on the choices of where to spend money and where to save money. They have every right to share views. I respect their views. There are times with respect to this budget document where we disagree. This is one of them.

My amendment deals with law enforcement. The budget that is before the Senate, consistent with the Administration's wishes, proposes to cut $1.6 billion of proven, critically important domestic law enforcement programs; then it would restore about $500 million in funding, leaving the budget $1.1 billion short for law enforcement programs. This includes the COPS Program. We know that works, but it would be eviscerated by this budget. The Byrne grant program, that is the most important program to help local law enforcement agencies around this country, would be eliminated. The local law enforcement block grant program would be eliminated. We will be $1.1 billion short for these critical law enforcement needs.

My amendment restores that money, and, in addition, reduces the Federal budget deficit by $1 billion. We simply restrict, just restrict, a very small amount of the tax cut that goes to the folks in this country earning more than $1 million a year.

This is just a choice that we have to make, one that says a lot about our priorities.

Last month I held a meeting in North Dakota, as I have on previous occasions. I had county sheriffs, the highway patrol, local police officers there. We were talking about the scourge of methamphetamine. What a devastating scourge to this country. Methamphetamine is destroying lives. Anyone can buy the ingredients for methamphetamine at the local stores. Then you can cook it up in a trunk or abandoned farmhouse. It is literally like a prairie fire out in rural America. It is an enormous challenge to local law enforcement officers. The equipment, the communications opportunities, the manpower, needed to fight this new meth scourge is very substantial. This is the wrong time to be cutting the law enforcement assistance to the states that we have given previously. So I suggest we restore this money and provide the funding from the tax cut that has been given to those earning over $1 million a year.

This choice that we have to make is also about terrorism. We talk a lot about the terrorist threat in this country. The first responders to the next terrorist attack will not come out of the Centers for Disease Control or the FBI or the Secret Service. The first responders are going to be the local police officers on the scene, the firefighters on the scene. The question is, Do they have the training? Do they have the equipment? Do they have the capability, the manpower to deal with these issues? The Edward Byrne grants and the COPS Programs and the Local Law Enforcement Block Grants go a long way in making sure that our first responders are ready.

Now we discover the priority of the majority and also the administration is to cut that funding. That is, in my judgment, a very significant mistake.

You know, I was here months ago leading the fight to try to stop sending $20 billion of the taxpayers' money to reconstruct Iraq. Why did I feel that way? Because Iraq has the money to reconstruct itself. The Iraqi people can pump Iraqi oil and reconstruct Iraq. The American taxpayer does not need to spend $20 billion for that.

I lost that vote. This money is on its way to Iraq. And we have all these law enforcement programs now in Iraq. So the American taxpayer is going to pay for law enforcement programs for Iraq, which Iraqis could pay for themselves, and we will cut law enforcement programs in this country. What kind of priority is that?

There are some who take a look at those in politics and say: America first; that is pretty selfish.

It is not selfish, in my judgment, to ensure that we protect the American public, that we head off future terrorist threats, that we support local law enforcement and respond to the scourge of methamphetamine and other issues. If we do not have the funds for that but we have the funds to invest in local law enforcement in Iraq, which the Iraqis could have paid for themselves, there is something wrong with our priorities. Our priorities need to be changed.

I have talked about the three programs that the budget would cut. The proposal is to cut a substantial amount of money from the COPS Program, $698 million, $696 million from the Edward Byrne grant program, and $224 million from the local law enforcement block grant. After cutting $1.6 billion, they create a new program of $500 million, roughly, so you are about $1.1 billion short.

Maybe those who say, let's do this, maybe they really think that tax cuts for people who make over $1 million are more important than the Byrne grant. But if you just held meetings with law enforcement officials in your State and understand what they face, the challenge they face every single day, you understand that is a bad choice to be cutting these programs.

I recall that days after the devastating attack on September 11, I went to Ground Zero with my colleagues. I recall looking into the eyes of the law enforcement officers and the firefighters who lost brothers and sisters, who were moving up those buildings as the buildings were coming down. They were not punching a timecard. They were not asking whether they were being paid overtime. They were not talking about anything other than their job. They ran right into the face of danger. Many of them lost their lives trying to save people. That is what law enforcement does in this country. This country takes them for granted every day and every night. We go to bed at night feeling safe because law enforcement is on our streets. This country takes it for granted. We ought to say thank-you to the men and women who wear the badge and keep the peace and keep our streets safe.

It is the wrong way to cut the Byrne grant program, the COPS Program, and the things that are essential and are needed by local law enforcement, and to do that in order to preserve a tax cut for those who make over $1 million a year. It is a bad choice for the country. And, in my judgment, it is a bad political choice for those who have done it, as well.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I will make a couple of comments and maybe Senator GREGG may want to speak. He is more knowledgeable about this program than I am.

What is very clear to me to see is that this amendment is another one of these amendments on which we had the pleasure of voting. This will increase spending, yes, and it will also increase taxes. We have had that debate several times. I guess we will have it several more times. I am happy to debate it.

Some think individuals should pay more than corporations. I don't. I think that is bad tax policy. I think the power to tax is the power to destroy. If you have to work more than half the time for the Government, then you lose your personal freedom.

Looking at the COPS Program, I remember the objective of the COPS Program was to have 100,000 new cops on the street. According to the figures I was just handed, we have 118,000 as a result of the COPS Program, a program that started with an enormous Federal subsidy, I believe. I have to refresh my memory, but I believe the Federal Government pays 75 percent of the costs of the first year and then something like 50 percent the next year and maybe 25 percent the third year. Then it is on the community.

In other words, local police are supposed to be paid by local communities. But we said we would give them an additional incentive to hire additional police officers basically by a big subsidy, but that subsidy would curtail and it would be the responsibility of the community, certainly entirely by the fourth year.

Some want to keep it forever. As Will Rogers once said: All Federal programs have something in common: a beginning, a middle, and no ending.

We accomplished the objective, I guess, but yet some people want to continue it. I have no doubt there are lots of cities that would say, Hey, we would love for you to pay three-fourths of the cost of a new police officer, because they have people retiring, they have people leaving, and so on. So, yes, we would love to have the Federal Government come in and pay three-fourths of it.

I question, How long are we supposed to do that? I do not think that is really the Federal Government's responsibility. Maybe it was a little easier to do when we had enormous surpluses. We do not have those surpluses today. And this really is not the Federal Government's responsibility to be putting police officers in every city.

I know we had a city in Oklahoma—I am trying to remember the name of the city—that had no police officers. Yet when the COPS Program came in, they thought: We need to have a police officer. We are going to have the Federal Government pay three-fourths of the cost of our police officer for the first year. Oh, we have to get him a car—and on and on. It was almost comical because they never had a police officer in this town. It probably had a population of 65 or something.

But my point is, we have significant increases for the Department of Justice. We have significant increases to help the FBI, to help law enforcement. I do not think this is that high of a priority for us to try to be subsidizing police departments all across the country. Nor do I think it is good economics to say, oh, well, we are going to have the upper whatever percent. Everybody knows. I guess I will repeat this every time. All this amendment does is raise taxes. And all we have on the assumption in the budget resolution is that middle-income taxpayers are going to get to keep present law. Now, if that goes away because of a tax increase, the middle-income taxpayers better look out because their taxes are going up by this multitude of amendments.

Incidentally, if it makes any difference, we are counting how many tax-and-spend amendments are being offered. And we assume it is going to be the millionaires. That is not the way it works. You tell the Finance Committee: raise more money, and the Finance Committee is going to raise taxes. And you know with this President we are not going to be raising marginal rates. The marginal top rate is 35 percent. When Bill Clinton was elected, it was 31 percent. He took it up to 39.6 percent. It took us this long to get it at 35 percent.

Who benefits from that? Entrepreneurs, people who are growing, building, and expanding their businesses. When they expand, they create jobs. Let's not stifle economic growth by some of these ridiculous expansions to try to grow Government.

I think these amendments are getting a little redundant, maybe a little bit repetitive. If our colleagues want to finish, I do not know why we have to have so many of them.

But I urge our colleagues to vote no on the amendment.

Mr. CONRAD. Mr. President, I yield myself time off the resolution.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I heard my colleague, the chairman of the Budget Committee, say that this would increase taxes on those who earn over $1 million a year. The cost of the tax cuts, in 2005, to those earning over $1 million a year, is $27 billion.

I point out to my colleague that when it is a question of job creation, it is an interesting fact. It is true that during the Clinton administration the top marginal rate was increased from 31 percent to 39.6 percent. And guess what happened to economic activity and job creation. We had 22 million jobs created in this country with the 39.6-percent rate. Now we are down to 35 percent, and under this President 3 million jobs have been lost.

If we go back to the Clinton years, the fact is, he put increased revenue into place, cut spending; and we went from 22.6 percent of GDP down to 19 percent of GDP on spending, and raised revenue, because President Clinton inherited from the previous President Bush the same mess this President Bush is creating: record budget deficits. The previous record, before this President, was in his father's administration.

When President Clinton came in, he faced a $290 billion budget deficit. He put in place a 5-year plan that cut spending, raised revenue, balanced the budget, stopped the raid on Social Security. And guess what. We had 22 million jobs created, with the longest economic expansion in the Nation's history, the lowest unemployment in 30 years, and the lowest inflation in 30 years.

Now we have this alternative plan, which is to run the biggest deficits in history, run up the debt, and lose 3 million jobs. I would take the Clinton economic years over the economic years of this administration.

I want to say, my office was visited this week by State and local officials from back home. They told us the proposed levels in the Republican budget resolution for law enforcement and for the COPS Program is going to do serious damage to law enforcement in our State. That was the message they delivered.

The President's budget cuts the COPS Program 94 percent. It is the COPS Program that has put 100,000 police officers on the streets of America, including several hundred in my home State. Why we would cut the COPS Program when we face a terrorist threat eludes me.

I think the amendment of the Senator from North Dakota deserves our support.

Mr. PRYOR. Mr. President, last year right about this time I stood in the Senate chamber questioning why an administration that talks so much about the importance of homeland security and first responders would submit a budget that so drastically shortchanges their needs. I find myself 1 year later still asking the same questions but hearing no good answers.

Specifically as it pertains to community policing and other law enforcement programs, this budget shortchanges smaller communities and grossly under funds programs that have put more police officers on the street, reduced crime in rural areas, curbed drug abuse and put at-risk youth back on the right track.

Instead of strengthening these programs—programs that we know work—we are pulling the rug right out from under our communities' feet. Under the budget proposal, the COPS program would see a reduction from $756 million to $44 million—a staggering 94 percent cut.

Let me be clear: Taking away COPS funding will mean less police officers on our streets; it will mean less resource officers in our schools preventing violence and drug abuse; It will also mean longer response times and higher crime rates. This is tradeoff we should never even consider, yet alone go through with.

Since 1994, my State received $88.4 million in COPS grants, which has funded 1,289 additional police officers and sheriff deputies, 112 school resource officers and more than $11 million in crime-fighting technologies. Arkansas is not alone; I ask if there is a Senator among us that would contest that their State has benefited from the COPS program.

We can't be serious about law enforcement by paring this successful program to $44 million. Texas alone received nearly $30 million from the COPS program last year. How are we going to fund the entire country's COPS needs using the budget of what just one State received last year?

When I was the Attorney General of my State, I worked closely with law enforcement to make Arkansas a safer place to live and raise a family. One thing I know for sure, these police officers operate under tight budgets with smaller staffs than most of their urban counterparts. Nevertheless, they put their lives on the line every day and we need to make sure they have adequate resources to do their jobs properly.

I recently talked with several Arkansas police chiefs about the proposed cuts to the COPS program. They told me how important this program was in their continuing battle to stop the production of methamphetamine throughout Arkansas.

Chief James Allen of the Bentonville Police department said the COPS program has been the biggest single factor in helping his region fight the environmental and social problems created by methamphetamine use.

Last year alone, Arkansas police shut down 1,208 meth labs, but more are popping up each day.

Methamphetamine spreads so easily because it is cheap and easy to produce. It is also extremely addictive and it is tearing rural communities apart. Law enforcement officials have told me that if Congress reduces COPS funding by 94 percent, we would effectively decimate their ability to battle this deadly drug.

These law enforcement officers are making a huge difference in our communities and on top of that, they play the integral part in our homeland defense as first responders.

COPS grants have played a critical role in providing additional manpower, technology and training—all of which are necessary to enhance community security and contribute to the overall goal of national domestic preparedness. The Chief of Police in Pine Bluff, AR Daniel Moses characterized his Homeland Security Overtime grant as a godsend.

September 11 made us acutely aware of the need of genuine partnerships that involve all segments of our communities and all levels of government—we all have a role in keeping our community safe.

Our local law enforcement must be able to respond to whatever may confront them in the future, but how can they properly respond, when they are given a budget that cuts deep into their existence?

I would also like to note that in my State, a number of police officers on the front lines of crime prevention are also fighting on the front lines in Iraq and Afghanistan. They are pulling double duty for our country in the Reserves and National Guard. But at the same time, their absence has spread our police forces even thinner.

We need to build on what we know works. These law enforcement programs work. But don't take my word for it. Take the word of Attorney General John Ashcroft who said not two years ago:

> Since law enforcement agencies began partnering with citizens through community policing we've seen significant drops in crime rates.

Mr. President, our communities, the people we represent have truly benefited from these programs and taking away its funding would be a major step backwards in our efforts to fight crime.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I forgot to mention at the start that Senator DASCHLE joins me as a cosponsor of this amendment.

Mr. President, it has been suggested that my amendment amounts to a tax increase. That is just nonsense. The question before us is this: next year, shall we give a $26 billion tax cut to those who receive $1 million or more in income and at the same time restore the funding for law enforcement officials around the country—funding we know works to fight crime? Or shall we instead cut funding for law enforcement officials so we can give a $27 billion tax cut to those whose income is over $1 million a year?

This is not about tax increases. I am sorry. My friend from Oklahoma, I am sure, is familiar with Will Rogers, because Will Rogers is from Oklahoma. What a wonderful man. Will Rogers once said: When there's no place left to spit, you either swallow your tobacco juice or you change with the times.

Well, there is no place left to spit with respect to these choices. Do you want to cut local law enforcement funding, the Byrne Grant that helps those folks out there today who are keeping this country safe, who are chasing those people who are producing methamphetamine and addicting our children? Do you want to invest in law enforcement? Do you want to chase the criminals? Do you want to apprehend them and get them? Or do you want to decide we cannot afford to do that? Let's cut back on law enforcement efforts so those who make $1 million a year can get an extra $1 billion—from $26 billion to $27 billion—next year in tax cuts.

One hundred years from now, we will all be dead—everybody in this Chamber is likely to be dead—and the only thing they will know about us is to look at this budget. And they will say: Here were their values. Here is what they held dear. Here is what they felt was important for this country.

Someone once asked: If you didn't know someone, never met someone, and had to write their obituary, and you only had their check register with which to write an obituary, what would you say about them? You would be able to tell something about their value system. The same is true with the Government. The same is true with choices made in this budget. What is our value system? What do we hold most dear? What do we think makes our country strong?

The question for us is, Will this Congress stand up for the men and women who wear the uniform on the street who keep this country safe?

We talk a lot about national security and the threat of terrorism. Once again, let me say, the first responder, in the event of a terrorist attack, is going to be a man or woman out there in the local sheriff's office, the local police force, the highway patrol. They benefit and their programs benefit from these grant programs that are being proposed to be cut now by $1 billion. I propose to restore it because I think it is the right choice for this country.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Who seeks recognition?

Mr. CONRAD. Mr. President, could the Chair update us in terms of the time status on the Dorgan amendment.

The PRESIDING OFFICER. The time for Senator DORGAN has expired. Senator NICKLES has 5 minutes 9 seconds.

Mr. CONRAD. I don't know if the chairman seeks to use time now on that amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I will be very brief. I was looking at some additional information about the COPS Program. The grant programs administered through the COPS Program were 100 percent earmarked in 2004 appropriations bills. The administration feels the earmarking has gotten out of hand and seeks to eliminate funding in favor of a new grant program located in another account. This new account consolidates almost all State and local law enforcement grant programs and activities. Rather than have the programs spread out over a half dozen accounts, it assumes consolidation in one account called justice assistance. A lot of the old COPS Program is included in the new Justice Assistance Program. Maybe it won't be quite so directed by Congress. Maybe it will be more appropriate.

I don't know if it is the Federal Government's responsibility to hire hundreds more police officers in North Dakota or Oklahoma. I happen to be one who says: We all have to do our fair share. I just don't know that it is the Federal Government's responsibility to be putting police officers in every little town in America.

We have accomplished our objective in hiring and training 118,000 police officers. We should say a job well done and not continue this program forever.

Mr. DORGAN. Might I ask for one minute off the resolution?

Mr. CONRAD. I yield an additional minute off the resolution.

Mr. DORGAN. Let me say my colleague from Oklahoma talked about the COPS Program—which, incidentally, has been a remarkable program. It has worked very well to reduce crime. He did not mention, for example, the Byrne grant program which today is aiding law enforcement in tracking drug dealers, dealing with this methamphetamine scourge.

My colleague from Oklahoma described a new grant program that the Administration is proposing, but this new grant program my colleague described is going to cut funding for local law enforcement officials by $1.1 billion. That is why I felt constrained to come and offer the amendment.

It is about choices. If one feels the assistance we have given local law enforcement through the Byrne grant program and other programs has not been effective, then one would want to oppose this amendment. But if you meet with our law enforcement officers at the state and local level, they will tell you to a person how incredibly effective these programs have been in bringing them up to speed with training and equipment and helping them pursue drug dealers and reduce crime on the streets. If one believes that is important, then one must vote for this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I believe we have an agreement to next consider an amendment by our colleague and friend from New Jersey, Senator LAUTENBERG. We are almost ready to enter into a time limitation, but I need to consult with the chairman of the committee, Senator INHOFE. At this point we will not, but I understand there has been a general agreement for 20 minutes equally divided or 20 minutes a side. Is the Senator from New Jersey willing to have a time agreement? I cannot enter into it at this moment, but is he looking for 20 minutes each or 20 minutes a side?

Mr. LAUTENBERG. I thank the Senator from Oklahoma. We would like to have 20 minutes on each side.

Mr. NICKLES. Mr. President, I won't make the request now. I am telling our colleagues, the Senator from North Dakota has about 5 hours, maybe a little less now.

I ask the Chair, how many hours remain?

The PRESIDING OFFICER. The hours remaining are 1 hour 50 minutes for the majority; 4 hours 46 minutes for the minority.

Mr. NICKLES. Mr. President, I am trying to be fair to everybody, but if colleagues keep coming down and taking 40 minutes or an hour on their amendments, that means a lot of people are going to get zero debate on their amendments. I don't want them to be mad at me, nor do I want them to be mad at my colleague from North Dakota. People will have to be restrained in their request or else people later in the queue will have very little debate time. I will leave it at that. I cannot enter into a time agreement. I will be happy to talk to Senator INHOFE. He may be more than happy to do that.

Mr. CONRAD. Mr. President, I think it is important to note at this time the situation we face. It is important for our colleagues to understand. Senator NICKLES could yield back all the rest of his time. I would then have 4 hours 46 minutes left. But he would have a right to half of that time. So it is important for colleagues to understand, when we say there are 4 hours 46 minutes left on our side, no, there really are not in a functional way. The chairman would verify that.

I understand he is unable to enter into a time agreement at this moment on this amendment because he has to communicate with the committee chairman, but I am saying to other colleagues who are listening, please understand, we are rapidly approaching the time when we have far more requests for time than we have time. The dislocation that occurs here is people hear I have 4 hours 46 minutes left. All the chairman has to do is give back his remaining hour 50 minutes, and then he has rights to half of my time. So instead of 4 hours 46 minutes, I would then have 2 hours 23 minutes. I now have pending requests for 4 hours of time. It doesn't fit together.

We have to ask restraint on the part of our colleagues. I understand we can't enter into a time agreement on this amendment. Senator LAUTENBERG has been very gracious in saying he will live with whatever time agreement we can produce. Perhaps the best we can do now is to have Senator LAUTENBERG proceed and at the earliest possible convenience of the chairman, if we can enter into a time agreement on this one and subsequent amendments that are pending, I think we could make real progress.

Mr. NICKLES. Mr. President, I concur with everything my colleague and friend Senator CONRAD said. I ask unanimous consent to lay aside the pending amendment and take up the Lautenberg amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. I thank the Chair.

I want to offer an amendment for myself, Senator BOXER, Senator JEFFORDS, and Senator CORZINE.

Mr. CONRAD. Will the Senator withhold for one moment? I would ask the Senator not to send his amendment up. I want to make sure we don't do that. I listened to what the chairman said. I will yield to the Senator time off the resolution. I yield the Senator 20 minutes off the resolution and ask he not send the amendment to the desk at this time.

The PRESIDING OFFICER. The Senator is recognized for up to 20 minutes.

Mr. LAUTENBERG. Mr. President, I thank my friend from North Dakota for the generous offer he has made to let me have time to describe this very important amendment.

As I said, I will offer this amendment for myself and Senators BOXER, JEFFORDS, and CORZINE. Other cosponsors include Senators LIEBERMAN, BIDEN, DURBIN, CLINTON, LEAHY, CANTWELL, FEINGOLD, and KENNEDY.

My amendment would readjust the budget resolution so we can reauthorize the Superfund corporate fee. There are many reasons why this is an urgent matter and the right thing to do.

When Congress created Superfund, the operating principle was the polluter should pay.

I ask that the Chair remind me when 10 minutes of my time have been used, please.

The Superfund program was created because of a number of blighted toxic sites that were located in cities and towns across the country, places in Montana and Nebraska and Maine and New Jersey. New Jersey had over 100 sites listed on the Superfund list. Today 900 sites have been cleaned up, turned over to practical use in these communities where often land is precious. To be able to get space that was occupied by nothing but toxic materials can create quite a difference in the health and the well-being of a community.

We started off by saying the people who polluted the area should pay for its cleanup. It was reviewed in the courts and it was challenged and debated all over the place. The fact is, it worked. In 1980, Superfund was authorized. In 1986, we reauthorized the collection of corporate fees paid by polluters that would be placed in the Superfund trust fund to pay for the cleanup of these so-called orphan or abandoned sites. These are the sites for which an actual polluter can be found. That way, all the taxpayers would not be stuck with the bill for a mess caused by corporate polluters.

Editorials and polls nationwide repeatedly showed that Americans want the polluting corporations, not the taxpayers, to pay for the cleanup of properties contaminated with dangerous chemicals. In a March 9 editorial, this week, the Philadelphia Inquirer said:

> The Senate should put the burden back where it belongs: on polluters.

Unfortunately, now the trust fund is flat broke and our citizens are feeling the impact. They are discouraged by the fact these toxic sites are going to continue to be in the middle of their communities and unusable for any productive purpose. Some sites, which should be cleaned up in 3 or 4 years, are instead now taking 9 or 10 years because the funding isn't there. That means youngsters living next to a toxic wastesite could be graduated from high school by the time the site is decontaminated. There are children and families in America living around the corner from toxic dump sites all over the place. It is inexcusable.

As my colleagues know, such exposure to toxic chemicals cannot be undone. EPA scientists report that small children are 10 times more likely than adults to develop cancer when exposed to chemicals. Our children are the most vulnerable among us. They are especially susceptible to dioxin, arsenic, DDT, and brain-damaging heavy metals such as lead and mercury, which are often found in the soil and ground water at these Superfund sites. Across the country, each site we clean up—and so far, we successfully cleaned up more than 900 sites—reduces the health risks to our children and families. Parents don't want to raise their kids under the shadow of a toxic waste site, only to worry about the high risk for cancer, birth defects, and other diseases.

The Superfund Program needs additional revenues now. Just as our mounting debt is slowing the economy, our failure to adequately fund Superfund is slowing toxic cleanups to a crawl. The administration claims that it supports the "polluter-pays" principle and "aggressively" cleans up Superfund sites, but the facts speak otherwise.

This year taxpayers will be asked to bear virtually the entire cost of cleaning up abandoned Superfund sites. In the President's fiscal year 2005 budget, the Superfund trust fund column shows a zero—the tank is empty. As we look at the timeframe, we can see from 1996, when we had over $3 billion available in the Superfund treasury, almost $4 billion, now, because we have not replenished it, we have used it, slowed the process of cleanups, finally in 2003 the fund is down to zero.

If the people in the communities want those sites cleaned up, they are going to have to pay for it. All the taxpayers will have to pay. Superfund is not even a fund anymore. There is nothing in it.

It is shameful what the President and this Congress have done to the Superfund. They have emptied it and told polluters: Don't worry, we will make everyone else pay for the mess our friendly contributors and political allies created. In 1986, taxpayers paid only a small portion, 8 percent, of orphan site cleanups. In 1995, only 17 percent of these costs came from general revenues. Today, the number is almost 100 percent. All taxpayers have taken on the burden of paying for what polluters should be paying.

The GAO recently reported that funding for the Superfund Program has fallen by 35 percent in the last decade. It was underfunded by at least $175 million in 2003. What does that say? It says that whatever work is not going on, because it is underfunded, the taxpayers are going to pay for it.

It is outrageous to suggest that the taxpayers ought to pay for the misdeeds of the corporations that polluted the area. If they pollute it, they ought to clean it up and pay for it. What we are talking about is a fee that spreads across business lines, where chemicals are manufactured, and oil and gasoline products are handled.

Yet one of four Americans, and 10 million children, still live within 4 miles of a Superfund site. That statistic does not include the 40,000 hazardous waste sites which have not made it onto the Nation's priority list. The National Priorities List has something like 1,300 listings. These are the especially toxic and dangerous sites—large sites typically.

Fewer sites are being listed, and many of those listed are not receiving sufficient funding. One Superfund manager in my State of New Jersey said this: EPA is strangling the program.

Here are the facts: The rate of site cleanup has fallen by 50 percent under this administration. In other words, they allowed, deliberately, these sites to rot where they are and that threatens the people who live in the nearby vicinities.

The listing of new sites on the National Priorities List has fallen by 23 percent. There is no action there. We cannot pay our bills. A lot of the people who are with the EPA doing that kind of work have seen the end of their jobs in sight and they don't want to stay there. They want to look to see what else is a prospect for them and their family.

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. LAUTENBERG. I thank the Chair. I say to my colleague, since I am on the floor, I will allot myself another 3 or 4 minutes before I turn the microphone over to the Senator from Vermont.

Even when a site finally makes it onto the NPL, it will take 11 years, on average, to actually decontaminate this site.

My State, unfortunately, has the second highest number of Superfund sites, second only to California. We have 113 Superfund sites, and more sites are waiting to be listed. My amendment would be the first step toward a solution. It would also reduce the budget deficit by $8.3 billion over 5 years. If you spread the cost around, it becomes infinitesimally small. It has been calculated that two-tenths of a cent on a gallon of gas would be the cost to taxpayers generally. It is a small, but appropriate, step for us to take for fiscal sanity. Reinstating the polluter-pays principle is fair. It has a proven track record.

I yield 5 minutes to my colleague from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I thank the Senator for yielding to me.

This is a very important amendment. Inscribed on a wall in a side room of the Capitol is a wonderful statement of Theodore Roosevelt reminding us that:

> The Nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased and not impaired in value.

The Bush administration is ignoring this sage advice and is turning back on the Superfund Program. This program has successfully removed PCBs, arsenic, lead, and other toxic waste from almost 900 communities. Yet this administration refuses to reauthorize the expired Superfund polluter-pays fees that were supported by President Reagan, the other President Bush, and President Clinton.

As a result, the Superfund trust fund that once contained $3.6 billion is now essentially bankrupt. The taxpayers are forced to pay for the cleanup of abandoned toxic dumps, instead of the waste-generating chemical and petroleum industries.

The impact of the resulting funding shortfall is illustrated by two sites in Vermont. The Elizabeth Mine site in Strafford has been denied funds for the second year in a row to clean up acid mine drainage that is leaching into the Connecticut River which flows down to several States. The delay has forced EPA to spend millions of dollars in emergency funds to stabilize this site, while still failing to pay for actual cleanup.

Only a few miles away lies another abandoned Superfund site, the Ely Mine site. It was added to the National Priorities List in 2001, but the Bush administration has yet to fund the investigation to discover the full extent of the contamination, let alone begin cleanup.

These examples illustrate how the Bush administration's refusal to support reauthorization of the polluter-pays fees chokes off funds for sites at all stages in the cleanup process.

Not surprisingly, the pace of cleanups completed annually during the Bush administration has plummeted by more than 50 percent. I, therefore, support the effort to reinstate the Superfund fees because every community deserves clean soil and water without delay.

I urge my colleagues to support the Lautenberg amendment. I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey has 5 minutes remaining.

Mr. LAUTENBERG. How much time remains of the time that was given to me?

The PRESIDING OFFICER. Four minutes forty-five seconds remain.

Mr. LAUTENBERG. Mr. President, what we are looking at is a way to relieve the taxpayers of having to come up with $8.3 billion, relieving pressure on the budget to the extent of the $8.3 billion.

We have so many sites in so many places, as I earlier discussed, in States such as Montana, Nebraska, and Maine. Some of these sites are huge. We see the same situation in Utah. I cannot believe that in this body at this time we would not say the communities across the country are being burdened by all kinds of discontinued programs, by all kinds of reductions in grants that went to the communities. A lot of the programs have been absorbed into grants, single grants, and let the communities use whatever they can for whatever they choose to but always at a diminished rate. This is a chance to set the record straight and let the public know this administration does not really care about what happens in these communities; that this administration would rather say to their friends, the polluters, many of which are listed on the contributors list for the campaign: Listen, we excuse you big companies from the dirt and the mess you made in these communities; we forgive you, but we will not pay it any other way except through the taxpayers' pockets.

This is a chance to set the record straight. I submit that every Senator who casts a vote against this amendment is saying to the people in his or her State: It is too bad you have those polluted sites. So what. Our friends, the companies that created this pollution, are closer to us than you, the citizens, the constituents in our States and in our country.

It is time we face up to the reality. We had a program that was excellent. It began in 1980. I came to the Senate in 1982. I followed it very closely and worked very hard on its reauthorization, which took place a couple of times. The program was going well. Cleanups were being done faster. People felt more secure about their jobs, those who worked to effect these cleanups, because they could see something ahead of them in terms of their own family security and their own needs.

When these people leave, it will be very hard to find the skills and the specialities that are required to continue this work. They will go, and I do not blame them for going. I am sure if it came to my own family and I had to support them through my job in my profession, I would say that is my first obligation. It is not to take care of the cleanup of the polluted sites. The President does not care about it. Our friends on the other side of the aisle do not care about it. One wonders how cynical people have become about voting, about putting their trust in politicians, their trust diminishes considerably, except now when people are beginning to feel the pressure of job scarcity, of termination of health plans, and retirement plans at risk. It is a whole different world.

I submit that when the vote finally comes on this amendment, the people who are going to vote against it have to examine their conscience very closely to make sure they are doing the right thing for their communities and for their States.

Mr. President, I yield the floor.

Ms. CANTWELL. Mr. President, I rise today in strong support of Senator LAUTENBERG's amendment to provide additional resources for the Superfund trust fund. I think my colleagues would all agree on the success of the Superfund Program. Since its inception in 1980, we have cleaned up 890 of the most hazardous toxic waste sites in communities around the country, including 44 in my home State of Washington. The Environmental Protection Agency's enforcement of the "polluter-pays principle" has helped clean up these sites.

Unfortunately, since the Superfund fees expired in 1995, American taxpayers have picked up an increasingly large share of cleanup costs and today are bearing almost the entire burden of paying for sites abandoned by polluting corporations. That is why the amendment before us is really about fairness—it holds polluting industries accountable and protects public health and safety. I believe a recent editorial in the Seattle Post-Intelligencer makes the point well:

> Washington taxpayers paid only $7 million in 1995 for Superfund program costs. Next year, we will pay between $25 million and $30 million. Americans are now paying for the worst toxic waste sites in the country with our health and our tax dollars.

This amendment will also help stem the ongoing erosion of funding for the Superfund Program. According to the U.S. General Accounting Office, the overall Superfund appropriations have dropped 35 percent in real terms since 1993, even while highly contaminated hazardous waste sites continue to be added to the National Priorities List, the Environmental Protection Agency's list of the Nation's most contaminated sites. In fact, at the end of fiscal year 2002, the National Priorities List had 1,233 sites in various stages of cleanup.

The Environmental Protection Agency's own Inspector General reported in January 2003 that the agency is facing Superfund shortfalls exceeding $174 million. That means the Bunker Hill site on the border of Washington and Idaho is only receiving $15 million this year, even though the Environmental Protection Agency estimated a need for $37.8 million. To put that in personal terms, I quote directly from the Inspector General's report:

> The impact of reduced funds for the Bunker Hill site is associated with risk to human health, particularly for young children and pregnant women, from lead contamination in a residential area.

I think this quote, directly from the Environmental Protection Agency, tells us all how critical it is we support this amendment. Reinstating the fees means that we can shift costs away from overburdened taxpayers, protect Americans from exposure to dangerous toxic chemicals, and revitalize properties that blight our nation and often inhibit urban redevelopment.

Waste sites still threaten more than 65 million Americans who live within 4 miles of a Superfund toxic waste site. And there are 40,000 other sites of concern that have not yet been listed on the National Priorities List. There was a very good reason for initiating a Superfund fee 23 years ago, and, until the remaining Superfund sites are cleaned up, we should reinstate and maintain this important environmental fee. I urge my colleagues to support this critical amendment.

The PRESIDING OFFICER (Mr. CORNYN). The Senator from North Dakota.

Mr. CONRAD. Mr. President, for a moment I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, we are going to try to not let time be wasted in quorum calls because time is such a precious commodity at this point. I will take a moment to talk about the budget resolution before us and what I think are the deficiencies of that resolution.

Let me put up this first chart that shows the operating deficits under the budget resolution that is before us. The hard reality is, the budget resolution before us will add nearly $3 trillion to the debt in just the next 5 years. Already we have record budget deficits. This year the Congressional Budget Office is saying the deficit will be nearly $500 billion. But that does not tell the whole story.

Actually, on an operating basis the deficit is even larger because nearly $160 billion of Social Security money is being used for other purposes as well. So if one looked at an operating basis, the true deficit would be the $477 billion plus another $160 billion. That is approaching $650 billion on a $2.3 trillion budget. That is a big budget deficit by any objective measure.

Here it is, $638 billion. As we see it, under the resolution that is before us, this operating deficit never gets below $500 billion as far as the eye can see.

Some are saying this budget resolution will cut the deficit in half in 3 years. Well, that is a certain definition of deficit that does not reveal the full story. It does not talk about how much is actually being added to the debt. The reason for the difference is one includes Social Security trust funds and one does not.

Right now the Social Security trust funds are running very large and growing surpluses. Under the budget resolution before us, all of that Social Security money is being taken over the next 5 years to pay for other things.

When the chairman of the committee talks about cutting the deficit in half in the next 3 years and cutting it in an even larger way by the fifth year, here is what his assumptions are: He says in the fifth year the deficit will be down to $202 billion. Here are the things he is leaving out: Under his resolution, he is also going to take $235 billion from Social Security, every penny of which has to be paid back and there is no plan to do it. He is taking $22 billion out of the Medicare trust fund, every penny of which has to be paid back and he has no plan to do that.

In addition, it would cost $55 billion to fix the alternative minimum tax in that year. The alternative minimum tax is the old millionaires' tax that is rapidly becoming a middle-class tax trap.

Why do I say that? Well, right now only 3 million people are affected by the alternative minimum tax. By the end of this 10-year budget period, there are going to be 40 million people. Those people who thought they were going to get a tax cut are in for a rude surprise.

On top of that, he leaves out the residual war cost in that fifth year which, according to the Congressional Budget Office, will be $30 billion. So instead of adding to the debt by $202 billion, which one might conclude when he says he is going to run a deficit of that amount for that year, we see he is actually going to be adding to the debt by $545 billion.

Still lots of things are left out. For example, on war costs, in the President's budget he has no funding for the war in Iraq, no funding for the war in Afghanistan, no funding for the war on terror past September 30 of this year. To the chairman's credit, he has put in $30 billion, although interestingly enough he does not add it to his deficit totals. So it is magic money. It is money that is on paper, says it is available, but he does not count it.

Look at what the Congressional Budget Office tells us ought to be the money set aside for war costs. They say $280 billion is what it is going to cost over this next period of time. The chairman has $30 billion in his budget resolution, although he does not really provide the money, he does not count it in his deficit calculations. It is, as I say, magic money: Now you see it, now you don't. The President has no money.

So I go back to this calculation of what this budget resolution adds to the debt and what kind of operating deficits it runs, and they are much larger than is being revealed. Here is what I mean. From 2004 to 2005, it will add $612 billion to the debt. The next year, $569 billion is added to the debt. These are not my numbers. This is from the chairman's own mark. These are from his documents. The third year it adds $552 billion to the debt. The fourth year, $563 billion to the debt; the fifth year another $563 billion to the debt. That is a cumulative total of nearly $3 trillion to the debt, and all at the worst possible time, right before the baby boomers retire.

I know my colleague from Idaho is waiting so I am going to wrap this up, and I know Senator NELSON is seeking time as well. This is a final point I think is important to understand: The deficit on a unified basis, when Social Security is included and other things are left out, is going down. That is misleading us as to our true fiscal condition because the additions to the debt are basically stable, but if I examine the chairman's proposal he is actually adding to the deficit beyond what would occur if we did nothing in this Chamber.

I hope my colleagues are listening. The chairman's budget adds to the deficit in each of the next 5 years by $177 billion over and above what would happen if we did nothing. If we just put the Government on automatic pilot, we would have $177 billion less in deficit over the next 5 years than if we passed this budget resolution.

I hope my colleagues study this document very carefully because I think it conceals much of the true financial condition of our country.

I yield the floor, because I know colleagues are seeking time.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I rise to speak against the Lautenberg amendment and also to speak generally about S. Con. Res. 95, which is, of course, the underlying budget resolution. I also come from a State that has a very large Superfund site, so one would think I would be in support of the Lautenberg amendment to fund that site, but I am not, and here is the reason why, and why I think it is important we all understand a tax is a tax is a tax, and what the Senator proposes on Superfund is really a tax on a lot of businesses that are having difficulty at this moment.

In fiscal year 2005, the request for Superfund is $1.38 billion, and that is an increase of about $124 million over fiscal year 2004. The fiscal year 2005 budget includes a $150 million increase in Superfund cleanups, and that $150 million not only funds the cleanup work already underway in Idaho and the program we have planned out there, but it also includes 15 new construction projects, or cleanup projects, involved under Superfund law.

Democrats will argue to reinstate the Superfund tax so that, in their words, the polluter pays for the cost of the cleanup. Well, the fact is the polluter already pays under current law. Where there is an identifiable and viable polluter, consistent with the law, they are held liable. Congress has exempted a few small businesses, but in most cases, again, where there is an identifiable polluter which has a viable company that can obviously be held responsible, they are asked to pay, and by law they will pay.

That was certainly true in the Superfund area of Idaho, which was an old mining area. While some of those mining companies and smelting companies participated in paying, there is also a tap on the Superfund itself for that kind of pay. In 2003, potential responsible parties, or PRPs, paid about 87 percent of the cost of new construction.

Certainly a great deal of money is coming out of the business sector to pay for cleanup under the Superfund law. Historically, PRPs—again, responsible parties—have paid more than 70 percent of the cleanup itself. So the law itself is a tax imposed on those companies when they are found responsible for the pollution and are by law required to clean up the pollutants.

Superfund taxes were always unfair. The tax goes where the money is and not where the responsibility lies. What we are doing now is directing it toward the responsible parties. This is not a tax on polluters. It is an indiscriminate tax on business, as proposed by Senator LAUTENBERG. The Superfund tax was levied against a broad range of businesses.

It is interesting there is no correlation between the dollars in the Superfund and the level of funding that goes to Superfund cleanup. There is no delay in cleanups due to a lack of the Superfund tax.

As we work to stimulate this economy and get it back on line and get companies in the business of growing and expanding so they can create new jobs and hire the unemployed, this tax goes, in a broad-based way, right at those companies, once again potentially dragging them down.

I am on the floor today also to strongly support S. Con. Res. 95 which the Budget Committee has worked so hard to produce. This is not the kind of budget resolution I wish I was voting on. That is not the fault of the chairman of the Budget Committee or the majority of the committee, and it is not the fault of the President of the United States, and it is not the fault of the tax relief this Congress enacted in 2001 through 2003.

Where does the fault lie? There has been a lot of fingerpointing by all of the amendments that have been brought out here in a great rush on the part of my Democrat colleagues to crank all these taxes back up and stunt the growth that is starting.

Where does the fault lie? With an economic cycle that, despite the collective denial of politicians, bequeaths our Nation with a recession at least about once every decade. Certainly in my time here in the Congress I have watched that cycle go forth. Somehow in the late 1990s we thought the cycle would never come, but it did come. It came in the latter years of the Clinton administration. We were trying to pull it out and then along came 9/11. We all know what happened at that time when terrorists attacked innocent civilians in this country and really threw this country into a phenomenal, quick slowdown. Some will argue it took over \$1 trillion out of the economy at that time.

Where does the fault lie? With the international terrorist movement and the foreign regimes who supported it. We saw what happened, tragically, in Spain today. No country is immune. Certainly we have had to invest mightily to begin to develop a level of protection for the civilian population in this country we really had never had before.

With that difficult, perfect combination of things happening, and I think obviously understood by all, what are we dealing with? We are dealing with a very difficult time. We, as a Congress, have worked mightily to work our way out of that. These circumstances, most of them forced upon us, have really been a body blow to our economy, to American jobs, and to the current fiscal situation.

Something else is also happening. The American people have said, in reality, you have spent about as much as you need to spend. We have deficits growing. It is time we get those deficits under control. The chairman of the Budget Committee has worked mightily to do that.

We are in the aftermath of a market slump and an economic slowdown that truly began in 2000, before this President took office. Nobody denies that today, although some would like to point a finger in a rather odd direction, at this current President. We are still working our way out of this recession in all respects. It is not smooth sailing, but clearly the wind is now to our back and it appears the economy is slowly but progressively coming on line.

We fought a shooting war against terrorism on two fronts and continue to fight terrorism at home and abroad.

Unfortunately, in a business world in which most folks play by the rules and follow the law, something else has happened: A significant handful of scandals and a legacy of some of the excesses of the 1990s that shook the confidence of the stock market and further depressed the economic downturn. That cyclical downturn already was inevitable. I think I can well remember what Fed chairman Alan Greenspan said when he warned us of an overvalued market and an irrationally exuberant attitude, long before the market slumped. So the combination of the 9/11 and bad actors out there in the market along with the reality of cyclical movements in our country have brought us to where we are today and brought the budget to where it is, trying to be fiscally responsible and fund the needed and necessary services of our Government and at the same time saying we are controlling our spending here and we are not going to overtax America's workforce.

Quite another message comes from the other side at this moment. Somehow they have an insatiable appetite to continually increase taxes on working men and women. They will argue they would like to direct it at the millionaires of this country. They never really quite define it. We know the vast majority of the taxes paid in this country are paid by average working men and women because they make up by far the vast majority of the cumulative wealth and generated wealth of our country.

Given all the circumstances, I believe this is a very good budget resolution. I believe we ought to work hard to support it and to refine it where we can throughout the process and get on with the business of doing what is responsible here and that is causing our Government to function in the appropriate fashion.

It is a political year. We all know that. It would be a nice surprise if the Congress of the United States, at least on budgetary matters, and at least through the appropriation process, could show the American people we are going to be responsible, we are going to finish the budget on time, we are going to get our appropriations out on time. Then we can get at the business of politics, of deciding who is going to run the next Congress and who the next President of this country will be. But it would be amazingly refreshing if we could show the American people we can work together.

It doesn't appear that is going to happen and that is a real sadness of mine. We are working hard to put a budget resolution together and yet we see this insatiable appetite on the part of my Democrat colleagues to continually raise the spectrum of more taxes, more taxes, more taxes.

I congratulate Senator NICKLES, chairman of the Budget Committee. This resolution represents a truly heroic effort of responsible management of our budget during a time of trial and challenge in our country. It is a tough time. We all know that. It is understandable. It is unfortunate that several years of international and economic shocks and jolts have produced today's record budget deficits. Our constituents today know it. They understand history. But they also understand responsibility and they have handed us that responsibility and they are suggesting we treat it with due respect.

The American people, especially after 9/11, showed tremendous resilience. They met the challenge. They expect us to meet the challenge. They demand it of us. They demand it of our President. In nearly all instances that simply has happened. The President and Congress did the right thing in 2001 and 2003. Without tax relief, where would we be today? We would probably have fewer jobs. Our senior citizens' nest eggs would be lower in value and less secure. Millions of low- and moderate-income families would probably have less freedom and financial empowerment today than they would without the tax reduction. Small business startups and growth would have been stunted.

Without the leadership and the effectiveness of this President and Congress on matters of defense and homeland security and the economy, we would still be in a recession. We are not in that recession now. We are clearly in a recovery mode. This country is struggling along, but always upward, building its job base and bringing people back into the job market in a very progressive way.

Lots of challenges remain. None of us will argue the difference because challenges are there. But is the challenge simply to go out and burden the economy again by major tax increases? They would suggest that we not extend the current taxes. That is not going to be a tax increase? You ask the average working man or woman, ask the average family of four, if doing that doesn't constitute a tax increase because it takes money away from their spendable bottom line. You darned bet it is a tax increase. The very least we can do is assure that we maintain the child tax credit and the marriage penalty relief and the 10-percent tax rate which is going to be critical to the working men and women of modest means in this country. That is what this Congress ought to be about.

If I have heard the rhetoric once, I have heard it a good number of times in my years here in Congress. Somehow Government can do it best; somehow an expenditure of the Government dollar is going to cause our lives to be better. In instances that is true, such as in areas of health care and in Social Security. But in instances of good-paying jobs, Government doesn't create them. It is the private sector that creates them. We ought to be incentivizing in every way we possibly can the very job creator we know about—small business, medium-size business, and large business in this country.

I strongly support what the Budget Committee has brought forward. I think it is responsible. I am glad we are defeating most of these amendments that would simply send us into a tax-and-spend spiral, the kind we have seen before that more often drove us into a recession than drove us out of a recession. To tighten our belt, to bring the deficit down, and to begin to show a pattern of moving us toward a balanced budget again is the right thing. The chairman of the Budget Committee is doing just that.

The President asked that we begin to tighten our belt and curtail our spending in a variety of areas that are less essential to the fundamental responsibilities of our Government. That is exactly what we are doing. It is a tough budget. It is not an easy budget. But it is a budget worth voting for. It is a budget worth finalizing so we can get on with the appropriating process.

I hope at the end of the year when we adjourn sine die we can say our job was complete; that while it was a very partisan year and a highly politicized year, the Congress came together, got their appropriations bills finished, and did their homework. There will be only one way that won't happen—if the other side, in an obstructionist way, decides it won't happen; if they decide every appropriations bill that comes up has to have 50, 60, 90, or 100 amendments and we have to labor day after day after we have worked in a bipartisan way to craft the appropriations bills, as we always do.

That is our challenge. Let us get our budget resolution complete. Let us get reconciliation, the tools that move us forward toward the appropriating process so we can complete the year as the American taxpayer and the voter would expect us to do. That is the challenge. The chairman of the Budget Committee and the Budget Committee are meeting that challenge, and I hope we are worthy of it.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the Senator from Nebraska is seeking time. How much time would he desire?

I yield five minutes off the resolution to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. NELSON of Nebraska. Thank you, Mr. President. I thank my colleague from North Dakota and commend him for all the work he has done on the budget.

I say to my friend from Idaho I think we recognize across the aisle it is important for us to work on a bipartisan basis. I agree with him. I might take issue with him when he would suggest that any, or all, or always, or never with respect to your friends on this side of the aisle. I think we are here to work together. I hope we can, without classifying ourselves one way or the other, except to say we are here as Americans representing the folks back home by working together and getting something accomplished. I know that is the goal of the Senator from Idaho. I think a lot of us share that goal.

TONY RAIMONDO

I rise today to come to the defense of a great friend, and more importantly, a great Nebraskan, Tony Raimondo. As many are aware, Tony Raimondo was to be nominated this morning as the Bush administration's new manufacturing czar. Late yesterday the announcement was canceled, citing scheduling conflicts.

I realize there have been speeches in this Chamber that have been critical of Tony's record as a businessman. I am here to say "nonsense." We all know politics runs the days around here. It is a very political time with the Presidential election. Much is at stake. Yesterday was no exception to that, and today is not either.

I am not going to address what was said earlier. Everyone has a right to an opinion. No matter who the Bush administration decided to appoint to this position, he or she is going to be run through the ringer. But I am here to tell you this Nebraskan isn't going to watch another Nebraskan get treated like this.

Tony Raimondo is a friend of mine, a former business partner of mine, and he is not the antijobs CEO he is painted to be.

Sure, he has a company in China. He expanded there last year. In fact, I had the pleasure to be at the ribbon cutting of his factory there. Next week I will be in Columbus, NE, the headquarters of Tony's business, Behlen Manufacturing. I will see many Nebraskans who are employed at Behlen, or are related to somebody employed at Behlen, or at least know someone employed by Behlen.

Tony is a respected member of the Columbus business community. He is a Nebraska business leader. He has represented Nebraska business interests around the world and here at home as a prominent member of the National Association of Manufacturers, and he is a good employer.

Sure, his business has struggled in recent years. It is hard to find one that hasn't. But he didn't do what others have done. He is fighting to keep his business alive and well in Nebraska and in the other States where it is located. He is fighting to save those jobs. He is fighting to not let his employees down, his community, his State, or his country.

He expanded his business to China. He didn't close it and move it to China. With his experience, I think he can show others how to keep jobs here at home and how to expand and diversify their businesses—saving jobs in America. Tony Raimondo should be held up as an example, not derided as a pirate.

I am not sure what is happening with the nomination at this point. Obviously, there is a predictable partisan opposition. But what I am not hearing is any alternative. Should we leave this important position empty and watch manufacturing jobs continue to decline or should we get someone in place to at least try to preserve those jobs, those good-paying jobs here in America?

I came here to get things done and to do what is right for Nebraska. I say let us try. Tony Raimondo is not only a good choice for this position but, in my opinion, he is the best choice.

I thank the Chair. I thank the distinguished Senator from the State of North Dakota for the time.

Mr. CONRAD. Mr. President, I thank the Senator from Nebraska for taking the time. I also thank him very much for being flexible about when to come so we can keep the business flowing and not have dead time. I appreciate very much his accommodating the managers.

Mr. NICKLES. Mr. President, I also want to compliment my colleague from Nebraska. I very much appreciate his comments concerning having partisan work on the budget. I have had the pleasure of working with the Senator from Nebraska. We are very good friends. I hope his basketball team goes in defeat today against the University of Oklahoma. I wanted to make sure he is aware that could happen. You never know.

Senator INHOFE, I believe, wants to speak on the Superfund amendment offered by our colleague from New Jersey. In a moment, I will ask to set this amendment aside, and we will take up an additional amendment. But let me make a couple of comments.

This is a tax increase. We have had a lot of tax increases. This assumes it is going to be reauthorized. I hope and expect it will be authorized. But the taxes shouldn't be increased until it is reauthorized. That should be done by the authorizers. Chairman INHOFE is chairman of that committee. I want to protect his rights. When he returns to the Senate Chamber, I will give him ample time on whatever amendment we are considering to fully debate the Lautenberg amendment. I am willing to consider additional amendments.

I tell our colleagues again we have spent a lot of time debating. We need to be moving more amendments or else other people are going to be squeezed on time.

I believe the Senator from Iowa has an amendment. It is all right with me if we go to that amendment.

The Senator from Connecticut, I believe, has an amendment. We are happy to consider that amendment.

I want to notify our colleagues time is running and we are going to have a very late night tonight and, unfortunately, maybe tomorrow. I happen to think it is possible to finish this tonight, but it will take people not offering amendments. It will take people not making long speeches. I don't want to stifle debate. I enjoy debate. But it is important to get our work done. I see a fairly lengthy list of amendments yet to be handled.

I am willing to set aside the Lautenberg amendment for the amendment of the Senator from Iowa.

Mr. CONRAD. Senator LAUTENBERG never sent the amendment up.

Mr. NICKLES. I guess I will not set it aside. I asked unanimous consent to set aside the Dorgan amendment to consider the Lautenberg amendment but it was not sent to the desk. We will save a spot for Senator LAUTENBERG to introduce the amendment.

Mr. CONRAD. If I might clarify, I can understand why this may be surprising. We were not able to arrive at a time agreement because you needed to talk to the chairman. We thought it would be more appropriate to withhold sending the amendment to the desk until you had a chance to consult with your chairman.

Mr. NICKLES. I appreciate that.

Mr. CONRAD. We thought that would be more fair to you.

If we could enter into a time agreement on the Harkin amendment, that would help substantially.

Mr. NICKLES. If my colleague will yield.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I think it would be most appropriate if the Senator from New Jersey did not offer his amendment.

Mr. CONRAD. We have a lot of amendments that the chairman might feel that way about.

Mr. NICKLES. I will compliment my colleague from New Jersey for his amendment if he does not offer it. I will oppose it strenuously if it is sent to the desk. I urge my colleague to withhold, if he can.

Our colleague from Kentucky wants to be heard on the amendment from our friend from Iowa. I need to consult with him before we enter into a time agreement. I am perfectly willing to enter into a time agreement on several amendments.

Mr. CONRAD. Could we get a general understanding of what it is we will try to achieve in terms of a time agreement on this amendment so the Senator from Iowa has some understanding of what we would be talking about, 20 minutes equally divided, as we discussed earlier?

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. As I understand the Senator from Iowa, he raises taxes only $80 billion over this period of time, so if we give a minute per billions, this would be 40 minutes a side. I am not sure. I would be willing to do 15 minutes a side, but I need to consult with a couple of colleagues. I am not positive what this amendment does, if it has a reserve fund or if it just is a direct tax increase and assumes spending.

Mr. CONRAD. Could we say initially that in terms of the advice for our colleagues that we try to make this 30 minutes equally divided, with an understanding that it may be altered somewhat when you have a chance to consult? It would just help those who are managing the amendment to divide up the time in a way that might make things go faster.

Mr. NICKLES. I appreciate the suggestion by my colleague from North Dakota. I would like to have an assumption that no amendment gets over 10 minutes on each side. I mentioned that would be my desire at the beginning of the day. That is still my desire. That would be ample time for discussion. That would be my hope. I hope the standard amendment does not receive more than 10 minutes a side. That would be my thought. Maybe we can do that for the amendment of the Senator from Iowa.

I ask unanimous consent to lay the pending amendment aside and to consider an amendment to be offered by our colleague from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. I yield to the Senator from Iowa 15 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 2799

Mr. HARKIN. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, and Mrs. FEINSTEIN, Mr. DURBIN, Mr. LAUTENBERG, Mr. BINGAMAN, Ms. LANDRIEU, and Mr. LIEBERMAN, proposes an amendment numbered 2799.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for increased resources for medical research, disease control, wellness, tobacco cessation and preventative health efforts including substance abuse and mental health services, establishing a fund for this purpose, offset by an increase in the cigarette tax to $1 and proportional increases in other tobacco excise taxes and deficit reduction)

On page 3, line 9, increase the amount by $7,800,000,000.

On page 3, line 10, increase the amount by $7,800,000,000.

On page 3, line 11, increase the amount by $7,800,000,000.

On page 3, line 12, increase the amount by $7,800,000,000.

On page 3, line 13, increase the amount by $7,800,000,000.

On page 3, line 17, increase the amount by $7,800,000,000.

On page 3, line 18, increase the amount by $7,800,000,000.

On page 3, line 19, increase the amount by $7,800,000,000.

On page 3, line 20, increase the amount by $7,800,000,000.

On page 3, line 21, increase the amount by $7,800,000,000.

On page 4, line 20, increase the amount by $7,800,000,000.

On page 4, line 21, increase the amount by $7,800,000,000.

On page 4, line 22, increase the amount by $7,800,000,000.

On page 4, line 23, increase the amount by $7,800,000,000.

On page 4, line 24, increase the amount by $7,800,000,000.

On page 5, line 3, decrease the amount by $7,800,000,000.

On page 5, line 4, decrease the amount by $15,600,000,000.

On page 5, line 5, decrease the amount by $23,400,000,000.

On page 5, line 6, decrease the amount by $31,200,000,000.

On page 5, line 7, decrease the amount by $39,000,000,000.

On page 5, line 11, decrease the amount by $7,800,000,000.

On page 5, line 12, decrease the amount by $15,600,000,000.

On page 5, line 13, decrease the amount by $23,400,000,000.

On page 5, line 14, decrease the amount by $31,200,000,000.

On page 5, line 15, decrease the amount by $39,000,000,000.

At the end of Title III, insert the following:

SEC. . FUND FOR HEALTH.

If the Committee on Appropriations of the Senate reports legislation with a level of appropriations for function 550 discretionary programs without the use of this Fund that at least appropriates the sum appropriated for function 550 discretionary programs in fiscal year 2004, the Chairman of the Committee on the Budget of the Senate may revise aggregates, function totals and increase the allocations to the Committee on Appropriations up to $6,000,000,000 in new budget authority and $6,000,000,000 in new budget outlays for fiscal year 2005 and $30,500,000,000 in new budget authority and $30,500,000,000 in budget outlays in fiscal years 2005 through 2009.

Mr. HARKIN. Mr. President, this amendment is offered on behalf of myself and the major cosponsor is Senator FEINSTEIN; also Senators DURBIN, LAUTENBERG, BINGAMAN, LANDRIEU, and LIEBERMAN.

The Nation's health system is in crisis. There are nearly 44 million uninsured individuals. Skyrocketing health costs are leaving more and more people without insurance. We have shortages of health professionals all across rural America. Everywhere, health providers are stretched to the limit. Finally, as the Centers for Disease Control pointed out just this week, obesity will soon match tobacco use as America's No. 1 preventable killer.

This is not the time to cut Federal investments in health care. We stand on the brink of fantastic discoveries and breakthroughs in medical research. This is not the time to cut short this vital research, denying hope to tens of millions of Americans with chronic diseases. This is the time to increase our efforts not only to treat and cure illnesses, but also to dramatically increase our efforts to prevent illnesses. We need major new efforts to promote wellness in our health care system.

And yet, the President has proposed slashing function 550, the health care function in this budget. This is taking America in exactly the wrong direction.

Accordingly, I am offering an amendment that would increase function 550 funding by $6 billion in fiscal year 2005 and $30 billion over 5 years.

This new funding would go to medical research disease control, wellness, tobacco cessation, and preventive health efforts. It would help to recruit and retain our incredibly talented health professionals in this country—especially in rural areas. It boosts research into new medical treatments and cures. It includes funding for mental health and substance abuse programs. It includes funding for the prevention of chronic diseases, which account for 75 percent of our Nation's $1 trillion in health care costs.

The Harkin-Feinstein amendment fully offsets this new funding by levying a tobacco user fee of 61 cents per pack. That would bring the Federal total to $1 per pack.

This user fee will raise enough revenue both to fund the increase in function 550 and to reduce the deficit—steps that will be good for the physical health of the American people and the fiscal health of the federal government.

Bear in mind that tobacco use costs this country billions of dollars and millions of lives every year. Tobacco use is the leading cause of preventable death in the United States, causing 440,000 deaths each year and resulting in more than $75 billion in direct medical costs. Smoking causes chronic lung disease, coronary heart disease, and stroke, as will as cancer of the lungs, larynx, esophagus, mouth, and bladder. In addition, smoking contributes to cancer of the cervix, pancreas, and kidneys.

This creates an enormous financial burden for the federal government. Smoking-caused Medicaid expenditures amount to a whopping $23.5 billion annually. Smoking-caused Medicare-expenditures are $20 billion per year. Reducing tobacco use in this country could save American taxpayers billions of dollars annually, while freeing up resources to invest in the country's public health system.

Study after study tells us that increases in the price on tobacco products have significant positive public health effects—especially with children. With a $1 user fee on tobacco products, we can decrease youth smoking by 18 percent. We can keep 105,000 young people from starting smoking in the first place.

Despite our efforts in the 1990's to curtail manipulative marketing targeted at children, the tobacco industry currently spends more than $11 billion a year to promote its deadly products—that is $30 million per day. We should be curbing this threat, this epidemic. And this amendment will do exactly that.

Prevention is the key. Today, Americans are plagued with more and more chronic diseases that are largely preventable. As I said, 75 percent of the $1 trillion we spend on health care in the United States goes to the treatment of these largely preventable chronic diseases. Without question, giving Americans an incentive to reduce or quit using tobacco products would be an urgent step in the right direction.

This amendment offers us a trifecta of benefits: It increases funding for health care services, medical research and prevention. It reduces the deadly pandemic of tobacco use in America. And it makes a solid contribution to reducing the budget deficits that are destroying our government's fiscal health.

Lastly, let me say that our amendment does not contain any provision dealing with the tobacco quota buyout and FDA regulation of tobacco. I believe we need to do both; both must be done together. This is one Senator who will stand here and do everything I can in my power, along with others, to make sure there will not be a tobacco buyout without FDA regulation of tobacco.

I believe we have to do both because I believe we need to help our tobacco farmers, those who are struggling to feed their families in small, rural areas all over the South and sometimes even to the Midwest. They need the tobacco buyout. But we also need to make sure we have meaningful oversight of tobacco use and promotion by the Food and Drug Administration.

With that, Mr. President, I now yield to the Senator from California.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I just checked with Senator MCCONNELL, who I think might be involved in leading the opposition, and he has no objection. So I ask unanimous consent that the time allotted for the amendment of the Senator from Iowa be 30 minutes, equally divided—the time allotted from the beginning of the debate on the amendment.

Mr. CONRAD. Mr. President, just for our understanding, the time used so far would be charged to the amendment?

Mr. NICKLES. The Senator is correct.

Mr. CONRAD. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa.

Mr. HARKIN. How much time does this side have left?

The PRESIDING OFFICER. Nine minutes remain.

The Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Iowa for his leadership on this issue, and I join him wholeheartedly.

Funding for public health programs has never been more critical. The President's budget, for the first time in 10 years, includes a decrease in Function 550. This is the portion of the budget that covers cancer research, AIDS treatments and new discoveries, potential health threats, including anthrax or other biological or chemical attacks—all through the National Institutes of Health, the Centers for Disease Control, the Indian Health Service, and others. If we do not adopt this amendment, all of those programs are threatened with cuts. Let me speak about how this amendment works. It increases the budget for discretionary public health programs for fiscal year 2005 by $6 billion. That is a 12-percent increase over the fiscal year 2004 level.

Now, a 12-percent increase in Function 550 is supported by more than 400 health groups. And, this increase is also paid for. It is paid for by a 61-cent increase in the federal tax on tobacco, which will bring in about $8 billion per year. Mr. President, $6 billion of the $8 billion covers the cost of increasing funding for public health, and the remaining $2 billion goes for deficit reduction. It is a prudent step to take at this point in time.

Now, you might say, why? We know tobacco kills. And we know that prevention saves lives. For the first time in my State—California—we have had a drop in lung cancer incidences and death among women because of the tobacco prevention programs that are taking place. So I think an increase in the tobacco tax is an appropriate means to support a 12-percent increase in cancer research.

Let me speak to that for just a moment. We now have seen the mapping of the human genome. This holds tremendous promise for finding cures for diseases like Alzheimer's, Parkinson's, diabetes, and cancer, by attacking their genetic roots.

We have seen advances in genomics, in molecular biology, which have made the development of new, targeted cancer therapies such as Gleevec, for chronic myeloid leukemia; Herceptin, for breast cancer; and, most recently, Avastin, for colon cancer.

We now have drugs that are so advanced that they can target just the bad cancer cells and not harm the good cells. These drugs are amazingly effective and are less toxic for the patient.

I have been vice chair of the National Dialogue on Cancer, now called C-Change, for 4 years, and co-chair of the Senate Cancer Coalition for even longer than that. If there ever is a time to continue the march to solve major health problems before this Nation, this is that time.

This amendment allows that to be done, with a 12-percent increase for public health programs. And it is fully offset. It would be funded from an increase in the tobacco tax, a tax that I think is an appropriate measure—about $2 billion for deficit reduction and $6 billion to fund this amendment.

I urge the Senate's approval of this increase in basic health functions across the board.

Mr. President, I yield my remaining time to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank the Senator.

How much time is remaining in support of the amendment?

The PRESIDING OFFICER. Five and a half minutes.

Mr. DURBIN. Mr. President, I will not use that amount of time, just perhaps 1 minute, if the Senator will yield it. I will just use 1 minute.

Mr. President, I rise in support of this amendment and ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, this is an extraordinarily important amendment. It should be strongly bipartisan. Is there a person listening to this debate who believes there is a Republican or a Democratic approach to research, finding cures for the diseases that are affecting America? There has been a strong, bipartisan commitment by Democratic and Republican Presidents to invest in research. The Senator from Iowa and the Senator from California have the courage to stand up today and say: We will not allow this effort to end; it will go forward; and we will fund it in an honest fashion, by raising the Federal cigarette tax by 61 cents. They will generate the billions of dollars that we need to put back into health care and health research so families across America have peace of mind that we are doing everything in our power to spare their children and their loved ones from diseases that are threatening them.

The second part, that is equally if not more important, is, as you increase the cost of tobacco products, fewer people buy them, particularly children. A 61-cent increase in the price of a pack of cigarettes or tobacco is going to discourage children from taking up the habit, becoming addicted, and, ultimately, losing their lives to this deadly addiction.

I commend this amendment. I hope my colleagues will rise to the occasion, on a bipartisan basis, to endorse this real investment in health care and research for America.

I thank the Senator from Iowa and the Senator from California for allowing me to speak.

Mr. HARKIN. Mr. President, how much time does this side have?

The PRESIDING OFFICER. Three and a half minutes.

Mr. HARKIN. Mr. President, I will yield myself a couple minutes.

A lot of people might say: My gosh, Senator HARKIN and Senator FEINSTEIN and Senator DURBIN, a dollar a pack is a lot of Federal tax on a pack of cigarettes. But this chart shows the history of the Federal excise tax on cigarettes going back to 1950.

Shown on this side of the chart would be for 1950. At that time, the Federal excise tax was 49 percent of the average wholesale price for a pack of cigarettes—49 percent. Today, it is 14 percent.

So those who say that a dollar a pack on that is too much, I point out it only brings it up to 30 percent of the average wholesale price of a pack of cigarettes. That would be 30 percent; and that would be less than what it has been many times in the past.

So it is not out of line with what we have had as a Federal excise tax on cigarettes, as I said, going clear back to 1950. Then all the way up until about 1983 it was more than 30 percent of the average wholesale price. So this is not out of line.

But what we get for this, as has been pointed out, is we get $30 billion over 5 years to invest in health research, wellness, prevention programs, anti-obesity programs, smoking cessation programs, and keeping our people more healthy. Plus, we also get out of this amendment about $9 billion in deficit reduction.

So this amendment does two things: It raises the Federal excise tax on a pack of cigarettes from 39 cents to $1, which would bring it up to about 30 percent of the wholesale price, and it takes that money and puts it in the health function so we can invest in the health of our people in this country. That is all this amendment does. It does nothing else.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. HARKIN. Yes, I yield for a question.

Mr. KENNEDY. Is it not also true, with the success of this amendment, there will be a dramatic reduction in teenage smoking?

Mr. HARKIN. The Senator is absolutely right. We know with this amendment there will be a dramatic reduction. It is estimated youth smoking would go down by at least 18 percent with this amendment.

I thank the Senator from Massachusetts for his support and for pointing that out.

I reserve whatever time we may have remaining.

The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I think I may have a colleague who wants to speak on this; I believe Senator McCONNELL. I am looking at the amendment. I can read the purpose, but I will tell my colleagues, you can put whatever purpose you want, but the net essence of the amendment is to increase taxes by $39 billion. I appreciate the assumption. I don't know if that scores correctly. I have no idea.

I don't know what the tax raises today and I don't know how much money would be raised if it was increased today $1 a pack. I do know a lot of States have been doing this. My Governor in my State of Oklahoma is in the process of trying to increase tobacco taxes as we speak. This would conflict with that to some extent because a lot of States have been doing that. I believe New York and a lot of other States have very hefty taxes. This has been primarily an area where the States have maybe the heavier tax between the Federal and the State.

This amendment also purports to say it will increase spending. Just reading the language, it says, "If the Committee on Appropriations reports the legislation" such-and-such, then the chairman of the Budget Committee may revise aggregates up to. So it doesn't actually directly increase spending. It does directly increase taxes to the tune of $39 billion over the first few years. It assumes there would be a lot of new spending. I want to make that clear. Some people are assuming it is a direct increase in some functions.

Again, to repeat, my colleague from North Dakota and I have done this repeatedly. The purpose does not really mean the Finance Committee is going to get an instruction to increase taxes, decrease taxes, keep present law, have tax increases. This is a tax increase. I have been on the Finance Committee for a long time. I don't remember ever voting on an amendment to increase cigarette taxes. I guess it has floated around, but I don't remember a serious debate on increasing the cigarette tax and should this be a function to be reserved for the States or for the Federal Government.

I will reserve the balance of our time for Members who may be more knowledgeable. I didn't know what the excise tax on a pack of cigarettes was until my colleague said it is 31 cents. I don't know what the wholesale price of a pack of cigarettes is. I don't know what the retail price is. I don't know, don't care too much. So maybe this is a fight for other people.

Mr. FRIST. Mr. President, I rise in opposition to the Harkin Amendment. I'm against raising taxes. And that is exactly what this amendment is—a tax increase and a large one. Moreover, it is very regressive. It raises taxes on many people who can't afford it.

However, I share the overall goal of reducing tobacco use. Smoking is still the number one killer in America, though obesity is now a close second, a should be addressed by Congress. As a heart and lung transplant surgeon, I know very well the results of this deadly habit, and I have consistently supported reasonable FDA regulation of tobacco which focuses on youth consumption.

I hope that we can eventually reach agreement on a package that will give FDA reasonable authority to regulate tobacco and provide a buy-out for our tobacco farmers. I encourage my colleagues who support this amendment to work to accomplish that worthy public health goal.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the Senator from West Virginia is seeking time. How much time would the Senator want?

Mr. ROCKEFELLER. Five or six minutes.

Mr. CONRAD. I yield 5 minutes off the resolution to the Senator from West Virginia. For the information of the chairman, the Senator has agreed to talk about an amendment but not offer it. That is why we are asking at this time that he be given 5 minutes to discuss his concern.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I thank the extremely distinguished Presiding Officer, Senator CONRAD, and Senator NICKLES.

Last year we had a very interesting scene on this floor in which 75 Senators, working with Senator COLLINS, Senator NELSON from Nebraska, and Senator SMITH from Oregon and I, and others, passed a $20 billion fiscal relief bill for the States. Half of that was devoted to Medicaid. It became an extraordinarily important part of what States did to be able to survive.

We are once again in a dire fiscal situation. States face the prospect of having to cut benefits to kids, particularly poor kids, needy families, and seniors in nursing homes, something which 75 Senators voted not to do last year. It passed the House. The President signed it.

Forty-two States last year were in a budget deficit situation with respect to Medicaid. It was and is their largest problem. Sluggish job growth continues to add to that problem. Last month our economy gained 21,000 new jobs. There are 8 million people out of work, so that is only one job for every 380 unemployed workers. The majority of Americans get their health care through their job, particularly manufacturing jobs, so employment is tremendously important. Manufacturing has been going down, as the Presiding Officer knows.

Even more depressing, about 400,000 Americans have dropped out of the workforce altogether, which to me is the saddest thing that can happen, where people just kind of give up. The Presiding Officer and I have seen that in our States and across America.

But instead of working to further ease the budgetary strain on States, Congress has actually made life tougher for States fiscally. The new Medicare law includes at least $1.2 billion in net costs to States in fiscal years 2004, 2005, and 2006. We should be providing States the resources they need to work with Medicare, not enacting legislation that assumes cuts.

My amendment, which I will not offer formally, would allow Congress to enact legislation simply to extend the enhanced Medicaid match we passed last year beyond June 30 of this year. It is not a prescriptive policy, but rather a placeholder that will allow us to help an awful lot of people down the road.

Some in this body will argue we did this just to be temporary. The economic situation has not stabilized. To the extent we can say the problem is there and there is something we can do to help States, it will make an enormous difference to lots of people. It is interesting and sad that 30 States are projecting budget deficits for the fiscal year coming up. Estimates indicate those deficits could total as much as $41 billion. In eight States—and I won't name them—the budget shortfalls are so large for Medicaid that they exceed 10 percent of the entire budget of the State.

I put this concept, which I believe is tremendously important, before the Senate. It simply allows fiscal relief beyond June 30. It allows an extension of what we passed by an enormous amount last year. I hope my colleagues will look upon it favorably.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. ROCKEFELLER. Of course.

Mr. KENNEDY. If I might have the attention of the floor manager for a minute, does he have 2 minutes for an inquiry available?

Mr. CONRAD. Does the Senator from West Virginia have any time?

The PRESIDING OFFICER. Thirty seconds.

Mr. CONRAD. I am delighted to yield the Senator 2 minutes off the resolution.

Mr. KENNEDY. Mr. President, isn't it true that under this resolution we are now considering, there will be no expansion of health care coverage under the existing program; and if the proposal of the Senator from West Virginia isn't accepted, then what we are going to see are hundreds of thousands, even millions of the poorest of the children, poorest of the elderly, frailest of our seniors, dropped from any kind of health care coverage?

Mr. ROCKEFELLER. The Senator from Massachusetts is precisely correct. The fact is there is not a nickel's increase from what it was we passed so unanimously a year ago, not a nickel's increase.

Mr. KENNEDY. Would the Senator agree with me that one of the great concerns across the country is there has been increasing numbers of the uninsured, costs have gone up 43 percent? And now without the inclusion of the proposal of the Senator from West Virginia, we are putting at risk the poorest of the poor, poor children, frail, elderly people, those in the nursing homes of this country. I commend the Senator from West Virginia. This makes absolute sense and I think it is an absolute necessity. I hope we will have the opportunity to make sure it is part of the budget.

Mr. ROCKEFELLER. I thank the Senator and I thank the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I yield myself time off of the resolution. I want to say to my colleagues that we are rapidly approaching a defining moment of this year's budget resolution. We have just a few hours left, and we have requests for much more time than there is available. I remind colleagues of the way this works. Even though I have 4 hours remaining—how much time remains on this side?

The PRESIDING OFFICER. Four hours three minutes.

Mr. CONRAD. I have 4 hours 3 minutes. Senator NICKLES has an hour and 30, something like that.

The PRESIDING OFFICER. That is correct.

Mr. CONRAD. Senator NICKLES can yield back all of his time and that means we functionally have 2 hours left on our side. That is the reality.

No. 2, we have 50 amendments pending on our side. That is after we started with 98. We have reduced it to 50. I have never done this before, but I am going to do it this time. At some point in the very near future, I am going to start voting against amendments offered on either side that spend more money. I don't think, in light of the massive deficits and debt that we have, even if the amendments are paid for, we should be offering dozens of amendments, other than those of extremely high priority.

We have had amendments thus far today that have been of an extremely high priority. I don't believe it is in the interest of this country or of this body to have dozens and dozens of amendments, even if they are paid for, that add to the spending base, given the level of deficits and debt that we have.

I have been approached by many members on our side who have asked me to deliver this message. I do so at this time. We have lined up, in addition to the amendment from Senator HARKIN and Senator FEINSTEIN, one from Senator BYRD, an amendment from Senator LIEBERMAN, an amendment from Senator LINCOLN, and there may be a few more I am not yet aware of. But I hope that the message goes out loudly and clearly that we are going to show restraint and dramatically reduce the number of pending amendments.

Fifty amendments would take us 17 hours of voting. We still haven't gotten to the point of beginning the voting. Please, colleagues, I ask you to show some restraint. There is no need for us to come out here and offer 50 amendments. This is the time. I hope the phone starts ringing off the hook in the cloakroom from colleagues who say they have 8 amendments to offer and they call back and say, I will reduce that to the one that is really a priority.

Please, let us not go through another vote-a-rama that takes 17 hours. Please let's not do that.

I yield the floor.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. I ask unanimous consent that the pending amendment be set aside, and I send an amendment to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Mr. President, reserving the right to object, we have not seen the amendment and we cannot agree to any amendments going to the desk that have not been presented to the ranking member and chairman, those managing the bill. I am constrained to object until we see the amendment.

Mrs. FEINSTEIN. Mr. President, this is an amendment from myself and Senators KYL, BINGAMAN, HUTCHISON, KENNEDY, CORNYN, BOXER, DOMENICI, CLINTON, MCCAIN, SCHUMER, GRAHAM, LAUTENBERG, CANTWELL, CORZINE, FEINGOLD, and EDWARDS. It has to do with the State criminal assistance program for illegal aliens. We have tried to get floor time and have been unable to do so.

Mr. CONRAD. Mr. President, for the advice of my colleagues, we have an order here. We have to follow that order. Senators have to come to the managers and present their amendments and get into the queue. The next amendment we have committed to considering is one from Senator BYRD, also, Senator LINCOLN.

If Senator LINCOLN is ready, we could go to her at this point. I ask the Senator not to send her amendment to the desk, but to seek recognition to present the amendment. Then we will go to Senator BYRD, and then we go to Senator LIEBERMAN. That is the order that we have. Is Senator LINCOLN ready to go?

Mrs. LINCOLN. Yes.

Mr. CONRAD. Off the resolution, I yield 10 minutes to the Senator. I ask her not to send the amendment to the desk.

Mrs. FEINSTEIN. Reserving the right to object. Is the Senator saying I have no right to introduce my amendment?

Mr. CONRAD. I am saying I am not going to give the Senator time to introduce her amendment at this point. We have an order that has been agreed to. We have made commitments to people as to when to present amendments. We have not seen the Senator's amendment. Until we have seen it and gotten it into the queue, other Senators who had commitments made to them are the only ones that we will give time to.

Mrs. FEINSTEIN. For the record, it is my understanding that the amendment had been presented to your staff yesterday. We have sought time. I recognize this amendment may not be one of your priorities. It is a huge amendment for many States that have very high costs, and I have presented it in the past. It has been unanimously adopted by this body in the budget bill. I offered a separate amendment which was an authorization for $850 million, which passed the Senate and is now in the House. There is no number from the President in the budget. That is why I am submitting it at this time.

Mr. CONRAD. Mr. President, I hope the point is clear. The Senator has every right to offer her amendment. The Senator will have a chance to offer her amendment. The point is this: We have an order. We have an agreement. We are working through those amendments where Senators have been put in the queue. I am not going to yield time to other Senators who break the line. We have made commitments to Senators for an order of recognition. I intend to keep those commitments.

Again, I yield to the Senator from Arkansas 10 minutes off the resolution.

AMENDMENT NO. 2803

Mrs. LINCOLN. Mr. President, I thank my colleague. I thank all of my colleagues. This is such an important issue as we look at the budget in the confines of the budget of this country, really in the context of priorities. We have a lot of choices and we have a lot of priorities in this country. Each of us as Americans, here in the Senate, our constituents who depend on us tremendously to make sure that the priorities of this country are recognized—each of us in our own homes and families has to set priorities within the confines of our own family budgets. We have to look at the year, the circumstances, and we have to figure out what is important to us as a family, important to us as part of a community, and what is important in terms of long range goals that we have for ourselves, our families, our communities and, in this instance, our Nation.

We also have to recognize that the priorities and choices that we make regarding those priorities have consequences. They have immediate consequences on our families, communities, and our country. They also have long-term consequences on the things that we want to achieve as individuals and collectively as a group. That is why I rise today to offer an amendment to the budget resolution to provide $60 billion over 5 years to reduce the growing number of uninsured Americans and to reduce the high cost of health care.

I do not know about the other Members of this body, but I do know, almost to the individuals who come into my office, whether they represent corporate America, whether they represent their families, whether they represent the interest of their community and the small businesses that make up that community, but to a person, almost every one of them mentions the cost of health care in this country, its escalation, and the concern it brings to them as an individual and to their families, to their businesses, and to their communities.

What are we going to do about it? How much of a priority are we going to make this issue in terms of the high cost of health care in this country?

One of the most incredible contributors to this high cost of health care is the number of Americans who are uninsured, those who are unprepared for what may happen to them or to their family members. It affects them, it affects their families, it affects their jobs, their employers, their communities, their health care providers—it affects absolutely everyone.

This amendment I offer today will dedicate funding to address this critical issue and to do so in a way that is fiscally responsible. Unfortunately, the budget resolution before us does not specify either an amount to promote expanding health insurance coverage or a way to pay for it, which leads me to believe it simply is not a priority, and I am here today to make it one.

The fact is, the number of uninsured in our country is alarming and should be a national priority. Based on the statements of HHS Secretary Tommy Thompson last week, it is clear President Bush's administration does not recognize the severity of this crisis. Secretary Thompson was quoted as saying:

> Even if you do not have health insurance in America, you get taken care of. That could be defined as universal health care.

With all due respect to Secretary Thompson, I do not know where he is getting his information. Just look at these simple facts: 20 percent of the working-age adults in Arkansas are uninsured. Nationwide an estimated 44 million Americans do not have health insurance.

Uninsured families have less access to important screenings, state-of-the-art technology, and prescription drugs.

Uninsured adults have a 25-percent greater mortality risk than adults with health insurance coverage. An estimated 18,000 deaths among people younger than 65 are attributed to lack of health insurance coverage every single year.

Uninsured adults with chronic conditions, such as diabetes, cardiovascular disease, HIV infection, and mental illness, have less access to preventive care and have worse clinical outcomes than insured patients.

Uninsured adults negatively affect our health care providers and the local economy, too. A community's high rate of uninsured can adversely affect the overall health status of the entire community, the financial stability of its health care institutions and providers, and access to emergency departments and trauma centers.

My hospitals in Arkansas will tell you how expensive uncompensated care can be. These facts make it clear. People without health insurance do not get taken care of, as Secretary Thompson said. Those who lack health insurance do not get access to timely and appropriate health care.

The fact is Americans without health insurance—children and adults—suffer worse health and they die sooner than those who do have health insurance.

The fact is people who lack health insurance are sicker and they die sooner. You do not get taken care of if you have no health insurance. You simply fend for yourself.

Working families need help with this problem. In Arkansas, the No. 1 cause of bankruptcy is high medical bills. If what we want to do is put our economy back on track, let us work to provide small businesses and industry the ability to access health insurance and health care for their workers. We know that works.

Last week, I introduced legislation with Senator DURBIN and Senator CARPER to help small businesses gain access to affordable health insurance for their employees. Small businesses are the No. 1 source of jobs in Arkansas. Small employers say offering health insurance has a positive impact on recruitment and retention, employee moral, their performance, and the overall success of their business, their ability to succeed and to grow the jobs that will help make this economy strong.

What better way to get our economy going again than to help small businesses to succeed? More than half of the workers in firms under 100 people make less than $25,000. I ask my colleagues, How in the world can someone afford health insurance in the open marketplace on an income at that level? Firms with a high proportion of low-wage workers are much less likely to offer insurance, and the fact health insurance for individuals, low-income working families to afford it on their own does not exist.

This budget resolution does not prioritize this growing problem. It fails working families because it does not put any money aside.

In President Bush's budget, he suggested he wants to work with Congress on an offset for this proposed plan. Guess what, Mr. President. I have one. Let's eliminate the abusive tax loopholes corporations have taken advantage of for years. How long do we have to wait, anyway?

This amendment is about priorities. Are we going to choose to help working families afford health insurance? Are we going to continue to allow corporations to get away with these abuses? We have investigated Enron's tax shelters activities, but we have done nothing. We have done nothing in those circumstances.

We must make the growing number of uninsured in our country a priority. It is clear working families are not getting the health care they need. No one can argue with that point. I challenge any one of my colleagues. If they are not hearing the same concerns in their offices, I would be surprised.

There are a number of bipartisan proposals introduced in the Senate to address the high number of uninsured. Let's come together and do something good for the hard-working folks in this country who cannot afford health insurance, those who cannot get access to the most basic of preventive medicine. Congress needs to address this issue.

The high cost of health care in the United States is giving other developed countries an advantage in keeping and attracting jobs. If we want to talk about losing jobs, look at one of the highest costs to industry and to small businesses. It is providing quality health care and health insurance that is going to allow them to keep those workers and provide them what they need to be good workers and good family members.

For each car they build, DaimlerChrysler AG pays out $1,300 in employee health care costs. When they make that car in Canada, they pay hardly anything. They depend on a government program to provide that health care. That is why the big three automakers actually lobbied the Canadian Government to maintain their national health care system. If we want to keep jobs in America, let's make it worth their while. Let's make their quality of life comparable in those instances.

At a time when jobs are leaving our country, at a time when health insurance premiums are rising by leaps and bounds and working families are losing their jobs and what health insurance they may have, Congress must do something.

I do not claim my amendment will address every health care need in our Nation. Some want to do more, and some think we should do less. I believe my amendment is a balanced, commonsense approach that will advance this important cause in a meaningful way. I ask my colleagues for their support.

We cannot assume people are getting the health care they need, because they are not. All we have to do is listen to corporate America, listen to small business, listen to our health care providers, most importantly, listen to our constituents.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. LINCOLN. Mr. President, we cannot continue to turn a blind eye. Let's get it done. I urge all Senators to vote for my amendment and vote on behalf of quality health care for all Americans.

I thank the Chair.

Mr. KENNEDY. I am a cosponsor on this amendment, and I ask for 1½ minutes.

Mr. CONRAD. I would be glad to yield 2 minutes off the resolution on this amendment to the Senator from Massachusetts.

Might I ask the chairman if we could get a time agreement on this amendment so we can get that amendment sent to the desk. We will try to keep this queue as orderly as possible.

Mr. NICKLES. I ask unanimous consent that the debate on the Lincoln amendment be limited to 20 minutes equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CONRAD. I thank the Chair. I yield 2 minutes off the resolution to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, first, I congratulate and commend the Senator from Arkansas. She is basically challenging the Senate, saying that when we are considering a $2.4 trillion budget we ought to make a commitment in this budget to a downpayment on health insurance for working Americans. Eighty percent of those who do not have health insurance are from working families. Working families play by the rules, work hard, provide for their children, and they are effectively without this coverage.

In the past, the Budget Committee has had a reserve fund that has been funded on this. In the last budget, $50 billion came out of conference for health insurance. It was $89 billion the year before, but it is zero effectively in this budget.

The Senator from Arkansas is reminding us of our responsibility. The problem has not gotten less; it has gotten worse, and she is challenging this body to meet its responsibilities, to say to the 43 million Americans, including the children who are out there, we are committed to making a downpayment. We are not going to have all the answers but we insist, as a matter of national priority, that we give focus and attention to the uninsured. That is what the Lincoln amendment is all about.

Goodness knows, of the 43 million Americans, there is not a single Member of the Senate who does not have health insurance. There is not a single Member of the House of Representatives who does not have health insurance. Let's meet our responsibility and begin to treat our fellow Americans the way we treat ourselves.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. I ask unanimous consent to lay aside the pending amendment, and I send my amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mrs. LINCOLN], for herself, Mr. DASCHLE, Mr. KENNEDY, Mr. DURBIN, Mr. DODD, Mr. CORZINE, Mr. BINGAMAN, Mr. KERRY, Mr. LAUTENBERG, Mr. JOHNSON, Mr. PRYOR, Mrs. CLINTON, and Mr. JEFFORDS, proposes an amendment numbered 2803.

Mrs. LINCOLN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide $60 billion over five years for greater health security for working Americans and their families through a combination of public and private efforts to expand quality, affordable health insurance coverage and cut health care costs by eliminating abusive tax loopholes)

On page 3, line 9, increase the amount by $12,000,000,000.

On page 3, line 10, increase the amount by $12,000,000,000.

On page 3, line 11, increase the amount by $12,000,000,000.

On page 3, line 12, increase the amount by $12,000,000,000.

On page 3, line 13, increase the amount by $12,000,000,000.

On page 3, line 17, increase the amount by $12,000,000,000.

On page 3, line 18, increase the amount by $12,000,000,000.

On page 3, line 19, increase the amount by $12,000,000,000.

On page 3, line 20, increase the amount by $12,000,000,000.

On page 3, line 21, increase the amount by $12,000,000,000.

On page 4, line 4, increase the amount by $12,000,000,000.

On page 4, line 5, increase the amount by $12,000,000,000.

On page 4, line 6, increase the amount by $12,000,000,000.

On page 4, line 7, increase the amount by $12,000,000,000.

On page 4, line 8, increase the amount by $12,000,000,000.

On page 4, line 12, increase the amount by $12,000,000,000.

On page 4, line 13, increase the amount by $12,000,000,000.

On page 4, line 14, increase the amount by $12,000,000,000.

On page 4, line 15, increase the amount by $12,000,000,000.

On page 16, line 12, increase the amount by $12,000,000,000.

On page 16, line 13, increase the amount by $12,000,000,000.

On page 16, line 16, increase the amount by $12,000,000,000.

On page 16, line 17, increase the amount by $12,000,000,000.

On page 16, line 20, increase the amount by $12,000,000,000.

On page 16, line 21, increase the amount by $12,000,000,000.

On page 16, line 24, increase the amount by $12,000,000,000.

On page 16, line 25, increase the amount by $12,000,000,000.

On page 17, line 3, increase the amount by $12,000,000,000.

On page 17, line 4, increase the amount by $12,000,000,000.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I have great respect and esteem for my neighbor from Arkansas, but this is an amendment that would increase taxes by $60 billion. I think we want to send out a clarion call to taxpayers: Look out. Our good friends on the Democrat side of the aisle are after you. They are coming. They are coming after your pocketbooks.

We just considered an amendment from our colleague from Iowa for $39 billion. The Senator from California, Mrs. BOXER, offered an amendment for $24 billion, and there are a lot of other tax increases in a lot of other amendments that I guess we will discuss. The $60 billion tax increase that Senator LINCOLN is offering proposes to close loopholes.

My colleague from Arkansas is on the Finance Committee. We mark up tax bills all the time. The Senator should introduce her amendment to close the loopholes. As soon as I found out about the leasing provision, I started talking about we need to repeal it.

The chairman of the Finance Committee put that in the FSC/ETI bill. We had that bill on the Senate floor, and it will be back in a week. We can make that law. There are other loopholes that need to be closed, many of which the chairman of the Finance Committee has in that bill, supported by Senator GRASSLEY and Senator BAUCUS and many of us on the committee, most of those in a very bipartisan way.

Now a lot of that is used to pay for the JOBS bill that Senator GRASSLEY and Senator BAUCUS are trying to pass. The idea of being able to lower manufacturing rates, and so on, there are a lot of these "loopholes." If my colleague has more loopholes, let's talk about them.

I asked the Secretary of the Treasury, Secretary Snow, if he has some ideas about some loopholes that need to be closed to give me a list. I like to close loopholes. I do not like it when there are real inequities and there are people cheating who are not paying their fair share. There are a lot of unreported taxes, for example. So I am willing to do it, but this amendment just basically increases taxes.

We can suggest closing loopholes but this raises taxes. In the first year, it raises $12 billion in taxes. It just so happens in the first year we are assuming continuation of present law and that will cost us $12 billion. In other words, we continue present law for primarily low- and middle-income people, and that will be $12 billion. So this will totally offset that.

The net result, if these two amendments are put together, the budget resolution and this amendment, it will say zero tax relief in 2005; i.e., it will say a tax increase for every family in America, for every couple in America, for everybody who has a child in America. That is what this amendment is.

I want taxpayers to look out. There are a lot of people looking after your checkbook and they are looking to get in your checkbook. Some of us are not going to let that happen. I urge our colleagues to vote no on the amendment at the appropriate time.

I ask unanimous consent that we lay aside the Lincoln amendment and now take up consideration of the amendment of Senator BYRD and that the amendment have 40 minutes equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from West Virginia.

AMENDMENT NO. 2804

Mr. BYRD. Mr. President, I thank the distinguished manager of the bill. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 2804.

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide responsible restraints on discretionary funding while providing adequate resources for education, veterans, homeland security, and other critical domestic priorities and fully offsetting the cost by closing corporate tax loopholes, improving tax enforcement, and reducing tax breaks for the top 1 percent without affecting middle-class taxpayers)

On page 3, line 9, increase the amount by $5,656,000,000.

On page 3, line 10, increase the amount by $13,365,000,000.

On page 3, line 11, increase the amount by $3,596,000,000.

On page 3, line 12, increase the amount by $1,200,000,000.

On page 3, line 13, increase the amount by $429,000,000.

On page 3, line 17, increase the amount by $5,656,000,000.

On page 3, line 18, increase the amount by $13,365,000,000.

On page 3, line 19, increase the amount by $3,596,000,000.

On page 3, line 20, increase the amount by $1,200,000,000.

On page 3, line 21, increase the amount by $429,000,000.

On page 4, line 5, increase the amount by $7,361,000,000.

On page 4, line 13, increase the amount by $13,365,000,000.

On page 4, line 14, increase the amount by $3,596,000,000.

On page 4, line 15, increase the amount by $1,200,000,000.

On page 4, line 16, increase the amount by $429,000,000.

On page 4, line 20, increase the amount by $5,656,000,000.

On page 5, line 3, decrease the amount by $5,656,000,000.

On page 5, line 4, decrease the amount by $5,656,000,000.

On page 5, line 5, decrease the amount by $5,656,000,000.

On page 5, line 6, decrease the amount by $5,656,000,000.

On page 5, line 7, decrease the amount by $5,656,000,000.

On page 5, line 11, decrease the amount by $5,656,000,000.

On page 5, line 12, decrease the amount by $5,656,000,000.

On page 5, line 13, decrease the amount by $5,656,000,000.

On page 5, line 14, decrease the amount by $5,656,000,000.

On page 5, line 15, decrease the amount by $5,656,000,000.

On page 23, line 9, increase the amount by $7,361,000,000.

On page 23, line 10, increase the amount by $13,365,000,000.

On page 23, line 14, increase the amount by $3,596,000,000.

On page 23, line 18, increase the amount by $1,200,000,000.

On page 23, line 22, increase the amount by $429,000,000.

On page 40, line 1, increase the amount by $7,361,000,000.

On page 40, line 2, increase the amount by $13,365,000,000.

At the end of Title III, insert the following:

SEC. . RESERVE FUND FOR EDUCATION, VETERANS' MEDICAL CARE, GLOBAL HIV/AIDS, AMTRAK, HIGHWAYS, MASS TRANSIT, NATIONAL INSTITUTES OF HEALTH, FIRST RESPONDER GRANTS AND OTHER DEPARTMENT OF HOMELAND SECURITY PROGRAMS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $11,223,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years for a bill, joint resolution, motion, amendment, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of levels provided in fiscal year 2004, for Department of Education programs in the No Child Left Behind Act (P.L. 107-110), Veterans' medical care programs, the Global HIV/AIDS Initiative, Amtrak, Federal-Aid Highways, Mass Transit Capital Investment Grants, the National Institutes of Health, and first responders (including High-Threat/High-Density Urban Area Grants, State Basic Formula Grants, Firefighter Assistance Grants, COPS, and State and Local Law Enforcement Assistance) and other Department of Homeland Security programs.

Mr. BYRD. Mr. President, the Senate has an obligation to approve a budget resolution that addresses the massive deficits and debt that now lie before us. Such a balanced resolution should rely on responsible restraint, on all three elements of the budget: revenues, mandatory spending, and discretionary spending.

The Senate has an obligation to approve a budget resolution that will permit the Congress to enact 13 fiscally responsible appropriations bills. This budget resolution utterly fails to meet those tests. Instead, the resolution puts the Congress on a course toward long-term deficits, higher debt, and an appropriations process that will inevitably produce gimmicks and delays.

The budget resolution puts us on a course that will prevent us from meeting the needs of the Nation. Rather than confront record deficits with responsible limits on mandatory and discretionary spending and reassessment of the revenue losses produced by the tax cut legislation of 2001 and 2003, the Budget Committee produced a myopic budget resolution that pretends to address the deficits with ridiculously low limits on domestic discretionary spending.

It is not the spending side of the budget that has put the Federal budget back into the deficit ditch. Rather than restoring some sanity to our revenue base, the budget resolution that is before us includes $144 billion in new tax cuts. According to the House Budget Committee, the tax cuts enacted since 2001 have or will increase our deficits by $2.6 trillion for the period from 2001 to 2013.

According to the Office of Management and Budget, taxes in 2004 are, as a percentage of gross domestic product, the lowest they have been since 1950. Every year, the IRS fails to collect hundreds of billions of dollars from delinquent taxpayers and corporations. In 2001, IRS data showed $49 billion in lost revenues from delinquent employment taxes, penalties, and interest owed to the Federal Government. The Joint Tax Committee estimates that the cost of tax preferences increased by twice the rate of spending during the last 10 years, from $488 billion a year to $730 billion a year, and none of it—none—is required to be reviewed annually by the Congress.

Yet there is nothing in the budget resolution to increase tax enforcement or to close tax loopholes. Instead, this budget resolution heaps more tax cuts on top of the huge back-loaded tax cuts already enacted. This budget resolution pretends to reduce deficits by focusing cuts on one very small piece of the budget pie, domestic discretionary spending. Unlike the Tax Code or mandatory programs, discretionary spending is the only piece of the Federal budget required to be reviewed every year by the Congress, and it is the only part of the budget that is squeezed routinely for savings, even though there is an abundance of potential savings from excesses in the other areas of the budget.

Here are the facts. Domestic discretionary spending comprises less than 17 percent of the Federal budget. No one should believe cutting domestic discretionary spending by itself can produce balanced budgets.

I remind Senators that according to the White House's own budget documents, if we were to eliminate every penny of nondefense spending in fiscal year 2004, we would still run a deficit of $65 billion.

The mathematics in this resolution just do not work. The budget resolution cuts discretionary budget authority for fiscal year 2005 by $1.9 billion and outlays by $12.1 billion below the request of the President. For nondefense, non-homeland security programs, the resolution cuts budget authority for fiscal year 2005 by $11.2 billion below the level necessary to keep pace with inflation. Outlays for nondefense programs face even deeper, unsustainable cuts; that is, $11.2 billion in cuts in education, health care, veterans medical care, job training, transportation, and other critical priorities. Such cuts do not have the support of the American people or their Representatives in Congress.

Just 2 weeks ago, the House Veterans' Affairs Committee called upon the House Budget Committee to increase veterans spending by $2.4 billion. Recently, the Senate passed a bill increasing funding above the President's request for highway and mass transit programs. The Senate Finance Committee has requested more funds for tax enforcement. The Senate Small Business Committee called for increases in small business loans. The Senate Governmental Affairs Committee called for increases for the Coast Guard. None of these increases are included in this resolution. Yet we engage in this charade, framed by the Bush administration, about how discretionary spending is bloated and how funding cuts are the absolute one and only way to reduce the deficit.

Under the President's budget, by 2009, education and training programs will be cut 7 percent below levels necessary to keep pace with inflation. Environmental programs will be cut by 20 percent, law enforcement programs by 16 percent, veterans medical care by 17 percent. The President tells us that we are in the midst of an energy crisis, but his budget cuts energy programs by 27 percent in 2009.

Remember No Child Left Behind? In 2009, the title I program will be cut by $260 million below levels approved for 2004, adjusted for inflation. Overall, domestic programs would be cut by 12 percent in 2009.

Does this budget resolution restore those cuts? No. No. No. Instead, this budget makes it next to impossible for the Federal Government to meet its obligations to children, to seniors, and to veterans. It digs a deep hole for funding education; a deep hole for funding health care; a deep hole for funding environmental programs, such as clean and safe drinking water. This budget puts the President's political priorities first and it puts the American people last. This budget resolution will force cuts to domestic discretionary programs by almost $1 billion below the President's totally inadequate request for fiscal year 2005. It is a slash-and-burn program. Ignore the consequences. We must cut, cut, cut.

The resolution is $11.2 billion below the amount necessary to keep pace with inflation. During the next 5 years, the budget resolution cuts domestic programs such as veterans, education, and transportation by $107 billion below the amount necessary to keep pace with inflation.

What is going on here?

This Nation is suffering from neglect—neglect. Our schools are breaking apart; our health care system is in disarray; Social Security and Medicare face bankruptcy; America's veterans have to wait for weeks upon weeks for basic medical care; our homeland security network is riddled with massive gaps. Even though terrorists struck our Nation 2½ years ago, this very day protections at home are little improved from that fateful day.

Why? Why do we face such major crises in so many critical areas? The answer is simple. The Bush White House and this Congress have failed to live up to the promises made to the American people.

Today, the President is scheduled to participate in the groundbreaking for the 9/11 memorial in New York City. It was 2½ years ago today that those planes struck the two towers, the Pentagon, and the field in Pennsylvania. But are we safer? Hardly. The security of this Nation is on thin ice. The Bush administration has held back support for critical investments in homeland security, in police officers, in firefighters, in border, airport and seaport security. As a result of this White House's foot dragging, America is woefully unprepared to prevent or respond to another terrorist attack.

Police officers, firefighters, and paramedics throughout this country have sent a clear message to this Capitol; namely, they need more Federal help to best do their job. Law enforcement grants are proposed to be cut by $1 billion.

The President, in his budget, puts first responders last in line for Federal funding. The President's budget proposes to cut grants that equip and train police, fire, and emergency medical services personnel by $733 million. Fire grants alone are to be reduced by 33 percent.

These cuts come despite continued warnings—from think tanks, from commissions, and from first responders themselves—that our Nation is not adequately prepared to respond to another act of terrorism.

Congress has a responsibility to protect the Nation. It must focus on the country's many serious vulnerabilities and invest dollars where they are most needed. But it seems as though the only time this Congress is willing to increase funding is for our defense forces overseas. Defenses here at home are left to scramble and scrape.

My amendment would increase the levels of the 2-year caps on discretionary spending contained in the resolution to sustainable levels. These levels would allow Congress to responsibly move forward on the appropriations process.

This amendment provides sufficient resources, including $11.2 billion in fiscal year 2005 and $7.4 billion in fiscal year 2006 to make sure that the level of activity for domestic programs that the Congress approved and the President signed into law for 2004, can be maintained in 2005 and 2006, after adjusting for inflation.

We will hear during the debate that spending is out of control. It really is not. We have seen an increase in the 3 years since President Bush took office, but what programs have received those increases? The increases have been for defense, homeland security, and the response to the September 11 attack. In fact, 91 percent of the spending increases since 2001 have been in those three categories. According to staff analysis, increases for domestic programs, excluding homeland security, have barely kept pace with inflation over the last 2 years.

If you think the Congress should restore the President's proposed cuts of $1 billion in State and local law enforcement grants, you should be for this amendment. If you voted for the Senate highway bill, you should be for this amendment. If you think that veterans should not have to pay special charges and membership fees for health care, if you think that veterans already paid their dues at Iwo Jima, Pork Chop Hill, and the Mekong Delta, then you should be for this amendment.

Anyone who wants to characterize this amendment as excessive spending is not paying attention to the needs of their constituents. Nor are they paying attention to the bottom line. This amendment would reduce the deficits below the levels assumed in the budget resolution. The amendment assumes additional revenues from the elimination of waste in tax expenditures, through increased tax enforcement and compliance, and through the partial repeal of the excessive tax cuts for the wealthiest Americans enacted in recent years.

This Senate must not continue to tell the American people that we are enacting legislation to better educate our children and to provide adequate care for military veterans— those men and women who are enduring service in the powder keg called Iraq and will need care—because we are not providing the money. We do not pay for our promises and that is nothing short of flim-flam and fraud pulled on the American people. To starve basic domestic needs and feed the country only feel-good rhetoric is the worst kind of posturing. Let us stop misleading the taxpayer and deliver what we promise.

This amendment is balanced. It is fair. It is responsible. We should not ignore the needs of our constituents. I urge the adoption of my amendment.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I want to again send a message out to our colleagues just as strongly and as clearly as I can. We are very close, I believe, to having presented our major amendments. I believe very strongly that this year less is more. I hope colleagues will refrain from offering additional amendments unless they are just extraordinarily important and they are able to convince the managers and the leadership they simply must be offered.

We are now on the fourth day of deliberations on the budget resolution. We have had an opportunity to debate this in a full and virtually complete way. We are on the brink of having been able to complete the offering of all our major priority amendments.

I am asking my colleagues, please refrain from offering additional amendments. I hope very much we will have a meeting on our side to discuss how we proceed from this point.

I thank all of our colleagues who have debated. I thank all of our colleagues who have offered these key amendments. I want to especially thank Senator BYRD for his courtesy and his willingness to accept the limitation on time.

The next Member in our order is Senator LIEBERMAN.

I see the chairman has returned.

Again, I am asking all of our colleagues who have pending amendments on our side, please review them with a fine-tooth comb. Unless they are absolutely essential, I ask you, I urge you not to offer the amendment. And for the first time I have ever done this on a budget resolution, I am very close to the point where I will begin opposing amendments because I feel so strongly we should not offer substantially more amendments than we already have. I am very close to the point of taking the position that I will oppose amendments. We have had a good opportunity to debate. We have had a good opportunity to consider major amendments. We can have some additional high priority amendments. But 50 additional amendments, no. That is not reasonable. It is not fair to our colleagues. Please, let us show some restraint.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I want to echo everything my colleague from North Dakota said.

I know I have complained to Senator BYRD in the past about deliberations on the budget process. I said I dislike vote-aramas. In the past, management of budget bills has many times stacked the votes. Well, there won't be any votes and people would have long debates, and, therefore, not really consider very many amendments until late Thursday night. We haven't done that, frankly in large part because of my relationship and respect for Senator CONRAD. We said we wanted to avoid the vote-arama. Last year was probably the worst vote-arama in Senate history. To me, it is very demeaning to the Senate. We cast 51 rollcall votes, most of which were jammed together, most of which had 1 minute of debate each, and no one knew what they were voting on. It was not a pretty picture. It wasn't good for the Senate. I want to do what is right for the Senate. I have heard Senator BYRD say that. I happen to agree with him.

I appreciate his amendment. I don't support his amendment, but I appreciate it. It is a substantive amendment. As Senator CONRAD said, we are willing to take substantive amendments and debate them and discuss them and give Members ample time to consider them. But we do not need to have repetitive amendments. We do not need to have endless amendments. We do not need to have sense of the Senates. And we do not need to have people staying here until 1 o'clock in the morning voting, where they are like zombies and don't really recognize what they are voting on.

I want to make a couple comments on the amendment before the Senate right now, the amendment by my colleague and friend, Senator BYRD. This amendment would increase taxes by $24.5 billion. It increases spending by about $18 billion. I urge our colleagues to defeat it.

We have had a lot of amendments that will increase taxes and increase spending. We are going to be voting on that several times—maybe even more times. I hope we don't continue voting on it. I think people are making their points. I understand a lot of people want to tax more and spend more. That is understood. I do not know how many times we would have to vote on it.

The tax assumption we have in the bill before us for 2005 is $12.3 billion in tax reduction. But in reality we are assuming present law will be extended. If you extend present law—no tax cut, but basically extend present law—that costs us about $12.3 billion.

This bill increases taxes by about $11.2 billion. In other words, you could not extend present law. It nets out. It would tell the Finance Committee, don't do it. The net result would be a lot of families in Oklahoma and in other places around the country—if they have four kids, it would be a tax increase of $2,200, if they have taxable income of $58,000. These are not necessarily wealthy individuals.

I know the top line of this says: We want to reduce tax breaks for the upper 1 percent. I urge colleagues, if you know of some tax breaks that need to be closed, Chairman GRASSLEY is going to have a bill on the floor when we return from this recess week after next. Offer those amendments to close the tax breaks, and if they are legitimate, I may well support you. That is the time to do it. But I think a lot of these so-called closing tax breaks are not there or Senator GRASSLEY and Senator BAUCUS already have them in their bill or they are planning on putting them in the bill. I am all for closing them. And I could mention other provisions. I am for closing them. But let's do it on the tax bill.

This is basically saying, let's have a tax increase of $24 billion and increasing spending by $18 billion.

I urge our colleagues to vote against the amendment.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from North Dakota.

Mr. CONRAD. Mr. President, I say to my colleague, the chairman, Senator BINGAMAN is in the Chamber. He would be willing to take 5 minutes to describe an amendment, and I am wondering if we could give him that time. My intention would be to give him 5 minutes off the resolution.

I would ask him, because we have just given the amendment to the other side, not to send his amendment to the desk at this moment but to describe it. I would give him 5 minutes off the resolution. If the Senator needs more time, I would add time. We need unanimous consent to allow him to speak on his amendment without sending it to the desk and set aside Senator BYRD's amendment for the moment.

I ask the Senator, would that be acceptable?

Mr. BYRD. When may I briefly respond to Mr. NICKLES?

Mr. CONRAD. Would the Senator prefer to do that at this moment?

Mr. BYRD. Just briefly, if I may.

Mr. CONRAD. An entirely reasonable request.

Thank you, I say to Senator BYRD.

Mr. BYRD. Thank you.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, if I may resume and take a bit more of my time.

It is not spending that has put us back into the deficit ditch. Spending for 2005 is estimated to be about 20 percent of the gross domestic product. That is significantly less than during the Reagan administration or during the administration of President Bush's father. On the other hand, revenues as a percentage of gross domestic product are the lowest since 1950.

This amendment produces just enough spending to cover the levels approved by this Congress and signed by the President for fiscal year 2004, adjusted for inflation. This is a disciplined amendment that sets reasonable limits. This amendment is not about increasing taxes.

In July 2003, at a House Ways and Means Committee hearing on waste, fraud, and improved uses for taxpayer funds, GAO Comptroller David Walker testified that tax compliance and collection activity declines are a "high risk" concern for the GAO.

As of September 2001, IRS data showed that employers owed $49 billion in delinquent taxes. IRS and Federal payment records indicate that 1 million taxpayers owed about $26 billion in delinquent taxes as of February 2002 and were still receiving some type of Federal payment.

Our own budget chairman, at a hearing this year with Treasury Secretary Snow, expressed his concerns about tax compliance and its effect on the revenue side of the budget.

The Senate should at least make some effort to ensure we are enforcing our current tax laws and that delinquent taxpayers are paying their fair share before we cut education, health care, and veterans programs for citizens who actually pay their taxes.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from North Dakota.

Mr. CONRAD. Mr. President, I now yield to Senator LAUTENBERG for the purpose of sending forward his amendment that we earlier discussed I will give him a minute off the resolution to send his amendment to the desk, and then go to Senator BINGAMAN for 5 minutes to discuss his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The pending amendment is laid aside.

AMENDMENT NO. 2703

Mr. LAUTENBERG. Mr. President, I call my amendment up, which was debated earlier. It is amendment No. 2703.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from New Jersey [Mr. LAUTENBERG], for himself, Mrs. BOXER, Mr. JEFFORDS, Mr. CORZINE, Mr. LIEBERMAN, Mr. BIDEN, Mr. DURBIN, Mrs. CLINTON, Mr. LEAHY, Ms. CANTWELL, Mr. FEINGOLD, and Mr. KENNEDY, proposes an amendment numbered 2703.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> (Purpose: To reduce debt and require the industries respondible for producing products that contaminate toxic waste sites and industries who are exempt from liability for such contamination, to help pay for the cleanup by reinstating the Superfund polluter pays fees, and to reduce the deficit)
>
> On page 3, line 9, increase the amount by $1,501,000,000.
>
> On page 3, line 10, increase the amount by $1,629,000,000.
>
> On page 3, line 11, increase the amount by $1,696,000,000.
>
> On page 3, line 12, increase the amount by $1,735,000,000.
>
> On page 3, line 13, increase the amount by $1,754,000,000.
>
> On page 3, line 17, increase the amount by $1,501,000,000.
>
> On page 3, line 18, increase the amount by $1,629,000,000.
>
> On page 3, line 19, increase the amount by $1,696,000,000.
>
> On page 3, line 20, increase the amount by $1,735,000,000.
>
> On page 3, line 21, increase the amount by $1,754,000,000.
>
> On page 4, line 20, increase the amount by $1,501,000,000.
>
> On page 4, line 21, increase the amount by $1,629,000,000.
>
> On page 4, line 22, increase the amount by $1,696,000,000.
>
> On page 4, line 23, increase the amount by $1,735,000,000.
>
> On page 4, line 24, increase the amount by $1,754,000,000.
>
> On page 5, line 3, decrease the amount by $1,501,000,000.
>
> On page 5, line 4, decrease the amount by $3,130,000,000.
>
> On page 5, line 5, decrease the amount by $4,826,000,000.
>
> On page 5, line 6, decrease the amount by $6,561,000,000.
>
> On page 5, line 7, decrease the amount by $8,315,000,000.
>
> On page 5, line 11, decrease the amount by $1,501,000,000.
>
> On page 5, line 12, decrease the amount by $3,130,000,000.
>
> On page 5, line 13, decrease the amount by $4,826,000,000.
>
> On page 5, line 14, decrease the amount by $6,561,000,000.
>
> On page 5, line 15, decrease the amount by $8,315,000,000.
>
> On page 25, line 8, decrease the amount by $1,501,000,000.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the amendment be sequenced following the Dorgan amendment No. 2793, and that there be 2 minutes remaining for debate at that time with respect to the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. NICKLES. Mr. President, I reserved time for the Senator from Oklahoma to speak on the amendment. He has not done that, so I will continue to reserve 7 minutes for my colleague from Oklahoma.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from New Mexico.

AMENDMENT NO. 2765

Mr. BINGAMAN. Mr. President, I thank my colleague, Senator CONRAD, for yielding me some time to describe an amendment I intend to offer and would like to have the Senate consider and vote on.

This is an amendment which can be best summarized by reading it. It is only a sentence long. And it says:

> It shall not be in order in the Senate to consider a bill, amendment, motion, joint resolution, or conference report that increases the number of taxpayers affected by the alternative minimum tax, except for a measure that extends expiring provisions relating to the child tax credit, the 10-percent tax bracket, and the marriage penalty.

Mr. President, this is what I would call a first-things-first amendment. I heard the President, in his State of the Union speech—and we have all heard him on numerous occasions—talk about how we need to make permanent the tax cuts.

We had a hearing in the Finance Committee where Secretary Snow, our Secretary of the Treasury, came in and said: We need to make permanent our tax cuts. And my question to him was: What about this looming problem that we all know about, which is called the alternative minimum tax?

Now, the alternative minimum tax was put in place with the idea that very wealthy individuals should not be able to avoid all taxes. If they calculate their taxes and they figure out some way to determine they do not owe anything, then they have to also calculate on the basis of the alternative minimum tax and at least pay that amount.

That was the idea behind it. Unfortunately, with the changes we made in the tax law and with the changes in the economy and the tax structure, we are now to a circumstance where we are beginning to see more and more people affected by the alternative minimum tax. If we were to do what the President has urged—that is, make all these tax cuts permanent—then the number of people who are adversely affected by having to calculate their tax pursuant to the alternative minimum tax would go up very dramatically. Instead of it affecting a couple million people, we are talking about it affecting 30 million people by the year 2012.

My amendment says, let's do first things first. Let's figure out how to resolve this problem of the alternative minimum tax, and let's not be bringing bills to the floor and passing legislation unless we have 60 votes in the Senate in favor of it. Let's not be passing legislation to worsen the situation and to require more and more Americans to fall under these provisions of the alternative minimum tax. To me, it is a straightforward, commonsense thing to do.

I asked Secretary Snow in this same hearing: How much is it going to cost to fix the problem?

His answer was: We don't know. We are working on that.

I said: When are you going to know?

Well, we are going to know maybe a year from now.

That is not an acceptable answer for the Senate or for the Congress or for the American people. We should not be making permanent tax cuts and further cutting taxes unless we know the extent of the revenue loss that is involved in fixing this alternative minimum tax problem.

All this does is set up a point of order. It says, if you are going to bring a bill to the floor that adds more Americans to this roster of people who have to calculate and pay their tax pursuant to the alternative minimum tax, then you have to get 60 Senators to agree to pass that bill or else it does not pass.

It is a very constructive proposal. It is one that would strengthen this budget resolution substantially. I hope all Members will support the amendment when the time comes for me to offer it.

I am advised by my colleague, Senator CONRAD, this is not the appropriate time. Therefore, I will not send the amendment to the desk. Again, I appreciate the chance to explain the amendment so my colleagues will know what is involved. As I say, I hope we can get a very strong bipartisan vote in favor of the amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Might I advise the Senator, we have now had a chance to show the amendment to the other side. If the Senator would like at this moment to send his amendment to the desk, that would be appropriate.

Mr. NICKLES. Mr. President, if our colleague would decide not to send his amendment to the desk, I would be much more favorably inclined to discuss it.

Mr. BINGAMAN. Mr. President, this is the kind of good government amendment that I was counting on my colleague from Oklahoma supporting. I am sure the more he studies it, the more merit he will see in the amendment. I will be glad to send it to the desk at this point, if now is the correct time.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. To further inform my colleague, I believe a budget point of order lies against the amendment. I don't know that will change his desire about whether to send it to the desk, but I am fairly certain that a budget point of order does lie against it. I would urge you to consider maybe keeping it at a good verbal discussion but not sending it to the desk. But you certainly have that right to do so.

Mr. BINGAMAN. Mr. President, in response to my colleague from Oklahoma, I would certainly want to send it to the desk and have the opportunity to call it up for a vote at the appropriate time, if that is appropriate at this time. I do send the amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 2765.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To ensure that legislation is not enacted that increases the number of taxpayers affected by the alternative minimum tax)

On page 45, after line 13, insert the following:

SEC. _____. POINT OF ORDER REQUIRING THAT INCREASES THE NUMBER OF TAXPAYERS AFFECTED BY THE ALTERNATIVE MINIMUM TAX AGAINST LEGISLATION.

(a) POINT OF ORDER IN THE SENATE.—It shall not be in order in the Senate to consider a bill, amendment, motion, joint resolution, or conference report that increases the number of taxpayers affected by the alternative minimum tax, except for a measure that extends expiring provisions relating to the child audit, the 10 percent tax bracket, and the marriage penalty.

(b) SUPERMAJORITY WAIVER AND APPEAL.—This section may be waived or suspended in the Senate only by an affirmative vote of ⅗ of the Members, duly chosen and sworn. An affirmative vote of ⅗ of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

Mr. CONRAD. Mr. President, the Senator from Connecticut is next in our queue. I am wondering if we might enter into a time agreement on the amendment of the Senator from Connecticut. I would suggest 20 minutes equally divided. We provided that amendment to the other side.

Mr. NICKLES. Mr. President, I haven't consulted with Senator COCHRAN. That is the reason I am caught a little bit off guard. I have no objection to limiting the debate to 20 minutes. I will be happy to limit the debate time on Senator LIEBERMAN's amendment to 20 minutes. I may withhold some of our time for Senator COCHRAN to come in and debate it at a later moment.

I ask unanimous consent that we have 20 minutes equally divided on the Lieberman amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Connecticut.

AMENDMENT NO. 2807

Mr. LIEBERMAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment is laid aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN], for himself, Mr. SCHUMER, Ms. MIKULSKI, Mr. LAUTENBERG, Mr. BIDEN, Mrs. MURRAY, Mr. KENNEDY, Mr. CORZINE, Mr. LEVIN, Mr. KOHL, Mrs. BOXER, Mr. DODD, Mr. JOHNSON, Mr. AKAKA, Mr. DURBIN, Mr. LEAHY, Mr. KERRY, and Mr. GRAHAM, proposes an amendment numbered 2807.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To restore cuts and increase funding for homeland security programs and reduce the debt by reducing the President's tax breaks for taxpayers with incomes in excess of $1 million a year)

On page 3, line 9, increase the amount by $3,664,000,000.

On page 3, line 10, increase the amount by $4,533,000,000.

On page 3, line 11, increase the amount by $4,089,000,000.

On page 3, line 12, increase the amount by $1,160,000,000.

On page 3, line 13, increase the amount by $175,000,000.

On page 3, line 17, increase the amount by $3,664,000,000.

On page 3, line 18, increase the amount by $4,533,000,000.

On page 3, line 19, increase the amount by $4,089,000,000.

On page 3, line 20, increase the amount by $1,160,000,000.

On page 3, line 21, increase the amount by $175,000,000.

On page 4, line 20, increase the amount by $3,664,000,000.

On page 4, line 21, increase the amount by $4,533,000,000.

On page 4, line 22, increase the amount by $4,089,000,000.

On page 4, line 23, increase the amount by $1,160,000,000.

On page 4, line 24, increase the amount by $175,000,000.

On page 5, line 3, decrease the amount by $3,664,000,000.

On page 5, line 4, decrease the amount by $8,197,000,000.

On page 5, line 5, decrease the amount by $12,286,000,000.

On page 5, line 6, decrease the amount by $13,446,000,000.

On page 5, line 7, decrease the amount by $13,621,000,000.

On page 5, line 11, decrease the amount by $3,664,000,000.

On page 5, line 12, decrease the amount by $8,197,000,000.

On page 5, line 13, decrease the amount by $12,286,000,000.

On page 5, line 14, decrease the amount by $13,446,000,000.

On page 5, line 15, decrease the amount by $13,621,000,000.

SEC. . RESERVE FUND FOR HOMELAND SECURITY PROGRAMS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $6,800,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, amendment, motion, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of the levels provided in this resolution for first responder grant programs, border security programs, port security grants, the Operation Safe Commerce program, the Coast Guard Deepwater program, and transportation security programs at the Department of Homeland Security; the Community Oriented Policing Services (COPS) program, the Edward Byrne grant program, and the Local Law Enforcement Block Grant program at the Department of Justice; and bioterror—related programs at the Department of Health and Human Services.

Mr. LIEBERMAN. Mr. President, last week we observed the first anniversary of the Department of Homeland Security, the largest reorganization of the Federal Government in almost a half century. With that anniversary came a round of reflection on the status of our homeland defenses. There was general agreement on the verdict. Yes, we are stronger and safer at home, thanks to the creation of the Department of Homeland Security and other steps that we have taken since September 11, 2001. But no, we are not nearly as safe as we should be. We are not as safe as we should be because this administration has not given homeland security the focused leadership and resources that it demands.

The Gilmore commission, led by former Virginia Governor James Gilmore, a distinguished Republican leader, recently warned of complacency about the terrorist threat and decried the lack of a clear strategy to bring about improved security. Other expert panels, one of them convened and led by former colleagues Warren Rudman and Gary Hart, called the Nation "still unprepared" to respond to another September 11 attack and said that our first responders were "drastically underfunded."

Homeland security will not come cheap. On first responders alone, one of the expert panels I described told us they believe it would take $98 billion over 5 years to bring our defenses at home up to where they need to be. Yet the administration proposes a stunning 30-percent cut in resources for firefighters, police officers, and emergency medical personnel.

The President's budget for fiscal year 2005 fails to acknowledge, much less address adequately, the new threats we face as a nation, shortchanging the homeland side of our war on terrorism.

That is why I rise today to offer this amendment that would add $6.8 billion to the administration's homeland security budget.

Let me describe where the money would go: $4.4 billion of that amount would go toward helping our first responders, the firefighters, the police officers, the emergency medical personnel, the hundreds of thousands of people who every day go to work, put on a uniform to serve not only as first responders but really, if we use them well, as first preventers of terrorist attacks. I also propose $900 million in additional resources for port and container security, widely acknowledged as a continuing vulnerability to terrorists who will strike always where we are undefended, and our ports and containers are too greatly undefended.

I am calling here for $500 million to better prepare for the threat of bioterrorism, which recent intelligence reports say continues to be a focus of the terrorist groups around the world. I am asking for $500 million for additional border personnel as well as for needed equipment and technology for border security, so we will not see a repeat of the terrorists who came into America to carry out the evil deeds of September 11, 2001.

I am asking for $½ billion to make further advances on aviation security and for greater protection of other modes of transportation—rail, bus, mass transit—that remain too unprotected. About $2.5 billion of this amendment is needed just to restore cuts that the administration's budget makes in some of these homeland security functions from fiscal year 2004 spending.

For example, in this amendment we restore the administration's $1 billion cut to the State homeland security grant program, the main source of assistance to State and local governments and first responders, an unacceptable cut. The amendment also would restore more than $1 billion in cuts to proven first responder programs in the Justice Department: the local law enforcement block grant, the Edward Byrne Memorial grant program, and the Community Oriented Policing Services Program, widely and appreciatively known as COPS.

If someone asked whether we have been safer since September 11 from another attack, I just say: Thank God, we have been safe. But this is not an overreaction.

Mr. Tenet testified before the Armed Services Committee the other day and he said that al-Qaida and more than two dozen other terrorist groups around the world are still in eager pursuit of chemical, biological, radiological, and nuclear weapons. Their No. 1 goal—not their only goal—is to carry out another "spectacular attack" on the United States. Those are the terms they use, "spectacular attack," which they are convinced will break our will and certainly disrupt our economy.

We cannot let that happen. We must defend our homeland and protect our infrastructure and our people where we are vulnerable, through the Department of Homeland Security, with the kinds of funds that are authorized and appropriated in this amendment.

We have a long way to go before we fulfill the promise each of us has made that our Federal Government would adequately secure the American people when they are at home. We have to approach this profound responsibility with the same unity, the same resolve, and the same resources we have brought to the war on terror overseas. That is why I have introduced this amendment and asked for my colleagues' support.

Allow me to lay out, more specifically, what this amendment would do and why it is so necessary.

I am advocating $4.4 billion in fiscal year 2005—above the President's request to help ensure that first responders have the equipment, training, and other resources they need to prevent, prepare for and if necessary respond to acts of terrorism.

We all remember the heroic role police, firefighters and other first responders played on 9/11, as our Nation responded to the horrific attacks of that day and braced for untold sequels that might be soon to follow. Less visible is the role many of these officials also play in attempting to prevent acts of terrorism here at home: State and local police are the eyes and ears of the community that may first detect a terrorist plot on U.S. soil or intercept a terrorist before he or she can strike. We owe these front line homeland security troops more than our admiration we owe them our full financial support.

Yet a distinguished panel convened by the Council on Foreign Relations found these first responders wanting for the tools they must have to confront a terrorist attack: firefighters without their own radios or breathing equipment; police departments without protective gear to respond to an attack with a chemical, biological or radiological agent; and nearly all without interoperable communications equipment. This is unacceptable and must be changed.

Let's start with the work that must be done just to undo the harmful cuts sought by the administration. First, my proposal will restore the administration's drastic $1 billion cut to the State Homeland Security Grant Program, which is the main source of assistance to state and local governments and first responders for emergency planning, equipment, training, exercises, mutual aid agreements, and other preparedness activities. There is bipartisan support for restoring these cuts, reflecting the reality that all states face certain homeland funding needs and need a steady, predictable source of money—as this program provides—to plan wisely.

My amendment will also restore more than $1 billion in cuts to key first responder programs in the Justice Department: the Local Law Enforcement Block Grant (LLEBG), the Edward Byrne Memorial Grant Program (BYRNE), and the Community Oriented Policing Services Program (COPs). These programs provide vital aid to help communities hire more police officers and equip them with the tools they need. Funding levels for these three programs have declined more than $1.8 billion since fiscal year 2002, representing a dangerous and unwise reduction at a time when the threat from terrorism, but also domestic crime, has clearly increased.

The amendment would also provide $400 million to restore a 33 percent cut in the vital Fire Act program, which provides direct support to thousands of fire departments around the country, and to bring it to full funding. And it restores a $9 million cut to the Emergency Management Planning Grants program, which supports the capacity of state and local governments to respond to emergencies of all kinds.

All of these programs are integral to the strength of our first responders and it is incomprehensible that we would cut them at a time the terrorist threat remains high. But we must do more than just hold the line we need to dramatically improve our homeland defenses in our communities.

My proposal would provide $1 billion in new funding to be dedicated to helping first responders obtain interoperable communications equipment so they can "talk to one another" when responding to events. The lack of communications interoperability has received substantial attention since the September 11, 2001 attacks revealed major problems with communication between police and fire fighters at the World Trade Center in New York. But the problem is hardly unique to New York. Federal officials involved with this issue report that at best—only 14 States have communications equipment that allows public safety agencies to talk to each other during a terrorist attack or other emergency. The price tag for fixing the problem nationwide has been estimated as high as $18 billion, and the lead Federal official on this issue has stated that, at the present rate, it will take 20 years to achieve full interoperability in our country. This is much too long.

Yet, the President's 2005 budget actually takes a step backwards by eliminating relatively small grant programs at FEMA that were dedicated to interoperability. Instead, funding for interoperability must now compete with funds for protective gear, training, exercises, and other equipment. My proposal would dedicate $1 billion specifically for interoperability to provide a significant lift to States' efforts to overcome a critical obstacle facing emergency responders across America. In addition to equipment, this would include funding necessary for planning, evaluation, deployment, and training on the use of modern interoperable communications.

Another $1 billion in this amendment would go to fully fund the SAFER Act, staffing for Adequate Fire and Emergency Response, that is necessary to hire 10,000 additional fire fighters. According to the International Association of Fire Fighters, the shortage of fire fighters has reached crisis proportions. Two-thirds of all fire departments do not have adequate staffing, falling below the accepted industry standards developed by the National Fire Protection Association and, more to the point, putting those firefighters who are on the job in danger. The SAFER Act, which Congress finally passed last year due to the outstanding leadership of my colleague Senator DODD, authorizes $7.6 billion in grants over 7 years to career, volunteer, and combination fire departments hire new firefighters. At a time when budget cuts have forced some local jurisdictions to actually reduce the number of first responders, this funding is necessary to help protect firefighters and to provide the emergency response capabilities communities want and expect.

Virtually every expert analysis of terrorist threats to the United States focuses on the critical issue of port security. Small wonder—millions of containers arrive at U.S. ports each year, coming from all parts of the globe and subject to only limited, if any, inspection. The ports are at once a tempting portal into the U.S. for dangerous cargo, and a vital economic conduit that—if shuttered due to a terrorist assault—could cause devastating disruption of the Nation's economic life's blood. Earlier this year, the FBI testified that terrorist organizations are looking "for any holes in the port security system to exploit." Yet in the face of such risk, the administration proposes to cut spending on port security grants and eliminate Operation Safe Commerce, an innovative program to improve the security of container traffic into this country. In addition, the President's budget puts Coast Guard fleet and equipment modernization on a slow boat—at the administration's pace, the Deepwater modernization program will take 22 years. A 22-year modernization is practically an oxymoron.

My amendment would provide $900 million in additional resources for port and container security. About half of that would go to restore Operation Safe Commerce and to improve physical security at our ports. Bring port security grants—at only a suggested $46 million in the President's budget—to $500 million. The Coast Guard has estimated it will cost $7.5 billion—and $1.5 billion this year—just to provide all ports with minimum security measures and implement the Maritime Transportation Security Act. The grants help finance measures such as fencing and surveillance to better secure the ports and—with them—our vital trade links. Operations Safe Commerce has explored new technologies to track container traffic and can provide a valuable think tank for new approaches to secure their travel into our country.

The rest of the money would go to accelerating the Deepwater program, a 22-year Coast Guard fleet modernization program. Since 9/11, we have turned to the Coast Guard again and again for a growing roster of homeland security needs—even as we expect them to continue their outstanding work on non-defense missions such as fisheries enforcement and search and rescue. Yet this outstanding agency operates with virtually the oldest naval fleet in the world—39th out of 41. Senators from both parties—and even the Heritage Foundation—have called for more money for Deepwater. Not only is it the right thing to do, it will actually save money in the long run since the longer Deepwater takes to complete, the more the Coast Guard must spend on maintenance of the decaying fleet.

More than 2 years after the anthrax attacks demonstrated our country's vulnerability to bioterrorism, our efforts to protect the American people against biological attacks remains disorganized and underfunded. Indeed, a recent report by the Trust for Public Health concluded that communities are "only modestly better prepared" to respond to a bioterror attack than they were before 9/11. Yet here again, the administration actually wants to cut spending—contradicting the opinion of even its own official responsible for bioterror preparedness.

The President's budget cuts $105 million from Centers for Disease Control grants to help public health agencies prepare for bioterrorism, and another $39 million from a program to help hospitals expand their capacity to treat victims of a bioterror attack. Where bioterror is concerned, these health officials are our first responders and we must give them support commensurate to the threat. It is true that The President would provide some new money for surveillance to detect a bioterror attack, but this will be of limited use if we have no resources to respond to an attack once we detect it. One public health official likened it to "laying off firefighters while investing in new hoses and ladders."

Therefore, my amendment would add $500 million for bioterror preparedness, to restore those cuts and significantly expand the hospital grant program. The health community has identified more than $11 billion in additional needed medical supplies, protective gear for staff and other essentials to respond to a bioterror attack. At the current pace, it would take more than 20 years before hospitals could provide even basic care in the event of such an attack. We must speed up this effort, and my amendment would help us begin down that road. The investments we make here will have the added benefit of improving our capacity to respond to naturally occurring diseases, such as a severe flu outbreak.

Our border officials process more than 440 million visits each year, and police more than 7,000 miles of border with Canada and Mexico. In the immediate aftermath of 9/11, Congress recognized we must spend more to make this system work—to facilitate lawful visitors and trade, while weeding out and halting those who pose a threat. We passed the Patriot Act and the Enhanced Border Security Act, both of which called for significant new border personnel. But since then we have fallen short—hundreds upon hundreds short—of meeting those targets. Indeed one of the only targets that was met—posting 1,000 Border Patrol agents along the Northern Border—was reportedly achieved only by shifting agents from the Southern Border. This is not real homeland security.

My amendment would provide $500 million for additional border personnel, as well as for needed equipment and technology for border security. The needs are extensive and include portable, interoperable communications equipment, surveillance systems and fingerprint identification equipment. As US VISIT—the entry/exit system mandated by Congress—is expanded to land ports, we will need expanded facilities to process visitors. Total implementation costs for the program could reach $10 billion.

Border security can make a difference. The September 11th Commission discovered that one alert inspector in Miami had apparently stopped one of the would-be hijackers simply by conducting a probing interview at the airport. But we cannot expect such high performance if critical homeland defense workers such as these are overworked and poorly equipped.

We know from 9/11, and from terrorist attacks around the world, that transportation networks pose a tempting target to would-be attackers. This knowledge spurred Congress to create the Transportation Security Agency in record time. Now we must give the agency the resources to fulfill its mandate. My amendment would provide $500 million to make further inroads on aviation security and expand to other modes of transportation, which have been largely neglected thus far.

Although TSA has made headway on aspects of passenger and baggage screening, much work remains to close known gaps in our aviation security. Specifically, I would direct additional funding to developing systems to screen air cargo, to screen passengers for explosives, and to screen airport workers with access to aircraft.

About a quarter of all air cargo travels on passenger planes. Yet, despite all the added precautions we've developed for air passengers and their bags, this cargo remains largely uninspected—only about 5 percent is screened. All-cargo jets pose a similar vulnerability. We must also develop effective systems to screen cargo and implement short-term solutions at once. Another vulnerability is explosives: current passenger screening only detects metallic threats, such as guns or knives, not explosives. Yet we know this is not an obscure threat—would-be terrorist Richard Reid was able to bring about 10 ounces of explosives onto an American Airlines flight and was only stopped from igniting them by an alert passenger on board. There are promising technologies in this area, but we must spend money to develop them. Finally, many airport workers with access to aircraft and sensitive areas of the airport receive little scrutiny. We must do better.

However incomplete the work on aviation security, the federal effort to secure other modes of transportation has hardly begun. According to a recent news report, we have intelligence suggesting that al-Qaida is looking at derailing trains, possibly carrying hazardous material. GAO has also identified vulnerabilities regarding rail shipments of hazardous materials, as well as protective measures that have not yet been taken. Yet despite such concerns, little has been done to assess the risks to our rail system or to deploy countermeasures. Similarly, we know from the deadly sarin attack on the Tokyo subway and suicide bombers on Israeli buses, that mass transit presents an inviting target to possible terrorist activity.

The American Public Transportation Association has identified at least $6 billion in transit security needs, such as video surveillance and chemical and biological detection systems. But DHS has released only $115 million in transit security grants thus far, and no money is set aside for this purpose in the President's budget.

Mr. AKAKA. Mr. President, I rise today in strong support of the amendment offered by my friend, the Senator from Connecticut, Mr. LIEBERMAN, to address shortfalls in homeland security funding in the President's FY05 Budget Request. As a cosponsor, I believe this amendment would go a long way to ensuring that our homeland security is not-shortchanged.

I am disappointed that the President's budget request cuts taxes for the wealthy at the expense of funding homeland security programs. Our amendment would restore $2.5 billion in proposed budget cuts and includes an additional $7 billion to strengthen existing programs. It would also reduce the deficit by offsetting spending with tax cut reductions for those earning more than $1 million a year.

Our amendment takes an important step to prepare our first responders by restoring $1 billion for the State Homeland Security Grant Program, which provides first responders critical funding for emergency planning, training, and equipment.

This program is crucial for all States, especially States like Hawaii with smaller populations, since a portion of this funding is evenly distributed among all States.

Our amendment also takes important steps to ensure that homeland security funding is allocated where it is needed most. It provides $1 billion in much needed funding to address first responder shortfalls for interoperable communications equipment and $600 million for hospitals and public health agencies to respond to emergencies.

I am equally disappointed that the President's budget request fails to address the serious funding gaps for port security. In fact, the American Association of Port Authorities has expressed great concern that the President's FY05 budget contains no Federal funds to meet port security requirements.

The amendment takes important steps to secure our ports and our economy by providing $1 billion for port and container security and Coast Guard modernization. This funding is critical to Hawaii, where 98 percent of imported goods are transported by sea. This is not just a matter of security for Hawaii or coastal States, but the security of our Nation.

According to a Council on Foreign Relations Homeland Security Task Force report entitled, "America—Still Unprepared, Still in Danger," if our Nation's ports suffered a weapons of mass destruction attack, "the response right now would be to shut the [entire] system down at an enormous cost to the economies of the United States and its trade partners." The Task Force report estimates that if American ports were to be closed to containerized cargo for longer than three to four weeks, global shipping container trade would grind to a halt.

Our amendment also includes $500 million for aviation security, which would provide for systems to screen air cargo and passengers for explosives. This is an important step towards ensuring adequate funding for security devices needed to detect dangerous material and to prevent a potential crisis. We must ensure that our homeland security is not shortchanged. This is why I urge my colleagues to support this amendment.

Mr. LIEBERMAN. At this time, I yield 2 minutes of the time I have allowed to the Senator from New York for his statement.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. SCHUMER. Mr. President, I thank my colleague from Connecticut for his leadership. I will be brief. In 2 minutes, one has no choice. This subject could and should have a long debate. I understand the time constraints.

We heard of the awful, terrible terrorist attack in Spain. There is some debate as to whether it is ETA, the Basque separatist organization, or al-Qaida. Now signs are beginning to point to al-Qaida. I am getting asked by my people whether this could happen in New York, Chicago, Los Angeles, or anywhere else? The obvious answer is yes.

We are not close to doing what we should be doing on homeland security. We are not helping our first responders, who are desperate for more help in terms of their patrols and the equipment. They have cut out money for interoperability of radio, which we in New York City learned was so important on 9/11.

In port security, we are wide open and we are doing very little. Truck security—what if they use bombs in trucks to blow up buildings, or railroad stations, or whatever else? Brazil is way ahead of us on truck security, I hate to say. The northern border is still wide open and empty. Our immigration lists don't match up with our FBI lists, which is allowing terrorists to slip into this country.

None of this is lack of technology. This is all lack of dollars. This budget talks tough on homeland security, but it doesn't do the job. The terrible tragedy in Spain today should remind us we are just as wide open and vulnerable, but we don't have to be.

I salute my colleague from Connecticut on his amendment because it is so needed, so desperately needed. We are doing everything we can to fight the war on terror overseas. I have been supportive of that war. But the bottom line is that we are not doing close to enough at home to protect us. Money will help. If there was ever a consensus where we need more dollars, it is here. We are not doing it.

I hope this Senate, in a bipartisan way, will rise to the occasion and support the amendment my friend has offered and of which I am proud to be a cosponsor.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. LIEBERMAN. Mr. President, I wonder if I might ask for an additional minute of my colleague from Connecticut who has a related matter.

Mr. CONRAD. How much time does the Senator need?

Mr. DODD. One minute.

Mr. CONRAD. I will give a minute off the resolution to the Senator.

Mr. DODD. Mr. President, I heard my colleague mention the tragedy that occurred in Spain, with the tremendous loss of life there as a result of a terrorist attack, and we don't know whether it was ETA or another organization. I inform my colleagues that we drafted a resolution expressing our sense of outrage over these events.

I chair the United States-Spain Council every year and have developed strong friendships with the people there. I know the budget matters are gripping our attention, but I ask the managers at some point to find a few minutes this evening to set aside the budget and express our sense of solidarity with the people of Spain, as well as our great sense of loss of what occurred. It is in connection directly to what my colleagues are offering on this amendment on homeland security, which I support.

I hope we might express our unanimous support for the people in Spain.

Mr. CONRAD. Mr. President, the Senator makes a very good point. I think I speak for everybody when I say our hearts and minds are with the people of Spain after the terrible tragedy they suffered. We will seek to find a way to express our condolences to the people of Spain before we complete our work before the break. I thank the Senator for bringing that matter to our attention.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we are continuing the assault on taxpayers. Next, in the not too distant future, we are going to be voting on a lot of tax increases. This would increase taxes by $13.7 billion and increase spending by $6.8 billion. That is a 40-percent increase. We fully funded the President's request of a 15-percent increase but, obviously, that is not enough for some individuals.

I will now yield management of this amendment to Senator COLLINS.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, it is with great reluctance that I rise to oppose the amendment offered by the Senator from Connecticut. The Senator from Connecticut serves as the ranking member on the Committee on Governmental Affairs, which I am privileged to chair.

We have worked very hard together on the issue of homeland security and have held many hearings during the past year to evaluate the progress that the new Department is making. But I believe the Senator's amendment is ill advised.

I strongly support increased funding to help secure our communities, but we must target those additional resources to programs that address our greatest vulnerabilities, from our ports to our borders to even our farms. We must also make sure each and every State builds and maintains a baseline level of homeland security preparedness and response capability.

The amendment of the Senator from Connecticut would increase funding for many State and local homeland security programs by more than $7 billion over the President's budget request. That is simply not responsible in this fiscal climate.

I also fear if we pour that amount of additional money into the system, it will not be well and carefully spent.

Many of us met this past week with municipal officials from our home States. I heard from my municipal officials in Maine that they are spending the homeland security money that we are giving them very wisely to improve their training, to perform joint exercises, and to purchase new equipment.

Since September 11, according to Secretary of Homeland Security Ridge, Congress has appropriated some $13 billion in homeland security assistance for first responders, States, localities, and other entities. This year, the President will allocate an additional $3 billion through the Office of Domestic Preparedness for many of these programs.

I do believe we need to provide additional funding in some areas—port security, for example, and the basic homeland security grant program—to continue to build that baseline capacity and also to address one of our biggest vulnerabilities, and that is the vulnerability of our seaports. But I believe Senator LIEBERMAN's amendment does not target resources in the most effective manner.

Let me give a couple of examples. The Lieberman amendment provides $600 million for new biosecurity spending. The administration's budget also includes more than $100 million for a new biosurveillance initiative and makes more than $2.5 billion available in fiscal year 2005 for bioshield. I simply do not believe the additional funding that is contained in Senator LIEBERMAN's amendment is required, given the substantial investment the President's budget already makes in biosecurity.

Again, I hope to be offering either a joint or my own version of a homeland security amendment later in the budget debate. I believe the proposal I will be putting forward better balances the need for fiscal restraint as we work to improve the security of our homeland.

I urge that the Lieberman amendment be rejected.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, further responding to the amendment, I urge Senators to reject the amendment. The administration has requested substantial increases in funding for homeland security. Although it is a new Department, the Department of Homeland Security was funded at a very generous level, about $30 billion of funding, during the current fiscal year.

States and localities are submitting plans to the Office for Domestic Preparedness on their priorities in terms of equipping and training first responders and equipping the States to modernize their emergency management agencies. A tremendous amount of money is being spent this year, and a request is made for even more money next year.

The Budget Committee has analyzed the needs and the ways these funds can be utilized and has come up with a very thoughtful and, in my judgment, responsible recommendation to the Senate on this subject.

I support the Budget Committee's conclusions and their recommendations. It is always easy to say we can use more money, we can add more money for every good-sounding program in Government, and this is certainly one that is very important. None is more important than our national security and homeland security. But we do have the funds that we need, that we can spend in an efficient way and in a responsive way to the threats that exist to try to help us do a better job of protecting the homeland.

The President has given strong leadership on this issue. The Congress has responded in a very generous way, both bodies of Congress working together to accommodate the needs we have in these areas.

I hope we can support the Budget Committee chairman and reject this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, is the Senator from Connecticut seeking additional time for wrap-up?

Mr. LIEBERMAN. Mr. President, I thank my friend, the ranking member of the Budget Committee. I will take 3 additional minutes.

Mr. CONRAD. I yield 3 minutes off the resolution to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I appreciate my good friend and colleague from Maine. She said "reluctantly" opposed the amendment, but opposed it nonetheless, and the Senator from Mississippi. My own feeling about this is, just as I have fully supported funding for the war on terrorism abroad—and it has been a considerable amount of money. We had a tremendous debate and controversy around the $87 billion supplemental last year, and we will have another supplemental this year, but at least $50 billion for the war on terrorism, critically necessary to our security, for the advancement of our values, and to our freedom. In the same way, $6.8 billion, less than we will give to the international war against terrorism, is critical for the homeland side of the war against terrorism, to raise our defenses, to protect our people.

As I said at the outset, we have made real progress in the last year as a result of the work that the Department of Homeland Security has done, but I do not think anybody—including the folks over there—believe we have done enough to secure the safety of our people.

We provide for funding. It is a deficit reduction amendment, a $6.8 billion deficit reduction, paid for by the now familiar tax cut for millionaires. It is fiscally responsible.

Can we afford it? I say we can't afford not to afford it. This is today's primary way in which we are fulfilling our constitutional responsibilities to provide for the common defense and to ensure domestic tranquility.

This ought to be nonpartisan because it is like national security. We always used to say partisanship stopped at the Nation's borders. Since our enemies have attacked us within our borders, when it comes to homeland security, we ought to be joining across party lines to do what is right to protect our people.

I thank the Chair. I thank the Senate Budget chairman and ranking member. I ask that when the vote is taken, it be done by the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. LIEBERMAN. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, how much time does the Senator from Massachusetts need?

Mr. KENNEDY. I think my colleague and cosponsor, the Senator from Connecticut, wants 4 minutes. I will take 5 minutes.

Mr. CONRAD. I will be happy to yield 5 minutes off the resolution to the Senator from Massachusetts and 4 minutes to the Senator from Connecticut off the resolution as well.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 2725

Mr. KENNEDY. I thank the Chair. Mr. President, I offer this amendment on behalf of myself, Senator DODD, Senator CLINTON, Senator CORZINE, Senator STABENOW, Senator LAUTENBERG, Senator SCHUMER, Senator REED, Senator MIKULSKI, Senator KOHL, Senator LINCOLN, Senator LEVIN, Senator LIEBERMAN, Senator REID, Senator BINGAMAN, Senator DURBIN, Senator MURRAY, and Senator PRYOR.

This amendment is about education. It is about higher education. It is about the children whose family average income is $15,000 a year. It is about 4.8 million children in this country who receive Pell grants—young people, gifted, talented, bright, smart, who come from families with limited incomes and cannot survive even with the Pell grants, unless they get additional help because of the increase in the cost of tuition over the last 3 years.

Over the last 3 years, the tuitions in our public schools have increased from $3,700 to $4,700. That is a 26-percent increase. Currently, the Pell grants are $4,050. This would raise it to $5,000. Almost 500,000 more low-income students will receive Pell grants. The average Pell grant will increase by $600. Not everyone will go up to the full $5,100, I should say, but the average grant will go up $600 and the maximum Pell grant will increase by $1,050. This effective increase in the Pell grant offsets the explosion that has taken place with tuitions across this country paid for by the $10 billion—$5 billion for the cost of Pell grants and $5 billion for deficit reduction from the top limits.

If we are talking about priorities in this country, we are talking about not leaving children behind. Middle-income, working families are having a difficult time on health care, education, and employment. This makes sure about one-quarter of all of the children who are attending higher education come from families of $15,000 or below, 4.8 million. This amendment is going to make sure some of the most gifted, talented young people in this country are going to be able to continue their education.

I remind my colleagues of President Bush's statement he made when he was running for President of the United States in Hampton, NH, in the year 2000: It is known for a fact that Pell grant aid significantly affects the ability of a child to attend college or stay in college. A child eligible for a Pell grant will be affected by the size of the Pell grant. I am going to ask Congress to bolster the first-year aid—at that time from $3,300—to $5,100 per recipient of the Pell grant.

This is what President Bush promised. The year was 2000. We have an opportunity now in 2004 to fulfill this promise. The need has never been greater. This is a defining issue, whether this institution is committed to the cause of higher education and educational opportunity. Everyone in this body understands education is the key to opportunity for our future. It is the key to our economy. It is the key to our national security. It is a key to our democracy. It is in our national interest, our national defense, and our national economic interest. Most of all, it is an issue of fairness, decency, and national priority to have an increase in the Pell grants. I hope the Senate will accept this proposal I offer on behalf of myself and my colleagues.

The PRESIDING OFFICER. Who yields time? The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank my colleague from Massachusetts. He is my very good friend. He did not get as excited today as yesterday. I do not know if that is good or bad.

Mr. KENNEDY. Does the Senator want to give me 3 more minutes?

Mr. NICKLES. I think it is good. I think it is good.

My colleague from New Hampshire is not in the Chamber yet, but hopefully he will be here.

I will make a couple of comments. One, we have assumed in the budget a significant increase for Pell grants already. This is another one of these things that no matter what we put in, there is going to be an amendment to increase it. I understand that. I recognize that. The history is this Congress, and frankly in the last few years since Senator GREGG has been chairman and ARLEN SPECTER has been chairman and George Bush has been President, the amount for Pell grants has risen and risen dramatically, from about six point some billion dollars under President Clinton's last year to all the way now up to $12.5 billion. So there have been dramatic increases in Pell grants.

In the year 2001, it was $8.7 billion. In our budget it is right at $13 billion. That is a significant increase.

If this amendment was adopted, Pell grants would increase from 2004 to 2005 by 48.2 percent. We have had a lot of amendments. We had one just a moment ago dealing with homeland security offered by my very dear friend whom I respect greatly, Senator LIEBERMAN, that would have increased the homeland security function by 40 percent. This increases Pell grants by 48.2 percent between 2004 and 2005.

Mr. KENNEDY. Will the Senator yield on that point?

Mr. NICKLES. Yes.

Mr. KENNEDY. How can you possibly figure that when now it is $4,050 and the average Pell increase was $600, that is 48 percent?

Mr. NICKLES. Well, because that is what my staff told me, and if I am incorrect, I will be happy to revise and edit my remarks. Again, I wish Senator GREGG was doing this.

My staff informs me it would increase from $4,050 to $5,100 under the Senator's amendment, and that would increase the cost by 48.2 percent. It is not just the maximum amount of the award. The maximum amount of the award would be going up some 20-odd percent, but there are a lot of awards, not just at that amount but also at other amounts.

That is a very significant increase, 48 percent in 1 year. Funding has gone up dramatically in this program, as I just mentioned. When there is an increase from $8.7 billion under our resolution to $13 billion—and looking at the Senator's amendment it would increase that amount from $13 billion an additional $4.9 billion.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. NICKLES. I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator has that right.

Mr. NICKLES. The Senator could add $4.9 billion because it says it would increase spending by $4.9 billion for 2005. If we add that to $13 billion, that is taking a $13 billion program to an $18 billion program. My very able staff did very good work. I think that is 48 percent.

Again there has to be some kind of limit. I happen to like the idea of doing some good things in Pell grants. We have assumed a 7.4-percent increase, almost $1 billion increase for Pell grants in 1 year. My colleague and friend from Massachusetts wants to multiply that times five. I do not think we can afford that.

His amendment also says, well, we want to raise taxes to do it and would raise taxes by $9.8 billion. I also want to say this is kind of clever, but it does not sell. Many of our colleagues' amendments say we are only increasing taxes 1 year to pay for the spending 1 year. There is no way in the world if the taxes and spending are increased by $4.9 billion in 1 year that is not going to be continued or to be assumed. So I mention, yes, that tax increase would be extended year after year and so would the spending increase.

I want to warn taxpayers, there are a lot of amendments out here. We are going to start voting on these amendments momentarily. My colleague from North Dakota has been urging me, let's get the votes started. I would like to advise our colleagues momentarily we are going to start a long list of rollcall votes. I want to advise taxpayers to look out because almost every one of these votes will raise your taxes.

I will tell the spenders of the world, almost every one of these will increase spending. We will have a chance to vote.

I see my colleague from Oklahoma is in the Chamber and I reserved some time for him to speak on the Lautenberg amendment. I do want to let our colleagues know momentarily we are going to begin a series of rollcall votes and it is very much my intention to run them very hard. We will have 15 minutes on the first one. I hope not much more. On subsequent votes, we are going to hold them to as close to 10 minutes as the managers can. If Senators miss votes, they miss votes. Most of these votes are going to become pretty obvious how they are going to be determined before too long. Hopefully we will not waste too many hours in the process.

The PRESIDING OFFICER (Mr. CORNYN). The Senator from North Dakota.

Mr. CONRAD. Mr. President, I join the chairman in saying we need to move to votes as quickly as possible and we need to be disciplined in how much time we spend on those votes. I think it is in the interest of all of us to proceed expeditiously.

I do not share the chairman's characterization of these amendments. These amendments, in a limited number of high-priority areas, are doing two things. They are adding resources but paying for them, and not only paying for them but in addition providing deficit reduction. Remember, the budget resolution before us will add nearly $3 trillion to the national debt over just the next 5 years. So the amendments on our side to restore some of the cuts in funding to the COPS Program to put police on the street, to restore funding for the firefighters who are the ones we expect to respond to any bioterror threat, to provide a program to expand job opportunities in this country, to provide expansion of health care opportunities for people in our country—each one of these amendments is completely paid for.

In addition to that, we have provided for deficit reduction so at the end of the day our Nation is burdened with less deficits and less debt.

In our amendments we have turned in some cases to closing egregious tax loopholes, tax scams that are unfair to all taxpayers of our country. Others of our amendments are paid for by turning to those privileged few who earn over $1 million a year and we have asked them to just slightly reduce their tax cuts. Remember, in 2005 the cost of the tax cuts going to those who earn over $1 million a year, the cost of their tax cuts for that 1 year alone will be $27 billion. For those who earn over $337,000 a year, the top 1 percent, the total cost of their tax cuts for that 1 year is $45 billion.

We don't think it is unreasonable to take a tiny fraction of those tax cuts and use them to improve the education of our children, to restore the cuts that have been made to the COPS Program that has put 150,000 police on the street, to slightly reduce the tax cuts of those earning over $1 million a year to restore the cuts to firefighters or to expand health care coverage in this country when we have over 40 million people who do not have health care coverage, or to slightly increase Pell grants so we are providing expanded educational opportunities in a way that will make our country more competitive in this global economic environment.

We think those are the priorities of the American people, to reduce these deficits, to reduce this buildup of debt, and to restore the cuts in certain high-priority areas: law enforcement, police on the street, firefighters, education for our kids. Those are the priorities of the American people. Those are the priorities of American families. We offered those amendments on our side.

Mr. President, I yield the floor to the Senator from Connecticut, if he is seeking time?

Mr. DODD. I thought I had 4 or 5 minutes.

Mr. CONRAD. The Senator had been previously yielded 4 minutes off the resolution.

Mr. DODD. I will maybe take less than that. I associate myself with the comments of Senator KENNEDY and Senator CONRAD in this debate.

It was 200 years ago this year that Thomas Jefferson said that any nation that ever expects to be ignorant and free expects what never was and never possibly can be.

That was at the outset of the 19th century. Here we are, gathered in this great Chamber at the outset of the 21st century and we are arguing whether we can afford to give those who are the wealthiest in our society a little bit less of a tax cut than they otherwise might be getting in order to see to it that a significant majority of our young people get the opportunity of a higher education which they are being denied, not because they lack the drive or determination or absolute desire to acquire the skills necessary to improve the quality of their lives and the lives of all of us in this country but because they lack the means.

What I hear my colleague saying is the total amounts are going up. What has not gone up is the amount of money we provide to each student. Because of a declining economy—and we are talking about families here with incomes of $15,000 a year or less who qualify for Pell grants—we have seen a growing number of families and a growing number of students who want to go on and get a higher education.

In 1975, Pell grants paid for somewhere around 80 percent of a college education. That is a generation ago. Today, I don't need to remind people who may be listening to this discussion, $5,000, even at a public institution, doesn't necessarily cover even 50 percent of the cost of a higher education. Nevermind, the cost at private institutions. In fact, at public colleges and universities, tuition has gone up some 26 percent since President Bush took office and 77 percent of all students attend public institutions. This Pell increase, up to a little more than $5,000, really will help students and their families, students who want to get an education and want to contribute to the wealth of this Nation.

We now know, in the coming years, in the next 10 years, 80 percent of the 23 million new jobs we hope are going to be created will require that a person applying for them have more than a high school education—80 percent of the 23 million jobs. What are we doing in this year, this year, to prepare those students so they can acquire the skills necessary to get the jobs that will require that someone have additional education beyond high school?

We are asking today, in this amendment, that the most wealthy in our society take a little less of the tax cut President Bush has offered them in order to pay to see to it that more and more Black and Hispanic children in this country, those who primarily fall into Pell income categories, can get Pell grants to go on and get an education.

I don't know of many affluent people who would disagree with this request. The very beneficiaries of the tax cut, I suspect, if you polled them, would say, I'll take less of a tax cut if in fact you put those resources to seeing to it that people who come from the poorest families in our society, who have the intelligence and ability to go on and get an education, will qualify for an additional amount of money under the Pell grants.

That is what the Senator from Massachusetts is asking. We ought to be supporting that on a bipartisan basis. I can't imagine, as we talk about job creation and talk about this Nation remaining No. 1 in the 21st century, that we want to shortchange the ability of qualified young people to go on to higher education. Pell grants make a huge difference. We are unfortunately depriving these kids of the necessary dollars they need, and all because we are not asking the most affluent 1 percent income earners to take a little bit less of a tax cut than they might otherwise be getting.

I urge the adoption of the Kennedy amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, Senator KENNEDY was questioning my math. He said where did I get this answer that it increased by 48 percent. I said I got it from my staff. Now I did it myself. I regret to inform my good colleague from Massachusetts, but my staff was right. It just so happens when you add $4.9 billion that is called for by his amendment to the $12.9 billion we have in our resolution, that totals $17.8 billion. Last year we spent $12 billion. That is a 48.2 percent increase. Actually, I calculated it at 48.3 percent. That is an increase in 1 year.

Pell grants, as I showed by the chart, have already risen dramatically. They have grown by 47.3 percent since 2001. Senator KENNEDY's amendment would have it grow by more than that in 1 year. That is not affordable. That is not sustainable, not if you believe in deficit reduction.

I have heard so many people make speeches about deficit reduction and be critical of our President, but that is not the way people are voting. They are voting for more spending, and then this hypothetical we are going to raise somebody else's taxes. I don't think you can have programs grow at 48 percent. Senator LIEBERMAN had an amendment that would grow homeland security by 40 percent. I don't think you can have that kind of growth rate in expenditures and ever say you are serious about deficit reduction.

During the debate on the Lautenberg amendment, I said I wanted to refer to my colleague who happens to be chairman of the committee, the authorizing committee that overseas Superfund, for his comments in relationship to the Lautenberg amendment.

I notify our colleagues it is my expectation that we will begin a series of rollcall votes in the very near future.

I yield my colleague from Oklahoma such time as he desires.

Mr. CONRAD. Will the Senator withhold?

AMENDMENT NO. 2725

Mr. CONRAD. Mr. President, I send an amendment to the desk on behalf of Senator KENNEDY.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside, and the clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for Mr. KENNEDY, proposes an amendment numbered 2725.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To create a reserve fund to finance an increase in the maximum Pell Grant that keeps pace with the rate of increase in public college tuition, extend Pell Grants to 500,000 new recipients, and lower the national debt by closing tax loopholes)

On page 3, line 9, increase the amount by $2,352,000,000.

On page 3, line 10, increase the amount by $7,253,000,000.

On page 3, line 11, increase the amount by $196,000,000.

On page 3, line 17, increase the amount by $2,352,000,000.

On page 3, line 18, increase the amount by $7,253,000,000.

On page 3, line 19, increase the amount by $196,000,000.

On page 4, line 20, increase the amount by $2,352,000,000.

On page 4, line 21, increase the amount by $7,253,000,000.

On page 4, line 22, increase the amount by $196,000,000.

On page 5, line 3, decrease the amount by $2,352,000,000.

On page 5, line 4, decrease the amount by $9,606,000,000.

On page 5, line 5, decrease the amount by $9,802,000,000.

On page 5, line 6, decrease the amount by $9,802,000,000.

On page 5, line 7, decrease the amount by $9,802,000,000.

On page 5, line 11, decrease the amount by $2,352,000,000.

On page 5, line 12, decrease the amount by $9,606,000,000.

On page 5, line 13, decrease the amount by $9,802,000,000.

On page 5, line 14, decrease the amount by $9,802,000,000.

On page 5, line 15, decrease the amount by $9,802,000,000.

At the end of Title III, insert the following:

SEC. . RESERVE FUND FOR THE PELL GRANT PROGRAM.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $4,900,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, joint resolution, motion, amendment, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of levels provided in this resolution, for the Pell Grant program.

PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the adjournment resolution which is at the desk. I further ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 98) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, March 11, or Friday, March 12, or Saturday, March 13, or Sunday, March 14, 2004, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until Monday, March 22, 2004, at 12 noon.

Mr. NICKLES. Mr. President, I yield to my colleague from Oklahoma such time as desires.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 2703

Mr. INHOFE. Mr. President, I compliment the senior Senator from Oklahoma. He is doing a great job in handling this most difficult issue.

We go through this every year, and I believe we are going to finally get something done tonight. I certainly hope we will and that we will have what we all will be proud of.

I can't help but comment. I happened to come in when my friend, the Senator from Connecticut, was leaving the Chamber. It seems as if the argument you hear from the liberal side of this body is the fact that all of this came about as a result of the tax cuts of this administration. I feel compelled to remind this body of the history of these tax cuts. It was not a Republican idea. Ironically, one of the truly great Democrat Presidents of this country, John Kennedy, was the guy who came up with the concept. He said—and this is an exact quote—

> We need more revenues to run these programs that we have and the best way to increase revenues is to reduce marginal rates.

That was back in the 1960s, and it worked.

There is a recognition of the problem we have right now. This administration inherited a recession, and they are coming out of it by having the very tax reductions to add to the amount of revenues coming in. This is going to work. It is working today. If you do not think it does, let us remember what happened back in the 1980s.

In the 1980s, the total amount of money that was raised from marginal rates was $244 billion. In the 1990s, it was $466 billion. That was the 10-year period of the largest tax reductions on marginal rates in the history of America. It had the result of increasing—not decreasing—the amount of revenue.

The formula used was for each 1-percent increase in economic activity, it creates $46 billion of new revenues. John F. Kennedy knew that, Ronald Reagan knew that, and we ought to know that today, but we ignore history.

Now my friend from New Jersey, Senator LAUTENBERG, is coming up with another one of his favorite tax increases. I have never seen a tax increase he didn't like. But this seems to be one of his favorite ones.

We are going to have a big tax increase to vote on in just a few minutes. It is called the Superfund tax.

There is a lot of doubletalk. On the one hand, they blame the administration for U.S. job loss and lack of competitiveness. At the same time, they want to impose a tax that expired in 1995 on some of the most fragile industries that are not going to make it.

People say reinstating the Superfund tax will be a deficit-reduction-reducing measure. I am not sure that is necessarily true. What you are going to do is drive a lot of people out of business who are already overtaxed.

I think if I could single out one argument I find the most offensive—and I hear it as chairman of the Environment and Public Works Committee over and over and over—every time we have a committee hearing, they talk about "polluter pay." Polluters are paying today. That is the whole concept. When a polluter pollutes, that polluter pays.

In fact, historically, PRPs—potentially responsible parties—since Superfund started, the average of all cleanups has been 70 percent in the average year of those cleanups which are cleaned up by industries that have polluted.

This is interesting because in 2003, that 70 percent jumped to 80 percent.

In other words, all but 13 percent of the cleanups took place and were paid for by the polluters.

The antijobs and the protax supporters also ignore the fact that the Superfund tax, on its face, is unfair. It has nothing to do with taxing companies and industries that pollute. If an industry falls into a certain category—say you are going to have your taxes go up. It has nothing to do with whether or not they have ever polluted. In fact, oil and petroleum companies have paid more than 50 percent of the Superfund taxes but were responsible for less than 10 percent of the liability on Superfund sites.

That is historically accurate. I would defy anyone to challenge it. As a result, this is an especially unfair tax to American families who have to pay more at the pump.

Furthermore, Superfund tax supporters argue that cleanups have slowed down as a result of the amount of money lost from the trust fund. That isn't true at all. In fact, we had testimony in our hearings this last week that there is not a correlation between the amount of money in the Superfund reserve and the amount of cleanup.

In 1996, the tax fund was at its highest level. Yet the amount spent by the Clinton administration in 1996 for Superfund cleanup was at a 10-year low.

This year's Superfund budget request is around $1.4 billion. But wait a minute. Let us look at what they are proposing.

In this amendment, they propose an $8.5 billion tax increase. This is the same thing we went through, by the way, last year. There has never been a correlation between the amount of money raised by a tax and the amount of money that has been spent.

For those who are responsible for contamination, they are already being held liable for cleanup costs under Superfund. No one is getting let off the hook, and I will challenge right now the other side to name one viable polluter who is not being held accountable for the Superfund contamination they caused.

Here we are again with the same amendment. We have had it several times before. Senator LAUTENBERG danced this thing out again. We beat it the last time 57 to 43. I will be down here to remind people how they voted before. They will forget.

I honestly believe the only issue here is if you want to increase taxes on the American people by $8.5 billion in one vote, this is your opportunity to do it.

I yield the floor.

Mr. CONRAD. Mr. President, we are very close now to starting to vote.

Again, I ask our colleagues who have amendments in the queue to come so that they could make their final argument before the vote with 1 minute to each side. I think that would be reasonable.

Mr. NICKLES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I appreciate everyone's patience. For the information of our colleagues, we are going to have a series of votes starting momentarily.

I am going to yield to my colleague and former chairman of the Budget Committee for a few moments. I notify our colleagues we expect several votes to begin momentarily. We are trying to warn everybody, we would like everybody to be prompt and we would like for everybody to stay on the floor.

Mr. President, I yield to my colleague from New Mexico such time as he desires.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank the chairman.

Mr. President, I rise to speak for 2 minutes on the fiscal year 2005 budget resolution currently pending before the Senate. In particular, I want to focus for just a little bit on the budgets for scientific research.

The funding for the National Institutes of Health should be my starting point. In the omnibus bill of 2003, thanks in large part to the leadership of President Bush, we met our commitment; that is, in 2003, we met our commitment to double the funding for NIH.

Senator NICKLES remembers that clearly, that a couple of Senators started and everybody followed, and a resolution was adopted that said—it was incredible to many of us, but we did it—let's double the NIH. President Bush helped us, and we did that.

Allow me to explain these numbers. In 1998, we spent $13.7 billion on the National Institutes of Health for cancer, for all of these various diseases, heart conditions, and mental illness. When the commitment was fulfilled, we spent $27.1 billion for medical research.

We need not stop there, however. Last year, we further increased it to

$27.9 billion. This means we have spent $145.9 billion in the last 7 years on the National Institutes of Health—a 109-percent increase. This year we are planning on further increasing the budget of NIH to $28.7 billion.

I join the President in supporting the work the NIH has done and continues to do. But I am somewhat chagrined when I see the current brochures and documents of the NIH complaining about the fact this President, who funded them at the highest increased levels in their history, who this year says we can only afford inflation—instead of saying, the President who supported us the most says we cannot keep on with that kind of increase, they end up critical that this year he did not increase their funding as much as he did in the past, saying: We must have more. He is not funding us enough.

I tell you, when I read that, it is a good thing they are not down here asking for more money, as far as this Senator is concerned, because I would be on the side of saying: Enough is enough.

In fact, I would like to give you a couple other thoughts about how impressive their work has been.

The human genome project—for those who do not understand or remember, that project is the genome project, spelled: G-E-N-O-M-E. Not too long ago, the human genome was completed, in terms of mapping it, much ahead of schedule. The completion of this work was only the beginning.

More than 300 genes for human diseases, from cancer to deafness to birth defects, have already been identified. It means in the past we would spend years of research at maybe three major institutions to locate a gene for diabetes. The mapping of the human genome says we are in the process of mapping every genetic point of every major disease in the human body at every location. We will know where they are. Then let's hope the great scientists in the future will begin to cure those incurable diseases.

The NIH is doing amazing work in developing techniques to detect, diagnose, and treat many of the most devastating diseases humans face, such as cancer, diabetes, and Alzheimer's disease.

I hope that we can continue to fund this important agency at these record levels.

I am concerned, though, that we have collectively failed to be as aggressive when it comes to funding basic scientific research in other agencies.

Basic research is defined as systematic study directed toward greater knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind.

The technologies transitioned from basic research are the foundation of applied programs and eventually fielded systems.

Put another way, basic research is the engine that makes our national defense, homeland security, and economic superiority possible.

However, basic scientific research is not funded in a single place as with medical research at NIH.

The correlative type research to NIH is something we call in America basic research—physics, computer science, chemistry, engineering, et cetera. We have no central focus point for that in America. I am not sure we should or should not. It is just a fact.

In 2004, the sum total of expenditures for that was $11 billion, and that included the Veterans' Administration—we assume some of what they do is science—Interior, EPA, NASA, DOE. This is compared to $8.8 billion for these programs in 1998.

In the same period of time these programs have increased 35 percent, while NIH increased by over 100 percent. I do not think America can continue to dominate the world, invent the products, maintain our standard of living with that kind of disparity for too much longer. The time has come to spend money on basic research, just as we have on medical research.

It is important to note much of our scientific research is done at our universities. They have plenty of research in medical science and medical science problems. But I guarantee you, Mr. President and fellow Senators, they are very short on research for the basic sciences.

The Presiding Officer comes from a State that has great wealth. They devote great quantities of that wealth to their schools, and then say: Spend it on science. Go look at the University of Texas and a few other of your universities and see where you put your money. You put it there. But America does not put it there across the board.

I put this statement in comparing the two only because to keep them at such a disparate level of a 100-percent increase in 10 years in one and 30-some percent in the other is not going to keep America great.

I am hopeful when we finish with this resolution, we will get on to thinking a little bit about where we are going the next decade, and maybe we should start a resolution saying basic science ought to be increased over the next decade in a substantial way, maybe even as we did with the National Institutes of Health. I only wish I could see the way clear to find the money. I would be here offering that resolution right now.

Our future is just as certainly tied to our basic science moving up into a parity position with wellness research. Eventually wellness research will come up against insolvable problems. At least the technology of application won't work because we won't have the physics solved, the physical science.

With that, I thank the Chair for giving me a few moments and hope every now and then somebody in a position to do something about this can join together and see if we can't get this done.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

UNANIMOUS CONSENT REQUEST—S. RES. 319

Mr. NICKLES. Mr. President, we are going to begin our series of rollcall votes momentarily. First, I ask unanimous consent that after the first vote in this series, the Senate then proceed to a resolution at the desk regarding the recent bombings in Spain; provided further that following the reporting of the resolution, there be a brief moment of silence; provided further that each leader be recognized for up to 5 minutes each, Senator ALLEN and Senator DODD be permitted to speak up to 2 minutes each; I further ask consent that the Senate then proceed to a vote on adoption of the resolution with no intervening action or debate; further that following the vote the preamble be agreed to and the motions to reconsider be laid upon the table.

Mr. CONRAD. Reserving the right to object, this does not define what the first vote in the series would be.

Mr. NICKLES. Mr. President, I now ask unanimous consent that with respect to the voting sequence, the Senate proceed to the votes in relation to the pending amendments in the order offered, with no second-degree amendments in order to those amendments; finally, there be 2 minutes equally divided for debate prior to each vote; and after the first vote, that the time limit for each vote be limited to 10 minutes.

The sequence of votes will be as follows: Boxer amendment No. 2783; Sarbanes amendment No. 2789; Dorgan amendment No. 2793; Lautenberg amendment No. 2703; Harkin amendment No. 2799; Lincoln amendment No. 2803; Byrd amendment No. 2804; Bingaman amendment No. 2765; Lieberman amendment No. 2807; and Kennedy amendment No. 2725.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I ask unanimous consent to vitiate the order dealing with the Spanish resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, we are now ready to call upon Senator BOXER for her 1-minute description. I would also say if the sponsors are not ready, we don't need descriptions and we will move forward with rollcall votes. We are going to be very tight with time. Senators cannot assume there is going to be an extra 10 minutes on the rollcall votes. We are not going to allow that to happen, or we are going to try not to let it happen.

I believe the Senator from California is ready.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 2783

Mrs. BOXER. Mr. President, in 1 minute let me give it to you straight: We have seen a loss of 3 million jobs in the last 3 years. This is not sustainable. Our people are hurting. What this amendment does is gives us a chance to do something about it. We give tax credits to businesses, if they pay for health insurance, if they create manufacturing jobs. What we do is boost up some of the wonderful programs that are working in advanced technology, manufacturing extension. We increase investments in basic science. We close the loophole so if companies move abroad, they can't get special tax breaks, and we don't allow Federal funds to be used to offshore jobs.

We pay for it by saying to the millionaires of this country: Instead of getting back $120,000, you will get back $80,000. That is multiple times what a minimum-wage worker will get. Millionaires will still get back $80,000 a year under the Bush tax cut. We are asking them to make that sacrifice because we need the jobs.

I urge an aye vote.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, this amendment offered by our friend from California increases taxes by $24 billion over 3 years. Basically it would wipe out all the tax relief we have in the bill in the year 2005 for the child credit and marriage penalty. But it doesn't add any funding for jobs programs. We hear it does. It has a reserve fund that could increase spending, maybe, if a few things happen. The resolution before us fully supports the FSC/ETI bill, the JOBS bill Senator GRASSLEY and Senator BAUCUS are working on. If you want to help us be more competitive, to create more jobs, that is certainly the approach. It is a bipartisan approach and has a much greater likelihood.

The proposal suggested by our friend from California, frankly, would mean an exodus of jobs from the United States. It would be telling multinational corporations, you should not be in this country. You have tax advantages for being in other countries. I don't think we should be encouraging the headquarters of companies such as Intel or Microsoft and others to be leaving the United States.

I urge our colleagues to vote no on the Boxer amendment.

The PRESIDING OFFICER. All time has expired.

Mr. NICKLES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The question is on agreeing to amendment No. 2783. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. McCONNELL. I announce that the Senator from Montana (Mr. BURNS) and the Senator from Nevada (Mr. ENSIGN) are necessarily absent.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER (Mr. SMITH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 41, nays 53, as follows:

[Rollcall Vote No. 41 Leg.]

YEAS—41

Akaka
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—53

Alexander
Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—6

Burns
Edwards
Ensign
Johnson
Kerry
Reid

The amendment (No. 2783) was rejected.

Mr. NICKLES. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2789

Mr. NICKLES. Mr. President, next we will have a vote on the Sarbanes amendment No. 2789. I have two comments, but first I tell my colleagues, we are going to cut these votes off. I am warning everybody, and I urge colleagues to stay on the floor. We are going to try to keep all of these amendments limited to 10 minutes. In fact, I ask unanimous consent that the following amendments be limited to 10 minutes each.

The PRESIDING OFFICER. That order has been entered.

Who yields time?

Mr. NICKLES. As soon as we have order, I ask the Chair to call upon the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, this amendment would fully fund the assistance to firefighter programs, the firefighter grant, and the SAFER program up to the authorized amount. I urge my colleagues stand with our firefighters. Warren Rudman, in a report, said, "emergency responders drastically underfunded, dangerously unprepared." Don't let that situation continue.

I yield the remainder of my time to the Senator from Connecticut.

Mr. DODD. The Senator from Maryland is correct. This budget contains a $250 million cut in FIRE Act grants. There have been over 19,000 awarded since the program was established from 33,000 departments across the country. These fire departments absolutely need the equipment and training resources. In addition, the SAFER Act will put 75,000 new firefighters on the street over the next seven years. Recent studies by major organizations indicate there are chronic shortfalls in the numbers of people who serve in paid and volunteer and combination departments.

This is a good amendment. We are asking those who make more than $1 million a year to take a little less of a tax cut than they would ordinarily get. I urge my colleagues to support the amendment.

Mr. NICKLES. This amendment, as most of the amendments we are going to be facing in this sequence of 10 votes, increases taxes. This one increases taxes by $2.86 billion next year. That happens to be about the same amount of money we assume for the child tax credit next year. But it doesn't add any money for firefighters, zero. What it does is promise a possible $1.3 billion increase in spending later in the year, if the appropriations bills do such and such.

I think it is a gimmick. The facts are, if it did go to firefighting, that would be a 157-percent increase over last year. That is ridiculous. We put in 10 percent for homeland defense as requested by the President. What the Secretary is trying to do is move more of that money into high-threat areas, not necessarily in every little rural fire department in Oklahoma, which, frankly, is not a Federal responsibility. Terrorism is not a threat in most of the rural communities.

I urge opposition to the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 2789.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 41, nays 55, as follows:

[Rollcall Vote No. 42 Leg.]

YEAS—41

Akaka
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—55

Alexander
Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The amendment (No. 2789) was rejected.

Mr. DASCHLE. Mr. President, I move to reconsider the vote.

Mr. FRIST. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXPRESSION OF CONDOLENCES TO THE PEOPLE OF SPAIN

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate now proceed to a resolution that is at the desk regarding the recent bombings in Spain; provided further that following the reporting of the resolution there be a brief moment of silence; provided further that each leader be recognized for up to 5 minutes each, and that Senators ALLEN and DODD be permitted to speak for up to 2 minutes each. I further ask unanimous consent that the Senate then proceed to a vote on the adoption of the resolution with no intervening action or debate; further, that following that vote the preamble be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. The clerk will read the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 319) expressing the sense of the Senate with respect to the deadly terrorist attacks against the people of Spain that occurred on March 11, 2004.

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The Senate will now observe a moment of silence.

(Moment of silence.)

Mr. FRIST. Mr. President, through the efforts of our colleagues, Senators ALLEN and DODD, we have this resolution before the Senate expressing our condolences to the people of Spain. We will shortly vote on this resolution.

It is with a heavy heart that I rise. In a phone call earlier today, I told the Ambassador of Spain what the Senate will tell the people of Spain tonight through this resolution: We are with you; you are not alone in your grief.

This morning in Madrid, Spain, at the height of rush hour, 10 terrorist bombs ripped through railway trains and stations killing over 190 people and wounding 1,240 more. Mothers, fathers, students, children, were struck down as they went about their normal daily life—a tragedy we in the United States known only too well.

Spain did not learn about the need to defend democracy or how to fight terrorism on September 11, 2001. Sadly, this lesson was thrust upon the Spanish people long ago. Their response to our darkest moment will long be remembered in America. As the people of Spain mourn their victims tonight, we mourn with them.

We do not yet know the identity of the culprits. Officials are pursuing every lead. But whoever committed this atrocity will be found and they will be punished. I say to the people of Spain: America is with you. We stand in front of you, in back of you, to your left, and to your right. We grieve with the families who bear so much sorrow and we grieve for their loved ones whose lives have been so unjustly cut short. We will not forget this day. We will fight until the last cowardly murderer is brought to justice.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I join in thanking Senators ALLEN and DODD for their work on this resolution. I join the majority leader in expressing strong support for the efforts in the Senate this afternoon. It is entirely fitting and appropriate that we observe the moment of silence for the victims of this heinous attack on the citizens of Spain this morning. Our prayers are with the Spanish people as they search for survivors, care for their injured, and mourn their losses.

Just last month, we heard a moving speech in the House Chamber from President Aznar. He made clear to us America does not stand alone in the war on terror. He made clear that the terrorists who attacked us on September 11 would fail, and he made clear that we would succeed together.

The resolution says to President Aznar and his people that the American people will give the Spanish people everything they have given us: Our unshakable commitment that we will link arms to care for the victims and their families, our solemn word that we will not flinch in the face of these cowardly attacks, our enduring pledge that we will join forces to bring the perpetrators to justice. That is because this was not an attack on Spain alone but on all of us.

I have already heard from Americans who are desperately trying to reach family members who are in Madrid this evening, terrorized to think their loved ones were victimized in the attack. Families from all over the world are experiencing the same fears. The object of terrorism is to bring fear to the hearts of free people, to divide friend from friend and ally from ally. But America will never abandon its Spanish allies. We will not tire in the fight against tyranny.

Today we renew our resolve to defeat terrorism around the world. We will bring these murderers to justice and make clear to all terrorists that they will never, never prevail.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ALLEN. Mr. President, I thank our leader, Senator FRIST, the Democratic leader, Senator DASCHLE, and also my colleague from Connecticut, Senator DODD, all of whom worked together on this resolution.

As chairman of the Subcommittee on European Affairs of the Foreign Relations Committee, I share the resolve of my colleagues.

The American people have experienced our September 11. For the people of Spain, March 11 is a day they will not forget. We, the Senate, express our outrage and shock and that of our fellow American people over these terrorist attacks that occurred today. The Senate of the United States joins with President Bush in expressing our deepest condolences and in saying that we will stand shoulder to shoulder with our friends, the people of Spain, in this war on terrorism.

The Senate also, in unity, expresses our solidarity with the people of Spain in these very difficult hours. We especially send our sincere condolences to the families whose have lost loved ones and the well over 1,000 who have been severely injured by these despicable terrorist acts.

We call on other nations to join with us once again in condemning such monstrous acts and attacks on the innocent people wherever they may be, whether they are in the Pentagon, the World Trade Center, or in transportation facilities in Madrid, Spain. We need to help identify the perpetrators of these attacks and bring them to swift justice. We express, as Senators, our readiness to consult with the King of Spain, the President of the Spanish Government, Jose Maria Aznar, the Spanish Cortes, and other public authorities about our joint efforts to combat terrorism.

President Aznar said "We shall not forget." We in the United State say to President Aznar and the people of Spain: Siempre recordaremos. We will not forget either. We will always remember.

Mr. DODD. Mr. President, even though the Senate is extremely busy with respect to consideration of the Senate budget resolution, the recent tragedy in Spain makes it terribly important that the Senate pause from its regular business this afternoon to speak with one voice about our profound outrage and sorrow with respect to what transpired just a few short hours ago in Madrid. The resolution which has been introduced by Senators FRIST, DASCHLE, myself, and others is an opportunity for the Senate to send its condolences to the people of Spain.

I would also like to bring to the attention of my colleagues that a book of condolences will be open at the Embassy of Spain tomorrow, March 12, and Monday, March 15. In addition, a funeral service for the victims of this heinous attack will be held at St. Matthews Cathedral on Monday, March 15, at 5:30 p.m.

Mr. President, I know I join all my colleagues when I express how deeply disturbed I am by today's bombings in the Spanish capital of Madrid, and I strongly condemn those responsible for what is a heinous crime against human life. These horrific attacks—the deadliest in Spain's history—have now left over 180 innocent people dead and more than 900 wounded. Such carnage is almost unimaginable, and I know that I join with all Americans in expressing my outrage over these acts of violence.

I also join with my fellow Americans in expressing my solidarity with the Spanish people and the families of the innocent victims. This is a time of great distress and pain for them—it is a memory that will long endure in their hearts and minds. And I know that in the difficult days ahead, America and the Congress will stand shoulder-to-shoulder with Spain, just as Spain supported America through some of our darkest hours after September 11, 2001.

In so many ways, Spain's friendship has been invaluable to the United States. Spain has been a critical partner in the fight against terrorism, a true ally during the war in Iraq, and an important economic partner in the global marketplace. And indeed, through my roles as a United States Senator and Chairman of the U.S.-Spain Council, I have seen firsthand the immense depth and strength of the United States-Spain bond.

This bond continues to flourish because our countries and our peoples share the fundamental values of freedom and democracy. In today's complicated world, the United States and Spain are true friends. And I would like to say to the Spanish people—rest assured that during this time of tragedy, your nation has no greater friend than the American people.

As my colleagues are aware, these horrific terrorist attacks have occurred only days before Spain is to hold its general elections. The attacks were likely meant to disrupt Spain's strong democratic institutions. And they were surely aimed at the values of freedom and democracy that both Spain and the United States hold dear.

Although it is not yet clear who was behind these attacks, I have a message for them, wherever they are. The values that Spain and America share will not be broken by cowardly acts of terror; the friendship and cooperation between our nations will continue. And despite your efforts, elections will be held—the Spanish democracy will continue to thrive.

In times of need, we grow more united. And together, we will move forward to ensure that this world is safe for freedom-loving people everywhere.

I thank the majority leader and minority leader for putting this resolution forth this afternoon. It is a timely resolution to take a few minutes out from the budget resolution to share our collective thoughts and to express them to the people of Spain over this incredible tragedy. I associate myself with the remarks that have been given by the majority leader, the Democratic leader, and my colleague from Virginia who have spoken eloquently about our feelings.

I recall vividly the day after September 11 reading Spanish papers. The headlines in the Spanish papers in Madrid and Barcelona said the following in Spanish: Nosotros somos, Americos.

I think, tonight, all Members in the Senate would want to say to the people of Spain in this moment: Nosotros somos, Espanolas.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM of Florida. I would like to add a few comments to what has been so eloquently said.

There has never been a time in the 500-year relationship between Spain and what is now the United States of America in which there have been stronger bonds of genuine friendship and empathy for each other, particularly at a time of tragedy such as this that exists today.

I spoke early today with the Ambassador of Spain to the United States and he described what his country was experiencing as their September 11. Just as they came forward with such effectiveness and genuine remorse when we experienced our tragedy, we share those same feelings toward theirs today.

May the bonds of our friendship give strength to both Spanish people and our people as we have experienced the consequences of terrorism on our own soil. Our hopes and our prayers are with our brothers in Spain.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. FRIST. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 43 Leg.]

YEAS—96

Akaka
Alexander
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carper
Chafee
Chambliss
Clinton
Cochran
Coleman
Collins
Conrad
Cornyn
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Dole
Domenici
Dorgan
Durbin
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham (FL)
Graham (SC)
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Kennedy
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Pryor
Reed
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith
Snowe
Specter
Stabenow
Stevens
Sununu
Talent
Thomas
Voinovich
Warner
Wyden

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The resolution (S. Res. 319) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 319

Whereas on March 11, 2004, terrorists detonated a total of 10 bombs at 6 train stations in and around Madrid, Spain during morning rush hour, killing more than 190 people and injuring more than 1,200 others;

Whereas these attacks constitute the worst acts of terrorism ever experienced in Spain;

Whereas no organization has claimed responsibility for the terrorist attacks;

Whereas the terrorist organization known as ETA, which has been responsible for the deaths of more than 800 people during its decades long campaign to establish an independent Basque State, is a prime suspect as the perpetrator of these cowardly acts of terrorism against innocent people;

Whereas officials in Spain initiated another line of investigation to identify the perpetrators of the terrorist attacks after a van was found with detonators and an Arabic-language tape of Koranic verses;

Whereas President Jose Maria Aznar has stated that "we shall not forget", bravely declared that Spain would not change its policies because of terrorist pressure, and declared three days of national mourning;

Whereas the President of the European Parliament has stated that the terrorist attacks are "a declaration of war on democracy", Pope John Paul II has described the attacks as "despicable", and the United Nations Secretary General Kofi Annan expressed profound shock and indignation over this "senseless killing of innocent people"; and

Whereas President George W. Bush has already called President Aznar to offer his condolences and to assure him that "the United States stands resolutely with Spain in the fight against terrorism in all its forms and against the particular threat that Spain faces from the evil of ETA terrorism": Now, therefore, be it

Resolved, That the Senate—

(1) expresses the outrage and shock of the people of the United States over the terrorist attacks that occurred in and around Madrid, Spain on March 11, 2004;

(2) joins with President Bush in expressing its deepest condolences and pledges to remain shoulder to shoulder with the people of Spain in the war on terrorism;

(3) expresses its strong solidarity with the people of Spain during their difficult hour, and its deep condolences to the families of the victims of these despicable terrorist attacks;

(4) calls on all nations to join with the United States in condemning the monstrous attacks on the innocent people of Spain and in attempting to identify the perpetrators of the attacks and bring them to account;

(5) expresses its readiness to consult with representatives of King Juan Carlos, President Jose Maria Aznar, the Spanish government, the Spanish Cortes, and other public authorities about joint efforts to combat terrorism more effectively;

(6) commends the United States Embassy in Madrid for its prompt offers of assistance to the Government of Spain, and for its efforts to determine the welfare and whereabouts of United States citizens who may have been affected by the terrorist attacks; and

(7) urges the executive branch to continue to provide all possible assistance to Spain in order to identify and bring to account the perpetrators of the terrorist attacks that occurred on March 11, 2004, in Madrid and of other terrorist attacks against the people of Spain.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2005—Continued

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 2793

Mr. ENSIGN. Mr. President, I understand the Dorgan amendment is the next amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. ENSIGN. And there is a minute on each side.

The PRESIDING OFFICER. The Senator is correct.

Mr. ENSIGN. Mr. President, the Dorgan amendment raises taxes by $2.2 billion to increase funding for the COPS Program by $1.1 billion. He says $2.2 billion is the tax increase that will be for millionaires, but we have said this time after time, you cannot specify to the Finance Committee what taxes will be raised.

The bottom line is, the easiest taxes out there right now that are expiring at the end of this year are the $1,000 child tax credit, the marriage penalty reduction, and the expansion of the 10-percent tax bracket. These are middle-class people, middle to lower income people. We don't want to raise taxes on middle to lower income people. We encourage Members to vote no on this amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent that Senators LEAHY, FEINSTEIN, SCHUMER, KENNEDY, SARBANES, ROCKEFELLER, CORZINE, STABENOW, HARKIN, BOXER, DURBIN, KOHL, and DODD be added as cosponsors to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I offer this amendment on behalf of myself, Senator BIDEN, Senator DASCHLE, and many others. This would restore $1.1 billion to law enforcement grants that have been cut in this budget. My colleague, Senator BIDEN, is the author of the COPS Program, the Byrne grant program, and others. I just finished a round of meetings dealing with methamphetamine in North Dakota. Most of you have had the same experience. Law enforcement officials from across the country will tell you these grant programs are critical to their ability to continue to fight this methamphetamine scourge and other issues. We should restore that funding.

We do this and pay for it by simply limiting the tax cut for those above $1 million a year. Next year they will receive $27 billion in tax cuts; that is, those Americans with income of $1 million a year or more. Under this amendment, they will only receive $26 billion in tax cuts. We will restore the funding for law enforcement across this country for the COPS Program, the Byrne grant, and the law enforcement grant program.

I offer this on behalf of myself, on behalf of Senator BIDEN, Senator DASCHLE, and others.

Mr. NICKLES. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 2793. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. (Mr. CHAMBLISS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 41, nays 55, as follows:

[Rollcall Vote No. 44 Leg.]

YEAS—41

Akaka
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—55

Alexander
Allard
Allen
Baucus
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The amendment (No. 2793) was rejected.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, for the information of our colleagues, we still have several rollcall votes to make just on this list. Senator CONRAD and I also are going through the list of other amendments that people want us to consider. We urge Senators not to push us to votes on these amendments. If we vote on all the amendments, we are going to be here not only very late tonight but very late tomorrow night.

I do not think most of these amendments and the amendments on our side require rollcall votes. We are going to work to see if we can accept some amendments, and we are going to work to see some amendments be dropped. I urge the cooperation of our colleagues.

We will go now to the Lautenberg amendment, after my colleague makes some comments. I urge the clerks, we are going to move these votes. We have another six votes. We are going to try to adhere to the time limits as closely as possible. All remaining rollcalls will be 10 minutes.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I am advised that we have eight more votes still on this list. There may be some variance between us.

Mr. NICKLES. Seven.

Mr. CONRAD. Seven more votes on this list, and then I have in my hand, after having gone Member to Member, 34 more amendments on which Members are insisting a rollcall vote. Seven votes will take us about 2½ hours. Thirty-four more votes would take us another 11 hours, and that does not count the votes on the other side. That is 11 hours straight of voting in addition to the 2½ hours now.

I say to our colleagues, we are masters of our own fate. If everybody insists on having rollcall votes on all of their amendments, we will be here until 2 or 3 o'clock in the morning, and then we will be here until late tomorrow night. That is where we are at the moment.

Hopefully, people will relent and agree to try to get amendments accepted or dispatch with them.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I believe the Senator from New Jersey has an amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 2703

Mr. LAUTENBERG. Mr. President, I have an amendment to reinstate the Superfund tax that was in place for so many years and produced a very successful program.

It has been said that I want to tax people. Don't believe that this is a tax-free exchange, as we heard from the Senator from Oklahoma before when he accused me of loving taxes. He loves taxes, but he wants to put it on the average citizen. He does not want the polluters to pay. He said that very directly.

He raised a question rhetorically, I guess, that asked: Who among those who are accused of polluting did not pay their fair share? I will tell you one. Halliburton. Halliburton never pays their fair share where they can get it and owes the Defense Department $61 million in overcharges; Halliburton which manages to put their business offshore so they escape taxes.

Is that the example we want to look at, not whether the people who have been paying the taxes, the average working person, will pay two-tenths of a cent more per gallon?

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, it is very important everyone knows this is nothing but a huge tax increase on businesses, on industries. Many of them are very frail at this time. They have nothing to do with pollution. Polluters-pay is happening right now.

Since the inception of this program, 70 percent of the sites have been cleaned up and paid for by people who polluted. Last year, it was 87 percent. Where there is a polluter that can be found, that polluter pays. That system is working.

If you have to have an $8.5 billion tax increase on various businesses—and right now we have businesses going out of business—then this is your opportunity to do it. This is a huge tax increase, $8.5 billion. We do not need it, and it is unfair.

By the way, we resoundingly defeated this amendment several times before. The last vote was 57 to 43. Many Democrats voted with us in voting against this tax increase. I encourage them to do the same now.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NICKLES. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to amendment No. 2703. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 44, nays 52, as follows:

[Rollcall Vote No. 45 Leg.]

YEAS—43

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Chafee
Clinton
Collins
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Lautenberg
Leahy
Levin
Lieberman
McCain
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Rockefeller
Sarbanes
Schumer
Snowe
Stabenow
Wyden

NAYS—52

Alexander
Allard
Allen
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Chambliss
Cochran
Coleman
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Landrieu
Lincoln
Lott
Lugar
McConnell
Miller
Murkowski
Nickles
Pryor
Roberts
Santorum
Sessions
Shelby
Smith
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The amendment (No. 2703) was rejected.

Mr. NICKLES. Mr. President, I move to reconsider the vote.

Mr. BOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CHANGE OF VOTE

Mr. DAYTON. Mr. President, on rollcall vote 45, I voted "nay." It was my intention to vote "yea." Therefore I ask unanimous consent that I be able to change my vote since it will not affect the outcome.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 2799

Mr. NICKLES. I believe the amendment of the Senator from Iowa, Senator HARKIN, amendment No. 2799, would be next?

The PRESIDING OFFICER. That is correct. Who yields time? The Senator from Iowa.

Mr. HARKIN. Mr. President, this amendment does what 400 public health organizations around the country say is vitally needed. It increases function 550 health spending by 12 percent. That is $6 billion in the next fiscal year and $30 billion over 5 years. It also provides for $9 billion in deficit reduction over the same 5 years.

The amendment pays for this needed investment with a revenue measure that delivers more public health benefits. We raise the current Federal tax on cigarettes by 61 cents a pack, from 39 cents to $1 a pack. This would provide $30 billion for public health over 5 years, and $9 billion of deficit reduction.

I showed this chart earlier. If you think $1 a pack is a lot of money, I point out in much of the history of the Federal excise tax on cigarettes we were as high as 49 percent of the average wholesale price on a pack of cigarettes. We are now down to 14 percent. This amendment would only raise it to 30 percent of the average wholesale price.

I ask unanimous consent a letter supporting this amendment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JANUARY 29, 2004.

IT'S TIME TO MAKE PUBLIC HEALTH FUNDING A NATIONAL PRIORITY

DEAR PRESIDENT BUSH AND MEMBERS OF CONGRESS: The health of all Americans is at risk from an unprecedented range of threats, including: chronic diseases and disabilities, infectious and food borne illnesses, biological and chemical terrorism, mental disorders and substance abuse, catastrophic injuries, and a shortage of healthcare providers and trained public health workers.

Our nation's public health system will not be able to respond adequately to these threats without additional resources for the continuum of medical research, prevention, treatment and training programs. We urge you to increase discretionary funding for public health through the Function 550 budget allocation in Fiscal Year 2005 by 12 percent. This investment is critical to improving the health, safety and security of our nation.

Sincerely,

AAHP–HIAA, and others.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, this amendment would do one thing. It would increase taxes by $39 billion over 5 years. That is really half of what we are assuming we are going to do to help American families. So this is going to cut the tax cut. That will mean, to preserve present law, it is going to cost about $80 billion. This is going to take half of that away. My colleague might hope it is going to be used to raise tobacco taxes, and so on, but that doesn't mean that would happen. This tells the Finance Committee to raise $39 billion.

I urge my colleagues to vote no on the amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2799.

Mr. NICKLES. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 32, nays 64, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—32

Akaka
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Chafee
Clinton
Corzine
DeWine
Dodd
Durbin
Feingold
Feinstein
Harkin
Inouye
Jeffords
Kennedy
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Rockefeller
Sarbanes
Wyden

NAYS—64

Alexander
Allard
Allen
Baucus
Bayh
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Chambliss
Cochran
Coleman
Collins
Conrad
Cornyn
Craig
Crapo
Daschle
Dayton
Dole
Domenici
Dorgan
Ensign
Enzi
Fitzgerald
Frist
Graham (FL)
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hollings
Hutchison
Inhofe
Kyl
Landrieu
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Schumer
Sessions
Shelby
Smith
Snowe
Specter
Stabenow
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The amendment (No. 2799) was rejected.

Mr. HAGEL. I move to reconsider the vote.

Mr. ENSIGN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2803

The PRESIDING OFFICER. We now move to the amendment of the Senator from Arkansas. There will be 2 minutes equally divided. The Senator from Arkansas is recognized for 1 minute.

Mrs. LINCOLN. Mr. President, I draw my colleagues' attention to the amendment offered earlier today by myself and many others. I cannot think of anything that could help us in this Nation redirect our economy, rebuild the fabric of our country, help our families, our working families, our military families, our children across this Nation, than looking at what we can do for the uninsured in this country. The number of uninsured in our country is alarming. It should be a priority in this budget debate.

As we look at the budget debate we are dealing with, we should think about priorities and the choices we have to make and the consequences down the road if we do not make the right priorities and the right choices.

I encourage all of my colleagues to take a look at what we are doing. We are providing for the uninsured. We are making sure it is not paid for by increasing taxes, but cutting loopholes, cutting corporate loopholes that have existed, which we have all agreed are wrong. We need to do something about it. Redirecting those resources to the uninsured is the correct thing to do.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. The Lincoln amendment increases taxes by $60 billion over the next 5 years while purporting to help the uninsured. The budget resolution already contains a reserve fund for the uninsured. The resolution reserve fund is budget neutral and allows the chairman to change allocations for both the Health, Education, Labor, and Pensions Committee and the Finance Committee.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 2803.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER (Mr. CHAFEE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 43, nays 53, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—43

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—53

Alexander
Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The amendment (No. 2803) was rejected.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, for the information of our colleagues, we have four additional rollcalls in this sequence. The next amendment, I believe, is from the Senator from West Virginia, Mr. BYRD.

The PRESIDING OFFICER. The Senator is correct.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair.

AMENDMENT NO. 2804

Mr. President, the Senate should ensure that delinquent taxpayers pay their fair share of taxes before we cut vital domestic investments for citizens who actually pay their taxes.

With that savings, we can restore the spending for our schools, veterans, and homeland security that is cut by this budget resolution.

The Senate should adopt a budget resolution that will permit the enactment of the 13 fiscally disciplined appropriations bills without forcing the Congress to use gimmicks to meet unrealistic spending targets.

This amendment sets responsible limits on discretionary spending for fiscal years 2005 and 2006, just enough to fund the levels, adjusted for inflation, that were approved by the Congress earlier this year.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I compliment my colleague from West Virginia. This amendment increases taxes by $24.5 billion over the next 2 years. That basically is going to wipe out the continuation of present law that we have scheduled for low-income, middle-income families. I hope our colleagues will not support the amendment.

It also spends most of the money, or it purports to spend the money, maybe, if the appropriators get it and it is reallocated, and so on. It basically is an amendment that would greatly increase taxes by $24 billion. I urge my colleagues to vote no on the amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The question is on agreeing to amendment No. 2804. The clerk will call the roll.

The bill clerk called the roll.

Mr. McCONNELL. I announce that the Senator from Idaho (Mr. CRAPO) is necessarily absent.

Mr. DASCHLE. I announce that the Senator from South Dakota (Mr. JOHNSON) and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER (Mr. CHAMBLISS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 43, nays 53, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—43

Akaka
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—53

Alexander
Allard
Allen
Baucus
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—4

Crapo
Johnson
Kerry
Reid

The amendment (No. 2804) was rejected.

Mr. NICKLES. Mr. President, if we can have order, I believe Senator BINGAMAN has the next amendment.

The PRESIDING OFFICER. That is correct. There are 2 minutes equally divided. Who seeks time?

The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, this amendment is straightforward. It would create a 60-vote point of order against tax legislation that would have the effect of forcing more taxpayers into having to pay the alternative minimum tax. The point of order would not lie against tax legislation that extends the expiring marriage penalty relief, the 10-percent tax bracket, or the child tax credit, but it would lie against other tax legislation.

We have about 3 million people who paid the alternative minimum tax last year. It is expected to go up over $30 million by 2010. This amendment doesn't fix that, but this amendment would keep the situation from getting worse by us passing legislation that adds more taxpayers to that group.

I think this is a very meritorious amendment and I urge support for it.

Mr. NICKLES. Mr. President, Senator BINGAMAN's amendment creates a new point of order against specific policies that might be reported to the Finance Committee. It is not at all related to the budgetary effects of such legislation and is not appropriate for inclusion in the budget resolution. It is not germane.

I raise a point of order against the amendment pursuant to section 305 of the Budget Act because the amendment is not germane.

Mr. BINGAMAN. Mr. President, pursuant to section 904 of the Budget Act, I move to waive the applicable section of the act for the purpose of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. McCONNELL. I announce that the Senator from Ohio (Mr. VOINOVICH) is necessarily absent.

Mr. DASCHLE. I announce that the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 43, nays 53, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—43

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—53

Alexander
Allard
Allen
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Warner

NOT VOTING—4

Johnson
Kerry
Reid
Voinovich

The PRESIDING OFFICER. On this vote, the yeas are 43, the nays are 53. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

The Senator from Oklahoma.

AMENDMENT NO. 2807

Mr. NICKLES. Mr. President I believe the next amendment to be voted on was offered by Senator LIEBERMAN.

The PRESIDING OFFICER. That is correct. There are 2 minutes equally divided. Who seeks time?

The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair. Mr. President, we are a Nation at war. It is a war against terrorism. It is a war that is being fought abroad and at home. A day or two ago, this Senate overwhelmingly restored $7 billion to the Department of Defense budget, in part to assist our military in fighting the war against terrorism overseas. At home, we have not adequately funded the homeland side of the war against terrorism. We have not adequately funded the Department of Homeland Security. This amendment would do that: $6.8 billion, $4.4 billion of which would go to first responders.

It is outrageous that at this time of conflict, there are police and fire departments all over America that are letting firefighters and police officers go, just when we need those first responders. That is about as foolish as an army laying off soldiers in the middle of the war.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LIEBERMAN. I ask my colleagues to support the amendment.

The PRESIDING OFFICER. Who seeks time?

The Senator from Oklahoma.

Mr. NICKLES. Just to inform our colleagues, we are going to have a vote on the Lieberman amendment and then on the Kennedy amendment. Then we are going to try to organize a bunch of other votes. So we are making progress.

I thank the minority leader and also my colleague Senator CONRAD. We are making good progress. We have amendments on both sides. I know a lot of people want to get some of these considered. We are going to move as quickly as possible. Let's get through these next two votes and then we will see where we go. I urge our colleagues to expect a late night tonight. We have a lot of work today. It is possible we could even finish tonight if we all cooperate.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Very briefly, if we could ask all colleagues who have amendments that they still want considered, it would be enormously helpful to us if we could get copies of those amendments. We are trying to work out as many amendments as we can. We need to have the actual amendment to be able to do that.

One other thing we should say, we have been asked if there is going to be a window. We do not intend to have a window. We intend to keep pressing ahead and those who are next in line should expect that they would only have 2 minutes a side to do their amendments. So when they are preparing their presentations, if they would understand they would have no more than 2 minutes, so we are not going back after we finish this round to some longer explanations of amendments.

The PRESIDING OFFICER. The yeas and nays have been ordered. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I will comment on the amendment of my good friend Senator LIEBERMAN. This amendment would increase taxes by $13.7 billion over the next 5 years. It spends $6.8 billion, or presumes to spend $6.8 billion on homeland security. That would be a 40-percent increase over this year. We have already provided in the budget a 15-percent increase over last year.

My colleague mentioned defense. We just increased defense spending 7 percent over last year. Homeland security is 15 percent. I don't think, frankly, we can afford 40 percent. I urge my colleagues to vote no on the Lieberman amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2807. The yeas and nays have been ordered. The clerk will call the roll.

The assistant journal clerk called the roll.

Mr. DASCHLE. I announce that the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 40, nays 57, as follows:

[Rollcall Vote No. 50 Leg.]

YEAS—40

Akaka
Bayh
Biden
Boxer
Byrd
Cantwell
Carper
Clinton
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—57

Alexander
Allard
Allen
Baucus
Bennett
Bingaman
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Conrad
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—3

Johnson
Kerry
Reid

The amendment (No. 2807) was rejected.

Mr. NICKLES. Mr. President, I inform our colleagues that we are making great progress. I thank Senator CONRAD and Senator DASCHLE for their assistance. The next and last amendment we have in the original list of amendments is offered by Senator KENNEDY.

I also want to repeat what Senator CONRAD said a moment ago. It is our intention to keep plowing ahead. We are making good progress. We are accepting some amendments. We may have to have a few more rollcall votes but I hope not too many.

Senator KENNEDY will be the next in the order.

The PRESIDING OFFICER. There are 2 minutes of debate equally divided. The Senator from Massachusetts is recognized.

AMENDMENT NO. 2725

Mr. KENNEDY. Mr. President, in higher education, with children from families earning $15,000, 4.8 million children receive Pell grants. That makes up one-quarter of all the children attending higher education in this country. What we have seen in the last 3 years is the cost of public education has increased 26 percent. This amendment takes the Pell grants from $4,050 to $5,100; average increase, $600; average increase, 27 percent, just for the increase on the tuition for public colleges.

I refer to the statement made by President Bush in New Hampshire where he said:

> It is a known fact that Pell grant aid significantly affects the ability of children to attend college. I am going to ask Congress to bolster the Pell grants to $5,100.

That is what this amendment does. It is a $5 billion cost offset in terms of the deficit reduction paid for by the highest taxpayers in the country.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I yield to my colleague from New Hampshire.

Mr. GREGG. Mr. President, I certainly appreciate the Senator from Massachusetts repeating what was said in New Hampshire. One thing I said in New Hampshire was I don't believe we should be increasing taxes on the American public disproportionately. This amendment increases taxes by $9.8 billion. It does not necessarily fund the Pell grant program, but in this bill, under the leadership of Senator NICKLES, we have funded the Pell grant. We have increased it by almost $1 billion, and we continue a large commitment to this program, which is very appropriate and which is being undertaken in an aggressive way in the budget as presented. So I would vote against this tax increase, and mention to the people in New Hampshire that I continue to oppose taxes.

Mr. NICKLES. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The question is on agreeing to amendment No. 2725. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DASCHLE. I announce that the Senator from South Dakota (Mr. JOHNSON) and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 44, nays 53, as follows:

[Rollcall Vote No. 51 Leg.]

YEAS—44

Akaka
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carper
Chafee
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—53

Alexander
Allard
Allen
Baucus
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—3

Johnson
Kerry
Reid

The amendment (No. 2725) was rejected.

Mr. NICKLES. Mr. President, I move to reconsider the vote.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we now have two or three sense-of-the-Senates. I will just tell everybody, Senator CONRAD and I have decided we are not going to have any rollcalls on sense-of-the-senates, at least that is not our intention. We are willing to agree to a couple as long as they will keep debate to the sense-of-the-Senates very brief, like 1 minute.

I believe Senator FEINSTEIN or Senator MIKULSKI has one. Senator MIKULSKI has one, I believe, and we would be happy to consider it.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I say to the chairman, mine is not a sense of the Senate. Mine is a regular amendment.

Mr. NICKLES. Mr. President, I apologize to my colleague. Yours is a regular amendment, but we made it deficit-neutral, so we are willing to accept your amendment. So if you send it to the desk, we will accept it.

Ms. MIKULSKI. Thank you very much. Why don't I just get busy to do that?

AMENDMENT NO. 2820

Mr. President, it is with enthusiasm that I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from Maryland [Ms. MIKULSKI], for herself, Mr. LEVIN, Mrs. MURRAY, Mr. SCHUMER, Mr. REED, Mr. DODD, Mr. LAUTENBERG, Mr. DURBIN, and Mr. BIDEN, proposes an amendment numbered 2820.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide a deficit neutral reserve fund to provide a $4,000 tuition tax credit)

On page 28, between lines 7 and 8, insert the following:

SEC. 304. RESERVE FOR FUNDING OF HOPE CREDIT.

If the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that increases the Hope credit to $4,000, makes the credit available for 4 years, and makes the credit refundable, the chairman of the Committee on the Budget may revise committee allocations for the Committee on Finance and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, if it would not increase the deficit for fiscal year 2005 or for the total of fiscal years 2005 though 2009.

Ms. MIKULSKI. Mr. President, my amendment is very straightforward. It helps middle-class families continue to pursue the American dream. My amendment provides for a tuition tax credit of up to $4,000 to help pay for college.

Our colleagues know our middle-class families are stressed and stretched. They do not know how they can afford to send their kids to college. College tuition is on the rise, but financial aid is not keeping up. Our students are graduating with so much debt that it is like their first mortgage.

We believe the benefits of education accrue to the individual. We believe that college is important to families. But it is also important to our economy.

If our country is going to be safer, if we are going to have a stronger economy, we need to be smarter. This means public investments in giving families the opportunity to go to college will also accrue to our society.

We need to invest in human capital. My amendment will make college affordable to middle-class families. It will give help to those who practice self-help.

Mr. President, I urge my colleagues to accept my amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I compliment my colleague from Maryland. There is no objection to the amendment on this side.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2820.

The amendment (No. 2820) was agreed to.

Mr. NICKLES. I move to reconsider the vote.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NICKLES. Mr. President, I believe the Senator from Minnesota, Mr. COLEMAN, has an amendment.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

AMENDMENT NO. 2821

Mr. COLEMAN. Mr. President, I have an amendment I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. COLEMAN], for himself and Ms. COLLINS, proposes an amendment numbered 2821.

Mr. COLEMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide $1.9 billion to increase the maximum Pell Grant from $4,050 to $4,500 by reducing spending in other Federal government programs, except education programs, by a commensurate amount)

On page 15, line 16, increase the amount by $1,884,000,000.

On page 15, line 17, increase the amount by $452,000,000.

On page 15, line 21, increase the amount by $1,394,000,000.

On page 15, line 25, increase the amount by $38,000,000.

On page 23, line 5, decrease the amount by $1,884,000,000.

On page 23, line 6, decrease the amount by $452,000,000.

On page 23, line 10, decrease the amount by $1,394,000,000.

On page 23, line 14, decrease the amount by $38,000,000.

Mr. COLEMAN. Mr. President, I want to associate myself with the comments of my colleague from Maryland regarding higher education, and my colleague from Massachusetts in regard to Pell Grants.

We need to support our students. Pell grants are now at $4,050. This amendment will move the maximum grant to $4,500.

The cost of this amendment is $1.9 billion. It is paid for by reducing spending in other Federal programs, except education, by a commensurate amount.

This is the kind of investment we have to make. This is good for our country. It is good for our young people. It is good for our future. I urge my colleagues to accept the amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we are going to accept this amendment on this side, but I do want to indicate, there is no new money here. This is cutting other programs across the board to fund this priority. It is important to understand there is no new money here. But with that, we accept the amendment on our side.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to amendment No. 2821.

The amendment (No. 2821) was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I believe the Senator from California, Mrs. FEINSTEIN, has a sense-of-the-Senate resolution.

Mr. CONRAD. Mr. President, I yield 2 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

AMENDMENT NO. 2753

Mrs. FEINSTEIN. Mr. President, this is amendment No. 2753, on behalf of Senators HOLLINGS, BREAUX, DODD, CORZINE, SCHUMER, BIDEN, MIKULSKI, MURRAY, GRAHAM of Florida, and COLLINS.

This amendment does not cost. It is a sense of the Senate, and it essentially would allow large ports that need to produce security to do this through multiyear contracting or letters of intent. There is a real problem in going year by year with budget funds for port security. The port of Los Angeles-Long Beach is 15 miles long. They are the second and third largest ports in the Nation. It simply cannot do what is necessary to be done to secure the port unless there is some form of multiyear funding agreement. This amendment would allow that to take place, at least in terms of voicing the Senate's view.

I thank the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we think this is an excellent amendment that will enhance port security. We know we have a problem with port security. The Senator has come up with a creative contribution. We urge our colleagues on both sides to accept this amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from California [Mrs. FEINSTEIN], for herself, Mr. HOLLINGS, Mr. CORZINE, Mr. BREAUX, Mr. SCHUMER, Mr. DODD, Mr. BIDEN, Ms. MIKULSKI, Mrs. MURRAY, Mr. GRAHAM of Florida, and Ms. COLLINS, proposes an amendment numbered 2753.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To express the sense of the Senate regarding funding for port security)

On page 54, after line 22, insert the following new section:

SEC. 510. SENSE OF THE SENATE REGARDING FUNDING FOR PORT SECURITY.

(a) FINDINGS.—The Senate makes the following findings:

(1) In the United States, the system of maritime commerce, including seaports and other ports, is a critical element of the United States economic, social, and environmental infrastructure.

(2) In 2001, ports in the United States handled approximately 5,400 ships, the majority of which were owned by foreign persons and crewed by nationals of foreign countries, that made a total of more than 60,000 calls at such ports.

(3) In a typical year, more than 17,000,000 cargo containers are handled at ports in the United States.

(4) Maritime commerce is the primary mode of transportation for international trade, with ships carrying more than 80 percent of such trade, by volume.

(5) Disruption of trade flowing through United States ports could have a catastrophic impact on both the United States and the world economies.

(6) In addition to the economic importance of United States ports, such ports form a critical link in the United States national security structure, and are necessary to ensure that United States military material can be effectively and quickly shipped to any location where such material is needed.

(7) Terrorist groups, including extremist groups such as al Qaeda, are likely to consider, formulate, and execute plans to conduct a terrorist strike against one or more of the ports in the United States.

(8) Terrorists have conducted attacks against maritime commerce in the past, including the October 2002 attack on the French oil tanker LIMBERG and the October 2000 attack on the USS COLE in Yemen.

(9) It is critical that port security be enhanced and improved through the adoption of better formulated security procedures, the adoption of new regulations and law, and investment in long-term capital improvements to the structure of the United States most critical ports.

(10) Effective funding to provide adequate security at United States ports requires a commitment to provide Federal funds over multiple years to fund long-term capital improvement projects.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the budget of the United States should provide adequate funding for port security projects and not less than the amount of such funding that is adequate to implement an effective port security plan;

(2) the implementation of the budget of the United States should permit the provision of Federal funds over multiple years to fund long-term security improvement projects at ports in the United States; and

(3) the Secretary of Homeland Security should, as soon as practicable, develop a funding plan for port security that permits funding over multiple years for such projects.

The PRESIDING OFFICER. Is there further debate on the amendment? The question is on agreeing to amendment No. 2753.

The amendment (No. 2753) was agreed to.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the next amendment is an amendment by Senator DASCHLE on the Indian Health Service.

AMENDMENT NO. 2774

Mr. DASCHLE. Mr. President, I have an amendment No. 2774.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for himself, Mr. DORGAN, Mrs. MURRAY, Mr. BINGAMAN, Mr. JOHNSON, Mr. WYDEN, Ms. STABENOW, Mr. AKAKA, Ms. CANTWELL, Mr. INOUYE, and Mr. REID, proposes an amendment numbered 2774.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To create a reserve fund to allow for an increase in Indian Health Service Clinical Services by $3.44 billion and lower the national debt by eliminating abusive tax loopholes or reducing tax breaks for individuals with incomes in excess of $1 million per year)

On page 3, line 9, increase the amount by $6,123,000,000.

On page 3, line 10, increase the amount by $688,000,000.

On page 3, line 11, increase the amount by $69,000,000.

On page 3, line 17, increase the amount by $6,123,000,000.

On page 3, line 18, increase the amount by $688,000,000.

On page 3, line 19, increase the amount by $69,000,000.

On page 4, line 20, increase the amount by $6,123,000,000.

On page 4, line 21, increase the amount by $688,000,000.

On page 4, line 22, increase the amount by $69,000,000.

On page 5, line 3, decrease the amount by $6,123,000,000.

On page 5, line 4, decrease the amount by $6,811,000,000.

On page 5, line 5, decrease the amount by $6,880,000,000.

On page 5, line 6, decrease the amount by $6,880,000,000.

On page 5, line 7, decrease the amount by $6,880,000,000.

On page 5, line 11, decrease the amount by $6,123,000,000.

On page 5, line 12, decrease the amount by $6,811,000,000.

On page 5, line 13, decrease the amount by $6,880,000,000.

On page 5, line 14, decrease the amount by $6,880,000,000.

On page 5, line 15, decrease the amount by $6,880,000,000.

At the end of Title III, insert the following:

SEC. . RESERVE FUND FOR INDIAN HEALTH SERVICE CLINICAL SERVICES.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $3,440,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, joint resolution, motion, amendment, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of levels provided in this resolution, for Indian Health Service clinical services, included in this resolution for the Department of Health and Human Services.

Mr. DASCHLE. Mr. President, last week's Congress Daily included a story that still troubles me deeply and gets at the heart of why I am offering this amendment.

HHS Secretary Tommy Thompson, in response to a question about why the Bush administration is providing funding for universal health care in Iraq, but not in America, replied:

> Even if you don't have health insurance in America, you get taken care of. That could be defined as universal health care.

I don't think Secretary Thompson is callous, so he must be desperately out of touch. Either way, it's shocking to hear the nation's top health care official claim that America has universal health care.

More than 43 million Americans are uninsured. According to the National Institute of Medicine, uninsured Americans who access emergency rooms or free clinics get about half the medical care of those with health insurance—they live sicker and die sooner than those with insurance. Approximately 18,000 Americans die unnecessarily each year because of lack of health care. And the problem isn't just uninsured Americans. Millions more Americans are under-insured.

There are 2.5 million Native Americans in this country who—theoretically—have insurance. All too often, they get abysmal health care—or none at all. America is obligated—by law and by treaty—to provide free health care for American Indians—a commitment we made to Indian people when the U.S. Government took their lands. America is not honoring that commitment. Native Americans suffer higher rates of many serious illnesses—including diabetes, heart disease, and Sudden Infant Death Syndrome—than the rest of the population. Yet Indian Health Service funding is wholly inadequate.

The Indian Health Service makes up only one-half of one percent of the HHS budget. Its budget has consistently grown at a far slower rate than the rest of the HHS budget. That means that the health system with the sickest people and the greatest need gets the smallest increases. That just doesn't add up.

In per capita terms, the United States spends about $5000 per year on health care for the general U.S. population. Contrast that with what the Indian Health Service spends per capita on health services for Native American men, women, and children: about $1900 per year. To put that in further perspective, you should know that's one-half of what the Government spends per capita on Federal prisoners' health care—$3800. The U.S. Government spends twice as much on Federal prisoners' health care as it spends on Native Americans' health care.

The result: American Indians live sicker and die younger than every other ethnic group. This has created what the U.S. Commission on Civil Rights calls a "quiet crisis." Care is rationed in Indian Country through the use of a literal "life or limb" test. In many cases, you are denied care, or care is delayed, unless you are at risk of immediate loss of your life or a limb.

Secretary Thompson should come to Indian Country to hear some of the stories I hear when I talk to people on the Cheyenne River Indian Reservation or in Pine Ridge or at the Sioux San Hospital in Rapid City. Secretary Thompson, there is no universal health care in Indian Country. Just ask anyone who lives there. Secretary Thompson should apologize to Native Americans for his comments. More than that, he should make a commitment to fight for the funds the Indian Health Service needs to meet its obligations.

Democrats tried repeatedly last year to persuade our colleagues to fully fund at least one part of the Indian Health Service budget: clinical services. They refused, repeatedly. Last year, several of my Republican colleagues came to the floor to say: "You're right—the health care situation in Indian country is abysmal, and it's unfair. Indian people do deserve better, but we just can't afford it. We can afford tax cuts for the wealthy elite, and we can afford billions on Iraq, but we can't afford to give Native Americans the health care we've promised them."

Mr. President, that is just not acceptable. My friends on the other side may be willing to offer that excuse, but I am not. And they can no longer claim that they "didn't know" how bad Indian Country's health care crisis truly is. So we are trying again this year. We are offering the Senate a chance to finally right this indefensible wrong.

Our amendment would create a reserve fund to allow a $3.44 billion increase in IHS clinical services. This is not enough to provide health care services to every eligible American Indian and Alaska Native. It would, however, provide sufficient funds to serve the current IHS user population—the people who currently depend on the Indian Health Service for their care.

The cost of this amendment, along with additional deficit reduction, is fully offset by eliminating abusive tax loopholes or reducing tax breaks for individuals with incomes over $1 million per year. And don't be fooled by promises made in a competing amendment to make unspecified cuts in domestic discretionary spending.

That amendment does nothing to raise the Appropriations Committee's budget allocation, and does nothing to put additional money in the IHS clinical services account. That funding isn't real, and those promises are empty. At best, it would rob Peter to pay Paul.

If America can afford to spend billions of dollars building hospitals and providing health care in Iraq, we can afford to honor our treaty obligation to provide health care for American Indians.

I realize we have obligations around the world. But we also have obligations here at home. Millions of Americans want to know, when is it their turn? When do we start paying attention to their needs? When do we take care of our own? We don't have universal health care in America, despite what Secretary Thompson thinks. And we certainly don't have universal health care in Indian Country. This amendment gives us the chance to offer Indian people the bare minimum of services that most of us take for granted and would consider essential. I hope we don't waste it.

I yield the floor.

Mr. AKAKA. Mr. President, I rise today in support of this important amendment offered by Senator TOM DASCHLE. The Senate Committee on Indian Affairs, of which I am a member, has held hearings on the President's fiscal year 2005 budget request for Indian programs. We have heard from Indian country about the inadequate funding provided for many programs in Indian country. We have heard that American Indians and Alaska Natives have a life expectancy six years less than that of the rest of the United States population, with rates of cardiovascular disease being twice as high for native peoples.

Native people die at a rate 500 percent higher than other Americans from tuberculosis and 390 percent higher from diabetes. With the technological advancements that we have made in these areas, most of these illnesses could be prevented if basic health care were available. Unfortunately, the President's budget provides $2.1 billion for IHS clinical services, leaving a shortfall of over 60 percent for fiscal year 2005.

The time is now and we must provide Indian country with the ability to ensure that native peoples are given access to essential health care services. I urge my colleagues to support this important amendment, and I thank my dear friend, Senator DASCHLE, for offering this amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, this is another one of these amendments—we have had a dozen of them now—that says we are going to pay for this by increasing taxes on wealthy people. I don't know how many times we have to vote on it. Then I look at the spending. It says we will increase spending by $3.4 billion from 2.1 to 5.5. That is a 164-percent increase. It is a big tax increase. It is a humongous spending increase. I urge my colleagues to vote no.

Mr. DASCHLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to amendment No. 2774. The clerk will call the roll.

The assistant journal clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 54, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—42

Akaka
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—54

Alexander
Allard
Allen
Baucus
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Carper
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The amendment (No. 2774) was rejected.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we are making progress. Senator CONRAD and I are reducing the amendments pretty quickly. I compliment him for that. We are trying to accommodate Members on both sides of the aisle. Maybe we can get this legislation finished tonight.

I believe the Senator from Alaska has an amendment.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 2822

Ms. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Ms. MURKOWSKI], for herself and Mr. CAMPBELL, proposes an amendment numbered 2822.

Ms. MURKOWSKI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To increase funding for the Indian Health Services)

On page 16, line 12, increase the amount by $282,000,000.

On page 16, line 13, increase the amount by $251,000,000.

On page 16, line 17, increase the amount by $28,000,000.

On page 16, line 21, increase the amount by $2,000,000.

On page 23, line 5, decrease the amount by $282,000,000.

On page 23, line 6, decrease the amount by $251,000,000.

On page 23, line 10, decrease the amount by $28,000,000.

On page 23, line 14, decrease the amount by $2,000,000.

The PRESIDING OFFICER. The Senator from Alaska.

Ms. MURKOWSKI. Mr. President, this amendment also relates to the Indian Health Service. This amendment would increase the budget for the Indian Health Service by $282 million. This is intended to track the recommendation that the Indian Affairs Committee sent to the Budget Committee in its views and estimates letter.

It provides the funding for those priorities that were set out in the committee's list. We are looking at increases for clinical services, a 50-percent increase for services to urban Indians, a $90 million increase for contract support costs and an additional $61 million for health facilities construction. This amendment would make all of these increases possible.

Of particular interest to me, the amendment enables an additional $10 million increase in funding for sanitation facilities construction, which is incredibly important to my home State. 40 percent of the unmet need for sanitation, as identified by the Indian Health Service, is in Alaska.

This amendment also envisions a substantial funding increase for the Community Health Aide Practitioner Program, which the Indian Health Service regards as a national model.

The increases in this amendment are defensible. We recognize we have a long way to go when it comes to improving the health condition of our Native peoples, but I think this is a good and reasonable step in that direction.

I urge Members to support this amendment.

Mr. President, I ask unanimous consent to add Senator MURRAY as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Dakota.

Mr. CONRAD. Mr. President, this amendment is cosponsored by Senator MURRAY on this side. We strongly support the amendment and hope our colleagues will accept it.

Mr. DASCHLE. Mr. President, the Senate has just missed an opportunity to fund the basic health care needs of the current Indian Health Service user population. We had a chance to provide a $3.44 billion increase for IHS clinical services. Unfortunately, we lost that chance because not a single Republican Senator was willing to apply toward Indian health a small fraction of the revenue that will be raised from closing tax loopholes that allow people to avoid paying their fair share of taxes.

Some may view this budget resolution as an insignificant exercise. It is not. Unless we do something to increase the funding available to the Appropriations Committee—specifically the Interior Appropriations Subcommittee—it will be next to impossible to increase Indian health funding to any significant degree.

I hope my colleagues will stop and think about the weight of the decisions they are making today. Because its budget is so woefully inadequate, the Indian Health Service is forced to use a literal "life or limb" standard to ration health care for Indian men, women, and children—people whose health care is supposed to be guaranteed. Indian people are suffering—some are literally dying—because we are failing to provide them the kind of care that most Americans, and every single one of us, take for granted.

We have been here before. We had this same debate last year. Then, like today, my Republican colleagues opposed a real increase for IHS clinical services and instead offered a phantom increase that was one-tenth of the amount of the increase needed to meet the basic health care needs of the current IHS user population.

The only difference this year is that the "increase" they are offering is less than one-tenth of the amount of the increase needed to meet the basic health care needs of the current IHS user population, and even less than the amount they offered last year.

Of course, any increase for the Indian Health Service is welcome. I will be glad if we can treat even one more Indian child the way that he or she deserves to be treated. But my colleagues should know that the Murkowski amendment does not add one penny to the Appropriations Committee's allocation. It does not increase the amount of money available to the subcommittee appropriators who must find the funding this amendment claims to provide. It leaves the Indian Health Service to compete for funds with Indian education, tribal colleges, tribal courts and police, reservation roads, as well as the Denali National Park, Mount Rushmore, and all the other important priorities that subcommittee funds.

The function 920 account is not a secret pot of money from which to draw. This amendment—if it is not dropped in conference the way last year's amendment was—would force the Appropriations Committee to cut the domestic discretionary programs already severely shortchanged under this scandalous budget resolution. Remember, this budget resolution already cuts domestic discretionary spending by $14.6 billion compared to last year.

Will the money come from our national parks? No Child Left Behind—and we know they are being left behind? HUD? NIH? COPS? Perhaps the BIA's reorganization initiative? I might support that cut.

They will not tell us which programs they would cut, because they know our domestic discretionary accounts can't absorb any more cuts, and because this amendment isn't real. It will not add a penny to the IHS clinical services account.

Will the phantom money be there after the House and Senate Republicans return from conference? It certainly was not last year.

That money was missing from the fiscal year 2004 Interior appropriations bill, too, when 45 Republican senators blocked my amendment to make real their professed $292 million commitment to Indian health.

Yet again, my colleagues on the other side are making a specious argument. At the same time they're refusing to close loopholes that allow people who owe taxes to avoid paying their fair share, at the same time they are proposing new tax cuts for millionaires, they are saying this country cannot afford to honor its treaty obligation—and its clear moral obligation—to Native Americans.

I hope the Senate will reject that argument and put us on the road to righting this indefensible wrong.

Senators can vote for this amendment, but no one should be confused about its impact. I can assure you that Native Americans will not be. Still, I will support this amendment with the hope that the conferees will find a way to provide a real increase for the Indian Health Service.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to amendment No. 2822.

The amendment (No. 2822) was agreed to.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, Senator Dodd is next on our side with an amendment. I ask Senator Dodd to proceed at this point.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 2762

Mr. DODD. Mr. President, I call up amendment No. 2762.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. Dodd], for himself, Mr. Kerry, Mr. Corzine, Ms. Stabenow, and Mr. Kohl, proposes an amendment numbered 2762.

Mr. DODD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. Ensign). Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To create a reserve fund to allow for an increase in the 21st Century Community Learning Centers Program by $1 billion and lower the national debt by eliminating tax loopholes)

On page 3, line 9, increase the amount by $60,se 2762.000,000.

On page 3, line 10, increase the amount by $1,301,000,000.

On page 3, line 11, increase the amount by $541,000,000.

On page 3, line 12, increase the amount by $100,000,000.

On page 3, line 17, increase the amount by $60,000,000.

On page 3, line 18, increase the amount by $1,301,000,000.

On page 3, line 19, increase the amount by $541,000,000.

On page 3, line 20, increase the amount by $100,000,000.

On page 4, line 20, increase the amount by $60,000,000.

On page 4, line 21, increase the amount by $1,301,000,000.

On page 4, line 22, increase the amount by $541,000,000.

On page 4, line 23, increase the amount by $100,000,000.

On page 5, line 3, decrease the amount by $60,000,000.

On page 5, line 4, decrease the amount by $1,361,000,000.

On page 5, line 5, decrease the amount by $1,902,000,000.

On page 5, line 6, decrease the amount by $2,002,000,000.

On page 5, line 7, decrease the amount by $2,002,000,000.

On page 5, line 11, decrease the amount by $60,000,000.

On page 5, line 12, decrease the amount by $1,361,000,000.

On page 5, line 13, decrease the amount by $1,902,000,000.

On page 5, line 14, decrease the amount by $2,002,000,000.

On page 5, line 15, decrease the amount by $2,002,000,000.

At the end of Title III, insert the following:

SEC. . RESERVE FUND FOR THE 21ST CENTURY COMMUNITY LEARNING CENTERS PROGRAM.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $1,000,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, joint resolution, motion, amendment, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of levels provided in this resolution, for the 21st Century Community Learning Centers program in the Department of Education.

Mr. DODD. Mr. President, this amendment deals with afterschool programs. I know most of my colleagues are tremendously supportive of this program. When we passed the No Child Left Behind Act 2 years ago, we insisted that we fund, to the extent possible, $2 billion for afterschool programs.

Over the last 2 years, we have only funded half of that program, serving a little more than 1 million children when the need exceeds 2 million children. I think all of us have given talks in our States about the value of afterschool programs. The President himself has talked eloquently about it, saying afterschool programs keep kids safe, help working families, and improve academic achievements. He is absolutely right. But we are leaving more than 1 million children behind as a result of not fully funding at the authorized levels afterschool programs.

I am asking, with this amendment, that we fund with an additional $1 billion to reach more than 1 million kids who could really use this critically important program. Over the years this body has overwhelmingly supported afterschool initiatives. This is an opportunity for us to live up to the requirements that we insisted upon when we passed the No Child Left Behind Act 2 years ago.

I urge my colleagues to be supportive of this effort. We pay for the $1 billion by reducing the tax cut for the most affluent Americans by $1 billion. That is a tiny fraction that can serve over 1 million children in afterschool programs.

I urge adoption of the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I was hoping my colleague from Connecticut, my very good friend, since the hour is getting late, would accept a voice vote. Maybe not yet. Maybe people will start considering that option. Most people know how the votes might come out.

This is a $2 billion tax increase. Again, it is only directed at the millionaires or the upper income bracket, but, of course, that is not what the Finance Committee gets. The Finance Committee gets a resolution that says raise revenues.

Then I look at the function it hopes to have the money go to. It would increase by 100 percent. I keep hearing people say we want deficit reduction, but I keep seeing programs grow by 100 percent, 140 percent.

I urge our colleagues to vote no on the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to amendment No. 2822. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 54, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—42

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—54

Alexander
Allard
Allen
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carper
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The amendment (No. 2762) was rejected.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we are making very good progress. For the information of our Members, I think momentarily we will be able to dispose of seven or eight amendments.

I believe the Senator from Georgia wishes to discuss an amendment.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. CHAMBLISS. Mr. President, I had an amendment I intended to offer, but after consultation with the committee chairman, the hour is late and I probably would have wound up withdrawing the amendment anyway.

What my amendment sought to do was to make a correction in an amendment that was presented at the full committee markup. At that markup, there was an amendment passed relative to the issue of payment limitation in the farm bill.

Payment limitation in the farm bill doesn't mean a whole lot to anybody unless you are a farmer. Farmers, as long as they are treated equally, have no problem with the various farm programs we have under the farm bill. But what has happened with the payment limitation is we have rewritten the farm bill during the middle of the farm bill and that is not fair.

What my amendment sought to do was to take one portion of the overall farm bill, which is the ethanol portion, and simply equalize payments to those growers of corn who participate in the ethanol program, add the payments they receive—and they don't receive them directly. We would have to figure out, through a complicated formula, how much they get, add the amount of money to their payment limitation portion so it would equalize. They would be equal with every other farmer across the country with respect to payment limitation.

It would be a complicated situation, and I think at some point in time down the road, if those who insist on revision of the payment limitations do so prior to the expiration of the farm bill, we are simply going to come back with an amendment. We will come back with an amendment at a later time to seek to do that. However, I hope all Members of the Senate who come from agricultural States will continue to work together for the interest of our farmers and make sure we carry out the terms of the current farm bill. When it expires in 2008, we will again look at all these issues and decide what is fair to the American consumer and for the American farmer.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, No. 1, I thank my colleague from Georgia for his brief discussion and for not offering the amendment. I think if he offered the amendment we might be here a little while.

I believe the chairman of the Agriculture Committee would like to make a few comments.

Mr. COCHRAN. Mr. President, I want to express my opposition to the provision in the budget resolution that shifts $1.221 billion over the next 5 years from farm programs to other programs under the jurisdiction of the Agriculture Committee.

This provision assumes reducing statutory payment limitations for farm program payments to producers of wheat, feed grains, oilseeds, cotton and rice from $40,000 to $20,000 for direct payments and from $65,000 to $30,000 for counter-cyclical payments. In addition, the proposal would include certificate transactions and loan forfeitures under the marketing loan program's payment limitation.

I oppose this provision for a number of reasons. First, the 2002 farm bill, enacted less than 2 years ago, has already reduced payment limitations compared to the 1996 farm bill by establishing a means test for farm program benefits in which individuals with over $2.5 million in adjusted gross income are ineligible for payments unless at least 75 percent of that income comes from agriculture. Moreover, the 2002 farm bill's limit of $105,000 for the sum of direct and counter cyclical payments is 12 percent less than the 1977 farm bill's limit on comparable purpose deficiency payments after adjustment for inflation. Senators should remember that these payments do not necessarily represent profit to the farmer, but rather this shows that in real terms, we already have reduced farm program supports in two separate ways.

Second, the 2002 farm bill established a Commission on the Application of Payment Limitations to analyze and to make recommendations regarding these issues in a report to the President and to the House and Senate Agriculture Committees. The Commission, which is composed of 10 individuals who possess a tremendous amount of experience in, and knowledge about, U.S. agriculture, released its report in August of last year. The Commission's first and primary consensus recommendation was that no substantial changes should be made to the 2002 farm bill's system of farm program payment limitations until the farm bill is reauthorized for the 2008 and later crops. The Commission reasoned that the multiyear nature of farm bills provides stability for production agriculture and that producers, their lenders, and other agribusiness firms make long-term investment decisions based on this multiyear legislation. The Senate should follow the Commission's recommendation and should not make changes in farm program payment limitations.

Third, southern cotton and rice farms tend to be larger, and the costs of production are much greater, than wheat, corn, and soybean farms in other regions. The Grassley provision would reduce government payments to cotton and rice producers. Moreover, the provision would severely complicate crop farmers' ability to use the marketing loan program, particularly during periods of low market prices when producers need it most. The marketing loan program, as its name implies, helps farmers market their crops by providing them with benefits when market prices fall below government established loan rates. In such situations, program benefits offset the impact of low prices with a minimum of government involvement in the marketplace. This provision would, for the first time, require that loan program certificate transactions and loan forfeitures be included under the program's payment limitation. The provision, if implemented, would mean that once a producer reaches the limit, marketing loan benefits would be cut off regardless of the market situation.

Fourth, the budget resolution should provide us with a broad plan for Federal revenues and expenditures but leave policy decisions within that budget framework to the authorizing committees. This proposal violates that principle by attempting to dictate policy to the Agriculture Committee without having any impact on the overall level of Federal expenditures. It simply shifts over $1 billion in payments from one group of farmers to another. That is a decision that should be made by the Agriculture Committee—not the Budget Committee.

Fourteen major agriculture and commodity organizations have written to the Budget Committee opposing changes in the farm bill. The budget resolution, as adopted, would make changes in the commitments that were made to farmers and ranchers in the Farm Bill.

I ask unanimous consent that two letters from farm groups and producers who oppose the Grassley provision be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARCH 1, 2004.

Hon. DON NICKLES,
Chairman, Senate Budget Committee, U.S. Senate, Washington, DC.
Hon. KENT CONRAD,
Ranking Member, Senate Budget Committee, U.S. Senate, Washington, DC.

DEAR CHAIRMAN NICKLES and RANKING MEMBER CONRAD: On behalf of the undersigned U.S. farm and commodity organizations, we write to express concern over the agricultural provisions of the budget proposal submitted by the administration for fiscal year 2005.

Under the President's plan, the U.S. Department of Agriculture's budget authority for discretionary programs in 2005 would be reduced about $1.7 billion or 8.1 percent compared to the spending levels adopted for the current fiscal year. When the increased spending for additional homeland security responsibilities are included, the effective reduction in budget authority for traditional USDA programs climbs to nearly $2.1 billion or 10 percent of total discretionary spending authority.

Due in part to weather related production shortfalls in many parts of the world, including the U.S., over the past three years and modest improvements in both export and domestic market conditions, commodity program support and related payments declined by about $4.8 billion in FY 2004 compared to the August 2003 baseline. The five-year cost of the farm bill is now projected to cost $14.6 billion less than projected by the Congressional Budget Office in its August 2002 estimates which were made shortly after the 2002 farm legislation was enacted. These savings represent additional "real" dollar reductions in federal expenditures for commodity program outlays that are not fully considered in the budget process.

When all these factors are considered, production agriculture and rural communities are being asked to take a disproportionate reduction in important programs, including conservation, research, energy, rural development, and international food assistance, that were authorized in the bi-partisan farm legislation signed by the president in 2002.

Agricultural producers and rural communities have yet to recover from the effects of the agricultural recession which for many began in 1997 and the severe economic losses associated with ongoing weather disasters that have occurred since the 2001 production year for which assistance has been minimal.

As you consider a budget for FY 2005, we urge that you oppose reductions in the commitments made in the 2002 farm bill. As such, we urge that you oppose the adoption of a resolution that either incorporates the President's agriculture spending proposals or includes reconciliation instruction to the agriculture authorizing committee.

Efforts to enhance economic opportunities for America's farmers and rural communities require that the federal budget be able to accommodate a meaningful economic safety net for producers, expand our nation's resource conservation, renewable energy and agricultural research activities while addressing a broad range of rural development and global hunger needs.

Thank you for your consideration of our views.

Sincerely,
American Corn Growers Association,
American Farm Bureau Federation,
Farm Credit Council,
National Association of Wheat Growers,
National Cotton Council,
National Farmers Union,
National Grain Sorghum Producers,
National Grange,
National Grape Cooperative,
R-CALF USA,
Soybean Producers of America,
U.S.A. Rice Federation,
U.S. Rice Producers Association.

MARCH 3, 2004.

Hon. DON NICKLES,
Chairman, Senate Budget Committee,
Dirksen Senate Building,
Washington, DC.

DEAR CHAIRMAN NICKLES: I am writing today on behalf of the National Corn Growers Association (NCGA) and our 33,000 grower members regarding the Fiscal Year 2005 Budget Resolution now under consideration by your committee. While we recognize the concerns over rising federal budget deficits, NCGA strongly opposes any action that reopens the 2002 Farm Bill, including amendments that reduce payment limits within the farm safety net programs. Today's farm bill is a carefully balanced measure that required give and take among farm organizations and multiple stakeholders.

NCGA believes that proposals to further restrict farm support payments are extremely divisive as well as inequitable for those producers who must make sound, long range business and financing decisions based on the current farm bill provisions. Changes that would impose even more restricting payment limits will cut off support to producers when they most need assistance—at times of extremely low prices. The fact is today's farm bill includes more stringent limitations than those of the previous farm policy. NCGA continues to support those limitations on direct and countercyclical payments as well as marketing loan benefits.

While our grower members remain very supportive of additional funding for new conservation initiatives, nutrition programs, and rural development value-added grants, it is the view of NCGA that amendments to achieve budget savings for these programs at the expense of the farm safety net would result in more harm than good. We can ill afford to undermine a policy that is designed to restore long-term fiscal discipline in agriculture spending. The Congressional Budget Office's recent projection of $8 billion dollars in reduced expenditures over the next ten years underscores the need for Congress to maintain a steady course and keep its commitment to the 2002 Farm Bill.

Finally, NCGA urges the Committee to consider the work of the Payment Limitations commission. This bipartisan committee authorized by Congress thoroughly reviewed the data from agriculture policy experts, opposing points of view from individual producers and farm organizations and recommended no substantial changes prior to the expiration of the 2002 Farm Bill. The Commission, in fact, suggested administrative and enforcement practices that call for improvements to better implement the current law.

Again, NCGA recognizes the difficult task before you and the members of the Senate Budget Committee. We appreciate your leadership and careful consideration of our growers' concerns as you proceed with your work on the FY 2005 Budget Resolution.

Sincerely,

DEE VAUGHAN,
President.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I thank our colleagues from Mississippi and Georgia, because collectively they saved the Senate probably about two hours. I thank both of our colleagues for their cooperation. We are having very good cooperation. We are getting rid of a lot of amendments. I know there are a few that people want to have votes on, so please be patient and we will try to have voice votes on every other amendment we consider tonight.

Mr. President, I suggest the absence of a quorum for a very brief moment.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I believe that the chairman of the Environment and Public Works Committee has an amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 2823

Mr. INHOFE. Mr. President, Senator BINGAMAN and I have an amendment that has been agreed to on both sides. I call up amendment No. 2823 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oklahoma [Mr. INHOFE], for himself and Mr. BINGAMAN, proposes an amendment numbered 2823.

Mr. INHOFE. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To return to the original scoring of the energy savings performance contract program)

On page 43, between lines 20 and 21, insert the following:

(c) ENERGY SAVINGS PERFORMANCE CONTRACT PROGRAM.—In recognition that the energy savings performance contract program recoups its costs through guaranteed savings without increasing budgetary outlays, the Congressional Budget Office shall score the energy savings performance contract program under title VIII of the National Energy Conservation Policy Act (42 U.S.C. 801 et seq.) as zero. For the purposes of any point of order under any concurrent resolution on the budget and the Congressional Budget Act of 1974, the cost of the energy savings performance contract program under title VIII of the National Energy Conservation Policy Act (42 U.S.C. 801 et seq.) shall be zero.

Mr. INHOFE. Mr. President, this amendment addresses the Energy Savings Performance Contract Program. It is a program that costs no money. It is all paid for by the savings that are accumulated. This has been cleared on both sides. Everyone is for it. I can't find anyone who is against it. The problem arose when CBO started scoring this after not having scored it. By its very nature, it will not cost any money.

Mr. BINGAMAN. Mr. President, let me congratulate my colleague, Senator INHOFE, for putting this amendment forward. It is a very meritorious amendment. I urge all of my colleagues to support it.

Mr. CONRAD. Mr. President, might I just inquire of the sponsor, what is the cost of this amendment and what is the source of the funding for it?

Mr. INHOFE. There is no cost to it. This is the Energy Savings Performance Contract Program that allows a company to go into an Air Force base to show them how they can, through energy savings, save $2 or $3 million a year. Then they are compensated from the savings, and from that point forward it goes back to the recipient. There is no cost.

Mr. CONRAD. Mr. President, my understanding is this is directed scorekeeping. The committees are told this doesn't cost any money, but it does cost money. I was willing to take this amendment when I was under the impression this didn't cost any money. But if we are going to start down the road of saying things that cost money don't cost money, then we have a real problem. I have a real problem with that amendment.

Mr. INHOFE. May I respond? There is no cost to this program, because no public dollars are involved. It is where someone goes in and finds ways to save energy and, if they are successful in doing that, they merely pay the money back. The Government doesn't get involved at all in the program. So there is no cost.

Mr. DOMENICI. Mr. President, it was said nobody objects. I object. I don't insist on a vote, but I am going to conference, and neither of those Members advocating it are going to conference.

Mr. CONRAD. Mr. President, in the interest of moving things along, I want to register, to the extent there is directed scoring here, strong opposition. We cannot go down the path of saying things don't cost money. Maybe there is a view that it doesn't. But if the scorekeepers say it does, and we start telling them it doesn't, that creates a serious problem. I am not going to insist on a vote. I have confidence this will be taken care of in conference.

The PRESIDING OFFICER. Is there further debate on the amendment?

The question is on agreeing to the amendment.

The amendment (No. 2823) was agreed to.

AMENDMENTS NOS. 2831, 2833, 2717, 2699, AND 2794

Mr. CONRAD. Mr. President, I ask the Senator from Oklahoma if we might take the package of seven we reached agreement on.

Mr. NICKLES. Mr. President, I am happy to do that. I compliment our staffers, and I see them running to the floor.

We have four amendments our joint staffs have worked on: One, Senator CONRAD's amendment on tribal colleges; one by Senator BINGAMAN on the pediatric vaccine reserve fund; one by Senator WYDEN on healthy forests; and one by Senator KENNEDY on the SCHIP.

We have reviewed those, and I believe they have been approved by both sides.

I add one additional amendment by Senator THOMAS and Senator CONRAD, No. 2794, dealing with rural health.

I ask unanimous consent that these five amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, these five are fine. We have an agreement on both sides on these five.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendments were agreed to en bloc, as follows:

AMENDMENT NO. 2831

(Purpose: To express the sense of the Senate regarding tribal colleges and universities)

At the end of the resolution, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING TRIBAL COLLEGES AND UNIVERSITIES.

(a) FINDINGS.—The Senate finds the following:

(1) American Indians from 250 federally recognized tribes nationwide attend tribal colleges and universities, a majority of whom are first-generation college students.

(2) Tribal colleges and universities are located in some of the most isolated and impoverished areas in the Nation, yet they are the Nation's most poorly funded institutions of higher education. While the Tribally Controlled College or University Assistance Act, or "Tribal College Act" provides funding based solely on Indian students, the colleges have open enrollment policies providing access to postsecondary education opportunities to all interested students, about 20 percent of whom are non-Indian. With rare exception, tribal colleges and universities do not receive operating funds from the States for these non-Indian State resident students. Yet, if these same students attended any other public institutions in their States, the State would provide basic operating funds to the institution.

(3) While Congress has been increasing annual appropriations for tribal colleges in recent years, the President's fiscal year 2005 budget recommends a $5,500,000 decrease in institutional operating funds. This represents the third consecutive year that the President's budget proposed decreases that Congress must restore.

(4) Because of congressional budget restorations, the tribal colleges funded through titles I and II of the Tribally Controlled College or University Assistance Act are within $19,000,000 of full funding at their authorized level.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) this resolution recognizes the funding challenges faced by tribal colleges and universities and assumes that priority consideration will be provided to them through funding of the Tribally Controlled College or University Assistance Act, the Equity in Educational Land Grant Status Act, title III of the Higher Education Act, and the National

Science Foundation Tribal College Program; and

(2) such priority consideration reflects the intent of Congress to continue to work toward statutory Federal funding authorization goals for tribal colleges and universities.

AMENDMENT NO. 2833

(Purpose: To establish a reserve fund for expansion of the pediatric vaccine distribution program)

At the end of subtitle A of title III, add the following:

SEC. 3___. RESERVE FUND FOR EXPANSION OF PEDIATRIC VACCINE DISTRIBUTION PROGRAM.

If the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that expands the pediatric vaccine distribution program established under section 1928 of the Social Security Act (42 U.S.C. 1396s) to include coverage for children administered a vaccine at a public health clinic or Indian clinic and repeals the price cap for pre-1993 vaccines, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

AMENDMENT NO. 2717

(Purpose: To increase investments in implementation of the Healthy Forests Restoration Act to benefit national, forests, the environment, local communities, and local, economies)

On page 11, line 9, increase the amount by $343,000,000.

On page 11, line 10, increase the amount by $84,000,000.

On page 11, line 14, increase the amount by $84,000,000.

On page 11, line 18, increase the amount by $84,000,000.

On page 11, line 22, increase the amount by $53,000,000.

On page 12, line 1, increase the amount by $38,000,000.

On page 23, line 5, decrease the amount by $343,000,000.

On page 23, line 6, decrease the amount by $84,000,000.

On page 23, line 10, decrease the amount by $84,000,000.

On page 23, line 14, decrease the amount by $84,000,000.

On page 23, line 18, decrease the amount by $53,000,000.

On page 23, line 22, decrease the amount by $38,000,000.

AMENDMENT NO. 2699

(Purpose: To prevent unspent SCHIP funds from reverting to the Treasury rather than being used to provide coverage for low-income children)

On page 26, line 4, after "measures" insert "and including legislation to reallocate and maintain expiring SCHIP funds rather than allowing such funds to revert to the Treasury".

AMENDMENT NO. 2794

(Purpose: To restore discretionary funding levels for crucial rural health programs, such as the rural health and outreach grant program, the rural hospital flexibility grant program, the small hospital improvement program, telehealth, trauma programs, and rural AED programs to fiscal year 2004 levels and offset this change by reductions in overall government travel expenses)

On page 16, line 12, increase the amount by $100,000,000.

On page 16, line 13, increase the amount by $100,000,000.

On page 23, line 5, decrease the amount by $100,000,000.

On page 23, line 6, decrease the amount by $100,000,000.

AMENDMENT NO. 2699

Mr. KENNEDY. Mr. President, every child deserves a healthy start in life, but too many children do not receive it. Their parents work hard, 40 hours a week, 52 weeks a year, but all their hard work is not enough to buy the health insurance their children need.

The consequences for the 8 million children who are uninsured are devastating. Three hundred thousand children suffer from asthma and never see a doctor because they are uninsured. Three hundred and fifty thousand children with recurrent earaches or severe sore throats never see a doctor because their families are uninsured. Uninsured children are more likely to miss school, have worse grades, and are less likely to succeed later in life.

While the 8.5 million children who remain uninsured challenge our conscience as a nation and tell us how much more needs to be done, for millions of these low- and moderate-income children of working parents, the Child Health Insurance Program has been a lifeline and safety net.

The CHIP program has been extraordinarily successful in providing health insurance coverage to children. Even as the number of uninsured adults has risen dramatically, the number of uninsured children has actually fallen. Almost 6 million children are now enrolled in CHIP and getting the care they need and the care they deserve.

The children's program has had growing pains—it took longer than anticipated for the program to get off the ground and even today, more than 4 million children are uninsured even though they are eligible for either Medicaid or CHIP. Yet, the program is working well and the only limitation to its continued expansion is lack of funds. More than $1 billion in unused CHIP dollars are due to revert to the Treasury this year at the same time that many states are running out of CHIP dollars. It would be tragic if these funds are lost to the children who need help, and it would be a sad commentary on our national priorities if we allow it to happen.

Last year, we faced a similar situation and, with overwhelming bipartisan support, we passed legislation to keep expiring CHIP funds available for children. We need to take the same decisive action this year. This amendment gives the Congress the flexibility to meet this need. It would clarify that the existing, budget neutral reserve fund to address the needs of the uninsured could be used to prevent CHIP funds from reverting.

This is a bipartisan amendment and it deserves bipartisan support. Sick children belong to no political party. And members on both sides of the aisle have an obligation to act now, as they have in the past, to meet their needs.

AMENDMENT NO. 2810, AS MODIFIED

Mr. NICKLES. Mr. President, I also believe there is a sense-of-the-Senate resolution by the Senator from Arkansas, Senator PRYOR, dealing with LIHEAP. That is at no cost, and we have no objection to that sense of the Senate as well. I ask for its consideration.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2810), as modified, was agreed to, as follows:

(Purpose: Stating the sense of the Senate regarding the Low-Income Home Energy Assistance Program and the weatherization assistance program)

At the end of title V, insert the following:

SEC. ___. FINDINGS AND SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the United States is in the grip of pervasively higher home energy prices;

(2) high natural gas, heating oil, and propane prices are, in general, having an effect that is rippling through the United States economy and are, in particular, impacting home energy bills;

(3) while persons in many sectors can adapt to natural gas, heating oil, and propane price increases, persons in some sectors simply cannot;

(4) elderly and disabled citizens who are living on fixed incomes, the working poor, and other low-income individuals face hardships wrought by high home energy prices;

(5) the energy burden for persons among the working poor often exceeds 20 percent of those persons' incomes under normal conditions;

(6) under current circumstances, home energy prices are unnaturally high, and these are not normal circumstances;

(7) while critically important and encouraged, State energy assistance and charitable assistance funds have been overwhelmed by the crisis caused by the high home energy prices;

(8) the Federal Low-Income Home Energy Assistance Program (referred to in this section as "LIHEAP") and the companion weatherization assistance program (referred to in this section as "WAP"), are the Federal Government's primary means to assist eligible low-income individuals in the United States to shoulder the burdens caused by their home cooling and heating needs;

(9) in 2003, LIHEAP reached only 15 percent of the persons in the United States who were eligible for assistance under the program;

(10) since LIHEAP's inception, its inflation-adjusted buying power has eroded by 58 percent; and

(11) current Federal funding for LIHEAP is not sufficient to meet the cooling and heating needs of low-income families.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume—

(1) an adequate increase in funding for each of fiscal years 2005 and 2006 to carry out the LIHEAP program;

(2) an adequate increase in funding for fiscal year 2005 and an adequate increase in funding for fiscal year 2006 to carry out the WAP program;

(3) appropriations, for these programs, of sufficient additional funds to realistically address the cooling and heating needs of low-income families; and

(4) advance appropriations of the necessary funds to ensure the smooth operation of the programs during times of peak demand.

Mr. NICKLES. Mr. President, I thank our colleagues. We are making good progress. We have a few more to go. We might have to have a couple more votes. I want people to be patient and expect as much.

My colleague from Kentucky has been waiting and he is ready to offer an amendment. Possibly it can be accepted.

Mr. CONRAD. Mr. President, if I might ask that we hold off until we have had the ranking member of the Finance Committee look at that amendment.

Mr. NICKLES. Mr. President, for the information of all colleagues, we are still shopping a few more amendments. We are trying to get bipartisan agreement on about half a dozen amendments.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2832

Mr. NICKLES. Mr. President, Senator ENZI and Senator CANTWELL have an amendment which I believe both sides have agreed to. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKES] for Mr. ENZI and Ms. CANTWELL, proposes an amendment numbered 2832.

Mr. NICKLES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: Increase funding for the Workforce Investment Act (WIA) by $250 million in FY 2005, by increasing Function 500)

On page 15, line 16, increase the amount by $250,000,000.

On page 15, line 17, increase the amount by $32,000,000.

On page 15, line 21, increase the amount by $166,000,000.

On page 15, line 25, increase the amount by $44,000,000.

On page 16, line 4, increase the amount by $5,000,000.

On page 23, line 5, decrease the amount by $250,000,000.

On page 23, line 6, decrease the amount by $32,000,000.

On page 23, line 10, decrease the amount by $166,000,000.

On page 23, line 14, decrease the amount by $44,000,000.

On page 23, line 18, decrease the amount by $5,000,000.

Mr. NICKLES. Mr. President, I compliment my colleague from Wyoming, Senator ENZI, and also Senator CANTWELL. Again, this is going to save us about 45 minutes because they had different amendments and they came to a compromise.

I compliment them for that and urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

The Senator from North Dakota.

Mr. CONRAD. Can we slow down a minute.

Mr. BYRD. Mr. President, what does the amendment do?

Mr. CONRAD. Could we ask a sponsor to briefly describe the amendment for colleagues.

Mr. ENZI. Mr. President, this bill provides $250 million for the Workforce Investment Act training, and it takes it out of 920.

The PRESIDING OFFICER. Is there further debate on the amendment?

The question is on agreeing to the amendment.

The amendment (No. 2832) was agreed to.

AMENDMENT NO. 2780

Mr. CONRAD. Mr. President, on behalf of Senator CLINTON, we have an amendment that establishes a reserve fund for addressing minority health disparities, an agreement on both sides.

I ask for approval of our colleagues.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for Mrs. CLINTON, for herself, Mr. KENNEDY, Mr. DASCHLE, and Mr. BINGAMAN, proposes an amendment numbered 2780.

Mr. CONRAD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To establish a reserve fund for addressing minority health disparities)

On page 28, after line 7, insert the following:

SEC. ___. RESERVE FUND FOR ADDRESSING MINORITY HEALTH DISPARITIES.

If the Committee on Appropriations of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that addresses minority health disparities through activities including those at the HHS Office of Minority Health, the Office of Civil Rights, the National Center on Minority Health and Health Disparities, the Minority HIV/AIDS initiative, health professions training, and through the Racial and Ethnic Approaches to Community Health at the Centers for Disease Control and provides not to exceed $400,000,000 in new budget authority for fiscal year 2005, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

Mr. KENNEDY. Mr. President, it is long past time for our country to face up to the fact of the health care crisis for minorities. African Americans infants are twice as likely to die from Sudden Infant Death Syndrome as white babies. African Americans ages 55 to 64 are three times as likely to die from stroke as whites. HIV infection in African American women is four times the rate in white women. For almost every disease, African Americans are more likely to live sicker and die sooner.

These troubling health statistics are not unique to African Americans. Latinos, American Indians, Alaska Natives, and a number of Asian American populations face significantly higher rates of illness, disability, and death from acute or chronic diseases.

The administration says it is committed to improving minority health but the Republican budget doesn't reflect this commitment. Instead, as the health crisis continues to escalate, the budget stays the same or is actually reduced for some programs.

This amendment is a specific step to improve minority health and minority health care. It creates a deficit-neutral reserve fund for addressing minority health disparities through federal health agencies and programs. By contrast, the President's budget cut funding for the Office of Minority Health and sets the budget of the Office for Civil Rights so low that the office will be virtually powerless to carry out its mission. Our amendment provides more funds for both offices.

With additional funding, the CDC's REACH program, which funds community-based efforts to reduce disparities, will be expanded, and so will the Minority HIV/AIDS program. Greater support is needed for the National Center for Minority Health and Health Disparities, and our amendment will provide it.

The President's budget essentially zeroed out funds for training in the health professions, including programs that support diversity training and cultural competency programs. Yet, just a year ago, on the birthday of Martin Luther King, Jr, the President said, "We should not be satisfied with the current number of minorities on America's college campuses." Diversity programs in medical schools and in the health professions deserve continued funding, and our amendment will provide it.

Minority Americans will suffer unfairly from the administration's neglect. We can't turn a blind eye to the health needs of a quarter of our population. The need is too great and I urge the Senate to do the right thing.

The PRESIDING OFFICER. Is there further debate on the amendment?

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we have reviewed the amendment and have no objection.

For the information of our colleagues, that eliminates a couple of amendments. I thank our colleagues for cooperation and urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2780) was agreed to.

Mr. CONRAD. Mr. President, my colleague, Senator LANDRIEU, is next on this side. She is prepared to go.

I say to Senator MCCONNELL, the ranking member of the Finance Committee has looked over his amendment, and that is not something we could accept at this point. I don't know if he is interested in going forward with the amendment at this stage.

Mr. MCCONNELL. I say to my friend from North Dakota, I would like to go on and offer the amendment. I am perfectly content to have it laid aside and have a vote. I will ask for a vote.

Mr. BAUCUS. There should be some discussion on this amendment. It is a very important amendment. This is an amendment that raises a point of order against any revenue measure which has the effect of an increase in the tax rate at the top bracket. I don't think that is something——

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. CONRAD. Mr. President, I just ask what the Senator wants to do at this point. Does he want to proceed on a discussion? This is obviously something that cannot be accepted and would require some discussion at this point.

What is the desire of the chairman?

Mr. NICKLES. Mr. President, I believe we have had lots and lots of votes. I hope we can avoid any more votes, but my guess is we will have to have some. My guess is we will have a vote on NIH—maybe not; maybe that can be agreed to. We may have to have a vote on this. That is fine. You just mentioned an additional amendment, and that was Senator LANDRIEU?

Mr. CONRAD. Senator LANDRIEU has a pending amendment, Senator DURBIN has an amendment pending, Senator SCHUMER has a pending amendment, Senator GRAHAM of Florida, Senator REED, Senator LEVIN.

Mr. NICKLES. Don't keep pointing. It is not fair to tell our colleague from Kentucky he does not get a vote and we have six people raising their hands.

Mr. CONRAD. Let's be clear. No one on our side is saying the Senator cannot get a vote. He certainly can get a vote. The point is it will take a vote and some discussion. There is a point of order that lies against his amendment. The Senator has every right to seek a vote.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I will ask my colleague to call upon one of his colleagues to offer an amendment that will require a vote. In the meantime, we will see if we cannot negotiate an agreeable arrangement for the Senator from Kentucky to have a vote on his amendment and on the NIH.

Mr. CONRAD. Senator LANDRIEU would be next on our side.

The PRESIDING OFFICER. The Senator from Louisiana.

AMENDMENT NO. 2775

Ms. LANDRIEU. Mr. President, I ask to call up amendment No. 2775.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU] proposes an amendment numbered 2775.

Ms. LANDRIEU. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for eliminating the Survivor Benefit Plan—Social Security offset for military widows and widowers while reducing the debt, offset by the elimination of tax benefits to individuals and corporations that avoid United States taxation by establishing a foreign domicile and other tax loopholes and tax shelters)

On page 3, line 9, increase the amount by $876,000,000.

On page 3, line 10, increase the amount by $1,054,000,000.

On page 3, line 11, increase the amount by $998,000,000.

On page 3, line 12, increase the amount by $1,066,000,000.

On page 3, line 13, increase the amount by $1,520,000,000.

On page 3, line 17, increase the amount by $876,000,000.

On page 3, line 18, increase the amount by $1,054,000,000.

On page 3, line 19, increase the amount by $998,000,000.

On page 3, line 20, increase the amount by $1,066,000,000.

On page 3, line 21, increase the amount by $1,520,000,000.

On page 4, line 20, increase the amount by $876,000,000.

On page 4, line 21, increase the amount by $1,054,000,000.

On page 4, line 22, increase the amount by $998,000,000.

On page 4, line 23, increase the amount by $1,066,000,000.

On page 4, line 24, increase the amount by $1,520,000,000.

On page 5, line 3, increase the amount by $876,000,000.

On page 5, line 4, increase the amount by $1,930,000,000.

On page 5, line 5, increase the amount by $2,928,000,000.

On page 5, line 6, increase the amount by $3,994,000,000.

On page 5, line 7, increase the amount by $5,514,000,000.

On page 5, line 11, increase the amount by $876,000,000.

On page 5, line 12, increase the amount by $1,930,000,000.

On page 5, line 13, increase the amount by $2,928,000,000.

On page 5, line 14, increase the amount by $3,994,000,000.

On page 5, line 15, increase the amount by $5,514,000,000.

At the end of Title III, insert the following:

SEC. . RESERVE FUND FOR ELIMINATING SURVIVOR BENEFIT PLAN—SOCIAL SECURITY OFFSET.

If the Committee on Armed Services or the Committee on Appropriations reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that provides for an increase to the minimum Survivor Benefit Plan basic annuity for surviving spouses age 62 and older, the Chairman of the Committee on the Budget shall revise the aggregates, functional totals, allocations, discretionary caps, and other appropriate levels and limits in this resolution by up to $2,757,000,000 in budget authority and $2,757,000,000 in outlays over the total of fiscal years 2005 through 2009.

Ms. LANDRIEU. On behalf of myself, Senator MURRAY, Senator MIKULSKI, Senator LINCOLN, Senator DASCHLE, Senator REID of Nevada, Senator NELSON of Florida, Senator JOHNSON, Senator CLINTON, and on behalf of 5.5 million members of the military coalition and their families, I ask my colleagues to consider giving us the 51 votes necessary to pass this important amendment tonight. This amendment will restore the full pension promised and counted on by widows and widowers of our military personnel. This particular group of patriots is ironically the only group of Federal employees to see their pension plan reduced by an average of 37 percent.

If we receive 51 votes in this Chamber tonight, there will be 250,000 widows, primarily, some widowers, who will see their pensions increased, and over a million potential widows and widowers will see their pension increased.

For the State of Alabama, 6,000 families will be directly affected; the State of Georgia, 9,000 families; Maryland, 5,700; North Carolina, 8,000; Ohio, 5,000; Pennsylvania, 7,000; South Carolina, 6,000; Texas, 21,000; and Virginia, 13,000. If we do not pass this amendment, all of these families and widows will receive hundreds of dollars less per month than they were counting on and we promised.

The offset would be to make sure that people who earn money in the United States and try to flee and go other places and claim that they are patriots, we would let them pay the tax so these real patriots, the people who moved every 2 years and put their lives on the line and then counted on their pension, would really get it.

The Senator from Oklahoma will say it costs money and it will close a tax loophole for those who flee so they do not pay taxes to support our troops. This body should pay the pensions of the military widows and widowers. That is what my amendment will do.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. We just need a little time to look at the amendment. I got caught off guard. We will consider your amendment. If the Senator does not mind, we will set it aside temporarily and try to dispose of it in a very short period of time.

I suggest the absence of a quorum. We need a little break to assess where we are.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, for the information of our colleagues, this is where we stand at this moment on this side. We are down to about 10 amendments that would require votes if we are not able to work them out.

Let me list, on our side, the amendments and the rough order. Please do not hold me to this specific order, other than the first five, because it is really the first five that we have made commitments on: Senator LANDRIEU, the amendment she has already offered; Senator LEVIN, on homeland security; Senator DURBIN, on global AIDS; Senator LAUTENBERG, on debt limit; Senator SCHUMER, an amendment that relates to the Energy bill; and then, in addition to that, Senator DAYTON, on IDEA; Senator GRAHAM, on Pell grants; Senator BYRD, on bioshield; Senator LINCOLN, with respect to the childcare tax credit; and Senator KENNEDY, on Medicare.

Those are the remaining major amendments on this side. I think that gets them all. There is also an amendment that is cosponsored by a number of people on our side as well as people on the other side. We also have a Reed amendment on higher education; and Pryor on IRA, that was not agreed to. We also have an amendment that is in negotiation, I might say, from Senator LEAHY, on nutrition.

On the other side, there is an amendment from Senator DOLE on nutrition. There are amendments on the other side that maybe the chairman could review.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we have a couple, three on our side that may require votes. I think we may be able to work out a few of these without votes. That is my intention. It is my hope. I am relatively sure we are not going to agree to Senator DAYTON's amendment. If he insists on a rollcall vote, we can vote on that. We need to have a rollcall vote, I believe, on NIH. We only have a couple on our side. And we have had very few on our side.

I might just mention, we agreed to about four, six Democrat amendments, and you agreed to one or two of ours. We need a little more cooperation. I think we can finish tonight. That would be my intention. I apologize because I know for some colleagues it is getting very late, but I am afraid if we come back tomorrow we might have 20 votes. I do believe we can continue plowing ahead.

I thought when we agreed to Senator PRYOR's one amendment, that was it for the night. Maybe we did not have quite the understanding I thought we did.

I would suggest this. Let's lay aside Senator LANDRIEU's amendment because we might be able to work that one out. I am not familiar with what Senator LEVIN's amendment is. I am familiar with Senator DAYTON's amendment. We can dispose of that very quickly. Pell grants—we have already had four amendments on Pell grants, and we adopted an amendment on Pell grants. I do not think we need another vote on Pell grants, is my initial thought.

I would suggest, let's put one or two of these in the votes, and then maybe we can work out the rest of these while we are voting on a couple of amendments.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, might I recommend, in terms of the order on this side, if we are putting aside Landrieu, with the hopes of perhaps working that out, that we go to Senator LEVIN. He is next on our side.

If the chairman would want to go to your side?

Mr. NICKLES. Could you give me a hint what his amendment might be?

Mr. LEVIN. Staff has a copy.

Mr. NICKLES. Still, I do not know what it is.

Mr. CONRAD. We have to ask for people's patience, because, please understand, the staff of the chairman of the committee and my staff now have in a queue a whole series of amendments that have been shared on both sides but have not necessarily been evaluated fully by staff on both sides.

Senator LEVIN's is on homeland security.

Mr. NICKLES. Mr. President, we have voted on homeland security four or five times.

Mr. LEVIN. This is a Levin-Collins amendment. It halts deliveries to the Strategic Petroleum Reserve for the next 50 million barrels given the price of gasoline and jet fuel.

Mr. NICKLES. Let's look at it. I haven't looked at it yet. If the Senator wants to call up an amendment for a rollcall vote, I suggest we do the Dayton amendment. I remember that from last year.

Mr. CONRAD. That is not next on our list. Next on our list after Levin—and perhaps that can be worked out, the Levin-Collins amendment; it is not additional money—is the Durbin global AIDS amendment. That is the next in our line.

Mr. NICKLES. Again, we have an amendment that Senator LUGAR has on global AIDS in foreign affairs. Maybe they can get together and we can eliminate a vote on both of those.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it so ordered.

Mr. NICKLES. Mr. President, Senator CRAPO and Senator SARBANES have an amendment that we have agreed to. Then I believe Senator PRYOR wants to discuss his amendment. I think we can handle both of those.

Senator SARBANES, do you want to start?

AMENDMENT NO. 2784

Mr. SARBANES. Mr. President, this is an amendment Senator CRAPO and Senator JEFFORDS and I and others have joined in cosponsoring, Senator COLLINS, Senator HARRY REID, Senators KERRY, MIKULSKI, and CLINTON. This is to boost the funding for the Environmental Protection Agency for the clean water and safe drinking water State revolving funds. It would be offset by account 920.

As I understand it, it is acceptable to the managers of the bill. We hope it will be adopted.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I call up the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. CRAPO], for himself, Mr. SARBANES, Mr. JEFFORDS, Ms. COLLINS, Mr. REID, Mr. KERRY, Ms. MIKULSKI, and Mrs. CLINTON, proposes an amendment numbered 2784.

Mr. CRAPO. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To increase funding for the Environmental Protection Agency for the Clean Water and Safe Drinking Water State Revolving Funds)

On page 11 line 9, increase the amount by $3,000,000,000.

On page 11 line 10, increase the amount by $150,000,000.

On page 11 line 14, increase the amount by $450,000,000.

On page 11 line 18, increase the amount by $900,000,000.

On page 11 line 22, increase the amount by $900,000,000.

On page 12 line 1, increase the amount by $450,000,900.

On page 23 line 5, decrease the amount by $3,000,000,000.

On page 23 line 6, decrease the amount by $150,000,000.

On page 23 line 10, decrease the amount by $450,000,000.

On page 23 line 14, decrease the amount by $900,000,000.

On page 23 line 18, decrease the amount by $900,000,000.

On page 23 line 22, decrease the amount by $450,000,000.

Mr. CRAPO. Mr. President, this is an amendment that deals with one of the most critical environmental issues in our Nation today. That is the infrastructure needs of our cities and counties across the Nation. We have a very significant unmet need in our water infrastructure that is critical for the clean water and safe drinking water promises we have made to our people. Accordingly, this amendment will add approximately $3.2 billion to the clean and safe drinking water revolving loan funds, giving them the ability to significantly enhance the opportunities for our communities across this Nation to assure clean and safe water.

Mr. NICKLES. Mr. President, I urge adoption of the amendment.

Mr. JEFFORDS. Mr. President, I rise before you today as a cosponsor of the Crapo amendment to increase the funds available for the clean water and the drinking water State revolving funds.

I ask unanimous consent that letters of endorsement for the Crapo amendment from the League of Conservation Voters, the League of Cities, various environmental organizations, labor, water and wastewater infrastructure groups be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ASSOCIATION OF STATE AND INTERSTATE WATER POLLUTION CONTROL ADMINISTRATORS,
Washington, DC, March 10, 2004.

Re Crapo/Sarbanes/Jeffords amendment in Support of Clean Water Revolving Fund.

DEAR SENATOR: The nation's rivers and lakes are our most precious natural resource for drinking water and environmental protection. The Budget Amendment offered by Senators Crapo, Sarbanes and Jeffords would provide $3.2 Billion in budget authority for the Clean Water State Revolving Loan Fund (CWSRF). State Water Pollution Control Programs are in significant need of these funds.

The CWSRF has been an extremely effective and efficient mechanism to address point and nonpoint sources of pollution. Increased capitalization not only will protect the environment and public health, but also create jobs and provide funds for securing the nation's water infrastructure. Analysis suggests that at least $3 Billion is needed annually to adequately capitalize the Fund. The return on Federal investment in the CWSRF is excellent—over 1.97 times or is nearly double the Federal capitalization.

The CWSRF has served the nation well, helping to achieve environmental and public health goals and meet Clean Water Act requirements. The Crapo/Sarbanes/Jeffords Amendment would enable States to better meet the extremely large water pollution control needs in local communities.

Sincerely,

ROBBI SAVAGE,
Executive Director.

WATER ENVIRONMENT FEDERATION
March 9, 2004.

SUPPORT THE CRAPO/SARBANES/JEFFORDS AMENDMENT TO BUDGET $5.2 BILLION FOR THE CLEAN & SAFE DRINKING WATER SRFS

DEAR SENATOR: The undersigned organizations strongly urge you to support the amendment by Senators Crapo, Sarbanes and Jeffords to provide $3.2 billion in budget authority for the Clean Water State Revolving Loan Fund (SRF) and $2 billion in budget authority for the Drinking Water State Revolving Loan Fund. The SRFs help local communities meet water quality standards, repair and replace old and decaying pipelines and plants, protect public health, and ensure continued progress in restoring the health and safety of America's water bodies.

This investment is a much-needed down payment to improve our nation's water and wastewater treatment plants. Your support for additional funding for the SRFs would help stimulate the economy, create jobs and provide funds for securing our water infrastructure for generations to come. Water infrastructure in the U.S. has become antiquated, with many pipes as much as 50–100 years old. The funding increase provided by this amendment is essential to protect our nation's rivers and lakes and to assure clean water for communities across the country.

When the Clean Water Act was passed more than thirty years ago the federal government made a commitment to the American people to clean up the nation's waters. At that time the federal government funded 75 percent of the costs of maintaining a clean water infrastructure in America; today the federal government funds a mere 5%. At the current rate of expenditures, the gap in funding for clean water infrastructure would be more than half a trillion dollars by 2019.

We support this amendment because it increases water funding substantially this year and takes a step toward a longer-term solution for our nation's water needs.

Maintaining clean and safe water remains one of our nation's highest priorities even though funding its continued improvement is one of our greatest challenges.

$5.2 billion for the Clean & Safe Drinking Water SRFs.

We urge you to support the amendment to the Senate Budget Resolution that would provide $5.2 billion for the Clean Water and Safe Drinking Water SRFs.

Sincerely,

JACK HOFFBUHR,
Executive Director, American Water Works Association.

DIANE VANDE HEI,
Executive Director, Association of Metropolitan Water Agencies.

WILLIAM BERTERA,
Executive Director, Water Environment Federation.

STEVE HALL,
Executive Director, Association of California Water Agencies.

LEAGUE OF CONSERVATION VOTERS,
Washington, DC, March 10, 2004.

Re oppose S. Con. Res. 95, the Senate Budget Committee mark; support pro-environmental amendments to the Fiscal Year 2005 Budget Resolution.

U.S. SENATE,
Washington, DC.

DEAR SENATOR: The League of Conservation Voters (LCV) is the political voice of the national environmental community. Each year, LCV publishes the National Environmental Scorecard, which details the voting records of Members of Congress on environmental legislation.

LCV urges Congress to oppose S. Con. Res. 95, the Senate Committee Mark of the Fiscal Year 2005 Budget Resolution which disproportionately targets programs that protect our environment and natural resources, threatening clean air, clean water, national parks, wildlife, and other critical priorities. We urge you to protect our environment by voting for all amendments that would provide needed resources to protect the environment. In particular, we urge you to support:

Lautenberg (D–NJ)—Boxer (D–CA) amendment to reinstate Superfund "polluter pays" fees. Superfund waste sites remain a serious public health threat. Taxpayers have picked up an increasingly large share of the bill for cleanups since the polluter pays fee expired in 1995, while overall funding for the program has dropped by 35 percent. As a result, EPA completed only 40 cleanups last year, half the average number of cleanups during the mid to late-1990s. The Lautenberg-Boxer amendment would reinstate the polluter pays mechanism, providing nearly $1.6 billion in annual revenue and enabling more cleanups to be completed.

Crapo (R–ID)—Sarbanes (D–MD)—Jeffords (I–VT) amendment to increase clean water funding. Three decades after enactment of the Clean Water Act, 40 percent of our nation's waters are still too polluted for fishing and swimming. In addition, EPA has estimated that over the next 20 years over $535 billion in water infrastructure funding will be needed. This amendment would provide a combined $5.2 billion for the Clean Water State Revolving Fund and Safe Drinking Water State Revolving Fund, enabling the federal government to help states maintain and improve water and wastewater infrastructure.

While we appreciate the need for Congress to address our nation's fiscal problems, we oppose using this need as cover for starving critical environmental programs while leaving larger budget problems unresolved. We urge you to oppose the Budget Committee mark, and to vote for needed spending increases for clean water, healthy communities, national parks, wildlife preservation, and the Land and Water Conservation Fund.

LCV's Political Advisory Committee will consider including votes on these issues in compiling LCV's 2004 Scorecard. If you need more information, please call Betsy Loyless in my office at (202) 785–8683.

Sincerely,

DEB CALLAHAN,
President.

NATIONAL LEAGUE OF CITIES,
Washington, DC, March 10, 2004.

U.S. SENATE,
Washington, DC.

DEAR SENATOR: On behalf of the National League of Cities and the 18,000 cities and towns across the nation we represent, we urge you to support the amendment to the Budget Resolution being proposed by Senators Crapo, Sarbanes and Jeffords which would allocate 5.2 billion for the nation's water infrastructure needs.

While the State Revolving Funds (SRFs) for wastewater and drinking water have provided valuable assistance to local governments, many municipalities face critical needs—as documented by studies and surveys from EPA, GAO, CBO and the Water Infrastructure Network indicating a gap of $23 billion annually to meet water infrastructure repair and replacement needs—that simply cannot be addressed by raising rates or by the level of funding currently available through the SRF program.

NLC recognizes the current fiscal constraints facing all levels of government. To address these limitations effectively will require the development of new and innovative partnerships and joint ventures if we are to maintain and improve the nation's water quality goals and priorities. All levels of government have a vested interest in clean water and safe drinking water and total financial responsibility for these objectives cannot be solely the responsibility of local governments. Clean and safe water have economic consequences, not only in municipalities, but also of statewide and national significance. Therefore investments in these objectives must also be shared.

We believe a reinvigorated federal financial partnership is essential to assist local governments in maintaining and enhancing this critical infrastructure and urge you to support the Crapo-Sarbanes-Jeffords amendment allocating $5.2 billion for fiscal 2005 for the Clean Water and Drinking Water State Revolving Funds.

Very truly yours,

CHARLES LYONS,
President, Selectman, Arlington, MA.

MARCH 9, 2004.

Re support Senate Budget Resolution of $5.2 billion for Clean & Safe Drinking Water SRFs.

DEAR SENATOR: We write on behalf of our millions of members who urge you to protect human health and the environment by supporting the amendment sponsored by Senators Sarbanes, Crapo, and Jeffords to provide $3.2 billion in budget authority for the Clear Water State Revolving Loan Fund (SRF) and $2 billion in budget authority for the Drinking Water State Revolving Loan Fund. The SRFs help local communities meet water quality standards, repair and replace old and decaying pipelines and treatment plants, protect public health, and ensure continued progress in restoring the health and safety of America's water bodies.

This investment is a much-needed down payment to improve our nation's water and wastewater treatment plants. Your support for additional funding for the SRFs would help stimulate the economy, create jobs and provide funds for securing our water infrastructure for generations to come. As the recent crisis with lead contamination from old pipes in Washington, D.C. highlights, the nation faces a serious drinking water problem as aging infrastructure deteriorates. Water infrastructure in the U.S. has become antiquated, with many pipes as much as 50–100 years old. The funding increase provided by this amendment is essential to protect our nation's rivers and lakes and to assure clean water for communities across the country.

When the Clean Water Act was passed more than thirty years ago the Federal Government made a commitment to the American people to clean up the Nation's waters. At that time the Federal Government funded 75% of the costs of maintaining a clean water infrastructure in America; today the federal government funds a mere 5%. At the current rate of expenditures, the gap in funding for clean water infrastructure would be more than half a trillion dollars by 2019. We support this amendment because it increases water funding substantially this year and takes a step toward a longer-term solution for our nation's water needs.

Maintaining clean and safe water remains one of our Nation's highest priorities even though funding its continued improvement is one of our greatest challenges. We again urge you to support the amendment to the Senate Budget Resolution that would provide $5.2 billion for the Clean Water and Safe Drinking Water SRFs.

American Rivers, Association of Metropolitan Sewerage Agencies, Clean Water Action Alliance of Massachusetts, Clean Water for North Carolina, Defenders of Wildlife, Earthjustice, Environmental Integrity Project, Friends of the Earth, Informed Choices, Legal Environmental Assistance Foundation, Michigan Clean Water Action, Mono Lake Committee, Natural Resources Defense Council, National Audubon Society, National Consumer Law Center on behalf of our low-income clients, National Environmental Trust, NJ Coalition Against Toxics, Ohio River Foundation, Pennsylvania Clean Water Action, Physician for Social Responsibility, Portland Cement Association, Public Citizen, Rural Community Assistance Program, Sierra Club, The Ocean Conservancy, The Wilderness Society, Underground Contractors Association of Illinois, Western Coalition of Arid States.

NATIONAL HEAVY &
HIGHWAY ALLIANCE,
Washington, DC, March 11, 2004.

DEAR SENATORS: On behalf of the skilled construction workers whom we represent, I write to urge you to support the amendment by Senators Sarbanes, Crapo and Jeffords which will provide an additional $5.2 billion in budget authority for the Clean Water and Safe Drinking Water state revolving loan funds during the 2005 fiscal year.

In addition to the various positive environmental impacts which these funds will have on America's water supply, tens of thousands of new construction jobs will be created by adoption of this amendment. We need not remind you of the pervasive anxiety shared by many Americans concerning our economy and the so-called "jobless recovery" which persists throughout the country. Congress needs to invest and grow the economy through these types of water infrastructure investments.

Please support the Sarbanes, Crapo and Jeffords amendment.

Sincerely,

RAYMOND J. POUPORE,
Executive Director.

Mr. JEFFORDS. In the clean water arena, the budget before us today fails to recognize the staggering water resource needs of this Nation.

A recent poll by Frank Luntz, a well-known Republican pollster, documents the widespread support among Americans for Federal investments in clean water protections.

The poll showed that 91 percent of Americans are concerned that our waterways will not be clean for our children and grandchildren.

It showed that 91 percent of Americans agree that if we are willing to invest billions of dollars annually in highways and airways, we should be willing to make the necessary investments in our Nation's waterways.

It showed that 90 percent of Americans believe that a Federal investment to guarantee clean water is a critical component of our Nation's environmental well-being.

The Water Infrastructure Network in 2000 estimated $380 billion dollars are needed for clean water and drinking water over 20 years.

The EPA in 2002 estimated $270 billion are needed for clean water and $265 billion are needed for drinking water.

The Congressional Budget Office estimated a range of $132 and $388 billion are needed for clean water and $70 and $362 billion are needed for drinking water.

In light of these statistics, the administration responded with a 37-percent cut in the fiscal year 2005 budget.

This is truly astonishing.

In the last 5 years, an extremely broad consensus has emerged that more money is needed for water infrastructure.

Time after time Americans express their outrage at the weakening of clean and safe water protections and express their willingness to pay to maintain water quality standards.

However, time after time, these strong statements fall on deaf ears in this administration.

The administration seems to recognize the need for water infrastructure in Iraq, but fails to recognize it here at home.

The administration seeks close to $3.5 billion for water and sewer services repair in Iraq, at the same time that it seeks a $500 million cut, close to a 40 percent reduction for clean water infrastructure spending, at home.

The administration seeks $775 million for water resources improvements in Iraq, and a 5 percent cut for the Army Corps of Engineers at home.

It is the Army Corps of Engineers that is executing many of the public works improvements in Iraq using expertise built at home.

The administration's cut was accompanied by a lengthy discussion of how that cut was actually an increase due to outyear assumptions about spending.

My only reaction to these types of statements is that Americans can't get cleaner water with outyear assumptions.

The District of Columbia can't get lead-free pipes today with budget gimmicks and future promises.

The residents of Washington and our entire Nation need clean and safe water now.

Some say that the reductions proposed by the administration are only part of the budget game—that the administration really hopes that Congress will reinstate previous funding levels.

Perhaps this would be believable if these were isolated instances where this administration completely failed to support clean and safe water programs.

But this is not an isolated instance.

This reduction was proposed against the backdrop of systematic actions to weaken, rollback, and fail to enforce clean and safe water protections.

The fiscal year 2005 budget is not the proposal of an administration that has made clean water a priority.

It is the proposal of an administration that from day one until the present has systematically turned its back on the 90 percent of Americans who are concerned about water quality.

I can only hope that those Americans are paying attention to today's debate.

In 2004, I joined my colleagues, Senators CRAPO and SARBANES in offering an amendment to the fiscal year 2004 budget resolution that is similar to the amendment we offer today.

It was accepted without controversy by the full Senate, but later dropped in conference with the House.

It is time that we all start listening to the Americans who tell us over and over again that clean water is important to them. It is time to send a strong statement to the House of Representatives and the President that we will not stand by while water quality needs are shortchanged.

I urge my colleagues to vote "yes" on the Crapo amendment.

Mr. SARBANES. Mr. President, I am pleased to join with my colleagues, Senators CRAPO and JEFFORDS in, once again, offering this amendment to boost Federal funding for the clean water and safe drinking water state revolving funds, SRF, from the level recommended in the budget resolution, $2.191 billion to $5.2 billion—$3.2 billion for the clean water SRF and $2 billion for the safe drinking water SRF. The amendment is similar to the amendment which we offered to the fiscal year 2004 budget resolution and which was agreed to by voice vote, but regrettably not approved by the House-Senate conference committee.

I spoke last year about the compelling need for increasing Federal support for our Nation's water infrastructure, and I just want to underscore some of the key arguments today.

The President's fiscal year 2005 budget and this resolution once again severely shortchange, in my judgment, the funds needed by State and local governments to upgrade their aging wastewater and drinking water infrastructure. The President's budget provides only $1.7 billion for both State revolving funds, split equally. This budget resolution recommends $2.191 billion for both funds—which represents the fiscal year 2004 enacted level of funding, but that is still far short of what is needed.

Despite important progress over the last three decades, EPA reports that more than 40 percent of our Nation's lakes, rivers, and streams are still too impaired for fishing or swimming. Discharges from aging and failing sewerage systems, urban storm water and other sources, continue to pose serious threats to our Nation's waters, endangering not only public health, but fishing and recreation industries. Population growth and development are placing additional stress on the Nation's water infrastructure and its ability to sustain hard-won water quality gains.

Across the Nation, our wastewater and drinking water systems are aging. In some cases, systems currently in use were built more than a century ago and have outlived their useful life. For many communities, current treatment is not sufficient to meet water quality goals.

In April 2000, the Water Infrastructure Network, WIN, a broad coalition of local elected officials, drinking water and wastewater service providers, State environmental and health administrators, engineers and environmentalists released a report, "Clean & Safe Water for the 21st Century." The report documented a $23 billion a year shortfall in funding needed to meet national environmental and public health priorities in the Clean Water Act and Safe Drinking Water Act and to replace aging and failing infrastructure.

In May 2002, the Congressional Budget Office released a report that estimated the spending gap for clean water needs between $132 billion and $388 billion over 20 years and the spending gap for drinking water needs at between $70 billion and $362 billion over 20 years.

In September 2002, the EPA released a "Clean Water and Drinking Water Infrastructure Gap Analysis" which found that there will be a $535 billion gap between current spending and projected needs for water and wastewater infrastructure over the next 20 years if additional investments are not made. This figure does not even account for investments necessary to meet water quality goals in nutrient impaired waters, such as the Chesapeake Bay.

The need for additional investment in wastewater and drinking water infrastructure is clearly documented. But, States, localities and private sources can't meet the funding gap alone. States are currently facing the worst fiscal crisis in 50 years and cannot afford to make new investments in clean water and drinking water infrastructure. Water pollution is an interstate problem that demands a Federal response. Water from six States flows into the Chesapeake Bay. Even if Maryland had the resources to complete construction of all needed wastewater infrastructure, the Chesapeake Bay cleanup efforts will only be successful if similar investments are made in the five other States in the Chesapeake Bay watershed. Without Federal assistance, however, it is unlikely that the upstream States will make a substantial investment in the water quality of the Bay. The Congress understood the interstate dynamic of pollution in 1972 when a bipartisan majority passed the Clean Water Act and began funding waste treatment infrastructure. In 1979 and 1980, the Congress provided $5 billion in clean water construction grants alone to assist municipalities with wastewater infrastructure needs. Over the years, budgetary pressures and other factors have reduced that funding level, and in fiscal year 2004, we provided only $1.34 billion in clean water State revolving loan funds.

It is vital that the Federal Government maintain a strong partnership with States and local governments in averting the massive projected funding gap and share in the burden of maintaining and improving the Nation's water infrastructure. Municipalities need significant resources to comply with Federal clean water and drinking water standards. In the 107th Congress, House and Senate committees approved bills to authorize $20 billion over 5 years for the clean water act SRF, underscoring the recognition that something must be done to address this funding gap. An increase in funding for the clean water SRF to $3.2 billion and for the drinking water SRF to $2 billion in fiscal year 2004 is the first step necessary to meet the Federal Government's longstanding commitment in this regard.

This is an investment in the health of Americans and in a clean environment that will pay substantial dividends. Wastewater treatment plants not only prevent billions of tons of pollutants each year from reaching our rivers, lakes, streams, and coasts, they also help prevent water-borne diseases and make waters safe for swimming and fishing.

According to the Water Infrastructure Network:

> Clean water supports a $50 billion a year water-based recreation industry, at least $300 billion a year in coastal tourism, a $45 billion annual commercial fishing and shell fishing industry, and hundreds of billions of dollars a year in basic manufacturing that relies on clean water. Clean rivers, lakes, and coastlines attract investment in local communities and increase land values on or near the water, which in turn, create jobs, add incremental tax base, and increase income and property tax revenue to local, state, and the federal government. Some 54,000 community drinking water systems

> provide drinking water to more than 250 million Americans. By keeping water supplies free of contaminants that cause disease, these systems reduce sickness and related health care costs and absenteeism in the workforce.

They also create jobs—indeed tens of thousands of jobs—and provide stimulus to the economy. Each $1 billion in sewer and water improvements creates an estimated 40,000 jobs. With more than $5 billion in water infrastructure projects ready for construction, these jobs would be created immediately with Federal assistance. According to OMB, every Federal dollar invested in water infrastructure generates up to $4 for project loans, so the potential for job creation from this amendment is tremendous.

As I stated earlier, the case for this amendment is compelling. Today, maintaining clear, safe water remains one of our greatest national and global challenges. This budget resolution should not, and need not, come at the expense of human health or a clean environment.

I urge my colleagues to support this amendment and help address the massive funding gap that looms on the horizon. Failure to act now risks undermining 30 years of progress in cleaning up our Nation's waters.

Mr. INHOFE. Mr. President, several analyses of the water infrastructure funding gap have been released. The analyses show gaps ranging from $3 billion a year to $23 billion a year. Regardless of which number one chooses, the evidence is mounting that we as a nation are not investing enough in the infrastructure that provides Americans with clean and safe water.

Much of that gap is due to the rising cost municipalities must incur to meet ever-growing Federal regulations. Regulations that are kicking in at a time when many treatment plants are exceeding their expected life time.

Clearly, if the Federal Government is going to continue imposing insurmountable costs on our towns, it must be willing to put forth a fair share of the money. As the Chairman of the Environment and Public Works Committee, I am working with two of the sponsors of this amendment, Senator JEFFORDS and CRAPO, to craft a water infrastructure bill.

One thing that we have had in common throughout these negotiations is a belief that more money is needed. I was very pleased to see that the budget committee restored the funding cut to the clear water SRF.

However, cutting or even level funding the program is not the answer. We simply must find a way to provide more resources to these programs, fulfill our obligations and then allow the States to run their programs without further Federal contributions, as Congress always intended.

While I very much support my colleagues' efforts to get more money for these programs, I have not yet settled on what I believe is the appropriate level. I am supporting this amendment in concept and urge my colleagues to also vote yes. As chairman of the EPW Committee, I assure my colleagues that we are on the verge of a true crisis.

I support the Crapo-Jeffords amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to amendment No. 2784.

The amendment (No. 2784) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NICKLES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I am speaking now to the chairman of the committee. May I ask him a question, please, or his counterpart?

You were going through a list of amendments. We all try to be prepared so we can be helpful to you. I heard an amendment by the Senator from New York. I asked the Senator from New York, who is on the floor, if she had one. She didn't. It had something to do with the energy bill. Are you aware of what that is? Could we ask the other side what the amendment of the distinguished Senator from New York regarding the energy bill is. Who knows? You don't know either.

Mr. CONRAD. We don't have the amendment in our hands. We are seeking to get it. We will share it with the Senator as soon as we have it.

Mr. DOMENICI. I thank the Senator very much.

Mr. CONRAD. Senator PRYOR would like to discuss his amendment. I yield him 2 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I have an amendment today that deals with IRA accounts. I would like to set up a situation where people who have exhausted their unemployment benefits—they are entitled to no more unemployment benefits—could access up to $15,000 in their own IRA account—it is their own money—in order to meet whatever short-term needs they have. We have already done this in other context. We have done this when it comes to first-time homeowners. We have done this sending your children to college. But now the Senate needs to give strong consideration to expanding this for people who have exhausted their unemployment benefits. Right now you have a fairly hefty penalty, and there are tax consequences for doing that. I would like to suspend those.

But today, because the hour is late and because we are working with everybody here, I want to just announce to my colleagues that I will be working on this and be looking for the very next available legislative vehicle to get this done.

Hopefully at some point in the next few weeks I will offer this amendment. I will ask for a rollcall. I will not do it tonight. But I want to ask my colleagues on both sides of the aisle to consider it. I think it is something that has value and something that we can do to possibly help thousands, maybe tens of thousands or more Americans get through this very difficult time.

With that, I yield the floor.

Mr. CONRAD. Mr. President, I ask that we recognize Senator GRAHAM to discuss his amendment on Pell grants. I give him 2 minutes off of the resolution.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM of Florida. Mr. President, Senator CLINTON and I have been concerned about the status of the nontraditional college student, the adult who comes back to college at 35 or 40 to get some additional skills or, particularly, in these changing economic times, to get a new skill that has economic value.

Most of our student financial aid programs are thinking about the 18-year-old student coming directly from high school. As an example, Pell grants do not apply to summer school. Many adults wishing to get through their training as rapidly as possible go year round. There are also some costs that are not recognized in the Pell grant, such as child care. Very few 18-year-olds have a need for child care; lots of 35-year-olds do.

One of the key parts of the amendment we were going to offer was to increase the amount of the basic Pell grant to $4,500, which is what Senator COLEMAN has done with his amendment. So Senator CLINTON and I are not going to offer our amendment, since that part has already been accomplished. That represented the overwhelming amount of the cost of this program.

Recognize that when we get to the Higher Education Reauthorization Act, or some other appropriate legislation, we will be offering amendments to deal with these aspects of Pell grants that do not respond to the realities of the nontraditional student.

We look forward to coming back on this field of battle at the earliest opportunity. We will not offer the amendment.

Mr. CONRAD. Mr. President, I thank the Senator from Florida for setting a remarkably good example at 5 minutes after 10 o'clock. If there are any other Senators who want to withdraw their pending amendments, or not offer an amendment at this time, they would be greeted with open arms and have a very positive effect on their legislative proposals when we return after the break.

Mr. NICKLES. If the Senator will yield, I think we should elevate them to higher office. Mr. President, I compliment my colleague from Florida and thank him for his cooperation.

Mr. GRAHAM of Florida. I thank the Senator.

AMENDMENTS NOS. 2837, 2838, 2839, AND 2733, EN BLOC

Mr. NICKLES. Mr. President, we have at least four more amendments that we have agreed to. We are working to see if we cannot agree to a couple of others in the queue.

First, we have an amendment by Senators LINCOLN, BAUCUS, SNOWE, and BREAUX. I believe it has been cleared.

Another is a sense-of-the-Senate amendment by Senators GRASSLEY, LUGAR, and others, dealing with agriculture research.

Another is an amendment by Senator SNOWE and others dealing with SBA. Our staff said it is agreed to.

Another amendment is by Senators SESSIONS, CORNYN, GRAHAM, and NELSON, and SHELBY, dealing with NASA funding. We ask that these amendments be agreed to en bloc.

Mr. CONRAD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, the four amendments that were sent to the desk referenced by the chairman have no objection on this side.

The PRESIDING OFFICER. Is there further debate on the amendments? If not, the question is on agreeing to amendments Nos. 2837, 2838, 2839, and 2733.

The amendments were agreed to, en bloc, as follows:

AMENDMENT NO. 2837

(Purpose: To prevent tax increases for families who receive the child tax credit)

On page 25, line 3, after "2009", insert ", and to increase outlays by not more than $2,000,000,000 for the period of fiscal years 2005 through 2009."

AMENDMENT NO. 2838

(Purpose: Expressing a sense of the Senate for support of funding restoration for agriculture research and extension)

At the end of title V. add the following:

SEC. 5. SENSE OF THE SENATE SUPPORTING FUNDING RESTORATION FOR AGRICULTURE RESEARCH AND EXTENSION.

(a) FINDINGS.—Congress finds that—

(1) funding for 33 programs administered by the Cooperative State Research, Education, and Extension Service of the Department of Agriculture were each reduced by 10 percent in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2004 (118 Stat. 9);

(2) those cuts are already hurting a wide range of proven programs that help people, communities, and businesses;

(3) the cuts have put at risk important advances made in all 50 States and United States territories, including—

(A) combating obesity through programs such as the Expanded Food and Nutrition Education Program;

(B) expanding environmentally-minded pest management programs;

(C) ensuring food safety; and

(D) educating farmers and ranchers about new sustainable agricultural practices;

(4) the National Research Initiative is the flagship competitive grants program funded through the Cooperative State Research, Education, and Extension Service;

(5) because of limited funding the Service is able to fund only a small fraction of the meritorious research proposals that the Service receives under the National Research Initiative program; and

(6) base funding at the Service that supports the research infrastructure has fallen steadily over the past decade.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports—

(1) the restoration of the 33 accounts of the Cooperative State Research, Education, and Extension Service;

(2) the fiscal year 2005 funding of the National Research Initiative; and

(3) the fiscal year 2005 funding of competitive research programs of the Cooperative State Research, Education, and Extension Service in an amount that is adequate to—

(A) fight obesity and stave off chronic diseases;

(B) combat insects and animal and plant diseases;

(C) establish new crops, improved livestock, and economic opportunities for producers; and

(D) keep pathogens and other dangers out of the air, water, soil, plants, and animals.

AMENDMENT NO. 2839

(Purpose: To increase funding for the SBA 7(a) loan guarantee, Microloan and other small business programs and to offset the cost of that spending through across-the-board cuts in function 920)

On page 13, line 2, increase the amount by $121,000,000.

On page 13, line 3, increase the amount by $68,000,000.

On page 13, line 7, increase the amount by $40,000,000.

On page 13, line 11, increase the amount by $7,000,000.

On page 23, line 5, decrease the amount by $121,000,000.

On page 23, line 6, decrease the amount by $68,000,000.

On page 23, line 10, decrease the amount by $40,000,000.

On page 23, line 14, decrease the amount by $7,000,000.

AMENDMENT NO. 2733

(Purpose: To provide full funding for NASA's FY2005 space exploration initiatives)

At the appropriate place insert the following:

On page 21, line 13, decrease the amount by $600,000,000.

On page 21, line 14, decrease the amount by $600,000,000.

On page 9, line 17, increase the amount by $600,000,000.

On page 9, line 18, increase the amount by $600,000,000.

Mr. NICKLES. Mr. President, moving right along. I believe the Senator from Michigan and the Senator from Maine have an amendment. Unfortunately, I feel compelled not to agree to that amendment. Maybe we can dispose of it very quickly.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, might I inquire of the Senator how long it will take to describe this amendment?

Mr. LEVIN. We would like perhaps 3 or 4 minutes on our side.

Mr. CONRAD. I give 3 minutes off the resolution to the Senator from Michigan.

Mr. LEVIN. I will divide that time with the Senator from Maine.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 2817

Mr. LEVIN. Mr. President, I send an amendment to the desk on behalf of myself, Senator COLLINS, Senator CLINTON, and Senator STABENOW.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for himself, and Ms. COLLINS, proposes an amendment numbered 2817.

Mr. LEVIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To lower crude oil prices resulting from the cancellation of planned future deliveries of oil to the Strategic Petroleum Reserve and using the funding made available to provide $1.7 billion in funding for homeland security grants for first responders, firefighter assistance, and port security, and to reduce the debt)

On page 4, line 4, decrease the amount by $1,700,000,000.

On page 4, line 12, decrease the amount by $1,700,000,000.

On page 4, line 20, increase the amount by $1,700,000,000.

On page 5, line 3, decrease the amount by $1,700,000,000.

On page 5, line 4, decrease the amount by $1,700,000,000.

On page 5, line 5, decrease the amount by $1,700,000,000.

On page 5, line 6, decrease the amount by $1,700,000,000.

On page 5, line 7, decrease the amount by $1,700,000,000.

On page 5, line 11, decrease the amount by $1,700,000,000.

On page 5, line 12, decrease the amount by $1,700,000,000.

On page 5, line 13, decrease the amount by $1,700,000,000.

On page 5, line 14, decrease the amount by $1,700,000,000.

On page 5, line 15, decrease the amount by $1,700,000,000.

On page 10, line 13, decrease the amount by $1,700,000,000.

On page 10, line 14, decrease the amount by $1,700,000,000.

SEC. . RESERVE FUND FOR HOMELAND SECURITY GRANT PROGRAM, ASSISTANCE TO FIREFIGHTER GRANTS, AND PORT SECURITY GRANTS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregate, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $1,545,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, amendment, motion, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of the levels provided in this resolution, for the programs at the Department of Homeland Security.

SEC. . STATE HOMELAND SECURITY GRANT PROGRAM.

It is the sense of the Senate that, of the funds for the Department of Homeland Security, $800,000,000 shall be allocated for the State Homeland Security Grant program; $250,000,000 for the Assistance to Firefighters Grant program; and $275,000,000 for Port Security Grants. It is further the sense of the Senate that the State Homeland Security Grant Program shall be increased by $220,000,000 in order to provide for a more equitable formula for distributing funds.

SEC. . STRATEGIC PETROLEUM RESERVE.

It is the sense of the Senate that the increased funding for the Homeland Security Department programs shall come from the cancellation of planned future deliveries of oil to the Strategic Petroleum Reserve.

Mr. LEVIN. Mr. President, we have skyrocketing gas prices and oil prices in most parts of the country. The major reason for this is private sector inventories are low. The major reason private sector inventories are low is we, at the same time, have seen a decline in those inventories of 50 million barrels in the last 2 years.

We have deposited in the Strategic Petroleum Reserve approximately 85 million barrels. Even the staff of the Department of Energy a year ago said the following:

> Commercial petroleum inventories are low. Retail product prices are high, and economic growth is slow. The Government should avoid acquiring oil for the Strategic Petroleum Reserve under these circumstances.

We would halt the deposit of oil in the Reserve, and we would use the money, approximately $1.7 billion, to restore a number of accounts in the Homeland Security Department; namely, we would restore about 80 percent of the money cut from the Homeland Security grant program; $250 million we would restore to firefighter grants to bring them up to last year. We would add money for port security, $150 million for deficit reduction, and about $220 million for an equity account.

This is a twofer. I yield the remainder of my time to the Senator from Maine.

Ms. COLLINS. Mr. President, it makes no sense at all for the Federal Government to put further pressure on the oil supplies through large purchases for the Strategic Petroleum Reserve at this time when oil prices are at record high levels.

Through proper management of the Reserve, we can ease the economic impact drastically rising gasoline prices are having on the American family.

There are three different studies which demonstrate suspending deliveries of oil to the SPR at this time would decrease gas prices by anywhere from 10 cents to 25 cents per gallon.

I want my colleagues to know the Reserve is currently 92 percent full. So halting these deliveries will have no impact at all on our national security, but will be of great benefit to American consumers.

In addition, our legislation would transfer the savings to restore cutbacks in homeland security. We would increase the basic Homeland Security grant program our States and communities rely upon so it would be equal to the level of last year.

We would include a restoration of funding for the FIRE Act, again to last year's level. And finally, we would invest in port security which experts tell us is one of our greatest vulnerabilities. The remainder of the funding would be used for deficit reduction.

This amendment makes good common sense. It will help relieve the pressure on gasoline prices, while at the same time allowing us to devote more resources to strengthening our homeland security and reducing our deficit.

I yield back to Senator LEVIN any remaining time.

The PRESIDING OFFICER. All time has expired.

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I regret I cannot accept this amendment. I will follow the will of the Senate. This is basically saying let's take out $1.7 billion from SPR and spread it around in homeland security. We are fully funding the President's request for homeland security which is 15 percent over last year, 10 percent if you take out bioshield.

We already have several amendments on homeland security. I urge our colleagues not to support the amendment.

I call upon the chairman of the Energy Committee, Senator DOMENICI, to conclude.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I will only use 1 minute. First, I have the greatest respect for the distinguished Senator from Maine, but let me say to everyone here, you all remember, SPR is to put oil in the ground in case we have an emergency. We use it in an emergency.

The Energy Information Administration's last forecast predicts by the year 2025—and SPR is future thinking; it is not today; it is thinking in the future—they say by the year 2025, we will be 70 percent dependent on imported oil.

The point of it is, we can never have too much oil in SPR. The idea was a good idea. It is even a better idea today. To say we ought to stop filling it so we can start filling gaps in a budget, especially saying we take care of all the inland security problems by not taking care of SPR, seems to me to be the wrong thing to do.

I could find a lot of things to do in Government. If we could just sell all the oil in SPR, we could take care of every program in this Government. My colleagues could all go home. We would have about $150 billion. We could just spread it everywhere. That is much the same as saying: Quit buying it and what you were going to buy, spend on other things.

I hope we do not adopt the amendment. I thank the Chair.

Mr. LEVIN. Mr. President, oil and gasoline prices are at or near record-high levels. Oil and gasoline supplies are at or near record-low levels. If there are any disruptions in oil or gasoline supplies or production, there will be an insufficient amount of oil and gasoline to meet demand, and prices will skyrocket even further.

Yet, incredibly, in the face of this crisis, the administration is decreasing rather than increasing the supply of oil. Day after day, month after month, regardless of how high the cost for acquiring this oil, the administration is taking millions of barrels of oil off the market and depositing them into the Strategic Petroleum Reserve. By taking this badly needed oil off the market and placing it in the SPR, at extremely high prices, the administration is increasing the price of oil and gasoline.

The Levin-Collins amendment will increase Federal revenues by approximately $1.7 billion by, in effect, directing DOE to delay the filling of the SPR. The amendment will lower oil and gasoline prices by increasing oil and gasoline supplies in the commercial inventories. It will improve our overall energy security by moving us away from the brink of a crisis in supply. Moreover, it is both sound fiscal and resource management policy to put oil on the open market when prices are high, and place them into reserves later when prices are low.

As nearly every American knows, gasoline prices are at record-high levels. The average price of a gallon of gasoline, nationwide, as well as in my home State of Michigan, is $1.74 per gallon. In some states it is even higher. In California, for example, the average price for a gallon of gasoline is $2.18 per gallon.

Crude oil prices also are at near-record prices. Spot prices are over $37 per barrel. Futures prices for oil for the next several months are at or near $37 per barrel as well.

A major reason oil prices are so high is that the amount of crude oil in private sector inventories in the United States is at record low levels. Crude oil inventories are now lower than at any time in the 28 years that the Department of Energy has been tracking them. Oil prices are directly related to the amount of crude oil in inventories, since overall supply levels depend on both amounts produced and amounts in inventory. This is why prices are so high.

One of the reasons that supplies of oil are so low is that since late 2001 the Department of Energy (DOE) has been steadily taking millions of barrels of oil off the market and placing them into the U.S. Strategic Petroleum Reserve (SPR). In late 2001, the Reserve held about 560 million barrels of oil. Today it holds nearly 650 million barrels. DOE anticipates that at the current fill rate it will reach its goal of filling the SPR to its current physical capacity of 700 million barrels in the middle of 2005.

Clearly, now is not the time to be taking more oil off the market when the price of oil is so high. We need more oil and gasoline in refineries.

The Levin-Collins amendment is simple. It would, in effect, result in the deferral of the deposit of the 53 million barrels of oil that DOE currently plans to ship to the SPR over the next year. Assuming an average price of $33 per barrel—which is based on the current futures prices for oil for the next 14 months, as well as the trend in spot prices over the past year—this would yield over $1.7 billion in Federal revenues. This will help lower oil and gasoline prices for consumers and businesses as well. This amendment is a win-win for consumers, taxpayers, and the Government.

The Levin-Collins amendment would apply these funds to strengthen our homeland security. We cannot expect our first responders to be well-trained, properly equipped and fully staffed to protect us, if we cut their funding sources. Our amendment restores $800 million to the State Homeland Security Grant program, which will bring the total funding for that program up to $1.5 billion; adds $250 million to the Assistance to Firefighters Grant program; and $275,000,000 for Port Security Grants. The amendment will also provide $155 million for deficit reduction.

Finally, the amendment provides an additional $220 million to the State Homeland Security Grant Program in order to provide for a more equitable formula for distributing funds under that program.

Mr. NICKLES. Can we voice vote the amendment?

Mr. LEVIN. That depends on how loud the voices are.

Mr. NICKLES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 2817. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Virginia (Mr. WARNER) is necessarily absent.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The result was announced—yeas 52, nays 43, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—52

Akaka
Allen
Baucus
Biden
Bingaman
Boxer
Burns
Byrd
Carper
Clinton
Coleman
Collins
Conrad
Corzine
Daschle
Dayton
DeWine
Dorgan
Durbin
Feingold
Feinstein
Fitzgerald
Graham (FL)
Graham (SC)
Harkin
Hollings
Inouye
Jeffords
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lott
McCain
Mikulski
Nelson (FL)
Nelson (NE)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Snowe
Specter
Stabenow
Sununu
Talent
Voinovich
Wyden

NAYS—43

Alexander
Allard
Bayh
Bennett
Bond
Breaux
Brownback
Bunning
Campbell
Cantwell
Chafee
Chambliss
Cochran
Cornyn
Craig
Crapo
Dodd
Dole
Domenici
Ensign
Enzi
Frist
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kennedy
Kyl
Lugar
McConnell
Miller
Murkowski
Murray
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Stevens
Thomas

NOT VOTING—5

Edwards
Johnson
Kerry
Reid
Warner

The amendment (No. 2817) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, just for the information of our colleagues, we are making good progress. I believe we have the amendment of Senator DURBIN that will be modified by Senator LUGAR and that will be accepted. I believe we have the amendment of Senator BYRD which will be agreed to momentarily. I am not positive. I need to run that by Senator GREGG. I think we are going to be able to work out the amendment of Senator LINCOLN. We do expect a couple of amendments on our side. I believe Senator MCCONNELL has an amendment and I hope he would be recognized next.

AMENDMENT NO. 2840

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL] proposes an amendment numbered 2840.

Mr. MCCONNELL. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To prohibit future income tax hikes on upper incomes that fail to exempt small businesses that file individual income tax returns as partnerships, sole proprietors, or subchapter S corporations)

At the appropriate place, insert the following:

SEC. . PROTECTION OF SMALL BUSINESSES FROM TAX HIKES ON "THE RICH" POINT OF ORDER.

(a) IN GENERAL.—It shall not be in order in the Senate to consider any bill, amendment, resolution or conference reports that would—

(1) raise federal income taxes on upper incomes households, and

(2) fail to exempt small businesses that bear most of the burden of the top marginal tax rates.

(b) WAIVER.—This subsection may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provisions of this subsection shall be limited to 1 hour, to be equally divided between, and controlled by the appellant and the manager of the bill, joint resolution or as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) DEFINITION.—For purposes of this section, a small business shall be any individual or enterprise that files federal individual income tax returns as a partnership, sole proprietor or subchapter S corporation.

(e) DETERMINATION OF IMPACT ON SMALL BUSINESSES.—For purposes of this section, the impact of any income tax legislation on small businesses shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

Mr. MCCONNELL. Mr. President, talking about taxes, it is essential to remember small businesses are the backbone of our economy. Small business entrepreneurs create more than two out of every three new jobs and generate roughly half of our Nation's gross domestic product. Yet they are saddled with the heaviest tax burden.

Small businesses predominantly pay their income taxes using individual income tax returns, which means they frequently pay the highest marginal tax rate. While they file less than 1 percent of all tax returns, small businesses account for more than 31 percent of all tax payments. Make no mistake, these are not highly paid executives or people living off their investments; these are ordinary people trying to make a living as they pursue the American dream.

Who pays the tax on the rich? Seventy-nine percent of the top rate literally falls on small business. To ignore this small business tax factor is to risk breaking the backbone of our economy. This point of order which this amendment would establish would protect small businesses from tax hikes on the rich.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment? The Senator from Arkansas.

Mrs. LINCOLN. Mr. President, I thank my colleague from Kentucky for raising this issue. I have been very concerned about our small businesses and how they fare as well. That was one of the reasons I requested information from the IRS on this very issue concerning how our small businesses are affected.

Addressing this argument about small business and cutting the top rates: According to the IRS statistics we received back from the IRS, only 3.8 percent of small business and farm returns have income over $200,000. So you have to earn $319,100 before you even make it to the top tax bracket. All of your income up until that amount is taxed at the lower rate.

If you look at the statistics that the IRS brings to us, 62 percent of small businesses and farm returns in this country have incomes of $50,000 or less. They do not fall into this top category of income that is being discussed.

I appreciate the Senator bringing this up so we can really talk about who falls into this category.

I ask my colleagues to recognize we are talking about taxable income, which is after expenses. This is take-home pay, take-home pay for these companies. This is the money that is not being invested in new plants or new equipment, this is not money that is going to employment, increasing jobs which we know our small businesses are capable of if they have the resources to invest there. This is taxable income after expenses, so it is taxable income that has really gone to the bank already. I think it is very important for us to recognize what we are talking about.

It also might be of interest to my colleagues tonight to know that after I had a very similar discussion about these statistics with the Secretary of the Treasury, he called me the other day and told me he had reviewed my charts and found them accurate.

He said they were hard to read but they were accurate. They are a little bit small. But I think it is so important for us to recognize. The reason it hit home for me is because Arkansas finds itself actually in a little bit higher circumstance than that. Well over 62 percent of our small businesses in Arkansas are our largest employers. Roughly upwards of 70 percent find themselves in that 50 percent or less category. Again, this is after expenses. This is what they are taking home.

I know my colleague in his amendment talks about individual income tax returns as a partnership, or a sole proprietor, or subject chapter S corporation.

But I encourage my colleagues to understand that these are flowthrough entities. If you are talking about these individuals and these groups, they are very small as a percentage of what we are talking about in small businesses.

These are individuals who might file schedule C or schedule S.

I think it is so important for us to look at the numbers. I agree wholeheartedly with my colleagues that small businesses are the engine of this economy. They are the ones that provide the most jobs. Most of the jobs in Arkansas are provided by our small businesses.

It is important we accurately look at the resources we are trying to put back into the hands of small businesses so they can reinvest and grow the jobs we know we need to continue to build on this economy. I hope we will take a look at the numbers which have been provided. We talk some about upward mobility. I know that has been discussed as well by many of our colleagues about the opportunity that Americans want to have, the potential they want in order to reach those upper brackets.

But, quite frankly, if you look at the upward mobility in my State, in 1991 the per capita personal income was about $15,175. Today, it is $22,750. That is an increase of about 33 percent over the decade. But Arkansans, on average, are still earning less than $23,000 a year. Less than 10 percent of our Arkansans earn over $200,000 a year. I just try to make this point.

I hope my colleagues will look at incomes in their own States. When you find in other States such as ours that 50 percent of the people have an adjusted gross income of less than $25,000 and over 80 percent roughly have an adjusted gross income of less than $50,000 a year, we have to look at putting money into the pockets of people who are going to grow this economy. We have to keep a balance.

I hope my colleagues will look at what is happening. If you talk about upward mobility, it will take a 1,400-percent increase in income to reach those upper margins that are being talked about from where most of our small business and other income earners in our State are. I hope my colleagues will take a second look at what he is trying to propose.

I hope my other colleagues realize, if what we want to do is make sure we are growing the economy and protecting small businesses, we need to look at the statistics the IRS has given us about where those small businesses are and where those resources lie.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I yield 1 minute to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, this is not a small business amendment. It is purportedly a small business amendment. It is not. Why? As the able Senator from Arkansas stated, only 2 percent—only 2 percent—of small businesses are in the upper bracket. The remaining are not. They are not small businesses.

More importantly, this is an amendment that makes it much more difficult to raise taxes on the wealthiest top bracket than it is in the effort to raise taxes on the middle-income taxpayers. It provides for a point of order on any revenue measure that would have the effect of raising taxes on the top bracket. It only applies to the top bracket. It wouldn't apply to any other bracket. We don't want that.

I can't for the life of me understand why the Senator from Kentucky is on the floor even daring to offer that amendment. At the appropriate time, I am going to suggest that the amendment is not germane because it is not germane. I can only do so when all time is yielded.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I will be very brief and then I will be prepared to relinquish whatever time I have.

According to the Office of Tax Analysis of the U.S. Treasury, last year, January 7, 2003, I repeat, small business owners, entrepreneurs, and farmers account for more than two-thirds of the top bracket income tax returns and receive 79 percent of the top bracket tax relief. That is what this amendment is all about. I hope the Senate will approve it.

I have no further observations to make, if the Senator would like to make his motion.

Mr. BAUCUS. Mr. President, the pending amendment is not germane, and therefore I raise a point of order that the amendment violates section 305(b)(2) of the Congressional Budget Act of 1974.

Mr. McCONNELL. Mr. President, I move to waive the point of order, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 45, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—51

Alexander
Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NAYS—45

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carper
Chafee
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The PRESIDING OFFICER. On this vote, the yeas are 51, the nays are 45. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to. The point of order is sustained and the amendment falls.

The Senator from Oklahoma.

AMENDMENTS NOS. 2841 THROUGH 2843, EN BLOC

Mr. NICKLES. Mr. President, we are making good progress. I think we have three additional amendments that have been cleared on both sides: an amendment by Senator HAGEL; an amendment by Senator SANTORUM; and an amendment by Senators HATCH and BIDEN and KOHL. I send all three to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, those three amendments have been cleared on this side, and there is no objection.

The PRESIDING OFFICER. Without objection, the amendments are considered en bloc and agreed to en bloc.

The amendments were agreed to, en bloc, as follows:

AMENDMENT NO. 2841

(Purpose: To express the sense of the Senate on the need for a United States animal identification program as an effective disease surveillance, monitoring, and control tool serving the needs of the United States livestock industry and public health)

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE CONCERNING A NATIONAL ANIMAL IDENTIFICATION PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) animal identification is important for operational management, herd health, and increased trade opportunities;

(2) animal identification is a critical component of the animal health infrastructure of the United States;

(3) it is vital to the well-being of all people in the United States to protect animal agriculture in the United States by safeguarding animal health;

(4) the ability to collect information in a timely manner is critical to an effective response to an imminent threat to animal health or food safety.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports—

(1) the development and implementation of a national animal identification program recognizing the need for resources to carry out the implementation of the plan;

(2) the provision by the Secretary of Agriculture of a time-line for the development and implementation of the program as soon as practicable after the date of approval of this concurrent resolution;

(3) the provision by the Secretary of Agriculture to ensure the Animal and Plant Health Inspection Service, State animal health agencies, and agricultural producers are provided funds necessary to implement a national animal identification program; and

(4) the establishment of a program that is not overly burdensome to agricultural producers and ensures the privacy of information of agricultural producers.

AMENDMENT NO. 2842

(Purpose: To reaffirm the United States ratio for contributions to The Global Fund to Fight AIDS, Tuberculosis, and Malaria)

On page 54, after line 22, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING CONTRIBUTIONS TO THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS, AND MALARIA.

(a) FINDINGS.—The Senate finds that—

(1) the United States—

(A) helped establish The Global Fund to Fight AIDS, Tuberculosis, and Malaria (referred to in this section as the "Fund");

(B) provided its first donation; and

(C) provides leadership to the Fund under Fund Board Chairman Tommy Thompson, Secretary of the Department of Health and Human Services;

(2) as a complement to the President's historic 15-country AIDS initiative, the Fund provides resources to fight AIDS, tuberculosis, malaria, and related diseases around the world;

(3) section 202 of the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2004 (22 U.S.C. 7622) authorizes contributions to the Fund to the extent that United States contributions do not exceed 33 percent of all contributions to the Fund, allowing the United States to contribute $1 for every $2 contributed by other sources.

(4) during fiscal years 2001 through 2003, the United States provided $623,000,000 of the total contributions of $1,900,000,000 to the Fund, which represents approximately ⅓ of total contributions to the Fund;

(5) Congress has appropriated $547,000,000 to the Fund for fiscal year 2004, which has been matched by confirmed pledges of $994,000,000, and is slightly more than ⅓ of total pledges, with additional pledges expected;

(6) over the life of the Fund, Congress has appropriated sufficient amounts to match contributions from other sources to The Global Fund to Fight AIDS, Tuberculosis, and Malaria on a 1-to-2 basis; and

(7) transparency and accountability are critical to fund grant-making and the U.S. should work with foreign governments and international organizations to support the Fund's efforts to use its contributions most effectively.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that this concurrent resolution and subsequent appropriations acts should provide sufficient funds to continue matching contributions from other sources to The Global Fund to Fight AIDS, Tuberculosis, and Malaria on a 1-to-2 basis.

AMENDMENT NO. 2843

(Purpose: To restore law enforcement assistance, and juvenile justice assistance, especially Title V, and JAB6 to the Department of Justice)

On page 20, line 17, increase the amount by $600,000,000.

On page 20, line 18, increase the amount by $132,000,000.

On page 20, line 22, increase the amount by $180,000,000.

On page 21, line 1, increase the amount by $120,000,000.

On page 21, line 5, increase the amount by $90,000,000.

On page 21, line 9, increase the amount by $78,000,000.

On page 21, line 13, decrease the amount by $600,000,000.

On page 21, line 14, decrease the amount by $132,000,000.

On page 21, line 18, decrease the amount by $180,000,000.

On page 21, line 22, decrease the amount by $120,000,000.

On page 22, line 1, decrease the amount by $90,000,000.

On page 22, line 5, decrease the amount by $78,000,000.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 2844

Mr. NICKLES. Mr. President, I also believe that an amendment by Senator DOLE and Senator LEAHY has been agreed to, and I send it to the desk as well.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for Mrs. DOLE, for herself and Mr. LEAHY, proposes an amendment numbered 2844.

Mr. NICKLES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, line 4, increase the amount by $156,000,000.

On page 18, line 5, increase the amount by $135,000,000.

On page 18, line 8, increase the amount by $162,000,000.

On page 18, line 9, increase the amount by $160,000,000.

On page 18, line 12, increase the amount by $169,000,000.

On page 18, line 13, increase the amount by $170,000,000.

On page 18, line 16, increase the amount by $175,000,000.

On page 18, line 17, increase the amount by $175,000,000.

On page 18, line 20, increase the amount by $180,000,000.

On page 18, line 21, increase the amount by $180,000,000.

On page 23, line 5, decrease the amount by $156,000,000.

On page 23, line 6, decrease the amount by $135,000,000.

On page 23, line 9, decrease the amount by $162,000,000.

On page 23, line 10, decrease the amount by $160,000,000.

On page 23, line 13, decrease the amount by $169,000,000.

On page 23, line 14, decrease the amount by $170,000,000.

On page 23, line 17, decrease the amount by $175,000,000.

On page 23, line 18, decrease the amount by $175,000,000.

On page 23, line 21, decrease the amount by $180,000,000.

On page 23, line 22, decrease the amount by $180,000,000.

At the appropriate place insert:

SEC. . SENSE OF THE SENATE CONCERNING CHILD NUTRITION FUNDING.

(a) FINDINGS.—The Senate finds that—

(1) Federal child nutrition programs have long played a critical role in providing children in the United States with quality nutrition from birth through secondary school;

(2) recognizing the value of these benefits to children in the United States, Congress has an enduring tradition of bipartisan support for these programs;

(3) children in the United States are increasingly at nutritional risk due to poor dietary habits, lack of access to nutritious foods, and obesity and diet-related diseases associated with poor dietary intake;

(4) many children in the United States who would benefit from Federal child nutrition programs do not receive benefits due to financial or administrative barriers; and

(5) Federal child nutrition programs are expected to be reauthorized in the 108th Congress.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports the retention in the conference report for this concurrent resolution of the additional funds provided in this concurrent resolution for the reauthorization of Federal child nutrition programs.

Mrs. DOLE. Mr. President, last year I gave my maiden speech on the issue of hunger. I believe now, just as I did then, that we must make a concerted effort to eradicate this problem. It is the silent enemy that lurks in too many American homes. I am not one to duck tough issues. And this is a problem that I know we can conquer with both sides of the aisle working together. There are a number of areas where one could focus in this effort, and the amendment I send to the desk represents a good first step toward strengthening the National School Lunch program which is very popular and effective.

Under the current program, children from families with incomes at or below 130 percent of poverty are eligible for free meals. Children from families with incomes between 130 percent and 185 percent of poverty are eligible for reduced price meals—charging no more than 40 cents per meal. This may seem like a nominal amount, but that is not what I am hearing in North Carolina and from folks around the country. To quote the resolution from the North Carolina Department of Education, "many families in the reduced price income category are finding it difficult to pay the reduced fee and, for some families, the fee is an insurmountable barrier to participation.

Sharlyn Logan, the Child Nutrition Supervisor for Cumberland County Schools in North Carolina says—. . . "In many of our schools, we daily see children with no money. Many times we allow the child to eat and the Child Nutrition program takes a loss. When the problem persists, we will provide a peanut butter sandwich and milk at no cost to the child to insure they receive some nutritional sustenance. This may be the only meal they receive."

Recently, I spoke at the American School Food Service Association's annual banquet, where I was inspired by more than 1000 enthusiastic people who have devoted their careers to making sure children get the nutrition they need. You probably saw them on the Hill wearing their buttons that said "ERP"—eliminate reduced price. They are on the front lines on this issue, and they have tremendous passion. It was an evening that I will never forget.

They will be the first to tell you that these income eligibility guidelines are inconsistent with other federal assistance programs. For example, families whose incomes are at or below 185 percent of poverty are eligible for free benefits through the WIC program—the Special Supplemental Nutrition Program for Women, Infants and Children. It just makes sense to harmonize these income eligibility guidelines allowing us to clarify this bureaucratic situation. Doing so would enable us to immediately certify children from WIC families for the National School Lunch and Breakfast programs.

More than 500 State and local school boards have passed resolutions urging the Congress to eliminate the reduced price category, thereby expanding free lunches and breakfasts to all of those children whose family incomes are at or below 185 percent of poverty. In addition, the Association of School Business Officials, the National Association of Elementary School Principals, and the American Public Health Association have endorsed this idea.

This is the right thing to do. For this reason, I was pleased to introduce S. 1549, to eliminate the reduced price meal program in graduated steps over a 5 year period. Since introduction of this legislation, colleagues on both sides of the aisle have joined me, and two bills have been introduced in the House of Representatives.

The amendment that I have at the desk does not provide funding for the total elimination of reduced price meals over a five year period as laid out in S. 1549. Rather, it would enable the Senate Agriculture Committee to permanently increase the eligibility guideline for free school meals from 130 percent of poverty to 140 percent of poverty—the first step of the graduated approach outlined in S. 1549—when the Committee reauthorizes the Child Nutrition programs. Of course, we will still have a long way to go to eliminate the reduced price category, but progress is better than status quo, any day.

Hunger and malnourishment among children—that's a battle that can be won. This is not a partisan issue, and enactment of this amendment will mark the first step in our crusade to strengthen the National School Lunch program and begin to address a serious problem for many families in need across this country—and especially those who have been laid off and are out of work. I urge my colleagues to support this amendment.

Mr. President, the American School Food Service Association, Child Nutrition Forum, the Association of School Business Officials, the National Association of Elementary School Principals, the American Public Health Association, and organizations in 44 States have passed resolutions endorsing elimination of reduced price meals.

Mr. HARKIN. Mr. President, I am pleased that the Budget Committee reported out a budget resolution that provided $232 million for the Senate Committee on Agriculture, Nutrition, and Forestry to enable the extension of several expiring provisions of child nutrition law. This was the amount that Agriculture Committee Chairman COCHRAN and I noted in our letter to the Budget Committee would, at a minimum, be necessary to ensure that children who qualify for benefits under current law would not lose them.

However, more is clearly needed. Given the nutritional risks to American children today and the numerous unmet needs that exist in Federal child nutrition programs, I commend Senators DOLE and LEAHY for their bipartisan effort to provide additional funding for federal child nutrition programs. If these additional funds remain in the conference report, they will help the Senate Agriculture Committee to take important steps in pending child nutrition legislation. The need for additional funds is significant, including, for instance, the expansion the Summer Food Service Program and the fruit and vegetable pilot projects, lowering area eligibility for the Child and Adult Care Food Program, helping children who still face financial barriers to participate in the National School Lunch and Breakfast Programs, and improving the entire nutritional environment in American schools.

If additional funds are provided in the conference report, it is, however, critical to understand that, by relying on function 920 to offset this amendment, a number of critical issues remain. The use of function 920 fails to specify the source of the new funds, meaning that they could accrue either by increasing the national debt or as a result of unspecified program cuts. Of course, the question of the actual cuts that may be specified is an important one. I am particularly concerned that any cuts that fall within the jurisdiction of the Senate Committee on Agriculture could pit one set of interests against another in a way that could reopen the Farm Security and Rural Investment Act passed just 2 years ago. Neither the members of the committee nor the interested stakeholders in the agriculture and nutrition communities would be well served by such an unfortunate situation. I, and I believe my colleagues on the committee, would be very hesitant to pit the needs of rural America against the similarly important needs of needy children and working families.

Mr. NICKLES. Mr. President, I compliment our colleague, Senator DOLE from North Carolina and Senator LEAHY for cooperating. They saved us a lot of time by putting their amendments together.

I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is agreed to.

The amendment (No. 2844) was agreed to.

Mr. NICKLES. Mr. President, my colleague, Senator SPECTER, has probably been more patient than anyone for the last 3 days. He has been requesting an opportunity to offer an amendment, so I yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 2741, AS MODIFIED

Mr. SPECTER. Mr. President, I call up amendment No. 2741 and send a modification to the desk.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for himself and Ms. COLLINS, proposes an amendment numbered 2741, as modified.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: Increase discretionary health funding by $2,000,000,000)

On page 16, line 12, increase the amount by $1,300,000,000.

On page 16, line 13, increase the amount by $1,300,000,000.

On page 23, line 5, decrease the amount by $1,300,000,000.

On page 23, line 6, decrease the amount by $1,300,000,000.

Mr. SPECTER. Mr. President, for the information of my colleagues, this is an amendment which seeks to add $1.3 billion to funding for the National Institutes of Health, with an offset against function 920, amounting to one-sixth of 1 percent on administrative costs.

I express my concern about offering an amendment at 11:04 p.m. for a rollcall vote, but as stated by the chairman of the Budget Committee, I have been patient waiting for 3½ days to offer this amendment. And I do so because of the importance of funding for the National Institutes of Health, which has made such enormous progress against many deadly maladies.

Last year, we had a spirited debate, at about this same hour, on an amendment I offered for a $1.5 billion increase, which required 60 votes, and failed with 52 votes in the affirmative—8 votes short of the 60 necessary at that time.

The National Institutes of Health have made phenomenal progress against the most deadly diseases: autism, stroke, obesity, Alzheimer's, Parkinson's, spinal muscular atrophy, scleroderma, ALS, muscular dystrophy, diabetes, osteoporosis—a variety of cancers: breast, cervical, and ovarian; lymphoma, multiple myeloma, prostate, pancreatic, colon, head and neck, brain, and lung—pediatric renal disorders, multiple sclerosis, deafness and other communication disorders, glaucoma, macular degeneration, sickle cell anemia, heart disease, spinal cord injury, Sudden Infant Death Syndrome, arthritis, schizophrenia and other mental disorders, polycystic kidney disease, hepatitis, Cooley's Anemia, primary immune deficiency disorders, stroke, and obesity.

But I would supplement this list for the RECORD, Mr. President. When those disorders and diseases are articulated, they cover some 128 million Americans. This increase in funding is necessary if the NIH is to proceed with very important research.

For example, the NIH cannot initiate the necessary clinical trials to test four new drugs for the treatment of Parkinson's disease. The experts have testified we are within 5 years of a cure on Parkinson's.

Without this kind of funding, there is no clinical trial for a promising new drug treatment for amyotrophic lateral sclerosis, and the NIH must postpone the production and clinical testing of four potential pandemic influenza vaccines for a year or more. And we know the tremendous impact on the influenza problem.

Without this funding, the NIH cannot launch a clinical trials network to test new therapies for age-related macular degeneration, nor can NIH launch an initiative to identify and test approaches to reducing cardiovascular disease that are specific to American Indian and Alaska Native populations.

Without this funding, NIH cannot use its clinical trial networks to launch trials on the consequences of the use of more than one psychiatric medication by the severely mentally ill.

I have a long additional list. I see the impatience of the chairman of the Budget Committee, and I share his impatience. I understand the hour, so I ask unanimous consent that the full next of the test trials which cannot be undertaken by the NIH be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

10 EXAMPLES OF NIH RESEARCH THAT CAN NOT BE FUNDED UNDER THIS BUDGET RESOLUTION

(1) The NIH cannot initiate the large clinical trials necessary to test 4 new drugs for the treatment of Parkinson's disease.

(2) The NIH cannot conduct a clinical trial of a promising new drug for the treatment of ALS (Lou Gehrig's Disease).

(3) The NIH must postpone the production and clinical testing of 4 potential pandemic influenza vaccines by one year or more.

(4) The NIH cannot launch a clinical trials network to test new therapies for age-related macular degeneration, which is the leading cause of vision loss among Americans over 65.

(5) The NIH cannot launch an initiative to identify and test approaches to reducing cardiovascular disease that are specific to American Indian and Alaska Native populations.

(6) The NIH cannot use its clinical trial networks to launch trials on the consequences of the use of more than one psychiatric medication by the severely mentally ill.

(7) The NIH cannot support research to rapidly develop computer-assisted, image-guided microsurgery, which could replace traditional surgery.

(8) The NIH cannot test milk thistle, a promising dietary supplement, for the treatment of liver diseases.

(9) The NIH cannot launch chemical counterterrorism research to combat nerve agents.

(10) The NIH cannot proceed with a project to identify at birth hundreds of single gene defects associated with mental retardation, and other fatal or disabling conditions.

Mr. SPECTER. Mr. President, in conclusion—the two most popular words of any speech—in a budget of $2.4 trillion, funding of $30 billion is not too much on this major problem.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I compliment my colleague from Pennsylvania. He is persistent, to say the least, on this subject.

The night is late. I see my colleague, the Senator from New Mexico, wishes to speak. I will yield my colleague 1 minute—2 minutes?

Mr. DOMENICI. Well, I say to the Senator, while he has been waiting however long he has been——

Mr. NICKLES. Would the Senator like 2 minutes?

Mr. DOMENICI. Maybe 3. I probably won't use it.

Mr. NICKLES. Mr. President, I yield my colleague from New Mexico 3 minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Fellow Senators, I normally get up to argue a case when I think I can win. And sometimes—not too often—I get up to argue a case on the floor of the Senate because I think the case deserves my argument, even if I do not think I am going to win. And who in the world would think any Senator could deny this money to the National Institutes of Health? You surely would have to be a bigger Senator than from New Mexico to argue this kind of case and win.

I want to tell you something: You have heard about people in the Federal Government who want more and more and more for their agencies. We have nicknames for them. You have some; I have some. I hate to say it. The NIH is one of the best agencies in the world, but they have turned into pigs, pigs. They can't keep their "oinks" closed. They send a Senator down here to argue as if they are broke.

Will you listen to what has happened to NIH in 5 years and you tell me that they should get this much money? And while you are doing that, ask about the rest of the sciences. Is America going to survive on NIH alone? When will we run out of physicists? When will we run out of scientists? Do you know what? We already are. We are importing them from all over the world.

You go ask NIH what they need most and they will say: We need scientists to come and join us.

And what do we do? I will tell you. The lead agency for America, supposedly, that invests in nonmedical, non-NIH research, is the NSF. Do you want to know how much they get? The NSF gets $3.6 billion a year for basic research. How does that strike you? Well, maybe that wouldn't strike you at all unless you knew how much NIH got. NIH, this year, with the increase they are going to get, will be $28.7 billion without this amendment. NIH has spent $145 billion over the last 7 years. And guess what that is. That is a 109-percent increase in a period of 7 years. Do you have it?

They wrote these little brochures, and they ought to be embarrassed. They came to my office and I told them: You are lucky you have old Bob Michel along with you because, as far as you doctors are concerned, I would kick you out of here so fast you couldn't find the door. But I will let Bob stay here for a minute and argue. They got these kind of reports saying: Well, we are so sorry the President has let us down this year.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I ask for an additional minute.

Mr. NICKLES. I yield the Senator 1 minute.

Mr. DOMENICI. He has only given us inflation. After all these years, he only gave us inflation this year. And they almost sound as if he is against them, the President who has funded them more than any President in history. Then we come down to the floor underfunding the National Science Foundation, underfunding research that is going to take place at NASA, underfunding science at DOE. It is never enough. Come to the floor with another amendment saying: This isn't enough. Our "oink" somehow is not full, and come down here and say: We can't do this; we can't do that.

Of course, when you are a big science institute, you can invent something every day that you ought to do. I tell you, a 109-percent increase in 7 years is enough. If I had a little time, they wouldn't get it because I tell you, I would substitute for these other impoverished programs and make you choose. I would make you say you don't want to put any money in NSF. You want to put some more in this one. But I can't do that on this bill. I will get it done one of these days. We are going to have a choice of keeping on funding this place or funding some other science in America before we have none left.

I am sorry I took your time.

Mr. SPECTER. Mr. President, 1 minute in reply?

Mr. NICKLES. Mr. President, how much time do I have remaining? I don't have the additional time to yield, I tell my colleague?

Mr. SPECTER. Thirty seconds in reply?

The PRESIDING OFFICER. The sponsor of the amendment has time as well as the manager.

Mr. NICKLES. I yield my colleague from Pennsylvania 30 seconds.

Mr. SPECTER. The NIH did not send this Senator anywhere. My views arrive from my own research. When I hear the Senator from New Mexico disagreeing with the research, I think about how many times he has come to me and I have helped him on funding for mental health. That is a very vital part of what NIH is doing, a matter of great importance to the Senator from New Mexico, just as so many of these maladies are important to every Senator in this Chamber.

Mr. SARBANES. Mr. President, I say to the Senator from Pennsylvania, he is the sponsor of the amendment. He has an hour's time on his amendment.

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I am sorry if I inferred that somebody sent you here. I don't mean that. I can only tell you what they told me. They told me yesterday that you would be here because they asked you. That is all I have to say.

I yield the floor.

The PRESIDING OFFICER. If all time is yielded back on the amendment, the question is on agreeing to amendment No. 2741, as modified.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 72, nays 24, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—72

Akaka
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Chafee
Chambliss
Clinton
Cochran
Coleman
Collins
Conrad
Cornyn
Corzine
Daschle
Dayton
DeWine
Dodd
Dole
Dorgan
Durbin
Ensign
Feingold
Feinstein
Fitzgerald
Graham (FL)
Grassley
Gregg
Harkin
Hatch
Hollings
Hutchison
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Pryor
Reed
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Shelby
Smith
Snowe
Specter
Stabenow
Stevens
Talent
Warner
Wyden

NAYS—24

Alexander
Allard
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Craig
Crapo
Domenici
Enzi

Frist
Graham (SC)
Hagel
Inhofe
Kyl
McCain
McConnell
Nickles
Sessions
Sununu
Thomas
Voinovich

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The amendment (No. 2741) was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we are making progress. I hope our colleagues will continue to be patient. I know the hour is late. Again, I thank my colleague from North Dakota. He has been very helpful.

We have had some success with Senator LUGAR and Senator DURBIN. They have been able to combine their amendments. I thank both for their cooperation.

AMENDMENT NO. 2845

Mr. NICKLES. I send the Lugar-Durbin amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself, Mrs. FEINSTEIN, Mr. DURBIN, Mr. DEWINE, Mr. HAGEL, Mrs. MURRAY, Mr. CHAFEE, Mr. JEFFORDS, Mr. LAUTENBERG, Ms. CANTWELL, Mr. SMITH, Mr. SANTORUM, Mr. MCCAIN, Mr. BIDEN, Mr. SUNUNU, and Mr. LEVIN, proposes an amendment numbered 2845.

Mr. NICKLES. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 21, increase the amount by $1,400,000,000.

On page 8, line 22, increase the amount by $153,000,000.

On page 8, line 25, increase the amount by $97,000,000.

On page 9, line 1, increase the amount by $621,000,000.

On page 9, line 4, increase the amount by $98,000,000.

On page 9, line 5, increase the amount by $359,000,000.

On page 9, line 8, increase the amount by $98,000,000.

On page 9, line 9, increase the amount by $237,000,000.

On page 9, line 12, increase the amount by $98,000,000.

On page 9, line 13, increase the amount by $154,000,000.

On page 23, line 5, decrease the amount by $1,400,000,000.

On page 23, line 6, decrease the amount by $153,000,000.

On page 23, line 9, decrease the amount by $97,000,000.

On page 23, line 10, decrease the amount by $621,000,000.

On page 23, line 13, decrease the amount by $98,000,000.

On page 23, line 14, decrease the amount by $359,000,000.

On page 23, line 27, decrease the amount by $98,000,000.

On page 23, line 18, decrease the amount by $237,000,000.

On page 23, line 21, decrease the amount by $98,000,000.

On page 23, line 22, decrease the amount by $154,000,000.

Mrs. FEINSTEIN. Mr. President, I rise today to express my support for the amendment offered by Senator LUGAR and myself to restore the International Affairs function 150 account to the President's requested funding level and add additional resources to the fight against global HIV/AIDS.

Now is not the time to take a step backwards in our commitment to ensuring that the international affairs budget remains a vital tool of American foreign policy in the fight against terror and global poverty.

Our amendment adds $1.4 billion in funding for the international affairs budget to exceed the President's request of $31.5 billion for fiscal year 2005 by $300 million. Last year, the Senate accepted a Lugar-Feinstein amendment that restored $1.15 billion to the fiscal year 2004 international budget.

As I stated last year, I strongly believe the United States should devote additional resources to the international affairs budget above this amendment. Nevertheless, in this difficult fiscal environment, I fully understand that this amendment is the best opportunity to maintain the momentum of increasing the international affairs budget and demonstrating the importance of our foreign aid programs.

I also understand that the offset used in this amendment—the function 920 account—is not ideal, but the Lugar/Feinstein amendment is the best vehicle we have at this time to restore the President's request, provide additional assistance to the fight against global HIV/AIDS and help the United States sustain a leadership role in bringing hope to the developing world and fighting global terror.

The statistics about our international affairs budget are well known to some of my colleagues but they are worth repeating to underscore the importance of acting now to provide additional funds. The United States spends approximately one percent of our budget on foreign aid, barely one-tenth of one percent of GDP.

According to the Organization for Economic Cooperation and Development, the United States in recent years ranks next to last among 21 industrialized donor countries in per capita foreign assistance.

We can do better and I am pleased that over the past few years the administration, Congress, and the American people have come together to push for greater commitments to our international affairs budget.

In the simplest terms, foreign aid programs provide assistance to those in need. They help countries combat diseases such as HIV/AIDS, build schools to fight illiteracy, train doctors to provide care for mothers and their newborn children, and help indigenous peoples prevent environmental degradation.

In addition, foreign aid programs protect our embassies and foreign service personnel, built export markets for our goods and services, and spread America's message of freedom and democracy around the world.

In the post September 11 world, however, the international affairs budget has taken on an increased significance. It has become increasingly clear that we cannot rely on our military might alone to protect our citizens and advance the U.S. foreign policy agenda. As Richard Sokolsky and Joseph McMillan of the National Defense University have written:

> The events of September 11th have a direct impact on American national security . . . A robust and focused foreign assistance program is one of the weapons we must have to prevail.

Our troops have performed magnificently in overthrowing Saddam Hussein in Iraq and the Taliban in Afghanistan while combating al-Qaeda around the globe. Nevertheless, the costs in terms of lives and resources have been substantial and we can expect additional costs for many years to come.

Increasing the foreign aid budget allows us to attack the conditions that foster terror and autocratic governments—poverty, illness, disease, illiteracy—at a far lower cost and with less bloodshed than military interventions in the future. We should not wait until a nation hits rock bottom to build schools, open hospitals, and provide food to those in the developing world who so desperately need it.

As Secretary of State Colin Powell has stated:

> We have to make sure that, as we fight terrorism using military means and legal means and law enforcement and intelligence means and going after the financial infrastructure of terrorist organizations, we also have to put hope back in the hearts of people.

By acting sooner rather than later, we not only have a better opportunity to promote stability, economic prosperity, and vibrant democratic institutions, but we also protect our own national interests and the lives of all Americans.

Sometimes our values and intentions are misconstrued and misrepresented around the world. I am increasingly concerned about the negative perceptions of the United States and Americans that abound in the Middle East and other parts of the developing world.

We are a generous people and foreign aid represents the best of our values and demonstrates our commitment to seeing other peoples rise from the ashes of poverty. When we succeed in this endeavor, we change hearts and minds and protect our own. I urge my colleagues to support this bipartisan amendment.

Mr. LUGAR. Mr. President, I rise today to offer an amendment to the 2005 budget resolution. The Budget Committee has presented the Senate with a product of intense labor. Its members are determined to produce a budget resolution in a timely manner, and I have confidence that we will get this job done. I applaud the chairman of the committee, Senator NICKLES, for his leadership and the way he has moved this process forward.

My amendment would increase funding for the foreign affairs account by $1.1 billion, an amount that would bring the budget resolution up to President Bush's request for this purpose. In cooperation with Senator DURBIN and others, my amendment has been modified to reflect an additional $300 million to address the global AIDS epidemic. The amendment would be offset by Section 920 Allowances.

Much of our discussion in this budget will focus on taxes, health care, education, and Social Security. These issues will be fought out in the context of highly partisan perspectives. But even as we maneuver for advantage in these areas, we must recognize that international threats, particularly the threat of catastrophic terrorism, puts all these domestic objectives at risk. The threat of catastrophic terrorism now exists as an overarching negative condition on investor confidence, insurance cost and availability, trade flows, energy supplies, budget flexibility, the amount of national assets devoted to increasing productivity, and many other factors that are crucial to our economy.

Our future economic prospects rest squarely on our Government's ability to defeat terrorism and to secure weapons and materials of mass destruction to a degree that encourages investment, improves public confidence, and protects the economy against severe economic shocks. If the United States fails to organize and stabilize the world, our economy will never reach its potential.

The bottom line is this: for the foreseeable future, the United States and its allies will face an existential threat from the intersection of terrorism and weapons of mass destruction. This is the domestic issue of our time, because virtually any large-scale idea to improve life in America will be circumscribed by the economic limitations imposed by this threat.

In the 30 months since the September 11 attacks, the United States has refined its military capabilities, created a Department of Homeland Security, improved airport and seaport security, and scrutinized the efficiency of our intelligence services. We have carried the fight against terrorism to Afghanistan and Iraq.

But to win the war against terrorism, the United States must assign U.S. economic and diplomatic capabilities the same strategic priority that we assign to military capabilities.

Today we are experiencing a confluence of foreign policy crises that is unparalleled in the post-Cold War era. Our Nation has experienced the September 11 tragedy; we have gone to war in Afghanistan and Iraq; we have been confronted by a nuclear crisis in North Korea; and we have undertaken a worldwide diplomatic offensive to secure allies in the broader war on terror. We have experienced strains in the Atlantic Alliance, even as we have expanded it. We are still searching for a peace settlement in the Middle East. We are trying to respond to the AIDS pandemic in Africa and elsewhere. In our own hemisphere, we have experienced a crisis in Haiti that requires immediate attention. We are assisting a war against drugs and terrorism in Colombia, and we have a challenge to democracy in Venezuela. Mexico, Brazil and other nations are becoming increasingly important to our economy.

The ability of our military has not been in doubt. What has been in doubt are factors related to our diplomatic strength and our standing in the world. Can we get the cooperation of the U.N. Security Council? Can we secure the necessary basing and overflight rights? Can we limit anti-American reactions to war in the Arab world? Can we secure allied participation in the work of reconstructing Iraq? Can we prevent poverty and disease from destabilizing countries throughout the developing world? The answers of these questions have depended largely on the diplomatic work done by the State Department. The answers will depend in the future on the work funded by the very budget that we discuss today.

Under President Bush and Secretary of State Powell, foreign affairs spending has received important increases since September 11, 2001. But we dug a very deep hole for ourselves during the mid- and late-1990s, when complacency about the role of our diplomats led foreign affairs spending to be greatly devalued. This year, the Budget Committee listened to our arguments sympathetically and provided what it believed it could, given difficult budgetary constraints. But I believe restoring full funding of the President's 150 Account request is the appropriate step at this point in the process.

Last week the Foreign Relations Committee passed our State Department and Foreign Assistance Authorization bills by a unanimous vote. These bills were constructed through bipartisan work, and they reflect priorities valued by many of our Members. We stayed within the limits of the President's budget request. We believe that the President's full budget request for the 150 Account is necessary to fund critical priorities, including embassy security, non-proliferation efforts, child survival and health, and programs that fight the spread of AIDS.

I concluded by saying that Americans demand that U.S. military capabilities be unrivaled in the world. Should not our diplomatic strength meet the same test? Relative to our international needs and the risks that we are facing, this amendment is modest. If a greater commitment of resources can prevent the bombing of one of our embassies, or the proliferation of a nuclear weapons, or the spiral into chaos of a vulnerable nation wracked by disease and hunger, the investment will have yielded dividends far beyond its cost.

I thank the co-sponsors of this amendment: Senators FEINSTEIN, DURBIN, DEWINE, HAGEL, MURRAY, JEFFORDS, CHAFEE, CANTWELL, SMITH, LAUTENBERG, SANTORUM, MCCAIN, BIDEN, SUNUNU, and LEVIN. Senator FEINSTEIN, the lead co-sponsor of my amendment, has been a champion of the 150 Account and has worked closely with me during the budget process, both last year and this year. I also want to specifically thank Senator DEWINE, who had two amendments to increase the 150 Account that were focused on Haiti and child survival and health programs. He has co-sponsored this amendment as a way to make additional funds available for these purposes. These are extremely important priorities, and both have been a big part of our discussions in the Foreign Relations Committee.

I thank the Budget Committee and Chairman NICKLES for their help and counsel.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank Senator LUGAR and Senator DURBIN for working together to clear this amendment so we could get this accomplished without a rollcall vote. We appreciate that very much.

I yield 1 minute to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank Senator LUGAR, as well as Senator NICKLES and Senator CONRAD. What we achieved with the Lugar-Durbin amendment is this: We will increase the funding to fight global AIDS by almost $500 million. We are still short of what we need to meet our promised goals when the President made a historic commitment for the United States to deal with this war on AIDS. But we are moving closer.

The bipartisan cooperation this evening with Senator LUGAR has allowed us to move closer to that moment, and it is equally good news for Members gathered here. It eliminates a need for me calling up my amendment and a vote.

I ask unanimous consent that the following Senators be added as cosponsors of Senator LUGAR's amendment. These were sponsors of my amendment. Senators BINGAMAN, LAUTENBERG, SCHUMER, STABENOW, CLINTON, FEINSTEIN, KERRY, KOHL, LEVIN, and MURRAY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is all time yielded back? If so, the question is on agreeing to amendment No. 2845.

The amendment (No. 2845) was agreed to.

Mr. NICKLES. Mr. President, I thank all of our colleagues for their cooperation on eliminating two amendments.

Mr. President, I call upon the Senator from Alaska who has an amendment.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 2846

Ms. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from Alaska [Ms. MURKOWSKI], for herself, Mr. SPECTER, Mr. BOND, Mr. ENSIGN, Mr. DEWINE, Mr. CORNYN, Mr. CAMPBELL, Mr. GRAHAM, Mr. ALLEN, Mr. STEVENS, and Ms. MIKULSKI, proposes an amendment numbered 2846.

Ms. MURKOWSKI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To increase Veterans Medical Care by $1,200,000,000)

On page 19, line 21, increase the amount by $1,200,000,000.

On page 19, line 22, increase the amount by $1,080,000,000.

On page 20, line 1, increase the amount by $108,000,000.

On page 20, line 5, increase the amount by $5,000,000.

On page 20, line 9, increase the amount by $1,000,000.

On page 23, line 5, decrease the amount by $1,200,000,000.

On page 23, line 6, decrease the amount by $1,080,000,000.

On page 23, line 10, decrease the amount by $108,000,000.

On page 23, line 14, decrease the amount by $5,000,000.

On page 23, line 18, decrease the amount by $1,000,000.

Ms. MURKOWSKI. Mr. President, on behalf of myself, Senators SPECTER, BOND, STEVENS, DEWINE, CORNYN, CAMPBELL, GRAHAM, ALLEN, ENSIGN, and MIKULSKI, I propose the following.

Many of us have had the opportunity this week to be visited by veterans from our respective States, folks who are in town for their annual convention and meetings. I am pleased to offer an amendment that will boost the spending for our veterans health care. This would be an increase in veterans health care by $1.2 billion in fiscal year 2005.

This is a relatively straightforward amendment. The funds will come from function 920 and offset the spending increase. The budget, as it currently stands, provides $70.4 billion for fiscal year 2005 veterans programs. So this would be an increase of $9 billion or 15 percent from the current fiscal year.

We need to look at what our veterans have given to this Nation and think about what we should do as we help them. When we look at this amendment, we help eliminate the wait list for veterans in need of medical care, hopefully shorten the time it will take to process a veteran's disability claim and to process our veterans' benefits in a timely manner.

I urge my colleagues to support this amendment.

Mr. NICKLES. Mr. President, I thank Senator MURKOWSKI and also Senator MIKULSKI for their leadership in putting this amendment together. I urge its adoption.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we need to be clear with our colleagues, there is no new money. This is rearranging debt. To the extent that means it is not terribly real, that is the reality. I thank my colleagues.

Mr. SPECTER. Mr. President, I am pleased to comment briefly at this time to express my support and cosponsorship, as Chairman of the Senate Committee on Veterans' Affairs, of the amendment that has been offered by the Senator from Alaska, Ms. MURKOWSKI, pertaining to veterans' medical care funding.

Senator MURKOWSKI's amendment would increase funding for most critical discretionary account of the Department of Veterans Affairs, VA, VA medical care account, by $1.2 billion. According to materials distributed by the Budget Committee, the resolution reported out by the Budget Committee had already proposed to increase such funding by $1.4 billion. Thus, approval of the Murkowski amendment will up VA medical care spending, relative to the Congressional Budget Office-computed baseline, by $2.6 billion. This number compares quite favorably to the medical care appropriations "plus up" of $2.1 billion that the Ranking Member of the Veterans' Affairs Committee, Senator BOB GRAHAM, and I indicated was necessary in the "views and estimates letter" that we provided to the Budget Committee on March 4, 2004. It also compares quite favorably to the two record-breaking increases of $2.4 billion and $2.9 billion that have been provided by Congress in the past 2 fiscal years for the VA medical care account. Clearly, this Congress—and this President—are fulfilling the commitment that we, as a nation, owe to those who have served.

I urge all of my colleagues to support this amendment. It is good for veterans, and it is good for the Nation.

The PRESIDING OFFICER. Time is yielded back. The question is on agreeing to amendment No. 2846.

Without objection, the amendment is agreed to.

The amendment (No. 2846) was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENTS NOS. 2847 AND 2848, EN BLOC

Mr. NICKLES. Mr. President, I have two amendments that have been agreed upon by both sides of the aisle. One is an amendment by Senator GRASSLEY, and an amendment by Senator BYRD and Senator COCHRAN. I ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes amendments numbered 2847 and 2848, en bloc.

Mr. NICKLES. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2847

(Purpose: To express the sense of the Senate regarding compensation for exposure to toxic substances at Department of Energy facilities)

On page 54, after line 22, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING COMPENSATION FOR EXPOSURE TO TOXIC SUBSTANCES AT THE DEPARTMENT OF ENERGY.

(a) FINDINGS.—The Senate finds the following:

(1) The Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7384 et seq.) (referred to in this section as the "EEOICPA") is intended to ensure the timely payment of uniform and adequate compensation to covered employees suffering from occupational illnesses incurred during their work for the Department of Energy.

(2) The Department of Labor is responsible for implementing the provisions under subtitle B of the EEOICPA, relating to claims for radiation related cancers, beryllium disease, and silicosis. The Department of Labor has, within its area of responsibility, processed over 95 percent of the 52,000 claims it has received, and is processing these claims in an average of 73 days.

(3) As of the date of enactment of this resolution, the Department of Health and Human Services has not promulgated the regulations required under section 3626 of the EEOICPA for allowing claimants to petition to be members of the Special Exposure Cohort. Special Exposure Cohorts provide a presumption in favor of the claimant for radiation related cancers if—

(A) it is not feasible to estimate radiation dose with sufficient accuracy; and

(B) there is a reasonable likelihood that the health of the class of workers may have been endangered.

(4) The Department of Energy, which is responsible for implementing subtitle D of the EEOICPA, relating to occupational illness caused by exposure to toxic substances at Department of Energy facilities, finalized its

regulations on August 14, 2002. The Department of Energy has processed 1 percent of the 22,000 claims received through the Department of Energy physicians panels since its regulations were made final.

(5) The Department of Energy has no willing payor for up to 50 percent of the claims that its physicians panels determine to be related to exposure to a toxic substance at the Department of Energy. As a consequence, many claimants with a positive determination from the physicians panel will be denied benefits. Many States, including Alaska, Colorado, Iowa, Kentucky, Missouri, Ohio, New Mexico, Idaho, and Nevada, may not have a willing payor.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) claims for occupational illness, which are determined to be caused by exposure to toxic substances at Department of Energy facilities under subtitle D of the EEOICPA, should be promptly, equitably, and efficiently compensated;

(2) administrative and technical changes should be made to the EEOICPA to—

(A) improve claims processing and review by physicians panels to ensure cost-effective and efficient consideration and determination of workers' claims;

(B) provide for membership in additional special exposure cohorts; and

(C) address eligibility issues at facilities with residual radiation; and

(3) the President and Congress should work together at the earliest opportunity to develop a plan that effectively resolves the issue of a lack of a willing payor for many claims that are determined under subtitle D of the EEOICPA to be related to exposure to a toxic substance at Department of Energy facilities.

AMENDMENT NO. 2848

(Purpose: To correct the scoring for Project Bioshield)

On page 43, strike lines 11 through 20, and insert the following:

(b) FUNDING FOR BIOSHIELD.—The chairman of the Committee on Budget of the Senate shall revise the aggregates, functional totals, and allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by $2,528,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in fiscal year 2005 and subsequent years for Project Bioshield, for a bill, joint resolution, amendment, or conference report that makes appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2005.

Mr. BYRD. Mr. President, this budget resolution contains a back-door cut that could result in an 8 percent cut in the budget for the Department of Homeland Security. In addition, the resolution contains a provision that will undermine the Pell Grant higher education program. This amendment, which is cosponsored by the chairmen and ranking members of the Homeland Security and Labor/HHS/Education Subcommittees, addresses these issues.

Project Bioshield is a new program, first requested by the President in February of 2003, that will expand the Federal Government's preparedness for a bioterrorist attack by making it easier to purchase the most effective pharmaceuticals and vaccines.

The fiscal year 2004 budget resolution, the discretionary limit for fiscal year 2005 was set at $814 billion. Above and beyond the $814 billion limit, the resolution assumed $5.6 billion for Project Bioshield as mandatory spending for legislation considered in the Senate. In the House, the budget resolution assumed that funding for bioshield would be discretionary.

To help resolve the difference between the House and the Senate, the President submitted a formal budget request on September 12, 2003 for $5.6 billion of advanced appropriations as discretionary spending in the fiscal year 2004 Homeland Security Appropriations Act. Congress approved the request and the President signed the first Homeland Security Appropriations Act into law.

Six months later, Chairman NICKLES has decided to disregard that agreement. His budget resolution now assumes that the $2.5 billion of Project Bioshield funding that is available for the next 4 years will all count against the $814 billion limit for fiscal year 2005, forcing the Appropriations Committee to absorb the cost.

What this means is less funding for first responder grants, less funding of the Coast Guard, less funding for border security, less money for FEMA to respond to disasters and less money to implement our immigration laws. This is unacceptable. My amendment will restore the Project Bioshield scoring treatment that was requested by the President and approved by the Senate last September and strike the language in the resolution concerning Pell Grants.

I urge adoption of the amendment.

Mr. COCHRAN. Mr. President, this amendment would strike section 404 from the budget resolution, and provide for the release of the reserve funds originally intended for Bioshield in addition to appropriations provided for the Department of Homeland Security for fiscal year 2005.

The fiscal year 2004 budget resolution established a $5.593 billion "reserve" for Project Bioshield, outside the fiscal years 2004 and 2005 discretionary caps.

This fiscal year 2005 budget resolution, as reported, assumes that the $2.5 billion advance appropriations for Project Bioshield will now be scored against the fiscal year 2005 cap.

At the same time, it imposes in section 404(b) a new procedural barrier to prohibit the Senate Appropriations Committee from getting credit for reducing Bioshield funds to live within the cap.

The effect is that the Senate Appropriations Committee, unlike the House, will have to find an additional $2.5 billion in spending reductions. This will likely have an adverse impact on ongoing programs, including essential homeland security activities.

Advance appropriations were provided to ensure that a stable source of funding would be available for this initiative.

No new scorekeeping precedent needs to be established to protect this program.

I urge my colleagues to support this amendment.

Mr. NICKLES. Mr. President, one of these is an amendment Senator BYRD alluded to yesterday. Of these amendments was one Senator BYRD had mentioned that Senator CONRAD had on his list. It is an amendment that is very complicated, and I will work with Senator BYRD and also Senator COCHRAN who raised it, and Senator JUDD GREGG, all who are involved in bioshield and how it was scored. We will try to score it correctly, and we will work with our colleagues in a manner to do that. We are happy to accept that amendment. The second amendment is an amendment by Senator GRASSLEY.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, this is a very complex scoring issue. It may take some work after it leaves the Chamber tonight to get this right. We very much appreciate the fact that all the parties have worked together to avoid a rollcall vote.

The PRESIDING OFFICER. Time is yielded back. Without objection, the amendments are agreed to, en bloc.

The amendments (Nos. 2847 and 2848) were agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I want to thank our colleagues. We are making progress. I especially want to thank Senator ENSIGN who just withdrew his amendment on firewall. I am sure that will save us a substantial amount of time.

On our side I believe we have amendments still pending. It would be the Kyl amendment and, I am hopeful, final passage.

If Senator CONRAD would look at this, I believe we have both agreed to clear an amendment of Senator SPECTER and Senator HARKIN.

For the information of our colleagues, we are down to maybe two amendments on our side.

I see Senator LAUTENBERG is standing up.

Mr. LAUTENBERG. I am.

Mr. NICKLES. Does Senator CONRAD want to go with Senator LAUTENBERG's amendment?

Mr. CONRAD. Mr. Chairman, I think it would be useful to do that. This has a bit of a complexity.

Mr. NICKLES. This is late at night, and I urge our colleagues to confine their statements to 1 minute each. As a matter of fact, I ask unanimous consent that statements made on behalf of and in opposition to any remaining amendments be limited to 1 minute each.

Mr. DURBIN. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. NICKLES. Mr. President, I call upon our colleague and friend from New Jersey to offer an amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 2797

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 2797.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, strike lines 4 through 8.

Mr. LAUTENBERG. Mr. President, this amendment is designed to make clear to the American people what it is we do here tonight. It is far from certain all the Members of the Senate are totally familiar with everything that is enmeshed in the arcane language and complicated processes in this budget resolution.

Our amendment says as we see deficits hemorrhaging and the debt limit stretched to $7.4 trillion, we want to be certain it is known this budget bill carries hidden in its mystical language an increase of $664 billion with instruction to the Senate and the House to go up to a total of $8 trillion on the debt limit; therefore, virtually automatically permitting more borrowing to take place without review and direct approval.

Can my colleagues imagine how the American people will feel if tonight we add $2,400 worth of debt to each and every one of them and give them in exchange an average of $200 in tax relief? Imagine, $2,400 worth of debt and $200 worth of cash. It makes Shylock look like an amateur.

I urge my colleagues to support this amendment so we can defer any attempt to increase our debt limit unless it is clear to all what we are going to do by taking our debt limit through the roof. I hope we can get support for this so we can have an intelligent debate specifically on the debt limit at a later time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I hope we do not need reconciliation to pass a debt limit. I do know it is important to pass a debt limit. This is a political season. Maybe people want to play games with it and offer unlimited amendments. I do not know that we would do that. We did not do that last year. We actually passed the debt limit in 1 day, I believe. I hope we can do it in 1 day and I hope we can do it outside of reconciliation. We should be able to do it. This gives us at least some additional protection to make sure the full faith and credit of the United States is adhered to, that we pay our bills on time.

I urge our colleagues to vote no on the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to amendment No. 2797.

The clerk will call the roll.

The assistant journal clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 54, as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—42

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—54

Alexander
Allard
Allen
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The amendment (No. 2797) was rejected.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, for the information of our colleagues, we are getting closer.

Mr. BOND. I hope not further away.

Mr. NICKLES. A couple of more days and we can finish this.

Mr. BOND. Right.

AMENDMENTS NOS. 2850, 2697, AND 2715, EN BLOC

Mr. NICKLES. Mr. President, we have three amendments that Senator CONRAD and I have agreed to. I send them to the desk and ask for their immediate consideration: An amendment by Senator BROWNBACK and two amendments, one by Senator DEWINE and Senator LEAHY and one by Senator NELSON of Florida and Senator COLEMAN.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes amendments Nos. 2850, 2697, and 2715, en bloc.

Mr. CONRAD. I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2850

(Purpose: To increase budget authority and outlays in Function 450 (Community and Regional Development) and Function 500 (Education, Training, Employment, and Social Security) to establish a New Homestead Venture Capital Fund to make equity and near equity investments in start-up and expanding businesses located in high out-migration rural counties and to repay up to 50 percent of college loans (up to $10,000) for recent graduates who live and work in such counties for five years, respectively; and to express the sense of the Senate that any revenue measure passed by Congress in the future should include tax incentives designed to address the devastating problem of chronic out-migration from rural communities in America's Heartland and that those tax incentives should be fully offset)

On page 14, line 19, increase the amount by $260,000,000.

On page 14, line 20, increase the amount by $18,000,000.

On page 14, line 23, increase the amount by $260,000,000.

On page 14, line 24, increase the amount by $226,000,000.

On page 15, line 2, increase the amount by $260,000,000.

On page 15, line 3, increase the amount by $260,000,000.

On page 15, line 6, increase the amount by $260,000,000.

On page 15, line 7, increase the amount by $260,000,000.

On page 15, line 10, increase the amount by $260,000,000.

On page 15, line 11, increase the amount by $260,000,000.

On page 15, line 16, increase the amount by $660,000,000.

On page 15, line 17, increase the amount by $561,000,000.

On page 15, line 20, increase the amount by $60,000,000.

On page 15, line 21, increase the amount by $150,000,000.

On page 15, line 24, increase the amount by $60,000,000.

On page 15, line 25, increase the amount by $60,000,000.

On page 16, line 3, increase the amount by $60,000,000.

On page 16, line 4, increase the amount by $60,000,000.

On page 16, line 7, increase the amount by $60,000,000.

On page 16, line 8, increase the amount by $60,000,000.

On page 23, line 5, decrease the amount by $920,000,000.

On page 23, line 6, decrease the amount by $579,000,000.

On page 23, line 9, decrease the amount by $320,000,000.

On page 23, line 10, decrease the amount by $376,000,000.

On page 23, line 13, decrease the amount by $320,000,000.

On page 23, line 14, decrease the amount by $320,000,000.

On page 23, line 17, decrease the amount by $320,000,000.

On page 23, line 18, decrease the amount by $320,000,000.

On page 23, line 21, decrease the amount by $320,000,000.

On page 23, line 22, decrease the amount by $320,000,000.

On page 54, after line 22, insert the following:

SEC. ____. SENSE OF THE SENATE REGARDING TAX INCENTIVES FOR CERTAIN RURAL COMMUNITIES.

It is the sense of the Senate that if tax relief measures are passed in accordance with the assumptions in this resolution in this session of Congress, such legislation should include—

(1) tax and other financial incentives, similar to those included in the New Homestead Act (S. 602), to help rural communities fight the economic decimation caused by chronic out-migration by giving such communities the tools they need to attract individuals to live and work, or to start and grow a business, in such rural areas, and

(2) revenue provisions which fully offset the cost of such tax and other financial incentives.

AMENDMENT NO. 2697

(Purpose: To increase the new budget authority in the International Affairs function by $330,000,000 for fiscal year 2005 to provide adequate funding for the Child Survival and Health Program, with a corresponding offset in function 920)

On page 8, line 21, strike "$30,140,000,000" and insert "$30,470,000,000".

On page 23, line 5, strike "−$100,000,000" and insert "−$430,000,000".

AMENDMENT 2715

(Purpose: To increase funding to facilitate reconstruction in Haiti)

On page 8, line 21, increase the amount by $100,000,000.

On page 8, line 22, increase the amount by $100,000,000.

On page 8, line 25, increase the amount by $100,000,000.

On page 9, line 1, increase the amount by $100,000,000.

On page 9, line 4, increase the amount by $100,000,000.

On page 9, line 5, increase the amount by $100,000,000.

On page 9, line 8, increase the amount by $100,000,000.

On page 9, line 9, increase the amount by $100,000,000.

On page 9, line 12, increase the amount by $100,000,000.

On page 9, line 13, increase the amount by $100,000,000.

On page 23, line 5, decrease the amount by $100,000,000.

On page 23, line 6, decrease the amount by $100,000,000.

On page 23, line 9, decrease the amount by $100,000,000.

On page 23, line 10, decrease the amount by $100,000,000.

On page 23, line 13, decrease the amount by $100,000,000.

On page 23, line 14, decrease the amount by $100,000,000.

On page 23, line 17, decrease the amount by $100,000,000.

On page 23, line 18, decrease the amount by $100,000,000.

On page 23, line 21, decrease the amount by $100,000,000.

On page 23, line 22, decrease the amount by $100,000,000.

Mr. DEWINE. Mr. President, I rise today to discuss an amendment I have sponsored, along with Senator NELSON of Florida and Senator COLEMAN of Minnesota, to increase the amount of funding that we can provide to the people of Haiti. It is a commonsense amendment, as it recognizes the reality of the situation in Haiti right now. It recognizes that we have a lot of work ahead of us in Haiti and that it is going to require considerable resources and a long-term commitment. And, it mirrors the suggested $150 million budget benchmark which was included in S. 2144, the Foreign Relations Authorization Act, which was passed out of the Senate Foreign Relations Committee last week.

As many of my colleagues know, over the last 9 years since I have been in the Senate, I have traveled to Haiti 13 or 14 different times. And, if I have learned anything in the course of those trips, it is this: There is no other nation in our hemisphere like Haiti.

Haiti is different. Haiti is unique. No other nation in our hemisphere is as impoverished. Today, at least 80 percent of all Haitians live in dire poverty, with at least 75 to 85 percent underemployed or unemployed. Per capita annual income is less than $400.

No other nation in our hemisphere has a higher rate of HIV/AIDS. Today, AIDS is the number one cause of all adult deaths in Haiti, killing at least 30,000 Haitians annually and orphaning 200,000 children.

No other nation in our hemisphere has a higher infant mortality rate or a lower life expectancy rate.

And no other nation in our hemisphere is as environmentally strapped. Haiti is an ecological disaster, with a 98-percent deforestation rate and extreme topsoil erosion.

Despite its radical differences, Haiti remains in our backyard. It is intrinsically linked to the United States—by history, geography, humanitarian concerns, the illicit drug trade, and the ever-present possibility of waves of incoming refugees. Haiti's problems are our problems, and we are not going to be able to do anything about any of these problems unless Haiti, the United States, and the international community are willing to take several bold, radical steps.

First, the international community must help Haiti restore a democratically elected government—one free of corruption and the influence and involvement of violent, human rights abusing thugs and killers.

Second, we must free Haiti of its $1.17 billion in foreign debt.

Third, we must increase trade and create jobs. Along with Congressman CLAY SHAW, I have written a trade bill—the "Haiti Economic Recovery Opportunity Act," S. 489. If enacted, this legislation will help restore some of those jobs and create new ones.

Fourth, we must help Haiti develop a self-sufficient system of agriculture.

Fifth, we must help Haiti restore the rule of law. The international community needs to resume programs for mentoring magistrate and judges, and the new Haitian Government needs to create a functioning disciplinary body to oversee the entire judiciary.

Sixth, we must help Haiti establish an independent, professional national police force—one capable of quelling the violence of the armed thugs who threaten the streets of Haiti with abandon.

And finally, the international community should immediately restore the direct aid to the government that was suspended under Aristide, so Haiti can rebuild much-needed institutions and infrastructure for the delivery of food, humanitarian aid, and health care.

In 1994, prior to Mr. Aristide's reinstatement of power—during a time of military dictatorship, under Lieutenant General Cedras—our assistance to Haiti was far greater than it is today. Back in 1994, we provided $69.5 million. In fact, our assistance to Haiti reached an all time high in 1995, when it spiked to $235.2 million. The following year, it drastically fell by over half to $104.9 million. Four years later, it fell even more—down to $58.2 million. And today, we are looking at a $54 million budget. It simply isn't enough. That is why our amendment is so important.

Ultimately, the United States can't "fix" Haiti, nor can the international community. But we can improve the situation, and we can help Haiti begin to help itself. But, it is going to take a serious, sustained commitment. Things won't change overnight, and we must remain committed to Haiti for as long as it takes for reforms to take root and for a democratic system of government to emerge. The first step in this process is providing a realistic level of funding for these efforts.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendments (Nos. 2850, 2697, and 2715) were agreed to en bloc.

Mr. NICKLES. Mr. President, our colleague from Minnesota has been very patient, and I appreciate that. I wish to recognize our colleague from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 2786

Mr. DAYTON. Mr. President, this amendment has three parts. First, it increases the Federal funding for special education to the 40-percent share that was promised for the last 27 years. This year the Federal funding for special education is less than half of what was promised 27 years ago. In my State of Minnesota, this broken promise for special education means cuts in Federal programs that occur across all schools for all students, and it also means higher property taxes for the citizens of my State.

I can't believe the other States in this Nation don't encounter the same problems when the Federal Government doesn't fund one of its two most important commitments to education at even half the level it has promised for over a quarter of a century.

The second amendment would reduce the Federal deficit by $1 million a year for each of the next 5 years. To pay for this, I would increase the top tax rate from 35 percent to 38.5 percent. The average income of Americans in that top tax bracket is over $1.1 million. Of course, they don't pay that top rate. Their income from dividends and from capital gains is now taxed at 15 percent. With the lower rates and other loopholes, most of America's multimillionaires and billionaires pay lower tax rates than most middle-class working Americans.

The question is, Whose needs are more important america's schoolchildren who have the greatest needs or America's superrich who have the greatest connections?

The answer is we have seen at least a dozen times tonight that the superrich are the best connected people in America. All of these phantom family farmers and struggling small business owners of companies the size of Lockheed whose incomes exceed over $1.1 million a year, none of whom are located in Minnesota, but they are out there somewhere.

I call up my amendment and will agree once it has been read to accept the decision on a voice vote.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from Minnesota [Mr. DAYTON] proposes an amendment numbered 2786.

Mr. DAYTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide full mandatory funding for the Individuals with Disabilities Educational Act (IDEA)} part B grants over five years by reducing tax breaks for the wealthiest taxpayers)

On page 3, line 9, increase the amount by $11,485,000,000.

On page 3, line 10, increase the amount by $11,136,000,000.

On page 3, line 11, increase the amount by $11,864,000,000.

On page 3, line 12, increase the amount by $12,629,000,000.

On page 3, line 13, increase the amount by $13,415,000,000.

On page 3, line 17, increase the amount by $11,485,000,000.

On page 3, line 18, increase the amount by $11,136,000,000.

On page 3, line 19, increase the amount by $11,864,000,000.

On page 3, line 20, increase the amount by $12,629,000,000.

On page 3, line 21, increase the amount by $13,415,000,000.

On page 4, line 4, increase the amount by $10,485,000,000.

On page 4, line 5, increase the amount by $10,136,000,000.

On page 4, line 6, increase the amount by $10,864,000,000.

On page 4, line 7, increase the amount by $11,629,000,000.

On page 4, line 8, increase the amount by $12,415,000,000.

On page 4, line 12, increase the amount by $210,000,000.

On page 4, line 13, increase the amount by $7,123,000,000.

On page 4, line 14, increase the amount by $10,052,000,000.

On page 4, line 15, increase the amount by $10,653,000,000.

On page 4, line 16, increase the amount by $11,385,000,000.

On page 4, line 20, decrease the amount by $11,275,000,000.

On page 4, line 21, decrease the amount by $4,013,000,000.

On page 4, line 22, decrease the amount by $1,812,000,000.

On page 4, line 23, decrease the amount by $1,976,000,000.

On page 4, line 24, decrease the amount by $2,030,000,000.

On page 5, line 3, decrease the amount by $11,275,000,000.

On page 5, line 4, decrease the amount by $15,288,000,000.

On page 5, line 5, decrease the amount by $17,100,000,000.

On page 5, line 6, decrease the amount by $19,076,000,000.

On page 5, line 7, decrease the amount by $21,106,000,000.

On page 5, line 11, decrease the amount by $11,275,000,000.

On page 5, line 12, decrease the amount by $15,288,000,000.

On page 5, line 13, decrease the amount by $17,100,000,000.

On page 5, line 14, decrease the amount by $19,076,000,000.

On page 5, line 15, decrease the amount by $21,106,000,000.

On page 15, line 16, increase the amount by $10,485,000,000.

On page 15, line 17, increase the amount by $210,000,000.

On page 15, line 20, increase the amount by $10,136,000,000.

On page 15, line 21, increase the amount by $7,123,000,000.

On page 15, line 24, increase the amount by $10,864,000,000.

On page 15, line 25, increase the amount by $10,052,000,000.

On page 16, line 3, increase the amount by $11,629,000,000.

On page 16, line 4, increase the amount by $10,653,000,000.

On page 16, line 7, increase the amount by $12,415,000,000.

On page 16, line 8, increase the amount by $11,385,000,000.

At the end of Section 303, insert the following:

SEC. 304. RESERVE FUND FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

The Chairman of the Committee on the Budget of the Senate shall, in consultation with the Members of the Committee on the Budget and the Chairman and Ranking Member of the appropriate committee, increase the allocations pursuant to section 302(a) of the Congressional Budget Act of 1974 to the Committee on Health, Education, Labor, and Pensions of the Senate by up to $10,485,000,000 in new budget authority and $210,000,000 in outlays for fiscal year 2005, and $55,529,000,000 in new budget authority and $39,423,000,000 in outlays for the total of fiscal years 2005 through 2009, for a bill, amendment, or conference report that would provide increased funding for part B grants, other than section 619, under the Individuals with Disabilities Education Act (IDEA), with the goal that funding for these grants, when taken together with amounts provided by the Committee on Appropriations, provides 40 percent of the national average per pupil expenditure for children with disabilities.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. NICKLES. Mr. President, we voted on this amendment last year. I thought our colleague was going to withdraw it. The amendment will increase spending by $55.5 billion and increase taxes by $60.5 billion. I urge our colleagues to vote no on the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2786) was rejected.

Mr. NICKLES. Mr. President, first, let me compliment my colleague. I think we should handle the rest of our votes by a voice vote. I thank our friend from Minnesota.

AMENDMENT NO. 2790

Mr. REED. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from Rhode Island [Mr. REED], for himself, Mr. KENNEDY, Mrs. CLINTON, Mrs. MURRAY, Ms. MIKULSKI, Mr. BINGAMAN, Mr. DODD, Mr. SCHUMER, Mrs. LINCOLN, Mr. CORZINE, Mr. PRYOR, Mr. LEVIN, Mr. ROCKEFELLER, Mr. BIDEN, Mr. NELSON of Nebraska, Mr. KOHL, Mr. AKAKA, and Mr. LAUTENBERG, proposes an amendment numbered 2790.

Mr. REED. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To create a reserve fund to increase funding for college and student financial aid programs, including the Pell Grant program, campus-based assistance, Leveraging Educational Assistance Partnership, TRIO, GEAR UP, and graduate level programs, and lower the national debt by closing tax loopholes)

On page 3, line 9, increase the amount by $1,332,000,000.

On page 3, line 10, increase the amount by $4,560,000,000.

On page 3, line 11, increase the amount by $220,000,000.

On page 3, line 12, increase the amount by $52,000,000.

On page 3, line 17, increase the amount by $1,332,000,000.

On page 3, line 18, increase the amount by $4,560,000,000.

On page 3, line 19, increase the amount by $220,000,000.

On page 3, line 20, increase the amount by $52,000,000.

On page 4, line 20, increase the amount by $1,332,000,000.

On page 4, line 21, increase the amount by $4,560,000,000.

On page 4, line 22, increase the amount by $220,000,000.

On page 4, line 23, increase the amount by $52,000,000.

On page 5, line 3, decrease the amount by $1,332,000,000.

On page 5, line 4, decrease the amount by $5,892,000,000.

On page 5, line 5, decrease the amount by $6,112,000,000.

On page 5, line 6, decrease the amount by $6,164,000,000.

On page 5, line 7, decrease the amount by $6,164,000,000.

On page 5, line 11, decrease the amount by $1,332,000,000.

On page 5, line 12, decrease the amount by $5,892,000,000.

On page 5, line 13, decrease the amount by $6,112,000,000.

On page 5, line 14, decrease the amount by $6,164,000,000.

On page 5, line 15, decrease the amount by $6,164,000,000.

At the end of Title III, insert the following:

SEC. . RESERVE FUND FOR COLLEGE AND STUDENT FINANCIAL AID PROGRAMS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $3,082,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, joint resolution, motion, amendment, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of levels provided in this resolution, for college and student financial aid programs in the Department of Education, including the Pell Grant program, campus-based assistance, Leveraging Educational Assistance Partnership, TRIO, GEAR UP, and graduate level programs.

Mr. REED. Mr. President, I offer this amendment together with Senators KENNEDY, CLINTON, MURRAY, MIKULSKI, BINGAMAN, DODD, SCHUMER, LINCOLN, CORZINE, PRYOR, LEVIN, ROCKEFELLER, BIDEN and NELSON of Nebraska. And I ask unanimous consent to add Senators KOHL, LAUTENBERG, and AKAKA as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REED. Mr. President, this amendment would create a $3.1 billion reserve fund to boost student financial aid programs, programs such as the LEAP program, leveraging opportunities, a partnership with the Federal Government to provide resources for young people of modest means to go on to college, the work-study program, the TRIO program, the GEAR UP program, and the graduate assistance program.

Every time we talk about our economy and talk about our future, we inherently come back to education and higher education as a key. This budget does not fund these programs sufficiently.

This proposal has been embraced and supported by the Student Aid Alliance, a coalition of more than 60 organizations representing students, colleges, and universities.

At a time when costs of colleges are going out of sight, when literally hundreds of thousands of young people are not able to go to school or must defer their chances to go to school, we have to do more. I hope we can support the amendment.

At this point, let me say I will be prepared to accept a voice vote at the conclusion of the debate. I urge support for this amendment.

I also ask unanimous consent to add Senator SARBANES as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, did the Senator withdraw his amendment?

Mr. REED. I will accept a voice vote.

Mr. NICKLES. Mr. President, I thank our colleague for his willingness to have a voice vote. I urge our colleagues to vote no on his amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2790) was rejected.

Mr. NICKLES. Mr. President, I thank my colleague from Rhode Island for his cooperation. This is moving things along. We are making great progress.

The Senator from Arizona has been waiting somewhat impatiently to call up his amendment. I hope he will be recognized.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 2849

Mr. KYL. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 2849.

(Purpose: To create a reserve fund to permit an increase in veterans' medical care that is fully offset with an assessment on excessive lawyer fees paid under the tobacco settlement)

At the appropriate place, insert the following:

SEC. . RESERVE FUND FOR VETERANS' MEDICAL CARE.

If the Committee on Finance or the Committee on Veterans' Affairs of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that (1) provides an increase in veterans' medical program funding and (2) is fully offset by an assessment on lawyer fees paid under the tobacco settlement, the Chairman of the Committee on the Budget of the Senate may revise the allocations of new budget authority, outlays, the revenue aggregates and other appropriate aggregates by not more than $1.7 billion for the period fiscal year 2005 to 2009 to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I appreciate the full reading of the amendment, but it probably is not clear from its reading, so let me explain what the amendment would do.

This amendment restores at least $1.7 billion to the Federal Treasury to be used for veterans health care, paid for by blocking tobacco lawyers from extracting obscenely excessive and unethical attorney fees from the multistate tobacco settlement. The amendment caps future fee payments from this agreement at $20,000 an hour. In an 8-hour day that is more money than, of course, our salary.

The amendment does not apply to any fees from any cases that have already been judicially reviewed and approved by the court and would only apply prospectively, to fees paid in the future, out of the tobacco settlement taxes that have not yet been collected. The trial lawyers still will receive billions of dollars under this amendment. So far, they have received in the billions of dollars. At $20,000 an hour, I suggest this amendment would impose perhaps a one yacht per lawyer per day rule.

It is actually a serious proposition. The people who are being ripped off here are, of course, the people who are supposed to benefit from the tobacco settlement. But the fees in some of the cases amount to more than $100,000 an hour and ultimately involve little or no original legal work.

Do not take my word for it. These fees are indefensible and outrageous. Even some in the trial bar are in agreement. Here is what noted plaintiffs' lawyers, including tobacco lawyers, have had to say about the tobacco fee award. Michael Ciresi, a pioneer in the tobacco litigation who represented the State of Minnesota in its lawsuit, and who is no doubt familiar with these lawsuits, said the Texas, Florida, and Mississippi lawyers' fees awards "are far in excess of these lawyers' contribution to any of the state results."

Washington, DC lawyer tobacco industry opponent John Coale has denounced the fee awards as "beyond human comprehension," stating that "the work does not justify them."

Even the Association of American Trial Lawyers, the Nation's premier representative of the plaintiffs' bar, has condemned attorneys' fees requested in these State tobacco settlements. Here is what the President of ATLA noted:

> Common sense suggests that a one billion dollar fee is excessive and unreasonable and certainly should invite the scrutiny [of the courts.] ATLA generally refrains from expressing an institutional opinion regarding a particular fee in a particular case, but we have a strong negative reaction to reports that at least one attorney on behalf of the plaintiffs in the Florida case is seeking a fee in excess of one billion dollars.

Finally, to get the academic side of it, quoting from Professor Lester Brickman, professor of law at Cardozo Law School and a noted authority on legal ethics and attorneys' fees:

> Under the rules of legal ethics, promulgated partly as a justification for the legal profession's self-governance, fees cannot be 'clearly excessive.' Indeed, that standard has been superseded in most states by an even more rigorous standard: Fees have to be 'reasonable.' Are these fees, which in many cases amount to effective hourly rates of return of tens of thousands—and even hundreds of thousands—dollars an hour, reasonable? I think to ask the question is to answer it.

The choice before the Senate is we can either allow the tobacco settlement to continue to be diverted to pay $100,000 an hour fees to billionaire lawyers or we can put the excess of those fees to a proper use, serving a national need, such as veterans health benefits, while still allowing the tobacco lawyers to earn up to $20,000 an hour.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, the Senator from Arizona is on to an interesting concept and I will offer a second-degree amendment to expand a good idea. The amendment which I will offer will suggest we can also offset the expenses of veterans health care by profits paid to and penalties paid by sole-source contractors doing business in Iraq.

I took a look at some of the companies doing business in Iraq. It turns out they are making not only outrageous profits, but they are under investigation by our Government. Sole-source contractors, such as Halliburton and Bechtel—and as you look at some of the figures, I would concede some of the figures relative to fees are stunning but, frankly, Halliburton puts them to shame. Halliburton's Kellogg Brown & Root subsidiary is under mounting scrutiny since last fall over suspicions that a fuel contract the company signed in May overcharged United States taxpayers by $61 million, up to the end of September and $20 million a month since then.

This is rather lengthy. I will try to get it together quickly because there are so many things Halliburton has been involved in. Let me go through the chronology of Halliburton and how we believe they substantially overcharged the taxpayers. Incidentally, this is not a partisan observation. The Pentagon has turned Halliburton in to the SEC. Let me go through the chronology.

December 11, 2003, a Pentagon audit finds substantial overcharging in $1.2 billion of Halliburton fuel sales in Iraq;

January 14, 2004, Pentagon audit asks Defense inspector general to launch a formal investigation;

January 22, Halliburton discloses two workers took large kickbacks as part of a $6.3 million overcharging scheme involving a Kuwaiti-based company;

February 1, investigators find Halliburton overcharged more than 16 million for meals at a United States base in Kuwait;

February 3, total overbill for meals rises to $36 million.

This keeps growing. February 16, the company agrees to withhold billing on additional $140 million in food services. Now the numbers are really adding up quickly.

March 10, Defense inspector general asks Justice Department to begin the investigation of Halliburton. Halliburton has multiple contracts valued at up to $188 billion to support the Army and repair oil fields in Iraq. And the profits, I might add for my colleagues, they are generating obviously allow them to run some very fine television advertising.

I hope my colleagues have all had a chance to see the patriotism of Halliburton and its advertising, but we cannot seem to find the patriotism when it comes to their doing business with the Government. They are overcharging taxpayers, we are being penalized, they are under investigation, and the Senator from Arizona has come up with a wonderful idea. We should tap into the excess profits and penalties of sole-source contractors in Iraq to help veterans health care.

I am sorry we turned down the amendment of the Senator from South Dakota: $2.7 billion for veterans health care the other night was defeated. Of course, I understand why the other side defeated it. We wanted to cut the tax break for the wealthiest Americans from $140,000 a year to $112,000 a year. That was an outrageous idea rejected by the Senate. We said the veterans have to wait for another day.

The day has arrived. We are going after the tobacco settlement. We are going to add Halliburton and Bechtel into this. Frankly, we are going to find excess profits and penalties that can make a difference.

The Members of the Senate may recall not too long ago the Senator from Vermont offered a very valuable amendment during the Omnibus Appropriations bill on profiteering by contractors in Iraq. If I am not mistaken, I believe it passed by a vote of 97–0 in the Senate.

If it is appropriate, I ask the Senator from Vermont, I don't believe that amendment survived the conference committee on the Omnibus Appropriations bill.

Mr. LEAHY. If I could respond.

The PRESIDING OFFICER. Who yields time?

Mr. DURBIN. I am not yielding the floor.

The PRESIDING OFFICER. The Senator only yields for a question.

Mr. DURBIN. If the Senator from Vermont would like to ask a question.

The PRESIDING OFFICER. Time in opposition is controlled by the minority bill manager. The Senator can yield for a question.

Mr. LEAHY. May I ask the Senator from Illinois a question?

Mr. DURBIN. I am happy to yield.

Mr. LEAHY. I ask the Senator from Illinois if he was aware of the fact the committee in conference, even though there was bipartisan support for the war profiteering amendment that was based word for word on what we used after World War II, after the Korean war, I was told the leadership in the House said they were under orders from the White House to remove the war profiteering.

Did the Senator from Illinois know the White House came in and said what was generally called the Halliburton amendment had to be taken out of the committee of conference?

Mr. DURBIN. I was not aware of that. And if I am not mistaken, I think the Senator from Vermont modeled his amendment after a World War II amendment on profiteering. It is amazing to me we struck the language on profiteering in the omnibus bill, and now look what has happened with Halliburton and other companies. They are being investigated. They are being charged with gouging taxpayers. We are losing money. Frankly, I do not think it is reasonable for taxpayers to have to pay this. The Senator from Arizona is on to a good idea.

Let me give you a couple other examples he might be interested in. According to a recent NBC News report, another politically connected Pentagon contractor, DynCorps, is hiring senior people to train Iraqi police at a cost to American taxpayers of some $400,000 a year per trainer. Counting living expenses, tax liability, and reimbursements, it is worth about $50 million so far. It turns out the contract only had one bidder. It is expected to generate about $800 million in revenue to DynCorps over the next 2 years.

Let me say, when the Senator from Arizona yields back his time, I will be offering a second-degree amendment. We will have a chance to vote on Halliburton before we get to the tobacco settlement.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I would respectfully ask my colleague from Illinois to withdraw his second-degree amendment. If he wishes to have a vote on the amendment——

The PRESIDING OFFICER. There is no pending second-degree amendment.

Mr. KYL. If the Senator does not wish to lay down his second-degree amendment, then that is fine, because we have not had any second-degree amendments yet. If it is not his intention to lay it down, then we can proceed to a vote on the amendment I have offered.

The PRESIDING OFFICER. Is there further debate?

The Senator from Illinois.

Mr. DURBIN. Mr. President, when the Senator from Arizona yields back his time, I will be offering the second-degree amendment.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, let me renew my request, with all due respect to my friend from Illinois. I do not know how many scores of amendments have been voted on by this body in the last 48 hours or so, most of which have been offered by Members on the Democratic side. We have not second-degreed a single one of those amendments. I have checked.

Of course, it is possible to get a vote on an amendment. Everybody around here knows that. At this late date, I just wonder if my colleagues want to go through the time and the process that requires. I have no objection to my colleague having a vote on the proposal which he says he is going to propound here as soon as I yield back my time. But I also think he should permit me to have a vote on the amendment I have laid down, as we have done for every one of the other amendments here. Therefore, again, I would ask my colleague, if he wishes to lay down an amendment and have a vote on that amendment—and I certainly would not do anything to get in the way of that or object to it—that he permit a vote on this as a freestanding amendment. Because if that does not happen, then it is going to take us a very long time tonight. But we will still get a vote on each of these amendments.

The PRESIDING OFFICER. Who yields time?

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. Who yields to the Senator from Illinois?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we have made great progress.

The PRESIDING OFFICER. Who yields time? The time on this amendment is controlled by the Senator from Arizona and the minority manager.

Mr. KYL. Mr. President, I would be happy to yield to my colleague, the chairman of the Budget Committee.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. If the Senator would yield for a question, I understand your request is to have a vote on your amendment and to have a vote on the Durbin amendment back to back. Is that your request?

Mr. KYL. Mr. President, if the Senator from Illinois wishes to lay down an amendment, I have, as I said, no objection to having a vote on his amendment.

Mr. NICKLES. If the Senator will yield further, I want to thank my colleague from North Dakota because it has been very much because of his leadership—and I think we have helped as well—that we have not had a second-degree vote yet, and I do not think we should. We have done that because we have worked together.

I wish for us to continue working together. I wish for us to have, if necessary, a vote on the Kyl and Durbin amendments, and a vote on—I believe Senator KENNEDY has an amendment. I would hope we could do that by voice, but it looks like we need a rollcall vote on that. I think we may be able to take Senator LANDRIEU's amendment, and then we can vote on final passage.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, this has been 4 long days and 4 difficult days in which the two sides have worked together with a remarkable spirit of cooperation and good will.

I would call on my two colleagues—both Senator KYL, whom I like and respect, and Senator DURBIN, about whom I feel the same way—and ask them both to allow those two votes to go away. They can come back on other vehicles at a later point.

Here we are, at 12:30, with an amendment that has a political agenda and calls for a political response. I think it is not appropriate, at 12:25, after we have worked together for 4 days with substantive disagreements which we have dealt with in an orderly and cooperative way. Can't we just withhold on this budget resolution and deal with this issue on a later vehicle?

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I would respond to the ranking member of the Budget Committee, what he says is absolutely true. Everything has been done, up until now, by comity. And I complimented—I am not sure you heard it, but to the Senator from North Dakota, I complimented his handling of this issue as much as the chairman's.

As the chairman of the Budget Committee will acknowledge, I had been waiting for a long time to offer my amendment. He urged me to wait, to wait, to wait. Had I offered it earlier, this issue would not even be before us. Many of the other amendments that were offered had political overtones. I think we all have to acknowledge that. I will acknowledge mine does. I think you would have to acknowledge an awful lot of the amendments that have been offered here on which we had rollcall votes had political overtones. We all understand that.

I do not need to take any more time on this. I simply put forth an amendment that took me about 5 minutes to discuss. I would like to get a vote on it. I have no objection to the Senator from Illinois offering his proposal and getting a vote on that. We can probably get this done quickly instead of talking about it, and just get it done.

The PRESIDING OFFICER. Is there further debate on the amendment?

Do the Senators yield back their time?

Mr. KYL. Mr. President, perhaps before I yield back the time, I would like to ask my colleague from Illinois if he would be willing to have two back-to-back votes?

The PRESIDING OFFICER. Without objection, the Senator may yield for that question.

Mr. DURBIN. Mr. President, of course I would yield to a question. I would say, I am not going to withdraw the second-degree amendment. I will not ask for any further debate. We can have up-or-down votes in the interest of time. But I think because of the comity that has been displayed to this point, perhaps if both amendments retreated and were saved for another day, it would be in the best interest of the Senate.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 2849 WITHDRAWN

Mr. KYL. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Senator has that right.

The amendment is withdrawn.

Mr. NICKLES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, this has been a remarkably good 4 days for the Senate. On a bipartisan basis, we have debated this budget resolution. Yes, there have been differences. Yes, there have been debates. But it has been at a high level with a good tone. Can't we end it on that basis? If we cannot, there are other alternatives open. I hope my colleagues are listening because there are other alternatives open. The alternatives open are to offer amendment after amendment after amendment after amendment, and we can be here all night and all day tomorrow and all day Saturday and all day Sunday and all day Monday, and we can just keep on voting.

Either this is resolved in a responsible and respectful way or I can assure my colleagues we have hundreds of amendments that are all prepared that we have just spent hours talking our colleagues out of offering.

I will say to my colleagues on this side, dust off your amendments. Let's get ready to debate and discuss and vote for a long time, if we can't have a reasonable ending to this predicament.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I want to make a request and see if my colleagues will abide by this. We have an amendment offered by Senator KYL. We have an amendment offered by Senator DURBIN. We have an amendment pending in the wings by Senator KENNEDY, and we have an amendment pending in the wings by Senator SANTORUM. I would ask all four of those amendments to disappear in the twilight of this morning, that we have a voice vote on Senator LANDRIEU's amendment, and we vote on final passage.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, let me indicate that it is not just those four amendments. Let me just advise my colleagues, when we started this process, we had 130 amendments. If we don't dispose of these other four in the way the chairman has indicated, I will call each and every one of those amendments.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENTS NOS. 2785 AND 2851, EN BLOC

Mr. NICKLES. Mr. President, tempers are starting to rise. This is not good for the cause.

We are very close to the finish line. Senator CONRAD and I have been working together very closely. We have agreed to a sense-of-the-Senate resolution by Senator LUGAR and an amendment by Senator SPECTER. I send those to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant journal clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for Mr. LUGAR, proposes an amendment numbered 2785.

The Senator from Oklahoma [Mr. NICKLES], for Mr. SPECTER, proposes an amendment numbered 2851.

The amendments are as follows:

AMENDMENT NO. 2785

(Purpose: To express the sense of the Senate concerning summer food pilot projects)

At the appropriate place, insert the following:

SEC. ____. SENSE OF THE SENATE CONCERNING SUMMER FOOD PILOT PROJECTS.

It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions in Function 600 (Income Security), the Senate supports the provision, to the Food and Nutrition Service and other appropriate agencies within the Department of Agriculture, of $15,000,000 for fiscal year 2005, and $127,000,000 for the period of fiscal years 2005 through 2009, to enable those agencies to expand the summer food pilot projects established under section 18(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)) to all States of the United States and to all service institutions (including service institutions described in section 13(a)(7) of that Act).

AMENDMENT NO. 2851

(Purpose: Strike Section 404)

Strike section 404(a).

The PRESIDING OFFICER. Is there objection to considering the amendments en bloc? Without objection, it is so ordered.

Is there further debate on the amendments? If not, the question is on agreeing to amendments Nos. 2785 and 2851, en bloc.

The amendments (Nos. 2785 and No. 2851) were agreed to.

AMENDMENT NO. 2852

Mr. NICKLES. Mr. President, I believe Senator COLLINS has an amendment. I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for Ms. COLLINS, proposes an amendment numbered 2852.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide a deficit neutral reserve fund for Postal Service reform)

On page 28, between lines 7 and 8, insert the following:

SEC. 304. RESERVE FOR POSTAL SERVICE REFORM.

If the Committee on Governmental Affairs of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that reforms the United States Postal Service to improve its economic viability, the Chairman of the Committee on the Budget may revise committee allocations for the Committee on Governmental Affairs and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, if that measure would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 though 2009.

Ms. COLLINS. Mr. President, I rise today with my good friend, Senator CARPER, to offer an amendment that will help the Governmental Affairs Committee—GAC, which I chair, report out legislation reforming the United States Postal Service.

The Postal Service is the linchpin of a $900 billion industry that employs nine million Americans in fields as diverse as direct mailing, printing, catalog production, publishing, and paper manufacturing. The health of the Postal Service is essential to thousands of companies and the millions that they employ. It is vital that we in Congress, the Postal Service, its employees, and the mailing industry work together to save and strengthen this institution on which so many Americans rely.

What many people do not realize is that the Postal Service cannot survive without fundamental reform. Last month, Comptroller General David Walker wrote to me to urge comprehensive—not incremental—reform to ensure the USPS' future viability. In a letter to me, he stressed that "comprehensive postal reform is urgently needed" and noted that the Postal Service's current business model "is not well aligned with 21st century realities." If anything, David Walker is understating the point.

The Postal Service is faced with enormous debts. It owes $6.5 billion in debt to the U.S. Treasury and its long-term liabilities include nearly $7 billion for Workers' Compensation claims, $5 billion for retirement costs, and as much as $45 billion to cover retiree health care costs. The fact is, if the Postal Service no longer provided universal service at affordable rates, no private company could step in and fill the void. The economies simply would not work.

That is why the Governmental Affairs Committee has embarked on a deliberative effort to produce and report out legislation reforming the United States Postal Service. We have held six hearings to date, and we are not yet finished. Once we have heard from all interested parties and gathered and analyzed as much information as possible, Senator CARPER and I plan to introduce reform legislation. This amendment will help us move our bill toward enactment.

Our amendment sets up a deficit-neutral reserve fund to accommodate postal reform. Under the terms of the amendment, if the Governmental Affairs Committee reports out a postal reform bill that is fully offset, then the Budget Committee chairman can allocate to GAC the direct spending authority we would need to bring our bill to the floor without it being subject to a budget act point of order. It is my intent to seek only offsets for our bill that enjoy a broad, bipartisan consensus of our committee. Our amendment would permit the bill to offset direct spending increases with parallel revenue increases—say, by closing abusive tax loopholes—which is an avenue I plan to explore further. Of course, if a suitable offset cannot be found, it would be my intent to move forward nonetheless.

I urge my colleagues to support this important amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to amendment No. 2852.

The amendment (No. 2852) was agreed to.

Mr. NICKLES. Mr. President, the Senator from Louisiana, Ms. LANDRIEU, has an amendment at the desk.

The PRESIDING OFFICER. The amendment is pending.

Is there further debate on the amendment?

Mr. NICKLES. We have no objection to the amendment.

Mr. CONRAD. It is also cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2775) was agreed to.

Mr. NICKLES. Mr. President, Senator CORZINE has an amendment pending.

Mr. CORZINE. Mr. President, has the chairman and the ranking member been able to resolve the question on the floor with regard to the other withdrawals? If that is the case, I will be prepared to withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right.

Mr. NICKLES. Mr. President, we give extra points for colleagues who withdraw amendments after 12 o'clock. Three colleagues will make about 2 minutes worth of remarks and then we can be voting on final passage. I believe Senator KENNEDY is first.

The PRESIDING OFFICER. All remaining general debate time is controlled by the Senator from North Dakota.

Mr. CONRAD. I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I had an important amendment dealing with a Medicare proposal to follow the recommendation of the Medicare actuaries, which indicate that we are paying the HMOs and the PPOs $1,100 a year more than is being paid to Medicare, which over a 10-year period is $42 billion.

My amendment would have used that $42 billion to offset the expenses under the current prescription drug program. I understand now that there has been a proposal offered by the leaders. I have the assurance from our leader he will make the best effort to give us the opportunity to address this in a timely way in the next legislation that comes through here. On that basis, I withdraw the amendment.

Mr. NICKLES. Mr. President, I thank my colleague from Massachusetts for his generosity.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I yield to the Senator from Arizona.

Mr. KYL. Mr. President, it is my understanding that as a result of the suggestion of the chairman of the Budget Committee, the four pending matters would not be voted on, which would include the proposal I offered, the proposal of the Senator from Illinois, and the proposal of the Senator from Pennsylvania, who will speak last, and as Senator KENNEDY mentioned, his as well. I want my colleagues to know this is being done by the four of us in an effort to try to get finished here very soon.

It seems to me we ought to take one lesson from what has occurred here tonight, which is that those of us who wish to bring amendments to the floor, to have them debated and voted on, who I think have every right to have those amendments voted on, will have to in the future offer these amendments at a different time in the process. I hope my colleagues will recognize that when we do that, it is for the purpose of getting that vote.

I think my colleagues would have to agree that the process followed here tonight was not fair and the only reason I have withdrawn the amendment I proposed was so we can complete action. Rest assured that the proposal will be back and my colleagues will have an opportunity to vote on it in the future.

Mr. NICKLES. Mr. President, I yield to the Senator from Pennsylvania 2 minutes.

The PRESIDING OFFICER. The time is controlled by the minority manager.

Mr. CONRAD. Mr. President, in the interest of fostering this bipartisan feeling that has been so prevalent throughout these 4 days, I will yield to the Senator from Pennsylvania for 2 minutes.

AMENDMENT NO. 2853

Mr. SANTORUM. I thank the Senator from North Dakota.

Mr. President, I send my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Pennsylvania [Mr. SANTORUM] proposes an amendment numbered 2853.

(The amendment is printed in today's RECORD under "Text of Amendments.")

Mr. SANTORUM. Mr. President, I send this documentation in support of the amendment to the desk, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CANDIDATE KERRY'S BUDGET PROPOSALS

	Year 1	Year 2	Year 3	Year 4	Year 5	5-yr total
Tax Proposals:						
Repeal EGTRRA/JGTRAA provisions to raise taxes on folks AGI >200k	26.3	44.5	46.4	51.0	55.2	223.4
Close loopholes/eliminate subsidies	0.0	20.0	20.0	20.0	20.0	80.0
Extend other EGTRRA/JGTRRA provisions	−12.3	−20.2	−18.6	−14.6	−11.5	−77.2
Outlays from EGTRRA/JGTRRA provisions	0.0	−4.8	−4.5	−4.5	−4.5	−18.3
Subtotal, tax proposals	14.0	39.5	43.3	51.9	59.2	207.9
Spending Proposals:						
State tax relief—920 (disc)	−25.0	−25.0	0.0	0.0	0.0	−50.0
Health care—550	−89.5	−89.5	−89.5	−89.5	−89.5	−447.5
Homeland—450 (disc)	0.0	−5.0	−5.0	−5.0	−5.0	−20.0
Jobs programs—500 (disc)	0.0	−10.0	−10.0	−10.0	−10.0	−40.0
No child left behind—500 (disc)	0.0	−8.0	−8.0	−8.0	−8.0	−32.0
Special education—500 (disc)	0.0	−12.0	−12.0	−12.0	−12.0	−48.0
College education—500 (disc)	0.0	−3.5	−3.5	−3.5	−3.5	−14.0
Energy & environment—300 (disc)	0.0	−3.5	−3.5	−3.5	−3.5	−14.0
Global AIDS—150 (disc)	−7.5	−7.5	−7.5	−7.5	0.0	−30.0
Veterans' health—700	−8.2	−8.2	−8.2	−8.2	−8.2	−41.0
Transportation—400 (disc)	0.0	−7.0	−8.0	−8.0	−8.0	−31.0
Housing—600 (disc)	0.0	−1.0	−1.0	−1.0	−1.0	−4.0
Subtotal, Kerry spending	−130.2	−180.2	−156.2	−156.2	−148.7	−771.5
Add back—freeze to inflated baseline—920	−13.4	−27.6	−45.1	−65.4	−87.3	−238.7
Subtotal, spending proposals for amendment	−143.6	−207.8	−201.3	−221.6	−236.0	−1010.2
Kerry, Deficit Impact w/o debt serv	116.2	140.7	112.9	104.3	89.5	563.6
For amendment:						
Total 150 (disc)	−7.5	−7.5	−7.5	−7.5	0.0	−30.0
Total 300 (disc)	0.0	−3.5	−3.5	−3.5	−3.5	−14.0
Total 400 (disc)	0.0	−7.0	−8.0	−8.0	−8.0	−31.0
Total 450 (disc)	0.0	−5.0	−5.0	−5.0	−5.0	−20.0
Total 500 (disc)	0.0	−33.5	−33.5	−33.5	−33.5	−134.0
Total 550	−89.5	−89.5	−89.5	−89.5	−89.5	−447.5
Total 600 (disc)	0.0	−1.0	−1.0	−1.0	−1.0	−4.0
Total 700	−8.2	−8.2	−8.2	−8.2	−8.2	−41.0

CANDIDATE KERRY'S BUDGET PROPOSALS—Continued

	Year 1	Year 2	Year 3	Year 4	Year 5	5-yr total
Total 920 (disc)	−38.4	−52.6	−45.1	−65.4	−87.3	−288.7
Subtotal, spending proposals	−143.6	−207.8	−201.3	−221.6	−236.0	−1010.2

Sources: Washington Post, Kerry's Spending, Tax Plans Fall Short, February 29, 2004; Joint Committee on Taxation; National Taxpayers' Union; JohnKerry.com; LA Times, May 25, 2003.

NUMBERS TO WRITE IN BUDGET RESOLUTION

[Show all numbers as positive—use on-budget changes and totals only]

		2005	2006	2007	2008	2009	
(1)(A) Level of Federal Revenus: Write increase if positive/decrease if negative		38,296.000	79,080.000	69,123.000	76,240.000	88,626.000	351,365
(1)(B) Change in Revenues: Write increase if positive/decrease if negative and add "reduction in revenues"		38,296.000	79,080.000	69,123.000	76,240.000	88,626.000	....
(2) New Budget Authority (function spending + interest): Write "increase" or "decrease"		151,052.136	221,280.576	223,955.256	252,798.059	276,318.737	1,125,405
(3) Budget Outlays (function spending + interest): Write "increase" or decrease"		145,439.136	215,107.576	216,217.256	244,706.059	267,907.737	1,089,378
(4) Deficits: To make deficit smaller, increase by positive number, To make deficit bigger, decrease by positive number		107,143.136	136,027.576	147,094.256	168,466.059	179,281.737	738,013
(5) Public Debt: Write "increase" or decrease" but show as positive		107,143.136	243,170.712	390,264.968	558,731.027	738,012.764	2,037,323
(6) Debt Held by the Public: Write "increase" or decrease" but show as positive		107,143.136	243,170.712	390,264.968	558,731.027	738,012.764	....
103 Function BA and O: Write "increase" or decrease" but show as positive:							
Fct. 050	BA	0.000	0.000	0.000	0.000	0.000	....
	O	0.000	0.000	0.000	0.000	0.000	....
Fct. 150	BA	7,500.000	7,500.000	7,500.000	7,500.000	0.000	
	O	7,500.000	7,500.000	7,500.000	7,500.000	0.000	....
Fct. 250	BA	0.000	0.000	0.000	0.000	0.000	....
	O	0.000	0.000	0.000	0.000	0.000	....
Fct. 270	BA	0.000	0.000	0.000	0.000	0.000	....
	O	0.000	0.000	0.000	0.000	0.000	....
Fct. 300	BA	0.000	3,500.000	3,500.000	3,500.000	3,500.000	....
	O	0.000	3,500.000	3,500.000	3,500.000	3,500.000	....
Fct. 350	BA	0.000	0.000	0.000	0.000	0.000	....
	O	0.000	0.000	0.000	0.000	0.000	....
Fct. 370	BA	0.000	0.000	0.000	0.000	0.000	....
	O	0.000	0.000	0.000	0.000	0.000	....
Fct. 400	BA	0.000	7,000.000	8,000.000	8,000.000	8,000.000	....
	O	0.000	7,000.000	8,000.000	8,000.000	8,000.000	....
Fct. 450	BA	0.000	5,000.000	5,000.000	5,000.000	5,000.000	....
	O	0.000	5,000.000	5,000.000	5,000.000	5,000.000	....
Fct. 500	BA	0.000	33,500.000	33,500.000	33,500.000	33,500.000	....
	O	0.000	33,500.000	33,500.000	33,500.000	33,500.000	....
Fct. 550	BA	89,500.000	89,500.000	89,500.000	89,500.000	89,500.000	....
	O	89,500.000	89,500.000	89,500.000	89,500.000	89,500.000	....
Fct. 570	BA	0.000	0.000	0.000	0.000	0.000	....
	O	0.000	0.000	0.000	0.000	0.000	....
Fct. 600	BA	0.000	1,000.000	1,000.000	1,000.000	1,000.000	....
	O	0.000	1,000.000	1,000.000	1,000.000	1,000.000	....
Fct. 700	BA	8,200.000	8,200.000	8,200.000	8,200.000	8,200.000	....
	O	8,200.000	8,200.000	8,200.000	8,200.000	8,200.000	....
Fct. 750	BA	0.000	0.000	0.000	0.000	0.000	....
	O	0.000	0.000	0.000	0.000	0.000	....
Fct. 800	BA	0.000	0.000	0.000	0.000	0.000	....
	O	0.000	0.000	0.000	0.000	0.000	....
Fct. 900	BA	1,884.136	7,298.576	14,926.256	23,145.059	31,897.737	....
	O	1,884.136	7,298.576	14,926.256	23,145.059	31,897.737	....
Fct. 920	BA	43,968.000	58,782.000	52,829.000	73,453.000	95,721.000	....
	O	38,355.000	52,609.000	45,091.000	65,361.000	87,310.000	....
Fct. 950 (Write increase or decrease reduction in receipts)	BA	0.000	0.000	0.000	0.000	0.000	....
	O	0.000	0.000	0.000	0.000	0.000	....

Mr. SANTORUM. Mr. President, what I sent to the desk was a budget as proposed by Senator KERRY. This is a combination of the documentation from the L.A. Times, Washington Post, and other sources, of the proposals he has made with respect to this year's budget.

For the information of Members, the proposal reflects 129 different line items in the budget, of which 124 are increases and 5 are decreases. As a result of the proposals put forth by Senator KERRY, taxes would be raised on the American people $351 billion over the next 5 years.

Mrs. BOXER. Will the Senator yield for a question?

The PRESIDING OFFICER. The Senator does not control the time.

Mr. SANTORUM. If I may continue, Mr. President. The Government would spend $1.89 trillion more over the next 5 years and borrow $738 billion more. In other words, the deficit would be $738 billion more under the proposals put forth by Senator KERRY. When asked about that, his campaign said they have more refinements to do.

The bottom line is what we have proposed is a responsible budget to cut the deficit in half over the next 3 years, and what the Senator from Massachusetts is offering around the country is a budget that would increase the deficit by $738 billion, increase taxes on the American people by $350 billion, and increase spending in Washington, DC, by almost $1.1 trillion.

AMENDMENT NO. 2853, WITHDRAWN

I would love to have had a vote on the amendment. But in the spirit of comity that we have here at quarter of 1 in the morning, I will withdraw my amendment.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

Mr. CONRAD. Mr. President, I have the Bush budget and I could send that to the desk. I am the only one who has time remaining here tonight. I would say to my colleagues, I have 300 charts, and I would be willing to go through all of them tonight, talking about the deficiencies of the Bush budget.

Let's just start with the debt that is being added and put on the American people by the Bush budget: $3 trillion of additional debt in just the next 5 years when we already have record budget deficits—the biggest budget deficit in the history of the country. The President is asking us to take $2.4 trillion from Social Security—every penny of Social Security surplus—over the next 10 years and use it to pay for income tax cuts primarily directed to the wealthiest among us.

We could go on and on and on about the deficiencies of this budget: a 94-percent cut in the COPS Program; a 60-percent cut in port security at a time when our security is at risk; a 33-percent cut to firefighters.

We could have an extended and lengthy discussion about the deficiencies of the Bush budget. We could go through the entire history of this President, who told us 3 years ago that we could have massive tax cuts and we would still have no budget deficits. He told us at the time he would completely protect Social Security, not taking it to use for other purposes, and now he takes $2.4 trillion, violating that pledge.

We could go to his statement in the next year in which he promised us that the deficits would be small and short-term. Instead, now we see the biggest deficits in the history of our country.

Then we could go to the third year, when the President told us the deficits would be small by historical standards. Instead of being small, they are the biggest deficits in the history of the United States.

Now he has told us the deficit will be cut in half if only we adopt his budget. Let me say to my colleagues, the only way he gets that is he leaves out big chunks of Federal expenditures.

First, he says there is no cost for the war past September 30. None. Does anybody believe that? There is no cost for Iraq, there is no cost for Afghanistan, there is no additional cost for the war on terror?

The Congressional Budget Office says there is $280 billion of residual costs. Not one penny of it is in the President's budget.

I could go on and on about the deficiencies of this budget. I will not send the Bush budget to the desk. I will not ask for a vote. In the interest of the good tone that has been set, and out of friendship and respect for the chairman who has conducted himself in a most honorable and decent way, I ask that we go to final passage.

I also yield, again in the spirit of bipartisanship, 3 minutes to the chairman of the Budget Committee.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank all of our colleagues. I knew that we were attempting a lot to try to finish this tonight. I knew we would have a lot of votes and, I say to Senator BYRD, I knew it would not be easy. I thank Senator BYRD for his help. I thank all colleagues for their patience. With a little exception in the last hour, this has been managed quite well.

I thank my friend and colleague, Senator CONRAD, for his work. We have handled I don't know how many amendments. I think we voted on 15, 16 amendments today. We had a lot of cooperation. We got a lot of good work accomplished. We have a budget which we are ready to pass that will cut the deficit in half in 3 years.

I thank our colleagues. I thank Senator CONRAD's staff; Mary Naylor, Sue Nelson, and his entire team, as well as Hazen Marshall, Stacey Hughes, and my entire team. They worked endless hours.

I urge adoption of the resolution. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

MENTAL HEALTH PARITY

Mr. DOMENICI. Mr. President, I want to begin by complimenting my friend from Oklahoma and the Chairman of the Senate Budget Committee on a job well done. He has skillfully navigated a difficult course to produce the Budget Resolution before us today. Congratulations.

I also want to tell him that even though he has served as the Chairman of the Senate Budget Committee for only two short years, he has set a very high bar for future Chairmen to meet.

I would like to raise the issue of mental health parity as the Senate debates the FY 2005 Senate Budget Resolution.

It is my understanding the Resolution before us assumes the revenue impact of enacting a mental health parity law at a cost of $2.3 billion over five years. However, I want to make sure that this is indeed the case because the assumption I just mentioned is not specifically referenced in S. Con. Res. 95. Rather, the overall revenue number is such that it assumes Congress will pass mental health parity legislation.

Mr. NICKLES. I understand the concern of the distinguished senior Senator from New Mexico regarding mental health parity legislation and I would concur with my colleague's assessment. S. Con. Res. 95 does assume the revenue impact of enacting mental health parity legislation.

Mr. DOMENICI. I thank the distinguished Chairman for his consideration and explanation of this important matter.

AMTRAK FUNDING

Mr. CONRAD. Mr. President, I am aware that some of my colleagues are concerned about budgeting sufficient funding for Amtrak. I would like to point out that this budget does not specifically provide sufficient funding for the continuing operations of Amtrak, our Nation's intercity passenger rail carrier. The President's budget this year proposes $900 million for Amtrak, an amount generally and widely considered to be insufficient to safely operate the railroad; it would likely have to be shut down. Amtrak officials have stated that $1.798 billion would sufficiently fund their operations and capital needs in fiscal year 2005. This amount would help Amtrak return to a good state-of-repair, and let them provide safe, reliable service. Commerce, Science, and Transportation Committee Ranking Member HOLLINGS has shown great leadership as a supporter of passenger rail service in our country, and I want him and others to know that we are not endorsing the President's budget request for Amtrak.

Mr. HOLLINGS. Mr. President, I thank the ranking member of the Budget Committee. His hard work in highlighting shortcomings in the President's budget is truly commendable. As my friend from North Dakota states, I feel it is important to recognize the need for adequate funding for Amtrak. Earlier this year, the Senate passed S. 1072, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2004, SAFE-TEA, which reauthorized many Federal surface transportation programs. As part of that reauthorization package, we authorized $2 billion per year for Amtrak for 6 years. The Senate recognized that funding for Amtrak is a priority. Rail travel provides passengers an alternative to air travel and driving, and the benefits are numerous. Ridership on Amtrak trains totaled over 24 million last year. I am certain we will not allow funding for this important service to fall below adequate levels requested by Amtrak President and CEO David Gunn, who has made such great progress recently. It is important that we maintain the critical momentum he has established.

Mr. LAUTENBERG. Mr. President, my good friend from South Carolina, the ranking member of the Senate Committee on Commerce, Science, and Transportation, has been a tireless and influential advocate for passenger rail, and his leadership is unparalleled on this issue. Although my friend Senator CONRAD, the ranking member on the Senate Budget Committee, has pointed out that this budget does not explicitly provide for adequate funding for Amtrak, I am hopeful that Senator HOLLINGS' efforts will lead to a long-term funding source for the railroad so that it may finally take advantage of efficient, multi-year planning and realize additional efficiencies on its system. The attacks on 9/11 taught us a valuable lesson concerning transportation options, and we need to heed that lesson so we do not find ourselves in a situation again where options for travelers are severely limited and our economy suffers because of it.

Last year, the Congress appropriated $1.2 billion for Amtrak—the highest amount ever. Also last year, Amtrak carried over 24 million passengers—their highest amount ever. I am quite certain this is no coincidence. It is also no coincidence that this record was achieved during the first full year under the leadership of Mr. Gunn. He is doing a remarkable job of improving the reliability of the railroad, and his success is a success shared by our Nation as a whole.

In the meantime, given the funding levels we are finally providing to Amtrak, I am pleased that my colleagues are seeing that we can no longer nickel-and-dime our national passenger railroad. I hope that we can do the right thing to continue to ensure that Amtrak is given the resources it needs to continue on its path to a state-of-good-repair.

YUCCA MOUNTAIN

Mr. DOMENICI. Mr. President, I rise today to speak about an issue that has come up during this year's budget debate regarding the nuclear waste disposal fund and Yucca Mountain. I am glad to see that my friends, Majority Leader FRIST and Chairman NICKLES, are on the floor to discuss this issue with me.

Let me start by explaining that the President requests $880 million this year in his budget for the nuclear waste repository at Yucca Mountain. Of that amount, $131 million is provided in discretionary appropriations under the proposed discretionary cap in the same manner as last year. However, $749 million of this amount is funded by a new proposal that will require a change in law. This change in law would take receipts that now go to the nuclear waste disposal fund and use them to pay for activities at Yucca Mountain. Let me be clear, that without this law change, the President's budget only provides $131 million for Yucca Mountain under the proposed discretionary cap.

Now let me turn to the Senate budget resolution. This year's resolution assumes discretionary appropriations of $577 million for Yucca Mountain in 2005, which is same level that was enacted in 2004. It should also be noted that the resolution does not assume the change in law with respect to the nuclear waste disposal fund receipts. I ask Chairman, NICKLES, I am wondering if the Senator could confirm that I am correct in my description of the budget resolution.

Mr. NICKLES. Yes, Senator DOMENICI is correct in his statement.

Mr. DOMENICI. I thank Chairman NICKLES. I want to explain why there is a problem. It appears that in the budget resolution and probably throughout the rest of the year, we will live within the President's proposed discretionary cap. But within the President's proposed cap level, only $131 million is assumed for Yucca Mountain if the law change is not enacted. However, the administration and many in Congress still expect that we will provide funding for Yucca Mountain above $131 million in the Energy and water development appropriations bill. Under this scenario, the Energy and water bill finds itself in the hole by at least $303 million, which is the difference between what is assumed in the Senate budget resolution and what the President has requested for Yucca Mountain, and by as much as $749 million if the allocation to my subcommittee were only to include the President's requested amount of $131 million.

In order to support this budget resolution, I need to have confidence that I will have the resources available to the Energy and water appropriations bill to provide funding for Yucca Mountain without having to take funds out of other programs in the Energy and water bill such as the Corps, DOE civilian science, and DOE labs.

Mr. NICKLES. I thank Senate DOMENICI for his statement. This is a tough issue, and I want him to know that I understand the dilemma he is facing. I appreciate his willingness to work with me on this, and I give him my commitment to support a level of discretionary funding in the budget resolution conference report and throughout the rest of the year that will provide the resources necessary for his committee to fund Yucca Mountain without having to take resources from the other programs in the Energy and water bill if the President's law change is not enacted.

Mr. FRIST. I thank Senator DOMENICI and Senator NICKLES for working so hard to resolve this issue. I understand the difficult position that Senator DOMENICI finds himself in this year with regard to Yucca Mountain. I want him to know that he has my support in getting the necessary resources for Yucca Mountain in the Energy and water appropriations bill without having to take funding from other programs in the bill if the President's proposed law change is not enacted.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

• Mr. KERRY. Mr. President, I join Mr. BINGAMAN in offering an amendment to the fiscal year 2005 budget resolution that helps small businesses by restoring, and in some cases reasonably increasing above fiscal year 2004 appropriated levels, funding cuts proposed by President Bush for the Small Business Administration.

The President's budget requests 15 percent less in funding for the SBA than requested last year, while promising more assistance in lending and counseling. For example, the budget request claims to save taxpayers $100 million by cutting all funding for the SBA's largest small business lending program, while at the same time claiming to increasing access to loans by 30 percent. Sound familiar? It should. The President proposed eliminating all funding for these small business loans his first year in office, that time shifting the more than $100 million in funding to borrowers and lenders by increasing fees, fees that the General Accounting Office exposed as excessive for 8 years. The administration wanted to overcharge them even more. We in Congress rejected it. This time the President has proposed paying for it through accounting and program gimmicks that are unworkable and the small business community and small business lenders have rejected.

We are all in favor of more efficient and cost-effective government, but the SBA's 7(a) loan program does not need fixing. It already is structured to provide long-term loans to small business at a cost of about 1 percent. That is one Federal dollar generating $99, an excellent bang for the buck! This valuable resource just needs reasonable funding. The problems over the past four years have all been created by unreasonable budgets, propped up by funding schemes that never materialize and create unnecessary instability in the delivery of capital for small businesses.

Today we are trying to address the needs of small businesses next year, fiscal year 2005, to prevent the same funding crises that we have experienced in the SBA small business loans year after year. If the President's fiscal year 2005 Budget for the SBA is adopted, there will be zero funding for the SBA's largest loan program, which provides about 40 percent of all long-term capital to small businesses in this country; termination of all micro-entrepreneur loans and complementary business training; termination of ten of 20 small business counseling and development programs, including assistance to Native Americans and Women's Business Centers.

For the SBA's counseling and business development programs, this is the most damaging budget the President has proposed in four years. Cuts to or inadequate funding of these programs are routinely attributed to vague and unfounded claims of duplication. Such claims mistake a common mission of training and counseling for duplication, ignoring the reality that small businesses vary greatly and have different needs. Just as it would be ineffective to have only one type of loan or venture capital financing structure for 23 million small businesses in this country, it would be ineffective to water down specialized management and training programs to impose counseling and training assistance, most are grant programs that have cost-sharing components with state and local entities, such as matching grants, so they leverage more for the small businesses than the face value of the Federal grant.

Without funding, budget gimmicks will force borrowers to face higher fees or lack of access to affordable capital; high interest credit card loans; higher bankruptcies because they go into business with inordinately high debt or can't get counseling to survive the rough times. At worst, because the most damaging budget gimmick attacks the small businesses' source of more than 40 percent of long-term loans, it is very possible that, together with the overall cuts, the Agency would be little more than an insurance agency for cookie-cutter loans made by a handful of large banks in only a fraction of the states and areas now served, or closing its doors within a couple of years.

This amendment also takes a step in the right direction for restoring funding to the New Markets Venture Capital initiative that was rescinded in the fiscal year 2003 Omnibus Appropriations bill: $10.5 million for guaranteed debentures, and $13.75 million in grants for NMVC technical assistance. That money was reserved for a second round of funding, and our Committee had an agreement with the SBA that it would offer that round in the fall of 2002. However, as companies spent significant money and time to begin preparing proposals, SBA broke the agreement and did not issue a solicitation for the second round of funding. Because the $24.25 million reserved for a second round of funding was not obligated, it was available to be rescinded and it was rescinded as part of the fiscal year 2003 appropriations process. New markets venture capital is important for developing public-private partnerships to invest in areas with high unemployment where the private sector rarely invests. This amendment helps restore some of the critically needed New Markets Venture Capital funds.

The amendment I am offering with Mr. BINGAMAN takes a reasonable approach. In general, the $171 million paid for in this amendment restores funding to programs that are critical to small business development and job creation in our towns and cities.

The $171 million results from:

Adding $101m to the 7(a) Loan Program (zero-funded).

Adding $3m to the Microloan Program (terminated).

Adding $25m to the Microloan Technical Assistance Program (terminated).

Adding $8m to the Program for Investment in Microentrepreneurs (PRIME) (terminated).

Adding $2m to Native American Outreach Program (terminated).

Adding $3.5m to Export Assistance Centers Program (terminated).

Adding $3m to the Small Business Innovation Research (SBIR) FAST Program (terminated).

Adding $1m to the Small Business Innovation Research (SBIR) Rural Outreach Program (terminated).

Adding $2m to the New Markets Venture Capital Program (zero-funded)

Adding $3m to the New Markets Technical Assistance Grants Program (zero-funded).

Adding $1.5m to the Women's Business Centers Program (increases funding to $13.5m).

Adding $17m to the Small Business Development Centers (increases funding to $105m).

Adding $500k to the 7(j)/8(a) Programs (increases funding to $2m).

Adding $250k to the Veterans' Outreach Program (increases funding to $1m).

Adding $250k to Small Disadvantaged Business Program (increases funding to $1.75m)

Americans need jobs. And many who have them are scared of losing them. Adequately funding public-private partnerships of the SBA is one of the fastest ways to fuel the economy, creating businesses, creating jobs, and improving the innovation of this country. I ask my colleagues to vote for this amendment.●

AMENDMENT NO. 2759

Mr. HATCH. Mr. President, I speak on Senate amendment 2759, which Senator KOHL and I introduced to restore juvenile justice funding to the Department of Justice. The proposed amendment would increase the administration of justice function by $122 million and offset the allowances function of the budget.

The prevalence of justice crime continues to be among the greatest criminal justice challenges faced by our nation, and a major concern to every parent. In 2002, juveniles accounted for 16.5 percent of all criminal arrests in the United States. Persons under 18 committed 10 percent of all murders, over 17 percent of all rapes, nearly 24 percent of all robberies, and 50 percent of all arsons. Additionally, in 2002, 101 juveniles under 15 were arrested for murder. Juveniles under 15 were responsible for six percent of all rapes, 11 percent of all burglaries, and one-third of all arsons. And, unbelievably, juveniles under 15—who are not old enough to legally drive in any state—in 2002 were responsible for 8 percent of all auto thefts.

To put this in some context, consider this: in 2002, youngsters age 15 to 18, who are only seven percent of the population, committed 16.5 percent of all crimes. Even with recent modest reductions in the juvenile crime rate, I believe that there is strong potential for significant increases in juvenile crime above already too-high rates as the children of the baby boom generation are coming into the prime age for criminal activity.

The national juvenile crime problem required a change in the Federal approach, which the Congress addressed in the 107th Congress. As one of the primary authors of the reauthorization of the Juvenile Justice and Delinquency Prevention Act of 1974 which passed last Congress, I focused this act works on reducing juvenile delinquency while adequately addressing the needs of juvenile offenders. Moreover, those reforms made federal policy on juvenile crime consistent with the realities of the problem.

As part of the reauthorization, we restructured juvenile justice assistance programs, including the Juvenile Accountability Incentive Block Grant, JABG, Program. The reauthorization reformed the federal role in the nation's juvenile justice system by providing relief from burdensome federal mandates and authorizing block grant assistance to states and local governments, which includes accountability-based juvenile justice programs. These grants have been successful in reducing the recidivism rate of juveniles by up to 70%.

Another major component of juvenile assistance, delinquency prevention, was also strengthened in the reauthorization. Delinquency prevention funding supports valuable mentoring programs, after school programs, therapy and other services for troubled children. These programs offer education and community activities to deter children from drugs, gangs, and other opportunities to engage in criminal behavior.

The authorization strengthened the act, and authorized it at $350 million each year.

Despite Congressional authorization, the President has requested drastically reduced levels for juvenile justice for the past 3 years. Overall funding has been cut by almost two-thirds. According to the President's budget request for Fiscal Year 2005, juvenile justice programs are to receive $150 million less than the congressionally-authorized amount. The Kohl-Hatch amendment would restore juvenile justice funding to the same level it was in Fiscal Year 2004—$320 million which is still under the authorized amount.

I urge my colleagues to support this much needed amendment to the Budget Resolution. We must put stock in our children and help them stay away from a life of crime.

AMENDMENT NO. 2771

Mr. HATCH. Mr. President, I discuss Senate Amendment 2771, an amendment I propose to the budget resolution. This amendment seeks to restore $600 million to the Department of Justice's Office of Justice Programs for law enforcement assistance.

The Office of Justice Assistance provides grants to the states and localities to aid law enforcement officers in the fight against crime. In addition to the COPS Office grants, the Office of Justice Programs offers states the Byrne Grant program and the Local Law Enforcement Block Grant, LLEBG Program, both of which have dramatically increased the capabilities and effectiveness of state and local law enforcement agencies.

Despite this tremendous help to our states, the President has not requested any money specifically for the Byrne Grant program or the Local Law Enforcement Block Grant, LLEBG program in the Fiscal Year 2005 budget request. As he has done for the past 2 years, the President proposes, and the budget resolution recommends, to consolidate these grant programs into one Justice Assistance Grant Program. However, in the process of consolidation, the new proposal seeks to eliminate a number of components of these grant programs. In addition, the budget proposes to reduce funding for COPS, thus reducing overall law enforcement assistance funding by 63 percent, or just over $1.035 billion.

The Byrne Grant program funds a number of successful crime reduction programs and is the Department of Justice's most flexible assistance account. Without these funds, many states would not be able to focus their resources at or operate specific programs. For example, in my own state of Utah, Byrne Grants provide the majority of funding for multijurisdictional drug task forces and DARE training. I am concerned that without these task forces, Utah's ability to wage the war against drugs would be seriously diminished.

Byrne Grants assist many states in controlling and preventing drug abuse, crime, and violence, and in improving the functioning of the criminal justice system. Currently, Byrne Grants have 29 specific purpose areas to combat drugs, gangs, financial and white collar crimes, and to improve the court system, the correctional facilities, and forensic capabilities. The proposed Justice Assistance Grant would only have six purpose areas. Many functions covered under the Byrne grants would no longer be eligible for much needed funds.

The Local Law Enforcement Block Grant program has also been successful by offering state and local law enforcement agencies the ability to hire officers and purchase needed equipment. These programs have made it possible for local police and sheriffs departments to acquire efficiency-enhancing technology and equipment. Without these funds, our law enforcement offices would loose valuable equipment which has been able to enhance their crime fighting objectives.

My amendment seeks to restore local law enforcement assistance back to the Fiscal Year 2004 level. In order to do this, I am requesting that the offset come from function 800 in the budget resolution, general Government.

As many of you know, the Department of Treasury is funded under this function. The Department of Treasury has $11.658 billion in discretionary budget authority for Fiscal Year 2005. In Fiscal Year 2001, the Department of Treasury had $10.332 billion in discretionary budget authority.

I recognize the needs of the Internal Revenue Service to modernize its systems, to fight abusive tax shelters, to reduce the tax gap, and to provide service to taxpayers. However, despite the increased needs of the IRS, because of the reorganization the Department of Treasury has lost two major components since 2001—the United States Secret Service and the Bureau of Alcohol, Tobacco, and Firearms. These two agencies had a combined budget of $1.584 billion in Fiscal Year 2001.

With a significant reduction in resources, one would imagine that the Department of Treasury's budget would have significantly decreased as well. However, instead of seeing a decrease in budget authority, of at least $1.584 billion, the Department of Treasury's budget has continued to increase since Fiscal Year 2001.

In light of this, my amendment proposes to offset funds for the Office of Justice Programs with funds from Treasury that previously went towards major law enforcement agencies.

I hope that the appropriators will continue to fund the Byrne Grants and the Local Law Enforcement Block Grants at the same level they have in the past. However, there will not be room in the budget for them to do so unless my amendment passes.

These highly successful and popular programs provide needed assistance to state and local law enforcement for a wide variety of programs and services. Eliminating these programs represents a severe blow to federal efforts to assist our communities in the war against crime.

I urge my colleagues to support this amendment.

AMENDMENT NO. 2793

Mr. HATCH. Mr. President, I rise to discuss Senator DORGAN's amendment to S. Con. Res. 95, the budget resolution. Although I am highly supportive of increased funding for law enforcement assistance, I cannot support this amendment. This amendment proposes to reduce unnecessarily the tax cut in order to achieve the important goal of enhancing law enforcement efforts.

As I have stated before, I am supportive of existing Federal assistance to law enforcement officers, such as the Byrne grants, the Local Law Enforcement Block grants, and the COPS grants. These highly successful, effective and popular programs provide needed assistance to state and local law enforcement for a wide variety of programs and services.

Eliminating funding for these programs represents a severe blow to communities and neighborhoods across the country desperately in need of Federal resources to win the war against crime. In fact, I have filed my own amendment—with Senator BIDEN's support—to restore the Office of Justice Programs' law enforcement assistance to the same level as that in Fiscal Year 2004. However, my amendment does not reduce the tax cut. It simply allocates funds from other areas of the budget.

That being said, I cannot vote for a reduction in the tax cut. A $2.2 billion reduction in the tax cut affecting the top 1 percent of taxpayers may seem like a good idea to some. However, as many Senators on my side of the aisle have pointed out, a high percentage of small businesses pay taxes at the individual level, not as corporations. These include sole proprietorships, partnerships, S corporations, and limited liability companies. Smaller businesses are the engine of job creation in this country. Why in the world, during this time when jobs are very much needed, would we want to harm the potential for some of these businesses to expand and create more jobs?

Under today's law, the top individual tax rate is 35 percent, the same tax rate that corporations pay. Because so many privately-held businesses do pay tax at the individual and not the corporate rate, it is important that we keep this parity in the tax law. This amendment would raise the individual rate above the corporate rate and once again introduce a disparity in the tax rates on businesses in this country. This would be poor public policy so I must oppose it.

In conclusion, I urge my colleagues to support my amendment which does not affect the tax cut, and not to support Senator Dorgan's amendment.

AMENDMENT NO. 2783

Mr. GRASSLEY. Mr. President, the Boxer amendment purports to deal with the loss of manufacturing jobs and the outsourcing problem. If some on the other side want to do something about manufacturing jobs, they should stop obstructing the FSC/ETI bill with poison pill political amendments. When we come back after next week, I'd ask those on the other side to put results ahead of politics and let us finish the bipartisan JOBS bill.

This amendment, on the other hand, just suggests that the Finance Committee repeal the tax policy of deferral and raise taxes on small manufacturers. The tax policy of deferral insures that American companies like Intel and Hewlett-Packard, compete on a level playing field with foreign companies. Eliminating deferral means U.S. companies will face a tax burden that is not shared by Japanese, German, British or other competing companies.

The Boxer amendment, though styled as a tax increase on the wealthy, contains a tax increase on our small business manufacturers. It would reverse the bipartisan Finance Committee bill's lower rate for manufacturers. Instead of 32 percent, small business manufacturers tax rates would be raised to a level higher than what the Fortune 500 pay.

If you care about manufacturing jobs, why would you punish our manufacturers by raising their marginal tax rates? If you care about manufacturing jobs, help us get the FSC/ETI bill passed and don't raise taxes on manufacturers.

I urge my colleagues to oppose the Boxer amendment.

Mr. BIDEN. Mr. President, like a lot of my colleagues this week, I have been visited here in Washington by a number of my constituents.

We get to hear, first hand, about the lives of the people we represent, about how we can help them or hurt them.

As we debated the budget this week, a couple of those meetings really stood out in my mind. When I met with Delaware's League of Local Governments, their top priority was increased funding for public safety and homeland security. These are the mayors and county executives from my State, the public officials closest to the needs of our communities.

They came to tell us that they need more cops on the beat, they need more resources and more attention from us here in Washington to deal with the security of the chemical plants in their towns, to name just one important example.

As they brought this message to us here in Washington, not just to me but to all of us in the Congress, we were presented with this budget resolution, that cuts 30 percent from the support for first responders, the very fire fighters and police officers that we so often pay lip service to. Lip service is all they get from this budget.

I joined with my colleagues in offering an amendment to restore and increase funding for homeland security, in keeping with the message we heard this week from our State and local officials. But that amendment was rejected, because it would have taken a small amount from the tax cuts—just a small amount—from the tax cuts going to those with the top 1 percent of incomes in this country.

I offered an amendment during the budget debate to restore funds cut from the COPS Program, that has put more policemen and women on the streets of towns and cities in Delaware and across the country. This budget, in a false economy, had reduced funding for law enforcement grants by over 60 percent.

My amendment would have restored a billion dollars to the COPS program, the Local Law Enforcement Block Grant, and the Byrne program. And it would have taken an additional 1 billion dollars off of the deficit.

Those amendments were rejected to protect the tax cuts that go to the top 1 percent of income earners in this country. Those are not the priorities of the local government officials who came here this week looking for help to strengthen public safety in their communities.

But that is the top priority of this budget resolution: sacrificing every other priority to avoid shaving barely 1 percent off of a tax cut that will total $690 billion dollars for people in the top 1 percent income level in this country over the next 10 years.

I also had the pleasure of meeting with the American Legion of Delaware this week. It is always moving, and a little humbling, to meet with the men and women who have given so much to this country. But these days, with so many of our troops still in the field, these meetings have even more meaning.

I know that a lot of my colleagues met with their veterans this week, too, and that they heard the same thing I did: health care is their top priority. This budget makes it harder for veterans to get health care, and makes it more expensive.

We offered amendments this week to add $2.7 billion to this budget for veterans' health care, and to pay for it by shaving less than 1 half of 1 percent off of the tax cuts for those in the top 1 percent of income earners in this country. That amendment was rejected, too.

To prevent a tiny reduction in the tax breaks for those who have the most we refused to add funds for veterans' health care.

In the debate this week on the budget resolution we made fundamental choices, and those choices revealed the principles, the values, that will guide us for the rest of this legislative session, and for years to come.

The values in this budget are not those of the local officials who came to see me this week. They are not the values of the veterans who came to town, either. And they are not my values.

When you write a budget, you have to put your money where your mouth is. At the end of the day, you have to be willing to make the choices—you have to set the priorities. And at the end of the day, those priorities, those values, will be written in black and white—and in the gallons of red ink in this budget resolution.

The statement made by this budget is one that I categorically reject, and that I urge my colleagues to reject.

I have to say that the budget resolution that is before us this week is perhaps the most irresponsible, disingenuous, and I have to add, the most callous that I have seen in my time here in the Senate.

This budget resolution, puts us on a track toward historical levels of debt, to be left to our children and grandchildren. This budget resolution slights the most basic responsibilities of our Government, with cuts in homeland security, in education, health care, transportation, clean water, and scientific research, despite growing needs in all of those areas.

This budget resolution will cripple our ability to meet the looming crisis in the Social Security System because it borrows virtually all of the reserves that Social Security is now building up in anticipation of the retirement in just over 10 years of the baby boom generation.

Even borrowing all of those Social Security reserves does not balance this budget. Even cutbacks in heath care, in medical research, in law enforcement, in education won't bring this budget back into balance. These false economies that will cost us more in the future will not bring the budget into balance.

In fact, under this budget, deficits continue to grow and grow, into the future. On paper, this budget claims to reduce the deficit over the next 5 years. There are 2 problems with that claim.

First, the claim that this resolution will reduce the deficit ignores the cost of the continuing war in Iraq, the war in Afghanistan, and the continuing war on terrorism. Whatever those costs may be, there is one number that we know for a fact is false, is dead wrong, and that number is zero.

By the estimate of the Congressional Budget Office, those costs could run to $280 billion over the next 10 years.

There is supposedly an allowance in this budget for $30 billion, but that is only a small fraction of what we can expect, and it is not even counted as part of the deficit. If we spend it, it will add to the deficit, but in this resolution, it is not counted, nor is the $250 billion more the CBO expects us to spend.

Millions of Americans are finding out now, and tens of millions will soon find out, that the Alternative Minimum Tax, designed to make sure millionaires did not manage to escape paying tax altogether, is set to fall on middle-class families. It will cost tens of billions of dollars to prevent that from happening. The administration agrees that it needs fixing, too. But this resolution assumes only 1 year of AMT relief, leaving out of the deficit count tens of billions in certain costs over the coming years.

The claim that this resolution reduces the deficit over the next 5 years is based on taking all of the reserves of the Social Security system, reserves that will be needed in the next decade for the largest wave of retirements in our country's history. If you leave that out, the deficit 5 years out will be closer to $550 billion, not the $237 billion they claim.

The other problem with the claim that this resolution will reduce the deficit in the next 5 years, is that the next 5 years, as bad as they are, are not real problem. The real problem our Nation will face lies in the years after that, when the deficits explode, on a collision course with the coming crisis in the Social Security system. It matters little what happens in the next 5 years if we careen into budget collapse in the years that follow.

That is just what this resolution would do. It leaves us on a path to add more than $2 trillion to our debt over the next 10 years.

It demands sacrifice from the middle class, who face rising health care costs and high college tuition payments at a time when job security is shaky, when the search for a new job takes longer and longer, and when we are losing the bedrock manufacturing jobs that have been the foundation of our middle class.

This budget demands sacrifice from everyone, except those Americans who have already been most blessed by the opportunities and advantages offered by this great country. For those Americans, who have received and will receive the lion's share of the recent tax cuts, not a dime of sacrifice will be asked.

Out of a total, 10-year tax cut of over $1.8 trillion, the top one percent will get $690 billion. The average taxpayer in the top 1 percent will get a 10-year tax cut of over half a million dollars. That is what this budget resolution, and the votes we have taken here on the Senate floor, will go to any length to protect. The reason that the rest of us must sacrifice, we are told, is that we face massive deficits. We just don't have enough money.

Like the child who killed his parents, and then begged for mercy because he was an orphan, the majority, who has insisted in the face of exploding deficits on tax cut after tax cut after tax cut, now claims we do not have the money to fund the most basic promises to American citizens.

To make up for those deficits, to pay for those tax cuts, this budget goes after those who are least able to help themselves. Unfortunately, their sacrifices will be in vain because this budget will still leave us with a massive burden of increasing debt. But this budget does not ask for a dime of sacrifice from those who have enjoyed the greatest economic success in this country, and who—on top of their growing wealth and incomes—have been the major beneficiaries of the recent rounds of tax cuts.

Over and over in this debate we have debated amendments to restore cuts in public safety and homeland security, in veterans' health care, in education funding—to keep the many promises to Americans that we have made. To support those priorities that help average Americans, those amendments called for small reductions in the tax cuts going to the top 1 percent of Americans.

We are not talking about cancelling tax cuts for average Americans. And we are not talking about cancelling tax cuts for the wealthiest among us. We are just talking about reducing the already huge tax cuts that they are going to receive.

If this budget resolution is adopted, we will break promises to governors, mayors, school boards, teachers, parents, and children. The No Child Left Behind program will be funded at a level $8.6 billion below what we promised when that law was passed.

If this resolution is adopted, we will leave veterans' health care $2.7 billion below what it is needed to keep our commitment to those who have already given so much—who continue to give so much—to our country.

If this resolution is adopted, we will shortchange the working poor in this country who are doing just what we hoped they would do when we reformed welfare. But the earned income tax credit, that President Reagan himself called the best anti-poverty program we have, will be cut by $3 billion. That program will be cut by $3 billion, because this Senate refused to take a tiny nick out of the tax cuts going to those with an average income of a million dollars a year. This Senate would rather take $3 billion from the working poor than take a tiny fraction from the those who already have so much.

The list goes on. It includes Senator LIEBERMAN's amendment, to provide an additional $7 billion for homeland security. These funds would have helped to secure our ports and our borders and our transportation system, guard against bioterror, and support first responders.

That amendment, that would take a little more than 1 percent of the total tax cut going to the wealthiest 1 percent—leaving them with more than nine-tenths of their tax cut, more than $680 billion—that amendment was rejected.

This budget resolution has one principle and one principle only: protect those tax cuts at any cost, including trillions of dollars in additional deficits and debt.

We know what those cuts will cost us in the future, and how much sacrifice they demand from those who can least afford it, but what have they done for us so far?

I ask my colleagues to remember the first time that President Bush called for tax cuts. That was back in the last presidential campaign, when the economy was booming and the budget was in surplus. He promised us that we could afford huge tax cuts, that were designed to shrink federal revenues, and to prevent the build-up of budget surpluses. Hard is as it to recall, the threat he was most concerned with was that we would balance the budget and then keep on building up surpluses.

Then, as the economy slowed down, he claimed that those same tax cuts would stimulate growth—the tax cuts he designed in the midst of the strongest economic boom our country had ever seen.

When those tax cuts failed to stimulate growth, and as deficits began to expand, virtually wiping out the $5.6 trillion ten-year surplus projected when he came into office, we were told that we needed even more tax cuts. Not only have the deficits continued to grow, but those deficits and the tax cuts that brought them on have done nothing to create jobs.

You have to go all the way back to the Hoover administration to find a record of job losses to rival this one. We have come out of recession, and have restored a respectable level of economic growth, and the stock market has come back to around the levels it reached in 1998. We are 37 months past the last peak in the business cycle, and on those measures things are looking up.

But this recovery is unique in our history. When it comes to jobs—the one real measure of economic health—we are, compared to our experience, 5.4 million jobs behind where we should be. While we have lost 2.4 million jobs over this period, we have also failed to produce new jobs at normal rates.

As the population grows, that means that more and more people are out of work, more than just the 2.4 million who had a job when this administration came into office, and who don't have one now.

In addition, there are millions who should be in the labor force, who have either dropped out and stopped looking, or never entered the labor force—over two and a half million. So while the unemployment rate is officially 5.6 percent, counting those who have despaired of finding work in this economy the rate is actually 7.4 percent.

The reason so many are discouraged from looking for work is clear—the duration of unemployment is the longest in 20 years. The number of people who have exhausted their long-term unemployment benefits is growing. Despite repeated efforts, this Congress has refused to extend long-term unemployment benefits.

Last month, no new private sector jobs were created. None. The small amount of hiring that happened was done by governments, not by the private sector, the only engine for real, sustained economic growth.

We have enacted tax cuts that will cost us $2.3 trillion dollars, counting the extra interest needed because all of that money is borrowed. We have turned balanced budgets, and historically high surpluses, into historically high deficits.

We are still 2.4 million jobs in the hole, by official numbers and millions more jobs short of where we should be this far into an economic recovery.

This resolution shrugs off these sorry facts. It does nothing to change course in the face of these failures. As a matter of fact, this budget resolution will result in higher deficits than no change in current policy. No budget resolution at all would be better than the one before us today. I will vote against it and hope my colleagues will join me.

Mr. ENZI. Mr. President, I support the budget resolution, S. Con. Res. 95. Let me begin by commending Chairman NICKLES for his outstanding leadership as chairman of the Senate Budget Committee. He has fairly and respectfully brought both sides of the aisle to the table on an issue that is inherently partisan. He has done so in a manner that encouraged cooperation, if not agreement. Last week, we completed a difficult markup in less than 2 days. We could not have done so without the leadership of both the chairman and the ranking member and the hard work of all of the Republican and Democrat members on the Budget Committee.

After more than 20 years on the Senate Budget Committee, this will be Chairman NICKLES' last floor debate on the Congressional Budget Resolution. We will miss him as both our chairman and as one of the Senate's most responsible and trusted protectors of the taxpayer dollar. Chairman NICKLES has built a reputation for being fiscally conservative not by saying he's a fiscal conservative, but by actually being one. I applaud him and his dedication to fair budgeting and wish him the best of luck in his future endeavors.

I would also like to thank the ranking member for the technical knowledge he brings to the table during these debates. Last week, he explained very succinctly how the budget caps and assumptions work. I was pleased to hear my friend from North Dakota talk about the importance of the caps versus the assumptions. Both the Republicans and Democrats have stacks and stacks of assumptions that identify our funding priorities, but these assumptions don't set in stone the specific levels of funding. They just help us set targets. Sometimes those targets are higher, sometimes those targets are more to the left or more to the right, but they never shift downward partly because we pass dozens of amendments every year that wrongly focus on the individual programs, not the overall limits.

Despite attempts by my colleagues to turn this into a debate on appropriations, I'd like to remind everybody that we are not taking shots at the targets yet. The appropriators are the first ones who actually get to do that. Today, we're talking about the targets set by the President and the committee-reported budget resolution. Like last year, when the President released his budget in February, I read the entire thing. I read the summaries and studied the tables and analyzed the assumptions; and, I truly believe the President laid the foundation for a good budget. Some people disagree with the underlying assumptions of the President's proposal and the budget plan that it was built upon and some want to turn it upside down. But, these arguments are more political than substantial, and they hinder our progress toward appropriations.

I believe the Budget committee rightly built upon the strong foundation laid by the President with respect to the Committee-reported resolution. We reported a resolution that will cut the deficit in half in three years and allow America to continue down the road to economic recovery. Yet, we did not have much luck passing this resolution in the committee in a bipartisan fashion. The vote was 12 in favor and 10 opposed.

Why the split? Because we, as Republicans, voted to hold the line on spending and live up to our promise to provide tax relief for all Americans. In contrast, we had more than 30 amendments from our colleagues on the other side of the aisle who wanted to increase spending and raise taxes to pay for it. Again, these amendments were more political than substantial, and they delayed our progress tremendously. The proponents of these amendments were trying to tell the Finance Committee how and when to raise taxes, but they cannot do that. Raising taxes is firmly under the jurisdiction of the Finance Committee, and they certainly do not need to take our advice on the subject.

In most cases, these proposed amendments would have increased discretionary spending and increased the deficit. During a time when deficit spending is higher in nominal terms than ever before, wouldn't it make more sense to decrease spending rather than increase it? We have a huge deficit and yet we still cannot control the spending of our colleagues. The debate on the floor this week is turning out to be similar.

Throughout the week, too many amendments have been introduced that would certainly have increased the size of the Federal government and blown the Federal deficit out of the water. Many of these amendments have also proposed to simply shift funds from one program to another based on budget "assumptions." Let me again remind my colleagues that the budget resolution does not set spending levels for individual programs. Unfortunately, I don't think this message is getting through to some people. As such, I have no doubt that many more amendments like those we've seen so far will be offered before the final vote.

For example, an amendment that proposes to increase funding under function 450 for Firefighter Assistance Grants by eliminating tax relief for working Americans does not guarantee that funding will actually find its way into those grant accounts. That decision will be made by the appropriators and the Senate during the debate on appropriations. That means much of the rhetoric we've heard throughout the debate is political, not practical. Right now, we can only decide the amount of money, not where it will end up.

We are not making the decisions this week as to which individual programs will be funded. We are setting the spending limits for our Appropriations Committees. We are setting the limits that will hold our colleagues in check when it comes to spending. The whole process reminds me of the cartoon that shows two bears in the woods—one has a target on his chest and the friend is saying "rotten birthmark." Thankfully, we are not shooting at the bear today. The Appropriations Committee will do the shooting.

Some of that shooting will be monitored down the road. My friend and colleague from Pennsylvania established a spend-o-meter last year that shows exactly how much our colleagues across the aisle want to increase spending on appropriations bills and under authorizing legislation. Most recently, the spend-o-meter proved useful during debate on the omnibus bill when the other side of the aisle proposed amendments that would have increased spending from $341 billion to almost half a trillion dollars in less than 24 hours. My friend and colleague has been using the spend-o-meter to keep track of how the proposed amendments on the budget resolution would impact the deficit, and let me tell you, the results are just as troubling. According to the charts presented by the Senator from North Dakota, he adds $5 billion and $6 billion and only gets $1 billion more spent. When I add $6 and $5 billion, I get $11 billion in budget requests.

If we were talking about a business, and we were the owners, we would be looking for areas of waste and unnecessary costs so we could trim costs and reinvest the money. The President did suggest the same kind of cuts based on GPRA in over 60 programs, resulting in $4.9 billion of savings. Not much you say? Show me your cuts. The economy grew while we constrained spending. We balanced it by growth of the economy, not by cutting a dime.

Constraining spending and shifting the targets we've been talking about can happen at the same time. Although few in number, some of the amendments offered today, including one I intend to offer, would actually shift the targets to a better position that will help us grow the economy. But, I think it's safe to say that most of the amendments offered by the other side will be outrageous attempts to raise taxes under the guise of increasing appropriations for very popular programs. Again, let's be clear that we will not be passing an appropriations bill today.

We will continue working on the budget resolution, which I believe sets forth a good budget. This year we had to make tough choices about our priorities. This budget reflects those priorities. Of the 3.3 percent increase in discretionary funding, 92 percent of it goes to the soldiers and citizens protecting our men and women overseas and at home. This budget gives our men and women serving in the Armed Forces and our diplomatic corps the tools they need to fight for democracy and win the war on terror.

This budget, however, isn't just about defense and homeland security. This budget is also about creating a better and brighter future for our kids. The committee-reported resolution supports the President's efforts to provide more funding for education than ever before in the history of the United States.

We have heard many arguments and we will continue to hear many arguments today and throughout the week, claiming that this budget resolution is an attempt to sell our education system short. That is simply not true. Under this budget, we assume that the Appropriations Committee will invest billions more in Title I grants under the No Child Left Behind Act, in Part B grants for individuals with disabilities, and Pell grants to students who want to take their education one step further.

Writing this budget resolution was not an easy process. It is never easy to cut or freeze spending. But we had to make tough choices this year. We had to freeze spending in most categories and limit percentage growth in all others. We had to clamp down on the tax relief we could provide to working Americans. We had to set spending caps at a responsible level that would allow our Appropriations Committees to pass 13 appropriations bills. To the credit of the Budget Committee, we made these tough choices. We produced a resolution that will allow Congress and America to move forward without overstepping the authority of the Budget Committee. We do not make the decisions on where to spend the money, just on how much is spent, although many amendments would give you the opposite impression.

I said this during the committee markup and I'll say it again today—this budget is about moving forward. We've faced some tough times in recent years. The huge spike in spending during the last year of the Clinton administration set the stage for troubled times in 2001. With the technology bust of the late 1990s and the year 2000, many of our healthiest industries were struck down to the point of barely breathing. But, that was just the beginning.

The terrorist attacks of 2001 and the international war against terror have forced us to address the decisions by previous administrations to gradually weaken our Armed Forces. Now, we are paying the price. We are playing a catch-up game—a catch-up game that costs billions, not millions, of dollars.

That's why we need to pass a budget this week that will rein in spending while allowing our defense sector and our economy as a whole to continue to recover. The budget resolution before us today makes some general, but critical assumptions. One of the most important assumptions focuses on preventing attempts by our colleagues to raise taxes on our working families.

The committee-reported resolution proposes to extend the personal tax relief currently scheduled to expire at the end of 2004. Contrary to the statements made by my colleagues, this tax relief helps middle- and lower-income taxpayers. The $1,000-per-child tax credit, the 10 percent income tax bracket expansion, and the marriage penalty relief are three of the most important tax provisions passed in decades. These provisions put more money back into the hands of our neighbors, families and friends.

This week, we have an opportunity to pass a budget that plans for the future, while taking care of our present-day needs. This budget aims to cut the budget deficit in half in just a few short years. I believe we can do it.

The tax relief put in place last year has already resulted in growth in almost every sector of our economy. Our gross domestic product increased by more than 4 percent last quarter and robust spending on technology, infrastructure and equipment points to strong continued growth through the next year. This growth will lead to more companies paying into the Federal pot and more money flowing from the private sector to the public sector and back again.

That is what this debate should be about—passing a budget that will help, not hurt, America's recovering business sector and job markets. We have heard the scare tactics on Social Security and unemployment and outsourcing, but what we haven't heard a lot about is how to help address the problems. This debate should focus on progress, not politics. I have been working with my colleagues from both sides of the aisle on an amendment that would propose a step in the right direction. My amendment would add $250 million to the Nation's job training programs.

For generations, the skills and ingenuity of the American workforce have fueled the greatest economy in the world. Today, America faces an emerging challenge that threatens the prosperity of generations to come. Our challenge is to equip our workforce with the skills needed for jobs in the new, global economy. Our prosperity rests with our ability to create and fill the high-skilled jobs that the 21st century economy demands.

We have talked about the loss of American jobs because of increasing globalization. We have talked about the loss of American jobs because of increasing productivity. I am here to talk about how we can keep high-paying jobs in America's factories, in America's businesses, and on America's shores. As we consider job creation in this country, we must address the growing skills gap that threatens our ability to compete—and succeed—in a more complex, knowledge-based economy.

As the country continues its economic recovery, people are asking: "where are the jobs?" It may surprise you to learn that many high-skilled jobs in this country remain unfilled because employers can't find qualified workers. According to a 2003 survey conducted by the Center for Workforce Preparation, an affiliate of the U.S. Chamber of Commerce, half of the employers reported difficulty in finding qualified workers. The problem is greatest for small employers. Nearly 60 percent of employers with 11 to 50 workers report having a hard time finding qualified workers. Small employers—our greatest source of economic growth—can't create jobs if they don't have the skilled workers to fill the jobs.

The gap between the demand for high-skilled workers and the supply will only widen in the future. Looking ahead 2 years, only 30 percent of the employers surveyed believe that the skills of their workforce will keep pace with demand. According to the 2003 study by the Center for Workforce Preparation, the manufacturing industry—which has faced some of the most severe job loss—faces the greatest skills gap. Manufacturers predict that by 2005 only 21 percent of their workforce will have the necessary skills. Almost 80 percent of American workers won't be qualified for American manufacturing jobs.

Without any action, technology and other advances will outpace the ability of American workers and business to update skills needed to compete in the new economy. But there is good news. There is action we can take to retrain workers to fill the jobs needed in this country, now and in the future. First, we can increase budgetary resources for job training programs under the Workforce Investment Act. Second, and more importantly, we can make sure the Nation's job training system created under the Workforce Investment Act effectively prepares our workforce for good jobs that the evolving economy demands. This amendment will do the first. To do the second, my Colleagues must agree to send legislation reauthorizing and improving the Workforce Investment Act into Conference.

I am offering this amendment to increase job-training budget authority because I agree with Federal Reserve Chairman Alan Greenspan that: "what will ultimately determine the standard of living of this country is the skill of the people." Job training under the Workforce Investment Act will help our workers get back to work or find better jobs. It will improve the lives of our workers and help them achieve the American Dream for themselves and their families.

This investment in our Nation's job training and employment system is an important investment in our future. Like any investment of the taxpayers' money, the investment in Federal job training programs must be fiscally responsible and generate results. While I support an increase in resources for job training, it cannot come at the expense of fiscal discipline. Therefore, my amendment is offset fully from account 920. My amendment will increase resources for Fiscal Year 2005 in the job training function. It will responsibly shift the target in this area. Beyond that, we must improve the workforce development system to better meet the needs of American workers and businesses before investing additional resources.

We cannot meet the challenges of the 21st century economy by simply throwing more money into the existing workforce development system. We have to improve the Workforce Investment Act to better prepare American workers for the good jobs of today and tomorrow. Again, there is good news. We have a bill that does this. It is a bipartisan bill that passed out of the Health, Education, Labor and Pensions Committee unanimously. We passed it on the Floor unanimously last November. That's as bipartisan as you can possibly get.

Where is the bill now? Here is the bad news. We can't appoint a conference committee, which is the committee made up of Republicans and Democrats who would meet with the House to work out differences between what they passed and what we passed. The Workforce Investment Act can help more than 900,000 dislocated workers a year find the well-paying jobs in this country that are available. That is 900,000 opportunities that can help fill the skills gap and make American workers and businesses more competitive. I have heard a lot of talk about losing American jobs. If we really want to take care of jobs in this country and make sure jobs stay in this country, we would appoint a conference committee for the Workforce Investment Act bill and enact this vital legislation.

Last week, the Health, Education, Labor and Pensions Committee held a hearing that addressed the skills of the American workforce. Dr. Diana Oblinger, executive director of Higher Education for Microsoft—an American company that symbolizes innovation and growth—presented some of the best testimony I have ever heard. She said that being able to "outthink the rest of the world" may be the most important competitive advantage. In this knowledge-based, global economy, I agree with Dr. Oblinger that the brainpower of our workforce is our greatest resource.

This amendment recognizes that the first priority for workers who have lost their job is finding a new job. But this amendment is only a band-aid. It will not fix the Nation's job training programs. If we are going to continue to "outthink the rest of the world", we must improve the job-skills and training of our greatest resource now and into the future.

With that, I believe this budget is a fiscally responsible measure and I urge my colleagues to work together to pass both my amendment and the resolution by the end of the week. Once again, I thank Chairman NICKLES, Ranking Member CONRAD, and all of the committee members for their work so far and hope we can move to final adoption of the Congressional Budget Resolution before the April 15 deadline.

Mr. GRASSLEY. Mr. President, I rise today to discuss the importance of accurate data to the debate over the budget resolution, particularly as it relates to the distribution of the tax burden. Over the past several days, a number of my colleagues have made claims that the tax relief we have enacted over the past three years only benefits the wealthiest of Americans.

In this debate, as well as all tax policy debates, it is important to use accurate data, and to debate the issues in an intellectually honest manner.

One of the key questions in any tax relief package is fairness. In evaluating fairness, we frequently look at whether a proposal retains or improves the progressivity of our tax system. Critics of tax relief continue to attempt to use distribution tables to show that tax relief proposals disproportionately benefit upper income taxpayers.

The tax relief that has been enacted to date, in the 2001 and 2003 tax relief packages, is promoting investment incentives so that companies will purchase additional capital and labor.

Criticizing these plans for benefiting wealthy taxpayers assumes that the rich stay rich and the poor stay poor.

Recent studies, including one produced by the National Center for Policy Analysis, indicate that this is untrue. The May 2003 study measures income mobility by breaking same age workers into five income levels and by monitoring their movement between the income quintiles over 15 years.

The study shows there is considerable economic mobility in America and that large numbers of people move up and down the economic ladder in relatively short periods of time. Moreover, in recent years earning mobility has increased.

The study demonstrates that within a single 1-year time frame that one-third of workers in the bottom quintile move up and one-fourth of workers in the top quintile move down. One-half of the remaining labor force changed quintiles within one year and 60 percent of workers are upwardly mobile within 10 years. The study also showed that after 10 years, two-thirds of workers change quintiles.

A University of Michigan study also concludes that taxpayers tend to move between income groups during their lifetimes. This makes sense. Taxpayers are likely to be lower-income earners early and late in life but are likely to be higher-income earners during the mid-points of their lives.

My understanding is that the Congressional Budget Office—CBO—is considering the use of income mobility concepts in its analyses. I'm pleased that the non-partisan official scorekeeping organization recognizes the important issue of income mobility.

What allowed these people to escape the lowest income quintile and start earning more money is college education and acquiring necessary skills on the job. Interestingly, anecdotal evidence shows 80 percent of individuals on the Forbes 400 list were self-made, as opposed to those who inherited fortunes.

Again, this underlines the importance of taking advantage of educational opportunities. Education allowed these people to overcome differences in parental income, increased their chances to escape low wage jobs, and determined the success of their future earnings.

Too often distribution tables are used in an almost fetish-like manner. It is important to understand that the tables are, at best, snapshots. The reality is much more complex. Distribution tables are useful policy tools, but they must be used in context.

The NCPA study confirms that there is substantial economic mobility between generations. Almost 60 percent of sons whose parents' incomes were in the bottom 20 percent are in a higher income group; 31 percent have incomes in the top 60 percent.

Therefore, whoever is saying that once rich, Americans stay rich, and once poor, they stay poor, is purely mistaken. I welcome this data on this important matter for one simple reason: it sheds light on what America really is all about—vast opportunities and economic mobility.

Built by people from all over the world, our country truly provides unique opportunities for everyone. These opportunities include better education, healthcare services, land financial security. But most importantly, our country provides people with freedom to obtain necessary skills to climb the economic ladder and live better lives.

We are a free nation. We are a mobile nation. We are a nation of hard-working, innovative, skilled and resilient people who like to take risks when necessary in order to succeed. We have an obligation as lawmakers to incorporate these fundamental principles into our tax system.

Mr. LEVIN. Mr. President, I cannot support final passage of this budget resolution. In my judgment, this budget, like the President's budget that it reflects, is divorced from the reality that working families in Michigan and across the country face every day. The challenges facing our country today are enormous. We are allocating resources around the globe to combat terrorism. Our troops are putting their lives on the line every day to secure and rebuild Iraq and Afghanistan. Social Security and Medicare face unprecedented strains as the baby boom generation nears retirement. At the same time, the Federal deficit is ballooning to historic proportions.

Crafting a budget to accommodate these and other priorities requires a careful and balanced approach. But unfortunately, the administration's budget and the resolution before us today focus too heavily on promoting massive tax cuts mainly for the wealthiest Americans, adding a large amount to our national debt and forcing painful cuts in our Nation's priorities like education, health care and protection of the environment—cuts that have real consequences for all of us.

This resolution, like the President's proposal, would make permanent the tax cuts pushed through Congress by the President in 2001 and 2003, which the Congressional Budget Office (CBO) estimates will cost $1.1 trillion over the next 10 years. Substantial revenue reductions like these have already left in their wake the largest annual deficit in our Nation's history, estimated by CBO to be a staggering $478 billion for this year and they are projected to continue.

Moreover, this resolution hides its true future effects by failing to account for large expenses that we all know are coming. By using 5-year projections instead of the customary 10-year numbers, this budget disguises the size of our deficits. The cost of extending the tax cuts past 2010 explodes just outside of the 5-year window. It is also outside of this 5-year window that the surplus we have in the Social Security trust fund disappears, thereby making the unified budget figures even worse. When this budget plan is played out over 10 years, our deficits skyrocket and use up every penny of the Social Security surplus, funds that Social Security will need as our baby boomers start to retire.

The President's budget blueprint also failed to include a number of inevitable costs, such as the cost of continued military operations in Iraq and Afghanistan. I am glad to see that the Budget Committee recognized this fact and placed into a special reserve fund $30 billion for military operations in Iraq and Afghanistan for 2005. However, it is clear that more will be needed; it is unrealistic to fail to reserve amounts for Iraq or Afghanistan in 2006 or subsequent years.

This budget also doesn't take into account likely reforms to the Alternative Minimum Tax, reforms that are needed to keep tens of millions of middle class taxpayers from paying a tax that was originally meant to apply only to a small portion of high-income taxpayers. Because of these and other omissions, achieving the President's goal of cutting the deficit in half by 2009 is hollow rhetoric, especially if he continues to stick to his agenda.

Following the path of continuing the President's tax breaks is fiscally irresponsible. The tax cuts are heavily slanted toward the wealthiest Americans. The average tax cut for the wealthiest 1 percent would be nearly 90 times larger than the average tax cut for middle-income households.

In its attempt to accommodate these reckless and inequitable tax cuts, this budget proposes a significant number of cuts to vital programs. Despite the fact that millions of jobs have been lost since the beginning of the Bush Administration—many in the manufacturing industry—this budget offers little help to those looking for employment. I am disappointed that we couldn't pass the amendment offered by Senator BOXER that would have placed top priority on creating jobs in the U.S. now, discouraging the shipping of jobs overseas, and helping workers dislocated by global forces beyond their control.

Instead this resolution contains significant cuts to one of the most successful federal/state partnerships in government, the Manufacturing Extension Program (MEP). The MEP creates programs to help our country's manufacturers be more productive and competitive, thus, keeping jobs here at home. The resolution also completely slashes funding for The National Institute of Standards and Technology's Advanced Technology Program (ATP), which focuses on improving the competitiveness of American companies in the global marketplace by encouraging R&D through public-private collaboration in the development of promising technologies. In the face of a loss of 2.6 million manufacturing jobs over the past few years, we should be doing all we can to promote programs that help create manufacturing and hi-tech jobs. Supporting the MEP and ATP programs is one way to do this.

Additionally, I am extremely disappointed that this plan fails to extend unemployment insurance to workers who have exhausted their benefits. The number of individuals exhausting their regular State unemployment benefits and not qualifying for further benefits is higher than at any other time on record—about 90,000 workers a week; extending unemployment insurance is the right thing to do for displaced workers and for the economy because it provides an economic stimulus by putting money in the pockets of people who need it most.

And the misguided priorities don't stop there. Despite our attempts to amend it, this budget inadequately addresses the needs of our children by failing to fund our education programs.

The No Child Left Behind Act, approved overwhelmingly by this body just over 2 years ago, is intended to help our school children make progress toward reaching their full potential by providing things such as smaller classes, after-school programs, and technology and technology training for teachers. But the President's budget refuses to provide our school systems the funding they were promised. And now, despite attempts to change this, the budget resolution also inadequately addresses the need for increases in education funding to assist local schools. We cannot expect our schools to adequately meet the high academic standards that have been set if we neglect to provide them with the tools they need to succeed.

Not only does this budget fail our young school children, it also fails our older children who seek financial assistance to attend college. The Pell grant program is the single largest source of Federal Government grant aid devoted to financing postsecondary education. This program reaches over one-fifth of all undergraduates each year. Despite the program's successes, this body opposed increasing the maximum Pell grant by a $1,050 by reducing tax breaks for the wealthiest among us.

This budget also fails to meet the needs of our veterans by underfunding the Department of Veterans Affairs, forcing real cuts in the health services for America's veterans. Not only should we be redoubling our efforts to care for those who have already served in the military, but as a new generation of soldiers returns home from countries around the globe, we must ensure that they have access to a veterans' health system that is able to provide them with the care and services they have earned. Despite these obligations to the men and women who have been sent into harm's way to protect us and our way of life, I am disappointed that this body voted down more than an amendment to increase veterans' medical care, even when the cost was fully offset. Our veterans deserve not only our recognition and our gratitude, but also the appropriate funding for well-earned services and benefits.

And the unwise cuts don't end there. This budget would make steep cuts in housing programs that provide assistance to low-income families, our seniors, and the disabled. The proposal also cuts foreign aid, environmental programs, health programs and the list goes on and on, calling for significant reductions in nearly every part of government in an attempt to pay for the President's tax cuts.

I am pleased that the Senate passed the amendment offered by the Senator from North Dakota, Senator BAUCUS, to strike the reconciliation instructions requiring mandatory program cuts targeted at critical programs like Medicaid and the Earned Income Tax Credit (EITC). I hope this will end the attempts to cut these vital programs that serve low-income families and individuals, populations that are, unfortunately, growing. This is not the time to cut these critical and effective programs.

Medicaid, as my colleagues know, is the largest source of funding for medical and health-related services for low-income individuals. In 2003, the program assisted 24.8 million children, and 13.6 disabled, blind, and elderly individuals. The EITC program has been highly successful in assisting persons in low-income families raising children to transition from welfare to work. EITC helps individuals and families, particularly single working mothers, meet essential needs, from putting food on the table to paying monthly rent to assisting in required educations expenditures. According to the U.S. Census Bureau, the EITC helps lift over four million people out of poverty annually, including more than 2.7 million children. Cuts to either of these programs are unacceptable.

This budget is divorced from the reality that American families face every day. It burrows us deeper into the deficit ditch, continues our reckless reliance on the Social Security surplus and fails to provide vital programs with adequate funding. I cannot support it.

Mr. LEAHY. Mr. President, I rise today to oppose the budget resolution that the Senate is voting on today. We have been presented a fiscally irresponsible budget that calls for record budget deficits and deep cuts in programs for education, first responders, veterans, and the environment. I find it difficult to pin point exactly how this budget benefits the hard working Americans who are being asked to pay for this reckless fiscal plan.

This budget plan does nothing to address the growing Federal debt that we are preparing to pass onto our children and grandchildren. In fact, this budget calls for a record $477 billion deficit this year, on top of the record $450 billion deficit last year. We have a responsibility to bring accountability back to the budget process. The $1.7 trillion in tax cuts that we have enacted over the past three years have not fulfilled any of their promise—they have not done anything to curb our growing economic problems; they have not continued the budget surpluses we reached under the previous administration; and they have not restored confidence in the fiscal decisions of our Government.

Perhaps even more disturbing, this budget fails to reflect the spending realities that face our country in the coming years. The endemic long-term deficits forecast in this budget will significantly add to the Federal debt that is expected to top $15 trillion by 2014. This five-year budget plan also contains no funds for our continuing commitments in Iraq and Afghanistan. The costs for these operations are so excessive—an estimated $280 billion over ten years—that including them in the budget would produce an unfathomably large national budget. Where will the money come from for future requests? The hope to cut the deficit continues to move farther and farther from reality.

Once again, this Congress is poised to enact a fiscally irresponsible budget plan offered by this administration. Time after time the President and many of my Republican colleagues have shown that they do not care about the long-term effects his policies have on our financial future. After record budget surpluses during the final years of the Clinton administration, the Bush administration has sent Congress three budgets in a row that have turned record surpluses into record deficits. The President's own budget predictions call for the Government to be a record $521 billion in the hole in 2004. This budget resolution is full of red ink for as far as the eye can see. With the retirement of the first of the baby boom generation just four years away, we can no longer afford to continue on the President's path of fiscal irresponsibility.

Mr. DODD. Mr. President, just this week the National Conference of State Legislatures released its latest Unfunded Mandates Report. Based on President Bush's budget request, and the budget resolution before us, the NCSL Report labels the $40 million in fiscal year 2005 funding for election reform under the Help America Vote Act an unfunded mandate of $560 million.

The budget resolution before us does not include sufficient funds to ensure that necessary election reforms can be achieved by the States in time for the 2006 elections. I regret that the resolution does not reflect the bipartisan recommendation of the Senate Rules Committee with regard to payments to the States for election reform under the Help America Vote Act, P.L. 107-252, HAVA.

In our letter of February 24 to the Budget Committee, Chairman LOTT and I expressed our concerns that the $40 million funding level proposed by President Bush's budget for fiscal year 2005 was insufficient to fully fund the required election reforms which States must implement by the first Federal election in 2006. Based on estimates by the States, the bipartisan Carter-Ford, Commission, and numerous experts, Congress authorized a total of $3 billion over 3 fiscal years for implementing these requirements. To date, Congress has funded roughly $2.4 billion in section 257 requirements payments. It is imperative that the remaining $600 million be provided in fiscal year 2005 to ensure that the States will be able to meet the requirements of HAVA, including the replacement of punch card systems and the deployment of fully disabled-accessible voting systems, by 2006.

Following the November 2000 election debacle, Congress responded by placing new requirements on the States for the conduct of Federal elections with the promise that we would fund 95 percent of the cost of those mandates. For the first time in our Nation's history, the Federal Government will be a full partner with the States in the funding of Federal elections. To expect cash-strapped State and local governments to make up for the shortfall in promised Federal funds threatens to derail the very election reforms Congress mandated that the States implement.

Voting is the voice of a free and democratic society. I believe that Congress can, and will, find the necessary funds to fulfill our promise to the States and our commitment to the American electorate to see that every eligible voter has an equal opportunity to vote and have their vote counted. While I will not insist on offering an amendment to this budget resolution, I am serving notice that I intend to work with my colleagues to see that we fully fund HAVA in fiscal year 2005 to ensure that the bipartisan reforms we enacted are implemented by the 2006 elections.

Mr. DASCHLE. Mr. President, I had hoped to offer an amendment to increase funding for the Rural Education Achievement Program. I will withhold that amendment, but I would like to take this opportunity to highlight the challenges facing rural schools.

Rural schools play a very important role in educating our Nation's children. Nearly 40 percent of America's schoolchildren attend public schools in rural areas or small towns with populations of less than 25,000. Almost 50 percent of the Nation's public schools are located in rural areas and small towns, and 41 percent of public school educators teach in rural community schools.

Rural schools face formidable challenges in their efforts to provide a high-quality education to each of their students. These school districts tend to be less effective in obtaining State and Federal competitive grants, in large part because many cannot afford professional grant writers. The costs of providing a good education also tend to be higher in rural districts. Teachers, for example, are paid the same whether they are teaching 30 or 5 students in a classroom. Transportation costs are much higher in rural districts, since school buses must travel longer distances. Unfortunately, these costs can adversely affect the budgets of rural districts and make it harder for them to provide the services necessary for high achievement.

Nevertheless, and appropriately, the same level of academic results are expected of them as in urban and suburban school systems. These students certainly deserve an equal opportunity to achieve those results. The geographic isolation of rural districts will make it more difficult to achieve the goals of the No Child Left Behind Act. Schools found in need of improvement may not have the ability or the resources to implement provisions such as public school choice and supplemental services.

Increasing funding for the Rural Education Achievement program would provide rural school districts with additional funding and flexibility to help these students achieve proficiency. Providing additional funding to rural districts would give them more options for providing high-quality services to children, such as distance learning and more teacher training.

The President proposes to freeze funding for the Rural Education

Achievement Program in his budget for fiscal year 2005, despite the major challenges facing schools in rural communities. I believe we should provide the full $300 million as promised by title VI of the No Child Left Behind Act, and I hope to work with my colleagues to achieve that goal as we work on the appropriations bills this year.

Mr. KOHL. Mr. President, I am in opposition to the budget before the Senate. Many pundits will argue that the Senate budget is meaningless political posturing and a waste of time. After all, no money is appropriated by the decisions we make in this resolution. No taxes are changed. No laws are passed.

But those who write off the budget debate are making a real mistake and missing a real opportunity. The Senate's budget resolution is our one chance to demonstrate that we have a coherent plan for our country. The budget is our opportunity to show that we have the courage to face our challenges, the common sense to meet our obligations, and the vision to lead the nation into a brighter future.

Sadly, the budget before us fails on all three counts.

Our current fiscal situation is a disaster. The Federal balance sheet has swung from a record surplus of $236 billion in fiscal year 2000 to a record deficit of $477 billion projected for this fiscal year. Now—as the baby boom generation prepares to retire, as our nation faces unprecedented threats to our security, as well-paying manufacturing jobs bleed off our shores—does our budget face our fiscal shortfall with the gravity and seriousness of purpose the situation demands?

No, it does not. Instead, we have a document that masks Treasury-draining tax policy with 5-year projections—closing the window to the public before the price tag for the President's ill-considered tax breaks reaches the trillions of dollars. Instead, we have a budget that doesn't include in its bottom line the estimated $280 billion in additional funds over the next 10 years it will take to continue to fight wars in Afghanistan and Iraq.

Certainly, the cost of the war in Iraq is a contentious issue. The exploding price of the President's tax breaks is unsettling. And the $2.8 trillion the budget before us plans to add to the federal debt in the next 5 years is downright terrifying. A courageous budget would acknowledge those hard, cold numbers honestly. This budget does not.

Nor does it contain the sort of common sense that might make it a fiscal plan worth supporting.

As school districts everywhere cut back on teachers, academic options, counseling, books, even heat to pay for the mandates of the Leave No Child Behind Act, does this budget meet the government's acknowledged obligation to pays its fair share?

As Republican and Democratic Governors alike struggle to meet the health needs of the uninsured, does this budget propose to meet the federal government's obligations to the States under Medicaid? No.

As the costs to the government and society of young criminal offenders pile up, does this budget meet its obligation to fund the cost savings juvenile crime prevention programs that keep kids out of jail? No.

As farmers and ranchers struggle with shrinking profit margins, violent weather conditions, and market-wrecking diseases like mad cow disease, does this budget meet its obligation to guarantee a safe and available food supply? No.

The list of unmet obligations is longer than the budget document itself: TANF reauthorization, transportation reauthorization, higher education reauthorization, Federal nutrition program reauthorization—health, education, safety, welfare—all needs unmet; all duties undone.

If the first rule of commonsense budgeting is pay what you owe, then this budget is a violation of common sense.

But perhaps even more than common sense—or courage—what this budget lacks is vision.

We should face head on and plan for—the hemorrhage of manufacturing jobs. But this budget merely dabs at the wound with unrelated upper income tax cuts, ill-conceived trade agreements, and empty promises of better times to come.

We should face head on—and plan for—the looming crisis in Social Security shoved onto the baby boom generation by our precarious fiscal situation. But this budget merely shortens its time frame to 5 years and ignores the train wreck just around the corner.

We should plan for a prosperous future for next generation. But this budget skimps on feeding them when they're born, skimps on teaching them as they grow, and is generous only in loading them down with debt when they enter the working world.

We are capable of producing a budget with courage, common sense, and vision. We have not. The people of this country deserve a budget with courage, common sense and vision—everything this budget is not. For those reasons, I oppose the resolution.

Mr. ROCKEFELLER. Mr. President, I rise to oppose the budget resolution that the Senate is considering today. Quite simply, this resolution does not reflect the priorities of West Virginians. The policies promoted here would not be in the best interests of the overwhelming majority of West Virginians.

This budget resolution calls for more of the same failed economic policies that have been implemented over the last 3 years. It provides for additional tax cuts for the wealthy. It shortchanges investment in important domestic programs. It understates the cost of supporting our troops serving in Iraq and Afghanistan. And it forecasts more outrageous deficits for our children to pay off.

West Virginians are rightfully worried about our economy right now. Many of them are unemployed, and many others are nervous that their jobs will be the next ones shipped overseas. They are having trouble making ends meet on wages that have stagnated. They are struggling to have health care for themselves and their families. They have a right to expect that when laying out our economic policy for the coming year, Congress will address these pressing concerns. I am very disappointed that the budget resolution we are considering today offers no leadership on these important issues.

Instead, as has been the pattern of the last 3 years, this budget resolution provides for more tax cuts for the wealthiest Americans. Let me be clear. Some of the tax cuts called for in this budget resolution are ones that I look forward to supporting. The increase in the child tax credit, relief from the marriage penalty, expansion of the lowest tax bracket—these are tax cuts for hard-working Americans that Democrats have been fighting for all along. Families in West Virginia deserve to have these tax cuts extended, and I will work with my colleagues to ensure that we do so.

However, this budget resolution calls for additional tax cuts for the very wealthiest Americans as well. The legislation asks us to accelerate the elimination of estate tax—something that helps married couples with estates worth more than $7 million. The resolution asks us to extend the tax cuts on dividends and capital gains income—something that will benefit less than 20 percent of the people in my state. I simply do not believe that Congress ought to consider additional tax cuts for the most fortunate in our society in a year when our troops are in the fields, millions of Americans are feeling the pain of joblessness, and the government is running record deficits. To those who hid behind the spurious argument that tax cuts for the wealthy are really for small businesses, I would remind them that less than 2 percent of our Nation's small businesses pay taxes in the highest bracket.

With tax revenues already at their lowest point in decades, as a share of the economy, critical Government services are underfunded in this budget resolution. The resolution provides just $369 billion for all domestic, discretionary spending outside of homeland security. While that may sound like a great deal of money, it is just $2 billion more than last year, and certainly not enough to keep pace with inflation or program growth.

Let me give you just a few examples of the painful results of such a budget. First, this budget turns its back on our schools and reneges on a promise Congress made when it enacted the No Child Left Behind legislation. In 2000, I voted for the No Child Left Behind Act because I strongly believe that education is the key to our future and we must invest in higher academic standards. Based on that legislation, our schools have accepted annual testing, and its expense, higher academic standards for students, and higher standards for teachers. But this budget does not follow through with the resources we promised schools that accepted these changes. This year alone, we are $8.6 billion short of promised funding. In West Virginia, funding is $60 million less than promised.

Students are not the only ones to lose out under this budget resolution. Anthony Principi, the Secretary of Veterans' Affairs, told Congress that Veterans Administration health care is underfunded. He testified that he needed $1.2 billion in additional funds. At a time when military personnel are serving in Afghanistan and Iraq, new veterans are coming home, and 60,000 veterans are on waiting lists for health care, we simply must fund VA health care. Yet, this budget does not.

The Federal Government also has a responsibility to maintain its commitment to Medicaid in order to protect access to health care for our poor children, needy families and seniors in nursing homes. This is especially true during times of economic downturn when Medicaid beneficiaries need it the most. Last year, I worked with several of my colleagues in the House and Senate to successfully pass $20 billion in State fiscal relief. This legislation prevented several States from making cuts to their Medicaid programs. However, the projected budget deficits for states in the coming year are between $39-$41 billion—in spite of the slight upturn in the economy. Eighteen States have already introduced measures to reduce Medicaid coverage, eliminate benefits, increase copays, limit access to prescription drugs, or decrease payments to providers. Additional states will be forced to enact similar measures if fiscal relief expires on June 30.

Instead of trying to undermine Medicaid funding, we should continue to provide state fiscal relief in order to hasten our nation's economic recovery and improve coverage options for the uninsured. And I am very disappointed that this budget resolution offers no assistance to states to prevent these devastating cuts.

As the ranking Democrat on the Aviation Subcommittee of the Commerce Committee, I cannot help but note that this resolution does not provide sufficient funds for the Essential Air Service program or the Small Community Air Service Development Program. I will certainly fight for adequate funding to maintain the Federal Government's commitment to making sure that small and rural communities continue to be connected to the national air transportation system. This budget resolution will make that fight an uphill battle.

I cannot support this budget. I refuse to believe that this is the best that Congress can do, and I will not try to explain to West Virginians that there is room for additional tax cuts, but not enough money for education, child care, health care, infrastructure improvements, homeland security, and other important domestic initiatives.

I also refuse to ask West Virginia's children to assume enormous amounts of additional debt to fund such misguided priorities. Make no mistake, while this budget imposes painful restrictions on services that West Virginians care about, it still increases our national debt by unprecedented amounts in the coming years. These outrageous deficits will have a tangible, negative impact for middle-class Americans. As Government borrowing goes up, we know that interest rates will also arise for families with home mortgages, student loans, car loans, or credit card debt.

If this resolution is to be the blueprint for our economic policy this year, then we are in for another dismal year. I ask my colleagues to oppose this budget resolution and to work together to craft a budget that is consistent with the values of hard working American families.

Mr. DASCHLE. Mr. President, as we continue to debate the priorities of this year's budget resolution, I want to take this opportunity to discuss a growing problem in America—one that has had an especially devastating impact on South Dakota and other rural States. That problem is the spread of methamphetamine.

Over the course of the last decade, there has been a dramatic increase in the trafficking and abuse of methamphetamine in rural States. In fact, a spokesman for the Drug Enforcement Agency recently stated, "Meth is now the number one drug in rural America—absolutely, positively, end of question." South Dakota, like many States across the country, is struggling to find ways to combat this latest drug epidemic.

Methamphetamine is highly addictive, and can have devastating health effects, including psychotic behavior and brain damage, and produces withdrawal symptoms of depression, anxiety, fatigue, paranoia, and aggression. Chronic methamphetamine use can cause anxiety, confusion, and violent behavior. Every year, hundreds of people die from methamphetamine-related causes, and the number of admissions to treatment for methamphetamine throughout the United States increased from 14,554 in 1992 to 80,678 in 2001, an increase of over 500 percent.

The problem is getting worse. In 2001, 10 percent of all South Dakotans who sought State-funded inpatient treatment services indicated that meth was the primary substance of abuse. In 2002, the number grew to 17 percent. In June 2003, that percentage jumped to 33 percent. Fifty-seven out of 66 counties in South Dakota in 2001 reported problems with methamphetamine use, and because meth-related problems are showing increased movement from the outside edges of the State toward the center, the sad truth is that soon there won't be a single county in my State that is not seriously affected by methamphetamine.

In addition to having serious adverse health affects, methamphetamine presents our Nation's law enforcement agencies with unique and significant challenges.

Unlike other illegal drugs that are produced in foreign countries and smuggled into America, meth is being produced and distributed right here in America. Methamphetamine can be manufactured in small, clandestine labs that operate out of homes, barns, hotel rooms, and even car trunks. The equipment, ingredients, and even the recipe are readily available in pharmacies, hardware stores and on the Internet. Producers of methamphetamine tend to be small-scale operations seeking to make only enough for personal use and minor sales—much like the old alcohol stills—so that police can't simply choke off a major supply by targeting a big dealer. And because these clandestine operations are usually making only small quantities, shutting down a single meth lab does little to limit supply.

So law enforcement faces one of its most urgent and complex challenges. It is being asked to shut down something as deadly as heroin, but as easy to make as bathtub gin.

We must act to reverse this trend before it is too late. That is why I am supporting amendments to the budget resolution that will provide needed assistance to rural communities in their efforts to combat methamphetamine. Programs such as COPS, Byrne Grant, and Local Law Enforcement Block Grants play an essential role in providing the resources for our State and local law enforcement officers in their efforts.

Just last night, on NBC nightly news, one of the lead stories was entitled "Meth labs, a toxic threat to rural America." We don't need more stories in the news to know methamphetamine trafficking and abuse are already a major problem in rural areas. There is evidence that the drug is beginning to take hold in our Nation's urban and suburban areas. We must act now to prevent further damage.

Mr. KOHL. Mr. President, yesterday the Senate passed the Baucus amendment to strike what would amount to devastating cuts to the Medicaid program. I am pleased that this amendment was adopted, and I believe it was an important step in correcting what I believe was a gross misplacement of priorities in the Budget Resolution before the Senate.

At the same time that this budget resolution cuts taxes for wealthier Americans by billions of dollars, it also included a provision that will help clear the way for an $11 billion cut in Medicaid. This cut would be devastating to millions of low-income families, children, disabled and senior citizens who are served by this critical health care program.

And to make matters worse, this cut would come at a particularly bad time. States continue to face fiscal crises as a result of a weakened economy. They are already struggling to keep up with the rising demands and costs of Medicaid as more families need help during trying economic times. This budget resolution would have made it even harder for States to meet the needs of families, and would certainly lead to more uninsured Americans as States are forced to make painful cuts in Medicaid.

Estimates show that an $11 billion cut in Medicaid would cost Wisconsin approximately $200 million over 5 years. Wisconsin has been a leader in providing comprehensive health services that working families need, but how would our State be expected to absorb a cut of this magnitude and continue to provide the comprehensive services people count on? This provision could force cuts in critical health benefits, preventive benefits, dental coverage, vision coverage, or speech and occupational therapy. It could force States to limit enrollment and lead to an increase in the number of uninsured families. It could lead to higher costs for seniors enrolled in State prescription drug assistance programs. It could limit options for long-term care for the elderly and disabled. And it could lead to cuts in reimbursement to health care providers.

We should be appalled by the prospect of cuts in basic safety net programs like Medicaid during a time when many lower-income Americans need more help. We should be especially shocked when the cut occurs at the same time that we provide billions in tax cuts for the wealthy. But this budget resolution would have put $11 billion in Medicaid cuts on a fast track and left low-income working families, children, seniors and people with disabilities out in the cold.

I am pleased that the Senate voted to reject these harmful Medicaid cuts and to finally begin to put this budget's priorities in the proper order for our Nation's working families.

Mr. CHAMBLISS. Mr. President, I rise today to speak on S. Con. Res. 95, the fiscal year 2005 budget resolution.

I support the budget before us because I believe it strikes a good balance between fiscal discipline, continued tax relief, and strong support for our military and the security of our homeland.

Before I expand on S. Con. Res. 95, I would like to reflect on a few events and developments that have shaped the current landscape in America. Since President Bush's inauguration in 2001 America has faced a myriad of debilitating events such as: a stock market that had been in decline since 2000 along with a recession according to leading economists; unprecedented corporate scandals; and, terrorism on American soil. This triad of events was a perfect recipe for increased unemployment, a ballooning deficit and a struggling economy. In an attempt to rectify these problems, the President, in conjunction with the House and the Senate passed necessary sweeping tax reform that has helped right the stock market, reduce unemployment and pave the way to sustained economic growth in the future.

While these past legislative accomplishments were essential and have produced phenomenal results such as; gross domestic product, GDP, in the third quarter last year grew at the fastest quarterly rate in two decades, unemployment has dropped drastically and the combined value of the New York Stock Exchange, NYSE, and the NASDAQ has increase 40 percent. And we need to do more to assure this unprecedented growth continues. That is why this budget rejects tax increases on working families, maintains tax relief for married couples and maintains the 10-percent income tax rate for low-wage workers. In addition to maintaining tax relief, this budget, in order to allow for continued economic prosperity, holds the line on spending and cuts the deficit in half in merely three short years. This reduction in spending and exercise in fiscal discipline will help curb our towering deficit.

The United States has also made bounding leaps in the war on terrorism. In the past year alone, the United States has toppled two evil regimes, in Afghanistan and Iraq, rid the world of Iraq's weapons programs, and captured Saddam Hussein. The Budget committee sent to the floor an increase in defense funding of $20 billion. After agreeing to Senator WARNER's amendment, of which I was a cosponsor, the Senate has increased military funding by $27 billion for 2005 to make sure troops have the resources necessary to continue to fight this war on terrorism and protect and defend our interests around the world. In addition to providing funding for our military, this budget also takes into account the importance of adequately providing funding to secure our home front by increasing homeland security funds by $4 billion over last year's level.

With our renewed economic growth and Congress' diligent efforts to focus spending on only our essential priorities, we can continue this economic prosperity and secure America at home and abroad.

Mr. DASCHLE. Mr. President, as we debate the fiscal year 2005 budget resolution before us, each of us is obligated to measure the budget against our State and national priorities. Monday I talked about the many ways this budget shortchanges the Nation's priorities. Today I want to focus on the ways the budget shortchanges South Dakota's priorities.

South Dakotans want to ensure that our fiscal health and Social Security remain sound and stable. They want men and women who have worked hard all their lives to retire with dignity. Since January 2001, they have watched with alarm as the Bush administration and Congress have spent both the budget surpluses it took us so long to accrue and the Social Security trust funds that, only a few years ago, both political parties declared untouchable. This budget exacerbates that dismal situation, and I will be supporting an amendment to protect Social Security for generations to come.

South Dakotans want America's veterans to be treated with dignity, too. They want us to honor our commitments to them and "care for him who shall have borne the battle and for his widow and orphan." Here again, this budget fails. Nearly 60,000 veterans are on waiting lists for care at VA hospitals. When our troops fighting in Iraq and Afghanistan return home, the lines could get even longer. But despite the extraordinary sacrifices our soldiers have made for us, the Republican budget offers veterans only longer waits and higher fees. I will be offering an amendment to fully fund veterans' health care.

South Dakotans believe the men and women of the National Guard and Reserves should have the right to come home to health care, too. That is why I will be offering an amendment to allow those without health insurance to purchase TRICARE coverage when they return from active duty. The amendment would give Guard members and reservists permanent access to TRICARE coverage for themselves and their families.

South Dakotans feel the pain of low wages, high unemployment, and American jobs going overseas. That is why I will be supporting an amendment to encourage job creation, discourage shipping American jobs overseas, and provide dislocated workers the assistance they need. South Dakotans want their children to have a world-class education. They believe that, in that effort, we should leave no child behind.

Even if that child lives in a small, rural school district. Even if that child lives on an Indian reservation. The No Child Left Behind Act said, if you hold our students to higher standards, we will guarantee you the funding to meet those standards. Schools are holding up their end of the bargain, but the President and this budget are not. I will support an amendment to make good on our national promise and fully fund the No Child Left Behind Act, including the Rural Education Assistance Program.

South Dakotans believe we should also make good on our promises to Native Americans. In that regard, and in so many areas, our Government has fallen short. Perhaps the most flagrant violation of our commitment to Native Americans is our failure to provide essential health care services to the people who depend on the Indian Health Service. This budget provides less than 40 percent of the funding needed to provide basic health care services to Indian Country. On a per capita basis, that equals about half of what our nation spends on federal prisoners' health care. Again, I will be offering an amendment to right that indefensible wrong.

South Dakotans value clean water. The President's budget and this budget resolution shortchange critical drinking water projects, as well as basic water and sewer services for rural communities. Throughout this year's budget and appropriations processes, I will be working to restore those funds.

South Dakotans value their forest land and want to protect it. Last December, Congress and the administration enacted the Healthy Forests Restoration Act to authorize funds for hazardous fuels reduction in our national forests. The President's budget underfunds that program, leaving our forests vulnerable and many communities at high risk of devastating fire. These funds must also be restored.

South Dakotans believe that the communities that put food on our table deserve our gratitude and a fair chance to maintain their way of life. The President's budget and this budget resolution cut essential conservation and rural development programs and threaten the economic future of rural communities. I will be working to restore those funds, too.

This budget, like all budgets, is about more than numbers. It is about choices. It is about priorities. And from the looks of this budget, our priorities are all wrong.

Our Nation is at war, our economy is flagging, our schools are struggling, our people are going without health care, and our government is facing record deficits as far as the eye can see. But despite the tremendous challenges our nation faces, this budget inexplicably proposes a staggering $1.3 trillion in new tax breaks, primarily for the wealthiest among us.

South Dakotans have a different set of priorities. In the course of this debate, I plan to support a series of amendments that aim to reflect those priorities. The amendments will offer a strategy to repair our fiscal problems, keep our promises, and prepare our country for the challenges of the future.

Each amendment will fix a glaring weakness in this budget and each will be fully paid for. In fact, most will actually reduce the deficits that Republican budgets have created. And they will reflect the priorities of South Dakotans, who, like virtually all other Americans, expect us to make responsible choices.

Mrs. FEINSTEIN. The Federal budget deficit will reach a record $477 billion this year, according to figures released in February by the Congressional Budget Office. And, if you believe the President's own numbers, the budget deficit will come in at $521 billion this year. This is a stunning turnaround from 3 years ago, when the budget was in surplus. But this is just the tip of the iceberg. Over the next 10 years, the deficit is projected to grow to $5.5 trillion—another record.

Deficits do matter, and unless we face up to them, they could seriously harm our Nation's economy. Here is why:

First, deficits mean increased spending on interest instead of priorities. In the short term, deficits can help stimulate the economy or pay for emergency spending. But in the long term, they limit our Nation's ability to fund much needed priorities. This means less money for education, less money for environmental protection, and less money for health care. The administration—largely because of the projected deficits—has pledged to limit spending on domestic programs this year to 1 percent growth.

The budget before the Senate today reflects these constraints by: failing to reimburse state and local governments for the federal responsibilities in paying for the incarceration of illegal immigrants; reducing the effectiveness of our police officers by cutting almost $700 million from the COPS program; cutting almost $250 million from firefighter grants; underfunding No Child Left Behind by $8.9 billion; and underfunding Port Security by more than $550 million. These are not frivolous or unimportant programs: these are vital priorities that must be funded.

Last year we spent $318 billion in interest on the national debt alone. Our total non-defense discretionary spending last year was only modestly larger, coming in at $421 billion. Every dollar of that $318 billion was money that could have been available for education, healthcare, defense, infrastructure, job development, homeland security—or to return to the American people as tax cuts, if we had paid down the debt.

Second, deficits lead to interest rate increases. We have been fortunate in recent years; interest rates and inflation have remained low. But as the economy picks up, the downward pressure on interest rates will be relieved and the impact of deficits will be felt. This will add huge expenses to variable home mortgages and auto loans. An increase of just 1 percent would add $2,000 per year to the cost of a $200,000 home mortgage. This is more than the majority of American taxpayers will receive from the President's latest tax cut.

Third, deficits prevent us from addressing the looming Social Security and Medicare crises. This is an issue that is not addressed in this budget resolution. We can not continue to avoid it forever. The retirement of the baby boomers will place a tremendous strain on our social safety net. In fact, if we do not address the problem, the Medicare trust fund will go broke by the year 2030, and the Social Security trust fund by 2040.

Our Nation was poised to deal with these crises at the end of the Clinton administration. In 1998, the 30-year trend of deficit spending had been reversed, and we paid off $448 billion of the Nation's publicly held debt. This opportunity, however, has been lost. Not only have we failed to shore up the Social Security and Medicare trust funds, but we are also tapping the Social Security trust fund to pay our bills—to the tune of $164 billion this year alone.

So what do we do?

One possibility is to simply continue along our current path and pass our problems on to our children and grandchildren. In fact, the budget resolution we are dealing with today raises the federal debt ceiling by $644 billion—essentially borrowing from future generations because we are unable to muster the political will necessary to pay today's obligations today.

So I strongly believe that the time has come to chart a different course, and make the tough choices that the President and this budget resolution avoid making. We must adopt a balanced approach to both taxes and spending and return to a program of fiscal sanity. This is what we did when I first came to the Senate over a decade ago. At that time, a small, bipartisan group of Senators came together to get our fiscal house in order. Democrats worked to bring spending under control. And Republicans pledged not to push for additional tax cuts. Today, we must come together again to address the deficit and restore our Nation's economic security.

On taxes, I believe that we must consider rolling back the tax cut on the wealthiest in the Nation, to bring the income tax rate from its current 35 percent back up to 38.6 percent—what it was just last year. This will affect those who earn more than $312,000 per year. And, will impact less than one percent of American taxpayers, but will save nearly $130 billion over the next decade. Making the President's tax cuts permanent, as he called for in his State of the Union Address, represents the height of fiscal irresponsibility. In fact, the Tax Policy Institute estimates the cost of making these tax cuts permanent would cost $1.8 trillion over ten years—$1.8 trillion at just the time that baby boomers will start retiring and Social Security and Medicare need to be stabilized.

The tragedy of our current circumstance is that, given the surpluses he inherited, President Bush should have the resources available to devote additional spending to healthcare, education, and the environment. But the wrong policies, at the wrong time, combined with the war on terror, escalating the 2001 tax cuts, and now moving to make them permanent, plus the recession, have contributed toward the largest budget deficit in history.

And now, the fact of the matter is that we are going to need to tighten our belts and bring spending under control. I have no problem holding the line on spending, but believe that it must be done in the context of a more responsible approach to tax policy.

Finally, we need to take a good, hard look at Social Security and Medicare, and start addressing some of the deeper structural problems with these programs now—before they fall into crisis. These are not easy answers. But holding off on additional tax cuts, bringing spending under control, and dealing with Social Security and Medicare is the only path to long term fiscal order, a balanced budget, and a healthy and vibrant economy.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. FRIST. Mr. President, as in executive session, I ask unanimous consent that following the vote on the adoption of the budget resolution, the Senate proceed to executive session and to consecutive votes on the following nominations on today's Executive Calendar: Calendar Nos. 562 and 565.

I further ask unanimous consent that following the votes, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Reserving the right to object, and I shall not object, I ask the distinguished leader if he would amend his unanimous consent request for it to be in order to ask for the yeas and nays at this point.

Mr. FRIST. Mr. President, what we are doing, so people will stay for another 15 minutes or so, is we are going to act on 2 of the 12 judges who were reported by the Judiciary Committee last Thursday. The judges have been cleared on our side and are ready to have a voice vote on each nomination.

I understand there is going to be a request for a rollcall vote from the other side of the aisle. If no one requests such a vote, I will be prepared to announce that the vote on adoption of the budget resolution be the final vote prior to the recess, but if votes are needed on the judges, then Senators should be prepared to stay for these two rollcall votes.

Mr. LEAHY. Mr. President, again reserving the right to object, there will be a request for a rollcall vote, and I assume the leader would join in that, that there would be a request for a rollcall vote on the two judges, 10-minute rollcall votes so we are only here for 11 minutes, and everybody will be out on the second one. I only ask to protect my rights to ask for those rollcall votes.

Mr. FRIST. Mr. President, it looks as if we will have final passage, and then we will have two rollcall votes. For scheduling what will come, I announce that we will be in session tomorrow briefly to finish clearing some legislation, but we will not have rollcall votes tomorrow.

We are also attempting to clear additional executive nominations, including Mark McClellan to be Administrator of the Centers for Medicare and Medicaid Services. Following Friday's session, we will reconvene on Monday, March 22. I previously announced there will be no rollcall votes on that day. However, we will resume consideration of the FSC/ETI bill on that day. I will have more to say on that in closing later tonight.

Having said that, following the last vote tonight, the next vote will occur on Tuesday, March 23. We will go to final passage now, and then two rollcall votes on the judges.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? Without objection, it is so ordered.

The Senator from North Dakota.

Mr. CONRAD. Mr. President, before we conclude, I again thank the chairman of the Budget Committee. I also thank his excellent staff: Hazen Marshall, Stacey Hughes, and Beth Felder, who worked closely with us through these difficult days.

I say to our side, I urge you to vote no on this budget resolution. It adds $2.86 trillion to the national debt. I do not see any cutting of the deficit in half in 3 years or 4 years or 5 years under this budget resolution. Instead, I see it adding to the deficit each and every year by an additional $177 billion. I urge my colleagues to vote no.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to S. Con. Res. 95, as amended. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 45, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—51

Alexander
Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NAYS—45

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lott
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Pryor
Reed
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NOT VOTING—4

Edwards
Johnson
Kerry
Reid

The concurrent resolution (S. Con. Res. 95) was agreed to.

(The concurrent resolution will be printed in a future edition of the RECORD.)

Mr. CRAIG. Mr. President, I move to reconsider the vote.

Mr. FRIST. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. FRIST. Mr. President, through the Chair, I ask the Senator from Vermont if he would consider making one of the two—I think the judge from Arizona—Calendar No. 565, a voice vote?

Mr. LEAHY. I tell my distinguished friend from Tennessee, I have talked with the Senator from Arizona and he has no objection to that.

I will ask for the yeas and nays on the first one. I am perfectly content to have a voice vote on the second one.

EXECUTIVE SESSION

NOMINATION OF LOUIS GUIROLA, JR., OF MISSISSIPPI, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to consider the nomination, which the clerk will report.

The assistant journal clerk read the nomination of Louis Guirola, Jr., of Mississippi, to be United States District Judge for the Southern District of Mississippi.

Mr. LEAHY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second.

There appears to be a sufficient second.

The question is, Will the Senate advise and consent to the nomination of Louis Guirola, Jr., of Mississippi, to be United States District Judge for the Southern District of Mississippi? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant journal clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Colorado (Mr. CAMPBELL) and the Senator from New Mexico (Mr. DOMENICI) are necessarily absent.

Mr. DASCHLE. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from Vermont (Mr. JEFFORDS), the Senator from South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KERRY), and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I also announce that the Senator from Nevada (Mr. REID) is absent attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 92, nays 0, as follows:

[Rollcall Vote No. 59 Ex.]

YEAS—92

Akaka
Alexander
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Cantwell
Carper
Chafee
Chambliss
Clinton
Cochran
Coleman
Collins
Conrad
Cornyn
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Dole
Dorgan
Durbin
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham (FL)
Graham (SC)
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchison
Inhofe
Inouye
Kennedy
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Pryor
Reed
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith
Snowe
Specter
Stabenow
Stevens
Sununu
Talent
Thomas
Voinovich
Warner
Wyden

NOT VOTING—8

Campbell
Domenici
Edwards
Jeffords
Johnson
Kerry
Lieberman
Reid

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is laid upon the table and the President shall be immediately notified of the Senate's action.

NOMINATION OF NEIL VINCENT WAKE, OF ARIZONA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF ARIZONA

The PRESIDING OFFICER. Under the previous order, the Senate will now move to the nomination of Neil Vincent Wake to be United States District Judge for the District of Arizona.

The question is, Will the Senate advise and consent to the nomination of Neil Vincent Wake, of Arizona, to be United States District Judge for the District of Arizona?

The nomination was considered and confirmed.

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is laid upon the table, and the President shall be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

The PRESIDING OFFICER. The majority leader

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSALS FOR SAFE REIMPORTATION OF PRESCRIPTION DRUGS

Mr. FRIST. Mr. President, I announce for the information of my colleagues that, in consultation with the chairman of the Senate Committee on Health, Education, Labor, and Pensions, Senator DORGAN, Senator STABENOW, Senator MCCAIN, Senator COCHRAN, and other interested Senators, the Senate will begin a process for developing proposals that would allow for the safe reimportation of FDA-approved prescription drugs.

MIKE O'CALLAGHAN: A TRUE PATRIOT

Mr. DASCHLE. Mr. President, I rise to bring to the attention of my colleagues the passing of a true American patriot and hero—Mike O'Callaghan. While I mourn Governor O'Callaghan's passing, I am heartened that we here in this Chamber will continue to feel the impact of this great man through the service of his protege and former student—Assistant Democratic Leader HARRY REID.

The essence of Governor O'Callaghan is perhaps best captured by an effort he undertook in Nicaragua in 1996. He was in that war-torn country to observe elections that would mark its first ever peaceful transition of power between democratically elected presidents.

At 66, Governor O'Callaghan could have asked to observe elections in the nation's capital or its second city, but he insisted on going north to the Honduran border to observe elections among some of the most marginalized people in a country of marginalized people. He had to go there in a battered truck over rained out roads because, he said, these were his people whom he had gotten to know in the 1980s, and he wanted to be with them as they celebrated the democracy they had earned.

That determination and generosity of spirit marked Governor O'Callaghan's life. He was highly decorated—with the Purple Heart, the Bronze Star with a V for valor, and the Silver Star—during the Korean War, during which he lost a leg.

Aware of that bravery and personal strength, Sargent Shriver reached out to Mike O'Callaghan to make him a point man in President Kennedy's and President Johnson's fight against poverty.

Also aware of that bravery and strength of character, the people of Nevada made him their Governor from 1971 to 1979.

It was HARRY REID's awareness of O'Callaghan's bravery and character that led me, with great pride, to recommend him just last month to serve on the Veterans Benefit Commission.

Governor O'Callaghan died last Friday morning doing what he did each and every morning of his life attending daily mass before he went to work at the Las Vegas Sun. He also fought for the poor and the disenfranchised—from Korea to Nicaragua to Nevada—each and every day of his life.

While we are saddened by the loss of Mike O'Callaghan, we can take comfort in the knowledge that his generosity of spirit, his strength of character, and his devotion to his State and country will not soon be forgotten, and that his values and commitment to public service live on in our colleague, and his close friend, HARRY REID.

TRIBUTE TO JEANNINE HOLT

Mr. HATCH. Mr. President, I am grateful for the opportunity today to pay tribute to a wonderful woman, dedicated public servant, and loyal staff member—Mrs. Jeannine Holt. Jeannine has been my Southern Utah Area Director for 27 years, and is now retiring to enjoy the many wonderful things that life has to offer. Jeannine has done a tremendous job in serving thousands of Utahns who needed assistance, direction, or just a listening ear.

Jeannine has worked on many important issues affecting our State including lands issues, private property rights, and health care. In recent years she played a pivotal role in helping southern Utah citizens receive compensation from the government for exposure to radiation. Her guidance has helped literally hundreds of radiation exposure victims and their families navigate the complicated process to receive some financial relief for the awful illnesses many have experienced.

Jeannine is a real southern Utah "treasure." She has always been an integral force in her community serving on various boards and committees including the Dixie State College Board of Trustees, the State Fair Board, the St. George Chamber of Commerce Board, and on the Rotary Bowl Committee. In addition, she has actively and energetically promoted the tourism industry in Utah's Dixie and has shared her love for the red rock canyons and sun-drenched lands of St. George and its surrounding areas with people she meets each day.

Jeannine's love and loyalty for the republican philosophy has been evident in the many years she has served promoting the ideals and values of the Republican party. She has literally donated thousands of hours working for candidates, and campaigns who share her commitment to Republican principles. For 20 years she has served as the vice chairwoman of the Washington County Republican Party, a position she has undertaken with distinction and honor.

Jeannine was also one of the founding members of the Women's Conference in Dixie, a conference which brings together hundreds of women each year from all over southern Utah to discuss important issues affecting the health and well-being of women and families. From its inception 18 years ago to today, this conference has established itself as an important forum for women from all over southern Utah to attend and enjoy.

In addition to the service she has rendered in the community and on my staff, Jeannine is a loving wife to her husband Stan. They have worked side-by-side for many years on projects benefitting their community and have buoyed each other up through life's twists and turns. Jeannine is also a loving mother of 3 and grandmother of 6.

I am grateful for the service that Jeannine Holt has given to me, to her community and to the State. She has been by my side for many years and has always been a vital component of my Senate organization. I will miss her tremendously but know that life holds many wonderful things for her to savor and enjoy. Jeannine Holt is a dedicated public servant, fervently patriotic American, and loyal and cherished friend. I want to wish her the very best in retirement and pray for her continued good health, success and happiness.

SCIENCE AND TECHNOLOGY

Mr. DASCHLE. Mr. President, this Nation has always been driven forward by a passion for discovery and a sense of adventure. From our earliest days as a nation, these deeply rooted American qualities have spurred our determination to explore new scientific frontiers and sparked our entrepreneurial spirit of technological innovation. We know in our very fiber that America's strength, prosperity, and global preeminence depend directly on scientific research and technological innovation.

This is not conjecture. The scientific and economic record of the past half-century constitutes overwhelming proof. Yet, today, our scientific progress, and the high-tech, high-wage jobs it creates, are at risk because the Bush administration is failing to sustain America's commitment to basic research.

The Federal Government has seen its research and development, R&D, investments steadily decline as a share of the U.S. economy, bringing the federal investment down to levels not seen since the midsixties. Federal R&D has declined in dollar terms over many years, and even in years when the investment has increased, it has declined sharply relative to our economic growth rate, barely keeping pace with inflation. Physical sciences, math, and engineering have been particularly affected.

Unfortunately, the administration's R&D budgets only worsen this trend. Although Federal funding is set to increase 4.7 percent, nearly all of that increase would go to only two Departments—the Departments of Defense and Homeland Security—for the development of weapons systems and counterterrorism technology. These are necessary investments that will make our Nation safer. But the remaining Federal R&D investments, which generate new knowledge, improve healthcare, and protect the environment, will actually shrink.

This failure to adequately invest in America's research portfolio is taking a toll on the work of America's scientists, and it will affect the lives of all Americans. In my home State of South Dakota, the Earth Research Observation System does work that helps us become more responsible stewards of the environment, while increasing the yields of farmers all over the world. But this research is being endangered because of the administration's severe budget cuts.

You don't need to be a rocket scientist to figure out why funding is being cut for nearly all nondefense basic-science and technology programs. These vital investments in America's future are being cut to provide enormous tax breaks for large corporations and the wealthy elite. This is shortsighted, and it is dangerous. The President's own science advisors warn that Federal support for physical sciences and engineering is dropping, while U.S. student enrollment in those disciplines also continues to fall. Reversing these trends is crucial to our Nation's future.

We are on the verge of a new industrial world order. Already, almost any service that can be delivered in bits and bytes and does not require face-to-face interaction with customers is up for grabs. The big winners in the intense global struggle for economic predominance will not be those who simply produce products cheaper and faster than their competition. The big winners will be those countries that nurture the talent, discover the techniques, and invent the tools so advanced there is no competition.

Unfortunately, measured in terms of the number of scientific publications, science is growing faster in the European Union than in the U.S., according to 15 key indicators related to human resources, investment, and scientific productivity. This ought to raise red flags for all of us. Economic growth follows scientific discovery, and if America falls behind in science, the fallout will ripple throughout our economy, dragging down productivity and slowing job creation.

The administration's disregard for science extends beyond budgetary choices. Just last month, the Union of Concerned Scientists released a report charging that the White House has systematically undermined the spirit of objective science. The report states that the Bush administration "has suppressed or distorted the scientific analyses of federal agencies to bring these results in line with administration policy."

Time and again, the administration is choosing politics over rational science.

South Dakotans know what this is like. The Missouri River is part of the cultural and economic heart of our State. In recent years, a broad scientific consensus has developed that mismanagement by the Army Corps of Engineers is harming the Missouri River, and that the flow of the river should be restored to a more natural state to protect the ecology and habitat of endangered species. Just last year, an analysis by the top scientists at the administration's Fish and Wildlife Service confirmed this consensus. And yet the administration set aside the scientists' report, replaced the scientists with another panel more to its liking, and today continues to fight court orders requiring more responsible stewardship.

The St. Louis Post-Dispatch recently ran an editorial saying, "As purges go, this one has Stalinesque subtlety." And that is from a leading newspaper in the area that supposedly would benefit economically from the Corps' decision.

The White House's 2001 report on global warming is another troubling case study in the politicization of science. When the science pointed to the fact that fossil fuel production and consumption contributes to global warming, the White House deleted that finding from the report. In its place, they inserted a reference to an opposing study that was financed by the American Petroleum Institute. Whenever the administration has had the opportunity, it has stacked the deck by staffing research boards and advisory councils with researchers who have shown allegiance to the White House's political goals.

Just last week, the President dismissed two advisers from his Council on Bioethics because of their positions on stem cell research. And last month, HHS Secretary Tommy Thompson admitted that his agency had made a mistake in altering the conclusions of scientists who found significant and pervasive racial disparities in health care in the United States. I am pleased that this "mistake" has been rectified, but concerned that it only happened after an investigation uncovered that the Department had altered scientific conclusions in order to downplay the problem of unequal health care for minorities.

This is not real science. This is "vending machine science." The administration thinks it can pull a lever and get the results it wants. For the sake of short-term political gain, the administration is basing its decisions on weak science. As a result, it is putting at risk America's economic strength, our future prosperity, and our health and safety.

That is why increasing numbers of leaders in government, industry, and academia—all concerned about sustaining U.S. leadership across the frontiers of scientific knowledge—are beginning to question whether the United States is starting to lose its edge in basic scientific research. They worry that the Bush administration, by undercutting scientific research in key areas, has lost sight of the importance of long-term investments that help create the necessary conditions for prosperity. They worry that this failure of intellectual leadership will erode the high standing American science has achieved in the past half-century.

Their apprehension is well justified.

The pace of scientific discovery is quickening. Research is more important to the day-to-day lives of Americans than ever before. Cutting back on research at the dawn of this new century would be like cutting our defense budget at the height of World War II. Leadership across the frontiers of scientific knowledge is not merely a cultural tradition of our Nation; today, it is an economic and security imperative.

We must ensure that America remains at the epicenter of the ongoing revolution in scientific research and technological innovation that generates new knowledge, creates new jobs, and builds new industries. By sustaining our investments in fundamental research, we can ensure that America remains at the forefront of scientific capability, thereby enhancing our ability to shape and improve our Nation's future and the world's future.

DETENTION OF ENEMY COMBATANTS IN THE WAR ON TERROR

Mr. WARNER. Mr. President, as elected representatives of the American people, Senators seek to ensure that the U.S. Government protects the American people from international terrorism. We seek also to ensure that the cherished liberties of the American people are preserved, and to keep the people as fully informed as possible, as we fight the war on terror.

On February 24, 2004, the Counsel to the President of the United States, former Texas Supreme Court Judge Alberto R. Gonzales, addressed the Standing Committee on Law and National Security of the American Bar Association. Judge Gonzales discussed the legal basis for detention of enemy combatants in the war on terror, including U.S. citizens Yaser Hamdi and Jose Padilla. His address set forth details of the decisionmaking steps that resulted in the detention of Messrs. Hamdi and Padilla as enemy combatants. The U.S. Supreme Court has accepted the cases of Messrs. Hamdi and Padilla for review during its current term.

So that all my colleagues and the American public may be informed on this important matter, I ask unanimous consent that the address by Judge Gonzales be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY ALBERTO R. GONZALES, COUNSEL TO THE PRESIDENT

AMERICAN BAR ASSOCIATION, STANDING COMMITTEE ON LAW AND NATIONAL SECURITY

In 1862, President Abraham Lincoln composed a letter to Eliza P. Gurney in which the President considered how God could allow the horrors of the Civil War to occur. In his correspondence, our 16th President wrote:

"We must believe He permits it [this war] for some purpose of his own, mysterious and unknown to us; and though with our limited understanding we may not be able to comprehend it, yet we cannot but believe, that he who made the world still governs it."

Lincoln's faith would not permit him to doubt that the specter of American sons killing American sons was providential. Many Americans surely had similar thoughts about God's plan as we watched American Airlines Flight 11, and then United Airlines Flight 175, slam into the Twin Towers of the World Trade Center on the morning of September 11th. On that day, America was subjected to a brutal and treacherous attack by an enemy that had declared war on our society.

Whether consciously or not, we all realized on September 11th that some things would never be the same. We all realized that the country now faced an unprecedented threat that, in ways yet to be known, would alter the way we live our lives and would alter the way the government goes about protecting American lives. Over time, some of the ways September 11th has changed our lives have become routine—such as the longer security screenings we all now build into plans when we are going to the airport. In part because these changes have become routine, and particularly because there have been, thankfully, no subsequent attacks on American soil, some may be tempted to become complacent, and may no longer be concerned about future acts of terrorism.

But we should make no mistake about it: Despite our successes in capturing many al Qaeda leaders, in destroying their base of operations in Afghanistan, and in preventing domestic attacks, the threat posed by al Qaeda is still very real. Al Qaeda is a fluid, adaptable, and resourceful enemy that continues actively to plan attacks both against American interests and our allies abroad and against targets within the United States. As you all know from the period of the heightened threat level that we all experienced around the holidays, we continue to get specific intelligence about planned al Qaeda attacks. We know from their previous practices that members of al Qaeda are very patient, willing to spend years to plan, train for, and then execute an attack. It would be foolish for anyone now to declare that, given two-plus years free from attacks within the U.S., the domestic phase of the conflict with al Qaeda is somehow "over." I can assure you that no one in the Government is complacent about the threat posed by al Qaeda.

In response to this ongoing threat, President Bush, like other Presidents during times of war, has taken strong, sometimes difficult, action to protect American lives and preserve the long-term survival of this country.

A few people—probably some in this audience—are uncomfortable with the balance struck by this Administration between protecting our country and preserving our freedoms. They are uneasy with the idea of applying the law of war to the enemy combatants waging war against this country, including enemy combatants who are American citizens. Citing the necessity of protecting our reputation in the international community, our critics insist that these combatants should receive the benefit of the rules and procedures of our criminal justice system, those tried and true methods that we use to deal with criminals such as car thieves and drug dealers. They demand that our judges—even though untrained in executing war plans—have a substantive role in the war decisions of the Commander-in-Chief.

In spite of the massive and horrific loss of life on September 11th, the skeptics assert it is obvious that America is not at war, much less engaged in warfare on American soil. In their view, it is obvious that every American citizen—even a citizen who, as a member of a terrorist group, wages war against our sons and daughters—is entitled to be] dealt with solely according to the rules and presumptions of the criminal justice system, including the right to counsel, the right to remain silent, and the general right to judicial supervision of their detention. It is obvious, they say, that foreign fighters, captured overseas and detained by our military outside the United States, have a right to challenge, in our civilian courts, the scope and terms of their detention.

Respectively, these propositions are not at all obvious as a matter of law; to the contrary, they lack any valid foundation in domestic or international law. The Administration's detractors fundamentally misunderstand the nature of the threat this country is facing. America confronts a lethal but unfamiliar enemy, sometimes hidden here in our neighborhoods, waiting to hurt innocent people. Our enemies are not constrained by civilian authority or by any government. Nor are they inhibited by ordinary human concerns for their own safety or lives. Some are fanatics who believe their greatest power can lie precisely in their disregard for human life and their willingness to resort to indiscriminate violence, as we witness nearly every day in bombings and shootings around the world. They do not love liberty, they do not respect law, they do not cherish life.

Certain propositions are, in my view, clear. First, the brutal attacks of September 11th—which killed nearly three thousand people from more than ninety countries—were not only crimes but acts of war. Since at least that day, the United States has been at war with al Qaeda. While al Qaeda may not be the traditional armed force of a single nation state, al Qaeda is clearly a foreign enemy force. It has central direction, training, and financing and has members in dozens of countries around the world who are committed to taking up arms against us. It has political goals in mind. Al Qaeda has attacked not only one of our largest cities, killing thousands of civilians, but also has attacked our embassies, our warships, and our government buildings. While different in some respects from traditional conflicts with nation states, our conflict with al Qaeda is clearly a war.

As a practical matter, this state of war is not in dispute—not by the United Nations Security Council, which passed a resolution in response to the September 11th attacks recognizing the right of states to act in self-defense; not by members of NATO, or the Rio or ANZUS treaties, all of which unanimously invoked their treaty clauses regarding collective defense from armed attack; and not by the United States Congress, which acted to support the President's use of all necessary and appropriate military force against al Qaeda.

Second, the President is determined to win this war and has directed that all instruments of national power be directed to this new type of enemy. Because the threat is not only against our military abroad, but also against civilians here, the Department of Justice and the Department of Homeland Security share responsibility with the Department of Defense for the successful prosecution of this war. To suggest that an al Qaeda member must be tried in a civilian court because he happens to be an American citizen—or to suggest that hundreds of individuals captured in battle in Afghanistan should be extradited, given lawyers, and tried in civilian courts—is to apply the wrong legal paradigm. The law applicable in this context is the law of war—those conventions and customs that govern armed conflicts.

Under these rules, captured enemy combatants, whether soldiers or saboteurs, may be detained for the duration of hostilities. They need not be "guilty" of anything; they are detained simply by virtue of their status as enemy combatants in war. This detention is not an act of punishment but one of security and military necessity. It serves the important purpose of preventing enemy combatants from continuing their attacks. Thus, the terminology that many in the press use to describe the situation of these combatants is routinely filled with misplaced concepts. To state repeatedly that detainees are being "held without charge" mistakenly assumes that charges are somehow necessary or appropriate. But nothing in the law of war has ever required a country to charge enemy combatants with crimes, provide them access to counsel, or allow them to challenge their detention in court—and states in prior wars have generally not done so.

It is understandable, perhaps, that some people, especially lawyers, should want to afford the many due process protections that we have grown accustomed to in our criminal justice system to the individuals captured in our conflict with al Qaeda. It has been many years, fortunately, since the United States has been in a conflict that spans the globe, where enemy combatants have been captured attempting to attack our homeland. But the fact that we have not had occasion to apply the well-established laws of war does not mean that they should be discarded. The United States must use every tool and weapon—including the advantages presented by the laws of war—to win the war against al Qaeda.

Within this framework, today I would like to discuss what some may consider the most controversial of the President's actions, namely the detention of American citizens as enemy combatants, wherever those persons may have been seized, and more specifically the determination that a person—particularly an American citizen—captured in the United State is an enemy combatant. As you know, we have detained two American citizens as enemy combatants.

The first, Yaser Hamdi, is a Saudi national who was a part of Taliban military unit that surrended to Northern Alliance forces in a battle near Konduz, Afghanistan in late 2001. He was armed with an AK-47 assault rifle when he surrendered. He has admitted that he went to Afghanistan to train with and fight for the Taliban. Following his capture, a U.S. military screening team confirmed that Hamdi indeed met the criteria for enemy combatants over whom the U.S. forces were taking control. Afterwards, military authorities learned of records indicating that Hamdi, although a Saudi national, had been born in Louisiana. He was transferred to a naval brig in the United States where he remains detained.

The second, Jose Padilla, also an American citizen, was among those who sought to bring terror to our soil. Padilla has served time in the U.S. for murder and for a handgun charge. In 1998, following his release from prison, he moved to Egypt, where he took the name Abdullah Al Muhajir. In 2001 and 2002, Al Muhajir, or Padilla, met with al Qaeda officials and senior operatives, and proposed to conduct terrorist operations within the United States—includinga plan to detonate a dirty bomb—as well as the detonation of explosive devices in hotel rooms and gas stations. Padilla received training from al Qaeda operatives, and was directed by al Qaeda members to return to the United States to explore and advance plans for further attacks against the United States. Multiple intelligence source separately confirmed Padilla's involvement in planning terrorist attacks by al Qaeda against United States citizens and interests. Like Hamdi, Padilla has been detained in a naval brig in the United States.

The President's legal authority to detain American citizens as enemy combatants is, in my view, clear. The practice of capturing and detaining those engaged in hostilities is as old as war itself, and is ingrained in this Nation's military history. The detention of enemy combatants serves two vital objectives in the global war on terror: preventing killers from rejoining the enemy and continuing to fight, and enabling the collection of intelligence about the enemy. The Supreme Court's 1942 decision in Ex parte Quirin acknowledged that the President's war powers include the authority to capture and detain enemy combatants at least for the duration of a conflict, and authority that was well-settled by the time of that decision. More to the point with respect to Hamdi and Padilla, the Supreme Court has made clear that this power extends to enemy combatants who are United States citizens. As the Court observed in Quirin, in which one of the detained Nazi saboteurs was a United States citizen: "citizenship in the United States of an enemy belligerent does not relieve him from the consequences of a belligerency which is unlawful."

The course of action that we have taken with respect to Mr. Hamdi and Mr. Padilla—and the arguments that we have made in defending those actions in the courts—draw upon these well-established precedents. The Executive's determination that an individual is an enemy combatant is a quintessentially military judgment—indeed, deciding who is the enemy is in many senses the fundamental, threshold decision that the Commander-in-Chief makes, the decision from which all other military decisions flow. Accordingly, the traditional deference owed by courts to military judgments is at its broadest with respect to the President's determination that an individual is an enemy combatant. While courts may review (by habeas corpus) the Executive's determination that an American citizen (whether captured abroad or on U.S. soil) is an enemy combatant, that review must be deferential. Specifically, in view of the great deference owed to the President's enemy combatant determinations and the serious separation-of-powers concerns that would attend any searching judicial inquiry into the factual underpinnings of the President's judgment, a factual review of the President's determination can extend no further than ensuring that it has evidentiary support. That framework focuses exclusively on the factual support presented by the Executive and entails confirming the existence of some evidence supporting its determination that the individual is an enemy combatant.

The Government's record in the courts on the scope of the President's authority, as you probably know, has been mixed. The Fourth Circuit in Hamdi agreed that the President may detain enemy combatants, including American citizens, and further agreed that judicial review should be highly deferential. The Court reasoned that the designation of Hamdi as an enemy combatant bears the closest imaginable connection to the President's constitutional responsibility during the actual conduct of hostilities, and that while judicial review does not disappear during wartime, the review of battlefield capture in overseas conflicts is a highly deferential one.

Applying this deference to the facts of the case, the Fourth Circuit concluded that—despite his status as an American citizen currently detained on American soil—Hamdi is not entitled to challenge the facts presented by the United States. The Court held that where as here, a petitioner has been designated as an enemy combatant and it is undisputed that he was captured in a zone of activity combat operations abroad, further judicial inquiry is unwarranted when the government has responded to the petition by setting forth factual assertions which would establish a legally valid basis for the petitioner's detention.

The Second Circuit reached a different conclusion with respect to Jose Padilla. There, a divided panel held that the President does not have inherent authority under the Constitution to detain as an enemy combatant an American citizen seized within this country away from a zone of combat. The Court also held that the President could detain an American citizen only with the express authorization of Congress, and that the Congressional resolution to use force against members of al Qaeda did not give such authorization.

You will not be surprised to learn that we found the Fourth Circuit decision to be brilliant, and the panel's reasoning incisive and unimpeachable. We found the decision by the Second Circuit panel on the other hand, to be less brilliant, less supportable by the facts, and contrary to legal precedent.

I am constrained by my time this morning from elaborating further on our legal arguments in both cases. In any event, they are a matter of public record and have been fully set out in our briefs. The Supreme Court will hear arguments in both the Padilla and Hamdi cases this spring. We are hopeful that the Court will agree with the government's position in each case.

What I would like to turn to is something that has not been made a matter of public record. Until today, the Government has been reticent about discussing in any detail the decision-making steps that may result in an American citizen being designated as an enemy combatant or how an American detainee held in the United States may be provided access to counsel.

As a result, while we have set forth our legal authorities clearly in legal briefs, in the debate over the fairness and prudence of the Government's actions in the war on terror, the voice of the Government has remained essentially unheard. Our silence has been largely for reasons of national security. The deliberations that underpin any decision that a person already within the United States is, in reality, an enemy combatant, invariably include extraordinarily sensitive intelligence information that we are loathe to reveal for fear that it may jeopardize the future capture of enemy combatants and future prevention of terrorist attacks. We realize that our relative silence on this issue has come at a cost. Many people have characterized—mischaracterized, in our view—our actions in the war on terrorism as inconsistent with the rule of law. Indeed, because of our silence, many critics have assumed the worst. They have assumed that there is little or no analysis—legal or otherwise—behind the decision to detain a particular person as an enemy combatant. To them, the decision making process is a black box that raises the specter of arbitrary action.

While some of these criticisms are understandable, they are wrong. With two years of experience, we now believe that our concerns for national security can be accommodated with a greater public disclosure of the steps we have taken behind the public actions you already know about. And so today, we will begin to take a more active role in the debate about the fairness of our acts of detention of U.S. citizen enemy combatants. This discussion builds on Secretary Rumsfeld's speech eleven days ago in Miami, where he revealed the review mechanisms that had long been in place with respect to detentions of non-U.S. citizen enemy combatants being held at Guantanamo Bay, Cuba. Today I am going to explain the decision-making that led to our enemy combatant determinations with respect to U.S. citizens.

Yaser Hamdi, in my view, presents a relatively easy case. Hamdi was seized in a combat zone in Afghanistan. He was armed with an AK-47 when his Taliban unit surrendered to Northern Alliance forces. The Northern Alliance subsequently made him available for an interview by U.S. military personnel. A U.S. military screening team confirmed that Hamdi met the criteria for enemy combatants over whom the United States was taking control, and Hamdi was transferred to U.S. control. In such a situation in a foreign zone of combat, that determination was quite properly made by military personnel on the ground. These facts and other details relating to the circumstances of Hamdi's case were memorialized in a declaration, the so-called Mobbs declaration, which was made available for review by the courts in connection with Hamdi's habeas petition.

As for enemy combatants who are American citizens and are captured here in the U.S., as a matter of prudence and policy the decision-making steps we have employed have been far more elaborate. They have included a thoughtful, deliberate and thorough analysis of the relevant facts and law at many levels of the Executive branch. In the one case in which the President has exercised his authority as Commander-in-Chief to detain a U.S. citizen in the United States as an enemy combatant, we have employed a thorough—indeed, painstaking—mechanism to ensure multiple layers of scrutiny before even proposing any action to the President.

What follows is a general description of the mechanism that was employed before the President exercised this presidential power. I should caution, however, that there is no rigid process for making such determinations—and certainly no particular mechanism required by law. Rather, these are the steps that we have taken in our discretion to ensure a thoroughly vetted and reasoned exercise of presidential power.

In any case where it appears that a U.S. citizen captured within the United States may be an al Qaeda operative and thus may qualify as an enemy combatant, information on the individual is developed and numerous options are considered by the various relevant agencies (the Department of Defense, CIA and DOJ), including the potential for a criminal prosecution, detention as a material witness, and detention as an enemy combatant. Options often are narrowed by the type of information available, and the best course of action in a given case may be influenced by numerous factors including the assessment of the individual's threat potential and value as a possible intelligence source. This explains why persons captured in the U.S. may be processed differently depending on the totality of the circumstances the particular case presents.

For example, we could have abundant information indicating that the individual has committed a crime—such as material support for terrorism—but the information may come solely from an extremely sensitive and valuable intelligence source. To use that information in a criminal prosecution would mean compromising that intelligence source and potentially putting more American lives at risk. Those are the sort of considerations that have to be weighed in deciding how we proceed against a particular individual in any given case.

When it appears that criminal prosecution and detention as a material witness are, on balance, less-than-ideal options as long-term solutions to the situation, we may initiate some type of informal process to present to the appropriate decision makers the question whether an individual might qualify for designation as an enemy combatant. But even this work is not actually commenced unless the Office of Legal Counsel at the Department of Justice has tentatively advised, based on oral briefings, that the individual meets the legal standard for enemy combatant status. That standard was articulated by the Supreme Court in Quirin, where the Court made clear that, at a minimum, "citizens who associate themselves with the military arm of the enemy government, and with its aid, guidance, and direction enter this country bent on hostile acts are enemy belligerents within the meaning of . . . the law of war," and thus may be detained. The important factor, therefore, is that the person has become a member or associated himself with hostile enemy forces, thereby attaining the status of enemy combatant.

It is worth noting, I think, that on more than one occasion OLC has advised that the facts relating to a certain individual did not support an enemy combatant determination, or were so close to the line as to present a very doubtful case. In those cases the United States did not proceed further in the process of determining whether to designate the persons as enemy combatants, but rather pursued different, legally available options for addressing the threat. In a very real sense, the Executive branch in these cases declined to take a particular action against suspected terrorists because it concluded that the action was not clearly legally supportable.

Once initial assessments indicate that an enemy combatant designation may be the best legally available way to deal with a particular U.S. citizen, we have proceeded to take the following steps to assist the President in making a final decision.

First, the Director of Central Intelligence makes a written assessment of all available CIA intelligence information concerning the individual and transmits a recommendation and request to DoD recommending that the person be taken into custody as an enemy combatant.

The Secretary of Defense then makes his own independent evaluation, based upon the information provided by the CIA and other intelligence information developed within

DoD. That evaluation is embodied in a written assessment concerning enemy combatant status.

The Secretary's assessment is provided to the Attorney General with a request for the Attorney General's opinion concerning: (1) whether the assessment comports with applicable law; (2) whether the individual may lawfully be taken into custody by the Department of Defense; and (3) whether the Attorney General recommends as a matter of policy that that course be pursued. This ensures that DOJ can formally provide input on the law-enforcement equities related to the individual. DoD's request to the Attorney General includes the intelligence information from both the CIA and DoD.

In addition to the materials forwarded by the DoD, the Attorney General relies on two documents in responding to DoD's request: the first is a memorandum from the Criminal Division setting out all the information available to it from the FBI and other sources concerning the individual; and the second is a formal legal opinion from OLC analyzing whether the individual meets the legal standard to be held as an enemy combatant—the Quirin standard I just discussed.

Following his review, the Attorney General forwards a letter with his legal advice and recommendations back to DoD, along with the Criminal Division fact memo and the OLC opinion.

The Secretary of Defense then transmits a package of information to the President, recommending that the President designate the individual as an enemy combatant. The package of information recommending the enemy combatant designation includes six items: (i) the written assessment and recommendations of the CIA; (ii) the recommendation and preliminary assessment by the Secretary of Defense; (iii) the DoD intelligence information; (iv) the Attorney General's letter to DoD, including his legal opinion and recommendation; (v) the Criminal Division's fact memo; and (vi) the OLC opinion.

Lawyers at the White House review the DoD package and recommendations, and the Counsel to the President forwards it to the President along with his written recommendations to the President.

Finally, the President reviews the DoD package and is briefed by his Counsel. If the President concludes that the person is an enemy combatant, the President signs an order to that effect directing the Secretary of Defense to take him into his control. In the case of Padilla, the President concluded that Padilla "is, and at the time he entered the United States in May 2002 was, an enemy combatant." The President also determined that he "possesses intelligence, including intelligence about personnel and activities of al Qaeda that, if communicated to the U.S., would aid U.S. efforts to prevent attacks by al Qaeda."

As you can see executive branch decision making is not haphazard, but elaborate and careful. And although these specific steps are not required by law, we have followed them in our discretion, in order to make sure that—in this context as in all others—the President's Commander-in-Chief authority is exercised in a reasoned and deliberate manner.

In part because of the reluctance that I spoke about earlier to articulate our position and procedures, there appears to be some confusion about whether the Government is willing to permit American enemy combatants access to our courts to challenge their detention. The reality, of course, is that they do have such access: the detentions of Hamdi and Padilla have been challenged in the courts and indeed are slated for review by the Supreme Court this Spring. And, of course, from the outset, those challenges on Hamdi's and Padilla's behalf have been pursued by qualified counsel.

But can there be meaningful access to our courts and a meaningful right to file a habeas challenge without direct access to counsel? To the average American, this may appear to be a legitimate question. But those who question the government's position on access to counsel operate under a fundamental misunderstanding of the legal nature of the detention of virtually all of these terrorists.

It is the position of this Administration that, in the case of citizens who take up arms against America, any interest those individuals might have in obtaining the assistance of counsel for the purpose of preparing a habeas petition must give way to the national security needs of this country to gather intelligence from captured enemy combatants. Although the right to counsel is a fundamental part of our criminal justice system, it is undeniably foreign to the law of war. Imagine the burden on our ability to wage war if those trying to kill our soldiers and civilians were given the opportunity to "lawyer up" when they are captured. Respectfully, those who urge the extension of the right to counsel to these combatants, for the purpose of filing a habeas petition, confuse the context of war with that of the criminal justice system.

When we are at war, debriefing of enemy combatants is a vital source of intelligence. But the stream of intelligence would quickly dry up if the enemy combatant were allowed contact with outsiders during the course of an ongoing debriefing. The result would be the failure to uncover information that could prevent attacks on our military and on American citizens. This is an intolerable cost, and we do not believe it is one required by the Constitution. For these reasons, we have urged that interrogations of captured enemy combatants should be allowed to proceed, as they historically have, uninterrupted by access to counsel.

We have also recognized, however, that in every case we need not maintain the most restrictive conditions on detention that the law of war permits. Constraints imposed on a particular U.S. citizen held as an enemy combatant should be and are constantly reevaluated as a matter of policy, to make sure that the terms and conditions of confinement are necessary to meet the needs of national security.

The Department of Defense employs a deliberate and thorough procedure, as a matter of policy, when making this decision about access to counsel. The stated policy of the Department—which it detailed publicly last December—is to permit any enemy combatant who is a United States citizen and who is being detained by DoD in the United States access to counsel: (1) after DoD has determined that such access will not compromise the national security of the United States; and (2) after DoD has completed intelligence collection from that enemy combatant or after DoD has determined that such access will not interfere with intelligence collection from that enemy combatant.

The policy is initiated when DoD officials in charge of interrogations make an initial determination that intelligence collection is completed or that access to counsel would not interfere with intelligence collection. This determination is made after coordination with the Department of Justice, including the FBI, and the CIA. DoD officials prepare a memo for the Deputy Secretary of Defense seeking authorization for access to counsel. That draft is coordinated within DoD and with officials at the White House, DOJ, and CIA.

Once this coordination is complete, and a consensus reached, the memo is forwarded to the Deputy Secretary of Defense for his consideration. The Deputy Secretary then makes a final decision whether the two prongs of the DoD access to counsel policy are satisfied.

As you can see, the decision to provide counsel is made after careful consideration of national security implications. These decisions are guided by thorough legal analysis at various levels of our government.

That is precisely the course we have followed both with Yaser Hamdi and Jose Padilla. When officials at DoD determined that intelligence collection from Hamdi was complete, they announced last December that he would be allowed access to a lawyer, subject to appropriate security restrictions. Hamdi has now met with his lawyer. Earlier this month DoD officials concluded that national security would not be harmed by permitting Padilla to have access to counsel, and he too will be given access to a lawyer. As these decisions show, we have an interest in restricting access to counsel to the extent necessary to advance an important intelligence-gathering interest. When that interest no longer exists, we have no further need to restrict access to counsel and will allow U.S. citizens that access to assist in their challenge to their detention in the courts by means of habeas corpus. We believe strongly that access to counsel needs to occur at an appropriate time. What we will not do is put American lives at risk and jeopardize intelligence-gathering by recognizing a non-existent right for enemy combatants to consult with lawyers.

I am pleased to have had the opportunity this morning to provide you with some more details about the decisionmaking process that we have followed in dealing with enemy combatants who are U.S. citizens. The way in which this Administration has made its decisions, in my judgment, vividly illustrates the President's commitment to wage war on terror aggressively and relentlessly while fully respecting the bounds of the law.

Recent press accounts and editorials have suggested that the Bush Administration—fearing losses in the courts—has revised its approach to dealing with terrorists. As I hope my remarks this morning have made clear, that is not the case. The extensive procedures and safeguards that I have described today are ones that we have followed from the outset in determining whether certain individuals qualify as enemy combatants. All along, the Administration's actions have been uniformly grounded in historical practice and legal precedent and have been based on careful and continuous consideration of the facts and circumstances of each case. What is new is our willingness to share more information about our procedures, as Secretary Rumsfeld did two weeks ago in Miami and as I am doing today. Our flexibility in this regard has been constrained by the demands of national security. At this point in time, however, we have decided that there are ways that we can share some of this information, and that doing so—as I have today—is both consistent with the demands of national security and in furtherance of our interest in showing the American people that their government is one that respects the law even as it fights aggressively an enemy dedicated to our destruction.

Because ours is a free society, the actions taken by the Administration have been (and will continue to be) challenged in the courts. These are important issues, and courts exist to resolve such disputes. Our independent judiciary will help determine how longstanding practice applies to the first conflict of the 21st Century. It is possible that the courts may disagree with a particular decision or policy; indeed, the Second Circuit has already done so in Padilla (although the Supreme Court will now be reviewing that case and providing the final word on the issues presented). I am confident in the legality of the measures the Administration has employed in seeking to defend Americans from our enemies in the war on terror—but in our system the courts will have their say. What cannot be denied, however, is that in protecting the American people from our terrorist enemies, the Administration has carefully examined the Constitution and laws of the United States, as applied in historically analogous situations.

In closing, when I walk into the Oval Office to brief the President, I am always reminded of the awesome responsibility that the President has—and the corresponding duty on all of us who serve him. But the burden of protecting this country and of securing the rights embodied in our Constitution is not ours alone.

Yes, those of us in government have a direct hand in executing power under our Constitution. But American citizens—including members of the bar—also play an important role in protecting and defending the Constitution's precious precepts. The vigilance and work of American citizens in this endeavor arguably is no less patriotic than the actions of our soldiers on the battlefield—both are in defense of our freedoms . . . and both should be respected.

Thank you very much.

IN MEMORY OF GOVERNOR BOB ORR

Mr. LUGAR. Mr. President, I rise today to pay tribute to a tremendous Hoosier and dear friend Bob Orr, who has recently passed away.

Bob Orr was our Governor during 8 years of record growth in Indiana jobs, Indiana exports, and increased interest in public education. As a scholar, businessman, political leader, State legislator, and Lieutenant Governor, he was superbly qualified to be the 45th Governor of Indiana. His extraordinary success brought new idealism, energy, and pride to the Hoosier State.

I was privileged to share a myriad of wonderful experiences with Bob Orr during the past 40 years of our work together in public service, but two will be indelible in my memories. In June of 1989, Bob was nominated by President George H. W. Bush to be United States Ambassador to Singapore. He proceeded to his post after a hearing by the U.S. Senate Foreign Relations Committee and confirmation by the U.S. Senate. Shortly thereafter, Char and I visited Ambassador Orr in Singapore. We were thrilled by his vision of the great opportunities our country could enjoy if we utilized our collective imagination and inventive genius to expand exports and to provide constructive economic and political leadership in Asia. Bob Orr was tireless in leading Indiana and the United States to have an international perspective and a clear vision of how our business and educational opportunities could flourish if we sought to compete more effectively.

My second indelible memory is my last visit with Bob and Mary Kay Orr last September at a dinner in Indianapolis featuring an address by President George W. Bush. It was exciting to compare political notes with both of them and to catch up on family news. I had the privilege of once again introducing a great Governor, world statesman, and very dear friend. I had introduced, nominated, and spoken about Bob Orr innumerable times, but the last time I had the honor to do so was very special. The assembled crowd rose in cheers and sustained applause. Strongly assisted by Mary Kay, Governor Orr arose, a living legend for a legion of Hoosiers inspired by his life of achievement and service.

EXPRESSING SYMPATHY FOR THE VICTIMS OF THE MADRID BOMBINGS

Mrs. FEINSTEIN. Mr. President, I rise today to support the resolution submitted by Senator DODD to express our condolences to the families of the victims of today's Madrid bombings and our strong solidarity with the Spanish people in the fight against terror. This is a sad and tragic day.

This morning, nearly 200 innocent people were killed and 1,000 injured when 10 near-simultaneous explosions hit 3 separate trains at the height of the city's rush hour.

Spanish police found and detonated 3 other bombs. One official described it as the worst terrorist attack in Spain's history.

I condemn in the strongest possible terms this vicious and bloody terrorist attack.

The Madrid bombings appear to be part of an ongoing terror campaign by the Basque separatist group ETA, a group designated by the United States and the European Union as a terrorist organization.

Our thoughts and prayers go out to the victims and their families.

Americans know all too well the pain and destruction caused by terror and we stand shoulder to shoulder with our Spanish friends at this difficult hour just as they stood with us on September 11.

We two peoples share the values of democracy, freedom, and respect for human rights. We have worked and we will continue to work together in the fight against terror and in bringing those responsible for this brutal attack to justice. Terrorists must know that we will not back down in the face of their crimes.

I urge my colleagues to support the resolution.

IRAN

Mrs. BOXER. Mr. President, as the ranking member of the Senate Foreign Relations Subcommittee on Near Eastern and South Asian Affairs, I want to express my deep concern about recent developments in Iran.

Today, the International Atomic Energy Agency is meeting to discuss a proper response to findings that Iran has failed to disclose many nuclear related activities in violation of the Non-Proliferation Treaty. This is a serious issue. There is no doubt that Iran is in violation of its commitments under the NPT. The IAEA Board of Governors must insist that Iran come into complete compliance with its obligations, disclose all information about its nuclear program, and allow unrestricted access to IAEA inspectors. Given the high degree of enriched uranium found in Iran—weapons grade uranium—and yesterday's statement from Iran indicating that it planned to resume enrichment, this matter should immediately be referred to the United Nations Security Council for further action.

I am also deeply troubled by Iran's terribly flawed elections of February 20. The people of Iran deserve our support and they deserve true democratic reform. We cannot turn our backs on the people of Iran because its political leadership has failed them. There are an estimated 700,000 Iranian Americans living in California who are so hopeful for democratic change in their homeland. The election of February 20 was clearly a step in the wrong direction.

On February 12, the Senate passed an important resolution, S. Res. 304, that was submitted that same day by Senator BROWNBACK. Denouncing the elections as harmful for true democratic forces in Iran, the resolution stated that the policy of the United States should be to advocate a democratic government in Iran that will restore freedom to the people of Iran, abandon terrorism, protect human rights, and live in peace and security with the international community. I fully agree.

I hope that the Iranian people know that they have the support of the Senate as they aspire for the freedom denied them by the current Iranian regime.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

One unfortunate crime was committed by an unknown assailant in Carbondale, IL, who allegedly taunted a Southern Illinois University student with anti-homosexual slurs and proceeded to beat him.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

ADDRESS TO THE PEOPLE'S CONGRESS OF LIBYA BY SENATOR BIDEN

Mr. HAGEL. Mr. President, I ask unanimous consent to have printed in the RECORD an important speech given by my colleague and friend, the distinguished senior Senator from Delaware, Mr. BIDEN, to the Libyan People's Congress on March 3, 2004.

Salam ale Qum.

Thank you for inviting me to speak to you. I traveled a great distance to get here, but in so many ways, in recent years, the distance between Libya and America has seemed even greater, almost insurmountable. Now, there is real hope that we will bridge the great divide that has kept us apart. But there is still much work to be done. It is in that spirit of hope that I stand before you . . . and that I send my greetings to the Libyan people who are watching these proceedings in their homes. At the outset, let me tell you who I am and why I am here. I am a United States Senator. I represent a small portion of my country—the state of Delaware, which is located between Washington and New York.

As you know, in America there are no Kings or Princes, no Lords or Dukes, no Emirs or Sultans, Like you, we fought a war against colonialism for our freedom. The central belief in our system is that each individual should have an equal opportunity to succeed.

At home, I am surrounded by very strong women. A mother who instilled in her children the values of faith and community. A sister who was better at her studies than I was, and upon whose guidance our large family depends. A wife who is a respected professor in our community, not just smart, but also wise. And a daughter who knows she can be anything she wants to be.

Like most of the nearly 300 million Americans whose families arrived on our shores from every corner of the globe, I was not born to wealth or stature. I was not promised anything other than the opportunity granted to every American—the opportunity to go as far as I could dream.

I am sure that Libyan parents share the same hope for their children. I am sure it is a universal hope—but not one that can be realized in many countries. That's one of the things that makes my country special.

I have served in the United States Senate for 31 years, elected democratically six times by the men and women of Delaware. Men and women. Young and old. Black and white, Hispanic and Asian. Christians, Jews, Hindus and yes, Arab-Americans and Muslims. You may not know that there are almost as many Muslims in the United States as there are citizens of Libya. And there are more Arab-Americans than all the people who live in Tripoli. Their votes count the same as everyone else.

I belong to the Democratic party. President Bush leads the other major political party—the Republican party. But I am here not as a representative of my party . . . not as a representative of Christian-Americans . . . not as a representative of white Americans. I am here as a representative of my country who believes, along with many other Americans, that this is a moment of great possibility for Libya and for the relationship between our countries. But many of us remain skeptical.

For too long, our relationship has been marked by hostility. In fact, I have a personal connection to the terrible act that set back our relations for years.

I am a graduate of Syracuse University Law School. There is a wall at my school, erected to the memory of 270 people—including 35 young students who never returned home from their studies abroad. They lost their lives when Pan Am 103 was bombed out of the sky. Thirty-five is a number, a statistic. But each of those young people had a name. Each had a mother and a father, a sister and brother, and friends who loved them—and who still suffer their loss every single day. The victims were young men and women like Ken Bissett. He was an artist and a writer. Like Eric and Jason Coker, twin brothers. Eric was studying economics. Jason wanted to be a journalist. He might have been here today, reporting on their significant event. And like a kind hearted young women named Keesha Weedon who wanted to help troubled children. Each of these young people had a past—and each had a future cut short by violence. Imagine if one of them had been your son or your daughter. Think about that for just a moment. Your government's admission of responsibility for the bombing of Pan Am 103 was not only necessary—it was the right thing to do. And it was consistent with your traditions. In the words of the Koran: "As for him who shall repent and believe and do right, he happily may be one of the successful." It appears now that your government wants to change in order to become "one of the successful."

Americans will never forget the past. But we cannot allow it to stop us from building a more peaceful world that can prevent such tragedies in the future. That must be the legacy of those who lost their lives, and for those who carry their memory. And so while American remain wary, we also stand ready to walk with you if you are willing to take the difficult steps necessary to rejoin the community of nations. By accepting responsibility for the past . . . agreeing to abandon its weapons of mass destruction program . . . and joining the war on terrorism . . . your government is beginning to end Libya's political and economic isolation. But what I want to say to you today is this: do not stop there. Aim higher. Go further.

For centuries, the people of Libya were denied the opportunity to fulfill their God-given potential. First, you were held back by outside colonizers. Then, you were led astray by misguided ideologies. The result is a great gulf between your rightful expectations and the reality of your lives.

You are right to expect good schools for your children and first rate doctors for your parents. You are right to expect to own your home and to build your own business. You are right to expect newspapers with competing ideas and an internet connection in every home. You are right to expect the freedom to speak your mind without fear of being thrown in jail. So the question is: How do you make sure that history does not repeat itself and that you are not denied the opportunity to which you are entitled?

Your economic potential is extraordinary because of the natural resources buried in the ground. But your national potential is limitless, because of the human resources that are spread all across this land.

You have tremendous oil power. But it will only be meaningful if you use it to unleash the brain power of the Libyan people—especially the awesome potential of your youth. In fact, oil can be more of a burden than a benefit if it used as an excuse not to develop all aspects of your society . . . and if its proceeds are not widely shared and wisely invested in education, training and a strong foundation for the future.

Let me offer you a concrete example. It concerns patents—the legal protection the world gives to new ideas and inventions. They're a good measure of the quality of a country's educational system, its entrepreneurship, its innovation and its rule of law. Between 1980 and 1999, the nine leading Arab economies—each built on oil wealth—registered a mere 370 patents in my country. During that same period, South Korea alone registered 16,328 patents. Why? In the 21st century, human resources are the true wealth of any nation. You have a historic opportunity to free those human resources to their full potential. I urge you to seize it.

It may strike you as presumptuous that an American politician is offering advice that you did not seek. After all, my country has its own problems. Let me be clear: I have not come here to impose American views on you or to suggest we have all the answers. But I know that more than ever before, your fate and our future are joined. There was a time when the United States would have been satisfied with the status quo in the Middle East, North Africa and here in Libya. But the events of September 11, 2001 marked a turning point in how my country views the world, and specifically how it sees this region.

Americans now understand that the promise of our time is matched by peril. Ideas and innovations can travel the planet at the stroke of a computer key, spreading progress far and wide. But the same technology and openness that power these forces of construction also enable forces of destruction. As a result, problems in any one part of our planet can plague the entire world, including the United States. There is no mountain high enough or ocean wide enough to protect us. The question for America is what, if anything, can we do about this new reality? Make no mistake: the United States will meet and defeat any threat to the safety of our people and the security of our country. We have the will and we have the way to prevail.

But our physical prowess alone cannot solve the problem. We are engaged in much more than a contest of force. We are engaged in a war of ideas. I am convinced that war will be won by those who offer hope, not hatred . . . progress, not paralysis . . . a vision for the future, not an obsession with the past.

Those who attacked us on September 11 were beyond the reach of reason. Their blind hatred was not the bitter fruit of poverty—they were relatively prosperous people. It was not the product of Islam—they perverted a great faith. It was not the result of American's support for Israel, as much as you may disagree with it. Osama Bin Laden almost never mentioned the Palestinian cause before attacks. His focus was his own country, Saudi Arabia.

No, America's aggressors were foot soldiers in a new war pitting believers in freedom, openness, and tolerance against the forces of radical fundamentalism and regression. It is not a clash between civilizations, but within civilizations—especially within the Arab and Muslim worlds.

Today, violent radicals have turned their terror on us. But make no mistake: they regard the large majority of moderate Muslims as their enemies as well. Hundreds of Muslims were among the more than 3000 dead in the World Trade Center and the victims of attacks in Saudi Arabia, Turkey and Morocco. And if the radicals succeed, you will be their victims in another way as well, condemned to a future of hopelessness and despair.

I believe that the cause of hope and the tide of history is on the side of the moderates and modernizers—in this region, in my region and around the world. Our challenge is to reject their cynicism and hatred and to build an alliance of tolerance and progress.

We each have a job to do. Our job—America's job—is first and foremost to listen to you—to listen to your ideas, as well as your fears and concerns. And to do a much better job explaining our ideas and intentions.

But even if we do that well, human nature is the same world wide. It is rare to feel good about your neighbor's new car when you've just lost your job. America's military might, economic power and cultural reach make us present in people's lives on every continent, in every country. Sometimes we do not recognize the conflicting emotions this can produce: respect and admiration, but also envy, resentment and fear.

There will always be those who do not like specific policies we advocate or the way we pursue them. That is your right. The burden is on us to make our case . . . and to have faith in our power to persuade, not just coerce. It may surprise you that most Americans don't like the fact we're the world's sole superpower. They understand it thrusts upon them a responsibility they did not seek and would rather not bear. For example, the people I represent in Delaware understood but did not like the fact I voted to send their sons and daughters to Kosovo. They went to Kosovo to prevent the genocidal slaughter of hundreds of thousands of Muslim men, women and children by Milosevic.

For better or worse, one result of our standing is that people around the world think the U.S. is both the cause of, and answer to, their concerns.

I am proud that America is, more often than not, the solution rather than the problem. I am also proud of our generosity. Like your tradition of Zakat, we feel a moral obligation to share our good fortune. Every year, we send tens of billions of dollars far from our shores to help the impoverished . . . support economic development . . . combat AIDS. We should do more. We already do a lot. But it is also true that in the Middle East and North Africa, repressive political systems and closed economies generate deep anger, resentment, and extremism. I know that the United States has seemed, at best, indifferent to the plight of the oppressed and, at worst, complicit with corrupt and autocratic regimes—despite our generosity.

In the past, we've justified that support in different ways: the Cold War struggle against communism . . . the preference for stability over chaos . . . the need to ensure a steady supply of oil. the tragedy of 9–11 has taught America the hard way that we cannot afford such policies. As President Bush said recently: "stability cannot be purchased at the expense of liberty."

Americans of all political persuasions agree that our security requires us to more actively support your aspirations to choose your own leaders . . . to express your own opinions . . . to associate freely with others . . . to worship in peace . . . to be treated with dignity. In a word, our security requires us to more actively support your desire for liberal democracy. That is the right thing to do. And it is the surest path to realizing your potential and your dreams. Democracy is first and foremost about preventing the concentration of power into the hands of the few . . . or the one. Elections are necessary—but not enough. Democracy is about creating individual rights and building independent institutions: courts of law, political parties, a free press, transparent government, property ownership, a private sector, non-governmental organizations. It is about schools that teach tolerance to your children, and teach them to think for themselves. It is about making women genuine partners in building a modern society.

Nothing about democracy is incompatible with Islam. For example, since the days of the Prophet, the shura—a council where community leaders gather to make decisions through discussion—has been a Muslim concept.

I know many resist change because of the uncertainty it brings. I understand the tension people feel between holding on to traditions that are comfortable and embracing modernity. In my own country, people contend with that tension every day. For example, free trade means that Americans have more choice and pay less for the many things in our stores. But it also means American jobs are lost to countries where people are willing to work for lower pay. That has made millions of Americans—despite our prosperity—angry and afraid.

So each of us, in different ways, has to contend with powerful forces of change and the uncertainty they bring. Every nation must find its own way. Let me share with you, in all humility, the path my country has chosen and some lessons we have learned.

Many see the economic, cultural and military power of the United States. What they may not understand is that those strengths flow from our democratic system, not the other way around. They flow from the freedom we afford every American to think, to question and to create. There are other paths to prosperity. South Korea once enjoyed extraordinary growth without democracy. Now, so does China. But I am convinced that in the long run, the freedoms we enjoy are a tremendous advantage in competing with other countries in the information age.

Our strength also flows from the great diversity of our people. More than two centuries ago, our founders recognized that America's enduring mission would be "to form a more perfect union". In other words, they understood the challenge of forging a single nation from many different parts. But they were confident that in working to overcome our differences, Americans would constantly move forward.

They were right. My country was born in the midst of slavery; we still struggle to overcome the legacy of racism. But we can also say that African Americans have made great strides and are making great contributions to our society.

The rights we enjoy and the institutions we built give every American the power to shine a light on the mistakes we make, and to demand that they be corrected. And the rules we live by protect us from the excess of absolute power . . . and have helped us build a country where each individual has the opportunity, but not the guarantee, to achieve his or her potential.

Please do not misunderstand me. I mean no disrespect. But the nations of the Arab world could be doing so much more to harness the enormous potential of their people.

Consider this: the combined gross domestic product of all Arab countries in 1999 was less than that of a single European country—Spain. Think about that for a moment. And then think back a thousand years. Spain was part of a great Arab empire which encompassed most of the Mediterranean and the Middle East. Why did you thrive then? It was not your armies alone. It was your ideas, your civilization, your culture, your openness. Why has this one small territory—then called Al Andalus, now called Spain—outpaced the rest of the Arab world combined today?

Don't take the answer from me. Listen to the leading Arab scholars who recently completed a remarkable study of Arab Human Development, published by the United Nations. It speaks to the need across the Arab world to make progress in three critical areas: Empowering women, spreading knowledge, and expanding freedom. This is an incredibly difficult challenge—but also an extraordinary opportunity. 70% of your population is below the age of 30. Unlocking their minds and unleashing their talents can be a deep source of strength. Bringing women into the work place will boost your economies . . . just as women leaders past and present in Pakistan . . . in Bangladesh . . . in Turkey . . . and in Indonesia energized the Muslim world's politics. Giving your people access to the internet will connect them to a vast supply of knowledge and power your progress.

The United States wants to help you seize these opportunities in a spirit of cooperation. We are ready to share our experiences . . . to make investments in your economies . . . to welcome you into the international community. We are prepared to build these partnerships because it is in our interest.

It is up to you to take the necessary, important, unavoidable risks. The choice is yours. You can merely survive, with an economy that generates just enough wealth to get by and a society that provides few freedoms and opportunities.

Or you can thrive. I am convinced you can thrive. My conviction follows from your history. At a time when Europeans were barely emerging from the Dark Ages, the light of civilization was shinning brightly in the Arab world. Scholars outpaced their European counterparts in math, science and other disciplines of modernity. Philosophers and poets, architects and artists enlightened the world from Cairo to Baghdad to Damascus to Granada.

I believe with all my heart that you can build a future as glorious as your past. And I am convinced that my country has a profound stake in your success.

Let me leave you with the words of a great Arab-American poet, Gibran Khalil Gibran, that speak powerfully to this time and this challenge: "O land veiled to our sight from ages past

Which way to you? Which path? How long? How wide? What wasteland hems you in? What mountain range Enfolds your realm?

Which one of us the guide? Are you our hope? Or are you a mirage? In hearts where none but fruitless quests reside . . .

"O source of knowledge where our forbears dwelt, Where truth they worshiped, beauty was their creed; Uncharted source, unknown, unreachable Whether by crested wave or racing steed, Neither in East nor West can you be found, In southern reaches nor in northern field, Not in the skies we find you, nor the seas, Nor pathless deserts which beguile our art; Deep in the soul you burst, like light, like fire, You are within my chest, my pounding heart."

Thank you for listening.

CELEBRATING NATIONAL SAFE PLACE WEEK

Mr. CRAIG. I look forward to the U.S. Senate passing this resolution and designating the week of March 14–20, 2004, as National Safe Place Week. I would like to thank my colleague Senator FEINSTEIN for her work on this issue. I would also like to thank the other cosponsors of this resolution: Senator CAMPBELL, Senator BOXER, Senator FITZGERALD, Senator LANDRIEU, Senator INHOFE, Senator FEINGOLD, Senator COCHRAN, Senator JOHNSON, Senator LIEBERMAN, Senator MIKULSKI, Senator DURBIN, Senator KOHL, Senator LINCOLN, Senator SHELBY, and Senator MURKOWSKI. This action will recognize the importance of Project Safe Place and send a message that we will keep working to protect our children. In countless hours of selfless work, volunteers truly do make a difference every day, and in passing this resolution, the Senate will be applauding the tireless efforts of the thousands of dedicated volunteers across the Nation for their many contributions to the youth of our Nation through Project Safe Place.

Mr. President, events of the day may turn our attention overseas, but it is essential to remember those who are fighting an ongoing battle right here at home. This battle has been raging for generations and consists of fighting to protect this Nation's most valuable resource: our children. Young people are the future of this Nation; they need to be both valued and protected. Sadly, however, as my colleagues know, this precious resource is threatened daily.

I come to the Senate floor today to talk about a tremendous initiative between the public and private sector that has been reaching out to youth for over twenty years. Project Safe Place is a program that was developed to assist our Nation's youth and families in crisis. This partnership creates a network of private businesses trained to refer youth in need to the local service providers who can help them. Those businesses display a Safe Place sign so that people can easily recognize a "safe place" for them to go to receive help.

The goal of National Safe Place Week is to recognize the thousands of individuals who work to make Project Safe Place a reality. From trained volunteers to seasoned professionals, these dedicated individuals are working together with the resources in their local communities and through their ties across the Nation to serve young people. Because of Project Safe Place, this all happens under a well-known symbol of safety for in-crisis youth.

Project Safe Place is a simple program to implement in any local community, and it works. Young people are more likely to seek help in locations that are familiar and non-threatening to them. By creating a network of Safe Places across the Nation, all youth will have access to needed help, counseling, or a safe place to stay. However, though the program has already been established in 42 States, there are still too many communities that don't know about this valuable youth resource.

If your State does not already have a Safe Place organization, please consider facilitating this worthwhile resource so that young people who are abused, neglected, or whose futures are jeopardized by physical or emotional trauma will have access to immediate help and safety in your community. To create more Project Safe Place sites in Idaho, the staff in several of my State offices have completed the training to make them Safe Place sites, and now have the skills and ability to assist troubled youth. In the coming years, Project Safe Place hopes that every child in America will have the opportunity to connect with someone who can provide immediate help by easily recognizing the Safe Place sign.

Mr. President, I ask unanimous consent that a copy of this resolution be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

(S. RES. 309)

Whereas today's youth are vital to the preservation of our country and will be the future bearers of the bright torch of democracy;

Whereas youth need a safe haven from various negative influences such as child abuse, substance abuse and crime, and they need to have resources readily available to assist them when faced with circumstances that compromise their safety;

Whereas the United States needs increased numbers of community volunteers acting as positive influences on the Nation's youth;

Whereas the Safe Place program is committed to protecting our Nation's most valuable asset, our youth, by offering short term "safe places" at neighborhood locations where trained volunteers are available to counsel and advise youth seeking assistance and guidance;

Whereas the Safe Place program combines the efforts of the private sector and nonprofit organizations uniting to reach youth in the early stages of crisis;

Whereas the Safe Place program provides a direct way to assist programs in meeting performance standards relative to outreach and community relations, as set forth in the Federal Runaway and Homeless Youth Act guidelines;

Whereas the Safe Place placard displayed at businesses within communities stands as a beacon of safety and refuge to at-risk youth;

Whereas more than 700 communities in 42 states and more than 14,000 locations have established Safe Place programs;

Whereas more than 68,000 young people have gone to Safe Place locations to get help when faced with crisis situations;

Whereas through the efforts of Safe Place coordinators across the country each year more than one-half million students learn that Safe Place is a resource if abusive or neglectful situations exists;

Whereas increased awareness of the program's existence will encourage communities to establish Safe Places for the Nation's youth throughout the country: Now, therefore, be it

Resolved, That the Senate—

(1) proclaims the week of March 14 through March 20, 2004 as "National Safe Place Week" and

(2) requests that the President issue a proclamation calling upon the people of the United States and interested groups to promote awareness of and volunteer involvement in the Safe Place programs, and to observe the week with appropriate ceremonies and activities.

MEDAL AWARDS FOR JERRY BREWER

Mr. BUNNING. Mr. President, today I would like to take the opportunity to honor the service of Mr. Jerry Brewer of Flatwoods, KY. It is wonderful to see him finally receiving the recognition for his service that he has deserved for so long.

On March 6, 2004, Mr. Brewer finally received decorations for his outstanding service in combat that he performed while in the army in Vietnam. A special thanks goes out to his daughter, Ms. Melissa Ashworth, for her hard work in correcting this oversight.

Mr. Brewer served in Vietnam in 1969 and 1970 as a member of the 478th Engineer Battalion of the 11th Infantry Brigade. He did receive a Purple Heart, but his other medals were unfortunately delayed for over three decades. However, last Saturday Mr. Brewer finally received the medals that he had earned. He was awarded with the Bronze Star, another Purple Heart, the Vietnam Service medal, the National Defense Service medal, the Good Conduct medal, the Republic of Vietnam Campaign medal, the Vietnam Cross of Gallantry, and the Combat Infantryman's Badge.

As one of the U.S. Senators from Kentucky, I know that Mr. Jerry Brewer served as a fine example of what it means to be true patriot and an American of the highest caliber. We must remember that the American way of life has been made possible by the bravery of men and women like Mr. Brewer. When freedom has been challenged, many like him have answered the call to arms. We must never forget that.

ADDITIONAL STATEMENTS

NATIONAL EYE DONOR MONTH

• Mr. SESSIONS. Mr. President, I rise today to bring to the attention of my colleagues and all of our constituents across the Nation that March is National Eye Donor Month. The first eye bank opened in 1944 and since then, over half a million Americans have received the gift of sight. Now, Americans throughout the country have the power to help restore sight to thousands of people in need. Mrs. Jeanne Bross, 65, can return to college in South Carolina with restored sight after receiving a corneal transplant in a Birmingham, AL hospital. This amazing turn in her life would not have been easy without someone giving the precious gift of sight.

The purpose of Eye Donor Month is to educate each and every American family to the opportunity to give the gift of sight and to make a terrific difference in someone's life. This month marks an opportunity to celebrate the gift of sight, to raise public awareness and to honor past donors and their families. The process to become a donor takes just minutes. All a donor needs to do is sign a donor card and most importantly, discuss their donation wishes with their family.

Last year over 46,000 Americans had their sight restored through the miracle of corneal transplantation. This year, thousands of Americans will require a sight restoring cornea transplant due to the continual need for cornea and tissue. Our eye banks across the Nation, along with the Eye Bank Association of America, work to ensure that all of these Americans will receive the tissue they need. It is also important to note that there are ever changing strict standards, screening procedures and accreditation programs in place to ensure that each of the recipients receives safe tissue, achieving a success rate of over 90 percent.

As National Eye Donor Month proceeds, I encourage my colleagues to work with their local eye banks to increase public awareness of corneal transplantation and the continuous need for donors. I appreciate the opportunity to highlight Eye Donor Month and again, encourage all Americans to sign a donor card and speak with their families about their wishes.•

IN MEMORY OF MARC MIRINGOFF

• Mr. EDWARDS. Mr. President, every so often, someone comes along and changes the way we look at things. Marc Miringoff was such a person. We note his passing last week in New York at the age of 58.

Marc was a gifted social scientist who had the crucial insight that progress ought not be measured in economic terms alone. Gross national product, gross domestic product, net foreign investment, balance of payments, net savings rates—all of these thrown together, properly weighted and critically analyzed could certainly tell us much about the state of our economy. But Marc asked whether they would give us the true measure of our society. He concluded they did not.

In the 1980s, Marc sought to change that. He founded the Fordham Institute for Innovation in Social Policy in 1985, where he worked to develop an index to measure the Nation's social health. The index consisted of a number of measures that reflected the worlds of public health, education, the justice system, and violence. Marc burrowed beneath the numbers to find the underlying, often invisible, structures of poverty that undermined economic progress.

I was privileged to know Marc. I benefited from his counsel and was challenged by his insights. I know that Marc was no dry-as-dust academic. He relished the political arena as much as he enriched the academic forum. He was an evangelist for the concept of social health. His eyes sparkled when an elected official got hooked on his ideas. He worked hard, bringing others along, encouraging them to look more deeply at the fabric of American society and to work harder to make it a richer, stronger fabric.

I will miss Marc. We all will miss him. Right now, the country needs more people like him. I offer my condolences to his wife, Marque, and to his family.•

VOLUNTEERS OF AMERICA OF FLORIDA

• Mr. GRAHAM of Florida. Mr. President, as ranking member on the Committee on Veterans' Affairs, I rise to acknowledge an extraordinary charitable organization, which serves some of this country's most troubled and disadvantaged veterans. This organization is the Volunteers of America of Florida.

The Volunteers of America of Florida provides essential services to veterans such as supported employment, mental health care, job placement, basic living skills training, housing programs, and social support groups. One of the unique outreach tools owned and operated by Volunteers of America of Florida is their Florida Veterans Mobile Service Center. This is a specially designed 40-foot-long vehicle from which medical, dental, mental health, substance use and benefits counseling services are provided. It is also used to distribute food and clothing to the homeless wherever they are located. The Mobile Service Center is on the road 200 days per year and has traveled more than 30,000 miles, serving over 40 counties in Florida to reach over 3,000 homeless veterans per year. This includes outreach to rural encampments in areas such as the Florida Everglades, Ocala National Forest, and the Barrier Islands off of the Keys.

The Mobile Service Center is funded through a unique partnership of Government, corporate and not-for-profit organizations which includes the U.S. Department of Veterans' Affairs, Eli Lilly and Company, USAA, many veterans service organizations—including: DAV, VVA, AMVETS, VFW, PVA, American Legion, NCOA, Korean War Veterans, Jewish War Veterans, VietNow, Marine Corps League—and Volunteers of America of Florida.

In Florida alone, there are between 17,000 and 23,000 homeless veterans who are living on the streets on any given night. Nationally, there are about 300,000 homeless veterans on any given night. In a year, that number jumps to over half a million veterans who will experience homelessness.

As a new generation of veterans begin to return home, it has become increasingly important to cultivate safety net programs for our Nation's veterans. Volunteers of America of Florida is battling to break the cycle of homelessness and reintegrate these brave veterans back into society. It gives me great pleasure to honor the paid and volunteer staff that makes these programs possible throughout the great State of Florida.•

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

SBA EMERGENCY AUTHORIZATION EXTENSION ACT OF 2004

• Mr. KERRY. Mr. President, earlier this week I introduced a bill, S. 2186, to keep the SBA, its two largest lending programs, the 504 and 7(a) Loan Guarantee Programs, and the Women's Business Centers up and running through the remainder of this year, September 30, 2004. I ask that these letters of support be printed in the RECORD. One letter is from Mary Kay Hamm of Linden International based in Wayne, Pennsylvania, and the other is from Tjuana C. Byrd, an attorney in Little Rock, Arkansas, who is a member of the National Association of Women Business Owners. I thank them and the many other small business associations that have helped us find solutions, demonstrating great cooperation in a difficult position, to help small businesses.

The letters follow:

LINDEN INTERNATIONAL,
Wayne, PA.

Hon. JOHN KERRY,
Ranking Member, Senate Committee on Small Business and Entrepreneurship, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KERRY: I would greatly appreciate your support of the 7a program "rescue". I favor the following to help me and many other small businesses rebound and re-grow:

1. Allow piggyback loans, and charge a 0.50 percent lender fee.
2. Raise lender fees by 0.10 percent.
3. For loans under $150,000, have lenders pay the SBA the 0.25 percent fee that the lender now keeps for themselves.

We all are keening for help to re-establish ourselves and assure a firm foundation for the future of small businesses in the US.

Sincere thanks,

Very truly yours,

MARY KAY HAMM,
President and CEO.

MARCH 11, 2004.

Hon. JOHN KERRY,
Ranking Member, Senate Small Business Committee, Washington, DC.

DEAR SENATOR KERRY: I am a small business owner in North Little Rock, AR and a member of the National Association of Women Business Owners (NAWBO). I understand that a package is before the Senate Small Business Committee that may be brought up as early as next week in the whole Senate concerning the SBA 7(a) program.

Absent the SBA asking Congress for additional funding, NAWBO supports increasing fees on lenders as an approach to adequately funding the SBA 7(a) program and lifting restriction. Specifically, NAWBO would like the program to:

Allow piggyback loans, but charge a 0.50 percent lender fee for each.

Raise lender fees by 0.10 percent.

For loans that are under $150,000, have lenders pay the SBA the 0.25 percent fee that lenders currently keep for themselves. This only applies to these small loans.

Senator Kerry, we would appreciate your support of our position. Can we count on you? Thank you for your consideration.

Sincerely,

TJUANA C. BYRD,
Attorney at Law.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO IRAN THAT WAS DECLARED IN EXECUTIVE ORDER 12957—PM 73

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iran emergency is to continue in effect beyond March 15, 2004, to the Federal Register for publication. The most recent notice continuing this emergency was published in the Federal Register on March 14, 2003 (68 Fed. Reg. 12563).

The crisis between the United States and Iran constituted by the actions and policies of the Government of Iran, including its support for international terrorism, efforts to undermine Middle East peace, and acquisition of weapons of mass destruction and the means to deliver them, that led to the declaration of a national emergency on March 15, 1995, has not been resolved. These actions and policies are contrary to the interests of the United States in the region and pose a continuing unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to Iran and maintain in force comprehensive sanctions against Iran to respond to this threat.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 10, 2004.*

MESSAGES FROM THE HOUSE

At 12:09 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 339. An act to prevent legislature and regulatory functions from being usurped by civil liability actions brought or continued against food manufacturers, marketers, distributors, advertisers, sellers, and trade associations for claims of injury relating to a persons's weight gain, obesity, or any health condition associated with weight gain or obesity.

H.R. 2391. An act to amend title 35, United States Code, to promote research among universities, the public sector, and private enterprises.

H.R. 2714. An act to reauthorize the State Justice Institute.

The message also announced that the House has passed the following bill, with an amendment:

S. 1881. An act to amend the Federal Food, Drug, and Cosmetic Act to make technical corrections relating to the amendments by the Medical Device User Fee and Modernization Act of 2002, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 373. Concurrent resolution expressing the sense of Congress that Kids Love a Mystery is a program and promotes literacy and should be encouraged.

At 2:46 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3717. An act to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmission of obscene, indecent, and profane material, and for other purposes.

H.R. 3915. An act to provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through April 2, 2004, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 15. Concurrent resolution commending India on its celebration of Republic Day.

The message further announced that pursuant to section 7(b)(1) of the Prison Rape Elimination Act of 2003 (42 U.S.C. 15606), and the order of the House of December 8, 2003, the Speaker appoints the following member on the part of the House of Representatives to the National Prison Rape Reduction Commission: Mr. Pat Nolan of Leesburg, Virginia.

At 6:26 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 98. Concurrent resolution providing for a conditional adjournment or recess of the Senate.

MEASURES REFERRED—MARCH 10, 2004

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3536. An act to designate the facility of the United States Postal Service located at 210 Main street in Malden, Illinois, as the "Army Staff Sgt. Lincoln Hollinsaid Malden Post Office"; to the Committee on Governmental Affairs.

H.R. 3537. An act to designate the facility of the United States Postal Service located at 135 State Street in Manhattan, Illinois, as the "Army Pvt. Shawn Pahnke Manhattan Post Office"; to the Committee on Governmental Affairs.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 2391. To amend title 35, United States Code, to promote cooperative research involving universities, the public sector, and private enterprises; to the Committee on the Judiciary.

H.R. 2714. An act to reauthorize the State Justice Institute; to the Committee on the Judiciary.

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 15. Concurrent resolution commending India on its celebration of Republic Day; to the Committee on Foreign Relations.

H. Con. Res. 373. Concurrent resolution expressing the sense of Congress that Kids Love a Mystery is a program that promotes literacy and should be encouraged; to the Committee on Health, Education, Labor, and Pensions.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

H.R. 1997. An act to amend title 18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6645. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to U.S. military personnel and U.S. individual civilians retained as contractors involved in the anti-narcotics campaign in Colombia; to the Committee on Foreign Relations.

EC–6646. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to U.S. military personnel and U.S. individual civilians retained as contractors involved in the anti-narcotics campaign in Colombia; to the Committee on Foreign Relations.

EC–6647. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Weighted Average Interest Rate Update Notice" (Notice 2004–24) received on March 8, 2004; to the Committee on Finance.

EC–6648. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Removal From Federal Tax System" (Rev. Rul. 2004–31) received on March 8, 2004; to the Committee on Finance.

EC–6649. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Frivolous Home-Based Deductions" (Rev. Rul. 2004–32) received on March 8, 2004; to the Committee on Finance.

EC–6650. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Tax Treatment of Benefits Received Under the Smallpox Emergency Personnel Protection Act of 2003 (SEPPA)" (Notice 2004–17) received on March 8, 2004; to the Committee on Finance.

EC–6651. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Meritless Claims Under Section 861" (Rev. Rul. 2004–30) received on March 8, 2004; to the Committee on Finance.

EC–6652. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Removal from Federal Tax System" (Rev. Rul. 2004–31) received on March 8, 2004; to the Committee on Finance.

EC–6653. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Frivolous Reparations Tax Credit" (Rev. Rul. 2004–33) received on March 8, 2004; to the Committee on Finance.

EC–6654. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Frivolous Zero Return" (Rev. Rul. 2004–34) received on March 8, 2004; to the Committee on Finance.

EC–6655. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Meritless Claim of Right" (Rev. Rul. 2004–29) received on March 8, 2004; to the Committee on Finance.

EC–6656. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Meritless Foreign Income Exclusion" (Rev. Rul. 2004–28) received on March 8, 2004; to the Committee on Finance.

EC–6657. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Corporation Sole Entity" (Rev. Rul. 2004–27) received on March 8, 2004; to the Committee on Finance.

EC–6658. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Frivolous Tax Returns" (Notice 2004–22) received on March 8, 2004; to the Committee on Finance.

EC–6659. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Common Misperceptions About Income Taxes" (Notice 2004–13) received on March 8, 2004; to the Committee on Finance.

EC–6660. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Section 1.856–4; Rents from Real Property" (Rev. Rule 2004–24) received on March 8, 2004; to the Committee on Finance.

EC–6661. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "FLEP Cost Share Payments" (Rev. Rule 2004–8) received on March 8, 2004; to the Committee on Finance.

EC–6662. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Section 35-Credit for Health Care" (Rev. Proc. 2004–12) received on March 8, 2004; to the Committee on Finance.

EC–6663. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Determination of Interest Rates—April 1, 2004" (Rev. Rule 2004–26) received on March 8, 2004; to the Committee on Finance.

EC–6664. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Temporary and Proposed Regulation: Depreciation Treatment of Property Acquired in a Like-Kind Exchange or Involuntary Conversion" (TD9115) received on March 8, 2004; to the Committee on Finance.

EC–6665. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Applicable Federal Rates—June 2002" (Rev. Rul. 2002–36) received on March 8, 2004; to the Committee on Finance.

EC–6666. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Waiver of 60-Month Bar on Reconsolidation After Disaffiliation" (Rev. Proc. 2002–32) received on March 8, 2004; to the Committee on Finance.

EC–6667. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Annual Report Concerning the Pre-Filing Agreement Program" (Ann. 2002–54) received on March 8, 2004; to the Committee on Finance.

EC–6668. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Section 911 Waiver Rev. Proc-2003 Update" (Rev. Proc. 2004–17) received on March 8, 2004; to the Committee on Finance.

EC–6669. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "January–March 2004 Bond Factor Amounts" (Rev. Rule 2004–16) received on March 8, 2004; to the Committee on Finance.

EC–6670. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Appeals Settlement Guidelines: Lease In/Lease Out Transactions" (UIL9307–07–00) received on March 8, 2004; to the Committee on Finance.

EC–6671. A communication from the Commissioner, Social Security Administration, transmitting, a draft of proposed legislation to make an amendment to the Supplemental Security Income program; to the Committee on Finance.

EC–6672. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Asian Longhorned Beetle; Quarantined Areas" (Doc. No. 04–002–1) received on March 9, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6673. A communication from the Assistant Director, Executive and Political Personnel, Department of Defense, transmitting, pursuant to law, the report of a nomination for the position of Assistant Secretary of Defense for Networks and Information Integration, Department of Defense, received on December 30, 2003; to the Committee on Armed Services.

EC–6674. A communication from the Under Secretary of Defense for Acquisition, Technology, and Logistics, Department of Defense, transmitting, pursuant to law, a report relative to changes to the Office of Management and Budget Circular; to the Committee on Armed Services.

EC–6675. A communication from the Assistant Secretary of Defense for Health Affairs, Department of Defense, transmitting, pursuant to law, a report relative to the Military Health System; to the Committee on Armed Services.

EC–6676. A communication from the Under Secretary of Defense for Personnel and Readiness, Department of Defense, transmitting, pursuant to law, a report relative to those units of the Ready Reserve of the Armed Forces that remained on active duty under the provisions of section 12302 as of January 1, 2004; to the Committee on Armed Services.

EC–6677. A communication from the Under Secretary of Defense for Personnel and Readiness, Department of Defense, transmitting, pursuant to law, the Department's Education Activity (DoDEA) 2000–01 Overview of Student Progress; to the Committee on Armed Services.

EC–6678. A communication from the Director, Procurement and Industrial Base Policy, Department of the Army, transmitting, pursuant to law, the report of a rule entitled "48 CFR Part 5125, Foreign Acquisition" (RIN0702–AA38) received on March 8, 2004; to the Committee on Armed Services.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SHELBY for the Committee on Banking, Housing, and Urban Affairs.

*Rhonda Keenum, of Mississippi, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Services.

*Linda Mysliwy Conlin, of New Jersey, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 2007.

By Mr. HATCH for the Committee on the Judiciary.

William James Haynes II, of Virginia, to be United States Circuit Judge for the Fourth Circuit.

Lawrence F. Stengel, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

Diane S. Sykes, of Wisconsin, to be United States Circuit Judge for the Seventh Circuit.

Juan R. Sanchez, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

James L. Robart, of Washington, to be United States District Judge for the Western District of Washington.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted:

By Mr. LUGAR, from the Committee on Foreign Relations:

[Treaty Doc. 103–39 United Nations Convention on the Law of the Sea (Exec. Rept. No. 108–10)]

Section 1. Senate advice and consent subject to declarations and understandings.

The Senate advises and consents to the accession to the United Nations Convention on the Law of the Sea, with annexes, adopted on December 10, 1982 (hereafter in this resolution referred to as the "Convention"), and to the ratification of the Agreement Relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea, with annex, adopted on July 28, 1994 (hereafter in this resolution referred to as the "Agreement") (Treaty Doc. 103–39), subject to the declarations of section 2, to be made under articles 287 and 298 of the Convention, the declarations and understandings of section 3, to be made under article 310 of the Convention, and the conditions of section 4.

Sec. 2. Declarations under articles 287 and 298.

The advice and consent of the Senate under section 1 is subject to the following declarations:

(1) The Government of the United States of America declares, in accordance with article 287(1), that it chooses the following means for the settlement of disputes concerning the interpretation or application of the Convention:

(A) a special arbitral tribunal constituted in accordance with Annex VIII for the settlement of disputes concerning the interpretation or application of the articles of the Convention relating to (1) fisheries, (2) protection and preservation of the marine environment, (3) marine scientific research, and (4) navigation, including pollution from vessels and by dumping; and

(B) an arbitral tribunal constituted in accordance with Annex VII for the settlement of disputes not covered by the declaration in subparagraph (A).

(2) The Government of the United States of America declares, in accordance with article 298(1), that it does not accept any of the procedures provided for in section 2 of Part XV (including, inter alia, the Sea-Bed Disputes Chamber procedure referred to in article 287(2)) with respect to the categories of disputes set forth in subparagraphs (a), (b), and (c) of article 298(1). The United States further declares that its consent to accession to the Convention is conditioned upon the understanding that, under article 298(1)(b), each State Party has the exclusive right to determine whether its activities are or were "military activities" and that such determinations are not subject to review.

Sec. 3. Other declarations and understandings under article 310.

The advice and consent of the Senate under section 1 is subject to the following declarations and understandings:

(1) The United States understands that nothing in the Convention, including any provisions referring to "peaceful uses" or "peaceful purposes," impairs the inherent right of individual or collective self-defense or rights during armed conflict.

(2) The United States understands, with respect to the right of innocent passage under the Convention, that—

(A) all ships, including warships, regardless of, for example, cargo, armament, means of propulsion, flag, origin, destination, or purpose, enjoy the right of innocent passage;

(B) article 19(2) contains an exhaustive list of activities that render passage non-innocent;

(C) any determination of non-innocence of passage by a ship must be made on the basis of acts it commits while in the territorial sea, and not on the basis of, for example, cargo, armament, means of propulsion, flag, origin, destination, or purpose; and

(D) the Convention does not authorize a coastal State to condition the exercise of the right of innocent passage by any ships, including warships, on the giving of prior notification to or the receipt of prior permission from the coastal State.

(3) The United States understands, concerning Parts III and IV of the Convention, that—

(A) all ships and aircraft, including warships and military aircraft, regardless of, for example, cargo, armament, means of propulsion, flag, origin, destination, or purpose, are entitled to transit passage and archipelagic sea lanes passage in their "normal mode";

(B) "normal mode" includes, inter alia—

(i) submerged transit of submarines;

(ii) overflight by military aircraft, including in military formation;

(iii) activities necessary for the security of surface warships, such as formation steaming and other force protection measures;

(iv) underway replenishment; and

(v) the launching and recovery of aircraft;

(C) the words "strait" and "straits" are not limited by geographic names or categories and include all waters not subject to Part IV that separate one part of the high seas or exclusive economic zone from another part of the high seas or exclusive economic zone or other areas referred to in article 45;

(D) the term "used for international navigation" includes all straits capable of being used for international navigation; and

(E) the right of archipelagic sea lanes passage is not dependent upon the designation by archipelagic States of specific sea lanes and/or air routes and, in the absence of such designation or if there has been only a partial designation, may be exercised through all routes normally used for international navigation.

(4) The United States understands, with respect to the exclusive economic zone, that—

(A) all States enjoy high seas freedoms of navigation and overflight and all other internationally lawful uses of the sea related to these freedoms, including, inter alia, military activities, such as anchoring, launching and landing of aircraft and other military devices, launching and recovering waterborne craft, operating military devices, intelligence collection, surveillance and reconnaissance activities, exercises, operations, and conducting military surveys; and

(B) coastal State actions pertaining to these freedoms and uses must be in accordance with the Convention.

(5) The United States understands that "marine scientific research" does not include, inter alia—

(A) prospecting and exploration of natural resources;

(B) hydrographic surveys;

(C) military activities, including military surveys;

(D) environmental monitoring and assessment pursuant to section 4 of Part XII; or

(E) activities related to submerged wrecks or objects of an archaeological and historical nature.

(6) The United States understands that any declaration or statement purporting to limit navigation, overflight, or other rights and freedoms of all States in ways not permitted by the Convention contravenes the Convention. Lack of a response by the United States

to a particular declaration or statement made under the Convention shall not be interpreted as tacit acceptance by the United States of that declaration or statement.

(7) The United States understands that nothing in the Convention limits the ability of a State to prohibit or restrict imports of goods into its territory in order to, inter alia, promote or require compliance with environmental and conservation laws, norms, and objectives.

(8) The United States understands that articles 220, 228, and 230 apply only to pollution from vessels (as referred to in article 211) and not, for example, to pollution from dumping.

(9) The United States understands, with respect to articles 220 and 226, that the "clear grounds" requirement set forth in those articles is equivalent to the "reasonable suspicion" standard under United States law.

(10) The United States understands, with respect to article 228(2), that—

(A) the "proceedings" referred to in that paragraph are the same as those referred to in article 228(1), namely those proceedings in respect of any violation of applicable laws and regulations or international rules and standards relating to the prevention, reduction and control of pollution from vessels committed by a foreign vessel beyond the territorial sea of the State instituting proceedings; and

(B) fraudulent concealment from an officer of the United States of information concerning such pollution would extend the three-year period in which such proceedings may be instituted.

(11) The United States understands, with respect to article 230, that—

(A) it applies only to natural persons aboard the foreign vessels at the time of the act of pollution;

(B) the references to "monetary penalties only" exclude only imprisonment and corporal punishment;

(C) the requirement that an act of pollution be "wilful" in order to impose non-monetary penalties would not constrain the imposition of such penalties for pollution caused by gross negligence;

(D) in determining what constitutes a "serious" act of pollution, a State may consider, as appropriate, the cumulative or aggregate impact on the marine environment of repeated acts of pollution over time; and

(E) among the factors relevant to the determination whether an act of pollution is "serious," a significant factor is non-compliance with a generally accepted international rule or standard.

(12) The United States understands that sections 6 and 7 of Part XII do not limit the authority of a State to impose penalties, monetary or nonmonetary, for, inter alia—

(A) non-pollution offenses, such as false statements, obstruction of justice, and obstruction of government or judicial proceedings, wherever they occur; or

(B) any violation of national laws and regulations or applicable international rules and standards for the prevention, reduction and control of pollution of the marine environment that occurs while a foreign vessel is in any of its ports, rivers, harbors, or offshore terminals.

(13) The United States understands that the Convention recognizes and does not constrain the long-standing sovereign right of a State to impose and enforce conditions for the entry of foreign vessels into its ports, rivers, harbors, or offshore terminals, such as a requirement that ships exchange ballast water beyond 200 nautical miles from shore or a requirement that tank vessels carrying oil be constructed with double hulls.

(14) The United States understands, with respect to article 21(2), that measures applying to the "design, construction, equipment or manning" do not include, inter alia, measures such as traffic separation schemes, ship routing measures, speed limits, quantitative restrictions on discharge of substances, restrictions on the discharge and/or uptake of ballast water, reporting requirements, and record-keeping requirements.

(15) The United States understands that the Convention supports a coastal State's exercise of its domestic authority to regulate discharges into the marine environment resulting from industrial operations on board a foreign vessel.

(16) The United States understands that the Convention supports a coastal State's exercise of its domestic authority to regulate the introduction into the marine environment of alien or new species.

(17) The United States understands that, with respect to articles 61 and 62, a coastal State has the exclusive right to determine the allowable catch of the living resources in its exclusive economic zone, whether it has the capacity to harvest the entire allowable catch, whether any surplus exists for allocation to other States, and to establish the terms and conditions under which access may be granted. The United States further understands that such determinations are, by virtue of article 297(3)(a), not subject to binding dispute resolution under the Convention.

(18) The United States understands that article 65 of the Convention lent direct support to the establishment of the moratorium on commercial whaling, supports the creation of sanctuaries and other conservation measures, and requires States to cooperate not only with respect to large whales, but with respect to all cetaceans.

(19) The United States understands that, with respect to article 33, the term "sanitary laws and regulations" includes laws and regulations to protect human health from, inter alia, pathogens being introduced into the territorial sea.

(20) The United States understands that decisions of the Council pursuant to procedures other than those set forth in article 161(8)(d) will involve administrative, institutional, or procedural matters and will not result in substantive obligations on the United States.

(21) The United States understands that decisions of the Assembly under article 160(2)(e) to assess the contributions of members are to be taken pursuant to section 3(7) of the Annex to the Agreement and that the United States will, pursuant to section 9(3) of the Annex to the Agreement, be guaranteed a seat on the Finance Committee established by section 9(1) of the Annex to the Agreement, so long as the Authority supports itself through assessed contributions.

(22) The United States declares, pursuant to article 39 of Annex VI, that decisions of the Seabed Disputes Chamber shall be enforceable in the territory of the United States only in accordance with procedures established by implementing legislation and that such decisions shall be subject to such legal and factual review as is constitutionally required and without precedential effect in any court of the United States.

(23) The United States—

(A) understands that article 161(8)(f) applies to the Council's approval of amendments to section 4 of Annex VI;

(B) declares that, under that article, it intends to accept only a procedure that requires consensus for the adoption of amendments to section 4 of Annex VI; and

(C) in the case of an amendment to section 4 of Annex VI that is adopted contrary to this understanding, that is, by a procedure other than consensus, will consider itself bound by such an amendment only if it subsequently ratifies such amendment pursuant to the advice and consent of the Senate.

(24) The United States declares that, with the exception of articles 177–183, article 13 of Annex IV, and article 10 of Annex VI, the provisions of the Convention and the Agreement, including amendments thereto and rules, regulations, and procedures thereunder, are not self-executing.

Sec. 4. Conditions.

(a) In General.—The advice and consent of the Senate under section 1 is subject to the following conditions:

(1) Not later than 15 days after the receipt by the Secretary of State of a written communication from the Secretary-General of the United Nations or the Secretary-General of the Authority transmitting a proposal to amend the Convention pursuant to article 312, 313, or 314, the President shall submit to the Committee on Foreign Relations of the Senate a copy of the proposed amendment.

(2) Prior to the convening of a Conference to consider amendments to the Convention proposed to be adopted pursuant to article 312 of the Convention, the President shall consult with the Committee on Foreign Relations of the Senate on the amendments to be considered at the Conference. The President shall also consult with the Committee on Foreign Relations of the Senate on any amendment proposed to be adopted pursuant to article 313 of the Convention.

(3) Not later than 15 days prior to any meeting—

(A) of the Council of the International Seabed Authority to consider an amendment to the Convention proposed to be adopted pursuant to article 314 of the Convention, or

(B) of any other body under the Convention to consider an amendment that would enter into force pursuant to article 316(5) of the Convention, the President shall consult with the Committee on Foreign Relations of the Senate on the amendment and on whether the United States should object to its adoption.

(4) All amendments to the Convention, other than amendments under article 316(5) of a technical or administrative nature, shall be submitted by the President to the Senate for its advice and consent.

(5) The United States declares that it shall take all necessary steps under the Convention to ensure that amendments under article 316(5) are adopted in conformity with the treaty clause in article 2, section 2 of the United States Constitution.

(b) Inclusion of Certain Conditions in Instrument of Ratification.—Conditions 4 and 5 shall be included in the United States instrument of ratification to the Convention.

Section 1. Senate advice and consent subject to declarations and understandings.

The Senate advises and consents to the accession to the United Nations Convention on the Law of the Sea, with annexes, adopted on December 10, 1982 (hereafter in this resolution referred to as the "Convention"), and to the ratification of the Agreement Relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea, with annex, adopted on July 28, 1994 (hereafter in this resolution referred to as the "Agreement") (Treaty Doc. 103–39), subject to the declarations of section 2, to be made under articles 287 and 298 of the Convention, the declarations and understandings of section 3, to be made under article 310 of the Convention, and the conditions of section 4.

Sec. 2. Declarations under articles 287 and 298.

The advice and consent of the Senate under section 1 is subject to the following declarations:

(1) The Government of the United States of America declares, in accordance with article 287(1), that it chooses the following means for the settlement of disputes concerning the interpretation or application of the Convention:

(A) a special arbitral tribunal constituted in accordance with Annex VIII for the settlement of disputes concerning the interpretation or application of the articles of the Convention relating to (1) fisheries, (2) protection and preservation of the marine environment, (3) marine scientific research, and (4) navigation, including pollution from vessels and by dumping; and

(B) an arbitral tribunal constituted in accordance with Annex VII for the settlement of disputes not covered by the declaration in subparagraph (A).

(2) The Government of the United States of America declares, in accordance with article 298(1), that it does not accept any of the procedures provided for in section 2 of Part XV (including, inter alia, the Sea-Bed Disputes Chamber procedure referred to in article 287(2)) with respect to the categories of disputes set forth in subparagraphs (a), (b), and (c) of article 298(1). The United States further declares that its consent to accession to the Convention is conditioned upon the understanding that, under article 298(1)(b), each State Party has the exclusive right to determine whether its activities are or were "military activities" and that such determinations are not subject to review.

Sec. 3. Other declarations and understandings under article 310.

The advice and consent of the Senate under section 1 is subject to the following declarations and understandings:

(1) The United States understands that nothing in the Convention, including any provisions referring to "peaceful uses" or "peaceful purposes," impairs the inherent right of individual or collective self-defense or rights during armed conflict.

(2) The United States understands, with respect to the right of innocent passage under the Convention, that—

(A) all ships, including warships, regardless of, for example, cargo, armament, means of propulsion, flag, origin, destination, or purpose, enjoy the right of innocent passage;

(B) article 19(2) contains an exhaustive list of activities that render passage non-innocent;

(C) any determination of non-innocence of passage by a ship must be made on the basis of acts it commits while in the territorial sea, and not on the basis of, for example, cargo, armament, means of propulsion, flag, origin, destination, or purpose; and

(D) the Convention does not authorize a coastal State to condition the exercise of the right of innocent passage by any ships, including warships, on the giving of prior notification to or the receipt of prior permission from the coastal State.

(3) The United States understands, concerning Parts III and IV of the Convention, that—

(A) all ships and aircraft, including warships and military aircraft, regardless of, for example, cargo, armament, means of propulsion, flag, origin, destination, or purpose, are entitled to transit passage and archipelagic sea lanes passage in their "normal mode";

(B) "normal mode" includes, inter alia—

(i) submerged transit of submarines;

(ii) overflight by military aircraft, including in military formation;

(iii) activities necessary for the security of surface warships, such as formation steaming and other force protection measures;

(iv) underway replenishment; and

(v) the launching and recovery of aircraft;

(C) the words "strait" and "straits" are not limited by geographic names or categories and include all waters not subject to Part IV that separate one part of the high seas or exclusive economic zone from another part of the high seas or exclusive economic zone or other areas referred to in article 45;

(D) the term "used for international navigation" includes all straits capable of being used for international navigation; and

(E) the right of archipelagic sea lanes passage is not dependent upon the designation by archipelagic States of specific sea lanes and/or air routes and, in the absence of such designation or if there has been only a partial designation, may be exercised through all routes normally used for international navigation.

(4) The United States understands, with respect to the exclusive economic zone, that—

(A) all States enjoy high seas freedoms of navigation and overflight and all other internationally lawful uses of the sea related to these freedoms, including, inter alia, military activities, such as anchoring, launching and landing of aircraft and other military devices, launching and recovering waterborne craft, operating military devices, intelligence collection, surveillance and reconnaissance activities, exercises, operations, and conducting military surveys; and

(B) coastal State actions pertaining to these freedoms and uses must be in accordance with the Convention.

(5) The United States understands that "marine scientific research" does not include, inter alia—

(A) prospecting and exploration of natural resources;

(B) hydrographic surveys;

(C) military activities, including military surveys;

(D) environmental monitoring and assessment pursuant to section 4 of Part XII; or

(E) activities related to submerged wrecks or objects of an archaeological and historical nature.

(6) The United States understands that any declaration or statement purporting to limit navigation, overflight, or other rights and freedoms of all States in ways not permitted by the Convention contravenes the Convention. Lack of a response by the United States to a particular declaration or statement made under the Convention shall not be interpreted as tacit acceptance by the United States of that declaration or statement.

(7) The United States understands that nothing in the Convention limits the ability of a State to prohibit or restrict imports of goods into its territory in order to, inter alia, promote or require compliance with environmental and conservation laws, norms, and objectives.

(8) The United States understands that articles 220, 228, and 230 apply only to pollution from vessels (as referred to in article 211) and not, for example, to pollution from dumping.

(9) The United States understands, with respect to articles 220 and 226, that the "clear grounds" requirement set forth in those articles is equivalent to the "reasonable suspicion" standard under United States law.

(10) The United States understands, with respect to article 228(2), that—

(A) the "proceedings" referred to in that paragraph are the same as those referred to in article 228(1), namely those proceedings in respect of any violation of applicable laws and regulations or international rules and standards relating to the prevention, reduction and control of pollution from vessels committed by a foreign vessel beyond the territorial sea of the State instituting proceedings; and

(B) fraudulent concealment from an officer of the United States of information concerning such pollution would extend the three-year period in which such proceedings may be instituted.

(11) The United States understands, with respect to article 230, that—

(A) it applies only to natural persons aboard the foreign vessels at the time of the act of pollution;

(B) the references to "monetary penalties only" exclude only imprisonment and corporal punishment;

(C) the requirement that an act of pollution be "wilful" in order to impose non-monetary penalties would not constrain the imposition of such penalties for pollution caused by gross negligence;

(D) in determining what constitutes a "serious" act of pollution, a State may consider, as appropriate, the cumulative or aggregate impact on the marine environment of repeated acts of pollution over time; and

(E) among the factors relevant to the determination whether an act of pollution is "serious," a significant factor is non-compliance with a generally accepted international rule or standard.

(12) The United States understands that sections 6 and 7 of Part XII do not limit the authority of a State to impose penalties, monetary or nonmonetary, for, inter alia—

(A) non-pollution offenses, such as false statements, obstruction of justice, and obstruction of government or judicial proceedings, wherever they occur; or

(B) any violation of national laws and regulations or applicable international rules and standards for the prevention, reduction and control of pollution of the marine environment that occurs while a foreign vessel is in any of its ports, rivers, harbors, or offshore terminals.

(13) The United States understands that the Convention recognizes and does not constrain the long-standing sovereign right of a State to impose and enforce conditions for the entry of foreign vessels into its ports, rivers, harbors, or offshore terminals, such as a requirement that ships exchange ballast water beyond 200 nautical miles from shore or a requirement that tank vessels carrying oil be constructed with double hulls.

(14) The United States understands, with respect to article 21(2), that measures applying to the "design, construction, equipment or manning" do not include, inter alia, measures such as traffic separation schemes, ship routing measures, speed limits, quantitative restrictions on discharge of substances, restrictions on the discharge and/or uptake of ballast water, reporting requirements, and record-keeping requirements.

(15) The United States understands that the Convention supports a coastal State's exercise of its domestic authority to regulate discharges into the marine environment resulting from industrial operations on board a foreign vessel.

(16) The United States understands that the Convention supports a coastal State's exercise of its domestic authority to regulate the introduction into the marine environment of alien or new species.

(17) The United States understands that, with respect to articles 61 and 62, a coastal State has the exclusive right to determine the allowable catch of the living resources in its exclusive economic zone, whether it has the capacity to harvest the entire allowable catch, whether any surplus exists for allocation to other States, and to establish the terms and conditions under which access may be granted. The United States further understands that such determinations are, by virtue of article 297(3)(a), not subject to binding dispute resolution under the Convention.

(18) The United States understands that article 65 of the Convention lent direct support to the establishment of the moratorium on commercial whaling, supports the creation of sanctuaries and other conservation measures, and requires States to cooperate not only with respect to large whales, but with respect to all cetaceans.

(19) The United States understands that, with respect to article 33, the term "sanitary laws and regulations" includes laws and regulations to protect human health from, inter alia, pathogens being introduced into the territorial sea.

(20) The United States understands that decisions of the Council pursuant to procedures other than those set forth in article 161(8)(d) will involve administrative, institutional, or procedural matters and will not result in substantive obligations on the United States.

(21) The United States understands that decisions of the Assembly under article 160(2)(e) to assess the contributions of members are to be taken pursuant to section 3(7) of the Annex to the Agreement and that the United States will, pursuant to section 9(3) of the Annex to the Agreement, be guaranteed a seat on the Finance Committee established by section 9(1) of the Annex to the Agreement, so long as the Authority supports itself through assessed contributions.

(22) The United States declares, pursuant to article 39 of Annex VI, that decisions of the Seabed Disputes Chamber shall be enforceable in the territory of the United States only in accordance with procedures established by implementing legislation and that such decisions shall be subject to such legal and factual review as is constitutionally required and without precedential effect in any court of the United States.

(23) The United States—

(A) understands that article 161(8)(f) applies to the Council's approval of amendments to section 4 of Annex VI;

(B) declares that, under that article, it intends to accept only a procedure that requires consensus for the adoption of amendments to section 4 of Annex VI; and

(C) in the case of an amendment to section 4 of Annex VI that is adopted contrary to this understanding, that is, by a procedure other than consensus, will consider itself bound by such an amendment only if it subsequently ratifies such amendment pursuant to the advice and consent of the Senate.

(24) The United States declares that, with the exception of articles 177–183, article 13 of Annex IV, and article 10 of Annex VI, the provisions of the Convention and the Agreement, including amendments thereto and rules, regulations, and procedures thereunder, are not self-executing.

Sec. 4. Conditions.

(a) In General.—The advice and consent of the Senate under section 1 is subject to the following conditions:

(1) Not later than 15 days after the receipt by the Secretary of State of a written communication from the Secretary-General of the United Nations or the Secretary-General of the Authority transmitting a proposal to amend the Convention pursuant to article 312, 313, or 314, the President shall submit to the Committee on Foreign Relations of the Senate a copy of the proposed amendment.

(2) Prior to the convening of a Conference to consider amendments to the Convention proposed to be adopted pursuant to article 312 of the Convention, the President shall consult with the Committee on Foreign Relations of the Senate on the amendments to be considered at the Conference. The President shall also consult with the Committee on Foreign Relations of the Senate on any amendment proposed to be adopted pursuant to article 313 of the Convention.

(3) Not later than 15 days prior to any meeting—

(A) of the Council of the International Seabed Authority to consider an amendment to the Convention proposed to be adopted pursuant to article 314 of the Convention, or

(B) of any other body under the Convention to consider an amendment that would enter into force pursuant to article 316(5) of the Convention, the President shall consult with the Committee on Foreign Relations of the Senate on the amendment and on whether the United States should object to its adoption.

(4) All amendments to the Convention, other than amendments under article 316(5) of a technical or administrative nature, shall be submitted by the President to the Senate for its advice and consent.

(5) The United States declares that it shall take all necessary steps under the Convention to ensure that amendments under article 316(5) are adopted in conformity with the treaty clause in article 2, section 2 of the United States Constitution.

(b) Inclusion of Certain Conditions in Instrument of Ratification.—Conditions 4 and 5 shall be included in the United States instrument of ratification to the Convention.

Section 1. Senate advice and consent subject to declarations and understandings.

The Senate advises and consents to the accession to the United Nations Convention on the Law of the Sea, with annexes, adopted on December 10, 1982 (hereafter in this resolution referred to as the "Convention"), and to the ratification of the Agreement Relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea, with annex, adopted on July 28, 1994 (hereafter in this resolution referred to as the "Agreement") (Treaty Doc. 103–39), subject to the declarations of section 2, to be made under articles 287 and 298 of the Convention; the declarations and understandings of section 3, to be made under article 310 of the Convention, and the conditions of section 4.

Sec. 2. Declarations under articles 287 and 298.

The advice and consent of the Senate under section 1 is subject to the following declarations:

(1) The Government of the United States of America declares, in accordance with article 287(1), that it chooses the following means for the settlement of disputes concerning the interpretation or application of the Convention:

(A) a special arbitral tribunal constituted in accordance with Annex VIII for the settlement of disputes concerning the interpretation or application of the articles of the Convention relating to (1) fisheries, (2) protection and preservation of the marine environment, (3) marine scientific research, and (4) navigation, including pollution from vessels and by dumping; and

(B) an arbitral tribunal constituted in accordance with Annex VII for the settlement of disputes not covered by the declaration in subparagraph (A).

(2) The Government of the United States of America declares, in accordance with article 298(1), that it does not accept any of the procedures provided for in section 2 of Part XV (including, inter alia, the Sea-Bed Disputes Chamber procedure referred to in article 287(2)) with respect to the categories of disputes set forth in subparagraphs (a), (b), and (c) of article 298(1). The United States further declares that its consent to accession to the Convention is conditioned upon the understanding that, under article 298(1)(b), each State Party has the exclusive right to determine whether its activities are or were "military activities" and that such determinations are not subject to review.

Sec. 3. Other declarations and understandings under article 310.

The advice and consent of the Senate under section 1 is subject to the following declarations and understandings:

(1) The United States understands that nothing in the Convention, including any provisions referring to "peaceful uses" or "peaceful purposes," impairs the inherent right of individual or collective self-defense or rights during armed conflict.

(2) The United States understands, with respect to the right of innocent passage under the Convention, that—

(A) all ships, including warships, regardless of, for example, cargo, armament, means of propulsion, flag, origin, destination, or purpose, enjoy the right of innocent passage;

(B) article 19(2) contains an exhaustive list of activities that render passage non-innocent;

(C) any determination of non-innocence of passage by a ship must be made on the basis of acts it commits while in the territorial sea, and not on the basis of, for example, cargo, armament, means of propulsion, flag, origin, destination, or purpose; and

(D) the Convention does not authorize a coastal State to condition the exercise of the right of innocent passage by any ships, including warships, on the giving of prior notification to or the receipt of prior permission from the coastal State.

(3) The United States understands, concerning Parts III and IV of the Convention, that—

(A) all ships and aircraft, including warships and military aircraft, regardless of, for example, cargo, armament, means of propulsion, flag, origin, destination, or purpose, are entitled to transit passage and archipelagic sea lanes passage in their "normal mode";

(B) "normal mode" includes, inter alia

(i) submerged transit of submarines;

(ii) overflight by military aircraft, including in military formation;

(iii) activities necessary for the security of surface warships, such as formation steaming and other force protection measures;

(iv) underway replenishment; and

(v) the launching and recovery of aircraft;

(C) the words "strait" and "straits" are not limited by geographic names or categories and include all waters not subject to Part IV that separate one part of the high seas or exclusive economic zone from another part of the high seas or exclusive economic zone or other areas referred to in article 45;

(D) the term "used for international navigation" includes all straits capable of being used for international navigation; and

(E) the right of archipelagic sea lanes passage is not dependent upon the designation by archipelagic States of specific sea lanes and/or air routes and, in the absence of such designation or if there has been only a partial designation, may be exercised through all routes normally used for international navigation.

(4) The United States understands, with respect to the exclusive economic zone, that—

(A) all States enjoy high seas freedoms of navigation and overflight and all other internationally lawful uses of the sea related to these freedoms, including, inter alia, military activities, such as anchoring, launching and landing of aircraft and other military devices, launching and recovering waterborne craft, operating military devices, intelligence collection, surveillance and reconnaissance activities, exercises, operations, and conducting military surveys; and

(B) coastal State actions pertaining to these freedoms and uses must be in accordance with the Convention.

(5) The United States understands that "marine scientific research" does not include, inter alia—

(A) prospecting and exploration of natural resources;

(B) hydrographic surveys;

(C) military activities, including military surveys;

(D) environmental monitoring and assessment pursuant to section 4 of Part XII; or

(E) activities related to submerged wrecks or objects of an archaeological and historical nature.

(6) The United States understands that any declaration or statement purporting to limit navigation, overflight, or other rights and freedoms of all States in ways not permitted by the Convention contravenes the Convention. Lack of a response by the United States to a particular declaration or statement made under the Convention shall not be interpreted as tacit acceptance by the United States of that declaration or statement.

(7) The United States understands that nothing in the Convention limits the ability of a State to prohibit or restrict imports of goods into its territory in order to, inter alia, promote or require compliance with environmental and conservation laws, norms, and objectives.

(8) The United States understands that articles 220, 228, and 230 apply only to pollution from vessels (as referred to in article 211) and not, for example, to pollution from dumping.

(9) The United States understands, with respect to articles 220 and 226, that the "clear grounds" requirement set forth in those articles is equivalent to the "reasonable suspicion" standard under United States law.

(10) The United States understands, with respect to article 228(2), that—

(A) the "proceedings" referred to in that paragraph are the same as those referred to in article 228(1), namely those proceedings in respect of any violation of applicable laws and regulations or international rules and standards relating to the prevention, reduction and control of pollution from vessels committed by a foreign vessel beyond the territorial sea of the State instituting proceedings; and

(B) fraudulent concealment from an officer of the United States of information concerning such pollution would extend the three-year period in which such proceedings may be instituted.

(11) The United States understands, with respect to article 230, that—

(A) it applies only to natural persons aboard the foreign vessels at the time of the act of pollution;

(B) the references to "monetary penalties only" exclude only imprisonment and corporal punishment;

(C) the requirement that an act of pollution be "willful" in order to impose nonmonetary penalties would not constrain the imposition of such penalties for pollution caused by gross negligence;

(D) in determining what constitutes a "serious" act of pollution, a State may consider, as appropriate, the cumulative or aggregate impact on the marine environment of repeated acts of pollution over time; and

(E) among the factors relevant to the determination whether an act of pollution is "serious," a significant factor is non-compliance with a generally accepted international rule or standard.

(12) The United States understands that sections 6 and 7 of Part XII do not limit the authority of a State to impose penalties, monetary or nonmonetary, for, inter alia—

(A) non-pollution offenses, such as false statements, obstruction of justice, and obstruction of government or judicial proceedings, wherever they occur; or

(B) any violation of national laws and regulations or applicable international rules and standards for the prevention, reduction and control of pollution of the marine environment that occurs while a foreign vessel is in any of its ports, rivers, harbors, or offshore terminals.

(13) The United States understands that the Convention recognizes and does not constrain the long-standing sovereign right of a State to impose and enforce conditions for the entry of foreign vessels into its ports, rivers, harbors, or offshore terminals, such as a requirement that ships exchange ballast water beyond 200 nautical miles from shore or a requirement that tank vessels carrying oil be constructed with double hulls.

(14) The United States understands, with respect to article 21(2), that measures applying to the "design, construction, equipment or manning" do not include, inter alia, measures such as traffic separation schemes, ship routing measures, speed limits, quantitative restrictions on discharge of substances, restrictions on the discharge and/or uptake of ballast water, reporting requirements, and record-keeping requirements.

(15) The United States understands that the Convention supports a coastal State's exercise of its domestic authority to regulate discharges into the marine environment resulting from industrial operations on board a foreign vessel.

(16) The United States understands that the Convention supports a coastal State's exercise of its domestic authority to regulate the introduction into the marine environment of alien or new species.

(17) The United States understands that, with respect to articles 61 and 62, a coastal State has the exclusive right to determine the allowable catch of the living resources in its exclusive economic zone, whether it has the capacity to harvest the entire allowable catch, whether any surplus exists for allocation to other States, and to establish the terms and conditions under which access may be granted. The United States further understands that such determinations are, by virtue of article 297(3)(a), not subject to binding dispute resolution under the Convention.

(18) The United States understands that article 65 of the Convention lent direct support to the establishment of the moratorium on commercial whaling, supports the creation of sanctuaries and other conservation measures, and requires States to cooperate not only with respect to large whales, but with respect to all cetaceans.

(19) The United States understands that, with respect to article 33, the term "sanitary laws and regulations" includes laws and regulations to protect human health from, inter alia, pathogens being introduced into the territorial sea.

(20) The United States understands that decisions of the Council pursuant to procedures other than those set forth in article 161(8)(d) will involve administrative, institutional, or procedural matters and will not result in substantive obligations on the United States.

(21) The United States understands that decisions of the Assembly under article 160(2)(e) to assess the contributions of members are to be taken pursuant to section 3(7) of the Annex to the Agreement and that the United States will, pursuant to section 9(3) of the Annex to the Agreement, be guaranteed a seat on the Finance Committee established by section 9(1) of the Annex to the Agreement, so long as the Authority supports itself through assessed contributions.

(22) The United States declares, pursuant to article 39 of Annex VI, that decisions of the Seabed Disputes Chamber shall be enforceable in the territory of the United States only in accordance with procedures established by implementing legislation and that such decisions shall be subject to such legal and factual review as is constitutionally required and without precedential effect in any court of the United States.

(23) The United States—

(A) understands that article 161(8)(f) applies to the Council's approval of amendments to section 4 of Annex VI;

(B) declares that, under that article, it intends to accept only a procedure that requires consensus for the adoption of amendments to section 4 of Annex VI; and

(C) in the case of an amendment to section 4 of Annex VI that is adopted contrary to this understanding, that is, by a procedure other than consensus, will consider itself bound by such an amendment only if it subsequently ratifies such amendment pursuant to the advice and consent of the Senate.

(24) The United States declares that, with the exception of articles 177–183, article 13 of Annex IV, and article 10 of Annex VI, the provisions of the Convention and the Agreement, including amendments thereto and rules, regulations, and procedures thereunder, are not self-executing.

Sec. 4. Conditions.

(a) In General.—The advice and consent of the Senate under section 1 is subject to the following conditions:

(1) Not later than 15 days after the receipt by the Secretary of State of a written communication from the Secretary-General of the United Nations or the Secretary-General of the Authority transmitting a proposal to amend the Convention pursuant to article 312, 313, or 314, the President shall submit to the Committee on Foreign Relations of the Senate a copy of the proposed amendment.

(2) Prior to the convening of a Conference to consider amendments to the Convention proposed to be adopted pursuant to article 312 of the Convention, the President shall consult with the Committee on Foreign Relations of the Senate on the amendments to be considered at the Conference. The President shall also consult with the Committee on Foreign Relations of the Senate on any amendment proposed to be adopted pursuant to article 313 of the Convention.

(3) Not later than 15 days prior to any meeting—

(A) of the Council of the International Seabed Authority to consider an amendment to the Convention proposed to be adopted pursuant to article 314 of the Convention, or

(B) of any other body under the Convention to consider an amendment that would enter into force pursuant to article 316(5) of the Convention,

the President shall consult with the Committee on Foreign Relations of the Senate on the amendment and on whether the United States should object to its adoption.

(4) All amendments to the Convention, other than amendments under article 316(5) of a technical or administrative nature, shall be submitted by the President to the Senate for its advice and consent.

(5) The United States declares that it shall take all necessary steps under the Convention to ensure that amendments under article 316(5) are adopted in conformity with the treaty clause in article 2, section 2 of the United States Constitution.

(b) Inclusion of Certain Conditions in Instrument of Ratification.—Conditions 4 and 5 shall be included in the United States instrument of ratification to the Convention.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. CORNYN (for himself and Mr. Lieberman):

S. 2194. A bill to amend part D of title IV of the Social Security Act to improve the collection of child support, and for other purposes; to the Committee on Finance.

By Mr. BIDEN (for himself, Mr. Hatch, Mr. Grassley, Mr. Harkin, Mr. Stevens, Mr. McCain, Mr. Nelson of Florida, Mrs. Feinstein, Mr. Allen, and Ms. Murkowski):

S. 2195. A bill to amend the Controlled Substances Act to clarify the definition of anabolic steroids and to provide for research and education activities relating to steroids and steroid precursors; to the Committee on the Judiciary.

By Mr. CAMPBELL (for himself, Ms. Collins, and Ms. Snowe):

S. 2196. A bill to amend title 38, United States Code, to clarify that per diem payments by the Department of Veterans Affairs for the care of veterans in state homes shall not be used to offset payments that are made under the medicaid program for the purpose of assisting veterans; to the Committee on Finance.

By Ms. MURKOWSKI (for herself and Mr. Stevens):

S. 2197. A bill to amend the Magnuson-Stevens Fishery Conservation and Management Act to clarify the status of certain communities in the western Alaska community development quota program; to the Committee on Commerce, Science, and Transportation.

By Mrs. BOXER:

S. 2198. A bill to provide for refinancing of consolidated student loans; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. FEINSTEIN (for herself, Mrs. Hutchison, Ms. Snowe, Mr. Feingold, and Mrs. Lincoln):

S. 2199. A bill to authorize the Attorney General to make grants to improve the ability of State and local governments to prevent the abduction of children by family members, and for other purposes; to the Committee on the Judiciary.

By Mr. BAUCUS (for himself and Mr. Grassley):

S. 2200. A bill to extend nondiscriminatory treatment (normal trade relaitons treatment) to the products of Laos; to the Committee on Finance.

By Mrs. BOXER:

S. 2201. A bill to amend the Solid Waste Disposal Act to provide for secondary containment to prevent methyl tertiary butyl ether and petroleum contamination; to the Committee on Environment and Public Works.

Mrs. FEINSTEIN (for herself, Mr. Feingold, and Mrs. Lincoln):

S. 2202. A bill to amend title 28, United States Code, to give district courts of the United States jurisdiction over competing State custody determinations, and for other purposes; to the Committee on the Judiciary.

By Mr. CORZINE:

S. 2203. A bill to provide assistance to combat HIV/AIDS in India, and for other purposes; to the Committee on Foreign Relations.

By Mr. HATCH (for himself, Mr. Schumer, Mr. Cornyn, and Mrs. Feinstein):

S. 2204. A bill to provide criminal penalties for false information and hoaxes relating to terrorism; to the Committee on the Judiciary.

By Mr. LEVIN:

S. 2205. A bill to authorize the extension of unconditional and permanent nondiscriminatory treatment (permanent normal trade relations treatment) to the products of Ukraine, and for other purposes; to the Committee on Finance.

By Mr. BUNNING:

S. 2206. A bill to provide enhanced Pell Grants for State Scholars; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SHELBY:

S.J. Res. 29. A joint resolution proposing an amendment to the Constitution of the United States which requires (except during time of war and subject to suspension by the Congress) that the total amount of money expended by the United States during any fiscal year not exceed the amount of certain revenue received by the United States during such fiscal year and not exceed 20 per centum of the gross national product of the United States during the previous calendar year; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LAUTENBERG (for himself and Mr. Corzine):

S. Res. 318. A resolution expressing the sense of the Senate that a postage stamp should be issued in commemoration of Diwali, a festival celebrated by people of Indian origin; to the Committee on Governmental Affairs.

By Mr. FRIST (for himself, Mr. Daschle, Mr. Akaka, Mr. Alexander, Mr. Allard, Mr. Allen, Mr. Baucus, Mr. Bayh, Mr. Bennett, Mr. Biden, Mr. Bingaman, Mr. Bond, Mrs. Boxer, Mr. Breaux, Mr. Brownback, Mr. Bunning, Mr. Burns, Mr. Byrd, Mr. Campbell, Ms. Cantwell, Mr. Carper, Mr. Chafee, Mr. Chambliss, Mrs. Clinton, Mr. Cochran, Mr. Coleman, Ms. Collins, Mr. Conrad, Mr. Cornyn, Mr. Corzine, Mr. Craig, Mr. Crapo, Mr. Dayton, Mr. DeWine, Mr. Dodd, Mrs. Dole, Mr. Domenici, Mr. Dorgan, Mr. Durbin, Mr. Edwards, Mr. Ensign, Mr. Enzi, Mr. Feingold, Mrs. Feinstein, Mr. Fitzgerald, Mr. Graham of Florida, Mr. Graham of South Carolina, Mr. Grassley, Mr. Gregg, Mr. Hagel, Mr. Harkin, Mr. Hatch, Mr. Hollings, Mrs. Hutchison, Mr. Inhofe, Mr. Inouye, Mr. Jeffords, Mr. Johnson, Mr. Kennedy, Mr. Kerry, Mr. Kohl, Mr. Kyl, Ms. Landreiu, Mr. Lautenberg, Mr. Leahy, Mr. Levin, Mr. Lieberman, Mrs. Lincoln, Mr. Lott, Mr. Lugar, Mr. McCain, Mr. McConnell, Ms. Mikulski, Mr. Miller, Ms. Murkowski, Mrs. Murray, Mr. Nelson of Florida, Mr. Nelson of Nebraska, Mr. Nickles, Mr. Pryor, Mr. Reed, Mr. Reid, Mr. Roberts, Mr. Rockefeller, Mr. Santorum, Mr. Sarbanes, Mr. Schumer, Mr. Sessions, Mr. Shelby, Mr. Smith, Ms. Snowe, Mr. Specter, Ms. Stabenow, Mr. Stevens, Mr. Sununu, Mr. Talent, Mr. Thomas, Mr. Voinovich, Mr. Warner, and Mr. Wyden):

S. Res. 319. A resolution expressing the sense of the Senate with respect to the deadly terrorist attacks against the people of Spain that occurred on March 11, 2004; considered and agreed to.

By Mr. FRIST (for himself and Mr. Daschle):

S. Con. Res. 98. A concurrent resolution providing for a conditional adjournment or recess of the Senate; considered and agreed to.

ADDITIONAL COSPONSORS

S. 480

At the request of Mr. Harkin, the name of the Senator from New Hampshire (Mr. Gregg) was added as a cosponsor of S. 480, a bill to provide competitive grants for training court reporters and closed captioners to meet requirements for realtime writers under the Telecommunications Act of 1996, and for other purposes.

S. 489

At the request of Mr. DeWine, the name of the Senator from Minnesota (Mr. Coleman) was added as a cosponsor of S. 489, a bill to expand certain preferential trade treatment for Haiti.

S. 846

At the request of Mr. Smith, the name of the Senator from New Jersey (Mr. Corzine) was added as a cosponsor of S. 846, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for premiums on mortgage insurance, and for other purposes.

S. 976

At the request of Mr. WARNER, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 976, a bill to provide for the issuance of a coin to commemorate the 400th anniversary of the Jamestown settlement.

S. 1103

At the request of Mr. HARKIN, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 1103, a bill to clarify the authority of the Secretary of Agriculture to prescribe performance standards for the reduction of pathogens in meat, meat products, poultry, and poultry products processed by establishments receiving inspection services and to enforce the Hazard Analysis and Critical Control Point (HACCP) System requirements, sanitation requirements, and the performance standards.

S. 1115

At the request of Mrs. MURRAY, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 1115, a bill to amend the Toxic Substances Control Act to reduce the health risks posed by asbestos-containing products.

S. 1223

At the request of Mr. BINGAMAN, the names of the Senator from Rhode Island (Mr. CHAFEE) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. 1223, a bill to increase the number of well-trained mental health service professionals (including those based in schools) providing clinical mental health care to children and adolescents, and for other purposes.

S. 1292

At the request of Ms. LANDRIEU, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1292, a bill to establish a servitude and emancipation archival research clearinghouse in the National Archives.

S. 1411

At the request of Mr. SARBANES, his name was added as a cosponsor of S. 1411, a bill to establish a National Housing Trust Fund in the Treasury of the United States to provide for the development of decent, safe, and affordable housing for low-income families, and for other purposes.

S. 1645

At the request of Mr. CRAIG, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1645, a bill to provide for the adjustment of status of certain foreign agricultural workers, to amend the Immigration and Nationality Act to reform the H–2A worker program under that Act, to provide a stable, legal agricultural workforce, to extend basic legal protections and better working conditions to more workers, and for other purposes.

S. 1888

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 1888, a bill to halt Saudi support for institutions that fund, train, incite, encourage, or in any other way aid and abet terrorism, and to secure full Saudi cooperation in the investigation of terrorist incidents.

S. 1909

At the request of Mr. COCHRAN, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 1909, a bill to amend the Public Health Service Act to improve stroke prevention, diagnosis, treatment, and rehabilitation.

S. 1916

At the request of Ms. LANDRIEU, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. 1916, a bill to amend title 10, United States Code, to increase the minimum Survivor Benefit Plan basic annuity for surviving spouses age 62 and older, to provide for a one-year open season under that plan, and for other purposes.

S. 1948

At the request of Mr. REID, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1948, a bill to provide that service of the members of the organization known as the United States Cadet Nurse Corps during World War II constituted active military service for purposes of laws administered by the Secretary of Veterans Affairs.

S. 2035

At the request of Mr. GRAHAM of South Carolina, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 2035, a bill to amend title 10, United States Code, to revise the age and service requirements for eligibility to receive retired pay for non-regular service; to expand certain authorities to provide health care benefits for Reserves and their families, and for other purposes.

S. 2077

At the request of Mr. CRAIG, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2077, a bill to amend title XIX of the Social Security Act to permit additional States to enter into long-term care partnerships under the Medicaid Program in order to promote the use of long-term care insurance.

S. 2089

At the request of Mr. CHAMBLISS, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 2089, a bill to allow aliens who are eligible for diversity visas to be eligible beyond the fiscal year in which they applied.

S. 2099

At the request of Mr. MILLER, the names of the Senator from Minnesota (Mr. COLEMAN) and the Senator from Alaska (Ms. MURKOWSKI) were added as cosponsors of S. 2099, a bill to amend title 38, United States Code, to provide entitlement to educational assistance under the Montgomery GI Bill for members of the Selected Reserve who aggregate more than 2 years of active duty service in any five year period, and for other purposes.

S. 2100

At the request of Mr. MILLER, the names of the Senator from Minnesota (Mr. COLEMAN) and the Senator from Alaska (Ms. MURKOWSKI) were added as cosponsors of S. 2100, a bill to amend title 10 United States Code, to increase the amounts of educational assistance for members of the Selected Reserve, and for other purposes.

S. 2152

At the request of Mr. MILLER, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 2152, a bill to amend title 10, United States Code, to provide eligibility for reduced non-regular service military retired pay before age 60, and for other purposes.

S. 2172

At the request of Mr. CAMPBELL, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 2172, a bill to make technical amendments to the provisions of the Indian Self Determination and Education Assistance Act relating to contract support costs, and for other purposes.

S. 2173

At the request of Mr. CAMPBELL, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 2173, a bill to further the purposes of the Sand Creek Massacre National Historic Site Establishment Act of 2000.

S. 2179

At the request of Mr. BROWNBACK, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 2179, a bill to posthumously award a Congressional Gold Medal to the Reverend Oliver L. Brown.

S. 2186

At the request of Mr. KERRY, the names of the Senator from New Mexico (Mr. BINGAMAN), the Senator from Wisconsin (Mr. KOHL) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 2186, a bill to temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958, through May 15, 2004, and for other purposes.

At the request of Mr. JEFFORDS, his name was added as a cosponsor of S. 2186, supra.

S. 2193

At the request of Ms. SNOWE, the names of the Senator from Minnesota (Mr. COLEMAN) and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of S. 2193, a bill to improve small business loan programs, and for other purposes.

S.J. RES. 28

At the request of Mr. CAMPBELL, the names of the Senator from South Carolina (Mr. HOLLINGS), the Senator from North Dakota (Mr. CONRAD), the Senator from North Dakota (Mr. DORGAN), the Senator from Maryland (Ms. MIKULSKI) and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of S.J. Res. 28, a joint resolution recognizing the 60th anniversary of the Allied landing at Normandy during World War II.

S. CON. RES. 90

At the request of Mr. LEVIN, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. Con. Res. 90, a concurrent resolution expressing the Sense of the Congress regarding negotiating, in the United States-Thailand Free Trade Agreement, access to the United States automobile industry.

S. RES. 298

At the request of Mr. CAMPBELL, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. Res. 298, a resolution designating May 2004 as "National Cystic Fibrosis Awareness Month".

S. RES. 311

At the request of Mr. BROWNBACK, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. Res. 311, a resolution calling on the Government of the Socialist Republic of Vietnam to immediately and unconditionally release Father Thadeus Nguyen Van Ly, and for other purposes.

AMENDMENT NO. 2695

At the request of Mr. KENNEDY, the names of the Senator from North Carolina (Mr. EDWARDS) and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of amendment No. 2695 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2697

At the request of Mr. DEWINE, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of amendment No. 2697 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2699

At the request of Mr. KENNEDY, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of amendment No. 2699 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2703

At the request of Mr. LAUTENBERG, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Delaware (Mr. BIDEN), the Senator from Illinois (Mr. DURBIN), the Senator from New York (Mrs. CLINTON), the Senator from Vermont (Mr. LEAHY), the Senator from Washington (Ms. CANTWELL), the Senator from Wisconsin (Mr. FEINGOLD) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of amendment No. 2703 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2708

At the request of Mr. LUGAR, the names of the Senator from Arizona (Mr. MCCAIN), the Senator from Delaware (Mr. BIDEN) and the Senator from New Hampshire (Mr. SUNUNU) were added as cosponsors of amendment No. 2708 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2709

At the request of Mr. PRYOR, the names of the Senator from Oregon (Mr. WYDEN) and the Senator from Wisconsin (Mr. KOHL) were added as cosponsors of amendment No. 2709 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2712

At the request of Mr. AKAKA, his name was added as a cosponsor of amendment No. 2712 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2715

At the request of Mr. DEWINE, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of amendment No. 2715 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2717

At the request of Mr. WYDEN, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of amendment No. 2717 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2725

At the request of Mr. KENNEDY, the names of the Senator from New Mexico (Mr. BINGAMAN), the Senator from Illinois (Mr. DURBIN), the Senator from Washington (Mrs. MURRAY), the Senator from Arkansas (Mr. PRYOR), the Senator from Maryland (Mr. SARBANES) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of amendment No. 2725 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2733

At the request of Mr. SESSIONS, the names of the Senator from Florida (Mr. NELSON), the Senator from Alabama (Mr. SHELBY), the Senator from Florida (Mr. GRAHAM) and the Senator from Texas (Mrs. HUTCHISON) were added as cosponsors of amendment No. 2733 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2734

At the request of Mr. REID, the names of the Senator from California (Mrs. BOXER), the Senator from Illinois (Mr. DURBIN) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of amendment No. 2734 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2740

At the request of Mr. SPECTER, the names of the Senator from West Virginia (Mr. BYRD) and the Senator from New York (Mrs. CLINTON) were added as cosponsors of amendment No. 2740 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2741

At the request of Mr. SPECTER, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of amendment No. 2741 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

At the request of Mr. HARKIN, his name was added as a cosponsor of amendment No. 2741 proposed to S. Con. Res. 95, supra.

AMENDMENT NO. 2743

At the request of Mr. ROCKEFELLER, the name of the Senator from Nebraska (Mr. NELSON) was added as a cosponsor of amendment No. 2743 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2753

At the request of Mrs. FEINSTEIN, the names of the Senator from Florida (Mr. NELSON) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of amendment No. 2753 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2761

At the request of Mr. DODD, the names of the Senator from New York (Mrs. CLINTON), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from New York (Mr. SCHUMER) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of amendment No. 2761 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2762

At the request of Mr. DODD, the names of the Senator from South Dakota (Mr. JOHNSON), the Senator from New York (Mrs. CLINTON), the Senator from Illinois (Mr. DURBIN), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Arkansas (Mr. PRYOR), the Senator from Arkansas (Mrs. LINCOLN), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of amendment No. 2762 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2769

At the request of Mr. COCHRAN, his name was added as a cosponsor of amendment No. 2769 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2773

At the request of Mr. BIDEN, his name was added as a cosponsor of amendment No. 2773 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2774

At the request of Mr. DASCHLE, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of amendment No. 2774 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2780

At the request of Mrs. CLINTON, the names of the Senator from Michigan (Ms. STABENOW), the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of amendment No. 2780 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2782

At the request of Mr. KENNEDY, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of amendment No. 2782 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CORNYN (for himself and Mr. LIEBERMAN):

S. 2194. A bill to amend part D of title IV of the Social Security Act to improve the collection of child support, and for other purposes; to the Committee on Finance.

Mr. CORNYN. Mr. President, I rise today to introduce a bill that is very close to my heart—the Child Support Improvement Act of 2004. I want to express my appreciation for the leadership of the Senator from Connecticut on these issues, and his willingness to co-sponsor this bill.

In my career, I have had the opportunity to see the significant problems facing our child support system from several different perspectives.

As a district judge in Texas, I ruled in divorce and custody cases. I saw the powerful emotions involved in these cases, where the best interests of children are fought over even as the relationships that brought them into this world fall apart.

And I had to make judgments in a large number of child support cases before Texas implemented the system for expediting these cases by establishing the masters program.

As a Supreme Court justice, I had the opportunity to write opinions that had a real and positive affect on child support.

As Attorney General, I saw the positive effects of enforced guidelines for child support, visitation, and income withholding. I worked to implement Federal mandates. And I saw that we had a deep hole to climb out of, a child support system that was in terrible shape.

My first priority was to improve customer service. I saw that more than $16 million in child support payments were collected but undistributed due to computer errors, leaving those most in need of assistance without their child support payments merely because of computer or administrative problems.

And the vast majority of the people calling the child support offices for assistance were automatically disconnected or received a busy signal. Only one in every seven phone calls was actually answered—one in seven.

We got to work fast. We focused on both the dead beat and the dead broke parents. We fixed the customer service system, establishing eight regional call centers and an interactive web site to provide case-specific information on a secure site for parents to access. We worked with community organizations to establish a dozen fatherhood programs. We got payments out the door more quickly, and we reduced undistributed collections. And I announced a top ten list of "Texas' Most Wanted Child Support Evaders," those dead beat parents who willfully evaded arrest.

In the end, we collected more than $3 billion in child support. Some folks called it a miracle. I call it a good start.

I believe that this body has the responsibility to do more to help our child support system be more efficient, more responsive, and do more to improve the lives of children and families.

The proposal that I am introducing today, along with the distinguished Senator from Connecticut—who has a deep understanding of the issue and, like me, served his State as attorney general—features several long-needed reforms of our child support provisions.

It includes new distribution options for states to get more child support to families on TANF, and to pay more child support to families who were previously on TANF.

This bill also has several provisions based on my experience as Attorney General: 1. It encourages States to do more medical support enforcement, by giving states a funding incentive that will ultimately reduce our Federal Medicaid and S-CHIP costs. 2. It promotes early monitoring of child support orders, cutting red tape so that states have greater freedom to innovate and large arrearages never occur. 3. It focuses on reducing undistributed collections by directing more Federal resources toward finding solutions to this widespread problem. 4. It gets payments to custodial parents quickly, by urging States to use electronic payment methods. 5. And it allows States the option to send all non-IV-D child support payments to the State Disbursement Unit, reducing expenses, paperwork and confusion for employers and accelerating payments to families.

I believe that all of these reforms are necessary and important steps. They will lower costs, increase efficiency, and get children more of the help they need.

Even as we strive to improve our child support system, we cannot underestimate the social importance of the family as a component of our mission. As author Maggie Gallagher once wrote: "When men and women fail to form stable marriages, the first result is a vast expansion of government attempts to cope with the terrible social needs that result. There is scarcely a dollar that state and federal government spends on social programs that is not driven in large part by family fragmentation: crime, poverty, drug abuse, teen pregnancy, school failure, and mental and physical health problems."

I strongly believe that the family is the fundamental institution of our civilization. If fosters successful communities, happier homes, and healthier lives.

The family provides the foundation for raising each new generation of Americans. And when families are weakened, children suffer the most. Even the best child support system in the world cannot give the caring love and nurturing of family—which is why I believe we need to have a child support system that genuinely encourages parents to be an active part of their child's life.

We need a child support system that focuses on the dead beat and dead broke parents, that brings the worst evaders in, and that puts the family first. Let us in this body strive to do everything we can, as we hope for a brighter future for this nation and future generations of American children.

By Mr. CAMPBELL (for himself, Ms. COLLINS, and Ms. SNOWE):

S. 2196. A bill to amend title 38, United States Code, to clarify that per diem payments by the Department of Veterans Affairs for the care of Veterans in State homes shall not be used to offset payments that are made under the medicaid program for the purpose of assisting veterans; to the Committee on Finance.

Mr. CAMPBELL. Mr. President, today I am pleased to be joined by my colleagues Senators COLLINS and SNOWE to introduce legislation which will rectify a very serious problem affecting veterans in my State and around the Nation. The bill I am introducing will clarify the treatment of the per diem payments made by the Department of Veterans Affairs, VA, to support State Veterans Homes across the country.

For several decades, Federal law has required that the VA pay a per diem amount to States to support quality care provided to eligible veterans at qualified State Veterans Homes. This VA per diem, currently about $56 per day for nursing home care and $27 per day for domiciliary care, is intended to assist States in providing the best possible care to those who served in our armed forces.

In Colorado and a number of other States, the availability of the VA per diem is threatened by interpretations of Medicaid rules by the Centers for Medicare and Medicaid Services, CMS. CMS would treat the VA per diem payments as third-party payments, requiring that the entire amount be offset against Medicaid payments. This interpretation would deny residents of State Veterans Homes who receive Medicaid in these states any benefit whatsoever of the VA per diem payments.

I believe this runs contrary to the intent of Congress in establishing the VA per diem payment system. State Veterans Homes are required to meet stringent and costly VA standards for care as a condition for receiving these per diem payments. These standards of care exceed those required by Medicaid, and the VA per diem makes it possible for State Veterans Homes to meet the higher VA standards. Most importantly, this per diem allows our veterans to receive high quality nursing care.

An insistence by CMS on its interpretation would jeopardize the funding balance for many Medicaid-certified State Veterans Homes across the country. The result of the CMS interpretation would be to force State Veterans Homes that do not currently offset the VA per diem payments against Medicaid funding to reduce their standard of care, defer construction of needed new facilities, and possibly close certain State Veterans Homes.

The legislation we are introducing today would simply clarify that the VA per diem payments cannot not be considered to be a third-party liability under Medicaid. It would build on other precedents where Congress wanted to make sure that benefits were received by their intentional recipients, not transferred to the Medicaid program. For example, federal law already includes exceptions for similar payments, such as those made under the Indian Health program.

Our legislation recognizes that the States fund their State Veterans Homes in a variety of different manners. It preserves their flexibility to do so in a way that best serves their veterans, and ensures that no state is forced to lose the benefit of the VA per diem.

I urge my colleagues to support this legislation and move forward with a plan that will enable our State Veterans Nursing Homes to provide the high quality care that our veterans deserve.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to printed in the RECORD, as follows:

S. 2196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT UNDER MEDICAID PROGRAM OF DEPARTMENT OF VETERANS AFFAIRS PER DIEM PAYMENTS TO STATE HOMES FOR VETERANS.

Section 1741 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(e) Payments to States pursuant to this section shall not be considered a liability of a third party for any purpose under section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396a(25)).".

By Ms. MURKOWSKI (for herself and Mr. STEVENS):

S. 2197. A bill to amend the Magnuson-Stevens Fishery Conservation and Management Act to clarify the status of certain communities in the western Alaska community development quota program; to the Committee on Commerce, Science, and Transportation.

Ms. MURKOWSKI. Mr. President, as residents of sparsely populated State with great natural resources but severe poverty in many of its rural areas, Alaskans have engaged in a variety of social and economic exercises intended to improve the living standard and expand economic opportunities for our most challenged communities.

I rise today to introduce a bill to ensure that one of the most successful of those exercises is allowed to continue. I am pleased to say the measure is also cosponsored by Alaska's senior senator.

The CDQ Community Preservation Act is intended to maintain the participation of all currently eligible communities along the shore of the Bering Sea in Alaska's Community Development Quota program. It is necessary because inconsistencies in statutory and regulatory provisions may require a reassessment of eligibility and the exclusion of some communities from the program. This was not the intent of the original program, nor of any subsequent changes to it. In order to clarify that fact, a legislative remedy is needed.

The Community Development Quota Program began in 1992, at the recommendation of the North Pacific Fishery Management Council, one of the regional councils formed under the Magnuson-Stevens Fishery Conservation and Management Act. Congress gave the program permanent status in the 1996 reauthorization of the Act.

The program presently includes 65 communities within a 50 nautical-mile radius of the Bering Sea, which have formed six regional non-profit associations to participate in the program. The regional associations range in size from one to 20 communities. Under the program, a portion of the regulated annual harvests of pollock, halibut, sablefish, Atka mackerel, Pacific cod, and crab is assigned to each association, which operate under combined Federal and State agency oversight. Almost all of an association's earnings must be invested in fishing-related projects in order to encourage a sustainable economic base for the region.

Typically, each association sells its share of the annual harvest quotas to established fishing companies in return for cash and agreements to provide job training and employment opportunities for residents of the region. The program has been remarkably successful.

Since 1992, approximately 9,000 jobs have been created for western Alaska residents with wages totaling more than $60 million. The CDQ program has also contributed to fisheries infrastructure development in western Alaska, as well as providing vessel loan programs; education, training and other CDQ-related benefits.

The CDQ program has its roots in the amazing success story of how our offshore fishery resources were Americanized after the passage of the original Magnuson Act in 1976. At the time, vast foreign fishing fleets were almost the only ones operating in the U.S. 200-mile Exclusive Economic Zone. American fishermen simply did not have either the vessels or the expertise to participate.

The Magnuson Act changed all that. It led to the adoption of what we called a "fish and chips" policy that provided for an exchange of fish allocations for technological and practical expertise. Within the next few years, harvesting fell almost exclusively to American vessels. Within a few years after that, processing almost became Americanized. Today, there are no foreign fishing or processing vessels operating in the 200-mile zone off Alaska, and the industry is worth billions of dollars each year.

The CDQ program helps bring some of the benefits of that great industry to local residents in one of the most impoverished areas of the entire country. It is a vital element in the effort to create and maintain a lasting economic base for the region's many poor communities, and truly deserves the support of this body.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2197

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "CDQ Community Preservation Act".

SEC. 2. WESTERN ALASKA COMMUNITY DEVELOPMENT QUOTA PROGRAM.

(a) ELIGIBLE COMMUNITIES.—Section 305(i)(1) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1855(i)) is amended adding at the end the following:

"(E) A community shall be eligible to participate in the western Alaska community development quota program under subparagraph (A) if the community was—

"(i) listed in table 7 to part 679 of title 50, Code of Federal Regulations, as in effect on January 1, 2004; or

"(ii) approved by the National Marine Fisheries Service on April 19, 1999.".

(b) CONFORMING AMENDMENT.—Such section is further amended, in paragraph (B), by striking "To" and inserting, "Except as provided in subparagraph (E), to".

By Mrs. BOXER:

S. 2198. A bill to provide for refinancing of consolidated student loans; to the Committee on Health, Education, Labor, and Pensions.

Mrs. BOXER. Mr. President, today, I am proud to introduce the Consolidated Student Loan Reduction Act of 2004.

A college education is becoming more and more crucial as American workers seek to compete in the global marketplace. Yet, the cost of a college education is rising each year, making it less accessible to low and moderate income individuals. While grants and scholarships are available, students have come to increasingly rely on student loans. Between 1992 and 2002, Federal student loans increased by 165 percent, and in 2003, $65 billion—or 70 percent of total Federal student aid—was in the form of loans. The average debt for a college graduate is $17,000, and it can exceed $100,000 for a graduate student.

Under Federal law, and in order to receive longer repayment terms, individuals may consolidate their student loans into one loan. The interest rate on the consolidated loan is fixed. So while current law gives individuals a longer time to repay their student debt, it does not allow them to take advantage of the low interest rates that prevail in the marketplace today. Graduates may refinance their houses at lower rates but cannot do the same with student loans.

My bill would change that and would permit individuals to refinance their consolidated Federal loans at the same interest rate as Federal Stafford loans, which fluctuate with the market and are generally below the prevailing market rate. Individuals could refinance anytime their consolidated loan rate exceeded 1 percent of the Stafford loan rate. And under my bill the borrower is not required to pay any fee or costs when they refinance.

There are many in Congress who have introduced legislation to make a college education more accessible and affordable to American students. I support many of those efforts. My modest bill is a step in this direction, and I encourage my colleagues to support this effort.

By Mrs. FEINSTEIN (for herself, Mrs. HUTCHISON, Ms. SNOWE, Mr. FEINGOLD, and Mrs. LINCOLN):

S. 2199. A bill to authorize the Attorney General to make grants to improve the ability of State and local governments to prevent the abduction of children by family members, and for other purposes; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I rise today along with Senator HUTCHISON, Senator SNOWE, Senator FEINGOLD and Senator LINCOLN to introduce the "Family Abduction Prevention Act of 2004," a bill to help the thousands of children who are abducted by a family member each year.

Family abductions are the most common form of abduction yet they receive little attention and law enforcement often doesn't treat them as the serious crimes that they are.

The Family Abduction prevention Act of 2004 would provide grants to states for costs associated with family abduction prevention. Specifically, it would assist States with: costs associated with the extradition of individuals suspected of committing the crime of family abduction; costs borne by State and local law enforcement agencies to investigate cases of missing children; training for local and State law enforcement agencies in responding to family abductions; outreach and media campaigns to educate parents on the dangers of family abductions; and assistance to public schools to help with costs associated with flagging school records.

Each year, over 200,000 children—78 percent of all abductions in the United States—are kidnapped by a family member, usually a non-custodial parent.

More than half of abducting parents have a history of domestic violence, substance abuse, or a criminal record.

Most State and local law enforcement agencies do not treat these abductions as serious crimes. Approximately 70 percent of law enforcement agencies do not have written guidelines on responding to family abduction and many are not informed about the Federal laws available to help in the search and recovery.

Many people believe that a child is not in grave danger if the abductor is a family member. Unfortunately, this is not true, and the assumptions can endanger a child's life. Research shows that the most common motive in family abduction cases is revenge against the other parent—not out of love for the child.

The effects of family abduction on children are very traumatic. Abducted children suffer from severe separation anxiety. To break emotional ties with the left-behind parent, some family abductors will coach a child into falsely "disclosing" abuse by the other parent to perpetuate their control during or after abduction. The child is often told that the other parent is dead or did not really love them.

As the child adapts to a fugitive's lifestyle, deception becomes a part of life. The child is taught to fear those that one would normally trust, such as police, doctors, teachers and counselors. Even after recovery, the child often has a difficult time into adulthood.

On Takeroot.org, a website devoted to victims of family abductions, Rebekah told the story of when her mother kidnapped her.

Her mother was diagnosed as manic and was verbally abusive to her children and husband. Rebekah's father was awarded full custody of her and her brothers. However, one weekend, when Rebekah was 4-years-old, her mother took her to Texas.

Her mother had all her moles and distinguishing marks removed from her body and she had fake birth certificates made for Rebekah and herself. As Rebekah grew up, she was told that her father didn't love her and that her siblings didn't want to see her. When the FBI finally found Rebekah, she didn't remember her father and felt very alone.

In addition, in many family abduction cases, children are given new identities at an age when they are still developing a sense of who they are. In extreme cases, the child's sexual identity is covered up to avoid detection.

Abducting parents often deprive their children of education and much-needed medical attention to avoid the risk of being tracked via school or medical records.

In extreme cases, the abducting parent leaves the child with strangers at an underground "safe house" where health, safety, and other basic needs are extremely compromised.

For example, in Lafayette, CA, two girls were abducted by their mother and moved from house to house under the control of a convicted child molester. Kelli Nunez absconded with her daughters, 6-year-old Anna and 4-year-old Emily in violation of court custody orders. Nunez drove her daughters cross-country, and then returned by plane to San Francisco, where she handed the children to someone holding a coded sign at the airport.

The person holding the sign belonged to an underground vigilante group called the California Family Law Center led by Florencio Maning, a convicted child molester. For six months, Maning orchestrated the concealment of the Nunez girls with help from other people. Luckily, police were able to track down the girls and they were successfully reunited with their father.

California has been the Nation's leader in fighting family abduction. In my State, we have a system that places the responsibility for the investigation and resolution of family abduction cases with the County District Attorney's Office. Each California County District Attorney's Office has an investigative unit that is focused on family abduction cases. Therefore, investigators only handle family abduction cases and become experts in the process.

However, most States lack the training and resources to effectively recover children who are kidnapped by a family member. According to a study conducted by Plass, Finkelhor and Hotaling, 62 percent of parents surveyed said they were "somewhat" or "very" dissatisfied with police handling of their family abduction cases.

The "Family Abduction Prevention Act of 2004" would be an important first step in addressing this serious issue.

I urge my colleagues to quickly act on this important legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2199

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Family Abduction Prevention Act of 2004".

SEC. 2. FINDINGS.

Congress findings that—

(1) each year more than 203,000 children in the United States (approximately 78 percent of all abducted children) are abducted by a family member, usually a parent;

(2) more than half of the parents who abduct their children have a history of alcohol or substance abuse, a criminal record, or a history of violence;

(3) the most common motive for family abduction is revenge against the other parent, not protecting the child's safety;

(4) children who are abducted by family members suffer emotional, psychological, and often physical abuse at the hands of their abductors;

(5) children who are victims of family abductions are forced to leave behind family, friends, their homes, their neighborhoods, their schools, and all that is familiar to them;

(6) children who are victims of family abductions are often told that the parent who did not abduct the child has died, does not love them, or will harm them;

(7) children who are abducted by their parents or other family members are sometimes forced to live in fear of discovery and may be compelled to conceal their true identity, including their real names, family histories, and even their gender;

(8) children who are victims of family abductions are often denied the opportunity to attend school or to receive health and dental care;

(9) child psychologists and law enforcement authorities now classify family abduction as a form of child abuse;

(10) approximately 70 percent of local law enforcement agencies do not have written guidelines for what to do in the event of a family abduction or how to facilitate the recovery of an abducted child;

(11) the first few hours of a family abduction are crucial to recovering an abducted child, and valuable hours are lost when law enforcement is not prepared to employ the most effective techniques to locate and recover abducted children;

(12) when parents who may be inclined to abduct their own children receive counseling and education on the harm suffered by children under these circumstances, the incidence of family abductions is greatly reduced; and

(13) where practiced, the flagging of school records has proven to be an effective tool in assisting law enforcement authorities find abducted children.

SEC. 3. DEFINITIONS.

In this Act:

(1) FAMILY ABDUCTION.—The term "family abduction" means the taking, keeping, or concealing of a child or children by a parent, other family member, or person acting on behalf of the parent or family member, that prevents another individual from exercising lawful custody or visitation rights.

(2) FLAGGING.—The term "flagging" means the process of notifying law enforcement authorities of the name and address of any person requesting the school records of an abducted child.

(3) INDIAN TRIBE.—The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(4) STATE.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, any territory or possession of the United States, and any Indian tribe.

SEC. 4. GRANTS TO STATES.

(a) MATCHING GRANTS.—The Attorney General shall make grants to States for projects involving—

(1) the extradition of individuals suspected of committing a family abduction back to the State from which the child was taken;

(2) the investigation by State and local law enforcement agencies of family abduction cases;

(3) the training of State and local law enforcement agencies in responding to family abductions and recovering abducted children, including the development of written guidelines and technical assistance;

(4) outreach and media campaigns to educate parents on the dangers of family abductions; and

(5) the flagging of school records.

(b) Matching Requirement.—Not less than 50 percent of the cost of a project for which a grant is made under this section shall be provided by non-Federal sources.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

For the purpose of carrying out this Act, there are authorized to be appropriated to the Attorney General $500,000 for fiscal year 2004 and such sums as may be necessary for each of fiscal years 2005 and 2006.

By Mr. BAUCUS (for himself and Mr. Grassley):

S. 2200. A bill to extend nondiscriminatory treatment (normal trade relations treatment) to the products of Laos; to the Committee on Finance.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF NORMAL TRADE RELATIONS TO LAOS.

(a) Findings.—Congress finds that—

(1) the Lao People's Democratic Republic is pursuing a broad policy of adopting market-based reforms to enhance its economic competitiveness and achieve an attractive climate for investment;

(2) extension of normal trade relations treatment would assist the Lao People's Democratic Republic in developing its economy based on free market principles and becoming competitive in the global marketplace;

(3) establishing normal commercial relations on a reciprocal basis with the Lao People's Democratic Republic will promote United States exports to the rapidly growing southeast Asian region and expand opportunities for United States business and investment in the Lao People's Democratic Republic economy;

(4) United States and Laotian commercial interests would benefit from the bilateral trade agreement between the United States and the Lao People's Democratic Republic, signed in 2003, providing for market access and the protection of intellectual property rights;

(5) the Lao People's Democratic Republic has taken cooperative steps with the United States in the global war on terrorism, combating the trafficking of narcotics, and the accounting for American servicemen and civilians still missing from the Vietnam war; and

(6) expanding bilateral trade relations that include a commercial agreement may promote further progress by the Lao People's Democratic Republic on human rights, religious tolerance, democratic rule, and transparency, and assist that country in adopting regional and world trading rules and principles.

(b) Extension of Nondiscriminatory Treatment to the Products of the Lao People's Democratic Republic.—

(1) Harmonized tariff schedule amendment.—General note 3(b) of the Harmonized Tariff Schedule of the United States is amended by striking "Laos".

(2) Effective date.—The amendment made by paragraph (1) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the effective date of a notice published in the Federal Register by the United States Trade Representative that a trade agreement obligating reciprocal most-favored-nation treatment between the Lao People's Democratic Republic and the United States has entered into force.

By Mrs. BOXER:

S. 2201. A bill to amend the Solid Waste Disposal Act to provide for secondary containment to prevent methyl tertiary butyl ether and petroleum contamination; to the Committee on Environment and Public Works.

Mrs. BOXER. Mr. President, today I am introducing legislation to prevent chemicals that leak from underground storage tanks from causing environmental and public health damage. My colleague in the House of Representatives, Mr. Dingell, is introducing companion legislation.

Underground storage tanks can hold extremely toxic chemicals that can move rapidly through soil, contaminating the ground, aquifers, streams and other bodies of water. Underground storage tanks are located in urban and rural areas. When they leak, they present substantial risks to groundwater quality, human health, environmental quality, and economic growth.

There are approximately 700,000 underground storage tanks in the United States, and more than 430,000 confirmed releases from these tanks as of mid-2003. By and large, MTBE contamination has come from leaking underground storage tanks. MTBE has contaminated water supplies in 43 States. Twenty-nine States have drinking water contamination. Estimates indicate that it will cost at least $29 billion to clean up MTBE contamination nationwide. Currently, the leaking underground storage tanks program and other laws ensure that responsible parties pay to clean up the damage caused by these leaking spills.

However, the best solution to leaking underground storage tanks is to prevent them from leaking in the first place with the use of secondary containment, such as double walls. There is already widespread support for this throughout the country. Twenty-one States already require secondary containment, either for all new or replaced tanks—such as in California, or for all new or replaced tanks in sensitive areas. In addition, two States are awaiting final passage or approval of such requirements, and one State requires tertiary, such as triple walls, containment. According to figures from the Petroleum Equipment Institute, 57 percent of all tanks installed from 2000 through 2003 were double walled.

But this is not fast enough in the face of the threats to our drinking and groundwater. Approximately 50 percent of the population relies on groundwater for their drinking water. In 2000, 42 States had MTBE detected in soil or groundwater at gasoline-contaminated leaking underground storage tank sites. The time to prevent contamination is now.

We must ensure the environmental health and safety of our water. I encourage my colleagues to support this bill.

By Mrs. FEINSTEIN (for herself, Mr. Feingold, and Mrs. Lincoln):

S. 2202. A bill to amend title 28, United States Code, to give district courts of the United States jurisdiction over competing State custody determinations, and for other purposes; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I rise today with Senator Feingold and Senator Lincoln to introduce the "Bring Our Children Home Act," a bill to help the thousands of children who are abducted by family members and taken to a foreign country each year.

Despite an increasingly high level of Congressional and public concern regarding international parental abduction and the wrongful retention of American children abroad, the situation facing American children and their left-behind parents in these cases has not improved and continues to be a serious problem.

The Bring Our Children Home Act would help prevent both domestic and international family abductions. Specifically, the bill would:

Establish a right of action in Federal court for resolution of child custody disputes;

Give law enforcement the authority to detain any child who has been entered into the FBI's National Crime Information Center's database under any category of the Missing Person File for 24 hours or until a disposition can be made;

Amend the Foreign Assistance Act of 1961 to require information on each country's efforts to prohibit international child abduction;

Require federally-funded supervised visitation centers to provide services in child custody cases wherein a State court finds that there is a risk of abduction and orders supervised visitation as a preventive measure; and

Most importantly, it would provide a national registry of custody orders which would allow law enforcement the confidence to intervene in situations and aid a custodial parent to be reunited with their child, or to stop an abduction in progress. The National

Center for Missing and Exploited Children is aware of cases in which law enforcement felt unable to intervene because parents represented conflicting orders. Such conflict has lead to international abductions that could have been prevented.

As of May 31, 2003, the U.S. Department of State's Office of Children's Issues was aware of 1060 international abduction cases, 904 open abduction cases and 156 access cases, initiated by U.S.-based parents seeking a child's return or access to a child currently in a foreign country. The actual number of children being kept abroad is higher than this, as these are open cases, not numbers of children. And new cases are reported every week.

As international marriages have increased in recent decades, so have accusations of international child abduction according to Karolina Walkin, a U.S. State Department spokeswoman.

In a 2001 Contra Costa Times article, parents complained that the Justice Department has little interest in their international abduction cases and the State Department was unwilling to disrupt diplomatic relations over abducted children. Written policy directs consular officers to remain neutral, no matter the circumstances.

A 2000 General Accounting Office report noted that the FBI has made limited use of the 1993 International Parental Kidnapping Crime Act. Despite at least 1,000 international parental abductions from the United States annually, the Bureau has prosecuted only 62 cases in 7 years.

The Bring Our Children Home Act requires the Department of Justice and Department of State to report to Congress on International Parental Kidnapping Crime Act warrants and extradition. We must make sure that we are utilizing the tools that we have available to recover abducted children.

The 1980 Hague Convention on the Civil Aspects of International Child Abduction is an international agreement among 54 nations, including the United States, that established civil procedures to follow when locating, accessing, or returning abducted children.

This legislation would provide additional support for left-behind parents and it would ease their ability to bring resolution to their case and their children home.

For countries that are not party to the Hague Convention, it is a case- and country-specific matter. For example, in Saudi Arabia, a wife or child of a Saudi man may not leave the country without his prior written permission. There have been many cases in which adult female American citizens have been unable to leave Saudi Arabia because they have not been able to obtain the written permission of their male guardian, regardless of their constitutionally guaranteed rights as a U.S. citizen.

This legislation would require that the Department of State report to Congress on their progress in negotiating with countries who are not part of the Hague Convention, such as Saudi Arabia.

The "Bring Our Children Home Act" would be an important step in helping these families reunite. It gives law enforcement the tools they need to identify children illegally abducted by family members and return them home.

I urge my colleagues to support this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2202

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bring Our Children Home Act".

SEC. 2. JURISDICTION OVER COMPETING STATE CUSTODY ORDERS.

Section 1738A of title 28, United States Code, is amended by adding at the end the following:

"(i) If a court of 1 State makes a child custody determination in accordance with subsection (c) and if that determination is in conflict with a determination made by another State in accordance with subsection (c), a contestant for whom such a determination was made may bring an action in the district court of the United States the district of which includes the resident of such contestant to determine, on the basis of the best interests of the child involved, which determination shall prevail.".

SEC. 3. NATIONAL REGISTRY OF CUSTODY ORDERS.

(a) IN GENERAL.—The Attorney General shall establish a national child custody and visitation registry in which shall be entered—

(1) certified copies of custody and visitation determinations made by courts throughout the United States (and foreign custody orders concerning children temporarily or permanently resident in the United States);

(2) information identifying pending proceedings in courts throughout the United States for initial, modification, or enforcement orders; and

(3) information identifying proceedings filed in any court in the United States pursuant to the Hague Convention on the Civil Aspects of International Child Abduction and the International Child Abduction Remedies Act, and resulting orders.

(b) COOPERATION.—The Attorney General shall seek the cooperation of Federal and State courts in each State, and the District of Columbia, in providing relevant information to the registry on an ongoing basis. The Attorney General shall provide such financial and technical assistance as necessary.

(c) ACCESS.—The registry shall be accessible to courts, law enforcement officials, custody contestants, and their legal representatives.

SEC. 4. DETENTION OF CHILDREN LISTED AS MISSING.

Law enforcement officers of any State or local government may hold, for not more than 24 hours or until a disposition can be made, any child listed under any category of the Missing Person File by the National Crime Information Center for the proper disposition of the child in accordance with the latest valid custody determination applicable to the child.

SEC. 5. INTERNATIONAL CHILD ABDUCTION REMEDIES.

(a) LEGAL ASSISTANCE FOR VICTIMS OF PARENTAL KIDNAPPING.—Section 7 of the International Child Abduction Remedies Act (42 U.S.C. 11606) is amended by adding at the end the following:

"(f) LEGAL ASSISTANCE FOR VICTIMS OF PARENTAL KIDNAPPING GRANTS.—

"(1) FUNDING TO LEGAL SERVICES PROVIDERS.—The Central Authority shall establish a program to provide funding to legal services providers, including private attorneys, public officials acting pursuant to the Uniform Child Custody Jurisdiction and Enforcement Act, legal aid programs, and law school clinical programs, to provide direct legal or advocacy services on behalf of persons seeking remedies under the Convention, or other civil or criminal remedies in interstate or international parental kidnapping cases.

"(2) TRAINING AND TECHNICAL ASSISTANCE.—The Central Authority, directly or through grants, shall provide training and technical assistance to recipients of funds under paragraph (1) to improve their capacity to offer legal assistance described in paragraph (1).".

(b) LEGAL SERVICES CORPORATION.—The Legal Services Corporation may use funds made available to the Corporation for programs to represent aliens in proceedings brought in the United States under the Convention—

(1) if the individuals to whom the representation is provided otherwise meet the criteria of the Corporation for eligible clients under the Legal Services Corporation Act; and

(2) whether or not such individuals are resident in the United States.

(c) EXEMPTION FROM COURT COSTS.—Section 8(b) of the International Child Abduction Remedies Act (42 U.S.C. 11607(b)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(2) by striking paragraph (1) and inserting the following: "(1) No court costs may be assessed on a petitioner in connection with a petition seeking the return of, or rights of access to, a child located in the United States, pursuant to this Act.

"(2) Petitioners may be required to bear the costs of legal counsel or advisors, court costs incurred in connection with their petitions (other than petitions described in paragraph (1)) and travel costs for the return of the child involved and any accompanying persons, except as provided in paragraphs (3) and (4)."; and

(3) in paragraph (3), as so redesignated—

(A) by striking "paragraph (3)" and inserting "paragraph (4)"; and

(B) by inserting "(other than in connection with a petition described in paragraph (1))" after "or court costs".

(d) RESPONSIBILITIES OF UNITED STATES CENTRAL AUTHORITY.—Section 7 of the International Child Abduction Remedies Act (42 U.S.C. 11606) is amended by adding at the end the following:

"(f) TECHNICAL ASSISTANCE.—The United States Central Authority shall encourage the Chief Justice of every State and the District of Columbia to designate a single court, or a limited number of courts, in which cases brought under the Convention may be heard.

The Central Authority may provide technical assistance (including computers and Internet access) as necessary to foster consolidation of jurisdiction and implementation of the Convention, consistent with the purposes of the Convention.

"(g) TRAINING.—The United States Central Authority shall provide or promote training of State court judges, lawyers, and law students on the civil and criminal laws pertaining to interstate and international parental kidnapping. To carry out this subsection, the United States Central Authority may make available funds under subsection (e) to State judicial educators, national, State, and local bar associations, and law schools. The United States Central Authority shall require recipients of such funds to report on the training programs they present, including the number of participants.".

(e) FEDERAL JUDICIAL CENTER.—Section 620 of title 28, United States Code, is amended by adding at the end the following:

"(c) CONTINUING EDUCATION AND TRAINING PROGRAMS.—The Center shall include in its continuing education and training programs, including the training programs for newly appointed judges, information on the Hague Convention on the Civil Aspects of International Child Abduction, the International Child Abduction Remedies Act, the International Parental Kidnapping Crime Act, and other Federal statutes pertaining to parental kidnapping within the jurisdiction of the Federal courts, and shall prepare materials necessary to carry out this subsection.".

SEC. 6. REPORTS RELATING TO INTERNATIONAL CHILD ABDUCTION.

(a) REPORT ON PROGRESS IN NEGOTIATING BILATERAL TREATIES WITH NON-HAGUE CONVENTION COUNTRIES.—The Secretary of State shall prepare and submit to the Congress an annual report on progress made by the United States in negotiating and entering into bilateral treaties (or other international agreements) relating to international child abduction with countries that are not contracting parties to the Hague Convention on the Civil Aspects of International Child Abduction.

(b) REPORT ON HUMAN RIGHTS PRACTICES.—(1) Section 116(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d)) is amended—

(A) in paragraph (7), by striking "and" at the end and inserting a semicolon;

(B) in paragraph (8), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(9) the status of efforts in each country to prohibit international child abduction, including—

"(A) efforts to expedite the return of children to the country of their habitual residence; and

"(B) the extent to which the country respects the rights of custody and of access under the laws of other countries.".

(2) Section 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2304(b)) is amended by inserting after the sixth sentence the following: "Each report under this section shall include information on the status of efforts in each country to prohibit international child abduction, including efforts to expedite the return of children to the country of their habitual residence and the extent to which the country respects the rights of custody and of access under the laws of other countries.".

(c) REPORT ON ENFORCEMENT OF SECTION 1204 OF TITLE 18, UNITED STATES CODE.—The Attorney General, in consultation with the Secretary of State, shall prepare and submit to the Congress an annual report that contains a description of the status of each case involving a request during the preceding year for extradition to the United States of an individual alleged to have violated section 1204 of title 18, United States Code.

SEC. 7. SUPPORT FOR UNIFORM CHILD CUSTODY JURISDICTION AND ENFORCEMENT ACT.

From amounts made available to carry out this section, the Attorney General shall support, directly or through grants and contracts, the adoption and implementation by the States of the Uniform Child Custody Jurisdiction and Enforcement Act, as adopted by the National Conference of Commissioners on Uniform State Laws (in this section referred to as the "UCCJEA"). The support provided under this section shall include the following activities:

(1) Activities to promote the adoption of the UCCJEA by States that have not yet adopted it.

(2) Activities to provide training to lawyers and to judges and other appropriate public officials to ensure that the UCCJEA is implemented effectively and uniformly throughout the United States.

(3) Activities to provide guidance and funding to States to facilitate and expedite the enforcement by those States of the custody and visitation provisions of the UCCJEA.

SEC. 8. FEDERAL JUDICIAL CENTER EDUCATION PROGRAMS ON PARENTAL KIDNAPPING.

The Federal Judicial Center, in fulfilling its function to stimulate, create, develop, and conduct programs of continuing education and training for personnel of the judicial branch of the Government and other persons (as specified in section 620(b)(3) of title 28, United States Code), shall ensure that those programs include education, training, and materials on the Hague Convention on the Civil Aspects of International Child Abduction, the International Child Abduction Remedies Act, the International Parental Kidnapping Crime Act, and such other international and Federal laws relating to parental kidnapping as are within the jurisdiction of the Federal courts.

SEC. 9. USE OF SUPERVISED VISITATION CENTERS UNDER THE SAFE HAVENS FOR CHILDREN PILOT PROGRAM IN SITUATIONS INVOLVING THE RISK OF PARENTAL KIDNAPPING.

Section 1301(a) of the Violence Against Women Act of 2000 (42 U.S.C. 10420(a)) is amended by striking "or stalking" and inserting "stalking, or the risk of parental kidnapping".

By Mr. CORZINE:

S. 2203. A bill to provide assistance to combat HIV/AIDS in India, and for other purposes; to the Committee on Foreign Relations.

Mr. CORZINE. Mr. President, today I am introducing legislation to make India eligible for assistance under the Emergency Plan for AIDS Relief.

India is facing a critical moment. An estimated 4.58 million people are infected with the HIV virus in India and HIV/AIDS has been reported in almost all the states and union territories of the country. The epidemic is spreading rapidly from urban to rural areas and from high-risk groups to the general population. Given India's size and the mobility of its population, there is a serious threat of catastrophe.

India's political leaders, public health officials, non-governmental organizations, and medical and scientific communities have taken important steps to combat HIV/AIDS. India, the world's largest democracy, has skilled governmental and civil society actors who are committed to a new awareness of the AIDS crisis and strategic approaches to combating the disease. But significant gaps remain in the Indian health care system's ability to address the full scope of the crisis. These gaps require immediate and sustained U.S. engagement and contribution of resources.

We must continue to expand the list of eligible countries in recognition of the global nature of this pandemic. We must also accelerate assistance to African and Caribbean countries already included as focus countries. Finally, we must increase overall funding to combat HIV/AIDS. India is but one example of the enormity of the HIV/AIDS epidemic. But it is also an example of the opportunities for America to reach out and find partners in combating this scourge. It is not true that programs to fight AIDS cannot absorb more resources. There is critical and urgent work to be done and committed professionals ready to do it. They just need our help.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress makes the following findings:

(1) The Government of India has estimated that 4,580,000 people in India are infected with the human immunodeficiency virus ("HIV") and cases of individuals with the acquired immune deficiency syndrome ("AIDS") have been reported in almost all the states and union territories of India.

(2) The effort to combat the HIV and AIDS epidemic in India has reached a critical point, as the epidemic is spreading rapidly from urban to rural areas and from high-risk groups to the general population.

(3) Political leaders, public health officials, non-governmental organizations, and medical and scientific communities in India have taken important steps to combat HIV and AIDS in that country, but assistance from the United States is urgently needed to enhance such efforts.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the addition of India as a country for which the Coordinator of United States Government Activities to Combat HIV/AIDS Globally has responsibilities under section 1(f)(2)(B)(ii)(VII) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(f)(2)(B)(ii)(VII)) should not decrease the amount of funding the Coordinator makes available for assistance to any other such country;

(2) the United States should continue to increase the number of countries eligible to receive assistance from the United States to combat HIV and AIDS; and

(3) the United States should increase the total amount of assistance available to combat HIV and AIDS.

SEC. 3. ASSISTANCE TO COMBAT HIV/AIDS IN INDIA.

Section 1(f)(2)(B)(ii)(VII) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(f)(2)(B)(ii)(VII)) is further amended by inserting "India," after "Haiti,".

By Mr. HATCH (for himself, Mr. SCHUMER, Mr. CORNYN, and Mrs. FEINSTEIN):

S. 2204. A bill to provide criminal penalties for false information and hoaxes relating to terrorism; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, since the September 11th attacks against our Nation, each of us is more conscious of our individual safety and security. No example hit closer to home than when anthrax-infected letters made their way into Senators' offices. Senators, Representatives and staffers were forced to vacate offices, advised to take strong antibiotics, and faced with the uncertainty of whether they contracted a life-threatening disease.

In response to this vulnerability that is now inherent in our everyday lives, Congress has beefed up law enforcement and intelligence tools to combat terrorism better. The key to fighting terrorism is to target those planning terrorist acts and capture them before they can realize their horrific goals. Our law enforcement communities have utilized the new tools we have provided them to respond in a dedicated and professional way to these new challenges.

Unfortunately, we are beginning to see a number of instances where cruel and depraved individuals have engaged in terrorist hoaxes. For example, people have sent letters containing powder or sugar and a note stating that the recipient has now been infected by anthrax. These hoaxes are more than a bad joke. They require a substantial and costly response—evacuation of buildings, emergency medical tests or treatment, and laboratory action. Hoaxes like these, which mimic terrorist acts, undermine public confidence by spreading panic and fear, and drain valuable resources from Federal, State, and local government agencies which must respond to the hoax.

Under current Federal law, it is a felony to perpetrate certain hoaxes, such as saying there is a bomb on an airplane. It is also illegal to communicate a threat using the facilities of interstate commerce that could cause personal injury to someone. However, because hoaxes related to anthrax or other Federal crimes do not always contain specific threats, they may not be covered by current federal law. The Congressional Research Service has noted that this is a gap within the current Federal code.

Clearly, there is a need for tough legislation to reflect the seriousness of this type of crime. This is why Senators SCHUMER, CORNYN, FEINSTEIN and I are introducing the Stop Terrorist and Military Hoaxes Act of 2004. The legislation criminalizes conduct that conveys false or misleading information under circumstances where such information may reasonably be believed. The bill covers hoaxes related to biological, chemical, or nuclear weapons and other federal crimes that do not contain specific or express threats.

In addition, this bill criminalizes intentionally false statements concerning the death, injury, capture or disappearance of a member of the United States Armed Forces. During the recent liberation of Iraq, there were several cruel hoaxes played on family members of those who were risking their very lives in the service of our country. Family members sacrifice alongside service men and women who place their lives in danger in the service of our country. Those family members deserve to be treated with respect and should be free from these cruel deceptions. This bill makes sure that these malicious pranks can be punished appropriately.

America is engaged in a war on terrorisms. In addition to protecting our citizens from terrorist acts, we also need to take measures to ensure that our law enforcement resources are not needlessly wasted by responding to these offensive and expensive terrorist hoaxes. I urge my colleagues to support this measure.

By Mr. LEVIN:

S. 2205. A bill to authorize the extension of unconditional and permanent nondiscriminatory treatment (permanent normal trade relations treatment) to the products of Ukraine, and for other purposes; to the Committee on Finance.

Mr. LEVIN. Mr. President, today I introduce a bill to grant normal trade treatment to the products of Ukraine. My brother, Congressman SANDER LEVIN, has introduced an identical bill in the House. We introduced similar bills in the 107th Congress. It is our hope that enactment of this legislation, which builds upon and improves our previous legislative efforts, will help build stronger ties between the United States and Ukraine.

Roughly three decades ago, the Jackson-Vanik amendment was included in the Trade Act of 1974. While relatively small in number of words, this provision helped open up an entire society by exposing the repressive tactics of the Soviet Union. By focusing attention on the emigration restrictions that the Soviet Union placed on its Jewish citizens, the Jackson-Vanik amendment reiterated American concern about the wide-scale human rights abuses occurring in the Soviet Union. In the process, the Jackson-Vanik amendment played a vital role in changing Soviet society.

The values that for nearly thirty years governed our relations with the Soviet Union, democracy, freedom and the rule of law, remain fundamental values to our nation. This bill seeks to address those concerns while recognizing the anachronistic nature of applying Jackson-Vanik to Ukraine. In addition, this bill provides Congress with a meaningful and effective tool to ensure that U.S. interests are fully addressed in World Trade Organization negotiations for Ukraine.

Ukraine does allow its citizens the right and opportunity to emigrate. Ukraine has been certified as meeting the Jackson-Vanik requirements on an annual basis since 1992 when a bilateral trade agreement went into effect. It is now time for the United States recognize this reality by eliminating the Jackson-Vanik restrictions and granting Ukraine normal trading status on a permanent basis. Our bill does this while addressing traditional Jackson-Vanik issues such as emigration, religious freedom, restoration of property, and human rights. These are the issues that led to the creation of the Jackson-Vanik amendment, and we should not ignore them at this time.

Ukraine has taken some steps toward the creation of democratic institutions and a free-market economy, but much more remains to be done. The way in which Ukraine's October 2004 presidential elections are conducted will go a long way toward determining the future path this important strategic partner and ally will take.

The world is closely watching the process and conduct of this year's presidential elections in Ukraine. Free and fair elections, regardless of their final outcome, will be an important step toward Ukraine's rapproachment with the community of nations. This election will be vital for the process by which it is conducted. Thus far, there remains reason for concern.

In Ukraine, there are many working to promote free and fair elections; however, the staff of many civic and nongovernmental organizations are being harassed, intimidated and even physically harmed. In addition, members of the media are facing similarly hostile and life threatening situations. Just this month, Ukrainian affiliates of Radio Free Europe and Radio Liberty have been taken off the air, arrested and had their stations raided. Such actions are inexcusable and not in keeping with the fundamental values of freedom, openness and the rule of law. It is my hope that the October 2004 elections will aid Ukraine's transformation from a nation where fear undermines public discourse into a nation where all facets of society can freely engage in the market-place of ideas without fear of recrimination. The Ukrainian people deserve no less.

Jackson-Vanik no longer applies to Ukraine and should be waived. But we need to utilize other ways to address the many problems facing Ukraine. I also hope that this legislation will remind Ukraine of the benefits it can and will accrue when it rightfully assumes its place among those nations that are guided by democracy, transparency and the rule of law.

By Mr. SHELBY:

S.J. Res. 29. A joint resolution proposing an amendment to the Constitution of the United States which requires (except during time of war and subject to suspension by the Congress) that the total amount of money expended by the United States during any fiscal year not exceed the amount of certain revenue received by the United States during such fiscal year and not exceed 20 per centum of the gross national product of the United States during the previous calendar year; to the Committee on the Judiciary.

Mr. SHELBY. Mr. President, as we continue to debate the Federal Government's fiscal year 2005 budget, I can think of no better time to discuss the need for a balanced budget amendment to the Constitution. It is for that reason that I stand before you today—to introduce a balanced budget amendment to the Constitution.

This is the same amendment that I have introduced in every Congress since the 97th Congress. Throughout my entire tenure in Congress, during the good economic times and the bad, I have devoted much time and attention to this idea because I believe that one of the most important things the Federal Government can do to enhance the lives of all Americans and future generations is to balance the Federal budget.

Our Founding Fathers, wise men indeed, had great concerns regarding the capability of those in government to operate within budgetary constraints. Alexander Hamilton once wrote that ". . . there is a general propensity in those who govern, founded in the constitution of man, to shift the burden from the present to a future day." Thomas Jefferson commented on the moral significance of this "shifting of the burden from the present to the future." He said: "the question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts and morally bound to pay them ourselves."

I completely agree with these sentiments. History has shown that Hamilton was correct. Those who govern have, in fact, saddled future generations with the responsibility of paying for their debts. Over the past 30 years, annual deficits have become routine and the Federal Government has built up massive debt. Furthermore, Jefferson's assessment of the significance of this is also correct: intergenerational debt shifting is morally wrong.

Over the years, we have witnessed countless "budget summits" and "bipartisan budget deals," and we have heard, time and again, the promises of "deficit reduction." But despite all of these charades, the Federal budget remains severely out of balance today. The truth is, it will never be balanced as long as the President and the Congress are allowed to shortchange the welfare of future generations to pay for current consumption. This is evidenced by the fact that I stood in this same place, introducing this same legislation during both the 106th and the 107th Congresses while the Federal budget was actually in balance. But alas, I stand here today with an enormous Federal deficit and a ballooning Federal debt.

A balanced budget amendment to the Constitution is the only certain mechanism to break the cycle of deficit spending and ensure that the Government does not continue to saddle our children and grandchildren with the current generation's debts.

A permanently balanced budget would have a considerable impact in the everyday lives of the American people. A balanced budget would dramatically lower interest rates thereby saving money for anyone with a home mortgage, a student loan, a car loan, credit card debt, or any other interest rate sensitive payment responsibility. Simply by balancing its books, the Federal Government would put real money into the hands of hard working people. Moreover, if the government demand for capital is reduced, more money would be available for private sector use, which in turn, would generate substantial economic growth and create thousands of new jobs.

More money in the pockets of Americans and more job creation by the economy can become a reality with a simple step—a balanced budget amendment.

On the other hand, without a balanced budget amendment, the Government will continue to waste the taxpayers' money on unnecessary interest payments. In fiscal year 2003, the Federal Government spent more than $318 billion just to pay the interest on the national debt. That is more than the amount spent on all education, job training, and crime programs combined.

We might as well be taking these hard-earned tax dollars and pouring them down the drain. I believe that this money could be better spent on improving education, developing new medical technologies, finding a cure for cancer, or even returning it to the people who earned it in the first place. But instead, about 15 percent of the Federal budget is being wasted on interest payments because advocates of big government continue to block all efforts to balance the budget.

A balanced budget amendment to the Constitution can be the solution to this perpetual problem. A balanced budget amendment will put us on a path to paying off our national debt, which is currently more than $7 trillion. This amendment will help ensure that taxpayers' money will no longer be wasted on interest payments.

Opponents of a balanced budget amendment treat it as if it is something extraordinary. They are right, a balanced Federal budget would be extraordinary. And I believe that adopting an amendment that would require the Federal Government to do what every American already has to do—balance their checkbook—is exactly what this country needs to prove that Washington is serious about accomplishing this extraordinary feat. A balanced budget amendment is simply a promise to the American people that the Government will spend their hard-earned tax dollars responsibly. I think that we owe our constituents and future generations of Americans that much.

We do not need any more budget deals or false promises from Washington to reduce the deficit. What we need is a hammer to force Congress and the President to agree on a balanced budget, not just this year, but forever. A constitutional amendment to balance the Federal budget is the only hammer forceful enough to make that happen.

I urge my colleagues to join with me in supporting this important legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S.J. RES. 29

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein). That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within 7 years of the date of final passage of this joint resolution:

"ARTICLE—

"SECTION 1. The total amount of money expended by the United States in any fiscal year shall not exceed the total amount of revenue received by the United States during such fiscal year, except revenue received from the issuance of bonds, notes, or other obligations of the United States.

"SECTION 2. The total amount of money expended by the United States in any fiscal year shall not exceed the amount equal to 20 per centum of the gross national product of the United States during the last calendar year ending before the beginning of such fiscal year.

"SECTION 3. Sections 1 and 2 of this Article shall not apply during any fiscal year during any part of which the United States is at war as declared by the Congress under section 8 of Article I of the Constitution.

"SECTION 4. Sections 1 and 2 of this Article may be suspended by a concurrent resolution approved by a three-fifths vote of the Members of each House of the Congress. Any suspension of sections 1 and 2 of this Article under this section shall be effective only during the fiscal year during which such suspension is approved.

"SECTION 5. This Article shall take effect on the first day of the first fiscal year beginning after the date of the adoption of this Article.

"SECTION 6. The Congress shall have power to enforce this Article by appropriate legislation.".

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 318—EXPRESSING THE SENSE OF THE SENATE THAT THE POSTAGE STAMP SHOULD BE ISSUED IN COMMEMORATION OF DIWALI, A FESTIVAL CELEBRATED BY PEOPLE OF INDIAN ORIGIN

Mr. LAUTENBERG (for himself and Mr. CORZINE) submitted the following resolution; which was referred to the Committee on Government Affairs:

Mr. LAUTENBERG. Mr. President, I rise today to submit a resolution expressing the Sense of the Senate that the Citizens' Stamp Advisory Commission should issue a postage stamp honoring Diwali.

Diwali, known colloquially as the "festival of light," is celebrated annually in Indian communities worldwide. Diwali marks the beginning of the Hindu New Year and signifies the renewal of life for all. Traditionally lasting five days, it is common practice for celebrants to light small oil lamps, called diyas, and place them around the home and pray for health, knowledge, and peace. Light represents the triumph of good over evil, and signifies optimism for the future.

Christmas, Kwanzaa, Hanukkah, and Eid have already been recognized on United States postage stamps. It would be appropriate to add Diwali to this distinguished list. It is a holiday about community, family, and hope for the future—qualities the Senate should highlight and embrace.

S. RES. 318

Resolved, That it is the sense of the Senate that—

(1) a postage stamp should be issued by the United States Postal Service in commemoration of Diwali, a festival celebrated by people of Indian origin; and

(2) the Citizens' Stamp Advisory Committee should recommend to the Postmaster General that such a stamp be issued.

SENATE RESOLUTION 319—EXPRESSING THE SENSE OF THE SENATE WITH RESPECT TO THE DEADLY TERRORIST ATTACKS AGAINST THE PEOPLE OF SPAIN THAT OCCURRED ON MARCH 11, 2004

Mr. FRIST (for himself, Mr. DASCHLE, Mr. AKAKA, Mr. ALEXANDER, Mr. ALLARD, Mr. ALLEN, Mr. BAUCUS, Mr. BAYH, Mr. BENNETT, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mrs. BOXER, Mr. BREAUX, Mr. BROWNBACK, Mr. BUNNING, Mr. BURNS, Mr. BYRD, Mr. CAMPBELL, Ms. CANTWELL, Mr. CARPER, Mr. CHAFEE, Mr. CHAMBLISS, Mrs. CLINTON, Mr. COCHRAN, Mr. COLEMAN, Ms. COLLINS, Mr. CONRAD, Mr. CORNYN, Mr. CORZINE, Mr. CRAIG, Mr. CRAPO, Mr. DAYTON, Mr. DEWINE, Mr. DODD, Mrs. DOLE, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. ENSIGN, Mr. ENZI, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FITZGERALD, Mr. GRAHAM of Florida, Mr. GRAHAM of South Carolina, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HARKIN, Mr. HATCH, Mr. HOLLINGS, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Mr. KYL, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. LOTT, Mr. LUGAR, Mr. MCCAIN, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MILLER, Ms. MURKOWSKI, Mrs. MURRAY, Mr. NELSON of Florida, Mr. NELSON of Nebraska, Mr. NICKLES, Mr. PRYOR, Mr. REED, Mr. REID, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. SANTORUM, Mr. SARBANES, Mr. SCHUMER, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH, Ms. SNOWE, Mr. SPECTER, Ms. STABENOW, Mr. STEVENS, Mr. SUNUNU, Mr. TALENT, Mr. THOMAS, Mr. VOINOVICH, Mr. WARNER, and Mr. WYDEN) submitted the following resolution; which was considered and agreed to:

S. RES. 319

Expressing the sense of the Senate with respect to the deadly terrorist attacks against the people of Spain that occurred on March 11, 2004.

Whereas on March 11, 2004, terrorists detonated a total of 10 bombs at 6 train stations in and around Madrid, Spain during morning rush hour, killing more than 190 people and injuring more than 1,200 others;

Whereas these attacks constitute the worst acts of terrorism ever experienced in Spain;

Whereas no organization has claimed responsibility for the terrorist attacks;

Whereas the terrorist organization known as ETA, which has been responsible for the deaths of more than 800 people during its decades long campaign to establish an independent Basque State, is a prime suspect as the perpetrator of these cowardly acts of terrorism against innocent people;

Whereas officials in Spain initiated another line of investigation to identify the perpetrators of the terrorist attacks after a van was found with detonators and an Arabic-language tape of Koranic verses;

Whereas President Jose Maria Aznar has stated that "we shall not forget", bravely declared that Spain would not change its policies because of terrorist pressure, and declared three days of national mourning;

Whereas the President of the European Parliament has stated that the terrorist attacks are "a declaration of war on democracy", Pope John Paul II has described the attacks as "despicable", and the United Nations Secretary General Kofi Annan expressed profound shock and indignation over this "senseless killing of innocent people"; and

Whereas President George W. Bush has already called President Aznar to offer his condolences and to assure him that "the United States stands resolutely with Spain in the fight against terrorism in all its forms and against the particular threat that Spain faces from the evil of ETA terrorism": Now, therefore, be it

Resolved, That the Senate—

(1) expresses the outrage and shock of the people of the United States over the terrorist attacks that occurred in and around Madrid, Spain on March 11, 2004;

(2) joins with President Bush in expressing its deepest condolences and pledges to remain shoulder to shoulder with the people of Spain in the war on terrorism;

(3) expresses its strong solidarity with the people of Spain during their difficult hour, and its deep condolences to the families of the victims of these despicable terrorist attacks;

(4) calls on all nations to join with the United States in condemning the monstrous attacks on the innocent people of Spain and in attempting to identify the perpetrators of the attacks and bring them to account;

(5) expresses its readiness to consult with representatives of King Juan Carlos, President Jose Maria Aznar, the Spanish government, the Spanish Cortes, and other public authorities about joint efforts to combat terrorism more effectively;

(6) commends the United States Embassy in Madrid for its prompt offers of assistance to the Government of Spain, and for its efforts to determine the welfare and whereabouts of United States citizens who may have been affected by the terrorist attacks; and

(7) urges the executive branch to continue to provide all possible assistance to Spain in order to identify and bring to account the perpetrators of the terrorist attacks that occurred on March 11, 2004, in Madrid and of other terrorist attacks against the people of Spain.

SENATE CONCURRENT RESOLUTION 98—PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE

Mr. FRIST (for himself and Mr. DASCHLE) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 98

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, March 11, or Friday, March 12, or Saturday, March 13, or Sunday, March 14, 2004, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until Monday, March 22, 2004, at 12 noon.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2783. Mrs. BOXER (for herself, Mr. Daschle, Mr. Sarbanes, Mrs. Clinton, Mr. Schumer, Mr. Kennedy, Mr. Kohl, Mr. Durbin, Mr. Levin, Mr. Dodd, Ms. Mikulski, Mr. Dorgan, Mrs. Murray, Mr. Rockefeller, and Ms. Stabenow) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

SA 2784. Mr. CRAPO (for himself, Mr. Sarbanes, Mr. Jeffords, Ms. Collins, Mr. Reid, Mr. Kerry, Ms. Mikulski, Mrs. Clinton, Mr. Domenici, and Mr. Voinovich) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra.

SA 2785. Mr. LUGAR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra.

SA 2786. Mr. DAYTON (for himself, Mr. Akaka, Mr. Corzine, Mr. Dodd, Mr. Kohl, Mr. Levin, Mr. Lieberman, Mrs. Murray, Mr. Reid, Mr. Durbin, Mr. Johnson, Ms. Mikulski, and Ms. Stabenow) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra.

SA 2787. Mr. PRYOR (for himself, Mr. Reed, and Mr. Corzine) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2788. Mr. DODD (for himself, Mr. Kennedy, Mr. Reed, Mrs. Murray, Mr. Corzine, Mrs. Clinton, Mr. Bingaman, Mr. Jeffords, Mr. Lautenberg, Mr. Kerry, and Mr. Kohl) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2789. Mr. SARBANES (for himself, Mr. Jeffords, Mrs. Boxer, Mr. Harkin, Mr. Dodd, Mr. Johnson, Mr. Biden, Mr. Levin, Ms. Mikulski, Mr. Corzine, Mr. Kerry, Ms. Stabenow, Mr. Rockefeller, Mr. Kennedy, Mr. Lieberman, Mr. Durbin, and Mr. Schumer) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2790. Mr. REED (for himself, Mr. Kennedy, Mrs. Clinton, Mrs. Murray, Ms. Mikulski, Mr. Bingaman, Mr. Dodd, Mr. Schumer, Mrs. Lincoln, Mr. Corzine, Mr. Pryor, Mr. Levin, Mr. Rockefeller, Mr. Biden, Mr. Nelson of Nebraska, Mr. Kohl, Mr. Lautenberg, Mr. Akaka, and Mr. Sarbanes) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra.

SA 2791. Ms. MIKULSKI (for herself, Mr. Levin, Mrs. Murray, Mr. Schumer, Mr. Reed, Mr. Dodd, Mr. Lautenberg, Mr. Durbin, and Mr. Biden) submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2792. Mr. DORGAN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2793. Mr. DORGAN (for himself, Mr. Daschle, Mr. Durbin, Mr. Akaka, Mr. Leahy, Mrs. Feinstein, Mr. Schumer, Mr. Kennedy, Mr. Sarbanes, Mr. Rockefeller, Mr. Corzine, Ms. Stabenow, Mr. Harkin, Mrs. Boxer, Mr. Kohl, and Mr. Dodd) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra.

SA 2794. Mr. THOMAS (for himself, Mr. Conrad, Mr. Johnson, Mr. Hagel, Mrs. Murray, Ms. Collins, Mr. Feingold, Mrs. Lincoln, Mr. Jeffords, Mr. Rockefeller, Mr. Smith, Ms. Stabenow, Mr. Nelson of Nebraska, Mr. Bingaman, and Mr. Daschle) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra.

SA 2795. Mr. ENSIGN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2796. Mr. SANTORUM submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2797. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra.

SA 2798. Mr. HARKIN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2799. Mr. HARKIN (for himself, Mrs. Feinstein, Mr. Durbin, Mr. Lautenberg, Mr. Bingaman, Ms. Landrieu, and Mr. Lieberman) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2800. Ms. CANTWELL submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2801. Ms. CANTWELL submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2802. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2803. Mrs. LINCOLN (for herself, Mr. Daschle, Mr. Kennedy, Mr. Durbin, Mr. Dodd, Mr. Corzine, Mr. Bingaman, Mr. Kerry, Mr. Lautenberg, Mr. Johnson, Mr. Pryor, Mrs. Clinton, Mr. Jeffords, and Ms. Mikulski) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2804. Mr. BYRD proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2805. Mr. CHAMBLISS submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2806. Mr. GRASSLEY (for himself, Mr. Bunning, Mr. Domenici, Mr. Bingaman, Ms. Cantwell, Mrs. Murray, Mr. Voinovich, Mrs. Clinton, Mr. DeWine, Ms. Murkowski, Mr. Reid, Mr. Bond, Mr. Kennedy, Mr. Talent, Mr. Harkin, and Mr. Alexander) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2807. Mr. LIEBERMAN (for himself, Mr. Schumer, Ms. Mikulski, Mr. Lautenberg, Mr. Biden, Mrs. Murray, Mr. Kennedy, Mr. Corzine, Mr. Levin, Mr. Kohl, Mrs. Boxer, Mr. Dodd, Mr. Johnson, Mr. Akaka, Mr. Durbin, Mr. Leahy, Mr. Kerry, and Mr. Graham, of Florida) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2808. Mr. LEAHY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2809. Mr. EDWARDS (for himself and Mr. Kennedy) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2810. Mr. PRYOR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra.

SA 2811. Mr. SCHUMER submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2812. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

SA 2813. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2814. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2815. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2816. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2817. Mr. LEVIN (for himself, Ms. Collins, and Mrs. Clinton) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

SA 2818. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2819. Mr. BINGAMAN (for himself, Mr. Kerry, Mr. Daschle, Mr. Corzine, Mr. Levin, and Mr. Carper) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2820. Ms. MIKULSKI (for herself, Mr. Levin, Mrs. Murray, Mr. Schumer, Mr. Reed, Mr. Dodd, Mr. Lautenberg, Mr. Durbin, and Mr. Biden) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2821. Mr. COLEMAN (for himself and Ms. Collins) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2822. Ms. MURKOWSKI (for herself, Mrs. Murray, and Mr. Campbell) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2823. Mr. INHOFE (for himself, Mr. Bingaman, Mr. Coleman, Mr. Dorgan, Ms. Collins, Mr. Bayh, Mr. Alexander, Mr. Akaka, Ms. Cantwell, and Mr. Jeffords) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2824. Mr. INHOFE (for himself and Mr. Bingaman) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2825. Mr. ENSIGN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2826. Mr. GRASSLEY (for himself, Mr. Lugar, Mr. Feingold, and Mr. Schumer) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2827. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2828. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2829. Mr. HAGEL (for himself, Mr. CRAIG, Mr. CRAPO, Ms. STABENOW, Mr. TALENT, Mr. BINGAMAN, Mr. BOND, Mr. FITZGERALD, Mrs. MURRAY, Mr. NELSON of Nebraska, Mr. GRASSLEY, Mr. DURBIN, Mr. BURNS, Mr. SMITH, Mr. BAUCUS, Mr. CAMPBELL, and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2830. Mr. ENZI (for himself and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2831. Mr. CONRAD proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2832. Mr. ENZI (for himself and Ms. CANTWELL) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2833. Mr. NICKLES (for Mr. BINGAMAN) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2834. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2835. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2836. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2837. Mr. NICKLES (for Mrs. LINCOLN (for herself, Mr. BAUCUS, Ms. SNOWE, Mr. BREAUX, Mr. ROCKEFELLER, and Ms. COLLINS)) submitted an amendment intended to be proposed by Mr. NICKLES to the concurrent resolution S. Con. Res. 95, supra.

SA 2838. Mr. NICKLES (for Mr. GRASSLEY (for himself, Mr. LUGAR, Mr. FEINGOLD, and Mr. SCHUMER)) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2839. Mr. NICKLES (for Ms. SNOWE) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2840. Mr. McCONNELL submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra.

SA 2841. Mr. NICKLES (for Mr. HAGEL (for himself, Mr. CRAIG, Mr. CRAPO, Ms. STABENOW, Mr. TALENT, Mr. BINGAMAN, Mr. BOND, Mr. FITZGERALD, Mrs. MURRAY, Mr. NELSON, of Nebraska, Mr. GRASSLEY, Mr. DURBIN, Mr. BURNS, Mr. SMITH, Mr. BAUCUS, Mr. CAMPBELL, and Ms. CANTWELL)) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2842. Mr. NICKLES (for Mr. SANTORUM) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2843. Mr. NICKLES (for Mr. HATCH (for himself, Mr. BIDEN, and Mr. KOHL)) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2844. Mr. NICKLES (for Mrs. DOLE (for herself and Mr. LEAHY)) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2845. Mr. NICKLES (for Mr. LUGAR (for himself, Mr. CORZINE, Mr. BINGAMAN, Mr. LAUTENBERG, Mr. SCHUMER, Ms. STABENOW, Mrs. CLINTON, Mrs. FEINSTEIN, Mr. KERRY, Mr. KOHL, Mr. LEVIN, Mrs. MURRAY, Mr. DURBIN, Mr. DEWINE, Mr. HAGEL, Mr. CHAFEE, Mr. JEFFORDS, Ms. CANTWELL, Mr. SMITH, Mr. SANTORUM, Mr. MCCAIN, Mr. BIDEN, and Mr. SUNUNU)) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2846. Ms. MURKOWSKI (for herself, Mr. SPECTER, Mr. BOND, Mr. ENSIGN, Mr. DEWINE, Mr. CORNYN, Mr. CAMPBELL, Mr. GRAHAM of South Carolina, Mr. ALLEN, Mr. STEVENS, and Ms. MIKULSKI) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2847. Mr. NICKLES (for Mr. GRASSLEY (for himself, Mr. BUNNING, Mr. DOMENICI, Mr. BINGAMAN, Ms. CANTWELL, Mrs. MURRAY, Mr. VOINOVICH, Mrs. CLINTON, Mr. DEWINE, Ms. MURKOWSKI, Mr. REID, Mr. BOND, Mr. KENNEDY, Mr. TALENT, and Mr. HARKIN)) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2848. Mr. NICKLES (for Mr. BYRD (for himself and Mr. COCHRAN)) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2849. Mr. KYL proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2850. Mr. NICKLES (for Mr. DORGAN) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2851. Mr. NICKLES (for Mr. SPECTER) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2852. Mr. NICKLES (for Ms. COLLINS (for herself and Mr. CARPER)) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2853. Mr. SANTORUM proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2854. Ms. SNOWE submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2855. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2783. Mrs. BOXER (for herself, Mr. DASCHLE, Mr. SARBANES, Mrs. CLINTON, Mr. SCHUMER, Mr. KENNEDY, Mr. KOHL, Mr. DURBIN, Mr. LEVIN, Mr. DODD, Ms. MIKULSKI, Mr. DORGAN, Mrs. MURRAY, Mr. ROCKEFELLER, and Ms. STABENOW) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by $8,000,000,000.

On page 3, line 10, increase the amount by $8,000,000,000.

On page 3, line 11, increase the amount by $8,000,000,000.

On page 3, line 17, increase the amount by $8,000,000,000.

On page 3, line 18, increase the amount by $8,000,000,000.

On page 3, line 19, increase the amount by $8,000,000,000.

On page 4, line 20, increase the amount by $8,000,000,000.

On page 4, line 21, increase the amount by $8,000,000,000.

On page 4, line 22, increase the amount by $8,000,000,000.

On page 5, line 3, decrease the amount by $8,000,000,000.

On page 5, line 4, decrease the amount by $16,000,000,000.

On page 5, line 5, decrease the amount by $24,000,000,000.

On page 5, line 6, decrease the amount by $24,000,000,000.

On page 5, line 7, decrease the amount by $24,000,000,000.

On page 5, line 11, decrease the amount by $8,000,000,000.

On page 5, line 12, decrease the amount by $16,000,000,000.

On page 5, line 13, decrease the amount by $24,000,000,000.

On page 5, line 14, decrease the amount by $24,000,000,000.

On page 5, line 15, decrease the amount by $24,000,000,000.

At the end of title III, insert the following:

SEC. . RESERVE FUND FOR JOB CREATION.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $24,000,000,000 over the total of fiscal years 2005 through 2009 for a bill, joint resolution, motion, amendment, or conference report that would provide resources for job creation, discourage outsourcing of jobs, provide a tax credit for the creation of new manufacturing jobs in the United States, provide small businesses with a tax credit for health care coverage, restore funding to the Manufacturing Extension Program and to the Advanced Technology Partnership, increase spending on federal science research activities, prohibit the use of tax dollars to outsource non-defense and non-homeland security government contracts abroad, require employers to provide workers advance notice of any intention to move their jobs offshore, and expand Trade Adjustment Assistance to include service workers and improve access to affordable health care.

SA 2784. Mr. CRAPO (for himself, Mr. SARBANES, Mr. JEFFORDS, Ms. COLLINS, Mr. REID, Mr. KERRY, Ms. MIKULSKI, Mrs. CLINTON, Mr. DOMENICI, and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 11, line 9, increase the amount by $3,000,000,000.

On page 11, line 10, increase the amount by $150,000,000.

On page 11, line 14, increase the amount by $450,000,000.

On page 11, line 18, increase the amount by $900,000,000.

On page 11, line 22, increase the amount by $900,000,000.

On page 12, line 1, increase the amount by $450,000,000.

On page 23, line 5, decrease the amount by $3,000,000,000.

On page 23, line 6, decrease the amount by $150,000,000.

On page 23, line 10, decrease the amount by $450,000,000.

On page 23, line 14, decrease the amount by $900,000,000.

On page 23, line 18, decrease the amount by $900,000,000.

On page 23, line 22, decrease the amount by $450,000,000.

SA 2785. Mr. LUGAR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE CONCERNING SUMMER FOOD PILOT PROJECTS.

It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions in Function 600 (Income Security), the Senate supports the provision, to the Food and Nutrition Service and other appropriate agencies within the Department of Agriculture, of $15,000,000 for fiscal year 2005, and $127,000,000 for the period of fiscal years 2005 through 2009, to enable those agencies to expand the summer food pilot projects established under section 18(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)) to all States of the United States and to all service institutions (including service institutions described in section 13(a)(7) of that Act).

SA 2786. Mr. DAYTON (for himself, Mr. AKAKA, Mr. CORZINE, Mr. DODD, Mr. KOHL, Mr. LEVIN, Mr. LIEBERMAN, Mrs. MURRAY, Mr. REID, Mr. DURBIN, Mr. JOHNSON, Ms. MIKULSKI, and Ms. STABENOW) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by $11,485,000,000.

On page 3, line 10, increase the amount by $11,136,000,000.

On page 3, line 11, increase the amount by $11,864,000,000.

On page 3, line 12, increase the amount by $12,629,000,000.

On page 3, line 13, increase the amount by $13,415,000,000.

On page 3, line 17, increase the amount by $11,485,000,000.

On page 3, line 18, increase the amount by $11,136,000,000.

On page 3, line 19, increase the amount by $11,864,000,000.

On page 3, line 20, increase the amount by $12,629,000,000.

On page 3, line 21, increase the amount by $13,415,000,000.

On page 4, line 4, increase the amount by $10,485,000,000.

On page 4, line 5, increase the amount by $10,136,000,000.

On page 4, line 6, increase the amount by $10,864,000,000.

On page 4, line 7, increase the amount by $11,629,000,000.

On page 4, line 8, increase the amount by $12,415,000,000.

On page 4, line 12, increase the amount by $210,000,000.

On page 4, line 13, increase the amount by $7,123,000,000.

On page 4, line 14, increase the amount by $10,052,000,000.

On page 4, line 15, increase the amount by $10,653,000,000.

On page 4, line 16, increase the amount by $11,385,000,000.

On page 4, line 20, decrease the amount by $11,275,000,000.

On page 4, line 21, decrease the amount by $4,013,000,000.

On page 4, line 22, decrease the amount by $1,812,000,000.

On page 4, line 23, decrease the amount by $1,976,000,000.

On page 4, line 24, decrease the amount by $2,030,000,000.

On page 5, line 3, decrease the amount by $11,275,000,000.

On page 5, line 4, decrease the amount by $15,288,000,000.

On page 5, line 5, decrease the amount by $17,100,000,000.

On page 5, line 6, decrease the amount by $19,076,000,000.

On page 5, line 7, decrease the amount by $21,106,000,000.

On page 5, line 11, decrease the amount by $11,275,000,000.

On page 5, line 12, decrease the amount by $15,288,000,000.

On page 5, line 13, decrease the amount by $17,100,000,000.

On page 5, line 14, decrease the amount by $19,076,000,000.

On page 5, line 15, decrease the amount by $21,106,000,000.

On page 15, line 16, increase the amount by $10,485,000,000.

On page 15, line 17, increase the amount by $210,000,000.

On page 15, line 20, increase the amount by $10,136,000,000.

On page 15, line 21, increase the amount by $7,123,000,000.

On page 15, line 24, increase the amount by $10,864,000,000.

On page 15, line 25, increase the amount by $10,052,000,000.

On page 16, line 3, increase the amount by $11,629,000,000.

On page 16, line 4, increase the amount by $10,653,000,000.

On page 16, line 7, increase the amount by $12,415,000,000.

On page 16, line 8, increase the amount by $11,385,000,000.

At the end of Section 303, insert the following:

SEC. 304. RESERVE FUND FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

The Chairman of the Committee on the Budget of the Senate shall, in consultation with the Members of the Committee on the Budget and the Chairman and Ranking Member of the appropriate committee, increase the allocations pursuant to section 302(a) of the Congressional Budget Act of 1974 to the Committee on Health, Education, Labor, and Pensions of the Senate by up to $10,485,000,000 in new budget authority and $210,000,000 in outlays for fiscal year 2005, and $55,529,000,000 in new budget authority and $39,423,000,000 in outlays for the total of fiscal years 2005 through 2009, for a bill, amendment, or conference report that would provide increased funding for part B grants, other than section 619, under the Individuals with Disabilities Education Act (IDEA), with the goal that funding for these grants, when taken together with amounts provided by the Committee on Appropriations, provides 40 percent of the national average per pupil expenditure for children with disabilities.

SA 2787. Mr. PRYOR (for himself, Mr. REED, and Mr. CORZINE) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the end of title V, insert the following:

SEC. ___. FINDINGS AND SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the United States is in the grip of pervasively higher home energy prices;

(2) high natural gas, heating oil, and propane prices are, in general, having an effect that is rippling through the United States economy and are, in particular, impacting home energy bills;

(3) while persons in many sectors can adapt to natural gas, heating oil, and propane price increases, persons in some sectors simply cannot;

(4) elderly and disabled citizens who are living on fixed incomes, the working poor, and other low-income individuals face hardships wrought by high home energy prices;

(5) the energy burden for persons among the working poor often exceeds 20 percent of those persons' incomes under normal conditions;

(6) under current circumstances, home energy prices are unnaturally high, and these are not normal circumstances;

(7) while critically important and encouraged, State energy assistance and charitable assistance funds have been overwhelmed by the crisis caused by the high home energy prices;

(8) the Federal Low-Income Home Energy Assistance Program (referred to in this section as "LIHEAP") and the companion weatherization assistance program (referred to in this section as "WAP"), are the Federal Government's primary means to assist eligible low-income individuals in the United States to shoulder the burdens caused by their home cooling and heating needs;

(9) in 2003, LIHEAP reached only 15 percent of the persons in the United States who were eligible for assistance under the program;

(10) since LIHEAP's inception, its inflation-adjusted buying power has eroded by 58 percent; and

(11) current Federal funding for LIHEAP is not sufficient to meet the cooling and heating needs of low-income families.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume—

(1) an authorization of $3,400,000,000 for each of fiscal years 2005 and 2006 to carry out the LIHEAP program;

(2) an authorization of $400,000,000 for fiscal year 2005 and $500,000,000 for fiscal year 2006 to carry out the WAP program;

(3) appropriations, for these programs, of sufficient additional funds to realistically address the cooling and heating needs of low-income families, as well as the systemic shortfalls that have plagued the programs and the eligible individuals that the programs are designed to assist; and

(4) advance appropriations of the necessary funds to ensure the smooth operation of the programs during times of peak demand.

SA 2788. Mr. DODD (for himself, Mr. KENNEDY, Mr. REED, Mrs. MURRAY, Mr. CORZINE, Mrs. CLINTON, Mr. BINGAMAN, Mr. JEFFORDS, Mr. LAUTENBERG, Mr. KERRY, and Mr. KOHL) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3, line 9, increase the amount by $424,000,000.

On page 3, line 10, increase the amount by $344,000,000.

On page 3, line 11, increase the amount by $24,000,000.

On page 3, line 12, increase the amount by $8,000,006.

On page 3, line 17, increase the amount by $424,000,000.

On page 3, line 18, increase the amount by $344,000,000.

On page 3, line 19, increase the amount by $24,000,000.

On page 3, line 20, increase the amount by $8,000,000.

On page 4, line 4, increase the amount by $400,000,000.

On page 4, line 12, increase the amount by. $212,000,000.

On page 4, line 13, increase the amount by $172,000,000.

On page 4, line 14, increase the amount by $12,000,000.

On page 4, line 15, increase the amount by $4,000,000.

On page 4, line 20, increase the amount by $212,000,000.

On page 4, line 21, increase the amount by $172,000,000.

On page 4, line 22, increase the amount by $12,000,000.

On page 4, line 23, increase the amount by $4,000,000.

On page 5, line 3, decrease the amount by $212,000,000.

On page 5, line 4, decrease the amount by $384,000,000.

On page 5, line 5, decrease the amount by $396,000,000.

On page 5, line 6, decrease the amount by $400,000,000.

On page 5, line 7, decrease the amount by $400,000,000.

On page 5, line 11, decrease the amount by $212,000,000.

On page 5, line 12, decrease the amount by $384,000,000.

On page 5, line 13, decrease the amount by $396,000,000.

On page 5, line 14, decrease the amount by $400,000,000.

On page 5, line 15, decrease the amount by $400,000,000.

On page 15, line 16, increase the amount by $400,000,000.

On page 15, line 17, increase the amount by $212,000,000.

On page 15, line 21, increase the amount by $172,000,000.

On page 15, line 25, increase the amount by $12,000,000.

On page 16, line 4, increase the amount by $4,000,000.

On page 39, line 18, increase the amount by $400,000,000.

On page 39, line 19, increase the amount by $212,000,000.

On page 40, line 2, increase the amount by $172,000,000.

SA 2789. Mr. SARBANES (for himself, Mr. JEFFORDS, Mrs. BOXER, Mr. HARKIN, Mr. DODD, Mr. JOHNSON, Mr. BIDEN, Mr. LEVIN, Ms. MIKULSKI, Mr. CORZINE, Mr. KERRY, Ms. STABENOW, Mr. ROCKEFELLER, Mr. KENNEDY, Mr. LIEBERMAN, Mr. DURBIN, and Mr. SCHUMER) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by $429,000,000.

On page 3, line 10, increase the amount by $1,430,000,000.

On page 3, line 11, increase the amount by $858,000,000.

On page 3, line 12, increase the amount by $143,000,000.

On page 3, line 17, increase the amount by $429,000,000.

On page 3, line 18, increase the amount by $1,430,000,000.

On page 3, line 19, increase the amount by $858,000,000.

On page 3, line 20, increase the amount by $143,000,000.

On page 4, line 20, increase the amount by $429,000,000.

On page 4, line 21, increase the amount by $1,430;000,000.

On page 4, line 22, increase the amount by $858,000,000.

On page 4, line 23, increase the amount by $143,000,000.

On page 5, line 3, decrease the amount by $429,000,000.

On page 5, line 4, decrease the amount by $1,859,000,000.

On page 5, line 5, decrease the amount by $2,717,000,000.

On page 5, line 6, decrease the amount by $2,860,000,000.

On page 5, line 7, decrease the amount by $2,860,000,000.

On page 5, line 11, decrease the amount by $429,000,000.

On page 5, line 12, decrease the amount by $1,859,000,000.

On page 5, line 13, decrease the amount by $2,717,000,000.

On page 5, line 14, decrease the amount by $2,860,000,000.

On page 5, line 15, decrease the amount by $2,860,000,000.

SEC. . RESERVE FUND FOR FIRE ACT AND SAFER ACT PROGRAMS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $1,430,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, amendment, motion, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of the levels provided in this resolution for firefighter assistance grant programs such as those authorized by Title XVII of the FY 2001 National Defense Authorization Act (P.L. 106–398) and by Section 1057 of the FY 2004 National Defense Authorization Act (P.L. 108–136) and are administered by the Department of Homeland Security.

SA 2790. Mr. REED (for himself, Mr. KENNEDY, Mrs. CLINTON, Mrs. MURRAY, Ms. MIKULSKI, Mr. BINGAMAN, Mr. DODD, Mr. SCHUMER, Mrs. LINCOLN, Mr. CORZINE, Mr. PRYOR, Mr. LEVIN, Mr. ROCKEFELLER, Mr. BIDEN, Mr. NELSON of Nebraska, Mr. KOHL, Mr. LAUTENBERG, Mr. AKAKA, and Mr. SARBANES) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by $1,332,000,000.

On page 3, line 10, increase the amount by $4,560,000,000.

On page 3, line 11, increase the amount by $220,000,000.

On page 3, line 12, increase the amount by $52,000,000.

On page 3, line 17, increase the amount by $1,332,000,000.

On page 3, line 18, increase the amount by $4,560,000,000.

On page 3, line 19, increase the amount by $220,000,000.

On page 3, line 20, increase the amount by $52,000,000.

On page 4, line 20, increase the amount by $1,332,000,000.

On page 4, line 21, increase the amount by $4,560,000,000.

On page 4, line 22, increase the amount by $220,000,000.

On page 4, line 23, increase the amount by $52,000,000.

On page 5, line 3, decrease the amount by $1,332,000,000.

On page 5, line 4, decrease the amount by $5,892,000,000.

On page 5, line 5, decrease the amount by $6,112,000,000.

On page 5, line 6, decrease the amount by $6,164,000,000.

On page 5, line 7, decrease the amount by $6,164,000,000.

On page 5, line 11, decrease the amount by $1,332,000,000.

On page 5, line 12, decrease the amount by $5,892,000,000.

On page 5, line 13, decrease the amount by $6,112,000,000.

On page 5, line 14, decrease the amount by $6,164,000,000.

On page 5, line 15, decrease the amount by $6,164,000,000.

At the end of Title III, insert the following:

SEC. . RESERVE FUND FOR COLLEGE AND STUDENT FINANCIAL AID PROGRAMS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $3,082,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, joint resolution, motion, amendment, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of levels provided in this resolution, for college and student financial aid programs in the Department of Education, including the Pell

Grant program, campus-based assistance, Leveraging Educational Assistance Partnership, TRIO, GEAR UP, and graduate level programs.

SA 2791. Ms. MIKULSKI (for herself, Mr. LEVIN, Mrs. MURRAY, Mr. SCHUMER, Mr. REED, Mr. DODD, Mr. LAUTENBERG, Mr. DURBIN, and Mr. BIDEN) submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 28, between lines 7 and 8, insert the following:

SEC. 304. RESERVE FOR FUNDING OF HOPE CREDIT.

If the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that increases the Hope credit to $4,000, makes the credit available for 4 years, and makes the credit fully refundable, the chairman of the Committee on the Budget may revise committee allocations for the Committee on Finance and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, if that measure includes offsets including legislation reducing tax benefits on taxpayers with incomes in the top tax bracket and would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 though 2009.

SA 2792. Mr. DORGAN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3 line 10, increase the amount by $1,139,000,000.

On page 3 line 11, increase the amount by $1,139,000,000.

On page 3 line 12, increase the amount by $1,139,000,000.

On page 3 line 13, increase the amount by $1,139,000,000.

On page 3 line 18, increase the amount by $1,139,000,000.

On page 3 line 19, increase the amount by $1,139,000,000.

On page 3 line 20, increase the amount by $1,139,000,000.

On page 3 line 21, increase the amount by $1,139,000,000.

On page 4 line 5, increase the amount by $658,000,000.

On page 4, line 6, increase the amount by $742,000,000;

On page 4, line 7, increase the amount by $692,000,000;

On page 4, line 8, increase the amount by $727,000,000;

On page 4, line 13, increase the amount by $296,000,000;

On page 4, line 14, increase the amount by $597,000,000;

On page 4, line 15, increase the amount by $674,000,000;

On page 4, line 16, increase the amount by $711,000,000;

On page 4, line 21, increase the amount by $843,000,000;

On page 4, line 22, increase the amount by $542,000,000;

On page 4, line 23, increase the amount by $465,000,000;

On page 4, line 24, increase the amount by $428,000,000;

On page 5, line 4, decrease the amount by $843,000,000;

On page 5, line 5, decrease the amount by $1,385,000,000;

On page 5, line 6, decrease the amount by $1,850,000,000;

On page 5, line 7, decrease the amount by $2,278,000,000;

On page 5, line 12, decrease the amount by $843,000,000;

On page 5, line 13, decrease the amount by $1,385,000,000;

On page 5, line 14, decrease the amount by $1,850,000,000;

On page 5, line 15, decrease the amount by $2,278,000,000;

On page 10, line 17, increase the amount by $658,000,000;

On page 10, line 18, increase the amount by $296,000,000;

On page 10, line 21, increase the amount by $742,000,000;

On page 10, line 22, increase the amount by $597,000,000;

On page 10, line 25, increase the amount by $692,000,000;

On page 11, line 1, increase the amount by $674,000,000;

On page 11, line 4, increase the amount by $727,000,000;

On page 11, line 5, increase the amount by $711,000,000.

At the end of Section 303, insert:

SEC. ___. RESERVE FUND FOR HYDROGEN FUEL CELL RESEARCH AND DEVELOPMENT.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $513,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, joint resolution, motion, amendment, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of levels provided in this resolution, for Hydrogen Fuel Cell Research and Development, included in this resolution for the Department of Energy.

On page 40, line 1, increase the amount by $658,000,000;

On page 40, line 2, increase the amount by $296,000,000.

SA 2793. Mr. DORGAN (for himself, Mr. DASCHLE, Mr DURBIN, Mr. AKAKA, Mr. LEAHY, Mrs. FEINSTEIN, Mr. SCHUMER, Mr. KENNEDY, Mr. SARBANES, Mr. ROCKEFELLER, Mr. CORZINE, Ms. STABENOW, Mr. HARKIN, Mrs. BOXER, Mr. KOHL, and Mr. DODD) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by $344,000,000.

On page 3, line 10, increase the amount by $632,000,000.

On page 3, line 11, increase the amount by $510,000,000.

On page 3, line 12, increase the amount by $610,000,000.

On page 3, line 13, increase the amount by $104,000,000.

On page 3, line 17, increase the amount by $344,000,000.

On page 3, line 18, increase the amount by $632,000,000.

On page 3, line 19, increase the amount by $510,000,000.

On page 3, line 20, increase the amount by $610,000,000.

On page 3, line 21, increase the amount by $104,000,000.

On page 4, line 20, increase the amount by $344,000,000.

On page 4, line 21, increase the amount by $632,000,000.

On page 4, line 22, increase the amount by $510,000,000.

On page 4, line 23, increase the amount by $610,000,000.

On page 4, line 24, increase the amount by $104,000,000.

On page 5, line 3, decrease the amount by $344,000,000.

On page 5, line 4, decrease the amount by $976,000,000.

On page 5, line 5, decrease the amount by $1,486,000,000.

On page 5, line 6, decrease the amount by $2,096,000,000.

On page 5, line 7, decrease the amount by $2,200,000,000.

On page 5, line 11, decrease the amount by $344,000,000.

On page 5, line 12, decrease the amount by $976,000,000.

On page 5, line 13, decrease the amount by $1,486,000,000.

On page 5, line 14, decrease the amount by $2,096,000,000.

On page 5, line 15, decrease the amount by $2,200,000,000.

SEC. . RESERVE FUND FOR COPS AND OTHER LAW ENFORCEMENT GRANT PROGRAMS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $1,100,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, amendment, motion, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of the levels provided in this resolution for the Community Oriented Policing Services (COPS) program, the Edward Byrne formula grant program, and the Local Law Enforcement Block Grant program at the Department of Justice.

SA 2794. Mr. THOMAS (for himself, Mr. CONRAD, Mr. JOHNSON, Mr. HAGEL, Mrs. MURRAY, Ms. COLLINS, Mr. FEINGOLD, Mrs. LINCOLN, Mr. JEFFORDS, Mr. ROCKEFELLER, Mr. SMITH, Ms. STABENOW, Mr. NELSON of Nebraska, Mr. BINGAMAN, and Mr. DASCHLE) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United

States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 16, line 12, increase the amount by $100,000,000.

On page 16, line 13, increase the amount by $100,000,000.

On page 23, line 5, decrease the amount by $100,000,000.

On page 23, line 6, decrease the amount by $100,000,000.

SA 2795. Mr. ENSIGN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009, which was ordered to lie on the table; as follows:

On page 45, after line 13, insert the following:

SEC. ___. SENATE FIREWALL FOR DEFENSE AND NONDEFENSE SPENDING.

(a) DEFINITION.—In this section, for purposes of enforcement in the Senate for fiscal year 2005, the term "discretionary spending limit" means—

(1) for the defense category, $420,794,000,000 in new budget authority and $422,811,000,000 in outlays; and

(2) for the nondefense category, $398,879,000,000 in new budget authority and $400,883,000,000 in outlays.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that exceeds any discretionary spending limit set forth in this section.

(2) EXCEPTION.—This subsection shall not apply if a declaration of war by Congress is in effect.

(c) WAIVER AND APPEAL.—This section may be waived or suspended in the Senate only by an affirmative vote of ⅗ of the Members, duly chosen and sworn. An affirmative vote of ⅗ of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

SA 2796. Mr. SANTORUM submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 54, after line 22, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING CONTRIBUTIONS TO THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS, AND MALARIA.

(a) FINDINGS.—The Senate finds that—

(1) the United States—

(A) helped establish The Global Fund to Fight AIDS, Tuberculosis, and Malaria (referred to in this section as the "Fund");

(B) provided its first donation; and

(C) provides leadership to the Fund under Fund Board Chairman Tommy Thompson, Secretary of the Department of Health and Human Services;

(2) as a complement to the President's historic 15-country AIDS initiative, the Fund provides resources to fight AIDS, tuberculosis, malaria, and related diseases around the world;

(3) section 202 of the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2004 (22 U.S.C. 7622) authorizes contributions to the Fund to the extent that United States contributions do not exceed 33 percent of all contributions to the Fund, allowing the United States to contribute $1 for every $2 contributed by other sources.

(4) during fiscal years 2001 through 2003, the United States provided $623,000,000 of the total contributions of $1,900,000,000 to the Fund, which represents approximately ⅓ of total contributions to the Fund;

(5) Congress has appropriated $547,000,000 to the Fund for fiscal year 2004, which has been matched by confirmed pledges of $994,000,000, and is slightly more than ⅓ of total pledges, with additional pledges expected; and

(6) over the life of the Fund, Congress has appropriated sufficient amounts to match contributions from other sources to The Global Fund to Fight AIDS, Tuberculosis, and Malaria on a 1-to-2 basis.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that new budget authority and outlays for fiscal year 2005 within the major functional category entitled "International Affairs (150)" provide sufficient funds to continue matching contributions from other sources to The Global Fund to Fight AIDS, Tuberculosis, and Malaria on a 1-to-2 basis.

SA 2797. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 25, strike lines 4 through 8.

SA 2798. Mr. HARKIN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 12, line 5, increase the amount by $4,000,000.

On page 12, line 6, increase the amount by $4,000,000.

On page 12, line 9, increase the amount by $4,000,000.

On page 12, line 10, increase the amount by $4,000,000.

On page 12, line 13, increase the amount by $4,000,000.

On page 12, line 14, increase the amount by $4,000,000.

On page 12, line 17, increase the amount by $4,000,000.

On page 12, line 18, increase the amount by $4,000,000.

On page 12, line 21, increase the amount by $4,000,000.

On page 12, line 22, increase the amount by $4,000,000.

On page 20, line 17, decrease the amount by $4,000,000.

On page 20, line 18, decrease the amount by $4,000,000.

On page 20, line 21, decrease the amount by $4,000,000.

On page 20, line 22, decrease the amount by $4,000,000.

On page 20, line 25, decrease the amount by $4,000,000.

On page 21, line 1, decrease the amount by $4,000,000.

On page 21, line 4, decrease the amount by $4,000,000.

On page 21, line 5, decrease the amount by $4,000,000.

SA 2799. Mr. HARKIN (for himself, Mrs. FEINSTEIN, Mr. DURBIN, Mr. LAUTENBERG, Mr. BINGAMAN, Ms. LANDRIEU, and Mr. LIEBERMAN) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by $7,800,000,000.

On page 3, line 10, increase the amount by $7,800,000,000.

On page 3, line 11, increase the amount by $7,800,000,000.

On page 3, line 12, increase the amount by $7,800,000,000.

On page 3, line 13, increase the amount by $7,800,000,000.

On page 3, line 17, increase the amount by $7,800,000,000.

On page 3, line 18, increase the amount by $7,800,000,000.

On page 3, line 19, increase the amount by $7,800,000,000.

On page 3, line 20, increase the amount by $7,800,000,000.

On page 3, line 21, increase the amount by $7,800,000,000.

On page 4, line 20, increase the amount by $7,800,000,000.

On page 4, line 21, increase the amount by $7,800,000,000.

On page 4, line 22, increase the amount by $7,800,000,000.

On page 4, line 23, increase the amount by $7,800,000,000.

On page 4, line 24, increase the amount by $7,800,000,000.

On page 5, line 3, decrease the amount by $7,800,000,000.

On page 5, line 4, decrease the amount by $15,600,000,000.

On page 5, line 5, decrease the amount by $23,400,000,000.

On page 5, line 6, decrease the amount by $31,200,000,000.

On page 5, line 7, decrease the amount by $39,000,000,000.

On page 5, line 11, decrease the amount by $7,800,000,000.

On page 5, line 12, decrease the amount by $15,600,000,000.

On page 5, line 13, decrease the amount by $23,400,000,000.

On page 5, line 14, decrease the amount by $31,200,000,000.

On page 5, line 15, decrease the amount by $39,000,000,000.

At the end of Title III, insert the following:

SEC. . FUND FOR HEALTH.

If the Committee on Appropriations of the Senate reports legislation with a level of appropriations for function 550 discretionary programs without the use of this Fund that at least appropriates the sum appropriated for function 550 discretionary programs in fiscal year 2004, the Chairman of the Committee on the Budget of the Senate may revise aggregates, function totals and increase the allocations to the Committee on Appropriations up to $6,000,000,000 in new budget authority and $6,000,000,000 in new budget outlays for fiscal year 2005 and $30,500,000,000 in new budget authority and $30,500,000,000 in budget outlays in fiscal years 2005 through 2009.

SA 2800. Ms. CANTWELL submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3, line 9, increase the amount by $96,000,000.

On page 3, line 10, increase the amount by $495,000,000.

On page 3, line 11, increase the amount by $130,000,000.

On page 3, line 12, increase the amount by $16,000,000.

On page 3, line 13, increase the amount by $7,000,000.

On page 3, line 17 , increase the amount by $96,000,000.

On page 3, line 18, increase the amount by $495,000,000.

On page 3, line 19, increase the amount by $130,000,000.

On page 3, line 20, increase the amount by $16,000,000.

On page 3, line 21, increase the amount by $7,000,000.

On page 4, line 20, increase the amount by $96,000,000.

On page 4, line 21, increase the amount by $495,000,000.

On page 4, line 22, increase the amount by $130,000,000.

On page 4, line 23, increase the amount by $16,000,000.

On page 4, line 24, increase the amount by $7,000,000.

On page 5, line 3, decrease the amount by $96,000,000.

On page 5, line 4, decrease the amount by $592,000,000.

On page 5, line 5, decrease the amount by $722,000,000.

On page 5, line 6, decrease the amount by $738,000,000.

On page 5, line 7, decrease the amount by $745,000,000.

On page 5, line 11, decrease the amount by $96,000,000.

On page 5, line 12, decrease the amount by $592,000,000.

On page 5, line 13, decrease the amount by $722,000,000.

On page 5, line 14, decrease the amount by $738,000,000.

On page 5, line 15, decrease the amount by $745,000,000.

On page 15, line 16, increase the amount by $745,000,000.

On page 15, line 17, increase the amount by $96,000,000.

On page 15, line 21, increase the amount by $495,000,000.

On page 15, line 25, increase the amount by $130,000,000.

On page 16, line 4, increase the amount by $16,000,000.

On page 16, line 8, increase the amount by $7,000,000.

On page 23, line 5, decrease the amount by $745,000,000.

On page 23, line 6, decrease the amount by $96,000,000.

On page 23, line 10, decrease the amount by $495,000,000.

On page 23, line 14, decrease the amount by $130,000,000.

On page 23, line 18, decrease the amount by $16,000,000.

On page 23, line 22, decrease the amount by $7,000,000.

SA 2801. Ms. CANTWELL submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 15, line 16, increase the amount by $745,000,000.

On page 15, line 17, increase the amount by $96,000,000.

On page 15, line 21, increase the amount by $495,000,000.

On page 15, line 25, increase the amount by $130,000,000.

On page 16, line 4, increase the amount by $16,000,000.

On page 16, line 8, increase the amount by $7,000,000.

On page 23, line 5, decrease the amount by $745,000,000.

On page 23, line 6, decrease the amount by $96,000,000.

On page 23, line 10, decrease the amount by $495,000,000.

On page 23, line 14, decrease the amount by $130,000,000.

On page 23, line 18, decrease the amount by $16,000,000.

On page 23, line 22, decrease the amount by $7,000,000.

SA 2802. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the end of title V, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING PRIORITIES FOR EDUCATION FUNDING.

(a) FINDINGS.—Congress makes the following findings:

(1) According to the Department of Education, 5,000 schools have been identified for school improvement, making 2,500,000 children eligible to transfer to a higher performing public school.

(2) Section 1116(b)(1)(E) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6316(b)(1)(E)) requires a school that has failed to make adequate yearly progress for 2 consecutive years to provide an option for students to transfer to a higher performing public school.

(3) The overwhelming majority of parents who have tried to exercise their right to transfer their children to a higher performing public school have been denied the transfer due to a lack of capacity at these higher performing schools.

(4) Full funding for the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) (as amended by the No Child Left Behind Act of 2001) will enable public schools to address these capacity issues and will provide parents with meaningful school choice.

(5) Full funding for the Elementary and Secondary Education Act of 1965 (as amended by the No Child Left Behind Act of 2001) will enable low performing schools to improve by giving the schools the resources to serve an additional 2,000,000 disadvantaged students, hire an additional 100,000 highly qualified teachers, and provide after school tutoring for an additional 1,400,000 students.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the budgetary totals in this resolution assume that no funds will be made available for new programs aimed at transferring students into private schools until school improvement programs under part A of title I, part A of title II, part A of title IV, and parts A and B of title V, of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq., 6601 et seq., 7101 et seq., 7201 et seq., 7221 et seq.) (as amended by the No Child Left Behind Act of 2001) are funded at their authorized levels.

SA 2803. Mrs. LINCOLN (for herself, Mr. DASCHLE, Mr. KENNEDY, Mr. DURBIN, Mr. DODD, Mr. CORZINE, Mr. BINGAMAN, Mr. KERRY, Mr. LAUTENBERG, Mr. JOHNSON, Mr. PRYOR, Mrs. CLINTON, Mr. JEFFORDS, and Ms. MIKULSKI) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by $12,000,000,000.

On page 3, line 10, increase the amount by $12,000,000,000.

On page 3, line 11, increase the amount by $12,000,000,000.

On page 3, line 12, increase the amount by $12,000,000,000.

On page 3, line 13, increase the amount by $12,000,000,000.

On page 3, line 17, increase the amount by $12,000,000,000.

On page 3, line 18, increase the amount by $12,000,000,000.

On page 3, line 19, increase the amount by $12,000,000,000.

On page 3, line 20, increase the amount by $12,000,000,000.

On page 3, line 21, increase the amount by $12,000,000,000.

On page 4, line 4, increase the amount by $12,000,000,000.

On page 4, line 5, increase the amount by $12,000,000,000.

On page 4, line 6, increase the amount by $12,000,000,000.

On page 4, line 7, increase the amount by $12,000,000,000.

On page 4, line 8, increase the amount by $12,000,000,000.

On page 4, line 12, increase the amount by $12,000,000,000.

On page 4, line 13, increase the amount by $12,000,000,000.

On page 4, line 14, increase the amount by $12,000,000,000.

On page 4, line 15, increase the amount by $12,000,000,000.

On page 16, line 12, increase the amount $12,000,000,000.

On page 16, line 13, increase the amount by $12,000,000,000.

On page 16, line 16, increase the amount by $12,000,000,000.

On page 16, line 17, increase the amount by $12,000,000,000.

On page 16, line 20, increase the amount by $12,000,000,000.

On page 16, line 21, increase the amount by $12,000,000,000.

On page 16, line 24, increase the amount by $12,000,000,000.

On page 16, line 25, increase the amount by $12,000,000,000.

On page 17, line 3, increase the amount by $12,000,000,000.

On page 17, line 4, increase the amount by $12,000,000,000.

SA 2804. Mr. BYRD proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by $5,656,000,000.

On page 3, line 10, increase the amount by $13,365,000,000.

On page 3, line 11, increase the amount by $3,596,000,000.

On page 3, line 12, increase the amount by $1,200,000,000.

On page 3, line 13, increase the amount by $429,000,000.

On page 3, line 17, increase the amount by $5,656,000,000.

On page 3, line 18, increase the amount by $13,365,000,000.

On page 3, line 19, increase the amount by $3,596,000,000.

On page 3, line 20, increase the amount by $1,200,000,000.

On page 3, line 21, increase the amount by $429,000,000.

On page 4, line 5, increase the amount by $7,361,000,000.

On page 4, line 13, increase the amount by $13,365,000,000.

On page 4, line 14, increase the amount by $3,596,000,000.

On page 4, line 15, increase the amount by $1,200,000,000.

On page 4, line 16, increase the amount by $429,000,000.

On page 4, line 20, increase the amount by $5,656,000,000.

On page 5, line 3, decrease the amount by $5,656,000,000.

On page 5, line 4, decrease the amount by $5,656,000,000.

On page 5, line 5, decrease the amount by $5,656,000,000.

On page 5, line 6, decrease the amount by $5,656,000,000.

On page 5, line 7, decrease the amount by $5,656,000,000.

On page 5, line 11, decrease the amount by $5,656,000,000.

On page 5, line 12, decrease the amount by $5,656,000,000.

On page 5, line 13, decrease the amount by $5,656,000,000.

On page 5, line 14, decrease the amount by $5,656,000,000.

On page 5, line 15, decrease the amount by $5,656,000,000.

On page 23, line 9, increase the amount by $7,361,000,000.

On page 23, line 10, increase the amount by $13,365,000,000.

On page 23, line 14, increase the amount by $3,596,000,000.

On page 23, line 18, increase the amount by $1,200,000,000.

On page 23, line 22, increase the amount by $429,000,000.

On page 40, line 1, increase the amount by $7,361,000,000.

On page 40, line 2, increase the amount by $13,365,000,000.

At the end of Title III, insert the following:

SEC. ___. RESERVE FUND FOR EDUCATION, VETERANS' MEDICAL CARE, GLOBAL HIV/AIDS, AMTRAK, HIGHWAYS, MASS TRANSIT, NATIONAL INSTITUTES OF HEALTH, FIRST RESPONDER GRANTS AND OTHER DEPARTMENT OF HOMELAND SECURITY PROGRAMS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $11,223,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years for a bill, joint resolution, motion, amendment, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of levels provided in fiscal year 2004, for Department of Education programs in the No Child Left Behind Act (P.L. 107–110), Veterans' medical care programs, the Global HIV/AIDS Initiative, Amtrak, Federal-Aid Highways, Mass Transit Capital Investment Grants, the National Institutes of Health, and first responders (including High-Threat/High-Density Urban Area Grants, State Basic Formula Grants, Firefighter Assistance Grants, COPS, and State and Local Law Enforcement Assistance) and other Department of Homeland Security programs.

SA 2805. Mr. CHAMBLISS submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. INCLUSION OF ETHANOL FUEL CREDIT IN DIRECT PAYMENTS LIMITATION.

Section 1001(b)(1) of the Farm Security Act of 1985 (7 U.S.C. 1308(b)(1)) is amended by inserting ", and the value to the person of the applicable ethanol fuel credit under section 4081(c) of the Internal Revenue Code (as determined by the Secretary), " after "2002".

SA 2806. Mr. GRASSLEY (for himself, Mr. BUNNING, Mr. DOMENICI, Mr. BINGAMAN, Ms. CANTWELL, Mrs. MURRAY, Mr. VOINOVICH, Mrs. CLINTON, Mr. DEWINE, Ms. MURKOWSKI, Mr. REID, Mr. BOND, Mr. KENNEDY, Mr. TALENT, Mr. HARKIN, and Mr. ALEXANDER) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 54, after line 22, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING COMPENSATION FOR EXPOSURE TO TOXIC SUBSTANCES AT THE DEPARTMENT OF ENERGY.

(a) FINDINGS.—The Senate finds the following:

(1) The Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7384 et seq.) (referred to in this section as the "EEOICPA") is intended to ensure the timely payment of uniform and adequate compensation to covered employees suffering from occupational illnesses incurred during their work for the Department of Energy.

(2) The Department of Labor is responsible for implementing the provisions under subtitle B of the EEOICPA, relating to claims for radiation related cancers, beryllium disease, and silicosis. The Department of Labor has, within its area of responsibility, processed over 95 percent of the 52,000 claims it has received, and is processing these claims in an average of 73 days.

(3) As of the date of enactment of this resolution, the Department of Health and Human Services has not promulgated the regulations required under section 3626 of the EEOICPA for allowing claimants to petition to be members of the Special Exposure Cohort. Special Exposure Cohorts provide a presumption in favor of the claimant for radiation related cancers if—

(A) it is not feasible to estimate radiation dose with sufficient accuracy; and

(B) there is a reasonable likelihood that the health of the class of workers may have been endangered.

(4) The Department of Energy, which is responsible for implementing subtitle D of the EEOICPA, relating to occupational illness caused by exposure to toxic substances at Department of Energy facilities, finalized its regulations on August 14, 2002. The Department of Energy has processed 1 percent of the 22,000 claims received through the Department of Energy physicians panels since its regulations were made final.

(5) The Department of Energy has no willing payor for up to 50 percent of the claims that its physicians panels determine to be related to exposure to a toxic substance at the Department of Energy. As a consequence, many claimants with a positive determination from the physicians panel will be denied benefits. Many States, including Alaska, Colorado, Iowa, Kentucky, Missouri, Ohio, New Mexico, Idaho, and Nevada, may not have a willing payor.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) claims for occupational illness, which are determined to be caused by exposure to toxic substances at Department of Energy facilities under subtitle D of the EEOICPA, should be promptly, equitably, and efficiently compensated;

(2) administrative and technical changes should be made to the EEOICPA to—

(A) improve claims processing and review by physicians panels to ensure cost-effective and efficient consideration and determination of workers' claims;

(B) provide for membership in additional special exposure cohorts; and

(C) address eligibility issues at facilities with residual radiation; and

(3) the President and Congress should work together at the earliest opportunity to develop a plan that effectively resolves the issue of a lack of a willing payor for many claims that are determined under subtitle D of the EEOICPA to be related to exposure to

a toxic substance at Department of Energy facilities.

SA 2807. Mr. LIEBERMAN (for himself, Mr. SCHUMER, Ms. MIKULSKI, Mr. LAUTENBERG, Mr. BIDEN, Mrs. MURRAY, Mr. KENNEDY, Mr. CORZINE, Mr. LEVIN, Mr. KOHL, Mrs. BOXER, Mr. DODD, Mr. JOHNSON, Mr. AKAKA, Mr. DURBIN, Mr. LEAHY, Mr. KERRY, and Mr. GRAHAM of Florida) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by $3,664,000,000.

On page 3, line 10, increase the amount by $4,533,000,000.

On page 3, line 11, increase the amount by $4,089,000,000.

On page 3, line 12, increase the amount by $1,160,000,000.

On page 3, line 13, increase the amount by $175,000,000.

On page 3, line 17, increase the amount by $3,664,000,000.

On page 3, line 18, increase the amount by $4,533,000,000.

On page 3, line 19, increase the amount by $4,089,000,000.

On page 3, line 20, increase the amount by $1,160,000,000.

On page 3, line 21, increase the amount by $175,000,000.

On page 4, line 20, increase the amount by $3,664,000,000.

On page 4, line 21, increase the amount by $4,533,000,000.

On page 4, line 22, increase the amount by $4,089,000,000.

On page 4, line 23, increase the amount by $1,160,000,000.

On page 4, line 24, increase the amount by $175,000,000.

On page 5, line 3, decrease the amount by $3,664,000,000.

On page 5, line 4, decrease the amount by $8,197,000,000.

On page 5, line 5, decrease the amount by $12,286,000,000.

On page 5, line 6, decrease the amount by $13,446,000,000.

On page 5, line 7, decrease the amount by $13,621,000,000.

On page 5, line 11, decrease the amount by $3,664,000,000.

On page 5, line 12, decrease the amount by $8,197,000,000.

On page 5, line 13, decrease the amount by $12,286,000,000.

On page 5, line 14, decrease the amount by $13,446,000,000.

On page 5, line 15, decrease the amount by $13,621,000,000.

SEC. . RESERVE FUND FOR HOMELAND SECURITY PROGRAMS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $6,800,000,000 in budget authority for fiscal year 2005, and by amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, amendment, motion, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of the levels provided in this resolution for first responder grant programs, border security programs, port security grants, the Operation Safe Commerce program, the Coast Guard Deepwater program, and transportation security programs at the Department of Homeland Security; the Community Oriented Policing Services (COPS) program, the Edward Byrne grant program, and the Local Law Enforcement Block Grant program at the Department of Justice; and bioterror—related programs at the Department of Health and Human Services.

SA 2808. Mr. LEAHY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE CONCERNING CHILD NUTRITION FUNDING.

(a) FINDINGS.—The Senate finds that—

(1) Federal child nutrition programs have long played a critical role in providing children in the United States with quality nutrition from birth through secondary school;

(2) recognizing the value of these benefits to children in the United States, Congress has an enduring tradition of bipartisan support for these programs;

(3) children in the United States are increasingly at nutritional risk due to poor dietary habits, lack of access to nutritious foods, and obesity and diet-related diseases associated with poor dietary intake;

(4) many children in the United States who would benefit from Federal child nutrition programs do not receive benefits due to financial or administrative barriers; and

(5) Federal child nutrition programs are expected to be reauthorized in the 108th Congress.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports the retention in the conference report for this concurrent resolution of the additional funds provided in this concurrent resolution for the reauthorization of Federal child nutrition programs.

SA 2809. Mr. EDWARDS (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3, line 9, increase the amount by $3,000,000,000.

On page 3, line 10, increase the amount by $3,000,000,000.

On page 3, line 11, increase the amount by $3,000,000,000.

On page 3, line 12, increase the amount by $3,000,000,000.

On page 3, line 13, increase the amount by $3,000,000,000.

On page 3, line 17, increase the amount by $3,000,000,000.

On page 3, line 18, increase the amount by $3,000,000,000.

On page 3, line 19, increase the amount by $3,000,000,000.

On page 3, line 20, increase the amount by $3,000,000,000.

On page 3, line 21, increase the amount by $3,000,000,000.

On page 4, line 20, increase the amount by $3,000,000,000.

On page 4, line 21, increase the amount by $3,000,000,000.

On page 4, line 22, increase the amount by $3,000,000,000.

On page 4, line 23, increase the amount by $3,000,000,000.

On page 4, line 24, increase the amount by $3,000,000,000.

On page 5, line 3, decrease the amount by $3,000,000,000.

On page 5, line 4, decrease the amount by $6,000,000,000.

On page 5, line 5, decrease the amount by $9,000,000,000.

On page 5, line 6, decrease the amount by $12,000,000,000.

On page 5, line 7, decrease the amount by $15,000,000,000.

On page 5, line 11, decrease the amount by $3,000,000,000.

On page 5, line 12, decrease the amount by $6,000,000,000.

On page 5, line 13, decrease the amount by $9,000,000,000.

On page 5, line 14, decrease the amount by $12,000,000,000.

On page 5, line 15, decrease the amount by $15,000,000,000.

At the end of title III, insert the following:

SEC. . RESERVE FUND FOR FIGHTING POVERTY.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations, and other appropriate levels and limits in this resolution by up to $15,000,000,000 over the total of fiscal years 2005 through 2009 for a bill, joint resolution, motion, amendment, or conference report that would help working families by strengthening and protecting the Earned Income Credit and to help low-income and moderate-income families save and build a better future for themselves.

SA 2810. Mr. PRYOR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the end of title V, insert the following:

SEC. ___. FINDINGS AND SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the United States is in the grip of pervasively higher home energy prices;

(2) high natural gas, heating oil, and propane prices are, in general, having an effect that is rippling through the United States economy and are, in particular, impacting home energy bills;

(3) while persons in many sectors can adapt to natural gas, heating oil, and propane price increases, persons in some sectors simply cannot;

(4) elderly and disabled citizens who are living on fixed incomes, the working poor, and other low-income individuals face hardships wrought by high home energy prices;

(5) the energy burden for persons among the working poor often exceeds 20 percent of

those persons' incomes under normal conditions;

(6) under current circumstances, home energy prices are unnaturally high, and these are not normal circumstances;

(7) while critically important and encouraged, State energy assistance and charitable assistance funds have been overwhelmed by the crisis caused by the high home energy prices;

(8) the Federal Low-Income Home Energy Assistance Program (referred to in this section as "LIHEAP") and the companion weatherization assistance program (referred to in this section as "WAP"), are the Federal Government's primary means to assist eligible low-income individuals in the United States to shoulder the burdens caused by their home cooling and heating needs;

(9) in 2003, LIHEAP reached only 15 percent of the persons in the United States who were eligible for assistance under the program;

(10) since LIHEAP's inception, its inflation-adjusted buying power has eroded by 58 percent; and

(11) current Federal funding for LIHEAP is not sufficient to meet the cooling and heating needs of low-income families.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume—

(1) an authorization of $3,400,000,000 for each of fiscal years 2005 and 2006 to carry out the LIHEAP program;

(2) an authorization of $400,000,000 for fiscal year 2005 and $500,000,000 for fiscal year 2006 to carry out the WAP program;

(3) appropriations, for these programs, of sufficient additional funds to realistically address the cooling and heating needs of low-income families; and

(4) advance appropriations of the necessary funds to ensure the smooth operation of the programs during times of peak demand.

SA 2811. Mr. SCHUMER submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3, line 9, increase the amount by $1,418,000,000.

On page 3, line 10, increase the amount by $1,418,000,000.

On page 3, line 11, increase the amount by $1,418,000,000.

On page 3, line 12, increase the amount by $1,419,000,000.

On page 3, line 13, increase the amount by $1,419,000,000.

On page 3, line 17, increase the amount by $1,418,000,000.

On page 3, line 18, increase the amount by $1,418,000,000.

On page 3, line 19, increase the amount by $1,418,000,000

On page 3, line 20, increase the amount by $1,419,000,000.

On page 3, line 21, increase the amount by $1,419,000,000.

On page 4, line 4, decrease the amount by $261,000,000.

On page 4, line 5, decrease the amount by $374,000,000.

On page 4, line 6, decrease the amount by $427,000,000.

On page 4, line 7, decrease the amount by $236,000,000.

On page 4, line 8, decrease the amount by $167,000,000.

On page 4, line 12, decrease the amount by $221,000,000.

On page 4, line 13, decrease the amount by $394,000,000.

On page 4, line 14, decrease the amount by $407,000,000.

On page 4, line 15, decrease the amount by $256,000,000.

On page 4, line 16, decrease the amount by $187,000,000.

On page 4, line 20, increase the amount by $1,639,000,000.

On page 4, line 21, increase the amount by $1,812,000,000.

On page 4, line 22, increase the amount by $1,825,000,000.

On page 4, line 23, increase the amount by $1,675,000,000.

On page 4, line 24, increase the amount by $1,606,000,000.

On page 5, line 3, decrease the amount by $1,639,000,000.

On page 5, line 4, decrease the amount by $3,451,000,000.

On page 5, line 5, decrease the amount by $5,276,000,000.

On page 5, line 6, decrease the amount by $6,951,000,000.

On page 5, line 7, decrease the amount by $8,557,000,000.

On page 5, line 11, decrease the amount by $1,639,000,000.

On page 5, line 12, decrease the amount by $3,451,000,000.

On page 5, line 13, decrease the amount by $5,276,000,000.

On page 5, line 14, decrease the amount by $6,951,000,000.

On page 5, line 15, decrease the amount by $8,557,000,000.

On page 10, line 13, decrease the amount by $261,000,000.

On page 10, line 14, decrease the amount by $221,000,000.

On page 10, line 17, decrease the amount by $374,000,000.

On page 10, line 18, decrease the amount by $394,000,000.

On page 10, line 21, decrease the amount by $427,000,000.

On page 10, line 22, decrease the amount by $407,000,000.

On page 10, line 25, decrease the amount by $236,000,000.

On page 11, line 1, decrease the amount by $256,000,000.

On page 11, line 4, decrease the amount by $167,000,000.

On page 11, line 5, decrease the amount by $187,000,000.

On page 27, strike lines 15 through 25.

On page 28, strike lines 1 through 7.

SA 2812. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—HOT-ROLLED STEEL

SEC. 501. IMPLEMENTATION OF HOT-ROLLED STEEL RULING.

(a) IN GENERAL.—Section 735(c)(5) (A) and (B) of the Tariff Act of 1930 (19 U.S.C. 1673d(c)(5) (A) and (B)) are each amended by striking "entirely".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to final determinations made on or after the date of enactment of this Act by the administering authority pursuant to section 735 of the Tariff Act of 1930.

SA 2813. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—REPEAL OF ANTI-DUMPING PROVISION OF REVENUE ACT OF 1916.

SEC. 501. REPEAL OF ANTIDUMPING PROVISION OF REVENUE ACT OF 1916.

(a) REPEAL.—Section 801 of the Act entitled "An Act to increase the revenue, and for other purposes", approved September 8, 1916 (15 U.S.C. 72), is repealed.

(b) EFFECT OF REPEAL.—The repeal made by subsection (a) shall not affect any action under section 801 of the Act referred to in subsection (a) that was commenced before the date of the enactment of this Act and is pending on such date.

SA 2814. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—IDENTIFICATION OF COUNTRIES THAT DENY MARKET ACCESS FOR AGRICULTURAL PRODUCTS

SEC. 501. SHORT TITLE.

This title may be cited as the "United States Agricultural Products Market Access Act of 2004".

SEC. 502. FINDINGS; PURPOSES.

(a) FINDINGS.—Congress makes the following findings:

(1) The export of agricultural products is of vital importance to the economy of the United States.

(2) In 2002, agriculture was a large positive contributor to the United States merchandise trade balance with a trade surplus of $12,300,000,000.

(3) The growth of United States agricultural exports should continue to be an important factor in improving the United States merchandise trade balance.

(4) Increasing the volume of agricultural exports will increase farm income in the United States, thereby protecting family farms and contributing to the economic well-being of rural communities in the United States.

(5) Although the United States efficiently produces high-quality agricultural products, United States producers cannot realize their

full export potential because many foreign countries deny fair and equitable market access to United States agricultural products.

(6) The Foreign Agricultural Service estimates that United States agricultural exports are reduced by $4,700,000,000 annually due to unjustifiable imposition of sanitary and phytosanitary measures that deny or limit market access to United States products.

(7) The denial of fair and equitable market access for United States agricultural products impedes the ability of United States farmers to export their products, thereby harming the economic interests of the United States.

(b) Purposes.—The purposes of this Act are—

(1) to reduce or eliminate foreign unfair trade practices and to remove constraints on fair and open trade in agricultural products;

(2) to ensure fair and equitable market access for exports of United States agricultural products; and

(3) to promote free and fair trade in agricultural products.

SEC. 503. IDENTIFICATION OF COUNTRIES THAT DENY MARKET ACCESS.

(a) Identification Required.—Chapter 8 of title I of the Trade Act of 1974 (19 U.S.C. 2241 et seq.) is amended by adding at the end the following:

"SEC. 183. IDENTIFICATION OF COUNTRIES THAT DENY MARKET ACCESS FOR AGRICULTURAL PRODUCTS.

"(a) In General.—Not later than the date that is 30 days after the date on which the annual report is required to be submitted to Congressional committees under section 181(b), the United States Trade Representative (in this section referred to as the 'Trade Representative') shall identify—

"(1) those foreign countries that—

"(A) deny fair and equitable market access to United States agricultural products, or

"(B) apply sanitary or phytosanitary measures to the importation of agricultural products from the United States that are not based on scientific principles or sufficient scientific evidence, and

"(2) those foreign countries identified under paragraph (1) that are determined by the Trade Representative to be priority foreign countries.

"(b) Special Rules for Identifications.—

"(1) Criteria.—In identifying priority foreign countries under subsection (a)(2), the Trade Representative shall only identify those foreign countries—

"(A) that engage in or have the most onerous or egregious acts, policies, or practices that deny fair and equitable market access to United States agricultural products,

"(B) whose acts, policies, or practices described in subparagraph (A) have the greatest adverse impact (actual or potential) on the relevant United States products, and

"(C) that are not—

"(i) entering into good faith negotiations, or

"(ii) making significant progress in bilateral or multilateral negotiations,

to provide fair and equitable market access to United States agricultural products.

"(2) Consultation and consideration requirements.—In identifying priority foreign countries under subsection (a)(2), the Trade Representative shall—

"(A) consult with the Secretary of Agriculture and other appropriate officers of the Federal Government, and

"(B) take into account information from such sources as may be available to the Trade Representative and such information as may be submitted to the Trade Representative by interested persons, including information contained in reports submitted under section 181(b) and petitions submitted under section 302.

"(3) Factual basis requirement.—The Trade Representative may identify a foreign country under subsection (a)(1) only if the Trade Representative finds that there is a factual basis for the denial of fair and equitable market access as a result of the violation of international law or agreement, or the existence of barriers, referred to in subsection (d).

"(4) Consideration of historical factors.—In identifying foreign countries under paragraphs (1) and (2) of subsection (a), the Trade Representative shall take into account—

"(A) the history of agricultural trade relations with the foreign country, including any previous identification under subsection (a)(2), and

"(B) the history of efforts of the United States, and the response of the foreign country, to achieve fair and equitable market access for United States agricultural products.

"(c) Revocations and Additional Identifications.—

"(1) Authority to act at any time.—If information available to the Trade Representative indicates that such action is appropriate, the Trade Representative may at any time—

"(A) revoke the identification of any foreign country as a priority foreign country under this section, or

"(B) identify any foreign country as a priority foreign country under this section.

"(2) Revocation reports.—The Trade Representative shall include in the semiannual report submitted to the Congress under section 309(3) a detailed explanation of the reasons for the revocation under paragraph (1) of the identification of any foreign country as a priority foreign country under this section.

"(d) Denial of Fair and Equitable Market Access Defined.—For purposes of this section, a foreign country denies fair and equitable market access if the foreign country effectively denies access to a market for a product through the use of laws, procedures, practices, or regulations which—

"(1) violate provisions of international law or international agreements to which both the United States and the foreign country are parties, or

"(2) constitute discriminatory nontariff trade barriers.

"(e) Publication.—The Trade Representative shall publish in the Federal Register a list of foreign countries identified under subsection (a) and shall make such revisions to the list as may be required by reason of the action under subsection (c).

"(f) Annual Report.—The Trade Representative shall, not later than the date by which countries are identified under subsection (a), transmit to the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the actions taken under this section during the 12 months preceding such report, and the reasons for such actions, including a description of progress made in achieving fair and equitable market access for United States agricultural products.".

(b) Clerical Amendment.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 182 the following:

"Sec. 183. Identification of countries that deny market access for agricultural products.".

(c) Additional Staff for Office of Assistant Trade Representative for Agricultural Affairs and Office of Assistant Trade Representative for Monitoring and Enforcement.—

(1) In general.—There is authorized to be appropriated such sums as may be necessary for fiscal year 2005 for the salaries and expenses of 1 additional specialist employee position within the Office of the Assistant United States Trade Representative for Agricultural Affairs and 1 additional specialist employee position within the Office of the Assistant United States Trade Representative for Monitoring and Enforcement.

(2) Availability.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

SEC. 504. INVESTIGATIONS.

(a) Investigation Required.—Subparagraph (A) of section 302(b)(2) of the Trade Act of 1974 (19 U.S.C. 2412(b)(2)) is amended by inserting "or 183(a)(2)" after "section 182(a)(2)" in the matter preceding clause (i).

(b) Conforming Amendment.—Subparagraph (D) of section 302(b)(2) of such Act is amended by inserting "concerning intellectual property rights that is" after "any investigation".

SA 2815. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—AGRICULTURAL TRADE COMPLIANCE.

SEC. 501. SHORT TITLE.

This title may be cited as the "Mexican Agricultural Trade Compliance Act".

SEC. 502. FINDINGS.

Congress makes the following findings:

(1) Section 301 of the Trade Act of 1974 provides that, if the United States Trade Representative determines that the rights of the United States under any trade agreement are being denied, the Trade Representative shall take action to enforce such rights.

(2) The Statement of Administrative Action accompanying the Uruguay Round Agreements Act provided that the United States Trade Representative would base any section 301 determination as to whether there has been a violation or denial of United States rights under the Uruguay Round Agreements on panel or Appellate Body findings adopted by the Dispute Settlement Body of the World Trade Organization.

(3) In a panel report adopted by the Dispute Settlement Body on January 27, 2000, the Dispute Settlement Body determined that section 301 of the Trade Act of 1974 is not inconsistent with United States obligations under the Uruguay Round Agreements, particularly in light of the decision of the United States to use section 301 only after exhausting its rights under the Dispute Settlement Understanding.

(4) On January 28, 2000, a panel of the World Trade Organization determined that

Mexico's antidumping order on high fructose corn syrup imported from the United States violated Mexico's commitments under the Uruguay Round Agreements.

(5) On February 24, 2000, the Dispute Settlement Body adopted the report of the panel.

(6) On April 10, 2000, the United States and Mexico agreed to a September 22, 2000, deadline for Mexico to come into compliance with the panel report as adopted by the Dispute Settlement Body.

(7) On September 20, 2000, just 2 days prior to the date Mexico had agreed to come into compliance with the panel report, Mexico issued a revised antidumping threat determination in an obvious attempt to evade its commitment to come into compliance with the panel report adopted by the Dispute Settlement Body.

(8) On June 22, 2001, a panel, convened pursuant to Article 21.5 of the Dispute Settlement Understanding, found that Mexico's revised antidumping threat determination failed to bring Mexico into compliance with its commitments under the World Trade Organization.

(9) On October 22, 2001, the Appellate Body affirmed the ruling of the Article 21.5 panel and recommended that Mexico come into compliance with its obligations under the World Trade Organization.

(10) On November 21, 2001, the Dispute Settlement Body adopted the Appellate Body ruling that affirmed the findings of the Article 21.5 panel.

(11) On January 1, 2002, in a transparent attempt to evade the determinations of the Dispute Settlement Body regarding Mexico's antidumping order on high fructose corn syrup, and in an affront to the rules-based system of the World Trade Organization, Mexico imposed a de facto discriminatory 20 percent tax on soft drinks containing high fructose corn syrup, the intent and effect of which is to continue Mexico's antidumping order on United States high fructose corn syrup by other means by restricting access to the Mexican market.

(12) On April 20, 2002, with its discriminatory tax on soft drinks containing high fructose corn syrup now in place, and in a continuous event with the imposition of this tax, Mexico lifted its antidumping order on high fructose corn syrup. Importantly, Mexico lifted its antidumping order only after ensuring that imports of United States high fructose corn syrup would not enter the Mexican market due to the imposition of the tax on soft drinks. Mexico's lifting of its antidumping order enabled it to make the disingenuous claim that it had come into compliance with the findings adopted by the Dispute Settlement Body regarding Mexico's antidumping order.

(13) The imposition of the tax on soft drinks and the lifting of the antidumping order by Mexico are related aspects of a unified effort by Mexico to deny the rights of the United States with respect to the trade of high fructose corn syrup.

(14) The effects of the import restrictions of Mexico's antidumping order continue with even more egregious results through the imposition of a 20 percent tax on high fructose corn syrup. Imports of high fructose corn syrup from the United States dropped from 110,893 metric tons in 2001 (the year prior to the lifting of the antidumping order) to 4,868 metric tons in 2002 (the first year of the tax).

(15) The United States has exhausted proceedings under the Dispute Settlement Understanding, and the Dispute Settlement Body has on more than 1 occasion adopted findings adverse to Mexico.

SEC. 503. DEFINITIONS.

In this title:

(1) APPELLATE BODY.—The term "Appellate Body" means the Appellate Body established under Article 17.1 of the Dispute Settlement Understanding.

(2) DISPUTE SETTLEMENT BODY.—The term "Dispute Settlement Body" has the meaning given that term in section 121(5) of the Uruguay Round Agreements Act (19 U.S.C. 3531(5)).

(3) DISPUTE SETTLEMENT PANEL; PANEL.—The terms "dispute settlement panel" and "panel" mean a panel established pursuant to Article 6 of the Dispute Settlement Understanding.

(4) DISPUTE SETTLEMENT UNDERSTANDING.—The term "Dispute Settlement Understanding" means the Understanding on Rules and Procedures Governing the Settlement of Disputes referred to in section 101(d)(16) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(16)).

(5) GATT 1994.—The term "GATT 1994" has the meaning given such term in section 2(1)(B) of the Uruguay Round Agreements Act (19 U.S.C. 3501(1)(B).

(6) URUGUAY ROUND AGREEMENTS.—The term "Uruguay Round Agreements" has the meaning given such term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7).

(7) WORLD TRADE ORGANIZATION.—The term "World Trade Organization" means the organization established pursuant to the WTO Agreement.

(8) WTO AGREEMENT.—The term "WTO Agreement" means the Agreement Establishing The World Trade Organization entered into on April 15, 1994.

SEC. 504. ENFORCEMENT OF UNITED STATES RIGHTS UNDER THE URUGUAY ROUND AGREEMENTS AND OTHER TRADE AGREEMENTS WITH RESPECT TO HIGH FRUCTOSE CORN SYRUP EXPORTED TO MEXICO.

(a) DETERMINATION.—Congress determines that—

(1) the rights of the United States under the Uruguay Round Agreements are being denied by Mexico in connection with the imposition by Mexico of a 20 percent tax on soft drinks containing high fructose corn syrup, an extension by other means of Mexico's unjustified antidumping order on high fructose corn syrup from the United States;

(2) the United States has exhausted proceedings under the Dispute Settlement Understanding;

(3) Mexico's imposition of a tax on high fructose corn syrup, an extension by other means of its unjustified antidumping order on high fructose corn syrup from the United States—

(A) constitutes an act, policy, or practice by Mexico that is unjustifiable and burdens or restricts United States commerce for purposes of section 304(a)(1) of the Trade Act of 1974 (19 U.S.C. 2414(a)(1)); and

(B) denies rights to which the United States is entitled under existing trade agreements with Mexico for purposes of such section 304; and

(4) unless, a certification described in subsection (b) is submitted, the United States Trade Representative shall take appropriate action under subsection (c).

(b) CERTIFICATION.—The certification described in this subsection means a certification from the United States Trade Representative submitted to Congress not later than 30 days after the date of enactment of this Act that states that Mexico has eliminated its tax on soft drinks containing high fructose corn syrup and is taking satisfactory measures to preserve the rights of the United States under all applicable trade agreements with respect to high fructose corn syrup.

(c) ACTION TO BE TAKEN BY USTR.—If a certification is not made under subsection (b), the United States Trade Representative, not later than 60 days after the date of enactment of this Act and after consultation with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, shall, pursuant to section 301(c)(1) (A) and (B) of the Trade Act of 1974 (19 U.S.C. 2411(c)(1) (A) and (B))—

(1) suspend, withdraw, or prevent the application of, benefits of trade agreement concessions to carry out a trade agreement with Mexico; or

(2) impose duties or other import restrictions on the goods of Mexico, including agricultural products imported from Mexico, and notwithstanding any other provision of law, fees or restrictions on the services of, Mexico for such time as the Trade Representative determines appropriate.

SA 2816. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—MANUFACTURING AND WORKER ASSISTANCE

SEC. 501. SHORT TITLE.

This title may be cited as the "Enhanced Domestic Manufacturing and Worker Assistance Act of 2004".

Subtitle A—Extension and Expansion of Trade Adjustment Assistance

SEC. 511. EXTENSION FOR WORKERS AND FIRMS.

(a) IN GENERAL.—Section 285(a) and (b)(1) and (2) of the Trade Act of 1974 (19 U.S.C. 2271 note prec.) are amended by striking "September 30, 2007" each place it appears and inserting "September 30, 2012".

(b) AUTHORIZATION.—

(1) WORKERS.—Section 245(a) of the Trade Act of 1974 (19 U.S.C. 2317(a)) is amended by striking "September 30, 2007" and inserting "September 30, 2012".

(2) FIRMS.—

(A) IN GENERAL.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended—

(i) by striking "$16,000,000" and inserting "$32,000,000"; and

(ii) by striking "2007" and inserting "2012".

(B) EXPANSION OF LOANS.—Section 255(h) of such Act (19 U.S.C. 2345) is amended—

(i) in paragraph (1), by striking "$3,000,000" and inserting "$6,000,000"; and

(ii) in paragraph (2), by striking "$1,000,000" and inserting "$2,000,000".

(3) FARMERS.—Section 298(a) of the Trade Act of 1974 (19 U.S.C. 2401g(a)) is amended by striking "2007" and inserting "2012".

(c) FISHERMEN.—Notwithstanding any other provision of law, for purposes of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) fishermen who harvest wild stock shall be eligible for adjustment assistance to the same extent and in the same manner as a group of workers under such chapter 2.

SEC. 512. TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.

(a) In General.—Chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371 et seq.) is amended to read as follows:

"CHAPTER 4—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

"SEC. 271. DEFINITIONS.

"In this chapter:

"(1) Affected domestic producer.—The term 'affected domestic producer' means any manufacturer, producer, farmer, rancher, fisherman or worker representative (including associations of such persons) that was affected by a finding under the Antidumping Act, 1921, or by an antidumping or countervailing duty order issued under title VII of the Tariff Act of 1930.

"(2) Agricultural commodity producer.—The term 'agricultural commodity producer' has the same meaning as the term 'person' as prescribed by regulations promulgated under section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)).

"(3) Community.—The term 'community' means a city, county, or other political subdivision of a State or a consortium of political subdivisions of a State.

"(4) Community negatively impacted by trade.—A community negatively impacted by trade means a community with respect to which a determination has been made under section 273.

"(5) Eligible community.—The term 'eligible community' means a community certified under section 273 for assistance under this chapter.

"(6) Fisherman.—

"(A) In general.—The term 'fisherman' means any person who—

"(i) is engaged in commercial fishing; or

"(ii) is a United States fish processor.

"(B) Commercial fishing, fish, fishery, fishing, fishing vessel, person, and United States fish processor.—The terms 'commercial fishing', 'fish', 'fishery', 'fishing', 'fishing vessel', 'person', and 'United States fish processor' have the same meanings as such terms have in the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).

"(7) Job loss.—The term 'job loss' means the total or partial separation of an individual, as those terms are defined in section 247.

"(8) Secretary.—The term 'Secretary' means the Secretary of Commerce.

"SEC. 272. COMMUNITY TRADE ADJUSTMENT ASSISTANCE PROGRAM.

"(a) Establishment.—Not later than 120 days after the date of enactment of the Enhanced Domestic Manufacturing and Worker Assistance Act of 2004, the Secretary shall establish a Trade Adjustment Assistance for Communities Program at the Department of Commerce.

"(b) Personnel.—The Secretary shall designate such staff as may be necessary to carry out the responsibilities described in this chapter.

"(c) Coordination of Federal Response.—The Secretary shall—

"(1) provide leadership, support, and coordination for a comprehensive management program to address economic dislocation in eligible communities;

"(2) coordinate the Federal response to an eligible community—

"(A) by identifying all Federal, State, and local resources that are available to assist the eligible community in recovering from economic distress;

"(B) by ensuring that all Federal agencies offering assistance to an eligible community do so in a targeted, integrated manner that ensures that an eligible community has access to all available Federal assistance;

"(C) by assuring timely consultation and cooperation between Federal, State, and regional officials concerning economic adjustment for an eligible community; and

"(D) by identifying and strengthening existing agency mechanisms designed to assist eligible communities in their efforts to achieve economic adjustment and workforce reemployment;

"(3) provide comprehensive technical assistance to any eligible community in the efforts of that community to—

"(A) identify serious economic problems in the community that are the result of negative impacts from trade;

"(B) integrate the major groups and organizations significantly affected by the economic adjustment;

"(C) access Federal, State, and local resources designed to assist in economic development and trade adjustment assistance;

"(D) diversify and strengthen the community economy; and

"(E) develop a community-based strategic plan to address economic development and workforce dislocation, including unemployment among agricultural commodity producers, and fishermen;

"(4) establish specific criteria for submission and evaluation of a strategic plan submitted under section 274(d);

"(5) establish specific criteria for submitting and evaluating applications for grants under section 275; and

"(6) administer the grant programs established under sections 274 and 275.

"SEC. 273. CERTIFICATION AND NOTIFICATION.

"(a) Certification.—Not later than 45 days after an event described in subsection (c)(1), the Secretary of Commerce shall determine if a community described in subsection (b)(1) is negatively impacted by trade, and if a positive determination is made, shall certify the community for assistance under this chapter.

"(b) Determination That Community Is Eligible.—

"(1) Community described.—A community described in this paragraph means a community with respect to which—

"(A) the Secretary of Labor certifies a group of workers (or their authorized representative) in the community as eligible for assistance pursuant to section 223;

"(B) the Secretary of Commerce certifies a firm located in the community as eligible for adjustment assistance under section 251;

"(C) the Secretary of Agriculture certifies a group of agricultural commodity producers (or their authorized representative) in the community as eligible for adjustment assistance under section 293;

"(D) an affected domestic producer is located in the community; or

"(E) the Secretary of Commerce determines that a significant number of fishermen in the community is negatively impacted by trade.

"(2) Negatively impacted by trade.—The Secretary of Commerce shall determine that a community is negatively impacted by trade, after taking into consideration—

"(A) the number of jobs affected compared to the size of workforce in the community;

"(B) the severity of the rates of unemployment in the community and the duration of the unemployment in the community;

"(C) the income levels and the extent of underemployment in the community;

"(D) the outmigration of population from the community and the extent to which the outmigration is causing economic injury in the community; and

"(E) the unique problems and needs of the community.

"(c) Definition and Special Rules.—

"(1) Event described.—An event described in this paragraph means one of the following:

"(A) A notification described in paragraph (2).

"(B) A certification of a firm under section 251.

"(C) A finding under the Antidumping Act, 1921, or an antidumping or countervailing duty order issued under title VII of the Tariff Act of 1930.

"(D) A determination by the Secretary that a significant number of fishermen in a community have been negatively impacted by trade.

"(2) Notification.—The Secretary of Labor, immediately upon making a determination that a group of workers is eligible for trade adjustment assistance under section 223, (or the Secretary of Agriculture, immediately upon making a determination that a group of agricultural commodity producers is eligible for adjustment assistance under section 293, as the case may be) shall notify the Secretary of Commerce of the determination.

"(d) Notification to Eligible Communities.—Immediately upon certification by the Secretary of Commerce that a community is eligible for assistance under subsection (b), the Secretary shall notify the community—

"(1) of the determination under subsection (b);

"(2) of the provisions of this chapter;

"(3) how to access the clearinghouse established by the Department of Commerce regarding available economic assistance;

"(4) how to obtain technical assistance provided under section 272(c)(3); and

"(5) how to obtain grants, tax credits, low income loans, and other appropriate economic assistance.

"SEC. 274. STRATEGIC PLANS.

"(a) In General.—An eligible community may develop a strategic plan for community economic adjustment and diversification and shall be eligible for assistance as provided for under section 275.

"(b) Requirements for Strategic Plan.—A strategic plan shall contain, at a minimum, the following:

"(1) A description and justification of the capacity for economic adjustment, including the method of financing to be used.

"(2) A description of the commitment of the community to the strategic plan over the long term and the participation and input of groups affected by economic dislocation.

"(3) A description of the projects to be undertaken by the eligible community.

"(4) A description of how the plan and the projects to be undertaken by the eligible community will lead to job creation and job retention in the community.

"(5) A description of how the plan will achieve economic adjustment and diversification.

"(6) A description of how the plan and the projects will contribute to establishing or maintaining a level of public services necessary to attract and retain economic investment.

"(7) A description and justification for the cost and timing of proposed basic and advanced infrastructure improvements in the eligible community.

"(8) A description of how the plan will address the occupational and workforce conditions in the eligible community.

"(9) A description of the educational programs available for workforce training and future employment needs.

"(10) A description of how the plan will adapt to changing markets and business cycles.

"(11) A description and justification for the cost and timing of the total funds required by the community for economic assistance.

"(12) A graduation strategy through which the eligible community demonstrates that the community will terminate the need for Federal assistance.

"(c) GRANTS TO DEVELOP STRATEGIC PLANS.—The Secretary, upon receipt of an application from an eligible community, may award a grant to that community to be used to develop and implement the strategic plan.

"(d) SUBMISSION OF PLAN.—A strategic plan developed under subsection (a) shall be submitted to the Secretary for evaluation and approval.

"SEC. 275. GRANTS FOR ECONOMIC DEVELOPMENT.

"(a) IN GENERAL.—The Secretary, upon approval of a strategic plan from an eligible community, may award a grant to that community to carry out any project or program that is certified by the Secretary to be included in the strategic plan approved under section 274(d), or consistent with that plan.

"(b) ADDITIONAL GRANTS.—Subject to paragraph (2), in order to assist eligible communities to obtain funds under Federal grant programs, other than the grants provided for in subsection (a) or section 274(c) , the Secretary may, on the application of an eligible community, make a supplemental grant to the community if—

"(1) the purpose of the grant program from which the grant is to be made is to provide technical or other assistance for planning, constructing, or equipping public works facilities or to provide assistance for public service projects; and

"(2) the grant is one for which the community is eligible except for the community's inability to meet the non-Federal share requirements of the grant program.

"(c) RURAL COMMUNITY PREFERENCE.—The Secretary shall develop guidelines to ensure that rural communities receive preference in the allocation of resources.

"SEC. 276. GENERAL PROVISIONS.

"(a) APPROPRIATIONS.—In addition to any funds appropriated from the Community and Manufacturer Assistance Trust Fund (established by section 531 of the Enhanced Domestic Manufacturing and Worker Assistance Act of 2004), there are authorized to be appropriated $10,000,000 for each of fiscal years 2005 through 2012 to carry out the provisions of this chapter. Such sums shall remain available until expended.

"(b) SUPPLEMENT NOT SUPPLANT.—Funds authorized under this chapter shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide economic development assistance for communities.

"(c) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this chapter. The Secretary may not implement any regulation or guideline proposed with respect to this chapter until the expiration of the date that is 60 days after the date the Secretary submits the regulation or guideline to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.".

(b) CONFORMING AMENDMENTS.—

(1) TERMINATION.—Section 285(b) of the Trade Act of 1974 (19 U.S.C. 2271 note prec.) is amended by adding at the end the following new paragraph:

"(3) ASSISTANCE FOR COMMUNITIES.—Technical assistance and other payments may not be provided under chapter 4 after September 30, 2015.".

(2) TABLE OF CONTENTS.—The table of contents for title II of the Trade Act of 1974 is amended by striking the items relating to chapter 4 of title II and inserting after the items relating to chapter 3 the following new items:

"CHAPTER 4—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

"Sec. 271. Definitions.
"Sec. 272. Community Trade Adjustment Assistance Program.
"Sec. 273. Certification and notification.
"Sec. 274. Strategic plans.
"Sec. 275. Grants for economic development.
"Sec. 276. General provisions.".

(c) JUDICIAL REVIEW.—Section 284(a) of the Trade Act of 1974 (19 U.S.C. 2395(a)) is amended by striking "section 271" and inserting "section 273".

Subtitle B—Reauthorization of Certain Department of Commerce Partnership Programs

SEC. 521. MANUFACTURING EXTENSION PARTNERSHIP PROGRAM.

(a) DEFINITION.—In this Act, the term "Manufacturing Extension Partnership Program" means the program of Manufacturing Extension Partnership carried out by the National Institute of Standards and Technology under section 26 of the National Institute of Standards and Technology Act (15 U.S.C. 2781), as provided in part 292 of title 15, Code of Federal Regulations.

(b) APPROPRIATIONS.—In addition to any funds made available to the Manufacturing Extension Partnership Program from the Community and Manufacturer Assistance Trust Fund, there are authorized to be appropriated, $40,000,000 for each of fiscal years 2005 through 2012 to carry out the Manufacturing Extension Partnership Program. Such sums shall remain available until expended.

SEC. 522. ADVANCED TECHNOLOGY PROGRAM.

There are authorized to be appropriated for the National Institute of Standards and Technology for carrying out the Advanced Technology Program under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), $200,000,000 for each of fiscal years 2005 through 2012.

Subtitle C—Creation of Community and Manufacturer Trust Fund

SEC. 531. REPEAL OF OFFSET PROGRAM AND ESTABLISHMENT OF COMMUNITY AND MANUFACTURER ASSISTANCE TRUST FUND.

(a) REPEAL OF OFFSET PROGRAM.—

(1) IN GENERAL.—Section 754 of the Tariff Act of 1930 (19 U.S.C. 1675c) is repealed.

(2) CONFORMING AMENDMENT.—The table of contents for title VII of the Tariff Act of 1930 is amended by striking the item relating to section 754.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of enactment of this Act. Any funds remaining in the special accounts established pursuant section 754(e) of the Tariff Act of 1930 on the day before such date of enactment shall be transferred to the Community and Manufacturer Assistance Trust Fund for use in accordance with this section.

(b) ESTABLISHMENT OF TRUST FUND.—There is established in the Treasury of the United States a Trust Fund to be known as the "Community and Manufacturer Assistance Trust Fund" (in this section referred to as the "Trust Fund"), consisting of such amounts as may be transferred or credited to the Trust Fund as provided in this section or otherwise appropriated to the Trust Fund.

(c) TRANSFER.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Trust Fund any funds remaining in the special accounts established pursuant section 754(e) of the Tariff Act of 1930 on the day before the date of enactment of this Act, and shall transfer to the Trust Fund out of the general fund of the Treasury of the United States amounts determined by the Secretary of the Treasury to be equivalent to the amounts received into such general fund on or after such date, that are attributable to the duties imposed pursuant to antidumping duty orders and countervailing duty orders under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) or findings under the Antidumping Act, 1921.

(2) QUARTERLY TRANSFERS FROM THE TREASURY BASED ON ESTIMATES.—The amounts which are required to be transferred under paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury of the United States to the Trust Fund on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in paragraph (1) that are received into the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of, or less than, the amounts required to be transferred.

(c) MANAGEMENT OF, AND REPORT ON, TRUST FUND.—

(1) TRUSTEE AND REPORT.—The Secretary of the Treasury shall be the trustee of the Trust Fund, and shall submit an annual report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives—

(A) on the financial condition and the results of the operations of the Trust Fund during the fiscal year preceding the fiscal year in which such report is submitted, and

(B) on the expected condition and operations of the Trust Fund during the fiscal year in which such report is submitted and the 5 fiscal years succeeding such fiscal year.

(2) INVESTMENT.—

(A) IN GENERAL.—The Secretary of the Treasury shall invest such portion of the Trust Fund as is not, in the Secretary's judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

(i) on original issue at the issue price, or

(ii) by purchase of outstanding obligations at the market price.

(B) MARKET PRICE.—Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

(C) INTEREST.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(d) USE OF FUNDS.—

(1) COMMUNITY ASSISTANCE.—Beginning on the date of enactment of this Act, one-half of the amounts in the Trust Fund shall be made available to the Secretary of Commerce on a quarterly basis to carry out the provisions of chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371 et seq.) for each of fiscal years 2005 through 2012 and shall remain available until expended.

(2) MANUFACTURING EXTENSION PARTNERSHIP PROGRAM.—Beginning on the date of enactment of this Act, one-half of the amounts in the Trust Fund shall be made available to the Secretary of Commerce on a quarterly basis to carry out the Manufacturing Extension Partnership Program for each of fiscal years 2005 through 2012 and shall remain available until expended. Such amounts shall supplement and not supplant other Federal, State, and local public funds appropriated to carry the Program.

Subtitle D—Small Business Office

SEC. 541. ESTABLISHMENT OF OFFICE.

(a) IN GENERAL.—Chapter 4 of title I of the Trade Act of 1974 (19 U.S.C. 2171) is amended by adding after section 141, the following new section:

"SEC. 142. SMALL BUSINESS OFFICE.

"(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of the Enhanced Domestic Manufacturing and Worker Assistance Act of 2004, there shall be established in the Office of the United States Trade Representative an Office of Small Business.

"(b) PERSONNEL.—The Office shall be headed by a Director, and shall have such staff as may be necessary to carry out the functions and responsibilities described in this section.

"(c) FUNCTIONS.—The Office shall—

"(1) assist the United States Trade Representative in carrying out the Trade Representative's responsibilities under this chapter; and

"(2) ensure that small business manufacturing issues are taken into consideration in carrying out those responsibilities.".

(b) CONFORMING AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 141, the following new item:

"Sec. 142. Office of Small Business.".

SA 2817. Mr. LEVIN (for himself, Ms. COLLINS, and Mrs. Clinton) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 4, line 4, decrease the amount by $1,700,000,000.

On page 4, line 12, decrease the amount by $1,700,000,000.

On page 4, line 20, increase the amount by $1,700,000,000.

On page 5, line 3, decrease the amount by $1,700,000,000.

On page 5, line 4, decrease the amount by $1,700,000,000.

On page 5, line 5, decrease the amount by $1,700,000,000.

On page 5, line 6, decrease the amount by $1,700,000,000.

On page 5, line 7, decrease the amount by $1,700,000,000.

On page 5, line 11, decrease the amount by $1,700,000,000.

On page 5, line 12, decrease the amount by $1,700,000,000.

On page 5, line 13, decrease the amount by $1,700,000,000.

On page 5, line 14, decrease the amount by $1,700,000,000.

On page 5, line 15, decrease the amount by $1,700,000,000.

On page 10, line 13, decrease the amount by $1,700,000,000.

On page 10, line 14, decrease the amount by $1,700,000,000.

SEC. . RESERVE FUND FOR HOMELAND SECURITY GRANT PROGRAM, ASSISTANCE TO FIREFIGHTER GRANTS, AND PORT SECURITY GRANTS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $1,545,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, amendment, motion, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of the levels provided in this resolution, for the programs at the Department of Homeland Security.

SEC. . STATE HOMELAND SECURITY GRANT PROGRAM.

It is the sense of the Senate that, of the funds for the Department of Homeland Security, $800,000,000 shall be allocated for the State Homeland Security Grant program; $250,000,000 for the Assistance to Firefighters Grant program; and $275,000,000 for Port Security Grants. It is further the sense of the Senate that the State Homeland Security Grant Program shall be increased by $220,000,000 in order to provide for a more equitable formula for distributing funds.

SEC. . STRATEGIC PETROLEUM RESERVE.

It is the sense of the Senate that the increased funding for the Homeland Security Department programs shall come from the cancellation of planned future deliveries of oil to the Strategic Petroleum Reserve.

SA 2818. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III, add the following:

SEC. 3 . RESERVE FUND FOR EXPANSION OF PEDIATRIC VACCINE DISTRIBUTION PROGRAM.

If the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that expands the pediatric vaccine distribution program established under section 1928 of the Social Security Act (42 U.S.C. 1396s) to include coverage for children administered a vaccine at a public health clinic or Indian clinic and repeals the price cap for pre-1993 vaccines, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SA 2819. Mr. BINGAMAN (for himself, Mr. KERRY, Mr. DASCHLE, Mr. CORZINE, Mr. LEVIN, and Mr. CARPER) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3, line 9, increase the amount by $278,000,000.

On page 3, line 10, increase the amount by $64,000,000.

On page 3, line 17, increase the amount by $278,000,000.

On page 3, line 18, increase the amount by $64,000,000.

On page 4, line 4, increase the amount by $171,000,000.

On page 4, line 12, increase the amount by $139,000,000.

On page 4, line 13, increase the amount by $32,000,000.

On page 4, line 20, increase the amount by $139,000,000.

On page 4, line 21, increase the amount by $32,000,000.

On page 5, line 3, decrease the amount by $139,000,000.

On page 5, line 4, decrease the amount by $171,000,000.

On page 5, line 5, decrease the amount by $171,000,000.

On page 5, line 6, decrease the amount by $171,000,000.

On page 5, line 7, decrease the amount by $171,000,000.

On page 5, line 11, decrease the amount by $139,000,000.

On page 5, line 12, decrease the amount by $171,000,000.

On page 5, line 13, decrease the amount by $171,000,000.

On page 5, line 14, decrease the amount by $171,000,000.

On page 5, line 15, decrease the amount by $171,000,000.

On page 13, line 2, increase the amount by $171,000,000.

On page 13, line 3, increase the amount by $139,000,000.

On page 13, line 7, increase the amount by $32,000,000.

On page 39, line 18, increase the amount by $171,000,000.

On page 39, line 19, increase the amount by $139,000,000.

On page 40, line 2, increase the amount by $32,000,000.

SA 2820. Ms. MIKULSKI (for herself, Mr. LEVIN, Mrs. MURRAY, Mr. SCHUMER, Mr. REED, Mr. DODD, Mr. LAUTENBERG, Mr. DURBIN, and Mr. BIDEN) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 28, between lines 7 and 8, insert the following:

SEC. 304. RESERVE FOR FUNDING OF HOPE CREDIT.

If the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that increases the Hope credit to $4,000, makes the credit available for 4 years, and makes the credit refundable, the chairman of the Committee on the Budget may revise committee allocations for the Committee on Finance and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, if it would not increase the deficit for fiscal year 2005 or for the total of fiscal years 2005 though 2009.

SA 2821. Mr. COLEMAN (for himself and Ms. COLLINS) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 15, line 16, increase the amount by $1,884,000,000.

On page 15, line 17, increase the amount by $452,000,000.

On page 15, line 21, increase the amount by $1,394,000,000.

On page 15, line 25, increase the amount by $38,000,000.

On page 23, line 5, decrease the amount by $1,884,000,000.

On page 23, line 6, decrease the amount by $452,000,000.

On page 23, line 10, decrease the amount by $1,394,000,000.

On page 23, line 14, decrease the amount by $38,000,000.

SA 2822. Ms. MURKOWSKI (for herself, Mrs. MURRAY, and Mr. CAMPBELL) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 16, line 12, increase the amount by $282,000,000.

On page 16, line 13, increase the amount by $251,000,000.

On page 16, line 17, increase the amount by $28,000,000.

On page 16, line 21, increase the amount by $2,000,000.

On page 23, line 5, decrease the amount by $282,000,000.

On page 23, line 6, decrease the amount by $251,000,000.

On page 23, line 10, decrease the amount by $28,000,000.

On page 23, line 14, decrease the amount by $2,000,000.

SA 2823. Mr. INHOFE (for himself, Mr. BINGAMAN, Mr. COLEMAN, Mr. DORGAN, Ms. COLLINS, Mr. BAYH, Mr. ALEXANDER, Mr. AKAKA, Ms. CANTWELL, and Mr. JEFFORDS) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 43, between lines 20 and 21, insert the following:

(c) ENERGY SAVINGS PERFORMANCE CONTRACT PROGRAM.—In recognition that the energy savings performance contract program recoups its costs through guaranteed savings without increasing budgetary outlays, the Congressional Budget Office shall score the energy savings performance contract program under title VIII of the National Energy Conservation Policy Act (42 U.S.C. 801 et seq.) as zero. For the purposes of any point of order under any concurrent resolution on the budget and the Congressional Budget Act of 1974, the cost of the energy savings performance contract program under title VIII of the National Energy Conservation Policy Act (42 U.S.C. 801 et seq.) shall be zero.

SA 2824. Mr. INHOFE (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 43, between lines 20 and 21, insert the following:

(c) ENERGY SAVINGS PERFORMANCE CONTRACT PROGRAM.—In recognition that the energy savings performance contract program recoups its costs through guaranteed savings without increasing budgetary outlays, the Congressional Budget Office shall score the energy savings performance contract program under title VIII of the National Energy Conservation Policy Act (42 U.S.C. 801 et seq.) as zero. For the purposes of any point of order under any concurrent resolution on the budget and the Congressional Budget Act of 1974, the cost of the energy savings performance contract program under title VIII of the National Energy Conservation Policy Act (42 U.S.C. 801 et seq.) shall be zero.

SA 2825. Mr. ENSIGN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 23, line 5, decrease the amount by $8,196,000,000.

On page 23, line 6, decrease the amount by $8,236,000,000.

On page 39, line 18, decrease the amount by $8,196,000,000.

On page 39, line 19, decrease the amount by $8,236,000,000.

On page 4, line 4, decrease the amount by $8,343,000,000.

On page 4, line 5, decrease the amount by $343,000,000.

On page 4, line 6, decrease the amount by $408,000,000.

On page 4, line 7, decrease the amount by $446,000,000.

On page 4, line 8, decrease the amount by $470,000,000.

On page 4, line 12, decrease the amount by $8,383,000,000.

On page 4, line 13, decrease the amount by $343,000,000.

On page 4, line 14, decrease the amount by $408,000,000.

On page 4, line 15, decrease the amount by $446,000,000.

On page 4, line 16, decrease the amount by $470,000,000.

On page 4, line 20, decrease the amount by $8,383,000,000.

On page 4, line 21, decrease the amount by $343,000,000.

On page 4, line 22, decrease the amount by $408,000,000.

On page 4, line 23, decrease the amount by $446,000,000.

On page 4, line 24, decrease the amount by $470,000,000.

On page 5, line 3, decrease the amount by $8,383,000,000.

On page 5, line 4, decrease the amount by $8,727,000,000.

On page 5, line 5, decrease the amount by $9,135,000,000.

On page 5, line 6, decrease the amount by $9,581,000,000.

On page 5, line 7, decrease the amount by $10,051,000,000.

On page 5, line 11, decrease the amount by $8,383,000,000.

On page 5, line 12, decrease the amount by $8,727,000,000.

On page 5, line 13, decrease the amount by $9,135,000,000.

On page 5, line 14, decrease the amount by $9,581,000,000.

On page 5, line 15, decrease the amount by $10,051,000,000.

On page 22, line 9, decrease the amount by $147,000,000.

On page 22, line 10, decrease the amount by $147,000,000.

On page 22, line 10, decrease the amount by $147,000,000.

On page 22, line 13, decrease the amount by $343,000,000.

On page 22, line 14, decrease the amount by $343,000,000.

On page 22, line 17, decrease the amount by $408,000,000.

On page 22, line 18, decrease the amount by $408,000,000.

On page 22, line 21, decrease the amount by $446,000,000.

On page 22, line 22, decrease the amount by $446,000,000.

On page 22, line 25, decrease the amount by $470,000,000.

On page 23, line 1, decrease the amount by $470,000,000.

SA 2826. Mr. GRASSLEY (for himself, Mr. LUGAR, Mr. FEINGOLD, and Mr. SCHUMER) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. 5___. SENSE OF THE SENATE SUPPORTING FUNDING RESTORATION FOR AGRICULTURE RESEARCH AND EXTENSION.

(a) FINDINGS.—Congress finds that—

(1) funding for 33 programs administered by the Cooperative State Research, Education, and Extension Service of the Department of Agriculture were each reduced by 10 percent in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2004 (118 Stat. 9);

(2) those cuts are already hurting a wide range of proven programs that help people, communities, and businesses;

(3) the cuts have put at risk important advances made in all 50 States and United States territories, including—

(A) combating obesity through programs such as the Expanded Food and Nutrition Education Program;

(B) expanding environmentally-minded pest management programs;

(C) ensuring food safety; and

(D) educating farmers and ranchers about new sustainable agricultural practices;

(4) the National Research Initiative is the flagship competitive grants program funded through the Cooperative State Research, Education, and Extension Service;

(5) because of limited funding the Service is able to fund only a small fraction of the meritorious research proposals that the Service receives under the National Research Initiative program; and

(6) base funding at the Service that supports the research infrastructure has fallen steadily over the past decade.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports—

(1) the restoration of the 33 accounts of the Cooperative State Research, Education, and Extension Service;

(2) the fiscal year 2005 funding of the National Research Initiative; and

(3) the fiscal year 2005 funding of competitive research programs of the Cooperative State Research, Education, and Extension Service in an amount that is adequate to—

(A) fight obesity and stave off chronic diseases;

(B) combat insects and animal and plant diseases;

(C) establish new crops, improved livestock, and economic opportunities for producers; and

(D) keep pathogens and other dangers out of the air, water, soil, plants, and animals.

SA 2827. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

"SEC. . SENSE OF THE SENATE REGARDING MEDICARE REWARDING EFFICIENCY AND QUALITY IN MEDICARE.

(a) FINDINGS.—The Senate finds that—

(1) Regional differences in Medicare spending exist across the country, and that Medicare enrollees in higher-spending regions receive more health care than those in lower-spending regions but do not have better health outcomes or satisfaction with care;

(2) Although Medicare as a health care payment system is working to improve quality, current reimbursements are largely neutral or negative toward quality;

(3) Medicare as a payment system does not recognize health care professional who provide high-quality care at low costs through differential reimbursements;

(4) The Centers for Medicare and Medicaid Services, the Medicare Payment Advisory Commission, and Congress have affirmed recently their commitment to using financial incentives to improve quality in the Medicare program;

(5) The Centers for Medicare and Medicaid Services has demonstrations underway for dialysis patients, physician group practices, and hospitals to test pay-for-performance strategies;

(6) The Medicare Payment Advisory Commission, the independent federal body that advises Congress on issues affecting the Medicare program, recently concluded in its June 2003 report that Medicare should take a lead role in adopting pay-for-performance strategies;

(7) First the first time in the history, Congress passed legislation, now law, that provides financial incentive to Medicare participating hospitals that publicly report information on ten measures of high-quality health care;

(8) The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 requires that for fiscal years 2005 through 2007 hospitals will receive a full market basket inflationary payment update only if they submit data reflecting ten hospital quality indicators the Secretary has established as of November 1, 2003. Hospitals that do not submit performance data on these ten hospital quality measures will receive 0.4 percent smaller Medicare payments in fiscal year 2005 than hospitals that do report quality data;

(9) The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 also provides for a five-year demonstration program that examines health delivery factors which encourage the delivery of improved patient care quality including incentives to improve safety, quality, and efficiency;

(b) SENSE OF THE SENATE.—It is the sense of the Senate that changes need to be made to the Medicare payment system that recognize clinically effective, patient-centered and efficient care.

SA 2828. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

"SEC. . RESERVE FUND FOR REWARDING EFFICIENCY AND QUALITY IN MEDICARE.

"A Deficit-neutral reserve fund for Medicare. The Chairman of the Senate Budget Committee may revise the aggregates, functional totals, allocations, and other appropriate levels and limits in this resolution by up to $3,000,000,000 in budget authority and $3,000,000,000 in outlays for fiscal years 2005–2009 for a bill, amendment, or conference report that would provide financial incentives within the Medicare program to improve quality and efficiency in delivering Medicare services so long as such legislation would not increase net Medicare spending in fiscal year 2005 or over the total of fiscal years 2005–2009. The adjustment may be made only if the Committee on Finance reports a bill that provides financial incentives for health care providers who improve efficiency and quality provided that any such measures do not result in cuts in benefits or services or reductions in provider payments.

SA 2829. Mr. HAGEL (for himself, Mr. CRAIG, Mr. CRAPO, Ms. STABENOW, Mr. TALENT, Mr. BINGAMAN, Mr. BOND, Mr. FITZGERALD, Mrs. MURRAY, Mr. NELSON of Nebraska, Mr. GRASSLEY, Mr. DURBIN, Mr. BURNS, Mr. SMITH, Mr. BAUCUS, Mr. CAMPBELL, and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE CONCERNING A NATIONAL ANIMAL IDENTIFICATION PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) animal identification is important for operational management, herd health, and increased trade opportunities;

(2) animal identification is a critical component of the animal health infrastructure of the United States;

(3) it is vital to the well-being of all people in the United States to protect animal agriculture in the United States by safeguarding animal health;

(4) the ability to collect information in a timely manner is critical to an effective response to an imminent threat to animal health or food safety.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports—

(1) the development and implementation of a national animal identification program recognizing the need for resources to carry out the implementation of the plan;

(2) the provision by the Secretary of Agriculture of a time-line for the development and implementation of the program as soon as practicable after the date of approval of this concurrent resolution;

(3) the provision by the Secretary of Agriculture to ensure the Animal and Plant Health Inspection Service, State animal health agencies, and agricultural producers are provided funds necessary to implement a national animal identification program; and

(4) the establishment of a program that is not overly burdensome to agricultural producers and ensures the privacy of information of agricultural producers.

SA 2830. Mr. ENZI (for himself and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 15, line 16, increase the amount by $250,000,000.

On page 15, line 17, increase the amount by $32,000,000.

On page 15, line 21, increase the amount by $166,000,000.

On page 15, line 25, increase the amount by $44,000,000.

On page 16, line 4, increase the amount by $5,000,000.

On page 23, line 5, decrease the amount by $250,000,000.

On page 23, line 6, decrease the amount by $32,000,000.

On page 23, line 10, decrease the amount by $166,000,000.

On page 23, line 14, decrease the amount by $44,000,000.

On page 23, line 18, decrease the amount by $5,000,000.

SA 2831. Mr. CONRAD proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

At the end of the resolution, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING TRIBAL COLLEGES AND UNIVERSITIES.

(a) FINDINGS.—The Senate finds the following:

(1) American Indians from 250 federally recognized tribes nationwide attend tribal colleges and universities, a majority of whom are first-generation college students.

(2) Tribal colleges and universities are located in some of the most isolated and impoverished areas in the Nation, yet they are the Nation's most poorly funded institutions of higher education. While the Tribally Controlled College or University Assistance Act, or "Tribal College Act" provides funding based solely on Indian students, the colleges have open enrollment policies providing access to postsecondary education opportunities to all interested students, about 20 percent of whom are non-Indian. With rare exception, tribal colleges and universities do not receive operating funds from the States for these non-Indian State resident students. Yet, if these same students attended any other public institutions in their States, the State would provide basic operating funds to the institution.

(3) While Congress has been increasing annual appropriations for tribal colleges in recent years, the President's fiscal year 2005 budget recommends a $5,500,000 decrease in institutional operating funds. This represents the third consecutive year that the President's budget proposed decreases that Congress must restore.

(4) Because of congressional budget restorations, the tribal colleges funded through titles I and II of the Tribally Controlled College or University Assistance Act are within $19,000,000 of full funding at their authorized level.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) this resolution recognizes the funding challenges faced by tribal colleges and universities and assumes that priority consideration will be provided to them through funding of the Tribally Controlled College or University Assistance Act, the Equity in Educational Land Grant Status Act, title III of the Higher Education Act, and the National Science Foundation Tribal College Program; and

(2) such priority consideration reflects the intent of Congress to continue to work toward statutory Federal funding authorization goals for tribal colleges and universities.

SA 2832. Mr. ENZI (for himself and Ms. CANTWELL) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 15, line 16, increase the amount by $250,000,000.

On page 15, line 17, increase the amount by $32,000,000.

On page 15, line 21, increase the amount by $166,000,000.

On page 15, line 25, increase the amount by $44,000,000.

On page 16, line 4, increase the amount by $5,000,000.

On page 23, line 5, decrease the amount by $250,000,000.

On page 23, line 6, decrease the amount by $32,000,000.

On page 23, line 10, decrease the amount by $166,000,000.

On page 23, line 14, decrease the amount by $44,000,000.

On page 23, line 18, decrease the amount by $5,000,000.

SA 2833. Mr. NICKLES (for Mr. BINGAMAN) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

At the end of subtitle A of title III, add the following:

SEC. 3___. RESERVE FUND FOR EXPANSION OF PEDIATRIC VACCINE DISTRIBUTION PROGRAM.

If the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that expands the pediatric vaccine distribution program established under section 1928 of the Social Security Act (42 U.S.C. 1396s) to include coverage for children administered a vaccine at a public health clinic or Indian clinic and repeals the price cap for pre-1993 vaccines, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SA 2834. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3, line 9, increase the amount by $179,000,000.

On page 3, line 10, increase the amount by $45,000,000.

On page 3, line 17, increase the amount by $179,000,000.

On page 3, line 18, increase the amount by $45,000,000.

On page 4, line 4, increase the amount by $112,000,000.

On page 4, line 12, increase the amount by $90,000,000.

On page 4, line 13, increase the amount by $22,000,000.

On page 4, line 20, increase the amount by $90,000,000.

On page 4, line 21, increase the amount by $22,000,000.

On page 5, line 3, decrease the amount by $90,000,000

On page 5, line 4, decrease the amount by $112,000,000.

On page 5, line 11, decrease the amount by $90,000,000.

On page 5, line 12, decrease the amount by $112,000,000.

On page 13, line 23, increase the amount by $112,000,000.

On page 13, line 24, increase the amount by $90,000,000.

On page 14, line 3, increase the amount by $22,000,000.

On page 39, line 18, increase the amount by $112,000,000.

On page 39, line 19, increase the amount by $90,000,000.

On page 40, line 2, increase the amount by $22,000,000.

SA 2835. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3, line 9, increase the amount by $407,000,000.

On page 3, line 10, increase the amount by $378,000,000.

On page 3, line 11, increase the amount by $95,000,000.

On page 3, line 12, increase the amount by $47,000,000.

On page 3, line 13, increase the amount by $9,000,000.

On page 3, line 17, increase the amount by $407,000,000.

On page 3, line 18, increase the amount by $378,000,000.

On page 3, line 19, increase the amount by $95,000,000.

On page 3, line 20, increase the amount by $47,000,000.

On page 3, line 21, increase the amount by $9,000,000.

On page 4, line 4, increase the amount by $473,000,000.

On page 4, line 12, increase the amount by $203,000,000.

On page 4, line 13, increase the amount by $189,000,000.

On page 4, line 14, increase the amount by $47,000,000.

On page 4, line 15, increase the amount by $24,000,000.

On page 4, line 16, increase the amount by $5,000,000.

On page 4, line 20, increase the amount by $203,000,000.

On page 4, line 21, increase the amount by $189,000,000.

On page 4, line 22, increase the amount by $47,000,000.

On page 4, line 23, increase the amount by $24,000,000.

On page 4, line 24, increase the amount by $5,000,000.

On page 5, line 3, decrease the amount by $203,000,000.

On page 5, line 4, decrease the amount by $393,000,000.

On page 5, line 5, decrease the amount by $440,000,000.

On page 5, line 6, decrease the amount by $464,000,000.

On page 5, line 7, decrease the amount by $468,000,000.

On page 5, line 11, decrease the amount by $203,000,000.

On page 5, line 12, decrease the amount by $393,000,000.

On page 5, line 13, decrease the amount by $440,000,000.

On page 5, line 14, decrease the amount by $464,000,000.

On page 5, line 15, decrease the amount by $468,000,000.

On page 13, line 23, increase the amount by $473,000,000.

On page 13, line 24, increase the amount by $203,000,000.

On page 14, line 3, increase the amount by $189,000,000.

On page 14, line 7, increase the amount by $47,000,000.

On page 14, line 11, increase the amount by $24,000,000.

On page 14, line 15, increase the amount by $5,000,000.

On page 39, line 18, increase the amount by $473,000,000.

On page 39, line 19, increase the amount by $203,000,000.

On page 40, line 2, increase the amount by $189,000,000.

SA 2836. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the end of title V, insert the following:

SEC. ___. SENSE OF THE SENATE ON IRAQ FOOD PURCHASES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The United States and its coalition partners liberated the people of Iraq from the oppressive regime of Saddam Hussein.

(2) The United States and its coalition partners continue to provide the resources for the reconstruction and development of Iraq.

(3) The people of Iraq have long relied on the United Nations Oil for Food Programme for their annual food supplies.

(4) The United Nations Oil for Food Programme is now terminated, and the Iraq Coalition Provisional Authority is purchasing buffer stocks to help transition Iraq to a commercial market.

(5) We welcome additional U.N. and international support for the Iraq reconstruction effort, however, until countries provide physical or financial resources we feel that food and rebuilding contract should be consistent and limited to coalition member.

(6) Additional tenders for rice and other commodities are imminent as buffer stocks are being created.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the budgetary totals in this resolution assume that only countries that have contributed resources to liberate the people of Iraq and assisted in Iraq reconstruction efforts should be eligible to compete for food tenders for the people of Iraq.

SA 2837. Mr. NICKLES (for Mrs. LINCOLN (for herself, Mr. BAUCUS, Ms. SNOWE, Mr. BREAUX, Mr. ROCKEFELLER, and Ms. COLLINS)) submitted an amendment intended to be proposed by Mr. NICKLES to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 25, line 3, after "2009", insert ", and to increase outlays by not more than $2,000,000,000 for the period of fiscal years 2005 through 2009".

SA 2838. Mr. NICKLES (for Mr. GRASSLEY (for himself, Mr. LUGAR, Mr. FEINGOLD, and Mr. SCHUMER) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

At the end of title V, add the following:

SEC. 5___. SENSE OF THE SENATE SUPPORTING FUNDING RESTORATION FOR AGRICULTURE RESEARCH AND EXTENSION.

(a) FINDINGS.—Congress finds that—

(1) funding for 33 programs administered by the Cooperative State Research, Education, and Extension Service of the Department of Agriculture were each reduced by 10 percent in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2004 (118 Stat. 9);

(2) those cuts are already hurting a wide range of proven programs that help people, communities, and businesses;

(3) the cuts have put at risk important advances made in all 50 States and United States territories, including—

(A) combating obesity through programs such as the Expanded Food and Nutrition Education Program;

(B) expanding environmentally-minded pest management programs;

(C) ensuring food safety; and

(D) educating farmers and ranchers about new sustainable agricultural practices;

(4) the National Research Initiative is the flagship competitive grants program funded through the Cooperative State Research, Education, and Extension Service;

(5) because of limited funding the Service is able to fund only a small fraction of the meritorious research proposals that the Service receives under the National Research Initiative program; and

(6) base funding at the Service that supports the research infrastructure has fallen steadily over the past decade.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports—

(1) the restoration of the 33 accounts of the Cooperative State Research, Education, and Extension Service;

(2) the fiscal year 2005 funding of the National Research Initiative; and

(3) the fiscal year 2005 funding of competitive research programs of the Cooperative State Research, Education, and Extension Service in an amount that is adequate to—

(A) fight obesity and stave off chronic diseases;

(B) combat insects and animal and plant diseases;

(C) establish new crops, improved livestock, and economic opportunities for producers; and

(D) keep pathogens and other dangers out of the air, water, soil, plants, and animals.

SA 2839. Mr. NICKLES (for Ms. SNOWE) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 13, line 2, increase the amount by $121,000,000.

On page 13, line 3, increase the amount by $68,000,000.

On page 13, line 7, increase the amount by $40,000,000.

On page 13, line 11, increase the amount by $7,000,000.

On page 23, line 5, decrease the amount by $121,000,000.

On page 23, line 6, decrease the amount by $68,000,000.

On page 23, line 10, decrease the amount by $40,000,000

On page 23, line 14, decrease the amount by $7,000,000.

SA 2840. Mr. MCCONNELL submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

At the appropriate place, insert the following:

SEC. . PROTECTION OF SMALL BUSINESSES FROM TAX HIKES ON "THE RICH" POINT OF ORDER.

(a) IN GENERAL.—It shall not be in order in the Senate to consider any bill, amendment, resolution or conference reports that would—

(1) raise federal income taxes on upper incomes households, and

(2) fail to exempt small businesses that bear most of the burden of the top marginal tax rates.

(b) WAIVER.—This subsection may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provisions of this subsection shall be limited to 1 hour, to be equally divided between, and controlled by the appellant and the manager of the bill, joint resolution or as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) DEFINITION.—For purposes of this section, a small business shall be any individual or enterprise that files federal individual income tax returns as a partnership, sole proprietor or subchapter S corporation.

(5) DETERMINATION OF IMPACT ON SMALL BUSINESSES.—For purposes of this section, the impact of any income tax legislation on small businesses shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SA 2841. Mr. NICKLES (for Mr. HAGEL (for himself, Mr. CRAIG, Mr. CRAPO, Ms. STABENOW Mr. TALENT, Mr. BINGAMAN, Mr. BOND, Mr. FITZGERALD, Mrs. MURRAY, Mr. NELSON of Nebraska, Mr. GRASSLEY, Mr. DURBIN, Mr. BURNS, Mr. SMITH, Mr. BAUCUS, Mr. CAMPBELL, and Ms. CANTWELL proposed an amendment to the concurrent resolution S.

Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE CONCERNING A NATIONAL ANIMAL IDENTIFICATION PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) animal identification is important for operational management, herd health, and increased trade opportunities;

(2) animal identification is a critical component of the animal health infrastructure of the United States;

(3) it is vital to the well-being of all people in the United States to protect animal agriculture in the United States by safeguarding animal health;

(4) the ability to collect information in a timely manner is critical to an effective response to an imminent threat to animal health or food safety.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports—

(1) the development and implementation of a national animal identification program recognizing the need for resources to carry out the implementation of the plan;

(2) the provision by the Secretary of Agriculture of a time-line for the development and implementation of the program as soon as practicable after the date of approval of this concurrent resolution;

(3) the provision by the Secretary of Agriculture to ensure the Animal and Plant Health Inspection Service, State animal health agencies, and agricultural producers are provided funds necessary to implement a national animal identification program; and

(4) the establishment of a program that is not overly burdensome to agricultural producers and ensures the privacy of information of agricultural producers.

SA 2842. Mr. NICKLES (for Mr. SANTORUM) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 54, after line 22, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING CONTRIBUTIONS TO THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS, AND MALARIA.

(a) FINDINGS.—The Senate finds that—

(1) the United States—

(A) helped establish The Global Fund to Fight AIDS, Tuberculosis, and Malaria (referred to in this section as the "Fund");

(B) provided its first donation; and

(C) provides leadership to the Fund under Fund Board Chairman Tommy Thompson, Secretary of the Department of Health and Human Services;

(2) as a complement to the President's historic 15-country AIDS initiative, the Fund provides resources to fight AIDS, tuberculosis, malaria, and related diseases around the world;

(3) section 202 of the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2004 (22 U.S.C. 7622) authorizes contributions to the Fund to the extent that United States contributions do not exceed 33 percent of all contributions to the Fund, allowing the United States to contribute $1 for every $2 contributed by other sources.

(4) during fiscal years 2001 through 2003, the United States provided $623,000,000 of the total contributions of $1,900,000,000 to the Fund, which represents approximately ⅓ of total contributions to the Fund;

(5) Congress has appropriated $547,000,000 to the Fund for fiscal year 2004, which has been matched by confirmed pledges of $994,000,000, and is slightly more than ⅓ of total pledges, with additional pledges expected; and

(6) over the life of the Fund, Congress has appropriated sufficient amounts to match contributions from other sources to The Global Fund to Fight AIDS, Tuberculosis, and Malaria on a 1-to-2 basis; and

(7) transparency and accountability are critical to Fund grant-making and the U.S. should work with foreign government and international organizations to support the Fund efforts to use its contributions most effectively.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that this concurrent resolution and subsequent appropriations acts should provide sufficient funds to continue matching contributions from other sources to The Global Fund to Fight AIDS, Tuberculosis, and Malaria on a 1-to-2 basis.

SA 2843. Mr. NICKLES (for Mr. HATCH (for himself, Mr. BIDEN, and Mr. KOHL)) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 20, line 17, increase the amount by $600,000,000.

On page 20, line 18, increase the amount by $132,000,000.

On page 20, line 22, increase the amount by $180,000,000.

On page 21, line 1, increase the amount by $120,000,000.

On page 21, line 5, increase the amount by $90,000,000.

On page 21, line 9, increase the amount by $78,000,000.

On page 21, line 13, decrease the amount by $600,000,000.

On page 21, line 14, decrease the amount by $132,000,000.

On page 21, line 18, deerease the amount by $180,000,000.

On page 21, line 22, decrease the amount by $120,000,000.

On page 22, line 1, increase the amount by $90,000,000.

On page 22, line 5, decrease the amount by $78,000,000.

SA 2844. Mr. NICKLES (for Mrs. DOLE (for herself and Mr. LEAHY)) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 18, line 4, increase the amount by $156,000,000.

On page 18, line 5, increase the amount by $135,000,000.

On page 18, line 8, increase the amount by $162,000,000.

On page 18, line 9, increase the amount by $160,000,000.

On page 18, line 12, increase the amount by $169,000,000.

On page 18, line 13, increase the amount by $170,000,000.

On page 18, line 16, increase the amount by $175,000,000.

On page 18, line 17, increase the amount by $175,000,000.

On page 18, line 20, increase the amount by $180,000,000.

On page 18, line 21, increase the amount by $180,000,000.

On page 23, line 5, decrease the amount by $156,000,000.

On page 23, line 6, decrease the amount by $135,000,000.

On page 23, line 9, decrease the amount by $162,000,000.

On page 23, line 10, decrease the amount by $160,000,000.

On page 23, line 13, decrease the amount by $169,000,000.

On page 23, line 14, decrease the amount by $170,000,000.

On page 23, line 17, decrease the amount by $175,000,000.

On page 23, line 18, decrease the amount by $175,000,000.

On page 23, line 21, decrease the amount by $180,000,000.

On page 23, line 22, decrease the amount by $180,000,000.

SEC. . SENSE OF THE SENATE CONCERNING CHILD NUTRITION FUNDING.

(a) FINDINGS.—The Senate finds that

(1) Federal child nutrition programs have long played a critical role in providing children in the United States with quality nutrition from birth through secondary school;

(2) recognizing the value—of these benefits to children in the United States, Congress has an enduring tradition of bipartisan support for these programs;

(3) children in the United States are increasingly at nutritional risk due to poor dietary habits, lack of access to nutritious foods, and obesity and diet-related diseases associated with poor dietary intake;

(4) many children in the United States who would benefit from Federal child nutrition programs do not receive benefits due to financial or administrative barriers; and

(5) Federal child nutrition programs are expected to be reauthorized in the 108th Congress.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports the retention in the conference report for this concurrent resolution of the additional funds provided in this concurrent resolution for the reauthorization of Federal child nutrition programs.

SA 2845. Mr. NICKLES (for Mr. LUGAR (for himself, Mr. CORZINE, Mr. BINGAMAN, Mr. LAUTENBERG, Mr. SCHUMER, Ms. STABENOW, Mrs. CLINTON, Mrs. FEINSTEIN, Mr. KERRY, Mr. KOHL, Mr. LEVIN, Mrs. MURRAY, Mr. DURBIN, Mr. DEWINE, Mr. HAGEL, Mr. CHAFEE, Mr. JEFFORDS, Ms. CANTWELL, Mr. SMITH, Mr. SANTORUM, Mr. MCCAIN, Mr. BIDEN, and Mr. SUNUNU)) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States

Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 8, line 21, increase the amount by $1,400,000,000.

On page 8, line 22, increase the amount by $153,000,000.

On page 8, line 25, increase the amount by $97,000,000.

On page 9, line 1, increase the amount by $621,000,000.

On page 9, line 4, increase the amount by $98,000,000.

On page 9, line 5, increase the amount by $359,000,000.

On page 9, line 8, increase the amount by $98,000,000.

On page 9, line 9, increase the amount by $237,000,000.

On page 9, line 12, increase the amount by $98,000,000.

On page 9, line 13, increase the amount by $154,000,000.

On page 23, line 5, decrease the amount by $1,400,000,000.

On page 23, line 6, decrease the amount by $153,000,000.

On page 23, line 9, decrease the amount by $97,000,000.

On page 23, line 10, decrease the amount by $621,000,000.

On page 23, line 13, decrease the amount by $98,000,000.

On page 23, line 14, decrease the amount by $359,000,000.

On page 23, line 17, decrease the amount by $98,000,000.

On page 23, line 18, decrease the amount by $237,000,000.

On page 23, line 21, decrease the amount by $98,000,000.

On page 23, line 22, decrease the amount by $154,000,000.

SA 2846. Ms. MURKOWSKI (for herself, Mr. SPECTER, Mr. BOND, Mr. ENSIGN, Mr. DEWINE, Mr. CORNYN, Mr. CAMPBELL, Mr. GRAHAM of South Carolina, Mr. ALLEN, Mr. STEVENS, and Ms. MIKULSKI) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 19, line 21, increase the amount by $1,200,000,000.

On page 19, line 22, increase the amount by $1,080,000,000.

On page 20, line 1, increase the amount by $108,000,000.

On page 20, line 5, increase the amount by $5,000,000.

On page 20, line 9, increase the amount by $1,000,000.

On page 23, line 5, decrease the amount by $1,200,000,000.

On page 23, line 6, decrease the amount by $1,080,000,000.

On page 23, line 10, decrease the amount by $108,000,000.

On page 23, line 14, decrease the amount by $5,000,000.

On page 23, line 18, decrease the amount by $1,000,000.

SA 2847. Mr. NICKLES (for Mr. GRASSLEY (for himself, Mr. BUNNING, Mr. DOMENICI, Mr. BINGAMAN, Ms. CANTWELL, Mrs. MURRAY, Mr. VOINOVICH, Mrs. CLINTON, Mr. DEWINE, Ms. MURKOWSKI, Mr. REID, Mr. BOND, Mr. KENNEDY, Mr. TALENT, and Mr. HARKIN)) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 54, after line 22, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING COMPENSATION FOR EXPOSURE TO TOXIC SUBSTANCES AT THE DEPARTMENT OF ENERGY.

(a) FINDINGS.—The Senate finds the following:

(1) The Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7384 et seq.) (referred to in this section as the "EEOICPA") is intended to ensure the timely payment of uniform and adequate compensation to covered employees suffering from occupational illnesses incurred during their work for the Department of Energy.

(2) The Department of Labor is responsible for implementing the provisions under subtitle B of the EEOICPA, relating to claims for radiation related cancers, beryllium disease, and silicosis. The Department of Labor has, within its area of responsibility, processed over 95 percent of the 52,000 claims it has received, and is processing these claims in an average of 73 days.

(3) As of the date of enactment of this resolution, the Department of Health and Human Services has not promulgated the regulations required under section 3626 of the EEOICPA for allowing claimants to petition to be members of the Special Exposure Cohort. Special Exposure Cohorts provide a presumption in favor of the claimant for radiation related cancers if—

(A) it is not feasible to estimate radiation dose with sufficient accuracy; and

(B) there is a reasonable likelihood that the health of the class of workers may have been endangered.

(4) The Department of Energy, which is responsible for implementing subtitle D of the EEOICPA, relating to occupational illness caused by exposure to toxic substances at Department of Energy facilities, finalized its regulations on August 14, 2002. The Department of Energy has processed 1 percent of the 22,000 claims received through the Department of Energy physicians panels since its regulations were made final.

(5) The Department of Energy has no willing payor for up to 50 percent of the claims that its physicians panels determine to be related to exposure to a toxic substance at the Department of Energy. As a consequence, many claimants with a positive determination from the physicians panel will be denied benefits. Many States, including Alaska, Colorado, Iowa, Kentucky, Missouri, Ohio, New Mexico, Idaho, and Nevada, may not have a willing payor.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) claims for occupational illness, which are determined to be caused by exposure to toxic substances at Department of Energy facilities under subtitle D of the EEOICPA, should be promptly, equitably, and efficiently compensated;

(2) administrative and technical changes should be made to the EEOICPA to—

(A) improve claims processing and review by physicians panels to ensure cost-effective and efficient consideration and determination of workers' claims;

(B) provide for membership in additional special exposure cohorts; and

(C) address eligibility issues at facilities with residual radiation; and

(3) the President and Congress should work together at the earliest opportunity to develop a plan that effectively resolves the issue of a lack of a willing payor for many claims that are determined under subtitle D of the EEOICPA to be related to exposure to a toxic substance at Department of Energy facilities.

SA 2848. Mr. NICKLES (for Mr. BYRD (for himself and Mr. COCHRAN)) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On Page 43, strike lines 11 through 20, and insert the following:

(b) FUNDING FOR BIOSHIELD.—The chairman of the Committee on Budget of the Senate shall revise the aggregates, functional totals, and allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by $2,528,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in fiscal year 2005 and subsequent years for Project Bioshield, for a bill, joint resolution, amendment, or conference report that makes appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2005.

SA 2849. Mr. KYL proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

At the appropriate place, insert the following:

SEC. . RESERVE FUND FOR VETERANS' MEDICAL CARE.

If the Committee on Finance or the Committee on Veterans' Affairs of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that (1) provides an increase in veterans' medical program funding and (2) is fully offset by an assessment on lawyer fees paid under the tobacco settlement, the Chairman of the Committee on the Budget of the Senate may revise the allocations of new budget authority, outlays, the revenue aggregates and other appropriate aggregates by not more than $1.7 billion for the period fiscal year 2005 to 2009 to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SA 2850. Mr. NICKLES (for Mr. DORGAN) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 14, line 19, increase the amount by $260,000,000.

On page 14, line 20, increase the amount by $18,000,000.

On page 14, line 23, increase the amount by $260,000,000.

On page 14, line 24, increase the amount by $226,000,000.

On page 15, line 2, increase the amount by $260,000,000.

On page 15, line 3, increase the amount by $260,000,000.

On page 15, line 6, increase the amount by $260,000,000.

On page 15, line 7, increase the amount by $260,000,000.

On page 15, line 10, increase the amount by $260,000,000.

On page 15, line 11, increase the amount by $260,000,000.

On page 15, line 16, increase the amount by $660,000,000.

On page 15, line 17, increase the amount by $561,000,000.

On page 15, line 20, increase the amount by $60,000,000.

On page 15, line 21, increase the amount by $150,000,000.

On page 15, line 24, increase the amount by $60,000,000.

On page 15, line 25, increase the amount by $60,000,000.

On page 16, line 3, increase the amount by $60,000,000.

On page 16, line 4, increase the amount by $60,000,000.

On page 16, line 7, increase the amount by $60,000,000.

On page 16, line 8, increase the amount by $60,000,000.

On page 23, line 5, decrease the amount by $920,000,000.

On page 23, line 6, decrease the amount by $579,000,000.

On page 23, line 9, decrease the amount by $320,000,000.

On page 23, line 10, decrease the amount by $376,000,000.

On page 23, line 13, decrease the amount by $320,000,000.

On page 23, line 14, decrease the amount by $320,000,000.

On page 23, line 17, decrease the amount by $320,000,000.

On page 23, line 18, decrease the amount by $320,000,000.

On page 23, line 21, decrease the amount by $320,000,000.

On page 23, line 22, decrease the amount by $320,000,000.

On page 54, after line 22, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING TAX INCENTIVES FOR CERTAIN RURAL COMMUNITIES.

It is the sense of the Senate that if tax relief measures are passed in accordance with the assumptions in this resolution in this session of Congress, such legislation should include—

(1) tax and other financial incentives, similar to those included in the New Homestead Act (S. 602), to help rural communities fight the economic decimation caused by chronic out-migration by giving such communities the tools they need to attract individuals to live and work, or to start and grow a business, in such rural areas, and

(2) revenue provisions which fully offset the cost of such tax and other financial incentives.

SA 2851. Mr. NICKLES (for Mr. SPECTER) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

Strike section 404(a).

SA 2852. Mr. NICKLES (for Ms. COLLINS (for herself and Mr. CARPER)) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 28, between lines 7 and 8, insert the following:

SEC. 304. RESERVE FOR POSTAL SERVICE REFORM.

If the Committee on Governmental Affairs of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that reforms the United States Postal Service to improve its economic viability, the Chairman of the Committee on the Budget may revise committee allocations for the Committee on Governmental Affairs and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, if that measure would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 though 2009.

SA 2853. Mr. SANTORUM proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by $38,296,000,000.

On page 3, line 10, increase the amount by $79,080,000,000.

On page 3, line 11, increase the amount by $69,123,000,000.

On page 3, line 12, increase the amount by $76,240,000,000.

On page 3, line 13, increase the amount by $88,626,000,000.

On page 3, line 17, increase the amount by $38,296,000,000.

On page 3, line 18, increase the amount by $79,080,000,000.

On page 3, line 19, increase the amount by $69,123,000,000.

On page 3, line 20, increase the amount by $76,240,000,000.

On page 3, line 21, increase the amount by $88,626,000,000.

On page 4, line 4, increase the amount by $151,052,136,000.

On page 4, line 5, increase the amount by $221,280,576,000.

On page 4, line 6, increase the amount by $223,955,256,000.

On page 4, line 7, increase the amount by $252,798,059,000.

On page 4, line 8, increase the amount by $276,318,737,000.

On page 4, line 12, increase the amount by $145,439,136,000.

On page 4, line 13, increase the amount by $215,107,576,000.

On page 4, line 14, increase the amount by $216,217,256,000.

On page 4, line 15, increase the amount by $244,706,059,000.

On page 4, line 16, increase the amount by $267,907,737,000.

On page 4, line 20, decrease the amount by $407,143,136,000.

On page 4, line 21, decrease the amount by $136,027,576,000.

On page 4, line 22, decrease the amount by $147,094,256,000.

On page 4, line 23, decrease the amount by $168,466,059,000.

On page 4, line 24, decrease the amount by $179,281,737,000.

On page 5, line 3, increase the amount by $107,143,136,000.

On page 5, line 4, increase the amount by $243,170,712,000.

On page 5, line 5, increase the amount by $390,264,968,000.

On page 5, line 6, increase the amount by $558,731,027,000.

On page 5, line 7, increase the amount by $738,012,764,000.

On page 5, line 11, increase the amount by $107,143,136,000.

On page 5, line 12, increase the amount by $243,170,712,000.

On page 5, line 13, increase the amount by $390,264,968,000.

On page 5, line 14, increase the amount by $558,731,027,000.

On page 5, line 15, increase the amount by $738,012,764,000.

On page 8, line 21, increase the amount by $7,500,000,000.

On page 8, line 22, increase the amount by $7,500,000,000.

On page 8, line 25, increase the amount by $7,500,000,000.

On page 9, line 1, increase the amount by $7,500,000,000.

On page 9, line 4, increase the amount by $7,500,000,000.

On page 9, line 5, increase the amount by $7,500,000,000.

On page 9, line 8, increase the amount by $7,500,000,000.

On page 9, line 9, increase the amount by $7,500,000,000.

On page 11, line 13, increase the amount by $3,500,000,000.

On page 11, line 14, increase the amount by $3,500,000,000.

On page 11, line 17, increase the amount by $3,500,000,000.

On page 11, line 18, increase the amount by $3,500,000,000.

On page 11, line 21, increase the amount by $3,500,000,000.

On page 11, line 22, increase the amount by $3,500,000,000.

On page 11, line 25, increase the amount by $3,500,000,000.

On page 12, line 1, increase the amount by $3,500,000,000.

On page 14, line 2, increase the amount by $7,000,000,000.

On page 14, line 3, increase the amount by $7,000,000,000.

On page 14, line 6, increase the amount by $8,000,000,000.

On page 14, line 7, increase the amount by $8,000,000,000.

On page 14, line 10, increase the amount by $8,000,000,000.

On page 14, line 11, increase the amount by $8,000,000,000.

On page 14, line 14, increase the amount by $8,000,000,000.

On page 14, line 15, increase the amount by $8,000,000,000.

On page 14, line 23, increase the amount by $5,000,000,000.

On page 14, line 24, increase the amount by $5,000,000,000.

On page 15, line 2, increase the amount by $5,000,000,000.

On page 15, line 3, increase the amount by $5,000,000,000.

On page 15, line 6, increase the amount by $5,000,000,000.

On page 15, line 7, increase the amount by $5,000,000,000.

On page 15, line 10, increase the amount by $5,000,000,000.

On page 15, line 11, increase the amount by $5,000,000,000.

On page 15, line 20, increase the amount by $33,500,000,000.

On page 15, line 21, increase the amount by $33,500,000,000.

On page 15, line 24, increase the amount by $33,500,000,000.

On page 15, line 25, increase the amount by $33,500,000,000.

On page 16, line 3, increase the amount by $33,500,000,000.

On page 16, line 4, increase the amount by $33,500,000,000.

On page 16, line 7, increase the amount by $33,500,000,000.

On page 16, line 8, increase the amount by $33,500,000,000.

On page 16, line 12, increase the amount by $89,500,000,000.

On page 16, line 13, increase the amount by $89,500,000,000.

On page 16, line 16, increase the amount by $89,500,000,000.

On page 16, line 17, increase the amount by $89,500,000,000.

On page 16, line 20, increase the amount by $89,500,000,000.

On page 16, line 21, increase the amount by $89,500,000,000.

On page 16, line 24, increase the amount by $89,500,000,000.

On page 16, line 25, increase the amount by $89,500,000,000.

On page 17, line 3, increase the amount by $89,500,000,000.

On page 17, line 4, increase the amount by $89,500,000,000.

On page 18, line 8, increase the amount by $1,000,000,000.

On page 18, line 9, increase the amount by $1,000,000,000.

On page 18, line 12, increase the amount by $1,000,000,000.

On page 18, line 13, increase the amount by $1,000,000,000.

On page 18, line 16, increase the amount by $1,000,000,000.

On page 18, line 17, increase the amount by $1,000,000,000.

On page 18, line 20, increase the amount by $1,000,000,000.

On page 18, line 21, increase the amount by $1,000,000,000.

On page 19, line 21, increase the amount by $8,200,000,000.

On page 19, line 22, increase the amount by $8,200,000,000.

On page 19, line 25, increase the amount by $8,200,000,000.

On page 20, line 1, increase the amount by $8,200,000,000.

On page 20, line 4, increase the amount by $8,200,000,000.

On page 20, line 5, increase the amount by $8,200,000,000.

On page 8, line 8, increase the amount by $8,200,000,000.

On page 8, line 9, increase the amount by $8,200,000,000.

On page 8, line 12, increase the amount by $8,200,000,000.

On page 8, line 13, increase the amount by $8,200,000,000.

On page 22, line 9, increase the amount by $1,884,136,000.

On page 22, line 10, increase the amount by $1,884,136,000.

On page 22, line 13, increase the amount by $7,298,576,000.

On page 22, line 14, increase the amount by $7,298,576,000.

On page 22, line 17, increase the amount by $14,926,256,000.

On page 22, line 18, increase the amount by $14,926,256,000.

On page 22, line 21, increase the amount by $23,145,059,000.

On page 22, line 22, increase the amount by $23,145,059,000.

On page 22, line 25, increase the amount by $31,897,737,000.

On page 23, line 1, increase the amount by $31,897,737,000.

On page 23, line 5, increase the amount by $43,968,737,000.

On page 23, line 6, increase the amount by $38,355,000,000.

On page 23, line 9, increase the amount by $58,782,000,000.

On page 23, line 10, increase the amount by $52,609,000,000.

On page 23, line 13, increase the amount by $52,829,000,000.

On page 23, line 14, increase the amount by $45,091,000,000.

On page 23, line 17, increase the amount by $73,453,000,000.

On page 23, line 18, increase the amount by $65,361,000,000.

On page 23, line 21, increase the amount by $95,721,000,000.

On page 23, line 22, increase the amount by $87,310,000,000.

On page 39, line 18, increase the amount by $26,468,000,000.

On page 39, line 19, increase the amount by $20,855,000,000.

On page 40, line 1, increase the amount by $91,282,000,000.

On page 40, line 2, increase the amount by $117,109,000,000.

SA 2854. Ms. SNOWE submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 13, line 2, increase the amount by $121,000,000.

On page 13, line 3, increase the amount by $68,000,000.

On page 13, line 7, increase the amount by $40,000,000.

On page 13, line 11, increase the amount by $7,000,000.

On page 23, line 5, decrease the amount by $121,000,000.

On page 23, line 6, decrease the amount by $68,000,000.

On page 23, line 10, decrease the amount by $40,000,000.

On page 23, line 14, decrease the amount by $7,000,000.

SA 2855. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 146, strike lines 1 through 23.

NOTICES OF HEARINGS/MEETINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. COLEMAN. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental affairs will hold a hearing entitled "Profiteering In a Non-Profit Industry: Abusive Practices in Credit Counseling." The subcommittee intends to hold this hearing to address the problems facing the credit counseling industry. Once community-based and consumer-friendly, the credit counseling industry has undergone significant transformation during the past several years. New and aggressive profit-driven participants have entered the market, causing a rash of consumer complaints about high fees, misleading advertising, and poor service. The proliferation of for-profit, "back-office" servicing companies is threatening to change the industry into a debt collection mill instead of an industry whose focus should be on consumer counseling and education. The subcommittee's March 24 hearing will review the most egregious cases for misconduct among credit counseling agencies and their for-profit service providers and examine what solutions may be available to repair the industry.

The hearings will take place on Wednesday, March 24, 2004, at 9 a.m., in room 342 of the Dirksen Senate Office Building. For further information, please contact Raymond V. Shepherd III, Staff Director and Chief Counsel to the Permanent Subcommittee on Investigations, at 224–3721.

SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Public Lands and Forests of the Committee on Energy and Natural Resources.

The hearing will be held on Wednesday, March 24, at 2:30 p.m., in room SD–366 of the Dirksen Senate Office Building.

The purpose of the hearing is to receive testimony on the following bills: S. 433, a bill to provide for enhanced collaborative forest stewardship management within the Clearwater and Nez Perce National Forests in Idaho, and for other purposes; S. 2180, a bill to direct the Secretary of Agriculture to exchange certain lands in the Arapaho and Roosevelt National Forests in the

State of Colorado; and H.R. 1964, a bill to assist the States of Connecticut, New Jersey, New York, and Pennsylvania in conserving priority lands and natural resources in the Highlands region, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510–6150.

For further information, please contact Frank Gladics at 202–224–2878.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on March 11, 2004, at 9:30 a.m., in open session to receive testimony on missile defense, in review of the Defense Authorization Request for Fiscal Year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, March 11, 2004, at 10 a.m., on prescription drug importation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, March 11, at 10 a.m.

The purpose of the hearing is to receive testimony on the following bills: S. 2086, a bill to amend the Surface Mining Control and Reclamation Act of 1977 to improve the reclamation of abandoned mines; S. 2049, a bill to amend the Surface Mining Control and Reclamation Act of 1977 to reauthorize collection of reclamation fees, revise the abandoned mine reclamation program, promote remining, authorize the Office of Surface Mining to collect the black lung excise tax, and make sundry other changes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Energy and Natural resources be authorized to meet during the session of the Senate on Thursday, March 11, at 2:30 p.m. to consider the nomination of Sue Ellen Woolridge to be Solicitor of the Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, March 11, 2004, at 9:30 a.m., for a hearing titled "Postal Reform: Sustaining the 9 Million Jobs in the $900 Billion Mailing Industry (Day Two)."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, March 11, 2004, at 9:30 a.m., in Dirksen Senate Building Room 226.

Agenda

I. Nominations

Henry W. Saad to be U.S. Circuit Judge for the Sixth Circuit; William James Haynes II to be U.S. Circuit Judge for the Fourth Circuit; Diane S. Sykes to be U.S. Circuit Judge for the Seventh Circuit; William Gerry Myers III to be U.S. Circuit Judge for the Ninth Circuit; James L. Robart to be U.S. District Judge for the Western District of Washington; Juan R. Sanchez to be U.S. District Judge for the Eastern District of Pennsylvania; and Lawrence F. Stengel to be U.S. District Judge for the Eastern District of Pennsylvania.

II. Executive Session

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. NICKLES. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on March 11, 2004, at 2:30 p.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AIRLAND

Mr. NICKLES. Mr. President, I ask unanimous consent that the Subcommittee on Airland of the Committee on Armed Services be authorized to meet during the session of the Senate on March 11, 2004, at 2 p.m., in open session to receive testimony on Army transformation in review of the Defense Authorization Request for Fiscal Year 2005 and the future years Defense Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. PRYOR. Mr. President, I ask unanimous consent to allow my staff member, Derrick Freeman, the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, pursuant to Public Law 108–176, Section 411(b)(1)(B), appoints the following individual to serve as a member of the National Commission of Small Community Air Service: Mayor Bob Corker of Chattanooga, Tennessee.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar: Calendar Nos. 572, 573, 574, 575, 576, 577, 578, 579, 580, 586, 587, and all nominations on the Secretary's desk.

I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

Glyn T. Davies, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during his tenure of service as the Political Director for the United States Presidency of the G–8.

Richard S. Williamson, of Illinois, for the rank of Ambassador during his tenure of service as Representative of the United States of America on the Human Rights Commission of the Economic and Social Council of the United Nations.

BROADCASTING BOARD OF GOVERNORS

Edward E. Kaufman, of Delaware, to be a Member of the Broadcasting Board of Governors for a term expiring August 13, 2006.

Steven J. Simmons, of Connecticut, to be a Member of the Broadcasting Board of Governors for a term expiring August 13, 2006.

EXECUTIVE OFFICE OF THE PRESIDENT

Feliciano Foyo, of Florida, to be a Member of the Advisory Board for Cuba Broadcasting for a term expiring August 12, 2004.

Robert Hurley McKinney, of Indiana, to be a Member of the Advisory Board for Cuba Broadcasting for a term expiring October 27, 2004.

OVERSEAS PRIVATE INVESTMENT CORPORATION

Sandford Gottesman, of Texas, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 2005.

Diane M. Ruebling, of California, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 2005.

C. William Swank, of Ohio, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 2005.

DEPARTMENT OF THE TREASURY

Mark J. Warshawsky, of Maryland, to be an Assistant Secretary to the Treasury.

CENTERS FOR MEDICARE AND MEDICAID SERVICES

Mark B. McClellan, of the District of Columbia, to be Administrator of the Centers for Medicare and Medicaid Services.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

COAST GUARD

Coast Guard nomination of Larry L. Jones, which was received by the Senate and appeared in the Congressional Record of January 22, 2004.

Coast Guard nominations (3) beginning Susan J. Blood, and ending Heather L. Morrison, which nominations were received by the Senate and appeared in the Congressional Record of February 11, 2004.

Coast Guard nominations (3) beginning MICHAEL P. GULDIN, and ending FELICIA K. RAYBON, which nominations were received by the Senate and appeared in the Congressional Record of November 17, 2003.

Coast Guard nominations (218) beginning Catherine A. Abella, and ending Bradly G. Winans, which nominations were received by the Senate and appeared in Congressional Record of February 5, 2004.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

ORDERS FOR FRIDAY, MARCH 12, 2004

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 10 a.m., Friday, March 12. I further ask that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FRIST. Mr. President, tomorrow the Senate will be in a period of morning business. There will be no rollcall votes tomorrow, but we will be working to clear several items for passage. It has been a long day and a late night and will be an early morning, but it was a worthy effort, as we were able to complete our work on the budget. I thank everyone again.

I will make further announcements tomorrow on schedule when we return from recess.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, those of us who have spent this long day on the floor recognize that there has been an absence in our caucus—and I think both of our caucuses have noted his absence—and that is the distinguished assistant Democratic leader. Normally, he would have been moving around the floor for the last several hours, working with the managers and making sure things were done in an orderly way. Our dear friend Senator REID has attended a funeral of one of his very close friends today.

I want the RECORD to show the only reason he missed the votes and was not here to help orchestrate our successful conclusion of the budget is because of his need to be in Nevada. I thought it was important we make note of that in the RECORD.

I appreciate the majority leader yielding for that purpose.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 1:44 a.m., adjourned until Friday, March 12, 2004, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 11, 2004:

DEPARTMENT OF DEFENSE

TINA WESTBY JONAS, OF VIRGINIA, TO BE UNDER SECRETARY OF DEFENSE (COMPTROLLER), VICE DOV S. ZAKHEIM, RESIGNING.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ROMOLO A. BERNARDI, OF NEW YORK, TO BE DEPUTY SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE ALPHONSO R. JACKSON.

CONSUMER PRODUCT SAFETY COMMISSION

THOMAS HILL MOORE, OF FLORIDA, TO BE A COMMISSIONER OF THE CONSUMER PRODUCT SAFETY COMMISSION FOR A TERM OF SEVEN YEARS FROM OCTOBER 27, 2002. (REAPPOINTMENT)

DEPARTMENT OF THE TREASURY

JUAN CARLOS ZARATE, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF THE TREASURY, VICE KENNETH LAWSON, RESIGNED.

DEPARTMENT OF STATE

LEWIS W. LUCKE, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SWAZILAND.

EARLE I. MACK, OF NEW YORK, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF FINLAND.

JACKSON MCDONALD, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GUINEA.

JOHN M. ORDWAY, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF KAZAKHSTAN.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. DAN K. MCNEILL, 4203

THE FOLLOWING ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADES INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIGADIER GENERAL JAMES J. BISSON, 6236
BRIGADIER GENERAL RONALD G. CROWDER, 6091
BRIGADIER GENERAL WILLIAM W. GOODWIN, 8895
BRIGADIER GENERAL MICHAEL A. GORMAN, 3651
BRIGADIER GENERAL ROBERT G.F. LEE, 0590
BRIGADIER GENERAL ROBERTO MARRERRO-CORLETTO, 1485
BRIGADIER GENERAL ROBLEY S. RIGDON, 7740
BRIGADIER GENERAL JOSEPH J. TALUTO, 0598
BRIGADIER GENERAL ARTHUR H. WYMAN, 0312

To be brigadier general

COLONEL FLOYD E. BELL JR., 4755
COLONEL JAMES A. BRUNSON, 2895
COLONEL JOSEPH J. CHAVES, 4075
COLONEL JOSEPH L. CULVER, 8597
COLONEL PAUL C. GENEREUX JR., 5128
COLONEL MARTIN L. GRABER, 3495
COLONEL MARK W. HAMPTON, 2917
COLONEL YAROPOLK R. HLADKYJ, 9285
COLONEL GEORGE E. IRVIN SR., 5367
COLONEL JAMES A. KRUECK, 5915
COLONEL ROGER A. LALICH, 3130
COLONEL JACK E. LEE, 4916
COLONEL RICHARD B. MOORHEAD, 6302
COLONEL JAMES W. NUTTALL, 3643
COLONEL BILLY L. PIERCE, 1657
COLONEL STEVER D. SAUNDERS, 3328
COLONEL LINWOOD M. SAWYER, 2075
COLONEL WILLIAM D. SCHNEIDER, 5870
COLONEL KING E. SIDWELL, 5791
COLONEL MICHAEL C. SWEZEY, 0174
COLONEL OMER C. TOOLEY, 2212

THE FOLLOWING ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. DANA D. BATEY, 5013

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. ROBERT C. DICKERSON JR., 2458
BRIG. GEN. TIMOTHY F. GHORMLEY, 8863
BRIG. GEN. SAMUEL T. HELLAND, 6309
BRIG. GEN. RICHARD S. KRAMLICH, 9829
BRIG. GEN. RICHARD F. NATONSKI, 9548

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be major

CHRISTINE R. GUNDEL, 6103

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND FOR REGULAR APPOINTMENT UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be major

BOIKAI B. BRAGGS, 8028
CHRISTOPHER S. BROCKMAN, 5242
CHARLES W. FOX, 6168

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR ORIGINAL REGULAR APPOINTMENT AS PERMANENT LIMITED DUTY OFFICER TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 5589:

To be lieutenant

DAVID R. AGLE, 9804

CONFIRMATIONS

Executive nominations confirmed by the senate March 11, 2004:

DEPARTMENT OF STATE

GLYN T. DAVIES, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS THE POLITICAL DIRECTOR FOR THE UNITED STATES PRESIDENCY OF THE G-8.

RICHARD S. WILLIAMSON, OF ILLINOIS, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS REPRESENTATIVE OF THE UNITED STATES OF AMERICA ON THE HUMAN RIGHTS COMMISSION OF THE ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS.

BROADCASTING BOARD OF GOVERNORS

EDWARD E. KAUFMAN, OF DELAWARE, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM EXPIRING AUGUST 13, 2006.

STEVEN J. SIMMONS, OF CONNECTICUT, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM EXPIRING AUGUST 13, 2006.

EXECUTIVE OFFICE OF THE PRESIDENT

FELICIANO FOYO, OF FLORIDA, TO BE A MEMBER OF THE ADVISORY BOARD FOR CUBA BROADCASTING FOR A TERM EXPIRING AUGUST 12, 2004.

ROBERT HURLEY MCKINNEY, OF INDIANA, TO BE A MEMBER OF THE ADVISORY BOARD FOR CUBA BROADCASTING FOR A TERM EXPIRING OCTOBER 27, 2004.

OVERSEAS PRIVATE INVESTMENT CORPORATION

SANFORD GOTTESMAN, OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 2005.

DIANE M. RUEBLING, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 2005.

C. WILLIAM SWANK, OF OHIO, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 2005.

DEPARTMENT OF THE TREASURY

MARK J. WARSHAWSKY, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF THE TREASURY.

CENTERS FOR MEDICARE AND MEDICAID SERVICES

MARK B. MCCLELLAN, OF THE DISTRICT OF COLUMBIA, TO BE ADMINISTRATOR OF THE CENTERS FOR MEDICARE AND MEDICAID SERVICES.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

LOUIS GUIROLA, JR., OF MISSISSIPPI, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF MISSISSIPPI.

NEIL VINCENT WAKE, OF ARIZONA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF ARIZONA.

COAST GUARD NOMINATIONS BEGINNING MICHAEL P. GULDIN AND ENDING FELICIA K. RAYBON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 17, 2003.

COAST GUARD NOMINATION OF LARRY L. JONES.

COAST GUARD NOMINATIONS BEGINNING CATHERINE A ABELLA AND ENDING BRADLY G WINANS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 5, 2004.

COAST GUARD NOMINATIONS BEGINNING SUSAN J. BLOOD AND ENDING HEATHER L. MORRISON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 11, 2004.

EXTENSIONS OF REMARKS

IMPROVEMENTS TO THE SUMMER FOOD SERVICE PROGRAM

HON. DARLENE HOOLEY

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Ms. HOOLEY of Oregon. Mr. Speaker, across the Nation, rates of hunger and food insecurity are on the rise. Since 1999, food insecurity has increased by 3.9 million individuals: 2.8 million adults and more than 1 million children.

The Federal Government, through child nutrition programs, has the opportunity to help dramatically lower the incidents of childhood hunger, giving all children a chance to grow, develop, and succeed in the classroom and beyond. Despite the educational and nutritional benefits of the Summer Food Service Program (SFSP), the large majority of students who could qualify for and benefit from these programs are not being served. Currently, only 15% of Free School Lunch Kids participate in the summer programs.

This legislation, designed to improve the Summer Food Service Program, would encourage additional sponsors to participate in the SFSP by directing the Secretary of Agriculture to make competitive start-up grants of no more than $5 million per fiscal year for the 10 States with the least amount of sponsor participation. Further, it would increase child participation by requiring that 40 percent, rather than the current levels of 50 percent, of the children served by the SFSP in a region come from families below the 185 percent poverty level.

These modest changes will make an enormous difference to the over 13 million food-insecure children across the Nation who would benefit from a reliable source of healthy food to grow, develop, and succeed in the classroom and beyond.

PARAMOUNT—"HAY TREE"

HON. LINDA T. SÁNCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Ms. LINDA T. SÁNCHEZ of California. Mr. Speaker, nearly 75 years ago, farmers gathered beneath the soaring camphor and depending on the weather and production level, set the price of hay around the world.

The Hay Tree, a 50-foot-high camphor, thought to be more than 100 years old—is considered one of the few remnants of the once-thriving dairy and hay industry that ruled southeastern Los Angeles County and Northwestern Orange County. From the 1920s through the 1950s this area was called "The Hay Capital of the World."

The Paramount Hay Tree has recently been named the latest historical landmark in California by the State Historical Resources Commission. It was the first awarding of landmark status in southeast Los Angeles County in 10 years. The Hay Tree joins 1,100 landmarks throughout California, only 11 of which are also trees.

According to the Office of Historic Preservation, an object must meet one of the following criteria to be eligible for landmark status: It must be considered the first, last or only one of its kind in the state or region, or it must be connected to a person or group having a significant influence in California history.

The towns of Hynes and Clearwater—which would later incorporate together as Paramount—were the hub of the southern California dairy country and became the world's largest hay market. The alfalfa was shipped in from as far away as Arizona and Montana. Each day's median hay price was quoted in major newspapers as the national and international standard. It was under the Hay Tree—an informal gathering place for truckers, farmers and workers—that the representatives from the area lots would compare notes and come up with the composite price figure.

The Hay Tree still holds sway over Paramount's newest addition—Civic Center Plaza, and will be the focal point of the new Plaza and Botanical Garden. A small park, set aside as open space in perpetuity, will surround the graceful camphor, signifying its sentimental and historical standing in town.

Paramount's oldest banner, the Hay Tree, is one of California's finest monuments—it speaks praise without boasting and will be a blessing to all for years to come.

TRIBUTE TO BOB MAIER

HON. JAY INSLEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. INSLEE. Mr. Speaker, I pay tribute today to a dedicated veteran, father, teacher, advocate, musician, and athlete. His leadership and courage touched many lives, including my own, and it is my great honor to recognize and commemorate this extraordinary man.

Robert B. Maier, was a model American citizen. He served in the U.S. Navy after graduating high school. Later, he taught American Studies and English at Mercer Island High School. A staunch advocate for public school and school employees, Bob worked in Washington State Capitol for 20 years. At the time of his death, he was chief lobbyist and director of public policy for the Washington Education Association.

Beyond these accomplishments, one of the most important things about Bob was his enthusiasm for life. Anyone could see it in the way he was always learning new things. He loved to play basketball and music. He read books and solved cross-word puzzles. He took leadership roles in his community. He was a contributor.

Bob's achievements and accomplishments speak to his tremendous love and respect for his community, friends, and family. I know he will be remembered by all those he touched. Our children are receiving a better education because of his long effort, for which we are deeply grateful.

SPIKE IN METAL PRICES—WHAT DOES IT MEAN FOR SMALL MANUFACTURES

HON. LINDA T. SÁNCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Ms. LINDA T. SÁNCHEZ of California. Mr. Speaker, today Chairman MANZULLO and Ranking Member VELÁZQUEZ held an important hearing for the small business. The hearing focused on the increase in steel prices.

Consumers of Steel expected that the removal of the tariffs by President Bush in December would decrease the price of steel and increase steel imports. However, this did not happen. For the past 2 months the price of steel has increased approximately by 30 percent.

The continuing increase in steel prices affects many parts of the economy, but particularly small manufacturing companies who buy their steel at market price. These small companies have not only been dealing with the increase in steel prices, they are now facing shortages in steel products. With these factors combined, it is virtually impossible for small manufacturers to survive.

I would like to share a story of a constituent of mine who has been dealing with this crisis. Argo Springs Manufacturing Company, located in Norwalk, CA, is a family company that has been in business for almost 40 years. They produce numerous products from springs to compression coils. Their customers range from the commercial and aerospace industry to military agencies.

Argo Springs currently employs 70 people, but with the sudden increase in prices and shortages in steel, it has become difficult for the company to compete in the manufacturing market. Randy Fox, vice president of Argo, told me and I quote,

> On February 15, I bought steel at 34 cents a pound, but by March 2 the price of steel had increased by 59 cents. I am worried that the company will have to start laying-off workers and eventually go out of business. I'm not sure the company will outlast the crisis.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

This story highlights the true impact of this crisis on small business owners. I am worried that if this crisis is not resolved, many small manufacturing companies like Argo Springs will not be able to continue doing business. This is unacceptable.

After talking to my constituent, Randy Fox, one thing is apparent to me—we need to do something about this crisis in the steel industry. Small businesses are the economic backbone of our Nation. It is imperative that we create a viable and reasonable economic environment for them to maintain their businesses and grow.

TRIBUTE TO SHIRLEY RECTOR

HON. JAY INSLEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. INSLEE. Mr. Speaker, it is with great sorrow that I rise on the House floor to mourn the passing of one of my past colleagues and personal friends. Although we all feel great loss with her passing and it is difficult to express grief for her family and all those who knew her, I would like to offer this tribute as a celebration of her many accomplishments.

Representative Shirley J. Rector was a woman of spirit and principle. As one of the first women to work at Kaiser Aluminum, she took the bull by the horns and was elected as Steelworkers Union Local 338 legislative education chair and recording secretary. Even at that time, her dedication to making the world a better place was clear.

Shirley was committed to public service. She was vice chair of the Democratic Central Committee. I am honored to have been her colleague when she served as a member of the State of Washington House of Representatives where she was instrumental in passing legislation for both the Shared and Family Leave Acts. She was also on the SIRTI Higher Education Board and was co-founder of the Women Helping Women Fund. No one who was there will ever forget her speech which electrified the House concerning family and medical care.

I am humbled by these accomplishments and I am assured that her legacy of strong involvement in government and community has touched the lives of many.

FREEDOM FOR LUIS MILÁN FERNÁNDEZ

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I rise today to speak about Luis Milán Fernández, a political prisoner in totalitarian Cuba.

Dr. Milán Fernández is a medical doctor by profession. He chose to dedicate his life to healing people; but, Dr. Milán Fernández realized that the people of Cuba are in need of freedom as well as medicine. In June, 2001 he signed the Manifesto 2001, a document that protested the lack of basic freedoms in Cuba.

Dr. Milán Fernández continued to advocate for freedom for every Cuban when he joined the Independent Medical Association of Santiago. According to Amnesty International, he also joined fellow health professionals in a one-day hunger strike to call attention to the medical situation and other issues pertaining to the lack of freedom in totalitarian Cuba.

Because of his commitment to freedom for Cuba, Dr. Milán Fernández was a victim of the dictator's brutal March 2003 crackdown on pro-democracy activists. In a sham trial, Dr. Milán Fernández was sentenced to 13 years in the totalitarian gulag.

The U.S. State Department's 2003 Country Reports on Human Rights Practices describes conditions in the totalitarian gulag as

> . . . harsh and life threatening. . . . police and prison officials often . . . beat, neglected, isolated, and denied medical treatment to detainees and prisoners, including those convicted of political crimes or those who persisted in expressing their views . . . Detainees and prisoners, both common and political, often were subjected to repeated, vigorous interrogations designed to coerce them into signing incriminating statements, to force collaboration with authorities, or to intimidate victims. Some endured physical and sexual abuse, typically by other inmates with the acquiescence of guards, or long periods in punitive isolation cells.

Dr. Milán Fernández is a brilliant example of the heroism of the Cuban people. No matter how fierce the repression, no matter how brutal the consequences of a dignified struggle for freedom, the prisons of Cuba are full of men and women of all backgrounds and ages who represent the best of the Cuban nation. Thousands languish in the gulag because they refuse to accept the current reality of nightmarish oppression in Cuba today.

Mr. Speaker, Dr. Milán Fernández is languishing in the horror of the totalitarian gulag because he believes in freedom for the people of Cuba. My Colleagues, we must demand the immediate release of Luis Milán Fernández and every prisoner of conscience suffering in the indescribable gulags of the nightmare called the Castro regime.

RECOGNIZING THE ACHIEVEMENTS OF LULAC ON ITS 75TH ANNIVERSARY

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Ms. SOLIS. Mr. Speaker, I rise today to honor the League of United Latin American Citizens as it celebrates its 75th year of advancing the economic condition, educational attainment, political influence, health and civil rights of Hispanics in the United States.

LULAC's founding 75 years ago signaled the end of one era and the beginning of another. For decades, the Hispanic community had been engulfed in an environment of inequality, discrimination and injustice. The creation of an institution like LULAC initiated a positive change in the future direction of the Hispanic community as it embodied the will of a people to overcome these barriers to social inclusion and civic participation and claim their rights as U.S. citizens, to access the American dream.

Today, LULAC represents Hispanics in most parts of the United States, as well as Puerto Rico and Guam. It also serves as a cornerstone for some of the most successful Hispanic national organizations. For example, LULAC formed the American GI Forum to address the rights of Hispanic veterans. LULAC also helped to create the Mexican American Legal Defense and Education Fund to function as the legal arm of the Hispanic community.

LULAC's record of activism, whether fighting for voting rights and full access to the political process, equal educational opportunities for Hispanic children, or the rights of women and full inclusion in American society, is a testimony that it is an organization that will forever address those issues that impact the lives and future of all Hispanic Americans. I commend LULAC on its 75 years of service and the innumerable contributions it has made to our Hispanic community and our country as a whole.

PERSONAL EXPLANATION

HON. JOSEPH M. HOEFFEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. HOEFFEL. Mr. Speaker, I was absent for three votes on Tuesday, March 9, 2004 due to a family illness. Had I been present, I would have cast my votes as follows: Rollcall No. 42 (H. Res. 519), "aye"; Rollcall No. 43 (H. Res. 392), "aye"; Rollcall No. 44 (H. Res. 475), " aye."

A PROCLAMATION RECOGNIZING CARR-BAILEY AMERICAN LEGION POST NO. 519

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. NEY. Mr. Speaker:

Whereas, Carr-Bailey American Legion Post No. 519 of Mineral City is recognized for supporting American forces in Iraq; and

Whereas, Carr-Bailey Post No. 519 has upheld their Congressional mandate to support veterans and active-duty members of the United States armed forces by providing care packages to the brave men and women serving in Iraq; and

Whereas, Carr-Bailey Post No. 519 has demonstrated patriotic and faithful dedication to those fighting for liberty and freedom at home and around the world;

Therefore, I join with the residents of Tuscarawas County and the entire 18th Congressional District in commending Carr-Bailey American Legion Post No. 519 for continued support of our American troops overseas.

CONGRATULATING LAKE HIGHLANDS HIGH SCHOOL ON ITS 40TH ANNIVERSARY

HON. JEB HENSARLING

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. HENSARLING. Mr. Speaker, today, I would like to extend my warmest congratulations to Lake Highlands High School in Dallas, TX, on the occasion of their 40th anniversary.

Education is one of the most important issues facing the future of our great Nation. If America is to continue to be the leader of the modern world, we must offer a solid educational foundation for our citizens. To succeed in school and life, every student needs a basic set of skills. They need to listen attentively, speak persuasively, read with understanding, and write with command.

Over the past 40 years, Lake Highlands High School has maintained a commitment to academic, athletic and artistic excellence and community service. Lake Highlands High School has produced 17 National Merit Finalists in the last 2 years alone, along with district championships in nearly every athletic competition offered.

Since I was elected to Congress, I have visited Lake Highlands High School many times. Clearly, Lake Highlands High School is an institution dedicated to offering students a well-rounded education and an opportunity to become genuine leaders.

As the Congressman for the Fifth Congressional District of Texas, I am very proud to represent Lake Highlands High School, it's teachers and it's students. I would like to offer my congratulations to their administrators, alumni, coaches, students, and parents on this momentous occasion and best wishes for their continued success.

CONGRATULATING THE UNIVERSITY OF ILLINOIS FIGHTING ILLINI MEN'S BASKETBALL TEAM

HON. TIMOTHY V. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. JOHNSON of Illinois. Mr. Speaker, I rise today to honor a truly remarkable group of young athletes. The University of Illinois Fighting Illini Men's Basketball Team has had a memorable 2003–2004 season ending March 7 with the winning of their first outright Big Ten Conference title in 52 years.

Having won regular season Big Ten co-championships in 3 of the last 4 years, the pressure was on this young team and first year coach Bruce Weber to continue this championship success. After starting the Big Ten Conference season with a record of 3–3 and losing its first two road games, some began to doubt that this success would continue. However, credit must be given to Coach Weber and his staff and the unbelievable determination put forth by a team with only one senior, as the Illini concluded their season by winning ten straight conference games, of which six were on the road. I look forward to more Illini victories this weekend in the Big Ten Conference Tournament and later in the NCAA Basketball Championship Tournament and wish them continued success.

Coach Bruce Weber, his staff, and the entire University of Illinois men's basketball team are a great source of pride for their University, the Champaign-Urbana community and the 15th District of Illinois. I urge my colleagues to join me in congratulating Coach Weber and the entire 2003–04 Fighting Illini Men's Basketball team.

TRIBUTE TO RAYMOND B. WINGERD, SAN BERNARDINO COUNTY CHIEF PROBATION OFFICER

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. LEWIS of California. Mr. Speaker, I would like today to pay tribute to Raymond B. Wingerd, who is retiring after 36 years of public service in the San Bernardino County Probation Department, helping those who have paid their debt to society return to a normal life.

Just months after his graduation from Upland College, Raymond Wingerd joined the county probation department as a Probation Officer I, and with the exception of an 18-month stint as a teacher in Zimbabwe, has been with the department ever since.

Showing promise as a manager of others, Wingerd moved up to a supervising probation officer in 1972, and 5 years later to assistant director of the juvenile division, managing the intake, investigations and transportation sections. He was named a year later as Director of Special Services, overseeing the department's community resources, training, victim advocacy and work sentencing programs. One year after that he became director of the department's Verdemont Boys Ranch, a long-term program that focused on family counseling to help troubled youths turn their lives around.

In 1982, Wingerd was promoted to be the Division Director in charge of Juvenile Hall, three residential treatment institutions, clinical services and food services for 400 delinquent youth. By this time, he was managing 300 employees and handling an $11.7 million budget. He became the Central Services Division Director in 1988, overseeing adult and juvenile court investigations and field supervision of 4,000 offenders.

Raymond Wingerd was named Chief Probation Officer for the county in 1994, overseeing a staff of 1,200 and a $98 million annual budget, and has served in that position until his retirement. During his tenure, Chief Wingerd has led the planning and construction of new juvenile facilities in the county's West Valley and the High Desert—decentralizing and modernizing the department's approach to juvenile detention.

During his years in top management in the department, Chief Wingerd has helped create a series of youthful offender programs that have seen many innovative programs put in place in San Bernardino County. The department partners with county schools and the U.S. Forest Service to provide a 90-day intensive outdoor work program as an early intervention resource. The Youth Justice Center brings together schools, probation, public, and mental health and community-based organizations to provide a day-reporting program for youths on probation—a model used by the state legislature to create a statewide program. There are now 12 Youth Accountability Boards made up of citizens who help make dispositional decisions for first-time offenders.

The National Association of Counties gave national recognition to two projects created by Wingerd in the 1980s: A Regional Youth Education Facility with 40 beds, and a wilderness diversion program designed to keep troubled youth out of the justice system.

Throughout his career, Chief Wingerd has been active in probation officer groups, serving as president of the Chief Probation Offices of California in 1998 and 1999, and most recently as a Probation Committee Member of the American Correctional Association. He is a board member of Everest College and San Bernardino Communities Against Drugs.

Mr. Speaker, the dedication of Chief Raymond Wingerd continues to this day, as he has agreed to continue his service as interim chief until a new head of the department can be recruited. Please join me in thanking him for his many years of public service and wishing he and his wife Linda well in their future endeavors.

HONORING THE 25TH ANNIVERSARY OF K&A CRYLICS INC.

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. GORDON. Mr. Speaker, I rise today to honor the 25th anniversary of K&A Crylics Inc. The company will honor its customers, vendors and employees at a March 18 luncheon when it will also donate $25,000 to five community organizations in Wartrace, Tennessee.

Brothers Kevin and Allen Wright founded K&A in their hometown of Wartrace in 1980. The company, a leading national supplier of acrylic and plastic store fixtures and displays, has grown from a two-man operation working out of an old store front to a larger, modern facility with 65 employees.

In addition to being a major employer in Wartrace, K&A improves the lives of those in the community in many ways. At the luncheon, for example, K&A will donate $5,000 to each of the following organizations: Cascade schools, the Wartrace Volunteer Fire Department, the Wartrace Chamber of Commerce, the Wartrace Parks and Recreation Department and the town of Wartrace. The funds will be used for education, fire equipment upgrades, permanent historical building markers, upgrades to the Wartrace gym and renovation of the historic Wartrace rock jail.

I congratulate K&A for reaching this milestone. The company should be proud of its service to both its national customer base and the local community. May K&A's next 25 years be as prosperous and successful as its first 25 years.

REPUBLICANS HAVE FOCUSED ON RESULTS

HON. MARIO DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, since I was elected to Congress, I have heard endless rhetoric from those on the other side of the aisle about the economy, tax cuts and the deficit. Unfortunately, when the political fog clears, it appears that our Democratic friends are more concerned with rhetoric than they are with results.

Democrats have come to the floor and spoken about an "exploding deficit" that will "haunt our children for years to come." One Democrat has even referred to the deficit as "immoral."

However, their record speaks much larger than their endless rhetoric. For example, the Democrats have proposed approximately $890 billion in alternatives to major legislation considered on the House floor last year. This would have added almost one trillion dollars to the deficit. But before the chamber could clear, I am sure those Democrats were back on the floor yelling about deficit levels.

During the Fiscal Year 2004 Budget Resolution, Democrats had another great opportunity to focus on the deficit and responsible spending. The Budget Committee proposed a one percent reduction in non-defense spending in order to reduce the vast amount of waste, fraud and abuse so prevalent throughout the federal government. This proposal did not receive a single vote by a Democrat on the committee.

Unfortunately, the deficit is not the only economic issue where Democrats are strong on rhetoric, but absent on results. This chamber has been the venue for many Democrats complaining about the President's tax cuts. Democrats have called the President's tax relief plan "reckless tax cuts for the rich" and even a "fraud and a failure."

Unfortunately, when addressing President Bush's tax relief plan, there are no facts that Democrats fail to misrepresent. The accusation that this tax relief is a tax cut for the rich is the most often and obvious misrepresentation of the facts. Democrats not only voted against this tax relief, but some have even advocated rescinding the President's entire tax relief package. Let us take a look at what would happen had those Democrats been able to rescind the President's tax relief.

Reinstate nine million low-income Americans back on the tax rolls.

Reinstate the marriage penalty.

Cut in half the $1,000 per child tax credit.

Raise taxes on education savings by 75 percent.

Eliminate income tax deduction for paying college tuition.

Raise the capital gains tax by 25 percent and 50 percent for lower income families.

Increase the double tax of dividends by as much as 62 percent.

Reinstate the death tax.

Reduce the adoption credit and the dependent care credit.

Eliminate emergency tax relief to areas affected by the attacks of September 11, 2001.

Not only do some of our Democrat friends fight tax relief, they only propose one alternative: raise taxes on hard-working American people. Their talking points may avoid the facts, but raising taxes is the only economic policy Democrats have put forth. In fact, Democrats have proposed raising taxes ten times in the House and fifteen times in the Senate over the last year. This record speaks for itself.

It is important, as well, to highlight the reasons why their rhetoric about the President's tax relief has been proven wrong. They claim—as I have mentioned—that the President's tax relief was only "for the rich." I would guess they assume that low and middle income families are not affected by the marriage penalty, small family farmers are not affected by the death tax and middle-income parents are not affected by the adoption tax credit. It also appears that they have forgotten that the President's tax relief took millions of low-income Americans off the tax rolls all together.

Democrats have also claimed that the tax relief passed by this Congress will create no stimulus for jobs. It is clear that economic developments have silenced that argument, but it is important to highlight why. According to the Department of Commerce, three million fewer Americans would be working today if the tax relief plan were not signed into law. Gross Domestic Product would also be as much as 3.5 to 4% lower by the end of 2004.

How can Democrats claim that job creation hasn't happened when 112,000 new jobs were created in January and 366,000 jobs have been added over the past five months? How can they claim that the President's tax relief plan is not creating jobs when the unemployment rate has had the fastest seven month decline in nearly a decade? These are the facts and the facts seem to stand in stark contrast to the rhetoric we hear from the Democrats when it comes to economic policy.

Now the Democrats are fighting to allow the tax relief to expire. Although Democrats try to avoid it, this policy is a tax increase. If the 2001 and 2003 tax relief acts were to expire now, it would raise taxes by an average of $1,544 for 109 million taxpayers in 2003, according to the Department of Commerce.

While rhetoric may have led some to believe otherwise, Democrats have clearly outlined a plan over the last year that would not only contribute almost one trillion dollars to the deficit, but would also raise taxes on the American families. These are the facts and the records certainly highlight those facts.

We are at a crucial point in economic policy—as spending-driven deficits and burdensome taxes are clearly affecting American families. This resolution will address the deficit, spending and eliminating waste, fraud and abuse. This stands in stark contrast to the reckless spending and taxing advocated by the Democrats.

As we debate the budget, I encourage my friends on the other side of the aisle to join us in reducing the deficit—not by proposing almost a trillion dollars in additional spending, but focusing on reductions in programs that are wasteful, duplicative or outdated. Furthermore, I encourage Democrats to oppose the large increases that only foster high deficits, while helping to reduce the burden of the tax code on American families—not by raising taxes—but through common sense tax relief.

Republicans have focused on results—the economy is rebounding, the trend of job creation is increasing, homeownership is at record levels and GDP and consumer confidence is steadily growing. I ask my Democrat friends to stop the rhetoric and begin focusing on results.

TRIBUTE TO SCANA

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. CLYBURN. Mr. Speaker, I rise to commend SCANA Corporation, a Fortune 500 company headquartered in my State, on being selected as the recipient of the United States Department of Labor's Opportunity Award. Each year, the Secretary of Labor selects one Federal contractor as the recipient of this high honor. It is given to the company which has most clearly exemplified that they have established and instituted comprehensive workforce strategies to ensure equal employment opportunity. On February 19, the Secretary of Labor presented this award to SCANA officials in what was a very impressive ceremony.

The nominees for the Opportunity Award must be Federal contractors covered by Executive Order 11246, Section 503 of the Rehabilitation Act, and the Vietnam Era Veterans' Readjustment Assistance Act, and must have a spotless record of compliance with Federal law. All of them must demonstrate that they have developed and are implementing a multifaceted equal employment opportunity program directed towards the changing demographics of the labor force. I spent a lot of time, in my life before Congress, counseling Federal contractors in my State on the virtues of Executive Order 11246, and SCANA was often used by me as an example of how and why it could and should be done.

I am proud that my constituent, the SCANA Corporation, has continued to demonstrate a commitment to equal employment opportunity, and has achieved measurable results that have significantly enhanced equal employment opportunities for employees, including minorities, women, individuals with disabilities, and veterans. To win this high honor, a company must have strong core values to serve as the foundation for successful implementation of its equal employment opportunity policies in every facet of the employment relationship and throughout the company.

Mr. Speaker, I am pleased that the Department of Labor has bestowed this high honor on the SCANA Corporation, and ask that you and my colleagues join me in commending SCANA for its ongoing efforts to institute comprehensive workforce strategies to ensure equal employment opportunities.

IN HONOR OF THE CITY MANAGER LARRY BLICK FOR HIS SERVICE TO THE CITY OF INDEPENDENCE, MISSOURI

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Ms. McCARTHY of Missouri. Mr. Speaker, I rise in recognition of Larry N. Blick's retirement as City Manager of Independence, Missouri. Larry Blick came to Independence more than a decade ago with over 30 years of experience in public administration, and in these past 10 years has partnered with Mayor Stewart and the community to bring growth and a new spirit to this "All American City."

As Independence City Manager, Larry inspired community trust and was instrumental in the passage of numerous measures necessary to the revitalization of Independence's infrastructure, neighborhoods and parks. An active member of the International City/County Management Association, Missouri Municipal League Board, and the Independence Council for Economic Development, Larry Blick has served tirelessly in prominent roles with these professional associations and boards. Through MARC, the Mid America Regional Council, he was instrumental in the economic development of the Little Blue Valley and the creation of the I–70/Little Blue Parkway interchange to ease traffic flow and provide access for valley expansion. His leadership was an integral part of the development of eastern Jackson County, particularly his focus on neighborhood revitalization, road improvements and numerous renovations to area parks.

I am honored by the opportunity to collaborate with Larry Blick and Mayor Ron Stewart to secure Federal funding for local projects such as the Lewis and Clark Roadway, the Memorial Building, grants to support local first responders in protecting our community, FEMA assistance for the devastating 2002 ice storm, and for the expansion of the Blue River Community College to train our law enforcement officials and first responders. A lasting achievement for which he will long be remembered is his efforts to secure the prestigious title of "All American City" for Independence in 2001. Larry Blick's work with the community played a crucial role in highlighting Independence's enterprises, schools, parks and history to earn the support of the All-America City Program.

Around his office, Larry carries a coffee mug that states, "Will golf for food." I join with myriad others in wishing him time during his retirement to hit the greens and spend quality time with his loving family.

Another great leader from Independence, President Harry S Truman, made this observation in 1951: "Unless a man is fundamentally sound ethically, you can't teach him what to do as a public servant." As City Manager, Larry has exhibited exemplary vision, sound values and unwavering commitment to fundamental issues important to all of us.

Mr. Speaker, please join me in saluting the remarkable service of retiring City Manager Larry Blick. His leadership will be missed, but his accomplishments will live on as a reminder of the difference he made by his outstanding service to the city of Independence, Missouri.

UNSUNG HERO AWARD

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. LAMPSON. Mr. Speaker, when the idea of Black History Month, formerly Black History Week, was conceived by historian, Carter G. Woodson, he envisioned a celebration of black history achievement as well as an educational medium. Mr. Woodson organized the first celebration in 1926 to be held the second week in February in honor of Frederick Douglas's and Abraham Lincoln's birthdays. Because of its popularity among the black and white press, schools and women's clubs, the week long commemoration was expanded into a month-long salute to African Americans. Black History Month now provides an annual forum for African Americans to share their culture with the world.

For the past 5 years, I have hosted an Unsung Hero Program during Black History Month as a means of acknowledging the many accomplishments of my constituents who often go unnoticed for their service to the community.

The following residents of Texas's 9th Congressional District have proven they embrace Mr. Woodson's vision of a brighter tomorrow by their efforts to serve humanity. I am proud and honored to present my 2004 Unsung Heroes for inclusion in the U.S. CONGRESSIONAL RECORD:

Mrs. Carla Allen, Mr. Rudolph P. Antoine, Ms. Shirley Bailey-Jones, Detective Alton James Baise, Mr. Reginald C. Boykin, Sr., Ms. Whitney Breaux, Bishop B. R. Brown, Mr. Keith Chachere, Mrs. Linda G. Clark, Mr. Freddie L. Coleman, Pastor Michael Cooper, Mrs. Tanya Mechelle Corbin, Ms. Josie Curtis, Mr. Shawn Dorian Dages, Ms. Kimberly Dartest, Mr. Timothy W. Duriso, Mr. Murphy J. Fisher, Mr. Matthew J. Francis, Sr., Mr. Freddie Franks, Ms. Loma George, Mr. Melvin G. Getwood, Sr., God's Kitchen Angels, Bishop Curtis J. Guillory, Mr. Eddie Guillory, Mr. Shelton Guillory, Sr., Ms. Delores Jean Gunner, Mrs. Mary Hayes, Mr. Benjamin J. Jones, Sr., Mr. Willie "K" Knighton, Mr. Jerry Levias, Mr. Michael W. Lewis, Reverend Mark McKinley, Ms. Dorothy J. Milburn, Ms. Ann Monette, Mr. Everett Moton, Mr. Gregory B. Mouton, Mr. Christopher C. Mouton, Mr. Eric Narcisse, Ms. Tina Nguyen, Mr. John E. Payton, Mr. Edgar Sonny Perkins, Jr., Mr. Gene Perkins, Mr. Alex Warren Sanders, Jr., Mr. James Saveat, Ms. MaDeline Kaye Savoy, Reverend Charles H. Segura, Ms. Ora Segura, Ms. Janai Sells, Mr. Brandon Smith, Reverend Adam Smith, Constable Joe Stevenson, Mr. Joseph Threats, Mr. Howard Trahan III, Ms. Thuytram Tram, Mr. Jack Turner, Mrs. Kate Walker, Ms. Wanda G. Wallace, Reverend Alfred White, Mr. Eugene Wilson, Jr.

Members of the communities in the 9th District nominated these individuals for the Unsung Heroes award that gives special recognition to those unsung heroes, willing workers, and individuals who are so much a part of Texas's and our Nation's rich history. The award winners were chosen because they embody a giving and sharing spirit, and made a contribution to our Nation. I am proud to represent them here in Congress.

PAYING TRIBUTE TO BARBARA JEFFERIES

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Barbara Jefferies and thank her for the remarkable civic contributions she has made to her Durango community and the State of Colorado. As a lifelong resident and rancher of La Plata County, Colorado, Barbara has actively participated in numerous community organizations. Recently, the Durango Chamber of Commerce recognized her efforts as they named her their Agriculturist of the Year. It is with great satisfaction that I congratulate Barbara for her well-deserved award, and thank her for her significant contributions to the Durango Community.

Barbara's life has always revolved around agriculture; she was born on her grandmother's farm, raised on her parents ranch, and now works on a ranch with her husband Ned. Her commitment to the agricultural community in Colorado includes her involvement with the La Plata County Cow Belles, La Plata-Archuleta County Farm Bureau and Cattleman's Association, and the Colorado Cattlemen's Association. Her enthusiasm for taking part in these organizations comes from her firm belief that "agriculture takes a lot of people to be involved to keep it going," as told to the Durango Herald.

Mr. Speaker, it is clear that Barbara Jefferies is a woman of great commitment to the agricultural community in Durango and the State of Colorado. Barbara's willingness to provide her time and experience to her fellow farmers and ranchers is worthy of recognition before this body of Congress and this nation today. It is my privilege to extend to Barbara my sincere congratulations on her being named Agriculturist of the Year by the Durango Chamber of Commerce, and to wish her all the best in her future endeavors.

ON BEHALF OF VETERANS

HON. MIKE McINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. MCINTYRE. Mr. Speaker, I rise today on behalf of the 77,015 veterans in my district. These selfless warriors have dedicated their lives to fighting for this great country and our freedoms, and it is disheartening that many of them do not have access to adequate and affordable health care. Long ago, we made a promise to our veterans and military retirees that we would provide quality health care in return for their service. Unfortunately, over time, this promise has been broken, and too often today quality veterans' facilities are too far away to be truly accessible to rural veterans. How can we continue to sit back and ignore our veterans' requests for better access to health care? Don't we owe it to them to ensure that they are properly cared for? It is time that we take on a new attitude and put forth real actions that will help us to make achievements for veterans for years to come.

First, it's about attitude—the attitude to change the way we provide health care to our veterans today. In my district in rural southeastern North Carolina, there has been enormous growth within the veteran population. In addition to being the home of or near to important military installations, including Fort Bragg, Pope Air Force Base, Military Ocean Terminal Sunny Point, and three Coast Guard stations, the area is widely known for its pristine beaches and recreational activities. These amenities make the area a popular destination for retirement, and I am pleased that so many of our courageous service men and women either move to or remain in the area after their retirement. However, with this increase in the veterans' population comes the important issue of how best to serve our veterans' health care needs.

Although Southeastern North Carolina is represented by two commendable VA facilities, access to care remains limited. Veterans in the town of Supply must drive over two hours to be seen at the Fayetteville VA Medical Center. And those who need more specialized care must drive an additional two hours to the Durham VA Medical Center. One trip alone could equal eight hours of driving! In addition, because both the Fayetteville VA Medical Center and the Wilmington VA Clinic are operating over their budgeted capacity, there is concern that if these facilities are not expanded, they will face difficulties taking new patients. We need to develop a direct and positive attitude to change this system properly and bring our veterans in closer contact with their health care providers!

Secondly, we must put forth actions that will ensure that our rural veterans receive the proper care that they deserve. That is why I am cosponsoring legislation that would set aside a percentage of funds appropriated to the VA medical care funds to be used for highly rural or geographically-remote veterans. The Rural Veterans Access to Care Act would also encourage the Secretary of the VA to use his contract authority to assist highly rural veterans in obtaining health care services closer to home.

In my district, most of the veterans fought in World War II, Korea, Vietnam and the Persian Gulf, and they are suffering medical conditions that make traveling any distance extremely difficult, if not impossible. These veterans also have to travel in inclement weather to receive basic health care from the VA. In addition, many times they have to reschedule their appointments, which could mean waiting over a month for a simple test. It is disgraceful that veterans have to travel hundreds of miles to get their blood pressure checked or to have routine blood tests done.

Mr. Speaker, I stand committed to improving health care benefits for our veterans—not only for those who have duly served our country, but also for those valiant soldiers who will become the veterans of tomorrow. That's why I am also cosponsoring the Keep Our Promise to America's Military Retirees Act, which would take an additional step toward restoring adequate health care to military retirees by allowing them to participate in the Federal Employee Health Benefits Program. We must continue to support our promise so that all veterans will receive the health care benefits that they deserve.

In addition, I am supporting legislation, the Assured Funding for Veterans Health Care Act, which would provide for a guaranteed adequate level of funding for veterans health care. Unfortunately, the money that is set aside for VA hospitals and clinics falls under discretionary spending, meaning that there is no guarantee that it will be increased as the demand grows. Without this funding, rural veterans will continue to be served in outdated or understaffed facilities—or continue to receive inadequate health care due to a lack of health care services in their area.

Finally, it's about achievement! Let us make the commitment to achieve new incentives for our veterans. As I talk to veterans in my district, I become increasingly concerned that their needs are simply not being met. As you know, the Department of Veterans Affairs is directing an initiative—the Capital Asset Realignment for Enhanced Services (CARES)—to redirect resources within the department and address the changing needs of veterans. Recently, the CARES Commission released its report, which the Secretary is in the process of reviewing. While I am pleased that the report effectively recognized access and capacity concerns, I am hopeful that the VA Secretary's final report will provide additional incentives for our veterans.

Specifically, I urge the Secretary to provide not only an expansion of the Fayetteville VA Medical Center and the expansion of the Wilmington VA Clinic to a satellite outpatient clinic, but also two community-based outpatient clinics (CBOCs) for my district—one in Supply (Brunswick County) and one in Lumberton (Robeson County). If we could achieve these vital expansions and new facilities, access to care would no longer be a problem and veterans would not be forced to drive long distances to receive vital health care services. This would be a real achievement for the veterans in my district, and I am confident that these initiatives will provide the services that they are lacking now.

Mr. Speaker, I think we can all agree that timely access to health care is an important national priority to provide veterans the benefits they earned in military service to our country. As we find ourselves in times that threaten our very freedom, our nation must never forget those who have fought so hard to ensure that our freedom endures. Therefore, I say to my colleagues, let us join together today with a new and positive attitude towards health care for veterans, and let us work together to put forth the necessary actions to help us to achieve our goal! Our veterans are counting on us! And may God's blessings be with you!

IN RECOGNITION OF THE FORTY-FIFTH ANNIVERSARY OF THE TIBETAN NATIONAL UPRISING

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. WOLF. Mr. Speaker, on March 10, 2000, the United States Senate passed a resolution (S. Res. 60) to recognize this day in commemoration of the Tibetans who suffered and died during the Lhasa uprising, which began on this day in 1959. The resolution also reserves this day as an occasion to renew calls by the President, Congress, and other U.S. Government officials on the Government of the People's Republic of China to enter into serious negotiations with the Dalai Lama or his representatives until a peaceful solution, satisfactory to both sides, is achieved.

It has now been 55 years since the Chinese Army invaded Tibet, forcing the then free and independent country to accept the infamous Chinese 17-point agreement in which Tibet was incorporated into China. Under the agreement, China promised to preserve all aspects of freedom in Tibet, including the role of the Dalai Lama. Today, the Chinese Government continues to commit gross violations of human rights in Tibet as well as to show total disregard for their agreement. During the time of Chinese occupation, more than 6,000 monasteries have been destroyed and the monks and nuns who resided in these places have been displaced, exiled, tortured and killed. Not only are the religious leaders persecuted, but the people of Tibet are forced to live in fear of arbitrary arrest, torture and imprisonment without trial.

I would like to use this day to ask the leaders of this country to unite in calling on China to end its abuses against the people of Tibet and to submit the statement made today by his Holiness the Dalai Lama for the RECORD.

STATEMENT OF HIS HOLINESS THE DALAI LAMA ON THE FORTY-FIFTH ANNIVERSARY OF TIBETAN NATIONAL UPRISING DAY

Today we commemorate the 45th anniversary of the Tibetan People's Uprising of 1959. I pay tribute to the many brave Tibetan men and women who have sacrificed their lives for the cause of Tibetan freedom. They will always be remembered. This year marks 50 years since my visit to mainland China in 1954 to meet with the then Chinese leaders, especially Mao Tse-tung. I remember very well that I embarked on the journey with deep concerns about the future of Tibet. I was assured by all the leaders I met that the Chinese presence in Tibet was to work for the welfare of the Tibetans and "to help develop" Tibet. While in China I also learned about internationalism and socialism which deeply impressed me. So I returned to Tibet with optimism and confidence that a peaceful and mutually beneficial coexistence could be worked out. Unfortunately, soon after my return China was embroiled in political unrest unleashed by radical political campaigns. These developments impacted the Chinese policy on Tibet resulting in more repression and rigidity leading finally to the Tibetan People's Uprising in March 1959.

My hope is that this year may see a significant breakthrough in our relations with the

Chinese Government. As in 1954, so also today, I am determined to leave no stone unturned for seeking a mutually beneficial solution that will address both Chinese concerns as well as achieve for the Tibetan people a life in freedom, peace and dignity. Despite the decades of separation the Tibetan people continue to place tremendous trust and hope in me. I feel a great sense of responsibility to act as their free spokesman. In this regard, the fact that President Hu Jintao has personal knowledge about the situation and problems in Tibet can be a positive factor in resolving the Tibetan issue. I am therefore willing to meet with today's leaders of the People's Republic of China in the effort to secure a mutually acceptable solution to the Tibetan issue.

My envoys have established direct contact with the Chinese government on two trips to China in September 2002 and in May/June 2003. This is a positive and welcome development, which was initiated during the Presidency of Jiang Zemin. The issue of Tibet is complex and of crucial importance to Tibetan as well as Chinese peoples. Consequently, it requires careful considerations and serious deliberations on both sides before taking any decisions. It will take time, patience and determination to lead this process to a successful conclusion. However, I consider it of highest importance to maintain the momentum and to intensify and deepen this process through regular face-to-face meetings and substantive discussions. This is the only way to dispel existing distrust and misconception and to build trust and confidence.

Consequently, I have instructed my envoys to visit China at the earliest date to continue the process. I hope that they will be able to make this trip without much delay. This will help in building trust and confidence in the present process among Tibetans as well as among our friends and supporters around the world—many of whom remain strongly skeptical about the willingness of Beijing to engage in a genuine process of rapprochement and dialogue.

The current situation in Tibet benefits neither the Tibetans nor the government of the People's Republic of China. The development projects that the Chinese Government has launched in Tibet—purportedly to benefit the Tibetan people—are however, having negative effects on the Tibetan people's distinct cultural, religious and linguistic identity. More Chinese settlers are coming to Tibet resulting in the economic marginalization of the Tibetan people and the sinicization of their culture. Tibetans need to see an improvement in the quality of their life, the restoration of Tibet's pristine environment and the freedom to decide an appropriate model of development.

I welcome the release of Ani Phuntsok Nyidrol, even as we recognize the injustice of her sentence and continue to urge for the release of all political prisoners in Tibet. The human rights situation in Tibet has not seen any marked improvement. Human rights violations in Tibet have a distinct character of preventing Tibetans as a people from asserting their own identity and culture. The violations are a result of policies of racial and cultural discrimination and religious intolerance.

Against this background we are encouraged and grateful that many individuals, governments and parliaments around the world have been urging the People's Republic of China to resolve the question of Tibet through peaceful negotiations. Led by the European Union and the United States there is growing realization in the international community that the issue of Tibet is not one of human rights violations alone but of deeper political nature which needs to be resolved through negotiations.

I am also encouraged by the recent improvements in the relationship between India and China. It has always been my belief that better understanding and relations between India and China, the two most populous nations of the world is of vital importance for peace and stability in Asia in particular and in the world in general. I believe that improved relations between India and China will create a more conducive political environment for the peaceful resolution of the Tibetan issue. I also strongly believe India can and should play a constructive and influential role in resolving the Tibetan problem peacefully. My 'Middle-Way-Approach' should be an acceptable policy on Tibet for India as it addresses the Tibetan issue within the framework of the People's Republic of China. A solution to the Tibetan issue through this approach would help India to resolve many of her disputes with China, too.

It is 54 years since the establishment of the People's Republic of China. During Mao Zedong's period much emphasis was put on ideology, while Deng Xiaoping concentrated primarily on economic development. His successor Jiang Zemin broadened the base of the Communist Party by enabling wealthy people to become part of the Communist Party under his theory of "The Three Represents". In recent times Hu Jintao and his colleagues were able to achieve a smooth transition of leadership. During the past decades China has been able to make much progress. But there have also been shortcomings and failures in various fields, including in the economy. One of the main causes of the shortcomings and failures seems to be the inability to deal with and act according to the true and real situation. In order to know the real and true situation it is essential that there be free information.

China is undergoing a process of deep change. In order to affect this change smoothly and without chaos and violence I believe it is essential that there be more openness and greater freedom of information and proper awareness among the general public. We should seek truth from facts—facts that are not falsified. Without this China cannot hope to achieve genuine stability. How can there be stability if things must be hidden and people are not able to speak out their true feelings?

I am hopeful that China will become more open and eventually more democratic. I have for many years advocated that the change and transformation of China should take place smoothly and without major upheavals. This is in the interest of not only the Chinese people but also the world community.

China's emergence as a regional and global power is also accompanied by concerns, suspicion and fears about her power. Hosting the Olympic Games and World Exposition will not help to dispel these concerns. Unless Beijing addresses the lack of basic civil and political rights and freedoms of its citizens, especially with regard to minorities, China will continue to face difficulties in reassuring the world that she is a peaceful, responsible, constructive and forward-looking power.

The Tibetan issue represents both a challenge and an opportunity for a maturing China to act as an emerging global player with vision and values of openness, freedom, justice and truth. A constructive and flexible approach to the issue of Tibet will go a long way in creating a political climate of trust, confidence and openness, both domestically and internationally. A peaceful resolution of the Tibetan issue will have wide-ranging positive impacts on China's transition and transformation onto a modern, open and free society. There is now a window of opportunity for the Chinese leadership to act with courage and farsightedness in resolving the Tibetan issue once and for all.

I would like to take this opportunity to express my appreciation and gratitude for this consistent support that we have been receiving throughout the world. I would also like to express once again on behalf of the Tibetans our appreciation and immense gratitude to the people and the Government of India for their unwavering and unmatched generosity and support.

With my prayers for the well-being of all sentient beings.

PAYING TRIBUTE TO ANTHI POULOS JONES

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. McINNIS. Mr. Speaker, it is with a sad heart that I rise to pay tribute to the passing of a dedicated scholar and public servant and dear friend from Potomac, Maryland. Anthi Poulos Jones, born in Greece and raised in New Hampshire, recently passed away at the age of 57. Anthi dedicated her life to government service and the challenging legal profession. I am honored today to bring her contributions to the attention of this body of Congress and this nation.

After graduating from Windham College in Vermont, Anthi went on to receive a master's degree in Russian Studies and a law degree from American University. As a perpetual scholar, Anthi took up additional studies in international law at Georgetown University and the prestigious Hague Academy of International Law in the Netherlands.

Throughout her pursuit of knowledge, she also worked as a legislative assistant and staff lawyer for Senator Thomas J. McIntyre, Charles McC. Mathias Jr., John Glenn Jr., and Hank Brown. During the 1990's, Anthi worked for my office, where she served as a valuable member of my staff and counsel. Anthi's dedication and ceaseless work ethic has benefited many citizens of Colorado. After working on my staff, she was appointed as a scholar-in-residence at the Law Library of Congress where she focused on war crimes and reparations for property looted in wartime.

Anthi was an active patron of the arts and a devoted patriot. She served as the founder and chairwoman of the Committee on World War II Art Claims and the US Committee on the Parthenon where she advocated for the return of ancient Greek statues that were removed from Greece and taken to England in the 19th century.

Mr. Speaker, Anthi Poulos Jones was a dedicated scholar and government steward who selflessly served her community and country, and I am honored to pay tribute to such an industrious public servant. Her lifetime of service is an incredible model for America's youth. My thoughts and prayers go out to her family during this time of bereavement.

CONGRATULATING JIM WALTZE ON BECOMING PRESIDENT OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. LEWIS of California. Mr. Speaker, I would like today to congratulate Jim Waltze, the CEO of construction industry leader Griffith Company, on being selected as president of the Associated General Contractors of America. Mr. Waltze is a visionary leader in an industry that is one of the pillars of our economy.

Jim Waltze started in contracting at the age of 21, and in 1973 at age 28 he joined the Griffith Company, one of the top major construction firms in Southern California. His career at Griffith has been marked by regular promotions—to Chief Estimator in 1975, vice president/district manager in 1977 and executive vice president in 1986. He was named president of the company in 1992, and added the titles of chief executive officer and board chairman in 1997.

Under his leadership, Griffith Company has taken on some of the largest port projects in Southern California, including the $37 million Seaside Project for the Port of Los Angeles and the $71 million Pier T Project for the Port of Long Beach. He has been the driving force for innovation at the company, setting up a company wide strategic planning process and the development of divisions for specialty structures, underground projects and materials. The company has been a pioneer in computerized estimating and project management systems.

The contributions of Jim Waltze go beyond the success of his company, however. He has been involved for most of his career in organizations that promote the economic health and high standards of the contracting industry. He has been a board member of the Associated General Contractors of California for two decades, and was elected to the National Board of Directors for the Associated General Contractors of America in 1987.

The positions Jim Waltze has taken on with the AGC range from the Chairman of the Highway Division in 1995 to an active involvement in the group's Young Constructors Forum for students coming into the profession. He served from 1999–2001 as co-chairman of the National Quality Initiative, established by the Federal Highway Administration to ensure that the construction and maintenance of our interstates and national highways meets the highest possible standards. He has been an active member of the Transportation Information Program and Transportation California, groups that strive to ensure adequate resources are available for our state and federal highway systems.

Jim Waltze has served for the past two years as vice president and senior vice president for Associated General Contractors of America, and he will be installed on March 12 as the chairman of the national group. The contractors of California are proud to be represented by one of their own this year.

Mr. Speaker, the general contractors of America build our highways and airports, ports and dams, our military installations, government buildings and skyscrapers. Their dedication to excellence has helped our nation be the world's leader in quality construction, indeed in our quality of life. Visionary leaders like Jim Waltze continue to push the drive for excellence and innovation that will keep America the world leader into the future. Please join me in congratulating him and wishing him well as he takes the reins of the Associated General Contractors of America.

EMPLOYER SUPPORT OF THE GUARD AND RESERVE

HON. C.L. "BUTCH" OTTER

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. OTTER. Mr. Speaker, I rise today to recognize the enormous contribution to America's continuing freedom that is provided by employers who support our "citizen soldiers" in the Guard and Reserve.

In today's perilous world, each of us knows that the price of freedom is eternal vigilance. The men and women of America's Guard and Reserve are the vanguard of that vigilance. They are clerks and cashiers, merchants and mechanics, doctors and lawyers. Most importantly, they are our friends and neighbors, our sons, daughters, fathers and mothers.

They represent the best among us. Along with the full-time members of our armed services, those volunteers help ensure that we all have the fullest opportunity to exercise the liberties for which generations of American heroes have made the ultimate sacrifice.

Mr. Speaker, in recent months we all have seen National Guard and Reserve units from our own states and districts called to active duty for the war on terrorism. We all have heard the public declarations of support for those activated troops and the families they leave behind. But the true measure of that support lies not in words but in actions. And there is no greater comfort for our Guard and Reserve personnel than the certainty that they will be able to return to their civilian jobs when they come home, and that their loved ones will continue receiving the benefits of that employment while they are gone.

The employers who provide those assurances, who guarantee the jobs and benefits of America's Guard and Reserve personnel, should be counted among the heroes of the war on terrorism. They are shouldering an important part of the burden of defending our homeland from those who envy and despise us for the freedom to choose liberty, tolerance and diversity. America is blessed with employers who have the foresight to understand the great value of having a force of trained and qualified personnel ready to answer their nation's call to arms with the sure knowledge that they are appreciated and financially protected.

So I encourage my colleagues to join me, Mr. Speaker, in recognizing and applauding the essential role played by employer support of the Guard and Reserve, and the invaluable service they provide to the men and women who bear the weight of battle. The Three Star program launched by Employer Support of the Guard and Reserve committees across the country is one way to acknowledge the understanding and support of those employers who are enabling a new generation of American heroes to go into harm's way unencumbered by concerns for their families' financial well-being. They deserve our patronage, and our thanks.

PAYING TRIBUTE TO ANNE HEPP

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. McINNIS. Mr. Speaker, it is my privilege to pay tribute today to Anne Hepp, a woman from my district who supplies an invaluable service as the Spanish language interpreter for the Montrose and Delta County Colorado courts. The honesty and integrity Anne brings to her job is matched only by the commitment and skill she brings to making sure that accurate and complete communications flow between the court and Spanish-speaking defendants. It is my pleasure to take this opportunity and thank Anne for the significant contributions she makes to her community and state.

The daughter of a French high school teacher, Anne's interest in linguistics began at an early age. Having many friends who spoke Spanish, Anne studied the language in middle and high school, even participating as a foreign exchange student in Mexico. With the large number of Spanish-speaking citizens in her community, Anne knew she could use her language skills to become an interpreter. Her great skills and dedication to the judicial system has earned high praise from judges, attorneys, and most especially the defendants she assists.

Mr. Speaker, it is clear Anne provides a vital service to her community and the judicial system, and I would like to recognize her contributions before this body of Congress and this nation today. I thank Anne for her continuing efforts and wish her all the best in her future endeavors.

REGARDING A CONSTITUTIONAL AMENDMENT ON GAY MARRIAGE

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. CAPUANO. Mr. Speaker, as Congress moves to consider a constitutional amendment banning gay marriage, I would like to take this opportunity to submit for the RECORD the following letter from a constituent of mine, whose words and sentiments are echoed by millions of Americans throughout the country. Though this letter was addressed to the members of the Massachusetts State Legislature, I believe the passion and conviction this mother has for the rights and privileges of her children, and her gay son in particular, is extremely relevant to the debate that we may soon have in the U.S. House of Representatives.

FEBRUARY 21, 2004.

Members of the Massachusetts Legislature,
State House, Boston, MA.

DEAR SENATORS AND REPRESENTATIVES: I am the mother of four children. Our family values are evidenced by the concern they have for each other's well being. They are so alike in thought and deed that it continues to amaze me. They are outstanding, productive members of society and I am equally proud of all of them. However, passage of this discriminatory constitutional amendment will forbid my gay son from enjoying the same rights and privileges as his brother and sisters.

I implore you to vote no.

Sincerely,

ELSIE FRANK.

Thank you Mr. Speaker and I urge all of my colleagues to heed the words of Mrs. Frank.

AN INDECENT ATTACK ON THE FIRST AMENDMENT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. PAUL. Mr. Speaker, we will soon debate the "Broadcast Indecency Act of 2004" on the House floor. This atrocious piece of legislation should be defeated. It cannot improve the moral behavior of U.S. citizens, but it can do irreparable harm to our cherished right to freedom of speech.

This attempt at regulating and punishing indecent and sexually provocative language suggests a comparison to the Wahhabi religious police of Saudi Arabia, who control the "Commission for the Promotion of Virtue and Prevention of Vice." Though both may be motivated by the good intentions of improving moral behavior, using government force to do so is fraught with great danger and has no chance of success.

Regulating speech is a dangerous notion, and not compatible with the principles of a free society. The Founders recognized this, and thus explicitly prohibited Congress from making any laws that might abridge freedom of speech or of the press.

But we have in recent decades seen a steady erosion of this protection of free speech.

This process started years ago when an arbitrary distinction was made by the political left between commercial and non-commercial speech, thus permitting government to regulate and censor commercial speech. Since only a few participated in commercial speech, few cared—and besides, the government was there to protect us from unethical advertisements. Supports of this policy failed to understand that anti-fraud laws and state laws could adequately deal with this common problem found in all societies.

Disheartening as it may be, the political left, which was supposed to care more about the first amendment than the right, has ventured in recent years to curtail so-called "hate speech" by championing political correctness. In the last few decades we've seen the political-correctness crowd, in the name of improving personal behavior and language, cause individuals to lose their jobs, cause careers to be ruined, cause athletes to be trashed, and cause public speeches on liberal campuses to be disrupted and even banned. These tragedies have been caused by the so-called champions of free speech. Over the years, tolerance for the views of those with whom campus liberals disagree has nearly evaporated. The systematic and steady erosion of freedom of speech continues.

Just one year ago we saw a coalition of both left and right push through the radical Campaign Finance Reform Act, which strictly curtails the rights of all Americans to speak out against particular candidates at the time of elections.

Amazingly, this usurpation by Congress was upheld by the Supreme Court, which showed no concern for the restrictions on political speech during political campaigns. Instead of admitting that money and corruption in government is not a consequence of too much freedom of expression, but rather a result of government acting outside the bounds of the Constitution, this new law addressed a symptom rather than the cause of special interest control of our legislative process.

And now comes the right's attack on the first amendment, with its effort to stamp out "indecent" language on the airways. And it will be assumed that if one is not with them in this effort, then one must support the trash seen and heard in the movie theaters and on our televisions and radios. For social rather than constitutional reasons, some on the left express opposition to this proposal.

But this current proposal is dangerous. Since most Americans—I hope—are still for freedom of expression of political ideas and religious beliefs, no one claims that anyone who endorses freedom of speech therefore endorses the nutty philosophy and religious views that are expressed. We should all know that the first amendment was not written to protect non-controversial mainstream speech, but rather the ideas and beliefs of what the majority see as controversial or fringe.

The temptation has always been great to legislatively restrict rudeness, prejudice, and minority views, and it's easiest to start by attacking the clearly obnoxious expressions that most deem offensive. The real harm comes later. But "later" is now approaching.

The failure to understand that radio, TV, and movies more often than not reflect the peoples' attitudes prompts this effort. It was never law that prohibited moral degradation in earlier times. It was the moral standards of the people who rejected the smut that is now routine entertainment. Merely writing laws and threatening huge fines will not improve the moral standards of the people. Laws like the proposed "Broadcast Indecency Act of 2004" merely address the symptom of a decaying society, while posing a greater threat to freedom of expression. Laws may attempt to silence the bigoted and the profane, but the hearts and minds of those individuals will not be changed. Societal standards will not be improved. Government has no control over these standards, and can only undermine liberty in its efforts to make individuals more moral or the economy fairer.

Proponents of using government authority to censor certain undesirable images and comments on the airwaves resort to the claim that the airways belong to all the people, and therefore it's the government's responsibility to protect them. The mistake of never having privatized the radio and TV airwaves does not justify ignoring the first amendment mandate that "Congress shall make no law abridging freedom of speech." When everyone owns something, in reality nobody owns it. Control then occurs merely by the whims of the politicians in power. From the very start, licensing of radio and TV frequencies invited government censorship that is no less threatening than that found in totalitarian societies.

We should not ignore the smut and trash that has invaded our society, but laws like this will not achieve the goals that many seek. If a moral society could be created by law, we would have had one a long time ago. The religious fundamentalists in control of other countries would have led the way. Instead, authoritarian violence reigns in those countries.

If it is not recognized that this is the wrong approach to improve the quality of the airways, a heavy price will be paid. The solution to decaying moral standards has to be voluntary, through setting examples in our families, churches, and communities—never by government coercion. It just doesn't work.

But the argument is always that the people are in great danger if government does not act by: (a) Restricting free expression in advertising; (b) claiming insensitive language hurts people, and political correctness guidelines are needed to protect the weak; (c) arguing that campaign finance reform is needed to hold down government corruption by the special interests; (d) banning indecency on the airways that some believe encourages immoral behavior.

If we accept the principle that these dangers must be prevented through coercive government restrictions on expression, it must logically follow that all dangers must be stamped out, especially those that are even more dangerous than those already dealt with. This principle is adhered to in all totalitarian societies. That means total control of freedom of expression of all political and religious views. This certainly was the case with the Soviets, the Nazis, the Cambodians, and the Chinese communists. And yet these governments literally caused the deaths of hundreds of millions of people throughout the 20th Century. This is the real danger, and if we're in the business of protecting the people from all danger, this will be the logical next step.

It could easily be argued that this must be done, since political ideas and fanatical religious beliefs are by far the most dangerous ideas known to man. Sadly, we're moving in that direction, and no matter how well intended the promoters of these limits on the first amendment are, both on the left and the right, they nevertheless endorse the principle of suppressing any expressions of dissent if one chooses to criticize the government.

When the direct attack on political and religious views comes, initially it will be on targets that most will ignore, since they will be seen as outside the mainstream and therefore unworthy of defending—like the Branch Davidians or Lyndon LaRouche.

Rush Limbaugh has it right (at least on this one), and correctly fears the speech police. He states: "I'm in the free speech business," as he defends Howard Stern and criticizes any government effort to curtail speech on the airways, while recognizing the media companies' authority and responsibility to self regulate.

Congress has been a poor steward of the first amendment. This newest attack should alert us all to the dangers of government regulating freedom of speech—of any kind.

PAYING TRIBUTE TO ELLEN ROBERTS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. McINNIS. Mr. Speaker, it is my pleasure to honor Ellen Roberts for her selfless dedication to the community of Durango, Colorado, and congratulate her on being recognized by the Durango Chamber of Commerce as their 2003 Athena Award Winner. The Athena Award is presented to a woman each year who has shown a commitment to helping other women realize their business goals. Ellen could not be a more worthy recipient. It is a privilege to pay tribute to Ellen for her well-deserved award, and her ongoing efforts to better her community today.

Ellen's interest in community service can be traced back to her college days where she created her own major at Cornell University in environmental policy. Since Ellen moved to Durango, in 1981, she has been actively involved in the community. Her involvement includes serving as Chairman of the Mercy Medical Center Board of Directors; and on the board for the First National Bank of Durango; and sitting on the Citizens Health Advisory Council; and sitting on the Citizens Steering Committee for a New Library.

It is my privilege to recognize Ellen before this body of Congress and this nation for the recognition she received by the Durango Chamber of Commerce as the Athena Award Winner. She has done much to improve the lives of her community and I wish her continuing success in all her endeavors.

FRED DOWNS, JIM MAYER NAMED DAILY POINTS OF LIGHT AWARD WINNERS

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. EVANS. Mr. Speaker, on March 1, the Points of Light Foundation singled out two career employees of the Department of Veterans Affairs (VA) for recognition as a Daily Point of Light. I know of no individuals more deserving of the honor than Fred Downs and Jim Mayer, each a remarkable success story.

Both men were profoundly injured in Vietnam. Mr. Downs lost his left arm; Mr. Mayer lost both legs below the knee. Both were scarred by shrapnel and multiple surgeries. Their stories could have ended there. Instead, they turned their lives and their work into encouragement and inspiration for other veterans and for all who know them.

Mr. Downs and Mr. Mayer have long volunteered to work with those who have suffered traumatic injury in service to their country. Their service began during the 1991 Gulf War. They heard news reports that Saddam Hussein had dispersed a million land mines to maim and kill coalition forces if they invaded Iraq. They strategized to figure how they could best help the wounded, utilizing their own experiences and recoveries and recalling when they most needed someone with whom to talk.

Mr. Downs and Mr. Mayer organized field trips, picnics and hosted backyard barbecues for the injured from the Gulf War. After the war was over, the team continued visiting service members injured in training accidents or deployments. They keep in touch with many of the patients they have met. Twenty-two of the 58 wounded soldiers Mr. Mayer met during the Gulf War showed up at his house for a July 4th barbecue in 1996 for a five-year reunion. He and Mr. Downs also attend the annual National Veterans Wheelchair Games and the National Disabled Veterans Winter Sports Clinic, where they meet with and counsel veterans.

As American troops began the build-up for Operation Iraqi Freedom, Mr. Downs and Mr. Mayer met with military surgeons at Walter Reed Army Medical Center. They shared their insights into traumatic injuries and talked to them about how they felt when they were injured. The pair also discussed how they thought the medical staff could help the wounded soldiers. They have continued to share their stories with servicemen and women who have similar injuries, who come to realize there is life after amputation. Since April 2003, the pair has visited more than 60 amputee soldiers at Walter Reed and the National Naval Medical Center in Bethesda, Maryland, as volunteer amputee peer visitors.

The following article from VA's in-house magazine, VAnguard, discusses what these two gentlemen are doing to help the young men and women returning from Iraq and Afghanistan.

MESSAGES OF HOPE

With their Kevlar body armor and rapid access to medical treatment, soldiers wounded in Operation Iraqi Freedom are surviving what were once fatal injuries. One day they're busting down doors in Baghdad and the next they're lying in a hospital bed with busted-up limbs.

"When you first see them, they're still confused and can't seem to comprehend the magnitude of what happened to them," explained Frederick Downs Jr., VA's chief of prosthetics, describing his visits to wounded troops at Walter Reed Army Medical Center in Washington, D.C., which has received almost 300 battlefield casualties from the war in Iraq.

Downs knows exactly what they're going through. As a 23-year-old lieutenant with the Army's 4th Infantry Division, he was nearly killed when he stepped on a "Bouncing Betty" land mine on Jan. 11, 1968, near Chu Lai, Vietnam. He survived the blast, but lost his left arm above the elbow. Now, more than 30 years later, he shares his story with soldiers who have similar injuries. "I want them to understand there is life after amputation," Downs said.

A SIMPLE MOTIVE

Since April, Downs and Jim Mayer, director of Leadership VA, have visited more than 60 wounded soldiers at Walter Reed and National Naval Medical Center in Bethesda, Md., as volunteer amputee peer visitors. Their motive is simple, according to Mayer, who lost both legs to a land mine on April 25, 1969, while serving with the 25th Infantry Division in Vietnam. "If you've been through an amputation and you see others who are experiencing that trauma, you just want to help them in any way you can," he said.

Their efforts began during the 1991 Gulf War after hearing news reports that Saddam Hussein had dispersed a million land mines to maim and kill coalition forces if they invaded Iraq. "We were concerned there were going to be a lot of casualties and we wanted to do something to help," Mayer recalled. The question was, how could they best help the wounded?

Mayer found the answer when a friend asked if he could remember a particular turning point during his recovery at Brooke Army Medical Center in San Antonio. "I remember a former patient who came to visit us one day, it was just a chance encounter. He lost both arms and had these prosthetic hooks. I was mesmerized because I realized he had a life," he said.

The encounter provided hope for his own future, something he said severely wounded soldiers rarely have. "After a traumatic injury, you live hour to hour, day to day and you tend to block out the future. At first you put your hope on the shelf because hope is too far in the future."

And so it was that Mayer, Downs and about a dozen other Vietnam veterans, many who worked for VA, started visiting wounded soldiers and sharing their stories of overcoming traumatic injury. During the first Gulf War, Mayer estimated he volunteered about 800 hours at military hospitals. He organized field trips, picnics and hosted backyard barbecues. He also started bringing milkshakes on each visit, leading patients to nickname him "the milkshake man."

UNFORGETTABLE STORIES

The group dwindled after the war, but Mayer and Downs continued visiting servicemembers injured in training accidents or deployments. Some of the stories are hard to forget. There was the soldier injured on the train to Bosnia when electricity arced from a cable to his helmet and blew off his legs. There was the Ranger who broke his back when he fell out of the Black Hawk helicopter during the 1993 raid in Mogadishu. And there was the sailor who lost his legs when he got tangled in a rope trying to rescue a shipmate and was dragged through a porthole.

Mayer keeps in touch with many of the patients he's met over the years. Twenty-two of the 58 wounded soldiers he met during the first Gulf War showed up at his house for a July 4th barbecue in 1996 for their five-year reunion. He sees others at two of VA's National Rehabilitation Special Events—the National Veterans Wheelchair Games and the National Disabled Veterans Winter Sports Clinic. Some even come to his April 25 "Alive Day" celebrations, an event he has held every year since 1970 to mark the day he almost died.

THE EMOTIONAL SIDE OF INJURY

As American troops began the build-up for Operation Iraqi Freedom, Mayer and Downs, along with their buddy Jack Farley, a Vietnam veteran and amputee who serves as a judge with the U.S. Court of Appeals for Veterans Claims, expanded their volunteer role by meeting with military surgeons at Walter Reed to share their insights into traumatic injury. "We talked about how we felt when we were injured and how we thought the medical staff could help the wounded soldiers," said Mayer.

Dr. Artie Shelton, a retired Army colonel who commanded a field hospital in Somalia and now works as a consultant in VA's transplant program, helped arrange the meeting. He said the Army physicians are extremely qualified and well trained, but they may not fully understand the emotional and psychological complexities of traumatic injury. "The doctors know the medical side, but Jim and Fred can tell them about the full impact and repercussion on these soldiers," Shelton said.

Among the aspects of recovery Downs stresses are encouraging the soldiers to do things on their own. "Never tell a guy he can't do something," he said. "You need to encourage him to try, to test himself and see what he can do. It speeds up their psychological healing and helps them get back into life again."

If they have doubts about what they can accomplish, Downs tells them about his own life after injury: going to school, getting married, starting a family, writing three books, and leading VA's multimillion-dollar prosthetic and sensory aids service.

He also has gained international recognition for helping establish land mine survivor programs in several countries. The U.S. Agency for International Development recently asked for his assistance with a land mine eradication program in Afghanistan. (To learn more about his recovery and land mine eradication efforts, visit the Center for Defense Information Web site at www.cdi.org/adm/1250/Downs.html.)

Mayer and Downs volunteer because they've been there and because they care. But also because they want to bring a little dignity to American troops who suffer traumatic injuries.

"Vietnam vets, to put it politely, never actually felt welcomed home," said Mayer. "But these guys coming back from Iraq, we're going to welcome them home and become their friends, help them reconcile their injuries, and bring them a little dignity."

Mr. Speaker, the selflessness, compassion and humanity of Fred Downs and Jim Mayer—all the more profound considering their own experiences—have been important to the young men and women recently injured in service and frightened about what such traumatic change can mean in their lives and how they can overcome it. I know my colleagues join me in expressing our gratitude and respect for their good works.

PAYING TRIBUTE TO ROBERT HARTH

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. McINNIS. Mr. Speaker, it is with great sadness that I rise to pay tribute to the memory and life of Robert Harth. Robert's gift and legacy to Colorado will be the Aspen Music Festival and School, which he deftly guided for twelve years as president and chief executive officer. His recent and all-too sudden death at age forty-seven is a great loss to music lovers worldwide, but those who knew him will not forget the joy and zest he had for life.

Robert was a natural leader who brought success and renown to the organizations he directed. In his early twenties, he served as vice president and general manager for the Los Angeles Philharmonic. By the time he was thirty-three, he took over the AMFS as president, and switched it from a fledgling event to one of the premier cultural festivals in the country. Most recently, he served as artistic director for Carnegie Hall, adding a new venue for more progressive performances.

During his twelve years with AMFS, Robert quadrupled the size of its endowment. This allowed for his undertaking the building of the Harris Hall and the Benedict Music Hall. He also established the American Academy of Conductors at Aspen, which provides opportunities for up and coming conductors from around the world.

Mr. Speaker, Robert Harth's death is a great loss to the Aspen community and for music lovers worldwide. It is my honor to pay tribute before this body of Congress and this nation to the life and legacy of Robert Harth.

CONGRATULATIONS TO SARAH SWORDS ON RECEIVING THE MARY P. OENSLAGER SCHOLASTIC ACHIEVEMENT AWARD

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. HOLT. Mr. Speaker, I rise today to congratulate one of this years Recording for the Blind and Dyslexic (RFB&D) Mary P. Oenslager Scholastic Achievement Award winners, Sarah Swords, who I am proud to say attended Princeton University in my district. The award is presented annually to college seniors who are blind and who have demonstrated leadership, scholarship, enterprise, and service to others.

Recording for the Blind and Dyslexic is a non-profit organization based in Princeton, which has as its sole mission opening the pages of books to all people who cannot read standard print because of visual, perceptual or other physical disability.

Mr. Speaker, over the years RFB&D has worked hard to live up to the philosophy of its founder, Anne T. Macdonald, who believed strongly that "education is a right, not a privilege." Currently Recording for the Blind and Dyslexic has almost 240,000 titles available to its members worldwide. I commend Recording for the Blind and Dyslexic on the wonderful work they do, and I am so honored that they are located within my district.

Mr. Speaker, it is my great privilege today to congratulate Sarah Swords one of the 2003 Mary P. Oenslager Scholastic Achievement Award winners. Having lost her sight when she was in the sixth grade due to a serious illness, Sara was fortunate enough to join Recording for the Blind and Dyslexic.

With the audiotapes RFB&D provided to her, Sarah was finally able to enjoy reading for the first time. "At last, I could read all the books I had always wanted to read" she recalls. "All the classics, novels, poetry and even magazines. I ordered a plethora of literature and have kept right on reading countless books." Sarah entered Princeton University in 1999 after finishing first in her class at Stoneman Douglas High School. During her time at Princeton University, Sarah was a member of student government, served as vice president of Delta Delta Delta Sorority, volunteered at the University Crisis Ministry, and helped out at the Trenton Animal Shelter. Sarah also worked as an advocate and speaker for disability rights for the Nassau Club, Princeton Alumni Organization.

Mr. Speaker, Sarah is a wonderful person whose talents and leadership have blossomed despite her disability. She is a role model for others in her community and a gifted scholar. I am so glad that through the good work of Recording for the Blind and Dyslexic Sarah Swords will continue to be able to make significant contributions to our country and to the world. She is a wonderful example of why RFB&D motto, that "education is a right, not a privilege," is an essential truth.

Again Mr. Speaker, I congratulate Sarah Swords upon being selected as one of the 2003 Mary P. Oenslager Scholastic Achievement Award winners and I wish her the best in all that the future holds for her.

TAKING CARE OF OUR VETERANS

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. CAMP. Mr. Speaker, I rise today to discuss a very important issue to me, and to the veterans in my district. As you may know, the Capital Asset Realignment for Enhanced Services (CARES) Commission recently issued its report to Secretary Principi. While the goal of the CARES Commission is to improve the health care services provided by the Department of Veterans Affairs (VA) to our veteran population, I do not believe this report takes into account the legitimate concerns expressed by veterans in my District.

Specifically, the CARES proposal calls for the closure of acute medical care beds at the Aleda E. Lutz Medical Center in Saginaw, Michigan. The loss of these beds would be detrimental to level of care provided in the region.

Veterans in the northern portion of the Lower Peninsula of Michigan currently have only one VA facility that is accessible to them for inpatient care, the Saginaw VA Hospital. For veterans traveling from the rural portions of Michigan, getting to Saginaw can already be a difficult task. If the proposal is put into place, veterans seeking immediate care will face an unnecessary strain of two hours worth of additional travel.

I certainly understand that the VA is undergoing a change and trying to better fit its facilities with veterans' needs. However, it must do so in a manner that does not establish new barriers for veterans seeking care. Every remedy we propose must ensure that veterans know exactly where to go when they need medical care. Simply put, the solution cannot be worse than the problem. The VA hospital system was established to provide veterans, who have made great sacrifices for this country, with direct access to the care they deserve. We must not back down from that promise.

Veterans have come to rely on the services they receive at the Saginaw hospital, and they should not have to give that up. They have given enough already for this country, and I am unwilling to ask them for more.

I want to be clear: improvements can be and need to be made. Alternatives such as contracting with local hospitals is a promising solution. I also believe we need to pass H.R. 2379, the Rural Veterans Access to Care Act, introduced by the gentleman from Nebraska (Mr. OSBORNE) and a bill I am a proud to cosponsor.

This legislation directs the Secretary of VA to ensure at least five percent of the funds for Medical Care are used to improve access to medical services for highly rural or geographically remote veterans. It also allows VA approved veterans to enroll in a program that gives them access to routine health care from a local provider.

In closing, I would like to commend the administration for their dedication to working with this Congress to improve health care for our veterans. The reform of government and the services it provides is a thankless task, but one that is necessary for the well being of this nation.

PAYING TRIBUTE TO MAYOR WAYNE R. BROWN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. McINNIS. Mr. Speaker, it is with a heavy heart that I rise to pay tribute to the life and memory of Marble, Colorado Mayor Wayne Brown who passed away recently at the age of seventy-six. Wayne was a true American patriot, and a beloved friend and colleague to many in his Colorado community. In his years spent in public service, Wayne embodied the ideals of integrity and courage that we, as Americans, have come to expect from our public servants. As his family and community mourn his passing, I believe it is appropriate to recognize the life of this exceptional man, and his many contributions to his community, state and country.

Mayor Brown lived an immensely rich and full life, always holding firm to his beliefs in serving his community and country. He worked for the Colorado Highway Department before he retired to Marble in 1983, where her served on the town board and later as mayor. His expertise in construction projects through his time spent with the Highway Department came to good use as mayor. Mayor Brown saw that the town had two needed bridges built across the Carbonate Creek and Crystal River, and most recently obtained the funding to pave the main road through town.

Mr. Brown's commitment to Marble extended to his involvement with numerous civic organizations. He was an active member of the Marble Community Church, the Association of State Highway and Transportation Organizations, the Colorado Mental Health Association, and the Elks Lodge.

Mr. Speaker, we are all at a great loss because of Mayor Brown's passing, but can be comforted in knowing he helped make Marble a better place for future generations. I would like to extend my heartfelt sorrow to his children, David, Daniel, Joseph, and Teresa; his grandchildren and great-grandchildren. Mayor Brown's selfless dedication to Marble, the State of Colorado, and the United States has helped ensure a promising future for our great country and I am deeply honored to bring his life to the attention of this body of Congress and this nation. I am proud to have known such a great man who enriched the lives of his family, community and nation.

RECOGNIZING RABBI JAY STEIN

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. GERLACH. Mr. Speaker, I rise today to recognize Rabbi Jay Stein, the newly installed Rabbi at Har Zion Temple in Penn Valley, Pennsylvania.

Rabbi Jay M. Stern received his ordination, an M.A. in Jewish Education and a B.A. in Jewish Philosophy from the Jewish Theological Seminary of America. In addition, he received a B.A., Sociology from Columbia University. From 1990–1991, he served as an Alef-Alef Fellow in Jewish Education at Tel Aviv University. In 1993, Rabbi Stein was awarded The Lowenfeld Prize in Practical Theology from the Jewish Theological Seminary of America. In 1995, Rabbi Stein was named a Wexner Rabbinic Fellow. He served as Rabbi at Temple Beth Ahm and currently serves as Senior Rabbi of Har Zion Temple in Penn Valley, Pennsylvania. He is also the Vice President of and has written the constitution for, the New Jersey Region of the Rabbinical Assembly. He has co-published articles on the subject of domestic violence in the Rabbinical Assembly Newsletter and Outlook Magazine, as well as authored a chapter in the Resource Guide for Rabbis on Domestic Violence published by Jewish Women International. Rabbi Stein serves as a national consultant in the area of Jewish supplemental high school education, as well as the Rabbinic Advisor to the Israel's Ministry of Tourism. Currently, he heads up a regional think tank for rabbis serving as spiritual leaders in Solomon Schechter Day Schools, and is a certified counselor in chemical dependence.

Mr. Speaker, I ask my colleagues join me today in recognizing Rabbi Jay Stein and wish him the best of luck in his new position.

IN HONOR AND RECOGNITION OF MR. RICHARD HART AND PROJECT WELD

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of Mr. Richard Hart—teacher, mentor, guide and source of strength and inspiration for countless young men and women at Max S. Hayes Vocational High School.

Mr. Hart, a Certified Welding Educator, created Project WELD several years ago, intent on energizing the school's welding program. The acronym stands for Worthy Employment, Leadership Development—which is exactly what students take away from the program. Mr. Hart is so deeply committed to this project that he initiated the program on his own personal time, using his own personal funds.

Project WELD provides students with a real insight and understanding into the profession of welding by bringing industry employees and employers into the classroom. Additionally, students are exposed to the latest in welding technology through funds and equipment donated from local welding companies. Beyond his scholastic and professional contributions, awards and accolades, Mr. Hart's greatest accomplishment continues to be the impression he makes on his students, through his method of teaching by example that offers each student the promise of a bright future.

Mr. Speaker and Colleagues, please join me in honor and recognition of Mr. Richard Hart, whose leadership, commitment and belief in the students at Max S. Hayes Vocational High School continues to uplift the lives of countless students.

TRIBUTE TO PEDRO PIETRI

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. SERRANO. Mr. Speaker, I rise today to honor the life and work of Pedro Pietri, a fine Puerto Rican poet, who passed away on March 3, 2004, just weeks short of his 60th birthday.

Pedro was born in Ponce, Puerto Rico on March 21, 1944. He moved to Harlem in New York at the age of 3. Under the influence of his aunt, Irene Rodriguez, Pedro became very interested in poetry and as a teenager began to compose his own poems. After graduating from high school, Pedro worked a variety of jobs before being drafted. He served in a light infantry brigade in Vietnam. His experience in this war, he claimed, further radicalized his beliefs. Upon his return, he began to seriously pursue his interest in poetry in order to address the social ills that plagued not only his community but America as a whole.

In 1969, a Puerto Rican activist organization named the Young Lords briefly took control of the church Pedro attended as a child. It was during this takeover that Pedro gave the first public reading of what has arguably become his most notable poem, "Puerto Rican Obituary".

Juan, Miguel, Milagros, Olga, Manuel
All died yesterday, today and will die again
tomorrow passing their bill collectors
on to the next of kin
All died waiting for the garden of eden to
open up again under a new management
All died dreaming about america . . .

This powerful poem, published in 1973, traces the lives of five Puerto Ricans who came to the mainland hoping to fulfill their dreams of a better life, but whose dreams soon become nightmares as they found themselves shut out of America's economic opportunities and lifestyle. All of Pedro's works, though at times humorous, contain a powerful political message.

Mr. Speaker, Pedro was not special because he was a gifted writer, he was special because he used his gift to inspire his community to rise above the oppression they had endured. In his countless poems and plays Pedro defined the Nuyorican (Puerto Rican New Yorkers) experience, inspiring a new generation of Nuyorican poets to take up the cause he dedicated his life to. In addition, his works have inspired poets of oppressed peoples in the United States and abroad since the 1960's.

Pedro's publications include Illusions of a. Revolving Door: Plays (1992), The Masses are Asses (1984), Traffic Violations (1983), Lost in the Museum of Natural History (1980), Invisible Poetry (1979), and Puerto Rican Obituary (1973). His work has also been included in anthologies such as The Prentice Hall Anthology of Latino Literature (ed. Eduardo del Rio, 2002); The Outlaw Bible of American Poetry (ed. Alan Kaufman, 2000), The Latino Reader (eds. Harold Augenbraum and Margarite Fernandez Olmos, 1997), Inventing a Word: An Anthology of Twentieth-Century Puerto Rican Poetry (ed. Julio Marzan, 1980), and The United States of Poetry. He was the recipient of several New York State Creative Arts in Public Service grants and a grant from the New York Foundation for the Arts.

Mr. Speaker, for his invaluable contribution to American literature and his commitment to addressing issues of great importance to our nation; I ask that my colleagues join me in paying tribute to Pedro Pietri.

PERSONAL EXPLANATION

HON. CHRIS CHOCOLA

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. CHOCOLA. Mr. Speaker, on Tuesday, March 2nd, and Wednesday, March 3rd, I was on official government travel in Libya and missed several votes.

Had I been present, I would have voted "yea" on rollcall votes 32, 33, 34, 35, 36 and 37.

CONDOLENCES ON TERRORIST ATTACK AGAINST SPAIN

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. HOLT. Mr. Speaker, I rise to express my sincere sadness at the extreme loss of life suffered today by the people of Spain after the worst terrorist attack in that nation's history. The people of central New Jersey know what it feels like to lose loved ones to an act of terrorism. We lost so many of our neighbors on the attacks of September 11, 2001. On behalf of my constituents, I stand now in solidarity with the people of Spain.

We are reminded by today's carnage that senseless acts of terror continue to afflict innocent people around the world whether they live in Madrid, Istanbul, New York, or Baghdad. We are reminded today that no nation is immune to the threat of terrorism.

I hope that today's attack will send a signal to all of us that we must remain vigilant in the face of terrorism and that we must continue to work closely with all nations around the world to destroy Al-Qaeda and its terrorist allies. We cannot avoid the thought that this attack happened because Spain offered assistance to the U.S. in fighting terrorists around the world. I'm sure the U.S. Government will offer whatever assistance it can to help the Spanish people who are suffering and to find and arrest the savage culprits of this crime.

IN HONOR AND REMEMBRANCE OF WINIFRED MARY "MA" DUNCAN

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. KUCINICH. Mr. Speaker, I rise today in honor and remembrance of my dear friend, Winifred Mary "Ma" Duncan—devoted mother, grandmother, great-grandmother, friend, mentor and community activist, whose life deeply affected the lives of countless individuals, including my own.

Mrs. Duncan was an unwavering source of strength for her family, as she raised and supported seven children on her own. Armed with a strong sense of determination, faith, and inner resolve, Mrs. Duncan faced the challenges of single parenthood with grace and focus, and was a consistently loving role model for her children, and for all the children in the neighborhood.

Beyond caring for her family, Mrs. Duncan remarkably found the time and energy to volunteer within the community. In the late sixties and seventies, she served as a Council Member for the City of Valley View. During that time, she delivered Christmas and Easter baskets to families in need. Throughout the seventies and eighties, Mrs. Duncan served as a member of the Board of Directors of the Merrick House Settlement and the Tremont Free Clinic. For the past 30 years, Mrs. Duncan was an active member of the St. Augustine Parish Council, St. Augustine Hunger Council, St. Augustine Seniors, St. Vincent DePaul Society and the Cleveland Catholic Blind Community.

Mr. Speaker and colleagues, please join me in honor and remembrance of Mrs. Winifred Mary "Ma" Duncan. As we deeply mourn her passing, we also joyously celebrate her life. "Ma" Duncan built a foundation of love and security for her children, and for the world around her. Her sense of charity, love for others and giving nature encircled her family, encircled the neighborhood, and uplifted our entire community. I offer my deepest condolences to her children: Valerie, Charles, James, Wayne, Gerald, Kathleen and Rosemary; and to her grandchildren, great-grandchildren, and to her extended family and many friends. The wondrous affect on the lives she touched is immeasurable, and "Ma" Duncan's beautiful legacy—a legacy reflecting giving, compassion and love, will live on forever within the memory and heart of everyone who knew and loved her well. The way "Ma" Duncan lived her life has given light to our community and has raised our corner of the world to a better place.

TRIBUTE TO ARMY PVT. BRYAN NICHOLAS SPRY

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to Army Pvt. Bryan Nicholas Spry, a national hero who paid the ultimate price for his country on February 14 in Baghdad, Iraq. This brave, 19–year-old soldier from Maryland's Eastern Shore, fresh out of basic training, had been in Iraq just over a month when he died.

Bryan was born in Wilmington, Delaware, and raised in Chestertown, Maryland, in Kent County on the Eastern Shore. I had the privilege of knowing him personally and found him to be a friendly, gregarious young man who loved the outdoors, baseball and the idea of being a soldier.

Mr. Speaker, on the night of February 13, Bryan attempted to drive his Humvee across a bridge which collapsed, dumping the vehicle into the water said Bryan's mother, Mrs. Beverly Couch Fabri. Three of the Humvee's passengers got out and swam to safety. But Bryan was unconscious when they pulled him out of the murky water. His lungs were filled with water. He died the next day, Valentine's Day, in a field hospital in Baghdad.

As a boy growing up on the eastern shore of the Chesapeake Bay, he idolized his older brother, Michael, a professional baseball player. Michael plays right field for the River City Rascals, a St. Louis area club that competes in the independent Frontier League. The two boys and their father often went deer hunting together. But instead of shooting the animals with a gun, Bryan preferred to shoot them with his camera. On one of those hunting excursions, when his brother was about to pull the trigger on his target, he saved the deer's life by scaring it off, his mother recalled. "After that, his brother didn't take him along [on hunts] for a very long time," Fabri said.

Mr. Speaker, I am told that both of Bryan's grandfathers fought in World War II, and growing up he loved to run in the woods, playing army with his brother and friends. As a child he decorated his bedroom with GI Joe action figures, said one his boyhood friends. Bryan attended Kent County High School where he was an outfielder on the baseball team. Twenty-one days after he graduated from high school, he made good on his dream to become a soldier, shipping off to basic training at Fort Benning, Georgia. After successfully concluding his training, he was detached to the 82nd Airborne Division's Company D, 1st Battalion, 504th Infantry, based at Ft. Bragg, North Carolina.

On Friday, February 20, visitation was held for Bryan at the Fellows, Helfenbein and Newnam Funeral Home in his hometown of Chestertown. A memorial was also held that night at Mear's Great Oak Landing, a waterfront complex in Chestertown, with money raised from a silent auction and raffle to go into a fund in his name that will help military families. How fitting!

Funeral services were held at 2 p.m. on Saturday in the auditorium at Kent County High School in Worton. Bryan was laid to rest with full military honors at St. James United Methodist Church Cemetery, a final tribute to a paratrooper who, colleagues said, understood the meaning of duty and sacrifice. Major Marvin Luckie, deputy division chaplain for the 82nd Airborne read from the 23rd Psalm and from the lyrics to "Taps." As the chaplain finished reading the psalm and a 21-gun salute broke the quiet, an honor guard slowly folded the flag and presented it to his weeping mother.

"In life, he honored the flag," Luckie said. "In death, the flag will honor him."

On Wednesday, February 25 paratroopers from the 82nd Airborne Division held a memorial service in Iraq to remember him.

Mr. Speaker, the number of fallen heroes emerging from the war in Iraq, unfortunately, continues to grow. Our brave men and women who risk their lives daily are national treasures. I ask my colleagues to join me today in commemorating one of these treasured heroes; Army Pvt. Bryan Nicholas Spry.

CONGRATULATING THE ROCHESTER HIGH SCHOOL "LADY ZEBRAS" ON THEIR INDIANA CLASS 2A GIRLS STATE BASKETBALL CHAMPIONSHIP

HON. CHRIS CHOCOLA

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. CHOCOLA. Mr. Speaker, I rise today to congratulate the Rochester High School Lady Zebras on their Indiana High School Athletic Association Girls Basketball Class 2A state championship.

When the final horn sounded on Saturday, March 6, at the Conseco Fieldhouse in Indianapolis, Indiana, over 9,000 fans witnessed the young women of Rochester High School's girls basketball team win their first ever state championship over Heritage Christian 51 to 40. As a team, the Lady Zebras set championship game marks for free throws made (25), free throws attempted (28) and free throw percentage (89). It was the Zebras' 14th consecutive victory. Their state championship win leaves Rochester at an impressive 25 and 2 mark for the year.

I would like to acknowledge Coach Tony Stesiek and Assistant Coaches Katie Felke, Jason Snyder, Stacy Stesiak, Andrea Milliser and Randy Wynn on an exceptional season.

On behalf of the citizens of the Second Congressional District, I would like to congratulate all of the players including seniors Lindsey Dishman, Courtney Felke, Jamie Fornal, Brooke Riddle, Aubry Roe, juniors Randall Heyde, Morgan Thomas, sophomores Ryleigh Carr, Jenna Easterday, Kendra Howard, and freshmen Lesley Cox, Cassie Greives and Bethany Sewell.

Student managers Lindsey Helstern, Ali Hunt and Stephen Williams and Athletic Training student Lindsey Bright also deserve a special congratulation.

I would also like to take a moment to recognize senior Courtney Felke. She was named the 2004 Patricia L. Roy Mental Attitude Award winner for Class 2A. At the conclusion of the girls basketball state finals, the IHSAA Executive Committee presents the award to the outstanding senior in the state finals competition. Courtney's grit and determination to win this state title began four years ago when she, along with the rest of the seniors, started shooting free throws in the mornings before school began. It paid off in Saturday's title game.

Mr. Speaker, I know that everyone in Fulton County, Indiana, from Principal Dennis Eller, Assistant Principal Steven Lyng and Athletic Director Mark Miller, to every one of their parents, is extremely proud of these young women.

Again, I would like to congratulate the Rochester High School girls basketball team on winning their first-ever state basketball championship.

INDIA REPUBLIC DAY

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. HOLT. Mr. Speaker, I rise today to honor the people of India on their 55th celebration of Republic Day. It was on this day in 1950 that India adopted its Constitution and became a modern sovereign state. Enshrined in that constitution are the same ideals of equality for all citizens, universal suffrage for those over 18, and the freedoms of speech, association and religion that we hold dear in the United States.

I am pleased to represent central New Jersey's Indian Americans in the U.S. House of Representatives and to be a member of the Congressional Caucus on India and Indian Americans. It is with pleasure today that I express my praise for India's commitment to democracy.

India's struggle for independence cost many lives, but also united Indians of many peoples. We honor those, especially Mohandas Mahatma Ghandi, who struggled for India's independence. Ghandi's non-violent form of resistance has set an example to all of us around the world. Freedom can be achieved through peaceful protest. India's leaders are currently working to broker peace with Pakistan and I commend them for their efforts to end this horrible conflict through peaceful negotiations.

India adopted its Constitution and swore in its first president, Dr. Rajendra Prasad, only 894 days after the withdrawal of the British Empire's forces. Today, India can be proud to hold the title of the world's largest democracy as it prepares for upcoming elections in April.

When I made my first trip to India in 1977, it was just after the lifting of the Emergency. At the time, India was facing a challenge to its democratic institutions. As the Indian people proved later that year by voting out Prime Minister Indira Gandhi, who had temporarily suspended the Indian Constitution during the Emergency period, they were resilient democrats.

I am always impressed with India for the remarkable dexterity with which its people make democracy work in a country of such incomparable diversity and size. The United States may be the world's oldest democracy, but India is by far the world's largest. I believe that the rest of the world, including the United States, has something to learn from India and its democratic accomplishments.

I am pleased to see India and the U.S. working so closely together. Each year for the past several years, U.S.-India relations have advanced to higher and higher plateaus. India has been an outspoken supporter of our Nation's war on terror. India and her people have endured terrorist attacks and, like the American people, they are resolute in fighting against future threats.

In New Jersey, I have never felt too far away from India because I have the good fortune to have so many wonderful Indian-American neighbors. I look forward to continuing to represent the Indian American community of central New Jersey and to seeing India's democracy continue to flourish in the years to come.

IN HONOR AND REMEMBRANCE OF ALICIA G. JAQUILLARD

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. KUCINICH. Mr. Speaker, I rise today in honor and remembrance of Mrs. Alicia G. Jaquillard—devoted wife, mother, grandmother, dedicated human services employee, and friend and mentor to many.

Mrs. Jaquillard was born in Puerto Rico, and eventually emigrated to America with her family. Her family was central to her life. She leaves behind her devoted husband, Marvin J. Jaquillard, and also her four stepsons. She was extremely close to her children and eight grandchildren—and will be deeply missed by her entire family.

Mrs. Jaquillard and her family moved to Toledo in 1972. She worked for the Lucas County Department of Human Service as a Food

Stamp Officer. She performed her duties with integrity and compassion, and was held in high esteem by clients and colleagues. Mrs. Jaquillard possessed an incredible sense of humor, and had the rare ability to make others feel instantly comfortable and welcome.

Mrs. Jaquillard retired from public service in 1985, which enabled her to spend more time surrounded by family, and more time to pursue her favorite pastimes—cooking, traveling and music. She was an exceptional cook, and loved to share her culinary talents with family and friends by preparing a variety of traditional and contemporary Spanish dishes. She loved music, especially slow romantic songs and music of her Spanish heritage. Mr. and Mrs. Jaquillard were avid travelers. Together, they journeyed across America, Canada and Mexico.

Mr. Speaker and Colleagues, please join me in honor and remembrance of Mrs. Alicia Jaquillard—beloved wife, mother, grandmother, and friend. I offer my deepest condolences to her entire family and to her entire circle of friends. Mrs. Jaquillard lived her life with great joy, love and energy—and her memory and spirit will be remembered forever by all who knew and loved her well.

PERSONAL RESPONSIBILITY IN FOOD CONSUMPTION ACT

SPEECH OF

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 339) to prevent frivolous lawsuits against the manufacturers, distributors, or sellers of food or non-alcoholic beverage products that comply with applicable statutory and regulatory requirements:

Mr. BARTON of Texas. Mr. Chairman, I rise in strong support of H.R. 339, the Personal Responsibility in Food Consumption Act. Personal responsibility—not frivolous lawsuits—is the appropriate way to deal with obesity issues.

As reported by the Judiciary Committee, however, H.R. 339 contained very broad language that could be read to include regulatory actions by at least two agencies within the jurisdiction of the Committee on Energy and Commerce—the Federal Trade Commission (FTC) and the Food and Drug Administration (FD). It is my understanding that it was not the intent of the authors to prohibit such lawsuits. Working with Chairman SENSENBRENNER, we then developed language that is included in the manager's amendment today that specifically exempts actions brought under the Federal Trade Commission Act or the Federal Food, Drug, and Cosmetic Act. There can be no question, then, that if this bill were signed into law, it would have no effect on regulatory or legal rights and responsibilities under these statutes.

I look forward to working with the Judiciary Committee as this legislation moves forward.

RECOGNIZING PEACE CORPS WEEK

HON. HOWARD P. "BUCK" McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. MCKEON. Mr. Speaker, I rise today in recognition of National Peace Corps Week, which gives us the opportunity to honor and commemorate the 43rd anniversary of the Peace Corps. During this week, celebratory and educational events take place across the country to pay tribute to the Peace Corps' influence on communities in the United States and abroad. Thousands of Peace Corps volunteers speak in classrooms, Governors issue proclamations, and former and current Peace Corps staff honor the lasting legacy of the Peace Corps with their service. I would like to join these individuals in their tribute.

Since its inception in 1961, over 170,000 Peace Corps Volunteers have served in 137 countries to promote the Peace Corps' mission of world peace and friendship. Currently, over 7,500 Volunteers are serving in 71 countries around the world—the highest number of volunteers in the field in 28 years. In 2003 alone, the number of individuals applying to serve in the Peace Corps rose by 10 percent. With continued interest from both Americans and host countries, the Peace Corps is well-positioned to continue to expand its ranks for many years to come.

The work of the Peace Corps has never been more relevant than it is today. Americans are interested in humanitarian service, and host countries are eager for our volunteers. Peace Corps volunteers share their time and talents by serving as teachers, business advisors, information technology consultants, health and HIV/AIDS educators, and youth and agriculture workers. These volunteers transfer life-changing knowledge and skills that are valued by the people of other nations. In its tenure this institution has become vital to the well-being of our country and to the international community.

During this week, we salute the men and women of this nation who selflessly serve abroad as Peace Corps Volunteers.

Recently, I had the opportunity to honor Sergeant Shiver, the organizer and first director of the Peace Corps. His lifelong service is only one shinning example of the quality of individuals the Peace Corps recruits. He, as well as many other members of the Peace Corps, has shown that one dedicated individual can create positive change in the world.

Mr. Speaker, I would like to Join my colleagues in support of National Peace Corps Week and honor past and present volunteers who carry out the Peace Corps' goals and who continue to empower people in developing and developed countries through their efforts.

PERSONAL EXPLANATION

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. BEREUTER. Mr. Speaker, on March 9, 2004, this Member unavoidably missed three roll call votes. On all three votes, this Member would have voted "aye," had he been present. The three votes were: 1. Rollcall No. 42, passage of H. Res. 519, a resolution expressing the sense of the House of Representatives with respect to the earthquake that occurred in San Luis Obispo County, California on December 22, 2003; 2. Rollcall No. 43, passage of H. Res. 392, a resolution congratulating the Detroit Shock for winning the 2003 Womens National Basketball Association championship; and 3. Rollcall No. 44, passage of H. Res 475, congratulating the San Jose Earthquakes for winning the 2003 Major League Soccer Cup.

IN HONOR OF FATHER JOHN J. CREGAN

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. KUCINICH. Mr. Speaker, I rise today in tribute and recognition of Father John J. Cregan, Pastor of Our Lady of Angels Church of Cleveland, Ohio, as he is being honored for his significant outreach and committed service to the people of our Cleveland community.

For more than 40 years Father Cregan has served as a spiritual guide, healer and beloved mentor and friend to countless families and individuals. Since 1968, Father Cregan has served as a dedicated advocate of spirituality, faith and counsel to members of our safety forces. In his role as Catholic Chaplain for the Cleveland Police Department and the Fraternal Order of Police, and as Spiritual Director of the Greater Cleveland Police and Fire Society, he continues to provide direction, hope and comfort to the men and women who so bravely and selflessly serve our community.

Father Cregan's journey of service to others began with his ordination at St. John's Cathedral on May 20, 1961. His kind, compassionate and gentle nature has touched the lives of countless families and individuals in every parish he has served. For more than twenty years, Father Cregan led the congregation at Blessed Sacrament Parish, first as Assistant Pastor, then as Pastor. Father Cregan also served as Associate Pastor at St. Joseph Parish and St. Thomas More Parish. In 1987, Father Cregan was named Pastor of Our Lady of Angels Church in Cleveland, where he continues to today—providing solace and strength to this parish community.

Mr. Speaker and Colleagues, please join me in honor, recognition and gratitude of Father John J. Cregan, whose compassion, commitment and energy continues to create a haven of assistance, hope and renewal for every member of Our Lady of Angels parish and for countless members of our safety forces. Father Cregan's vision, leadership, and love for others brings light, hope and possibility to Cleveland's West Park neighborhood, and strengthens our entire community. Today, we express our gratitude to Father Cregan for making a difference throughout the Cleveland area community.

RECOGNITION OF ALBERT M. ELÍAS

HON. RAÚL M. GRIJALVA

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. GRIJALVA. Mr. Speaker, I rise today in recognition of Albert M. Elías for 50 years of service to organized labor and to the progressive political community in Tucson and Pima County as a member of International Typographical Union/Communications Workers of America Local 7026.

Albert M. Elías represents the highest ideals of the labor movement. While others talk about the need for a strong labor movement to protect and enhance the lives of working people, Albert, for more than 50 years, has worked to advance these goals. While others have talked about how Pima County and southern Arizona need progressive political success to empower the ordinary and disadvantaged among us, Albert has worked long hours helping politicians and movements advocate on behalf of these people.

Using the printing skills he has honed for most of his life, the knowledge he has gained over more than five decades of how the printed word can help realize worthy goals, and the personal contacts his honesty, integrity and goodwill have forged, Albert has achieved much and has helped others achieve even more in advancing political movements, and the labor movement in particular.

Albert, 75, a fourth-generation Tucson native, joined the International Typographical Union of his maternal grandfather Francisco S. Moreno in January 1954 and committed himself to a career in the printing trade. Albert believed that union membership would improve the professional quality of his work as a printer, and enable him to develop meaningful, long-term relationships in his community that would benefit himself and his family, as well as his union brothers and sisters. Union membership, he believed, also would provide him with better income and with vacations and holidays off to spend quality time with his family. It was Albert's goal to provide his children with the wherewithal to excel in education through high school and go on to college if they desired.

Time proved Albert to be correct. All three of the children of he and his wife Viola Baine are college graduates who are serving others in pursuit of their careers. Their eldest, Ana Elías Terry, has a master's degree from the University of Arizona and has worked as a bilingual speech therapist for Tucson Unified School District for 22 years. Son Albert is also a University of Arizona graduate and has been an urban planner for almost 20 years with the City of Tucson, where he is now the planning director. Son Richard parlayed his University of Arizona degree into winning election to the Pima County Board of Supervisors and becoming its vice chair.

Albert and his sister Aida Elías, the children of Alberto Spring Elías and Ermelinda Moreno Elías, always have lived their lives as Christians and are dedicated to their religious faith. Albert has maintained an active lifetime role in his Roman Catholic parish, based at St. Augustine's Cathedral in downtown Tucson. He served for many years as a member of its Parish Council.

Albert's interest in the printing trade goes back to his childhood in the 1930s. His grandfather Moreno had begun publishing the Spanish-language El Tucsonense weekly newspaper as a member of the Typographical Union in 1915, but he died an early death in 1929. El Tucsonense continued publication under ownership of his wife, Rosa E. Moreno, and with the help of her five children—Ermelinda, Gilberto, Federico, Arturo and Elías. Before Albert's 10th birthday he was delivering El Tucsonense by bicycle to the Latino barrios that dominated much of downtown Tucson. He worked his way into the print shop during his years at Tucson High School to be a "printer's devil," sweeping the floors, cleaning presses, and remelting the lead used to make ingots for the shop's linotype machines.

After graduating from Tucson High School in January 1947, Albert went to the Frank Wiggins Trade School in Los Angeles to learn more about printing. After completing those studies in 1948, Albert went to work in the print shop that published El Tucsonense, now being run by his uncle Arturo Moreno. That ended in late 1951 when Albert was drafted into the U.S. Army. He served in the infantry for two years before being honorably discharged. After his discharge, Albert returned to Tucson. But instead of rejoining El Tucsonense, Albert sought membership in the Typographical Union as a journeyman, skipping apprenticeship because of his experience. His skills earned him a position as a linotype operator in early 1954 with the Tucson daily newspapers, The Arizona Daily Star and Tucson Citizen.

A bitter and ultimately unsuccessful Typographical Union strike at the Star-Citizen in 1966, over job-depleting automation and the companies' rejection of the union's demand for a pension plan, ended Albert's 12–year stint with the daily newspapers. Fortuitously for Albert, El Tucsonense was in the process of folding and he and a partner, Oscar Araiza, bought his uncle's printing shop. Araiza retired in 1991 and Albert has run Old Pueblo Printers alone since then.

Upon taking control of the business in 1966, Albert and his partner began doing printing work for Tucson-area labor union locals and Democratic Party candidates for political office. One of the first campaigns for which Albert's shop printed the political literature was one of the late U.S. Representative Morris K. Udall's bids for office. Udall continued to use his services after that, as did Robert Kennedy for his assassination-truncated 1968 presidential campaign. Albert printed campaign materials for Raúl Castro, who was elected as the first Latino governor of Arizona; for Ed Pastor, who was elected as the first Latino congressman from Arizona; and for longtime Pima County Supervisors Sam Lena and Dan Eckstrom. I, too, came to Albert for my printing needs when I first launched what became a 12–year stint on the Tucson Unified School District Board. I continued to use Albert's services through 13 years on the Pima County Board of Supervisors and, finally, on my 2002 bid for Congress.

During his career, Albert supported labor leader César Chávez of the United Farm Workers, he supported the efforts of local Latino activists to get their fair share of federal funds to improve the homes and neighborhoods of their people, and he supported a landmark lawsuit forcing Tucson Unified School District to desegregate its schools. Albert always has been, and still is, fighting battles against those who seek to use their financial influence to their own advantage—and at the expense of ordinary working people.

Albert M. Elías deserves special recognition, honor and respect for his five decades of union membership—and for his meritorious achievements during that time on behalf of working people and the less fortunate of Pima County and Southern Arizona.

ON THE TERRORIST ATTACK IN MADRID, SPAIN

HON. JOHN LINDER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. LINDER. Mr. Speaker, again a horrendous act of terrorism has been perpetrated on freedom-loving people in the world. Today, our friends in Spain are in mourning in the face of another cowardly attack by the enemies of freedom. News reports indicate that at least 173 people were killed and more than 600 injured in a series of explosions on Madrid's railway network at the height of morning rush hour.

Spain has suffered terrible losses from terrorism for decades, and the United States stands by its side today in grief. Our hearts go out to the Spanish people in this difficult time.

As I stated in September 2001, we—and our allies around the world—will show our resolve to our enemies. The free nations of the world will remain steadfast in our commitment together to ensure that those who hate freedom and liberty will not succeed. There are only two sides in this war: Ours and the enemy's. We reaffirm this today in light of the attacks in Madrid.

Lastly, it was President Franklin D. Roosevelt that stated that this Nation and its allies will defend ourselves to the uttermost and work to make certain that acts of war should never be permitted to endanger freedom-loving people again. Quote, "With confidence in our Armed Forces—with the unbounded determination of our people—we will gain the inevitable triumph—so help us God." This quote remains just as true today, as it did in December 1941.

FIRST ALL-FEMALE GRADUATING CLASS OF PICKER ENGINEERING SCHOOL OF SMITH COLLEGE

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. NEAL of Massachusetts. Mr. Speaker, I come to the floor to congratulate the first all-female graduating class of the Picker Engineering School of Smith College. The Picker

Program is committed to advancing opportunities for women in engineering. The engineering science program emphasizes an integrative teaching approach that will reinvent the standards of engineering and change the future.

The Picker Engineering Program has reinvented the role of engineering and thus expanded the way in which engineering students view the world. The 20 young women in the graduating class of 2004 have been exposed to an interwoven study of humanities and engineering. The creators of the academic department have redefined the standard curricula of engineering by integrating liberal arts education with traditional scientific and mathematical principles. The Picker Engineering Program stresses the importance of serving humanity and the protection of natural resources. The importance placed on environmental sustainability and social responsibility has raised the standards needed for an engineering degree.

The Picker Engineering School of Smith College will provide endless opportunities for students seeking an unparalleled education. It has already attracted a dedicated faculty and will continue to recruit superior staff and faculty. One of the highest percentages of women faculty, more than sixty percent, of any engineering programs in the country are employed by Smith College. The Picker program is a leading innovator in educating the next generation of engineers.

While women account for 45 percent of the American workforce, merely 9 percent of engineering careers are held by females. Smith College is dedicated to eliminating barriers to women in engineering while promoting interdisciplinary study. I speak on behalf of the second district of Massachusetts and the entire State in congratulating Smith College and welcoming the Picker Engineering School and its students to western Massachusetts.

INTRODUCTION OF THE CONGRESSIONAL ACCOUNTABILITY ENHANCEMENT ACT

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. SHAYS. Mr. Speaker, in passing the Congressional Accountability Act (CAA) back in 1995, Congress affirmed a very important principle: if a law is right for the private sector and the rest of the federal government, it is right for Congress.

In passing CAA, we brought ourselves under 11 labor and employment laws from which we had previously been exempt, but it has become clear our work is not complete.

Today, we introduced the Congressional Accountability Enhancement Act to try to further curtail the double standard that exists between Congress and the private sector by bringing Congress under even more of the laws it has passed for the rest of the country.

Specifically, the CAA omitted Title II of the Civil Rights Act, which prohibits racial discrimination in places of public accommodation—like Member's offices or the Capitol building—to Congress. Additionally, CAA did not include whistleblower protections or require that the disabled have equal access to all electronic information, like Members' websites and committee hearing broadcasts.

In addition to extending these important protections, the Congressional Accountability Enhancement Act would ensure Legislative Branch employees are protected from discrimination or termination for serving jury duty, declaring bankruptcy or having their wages garnished for debt—protections inadvertently excluded from CAA.

We don't tolerate those kinds of discrimination in the private sector, and we certainly should not make excuses for them here in Congress. We have a responsibility as the Nation's lawmakers not only to lead by example, but also to share the burden we ask others to bear.

The bottom line is, Congress should not be above the law. Our bill will help ensure we live by the laws we've passed.

PERSONAL EXPLANATION

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. RUSH. Mr. Speaker, yesterday, on rollcall vote No. 50, I inadvertently voted "aye" instead of "nay." I ask unanimous consent that the RECORD reflect that I was opposed to the amendment offered by the gentleman from New Jersey, Mr. ANDREWS.

STOPPING VIOLENCE AGAINST WOMEN

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. PASCRELL. Mr. Speaker, I rise today to call attention to an epidemic plaguing our Nation—violence against women. Too often we hear appalling statistics highlighting this fact; particularly regarding cases of domestic violence.

Nearly one-third of American women report being physically or sexually assaulted by a husband or boyfriend during their lifetime. The violence is not limited to adult women: One in five high school girls reports being abused by a dating partner.

In 2002 in my home State of New Jersey there were 79,844 domestic violence offenses reported by the police. Women were the victims in over 77 percent, or 61,715, of all these domestic violence offenses. In New Jersey, one act of domestic violence occurs every 6 minutes and 35 seconds.

In Passaic County, New Jersey there were 4,892 reported cases of domestic violence. The numbers are shocking. The crimes: heinous—3 Homicides, 6 Criminal Sexual Contacts, 2,825 Assaults, 280 Criminal Mischief cases, 469 Terroristic Threats, 48 Burglaries, 8 Kidnappings, 23 Criminal Trespass cases, 6 Criminal Restraint cases, 1,183 Harassment cases, 3 False Imprisonments, 20 Stalking cases, and 18 Sexual Assaults. Women were the victims in at least 3,767 of these cases.

We have a responsibility to reverse these unacceptable statistics. The women of Passaic County, of New Jersey and the entire Nation, deserve better. No woman should live in fear of domestic violence.

In addition to the terror, domestic violence is a serious health care issue that affects thousands of women and their children. The health-related cost of domestic violence against women exceeds $5.8 billion each year.

Health care providers are on the front lines of the battle as they often identify domestic violence and provide victims with care and support. That is why I support the Domestic Violence Screening, Treatment and Prevention Act, which would provide research on the health impact and prevention of family violence; training for health care professionals regarding identification and treatment for families experiencing family violence; and health care coverage for domestic violence identification and treatment.

There is great need for both women and men to join together to speak out and stop the violence. Stop the violence against women. As a Congress, as a Nation, we must work to protect the rights of women and ensure that they have the support and services necessary.

INTRODUCTORY STATEMENT FOR H.R. 3936

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. SMITH of New Jersey. Mr. Speaker, today, along with Mr. EVANS, and Mr. SKELTON, I am introducing H.R. 3936, a bill to authorize the U.S. Court of Appeals for Veterans Claims, now located in commercial office space in the District of Columbia, to seek a new location in the greater national capital region. This measure would also express the sense of Congress that a dedicated Veterans Courthouse and Justice Center should be provided for the court and the veterans it serves. It would be located, if possible, on one of three small parking lots next to I–395 on the Pentagon Reservation.

The court, created by statute in 1988, is an independent Article I judicial tribunal that for the first time gave our Nation's veterans the right to judicial review of the Department of Veterans (VA) benefits decisions on their disability, pension, education and other claims. It should, like all other article I courts, have a permanent courthouse.

In addition to the court, occupants of the new Courthouse would be members of those constituencies that regularly practice before the court, for example, the Veterans Consortium Pro Bono Program, the National Veterans Legal Services Program, and the appellate attorneys of veterans service organizations. The court and the offices of its constituents pay over $3.7 million per year for their rent. The General Services Administration anticipates that the court's rental costs will increase substantially in the not-too-distant future, so it would be desirable to relocate the court on a government-owned site, if possible.

H.R. 3936 would also require the Secretary of Defense, the Secretary of Veterans Affairs and the Administrator of General Services to submit a joint report to the House and Senate Committees on Armed Services and Veterans' Affairs on the feasibility of locating a new Veterans Courthouse and Justice Center at an appropriate site owned by the United States that is part of or near the Pentagon Reservation.

Mr. Speaker, given the past, present, and future sacrifices of the many men and women of our Armed Forces, I cannot imagine a better use for one of the present parking lots near the Pentagon, than a stand-alone, dedicated Veterans Courthouse and Justice Center to embody the gratitude and respect this Nation has for the service of every veteran.

I invite my colleagues to cosponsor this legislation as a first step toward a Veterans Courthouse and Justice Center for the U.S. Court of Appeals for Veterans Claims.

VETERANS ACCESS

HON. C.L. "BUTCH" OTTER

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. OTTER. Mr. Speaker, many veterans in the first district of Idaho, which I represent, live in rural areas where access to VA healthcare facilities is limited.

In Idaho, access for many veterans is limited by geography; mountain ranges, rivers, and great distances. These veterans deserve better access to the health benefits they've earned by serving our country.

While there are no easy solutions to these problems, I feel the VA has worked hard to provide veterans living in rural areas some opportunities to receive care.

A number of programs including outpatient clinics, temporary clinics, and mobile care units have all helped to address the access problem in these areas.

While these programs have shown some success, I believe there are other innovative ways we can address the access issue.

One such way is limited outsourcing. I am a cosponsor of H.R. 3777, the HEALTHY Vets Act, which was introduced by my colleague SCOTT MCINNIS. This bill creates opportunities for Veterans in rural areas to access timely healthcare from doctors and hospitals in their communities.

Many rural communities understand the value of their community doctors and hospitals. Rural healthcare is expensive, and these communities are fighting hard to maintain these resources. Allowing veterans access to community hospitals makes sense for our veterans and our communities.

I have a deep appreciation for the men and women who have risked their lives for America's freedoms and feel our Nation should keep its promises to our veterans.

Throughout our history our Nation has been forced to maintain our commitment to freedom, and likewise, we must continue our commitment to our Nation's veterans.

COOPERATIVE RESEARCH AND TECHNOLOGY ENHANCEMENT (CREATE) ACT OF 2004

SPEECH OF

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. CONYERS. Mr. Speaker, I rise in support of this legislation. I cannot overstate the importance of encouraging collaboration when it comes to developing new technologies, particularly in the medical field. That is why Congress amended the patent laws in the mid-1980's to allow the patenting of inventions even when the inventions were not developed by a single person.

Unfortunately, the Federal courts have interpreted the law in a way that vitiates our intent in enacting it in the first place. The Federal Circuit ruled in the OddzOn case that an inventor's knowledge of "secret prior art" could prevent the issuance of a patent unless the inventor basically worked in the same organization that developed the prior art.

This ruling is having a detrimental impact on innovation. Because many universities and other non-profits do not enter into the formal structures envisioned by OddzOn when they work to develop drugs and other technologies, they are losing patent protection and an incentive to work together. We will see a decline not only in collaborations but also in the development of life-saving drugs and other inventions.

That is why I am pleased we are considering this bill, of which I am an original cosponsor. H.R. 2391 reiterates the importance of research collaborations by allowing them to obtain patent protection without entering into formal relationships. This legislation will encourage collaboration and spur innovation.

I urge my colleagues to vote "yes" on this legislation.

TRIBUTE TO IRENE COLLINS

HON. THADDEUS G. McCOTTER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. MCCOTTER. Mr. Speaker, last week my district lost a beloved member of our community and, with great sorrow, I pay her posthumous tribute today.

Irene Collins was a fiery, dedicated, and very determined lady, who never stopped giving of herself to her community, be it helping troubled teenagers or supporting numerous civic activities and community causes. This special lady is survived by her four siblings; six children; seventeen grandchildren and seven great-grandchildren. May all who knew her and are terribly saddened by the loss of Irene take comfort in the kindness of her enduring works, which constitute the finest and truest tribute to her.

COMMENDING WHITKO HIGH SCHOOL ART STUDENTS

HON. MARK E. SOUDER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. SOUDER. Mr. Speaker, I rise today to commend the artistic achievements of 15 students at Whitko High School in South Whitley, Indiana. Whitko High School was one of 18 schools in the United States that recently participated in the 34th World School Children's Art Exhibition in the Republic of China, Taipei. The purpose of the exhibition is to promote mutual understanding and friendship among the younger generation of the world.

It is a tremendous honor for Whitko High School students to be recognized for their artistic abilities on an international level, especially considering nearly 40 countries were represented at the exhibition.

I'd now like to recognize by name each of the fifteen Whitko students who received the international award medals: Hannah Brenneman, Mark Harness, Jessica Cripe, Kristine Rotach, Rebecca Morford, Kayla Green, Adam Porter, Tasia Boggs, Angie Roberts, Lisa Wilkinson, Katie Menzie, Jana Rowland, Dana Sellers, Emily Crist, and Hillary Lacy. Each of these students has demonstrated outstanding artistic skill and talent by being recognized in the World School Children's Art Exhibition, and I applaud them for their fine work.

I also commend Whitko High School's art teacher Walter C. Malicki for his dedication and enthusiasm for developing the artistic abilities of Whitko students. Over the past several years, Whitko High School students have received 32 national and 95 international awards. These honors are due, in large part, to the leadership of Mr. Malicki and his encouragement of each student's artistic abilities.

Once again, I extend my congratulations to the Whitko High School art students for their achievements in the 34th World School Children's Art Exhibition. Keep up the good work.

RECOGNIZING THE CONTRIBUTIONS OF HEATHER TAYLOR-MIESLE

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Ms. SOLIS. Mr. Speaker, I rise today to recognize Heather Taylor-Miesle, a dedicated and passionate young woman who has worked in my office as a Legislative Assistant handling environmental and transportation issues for nearly three years.

Heather was instrumental in shepherding into law a bill that is important to my community and close to my heart—the San Gabriel Valley Watershed Act (Public Law 108–65). Signed into law on July 1, 2003, the bill implements a study that will investigate how to preserve green, open and recreational space in the San Gabriel Valley Watershed in Los Angeles County. This law will go a long way towards ensuring environmental justice for the community I represent—one that is often the victim of environmental blight, rather than the beneficiary of environmental good fortune.

Heather is a proud environmental advocate who constantly pushes to ensure that the health and well-being of people remains at the top of the environmental agenda. She has worked with the local cities I represent to focus on cleaning up polluted Superfund sites and assessing the health risks of dust emitted by local gravel mining pits.

As Heather leaves the office to pursue a new professional opportunity, I wish her, her husband Don, and son Isaiah the best of luck. Her warm personality and friendly demeanor will be greatly missed.

"CHAVEZ'S DISRESPECT FOR DEMOCRACY"

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. FRANK of Massachusetts. Mr. Speaker, last week I released a statement expressing my disappointment with the use by Venezuela's National Electoral Council (CNE) of hyper-technical points and controversial procedural rulings to repress what appears to be the clear will of a sufficient number of Venezuelan citizens to move the country to a constitutional referendum on President Chavez.

The Organization of American States and the Carter Center observed first hand the democratic spirit shown by Venezuelans during the signature collection process, and they have publicly stated that they saw no significant problems with the collection of signatures.

Both organizations have also said they disagree with the Chavez-dominated electoral board's decision to set aside 876,000 signatures unless citizens come forward to validate them because the large numbers involved here, and the short time period allowed in which to appeal these signatures, could frustrate the will of the Venezuelan people to have a referendum on their president.

Because the decision of the CNE seems to me likely to obstruct the constitutional referendum process, I am submitting into the CONGRESSIONAL RECORD a recent editorial from The Washington Post entitled "Coup by Technicality" which provides specific details on the decision.

I think it is also important that President Chavez understand that if the will of the Venezuelan people is disregarded, the international community will appropriately blame him, as the country's leader, for contributing, through his rhetoric and actions, to such a profoundly anti-democratic outcome.

[From the Washington Post, March 5, 2004]

COUP BY TECHNICALITY

LATE LAST YEAR 3,448,747 of Venezuela's 24 million citizens turned out in just four days to sign petitions calling for a recall referendum on President Hugo Chavez. This extraordinary civic exercise, monitored by observers from the Organization of American States and the Carter Center, offered a democratic solution to years of political conflict in that important oil-producing nation—trouble that threatened to push Venezuela into dictatorship or civil war. Now Mr. Chavez, whose crackpot populism and authoritarian methods provoked the crisis, blatantly seeks to stop the vote, in violation of his commitment to both the OAS and his own constitution. His actions have already prompted a new wave of unrest across the country, including demonstrations in which at least seven people have been killed. Unless he can be restrained, Mr. Chavez may complete his destruction of one of Latin America's most enduring democracies.

Though the constitution, drawn up under Mr. Chavez's own administration, requires 20 percent of all voters to back a referendum, opposition groups collected 1 million signatures more than should have been needed for the recall vote. These signatures were rigorously audited by a nonpartisan civic group before being forwarded to the electoral commission. Yet, after delaying its response for weeks, the commission, dominated by Mr. Chavez's supporters, rejected 1.6 million of them, or nearly half the total. To do so, it invented requirements that didn't previously exist. Most notably, it threw out 876,000 signatures, each accompanied by a thumbprint, because someone other than the voter had entered registration details on the petition.

Mr. Chavez's functionaries subsequently announced that they would give about a million of those stricken from the list a chance to restore their names—but only if they appear in a limited number of registration centers during one two-day period. In practice, that poses a next-to-impossible logistical challenge to the opposition, even if there were no harassment from Mr. Chavez's police and civilian goon squads. But attempts by the foreign mediators to reverse this Kafkaesque coup have so far been unsuccessful.

Mr. Chavez, who has built a strong alliance with Cuba's Fidel Castro and imported thousands of Cuban personnel, appears eager for a domestic and international confrontation. Last weekend he called President Bush an "illegitimate" president, referred to him with a vulgar epithet and threatened to cut off oil supplies to the United States. Opposition leaders say that more than 300 people have been arrested in recent days, and that some have been tortured. Given the Bush administration's weak position in the region, hope for a peaceful or democratic solution rests mostly with Venezuela's Latin American neighbors, starting with Brazil. If Mr. Chavez continues to deny his people a democratic vote, leaders from those nations must be prepared to invoke the Democracy Charter of the OAS and threaten him with the isolation reserved for autocrats.

IN MEMORY OF THE LATE JOHN MICHAEL "MIKE" SEGER

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. PORTER. Mr. Speaker, I rise today to mourn the loss of John Michael "Mike" Seger. Mike was born on May 16, 1957 in Fort Lee, Virginia and later grew up in central Iowa. Mike was the eldest of eight children born into a family with a rich military history. Although unable to continue in the tradition of his grandfather, who served in the Pacific front during World War II, and his father, who served in the Army, due to an accident that left him blind in one eye, Mike grew up with a strong sense of responsibility and a keen intellect.

After graduating from Lakeview High School, Mike attended Briar Cliff College in Iowa for two years before moving to Vermont in 1978. There he met his wife of 24 years, Jane, across the parking lot of the Midas Muffler in Burlington where he worked. Together they started a family with the birth of daughter, Laura, in 1981 and then with the three month premature birth of their triplets, John Richard, Jennifer and Amanda in 1982. Sadly, Amanda passed away nine days later due to a ruptured heart valve.

While a bookkeeper for Midas Mike's love of and involvement in the automotive industry began. He later followed that love to St. Paul, Minnesota where he began working for Lehman's Garage, Inc. Through the years Mike advanced to Chief Financial Officer and served on numerous automotive industry committees, such as NACE, NABC and ICAR. On December 3, 2003, Mike received the first ever "Q" Award from the National Auto Body Council in recognition of the "individual who quietly persist in doing the right thing for the Collision Repair Industry."

After being diagnosed with Stage Four Colon Cancer in June of 2003, Mike was blessed with the help of the many friends he had acquired during his journey. He was also recently reunited with the son, Travis Tentinger, he had given up for adoption in 1978 and discovered that he was a grandfather of three adorable children. Although Mike's battle with his cancer ended on February 4, 2004, this reunion and the constant support of his friends and family made the last months of Mike's life as full as possible.

Mike Seger was the type of man who is the backbone of community life in our country: quiet, dependable, hardworking. I urge the House to join me in mourning the passage of Mike Seger and extending our condolences to his family and friends.

MEDICAL DEVICES TECHNICAL CORRECTIONS ACT

SPEECH OF

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 2004

Mr. TOWNS. Mr. Speaker, the House is to be commended for swift action this week on S. 1881, The Medical Device User Fee and Modernization Act. This bill removes the barriers that would have prevented the program from functioning as intended. I am particularly pleased about the provisions concerning third party inspections, which were included in the bill.

The training for the third party inspection program is complete and with passage of S. 1881, the program will finally get underway. S. 1881 also rightly includes an 18-month delay in the implementation of the labeling provisions in section 301 of MDUFMA. During this time, questions concerning the requisite scope of the labeling requirement can be resolved. The agency, industry and the Congress have an interest in reaching a solution that permits the identification of the manufacturer of some categories of products by the end user, yet maintains flexibility for the many other products produced by FDA regulated industries. I am certain all interested parties will continue to work toward that balanced solution. And I look forward to finalizing the labeling provisions in a manner, which meets the concerns of industry, consumers and the FDA.

PERSONAL RESPONSIBILITY IN FOOD CONSUMPTION ACT

SPEECH OF

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 339) to prevent frivolous lawsuits against the manufacturers, distributors, or sellers of food or non-alcoholic beverage products that comply with applicable statutory and regulatory requirements:

Mr. SHERMAN. Mr. Chairman, the proponents of H.R. 339, the Personal Responsibility in Food Consumption Act, argue that those who legally manufacture or sell food should be protected from lawsuits which claim the consumption of their product caused weight gain, obesity and/or weight related health conditions. However, the bill applies to manufacturers and sellers of food, as defined by Section 201(f) of the Food, Drug, and Cosmetic Act, including various nutritional and weight loss supplements, like Ephedra, which are in effect marketed as drugs.

Congress should deal separately with statutes regarding food purveyors and those lawsuits relating to the manufacture or marketing of nutritional supplements which are marketed as if they are drugs—some of which have the same benefits and risks of drugs.

The amendment offered by the Gentlewoman from Texas (Ms. JACKSON-LEE) sought to clarify the bill. But the proponents of the bill rejected this amendment. As a result, the bill is confusing in its scope and I voted against it for that reason.

I hope the bill is improved in the Senate to apply only to those who sell "food" as that term is normally used. Products marketed as drugs should be dealt with separately.

PERSONAL EXPLANATION

HON. PORTER J. GOSS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. GOSS. Mr. Speaker, this evening I had to depart early for a previously scheduled meeting. As a result, I was not able to be present for rollcall votes 52, 53, and 54. Had I been present, I would have voted "no," on rollcall votes 52 and 53. I would have voted "yea," on rollcall vote 54. I request that this statement appear at the appropriate place in the RECORD. Thank you.

COMMEMORATING THE LIFE OF HENRY JO VON TUNGELN

HON. FRANK D. LUCAS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. LUCAS of Oklahoma. Mr. Speaker, today I wish to remember and honor an outstanding citizen, Henry Jo Von Tungeln from Calumet, Oklahoma. who passed away on February 28th.

Henry Jo was born on May 13, 1931 southwest of El Reno, Oklahoma. He was a fourth generation farmer and rancher in Canadian County. He was known throughout his community and the State for his commitment to community service and to the agriculture industry.

Henry Jo was a tireless champion of agriculture, which was exemplified through his dedication to numerous agriculture organizations. He was active in the Oklahoma Farm Bureau, where he served as Vice President of The Oklahoma Farm Bureau State Board of Directors. He also served as the Canadian County Farm Bureau President for 45 years. He served 3 terms as Chairman of the Oklahoma Wheat Commission and was appointed by three Governors. He also served as Secretary, Vice Chairman and Chairman of the U.S. Wheat Associates. He served on the Dean's Advisory Committee for the Oklahoma State University Division of Agriculture. In 2000, Henry Jo received the OSU Master Agronomist award. He was elected to the Oklahoma Agriculture Hall of Fame in 2002. Henry Jo served on the Oklahoma Beef Council Board of Directors. He received the Oklahoma Farm Bureau Service Award. Henry Jo served on the International Trade Commission. He was elected Progressive Farmer Man of the Year in 2001. He also received the Agriculture Ambassador Award from Redlands Community College.

Perhaps Henry Jo was best known for opening his home to many of us for discussions about the things that would benefit his community and the agriculture industry, so that future generations could enjoy the same way of life that he so enjoyed. He welcomed many to his dinner table, including international groups who were visiting Oklahoma to learn more about our agricultural products. He was an amazing ambassador for our State.

Mr. Speaker, I join today with Henry Jo's family, friends, and community to honor his life and his commitment to his family, his community, and to the advancement of agriculture. He was an outstanding man and will truly be missed by all who knew him.

SPECIAL TRIBUTE TO GARY L. BRYENTON FOR HIS DEDICATED SERVICE IN THE STATE OF OHIO

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. GILLMOR. Mr. Speaker, it is with great pride that I rise today to pay special tribute to Mr. Gary L. Bryenton, an outstanding gentleman and good friend from Ohio, upon his retirement from his position as the Executive Partner of the Baker and Hostetler law firm, headquartered in Cleveland, OH.

Gary Bryenton grew up on a farm in Litchfield, OH, in Medina County. He graduated from Buckeye High School in 1957.

Gary started his professional career following his graduation from Heidelberg College in 1961. He then moved on to work for the Arthur G. McKee Company in Cleveland, as an assistant editor. Gary was graduated from Case Western Reserve Law School in 1965, where he served as Editor-in-Chief of the law review and was a member of the National Moot Court Team. Upon graduation, Gary joined the law firm of Baker, Hostetler & Patterson as an associate.

Mr. Speaker, in 1972, Gary became a partner in his law firm and was appointed Managing Partner of the Cleveland Office. He became a member of the Policy Committee in 1987, was appointed Chief Operating Officer in 1996, and was elected as the Executive Partner (CEO) of the 550–member firm in 1997.

The responsibilities of this position involved directing and managing all executive functions, serving as principal spokesman for the firm, serving on numerous charitable, civic, private, and public company boards of directors, and occasionally taking on the responsibilities as legal counsel for some of the firm's larger clients.

Mr. Bryenton has held a number of other administrative positions at the firm, in addition to chairing the firm's Policy Committee. These other positions include Chairman of the Recruiting Committee, Chairman of the Practice Development Committee, and Chairman of the firm's Community Relations and Political Action Committees. Mr. Bryenton has served as a trustee of the Cleveland Bar Association, a member of its Professional Ethics Committee, and Editor of the Cleveland Bar Journal.

He also serves on the boards of directors of many corporations and on the boards of trustees of numerous charitable and civic organizations. Mr. Bryenton is a Board member of the Cleveland Orchestra, The National Conference for Community and Justice, The Greater Cleveland Growth Association, and the Rock and Roll Hall of Fame and Museum. He is the Chairman of the Board of Trustees of Heidelberg College, from which he and his wife, Barbara, were graduated.

Mr. Speaker, I ask my colleagues to join me in paying special tribute to Gary L. Bryenton. Our communities are served well by having such honorable and giving citizens, like Gary, who care about their well being and stability. We wish Gary and his family all the best as we pay tribute to one of Ohio's finest citizens.

INTRODUCTION OF A BILL THAT WOULD GRANT UNCONDITIONAL AND PERMANENT TRADE RELATIONS TO UKRAINE

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. LEVIN. Mr. Speaker, today my brother, Senator LEVIN, and I have introduced a bill that would grant unconditional and permanent normal trade relations (PNTR) to Ukraine and remove Ukraine, unconditionally and permanently, from the application of the so-called Jackson-Vanik amendment. The legislation would provide an historic update in U.S.-Ukraine trade relations. It would strengthen U.S.-Ukraine relations and reinforce progress Ukraine has made in many areas. Additionally, the legislation would ensure that Congress continues to play an active role—with the Administration and with Ukraine—in confronting trade disputes and negotiating the terms of Ukraine's WTO accession.

This legislation is the culmination of a month's long effort, involving consultations with the Ukrainian Embassy, Ukrainian groups in the United States, other Members of Congress, including some on the Helsinki Commission, and other groups that have expressed an interest in Ukraine's removal from Jackson-Vanik. I think that it addresses many of the concerns that have been raised in a way that will help Ukraine PNTR on its way through Congress.

The legislation expands on a Ukraine PNTR bill that my brother and I introduced a couple of years in the 107th Congress (H.R. 4723/S. 3089). The bill we are introducing today reflects updates and improvements from our previous bill, which we believe will help this one garner the broad support necessary to push the issue along.

I am aware that there are elections in Ukraine later this year, and we all know how important it is that those elections be conducted transparently and fairly, in accordance with international norms. My reasons for supporting PNTR for Ukraine relate to the importance of Ukraine and what PNTR can mean for its economic and democratic development, not to any individual candidacy.

It is useful to recall that the Jackson-Vanik amendment was itself an amendment to Title IV of the Trade Act of 1974, a trade statute. In particular, Title IV created a framework for conducting trade relations with non-market economies. The Jackson-Vanik amendment, which has been an effective tool for raising freedom of emigration and human rights concerns, is a key element of Title IV; however, the underlying purpose and function of the statute were and remain the conduct of trade relations.

Accordingly, PNTR legislation must address fundamental trade issues. Consistent congressional practice is to grant PNTR to a country that is subject to Jackson-Vanik only at the time of the country's WTO accession, or when negotiations on accession were effectively completed. In this way, Congress's vote on PNTR has served as a way to signal approval for the country's WTO accession agreement. Under this approach, Congress was able to exercise its constitutional prerogative to regulate commerce with foreign nations, and the American people benefited from the Administration negotiating the strongest possible agreement.

This precedent has led to an important series of successful accessions to the WTO, including most notably for China, on terms that reinforced the WTO rules-based system, and brought great benefits to the people of the United States as well as other WTO countries.

In the case of Ukraine, WTO accession terms are still being negotiated. I believe it is appropriate to depart from that precedent and grant Ukraine PNTR now, so long as Congress retains a meaningful, effective tool to ensure that U.S. interests are fully addressed in those negotiations. And, there are many critical issues that still need to be addressed—Ukraine's protection for intellectual property rights, commitments to open its auto market, commitments in the services and other sectors, to name just a few. Moreover, there have been a number of recent trade tensions with Ukraine—including in the poultry sector. While these appear to have been addressed, they renewed concerns in Congress about trade relationships with Ukraine.

This legislation ensures that Congress will continue to play an active role in addressing trade problems as they emerge and in obtaining a strong WTO accession agreement from Ukraine. While giving up the precedent of using the PNTR vote as a proxy for approval of WTO accession, the legislation allows Congress to consider a resolution directly addressing the terms of agreement between the U.S. and Ukraine on Ukraine's WTO accession. While in its form, this resolution would be nonbinding on the Executive, it would provide Congress with an important tool to assure itself continuing oversight over the Executive as it forms the terms of Ukraine's WTO accession.

There are two sides to the PNTR coin—the trade issues and the "Jackson-Vanik" issues. The Jackson-Vanik amendment was a historic piece of legislation, aimed at addressing a serious problem in the former Soviet Union. It set forth important criteria related to freedom of emigration necessary for certain countries to obtain normal trade relations with the United States. Even from its inception, however, the Jackson-Vanik amendment was not only concerned with freedom of emigration, but also reflected the American commitment to human rights and freedom of religion. This fact is evident not only in the preamble of the Jackson-Vanik amendment, but also in the operation of U.S. relations with the former Soviet countries for nearly 30 years.

I think it is appropriate, then, that as we consider graduating Ukraine from the Jackson-Vanik amendment, that we place a strong emphasis on American values of freedom of emigration, religious freedom, and human rights issues. These were the issues at the core of the Jackson-Vanik amendment, and continue to be relevant when considering termination of this amendment. I am glad that we were able to craft a bill that addresses these vital issues in a responsible way, rather than giving them "check-the-box" cursory treatment or not addressing them at all.

INTRODUCTION OF FEDERAL AIR MARSHAL LEGISLATION

HON. FRANK A. LoBIONDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. LOBIONDO. Mr. Speaker, I rise today to introduce legislation to allow the Federal Air Marshal Service to offer their specialized training services to foreign law enforcement personnel.

Last December, in the wake of perceived threats to certain flights from foreign countries, the Department of Homeland Security placed a requirement on foreign airlines to carry armed law enforcement personnel on flights into or over the United States determined by U.S. intelligence to be a threat or suspected threat.

With this important directive in mind, my legislation would allow the Federal Air Marshal Service to offer their specialized training to foreign law enforcement personnel. The legislation would also require the sponsoring foreign country to reimburse the Service for the cost of training.

The Air Marshal training facility located in Pomona, NJ, is unique. It is the world premiere facility for the very specialized on-board aircraft law enforcement training. The training they receive there is far more sophisticated than just airborne firearm proficiency and hand to hand combat. Air Marshals are also trained to help out in any airborne emergency situation, including evacuating passengers and flying a pilotless plane. The facility does a tremendous job teaching students to safely and efficiently eliminate a terrorist threat under very confined and crowded conditions all while traveling at over 30,000 feet in the air.

My legislation will allow students from across the globe access to the intense training regime available only at the Pomona facility and better equip America's allies to help us fight the War on Terror.

RECOGNITION OF NATO ENLARGEMENT

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. SHIMKUS. Mr. Speaker, I rise today to recognize the upcoming enlargement of NATO when Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia are added as official members of the North Atlantic Treaty Organization.

Each of these nations, formerly part of the Soviet bloc, has emerged from their long struggle towards freedom as examples of the good that can come from people working together towards a common goal—in this case democracy and individual freedom.

As one of the co-chairs of the Baltic Caucus and a fourth generation Lithuanian, I can personally attest to the efforts and personal sacrifices that the people of these nations have been making for many decades now. Their determination to rid themselves and their countries of communist and dictatorial rule is a humbling lesson for those of us who have never known life without freedom.

We should welcome their commitment to freedom and provide them with the support they need to help insure that these growing democracies will flourish and become role models for other nations yearning for the same. Adding these nations to NATO is an extremely important step forward in our efforts to promote freedom and in our efforts against worldwide terrorism.

Already, many of these nations have made tremendous contributions to our efforts to stabilize Iraq and have a lasting impact in bringing peace to the Middle East. Clearly, these are nations that recognize the world beyond their own borders.

I am extremely proud to welcome Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia into NATO. I especially want to congratulate the many citizens and patriots in these nations and across the world who have struggled to get us to this historic moment. Your efforts will make a difference for generations to come.

COMMENDING INDIA ON ITS CELEBRATION OF REPUBLIC DAY

SPEECH OF

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Mr. CROWLEY. Madam Speaker, it gives me great pleasure to stand here today representing the citizens of America in honoring India's Republic Day. Fifty-five years ago India reached the goal that every great nation strives to attain which is the formation of a Democratic Republic. We as a Democratic nation must extend our recognition to the fellow nations of the world who represent the ideals of freedom and liberty, the same virtues, which make our country so beautiful and celebrate with them as we are all believers in Democracy.

The Indian nation represents one of the emerging nations in our increasingly globalized world. Boasting a GDP, the main indicator of economic success, that is number 4 on the world rankings, shows how impressive their rise has been in such a short period of time in relation to gaining independence from monarchy rule.

Their citizens which are part of the social and economic fabric of many of the world's countries including the United States are known for there academic success, business prowess, and social acceptance. Specifically in the United States they are a vibrant community holding the highest per capita income of any other minority community.

The Indian American community's love for the US and its people has also been demonstrated in their increasing participation with the political scene. Wanting to get involved so as to be in a position to add a new and fresh perspective should be commended and supported. We must remember that our forefathers once immigrated from foreign lands and it was their work and commitment to a strong country that allowed us to flourish through the years. Today we as Americans will recognize the same efforts being put forth by the Indian American community in their attempts to add to America's prosperity and continual success in the years to come.

I commend India for it's 55th Anniversary of its foundation as a republic and point to many future years ahead of successful partnership between India and the United States.

INTRODUCTION OF LEGISLATION TO PROTECT CALIFORNIA MEDICARE BENEFICIARIES FROM BEING FORCED INTO HMOS BY THE REPUBLICAN MEDICARE PRESCRIPTION DRUG BILL

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. STARK. Mr. Speaker, I rise with my California colleague HENRY WAXMAN and 24 of our Democratic California colleagues to introduce important legislation to protect California's Medicare beneficiaries from being forced into HMOs.

The Republican Medicare prescription drug law has many downfalls. The legislation we are introducing today corrects only one of them, but it is an especially important fix for seniors and people with disabilities who live in California.

As part of the prescription drug law, Republicans insisted on including a demonstration project beginning in 2010 that would require the traditional fee-for-service program to compete against private HMOs and other managed care plans for payment. This so-called "premium support" or "comparative cost adjustment" demonstration will cause Medicare beneficiaries who choose to remain in traditional fee-for-service Medicare to pay more and more for that choice. This cost differential will economically force people into HMOs—even if those plans do not meet their health care needs. Its part of the overall goal of the bill to dismantle Medicare as we know it.

Because we don't want California's seniors to be forced into health plans against their will, we've authored legislation to exempt California from eligibility for this wrong-headed demonstration program.

Senator BOXER has introduced companion legislation in the Senate (S. 2116). Upon introduction, she said the following:

> In California, 12 of its metropolitan statistical areas (MSA) now qualify for the demonstration project. If the two largest MSAs are chosen for this demonstration project, 1.4 million Californians will be faced with a Hobson's choice. They will be required to join an HMO or pay higher premiums.
>
> That brings us to the real question: Why is this necessary? Is it because seniors can't choose HMOs under the current system? No. Seniors can choose to join an HMO right now if they wish. I'll tell you why: It is a backdoor attempt to achieve Newt Gingrich's vision for a Medicare that will 'wither on the vine.'"

We agree with Senator BOXER. Seniors and people with disabilities should have the right to join a managed care plan in Medicare if they feel that plan will best meet their health care needs. That right exists in Medicare today and is preserved in the Republican-passed prescription drug legislation. However, no senior should be FORCED to join an HMO because it is the only way that they can obtain affordable health care.

That's why we've joined together to introduce this bill to exempt California from eligibility for the demonstration program—a demonstration that would force seniors into a Hobson's choice that will limit their access to the health care they need and result in the real goal of the Republican-passed Medicare legislation: the dismantling of the Medicare program.

UFW WINS HISTORIC CONTRACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. GEORGE MILLER of California. Mr. Speaker, I wish to call my colleagues' attention to a recent collective bargaining agreement between Pictsweet Mushroom Farms in Ventura, California and the United Farm Workers. This agreement deserves note on several counts.

First, it marks the first time since 1987 that the employees at Southern California's largest mushroom farm have been able to work under a collective bargaining agreement. As a result, 300 workers will enjoy higher wages, increased job security, and a company-paid health plan.

Second, it removes Pictsweet products from the boycott list. Pictsweet was first organized in 1975 and operated under a collective bargaining agreement until 1987, when the plant was bought by United Foods Inc. United Foods was intransigent in its refusal to enter a collective bargaining agreement with the UFW. In 2000, the UFW called for a national boycott of Pictsweet products and that boycott forced the plant to cut production by as much as half. By finally agreeing to deal fairly with its workers, Pictsweet will become a more profitable and productive facility.

Most importantly, however, this contract is the first to result from the enactment of California's law allowing farm workers or growers to seek mandatory mediation for farm labor negotiations that have reached impasse. Pictsweet was adamant in its refusal to negotiate a bargaining agreement. The UFW submitted the dispute to mediation in July and the mediator issued a proposed labor agreement on January 30. The company has decided to proceed with implementation of the mediator's report. As a consequence, the right of workers to benefit from collective bargaining has been preserved and the company has the opportunity to move from intransigent, ideological views of labor relations to pragmatic considerations of how best to work with their workers. Pictsweet workers were among the strongest proponents of the mandatory mediation when it was under consideration. It is fitting that they and their employer are the first to benefit from it.

Mr. Speaker, I want to commend the workers at Pictsweet and President Arturo

Rodriguez and the leadership of the UFW for this historic achievement. I also want to commend my colleagues in the California Legislature for developing a model for the rest of the nation on how we can provide workers with a meaningful voice in the determination of their wages and working conditions. Legislation that I have introduced to restore meaningful collective bargaining rights to American workers, the Employee Free Choice Act, includes a similar provision providing for mediation and arbitration of first contracts.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. GUTIERREZ. Mr. Speaker, due to illness I missed roll call votes 12 through 18 that were called February 2, 3 and 4, 2004. I would like the record to show that, had I not been ill and been present, I would have voted "yea" on rollcall votes 12, 13, 14, 15, 16, 17, and 18.

I was also unavoidably absent from this chamber on March 2 and 9, 2004. I would like the record to show that, had I been present, I would have voted "yea" on rollcall votes 32, 33, 42, 43 and 44.

HONORING THE DEDICATED SERVICE OF CARY MASIN

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. GORDON. Mr. Speaker, I rise today to recognize the invaluable service and tremendous contributions that Cary Masin has given Tennessee's Sixth Congressional District. Cary has been a dedicated member of my Washington, DC, staff for the past five years.

But she is moving on to greener pastures. Cary's last day is Monday, and although my staff and I are sad to see Cary leave, we are glad she has taken a job that will further her career and is worthy of her incredible abilities.

Cary has proven to be an outstanding legislative assistant on Capitol Hill. Her uncanny insight, hard work and rock-solid research skills have helped me do my job better. Those same abilities have also gained the respect of her colleagues.

Cary is a talented professional who always completes the task at hand, no matter how complicated or tedious. She has truly excelled in the fast-paced environment of Congress. Through it all, though, Cary always took the time to bestow a compliment or kind word to most everyone she met. She will now share her tremendous abilities and experience with her new employer, who should be ecstatic over having found such a fine person.

Thanks for all your help, Cary. You will always have a special place in my heart. Good luck in your new job, and may God bless you in your future endeavors.

OFFICER MARY ANN COLLURA

HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. ROTHMAN. Mr. Speaker, I am honored to introduce a bill, at the suggestion of a high school student in my district, and with the support of the entire New Jersey House delegation, authorizing the renaming of the main post office in Fair Lawn, New Jersey, as the Mary Ann Collura Post Office.

After dutifully serving eighteen years as an outstanding officer and a role model in her community, Officer Collura was fatally shot on April 17, 2003, in the line of duty. Throughout her life, Mary Ann Collura embodied what is best in our communities—she was courageous, kind, and concerned about the world and people around her. Renaming the main post office in Fair Lawn after Mary Ann will help ensure that her legacy lives on.

The fact that a Fair Lawn High School student came up with the idea of renaming the post office speaks volumes about how much Officer Collura meant to the people of Fair Lawn. Officer Collura fought hard for what was right and worked tirelessly each day, risking her life, to make sure the residents of Fair Lawn and their families were safe. The post office redesignation is just one way in which we can honor her life in the Borough she loved.

By renaming the post office in Fair Lawn after Officer Mary Ann Collura, we are ensuring that she will always have a presence in our community. Officer Collura was a beloved and trusted member of the Fair Lawn community, which is why renaming the main post office is fitting.

HONORING MARILYN BICKEL

HON. RAHM EMANUEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. EMANUEL. Mr. Speaker, I rise to congratulate Marilyn Bickel of Chicago on her recent retirement after seventeen years of excellence and dedication as Chief of Staff to Alderman Patrick J. Levar of the 45th Ward.

Marilyn Bickel has served the Chicago City Council and the Jefferson Park neighborhood ever since Alderman Levar was first sworn in on April 16, 1987. She met the Alderman when he was a junior attending St. Patrick High School and began working for him during his first election.

During this time, Marilyn was asked to work with the Polish-speaking community in the St. Constance Parish area and was later given a permanent place on his staff.

Marilyn worked hard to develop close relationships with the many Chicago departmental representatives and always knew the right person to contact for a constituent in need. Marilyn always went out of her way to provide assistance to those who were unable to access alternate means of assistance.

In addition, Marilyn has served as a liaison to local chambers of commerce for Alderman Levar. She calmly dealt with many difficult circumstances, most notably the period following the terrorist attacks of September 11th. In a time of apprehension and doubt, Marilyn worked to console the fears of her fellow Chicagoans, and the residents of the 45th Ward.

Marilyn's family has also been a priority in her life. Her two children, Robert and William, are the proud parents of her grandchildren Bob, Ashley, Debbie and Bailey. In retirement, she will join her husband, Bill Bickel, who retired after a 32 year career with the Chicago Police Department. Marilyn and Bill will now have the opportunity to travel more, something Marilyn has long been waiting to do.

Mr. Speaker, I join with all of the residents of Jefferson Park and the 45th Ward of Chicago in congratulating Marilyn Bickel on her retirement, and wish her, and her wonderful husband Bill, all the happiness in the future.

TRIBUTE TO DR. HELEN WASHBURN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. SKELTON. Mr. Speaker, it has come to my attention that Dr. Helen Washburn will retire as President of Cottey College in Nevada, Missouri. Cottey College is a two-year, independent women's college that for the past 18 years has benefitted from the fine leadership of Dr. Washburn.

In her time at Cottey College, Dr. Washburn has been the most valuable of leaders. Seeing needs, she worked to address them and make the experience at Cottey of the highest quality. As an example, Dr. Washburn was instrumental in combating a trend that she observed of young women losing interest in math and sciences at a young age. In response, she created a summer science camp held on the Cottey campus. This camp was exclusively for young women. In addition, Dr. Washburn's long-range planning efforts resulted in an Associate of Science degree to compliment the Associate of Arts already offered.

Dr. Washburn's efforts to aid in the education of young women can be seen in other aspects of Cottey College. She led the campaign to construct the Rubie Burton Academic Center, a state-of-the-art academic facility that helps students keep up with the latest technology. The Center for Women's Leadership aids young women in becoming tomorrow's leaders. Most recently, under Dr. Washburn's leadership, Cottey College received ten-year continued accreditation with The Higher Learning Commission of the North Central Association of Colleges and Schools.

In recognition of the many accomplishments realized during her time as President of Cottey College, Dr. Washburn has been the recipient of many awards. For her efforts in creating an international community on campus, the French government named her an Officer in the National Order of Merit. In 2003, she was named Chief Executive Officer of the Year for District VI of the Council for the Advancement and Support of Education. In addition, the University of Idaho, from which she earned her bachelor's and master's degrees, presented her with the prestigious Silver and Gold award, an honor based on career achievement, and the University of Idaho Alumni Association inducted Dr. Washburn into its Hall of Fame.

There can be no greater testament to an educator than the accomplishments of her students. The many women who have passed through the halls of Cottey College under the leadership and direction of Dr. Washburn have proven to be a worthy and lasting legacy. And though Dr. Washburn will soon be leaving the Cottey campus, many more women in the years to come will benefit from her outstanding work during her 18 years as its President.

Mr. Speaker, I am sure the Members of the House will join me in honoring Dr. Helen Washburn for her years of service and in wishing her all the best in the days ahead.

* * *

HONORING SPC JACOB S. FLETCHER

HON. STEVE ISRAEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. ISRAEL. Mr. Speaker, I rise today to honor the memory of SPC Jacob S. Fletcher, a fallen soldier from my district. SPC Fletcher gave his life on November 13, 2003 in Samarra, Iraq.

Jacob was the most recent in a long line of heroes to make the ultimate sacrifice for his country. In the two and a quarter centuries of our nation's history, our country has faced seemingly insurmountable obstacles. But in generation after generation, Americans have risen to the occasion and met every challenge.

In the 18th century, our forefathers were able to beat back the greatest military superpower in the world to secure our independence. In the 19th century, Americans defeated the greatest injustice in the world—slavery. And in the 20th century, millions of patriots, in what has come to be known as America's greatest generation, defeated the greatest evil the world has ever known—the Nazis. Jacob was part of a generation that faces a newer, but no less dangerous tyranny.

He was born and raised on Long Island. In many ways, he was very much like the hundreds of thousands of other children in our country—with one remarkable exception. Jacob was willing to make the ultimate sacrifice to secure the blessings of liberty—for his countrymen, for our children, and for America's future. By sacrificing himself for our way of life, Jacob died an American hero.

By fighting for a better world, Jacob, as the poet John Gillespie Magee, Jr. wrote, "slipped the surly bonds of earth" to "touch the face of God." May his name be remembered throughout history, and may he serve as a source of strength and pride to future American generations.

IN RECOGNITION OF THE ARMENIAN RELIEF SOCIETY WESTERN REGION'S 20TH ANNIVERSARY

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to honor the Armenian Relief Society Western Region as it celebrates its 20th anniversary of serving communities in the United States.

Founded in 1910, the Armenian Relief Society brought together the existing women's groups into a cohesive nationwide organization with the main goal of serving the needs of the victims of the Armenian genocide. As an independent non-government and nonsectarian organization, the Armenian Relief Society serves the social and educational needs of Armenian communities throughout the world, seeking to preserve the cultural identity of the Armenian nation as well as bringing humanitarian aid to all communities in distress—Armenian and non-Armenian alike.

In response to the growing needs of the communities, the ARSWR was established as a region in 1984. The 26 chapters of the Western Region have an extensive program of service to the community such as assisting newly arrived immigrants with clarification of legal matters, translation, preparation of documents, employment, distribution of food and other necessities and financial aid, serving over 50,000 clients annually. In an effort to enhance the education of the society's members and encourage their involvement in public service, the ARS sponsors many educational programs such as summer camps, Saturday schools, numerous scholarships, and cultural activities including lectures, concerts and art exhibitions. One of the most successful programs has been the "Sponsor a Child" program through which the Western Region currently sponsors over 1000 children.

The ARSWR has been able to meet and fulfill its challenges for 20 years because of a base of dedicated grassroots supporters, volunteers and donors. It is this partnership that has made such growth and impact possible and will continue to do so in the 21st century.

It is my distinct honor to recognize the Armenian Relief Society Western Region's innumerable accomplishments over the years. I ask all members to join me in congratulating ARS Western Region's 20 years of myriad of cultural and social contributions to all aspects of the community.

* * *

IN HONOR OF 2ND LT. CHRIS AYOUB, U.S.A.F. CADET OF THE YEAR

HON. PETE SESSIONS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. SESSIONS. Mr. Speaker, I rise to honor one of my Academy appointees that has truly distinguished himself at the U.S. Air Force Academy. 2nd Lt. Chris Ayoub of Richardson, Texas. Chris was recently honored last week as the U.S. Air Force Cadet of the Year.

The Air Force Cadet of the Year Award was established by the Air Squadron of the United Kingdom to recognize the best cadet in a United States Air Force Commissioning Program. The British Air Squadron is a private organization comprised of British citizens who wish to pay tribute to the U.S. military for the support it has provided to the United Kingdom over the years. 2nd Lt. Ayoub is the fourth recipient of the Air Force Cadet of the Year Award.

The Honorable James Roche, Secretary of the Air Force; General John P. Jumper, Air Force Chief of Staff and native Texan; General Michael "Buzz" Moseley, Air Force Vice Chief of Staff and native Texan; Royal Air Force Air Commodore Jerry J. Witts, British Air Attaché and Assistant Defence Attaché; and the Honorable Christopher Sharples, Air Squadron of the United Kingdom, were on hand for the presentation of the award at the Pentagon on Thursday, March 4, 2004.

I was honored to see Chris receive his award at the Pentagon last Thursday, and to be with him for his visit to the White House. President Bush congratulated 2nd Lt. Ayoub on this prestigious and well-deserved award.

I salute Chris for his commitment to serve the country and the U.S. Air Force, as I know that this will be the first of many accomplishments during his tenure of service.

* * *

COMMENDING THE BRAVE MEN AND WOMEN OF THE NAVAL RESERVE CENTER IN BALTIMORE

HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. CUMMINGS. Mr. Speaker, I rise today to ask my colleagues to join me in commending the brave men and women of the Naval Reserve Center in Baltimore for their bravery and unselfish sacrifice; especially on the afternoon of Saturday, March 6, 2004, when a water taxi carrying 25 passengers suddenly capsized. I would also like to extend my condolences to the family and friends of those who lost their lives as a result of this tragedy.

Last Saturday, on a sunny Spring-like afternoon, a large group, including many related family members, boarded a water taxi near Fort McHenry, in Baltimore, Maryland. These families were calmly crossing the water, when the dark clouds of fate appeared on the horizon. Suddenly, without warning, a violent micro-burst of wind tore through Baltimore's Inner Harbor. On that day, it was reported that winds blew at a rate of more than 55 miles per hour.

Eyewitnesses report that the water taxi, filled with people, was pushed upward and flipped on its belly. One witness, Command Master Chief Melvin Johnson, was going about his regular duties at the nearby Naval Reserve Center. Master Chief Johnson gazed at the sky and noticed the sudden appearance of dark storm clouds approaching. He looked across the harbor from the dock of the Naval Reserve Center and realized that the water taxi carrying 25 passengers would be overtaken by the wind from the approaching storm.

In a flash, he saw the boat turned upside down and he immediately sprang into action. He and other members of the Naval Reserve team quickly contacted emergency personnel. At the same time, some of the team members boarded their vessel, a mechanized landing craft (LCM) , and rushed to the site of the overturned water taxi. I have been told that the Naval Reserve team reached the overturned vessel within minutes to help the 25 passengers onboard.

The brave men and women of the Naval Reserve team plunged themselves into the frigid waters and used their boat and ingenuity to rescue twelve (12) of the passengers of that over-turned water taxi. The remaining ten who were rescued or recovered were the result of the bravery of the Baltimore City Fire Department team. Sadly, two people died as a result of this horrible tragedy and three people have yet to be recovered. Our prayers are with their families.

Many of these reservists also administered life-saving CPR. As an example of the overall bravery of the Naval Reserve team, Commander Peterson Decker jumped in repeatedly to rescue the passengers and actually lost consciousness many times from the frigid water temperatures. His acts and those of the other reservists can be described as nothing short of completely selfless. They embody the best of the mission of the Naval Reserve Center, an integral part of our military forces.

By all accounts, however, the loss of life would have been much greater if not for the quick action and unselfish acts of the men and women of the Naval Reserve Center.

Mr. Speaker, in closing, I ask my colleagues to join me in recognizing the many individuals from the Naval Reserve Center who always work tirelessly to reach out to their neighbors in times of emergency. I want to applaud and recognize these heros by name: Commander Jim McGovern, Command Master Chief Melvin Johnson, Commander Peterson Decker, Senior Chief Vincent Scardina, Petty Officers Jerry Neblett, Sean Tate and Jeffery King, Mr. Arthur Eisenstein, Mr. Jeróme Stoney, Chief Ricardo Duncan, Chief Petty Officer Asa Johnson, Petty Officers Williiam Elwood, Patrick McKenna, David Romano, Carlos Andrews, Gregory Baccula, Garren Diggs, Quenton Dixon, Walter Volkman, Henry Zecher, Arturo Spencer, and the triage team, Lt. Commander Phillip Reed, Petty Officers Yolette Scott-Wilson, Stephen Speegle, Cassandra Fish, Wendy Cruse, Gary Harder, Joey Mercer and Renfro Smith. Again, thank you for your bravery and dedication to duty.

HONORING SERGEANT MAJOR TIMOTHY C. DUNN

HON. ROBERT B. ADERHOLT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. ADERHOLT. Mr. Speaker, Sergeant Major Timothy C. Dunn NCOA Commandant of the 124th Regiment of the Vermont Army National Guard, a former member of the Alabama Army National Guard and Alabama native recently returned from Kabul, Afghanistan.

While stationed in Afghanistan, his duties included mentoring and advising the Sergeant Major of the Afghan National Army. During his travels throughout the Afghan Army Battalions, he noticed that the Afghan Army was wearing different rank insignia from the American, French, British and Korean. Sergeant Major Dunn along with two other Sergeant Majors decided to create the insignia of the Afghan National Army. He wanted to create something that the Afghan National Army would be proud to wear.

After the new rank insignia was completed, Sergeant Major Timothy Dunn met with the Afghan Ministry of Defense to see if they liked the idea. To the Sergeant Major's surprise, they liked the new insignia and immediately adopted the new insignia. It is still to be determined as to where the insignia will be located on the uniform. This will soon be decided by the Afghan National Army.

It is with great honor and pride that Sergeant Major Dunn has served our country. To this day his exemplary service has represented our area and moreover this great nation. I applaud him for his courageous and meritorious efforts while serving in the United States Military.

I want to publicly say, not only to Sergeant Major Timothy C. Dunn, but to all the troops serving our country, thank you for your hard work and dedication to this country.

HONORING THE MEMORY OF LT. GOVERNOR HENRY E. MILLIN

HON. DONNA M. CHRISTENSEN

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mrs. CHRISTENSEN. Mr. Speaker, I rise today to pay tribute to an individual that was not only a leader to the people of the Virgin Islands but a political role model for me and many of us who have chosen a life of public service to the people of the United States Virgin Islands. Former Lt. Governor Henry Allan Millin, one of our most revered public servants, passed on into eternity on February 4, 2004, on St. Thomas.

Henry A. Millin was destined for a life of public service. The son of the pioneering woman senator, Lucinda A. Millin, Henry Millin's contributions to the 20th century modernization of the U.S. Virgin Islands have been significant. He lead the way in public housing development, having been appointed Assistant Executive Director of the newly established Virgin Islands Housing Authority in 1950. Mr. Millin later assumed the position of Executive Director.

During his tenure at the Housing Authority, he oversaw the construction of the first public housing units in the Territory. He was commended by President John F. Kennedy for administering one of the outstanding housing operations under the Department of Housing and Urban Development. Henry Millin later assumed the distinguished position as a Senior Vice President for First Pennsylvania Bank N.A. This period of distinguished service in the private sector of our community was followed by an even more momentous four-year term (1978–82) as the third elected Lt. Governor of the Virgin Islands during a tumultuous period for Virgin Islanders, following the death of Governor Cyril Emmanuel King.

Mr. Speaker, I fondly remember Mr. Millin as being one of my first bosses, when I interned with the Virgin Islands Housing Authority as a high school student. He was also a close friend of my father, the former District Court Judge Almeric Christian. I consider myself fortunate to have had such a personal relationship with Mr. Millin. He was certainly an inspiration and a role model for me.

Mr. Millin was also a dedicated husband and father. He was married to Graciela G. Millin and was the father of five children, six grandchildren, and two great-grandchildren.

Mr. Speaker, on behalf of my family, staff and the people of the U.S. Virgin Islands, it is an honor for me to immortalize the memory of Lt. Governor Henry A. Millin by entering this tribute into the CONGRESSIONAL RECORD. I want to close with a quote from this great leader and public that exemplifies the spirit with which he served:

> The people have the right to look forward to changes, not made hastily, nor on the basis of political spleen nor political favoritism. Rather, changes must be on the basis of careful planning, objective thinking, and the interests of the people being the main and determining factor.

May his memory evoke the legacy of progress that he worked so tirelessly to establish for Virgin Islanders.

ESTABLISHING THE BUDGET FOR THE FEDERAL GOVERNMENT

HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Ms. WATERS. Mr. Speaker, I would like to thank the CBC Chairman for organizing this Special Order and providing us with this opportunity to speak about one of the most important duties Congress has—establishing the budget for the Federal government.

It is often said that a budget is an indication of the President's priorities. As this budget certainly is a true reflection of the President's priorities, it's painfully obvious that working men and women have much to be concerned about. This budget cuts funding for dozens of important programs, leads us deeper into debt and does nothing to help stimulate the economy.

Since the President took office in 2001, 3 million private sector jobs and 2.8 million manufacturing jobs have been lost. The unemployment rate is 5.6 percent, though this figure is inaccurate because it fails to take into account the hundreds of thousands of workers that have given up looking for jobs and the many workers who have had to "trade down" in salary and benefits in order to become re-employed. If we were to include these men and women, the unemployment rate would be 7.4 percent. Tragically, the unemployment figures for minorities are far worse—almost 10 percent of African-Americans are unemployed.

We should not be proud of these figures. We should be ashamed of them. We certainly should not be praising an economic plan that has failed our workers, as the President, and all too many of my Republican colleagues continue to do each day.

Unfortunately, the President's fiscal year 2005 budget is a continuation of his failed economic policy. Each year the President promises economic recovery and significant job growth, and every year, the American people are disappointed. The so-called economic recovery that President Bush is touting is a jobless recovery and Mr. Speaker, a jobless recovery is no recovery at all.

Mr. Speaker, let me remind you of the promises that this Administration has made regarding job growth. In 2001, the President's Council of Economic Advisors promised 800,000 new jobs by the end of 2002 if Congress passed his $1.3 trillion tax cut which largely benefited the wealthiest of Americans. Instead of creating these jobs, 2.2 million workers lost their jobs in 2002.

In 2002, the President's Economic Advisors promised 300,000 new jobs if Congress passed the President's economic stimulus plan. Congress did, and thousands more workers lost their jobs.

In 2003, the Council predicted 900,000 new jobs if Congress passed the President's budget and subsequent tax cuts. Congress did but the results were the same as in previous years—thousands more workers without jobs.

This year, we continue to hear the same rhetoric from the President—'pass my budget and watch the economy grow.' The President seems to suggest that recovery is just around the corner. However, that 'corner' has proven to be elusive for the past 3 years, and there is no reason to believe that this budget will be any different. In fact, there is ample reason to believe that this year will be far worse.

Mr. Speaker, not only will this budget do nothing to help stimulate the economy, it fails to provide funding for educational, job training and other programs that our workers rely upon to become effective workers.

For example, the President's budget cuts funding for dozens of education programs including reading and vocational programs. It also eliminates another 38 education programs including community technology centers, dropout prevention programs, and literacy programs for prisoners.

The budget even underfunds the President's signature program, No Child Left Behind, by $9.4 billion. By underfunding this program, 2.4 million children will not receive the help with reading and math they were promised when the President signed this bill into law.

Furthermore, this budget places additional burdens on men and women who are trying to get off welfare and into decent paying jobs.

Mr. Speaker, as you know, during reauthorization of our Nation's welfare programs, Congress implemented new requirements that required welfare recipients to work additional hours in order to receive benefits. Yet, we did not provide any additional funding for childcare. As a result, parents receiving TANF benefits often are left with the impossible choice of leaving their child home alone or skipping a day at work.

Unfortunately, this budget continues this devastating policy. It freezes funding for childcare at 2004 levels and flat funds it through 2009. As a result, the number of children that receive childcare assistance will decline by 300,000 over the next four years. In addition, the budget only provides half of the funding promised for after-school programs, meaning that 1.3 million children who were promised after-school services will not get them.

Mr. Speaker, the fiscal year 2005 budget is nothing more than a continuation of failed policies. It explodes the deficit, particularly in the fiscal years that the Bush Administration fails to describe in its budget documents. It fails to meet our people's need for healthcare, education, job training, housing, homeland security and many other critical programs. All these priorities are being sacrificed to pay for outrageous tax cuts for millionaires, those who need it least. I urge my colleagues to reject the President's budget and support a budget that will serve the poor and the middle class and provide meaningful assistance to the American people.

HONORING WILLIAM MARKHAM

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. DEUTSCH. Mr. Speaker, I rise today along with my Floridian colleagues the Hon. ALCEE HASTINGS, the Hon. KENDRICK MEEK, the Hon. E. CLAY SHAW, the Hon. ROBERT WEXLER, and the Hon. LINCOLN DIAZ-BALART to commemorate the contributions of William Markham, Broward County's Property Appraiser and one of Florida's longest-serving officeholders. Mr. Markham died unexpectedly Monday morning, March 8th, of a heart attack, and he will be greatly missed by his family and by the community that he so dedicatedly served.

Bill Markham reminded us of a gentleman from the 1950's. Every morning, as a reminder of his wife, Sherry, he would cut a flower from his garden to pin to the lapel of his suit. He was always jovial and was frequently seen in his old-fashioned but traditional and proper straw hat. "What you saw is what you got," said Clerk of Courts Howard Forman.

His personality could also be colorful. In high school, he was the lead singer for a local rock band, and he campaigned in recent years with a string of B-movie style ads. In one, Markham's mother parachutes out of a plane so she can get to the property appraiser's office in time to qualify for a tax break.

Indeed, his ebullient personality and individual flare could easily lead one to overlook his deep commitment to his work. He was first elected as property appraiser in 1966, the same position that his father held before his death in 1964. The tax roll was $1.5 billion then, and Mr. Markham oversaw its 7 percent annual growth to its current annual tax roll of $104 billion.

As Broward County continued to expand, Mr. Markham fought for the rights of each and every taxpayer. He led the "Save Our Homes" campaign, helping to amend the State constitution so that appraisers could not raise the taxable value of a homestead-exempted property more than 3 percent a year where ownership had not changed hands. He waged a lengthy court battle with county officials to tax government-used incinerators and businesses located on government-owned property at Port Everglades. Arguing the harm to property values, Mr. Markham also supported the plight of Ft. Lauderdale residents in a dispute over the location of power lines through their neighborhood.

Employees describe Mr. Markham as a hands-on administrator. He took a personal role in reviewing assessments of the county's most expensive properties and had an open-door policy for homeowners concerned about their property values. "He was a firm believer that the buck stopped with him," said Joe Zdanowicz, Markham's longtime chief property appraiser.

Mr. Markham died on the eve of his ninth campaign for the Property Appraiser's office. His death was sudden and a terrible shock to people who knew him as energetic and boisterous. He is survived by his wife and two sons, J.R. and Robert. Mr. Speaker, William Markham will be dearly missed by all those who knew him.

COMMENDING INDIA ON ITS CELEBRATION OF REPUBLIC DAY

SPEECH OF

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 10, 2004

Ms. MILLENDER-McDONALD. Madam Speaker, I am very pleased to join India in celebrating India Republic Day. The United States and India share a common colonial history, and today we are both strong democracies that serve as a model for other nations. I am pleased that President Bush and Prime Minister Vajpayee have agreed to work in partnership on civilian nuclear activities, civilian space programs, and high-technology trade. As we work together towards building trade, peaceful uses of space technology, and combating terrorism, our cooperative efforts will have global benefits, spread prosperity and enhance international security.

With a population of over one billion people speaking over 114 different languages, cultural differences and significant poverty among her people, India faces enormous challenges. However, India has shown her strength, resiliency and vision for over fifty years since adopting a constitution in 1950. She has taken affirmative steps to promote equal and social justice for all, and to improve the plight of the poor. These are values that we share as democratic nations and partners working together to ensure that people have hope and freedom.

Finally, I commend India for the steps she has taken to open relations with Pakistan and work towards a resolution over Kashmir. My best wishes for success in this endeavor that is important not only to the people of India and Pakistan, but also to the rest of the world.

FOURTH ANNUAL MOVERS AND SHAKERS AWARDS OF THE VOLUNTEER CENTER OF JOHNSON COUNTY

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

Mr. MOORE. Mr. Speaker, I rise today to note an important event in the Third Congressional District of Kansas. On April 14, 2004, the Volunteer Center of Johnson County in Overland Park, KS, will honor outstanding youth volunteers. Eighty-seven young people have been nominated by school personnel and nonprofit organizations for their dedication and service to the community. Eleven of these youth are being recognized for their efforts toward receipt of the Congressional Award. Youth volunteerism continues to grow and be a strong force in Johnson County. These 87 youth exemplify the true meaning of volunteerism and giving back to their community. It is my honor to recognize each student volunteer and their schools by listing them in the CONGRESSIONAL RECORD:

First	Last	School
Katy	Accurso	Leawood Middle School.
Jefferson	Adams	Leawood Middle School.
Jonathan	Adams	Leawood Middle School.
Alejandra	Alvarez	Shawnee Mission North.
Jessica	Alvarez	Shawnee Mission North.
Meredith	Beery	Olathe East.
Brooklyn	Bengtson	Olathe South.
Grace	Bernhardt	Leawood Middle School.
Brett	Beyer	Shawnee Mission Northwest.
Jordan	Bluhm	Spring Hill Middle.
Elizabeth	Boresow	Leawood Middle School.
Jessie	Bullock	Notre Dame de Sion.
Meghan	Burrow	Shawnee Mission South.
Lauren	Cantril	Mission Valley Middle.
Jenna	Christensen	Shawnee Mission North.
Jill	Christensen	Hope Lutheran.
Ashley	Coleman	Mill Valley High School.
Ed	Colson	Olathe Northwest High.
Jenna	Davis	Olathe South.
Sam	Davis	Leawood Middle School.
Jennifer	Dennis	Frontier Trail Jr. High.
Tyler	Dixon	Olathe Northwest High.
Carli	Dutton	Olathe South.
Aly	Ferguson	Prairie Star Middle.
Kate	Garrett	Shawnee Mission West.
Sean	Giddings	Trailridge Middle School.
Morgan	Greenough	Prairie Star Middle.
Heather	Gustin	Olathe South High.
Jessica	Habluetzel	Olathe Northwest High.
Josh	Heath	Prairie Star Middle.
Paul	Hechler	Leawood Middle School.
Emily	Heinz	California Trail.
Amanda	Henry	Shawnee Mission North.
Hilary	Hershberger	Blue Valley West.
Emily	Horner	Shawnee Mission Northwest.
Madison	Huber	Shawnee Mission West.
Andrea	Huckaba	Shawnee Mission West.
Nicole	Kiesling	Shawnee Mission Northwest.
Andie	Kincaid	Frontier Trail Jr. High.
Allyssa	King	De Soto High School.
Stacie	Kornfeld	Shawnee Mission West.
Jason	Lee	Blue Valley Northwest.
Krystian	Lestourgeon	Frontier Trail Jr. High.
Mallory	Loveridge	Shawnee Mission West.
Thomas	Lucy	Leawood Middle School.
Alyssa	Lyon	Olathe South.
Kyle	May	Harmony Middle School.
Magdalena	May	Oregon Trail Jr. High.
Anne	McClain	Prairie Star Middle.
Laura	McGee	Shawnee Mission South.
Meagan	Melloy	Homeschool.
Melissa	Melloy	Homeschool.
Tracy	Milburn	Shawnee Mission South.
Stephanie	Moore	Shawnee Mission South.
Rhea	Muchalla	Shawnee Mission North.
Katie	Murray	Blue Valley North High.
Simin	Naomani	University of Missouri.
Nicole	Nelson	Blue Valley Middle.
Amy	Noonen	Shawnee Mission West.
Hannah	Nusz	Piper.
Kaitlyn	Orr	Shawnee Mission North.
Kathryn	Pierce	Olathe South.
Ashley	Pratt	Shawnee Mission West.
Katie	Rabovsky	Blue Valley Northwest.
Kelly	Rand	Olathe South.
Courtney	Rathke	Oregon Trail Jr. High.
Nicole	Rea	Prairie Star Middle.
Alex	Robinson	Prairie Star Middle.
Craig	Rooney	Shawnee Mission Northwest.
Mallory	Selzer	Barstow.
Kate	Silvers	Shawnee Mission West.
Cassie	Slocum	Trailridge Middle School.
Ashley	Spence	Blue Valley North.
Erin	Starnes	Mill Valley High School.
Katelyn	Stone	Shawnee Mission Northwest High.
Ashlee	Suddarth	Oregon Trail Jr. High.
Erika	Swenson	Johnson Co. Community College.
Tana	Thomason	Oregon Trail Jr. High.
Kathryn	Thomasset	Shawnee Mission West.
Ankita	Trivedi	Olathe North.
Jennifer	Waldman	Mission Valley Middle.
Nate	White	Homeschool.
Kody	Willnauer	De Soto High School.
Andrew	Yager	Frontier Trail Jr. High.
Scott	Young	Olathe South.
Laura	Zeligman	Olathe East.
Mary	Zima	Notre Dame de Sion.

HOUSE OF REPRESENTATIVES—*Friday, March 12, 2004*

The House met at noon and was called to order by the Speaker pro tempore (Mr. THORNBERRY).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 12, 2004.

I hereby appoint the Honorable MAC THORNBERRY to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Today, the United States, in solidarity with Spain, laments the many deaths and injuries inflicted upon innocent people by terrorists, and we pray with them some lines from Psalm 10.

Lord, do not stand aloof. Why hide in times of distress? Proudly have wicked people harassed Your afflicted ones. In his pride the wicked say, "He will not punish. There is no God." Such are his thoughts.

His mouth is full of cursing, guile, and deceit; mischief and disaster lie under his tongue. He lurks in hiding to seize the passerby. His eyes spy upon the unfortunate. He springs like a lion and murders the innocent.

Rise up, O Lord, lift up Your mighty arm. Forget not Your afflicted. You lovingly behold the misery and sorrow. Take them into Your hands.

Break the strength of the wicked and all evildoers. Be a strong defense for Your faithful ones. And be Lord over all nations as their Savior King forever and ever.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair will lead the House in the Pledge of Allegiance.

The SPEAKER pro tempore led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 3915. An act to provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through April 2, 2004, and for other purposes.

The message also announced that the Senate has passed with an amendment in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 254. An act to authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

The message also announced that pursuant to section 411(b)(1)(B) of Public Law 108–16, the Chair, on behalf of the Majority Leader, appoints the following individual to serve as a member of the National Commission on Small Community Air Service:

Mayor Bob Corker of Chattanooga, Tennessee.

APPOINTMENT OF HONORABLE MAC THORNBERRY TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH MARCH 15, 2004

The SPEAKER pro tempore laid before the House the following communication from the Speaker of the House:

WASHINGTON, DC,
March 12, 2004.

I hereby appoint the Honorable MAC THORNBERRY to act as Speaker pro tempore to sign enrolled bills and joint resolutions through March 15, 2004.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the appointment is approved.

There was no objection.

ENROLLED BILL SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled a bill of the House of the following title, which were thereupon signed by the Speaker:

H.R. 3915. An act to provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through April 2, 2004, and for other purposes.

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House stands adjourned until 12:30 p.m., Tuesday, March 16, 2004, for morning hour debates.

There was no objection.

Accordingly (at 12 o'clock and 4 minutes p.m.), under its previous order, the House adjourned until Tuesday, March 16, 2004, at 12:30 p.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7151. A letter from the Deputy Chief of Naval Operations, Department of Defense, transmitting notification of the decision to convert to contractor performance; to the Committee on Armed Services.

7152. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule — Credit by Brokers and Dealers; List of Foreign Margin Stocks [Regulation T] received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7153. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; Alabama; Redesignation of Birmingham Ozone Nonattainment Area to Attainment for Ozone [AL-63-200412; FRL-7634-9] received March 11, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7154. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Air Quality Implementation Plans; Virginia; Revisions to Regulations for General Compliance Activities and Source Surveillance [VA133-5066a; FRL-7635-9] received March 11, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7155. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of State Plans For Designated Facilities; Puerto Rico [Region 2 Docket No. PR11-267c; FRL-7634-2] received March 11, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

7156. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Final Authorization of State Hazardous Waste Management Program Revisions [FRL-7633-2] received March 11, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7157. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Massachusetts; Final Authorization of State Hazardous Waste Management Program Revisions; State-Specific Modification to Federal Hazardous Waste Regulations, pursuant to ECOS Program Proposal; Extension of Site-Specific Regulations for New England Universities' Laboratories XL Projects [FRL-7634-4] received March 11, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7158. A letter from the Director, International Cooperation, Department of Defense, transmitting a copy of Transmittal 01-04 informing of an intent to sign the fifth supplement to the Memorandum of Understanding concerning the Production and Support Phase of the Guided Multiple Launch Rocket System Program between the United States and the United Kingdom, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

7159. A letter from the Secretary, Department of the Treasury, transmitting as required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and pursuant to Executive Order 13313 of July 31, 2003, the final six-month periodic report on the national emergency blocking property of persons undermining democratic processes or institutions in Zimbabwe that was declared in Executive Order 13288 of March 6, 2003; to the Committee on International Relations.

7160. A letter from the Assistant Secretary for Policy, Management and Budget; Chief Financial Officer, Department of the Interior, transmitting the Department's combined Annual Performance and Accountability Report (PAR) for Fiscal Year 2003, pursuant to the Government Performance and Results Act of 1993; to the Committee on Government Reform.

7161. A letter from the Acting Director, Office of Management, Budget and Evalution/Acting Chief Financial Officer, Department of Energy, transmitting a report pursuant to Pub. L. 105-270, "The Federal Activities Inventory Reform Act of 1998"; to the Committee on Government Reform.

7162. A letter from the Attorney Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

7163. A letter from the Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule — Maryland Regulatory Program [MD-051-FOR] received March 8, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7164. A letter from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the Department's "Major" final rule —Oil and Gas and Sulfur Operations in the Outer Continental Shelf-Relief or Reduction in Royalty Rates — Deep Gas Provisions (RIN: 1010-AD01) received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7165. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulation; Sturgeon Bay Ship Canal, Sturgeon Bay, WI [CGD09-04-003] (RIN: 1625-AA09) received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7166. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulations; Albemarle and Chesapeake Canal, AICW, Virginia [CGD05-04-041] (RIN: 1625-AA-09) received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7167. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulations; Ocean Springs, MS [CGD08-04-011] received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7168. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Final Authorization of State Hazardous Waste Management Program Revision [FRL-7634-3] received March 11, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7169. A letter from the Director, Regulations Management, Office of Regulation, Policy, and Management, Department of Veterans Affairs, transmitting the Department's final rule — Delegation of Authority--Property Management Contractor (RIN: 2900-AL85) received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

7170. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Determination of Interest Rate (Rev. Rul. 2004-26) received March 5, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ROGERS of Alabama (for himself, Mr. COX, Mr. HUNTER, Mr. BOEHNER, Mr. PICKERING, Mr. WILSON of South Carolina, Mr. KENNEDY of Minnesota, Mr. CALVERT, Mr. KING of Iowa, Mr. BARTLETT of Maryland, Mr. SOUDER, Mr. CULBERSON, Mr. ENGLISH, Mr. AKIN, Mr. KOLBE, Mr. PEARCE, Mr. ROHRABACHER, Mr. TOOMEY, and Ms. HARRIS):

H.R. 3966. A bill to amend title 10, United States Code, and the Homeland Security Act of 2002 to improve the ability of the Department of Defense to establish and maintain Senior Reserve Officer Training Corps units at institutions of higher education, to improve the ability of students to participate in Senior ROTC programs, and to ensure that institutions of higher education provide military recruiters entry to campuses and access to students that is at least equal in quality and scope to that provided to any other employer; to the Committee on Armed Services, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THOMAS:

H.R. 3967. A bill to amend the Internal Revenue Code of 1986 to credit the Highway Trust Fund with the full amount of fuel taxes, to combat fuel tax evasion, and for other purposes; to the Committee on Ways and Means.

By Mr. HOLT (for himself, Mr. GEORGE MILLER of California, Mr. KILDEE, Ms. WOOLSEY, Mr. HINOJOSA, Mr. PAYNE, Mr. FROST, Mr. BOUCHER, Mr. THOMPSON of Mississippi, Ms. MILLENDER-MCDONALD, Mr. DELAHUNT, Mr. MCNULTY, Ms. CARSON of Indiana, Mr. MCDERMOTT, and Mr. BROWN of Ohio):

H.R. 3968. A bill to provide access and assistance to increase college attendance and completion by part-time students; to the Committee on Education and the Workforce.

By Mr. TAUZIN:

H.R. 3969. A bill to amend the Communications Act of 1934 to strengthen the limitations on the holding of any license, permit, operating authority by a foreign government or any entity controlled by a foreign government; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 1160: Mr. TIAHRT.
H.R. 3676: Ms. MAJETTE.
H.R. 3771: Ms. DELAURO.

DISCHARGE PETITIONS

Under clause of rule XV, the following discharge petitions were filed:

Petition 5. March 9, 2004, by Mr. BARON P. HILL on House Resolution 534, was signed by the following Members: Baron P. Hill, Lincoln Davis, Dennis A. Cardoza, Michael H. Michaud, Charles W. Stenholm, Michael R. McNulty, Steve Israel, Julia Carson, Timothy H. Bishop, Bill Pascrell, Jr., Robert E. Andrews, Alcee L. Hastings, Albert Russell Wynn, Juanita Millender-McDonald, Artur Davis, Frank W. Ballance, Jr., Rahm Emanuel, Rosa L. DeLauro, Dennis Moore, Hilda L. Solis, Peter A. DeFazio, Barney Frank, Sanford D. Bishop, Jr., Joseph Crowley, Shelley Berkley, Bob Filner, Ben Chandler, Jim Turner, Tammy Baldwin, Jim McDermott, Louise McIntosh Slaughter, Joe Baca, Jane Harman, Loretta Sanchez, Grace F. Napolitano, Brad Miller, Jim Cooper, James R. Langevin, Leonard L. Boswell, Dale E. Kildee, Bob Etheridge, Tom Lantos, Martin Frost, Lois Capps, Robert Menendez, David Wu, Gregory W. Meeks, Barbara Lee, Ed Case, Lynn C. Woolsey, Carolyn C. Kilpatrick, Marcy Kaptur, Gary L. Ackerman, Brian Baird, Nick J. Rahall II, Charles B. Rangel, Richard E. Neal, Betty McCollum, Rául M. Grijalva, David E. Price, John M. Spratt, Jr., Susan A. Davis, John Lewis, Gerald D. Kleczka, Ellen O. Tauscher, Chris Van Hollen, Rush D. Holt, Earl Blumenauer, Rick Larsen, Chet Edwards, Fortney Pete Stark, Bart Stupak, Eddie Bernice Johnson, Lane Evans, Donald M. Payne, James P. McGovern, Gene Green, John D. Dingell, Denise L. Majette, Nick Lampson, Ron Kind, Maxine Waters, Thomas H. Allen, Ted Strickland, Jim Marshall, Martin T. Meehan, Charles A. Gonzalez, Henry A. Waxman, Nancy Pelosi, Diane E. Watson, Benjamin L. Cardin, Robert T. Matsui, James E. Clyburn, Janice D. Schakowsky, Major R. Owens, Bobby L.

Rush, Brad Sherman, Jerrold Nadler, Adam B. Schiff, Carolyn McCarthy, Sander M. Levin, Steny H. Hoyer, Steven R. Rothman, Carolyn B. Maloney, Mike Ross, Melvin L. Watt, Jerry F. Costello, William O. Lipinski, Karen McCarthy, John Conyers, Jr., C. A. Dutch Ruppersberger, William J. Jefferson, Linda T. Sánchez, Patrick J. Kennedy, Nita M. Lowey, Jesse L. Jackson, Jr., Wm. Lacy Clay, John F. Tierney, Solomon P. Ortiz, Darlene Hooley, Sherrod Brown, Robert A. Brady, Ken Lucas, Tim Holden, Marion Berry, Mike McIntyre, Jay Inslee, Silvestre Reyes, Tim Ryan, Michael F. Doyle, Vic Snyder, John W. Olver, William D. Delahunt, Eliot L. Engel, Robert Wexler, Stephen F. Lynch, Bennie G. Thompson, Robert C. Scott, John B. Larson, Joseph M. Hoeffel, Rodney Alexander, Rúben Hinojosa, José E. Serrano, Ed Pastor, Richard A. Gephardt, and Edward J. Markey.

Petition 6. March 10, 2004, by Mr. JIM TURNER on House Resolution 523, was signed by the following Members: Jim Turner, Tammy Baldwin, Jim McDermott, Ben Chandler, Frank W. Ballance, Jr., Joe Baca, Jane Harman, Loretta Sanchez, Grace F. Napolitano, James R. Langevin, Leonard L. Boswell, Tom Lantos, Martin Frost, Lois Capps, Robert Menendez, David Wu, Gregory W. Meeks, Barbara Lee, Lynn C. Woolsey, Carolyn C. Kilpatrick, Marcy Kaptur, Gary L. Ackerman, Brian Baird, Nick J. Rahall II, Charles B. Rangel, Edward J. Markey, Betty McCollum, Rául M. Grijalva, Susan A. Davis, John Lewis, Ellen O. Tauscher, Chris Van Hollen, Rush D. Holt, Earl Blumenauer, Rick Larsen, Chet Edwards, Fortney Pete Stark, Bart Stupak, Eddie Bernice Johnson, Lane Evans, Donald M. Payne, James P. McGovern, Gene Green, Nick Lampson, Denise L. Majette, Maxine Waters, James P. Moran, Timothy H. Bishop, Michael F. Doyle, Charles A. Gonzalez, Henry A. Waxman, Nancy Pelosi, Diane E. Watson, Robert T. Matsui, James E. Clyburn, Janice D. Schakowsky, Major R. Owens, Bobby L. Rush, Brad Sherman, Jerrold Nadler, Adam B. Schiff, Carolyn McCarthy, Steven R. Rothman, Carolyn B. Maloney, Mike Ross, Charles W. Stenholm, Jerry F. Costello, William O. Lipinski, David E. Price, Alcee L. Hastings, John Conyers, Jr., William J. Jefferson, Michael H. Michaud, C.A. Dutch Ruppersberger, Linda T. Sánchez, Patrick J. Kennedy, Nita M. Lowey, Jesse L. Jackson, Jr., Wm. Lacy Clay, John F. Tierney, Sherrod Brown, Solomon P. Ortiz, Lloyd Doggett, Nydia M. Velázquez, Robert A. Brady, Ken Lucas, Sam Farr, Tim Holden, Julia Carson, Marion Berry, Rosa L. DeLauro, Jay Inslee, Ted Strickland, Tim Ryan, Mike McIntyre, Silvestre Reyes, William D. Delahunt, Eliot L. Engel, Stephen F. Lynch, Robert Wexler, David Scott, Bennie G. Thompson, Robert C. Scott, John W. Olver, John B. Larson, Bart Gordon, Rubén Hinojosa, José E. Serrano, and Ed Pastor.

SENATE—*Friday, March 12, 2004*

The Senate met at 10 a.m. and was called to order by the Honorable JOHN E. SUNUNU, a Senator from the State of New Hampshire.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray:

Merciful God, who surrendered Your powers to serve humanity, thank You for Your model of sacrifice that reminds us that it is better to give than to receive. Forgive us when our preoccupation with selfish dreams keeps us from surrendering to Your will. Help us to live so that we give You our best and keep us from those roads that lead to ruin. We pray for those in our world who must deal with the insanity of terrorism. Give them courage to meet these challenges.

Guide Your Senators today. Make nothing deter them from doing Your will. Give them faith to meet each crisis and wisdom for each decision. Help each of us to give ourselves completely to You, and give us peace through Him who is the Prince of Peace.

Amen.

PLEDGE OF ALLEGIANCE

The Honorable JOHN E. SUNUNU led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 12, 2004.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN E. SUNUNU, a Senator from the State of New Hampshire, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. SUNUNU thereupon assumed the Chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, today the Senate will be in a period of morning business to allow the Senators to make statements and to introduce legislation.

As I announced last night, or early this morning, there will be no rollcall votes over the course of today. I do not anticipate a long session today. If Senators do wish to introduce legislation or make statements, I encourage them to do so this morning.

We were able to complete the budget resolution about 9 hours ago, at 1 in the morning, or shortly after that. I thank all of my colleagues for their willingness to stay very late last night and into the early hours of the morning in order to complete our business.

Truthfully, it was a very busy week, but the fact we were able to pass this budget resolution with reconciliation, the fact we were able to do a couple judges early this morning and finish business on a number of nominations, I think should bring us all a great deal of satisfaction. It is very important for us in these busy times to continue to govern, and govern well. I think yesterday represented just that.

As I look over yesterday, we completed 19 rollcall votes throughout the day and evening. We had very few breaks. Chairman NICKLES and Ranking Member CONRAD did a tremendous job in processing the amendments and bringing the resolution to completion. I thank them for their efforts.

As a reminder, the next rollcall vote will occur on Tuesday, March 23. I will have more to say on the upcoming schedule at the close of business today.

Mr. President, I have several unanimous consent requests. Would the Democratic leader like to comment?

Mr. DASCHLE. No.

AUTHORIZING THE PRESIDENT TO AGREE WITH THE GOVERNMENT OF MEXICO TO AMENDMENTS TO THE AGREEMENT CONCERNING A BORDER ENVIRONMENT COOPERATION COMMISSION AND NORTH AMERICAN DEVELOPMENT BANK

Mr. FRIST. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of H.R. 254 and the Senate proceed to its immediate consideration.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will state the bill by title.

The legislative clerk read as follows:

> A bill (H.R. 254) to authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. Mr. President, I ask unanimous consent that the Hutchison substitute be agreed to, the bill, as amended, be read the third time and passed, the motions to reconsider be laid upon the table en bloc, and that any statements relating to the bill be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment (No. 2856) was agreed to, as follows:

(The amendment is printed in today's RECORD under "Text of Amendments.")

The bill (H.R. 254), as amended, was read the third time and passed.

SMALL BUSINESS PROGRAMS EXTENSION ACT

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 3915, which is at the desk.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The legislative clerk read as follows:

> A bill (H.R. 3915) to provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through April 2, 2004, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Ms. SNOWE. Mr. President, I rise today to speak to the approval of H.R.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

3915, a bill adopted by the House yesterday to provide a short-term extension of the Small Business Administration, SBA, and all of its programs. In particular, it ensures the continuation of the SBA's 504 loan program, a vital program for small businesses. The bill extends the authorization for the 504 loan program through May 21, 2004, and extends the authorization for other SBA programs, such as the Preferred Surety Bond Program, and Small Disadvantaged Business Program, and the SBA's cosponsorship authority, through April 2, 2004.

On September 26, 2003, the Senate unanimously approved the Small Business Administration 50th Anniversary Reauthorization Act of 2003, S. 1375, which I introduced as the chair of the Committee on Small Business. That bill provides for the 3-year reauthorization of the SBA and its small business programs, including the 504 loan program.

The reauthorization bill will continue the SBA's role in assisting American small businesses to thrive and grow, through the agency's lending and other programs and services. Most importantly, it will enable the agency to help small businesses continue creating new jobs for our economy. According to the SBA, reauthorizing the agency will result in an estimated 3.3 million jobs created or retained over the next 5 years.

While the Small Business Administration 50th Anniversary Reauthorization Act provides for the continuation of these programs, the other body continues to be delayed in its consideration of legislation to reauthorize the agency. The SBA's programs that rely on appropriations have continued since the Commerce, Justice, State and the Judiciary appropriations legislation for fiscal year 2004 was enacted. However, several of the SBA's programs and activities, such as the 504 loan program, do not rely on appropriations. As a result, they are in jeopardy of shutting down without the bill before us today, and that's a result America's small businesses simply cannot afford.

I am confident that we can enact legislation to reauthorize the SBA once the other body has completed work on its version of the bill. In the interim, we must ensure that the SBA can continue to offer the entire range of its programs to our Nation's small businesses, which are the driving force behind our current economic recovery.

The 504 loan program, one of the agency's flagship lending programs, allows small businesses to obtain long-term, fixed-rate financing to purchase land, buildings, or equipment. In the past 4 fiscal years, the SBA has provided guarantees for more than 20,000 loans through the 504 loan program, for a total of approximately $8.6 billion, and these loans have allowed small businesses to create or retain more than 445,000 jobs.

The 504 program relies on fees charged to the program participants, rather than on Federal appropriations charged to the taxpayers, to fund their operation. Because the program relies on Federal funds, the SBA needs legislative authorization to collect the fees that operate the programs and ensure that they function at a zero subsidy rate.

I am also extremely concerned about the SBA's section 7(a) business loan program. I strongly believe that we must act to ensure that the 7(a) program remains a source of long-term capital for small businesses, including those small businesses that need large loans. The 7(a) program is currently suffering from a funding shortfall, as demand for loans has exceeded the available appropriations this year, as it has four times in the last 10 years.

In that regard, yesterday I introduced the Small Business Loan Revitalization Act, S. 2193. I was pleased to be joined in sponsoring that act by my colleagues, Mr. BOND, Mr. ENZI, and Mr. COLEMAN. With the improvements contained in that act, I am confident that we can soon help the 7(a) program to once again provide the financing that small businesses so desperately need.

We must act today to ensure that the SBA and its programs continue. The bill before us achieves that goal by extending the authorization for the 504 program through May 21, 2004, and for the agency and its other programs through April 2, 2004. That will provide time for the other body to pass its legislation, for us to reconcile the differences, and for the President to sign a long-term reauthorization bill for the SBA.

This legislation is absolutely necessary for America's small businesses. I urge my colleagues to support this bill and thereby ensure that the SBA, and in particular the 504 loan program, will continue to serve small businesses and enable small businesses to obtain the financing they need, as they contribute so greatly to the revitalization of our national economy.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

• Mr. KERRY. Mr. President, I want to make a few comments about H.R. 3915 that will be considered by the Senate today. This bill contains two temporary extensions of authority. One that is general, keeping the Small Business Administration and its programs operating through April 2, 2004, and another that is specific to the SBA's 504 Loan Guarantee Program, keeping it operational through May 21, 2004.

I support this bill, and am relieved the 504 Loan Guarantee Program will not lose its authority to keep making loans to small businesses that are growing, creating jobs and helping our communities. However, there are other serious problems concerning the SBA's 7(a) Loan Guarantee Program and Women's Business Centers that are urgent and should be addressed before the Senate recesses tonight for a week. I introduced a bill earlier this week, S. 2186, the SBA Emergency Authorization Extension Act of 2004, which sets forth workable solutions for those issues. At that time I urged my colleagues to take immediate action and consider it. Senator SNOWE also introduced a bill this week, S. 2196, which addressed the 7(a) Loan Guarantee Program funding shortfall, which I support and would have supported as an amendment to this extension. Like the small business community, I am disappointed that the bigger solution for small business lending is being delayed another couple of weeks.

Some people think a couple of weeks can do no harm. But in the 7(a) Loan Guarantee Program, small businesses caught in the middle of the administration's funding schemes might not make it. And the funding problems will fester because it will operate at a more expensive cost than if we enacted the temporary program changes that the lending and small business communities support and are strongly urging the Congress to adopt. Two weeks could mean about half a billion in lending. I disagree with the administration's tactics and I hope that during this next brief extension they will work with the Senate and House committees to pass program changes that resolve these issues fairly, effectively and expeditiously. Their plan does not work and the small business and lending communities are opposed to it. We need a plan that does.

I look forward to working with my colleagues to resolve this as soon as possible.•

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (H.R. 3915) was read the third time and passed.

DESIGNATING THE WEEK OF MARCH 7 THROUGH MARCH 13, 2004, AS "NATIONAL PATIENT SAFETY AWARENESS WEEK"

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 320, submitted earlier today by Senators GRAHAM of Florida, SNOWE, GREGG, and others.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 320) designating the week of March 7 through 13, 2004, as "National Patient Safety Awareness Week."

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRAHAM of Florida. Mr. President, I am very pleased to introduce a resolution to recognize the week of March 7–March 14 as "National Patient Safety Awareness Week" with my colleagues and friends Senator SNOWE, Senator GREGG, Senator DODD and Senator JEFFORDS.

We know that patient safety is a paramount health care issue today: a 1998 Institute of Medicine study shocked us with the fact that nearly 100,000 Americans die each year from medical errors in our clinical settings alone, which highlights both the gravity and emotion associated with this complex challenge.

Some of us have experienced the tragedy of medical error, either directly or through a family member or friend. We are not unique; estimates show that about one in every 5 Americans has experienced a medical error or has a family member who has experienced a medical error.

In addition to the profound emotional cost of these errors, the added burden placed on an already overburdened health care system is equally profound. The cost of medical care provided to correct an error, and the lost wages for those whose recoveries are extended because of medical errors is significant. The Institute of Medicine put a price tag of between $17 and $29 billion per year on the overall costs to our economy and our citizens due to medical errors.

We can do better; indeed, we must do better. We can strengthen our efforts to apply proven safety techniques from other sectors and industries that have developed a culture of safety, like the aviation industry. By focusing on system changes, significant progress can be achieved in making our health care system safer.

As legislators, we have drafted a range of proposals to address and improve the systems factors that lead to medical errors. As we think about ways to create a safer health care system, we must continue to work with healthcare professionals, patients and their families to ensure our healthcare systems place an absolute premium on the safety of its patients. In this regard, Senator SNOWE and I have introduced a bill to reduce medication errors in hospitals and skilled nursing facilities. Other cosponsors of this resolution have supported legislation that would create a voluntary reporting system. As we consider these pieces of legislation, it is important to remember that medical errors are a multifaceted problem to which there are multiple solutions.

This resolution addresses another key element in our quest to make our health care system safer: that being to fuel the "power of partnership" between patients, families and healthcare professionals. The "power of partnership" is the theme of this year's Patient Safety Awareness Week, sponsored by the National Patient Safety Foundation. Our recognition of National Patient Safety Awareness Week is an important addition to our efforts to create a safer health care system by promoting increased patient education and highlighting the importance of partnership between healthcare providers and patients.

"Patient Safety Awareness Week" deserves the support of the United States Congress, and I urge my colleagues to support this Senate Resolution. While Patient Safety Awareness Week will not solve all the challenges associated with medical errors, it does launch us on a path of progress, and brings us one step closer.

Through a bipartisan partnership we can highlight the importance of patient safety and the role of the patient and their families in achieving a safer health care system.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD as if read, without intervening action or debate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution (S. Res. 320) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 320

Whereas patient safety is an issue of significant importance to the United States;

Whereas 1 in every 5 citizens of the United States has experienced a medical error or has a family member who has experienced a medical error;

Whereas medical errors often have serious and profound consequences;

Whereas it is estimated that injuries from preventable medical errors cost the United States economy between $17,000,000,000 and $29,000,000,000 each year;

Whereas more people die annually from medical errors than from automobile accidents, breast cancer, and AIDS;

Whereas increased patient and provider education and collaboration can help avoid medical errors;

Whereas the Institute of Medicine has stated that a "critical component of a comprehensive strategy to improve patient safety is to create an environment that encourages organizations to identify errors, evaluate causes and take appropriate actions to improve performance in the future," and further, that "a more conducive environment is needed to encourage health care professionals and organizations to identify, analyze, and report errors without threat of litigation and without compromising patients' legal rights";

Whereas better systems can be implemented to reduce the factors that lead to medical errors;

Whereas innovative educational and research programs are being conducted by the National Patient Safety Foundation as well as by other public and private entities to develop methods for avoiding preventable injuries and to assess the effectiveness of new techniques to increase patient safety; and

Whereas education of the public on medical errors and the factors that typically lead to medical errors empowers patients to be more effective partners with health care providers in the battle against preventable injuries from medical errors: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week of March 7 through March 13, 2004, as "National Patient Safety Awareness Week"; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe the week with appropriate programs and activities.

NATIONAL SAFE PLACE WEEK

Mr. FRIST. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Res. 309 and that the Senate proceed to its immediate consideration.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 309) designating the week beginning March 14, 2004, as "National Safe Place Week".

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table en bloc, and that any statements relating to the resolution be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution (S. Res. 309) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 309

Whereas today's youth are vital to the preservation of our country and will be the future bearers of the bright torch of democracy;

Whereas youth need a safe haven from various negative influences such as child abuse, substance abuse and crime, and they need to have resources readily available to assist them when faced with circumstances that compromise their safety;

Whereas the United States needs increased numbers of community volunteers acting as positive influences on the Nation's youth;

Whereas the Safe Place Program is committed to protecting our Nation's most valuable asset, our youth, by offering short term "safe places" at neighborhood locations where trained volunteers are available to counsel and advise youth seeking assistance and guidance;

Whereas the Safe Place Program combines the efforts of the private sector and nonprofit organizations uniting to reach youth in the early stages of crisis;

Whereas the Safe Place Program provides a direct way to assist programs in meeting performance standards relative to outreach and community relations, as set forth in the Federal Runaway and Homeless Youth Act guidelines;

Whereas the Safe Place placard displayed at businesses within communities stands as a beacon of safety and refuge to at-risk youth;

Whereas more than 700 communities in 42 States and more than 14,000 locations have established Safe Place Programs;

Whereas more than 68,000 young people have gone to Safe Place locations to get help when faced with crisis situations;

Whereas through the efforts of Safe Place coordinators across the country each year more than one-half million students learn that Safe Place is a resource if abusive or neglectful situations exist; and

Whereas increased awareness of the program's existence will encourage communities to establish Safe Places for the Nation's youth throughout the country: Now, therefore, be it

Resolved, That the Senate—

(1) proclaims the week of March 14 through March 20, 2004, as "National Safe Place Week"; and

(2) requests that the President issue a proclamation calling upon the people of the United States and interested groups to promote awareness of and volunteer involvement in the Safe Place Programs, and to observe the week with appropriate ceremonies and activities.

STAR PRINT—REPORT 108–225

Mr. FRIST. Mr. President, I ask unanimous consent that the Report 108–225 be star printed with the changes at the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CAMBODIA

Mr. FRIST. Mr. President, I will close with a short statement on observations I made based on a recent article in the Boston Globe entitled "Cambodia's Rights Movement Faces Peril." I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FRIST. Mr. President, this article describes ongoing political violence and intimidation in Cambodia against democracy and human rights advocates and the oppressive environment in which these courageous individuals work. Kem Sokha, Sam Rainsy, and all champions of freedom, have my respect and my support.

While I recognize their bravery and selflessness, I also hear their concerns for their own safety. Tragically, the body count of peaceful advocates murdered in the line of duty continues to grow. Alliance of Democrats spokesman Sam Ung Bung-Ang is right on the mark in saying:

> It's not a bloody step forward when we go from 1 million dead [under the Khmer Rouge regime] to 200. Life is life, and one murder is too many.

Caretaker Prime Minister Hun Sen and the Cambodian People's Party have failed to uphold the rule of law or to create conditions conducive to the growth of democracy and prosperity. I add my voice to those calling for new leadership in Cambodia.

Let me close by recognizing the work of the International Republican Institute in Cambodia. For over a decade, through grenade attacks, a coup d'etat, and several flawed elections, the institute has stood shoulder to shoulder with those struggling for freedom.

In such a hostile environment and witness to countless injustices, the institute's Cambodia director, Jackson Cox, is right to ask of the international community: Where's the outrage?

It is past time the world's democracies stood up to champion liberty in Cambodia. While Cambodia may seem small and unworthy of the world's attention, we should not forget terrorism thrives in lawless and chaotic conditions, the very kind we find in Cambodia today. It is a warning and a plea. I urge my colleagues to support reform in this troubled land.

EXHIBIT 1

[From the Boston Globe, Feb. 29, 2004]

CAMBODIA'S RIGHTS MOVEMENT FACES PERIL; RECENT SLAYINGS RENEW OLD FEARS

(By Rafael D. Frankel)

PHNOM PENH, CAMBODIA.—On a recent trip to a village along the banks of the Mekong River, Kem Sokha brought along not only his trusted bodyguard but also a private American security specialist.

Kem Sokha is not a politician, a big businessman, or a diplomat, but a leader in Cambodia's fledgling human rights movement. And he believes his life is in danger.

The recent brazen killings of a prominent labor organizer, Chea Vichea, and several others affiliated with an opposition political group have heightened the sense of lawfulness in Cambodia, where murder is seen as a common political tool—and the rich and powerful seem above the law.

The nation's police, judiciary, and elections institutions are controlled by the ruling party, led by Prime Minister Hun Sen, and many Cambodians and foreign aid workers have little confidence that justice can be served.

"I fear the killing fields in Cambodia are still open," said Kem Sokha, president of the Cambodia Center for Human Rights, referring to the place the genocidal Khmer Rouge regime would kill its victims of torture from 1975 to 1979.

Hun Sen, a former Khmer Rouge member who deserted the regime and joined the resistance, has maintained his grip on power in one form or another for nearly two decades through collaboration with Vietnam, military coups, and elections deemed by international observers as lacking "free and fair" standards.

The most recent elections, in July, saw the ruling Cambodian People's Party win a majority of seats in Parliament, but not the two-thirds required to form a government. Since then, a tense political drama has heated up between the CPP and the Democratic Alliance, made up of two opposition parties. Although both sides talk of reaching a settlement soon, the stalemate persists.

The government crisis has coincided with a wave of high-profile murders the past few months.

Chea Vichea, 36, who was affiliated with the opposition Sam Rainsy Party, was killed Jan. 22 in broad daylight in a driveby shooting in Phnom Penh. A radio journalist, a famous actress, and her mother—all associated with the Democratic Alliance—were gunned down in a similar fashion.

Human rights workers and opposition leaders have seized on what they called a questionable investigation into Chea Vichea's killing, saying it shows the history of impunity that has plagued Cambodia for decades is still prevalent. Two suspects are being held; one accused police of beating him to force a confession.

Accusations have been leveled by the opposition and democracy organizations that the killings were intended as a warning to opposition leaders to join the prime minister in a government.

A ruling-party spokesman, Khieu Kanharith, rejected any idea that the killings were ordered by members of his party, saying the allegations were political ploys. "If we wanted to use violence, why wouldn't we have hit someone higher up in the party?" he said.

But outside of the government, the killings have raised alarms.

"They certainly appear to be politically motivated," said Jackson Cox, the Cambodia director of the International Republican Institute, an American organization that promotes democracy around the world. "The political situation here is tense, and members of the opposition, both high and low, are being murdered."

The recent killings have foreign relief workers and many Cambodian wondering whether Cambodia's development as a democracy has foundered after making great strides since the United Nations launched a $2 billion relief effort in 1992.

The government points out that Cambodia was rebuilding from total disaster. While many problems remain, the political situation is much less violent than in the past, Khieu Kanharith said.

The opposition rejects such reasoning. "It's not a bloody step forward when we go from 1 million dead to 200," said Sam Ung Bung-Ang, a spokesman for the Democratic Alliance. "Life is life, and one murder is too many."

Development statistics paint a picture of slow progress. A 2003 UN report said Cambodia is still ranked 130 of 173 countries on the Human Development Index. Other than Laos, Cambodia has the lowest life expectancy and literacy rates in the region, and the highest mortality rates for mothers and young children.

"With the economy now, state assets are war spoils, and what we call 'corruption' . . . is simply [the government] running the country like a family business," said Sam Rainsy, the main opposition party leader. "If we continue like that, we will go down the drain."

Asked about the pace of Cambodia's development and human rights record under the current government, the government spokesman said more time and money were needed. (Cambodia receives about $500 million annually from foreign donors.) He also said Cambodia was being held to a higher standard of democracy than its neighbors.

> "We don't have enough human resources," Khieu Kanharith said. "We've had a lot of assistance from donor countries. If you want to blame someone, blame them."
>
> Many are now looking for the international community to increase the pressure on the government. Although some U.S. senators have criticized the government, reaction from most foreign governments and development institutions, many of whom provide the funding for Cambodia to function, has been muted.
>
> "Where is the outrage?" asked Cox, from the International Republican Institute.
>
> Meanwhile, the political stalemate had delayed the convening of the long-awaited Khmer Rouge war-crimes tribunal. Government and opposition politicians say the tribunal would go forward once a government was formed.

Mr. FRIST. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WOMEN AND HEART DISEASE

Mr. FRIST. Mr. President, I rise to talk about an issue that is very close to my heart, having spent most of my professional career fighting heart disease. I will start with a couple of facts people may or may not know, and then make several points in terms of the importance of prevention.

Fact No. 1, as I travel around the country and talk, whether it is in the field of medicine or as a policymaker, is that more women will die of heart disease this year than men. I say that and it is surprising to many people because historically people thought because of the difference in gender and hormonal conditions women would be protected from heart disease. But, again, more women will die of heart disease than men. Indeed, each year 500,000 women—half a million people—die of heart disease in this country.

Heart disease is a big spectrum, and heart attack is about one-half of those deaths, a heart attack where there is blockage of blood flow to a part of a heart. That means more than one-quarter of a million women in the United States each year are struck down by this one disease. In fact, heart disease is the No. 1 killer of women in this country.

Heart disease is at the top of the list—it is No. 1—and kills more women than the next seven causes of death combined. So we have the top eight causes of death, with heart disease as the No. 1 diagnosis, and if we add up all the other seven, we still do not have as many as those who die of heart disease.

As I speak right now, about 8 million women are living with some element of heart disease, a potentially fatal condition. In my home State of Tennessee, nearly 200,000 women suffer with heart disease which has proved that heart disease affects all age groups. Mr. President, 73,000 women in Tennessee are living with heart disease under the age of 64. So it is not just our elderly with heart disease.

This is an area in medicine that can respond to education, to public information, but there are few people today who are aware of how widespread and how devastating heart disease is among women. We know it is among men, and we have seen the old images and the warning signs of a clenched fist, centralized pain as if an elephant is stepping on your chest, and if we look at the old pictures used in public education, health education, programs and posters, almost always it is a man with a clenched fist or grabbing both fists.

That imagery is played over to the point that most people do not realize how serious this disease is in women. It is imperative that we get the word out, and I want to use this pulpit over the next 2 or 3 minutes to do just that.

I encourage people to learn what the causes of heart disease are, what the consequences of heart disease are, and what steps can be taken in order to lower the risk in terms of prevention because we know what the risk factors are. We know there are certain things that can be done, and if they are done, it minimizes the risk either of being debilitated by heart disease or dying of heart disease.

The obvious things—again they need to be stressed because they are simple to do, but you have to do them—are improving one's diet, taking regular, consistent, and moderate exercise. One does not have to overdo it, but it is regular, consistent, moderate exercise.

The addiction of smoking has so many people locked in its grasp. Some of our young people do start smoking, and then if they do start smoking they have to work very hard to break that addiction. I say that again as a heart surgeon.

So many people I operate on—there are hundreds and hundreds of people I speak to and educate who are not in the Senate, but being in the operating room, opening up people's chests, taking veins out of the leg or from underneath the breast bone and hooking them on to the heart because of heart disease, that is strongly related to smoking. So if one stops smoking, it is less likely they will have that heart disease, and less likely that they will have the heart surgery.

Preventive screening: There are preventive screening tests, things such as putting a blood pressure cup on the arm. In our recent Medicare bill that we passed 2 months ago, for the first time in Medicare we have a routine physical exam so things such as hypertension can be detected.

It is amazing in Medicare, the great program that we have today—but one that needs to continue to be improved—that we did not have that basic entry level physical exam, where heart disease can be detected, until under President Bush's leadership we passed this recent Medicare bill.

Sometimes heart disease strikes seemingly healthy women who may not have ever had symptoms, who have no history of either being sick or in poor health in some way, who have those risk factors. It attacks people who have not smoked as well.

That is what happened to a Memphis mother of three, Kathy Kastan, who at the age of 42 suffered a heart attack. She tells her story this way:

> At 42 years old, I considered myself a healthy, optimistic woman blessed with three healthy boys, a wonderful husband and devoted friends. I have always been less than average weight, a nonsmoker and have exercised my entire life. But then I noticed that during exertion like biking or running or swimming, that I would get strange symptoms like nausea, turning pale, having shortness of breath. On occasion I would get a tingling down my left arm and left sided shoulder pain. But never once did I consider that I could have heart problems. And then one day, in a blink of an eye my life changed forever.

As it turned out, Kathy had a condition known as vasospasm, or vessel spasm, which is exactly what it says, where the vessels go into spasm and they squeeze down; therefore, not as much blood can get through that vessel because of a contraction of coronary arteries. Coronary arteries are the vessels that feed the heart. The heart needs to get that blood, that nutrient, that oxygen because if there is obstruction of the blood flow going to the heart, the heart muscle does not work, and that is what we call a heart attack.

Kathy went through five procedures where stints were inserted in these vessels. They are almost like a straw. If you can imagine, like a straw the vessel is squished down, and the stint is put in to keep the vessel open so it cannot squeeze down even when it goes into vasospasm.

Then she underwent what is called a coronary artery bypass operation which does require opening the chest and taking a vein from the leg or an artery called internal mammary artery and hooking it on to the heart to bypass those vessels which contract down.

For 8 months, Kathy says she simply could not believe what was happening to her. Remember, 42 years old, optimistic, healthy woman who had been struck by this disease. She was young, she was active at the time, and I quote:

> When I had chest pain, I even began to doubt myself and thought that maybe I was going insane.

Happily, Kathy is recovering and getting her life back to normal, and she credits her family, her close friends, her doctor, and the professionals at WomenHeart, which is a national organization devoted to educating, advocating, and supporting women with heart disease. It has been a tough road. There were days she could not even move from room to room in her own house without suffering these crushing, excruciating chest pains. She is getting the treatment she needs and again, in her words:

> I am back to being a mother who can take almost anything my kids dish out.

Well, Kathy is one of millions of sufferers and, like Kathy, before the heart attack many women do not even know they have a heart problem. They only find it out when it becomes severe.

As majority leader of the Senate, and as a physician, as one who has spent his professional life studying that human heart and working in programs of prevention as well as treatment of heart disease, I joined with the President of the United States, President Bush, and First Lady Laura Bush, and other congressional leaders to launch what is called the Heart Truth Campaign. It is vital that we raise awareness so women get the treatment they need and that they take the proper precautions so they never have to have that later treatment.

I encourage my fellow Senators to get the word out, to share information among themselves and among their own families, among their own communities and among their constituents back home to participate in educating the public about this very serious health issue.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDING pro tempore. Without objection, it is so ordered.

MIKE O'CALLAGHAN: A TRUE PATRIOT

Mr. DASCHLE. Mr. President, last night just before we closed I noted the absence of our distinguished assistant Democratic leader, Senator REID. He was attending the funeral of one of his closest personal friends. I come to the floor this morning just to talk for a couple of minutes about this remarkable individual.

Of course I am talking about a true American patriot and hero, Michael O'Callaghan. While we all mourn Governor O'Callaghan's passing, I am heartened that we here in this Chamber will continue to feel the impact of this great man through the service of his protege and former student, HARRY REID.

The essence of Governor O'Callaghan's contribution is perhaps best captured by an effort he undertook in Nicaragua in 1996. He was in that war-torn country to observe the elections that would mark its first ever peaceful transition of power between democratically elected presidents.

At 66, Governor O'Callaghan could have asked to observe elections in the nation's capital or its second city, but he insisted on going north to the Honduran border to observe elections among some of the most marginalized people in a country of marginalized people. He had to go there—in a battered truck over rained-out roads—because, he said, these were his people whom he had gotten to know in the 1980s, and he wanted to be there with them as they celebrated the democracy they had earned.

That determination and generosity of spirit marked Governor O'Callaghan's life. He was highly decorated, with the Purple Heart, the Bronze Star with a V for valor, and the Silver Star, in the Korean war, during which he lost a leg.

Aware of that bravery and personal strength, Sargent Shriver reached out to Michael O'Callaghan to make him a point man in President Kennedy's and President Johnson's fight against poverty.

Also aware of that bravery and strength of character, the people of Nevada made him their Governor from 1971 to 1979.

It was HARRY REID's awareness of O'Callaghan's bravery and character that led me, with great pride, to recommend him just last month to serve on the Veterans Benefit Commission.

Governor O'Callaghan died last Friday morning doing what he did each and every morning of his life—attending daily mass before he went to work at the Las Vegas Sun. He also fought for the poor and disenfranchised—from Korea to Nicaragua to Nevada—each and every day of his life.

While we are saddened by the loss of Michael O'Callaghan, we can take comfort in the knowledge that his generosity of spirit, his strength of character, and his devotion to his State and country will not soon be forgotten, and that his values and commitment to public service live on in our colleague and his close friend, HARRY REID.

I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHAFFEE). Without objection, it is so ordered.

THE NOMINATION OF DR. MARK McCLELLAN AND THE RE-IMPORTATION OF FDA-APPROVED PRESCRIPTION DRUGS

Mr. DORGAN. Mr. President, we have finished our work on the budget resolution early this morning, I guess at 1:30 or so this morning. One of the last items of business that was conducted by the Senate this morning was the clearing of the nomination of Dr. Mark McClellan. I want to talk, just for a moment, about that issue.

As you know, I had put a hold on his nomination. I want to explain the background of that hold and what happened last evening that allowed me to withdraw my hold on the nomination and allow his confirmation to occur.

First of all, Dr. McClellan is the head of the Food and Drug Administration, and he has been nominated by the President to run the organization that administers the Medicare and Medicaid Programs. It is a very important position. It is an important position that he held as head of the FDA, and the new position is also very important.

We had asked Dr. McClellan for some months to come to the Senate Commerce Committee and testify. The reason we did that is we have a very significant debate in this country, and especially in this Congress, about the subject of the cost of prescription drugs.

We have had an abiding, lengthy debate here in the Congress about the prospect of importing prescription drugs: Medicines from Canada, for example, are the same prescription drugs sold in this country—same pill, put in the same bottle, made by the same company. The only difference is that they are sold for a substantial discount in Canada compared to the price U.S. consumers pay in this country.

The U.S. consumer pays the highest prices in the world for prescription drugs, so many pharmacists and individuals have a desire to import that identical drug for a lesser price from other countries. They do this in Europe all the time. It is called parallel trading. If you are in Spain and want to buy a prescription drug from Germany, you order it. If you are in Italy and want to buy a prescription drug from France, that is not a problem. So the trade in prescription drugs between countries in Europe occurs regularly. The Senate Commerce Committee has heard testimony about it. There are no safety issues.

We have run into a problem because Dr. McClellan as head of the FDA decided to wage an aggressive campaign to try to prevent the re-importation of prescription drugs and to prevent the enactment of legislation in Congress that would allow for the re-importation of prescription drugs. We asked Dr. McClellan to come to the Senate Commerce Committee to discuss this issue, and he was also asked repeatedly to testify in the House of Representatives. He repeatedly refused to do so.

As a result, I put a hold on his nomination. It was not acceptable to me to move Dr. McClellan's nomination unless he was willing to come and testify before the Congress on these issues.

Yesterday, Dr. McClellan did testify before the Commerce Committee. I and others, including Senator McCAIN, asked him a substantial number of questions about these issues.

I had a long telephone conversation with Dr. McClellan last evening. I also had a conversation with the Secretary of Health and Human Services about these same issues. A couple of things happened as a result.

No. 1, Dr. McClellan has given me a commitment that in his new position, when he is asked to testify before the Congress, he is going to testify. That is an important principle for this Congress. We ought not say to people: We will promote you even though you stiff us.

I use the term "stiff," which is a term Senator McCAIN used yesterday at the hearing. That is exactly what had happened. Dr. McClellan said he has learned from his confirmation experience and when asked to testify before relevant committees of Congress in the future, he intends to do so. That is No. 1. That is an important step.

No. 2, when Dr. McClellan's name was cleared last evening, Senator FRIST put this statement in the Senate RECORD:

> Mr. President, I announce for the information of my colleagues that, in consultation with the chairman of the Senate Committee on Health, Education, Labor, and Pensions, Senator DORGAN, Senator STABENOW, Senator McCAIN, Senator COCHRAN, and other interested Senators, the Senate will begin a process for developing proposals that would allow for the safe reimportation of FDA-approved prescription drugs.

What is the import of that? The majority leader of the Senate, for the first time, has made a commitment: He wants to put together a group that will develop proposals that will allow for the safe re-importation of prescription drugs. That is a change.

The question now is not whether we have some mechanism by which we can import prescription drugs and, therefore, have access to the reduced prices. Instead, the question is how can we do that. The majority leader used the word "allow." "Developing a process that will allow for the safe reimportation of FDA-approved prescription drugs." That is a significant change and a significant commitment. We will no longer fight about whether this ought to happen. We will fight about, perhaps, the mechanics of how to make it happen. And that is OK with me.

I appreciate Senator FRIST's statement and his commitment. Senator FRIST and I spoke four or five times last evening about this before he put his statement in the RECORD.

Again, the majority leader has said that he commits to beginning a process that will develop proposals that will allow for the safe importation of approved prescription drugs. That is a significant change and a significant commitment. I appreciate the words and the commitment of the majority leader.

The minority leader, Senator DASCHLE, has also worked on this issue for some long while. Senator DASCHLE is a supporter of re-importation done under conditions that would provide for safety and also for savings for American consumers.

Based on those two things—a commitment from Dr. McClellan that when asked to testify, he will testify, and also the commitment by Senator FRIST to move towards developing proposals that will allow for the re-importation of FDA-approved drugs—I lifted my hold and Dr. McClellan was approved.

What we have accomplished in the last few days—Senator McCAIN, myself, Senator SNOWE, Senator STABENOW, and others—is a significant shift, and it will inevitably lead to a change in public policy that will allow for the safe reimportation of FDA-approved drugs that will allow the American people to get them at a lower price. That is the goal.

I yield the floor.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I congratulate the distinguished Senator from North Dakota for his tireless efforts and for the success he has now described. Without his persistent leadership, and the effort he has made over the last couple of days, we would not be in the position we are today. I know I speak for senior citizens and certainly for the members of our caucus and many others who care deeply about this issue. He has moved the process forward in quite a dramatic way in the last 48 hours. Were it not for his persistence and the leverage he had with regard to this nomination, we would not be in the position we are. I am grateful to him for the work he has done.

As he has just noted, this definitely moves the ball forward. This is a significant development that will once again allow the Senate the opportunity to consider the issue of drug reimportation in a meaningful way.

I have absolutely no doubt there is growing support for the efforts of the Senator from North Dakota and others who have been advocating for drug reimportation. In the last couple of days, the Senator from Mississippi, Mr. LOTT, announced his change of position, and for good reason. I talked with him last night about his desire to be supportive of the effort. He, too, is troubled by the pharmaceutical rip-off that is now going on and the determination among drug companies to hold senior citizens captive to high prices for prescription drugs. On a bipartisan basis, Senator LOTT, and Republicans and Democrats alike, have joined Senator DORGAN. This allows us, once again, to look at ways with which to address the issue.

I commend the Senator for his success and applaud him for keeping the Senate's focus where it belongs: on bringing lower drug prices to seniors.

I also acknowledge his role in moving the McClellan nomination forward. This was a controversial nomination in some ways. I have been working with the majority leader over the last couple of days to consider the ramifications of either holding up the nomination or moving it forward. I will have more to say in a moment about another very disturbing bit of news that has just been released this morning.

But I think because of the extraordinary responsibilities that go to the office of CMS Administrator, filling that position is something that is important. I supported the effort to try to move this nomination forward in spite of some of the misgivings I have, as described so well by the distinguished Senator from North Dakota.

Let me say, though, that when we come back from the recess, I will come to the floor to talk more specifically about nominations and the process that is currently being employed with regard to the consideration of other nominees from this administration. Last night, I spoke with the distinguished majority leader about some of the concerns I have. There are now over a dozen Democratic nominees, some of whom have been held for months by the administration. Their refusal to send the nominations to the Senate has caused many of us to be concerned about the fairness with which this process has been implemented. It will be very difficult for us to move forward on nominees in the future if this matter is not resolved.

I have indicated to the majority leader that I will be providing him with the names of those people who have not been given fair consideration and whose names have been withheld. And whether it is in regard to judges or with regard to other executive appointments, there has to be a reciprocal treatment of nominees.

If we are not able to move these nominees in the future, I think it would be very difficult for us to at least consider all of those who are being given to us by the administration with an expectation that they will be voted upon until this matter is resolved.

We will have more to say about that when we return from the week recess.

THE MEDICARE DRUG BILL

Mr. DASCHLE. Mr. President, I wanted to call attention to another matter that just came to our attention this morning. There was a story filed by the Knight Ridder news organization in the Miami Herald, by Tony Pugh. The Miami Herald and other papers have had this story now on the Internet. I wanted to read a piece of it:

> The government's top expert on Medicare costs was warned that he would be fired if he told key lawmakers about a series of Bush administration cost estimates that could have torpedoed congressional passage of the White House-backed Medicare prescription drug plan.

The Senator from North Dakota was just addressing this issue. Obviously, the reimportation plan was part of the Medicare legislation, and had we been able to pass a meaningful reimportation provision, we could have brought down costs.

Again, quoting from a report copyrighted by the Miami Herald:

> When the House of Representatives passed the controversial benefit by five votes last November, the White House was embracing an estimate by the Congressional Budget Office that it would cost $395 billion in the first 10 years. But for months the administration's own analysts in the Centers for Medicare and Medicaid Services had concluded repeatedly that the drug benefit could cost upward of $100 billion more than that.
>
> Withholding the higher cost projections was important because the White House was facing a revolt from 13 conservative House Republicans who had vowed to vote against the bill if it cost more than $400 billion.
>
> Representative Sue Myrick of North Carolina, one of the 13 Republicans, said she was "very upset" when she learned of the higher estimate.
>
> "I think a lot of people probably would have reconsidered [voting for the bill] because we said that $400 billion was our top of the line," Myrick said.
>
> Five months before the November House vote, the government's chief Medicare actuary had estimated that a similar plan the Senate was considering would cost $551 billion over 10 years. Two months after Congress approved the new benefit, White House Budget Director Joshua Bolten disclosed that he expected it to cost $534 billion.
>
> Richard Foster, the chief actuary for the Centers for Medicare and Medicaid Services, which produced the $551 billion estimate, told colleagues last June that he would be fired if he revealed numbers relating to the higher estimate to lawmakers.
>
> "This whole episode, which has now gone on for 3 weeks, has been pretty nightmarish," Foster wrote in an e-mail to some of his colleagues June 26, just before the first congressional vote on the drug bill. "I'm perhaps no longer in grave danger of being fired, but there remains a strong likelihood that I will have to resign in protest of the withholding of important technical information from key policymakers for political reasons."
>
> Cybele Bjorklund, the Democratic staff director for the House Ways and Means health subcommittee, which worked on the drug benefit, said Thomas Scully—then the director of the Medicare office—told her that he ordered Foster to withhold information and that Foster would be fired for insubordination if he disobeyed.

The vote on this Medicare legislation was one of the most critical decisions Congress had made in 40 years on Medicare. We are talking about a difference of more than $150 billion. What this article states is that key members of the administration were told they would be fired if they told Congress the truth. I think this is one of the most reprehensible actions that I have seen since coming to Congress.

For the life of me, I cannot understand how such irresponsible behavior could be condoned, could be allowed. We will get to the bottom of this. But I think it calls into question how laws are made. It certainly calls into question what efforts may now be made by the administration to keep information on other issues from Congress, before we make critical decisions.

I think we ought to bring this bill back for another vote. I think the House and the Senate deserve to have a vote based on all of the information, not just part of it. If this and perhaps other information was withheld, Members of Congress were called to vote under false pretenses. They were called to vote without having the truth. On an issue with these repercussions, we have no other choice but to revote this issue.

Already, the Congress has tried to offer corrections to the bill. Bills have been offered and amendments suggested to try to correct many of the problems created by this bill. But now we know, based on the information provided in this article, that not only are there significant policy questions, but the very issues provided to Congress as fact before were, in fact, untruthful misrepresentations upon which Congress voted mistakenly.

So we are going to have to review the available options that we have, with regard to how this happened and what ought to be done. I think an investigation of some kind is certainly warranted. Whether this is criminal or not is a matter that we will certainly want to clarify. But if not criminal, it is certainly unethical.

I think we need to know the facts. How did this happen? Why did it happen? Are there precedents for things like this happening for which the situation called for another vote? As close as that vote was, in the dead of night, I think we owe it to the American people, we owe it to seniors, to reconsider these votes and question whether or not we can put in place some absolute guarantee that this will never happen again.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, following the comments of my colleague, this is a shameful thing to have had happen and to read about. It breaks the bonds of trust that exist in this town. This is a political town, so we expect politics, but not in the context of information given us by agencies that are inherently nonpolitical and are supposed to give us good information with which to make public judgments and policy. I agree fully with my colleague. This not only breaks the bonds of trust, but it is a shameful and disgusting thing to read in a paper this morning. My hope is that it is fully investigated.

TRIBUTE TO JIM TESCHER

Mr. DORGAN. Mr. President, on another subject, I will now make some comments about a North Dakotan who has died. I want to do this for a very special reason. I think his passing needs to be noted by us.

Willie Nelson has a song called "My Heroes Have Always Been Cowboys." Out in my part of the country—I grew up in western North Dakota—we understand Willie Nelson's music and lyrics and what his songs mean. Willie Nelson really gave voice, with "My Heroes Have Always Been Cowboys" to a way of life—about rodeos, ranch life, 10-gallon hats, pickup trucks, sweet clover, wild horses, newborn calves, going to town on Saturday night, good neighbors, strong families, and living free.

I grew up in a small area of western North Dakota. My dad was a good horseman. He raised horses. When I was a young boy, we went to rodeos. We did not have professional sports. We did not have Major League Baseball or the National Football League. We went to rodeos.

I recall as a young boy going to the rodeos in all the small towns in North Dakota, but also going to the National Western Livestock Show in the coliseum in Denver, CO. Cy Tallon was the announcer, one of the great rodeo announcers in our country. He would announce, "Coming out of chute No. 2, Jim Tescher from North Dakota."

We had cowboys who were the best in the world—Jim Tescher, Tom Tescher, Alvin Nelson, Duane Howard, Dean Armstrong—tops in the world. I remember how proud I had been hearing these North Dakotans being introduced at the National Western Livestock Show—saddle-bronc riders, bareback riders, and bull riders. They were the best in the world—tough, good people and champions.

Last month, one of them died. In a cemetery in the Badlands of North Dakota up on a hill, his casket sat to be buried. His name was Jim Tescher. He came from a ranch in the Badlands of North Dakota. He rode in rodeos in Madison Square Garden, the Boston Garden, and the Cow Palace. He won the saddle-bronc riding in the National Finals Rodeo twice. He was a real champion. He went for 2 years at one stretch as a professional RCA cowboy without being bucked off a saddle-bronc horse. Think of that: 2 years without being bucked off a saddle bronc riding in rodeos.

His first love was the ranch, the cows, and the horses, so he rodeoed when he could. He didn't rodeo as much as some of the others, but when he did, he was a winner. After a long rodeo career, he returned to his ranch to live in the Badlands.

Last summer, he was driving a little four-wheeler out in the Badlands to check on some cattle and it tipped, fell down a cliff, and pinned him and paralyzed him from the neck down. I went to visit him at Thanksgiving time in the hospital in Mandan, ND. Jim was lying in his hospital room paralyzed. He said to me that what he really wanted to do was try to get back to the ranch and the Badlands and look out the picture window and see his cattle once again.

On December 23, they put Jim in a wheelchair and wheeled him down to the front door of the hospital wrapped in a blanket. Unbeknownst to him, his daughter had fetched his horse Bonner, a horse just over 20 years old. Bonner had been with Jim all of his life. She brought his horse Bonner in from 180 miles away. She hauled him in a horse trailer.

His daughter had Bonner standing behind a tree. They wheeled Jim out in a wheelchair and led Bonner out from behind the tree. This horse had not seen his master for about 5, 6 months. Jim could not lift his hands, but he made that clicking sound with his mouth that cowboys make to their horse, and Bonner walked over and nuzzled him on the nose. He still knew Jim after 6 months in the hospital. Jim had tears in his eyes that day.

About 4 days later, Jim died, and on January 3, a group gathered in the cemetery in the Badlands to bury him. This picture which was in the Cowboy Chronicle in North Dakota shows a man named Brad Gjermundson, also a North Dakotan, a four-time world saddle bronc champion rider. He rode to that cemetery following the hearse leading Jim's horse Bonner. As Jim was to be buried that day in a coffin decorated with his well-worn cowboy boots, some spurs, a rope, and some cedar from the Badlands, the cowboys from North Dakota gathered around to pay their last respects.

This picture shows a lonely horse watching his master being put away. When I saw that picture in the Cowboy Chronicle, I knew I wanted to share with my colleagues the fact that this country has lost a really great champion, a champion rodeo rider, but also a champion human being.

Teddy Roosevelt once lived in those Badlands, and Teddy Roosevelt once said: Cowboys don't walk real well; that's because they do most of their work in the saddle. He could have said: Cowboys don't talk much either; they just love their country, they honor family values, and they live free. And that describes Jim Tescher's life. He, in my judgment, is one of those real American heroes, a North Dakota champion, and our State will miss him.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MARTY PAONE'S 25TH ANNIVERSARY OF SERVICE IN SENATE CHAMBER

Mr. DASCHLE. Next Monday, March 15, the Senate will be in recess. As Julius Caesar could tell you, the Ides of March is a good day to be far from the Senate Chamber, but this Ides of March the Senate family has something to celebrate: the 25th anniversary of Marty Paone's service to the Senate Chamber.

The Senate is not the simplest of institutions. The rules and traditions that govern our work can seem baffling even to the most experienced legislator. Marty has the most comprehensive understanding of the rules and procedures of the Senate of anyone I have ever known.

We may lose an issue because we do not have the votes, but in my time in the Senate we have never lost an issue on procedural grounds. In fact, we have even won a few, and when we do, it is thanks to Marty's extraordinary knowledge and unerring counsel.

He not only knows what the rules are, but how they serve the greater purpose of maintaining the Senate's unique role within our democracy. This innate understanding has come as a result of a quarter century of dedicated service to the Senate and our Nation.

Marty was born in Everett, MA, and is a graduate of Boston College. After graduation, he made his way to Washington to attend graduate school at Georgetown University. It was while working on his master's degree in Russian studies that he first came to Capitol Hill. While attending school, he worked in the House post office and later moved to the Senate parking office. In 1979, Marty joined the staff of the Senate Democratic cloakroom. A few years later he joined the Senate Democratic floor staff, and in 1991 became assistant secretary for the minority. In 1995, he was elected by the Democratic Caucus to the position he holds today, secretary for the minority.

Each of us knows that the Senate has its own peculiar schedule that is unpredictable at best, but no one knows that better than Marty. Twenty-one years ago, while planning his wedding, he and his fiancee Ruby, who is also a member of the Senate family, pored over the calendar looking for a date that they could be certain the Senate would be out of session. They chose Veterans Day and made their plans.

Perhaps predictably, the Senate held a rare Veterans Day session that year, and Marty did what he has seldom done in his 25 years, he actually missed a day of work. Fortunately, the Senate adjourned early enough for Marty's colleagues to share in his and Ruby's joy that day and make the wedding.

Fitting one's family life around the peculiar schedule of the Senate is never easy. It takes a lot of patience, a good sense of humor, qualities that Marty has in abundance. We are grateful to him, his family, his wife Ruby, and their children Alexander, Stephanie, and T.J., for sharing their husband and father with us.

During his time in the Senate, Marty has shown unequaled dedication and loyalty to our institution and to the men and women who serve here. As a result, he has won the trust of every Senator and every staff person who has ever had the honor of working with him.

Thanks to his experience, every Senator is better able to serve his or her constituents and the Senate is better able to serve the needs of the American people. We owe him an extraordinary debt of gratitude. There is no one I know who has more respect and affection for the Senate as an institution than Marty. On behalf of the entire Democratic Caucus, I thank him for his service of 25 years.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. DOLE). Without objection, it is so ordered.

A SQUANDERED OPPORTUNITY ON LANDMINES

Mr. LEAHY. Madam President, on February 27, I spoke on the floor about the administration's new policy on landmines. It is a policy that some in the administration had leaked to the press the day before it was to be announced. And many believed it was being done to give it the most positive spin possible.

The reason I want to take some time to discuss it just prior to this recess is some Senator may be asked about it. I want them to know what the policy does and what it does not do.

The centerpiece of the policy is the administration's announcement that they will eliminate, in 6 years, all persistent or "dumb" landmines that remain lethal indefinitely.

First, let me say that any decision by this or any other administration to eliminate any type of landmine is a positive step. I concur with the administration on this. These indiscriminate weapons do not belong in the arsenal of the world's only superpower. Actually, they do not belong in the arsenal of any civilized nation. They do not differentiate between a child and a soldier. They are inhumane. They should be banned.

I have traveled to many parts of the world, sometimes in places where we use the Leahy War Victims Fund. I have seen those who have been crippled and disfigured by landmines.

My wife is a nurse. Before she retired, she was on a medical surgical unit. She has gone into some of the surgery wards in these countries where a child had a limb blown off, and it had to be reamputated to fit a prosthesis. It is terrible. And while there are military people on either side who are injured or killed, it is usually civilians. The vast number are civilians.

So the fact that the administration is pledging to get rid of these so-called dumb mines, including anti-vehicle dumb mines—albeit not until 2010—that is constructive. It sets a good example.

But what was not said in the press release, of course, is that the United States has not used this type of landmine for decades. We have not even used them in Korea along the demilitarized zone.

We have stockpiles of these mines around the world, but they are widely recognized by our military as posing not only an unacceptable danger to civilians, but also to our own troops. Once these mines are in the ground, they impede the mobility of our own forces. I cannot imagine any combat officer—certainly none trained by the United States—who would support using these indiscriminate weapons in this day and age.

So the bottom line is that the administration is saying: Since we do not use these mines, have not used these mines for decades, we will get rid of them, and we want the world to credit us for that.

Well, that is sort of like saying we are going to stop using leaded gasoline in the United States to reduce air pollution. Of course, we have not used leaded gasoline for years, so it really is not an issue.

What the administration says is that its new policy will "help reduce humanitarian risk and save the lives of U.S. military personnel and civilians." But insofar as we do not use these mines, and have not used them for years, the claim is meaningful only to the extent that we can convince other nations to stop using them.

Now, to do that, the administration says it will seek a worldwide ban on the sale or export of dumb landmines. That is a positive announcement. But is it realistic?

We tried this back in 1994. We got nowhere because other nations refused to even discuss giving up their mines if we refused to give up ours. I have yet to hear anybody say why they believe the reaction of other nations, such as China, Russia, Pakistan, and India, is going to be any different this time.

After 2 years of reviewing the landmine policy, we say we are going to eliminate the mines we no longer use. But what the administration glosses over is that it has abandoned the key pledges the Pentagon made 6 years ago to phase out all antipersonnel mines outside of Korea by 2003, and in Korea by 2006. That would mean all the mines would be gone now, outside of Korea; and in Korea, the year after next. That used to be U.S. policy, until February 27.

That commitment included not only dumb mines but also self-destructing mines. And the commitment to find suitable alternatives to replace these self-destructing mines was painstakingly negotiated in 1998 between myself and the White House and the Pentagon.

The administration now defends its decision to abandon the pledge to phase out these weapons on the grounds that "after they are no longer needed on the battle field, [these mines] detonate or turn themselves off, eliminating the threat to civilians." They say "self-destructing landmines have been rigorously tested and have never failed to destroy themselves or become inert within a set time."

Now, these self-destructing mines, these mines with timers, do pose less of a danger to civilians. If the world only used this type of mine, we would still have casualties of civilians, but there would be far fewer.

But it is not that simple. For one thing, the mines are also dumb. Once activated, they cannot distinguish between an enemy soldier and a fleeing refugee or a child trying to get out of harm's way any better than any other dumb mine.

If they are touched, they will explode. You could be the farmer trying to get his animals out of harm's way because a war is going on. These mines cannot distinguish between the farmer and an enemy gunner.

Secondly, we have only used this type of mine once and that was in the first Gulf War. We used them there because we had assurances from the Pentagon that they had been well tested and they would self-destruct so we did not have to worry about them.

Guess what. After that war, U.S. and British deminers discovered thousands of these mines that had not self-destructed as designed. They still needed to be disarmed. In fact, I had one leader in combat in the first gulf war who said: We did use them.

I said: Did you trust them to self-destruct?

He said: Heck no. Neither I nor anybody under my command would dare send our troops across a field where we have been told all these mines had self-destructed because we knew that a certain number of them would not.

Most importantly, Mr. President, by insisting we will continue to use our more expensive self-destructing mines, which the administration does, we give other nations an excuse to continue to use their cheap dumb mines. I don't know how many times I have talked to officials of other nations. I have said: Why don't you stop using land mines?

They have asked me: How can you, the most powerful nation history has ever known, tell us we should give up our land mines when you say you can't give up yours?

There is no answer to that.

There was strong opposition in the Pentagon when we passed my amendment—finally, in the end, every single Senator voted for it—which banned the export of anti-personnel land mines. Now the Pentagon and everybody else brags about the step forward we took in banning the export of land mines. It was a good step. But when we had a chance to join the Ottawa process to ban these mines once and for all, we stepped back from it. And because of that, we made it easy for Russia and China, other countries, to do so.

In fact, I believe in our hemisphere there are only two countries that don't ban land mines—the United States and Cuba. Everybody else has. In fact, 150 nations, including every member of NATO except the United States, has joined the Ottawa Treaty banning anti-personnel mines.

It is arrogance for our country to take such a unilateral attitude, for us to say: We know it is for your own good, get rid of land mines, but we won't.

Many times on this floor I have talked about flying in a helicopter along the Honduras-Nicaragua border at the height of the contra war. I stopped at a hospital on the Honduras side, an area carved out of the jungle. It was a very rudimentary hospital, with a small, separate unit for an operating room that was air-conditioned and sterile. The hospital part had a dirt floor, barracks, row after row of cots, in the corner, just some blankets.

A young boy stayed there, 12 years old or so. He had been living there for years since he lost his leg. He hobbled around on a homemade crutch. He was a peasant child who could not go to work in the jungle and help his family to get food because he was not up to it. He couldn't climb the steep trails. He had been out looking for food when he stepped on a land mine.

I asked him whether it was put there by the Sandinistas or the contras. He didn't know who they were. He didn't even know there was another country just over the mountains called Nicaragua. But he did know his life was changed. Unlike those of us who are privileged to serve in this body where, if we lost a leg we could continue to do our work, be paid the same, there would be some inconveniences, but we would make it. Not he. If he didn't have the floor of the hospital dormitory and if he didn't have the medics to give him some food, he had no place to go. There are thousands of people—thousands of children—like that.

After that, we started the Leahy war veterans fund, which to the credit of our Nation, does use $12 million a year to buy artificial limbs, wheelchairs, and other assistance for war victims. We have passed a law to ban the export of land mines.

But it is like trying to stop a flood. As long as people continue to make them, continue to use them, they are out there. We can't bring more pressure on China, one of the big makers and exporters of land mines, because they say, rightly so, the U.S. still uses them.

It is so frustrating. I come from a beautiful State, as does the Presiding Officer. I have hundreds of acres of my tree farm, wonderful fields and hills and mountain trails on which I can walk. My children and grandchildren do. It is so much fun. All you worry about is that you might trip and skin your knee. You don't have to worry about a land mine.

Somebody said to me in one of these countries, when they were asking about land mines and why we didn't do more in the United States to get rid of them: How long would it take you in the United States to ban them if your children had to go to schools where they were told, you walk exactly between these two lines because, if you step over it, you might have your legs blown off? Or if you are like the teenage girl in Bosnia whose family sent her away at the beginning of the war so she would be safe and finally got word to her that it is safe to come back and she was running to her family and stepped on a mine. Her legs were blown off. I saw that young woman and talked with her in a hospital where the Doctors Without Borders and the Leahy War Victims Fund were helping her and other mine victims.

If this was happening in Washington down on The Mall, if this was happening on the playgrounds of America, we would be rising up and saying: Get rid of these things.

I have talked about this so many times that I am like a broken record. But I will keep talking about it as long as I am in the Senate. I will keep pushing and I will keep traveling around the world working with people who want to get rid of landmines. I will keep raising money for landmine victims, and I will keep trying to get rid of landmines.

I hope someday this wonderful country of ours, which I love and every one of us loves so much, will stand up and say: Enough. We will, by our own example—not by unilateral arrogance saying you get rid of them, but we won't—use the moral suasion of our Nation and get rid of landmines. Maybe then others will, too.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALEXANDER). Without objection, it is so ordered.

BERKSHIRE HATHAWAY

Mr. FRIST. Mr. President, we will be wrapping up here in about 15 or 20 minutes.

Seeing the Presiding Officer, who is from Tennessee, I want to pull out something which I find remarkable. It doesn't have anything to do with Senate business, but it does have something to do with the State which the Presiding Officer represents and which I represent. In fact, it is a historic sort of message. The bottom line is very simple. It has to do with saying "thank you" and the thoughtfulness of saying "thank you." I will take a very few minutes to recount this fascinating story.

In the 2003 annual report of Berkshire Hathaway Incorporated, a report that was released to shareholders on Saturday, March 6, there was a fascinating item that piqued my interest. Berkshire Hathaway is the $42 billion dollar firm led by someone who is considered to be the greatest stock market investor of all times, Warren E. Buffet. I call the annual report to your attention because it contains an unusual story involving 40 students and a professor from the University of Tennessee.

For the last 5 years, Professor Auxier has led his finance class on a field trip from Knoxville, TN to Nebraska to meet that legendary oracle of Omaha, as Mr. Buffet is known. The meetings there would last as long as 2 hours as students would have and took advantage of that opportunity of peppering the investor with questions on everything, everything from finance to life lessons, to mentors, to instances or occurrences or events that shaped his life. At the end of each meeting, the group presents Mr. Buffet with a gift of appreciation, a gift of thank you for taking the time to share his thoughts with them.

Professor Auxier tells my office his pupils always leave, as we might expect, exhilarated and inspired. At last year's meeting, the Tennessee group presented Mr. Buffet with an autobiography of Knoxville home builder Jim Clayton. The book made sense. It was from their hometown of Knoxville, TN, where the University of Tennessee is located. They left this as a thank you.

This would not be particularly noteworthy except for the fact Mr. Buffet became so interested in Jim Clayton's story and his successful venture—Jim Clayton's successful venture called Clayton Homes—that Mr. Buffet turned around and bought the Knoxville company for $1.7 billion. He closed that deal last October.

Now the story gets even better. Mr. Buffet was so appreciative of the students who had come to visit him to share his thoughts with them, putting him on to Clayton Homes investment through this very simple gift, so this past October he presented each of them with a share of class B stock in his company. The shares are now worth roughly $3,100 each. He also gave the professor a share of his class A stock which was worth, as of yesterday, $94,700. Professor Auxier tells my office when Mr. Buffet unveiled these surprise gifts, everyone was simply, using his words, flabbergasted.

All of this is recounted in Mr. Buffet's annual report to his shareholders. Those shareholders now include those 40 very lucky students and a tremendously appreciative professor from the University of Tennessee.

I believe there are two lessons to be learned from this delightful story. The first is to be interested in other people. We all, no matter how busy we are, should take advantage of that opportunity to share experiences with others. It also shows Mr. Buffet was interested in other people, the fact that he took this book and he actually read it. It was an autobiography of a fellow businessman, indeed, a long way from his home. He was so impressed he turned around and ended up buying the company for $1.7 billion.

The students took that opportunity—it is not always easy to go all the way from Tennessee out to Nebraska—to avail themselves of meeting the world's renowned expert in the field. They had the good fortune of getting his advice. What they did not expect is to get that additional per person $3,100. Now they are that much richer for the experience.

That brings me to the second lesson and then I will close, and that is what I opened with. Make sure you always give a thoughtful thank-you present. It is the right thing to do. You never, ever know where it might lead.

CONFIRMATION OF DR. McCLELLAN, MEDICARE AND DRUG REIMPORTATION

Mr. FRIST. Mr. President, early this morning, in fact, a little over 12 hours ago in the Senate, Dr. Mark McClellan became administrator for the Centers for Medicare and Medicaid Services. I thank all of my colleagues for their cooperation over the course of that whole week, this past week, in order to facilitate the confirmation of Dr. Mark McClellan.

I say that because the responsibilities of the CMS—again, the Centers for Medicare and Medicaid Services—are that of being the Government organization responsible for Medicare and Medicaid in this country. These responsibilities are crucial. The administrator oversees the program that provides health care coverage for over 70 million people, including seniors, as we know, including individuals with disabilities, with low-income children, with pregnant women—a huge responsibility.

This becomes critically important because the challenges facing CMS today are greater than at any time in this agency's history. I say that because the head of that agency, now Dr. McClellan, will be charged with implementing the Medicare Modernization Act and, in a very short period of time, educating seniors about the benefits of the new law, about the advantages of the new law, and how they best can take advantage of these new benefits.

It is going to take a strong and steady hand to get the job done. I am confident, and I think my colleagues' on both sides of the aisle have expressed that strong confidence, in Dr. McClellan. He has the skills, he has the commitment, he has the temperament, he has the judgment, he has the leadership abilities, all of which have been demonstrated in Government. He has served under both President Bush and President Clinton in Government, and also in the private sector as a physician. President Bush nominated exactly the right person for this point in time.

I think the Medicare bill is a tremendous bill. It has tremendous potential to modernize Medicare, on a voluntary basis, where if people want to take advantage of this newer, more modern, more up-to-date Medicare, they can or they can keep exactly what they have.

The legislation was bipartisan. It was signed by the President of the United States last year. If you just back away from it, it does—bottom line—what we know we have needed to do for a long time; that is, to give seniors and individuals with disabilities better access to the most powerful tool in American medicine today: prescription drugs, at lower out-of-pocket costs. That is it. And it is voluntary.

Beginning in a few months—this is, in part, a segue from Dr. McClellan—seniors will be eligible for the savings of 10 to 25 percent, and low-income seniors will receive an additional $600 in value in additional assistance through the Medicare-endorsed prescription drug cards.

I have had the opportunity to meet this week with a number of outside organizations, including the AARP, where we have talked about the importance of educating seniors appropriately so they can take advantage of these new expanded benefits.

There is a whole range of other benefits in this new, modernized Medicare Program—and we talked a lot about it on the floor—including disease management; chronic disease management; improving preventive care, so we can make the diagnosis of things such as hypertension for people who come of Medicare age; improving the efficiency and safety of Medicare through electronic prescribing, to eliminate the potential of so many errors that can be made through so many steps that currently the prescription of medicines travel; significant regulatory relief.

You put those two together—with Mark McClellan as the person who will be responsible for implementation, with what is a complex system but one that takes action now—and I think we will have a very effective laying out of the benefits so people can take advantage of it.

Mark McClellan's background as a physician, as a doctor, I think will be enormously helpful in translating these legislative reforms into lasting improvements that will give our seniors better health care security. That, again, is sort of the bottom line. You want to be able to look seniors in the eye and say: You will be more secure in terms of your health care with this bill. We know that is the case, but now it has to be implemented. So I look forward to working with Dr. McClellan as he works to implement this new Medicare law. We build on what truly was historic legislation to provide affordable, high-quality care to our seniors.

On the floor earlier today, and last night, and in some hearings with Dr. McClellan yesterday, the whole issue of prescription drug reimportation has arisen, has been discussed, has been talked about. It is a very important issue, an issue that, as majority leader, I can tell you we will address. It deserves to be addressed.

We addressed it in the past by saying reimportation, under certain prescriptions and limitations. Reimportation is fine, but it is fine only if we can demonstrate and guarantee safety; that is, we can tell a senior, yes, you can have reimportation, say, from Canada, but you can say that and allow it to happen only if you can look that senior in the eye and say: You are going to be OK. The medicine you get will be exactly what is prescribed, with the same sort of safety certification, safety guarantees you get with medicines that are manufactured in the United States.

Some of it—in fact a lot of it—is being driven by the fact we have these skyrocketing costs in health care, which we have to address, we should address, and it is our responsibility to address because they cannot be tolerated long term—whether it is by an individual who is taking care of themselves or their children or their family members or a business with skyrocketing health care costs which are driving the cost of doing business so high they no longer are competitive against other businesses in this country or businesses in other countries.

In fact, it ties to other discussions we have about outsourcing and insourcing and jobs going overseas, because if the cost of doing business gets so high here, and it is not high in other countries, you simply are not going to be able to grow businesses here and people will shift businesses overseas. So we must address it. And we will address it.

Many people believe part of the skyrocketing costs can be addressed by addressing the reimportation of drugs. Indeed, in the Medicare law I was just speaking to, we began to address this issue head on. We, in that bill—a lot of people do not realize it—asked the administration to prepare a comprehensive report that would come back to us in the Congress to identify the myriad of critical issues that are raised by reimportation, including, first and foremost, patient safety.

As a physician, I am going to keep coming back to the patient's safety, because unless we can look people in the eye and guarantee they are going to be safe through obtaining drugs from overseas, we cannot—we just should not—proceed down that path.

Well, in response to the Medicare legislation, the administration has already set up a task force. That task force has begun the process. We look forward to receiving the findings from that task force.

Indeed, the public hearings will begin this coming week while we are in recess. I believe the first meetings are with outside consumer groups that will come in and report to that task force. Then the task force will report back to us.

I also believe the Senate can best—or should best—address this through the committee of jurisdiction. As majority leader, I have tried to focus on appropriate jurisdiction for the committees, and the committee for that is the committee that the Presiding Officer has taken such a leading role on; that is, the HELP Committee, the Health, Education, Labor, and Pensions Committee, that is led by Chairman JUDD GREGG.

Through that committee of jurisdiction, we will begin to examine what barriers do exist—and the safety barrier is one—to reimportation and determine, first, whether there are ways you can reduce those barriers, but how you can reduce those barriers, how we should address those in a legislative fashion, and then reduce those barriers legislatively, if we need to.

I look forward to working with Chairman JUDD GREGG, chairman of the HELP Committee, and to reaching out broadly to all my colleagues—Senator DORGAN, who has taken a real lead on this; Senator McCAIN; Senator STABENOW; and Senator THAD COCHRAN, who has been the author of the amendment we have used and addressed on the Senate floor, has been a real leader in this field—on both sides of the aisle to address this very important issue.

S. CON. RES. 95

Mr. LEAHY. Mr. President, earlier this morning, an amendment offered by the senior Senator from Ohio was accepted by voice vote. At the time, I withheld from speaking on this amendment in order to expedite consideration of the budget resolution, but I would now like to take a moment to give my full statement.

This amendment addresses a serious shortfall in the President's foreign affairs budget: funding for international health programs.

I commend Senator DEWINE for his leadership on these key humanitarian issues. Compared to some of the other amendments offered today, it is not a large amount of money. But, it means life and death to literally millions of people.

This amendment provides $330 million for the Child Survival and Health Programs Fund. It is fully offset by reducing the amount that the Federal Government spends on administrative expenses by $330 million.

This reduction will not be painful. We do not micro-manage the process, and leave it to the administration to determine where to make these cuts. But, I can think of some places that the Administration might want to start.

For example, next year the administration plans to spend $5.5 billion on "transportation of things"; $21.1 billion on "supplies and materials" for federal agencies—not including the Department of Defense, Veterans Affairs, and Homeland Security; and about a billion dollars on printing costs.

If you want specifics on how to pay for this, one could come up with this scenario.

The administration is planning to increase the amount spent on "supplies and materials" for the Departments of Agriculture, Commerce, Education, Energy, and Interior and the FDIC. Simply maintaining the FY04 levels for these agencies yields $158 million. Freezing certain non-defense agencies' budgets for printing costs at the FY04 levels, which would otherwise be increased, brings the total amount of offsets to $173 million.

To get the remaining $157 million, one can freeze a number of combinations of proposed FY04 increases for "other services" of non-defense agencies. This includes, but is not limited to, increases to the Departments of Commerce, Energy, the Judicial Branch, and the FDIC. The portions of the government that I just listed total $365 million so this is more than enough. When added to the ones listed above, this is $538 million in offsets.

The use of Function 920 to pay for these offsets, which are spread over a range of different functions, is appropriate in this case. This is the type of offset that Function 920 was established to accommodate.

These are not my numbers they are OMB's. I encourage my colleagues to read the Object Class Analysis documents for further information.

I could go on, but we get the point. There is enough flexibility in this budget to do a tiny bit of belt tightening in order to save lives overseas, build goodwill towards the United States, and reduce the conditions—poverty, sickness, and despair—that help terrorists gather fresh recruits.

It may mean a few less paper clips or a few less glossy brochures, but the savings will be well worth it.

The President's national security strategy recognizes the essential role of foreign aid. But while we read about the importance of foreign aid, we don't see it throughout the President's budget request.

Most of us have praised the President's budget for significant increases for the Millennium Challenge Account—MCA—and to combat HIV/AIDS. However, I have serious concerns because a portion of these increases are paid for by robbing other essential programs, like health care and food aid. Our amendment would restore some of these cuts.

Putting AIDS aside, the President's budget cuts essential international health programs by 11.4 percent.

It would cut programs to combat other infectious diseases like measles, which kills 1 million children—not 100,000 or 200,000—but 1 million children each year. Measles can be prevented with a simple vaccine that costs pennies. Yet in many poor countries they cannot get it.

The President's budget would cut programs to combat measles and other infectious diseases like SARS, ebola and malaria, by 24 percent.

The President's budget would cut programs for vulnerable children by 64 percent. These programs help provide the basic necessities of life to orphans, street children, and children whose lives have been turned upside down by war.

Child survival and maternal health programs are also cut. These are the programs that provide lifesaving child immunizations. They also help to reduce needless pregnancy-related deaths each year. Six hundred thousand women die from pregnancy related causes. Almost all of these deaths could be prevented.

We should be moving aggressively to increase funding for these successful programs—not reduce funding.

This is not a partisan issue. Over the past 6 years, Democrats and Republicans have worked side-by-side to increase funding for international health. Funding for AIDS is going up, but it is going up at the expense of programs to combat other diseases which also cause millions of deaths. Preventable deaths. And curable diseases. This is unacceptable.

We cannot save every life. Our international health budget is less than the health budget of my own tiny State of Vermont. The President's budget would cut it even more. Our amendment would at least protect these programs from further cuts.

Less than 1 percent of the Federal budget is used to combat the conditions that cause poverty around the world. This is woefully inadequate. It shortchanges America's future. It invites insecurity.

One would have thought that if September 11 taught us anything, it was that business as usual is no longer tolerable. As I have said before, the President deserves credit for the Millennium Challenge Account and for increasing funding for HIV/AIDS.

But, I ask Senators to look behind the curtain to see these are funded. Some is new money. Sadly, some is from cuts to other essential humanitarian programs.

If we are going to lead, and especially if we are going to ask others to do more, we are going to have to stop playing shell games with the foreign aid budget. Leadership is good policy. Leadership means resources.

I yield the floor.

Mr. BAUCUS. Mr. President, securing this nation's borders and keeping Americans safe from terrorist threats is of the utmost importance to this body. That is why I support the men and women who serve this country. Thousands of men and women are currently deployed in Iraq, Afghanistan and other parts of the world. We count on so many of these brave men and women to protect our communities at a moment's notice and for that, too, we thank them. We want them to come home safe to their families, and to find good jobs and good healthcare waiting for them.

The State of Montana, known affectionately for its "big sky" and small population, plays a key role in protecting this nation. At the core of this country's national defense is the ICBM program maintained by Malmstrom Air Force Base. This program must be fully modernized and I support Malmstrom's mission 100 percent.

Montana also shoulders a unique responsibility to protect this nation due to the 600-mile land border—the equivalent distance of Washington, DC, to Chicago—we share with Canada. This border is porous and topographically diverse and it constitutes the front line in the war on terrorism. We have to make sure we not only have enough agents at the border, but that we get them the equipment and technology they need to secure Montana's borders, and to head off any threats directed toward populations and infrastructure anywhere else in the country.

Though not every state has an international land border it must secure, every state has the sacred duty to protect the people who call it home. In the past 2½ years, the states, with federal assistance, have made strides in emergency planning and terrorism preparedness. We need to give our first responders the training, equipment, personnel and resources that they need. But we're not there yet and we've got to stay the course. That's why I joined 22 of my colleagues in the Senate in urging the Budget Committee to find a way to restore $1 billion dollars to the State Homeland Security Grant program that was cut from the fiscal year 2005 budget. Montana's first responders rely almost entirely on this assistance for their terrorism preparedness efforts.

But that's not enough. We need to make sure that our state and local law enforcement get the funding they need if we expect them to protect our communities and prevent the threat of terrorism. How can we expect our communities to fight the war on terrorism if we aren't willing to fund it well enough to win?

The same people who prepare for the unthinkable terrorist plot must also plan for nature's devastation, which our state knows all too well. These brave people serve their communities and their nation without regard for the risks they take. We ought to be thanking them. We ought to get them the personnel and resources they need and I am committed to finding the way to do that. The money needs to be there for coordinated communications for state, local and federal agencies, for fire fighters and emergency managers, so that they can save time and save lives in the event of any disaster we'd rather not imagine.

Security in Montana is more than knowing our borders and communities are protected. It is also knowing that our children are receiving the top notch education we have come to expect. Montana schools have made do with too little for too long. It is access to affordable health care. Unfortunately, access to health care remains a challenge for many, particularly Native Americans and Veterans. It is critical that the necessary resources are provided in Indian Health Services and Veterans Administration.

Unfortunatley, it is commonplace for Native Americans seeking care from Indian Health Service to be denied essential services that most of us simply take for granted. This is a problem.

I believe we also owe it to our veterans to better attend to their medical needs. Surely the greatest nation in the world should be able to keep their promise to the veterans who have fought for and protected our nation.

There are many challenges that face us now. By working together, we will make America stronger.

This week throughout the Senate's debate on the budget several very good amendments, including several on issues I just mentioned, were offered that I, unfortunately, could not support. I do not believe that we need to roll back tax relief that Congress enacted in 2001 to fund this amendment. I supported those 2001 tax cuts. Congress enacted them in a time of massive surpluses. Returning some of those surpluses to the taxpayer was the right thing to do.

We can find other offsets to pay for the spending in this amendment. Offsets like the closing of corporate tax shelters currently pending in the JOBS bill come readily to mind. Before we start rolling back the tax relief that we enacted in 2001, we should ensure that we have taken all reasonable steps to obtain revenues through closing down abusive tax shelters.

I shall look forward to working with my colleagues to find other offsets for their amendments—offsets that as much as possible avoid rolling back the tax relief that we enacted in 2001.

Mr. FEINGOLD. Mr. President, first, I want to offer my congratulations to our Budget Committee Chairman, Senator DON NICKLES, for his efforts to craft a budget. He has announced that he will retire from this body at the end of his current term, and so this will be his last budget resolution, and his work on the Budget Committee and in this body deserve recognition. Though I oppose the budget resolution he produced in committee, and that was approved by this body, I have nothing but the greatest respect for the author of that document.

Let me also note that the resolution passed by the Senate is an improvement on the disastrous budget the President proposed, and I credit Chairman NICKLES with a great deal of that improvement. In particular, I want to commend him for including at least some of the expected cost of our military operations in Iraq and Afghanistan in his mark. Though it is still far short of what our best estimates tell us will be needed, it is a great improvement to the "head in the sand" approach adopted in the President's fiscal year 2005 budget proposal. I regret the committee did not support my amendment to more adequately and honestly budget for our operations, and I very much hope that as it comes out of conference, the final version of the budget resolution will adopt the approach I have advocated—forthright budgeting that pays for our operations instead of shoving the cost onto future generations.

I regret that this theme of "buy now pay later" pervades this budget, as it has for the past 3 years. This resolution heads our budget in the wrong direction. As our distinguished Ranking Member, Senator CONRAD, has noted, when compared with current policies as represented in the CBO baseline and as adjusted by taking out last year's supplemental appropriation for our operations in Iraq and Afghanistan. this budget resolution further worsens the budget bottom line. Budget deficits will be greater, and Government debt will be larger under this budget.

That means that this budget further adds to the burden our children and grandchildren already bear because of the fiscal recklessness of the past three years.

In one important respect, this resolution is a significant improvement over the version reported out of committee, because it restores some of the budget enforcement we so desperately need as we face massive budget deficits for years to come. I was pleased that the Senate approved my amendment to reinstate the discipline of the PAYGO rule which requires that all new mandatory spending and all new tax cuts be offset or be subject to a point of order. As it came out of committee, this resolution maintained the far weaker rules embedded in last year's budget resolution, inviting further damage to the budget, and further debt to be heaped on the backs of future generations. With the adoption of my amendment, the Senate has taken an important step toward turning around the rapidly deteriorating budget position.

This resolution is also an improvement over the original mark offered by the chairman because of an amendment adopted in committee that facilitates the reimportation of FDA-approved prescription medicines that I was proud to join with Senator STABENOW in offering. Our amendment will not only save money for those who rely on those medicines, but it also will reduce our budget deficits and save taxpayers billions of dollars.

And I should note that this resolution does not rely on revenues raised by drilling for oil in the Alaska National Wildlife Reserve, and I want to express my thanks to the chairman for responding to the appeal a number of us made with respect to this issue. I was prepared to fight to remove such language, and I think the chairman was wise not to rely on revenue assumptions that have always been questionable, and that were at risk of being removed from the resolution.

The resolution was also improved on the floor when the body adopted an amendment offered by Senator BAUCUS which stripped the reconciliation instruction that would have severely limited consideration of the issues surrounding the proposed significant reshaping of Medicaid. The President's proposed changes to that program would put thousands of Wisconsin's most vulnerable residents at risk, and the Baucus amendment will make it harder for Congress and the White House to gut this essential safety net.

I regret the body did not adopt amendments offered by the Senator from Maryland, Mr. SARBANES, and by the Senator from North Dakota, Mr. DORGAN, that would have provided needed support for our first responders, who are on the front lines in our fight against terrorism. The administration did not include adequate support in its budget, nor did the resolution as it came out of committee, and the Senate failed to correct that defect when it rejected those amendments. This is an area of funding as critical to the security of our country as any other, and while I was pleased to support another amendment in this area, offered by the Senator from Maine, Ms. COLLINS, and the Senator from Michigan, Mr. LEVIN, to provide a portion of the resources that are needed, I very much hope further improvement can be made before Congress takes final action on the resolution.

I was also disappointed that the Senate did not act to improve the measure by returning to the "polluter pays" policy that served us so well for many years. I was pleased to join with the Senator from New Jersey, Mr. LAUTENBERG, in offering an amendment to do just that, and I regret that this sensible policy was rejected.

While the Senate failed to add that provision, it did adopt an amendment I strongly supported, to increase funding to support state compliance with Federal clean water standards. The goal of that deficit neutral amendment is to provide $3.2 billion for the Clean Water State Revolving Fund and $2.0 billion for the Safe Drinking Water Act Revolving Fund, both vitally important programs that were not adequately funded by the President in his budget submission.

As I noted earlier, this budget heads us down the wrong fiscal path. If we are ever to climb out of the deficit ditch again, we need to start now. Unfortunately, this resolution, though an improvement on what the President proposed, still leaves us worse off than merely extending current policies.

We must do better than that if we are to avoid heaping even more debt onto the already enormous burden our children and grandchildren must bear.

NOMINATION OF NEIL WAKE

Mr. KYL. Mr. President, I support the nomination of Neil Wake to the Federal District Court for the District of Arizona.

Neil Wake is an Arizona native and has practiced law for 29 years in Phoenix as a partner in several law firms and most recently as the sole proprietor of his own firm. Mr. Wake received a bachelor's degree with honors from Arizona State University in 1971 and a law degree, cum laude, from Harvard University, in 1974, where he was a member of the Harvard Civil Liberties Law Review.

His law practice has focused almost entirely on civil litigation. He has handled a wide range of business litigation, administrative and public law litigation, and constitutional litigation under the federal and state constitutions. He has practiced extensively in both state and federal courts, in trial courts and appellate courts, including the Supreme Court of the United States.

Mr. Wake has spoken often at continuing legal education programs on civil procedure, administrative law and judicial review of government action, appellate practice and procedure, and other subjects. He has published articles in the fields of administrative law and appellate procedure.

Mr. Wake has received high recognition from his peers at the bar. Since 1989 he has been listed in The Best Lawyers in America for business and appellate litigation upon recommendation of other lawyers so listed. Less than 1 percent of attorneys are so recognized. Since 1993 he has been a Fellow of the American Academy of Appellate Lawyers, a professional society of fewer than 300 members nationwide who are admitted by invitation only and after careful investigation. The American Bar Association's standing committee on Federal Judiciary unanimously gave Mr. Wake its highest evaluation of well qualified for appointment as a Judge of the United States District Court.

He has given many years of service to the bar, to the courts, and to the community. He has served for nearly 20 years on the Arizona State Bar's Committee on Civil Practice and Procedure and for over 20 years on the State Bar's Appellate Handbook Committee. He is a founding member of the State Bar's Indian Law Section and its Appellate Practice Section, of which he is now the Chairman. He has served five times as a judge pro tempore of the Arizona Court of Appeals and is a Member of the National Board of Visitors of The University of Arizona College of Law. He and his wife Shari and other parents founded ICU Care Parents, a support group for parents of critically ill newborns.

Mr. Wake and his wife Shari are the parents of three sons, ages 21, 18, and 10.

Neil Wake will be an outstanding addition to the bench.

THE PROBE INTO THE IMPROPER ACCESS OF JUDICIARY COMMITTEE COMPUTER FILES

Mr. LEAHY. Mr. President, yesterday the Judiciary Committee met in public session to discuss how best to proceed with the investigation into the theft and dissemination of confidential Judiciary Committee computer files. Over the last several weeks and months Democratic Senators have shown great patience with the process.

Last week, the chairman of our committee made the report of the Sergeant at Arms into this matter publicly available. For days, Senators have been consulting about the follow-up investigation that is now needed. Over the last few weeks a number of Senators, Republicans and Democrats, have acknowledged that these matters, now documented in the report of the Senate Sergeant at Arms, warrant further consideration by law enforcement officials. Along with other Senators, I have reached across the aisle to urge all Senators to now join us in a request for a special counsel to conduct the investigation necessary to complete action and assure accountability for this unprecedented partisan espionage within the Senate. Yesterday I renewed that invitation to join in our request for the appointment of a special counsel of the highest integrity and independence to follow up on this matter.

I had hoped that we could move forward together, and yesterday we did achieve a bipartisan majority of the Judiciary, which has now joined in requesting a criminal investigation by an independent prosecutor.

On Wednesday, March 10, nine Senators on the committee sent a letter to the Justice Department seeking the appointment of special counsel in this matter. Thursday morning, March 11, nine Republican Senators wrote to Chairman HATCH and noted:

> [W]e are now certain that only a determination by a professional prosecutor as to whether any laws were violated will bring this matter to a just and timely resolution.

Yesterday all members on the Judiciary Committee endorsed having a professional prosecutor free from politics consider these matters without regard to partisanship.

Last night Republicans and Democrats joined in another letter to the Justice Department to request "appointment of a prosecutor of the highest integrity and independence to investigate and, if appropriate, prosecute all potential crimes related to the access and dissemination of Judiciary Committee staff files" outlined in the report by the Senate Sergeant at Arms.

Someone who is removed from politics is essential. As we outline in our March 10 letter, many of us are concerned that it be special counsel and that the Attorney General recuse himself from the process for a number of reasons. In the March 12 letter from Senators SCHUMER, GRAHAM, DURBIN, CHAMBLISS, KENNEDY and DEWINE, they likewise note that the prosecutor handling the matter must be "free from all conflicts and appearances of conflict." They suggest that Patrick Fitzgerald, who has been given responsibility for the investigation of the lead of CIA operative Valerie Plame's identity, would be an "ideal candidate" and that his mandate is a good model for that of the prosecutor to whom is assigned responsibility for investigation of the matter of the Judiciary Committee computer files.

With respect to the Sergeant at Arms' report, I, again, thank him and his staff for operating in a nonpartisan way and in the best tradition of the Senate. The report shows, without question, that the secret surveillance and stealing of confidential computer files was calculated, systematic and sweeping in its scope. After reading the report, there is a lot more that we do know: We know that more than 4,000 computer files were stolen. We know that the stealing of Democratic computer files occurred over an extended period of time, from at least 2001 into 2003. We know that numerous staff members of Republican Senators and Republican Senate leadership were aware of this activity. We know that what was done was improper, unethical and likely criminal.

However, after reading the report, there is still a lot that we do not know. We do not know how the computer files and the information contained therein were exploited. We do not know whether the stolen computer files or the information in them were shared with the Department of Justice directly or indirectly. We do not know whether they were shared with the White House directly or indirectly. We do not know whether they were shared with any of the nominees. We do not know what stolen files or information contained therein was shared with partisan advocacy groups on the right. Those are among the questions that a special counsel with the tools to conduct a criminal investigation and compel testimony and information may discern. Indeed, the Sergeant-at-Arms report acknowledges many of its limitations and those on the authority of that office to get all the facts.

I hope Senators who care about accountability and the rule of law, and those interested in repairing the damage by this unprecedented spying campaign will support our request for the prompt appointment of a special prosecutor to conduct the criminal investigation into the theft of our computer files that is still needed. I hope the Justice Department will move quickly, properly assign this matter, and conduct an investigation to get to the bottom of the unprecedented wrongdoing that we have suffered.

I ask unanimous consent that copies of the letters of March 10, March 11 and March 12 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, March 10, 2004.

Hon. JOHN D. ASHCROFT,
Attorney General, U.S. Department of Justice, Washington, DC.

DEAR ATTORNEY GENERAL ASHCROFT: We write to request that the Department of Justice open a criminal investigation into the theft and use of Democratic computer files from the Senate Judiciary Committee computer server and appoint a special counsel to conduct that investigation.

A criminal investigation into the theft and use of these files is warranted. In addition to press accounts since the middle of November 2003 about the stolen computer files, there has been an investigation by Senator Hatch of his staff and a Senate Sergeant-at-Arms inquiry into this matter. Neither of these investigations had the tools a federal prosecutor has available to compel testimony or subpoena evidence in order to investigate fully who stole or spied on Democratic computer files and how the stolen files were used.

Based on the recent report of the Sergeant-at-Arms, it appears that from some time in 2001 until at least the spring of 2003, and possibly until November 2003, staff of Republican Senators stole and used information from internal and confidential Democratic office computer files, including memoranda from counsel to Senators. Republican staff knowingly exceeded authorized access and intentionally accessed materials on government computers which they knew, from the directory and subdirectory titles, they were not entitled to access, and thereby obtained information used for their advantage and possibly in violation of law. They read, download, printed, and used such files for their own personal and partisan purposes. Employees from Senator Hatch's Judiciary Committee staff and from Majority Leader Frist's Republican Senate leadership staff have resigned in connection with these activities. We believe that the unauthorized accessing, reading, downloading, printing, and use of these files constitute violations of multiple federal and local criminal laws and warrant criminal investigation.

It would be in the public interest to appoint an outside special counsel to investigate these crimes because of the conflict of interest these cases present to the Department. We also respectfully suggest that it would be appropriate for you to recuse yourself from the consideration of this request for a special counsel. Your direct involvement in this matter would present a conflict of interest due to your recent service as a United States Senator and your close personal and political relationships with some of the Senators whose offices are subjects of the investigation and with other Members of the Judiciary Committee. In addition, several former Republican Judiciary Committee staff members, including two with supervisory responsibilities during the period in question, now serve in senior positions within the Department of Justice and others have in the recent past.

Among the many outstanding questions is whether the stolen computer files or information derived therefrom was shared with the Department of Justice or White House directly or indirectly. You and your staff were actively engaged in issues relating to judicial nominations during the period when the activities at issue here were being carried out. As you know, a number of Senators recently wrote to ask about your and the Department's knowledge of, or involvement in, the matter of the stolen computer files and information derived therefrom. Any thorough investigation would have to address these issues as well.

Only a special counsel can investigate this matter in a manner that will have credibility with the public. It is plainly in the public interest to appoint a special counsel. Political appointees should not investigate this matter when the very purpose of the wrongdoing was to assist with politically sensitive judicial confirmations sought by this Administration and managed, in large part, by the Department. We trust that you, or your designee, will agree that a special counsel with a reputation for integrity and impartial decisionmaking and with appropriate experience and resources should be appointed to conduct such an inquiry. Among those resources would be the expertise of the Computer Crimes and Intellectual Property Section of the Criminal Division, which has assisted in the investigation and prosecution of similar federal crimes. We respectfully request that a special counsel of the highest integrity and independence be appointed and that the special counsel receive a broad and clear mandate for independent action, including the discretionary ability to report to Congress and to the public and protection against termination unless the appointing official finds and certifies to extraordinary improprieties.

Thank you for your prompt consideration and action in response to this request.

Sincerely,

Patrick Leahy, U.S. Senator; Herb Kohl, U.S. Senator; Charles E. Schumer, U.S. Senator; Edward M. Kennedy, U.S. Senator; Dianne Feinstein, U.S. Senator; Richard J. Durbin, U.S. Senator; Joseph R. Biden, Jr., U.S. Senator; Russell D. Feingold, U.S. Senator; John Edwards, U.S. Senator.

U.S. SENATE,
Washington, DC, March 11, 2004.

Hon. ORRIN G. HATCH,
Chairman,
Senate Committee on the Judiciary.

DEAR CHAIRMAN HATCH: A week has passed since the public release of the Report on the Investigation into Improper Access to the Senate Judiciary Committee's Computer System (Mar. 4, 2004) prepared by the Sergeant at Arms of the United States Senate. The Sergeant at Arms' report sets forth in great detail factual findings regarding the improper access of computer files belonging to Democratic staff members of the Senate Committee on the Judiciary (the committee) by two former Republican committee staff members. As explained in the Sergeant at Arms' report, this investigation was initiated in November of last year, shortly after the Wall Street Journal and Washington Times printed articles in which they acknowledged receipt of Democratic staff memoranda.

While it is not our place as members of the committee to decide whether any of the acts described in the Sergeant at Arms' report constitute criminal violations of Federal law, we nevertheless are convinced that this is a very serious matter that needs to be reviewed and considered by the proper authorities at the earliest opportunity. As you know, our goal has always been to approach this investigation in the least politicized manner possible. We had hoped that the committee would debate the proper course of action and arrive at a bipartisan agreement on how to proceed with the information revealed in the Sergeant at Arms' report. However, we are now certain that only a determination by a prosecutor as to whether any laws were violated will bring this matter to a just and timely resolution. We commend your commitment to a thorough investigation of this matter as it affects the very integrity of our committee.

Sincerely,

Jon Kyl, John Cornyn, Jeff Sessions, Larry E. Craig, Mike DeWine, Arlen Specter, Lindsey O. Graham, Charles E. Grassley, Saxby Chambliss.

U.S. Senate,
Committee on the Judiciary,
Washington, DC, March 12, 2004.

Hon. John D. Ashcroft,
Attorney General, U.S. Department of Justice, Washington, DC.

Dear Attorney General Ashcroft: We write to request that the Department of Justice appoint a prosecutor of the highest integrity and independence to investigate, and, if appropriate, prosecute all potential crimes related to the access and dissemination of Judiciary Committee staff files outlined in the attached Report from the Senate Sergeant at Arms. We consider this breach of Senators' privacy to be a matter of the utmost seriousness. While we very much appreciate the fine work of the Sergeant at Arms, we note that the attached Report itself suggests many avenues of additional inquiry that have not been—and indeed could not have been—pursued by this preliminary Senate investigation.

Because of the potential for perceived and actual conflicts of interest, the undersigned members of the Judiciary Committee agree that this matter must be handled by a professional prosecutor who is free from all conflicts and appearances of conflict—or, if appropriate, a special counsel—who has full investigatory, charging and reporting authority; who will conduct a thorough investigation; and who will not be removable from this assignment except in case of extraordinary improprieties. Patrick Fitzgerald, the U.S. Attorney for the Northern District of Illinois, has been given such independence in the investigation of the leak of CIA operative Valerie Plame's identity, and we believe that his mandate should be a model for the mandate of the prosecutor in this case. Indeed, we agree that Mr. Fitzgerald himself would be an ideal candidate for this investigation as well. At a minimum, any special counsel or other prosecutor appointed in this matter should be of Mr. Fitzgerald's integrity and have the same degree of independence.

Sincerely,

Charles Schumer.
Richard J. Durbin.
Edward M. Kennedy.

Saxby Chambliss.
Mike DeWine.

CONFIRMATION OF JUDGE LOUIS GUIROLA

Mr. LOTT. Mr. President, I am delighted that the Senate unanimously confirmed Judge Louis Guirola by a vote of 92–0 to be a United States District Court Judge for the Southern District of Mississippi. Judge Guirola has been serving our country and the State of Mississippi as U.S. magistrate judge for the Southern District of Mississippi. I have known Judge Guirola for well over 20 years and was pleased when the President nominated him to fill the U.S. District Court judgeship that is being vacated by Judge Walter J. Gex, who is taking senior status. I am pleased that the Senate was able to efficiently do its work of advising and consenting on this nomination in order to guarantee the smooth operation of our Federal justice system.

Judge Guirola is a 1979 graduate of the University of Mississippi Law School, and he received his undergraduate degree from William Carey College in 1973. He has had a distinguished career in the law over the past quarter of a century and has gained broad experience from the various positions he has held. He has served as an assistant district attorney, an attorney in private practice, an attorney for the Jackson County Board of Supervisors, and an attorney for the Mississippi Highway Department.

Judge Guirola began his Federal service as an assistant U.S. Attorney for the Eastern District of Texas in 1990, and he was named as a U.S. magistrate judge for the Western District of Texas in 1993. He served in this position until 1996, when he returned to Mississippi to become a U.S. magistrate judge for the Southern District of Mississippi, the position he currently holds. He clearly has an extensive knowledge of the Federal court system, and his experience will be a tremendous asset for the country. It is no surprise that the ABA's Standing Committee on the Federal Judiciary has unanimously found Judge Guirola to be "well qualified" to serve as a Federal district court judge.

Judge Guirola has also demonstrated a commitment to education and instruction. He has been an adjunct professor at William Carey College and the University of Southern Mississippi. He also has given lectures and conducted seminars for the U.S. Attorney General's Advocacy Institute, the Federal Bar Association, the Mississippi Bar Association, the Mississippi Law Enforcement Officers Academy, the Texas Department of Public Safety, and the U.S. Probation Office. In addition, he has authored a number of legal articles and scholarly pieces.

Judge Guirola is well-known and respected in his community, State and profession. His nomination has received widespread support in the State of Mississippi because of his reputation for fairness and hard work. I know that Judge Guirola will make an excellent district court judge, and I congratulate him on his confirmation by the Senate.

JUDICIAL CONFIRMATIONS

Mr. LEAHY. Mr. President, last night the Senate confirmed two more Federal judicial nominees of President Bush: Judge Louis Guirola to the Southern District of Mississippi and Neil Wake to the District of Arizona. With these confirmations, the Senate has now confirmed 173 judicial nominees of this President. That is more than during the entire four years of the first term of President Reagan, from 1981 through 1984, and just two fewer than were confirmed in all 4 years of President Clinton's second term in office from 1997 through 2000. We have reduced the number of vacancies in the Federal courts to 43, the lowest number in more than 13 years.

These two confirmations bring to four the number of judicial nominees confirmed in the first few weeks in session this year. The American people should remember that the Republican Senate leadership in 1996 allowed only 17 judicial nominees of President Clinton to be confirmed all year. I remain confident that with the cooperation of the administration, the Senate this year will be able to match the total from that Presidential election year, the last year of President Clinton's first term. We are well ahead of the pace Republicans achieved in 1996. The four judges confirmed so far this year is four more than were confirmed on this date in 1996.

The two nominees confirmed last night had their hearings this year but two others, J. Leon Holmes and Judge Dora Irizarry, had hearings last year, were reported by the Judiciary Committee last year, and still have not been scheduled for a vote by the Republican leadership. Democrats have been ready to debate and vote on these nominees for many months. They have generated some controversy and will need to be debated before the vote, but there is no Democratic "hold" on either nomination of which I am aware and no Democratic objection to a full and fair debate on each as far as I know.

TERRORIST ATTACKS

Mr. GRAHAM of Florida. Mr. President, yesterday, March 11, 2004, was a solemn day.

Two and a half years ago to the day, 19 terrorists hijacked four airliners and crashed them into the World Trade Center, the Pentagon, and a field in rural Pennsylvania.

It is fitting that we pause today to remember the nearly 3,000 innocent people who lost their lives that day. It is also fitting that we take a moment to remember the responsibilities that we undertook in the aftermath of those horrible events. We in public office undertook a particularly important obligation, as we vowed to take action to prevent terrorist attacks of that magnitude from happening again.

In his speech delivered before a joint session of Congress on September 20, 2001, President Bush put it this way: "Americans are asking, How will we fight and win this war? We will direct every resource at our command—every means of diplomacy, every tool of intelligence, every instrument of law enforcement, every financial influence, and every necessary weapon of war—to the disruption and to the defeat of the global terror network.

Unfortunately, we have not met that commitment.

We now know that the terrorist attacks of September 11 were the result of a sophisticated plot that developed over many months and required coordination among a number of individuals. If our national intelligence agencies had been better organized and more focused on the problem of international terrorism, this tragedy would have been avoided.

Incredibly, it is now 30 months later, and the basic problems in our national intelligence community that contributed to our vulnerability on 9/11 have not yet been seriously considered, much less resolved.

These problems are not a mystery, they are known weaknesses that simply have yet to be fixed. If we in the Congress do not take action to remedy these weaknesses, we will not be able to avoid accountability for the next attack.

A series of independent commissions and the Joint Inquiry conducted by the House and Senate Intelligence Committees in 2002 have identified a variety of issues that we must address. They fall into four categories:

One, setting priority targets for intelligence collection and analysis.

Director of Central Intelligence George Tenet declared war on al-Qaida in 1998, but few in the CIA—and almost no one in the other agencies that make up our Intelligence Community—responded to his clarion call.

Our national intelligence agencies continued to focus on states, such as Russia, China, Iran and Iraq. Despite Mr. Tenet's call for action, Osama bin Laden al-Qaida was not even near the top of our intelligence priority list on September 11, 2001. It was not until September 12 that they moved to the top of the list.

Part of the problem was that our intelligence community had no formal process for regularly reviewing and updating intelligence priorities to ensure that they accurately reflected the current security environment.

Furthermore, it does not appear that the heads of other intelligence agencies looked to the Director of Central Intelligence for leadership and priority-setting.

Even though George Tenet may have realized that non-state actors like al-Qaida needed more attention, the importance of these groups was not clear to other members of the intelligence community. The head of the National Security Agency, our Nation's electronic eavesdropping agency, was asked if he knew about Mr. Tenet's declaration of war with al-Qaida.

The director of the NSA said that yes, he was aware of Mr. Tenet's statement, but he did not think it applied to him or his organization.

Two, providing strong new leadership for the intelligence community.

Examples like this make it clear that we need to provide strong new leadership for the intelligence community. 9/11 exposed historic tensions within the Intelligence Community, and between intelligence agencies and law enforcement.

We need to empower a Cabinet-level official with the authority to end bureaucratic in-fighting and competition for resources, as well as ensuring the sharing of information among all of those charged with protecting our homeland security—including first responders at the State and local level.

In many ways, our national intelligence community has resembled, and still resembles, a collection of independently operating actors, rather than a unified team that works together on counterterrorism and other missions.

Before 9/11, there were a number of barriers that prevented information from being shared among various agencies, and while many formal barriers have been removed, many informal ones remain in place.

Our joint, bipartisan congressional inquiry revealed that in the months before the September 11 attacks, our national intelligence agencies collected pieces of information that, taken as a whole, could have been used to disrupt al-Qaida's hijacking plot.

Unforunately, this information was not shared with all of the right people, and helpful actions were not taken.

The CIA was aware that two terrorists associated with al-Qaida had obtained visas for travel to the United States, but it did not share this information with border protection agencies, or with the FBI, which could have kept an eye on these men once they were in the country.

The FBI was aware that a man arrested in Minnesota might have been planning a suicide hijacking, but it did not share this information with the Federal Aviation Administration, which could have increased security precautions on domestic flights.

Better information sharing between the FBI and CIA, as well as other intelligence agencies, could have increased the intelligence community's overall awareness of terrorist activities. And better information sharing between the intelligence community and all the various agencies who contribute to our homeland security could have helped these agencies move to an appropriate level of alertness. We have an obligation to make sure that better information sharing takes place, and the consequences of failure could be very high.

Three, setting priorities for limited resources.

A Cabinet-level official with authority over intelligence could also set priorities for limited intelligence resources.

The Intelligence Community did not adapt quickly enough after the end of the Cold War, during which we had come to rely more on satellites than on human assets—spies. There was no collective sense of importance within the Intelligence Community, including the Department of Defense, and as a result, investments in research and development—which were once a priority—suffered slippage.

Nearly all intelligence agencies faced significant staff shortages prior to 9/11, and this had a serious impact on their effectiveness. At the Central Intelligence Agency, for example, many critical counterterrorism personnel were required to work long hours without relief. This obviously made these personnel less effective, and had a very negative effect on their morale.

Other intelligence agencies, such as the National Security Agency and the Federal Bureau of Investigation, faced similar staffing problems. In particular, these agencies lacked sufficient numbers of analysts and language specialists to support agents working in the field.

When agency directors tried to create solutions to these personnel problems, they were often unable to implement them.

The lack of clear counterterrorism priorities made it difficult for managers to reassign personnel from other areas. Moving money was almost as difficult as moving people, since intelligence community managers have limited budget authority.

Incredibly, these problems are still with us today. While all of our intelligence agencies have increased in hiring and training of counterterrorism personnel, many of them continue to face resource and personnel problems. Even relatively small shifts of resources still must go through a lengthy approval process, and it is not always possible to assign enough people to important areas.

Prior to 2001, many CIA officials knew that more agents were needed in Afghanistan, but they were unable to move resources away from other priorities. By giving our intelligence agencies more budget flexibility, we can empower them to address problems further in advance, and begin thinking about solutions, instead of waiting for a crisis to occur before taking any action.

Long term planning is also constrained by the process we use for funding our intelligence agencies. Instead of providing them with a sustained, stable source of funding, we insist on giving them relatively small budget allocations, and then increasing this through the use of supplemental appropriations bills. Counterterrorism programs have relied heavily on these supplemental appropriations for several years, and this continues today in spite of repeated claims that we have increased our focus on counterterrorism.

If we wish to get the most out of our investment in counterterrorism, we must make it possible for Intelligence Community directors and managers to engage in long term planning, rather than simply jumping from one crisis to the next.

Of course, increased flexibility must be accompanied by increased oversight. As hard as it is for most Americans to believe, the Intelligence Community has only a vague idea of how much money it spends on counterterrorism.

Most agencies do not regularly examine how much they spend on counterterrorism, and those that do use inconsistent accounting methods—and often base their data on rough estimates.

If we do not know how much we are spending on counterterrorism priorities, it will obviously be very hard for us to see if our investment is being spent wisely. A cost-benefit analysis from an independent agency would be very helpful in this regard, but so far there have been no serious efforts to undertake such an effort.

Four, establishing a competent domestic counterterrorism capability.

Finally, we must begin establishing a competent domestic counterterrorism capability.

The FBI has looked at its intelligence-gathering role through the prism of a law-enforcement agency. If asked how many suspected terrorists or terrorist sympathizers are estimated to live in any given major American city, the FBI would respond with the number of open investigative files its field office had there.

Americans have to decide what we expect of our domestic intelligence-gathering capability—and how much intrusion into our personal lives we are willing to accept.

Then we must make a choice: Can we accomplish our goal with an agency that has a mixed law-enforcement and intelligence-gathering mission, or should we create a separate domestic intelligence-gathering unit such as Great Britain's MI5?

For the immediate future, our national security interests are best served by acting to make the FBI as effective as it can be. However, we must also consider our other options and decide if we can do better.

The FBI continues to perform its intelligence mission in a commendable fashion, but detecting and disrupting terrorist plots before they can be executed requires a very different approach than apprehending perpetrators of crimes that have already taken place.

If we look around the world, we can see that there are many different models for domestic intelligence gathering, and many different models for domestic law enforcement. Here in America we must decide what sort of institution best fit our needs and circumstances, and as these circumstances change, we should not be afraid to make our institutions change as well.

This must first begin with a debate over the best possible structure for our domestic intelligence and law enforcement programs. I am sorry to say this debate has not yet taken place.

The problems that I have discussed today need to be fixed as soon as possible. Ignoring them will not make them go away. Old habits, differences in agency culture, and bureaucratic inertia are not acceptable excuses for procrastination and delay.

If we do not address them quickly and effectively, we will be blind to emerging threats, and we will leave ourselves vulnerable to future attacks.

On the other hand, if we can repair these weaknesses then we can give the hard-working men and women of our Intelligence Community the tools they need to help prevent such attacks from taking place.

As we reflect on the horrific events that stunned our Nation two and a half years ago, and pay tribute to those who lost their lives, we must recommit ourselves to our responsibility to do everything we can to prevent such events from happening again.

If there is another terrorist attack in our country, the American people will look to their elected leaders and ask us what we learned from September 11, and how that information was used to protect them.

We must be able to tell both those who lived—and those who died—that we did everything we could.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

In Dix Hills, NY, in March 2000, a young man's remains were found in a plastic container in a park in Queens. The teen's social security number and racial and anti-homosexual epithets were written on the skull with a marker.

I believe the Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

LOWER OIL PRICES

Mr. LEVIN. Mr. President, last night the Senate voted to accept the amendment I offered with Senator COLLINS to the fiscal year 2005 budget resolution to lower oil prices by placing over 50 million barrels of oil on the open market rather than depositing it in the Strategic Petroleum Reserve—SPR—as the administration had planned. I would like to note for the record that this amendment already is accomplishing its objective of lowering oil prices. At 11:30 a.m. this morning, just hours after the news of this amendment reached the markets, oil prices fell. According to Reuters, "NYMEX crude oil futures fell more than $1 Friday morning after a U.S. Senate vote seeking to bar more shipments of crude oil to the U.S. emergency stockpile."

This amendment is a win-win for the American people. Low supplies of oil in private inventories are a main reason for high prices. With more oil on the open market, prices for gasoline, heating oil, jet fuel and diesel fuel will decline and consumers will benefit. At the same time, our cities and States will gain from additional funds for homeland security.

The amendment directs the Department of Energy—DOE—to cancel delivery of 53 million barrels of crude oil currently planned for deposit into the SPR and to sell this oil on the open market. By selling oil on the open market, the Federal Government would generate over $1.7 billion in additional revenues. The amendment would allocate a portion of the $1.7 billion for deficit reduction and place the remainder in a reserve fund to be used for more homeland security funding for the States.

I will continue to work within the Congress to persuade—or require, if necessary—the Administration to suspend shipments of oil to the SPR to lower prices further.

I ask unanimous consent that the attached article on the drop in oil prices due to the Senate's action last night be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Reuters News Service, Mar. 12, 2004]

NYMEX OIL FALLS OVER $1 ON POSSIBLE SPR SHIPMENTS HALT

NEW YORK.—NYMEX crude oil futures fell more than $1 Friday morning after a U.S. Senate vote seeking to bar more shipments of crude oil to the U.S. emergency crude stockpile.

The move, which aims to reduce oil prices by keeping more supply in the market, countered, for the moment, fears that oil facilities were once again at risk after Thursday's terror bomb attacks in Madrid killed nearly 200 people and injured more than 1,400 others.

NYMEX crude for April delivery fell as low as $35.30 a barrel, down $1.48 on the day, before bouncing back a bit to $35.40.

NOMINATION OF DR. MARK McCLELLAN TO BE ADMINISTRATOR OF CMS

Mr. KENNEDY. I am pleased to support the nomination of Dr. Mark McClellan to be the Administrator of the Center for Medicare and Medicaid Services. There is no more important agency in providing quality health care for the American people, and Dr. McClellan is superbly qualified for this important post.

Dr. McClellan has served with distinction in the Treasury Department during the Clinton administration and as a health policy advisor and commissioner of FDA in the Bush administration. He has immense intellectual gifts, a distinguished background as an economist and physician, and tremendous energy, commitment, and integrity. I am particularly pleased that he is an adopted son of Massachusetts, having received his M.D. from the Harvard Medical School.

Mark and I have worked closely on a number of issues during his tenure at the White House and the FDA. While we certainly don't always agree, I have always felt that we were working toward the same goals of quality health care. At the FDA, he was committed to modernizing the agency to assure that it brought the best scientific tools of the new century of the life sciences, to regulating the drug development process, and speeding safe and effective products to market. He made a tough call to protect the health of women in his decision on silicone breast implants, and he has been aggressive in his attempts to remove dangerous dietary supplements, most notably Ephedra, from the market. He has been particularly generous with his time in meeting with the Massachusetts device and biotechnology industries, so that he could understand their concerns and that they could gain a deeper appreciation of the most productive way to work with the FDA.

At CMS, Mark will have to implement the deeply flawed Medicare bill—a challenging task under the best of circumstances. I was encouraged by his comments at his confirmation hearing indicating that, unlike others in the Bush administration, he understands the need to maintain Medicaid as an individuals entitlement guaranteeing health care for the poorest of the poor and to end the pernicious policy of overpaying Medicare HMOs because they enroll the healthiest senior citizens.

In summary, I am pleased to support Dr. McClellan's nomination. He is a superb choice to head a critically important agency.

PRESIDENT BUSH AND THE ASSAULT WEAPONS BAN

Mr. LEVIN. Mr. President, last week, the Senate passed a 10-year extension of the assault weapons ban. We passed the assault weapons ban in 1994 because law enforcement agencies asked for it, and we extended it last week at their urging.

Studies have shown that the assault weapons ban works. According to National Institute of Justice statistics reported by the Brady Campaign to Prevent Gun Violence, gun trace requests for assault weapons declined 20 percent in the first calendar year after the ban took effect, dropping from 4,077 in 1994 to 3,268 in 1995. This statistic indicates that fewer of these weapons were making it onto the streets.

As my colleagues know, the 1994 law banned the production of certain semiautomatic assault weapons and high-capacity ammunition magazines. The 1994 law banned a list of 19 specific weapons as well as a number of other weapons incorporating certain design characteristics such as pistol grips, folding stocks, bayonet mounts, and flash suppressors. This law should not be allowed to sunset on September 13, 2004. This law does not need to sunset. Our Nation's law enforcement officers support this legislation, the President even has expressed his support, and the Senate passed an extension.

If the law is not reauthorized, the production of assault weapons can legally resume. Restarting production of these weapons will increase their number and availability and inevitably lead to a rise in gun crimes committed with assault weapons. The Senate has shown bipartisan majorities for renewing the assault weapons ban. President Bush should demand that Congress act this year to extend the ban.

GAO FEBRUARY COMPETITIVE SOURCING REPORT

Mr. AKAKA. Mr. President, I have repeatedly voiced my opposition to the Administration's aggressive outsourcing agenda which I believe comes at too high a cost to Federal workers and to Government accountability and cost-effectiveness. My concerns are confirmed by a February 2004 General Accounting Office, GAO, report entitled, "Competitive Sourcing: Greater Emphasis Needed on Increasing Efficiency and Improving Performance," GAO–04–367. I highly recommend this report to my colleagues.

The GAO reviewed the Federal outsourcing agenda at seven agencies: the Departments of Defense, Health and Human Services, Interior, Agriculture, Education, and Veteran's Affairs. These agencies contain 84 percent of Federal jobs eligible for outsourcing. The administration has identified 304,800 Federal jobs for outsourcing at the Departments of Defense, Health and Human Services, and Interior alone, which represent nearly 42 percent of the total workforce of these agencies.

GAO found that the examined Federal agencies are focusing more on implementing Office of Management and Budget, OMB, mandates on the number of competitions at the expense of cost-efficiency. In 2001, the administration had established the goal of privatizing up to 50 percent of federal jobs. However on July 23, 2003, the OMB's Administrator for Procurement Policy, Angela Styles, testified before the Governmental Affairs Committee that contracting quotas would be terminated and replaced by agency-specific plans.

This shift in policy came after repeated criticisms from both sides of the aisle in the Senate and the House of Representatives. For example, the FY03 Transportation, Treasury, and General Government Appropriations Act severely restricted the use of contracting quotas as a result of strong bipartisan opposition.

There are important steps we can take now to improve the cost-effectiveness and fairness of public-private competitions. As ranking member of the Governmental Affairs Financial Management Subcommittee and the Senate Armed Services Readiness Subcommittee, I am working to improve the financial transparency and cost-savings of Federal outsourcing policies. Federal contracts should be required to generate at least 10 percent savings over agency costs. The Federal Procurement Data System, FPDS, reports that the Federal Government spent approximately $250 billion on Federal contracts in 2002. The Senate passed FY04 Omnibus Appropriations Act would have required a minimum of 10 percent cost-savings before Federal jobs are contracted out. Unfortunately, this measure was stripped from the FY04 Omnibus Appropriation Act.

The GAO report reaffirms the need for a minimum cost-savings in Federal procurement policies. By law, the Department of Defense, DOD, is required to achieve cost-savings before jobs are contracted out. DOD is the largest buyer of contracted services and according to recent FPDS data spent over $164 billion in 2002.

We can also improve fairness in public-private competitions. Before decisions are made to contract out Federal work, agencies need the personnel, funding, and technology to ensure that the work is performed in a timely and cost-effective manner. We cannot expect Federal employees to oversee billions of dollars of contracts without these resources, which is why I was disappointed to learn that GAO found that six out of the seven agency offices examined had only one or two employees overseeing outsourcing activities.

Moreover, we should level the playing field so that Federal workers have the right to appeal the loss of a competition just as contractors do today. Fair competition must ensure that affected employees have proper appeals and protest rights. Unlike Federal employees, Federal contractors have the right to protest OMB Circular A–76 decisions before the GAO. I am disappointed that the FY04 Omnibus Appropriation Act stripped a provision that would have provided Federal workers the same appeal rights as contractors.

I look forward to continuing to work with my colleagues to ensure that Federal procurement policies offer the best return on the dollar and are fair to Federal workers. The results of this GAO review reaffirms that there is more work to be done in this area.

WISCONSIN'S ACQUISITION OF A WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAM

Mr. FEINGOLD. Mr. President, I was very happy to learn this week that Wisconsin will be one of 12 new States to receive funding for a full-time Weapon of Mass Destruction Civil Support Team—WMD–CST—this year and I want to congratulate the Wisconsin National Guard for their efforts to secure a full-time team. These teams, made up of members of the National Guard, play a vital role in assisting local first responders in investigating and combating the new threat we face in the 21st century. During the 2002 Baseball All-Star Game in Milwaukee, WI had to call in Minnesota's civil support team because Wisconsin did not yet have a full-time team. I am pleased that Wisconsin will now have its own capability to quickly respond and protect its citizens from possible terrorist threats.

I have worked for years now to assure that all states and territories have at least one of these teams and I want to thank my colleagues on both sides of the aisle for helping me in this endeavor. We have had great success. The Bob Stump National Defense Authorization Act for Fiscal Year 2003 made it law that all states and territories have at least one WMD–CST and Congress authorized and appropriated the funds to establish 12 of the 23 teams during fiscal year 2004. Now we must make sure that the last 11 teams are funded in fiscal year 2005.

ADDITIONAL STATEMENTS

SALUTING DELTA SIGMA THETA SORORITY, INC.

• Mr. CORZINE. Mr. President, I rise today to recognize the women of Delta Sigma Theta Sorority, Inc., a service sorority dedicated to promoting sisterhood, scholarship and service, for their efforts in the battle against HIV/AIDS.

According to statistics from the U.S. Department of Health and Human Services, as of the end of 2002, an estimated 42 million people worldwide—38.6 million adults and 3.2 million children younger than 15 years of age—were living with HIV/AIDS. Approximately 70 percent of these people, 29.4 million, live in Sub-Saharan Africa; another 17 percent, 7.2 million, live in Asia. Of the estimated 15,603 AIDS-related deaths in the United States in the year 2001, approximately 52 percent were among African Americans and Hispanics. Racial and ethnic minority populations constitute more than 57 percent of the more than 800,000 cases of AIDS reported in the United States since the epidemic was discovered in 1981. Further, the Centers for Disease Control reports that as of December 2001, African Americans and Hispanics represented 52 percent of AIDS cases reported among males and 78 percent of those in females. Fifty-eight percent of all women reported living with AIDS that year were African Americans and 20 percent were Hispanic. African American children represented 58 percent of all pediatric cases. Of the 175 pediatric AIDS cases reported in 2001, 139, 79 percent, were African Americans and Hispanic. AIDS is one of the leading cause of death among African-American men ages 24 to 44. Recognizing the urgency of the issue, Delta Sigma Theta Sorority, Inc. has taken a leadership role in educating the global community on how to decrease the AIDS pandemic, thus promoting health and wellness.

Delta Sigma Theta's effort focuses on an intense HIV/AIDS Education Campaign beginning with encouraging local Delta chapters to implement internal education awareness workshops. This enabled the sorority members to better understand the drastic impact HIV/AIDS is having on African American women of all ages. In addition, for the past 3 years, chapters have participated in the sorority's International Day of Service for HIV/AIDS, a public awareness program in which a day is committed to providing HIV/AIDS education and prevention services to communities around the world.

On Saturday, March 13, 2004, the more than 900 chapters of the sorority located in 44 States, the District of Columbia, and in 6 countries abroad will conduct forums and seminars, provide counseling and testing, raise funds for research and services, and petition lawmakers to enact legislation that effectively addresses HIV/AIDS issues. In my State of New Jersey alone, the Central Jersey Alumnae chapter will sponsor a community forum entitled "Why Not Me? The Affect of HIV/AIDS on Our Families." The event will include key sessions for citizens of diverse age groups, helping participants to clarify perceptions/myths about HIV/AIDS and encouraging them to speak openly about the impact of the disease on their communities. There also will be an open general session in which TEEN PEP of Somerset County will perform some powerful and thought-provoking pieces.

The Montclair Alumnae chapter will provide direct services to the Academy Street Firehouse After-School Project. As part of the AIDS Resource Foundation for Children in Newark, the Academy Street Firehouse addresses educational, vocational, social and medical needs of children and teens who are dealing with the loss of a parent due to AIDS. Approximately 50 children between the ages of 7 and 17 will receive services.

The North Jersey Alumnae chapter will hold three seminars on topics related to the HIV/AIDS: (1) The Secret Lives of AIDS; (2) The role of the church in the fight against HIV/AIDS; and (3) How individuals can protect themselves. There will be free testing and counseling. Speakers will include community activists and church leaders. There also will be a dramatization by the "POWER" group, a youth organization that teaches about HIV/AIDS and its affects.

The Rancocas Valley Alumnae chapter will partner with the Township of Willingboro to present workshops for men, women and children on (1) HIV/AIDS prevention; (2) Functioning as a person living with HIV/AIDS; (3) Caring for people with AIDS; and (4) Volunteerism with HIV/AIDS organizations. The day will be filled with a variety of activities such as panel discussions, videos, dramatic presentations, praise dancers, and step teams.

The Trenton Alumnae chapter along with the Rho Epsilon and Tau Kappa collegiate chapters will host Trenton's 2nd Annual Aids Walk. The Walk will begin at a local school and end at City Hall where the chapters will host a rally and speakers who will discuss the impact of HIV/AIDS. Donations will be collected to benefit the Rainbow House, a nonprofit organization that provides housing for children and adults living with HIV/AIDS in the city of Trenton.

The membership of Delta Sigma Theta Sorority, Inc. provides an extensive array of public service programs and projects through the sorority's Five-Point Program Thrust: Economic, Development, Educational Development, International Awareness and Involvement, Physical and Mental Health, and Political Awareness and Involvement. The "International Day of Service" is an activity of the sorority's mental and physical health focus "Summit V: Let It Continue—Heal and Healing: Promoting Health and Wellness on HIV/AIDS." Summit V is a means through which Deltas throughout the world assist in informing and educating the public and families about women's health issues, develop community partnerships to help inform the public and provide access to services; provide leadership for supporting policy development and promoting and enforcing legal requirements that protect the health and safety of women; and support research and political efforts to gain new insights and innovate solutions to health problems impacting women.

Delta Sigma Theta Sorority was founded on the campus of Howard University in 1913 by 22 visionary college women. Notable members include our colleague in the other Chamber. Congresswoman STEPHANIE TUBBS JONES of Ohio, civil rights pioneer and Congressional Gold Medal recipient Dr. Dorothy I. Height, and former Labor Secretary Alexis Herman.

I invite my colleagues to join me in saluting the women of Delta Sigma Theta Sorority, Inc., for their global efforts in the battle against HIV/AIDS, and I urge fellow Americans to participate in the Delta Sigma Theta Sorority, Inc., "International Day of Service" projects in their communities on March 13, 2004.•

IN REMEMBRANCE OF PAMELA LAMAR JORDAN

• Mr. LEVIN. Mr. President, I take this opportunity to pay tribute to Pamela Lamar Jordan, a tireless advocate for families and the plight of children. She was committed to serving the needs of her community and to improving the quality of life for young people in Saginaw. Pamela received numerous community service awards throughout her life. She will be missed by those whose lives she has touched.

Pamela Lamar Jordan was born in Saginaw, Michigan on June 24, 1961. She is a graduate of Arthur Hill High School and was in pursuit of her BSW at Saginaw Valley State University. She was a member of the Word of Faith International Ministries, where she worked with the Youth Department. She was also a 1999 graduate of the Spoken Word School of Ministry.

In 1995, Pamela founded the New Alternatives Youth Service Center in Saginaw, Michigan. The Center's purpose is to educate young people and to provide an alternative to drugs, gangs, and violence. Pamela was also a mentor with the Family Youth Initiative, which is affiliated with the Bay Area Substance Abuse Coordinating Agency.

Pamela was also the founder of the Saginaw Sister-2-Sister Spirit of Excellence Pageant. Sister-2-Sister promotes abstinence and works to decrease the rate of pregnancy among teenage girls in the Saginaw community. Pamela believed this program helps local teenagers better understand themselves, and provides them with the appropriate information necessary to make healthy life choices.

Pamela Lamar Jordan passed away at the age of 42 on March 7, 2004. She was a woman of great faith who was devoted to her family and to her community. Pamela is mourned by her family, the members of her church, and many people across my home state of Michigan. Pamela is survived by her husband Cornelius Jordan and her four daughters: Melony, Janey, Terri and Brianna.

This is, indeed, a great loss to all who knew her or for those who have benefitted from her work. I know my colleagues will join me in paying tribute to the life and work of Pamela Lamar Jordan. I hope her family takes comfort in knowing that her legacy will stand as an inspiration for generations to come.•

STAFF SERGEANT RONALD W. HOSKINS

• Mr. TALENT. Mr. President, I commend Staff Sergeant Ronald W. Hoskins of Fort Leonard Wood, MO, for over 20 years of service in the U.S. Army. He began his service in March of 1983, when he attended Military Police training and subsequently moved to Dugway Proving grounds, Utah to act as a military police desk sergeant.

In 1984 he was reassigned to Germany where he graduated from Military Police Investigations School at the Combined Arms Training Center. In 1987 he was promoted to Sergeant.

In late 1987 Sergeant Hoskins moved back to the United States where he served in both Texas and Alabama, until he was assigned to the 142nd Military Police Company in Yongstan, Korea, in 1990.

In 1991 Sergeant Hoskins began working as an investigator and evidence custodian at Fort Bliss, Texas. He served in this position until 1995 when he returned to Yongstan.

In 1996 He was assigned to the 978th Military Police Company, and during this tour was promoted to staff sergeant while he served as a military police patrol supervisor.

Staff Sergeant Hoskins was next assigned to Stuttgart, Germany. He developed an emergency vehicles operator's course that was adapted throughout the United States Army in Europe.

Over his long career Staff Sergeant Ronald Hoskins has received many awards and decorations, including the meritorious Service Medal, Army Commendation Medal with four oak leaf clusters, Army Achievement Medal with four oak leaf clusters, Army Good Conduct Medal, National Defense Service Medal with Bronze Star. Noncommissioned Officer Professional Development Ribbon, Army Service Ribbon with numeral two device, Overseas Service Ribbon with numeral four device and Drivers Badge.

I congratulate Staff Sergeant Hoskins on his lengthy and dedicated career in the United States Army. I also want to recognize the efforts of his wife Susan without whom none of these accomplishments would be possible. Moreover, I extend to Staff Sergeant Haskins my profound appreciation for his service to the nation. I am honored to share his success with my colleagues and I wish him and his family all the best for the future.•

GIRL SCOUTS OF THE USA

• Mr. HATCH. Mr. President, I rise today to pay special tribute to an outstanding group of public servants—the Girl Scouts of the USA—who today celebrate the 92nd birthday of their organization.

Founded in 1912 by Juliette Gordon Low in Savannah, GA, Girl Scouts is the world's pre-eminent organization dedicated solely to girls—all girls—where they can build character and skills for success in the real world. Partnered with committed adult volunteers, Girl Scouts cultivate their full individual potential through learning and experience. The qualities they develop in Girl Scouting—leadership, values, social conscience, and conviction about their own self-worth—serve and benefit them all their lives.

Nationwide today there are more than 3.7 million Girl Scouts—2.8 million girl members and 942,000 adult members. Through its membership in the World Association of Girl Guides and Girl Scouts, Girl Scouts of the USA is part of a worldwide family of 8.5 million girls and adults in 140 countries.

Today's Girl Scouts receive interactive training and experience in such areas as: leadership; math; science and technology; diversity; financial literacy; health, fitness and sports; environmental education; the arts; global awareness; and safety. Our children's safety is a matter of great concern to me. You may remember a wave of child abductions not too long ago, including the kidnapping of Elizabeth Smart in my own home State of Utah, which highlighted the need to enhance our ability to protect our Nation's children. Last year, I introduced the PROTECT Act of 2003, an Act to prevent child abduction and the sexual exploitation of children, which was signed into law by President Bush in April. This legislation included the AMBER Alert system program, which has proven to be a valuable tool in the rescue of abducted children. AMBER Alert systems are critical to successful search and recovery efforts because they enable law enforcement authorities to galvanize entire communities to assist in the safe recovery of child victims.

Elizabeth's disappearance raised awareness of this type of crime nationwide. Our entire Nation rejoiced with the Smart family after Elizabeth was found alive and reunited with her loved ones. Her discovery, facilitated by everyday citizens who had followed this case, demonstrates the importance of getting information about these disappearances out to the public quickly, and what accomplishments can be achieved when communities partner together.

Today, Girl Scouts of Utah will be celebrating the miracle of Elizabeth Smart's return to her family, and the Girl Scouts of the USA's 92nd birthday, by organizing a statewide safety awareness campaign—Partners In safety. Ed and Lois Smart, Elizabeth's parents, are the honorary chairs of this campaign. Although today kicks off an ongoing focus on safety rather than just a one-day event, Utah communities are invited to open house events on that date. Currently there are more than 25 open house locations in the state of Utah; and a variety of organizations state-wide have enlisted to participate as community sponsors in company with law enforcement and local governments. There will be a variety of safety-related activities at each site, and each participating agency will have a pledge poster so everyone in the community can sign and pledge safety on behalf of those they love.

We all care about the safety of our youth. The goal of Partners In Safety is to bring us all together to deliver the message of safety. I encourage everyone dedicated to safety to pledge to make a difference in your community by reaching the youth you know—talk to your children, grandchildren, students, teammates, troops, packs and church groups.

Begun by Ogden volunteers, Girl Scouts of Utah has been in existence since 1920 and has been committed to principles of pluralism, respect, and community service since inception. Utah Girl Scouts have delivered handmade quilts to hospitals around Utah, decorated Christmas trees for the Festival of Trees, organized and attended hundreds of community service projects, increased their knowledge of finance during the Girl Scout cookie sale, learned about themselves and others, gained more respect for diversity, and participated in initiatives in science, sports, leadership, environmental education, and outdoor exploration. Recently, Girl Scouts of Utah was named a proud recipient of the 2004 Martin Luther King, Jr. Drum Major Award from the Utah Human Rights Commission in recognition of their steadfast devotion to diversity. Utah Girl Scouts have gotten a jump start on their way to becoming happy, committed, and resourceful citizens.

Throughout its long history, Girl Scouts experienced many milestones made possible by the strength and dedication of countless farsighted individuals—mostly volunteers—who tirelessly served girls and promoted Girl Scouting. We simply have no greater resource than our children; they represent our Nation's future. I commend the Girl Scouts of the USA for their tireless efforts on behalf of our children and families.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, treaties, and a withdrawal which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 11:15 a.m., a message from the House of Representatives, delivered by one of its reading clerks, announced that the speaker has signed the following enrolled bill:

H.R. 3915. An act to provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through April 2, 2004, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. STEVENS).

MEASURES READ THE FIRST TIME

The following bill was read the first time:

S. 2207. A bill to improve women's access to health care services, and the access of all individuals to emergency and trauma care services, by reducing the excessive burden the liability system places on the delivery of such services.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6679. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a six-month periodic report on the national emergency blocking property of persons undermining democratic processes or institutions in Zimbabwe that was declared in Executive Order 13288 or March 6, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–6680. A communication from the General Counsel, National Credit Union Administration, transmitting, pursuant to law, the report of a rule entitled "12 C.F.R. Parts 703 and 704, Investment and Deposit Activities; Corporate Credit Unions" received on March 8, 2004; to the Committee on Banking, Housing, and Urban Affairs.

EC–6681. A communication from the Secretary of Commerce, transmitting, the Department of Commerce's Performance and Accountability Report for fiscal year 2003; to the Committee on Commerce, Science, and Transportation.

EC–6682. A communication from the Secretary of Homeland Security, transmitting, a draft of proposed legislation relative to fiscal year 2005 appropriations for the United States Coast Guard and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–6683. A communication from the Attorney Advisor, National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "FNVSS No. 213, Response to Campbell Petition" (RIN2127–AJ15) received on March 9, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6684. A communication from the Attorney Advisor, National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Federal Motor Vehicle Standards; Child Restraint Systems; Interim Final Rule on Seat-Mounted Vests" (RIN2127–AI88) received on March 9, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6685. A communication from the Regulatory Officer, Federal Motor Carrier Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Transportation of Household Goods; Consumer Protection Regulations; Interim Final Rule; Technical Amendments" (RIN2126–AA32) received on March 9, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6686. A communication from the Chief, Regulations and Administrative Law, Coast Guard, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations: Three Mile Island Generating Station, Susquehanna River, Dauphin County, Pennsylvania [COTP Philadelphia 03–007]" (RIN1625–AA00) received on March 4, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6687. A communication from the Chief, Regulations and Administrative Law, Coast Guard, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations (Including 3 Regulations): [CGD09–04–003], [CGD08–04–011], [CGD05–04–041]" (RIN1625–AA09) received on March 4, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6688. A communication from the Chief, Regulations and Administrative Law, Coast Guard, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations: Commercial Boulevard Bridge (870), Atlantic Intracoastal Waterway, mile 1059.0, Lauderdale-by-the-Sea, Broward County, FL. [CGD07–02–17]" (RIN1625–AA09) received on March 4, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6689. A communication from the Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Wildlife and Plants; Listing the San Miguel Island Fox, Santa Rosa Island Fox, Santa Cruz Island Fox, and Santa Catalina Island Fox as Endangered; Final Rule" (RIN1018–AI28) received on March 3, 2004; to the Committee on Energy and Natural Resources.

EC–6690. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Maryland Regulatory Program" (MD–051–FOR) received on March 3, 2004; to the Committee on Energy and Natural Resources.

EC–6691. A communication from the Chair, Good Neighbor Environmental Board, transmitting, pursuant to law, a report relative to children's environmental health in the U.S.-Mexico border region; to the Committee on Environment and Public Works.

EC–6692. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; Alabama; Redesignation of Birmingham Ozone Nonattainment Area to Attainment for Ozone" (FRL#7634–9) received on March 11, 2004; to the Committee on Environment and Public Works.

EC–6693. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Massachusetts: Final Authorization of State Hazardous Waste Management Program; Revisions; State-Specific Modification to Federal Hazardous Waste Regulations, pursuant to ECOS Program Proposal; Extension of Site-Specific Regulations for New England Universities' Laboratories XL Project" (FRL#7634–4) received on March 11, 2004; to the Committee on Environment and Public Works.

EC–6694. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Idaho: Final Authorization of State Hazardous Waste Management Program Revisions" (FRL#7634–3) received on March 11, 2004; to the Committee on Environment and Public Works.

EC–6695. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Arizona: Final Authorization of State Hazardous Waste Management Program Revisions" (FRL#7633–2) received on March 11, 2004; to the Committee on Environment and Public Works.

EC–6696. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Virginia; Revisions to Regulations for General Compliance Activities and Source Surveillance" (FRL#7635–9) received on March 11, 2004; to the Committee on Environment and Public Works.

EC–6697. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Plans for Designated Facilities; Puerto Rico" (FRL#7634–2) received on March 11, 2004; to the Committee on Environment and Public Works.

EC–6698. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, a report entitled Fiscal Year 2003 Annual Federal Equal Opportunity Recruitment Program Report; to the Committee on Governmental Affairs.

EC–6699. A communication from the Acting Director, Office of Management, Budget, and Evaluation, Department of Energy, transmitting, pursuant to law, a report relative to the Department's activities not inherently governmental in nature; to the Committee on Governmental Affairs.

EC–6700. A communication from the Secretary, Mississippi River Commission, Department of the Navy, transmitting, pursuant to law, a report under the Government in Sunshine Act for the Mississippi River Commission; to the Committee on Governmental Affairs.

EC–6701. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the report of the Office of Inspector General for the period ending March 31, 2002; to the Committee on Governmental Affairs.

EC–6702. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report of the Office of Inspector General for the period ending September 30, 2001; to the Committee on Governmental Affairs.

EC–6703. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, the report of D.C. Act 15–199, "Government Employer-Assisted Housing Program Teacher, Police Officer, Firefighter, and Emergency Medical Technician Incentive Amendment Act of 2003"; to the Committee on Governmental Affairs.

EC–6704. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, the report of D.C. Act 15–369, "Emmaus Rehabilitation Project Real Property Exemption Act of 2004"; to the Committee on Governmental Affairs.

EC–6705. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, the Police Corps and Law Enforcement Education Calendar Year 2002 Annual Report to Congress; to the Committee on the Judiciary.

EC–6706. A communication from the Chief Justice of the Supreme Court of the United States, transmitting, a copy of the Report of the Proceedings of the Judicial Conference of the United States for September/October 2001; to the Committee on the Judiciary.

EC–6707. A communication from the Administrator, Small Business Administration, transmitting, a report relative to minority small business and capital ownership development; to the Committee on Small Business and Entrepreneurship.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. GREGG (for himself and Mr. Ensign):

S. 2207. A bill to improve women's access to health care services, and the access of all individuals to emergency and trauma care services, by reducing the excessive burden the liability system places on the delivery of such services; read the first time.

By Mr. ROCKEFELLER (for himself, Mr. Bond, and Mr. Bunning):

S. 2208. A bill to amend the Surface Mining Control and Reclamation Act of 1977 to reduce the amounts of reclamation fees, to modify requirements relating to transfers from the Abandoned Mine Reclamation Fund, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRAHAM of Florida (for himself and Mr. Nelson of Florida):

S. 2209. A bill to authorize water resources projects for Indian River Lagoon-South and Southern Golden Gates Estates, Collier County, in the State of Florida; to the Committee on Environment and Public Works.

By Mr. LEVIN (for himself and Mr. Coleman):

S. 2210. A bill to restrict the use of abusive tax shelters and offshore tax havens to inappropriately avoid Federal taxation, and for other purposes; to the Committee on Finance.

By Mr. ROCKEFELLER:

S. 2211. A bill to amend the Surface Mining Control and Reclamation Act of 1977 to reauthorize and reform the Abandoned Mine Reclamation Program, and for other purposes; to the Committee on Energy and Natural Resources.

By Ms. COLLINS (for herself, Mr. Bayh, Mrs. Dole, and Mr. Graham of South Carolina):

S. 2212. A bill to amend title VII of the Tariff Act of 1930 to provide that the provisions relating to countervailing duties apply to nonmarket economy countries; to the Committee on Finance.

By Mr. ROCKEFELLER:

S. 2213. A bill to amend part A of title IV of the Social Security Act to require the Secretary of Health and Human Services to conduct research on indicators of child well-being; to the Committee on Finance.

By Mr. BURNS:

S. 2214. A bill to designate the facility of the United States Postal Service located at 3150 Great Northern Avenue in Missoula, Montana, as the "Mike Mansfield post office"; to the Committee on Governmental Affairs.

By Mr. REED (for himself, Mr. DeWine, Mrs. Clinton, and Mr. Smith):

S. 2215. A bill to amend the Higher Education Act of 1965 to provide funds for campus mental and behavioral health service centers; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HOLLINGS (for himself, Ms. Snowe, Mr. Lautenberg, Mr. Carper, Mr. Biden, Mrs. Boxer, Mr. Schumer, Mr. Kennedy, and Mr. Breaux):

S. 2216. A bill to provide increased rail transportation security; to the Committee on Commerce, Science, and Transportation.

By Mr. FRIST:

S. 2217. A bill to improve the health of health disparity populations; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GRAHAM of Florida (for himself, Ms. Snowe, Mr. Gregg, Mr. Dodd, Mr. Jeffords, Mr. Breaux, Mr. Frist, and Mr. Enzi):

S. Res. 320. A resolution designating the week of March 7 through March 13, 2004, as "National Patient Safety Awareness Week"; considered and agreed to.

By Mr. BINGAMAN (for himself, Mr. Domenici, and Mrs. Feinstein):

S. Res. 321. A resolution recognizing the loyal service and outstanding contributions of J. Robert Oppenheimer to the United States and calling on the Secretary of Energy to observe the 100th anniversary of Dr. Oppenheimer's birth with appropriate programs at the Department of Energy and the

Los Alamos National Laboratory; to the Committee on Energy and Natural Resources.

ADDITIONAL COSPONSORS

S. 1180

At the request of Mr. SANTORUM, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1180, a bill to amend the Internal Revenue Code of 1986 to modify the work opportunity credit and the welfare-to-work credit.

S. 1703

At the request of Mr. SMITH, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 1703, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax for expenditures for the maintenance of railroad tracks of Class II and Class III railroads.

S. 1704

At the request of Ms. CANTWELL, her name was added as a cosponsor of S. 1704, a bill to amend the Public Health Service Act to establish a State family support grant program to end the practice of parents giving legal custody of their seriously emotionally disturbed children to State agencies for the purpose of obtaining mental health services for those children.

S. 1792

At the request of Mr. DOMENICI, the names of the Senator from Nevada (Mr. REID), the Senator from Idaho (Mr. CRAPO) and the Senator from Georgia (Mr. MILLER) were added as cosponsors of S. 1792, a bill to amend the Internal Revenue Code of 1986 to provide the same capital gains treatment for art and collectibles as for other investment property and to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor.

S. 1802

At the request of Mr. ENZI, his name was added as a cosponsor of S. 1802, a bill to amend the Native American Housing Assistance and Self-Determination Act of 1996 and other Acts to improve housing programs for Indians.

S. 1807

At the request of Mr. MCCAIN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1807, a bill to require criminal background checks on all firearms transactions occurring at events that provide a venue for the sale, offer for sale, transfer, or exchange of firearms, and for other purposes.

S. 2011

At the request of Mr. HAGEL, the name of the Senator from Missouri (Mr. TALENT) was added as a cosponsor of S. 2011, a bill to convert certain temporary Federal district judgeships to permanent judgeships, and for other purposes.

S. 2186

At the request of Mr. DORGAN, his name was added as a cosponsor of S. 2186, a bill to temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958, through May 15, 2004, and for other purposes.

S.J. RES. 28

At the request of Mr. CAMPBELL, the names of the Senator from Louisiana (Ms. LANDRIEU) and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S.J. Res. 28, a joint resolution recognizing the 60th anniversary of the Allied landing at Normandy during World War II.

S. CON. RES. 88

At the request of Mr. SARBANES, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. Con. Res. 88, a concurrent resolution expressing the sense of Congress that there should continue to be parity between the adjustments in the pay of members of the uniformed services and the adjustments in the pay of civilian employees of the United States.

AMENDMENT NO. 2775

At the request of Ms. LANDRIEU, the names of the Senator from South Dakota (Mr. DASCHLE), the Senator from Nevada (Mr. REID), the Senator from Florida (Mr. NELSON), the Senator from Hawaii (Mr. INOUYE), the Senator from New York (Mrs. CLINTON), the Senator from Washington (Mrs. MURRAY), the Senator from Maryland (Ms. MIKULSKI) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of amendment No. 2775 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2793

At the request of Mr. DORGAN, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of amendment No. 2793 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

AMENDMENT NO. 2847

At the request of Mr. GRASSLEY, the name of the Senator from Tennessee (Mr. ALEXANDER) was added as a cosponsor of amendment No. 2847 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEVIN (for himself and Mr. COLEMAN);

S. 2210. A bill to restrict the use of abusive tax shelters and offshore tax havens to inappropriately avoid Federal taxation, and for other purposes; to the Committee on Finance.

Mr. LEVIN. Mr. President, I would like to introduce today, with Senator NORM COLEMAN, a comprehensive tax reform bill called the Tax Shelter and Tax Haven Reform Act. This bill is intended to respond to the ever increasing tax shelter and tax haven abuses that are undermining the integrity of our tax system, robbing the Treasury of tens of billions of dollars each year, and shifting the tax burden from high income corporations and individuals onto the backs of the middle class. Abusive tax shelters and the misuse of tax havens must be stopped.

For more than a year, the Permanent Subcommittee on Investigations, on which I serve, has been conducting an investigation at my request into the design, sale, and implementation of abusive tax shelters. I initiated this investigation back in 2002, but it has since been carried out in a bipartisan fashion with the support of Senator COLEMAN, who is our current Subcommittee Chairman.

What the subcommittee investigation has found is that many of the abusive tax shelters were not dreamed up by the taxpayers who used them. Instead, most were devised by tax professionals, like accountants, lawyers, bankers, and investment advisors, who then sold the tax shelter to clients for a fee. In fact, as our investigation widened, we found hordes of tax advisors cooking up one complex scheme after another, packaging them up as generic "tax products" with boiler-plate legal and tax opinions, and then undertaking elaborate marketing schemes to peddle these products to literally thousands of persons across the country. In return, these tax shelter promoters were getting hundreds of millions of dollars in fees, while diverting billions of dollars in tax revenues from the U.S. Treasury each year.

In November 2003, our subcommittee held two days of hearings and released a report prepared by my staff which pulled back the curtain and provided an inside looks at how even some respected accounting firms, banks, investment advisors, and lawyers have become the engines pushing the design and sale of abusive tax shelters to corporations and individuals across this country. It was this investigative effort that inspired many of the provisions in the bill to combat abusive tax shelters and the professionals who promote them.

Another part of this bill results from subcommittee investigations examining how tax havens around the globe help taxpayers dodge their U.S. tax obligations, using corporate, bank, and tax secrecy laws to impede U.S. tax enforcement efforts. At one subcommittee hearing in 2001, a former owner of an offshore bank in the Caribbean testified that he believed 100% of his bank clients were engaged in tax evasion. He said that almost all were from the United States, described elaborate measures taken to avoid IRS detection of his clients' money transfers, and expressed confidence that the Government would defend client secrecy in order to attract business to the island. For the past few years, the IRS has made detection of offshore bank accounts used by individuals to conceal taxable income an enforcement priority, estimating that as many as 1 to 2 million U.S. taxpayers are hiding funds in offshore tax havens.

Corporations are also using tax havens to reduce their U.S. tax liability. A subcommittee hearing held in 2003, on an Enron tax shelter known as Slapshot, as well as Senate Finance Committee hearings on other Enron tax scams, show how corporations can utilize tax havens to avoid U.S. taxes. A GAO report recently released by Senator DORGAN and myself shows that nearly two-thirds of the top 100 companies doing business with the United States now have one or more subsidiaries in a tax haven. One company, Tyco International, has 115 tax haven subsidiaries. Data recently released by the Commerce Department further demonstrates the extent of U.S. corporate use of tax havens, indicating that, as of 2001, almost half of all foreign profits of U.S. corporations were in tax havens.

Over the years, subcommittee investigations have uncovered numerous instances of how U.S. tax enforcement efforts examining transactions, bank accounts, and other activities in tax havens have been delayed or impeded by tax haven secrecy laws and practices. This bill is intended to give the U.S. Government new tools to stop uncooperative tax havens from continuing to help corporations and individuals dodge their U.S. tax obligations.

Stop and think what is at stake here. Men and women in our military are putting their lives on the line every day for our Nation. They are in Iraq, Afghanistan, the Balkans, and now Haiti. To make sure we can provide them with the resources they need, all Americans need to contribute their fair share in taxes. Unfortunately, there are too many companies and individuals that finagle ways to avoid paying what they owe, despite the benefits they receive from this country. These tax dodgers deprive our Nation of billions of dollars in resources and add to the tax burdens of the rest of us.

Companies benefit from so much here in America: our stock market, telecommunications infrastructure, patent protections, educated workforce, research support, sophisticated financial systems, and basic law enforcement. Yet, too many companies run to use tax avoidance schemes based on abusive tax shelters and tax havens like a car speeding through a tollbooth, leaving the rest of us to pitch in the required fare and subsidize their free ride.

Corporate and individual tax dodges today take many forms. They include the following: Abusive tax shelters in which taxpayers use complex investment schemes with no real business purpose other than to evade tax; corporate inversions in which companies pretend to move their headquarters to an offshore tax haven just to avoid their U.S. tax bill; foreign tax havens in which taxpayers use bank accounts and shell entities in foreign tax havens to escape detection while dodging taxes; and structured financial transactions in which companies use shell entities in convoluted setups or improper transfer pricing schemes to avoid taxes. In most cases, these tax dodges are designed, sold and implemented by tax professionals who receive lucrative fees to help their clients avoid their tax obligations. To provide a better picture of some of these abuses, here are a few recent examples.

Perhaps the best-known corporate inverter is Tyco International, which operates out of New Hampshire and New Jersey, but claims a mailing address in Bermuda to avoid U.S. taxes. This tax dodge is a slap in the face of U.S. taxpayers, especially in light of the $300 million in Federal defense and homeland security contracts awarded to Tyco in FY 2002, as well as the months-long, taxpayer-financed prosecution of Tyco's former officers for diverting $600 million in corporate assets to their personal use. Tyco, once a proud U.S. corporation, has sunk to new lows in its attempts to avoid paying its U.S. taxes.

Corporate tax abuses aren't confined to large U.S. companies. One example of an abusive tax shelter being used by some small companies is called "SC2," which was one of the tax shelters featured in our recent Subcommittee hearings and staff report. In this shelter, a closely-held corporation temporarily grants nonvoting stock to a tax-exempt charity and then allocates—on paper—a significant portion of the company's profits to that charity. Beforehand, the company takes steps to limit or suspend any obligation to actually distribute income allocated to its shareholders. The charity pays no tax on the paper profits allocated to it. When the original corporate owners eventually reclaim both the stock and undistributed profits, they claim that capital gains taxes, rather than higher ordinary income taxes, apply to the income previously allocated to the charity. The charity gets paid for its complicity, the corporate owners evade a lot of tax, and Uncle Sam is the loser.

A third tax shelter example involves a massive, $20 billion transfer pricing tax scam recently disclosed in a report issued by the bankruptcy examiner for Worldcom-MCI. The report states that Worldcom avoided paying hundreds of millions of dollars in state and Federal taxes over a four-year period, from 1998 to 2001, by claiming questionable expenses from related shell companies, including for a bogus intangible asset called "management foresight." The bankruptcy examiner, former Attorney General Richard Thornburgh, called on the company to sue its tax advisor and auditor, KPMG, for landing the company in this tax disaster, but Worldcom-MCI has, instead brazenly decided to continue using the tax dodge. This is the same company, by the way, that profits from billions of dollars in Federal and State contracts paid for—that's right—with taxpayer dollars.

The tax chiseling seems endless. Some of the tax ploys are arguably technically legal and require a change in law or regulation. Others appear blatantly illegal, yet elicit little or no penalty. Companies keep using them, and their competitors are put at a disadvantage unless they join in.

Too many respected accounting firms, financial institutions, and lawyers have joined in the sickening games by peddling tax dodges and taking a cut of the billions of dollars diverted from the U.S. Treasury. As IRS Commissioner Mark Everson has pointed out, accountants and lawyers should be the pillars of our system of voluntary tax compliance, not the architects of its circumvention.

This tax chiseling hurts average taxpayers, not only by leaving them with the burden of making up the lost revenues, but also by constricting resources for essential government programs. It is a lack of resources that results in the new Medicare drug prescription plan having a huge gap in coverage that denies elderly help with their prescription drug bills when they most need it. It's why our schools are burdened with unfunded mandates. It's why we have a giant and deepening deficit ditch threatening our children's economic well-being. The list of harmful consequences of tax dodging is long and disquieting.

The Tax Shelter and Tax Haven Reform Act we are introducing today contains a number of measures to put an end to these tax dodges:

To curb abusive tax shelters, the bill strengthens the penalties on tax shelter promoters and codifies the economic substance doctrine eliminating tax benefits for transactions that have no real business purpose or real economic impact apart from those tax benefits.

To crack down on the misuse of tax havens, we authorize Treasury to issue an annual list of "uncooperative tax havens" and suspend U.S. tax benefits for income attributed to those jurisdictions.

We also require the Treasury Department to issue standards for tax shelter opinion letters, and give the IRS new tools to take tough enforcement action against the accounts, lawyers, bankers and other financial professionals promoting or facilitating deceptive tax schemes.

Let me be more specific.

Title I of the bill strengthens a host of tax shelter penalties, which are currently so weak they provide no deterrent effect at all. Tow examples demonstrate the problem:

First, consider the penalty for promoting an abusive tax shelter, as set forth in section 6700 of the tax code. Currently, the penalty is the lesser of $1,000 or 100 percent of the promoter's gross income derived from the prohibited activity. That means in most cases, the maximum fine is $1,000. That figure is laughable, when many abusive tax shelters are selling for $100,000 or $250,000 a piece. Our investigation uncovered some tax shelters that were sold for $900,000 or even $2 million each, and instances in which the same cookie-cutter tax opinion letter was sold to 100 or even 200 clients. A $1,000 fine just doesn't cut it.

If further proof were needed, one document uncovered by our investigation contains the cold calculation by a senior tax professional at KPMG comparing possible tax shelter fees with possible tax shelter penalties if the firm were caught promoting an illegal tax shelter. This senior tax professional wrote the following: "[O]ur average deal would result in KPMG fees of $360,000 with a maximum penalty exposure of only $31,000." He then recommended the obvious—going forward with sales of the abusive tax shelter on a cost-benefit basis.

Proposals to increase the penalty for promoting abusive tax shelters have already passed the Senate three times and are included in the JOBS Act pending in the Senate. But these proposals are not tough enough to do the job that needs to be done. In general, they increase the penalty for promoting abusive tax shelters to a maximum of 50 percent of the promoters' gross income from the prohibited activity. Now, think about that. Why should anyone who illegally pushes an abusive tax shelter be allowed—if they get caught—to keep half of their profits? What deterrent effect is created by a penalty that allows promoters to keep half of their wages if caught, and all of them if they are not?

Penalities for those who peddle abusive tax shelters need to be a lot tougher. They should, first, make sure a tax shelter promoter is deprived of every penny of the profits earned from selling or providing legal advice on the shelter, and then pay a fine on top of that. Only that way is the promoter actually penalized for misconduct. Secondly, tax shelter promoters ought to face a penalty that is at least as harsh as the penalty imposed on the taxpayer who purchased their tax product, not only because the promoter is usually as culpable as the taxpayer, but also so promoters think twice about pushing tax schemes. Specifically, section 101 of the bill would increase the penalty on tax shelter promoters to an amount up to the greater of either 150 percent of the promoters' gross income from the prohibited activity, or the amount assessed against the taxpayer—including backtaxes, interest and penalties—for using the abusive shelter.

A second penalty provision in the bill involves what our investigation found to be one of the biggest problems—the knowing assistance of accounting firms, law firms, banks, and others helping taxpayers understate their taxes. Right now, under Section 6701 of the tax code, persons who knowingly aid and abet a taxpayer in understating their tax liability face a maximum penalty of $1,000 for assisting individual taxpayers and $10,000 for assisting corporate taxpayers. These paltry amounts provide no deterrent at all. Worse yet, the penalty applies only to so-called "tax return preparers." Current law imposes no penalty at all on those who knowingly design and carry out the abusive tax shelter, so long as those persons don't actually prepare the taxpayer's return.

Section 102 of the bill would strengthen this penalty significantly, subjecting aiders and abettors to a maximum fine up to the greater of either 150 percent of the aider and abettor's gross income from the prohibited activity, or the amount assessed against the taxpayer for using the abusive shelter. And this penalty would apply to all aiders and abettors, not just tax return preparers.

These are just two of the penalties strengthened by the Tax Shelter and Tax Haven Reform Act. Others include stronger penalties for tax shelter promoters who fail to register a new shelter with the IRS or fail to provide the IRS with a client list when requested, and stronger penalties for taxpayers who fail to disclose a tax shelter on their tax return or fail to disclose an offshore bank account.

Title II also contains many provisions to combat abusive tax shelters, but first I want to mention Title III, which focuses on the economic substance doctrine, and Title IV which addresses offshore tax havens.

Title III of the bill would include in Federal tax statutes for the first time what is known as the economic substance doctrine. This anti-abuse doctrine was fashioned by Federal Courts asked to evaluate transactions which appeared to have little or no business purpose or economic substance apart from tax avoidance. It has become a powerful analytical tool used by courts to invalidate abusive tax shelters. At the same time, because there is no statute underlying this doctrine and the courts have developed and applied it differently in different judicial districts, the existing case law has many ambiguities and conflicting interpretations.

Under the leadership of Senators GRASSLEY and BAUCUS, the Chairman and Ranking Member of the Finance Committee, the Senate has voted three times to codify the economic substance doctrine, but it has yet to be enacted into law. Since no tax shelter legislation would be complete without addressing this issue, Title III of this comprehensive bill proposes once more to include the economic substance doctrine in the tax code.

Sections 401 and 402 in the Tax Shelter and Tax Haven Reform Act also tackle the issue of tax havens by deterring use of tax havens that fail to cooperate with U.S. tax enforcement efforts. There are dozens of jurisdictions around the world that have enacted corporate, bank, and tax secrecy laws and then, in too many cases, used these laws to justify a failure to provide timely information to U.S. law enforcement about persons suspected of either hiding funds in the jurisdiction's offshore bank accounts or using offshore corporations and deceptive transactions to disguise their income or create phony losses to shelter their income from taxation.

Section 401 of the bill would tackle the problem by giving the Treasury Secretary the discretion to designate offshore tax havens as "uncooperative" and to publish an annual list of these uncooperative tax havens. The Treasury Secretary is intended to develop this list by evaluating the actual record of cooperation experienced by the United States in its dealings with specific jurisdictions around the world. While many offshore tax havens have recently signed treaties with the United States promising for the first time to cooperate with U.S. civil and criminal tax enforcement, it is undetermined what level of cooperation will actually result. For example, after one country signed a tax treaty with the United States, the government that led the effort was voted out of office by treaty opponents. Treasury needs a way to ensure that tax treaty obligations are met and to send a message to jurisdictions that impede U.S. tax enforcement. This bill will help Treasury get the cooperation it needs.

in addition to authorizing Treasury to publish an annual list of uncooperative tax havens, section 401 and 402 of the bill would deter use of uncooperative tax havens by imposing two types of restrictions on taxpayers doing business in the designated jurisdictions. First, taxpayers would be required to provide greater disclosure of their activities on their tax returns, including disclosing on their returns any payment above $10,000 to a person or account located in a designated tax haven. Second, the bill would disallow any tax benefits, such as foreign tax credits or deferral of taxation, for income attributable to a designated tax haven. These restrictions would provide the United States with powerful weapons to compel tax havens to begin to cooperate with U.S. tax enforcement efforts.

In addition to addressing the need to increase tax shelter penalties, codify the economic substance doctrine and deter use of uncooperative tax havens, the bill includes a number of measures in Title II that would address other aspects of abusive tax shelters. I'd like to discuss a few of these.

Title II of the bill includes a number of additional measures to crack down on abusive tax dodges. Section 201 of the bill would, in part, direct the Department of the Treasury to issue as part of Circular 230 new standards for tax practitioners issuing opinion letters on the tax implications of tax shelters. The public has traditionally relied on tax opinion letters to obtain informed and trustworthy advice about whether a tax-motivated transaction meets the requirements of the law. The investigation conducted by the Permanent Subcommittee on Investigations found that, in too many cases, tax opinion letters no longer contain disinterested and reliable tax advice, even when issued by supposedly reputable accounting or law firms. Instead, too many tax opinion letters have become marketing tools used by tax shelter promoters and their allies to sell clients on their latest tax products. In too many of these cases, financial interests and biases were concealed, unreasonable factual assumptions were used to justify dubious legal conclusions, and taxpayers were misled about the risks that the proposed transaction would later be designated an illegal tax shelter. Reforms are essential to address these abuses and restore the integrity of tax opinion letters issued by reputable firms.

Treasury recently proposed standards that would address some of the ongoing abuses affecting tax shelter opinion letters; however, the proposed standards do not take all the steps needed. Our bill would require Treasury to issue standards addressing a wider spectrum of tax shelter opinion letter problems, including: (1) the independence of the opinion letter writer from tax shelter promoters, (2) collaboration among letter writers resulting in joint financial interest, (3) avoidance of conflicts of interest that would impair auditor independence, (4) review and approval procedures by a firm for opinion letters issued in the name of the firm, (5) reliance on reasonable factual representations, and (6) the appropriateness of fee charges. By addressing each of these areas, Circular 230 could help reduce the ongoing abusive practices related to tax shelter opinion letters.

During the November tax shelter hearings before the Permanent Subcommittee on Investigations, IRS Commissioner Mark Everson testified that his agency was barred by section 6103 of the tax code from communicating information to other Federal agencies that would assist those agencies in their law enforcement duties. He indicated, for example, that the IRS was barred from providing tax return information to the SEC, Federal bank regulators, and the Public Company Accounting Oversight Board, or PCAOB, even when that information might assist a Federal agency in evaluating whether an abusive tax shelter resulted in deceptive accounting in a public company's financial statements, whether a bank selling tax products to its clients had violated the law against promoting abusive tax shelters, or whether an accounting firm had impaired its independence by selling tax shelters to its audit clients.

These communication barriers between our key Federal civil enforcement agencies are outdated, inefficient, and ill-suited to stopping the torrent of tax shelter abuses now affecting or being promoted by so many of our public companies, banks, and accounting firms. To address this problem, section 203 of the bill would authorize the Treasury Secretary, with appropriate privacy safeguards, to disclose to the SEC, Federal banking agencies, and the PCAOB, upon request, tax return information related to abusive tax shelters, inappropriate tax avoidance, or tax evasion. The agencies could then use this information only for law enforcement purposes, such as preventing accounting firms or banks from promoting abusive tax shelters or aiding or abetting tax evasion, and detecting and punishing accounting fraud related to illegal tax shelters employed by public companies. Improved information sharing for law enforcement purposes would greatly aid our agencies in their enforcement efforts.

The bill would also provide for increased disclosure to Congress. Section 204 of the bill would make it clear, for example, that companies providing tax return preparation services to taxpayers cannot refuse to comply with a Congressional document subpoena by citing a consumer protection provision in the tax code, section 7216, prohibiting tax return preparers from disclosing taxpayer information to third parties. Several accounting and law firms raised this claim in response to document subpoenas issued by the Permanent Subcommittee on Investigations, contending they were barred by the nondisclosure provision in section 721 from producing documents related to the sale of abusive tax shelters to clients for a fee. The accounting and law firms maintained this position despite an analysis provided by the Senate legal counsel showing that the nondisclosure provision was never intended to create a privilege or to override a Senate subpoena, as demonstrated in Federal regulations interpreting the provision. To clarify the law, the bill would codify the existing regulations interpreting section 7216 and make it clear that congressional document subpoenas must be honored.

Section 204 would also ensure Congress has access to information about decisions by Treasury related to an organization's tax exempt status. A 2003 decision by the D.C. Circuit Court of Appeals, *Tax Analysts v. IRS*, struck down certain IRS regulations and held that the IRS must disclose letters denying or revoking an organization's tax exempt status to the public. The IRS has been reluctant to disclose such information, not only to the public, but also to Congress, including in response to requests by the Permanent Subcommittee on Investigations. This section of the bill would make it clear that, upon receipt of a request form a Congressional committee or subcommittee, the IRS must disclose documents, other than a tax return, related to the agency's determination to grant, deny, revoke or restore an organization's exemption from taxation.

Still another finding of the subcommittee investigation is that tax practitioners are circumventing current State and Federal constraints on charging tax service fees that are contingent on actual or projected tax savings. Traditionally, accounting firms charged flat fees or hourly fees for their tax services. In the 1990s, however, they began charging "value added" fees based on, in the words of a one accounting firm's manual, "the value of the services provided, as opposed to the time required to perform the services." In addition, some firms began charging "contingent fees" that were based on a client's obtaining specified results from the services offered, such as projected tax savings. In response, many States prohibited accounting firms from charging contingent fees for tax work to avoid creating incentives for these firms to devise ways to shelter substantial sums. The SEC and the American Institute of Certified Public Accountants also issued rules restricting contingent fees, allowing them in only limited circumstances.

The subcommittee investigation found that tax shelter fees, which are typically substantial and sometimes exceed $1 million, are often linked to the taxpayer's projected tax savings or paper losses to be used to shelter income from taxation. For example, in three tax shelters examined by the Subcommittee, documents show that the fees were equal to a percentage of the paper loss to be generated by the transaction. In one case, the fees were typically set at 7 percent of the transaction's generated "tax loss" that clients could sue to shelter other taxable income. In addition, other evidence indicated that, in at least some instances, a tax advisor was willing to deliberately manipulate the way it handled certain tax products to circumvent the contingent fee prohibitions. One internal document at an accounting firm related to a specific tax shelter, for example, identified the states that prohibited contingent fees. Then, rather than prohibit the tax shelter transactions in those States or require an alternative fee structure, the memorandum directed the firm's tax professionals to make sure the engagement letter was signed, the engagement was managed, and the bulk of services was performed "in a jurisdiction that does not prohibit contingency fees."

Right now, the prohibitions on contingent fees are complex and must be evaluated in the context of a patchwork of Federal, State and professional ethics rules. Section 205 of the bill would simplify the existing prohibitions on contingency fees by putting into place a single enforceable rule, applicable nationwide, that would prohibit tax practitioners from charging fees which are "contingent upon the actual or projected achievement of Federal tax savings or benefits, or of losses which can be used to offset other taxable income."

Section 206 of the bill would establish that it is the sense of the Senate that additional funds should be appropriated for IRS enforcement, and that the IRS should devote proportionately more of its enforcement funds to combat rampant tax shelter and tax haven abuses. Specifically, the bill would direct increased funding toward enforcement efforts combating the promotion of abusive tax shelters for corporations and high net worth individuals and the aiding and abetting of tax evasion; the involvement of accounting, law and financial firms in such promotion and aiding and abetting; and the use of offshore financial account to conceal taxable income.

In a bipartisan letter that was recently sent to the Senate appropriations committee by Senators COLEMAN, COLLINS, LIEBERMAN and myself, we wrote that, "Tax enforcement is one area where a relatively small increase in spending can pay for itself many times over." Tens of billions in revenues that should support this country would actually reach the Treasury if we would hire adequate enforcement personnel, close the tax loopholes, and put an end to tax dodges.

It is past time to get serious about tax shelter abuses, uncooperative tax havens, and the tax dodgers who use them. This bill would send the message to tax dodgers that their shenanigans are unfair, unpatriotic, and unacceptable. We need to stop putting a disproportionate burden on the shoulders of the average American and make sure all taxpayers are paying their fair share.

I ask unanimous consent that a summary of the bill and the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF SENATOR LEVIN'S TAX SHELTER AND TAX HAVEN REFORM ACT

(See attached, more detailed summary that reflects which parts of this bill are patterned after or incorporated in the Grassley/Baucus revenue raisers that have previously passed the Senate and are included in the upcoming JOBS Act.)

Title I—Strengthen Tax Shelter Penalties:

Strengthen penalties for promoting abusive tax shelters, aiding or abetting tax evasion, failing to register or disclose potentially abusive tax shelters, failing to maintain and disclose required tax shelter client lists, and failing to disclose offshore bank accounts;

Extend statute of limitations for undisclosed tax shelters; and

Expand injunctive relief to stop certain conduct related to abusive tax shelters.

Title II—Prevent Abusive Tax Shelters:

Authorize censure, civil fines, and tax shelter opinion standards for tax practitioners;

Expand tax shelter exception to tax practitioner privilege to cover all abusive tax shelters;

Authorize IRS to disclose certain tax shelter information to certain federal agencies to strengthen civil law enforcement;

Increase disclosure of certain tax shelter promoter information to Congress;

Prohibit use of fees contingent on specified amount of tax avoidance; and

Sense of the Senate on IRS tax enforcement priorities, advocating more enforcement funds and more enforcement action to stop tax shelter promoters and combat use of offshore bank accounts to conceal taxable income.

Title III—Require Economic Substance:

Clarify and codify the economic substance doctrine;

Strenghten penalty for tax transactions lacking economic substance; and

Eliminate tax deduction for interest on unpaid taxes attributable to transactions determined to be without economic substance.

Title IV—Deter Uncooperative Tax Havens:

Require disclosure of payments to uncooperative tax havens; and

Restrict tax benefits for income earned in uncooperative tax havens.

TITLE I—STRENGTHENING TAX SHELTER PENALTIES

Sections 101–109

Strengthens the penalties for (see chart on last page of this summary): promoting abusive tax shelters (§101); knowingly aiding or abetting a taxpayer in understating tax liability (§102); failing to register potentially abusive tax shelters with the IRS or to provide required information about such shelters to the IRS (§103, §106); failing to maintain and disclose to the IRS upon request tax shelter client lists (§104); and failing to disclose offshore bank accounts (§109).

Extends statute of limitations for undisclosed tax shelters (§107), and expands the IRS' ability to seek injunctions against tax shelter promoters and material advisors (§108). Modeled after provisions in the Grassley/Baucus legislation that has passed the Senate three times.

TITLE II—PREVENTING ABUSIVE TAX SHELTER TRANSACTIONS

Section 201—Authorize censure, civil fines, and tax shelter opinion standards for tax practitioners

Authorizes Treasury to censure or impose civil fines on tax practitioners (such as accountants and attorneys) who violate specified standards of practice in Circular 230, for persons representing clients before the IRS. Modeled after provision in the Grassley/Baucus legislation that has passed the Senate three times.

Directs Treasury to issue Circular 230 standards for tax practitioners providing "opinion letters" on specific tax shelter transactions. Requires standards to address: (1) independence of letter writer from tax shelter promoters, (2) collaboration among letter writers resulting in joint financial interests, (3) avoidance of conflicts of interest that would impair auditor independence, (4) review and approval by a firm of opinion letters issued in the name of the firm, (5) reasonable reliance on factual representations, and (6) the appropriateness of fee charges. Expands upon standards recently proposed by Treasury.

Section 202—Expand tax shelter exception to tax practitioner privilege

Expands existing tax shelter exception to the confidentiality privilege for communications between a federally authorized tax practitioner and taxpayer, so that the exception applies to communications not only about corporate tax shelters, but other tax shelters as well. Modeled after provision in the Grassley/Baucus legislation that has passed the Senate three times.

Sections 203–204—Increase disclosure of certain tax shelter information

Authorizes Treasury to share certain tax return information with the SEC, federal bank regulators, or PCAOB, under certain circumstances, to enhance tax shelter enforcement or combat financial accounting fraud. (§204)

Clarifies that Congress has the same subpoena authority as federal, state, and local authorities to obtain information from tax return preparers. Expands Congress' authority to obtain certain tax information (but not a taxpayer return) from Treasury related to an IRS decision to grant, deny, revoke, or restore an organization's tax exempt status. (§205)

Section 205—Prohibit tax service fees contingent on specific tax savings

Prohibits charging a fee for tax services in an amount contingent upon the actual or projected achievement of a specified amount of tax savings or income loss to offset taxable income. Builds on existing contingent fee prohibitions in more than 20 states, AICPA rules applicable to accountants, and SEC regulations applicable to auditors of publicly traded corporations. Based upon investigation by Permanent Subcommittee on Investigations showing tax practitioners are circumventing current constraints.

Section 206—"Sense of the Senate" on IRS Enforcement Priorities

Establishes the Sense of the Senate that additional funds should be appropriated for IRS enforcement, and that the IRS should devote proportionately more of its enforcement funds to combat: (1) the promotion of abusive tax shelters for corporations and high net worth individuals and the aiding or abetting of tax evasion, (2) the involvement of accounting, law and financial firms in such promotion and aiding or abetting, and (3) the use of offshore financial accounts to conceal taxable income.

TITLE III—REQUIRING ECONOMIC SUBSTANCE

Sections 301-303—Strengthen the Economic Substance Doctrine

Stengthens and codifies the economic substance doctrine to invalidate transactions that have no economic substance or business purpose apart from tax avoidance or evasion. Also increases penalties for understatements and eliminates deductibility of interest on unpaid taxes when the penalties or interest are attributable to a transaction lacking in economic substance. Modeled after provisions in the Grassley/Baucus legislation that has passed the Senate three times. Estimated to raise $13.7 billion over ten years.

TITLE IV—DETERRING UNCOOPERATIVE TAX HAVENS

Section 401-402—Deter Uncooperative Tax Havens

Deters taxpayer use of uncooperative tax havens with corporate, bank or tax secrecy laws, procedures, or practices that impede U.S. enforcement of its tax laws by: (1) requiring disclosure on taxpayer returns of any payments above $10,000 to accounts or persons located in such tax havens (§401), and (2) ending tax benefits for any income earned in such tax havens (§402). Gives Treasury Secretary discretion to designate a tax haven as uncooperative and publish an annual list of those jurisdictions.

COMPARISON OF TITLE I PENALTY PROVISIONS—STRENGTHEN TAX SHELTER PENALTIES

Violation	Penalty		
	Current law	Provisions in JOBS Act (S. 1637)	Provisions in Tax Shelter and Tax Haven Reform Act
Promotion of abusive tax shelters. IRS § 6700	Lesser of $1,000 or 100% of the promoters' gross income derived from the prohibited activity.	50% of the promoters' gross income from the activity. (§ 415).	Not to exceed the greater of: (i) 150% of the promoters' gross income from the prohibited activity, or (ii) amount assessed against the taxpayer for using abusive shelter (including backtaxes, penalties and interest) (§ 101).
Knowingly aiding and abetting understatement of tax liability. IRC § 6701.	Maximum of $1,000 ($10,000 for a corporation). Penalty applies only to tax return preparer.	No provision included	Not to exceed the greater of: (i) 150% of the aider/abettor's gross income from the prohibited activity, or (ii) amount assessed against the taxpayer for the understatement (including backtaxes, penalties and interest). Penalty applies to all aiders/abettors, not just preparers (§ 102).
Failure to timely register with IRS a shelter or provision of false or incomplete information with respect to it. IRC § 6707(a).	Non-confidential shelter: Greater of $500 or 1% of the amount invested. Confidential shelter: Greater of $10,000 or 50% of the promoters' fees (75% if violation is intentional).	$50,000. No distinction between confidential and non-confidential. However, if relates to a tax shelter previously identified by the IRS, no less than $200,000 but not greater than 50% of the promoter's income from the shelter (75% if violation is intentional). Material advisors must also register. (§ 408).	$50,000 to $100,000. No distinction between confidential and non-confidential. However, if relates to a tax shelter previously identified by the IRS, no less than $200,000 but not greater than 100% of the promoter's income from the shelter (150% if violation is intentional). Material advisors must also register (§ 103).
Failure by taxpayer to include with return the required information regarding a potentially abusive shelter. IRC § 6707(b)(2).	$250 per failure to include tax shelter ID number, (There are additional penalties on the taxpayer that relate to understatement or underpayment.).	Significantly broadens disclosure requirements. $50,000, but $100,000 if failure relates to a tax shelter previously identified by the IRS. Doubled amounts if the taxpayer is a large entity or high net worth individual. (§ 402).	Similiar disclosure requirements as JOBS Act. $50,000, but $100,000 if failure relates to a tax shelter, previously identified by the IRS. Doubled amounts if intentional (§ 105).
Failure to maintain list of participants in potentially abusive tax shelters. IRC § 6708.	$50 per name, with a maximum penalty per year of $100,000.	$10,000 per day after the person has failed for 20 days to provide a list to the IRS after the agency requested it. (§ 409).	Same as JOBS Act, plus if an incomplete list is given to the IRS, $100 per omitted investor per day (§ 104).
Failure to report interests in foreign financial accounts. 31 USC § 5321.	Maximum of $100,000, but failure must be willful for any penalty to be assessed.	Maximum of $5,000, but if willful, up to $100,000. (§ 412).	Maximum of $10,000, but if willful, minimum of $5,000 and up to 50% of the funds in the account over which the taxpayer has control (§ 109).

S. 2210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Tax Shelter and Tax Haven Reform Act".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—STRENGTHENING TAX SHELTER PENALTIES

Sec. 101. Penalty for promoting abusive tax shelters.
Sec. 102. Penalty for aiding and abetting the understatement of tax liability.
Sec. 103. Penalty for failing to register tax shelter.
Sec. 104. Penalty for failing to maintain client list.
Sec. 105. Penalty for failing to disclose potentially abusive tax shelter.
Sec. 106. Improved disclosure of potentially abusive tax shelters.
Sec. 107. Extension of statute of limitations for undisclosed tax shelter.
Sec. 108. Expansion of injunctive relief to stop certain conduct related to tax shelter or understatement of tax liability.
Sec. 109. Penalty for failing to report interests in foreign financial accounts.

TITLE II—PREVENTING ABUSIVE TAX SHELTERS

Sec. 201. Censure, civil fines, and tax opinion standards for tax practitioners.
Sec. 202. Expansion of tax shelter exception to tax practitioner privilege.
Sec. 203. Information sharing for enforcement purposes.
Sec. 204. Disclosure of information to Congress.
Sec. 205. Contingent fee prohibition.
Sec. 206. Sense of the Senate on tax enforcement priorities.

TITLE III—REQUIRING ECONOMIC SUBSTANCE

Sec. 301. Clarification of economic substance doctrine.
Sec. 302. Accuracy-related penalty for listed transactions and other potentially abusive tax shelters having a significant tax avoidance purpose.
Sec. 303. Penalty for understatements attributable to transactions lacking economic substance, etc.
Sec. 304. Denial of deduction for interest on underpayments attributable to noneconomic substance transactions.

TITLE IV—DETERRING UNCOOPERATIVE TAX HAVENS

Sec. 401. Disclosing payments to persons in uncooperative tax havens.
Sec. 402. Deterring uncooperative tax havens by restricting allowable tax benefits.

TITLE I—STRENGTHENING TAX SHELTER PENALTIES

SEC. 101. PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.

(a) PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.—Section 6700 (relating to promoting abusive tax shelters, etc.) is amended—

(1) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively,

(2) by striking "a penalty" and all that follows through the period in the first sentence of subsection (a) and inserting "a penalty determined under subsection (b)", and

(3) by inserting after subsection (a) the following new subsections:

"(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

"(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed the greater of—

"(A) 150 percent of the gross income derived (or to be derived) from such activity by the person or persons subject to such penalty, and

"(B) if readily subject to calculation, the total amount of underpayment by the taxpayer (including penalties, interest, and taxes) in connection with such activity.

"(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of an activity described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who participated in such an activity.

"(3) Liability for penalty.—If more than 1 person is liable under subsection (a) with respect to such activity, all such persons shall be jointly and severally liable for the penalty under such subsection.

"(c) Penalty Not Deductible.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.".

(b) Effective Date.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 102. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) In General.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by inserting "the tax liability or" after "respect to," in paragraph (1),

(2) by inserting "aid, assistance, procurement, or advice with respect to such" before "portion" both places it appears in paragraphs (2) and (3), and

(3) by inserting "instance of aid, assistance, procurement, or advice or each such" before "document" in the matter following paragraph (3).

(b) Amount of Penalty.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting understatement of tax liability) is amended to read as follows:

"(b) Amount of Penalty; Calculation of Penalty; Liability for Penalty.—

"(1) Amount of penalty.—The amount of the penalty imposed by subsection (a) shall not exceed the greater of—

"(i) 150 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the person or persons subject to such penalty, and

"(ii) if readily subject to calculation, the total amount of underpayment by the taxpayer (including penalties, interest, and taxes) in connection with the understatement of the liability for tax.

"(2) Calculation of penalty.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of aid, assistance, procurement, or advice described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who made such an understatement of the liability for tax.

"(3) Liability for penalty.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.".

(c) Penalty Not Deductible.—Section 6701 is amended by adding at the end the following new subsection:

"(g) Penalty Not Deductible.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.".

(d) Effective Date.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 103. PENALTY FOR FAILURE TO REGISTER TAX SHELTER.

(a) In General.—Section 6707 (relating to failure to furnish information regarding tax shelters) is amended to read as follows:

"SEC. 6707. FAILURE TO FURNISH INFORMATION ON POTENTIALLY ABUSIVE TAX SHELTER OR LISTED TRANSACTION.

"(a) In General.—If a person who is required to file a return under section 6111 with respect to any potentially abusive tax shelter—

"(1) fails to file such return on or before the date prescribed therefor, or

"(2) files false or incomplete information with the Secretary with respect to such shelter,

such person shall pay a penalty with respect to such return in the amount determined under subsection (b).

"(b) Amount of Penalty.—

"(1) In general.—Except as provided in paragraph (2), the penalty imposed under subsection (a) with respect to any failure shall be not less than $50,000 and not more than $100,000.

"(2) Listed transactions.—The penalty imposed under subsection (a) with respect to any listed transaction shall be an amount equal to the greater of—

"(A) $200,000, or

"(B) 100 percent of the gross income derived by such person for providing aid, assistance, procurement, advice, or other services with respect to the listed transaction before the date the return including the transaction is filed under section 6111.

Subparagraph (B) shall be applied by substituting '150 percent' for '100 percent' in the case of an intentional failure or act described in subsection (a).

"(c) Certain Rules To Apply.—The provisions of section 6707A(d) allowing the Commissioner of Internal Revenue to rescind a penalty under certain circumstances shall apply to any penalty imposed under this section.

"(d) Potentially Abusive Tax Shelters and Listed Transactions.—The terms 'potentially abusive tax shelter' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).

"(e) Penalty Not Deductible.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.".

(b) Clerical Amendment.—The item relating to section 6707 in the table of sections for part I of subchapter B of chapter 68 is amended by striking "regarding tax shelters" and inserting "on potentially abusive tax shelter or listed transaction".

(c) Effective Date.—The amendments made by this section shall apply to returns the due date for which is after the date of the enactment of this Act.

SEC. 104. PENALTY FOR FAILING TO MAINTAIN CLIENT LIST.

(a) In General.—Subsection (a) of section 6708 (relating to failure to maintain lists of investors in potentially abusive tax shelters) is amended to read as follows:

"(a) Imposition of Penalty.—

"(1) In general.—If any person who is required to maintain a list under section 6112(a) fails to make such list available upon written request to the Secretary in accordance with section 6112(b)(1)(A) within 20 business days after the date of the Secretary's request, such person shall pay a penalty of $10,000 for each day of such failure after such 20th day. If such person makes available an incomplete list upon such request, such person shall pay a penalty of $100 per each omitted name for each day of such omission after such 20th day.

"(2) Good cause exception.—No penalty shall be imposed by paragraph (1) with respect to the failure on any day if, in the judgment of the Secretary, such failure is due to good cause.".

(b) Penalty Not Deductible.—Section 6708 is amended by adding at the end the following new subsection:

"(c) Penalty Not Deductible.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.".

(c) Effective Date.—The amendments made by this section shall apply to requests made by the Secretary of the Treasury after the date of the enactment of this Act.

SEC. 105. PENALTY FOR FAILING TO DISCLOSE POTENTIALLY ABUSIVE TAX SHELTER.

(a) In General.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6707 the following new section:

"SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE POTENTIALLY ABUSIVE TAX SHELTER INFORMATION WITH RETURN OR STATEMENT.

"(a) Imposition of Penalty.—Any person who fails to include on any return or statement any information with respect to a potentially abusive tax shelter which is required under section 6011 to be included with such return or statement shall pay a penalty in the amount determined under subsection (b).

"(b) Amount of Penalty.—

"(1) In general.—Except as provided in paragraphs (2) and (3), the amount of the penalty under subsection (a) shall be $50,000.

"(2) Listed transaction.—Except as provided in paragraph 3, the amount of the penalty under subsection (a) with respect to a listed transaction shall be $100,000.

"(3) Increase in penalty for intentional nondisclosure.—In the case of an intentional failure by any person under subsection (a), the penalty under paragraph (1) shall be $100,000 and the penalty under paragraph (2) shall be $200,000.

"(c) Definitions.—For purposes of this section—

"(1) Potentially abusive tax shelter.—The term 'potentially abusive tax shelter' means any transaction with respect to which information is required to be included with a return or statement, because the Secretary has determined by regulation or otherwise that such transaction has a potential for tax avoidance or evasion.

"(2) Listed transaction.—Except as provided in regulations, the term 'listed transaction' means a potentially abusive tax shelter which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011.

"(d) Authority To Rescind Penalty.—

"(1) In general.—The Commissioner of Internal Revenue may rescind all or any portion of a penalty imposed by this section with respect to any violation if—

"(A) the violation is with respect to a potentially abusive tax shelter other than a listed transaction, "(B) the person on whom the penalty is imposed has a history of complying with the requirements of this title,

"(C) it is shown that the violation is due to an unintentional mistake of fact,

"(D) imposing the penalty would be against equity and good conscience, and

"(E) rescinding the penalty would promote compliance with the requirements of this title and effective tax administration.

"(2) DISCRETION.—The exercise of authority under paragraph (1) shall be at the sole discretion of the Commissioner and may be delegated only to the head of the Office of Tax Shelter Analysis. The Commissioner, in the Commissioner's sole discretion, may establish a procedure to determine if a penalty should be referred to the Commissioner or the head of such Office for a determination under paragraph (1).

"(3) NO APPEAL.—Notwithstanding any other provision of law, any determination under this subsection may not be reviewed in any administrative or judicial proceeding.

"(4) RECORDS.—If a penalty is rescinded under paragraph (1), the Commissioner shall place in the file in the Office of the Commissioner the opinion of the Commissioner or the head of the Office of Tax Shelter Analysis with respect to the determination, including—

"(A) the facts and circumstances of the transaction,

"(B) the reasons for the rescission, and

"(C) the amount of the penalty rescinded.
A copy of such opinion shall be provided upon written request to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Joint Committee on Taxation, or the General Accounting Office.

"(5) REPORT.—The Commissioner shall each year report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

"(A) a summary of the total number and aggregate amount of penalties imposed, and rescinded, under this section, and

"(B) a description of each penalty rescinded under this subsection and the reasons therefor.

"(e) PENALTY REPORTED TO SEC.—In the case of a person—

"(1) which is required to file periodic reports under section 13 or 15(d) of the Securities Exchange Act of 1934 or is required to be consolidated with another person for purposes of such reports, and

"(2) which—

"(A) is required to pay a penalty under this section with respect to a listed transaction,

"(B) is required to pay a penalty under section 6662A with respect to any potentially abusive tax shelter at a rate prescribed under section 6662A(c), or

"(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction,
the requirement to pay such penalty shall be disclosed in such reports filed by such person for such periods as the Secretary shall specify. Failure to make a disclosure in accordance with the preceding sentence shall be treated as a failure to which the penalty under subsection (b)(2) applies.

"(f) PENALTY IN ADDITION TO OTHER PENALTIES.—The penalty imposed by this section shall be in addition to any other penalty provided by law.

"(g) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.".

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6707 the following:

"Sec. 6707A. Penalty for failure to include potentially abusive tax shelter information with return or statement.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns and statements the due date for which is after the date of the enactment of this Act.

SEC. 106. IMPROVED DISCLOSURE OF POTENTIALLY ABUSIVE TAX SHELTERS.

(a) IN GENERAL.—Section 6111 (relating to registration of tax shelters) is amended to read as follows:

"SEC. 6111. DISCLOSURE OF POTENTIALLY ABUSIVE TAX SHELTERS.

"(a) IN GENERAL.—Each material advisor with respect to any potentially abusive tax shelter shall make a return (in such form as the Secretary may prescribe) setting forth—

"(1) information identifying and describing such shelter,

"(2) information describing any potential tax benefits expected to result from the shelter, and

"(3) such other information as the Secretary may prescribe.
Such return shall be filed not later than the date which is 30 days before the date on which the first sale of such shelter occurs or on any other date specified by the Secretary.

"(b) DEFINITIONS.—For purposes of this section—

"(1) MATERIAL ADVISOR.—

"(A) IN GENERAL.—The term 'material advisor' means any person—

"(i) who provides any material aid, assistance, or advice with respect to designing, organizing, managing, promoting, selling, implementing, or carrying out any potentially abusive tax shelter, and

"(ii) who directly or indirectly derives gross income in excess of the threshold amount for such aid, assistance, or advice.

"(B) THRESHOLD AMOUNT.—For purposes of subparagraph (A), the threshold amount is—

"(i) $50,000 in the case of a potentially abusive tax shelter substantially all of the tax benefits from which are provided to natural persons, and

"(ii) $100,000 in any other case.

"(2) POTENTIALLY ABUSIVE TAX SHELTER.—The term 'potentially abusive tax shelter' has the meaning given to such term by section 6707A(c).

"(c) REGULATIONS.—The Secretary may prescribe regulations which provide—

"(1) that only 1 person shall be required to meet the requirements of subsection (a) in cases in which 2 or more persons would otherwise be required to meet such requirements,

"(2) exemptions from the requirements of this section, and

"(3) such rules as may be necessary or appropriate to carry out the purposes of this section.".

(b) CONFORMING AMENDMENTS.—

(1) The item relating to section 6111 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

"Sec. 6111. Disclosure of potentially abusive tax shelters.".

(2)(A) So much of section 6112 as precedes subsection (c) thereof is amended to read as follows:

"SEC. 6112. MATERIAL ADVISORS OF POTENTIALLY ABUSIVE TAX SHELTERS MUST KEEP CLIENT LISTS.

"(a) IN GENERAL.—Each material advisor (as defined in section 6111) with respect to any potentially abusive tax shelter (as defined in section 6707A(c)) shall maintain, in such manner as the Secretary may by regulations prescribe, a list—

"(1) identifying each person with respect to whom such advisor acted as such a material advisor with respect to such shelter, and

"(2) containing such other information as the Secretary may by regulations require.
This section shall apply without regard to whether a material advisor is required to file a return under section 6111 with respect to such transaction.".

(B) Section 6112 is amended by redesignating subsection (c) as subsection (b).

(C) Section 6112(b), as redesignated by subparagraph (B), is amended—

(i) by inserting "written" before "request" in paragraph (1)(A), and

(ii) by striking "shall prescribe" in paragraph (2) and inserting "may prescribe".

(D) The item relating to section 6112 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

"Sec. 6112. Material advisors of potentially abusive tax shelters must keep client lists.".

(3)(A) The heading for section 6708 is amended to read as follows:

"SEC. 6708. FAILURE TO MAINTAIN CLIENT LISTS WITH RESPECT TO POTENTIALLY ABUSIVE TAX SHELTERS.".

(B) The item relating to section 6708 in the table of sections for part I of subchapter B of chapter 68 is amended to read as follows:

"Sec. 6708. Failure to maintain client lists with respect to potentially abusive tax shelters.".

(c) REQUIRED DISCLOSURE NOT SUBJECT TO CLAIM OF CONFIDENTIALITY.—Section 6112(b)(1), as redesignated by subsection (b)(2)(B), is amended by adding at the end the following new flush sentence:
"For purposes of this section, the identity of any person on such list shall not be privileged.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to transactions with respect to which material aid, assistance, or advice referred to in section 6111(b)(1)(A)(i) of the Internal Revenue Code of 1986 (as added by this section) is provided after the date of the enactment of this Act.

(2) NO CLAIM OF CONFIDENTIALITY AGAINST DISCLOSURE.—The amendment made by subsection (c) shall take effect as if included in the amendments made by section 142 of the Deficit Reduction Act of 1984.

SEC. 107. EXTENSION OF STATUTE OF LIMITATIONS FOR UNDISCLOSED TAX SHELTER.

(a) IN GENERAL.—Section 6501(c) (relating to exceptions) is amended by adding at the end the following new paragraph:

"(10) POTENTIALLY ABUSIVE TAX SHELTERS.—If a taxpayer fails to include on any return or statement for any taxable year any information with respect to a potentially abusive tax shelter (as defined in section 6707A(c)) which is required under section 6011 to be included with such return or statement, the time for assessment of any tax imposed by this title with respect to such transaction shall not expire before the date which is 2 years after the earlier of—

"(A) the date on which the Secretary is furnished the information so required; or

“(B) the date that a material advisor (as defined in section 6111) meets the requirements of section 6112 with respect to a request by the Secretary under section 6112(b) relating to such transaction with respect to such taxpayer.”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years with respect to which the period for assessing a deficiency did not expire before the date of the enactment of this Act.

SEC. 108. EXPANSION OF INJUNCTIVE RELIEF TO STOP CERTAIN CONDUCT RELATED TO TAX SHELTER OR UNDERSTATEMENT OF TAX LIABILITY.

(a) In General.—Section 7408 (relating to action to enjoin promoters of abusive tax shelters, etc.) is amended by redesignating subsection (c) as subsection (d) and by striking subsections (a) and (b) and inserting the following new subsections:

“(a) Authority To Seek Injunction.—A civil action in the name of the United States to enjoin any person from further engaging in specified conduct may be commenced at the request of the Secretary. Any action under this section shall be brought in the district court of the United States for the district in which such person resides, has his principal place of business, or has engaged in specified conduct. The court may exercise its jurisdiction over such action (as provided in section 7402(a)) separate and apart from any other action brought by the United States against such person.

“(b) Adjudication and Decree.—In any action under subsection (a), if the court finds—

“(1) that the person has engaged in any specified conduct, and

“(2) that injunctive relief is appropriate to prevent recurrence of such conduct,

the court may enjoin such person from engaging in such conduct or in any other activity subject to penalty under this title.

“(c) Specified Conduct.—For purposes of this section, the term ‘specified conduct’ means any action, or failure to take action, subject to penalty under section 6700, 6701, 6707, 6707A, 6708, or 7206.”.

(b) Conforming Amendments.—

(1) The heading for section 7408 is amended to read as follows:

“SEC. 7408. ACTIONS TO ENJOIN SPECIFIED CONDUCT RELATED TO TAX SHELTER OR UNDERSTATEMENT OF TAX LIABILITY.”.

(2) The table of sections for subchapter A of chapter 67 is amended by striking the item relating to section 7408 and inserting the following new item:

“Sec. 7408. Actions to enjoin specified conduct related to tax shelter or understatement of liability.”.

(c) Effective Date.—The amendment made by this section shall take effect on the day after the date of the enactment of this Act.

SEC. 109. PENALTY FOR FAILING TO REPORT INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

(a) In General.—Section 5321(a)(5) of title 31, United States Code, is amended to read as follows:

“(5) Foreign financial agency transaction violation.—

“(A) Penalty authorized.—The Secretary of the Treasury may impose a civil money penalty on any person who violates, or causes any violation of, any provision of section 5314.

“(B) Amount of penalty.—

“(i) In general.—Except as provided in subparagraph (C), the amount of any civil penalty imposed under subparagraph (A) shall not exceed $10,000.

“(ii) Reasonable cause exception.—No penalty shall be imposed under subparagraph (A) with respect to any violation if—

“(I) such violation was due to reasonable cause, and

“(II) the amount of the transaction or the balance in the account at the time of the transaction was properly reported.

“(C) Willful violations.—In the case of any person willfully violating, or willfully causing any violation of, any provision of section 5314, the amount of the civil penalty imposed under subparagraph (A) shall be—

“(i) not less than $5,000,

“(ii) not more than 50 percent of the amount determined under subparagraph (D), and

“(iii) subparagraph (B)(ii) shall not apply.

“(D) Amount.—The amount determined under this subparagraph is—

“(i) in the case of a violation involving a transaction, the amount of the transaction, or

“(ii) in the case of a violation involving a failure to report the existence of an account or any identifying information required to be provided with respect to an account, the balance in the account at the time of the violation.”.

(b) Effective Date.—The amendment made by this section shall apply to violations occurring after the date of the enactment of this Act.

TITLE II—PREVENTING ABUSIVE TAX SHELTERS

SEC. 201. CENSURE, CIVIL FINES, AND TAX OPINION STANDARDS FOR TAX PRACTITIONERS.

(a) Censure; Imposition of Monetary Penalty.—

(1) In general.—Section 330(b) of title 31, United States Code, is amended—

(A) by inserting “, or censure,” after “Department”, and

(B) by adding at the end the following new flush sentence:

“The Secretary may impose a monetary penalty on any representative described in the preceding sentence. If the representative was acting on behalf of an employer or any firm or other entity in connection with the conduct giving rise to such penalty, the Secretary may impose a monetary penalty on such employer, firm, or entity if it knew, or reasonably should have known, of such conduct. Such penalty may be in addition to, or in lieu of, any suspension, disbarment, or censure of the representative.”.

(2) Effective date.—The amendments made by this subsection shall apply to actions taken after the date of the enactment of this Act.

(b) Tax Opinion Standards.—Section 330 of such title 31 is amended by adding at the end the following new subsection:

“(d) The Secretary of the Treasury shall impose standards applicable to the rendering of written advice with respect to any potentially abusive tax shelter or any entity, plan, arrangement, or transaction which has a potential for tax avoidance or evasion. Such standards shall address, but not be limited to, the following issues:

“(1) Independence of the practitioner issuing such written advice from persons promoting, marketing, or recommending the subject of the advice.

“(2) Collaboration among practitioners, or between a practitioner and other party, which could result in such collaborating parties having a joint financial interest in the subject of the advice.

“(3) Avoidance of conflicts of interest which would impair auditor independence.

“(4) For written advice issued by a firm, standards for reviewing the advice and ensuring the consensus support of the firm for positions taken.

“(5) Reliance on reasonable factual representations by the taxpayer and other parties.

“(6) Appropriateness of the fees charged by the practitioner for the written advice.”.

SEC. 202. EXPANSION OF TAX SHELTER EXCEPTION TO TAX PRACTITIONER PRIVILEGE.

(a) In General.—Subsection (b) of section 7525 (relating to confidentiality privileges relating to taxpayer communications) is amended to read as follows:

“(b) No Privilege for Communications Regarding Tax Shelters.—The privilege under subsection (a) shall not apply to any communication which is—

“(1) between a federally authorized tax practitioner and—

“(A) any person,

“(B) any director, officer, employee, agent, or representative of the person, or

“(C) any other person holding a capital or profits interest in the person, and

“(2) in connection with the promotion of the direct or indirect participation of the person in any tax shelter (as defined in section 1274(b)(3)(C), 6662, or 6707A).”.

(b) Effective Date.—The amendment made by this section shall apply to communications made on or after the date of the enactment of this Act.

SEC. 203. INFORMATION SHARING FOR ENFORCEMENT PURPOSES.

(a) Promotion of Prohibited Tax Shelters or Tax Avoidance Schemes.—Section 6103(h) (relating to disclosure to certain Federal officers and employees for purposes of tax administration, etc.) is amended by adding at the end the following new paragraph:

“(7) Disclosure of returns and return information related to promotion of prohibited tax shelters or tax avoidance schemes.—

“(A) Written request.—Upon receipt by the Secretary of a written request which meets the requirements of subparagraph (B) from the head of the United States Securities and Exchange Commission, an appropriate Federal banking agency as defined under section 1813(q) of title 12, United States Code, or the Public Company Accounting Oversight Board, a return or return information shall be disclosed to such requestor's officers and employees who are personally and directly engaged in an investigation, examination, or proceeding by such requestor to evaluate, determine, penalize, or deter conduct by a financial institution, issuer, or public accounting firm, or associated person, in connection with a potential or actual violation of section 6700 (promotion of abusive tax shelters), 6701 (aiding and abetting understatement of tax liability), or activities related to promoting or facilitating inappropriate tax avoidance or tax evasion. Such disclosure shall be solely for use by such officers and employees in such investigation, examination, or proceeding.

“(B) Requirements.—A request meets the requirements of this subparagraph if it sets forth—

“(i) the nature of the investigation, examination, or proceeding,

“(ii) the statutory authority under which such investigation, examination, or proceeding is being conducted,

“(iii) the name or names of the financial institution, issuer, or public accounting firm to which such return information relates, “(iv) the taxable period or periods to which such return information relates, and

“(v) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination or proceeding.

“(C) FINANCIAL INSTITUTION.—For the purposes of this paragraph, the term ‘financial institution’ means a depository institution, foreign bank, insured institution, industrial loan company, broker, dealer, investment company, investment advisor, or other entity subject to regulation or oversight by the United States Securities and Exchange Commission or an appropriate Federal banking agency.”.

(b) FINANCIAL AND ACCOUNTING FRAUD INVESTIGATIONS.—Section 6103(i) (relating to disclosure to Federal officers or employees for administration of Federal laws not relating to tax administration) is amended by adding at the end the following new paragraph:

“(9) DISCLOSURE OF RETURNS AND RETURN INFORMATION FOR USE IN FINANCIAL AND ACCOUNTING FRAUD INVESTIGATIONS.—

“(A) WRITTEN REQUEST.—Upon receipt by the Secretary of a written request which meets the requirements of subparagraph (B) from the head of the United States Securities and Exchange Commission or the Public Company Accounting Oversight Board, a return or return information shall be disclosed to such requestor’s officers and employees who are personally and directly engaged in an investigation, examination, or proceeding by such requester to evaluate the accuracy of a financial statement or report or to determine, require a restatement, penalize, or deter conduct by an issuer, investment company, or public accounting firm, or associated person, in connection with a potential or actual violation of auditing standards or prohibitions against false or misleading statements or omissions in financial statements or reports. Such disclosure shall be solely for use by such officers and employees in such investigation, examination or proceeding.

“(B) REQUIREMENTS.—A request meets the requirements of this subparagraph if it sets forth—

“(i) the nature of the investigation, examination, or proceeding,

“(ii) the statutory authority under which such investigation, examination, or proceeding is being conducted,

“(iii) the name or names of the issuer, investment company, or public accounting firm to which such return information relates,

“(iv) the taxable period or periods to which such return information relates, and

“(v) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination or proceeding.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures and to information and document requests made after the date of the enactment of this Act.

SEC. 204. DISCLOSURE OF INFORMATION TO CONGRESS.

(a) DISCLOSURE BY TAX RETURN PREPARER.—

(1) IN GENERAL.—Subparagraph (B) of section 7216(b)(1) (relating to disclosures) is amended to read as follows:

“(B) pursuant to any 1 of the following documents, if clearly identified:

“(i) The order of any Federal, State, or local court of record.

“(ii) A subpoena issued by a Federal or State grand jury.

“(iii) An administrative order, summons, or subpoena which is issued in the performance of its duties by—

“(I) any Federal agency, including Congress or any committee or subcommittee thereof, or

“(II) any State agency, body, or commission charged under the laws of the State or a political subdivision of the State with the licensing, registration, or regulation of tax return preparers.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to disclosures made after the date of the enactment of this Act pursuant to any document in effect on or after such date.

(b) DISCLOSURE BY SECRETARY.—Paragraph (2) of section 6104(a) (relating to inspection of applications for tax exemption or notice of status) is amended to read as follows:

“(2) INSPECTION BY CONGRESS.—

“(A) IN GENERAL.—Upon receipt of a written request from a committee or subcommittee of Congress, copies of documents related to a determination by the Secretary to grant, deny, revoke, or restore an organization’s exemption from taxation under section 501 or 527 shall be provided to such committee or subcommittee, including any application, notice of status, or supporting information provided by such organization to the Internal Revenue Service; any letter, analysis or other document produced by or for the Internal Revenue Service evaluating, determining, explaining, or relating to the tax exempt status of such organization (other than returns, unless such returns are available to the public under this section or section 6103 or 6110); and any communication between the Internal Revenue Service and any other party relating to the tax exempt status of such organization.

“(B) ADDITIONAL INFORMATION.—Section 6103(f) shall apply with respect to—

“(i) the application for exemption of any organization described in subsection (c) or (d) of section 501 which is exempt from taxation under section 501(a) for any taxable year or notice of status of any political organization which is exempt from taxation under section 527 for any taxable year, and any application referred to in subparagraph (B) of subsection (a)(1) of this section, and

“(ii) any other papers which are in the possession of the Secretary and which relate to such application,

as if such papers constituted returns.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures and to information and document requests made after the date of the enactment of this Act.

SEC. 205. CONTINGENT FEE PROHIBITION.

(a) IN GENERAL.—Section 6701, as amended by this Act, is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively,

(2) by striking “subsection (a).” in paragraphs (2) and (3) of subsection (g) (as redesignated by paragraph (1)) and inserting “subsection (a) or (f).”, and

(3) by inserting after subsection (e) the following new subsection:

“(f) CONTINGENT FEE PROHIBITION.—

“(1) IN GENERAL.—Any person who makes an agreement for, charges, or collects a fee which is for services provided in connection with the internal revenue laws, and which is contingent upon the actual or projected achievement of—

“(A) Federal tax savings or benefits, or

“(B) losses which can be used to offset other taxable income,

shall pay a penalty with respect to each such fee activity in the amount determined under subsection (b).

“(2) REGULATIONS.—The Secretary may issue rules to carry out the purposes of this subsection and may provide for exceptions for fee arrangements that are in the public interest.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fee agreements, charges, and collections made after the date of the enactment of this Act.

SEC. 206. SENSE OF THE SENATE ON TAX ENFORCEMENT PRIORITIES.

It is the sense of the Senate that additional funds should be appropriated for Internal Revenue Service enforcement efforts and that the Internal Revenue Service should devote proportionately more of its enforcement funds—

(1) to combat the promotion of abusive tax shelters for corporations and high net worth individuals and the aiding and abetting of tax evasion,

(2) to stop accounting, law, and financial firms involved in such promotion and aiding and abetting, and

(3) to combat the use of offshore financial accounts to conceal taxable income.

TITLE III—REQUIRING ECONOMIC SUBSTANCE

SEC. 301. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701 (relating to definitions) is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

“(n) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

“(1) GENERAL RULES.—

“(A) IN GENERAL.—In applying the economic substance doctrine, the determination of whether a transaction satisfies such doctrine shall be made as provided in this subsection.

“(B) APPLICATION OF ECONOMIC SUBSTANCE DOCTRINE.—For purposes of subparagraph (A)—

“(i) IN GENERAL.—A transaction satisfies the economic substance doctrine only if—

“(I) the transaction changes in a meaningful way, apart from Federal tax effects (and, if there are any Federal tax effects, also apart from any foreign, State, or local tax effects), the taxpayer’s economic position, and

“(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

In applying subclause (II), a purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax or achievement of a tax benefit.

“(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as satisfying the economic substance doctrine by reason of having a potential for profit unless—

“(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

“(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

“(C) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

"(2) SPECIAL RULES FOR TRANSACTIONS WITH TAX-INDIFFERENT PARTIES.—

"(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction is substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

"(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

"(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

"(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

"(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) ECONOMIC SUBSTANCE DOCTRINE.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

"(B) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

"(C) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

"(D) TREATMENT OF LESSORS.—In applying subclause (I) of paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease—

"(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

"(I) depreciation,

"(II) any tax credit, or

"(III) any other deduction as provided in guidance by the Secretary, and

"(ii) subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

"(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

"(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 302. ACCURACY-RELATED PENALTY FOR LISTED TRANSACTIONS AND OTHER POTENTIALLY ABUSIVE TAX SHELTERS HAVING A SIGNIFICANT TAX AVOIDANCE PURPOSE.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662 the following new section:

"SEC. 6662A. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERSTATEMENTS WITH RESPECT TO POTENTIALLY ABUSIVE TAX SHELTER.

"(a) IMPOSITION OF PENALTY.—If a taxpayer has a potentially abusive tax shelter understatement for any taxable year, there shall be added to the tax an amount equal to 20 percent of the amount of such understatement.

"(b) POTENTIALLY ABUSIVE TAX SHELTER UNDERSTATEMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'potentially abusive tax shelter understatement' means the sum of—

"(A) the product of—

"(i) the amount of the increase (if any) in taxable income which results from a difference between the proper tax treatment of an item to which this section applies and the taxpayer's treatment of such item (as shown on the taxpayer's return of tax), and

"(ii) the highest rate of tax imposed by section 1 (section 11 in the case of a taxpayer which is a corporation), and

"(B) the amount of the decrease (if any) in the aggregate amount of credits determined under subtitle A which results from a difference between the taxpayer's treatment of an item to which this section applies (as shown on the taxpayer's return of tax) and the proper tax treatment of such item.

For purposes of subparagraph (A), any reduction of the excess of deductions allowed for the taxable year over gross income for such year, and any reduction in the amount of capital losses which would (without regard to section 1211) be allowed for such year, shall be treated as an increase in taxable income.

"(2) ITEMS TO WHICH SECTION APPLIES.—This section shall apply to any item which is attributable to—

"(A) any listed transaction, and

"(B) any potentially abusive tax shelter (other than a listed transaction) if a significant purpose of such transaction is the avoidance or evasion of Federal income tax.

"(c) HIGHER PENALTY FOR NONDISCLOSED LISTED AND OTHER AVOIDANCE TRANSACTIONS.—

"(1) IN GENERAL.—Subsection (a) shall be applied by substituting '30 percent' for '20 percent' with respect to the portion of any potentially abusive tax shelter understatement with respect to which the requirement of section 6664(d)(2)(A) is not met.

"(2) RULES APPLICABLE TO ASSERTION AND COMPROMISE OF PENALTY.—

"(A) IN GENERAL.—Only upon the approval by the Chief Counsel for the Internal Revenue Service or the Chief Counsel's delegate at the national office of the Internal Revenue Service may a penalty to which paragraph (1) applies be included in a 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals. If such a letter is provided to the taxpayer, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

"(B) APPLICABLE RULES.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of subparagraph (A).

"(d) DEFINITIONS OF POTENTIALLY ABUSIVE TAX SHELTER AND LISTED TRANSACTION.—For purposes of this section, the terms 'potentially abusive tax shelter' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).

"(e) SPECIAL RULES.—

"(1) COORDINATION WITH PENALTIES, ETC., ON OTHER UNDERSTATEMENTS.—In the case of an understatement (as defined in section 6662(d)(2))—

"(A) the amount of such understatement (determined without regard to this paragraph) shall be increased by the aggregate amount of potentially abusive tax shelter understatements and noneconomic substance transaction understatements for purposes of determining whether such understatement is a substantial understatement under section 6662(d)(1), and

"(B) the addition to tax under section 6662(a) shall apply only to the excess of the amount of the substantial understatement (if any) after the application of subparagraph (A) over the aggregate amount of potentially abusive tax shelter understatements and noneconomic substance transaction understatements.

"(2) COORDINATION WITH OTHER PENALTIES.—

"(A) APPLICATION OF FRAUD PENALTY.—References to an underpayment in section 6663 shall be treated as including references to a potentially abusive tax shelter understatement and a noneconomic substance transaction understatement.

"(B) NO DOUBLE PENALTY.—This section shall not apply to any portion of an understatement on which a penalty is imposed under section 6662B or 6663.

"(3) SPECIAL RULE FOR AMENDED RETURNS.—Except as provided in regulations, in no event shall any tax treatment included with an amendment or supplement to a return of tax be taken into account in determining the amount of any potentially abusive tax shelter understatement or noneconomic substance transaction understatement if the amendment or supplement is filed after the earlier of the date the taxpayer is first contacted by the Secretary regarding the examination of the return or such other date as is specified by the Secretary.

"(4) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this subsection, the term 'noneconomic substance transaction understatement' has the meaning given such term by section 6662B(c).

"(5) CROSS REFERENCE.—

"For reporting of section 6662A(c) penalty to the Securities and Exchange Commission, see section 6707A(e).".

(b) DETERMINATION OF OTHER UNDERSTATEMENTS.—Subparagraph (A) of section 6662(d)(2) is amended by adding at the end the following flush sentence:

"The excess under the preceding sentence shall be determined without regard to items to which section 6662A applies and without regard to items with respect to which a penalty is imposed by section 6662B.".

(c) REASONABLE CAUSE EXCEPTION.—

(1) IN GENERAL.—Section 6664 is amended by adding at the end the following new subsection:

"(d) REASONABLE CAUSE EXCEPTION FOR POTENTIALLY ABUSIVE TAX SHELTER UNDERSTATEMENTS.—

"(1) IN GENERAL.—No penalty shall be imposed under section 6662A with respect to any portion of a potentially abusive tax shelter understatement if it is shown that there was a reasonable cause for such portion and that the taxpayer acted in good faith with respect to such portion.

"(2) SPECIAL RULES.—Paragraph (1) shall not apply to any potentially abusive tax shelter understatement unless—

"(A) the relevant facts affecting the tax treatment of the item are adequately disclosed in accordance with the regulations prescribed under section 6011,

"(B) there is or was substantial authority for such treatment, and

"(C) the taxpayer reasonably believed that such treatment was more likely than not the proper treatment.

A taxpayer failing to adequately disclose in accordance with section 6011 shall be treated as meeting the requirements of subparagraph (A) if the penalty for such failure was rescinded under section 6707A(d).

"(3) RULES RELATING TO REASONABLE BELIEF.—For purposes of paragraph (2)(C)—

"(A) IN GENERAL.—A taxpayer shall be treated as having a reasonable belief with respect to the tax treatment of an item only if such belief—

"(i) is based on the facts and law that exist at the time the return of tax which includes such tax treatment is filed, and

"(ii) relates solely to the taxpayer's chances of success on the merits of such treatment and does not take into account the possibility that a return will not be audited, such treatment will not be raised on audit, or such treatment will be resolved through settlement if it is raised.

"(B) CERTAIN OPINIONS MAY NOT BE RELIED UPON.—

"(i) IN GENERAL.—An opinion of a tax advisor may not be relied upon to establish the reasonable belief of a taxpayer if—

"(I) the tax advisor is described in clause (ii), or

"(II) the opinion is described in clause (iii).

"(ii) DISQUALIFIED TAX ADVISORS.—A tax advisor is described in this clause if the tax advisor—

"(I) is a material advisor (within the meaning of section 6111(b)(1)) who participates in the organization, management, promotion, or sale of the transaction or who is related (within the meaning of section 267(b) or 707(b)(1)) to any person who so participates,

"(II) is compensated directly or indirectly by a material advisor with respect to the transaction,

"(III) has a fee arrangement with respect to the transaction which is contingent on all or part of the intended tax benefits from the transaction being sustained, or

"(IV) as determined under regulations prescribed by the Secretary, has a disqualifying financial interest with respect to the transaction.

"(iii) DISQUALIFIED OPINIONS.—For purposes of clause (i), an opinion is disqualified if the opinion—

"(I) is based on unreasonable factual or legal assumptions (including assumptions as to future events),

"(II) unreasonably relies on representations, statements, findings, or agreements of the taxpayer or any other person,

"(III) does not identify and consider all relevant facts, or

"(IV) fails to meet any other requirement as the Secretary may prescribe.".

(2) CONFORMING AMENDMENT.—The heading for subsection (c) of section 6664 is amended by inserting "FOR UNDERPAYMENTS" after "EXCEPTION".

(d) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 461(i)(3) is amended by striking "section 6662(d)(2)(C)(iii)" and inserting "section 1274(b)(3)(C)".

(2) Paragraph (3) of section 1274(b) is amended—

(A) by striking "(as defined in section 6662(d)(2)(C)(iii))" in subparagraph (B)(i), and

(B) by adding at the end the following new subparagraph:

"(C) TAX SHELTER.—For purposes of subparagraph (B), the term 'tax shelter' means—

"(i) a partnership or other entity,

"(ii) any investment plan or arrangement, or

"(iii) any other plan or arrangement,

if a significant purpose of such partnership, entity, plan, or arrangement is the avoidance or evasion of Federal income tax.".

(3) Section 6662(d)(2) is amended by striking subparagraphs (C) and (D).

(4) Section 6664(c)(1) is amended by striking "this part" and inserting "section 6662 or 6663".

(5) Subsection (b) of section 7525 is amended by striking "section 6662(d)(2)(C)(iii)" and inserting "section 1274(b)(3)(C)".

(6)(A) The heading for section 6662 is amended to read as follows:

"SEC. 6662. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERPAYMENTS.".

(B) The table of sections for part II of subchapter A of chapter 68 is amended by striking the item relating to section 6662 and inserting the following new items:

"Sec. 6662. Imposition of accuracy-related penalty on underpayments.
"Sec. 6662A. Imposition of accuracy-related penalty on understatements with respect to potentially abusive tax shelter.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 303. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) IN GENERAL.—Subchapter A of chapter 68, as amended by section 302, is amended by inserting after section 6662A the following new section:

"SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

"(a) IMPOSITION OF PENALTY.—If a taxpayer has a noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

"(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by substituting '20 percent' for '40 percent' with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant information affecting the tax treatment of the item is adequately disclosed in the return or a statement attached to the return.

"(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'noneconomic substance transaction understatement' means the sum of—

"(A) the product of—

"(i) the amount of the increase (if any) in taxable income which results from a difference between the proper tax treatment of an item attributable to a noneconomic substance transaction and the taxpayer's treatment of such item (as shown on the taxpayer's return of tax), and

"(ii) the highest rate of tax imposed by section 1 (section 11 in the case of a taxpayer which is a corporation), and

"(B) the amount of the decrease (if any) in the aggregate amount of credits determined under subtitle A which results from a difference between the taxpayer's treatment of an item attributable to a noneconomic substance transaction (as shown on the taxpayer's return of tax) and the proper tax treatment of such item.

For purposes of subparagraph (A), any reduction of the excess of deductions allowed for the taxable year over gross income for such year, and any reduction in the amount of capital losses which would (without regard to section 1211) be allowed for such year, shall be treated as an increase in taxable income.

"(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term 'noneconomic substance transaction' means any transaction if—

"(A) there is a lack of economic substance (within the meaning of section 7701(n)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(n)(2), or

"(B) the transaction fails to meet the requirements of any similar rule of law.

"(d) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

"(1) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

"(2) DISCRETION.—The exercise of authority under paragraph (1) shall be at the sole discretion of the Commissioner and may be delegated only to the head of the Office of Tax Shelter Analysis. The Commissioner, in the Commissioner's sole discretion, may establish a procedure to determine if a penalty should be referred to the Commissioner or the head of such Office for a determination under paragraph (1).

"(3) NO APPEAL.—Notwithstanding any other provision of law, any determination under this subsection may not be reviewed in any administrative or judicial proceeding.

"(4) RECORDS.—If a penalty is rescinded under paragraph (1), the Commissioner shall place in the file in the Office of the Commissioner the opinion of the Commissioner or the head of the Office of Tax Shelter Analysis with respect to the determination, including—

"(A) the facts and circumstances of the transaction,

"(B) the reasons for the rescission, and

"(C) the amount of the penalty rescinded.

"(5) REPORT.—The Commissioner shall each year report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

"(A) a summary of the total number and aggregate amount of penalties imposed, and rescinded, under this section, and

"(B) a description of each penalty rescinded under this subsection and the reasons therefor.

"(e) PENALTY REPORTED TO SEC.—In the case of a person—

"(1) which is required to file periodic reports under section 13 or 15(d) of the Securities Exchange Act of 1934 or is required to be consolidated with another person for purposes of such reports, and

"(2) which is required to pay a penalty under this section with respect to any noneconomic substance transaction, the requirement to pay such penalty shall be disclosed in such reports filed by such person for such periods as the Secretary shall specify. Failure to make a disclosure in accordance with the preceding sentence shall be treated as a failure to which the penalty under subsection (b) applies.

"(f) Special Rules.—

"(1) Coordination with penalties, etc., on other understatements.—In the case of an understatement (as defined in section 6662(d)(2))—

"(A) the amount of such understatement (determined without regard to this paragraph) shall be increased by the aggregate amount of noneconomic substance transaction understatements for purposes of determining whether such understatement is a substantial understatement under section 6662(d)(1), and

"(B) the addition to tax under section 6662(a) shall apply only to the excess of the amount of the substantial understatement (if any) after the application of subparagraph (A) over the aggregate amount of noneconomic substance transaction understatements.

"(2) Coordination with other penalties.—

"(A) In general.—Except as otherwise provided in subparagraph (C), the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

"(B) Application of fraud penalty.—References to an underpayment in section 6663 shall be treated as including references to a noneconomic substance transaction understatement.

"(C) No double penalty.—This section shall not apply to any portion of an understatement on which a penalty is imposed under section 6663.

"(3) Special rule for amended returns.—Except as provided in regulations, in no event shall any tax treatment included with an amendment or supplement to a return of tax be taken into account in determining the amount of any noneconomic substance transaction understatement if the amendment or supplement is filed after the earlier of the date the taxpayer is first contacted by the Secretary regarding the examination of the return or such other date as is specified by the Secretary.".

(b) Clerical Amendment.—The table of sections for part II of subchapter A of chapter 68, as amended by section 302, is amended by inserting after the item relating to section 6662 the following new item:

"Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc.".

(c) Effective Date.—The amendments made by this section shall apply to transactions entered after the date of the enactment of this Act.

SEC. 304. DENIAL OF DEDUCTION FOR INTEREST ON UNDERPAYMENTS ATTRIBUTABLE TO NONECONOMIC SUBSTANCE TRANSACTIONS.

(a) In General.—Section 163 (relating to deduction for interest) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) Interest on Unpaid Taxes Attributable To Noneconomic Substance Transactions.—No deduction shall be allowed under this chapter for any interest paid or accrued under section 6601 on any underpayment of tax which is attributable to any noneconomic substance transaction understatement (as defined in section 6662A(c)(1)).".

(b) Effective Date.—The amendments made by this section shall apply to transactions in taxable years beginning after the date of the enactment of this Act.

TITLE IV—DETERRING UNCOOPERATIVE TAX HAVENS

SEC. 401. DISCLOSING PAYMENTS TO PERSONS IN UNCOOPERATIVE TAX HAVENS.

(a) In General.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6038C the following new section:

"SEC. 6038D. DETERRING UNCOOPERATIVE TAX HAVENS THROUGH LISTING AND REPORTING REQUIREMENTS.

"(a) In General.—Each United States person who transfers money or other property directly or indirectly to any uncooperative tax haven, to any financial institution licensed by or operating in any uncooperative tax haven, or to any person who is a resident of any uncooperative tax haven shall furnish to the Secretary, at such time and in such manner as the Secretary shall by regulation prescribe, such information with respect to such transfer as the Secretary may require.

"(b) Exceptions.—Subsection (a) shall not apply to a transfer by a United States person if the amount of money (and the fair market value of property) transferred is less than $10,000. Related transfers shall be treated as 1 transfer for purposes of this subsection.

"(c) Uncooperative Tax Haven.—For purposes of this section—

"(1) In general.—The term 'uncooperative tax haven' means any foreign jurisdiction which is identified on a list maintained by the Secretary under paragraph (2) as being a jurisdiction—

"(A) which imposes no or nominal taxation either generally or on specified classes of income, and

"(B) has corporate, business, bank, or tax secrecy or confidentiality rules and practices, or has ineffective information exchange practices which, in the judgment of the Secretary, effectively limit or restrict the ability of the United States to obtain information relevant to the enforcement of this title.

"(2) Maintenance of list.—Not later than November 1 of each calendar year, the Secretary shall issue a list of foreign jurisdictions which the Secretary determines qualify as uncooperative tax havens under paragraph (1).

"(3) Ineffective information exchange practices.—For purposes of paragraph (1), a jurisdiction shall be deemed to have ineffective information exchange practices if the Secretary determines that during any taxable year ending in the 12-month period preceding the issuance of the list under paragraph (2)—

"(A) the exchange of information between the United States and such jurisdiction was inadequate to prevent evasion or avoidance of United States income tax by United States persons or to enable the United States effectively to enforce this title, or

"(B) such jurisdiction was identified by an intergovernmental group or organization of which the United States is a member as uncooperative with international tax enforcement or information exchange and the United States concurs in the determination.

"(d) Penalty for Failure To File Information.—If a United States person fails to furnish the information required by subsection (a) with respect to any transfer within the time prescribed therefor (including extensions), such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 20 percent of the amount of such transfer.

"(e) Simplified Reporting.—The Secretary may by regulations provide for simplified reporting under this section for United States persons making large volumes of similar payments.

"(f) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.".

(b) Clerical Amendment.—The table of sections for such subpart A is amended by inserting after the item relating to section 6038C the following new item:

"Sec. 6038D. Deterring uncooperative tax havens through listing and reporting requirements.".

(c) Effective Date.—The amendments made by this section shall apply to transfers after the date which is 180 days after the date of the enactment of this Act.

SEC. 402. DETERRING UNCOOPERATIVE TAX HAVENS BY RESTRICTING ALLOWABLE TAX BENEFITS.

(a) Limitation on Deferral.—

(1) In general.—Subsection (a) of section 952 (defining subpart F income) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by inserting after paragraph (5) the following new paragraph:

"(6) an amount equal to the applicable fraction (as defined in subsection (e)) of the income of such corporation other than income which—

"(A) is attributable to earnings and profits of the foreign corporation included in the gross income of a United States person under section 951 (other than by reason of this paragraph or paragraph (3)(A)(i)), or

"(B) is described in subsection (b).".

(2) Applicable fraction.—Section 952 is amended by adding at the end the following new subsection:

"(e) Identified Tax Haven Income Which is Subpart F Income.—

"(1) In general.—For purposes of subsection (a)(6), the term 'applicable fraction' means the fraction—

"(A) the numerator of which is the aggregate identified tax haven income for the taxable year, and

"(B) the denominator of which is the aggregate income for the taxable year which is from sources outside the United States.

"(2) Identified tax haven income.—For purposes of paragraph (1), the term 'identified tax haven income' means income for the taxable year which is attributable to a foreign jurisdiction for any period during which such jurisdiction has been identified as an uncooperative tax haven under section 6038D(c).

"(3) Regulations.—The Secretary shall prescribe regulations similar to the regulations issued under section 999(c) to carry out the purposes of this subsection.".

(b) Denial of Foreign Tax Credit.—Section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

"(l) Reduction of Foreign Tax Credit, Etc., for Identified Tax Haven Income.—

"(1) In general.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) to any foreign jurisdiction if such taxes are with respect to income attributable to a period during which such jurisdiction has been identified as an uncooperative tax haven under section 6038D(c), and

"(B) subsections (a), (b), (c), and (d) of section 904 and sections 902 and 960 shall be applied separately with respect to all income of a taxpayer attributable to periods described in subparagraph (A) with respect to all such jurisdictions.

"(2) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not allowable as a credit under subsection (a) by reason of this subsection.

"(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations which treat income paid through 1 or more entities as derived from a foreign jurisdiction to which this subsection applies if such income was, without regard to such entities, derived from such jurisdiction.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

By Ms. COLLINS (for herself, Mr. BAYH, Mrs. DOLE, and Mr. GRAHAM of South Carolina):

S. 2212. A bill to amend title VII of the Tariff Act of 1930 to provide that the provisions relating to countervailing duties apply to nonmarket economy countries; to the Committee on Finance.

Ms. COLLINS. Mr. President, Our Nation's manufacturers can compete against the best in the world, but they cannot compete against nations that provide huge subsidies and other unfair advantages to their producers. I hear from manufacturers in my State time and time again whose efforts to compete successfully in the global economy simply cannot overcome the practices of illegal pricing and subsidies of nations such as China. The results of these unfair practices are lost jobs, shuttered factories, and decimated communities.

Our Nation's trade remedy laws are intended to give American industries and their employees relief from the effects of illegal trade practices. Yet, while U.S. anti-dumping laws can be currently applied to non-market economies, countervailing duty laws cannot. It is time that this was changed.

This is why I am introducing the "Stopping Overseas Subsidies Act." This bill revises current trade remedy laws to ensure that U.S. countervailing duty laws apply to imports from nonmarket economies. It is simply not fair to prevent U.S. industries from seeking redress from these unfair trade practices because our trade remedy laws are outdated.

Over the past two decades, there have been significant economic changes in many of the countries classified as non-market economies. This is particularly true in China, one of our largest trading partners and the country with which the United States currently runs its largest trade deficit.

At the time our Nation's countervailing duty laws were approved in 1979, it was impracticable to apply these laws to China. In 1979, China's economy was still centrally planned, and most of its economic output was directed and controlled by the state, which set production goals, controlled prices, and allocated the country's resources. When an entire economy is controlled by the government, it is difficult, if not impossible, to determine what defines a government subsidy that causes harm to U.S. industries.

But beginning in the early 1980's and continuing today, China has undertaken major economic reforms. Today, China's economy is a far cry from being completely state-controlled. Government price controls on a wide range of products have been eliminated. Many enterprises and even entire industries have been allowed to operate and compete in an economic system that has elements of a free market. Many coastal regions and coastal cities in China have been designated as so-called "open" cities and development zones, where there is a free market and tax and trade incentives are offered to attract foreign investment. And, of course, china has taken steps toward fully integrating into the global trading system by joining to the World Trade Organization and by working toward the establishment of a modern commercial, financial, legal, and regulatory infrastructure.

The problem is not China's economic liberalization and modernization. The problem is this: now that China has the capacity to be a key international economic player, the country has repeatedly refused to comply with standard international trading rules and practices. And these violations include the use of subsidies and other economic incentives that are designed to give its producers an unfair competitive advantage.

The most glaringly obvious subsidy comes in the form of currency manipulation. By keeping the Chinese yuan pegged to the U.S. dollar at artificially low levels, the Chinese undervalue the prices of their exports. Not only does this practice provide their producers with a price advantage, but also it violates the International Monetary Fund and WTO rules. The Chinese government also reimburses many enterprises for their operating losses and provides loans to uncreditworthy companies.

Currently, U.S. industries have no direct recourse to combat these unfair practices. They instead must rely upon government-to-government negotiations or the dispute settlement processes of international organizations such as the WTO. While these channels might eventually lead to relief, it usually takes years to see results—and by that time, that industry could already be decimated.

Mr. President, unfair market conditions cannot continue to cause our manufacturers to hemorrhage jobs. No State understands this more than my home State of Maine. According to a study by the National Association of Manufacturers, on a percentage basis, Maine has lost more manufacturing jobs in the past three years than any other State.

There are many reasons for manufacturing job losses, including heavy tax and regulatory burdens. This is why I recently introduced a bill that would provide a variety of tax incentives for our Nation's manufacturers. However, without a level international playing field, tax reductions will not be enough to stop the flight of U.S. manufacturing jobs.

Industries across Maine that produce products ranging from paper to footwear to furniture are being harmed by unfair trade practices, and it is time that we put a stop to it. I ask you to join me in supporting the SOS bill to ensure that all countries are held accountable for their trade practices.

By Mr. ROCKEFELLER:

S. 2213. A bill to amend part A of title IV of the Social Security Act to require the Secretary of Health and Human Services to conduct research on indicators of child well-being; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, I am pleased to introduce legislation today designed to enhance child well-being in every State by collecting data on a State-by-State basis to provide information to advocates and policy makers about the well-being of children. My hope is that this legislation could be incorporated into a welfare reform reauthorization package. I believe that the Senate should reauthorize our welfare program, known as Temporary Assistance to Needy Families (TANF), and we should do it soon. But when we reauthorize TANF we must significantly invest in child care which is essential for parents to move from welfare to work, and to be successful on the job once they leave the official welfare rolls.

In 1996 this body took a bold step forward in reforming welfare. The driving force behind this reform was to promote work and self-sufficiency for families and to provide flexibility to States to achieve these goals.

States have used this flexibility to design different programs that work better for families who rely on them. Because of vast variation among State programs, there is an obvious need for research on child well-being for each State. We currently use the Survey of Income and Program Participation (SIPP) to evaluate the progress of welfare. It is an important national longitudinal study designed to provide rich, detailed data; the kinds of data most useful to academic researchers. It does not, however, provide States with good, timely data to help them more effectively accomplish the goals set forth in welfare reform.

This bill, the State Child Well Being Research Act of 2004, is intended to fill this information gap by collecting timely, State-specific data that can be used by policy-makers, researchers, and child advocates to assess the well being of children. It would require that a survey examine the physical and emotional health of children, adequately represent the experiences of families in individual States, be consistent across States, be collected annually, articulate results in easy to understand terms, and focus on low-income children and families.

The proposed legislation will provide data for all States, including small rural States like West Virginia. Further, this bill avoids some of the other problems that plague the current system by making data files easier to use and more readily available. As a result, the information will be more useful for policy-makers managing welfare reform and programs for children and families. When we reauthorize welfare reform, it will be essential for us to make a modest investment in research for every State.

Several private charitable foundations, including the Annie E. Casey, John D. and Catherine T. MacArthur, and McKnight foundations have written Chairman GRASSLEY and Senator BAUCUS in support of such research. These foundations have offered to form a partnership to provide outreach and support and to guarantee that the data collected would be broadly disseminated. This type of public-private partnership helps to leverage additional resources for children and families and increases the study's impact.

One of the most important ways that Congress can demonstrate its commitment to welfare reform and attempt to help States reach the goals outlined in 1996 is to incorporate a strong research component in the welfare reform reauthorization bill. Since each State has used its flexibility to creative innovative welfare reform programs, and many are quite different, we need State-by-State data on basic aspects of child well-being. I hope that my colleagues will support this bill so that we can give States the information they need to monitor and improve child well-being.

By Mr. BURNS:

S. 2214. A bill to designate the facility of the United States Postal Service located at 3150 Great Northern Avenue in Missoula, Montana, as the "Mike Mansfield Post Office"; to the Committee on Governmental Affairs.

Mr. BURNS. Mr. President, it is my honor to present this bill to designate the United States Postal Service facility at 3150 Great Northern Avenue in Missoula, MT as the "Mike Mansfield Post Office."

I rise today not just as a Republican honoring a Democrat, but rather as a Montanan recognizing the most beloved political figure of our history. Mr. Mansfield holds a special place in the hearts of all Montanans, a man whose wisdom, humility, and decency have been sorely missed.

Michael Joseph Mansfield was born in New York City on March 16, 1903. Following the death of his mother at age 7, Mike was sent to Great Falls, MT to live with an aunt and uncle.

As World War I developed, the 14-year-old Mansfield saw an opportunity to serve his country, and lied about his age in order to join the U.S. Navy. He eventually enlisted in the Army and Marine Corps as well. During this service he was stationed in the Philippines and China, a time that marked the beginning of a lifelong love for the continent, its people, and their culture.

After being honorably discharged from the Marines, Mike Mansfield returned to Montana as a 19-year-old lacking a high school education. He found a job in the Butte mines, shoveling rock as a 'mucker.' It was during his time in Butte that Mr. Mansfield met his lifetime partner and companion, Maureen Hayes. It was Maureen who saw in Mike his enormous potential and convinced him to go to college. With her financial support, Mansfield obtained his high school equivalency, B.A., and M.A. from the Montana State University, now the University of Montana. Mr. Mansfield taught Latin American and East Asian history for 8 years at the University, retaining lifelong tenure as Professor of History.

Mr. Mansfield began his extraordinary public service career in 1942 when he was elected to the U.S. House of Representatives. He served four more terms before being elected to the Senate in 1952. Within 4 years, he was elected majority whip and in 1961 he was chosen as the Senate Majority Leader. Mike would go on to hold this position for 17 years, longer than any other man in the history of this great body.

As Senate Majority Leader, Mr. Mansfield is remembered as a truly unique figure, a pragmatist whose sensibility, practicality, and unrelenting pursuit of results almost always transcended ideological concerns. More Senate leader than Majority Leader, Mansfield preferred not to draw a metaphorical line in the sand. Instead, he sought to guide the body as a whole to a fair and agreeable determination.

In 1977, upon his retirement from the Senate, Mr. Mansfield was appointed Ambassador to Japan by President Carter; a post he held through 1989. This position offered Mike a chance to utilize his vast experience in Asian affairs, in a region that he truly loved. In the spirit of this admiration, the Maureen and Mike Mansfield Foundation continues to encourage dialogue and cooperation between the United States and Asia.

Ladies and gentlemen of the Senate, this dedication of a postal facility is but a small token of gratitude for the many years of exceptional service given to this body, this Nation, and Montana by this wonderful man. The ever modest and humble Mansfield would have shied at such a tribute; we might even expect him to offer the names of people more deserving of the honor than he. In truth, I can think of no one more deserving of praise than Mike Mansfield, a true hero of the Senate.

By Mr. REED (for himself, Mr. DEWINE, Mrs. CLINTON, and Mr. SMITH):

S. 2215. A bill to amend the Higher Education Act of 1965 to provide funds for campus mental and behavioral health service centers; to the Committee on Health, Education, Labor, and Pensions.

Mr. REED. Mr. President, I rise today to introduce the Campus Care and Counseling Act along with my colleague from Ohio, Senator DEWINE, my colleague from Oregon, Senator SMITH and my colleague from New York, Senator CLINTON. The recent rash of suicides on college campuses has highlighted a mental health crisis. Just this past week, Diana Chien, a 19 year old student at New York University ended her life by jumping off a building. Our own colleagues, the Senator from Oregon, suffered a tragic loss when his son, Garret, took his life last September. Suicides take the lives of over 4,000 children and young adults annually. It is now the third leading cause of death among 10–24 year olds. The rate of suicide has tripled from 1952 to 1995. How many more of our children will be lost before we take action to prevent their untimely demise? When will we start to say to them that there is an answer; that suicide is not the way out; that we can help them feel better; that they can live happier and healthier lives?

College is a time of great intellectual development—and it is also a time of exponential personal and interpersonal growth and change. When children go off to college, we need to be sure that they are going to a place that will help them reach their boundless potential. We also need to make sure that it will also support them through the transition to adulthood and during their greatest hour of need. Additionally, many more adults are going to college, and they too face challenges, particularly in balancing school, work, and family responsibilities. We can and should do more to address the significant lack in this area.

A Chronicle of Higher Education survey found that rates for depression in college freshmen have nearly doubled from 8.2 percent to 16.3 percent. Without treatment, the Chronicle reports that "depressed adolescents are at risk for school failure, social isolation, promiscuity, self-medication with drugs and alcohol, and suicide." A 2003 Gallagher's Survey of Counseling Center Directors found that 85 percent of college counseling centers are reporting an increase in the number of students in need of services, 81 percent were concerned about increasing numbers of students with severe psychological problems, 67 percent reported a need for more psychiatric services, and 6.3 percent reported problems with growing demand for services without an appropriate increase in resources. Clearly, many students with serious needs do not have access to psychiatric or other mental and behavioral health services.

This is an issue that my office has been working on with the American Psychological Association since 2002. In light of the forthcoming debate on the Higher Education Act Reauthorization and the recent spate of college campus suicides, I am introducing the "Campus Care and Counseling Act." This bill amends the Higher Education Act to authorize $10 million in peer-reviewed competitive grants to institutions of higher education to increase access and enhance mental and behavioral health services for our college students. Grants may be used for the prevention, screening, early intervention, assessment, treatment, management, and education activities related to mental and behavioral health problems. Taking into consideration that education creates awareness, these funds may also be used to educate parents, to hire staff, and to expand training. To address the stigma of mental illness, programs funded through this grant will need to focus their efforts on developing outreach strategies to reach those students most in need of services.

My colleagues in the Senate, this is an important bipartisan measure which will help to ensure that our nation's college students will have access to quality mental and behavioral health care so that they receive the help needed to not only survive through their difficult times in college, but also to excel and accomplish all that is within their reach. I want to also thank the American Psychiatric Association and other organizations for their assistance in shaping this legislation. I urge my colleagues to join myself and Senators DeWine and Smith in enacting this important legislation.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2215

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Campus Care and Counseling Act".

SEC. 2. FINDINGS.

Congress finds the following:

(1) In a recent report, a startling 85 percent of college counseling centers revealed an increase in the number of students they see with psychological problems. Furthermore, the American College Health Association found that 61 percent of college students reported feeling hopeless, 45 percent said they felt so depressed they could barely function, and 9 percent felt suicidal.

(2) There is clear evidence of an increased incidence of depression among college students. According to a survey described in the Chronicle of Higher Education (February 1, 2002), depression among freshmen has nearly doubled (from 8.2 percent to 16.3 percent). Without treatment, researchers recently noted that "depressed adolescents are at risk for school failure, social isolation, promiscuity, self medication with drugs and alcohol, and suicide—now the third leading cause of death among 10–24 year olds.".

(3) Researchers who conducted the study "Changes in Counseling Center Client Problems Across 13 Years" (1989–2001) at Kansas State University stated that "students are experiencing more stress, more anxiety, more depression than they were a decade ago." (The Chronicle of Higher Education, February 14, 2003).

(4) According to the 2001 National Household Survey on Drug Abuse, 20 percent of full-time undergraduate college students use illicit drugs.

(5) The 2001 National Household Survey on Drug Abuse also reported that 18.4 percent of adults aged 18 to 24 are dependent on or abusing illicit drugs or alcohol. In addition, the study found that "serious mental illness is highly correlated with substance dependence or abuse. Among adults with serious mental illness in 2001, 20.3 percent were dependent on or abused alcohol or illicit drugs, while the rate among adults without serious mental illness was only 6.3 percent.".

(6) A 2003 Gallagher's Survey of Counseling Center Directors found that 81 percent were concerned about the increasing number of students with more serious psychological problems, 67 percent reported a need for more psychiatric services, and 63 percent reported problems with growing demand for services without an appropriate increase in resources.

(7) The International Association of Counseling Services accreditation standards recommend 1 counselor per 1,000 to 1,500 students. According to the 2003 Gallagher's Survey of Counseling Center Directors, the ratio of counselors to students is as high as 1 counselor per 2,400 students at institutions of higher education with more than 15,000 students.

SEC. 3. MENTAL AND BEHAVIORAL HEALTH SERVICES ON CAMPUS.

Part B of title I of the Higher Education Act of 1965 (20 U.S.C. 1011 et seq.) is amended by inserting after section 120 the following:

"SEC. 120A. MENTAL AND BEHAVIORAL HEALTH SERVICES ON CAMPUS.

"(a) Purpose.—It is the purpose of this section to increase access to, and enhance the range of, mental and behavioral health services for students so as to ensure that college students have the support necessary to successfully complete their studies.

"(b) Program Authorized.—From funds appropriated under subsection (j), the Secretary shall award competitive grants to institutions of higher education to create or expand mental and behavioral health services to students at such institutions, to provide such services, and to develop best practices for the delivery of such services. Such grants shall, subject to the availability of such appropriations, be for a period of 3 years.

"(c) Eligible Grant Recipients.—Any institution of higher education that seeks to provide, or provides, mental and behavioral health services to students is eligible to apply, on behalf of such institution's treatment provider, for a grant under this section. Treatment providers may include entities such as—

"(1) college counseling centers;

"(2) college and university psychological service centers;

"(3) mental health centers;

"(4) psychology training clinics;

"(5) institution of higher education supported, evidence-based, mental health and substance abuse screening programs; and

"(6) any other entity that provides mental and behavioral health services to students at an institution of higher education.

"(d) Applications.—Each institution of higher education seeking to obtain a grant under this section shall submit an application to the Secretary. Each such application shall include—

"(1) a description of identified mental and behavioral health needs of students at the institution of higher education;

"(2) a description of currently available Federal, State, local, private, and institutional resources to address the needs described in paragraph (1) at the institution of higher education;

"(3) an outline of program objectives and anticipated program outcomes, including an explanation of how the treatment provider at the institution of higher education will coordinate activities under this section with existing programs and services;

"(4) the anticipated impact of funds provided under this section in improving the mental and behavioral health of students attending the institution of higher education;

"(5) outreach strategies, including ways in which the treatment provider at the institution of higher education proposes to reach students, promote access to services, and address the range of needs of students;

"(6) a proposed plan for reaching those students most in need of services;

"(7) a plan to evaluate program outcomes and assess the services provided with funds under this section; and

"(8) such additional information as is required by the Secretary.

"(e) Peer Review of Applications.—

"(1) Panel.—The Secretary shall provide the applications submitted under this section to a peer review panel for evaluation. With respect to each application, the peer review panel shall recommend the application for funding or for disapproval.

"(2) Composition of Panel.—

"(A) In general.—The peer review panel shall be composed of—

"(i) experts who are competent, by virtue of their training, expertise, or experience, to evaluate applications for grants under this section; and

"(ii) mental and behavioral health professionals and higher education professionals.

"(B) Non-federal government employees.—A majority of the members of the peer review panel shall be individuals who are not employees of the Federal Government.

"(3) Evaluation and Priority.—The peer review panel shall—

"(A) evaluate the applicant's proposal to improve current and future mental and behavioral health at the institution of higher education; and

"(B) give priority in recommending applications for funding to proposals that—

"(i) provide direct service to students, as described in subsection (f)(1);

"(ii) improve the mental and behavioral health of students at institutions of higher education with a counselor to student ratio greater than 1 to 1,500; or

"(iii) will best serve students based on the projected impact of the proposal on mental and behavioral health at the institution of higher education as well as the level of coordination of other resources to aid in the improvement of mental and behavioral health.

"(f) USE OF FUNDS.—Funds provided by a grant under this section may be used for 1 or more of the following activities:

"(1) Prevention, screening, early intervention, assessment, treatment, management, and education of mental and behavioral health problems of students enrolled at the institution of higher education.

"(2) Education of families to increase awareness of potential mental and behavioral health issues of students enrolled at the institution of higher education.

"(3) Hiring appropriately trained staff, including administrative staff.

"(4) Strengthening and expanding mental and behavioral health training opportunities in internship and residency programs, such as psychology doctoral and post-doctoral training.

"(5) Supporting the use of evidence-based and emerging best practices.

"(6) Evaluating and disseminating outcomes of mental and behavioral health services so as to provide information and training to other mental and behavioral health entities around the Nation that serve students enrolled in institutions of higher education.

"(g) ADDITIONAL REQUIRED ELEMENTS.—Each institution of higher education that receives a grant under this section shall—

"(1) provide annual reports to the Secretary describing the use of funds, the program's objectives, and how the objectives were met, including a description of program outcomes;

"(2) perform such additional evaluation as the Secretary may require, which may include measures such as—

"(A) increase in range of services provided;

"(B) increase in the quality of services provided;

"(C) increase in access to services;

"(D) college continuation rates;

"(E) decrease in college dropout rates; and

"(F) increase in college graduation rates; and

"(3) coordinate such institution's program under this section with other related efforts on campus by entities concerned with the mental, health, and behavioral health needs of students.

"(h) SUPPLEMENT NOT SUPPLANT.—Grant funds provided under this section shall be used to supplement, and not supplant, Federal and non-Federal funds available for carrying out the activities described in this section.

"(i) LIMITATIONS.—

"(1) PERCENTAGE LIMITATIONS.—Not more than—

"(A) 5 percent of grant funds received under this section shall be used for administrative costs; and

"(B) 20 percent of grant funds received under this section shall be used for training costs.

"(2) PROHIBITION ON USE FOR CONSTRUCTION OR RENOVATION.—Grant funds received under this section shall not be used for construction or renovation of facilities or buildings.

"(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section $10,000,000 for fiscal year 2005 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

By Mr. FRIST.

S. 2217. A bill to improve the health of health disparity populations; to the Committee on Finance.

Mr. FRIST. Mr. President, today I am introducing additional legislation to address health disparities.

On February 12th I joined with Senator LANDRIEU, Senator COCHRAN, Senator DEWINE, Senator BOND and Senator TALENT to introduce the "Closing the Health Care Gap Act of 2004." Today I am introducing similar legislation to that introduced several weeks ago with one significant addition. This additional provision directly addresses the problem of access to health insurance for low income Americans.

We know that millions of Americans still experience disparities in health outcomes as a result of ethnicity, race, gender, or limited access to quality health care. For example, disparity populations exhibit poorer health outcomes and have higher rates of HIV/AIDS, diabetes, infant mortality, cancer, heart disease, and other illnesses. African Americans and Native Americans die younger than any other racial or ethnic group. African Americans and Native American babies die at significantly higher rates than the rest of the population. African Americans, Hispanic Americans and Native Americans are at least twice as likely to suffer from diabetes and experience serious complications from diabetes.

These gaps are simply unacceptable. Every American deserves the best quality of health care possible, regardless of their race, ethnicity, gender, or where they live.

There is a growing awareness on the national level of the existence and importance of the serious disparities in the quality of health care that many minority and underserved Americans receive. And this presents us with an important opportunity to move forward.

The legislation we introduced on February 12th and the legislation I introduce today does this by focusing on these 5 key areas: expanding access to quality health care; strengthening national efforts and coordination; helping increase the diversity of health professionals; promoting more aggressive health professional education intended to reduce barriers to care; and enhancing research to identify sources of racial, ethnic, and geographic disparities and assess promising intervention strategies.

However, the legislation I am introducing today goes farther. This legislation includes a provision based on President Bush's proposal to provide refundable health insurance tax credits to lower income Americans. I believe that the improved access to affordable medical care fostered by this tax credit will be yet one more critical component to the overall effort to reduce disparities in health care for America's vulnerable populations.

My intention is to continue to build awareness of these health care disparities and thereby provide the basis for bipartisan efforts to fight and reduce them. I think today's bill introduction represents yet another key step in this process. It is my hope that, working together, members of this body can make substantial progress in reducing and eliminating disparities.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Closing the Health Care Gap Act of 2004".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—IMPROVED HEALTH CARE QUALITY AND EFFECTIVE DATA COLLECTION AND ANALYSIS

Sec. 101. Standardized measures of quality health care.
Sec. 102. Data collection.

TITLE II—EXPANDED ACCESS TO QUALITY HEALTH CARE

Subtitle A—Access, Awareness, and Outreach

Sec. 201. Access and awareness grants.
Sec. 202. Innovative outreach programs.

Subtitle B—Refundable Health Insurance Credit

Sec. 211. Refundable health insurance costs credit.
Sec. 212. Advance payment of credit to issuers of qualified health insurance.

TITLE III—STRONG NATIONAL LEADERSHIP, COOPERATION, AND COORDINATION

Sec. 301. Office of Minority Health and Health Disparities.

TITLE IV—PROFESSIONAL EDUCATION, AWARENESS, AND TRAINING

Sec. 401. Workforce diversity and training.
Sec. 402. Higher education technical amendments.
Sec. 403. Model cultural competency curriculum development.
Sec. 404. Internet cultural competency clearinghouse.

TITLE V—ENHANCED RESEARCH

Sec. 501. Agency for Healthcare Research and Quality.
Sec. 502. National Institutes of Health.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Definitions.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The overall health of Americans has dramatically improved over the last century, and Americans are justifiably proud of the great strides that have been made in the health and medical sciences.

(2) As medical science and technology have advanced at a rapid pace, however, the health care delivery system has not been able to provide consistently high quality care to all Americans.

(3) In particular, people of lower socioeconomic status, racial and ethnic minorities, and medically underserved populations have experienced poor health and challenges in accessing high quality health care.

(4) Recent studies have raised significant questions regarding differences in clinical care provided to racial and ethnic minorities and other health disparity populations. These differences are often grouped together under the broad heading of "health disparities".

(5) Studies indicate that a gap exists between ideal health care and the actual health care that some Americans receive.

(6) Data collection, analysis, and reporting by race, ethnicity, and primary language across federally supported health programs are essential for identifying, understanding the causes of, monitoring, and eventually eliminating health disparities.

(7) Current health related data collection and reporting activities largely reflect the efforts of the Department of Health and Human Services. Despite considerable efforts by the Department, data collection efforts governing racial, ethnic, and health disparity populations remain inconsistent and inadequate. They often quantify disparities but shed little light on their causes.

(8) Many Americans, and particularly racial and ethnic minorities and other health disparity populations, miss opportunities for preventive medical care. Similarly, management of chronic illnesses in these populations presents unique challenges to the nation's health care system.

(9) The largest numbers of the medically underserved are white individuals, and many of them have the same health care access problems as do members of minority groups. Nearly 22,000,000 white individuals live below the poverty line with many living in nonmetropolitan, rural areas such as Appalachia, where the high percentage of countries designated as health professional shortage areas (47 percent) and the high rate of poverty contribute to disparity outcomes. However, there is a higher proportion of racial and ethnic minorities in the United States represented among the medically underserved.

(10) While much research examines the question of racial and ethnic differences in health care, less is known about the magnitude and extent of differences in the quality of health care related to nonsocioeconomic factors. Only recently have scientists and quality improvement experts begun to address the issue of how best to measure, track, and improve quality of health care in diverse populations. Additional research in order to understand the causes of disparities and develop effective approaches to eliminate these gaps in health care quality will be necessary.

(11) There is a need to ensure appropriate representation of racial and ethnic minorities, and other health disparity populations, in the health care professions and in the fields of biomedical, clinical, behavioral, and health services research.

(12) Preventable disparities in access to and quality of health care are unacceptable. Health care delivered in the United States should be care that is as safe, effective, patient-centered, timely, efficient and equitable as possible.

TITLE I—IMPROVED HEALTH CARE QUALITY AND EFFECTIVE DATA COLLECTION AND ANALYSIS

SEC. 101. STANDARDIZED MEASURES OF QUALITY HEALTH CARE.

(a) In General.—

(1) Collaboration.—The Secretary of Health and Human Services, the Secretary of Defense, the Secretary of Veterans Affairs, the Director of the Indian Health Service, and the Director of the Office of Personnel Management (referred to in this section as the "Secretaries") shall work collaboratively to establish uniform, standardized health care quality measures across all Federal Government health programs. Such measures shall be designed to assess quality improvement efforts with regard to the safety, timeliness, effectiveness, patient-centeredness, and efficiency of health care delivered across all federally supported health care delivery programs including those in which health care services are delivered to health disparity populations.

(2) Development of measures.—Relying on earlier work by the Secretary of Health and Human Services or others (including work such as the Healthy People 2010 or the IOM Quality Chasm reports) and with an emphasis on health conditions disproportionately affecting health disparity populations and taking into account health literacy and primary language and cultural factors, the Secretaries shall develop standardized sets of quality measures for—

(A) 5 common health conditions by not later than January 1, 2006; and

(B) an additional 10 common health conditions by not later than January 1, 2007.

(3) Pilot testing.—Each federally administered health care program may conduct a pilot test of the quality measures developed under paragraph (2) that shall include a collection of patient-level data and a public release of comparative performance reports.

(b) Public Reporting Requirements.—The Secretaries shall work collaboratively to establish standardized public reporting requirements for clinicians, institutional providers, and health plans in each of the health programs described in subsection (a).

(c) Full Implementation.—The Secretaries shall work collaboratively to prepare for the full implementation of all standardized sets of quality measures and reporting systems developed under subsections (a) and (b) by not later than January 1, 2009.

(d) Progress Report.—The Secretary of Health and Human Services shall prepare an annual progress report that details the collaborative efforts carried out under subsection (a).

(e) Comparative Quality Reports.—Beginning on January 1, 2008, in order to make comparative quality information available to health care consumers, including members of health disparity populations, health professionals, public health officials, researchers, and other appropriate individuals and entities, the Secretaries shall provide for the pooling and analysis of quality measures collected under this section. Nothing in this section shall be construed as modifying the privacy standards under the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191).

(f) Ongoing Evaluation of Use.—The Secretary of Health and Human Services shall ensure the ongoing evaluation of the use of the health care quality measures established under this section.

(g) Existing Activities.—Notwithstanding any other provision of law, the standardized measures and reporting activities described in this section shall replace, to the extent practicable and appropriate, any existing measurement and reporting activities currently utilized by federally supported health care delivery programs.

(h) Evaluation.—

(1) Institute of Medicine.—

(A) In general.—The Secretary of Health and Human Services shall request the Institute of Medicine to conduct an evaluation of the collaborative efforts of the Secretaries to establish uniform, standardized health care quality measures and reporting requirements for federally supported health care delivery programs as required under this section.

(B) Report.—Not later than 2 years after the date of enactment of this Act, the Institute of Medicine shall submit a report concerning the results of the evaluation under subparagraph (A) to the Secretary.

(2) Regulations.—

(A) Proposed.—Not later than 18 months after the date on which the report is submitted under paragraph (1)(B), the Secretary shall publish proposed regulations regarding the uniform, standardized health care quality measures and reporting requirements described in this section.

(B) Final regulations.—Not later than 3 years after the date on which the report is submitted under paragraph (1)(B), the Secretary shall publish final regulations regarding the uniform, standardized health care quality measures and reporting requirements described in this section.

SEC. 102. DATA COLLECTION.

(a) In General.—The Secretary of Health and Human Services (referred to in this section as the "Secretary") shall—

(1) ensure that data collected under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) are accurate by race, ethnicity, and primary language and available for inclusion in the National Health Disparities Report;

(2) enforce State data collection and reporting by race, ethnicity, and primary language for enrollees in the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) and the State Children's Health Insurance Program under title XXI of such Act (42 U.S.C. 1397aa et seq.) and ensure that such data are available for inclusion in the National Health Disparities Report;

(3) ensure that ongoing and any new program initiatives—

(A) collect and report data by race, ethnicity, and primary language and provide technical assistance to promote compliance;

(B) address technological difficulties;

(C) ensure privacy and confidentiality of data collected; and

(D) implement effective educational strategies;

(4) expand educational programs to inform insurers, providers, agencies and the public of the importance of data collection by race, ethnicity, and primary language to improving health care access and quality;

(5) raise awareness that these data are critical for achieving Healthy People 2010 goals and essential to the nondiscrimination requirements of title VI of the Civil Rights Act (42 U.S.C. 2000d et seq.); and

(6) support research on existing best practices for data collection.

(b) Grants for Data Collection by Health Plans, Health Centers, and Hospitals.—

(1) IN GENERAL.—The Secretary, acting through the Director of the Agency for Healthcare Research and Quality, may support or conduct not to exceed 20 demonstration programs to enhance the collection, analysis, and reporting of the data required under this section.

(2) ELIGIBILITY.—To be eligible to receive a grant under this section an entity shall—

(A) be a health plan, federally qualified health center or health center network, or hospital; and

(B) prepare and submit to the Secretary an application at such time, in such manner, and containing such as information as the Secretary may require.

(3) USE OF FUNDS.—A grantee shall use amounts received under a grant under this subsection to—

(A) collect, analyze, and report data by race, ethnicity, or other health disparity category for patients served by the grantee, including—

(i) in the case of a hospital, emergency room patients and patients served on an inpatient or outpatient basis;

(ii) in the case of a health plan, data for enrollees; and

(iii) in the case of a federally qualified health center or health center network, primary care, specialty care, and referrals;

(B) provide analyses of racial, ethnic and other disparities in health and health care, including specific disease conditions, diagnostic and therapeutic procedures, or outcomes;

(C) improve health data collection and analysis for additional population groups beyond the Office of Management and Budget categories if such groups can be aggregated into the minimum race and ethnicity categories;

(D) develop mechanisms for sharing collected data, subject to applicable privacy and confidentiality regulations;

(E) develop educational programs to inform health insurance issuers, health plans, health providers, health-related agencies, patients, enrollees, and the general public that data collection, analysis, and reporting by race, ethnicity, and preferred language are legal and essential for eliminating disparities in health and health care; and

(F) ensure the evaluation of activities conducted under this section.

TITLE II—EXPANDED ACCESS TO QUALITY HEALTH CARE

Subtitle A—Access, Awareness, and Outreach

SEC. 201. ACCESS AND AWARENESS GRANTS.

(a) DEMONSTRATION PROJECTS.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") may award contracts or competitive grants to eligible entities to support demonstration projects designed to improve the health and health care of health disparity populations through improved access to health care, health care navigation assistance, and health literacy education.

(b) ELIGIBLE ENTITY DEFINED.—In this section the term "eligible entity" means—

(1) a hospital;

(2) an academic institution;

(3) a State health agency;

(4) an Indian Health Service hospital or clinic, Indian tribal health facility, or urban Indian facility;

(5) a nonprofit organization including a faith-based organization or consortia, to the extent that a grant awarded to such an entity is consistent with the requirements of section 1955 of the Public Health Service Act (42 U.S.C. 300x–65) relating to grant award to nongovernmental entities;

(6) a primary care practice-based research network as defined by the Director of the Agency for Healthcare Research and Quality;

(7) a Federally qualified health center (as defined in section 1905(l)(2)(B) of the Social Security Act (42 U.S.C. 1396d(l)(2)(B))); or

(9) any other entity determined to be appropriate by the Secretary.

(c) APPLICATION.—An eligible entity seeking a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including assurances that the eligible entity will—

(1) target patient populations that are members of racial and ethnic minority groups or health disparity populations through specific outreach activities;

(2) coordinate with appropriate community organizations and include appropriate community participation in planning and implementation of activities;

(3) coordinate culturally competent and appropriate care;

(4) include a plan to ensure that the entity will become self-sustaining when funding under the grant terminates; and

(5) include quality and outcomes performance measures to evaluate the effectiveness of activities funded under this section to ensure that the activities are meeting their goals, and disseminate findings from such evaluations.

(d) PRIORITIES.—In awarding contracts and grants under this section, the Secretary shall give priority to applicants that intend to use amounts received under this section to carry out all programs specified under subsection (e).

(e) USE OF FUNDS.—An eligible entity shall use amounts received under this section to carry out programs that involve at least 2 of the following:

(1) Providing resources and guidance to individuals regarding sources of health insurance coverage, as well as information on how to obtain health coverage in the private insurance market, through Federal and State programs, and through other available coverage options.

(2) Providing patient navigator services to help individuals better utilize their health coverage by working through the health system to obtain appropriate quality care, including programs in which—

(A) trained individuals (such as representatives from the community, nurses, social workers, physicians, or patient advocates) are assigned to act as contacts—

(i) within the community; or

(ii) within the health care system, to facilitate access to health care services;

(B) partnerships are created with community organizations (which may include hospitals, federally qualified health centers or health center networks, faith-based organizations, primary care providers, home care, nonprofit organizations, health plans, or other health providers determined appropriate by the Secretary) to help facilitate access or to improve the quality of care;

(C) activities are conducted to coordinate care and preventive services and referrals;

(D) services are provided for translation, interpretation, and other such linguistic services for patients with limited English proficiency; or

(E) an entity receiving a grant under this section negotiates on behalf of the patient with relevant entities, or provides referrals and guides the patient through the mediation or arbitration process, to resolve issues that impede access to care.

(3) Promoting broad health awareness and prevention efforts, including patient education and health literacy programs to help increase a patient's knowledge of how to best participate in such patient's and such patient's children's treatment decisions.

(4) Enhancing preventive services and coordinated, multidisciplinary disease management of chronic conditions, such as diabetes mellitus, HIV/AIDS, asthma, cancer, cardiovascular disease, and obesity.

(f) REPORT.—Not later than 3 years after the date an entity receives a grant under this section and annually thereafter, the entity shall provide to the Secretary a report containing the results of any evaluation conducted pursuant to subsection (c)(5).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2005 through 2009.

SEC. 202. INNOVATIVE OUTREACH PROGRAMS.

(a) GRANTS TO PROMOTE INNOVATIVE OUTREACH AND ENROLLMENT UNDER MEDICAID AND SCHIP.—Section 2104(e) of the Social Security Act (42 U.S.C. 1397dd(e)) is amended—

(1) by striking "Amounts allotted" and inserting the following:

"(1) IN GENERAL.—Subject to paragraph (2), amounts allotted"; and

(2) by adding at the end the following:

"(2) GRANTS TO PROMOTE INNOVATIVE OUTREACH AND ENROLLMENT EFFORTS.—

"(A) IN GENERAL.—Prior to September 30 of each fiscal year, beginning with fiscal year 2004, the Secretary shall reserve from any unexpended allotments made to States under subsection (b) or (c) (including any portion of such allotments that were redistributed under subsection (f) or (g)) for a fiscal year that would revert to the Treasury on October 1 of the succeeding fiscal year but for the application of this paragraph, the lesser of $50,000,000 or the total amount of such unexpended allotments for purposes of awarding grants under this paragraph for such succeeding fiscal year to States or national, local, and community-based public or nonprofit private organizations to conduct innovative outreach and enrollment efforts that are designed to increase the enrollment and participation of eligible children under this title and title XIX.

"(B) PRIORITY FOR GRANTS IN CERTAIN AREAS.—In making grants under subparagraph (A)(ii), the Secretary shall give priority to grant applicants that propose to target geographic areas—

"(i) with high rates of eligible but unenrolled children, including such children who reside in rural areas;

"(ii) with high rates of families for whom English is not their primary language; or

"(iii) with high rates of racial and ethnic minorities and health disparity populations.

"(C) APPLICATION.—An organization that desires to receive a grant under this paragraph shall submit an application to the Secretary in such form and manner, and containing such information, as the Secretary may decide. Such application shall include quality and outcomes performance measures to evaluate the effectiveness of activities funded by a grant under this paragraph to ensure that the activities are meeting their goals, and disseminate findings from such evaluations.".

(b) DEMONSTRATIONS TO REDUCE HEALTH DISPARITIES.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall, through contracts or grants to public and private entities, support demonstration programs for the purpose of conducting interventions among health disparity populations to—

(A) target, identify, and reduce or prevent behavioral risk factors that contribute to health disparities;

(B) promote translation, interpretation, and other such linguistic services for patients with limited English speaking proficiency;

(C) promote preventive services; or

(D) enhance coordinated, multidisciplinary disease management of chronic conditions, such as diabetes mellitus, HIV/AIDS, asthma, cancer, and obesity.

(2) APPLICATION.—An entity desiring a contract or grant under paragraph (1) shall submit an application to the Secretary of Health and Human Services in such form and manner, and containing such information, as the Secretary may require.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for each of fiscal years 2005 through 2009.

Subtitle B—Refundable Health Insurance Credit

SEC. 211. REFUNDABLE HEALTH INSURANCE COSTS CREDIT.

(a) ALLOWANCE OF CREDIT.—

(1) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable personal credits) is amended by redesignating section 36 as section 37 and by inserting after section 35 the following new section:

"SEC. 36. HEALTH INSURANCE COSTS FOR UNINSURED INDIVIDUALS.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the amount paid by the taxpayer during such taxable year for qualified health insurance for the taxpayer and the taxpayer's spouse and dependents.

"(b) LIMITATIONS.—

"(1) IN GENERAL.—The amount allowed as a credit under subsection (a) to the taxpayer for the taxable year shall not exceed the lesser of—

"(A) the sum of the monthly limitations for coverage months during such taxable year for the individuals referred to in subsection (a) for whom the taxpayer paid during the taxable year any amount for coverage under qualified health insurance, or

"(B) 90 percent of the sum of the amounts paid by the taxpayer for qualified health insurance for each such individual for coverage months of the individual during the taxable year.

"(2) MONTHLY LIMITATION.—

"(A) IN GENERAL.—The monthly limitation for an individual for each coverage month of such individual during the taxable year is the amount equal to 1/12 of—

"(i) $1,000 if such individual is the taxpayer,

"(ii) $1,000 if—

"(I) such individual is the spouse of the taxpayer,

"(II) the taxpayer and such spouse are married as of the first day of such month, and

"(III) the taxpayer files a joint return for the taxable year, and

"(iii) $500 if such individual is an individual for whom a deduction under section 151(c) is allowable to the taxpayer for such taxable year.

"(B) LIMITATION TO 2 DEPENDENTS.—Not more than 2 individuals may be taken into account by the taxpayer under subparagraph (A)(iii).

"(C) SPECIAL RULE FOR MARRIED INDIVIDUALS.—In the case of a taxpayer—

"(i) who is married (within the meaning of section 7703) as of the close of the taxable year but does not file a joint return for such year, and

"(ii) who does not live apart from such taxpayer's spouse at all times during the taxable year,

the dollar limitation imposed under subparagraph (A)(iii) shall be divided equally between the taxpayer and the taxpayer's spouse unless they agree on a different division.

"(3) INCOME PHASEOUT OF CREDIT PERCENTAGE.—

"(A) PHASEOUT FOR SINGLE COVERAGE.—If a taxpayer with self-only coverage has modified adjusted gross income in excess of $15,000 for a taxable year, the 90 percent under paragraph (1)(B) shall be reduced (but not below zero) by—

"(i) 2 percentage points for each $250 of such income in excess of $15,000 but not in excess of $20,000, and

"(ii) 1.25 percentage points for each $250 of such income in excess of $20,000.

"(B) AMOUNT OF REDUCTION FOR FAMILY COVERAGE.—If a taxpayer with family coverage has modified adjusted gross income in excess of $25,000 for a taxable year, the 90 percent under paragraph (1)(B) shall be reduced (but not below zero) by—

"(i) in the case of family coverage covering only 1 adult, 1.5 percentage points for each $250 of such excess, and

"(ii) in the case of family coverage covering more than 1 adult, 0.643 percentage points for each $250 of such excess.

Any percentage resulting from a reduction under clause (ii) shall be rounded to the nearest one-tenth of a percent.

"(C) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income determined—

"(i) without regard to this section and sections 911, 931, and 933, and

"(ii) after application of sections 86, 135, 137, 219, 221, and 469.

"(c) COVERAGE MONTH.—For purposes of this section—

"(1) IN GENERAL.—The term 'coverage month' means, with respect to an individual, any month if—

"(A) as of the first day of such month such individual is covered by qualified health insurance, and

"(B) the premium for coverage under such insurance for such month is paid by the taxpayer.

"(2) EMPLOYER-SUBSIDIZED COVERAGE.—

"(A) IN GENERAL.—The term 'coverage month' shall not include any month for which such individual is eligible to participate in any subsidized health plan (within the meaning of section 162(l)(2)) maintained by any employer of the taxpayer or of the spouse of the taxpayer. A subsidized health plan shall not include a plan substantially all of the coverage of which is of excepted benefits described in section 9832(c).

"(B) PREMIUMS TO NONSUBSIDIZED PLANS.—If an employer of the taxpayer or the spouse of the taxpayer maintains a health plan which is not a subsidized health plan (as so defined) and which constitutes qualified health insurance, employee contributions to the plan shall be treated as amounts paid for qualified health insurance.

"(3) CAFETERIA PLAN AND FLEXIBLE SPENDING ACCOUNT BENEFICIARIES.—The term 'coverage month' shall not include any month during a taxable year if any amount is not includible in the gross income of the taxpayer for such year under section 106 with respect to—

"(A) a benefit chosen under a cafeteria plan (as defined in section 125(d)), or

"(B) a benefit provided under a flexible spending or similar arrangement.

"(4) MEDICARE, MEDICAID, AND SCHIP.—The term 'coverage month' shall not include any month with respect to an individual if, as of the first day of such month, such individual—

"(A) is entitled to any benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

"(B) is enrolled in the program under title XIX or XXI of such Act (other than under section 1928 of such Act).

"(5) CERTAIN OTHER COVERAGE.—The term 'coverage month' shall not include any month during a taxable year with respect to an individual if, at any time during such year, any benefit is provided to such individual under—

"(A) chapter 89 of title 5, United States Code,

"(B) chapter 55 of title 10, United States Code,

"(C) chapter 17 of title 38, United States Code, or

"(D) any medical care program under the Indian Health Care Improvement Act.

"(6) PRISONERS.—The term 'coverage month' shall not include any month with respect to an individual if, as of the first day of such month, such individual is imprisoned under Federal, State, or local authority.

"(7) INSUFFICIENT PRESENCE IN UNITED STATES.—The term 'coverage month' shall not include any month during a taxable year with respect to an individual if such individual is present in the United States on fewer than 183 days during such year (determined in accordance with section 7701(b)(7)).

"(d) QUALIFIED HEALTH INSURANCE.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified health insurance' means health insurance coverage (as defined in section 9832(b)(1)) which—

"(A) is coverage described in paragraph (2), and

"(B) meets the requirements of paragraph (3).

"(2) ELIGIBLE COVERAGE.—Coverage described in this paragraph is the following:

"(A) Coverage under individual health insurance.

"(B) Coverage under a group health plan (as defined in section 5000 without regard to subsection (d)).

"(C) Coverage through a private sector health care coverage purchasing pool.

"(D) Coverage under a State high risk pool described in subparagraph (C) of section 35(e)(1).

"(E) Continuation coverage described in subparagraph (A) or (B) of section 35(a)(1).

"(F) Coverage under an eligible State buyin program.

"(3) REQUIREMENTS.—The requirements of this paragraph are as follows:

"(A) COST LIMITS.—Under the coverage, the sum of the annual deductible and the other annual out-of-pocket expenses required to be paid (other than premiums) for covered benefits does not exceed—

"(i) $5,000 for self-only coverage, and

"(ii) twice the dollar amount in clause (i) for family coverage, or

"(B) MAXIMUM BENEFITS.—Under the coverage, the annual and lifetime maximum benefits are not less than $700,000.

"(4) ELIGIBLE STATE BUYIN PROGRAM.—For purposes of paragraph (2)(F)—

“(A) IN GENERAL.—The term ‘eligible State buyin program’ means a State program under which an individual not otherwise eligible for assistance under the State medicaid program under title XIX of the Social Security Act or the State children's health insurance program under title XXI of such Act is able to buy health insurance coverage through a purchasing arrangement entered into between the State and a private sector health care purchasing group or health plan for purposes of providing health insurance coverage to recipients of assistance under such program or for purposes of providing such coverage to State employees.

“(B) REQUIREMENTS.—Subparagraph (A) shall only apply to a State program if—

“(i) the program uses private sector health care purchasing groups or health plans, and

“(ii) the State maintains separate risk pools for participants under the State program.

“(e) ARCHER MSA CONTRIBUTIONS; HSA CONTRIBUTIONS.—If a deduction would be allowed under section 220 to the taxpayer for a payment for the taxable year to the Archer MSA of an individual or under section 223 to the taxpayer for a payment for the taxable year to the Health Savings Account of such individual, subsection (a) shall not apply to the taxpayer for any month during such taxable year for which the taxpayer, spouse, or dependent is an eligible individual for purposes of either such section.

“(f) INFLATION ADJUSTMENT.—

“(1) IN GENERAL.—In the case of any taxable year beginning after 2004, each dollar amount referred to in subsections (b)(2)(A) and (d)(3) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 213(d)(10)(B)(ii) for the calendar year in which the taxable year begins, except that ‘2003’ shall be substituted for ‘1996’ in subclause (II) thereof.

“(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $10, such amount shall be rounded to the next lowest multiple of $10.

“(g) SPECIAL RULES.—

“(1) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—The amount which would (but for this paragraph) be taken into account by the taxpayer under section 213 for the taxable year shall be reduced by the credit (if any) allowed by this section to the taxpayer for such year.

“(2) COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—In the case of a taxpayer who is eligible to deduct any amount under section 162(l) for the taxable year, this section shall apply only if the taxpayer elects not to claim any amount as a deduction under such section for such year.

“(3) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

“(4) COORDINATION WITH ADVANCE PAYMENT.—Rules similar to the rules of section 35(g)(1) shall apply to any credit to which this section applies.

“(5) COORDINATION WITH SECTION 35.—If a taxpayer is eligible for the credit allowed under this section and section 35 for any taxable year, the taxpayer shall elect which credit is to be allowed.

“(h) EXPENSES MUST BE SUBSTANTIATED.—A payment for insurance to which subsection (a) applies may be taken into account under this section only if the taxpayer substantiates such payment in such form as the Secretary may prescribe.

“(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.”.

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to information concerning transactions with other persons) is amended by inserting after section 6050T the following:

“SEC. 6050U. RETURNS RELATING TO PAYMENTS FOR QUALIFIED HEALTH INSURANCE.

“(a) IN GENERAL.—Any person who, in connection with a trade or business conducted by such person, receives payments during any calendar year from any individual for coverage of such individual or any other individual under creditable health insurance, shall make the return described in subsection (b) (at such time as the Secretary may by regulations prescribe) with respect to each individual from whom such payments were received.

“(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

“(1) is in such form as the Secretary may prescribe, and

“(2) contains—

“(A) the name, address, and TIN of the individual from whom payments described in subsection (a) were received,

“(B) the name, address, and TIN of each individual who was provided by such person with coverage under creditable health insurance by reason of such payments and the period of such coverage,

“(C) the aggregate amount of payments described in subsection (a), and

“(D) such other information as the Secretary may reasonably prescribe.

“(c) CREDITABLE HEALTH INSURANCE.—For purposes of this section, the term ‘creditable health insurance’ means qualified health insurance (as defined in section 36(d)).

“(d) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required under subsection (b)(2)(A) to be set forth in such return a written statement showing—

“(1) the name and address of the person required to make such return and the phone number of the information contact for such person,

“(2) the aggregate amount of payments described in subsection (a) received by the person required to make such return from the individual to whom the statement is required to be furnished, and

“(3) the information required under subsection (b)(2)(B) with respect to such payments.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

“(e) RETURNS WHICH WOULD BE REQUIRED TO BE MADE BY 2 OR MORE PERSONS.—Except to the extent provided in regulations prescribed by the Secretary, in the case of any amount received by any person on behalf of another person, only the person first receiving such amount shall be required to make the return under subsection (a).”.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) of such Code (relating to definitions) is amended by redesignating clauses (xii) through (xviii) as clauses (xiii) through (xix), respectively, and by inserting after clause (xi) the following:

“(xii) section 6050U (relating to returns relating to payments for qualified health insurance),”.

(B) Paragraph (2) of section 6724(d) of such Code is amended by striking “or” at the end of subparagraph (AA), by striking the period at the end of the subparagraph (BB) and inserting “, or”, and by adding at the end the following:

“(CC) section 6050U(d) (relating to returns relating to payments for qualified health insurance).”.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by inserting after the item relating to section 6050T the following:

“Sec. 6050U. Returns relating to payments for qualified health insurance.”.

(c) CRIMINAL PENALTY FOR FRAUD.—Subchapter B of chapter 75 of the Internal Revenue Code of 1986 (relating to other offenses) is amended by adding at the end the following:

“SEC. 7276. PENALTIES FOR OFFENSES RELATING TO HEALTH INSURANCE TAX CREDIT.

“Any person who knowingly misuses Department of the Treasury names, symbols, titles, or initials to convey the false impression of association with, or approval or endorsement by, the Department of the Treasury of any insurance products or group health coverage in connection with the credit for health insurance costs under section 36 shall on conviction thereof be fined not more than $10,000, or imprisoned not more than 1 year, or both.”.

(d) CONFORMING AMENDMENTS.—

(1) Section 162(l) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(6) ELECTION TO HAVE SUBSECTION APPLY.—No deduction shall be allowed under paragraph (1) for a taxable year unless the taxpayer elects to have this subsection apply for such year.”.

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period “, or from section 36 of such Code”.

(3) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

“Sec. 36. Health insurance costs for uninsured individuals.
“Sec. 37. Overpayments of tax.”

(4) The table of sections for subchapter B of chapter 75 of such Code is amended by adding at the end the following:

“Sec. 7276. Penalties for offenses relating to health insurance tax credit.”

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2003, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

(2) PENALTIES.—The amendments made by subsections (c) and (d)(4) shall take effect on the date of the enactment of this Act.

SEC. 212. ADVANCE PAYMENT OF CREDIT TO ISSUERS OF QUALIFIED HEALTH INSURANCE.

(a) In General.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following:

“SEC. 7529. ADVANCE PAYMENT OF CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE INDIVIDUALS.

“(a) General Rule.—Not later than January 1, 2005, the Secretary shall establish a program for making payments on behalf of certified individuals to providers of qualified health insurance (as defined in section 36(d)) for such individuals.

“(b) Program Options.—The program under subsection (a) may—

“(1) provide that payments may be made on the basis of modified adjusted gross income of certified individuals for the preceding taxable year, and

“(2) provide that, in lieu of payments to providers, the following amounts may be offset:

“(A) Amounts required to be deposited by the provider as estimated income tax under section 6654 or 6655.

“(B) Amounts required to be deducted and withheld under section 3401 (relating to wage withholding).

“(C) Taxes imposed under section 3111(a) or 50 percent of taxes imposed under section 1401(a) (relating to FICA employer taxes).

“(D) Amounts required to be deducted under section 3102 with respect to taxes imposed under section 3101(a) or 50 percent of taxes imposed under section 1401(a) (relating to FICA employee taxes).

“(c) Certified Individual.—For purposes of this section, the term ‘certified individual’ means any individual for whom a qualified health insurance credit eligibility certificate is in effect.

“(d) Qualified Health Insurance Credit Eligibility Certificate.—For purposes of this section, a qualified health insurance credit eligibility certificate is a statement furnished by an individual to a provider of qualified health insurance which—

“(1) certifies that the individual will be eligible to receive the credit provided by section 36 for the taxable year,

“(2) estimates the amount of such credit for such taxable year, and

“(3) provides such other information as the Secretary may require for purposes of this section.”

(b) Clerical Amendment.—The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“Sec. 7529. Advance payment of health insurance credit for purchasers of qualified health insurance.”

(c) Effective Date.—The amendments made by this section shall take effect on July 1, 2005, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

TITLE III—STRONG NATIONAL LEADERSHIP, COOPERATION, AND COORDINATION

SEC. 301. OFFICE OF MINORITY HEALTH AND HEALTH DISPARITIES.

(a) In General.—Section 1707 of the Public Health Service Act (42 U.S.C. 300u–6) is amended—

(1) by striking the section heading and inserting the following:

“OFFICE OF MINORITY HEALTH AND HEALTH DISPARITIES”; and

(2) in subsection (a)—

(A) by striking “Office of Minority Health” each place that such appears and inserting “Office of Minority Health and Health Disparities”; and

(B) by striking “for Minority Health” and inserting “for Minority Health and Health Disparities”.

(b) Duties.—Section 1707(b) of the Public Health Service Act (42 U.S.C. 300u–6(b)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by inserting “and health disparity populations” after “groups” and

(B) by striking “for Minority Health” and inserting “for Minority Health and Health Disparities”;

(2) in paragraph (1)—

(A) by striking “Establish” and all that follows through “coordinate” and inserting “Coordinate”; and

(B) by striking “such individuals” and inserting “health disparities”;

(4) in paragraph (1)

(3) in paragraph (5), by inserting “or health disparity populations” after “minority groups”;

(4) in paragraph (6), by inserting “or health disparity population” after “minority group”;

(5) by striking paragraphs (7) and (9);

(6) by redesignating paragraphs (1), (2), (3), (4), (5), (6), (8), and (10) as paragraphs (3), (4), (6), (7), (9), (10), (11), and (12), respectively;

(7) by inserting before paragraph (3) (as so redesignated) the following:

“(1) Establish specific short- and long-term goals and objectives for analyzing the causes of health disparities and addressing them, with a particular focus on the areas of health promotion, disease prevention, chronic care and research.

“(2) Work with agencies within the Department of Health and Human Services and with the Surgeon General to establish a strategic plan to analyze and address the causes of health disparities. The plan shall include recommendations to improve the collection, analysis, and reporting of data at the Federal, State, territorial, Tribal, and local levels, including how to—

“(A) implement data collection while minimizing the cost and administrative burdens of data collection and reporting;

“(B) expand awareness of the importance of such data collection to improving health care quality; and

“(C) provide researchers with greater access to racial, ethnic, and other health disparity data.”;

(8) by inserting after paragraph (4) (as so redesignated), the following:

“(5) Increase awareness of disparities in health care among health care providers, health plans, and the public.”;

(9) in paragraph (6) (as so redesignated)—

(A) by striking “Support” and inserting “In cooperation with the appropriate agencies, support”;

(B) by inserting before the period the following: “for—

“(A) expanding health care access;

“(B) improving health care quality; and

“(C) increasing health care educational opportunity.”;

(10) by inserting after paragraph (7) (as so redesignated), the following:

“(8) Consistent with section 102 of the Closing the Health Care Gap Act of 2004, coordinate the classification and collection of health care data to allow for the ongoing analysis of the causes of disparities and monitoring of progress toward the elimination of disparities.”; and

(11) by inserting after paragraph (12), as so redesignated, the following:

“(13) Work with Federal agencies and departments outside of the Department of Health and Human Services to maximize program resources available to understand why disparities exist, and effective ways to reduce and eliminate disparities.

“(14) Support a center for linguistic and cultural competence to carry out the following:

“(A) With respect to individuals who lack proficiency in speaking the English language, enter into contracts with public and nonprofit private providers of primary health services for the purpose of increasing the access of such individuals to such services by developing and carrying out programs to provide bilingual or interpretive services.

“(B) Carry out programs to improve access to health care services for individuals with limited proficiency in speaking the English language. Activities under this subparagraph shall include developing and evaluating model projects.”.

(c) Advisory Committee.—Section 1707(c) of the Public Health Service Act (42 U.S.C. 300u–6(c)) is amended—

(1) in paragraph (1), by inserting “and Health Disparities” after “Minority Health”;

(2) in paragraph (2), by inserting “and health disparity populations” after “minority group”; and

(3) in paragraph (4)(B)—

(A) by inserting “and health disparities” after “minority health”; and

(B) by inserting “and health disparity populations” after “minority groups”.

(d) Duty Requirements.—Section 1707(d) of the Public Health Service Act (42 U.S.C. 300u–6(d)) is amended—

(1) in paragraph (1)(A), by striking “(b)(9)” and inserting “(b)(14);

(2) in paragraph (1)(B), by striking “(b)(10)” and inserting “(b)(13); and

(3) in paragraph (3), insert “take into account the unique cultural or linguistic issues facing such populations and” after “subsection (b)”.

(e) Reports.—Section 1707(f) of the Public Health Service Act (42 U.S.C. 300u–6(f)) is amended—

(1) in paragraph (1)—

(A) by striking the subsection heading and inserting “Report on activities.—”;

(B) by striking “1999” and inserting “2006”;

(C) by striking “Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate” and inserting “appropriate committees of Congress”; and

(D) by inserting “and health disparity populations” after “racial and ethnic minority groups”;

(2) in paragraph (2)—

(A) by striking “1999” and inserting “2005”; and

(B) by inserting “and health disparity” after “minority health”;

(3) by redesignating paragraph (1) and (2) as paragraphs (2) and (3), respectively; and

(4) by inserting after the subsection heading, the following:

“(1) In general.—Not later than 1 year after the date of enactment of the Closing the Health Care Gap Act of 2004, the Secretary shall submit to the appropriate committees of Congress, a report on the plan developed under subsection (b)(2).”.

(f) Authorization of Appropriations.—Section 1707(h) of the Public Health Service Act (42 U.S.C. 300u–6(h)) is amended—

(1) by striking “Funding.—” and all that follows through the paragraph designation in paragraph (1); and

(2) by striking "$30,000,000" and all that follows through the period and inserting "$50,000,000 for fiscal year 2005, such sums as may be necessary for each of fiscal years 2006 through 2009.".

TITLE IV—PROFESSIONAL EDUCATION, AWARENESS, AND TRAINING

SEC. 401. WORKFORCE DIVERSITY AND TRAINING.

(a) PURPOSE.—Part B of title VII of the Public Health Service Act (42 U.S.C. 293 et seq.) is amended by inserting before section 736 the following:

"SEC. 736A. PURPOSE OF PROGRAM.

"It is the purpose of this part to improve health care quality and access in medically underserved communities, to improve the cultural competence of health care providers by increasing minority representation in the health professions, and to strengthen the research and education programs of designated health professions schools that disproportionately serve health disparity populations.".

(b) CENTERS OF EXCELLENCE.—Section 736 of the Public Health Service Act (42 U.S.C. 293) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) IN GENERAL.—The Secretary shall make grants to, and enter into contracts with, public and nonprofit private health or educational entities, including designated health professions schools described in subsection (c), for the purpose of assisting the schools in supporting programs of excellence in health professions education for racial or ethnic minority or health disparity populations.";

(2) in subsection (b)—

(A) in paragraph (2), by striking "under-represented minority" and inserting "racial or ethnic minority";

(B) in paragraph (3), by striking "under-represented minority" and inserting "racial or ethnic minority";

(C) in paragraph (4), by striking "minority health" and inserting "health disparity";

(D) in paragraph (5), by striking "under-represented minority groups" and inserting "racial or ethnic minorities and health disparity populations";

(E) in paragraph (6)—

(i) in the matter preceding subparagraph (A), by striking "under-represented minority" and inserting "individuals from racial or ethnic minorities or health disparity populations"; and

(ii) by striking "and" at the end;

(F) in paragraph (7), by striking the period and inserting "; and"; and

(G) by adding at the end the following:

"(8) to conduct accountability and other reporting activities, as required by the Secretary.";

(3) in subsection (c)—

(A) in paragraph (1)(B)—

(i) in clause (i), by striking "under-represented minority" and inserting "individuals from racial or ethnic minorities or health disparity populations";

(ii) in clause (ii), by striking "under-represented minority" and inserting "such";

(iii) in clause (iii)—

(I) by striking "under-represented minority individuals" the first place that such appears and inserting "such students";

(II) by striking "such individuals" and inserting "such students";and

(III) by striking "under-represented minority" the second place that such appears and inserting "such"; and

(iv) in clause (iv), by striking "under-represented minority individuals" and inserting "individuals from racial or ethnic minorities or health disparity populations"; and

(B) in paragraph (2)(B)—

(i) in clause (i), by striking "under-represented" and inserting "racial or"; and

(C) in paragraph (5)(B)—

(i) by striking "under-represented" and inserting "racial or"; and

(ii) by inserting "or a health disparity population" after "minorities";

(4) in subsection (d)(1), by striking "Under-Represented Minority Health" and inserting "Minority Health and Health Disparity";

(5) in subsection (h)—

(A) in paragraph (1), by striking "$26,000,000" and all that follows and inserting "$50,000,000 for fiscal year 2005, and such sums as may be necessary for each of fiscal years 2006 through 2009"; and

(B) in paragraph (2)—

(i) in subparagraph (C)—

(I) in the matter preceding clause (i), by striking "are $30,000,000 or more" and inserting "exceed $30,000,000 but are less than $40,000,000"; and

(II) in clause (iv), by striking "any remaining funds" and inserting "any remaining excess amount"; and

(ii) by adding at the end the following:

"(D) FUNDING IN EXCESS OF $40,000,000.—If amounts appropriated under paragraph (1) for a fiscal year are $40,000,000 or more, the Secretary shall make available—

"(i) not less than $16,000,000 for grants under subsection (a) to health professions schools that meet the conditions described in subsection (c)(2)(A);

"(ii) not less than $16,000,000 for grants under subsection (a) to health professions schools that meet the conditions described in paragraph (3) or (4) of subsection (c) (including meeting conditions pursuant to subsection (e));

"(iii) not less than $8,000,000 for grants under subsection (a) to health professions schools that meet the conditions described in subsection (c)(5); and

"(iv) after grants are made with funds under clauses (i) through (iii), any remaining funds for grants under subsection (a) to health professions schools that meet the conditions described in paragraph (2)(A), (3), (4), or (5) of subsection (c)."; and

(6) by adding at the end the following:

"(i) EVALUATION.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Closing the Health Care Gap Act of 2004, the Secretary shall request that the Institute of Medicine evaluate the effectiveness of the programs under this section in meeting the purpose of this part. The Institute of Medicine shall submit a report on the evaluation to the Secretary.

"(2) WORKING GROUP.—Upon submission of the report under paragraph (1), the Secretary shall convene a working group composed of stakeholders, including designated health professions schools described in subsection (c), to define quality performance measures and reporting requirements of grant recipients that shall be tied to the purpose of this part.

"(3) REGULATIONS.—Not later than 18 months after the date the Institute of Medicine submits the report under paragraph (1), the Secretary shall publish proposed regulations regarding the quality performance measures and reporting requirements described in paragraph (2). Not later than 3 years after the date the Institute of Medicine submits the report under paragraph (1), the Secretary shall publish final regulations regarding the quality performance measures and reporting requirements described in paragraph (2).".

(c) SCHOLARSHIPS FOR DISADVANTAGED STUDENTS.—Section 737 of the Public Health Service Act (42 U.S.C. 293a) is amended—

(1) in subsection (c), by striking "under-represented minority" and inserting "minority and health disparity"; and

(2) in subsection (d)(1)(B), by inserting "or health disparity" after "minority".

(d) LOAN REPAYMENTS AND FELLOWSHIPS REGARDING FACULTY POSITIONS.—Section 738(b) of the Public Health Service Act (42 U.S.C. 293b(b)) is amended—

(1) in paragraph (1), by striking "underrepresented";

(2) in paragraph (3)(A), by striking "under-represented minority individuals" and inserting "individuals from racial or ethnic minorities or health disparity populations"; and

(3) by striking paragraph (5).

(e) NATIONAL HEALTH SERVICE CORPS.—

(1) ASSIGNMENT.—Section 333(a)(3) of the Public Health Service Act (42 U.S.C. 254f(a)(3)) is amended—

(A) in the second sentence—

(i) by striking "shall give preference" and inserting the following: "shall—

"(A) give preference"; and

(ii) by striking the period and inserting "; and"; and

(B) by adding at the end the following:

"(B) give preference to applications from entities described in subparagraph (A) that serve individuals a majority of whom are members of a racial or ethnic minority or other health disparity population with annual incomes at or below twice those set forth in the most recent poverty guidelines issued by the Secretary pursuant to section 402(2) of the Community Services Block Grant Act.".

(2) PRIORITIES.—Section 333A(a) of the Public Health Service Act (42 U.S.C. 254f-1(a)) is amended—

(A) by redesignating paragraphs (1) through (3) as paragraphs (2) through (4), respectively; and

(B) by inserting before paragraph (2) (as so redesignated), the following:

"(1) give preference to applications as described in section 333(a)(3);".

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 740 of the Public Health Service Act (42 U.S.C. 293d) is amended—

(1) in subsection (a), by striking "2002" and inserting "2009";

(2) in subsection (b), by striking "2002" and inserting "2009";

(3) in subsection (c), by striking "2002" and inserting "2009"; and

(4) by striking subsection (d).

(f) GRANTS FOR HEALTH PROFESSIONS EDUCATION.—Section 741 of the Public Health Service Act (42 U.S.C. 293e) is amended—

(1) in subsection (a)(2), in the first sentence by striking "Unless" and all that follows through "the Secretary" and inserting "The Secretary"; and

(2) in subsection (b), by striking "$3,500,000" and all that follows through the period and inserting "such sums as may be necessary for each of fiscal years 2005 through 2009.".

(g) HEALTH CAREERS OPPORTUNITY PROGRAM.—Subpart 2 of part E of title VII of the Public Health Service Act (42 U.S.C. 295 et seq.) is amended—

(1) in section 770 by inserting "(other than section 771)" after "this subpart";

(2) by redesignating section 770 as section 771;

(3) by inserting after section 769 the following:

"SEC. 770. HEALTH CAREERS OPPORTUNITY PROGRAM.

"(a) IN GENERAL.—The Secretary may make grants and enter into cooperative agreements and contracts with eligible entities for any of the following purposes:

"(1) Identifying and recruiting students who—

"(A) are from disadvantaged backgrounds or health disparity populations; and

"(B) are interested in a career in the health professions.

"(2) Providing counseling or other services designed to assist such individuals in entering a health professions school and successfully completing their education at such a school.

"(3) Providing, for a period prior to the entry of such individuals into the regular course of education of such a school, preliminary education designed to assist the individuals in successfully completing such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education.

"(b) RECEIPT OF AWARD.—

"(1) ELIGIBLE ENTITIES; REQUIREMENT OF CONSORTIUM.—The Secretary may make an award under subsection (a) only if an eligible entity meets the following conditions:

"(A) The eligible entity is a public or private entity, and such entity has established a consortium consisting of private community-based organizations and health professions schools.

"(B) The health professions schools in the consortium are schools of medicine or osteopathic medicine, public health, nursing, dentistry, optometry, pharmacy, allied health, or podiatric medicine, or graduate programs in mental health practice (including programs in clinical psychology).

"(C)(i) Except as provided in clause (ii), the membership of the consortium includes not less than 1 nonprofit private community-based organization and not less than 3 health professions schools.

"(ii) In the case of an eligible entity whose exclusive activity under the award will be carrying out 1 or more programs described in subsection (a)(5), the membership of the consortium includes not less than 1 nonprofit private community-based organization and not less than 1 health professions school.

"(D) The members of the consortium have entered into an agreement specifying—

"(i) that each of the members will comply with the conditions upon which the award is made; and

"(ii) whether and to what extent the award will be allocated among the members.

"(2) REQUIREMENT OF COMPETITIVE AWARDS.—Awards under subsection (a) shall be made on a competitive basis.

"(c) REQUIREMENTS.—The Secretary may make an award under subsection (a) only if the Secretary determines that, in the case of activities carried out under the award that prove to be effective toward achieving the purposes of the activities—

"(1) the members of the consortium involved have or will have the financial capacity to continue the activities, regardless of whether financial assistance under subsection (a) continues to be available; and

"(2) the members of the consortium demonstrate to the satisfaction of the Secretary a commitment to continue such activities, regardless of whether such assistance continues to be available.

"(d) OBJECTIVES UNDER AWARDS.—Before making a first award to an eligible entity under subsection (a), the Secretary shall establish objectives regarding the activities to be carried out under the award, which objectives are applicable until the next fiscal year for which such award is made after a competitive process of review. In making an award after such a review, the Secretary shall establish additional objectives for the applicant.

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated, such sums as may be necessary for each of fiscal years 2005 through 2009.".

SEC. 402. HIGHER EDUCATION TECHNICAL AMENDMENTS.

Section 326(c) of the Higher Education Act of 1965 (20 U.S.C. 1063b(c)) is amended—

(1) in paragraph (2), by inserting before the semicolon, the following: ", and for the acquisition and development of real property that is adjacent to the campus to improve the academic environment";

(2) in paragraph (6), by striking "and" at the end;

(3) in paragraph (7), by striking the period and inserting a semicolon; and

(4) by adding at the end the following:

"(8) Support of faculty exchanges, development, and fellowship to enable attainment of advanced degrees in their field of instruction; and

"(9) Tutoring, counseling, and student service programs designed to improve academic success.".

SEC. 403. MODEL CULTURAL COMPETENCY CURRICULUM DEVELOPMENT.

(a) CURRICULA DEVELOPMENT AND MODEL CURRICULA.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") may award grants to eligible entities for curricula development for the training of health care providers and health professions students regarding cultural competency, and for demonstration projects to test new innovations for cultural competence education model curricula for and identify additional barriers to culturally appropriate care.

(b) APPLICATION.—Each eligible entity desiring a grant under subsection (a) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2005 through 2009.

SEC. 404. INTERNET CULTURAL COMPETENCY CLEARINGHOUSE.

(a) DEVELOPMENT.—The Director of the Office of Minority Health and Health Disparities, with assistance from the Administrator of the Agency for Healthcare Research and Quality, shall develop and maintain an Internet clearinghouse to improve health care quality for individuals with specific cultural needs or with limited English proficiency or low functional health literacy and to reduce or eliminate the duplication of effort to translate materials.

(b) TEMPLATES.—In developing the clearinghouse under subsection (a), the Director of the Office of Minority Health and Health Disparities shall develop, test, and make available templates for standard documents that are necessary for patients and consumers to access and make educated decisions about their health care, including—

(1) administrative and legal documents;

(2) clinical information such as how to take medications, how to prevent transmission of a contagious disease, and other prevention and treatment instructions; and

(3) patient education and outreach materials such as immunization notices, health warnings, or screening notices.

(c) ONLINE LIBRARY OR DATABASE.—The Director of the Office of Minority Health and Health Disparities shall develop a readily accessible online library or database with searchable clinically relevant cultural information that is important for health care providers to have on hand in the direct provision of medical care to individuals from specific minority, ethnic, or other health disparity groups.

TITLE V—ENHANCED RESEARCH

SEC. 501. AGENCY FOR HEALTHCARE RESEARCH AND QUALITY.

Part B of title IX of the Public Health Service Act (42 U.S.C. 299b) is amended by adding at the end the following:

"SEC. 918. ENHANCED RESEARCH WITH RESPECT TO HEALTH DISPARITIES.

"(a) ACCELERATING THE ELIMINATION OF DISPARITIES.—

"(1) IN GENERAL.—The Secretary, acting through the Director, may award grants or contracts to eligible entities (as defined in paragraph (4)) for short-term research to analyze the causes of disparities and identify or develop and evaluate effective strategies in closing the health care gap between minority and health disparity populations and nonminority populations or non-health disparity populations.

"(2) PROMPT USE OF RESEARCH.—To ensure that research described in paragraph (1) is effective and is disseminated and applied promptly, the Director shall—

"(A) expand practice-based research networks (primary care and larger delivery systems) to include networks of delivery sites serving large numbers of minority and health disparity populations including—

"(i) public hospitals;

"(ii) health centers; and

"(iii) other sites as determined appropriate by the Director;

"(B) work with health care providers to identify and develop those interventions for minority and health disparity populations for which effective implementation strategies are not clear; and

"(C) develop a broad virtual network of continuous learning among health care providers (including institutions that did not receive a grant or contract under paragraph (1)) so that those participating in research can share findings and experience throughout the duration of such research and to facilitate interest in and prompt adoption of such findings and experience.

"(3) TECHNICAL ASSISTANCE.—The Director of the Agency for Healthcare Research and Quality shall provide technical assistance to assist in the implementation of strategies of evidence-based practices that will reduce health care disparities.

"(4) ELIGIBLE ENTITIES.—In paragraph (1), the term 'eligible entities' means institutions with researchers who have experience in conducting research relating to minority health and health disparity populations.

"(5) PUBLIC HOSPITALS.—In this subsection, the term 'public hospitals' means a hospital (as defined in section 1886(d)(1)(B) of the Social Security Act) that—

"(A) is owned or operated by a unit of State or local government, is a public or private non-profit corporation which is formally granted governmental powers by a unit of State or local government, or is a private non-profit hospital that has a contract with a State or local government to provide health care services to low income individuals who are not entitled to benefits under title XVIII of the Social Security Act or eligible for assistance under the State plan under title XIX of the Social Security Act; and

"(B) for the most recent cost reporting period that ended before the calendar quarter involved, had a disproportionate share adjustment percentage (as determined under section 1886(d)(5)(F) of the Social Security Act) greater than 11.75 percent or was described in section 1886(d)(5)F)(i)(II) of such Act.

"(b) REALIZING THE POTENTIAL OF DISEASE MANAGEMENT.—

"(1) PUBLIC-PRIVATE SECTOR PARTNERSHIP TO ASSESS EFFECTIVENESS OF EXISTING DATA MANAGEMENT STRATEGIES.—The Director shall establish a public-private partnership to assess the effectiveness of disease management strategies and identify effective interventions and support strategies with respect to minority and health disparity populations.

"(2) EFFECTIVE MANAGEMENT OF PATIENTS WITH MULTIPLE CHRONIC DISEASES.—

"(A) INITIATIVE FOR DISEASE MANAGEMENT STRATEGIES.—The Director shall coordinate an initiative to identify those chronic conditions for which disease-specific disease management strategies pose conflicts in preferred clinical interventions.

"(B) RESEARCH.—The Director, with support from other agencies within the Department of Health and Human Services shall conduct a program of research based in community and primary-care settings to test and evaluate the implications for patient outcomes of alternative approaches for reconciling conflicts from disease-specific disease management initiatives.

"(c) DEVELOPMENT OF EFFECTIVE MEASUREMENT OF DISPARITIES.—

"(1) IN GENERAL.—The Director shall conduct a demonstration project to—

"(A) assess alternative strategies for identifying population subgroups at highest risk of poor quality and poor health;

"(B) improve data collection for health care priority populations (as described in section 901(c)(1)(B));

"(C) improve the ability to identify the causes of disparities; and

"(D) track progress in reducing health care disparities with a focus on—

"(i) the minimum data set necessary to track such progress; and

"(ii) the identification of measures for which data currently being collected are insufficient.

"(2) REPORT.—Not later than 3 years after the date the demonstration project described in paragraph (1) receives funding, the Director shall submit to the appropriate committees of Congress a report containing the findings of the demonstration project together with any policy recommendations.

"(d) ANALYSIS OF RACIAL, ETHNIC, AND OTHER HEALTH DISPARITY DATA.—The Secretary, acting through the Director of the Agency for Healthcare Research and Quality, and in coordination with the Administrator of the Centers for Medicare & Medicaid Services and the Director of the Centers for Disease Control and Prevention, shall provide technical assistance to agencies of the Department of Health and Human Services in meeting Federal standards for race, ethnicity, and other health disparity data collection and analysis of racial, ethnic, and other disparities in health and health care in Federally-administered programs by—

"(1) identifying appropriate quality assurance mechanisms to monitor for health disparities;

"(2) specifying the clinical, diagnostic, or therapeutic measures which should be monitored;

"(3) developing new quality measures relating to racial, ethnic, or other health disparities;

"(4) identifying the level at which data analysis should be conducted; and

"(5) sharing data with external organizations for research and quality improvement purposes.".

SEC. 502. NATIONAL INSTITUTES OF HEALTH.

The Director of the National Institutes of Health, in consultation with the Director of the National Center on Minority Health and Health Disparities, shall expand and intensify research at the National Institutes of Health relating to the sources of health and health care disparities, and increase efforts to recruit minority scientists and research professionals into the field of health disparity research.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. DEFINITIONS.

(a) IN GENERAL.—In this Act, including the amendments made by this Act:

(1) CULTURALLY COMPETENT.—

(A) IN GENERAL.—The term "culturally competent", with respect to the manner in which health-related services, education, and training are provided, means providing the services, education, and training in the language and cultural context that is most appropriate for the individuals for whom the services, education, and training are intended, including as necessary the provision of bilingual services.

(B) MODIFICATION.—The definition established in subparagraph (A) may be modified as needed at the discretion of the Secretary after providing a 30-day notice to Congress.

(2) MINORITY HEALTH CONDITIONS.—The term "minority health conditions", with respect to individuals who are members of minority groups, means all diseases, disorders, and conditions (including with respect to mental health and substance abuse)—

(A) unique to, more serious, or more prevalent in such groups;

(B) for which the factors of medical risk or types of medical intervention may be different for such groups, or for which it is unknown whether such factors or types are different for such individuals; or

(C) with respect to which there has been insufficient research involving such individual members of such groups as subjects or insufficient data on such individuals.

(3) MINORITY HEALTH DISPARITIES RESEARCH.—The term "minority health disparities research" means basic, clinical, behavioral and health services research on minority health conditions (as defined in paragraph (2)), including research to prevent, diagnose, and treat such conditions.

(4) MINORITY.—The terms "minority" and "minorities" refer to individuals from a minority group.

(5) MINORITY GROUP.—The term "minority group" has the meaning given the term "racial and ethnic minority group" in section 1707 of the Public Health Service Act (42 U.S.C. 300u-6).

(b) HEALTH DISPARITY POPULATIONS.—In this Act, including the amendments made by this Act:

(1) HEALTH DISPARITY POPULATION.—The term "health disparity population" has the meaning given such term in section 903(d)(1) of the Public Health Service Act (42 U.S.C. 299a-1(d)(1)).

(2) HEALTH DISPARITIES RESEARCH.—The term "health disparities research" shall include basic, clinical, behavioral, and health services research on health disparity populations (including individual members and communities of such populations) that relates to health disparities as defined under paragraph (1), including the causes of such disparities and methods to prevent, diagnose, and treat such disparities.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 321—RECOGNIZING THE LOYAL SERVICE AND OUTSTANDING CONTRIBUTIONS OF J. ROBERT OPPENHEIMER TO THE UNITED STATES AND CALLING ON THE SECRETARY OF ENERGY TO OBSERVE THE 100TH ANNIVERSARY OF DR. OPPENHEIMER'S BIRTH WITH APPROPRIATE PROGRAMS AT THE DEPARTMENT OF ENERGY AND THE LOS ALAMOS NATIONAL LABORATORY

Mr. BINGAMAN (for himself, Mr. DOMENICI, and Mrs. FEINSTEIN) submitted the following resolution; which was referred to the Committee on Energy and Natural Resources:

S. RES. 321

Whereas, from March 1943 to October 1945, J. Robert Oppenheimer was the first director of the Los Alamos Laboratory, New Mexico, which was used to design and build the nuclear weapons that ended the Second World War;

Whereas, following the end of the Second World War, Dr. Oppenheimer served as a science adviser and consultant to each of the 3 principal committees planning for the postwar control of nuclear energy, including the Secretary of War's Interim Committee on Atomic Energy, the Secretary of State's Committee on Atomic Energy, and the United Nations Atomic Energy Committee;

Whereas, from 1947 to 1952, Dr. Oppenheimer was the first chairman of the General Advisory Committee, which advised the Atomic Energy Commission on scientific and technical matters;

Whereas, from 1947 to 1954, Dr. Oppenheimer also served on defense policy committees, including the Committee on Atomic Energy of the Joint Research and Development Board, the Science Advisory Committee of the Office of Defense Mobilization, and the Panel on Disarmament of the Department of State;

Whereas, in addition to his service to the United States Government, Dr. Oppenheimer was the director of the Institute for Advanced Study at Princeton University from 1947 to 1965;

Whereas, in 1946, President Truman conferred on Dr. Oppenheimer the Medal for Merit "for exceptionally meritorious conduct in the performance of outstanding service" as director of the Los Alamos Laboratory and for development of the atomic bomb:

Whereas, in 1963, President Lyndon Johnson conferred on Dr. Oppenheimer the Enrico Fermi Award "for contributions to theoretical physics as a teacher and originator of ideas and for leadership of the Los Alamos Laboratory and the atomic energy program during critical years"; and

Whereas April 22, 2004, is the 100th anniversary of Dr. Oppenheimer's birth: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the loyal service of J. Robert Oppenheimer to the United States and the

outstanding contributions he made to theoretical physics, the Los Alamos National Laboratory, the development of nuclear energy, and the common defense and security of the United States; and

(2) calls on the Secretary of Energy to observe the 100th anniversary of the birth of J. Robert Oppenheimer with appropriate ceremonies, activities, or programs at the Department of Energy and the Los Alamos National Laboratory.

SENATE RESOLUTION 320—DESIGNATING THE WEEK OF MARCH 7 THROUGH MARCH 13, 2004, AS "NATIONAL PATIENT SAFETY AWARENESS WEEK"

Mr. GRAHAM of Florida (for himself, Ms. Snowe, Mr. Gregg, Mr. Dodd, Mr. Jeffords, Mr. Breaux, Mr. Frist, and Mr. Enzi) submitted the following resolution; which was considered and agreed to:

S. Res. 320

Whereas patient safety is an issue of significant importance to the United States;

Whereas 1 in every 5 citizens of the United States has experienced a medical error or has a family member who has experienced a medical error;

Whereas medical errors often have serious and profound consequences;

Whereas it is estimated that injuries from preventable medical errors cost the United States economy between $17,000,000,000 and $29,000,000,000 each year;

Whereas more people die annually from medical errors than from automobile accidents, breast cancer, and AIDS;

Whereas increased patient and provider education and collaboration can help avoid medical errors;

Whereas the Institute of Medicine has stated that a "critical component of a comprehensive strategy to improve patient safety is to create an environment that encourages organizations to identify errors, evaluate causes and take appropriate actions to improve performance in the future," and further, that "a more conducive environment is needed to encourage health care professionals and organizations to identify, analyze, and report errors without threat of litigation and without compromising patients' legal rights";

Whereas better systems can be implemented to reduce the factors that lead to medical errors;

Whereas innovative educational and research programs are being conducted by the National Patient Safety Foundation as well as by other public and private entities to develop methods for avoiding preventable injuries and to assess the effectiveness of new techniques to increase patient safety; and

Whereas education of the public on medical errors and the factors that typically lead to medical errors empowers patients to be more effective partners with health care providers in the battle against preventable injuries from medical errors: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week of March 7 through March 13, 2004, as "National Patient Safety Awareness Week"; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe the week with appropriate programs and activities.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2856. Mr. FRIST (for Mrs. Hutchison) proposed an amendment to the bill H.R. 254, to authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

SA 2857. Mr. FRIST (for Mr. Edwards (for himself and Mrs. Dole)) proposed an amendment to the resolution S. Res. 307, honoring the county of Cumberland, North Carolina, its municipalities and community partners as they celebrate the 250th year of the existence of Cumberland County.

SA 2858. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill H.R. 1997, to amend title 18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes; which was ordered to lie on the table.

SA 2859. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 1997, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2856. Mr. FRIST (for Mrs. Hutchison) proposed an amendment to the bill H.R. 254, to authorize the President of the United States to agree to certain amendment to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION. 1. AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT COOPERATION AGREEMENT; GRANT AUTHORITY.

(a) Amendment Authority.—Part 2 of subtitle D of title V of Public Law 103–182 (22 U.S.C. 290m–290m-3) is amended by adding at the end the following:

"SEC. 545. AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT COOPERATION AGREEMENT.

"The President may agree to amendments to the Cooperation Agreement that—

"(1) enable the Bank to make grants and nonmarket rate loans out of its paid-in capital resources with the approval of its Board; and

"(2) amend the definition of 'border region' to include the area in the United States that is within 100 kilometers of the international boundary between the United States and Mexico, and the area in Mexico that is within 300 kilometers of the international boundary between the United States and Mexico.".

(b) Grant Authority.—Part 2 of subtitle D of title V of Public Law 103–182 (22 U.S.C. 290m–290m–3), as amended by subsection (a), is amended by adding at the end the following:

"SEC. 546. GRANTS OUT OF PAID-IN CAPITAL RESOURCES.

"(a) In General.—The President shall instruct the United States Federal Government representatives on the Board of Directors of the North American Development Bank to oppose any proposal where grants out of the Bank's paid-in capital resources, except for grants from paid-in capital authorized for the community adjustment and investment program under the Bank's charter of 1993, would—

"(1) be made to a project that is not being financed, in part, by loans; or

"(2) account for more than 50 percent of the financing of any individual project.

"(b) Exception.—

"(1) General Rule.—The requirements of subsection (a) shall not apply in cases where—

"(A) the President determines there are exceptional economic circumstances for making the grant and consults with the Committee on Foreign Relations of the Senate and the Committee on Financial Services of the House of Representatives; or

"(B)(i) the grant is being made for a project that is so small that obtaining a loan is impractical; and

"(ii) the grant does not exceed $250,000.

"(2) Limitation.—Not more than an aggregate of $5,000,000 in grants may be made under this subsection.".

(c) Clerical Amendment.—Section 1(b) of such public law is amended in the table of contents by inserting after the item relating to section 544 the following:

"Sec. 545. Authority to agree to certain amendments to the Border Environment Cooperation Agreement.

"Sec. 546. Grants out of paid-in capital resources.".

SEC. 2. ANNUAL REPORT.

The Secretary of the Treasury shall submit annually to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate a written report on the North American Development Bank, which addresses the following issues:

(1) The number and description of the projects that the North American Development Bank has approved. The description shall include the level of market-rate loans, non-market-rate loans, and grants used in an approved project, and a description of whether an approved project is located within 100 kilometers of the international boundary between the United States and Mexico or within 300 kilometers of the international boundary between the United States and Mexico.

(2) The number and description of the approved projects in which money has been dispersed.

(3) The number and description of the projects which have been certified by the Border Environment Cooperation Commission, but yet not financed by the North American Development Bank, and the reasons that the projects have not yet been financed.

(4) The total of the paid-in capital, callable capital, and retained earnings of the North American Development Bank, and the uses of such amounts.

(5) A description of any efforts and discussions between the United States and Mexican governments to expand the type of projects which the North American Development Bank finances beyond environmental projects.

(6) A description of any efforts and discussions between the United States and Mexican governments to improve the effectiveness of the North American Development Bank.

(7) The number and description of projects authorized under the Water Conservation Investment Fund of the North American Development Bank.

SEC. 3. SENSE OF THE CONGRESS RELATING TO UNITED STATES SUPPORT FOR NADBANK PROJECTS WHICH FINANCE WATER CONSERVATION FOR TEXAS IRRIGATORS AND AGRICULTURAL PRODUCERS IN THE LOWER RIO GRANDE RIVER VALLEY.

(a) FINDINGS.—The Congress finds that—

(1) Texas irrigators and agricultural producers are suffering enormous hardships in the lower Rio Grande River valley because of Mexico's failure to abide by the 1944 Water Treaty entered into by the United States and Mexico;

(2) over the last 10 years, Mexico has accumulated a 1,500,000-acre fee water debt to the United States which has resulted in a very minimal and inadequate irrigation water supply in Texas;

(3) recent studies by Texas A&M University show that water savings of 30 percent or more can be achieved by improvements in irrigation system infrastructure such as canal lining and metering;

(4) on August 20, 2002, the Board of the North American Development Bank agreed to the creation in the Bank of a Water Conservation Investment Fund, as required by Minute 308 to the 1944 Water Treaty, which was an agreement signed by the United States and Mexico on June 28, 2002; and

(5) the Water Conservation Investment Fund of the North American Development Bank stated that up to $80,000,000 would be available for grant financing of water conservation projects, which grant funds would be divided equally between the United States and Mexico.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) water conservation projects are eligible for funding from the North American Development Bank under the Agreement Between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Cooperation Commission and a North American Development Bank; and

(2) the Board of the North American Development Bank should support qualified water conservation projects which can assist Texas irrigators and agricultural producers in the lower Rio Grande River Valley.

SEC. 4. SENSE OF THE CONGRESS RELATING TO UNITED STATES SUPPORT FOR NADBANK PROJECTS WHICH FINANCE WATER CONSERVATION IN THE SOUTHERN CALIFORNIA AREA.

It is the sense of the Congress that the Board of the North American Development Bank should support—

(1) the development of qualified water conservation projects in southern California and other eligible areas in the 4 United States border States, including the conjunctive use and storage of surface and ground water, delivery system conservation, the re-regulation of reservoirs, improved irrigation practices, wastewater reclamation, regional water management modeling, operational and optimization studies to improve water conservation, and cross-border water exchanges consistent with treaties; and

(2) new water supply research and projects along the Mexico border in southern California and other eligible areas in the 4 United States border States to desalinate ocean seawater and brackish surface and groundwater, and dispose of or manage the brines resulting from desalination.

SEC. 5. SENSE OF THE CONGRESS RELATING TO UNITED STATES SUPPORT FOR NADBANK PROJECTS FOR WHICH FINANCE WATER CONSERVATION FOR IRRIGATORS AND AGRICULTURAL PRODUCERS IN THE SOUTHWEST UNITED STATES.

(a) FINDINGS.—The Congress finds as follows:

(1) Irrigators and agricultural producers are suffering enormous hardships in the southwest United States. The border States of California, Arizona, New Mexico, and Texas are suffering from one of the worst droughts in history. In Arizona, this is the second driest period in recorded history and the worst since 1904.

(2) In spite of decades of water conservation in the southwest United States, irrigated agriculture uses more than 60 percent of surface and ground water.

(3) The most inadequate water supplies in the United States are in the Southwest, including the lower Colorado River basin and the Great Plains River basins south of the Platte River. In these areas, 70 percent of the water taken from the stream is not returned.

(4) The amount of water being pumped out of groundwater sources in many areas is greater than the amount being replenished, thus depleting the groundwater supply.

(5) On August 20, 2002, the Board of the North American Development Bank agreed to the creation in the bank of a Water Conservation Investment Fund.

(6) The Water Conservation Investment Fund of the North American Development Bank stated that up to $80,000,000 would be available for grant financing of water conservation projects, which grant funds would be divided equally between the United States and Mexico.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) water conservation projects are eligible for funding from the North American Development Bank under the Agreement Between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Cooperation Commission and a North American Development Bank;

(2) the Board of the North American Development Bank should support qualified water conservation projects that can assist irrigators and agricultural producers; and

(3) the Board of the North American Development Bank should take into consideration the needs of all of the border states before approving funding for water projects, and strive to fund water conservation projects in each of the border states.

SEC. 6. SENSE OF THE CONGRESS REGARDING FINANCING OF PROJECTS.

(a) IN GENERAL.—It is the sense of the Congress that the Board of the North American Development Bank should support the financing of projects, on both sides of the international boundary between the United States and Mexico, that address coastal issues and the problem of pollution in both countries having an environmental impact along the Pacific Ocean and Gulf of Mexico shores of the United States and Mexico.

(b) AIR POLLUTION.—It is the sense of the Congress that the Board of the North American Development Bank should support the financing of projects, on both sides of the international boundary between the United States and Mexico, which address air pollution.

SA 2857. Mr. FRIST (for Mr. EDWARDS (for himself and Mrs. DOLE)) proposed an amendment to the resolution S. Res. 307, honoring the county of Cumberland, North Carolina, its municipalities and community partners as they celebrate the 250th year of the existence of Cumberland County; as follows:

Strike all after the resolved clause and insert the following:

That the Senate commemorates the 250th Anniversary Celebration of the county of Cumberland, North Carolina, its municipalities, and other community partners.

SA 2858. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill H.R. 1997, to amend title 18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes; which was ordered to lie on the table; as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Motherhood Protection Act".

SEC. 2. PROTECTION OF PREGNANT WOMEN.

(a) IN GENERAL.—Title 18, United States Code, is amended by inserting after chapter 90 the following:

"CHAPTER 90A—PROTECTION OF PREGNANT WOMEN

"CHAPTER 90A—PROTECTION OF PREGNANT WOMEN

"Sec.

"1841. Causing termination of pregnancy or interruption of the normal course of pregnancy.

"§ 1841. Causing termination of pregnancy or interruption of the normal course of pregnancy

"(a)(1) Any person who engages in conduct that violates any of the provisions of law listed in subsection (b) and thereby causes the termination of a pregnancy or the interruption of the normal course of pregnancy, including termination of the pregnancy other than by live birth is guilty of a separate offense under this section.

"(2)(A) Except as otherwise provided in this paragraph, the punishment for that separate offense is the same as the punishment provided for that conduct under Federal law had that injury or death occurred to the pregnant woman.

"(B) An offense under this section does not require proof that—

"(i) the person engaging in the conduct had knowledge or should have had knowledge that the victim of the underlying offense was pregnant; or

"(ii) the defendant intended to cause the termination or interruption of the normal course of pregnancy.

"(C) If the person engaging in the conduct thereby intentionally causes or attempts to cause the termination of or the interruption of the pregnancy, that person shall be punished as provided under section 1111, 1112, or 1113, as applicable, for intentionally terminating or interrupting the pregnancy or attempting to do so, instead of the penalties that would otherwise apply under subparagraph (A).

"(D) Notwithstanding any other provision of law, the death penalty shall not be imposed for an offense under this section.

"(b) The provisions referred to in subsection (a) are the following:

"(1) Sections 36, 37, 43, 111, 112, 113, 114, 115, 229, 242, 245, 247, 248, 351, 831, 844(d), 844(f), 844(h)(1), 844(i), 924(j), 930, 1111, 1112, 1113, 1114, 1116, 1118, 1119, 1120, 1121, 1153(a), 1201(a), 1203, 1365(a), 1501, 1503, 1505, 1512, 1513, 1751, 1864, 1951, 1952(a)(1)(B), 1952(a)(2)(B), 1952(a)(3)(B), 1958, 1959, 1992, 2113, 2114, 2116, 2118, 2119, 2191, 2231, 2241(a), 2245, 2261, 2261A, 2280, 2281, 2332, 2332a, 2332b, 2340A, and 2441 of this title.

“(2) Section 408(e) of the Controlled Substances Act of 1970 (21 U.S.C. 848(e)).

“(3) Section 202 of the Atomic Energy Act of 1954 (42 U.S.C. 2283).

“(c) Subsection (a) does not permit prosecution—

“(1) for conduct relating to an abortion for which the consent of the pregnant woman has been obtained or for which such consent is implied by law in a medical emergency;

“(2) for conduct relating to any medical treatment of the pregnant woman, or matters related to the pregnancy; or

“(3) of any woman with respect to her pregnancy.”.

(b) Clerical Amendment.—The table of chapters for part 1 of title 18, United States Code, is amended by inserting after the item relating to chapter 90 the following:

“90A. Protection of pregnant women 1841”.

SEC. 3. MILITARY JUSTICE SYSTEM.

(a) Protection of Pregnant Women.—Subchapter X of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after section 919 (article 119) the following:

“§Sec. 919a. Art. 119a. Causing termination of pregnancy or interruption of normal course of pregnancy

“(a)(1) Any person subject to this chapter who engages in conduct that violates any of the provisions of law listed in subsection (b) and thereby causes the termination of a pregnancy or the interruption of the normal course of pregnancy, including termination of the pregnancy other than by live birth, is guilty of a separate offense under this section.

“(2)(A) Except as otherwise provided in this paragraph, the punishment for that separate offense is the same as the punishment for that conduct under this chapter had that injury or death occurred to the pregnant woman.

“(B) An offense under this section does not require proof that—

“(i) the person engaging in the conduct had knowledge or should have had knowledge that the victim of the underlying offense was pregnant; or

“(ii) the defendant intended to cause the termination or interruption of the normal course of pregnancy.

“(C) If the person engaging in the conduct thereby intentionally causes or attempts to cause the termination of or the interruption of the pregnancy, that persons shall be punished as provided under section 918, 919, or 880 of this title (article 118, 119, or 80), as applicable, for intentionally causing the termination of or interruption of the pregnancy or attempting to do so, instead of the penalties that would otherwise apply under subparagraph (A).

“(D) Notwithstanding any other provision of law, the death penalty shall not be imposed for an offense under this section.

“(b) The provisions referred to in subsection (a) are sections 918, 919(a), 919(b)(2), 920(a), 922, 924, 926, and 928 of this title (articles 111, 118, 119(a), 119(b)(2), 120(a), 122, 124, 126, and 128).

“(c) Subsection (a) does not permit prosecution—

“(1) for conduct relating to an abortion for which the consent of the pregnant woman has been obtained or for which such consent is implied by law in a medical emergency;

“(2) for conduct relating to any medical treatment of the pregnant woman or matters relating to her pregnancy; or

“(3) of any woman with respect to her pregnancy.”.

(b) Clerical Amendment.—The table of sections at the beginning of subchapter X of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after the item relating to section 919 the following:

“919a. Causing termination of pregnancy and termination of normal course of pregnancy.”.

SA 2859. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 1997, to amend title 18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes; which was ordered to lie on the table; as follows:

On page 7, strike line 8 and all that follows and insert the following:

(b) Clerical Amendment.—The table of sections at the beginning of subchapter X of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after the item relating to section 919 the following:

“919a. 119a. Causing death of or bodily injury to unborn child.”.

DIVISION II—DOMESTIC VIOLENCE PREVENTION

SEC. 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This division may be cited as the “Paul and Sheila Wellstone Domestic Violence Prevention Act”.

(b) Table of Contents.—The table of contents for this division is as follows:

Sec. 1. Short title; table of contents.

TITLE I—VICTIMS' ECONOMIC SECURITY AND SAFETY

Sec. 101. Short title.
Sec. 102. Findings.
Sec. 103. Definitions.

Subtitle A—Entitlement to Emergency Leave for Addressing Domestic or Sexual Violence

Sec. 111. Purposes.
Sec. 112. Entitlement to emergency leave for addressing domestic or sexual violence.
Sec. 113. Existing leave usable for addressing domestic or sexual violence.
Sec. 114. Emergency benefits.
Sec. 115. Effect on other laws and employment benefits.
Sec. 116. Conforming amendment.
Sec. 117. Effective date.

Subtitle B—Entitlement to Unemployment Compensation for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

Sec. 121. Purposes.
Sec. 122. Unemployment compensation and training provisions.

Subtitle C—Victims' Employment Sustainability

Sec. 131. Short title.
Sec. 132. Purposes.
Sec. 133. Prohibited discriminatory acts.
Sec. 134. Enforcement.
Sec. 135. Attorney's fees.

Subtitle D—Victims of Abuse Insurance Protection

Sec. 141. Short title.
Sec. 142. Definitions.
Sec. 143. Discriminatory acts prohibited.
Sec. 144. Insurance protocols for subjects of abuse.
Sec. 145. Reasons for adverse actions.
Sec. 146. Life insurance.
Sec. 147. Subrogation without consent prohibited.
Sec. 148. Enforcement.
Sec. 149. Effective date.

Subtitle E—Workplace Safety Program Tax Credit

Sec. 151. Credit for costs to employers of implementing workplace safety programs.

Subtitle F—National Clearinghouse on Domestic and Sexual Violence in the Workplace Grant

Sec. 161. National clearinghouse on domestic and sexual violence in the workplace grant.

Subtitle G—Severability

Sec. 171. Severability.

TITLE II—CHILDREN WHO WITNESS DOMESTIC VIOLENCE

Sec. 201. Short title.
Sec. 202. Findings.
Sec. 203. Purpose.
Sec. 204. Definitions.
Sec. 205. Services for children exposed to domestic violence.
Sec. 206. Grants to combat the impact of experiencing or witnessing domestic violence on elementary and secondary school children.
Sec. 207. Grants for training and collaboration among child welfare agencies, domestic violence and sexual assault service providers, the courts and law enforcement agencies.
Sec. 208. Multisystem interventions for children who have been exposed to domestic violence.
Sec. 209. Crisis nursery demonstration grants program.
Sec. 210. Research and data collection on the impact of domestic violence on children.

TITLE III—DOMESTIC VIOLENCE SCREENING, TREATMENT, AND PREVENTION

Sec. 301. Short title.
Sec. 302. Findings.

Subtitle A—Research on Health and Family Violence

Sec. 311. Health research on family violence.

Subtitle B—Health Professional Education Programs

Sec. 321. Health professional education grants.

Subtitle C—Grants to Foster Public Health Responses to Domestic Violence

Sec. 331. Grants.

Subtitle D—Provision of Services Under Federal Health Programs

Sec. 341. Optional coverage of domestic violence identification and treatment under the medicaid program.
Sec. 342. Federal Employees Health Benefits Program.
Sec. 343. Training grants under the Maternal and Child Health Services Block Grant.
Sec. 344. Domestic violence identification and treatment services at community health centers.

TITLE I—VICTIMS' ECONOMIC SECURITY AND SAFETY

SEC. 101. SHORT TITLE.

This title may be cited as the “Victims' Economic Security and Safety Act”.

SEC. 102. FINDINGS.

Congress makes the following findings:

(1) Domestic violence crimes account for approximately 15 percent of total crime costs in the United States each year.

(2) Violence against women has been reported to be the leading cause of physical injury to women. Such violence has a devastating impact on women's physical and emotional health and financial security.

(3) According to recent government surveys, from 1993 through 1998 the average annual number of violent victimizations committed by intimate partners was 1,082,110, 87 percent of which were committed against women. Female murder victims were substantially more likely than male murder victims to have been killed by an intimate partner. About ⅓ of female murder victims, and about 4 percent of male murder victims, were killed by an intimate partner.

(4) According to recent government estimates, approximately 987,400 rapes occur annually in the United States, 89 percent of the rapes perpetrated against female victims.

(5) Approximately 10,200,000 people have been stalked at some time in their lives. Four out of every 5 stalking victims are women. Stalkers harass and terrorize their victims by spying on the victims, standing outside their places of work or homes, making unwanted phone calls, sending or leaving unwanted letters or items, or vandalizing property.

(6) Employees in the United States who have been victims of domestic violence, dating violence, sexual assault, or stalking too often suffer adverse consequences in the workplace as a result of their victimization.

(7) Victims of domestic violence, dating violence, sexual assault, and stalking are particularly vulnerable to changes in employment, pay, and benefits as a result of their victimizations, and are, therefore, in need of legal protection.

(8) The prevalence of domestic violence, dating violence, sexual assault, stalking, and other violence against women at work is dramatic. Approximately 11 percent of all rapes occur in the workplace. About 50,500 individuals, 83 percent of whom are women, were raped or sexually assaulted in the workplace each year from 1992 through 1996. Half of all female victims of violent workplace crimes know their attackers. Nearly 1 out of 10 violent workplace incidents are committed by partners or spouses. Women who work for State or local governments suffer a higher incidence of workplace assaults, including rapes, than women who work in the private sector.

(9) Homicide is the leading cause of death for women on the job. Husbands, boyfriends, and ex-partners commit 15 percent of workplace homicides against women.

(10) Studies indicate that between 35 and 56 percent of employed battered women surveyed were harassed at work by their abusive partners.

(11) According to a 1998 report of the General Accounting Office, between ¼ and ½ of domestic violence victims surveyed in 3 studies reported that the victims lost a job due, at least in part, to domestic violence.

(12) Women who have experienced domestic violence or dating violence are more likely than other women to be unemployed, to suffer from health problems that can affect employability and job performance, to report lower personal income, and to rely on welfare.

(13) Abusers frequently seek to control their partners by actively interfering with their ability to work, including preventing their partners from going to work, harassing their partners at work, limiting the access of their partners to cash or transportation, and sabotaging the child care arrangements of their partners.

(14) More than ½ of women receiving welfare have been victims of domestic violence as adults and between ¼ and ⅓ reported being abused in the last year.

(15) Sexual assault, whether occurring in or out of the workplace, can impair an employee's work performance, require time away from work, and undermine the employee's ability to maintain a job. Almost 50 percent of sexual assault survivors lose their jobs or are forced to quit in the aftermath of the assaults.

(16) More than ¼ of stalking victims report losing time from work due to the stalking and 7 percent never return to work.

(17)(A) According to the National Institute of Justice, crime costs an estimated $450,000,000,000 annually in medical expenses, lost earnings, social service costs, pain, suffering, and reduced quality of life for victims, which harms the Nation's productivity and drains the Nation's resources.

(B) Violent crime accounts for $426,000,000,000 per year of this amount.

(C) Rape exacts the highest costs per victim of any criminal offense, and accounts for $127,000,000,000 per year of the amount described in subparagraph (A).

(18) Violent crime results in wage losses equivalent to 1 percent of all United States earnings, and causes 3 percent of the Nation's medical spending and 14 percent of the Nation's injury-related medical spending.

(19) The Bureau of National Affairs has estimated that domestic violence costs United States employers between $3,000,000,000 and $5,000,000,000 annually in lost time and productivity. Other reports have estimated that domestic violence costs United States employers $13,000,000,000 annually.

(20) United States medical costs for domestic violence have been estimated to be $31,000,000,000 per year.

(21) Surveys of business executives and corporate security directors also underscore the heavy toll that workplace violence takes on women, businesses, and interstate commerce in the United States.

(22) Ninety-four percent of corporate security and safety directors at companies nationwide rank domestic violence as a high security concern.

(23) Forty-nine percent of senior executives recently surveyed said domestic violence has a harmful effect on their company's productivity, 47 percent said domestic violence negatively affects attendance, and 44 percent said domestic violence increases health care costs.

(24) Only 16 States have laws that explicitly provide unemployment insurance to domestic violence victims in certain circumstances, and none of the laws explicitly cover victims of sexual assault or stalking.

(25) Only 2 States provide domestic violence victims with leave from work to go to court, to the doctor, or to take other steps to address the domestic violence in their lives, and only Maine provides such leave to victims of sexual assault and stalking.

(26) No States prohibit employment discrimination against victims of domestic violence, sexual assault, or stalking. New York City is the only jurisdiction with a law prohibiting employment discrimination against actual or perceived victims of domestic violence.

(27) Employees, including individuals participating in welfare to work programs, may need to take time during business hours to—

(A) obtain orders of protection;

(B) seek medical or legal assistance, counseling, or other services; or

(C) look for housing in order to escape from domestic violence.

(28) Domestic and sexual violence victims have been subjected to discrimination by private and State employers, including discrimination motivated by sex and stereotypical notions about women.

(29) Existing Federal law does not explicitly—

(A) authorize victims of domestic violence, dating violence, sexual assault, or stalking to take leave from work to seek legal assistance and redress, counseling, or assistance with safety planning activities;

(B) address the eligibility of victims of domestic violence, dating violence, sexual assault, or stalking for unemployment compensation; or

(C) prohibit employment discrimination against actual or perceived victims of domestic violence, dating violence, sexual assault, or stalking.

SEC. 103. DEFINITIONS.

In this title, except as otherwise expressly provided:

(1) Commerce.—The terms "commerce" and "industry or activity affecting commerce" have the meanings given the terms in section 101 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2611).

(2) Course of conduct.—The term "course of conduct" means a course of repeatedly maintaining a visual or physical proximity to a person or conveying verbal or written threats, including threats conveyed through electronic communications, or threats implied by conduct.

(3) Dating violence.—The term "dating violence" has the meaning given the term in section 826 of the Higher Education Amendments of 1998 (20 U.S.C. 1152).

(4) Domestic or sexual violence.—The term "domestic or sexual violence" means domestic violence, dating violence, sexual assault, or stalking.

(5) Domestic violence.—The term "domestic violence" has the meaning given the term in section 826 of the Higher Education Amendments of 1998 (20 U.S.C. 1152).

(6) Domestic violence coalition.—The term "domestic violence coalition" means a nonprofit, nongovernmental membership organization that—

(A) consists of the entities carrying out a majority of the domestic violence programs carried out within a State;

(B) collaborates and coordinates activities with Federal, State, and local entities to further the purposes of domestic violence intervention and prevention; and

(C) among other activities, provides training and technical assistance to entities carrying out domestic violence programs within a State, territory, political subdivision, or area under Federal authority.

(7) Electronic communications.—The term "electronic communications" includes communications via telephone, mobile phone, computer, e-mail, video recorder, fax machine, telex, or pager.

(8) Employ; State.—The terms "employ" and "State" have the meanings given the terms in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203).

(9) Employee.—

(A) In general.—The term "employee" means any person employed by an employer. In the case of an individual employed by a public agency, such term means an individual employed as described in section 3(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(e)).

(B) Basis.—The term includes a person employed as described in subparagraph (A) on a full- or part-time basis, for a fixed time period, on a temporary basis, pursuant to a detail, as an independent contractor, or as a participant in a work assignment as a condition of receipt of Federal or State income-based public assistance.

(10) Employer.—The term "employer"—

(A) means any person engaged in commerce or in any industry or activity affecting commerce who employs 15 or more individuals; and

(B) includes any person acting directly or indirectly in the interest of an employer in relation to an employee, and includes a public agency, but does not include any labor organization (other than when acting as an employer) or anyone acting in the capacity of officer or agent of such labor organization.

(11) Employment benefits.—The term "employment benefits" means all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether such benefits are provided by a practice or written policy of an employer or through an "employee benefit plan", as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)).

(12) Parent; son or daughter.—The terms "parent" and "son or daughter" have the meanings given the terms in section 101 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2611).

(13) Person.—The term "person" has the meaning given the term in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203).

(14) Public agency.—The term "public agency" has the meaning given the term in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203).

(15) Public assistance.—The term "public assistance" includes cash, food stamps, medical assistance, housing assistance, and other benefits provided on the basis of income by a public agency.

(16) Reduced leave schedule.—The term "reduced leave schedule" means a leave schedule that reduces the usual number of hours per workweek, or hours per workday, of an employee.

(17) Repeatedly.—The term "repeatedly" means on 2 or more occasions.

(18) Secretary.—The term "Secretary" means the Secretary of Labor.

(19) Sexual assault.—The term "sexual assault" has the meaning given the term in section 826 of the Higher Education Amendments of 1998 (20 U.S.C. 1152).

(20) Sexual assault coalition.—The term "sexual assault coalition" means a nonprofit, nongovernmental membership organization that—

(A) consists of the entities carrying out a majority of the sexual assault programs carried out within a State;

(B) collaborates and coordinates activities with Federal, State, and local entities to further the purposes of sexual assault intervention and prevention; and

(C) among other activities, provides training and technical assistance to entities carrying out sexual assault programs within a State, territory, political subdivision, or area under Federal authority.

(21) Stalking.—The term "stalking" means engaging in a course of conduct directed at a specific person that would cause a reasonable person to suffer substantial emotional distress or to fear bodily injury, sexual assault, or death to the person, or the person's spouse, parent, or son or daughter, or any other person who regularly resides in the person's household, if the conduct causes the specific person to have such distress or fear.

(22) Victim of domestic or sexual violence.—The term "victim of domestic or sexual violence" includes an individual who has been a victim of domestic or sexual violence and an individual whose family or household member has been a victim of domestic or sexual violence.

(23) Victim services organization.—The term "victim services organization" means a nonprofit, nongovernmental organization that provides assistance to victims of domestic or sexual violence or to advocates for such victims, including a rape crisis center, an organization carrying out a domestic violence program, an organization operating a shelter or providing counseling services, or an organization providing assistance through the legal process.

Subtitle A—Entitlement to Emergency Leave for Addressing Domestic or Sexual Violence

SEC. 111. PURPOSES.

The purposes of this subtitle are, pursuant to the affirmative power of Congress to enact legislation under the portions of section 8 of article I of the Constitution relating to providing for the general welfare and to regulation of commerce among the several States, and under section 5 of the 14th amendment to the Constitution—

(1) to promote the national interest in reducing domestic violence, dating violence, sexual assault, and stalking by enabling victims of domestic or sexual violence to maintain the financial independence necessary to leave abusive situations, achieve safety, and minimize the physical and emotional injuries from domestic or sexual violence, and to reduce the devastating economic consequences of domestic or sexual violence to employers and employees;

(2) to promote the national interest in ensuring that victims of domestic or sexual violence can recover from and cope with the effects of such violence, and participate in criminal and civil justice processes, without fear of adverse economic consequences from their employers;

(3) to ensure that victims of domestic or sexual violence can recover from and cope with the effects of such violence, and participate in criminal and civil justice processes, without fear of adverse economic consequences with respect to public benefits;

(4) to promote the purposes of the 14th amendment by preventing sex-based discrimination and discrimination against victims of domestic and sexual violence in employment leave, by addressing the failure of existing laws to protect the employment rights of victims of domestic or sexual violence, by protecting their civil and economic rights, and by furthering the equal opportunity of women for economic self-sufficiency and employment free from discrimination;

(5) to minimize the negative impact on interstate commerce from dislocations of employees and harmful effects on productivity, employment, health care costs, and employer costs, caused by domestic or sexual violence, including intentional efforts to frustrate women's ability to participate in employment and interstate commerce; and

(6) to accomplish the purposes described in paragraphs (1) through (5) by—

(A) entitling employed victims of domestic or sexual violence to take leave to seek medical help, legal assistance, counseling, safety planning, and other assistance without penalty from their employers; and

(B) prohibiting employers from discriminating against actual or perceived victims of domestic or sexual violence, in a manner that accommodates the legitimate interests of employers and protects the safety of all persons in the workplace.

SEC. 112. ENTITLEMENT TO EMERGENCY LEAVE FOR ADDRESSING DOMESTIC OR SEXUAL VIOLENCE.

(a) Leave Requirement.—

(1) Basis.—An employee who is a victim of domestic or sexual violence may take leave from work to address domestic or sexual violence, by—

(A) seeking medical attention for, or recovering from, physical or psychological injuries caused by domestic or sexual violence;

(B) obtaining services from a victim services organization;

(C) obtaining psychological or other counseling for the employee or the employee's parent or son or daughter;

(D) participating in safety planning, temporarily or permanently relocating, or taking other actions to increase the safety of the employee or the employee's parent or son or daughter from future domestic or sexual violence or ensure economic security; or

(E) seeking legal assistance or remedies to ensure the health and safety of the employee or the employee's parent or son or daughter, including preparing for or participating in any civil or criminal legal proceeding related to or derived from domestic or sexual violence.

(2) Period.—An employee may take not more than 30 days of leave, as described in paragraph (1), in any 12-month period.

(3) Schedule.—Leave described in paragraph (1) may be taken intermittently or on a reduced leave schedule.

(b) Notice.—The employee shall provide the employer with reasonable notice of the employee's intention to take the leave, unless providing such notice is not practicable.

(c) Certification.—

(1) In general.—The employer may require the employee to provide certification to the employer, within a reasonable period after the employer requires the certification, that—

(A) the employee is a victim of domestic or sexual violence; and

(B) the leave is for 1 of the purposes enumerated in subsection (a)(1).

(2) Contents.—An employee may satisfy the certification requirement of paragraph (1) by providing to the employer—

(A) a sworn statement of the employee;

(B) documentation from an employee, agent, or volunteer of a victim services organization, an attorney, a member of the clergy, or a medical or other professional, from whom the employee has sought assistance in addressing domestic or sexual violence and the effects of the violence;

(C) a police or court record; or

(D) other corroborating evidence.

(d) Confidentiality.—All information provided to the employer pursuant to subsection (b) or (c), including a statement of the employee or any other documentation, record, or corroborating evidence, and the fact that the employee has requested or obtained leave pursuant to this section, shall be retained in the strictest confidence by the employer, except to the extent that disclosure is—

(1) requested or consented to by the employee; or

(2) otherwise required by applicable Federal or State law.

(e) EMPLOYMENT AND BENEFITS.—

(1) RESTORATION TO POSITION.—

(A) IN GENERAL.—Except as provided in paragraph (2), any employee who takes leave under this section for the intended purpose of the leave shall be entitled, on return from such leave—

(i) to be restored by the employer to the position of employment held by the employee when the leave commenced; or

(ii) to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(B) LOSS OF BENEFITS.—The taking of leave under this section shall not result in the loss of any employment benefit accrued prior to the date on which the leave commenced.

(C) LIMITATIONS.—Nothing in this subsection shall be construed to entitle any restored employee to—

(i) the accrual of any seniority or employment benefits during any period of leave; or

(ii) any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

(D) CONSTRUCTION.—Nothing in this paragraph shall be construed to prohibit an employer from requiring an employee on leave under this section to report periodically to the employer on the status and intention of the employee to return to work.

(2) EXEMPTION CONCERNING CERTAIN HIGHLY COMPENSATED EMPLOYEES.—

(A) DENIAL OF RESTORATION.—An employer may deny restoration under paragraph (1) to any employee described in subparagraph (B) if—

(i) such denial is necessary to prevent substantial and grievous economic injury to the operations of the employer;

(ii) the employer notifies the employee of the intent of the employer to deny restoration on such basis at the time the employer determines that such injury would occur; and

(iii) in any case in which the leave has commenced, the employee elects not to return to employment after receiving such notice.

(B) AFFECTED EMPLOYEES.—An employee referred to in subparagraph (A) is a salaried employee who is among the highest paid 10 percent of the employees employed by the employer within 75 miles of the facility at which the employee is employed.

(3) MAINTENANCE OF HEALTH BENEFITS.—

(A) COVERAGE.—Except as provided in subparagraph (B), during any period that an employee takes leave under this section, the employer shall maintain coverage under any group health plan (as defined in section 5000(b)(1) of the Internal Revenue Code of 1986) for the duration of such leave at the level and under the conditions coverage would have been provided if the employee had continued in employment continuously for the duration of such leave.

(B) FAILURE TO RETURN FROM LEAVE.—The employer may recover the premium that the employer paid for maintaining coverage for the employee under such group health plan during any period of leave under this section if—

(i) the employee fails to return from leave under this section after the period of leave to which the employee is entitled has expired; and

(ii) the employee fails to return to work for a reason other than—

(I) the continuation, recurrence, or onset of domestic or sexual violence, that entitles the employee to leave pursuant to this section; or

(II) other circumstances beyond the control of the employee.

(C) CERTIFICATION.—

(i) ISSUANCE.—An employer may require an employee who claims that the employee is unable to return to work because of a reason described in subclause (I) or (II) of subparagraph (B)(ii) to provide, within a reasonable period after making the claim, certification to the employer that the employee is unable to return to work because of that reason.

(ii) CONTENTS.—An employee may satisfy the certification requirement of clause (i) by providing to the employer—

(I) a sworn statement of the employee;

(II) documentation from an employee, agent, or volunteer of a victim services organization, an attorney, a member of the clergy, or a medical or other professional, from whom the employee has sought assistance in addressing domestic or sexual violence and the effects of that violence;

(III) a police or court record; or

(IV) other corroborating evidence.

(D) CONFIDENTIALITY.—All information provided to the employer pursuant to subparagraph (C), including a statement of the employee or any other documentation, record, or corroborating evidence, and the fact that the employee is not returning to work because of a reason described in subclause (I) or (II) of subparagraph (B)(ii) shall be retained in the strictest confidence by the employer, except to the extent that disclosure is—

(i) requested or consented to by the employee; or

(ii) otherwise required by applicable Federal or State law.

(f) PROHIBITED ACTS.—

(1) INTERFERENCE WITH RIGHTS.—

(A) EXERCISE OF RIGHTS.—It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under this section.

(B) EMPLOYER DISCRIMINATION.—It shall be unlawful for any employer to discharge or harass any individual, or otherwise discriminate against any individual with respect to compensation, terms, conditions, or privileges of employment of the individual (including retaliation in any form or manner) because the individual—

(i) exercised any right provided under this section; or

(ii) opposed any practice made unlawful by this section.

(C) PUBLIC AGENCY SANCTIONS.—It shall be unlawful for any public agency to deny, reduce, or terminate the benefits of, otherwise sanction, or harass any individual, or otherwise discriminate against any individual with respect to the amount, terms, or conditions of public assistance of the individual (including retaliation in any form or manner) because the individual—

(i) exercised any right provided under this section; or

(ii) opposed any practice made unlawful by this section.

(2) INTERFERENCE WITH PROCEEDINGS OR INQUIRIES.—It shall be unlawful for any person to discharge or in any other manner discriminate (as described in subparagraph (B) or (C) of paragraph (1)) against any individual because such individual—

(A) has filed any charge, or has instituted or caused to be instituted any proceeding, under or related to this section;

(B) has given, or is about to give, any information in connection with any inquiry or proceeding relating to any right provided under this section; or

(C) has testified, or is about to testify, in any inquiry or proceeding relating to any right provided under this section.

(g) ENFORCEMENT.—

(1) CIVIL ACTION BY AFFECTED INDIVIDUALS.—

(A) LIABILITY.—Any employer or public agency that violates subsection (f) shall be liable to any individual affected—

(i) for damages equal to—

(I) the amount of—

(aa) any wages, salary, employment benefits, public assistance, or other compensation denied or lost to such individual by reason of the violation; or

(bb) in a case in which wages, salary, employment benefits, public assistance, or other compensation has not been denied or lost to the individual, any actual monetary losses sustained by the individual as a direct result of the violation;

(II) the interest on the amount described in subclause (I) calculated at the prevailing rate; and

(III) an additional amount as liquidated damages equal to the sum of the amount described in subclause (I) and the interest described in subclause (II), except that if an employer or public agency that has violated subsection (f) proves to the satisfaction of the court that the act or omission that violated subsection (f) was in good faith and that the employer or public agency had reasonable grounds for believing that the act or omission was not a violation of subsection (f), such court may, in the discretion of the court, reduce the amount of the liability to the amount and interest determined under subclauses (I) and (II), respectively; and

(ii) for such equitable relief as may be appropriate, including employment, reinstatement, and promotion.

(B) RIGHT OF ACTION.—An action to recover the damages or equitable relief prescribed in subparagraph (A) may be maintained against any employer or public agency in any Federal or State court of competent jurisdiction by any 1 or more affected individuals for and on behalf of—

(i) the individuals; or

(ii) the individuals and other individuals similarly situated.

(C) FEES AND COSTS.—The court in such an action shall, in addition to any judgment awarded to the plaintiff, allow a reasonable attorney's fee, reasonable expert witness fees, and other costs of the action to be paid by the defendant.

(D) LIMITATIONS.—The right provided by subparagraph (B) to bring an action by or on behalf of any affected individual shall terminate—

(i) on the filing of a complaint by the Secretary in an action under paragraph (4) in which restraint is sought of any further delay in the payment of the amount described in subparagraph (A)(i) to such individual by an employer or public agency responsible under subparagraph (A) for the payment; or

(ii) on the filing of a complaint by the Secretary in an action under paragraph (2) in which a recovery is sought of the damages described in subparagraph (A)(i) owing to an affected individual by an employer or public agency liable under subparagraph (A),

unless the action described in clause (i) or (ii) is dismissed without prejudice on motion of the Secretary.

(2) ACTION BY THE SECRETARY.—

(A) ADMINISTRATIVE ACTION.—The Secretary shall receive, investigate, and attempt to resolve complaints of violations of subsection (f) in the same manner as the Secretary receives, investigates, and attempts to resolve complaints of violations of sections 6 and 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206 and 207).

(B) CIVIL ACTION.—The Secretary may bring an action in any court of competent jurisdiction to recover the damages described in paragraph (1)(A)(i).

(C) SUMS RECOVERED.—Any sums recovered by the Secretary pursuant to subparagraph (B) shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to each individual affected. Any such sums not paid to such an individual because of inability to do so within a period of 3 years shall be deposited into the Treasury of the United States as miscellaneous receipts.

(3) LIMITATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an action may be brought under this subsection not later than 2 years after the date of the last event constituting the alleged violation for which the action is brought.

(B) WILLFUL VIOLATION.—In the case of such action brought for a willful violation of subsection (f), such action may be brought within 3 years after the date of the last event constituting the alleged violation for which such action is brought.

(C) COMMENCEMENT.—In determining when an action is commenced by the Secretary under this subsection for the purposes of this paragraph, it shall be considered to be commenced on the date when the complaint is filed.

(4) ACTION FOR INJUNCTION BY SECRETARY.—The district courts of the United States shall have jurisdiction, for cause shown, in an action brought by the Secretary—

(A) to restrain violations of subsection (f), including the restraint of any withholding of payment of wages, salary, employment benefits, public assistance, or other compensation, plus interest, found by the court to be due to affected individuals; or

(B) to award such other equitable relief as may be appropriate, including employment, reinstatement, and promotion.

(5) SOLICITOR OF LABOR.—The Solicitor of Labor may appear for and represent the Secretary on any litigation brought under this subsection.

(6) EMPLOYER LIABILITY UNDER OTHER LAWS.—Nothing in this section shall be construed to limit the liability of an employer or public agency to an individual, for harm suffered relating to the individual's experience of domestic or sexual violence, pursuant to any other Federal or State law, including a law providing for a legal remedy.

SEC. 113. EXISTING LEAVE USABLE FOR ADDRESSING DOMESTIC OR SEXUAL VIOLENCE.

An employee who is entitled to take paid or unpaid leave (including family, medical, sick, annual, personal, or similar leave) from employment, pursuant to State or local law, a collective bargaining agreement, or an employment benefits program or plan, may elect to substitute any period of such leave for an equivalent period of leave provided under section 112.

SEC. 114. EMERGENCY BENEFITS.

(a) IN GENERAL.—A State may use funds provided to the State under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) to provide nonrecurrent short-term emergency benefits to an individual for any period of leave the individual takes pursuant to section 112.

(b) ELIGIBILITY.—In calculating the eligibility of an individual for such emergency benefits, the State shall count only the cash available or accessible to the individual.

(c) TIMING.—

(1) APPLICATIONS.—An individual seeking emergency benefits under subsection (a) from a State shall submit an application to the State.

(2) BENEFITS.—The State shall provide benefits to an eligible applicant under paragraph (1) on an expedited basis, and not later than 7 days after the applicant submits an application under paragraph (1).

(d) CONFORMING AMENDMENT.—Section 404 of the Social Security Act (42 U.S.C. 604) is amended by adding at the end the following:

"(l) AUTHORITY TO PROVIDE EMERGENCY BENEFITS.—A State that receives a grant under section 403 may use the grant to provide nonrecurrent short-term emergency benefits, in accordance with section 114 of the Victims' Economic Security and Safety Act, to individuals who take leave pursuant to section 112 of that Act, without regard to whether the individuals receive assistance under the State program funded under this part.".

SEC. 115. EFFECT ON OTHER LAWS AND EMPLOYMENT BENEFITS.

(a) MORE PROTECTIVE LAWS, AGREEMENTS, PROGRAMS, AND PLANS.—Nothing in this subtitle shall be construed to supersede any provision of any Federal, State, or local law, collective bargaining agreement, or employment benefits program or plan that provides—

(1) greater leave benefits for victims of domestic or sexual violence than the rights established under this subtitle; or

(2) leave benefits for a larger population of victims of domestic or sexual violence (as defined in such law, agreement, program, or plan) than the victims of domestic or sexual violence covered under this subtitle.

(b) LESS PROTECTIVE LAWS, AGREEMENTS, PROGRAMS, AND PLANS.—The rights established for victims of domestic or sexual violence under this subtitle shall not be diminished by any State or local law, collective bargaining agreement, or employment benefits program or plan.

SEC. 116. CONFORMING AMENDMENT.

Section 1003(a)(1) of the Rehabilitation Act Amendments of 1986 (42 U.S.C. 2000d–7(a)(1)) is amended by inserting "subtitle A or C of the Victims' Economic Security and Safety Act," before "or the provisions".

SEC. 117. EFFECTIVE DATE.

This subtitle and the amendment made by this subtitle take effect 180 days after the date of enactment of this Act.

Subtitle B—Entitlement to Unemployment Compensation for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

SEC. 121. PURPOSES.

The purposes of this subtitle are, pursuant to the affirmative power of Congress to enact legislation under the portions of section 8 of article I of the Constitution relating to laying and collecting taxes, providing for the general welfare, and regulation of commerce among the several States and under section 5 of the 14th amendment to the Constitution—

(1) to promote the national interest in reducing domestic violence, dating violence, sexual assault, and stalking by enabling victims of domestic or sexual violence to maintain the financial independence necessary to leave abusive situations, achieve safety, and minimize the physical and emotional injuries from domestic or sexual violence, and to reduce the devastating economic consequences of domestic or sexual violence to employers and employees;

(2) to promote the national interest in ensuring that victims of domestic or sexual violence can recover from and cope with the effects of such victimization and participate in the criminal and civil justice processes without fear of adverse economic consequences;

(3) to minimize the negative impact on interstate commerce from dislocations of employees and harmful effects on productivity, loss of employment, health care costs, and employer costs, caused by domestic or sexual violence including intentional efforts to frustrate the ability of women to participate in employment and interstate commerce; and

(4) to accomplish the purposes described in paragraphs (1), (2), and (3) by providing unemployment insurance to those who are separated from their employment as a result of domestic or sexual violence, in a manner that accommodates the legitimate interests of employers and protects the safety of all persons in the workplace.

SEC. 122. UNEMPLOYMENT COMPENSATION AND TRAINING PROVISIONS.

(a) UNEMPLOYMENT COMPENSATION.—Section 3304 of the Internal Revenue Code of 1986 (relating to approval of State unemployment compensation laws) is amended—

(1) in subsection (a)—

(A) in paragraph (18), by striking "and" at the end;

(B) by redesignating paragraph (19) as paragraph (20); and

(C) by inserting after paragraph (18) the following new paragraph:

"(19) compensation shall not be denied where an individual is separated from employment due to circumstances resulting from the individual's experience of domestic or sexual violence; and"; and

(2) by adding at the end the following new subsection:

"(g) CONSTRUCTION.—

"(1) IN GENERAL.—For purposes of subsection (a)(19), an individual's separation from employment shall be treated as due to circumstances resulting from the individual's experience of domestic or sexual violence if the separation resulted from—

"(A) the individual's reasonable fear of future domestic or sexual violence at or en route to or from the individual's place of employment;

"(B) the individual's wish to relocate in order to avoid future domestic or sexual violence against the individual or the individual's parent, son, or daughter (as such terms are defined in section 103 of the Victims' Economic Security and Safety Act);

"(C) the individual's need to obtain treatment to address the physical or psychological effects of domestic or sexual violence;

"(D) the employer's denial of the individual's request for leave from employment to address domestic or sexual violence and its effects on the individual or the individual's parent, son, or daughter (as such terms are so defined), including leave authorized by section 102 of the Family and Medical Leave Act of 1993 or by subtitle A of the Victims' Economic Security and Safety Act;

"(E) the employer's termination of the individual's employment due to actions, including absences, taken by the individual that were necessary to protect the individual or the individual's family from domestic or sexual violence;

"(F) the employer's termination of the individual due to circumstances resulting from the individual's being, or being perceived to be, a victim of domestic or sexual violence; or

"(G) any other circumstance in which domestic or sexual violence causes the individual to reasonably believe that separation from employment is necessary for the future safety of the individual or the individual's family.

"(2) Reasonable efforts to retain employment.—For purposes of subsection (a)(19), if State law requires the individual to have made reasonable efforts to retain employment as a condition for receiving unemployment compensation, such requirement shall be met if the individual—

"(A) sought protection from, or assistance in responding to, domestic or sexual violence, including calling the police, obtaining services from a victim services organization (as defined in section 103 of the Victims' Economic Security and Safety Act), or seeking legal, social work, medical, clerical, or other assistance;

"(B) sought safety, including refuge in a shelter or temporary or permanent relocation, whether or not the individual actually obtained such refuge or accomplished such relocation; or

"(C) reasonably believed that options such as taking a leave of absence, transferring jobs, or receiving an alternative work schedule would not be sufficient to guarantee the safety of the individual or the individual's family.

"(3) Active search for employment.—For purposes of subsection (a)(19), if State law requires the individual to actively search for employment after separation from employment as a condition for receiving unemployment compensation—

"(A) such requirement shall be treated as met where the individual registers for work (the individual is not otherwise required to seek employment on a weekly basis); and

"(B) such law may not categorize an employment opportunity as suitable work for the individual unless such employment opportunity reasonably accommodates the individual's need to address the physical, psychological, legal, and other effects of domestic or sexual violence.

"(4) Provision of information to meet certain requirements.—

"(A) In general.—In determining if an individual meets the requirements of paragraphs (1), (2), and (3), the unemployment agency of the State in which an individual is requesting unemployment compensation by reason of subsection (a)(19) may require the individual to provide certification that the separation from employment was due to circumstances resulting from the individual's experience of domestic or sexual violence.

"(B) Satisfaction of certification requirement.—An individual may satisfy the certification requirement of subparagraph (A) by providing to the unemployment agency—

"(i) a sworn statement of the individual;

"(ii) documentation from an employee, agent, or volunteer of a victim services organization (as defined in section 103 of the Victims' Economic Security and Safety Act), an attorney, a member of the clergy, or a medical or other professional, from whom the individual has sought assistance in addressing domestic or sexual violence and the effects of that violence;

"(iii) a police or court record; or

"(iv) other corroborating evidence.

"(C) Confidentiality.—All information provided to the unemployment agency pursuant to this paragraph, including a statement of an individual or any other documentation, record, or corroborating evidence, and the fact that an individual has applied for, inquired about, or obtained unemployment compensation available by reason of subsection (a)(19) shall be retained in the strictest confidence by the individual's former or current employer and the unemployment agency, except to the extent that disclosure is—

"(i) requested or consented to by the individual; or

"(ii) otherwise required by applicable Federal or State law.".

(b) Unemployment Compensation Personnel Training.—Section 303(a) of the Social Security Act (42 U.S.C. 503(a)) is amended—

(1) by redesignating paragraphs (4) through (10) as paragraphs (5) through (11), respectively; and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) Such methods of administration as will ensure that—

"(A) applicants for unemployment compensation and individuals inquiring about such compensation are adequately notified of the provisions of subsections (a)(19) and (g) of section 3304 of the Internal Revenue Code of 1986 (relating to the availability of unemployment compensation for victims of domestic or sexual violence); and

"(B) claims reviewers and hearing personnel are adequately trained in—

"(i) the nature and dynamics of domestic or sexual violence (as defined in section 3306(v) of the Internal Revenue Code of 1986); and

"(ii) methods of ascertaining and keeping confidential information about possible experiences of domestic or sexual violence (as so defined) to ensure that—

"(I) requests for unemployment compensation based on separations stemming from such violence are reliably screened, identified, and adjudicated; and

"(II) full confidentiality is provided for the individual's claim and submitted evidence; and".

(c) TANF Personnel Training.—Section 402(a) of the Social Security Act (42 U.S.C. 602(a)) is amended by adding at the end the following new paragraph:

"(8) Certification that the State will provide information to victims of domestic and sexual violence.—A certification by the chief officer of the State that the State has established and is enforcing standards and procedures to—

"(A) ensure that applicants for assistance under the program and individuals inquiring about such assistance are adequately notified of—

"(i) the provisions of subsections (a)(19) and (g) of section 3304 of the Internal Revenue Code of 1986 (relating to the availability of unemployment compensation for victims of domestic or sexual violence); and

"(ii) assistance made available by the State to victims of domestic or sexual violence;

"(B) ensure that case workers and other agency personnel responsible for administering the State program funded under this part are adequately trained in—

"(i) the nature and dynamics of domestic or sexual violence (as defined in section 3306(v) of the Internal Revenue Code of 1986);

"(ii) State standards and procedures relating to the prevention of, and assistance for individuals who experience, domestic or sexual violence (as so defined); and

"(iii) methods of ascertaining and keeping confidential information about possible experiences of domestic or sexual violence (as so defined);

"(C) if a State has elected to establish and enforce standards and procedures regarding the screening for and identification of domestic violence pursuant to paragraph (7), ensure that—

"(i) applicants for assistance under the program and individuals inquiring about such assistance are adequately notified of options available under such standards and procedures; and

"(ii) case workers and other agency personnel responsible for administering the State program funded under this part are provided with adequate training regarding such standards and procedures and options available under such standards and procedures; and

"(D) ensure that the training required under subparagraphs (B) and, if applicable, (C)(ii) is provided through a training program operated by an eligible entity (as defined in section 122(d)(2) of the Victims' Economic Security and Safety Act).".

(d) Domestic and Sexual Violence Training Grant Program.—

(1) Grants authorized.—The Secretary of Health and Human Services (in this subsection referred to as the "Secretary") is authorized to award—

(A) a grant to a national victim services organization in order for such organization to—

(i) develop and disseminate a model training program (and related materials) for the training required under section 303(a)(4)(B) of the Social Security Act (42 U.S.C. 503(a)(4)(B)), as added by subsection (b), and under subparagraphs (B) and, if applicable, (C)(ii) of section 402(a)(8) of the such Act (42 U.S.C. 602(a)(8)), as added by subsection (c); and

(ii) provide technical assistance with respect to such model training program; and

(B) grants to State, tribal, or local agencies in order for such agencies to contract with eligible entities to provide State, tribal, or local case workers and other State, tribal, or local agency personnel responsible for administering the temporary assistance to needy families program established under part A of title IV of the Social Security Act in a State or Indian reservation with the training required under subparagraphs (B) and, if applicable, (C)(ii) of such section 402(a)(8).

(2) Eligible entity defined.—For purposes of paragraph (1)(B), the term "eligible entity" means an entity—

(A) that is—

(i) a State or tribal domestic violence coalition or sexual assault coalition;

(ii) a State or local victim services organization with recognized expertise in the dynamics of domestic or sexual violence whose primary mission is to provide services to victims of domestic or sexual violence, such as a rape crisis center or domestic violence program; or

(iii) an organization with demonstrated expertise in State or county welfare laws and implementation of such laws and experience with disseminating information on such laws and implementation, but only if such organization will provide the required training in partnership with an entity described in clause (i) or (ii); and

(B) that—

(i) has demonstrated expertise in both domestic and sexual assault, such as a joint domestic violence and sexual assault coalition; or

(ii) will provide the required training in partnership with an entity described in clause (i) or (ii) of subparagraph (A) in order to comply with the dual domestic violence and sexual assault expertise requirement under clause (i).

(3) APPLICATION.—An entity seeking a grant under this subsection shall submit an application to the Secretary at such time, in such form and manner, and containing such information as the Secretary specifies.

(4) REPORTS.—

(A) REPORTS TO CONGRESS.—The Secretary shall annually submit a report to Congress on the grant program established under this subsection.

(B) REPORTS AVAILABLE TO PUBLIC.—The Secretary shall establish procedures for the dissemination to the public of each report submitted under subparagraph (A). Such procedures shall include the use of the Internet to disseminate such reports.

(5) AUTHORIZATION OF APPROPRIATIONS.—

(A) AUTHORIZATION.—There are authorized to be appropriated—

(i) $1,000,000 for fiscal year 2004 to carry out the provisions of paragraph (1)(A); and

(ii) $12,000,000 for each of fiscal years 2004 through 2006 to carry out the provisions of paragraph (1)(B).

(B) THREE-YEAR AVAILABILITY OF GRANT FUNDS.—Each recipient of a grant under this subsection shall return to the Secretary of Health and Human Services any unused portion of such grant not later than 3 years after the date the grant was awarded, together with any earnings on such unused portion.

(C) AMOUNTS RETURNED.—Any amounts returned pursuant to subparagraph (B) shall be available without further appropriation to the Secretary of Health and Human Services for the purpose of carrying out the provisions of paragraph (1)(B).

(e) DEFINITION OF DOMESTIC OR SEXUAL VIOLENCE.—Section 3306 of the Internal Revenue Code of 1986 (relating to definitions) is amended by adding at the end the following:

"(v) DOMESTIC OR SEXUAL VIOLENCE.—For purposes of this chapter, the term 'domestic or sexual violence' means domestic violence, dating violence, sexual assault, or stalking, as those terms are defined in section 103 of the Victims' Economic Security and Safety Act.".

(f) EFFECTIVE DATE.—

(1) UNEMPLOYMENT AMENDMENTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B) and paragraph (2), the amendments made by this section shall apply in the case of compensation paid for weeks beginning on or after the expiration of 180 days from the date of enactment of this Act.

(B) EXTENSION OF EFFECTIVE DATE FOR STATE LAW AMENDMENT.—

(i) IN GENERAL.—If the Secretary of Labor identifies a State as requiring a change to its statutes or regulations in order to comply with the amendments made by this section (excluding the amendment made by subsection (c)), such amendments shall apply in the case of compensation paid for weeks beginning after the earlier of—

(I) the date the State changes its statutes or regulations in order to comply with such amendments; or

(II) the end of the first session of the State legislature which begins after the date of enactment of this Act or which began prior to such date and remained in session for at least 25 calendar days after such date;

except that in no case shall such amendments apply before the date that is 180 days after the date of enactment of this Act.

(ii) SESSION DEFINED.—In this subparagraph, the term "session" means a regular, special, budget, or other session of a State legislature.

(2) TANF AMENDMENT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendment made by subsection (c) shall take effect on the date of enactment of this Act.

(B) EXTENSION OF EFFECTIVE DATE FOR STATE LAW AMENDMENT.—In the case of a State plan under part A of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendment made by subsection (c), the State plan shall not be regarded as failing to comply with the requirements of such amendment on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session is considered to be a separate regular session of the State legislature.

Subtitle C—Victims' Employment Sustainability

SEC. 131. SHORT TITLE.

This subtitle may be cited as the "Victims' Employment Sustainability Act".

SEC. 132. PURPOSES.

The purposes of this subtitle are, pursuant to the affirmative power of Congress to enact legislation under the portions of section 8 of article I of the Constitution relating to providing for the general welfare and to regulation of commerce among the several States, and under section 5 of the 14th amendment to the Constitution—

(1) to promote the national interest in reducing domestic violence, dating violence, sexual assault, and stalking by enabling victims of domestic or sexual violence to maintain the financial independence necessary to leave abusive situations, achieve safety, and minimize the physical and emotional injuries from domestic or sexual violence, and to reduce the devastating economic consequences of domestic or sexual violence to employers and employees;

(2) to promote the national interest in ensuring that victims of domestic or sexual violence can recover from and cope with the effects of such violence, and participate in criminal and civil justice processes, without fear of adverse economic consequences from their employers;

(3) to ensure that victims of domestic or sexual violence can recover from and cope with the effects of such violence, and participate in criminal and civil justice processes, without fear of adverse economic consequences with respect to public benefits;

(4) to promote the purposes of the 14th amendment by addressing the failure of existing laws to protect the employment rights of victims of domestic or sexual violence, by protecting the civil and economic rights of victims of domestic or sexual violence, and by furthering the equal opportunity of women for economic self-sufficiency and employment free from discrimination;

(5) to minimize the negative impact on interstate commerce from dislocations of employees and harmful effects on productivity, employment, health care costs, and employer costs, caused by domestic or sexual violence, including intentional efforts to frustrate women's ability to participate in employment and interstate commerce; and

(6) to accomplish the purposes described in paragraphs (1) through (5) by prohibiting employers from discriminating against actual or perceived victims of domestic or sexual violence, in a manner that accommodates the legitimate interests of employers and protects the safety of all persons in the workplace.

SEC. 133. PROHIBITED DISCRIMINATORY ACTS.

(a) IN GENERAL.—An employer shall not fail to hire, refuse to hire, discharge, or harass any individual, or otherwise discriminate against any individual with respect to the compensation, terms, conditions, or privileges of employment of the individual (including retaliation in any form or manner), and a public agency shall not deny, reduce, or terminate the benefits of, otherwise sanction, or harass any individual, or otherwise discriminate against any individual with respect to the amount, terms, or conditions of public assistance of the individual (including retaliation in any form or manner), because—

(1) the individual involved—

(A) is or is perceived to be a victim of domestic or sexual violence;

(B) attended, participated in, prepared for, or requested leave to attend, participate in, or prepare for, a criminal or civil court proceeding relating to an incident of domestic or sexual violence of which the individual, or the son or daughter or parent of the individual, was a victim; or

(C) requested an adjustment to a job structure, workplace facility, or work requirement, including a transfer, reassignment, or modified schedule, leave, a changed telephone number or seating assignment, installation of a lock, or implementation of a safety procedure, in response to actual or threatened domestic or sexual violence, regardless of whether the request was granted; or

(2) the workplace is disrupted or threatened by the action of a person whom the individual states has committed or threatened to commit domestic or sexual violence against the individual, or the individual's son or daughter or parent.

(b) DEFINITIONS.—In this section:

(1) DISCRIMINATE.—The term "discriminate", used with respect to the terms, conditions, or privileges of employment or with respect to the terms or conditions of public assistance, includes not making a reasonable accommodation to the known limitations of an otherwise qualified individual—

(A) who is a victim of domestic or sexual violence;

(B) who is—

(i) an applicant or employee of the employer (including a public agency); or

(ii) an applicant for or recipient of public assistance from the public agency; and

(C) whose limitations resulted from circumstances relating to being a victim of domestic or sexual violence;

unless the employer or public agency can demonstrate that the accommodation would impose an undue hardship on the operation of the employer or public agency.

(2) QUALIFIED INDIVIDUAL.—The term "qualified individual" means—

(A) in the case of an applicant or employee described in paragraph (1)(B)(i), an individual who, with or without reasonable accommodation, can perform the essential functions of the employment position that such individual holds or desires; or

(B) in the case of an applicant or recipient described in paragraph (1)(B)(ii), an individual who, with or without reasonable accommodation, can satisfy the essential requirements of the program providing the public assistance that the individual receives or desires.

(3) REASONABLE ACCOMMODATION.—The term "reasonable accommodation" may include an adjustment to a job structure, workplace facility, or work requirement, including a transfer, reassignment, or modified schedule, leave, a changed telephone number or seating assignment, installation of a lock, or implementation of a safety procedure, in response to actual or threatened domestic or sexual violence.

(4) UNDUE HARDSHIP.—

(A) IN GENERAL.—The term "undue hardship" means an action requiring significant difficulty or expense, when considered in light of the factors set forth in subparagraph (B).

(B) FACTORS TO BE CONSIDERED.—In determining whether a reasonable accommodation would impose an undue hardship on the operation of an employer or public agency, factors to be considered include—

(i) the nature and cost of the reasonable accommodation needed under this section;

(ii) the overall financial resources of the facility involved in the provision of the reasonable accommodation, the number of persons employed at such facility, the effect on expenses and resources, or the impact otherwise of such accommodation on the operation of the facility;

(iii) the overall financial resources of the employer or public agency, the overall size of the business of an employer or public agency with respect to the number of employees of the employer or public agency, and the number, type, and location of the facilities of an employer or public agency; and

(iv) the type of operation of the employer or public agency, including the composition, structure, and functions of the workforce of the employer or public agency, the geographic separateness of the facility from the employer or public agency, and the administrative or fiscal relationship of the facility to the employer or public agency.

SEC. 134. ENFORCEMENT.

(a) CIVIL ACTION BY INDIVIDUALS.—

(1) LIABILITY.—Any employer or public agency that violates section 133 shall be liable to any individual affected for—

(A) damages equal to the amount of wages, salary, employment benefits, public assistance, or other compensation denied or lost to such individual by reason of the violation, and the interest on that amount calculated at the prevailing rate;

(B) compensatory damages, including damages for future pecuniary losses, emotional pain, suffering, inconvenience, mental anguish, loss of enjoyment or life, and other nonpecuniary losses;

(C) such punitive damages, up to 3 times the amount of actual damages sustained, as the court described in paragraph (2) shall determine to be appropriate; and

(D) such equitable relief as may be appropriate, including employment, reinstatement, and promotion.

(2) RIGHT OF ACTION.—An action to recover the damages or equitable relief prescribed in paragraph (1) may be maintained against any employer or public agency in any Federal or State court of competent jurisdiction by any 1 or more individuals described in section 133.

(b) ACTION BY DEPARTMENT OF JUSTICE.—The Attorney General may bring a civil action in any Federal or State court of competent jurisdiction to recover the damages or equitable relief described in subsection (a)(1).

SEC. 135. ATTORNEY'S FEES.

Section 722(b) of the Revised Statutes (42 U.S.C. 1988(b)) is amended by inserting "the Victims' Employment Sustainability Act," after "title VI of the Civil Rights Act of 1964,".

Subtitle D—Victims of Abuse Insurance Protection

SEC. 141. SHORT TITLE.

This subtitle may be cited as the "Victims of Abuse Insurance Protection Act".

SEC. 142. DEFINITIONS.

In this subtitle:

(1) ABUSE.—The term "abuse" means the occurrence of 1 or more of the following acts by a current or former household or family member, intimate partner, or caretaker:

(A) Attempting to cause or causing another person bodily injury, physical harm, substantial emotional distress, psychological trauma, rape, sexual assault, or involuntary sexual intercourse.

(B) Engaging in a course of conduct or repeatedly committing acts toward another person, including following the person without proper authority and under circumstances that place the person in reasonable fear of bodily injury or physical harm.

(C) Subjecting another person to false imprisonment or kidnapping.

(D) Attempting to cause or causing damage to property so as to intimidate or attempt to control the behavior of another person.

(2) HEALTH CARRIER.—The term "health carrier" means a person that contracts or offers to contract on a risk-assuming basis to provide, deliver, arrange for, pay for, or reimburse any of the cost of health care services, including a sickness and accident insurance company, a health maintenance organization, a nonprofit hospital and health service corporation or any other entity providing a plan of health insurance, health benefits or health services.

(3) INSURED.—The term "insured" means a party named on a policy, certificate, or health benefit plan, including an individual, corporation, partnership, association, unincorporated organization, or any similar entity, as the person with legal rights to the benefits provided by the policy, certificate, or health benefit plan. For group insurance, such term includes a person who is a beneficiary covered by a group policy, certificate, or health benefit plan. For life insurance, the term refers to the person whose life is covered under an insurance policy.

(4) INSURER.—The term "insurer" means any person, reciprocal exchange, inter insurer, Lloyds insurer, fraternal benefit society, or other legal entity engaged in the business of insurance, including agents, brokers, adjusters, and third-party administrators. The term also includes health carriers, health benefit plans, and life, disability, and property and casualty insurers.

(5) POLICY.—The term "policy" means a contract of insurance, certificate, indemnity, suretyship, or annuity issued, proposed for issuance or intended for issuance by an insurer, including endorsements or riders to an insurance policy or contract.

(6) SUBJECT OF ABUSE.—The term "subject of abuse" means—

(A) a person against whom an act of abuse has been directed;

(B) a person who has prior or current injuries, illnesses, or disorders that resulted from abuse; or

(C) a person who seeks, may have sought, or had reason to seek medical or psychological treatment for abuse, protection, court-ordered protection, or shelter from abuse.

SEC. 143. DISCRIMINATORY ACTS PROHIBITED.

(a) IN GENERAL.—No insurer may, directly or indirectly, engage in any of the following acts or practices on the basis that the applicant or insured, or any person employed by the applicant or insured or with whom the applicant or insured is known to have a relationship or association, is, has been, or may be the subject of abuse or has incurred or may incur abuse-related claims:

(1) Denying, refusing to issue, renew or reissue, or canceling or otherwise terminating an insurance policy or health benefit plan.

(2) Restricting, excluding, or limiting insurance coverage for losses or denying a claim, except as otherwise permitted or required by State laws relating to life insurance beneficiaries.

(3) Adding a premium differential to any insurance policy or health benefit plan.

(b) PROHIBITION ON LIMITATION OF CLAIMS.—No insurer may, directly or indirectly, deny or limit payment of a claim incurred by an innocent insured as a result of abuse.

(c) PROHIBITION ON TERMINATION.—

(1) IN GENERAL.—No insurer or health carrier may terminate health coverage for a subject of abuse because coverage was originally issued in the name of the abuser and the abuser has divorced, separated from, or lost custody of the subject of abuse or the abuser's coverage has terminated voluntarily or involuntarily and the subject of abuse does not qualify for an extension of coverage under part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.) or section 4980B of the Internal Revenue Code of 1986.

(2) PAYMENT OF PREMIUMS.—Nothing in paragraph (1) shall be construed to prohibit the insurer from requiring that the subject of abuse pay the full premium for the subject's coverage under the health plan if the requirements are applied to all insured of the health carrier.

(3) EXCEPTION.—An insurer may terminate group coverage to which this subsection applies after the continuation coverage period required by this subsection has been in force for 18 months if it offers conversion to an equivalent individual plan.

(4) CONTINUATION COVERAGE.—The continuation of health coverage required by this subsection shall be satisfied by any extension of coverage under part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.) or section 4980B of the Internal Revenue Code of 1986 provided to a subject of abuse and is not intended to be in addition to any extension of coverage otherwise provided for under such part 6 or section 4980B.

(d) USE OF INFORMATION.—

(1) LIMITATION.—

(A) IN GENERAL.—In order to protect the safety and privacy of subjects of abuse no person employed by or contracting with an insurer or health benefit plan may—

(i) use, disclose, or transfer information relating to abuse status, acts of abuse, abuse-related medical conditions or the applicant's or insured's status as a family member, employer, associate, or person in a relationship with a subject of abuse for any purpose unrelated to the direct provision of health care services unless such use, disclosure, or transfer is required by an order of an entity with authority to regulate insurance or an order of a court of competent jurisdiction; or

(ii) disclose or transfer information relating to an applicant's or insured's mailing address or telephone number or the mailing address and telephone number of a shelter for subjects of abuse, unless such disclosure or transfer—

(I) is required in order to provide insurance coverage; and

(II) does not have the potential to endanger the safety of a subject of abuse.

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed to limit or preclude a subject of abuse from obtaining the subject's own insurance records from an insurer.

(2) AUTHORITY OF SUBJECT OF ABUSE.—A subject of abuse, at the absolute discretion of the subject of abuse, may provide evidence of abuse to an insurer for the limited purpose of facilitating treatment of an abuse-related condition or demonstrating that a condition is abuse-related. Nothing in this paragraph shall be construed as authorizing an insurer or health carrier to disregard such provided evidence.

SEC. 144. INSURANCE PROTOCOLS FOR SUBJECTS OF ABUSE.

Insurers shall develop and adhere to written policies specifying procedures to be followed by employees, contractors, producers, agents, and brokers for the purpose of protecting the safety and privacy of a subject of abuse and otherwise implementing this subtitle when taking an application, investigating a claim, or taking any other action relating to a policy or claim involving a subject of abuse.

SEC. 145. REASONS FOR ADVERSE ACTIONS.

An insurer that takes an action that adversely affects a subject of abuse, shall advise the subject of abuse applicant or insured of the specific reasons for the action in writing. For purposes of this section, reference to general underwriting practices or guidelines shall not constitute a specific reason.

SEC. 146. LIFE INSURANCE.

Nothing in this subtitle shall be construed to prohibit a life insurer from declining to issue a life insurance policy if the applicant or prospective owner of the policy is or would be designated as a beneficiary of the policy, and if—

(1) the applicant or prospective owner of the policy lacks an insurable interest in the insured; or

(2) the applicant or prospective owner of the policy is known, on the basis of police or court records, to have committed an act of abuse against the proposed insured.

SEC. 147. SUBROGATION WITHOUT CONSENT PROHIBITED.

Subrogation of claims resulting from abuse is prohibited without the informed consent of the subject of abuse.

SEC. 148. ENFORCEMENT.

(a) FEDERAL TRADE COMMISSION.—

(1) IN GENERAL.—The Federal Trade Commission shall have the power to examine and investigate any insurer to determine whether such insurer has been or is engaged in any act or practice prohibited by this subtitle.

(2) CEASE AND DESIST ORDERS.—If the Federal Trade Commission determines an insurer has been or is engaged in any act or practice prohibited by this subtitle, the Commission may take action against such insurer by the issuance of a cease and desist order as if the insurer was in violation of section 5 of the Federal Trade Commission Act. Such cease and desist order may include any individual relief warranted under the circumstances, including temporary, preliminary, and permanent injunctive and compensatory relief.

(b) PRIVATE CAUSE OF ACTION.—

(1) IN GENERAL.—An applicant or insured who believes that the applicant or insured has been adversely affected by an act or practice of an insurer in violation of this subtitle may maintain an action against the insurer in a Federal or State court of original jurisdiction.

(2) RELIEF.—Upon proof of such conduct by a preponderance of the evidence in an action described in paragraph (1), the court may award appropriate relief, including temporary, preliminary, and permanent injunctive relief and compensatory and punitive damages, as well as the costs of suit and reasonable fees for the aggrieved individual's attorneys and expert witnesses.

(3) STATUTORY DAMAGES.—With respect to compensatory damages in an action described in paragraph (1), the aggrieved individual may elect, at any time prior to the rendering of final judgment, to recover in lieu of actual damages, an award of statutory damages in the amount of $5,000 for each violation.

SEC. 149. EFFECTIVE DATE.

This subtitle shall apply with respect to any action taken on or after the date of enactment of this Act.

Subtitle E—Workplace Safety Program Tax Credit

SEC. 151. CREDIT FOR COSTS TO EMPLOYERS OF IMPLEMENTING WORKPLACE SAFETY PROGRAMS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following:

"SEC. 45G. WORKPLACE SAFETY PROGRAM CREDIT.

"(a) IN GENERAL.—For purposes of section 38, the workplace safety program credit determined under this section for the taxable year is, for any employer, an amount equal to 40 percent of the domestic and sexual violence safety and education costs paid or incurred by such employer during the taxable year.

"(b) DEFINITIONS.—For purposes of this section—

"(1) DOMESTIC AND SEXUAL VIOLENCE SAFETY AND EDUCATION COST.—

"(A) IN GENERAL.—The term 'domestic and sexual violence safety and education cost' means any cost certified by the Secretary of Labor to the Secretary as being for the purpose of—

"(i) ensuring the safety of employees from domestic or sexual violence,

"(ii) providing assistance to employees and the spouses and dependents of employees with respect to domestic or sexual violence,

"(iii) providing legal or medical services to employees and the spouses and dependents of employees subjected to, or at risk from, domestic or sexual violence,

"(iv) educating employees about the issue of domestic or sexual violence, or

"(v) implementing human resource or personnel policies initiated to protect employees from domestic or sexual violence or to support employees who have been victims of domestic or sexual violence.

"(B) TYPES OF COSTS.—Such term includes costs certified by the Secretary of Labor to the Secretary as being for the purpose of—

"(i) the hiring of new security personnel in order to address domestic or sexual violence,

"(ii) the creation of buddy systems or escort systems for walking employees to parking lots, parked cars, subway stations, or bus stops, in order to address domestic or sexual violence,

"(iii) the purchase or installation of new security equipment, including surveillance equipment, lighting fixtures, cardkey access systems, and identification systems, in order to address domestic or sexual violence,

"(iv) the establishment of an employee assistance line or other employee assistance services, in order to address domestic or sexual violence, for the use of individual employees, including counseling or referral services undertaken in consultation and coordination with national, State, or local domestic violence coalitions, sexual assault coalitions, domestic violence programs, or sexual assault programs,

"(v) the retention of an attorney to provide legal services to employees seeking restraining orders or other legal recourse from domestic or sexual violence,

"(vi) the establishment of medical services addressing the medical needs of employees who are victims of domestic or sexual violence,

"(vii) the retention of a financial expert or an accountant to provide financial counseling to employees seeking to escape from domestic or sexual violence,

"(viii) the establishment of an education program for employees, consisting of seminars or training sessions about domestic or sexual violence undertaken in consultation and coordination with national, State, or local domestic violence coalitions, sexual assault coalitions, domestic violence programs, or sexual assault programs,

"(ix) studies of the cost, impact, or extent of domestic or sexual violence at the employer's place of business, if such studies are made available to the public and protect the identity of employees included in the study,

"(x) the publication of a regularly disseminated newsletter or other regularly disseminated educational materials about domestic or sexual violence,

"(xi) the implementation of leave policies for the purpose of allowing or accommodating the needs of victims of domestic or sexual violence to pursue counseling, legal assistance, or safety planning, including leave from work to attend meetings with attorneys, to give evidentiary statements or depositions, and to attend hearings or trials in court,

"(xii) the implementation of flexible work policies for the purpose of allowing or accommodating the needs of employees who are victims of domestic or sexual violence, or employees at risk with respect to such crimes, to avoid assailants,

"(xiii) the implementation of transfer policies for the purpose of allowing or accommodating the needs of employees subjected to domestic or sexual violence to change office locations within the company in order to avoid assailants or to allow the transfer of an employee who has perpetrated domestic or sexual violence in order to protect the victim, including payment of costs for the transfer and relocation of an employee to another city, county, State, or country for the purpose of maintaining an employee's safety from domestic or sexual violence, or

"(xiv) the provision of any of the services described in clauses (iv) through (viii) to the spouses or dependents of employees.

"(C) NOTIFICATION OF POSSIBLE TAX CONSEQUENCES.—In no event shall any cost for goods or services which may be included in the income of any employee receiving or benefiting from such goods or services be treated as a domestic and sexual violence safety and education cost unless the employer notifies the employee in writing of the possibility of such inclusion.

"(2) DOMESTIC OR SEXUAL VIOLENCE.—The term 'domestic or sexual violence' means domestic violence, dating violence, sexual assault, or stalking, as those terms are defined in section 103 of the Victims' Economic Security and Safety Act.

"(3) DOMESTIC VIOLENCE COALITION; SEXUAL ASSAULT COALITION.—The terms 'domestic violence coalition' and 'sexual assault coalition' have the meanings given the terms in section 103 of the Victims' Economic Security and Safety Act.

"(4) EMPLOYEE.—The term 'employee' means a person who is an employee, as defined in section 103(9) of the Victims' Economic Security and Safety Act, except that the person may be employed by any employer described in paragraph (5).

"(5) EMPLOYER.—The term 'employer' means a person who is an employer, as defined in section 103(10) of such Act, determined without regard to the number of individuals employed.

"(c) COORDINATION WITH OTHER PROVISIONS.—No credit or deduction shall be allowed under any other provision of this title for any amount for which a credit is allowed under this section.".

(b) TREATMENT AS GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38 of the Internal Revenue Code of 1986 (relating to general business credit) is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following:

"(16) the workplace safety program credit determined under section 45G.".

(2) TRANSITIONAL RULE FOR CARRYBACKS.—Subsection (d) of section 39 of such Code (relating to transitional rules) is amended by adding at the end the following:

"(11) NO CARRYBACK OF SECTION 45G CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the workplace safety program credit determined under section 45G may be carried back to a taxable year beginning before January 1, 2004.".

(3) DEDUCTION FOR UNUSED CREDITS.—Subsection (c) of section 196 of such Code (relating to deduction for certain unused business credits) is amended by striking "and" at the end of paragraph (9), by striking the period at the end of paragraph (10) and inserting ", and", and by adding at the end the following:

"(11) the workplace safety program credit determined under section 45G.".

(c) CREDIT NOT A DEFENSE IN LEGAL ACTIONS.—The allowance of a credit under section 45G of the Internal Revenue Code of 1986 (as added by this section) shall not absolve employers of their responsibilities under any other law and shall not be construed as a defense to any legal action (other than legal action by the Secretary of the Treasury under such Code).

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"Sec. 45G. Workplace safety program credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

Subtitle F—National Clearinghouse on Domestic and Sexual Violence in the Workplace Grant

SEC. 161. NATIONAL CLEARINGHOUSE ON DOMESTIC AND SEXUAL VIOLENCE IN THE WORKPLACE GRANT.

(a) AUTHORITY.—The Attorney General may award a grant in accordance with this section to a private, nonprofit entity or tribal organization that meets the requirements of subsection (b), in order to provide for the establishment and operation of a national clearinghouse and resource center to provide information and assistance to employers, labor organizations, and advocates on behalf of victims of domestic or sexual violence, in their efforts to develop and implement appropriate responses to assist those victims.

(b) GRANTEES.—Each applicant for a grant under this section shall submit to the Attorney General an application, which shall—

(1) demonstrate that the applicant—

(A) has a nationally recognized expertise in the area of domestic violence, dating violence, sexual assault, and stalking, and a record of commitment and quality responses to reduce domestic violence, dating violence, sexual assault, and stalking; and

(B) will provide matching funds from non-Federal sources in an amount equal to not less than 10 percent of the total amount of the grant awarded under this section; and

(2) include a plan to maximize, to the extent practicable, outreach to employers (including private companies, as well as public entities such as universities, and State and local governments) in developing and implementing appropriate responses to assist employees who are victims of domestic or sexual violence.

(c) USE OF GRANT AMOUNT.—A grant under this section may be used for staff salaries, travel expenses, equipment, printing, and other reasonable expenses necessary to assemble, maintain, and disseminate to employers, labor organizations, and advocates described in subsection (a), information on and appropriate responses to domestic violence, dating violence, sexual assault, and stalking, including—

(1) training to promote a better understanding of appropriate assistance to employee victims;

(2) conferences and other educational opportunities;

(3) development of protocols and model workplace policies;

(4) employer- and union-sponsored victim services and outreach counseling; and

(5) assessments of the workplace costs of domestic violence, dating violence, sexual assault, and stalking.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $500,000 for each of fiscal years 2004 through 2008.

Subtitle G—Severability

SEC. 171. SEVERABILITY.

If any provision of this title, any amendment made by this title, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of the provisions of this title, the amendments made by this title, and the application of such provisions or amendments to any person or circumstance shall not be affected.

TITLE II—CHILDREN WHO WITNESS DOMESTIC VIOLENCE

SEC. 201. SHORT TITLE.

This title may be cited as the "Children Who Witness Domestic Violence Act".

SEC. 202. FINDINGS.

Congress makes the following findings:

(1) Domestic violence and sexual assault occur frequently in the United States. 1,500,000 women are raped or physically assaulted by an intimate partner annually in the United States, and 1 in 4 women in the United States will experience domestic violence or sexual assault in her lifetime.

(2) At least 3,300,000 children in the United States are exposed to parental violence every year.

(3) Child abuse and domestic violence often occur within the same families. Because of this overlap, cross-training for child welfare workers, courts, law enforcement, prosecutors, and domestic violence and sexual assault victim service providers is essential.

(4) Forty to 60 percent of men who abuse women also abuse children.

(5) In 43 percent of households where intimate violence occurs, at least 1 child under the age of 12 lives in the home. Domestic violence has been shown to occur disproportionately in homes with children under age 5.

(6) In most States, more than 50 percent of the residents in battered women's shelters are children.

(7) As many as 500,000 children may be encountered by police during domestic violence arrests each year.

(8) Children who live in homes where domestic violence occurs are at a higher risk of anxiety and depression, and exhibit more aggressive, antisocial, inhibited, and fearful behaviors than other children.

(9) Children's experiences vary widely as the result of their exposure to domestic violence depending on their family situations, community environment, and the child's own personality. Children need comprehensive services that serve the continuum of their individual needs.

(10) Adolescents who have grown up in violent homes are at risk for recreating the abusive relationships they have observed. Forty percent of violent juvenile offenders come from homes where there is domestic violence, and 50 percent of children who come before delinquency court have been exposed to violence in the home.

(11) Men who as children witnessed their parent's domestic violence are twice as likely to abuse their own wives as are sons of nonviolent parents. One-third of women who are physically abused by a husband or boyfriend grew up in a household where their mother was also abused.

(12) The most successful strategies for dealing with the overlap between domestic violence and child abuse are those that provide for the safety of both the children and the nonabusing parent.

(13) Recent studies show that battered women parent effectively and attend to their children's needs.

(14) In a major metropolitan area, 80 percent of surveyed battered women with children reported that they and their children were safe and together as a family after receiving domestic violence advocacy services. In contrast, the rate of substantiated cases of sexual abuse in foster care is more than 4 times higher than the rate in the general population.

SEC. 203. PURPOSE.

The purpose of this title is to—

(1) reduce the impact of domestic violence, sexual assault, and stalking in the lives of youth and children;

(2) provide appropriate services for children and youth experiencing or exposed to domestic violence, sexual assault, and stalking;

(3) develop and implement education programs to prevent children and youth from

becoming victims or perpetrators of domestic violence, sexual assault, or stalking;

(4) encourage cross training and collaboration among child welfare agencies, domestic violence and sexual assault service providers, courts, law enforcement entities, health care professionals, crisis nurseries, and other social services to recognize and responsibly address domestic violence and sexual assault and the effects of domestic violence on children and youth;

(5) promote the safety of children and youth by increasing the safety, autonomy, capacity, and financial security of the nonabusing parents who are also victims of domestic violence and sexual assault so that they may remain safely together, thereby preventing the unnecessary and harmful removal of the child or youth from the nonabusing parent; and

(6) ensure the effective handling of cases where domestic violence or sexual assault and child abuse and neglect intersect in such a way that—

(A) holds the adult perpetrator of violence accountable;

(B) assures the safety and well-being of both the child and the child's nonabusing parent; and

(C) prevents the unnecessary and harmful removal of the child from the nonabusing parent thereby increasing the child's chance to heal.

SEC. 204. DEFINITIONS.

Section 320 of the Family Violence Prevention and Services Act (42 U.S.C. 10408) is amended by adding at the end the following:

"(7) The term 'dating violence' means violence committed by a person—

"(A) who is or has been in a social relationship of a romantic or intimate nature with the victim; and

"(B) where the existence of such a relationship shall be determined based on a consideration of—

"(i) the length of the relationship;

"(ii) the type of relationship; and

"(iii) the frequency of interaction between the persons involved in the relationship.

"(8) The term 'domestic violence' includes acts or threats of violence, not including acts of self-defense, committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabiting with or has cohabited with the victim, by a person who is or has been in a continuing social relationship of a romantic or intimate nature with the victim, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction, or by any other person against a victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

"(9) The term 'sexual assault' means any conduct proscribed by chapter 109A of title 18, United States Code, whether or not the conduct occurs in the special maritime and territorial jurisdiction of the United States or in a Federal prison and includes both assaults committed by offenders who are strangers to the victim and assaults committed by offenders who are known to the victim or related by blood or marriage to the victim.

"(10) The term 'stalking' means engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear death, sexual assault, or bodily injury to such person or a member of such person's immediate family, when the person engaging in such conduct has knowledge or should have knowledge that the specific person will be placed in reasonable fear of death, sexual assault, or bodily injury to such person or a member of such person's immediate family and when the conduct induces fear in the specific person of death, sexual assault, or bodily injury to such person or a member of such person's immediate family.".

SEC. 205. SERVICES FOR CHILDREN EXPOSED TO DOMESTIC VIOLENCE.

The Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) is amended by adding at the end the following:

"SEC. 321. SERVICES FOR CHILDREN EXPOSED TO DOMESTIC VIOLENCE.

"(a) GRANTS AUTHORIZED.—The Secretary may award competitive grants to eligible entities to enable such entities to conduct programs to serve children who have been exposed to domestic violence.

"(b) ELIGIBLE GRANTEES.—To be eligible to receive a grant under this section, an entity shall—

"(1) meet the requirements of section 303(a)(2)(A) or section 303(b)(1); and

"(2) have in place, and describe in its application, policies and procedures that—

"(A) enhance or ensure the safety and security of a battered parent or caregiver, and as a result, the child of the parent; and

"(B) ensure that all services are provided in a developmentally appropriate and culturally competent manner.

"(c) USE OF FUNDS.—

"(1) IN GENERAL.—An entity that receives a grant under this section shall use amounts provided under the grant to design or replicate, and implement, programs and services using domestic violence intervention models to respond to the needs of children who are exposed to domestic violence and whose parent or caregiver is a victim of domestic violence and who is receiving services from such entity. Such a program—

"(A) shall be a new program or service, or new component of an existing program or service not currently offered by the entity;

"(B) shall provide direct counseling and advocacy for children who have been exposed to domestic violence;

"(C) may include early childhood and mental health services;

"(D) may assist in legal advocacy efforts on behalf of children with respect to issues related directly to services the children are receiving from the program;

"(E) may include respite care, supervised visitation, and specialized services for children; and

"(F) may use not more than 25 percent of the grant funds to contract with others to provide additional services and resources for children including child care, transportation, educational support, respite care, supervised visitation, and access to specialized services for children.

"(2) CONFIDENTIALITY.—Programs developed and implemented under paragraph (1) shall ensure the safety and confidentiality of child and adult victims in a manner that is consistent with applicable Federal and State laws.

"(d) APPLICATION.—To be eligible to receive a grant under subsection (a), an entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

"(e) TERM AND AMOUNT.—

"(1) TERM.—The Secretary shall make the grants under this section for a period of not more than 3 fiscal years.

"(2) AMOUNT.—Each grant awarded under this section shall be in an amount of not less than $50,000 per year and not more than $300,000 per year.

"(f) EVALUATION, MONITORING, ADMINISTRATION, AND TECHNICAL ASSISTANCE.—Of the amount appropriated under subsection (j) for each fiscal year, not more than 4 percent shall be used by the Secretary for evaluation, monitoring, administrative, and technical assistance costs under this section.

"(g) EQUITABLE DISTRIBUTION.—In awarding grants under subsection (a), the Secretary shall ensure an equitable geographic distribution to State, local, and tribal programs working in throughout the United States in rural, urban, and suburban areas.

"(h) UNDERSERVED POPULATIONS.—In awarding grants under subsection (a), the Secretary shall—

"(1) consider the needs of underserved populations as defined by section 2003(7) of part T of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg-2); and

"(2) from the amounts made available under subsection (j), award not less than 10 percent of such amounts for the funding of tribal programs as defined in section 303(b)(1).

"(i) ANNUAL REPORTS.—An entity receiving a grant under this section shall annually submit to the Secretary a report that describes, at a minimum—

"(1) how the funds under the grant were used;

"(2) the extent to which underserved populations were reached;

"(3) the adequacy of staff training and agency services to ensure that children's needs are addressed properly;

"(4) the adequacy of the physical arrangements for meeting children's needs; and

"(5) the existence of continuing barriers the entity faces to more fully addressing children's needs.

"(j) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, $15,000,000 for each of fiscal years 2004 through 2008.

"(2) AVAILABILITY.—Funds appropriated under paragraph (1) shall remain available until expended.".

SEC. 206. GRANTS TO COMBAT THE IMPACT OF EXPERIENCING OR WITNESSING DOMESTIC VIOLENCE ON ELEMENTARY AND SECONDARY SCHOOL CHILDREN.

Subpart 2 of part A of title IV of the Elementary and Secondary Act of 1965 (20 U.S.C. 7131 et seq.) is amended by adding at the end the following:

"SEC. 4125. GRANTS TO COMBAT THE IMPACT OF EXPERIENCING OR WITNESSING DOMESTIC VIOLENCE ON ELEMENTARY AND SECONDARY SCHOOL CHILDREN.

"(a) GRANTS AUTHORIZED.—

"(1) AUTHORITY.—The Secretary is authorized to award grants and contracts to elementary schools and secondary schools that work with experts to enable the elementary schools and secondary schools—

"(A) to provide training to school administrators, faculty, and staff, with respect to issues concerning children experiencing domestic violence in dating relationships and witnessing domestic violence, and the impact of the violence described in this subparagraph on children;

"(B) to provide educational programming to students regarding domestic violence and the impact of experiencing or witnessing domestic violence on children;

"(C) to provide support services for students and school personnel for the purpose of developing and strengthening effective prevention and intervention strategies with respect to issues concerning children experiencing domestic violence in dating relationships and witnessing domestic violence, and the impact of the violence described in this subparagraph on children; and

“(D) to develop and implement school system policies regarding appropriate, safe responses identification and referral procedures for students who are experiencing or witnessing domestic violence.

“(2) AWARD BASIS.—The Secretary shall award grants and contracts under this section—

“(A) on a competitive basis; and

“(B) in a manner that ensures that such grants and contracts are equitably distributed throughout a State among elementary schools and secondary schools located in rural, urban, and suburban areas in the State.

“(3) POLICY DISSEMINATION.—The Secretary shall disseminate to elementary schools and secondary schools any Department of Education policy guidance regarding the prevention of domestic violence and the impact of experiencing or witnessing domestic violence on children.

“(b) USES OF FUNDS.—Funds provided under this section may be used for the following purposes:

“(1) To provide training for elementary school and secondary school administrators, faculty, and staff that addresses issues concerning elementary school and secondary school students who experience domestic violence in dating relationships or witness domestic violence, and the impact of such violence on the students.

“(2) To provide education programs for elementary school and secondary school students that are developmentally appropriate for the students' grade levels and are designed to meet any unique cultural and language needs of the particular student populations.

“(3) To develop and implement elementary school and secondary school system policies regarding appropriate, safe responses identification and referral procedures for students who are experiencing or witnessing domestic violence.

“(4) To provide the necessary human resources to respond to the needs of elementary school and secondary school students and personnel who are faced with the issue of domestic violence, such as a resource person who is either on-site or on-call, and who is an expert.

“(5) To provide media center materials and educational materials to elementary schools and secondary schools that address issues concerning children who experience domestic violence in dating relationships and witness domestic violence, and the impact of the violence described in this paragraph on the children.

“(6) To conduct evaluations to assess the impact of programs and policies assisted under this section in order to enhance the development of the programs.

“(c) CONFIDENTIALITY.—Policies, programs, training materials, and evaluations developed and implemented under subsection (b) shall address issues of safety and confidentiality for the victim and the victim's family in a manner consistent with applicable Federal and State laws.

“(d) APPLICATION.—

“(1) IN GENERAL.—To be eligible to be awarded a grant or contract under this section for any fiscal year, an elementary school or secondary school, in consultation with an expert, shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe.

“(2) CONTENTS.—Each application submitted under paragraph (1) shall—

“(A) describe the need for funds provided under the grant or contract and the plan for implementation of any of the activities described in subsection (b);

“(B) describe how the experts shall work in consultation and collaboration with the elementary school or secondary school; and

“(C) provide measurable goals for and expected results from the use of the funds provided under the grant or contract.

SEC. 207. GRANTS FOR TRAINING AND COLLABORATION AMONG CHILD WELFARE AGENCIES, DOMESTIC VIOLENCE AND SEXUAL ASSAULT SERVICE PROVIDERS, THE COURTS AND LAW ENFORCEMENT AGENCIES.

The Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.), as amended by section 205, is further amended by adding at the end the following:

“SEC. 322. GRANTS FOR TRAINING AND COLLABORATION AMONG CHILD WELFARE AGENCIES, DOMESTIC VIOLENCE AND SEXUAL ASSAULT SERVICE PROVIDERS, THE COURTS, AND LAW ENFORCEMENT AGENCIES.

“(a) PURPOSE.—It is the purpose of this section to—

“(1) encourage cross training and collaboration between child welfare agencies and domestic violence and sexual assault service providers and, where applicable, the courts and law enforcement agencies to identify, assess, and respond appropriately to domestic violence or sexual assault in homes where children are present and may be exposed to the violence, to domestic violence or sexual assault in child protection cases, and to the needs of both child and adult victims of domestic violence and sexual assault;

“(2) establish and implement policies, procedures, and practices in child welfare agencies, domestic violence or sexual assault service programs and, where applicable, juvenile, family or other trial courts with jurisdiction over child maltreatment and domestic violence cases (referred to in this section as the ‘courts’), and law enforcement agencies that are consistent with the principles of—

“(A) protecting children;

“(B) increasing the safety and well-being of children, by—

“(i) tending to their immediate and longer term needs for treatment and support;

“(ii) increasing the safety of parents of children who are not the perpetrators of domestic violence and sexual assault (referred to in this section as the ‘nonabusing parent’);

“(iii) supporting the autonomy, capacity, and financial security of the nonabusing parents of children who are also the victims of domestic violence or sexual assault (referred to in this section as ‘adult victims’);

“(iv) protecting the safety, security and well being of the child by preventing the unnecessary removal of the child from the nonabusing parent; and

“(v) in cases where removal of the child is necessary to protect the child's safety, taking the necessary steps to provide appropriate services to the child and the nonabusing parent to promote the safe and appropriately prompt reunification of the child with the nonabusing parent;

“(C) recognizing—

“(i) the relationship between child abuse and neglect, including child sexual abuse, and domestic violence and sexual assault in families;

“(ii) the impact of the perpetrator's behavior on child and adult victims of domestic violence and sexual assault;

“(iii) the dangers posed to both child and adult victims of domestic violence and sexual assault;

“(iv) the physical, emotional, and developmental impact of domestic violence and sexual assault on child and adult victims;

“(v) the physical, emotional, and financial needs of adult victims of domestic violence and sexual assault; and

“(vi) the need to hold adult perpetrators of domestic violence and sexual assault accountable for their abusive behaviors to provide appropriate services to reduce risks to child and adult victims of domestic violence or sexual assault;

“(D) in the case of training for court personnel and law enforcement, holding adult perpetrators of domestic violence, sexual assault, and child abuse and neglect, not the child and adult victims of domestic violence, sexual assault, and child abuse and neglect, accountable for stopping abusive behaviors; and

“(3) increase cooperation and enhance linkages between child welfare agencies, domestic violence and sexual assault service providers, juvenile, family or other trial courts with jurisdiction over child maltreatment and domestic violence cases, and law enforcement agencies to protect and more comprehensively and effectively serve both child and adult victims of domestic violence and sexual assault, and to engage where necessary other entities addressing the safety, health, mental health, social service, housing and economic needs of child and adult victims of domestic violence and sexual assault, including community-based supports such as schools, local health centers, community action groups, and neighborhood coalitions.

“(b) GRANT AUTHORITY.—

“(1) IN GENERAL.—The Secretary shall make grants to eligible entities to enable the entities to jointly carry out cross training and other initiatives to promote collaboration that seeks to carry out the purposes of this section.

“(2) GRANT PERIODS.—Grants shall be awarded under paragraph (1) for a period of 3 years.

“(3) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, a grant applicant shall establish a partnership that—

“(A) shall include—

“(i) a State child welfare agency, an Indian tribal organization that serves as a child welfare agency, or a local child welfare agency; and

“(ii) a domestic violence or sexual assault service provider, such as—

“(I) a State, local, or tribal domestic violence or sexual assault coalition; or

“(II) another private non-profit organization such as a community-based domestic violence or sexual assault program that is concerned with domestic violence or sexual assault and has a documented history of effective work concerning domestic violence or sexual assault and the impact domestic violence or sexual assault has on children; and

“(B) may include—

“(i) a State or local juvenile, family, or other trial court with jurisdiction over child maltreatment and domestic violence cases; or

“(ii) a State or local law enforcement agency with responsibility for responding to reports of domestic violence or sexual assault or child abuse and neglect.

“(c) USES OF FUNDS.—An entity that receives a grant under this section shall use the funds made available through the grant for cross-training and collaborative efforts, consistent with the principles described in subsection (a)(2), including—

“(1) to educate the staff of child welfare agencies and domestic violence and sexual assault service providers, and, as applicable, the staff of courts and law enforcement agencies to responsibly address domestic violence and sexual assault (recognizing it as a serious problem that threatens both its child and adult victims), and to understand—

“(A) domestic violence and sexual assault and their effects on children and adults;

“(B) child abuse and neglect and its effects on children; and

“(C) child welfare policies that affect child and adult victims of domestic violence and sexual assault;

“(2) to ensure the effective handling of cases where domestic violence or sexual assault and child abuse and neglect intersect so as to—

“(A) assure the safety and well-being of both the child and the nonabusing parent;

“(B) prevent the unnecessary removal of the child from the nonabusing parent, and, when removal is necessary to protect the child's safety;

“(C) promote the delivery of appropriate services to the child and to the nonabusing parent; and

“(D) facilitate the safe and appropriately prompt reunification of the child with the nonabusing parent through the development and implementation of policies, procedures, and programs that are consistent with the purposes of this section;

“(3) to identify and assess, and respond appropriately to, domestic violence or sexual assault in child protection cases and the needs of child victims of abuse and neglect in domestic violence or sexual assault cases;

“(4) to ensure that child welfare agencies and domestic violence and sexual assault service providers will not be required to share confidential information with one another about families receiving services except as required by law or with the informed, written consent of the adult victim being served;

“(5) to provide appropriate resources in child abuse and neglect cases to respond to domestic violence and sexual assault, including developing a service plan and providing other appropriate services and interventions that ensure the safety of both the child and adult victims of the domestic violence and sexual assault;

“(6) to establish and enhance linkages and collaboration between child welfare agencies, domestic violence or sexual assault service providers and, where applicable, State or local juvenile, family, or other trial courts with jurisdiction over child maltreatment and domestic violence cases, law enforcement agencies, and other entities addressing the safety, health, mental health, social service, housing, and economic needs of child and adult victims of domestic violence and sexual assault, including community-based supports such as schools, local health centers, community action groups, and neighborhood coalitions to—

“(i) respond effectively and comprehensively to the varying needs of child and adult victims of domestic violence and sexual assault to prevent child and adult victims from having to turn to child welfare agencies for assistance;

“(ii) include linguistically and culturally appropriate services and linkages to existing services; and

“(iii) include at least the following services where appropriate:

“(I) Appropriate referrals to community-based domestic violence programs and sexual assault victim service providers with the capacities to support adult victims of domestic violence or sexual assault who are parents of children who have been abused or neglected or are at risk of being abused or neglected.

“(II) Emergency shelter and transitional housing for adult victims of domestic violence or sexual assault and their children.

“(III) Legal assistance and advocacy for victims of domestic violence or sexual assault including, when appropriate, assistance in obtaining and entering orders of protection.

“(IV) Support and training to assist parents to help their children cope with the impact of domestic violence or sexual assault.

“(V) Programs to help children who have been exposed to domestic violence or sexual assault.

“(VI) Intervention and treatment for adult perpetrators of domestic violence or sexual assault whose children are the subjects of child protection cases to promote the safety and well-being of the children, and appropriate coordination of such treatment with the juvenile, family, and criminal courts, and law enforcement agencies with which the perpetrators are involved.

“(VII) Health, mental health, and other necessary supportive services.

“(VIII) Assistance to obtain housing and necessary economic supports.

“(d) APPLICATION.—To be eligible to receive a grant under this section, the entities that are members of the applicant partnership described in subsection (b)(3), shall jointly submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. The application shall—

“(1) outline the specific training and other activities that will be undertaken under the grant to promote collaboration;

“(2) describe how the training and other activities described in subsection (c) will help achieve the purposes of this section;

“(3) identify the agencies and providers that will be responsible for carrying out the initiatives for which the entities seek the grant;

“(4) include documentation from child welfare agencies and domestic violence and sexual assault victims service providers, and where applicable, State or local juvenile, family, or other trial courts with jurisdiction over child maltreatment and domestic violence cases, and law enforcement agencies that have been involved in the development of the application;

“(5) describe the ongoing involvement of child welfare and domestic violence and sexual assault victims service providers (including a description of their roles as subcontractors, and documentation of appropriate compensation, if relevant) and, where applicable, courts and law enforcement agencies, in the development of the training policies, procedures, programs, and practices described in subsection (c)(1); and

“(6) provide assurances that activities described in subsection (c) will—

“(A) be provided to child welfare staff, including line staff, supervisors, and administrators, and be provided first to staff responsible for investigation, follow-up, screening, intake, assessment, and provision of services; and

“(B) be conducted jointly with child welfare agency staff, staff from community-based domestic violence programs and sexual assault crisis centers and where applicable, courts and law enforcement agencies;

“(C) comply with the principles described in subsection (a)(2); and

“(D) address—

“(i) the dynamics and lethality of domestic violence and sexual assault, the impact of domestic violence and sexual assault on children exposed to domestic violence and sexual assault, the impact of domestic violence and sexual assault on adult victims, and the relationship of domestic violence and sexual assault to child abuse and neglect;

“(ii) screening for domestic violence and sexual assault and assessing danger to the child and adult victims of domestic violence and sexual assault;

“(iii) applicable Federal, State, and local laws pertaining to child abuse and neglect and domestic violence and sexual assault;

“(iv) the safety needs of child and adult victims of child abuse and neglect or domestic violence, or sexual assault and appropriate interventions for the child and adult victims that protect their the safety, including appropriate services and treatment for children and the nonabusing parent to prevent the unnecessary removal of children from the nonabusing parent, and to promote prompt reunification if removal becomes necessary of both types of victims and give appropriate consideration to preserving the safety of family members not responsible for the child abuse or neglect;

“(v) appropriate interventions for adult perpetrators of domestic violence to reduce the risk of further violence toward child and adult victims of domestic violence and sexual assault which emphasize perpetrator accountability;

“(vi) appropriate supervision of child welfare staff working with families in which there has been domestic violence and sexual assault, including supervision relating to issues involving the safety of the child and adult victims and of the staff;

“(vii) the confidentiality needs of the child and adult victims, consistent with laws requiring mandatory reporting of child abuse and neglect; and

“(viii) develop child protection case plans that recognize the need to protect the safety of the child and of the adult victim and to hold adult perpetrators, not victims, responsible for stopping domestic violence and sexual assault.

“(f) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to entities that have submitted applications in partnership with State or local juvenile, family, or other trial courts with jurisdiction over child maltreatment and domestic violence cases, and law enforcement agencies.

“(g) REPORTING, AND DISSEMINATION OF INFORMATION.—

“(1) REPORTS.—Each of the entities that are members of the applicant partnership described in subsection (b)(3), that receive a grant under this section shall jointly annually prepare and submit to the Secretary a report detailing the activities that the entities have undertaken under the grant and such additional information as the Secretary shall require. At a minimum, such report shall address the nature of the cross-training and other activities to promote collaboration among child welfare agencies, domestic violence or sexual assault service providers, and where applicable, State or local juvenile, family, or other trial courts with jurisdiction over child maltreatment and domestic violence cases and law enforcement agencies that were undertaken with such grants and examples of enhanced collaboration that has occurred to better protect both child and adult victims of child abuse and domestic violence or sexual assault.

“(2) Dissemination of information.—Not later then 9 months after the end of the grant period under this section, the Secretary shall distribute to all State child welfare agencies, domestic violence or sexual assault victim service providers, and where applicable, State or local juvenile, family, or other trial courts with jurisdiction over child maltreatment and domestic violence cases, law enforcement agencies, and Congress summaries that contain information on—

“(A) the activities implemented by the recipients of the grants; and

“(B) related initiatives undertaken by the Secretary to promote attention by the staff of child welfare agencies, domestic violence or sexual assault service providers and where applicable, courts and law enforcement agencies to domestic violence and sexual assault and their impact on both child and adult victims.

“(h) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $15,000,000 in each of fiscal years 2004 through 2006, and $25,000,000 in each of fiscal years 2007 and 2008.”.

SEC. 208. MULTISYSTEM INTERVENTIONS FOR CHILDREN WHO HAVE BEEN EXPOSED TO DOMFSTIC VIOLENCE.

The Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.), as amended by section 206, is further amended by adding at the end the following:

“SEC. 323. MULTISYSTEM INTERVENTIONS FOR CHILDREN WHO HAVE BEEN EXPOSED TO DOMESTIC VIOLENCE.

“(a) Grants Authorized.—The Secretary may award grants to eligible entities to enable such entities to conduct programs to encourage the development and use of multisystem intervention models that respond to the needs of children who have been exposed to domestic violence.

“(b) Eligible Entities.—To be eligible to receive a grant under this section, an entity shall—

“(1) be a nonprofit private organization;

“(2)(A) demonstrate recognized expertise in the area of domestic violence and the impact of domestic violence on children; or

“(B) have entered into a memorandum of understanding regarding the intervention program to be established under the grant and the role of the entity in the program with—

“(i) the appropriate State or tribal domestic violence coalition; and

“(ii) entities carrying out domestic violence programs that provide shelter or related assistance in the locality in which the intervention program will be operated and that have an understanding of its effects on children;

“(3)(A) demonstrate a recognized expertise in child mental health services; or

“(B) have entered into a memorandum of understanding regarding the intervention program to be established under the grant with providers that have expertise in child mental health to ensure that children of all ages have access to appropriate mental health services; and

“(4) demonstrate a history of providing advocacy, health care, mental health, or other crisis-related services to children.

“(c) Use of Funds.—An entity that receives a grant under this section shall use amounts provided under the grant to design or replicate, and implement, multisystem intervention models to respond to the needs of children exposed to domestic violence. Such activities shall—

“(1)(A) involve collaborative partnerships with—

“(i) local entities carrying out domestic violence programs that provide shelter or related assistance or have expertise in the field of providing services to victims of domestic violence and an understanding of its effects on children; and

“(ii) other partners including courts, schools, social service providers, health care providers, police, early childhood agencies, entities carrying out Head Start programs under the Head Start Act (42 U.S.C. 9831 et seq.), or entities carrying out child protection, welfare, job training, housing, battered women's service, or children's mental health programs; and

“(B) be carried out to design and implement protocols and systems to identify, and appropriately respond to the needs of children who have been exposed to domestic violence and who participate in programs administered by the partners;

“(2) establish or implement guidelines to evaluate the needs of a child and make appropriate intervention recommendations;

“(3) include the development or replication of a mental health treatment model to meet the needs of children for whom such treatment has been identified as appropriate;

“(4) establish or implement institutionalized procedures to enhance or ensure the safety and security of a battered parent, and as a result, the child of the parent;

“(5) provide direct counseling and advocacy for adult victims of domestic violence and their children who have been exposed to domestic violence;

“(6) establish or implement policies and protocols for maintaining the confidentiality of the battered parent and child;

“(7) provide community outreach and training to enhance the capacity of professionals who work with children to appropriately identify and respond to the needs of children who have been exposed to domestic violence;

“(8) establish procedures for documenting interventions used for each child and family;

“(9) establish plans to perform a systematic outcome evaluation to evaluate the effectiveness of the interventions;

“(10) ensure that all services are provided in a culturally competent manner; and

“(11) provide remuneration to local domestic violence services organizations who are asked to join collaborations.

“(d) Application.—To be eligible to receive a grant under this section, an entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

“(e) Term and Amount.—A grant awarded under this section shall be awarded for a term of 3 years and in an amount of not more than $500,000 for each such year.

“(f) Technical Assistance.—Not later than 90 days after the date of enactment of this section, the Secretary shall identify successful programs that provide multisystem and mental health interventions to address the needs of children who have been exposed to domestic violence. Not later than 60 days before the Secretary solicits applications for grants under this section, the Secretary shall enter into an agreement with 1 or more entities carrying out the identified programs to provide technical assistance to applicants and recipients of such grants. The Secretary may use not more than 5 percent of the amount appropriated for a fiscal year under subsection (g) to provide such technical assistance.

“(g) Authorization of Appropriations.—

“(1) In general.—There is authorized to be appropriated to carry out this section, $15,000,000 for each of fiscal years 2004 through 2008.

“(2) Availability.—Amounts appropriated under paragraph (1) shall remain available until expended.”.

SEC. 209. CRISIS NURSERY DEMONSTRATION GRANTS PROGRAM.

The Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.), as amended by section 208, is further amended by adding at the end the following:

“SEC. 324. CRISIS NURSERY DEMONSTRATION GRANT PROGRAMS.

“(a) Authority To Establish Demonstration Grant Programs.—The Secretary may establish demonstration programs under which grants are awarded to States to assist private nonprofit and public agencies and organizations in providing crisis nurseries for children who are abused and neglected, are at risk of abuse and neglect, are in families experiencing domestic violence, or are in families receiving child protective services.

“(b) Assurances for Training in Domestic Violence.—

“(1) In general.—Private nonprofit and public agencies and organizations who receive funds under this section shall provide assurances to the Secretary that personnel working with children and families in crisis nurseries receive or have received training in domestic violence, the impact of domestic violence on children, appropriate procedures for maintaining the safety and security of victims of domestic violence and their children, and appropriate procedures for maintaining the confidentiality of both child and adult victims of domestic violence utilizing the services of crisis nurseries.

“(2) Training requirement.—Training required under paragraph (1) shall be conducted in consultation with State, local, or tribal domestic violence coalitions or other private nonprofit organizations such as a community-based domestic violence program that has a documented history of serving both child and adult victims of domestic violence.

“(c) Coordination.—An applicant for a grant under this section shall demonstrate how activities funded under this section will be coordinated with other crisis nursery activities funded under section 201 of the Child Abuse Prevention and Treatment Act.

“(d) Reporting.—A recipient of a grant under this section shall annually report on the crisis nursery activities funded under this grant. At a minimum, such a report shall describe—

“(1) the number of children and families served through crisis nursery activities established under the grant;

“(2) the nature and extent of the crisis nursery activities;

“(3) the percentage of children served by the crisis nursery activities established under the grant who are from families experiencing domestic violence;

“(4) the type of domestic violence training provided to crisis nursery staff and the nature and extent of training coordination with local domestic violence service providers;

“(5) the nature and extent of other Federal and State funding sources used to support the services of the crisis nursery;

“(6) the gaps between the service needs of the crisis nursery and the current capacity of crisis nurseries to serve children and families; and

"(7) outcome evaluation data on the effectiveness of crisis nursery activities, if available.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $15,000,000 for each of fiscal years 2004 through 2008.".

SEC. 210. RESEARCH AND DATA COLLECTION ON THE IMPACT OF DOMESTIC VIOLENCE ON CHILDREN.

The Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.), as amended by section 209, is further amended by adding at the end the following:

"SEC. 325. RESEARCH AND DATA COLLECTION ON THE IMPACT OF DOMESTIC VIOLENCE ON CHILDREN.

"(a) GRANTS.—The Secretary may award competitive grants to eligible entities to enable such entities to conduct research and data collection activities concerning the impact of domestic violence on children.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity shall be an institution of higher education or another nonprofit organization (such as a research entity, hospital, or mental health institution), with documented experience with research or data collection concerning the impact of domestic violence on children.

"(c) USE OF FUNDS.—An entity that receives a grant under this section shall use amounts provided under the grant to conduct new or expand current research or data collection—

"(1) on the prevalence of childhood exposure to domestic violence and the effects of the exposure in child and adult victims;

"(2) on the co-occurrence of domestic violence, and child abuse or neglect;

"(3) on linkages between children's exposure to domestic violence and violent behavior in youth and adults;

"(4) that evaluates new or existing treatments aimed at children exposed to domestic violence;

"(5) on the prevalence of childhood exposure to domestic violence for Native American children;

"(6) on the effects and benefits of keeping children with their nonabusive parent and providing coordinated services to both;

"(7) on the role of children's resilience and other factors that help mitigate the effects of exposure to domestic violence; and

"(8) on related matters, if the research or data collection directly addresses the impact of domestic violence on children.

"(d) TERM AND AMOUNT.—The Secretary shall award grants under this section for terms of 3 years and in amount of not more than $500,000 for each such year.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $2,000,000 for each of fiscal years 2004 through 2006, and $5,000,000 for each of fiscal years 2007 and 2008.".

TITLE III—DOMESTIC VIOLENCE SCREENING, TREATMENT, AND PREVENTION

SEC. 301. SHORT TITLE.

This title may be cited as the "Domestic Violence Screening, Treatment, and Prevention Act of 2003".

SEC. 302. FINDINGS.

Congress makes the following findings:

(1) Nearly one-third of American women (31 percent) report being physically or sexually abused by a husband or boyfriend at some point in their lives, and about 1200 women are murdered every year by their intimate partner, nearly 3 each day.

(2) 85 percent of violent victimizations are experienced by women.

(3) 37 percent of all women who sought care in hospital emergency rooms for violence-related injuries were injured by a current or former spouse, boyfriend, or girlfriend.

(4) In addition to injuries sustained during violent episodes, physical and psychological abuse are linked to a number of adverse physical and mental health effects. Women who have been abused are much more likely to suffer from chronic pain, gastrointestinal disorders, diabetes, depression, unintended pregnancies, substance abuse and sexually transmitted infections, including HIV/AIDS.

(5) Medical services for abused women cost an estimated $857,300,000 every year and health plans spend an average of $1,775 more a year on abused women than on general enrollees.

(6) Each year, at least six percent of all pregnant women, about 240,000 pregnant women, in this country are battered by the men in their lives. This battering leads to complications of pregnancy, including low weight gain, anemia, infections, and first and second trimester bleeding.

(7) Pregnant and recently pregnant women are more likely to be victims of homicide than to die of any other cause, and evidence exists that a significant proportion of all female homicide victims are killed by their intimate partners.

(8) Children who witness domestic violence are more likely to exhibit behavioral and physical health problems including depression, anxiety, and violence towards peers. They are also more likely to attempt suicide, abuse drugs and alcohol, run away from home, engage in teenage prostitution, and commit sexual assault crimes.

(9) Fifty percent of men who frequently assault their wives frequently assault their children. The U.S. Advisory Board on Child Abuse and Neglect suggests that domestic violence may be the single major precursor to child abuse and neglect fatalities in this country.

(10) Currently, about 10 percent of primary care physicians routinely screen for intimate partner abuse during new patient visits and nine percent routinely screen during periodic checkups.

(11) Recent clinical studies have proven the effectiveness of a 2-minute screening for early detection of abuse of pregnant women. Additional longitudinal studies have tested a 10-minute intervention that was proven highly effective in increasing the safety of pregnant abused women. Comparable research does not yet exist to support the effectiveness of screening men.

(12) 70 to 81 percent of the patients studied reported that they would like their healthcare providers to ask them privately about intimate partner violence.

Subtitle A—Research on Health and Family Violence

SEC. 311. HEALTH RESEARCH ON FAMILY VIOLENCE.

Title III of the Public Health Service Act (42 U.S.C. 241 et seq.) is amended by adding at the end the following part:

"PART R—HEALTH RESEARCH ON FAMILY VIOLENCE; HEALTH PROFESSIONALS EDUCATION

"SEC. 399AA. DEFINITION.

"In this part the term 'family violence' means any act or threatened act of violence, including any forceful detention of an individual, that—

"(1) results or threatens to result in physical injury and/or sexual assault; and

"(2) is committed by a person against another individual (including an elderly individual or a child)—

"(A) to whom such person is or was related by blood or marriage or is otherwise legally related;

"(B) with whom such person is or was lawfully residing; or

"(C) with whom such person is or has been in a social relationship of a romantic or intimate nature.

"SEC. 399AA-1. FAMILY VIOLENCE RESEARCH CENTERS.

"(a) ESTABLISHMENT.—The Secretary shall provide for the establishment of family violence research and education centers to conduct research and disseminate information, including professional and public education, concerning family violence.

"(b) LINKAGES.—In establishing centers under subsection (a), the Secretary shall ensure that at least—

"(1) one center is affiliated with the National Institutes of Health;

"(2) one center is affiliated with the Agency for Health Care Research and Quality; and

"(3) each center is linked to national, State, and local community resources, including domestic violence state coalitions and local shelter-based domestic violence programs, community health centers, health care delivery systems, and domestic and sexual assault hotlines, through which information may be distributed.

"(c) GENERAL DUTIES.—Each center established under subsection (a) may provide for the conduct of family violence research, including—

"(1) research concerning the prevalence and characteristics of different forms of family violence, including child abuse, domestic violence, and elder abuse;

"(2) research concerning the effects that family violence and childhood exposure to family violence have on health behaviors, health conditions and the health status of individuals, families, and populations, and the health care utilization and costs attributable to family violence;

"(3) research on effective interventions for adults and children exposed to family violence;

"(4) research concerning the development, implementation, evaluation, and dissemination of appropriate curricula for health professional training in the area of family violence;

"(5) research concerning the effectiveness of different educational methodologies that are used to present the curricula described in paragraph (4);

"(6) research concerning the effects of mandatory domestic violence reporting requirements, including the effects of such requirements on—

"(A) the prevalence and incidence of family violence;

"(B) victim and dependent safety and self-efficacy;

"(C) referral and treatment patterns; and

"(D) access to health care, legal, and advocacy services; and

"(7) research and testing of best messages and strategies to mobilize public action concerning the prevention of family violence.

"(d) GRANTS AND CONTRACTS.—

"(1) IN GENERAL.—In carrying out subsection (a), the Secretary may make grants to and enter into contracts with public and nonprofit private entities capable of conducting the research funded under this section.

"(2) APPLICATION FOR AWARD.—The Secretary may make an award of a grant or contract under paragraph (1) only if an application for the award is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out the purposes for which the award is to be made.

"(e) Advisory Board.—

"(1) In general.—The Secretary shall establish an advisory board to make recommendations concerning the research agenda carried out by the research centers under this section.

"(2) Composition.—

"(A) Appointed members.—The advisory board shall be composed of 19 members to be appointed by the Secretary as follows:

"(i) Twelve members shall be appointed from among individuals who are scientific or health care experts in the areas of elder abuse, domestic violence, child abuse, mental health, epidemiology, social work, or health education.

"(ii) Seven members shall be appointed from among nationally recognized experts in domestic violence, child abuse, and elder abuse who have a documented history of effective and respected work in their respective field, of which—

"(I) at least one member shall be an expert in domestic violence and dating violence;

"(II) at least one member shall be an expert in child abuse;

"(III) at least one member shall be an expert in elder abuse;

"(IV) at least one member shall be an expert in the impact of family violence on children and youth; and

"(V) at least one member shall be an expert in domestic violence against older or disabled women.

"(B) Ex officio members.—The following shall be ex-officio members of the advisory board:

"(i) The Assistant Secretary for Health.

"(ii) The Director of the National Institutes of Health.

"(iii) The Director of the Centers for Disease Control and Prevention.

"(iv) The Assistant Secretary for Children and Families.

"(v) The Assistant Secretary for Aging.

"(vi) The Administrator of the Health Resources and Services Administration.

"(vii) The Assistant Attorney General for the Office of Justice Programs.

"(viii) The Director of the Agency for Healthcare Research and Quality.

"(C) Chairperson.—The members of the advisory board appointed under subparagraph (A) shall elect a chairperson from among such members.

"(3) Meetings.—The advisory board shall meet at the call of the chairperson or upon the request of the Secretary, but not less often than 2 times each year.

"(4) Duties.—In order to ensure the most effective use and organization of Federal resources concerning family violence, the advisory board shall provide advice and make recommendations to Congress and the Secretary with respect to the implementation and revision of the research agenda of the research centers established under this section.

"(5) Subcommittees.—In carrying out its functions under this subsection, the advisory board may establish subcommittees, convene workshops and conferences, and collect data. Such subcommittees may be composed of advisory board members and nonmember consultants with expertise in the particular area addressed by such subcommittees.

"(6) Reports.—The advisory board shall annually report to the appropriate authorizing and appropriations committees of Congress concerning the research agenda for the centers established under this section and the progress made in fulfilling that research agenda.

"(f) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $15,000,000 for fiscal year 2004, and such sums as may be necessary for each of the fiscal years 2005 through 2008.".

Subtitle B—Health Professional Education Programs

SEC. 321. HEALTH PROFESSIONAL EDUCATION GRANTS.

Part R of title III of the Public Health Service Act, as added by section 311, is amended by adding at the end the following:

"SEC. 399AA-2. HEALTH PROFESSIONAL EDUCATION GRANTS.

"(a) In General.—The Secretary shall award grants to eligible entities to enable such entities to develop, implement, evaluate, and disseminate family violence education and training curricula, programs, and strategies.

"(b) Eligibility.—

"(1) In general.—To be eligible to receive a grant under subsection (a), an entity shall have a history of effective work in the field of family violence and health care and—

"(A) be a health care entity eligible for reimbursement under title XVIII of the Social Security Act or a local non-profit entity with expertise in family violence, a State coalition for domestic violence, a State coalition for sexual assault, or a State public health agency;

"(B) demonstrate an ability to maintain the training systems established with amounts received under the grant after the expiration of the grant funding and provide an assurance that such systems will be maintained if determined to be effective; and

"(C) prepare and submit to the Secretary at such time, in such manner, and containing such agreements, assurances, and information as the Secretary determines to be necessary to carry out the purposes for which the grant is to be made.

"(2) Priority.—Applicants that can demonstrate that they represent a team of organizations and agencies working collaboratively to strengthen the health care system response to family violence may receive priority in funding.

"(c) Use of Funds.—An entity shall use amounts received under a grant under this section to—

"(1) conduct evaluations of existing family violence identification and treatment training programs; and

"(2) develop (or adapt) and implement innovative training models or programs to identify and appropriately treat and refer victims of family violence in health professional schools and for practicing, health, behavioral health and public health providers.

"(d) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $5,000,000 for fiscal year 2004, and such sums as may be necessary for each of the fiscal years 2005 through 2008.".

Subtitle C—Grants to Foster Public Health Responses to Domestic Violence

SEC. 331. GRANTS.

Part P of title III of the Public Health Service Act (42 U.S.C. 280g et seq.) is amended by adding at the end the following:

"SEC. 399O. GRANTS TO FOSTER PUBLIC HEALTH RESPONSES TO DOMESTIC VIOLENCE.

"(a) Authority To Award Grants.—

"(1) In general.—The Secretary shall award grants under this section to eligible State entities and eligible local entities in order to strengthen the response of State and local health care systems to domestic violence.

"(2) Definitions of eligible entities.—In this section:

"(A) Eligible state entity.—The term eligible State entity' means a State department (or other division) of health, a State domestic violence coalition or service-based program, or any other nonprofit, tribal, or State entity with a history of effective work in the field of domestic violence and health care, that demonstrates that the applicant is representing a team of organizations and agencies working collaboratively to strengthen the response of the health care system to domestic violence and that such team includes domestic violence and health care organizations.

"(B) Eligible local entity.—The term eligible local entity' means a nonprofit domestic violence service based program, a local department (or other division) of health, a local health clinic, hospital, or health system, or any other nonprofit, tribal, or local entity with a history of effective work in the field of domestic violence and health.

"(b) Number and Duration of Programs; Maximum Amount of Grants.—

"(1) Number of programs.—Not more than—

"(A) 10 programs shall be conducted by eligible State entities under a grant made under this section; or

"(B) 10 programs shall be conducted by eligible local entities under a grant made under this section.

"(2) Duration.—A program conducted under a grant made under this section by an eligible State entity or an eligible local entity shall not exceed 4 years.

"(3) Maximum amount of grants.—A grant awarded under this section shall not exceed—

"(A) $350,000 per year, in the case of a program conducted by an eligible State entity; or

"(B) $150,000 per year, in the case of a program conducted by an eligible local entity.

"(c) Use of Funds.—

"(1) Eligible state entities.—An eligible State entity awarded a grant under this section shall use funds provided under the grant to design and implement comprehensive statewide strategies to improve the response of the health care system to domestic violence in clinical and public health care settings and to promote education and awareness about domestic violence at a statewide level. Such strategies shall be in accordance with the following:

"(A) Such strategies shall include the following:

"(i) Collaboration with State departments (or other divisions) of health to integrate responses to domestic violence into existing policy, practice, and education efforts.

"(ii) Promotion of policies and funding sources that advance domestic violence identification, training, and protocol development and that protect the confidentiality of patients and prohibit insurance discrimination.

"(iii) Promotion of policies and funding sources that advance on-site access to services to address the safety, medical, mental health, and economic needs of patients in multiple settings either by increasing the capacity of existing health care professionals and behavioral and public health staff to address domestic violence issues or by contracting with or hiring domestic violence advocates to provide the services, or by modeling other services appropriate to the geographic and cultural needs of a site.

"(iv) Training and follow-up technical assistance to health care professionals and behavioral and public health staff to screen for domestic violence, and then to appropriately assess, treat, and refer patients who are victims of domestic violence to domestic violence services.

"(B) Such strategies may also include the following:

"(i) Dissemination, implementation, and evaluation of practice guidelines on domestic violence that guide the response of health care professionals and behavioral and public health staff to domestic violence.

"(ii) Where appropriate, development of training modules and policies that address the overlap of child abuse, domestic violence and elder abuse as well as childhood exposure to domestic violence.

"(iii) Creation and implementation of public education campaigns for patients and health care professionals and behavioral and public health staff about domestic violence prevention.

"(iv) Development and dissemination of education materials to patients and health care professionals and behavioral and public health staff.

"(v) Promotion of the inclusion of domestic violence into medical and nursing school curriculum and integration of domestic violence into health care accreditation and professional licensing examinations, such as medical boards.

"(vi) Evaluation of the practice and institutionalization of identification, intervention, and documentation of domestic violence and promotion of the use of quality improvement measurements.

"(2) ELIGIBLE LOCAL ENTITIES.—An eligible local entity awarded a grant under this section shall use funds provided under the grant to design and implement comprehensive local strategies to improve the response of the health care system to domestic violence in hospitals, clinics, managed care settings, emergency medical services, and other health care settings. Such strategies shall include the following:

"(A) Implementation, dissemination, and evaluation of policies and procedures to guide health care professionals and behavioral and public health staff responding to domestic violence including identification, treatment, and documentation of domestic violence and strategies to ensure that health information is held in a manner that protects the patient's privacy and safety.

"(B) Training and follow-up technical assistance to health care professionals and behavioral and public health staff to identify domestic violence, and then to appropriately assess, treat, and refer patients who are victims of domestic violence to domestic violence services.

"(C) Development of on-site access to services to address the safety, medical, mental health, and economic needs of patients either by increasing the capacity of existing health care professionals and behavioral and public health staff to address domestic violence issues, by contracting with or hiring domestic violence advocates to provide the services, or to model other services appropriate to the geographic and cultural needs of a site.

"(D) Development or adaptation and dissemination of education materials for patients and health care professionals and behavioral and public health staff.

"(E) Evaluation of practice and the institutionalization of identification, intervention, and documentation including quality improvement measurements such as patient satisfaction surveys, patient record reviews, case consultation, or other methods used to evaluate and enhance staff compliance with protocols.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the purpose of awarding grants under this section $5,000,000 for each of the fiscal years 2004 through 2008.".

Subtitle D—Provision of Services Under Federal Health Programs

SEC. 341. OPTIONAL COVERAGE OF DOMESTIC VIOLENCE IDENTIFICATION AND TREATMENT UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(1) in subsection (a)(26), by striking "and" at the end;

(2) by redesignating paragraph (27) of subsection (a) as paragraph (28); and

(3) by inserting after paragraph (26) of subsection (a) the following new paragraph:

"(27) domestic violence identification and treatment services (as defined in subsection (x));"; and

(4) by adding at the end the following new subsection:

"(x) The term 'domestic violence identification and treatment services' means the following services (as specified under the State plan) furnished by an attending health care provider (or, in the case of services described in paragraph (3), under arrangements between the provider and domestic violence experts) to the patient:

"(1) Routine verbal inquiries of women aged 18 years or older for domestic violence by a provider if the provider has not previously screened the patient or if the patient has been screened but the patient indicates that he or she is in a new relationship regardless of whether there are any clinical indicators or suspicion of abuse.

"(2) Danger assessment for persons who positively identify for domestic violence, including an immediate safety assessment, an initial risk assessment, and follow-up risk assessments during subsequent visits.

"(3) Treatment relating to domestic violence, including the following:

"(A) Safety education to assist the patient in developing a plan to promote her safety and well-being, and appropriate follow up.

"(B) Health education which provides written and verbal information about domestic violence, its impact on health, options for services, and any necessary follow up.

"(C) Psycho-social and counseling services that include an initial assessment, development of a plan of care, individual or group counseling (as needed), and follow-up assessment, treatment, or intervention.

"(D) Documentation of screening, assessment, treatment, referrals, injuries, and illnesses related to domestic violence and who perpetrated the abuse using appropriate diagnostic codes and confidentiality (except as required by applicable State law).

"(4) Referral and case coordination for additional services, including services from domestic violence programs, community agencies, and judicial and other systems.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to services furnished on or after such date.

SEC. 342. FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM.

(a) IN GENERAL.—Section 8902 of title 5, United States Code, is amended by adding at the end the following:

"(p)(1) A contract may not be made or a plan approved which does not include coverage for domestic violence identification and treatment services.

"(2) For purposes of this subsection, the term 'domestic violence identification and treatment services' has the meaning given such term in section 1905(x) of the Social Security Act.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contracts made, and plans approved, after the end of the 6-month period beginning on the date of the enactment of this Act.

SEC. 343. TRAINING GRANTS UNDER THE MATERNAL AND CHILD HEATH SERVICES BLOCK GRANT.

(a) PREFERENCE IN CERTAIN FUNDING.—Section 502(b)(2) of the Social Security Act (42 U.S.C. 702(b)(2)) is amended by adding at the end the following new subparagraph:

"(C) Of the amounts retained for projects described in subparagraphs (A) through (F) of section 501(a)(3), the Secretary shall provide preference to qualified applicants which demonstrate that the activities to be carried out with such amounts include training of service providers in how to identify and treat the effects of family violence, including children who have been exposed to family violence. This training should include—

"(i) identifying victims of family violence;

"(ii) assessing the immediate and short-term safety of the victim, the impact of the abuse on his or her health and assisting the victim in developing a plan to promote his or her safety;

"(iii) examining and treating such victims within the scope of the health professional's discipline, training, and practice (including providing medical advice regarding the dynamics and nature of family violence);

"(iv) maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries, and establishing mechanisms to promote the privacy and confidentiality of those medical records; and

"(v) referring the victim to public and private nonprofit entities that provide services for such victims.".

(b) REQUIREMENT FOR PORTION OF EXPENDITURES ON DOMESTIC VIOLENCE IDENTIFICATION AND TREATMENT.—Section 505(a)(5) of the Social Security Act (42 U.S.C. 705(a)(5)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by inserting after subparagraph (F) the following new subparagraph:

"(G) the State will set aside a reasonable portion (based upon the State's previous use of funds under this title) of the funds provided for domestic violence identification and treatment services (as defined in section 1902(x)).".

(c) REPORTING DATA.—Section 506(a)(2) of the Social Security Act (42 U.S.C. 706(a)(2)) is amended by inserting after subparagraph (E) the following new subparagraph:

"(F) Information on how funds provided under this title are used to identify and treat domestic violence.".

(d) SEPARATE PROGRAM FOR DOMESTIC VIOLENCE IDENTIFICATION AND TREATMENT.—Title V of the Social Security Act is amended by adding at the end the following new section:

"SEPARATE PROGRAM FOR DOMESTIC VIOLENCE SCREENING AND TREATMENT

"SEC. 511. (a) For the purpose described in subsection (b), the Secretary shall, for fiscal year 2004 and each subsequent fiscal year, allot to each State which has transmitted an application for the fiscal year under section 505(a) an amount equal to the product of—

"(1) the amount appropriated in subsection (d) for the fiscal year; and

"(2) the percentage determined for the State under section 502(c)(1)(B)(ii).

"(b) The purpose of an allotment under subsection (a) to a State is to enable the State to provide for domestic violence identification and treatment, including the provision of domestic violence identification and treatment services (as defined in section 1905(x)), increasing the number of persons identified, assessed, treated, and referred and including training of health care professionals, and behavioral and public health staff, on how to identify and respond to victims of domestic violence.

"(c)(1) Sections 503, 507, and 508 apply to allotments under subsection (a) to the same extent and in the same manner as such sections apply to allotments under section 502(c).

"(2) Sections 505 and 506 apply to allotments under subsection (a) to the extent determined by the Secretary to be appropriate.

"(d) For the purpose of allotments under subsection (a), there are authorized to be appropriated for each fiscal year, beginning with fiscal year 2004, such sums as may be necessary.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to fiscal years beginning after the date of the enactment of this Act and the amendment made by subsection (c) shall apply to annual reports submitted for such fiscal years.

SEC. 344. DOMESTIC VIOLENCE IDENTIFICATION AND TREATMENT SERVICES AT COMMUNITY HEALTH CENTERS.

Part P of title III of the Public Health Service Act (42 U.S.C. 280g et seq.), as amended by section 331, is amended by adding at the end the following:

"SEC. 399P. DOMESTIC VIOLENCE PREVENTION, IDENTIFICATION, AND TREATMENT AND PREVENTION GRANTS.

"(a) GRANTS AUTHORIZED.—The Secretary is authorized to award grants to eligible entities to improve the identification and treatment of domestic violence.

"(b) USE OF FUNDS.—Grants awarded pursuant to subsection (a) may be used for activities such as—

"(1) the implementation, dissemination, and evaluation of policies and procedures to guide health care and behavioral health care professionals and other staff responding to domestic violence;

"(2) the provision of training and follow-up technical assistance to health care professionals and staff to identify domestic violence, and then to appropriately assess, treat, and refer patients who are victims of domestic violence to domestic violence service providers; and

"(3) the development of on-site access to services to address the safety, medical, mental health, and economic needs of patients either by increasing the capacity of existing health care professionals and staff to address these issues or by contracting with or hiring domestic violence advocates to provide the services, or by developing other models appropriate to the geographic and cultural needs of a site.

"(c) ELIGIBLE ENTITY.—In this section, the term 'eligible entity' shall mean a federally qualified health center as defined in section 1861(aa)(4) of the Social Security Act (42 U.S.C. 1395x(aa)(4)).

"(d) APPLICATIONS.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of the fiscal years 2004 through 2007.".

Mr. FRIST. Mr. President, I would like to turn to several unanimous consent requests.

UNANIMOUS CONSENT AGREEMENT—H.R. 1997

Mr. FRIST. Mr. President, I ask unanimous consent that, at a time to be determined by the majority leader, in consultation with the minority leader, the Senate proceed to consideration of H.R. 1997, a bill to protect unborn victims of violence, and that the bill be considered under the following limitations: that the following amendments be the only first-degree amendments in order, with the specified time limitations: Feinstein, Motherhood Protection Act, which is at the desk, 4 hours equally divided; Murray, domestic violence prevention, which is at the desk, 2 hours equally divided; and that there be an additional 30 minutes of debate equally divided on the underlying bill.

I further ask consent that no second-degree amendments be in order to the Feinstein and Murray amendments; and that upon disposition of all amendments, the bill, as amended, if amended, be read a third time, and the Senate proceed to a vote on passage, without any intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO REPORT LEGISLATIVE AND EXECUTIVE MATTERS

Mr. FRIST. Mr. President, I ask unanimous consent that notwithstanding the Senate's adjournment, committees be authorized to report legislative and executive matters on Thursday, March 18, from 10 a.m. to 12 noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE READ THE FIRST TIME—S. 2207

Mr. FRIST. Mr. President, I understand that S. 2207 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 2207) to improve women's access to health care services, and the access of all individuals to emergency and trauma care services, by reducing the excessive burden the liability system places on the delivery of such services.

Mr. FRIST. I now ask for its second reading in order to place the bill on the Calendar under provisions of rule XIV and object to my own request.

The PRESIDING OFFICER. The bill will be read the second time on the next legislative day.

MEDICAL DEVICES TECHNICAL CORRECTIONS ACT

Mr. FRIST. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on (S. 1881) to amend the Federal Food, Drug, and Cosmetic Act to make technical corrections relating to the amendments by the Medical Device User Fee and Modernization Act of 2002, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1881) entitled "An Act to amend the Federal Food, Drug, and Cosmetic Act to make technical corrections relating to the amendments made by the Medical Device User Fee and Modernization Act of 2002, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medical Devices Technical Corrections Act".

SEC. 2. TECHNICAL CORRECTIONS REGARDING PUBLIC LAW 107–250.

(a) TITLE I; FEES RELATING TO MEDICAL DEVICES.—Part 3 of subchapter C of chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379i et seq.), as added by section 102 of Public Law 107–250 (116 Stat. 1589), is amended—

(1) in section 737—

(A) in paragraph (4)(B), by striking "and for which clinical data are generally necessary to provide a reasonable assurance of safety and effectiveness" and inserting "and for which substantial clinical data are necessary to provide a reasonable assurance of safety and effectiveness";

(B) in paragraph (4)(D), by striking "manufacturing,";

(C) in paragraph (5)(J), by striking "a premarket application" and all that follows and inserting "a premarket application or premarket report under section 515 or a premarket application under section 351 of the Public Health Service Act."; and

(D) in paragraph (8), by striking "The term 'affiliate' means a business entity that has a relationship with a second business entity" and inserting "The term 'affiliate' means a business entity that has a relationship with a second business entity (whether domestic or international)"; and

(2) in section 738—

(A) in subsection (a)(1)—

(i) in subparagraph (A)—

(I) in the matter preceding clause (i) by striking "subsection (d)," and inserting "subsections (d) and (e),";

(II) in clause (iv), by striking "clause (i)," and all that follows and inserting "clause (i)."; *and*

(III) in clause (vii), by striking "clause (i)," and all that follows and inserting "clause (i), subject to any adjustment under subsection (e)(2)(C)(ii)."; and

(ii) in subparagraph (D), in each of clauses (i) and (ii), by striking "application" and inserting "application, report,";

(B) in subsection (d)(2)(B), beginning in the second sentence, by striking "firms. which show" and inserting "firms, which show";

(C) in subsection (e)—

(i) in paragraph (1), by striking "Where" and inserting "For fiscal year 2004 and each subsequent fiscal year, where"; and

(ii) in paragraph (2)—

(I) in subparagraph (B), beginning in the second sentence, by striking "firms. which show" and inserting "firms, which show"; and

(II) in subparagraph (C)(i), by striking "Where" and inserting "For fiscal year 2004 and each subsequent fiscal year, where";

(D) in subsection (f), by striking "for filing"; and

(E) in subsection (h)(2)(B)—

(i) in clause (ii), by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively;

(ii) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(iii) by striking "The Secretary" and inserting the following:

"(i) IN GENERAL.—The Secretary"; and

(iv) by adding at the end the following:

"(ii) MORE THAN 5 PERCENT.—To the extent such costs are more than 5 percent below the specified level in subparagraph (A)(ii), fees may not be collected under this section for that fiscal year.".

(b) TITLE II; AMENDMENTS REGARDING REGULATION OF MEDICAL DEVICES.—

(1) INSPECTIONS BY ACCREDITED PERSONS.—Section 704(g) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374(g)), as added by section 201 of Public Law 107–250 (116 Stat. 1602), is amended—

(A) in paragraph (1), in the first sentence, by striking "conducting inspections" and all that follows and inserting "conducting inspections of establishments that manufacture, prepare, propagate, compound, or process class II or class III devices, which inspections are required under section 510(h) or are inspections of such establishments required to register under section 510(i).";

(B) in paragraph (5)(B), in the first sentence, by striking "or poses" and all that follows through the period and inserting "poses a threat to public health, fails to act in a manner that is consistent with the purposes of this subsection, or where the Secretary determines that there is a financial conflict of interest in the relationship between the accredited person and the owner or operator of a device establishment that the accredited person has inspected under this subsection.";

(C) in paragraph (6)(A)—

(i) in clause (i), by striking "of the establishment pursuant to subsection (h) or (i) of section 510" and inserting "described in paragraph (1)";

(ii) in clause (ii)—

(I) in the matter preceding subclause (I)—

(aa) by striking "each inspection" and inserting "inspections"; and

(bb) by inserting "during a 2-year period" after "person"; and

(II) in subclause (I), by striking "such a person" and inserting "an accredited person";

(iii) in clause (iii)—

(I) in the matter preceding subclause (I), by striking "and the following additional conditions are met:" and inserting "and 1 or both of the following additional conditions are met:";

(II) in subclause (I), by striking "accredited" and all that follows through the period and inserting "(accredited under paragraph (2) and identified under clause (ii)(II)) as a person authorized to conduct such inspections of device establishments."; and

(III) in subclause (II), by inserting "or by a person accredited under paragraph (2)" after "by the Secretary";

(iv) in clause (iv)(I)—

(I) in the first sentence—

(aa) by striking "the two immediately preceding inspections of the establishment" and inserting "inspections of the establishment during the previous 4 years"; and

(bb) by inserting "section" after "pursuant to";

(II) in the third sentence—

(aa) by striking "the petition states a commercial reason for the waiver;"; and

(bb) by inserting "not" after "the Secretary has not determined that the public health would"; and

(III) in the fourth sentence, by striking "granted until" and inserting "granted or deemed-to be granted until"; and

(v) in clause (iv)(II)—

(I) by inserting "of a device establishment required to register" after "to be conducted"; and

(II) by inserting "section" after "pursuant to";

(D) in paragraph (6)(B)(iii)—

(i) in the first sentence, by striking ", and data otherwise describing whether the establishment has consistently been in compliance with sections 501 and 502 and other" and inserting "and with other"; and

(ii) in the second sentence—

(I) by striking "inspections" and inserting "inspectional findings"; and

(II) by inserting "relevant" after "together with all other";

(E) in paragraph (6)(B)(iv)—

(i) by inserting "(I)" after "(iv)"; and

(ii) by adding at the end the following:

"(II) If, during the two-year period following clearance under subparagraph (A), the Secretary determines that the device establishment is substantially not in compliance with this Act, the Secretary may, after notice and a written response, notify the establishment that the eligibility of the establishment for the inspections by accredited persons has been suspended.";

(F) in paragraph (6)(C)(ii), by striking "in accordance with section 510(h), or has not during such period been inspected pursuant to section 510(i), as applicable";

(G) in paragraph (10)(B)(iii), by striking "a reporting" and inserting "a report"; and

(H) in paragraph (12)—

(i) by striking subparagraph (A) and inserting the following:

"(A) the number of inspections conducted by accredited persons pursuant to this subsection and the number of inspections conducted by Federal employees pursuant to section 510(h) and of device establishments required to register under section 510(i);"; and

(ii) in subparagraph (E), by striking "obtained by the Secretary" and all that follows and inserting "obtained by the Secretary pursuant to inspections conducted by Federal employees;".

(2) OTHER CORRECTIONS.—

(A) PROHIBITED ACTS.—Section 301(gg) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331(gg)), as amended by section 201(d) of Public Law 107–250 (116 Stat. 1609), is amended to read as follows:

"(gg) The knowing failure to comply with paragraph (7)(E) of section 704(g); the knowing inclusion by a person accredited under paragraph (2) of such section of false information in an inspection report under paragraph (7)(A) of such section; or the knowing failure of such a person to include material facts in such a report.".

(B) ELECTRONIC LABELING.—Section 502(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352(f)), as amended by section 206 of Public Law 107–250 (116 Stat. 1613), is amended, in the last sentence—

(i) by inserting "or by a health care professional and required labeling for in vitro diagnostic devices intended for use by health care professionals or in blood establishments" after "in health care facilities";

(ii) by inserting a comma after "means";

(iii) by striking "requirements of law and, that" and inserting "requirements of law, and that";

(iv) by striking "the manufacturer affords health care facilities the opportunity" and inserting "the manufacturer affords such users the opportunity"; and

(v) by striking "the health care facility".

(c) TITLE III; ADDITIONAL AMENDMENTS.—

(1) EFFECTIVE DATE.—Section 301(b) of Public Law 107–250 (116 Stat. 1616), is amended by striking "18 months" and inserting "36 months".

(2) PREMARKET NOTIFICATION.—Section 510(o) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360(o)), as added by section 302(b) of Public Law 107–250 (116 Stat. 1616), is amended—

(A) in paragraph (1)(B), by striking ", adulterated" and inserting "or adulterated"; and

(B) in paragraph (2)—

(i) in subparagraph (B), by striking ", adulterated" and inserting "or adulterated"; and

(ii) in subparagraph (E), by striking "semicritical" and inserting "semi-critical".

(d) MISCELLANEOUS CORRECTIONS.—

(1) CERTAIN AMENDMENTS TO SECTION 515.—

(A) IN GENERAL.—

(i) TECHNICAL CORRECTION.—Section 515(c) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360e(c)), as amended by sections 209 and 302(c)(2)(A) of Public Law 107–250 (116 Stat. 1613, 1618), is amended by redesignating paragraph (3) (as added by section 209 of such Public Law) as paragraph (4).

(ii) MODULAR REVIEW.—Section 515(c)(4)(B) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360e(c)(4)(B)) is amended by striking "unless an issue of safety" and inserting "unless a significant issue of safety".

(B) CONFORMING AMENDMENT.—Section 210 of Public Law 107–250 (116 Stat. 1614) is amended by striking ", as amended" and all that follows through "by adding" and inserting "is amended in paragraph (3), as redesignated by section 302(c)(2)(A) of this Act, by adding".

(2) CERTAIN AMENDMENTS TO SECTION 738.—

(A) IN GENERAL.—Section 738(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j(a)), as amended by subsection (a), is amended—

(i) in the matter preceding paragraph (1)—

(I) by striking "(a) TYPES OF FEES.—Beginning on" and inserting the following:

"(a) TYPES OF FEES.—

"(1) IN GENERAL.—Beginning on"; and

(II) by striking "this section as follows:" and inserting "this section."; and

(ii) by striking "(1) PREMARKET APPLICATION," and inserting the following: "(2) PREMARKET APPLICATION,".

(B) CONFORMING AMENDMENTS.—Section 738 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379j), as amended by subparagraph (A), is amended—

(i) in subsection (d)(1), in the last sentence, by striking "subsection (a)(1)(A)" and inserting "subsection (a)(2)(A)";

(ii) in subsection (e)(1), by striking "subsection (a)(1)(A)(vii)" and inserting "subsection (a)(2)(A)(vii)";

(iii) in subsection (e)(2)(C)—

(I) in each of clauses (i) and (ii), by striking "subsection (a)(1)(A)(vii)" and inserting "subsection (a)(2)(A)(vii)"; and

(II) in clause (ii), by striking "subsection (a)(1)(A)(i)" and inserting "subsection (a)(2)(A)(i)"; and

(iv) in subsection (j), by striking "subsection (a)(1)(D)," and inserting "subsection (a)(2)(D),".

(C) ADDITIONAL CONFORMING AMENDMENT.—Section 102(b)(1) of Public Law 107–250 (116 Stat. 1600) is amended, in the matter preceding subparagraph (A), by striking "section 738(a)(1)(A)(ii)" and inserting "section 738(a)(2)(A)(ii)".

(3) PUBLIC LAW 107–250.—Public Law 107–250 is amended—

(A) in section 102(a) (116 Stat. 1589), by striking "(21 U.S.C. 379F et seq.)" and inserting "(21 U.S.C. 379f et seq.)";

(B) in section 102(b) (116 Stat. 1600)—

(i) by striking paragraph (2);

(ii) in paragraph (1), by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(iii) by striking:

"(b) FEE EXEMPTION FOR CERTAIN ENTITIES SUBMITTING PREMARKET REPORTS.—

"(1) IN GENERAL.—A person submitting a premarket report"and inserting:

"(b) FEE EXEMPTION FOR CERTAIN ENTITIES SUBMITTING PREMARKET REPORTS.—A person submitting a premarket report"; and

(C) in section 212(b)(2) (116 Stat. 1614), by striking ", such as phase IV trials,".

SEC. 3. REPORT ON BARRIERS TO AVAILABILITY OF DEVICES INTENDED FOR CHILDREN.

Not later than 180 days after the date of enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report on the barriers to the availability of devices intended for the treatment or diagnosis of diseases and conditions that affect children. The report shall include any recommendations of the Secretary of Health and Human Services for changes to existing statutory authority, regulations, or agency policy or practice to encourage the invention and development of such devices.

Mr. FRIST. I ask unanimous consent that the Senate concur in the House amendment, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

WILKIE D. FERGUSON, JR. UNITED STATES COURTHOUSE

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1904.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1904) to designate the United States courthouse located at 400 North Miami Avenue in Miami, Florida as the "Wilkie D. Ferguson, Jr. United States Courthouse".

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1904) was read the third time and passed, as follows:

S. 1904

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse located at 400 North Miami Avenue in Miami, Florida, shall be known and designated as the "Wilkie D. Ferguson, Jr. United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Wilkie D. Ferguson, Jr. United States Courthouse".

SENATOR PAUL SIMON FEDERAL BUILDING

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2022.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 2022) to designate the Federal building located at 250 West Cherry Street in Carbondale, IL, as the "Senator Paul Simon Federal Building."

There being no objection, the Senate proceeded to consider the bill.

Mr. DURBIN. Mr. President, on December 9, 2003, we lost our colleague, U.S. Senator Paul Simon, a great public servant and a great friend.

At the age of 19, Paul Simon became the nation's youngest editor-publisher when he accepted a Lion's Club challenge to save the Troy Tribune in Troy, IL. From that start, he built a chain of 13 newspapers in southern and central Illinois. He also used his post in the newspaper world to expose criminal activities and in 1951, at age 22, he was called as a key witness to testify before the U.S. Senate's Crime Investigating Committee.

Paul Simon served the state of Illinois and the United States for decades. He is the only individual to have served in both the Illinois House of Representatives and the Illinois Senate, and the U.S. House of Representatives and U.S. Senate. He served in the state legislature for 14 years, and won the Independent Voters of Illinois' "Best Legislator Award" every session. He also served as Lieutenant Governor for Illinois from 1968 to 1972. In addition, he served in the U.S. Army from 1951 to 1953.

Paul Simon highly valued education and the youth of our nation. In addition to his work in Congress to strengthen public education in America, he started the public affairs reporting program at Sangamon State University, now the University of Illinois at Springfield. He later became the founder and director of the Public Policy Institute at Southern Illinois University in Carbondale, IL, and taught there for more than 6 years. In addition, Paul Simon wrote 22 books and earned over 55 honorary degrees.

From journalism to government to education, Paul Simon set the standard for honesty and caring in public life. He was an unapologetic champion of the less fortunate. He was genuine in his politics, life and values.

Now those of us who loved and respected him will do our best to carry on his tradition. We will find many ways, great and small, to honor him.

Today, the Senate will pass companion legislation to a bill Congressman JERRY COSTELLO has introduced in the House. This legislation would designate the federal building at 250 West Cherry Street in Carbondale, Illinois as the "Senator Paul Simon Federal Building." I am happy to have Senator FITZGERALD as a cosponsor of this legislation. I thank Senators INHOFE and JEFFORDS for their timely consideration of this legislation in the Senate Environment and Public Works Committee.

Paul Simon moved to Carbondale in 1974, where he was elected to serve in the U.S. House of Representatives. He continued to call the Carbondale area his home until his death. Naming this building in Carbondale after him will help present and future generations remember and honor Paul Simon, a great man who lived in and worked for the people of Carbondale, Illinois and our Nation with the greatest integrity.

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements related thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2022) was read the third time and passed, as follows:

S. 2022

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF FEDERAL BUILDING.

The Federal building located at 250 West Cherry Street in Carbondale, Illinois shall be known and designated as the "Senator Paul Simon Federal Building".

SEC. 2. REFERENCE.

Any reference in a law, map, regulation, document, paper or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the Senator Paul Simon Federal Building.

RONALD REAGAN FEDERAL BUILDING

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2043.

The PRESIDING OFFICER. The clerk will state the bill by title.

A bill (S. 2043) to designate a Federal building in Harrisburg, Pennsylvania, as the "Ronald Reagan Federal Building."

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2043) was read the third time and passed, as follows:

S. 2043

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RONALD REAGAN FEDERAL BUILDING.

(a) DESIGNATION.—The Federal building located at 228 Walnut Street, Harrisburg, Pennsylvania, shall be known and designated as the "Ronald Reagan Federal Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the Ronald Reagan Federal Building.

HONORING THE COUNTY OF CUMBERLAND, NC, FOR ITS 250TH ANNIVERSARY

Mr. FRIST. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Res. 307, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 307) honoring the county of Cumberland, North Carolina, its municipalities and community partners as they celebrate the 250th year of the existence of Cumberland County.

There being no objection, the Senate proceeded to consider the resolution.

AMENDMENT NO. 2857

Mr. FRIST. Mr. President, I understand that Senator EDWARDS has an amendment at the desk. I ask unanimous consent that it be considered agreed to, the resolution, as amended, be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD as if read, without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2857) was agreed to, as follows:

Strike all after the resolved clause and insert the following:

That the Senate commemorates the 250th Anniversary Celebration of the county of Cumberland, North Carolina, its municipalities, and other community partners.

The resolution (S. Res. 307), as amended, was agreed to.

The preamble was agreed to.

The resolution, as amended, with its preamble, reads as follows:

S. RES. 307

Whereas for thousands of years before the European settlers arrived, Cumberland County's streams and forests were home to native peoples who lived in the area, hunted, farmed, and buried their dead;

Whereas Cumberland County, located at the head of navigation on the Cape Fear River, quickly became a strong area of trade between the port city of Wilmington and the lower Cape Fear River to the southeast and the Carolina back country to the west;

Whereas the upper Cape Fear Valley in present Cumberland County experienced an early migration of Highland Scots beginning in 1739, many of whom settled in the area known as "The Bluff" alongside the Cape Fear River 4 miles south of the Lower Little River;

Whereas in 1754, the area known as Cumberland County was formed from lands carved from Bladen County and was named in honor of William Augustus, Duke of Cumberland, third son of George II, King of England, an area which reflected a mixture of ethnic and national backgrounds;

Whereas each municipality was individually chartered: Falcon in 1913; Fayetteville in 1762; Godwin in 1905; Hope Mills in 1891; Linden in 1913; Spring Lake in 1951; Stedman in 1913; and Wade in 1913;

Whereas on June 20, 1775, 13 months before the Declaration of Independence, a group of Cumberland County's active patriots signed "The Association" later called the "Liberty Point Resolves", a document that vowed to "Go forth and be ready to sacrifice our lives and fortunes to secure her freedom and safety"; a marker at the point lists the signers of "The Association";

Whereas the period of the American Revolution was a time of divided loyalties in Cumberland County, and a considerable portion of the population, especially Highland Scots, were staunchly loyal to the British Crown, among them was the famous Scottish heroine Flora McDonald;

Whereas African-American people, both slaves and free citizens, were represented in the early population of Cumberland County, and during the American Revolution several of the county's free African-Americans fought for the patriot cause; among the notables was the midwife Aunt Hannah Mallet (1755–1857) who died at the age of 102; she delivered hundreds of babies in her lifetime, and she typified the courage and vital role of the early 19th-century African-American community;

Whereas in 1783, the towns of Campbellton and Cross Creek merged to become Fayetteville, the first town in the United States named in honor of the Revolutionary War hero, Marquis de Lafayette;

Whereas in November 1789, the North Carolina General Assembly voted to adopt and ratify the United States Constitution at the Market House in Fayetteville, then known as the State House;

Whereas in 1789, the University of North Carolina, the first State university chartered in the United States, was chartered by the North Carolina General Assembly in Fayetteville, it being the first State university;

Whereas in 1793, the Fayetteville Independent Light Infantry Company was organized in Cumberland County; it has the distinction of being the oldest military unit in the South in continuous existence;

Whereas in 1816, the Fayetteville Observer was founded as a weekly newspaper; it is now published daily and is North Carolina's oldest newspaper still in publication;

Whereas in 1825, the Marquis de Lafayette visited the city named for him and stayed in the McRae family home that once stood on the site of the Historic Courthouse on Gillespie Street in Fayetteville;

Whereas in 1831, the Great Fire destroyed the State House (the Market House) and many other buildings and caused more damage than the 1871 Chicago fire or the 1906 San Francisco earthquake;

Whereas in 1865, General William T. Sherman brought the Union Army to Cumberland County, destroying the Confederate arsenal and effectively bringing the county back into the Union;

Whereas in 1867, 7 visionary African-American citizens of Cumberland County paid about $136 for 2 lots on Gillespie Street and formed the self-perpetuating Board of Trustees of the Howard School for the education of African-American youth; this school later became Fayetteville State University (FSU), which now offers 41 undergraduate programs, 22 graduate programs, and 1 doctoral program; FSU has 18 Central Intercollegiate Athletic Association (CIAA) and 2 National Collegiate Athletic Association (NCAA) championships;

Whereas in 1914, Babe Ruth, the New York Yankee great, hit his first homerun as a professional at the old ballpark on Gillespie Street in Cumberland County, and in doing so, the 19-year-old "babe" so amazed the crowd, that George Herman Ruth was forever known by the nickname, "Babe", bestowed upon him while playing in Cumberland County;

Whereas in 1918, Camp Bragg was established from lands ceded from Cumberland County; it is now known as Fort Bragg, home of the 18th Airborne Corps, the 82d Airborne Division, and the United States Army Special Operations Command;

Whereas Fort Bragg was named for North Carolina native Lt. General Braxton Bragg; Fort Bragg soldiers and their families continue to be an integral part of the history and heritage of Cumberland County;

Whereas in 1919, Pope Army Airfield was established and remained part of the Army Air Corps until 1947 when the United States Air Force was established; it was home to the 43d Airlift Wing and the 18th Air Support Operations Group; Pope airmen and their families continue to be an integral part of the history and heritage of Cumberland County;

Whereas on November 1, 1956, Methodist College was chartered as a senior coeducational liberal arts college; it has grown to more than 2,100 students who hail from 48 States and 30 countries, graduated 8,145 students, and awarded associate's, bachelor's, or master's degrees in 57 majors and concentrations; Methodist College NCAA Division III athletic teams have earned 24 national championship titles;

Whereas in 1961, Fayetteville Technical Community College (FTCC) was founded as the Fayetteville Area Industrial Education Center, with a faculty and staff of 9 people serving 50 students, and has since evolved into a comprehensive institution serving approximately 40,000 students annually, offering more than 121 programs;

Whereas Cumberland County's 6th courthouse, circa 1924, which is listed on the National Register of Historic Places, is being established and dedicated, pursuant to the county's 250th anniversary, as a gallery of early prominent members of the local bar and elected county officials; and

Whereas Cumberland County and the municipalities of Falcon, Fayetteville, Godwin, Hope Mills, Linden, Spring Lake, Stedman, and Wade, along with civic groups, private businesses and military partners, are joining together to celebrate 250 years of history, culture, and diversity; the celebration will take place March 26–28, 2004: Now, therefore, be it

Resolved, That the Senate commemorates the 250th Anniversary Celebration of the county of Cumberland, North Carolina, its municipalities, and other community partners.

NATIONAL HOUSING ACT AMENDMENT

Mr. FRIST. Mr. President, I ask unanimous consent that the Banking Committee be discharged from further consideration of H.R. 3724 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3724) to amend section 220 of the National Housing Act to make a technical correction to restore allowable increases in the maximum mortgage limits for FHA-insured mortgages for multifamily housing projects to cover increased costs of installing a solar energy system or residential energy conservation measures.

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3724) was read the third time and passed.

SENATE BUSINESS

Mr. FRIST. Mr. President, this week the Senate completed action on S. Con. Res. 95, the fiscal year 2005 budget resolution, under the tremendous leadership of Chairman NICKLES. As we look over the last 4 days, we have had a very busy course with debating and disposing of 64 amendments to the budget resolution. There were 25 rollcall votes in relation to the amendments, including passage.

We had a long day of voting yesterday until the early hours of this morning with 19 votes, and Senator NICKLES guided the budget resolution to passage early this morning by a vote of 51 to 45.

In addition to that business, we were able to clear executive nominations. The Senate confirmed 17 nominations. Two of the nominations confirmed were district judges from Arizona and Mississippi. I am pleased we were able to clear these judicial nominations, and I look forward to continuing this process for the remaining nominations that are on the calendar.

Indeed, there are approximately 22 judges on the calendar, of which I believe 15 or so should move expeditiously. I will continue to work with the Democratic leader in scheduling these when we return from the recess. I understand the Democratic leader mentioned additional nominations, and I will be consulting with him on those as well. He mentioned them earlier today and last night, and we will be consulting on those nominations.

Late last night, as I mentioned earlier, the Senate confirmed the nomination of Mark McClellan to be Administrator of the Centers for Medicare and Medicaid Services.

Yesterday, the Senate also spoke with one voice with regard to a tragedy, the deadly attack yesterday against the people of Spain. Our condolences were expressed. We had a moment of silence yesterday to honor the people of Spain. In addition, we sponsored a resolution that condemned this cowardly act. Our prayers continue to go out to the leaders and the people of Spain over what we know is a very difficult time.

In addition, we consider other matters that people do not see very much, and I won't go through all of them, but we passed S. 741, the animal drug bill that Senator SESSIONS sponsored that provides for new drugs on what are called minor animals.

We passed H.R. 3195 just this morning, a bill that extends Small Business Administration programs. That is Senator SNOWE's bill.

We passed H.R. 254, which are amendments to the U.S.-Mexico Agreement on the Border Environment Cooperation Commission and the North American Development Bank. Senator HUTCHISON was instrumental in clearing this bill.

The list goes on. I did want to reflect the amount of work we were able to pull through over the course of the week.

In addition, we were able to ratify the United States-Japan Tax Treaty reported by Chairman LUGAR and the Foreign Relations Committee. This is a very important treaty.

We just passed Senator ALEXANDER's S. 1881, the Medical Devices and Technical Correction Act.

Senator SPECTER secured passage of S. 2043, which designates a Federal building in Harrisburg, PA, as the "Ronald Reagan Federal Building."

Senator SHELBY assisted in passage of H.R. 3724.

So we had a very productive week by anyone's measure. I wanted to notice the hard work and efforts of all of my colleagues with respect to these legislative and executive accomplishments.

REMOVAL OF INJUNCTION OF SECRECY

Mr. FRIST. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaties, which I will send to the desk, and that were transmitted to the Senate on March 12, 2004, by the President of the United States. I further ask unanimous consent that the treaties be considered as having been read the first time; that they be referred with accompanying papers to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD. I now send that list to the desk.

The list is as follows:

Investment Protocol with Estonia (Treaty Doc. 108–17);

Additional Investment Protocol with the Czech Republic (Treaty Doc. 108–18);

Additional Investment Protocol with the Slovak Republic (Treaty Doc. 108–19);

Additional Investment Protocol with the Latvia (Treaty Doc. 108–20);

Additional Investment Protocol with Lithuania (Treaty Doc. 108–21); and

Additional Protocol Concerning Business and Economic Relations with Poland (Treaty Doc. 108–22).

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocol Between the Government of the United States of America and the Government of the Republic of Estonia to the Treaty for the Encouragement and Reciprocal Protection of Investment of April 19, 1994, signed at Brussels on October 24, 2003. I transmit also, for the information of the Senate, the report of the Department of State with respect to this Protocol.

I have already forwarded to the Senate similar Protocols for Romania and Bulgaria and now forward simultaneously to the Senate Protocols for the Czech Republic, Estonia, Latvia, Lithuania, Poland, and the Slovak Republic. Each of these Protocols is the result of an understanding the United States reached with the European Commission and these six countries that will join the European Union (EU) on May 1, 2004, as well as with Bulgaria and Romania, which are expected to join the EU in 2007.

The understanding is designed to preserve U.S. bilateral investment treaties (BITs) with each of these countries after their accession to the EU by establishing a framework acceptable to the European Commission for avoiding or remedying present and possible future incompatibilities between their BIT obligations and their future obligations of EU membership. It expresses the U.S. intent to amend the U.S. BITS, including the BIT with Estonia, in order to eliminate incompatibilities between certain BIT obligations and EU law. It also establishes a framework for addressing any future incompatibilities that may arise as EU authority in the area of investment expands in the future, and endorses the principle of protecting existing U.S. investments from any future EU measures that may restrict foreign investment in the EU.

The United States has long championed the benefits of an open investment climate, both at home and abroad. It is the policy of the United States to welcome market-driven foreign investment and to permit capital to flow freely to seek its highest return. This Protocol preserves the U.S. BIT with Estonia, with which the United States has an expanding relationship, and the protections it affords U.S. investors even after Estonia joins the EU. Without it, the European Commission would likely require Estonia to terminate its U.S. BIT upon accession because of existing and possible future incompatibilities between our current BIT and EU law.

I recommend that the Senate consider this Protocol as soon as possible, and give its advice and consent to ratification at an early date.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 12, 2004.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Additional Protocol Between the United States of America and the Czech Republic to the Treaty Between the United States of America and the Czech and Slovak Federal Republic Concerning the Reciprocal Encouragement and Protection of Investment of October 22, 1991, signed at Brussels on December 10, 2003. I transmit also, for the information of the Senate, the report of the Department of State with respect to this Protocol.

I have already forwarded to the Senate similar Protocols for Romania and Bulgaria and now forward simultaneously to the Senate Protocols for the Czech Republic, Estonia, Latvia, Lithuania, Poland, and the Slovak Republic. Each of these Protocols is the result of an understanding the United States reached with the European Commission and these six countries that will join the European Union (EU) on May 1, 2004, as well as with Bulgaria and Romania, which are expected to join the EU in 2007.

The understanding is designed to preserve U.S. bilateral investment treaties (BITs) with each of these countries after their accession to the EU by establishing a framework acceptable to the European Commission for avoiding or remedying present and possible future incompatibilities between their BIT obligations and their future obligations of EU membership. It expresses the U.S. intent to amend the U.S. BITs, including the BIT with the Czech Republic, in order to eliminate incompatibilities between certain BIT obligations and EU law. It also establishes a framework for addressing any future incompatibilities that may arise as EU authority in the area of investment expands in the future, and endorses the principle of protecting existing U.S. investments from any future EU measures that may restrict foreign investment in the EU.

The United States has long championed the benefits of an open investment climate, both at home and abroad. It is the policy of the United States to welcome market-driven foreign investment and to permit capital to flow freely to seek its highest return. This Protocol preserves the U.S. BIT with the Czech Republic, with which the United States has an expanding relationship, and the protections it affords U.S. investors even after the Czech Republic joins the EU. Without it, the European Commission would likely require the Czech Republic to terminate its U.S. BIT upon accession because of existing and possible future incompatibilities between our current BIT and EU law.

I recommend that the Senate consider this Protocol as soon as possible, and give its advice and consent to ratification at an early date.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 12, 2004.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Additional Protocol Between the United States of America and the Slovak Republic to the Treaty Between the United States of America and the Czech and Slovak Federal Republic Concerning the Reciprocal Encouragement and Protection of Investment of October 22, 1991, signed at Brussels on September 22, 2003. I transmit also, for the information of the Senate, the report of the Department of State with respect to this Protocol.

I have already forwarded to the Senate similar Protocols for Romania and Bulgaria and now forward simultaneously to the Senate Protocols for the Czech Republic, Estonia, Latvia, Lithuania, Poland, and the Slovak Republic. Each of these Protocols is the result of an understanding the United States reached with the European Commission and these six countries that will join the European Union (EU) on May 1, 2004, as well as with Bulgaria and Romania, which are expected to join the EU in 2007.

The understanding is designed to preserve U.S. bilateral investment treaties (BITs) with each of these countries after their accession to the EU by establishing a framework acceptable to the European Commission for avoiding or remedying present and possible future incompatibilities between their BIT obligations and their future obligations of EU membership. It expresses the U.S. intent to amend the U.S. BITs, including the BIT with the Slovak Republic, in order to eliminate incompatibilities between certain BIT obligations and EU law. It also establishes a framework for addressing any future incompatibilities that may arise as EU authority in the area of investment expands in the future, and endorses the principle of protecting existing U.S. investments from any future EU measures that may restrict foreign investment in the EU.

The United States has long championed the benefits of an open investment climate, both at home and abroad. It is the policy of the United States to welcome market-driven foreign investment and to permit capital to flow freely to seek its highest return. This Protocol preserves the U.S. BIT with the Slovak Republic, with which the United States has an expanding relationship, and the protections it affords U.S. investors even after the Slovak Republic joins the EU. Without it, the European Commission would likely require the Slovak Republic to terminate its U.S. BIT upon accession because of existing and possible future incompatibilities between our current BIT and EU law.

I recommend that the Senate consider this Protocol as soon as possible, and give its advice and consent to ratification at an early date.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 12, 2004.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Additional Protocol Between the Government of the United States of America and the Government of the Republic of Latvia to the Treaty for the Encouragement and Reciprocal Protection of Investment of January 13, 1995, signed at Brussels on September 22, 2003. I transmit also, for the information of the Senate, the report of the Department of State with respect to this Protocol.

I have already forwarded to the Senate similar Protocols for Romania and Bulgaria and now forward simultaneously to the Senate Protocols for the Czech Republic, Estonia, Latvia, Lithuania, Poland, and the Slovak Republic. Each of these Protocols is the result of an understanding the United States reached with the European Commission and these six countries that will join the European Union (EU) on May 1, 2004, as well as with Bulgaria and Romania, which are expected to join the EU in 2007.

The understanding is designed to preserve U.S. bilateral investment treaties

(BITs) with each of these countries after their accession to the EU by establishing a framework acceptable to the European Commission for avoiding or remedying present and possible future incompatibilities between their BIT obligations and their future obligations of EU membership. It expresses the U.S. intent to amend the U.S. BITs, including the BIT with Latvia, in order to eliminate incompatibilities between certain BIT obligations and EU law. It also establishes a framework for addressing any future incompatibilities that may arise as EU authority in the area of investment expands in the future, and endorses the principle of protecting existing U.S. investments from any future EU measures that may restrict foreign investment in the EU.

The United States has long championed the benefits of an open investment climate, both at home and abroad. It is the policy of the United States to welcome market-driven foreign investment and to permit capital to flow freely to seek its highest return. This Protocol preserves the U.S. BIT with Latvia, with which the United States has an expanding relationship, and the protections it affords U.S. investors even after Latvia joins the EU. Without it, the European Commission would likely require Latvia to terminate its U.S. BIT upon accession because of existing and possible future incompatibilities between our current BIT and EU law.

I recommend that the Senate consider this Protocol as soon as possible, and give its advice and consent to ratification at an early date.

GEORGE W. BUSH.
THE WHITE HOUSE, *March 12, 2004.*

To the Senate of the United States:

With a view to receiving the advice and consent of Senate to ratification, I transmit herewith the Additional Protocol Between the Government of the United States of America and the Government of the Republic of Lithuania to the Treaty for the Encouragement and Reciprocal Protection of Investment of January 14, 1998, signed at Brussels on September 22, 2003. I transmit also, for the information of the Senate, the report of the Department of State with respect to this Protocol.

I have already forwarded to the Senate similar Protocols for Romania and Bulgaria and now forward simultaneously to the Senate Protocols for the Czech Republic, Estonia, Latvia, Lithuania, Poland, and the Slovak Republic. Each of these Protocols is the result of an understanding the United States reached with the European Commission and these six countries that will join the European Union (EU) on May 1, 2004, as well as with Bulgaria and Romania, which are expected to join the EU in 2007.

The understanding is designed to preserve U.S. bilateral investment treaties (BITs) with each of these countries after their accession to the EU by establishing a framework acceptable to the European Commission for avoiding or remedying present and possible future incompatibilities between their BIT obligations and their future obligations of EU membership. It expresses the U.S. intent to amend the U.S. BITs, including the BIT with Lithuania, in order to eliminate incompatibilities between certain BIT obligations and EU law. It also establishes a framework for addressing any future incompatibilities that may arise as EU authority in the area of investment expands in the future, and endorses the principle of protecting existing U. S. investments from any future EU measures that may restrict foreign investment in the EU.

The United States has long championed the benefits of an open investment climate, both at home and abroad. It is the policy of the United States to welcome market-driven foreign investment and to permit capital to flow freely to seek its highest return. This Protocol preserves the U.S. BIT with Lithuania, with which the United States has an expanding relationship, and the protections it affords U.S. investors even after Lithuania joins the EU. Without it, the European Commission would likely require Lithuania to terminate its U.S. BIT upon accession because of existing and possible future incompatibilities between our current BIT and EU law.

I recommend that the Senate consider this Protocol as soon as possible, and give its advice and consent to ratification at an early date.

GEORGE W. BUSH.
THE WHITE HOUSE, *March 12, 2004.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Additional Protocol Between the United States of America and the Republic of Poland to the Treaty Between the United States of America and the Republic of Poland Concerning Business and Economic Relations of March 21, 1990, signed at Brussels on January 12, 2004. I transmit also, for the information of the Senate, the report of the Department of State with respect to this Protocol.

I have already forwarded to the Senate similar Protocols for Romania and Bulgaria and now forward simultaneously to the Senate Protocols for the Czech Republic, Estonia, Latvia, Lithuania, Poland, and the Slovak Republic. Each of these Protocols is the result of an understanding the United States reached with the European Commission and these six countries that will join the European Union (EU) on May 1, 2004, as well as with Bulgaria and Romania, which are expected to join the EU in 2007.

The understanding is designed to preserve U.S. bilateral investment treaties (BITs) with each of these countries after their accession to the EU by establishing a framework acceptable to the European Commission for avoiding or remedying present and possible future incompatibilities between their BIT obligations and their future obligations of EU membership. It expresses the U.S. intent to amend the U.S. BITs, including the BIT with Poland, in order to eliminate incompatibilities between certain BIT obligations and EU law. It also establishes a framework for addressing any future incompatibilities that may arise as EU authority in the area of investment expands in the future, and endorses the principle of protecting existing U.S. investments from any future EU measures that may restrict foreign investment in the EU.

The United States has long championed the benefits of an open investment climate, both at home and abroad. It is the policy of the United States to welcome market-driven foreign investment and to permit capital to flow freely to seek its highest return. This Protocol preserves the U.S. BIT with Poland, with which the United States has an expanding relationship, and the protections it affords U.S. investors even after Poland joins the EU. Without it, the European Commission would likely require Poland to terminate its U.S. BIT upon accession because of existing and possible future incompatibilities between our current BIT and EU law.

I recommend that the Senate consider this Protocol as soon as possible, and give its advice and consent to ratification at an early date.

GEORGE W. BUSH.
THE WHITE HOUSE, *March 12, 2004.*

ORDERS FOR MONDAY, MARCH 22, 2004

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 12 noon on Monday, March 22. I further ask that following the prayer and the pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period for morning business until 2 p.m. with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FRIST. Mr. President, the Senate will next convene on Monday, March 22. No rollcall votes will occur that day. However, the Senate will resume consideration of the Jumpstart JOBS bill, also known as FSC/ETI. We have made some progress on the bill. We interrupted the bill when we took up the budget bill this week.

Given the March 1 deadline on the FSC/ETI bill, which we have passed, and the implementation of sanctions, because that deadline has passed, I am concerned about our ability to pass this bill in a timely way. We must address this and it will be the first order of business when we return.

It is clear that extraneous amendments may be offered and that will further complicate our ability to finish this bill in a timely and orderly way. We have already spent several days on the bill. I encourage my colleagues to stay focused. Let's address the bill in an appropriate way to complete action.

Chairman GRASSLEY and Ranking Member BAUCUS are still hoping to pursue an agreement to finish the bill, although I must put everyone on notice that it may be necessary to file cloture to bring this important legislation to a close.

I should comment on the bill itself because people say, why the focus? Why the urgency? I mentioned the March 1 deadline—we are past the March 1 deadline—the renewed sanctions that are impacting trade right now.

The bill brings our trade laws and our trade into compliance with our trade agreements. Right now they are out of compliance. People agree they are out of compliance.

In addition, the bill provides badly needed reforms to further stimulate manufacturing growth. It is a manufacturing bill. On this floor every day we are talking jobs, manufacturing jobs and loss of jobs, and this bill hits directly at the heart of improving the environment for manufacturing in this country.

We all know the recession hit the manufacturing sector hard, probably the hardest of any other sector. Manufacturing costs in the U.S. have been going up. They are getting higher and higher, where they have not gone up elsewhere in the world.

We compete in a global economy. In my home State of Tennessee, exports have risen 26 percent since 1997, and exports support 232,000 jobs in Tennessee, and that is about 10 percent of our overall workforce in Tennessee.

Some people have suggested we close our borders to trade. To me, and I think to most people, that is a declaration of defeat. We are the most creative society in the world. We are the most innovative society in the world today. Workers in the United States lead productivity when compared to all other workers in the world. If we are allowed to compete on a level playing field, U.S. manufacturers can and will compete anywhere in the world, but U.S. manufacturers currently have this additional burden of unnecessary cost.

The WTO also approved the European Union sanctions against the United States. As I mentioned, that began on March 1. That is a 5-percent tariff, a 5-percent tax, a 5-percent sanction on a whole variety of U.S. goods. Again, that makes us less competitive. Thus, we need to act and we need to act now. We do not need a lot of nongermane, extraneous amendments applied to this bill. Let's stay focused on this bill itself.

It has gone up 5 percent. These tariffs will increase by 1 percent a month to a high of 17 percent next year if we do not act and repeal these export subsidies. That, again, is another cost to U.S. manufacturing.

There are pending amendments, and others may be offered that day, and therefore Members are expected to come to the floor for debate throughout the day. The next vote will occur on Tuesday. As always, we will notify Members when we lock in a time certain for that rollcall vote.

I do thank everyone one last time for their hard work and their long hours this week. I thank the pages. They have done a tremendous job for us, from early in the morning until late at night; to the police, to all the clerks, again from hours before we start until well after we complete our business on the floor; and to all those who are behind the scenes and keep this wonderful building and institution functioning. We do not have the opportunity to thank them very much, and I hope in telling that story of the importance of thank-yous, I do say thank-you to all the people who provide the infrastructure that allows us to carry out real democracy at its best.

ORDER FOR ADJOURNMENT

Mr. FRIST. If there is no further business to come before the Senate, I ask that the Senate stand in adjournment under the provisions of S. Con. Res. 98, following the remarks of Senator NELSON for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Florida.

NASA FUNDING

Mr. NELSON of Florida. Mr. President, my compliments to the majority leader on the way in which he offered leadership for the Senate on a rather rigorous and very lengthy discussion of the budget over the last several days. My thanks to him for the hospitality he provided in the course of a very long evening. And my compliments and congratulations to the chairman of the Budget Committee, Senator NICKLES, and to Senator CONRAD, the ranking member, for the extraordinarily bipartisan fashion, as the hours of the evening wore on and as nerves began to fray, of keeping a calm and cool deliberation in the midst of 300 amendments that had been filed. Those 300 amendments would have kept us here all day today, all day Saturday, all day Sunday, and well into Monday. Yet with that leadership, the chairman and the ranking member were able to get reasonable minds to come together and find consensus and therefore withdraw many amendments. That was a testimony and showed the Senate working its will.

I asked for this time because I want to comment on one part of the budget that was passed last night. In the wee hours of the morning, an amendment was passed by unanimous consent, sponsored by Senator SESSIONS, Senator SHELBY, this Senator from Florida, and Senator GRAHAM of Florida. It was an amendment to bring the level of funding for NASA provided in the budget resolution up to the level requested by the President. This was no small amount of money, for what had come out of the Budget Committee, over my objection, was a cut to America's space program, as evidenced in the NASA budget, of $631 million.

My pleas in the course of our deliberations in the Budget Committee to get the White House to step forward and to support its request for its full funding at a level of $16.2 billion, went unheeded. Indeed, those pleas went unheeded for the White House to support its own budget on NASA all the way up through the end of the deliberations this entire week until around 1 o'clock this morning.

It was only when Senator SESSIONS and Senator SHELBY each put their foot down to let the chairman of the Budget Committee know that their votes on final passage were questionable unless that was brought up to the level of the President's request did we successfully get inserted into the budget an amendment that would bring NASA up to the $16.2 billion.

Where was the White House and why did it take—and I give great credit to Senator SHELBY—that long, with my encouragement and that of others, to get the budget resolution amended so when this budget resolution is ultimately passed after conference with the House of Representatives there will not be such a financial straitjacket on NASA so the appropriations committees could not give the adequate funding to NASA? Yet that is what we were faced with at 1 o'clock this morning.

Where is the White House? That is the subject of my commentary. There is no greater supporter in the Senate for America's space program than this Senator from Florida, who has had the great privilege of being a part of the space program. There is no greater need than the need at this particular time for the full funding of the President's request, with all that NASA has on its plate. It has, not only the new initiative announced by the President back in January of going back to the Moon and then eventually to Mars—of course, no funding really being provided for that, the major funding being provided in the President's announcement in the outyears—but all the other things on NASA's plate.

We had a major space disaster, the second one that occurred within the span of 17 years. Now, as a result of an excellent report brought forth by Admiral Geman's commission, we understand what specific things need to be done to fix the problem and to get back into flight. Of course, it is going to cost a lot of money to make those fixes, and indeed the downtime is costing NASA all kinds of turmoil and uncertainty.

For us not to have the White House step forward and say with vigor that they support their budget request for NASA caused us to just narrowly, by the skin of our teeth, avert a disaster of almost passing a budget resolution last night that was $631 million under the President's request. There is too much riding on our exploring the heavens for this extremely prestigious and very productive program of the United States called America's space program. As we explore the heavens, we continue to push out the frontiers of our knowledge, and as we develop the technology to do that, that then translates into magnificent enhancement in the quality of our lives as the technology from the space program is applied to our normal, everyday lives.

I call on the White House. I call on the leadership of NASA. We cannot take for granted just because the President has announced a major new initiative that it is going to get funded. Indeed, we are swimming upstream. The immediate reaction of the American people to the President's initiative was they didn't support it. There is only one person who can lead the space program. That is the President or the Vice President. A Senator can't lead it. The administrator of NASA can't lead it, particularly on bold new initiatives. It has to be the White House that leads it.

I implore the White House and NASA to step forward and support your report. Otherwise, we are going to get into a situation where mistakes of omission are going to occur like almost occurred last night. Suddenly we are going to find ourselves with a final budget product that is going to straitjacket NASA with less funds than the President requested.

Now more than ever NASA needs those funds to return to flight as safely as possible. I say that because space flight is risky. But it is a risk worth taking because of the expansion of our knowledge and the fulfilling of our desire in our inner souls to be explorers and adventurers, a characteristic of the American people.

I felt compelled to share these thoughts as one of the biggest boosters of the U.S. space program—indeed, the world's space program. For we are in an international venture with other nations of this world on the international space station, sharing various citizens of the world on different avenues, namely, American rockets through the space shuttle and European and Russian rockets on other space ventures.

It is important the White House back their request vigorously. I hope and I expect they will do so, and then we will continue to have an excellent space program.

Thank you, Mr. President. I yield the floor.

ADJOURNMENT UNTIL MONDAY, MARCH 22, 2004

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until noon on Monday, March 22.

Thereupon, the Senate, at 2:18 p.m., adjourned until Monday, March 22, 2004, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate March 12, 2004:

THE JUDICIARY

WILLIAM H. PRYOR, OF ALABAMA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE ELEVENTH CIRCUIT, VICE EMMETT RIPLEY COX, RETIRED, TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS.

DEPARTMENT OF VETERANS AFFAIRS

MARY J. SCHOELEN, OF THE DISTRICT OF COLUMBIA, TO BE A JUDGE OF THE UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS FOR THE TERM OF FIFTEEN YEARS, VICE JOHN J. FARLEY, III, TERM EXPIRING.

DEPARTMENT OF STATE

JACK DYER CROUCH II, OF MISSOURI, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ROMANIA.

FEDERAL MARITIME COMMISSION

JOSEPH E. BRENNAN, OF MAINE, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 2008. (REAPPOINTMENT)

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICER OF THE UNITED STATES COAST GUARD TO BE A MEMBER OF THE PERMANENT COMMISSIONED TEACHING STAFF OF THE COAST GUARD ACADEMY IN THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 188:

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES COAST GUARD UNDER TITLE 14, U.S.C., SECTION 211:

To be captain

GEORGE W MOLESSA, 0127

To be lieutenant commander

KIMBERLY A CROKE, 3372
PATRICK FLYNN, 4769
LAURIE J MOSIER, 5037
JAMES E SCHEYE, 9334
PAUL D THORNE, 4066

To be lieutenant

CARISSA C APRIL, 1278
GLENN A BRUNNER, 1131
KENNETH R BRYAN, 7897
DAVID A BUTIERRIES, 7406
DONALD D DEIBLER, 5197
STEVEN R DOYLE, 2550
DOUGLAS E EGGLESTON, 0141
PAUL M GILL, 7157
MICHAEL P GULDIN, 6590
JONATHAN N HAMMOND, 1255
LEONARD J HERSL, 1808
KAREN JONES, 8605
JEFFERY A KNYBEL, 5023
BRANDON W LECHTHALER, 0118
THOMAS C LINKE, 6018
GLENN A MARTINEAU, 7770
GREGORY A MASON, 8313
MARIO L MERCADO, 7195
PAUL K MUCHA, 7437
JAMES E NOE, 2859
JAMES A NOVOTNY, 3770
RICHARD J PACIORKA, 8838
FELICIA K RAYBON, 9932
DAVID W SAUNDERS, 0767
KEVIN J SHEEHAN, 4363
WILLIAM J SIEBEN, 0704
DAVID V SMITH, 3965
JOHN P SWIDRAK, 4959
BRUCE M TWEED, 8993
TODD D VANCE, 5007
PAUL T WASHLESKY, 5685
DAVID S WILHELM, 2826
HARRY L WILSON, 8543
CHARLES A YATES, 6554
ALAN L YELVINGTON, 9774
JAMES R YOUNG, 5493
DANIEL L YOUNGBERG, 5468
CHRISTOPHER H ZORMAN, 7943

To be lieutenant junior grade

MARCUS E ALDEN, 5871
JOHN G ALLEN, 3381
NEAL E AMARAL, 6562
KIMBERLY B ANDERSEN, 6812
MATTHEW R ANDERSON, 8182
LAHCEN I ARMSTRONG, 1467
NICOLETTE A ARROYO, 0420
JOHN H AXTELL, 9688
RENE BAEZ, 8281
FLAVIO B BALTAZAR, 7405
TAB A BEACH, 8368
DAVID S BENNETT, 9423
KENNETH E BETHEA, 4551
BRIAN R BETZ, 2142
JAMES R BIGBIE, 3167
IAN G BIRD, 2629
TODD X BLOCH, 7775
MICHAEL A BLOCK, 4100
STEVEN M BONN, 8862
CHRISTOPHER L BONNER, 9003
MATTHEW T BOURASSA, 0318
DANIEL L BREHM, 3946
SHANE D BRIDGES, 5072
JOHN W BRIGGS, 3181
DARKEIM L BROWN, 8250
STEPHANIE E BURNS, 7464
ROBERT S BUTTS, 8799
JEFFREY P CABELL, 1149
GREGORY A CALLAGHAN, 2553
JAMES C CAMPBELL, 1702
ERIC M CARRERO, 7322
JONATHAN A CARTER, 6625
MARIE M CASTILLOBLETSO, 8117
ANTHONY B CAUDLE, 9997
SHERRI L CHAMBERLIN, 5186
JEFFERY W CHAPMAN, 5023
HAROLD W CHRISTENSEN, 7077
JOHN J CHRISTENSEN, 4152
BILLY J CLARK, 9874
JONI L CLIFTON, 1680
ADAM E COCHRAN, 8029
THOMAS J COMBS, 3009
CHARLES I COOK, 9636
JOHN M CORBETT, 7803
NATHAN E COWALL, 8148
MICHAEL A CRIDER, 9775
EDGARDO CRUZ, 7161
CHRISTOPHER H DAILEY, 1218
STEPHEN DAPONTE, 6338
JOHN G DAUGHTRY, 7522
JAY E DAVIS, 7062
WILLIAM L DAVIS, 0688
CHRISTOPHER J DELAMERE, 9134
ETIENNE DELARIVA, 7529
JOSHUA M DELEON, 9217
PATRICK C DILL, 4985
DAVID D DIXON, 6444
ELIZABETH L DOMINY, 9448
ROBERT J DONNELL, 7440
KENNETH W ELLER, 1675
CHAD A FAIT, 5566
BRIAN M FARMER, 0010
MICHAEL R FRANKLIN, 2676
JAMIE C FREDERICK, 9112
WILLIAM A FRIDAY, 4002
MATTHEW S FURLONG, 9181
JAMES S GARLAND, 0523
MICHAEL P GARVEY, 9784
MARCUS G GHERARDI, 0597
NICHOLAS E GILMORE, 0067
CARY G GODWIN, 9515
HAYDEN J GOLDMAN, 0144
JASON M GRAD, 8276
AARON L GROSS, 7684
KENT D HALEY, 0264
STEVEN J HALPIN, 4184
JASON K HAMBY, 2487
LUSHAN A HANNAH, 6841
HEATHER E HANNING, 8971
MICHAEL J HEGEDUS, 9434
DERRICK F HENDRICKSON, 9567
THOMAS G HICKEY, 2195
DAVID S HILL, 8883
JESSE C HOLSTON, 1503
CHRISTOPHER M HOOPER, 0303
WALTER R HOPPE, 6011
DEAN E HORTON, 3610
SEAN P HUGHES, 7149
JASON D INGRAM, 4557
JUSTIN W JACOBS, 1726
ROYCE W JAMES, 9717
STEVEN F JENSEN, 3175
ERIC D JOHNSON, 7678
KAREN S JONES, 8666

KAREN L JORDAN, 8703
MICHAEL P KAHLE, 8147
MAEVE K KEOGH, 6276
LANCE C KERR, 3960
TERRI J KINDNESS, 7722
MATTHEW D KING, 4295
ROBERT J KINSEY, 9862
DAVID A KROENING, 7007
JERRY J KRYWANCZYK, 8137
RUSSELL M LANGHAM, 2070
EDDIE LESANE, 0437
DEBORAH S LINDQUIST, 0437
WILLIAM S LONG, 0544
RYAN E MACLEOD, 7443
ANTHONY J MAFFIA, 3405
WILLIAM L MAGNESS, 3500
DAVID J MARRAMA, 2128
ZACHARY S MATHEWS, 1715
ERIC J MATTHIES, 6461
ROBERT E MCCASKEY, 0994
STEVEN J MCCULLOUGH, 1757
LATARSHA S MCQUEEN, 1009
MICHAEL D MCWILLIAMS, 0651
WILLIAM L MEES, 9692
ADAM C MERRILL, 8150
DAVID P MERRIMAN, 1091
TAMMY L MICHELLI, 2137
BARRY J MILES, 1199
KIMBERLY C MILLIGAN, 2668
KEVIN T MORGAN, 8055
MARK E MORIARTY, 1367
KENNETH R MORTON, 6964
ANDREW J A MOTTER, 7364
PATRICK D MOUNSEY, 4162
CHARLOTTE MUNDY, 2895
SCOTT A MURPHY, 6089
CRAIG E MURRAY, 4146
DAVID NEGRONALICEA, 7181
MARK C NELSON, 8439
MONTY NIJJAR, 9445
LOAN T OBRIEN, 5873
CRAIG T OLESNEVICH, 1028
THELMA ORTIZCABANTAC, 8865
HEATHER M OSBURN, 8253
RONALD A OWENS, 0655
PHILBERT C PABELLON, 6541
ANTHONY I PAOPAO, 6349
ERIC G PARA, 4770
BRANDY N PARKER, 3904
JARED A PARROTT, 6645
GREGORY L PARSONS, 6678
BRIAN A POTTER, 7473
LAWRENCE G QUEDADO, 0974
ANTHONY J QUIRINO, 4423
SCOTT A RAE, 4583
EARNEST RAWLES, 8739
JASON D RIMINGTON, 8958
DUANE B RIPLEY, 3058
NELSON Y RIVERA, 0156
LEN M ROBINSON, 4954
NICOLE D RODRIGUEZ, 8145
SCOTT P ROOKE, 4463
BLANCA ROSAS, 7386
FRANCIS C SAGER, 0583
MATTHEW G SANFORD, 9056
NELSON R SANTIAGO, 0273
MARK C SAWYER, 6649
SHADRACK L SCHEIRMAN, 8235
STEVEN A SCHULTZ, 3926
MARC R SENNICK, 3597
THOMAS A SHULER, 0229
MARTIN C SIMPSON, 2170
STEVEN A SKAGGS, 1636
JAMES C SMITH, 8866
BRYSON T SPANGLER, 1526
WILLIAM R SPORTSMAN, 6411
HANS P STAFFELBACH, 6831
JONATHAN K STEHN, 4322
JAMES B STELLFLUG, 7959
WILLIAM E STRICKLAND, 0414
BRANDON J SULLIVAN, 1020
TIMOTHY F SUTTON, 1179
CHRISTOPHER W SWEENEY, 0093
KRIS J SZCZECHOWICZ, 4402
STEVEN M TALICK, 5102
RONALD S TEAGUE, 4932
KELLY A THORKILSON, 1554
LEE D TITUS, 9763
KEVIN L TROWBRIDGE, 9722
ROBERT C TUCKER, 0401
MARC E TUNSTALL, 7043
JEFFREY M VAJDA, 8778
ANDREW J VANSKIKE, 7175
CHRISTOPHER D VARGO, 8882
OMAR VAZQUEZ, 7291
XAIMARA VICENCIOROLDAN, 1949
JERAMY J WAHRMUND, 5675
LISA D WALL, 3488
WILLIAM C WALSH, 4275
MARC D WARREN, 5134
ROBERT D WEBB, 3022
HOLLY A WENDELIN, 7708
RYAN H WILKINSON, 3979
WINSTON D WOOD, 1078
YAMASHEKA Z YOUNG, 2217

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

DAVID W. PUVOGEL, 9484

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

TERRANCE J. WOHLFIEL, 0610

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK (*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be major

LORENA A. * BAILEY, 4026
JEFFREY C. * BALL, 2094
SARA K. * BERNDTSON, 8524
PAUL R. BREZINSKI, 0154
DAVID A. CAIN, 4208
RICHARD A. CRESPO, 5042
TERENCE T. * CUNNINGHAM IV, 8003
JACKIE L. DAY, 2716
ANGELINA T. * DUNBAR, 6074
RICHARD K. * ELMORE, 0209
LEIGHANN ERDMAN, 3453
ALFRED K. * FLOWERS JR., 1761
MICHAEL D. FOUTCH, 2460
PAMELA WHITE * FRANKLIN, 6772
MARY A. * GARBOWSKI, 3374
KYLE W. * GIBSON, 7779
RASHON E. * GILBERTSTEELE, 1473
LOUIS P. * GOLER SR., 1531
ANGEL M. * GONZALEZ, 6185
SHARON A. * GOODWIN, 7313
CHRIS A. * GRIPPO, 9145
MARGUERITE M. * GUILLORY, 3657
EVYN J. * HELBER, 3142
RODNEY L. HOLMES, 0753
MIN YEN * JUNG, 3844
SANDRA E. * KEESEE, 6378
EDWARD J. * LAGROU, 2268
CURTIS A. * LAMSON, 0580
WILLIAM R. * LINDQUIST, 8664
HOWARD WAINE * LONG, 5185
GAVIN W. * MASON, 2520
RUBEN A. * MATOS, 6867
JOHN W. * MCKENNA, 9379
DERRICK J. * MCKERCHER, 6656
DEEANN M. * MEJIA, 6248
JOHN J. * METCALF JR., 4893
THOMAS L. * MOORE, 9444
DOROTHY L. * OAKES, 6151
TIMOTHY R. * OHRENBERGER, 6506
ERIC L. * PEIPELMAN, 2940
TYLER W. * SANDERS, 1449
DAVID A. * SCHLEVENSKY, 0992
KEVIN P. * SEELEY, 9035
SAM L. * SILVERTHORNE JR., 8871
BRANDON S. * SMITH, 9834
MICHELLE A. * STEPHENS, 7573
THOMAS A. * STEWART, 0326
PAUL J. * TOTH JR., 5401
THOMAS S. * VANDERHOOF, 8770
JACOB A. * VANSANT, 7246
DAVID R. * WATSON, 5740
DAVID R. * WELLS, 5185
REGINA LEE * WOODARD, 6595
BRYAN E. * WOOLLEY, 5539
BRENDA L. * YI, 6257
JASON P. * ZIMMERER, 3320

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK (*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be major

TRAVIS R. * ADAMS, 9077
MATTHEW D. ALBRIGHT, 0163
JAMES C. * ALLEN IV, 4222
SUSAN E. * ANSPACH, 2172
LISA M. * BADER, 4746
JOHN A. * BARNETT, 5651
KENNETH J. * BARON, 5921
WILLIAM B. * BELSER, 0742
JULIE A. * BEST, 1091
BRETT L. * BISHOP, 6946
LISA R. * BLACKMAN, 3134
BRIAN G. * BLALOCK, 9086
SAMANTHA E. * BLANCHARD, 9292
KIMBERLY C. * BOEHM, 1448
NATALIE K. * BONETTI, 9587
JAMES E. * BONSON JR., 6449
BRADLEY G. * BOWERS, 3178
JOHN C. * BOWERS JR., 7337
LEE A. * BOXBERGER, 4464
MICHAEL D. * BUSBY, 0458
LAURA L. * BUTLER, 9156
ROBERT K. * CAMPBELL, 1494
COLETTE M. * CANDY, 5800
ROSE M. * CANTU, 4792
MICHAEL T. * CARTWRIGHT, 6200
JAMES S. * CAVANAUGH, 9183
CLARA F. * CHAMBERS, 5532
LORI J. * CHUPP, 6651
MICHAEL L. * CLARK, 6209
ELITA L. * CONALLY, 3075
VICTORIA H. * COOMES, 9850
CHRISTOPHER M. * CUTLER, 9168
BRYAN M. * DAVIDSON, 7237
JASON A. * DEESE, 8176
WADE R. * DEMORDAUNT, 9422
DOMEEKA A. * DIXON, 4857
ANNE C. * DOBMEYER, 3415
SAMUEL S. * DUTTON, 2449
ROBERT M. ENINGER, 7439
ROY R. * ESTRADA, 9686
TONYA R. * EVERLETH, 3200
VINCENT D. * FALLS, 1069
DIANE R. * FINCH, 7241
PATRICIA J. * FINKENBERG, 7718
BRIAN M. FITZGERALD, 2116
BRIAN K. * FOUTCH, 2299
TOLANI I. * FRANCISCO, 0043
BRENDA L. * FRYE, 9861
CELENE A. * FYFFE, 4496
TIMOTHY P. * GACIOCH, 8248
TIMOTHY A. * GAMEROS, 0745
JOHN * GRAVGAARD, 0979
PATRICK L. * GRAY, 5722
JULIE V. * GUILL, 1950
ALLISON C. * HANAUER, 7254
VIRGINIA L. * HAYS, 6440
NICOLE R. HENKELMAN, 0625
ARIANNE J. * HENRYKROLL, 5988
STEVEN P. * HIGGINS, 9682
MICHAEL R. * HOBSON, 3202
WILLIAM E. * HUBBARD JR., 1050
ANGELA M. * HUDSON, 6756
ROBERT P. * IKERD, 8006
SHELDON L. * JACKSON, 1030
BRIDGET M. * JACKSONOAKLEY, 4510
ANTHONY J. * JARECKE, 3992
MIA J. * JENNINGS, 9569
ROBIN J. * JOHNSON, 6348
JACQUELINE A. * JONES, 5587
RODNEY M. * JORSTAD, 5032
WAIKWONG * KAN, 0630
TAMMY C. * KARAMARINOV, 4609
GLENN L. * LAIRD, 4234
JAMES L. * LAMUNYON, 4689
MARK W. * LEHMAN, 3581
CHRISTINA F. * LITTLE, 1215
BRIAN E. * LOGUE, 5331
MICHELLE R. * LOPER, 6685
DANIEL J. * LOVELESS, 1564
JENNIFER J. * MASINO, 9999
SHANNON S. MCDONALD, 3913
TROY E. * MCGILL, 0652
ROBIN E. * MITCHELL, 1416
JOSE L. * MONTANEZ, 4906
CURTIS W. * MORROW, 6778
SANDY * MOY, 0272
SOHRAB M. * NEJAD, 4906
HEATHER A. * NELSON, 9198
PAMELA L. * NOVY, 8945
MICHAEL H. * OSTERHOUDT, 8067
ROBERT K. * OSULLIVAN, 9518
DEANNA S. * PEKAREK, 5017
TREVOR S. * PETROU, 7525
STEVEN C. * PIEKARCZYK, 6100
ROBERT K. * POHL JR., 7917
MARK A. * POMERINKE, 4317
DAVID L. * PUGH, 6019
MARIA L. * PUGIA, 5942
GERARDO * RAMOS, 0503
DAVID J. * REYNOLDS, 3322
MICHAEL B. * ROPER, 5667
RICHARD I. * SAYLOR, 9385
BRADLEY J. * SCHULTE, 9157
JERILYN M. * SCHWEAR, 3483
STANLEY M. * SEARCY, 8722
MATTHEW J. * SHIM, 8796
JOHN R. * SHIRLEY, 7674
JEANA L. * SKORA, 3579
MICHAEL B. * SMITH, 5970
DEREK J. * SPETEN, 4716
JESSICA R. * SPITLER, 0876
BERNADETTE M. * STEELE, 1452
JULIE M. STOREY, 8920
NISARA * SUTHUN, 8072
JAMES A. * SUTPHEN, 9409
PHILIP E. * TOBIN, 6679
NHUT M. * TRAN, 7815
PETER T. * TRANG, 8251
ROBERT J. * VANECEK, 0203
JORGE G. * VARELA, 2212
JOSEPH M. * VINCH JR., 1763
MELODY H. * VINSON, 7987
THOMAS W. * WATERS, 9394
DAVID G. WATSON, 5207
CLAUDINE C. N. * WEGA, 6142
CHANTAY P. * WHITE, 5288
LISA C. * WHITNEY, 7137
DELORIA R. * WILSON, 5150
KEITH R. * WILSON, 3423
MICHELLE D. * WINE, 1891
ILAINA M. * WINGLER, 1278
STEPHEN P. * WOLF, 3075
GARY C. * WRIGHT, 0983
WENDY J. * WYSE, 5966

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK (*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be major

LAUREN F. * AASE, 6384
MICHELLE D. * AASTROM, 9118
LORI A. * ADAMS, 4788
MAURICIA P. * ALO, 7273

DAVID E. * AMATO, 8404
CARMEN * ARGUELLES, 7043
LAURA B. * ARMS, 3978
EDWARD J. * ARNOLD, 8725
JOHN F. * BAER, 6172
JOSEPH D. * BALL, 5474
KATIE A. BARTLETT, 9316
EARL J. * BARTOLOMEO, 1455
CAROLYN E. * BECKER, 8300
SUSAN K. * BLOCK, 5254
ANNETTE A. BOWER, 2390
MARY L. * BROOKINS, 5155
RUBY M. * BROWSKOWSKILOVEDAY, 6175
RONNA K. * BRUCE, 7566
MARYJO * BURLEIGH, 4203
THAD V. * BURLEY, 3080
MICHELLE K. * BUTLER, 3759
BARBARA A. * CAIN, 4087
MEGELA E. * CAMPBELL, 2084
SHELLEY A. * CAMPBELL, 2107
DANNY R. * CANLAS, 3920
TONDA J. * CANOTE, 2926
RUSSELL D. * CARTER, 3400
LESLIE A. * CHRISTOPHER, 9166
LISA M. * CIESKO, 2182
ADRIENNE M. * CLARK, 2216
ROBIN A. * CODY, 9916
WILLIAM P. * COFFEY, 9558
SUSAN K. * COLCLASURE, 6944
SCOTT A. * CRISS, 1981
ROBERT P. * CUNNINGHAM, 6935
PAMELA E. DARBYSHIRE, 6123
JACQUELINE A. * DAVIS, 8888
JEFFREY M. * DAXE, 4960
KEITH A. * DEARDORFF, 9599
JULIET T. * DEGUZMAN, 6986
MARIANN LOUISE * DOWD, 2556
PAUL M. * EFFERTZ, 5498
MARK L. * EVANS, 4271
BENJAMIN * FELICIANO, 5089
JANICE P. * FITTEN, 7596
MICHAEL W. * FRANK, 3314
JEANETTE L. * FRANTAL, 0147
RUSSEL L. * FRANTZ JR., 6760
LAURIE L. * FRAZIER, 8173
CHERRON R. * GALLUZZO, 0853
TRICIA ROCHELLE * GARCIA, 4277
JON B. * GENO, 5085
ERWIN N. * GINES, 4968
FLORDELIZA D. GOLETA, 0965
COLLEEN P. * GONZALEZ, 3484
LORRAINE S. * GRAVLEY, 3338
CAROLYN D. * GREEN, 8568
WILLIAM J. * GRESS, 6845
DALE L. * GRIFFIS, 9959
ROBERT A. * GROVES, 6859
TAMMY L. * HADFIELD, 2747
ABDOL M. * HAJIAGHAMOSENI, 9476
ANNIE L. * HALL, 3268
JOSEPH P. * HALLOCK, 1444
GEORGE * HARITOS, 3774
MICHELLE M. * HARMON, 7837
KENNY L. * HARRYMAN, 7467
MARY J. * HARVEY, 3223
DAVID D. * HEITZMAN, 6229
LORIROSE * HINDMAN, 7189
CYNTHIA M. * HINTZ, 1445
LEIGH I. * HOLT, 0229
BARRY R. * HOLTE, 3376
SANDRA A. * HOULIHAN, 6178
BRIAN S. * HUBBARD, 8110
JAMES M. * HURST, 2286
GACQUETTE R. * JENNINGS, 3455
MICHELLE L. * JOHNSON, 5093
DEBORAH K. * JONES, 2560
ELIZABETH C. * KATT, 3785
CATHERINE J. * KEPHART, 7160
KAREN A. * KIRK, 5292
CHRISTINE A. * KRESS, 7027
PAUL J. * LANGEVIN, 7836
MICHELE M. * LEADBETER, 9830
CARLA M. * LEESEBERG, 7680
KATRINA L. * LISTER, 7205
APOLONIO O. * LUNOD JR., 5488
LIONEL M. * LYDE, 5695
KIMBERLY M. * MACPHERSONEVANS, 8113
EMMA J. * MCCLAIN, 9877
ROBERT D. * MCCURRY, 8034
JEFFERY W. * MCKAMEY, 8029
ROBERT P. * METCALF, 7662
JEFFREY S. MILLER, 8163
SHAWNA L. * MILLS, 2330
CHERYL J. * MINCEY, 7615
JOANN V. * MITCHELL, 2556
EBONY * MOOREFIELD, 5691
DEBORAH S. * MORTON, 3535
MELISSA L. * MOUCHETTE, 4422
SARA O. * MYERS, 6385
KELLY C. * NADER, 7209
ANN R. * NEAL, 9139
DEBRA S. * NICHOLS, 3357
KELLI A. * NIEDZWIECKI, 9900
CHRISTINE S. * NOVAK, 6670
BRIAN T. * OCONNOR, 3620
CHRISTOPHER T. * PAIGE, 3659
TERESA G. * PARIS, 0041
BRIAN S. * PARKER, 6040
CONRAD A. * PATRAO, 5972
JO ANN * PATTERSON, 0230
DAVID L. * PERKINS, 7401
NICHOLAS R. * PETRONE, 9107
JULIE A. * PIERCE, 3201
TAMMY D. * POKORNEY, 8816
TINA M. * PORTER, 9979
MICHAEL A. * PRICE, 9432
APRIL A. * QUILLIN, 9467
AMY S. * QUIRKE, 1286
MICHAEL * REBARCHAK, 9955
RUSSELL D. * RHOADES, 0876
RICARDO * RODRIGUEZ, 1860
LISANDRA * ROJASKNOTTS, 4707
GORDON K. * ROSS, 6770
CHARLES T. * RUSSELL, 9327
ELENA R. * SCHLENKER, 0066
MAGGIE H. * SCHUMACHER, 1556
BRADLEY D. * SCHWITTERS, 4423
ANTOINETTE M. * SHINN, 1682
CLYNISE D. * SIMPSON, 3027
YVONNETTE C. * SMITH, 7041
ROBERT M. * SOUTHER, 0234
JERRY D. * SPARLING, 5549
IVETTE * STERLING, 8445
HEIDI M. * STEWART, 9311
PATRICK W. * STILLEY, 2375
DONNA A. * STORY, 1853
CHRISTOPHER E. * STRANE, 6549
LARRY A. * TODD, 7414
JENNIFER L. * TRINKLE, 9122
STEPHANIE M. * TURNER, 3615
MICHELLE M. * VAUGHAN, 7581
RENEE G. * VINCENT, 8513
KIMBERLY A. * VOLLMER, 8045
SHEELAH Z. * WALKER, 1039
RICHARD E. * WALLEN, 2708
NANCY A. WALTER, 5101
JENNIFER M. * WALTERS, 8668
MICHAEL D. * WASCHER, 8485
JOHN J. * WEATHERWAX, 6182
SHERI A. * WEBB, 4508
MARLIN G. * WEICHEL, 2838
CYNTHIA J. * WEIDMAN, 7999
DEBRA I. * WILLETT, 4309
HAZEL E. * WRIGHT, 7318
PAULO D. * YARBROUGH, 3824
DONNA E. * YOUNG, 6612
SUSAN E. * YOUNG, 9546

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK (*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be major

STEPHEN M. * ALLEN, 9544
DAVID LEWIS * BUTTRICK, 0426
ALAN * CHOUEST, 4775
JANIS A. B. * DASHNER, 4389
CALVIN D. * DIXON, 7995
RIVES M. * DUNCAN, 5802
CLYDE * DYSON, 0127
RANDALL W. * ERWIN, 0524
RICHARD * FITZGERALD, 9027
MICHAEL E. * GOECKER, 0285
BRYAN S. * HOCHHALTER, 5873
JOHN P. * KENYON, 1430
MAX B. T. * OMANA, 2117
BOYD C. * SHORT JR., 0692
JOHN F. * TILLERY, 3495
SHELIA M. WILSON, 5605
THEADORE L. * WILSON, 4667

IN THE ARMY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

CAROL A. CULLINAN, 0622

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

To be major

CHRISTOPHER B. SOLTIS, 1453

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

JEFFREY A. TONG, 1079
TIMOTHY M. WARD, 2914

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

JAMES M. GAUDIO, 2594
BEVERLY A. HERARD, 8577

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

MICHAEL J. HARRIS, 3143
ROBERT L. LEGG, 5815

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

DAVID N. AYCOCK, 0114
DAVID E. LINDBERG, 0053

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 624:

To be major

MICHAEL T. LAWHORN, 1544

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY VETERINARY CORPS AND FOR REGULAR APPOINTMENT UNDER TITLE 10, U.S.C., SECTIONS 624, 531, AND 3064:

To be major

DERRON A. ALVES, 1002
JENNIFER L. CHAPMAN, 0300
NICOLE A. CHEVALIER, 5158
KARI J. CHILDS, 7417
CHRISTOPHER S. GAMBLE, 3216
JAMES T. GILES, 7065
MADONNA M. HIGGINS, 3624
SHELLEY P. HONNOLD, 6683
KIMBERLY LAWLER, 4523
MICKEY G. MOPPIN, 6118
DOUGLAS S. OWENS, 4832
MICHELLE R. PEACOCK, 2577
PATRICIA RASMUSSEN, 2607
CYLE R. RICHARD, 3747
DOUGLAS D. RILEY, 6280
AMY L. SANDERS, 5782
CARL I. SHAIA, 0516
DEIDRA J. SHUCKLEE, 3201
MATT S. TAKARA, 6527
ALISA R. WILMA, 5513

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL SPECIALIST CORPS AND FOR REGULAR APPOINTMENT UNDER TITLE 10, U.S.C., SECTIONS 624, 531, AND 3064:

To be major

JOEL R. BACHMAN, 9665
GARRY D. BERNDT, 4082
KURT BROWER, 3392
KEITH A. BUTLER, 7869
WILLIAM L. CRAWFORD, 2735
KATHY L. DAIGLE, 9978
DAVID L. DUNDORE, 4777
DAVID A. FREEL, 2018
LISA M. GIESE, 8223
NORMAN W. GILL III, 1014
TOMMY J. HARRISON, 3078
ROBERT D. HAYS, 4435
CYNTHIA A. JONES, 1965
MICHELE R. KENNEDY, 6314
MARTY R. LITCHFIELD, 6914
CLIFTON D. LOYD, 5120
MICHELLE A. MARDOCK, 1502
LEONARD S. MCNEIL, 3768
JAMES T. MILLS III, 6910
ROMAN B. REYES, 9193
DENIS L. ROBERT, 5627
THOMAS M. RUEDIGER, 7470
DALE J. RUSH, 8264
SHANE F. SPEARS, 3000
MICHAEL E. THOMPSON, 5481
JOHN VONDRUSKA, 4319
SHERRY L. WOMACK, 4411

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY NURSE CORPS AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK(*)) UNDER TITLE 10, U.S.C., SECTIONS 624, 531, AND 3064:

To be major

CURTIS J. *ABERLE, 3839
ROY *ADDINGTON, 6447
ILSE K. *ALUMBAUGH, 5550
CATHERINE Y. ANDERSON, 0161
CRISTINA R. BAGAYMETCALF, 8941
TAKAKO L. *BARRELL, 6004
SIMONA A. *BLACK, 7928
BRIDGETT R. BRANDT, 9204
CHERYL L. *BROOKS, 6114
KRISTIN A: *BROWN, 3024
JACQUELINE L. *CARLIN, 8115
GLEN E. *CARLSSON, 7441
PAMELA J. CARTER, 9921
DAVID M. CASSELLA, 3289
AMAL *CHATILA, 8619
MICHAEL B. *CLINE, 2613
LASHANDA C. *COBBS, 9654
DEWEY R. *COLLIER II, 2419
WAYNE E. DARSOW, 2177
HARRIET D. *DAVIS, 2677
JOHNNY L. *DENNIS SR., 7427
JOEL M. *EHLER, 7940
DARYL L. *ELDER, 0485
AMANDA R. FORRISTAL, 4024
MICHAEL K. *FRIZELLE, 2925
CYNTHIA H. *GAIA, 0524
CAROLYN B. GALES, 9850

BETTY K. GARNER, 6193
RACHEL *GEORGE, 5787
JOHN J. *GODESA, 2231
CLYDE L. HILL JR., 3745
KATHI J. *HILL, 8367
CHRISTOPHER L. *HOLMAN, 4244
SUSAN G. HOPKINSON, 2265
CRYSTAL L. HOUSE, 8044
LISA M. JOHNSON, 7151
MARJORIE A. *JOHNSON, 4194
REBECCA L. *KIBLER, 8919
SARAH J. KRAJNIK, 1858
ROBERT E. KUTSCHMAN, 7122
ERIC J. LEWIS, 2462
KELLY J. *LONGENECKER, 0857
MARK A. *MACDOUGALL, 4681
ELIZABETH A. *MANN, 3012
LEROY *MARKLUND, 0932
KRISTI A. MASTERSON, 8018
PATRICIA L. *MCCORKLE, 3575
LORIANN R. MCKEEVER, 0030
KRISTAL C. *MELVIN, 0820
JOHN F. *MEYER JR., 3449
LISA E. *MILLER, 5831
CAROLYN R. *MITCHELL, 2300
PAUL B. MITTELSTEADT, 8509
ANNE M. *MITZAK, 3615
STEPHEN L. *MOTEN, 4093
MICHAEL S. *MURPHY, 5343
ANN M. *NAYBACK, 8300
ERIC R. *NELSON, 9562
MICHELLE A. NEYSMITH, 6777
LINDA I. NOBACH, 5825
BENJAMIN O. *ONWUDIACHI, 7988
JANA J. ORTIZ, 4258
VICTORIA J. *OWENS, 2665
JOHN D. *PATTERSON, 5160
PAULINE A. *PECHNIK, 1844
WENDY M. PERRY, 7510
DOUGLAS A. PHILLIPS, 5099
SHARI D. *PLEASANT, 5771
KATHARINE O. *POLLITT, 7451
MARTHIA L. *POSEY, 3743
ANDREW A. POWELL, 7745
EVELYN J. QUAINE, 2902
NANCY L. RABAGO, 0396
LESA B. *RATHJEN, 2451
KATHY *REYNOLDS, 2172
BRENDA A. RICHARDS, 0462
JOAN K. *RIORDAN, 0042
VINA D. RIVERA, 0070
MICHAEL SALMI, 2563
KENNETH D. *SANDERS, 1689
THOMAS R. *SAWYER, 5494
JENNIFER M. *SCHMALTZ, 4179
TOD W. SCHNETZLER, 0769
MELAINA E. *SHARPE, 6124
SHIRLENE Y. SHEARS, 9179 ???
ANGELA M. *SIMMONS, 0268
JAMES E. SIMMONS, 5921
W B. SIMS, 3251
MICHELLE L. SNYDER, 1064
ROBERT J. STAGGS, 8983
KIMBERLIE A. *STATLER, 2206
ANGELA L. STONE, 7733
ASTRID D. *STURM, 9132
KYLEE V. SUTHERLIN, 0342
JOHN E. *TAYLOR, 5217
MAI T. *TRAN, 7379
BRIAN K. TRAWICK, 7443
MELISSA A. WALLACE, 5498
BRETT L. *WELDEN, 3591
CARLA M. *WHITE, 4579
HEIDI I. WHITESCARVER, 9413
GRACE F. WIETING, 8822
MORRIS E. *WILDER, 3701
CORY M. *WILLIAMS, 2820
RONALD V. WILSON JR., 5302
PAMELA M. *WULF, 5022

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL SERVICE CORPS AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK(*)) UNDER TITLE 10, U.S.C., SECTIONS 624, 531, AND 3064:

To be major

GINA M. *AGRON, 1543
RONALD M. *ATKINSON SR., 2341
JAMES R. *AUVIL, 5157
BARBARA J. *BACHMAN, 0811
KEVIN R. *BASS, 0951
SHANNON D. *BECKETT, 9947
JOSEPH M. *BECKMAN, 2212
JOHN D. *BELEW, 0995
SHARON L. *BENSON, 1386
ENRICO Z. BERMUDEZ, 8393
AMY H. *BLACK, 7230
LOLITA M. *BURRELL, 8835
JONATHAN B. *BUTLER, 3986
JENNIFER J. *CAMP, 6612
JOSE E. *CAPOAPONTE, 8793
ROBERTO *CARDENAS, 7953
CASEY P. *CARVER, 1650
BEVERLY S. CASIANO, 9137
STACEY L. *CAUSEY, 6805
CYNTHIA Y. CHILDRESS, 3401
WILLIAM D. *CLYDE, 1118
ANGEL F. *COLON, 4613
MICHAEL S. *COULTHARD, 2414
JEFFERY S. *CROLEY, 2660
LEONARD A. *CROMER JR., 1180
NOEL A. *CUFF, 8537
CHRISTOPHER J. *DAVID, 0815
AVERY E. DAVIS, 9305
GAYLE E. *DAVIS, 9935
WILLIE E. DAVIS, 8250
JAMES C. DEAK, 0643
FRED L. *DELACRUZ, 3300
JASON B. *DELEEUW, 2900
LEONARDO *DENARO, 2293
SCOT A. *DOBOSZENSKI, 9680
PATRICK A. DONAHUE, 6960
CURTIS W. *DOUGLASS, 9803
CHRISTOPHER F. *DRUM, 0264
ERIC C. *DRYNAN, 2217
MARJORIE Y. *DUFF, 7840
RAQUEL D. *ERNEST, 7989
MARLA J. *FERGUSON, 0778
DONALD E. *FINE JR., 2850
JAMES T. *FLANAGAN JR., 2772
RICHARD G. *FORNILI, 1537
FRANCIS M. *FOTA, 0783
ADRIAN GAMEZ, 5604
PATRICK A. *GARLAND, 0493
TOBIAS J. *GLISTER, 7778
RONALD T. *GODING, 2008
FRANK T. *GORING, 1785
MARK D. *GRAY, 8225
ALYSON M. *HAGAN, 4610
JORDAN V. HENDERSON, 7584
MICHAEL S. HOGAN, 7197
MICHAEL S. *HUGHES, 7874
JENNIFER M. *HUMPHRIES, 7367
THOMAS L. HUNDLEY, 0915
MICHAEL F. *INGRAM, 9021
ROBERT E. *JACKSON, 1824
CRAIG M. *JENKINS, 7093
GREGORY A. *JOHNSON, 5001
THOMAS A. *JONES, 6524
TATHETRA M. *JOSEPH, 9891
STEPHEN R. KECK, 8019
DENNIS L. KELLEN, 4032
SAMUEL W. *KOONCE, 5976
DIRK D. *LAFLEUR, 2336
JAMES E. LEE, 1277
ROBERT *LENZA, 2178
PAUL J. LYONS, 7683
LYNN E. MARM, 4332
DAVID A. *MARQUEZ, 3369
TERRY M. *MARTINEZ, 6911
ERIC M. *MCCLUNG, 9127
DEBORAH R. *MCCOY, 6641
JENNIFER J. *MCDANNALD, 3845
DENNIS MCGURK, 2903
DEBRA J. *MCNAMARA, 8211
JEFFREY A. *MCNEIL, 5646
CARZELL *MIDDLETON, 6097
CHERYL G. *MOORE, 7436
ROBERT C. MOORE, 1246
TODD J. *MOULTRIE, 3997
SCOTT A. MOWER, 7209
JOHANNES H. *NAUDE, 6974
SCOTT H. *NEWKIRK, 8429
ERIC J. *NEWLAND, 0742
KIMTHOA T. *NGUYEN, 4602
SCOTT M. * NOWICKI, 1902
MATTHEW J. * OTTING, 0207
JOHN S. * PEARSON JR., 9679
ERIC E. * POULSEN, 5282
ROBERT D. * PRINS, 9086
ASIM A. * RAJA, 6553
MURRAY M. * REEFER JR., 0695
JAMES L. REYNOLDS, 1716
SCOTT W. * RIDDELL, 6149
JOHN C. * ROCKWELL, 8957
JONATHAN C. RUWE, 8315
MICHAEL * SALVITTI, 4791
THERESA E. SAVILLE, 4529
LISA W. * SCARBOROUGH, 1593
DAVID W. SEED, 9687
AATIF M. * SHEIKH, 6012
STEPHEN C. * SHERIDAN, 7104
BRADLEY T. SHIELDS, 1864
STEVEN E. * SHIPLEY, 5488
TANYA A. SILLER, 2121
DAVID L. * SLONIKER, 4806
COREY L. SMALLS, 0432
JOHN P. * STALEY, 3237
MARK A. * STEVENS, 4118
GEORGE E. * STOPPLECAMP, 6816
AUDRA L. TAYLOR, 9996
JOSEPH E. THEMANN, 3538
KELLY M. * THOMSON, 4944
CHRISTOPHER M. * TODD, 5982
CHARLES L. * UNRUH, 1160
KEVIN W. * WATTS, 3593
JOSEPH K. WEAVER, 1264
JONATHAN R. * WEBB, 3695
JOHN E. * WHITE, 6163
JASON F. * WILD, 4818
RICHARD A. * WILSON, 7150
SETH J. * WINTROUB, 8399
SCOTT C. * WOODARD, 7477
DEREK O. * ZITKO, 2218
JEFFREY V. ZOTTOLA, 3651

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT IN THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 531:

To be lieutenant

HUGH B BURKE, 0721
SHANE D COOPER, 3788
TIMOTHY E FRENCH, 2220
JAMES L MARSH, 9112
DANIEL J MCCOY, 2956
STEVEN E MILEWSKI, 9940
JAMES T MILLS, 1109
HEATHER A WATTS, 4405
WILLIAM H WEILAND, 6764
JEANINE B WOMBLE, 1328

IN THE ARMY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

BRUCE M. FREDERICKSON, 6167
NEIL R. HANSEN, 7629
ARTHUR W. HINAMAN, 3019
WILLIAM A. PETTY, 3692

WITHDRAWAL

Executive message transmitted by the President to the Senate on March 12, 2004, withdrawing from further Senate consideration the following nomination:

ONE NOMINATION IN THE COAST GUARD RECEIVED BY THE SENATE ON JANUARY 28, 2004, BEGINNING WITH GLENN M. SULMASY.

EXTENSIONS OF REMARKS

CELEBRATING 56 YEARS OF INDEPENDENCE FOR THE DODECANESE ISLANDS

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 12, 2004

Mrs. MALONEY. Mr. Speaker, I rise today to recognize the Federation of Dodecanese Societies of America and Canada, which is celebrating 56 years of independence for the Dodecanese Islands, which are located in the southeastern part of the Aegean Sea. After five centuries of foreign rule, the Hellenic people of the islands not only survived occupation, but retained their heritage, ethnicity and religion, as well.

The Federation is a link between the many Dodecanese societies in North America and current residents of the Dodecanese Islands of Greece. More than 40,000 people of Dodecanesian descent live in the New York City area and contribute significantly to our community and economy.

The Dodecanese Federation was formed in New York in the 1920s and played a major role in the struggle for the liberation of the Islands. They joined in the celebration when, on February 10, 1947, the Paris Peace Treaty was signed, reuniting the Dodecanese Islands with the Greek mainland. The text of the Treaty states in part, "Italy hereby cedes to Greece in full sovereignty the Dodecanese Islands indicated thereafter, namely Stampalia, Rhodes, Calki, Scarpanto, Casos, Piscopis, Misiros, Calimnos, Leros, Patmos, Lipsos, Simi, Cos, and Castelorizo, as well as the adjacent islets." Greece ratified the Paris Treaty on October 22, 1947; formal reunification occurred on March 7, 1948.

Today, the Federation is devoted to supporting Hellenic-American relations and culture with a broad range of programs. Additionally, many of the Federation's member organizations have educational, cultural, and festival activities that promote and enrich the Hellenic community in the United States.

Mr. Speaker, as the founder and co-chairperson of the Congressional Caucus on Hellenic Issues, I ask that my distinguished colleagues join me in paying tribute to the heroes of the long struggle for Dodecanesian independence. The Federation of Dodecanese Societies of America and Canada deserve our continuing respect, admiration and support.

Zeto E Eleftheria! (Long Live Freedom!)

IN RECOGNITION OF JAMES AND VELMA CLEMENTS

HON. MIKE ROGERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 12, 2004

Mr. ROGERS of Alabama. Mr. Speaker, I rise today to pay tribute to a very special occasion: the 75th wedding anniversary of James and Velma Clements. This event will take place on March 30, 2004, but the Clements family is celebrating the event on March 20, 2004.

James Allen Clements was born in 1906 in Oneota, Alabama. He served in the Navy during World War II and worked at Fort McClellan, Alabama, as a carpenter. Velma Harris Clements was born on March 27, 1910, in Cleburne County, Alabama, and worked at the Linen Thread Company in Blue Mountain, Alabama. Mr. and Mrs. Clements were married on March 30, 1929. They have three daughters and sons-in-law, 11 grandchildren, 23 great grandchildren, and three great great grandchildren.

James and Velma Clements joined Edgewood C.M. Church of Anniston, Alabama, on July 10, 1934. On March 20, 2004, a reception will be held there in honor of their 75th wedding anniversary. I salute this lovely couple on the 75th year of their life together and join their family in honoring them on this special occasion.

RULES COMMITTEE ANNOUNCEMENT BY CHAIRMAN DAVID DREIER ON THE AMENDMENT PROCESS FOR CONSIDERATION OF H.R. 1375—FINANCIAL SERVICES REGULATORY RELIEF ACT OF 2003

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 12, 2004

Mr. DREIER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute for the purpose of making an announcement.

The Rules Committee may meet the week of March 15 to grant a rule which could limit the amendment process for floor consideration of H.R. 1375, the Financial Services Regulatory Relief Act of 2003. The Committee on Financial Services filed its report with the House on June 12, 2003, and the Committee on the Judiciary filed its report with the House on July 14, 2003.

Any Member wishing to offer an amendment should submit 55 copies of the amendment and one copy of a brief explanation of the amendment to the Rules Committee in room H–312 of the Capitol by 10 a.m. on Wednesday, March 17. Members should draft their amendments to the text of the bill as reported on July 14, 2003.

Members should use the Office of Legislative Counsel to ensure that their amendments are drafted in the most appropriate format. Members are also advised to check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

CONGRATULATING EAST BRUNSWICK HIGH SCHOOL'S WE THE PEOPLE TEAM

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 12, 2004

Mr. HOLT. Mr. Speaker, starting on May 1st, 2004, students from across the United States will arrive in Washington, D.C. in order to participate in the national finals of We the People: The Citizen and the Constitution, which is an extraordinary civic education program developed to educate American youth about the U.S. Constitution and Bill of Rights. By act of Congress, We the People is funded by the U.S. Department of Education, and administered by the Center for Civic Education.

It is with great pleasure that I announce that the class from East Brunswick High School will represent the State of New Jersey in this prestigious national event. These bright and dedicated students, through their extensive knowledge of the U.S. Constitution and superb reasoning and speaking skills, won their statewide competition and earned the chance to come to our Nation's capital and compete at the national level. I congratulate them, and I am confident that the students of East Brunswick High School will do a fine job of showing the Nation the very best that New Jersey has to offer.

Mr. Speaker, over a 3-day period, the We the People national Final Competition will test the abilities of the students in hearings, which are modeled after those actually held in the U.S. Congress. Through the We the People program, students are given an opportunity to demonstrate their knowledge before a panel of constitutional scholars, judges, lawyers, and journalists, while they evaluate, and defend positions on relevant historical and contemporary issues. Testimony will be followed by questions designed to examine the students' knowledge and implementation of constitutional concepts, as well as their ability to apply that knowledge. This is an opportunity of a lifetime for these students to receive proper recognition for their hard work.

We the People has been shown to be a very effective measure in combating the important problems of apathy and cynicism in our Nation's youth. I can think of no better

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

way of stimulating interest in government than total immersion in it. Nowhere else can these students learn more about their government than here in our Nation's capital. Many independent evaluations have validated the effectiveness of the program's ability to impress a positive attitude upon students about civic matters.

I ask my colleagues to join me in sending best wishes to all the participants at the We the People national finals, as well as in all their future endeavors, and applaud their achievement. Programs like We the People keep the thirst for knowledge alive in our youth. Our democracy is only as effective as those who choose to take part in it, and We the People will ensure that generations to come will make that choice. Our Nation should be proud that they are dedicated to learning and advocating the fundamental ideals and principles that define us as Americans and bind us together as a Nation.

PROTECTING AMERICA'S NATIONAL SECURITY

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 12, 2004

Mr. TAUZIN. Mr. Speaker, today, I introduce legislation to protect America's national security. My bill prohibits foreign governments from controlling or owning U.S. communications networks. This is not a new concept. It has been the law for more than fifty years, but the Federal Communications Commission has failed to enforce it in recent years.

Let me be clear from the onset—this bill places ownership and control restrictions on foreign governments, not on companies, which simply happen to be foreign. This distinction is important, and we must recognize the realities of the world we live in. Foreign government interests are not always our own, just as our interests will, at times, vary from theirs. If we do not protect our interests, no one else will either—which leaves a massive security vulnerability when it comes to communications.

For example, most people are not aware that nearly half of the U.S. video distribution runs over a satellite network controlled by a foreign government, Luxembourg. That same government opposed the U.S. led coalition in Iraq and was one of the few nations which wanted to throw NATO out of Europe. So I ask, is it really a good idea to put those satellite links under foreign government control, especially when those very links are used to distribute our nation's news? Whether it is the recent blackout or 9–11, we all know the panic created when we are cut off—no information coming in, and no information going out. We are an information-based society, and when access to information is compromised, our security is compromised.

Another concern is the vast amount of U.S. military communications in the Gulf region, which rely upon satellite networks controlled by foreign government. The Wall Street Journal reported on September 9, 2003, that Eutelsat, and I quote, "snared much of the extra business to help U.S. forces conduct surveillance and battlefield operations in Iraq." The article went on to say "Some company officials say the deal is a big reason Eutelsat's financial results have been stronger than those of its competitors, accounting for nearly 10 percent of total revenues."

For those not familiar with Eutelsat, it is a conglomeration of multiple government-owned phone companies, with its headquarters in Paris. Some of Eutelsat's government owners have been some of our closest allies for decades, yet when it came to Iraq, we parted ways. It seems to me that it is not prudent policy to allow our lines of communications to be controlled by even our closest friends, because even the closest friends may, at times, have differing opinions and interests. Furthermore, the satellite market is in tough shape right now. I find it difficult to understand why we support a corporation that is controlled by a foreign government to the detriment of U.S. providers.

For several years, I have expressed serious reservations about the Federal Communications Commission's enforcement of foreign government ownership restrictions under Section 310 of the Communications Act. I repeatedly pointed out that companies controlled by foreign governments are too often controlled by considerations other than those of the competitive marketplace. Notwithstanding my concerns, the Commission has repeatedly approved foreign government acquisitions of U.S. licenses.

In view of the clear differences between the Congress and members of the Commission about the meaning and application of Section 310, I requested that the Commission conduct a "vigorous review" of the proposed acquisition of GE Americom by SES-Astra. In the end, the acquisition was treated as such a routine matter that it was approved at the staff level. We have laws on our books which restrict such acquisitions, yet a merger involving a foreign government is more easily approved, and with fewer conditions, than most U.S. mergers. After approving the application, the Commission staff subsequently "found" SES-Astra had not divulged the full extent of foreign control in the company. Even then, the Commission still allowed the staff approval to stand.

Accordingly, I am introducing this legislation to make clear, in no uncertain terms, that foreign governments, directly or indirectly, are specifically prohibited from owning or controlling U.S. communications networks. This legislation does not break new ground. It simply preserves and clarifies current law, stating that we will never place our lines of communications in a position where they can be compromised by foreign governments.

I urge my colleagues to support this measure.

IN RECOGNITION OF DR. ALAN J. FRIEDMAN'S TWENTY YEARS OF SERVICE TO THE NEW YORK HALL OF SCIENCE

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 12, 2004

Mrs. MALONEY. Mr. Speaker, I rise to honor the New York Hall of Science and its distinguished leader, Dr. Alan Friedman. On March 18, 2004, the Hall will celebrate Dr. Friedman's twenty years of outstanding service to the New York community. Dr. Friedman is largely responsible for the development of the New York Hall of Science as a destination for visitors and a world class center for the training of science teachers.

Dr. Friedman turned—quite literally—an empty shell of a building into one of the world's most enjoyable centers for science education. Under Dr. Friedman's leadership, the Hall has received national recognition for its efforts to encourage new technologies, to evaluate the effectiveness of informal science teaching and to develop new strategies for training science teachers. This fall, the Hall of Science will open an expansion of its facilities, which will double its exhibition space and allow for increased enrollment in its educational programs.

Dr. Friedman's efforts to make science education fun and interactive have been highly influential in the academic community, and have enriched the lives of a great many young people. At a time when many feel that America's commitment to science education has faltered, Dr. Friedman has been a pioneer in furthering our children's understanding of both the history of science and recent breakthroughs in scientific research.

Indeed, the New York Times editorial page celebrated Dr. Friedman's contributions, saying:

> New Yorkers of a certain age will recall the Museum of Science and Industry in the Daily News Building and later in Rockefeller Center. It folded. Boomers will recall the New York Hall of Science at the 1964 World's Fair. That one was shuttered in 1979. Its building languished until 1984, when the city hired the physicist Alan Friedman and pumped in funds to bring it back to life. That he has done, with innovative educational programs and strong links both to city schoolchildren and their teachers.

Dr. Friedman is the recipient of the American Association for the Advancement of Science's AAAS Award for Public Understanding of Science and Technology. He is a Fellow of the AAAS, the New York Academy of Sciences and the Association of Science-Technology Centers.

Alan Friedman truly exemplifies the tradition of civic involvement that makes America the greatest nation in the world. Dr. Friedman and the New York Hall of Science deserve our respect, admiration and support.

Mr. Speaker, I request that my colleagues join me in paying tribute to this wonderful organization and its director, Dr. Alan Friedman.

HOUSE OF REPRESENTATIVES—*Tuesday, March 16, 2004*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. CHOCOLA).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 16, 2004.

I hereby appoint the Honorable CHRIS CHOCOLA to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

THE REAL WINNER OF THE SPANISH ELECTIONS

Mr. STEARNS. Mr. Speaker, I am here this morning to talk about the recent tragedy in Spain. The real winner in the Spanish general elections was not the Socialist Party or its new Prime Minister or the Spanish people. The real winners were the terrorists who murdered 201 and wounded over 1,500 Spaniards.

The results in Spain's general elections, in which Prime Minister Jose Maria Aznar's party was defeated while the antiwar Socialist Party came to power after 8 years out of office, can be almost entirely attributed to the devastating terrorist attacks just 3 days before.

Is it a stretch to credit these terrorists with winning the election? Consider this: The day before the train bombings, Aznar's party was predicted to win comfortably. A mere 3 days and a changed nation later, the Socialist Party, whose main election year promise was to pull the Spanish troops out of Iraq, won by 5 percentage points.

It was an incredible change in just 72 hours. All it took was a note from people claiming to be al Qaeda saying they were responsible for the bombing. Prime Minister Aznar was blamed by his countrymen for the bombings, which they linked to his strong support of the war in Iraq. Now the newly elected Spanish Prime Minister is poised to withdraw Spain's 1,300 soldiers in Iraq.

Spain is not the only country under retribution for fighting against terror. Pakistan's President General Musharraf confirmed yesterday that al Qaeda was behind two assassination attempts against him in December.

Mr. Speaker, we have reached a critical moment in the international war on terror. Al Qaeda has long threatened to attack any country that dares to help us. But now a true and valued ally has been hit, and they have chosen to withdraw from the coalition of the willing.

We extend our sympathies and hand in friendship to the people in Spain, but we must realize that the surest way to encourage terrorism is to let terrorists think that their bombs will make us do their bidding. Retreat will result in more terrorism, not less. Appeasement begets more appeasement, which leads to war. We can either abdicate our responsibilities or face these terrorists with steely resolve.

The Spaniards have their reasons for voting out the Aznar government. They have experienced a shocking ordeal and they responded the only way they knew how in the short time they were given. But the people of America also had to vote against terrorist attacks with a threat of war approaching. In November 2003, the American people stood up to thugs like Osama bin Laden and Saddam Hussein and defied off-year election history by choosing Members of Congress from the President's party who supported our war against terrorism.

Mr. Speaker, the fact of the matter is that al Qaeda is an enemy of us and Western civilization, not just against our allies in the war who are fighting terror. In the international alignment of us versus them, the opponents are not the coalition of the willing or, quote, Old Europe, not warriors or pacifists. The two sides are tyranny and democracy. Al Qaeda's mission is not about particular countries; its hate transcends borders. As cited by David Brooks in the New York Times today, quote, "You love life and we love death," unquote, the purported terrorist said in the videotape found in Madrid.

We are distinguished not by nationality but that we choose freedom and the rule of law and the terrorists choose rule by force. We resolve our disputes at the ballot box, they with bombs.

Furthermore, just because a country does not back the war in Iraq does not mean that it is safe from terror either. Of Spain itself, Osama bin Laden himself said long ago about Spain, modern Spain was al Qaeda's enemy because in 1492 the Spaniards removed all Muslims from their country. But also Osama bin Laden named Canada as one of al Qaeda's enemies, even though our northern neighbor has been especially vocal in opposing intervention in Iraq. Turkey refused to let us invade Iraq from its territory but it, too, suffered terrorist attacks anyway.

Mr. Speaker, these terrorists may use the excuse of Iraq to justify their massacre of innocents, but the fact of the matter is that their groups and these groups like al Qaeda are irrational and remorseless. They are barbarians and their only goal is the death of the West. For we, the freedom-loving people, appeasement, capitulation, and negotiation with terrorists are not options. How the civilized world responds to this challenge will determine the future of our society.

IRRESPONSIBILITY WEEK

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Maryland (Mr. HOYER) is recognized during morning hour debates.

Mr. HOYER. Mr. Speaker, one week ago today, the majority leader, the gentleman from Texas (Mr. DELAY), told the Members of this body and the national television audience watching C–SPAN, and I quote, "It is responsibility week here in the House." "It is responsibility week here in the House."

Well, Mr. Speaker, the majority leader was only half right. Last week indeed was responsibility week, but the real responsibility was being exercised not here in this House but on the other side of Capitol Hill.

While we named post office buildings, honored professional sports teams, and passed legislative solutions in search of national problems, the other Chamber adopted a bipartisan pay-as-you-go measure that repudiates the central fiction of the Republican Party's fuzzy math: that we can somehow reign in record budget deficits created by the

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Bush administration and the Republican-controlled Congress while ignoring the consequences of tax cuts.

Do not take it from me, my Republican friends.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair must remind all Members not to characterize the actions of the Senate.

Mr. HOYER. Mr. Speaker, as responsible?

The SPEAKER pro tempore. Either way.

Mr. HOYER. Mr. Speaker, do not take it from me, my Republican friends, listen to a respected Member of your own party, the chairman of the Committee on Appropriations, the gentleman from Florida (Mr. YOUNG.) In February Chairman YOUNG said, and I quote, "No one should expect a significant deficit reduction as a result of austere nondefense discretionary spending limits. The numbers simply do not add up." So said the gentleman from Florida (Mr. YOUNG), chairman of the Committee on Appropriations, one of the most respected Members of this body.

And why do not the numbers add up? Because nondefense discretionary spending represents only 17 percent of the entire Federal budget. The fact of the matter is we could wipe out all domestic discretionary spending, the funding for this House, the funding for the Senate, FBI, CIA, NIH, NASA, all of that. If you wipe it all out, we would still be running a deficit of more than $100 billion.

Yet this week the Republican majority continues its markup of a budget resolution for fiscal year 2005 that utterly ignores mathematical and fiscal reality. By applying pay-go rules to spending only, the Republican budget resolution pretends that making existing tax cuts permanent or enacting new ones are a freebie with no budgetary impact. But, of course, that is false. And if one said it, it might even be a lie.

The truth is this Republican budget resolution cuts taxes while spending the entire $1 trillion Social Security surplus between fiscal year 2005 and 2009. All of it. Every nickel of Social Security surplus, spent. And it would continue to do so in subsequent years.

The truth is the Republican budget resolution would make our deficits $247 billion worse over the next 5 years under current law. And over 10 years it would increase the deficit, already projected by the Congressional Budget Office at $2 trillion, by another $1.6 trillion.

There are a lot of young people who are going to pay the price for our profligacy and irresponsibility. Indeed, this budget resolution proposal, as has the economic policies of this administration, been immoral to the extent that they adversely affect generations to come. And the truth is this budget resolution would freeze funding for domestic appropriations outside of Homeland Security to make room, not for defense, not for homeland security, but for new tax cuts.

For years House Republicans preened as, quote, deficit hawks. Some even suggested that tax cuts are not in fact sacrosanct. For example, in 1997 the majority leader himself, the gentleman from Texas (Mr. DELAY) who I quoted earlier, said of Jack Kemp, you all remember Jack Kemp, he served in this body, a member of the Committee on Appropriations, candidate for Vice President of the United States, he quoted and he said the gentleman from Texas (Mr. DELAY) said this: "Jack Kemp worships at the altar of tax cuts. Jack has always said that deficits do not matter."

Now, this is the gentleman from Texas (Mr. DELAY) the majority leader, the Republican leader of this House. He concluded by saying, quote, "We think that deficits do matter."

What a tragedy for our country and for our young people that the policies do not follow that conviction. My Republican friends, this week and next you are going to show the American people whether you are really serious about reducing the deficit you created or whether you are simply taking it and lack the courage to make the tough choices.

Now, when I say the deficit of your creation, let me remind all of our colleagues the first 4 years took us on a straight line out of deficit financing and the last 4 years, for the first time in 8 decades, in the lifetime of anybody older than 80, was in surplus for 4 years straight. So this administration inherited a budget surplus which they said, not what we Democrats said, which they said was $5.6 trillion surplus over 10 years that they had to work with. It is now $4 trillion of debt. That is what I refer to as immoral.

As Republican Senator JOHN MCCAIN said last week in supporting pay-go rules that apply to existing as well as future tax cuts, and I will quote again, Senator JOHN MCCAIN.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. If the gentleman will suspend. The Chair must remind Members not to quote Senators.

PARLIAMENTARY INQUIRY

Mr. HOYER. Mr. Speaker, parliamentary inquiry. While I cannot characterize the debate that occurs on the other side or characterize the position of the Senate itself, is the Parliamentarian or is the Speaker saying that the quoting of a Member who happens to be a Member of the United States Senate is contrary to the rules of this House?

The SPEAKER pro tempore. That is correct. The gentleman may be identified as a sponsor of a measure but his remarks may not be quoted.

Mr. HOYER. Mr. Speaker, let me say to my friends that a prominent American has said recently that our failure to start making some of the tough decisions will land squarely on the backs of our children and grandchildren.

□ 1245

Their financial future will be strapped with the digging out of holes that have been created by our actions and inactions. I agree with that sentiment, and let me add that our failure to make the tough decisions also threatens the very future of Social Security and Medicare, two programs which now keep millions and millions and millions of Americans out of poverty.

Next week, Democrats will propose a budget plan that meets America's priorities and gets our financial house back in order. I urge all of my colleagues to support it because it is intellectually the right thing to do. From a fiscal policy, it is the right thing to do, and from a moral values, pro-family perspective, it is the right thing to do. It is time we delivered real responsibility this week to the American public.

SAVE SOCIAL SECURITY

The SPEAKER pro tempore (Mr. CHOCOLA). Pursuant to the order of the House of January 20, 2004, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I think it is time for Congress and the President to be responsible. I object to the suggestion that somehow government can control the economy and decide whether it is a strong economy or there is good job growth. Government gets in the way every time.

Let me suggest this, Mr. Speaker. If the best possible economic advisors could simply be taken to governments around the world, and with their advice the economy would be strong, job growth would be strong, every country in the world would hire the best possible economists to have a strong economy. The fact is we have a cyclical situation, and for the last several years we have had a worldwide slump in the economy. Europe is even having a more dangerous downturn. In terms of doing some of the things that we should do, and I would suggest, Mr. Speaker, that is government getting out of the way and not imposing rules and regulations and taxes that put our businesses at a competitive disadvantage to other businesses throughout the world. We should not be taxing our business in the United States 20 percent more than what other countries, our competitors, are charging their business. It means that we should not have all of these overzealous regulations to impose extra costs on our business that other countries do not have.

The challenge for our kids and our grandkids is going to be huge. Overspending is part of that problem; but not dealing with the unfunded liabilities, not dealing with some of the huge challenges that are going to be faced by our kids and our grandkids is another area where Congress and the White House need to consider.

I would like to bring to mind Social Security. We have known for the last 14 years that Social Security was facing tough times. We passed a Social Security Reform Act from the Greenspan Commission in 1983. We dramatically increased the taxes and reduced benefits. I bring this chart to the floor, Mr. Speaker, because I want to call to everyone's attention the danger of not doing something in this House and in the Senate and in the White House to correct the Social Security problem.

Social Security is going broke. I just read an article, that it is no big deal because Social Security is not going to become insolvent technically until 2036, because that is how much money is in the trust funds; and if we pay that money back that government has borrowed, then there will not be any problem. But here is the problem and here is the situation, and we are looking for the actuary Social Security Commission report to come out next week.

We are looking at a situation where by 2017 there will be less money coming in from Social Security taxes than is needed to pay benefits. What do we do then? We have got these IOUs that government has taken some of this extra money and spent it for other government expenditures; but that means we have either got to borrow more money or reduce benefits or increase taxes. I just want to report to my colleagues what government has done in the past.

We started out with a Social Security tax of 1 percent on payroll. By 1940, we decided that was not quite enough money; we raised it to 2 percent on the first $3,000. By 1960, we were short of money again. We decided to raise that tax again to 6 percent on the first $4,800. By 1980, we raised it again to 10.16 percent on the first $25,900. In the year 2000, 12.4 percent on the first $76,000. Now it is 12.4 percent on $89,000.

So the dangers of doing nothing is that we increase taxes or reduce benefits. So I plead with my colleagues, stand up and do what is right. Do not demagogue somebody's suggestion of a bill by saying that person is going to ruin your Social Security so do not elect them.

I would call, Mr. Speaker, on every voter at every chance they have to go to a forum of individuals running for Congress or for the Presidency, and ask what bill have they offered or signed on to that is going to make sure that Social Security stays solvent.

I have done this since I first came to Congress 12 years ago, all scored by the Social Security Administration to keep Social Security solvent. I chaired a bipartisan Social Security task force of Republicans and Democrats. By the time we spent a year studying the problem, we all agreed that we needed to do something very quickly.

Mr. Speaker, I call on the White House, the President, and Members of the House and the Senate to move ahead to make sure we save this important program.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Members are reminded to direct their comments to the Chair and not to others outside the Chamber.

BIBLICAL PRINCIPLES BEHIND THE BUDGET

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Washington (Mr. McDERMOTT) is recognized during morning hour debates for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, my colleague from Maryland has talked about the budget that was supposed to come out this week, but is now apparently languishing someplace in the back room on the Republican side. The problem apparently is that some want to spend money and some do not, and they cannot agree among themselves and there is going to have to be some twisting and turning before it all happens.

So while we are in that period of waiting for them, I thought that since many in this House have begun to show an interest in Biblical principles on which this country should be run, and certainly on which the government of the United States should operate, I thought it would be good to talk about the Biblical principles behind the budget.

There are a lot of people who want to talk about the Christian teaching and so forth, as though it were an issue of right and wrong and those kinds of things, but if we look carefully at what went on in the New Testament, certainly there is an awful lot of talk about social justice.

There was a day when Christ brought all the people to the mountain and said, I am going to give you a little talk here; it is called the Sermon on the Mount. It is in Matthew 25, for those of my colleagues who have a Bible and read it on a regular basis. They might go and read it. Sort of the latter part of that chapter they will find the instructions that Jesus gave to the people.

A budget is how a society makes a statement about what it really cares about. If we spend our money on military, well that is clearly what we care about. If we spend our money on education, that is another kind of priority. So as the House gets ready to write a budget, we are going to set the priorities of this body for this country for the next year.

Christ started out by talking about feeding people. He said, when somebody's hungry, feed them because when you do that, you feed them in my name. He made it a Biblical priority to do this. Nobody should be hungry. All we have to do is look in this country and look at the problems we have in obesity and all the other things, and we see that this country has problems with nutrition, and certainly the rest of the world does.

There is no problem with food in the world. We make enough. We grow enough. It is a matter of distribution. Maybe the priorities should be for a little bit more to USAID so that they can spread food across the world in places where people are hungry, rather than selling them arms. I mean, USAID is supposed to be an aid organization, and one would think that they would aid people in what they really need. Do they need to sell them arms, or do they need to get food to them?

Another thing is housing. Christ talked about the fact that some people were homeless. I mean, that word's right there in the Bible, and in this country we have many homeless people. I live in a city where there are so many homeless families that we have one school that is designated as the school where the homeless kids are all brought. From all the shelters all over the city, they are picked up by buses and brought to one school. The city of Seattle has institutionalized an acceptance of homelessness. What has happened in housing since 1980 to today is stupendous. We have spent practically nothing in housing over the 15 years that I have been in the Congress. It was once $40 billion in the budget. Now it is down somewhere under $10 billion, and we have homeless all over this country.

We have got plenty of money to put up a nuclear missile shield. I do not remember that being in the Sermon on the Mount. I cannot remember if He said you were supposed to put a nuclear missile shield or build bigger arms or what it was. No, of course, He did not. He talked about the homeless. If we want a Biblical perspective on this State and this country and this body, we ought to think about what Christ actually said.

He also talked about clothing people. There should not be any problem with anybody not having warm clothes, and we should not have people freezing to death and all these kinds of things that happen in the world; but, no, we have to build arms.

Then healing, the President talks about universal health care for Iraq, but not for the United States.

Put the budget together on the basis of the principles of the Bible, and I will vote for it.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 12 o'clock and 58 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. EMERSON) at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

The fool, the terrorist, says in his heart, "There is no God." Blinded by anger and deafened by a cause, his deeds are corrupt and depraved. Because there is only emptiness inside, innocence and goodness need to be destroyed.

From heaven You look down, O Lord, on all humanity's children. You seek out those who are wise; love those who seek You; and become the refuge of the just.

Will evil doers ever come to understand? They slaughter Your people like animals and devour Your heirs like bread. They cannot pray to a living God.

They mock the poor man's hope and with explosives create only fear.

But we will persevere in our living and saving faith. We know that You, O Lord, will deliver Your people from bondage. And when there is peace we will rejoice and gather Jew, Christian and Muslim together to give You glory forever and ever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Pennsylvania (Mr. PITTS) come forward and lead the House in the Pledge of Allegiance.

Mr. PITTS led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed bills and a concurrent resolution of the following titles in which the concurrence of the House is requested:

S. 1904. An act to designate the United States courthouse located at 400 North Miami Avenue in Miami, Florida, as the "Wilkie D. Ferguson, Jr. United States Courthouse".

S. 2022. An act to designate the Federal building located at 250 West Cherry Street in Carbondale, Illinois the "Senator Paul Simon Federal Building".

S. 2043. An act to designate a Federal building in Harrisburg, Pennsylvania, as the "Ronald Reagan Federal Building".

S. Con. Res. 95. Concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

IRAQ ONE YEAR LATER

(Mr. DELAY asked and was given permission to address the House for 1 minute.)

Mr. DELAY. Madam Speaker, one year after the beginning of Operation Iraqi Freedom, our mission in Iraq has been an unqualified success. Saddam Hussein's regime is no more. Its senior officials are in prison, and the people of Iraq have been liberated. An interim constitution, one of the most progressive in the Middle East, has been signed. Free elections and self-determination are on their way. Americans and Iraqis and free people the world over are reaping the benefits of regime change in Baghdad. There is no "yes, but" in this calculation, Madam Speaker.

The world is at war and whether we want to be a part of it or not, we are a target. Our freedom is a target. Our prosperity is a target. We are hated by our enemies, not for any strategic or diplomatic reason but for issues of culture, religious extremism and ideology. No amount of appeasement or international hand-holding will end this threat. The only thing that will is making relentless war on our enemies, on every front and with every weapon available to us, until the last terrorist on earth is either in a cell or in a cemetery.

Our intervention and victory in Iraq have been absolute goods for mankind and for mankind's war against terror. Those who supported our action were right, and those who opposed us were wrong.

This week, Madam Speaker, the House will take up a resolution commemorating the first anniversary of Operation Iraqi Freedom, acknowledging its success and commending the Iraqi people on their hopeful march to freedom. This resolution, this opportunity to restate the United States' commitment to winning the war on terror, is all the more important for its timing, coming only days after the largest terrorist attack in Spanish history.

Madam Speaker, last week's violence reminded us all that the world is still at war, whether it feels like it every day or not, and the only way to win the war on terror is to remain vigilant in its execution. This week, we will have an opportunity to reaffirm our support for our troops, for our victories and for the liberated people of Afghanistan and Iraq.

I encourage everyone to read the resolution, put politics aside, and work towards its unanimous approval.

TRAGEDY IN SPAIN SHOULD REINFORCE OUR RESOLVE

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Madam Speaker, what happened in Spain last week was a tragedy of the highest proportion. Our deepest condolences go out to the families who lost loved ones in that devastating attack. And we continue to stand with Spain in finding those responsible for this heinous attack. But I am troubled by the results of the weekend's election. The results of the election were influenced not by debate and campaigns but by bombs and terror. The message is that terrorists can control elections and policy with fear. Until now, Spain's leadership has understood that a peaceful, democratic Iraq would be a deathblow to terrorists around the world. Success in Iraq is success in the war on terror. The American people understand that as well. That is why they boycotted countries that sided with Saddam Hussein. I hope that Americans will not start dumping Spanish wine or changing travel plans or boycotting Spanish goods in protest, but if Spain withdraws its troops from Iraq, the message will be, terrorism works.

Fear and intimidation is the native language of terrorists. They only understand strength. Anything less does not pacify them. It only encourages them.

THE CAMPAIGN FOR PRESIDENT

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Madam Speaker, last week the leading Democrat Presidential nominee called the Bush administration a bunch of crooks and liars. Not one single Democrat stood up to say, "Mr. KERRY, you've gone too far." An apology is in order.

And now this week the quote of the month was that he is saying that leading international leaders are asking him to become President of the United States, saying that you, quote, have to beat this guy. I am sure that was the case a year ago when Saddam Hussein was the leader of Iraq. I am sure he would prefer somebody besides George Bush in the White House. And I am sure the same thing could be said in Afghanistan with the Taliban and Mullah Omar. I am sure they would prefer somebody besides George Bush in the White House.

But the ridiculous thing is that here we are at war. And while we have a candidate from the Democrat side who wants to call the President of the United States a crook and a liar, do you not think it is a slap in the face to the troops to be saying that then the foreign international leaders want somebody else to be President, they want me to be President? Of course it is ironic when asked who these were, no names came forward. What meetings has he attended? None are on his calendar. What trips has he taken? None since 2002. I guess it is just going to be a year of hot rhetoric until Bush gets reelected.

INTELLECTUAL PROPERTY LEGISLATION PASSES HOUSE

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute.)

Mr. SMITH of Texas. Madam Speaker, three intellectual property bills have passed the House in the last 2 weeks. They were based on two principles essential to a democracy: the protection of intellectual property rights and the freedom to exchange goods and services in the marketplace. The Patent and Trademark Office Fee Act protects the rights of American inventors, from the lone individual working in their garage, to the small business person with a breakthrough idea, to the large high-tech company that applies for hundreds of patents. The Copyright Royalty and Distribution Reform Act benefits artists, songwriters, music publishers and Web casters. The Cooperative Research and Technology Enhancement Act allows researchers and inventors who work for different organizations to share information without losing the ability to file for a patent.

These three bills await action in the Senate where I hope they will become law. American jobs and profits are at stake.

AUTHORIZING USE OF CAPITOL ROTUNDA BY JOINT CONGRESSIONAL COMMITTEE ON INAUGURAL CEREMONIES

Mr. NEY. Madam Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 93) authorizing the use of the rotunda of the Capitol by the Joint Congressional Committee on Inaugural Ceremonies, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 93

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. USE OF THE ROTUNDA OF THE CAPITOL BY THE JOINT CONGRESSIONAL COMMITTEE ON INAUGURAL CEREMONIES.

The rotunda of the United States Capitol is authorized to be used on January 20, 2005, by the Joint Congressional Committee on Inaugural Ceremonies in connection with the proceedings and ceremonies conducted for the inauguration of the President-elect and the Vice President-elect of the United States.

Mr. LARSON of Connecticut. Madam Speaker, I support S. Con. Res. 93, which authorizes planning for the use of the Capitol Rotunda on January 20, 2005, for the proceedings and ceremonies conducted for the inauguration of the President and Vice President of the United States. We traditionally pass this measure to begin the period of security planning and rehearsal for the inaugural, since the Rotunda is routinely used for ceremonial purposes during the inauguration and could host the event itself, depending on the weather at that time.

The 108th Congress does not formally authorize use of the Rotunda through this measure, since it will expire on January 3, 2005, like all concurrent resolutions which are not made part of permanent law and must be renewed in the 109th Congress. However, it initiates the period of pre-event planning necessary to bring one of our democracy's most memorable and historic ceremonies to fruition smoothly and safely. I urge its adoption.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of S. Con. Res. 93, the Senate concurrent resolution just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ESTABLISHING JOINT CONGRESSIONAL COMMITTEE ON INAUGURAL CEREMONIES

Mr. NEY. Madam Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 94) establishing the Joint Congressional Committee on Inaugural Ceremonies, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON RES. 94

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. ESTABLISHMENT OF JOINT COMMITTEE.

There is established a Joint Congressional Committee on Inaugural Ceremonies (in this resolution referred to as the "joint committee"), consisting of 3 Senators and 3 Members of the House of Representatives appointed by the President of the Senate and the Speaker of the House of Representatives, respectively. The joint committee is authorized to make the necessary arrangements for the inauguration of the President-elect and the Vice President-elect of the United States.

SEC. 2. SUPPORT OF THE JOINT COMMITTEE.

The joint committee—

(1) is authorized to utilize appropriate equipment and the services of appropriate personnel of departments and agencies of the Federal Government, under arrangements between the joint committee and the heads of the departments and agencies, in connection with the inaugural proceedings and ceremonies; and

(2) may accept gifts and donations of goods and services to carry out its responsibilities.

Mr. LARSON of Connecticut. Madam Speaker, I rise in support of S. Con. Res. 94, the traditional measure which establishes the Joint Congressional Committee on Inaugural Ceremonies during the 108th Congress to begin work on preparations for the presidential inaugural ceremonies at the Capitol on January 20, 2005. The joint committee we are creating today expires on January 3, 2005, but will be renewed at the start of the 109th Congress to conclude its work.

Congress routinely passes this concurrent resolution every 4 years at about this time. The Speaker, majority leader and minority leader are customarily appointed by the Speaker to represent the House on the joint committee.

I urge adoption of the concurrent resolution.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of S. Con. Res. 94, the Senate concurrent resolution just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

APPOINTMENT OF MEMBERS TO JOINT CONGRESSIONAL COMMITTEE ON INAUGURAL CEREMONIES

The SPEAKER pro tempore. Pursuant to Senate Concurrent Resolution 94, 108th Congress, and the order of the House of December 8, 2003, the Chair announces the Speaker's appointment of the following Members of the House to the Joint Congressional Committee on Inaugural Ceremonies:

Mr. HASTERT, Illinois;
Mr. DELAY, Texas;
Ms. PELOSI, California.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 15, 2004.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on March 15, 2004, at 9:25 a.m.:

That the Senate passed without amendment H.R. 3724.

That the Senate agreed to House amendment S. 1881.

With best wishes, I am
Sincerely,
JEFF TRANDAHL,
Clerk.

RESIGNATION AS MEMBER AND APPOINTMENT OF MEMBER TO BOARD OF VISITORS TO UNITED STATES AIR FORCE ACADEMY

The SPEAKER pro tempore laid before the House the following resignation from the Board of Visitors to the United States Air Force Academy:

HOUSE OF REPRESENTATIVES,
Washington, DC, January 30, 2004.

Hon. J. DENNIS HASTERT,
Speaker of the House, House of Representatives,
The Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to respectfully submit my resignation effective today from the Board of Visitors of the United States Air Force Academy.

It has been an honor and a privilege to represent you, the United States Congress and the House Appropriations Committee on the Board. Unfortunately, with my responsibilities as Chairman of the Appropriations Committee, I have found it increasingly difficult to attend the Board meetings. Therefore, and after much thought, I have decided to resign my position so that you can appoint another member of the Committee who has more available time to devote more attention to this important Board.

The Air Force Academy is an outstanding institution and the Congressional oversight provided by the members you appoint to the Board is very important to its mission of training the finest Air Force officers in the world. Thank you again for the opportunity you have given me to serve on the Board.

With best wishes and personal regards, I am

Very truly yours,
C.W. BILL YOUNG,
Member of Congress.

The SPEAKER pro tempore. Pursuant to 10 U.S.C. 9355(a) and the order of the House of December 8, 2003, the Chair announces the Speaker's appointment of the following Member of the House to the Board of Visitors to the United States Air Force Academy to fill the existing vacancy thereon:

Ms. GRANGER, Texas.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken after 6:30 p.m. today.

THANKING C-SPAN FOR ITS SERVICE ON 25TH ANNIVERSARY OF ITS FIRST COVERAGE OF PROCEEDINGS OF HOUSE

Mr. NEY. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 551) thanking C-SPAN for its service to the House of Representatives on the 25th anniversary of its first coverage of the proceedings of the House.

The Clerk read as follows:

H. RES. 551

Whereas C-SPAN (Cable-Satellite Public Affairs Network) is a nonprofit educational organization created in 1979 through the vision of Brian Lamb in order to provide live, gavel-to-gavel coverage of the House of Representatives to the American people;

Whereas on March 19, 1979, the House of Representatives turned on its cameras, and for the first time C-SPAN and its staff of just 4 people brought the live proceedings of the House into 3.5 million American homes;

Whereas in 1980, C-SPAN covered its first Presidential election and created one of the first nationwide viewer call-in programs;

Whereas by 1982, C-SPAN's schedule expanded to 24 hours a day, 7 days a week;

Whereas in June 1986, C-SPAN2 was created to broadcast live coverage of the Senate;

Whereas by 1990, C-SPAN broadcast to 50 million American households, and this number expanded to 60 million households just three years later in 1993;

Whereas in January 1997, C-SPAN launched live web coverage of the House and Senate proceedings on the Internet;

Whereas today, C-SPAN has a staff of 275, its around-the-clock programming is available to 86 million households via 7,900 cable systems, and an estimated 28,000,000 people watch C-SPAN each week; and

Whereas while only 51 percent of Americans voted in the 2000 election, surveys show that percentage of regular C-SPAN viewers who voted in the election was 90 percent: Now, therefore, be it

Resolved, That the House of Representatives—

(1) expresses the thanks of the House of Representatives to the Cable-Satellite Public Affairs Network (C-SPAN) for its service to the House on the 25th anniversary of its first coverage of the proceedings of the House;

(2) recognizes that for 25 years C-SPAN has met, and continues to meet each day, its mission of providing the Members of the House with a direct, unfiltered conduit to the American people on whose behalf they go to work every day, and in turn has provided direct access for the American people to their elected officials through call-in and other programs;

(3) recognizes that since its inception 25 years ago, C-SPAN has forever changed the face of American political life, provided tremendous benefits to the American people and their elected officials, and has had a significant positive impact on the American democracy;

(4) expresses its deep gratitude to Brian Lamb and the more than 275 C-SPAN employees who bring the proceedings of the House into the homes of tens of millions of Americans each day; and

(5) commends C-SPAN and its employees for a tremendous 25 years of service to the American people and the Federal Government.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. NEY) and the gentleman from Connecticut (Mr. LARSON) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. NEY).

□ 1415

Mr. NEY. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise here today in support of House Resolution 551, a bill honoring Brian Lamb and C-SPAN's Cable-Satellite Public Affairs Network for 25 years of service to the United States House of Representatives. Obviously, we all know today, Madam Speaker, about the importance of technology and the media in order to get the message out to millions of Americans, and frankly millions of people around the world, of what is occurring here on the floor of the people's House. It is, I think, an important endeavor to be able to use technology, in fact, to bring the people's message into living rooms, again, not only in the United States but around the world. We have watched technology be a great tool of progress, in fact, for this Chamber and for the people, from the electronic voting board that was created under Chairman Wayne Hayes, the late Wayne L. Hayes, who was my Congressman from Belmont County, Ohio, when they automated the electronic voting board to save time in voting. And then we look into the late 1970s; and on March 19, 1979, with a staff of just four employees, C-SPAN first began broadcasting gavel-to-gavel coverage of the proceedings of the House of Representatives to millions of American households. So once again the Chamber was coming into the modern era with the use of technology.

Over the next quarter century, C–SPAN expanded its programming scope to include events and interviews featuring influential politicians, statespeople, scholars, and authors and provides opportunities for viewers to call and express their thoughts on important public policy matters. In addition, C–SPAN2 was created to furnish coverage of the U.S. Senate.

C–SPAN has become an essential tool in our country for fostering civic education and governmental accountability. It is now our turn today, Madam Speaker, and I am happy to be here with the gentleman from Connecticut (Mr. LARSON), our distinguished ranking member, who cares deeply about the institution of the House and also about technology and the openness of the House to make itself available to the American people and to the world. So it is a pleasure to join our ranking member, the gentleman from Connecticut (Mr. LARSON), in honoring C–SPAN's founder, Brian Lamb, for his vision and public spiritedness.

Also, I would be remiss if I did not point out that downstairs is a House recording studio; and at that recording studio, there are employees of the U.S. House who, in fact, operate the cameras and provide the great service that then allows C–SPAN to take the feed from these cameras and to broadcast. So I want to thank our staff of the U.S. House.

But, again, it is a pleasure and an honor to be here today with the gentleman from Connecticut (Mr. LARSON) and my other colleagues who cosponsored this legislation. Such interest in this legislation proves the extent to which C–SPAN has truly become the indispensable institution in our country.

Madam Speaker, I urge full support of House Resolution 551.

Madam Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I am delighted to join my distinguished colleague from Ohio and support this motion and associate myself with his remarks.

In the quarter century since its inception, C–SPAN has become an institution. No organization has done more to enhance America's understanding of its government, its history than the Cable-Satellite Public Affairs Network. More than 85 million households have access to C–SPAN today, and millions regularly tune in to see their government in action. That is the way it should be.

The gentleman from Ohio mentioned the outstanding contribution of Brian Lamb, and truly we should acknowledge the great efforts in his vision to bring government to the households of every single American. I am proud to say as well that in the State of Connecticut is CT–N, which again is modeled after C–SPAN, which provides an opportunity to view the local legislative bodies and municipalities and actions so, in fact, people from their homes, especially many who are inbound, get an opportunity to participate in government on a regular basis.

Madam Speaker, today, especially on the eve of St. Patrick's Day, it is great to acknowledge the true father of C–SPAN in this Chamber and that is the legendary Speaker Tip O'Neill. Tip O'Neill was fond of saying that social policies brought many poor into the great American tent of opportunity. During his years as Speaker, many Americans were brought into the Halls of Congress via television. His decision to support televised coverage of the House of Representatives ushered in a new era of government accessibility. House TV went through its growing pains, but its success eventually influenced the Senate to follow suit, voting to let itself be televised in 1986.

When future generations remember Tip O'Neill, the man who served the longest consecutive term as Speaker, they may well remember him as the man who let Americans see their government at work as well.

Madam Speaker, I am delighted to join my distinguished colleague in support of his motion. In the quarter-century since its inception, C–SPAN has become an institution. No organization has done more to enhance Americans' understanding of their government and history than the Cable-Satellite Public Affairs Network. More than 85 million households have access to C–SPAN today, and millions regularly tunein to see their government in action. This is as it should be.

Like microwave ovens, cellular telephones, the Internet, and other developments of this modern age, C–SPAN has become part of daily life for millions of Americans. Not only would we notice immediately if C–SPAN disappeared, most of us can't remember how we lived without it.

Think of it Madam Speaker. Before Brian Lamb transformed his vision of a television network devoted solely to public affairs into reality, Americans unable to visit the House gallery had to rely on others' reports about what their representatives said and did here. On March 19, 1979, all that changed. Beginning on that date, Americans could see and hear for themselves, immediately, directly, and unfiltered by others.

And while Americans may at times have disagreed with what they have seen or heard on the House floor since them, there is no question that Americans appreciate C–SPAN, and the cable-television industry, for enabling them to see and hear it. I know I was grateful for the opportunity to appear on C–SPAN for the first time on July 26, 2001, to talk about fuel cell technology.

Look how far C–SPAN has come in the past quarter-century. On that first day, four employees could broadcast gavel-to-gavel coverage of House proceedings, over one network initially available to fewer than 4 million homes.

Today, C–SPAN offers government and politics coverage over three television networks, one radio network, and over its website, c-span.org, all of it round-the-clock and accomplished without public funds. Not only can Americans now watch the floor debates of both the House and Senate, they can see interest groups academics and ordinary citizens explore pending issues and offer their advice to policymakers. In addition to covering Congress, C–SPAN points its cameras at presidents and other executive-branch officials whenever possible. It covers state proceedings, including gubernatorial "state-of-the-state" messages, legislative debates, and even voting in the electoral college.

Madam Speaker, C–SPAN offers wonderful programming for everyone with a passion for public affairs. History have learned much by taking field trips to presidential libraries, birthplaces, and elsewhere on the "C–SPAN School Bus." Viewers are again this year traveling the "Road to the White House," with its through coverage of the 2004 campaigns. The "Lyndon Johnson Tapes" offer a fascinating glimpse into a turbulent period. Bibliophiles can explore authors and their works on "Book TV" all weekend long. Anglophiles can revel in British politics with "Prime Minister's Questions" when Parliaments is sitting, and enjoy the pomp of the state opening each November.

C–SPAN has even covered the Canadian and Australian parliaments which, like this Congress, derive their traditions from the "mother of Parliaments" in London.

I'm so proud that C–SPAN's commitment to educating Americans about their government has inspired individuals in my home State of Connecticut. The same historic leap of faith that was taken 25 years ago by C–SPAN, was also taken by State policy-makers and broadcast experts alike in 1999. That year marked the launch of CT–N, also known as the Connecticut Network.

From the beginning, the mission of CT–N has been to connect citizens to State government and public affairs programming. Connecticut Network provides unfiltered television and Web-cast coverage of all three branches of State government. CT–N viewers can watch the legislative sessions of the State Senate and House of Representatives, as well as committee meetings and public hearings, executive branch agency and commission meetings, and selected oral arguments before Connecticut's Supreme Court. The network is managed and operated by the Connecticut Public Affairs Network, a not-for-profit company founded to educate citizens about State government.

Having served as Senate President Pro Tempore during the years prior to the launch of CT–N, I recall those early discussions about how we could provide television coverage of State Capitol proceedings. It was a daunting task, since at that time only a handful of State legislatures were airing government activities. Yet, no one doubted that such programming would one day exist in Connecticut. CT–N is now available in more than one million households in the State.

What a thrill it is for me to now see CT–N's camera persons walking the halls of the State

Capitol when I'm back in the district. They are now part of the Capitol press corps, ready to cover breaking news at a moment's notice.

Why does CT–N's viewership continue to grow every year? It's because CT–N President and CEO Paul Giguere is constantly looking for new opportunities for government programming, and creating unique educational resources. For example, "Joining the Debate: A Guide to Testifying at Public Hearings" is a video produced by CT–N; "CT–N State Civics Toolbox" is a free teacher resource combining research, discussion, and mock legisláture classroom activities with video of actual legislative debates from the Connecticut General Assembly; "Capitol News Briefings" are programming segments that follow the story from hearing rooms to assembly chambers; and "State Agency Close-Ups" are CT–N video segments that describe each executive branch agency in detail.

Americans are certainly more educated about national public policy issues that affect them thanks to C–SPAN. In Connecticut, CT–N gives citizens the tools and education needed to understand these same issues closer to home.

Madam Speaker, Senator Claude Pepper of Florida introduced legislation providing for broadcasting both houses of Congress in 1944. More than three decades later, in 1977, the House passed legislation to broadcast its proceedings, thus making C–SPAN possible.

The vote on the necessary resolution, sponsored by TRENT LOTT, now a Senator from Mississippi, was 342 to 44, an overwhelming expression of hope that broadcasting would benefit both the American people and the House.

I was not here then, but I bet the results of the last 25 years have exceeded the House's expectations many times over. On behalf of my constituents in Connecticut, and the House, I am proud to offer my congratulations to Brian Lamb and the entire staff of C–SPAN on its 25th anniversary of House broadcast coverage. Thanks to C–SPAN, our democracy is stronger, making America a better place for us all. I have no doubt that, 25 years hence, C–SPAN will have made even greater strides than it has in its first quarter-century. I urge everyone to tune in and watch C–SPAN prove me right.

THOMAS P. "TIP" O'NEILL

On many a pleasant Thursday night, his former aides say, House Speaker Thomas P. "Tip" O'Neill would slip away to his beloved Cape Code for a weekend of golf. After all, even if the Congress were holding a Friday session, the speaker could tune in to C–SPAN to keep an eye on the floor, and he could phone instructions to his staff on Capitol Hill if he saw something he didn't like.

Years later, former House Speaker Tip O'Neill would call televising the House of Representatives "one of the best decisions I ever made." In 1977, his first year as speaker, the Massachusetts Democrat agreed to put House television on his agenda; by March 1979, the first live, gavel-to-gavel telecast of the House went our by satellite to 3.5 million cable homes. "Thanks to television, the House of Representatives is now recognized as the dominant branch of Congress," wrote Speaker O'Neill in his 1987 autobiography; Man of the House.

However, wary of its impact on the legislative process, Tip O'Neill had not always supported House television. "We were disgusted with how the major networks covered the Republican and Democratic conventions," he wrote. "If a delegate was picking his nose, that's what you'd see. . . . No wonder so many of us were skittish."

But after six years of debate on the issue, the new speaker saw it was time to move ahead. So, with the help of Democratic Party leaders, a proposal was crafted that gave the office of the speaker control of the television cameras. "That," he says, "struck me as a reasonable compromise." On October 22, 1977, the House passed a measure permitting full coverage of its sessions—on its own terms and with tight controls—by a vote of 342–44.

After the measure passed, a telecommunications task force headed by Rep. Charlie Rose (D-North Carolina) helped Speaker O'Neill lay down the rules for the telecasts. A $1.6 million system was installed. Cameras would be trained on the speakers at the podium, and would not be allowed to pan the chamber. During 15-minute votes, an electronic vote tally would cover the screen. Proceedings of the legislative body would be covered live, uninterrupted, and "gavel-to-gavel" and would be offered to all accredited news organizations. Only C–SPAN, however, committed itself to telecasting the House of Representatives whenever it was in session.

The speaker recalls that some members of the House continued to grumble about the television measure after it passed. "Many of the members, of course, were skeptical. . . . Today, of course, it's hard to imagine Congress without it, and the results of our broadcasting experience have exceeded my wildest hopes," he says.

It may have taken a few years, but House TV gained a loyal following among those members who saw the potential of the unblinking television eye. "I see a young fellow come on the floor with a blue suit and a red necktie, hair groomed back, and an envelope under his arm," the speaker explained, "and I know that he's going to make a speech and that speech is for home consumption. His office has already notified the local media that he's going to be on and he's going to give a talk."

The audience for congressional telecasts grew as well. Just five years into its run, the speaker was calling the audience for Congress "unbelievable." One avid viewer was the speaker himself, who said, "I really enjoy when I come in at night and put it on and see a committee hearing."

During his eight years of congressional TV coverage, the speaker became a familiar figure to many Americans. People began to recognize the speaker when they saw him in airports or on the street. Appearing in a televised interview with C–SPAN to mark House TV's fifth anniversary in early 1984, Speaker O'Neill said, "Television is here to stay now. . . . Everywhere I go, people say, 'Well, I saw so-and-so on the show,' or 'I listened to this bill,' or 'What are your views on that?'" He said he believed that coverage of the House had "whetted the curiosity of America as far as the running of the government is concerned," call it "very informative for the American people."

Within months, though, a controversy would follow the speaker's rosy assessment. In May 1984, Speaker O'Neill asserted his control over the House cameras, provoking cries of protest from House Republicans and leading to a disruption on the House floor. In the process, the way that television covers the House underwent permanent change.

On May 10, 1984, the speaker ordered House cameras to break with precedent and provide a full view of the empty House chamber during Special Orders speeches. With Rep. Robert Walker (R-Pennsylvania) on the floor, the camera for the first time showed a representative gesturing and talking to a chamber of empty seats.

Minority whip Trent Lott (R-Mississippi), watching in his office, dropped what he was doing and raced to the floor to denounce the surprise camera angle as "an underhanded, sneaky, politically motivated change." The press picked up on the story immediately and gave it the name of "Camscam"; Washington Post TV critic Tom Shales called it a "knockabout slugfest" and wrote that "the brouhaha over control of the cameras has ignited the House and in the process served to dramatize again the huge presence television has in the political process."

"Camscam" came to a head on May 15, when harsh words flew on the House floor between Rep. Newt Gingrich (R-Georgia) and Speaker O'Neill. Mr. O'Neill called a Gingrich speech "the lowest thing I have ever seen in my 32 years in Congress"—a remark that the House parliamentarian ruled out of order. The speaker's words were taken down and the phrase was struck from the official congressional record, the first such rebuke to a House speaker in this century.

In time, "Camscam" died down, but today the cameras continue to show the whole chamber during Special Orders, giving audiences a fuller view of the post-legislative business proceedings. Later, in response to an initiative by the Republican leadership, cameras also started showing varied shots of the House members during votes. Slowly, the early restrictions on what the viewing audience could see through television were easing.

Speaker O'Neill, 75, likes to say that his social policies brought many poor people into "the great American tent of opportunity," During his years as speaker, many Americans were brought into the halls of Congress via television. His decision to support televised coverage of the House of Representatives ushered in a new era of government accessibility. House TV went through its growing pains, but its success eventually influenced the Senate to follow suite, voting to let itself be televised in 1986. When future generations remember Tip O'Neill—the man who served the longest consecutive term as speaker—they may well remember him as the man who let Americans see their government at work.

Mr. LARSON of Connecticut. Madam Speaker, I reserve the balance of my time.

Mr. NEY. Madam Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Madam Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. MARKEY), the senior member of that delegation.

Mr. MARKEY. Madam Speaker, I thank the gentleman very much for yielding me this time.

I rise to commemorate this great anniversary. I was elected to Congress in 1976 just as the great Tip O'Neill was rising to become the Speaker of this great House. And there was a debate that raged in Congress over whether or not television should be allowed into this Chamber, and it was a debate that went on and on behind closed doors catalyzed by Brian Lamb, who had this idea that he could bring the United States House of Representatives to the American people. And of course the younger Members felt that that was a great idea because we had all grown up watching television. But the older Members, they were not quite so sure that that was a great idea, that the cameras would roam around and look for a Member who is nodding off, look for a Member reading a newspaper on the floor. And so this debate continued until a compromise was reached that the cameras would just focus upon the locations where the Members were speaking. And it was an incredible discussion.

But going back that 25 years, it is now clear that C–SPAN has long served the American people by opening the House of Representatives, the Senate, and thousands of congressional hearings and public safety discussions around the U.S. and the globe for the American public to see and to hear. And it is all because of this decision made by Tip O'Neill, Massachusetts' great man of the House, that all of this was made possible.

As we honor Brian Lamb and C–SPAN for 25 years of televised coverage of the House floor proceedings, we must also honor the memory of Tip O'Neill, whose singular decision it was to begin televising House proceedings, bringing the House of Representatives into the television age. Tip took an enormous risk in opening the House floor to the cameras. Television coverage had been debated for years; and many of, as I said, the more senior Members of the House were vehemently against it. The discussions raged in the well of the House for months on end over whether or not it was a good decision. There were those who preferred the status quo and resisted opening the House floor proceedings to television. But one of Tip's first decisions after he assumed the House Chair was to turn on the cameras. Tip intuitively knew it was an idea whose time had come. And when Brian Lamb went to Tip with his idea to take the television feed and send it across the Nation, gavel to gavel, and Tip agreed, neither of them quite knew what they had wrought.

Jack Farrell and his great biography, "Tip O'Neill and the Democratic Century," has Brian Lamb tell his story of his visit with the Speaker: "I was a nervous wreck. I was shaking." He said, "I don't think to this day that" Tip "understood what was going to happen, and I'll never understand why he did what he did. He had nothing to win in the process except a little openness."

I would say that Tip achieved a world of openness and brought great credit to this institution by allowing the American public to see for the first time what had previously been restricted to those who travel to Washington and come to visit us in the visitors' gallery. Tip let the people all across our country get a chance to see the people's House at work. Why did he do it? I would say it was his instinct kicking in about what was the right thing to do. And we could always trust Tip's instinct. He was right to let C–SPAN in 25 years ago, and today we join in expressing our appreciation for Tip's decision and our appreciation to Brian Lamb and C–SPAN for asking Tip to create this huge revelation which has brought democracy into the homes of every single American as well as people around the world. And I think that much of the revolution that has happened over the last 25 years in the world relates to their ability to see how we create our laws and our country. And Tip O'Neill and Brian Lamb deserve the credit.

Mr. LARSON of Connecticut. Madam Speaker, I reserve the balance of my time.

Mr. NEY. Madam Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. LARSON of Connecticut. Madam Speaker, I yield myself such time as I may consume.

I just wanted to thank again the dean of the New England delegation and of Massachusetts for his thoughtful comments about the beloved Tip O'Neill and again associate myself with the remarks of the esteemed chairman from Ohio. Indeed, this is a very important event and certainly one where both Mr. Lamb and Mr. O'Neill deserve justified recognition.

Madam Speaker, I yield back the balance of my time.

Mr. NEY. Madam Speaker, I yield myself such time as I may consume.

Let me say in closing, again, I think this is a great day, and considering the holiday, and, in fact, my relatives came here under the name O'Ney, I would like to thank also the late Speaker, Tip O'Neill, our current Speaker O'HASTERT and Congressman O'LARSON for joining us today in honoring C–SPAN.

Mr. BUYER. Madam Speaker, I rise in support of the resolution honoring the service of C–SPAN for the past 25 years.

Since first broadcasting daily floor proceedings of the U.S. House of Representatives in 1979, C–SPAN has fulfilled a great service for the American people. C–SPAN did the extraordinary and unthinkable—it brought the Federal Government into the homes of millions across the country. No longer were the proceedings of the House a mystery—the veil was finally lifted and Americans could now see their Government in action.

C–SPAN has continued to grow with the changing face of technology. In 1986, service was expanded to cover the Senate and beginning in 1997, C–SPAN launched live web coverage of the House and Senate proceedings.

In particular, I would like to salute the creative work of Brian Lamb, founder and CEO, for bringing C–SPAN to life. He is a native Hoosier and hails from Indiana's Fourth Congressional District. Brian still speaks of the small town values he learned while growing up in Indiana and talks of the encouragement he received from family and teachers for having a tremendous impact on his life. He has not forgotten his roots and I thank him for his service to this country and to the Congress.

The vision of C–SPAN was for it to educate the country about the Federal Government and how it works on behalf of all of us. And for a quarter of a century, C–SPAN has connected people and government in a manner that puts the politics aside and focuses on the substantive issues. C–SPAN lives by the maxim that the better informed, the better we are as a society.

I am pleased to support this resolution commending Brian, C–SPAN, and its staff of 275 employees for 25 years of service and education to the American people.

Mr. NEY. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and agree to the resolution, H. Res. 551.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. NEY. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. NEY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of H. Res. 551.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MYRON V. GEORGE POST OFFICE

Mrs. MILLER of Michigan. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3733) to designate the facility of the United States Postal Service located at 410 Huston Street in Altamont, Kansas, as the "Myron V. George Post Office".

The Clerk read as follows:

H.R. 3733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MYRON V. GEORGE POST OFFICE.

(a) DESIGNATION.—The facility of the United States Postal Service located at 410 Huston Street in Altamont, Kansas, shall be known and designated as the "Myron V. George Post Office".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Myron V. George Post Office.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Michigan (Mrs. MILLER) and the gentlewoman from New York (Ms. SLAUGHTER) each will control 20 minutes.

The Chair recognizes the gentlewoman from Michigan (Mrs. MILLER).

GENERAL LEAVE

Mrs. MILLER of Michigan. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. MILLER of Michigan. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, on behalf of the Committee on Government Reform and the gentleman from Kansas (Mr. RYUN), the sponsor of the bill, I rise in support of H.R. 3733 that designates this postal facility in Altamont, Kansas, as the "Myron V. George Post Office." This is a well-deserved honor for Congressman Myron George, who, despite passing away more than 30 years ago, remains one of Kansas's favorite sons to this day.

Congressman George served four terms in the House representing the people of southeast Kansas.

□ 1430

His respected career in the Congress followed his service in the United States Army during World War I, and when he returned safely home from the war, he learned the printing trade on the staff of his father's newspaper, the Altamont Journal. George ultimately became the owner and the publisher of the Edna Sun in Edna, Kansas, and he published that newspaper for 17 years until 1941.

While he still owned the Edna Sun, Myron George became an officer with the Kansas State Highway Commission in 1939 and, as a result of his decade of work with the Commission, he was elected to the first of his four terms to the United States House of Representatives in 1950. During his tenure in the House, Congressman George was known for his modesty and effectiveness. His greatest achievement was using his experience on the Kansas Highway Commission to work with President Dwight Eisenhower to implement the Federal Interstate Highway System for which the Eisenhower administration was famous.

Madam Speaker, I strongly urge every Member of the House to support this legislation that honors Congressman Myron George, and I certainly congratulate the gentleman from Kansas for shepherding H.R. 3733 through the committee process. I look forward to hearing his words.

Madam Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Madam Speaker, I yield myself such time as I may consume.

I am pleased to join my colleague in the consideration of H.R. 3733, legislation naming a postal facility in Altamont, Kansas after Myron George. This measure was introduced by the gentleman from Kansas (Mr. RYUN) on January 27, 2004 and unanimously reported by the Committee on Government Reform on February 26, 2004.

Myron Virgil George was born in Kansas in 1900 and attended grade school and high school in Altamont, Kansas. He served in the United States Army for 2 years before he learned the printing trade at the Altamont Journal.

After serving as an officer with the Kansas State Highway Commission for 11 years, Myron George ran for Congress in 1950 in a special election. He served in the United States Congress until 1959. He returned to his home State and engaged in public relations in the transportation and construction fields until his death in 1972.

Madam Speaker, I urge the swift adoption of H.R. 3733.

Madam Speaker, I reserve the balance of my time.

Mrs. MILLER of Michigan. Madam Speaker, I yield such time as he may consume to my distinguished colleague, the gentleman from Kansas (Mr. RYUN).

Mr. RYUN of Kansas. Madam Speaker, I rise as the sponsor of H.R. 3733, a bill to honor the memory of former southeast Kansas Congressman and favored son, Myron George.

First of all, I want to thank the entire Kansas delegation for their cosponsorship and support of this bill. I also want to offer my thanks to the gentleman from Virginia (Mr. DAVIS) and the gentleman from California (Mr. WAXMAN) for their efforts.

This proposal has widespread support throughout the Altamont and surrounding communities. I have received letters of support from the Labette County Board of Commissioners, the mayor and city council members of Altamont, as well as the owner of the post office building.

Born at the turn of the century, Congressman George grew up in Altamont, Kansas. He was a World War I veteran, stationed in Panama, and a newspaper publisher. George served as an officer of the local American Legion post, a member of the Disabled American Veterans, and a member of the local Methodist church.

In 1939, Congressman George turned to official public life. For over 10 years, he served on the Kansas State Highway Commission, followed by 8 years in the U.S. House of Representatives. During his time in Congress, his first priority was to provide excellent constituent services. Legislatively, he is best remembered for his continued efforts on behalf of transportation issues. He worked with another great Kansan, President Eisenhower, to develop and implement the Federal Interstate Highway System.

Congressman George also worked towards securing local funds for water projects. He helped establish an Army ROTC unit at Kansas State Teachers College, and he fought for continued operation of the Kansas Ordnance Plant in Parsons.

In 1959, Congressman George returned to southeast Kansas where he lived until his death in 1972.

Madam Speaker, renaming the Altamont Post Office in honor of Congressman George is a fitting reminder of his role and dedication to his community and to all Kansans. I urge my colleagues to support this measure.

Ms. SLAUGHTER. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. MILLER of Michigan. Madam Speaker, I urge that all Members support the passage of H.R. 3733.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and pass the bill, H.R. 3733.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. MILLER of Michigan. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

HONORING THE LIFE AND LEGACY OF LUIS A. FERRÉ

Mrs. MILLER of Michigan. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 433) honoring the life and legacy of Luis A. Ferré.

The Clerk read as follows:

H. RES. 433

Whereas Luis A. Ferré was born in Ponce, Puerto Rico, on February 17, 1904, soon after Spain ceded control of Puerto Rico to the United States in 1898;

Whereas in 1917, when Luis Ferré was 13 years old, the people of Puerto Rico were granted United States citizenship;

Whereas Luis Ferré's respect for the United States was fostered by his years as a college student at the Massachusetts Institute of Technology in Cambridge, Massachusetts;

Whereas Luis Ferré returned to Puerto Rico with a degree in engineering and a firm belief in Puerto Rican statehood;

Whereas Luis Ferré built his father's business, Puerto Rico Iron Works, into a hugely successful industrial enterprise;

Whereas Luis Ferré, who entered politics at a propitious time in the island's history, was a delegate to the Constitutional Convention in 1951 and was elected to the Puerto Rican House of Representatives in 1953;

Whereas Luis Ferré saw the opportunity to advocate Puerto Rican statehood in 1967, the year of the first political status plebiscite on the island;

Whereas, although Puerto Rico remained a commonwealth after the 1967 plebiscite, Luis Ferré utilized the plebiscite to mobilize statehood forces and to establish a new political entity, the New Progressive Party;

Whereas in 1968 Luis Ferré ran for Governor of Puerto Rico as the New Progressive Party candidate and won a close race;

Whereas Luis Ferré served as Governor for one term, from 1969 to 1973;

Whereas, as Governor, Luis Ferré ordered the liberation of all political prisoners incarcerated in Puerto Rican prisons as an act of national reconciliation;

Whereas when Luis Ferré was elected Governor he launched an effort to address what he called "the inequalities of Puerto Rican society", with initiatives to grant property titles to people living on public lands and to build multiple housing structures in rural and urban areas of Puerto Rico to provide homes for low-income families;

Whereas, during his term as Governor, Luis Ferré signed into law several pieces of social legislation that contributed to the betterment of Puerto Rican workers, including pay increases for teachers and policemen as well as other public employees and "Christmas bonuses", whereby workers received a check for at least 4 percent of their annual salary during the holiday season;

Whereas, as Governor, Luis Ferré appointed the first woman to a cabinet-level position, selecting Julita Rivera de Vicenty as Secretary of Labor of Puerto Rico;

Whereas Luis Ferré made great contributions to Puerto Rican cultural life, founding the Ponce Museum of Arts and giving scholarships to artists to further their studies in disciplines such as painting, visual arts, and music;

Whereas, throughout his life over the past century, Luis Ferré became an honored elder statesman and philanthropist;

Whereas Luis Ferré is one of four Puerto Ricans who have received the Presidential Medal of Freedom; and

Whereas Luis Ferré passed away on October 21, 2003, at the age of 99: Now, therefore, be it

Resolved, That the House of Representatives—

(1) honors Luis A. Ferré for his outstanding political leadership, business savvy, advocacy for social justice, and great love and support of the arts; and

(2) expresses condolences on his passing to his wife, Tiody de Jesus, and his two children, Antonio Luis and Rosario, and grandchildren.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Michigan (Mrs. MILLER) and the gentlewoman from New York (Ms. SLAUGHTER) each will control 20 minutes.

The Chair recognizes the gentlewoman from Michigan. (Mrs. MILLER).

GENERAL LEAVE

Mrs. MILLER of Michigan. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. MILLER of Michigan. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, House Resolution 433 honors Luis A. Ferré, perhaps the greatest political figure in Puerto Rico during the last half century. Luis Ferré passed away in San Juan at the age of 99 on October 21, 2003, and this resolution recognizes his lifelong devotion to the United States, and to social justice in his native Puerto Rico.

Luis Ferré spent his life as a successful businessman and a human rights advocate for people on the small Caribbean island. He was elected to terms as Governor and to Representative in Puerto Rico.

Madam Speaker, Luis Ferré loved the United States and his greatest hope was to see his native Puerto Rico become an American State. In 1917, at the age of 13 years old, Ferré and the Puerto Rican population were granted United States citizenship. In the year of 2000, Ferré once recounted that he could not distinctly remember the event but, he said, "Ever since I have been very proud of that day. I feel it is a great privilege and a great honor to be a citizen of the greatest republic that we have had in the history of the world."

In 1951, Ferré was elected delegate to the Puerto Rican Constitutional Convention and he was able to directly contribute to the island becoming an official United States Commonwealth in 1952.

In 1968, Ferré was elected Governor and he continued to work towards Puerto Rican Statehood. He remained active in politics up to his death, most notably as the chairman of the Republican Party in Puerto Rico.

To recognize Luis Ferré's life of public service, former President George H.W. Bush awarded him the Presidential Medal of Freedom, the highest government award a civilian can receive, in 1991. Ferré is one of four Puerto Ricans to ever receive this Presidential honor.

Madam Speaker, I thank the gentleman from New York for his efforts to bring House Resolution 433 to the floor today, and I urge its adoption.

Madam Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the term "renaissance man" is tossed around far too casually because people do not truly understand what it means. The artist and scholars in the Italian Renaissance venerated people who were accomplished in many different fields. Present diversification rather than specialization, was the ideal of the time. As a term of admiration, "renaissance man" has few peers. It is a term that was often used to refer to Luis A. Ferré, the former Governor of Puerto Rico, who passed away in October of 2003.

Mr. Ferré, in addition to being the Governor, was a successful businessman and a philanthropist and engineer, a classically trained musician, a political pioneer, and a patron of the arts: a renaissance man indeed.

Luis A. Ferré was born in Ponce, Puerto Rico on February 17, 1904, the son of an engineer of French descent. After spending his early childhood in Ponce, he attended high school in Morristown, New Jersey, before enrolling at the Massachusetts Institute of Technology, where he received degrees in mechanical engineering and electrical engineering. In addition, he studied at the New England Conservatory of Music where he became an accomplished classical pianist.

Mr. Ferré is perhaps best remembered as an advocate for Puerto Rico statehood. After running for Governor twice on the ticket of the Republican Statehood Party, he formed his own party, the New Progressive Party, on whose ticket he was elected Governor of Puerto Rico in 1968. He served for one term, from 1969 to 1973, during which time he established his legacy of positive progress for Puerto Rico. He granted property titles to those living on public lands, built housing for low-income families, and made a positive step forward for gender equality in Puerto Rico by appointing the Commonwealth's first female Cabinet Secretary.

After leaving office, Mr. Ferré continued his advocacy of Puerto Rican statehood. He was passionately dedicated to the principle that not only should Puerto Rico be made more fully a part of the United States, but the United States should be aware of how important Puerto Rico was to it. During one of his many appearances before Congress, Mr. Ferré reminded the Members of how much Puerto Rico is engrained in the American experience. "Not only are Puerto Ricans citizens by birth," Mr. Ferré said, "but one would be hard-pressed to find a Puerto Rican without a sister in New York, a son in Chicago, a cousin in Orlando, or a daughter in Honolulu or Oklahoma City." A statement such as this from a man born just 6 years after Puerto Rico was taken from Spain as a prize of war shows just how far Puerto Rico came in his lifetime.

Mr. Ferré's dedication to the arts defined him almost as much as his political accomplishments. Realizing that culture was as important to the future of Puerto Rico as prosperity, he founded and endowed the Ponce Museum of Art and the city library in Ponce. He saved the local newspaper from folding, and El Nuevo Dia, now based in San Juan, is the island's biggest newspaper.

Luis A. Ferré, one of the finest and most prominent Puerto Ricans of the past century, liked to describe himself as a revolutionary in his ideas, liberal in his objectives, and conservative in his methods. He was a friend to Presidents and a titan to Puerto Rican politics. He was an honorable protector of Puerto Rico's past and its future. And, with the condolences of the House, he is deserving and worthy of this resolution in his honor.

Madam Speaker, I reserve the balance of my time.

Mrs. MILLER of Michigan. Madam Speaker, I have no other speakers at this time, and I reserve the balance of my time.

Ms. SLAUGHTER. Madam Speaker, I yield such time as he may consume to the gentleman from New York (Mr. SERRANO).

Mr. SERRANO. Madam Speaker, I thank both Members for bringing this resolution to the floor.

When I introduced this resolution, I did it with the full understanding that we would be honoring the legacy of Luis A. Ferré, a true Puerto Rican visionary who wanted so much to continue to be part of this great Nation of ours. As many of my colleagues know, Luis lived 99-plus years and, during that time, he dedicated most of his life to public service. We usually do not like to talk about people's personal financial situations, but it is no secret that he was an extremely wealthy man who could have very easily just sat back and enjoyed spending money and living the life of someone who was very well off. Instead, he chose both to move forward what he felt was his vision of what the Puerto Rican society should look like and be like and act like and, at the same time, his deep belief to make Puerto Rico the 51st State of the Union. In fact, when he started this movement, it probably would have been the 48th or the 49th or the 50th State of the Union. He did that with the full understanding that the Puerto Rican community had a lot to offer to the United States and that the United States had a lot to offer through statehood to Puerto Rico.

At the same time that Luis pushed for statehood and advocated for what he believed was the proper route for Puerto Rico to take, he went about building the island's economy and building the island's cultural institutions. Museums, concert halls, television work and radio work all were part of his vision, and he pushed this to the very, very end of his life.

Every time he would visit Congress or come to Washington, he would visit my office. I was always taken by the fact that this man was such a gentleman, such a soft-spoken yet strong believer in everything that he stood for.

One of the things that he stood for was his belief that the poor had to have a better way in Puerto Rico. In fact, he gets credit for building the statehood movement amongst the poor by making sure that he expressed to them that statehood was not for the wealthy, but that statehood was for the poor. Before he came along, it was always seen as simply a Republican, wealthy kind of a situation.

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He took it and brought it to everybody. I think it is important to note that in Puerto Rico the political structure is based on Commonwealth, statehood, or independence. But in those parties there are people who associate nationally with either the Republican or the Democratic Party. Within the statehood party there are people who are Democrats, there are people who are Republicans. It will please my colleagues to know that he was a staunch Republican who was very close to the Bush family and very close to Republican leaders throughout the country. It is for that reason that he received so many accolades from our government. In fact, in 1991, former President George H.W. Bush awarded him the Presidential Medal of Freedom.

I remember once I was talking, and I will be very brief, but I was talking to a member of the Independence Party, the people who are totally opposed to statehood. And I think the greatest compliment that you hear for someone like Luis Ferré came from this member of the Independence Party. We were talking about him and he said, "This man is a true patriot." I said, "Wait a minute. You are calling a person who pushes statehood a patriot and yet you are for independence?" He said, "Yes. He is a patriot because everything Luis Ferré has ever done is in Puerto Rico's best interest and mine. And that is what signifies who is a patriot and who is not." And I will always remember that there is no greater tribute from someone who is totally opposed to your philosophy to say that you are for the good of the people.

He never saw his dream come true of Puerto Rico becoming the 51st State. But he did see Puerto Rico grow from a poor economy to a vibrant economy, from an island considered by many to be somewhere in the Caribbean to an island that became very much a part of the American family, and an island that became very much a part of the Caribbean family.

He is truly one of the greatest Puerto Ricans and certainly one of the greatest Americans to have ever lived. And he will be missed. I will miss him as a friend, I will miss him for the gentleman that he was, I will miss him as a leader. And today we honor that legacy through this resolution.

I want to thank all of our colleagues for honoring the life and legacy of Luis A. Ferré.

Mr. ACEVEDO-VILÁ. Madam Speaker, I rise today in support of H. Res. 433, honoring the life and legacy of Luis A. Ferré. Luis A. Ferré was a crucial figure in the history of Puerto Rico who led a life of service to his people. He was an accomplished businessman, skilled politician, and compassionate philanthropist.

Born on February 17, 1904, in Ponce, PR, he went on to study at the Massachusetts Institute of Technology (MIT) in Cambridge, Massachusetts, where he earned a degree in engineering. Upon his return to Puerto Rico, he worked in his father's business, Puerto Rico Iron Works, and later became involved in politics as a delegate to the Constitutional Convention, a member of the Puerto Rico House of Representatives, and, in 1968, was elected Governor.

Ferré was a believer in Puerto Rican statehood, and his convictions led him to create the New Progressive Party, which to this day remains one of the leading political parties in Puerto Rico.

He dedicated his life to serving the people of Puerto Rico and working to improve their lives and futures. During his term as Governor, he created multiple government agencies and public projects to enhance the quality of life of Puerto Ricans, and launched several housing and labor initiatives of great importance.

In addition to his political achievements, Luis A. Ferré is also remembered in Puerto Rico as a great philanthropist and advocate of Puerto Rican culture. Among his biggest contributions to Puerto Rico's cultural life were the Ponce Museum of Arts, which began with a donation from his personal collection, scholarship programs for art and music students, and the largest-circulation newspaper in Puerto Rico.

Ferré's contributions to the development of Puerto Rico and the improvement of its society will be forever remembered and appreciated. Regrdless of one's position on the issue of Puerto Rico's status, Ferré was an able statesman who dedicated his life to his beloved island.

This is why today I encourage you to support this resolution to honor the life of this respected and revered Puerto Rican. I thank my colleague from New York, Mr. SERRANO, for introducing this measure. I also have introduced a bill to immortalize Ferré, H.R. 3742, which would designate the United States Courthouse and Post Office Building located at 93 Antocha Street in Ferré's hometown of Ponce as the Luis A. Ferré United States Courthouse and Post Office Building. It is my hope that we can further remember the legacy of Ferré by bringing this bill up at a later date.

Mr. RAHALL. Madam Speaker, I rise in my capacity as the ranking Democrat of the Resources Committee to join in honoring Luis A. Ferré.

In 1967, a young man named Luis Ferré set out an agenda for his home island which has transformed the political landscape of Puerto Rico. The modern day pro-Puerto Rico statehood movement began with Luis Ferré and his efforts in forming the New Progressive Party.

Today we take the opportunity to honor the life on Don Luis Ferré, a veneration bestowed by the people of Puerto Rico.

Don Luis died at the age of 99. Having been an engineer, businessman, politician, pianist, and philanthropist, it is no wonder that he has been described as a renaissance man.

Born shortly after the United States gained possession of Puerto Rico from Spain, he was raised both in Puerto Rico and the United States mainland. After receiving his high school degree in Morristown, NJ, he pursued undergraduate studies in engineering at the Massachusetts Institute of Technology (MIT). Before leaving MIT, Don Luis would earn a master's degree in electrical engineering. He returned to Puerto Rico thereafter to help build up the family business.

In 1937, Don Luis founded the Ponce Public Library. His love for education and the arts continued to mark major accomplishments in his life when in 1950 he established a foundation in his own name. The Luis A. Ferré Foundation would result in the creation of the Ponce Museum of Art, regarded as a world-class repository for the classics and for Puerto Rican culture.

In 1967, following a political status plebiscite where the choice of "statehood" received 39 percent of votes cast, Don Luis, an ardent and impassioned believer in Puerto Rico becoming the fifty-first State of the Union, established the New Progressive Party.

The following year, running on a platform promoting statehood, Don Luis was elected Governor of Puerto Rico.

After serving one-term, Don Luis worked to strengthen his party and Puerto Rico. He continued to advocate statehood and promoted American democracy in the region. His words and actions inspired many Puerto Rican leaders of today. Former Governor Pedro Rosello and our former colleague Carlos Romero-Barcelo are but two of the notables who benefited from the path which Don Luis blazed.

In 1991, his life's work, as a visionary and public servant, was awarded with the Presidential Medal of Freedom.

Don Luis Ferré was a stateman in the highest regard. His ideas and leadership were respected by all political parties and their leaders. His passing brought about mourning throughout Puerto Rico and for the tens of thousands of Puerto Ricans living in the United States mainland.

Don Luis Ferré was a lover of American democracy. He was a believer in making lives better, especially those in those in his home of Puerto Rico. In my view, Congress has an obligation to provide an opportunity for the 3.9 million people of Puerto Rico to achieve Don Luis's dream of membership in our Union if they so desire it.

It is an honor for me to honor him.

I encourage all my colleagues to support H. Res. 433, and I thank my colleague Mr. SERRANO for his effort to have this considered on the floor.

Ms. SLAUGHTER. Madam Speaker, I yield back the balance of my time.

Mrs. MILLER of Michigan. Madam Speaker, I urge Members to support the adoption of House Resolution 433, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and agree to the resolution, H. Res. 433.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. MILLER of Michigan. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

HONORING THE LIFE AND LEGACY OF PRESIDENT FRANKLIN DELANO ROOSEVELT

Mrs. MILLER of Michigan. Madam Speaker, I move to suspend the rules and agree to the joint resolution (H.J. Res. 87) honoring the life and legacy of President Franklin Delano Roosevelt and recognizing his contributions on the anniversary of the date of his birth.

The Clerk read as follows:

H.J. RES. 87

Whereas President Franklin Delano Roosevelt was born in Hyde Park, New York, on January 30, 1882;

Whereas his commitment to public service followed the example of his fifth cousin, the 26th President of the United States, Theodore Roosevelt;

Whereas sixty years ago, President Roosevelt became the only President of the United States elected to a fourth term in office;

Whereas President Roosevelt fulfilled his promise to lead the Nation through the Great Depression by creating a series of New Deal programs that fundamentally changed the role of Government;

Whereas President Roosevelt's leadership was instrumental in extending freedom and democracy around the globe and uniting the world confronted by tyranny and aggression;

Whereas President Roosevelt unified and mobilized the American effort after the bombing of Pearl Harbor and World War II, encouraging patriotism and volunteerism;

Whereas through his war time leadership, President Roosevelt directed the Government into the most productive partnership with private enterprise in the Nation's history by appointing top businessmen to run the production agencies, exempting business from antitrust laws, allowing business to write off the full cost of investments, and guaranteeing a substantial profit;

Whereas as a result of his leadership, the United States was outproducing all the Axis and the Allied powers combined, contributing nearly 300,000 planes, 100,000 tanks, 2 million trucks, and 87,000 warships to the Allied cause;

Whereas 2004 is the 60th anniversary of D-Day, which commemorates the largest air, land, and sea operation undertaken before or since June 6, 1944;

Whereas in the spring of 2004, the National World War II Memorial will be dedicated in Washington, DC, to encourage Americans to celebrate and remember the contributions of President Roosevelt and the courageous men and women which were critical to the American war effort at home and American military successes overseas;

Whereas President Roosevelt supported the effort to find a cure for infantile paralysis (polio), by which he had been paralyzed in 1921; in 1938, President Roosevelt founded the National Foundation for Infantile Paralysis, a national organization which raised funds to find a cure for polio; the following year, comedian Eddie Cantor asked the Nation to mail dimes to the White House to help the Foundation, and in one month, the White House received 2.5 million dimes; Cantor declared it "A March of Dimes" and, in 1979, the name became the lasting moniker for the Foundation;

Whereas President Roosevelt established the polio foundation hospital at Warm Springs, Georgia, for the treatment of polio patients, which had a profound impact on scores of young Americans;

Whereas in a broadcast launching the annual March of Dimes Campaign, President Harry S. Truman declared "The fight to conquer infantile paralysis is an unfinished task of Franklin Delano Roosevelt. It must and shall be carried to complete victory."; thanks to President Roosevelt and the March of Dimes, polio is largely now a thing of the past in America and worldwide eradication of polio is expected by 2005;

Whereas Americans who encountered and conquered polio have benefited from the March of Dimes and from President Roosevelt's example of courage;

Whereas Eleanor Roosevelt more than fulfilled her traditional duties as First Lady;

Whereas she expanded the role, being voted the most admired woman in America and even called "the First Lady of the Western World" for her work on behalf of civil rights, women's rights, and human rights; she carried on the beliefs and ideals of her husband, serving as the foremost spokesperson for human rights around the world as the first chairperson of the U.N. Commission on Human Rights;

Whereas President Roosevelt is loved and admired by millions of Americans and by countless others around the world; and

Whereas a grateful Nation and world are better off because of President Roosevelt's inimitable leadership: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress, on behalf of the American people, honors the life and legacy of President Franklin Delano Roosevelt and recognizes his contributions on the anniversary of the date of his birth.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Michigan (Mrs. MILLER) and the gentlewoman from New York (Ms. SLAUGHTER) each will control 20 minutes.

The Chair recognizes the gentlewoman from Michigan (Mrs. MILLER).

GENERAL LEAVE

Mrs. MILLER of Michigan. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.J. Res. 87.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. MILLER of Michigan. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of House Joint Resolution 87 sponsored by my distinguished colleague, the gentlewoman from New York (Ms. SLAUGHTER).

This resolution offers the House a chance to remember Franklin Delano Roosevelt's leadership over 120 years after his birth.

Madam Speaker, President Roosevelt who, of course, was known very affectionately around the world as FDR, skillfully guided our great Nation through the Great Depression and World War II during four terms in the White House.

When he first took office in 1933 FDR pushed through Congress legislation designed to stimulate the inactive American economy. FDR called these measures a New Deal for the American people.

Some have suggested that the New Deal jump-started the economy by stabilizing prices and triggering employers to hire in America work to emerge from the Depression.

Madam Speaker, President Roosevelt also mobilized the American spirit at home and energized the developing military forces abroad following the bombing of Pearl Harbor. His grace during World War II certainly encouraged patriotism, sacrifice from Americans everywhere, which helped the United States prevail in the massive global conflict that he was not able to see through.

President Roosevelt passed away as a result of cerebral hemorrhage just weeks after beginning his fourth term, on April 12, 1945. In large part because of President Roosevelt's vigilance the United States and the allies went on to defeat the Nazis in Europe and force the Japanese to surrender in the Pacific Theater later that year.

In a message to Congress in June of 1934, FDR stated that among the top priorities of his administration would be the security of the men, women, and children of the Nation first. The President stated that the security of the home and the security of livelihood constitutes a right that belongs to every individual. Securing America's future through frightening times was perhaps FDR's greatest legacy. And for that reason and many others, the House honors him today.

Madam Speaker, just as the Resolved clause of the resolution states, I urge the Congress to honor the life and legacy of President Franklin Delano Roosevelt. I commend the gentlewoman from New York (Ms. SLAUGHTER) for introducing House Joint Resolution 87 that honors one of America's most legendary leaders in history.

Madam Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Madam Speaker, I will reserve my remarks for the RECORD and yield such time as he may consume to the gentleman from Missouri (Mr. SKELTON), my colleague and cousin.

Mr. SKELTON. Madam Speaker, I thank the gentlewoman from New York (Ms. SLAUGHTER), my cousin, for introducing this resolution. And I appreciate the bipartisan support of the gentlewoman from Missouri (Mrs. EMERSON) who is presiding today, the gentleman from New York (Mr. SWEENEY), and the gentleman from Massachusetts (Mr. MCGOVERN), all of whom joined in becoming original cosponsors of the measure.

Franklin Delano Roosevelt was bigger than life when I was a youngster, and properly so, because he did such a wonderful job in leading America out of the worst Depression in our history and leading the United States toward victory against the Japanese and the Germans. Unfortunately, he died on April 12, 1945, and Missouri's Harry Truman, as you know, the Vice President, became President on that day.

We all know his legacy as a leader, a political leader, a wartime leader, and one who so many people looked up to for so long, the only President elected to four terms as President of the United States.

Let me touch on another subject as to why Franklin Delano Roosevelt is a true American hero. Should you come to my office in the Rayburn Building you will see in a prominent place a portrait, a signed portrait by the artist of Franklin Delano Roosevelt, the unfinished portrait that was being made when he collapsed and died at his cabin known as the Little White House at Warm Springs, Georgia. Friends were present at the time when he was stricken and died within a few hours.

President Roosevelt's life and legacy has played a meaningful role in so many lives of untold citizens, far more than as President of the United States in his political leadership or as his world leadership, but it played a social role to those who contracted polio at a young age. And most people who have been so stricken were of a young age.

President Roosevelt established the March of Dimes in 1938 which caused Americans all across the country to send dimes to the White House or create their own March of Dimes fund. I remember very well being a Boy Scout, collecting the dimes on my main street in Lexington, Missouri, for the March of Dimes established by Franklin Delano Roosevelt.

And he established the foundation at Warm Springs, Georgia, not too far from Columbus. This was an old resort and he changed it into the most modern hospital for the treatment of those who had polio. I have personal experience knowing of that. Warm Springs, Georgia became the mecca for the research, for the treatment, and for surgery involving those who had polio for so very, very long. And the March of Dimes that he created helped establish research funding that could, and, fortunately it did, for all intents and purposes, research that found a cure or a prevention, I should say, to polio.

So, many young people, and I have had the opportunity to know them, created lives that were meaningful which otherwise would not have been possible, thanks to the Warm Springs Foundation established by Franklin Delano Roosevelt. It is rather interesting, he called the patients down there "my kids." And as many Thanksgivings as he possibly could, he would go down and have Thanksgiving dinner with his kids. And that tradition lasted well past his passing from the scene.

The March of Dimes, the foundation at Warm Springs, Georgia, all of that enables others to participate in public life, to take their place as meaningful, hardworking citizens of the United States. But for Franklin Delano Roosevelt, that would not have happened. So it is not just during the Depression that he did such a masterful job in pulling this country out, it was not just the war effort until he passed away in April of 1945, but his contribution to treating and to helping find the cure for the prevention of polio, that is what makes Franklin Delano Roosevelt such an outstanding person in the history of our country.

Ms. SLAUGHTER. Madam Speaker, I reserve the balance of my time.

Mrs. MILLER of Michigan. Madam Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Madam Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. MCGOVERN.)

Mr. MCGOVERN. Madam Speaker, I thank the gentlewoman from New York (Ms. SLAUGHTER) who has been so gracious to me on so many occasions for yielding me this time.

Madam Speaker, first let me thank the gentlewoman from New York (Ms. SLAUGHTER) and the gentlewoman from Missouri (Mrs. EMERSON), the gentleman from Missouri (Mr. SKELTON) and the gentleman from New York (Mr. SWEENEY) for introducing this resolution honoring President Franklin Delano Roosevelt.

It is important for Members of this House to not only remember but to acknowledge his many accomplishments and his unique place in our history. The vast majority of Presidential scholars consider FDR to be one of our country's greatest Presidents. As we all know, FDR assumed the Presidency as this Nation confronted the Great Depression. His inspirational words of hope helped Americans get through some of the most difficult economic challenges in our history, and his bold leadership and creative policies ultimately led us out of the Great Depression.

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He showed us then, and I think we should all remember this now, that government can be a force for good. It can be an instrument to empower and to help people.

For example, Social Security is one of FDR's greatest legacies. Today, Social Security provides half the income of 60 percent of our senior citizens. It is a program that keeps countless seniors from falling into poverty, the kind of devastating poverty that plagued so many before FDR's efforts. As we honor Franklin Delano Roosevelt's efforts today, we must recommit ourselves to protecting and strengthening Social Security. It can be there for our children and our grandchildren and our great-grandchildren.

After America was attacked at Pearl Harbor on December 7, 1941, FDR and the Greatest Generation rose to the defense of our country by fighting against the Axis Powers. Millions of men and women were mobilized for our war effort.

These Americans came from small towns, large cities, regardless of race or class. They courageously defended our freedom. They sacrificed much, and our country's eternally grateful for their service.

It is particularly fitting that we honor FDR now because 2004 is the 60th anniversary of D-Day. In honoring FDR, we honor the young soldiers who stormed the beaches of France and turned the tide of World War II.

This is also the year that we will dedicate the World War II memorial on the Washington Mall.

Madam Speaker, I attend veterans events in my district all the time, and never is there a time when a World War II veteran does not come up to me and tell me how honored he was to serve under Franklin Delano Roosevelt. He was an extraordinary Commander in Chief.

Following FDR's death on April 12, 1945, plans were formulated to honor FDR on the dime. The chief proponent of placing FDR's likeness on the dime was then-U.S. Representative Clyde Doyle of California; and Madam Speaker, at this point, I will insert the text of a letter written by Representative Doyle to the U.S. Mint in the CONGRESSIONAL RECORD.

MAY 3, 1945.

Re To have the likeness of our late President Franklin Delano Roosevelt placed on the dime.

DIRECTOR, BUREAU OF THE MINT,
Department of the Treasury,
Washington, DC.

MY DEAR FRIEND: A few days ago I received from you in compliance with my request the listing of the relative place in our currency circulation of the first three coins. I note the dime is No. 3. Thank you for this information.

As we stated in asking you therefor, I had in mind that it would be proper to have the likeness of our great President, Franklin Delano Roosevelt, placed on the dime. I say "proper" for the following reasons, amongst others: First. The dime was made famous over the world because of the triumph by our great beloved President of great spirits, heart, mind, and soul over physical infirmities and handicaps. Second. It was made famous over the world because of the March of Dimes which was sponsored by him in order that the terrible disease of infantile paralysis might be eliminated in the experience of all mankind. The millions of dollars received has actually achieved a great deal in this worthy objective. Third. Other coins of our great Nation have had the likenesses of our great Presidents and citizens placed upon them. Fourth. The circulation of the dime, while No. 3 now in our Nation, is so rapidly increasing that it has become almost the most popular coin in business. Fifth. The dime has become a piece of money for which the average American has real affection because of the identity thereof with the March of Dimes.

The other most commonly used coins each have the head of a great American past President, to wit: The penny, Abraham Lincoln; the nickel, Thomas Jefferson; the quarter, George Washington. It would be very appropriate to have the replica of this great American on one side of the time and the replica of the Goddess of Liberty on the other side.

I do not purpose to offer a bill on the floor of the House in this regard, because I anticipate that a simpler and more efficient process of doing this timely act would be by your Department deciding so to do. If I am in error in this important thought, I shall appreciate your advising in the premise.

I will say, from the Eighteenth Congressional District of California, which I have the honor to represent, there come frequent and very large numbers of requests that this development in honor of this great American take place as promptly as possible.

If there is any reason why this cannot be done by you, kindly call my attention thereto by reply mail.

I have the honor to be,
Sincerely yours,
CLYDE DOYLE,
Member of Congress.

DIRECTOR, BUREAU OF THE MINT,
Department of the Treasury,
Washington, DC.

Put a diamond on every dime.

MY DEAR FRIEND: You were good enough on May 1 to answer my inquiry of a few days before with reference to the circulation of the dime and other American coins. Thank you for the information.

On May 3 I briefly wrote you on the subject of my earlier phone communication to you. I see in my letter of May 3 that I did not there include a sixth item, which I had intended to do. So I do it now, and urge this sixth point to your attention as to why the dime should have placed on one side thereof, the likeness of our great President, Franklin Delano Roosevelt. It is as follows:

Sixth. A diamond on every dime. If this statement seems at all odd at first glance, I hope that upon reflection it will occur to you that it is most significant and indicative of the fact that the American people, by and large, thought of him in his lifetime and always will, as a genuine diamond. Genuine diamonds being what they are in fact and in the minds of people, I submit the phrase I am using as psychological strength and reason for putting into effect this suggestion.

Shortly after the death of our great leader, I had intended to file a bill to effectuate the purpose of my suggestion to you, but feeling it was a matter which should logically be put into effect by our agreements between the proper Government officials, rather than by congressional legislation; and that it should be put into effect long before congressional action might be concluded, I am going to make remarks and put them in the Congressional Record in the next day or two.

Another suggestion I have is that if you do put the likeness of this diamond of democracy on the dime, then there should be nationwide—yes, worldwide recognition of your doing so. It might be that an extra March of Dimes campaign be conducted to raise additional money for the infantile-paralysis program, or conduct other or additional appropriate national and even world recognition thereof.

I have the honor to be,
Respectfully yours,
CLYDE DOYLE,
Member of Congress.

Mr. McGOVERN. Madam Speaker, as many people know, there is an effort underway by some of our colleagues to diminish FDR's legacy by taking his profile off the dime and replacing it with President Ronald Reagan's profile. I am not opposed to honoring President Reagan, who served our country with great distinction, but why in order to honor President Reagan must we dishonor President Roosevelt?

I would like to explain to my colleagues the reasons why FDR is on the dime. Having been paralyzed by infantile paralysis, polio, FDR was a longtime supporter of efforts to eradicate the disease. In 1938, he founded the National Foundation for Infantile Paralysis, a national organization which raised funds to find a cure for polio.

The following year, comedian Eddie Cantor asked the Nation to mail dimes to the White House to help the foundation; and in one month, the White House received $85,000 in dimes. Cantor declared it a March of Dimes, and the name became the lasting moniker for the foundation.

The new FDR dime was issued on January 30, 1946, the date that would have been FDR's 64th birthday. In a broadcast kicking off the annual March of Dimes campaign on the same day, President Harry S. Truman declared: "The fight to conquer infantile paralysis is an unfinished task of Franklin Delano Roosevelt. It must and shall be carried to complete victory."

Madam Speaker, at this point, I include in the CONGRESSIONAL RECORD the March of Dimes statement against removing FDR's profile from the dime.

MARCH OF DIMES STRONGLY OPPOSES REMOVAL OF FDR FROM THE DIME

The profile of President Franklin D. Roosevelt was placed on the dime in 1946 to memorialize his 4 term Presidency, his fight to find a vaccine to prevent polio, and the volunteer movement epitomized by the March of Dimes. For all these reasons, the March of

Dimes strongly opposes efforts to remove FDR from the dime.

The Franklin D. Roosevelt dime commemorates a national movement that resulted in the eradication of polio from the United States and in the near future from the entire world. The efforts funded through the "March of Dimes" campaign initiated by Roosevelt provided care for the victims of polio while aggressively working to develop vaccines against it. This represented one of the first large-scale, nationwide biomedical initiatives, led by a charitable organization. It also helped make the volunteer movement an integral part of the fabric of American life.

In January 1938, alarmed by decades of worsening polio epidemics and the terrible toll the virus was taking on America's young, President Roosevelt established the National Foundation for Infantile Paralysis. The National Foundation emphasized the nationwide significance and non-partisan character of the polio crusade. FDR believed that people could solve any problem if they worked together. Comedian Eddie Cantor coined the phrase "March of Dimes" (playing on the popular newsreel feature "The March of Time"), appealing to radio listeners all over the country to send their dimes directly to the White House. The campaign proved to be hugely successful with over 2.5 million dimes sent to the White House the first year. The National Foundation officially changed its name to the March of Dimes in 1979.

The FDR dime not only commemorates his presidency, but represents the American spirit of working together to help one another. The coin is symbolic of the struggle to end polio through the "March of Dimes" campaign and the worldwide eradication of polio is expected in 2005. The dime is a vehicle in which to explain what the volunteer spirit in America means, it would be a shame to lose that.

In response to the Reagan dime bill, I introduced H. Con. Res. 343, which expresses Congress's support for the FDR dime. It currently has 130 cosponsors. In fact, Nancy Reagan supports leaving FDR on the dime. Mrs. Reagan said, "While I can understand the intentions of those seeking to place my husband's face on the dime, I do not support this proposal, and I am certain Ronnie would not. When our country chooses to honor a great President such as FDR by placing his likeness on our currency, it would be wrong to replace him with another. It is my hope that this proposed legislation will be withdrawn."

I, at this point, would insert into the CONGRESSIONAL RECORD an editorial from the Gainesville Times on this issue.

HONOR REAGAN? FINE. DISHONOR ROOSEVELT? NO.

The latest lunacy to emanate from Congress needs to stop on a dime: literally.

Rep. Mark Souder, a Republican from Indiana, is miffed about the miniseries now airing on Showtime, a premium cable channel operated by CBS, on former President Ronald Reagan and his wife, Nancy. The miniseries portrays Reagan, who suffers from Alzheimer's, as a doddering, rather pathetic figure and his wife as a calculating, domineering manipulator.

Therefore, according to Souder's logic, Reagan should replace former President Franklin Delano Roosevelt on the dime.

Souder and other conservatives, inside and outside Congress, were outraged when CBS announced earlier this fall that it would air "The Reagans" on network TV. CBS backed off last month and sent the miniseries to Showtime, where it plays to much smaller audiences. That hardly mollified Souder and some of his colleagues in the House.

"It's what precipitated me introducing the bill . . . and why it was a lot easier to get a lot of support," Souder said of the miniseries, which he termed "vile" in a letter to colleagues in support of his proposal.

Souder claims to have the support of 88 other House Republicans for his ridiculous idea. More than a dozen of them are from California, where the Reagans make their home and where Reagan is a former governor.

In his effort to rewrite history and dishonor Roosevelt, Souder trots out the "L" word in what's becoming a tiresome exercise in partisan politics.

"I believe (Reagan) represents conservative values as we would see them implemented through a president better than anybody else we've had in American history," Souder said. "He, to conservatives, represents kind of the reverse of FDR, who is kind of the liberal icon. Ronald Reagan is the conservative icon."

We "kind of" miss Souder's point and why the obscure congressman believes it's proper to replace Roosevelt on the coin.

The presidencies of Roosevelt and Reagan occurred nearly 50 years apart under circumstances that were quite different.

While Reagan helped restore some resolve to American foreign policy in the aftermath of the caution that resulted from the disastrous Vietnam War and gets credit for cracking the facade of communism, Roosevelt governed in much more dire and challenging times.

In 1933, FDR inherited a nation that was reeling from the Great Depression, which began four years earlier when the stock market crashed and set into motion the most cataclysmic economic emergency in the nation's history. From Wall Street to Main Street, panic reigned. Tens of millions of Americans watched their savings, jobs and fortunes vanish.

Roosevelt's innovative employment and economic programs, and the sweeping changes that guaranteed the financial future of older Americans with the creation of Social Security, lifted the nation out of the Depression's nightmare.

During World War II, Roosevelt and British Prime Minister Winston Churchill turned back the horror of Nazi Germany in North Africa and Europe and the brutal occupation of most of Asia by the Japanese in leading history's greatest and most successful coalition in the name of freedom.

While Roosevelt and Churchill were hesitant to partner with Soviet leader Josef Stalin and shortsightedly criticized for doing so, they pragmatically understood the war against Hitler could not be won without assisting the communists.

Roosevelt an icon? How else to describe a president so popular and successful he was elected to four terms as president?

We suspect that many of the Indiana voters represented by Souder were helped to no small degree by the policies that Roosevelt engineered until his death in 1945. Many of them still are beneficiaries of Roosevelt's work.

Reagan deserves an important place in history. And he has won recognition for his achievements in many ways. Ronald Reagan National Airport and the building that houses the Justice Department are named for the former president, as well as countless schools, streets, roads and bridges across America.

We respect the conservatism that Reagan personifies and the conservative values that Souder desires so passionately to honor. But removing Roosevelt from the dime is an illogical and disrespectful way to do so.

Roosevelt and Reagan both were great men and leaders. Few rise to the office of the president without the extraordinary qualities that both possessed.

We would urge Souder and his colleagues to find a less partisan and emotionally charged way to honor the accomplishments of Ronald Reagan. He deserves better than the outlandish scheme that Souder and his co-sponsors of the bill offer.

Mr. Speaker, FDR was a true liberal. He was a believer in dynamic and efficient government. He was not afraid to use government to lift people out of poverty or to help our children, our seniors, our farmers, our veterans, the unemployed, or those who have been forgotten by society.

In his second inaugural address, he said: "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

Mr. Speaker, I am proud to stand with my colleagues in honoring FDR. He was a wonderful President, and our Nation and our world is better for his service.

Mrs. MILLER of Michigan. Mr. Speaker, I yield myself such time as I may consume.

I have no further speakers at this time and I support the adoption of House Joint Resolution 87.

Mr. SKELTON. Mr. Speaker, will the gentlewoman yield?

Mrs. MILLER of Michigan. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Speaker, I thank the gentlewoman for yielding.

I would like to, if I may, bring up a recollection. When I was a teenager, I had the opportunity to go to the little White House at Warms Spring, Georgia, and there displayed is a copy of the undelivered address, now infamous undelivered speech, that Franklin Delano Roosevelt was to give on the following day, April 13, by radio, Thomas Jefferson's birthday.

Remember, those were very difficult times. We were involved in the Second World War, and it was a very hard time for our country; but I will never forget writing that speech down, and I copied it verbatim on a tablet with pencil, the final words of that undelivered address. The final words, "Let us move forward, with strong and active faith," and I think those words would be well-emblazoned on what we say and what we do today. He added that the only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith.

So let us take a page not just from his life but take a page from that undelivered address, apply it to the challenges, and we have challenges of today, and move forward with strong and active faith.

Mrs. MILLER of Michigan. Mr. Speaker, I thank the gentleman from Missouri (Mr. SKELTON) for his eloquent recollections.

Mr. LANTOS. Mr. Speaker, I strongly support H.J. Res. 87, which commemorates the contributions of President Franklin Delano Roosevelt on the anniversary of his birth.

As this legislation so eloquently states, FDR's leadership "was instrumental in extending freedom and democracy around the globe, and uniting the world confronted by tyranny and aggression."

Furthermore, he led the United States out of the Great Depression by initiating programs that provided employment and social services to the millions of people whose hopes had been dashed by joblessness and severe economic conditions nationwide.

Mr. Speaker, I have a particular connection to FDR's legacy: As a young man living in war-torn Europe, I wrote an essay about his economic policies that helped secure a scholarship to the University of Washington. I went on to earn a Ph.D. in economics and to teach the subject at university level for 30 years. And when I later was honored with the opportunity to become a Member of Congress, I was able to join the House International Relations Committee to help build on the alliances that FDR forged, and—through co-founding and guiding the Congressional Human Rights Caucus—to further the principles for which President Roosevelt stood.

That is why, Mr. Speaker, I raised my voice in protest to a preposterous proposal late last year to replace the portrait of Franklin Delano Roosevelt on the U.S. dime with a picture of Ronald Reagan. We can't let partisan politics simply wipe out national awareness of one of our greatest presidents. Our Nation and the world gained so much from the work of this one extraordinary man.

This spring, the National World War II Memorial will open on the Washington Mall. Along with the unique and moving memorial to FDR nearby—a thought-provoking collection of sculptures and plaques, fountains and plantings, bordered by the Potomac and the placid Tidal Basin—the new monument will serve to remind Americans and visitors from around the globe of the accomplishments of this legendary leader.

I am proud to contribute now to a congressional statement affirming our appreciation for the life and legacy of Franklin Delano Roosevelt, and I urge all of our colleagues to support H.J. Res. 87.

Mr. DINGELL. Mr. Speaker, I rise today in support of the resolution honoring the life and legacy of the 32nd President of the United States, Franklin Delano Roosevelt. Unlikely to ever happen again, Franklin Delano Roosevelt was elected to the Presidency for four terms. Despite the health challenges of polio, his energy, wisdom, talent, and compassion for the common man lifted our country from the Great Depression and led our military against the Axis Powers of World War II.

Following the example of his cousin President Theodore Roosevelt, Roosevelt chose a political-life in service to the public. In 1910, he first entered politics as a State Senator in New York. He went on to serve as Assistant Secretary of the Navy, a Vice-Presidential candidate to James Cox, and then Governor of New York. It was during his governorship that he realized his political career could continue, even with polio. During 1932, with million unemployed, most banks closed, and a world questioning the realities of capitalism, Roosevelt was elected to his first term as President. His determination to resolve devastating economic problems led him to call a Special Session of Congress during the first 100 days of his Presidency. Under his leadership, Congress took up emergency legislation to end the banking crisis and worked towards improving economic problems. Over the next 5 years, Congress passed New Deal legislation. As a country facing large unemployment numbers, this President took bold steps through the Civil Works Administration and the Work Projects Administration to get Americans back to work. Furthermore, these programs led to the improvement of roads and the construction of new schools and libraries. Financial reforms were enacted to prevent future economic collapses. Programs, such as Social Security and unemployment insurance, were created to ensure that all Americans had enough money to survive in times of need. The Fair Labor Standards Act of 1938 brought a minimum wage that guaranteed workers a wage that would keep workers out of poverty. His leadership provided our country with a new way of thinking that gave all citizens basic financial and economic stability. Later, as Hitler's armies marched through Europe and after the bombing of Pearl Harbor, FDR led our country into World War II. As commander-in-chief for most of the war, he was largely responsible for the victory of United States and Allied powers.

The accomplishments of Franklin Delano Roosevelt should be remembered by this Congress. His leadership gave hope to many who faced several years of economic hardships. Legislation passed during his Presidency allowed citizens to regain confidence in the national financial infrastructure. His New Deal programs, still leading political issues today, were significant in finding people new jobs and economic security. As commander-in-chief he successfully led our Nation into victory in World War II. Historians continue to rank him with Washington and Lincoln as one the top three President. Mr. Speaker, I ask all of my colleagues to support this resolution and this distinguished leader.

Ms. SLAUGHTER. Mr. Speaker, I am delighted to rise in support of H.J. Res. 87, a timely resolution that expresses Congress's admiration and respect for the 20th century's greatest American leader.

Franklin Delano Roosevelt started his political career in New York State by working vigorously for reform movements that would redefine the role of government, and he never stopped. The programs that epitomized the New Deal, had their genesis in Albany. As governor, Roosevelt implemented many of the innovative, progressive policies he would later introduce to the Nation as President. He expanded state assistance to social services and state agencies and eased the hardships on New York's agricultural industry by encouraging tax cuts for small farmers. Upon the onset of the Great Depression, he authorized the New York State Unemployment Relief Act and the Temporary Emergency Relief Administration.

In 1928, Roosevelt won the Democratic nomination for Governor at the Naval Armory in my home city of Rochester, New York. While serving as Governor, his successes elevated him to national prominence, and in 1932, he was elected President of the United States for the first of an unprecedented—and never to be repeated—four terms in office.

In 1932, the Nation was plunged into the Great Depression that affected every American. Businesses failed; soup kitchens were set up to feed the longer and longer lines of the unemployed. Banks failed, mortgages were foreclosed and the Nation was filled with fear and despair. Roosevelt began the most comprehensive and innovative programs to put Americans back to work in our history. The Public Works Administration alone funded over 34,000 projects that put people to work building airports, highways, hospitals, schools, and universities.

His Works Progress Administration (WPA) hired artists to enhance the projects and many of our most beautiful public buildings today were the work of the WPA. These publicly funded arts initiatives put famous artists such as Jackson Pollack, Milton Avery, and Stuart Davis to work. As an interesting side note, the red, white, and blue WPA logo remained on theater playbills and its initials were said to mean "Work Pays America." We cannot forget the Civilian Conservation Corps which built national forests and did remedial work to restore and protect the land.

Banking legislation protected deposits, and Social Security ensured that the elderly would not be destitute. The Tennessee Valley Authority brought electricity to parts of the country for the first time. Veterans returning home were given free education under the GI bill and bought homes with the VA low-rate mortgages. The middle class that emerged as a result of the policies of the Roosevelt administration has been the key to American economic stability, success, and innovation.

He understood the desire of able bodied and able minded Americans to work and created jobs. He led America out of an economic depression not merely by giving government handouts, but by creating jobs.

President Roosevelt showed his natural and inspiring leadership throughout World War II. When the nations of Europe began falling to the Nazis, one by one, the United States was hardly a military superpower. If anything, we were poorly prepared and equipped. In 1939, the U.S. Army had barely entered the new century; we still had cavalry troops. In record time, the innovative partnership Franklin Roosevelt established between government and private enterprise enabled American industry to provide the U.S. military with a fleet of 300,000 planes, 100,000 tanks, and 87,000 warships to contribute in record time to the Allied cause. When the war effort outgrew all available space in Washington, Roosevelt's Department of Defense built the Pentagon in a scant 16 months. Roosevelt's creative, visionary leadership enabled the Allies to marshal the resources, troops and equipment to defeat the Nazis and free most of Europe from their domination.

Franklin Roosevelt embraced the unique capabilities of very individual and worked tirelessly to ensure that all Americans would be able to earn a living and build this great Nation. As a result of initiatives like the PWA, the WPA, and the CCC, the unemployed got jobs, people were able to support their families, and this Nation was able to grow and prosper. I hope that, as public servants, my colleagues will join me in following in his example by supporting honest policies that work to better the lives of American people.

Franklin Roosevelt had great regard for public service, and served with a sense of responsibility and honor. His respect for the American people and the value he placed on their well-being and security drove everything he did. President Roosevelt came to embody strength, hope and resolve during some of the most difficult days in our Nation's history. From the economic distress of the Great Depression to the horrifying attack on Pearl Harbor that caused the Nation to enter World War II, Roosevelt's steadfast leadership ignited an economic engine and calmed a frightened nation.

The legacy of his policies will certainly outlast my lifetime and will continue to benefit my children and grandchildren for years to come. We owe home an unpayable debt of gratitude.

Only those closest to him realized that he couldn't walk unaided. As former Governor of New York, Mario Cuomo said "Franklin Roosevelt lifted himself from his wheelchair to lift this nation from its knees."

Franklin Delano Roosevelt left us with some of the most memorable quotations of the century. He told us that, "We have nothing to fear but fear itself." He offered "a new deal" to the Nation, and so perfectly encapsulated the American spirit by saying we would rather "die on our feet than live on our knees." Of all his many wise and eloquent pronouncements, however, I would leave you with this one:

> The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

I am honored to rise today to celebrate the extraordinary life and contributions of Franklin Delano Roosevelt.

Ms. SLAUGHTER. Mr. Speaker, I yield back the balance of my time.

Mrs. MILLER of Michigan. Mr. Speaker, I support the adoption of House Joint Resolution 87 that honors President Franklin Delano Roosevelt, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GILCHREST). The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and agree to the joint resolution, H.J. Res. 87.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until approximately 6:30 p.m. today.

Accordingly (at 3 o'clock and 8 minutes p.m.), the House stood in recess until approximately 6:30 p.m. today.

☐ 1830

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. KLINE) at 6 o'clock and 30 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed. Votes will be taken in the following order:

H. Res. 551, by the yeas and nays;

H.R. 3733, by the yeas and nays; and

H. Res. 433, by the yeas and nays.

Proceedings on H.J. Res. 87 will resume tomorrow.

The first and third electronic votes will be conducted as 15-minute votes. The second vote in this series will be a 5-minute vote.

THANKING C-SPAN FOR ITS SERVICE ON 25TH ANNIVERSARY OF ITS FIRST COVERAGE OF PROCEEDINGS OF HOUSE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 551.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and agree to the resolution, H. Res. 551, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 392, nays 0, not voting 41, as follows:

[Roll No. 58]

YEAS—392

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutknecht
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kleczka
Kline
Knollenberg
LaHood
Lampson
Langevin
Lantos
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)

Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Saxton
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—41

Beauprez
Becerra
Bishop (UT)
Burr
Crane
Davis (IL)
DeMint
Deutsch
Edwards
Emanuel
Everett
Fattah
Gephardt
Gutierrez
Hall
Israel
Istook
Kirk
Kolbe
Kucinich
Larsen (WA)
Lipinski
Maloney
Meeks (NY)
Oberstar
Obey
Platts
Rahall
Rush
Ryan (OH)
Sandlin
Schakowsky
Sessions
Shadegg
Smith (WA)
Stearns
Tauzin
Toomey
Wexler
Wicker
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KLINE) (during the vote). There are 2 minutes remaining in this vote.

☐ 1854

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. STEARNS. Mr. Speaker, on rollcall No. 58 I was unavoidably detained. Had I been present, I would have voted "yea."

Mr. WICKER. Mr. Speaker, on rollcall No. 58 I was unavoidably detained. Had I been present, I would have voted "yea."

MYRON V. GEORGE POST OFFICE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3733.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and pass the bill, H.R. 3733, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 394, nays 0, not voting 39, as follows:

[Roll No. 59]

YEAS—394

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutknecht
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kind
King (IA)
King (NY)
Kingston
Kleczka
Kline
Knollenberg
LaHood
Lampson
Langevin
Lantos
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Manzullo
Markey
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—39

Beauprez
Becerra
Bishop (UT)
Burr
Crane
Davis (IL)
DeMint
Emanuel
Everett
Fattah
Gephardt
Gutierrez
Hall
Israel
Istook
Kilpatrick
Kirk
Kolbe
Kucinich
Larsen (WA)
Lipinski
Maloney
Marshall
Meeks (NY)
Oberstar
Obey
Pryce (OH)
Rahall
Rush
Ryan (OH)
Schakowsky
Sessions
Shadegg
Smith (WA)
Strickland
Tauzin
Toomey
Wexler
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining in this vote.

☐ 1901

So (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HONORING THE LIFE AND LEGACY OF LUIS A. FERRÉ

The SPEAKER pro tempore (Mr. KLINE). The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 433.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and agree to the resolution, H. Res. 433, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 398, nays 0, not voting 35, as follows:

[Roll No. 60]

YEAS—398

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutknecht
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kleczka
Kline
Knollenberg
LaHood
Lampson
Langevin
Lantos
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—35

Beauprez
Becerra
Bishop (UT)
Burr
Cox
Crane
Davis (IL)
DeMint
Emanuel
Everett
Fattah
Gephardt
Gutierrez
Hall
Israel
Istook
Kirk
Kolbe
Kucinich
Larsen (WA)
Lipinski
Maloney
Meeks (NY)
Oberstar
Obey
Rahall
Rush
Ryan (OH)
Schakowsky
Sessions
Shadegg
Smith (WA)
Tauzin
Wexler
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KLINE) (during the vote). Members are advised that 2 minutes remain in this vote.

☐ 1918

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. EMANUEL. Mr. Speaker, due to a family emergency, I missed rollcall votes 58, 59, and 60. Had I been present, I would have voted "yea" on each measure.

PERSONAL EXPLANATION

Mr. DEMINT. Mr. Speaker, I was absent during rollcall votes 58, 59, and 60. Had I been present, I would have voted "yea" on each of those votes.

PERSONAL EXPLANATION

Ms. CARSON of Indiana. Mr. Speaker, on March 10 during the vote on the Personal Responsibility in Food Consumption Act, H.R. 339, I was present on the floor of the House of Representatives. However, my vote was not registered due to, I guess, my mistake in terms of leaving my card in the machine from the previous vote.

Had this malfunction not occurred, I would have voted "nay" on this vote, rollcall vote No. 54.

PRESCRIPTION DRUG BENEFIT FOR WOMEN

(Ms. GINNY BROWN-WAITE of Florida asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, I rise today to speak as the vice chair of the Women's Caucus in this House. Women outlive men by 5.4 years. Unfortunately, women are also spending 18 percent more on our health care. Couple those statistics with the fact that the average woman in Medicare earns half the income of a man and we are facing a very serious problem; that is, affording pharmaceutical drug coverage.

My colleagues and I responded to the problem and created a new voluntary prescription drug benefit in the Medicare bill which we passed last year. The millions of female seniors left widowed, or without a husband's employer insurance coverage, will now have a benefit that will save them almost 60 percent off prescription drugs, if they choose to enroll.

Mr. Speaker, 167,000 elderly women live in the great State of Florida below the poverty level. That is more than two times the number of men in poverty. I am proud to say that my colleagues on the Women's Caucus and I finally did something to assist low-income, elderly women who do not have insurance coverage.

EXTENDING SYMPATHY TO FAMILIES OF VICTIMS OF TERRORISM INCIDENT IN SPAIN

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, no American will ever forget the infamous day of 9/11. I rise today to offer our sympathies to the people of Spain and those who lost their lives on March 11, 2004. There is no greater tragedy than having this kind of reckless, random, and vicious attack on innocent people. And so to those who have lost their lives, the families of those who have lost their lives, we mourn them. We mourn for them. We link arms in the collective effort in the war against terrorism. But we also stand to promote the concept of peace over war and life over death. We hope that we can join together under the collaborative effort of all of the world's people to begin to stand against terrorism but yet to address this question from a perspective of peace and peace enhancement and empowerment as opposed to war.

Those people now have lost their lives, and their legacy should be not continued tragedy and terrorism but a continued effort to work across the lines that are regional, national, and international to promote peace, together, one and for all.

INTRODUCTION OF NO SCHOOL LEFT BEHIND ACT OF 2004

(Mr. BALLANCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLANCE. Mr. Speaker, earlier today in rural Edgecombe County in the community of Battleboro, we announced that we would file a bill tonight called ROLE Model Initiative, Respecting Our Leaders in Education. The event was held at Phillips Middle School in Battleboro where we had more than four dozen education professionals, parents, teachers and students representing rural North Carolina. This bill is being introduced so that we can have our local systems get funding, because we have mandated that they follow the IDEA Act and the No Child Left Behind Act and we have not provided the funds for these acts. One speaker today described these two acts, Individuals With Disabilities Education and No Child Left Behind, as trains on the same track headed toward one another, bound to collide. We want to have a moratorium so the States can opt out of the penalty phase of No Child Left Behind until we fund IDEA.

PRESIDENT VISITS OHIO IN MIDST OF JOB LOSS

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, President Bush came to Cleveland near my district last week to try to defend his economic policies. This is a President who will be the first President since Herbert Hoover who has seen a net loss of jobs during his term. Ohio has lost 3 million jobs since George Bush raised his right hand on January 20, 2001. He has lost 2,000 jobs a week, 260 jobs every single day that he has been President. His response always to bad economic news is more tax cuts for the most privileged, trickle-down economics, hoping something will trickle down to the middle class and more trade agreements like NAFTA that ship jobs overseas.

Tax cuts for the wealthy are not working. Overseas trade agreements like China and PNTR and CAFTA and NAFTA and all the things that he is trying to do, those are not working, either. We need an economic policy that puts working families first. That means job creation. That means those 300,000 Ohioans who have lost jobs can be put back to work.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

ASSAULT WEAPONS BAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. McCARTHY) is recognized for 5 minutes.

Mrs. McCARTHY of New York. Mr. Speaker, this past weekend Deputy Jason Scott of Tennessee was killed by a 16-year-old barricaded in his home with semiautomatic weapons with 30-round magazines. This must stop. One in five law enforcement officers slain in the line of duty is killed with an assault weapon. Our Nation's police officers have worked hard to keep assault weapons off our streets. That is why Congress must revisit the assault weapons ban without attaching special-interest handouts. Otherwise, assault weapons will be back on our streets September 14. That is in 181 days. That is good news for terrorists, cop killers, drug dealers and the terrorists that live among us here in our country. Unfortunately, it is bad news for America's families and police officers.

Since I took the floor a week ago tonight, over 400 Americans have died in this country from gun violence. But instead of the sense of urgency that we should do something about it, the House has stood idly by. Some seem content to let the assault weapons ban expire on September 13. The ban has kept us safer for the last 10 years. It has also respected the rights of gun owners, protecting the hunting rifles, shotguns and pistols favored by law-abiding citizens. Only criminals have been kept from their gun of choice. This explains why 66 percent of gun owners support renewing the ban. The American people support it by even more numbers.

Once again our Nation's law enforcement officers are leading the fight to keep assault weapons off our streets. Before the ban, assault weapons were only 1 percent of privately owned guns but nearly 9 percent of all guns used in crimes. Following the ban's enactment, there were 18 percent fewer assault weapons traced to crime. This is a bill that has worked. It has some flaws in it and that is why I had introduced a bill that would close those loopholes. We know that the gun manufacturers have taken the guns that have been banned, and we know that they have made copycats. Those of you that remember the killings that happened here in D.C. with the D.C. sniper, that is a copycat.

Why do we need these particular guns on the street? I promise that I will never do anything to take away the right of someone to own a gun, but to have assault weapons back on the streets is totally insane and it is insane. The American people feel that they cannot do anything. Well, they can.

□ 1930

They can write to their Congressmen, their Senators, certainly the House Speaker and the President. The President of the United States has said that if he has a bill on the desk, he will sign that bill. I am begging the American people to use their right to be able to talk to their Congressman or their Senator. Let us hear their voices. Otherwise, in 181 days we will have assault weapons back on the street.

We do not even have the time to talk about the health care system and how much it costs from gun violence in this country. It is over $4 billion a year, and the American taxpayer pays for half of that, mainly because those that are injured lose their insurance halfway through their treatment; and, believe me, I know this from experience.

People keep saying they have no voice in the government. They can have a voice. They can have their words be heard by those who represent them here in the House. All I am asking is that we are allowed to bring up the Assault Weapons Ban here on the House floor and have a vote. Have a vote. But right now we are told that the bill will not be brought up. It is going to be allowed to just die.

Ten years ago before I ever came to Congress, I came down here to lobby the people that worked here, to tell them the story and why assault weapons should not be on the streets. Colin Ferguson of the Long Island railroad shooting had 15 bullets in his clips. He was able to get two rounds off, 30 bullets, and each one of those bullets found a mark in a victim. And now we are going to allow the large-capacity clips back on the streets again? This is basically what our men and women are using in war in Iraq.

Please let your voices be heard.

AIR DOMINANCE AND TRANSFORMATION NEED F/A-22 AND JSF

The SPEAKER pro tempore (Mr. BONNER). Under a previous order of the House, the gentlewoman from Texas (Ms. GRANGER) is recognized for 5 minutes.

Ms. GRANGER. Mr. Speaker, the events of September 11, 2001, and the global war on terrorism have shown that our military must continue to transform to meet the challenges of the 21st century.

Thirty years ago, it was difficult to predict the nature of the war we are fighting today, to defend freedom and defeat terrorism. This proves that we must continue to develop the most advanced weapons to ensure America's military dominance in the future.

Our Nation's defense is envied by every country in the world. We have built our air, land, and sea fleet with the most advanced technology available. That technology, perfected over decades, ensures the safety of our armed servicemen and servicewomen. In 10 to 20 years, we must be able to say the same thing.

We are in the process of transforming our military into more agile, adaptive, accurate, and adaptable units of war power. The army is shifting its resources to become lighter, more targeted, and quicker in its response time. The Navy, Marine Corps, and Air Force are developing the next generation of weapons systems that will continue our air and sea dominance.

I support these efforts to move toward the transformation of our military. September 11 changed the way wars are fought. We are fighting enemies hiding in school buses, oftentimes located 2 feet from schools. These unconventional fighters are lurking in the homes of innocent men and women hoping our military will not want to attack citizens. In some cases, our targets are 10 feet from our own military bases. Pinpoint accuracy is crucial to preserving the lives of innocent men, women, and children.

Today I want to focus on two important examples of transformation: the Joint Strike Fighter and the F/A–22 Raptor. The Joint Strike Fighter and the F/A–22 Raptor are essential to transforming our military to meet the challenges of air dominance of the 21st century. As America's new generation of fighter aircraft, these tactical fighters will guarantee air superiority and air dominance for decades to come.

The F/A–22 is the state-of-the-art next-generation fighter aircraft. Undetectable on enemy radar, the F–22 carries a larger weapons load and increased missile range, and it is faster and more maneuverable than its predecessor, the F–15.

The Joint Strike Fighter will be the prime 21st century multi-role fighter for the U.S. Air Force, Navy, and Marine Corps. The basic Joint Strike Fighter design, with a few modifications to meet each service's needs, will be used for all three services. The Joint Strike Fighter will have the best next-generation avionics, weapons systems, and stealth capacities.

We can no longer rely on weapons and aircraft developed in the 1960s and 1970s to shield us from enemy fire, nor should we settle on using less than superior equipment to guide specific strikes against evil in all parts of the globe. Our land, sea, and air fleet must be equipped for new kinds of warfare. They must be capable of moving together as we head into the 21st century.

Mr. Speaker, we owe it to our men and women in uniform to give them the very best equipment as soon as possible.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H. RES. 557, RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 108–438) on the resolution (H. Res. 561) providing for consideration of the resolution (H. Res. 557) relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces, which was referred to the House Calendar and ordered to be printed.

EXCHANGE OF SPECIAL ORDER TIME

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to take the Special Order time of the gentleman from Oregon (Mr. DEFAZIO).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE REPUBLICAN MEDICARE BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, if the Republican Medicare bill is so good, why do they have to sell it so hard? That is a question I have been asking myself lately. I bet it is a question the American people are starting to ask too.

When AARP boss Bill Novelli came out for the Bush Medicare privatization bill last year, he launched a $7 million ad campaign to convince seniors he had made the right decision. America's seniors knew better, and 45,000 AARP members quit in protest.

Rather than learn from AARP's mistake, the President is repeating that same mission, this time at taxpayers' expense. The Bush administration is spending almost $14 million on a nationwide taxpayer-financed TV advertising campaign, the goal of which is to "educate" seniors on why the new Medicare drug law is not as bad as it appears. Interestingly in this election year, he is running those ads at taxpayers' expense even though the Medicare bill does not take effect for 2 more years.

The Bush administration's Medicare ads were suspect from the start. With the slick look of a campaign spot, they assure seniors that the bill guarantees the same Medicare, the same benefits. It is not the same Medicare. They would not be spending the money and trying so hard to convince us if it were the same Medicare. It is not the same Medicare. All seniors will pay higher deductibles. Millions of seniors will pay higher premiums.

And in terms of more benefits, the new coverage is not even available until 2006. It is far from free, and it is actually less generous than the employer-sponsored retiree coverage many seniors have today. In fact, by jeopardizing these employer-sponsored benefits that some 12 million seniors have today, the new Medicare law is likely to leave millions of those seniors with less coverage than they have today.

"The same Medicare, more benefits." It is a catchy soundbite. The Government Accounting Office, the nonpartisan Government Accounting Office, also said it is false advertising. In the people's name with their tax dollars. They said it was false advertising. Now newspapers tell us that the Bush administration is not just manipulating the news; they are inventing it. The administration is using the people's tax dollars literally to hire actors to portray reporters in staged "interviews" that look more like the Home Shopping Network than they do legitimate news, and they do a public discourse.

Even the conservative editors at The Plain Dealer, the largest paper in my State in Cleveland, called those ads phony. And that is just the beginning. News reports, real news stories written by real reporters say the $13 million ad campaign, the infomercial-like interviews are just the tip of the iceberg. The administration is reportedly planning to spend another 80 million of the people's tax dollars to push the Medicare bill which is now law. The drug companies, close allies of President Bush and the Republican leadership in Congress, the word on the street is that the drug companies are going to contribute $100 million to President Bush's reelection. No surprise that the drug companies came into this institution and wrote that language and wrote that Medicare law, the parts that the insurance industry did not write in the Medicare law. Those drug companies are also partners in the marketing plan. Drug giant Pfizer recently launched a traveling road show to talk up the law's new coverage. A less credible champion for drug affordability would be hard to find, Mr. Speaker, less credible than Pfizer. After all, it is the same company, Pfizer, that cut off supplies to Canadian pharmacies when my constituents are trying to buy drugs in Canada because they are so much less expensive. The same drug, same packaging, same dosage, just much less expensive. By the way, Pfizer's pitchman is former U.S. Republican Senator Bob Dole, the same Bob Dole who voted against Medicare in 1965, its creation, who was still bragging about his "no" vote 30 years later.

There is even more to this story. Last year Medicare's chief actuary, a government employee, the man responsible for actually drawing an honest fiscal picture to tell the Congress and to tell the American people, said the Bush plan would cost well over $500 billion rather than the President's promise and Republican leadership's promise that it costs $400 billion. After the bill was enacted, the administration released a revised estimate, surprise, and said actually it will cost about $530 billion.

The Medicare actuary, a Federal employee, was forbidden by his boss, a Federal employee, a Bush political appointee, who is now, interestingly enough, a drug industry lobbyist, that Medicare actuary was prevented from releasing the plan's true cost under the threat that he would be fired if he talked to the American people about the real cost, if he talked to Congress about the real cost. When he was threatened, he was threatened with the loss of his job by a Bush political appointee who is now a drug company lobbyist.

These actions, Mr. Speaker, by the Bush administration and its drug company allies raise serious questions of judgment and serious questions of conduct by those elected officials and appointed officials, by the President, by the head of the Center for Medicaid and Medicare Services, now a drug company lobbyist. I hope these questions will receive careful scrutiny. And still they raise the basic question: If the Republican Medicare bill is so good, why do they have to sell it so hard using 80 million taxpayer dollars?

ORDER OF BUSINESS

Mrs. BLACKBURN. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Tennessee?

There was no objection.

AMERICAN FOREIGN POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, last week there was a quote attributed to JOHN KERRY, the Democratic nominee for President, who said "I've met foreign leaders who can't go out and say this publicly, but, boy, they look at you and say, 'You got to win this; you got to beat this guy; we need a new policy,' things like that." He has not denied the statement.

Quite frankly, whether the statement is accurate or not, and I do not believe it to be accurate, America's foreign policy decisions are not designed to win popularity contests. They are designed to protect and defend America, her citizens, and her allies.

In the days since September 11, there have been those who actually seem to believe that if we had been more understanding of extremist regimes and terrorists that perhaps they would have left us alone. There is a troubling trend in this campaign season. It has become almost formulaic, and we are hearing it from everybody, from the Democratic Presidential candidates on down. Criticize the President, criticize our foreign policy, criticize our country, criticize what we offer, and do it as loudly and as often as they can.

The alternative to President Bush's bold, tough foreign policy that puts terrorists and rogue regimes on the run is one that relies on the international community to take collective action. We have been there. We spent 12 years letting the U.N. throw paper at Saddam Hussein while Saddam's military launched missiles at our pilots, at American pilots enforcing the U.N. no-fly zones over Iraq. For 12 years the U.N. turned a blind eye while such as France allowed its citizens to profit from the Iraq Oil for Food or, as some call it, the Oil for Palaces Program.

International consensus, multilateralism? These are terms the policy wonks and the intellectual elites love to use. They are terms that sound great on paper, but an unyielding dedication to them has proven disastrous in the real world. Multilateralism and collective action are terms that we in the real world know to mean that America should stop leading and let the status quo remain. Those who profited from a status quo that allowed Saddam to remain in power, that allowed terrorists to grow and flourish in Afghanistan do not want us to act.

□ 1945

Nations that have neither the will nor the military capability to take on terrorism on a truly global scale should not criticize those that do.

It was 3,000 Americans, our buildings, our Pentagon that were targeted on September 11, and those responsible needed to know that we were going to do more than lob a few missiles. We have taken steps to reshape the world for the better, and whether this pleases the French is irrelevant. We alone have the capability and the responsibility to stamp out terrorism, and it is to President Bush's credit that he was not deterred by apologists for terrorists and Saddam.

Should America make a turn backward, back to the days when multilateralism and collective action were more important than promoting freedom and targeting terrorism, when we relied on the U.N. to slap dictators on the wrist and sit idly by as Afghanistan became a giant terrorist training camp? If we take that step back, then we are signifying our weakness.

The debate is very clear: Do you prefer that we act preemptively to prevent another September 11? Do you believe swift, decisive action in lands breeding terrorism is preferable to emergency response on the streets of our cities in the aftermath of an attack? Do you want American foreign policy dictated by your elected leaders or those in Europe?

I think the answer to this is clear. We all know the answer to this and, certainly, when we read polls like this one from the Iraqi people who say their life is better today than it was a year ago, we know the answer to that question.

ORDER OF BUSINESS

Mr. GREEN of Texas. Mr. Speaker, I ask unanimous consent to take my 5 minutes out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

TAX CUTS DO NOT CREATE JOBS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GREEN) is recognized for 5 minutes.

Mr. GREEN of Texas. Mr. Speaker, I rise tonight to speak about the continual frustration that Americans feel when it comes to their jobs, or lack of jobs.

The American people are getting mixed messages when it comes to the economy, and we have a responsibility to give it to them straight and put in place the measures that are going to help.

The administration tells the American people that the economy is growing, and we hear today that a new survey shows that 28 percent of employers plan to add workers, but we have yet to see such strong growth. The Congressional Budget Office estimates only 4.8 percent of the gross domestic product growth in 2003, providing strong suggestions that the growth touted by the administration is not sustainable. Not only is that growth not sustainable, the American people are not feeling the effects of it.

My Republican colleagues will say, but the unemployment rate dropped in January. However, by stressing the unemployment rate has dropped to 5.6 percent, they fail to tell the rest of the story that paints the true picture of the job market in our country. Job growth is not following economic growth. Profits are up, but job creation is not. It is that simple. The working-age population has increased by 2.4 percent and needed an additional 4.7 million jobs since March of 2001 just to support these new workers. Instead, jobs since then have decreased by 2.35 million, creating a gap of 7 million jobs lost in the job market.

There are not enough jobs to even sustain the growth in population, much less provide employment for all of our workers affected by plant closures, company downsizing, and the outsourcing. Each month, 125,000 additional Americans want to enter the workforce. These people are not to be confused with our currently unemployed workers; rather, these are Americans who have graduated from high school or college. And, the 112,000 jobs created in January do not even compensate enough for these new workers, much less help absorb the 2.35 million Americans who have lost their jobs since this recession began.

To make matters worse, the economy only created 21,000 jobs in February, and an additional 392,000 civilian workers left the workforce last month. However, the Labor Department's monthly unemployment statistics do not count that 392,000 unemployed workers. They do not count any of the 2.8 million Americans who constitute the "missing labor force," or those who have given up looking for jobs or left the labor market all together. Sure, the unemployment rate can drop if we do not count those who have already left the labor force. But, if we include these workers into the unemployment statistics, the country's current unemployment rate jumps to 7.4 percent.

And what have we done for those who have found themselves laid off or unemployed? The administration cut taxes and said tax cuts will create 306,000 jobs each month. Yet, in 8 months, a total of only 294,000 jobs have been created, not the 2,448,000 that this administration said tax cuts would create. Just a little short.

If the Republican majority is not going to create jobs, they should at least help the country's unemployed by extending unemployment benefits. Again this year, Congress left town before Christmas without providing unemployed Americans with a 13-week temporary extension of their benefits. It is March now, and Congress still has failed to act on this important benefit to unemployed Americans.

The need for extended unemployment benefits is real. This is the longest recession without job recovery since the Bureau of Labor Statistics began collecting data in 1939, since recovering from the Great Depression. This is the longest recession without job recovery. We do not need statistics to demonstrate that need. To those of us who hear from and visit with our unemployed constituents, it is equally clear.

We continue to hear the hollow argument that our recent economic growth mitigates the need for jobless benefits. There has not been job growth in our country. I would like to talk about a conversation I had with a constituent of mine. Let us call her Mrs. Crawford. Mrs. Crawford, single and 60 years old, was laid off quite some time ago. In January she joined the 80,000 Americans who lose their unemployment benefits each week. I asked Mrs. Crawford if the administration's economic policies have helped her, and she told me that not only did she not receive any tax cuts that were supposed to stimulate the economy, the so-called economic growth as a result of these tax cuts has not increased her job opportunities.

The administration will tell her that the economy is growing, and we do not need extension on jobless benefits, but they have conveniently left out the fact that the temporary extension was created to deal with the very economic conditions we face today. In fact, the program was created when unemployment stood at 5.7 percent and the country had lost 2 million jobs. Now, the unemployment rate is at 5.6 and the country has lost a net of 2.35 million jobs. And with 80,000 Americans losing their unemployment benefits each week with no jobs to go to, there is no doubt about the need for an extension.

The Senate voted last month, 58 to 39, to support an extension. Let us stop sending the American people these symbolic, yet mixed messages of support, and pass a clean bill extending unemployment benefits. If the majority of this Congress is not going to talk straight on the economy, the least they can do is provide Americans with temporary relief.

SUPPORTING BUSH ECONOMIC INITIATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. NEUGEBAUER) is recognized for 5 minutes.

Mr. NEUGEBAUER. Mr. Speaker, I rise today in support of President Bush's economic initiatives. As a former small businessman, I have watched closely as the President's initiatives have improved the economy, even in the aftermath of September 11.

Mr. Speaker, we are getting a lot of backlash from folks who say the economy is not doing well. Well, they are wrong. These are just a few of the positive headlines that are coming out of my district: "West Texas Housing Moves Up At Record Levels." "Statewide Confidence Index Predicts Economy is on the Upswing." "Jobless Rate the Lowest in Almost 4 Years." "The Economy is Doing Well."

When President Bush took office, the economy was headed into a recession. The stock market had just collapsed, the manufacturing industry was at an all-time low, and then the United States was hit with the events of 9–11, and then military campaigns on the war on terrorism. Now, durable goods shipments are up, factory orders are up, consumer spending is up. Today the housing ownership rate in America is the highest it has ever been in the history of this country. The President has shown, and I agree, when you put the money in the hands of the small business people in America, they will create jobs. Mr. Speaker, what the President knows and what I know is that the American people know how to spend their own money a lot better than the United States Congress does.

In an article dated just a week ago in Odessa, Texas, saw sales tax revenues rise for the 15th straight month, and the entire Permian Basin showed strong gains and signs of improving. In Odessa, more and more people are employed and they are spending their money, which is strengthening the local economies.

The Democrats are saying, we are not adding jobs to this economy. Well, the truth is, the economy has experienced 6 consecutive months of job growth and has added 364,000 jobs over the last 6 months. There are nearly 3 million more workers now than in early 2002. Basically, more Americans were working in January 2004 than at any other time in the history of this country.

Democrats would have the American people believe that more and more people are being laid off every day. Once again, they are wrong. The unemployment rate is down. Today's rate, in fact, is below the average for the entire decades of the 1970s, the 1980s, and the 1990s. Even when the Democrats ended a temporary extended unemployment benefits program in the 1990s, today's unemployment rate is lower than it was at that time.

The manufacturing arena, which has struggled for 37 months of decline, is reporting expanded employment for the fourth consecutive month. So that when Democrats complain that the industry is hemorrhaging, that is simply not true. Like former President Reagan, I believe fervently that the government should cut taxes and regulations on small businesses, enabling them to do what they do best, and that is create jobs.

Those in the House who oppose these values believe that the Federal Government has an income problem. That is not true. The Federal Government has a spending problem.

When my sons came home from college and said, Dad, I am out of money, can I have some more, the answer was, no, you will have to tighten your budget and work with the money that your mother and I give you. What they know, what I know, and what my colleagues know is the way we cure deficits is not with giving people more money; you encourage them to spend less money. And that is the way the Federal Government should act.

I believe in tax cuts as a solution rather than a contributor to the deficits. I credit President Bush's tax cuts, which were pushed through Congress for an additional 21,000 new jobs just last month.

I served for years in the land development industry, and I watched the market move up and down and back and forth, but more recently I have seen a huge surge in the housing market. More single family homes were purchased in 2003 than any other year in the history of this country, and the homeownership rate in America is at an all-time high. President Bush's initiatives to dismantle the barriers to homeownership include providing down payment assistance through the American Dream Down Payment Initiative, increasing the supply of affordable homes through the Single Family Affordable Housing Tax Credit, and increasing the support for the Self-Help Ownership and Opportunities Program, and increasing home-buying education and counseling.

In June 2002, President Bush issued the American Homeowners Challenge to the real estate and mortgage finance industries to encourage them to join the effort to close the gap that exists between minorities and nonminorities. The President also announced the goal of increasing the number of minority homeownership by at least 5.5 million families before the end of the decade.

Congress has a choice. It can continue to grow the economy and create jobs as the President's policies are doing, or it can raise taxes on American families, hurting the economic recovery and any future job creation.

I stand with small businessmen and women of America who say the President is absolutely right.

HEALTH SAVINGS ACCOUNTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. BRADLEY) is recognized for 5 minutes.

Mr. BRADLEY of New Hampshire. Mr. Speaker, it is with great pleasure that I rise tonight to spend 5 minutes talking about health savings accounts. Clearly, much of the attention that our Nation has given to the medicare drug benefit has focused on the long overdue nature of the fact that we do need a drug benefit for senior citizens on medicare. For instance, Mr. Speaker, it is not acceptable that under medicare, expensive heart surgery is paid for, but the far cheaper prescription medications that will prevent senior citizens from having to have expensive heart surgery is not paid for.

□ 2000

And this is a long overdue reform.

But a little noticed section of the Medicare drug benefit legislation deals with health savings accounts.

Mr. Speaker, you may recall that in the past we have had medical savings accounts that individuals can use but they have been very flexible and difficult to use. And with this important legislation that now allows for health savings accounts along with House passed efforts for medical liability reform, as well as associated health plans, we are making attempts in the House to lower the cost of health insurance and to improve accessibility.

How do health savings accounts work? Well, first of all, individuals, their family members, or their employers can put tax-free dollars into an IRA-type of account that will be able to be rolled over for use for bona fide medical expenses. An individual can contribute $2,600, a family, couple, $5,150.

As I said, if you do not use all of the health savings account tax-free dollars that you have put into your account in one year, it can roll over, can accumulate so senior citizens can use it, for instance, when they retire, for some expenses that they might not traditionally found Medicare has paid for. It can be part of one's estate, inherited by one's children.

As I indicated before, individuals can contribute to this as can family members or employers. It can be transferred from job to job. And if you are in the age group of 55 to 65, you can do catch-up contributions of up to $1,000 more because retirement is coming along fairly quickly. This increased flexibility is what has made health savings accounts very exciting for people that are looking for market-based mechanisms to reform health care and to improve its delivery across our Nation.

What can health savings accounts be used for? Number one, for bona fide medical expenses. It can be used for many different things that are not traditionally covered by health insurance, chiropractic care, acupuncture. This will enable alternative medicine to get the kind of attention that sometimes is missing from health insurance policies. And it can be used for the purchase of higher-deductible health care policies, $1,000 for an individual, and $2,000 for a family.

So the use of tax-free dollars, Mr. Speaker, for medical attention, for medical care, is going to transform, I believe, the way that we purchase health insurance in this country and how we judge health insurance. Because no longer will it be somebody else's money, an insurance company's money or something like that; it will be our own money that we have earned.

And so the practice of defensive medicine might be shrunk a little bit, unnecessary tests will be diminished because anybody using their health savings account dollars will be using their own money. So we will be much wiser consumers of medical care in this country.

So, Mr. Speaker, I certainly encourage all Americans who are eligible for health savings accounts to look at them carefully because they are part of the law that has already been implemented.

One can create their own health savings account as of January 1, 2004. And as we approach April 15, it is a good time to think about doing that. Because as I said, like an IRA, they are simple to use, easy to set up, and certainly, when all is said and done, this will transform how we purchase health insurance in our country in a very positive way.

THE HIGH COST OF EMPLOYEE HEALTH CARE COVERAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes as the designee of the minority leader.

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker and Members of the House, I was visited by the Michigan floral shop owners, small business people who were telling me they can hardly afford the private health insurance coverage for their employees. And many of them are going to have to give up the practice of insuring for health purposes their employees because the costs are just too enormous.

I am reminded of a discussion I had with the esteemed president of the United Automobile Workers, Mr. Ron Gettelfinger, who indicated that we have just about run out of how much unions in collective bargaining agreements can continue to give up in terms of the health care, employer-based health care that the United Automobile Workers have been working on for decades because the demands of the corporations, the automobile corporations, continue and insist at every round of collective bargaining to require more and more give-backs, higher premiums, and fewer services to be provided under the employer-employee health plan.

It is also my duty to report to you that I have been advised that DaimlerChrysler Corporation is examining something different from the plan that the Chrysler Corporation, who they succeeded, has been engaged in with the United Automobile Workers in terms of their employee health coverage. It is getting too high, it is costing too much.

And so I am here to continue a discussion that has been going on for many years. And I would like to recommend to my colleagues a few of the things I have been reading about this subject matter and see where it takes it. I had the pleasure of meeting Dr. Ron Mueller, the author of a book entitled "As Sick As It Gets: The Shocking Reality of America's Health Care, a Diagnosis and Treatment Plan," which he prescribes in this book.

Here is what he said: Some of the patients had to tell him about their health coverage. One said that, "When my wife dies I can slow down, I will not need to work so hard to pay for her medications." Another said, "I borrowed my sister's insulin, she has insurance." Another, "I don't have insurance. Actually I do, but I have a $5,000 per year deductible." Another, all of his Social Security goes for his medications and his medical bills. "I am trapped. You work all your life and look forward to retirement and it will not come. I got to work to pay for the pills and the bills." Another, "It was only after my lawyer got involved that they agreed to cover my surgery."

"Those (expletive deleted) are a bunch of thieves. I called Medicare and they told me not to pay another dime. Then the (expletive deleted) threatened me."

Another, "I have a history of using cocaine but I have been drug free for 3 years. Unfortunately, I have had thoughts of using it again and I am afraid I might relapse. So I called my insurance company to see if counseling was covered. The insurance company said I was not covered unless I tested positive. So I have to go out and use the drugs before I am covered. Makes sense, does not it?"

And the final comment, "The letter said we have covered all your medical bills except $384,000."

And so it is an important subject that we begin to examine more and more closely as we move forward.

Dr. David Himmelstein, Dr. Steffie Woolhandler, and Dr. Ida Hellander have a book that deals with the consequences of corporate health care. And they make the following points, and I quote: "Centuries ago, doctors practiced phlebotomy by applying incisions and leaches to their patients. Doctors acted on the misguided belief that illnesses could be cured by bleeding them away. Some patients lost so much blood that it killed them. Today we wonder how they got it so wrong. One day our grandchildren will look back on the damage wrought by corporate health care with an equal sense of bewilderment. They will learn that early in the 21st century, 45 percent of all bankruptcies involved a medical reason or a large medical debt; that 47 percent of those denied authorization for emergency room care by their HMOs had unstable vital signs or other high-risk indicators; the death rates and patient expenses are higher at the for-profit hospitals than at nonprofit facilities; that doctors are actually paid money to withhold medical services; that in a solid economy, infant mortality rates for African Americans are more than twice those for whites. And perhaps most baffling is the continued existence of a corporate system when 77 percent of Americans believe the government should provide quality medical coverage to all adults."

And so their book, with extraordinary detail, is a compelling argument in favor of a national health care program, a program that would cover everyone and provide better care for less than what we spend today.

I want to emphasize that. We could spend less with a reorganized national health care system than we are spending today. How could that be? How could we get better care for less money?

Well, one simple answer would be to take the incredible profit taking that goes on within the health care industry. It is amazing; 47 percent, or 45.6 percent to be precise, of all bankruptcies involve a medical reason or a large medical debt; 326,441 families identified illness as the main reason for bankruptcy in the year 1999. An additional 269,757 had large medical debts at the time of bankruptcy. And that 7 per 1,000 single women and 5 per 1,000 men suffered a medical-related bankruptcy in the year 1999.

This is from the Norton's Bankruptcy Advisor, which is the source of those statistics.

☐ 2015

So we could do a lot for our Nation's citizens by revisiting health care.

We have some other issues that relate to this subject that I think are pretty important. We have here another interesting book, soft cover, put together by the staff of the New York Times. It is called "Solving America's Health-Care Crisis, A Guide to Understanding the Greatest Threat to Your Family's Economic Security," and so they point out to us that this great problem is the biggest one that confronts the most Americans.

"The labyrinth of issues involved in understanding this crisis is daunting," and so they provide for a primer that will help all of us make judgments about the complicated health care issues now plaguing the country. This New York Times staff provides searching reportage and penetrating analysis and tells what works and what does not, who profits and who loses and what might or might not be done to fix a health care industry on the brink of collapse.

What is done in this book that is most interesting is to examine how high technology and high medical costs both save lives and at the same time hurt growing numbers of Americans, how other countries, for example, handle health care better than we do. As a matter of fact, all of the industrialized nations of the world have a national health care plan that does not turn on whether a person has the right insurance company or carries the right provisions within the health care plan before it can be covered, whether or not a person can independently afford to pay for it.

This book, "Solving America's Health-Care Crisis," examines how some doctors profit from patients by becoming high-tech entrepreneurs; and so it seems to many of us that it is correct to say that the key to America's economic fate lies in health care reform, and so I would like to thank Mr. Eric Eckholm, who led the team that put this very interesting discussion together.

We are forced now to examine whether, with the hundreds and hundreds of proposals of bills in both the House and the Senate relating to health care and health care delivery, to Medicare and Medicaid, to Social Security, how we are going to more quickly improve the system that we are working on; and I look forward to discussions with my colleagues, informally, about what we must do to deal with this subject.

I would like now to turn to a very interesting statement that has been put forward by my friend, the Secretary of State, Colin Powell, in which he asserted that 130 nations backed us in the war against Iraq. There are 191 countries in the United Nations. There are some 40 or more that are not in the United Nations, and there may be as much as a dozen who are neither in the United Nations nor are formally organized and recognized as nation states. We are talking about a lot of people, 6.4 billion people in the world, more than 250 countries, and 130 of them backed us up.

I have sent a note, and I will include it in the RECORD, asking the Secretary to advise me of which of these countries contributed to our success in the war in Iraq.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, March 16, 2004.

Hon. COLIN POWELL,
Secretary, Department of State, Washington, DC.

Urgent Attn: Office of the Secretary.

DEAR SECRETARY POWELL: I write to request a specific identification from your office of the countries who support the United States' decision to declare war on Iraq. In your statement regarding the matter, it was your position that approximately 130 countries were behind the U.S. in this war. I would appreciate your urgent assistance in providing a list of these countries at your earliest possible convenience.

Thank you for your kind assistance in this matter, and if you need any further information relevant to this request, please do not hesitate to contact me directly at 202–225–5126.

Sincerely,

JOHN CONYERS, Jr.
Ranking Member.

May I indicate, that it has been brought to the attention of the Roll Call newspaper that the question of whether the legality of the government-sponsored ads promoting the new Medicare prescription drug benefit is appropriate or indeed legal. GAO, of course, the investigative arm of the Congress, wants to find out whether this ad program launched by the administration violates a Federal law prohibiting the government from disseminating "covert propaganda," and so we await the examination and report of the General Accounting Office.

It has been commented by the gentleman from Ohio (Mr. BROWN) that there are a number of questions that are related to this very important subject.

IRAQ

Mr. CONYERS. Mr. Speaker, in connection with Iraq, we had the benefit of the Committee on Government Reform, which has had a study done about this, which runs some 30 pages, that raises the question of the Bush administration's public statements on Iraq. It is called "Iraq on the RECORD," and there have been questions raised in several areas. I will include this report in the Record, which was prepared at the request of the distinguished ranking member of the Committee on Government Reform, the gentleman from California (Mr. WAXMAN); but this table of contents, and this has been released today, special investigations division, raises the question of the number and timing of misleading statements on the part of the administration.

IRAQ ON THE RECORD—THE BUSH ADMINISTRATION'S PUBLIC STATEMENTS ON IRAQ

EXECUTIVE SUMMARY

On March 19, 2003, U.S. forces began military operations in Iraq. Addressing the nation about the purpose of the war on the day the bombing began, President Bush stated: "The people of the United States and our friends and allies will not live at the mercy of an outlaw regime that threatens the peace with weapons of mass murder."

One year later, many doubts have been raised regarding the Administration's assertions about the threat posed by Iraq. Prior to the war in Iraq, the President and his advisors repeatedly claimed that Iraq possessed weapons of mass destruction that jeopardized the security of the United States. The failure to discover these weapons after the war has led to questions about whether the President and his advisors were candid in describing Iraq's threat.

This report, which was prepared at the request of Rep. Henry A. Waxman, is a comprehensive examination of the statements made by the five Administration officials most responsible for providing public information and shaping public opinion on Iraq: President George Bush, Vice President Richard Cheney, Defense Secretary Donald Rumsfeld, Secretary of State Colin Powell, and National Security Advisor Condoleezza Rice. It finds that the five officials made misleading statements about the threat posed by Iraq in 125 public appearances. The report and an accompanying database identify 237 specific misleading statements by the five officials.

METHODOLOGY

The Special Investigations Division compiled a database of statements about Iraq made by President Bush, Vice President Cheney, Secretary Rumsfeld, Secretary Powell, and National Security Advisor Rice. All of the statements in the database were drawn from speeches, press conferences and briefings, interviews, written statements, and testimony by the five officials.

This Iraq on the Record database contains statements made by the five officials that were misleading at the time they were made. The database does not include statements that appear in hindsight to be erroneous but were accurate reflections of the views of intelligence officials at the time they were made. The entire database is accessible to members of Congress and the public at www.reform.house.gov/min.

This report is a summary of the Iraq on the Record database. Because the officials' statements have been compiled into a searchable database, the report can make new observations about the topics that were the subject of misleading claims, the timing of these claims, and the officials who were responsible. To ensure objectivity, the report was peer reviewed for fairness and accuracy by two leading experts: Joseph Cirincione, senior associate and director of the Non-Proliferation Project at the Carnegie Endowment for International Peace, and Greg Thielmann, former acting director of the Office of Strategic, Proliferation, and Military Affairs in the Department of State's Bureau of Intelligence and Research.

FINDINGS

Number of Misleading Statements. The Iraq on the Record database contains 237 misleading statements about the threat posed by Iraq that were made by President Bush, Vice President Cheney, Secretary Rumsfeld, Secretary Powell, and National Security Advisor Rice. These statements were made in 125 separate appearances, consisting of 40 speeches, 26 press conferences and briefings, 53 interviews, 4 written statements, and 2 congressional testimonies. Most of the statements in the database were misleading because they expressed certainty where none existed or failed to acknowledge the doubts of intelligence officials. Ten of the statements were simply false.

Timing of the Statements. The statements began at least a year before the commencement of hostilities in Iraq, when Vice President Cheney stated on March 17, 2002: "We know they have biological and chemical weapons." The Administration's misleading statements continued through January 22, 2004, when Vice President Cheney insisted: "There's overwhelming evidence that there was a connection between al-Qaeda and the Iraqi government." Most of the misleading statements about Iraq—161 statements—were made prior to the start of the war. But 76 misleading statements were made by the five Administration officials after the start of the war to justify the decision to go to war.

The 30-day period with the greatest number of misleading statements was the period before the congressional vote on the Iraq war resolution. Congress voted on the measure on October 10 and October 11, 2002. From September 8 through October 8, 2002, the five officials made 64 misleading statements in 16 public appearances. A large number of misleading statements were also made during the two months before the war began. Between January 19 and March 19, 2003, the five officials made 48 misleading statements in 26 public appearances.

Topics of the Statements. The 237 misleading statements can be divided into four categories. The five officials made 11 statements that claimed that Iraq posed an urgent threat; 81 statements that exaggerated Iraq's nuclear activities; 84 statements that overstated Iraq's chemical and biological weapons capabilities; and 61 statements that misrepresented Iraq's ties to al Qaeda.

Statements by President Bush. Between September 12, 2002, and July 17, 2003, President Bush made 55 misleading statements about the threat posed by Iraq in 27 separate public appearances. On October 7, 2002, three days before the congressional votes on the Iraqi war resolution, President Bush gave a speech in Cincinnati, Ohio, with 11 misleading statements, the most by any of the five officials in a single appearance.

Some of the misleading statements by President Bush include his statement in the January 28, 2003, State of the Union address that "the British government has learned that Saddam Hussein recently sought significant quantities of uranium from Africa"; his statement on October 2, 2002, that "the Iraqi regime is a threat of unique urgency"; and his statement on May 1, 2003, that "the liberation of Iraq . . . removed an ally of al Qaeda."

Statements by Vice President Cheney. Between March 17, 2002, and January 22, 2004, Vice President Cheney made 51 misleading statements about the threat posed by Iraq in 25 separate public appearances.

Some of the misleading statements by Vice President Cheney include his statement on September 8, 2002, that "we do know, with absolute certainty, that he is using his procurement system to acquire the equipment he needs . . . to build a nuclear weapon"; his statement on March 16, 2003, that "we believe he has, in fact, reconstituted nuclear weapons"; and his statement on October 10, 2003, that Saddam Hussein "had an established relationship with al Qaeda."

Statements by Secretary Rumsfeld. Between May 22, 2002, and November 2, 2003, Secretary Rumsfeld made 52 misleading statements about the threat posed by Iraq in 23 separate public appearances.

Some of the misleading statements by Secretary Rumsfeld include his statement on November 14, 2002, that within "a week, or a month" Saddam Hussein could give his weapons of mass destruction to al Qaeda, which could use them to attack the United States and kill "30,000, or 100,000 . . . human beings"; his statement on January 29, 2003, that Saddam Hussein's regime "recently was discovered seeking significant quantities of uranium from Africa"; and his statement on July 13, 2003, that there "was never any debate" about whether Iraq had a nuclear program.

Statements by Secretary Powell. Between April 3, 2003, and October 3, 2003, Secretary Powell made 50 misleading statements about the threat posed by Iraq in 34 separate public appearances.

Secretary Powell sometimes used caveats and qualifying language in his public statements. His statements that contained such cautions or limitations were not included in the database. Nonetheless, many of Secretary Powell's statements did not include these qualifiers and were misleading in their expression of certainty, such as his statement on May 22, 2003, that "there is no doubt in our minds now that those vans were designed for only one purpose, and that was to make biological weapons."

Statements by National Security Advisor Rice. Between September 8, 2002, and September 28, 2003, National Security Advisor Rice made 29 misleading statements about the threat posed by Iraq in 16 separate public appearances.

Although Ms. Rice had the fewest public appearances and the fewest misleading statements, she had the highest number of statements—8—that were false. These false statements included several categorical assertions that no one in the White House knew of the intelligence community's doubts about the President's assertion that Iraq sought to import uranium from Africa.

I. INTRODUCTION

The President and his senior advisors have a special obligation to describe accurately the national security threats facing the Nation. This special obligation derives in part from the nature of the subject. There is no decision that is more grave than sending our armed forces to battle. The special obligation also derives in part from the unique access that the President and his advisors have to classified information. On matters of national security, only the President and his advisors have full access to the relevant classified information. Members of Congress and the public see only a partial picture based on the information the President and his advisors decide to release.

Recently, serious questions have been raised regarding whether President Bush and his Administration met this special obligation. Numerous news reports and columns have questioned the accuracy of specific statements by President Bush and other Administration officials. The White House maintains that any misstatements were "only a small part of an 'overwhelming' case that Iraqi President Saddam Hussein posed a threat to the United States." Other observers, though, have detected a pattern of consistent misrepresentation.

The one-year anniversary of the beginning of military operations in Iraq marks an occasion for comprehensively assessing whether the President and his senior advisors met their obligation to accurately present intelligence to the American public. For this reason, Rep. Waxman asked the Special Investigations Division to assemble in a single database any misleading statements made by President Bush, Vice President Cheney, and other senior Administration officials about the threat posed by Iraq. This report summarizes key findings from this Iraq on the Record database. The database itself is available to members of Congress and the public at www.reform.house.gov/min.

II. METHODOLOGY

The Iraq on the Record database contains statements from the five Administration officials most responsible for providing public information and shaping public opinion on the Iraq war: President George Bush; Vice President Richard Cheney; Secretary of Defense Donald Rumsfeld; Secretary of State Colin Powell; and National Security Advisor Condoleezza Rice.

The statements in the database are drawn from 125 public statements or appearances in which the five officials discussed the threat posed by Iraq. The sources of the statements are 40 speeches, 26 press conferences and briefings, 53 interviews, 4 written statements and articles, and 2 appearances before congressional committees. Quotes from the officials in newspaper articles or other similar secondary sources were not included in the database because of the difficulty of discerning the context of such quotes and ensuring their accuracy. Statements made by the officials before March 2002, one year before the commencement of hostilities in Iraq, were also not included.

The database contains statements that were misleading based on what was known to the Administration at the time the statements were made. In compiling the database, the Special Investigations Division did not assess whether "subjectively" the officials believed a specific statement to be misleading. Instead, the investigators used an "objective" standard. For purposes of the database, a statement is considered "misleading" if it conflicted with what intelligence officials knew at the time or involved the selective use of intelligence or the failure to include essential qualifiers or caveats.

The database does not include statements that appear mistaken only in hindsight. If a statement was an accurate reflection of U.S. intelligence at the time it was made, the statement is excluded from the database even if it now appears erroneous.

To determine whether a statement was misleading, the Special Investigations Division examined the statement in light of intelligence known to the Administration at the time of the statement. The primary sources for determining the intelligence available to the Administration were (1) the portions of the October 2002 National Intelligence Estimate that have been released to the public, (2) the February 5, 2004, statement by Director of Central Intelligence George Tenet entitled Iraq and Weapons of Mass Destruction, (3) the recent report of the nonpartisan Carnegie Endowment for International Peace entitled WMD in Iraq: Evidence and Implications, and (4) news and other reports quoting U.S. officials regarding the intelligence available to the administration on Iraq.

In general, hypothetical and implied statements about threats posed by Iraq were not included in the database of misleading statements. A few such statements were included, however, where they implied a threat in evocative and frightening language. These statements were misleading because the effect was to instill in the public the perception that the threat actually existed.

To be conservative, the Special Investigations Division excluded hundreds of statements by the five officials that many observers would consider misleading. For example, the five officials made numerous claims that Iraq "had" stockpiles of chemical weapons. Many of these statements were misleading in that they implied that Iraq possessed these stockpiles currently and did not acknowledge the doubts of intelligence experts. Nevertheless, these statements were not included in the database when they were expressed in the past tense because Iraq did possess chemical weapons at least as late as the early 1990s and used them during the 1980s.

Investigators also excluded scores of statements of certainty that Iraq possessed "weapons of mass destruction" prior to the war. To many observers, these statements would be misleading because they implied that Iraq possessed nuclear weapons without acknowledging the division among intelligence officials about whether this was the case. The Special Investigations Division excluded these general "weapons of mass destruction" assertions, however, because of the ambiguity inherent in the phrase.

The Special Investigations Division asked two leading independent experts to peer review this report for fairness and accuracy. These two independent experts are: Joseph Cirincione, senior associate and director of the Non-Proliferation Project at the Carnegie Endowment for International Peace, and Greg Thielmann, former acting director of the Office of Strategic, Proliferation, and Military Affairs in the Department of State's Bureau of Intelligence and Research. These experts judged that this report is a fair and accurate depiction of the administration's statements.

III. NUMBER AND TIMING OF MISLEADING STATEMENTS

President Bush, Vice President Cheney, Secretary Rumsfeld, Secretary Powell, and National Security Advisor Rice repeatedly made misleading statements about the threat posed by Iraq. They made these statements in 125 separate public appearances. The total number of misleading statements made by the five officials is 237.

The 237 misleading statements were made in a variety of forums. On 53 occasions, the five officials gave interviews in which they made claims that were misleading. They also made misleading statements in 40 speeches, 26 press conferences and briefings, 4 written statements and articles, and 2 appearances before Congress.

The misleading statements began at least one year before the start of the war in Iraq, when Vice President Cheney stated on March 17, 2002: "The President's made it clear that we are concerned about nations such as Iraq developing weapons of mass destruction. We know the Iraqis have been engaged in such efforts over the years. We know they have biological and chemical weapons. . . . And we also have reason to believe they're pursuing the acquisition of nuclear weapons."

These misleading statements have continued through at least January 2004. On January 22, 2004, Vice President Cheney said in a National Public Radio interview, "I think there's overwhelming evidence that there was a connection between al-Qaeda and the Iraqi government. . . . I'm very confident that there was an established relationship there." He also said in the same interview, "we know . . . that prior to our going in that he had spent time and effort acquiring mobile biological weapons labs, and we're quite confident he did, in fact, have such a program. We've found a couple of semi trailers at this point which we believe were, in fact, part of that program." As described below, both of these assertions were misleading in that they failed to disclose the serious doubts held by intelligence officials.

The majority of the misleading statements—161—were made in the buildup to the war in Iraq. The volume of misleading statements by the five officials peaked before key decision points in the buildup to the war. Congress began debate on the Iraq war resolution in early October 2002 and voted on the measure on October 10 and October 11, 2002. During the 30 days between September 8 and October 8, 2002, the five officials made 64 misleading statements in 16 public appearances. This was the highest number of misleading statements for any 30-day period.

There were also a large number of misleading statements in the two months before hostilities began on March 19, 2003, when the five officials made 48 misleading statements in 26 public appearances.

Most of the misleading statements in the Iraq on the Record database involve the selective use of intelligence or the failure to include essential qualifiers or caveats. For example, statements of certainty that Iraq was close to possessing nuclear weapons were misleading because they ignored significant doubts and disagreement in the U.S. intelligence community regarding whether Iraq was actively pursuing a nuclear program.

In 10 instances, however, the statements included in the database were false statements that directly contradicted facts known at the time by the Administration. For example, on July 11, 2003, Ms. Rice stated with respect to the claim that Iraq was seeking uranium in Africa: "Now, if there were doubts about the underlying intelligence . . . those doubts were not communicated to the President, to the Vice President, or to me." This statement is false because, as Ms. Rice's deputy Stephen Hadley subsequently acknowledged, the CIA sent Ms. Rice and Mr. Hadley memos in October 2002 warning against the use of this claim.

IV. CATEGORIES OF MISLEADING STATEMENTS

The misleading statements by President Bush, Vice President Cheney, Secretary Rumsfeld, Secretary Powell, and National Security Advisor Rice fall into four general categories: (1) statements suggesting that Iraq posed an urgent threat, (2) statements regarding Iraq's nuclear activities, (3) statements regarding Iraq's biological and chemical weapons capabilities, and (4) statements regarding Iraq's support of al Qaeda.

A. STATEMENTS THAT IRAQ POSED AN URGENT THREAT

On February 5, 2004, Director of Central Intelligence George Tenet categorically stated that the U.S. intelligence community "never said there was an 'imminent' threat." Yet this was not the impression conveyed by President Bush, Vice President Cheney, Secretary Rumsfeld, Secretary Powell, and National Security Advisor Rice in their public statements on Iraq. In 10 different appearances, these five officials made 11 statements claiming that Iraq posed an urgent threat.

For example: President Bush stated on October 2, 2002: "The Iraqi regime is a threat of unique urgency. . . . [I[t has developed weapons of mass death." President Bush stated on November 20, 2002: "Today the world is . . . uniting to answer the unique and urgent threat posed by Iraq." Vice President Cheney stated on August 26, 2002: "Simply stated, there is no doubt that Saddam Hussein now has weapons of mass destruction. There is no doubt he is amassing them to use against our friends, against our allies, and against us."

In one instance, Secretary Rumsfeld said that Iraq could give weapons of mass destruction to al Qaeda in "a week, or a month," resulting in the deaths of up to 100,000 people. On November 14, 2002, Secretary Rumsfeld stated: "Now, transport yourself forward a year, two years, or a week, or a month, and if Saddam Hussein were to take his weapons of mass destruction and transfer them, either use them himself, or transfer them to the Al-Qaeda, and somehow the Al-Qaeda, and somehow the Al-Qaeda were to engage in an attack on the United States, or an attack on U.S. forces overseas, with a weapon of mass destruction you're not talking about 300, or 3,000 people potentially being killed, but 30,000, or 100,000 . . . human beings."

B. STATEMENTS ABOUT IRAQ'S NUCLEAR CAPABILITIES

In their potential for destruction and their ability to evoke horror, nuclear weapons are in a class by themselves. As Dr. David Kay, former special advisor to the Iraq Survey Group, testified on January 28, 2004: "All of us have and would continue to put the nuclear weapons in a different category. It's a single weapon that can do tremendous damage, as opposed to multiple weapons that can do the same order of damage. . . . I think we should politically treat nuclear as a difference."

For precisely this reason, the Administration's statements about Iraq's nuclear capabilities had a large impact on congressional and public perceptions about the threat posed by Iraq. Many members of Congress were more influenced by the Administration's nuclear assertions than by any other piece of evidence. Rep. Waxman, for example, wrote to President Bush in June 2003 that in voting for the Iraq war resolution: "Like other members, I was particularly influenced by your views about Iraq's nuclear intentions. Although chemical and biological weapons can inflict casualties, no threat is greater than the threat of nuclear weapons." Numerous members of Congress stressed Iraq's nuclear threat in their floor statements explaining their support of the resolution.

Despite the significance of the nuclear issue, President Bush, Vice President Cheney, Secretary Powell, Secretary Rumsfeld, and National Security Advisor Rice repeatedly misrepresented the nuclear threat posed by Iraq. The five officials made 49 separate public appearances in which they made misleading statements about Iraq's nuclear threat. In these appearances, they made a total of 81 misleading statements regarding Iraq's nuclear activities.

These misleading statements generally fall into one of three categories: (1) misleading statements about the status of Iraq's nuclear program, (2) misleading statements about the purpose of aluminum tubes sought by Iraq, and (3) misleading statements about Iraq's attempts to obtain uranium from Africa.

1. Claims about the Status of Iraq's Nuclear Program

Prior to the war, there were significant divisions within the intelligence community about whether Iraq had resumed efforts to make nuclear weapons. In his speech on February 5, 2004, Mr. Tenet explained that there was not unanimity on whether Iraq had reconstituted its nuclear program and that these differences were described in the National Intelligence Estimate (NIE): "Let me be clear, where there were differences, the Estimate laid out the disputes clearly." In particular, the State department's Bureau of Intelligence and Research (INR) concluded in the NIE that "[t]he activities we have detected do not, however, add up to a compelling case that Iraq is currently pursuing what INR would consider to be an integrated and comprehensive approach to acquire nuclear weapons." INR added: "Lacking persuasive evidence that Baghdad has launched a coherent effort to reconstitute its nuclear weapons program, INR is unwilling to speculate that such an effort began soon after the departure of UN inspectors." The INR position was similar to the conclusions of the International Atomic Energy Agency (IAEA), which concluded that there was "no indication of resumed nuclear activities . . . nor any indication of nuclear-related prohibited activities."

These doubts and qualifications, however, were not communicated to the public. Instead, the five Administration officials repeatedly made unequivocal comments about Iraq's nuclear program. For example, President Bush said in October 2002 that "[t]he regime has the scientists and facilities to build nuclear weapons and is seeking the materials required to do so." Several days later, President Bush asserted that Saddam Hussein "is moving ever closer to developing a nuclear weapon."

Vice President Cheney made perhaps the single most egregious statement about Iraq's nuclear capabilities, claiming: "we know he has been absolutely devoted to trying to acquire nuclear weapons. And we believe he has, in fact, reconstituted nuclear weapons." He made this statement just three days before the war. He did not admit until September 14, 2003, that his statement was wrong and that he "did misspeak."

President Bush and others portrayed the threat of Saddam Hussein waging nuclear war against the United States or its allies as one of the most urgent reasons for preemptively attacking Iraq. Administration officials used evocative language and images. On the eve of congressional votes on the Iraq war resolution, for example, President Bush stated: "Knowing these realities, America must not ignore the threat gathering against us. Facing clear evidence or peril, we cannot wait for the final proof—the smoking gun—that could come in the form of a mushroom cloud."

Following the commencement of military operations in Iraq, Administration officials continued to make misleading statements regarding Iraq's nuclear program. For example, Secretary Rumsfeld denied on July 13, 2003, that there was "any debate" about Iraq's nuclear capabilities within the Administration, stating: "We said they had a nuclear program. That was never any debate."

Since the war ended, the Iraq Survey Group has been unable to find evidence of the nuclear program described by the five officials. On October 2, 2003, David Kay reported that "we have not uncovered evidence that Iraq undertook significant post-1998 steps to actually build nuclear weapons or produce fissile material." In his January 28, 2004, testimony, Dr. Kay reported that "[i]t was not a reconstituted, full-blown nuclear program." He added, "As best as has been determined . . . in 2000 they had decided that their nuclear establishment had deteriorated to such point that it was totally useless." His conclusion was that there was "no doubt at all" that Iraq had less of an ability to produce fissile material in 2001 than in 1991. According to Dr. Kay, the nuclear program had been "seriously degraded" and the "activities of the inspectors in the early '90s did a tremendous amount."

2. Claims about the Aluminum Tubes

In 2001 and 2002, shipments of aluminum tubes to Iraq were intercepted. This discovery led to an active debate within intelligence agencies about the intended use of the tubes.

Numerous experts believed the tubes were for conventional rockets rather than a nuclear development program. In his February 5, 2004, speech, Mr. Tenet explained that disagreement over the purpose of the aluminum tubes was "a debate laid out extensively in the estimate and one that experts still argue over." The agency with the most technical expertise in this area, the Department of Energy, believed that the tubes likely were not part of a nuclear enrichment program, stating in the NIE that "the tubes probably are not part of the program." The International Atomic Energy Agency agreed, concluding: "There is no indication that Iraq has attempted to import aluminum tubes for use in centrifuge enrichment."

In addition to dissent from the Energy Department and international inspectors, the State Department also expressed formal reservations, stating in the NIE that "INR is not persuaded that the tubes in question are intended for use as centrifuge rotors." Instead, the State Department accepted the "judgment of technical experts at the U.S. Department of Energy (DOE) who have concluded that the tubes Iraq seeks to acquire are poorly suited for use in gas centrifuges." The State Department explained its position in detail: The very large quantities being sought, the way the tubes were tested by the Iraqis, and the atypical lack of attention to operational security in the procurement efforts are among the factors, in addition to the DOE assessment, that led INR to conclude that the tubes are not intended for use in Iraq's nuclear weapon program.

According to the NIE, "INR considers it far more likely that the tubes are intended for another purpose, most likely the production of artillery rockets."

These doubts about the use of the aluminum tubes were not conveyed by Administration officials, however. Instead, the aluminum tubes became one of the two principal pieces of information cited by the Administration to support the claim that Iraq was reconstituting its nuclear weapons program. President Bush, Vice President Cheney, Secretary Powell, and National Security Advisor Rice made 10 misleading statements in 9 public appearances about the significance of the aluminum tubes.

For example, Ms. Rice stated on September 8, 2002: "We do know that there have been shipments going into . . . Iraq . . . of aluminum tubes that . . . are only really suited for nuclear weapons programs, centrifuge programs." Similarly, Vice President Cheney said on September 8, 2002: "[Saddam Hussein] now is trying, through his illicit procurement network, to acquire the equipment he needs to be able to enrich uranium to make the bombs . . . [s]pecifically aluminum tubes." These statements were misleading because they did not present the possibility that the tubes were suitable or intended for another purpose, or acknowledge that key U.S. experts doubted that the tubes were intended to make nuclear bombs.

In one instance, Secretary Powell did acknowledge that some experts disputed that the aluminum tubes were intended for nuclear uses. In his February 5, 2003, address before the United Nations, Secretary Powell stated, "By now, just about everyone has heard of these tubes and we all know that there are differences of opinion. There is controversy about what these tubes are for. Most U.S. experts think they are intended to serve as rotors in centrifuges used to enrich uranium." Even in that statement, however, Secretary Powell did not make clear that experts from the Department of Energy and the State Department's own intelligence division played a significant role in the analysis of this issue and in formal and deliberate dissents had disputed the view that the tubes would likely be used to enrich uranium.

On another occasion, Secretary Powell cited the tubes as evidence of pursuit of nuclear weapons, without noting that the intended use of the tubes was under dispute, asserting: "We also know that Iraq has tried to obtain high-strength aluminum tubes, which can be used to enrich uranium in centrifuges for a nuclear weapons program."

By January 27, 2003, the International Atomic Energy Agency had reached the tentative conclusion that the aluminum tubes "would be consistent with the purpose stated by Iraq and, unless modified, would not be suitable for manufacturing centrifuges." Following the occupation of Iraq, the Iraq Survey Group did not find evidence indicating that the tubes were intended for nuclear use. In his January 28, 2004, testimony, Dr. Kay announced: "It is my judgment, based on the evidence that was collected . . . that it's more probable that those tubes were intended for use in a conventional missile program, rather than in a centrifuge program."

3. Claims about Uranium from Africa

Another significant component of the Administration's nuclear claims was the assertion that Iraq had sought to import uranium from Africa. As one of few new pieces of intelligence, this claim was repeated multiple times by Administration officials as proof that Iraq had reconstituted its nuclear weapons program. In total, the five Administration officials made misleading assertions about Iraq's attempts to obtain uranium from Africa in 7 statements in 6 public appearances.

In his State of the Union address on January 28, 2003, President Bush stated: "The British government has learned that Saddam Hussein recently sought significant quantities of uranium from Africa. . . . Saddam Hussein has not credibly explained these activities. He clearly has much to hide."

Other officials echoed this statement. In a January 23, 2003, New York Times op-ed piece, Ms. Rice argued that Iraq had lied in its December 2002 declaration, noting: "the declaration fails to account for or explain Iraq's efforts to get uranium from abroad." In his opening remarks in his televised press conference on January 29, 2003, Secretary Rumsfeld stated, "[Saddam Hussein's] regime . . . recently was discovered seeking significant quantities of uranium from Africa."

These claims that Iraq was seeking to import uranium were misleading. The documentary evidence behind the assertions was declared to be "not authentic" by the International Atomic Energy Agency. An envoy, former Ambassador Joseph Wilson, was sent by the CIA to investigate the alleged purchase. Ambassador Wilson concluded that it was "highly doubtful that any such transaction had ever taken place," and on his return, he provided detailed briefings to the CIA and to the State Department African Affairs Bureau.

When evidence emerged that the importation claim was false, Ms. Rice claimed that the White House had no knowledge of these doubts. She asserted unequivocally that no senior White House officials were informed about questions about the uranium claim prior to its use in the State of the Union address. She stated that "[t]he intelligence community did not know at that time, or at levels that got to us . . . that there was serious questions about this report." As she put it on another occasion: "[H]ad there been even a peep that the agency did not want that sentence in or that George Tenet did not want that sentence in, that the Director of Central Intelligence did not want it in, it would have been gone."

Ms. Rice's claims were simply false. The CIA sent two memos to the National Security Council—one of which was addressed to Ms. Rice personally—warning against including the claim in a speech by the President. Director of Central Intelligence George Tenet also "argued personally" to Ms. Rice's deputy national security adviser, Stephen Hadley, "that the allegation should not be used" by the President. Further, in the October 2002 NIE provided to top White House officials, the State Department's Bureau of Intelligence and Research had stated that claims that Iraq sought to acquire uranium in Africa were "highly dubious."

Ultimately, the White House was forced to admit its error. On July 9, 2003, White House spokesperson Ari Fleischer said that the statement about importing uranium from Africa "should not have risen to the level of a presidential speech." The White House minimized the significance of the Administration's use of the Niger claim, arguing that it was "only a small part of an 'overwhelming' case that Iraqi President Saddam Hussein posed a threat to the United States."

C. STATEMENTS ABOUT IRAQ'S CHEMICAL AND BIOLOGICAL WEAPONS PROGRAMS

President Bush, Vice President Cheney, Secretary Rumsfeld, Secretary Powell, and National Security Advisor Rice made misleading statements regarding Iraq's chemical and biological weapons programs in 61 public appearances. In these appearances, the five officials made 84 different misleading statements. These statements addressed three general topics: (1) Iraq's chemical and biological weapons, (2) Iraq's efforts to build unmanned aerial vehicles (UAVs), and (3) Iraq's mobile biological laboratories.

1. Claims about Chemical and Biological Weapons

Prior to the war, there were questions within the intelligence community about whether Iraq in fact possessed stockpiles of chemical and biological weapons. Because Iraq previously had such stockpiles, had used them in the past, and had not adequately demonstrated that all previously produced stockpiles had been destroyed, the intelligence community made an assessment in the October NIE that it was likely that Iraq continued to possess them. Because intelligence agencies had no direct evidence of such stockpiles, however, the conclusions in the October NIE were cast in the context of an intelligence "estimate." The NIE began its sections on chemical and biological weapons with the phrases "we assess" and "we judge." The NIE concluded that Iraq "probably" had stockpiled chemicals and "probably" had genetically engineered biological agents. The NIE also included major qualifiers, such as: "We lack specific information on many key aspects of Iraq's WMD programs."

Other intelligence assessments specifically cited the uncertainty surrounding Iraq's possession of such stockpiles. In September 2002, the Defense Intelligence Agency (DIA) issued a report that concluded: "There is no reliable information on whether Iraq is producing and stockpiling chemical weapons or where Iraq has—or will—establish its chemical warfare agent production facilities." The report also observed that "[a] substantial amount of Iraq's chemical warfare agents, precursors, munitions, and production equipment were destroyed between 1991 and 1998 as a result of Operation Desert Storm and UNSCOM (United Nations Special Commission) actions." While the report assessed that Iraq "probably" retained some "CW agents," it warned that "we lack any direct information."

Despite these uncertainties among the intelligence officials, the five Administration officials made 45 misleading statements in 35 appearances about Iraq's possession of chemical or biological weapons. Often these statements were misleading because they projected certainty about their claims. Secretary Powell, for example, claimed, "there is no doubt in our mind that he still has chemical weapons stocks." Secretary Rumsfeld stated: "He has at this moment stockpiles of chemical and biological weapons." Vice President Cheney asserted: "We know they have biological and chemical weapons." And President Bush said bluntly, "He's got them."

Administration officials sometimes claimed to have specific details about stockpile locations and movements. In his speech to the United Nations, for example, Secretary Powell showed photographs of supposed Iraqi chemical stockpiles, stating: "How do I know that? How can I say that? Let me give you a closer look. Look at the image on the left. On the left is a close-up of one of the four chemical bunkers. The two arrows indicate the presence of sure signs that the bunkers are storing chemical munitions."

Secretary Rumsfeld was even more specific, claiming that the Iraqis were "moving them to different locations as often as every 12 to 24 hours and placing them in residential neighborhoods." He also made this statement: "We know where they are. They're in the area around Tikrit and Baghdad and east, west, south, and north somewhat."

The five officials also drew selectively from individual intelligence sources. In 1995, Hussein Kamel, the Iraqi official who had been in charge of Iraq's weapons of mass destruction programs, defected and described how Iraq had violated U.N. resolutions in the early 1990s. Administration officials cited these claims repeatedly. For example, President Bush said: "In 1995, after several years of deceit by the Iraqi regime, the head of Iraq's military industries defected. It was then that the regime was forced to admit that it had produced more than 30,000 liters of anthrax and other deadly biological agents. . . . This is a massive stockpile of biological weapons that has never been accounted for, and capable of killing millions."

President Bush failed to disclose, however, that this same defector reported to U.N. inspectors that Iraq had destroyed all of its chemical and biological weapons stocks.

Since the war ended, the Iraq Survey Group has reported that it is unlikely that chemical or biological stockpiles existed prior to the war. As Dr. Kay concluded: "I'm personally convinced that there were not large stockpiles of newly produced weapons of mass destruction. We don't find the people, the documents or the physical plants that you would expect to find if the production was going on." Dr. Kay reported in October 2003 that "Iraq's large-scale capability to develop, produce, and fill new CW munitions was reduced—if not entirely destroyed—during Operation Desert Storm and Desert Fox, 13 years of UN sanctions and UN inspections."

Director of Central Intelligence George Tenet echoed these findings: "It also appears that Iraq had the infrastructure and talent to resume production—but we have yet to find that it actually did so, nor have we found weapons." His bottom line was that "we do not know if production took place—and just as clearly—we have not yet found biological weapons."

2. Claims about Unmanned Aerial Vehicles

Prior to the war, Administration officials raised the specter of Iraq using unmanned aerial vehicles (UAVs) to distribute chemical or biological weapons directly over the United States. Although there was agreement within the intelligence community that Iraq had a UAV program, there was a sharp split over whether these UAVs were designed to deliver chemical or biological weapons. The October NIE concluded that the UAV program was "probably" intended to deliver biological weapons. However, the government entity most knowledgeable about UAVs and their potential applications, the Air Force's National Air and Space Intelligence Center, disagreed with this conclusion. According to the NIE, the U.S. Air Force "does not agree that Iraq is developing UAVs primarily intended to be delivery platforms for chemical and biological (CBW) agents." Instead, the Air Force experts asserted that "[t]he small size of Iraq's new UAV strongly suggests a primary role of reconnaissance."

The five Administration officials did not acknowledge these doubts in their public statements, however. Instead, they made misleading assertions regarding the purpose of the UAVs in 5 statements in 5 public appearances.

For example, on October 7, 2002, just days before the October 10 and October 11, 2002, congressional votes on the Iraqi war resolution, President Bush claimed that "Iraq has a growing fleet of manned and unmanned aerial vehicles that could be used to disperse chemical or biological weapons." He did not disclose that experts at the Air Force found such a use improbable. Instead, he highlighted the fear of Iraq's UAVs being used "for missions targeting the United States." Such statements had an impact on members of Congress. For example, Senator Bill Nelson voted for the Iraq war resolution "precisely because of the administration's UAV evidence." He explained: "I was told not only that [Hussein had weapons of mass destruction] and that he had the means to deliver them through unmanned aerial vehicles, but that he had the capability of transporting those UAVs outside of Iraq and threatening the homeland here in America, specifically by putting them on ships off the eastern seaboard. . . . I thought there was an imminent threat."

In his address to the United Nations, Secretary Powell asserted: "UAVs are well suited for dispensing chemical and biological weapons. There is ample evidence that Iraq has dedicated much effort to developing and testing spray devices that could be adapted for UAVs." In making his presentation to the U.N., Secretary Powell showed a photo of an "illustrative" UAV, which he suggested was well-suited for spraying chemical or biological weapons over the United States. This presentation affected members of Congress. Senator Dianne Feinstein stated that of the various pieces of evidence presented by Secretary Powell, "The most compelling to me was the unmanned aerial vehicle and the development of that with spray tanks. And he kind of laid down the fact that this could be in our country and there was a possibility that this might be used against the United States."

President Bush later highlighted Secretary Powell's presentation, claiming: "All the world has now seen the footage of an Iraqi Mirage aircraft with a fuel tank modified to spray biological agents over wide areas. . . . A UAV launched from a vessel off the American coast could reach hundreds of miles inland."

The Iraq Survey Group found little to substantiate these claims. According to Dr. Kay's January 28, testimony, Iraq's UAV program "was not a strong point" because it was only "theoretically possible" to have "snuck one of those on a ship off the East Coast of the United States that might have been able to deliver a small amount someplace." He found only that "at least one of those families of UAVs" was a "descendent" of another model that once had a "spray tank on it." In his assessment, there was no "existing deployment capability at that point for any sort of systematic military attack."

3. Claims about Mobile Biological Laboratories

In April and early May 2003, military forces found mobile trailers in Iraq. Although intelligence experts disputed the purpose of the trailers, Administration officials repeatedly asserted that they were mobile biological weapons laboratories. In total, President Bush, Vice President Cheney, Secretary Rumsfeld, Secretary Powell, and National Security Advisor Rice made 34 misleading statements about the trailers in 27 separate public appearances.

Shortly after the trailers were found, the CIA and DIA issued an unclassified white paper evaluating the trailers. The white paper was released without coordination with other members of the intelligence community, however. It was disclosed later that engineers from DIA who examined the trailers concluded that they were most likely used to produce hydrogen for artillery weather balloons. A former senior intelligence official reported that "only one of 15 intelligence analysts assembled from three agencies to discuss the issue in June endorsed the white paper conclusion."

Despite these doubts within the intelligence community, the five officials repeatedly misled Congress and the public about the trailers by asserting without qualification that they were proof of Iraq's biological weapons program. President Bush made perhaps the most prominent misleading statement on this matter when he proclaimed: "We found the weapons of mass destruction. We found biological laboratories. You remember when Colin Powell stood up in front of the world, and he said, Iraq has got laboratories, mobile labs to build biological weapons. They're illegal. They're against the United Nations resolutions, and we've so far discovered two. And we'll find more weapons as time goes on. But for those who say we haven't found the banned manufacturing devices or banned weapons, they're wrong, we found them."

Similarly, Secretary Powell's comments about the trailers frequently asserted with certainty that the trailers were biological weapons laboratories. For example:

On May 21, 2003, Secretary Powell said: "The intelligence community has really looked hard at these vans, and we can find no other purpose for them. Although you can't find actual germs on them, they have been cleaned and we don't know whether they have been used for that purpose or not, but they were certainly designed and constructed for that purpose. And we have taken our time on this one because we wanted to make sure we got it right. And the intelligence community, I think, is convinced now that that's the purpose they served."

On May 22, 2003, Secretary Powell said, "So far, we have found the biological weapons vans that I spoke about when I presented the case to the United Nations on the 5th of February, and there is no doubt in our minds now that those vans were designed for only one purpose, and that was to make biological weapons."

The doubts about the trailers were confirmed by the work of the Iraq Survey Group. According to Dr. Kay's January 28, 2004, testimony, "the consensus opinion is that when you look at those two trailers, while [they] had capabilities in many areas, their actual intended use was not for the production of biological weapons." In a separate interview, Dr. Kay explained that the trailers "were actually designed to produce hydrogen for weather balloons, or perhaps to produce rocket fuel."

D. STATEMENTS ABOUT IRAQ'S SUPPORT OF AL QAEDA

Another key component of the case for going to war against Iraq was the claim that Iraq was supporting al Qaeda. As was the case with other featured claims the al Qaeda claims were disputed by intelligence officials within the Administration. Yet President Bush, Vice President Cheney, Secretary Rumsfeld, Secretary Powell, and National Security Advisor Rice regularly failed to acknowledge these doubts or the weaknesses in the case linking Iraq and al Qaeda. They made 61 misleading statements about the strength of the Iraq-al Qaeda alliance in 52 public appearances.

Well before the war of Iraq, the October 2002 National Intelligence Estimate made clear that the U.S. intelligence community had serious doubts about the threat of Iraq arming al Qaeda. In its section on "Confidence Levels for Selected Key Judgements in This Estimate," the NIE gave a "Low Confidence" rating to the notion of "Whether in desperation Saddam would share chemical or biological weapons with Al Qa'ida." The discussion of this possibility in the NIE contained highly qualified language: "Saddam, if sufficiently desperate, might decide that only an organization such as al Qa'ida . . . could perpetuate the type of terrorist attack that he would hope to conduct." The NIE also reported that "Baghdad for now appears to be drawing a line short of conducting terrorist attacks with conventional or CBW against the United States, fearing that exposure of Iraqi involvement would provide Washington a stronger cause for making war."

Director of Central Intelligence Tenet stated in an October 2002 letter that there were intelligence reports of contacts between al Qaeda and Iraq. At the same time, however, he asserted clear qualifiers for this information: "Our understanding of the relationship between Iraq and al-Qa'ida is evolving and is based on sources of varying reliability." Senators who were briefed by intelligence officials in the fall of 2002 expressed skepticism about the significance of the link. For example, Senator JEFFORDS on October 8, 2002, stated, "While there is talk of cooperation between Iraq and al-Qaeda, and I don't doubt that there has been some cooperation, I have not seen any hard evidence of close cooperation." According to another account, Sen. Richard J. Durbin . . . said some classified information he had seen did not support the administration's portrayal of the Iraqi threat. "It's troubling to have classified information that contradicts statements made by the administration," Durbin said. "There's more they should share with the public." Durbin would not be more specific, but he did say the committee had received the views of some analysts who do not share the administration's conclusion that Iraq was an urgent threat with important links to al-Qaeda terrorists.

Journalists also reported that many intelligence officials within the Administration doubted the significance of reported contacts between Iraq and al Qaeda. According to one report: "[A]nalysts at the C.I.A. . . . believed that the evidence showed some contacts between Baghdad and the terrorist organization, but not an operational alliance. . . . [A]t the C.I.A., many analysts believed that Mr. bin Laden saw Mr. Hussein as one of the corrupt secular Arab leaders who should be toppled."

Despite the doubts of many intelligence analysts, the five Administration officials regularly asserted that there was a close relationship between Iraq and al Qaeda. For example:

In a November 7, 2002, speech, President Bush stated: Saddam Hussein is "a threat because he is dealing with al Qaeda. . . . [A] true threat facing our country is that an Al Qaeda-type network trained and armed by Saddam could attack America and not leave one fingerprint."

In his January 28, 2003, State of the Union address, President Bush stated: "Evidence from intelligence sources, secret communications, and statements by people now in custody reveal that Saddam Hussein aids and protects terrorists, including members of al Qaeda. Secretly, and without fingerprints, he could provide one of his hidden weapons to terrorists, or help them develop their own."

In his February 5, 2003, remarks to the United Nations, Secretary of State Colin Powell stated: "what I want to bring to your attention today is the potentially much more sinister nexus between Iraq and the al Qaeda terrorist network, a nexus that combines classic terrorist organizations and modern methods of murder. Iraq today harbors a deadly terrorist network headed by Abu Musab al-Zarqawi, an associate and collaborator of Usama bin Laden and his al-Qaeda lieutenants."

In his remarks on May 1, 2003, announcing the end of major combat operations in Iraq, President Bush stated: "The battle of Iraq is one victory in a war on terror that began on September the 11, 2001—and still goes on. . . . [T]he liberation of Iraq . . . removed an ally of al Qaeda."

Vice President Cheney's statements on this topic repeatedly cited reports of a specific alleged Iraq–al Qaeda contact: A meeting between Mohammed Atta, one of the September 11 hijackers, and a senior Iraqi official in Prague a few months before September 11, 2001. For example, Vice President Cheney stated on September 14, 2003: "With respect to 9/11, of course, we've had the story that's been public out there. The Czechs alleged that Mohammed Atta, the lead attacker, met in Prague with a senior Iraqi intelligence official five months before the attack, but we've never been able to develop any more of that yet either in terms of confirming it or discrediting it. We just don't know."

The Vice President's assertions about this meeting omitted key information. He did not acknowledge that the CIA and FBI had concluded before the war in Iraq that "the meeting probably did not take place"; and Czech government officials had developed doubts regarding whether this meeting occurred; or that American records indicate that Mr. Atta was in Virginia Beach, Virginia, at the time of the purported meeting.

Assessments following the war further highlighted the tenuous nature of the Administration's assertions about an Iraq–al Qaeda alliance. According to the New York Times, "Since American forces toppled the Hussein government and the United States gained access to captured Iraqi officials and Iraqi files, the C.I.A. has not yet uncovered evidence that has altered its prewar assessment concerning the connections between Mr. Hussein and Osama bin Laden, the leader of al Qaeda, officials said."

Consistent with this view, during Dr. Kay's testimony before the Senate Armed Services Committee on January 28, 2004, the following exchange occurred between Senator Warner and Dr. Kay. Senator Warner: Any evidence with regard to participation by either Saddam Hussein or his principal henchmen in the WMD-sharing with al Qaeda or any other terrorist organizations? Dr. Kay: Senator Levin—Senator Warner, there is no evidence that I can think of that I know of.

V. MISLEADING STATEMENTS BY INDIVIDUAL OFFICIALS

A. PRESIDENT BUSH

President Bush made 55 misleading statements about the threat posed by Iraq in 27 separate public statements or appearances.

Of the 55 misleading statements by President Bush, 4 claimed that Iraq posed an urgent threat; 14 exaggerated Iraq's efforts to develop nuclear weapons; 18 overstated Iraq's chemical or biological weapons capacity; and 19 misrepresented Iraq's links to al Qaeda.

On October 7, 2002, just days before the October 10 and October 11, 2002 congressional votes on the Iraq war resolution, President Bush gave an address in Cincinnati, Ohio, about the threat posed by Iraq. In this speech, President Bush made 11 misleading statements about Iraq, the highest number of misleading statements in any single appearance by any of the five officials. In this single appearance, President Bush made misleading statements about Iraq's nuclear capabilities, Iraq's efforts to procure aluminum tubes, Iraq's chemical and biological capabilities, and Iraq's connection to al Qaeda.

Some of the misleading statements made by President Bush included the following: "On its present course, the Iraqi regime is a threat of unique urgency. . . . It has developed weapons of mass death." "The British government has learned that Saddam Hussein recently sought significant quantities of uranium from Africa." "The liberation of Iraq . . . removed an ally of al Qaeda." "We found the weapons of mass destruction. . . . [F]or those who say we haven't found the banned manufacturing devices or banned weapons, they're wrong, we found them."

B. VICE PRESIDENT CHENEY

Vice President Cheney made 51 misleading statements about the threat posed by Iraq in 25 separate public statements or appearances.

Of the 51 misleading statements by Vice President Cheney, 1 claimed that Iraq posed an urgent threat; 22 exaggerated Iraq's efforts to develop nuclear weapons; 7 overstated Iraq's chemical or biological weapons capacity; and 21 misrepresented Iraq's links to al Qaeda.

Some of the misleading statements made by Vice President Cheney included the following: "[W]e do know, with absolute certainty, that he is using his procurement system to acquire the equipment he needs in order to enrich uranium to build a nuclear weapon." Saddam Hussein "had an established relationship with al Qaeda." "[W]e believe he has, in fact, reconstituted nuclear weapons."

C. SECRETARY RUMSFELD

Secretary Rumsfeld made 52 misleading statements about the threat posed by Iraq in 23 separate public statements or appearances.

Of the 52 misleading statements by Secretary Rumsfeld; 5 claimed that Iraq posed an urgent threat; 18 exaggerated Iraq's efforts to develop nuclear weapons; 21 overstated Iraq's chemical or biological weapons capacity; and 8 misrepresented Iraq's links to al Qaeda.

Some of the misleading statements made by Secretary Rumsfeld included the following:

"Now transport yourself forward a year, two years, or a week, or a month, and if Saddam Hussein were to take his weapons of mass destruction and transfer them, either use himself, or transfer them to the Al-Qaeda, and somehow the Al-Qaeda were to engage in an attack on the United States . . . with a weapon of mass destruction you're now talking about 300, or 3,000 people potentially being killed, but 30,000, or 100,000 . . . human beings."

"[Saddam Hussein's] regime . . . recently was discovered seeking significant quantities of uranium from Africa."

"We said they had a nuclear program. That was never any debate."

D. SECRETARY POWELL

Secretary Powell made 50 misleading statements about the threat posed by Iraq in 34 separate public statements or appearances.

Of the 50 misleading statements by Secretary Powell, 1 claimed that Iraq posed an urgent threat; 10 exaggerated Iraq's efforts to develop nuclear weapons; 32 overstated Iraq's chemical or biological weapons capacity; and 7 misrepresented Iraq's links to al Qaeda.

Sometimes Secretary Powell used caveats and qualifying language in his public statements. For example, on March 9, 2003, he said, "Well with respect to the aluminum tubes, we still believe the case is out. The CIA has done a great deal of analysis on those tubes. They are not persuaded they were just for rockets. And, in fact, another nation this week, a European nation, came forward with some additional information that still, I think, leaves it an open question as to what the purpose of those tubes was." Secretary Powell's acknowledgement of differences in this example was not an unqualified statement that only mentioned one side of an intelligence debate.

On numerous other occasions, however, Secretary Powell made unconditional statements about the threats posed by Iraq without disclosing the doubts of intelligence officials. Some of the misleading statements he made included the following:

"Iraq is now concentrating . . . on developing and testing smaller UAVs. . . . UAVs are well suited for dispensing chemical and biological weapons."

"The more we wait, the more chance there is for this dictator with clear ties to terrorist groups, including al-Qaida, more time for him to pass a weapon, share a technology, or use these weapons again."

"So far, we have found the biological weapons vans that I spoke about when I presented the case to the United Nations on the 5th of February, and there is no doubt in our minds that those vans were designed for only one purpose, and that was to make biological weapons."

E. NATIONAL SECURITY ADVISOR RICE

Ms. Rice made 29 misleading statements about the threat posed by Iraq in 16 separate public statements or appearances.

Of the 29 misleading statements by Ms. Rice, 17 concerned Iraq's efforts to develop nuclear weapons; 6 overstated Iraq's chemical or biological weapons capacity; and 6 misrepresented Iraq's links to al Qaeda.

Some of the misleading statements made by Ms. Rice included the following:

"We do know that [Saddam Hussein] is actively pursuing a nuclear weapon."

"We do know that there have been shipments going into . . . Iraq, for instance, of aluminum tubes that really are only suited to—high quality aluminum tools that are only really suited for nuclear weapons programs, centrifuge programs."

"[T]he declaration fails to account for or explain Iraq's efforts to get uranium from abroad."

Ms. Rice made significantly more statements that were false—8—than any of the other four officials. Many of these statements came in June and July 2003 when questions were being raised about why President Bush asserted in his State of the Union address that Iraq was seeking to import uranium from Africa. Ms. Rice repeatedly stated during this period that no one in the White House was informed of the doubts about this uranium claim. For example, she stated:

"We did not know at the time—no one knew at the time, in our circles—maybe someone knew down in the bowels of the agency, but no one in our circles knew that there were doubts and suspicions that this might be a forgery."

"[H]ad there been even a peep that the agency did not want that sentence in or that George Tenet did not want that sentence in, that the director of Central Intelligence did not want it in, it would have been gone."

These statements were simply false. As explained above, the CIA had repeatedly communicated its objections to White House officials, including Ms. Rice.

VI. CONCLUSION

Because of the gravity of the subject and the President's unique access to classified information, members of Congress and the public expect the President and his senior officials to take special care to be balanced and accurate in describing national security threats. It does not appear, however, that President Bush, Vice President Cheney, Secretary Rumsfeld, Secretary Powell, and National Security Advisor Rice met this standard in the case of Iraq. To the contrary, these five officials repeatedly made misleading statements about the threat posed by Iraq. In 125 separate appearances, they made 11 misleading statements about the urgency of Iraq's threat, 81 misleading statements about Iraq's nuclear activities, 84 misleading statements about Iraq's chemical and biological capabilities, and 61 misleading statements about Iraq's relationship with al Qaeda.

Some of the categories of the misleading statements: A, a statement that Iraq posed an urgent threat; B, statements about Iraq's nuclear capabilities, including the claims about the status of the Iraqi nuclear program; the claims about the aluminum tubes; the claims about uranium from Africa.

Then there is another category, statements about Iraq's chemical and biological weapons programs, claims about chemical and biological weapons, about unmanned aerial vehicles, about mobile biological laboratories; and then there is a special part in this study about Iraq's statements about Iraq's support of al Qaeda.

Then just to be fair to the four other members in the White House that work on these matters, there are misleading statements by individual officials. The first official is the President of the United States. The second official is the Vice President of the United States. The third official is the Secretary of Defense, Donald Rumsfeld. The fourth category is the Secretary of State, Colin Powell, and the fifth category is reserved for the National Security Adviser, Condoleezza Rice.

I recommend these items and this study to each and every Member of the House; and I would be happy to discuss it, along with the ranking member of the Committee on Government Reform, with any of the Members of the Congress on or off the record.

HAITI

Mr. CONYERS. Mr. Speaker, I turn now to a subject that I consider to be very important, and that is, Haiti, a beleaguered tiny nation in the western hemisphere that has been subject to a succession of activities that have caused President Jean-Bertrand Aristide, his wife, and children to flee from the country.

I would like to commend the gentlewoman from California (Ms. LEE), the vice chair of the Progressive Caucus, who has introduced a truth bill to discover and uncover the truth about Haiti. It is a bill that would establish an independent commission and has been cosponsored by more than two dozen other Members, in which she calls for in this measure that we create an independent commission to investigate the circumstances that surround a democratically elected president being forcibly driven from his office and forced to leave the country, which is, incidentally, the second time this has happened during the election of President Aristide.

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This last time raises some quite ambiguous questions that we need to resolve. Did the United States Government impede democracy and in any way contribute to the overthrow of the Aristide government? What were the circumstances that the President issued a resignation? To what extent did the United States impede efforts by the international community to prevent the overthrow of the democratically elected Government of Haiti? What was the role of the United States in influencing decisions regarding Haiti at the United Nations Security Council in discussions between Haiti and other countries that were apparently willing to assist in the preservation of the democratically elected Government of Haiti by sending security forces there? Was our assistance provided or were U.S. personnel involved in supporting indirectly the forces opposed to the President of Haiti? And, finally, was there bilateral assistance from the United States channeled through nongovernmental organizations that were directly or indirectly associated with political groups actively involved in creating hostilities, and in some instances violence, toward the government of President Aristide and citizens who supported the President of that country?

And so we have referred that House Resolution 2625 to the appropriate Committee on Government Reform to be acted upon. We think this is a very important, very timely activity, and we are hoping that there can be a perfectly candid impartial commission formed to study these vexing questions that have been propounded in the proposal of the gentlewoman from California (Ms. LEE).

THE TRAGEDY IN SPAIN AND HEALTH CARE REFORM

The SPEAKER pro tempore (Mr. KLINE). Under the Speaker's announced policy of January 7, 2003, the gentleman from Texas (Mr. BURGESS) is recognized for 60 minutes as the designee of the majority leader.

Mr. BURGESS. Mr. Speaker, I too want to touch on a variety of subjects tonight. There are so many things that are before this body and before the country, and I think it is important to speak out about a number of them.

The first thing, Mr. Speaker, that is on my mind, of course, is the terrible tragedy that happened in Spain last week. And in the sad aftermath of the bombings in Madrid, unfortunately we see coming from that some sort of new strategy to deal with the war on terror and it is a most unwelcome strategy. This is a strategy of capitulation and of compromise. It is a strategy, in short, of surrender. In that surrender, what do we give up? We give up security, we give up our beliefs, and we give up our values.

Mr. Speaker, I am here tonight to say that "Appeasement does not bring peace." Just ask Neville Chamberlain. "Compromise with hate will not work." Remember Joseph Stalin?

Mr. Speaker, these terrorists are not seeking peace. They seek to terrorize. Their desire is to bring ruin and disruption into people's lives. They want control, but we must stand firm.

The war on terrorism was brought to this country in September of 2001. Our President, George Bush, responded to that act of war in an address to this House with these wise words: "The pictures of airplanes flying into buildings, fires burning, huge structures collapsing, have filled us with disbelief, terrible sadness, and a quiet unyielding anger. These acts of mass murder were intended to frighten our Nation into chaos and retreat, but they have failed. Our country is strong. A great people has been moved to defend a great Nation. Terrorist attacks can shake the foundation of our largest buildings, but they cannot touch the foundation of America. These acts shattered steel, but they cannot dent the steel of American resolve. America was targeted for attack because we are the brightest beacon for freedom and opportunity in the world, and no one will keep that light from shining." President George Bush, September 2001.

Mr. Speaker, I, like everyone else in this House, was greatly saddened by the attacks in Spain. It is a mournful time for the people of Spain and for all of Europe as they bury their dead. But in the midst of this sorrow a more menacing problem is evolving. People are blaming the war on terrorism for causing the attack, and using this as a reason to vote out a strong ally in this war. In fact, I would remind the Speaker that Prime Minister Aznar was in this House and spoke to the House and Senate just a scant 5 weeks ago and received standing ovation after standing ovation in this House at the time he delivered his address.

In voting out the strong ally in the war on terror, the people of Spain have actually handed over their government that will now shrink in the face of terrorism. The Spanish voters have handed to the terrorists their largest victory to date. No doubt the terrorists will feel emboldened. They feel victorious. They were able to cause chaos and disrupt an entire government. Is this the signal we wish to send the terrorists? Is this the type of behavior that we would seek to reward?

Quoting an editorial today in The Washington Post; "The rash response by Jose Rodriguez Zapatero, Prime Minister Elect, will probably convince the extremists that they are able to sway Spanish policy with mass murder, and they succeeded brilliantly."

Make no mistake, Mr. Speaker, we are winning this war. And, in fact, an article from my hometown paper, the Dallas Morning News, today stated, "The Prime Minister of the Netherlands found that it was important in the international community that we stand shoulder to shoulder and show solidarity to fight against these terrible attacks. We share that same goal."

Mr. Speaker, last month, I was in Pakistan with part of a congressional delegation of the Committee on Government Reform and President Pervez Musharraf spoke to our group. Speaking to Members of Congress, he said, and I quote, "The United States and this administration represents truly the last best chance for peace in this troubled region." Indeed, Mr. Speaker, that is correct.

Both Iraq and Afghanistan have been freed from brutal totalitarian regimes. Both countries are now functioning under their interim constitutions, and both will soon hold free elections. America is winning the war on terrorism. This is no time for our resolve to weaken. This is no time for the leaders, or those who would be leaders on our national stage, to exhibit capitulation with the enemy.

Mr. Speaker, we have heard a great deal about health care on the floor of the House tonight, and I feel obligated to speak to that as well. Some of the comments that were just offered by the gentleman from Michigan particularly deserve and, in fact, demand a response. His vision for the country being under a single-payer, government-run system is one that, quite frankly, causes me to shudder. I cannot imagine giving up that degree of control over my life or my family's life to the Federal Government.

Mr. Speaker, I think back to a time last summer when I was visiting in Iraq and got to see their health care system. They have been under a single-payer, government-run system for 20 or 30 years, and the state of their health care system was below pitiful. So that does not seem to me to be a valid solution to health care in this country.

Mr. Speaker, we passed some pretty major health care legislation back at the end of last year, in November, H.R. 1, the Medicare Prescription Drug and Modernization Act. On December 8, 2003, our President, George W. Bush, signed into law H.R. 1. This bill will institute sweeping new changes into the Medicare program, extending prescription drug coverage for the first time ever, and improving the program in ways that will make America's health care system healthier, stronger, and happier.

The United States House of Representatives approved H.R. 1 November 22, 2003. The vote was 220 to 215. The United States Senate approved the bill by a vote of 54–44 on November 25, 2003. When the bill came before the United States House of Representatives for a vote, I, along with 220 Members of the House, voted in favor of this measure.

Mr. Speaker, we all know no bill is perfect, but there were several important provisions included in the bill that will dramatically improve the Medicare program and seniors' health. And just as importantly, as we have also heard tonight from the gentleman from New Hampshire, there were other provisions in this bill that will improve health care in general for generations to come.

In regards to immediate assistance. Starting this summer, seniors will have access to a Medicare drug discount card that will provide discounts of up to 25 percent of their drug costs. Low-income seniors will have additional assistance through the discount card program, having an additional $600 annual supplemental along with their discount cards.

The Medicare prescription drug coverage. For the first time since the creation of the Medicare program, prescription drug coverage will be available to all seniors covered by the program. Under the program, which will go into effect in the year 2006, a majority of seniors will see dramatic reductions in their drug spending. For a $35 monthly premium and a $250 annual deduction, Medicare will pay 75 percent of the prescription drug costs up to $2,250. Seniors are responsible for costs between $2,251 up to $3,600. When annual drug spending reaches $3,600 a year, Medicare pays 95 percent of all drug costs after that point. Low-income seniors will be covered by an even more extensive drug benefit with little or no cost-sharing on the part of the beneficiary and total coverage for all yearly drug costs.

The bill itself has several provisions that will speed market entry of cheaper generic drugs. Key reforms to the Hatch-Waxman Act, the Federal law governing generic drug introduction, will provide brand name manufacturers only one 30-day stay for generic production once the patent expires.

Another way the bill establishes for realistic market controls to drug pricing is by reforming the average wholesale price structure. This price structure is reported by drug manufacturers and rarely has any relation to what physicians actually pay for drugs. Without reform, overpayment, due to the average wholesale price, could reach into millions of dollars.

Protecting retiree health benefit plans. A major concern of mine as Congress considered this bill is how it would treat retiree health plans. Several of my constituents expressed their deep concerns that with the creation of a new Medicare benefit that their company would drop their retiree health plan. I shared their concern, and I worked with the conference committee members to ensure that the bill did protect retiree health plans.

The bill will support 28 percent of a retiree's drug costs between $250 and $5,000. That is equal to nearly two-thirds of the actuarial value of the standard benefit. The subsidy is also excludable from tax indication, raising its total value in the bill by $18 billion.

Mr. Speaker, we heard a little earlier about health savings accounts. H.R. 1 creates new accounts that allows individuals and families to accumulate tax-free assets devoted to their health needs. The accounts will allow workers under the age of 65 to accumulate tax-free savings for lifetime health care needs if they have a qualified health plan. Health savings accounts require qualified plans that have a minimum deductible of $1,000, with a $5,000 cap on yearly out-of-pocket expenses.

These amounts are doubled for family policies. Individuals can make pretax contributions of up to 100 percent of the health plan deductible. The maximum annual contribution is $2,600 for individuals and $5,150 for families, indexed annually for inflation.

□ 2045

Pretax contributions can be made by individuals, their employers and family members. Individuals ages 55 to 65 can make additional pretax catch-up contributions not covered by the insurance policy. Tax-free distributions can be made for continuation coverage periods by Federal law such as COBRA payments, health care insurance for the unemployed, and long-term care insurance.

Health savings accounts will change the face of health care coverage in the United States. The individual owns the account. The savings follow the individual from job to job into retirement. The flexibility and asset accumulation characteristics of these accounts will help millions of Americans save for their health needs. Health savings accounts will also encourage individuals to buy health plans that better suit their needs so insurance kicks in only when it is truly needed. Moreover, individuals will make cost-conscious decisions if they are spending their own money rather than someone else's money.

One of the major problems facing the Medicare program is the low rate at which it reimburses doctors for their services. As the Medicare program has cut rates, some physicians have stopped providing treatments to Medicare patients. This reduction in access to a wide range of physicians could have a detrimental impact on many seniors. In order to maintain adequate physician participation in the Medicare program, H.R. 1 rescinds a cut in physician payments and increases payments over the next 2 years. All physicians and providers, such as physician assistants, nurse practitioners, occupational therapists and other providers paid under the Medicare physician fee schedule will see a 1.5 percent payment rate increase under the House bill instead of the 4.5 percent payment cut in 2004. This produces a net increase of nearly 6 percent in payment rates in the year 2004.

An additional 1.5 percent increase will replace another projected cut in 2005. To address the volatility in physician payment updates over time, the bill changes the formula used to calculate payments by using a 10-year rolling average measure instead of the current single year measure. H.R. 1 addresses the scarcity of physicians in rural areas of the country. To help rural and other areas with few physicians with recruitment and retention, Medicare will pay a 5 percent bonus to physicians providing care in scarcity areas in 2005 through 2007. Both primary care doctors and specialists would be eligible for this bonus if they provide care in scarcity areas.

Mr. Speaker, a question that I am often asked about the Medicare bill is, why? Why did you undertake such a big, sweeping change to Medicare?

One of the first things I need to say is all of the changes that were implemented in H.R. 1 are entirely voluntary, that is, if someone in the system likes what they have in the Medicare system, they do not have to change. They do not need to purchase a prescription drug benefit; they certainly do not need to avail themselves of any other of the other benefits, such as health savings accounts, that are available in the Medicare bill.

But, Mr. Speaker, from 1965 when Medicare was first enacted in this country, there was something missing from the program and what was missing was prescription drug coverage. In 1965, it may not have mattered as much. The major expenses that a senior faced back then from the medical system was either undergoing an operation or prolonged hospitalization for, say, treatment of pneumonia. Prescription drugs were few and far between. There was only penicillin and cortisone, and those were interchangeable back then. But a lot has changed since 1965. In the 21st century, we have an enormous pharmaceutical capability that was really unimagined 38 years ago when Medicare was brought into being.

Mr. Speaker, it was crucial that this gap be addressed. We are spending $287 billion a year on the Medicare program this year without considering prescription drugs. We are spending a tremendous amount of money and are scheduled to spend a tremendous amount of money year in and year out on Medicare, and we are not getting value for our dollar.

As my colleague from New Hampshire pointed out earlier, earlier treatment of disease can reduce the overall cost for treating an episode of disease.

Finally, we have heard a lot in regards to the cost of the Medicare bill and the cost of the prescription drug benefit. Over 10 years' time, $395 billion was the estimate from the Congressional Budget Office, and more recently the White House Office of Management and Budget came out with a figure of $535 billion over 10 years, or numbers to that effect.

Mr. Speaker, I would like to point out there are some areas for cost savings within Medicare. We had before this House about a year ago this week a bill H.R. 5, which would have reformed the medical liability system in this country. The House passed it. Unfortunately, the legislation has stalled on the other side of the Capitol. I have great hopes that someday it will move, but it is not on the horizon right now.

By reforming the medical liability system in this country and undoing some of the effects of the cost of defensive medicine, not just the cost people pay for insurance premiums, but the cost of defensive medicine, could reap enormous benefits. There was a study done in Stanford, California, in 1996 that showed within the Medicare system, just in the Medicare system, the cost of defensive medicine added $50 billion a year to the cost of Medicare in this country.

There is our prescription drug benefit. No matter whose figures we use, the Congressional Budget Office or the OMB, it is $50 billion in 1996 dollars each year savings from removing the cost of defensive medicine.

Mr. Speaker, I would like to yield to the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. Mr. Speaker, I appreciate the gentleman yielding me this time. This subject of exactly why we did take up the Medicare and prescription drug bill comes up frequently, and it is a question that people really do concern themselves with.

For me as a business owner, when I came to this body and looked at the budget and realized that almost all economists agreed that within 4 to 10 years Medicare would put such deep stress on the budget, we may not have solutions to it.

As a business owner, if I see that kind of problem 5 to 10 years down the road, I know I must do something today to begin to defuse the demand, defuse the problem well before it arrives.

As we began to develop the program, the Medicare prescription drug bill, I began to ask questions and to make requests of my own. One of the things that several Members did was sign a letter saying if you do not give equal reimbursement to the rural areas, we will not vote for any bill.

Mr. Speaker, I campaigned saying we should treat the rural areas of America fairly, that they needed to be compensated the same way because that is not the case in the past. We got 100 percent equality for rural hospitals in this bill, and it is one thing that affects my district tremendously. It was not just affordability of care that was at stake in my district; it was the access to care, even having hospitals that would operate and be in the district, and so this one component of equalizing the reimbursement rate in our rural hospitals was key.

Another element that caused me to think there were good elements of the bill and it deserved support was the way border hospitals are treated. Border hospitals have a mandate by the immigration service that if an immigrant comes to a hospital with a medical problem, that hospital at its own expense or the expense of the county in which it is located, will transfer the person to the nearest facility where treatment can be given. Hospitals in my district are severely burdened. My district is on the border of Mexico, and the hospitals complain about the unfunded mandates to transport and to treat many medical conditions. Then the immigrants are taken back to the border and deposited there to return to their homes.

Mr. Speaker, that was another element that I campaigned on saying that we should get reimbursement for those costs mandated by the Federal Government. In this bill there is $1 billion to begin to help border hospitals pay for the costs that they face through an unfunded mandate by the Federal Government in the immigration department.

Those two things really began to convince me that for rural New Mexico, the Medicare bill had a good beginning, but it did not stop there. The disproportionate share hospitals also received an increase in funding level. Again, that affects most of the hospitals in my district. We also dealt with the reimbursement for rural physicians in this bill. Again, a win for New Mexico. So it began to look to me like we had the elements to build a successful bill on, that we had some long-term cures that were a long time in coming, and I was proud to be a part of those.

As we got into the philosophy of the bill, I think that is where we really began to see the need for change, the need for systemic change. One example of how we do things upside down in Medicare and in providing government coverage for Medicare is that we cause incentives to go to the most high-priced objective. We all know that for a small copay you can get any pharmaceutical that you would like to have. Once you reach the copay, you might as well get the expensive as the generic because there is no difference.

If we turned the incentive upside down and were to provide coverage for the generic, and if you want then the expensive version of the same drug, you would have to provide the difference, that was a compelling way to me that we could change behavior and change buying patterns throughout the country.

One of the things that we did in this bill was we began to limit the powers of the drug companies. I appreciate what the pharmaceutical companies have done in this country. They have created pharmaceuticals that are extending lives beyond belief. The fastest population group in America is over 100 years old. The second fastest growing age group is 85 to 100. These extensions of life and the quality of life that is experienced is because of the good work that the pharmaceutical companies do; but the pharmaceutical companies are just like the rest of us. They will take advantage when advantage given.

There was a practice of extending patents indefinitely. At the end of the patent period, they would change a few words and change the patent again. It was legal, but it was something which many felt was not right. In this bill, we limited the extensions to one. You get your original patent period, and then one extension. That will bring generic drugs to the market sooner. Just to make sure that the generic drugs come to the market sooner and we get competition sooner, we went ahead and put provisions in that would encourage the generics to be brought to market sooner.

We just wanted the drug companies to know that we appreciate what they do, but we also wanted to give them a small wake-up call that there were practices that we felt like were not in the best interest of all Americans. And so those changes were made here. Again, a very positive component that I felt began to justify this particular bill to be voted for.

Another thing that we did were health savings accounts. My colleagues have talked about that tonight, but I will give my brief summary. Health savings accounts are really medical IRAs. Americans can put in money tax free at any age, and at any age you can take money out tax free. That makes the health dollar worth 30 to 40 percent more, depending where you are in the income spectrum.

So you have a medical IRA that you put money into tax free at any age, about $5,000 a year, and you can take money out at any age if you use it to pay for medical benefits. You can pay for your premiums out of this health savings account; you can pay for your deductibles out of the health savings accounts, as well as prescription drugs or any other medical expense.

The nice thing about health savings accounts are they are a part of your estate. If you do not use it for your medical needs, you are able to pass it on to the next generation and to the next generation so that your children and grandchildren have a head start on paying for their medical needs.

I will tell Members, as a small business owner, the way that I would have dealt with this, and my wife and I sold our business in October of last year so I no longer have employees that would qualify for this, but the way I would deal with this particular situation is I would begin to give pay and bonuses into that account. So instead of giving pay increases, I would pay the increase into the health savings account. I would try to put $5,000 a year for every employee into the account, where the money was worth 30 to 40 percent more, and also where they could begin to use it to pay out of an account that has been put into their name, and they can pay out of that account to pay for premiums and deductibles.

I think as we build the size of the account, we can all see that we can begin to shop for higher deductible insurance. Right now most of the time when I shopped for health insurance, it was either a $500 or $1,000 deductible. But if a small business has helped pay in $5,000 to $20,000 into a health savings account, and knows that no one is going to be disadvantaged, then we begin to shop for maybe $5,000 deductibles. It is at that point the health insurance costs begin to collapse tremendously and we put the health care, the health insurance costs back within the reach of the average wage earner.

□ 2100

Ten percent of my employees had insurance costs of more than $1,000 a month. With 20 and 30 percent increases, you could look at 3 years from now having $2,000 a month. There is a point, Mr. Speaker, at which no one can afford health insurance. The health savings account, this medical IRA, begins to change the way that we think about health insurance. It begins to change buying patterns so that long term we begin to affect the price of medical services themselves. One of the most important things that we did in this bill is began to understand that if we will catch problems at the front, at their initiation, they are far easier and cheaper to take care of.

One of the reasons that Medicare has been so expensive, one of the reasons it stands to break the budget of the United States, is that we have no preventive medicine. At least we did not until we passed this bill. In other words, we would not do screenings but Medicare would pay for the full cost of operations, heart surgeries, cancer treatments after they were full-blown.

In this bill with screenings, physical exams and preventive medicines guaranteed, I think that we are going to begin to collapse the cost of this Medicare bill overall down below what it has been, rather than the astronomical increases that we are seeing projected; because I think, as the good doctor has pointed out, that there are applications in this bill which will save us money, not cost us money.

The gentleman from Texas explained adequately that the benefit programs were one of the main questions that he faces in his district. Benefit programs are a concern to all of us. Many companies have employees who have retired and are using that company benefit for their health insurance. I have experienced the same concerns in my district that the gentleman from Texas has experienced, of people wondering, well, if you put this in place, then my company is going to drop it, they are going to drop the coverage that I currently have. That disappointed them. It concerned them.

I will tell you that we did something in this bill that to me made sense. We have our opponents, those people who want to criticize the bill, saying that we are giving corporate welfare. Mr. Speaker, what they are talking about is that we are giving an incentive, we are helping these companies that pay retirees' health benefits, we are giving those companies incentives to keep the benefits in place. We are saying that if the Federal Government can pay 20 or 25 percent and cause them to keep that health benefit in place for the retirees, that that is going to be far preferable to having the company drop the coverage and having Medicare pick up 100 percent of the coverage. And so those opponents of this bill who claim that it is corporate welfare can do so; but when they do so, they have to not be telling the full truth that we did it in order to encourage companies to keep those benefit plans open for retirees who really think they have got good plans.

One of the most important parts of this bill, Mr. Speaker, was the concept of choice, the ability to choose whether you like the current plan you are under, the traditional Medicare, or whether you want to opt out and move into the new plans that will be offered as competing plans for this program.

Mr. Speaker, I do not see anyone complaining about the right to choose. I see a lot of people complaining about the potential of being mandated to move into a complete private sector but not one person has said, don't give me a choice. I will tell you that the right to choose is one of the most fundamental parts of our American society and I am proud that in this bill we have given our seniors the right to stay where they are, to use Medicare completely as it is without any changes, but we have also given them a right to choose a different kind of coverage that meets their needs more.

Mr. Speaker, there are many reasons that I voted for this bill but the main ones were I believe that systemically it began to address the long-term changes that are necessary to make Medicare viable for the rest of this generation, for the next generation and the generations beyond. Access to affordable health care in rural parts of the country just cemented my belief that we have done very good work in this particular bill.

Mr. Speaker, I have more things to say but I would like to yield back to the gentleman from Texas and let him continue and I will wait for the next coverage that he gives to me.

Mr. BURGESS. I thank the gentleman from New Mexico. We heard earlier this evening the gentleman from Michigan stand up and talk about paying for health care. Mr. Speaker, an op-ed piece by Ronald Brownstein out in Los Angeles, California in December talked about that he thought there were only two ways to pay for health care in this country: One was an employer-given indemnity insurance plan and the other is a government-paid system. As a longtime participant in the health care field, there is a certain segment of health care that is delivered free of charge. It is uncompensated because someone either cannot pay or will not pay, and the bill therefore is uncompensated and the hospital or physician or provider simply eats that charge, and that goes on every day of the week.

But there is a fourth source and that is, of course, the individual who is going to write a check themselves, going to pay for their care themselves out of pocket. One of the problems in the world nowadays is that medical care has become so expensive so many people find that daunting, but that is why the health savings accounts not just for seniors but started at an early age and really making them available to all Americans, that is why that is such a crucial part of the overall reform encompassed within the Medicare bill.

Mr. Speaker, the gentleman from Michigan also referenced the newspaper Roll Call. We are all familiar with Roll Call up here on the Hill. Certainly the writers in Roll Call are no particular friend of the President of the United States. In fact, sometimes they are quite critical of him. On one of those occasions where the gentleman that writes the column Pennsylvania Avenue was very critical of the President was right after the State of the Union address, I believe it was the Monday following the President's State of the Union address, where in this House he addressed both Houses of Congress and said that he appreciated what we had done with health savings accounts, he wanted now to extend that, he wanted there to be full deductibility for a so-called catastrophic medical insurance policy, that a person would be able to deduct the cost of that from their income taxes.

Mr. Speaker, combining the power of the HSA with full deductibility of catastrophic coverage pretty much removes from consideration, that is, anyone who pays insurance in this country would no longer have an excuse for not having health insurance. We would have given them every reason to spend those tax-deferred dollars on the insurance coverage that they need.

One of the other programs that the President talked about that night, and I think the gentleman from Michigan also referenced this, was association health plans. Association health plans are a critical tool that allows small businesses of a similar business model to band together across State lines if necessary and get the purchasing power of a larger corporation, an idea that has a lot of common sense to it. An organization such as a collection of chambers of commerce, for example, or a collection of realtors, for example, these would be businesses of a similar business model, they could group together; a group of realtors could go in together and get more purchasing power with the money they use to buy health insurance policies and extend coverage and keep people from dropping out of providing insurance coverage to their employees, one of the problems that the gentleman from Michigan referenced.

Association health plans were again passed in this House in June of last year and again that is an example of some legislation that sort of stalled on the other side of the Capitol Building. I hope that it will get taken up at some point.

There is another measure, Mr. Speaker. The gentlewoman from Texas (Ms. GRANGER), my next door neighbor in Fort Worth, has a bill to provide tax credits for the uninsured. You may say, gosh, that is great. Somebody who pays income taxes can now afford health insurance. But what about someone who does not make enough money to pay income taxes? What are they going to do for insurance? This would be a prefundable tax credit, available to someone at the beginning of the year to use for the purchase of a health insurance policy.

Mr. Speaker, the combination of these three things, the health savings accounts with the inclusion of the catastrophic policy, with full deductibility of a catastrophic policy, association health plans and tax credits for the uninsured, comprise a fairly significant number of the uninsured who can be taken off the rolls of the uninsured.

Mr. Kondracke was kind of critical of the President after those three proposals were sort of wrapped together in the State of the Union address. Mr. Kondracke said, gosh, that will only cover a quarter of the people who are uninsured in this country. Mr. Speaker, that is 10 million people, in excess of 10 million people. I submit if we have the power in our hands, without any heavy lifting, to provide coverage to 10 million uninsured by the end of this year without increasing the deficit, for heaven's sake that is something we should do. There should be a moral imperative for us to take up and pass that legislation.

I urge other Members of this body to look favorably on tax credits for the uninsured when that legislation comes forward. I would encourage the Committee on Ways and Means to let that be reported out of committee and come to this House for a vote. Again, good legislation that has stalled at the other end of the Capitol needs to see the light of day.

With that, Mr. Speaker, again my condolences to the people in Spain. I want to finish up tonight by yielding back the remainder of the time to the gentleman from New Mexico and thank him for his participation in this hour of debate this evening.

Mr. PEARCE. Mr. Speaker, if I could request how much time is remaining.

The SPEAKER pro tempore (Mr. BONNER). The Chair advises that there are 24 minutes remaining for this particular time period for the majority.

Mr. PEARCE. Mr. Speaker, I would like to discuss even a broader concept in health care costs. One of the most urgent questions that I get when I am in my district, people wonder how are we going to afford health care costs. How can we afford health insurance? What are the components of that? All of us, myself included, would look for easy solutions. We would want a bill that we could pass that would just limit the cost of care. Maybe it is by fixing prices in the pharmaceutical industry or maybe fixing prices that the doctors are able to charge. Some people want to go in and limit the capability of insurance companies to raise their prices to pay for the costs that they have. Mr. Speaker, anything that we attempt is going to be simplistic and will be, without doubt, ineffective. The reasons that our health care is so expensive, is, frankly because we are demanding it. We have more demand than there is supply. When that is the case, you can either increase the supply, which is the number of doctors and the number of hospitals, or you can begin to affect demand.

I would say, Mr. Speaker, that it is imperative, as long as we are going to try to solve the problem, we may address the supply, we may address the numbers of doctors, we may address the numbers of hospitals, but that does not completely deal with the problem that I see, that is, on the demand side. I think that the first step for us all is to begin to live healthier life-styles. There is one study which reports that if we lost nationwide 10 pounds per person that the incidence of diabetes could be cut by 25 percent nationwide. Nationwide diabetes is an exploding phenomenon that is going to affect the health care costs for every single one of us, even though we are not all affected by it. If we look at our young population, we are finding that exercise and healthy choices are so bad that youth diabetes is exploding in the country, also.

I will tell the Speaker and this assembled group that these health problems into the future raise such tremendous concerns on costs for budgets, quality of life, that we need to begin to make healthier choices. We need to make healthier choices in our life regarding smoking, regarding physical exercise, regarding illegal substances that we place into our bodies. All of those are things which affect the demand, the demand which causes health care costs to increase daily.

I think one of the things that we need to be smarter about in this country and which would also begin to lower that demand curve for the medical services and begin to affect the cost shifts upward each year is in regard to preventive medicines. We all need to be doing careful screenings, cholesterol checks. We should be doing the cancer screenings. I heard statistics today about the way that breast cancer is really spreading in this country. Breast cancer is a curable problem and one that is affecting, I think, 1 out of every 3 or 4 women. Mr. Speaker, if we will begin to do the screenings and the preventive medicines, we will find that long-term our costs will begin to deflate also.

The health savings accounts, we have already discussed how that can affect long term the cost of our medical care and the cost of associated insurance.

One of the things that we are wanting to institute in this particular bill is more competition.

□ 2115

If we look at a couple of examples right now in the medical community of competition, I think Lasik eye surgery is one of the examples, also reconstructive surgery, the plastic surgery. Both of those elements have had competition introduced into their sphere in the last couple of years; and we have seen, I think, 30 percent decreases in the cost of those particular services. Competition is one of the important aspects of not only the American way of life but also in any free market enterprise, and we should see that always competition is never forbidden but encouraged, and it should be that way in our medical field.

The gentleman from Texas (Mr. BURGESS) mentioned that one of the most important things we can do to begin to lower costs of medical treatment rather than to see the constantly inflating and increasing cost of medical treatment is medical liability. Many physicians in my district talk about the escalating medical liability costs. Each year we face the prospect that more and more doctors are going to just stop practicing medicine. So instead of increasing the supply, we are actually decreasing the supply, which is going to give more incentive for prices to go up higher even. Medical liability is one of the most serious problems in day-to-day costs of health care and needs to be addressed. This House has addressed it. We feel like it is a thing that should be pushed on through the full Congress and sent to the President for signature.

I think, finally, the good doctor mentioned several times, and in good components, the cost of defensive medicine. Defensive medicine is not just in fear of lawsuits. Defensive medicine is when our doctors begin to prescribe more tests than should actually be done because they are afraid that they will be sued if they do not prescribe every single test that is available. Defensive medicine is when doctors begin to order more rather than exactly which tests they believe are the right ones, which procedures they believe to be right. It is in that defensive medicine, that overprescribing, that overtreating that we find, as the good doctor says, $50 billion worth of cost in this country alone and that one single step of changing that parameter in our health care costs could pay for, for instance, this Medicare prescription drug bill.

Mr. Speaker, we are going to make choices in this Nation that are expensive. In this particular case, this particular bill, it was the right thing because we have seniors who are having to choose between food and medicine. There is an immediate impact in this Medicare prescription drug bill which will give to our low-income seniors right now this year a $600 card that is good for any purchase of prescription drugs throughout the rest of the year. Next year the same thing is going to happen. Those people at lower incomes, $18,000 and below for a couple, will receive another $600 card next year, which will be good to help them defray the cost of the prescription drugs.

As we look at the plan itself, we have a lot of critics who are describing the gap and being very critical of the gap in the pharmaceutical coverage. I will tell those people that are assembled here today that the single most important reason we did that was to be able to afford the bill. We did not want to break the next generations because we paid for full coverage for every single person in this Nation.

I have often explained that my mom is one of the people who experienced the gap. Her income and her assets are high enough that she will be faced with seeing that coverage up to a point and then a gap and then the protection for catastrophic coverage. I asked her what she felt about it. She explained to me that she understood why we were doing it. She explained that she had felt blessed in her life, that she would gladly pay more in order to make it where it is affordable for the next generations.

Mr. Speaker, those people who are being so critical of this particular aspect of the bill I think are being disingenuous. They talk about the cost of the bill on the one hand, while complaining about the gap on the other. I am sorry. They simply have to choose one or the other. They have to choose full coverage and the high price above $1 trillion versus the $400 to $500 billion that we are facing in this bill as it stands. Either they choose full coverage and the higher price, or they give the gap in the lower price. We in this House and in the Senate and in the bill that was passed and signed by the President chose to allow those people to pay more who could pay more in order to make this bill more affordable for the next generations.

Mr. Speaker, I appreciate the President's calm and patient leadership on this matter. The President never wavered in his commitment to provide coverage for those seniors who are not able to provide coverage for themselves. And I think that this House chose rightly in passing that bill, and I think that the seniors are finding that it is going to be one of the tremendous changes in the way that we present medical coverage through the Medicare program in this country.

I appreciate, also, the President's leadership in many other issues. We have taken on serious issues in this House, and we have passed them. Not all have made it to the President, but many have made it to the President. We took bold steps to reinvigorate the economy. The economy, as we understand, had suffered from three deep shocks: the collapse of the dot-com industry back in the ending years of President Clinton's term; 9–11 was the second big shock. The third big shock were the corporations that were acting improperly. Global Crossing is a good example. Enron is also an example that has been used. When those companies began to act improperly, people began to suck their money out of the stock market and put it into interest-bearing accounts at the bank. Those three shocks to our economy were ones that were very difficult, and many economies could not have sustained them. The President has patiently built our economy back with a series of tax decreases to the American public. Many of those tax decreases fall on businesses which are able to maintain profitability, increase their employment, grow their capacity, increase the capability of competing with those firms overseas. I will tell the Speaker that we have done magnificent work in many areas; and I appreciate, myself, the calm and principled leadership of the President, who has decided to fight this war on terror, to fix Medicare as he saw the Medicare problems to be; to deal with the forests that were burning up throughout the West, to pass the Partial Birth Abortion bill and sign that, to pass the AMBER alert bill and to get that signed.

Mr. Speaker, we have done magnificent work in this House. The President has signed much of it into law. But one of the most dramatic things we have done is to pass this prescription drug Medicare reform bill, which I think is going to make sure that Medicare is available throughout the rest of this generation and on into the future for my children and my grandchildren.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Becerra (at the request of Ms. Pelosi) for today on account of personal reasons.

Mr. Davis of Illinois (at the request of Ms. Pelosi) for today on account of business in the district.

Mr. Emanuel (at the request of Ms. Pelosi) for today on account of a family commitment.

Mr. Tauzin (at the request of Mr. DeLay) for the weeks of March 8 and March 15 on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hinchey) to revise and extend their remarks and include extraneous material:)

Mrs. McCarthy of New York, for 5 minutes, today.

Mr. DeFazio, for 5 minutes, today.

Mr. Pallone, for 5 minutes, today.

Mr. Brown of Ohio, for 5 minutes, today.

Mr. Blumenauer, for 5 minutes, today.

Mr. Green of Texas, for 5 minutes, today.

Mr. Cummings, for 5 minutes, today.

Ms. Carson of Indiana, for 5 minutes, today.

Ms. Norton, for 5 minutes, today.

Mr. Hinchey, for 5 minutes, today.

Mr. Ballance, for 5 minutes, today.

Ms. Millender-McDonald, for 5 minutes, today.

(The following Members (at the request of Mrs. Blackburn) to revise and extend their remarks and include extraneous material:)

Mr. Burgess, for 5 minutes, March 17.

Mr. Burton of Indiana, for 5 minutes, today and March 17 and 18.

Mr. Dreier, for 5 minutes, today and March 17 and 18.

Mr. Neugebauer, for 5 minutes, today.

Mrs. Blackburn, for 5 minutes, today.

Mr. Hensarling, for 5 minutes, March 17.

Mr. Mario Diaz-Balart of Florida, for 5 minutes, March 17.

Mr. Bradley of New Hampshire, for 5 minutes, today and March 18.

Mr. Bereuter, for 5 minutes, today and March 17.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Hefley, and to include therein extraneous material, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,372.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2043. An act to designate a Federal building in Harrisburg, Pennsylvania, as the "Ronald Reagan Federal Building"; to the Committee on Transportation and Infrastructure.

ENROLLED BILL SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3724. An act to amend section 220 of the National Housing Act to make a technical correction to restore allowable increases in the maximum mortgage limits for FHA-insured mortgages for multifamily housing projects to cover increased costs of installing a solar energy system or residential energy conservation measures.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1881. An act to amend the Federal Food, Drug, and Cosmetic Act to make technical corrections relating to the amendments made by the Medical Device User Fee and Modernization Act of 2002, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on March 12. 2004 he presented to the President of the United States, for his approval, the following bills.

H.R. 3915. To provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through April 2, 2004.

ADJOURNMENT

Mr. PEARCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 24 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 17, 2004, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7171. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Asian Longhorned Beetle; Quarantined Areas [Docket No. 04-002-1] received March 11, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7172. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Cattle From Mexico [Docket No. 00-112-2] received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7173. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Brucellosis in Cattle; State and Area Classifications; Missouri [Docket No. 01-015-1] received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7174. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Unshu Oranges from Honshu Island, Japan [Docket No. 02-108-2] received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7175. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Blood and Tissue Collection at Slaughtering and Rendering Establishments [Docket No. 99-017-3] (RIN: 0579-AB13) received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7176. A communication from the President of the United States, transmitting notification of intent to use funds provided in Public Law 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY 2001, for the Commission on Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction; (H. Doc. No. 108–174); to the Committee on Appropriations and ordered to be printed.

7177. A letter from the Acting Assisstant Secretary—Land and Minerals Management, Department of the Interior, transmitting the Department's final rule—Oil and Gas and Sulphur Operations in the Outer Continental Shelf—Revision of Requirements Governing Outer Continental Shelf Rights-of-Use and Easement and Pipeline Rights-of-Way (RIN: 1010-AC91) received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7178. A letter from the Director, Regulations and Forms Services, BCIS, Department of Homeland Security, transmitting the Department's final rule — Eliminating the Numerical Cap on Mexican TN Nonimmigrants [CIS No. 2266-03] (RIN: 1615-AA96) received March 11, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7179. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the designation as "foreign terrorist organizations" pursuant to Section 219 of the Immigration and Nationality Act, pursuant to 8 U.S.C. 1189; to the Committee on the Judiciary.

7180. A letter from the Director, Regulations Management, National Cemetary Administration, Department of Veterans Affairs, transmitting the Department's final rule — Eligibility for an Approriate Government Marker for a Grave Already Marked at Private Expense (RIN: 2900-AL40) received March 8, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

7181. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Federal Tax Treatment of Benefits received Under the Smallpox Emergency Personnel Protection Act of 2003 [Notice 2004-17] received March 5, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7182. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule — Low-Income Housing Credit (Rev. Rul. 2004-16) received March 5, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. OXLEY: Committee on Financial Services. Supplemental report on H.R. 1375. A bill to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes (Rept. 108–152, Pt. 3). Ordered to be printed.

Mr. BARTON: Committee on Energy and Commerce. H.R. 3872. A bill to prohibit the misappropriation of databases while ensuring consumer access to factual information (Rept. 108–437). Referred to the Committee of the Whole House on the State of the Union.

Mr. DREIER: Committee on Rules. House Resolution 561. Resolution providing for consideration of the resolution (H. Res. 557) relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces (Rept. 108–438). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. GINGREY (for himself, Ms. Eddie Bernice Johnson of Texas, and Mr. Ehlers):

H.R. 3970. A bill to provide for the implementation of a Green Chemistry Research and Development Program, and for other purposes; to the Committee on Science.

By Mr. THOMAS:

H.R. 3971. A bill to amend the Internal Revenue Code of 1986 to credit the Highway Trust Fund with the full amount of fuel taxes, to combat fuel tax evasion, and for other purposes; to the Committee on Ways and Means.

By Mr. FOLEY (for himself, Mr. Lampson, Mr. Baker, Mr. Frost, Mr. Wexler, and Ms. Watson):

H.R. 3972. A bill to ensure that appropriate State social services officers have the authority to access certain Federal databases for the purpose of carrying out checks in cases of child abuse and neglect and cases of missing children, and for other purposes; to the Committee on the Judiciary.

By Mr. NUSSLE:

H.R. 3973. A bill to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to extend the discretionary spending limits and pay-as-you-go through fiscal year 2009; to the Committee on the Budget.

By Mr. MILLER of North Carolina (for himself and Mr. Watt):

H.R. 3974. A bill to amend the Truth in Lending Act to impose restrictions and limitations on high-cost mortgages, to revise the permissible fees and charges on certain loans made, to prohibit unfair or deceptive practices by mortgage brokers and creditors, and to provide for public education and counseling about predatory lenders, and for other purposes; to the Committee on Financial Services.

By Mr. BALLANCE:

H.R. 3975. A bill to authorize States, in the event of inadequate Federal funding under part B of the Individuals with Disabilities Education Act, to waive certain requirements of the Elementary and Secondary Education Act of 1965, and for other purposes; to the Committee on Education and the Workforce.

By Mr. ENGLISH:

H.R. 3976. A bill to amend the Internal Revenue Code of 1986 to repeal the depreciation adjustments required in computing alternative minimum taxable income; to the Committee on Ways and Means.

By Mr. ENGLISH:

H.R. 3977. A bill to amend the Internal Revenue Code of 1986 to allow the work opportunity credit, welfare-to-work credit, and research credit against the alternative minimum tax; to the Committee on Ways and Means.

By Mr. GALLEGLY (for himself and Mr. Pitts):

H.R. 3978. A bill to amend the Immigration and Nationality Act to modify provisions relating to designation of foreign terrorist organizations, to amend the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, to include in annual Department of

State country reports on terrorism information on terrorist groups that seek weapons of mass destruction and groups that have been designated as foreign terrorist organizations, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LEWIS of Kentucky:

H.R. 3979. A bill to exempt the natural aging process in the determination of the production period for distilled spirits under section 263A of the Internal Revenue Code of 1986; to the Committee on Ways and Means.

By Mr. SKELTON:

H. Con. Res. 385. Concurrent resolution calling on the President to negotiate a bilateral security agreement with the Iraqi Governing Council before June 30, 2004; to the Committee on International Relations.

By Mrs. WILSON of New Mexico (for herself, Mr. HEFLEY, Mr. PEARCE, Mr. HUNTER, Mr. SAM JOHNSON of Texas, Mr. MURTHA, Mr. CUNNINGHAM, Mr. WILSON of South Carolina, Mr. BARTLETT of Maryland, Mr. SIMMONS, Mr. LOBIONDO, Mr. CALVERT, Mr. REYES, Mr. MCKEON, Mr. SNYDER, Mr. RODRIGUEZ, Mr. COOPER, Mr. GIBBONS, Mr. EVANS, and Mrs. MILLER of Michigan):

H. Con. Res. 386. Concurrent resolution congratulating the United States Air Force Academy on its 50th Anniversary and recognizing its contributions to the Nation; to the Committee on Armed Services.

By Mr. DREIER:

H. Res. 561. A resolution providing for consideration of the resolution (H. Res. 557) relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces.

By Mr. REYES:

H. Res. 562. A resolution honoring and congratulating Don Haskins on his 50 years of contributions to the game of basketball and his efforts in support of diversity in sports; to the Committee on Education and the Workforce.

By Ms. ROS-LEHTINEN (for herself, Mr. LINCOLN DIAZ-BALART of Florida, Mr. MENENDEZ, and Mr. MARIO DIAZ-BALART of Florida):

H. Res. 563. A resolution expressing the sense of the House of Representatives regarding the one-year anniversary of the human rights crackdown in Cuba; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 119: Mrs. MUSGRAVE.

H.R. 290: Mr. MEEKS of New York and Mr. CROWLEY.

H.R. 434: Ms. HARRIS and Mrs. MILLER of Michigan.

H.R. 669: Mr. SOUDER.

H.R. 677: Mr. KILDEE, Mr. KUCINICH, Mr. SANDERS, and Mr. WAXMAN.

H.R. 812: Mr. MCCOTTER.

H.R. 814: Mr. POMEROY and Ms. KILPATRICK.

H.R. 834: Mr. BURNS.

H.R. 857: Mr. CRAMER, Mr. TOM DAVIS of Virginia, Mr. LEWIS of California, Mr. ADERHOLT, Mr. BILIRAKIS, and Mr. CANTOR.

H.R. 936: Mr. HOLT.

H.R. 995: Mr. ANDREWS.

H.R. 996: Mr. TAYLOR of Mississippi and Mr. CRAMER.

H.R. 1002: Mr. SMITH of Washington.

H.R. 1005: Mr. STUPAK, Mrs. MUSGRAVE, and Mr. PEARCE.

H.R. 1034: Mr. MCDERMOTT, Mr. FILNER, Ms. CARSON of Indiana, Mr. CASE, Ms. LEE, and Mr. WEXLER.

H.R. 1052: Mr. THOMPSON of California, Mr. GREEN of Wisconsin, Ms. CORRINE BROWN of Florida, Mr. JACKSON of Illinois, and Mr. SABO.

H.R. 1057: Mr. PASCRELL.

H.R. 1083: Mr. WU, Mr. DOGGETT, Mr. LARSEN of Washington, and Mr. KUCINICH.

H.R. 1118: Mr. MATSUI.

H.R. 1125: Mr. STENHOLM.

H.R. 1258: Mr. RYAN of Ohio.

H.R. 1267: Ms. MCCARTHY of Missouri, Mr. BACA, Mr. MATSUI, and Mr. CARDOZA.

H.R. 1345: Mr. GOODE.

H.R. 1357: Mr. GORDON and Mr. WU.

H.R. 1464: Mr. KUCINICH.

H.R. 1508: Mr. LEWIS of Georgia, Mr. ABERCROMBIE, Mr. MEEK of Florida, Mr. PASCRELL, and Mr. MEEHAN.

H.R. 1655: Mr. BACA.

H.R. 1688: Mr. NEAL of Massachusetts.

H.R. 1726: Mr. SMITH of New Jersey.

H.R. 1734: Mr. SMITH of Washington.

H.R. 1742: Mr. CUNNINGHAM.

H.R. 1748: Ms. SLAUGHTER.

H.R. 1749: Mr. LARSEN of Washington.

H.R. 1755: Mr. SESSIONS.

H.R. 1783: Mr. HOEKSTRA.

H.R. 1824: Ms. BALDWIN, Mr. MATHESON, Mr. DAVIS of Tennessee, and Ms. LEE.

H.R. 2085: Mr. KUCINICH.

H.R. 2133: Mr. LOBIONDO.

H.R. 2151: Mr. TURNER of Texas, Mr. FRANK of Massachusetts, Mr. WAXMAN, Ms. BERKLEY, Mr. GRIJALVA, Mr. CARTER, and Mr. BONILLA.

H.R. 2169: Ms. MAJETTE.

H.R. 2260: Mr. MEEHAN, Ms. MCCARTHY of Missouri, and Mr. HALL.

H.R. 2269: Mr. CRANE.

H.R. 2291: Mr. CUMMINGS.

H.R. 2293: Mr. CRANE.

H.R. 2366: Mr. LANTOS, Mrs. JONES of Ohio, and Ms. CORRINE BROWN of Florida.

H.R. 2404: Mr. CROWLEY and Mrs. BONO.

H.R. 2449: Mr. GORDON and Mr. FERGUSON.

H.R. 2482: Mr. PRICE of North Carolina.

H.R. 2490: Mr. CLAY.

H.R. 2505: Mr. FRANK of Massachusetts, Mr. FILNER, Mr. LEWIS of Georgia, and Mr. DELAHUNT.

H.R. 2509: Mr. HYDE.

H.R. 2536: Mr. HOUGHTON, Mrs. CHRISTENSEN, Mrs. JONES of Ohio, and Ms. NORTON.

H.R. 2570: Mr. GONZALEZ, Ms. MILLENDER-MCDONALD, Mr. STUPAK, and Mr. LANTOS.

H.R. 2665: Mr. COOPER.

H.R. 2671: Mr. GOSS.

H.R. 2702: Mr. KUCINICH and Mr. MOORE.

H.R. 2768: Mr. PORTER.

H.R. 2771: Mr. BISHOP of New York, Mr. OWENS, and Mr. HOUGHTON.

H.R. 2823: Mr. BURNS.

H.R. 2926: Mr. MARKEY and Mr. MATHESON.

H.R. 2932: Mr. DAVIS of Illinois, Mr. KUCINICH, Mr. LANTOS, and Mr. MCGOVERN.

H.R. 2933: Mrs. CUBIN.

H.R. 2944: Mr. ANDREWS, Mr. BAIRD, Mr. SMITH of Washington, and Mr. MCGOVERN.

H.R. 2978: Ms. MCCARTHY of Missouri, Mr. PUTNAM, Mr. PENCE, Mr. HINOJOSA, Mr. MURPHY, and Mr. JOHNSON of Illinois.

H.R. 2999: Mr. CULBERSON, Mr. OSBORNE, Mr. KENNEDY of Minnesota, and Mr. BISHOP of Utah.

H.R. 3007: Mr. BOUCHER.

H.R. 3015: Mrs. JOHNSON of Connecticut.

H.R. 3049: Mr. LANGEVIN.

H.R. 3052: Mr. CULBERSON.

H.R. 3115: Mr. NEY.

H.R. 3134: Mr. SANDERS and Mr. JOHNSON of Illinois.

H.R. 3171: Mr. PAYNE.

H.R. 3213: Mr. TERRY, Ms. HART, Mr. ENGLISH, Mr. STEARNS, Mr. SMITH of Michigan, Mr. DOOLITTLE, Mr. BURTON of Indiana, Mr. THORNBERRY, Mr. HOSTETTLER, and Mr. FORBES.

H.R. 3277: Mr. BACHUS.

H.R. 3325: Ms. DEGETTE, Mr. SHERMAN, and Ms. CORRINE BROWN of Florida.

H.R. 3360: Mr. MORAN of Virginia.

H.R. 3361: Mr. HINCHEY.

H.R. 3363: Mr. COOPER.

H.R. 3377: Mr. GEORGE MILLER of California.

H.R. 3403: Mr. JOHN and Mr. BERRY.

H.R. 3410: Mr. SHAYS.

H.R. 3416: Mr. NEAL of Massachusetts.

H.R. 3441: Mr. LARSON of Connecticut, Mr. MCHUGH, Mr. NEAL of Massachusetts, Mr. POMEROY, Mrs. CAPITO, Ms. WATSON, Mrs. NAPOLITANO, Mr. GRIJALVA, Mr. MORAN of Virginia, Mr. MEEHAN, and Mr. MENENDEZ.

H.R. 3453: Mr. SESSIONS.

H.R. 3459: Mr. FILNER.

H.R. 3473: Mr. FALEOMAVAEGA.

H.R. 3474: Mr. NEAL of Massachusetts, Mr. FORD, Mr. KUCINICH, Mr. HALL, and Mr. WOLF.

H.R. 3528: Mrs. JOHNSON of Connecticut and Ms. MCCARTHY of Missouri.

H.R. 3543: Mr. DELAHUNT and Mr. MANZULLO.

H.R. 3550: Mr. BERMAN.

H.R. 3587: Ms. MILLENDER-MCDONALD.

H.R. 3599: Ms. DEGETTE.

H.R. 3643: Mrs. JO ANN DAVIS of Virginia.

H.R. 3668: Mr. ABERCROMBIE.

H.R. 3673: Ms. BERKLEY.

H.R. 3687: Mr. LOBIONDO.

H.R. 3695: Mr. ROTHMAN.

H.R. 3699: Mr. EDWARDS, Mr. GUTIERREZ, Mr. LANTOS, and Mr. POMEROY.

H.R. 3704: Mr. COX.

H.R. 3708: Mrs. MUSGRAVE.

H.R. 3716: Mr. BURR, Mr. RYAN of Ohio, Mr. BISHOP of Georgia, and Mr. HAYES.

H.R. 3720: Mr. WEXLER.

H.R. 3739: Mr. MOORE.

H.R. 3743: Mr. STUPAK.

H.R. 3755: Mrs. MILLER of Michigan.

H.R. 3793: Mr. KIRK and Mr. WAXMAN.

H.R. 3795: Mr. KENNEDY of Rhode Island.

H.R. 3800: Mr. BISHOP of Utah, Mr. PUTNAM, Mr. BURTON of Indiana, Mr. TERRY, and Mr. BURGESS.

H.R. 3802: Mr. ENGLISH, Mrs. DAVIS of California, Ms. LOFGREN, Mr. KUCINICH, Ms. CORRINE BROWN of Florida, Mrs. JONES of Ohio, and Mr. NEY.

H.R. 3803: Mr. WAXMAN, Ms. SCHAKOWSKY, and Ms. NORTON.

H.R. 3818: Ms. CARSON of Indiana, Mr. SMITH of Texas, Mr. HOLT, Ms. DUNN, Mr. SHAYS, and Mr. WILSON of South Carolina.

H.R. 3820: Mr. ABERCROMBIE, Mr. GREEN of Texas, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MCINTYRE, Mr. FRANK of Massachusetts, Mr. RYAN of Ohio, Mr. KUCINICH, Mr. KILDEE, Mr. LIPINSKI, Mr. SANDERS, Mr. MICHAUD, Mr. DUNCAN, Mr. STARK, Mr. BROWN of Ohio, Mr. RANGEL, Mr. PASTOR, Mr. EVANS, Mr. THOMPSON of Mississippi, Mr. DEFAZIO, Mr. LANTOS, Mr. HOEFFEL, Mr. FROST, Ms. WOOLSEY, Ms. MCCOLLUM, Ms. SLAUGHTER, Ms. MCCARTHY of Missouri, Mr. MEEHAN, Mr. EMANUEL, Mr. STUPAK, and Ms. LINDA T. SÁNCHEZ of California.

H.R. 3834: Mr. BALLANCE.

H.R. 3847: Mr. MEEHAN.

H.R. 3854: Mr. BURTON of Indiana.

H.R. 3857: Ms. DUNN.

H.R. 3860: Mr. UDALL of New Mexico.

H.R. 3884: Mr. SMITH of Texas.

H.R. 3887: Mr. NADLER, Mr. GRIJALVA, Mr. LEACH, Mr. BRADY of Pennsylvania, Mr. MOORE, and Mrs. JONES of Ohio.

H.R. 3889: Mr. BURR and Mr. GOODE.

H.R. 3919: Ms. DELAURO, Mr. STARK, Mr. BROWN of Ohio, Mr. KUCINICH, and Mr. WAXMAN.

H.R. 3934: Mrs. MALONEY.

H.R. 3943: Mr. DREIER.

H.R. 3946: Mr. DINGELL.

H.R. 3966: Mr. BLUNT, Mr. SESSIONS, and Mr. ISAKSON.

H.J. Res. 87: Mr. NADLER, Mr. KUCINICH, Mr. KILDEE, Mr. GEORGE MILLER of California, Mr. CUMMINGS, Mr. KENNEDY of Rhode Island, Ms. CARSON of Indiana, Mr. FRANK of Massachusetts, Mr. VAN HOLLEN, and Mr. BISHOP of Georgia.

H. Con. Res. 111: Mr. NEAL of Massachusetts and Mr. LEACH.

H. Con. Res. 242: Mr. WAMP.

H. Con. Res. 247: Mr. BOEHLERT.

H. Con. Res. 257: Ms. HART.

H. Con. Res. 304: Mr. FARR, Ms. LEE, Mr. ROYCE, Mr. TANCREDO, Mr. CALVERT, and Ms. MCCARTHY of Missouri.

H. Con. Res. 311: Mrs. JO ANN DAVIS of Virginia.

H. Con. Res. 332: Mr. WELDON of Florida, Mr. KIND, Mr. JOHNSON of Illinois, Mr. HOLDEN, Mr. BISHOP of Georgia, Mr. MURPHY, Mr. HOYER, Mr. DOOLITTLE, Mr. MARIO DIAZ-BALART of Florida, Mr. HOEFFEL, Mr. UDALL of New Mexico, Mr. TOOMEY, Mr. SIMMONS, and Mr. BISHOP of New York.

H. Con. Res. 343: Mr. BISHOP of Georgia.

H. Con. Res. 363: Mr. LINCOLN DIAZ-BALART of Florida.

H. Con. Res. 365: Mr. BISHOP of Georgia.

H. Con. Res. 366: Mr. BROWN of Ohio, Mr. POMEROY, Mr. WAXMAN, Mr. HOLDEN, Mr. BRADY of Pennsylvania, Mr. PASCRELL, Mrs. JONES of Ohio, Mr. BISHOP of New York, Mr. CUMMINGS, Mr. BACA, Mr. CARSON of Oklahoma, Mr. RYAN of Ohio, Mr. STUPAK, Mr. KUCINICH, Ms. VELÁZQUEZ, Mr. SANDLIN, and Mr. JOHN.

H. Con. Res. 371: Mr. DEUTSCH, Mr. WEINER, Mrs. MALONEY, Mr. MEEK of Florida, Mr. ADERHOLT, and Mr. PORTER.

H. Con. Res. 374: Mr. KLINE and Mr. BISHOP of Georgia.

H. Con. Res. 375: Mr. MORAN of Virginia and Mr. EDWARDS.

H. Con. Res. 378: Mr. KIRK and Mr. ROTHMAN.

H. Res. 28: Mr. ROTHMAN.

H. Res. 45: Mr. MORAN of Virginia, Mr. LUCAS of Kentucky, and Mr. ROGERS of Michigan.

H. Res. 466: Ms. MILLENDER-MCDONALD, Mr. LANGEVIN, and Mr. MICHAUD.

H. Res. 470: Mrs. JO ANN DAVIS of Virginia.

H. Res. 479: Mr. BOEHLERT.

H. Res. 528: Mr. GREEN of Wisconsin, Mr. BURNS, Mr. ACKERMAN, Mr. FRANK of Massachusetts, Ms. BERKLEY, Mr. UDALL of New Mexico, Mr. SCOTT of Georgia, Mr. LUCAS of Kentucky, Ms. LINDA T. SÁNCHEZ of California, and Mr. DOGGETT.

H. Res. 551: Mr. HOUGHTON, Mr. BEREUTER, Mrs. CHRISTENSEN, Mr. LAHOOD, Mr. KIND, Mr. UPTON, Mr. BUYER, Mr. MARKEY, and Mr. ENGLISH.

H. Res. 558: Mrs. TAUSCHER, Mr. MOORE, Mr. REGULA, Mr. BOOZMAN, Mr. PRICE of North Carolina, Mr. LAMPSON, Mr. TANNER, Mr. LEACH, Mr. ENGEL, Mr. LANTOS, and Mr. WILSON of South Carolina.

EXTENSIONS OF REMARKS

COST-CONTAINMENT: THE BEST MEDICINE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. BEREUTER. Mr. Speaker, this Member wishes to commend AARP CEO Bill Novelli for sending a letter Monday to the heads of the leading pharmaceutical companies, requesting their cooperation in holding down drug price increases.

While this Member has questions about limiting drug price increases to an amount no greater than the level of inflation as advocated in this letter, this Member generally supports several of the concepts mentioned by Mr. Novelli, including prescription drug reimportation and drug efficacy studies.

Clearly, millions of Americans are finding prescription drug reimportation from Canada and other countries to be a viable and necessary alternative to high-priced drugs in the United States. The number of those Americans is growing every day. It would be wrong for Members of Congress to ignore this reality and to ignore the excessive cost of prescription drugs in America.

Large pharmaceutical manufacturers have long been gouging American consumers by charging substantially more, in some cases up to 90 percent more, for prescription drugs sold in the United States than in Canada and other industrialized countries. Increasing numbers of Americans understandably refuse to be exploited by the pharmaceutical industry any longer. The exploitation of American consumers must end. The excuse that most of the world's pharmaceutical research and development takes place in America does not justify the continued degree of cost-shifting onto the backs of American consumers. Profit levels of American, foreign, and multi-national pharmaceutical firms are among the highest in the business world, as is the level of their advertising budgets and inducements offered to prescribing physicians.

The reimportation debate is not a battle of right versus left. It is a battle of right versus wrong. It is simply wrong to require Americans to pay the world's highest prices for prescription drugs, so they thereby can subsidize consumers everywhere else on earth to generate the research, advertising and profit revenues for pharmaceutical companies.

As a Member of Congress serving in the people's House, this Member has a responsibility to do what is right for Nebraskans and all Americans. This Member supports prescription drug reimporation because Americans deserve access to quality drugs at world market prices and reimportation seems to be the only solution immediately available to reduce the gross overcharge of American consumers for prescription drugs.

This Member is also supportive of drug efficacy studies. This Member offered an amendment to the House Labor, Health and Human Services, and Education appropriations bill, requiring the Agency for Healthcare Research and Quality (AHRQ to spend $12 million to conduct research on the clinical appropriateness and cost-effectiveness of prescription drugs. This language was maintained and included in the final appropriations measure, which was signed into law.

Americans deserve the best health care for their dollar. It is essential for clinicians, patients, health plans, insurers, and those financing health care services to have access to credible, objective information on the benefits, risks, and costs of prescription drugs so they can make informed decisions about the prescriptions they consume and prescribe. Americans need information regarding the effectiveness, quality, and cost-effectiveness of new drugs, in comparison with existing alternatives, especially when new drugs can cost much more than those now on the market. Understanding which medicines work the best for which patients and at what costs, as well as understanding how to administer and monitor medication use in a way that ensures patients' safety is of critical importance to the health care system.

Mr. Speaker, in closing, this Member encourages measures to control the outrageous costs of lifesaving prescription drugs. This is the best medicine for Nebraskans and all Americans.

TRIBUTE TO MS. FLORIS INGRAHAM JOHNSON

HON. KENDRICK B. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. MEEK of Florida. Mr. Speaker, I rise to honor Ms. Floris Ingraham Johhson, who celebrated her centennial birthday on Monday, March 15, 2004.

Born in 1904 to the late Eldred and Helena Moss on Governor's Harbor-Eleuthera, The Bahamas, Ms. Johnson will be feted during ceremonies this Sunday at the Ebenezer United Methodist Church in my District. The Rev. Dr. Jimmie L. Brown, the distinguished Pastor, will lead his congregation in paying this unprecedented tribute to our centenarian celebrant.

I would like to join the family, relatives and friends of Ms. Johnson toward reserving the utmost respect and genuine admiration for her 100 years of living, working and serving the less fortunate of our community. In fact, she worked to take care of the elderly until she was 83 years old. It is my understanding that she was genuinely inspired to focus her vocation of service to the elderly by a genuine devotion to her Christian stewardship. She joyfully welcomes the challenge of each day, abiding by her favorite Scripture passage: "This is the day which the Lord has made. Rejoice and be glad!" This is the simple recipe of good living with which she manages to define every passing day by looking at it as an opportunity to perform yet another work of love and another work of compassion for those yearning to see God's design in their lives.

Ms. Johnson's quest for the quiet and dignified life is remarkably characterized by her passion for the simple things in God's wonderful world of creation—beautifying her surroundings with the planting of flowers, especially roses, and embellishing her home with varied knick-knacks she has picked up from nearby nickel-and-dime stores. She has also devoted countless days in defining the longevity of her life by volunteering for the Feed the Hungry in Africa organization and by working with the Salvation Army and the Red Cross.

Although she immensely enjoyed independent living until she was 97 years old, she is now a resident of the Franco Nursing Home where she is genuinely loved and respected by her fellow residents and the nursing staff. Indeed, she is uniquely blessed in that she never had to suffer any sick day in her life with ". . . no pains, no aches—just old age."

I join the Rev. Dr. Jimmie L. Brown this Sunday as he leads the congregation of Ebenezer United Methodist Church in thanking God for the blessings He has bountifully given to our birthday centenarian, Ms. Floris Ingraham Johnson. We are comforted by her exemplary life of simplicity and devotion, and it is this legacy that she bequeaths to us, and for which we will honor her.

Happy centennial birthday, Ms. Johnson, and God bless and love you!

CONGRATULATING KUAM FOR 50 YEARS OF SERVICE TO GUAM

HON. MADELEINE Z. BORDALLO

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Ms. BORDALLO. Mr. Speaker, today I would like to commend and congratulate KUAM and its staff and management for 50 years of service to the community of Guam. Believe it or not, I was one of KUAM's first employees, starting work at the station 2 weeks before it went on the air.

Prior to the advent of KUAM, the only radio service provided in the Marianas was Armed Forces Radio Services, which began broadcasting in Guam shortly after World War II. On March 14, 1954, after almost a decade of broadcasting, Armed Forces Radio Services went off the air at 5:55 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

At 6:00 p.m., 5 minutes later, the Star Spangled Banner was broadcast on 610 AM and KUAM radio was born. This marked a significant milestone as it was the first commercial broadcast in Guam and the Marianas. Notable from the first day's broadcast was a congratulatory message from Frank Sinatra, who inadvertently ended his greeting with the Hawaiian Aloha instead of the Chamorro Hafa Adai. An affiliate of the National Broadcasting Company (NBC) since its inception, KUAM Radio 610 offered a new community forum for entertainment, education, politics, and commercial advertising. At the time, only 35–55 percent of Guam homes had radios and a 15 second commercial cost as little as $3. The original owner of KUAM was Mr. Harry S. Engel, who owned and managed KVEN in Ventura, California. The idea of opening a radio station in Guam came to him after reading a magazine article about the post-war years of Guam.

Two years later, on August 5, 1956, KUAM expanded its services to television, broadcasting a limited range of local and educational programming. Although not every household had a television, KUAM TV8 revolutionized media in Guam, providing a new avenue for communication and entertainment. In addition to a number of local variety shows, KUAM TV8 also broadcast national programming, which was shipped to Guam to be viewed weeks or sometimes months after the original broadcast. In 1970, KUAM TV went color.

On September 1, 1966, KUAM added a third outlet to its media family by introducing a radio station on the FM dial. 93.9 FM eventually transformed itself from playing canned music to becoming a rock station with live DJs. In 1989, KUAM 610 changed its name to 610 Estasion Minagof, becoming Guam's first and only all-Chamorro station.

Today, KUAM is locally owned and operated by Calvo Enterprises, Inc. as Pacific Telestations, Inc. KUAM's media services now include KUAM TV8, TV 11, I–94 FM, Isla–610 AM, and KUAM.com. KUAM actively gives back to the community through the KUAM Care Force with projects ranging from providing wheelchairs for disabled individuals who cannot afford them to supporting bone marrow drives to helping feed Guam's hungry. The media time KUAM makes available to non-profit organizations has been an invaluable service to the community.

I was an employee at KUAM from 1954 to 1966. I worked my way from the bottom up, starting as a receptionist and eventually becoming a local news reporter, Program Director, and finally Women's Director. After attaining my FCC license I hosted programs on both KUAM 610 AM and KUAM TV8. Some of my highlights include hosting a Women's World program on both radio and television, telling children's stories, hosting a daily local events calendar, and even playing radio personality "Lorelei" who entertained the many servicemen stationed in Guam with sentimental music and a sultry voice. The name comes from a German legend of a siren name Lorelei that bewitched the hearts of sailors, causing them to crash their ships into the Rhine River.

Although I am disappointed I was not able to celebrate with them in person, I wish KUAM a happy 50th anniversary and wish them success in their next 50 years.

NEBRASKA IS A GREAT STATE FOR BUSINESSES TO GROW AND FLOURISH

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. BEREUTER. Mr. Speaker, this Member commends to his colleagues the following article from the March 10, 2004, Lincoln Journal Star. According to the article, the U.S. Chamber of Commerce conducted a national survey of 1,402 senior corporate attorneys on the business litigation environment in the different states. This article indicates that Nebraska is ranked second out of the 50 states in this survey which took into account factors such as the treatment of liability and class action lawsuits; punitive damages, fairness and competence of juries, and judge impartiality.

This U.S. Chamber of Commerce survey illustrates that Nebraska is a great state for businesses to grow and flourish. Businesses should want to locate in a state like Nebraska which has a fair judicial system, among the many positive attributes of this great state. As a result of the findings of this survey, this Member hopes that more businesses will move to Nebraska which will create additional jobs.

[From the Lincoln Journal Star, Mar. 10, 2004]

STATE'S COURTS RANK SECOND IN FAIRNESS

OMAHA.—Nebraska's court system ranks second in fairness when it comes to liability suits, according to a survey of corporate attorneys by the U.S. Chamber of Commerce.

It is the second year in a row Nebraska has been listed in the top five of the pro-business group's survey.

Nebraska's good liability reputation can help the state business-wise, the group said.

"Businesses go where they are wanted and they bring jobs and economic growth to states with the best legal systems," Thomas Donahue, the U.S. Chamber president, said in a statement.

The chamber's study says 80 percent of the 1,402 senior corporate attorneys surveyed said the "litigation environment" in a state could affect such decisions at their companies as where to locate or do business.

The Chamber of Commerce's survey took such factors into consideration as treatment of liability and class-action suits, the issuance of punitive damages, judge impartiality and competence, and the predictability and fairness of juries.

Delaware was rated the best, followed by Nebraska, Virginia, Iowa and Idaho. Last year, the top five list was Delaware, Nebraska, Iowa, South Dakota and Indiana.

From best to worst, the bottom five in this year's Chamber of Commerce survey were California, Louisiana, Alabama, West Virginia and Mississippi.

The survey is done by the Chamber of Commerce's Institute for Legal Reform and is in its third year.

The group says the wide gap the survey shows between the best and worst states underscores the need for federal and state reforms on class-action, asbestos litigation and medical malpractice suits.

CORPORATE COURT RANKING

National rankings of state court systems according to a survey of 1,402 senior corporate attorneys by the U.S. Chamber of Commerce:

1. Delaware
2. Nebraska
3. Virginia
4. Iowa
5. Idaho
6. Utah
7. New Hampshire
8. Minnesota
9. Kansas
10. Wisconsin
11. Indiana
12. Maine
13. Colorado
14. Arizona
15. Wyoming
16. North Dakota
17. South Dakota
18. Connecticut
19. North Carolina
20. Vermont
21. Maryland
22. New York
23. Michigan
24. Washington
25. Tennessee
26. New Jersey
27. Oregon
28. Massachusetts
29. Georgia
30. Pennsylvania
31. Oklahoma
32. Ohio
33. Alaska
34. Nevada
35. Kentucky
36. Rhode Island
37. New Mexico
38. Florida
39. Hawaii
40. South Carolina
41. Missouri
42. Arkansas
43. Montana
44. Illinois
45. Texas
46. California
47. Louisiana
48. Alabama
49. West Virginia
50. Mississippi

THE INTRODUCTION OF H.R. 3970, THE GREEN CHEMISTRY RESEARCH AND DEVELOPMENT ACT OF 2004

HON. PHIL GINGREY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. GINGREY. Mr. Speaker, today, I rise to introduce an important piece of legislation, "The Green Chemistry Research and Development Act of 2004." Many of you may wonder, what is green chemistry? So I will start with a brief explanation. Chemical manufacturing is the source of many products upon which we depend such as medicines, plastics, fuels, and fabrics. However, chemical manufacturing has also resulted in harm to the environment and human health. The goal of green chemistry is to minimize or, ideally, to eliminate this harm. It is defined as the design of chemical products and processes that reduce or eliminate the use or generation of hazardous substances. By factoring hazard in to the design of products and processes, chemists can design chemicals to be safe, just as they can design them to have other properties, such as color or texture.

Many private sector industries have recognized the potential of green chemistry. Along with its inherent human health and environmental advantages, green chemistry can offer many economic advantages. This is because the costs of separating waste from products, complying with regulations, disposing of hazardous wastes and liability protection can be large. Preventing pollution and waste in the first place is often cheaper than mitigating and cleaning it up later.

In my State, Georgia, Shaw Industries, Inc. is showing tremendous returns on their investment in green chemistry. Shaw Industries, Inc. produces carpet tile from their EcoWorx™ compound, which is made from non-toxic starting materials. The carpet tiles are fully recyclable, and Shaw has started to receive the first generation of carpet tiles, introduced in 1999, back in the factory for recycling. Shaw has found that the cost of collection, transportation, and recycling is less than making new carpet tiles from virgin raw materials. Even before Shaw recycled a single carpet tile, they benefited from their investment in green manufacturing. By switching from traditional carpet tile backing to EcoWorx™, Shaw cut the energy needed to produce carpet tiles in half.

Green chemistry offers other advantages in the areas of worker safety, public safety, and national security. For example, many chemical processes are conducted at extreme temperature and/or pressure, two conditions that present a risk for workers. Also, many chemical processes involve toxic substances. Green chemistry aims to design processes that can be conducted at or near room temperature and pressure, and that use benign materials. Both of these steps improve working conditions for employees. Chemical factories also pose a potential threat to public safety because of the possibility of an accidental release of toxic materials into the surrounding communities. Green chemistry seeks to replace these toxic substances with safe ones, which would not pose a threat to the public if accidentally released. Reducing the number of toxic chemical plants and the transport of toxic chemicals also improves national security by reducing the number of potential terrorist targets.

Yet despite all of the promise of green chemistry, the Federal government invests very little in this area. The most notable effort is a small grant program run jointly by the Environmental Protection Agency (EPA) and the National Science Foundation (NSF). Green chemistry research in this program is funded at about $4 million dollar per year. The Department of Energy (DOE) and National Institute for Standards and Technology (NIST) also do a small amount of green chemistry research, however the Federal investment in green chemistry is minimal as compared to the overall investment in chemistry. In addition, each of these agencies has an important role to play in developing green chemistry technologies and facilitating their adoption; however, right now, there is little coordination among agencies.

The Green Chemistry Research and Development Act establishes an interagency research and development (R&D) program to promote and coordinate Federal green chemistry research, development, demonstration, education and technology transfer activities. The Program would support R&D grants, including grants for university-industry partnerships, support green chemistry research at Federal labs, promote education at the undergraduate and graduate levels, and collect and disseminate information about green chemistry. NSF and EPA would lead an Interagency Working Group to coordinate these activities. The Working Group would also include DOE and NIST, as well as any other agency the President designates. The program is authorized at $26 million in Fiscal Year 2005 rising to $30 million in Fiscal Year 2007 from sums otherwise authorized to be appropriated. This bill does not authorize the expenditure of new money.

I think that this bill provides modest and prudent funding in an area that deserves greater Federal attention. I look forward to working with my colleagues on the Science Committee, the Administration, and all other interested stakeholders to enact this important legislation.

PROVIDING FOR CONSIDERATION OF H.R. 3717, BROADCAST DECENCY ENFORCEMENT ACT OF 2004

SPEECH OF

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3717) to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmission of obscene, indecent, and profane language:

Mr. DEFAZIO. Mr. Chairman, like many of my colleagues, I've been long concerned about the increasing coarseness of language and content on radio and TV.

Had I not been required to travel to Oregon for official representational purposes, I would have voted "aye" on H.R. 3717, the Broadcast Decency Enforcement Act of 2004.

We have an obligation to balance first amendment rights with our duty to ensure that programming that's accessible to children, particularly those shows that are available on network TV, is free of language and material that's inappropriate for children. A recent study by the Parents Television Council found that foul language during the so-called family hour increased by 94.8 percent between 1998 and 2002. With the average American watching nearly 4 hours of TV per day, inappropriate programming affects us all. At the same time we need to be mindful not to scare broadcasters from pulling programming that is challenging and provocative. It's also likely that the dearth in quality programming is a result of increasing corporate concentration of mass media, which is leading to a loss of accountability to local values. Congress needs to address this before community standards are driven into the ground.

H.R. 3717 would increase the fines on broadcasting obscene, indecent, or profane language to $500,000 per violation. Nonmonetary penalties could include forfeiture of broadcast licenses and producing public service announcements that serve the educational and informational needs of children and would have an audience up to five times larger than the offending broadcast.

With his inability to defend the public interest against increasingly inappropriate broadcasts, Michael Powell, chairman of the Federal Communications Commission has forced Congress to take action. While this legislation could have been improved with new restrictions on gratuitous TV violence, this bill is a good first step towards bringing some civility back to the public airwaves. I urge my colleagues to support this bill.

CELEBRATING ADULT EDUCATION

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. LEWIS of California. Mr. Speaker, I rise to honor the contributions of California's 400-plus adult schools and to commemorate Adult Education Week, which is celebrated from March 15, 2004 through March 19, 2004.

Adult education institutions provide many services. Adult schools provide for the unique needs of individuals from a diverse population. New parents can enroll in prebirth classes through a wide spectrum of parent education courses. Senior citizens and the disabled can participate in programs designed toward their special needs. Adults can complete their high school studies in their own time and at their own pace. Those seeking career changes or enhancements can enroll in the many vocational skills and job training programs. Additionally, adult schools are a primary community resource for the teaching and instruction of adult literacy.

Adult schools provide a wide range of English as a second language and citizenship services for new arrivals to the United States. Marry persons eligible for citizenship often turn to paid consultants for assistance with the process of becoming a U.S. citizen. It is unfortunate that many who seek U.S. citizenship are unaware that most of California's adult schools offer free citizenship classes and citizenship consultation.

The 41st District of California is home to a number of fine adult schools each offering programs designed to suit the diverse needs of southern California. Redlands Adult Schools utilizes the latest technology and offers over 600 online courses ranging from money management to job readiness. Alpine Adult School in Lake Arrowhead has helped many obtain their GED through their weekly prep classes. San Bernardino's Adult Schools have helped students research their heritage through genealogy classes and nurtured creativity through their many applied arts classes. Adult schools are an important and essential part of our communities. Their positive impact and contributions cannot be overstated.

THE CONTINUATION OF U.S. SUPPORT FOR TAIWAN

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Ms. ROS-LEHTINEN. Mr. Speaker, today I rise in support of freedom, liberty and the power of charting one's own future. I rise in support of all peoples around the world who continue to struggle for self-determination and rejoice in democratic choice.

The citizens of the Republic of China on Taiwan share these values and hope for a bright future where the evils and terror of Communism are vanished.

Our relationship with the island of Taiwan has been a solid one, of true understanding and of support for democratic values.

President Bush has publicly stated that the United States will do "whatever it takes" to help Taiwan's defense—an unprecedented statement which no prior U.S. President has made.

As the people of Taiwan prepare to cast their ballots on numerous issues dealing with their future and their democratically elected government, I stand tall, shoulder to shoulder, with the men and women who understand the democratic process and truly believe in it.

This prosperous island, only a few miles from the coast of an oppressive regime, continues to show the world that the ignorance of communism drowns the bliss of the imagination.

Having visited Taiwan myself, I send my heartfelt congratulations to the people who exercise and demonstrate democracy at its best—the opportunity for an individual to cast their opinion in the form of a vote.

HONORING MR. J.E. HANCOCK

HON. RANDY NEUGEBAUER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. NEUGEBAUER. Mr. Speaker, I rise today to honor and acknowledge Mr. J.E. Hancock, who passed away on March 5, 2004 at age 98. Through the course of my career, working in the business world and as a public official, rarely have I been so privileged to associate with such an extraordinary person who gives unselfishly and wholeheartedly to the interests and welfare of other people.

Born August 4, 1905, in Sherman, Texas, Mr. Hancock married Eileen Carruth on June 24, 1928. The couple moved to Lubbock in 1930 where Mr. Hancock finished his degree from Texas Tech University. After short teaching stints in New Home, Pettit, and O'Donnell, Texas, the couple moved back to Lubbock to farm.

Mr. Hancock was not only a renowned Lubbock inventor, but also one of Lubbock Christian University's (LCU) greatest benefactors. A man of great optimism and vision, it would not be in excess to say that Lubbock Christian University owes a significant part of its present status to Mr. Hancock's efforts and contributions. In fact, he is the single largest donor in the university's history and had given the school more than $10 million over the years.

In addition to being a large financial contributor, he was elected to the board of trustees in February 1967 and served as chairman from 1978 to 1998. Mr. Hancock's achievement during this period is highlighted by the fact that during this period, LCU came into its own as a four-year college in 1972. On this vein, Mr. Hancock was largely responsible for helping LCU achieve university status in 1987. Moreover, his infectious enthusiasm and dynamism proved to be a stimulant that triggered several positive changes within the university. As a tribute to their services, LCU's College of Liberal Arts is named after Gene and Eileen Hancock.

As an inventor too, Mr. Hancock was not one to be left behind. Looking for a better way to terrace land, Hancock invented the Elevating-Terracer. This tool has proven to be a boon to its users and has been applied to all sizes and types of earth-moving scraper equipment. The Elevating-Terracer was such a success that it lead to the establishment of Hancock Manufacturing Co. in Lubbock in 1947. The company went on to produce many new and improved scrapers. Now, Mr. Hancock holds 18 patents on his machinery designs and more than 15,000 Hancock scrapers were sold on a global level. Highly acclaimed, his designs have been used even in Israel, where the scrapers were used to dig the irrigation canal from the Sea of Galilee to the south desert. Following a successful business career, Hancock Manufacturing was acquired by Clark Equipment Co. in 1966.

Mr. Hancock is fondly remembered by his community as the multi-faceted pioneer and philanthropist who helped to make a difference to the people and society around him. To dream of helping is not difficult, but it is only those with real initiative, passion and creativity who actually succeed in becoming an instrument of change. Mr. Hancock was among those who succeeded. Anyone would do well to emulate his example if they truly desire a life that makes a difference and leaves a legacy.

Mr. Speaker, please join me in extending my sincere thanks to Gene Hancock. I am truly honored to recognize his accomplishments. He will certainly be missed.

A TRIBUTE TO LINDA WILSON, 29TH CONGRESSIONAL DISTRICT WOMAN OF THE YEAR—2004

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to honor Women's History Month. During the month of March, we pay special tribute to the accomplishments of our Nation's most distinguished women. It is my great privilege to recognize outstanding women who are making a difference in my district.

I stand today to recognize an extraordinary woman of California's 29th Congressional District, Ms. Linda Wilson. Ms. Wilson's passion for community service, especially on behalf of libraries, has made our community a better place in which to live.

Linda Wilson was born in Rochester, Minnesota, and raised on a farm near Hayfield, Minnesota. An outstanding student, she was the valedictorian of Hayfield High School, then obtained her BA majoring in Math and Spanish and her MA in Library Science at the University of Minnesota. She first moved to California in 1968 and has called California home with the exception of a 5-year return to Minnesota and a 2-year residence in Florida. Currently, she lives in Monterey Park, California.

Her experience includes working as a research librarian at UC Riverside, the Adult/YA Extension librarian at the Kern County Library, supervising librarian at the San Diego County Library, and the county librarian at the Merced County Library. In 1995, she began her tenure as the city librarian for the Bruggemeyer Memorial Library of the City of Monterey Park.

Linda has been instrumental in several efforts to help libraries. In Minnesota, she worked on a tax measure to build a new library. She has written numerous applications and received grants for library service and buildings over the years, totaling more than $10 million. In Monterey Park, Linda participated on the team that received Los Angeles County Proposition 14 funds to renovate and expand the Bruggemeyer Memorial Library. In addition, she also worked on the successful Measure C campaign that helped fund the expansion and provide service on Sundays at the Bruggemeyer Memorial Library in Monterey Park.

Linda's volunteer service is extensive. She is a graduate of Leadership Merced, past president of Merced Business and Professional Women, formerly active in Rebuilding America, and headed up the United Way campaign for Monterey Park city employees. Currently, she is the president of East Los Angeles-Montebello Business and Professional Women, a past president and active member of Monterey Park Rotary Club, a member of the Monterey Park Chamber of Commerce, and active in her church, St. Paul's Lutheran Church. Ms. Wilson also serves on the American Library Association and the California Library Association. She has received numerous honors, including the Librarian of the Year Award in 1990 from the California Association of Library Trustees and Commissioners and the Merced Business and Professional Women's Woman of the Year Award.

I ask all Members of Congress to join me today in honoring an extraordinary woman of California's 29th Congressional District, Linda Wilson. The entire community joins me in thanking Linda Wilson for her continued efforts to make the 29th Congressional District a better place in which to live.

RECOGNIZING THE ASSYRIAN NEW YEAR 6754

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize the Assyrian New Year 6754 and extend my warm wishes to the Assyrian community; Kha B'Nissan. The Bet-Nahrain, an Assyrian organization in Ceres, California, will be honoring this day on March 21 through their numerous broadcasts which are viewed worldwide through satellite and internet.

The celebration of the Assyrian New Year is the oldest of all holidays. It was first observed in ancient Assyria about 4,000 years ago. In the years surrounding 2000 B.C., the Assyrian New Year began with the first New Moon after the Vernal Equinox, which is the first day of spring, March 21. According to Assyrian belief, the beginning of spring is the logical time to start the New Year because it is the season of rebirth, planting of new crops, and blossoming of trees and flowers. The Assyrian New Year typically lasts for 12 days, with each day having a particular theme for celebration.

The Assyrian population has made countless contributions to our community, and the Bet-Nahrain is an organization that attests and attributes to that fact. Bet-Nahrain is an Assyrian educational and cultural organization dedicated to the national aspirations and well-being of the Assyrian people. In December of 1975, it was incorporated under the State laws of California as a nonprofit education and public benefit organization. Bet-Nahrain established and inaugurated the world's first ever Assyrian radio station, KBES 89.5 FM in 1979, and KBSV TV 23, the world's first Assyrian television broadcasting station, in Ceres in 1996. Their intent is to use their technology to reach millions of people, Assyrian and non-Assyrian, with their message and information.

Mr. Speaker, it is my pleasure to recognize the Assyrian New Year 6754 and extend my best to the Bet-Nahrain and the Assyrian community. I urge my colleagues to join me in wishing the Assyrian community many years of continued success.

TRIBUTE TO BERTHA WOODARD JOHNSON

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. TOWNS. Mr. Speaker, I rise today to pay tribute to one of the unsung American heroes. Every day in this great Nation, there are people who work hard, raise their families and contribute to the fabric of the community. They are largely unrecognized in these ivy-covered halls and their names are unknown. Today, I would like to raise my voice to honor one of the unsung heroes of Brooklyn, NY.

Mrs. Bertha A. Woodard Johnson is the daughter of the late Sadie Woodard and Richard Wallace. She was born in Chester, SC, and reared by her mother and grandmother.

Bertha spent a life providing services for the needy, with a particular vocation of serving children and the elderly. She has worked tirelessly to improve their quality of life through active participation and personal generous donations of her time and talent. This passion to help people led her to become a caregiver and nurse for over 45 years. Before retiring in 1990, she received numerous awards and accolades for her dedicated service, including "Nurse of the Year."

Bertha has served the community through her leadership activities in her church and mentoring activities with young people. In addition to her active involvement in the community, Bertha, the wife of Charlie C. Johnson, mother of five children, seven grandchildren, and three great grandchildren, has been a strong pillar of her family.

Mr. Speaker, Bertha Woodard Johnson has demonstrated great dedication in her life to her family, devotion to her patients and commitment to the people of Brooklyn. As such, she is more than worthy of receiving our recognition today and I urge my colleagues to join me in honoring this truly remarkable person.

A TRIBUTE TO COLONEL JAMES CARRUTHERS

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to COL James Carruthers, native of Avoca, in my district, who will be honored with the W. Francis Swingle Award for service at the annual dinner of the Greater Pittston Friendly Sons of St. Patrick, Lackawanna County, on March 17, 2004.

Colonel Carruthers is the president of the Millersburg Military Institute in Kentucky.

Colonel Carruthers became the 14th president of the Millersburg Military Institute, known as the Military School of Kentucky, in July. Colonel Carruthers began his career as a Marine in 1968 and saw action in Vietnam with the 1st Battalion 3rd Marines.

Colonel Carruthers served as a field artillery officer, officer-in-charge of the U.S. Marine Guard Force in London, commanding officer of the Marine Corps Recruiting Station in Long Island, NY, manpower plans and policy officer at Marine Corps headquarters in Washington, DC, and operations officer, Marine Corps Base, Quantico, VA.

After his extensive career in the Marines, Colonel Carruthers retired from the military and served as the human resources director for the Benton Foundry in Benton. Colonel Carruthers has also held various leadership positions with Citation Corp, which is headquartered in Alabama.

Prior to his current position, the retired colonel was vice president for enrollment at Marion Military Institute in Alabama.

Colonel Carruthers is married to the former Lanette Jenkins of Worden, IL. The couple has two children, Heather Ann Hall of Burke, VA, and Tyler, a student at Florida State University, and one grandchild, Aidan Patrick Hall.

The Friendly Sons of St. Patrick is a charitable and fraternal organization established on March 17, 1913. The Friendly Sons honors the historic ties between the United States and Ireland. Membership dues, contributions and fundraisers support the organization's scholarship program.

Mr. Speaker, I am happy to join the Friendly Sons today in congratulating Colonel Carruthers.

A TRIBUTE TO AIDA YEGHIAZARIAN, 29TH CONGRESSIONAL DISTRICT WOMAN OF THE YEAR—2004

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to honor Women's History Month. During the month of March, we pay special tribute to the accomplishments of our Nation's most distinguished women. It is my great privilege to recognize outstanding women who are making a difference in my district.

I stand today to recognize an extraordinary woman of California's 29th Congressional District, Ms. Aida Yeghiazarian. Ms. Yeghiazarian's passion for community service, especially in the area of education, has made our community a better place in which to live.

Aida Yeghiazarian was born in Tehran, Iran, in 1955. After attending Reza Shah High School, she took accounting courses at a local college for 1 year. Although her studies in Iran were interrupted when she and her family immigrated to the United States in 1977, Aida took many courses in the United States over the next few years, including management of commercial properties, business and real estate law, and English.

In 1979, Aida married her husband, Vahe, and they moved to Glendale. In 1980, Aida obtained her real estate license and, with her husband, bought a franchise of the Re/Max Real Estate Agency. They have two daughters, Sevan and Anie.

While maintaining a full-time career, Aida volunteered at all of her daughters' schools, including the Verdugo Gymnastics School, Flintridge Preparatory School, the Champion Gymnastics School and Van Nuys Gymnastics Olympica. Formerly active in the PTAs of Tufenkian Pre-school and Chamlian Armenian School, she still assists Chamlian School in its fund-raising efforts.

Aida Yeghiazarian has been on the Glendale Board of Realtors for over 24 years, serving on their commercial real estate advisory committee. She is a member of the National Association of Realtors and a member of the California Association of Realtors. Because of her real estate experience, Aida feels fortunate to be able to help financially struggling families with their financial planning, often by working without commission.

Ms. Yeghiazarian spearheaded the successful fund-raising campaign for the Glendale Police Memorial Fund, raising over $35,000. She is a former president and 12-year board member of the Armenian Educational Foundation, a nonprofit organization that assists Armenian students with scholarships, teacher training, and school restoration. Aida serves on the Armenian National Committee of America Western Region, is a member of Homenetmen, and the Armenian American Chamber of Commerce.

I ask all Members of Congress to join me today in honoring an extraordinary woman of California's 29th Congressional District, Aida Yeghiazarian. The entire community joins me in thanking Aida Yeghiazarian for her continued efforts to make the 29th Congressional District a better place in which to live.

HONORING ANN MARIE SUDDUTH

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Ann Marie Sudduth for 37 years of dedicated service to the United States Department of Housing and Urban Development (HUD). Ann will retire from the Fresno HUD Office on April 2 and will be honored at an event held in California.

Ann was recruited by HUD for clerical work at the D.C. office from her high school in the coal mining mountains of West Virginia. From 1967 to 1978, she served as a Secretary/Stenographer in the Single Family Division of HUD. Ann then became the Personal Assistant to the Director for Property Disposition and supervised all clerical staff. In 1980, she was promoted to Mortgage Service Specialist, where she served until 1986. In just 6 years she was appointed Chief of the Insured Servicing Branch and was responsible for national oversight of the policy procedures governing the service of approximately 6 million FHA-insured mortgages. In 1994, Ms. Sudduth was selected as Director of Single Family Property Disposition Division. Ann has also served as senior Community Builder of Field Office Director for the Fresno Office, whose jurisdiction includes the eight counties of the San Joaquin Valley.

Ms. Sudduth has received numerous awards for her work including the Federal Housing Commissioner's Award. She has supervised the expansion of the Continuum of Care throughout the region, building the capacity of faith and community-based organizations to carry out housing and community development programs. Ann has distinguished herself by improving upon her abilities to serve by continuing educational opportunities and through her hard work and dedication.

Mr. Speaker, I rise today to honor Ann Marie Sudduth upon her retirement from public service. Although her career in public service has ended, her contributions will be felt for generations to come. I invite my colleagues to join me in wishing Ann a fulfilling retirement.

A TRIBUTE TO STEPHEN AND TERRI KEVELSON

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. TOWNS. Mr. Speaker, I rise today to recognize and pay tribute to Stephen and Terri Kevelson, who are being honored by the esteemed Young Israel of Avenue J on the occasion of the synagogue's 25th Annual Dinner.

The Young Israel of Avenue J has provided great leadership for both the 10th Congressional District and for all New Yorkers. I stand today to acknowledge two people on whose backs the foundation and ideology of this great institution has persevered. Our city and our nation need demonstrations of kindness, strength, and commitment to the success of our local communities, and the Kevelsons have provided us with just that.

The Kevelsons have a unique understanding of both the spiritual and communal needs of the residents of the 10th Congressional District, and have used that knowledge in ways that provide us not only the functional benefits of their work, but also a shining example of what community dedication truly means. From their work in forwarding the Flatbush Mikva, to their involvement with Chaim Berlin and the Young Israel movement the Kevelson's has constantly and consistently served our community above and beyond the call of duty.

Mr. Speaker, it gives me great pleasure to bring to the halls of Congress examples of individuals and organizations who have selflessly devoted their existence to the betterment of those around them. I congratulate both the Young Israel of Avenue J and Stephen and Terri Kevelson on this joyous occasion, and wish them continued success in all their endeavors.

A TRIBUTE TO LIEUTENANT FRANK FULLER

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. KANJORSKI. Mr. Speaker, I rise today to honor Lieutenant Frank Fuller, native of Avoca, in my district, who will be honored as the "Man of the Year" at the annual dinner of the Greater Pittston Friendly Sons of St. Patrick, Lackawanna County, on March 17, 2004.

Lieutenant Fuller is a Navy veteran who recently completed the highlighted assignment of his career as director of Presidential food services at the White House, serving under Presidents Bill Clinton and George W. Bush.

Lieutenant Fuller was responsible for executive dining services in the West Wing, Oval Office, Cabinet Room and senior staff dining rooms. He also directed worldwide food service security for the president.

Prior to his White House assignment, Lieutenant Fuller established the Mid-Atlantic Regional Food Service Office in Norfolk, VA. He directed the consolidation and operation of eight dining facilities and was responsible for 600 staff members who served 12,000 meals daily.

Lieutenant Fuller served as the food service director on a variety of naval ships and shore stations and led his teams to win the Navy's most prestigious awards for culinary service.

Lieutenant Fuller is married to the former Mary Teresa Poillon of Lancaster. They have two sons, Patrick and Brendan, and they reside in Alexandria, VA.

The Friendly Sons of St. Patrick is a charitable and fraternal organization established on March 17, 1913. The Friendly Sons honors the historic ties between the United States and Ireland. Membership dues, contributions and fundraisers support the organization's scholarship program.

Northeastern Pennsylvania is proud of the service of one of its own.

Mr. Speaker, I am pleased to join the Friendly Sons today in congratulating Lieutenant Fuller.

A TRIBUTE TO ROMELIA KIRKALDY, 29TH CONGRESSIONAL DISTRICT WOMAN OF THE YEAR—2004

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to honor Women's History Month. During the month of March, we pay special tribute to the accomplishments of our Nation's most distinguished women. It is my great privilege to recognize outstanding women who are making a difference in my district.

I stand today to recognize an extraordinary woman of California's 29th Congressional District, Ms. Romelia Kirkaldy. Ms. Kirkaldy's commitment to comforting others and advocating for those in need has made our community a better place in which to live.

Romelia Kirkaldy was born in Colon, Republic of Panama. She married a military serviceman and lived in Panama for many years. She has four children, Ricardo, Luis, William, and Terrence; and 11 grandchildren.

In 1966, Romelia immigrated to Chicago and worked as a nurse's assistant for 25 years with the Illinois Masonic Center in the neonatal/newborn nursery. She gave thousands of newborn babies comfort during their first hours in the world.

Upon her retirement in 1990, Ms. Kirkaldy moved to Pasadena, California. She began her community service career by volunteering for the Truancy Department of Pasadena, where she checked up on children who were absent from school. For many years, Romelia also participated with Family Friends, where she mentored disabled children and their families.

Over 14 years ago, Romelia became active with the Pasadena Senior Center as a senior lay advocate where she assisted senior citizens with information and referrals and helped to organize group outings and tours. Romelia considers this effort to be one of the most important efforts in her life and continues to volunteer at the center, staffing the front desk and telephones.

In 1992, Romelia was appointed to the Accessibility and Disability Commission for the City of Pasadena and served for 6 years, serving as chair for one term. For the last 7 years, she has been staffing the information kiosk at Pasadena City Hall and has been a volunteer for the annual Latino History Parade in Pasadena. As a lay Eucharistic minister at St. Phillip the Apostle Church, Romelia ministers to the sick and infirm. In addition to her many volunteer activities, Romelia works at the Altadena Traffic School in Altadena, California.

I ask all Members of Congress to join me today in honoring an extraordinary woman of California's 29th Congressional District, Romelia Kirkaldy. The entire community joins me in thanking Romelia Kirkaldy for her continued efforts to make the 29th Congressional District a better place in which to live.

A TRIBUTE TO LOUISE SCOTT McNEIL AND JAMES McNEIL

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. TOWNS. Mr. Speaker, I rise in honor of Louise and James McNeil in recognition of their 75th wedding anniversary, celebrated December 27, 2003.

Louise and James McNeil, of Fayettville, North Carolina, were married on December 5, 1928. They have been blessed with 12 children, 1 adopted son, 48 grandchildren, 76 great grandchildren, and 29 great-great grandchildren.

James still works for his real estate business, McNeil & Sons Real Estate Investments, managing several rental properties that he owns. He started the company in 1960.

He started working as a sharecropper and, in 1942, he had saved enough money to buy his first farm, a 25-acre tract. Later that year, James bought another 62 acres with a house on it. He now owns a 160–acre farm. Additionally, Louise has always been heralded as an inspiration for her family.

Mr. Speaker, Louise Scott McNeil and James McNeil have dedicated their lives to each other for an incredible 75 years of matrimony. As such, they are more than worthy of receiving our recognition today, and I urge my colleagues to join me in honoring this truly remarkable couple.

TRIBUTE TO CRANBROOK EDUCATIONAL COMMUNITY

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. KNOLLENBERG. Mr. Speaker, today I am honored to pay tribute to the Cranbrook Educational Community, which celebrates its centennial year in 2004.

On January 18, 1904, George and Ellen Booth bought a run-down farm in Bloomfield Hills, Michigan, for a vacation site and possible home for their family. In 1922, the Booths and local parents joined together to form a school for neighborhood children that would become one of the world's leading centers for art and education.

Cranbrook grew into that leading center because George and Ellen Booth were committed to personal growth and community service through art, architecture, science, and education. George Booth described this commitment at the dedication of Cranbrook School in 1927 when he said:

"We were unwilling to go through life with our aims centered mainly in the pursuit of wealth and with a devotion wholly to the ordinary opportunity for social satisfaction. We were not willing to leave all of the more enduring joys for our children or the joy of work in so good a cause entirely to our friends after we had passed on; rather did we wish, in our day, to do what we could and give tangible expression now to our other accomplishments by adventures into a still more enduring phase of life. We wished to see our dreams come true while we were, to the best of our ability, helping to carry on the work of creation."

Today, the Booths' dreams live on as the Cranbrook Educational Community thrives as a premier educational and cultural resource for Bloomfield Hills and its surrounding communities.

The community's Institute of Science provides high-quality science education programs to children and families throughout southeast Michigan, while its Academy of art is the only graduate art program in the country devoted solely to fine arts education. Meanwhile, the Cranbrook Schools educate students in all grades while maintaining a reputation as one of the most challenging independent schools in the country.

The Cranbrook Educational Community has been a tremendous asset for 100 years to young and old alike in the pursuit of knowledge and enrichment. Cranbrook is an institution full of treasures and rich history that will allow it to continue to be a leader in education for the next 100 years to come.

It is institutions such as the Cranbrook Educational Community that make this Nation great. I extend to all members of the Cranbrook community my congratulations as they celebrate their 100th anniversary.

A TRIBUTE TO JEANNINE WOLFE, 29TH CONGRESSIONAL DISTRICT WOMAN OF THE YEAR—2004

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to honor Women's History Month. During the month of March, we pay special tribute to the accomplishments of our Nation's most distinguished women. It is my great privilege to recognize outstanding women who are making a difference in my district.

I stand today to recognize an extraordinary woman of California's 29th Congressional District, Ms. Jeannine Wolfe. Ms. Wolfe's passion for community service has made our community a better place in which to live.

Born in Kansas in 1929, Jeannine's family moved to Los Angeles, California, in 1932. In 1945, the family relocated to Inyokern, California, where her father was an ordnanceman at the Naval Ordnance Test Station (NOTS).

After graduating from high school, Jeannine went to work for the U.S. Navy as a civil service employee in the Explosive Department Office of NOTS. Working at NOTS was an exciting experience for Jeannine, who had the opportunity to work with CalTech scientists and engineers, naval officers, and meet young enlisted women and men from all over the Nation. She married her husband, Edward Wolfe, a U.S. Army corporal, in 1948; and they moved to Temple City, California, in 1952. The Wolfes enjoyed 13 years of marriage until Edward's death in 1961. They have three children, Linda, Marilyn, and Wesley; six grandchildren; and one great-grandchild.

In 1961, Jeannine worked for NOTS, Pasadena Annex, until her transfer to the Board of U.S. Civil Service Examiners for Scientists and Engineers, now the Office of Personnel Management.

After 40 years of service with the Federal Government, Jeannine retired in 1989 and began her volunteer service. She organized and operated a National Association of Retired Federal Employees (NARFE) service center, where she assisted retired Federal employees who had Social Security, retirement, or other issues. Although the center closed after 4 years, Jeannine continues to act as the service officer for West San Gabriel Valley NARFE Chapter 556 and helps retired employees. Currently, she serves as NARFE's newsletter editor and legislative officer.

Jeannine has volunteered for Temple City's schools over the years and has served on numerous Temple City Unified School District committees, including the Bond Construction Support Committee. An active member of the Temple City Historical Society, she is also a dedicated volunteer for the Temple City Chamber of Commerce, serving as co-chair of the Legislative Committee and as an ambassador. In addition to her volunteer activities, Jeannine helps to care for a nearby elderly relative.

I ask all Members of Congress to join me today in honoring an extraordinary woman of California's 29th Congressional District, Jeannine Wolfe. The entire community joins me in thanking Jeannine Wolfe for her continued efforts to make the 29th Congressional District a better place in which to live.

A TRIBUTE TO MEDGAR EVERS COLLEGE

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. TOWNS. Mr. Speaker, I rise today to recognize Medgar Evers College for adding a Baccalaureate degree program in Social Work to its curriculum. Social Work is an invaluable profession for creative and positive change in our communities, and I commend Medgar Evers for fulfilling this vital social need.

The announcement of this degree program coincides with National Social Work Month.

Being a social worker myself, I know the vital role this profession plays in empowering individuals and enhancing social well-being.

Social workers are able to reach the most disaffected members of our communities. People who otherwise would have fallen through the cracks are taught to identify and manage the underlying environmental forces behind their social problems.

There are approximately half a million social workers actively involved in helping individuals with various needs in areas such as health, mental illness, diversity, children, families, aging, poverty, human rights, and social injustice. Despite the far-reaching benefits of social work, it is a profession in need of new members. Nearly three fourths of all social workers were born before 1960, and their median age is 50. Programs like the one being started at Medgar Evers are essential for preparing a new generation of social workers to address the complex problems facing society today.

Social workers are on the front lines, battling the many social problems plaguing our communities. The very nature and goal of social work is to help people. I cannot think of a profession more worthy of praise or more significant in impact.

Medgar Evers College faithfully serves the community by fulfilling its mission of meeting "the educational and social needs of Central Brooklyn through the development and maintenance of high quality, professional career-oriented undergraduate degree programs in the context of liberal education." The creation of a degree in Social Work is another step forward in this fine educational tradition.

I know that my own education in social work has been invaluable in both my personal and professional lives, and I am happy that Medgar Evers is supporting this noble and important profession.

Mr. Speaker, Medgar Evers College is working hard to serve its community through the addition of a Social Work degree to its curriculum. As such, it is worthy of receiving our recognition today, and I urge all of my colleagues to join me in honoring this truly remarkable institution.

ROSS PEROT RECEIVES EISENHOWER AWARD

HON. MICHAEL C. BURGESS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. BURGESS. Mr. Speaker, I rise today to congratulate Mr. H. Ross Perot on his receipt of the Business Executives for National Security Eisenhower Award. BENS was founded to serve as a nationwide, nonpartisan organization as a primary channel for senior business executives to enhance the Nation's security.

The Eisenhower award is offered only to those unique individuals who contribute their time and energy to making the United States a safe place to live in. In President Eisenhower's farewell address he stated, "alert and knowledgeable citizens" are the foundations for "liberty and security." Mr. Perot meets these criteria.

Born on June 27, 1930, in Texarkana, Texas, H. Texas Ross Perot, Sr. attended Texarkana's Junior College. Upon graduation, he went on to serve his country at the United States Naval Academy. Later, Mr. Perot went to work for IBM's data processing division as a salesman. In 1962 Mr. Perot borrowed $1,000 from his wife Margot and began his company, Electronic Data Systems (EDS). The new company grew to be a multibillion dollar corporation with more than 50,000 employees.

By 1969, President Nixon's administration asked H. Ross Perot, Sr. to determine what actions might be taken to improve the treatment of United States' prisoners of war in Southeast Asia. His contributions helped to secure the release of the POWs after Vietnam had concluded in 1972. For this action he was awarded the highest honor for a civilian, the Medal for Distinguished Public Service.

Again in 1979, H. Ross Perot Sr. rose to intervene when two of his EDS employees were taken hostage by the Iranian Government. Mr. Perot directed a rescue mission composed of EDS employees and led by Colonel Arthur "Bull" Simons. All of Perot's associates returned to the United States unharmed.

Again in the 1980s he was asked to serve as a member of Ronald Reagan's "President's Foreign Intelligence Advisory Board," where he participated in the approval process required of all U.S. covert operations internationally. Also, he donated resources to the rescue of U.S. Brigadier General James Dozier, who was kidnapped by the Red Brigade in Italy. This mission led to Mr. Perot's close ties to the Pentagon's Intelligence Support Activity.

In 1995, after donating much of his time and efforts to his new business of Perot Systems, H. Ross Perot Sr. made an energetic bid for the White House in the 1992 Presidential elections. Perot's Reform party and platform popularity was evident with soaring ratings for televised debates and high voter turnout where he captured a staggering 19% of the vote.

On a personal note, I heard Mr. Perot speak in front of the Texas Medical Association in June of 1998 and it was at that meeting that I realized it was time for me to become involved in helping the larger community around me.

H. Ross Perot Sr. has dedicated his life to making this the land of American dreams. With his humble beginning in Texarkana, Texas, he has managed to create thousands of jobs and better our Nation's citizenry. He has served our country's defense in all angles, and for that he is without a doubt beyond worth of the BENS Eisenhower Award. Congratulations, Mr. Perot.

IN HONOR AND MEMORY OF BERT A. TISSIER

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Ms. ESHOO. Mr. Speaker, I rise today to honor a great Californian and distinguished American, Bert A. Tissier. Mr. Tissier was the loving husband of Mary Tissier and the dear father of Jerry Tissier of Arizona, Bradley Tissier, M.D. of Illinois and Adrienne Tissier, of Daly City, California. He was a proud and doting grandfather to Deborah, Todd, Troy, Michael and Carrie.

Bert Tissier attended Polytechnic High School in San Francisco. At San Jose State University he was a member of Alpha Eta Rho International Aviation Fraternity and he went on to serve our country as a Major in the Army Air Force during World War II. He retired from the John Hancock Insurance Company's Special Activities Department after working for the company for 35 years.

One of Bert Tissier's great sources of pride was his daughter Adrienne's public service career, seeing her elected to the Daly City Council, serving as Mayor, and in March of this year, seeing her elected to the San Mateo County Board of Supervisors. I am exceedingly proud to have her as my colleague and friend and I respect and admire Adrienne for all she's accomplished.

Mr. Speaker, I ask my colleagues to join me in honoring Bert Tissier for his service to his community and his country, and in extending our deepest sympathy to his entire family.

CELEBRATING JEWISH FAMILY SERVICES 10TH ANNIVERSARY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. DINGELL. Mr. Speaker, I rise today to acknowledge, honor and celebrate the 10th Anniversary of Jewish Family Services of Washtenaw County, Michigan. In just 10 years, this organization has grown tremendously and has successfully established itself to provide an array of important social services to the Jewish community in Washtenaw.

Jewish Family Services was founded in October of 1993 by the Jewish Federation of Washtenaw County in response to a serious need in our community: refugee resettlement. Largely working with the increasing number of immigrants from the former Soviet Union, Jewish Family Services volunteers engaged in services such as case management, housing and career services, language education, and mental health assistance providing services to numerous individuals and families as they arrived in the United States.

Today, Jewish Family Services of Washtenaw County has grown tremendously from when it began with humble roots 10 years ago and the service it provides has touched the lives of over 900 individuals last year alone, including 24 newly arrived resettlement patrons.

Mr. Speaker, I ask that all of my colleagues join me in honoring the 10th Anniversary of Jewish Family Services of Washtenaw County, and the volunteers and staff that selflessly dedicate their time to serving others. This organization and its rapid growth and excellent service are an inspiration to the community of Washtenaw County and I commend them on their noble work.

MAYOR RAY GLOWACKI EARNS A WELL DESERVED RETIREMENT

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. KLECZKA. Mr. Speaker, it is my distinct pleasure to honor my friend and outstanding public servant, Mayor Raymond S. Glowacki, as he celebrates 26 years of serving the citizens of Cudahy, Wisconsin.

Mayor Glowacki has long been an enthusiastic leader, visionary supporter and promoter of Cudahy, the community he loves. As mayor he has been committed to improving the quality of life for all of the people of Cudahy. Under his tenure there have been tremendous changes and a transformation of the city that has resulted from the remodeling of Packard Plaza, the construction of Crosswinds condominiums and the Creekside residential development. The ongoing development at Mitchell International Business Park, a new library and the ice arena are due in large part to the innovative approaches the mayor has taken in creating a dynamic and vital community.

Born and raised in Cudahy, Ray has a unique historical perspective of his beloved, nearly 100-year-old city. He has witnessed dramatic changes, from the industrial boom of the 1940s and 50s to the new economy and information society. Ray graduated from Marquette University in 1954 with a degree in sociology and political science, subsequently he taught social studies at St. Augustine Catholic School in Milwaukee from 1957 through 1971.

Mayor Glowacki continued his interest and commitment to education by serving as a member of the Cudahy School Board for two terms. Ray with his wife Mary operated the Pulaski Inn of Cudahy from 1956 through 1998, which was founded by his parents in 1927. Other major positions that he has held over the years include the President of the Milwaukee County Licensed Beverage Association, and the Vice President of the Wisconsin Tavern Keepers Association.

Ray and Mary have been married for 48 years and they have six children, five sons and one daughter. A committed family man, he is known for his compassion, good humor, self-effacing manner and generous spirit.

Mayor Glowacki's retirement is certainly well deserved, but his leadership and passion for serving the people of Cudahy will be truly missed. Congratulations and best wishes, my dear friend.

TRIBUTE TO JOHN AND CHRISTINE KLINE

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. PAYNE. Mr. Speaker, I rise today to join Robert Wood Johnson University Hospital at Rahway's Foundation as they honor two outstanding members of my district. I would like to add my praises to theirs as we celebrate the work of Dr. John and Mrs. Christine Kline, who have dedicated their personal and professional lives to serving the members of our community.

Dr. Kline has been a member of Robert Wood Johnson University Hospital at Rahway's Medical/Dental staff since 1972, serving as the organization's President from 1995 to 1996. He has been a member of the Credentials and Executive Committees, served as Chairman of the Department of Surgery, and is currently Chairman of the Department of Orthopaedics. He is a founding member of the Rahway Independent Physicians Association and has served as their President for over 8 years. Dr. Kline has long been a trustee of the RWJUH Rahway Foundation, serving as Second Vice-chairman and Chairman, and is a member of RWJUH Rahway's Board of Governors, The American Academy of Orthopaedic Surgery, New Jersey Orthopaedic Society, New Jersey Medical Society, the Arthroscopy Associates of North America, and the Union County Medical Society.

Christine Kline has been a member of the RWJUH Auxiliary for over 20 years, serving as past Vice President and current President, and is a trustee of RWJUH Rahway Foundation, presently serving as Vice-Chairman. She is a member of the Foundation's Fashion Show Committee, and has been the Chairman of the Foundations' Rose Ball Committee for the past 6 years.

She has served as Vice President of the Union County Unit of the American Cancer Society, Chairman of their Tobacco Task Force, and in 1997, was the recipient of their Volunteer of the Year Award. She has served as the President, Finance Officer, Washington Legislation Officer, and Parliamentarian of the Medical Society of New Jersey Alliance. Currently, she sits on the Board of Directors of New Jersey Breathes and is President of the Union County Medical Society Alliance. She was instrumental in the formation of a national program on domestic violence through the American Medical Association Alliance, has served on the Fund Raising Committee of the YMCA of Eastern Union County's battered women and children's shelter, and chairs a statewide Annual Teen Health Seminar that teaches high school students about real life choices.

I salute these two caring individuals who have served our community so well, and I am proud to call them my neighbors.

A TRIBUTE TO SHIREEN CHANG, 29TH CONGRESSIONAL DISTRICT WOMAN OF THE YEAR—2004

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to honor Women's History Month. During the month of March, we pay special tribute to the accomplishments of our Nation's most distinguished women. It is my great privilege to recognize outstanding women who are making a difference in my district.

I stand today to recognize an extraordinary woman of California's 29th Congressional District, Mrs. Shireen Chang of South Pasadena. Mrs. Chang has been pivotal in the social and cultural vitality of our community, and I wish to salute her efforts today.

Born and raised in Malaysia, Shireen came to the United States in 1978 as a court reporting student. When she achieved her American citizenship shortly after, it was, in her words, one of the proudest moments of her life. Shireen married her husband, John Chang, in 1983; and they moved to South Pasadena in 1984. They have three children: Leonard, Samantha, and Arthur.

As a young mother, Mrs. Chang began volunteering at her son's school, Monterey Hills Elementary School. She assisted with sports activities, art classes, dance classes, classroom projects, and field trips. She was the den leader for her son's Boy Scout troop for 4 years and was very active in the local PTA, serving as president, vice president, and as chair of various committees. She was awarded an Honorary Service Award from both the Monterey Hills School PTA and the South Pasadena Council PTA. In addition, as a member of the South Pasadena Educational Foundation, Mrs. Chang raised thousands of dollars for the fine arts and language programs for South Pasadena schools.

Shireen is currently a member and past president of the South Pasadena Public Library Board of Trustees, where she has been instrumental in fund-raising to benefit the restoration of South Pasadena's library. She is also extremely active in the South Pasadena Chinese-American Club, having served as vice president, secretary, chair of various fund-raising events, and chair of the education committee, providing translations, grants and scholarships to South Pasadena Unified School District schools. Mrs. Chang is also active in her church, Chinatown Church of Christ, where she organizes retreats and teaches Bible study.

In addition to her service to the community, Shireen works for her husband's law firm in San Marino. Some of her future plans include forming a Neighborhood Watch, organizing workshops to educate new immigrants about services available to them and the importance of voting, and continuing to advocate for South Pasadena's schools and library.

I ask all Members of Congress to join me today in honoring a remarkable woman of California's 29th Congressional District, Shireen Chang. The entire community joins me in thanking Shireen Chang for her continued efforts to make the 29th Congressional District a better place in which to live.

HONORING JOHN E. PEPPER AS HE IS INDUCTED INTO THE ADVERTISING HALL OF FAME

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. PORTMAN. Mr. Speaker, I rise today to honor a friend and distinguished constituent, John E. Pepper, retired Chairman and Chief Executive Officer of the Procter & Gamble

Company, who will have the honor of being inducted into the American Advertising Federation's Advertising Hall of Fame in New York City today.

The Advertising Hall of Fame is the most prestigious honor bestowed in the advertising industry. It is awarded to individuals who have set the standard for lifetime advertising excellence, and who have made volunteer efforts outside the workplace. With this honor, John joins a notable group of industry luminaries, including William S. Paley, David Ogilvy, Leo Burnett, Ray Kroc, William Bernbach, and David Sarnoff.

An influential leader throughout his career with Procter & Gamble, one of the world's leading advertisers, John was selected for the honor because he led some of the company's most powerful advertising initiatives. His expertise led to revolutionary advertising campaigns for Dash detergent and a groundbreaking new advertising agency compensation system. John had a profound effect on Procter & Gamble and on advertising.

John served as the ninth chairman of the board and chief executive officer at Procter & Gamble, retiring in 2002 after 38 years of service. After joining Procter & Gamble in 1963, he served as a brand manager for Cascade detergent, where his leadership built an entire category. He developed landmark advertising that contributed to Procter & Gamble's dominance.

In 1974, John became general manager of Procter & Gamble Italia, returned in 1978, and was elected a group vice president in 1980. In 1984, he was elected to the board of directors and was named president in 1986. That year, he implemented P&G's Advertising Awards (now called Global Brand Building Awards), to showcase brands that grew primarily due to advertising. John was also an early advocate of Procter & Gambles's global expansion, and led the company's entry into Central and Eastern Europe, especially Russia and China. He serves on many company boards, including Xerox Corporation, Motorola Inc., and the Boston Scientific Corporation.

John is deeply committed to his community. In 1978, in response to an escalating public high school dropout rate, he founded the Cincinnati Youth Collaborative, a non-profit organization that assists graduating high school students with mentoring and tutoring and employment. John is a member of the boards of the Partnership for a Drug Free America and the National Campaign to Prevent Teen Pregnancy. I have been privileged to work with John on the National Underground Railroad Freedom Center, where he serves as co-chairman of the development campaign and a member of its executive committee. I also served with him as a fellow founding board member of the Coalition for a Drug Free Greater Cincinnati. In this capacity, his expertise was helpful in launching what is now a successful local organization committed to reducing substance abuse among our young people through prevention and education.

John is a graduate of Yale University. He has recently taken on a new challenge as Yale's vice president of finance and administration. His wife, Francie, is also a dedicated and effective community volunteer. They have four children.

All of us in the Cincinnati area congratulate John on this prestigious honor.

REMARKS ON THE DEMOCRATIC REFERENDA IN TAIWAN

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. BERMAN. Mr. Speaker, I rise today to speak about an important and timely issue: the right of the people of Taiwan to hold a democratic referendum.

Only 20 years ago, Taiwan was ruled by an authoritarian dictatorship under martial law. Today, it is a flourishing, multiparty democracy that holds competitive elections, respects human rights and upholds the rule of law. It is also our close friend and ally.

On March 20, Taiwan will hold its third Presidential election. That same day, the Taiwanese people will vote on two referenda related to Taiwan's self-defense.

Some argue the U.S. should oppose these votes because they will needlessly antagonize China. I disagree.

While it is important for the U.S. to have China's cooperation on a number of issues, our foreign policy should not be based on trying to avoid making China angry—that would be tantamount to giving them veto power over our actions.

Rather, our policy should be guided by U.S. national interests, which undeniably include the promotion and support of democracy in every corner of the globe.

What kind of message would it send to those courageous individuals struggling for democracy in Asia, Africa, the Middle East and other parts of the world if we tell the people of Taiwan that they should refrain from exercising their hard-won right to cast a ballot on key issues of the day?

With all due respect to China, this is not about Taiwanese independence. This is not a "provocation." This is about the peaceful exercise of the purest form of democracy.

I strongly support Taiwan's right to hold these referenda, free from intimidation, and I urge all my colleagues to do the same.

IN HONOR OF REVEREND PANDURANG SHASTRI ATHAVALE

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. BECERRA. Mr. Speaker, it is with utmost pleasure and privilege that Mr. HONDA and I rise today to recognize and pay tribute to Reverend Pandurang Shastri Athavale and the Devotional Associates of Yogeshwar (DAY) in California. On Saturday, March 13, 2004, the Devotional Associates of Yogeshwar paid homage to a spiritual leader, and friend to all, Reverend Pandurang Shastri Athavale, better known as Dadaji.

Reverend Dadaji passed away on October 25, 2003, leaving behind a message that has changed the lives of millions of people around the globe. Reverend Dadaji spent 50 years giving new meaning to Bhakti, or devotion, by emphasizing the concept of an "Indwelling God." Reverend Dadaji believed that having an awareness of the nearness of God and a reverence for that power, created reverence for self, others, nature, and a reverence for all of creation. He believed that devotion, as an expression of gratitude to God, could become a powerful social force that could transform all aspects of human life at all levels of society and ultimately solve all the problems of mankind.

The Swadhyaya Process, the way of living taught by Reverend Dadaji, is inclusive of all religions, and does not define a Deity, but allows the choice of a Deity to be defined by the worshipers. According to the Swadhyaya Process, this way of living creates a sense of family and belonging within the community, where no one person is more or less important than the other, and all members work in efficiency and coordination.

In 1997, Reverend Dadaji was the recipient of the Templeton Prize for Progress in Religion for his innovative and influential religious teachings. The Templeton Prize for Progress in Religion is one of the largest financial annual awards in the world, and is awarded only to living individuals who, through outstanding originality, have advanced the world's understanding of God or spirituality.

The work of Reverend Dadaji in rural India exemplifies these qualities. The teachings of Swadhyaya have transformed 100,000 villages of rural India prompting the United Nations to name this movement as one of the most significant developments in the world. Through principles taught by Reverend Dadaji, the villagers dedicate a few days of labor per year as demonstrations of their devotion to God. Through joint efforts by the villagers, people from all religions, castes, and economic strata build temples, community farms, orchards, and centers. The products of their efforts are then given to the needy and to the community as a whole, thereby creating a society where no one is marginalized or forgotten. Worldwide the Swadhyaya Process has millions of followers, including approximately 15,000 in the United States alone.

Mr. Speaker, in light of the Devotional Associates of Yogeshwar's recent gathering to pay tribute to Reverend Pandurang Shastri Athavale and his many accomplishments, it is with great admiration and pride that we ask our colleagues to join us today in saluting this exceptional leader.

A TRIBUTE TO DORIS BLACKSTOCK, 29TH CONGRESSIONAL DISTRICT WOMAN OF THE YEAR—2004

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to honor Women's History Month. During the month of March, we pay special tribute to the accomplishments made by our Nation's most distinguished women. It is my great privilege to recognize outstanding women who are making a difference in my district.

I stand today, to recognize an extraordinary woman of California's 29th Congressional District, Mrs. Doris Blackstock. Mrs. Blackstock's passion for community service, especially her immense contribution to the American Red Cross, has made our community a better place in which to live.

Born and raised in Winfield, Kansas, Doris attended Winfield High School, continuing her journey into higher education at Southwestern College and Methodist College.

During World War II, Mrs. Blackstock moved to Los Angeles, California, where she got a job at Foster Kleiser Outdoor Advertising Company, now Clear Channel. She met her husband, Joseph Blackstock, the company's Director of Research and Public Relations and they married in 1946, enjoying 53 years of marriage until his death in 1989. While staying at home and raising their two sons, Joseph Jr. and Forrest, Doris was an active member of the Parent Teacher Association and is currently a Life Member.

In 1966, she began her extensive volunteer career with the American Red Cross in Alhambra, working an average of 8 hours a day for many years. Her duties included assisting the military families program, presenting programs on Earthquake Preparedness, and responding to local disasters. The National Headquarters of the American Red Cross often sent Mrs. Blackstock to other locations in the United States to assist with major disasters. In addition, she served for 6 years on the Board of Directors of the San Gabriel Valley Chapter of the American Red Cross.

A natural leader and "professional volunteer," Doris currently volunteers at the Alhambra Chamber of Commerce, the Wholly Grounds Coffee House at Alhambra's Atherton Baptist Home and the Alhambra American Red Cross. She is a long-time member of many organizations, including the Alhambra Women's Club, and the Order of Eastern Star #193 Alhambra-Granada Chapter. Additionally, Doris is active at her church, First United Methodist Church in Alhambra.

I ask all Members to join me today in honoring an extraordinary woman of California's 29th Congressional District, Doris Blackstock. The entire community joins me in thanking Doris Blackstock for her continued efforts to make the 29th Congressional District a better place in which to live.

PERSONAL EXPLANATION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. GEORGE MILLER of California. Mr. Speaker, I rise to correct a vote which I cast erroneously last week in support of H.R. 3717. I did not mean to vote for this legislation, and I would like that fact to be noted in the RECORD.

It goes without saying that no one likes to vote against a bill that purportedly is designed to reduce the coarseness and crudity of public discourse. We are all aware that the limits of socially acceptable behavior have changed significantly and continue to evolve, sometimes in ways that are offensive to many in our society.

But this legislation simply goes too far, imposing massive financial penalties and potentially license revocation for actions and words that are far too broad and ill-defined. Far too much authority is placed in the hands of the FCC—which is not a court, which is not elected by anyone—to determine what Americans can voluntarily listen to or watch. The courts have established clear parameters for unacceptable speech; this legislation goes much further, imposing massive penalties and punishment that could—and presumably would—vastly exceed the constraints imposed by the courts.

Coming at a time when so many of our fundamental freedoms are under regular assault by those willing to sanction a lessening of personal liberty, this legislation is particularly disturbing. Many of those who long have described themselves as "conservatives" and "upholders of the Constitution" now sanction all manner of intrusiveness into the private and personal lives of Americans: whom the live with, whom they associate with, what they listen to, to whom they send emails. This is a period of serious overreaching into the personal and private lives of Americans. We as Members of Congress need to be more vigilant than this legislation suggests we are being.

I appreciate that some of the proponents of this legislation are genuinely offended by what they hear on the radio or see on television. That is why there is an "on/off' button and a channel selector on every TV and radio manufacturered. People should use them. Parents should use them. But Congress should not be recklessly imposing penalties of this scope on entertainers whom millions of our fellow citizens choose to patronize by listening to their programs.

HONORING BRUNO DAUBE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. HYDE. Mr. Speaker, they say the sinew of our representative democracy is its citizens. When a citizen rises above tremendous challenges and goes on to live an exemplary life of charity to others, our country is strengthened. The Sixth Congressional District of Illinois, which I represent, has such a citizen, and his name is Mr. Bruno D. Daube.

Orphaned at the age of 13, Bruno Daube found himself homeless and a ward of the State. In those days, the state did not have any facilities for homeless juveniles, which is why Mr. Daube was relegated to living at a juvenile detention prison for 3 years. Through no fault of his own, he was subjected to treatment like any common criminal offender.

Yet despite this adversity, Mr. Daube managed to summon up the courage to become a model citizen for others to emulate. His commitment to country during the Korean War prompted him to join the Air Force at the young age of 17. During his service, he bettered himself by taking classes at the University of Arizona, and following his honorable discharge from the Air Force, he used the GI Bill to complete has education in business and commercial law.

Mr. Daube's personal experience with homelessness led him to Chicago's Night Ministry organization. Inspired to help others, he took courses in counseling and theology at MacCormac College. For years, he walked the city streets, helping the homeless find shelter, food and jobs.

In 1998, he was recognized as the longest serving volunteer of the Night Ministry, and he continues to work there today. When his health no longer permitted him to walk the streets and climb steps, he turned his attention to troubled teens from broken families, persons who were forgotten in nursing homes and others struggling with the issues of alcohol and drug abuse. Recently, he was recognized for giving over 20 years of service and more than 20,000 hours of caring to the homeless, the poor and the forgotten.

In sum, Mr. Daube deserves national recognition for his significant contribution to humanity and his promotion of Christian morals. Despite tremendous obstacles and personal hardship, Mr. Daube has personified the honorable characteristics of courage, tenacity and perseverance.

Therefore, I rise today to commend Mr. Daube for his decades of selfless service to an untold number of individuals. As he prepares to celebrate his 72 birthday on April 12, let it forever be memorialized in the CONGRESSIONAL RECORD that Mr. Bruno D. Daube is indeed an extraordinary individual and a heroic citizen of the greatest country in the world, the United States of America.

CENTRAL NEW JERSEY RECOGNIZES AND CELEBRATES THE CAREER OF SHUJI MARUYAMA SENSEI

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. HOLT. Mr. Speaker, I rise today to recognize the distinguished Shuji Maruyama Sensei and honor his contributions to the martial arts in the United States and throughout the world as well as the contributions to his many students in New Jersey, the United States and the world.

Mr. Maruyama is the founder of Kokikai Aikido International, based on Aikido, a Japanese martial art developed in the 20th century by Morihei Ueshiba. Aikido combined elements from other martial disciplines to develop an effective defense against multiple attackers. Shuji Maruyama further developed this art and founded his own school, Kokikai Aikido. Used only defensively, this art is characterized by startling grace and power. This martial art presumes it is necessary to be centered, relaxed, to have correct posture and a positive mind. These principals are not only helpful in defending oneself, but are effective tools for enhancing productivity and enjoyment of life.

The dual emphasis of this martial art on self-defense and peaceful resolution of conflict has enriched the lives of many of his students in the United States and abroad. Maruyama Sensei has played a key role in introducing this martial art to the United States and supporting its growth and vibrancy. He is a teacher of exceptional skill.

Now in his 60s, Maruyama Sensei is acknowledged as one of the world's greatest living martial artists, a model of grace and power, and an extraordinary teacher. He constantly challenges himself calling his students to do the same and encouraging them to continue to grow and improve.

As an individual who has touched the lives of countless individuals, nationally and internationally, Shuji Maruyama Sensei has enhanced the health and well being of each. He has earned our heartfelt appreciation for his efforts. I ask my colleagues to join me in giving him this recognition.

A TRIBUTE TO HELEN KENNEDY, 29TH CONGRESSIONAL DISTRICT WOMAN OF THE YEAR—2004

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to honor Women's History Month. During the month of March, we pay special tribute to the accomplishments made by our Nation's most distinguished women. It is my great privilege to recognize outstanding women who are making a difference in my district.

I stand today to recognize an extraordinary woman of California's 29th Congressional District, Mrs. Helen Kennedy of San Gabriel. Mrs. Kennedy has been pivotal in the social and cultural vitality of our community and I wish to salute her efforts today.

Helen and her husband, George Kennedy, first moved to San Gabriel in 1942, where they raised their 2 children, Brian and Drake. Helen and George worked together in their family business, Kennedy Outdoor Advertising, and became actively involved in the community of San Gabriel. Mr. and Mrs. Kennedy volunteered for the Boy Scouts of America, Little League, and were instrumental in the development of Vincent Lugo Park. Helen was the first PTA President of San Gabriel High School while George fund-raised for the purchase of lights for the high school's new football field. Mr. and Mrs. Kennedy enjoyed 55 years of marriage until his death in 1988.

Helen Kennedy, often referred to as "San Gabriel's Sweetheart," has an impressive and varied list of city, county and state accomplishments. Appointed to the San Gabriel City Council in 1963, she won election in 1964 and served on the council for 17 years, serving 2 terms as mayor. She was a cofounder of the California Elected Women's Association for Education and Research, along with U.S. Senator DIANNE FEINSTEIN.

The founder of the Friends of the Library, and Checkmates for Cancer at the San Gabriel Valley Medical Center, she also volunteered for years at La Casa de San Gabriel Community Center. Helen currently serves on the boards of the San Gabriel Valley Medical Center Foundation and the San Gabriel Chamber of Commerce, Women's Division.

An avid supporter of the arts, Helen spearheaded the successful fund-raising campaign to restore the original doors of the San Gabriel Civic Auditorium, and obtained the theater organ for the auditorium. She was on the board of directors of the Music Theater of Southern California and served for 30 years on the Music and Performing Arts Commission of Los Angeles County.

I ask all Members to join me today in honoring an extraordinary woman of California's 29th Congressional District, Helen Kennedy. The entire community joins me in thanking Helen Kennedy for her continued efforts to make the 29th Congressional District a better place in which to live.

CONCERNS REGARDING THE SHUTDOWN OF UKRAINE'S RADIO KONTYNENT

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. WELDON of Pennsylvania. Mr. Speaker, I was dismayed to learn that on March 3, 2004, Ukrainian police shutdown Kontynent, a private radio station, in Kyiv, Ukraine. Four days before the Ukrainian authorities confiscated Kontynent's radio transmitter, the station began broadcasting Ukrainian-language programs by Radio Liberty. Radio Free Europe/Radio Liberty has played a significant role in Ukraine by providing several hours of Ukrainian-language programming to an average of six million regular listeners. RFE/RL offers comprehensive coverage of the internal political, economic and social situation in Ukraine. Such important information is not readily available to Ukrainians from their own domestic media.

Mr. Borys Kholod, the head of Ukraine's National Council for Radio and Television, claimed that the closure of Radio Kontynent was not politically motivated. Instead, Mr. Kholod maintains that Radio Kontynent had its license revoked due to Radio Kontynent's financial problems. However, Radio Kontynent has been in court for the past 3 years over the license dispute. It is my understanding that under Ukrainian law, action cannot be taken against the station until the court procedures have been completed.

Later this year, Ukraine will elect a new president. Many Ukrainians are concerned that without access to an independent media outlet, the current campaign will not be portrayed in a balanced and objective manner. I believe that Voice of America and Radio Free Europe/Radio Liberty is essential in this cause and I expressed that in my recent meeting with Ukraine's First Deputy Minister for Foreign Affairs, Volodymyr Yel'chenko. He assured me that a resolution is forthcoming and they are currently looking for a radio station to transmit Radio Liberty in the interim. I expect to receive an update on this matter from the Ministry in the near future.

TRIBUTE TO JUANITA YOUNG DEVAUGHN, 29TH CONGRESSIONAL DISTRICT WOMAN OF THE YEAR—2004

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to honor Women's History Month. During the month of March, we pay special tribute to the accomplishments made by our Nation's most distinguished women. It is my great privilege to recognize outstanding women who are making a difference in my district.

I stand today, to recognize an extraordinary woman of California's 29th Congressional District, Mrs. Juanita Young DeVaughn. Mrs. DeVaughn's passion for community volunteerism, especially on behalf of children and education, has made Altadena and surrounding areas a better place in which to live.

Born in 1925 and raised in Boligee, Alabama, Juanita attended Alabama A&M University where she earned her BS in Home Economics. Juanita completed her higher education in 1977, obtaining her MA from Azusa Pacific University in Azusa, CA. Juanita married Paul DeVaughn in 1950. They have 2 children, Paula and Robert, and 2 grandchildren. The DeVaughns moved to Altadena, CA in the 1960s.

A lifelong educator, Mrs. DeVaughn has taught for 47 years. Her teaching experience began at the Industrial School for Girls in Alabama. She also worked as a Dietician at Talladega College, as a Nutritionist for the Headstart program in Birmingham, a teacher at Eliot Middle School in Altadena, and concluded her illustrious career in 1993 as an instructor in Home Economics, Geography, English, and Social Studies at John Muir High School in Pasadena.

A natural leader, Juanita has been extensively involved in many community organizations. She spearheaded the Campus Beautification project for John Muir High School, served on the boards of the Alkebu-lan Cultural Center, and the Altadena Christian Children's Center. An active Altadena NAACP board member, Juanita revitalized and chaired the Altadena NAACP's ACT–SO Program; an undertaking she continues to this day. She is a long-time member of Altadena Baptist Church, where she is a Deaconess, choir member, and volunteers for various projects. In addition, she raises funds for NAACP youth projects, the Pasadena chapter of the Alabama A&M University Alumni Association, and the Alberta Vaughn Scholarship Foundation.

Juanita has received numerous awards, including the Pasadena-Foothill Valley's YWCA Second Century Award, the Roy Campanella Humanitarian Award, Phi Delta Kappa's Woman of Year Award, an International Optimist Award, and the Pasadena Human Relations Commission's Harry Sheldon Award.

I ask all Members to join me today in honoring an extraordinary woman of California's

29th Congressional District, Juanita Young DeVaughn. The entire community joins me in thanking Juanita DeVaughn for her continued efforts to make the 29th Congressional District a better place in which to live.

AMERICA'S GROWING OBESITY EPIDEMIC

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Ms. DELAURO. Mr. Speaker, public health officials have been sounding an alarm in recent years about America's growing obesity epidemic. By 2000, almost two-thirds of adults were overweight or obese, and the Centers for Disease Control and Prevention (CDC) estimate that 40 percent of adults will be obese by 2010, if trends go unchanged. In the past 20 years, the percentage of children who are overweight has doubled from 7 to 15 percent, while the percentage of adolescents who are overweight has almost tripled.

Recent studies have found that more than 34 percent of adults are overweight, about 31 percent are obese, and both children and adults are consuming significantly more calories today than they did just 30 years ago.

The personal costs of this epidemic include shorter lifespan due to increases in heart disease, high blood pressure, stroke, some types of cancer and diabetes. The costs to society are immense and growing; CDC estimates that obesity-related medical costs reached a record total of $75 billion in 2003, $39 billion of which is borne by taxpayers via Medicare and Medicaid.

Among the best tools yet developed to fight obesity is the Expanded Food and Nutrition Education Program (or EFNEP), which is operated by the USDA's Cooperative State Research, Education, and Extension Service (or CSREES). Now celebrating its 35th year of service, EFNEP operates in nearly 800 counties in all 50 states and the U.S. territories. EFNEP's mission is to help low-income families and youth improve their diet quality and stretch their food dollar, skills which directly affect obesity. By making positive changes in individual and family behavior regarding healthy food choices, physical activity, and stretching the family food dollar, EFNEP participants can combat obesity and improve their health.

Studies show that people who are most "food insecure"—meaning those who are vulnerable to running out of food or missing meals because they cannot afford the cost—are disproportionately obese and overweight. EFNEP targets these very audiences: low-income youth and low-income families with young children. Through a series of lessons and activities, taught in peer-to-peer fashion by paraprofessionals and volunteers who come from the same populations the program is trying to reach, EFNEP relies on a tried-and-true learning process that brings about dramatic results.

Changes in diets to include more fruits and vegetables and dairy foods have been shown to lower the incidence of obesity and the risk of many chronic diseases. EFNEP has demonstrated remarkable success in increasing the consumption of these key foods. According to evaluation data, after participating in EFNEP, the adults consume 1.7 more servings of fruits and vegetables and a one-half additional serving of dairy foods, compared to their intake levels when they started EFNEP; 93 percent of the adult participants make a positive improvement in at least one food group.

Approximately 600,000 people each year—roughly 75 percent of them children—participate in the EFNEP program, gaining new skills in food preparation, shopping, storage, safety, and sanitation. They learn how to better manage their food budgets and related resources such as Food Stamps. Youth topics may also include fitness, avoidance of substance abuse and other health-related issues. EFNEP's hands-on, learn-by-doing approach allows the participants to acquire the practical skills necessary to make positive changes in behavior.

The results are clear and heartening. For example, EFNEP's evaluation and reporting system showed that among program graduates in 2002: 88 percent improved in nutrition practices such as making healthy food choices, reading nutrition labels and having children eat breakfast; 83 percent improved in food resource practices such as meal planning and budgeting; 67 percent improved in food safety practices such as storing and thawing foods correctly; 51 percent now offer five fruits and vegetables to their families each day; and 41 percent now routinely eat low-fat foods instead of fat-rich foods.

Studies in several states found that EFNEP is a solid investment of federal dollars. According to the studies, every dollar invested in EFNEP reduced health care costs by $10.64 in Virginia, $8.82 in a group of Midwestern states, $8.03 in Iowa, and $3.63 in Oregon.

In spite of these successes, the fiscal year 2004 Agriculture Appropriations bill reduced funding to 33 programs administered by CSREES by 10 percent each. EFNEP was one of those programs. Even in the short time since that appropriations bill was enacted in late January, we have already heard about the adverse impact the cuts are having on EFNEP. In community after community, extension offices are laying off EFNEP staff, thereby limiting the reach of the program. Just to offer a few examples, the 10 percent cuts to EFNEP mean that:

In Maryland 375 currently enrolled families will not be served, and another 3,000 eligible individuals will not receive nutrition education;

In Colorado bilingual nutrition education serving low-income Hispanic families will be cut by 400 people;

In Tennessee 14 staff positions must be cut, and EFNEP programs in seven counties will be lost, forcing a large reduction from the 3,600 persons served on average;

In Florida EFNEP youth contacts will be decreased by about 1,600 adult and 100 youth participants;

In Ohio EFNEP will suffer major staff cuts, which will force it to give up on many of the 7,000 parents and 21,000 youth it reaches every year;

In Michigan EFNEP will reach up to 600 fewer families;

And in my own state of Connecticut, 150 families and about 350 youth will not be served in both Hartford and Bridgeport, 2 of the 10 poorest cities in the country, as well as in Danbury, a city with many immigrant groups that are in need of nutrition education.

At a time when the need for EFNEP is greatest, financial support for the program from Congress has waned. This will only squander some of the significant gains EFNEP has already made in hundreds of communities around the country. And this penny-wise solution to short-term budget challenges will come back to haunt us in the long-run as the Federal Government's share of health costs—driven by the obesity epidemic—continue to rise.

With a relatively small investment, we can stem the tide of obesity in this country. That is why for 2005, I hope we can increase funding for this critical program. I respectfully urge my colleagues to seize this opportunity and do what is right.

PERSONAL EXPLANATION

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. SHERMAN. Mr. Speaker, I voted present on H.R. 3717 today, the Broadcast Decency Enforcement Act. I support the aim of the bill, to limit the broadcasting of indecent material through increased penalties, but I have concerns about the application of such fines. My concern is that, since the Federal Communications Commission (FCC) lacks appropriate guidance for administering fines of this size, such enforcement action could have a chilling effect on free speech with regard to smaller broadcasters and individual performers. Mr. Speaker, this chilling effect can be reduced if the FCC is given clear statutory guidance as to how to determine the size of the fine; this bill fails to provide such clear guidance. Among the factors the FCC should be required to employ are the degree of indecency, pre-meditation, the number of viewers or listeners, and the size and wealth of the violator. In the absence of such clear standards, small broadcasters and nonwealthy performers may fear to speak even in manners which should be protected.

A TRIBUTE TO SUSAN BOWERS, 29TH CONGRESSIONAL DISTRICT WOMAN OF THE YEAR—2004

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to honor Women's History Month. During the month of March, we pay special tribute to the accomplishments made by our nation's most distinguished women. It is my great privilege to recognize outstanding women who are making a difference in my district.

I stand today, to recognize an extraordinary woman of California's 29th Congressional District, Mrs. Susan Bowers. Mrs. Bowers's passion for community service, especially on behalf of children and education, has made the City of Burbank a better place in which to live.

A native Californian, Susan attended California State University Fullerton where she graduated as a member of the Phi Alpha Theta Honor Society. In 1997, she married Gordon Bowers, a Captain with the Burbank Police Department. After a successful corporate career in manufacturing, she joined the Burbank Chamber of Commerce in 2000 as Executive Director/CEO, where she remained until her retirement in 2003. Currently, Susan divides her time between volunteering, organizational management consulting, and spending time with her children, Melanie, Bryan, Jeff, stepsons Matt and Michael, three grandchildren, and Lamont Duverne, for whom she and Gordon are the primary caregivers.

The consummate volunteer, Susan has three areas of community service that she passionately supports: leadership, literacy and education. She has served on numerous city and school committees, including the Civic Pride Committee, the Workforce Investment Board, the Burbank Unified School District Strategic Planning Committee, the Burbank Unified School District Partnership Program, and the Verdugo School-To-Career Committee. In addition, Mrs. Bowers was a founder and director of the Burbank Community Foundation, a Board Director of the Burbank Boys and Girls Club, and with her husband Gordon, was a mentor at Elmwood Achievement Center.

Mrs. Bowers currently serves on the Board of Leadership Burbank, the Woodbury University President's Advisory Board, Burbank's Library Board of Trustees, the Measure L Committee for Burbank libraries and the La Providencia Guild. In addition, Susan is a Sunday school teacher at First Presbyterian Church of Burbank.

Susan has received many awards, including the 2001 Community Support Award by Work Training Programs, Inc. and an honorary membership in the Woodbury University School of Business Honor Society. In 2003 she received a key to the City from Mayor Stacey Murphy for her contributions to the Burbank Chamber of Commerce.

I ask all Members of Congress to join me today in honoring a remarkable woman of California's 29th Congressional District, Susan Bowers. The entire community joins me in thanking Susan Bowers for her continued efforts to make the 29th Congressional District a better place in which to live.

PREVENT INDONESIA FROM RECEIVING IMET FUNDING IN FISCAL YEAR 2004

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. HEFLEY. Mr. Speaker, I offered an amendment that was intended to cut $600,000 out of the IMET account to prevent Indonesia from receiving IMET funding in fiscal year 2004.

As many members are aware, I offered an amendment to the Foreign Service Re-Authorization Act of 2004 and 2005 that would limit Indonesia's participation in the IMET program. My amendment would limit Indonesia from receiving International Military Education and Training (IMET) funds until the President certifies to Congress that the Government of Indonesia and the Indonesian Armed Forces are taking effective measures, including cooperating with the Director of the FBI, in conducting a full investigation of the attack and to criminally prosecute the individuals responsible for the attack.

For those members that are not aware, on August 31, 2002, the staff of the International School in West Papua, Indonesia decided to take a picnic. The teachers lived and worked in Tembagapura, a company town located high in the mountains near the Grasberg gold and copper mine. The group of eleven people, including a 6-year-old child, drove in two vehicles to a picnic site about 10 miles away on the road to Timika. Because it began to rain, they decided to return to town for lunch.

The road they were traveling on is not an ordinary road. The road is surrounded by the gold and copper mine, and is heavily guarded by the Indonesian military. At both ends of this mountain road are military check points, which seals the road and control access to Tembagapura.

As they returned home, the group was brutally attacked by a band of terrorists. Two Americans, Ted Burgon (from Oregon) and Rick Spier (from Colorado), and an Indonesian man were killed in the ambush. The attack, which occurred less than a half-mile away from an Indonesian military check point, went on for approximately 45 minutes. Hundreds of rounds were fired at the teachers and their vehicles. Most of the survivors, including the 6-year-old child, were shot. Several of the teachers were shot multiple times and suffered horrible injuries.

Ted Burgon of Sunriver, Oregon was killed and his wife Nancy suffered facial cuts and abrasions. Rick Spier of Littleton, Colorado was killed, and his wife Patsy was shot in the back and foot. Francine Goodfriend of Rockford, Illinois was shot and has a spinal cord injury. Steven Emma of Broward County, Florida was shot in the legs, buttocks, and suffered injuries to his back. Lynn Poston of Olga, Washington was shot in the shoulder and legs. Suandra Hopkins of Sunriver, Oregon was shot in the side, legs, and pellets around the eye and his wife Taia was shot in the buttocks.

Following the attack, the Indonesian Police promptly began an investigation. They collected evidence, interviewed witnesses and reconstructed the ambush. The Indonesian Police issued a report (that I ask for unanimous consent to submit for the RECORD) concluding, "there is a strong possibility that the Tambagapura case was perpetrated by members of the Indonesian National Army Force, however, it still needs to be investigated further."

In early November 2002, the Sydney Morning Herald reported that "United States intelligence agencies have intercepted messages between Indonesian army commanders indicating that they were involved in staging an ambush at the remote mine in which three school teachers, two of them Americans, were killed. . . ." The Washington Post has reported these same intelligence intercepts.

Despite this intelligence, the investigation of the attack has faltered. The Indonesian Police have been effectively removed from the case due to their report that implicated the military. The two senior Indonesian police officers who uncovered evidence of the army's involvement have been transferred to new posts, and the investigation has now been handed over to a joint military police team. Not surprisingly, the Indonesian military has exonerated itself. American investigative teams, including the FBI, have not been able to complete their investigations due mainly to the Indonesian military's refusal to cooperate and its tampering of evidence.

The evasions and obstructions of the Indonesian military are wholly unacceptable, and it is incumbent upon this Congress to see that a thorough investigation is conducted. The victims of this brutal attack deserve no less. My amendment is, therefore, intended to ensure that the perpetrators of this heinous crime against Americans are brought to justice. To the extent that the Indonesian military was involved, the United States should insist on criminal prosecution of all involved parties.

Mr. Speaker, the amendment is important. It gives voice to our commitment that the United States will hold accountable the perpetrators and protectors of terrorism. We will exhaust every means to protect our citizens. We will pursue terrorists wherever they may be and hold to account. We will demand justice for attacks against our citizens and withhold aid from those countries that do not cooperate in bringing terrorists to justice. As President Bush has stated, "if you are not with us you are against us." It is time for Indonesia to choose who it will align itself with, the terrorists or the coalition of nations that bring them to justice.

REPORT SUMMARY

I. SATURDAY, AUGUST 31, 2002

1. Location of the Incident: Mile 62–63. In between two Indonesian Army Strategic Reserve Command #515 Task Force and Security stations, height, steep gorge on the right hand side, hill on the left hand side, foggy, difficult to escape.

2. Victim: 3 (three) died, 11 (eleven) heavy/light injured, not specified.

3. Evidence:

2 (two) Toyota LWB land cruiser, 2 (two) dump trucks, 1 (one) trailer truck;

94 (ninety four) bullet shells—5.56 mm caliber;

6 (six) bullet shells—7.62 51 mm caliber;

1 (one) broken magazine;

134 (one hundred thirty four) shooting holes on 5 (five) evidence vehicles (not included those that hit the windshields, approximately more than 200 (two hundreds) rounds; and

Broken windshields.

4. Witnesses: 3 (three) witnesses saw that there were around 3 (three) shooters with the following identifications:

Wore striped dress without any attributes;

Wore green "sebo" (camouflage paint that is worn on the face); and

Carried black long barrel rifle.

5. The victims: They saw approximately 11 (eleven) shooters with the following identifications:

1 (one) person wore a black shirt and striped pants;

1 (one) person wore military boots;

6 (six) persons ran into the bushes in front of the location of the incident; and

3 (three) persons ran in the direction of Timika.

II. SUNDAY, SEPTEMBER 1, 2002

1. 08:45 East Indonesian Time (EIT): Processing team, led by the Head of the County Police of Mimika and the Head of the Detective Unit, was repeatedly shot at around the location of the incident.

2. 11:00 EIT: Vacuum Condition (VC) of the member of Indonesian Army Strategic Reserve Command #515 Task Force and Security—

11:40 EIT:

Mr. X was shot to death; and

Mr. Suherman, Private of the Highest Rank, was shot in his right thigh.

13:30 EIT:

Head of the Provincial Police, Territorial Military Commander, Military Regiment Commander, Military District Commander, Head of the County Police, and Task Force Commander and Security #515 of Army Strategic Reserve Command + the journalists arrived at the location of the incident;

Mr. X's dead body was laid down on the side of the road;

No puddle of blood or flowing of blood occurred in the location where Mr. X was placed on the side of the road;

Stiff dead body (left hand cannot be folded); and

The dead body has not been identified, approximate age is 25 years old, without shoes, Papuan ethnic.

15:30 EIT: Mr. X's dead body was transferred to Tembagapura Hospital, based on Dr. Kunto Rahardjo's report, the person had been dead for more than 6 (six) hours, small maggots/larvas was found on the intestine in the open stomach.

3. 3 (three) witnesses have seen Mr. X around Station #515 in Banti village.

III. MR X'S CORPSE CONDITION (AUTOPSY RESULT BY DR. AGUNG, FORENSIC SPECIALIST FROM INDONESIAN POLICE HEADQUARTERS)

1. 4 (four) wounds were caused by the shooting:

2 (two) shots on the left-hand side of the back;

1 (one) shot on the upper right hand; and

1 (one) shot on the right side.

2. The wound direction on the body: vertical.

3. The victim was suffering from Testicle Hydrocele for approximately 2 (two) years (the scrotum diameter is 16 cm.).

IV. RECONSTRUCTION ON TUESDAY, SEPTEMBER 10, 2002

1. Nothing significant happened on August 31, 2002.

2. September 1, 2002:

The distance between First Rank Corporal Mr. Wayan (Mr. X's shooter) and Mr. X is approximately 75 meters, there are many sight hindrances and shooting impediments in between).

The colleagues of the First Rank Corporal Mr. Wayan standing within 1–4 meters from Mr. Wayan could not see Mr. X. and his friends.

The location where Mr. X was shot is very narrow (approximately 0.5 meter), on the side of a very deep gorge, there was no blood stain in that place.

In between the evening of August 31 (aftermath of the incident 13:40 EIT) and September 1, 2002, the location of the incident was guarded strongly by the Task Force and Security of Army Strategic Reserve Command #515, and has been searched carefully so there will be very small probability that the Rebellious Movement Group still exists there.

V. FRIDAY, SEPTEMBER 13, 2002

1. There was shooting to the vehicle of the Army Strategic Reserve Command #515 Task Force and Security at Mile 63 (1300 meters from the station of Army Strategic Reserve Command #515 Task Force and Security at Mile 64).

2. No victim and no evidence.

VI. SATURDAY, SEPTEMBER 14, 2002

1. 09:30 EIT, a combined patrol between the Mobile Brigade and the Army Strategic Reserve Command #515 Task Force and Security crossed the bridge at Mile 62, saw that there were 3 (three) members of the Army Strategic Reserve Command #515 Task Force and Security around the bridge at Mile 62.

2. 11:00 EIT, a combined patrol between the Mobile Brigade and the Army Strategic Reserve Command #515 Task Force and Security crossed the Mile 62 bridge, saw that there was 1 (one) member of the Army Strategic Reserve Command #515 Task Force and Security around the bridge at Mile 62.

3. 11:30 EIT, the investigation team that was led by Police Commissioner Adjunct Mr. Helmy Kwarta was on the way to Tembagapura Sectional Police and was shot at repeatedly at Mile 61 (Translator's note: the original Indonesian language does not say specifically, whether the vehicle was shot at or the person, whether anyone was injured or died).

4. 10:30 EIT, the logistic vehicle of the Army Strategic Reserve Command #515 Task Force and Security was shot at repeatedly by an unidentified shooter. 8 (eight) bullet holes, 2 (two) from outside and 6 (six) from the inside of the vehicle were found on the vehicle body.

5. Approximately 1 (one) hour before, the Territorial Military Commander group went down from Tembagapura and passed the shooting area down to Timika.

6. While the investigation team continued their travel to Tembagapura Sectional Police, the Vice Commander of the Army Strategic Reserve Command #515 Task Force and Security on behalf of Infantry Major Mr. Aksan Widjaya stopped the team at the place close to the bridge at Mile 62 and told the team that there is/are bomb/s under the bridge. (Translator's note, in the Indonesian language it is not clear about the singular or plural, so it is not clear if there was only one bomb, or more than one).

7. 3 (three) Power Gel sticks, 4 (four) Detonators, 2 (two) ABC brand batteries and 3 (three) detonator cables approximately 20 meters long were found.

8. At the same time, the Vice Commander of the Army Strategic Reserve Command #515 Task Force and Security said, "This is to inform the Head of the Provincial Police and Territorial Military Commander, please do not always accuse the Indonesian Army Force."

9. The Power Gel (the same as the one that is used by PT FIC = Freeport Indonesia Corporation) has expired.

10. The investigation that has been done in the PT FIC explosive storage showed that there is no indication that this power gel came from this storage, probably this power gel came from the field, the remaining explosion operation in the field.

11. The XVII Trikora Territorial Military Commander had made a statement in Jakarta, he said that this Tembagapura case probably was caused by the PT FIC internal conflict and it was not caused by the people from the inside of the forest.

VII. SATURDAY, SEPTEMBER 14, 2002

There were 2 (two) unidentified threatening telephone calls:

1. Number 0901–422907 received a call that came from #358 that was used by Task Force and Security (It is confirmed by the print out or a hard copy of the call issued by the MIS Department of PT FIC, and this can be used as evidence).

2. Number 0901–422907 received a call from a cellular phone number 08124887486. This cellular phone belongs to Sergeant First Class Mr. Jatmiko, the member of the Army Special Force Command Cendrawasih Task Force. (Lieutenant Colonel Mr. Siburian acknowledged in front of Papuan Vice Chairman of the Provincial Police that the cellular phone belonged to one of the member of his team, but it has been sold to a bar waitress on Bar Boulevard).

3. The following was found on Friday, September 20, 2002: 2 (two) bullet shells on the hill, at the location where the Papuan Freedom Organization people had gathered to shoot the Mr. Suherman, Private of the Highest Rank, 7 (seven) bullet holders, and 3 (three) bullet shells of 5.56 caliber.

VIII. FRIDAY, OCTOBER 11, 2002

Interrogation result from the victim PATRICIA LYNN SPEIR (from Colorado):

1. At the time right after the shooting on August 31, 2002 and before the ambulance came, the victim saw 3 (three) persons who wore dark blue T-shirts, the victim did not pay attention at the color of the pants. 2 (two) Papuans and 1 (one) newcomer were helping the victims.

2. The victim saw 1 (one) other person with the following identification: non Papuan, wore a black vest, without weapon, at the location of the incident.

3. While waiting for the ambulance to come, a soldier, non Papuan, in a complete uniform with a jungle hat, wearing a shirt without an insignia, with his long barrel gun still hot (the victim felt it without touching it, the victim felt the heat transfer from the gun barrel to the victim's leg at a 510 cm distance), was standing up for approximately 10 minutes and almost stepped on the victim's leg without doing anything, with an unfriendly radiant eye.

IX. COMMUNITY OPINION

1. Papuan Freedom Organization does not have the quantity of bullets as the number of bullets that were shot during the incident (approximately 200 bullets were found on August 31, 2002), and usually this Papuan Freedom Organization will not spend that much ammunition.

2. There was no indication of the initiation from the tribe around PT FIC that they were going to attack (such as a traditional ritual, statement, a demonstration, etc.).

3. Mr. Kelly Kwalik had made a statement that his group was not involved in that incident.

4. The separatist groups leaders (Tom Beanal, Thaha Alhamid, etc.) stated that they were not involved.

5. Papuan Freedom Organization never kills white people.

6. Papuan Freedom Organization always gets involved in a "Hit and Run" when they make an attack. The fact is that between September 1 until September 14, 2002 there still were shootings.

7. The Non Government Organization or NGO such as LSM ELSHAM PAPUA and Toga, Tomas, which are pro-separatists groups, were very active in helping the investigation process.

X. OTHERS

1. The morale of the Indonesian Army Strategic Reserve Command #515 Task Force and Security is relatively low because of the following:

a. They only receive the incentive of Rp.125,000. per month for the rank of Tamtama (Private Second Class up to the Head of Corporal) and Rp.150,000. per month for the rank of Bintara (from Lower Ranking Sergeant up to Sergeant Major) (a Javanese anecdote says "Satu Selawe Njaluk Slamet" or in a free translation it gives a sarcastic meaning "For One and Twenty Five you are looking for a Safe") (Translator's note: Rp. Is the Indonesia currency and stands for Rupiah, in August 2002 the approximate exchange rate is US$1.=Rp.9000., so Rp.125,000/month=US$13.89/month and Rp. 150.000/month US$16.67/month).

b. For a side income they are often selling food and raw material for food to Timika.

c. On June 23, 2002, 12 (twelve) members of the Indonesian Army Strategic Reserve Command #515 Task Force and Security were caught because they stole copper wire.

d. Their perks, such as vehicles, telephones, etc., were reduced.

e. They had a high expectation when they transferred to the location of PT FIC (copper and gold mining), but in fact it is very minimal.

2. The "Demonstration Effect" that took place was caused by the excessive living standard of the PT FIC employees (especially those white employees), including the glaring facilities.

XI. SEPTEMBER 29, 2002: REPETITION OF INCIDENT RECONSTRUCTION ON THE SEPTEMBER 1, 2002

1. It was very difficult to see from the place where the First Rank Corporal Mr. Wayan was shooting, whether those 2 (two) friends of Mr. X were hiding, or whether they were going to take Mr. X's weapon away from him, or whether they were trying to run away.

2. It was seen that Mr. X's dead body was dragged by 4 (four) members of the Indonesian Army Strategic Reserve Command #515 Task Force by taking turns, 78 meters through trees roots, wet land and sharp gravels.

3. Blood spots and hair and broken clothes of Mr. X's were not found along the trail that was used to drag Mr. X's dead body.

4. Mr. Margono, Private of the Highest Rank, stated that he examined the corpse after the corpse had been laid down on the side of the street, the result was; 5 (five) shooting wounds were found, many charms or amulets and fresh blood were found around the corpse and on Mr. X's clothes.

XII. FACT FINDING

1. The vehicle plate numbers DS 20 PD and DS 54 PD that were used by the Task Force of Cendrawasih Army Special Force Command were vague numbers, and they were not issued by Mimika Police Department.

2. The number on the sides of the vehicles had been erased.

3. The PT FIC Management Information System (MIS) Department felt regret because they had given the print out or hard copy of the telephone usage to the Indonesian Police, this is related to the unidentified telephone threats: "If I knew that this is for the police, I will not print it."

XIII. TEMPORARY CONCLUSION

1. Based on the above-mentioned indicators, there is a strong possibility that the Temabagapura case was perpetrated by the member of the Indonesian National Army Force, however, it still needs to be investigated further.

2. Maybe the Indonesian National Army Force investigators should be involved, in order to alleviate further misleading circumstances that could harm somebody's life.

SUGGESTION FOR FURTHER PROCESSING OF THE WITNESS'S INVESTIGATION OFFICIAL REPORT, MR. DECKY MURIP (OPERATIONAL TEAM ASSISTANCE OF ARMY SPECIAL FORCE COMMAND)

No.	Contents of investigation official report (witnesses has been sworn in)	Material to be evaluated and analyzed
1	At 7:30 EIT, August 31, 2002, Mr. Decky Murip (Operational Team Assistant of Army Special Force Command) was invited by the First Lieutenant Mr. Markus (Army Special Force Command) and other 9 (nine) persons among others are 3 (three) persons—First Lieutenant Mr. Wawan Suwandi, Lower Ranking Sergeant Mr. I Putu Suradnya and Private First Class Mr. Jufri Uswasnas with white Freeport vehicle (side number 0609 that used to be used by First Lieutenant Mr. Markus to go from Serayu Hotel in Timika to Freeport Tembagapura.	Information should be taken from the First Lieutenant Mr. Markus (Army Special Force Command), First Lieutenant Mr. Wawan Suwandi (Army Special Force Command), Lower Ranking Sergeant Mr. I Wayan Suradnya (Army Special Force Command), Private First Class Mr. Jufri Uswasnas (Army Special Force Command). Note: —Indonesian Police does not have the authority. —The information should be taken by a Solid Team that is founded by the Government of Indonesia. —Almost all the community in Timika (Police/Indonesian Army/community) know First Lieutenant Mr. Markus (Army Special Force Command).
2	On August 31, 2002, before Decky Murip went with a vehicle with a side number 0609 (used to be used by First Lieutenant Mr. Markus), in Serayu Hotel Mr. Decky Murip (Operational Team Assistant of Army Special Force Command) was given two bottles of beer with plastic covers tied with a string, the others drank from the bottle with the original cover. Because Decky Muruip drank those two bottles with a plastic cover, he lost his Identity Card that was saved in his pocket.	Information should be taken from First Lieutenant Mr. Markus (Army Special Force Command), First Lieutenant Mr. Wawan Suwandi (Army Special Force Command), Lower Ranking Sergeant Mr. I Wayan Suradnya (Army Special Force Command), Private First Class Mr. Jufri Uswasnas (Army Special Force Command). Note: —Indonesian Police does not have the authority. —The information should be taken by a Solid Team that is founded by the Government of Indonesia. —Decky Murip (Operational Team Assistant of Army Special Force Command) was given a special drink and then invited to go with the group.
3	Decky Murip (Operational Team Assistant of Army Special Force Command), after he drank the two bottles with plastic covers and strings jumped into the white Freeport vehicle with side number 0609 with the First Lieutenant Mr. Markus and the driver called "Mas" with the other 8 (eight) persons that wore black vests carrying short black barrel guns (approximately 50 cm. length) and one of them wore a black hat with the white command knife logo. They stared from Serayu Hotel in Timika to go up to Freeport Tembagapura, and Decky Murip (Operational Team Assistant of Army Special Force Command) with the other 4 (four) persons, the staff members of First Lieutenant Mr. Markus (Army Special Force Command) were dropped off after Mile 50 (after passing the tunnel), and their task was to wait for further command and to listen to the explosion of gun shots for 4X.	Information should be taken from First Lieutenant Mr. Markus (Army Special Force Command), First Lieutenant Mr. Wawan Suwandi (Army Special Force Command), Lower Ranking Sergeant Mr. I Wayan Suradnya (Army Special Force Command), Private First Class Mr. Jufri Uswasnas (Army Special Force Command). Note: —Indonesian Police does not have the authority. —The information should be taken by a Solid Team that is founded by the Government of Indonesia. —Why parts of the group was dropped off, Decky Murip (Operational Team Assistant of Army Special Force Command) + 4 (four) persons had to wait and listen to the 4 (four) shots? Was it a code? Or an execution, was it possible that Mr. X was executed during the sound of explosion that was heard by Decky Murip and the other 4 (four) persons with black vests?
4	Decky Murip (Operational Team Assistant of Army Special Force Command) with the other 4 (four) persons, the staff members of First Lieutenant Mr. Markus (Army Special Force Command) after waiting in the place that they were dropped off (after Mile 50) for a while, they were picked up again by First Lieutenant Mr. Markus (Army Special Force Command) with a driver called "Mas" with the other 4 (four) persons, the staff members of First Lieutenant Mr. Markus (Army Special Force Command) with the same vehicle (white vehicle with side number 0609) and the total of people were 11 (eleven) including First Lieutenant Mr. Markus (Army Special Force Command) and the driver, they were brought from Mile 50 down toward Timika and went round and round without any direction and without stopping and then went back up to the location of the incident at Mile 63.	Information should be taken from First Lieutenant Mr. Markus (Army Special Force Command), First Lieutenant Mr. Wawan Suwandi (Army Special Force Command), Lower Ranking Sergeant Mr. I Wayan Suradnya (Army Special Force Command), Private First Class Mr. Jufri Uswasnas (Army Special Force Command). Note: —Indonesian Police does not have the authority. —The information should be taken by a Solid Team that is founded by the Government of Indonesia. Question: Why after the vehicle went round and round without any direction and without stopping, Markus Cs then brought the group with black vests up to the location of the incident at Mile 63, and then asked Decky Murip (Operational Team Assistant of Army Special Force Command) to go to the hill in order to chase the Rebellious Movement Group? Answer: If Decky Murip (Operational Team Assistant of Army Special Force command) followed the command to go to the hill with the bushes (where it was guessed there were people there around the location of the incident at Mile 63), probably that black vested group that was brought by First Lieutenant Mr. Markus, would execute Decky Murip (Operational Team Assistant of Army Special Force Command) considered to be the attacker of the attack that had just happened on August 31, 2002, this would show as if that First Lieutenant Mr. Markus and the black vested group had rendered a good service in chasing and finding the attacker in that day of August 31, 2002. This scenario plan in the location of the incident will damage the image of the Army Special Force Command Cendrawasih Team, because Decky Murip is the Operational Team Assistant of the Army Special Force Command.
5	When the group (that was led by First Lieutenant Mr. Markus (Army Special Force Command) with a driver and 8 (eight) staff members and Decky Murip (Operational Team Assistant of the Army Special Force Command) arrived at the location of the incident at Mile 63 toward Tembagapura, they stopped and all of them got out of the vehicle and saw the evidence (the victim's vehicle), at that same time Decky Murip (Operational Team Assistant of Army Special Force Command) was ordered by the First Lieutenant Mr. Markus (Army Special Force Command) to go to the hill in order to check if there were people in the bushes on the hill, but Decky Murip (Operational Team Assistant of Army Special Force Command) rejected the order of the First Lieutenant Mr. Markus (Army Special Force Command) because he said he felt dizzy which was caused by that drink (two bottles with plastic covers and strings), and he did not want to go to the hill to check the area in the location of the incident at Mile 63.	Information should be taken from First Lieutenant Mr. Markus (Army Special Force Command), First Lieutenant Mr. Wawan Suwandi (Army Special Force Command), Lower Ranking Sergeant Mr. I Wayan Suradnya (Army Special Force Command), Private First Class Mr. Jufri Uswasnas (Army Special Force Command). Note: —Indonesian Police does not have the authority. —The information should be taken by a Solid Team that is founded by the Government of Indonesia. Question: What will happen if Decky Murip (Operational Team Assistant of the Army Special Force Command) would go to the bushy hills around the location of the incident at Mile 63? Answer: Probably he would be a target for shooting by the black vested group that was led by First Lieutenant Mr. Markus.
6	The result of the investigation, Freeport vehicle with side number 0609 usually was driven by a driver named Nathan, on a daily basis Nathan served as a driver for the Commander of the Task Force of Cendrawasih Army Special Force Command, if the Commander was on duty in Timika and Tembagapura.	Information should be taken from First Lieutenant Mr. Markus (Army Special Force Command) First Lieutenant Mr. Wawan Suwandi (Army Special Force Command), Lower Ranking Sergeant Mr. I Wayan Suradnya (Army Special Force Command), Private First Class Mr. Jufri Uswasnas (Army Special Force Command). Note: —Indonesian Police does not have the authority. —The information should be taken by a Solid Team that is founded by the Government of Indonesia.

SUGGESTION FOR FURTHER PROCESSING OF THE WITNESS'S INVESTIGATION OFFICIAL REPORT, MR. DECKY MURIP (OPERATIONAL TEAM ASSISTANCE OF ARMY SPECIAL FORCE COMMAND)—Continued

No.	Contents of investigation official report (witnesses has been sworn in)	Material to be evaluated and analyzed
7	The August 31, 2002 chronological group plan was begun from Serayu Hotel at 7:30 EIT where Decky Murip (Operational Team Assistant of the Army Special Force Command) drank the two bottles with plastic covers and strings, with the other 4 (four) persons (the staff of the First Lieutenant Mr. Markus member of Army Special Force Command), and then they were dropped at Mile 50 and the rest of the group went up (Tembagapura), but then they came back and picked up Decky Murip (Operational Team Assistant of Army Special Force Command) and the other 4 (four) people (the staff of the First Lieutenant Mr. Markus member of Army Special Force Command), and then they all went back down toward Timika, the vehicle went round and round and then went back up and stopped after the incident of shooting at the location of the incident at Mile 63, then the group went down from the vehicle (with side number 0609) in order to see the evidence, the vehicle that was shot by the ambush. Then Decky Murip (Operational Team Assistant of Army special Force Command) did not want to follow the order of the First Lieutenant Mr. Markus member of Army Special Force Command) to investigate the hill around the location of the incident at Mile 63, and then went back down to Timika. Need explanation from the Army Special Force Command in order to clarify the information from Decky Murip (Operational Team Assistant of the Army Special Force Command). If the information was vague, it was a violation of Article 242 KUPH that said "to provide vague information" to the Police Investigator or to the Army Special Force command. And the person will also be charged by Article 310 KUPH that said about "damaging somebody's reputation" because he/she has defiled the reputation of the Special Armed Force Command (Indonesian Armed Force). It was getting worse since the Press Conference on the television on September 25, 2002 at 23:30 EIT or 21:30 West Indonesian Time (WIT).	Referring to the information that was given by Decky Murip (Operational Team Assistant of Army Special Force Command) that was supported by ELSHAM (ELSHAM is one of the NGO group). The Head of the Tribe, and a Pastor, and they spontaneously willing to do the Press Conference on the television, therefore it is important for the government of Indonesia to develop a team in order to clarify the case so it will alleviate the conflict between the Indonesian Police that act as the investigator for managing the case in the location of the incident that is located in a vital project (PT Freeport) and the misunderstood group. According to January 14, 2002 Operational Regiment Tembaga (Ren Ops Tembaga) that is valid for 365 days (one year) until January 2003, the location of the incident that is located in PT Freeport is under the authority of The XVII Trikora Regional Military Command. Note: —The vehicles that were used by Army Special Force Command without side numbers (had been erased) with vague numbers "DS" were freely driven in the area of Timika and go up and down vice versa to Tembagapura. —The Indonesian Police that conducted the investigation in the area that is under the authority of the Indonesian National Army Force, needs to be backed up by a solid team that is developed by the government of Indonesia, because it is very sensitive and easy to become a conflict between the Indonesian Police and the Indonesian National Army Force (PAM PROVITNAS PT FREEPORT/OPS TEMBAGA 14 2002 by Trikora Regional Military Command).

Additional Information:

1. All of the information about Decky Murip (Operational Team Assistant of Army Special Force Command) has been submitted by Vice Chairman of the Provincial Police to The Commander of the Task Force of the Army Special Force Command (Cendrawasih Team) in his residence on September 24, 2002 between 09:00–23:00 EIT.

2. The Press Conference, led by Mr. Jhon Rumbiak—EILSHAM (one of the NGO group), was held at September 25, 2002 at 23:30 IT or 21:30 WIT.

3. Mr. Siburian, the Lieutenant Colonel Infantry and the Commander of Task Force of the Army Special Force Command (Cendrawasih team), said that the information provided by those people and the Operational Team Assistant did not mean to mention the Cendrawasih Team of Army Special Force Command, and the purpose of Jhon Rumbiak and Decky Murip was to manipulate the public opinion in order to make the Army Special Force Command—Indonesian National Army Force look bad.

THE TRIANGLE AUTHENTICATION

The Location of the Incident (TKP)

1. August 31, 2002—block on Mile 62.
2. September 1, 2002—block Mile 61 (Police).
3. September 13, 2002—some members of 515 Task Force regiment were shot at. That happened at Mile 63.
4. September 14, 2002—the investigation team was shot at. That happened at Mile 62.
5. September 14, 2002—some members of 515 Task Force regiment were shot at Mile 62, 2 (two) holes from the outside and 4 (four) holes from the inside.
6. September 14, 2002—found bomb at Mile 62.
7. September 20, 2002—found explosive at Mile 63.
8. September 20, 2002—found 7 (seven) bullet holders, 2 (two) SS–1 bullet shells, 1 (one) M–16 bullet shell.

The Rectangle on the Top Left Hand Corner (the explanation is connected to Mr. X)

1. Larva/maggot inside the intestine of the victim seen from the open stomach.
2. The stomach and the intestine was empty, found brown color liquid, the person had not eaten for more than 12 hours.
3. The victim had been dead for more than 6 hours when the Tembagapura Hospital received the dead body.
4. All of the dead body was rigid (rigor mortis).
5. There were 4 (four) horizontal shooting holes that caused the death of the victim.
6. The diameter of the testicle is approximately 17 cm., the victim was suffering Testicle Hydrocele.
7. The last position was at the dent of the hill, with 80° steep grade (steep down to a deep gorge).
8. The dead body was thrown away down 8 meters and was dragged for approximately 78 meters through the tree roots and sharp gravel.

The Rectangle on the Bottom Left Hand Corner (the explanation is connected to the evidence)

1. The case of August 31, 2002:

a. 95 bullet shells 5.56 and 7.62 caliber;

b. The vehicles of the victim (3 trucks and 2 jeeps);

c. 3 victims were dead & 11 heavy/light injured; and

d. Approximately 134 bullet holes.

2. The case of September 1, 2002:

a. Mr. X;

b. The accessories of Mr. X (bag, flashlight, m. tawon, ABC battery, pepsodent, etc.);

c. Bullet shells 5.56 + 7.62 + 1 broken M–16 magazine;

d. Mr. X hat with Special Army Force Command logo; and

e. Black shirt, black jacket, brown short pant.

Note: m. tawon = minyak tawon = a special medicated oil that is normally used by the people from Indonesia especially people that come from the eastern part of Indonesia.

The Rectangle on the Right Hand Side (the explanation is connected to the Witnesses)

1. Dwi Lasmono (the 515 driver), Agus Rahmat (Freeport Security) & Darius (the owner of a local pub in Banti) know Mr. X who was often hanging around close to 515 Station in Banti.
2. Daud Tandirerung, Yonan Djikwa, and Kamame Mum (driver & passenger of TDS pick up) saw at the location of the incident 2 (two) soldiers without attributes shooting at them, these witnesses faced down instantaneously, switched the gear, accelerated the vehicle, and drove away.
3. Stephen Emma & Francene saw 5–6 young men near adulthood, arose on the side of a trailer, carried long barrel gun and ran into the bushes in front of the location of the incident.
4. Sandra Hopkins & Kenneth Balk saw (for a minute) a black male, with black shirt, striped pants, with pendant hair, who was looking out toward Tembagapura direction.
5. The second rank corporal Mr. Wayan shot Mr. X (tsk) from the top of the hill to the exact position of Mr. X (slanted 80° at down direction).
6. The second rank of corporal Mr. Melky was the first person who saw the dead body of Mr. X.
7. The second lieutenant infantry Mr. Yanto/Highest Rank of Private Mr. Sugi Private Second Class Mr. Slamet/Highest Rank of Private Mr. Margono/Private Second Class Mr. Suriyadi/Second Rank Corporal Mr. Putu Dharma & Lower Ranking Sergeant Mr. Ketut, they were all the people who dragged the dead body approximately for 78 meters through rocks and sharp gravel to the side of the road between Timika and Tembagapura.
8. Dr. Kunto (the head of Tembagapura Hospital) was the first person that saw the larva or maggots in Mr. X intestines.
9. The Head of the Forensic Laboratory confirmed the findings of Dr. Kunto (Tembagapura Hospital).
10. Highest Rank of Private Mr. Suherman (his right thigh was shot).
11. Timika Military District Commander (the first person who called the Mimika Head of County Police at 12:45 EIT; Mr. X was shot + Highest Rank of Private Mr. Suherman was shot).
12. The trailer driver (Mastur) saw one shooter with pendant hair, black face, clean face without beard/moustache wearing striped shirt and pants without attributes, with a long barrel gun.

THE CASES OF AUGUST 31, 2002 UP TO SEPTEMBER 1, 2002 (TEMBAGAPURA)

A. Motive

1. To create a situation that makes people pay attention.
2. To create a feeling of insecurity for those who use the road between Timika and Tembagapura.

B. Modus Operandi

1. Brutal shooting with a fully automatic gun.
2. There is no specific target for the victim.
3. Shooting and placing expired explosives around Mile 62 and Mile 62.5 and Mile 63 with the position always on the right side of the road between Timika and Tembagapura direction.

C. Deception:

1. On August 31, 2002 after the event, Second Lieutenant Infantry Mr. Yanto was shot with an empty bullet at Mile 62.5 (the evidence of the bullet shell was kept by Mimika County Police).
2. On September 1, 2002 the Highest Rank of Private Mr. Suherman was shot in his right thigh at Mile 62.5 (the exact location of the incident was not known yet).
3. The community around Freeport does not know Mr. X (they kept their mouths shut).
4. On September 13, 2002, the shooting at the Indonesian Army Strategic Reserve Command #515 Task Force and Security at Mile 63 (the attacker was still around the location of the incident).
5. On September 14, 2002 the vehicle of 515 Bama was shot, 2 from outside & 6 bullet holes from the inside of the vehicle itself at Mile 62 (the attacker was still around the location of the incident).
6. On September 14, 2002 the explosive was found, 3 (three) Power Gel sticks, 4 (four) detonators, 2 (two) ABC batteries and 3

(three) 20 meters detonator cables at Mile 62 (was crystallized & expired)(the attacker was still around the location of the incident).

7. On September 14, 2002 after the finding of the explosive, the 515 Vice Battalion Commander said, this event will acknowledge to The Territorial Military Commander and Head of the Provincial Police what is the true situation around here, so please do not always blame the Indonesian National Army Force.

8. In his statement, the Jakarta Territorial Military Commander said that this Tembagapura case may be caused by the PT Freeport Indonesia internal, and not by the people from the forest (the attacker was still around the location of the incident).

9. On September 14, 2002 the individuals at Mile 50 station were threatened by two phone calls stating that the station would be attacked. The person, making the threats, called from no. 358 (that was used by the Army Strategic Reserve Command #515 Task Force and Security station, The Head of the Section II 515 Task Force Security), where this number at that time was used by Cendrawasih Task Force, and from a cellular phone number 08124887486 that was owned by First Class Sergeant Mr. Jatmiko, the member of Army Special Force Command, Cendrawasih Task Force to 0901–422907 (the supporting document is the call list print out that can be used for evidence)(the attacker was still around the location of the incident).

10. On September 20, 2002, the Second Lieutenant Infantry Mr. Rahmat found the explosive at Mile 63, 2 Power Gel & 2 Cassuary bones (the attacker was still around the location of the incident).

11. The PT Freeport vehicles still existed and were based on the EPO consideration (EPO=Exploration Production Operation) they might be used without side numbers and with vague license plate numbers, those are:

a. DS 1154 PD, used by Intelligence Detachment First Lieutenant Mr. Hartono, this vehicle originally has the side number 01–2234.

b. DS 1149 MA, used by Special Army Force Command Captain Irwan, this vehicle originally has the side number 01–2229.

c. DS 20 PD, used by Special Army Force Command Mas Jen, this vehicle did not have side number and was not registered in the office of Timika.

d. DS 54 PD, used by Special Army Force Command and driven by the EPO employee Mr. Nathan and was not registered in the office of Timika.

e. DS 1330 FB, was under contract by EPO and in that time was used by the Special Army Force Command the First Lieutenant Mr. Lukito, and this vehicle originally has the side number 01–1432 with the newest (renewal) DS 1301 MA, but was not put on yet.

f. On September 29, 2002 The Head of Unit Traffic Mimika County Police had the pictures as proof of evidence for the above explanation from point (a) up to point (e).

D. The Alternative of the Existence Mr. X.

1. Mr. X came by himself with 2 (two) of his friends and they came to the position on the hill below the position of the Second Rank Corporal Mr. Wayan at the top of the hill. Wayan was planning to shoot the police on the road that will come at 8:00 in the morning together with the investigators team at the location of the incident. Then there was an approximate lapse of 3 hours and at 11:40 EIT Mr. X. was pronounced dead because of the shooting by the Second Rank of Corporal Mr. Wayan. Those two friends of Mr. X. with black and red shirts ran away and carried Mr. X's weapon, they ran down through the steep gorge. After that, Mr. X dead body was brought down 8 m. and then dragged 78 m to the side of the road after Territorial Military Commander/Head of the Provincial Police/Commander of the Cendrawasih Special Army Force Command/Battalion Commander of 515 Army Strategic Reserve Command/Regiment Commander of Sorong/Head of the Directorate IPP Papuan Regional Police came to see and witnessed the dead body of Mr. X, then Mr. X dead body was brought to Tembagapura Hospital and then handled directly by Dr. Kunto Rahardjo (who saw the larva/maggots on the intestines of the open stomach of Mr. X).

2. Mr. X was shot to death in another location and then brought to the forest and placed on the hill below Wayan's position on the top of the hill, and then there was a lapse of approximately 3 hours, then at 11:40 Mr. X was pronounced dead because of the shooting by the Second Rank of Corporal Mr. Wayan at the location of the incident on the back of the hill. Then the dead body of Mr. X was brought down 8 m. and then dragged 78 m to the side of the road after Territorial Military Commander/Head of the Provincial Police/Regiment Commander/Battalion Commander of 515 Army Strategic Reserve Command/Head of the Directcrate IPP came to see and witnessed the dead body of Mr. X, then

Mr. X's dead body was brought to Tembagapura Hospital and then handled directly by Dr. Kunto Rahardjo (who saw the larva/maggots on the intestines of the open stomach of Mr. X).

3. Mr. X was shot to death and then his dead body was delivered and placed on the side of the road in order to be seen and witnessed by Territorial Military Commander/Head of the Provincial Police/Regiment Commander/Commander of the Cendrawasih Special Army Force Command/Battalion Commander of 515 Army Strategic Reserve Command/Head of the Directorate IPP Papuan Regional Police, then Mr. X's dead body was brought to Tembagapura Hospital and then handled directly by Dr. Kunto Rahardjo who saw the larva/maggots on the intestines of the open stomach of Mr. X.

E. Evaluation Analysis

1. First Alternative: Mr. X suffered from Testicle Hydrocele acute disease (the inflammation of both testicles for approximately more than 1 year and the diameter of the testicle approximately 17 cm.). With his health condition it is impossible for Mr. X to go up to the hill to the location of the incident. (Mr. X's physical/health and mental condition does not support the first alternative).

2. Second Alternative: It is impossible for the persons who create the scenario. Because it took too long of a time and it was too exhausting for them to go up to the hill and carry the dead body of Mr. X and then carry Mr. X back down to the side of the road in order to be seen and witnessed by the Territorial Military Commander/Head of the Provincial Police/Regiment Commander/Commander of the Cendrawasih Special Army Force Command/Battalion Commander of 515/Head of the Directorate IPP Papuan Regional Police.

3. Third Alternative: It is the most possible scenario that has been proposed. Mr. X was shot to death before. Then Mr. X's dead body was brought and placed on the side of the road in order to "invite" the police investigator team to come and to investigate the location of the incident and at the same time to wait for the coming of the group that consisted of the Territorial Military Commander/Head of the Provincial Police/Regiment Commander/Commander of the Cendrawasih Special Army Force Command/Battalion Commander of 515/Head of the Directorate IPP Papuan Regional Police to witness that it is true that Mr. X was the attacker on August 31, 2002 and also the attacker on September 1, 2002.

4. Referring to the third alternative that it was the most possible scenario. In order to make the case more clear, 10 (ten) questions need to be asked:

(1) Who is Mr. X?

(2) Where is the exact location where Mr. X was picked up at?

(3) Where is the exact location where Mr. X was shot before he was placed on the side of the road?

(4) Who picked up Mr. X and who shot Mr. X?

(5) Why did they create this kind of scenario for Mr. X?

(6) Who are the parties that have worked together to develop this Mr. X scenario?

(7) Is this Mr. X scenario known by the responsible security of PT. FI (OPS TEMBAGA–14)?

(8) Who is the initiator (the first person) to create this plan or create this Mr. X scenario?

(9) What kind of vehicle was used to pick up Mr. X and to drop Mr. X's dead body on the side of the road?

(10) What is the background reason that had triggered the creation of this scenario for Mr. X?

F. Closing

This is all about the findings pertaining to Mr. X. It is supported by the data and the facts from:

1. The condition of Mr. X while he was still alive.

2. The condition of dead Mr. X at the location of the incident.

3. The condition of Mr. X when the autopsy was performed.

4. The condition of Mr. X after he was buried in the Timika public cemetery.

PAYING TRIBUTE TO JAMES HARLOW

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to James Harlow for his commitment to education and public service in his La Junta, Colorado, community. For nearly four decades, James has been teaching English at La Junta High School and, after a rewarding career, will be retiring next year. For his outstanding dedication and commitment to the youth of La Junta, I would like to thank James before this body of Congress and this nation today.

Those whose lives James have touched over the years know him to be a passionate, friendly, and fair teacher. His inspiration to become a teacher came from his own high school English teacher, and since graduating from Adams State College, he has taught and inspired countless youths in his own classroom. Since 1965, James has taught English classes at the high school, and since 1976, has coached the school's golf team.

Mr. Speaker, I am honored to bring the service of James Harlow to the attention of this body of Congress, and commend him for the manner in which he has served his La Junta, Colorado community. The dedication and enthusiasm he brings to teaching his students is admirable, and I would like to thank him for all he has done for La Junta, and wish him the best in his future endeavors.

PAYING TRIBUTE TO JOSIE LUJAN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to thank Josie Lujan for the remarkable work she has done over the years educating her students. Her career as an educator has been marked by high accolades, and her upcoming retirement from Monte Vista High School will most certainly bring more awards, as she has already received her school's Golden Apple Award this year. It is my privilege to pay tribute to Josie as she puts the finishing touches on an extraordinary career.

Lujan perhaps is best known for the 1978 Lujan Act, an act that bears her name in reference to the lawsuit in which she was named the lead plaintiff. The Lujan Act guaranteed equal educational funding from the State of Colorado for poor and rural schools, and her dedication in this cause earned her the Federico Pena Community Service Award in 1979.

Josie continued challenging long held inequities when she was appointed to a vacated seat on the previously all male Del Norte School Board, to which she was subsequently re-elected. Despite her many historical achievements, it is her work with her special education students at Monte Vista High School, beginning in 1979, which fills her with the most joy. Lujan has carried out the role of educating her students, not only in scholastic subjects, but also in life skills, with remarkable compassion and devotion. Although she is retiring, her work with special education students will continue through programs such as therapeutic riding.

Mr. Speaker, I am honored to pay tribute to the service of Josie Lujan before this body of Congress and this nation, and to congratulate her on an outstanding career. I would like to wish her the best in her retirement and sincerely thank her for her service.

HONORING JAM PRODUCTIONS, LTD.

HON. RAHM EMANUEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. EMANUEL. Mr. Speaker, I rise to congratulate Jam Productions, Ltd. of Chicago after 33 years of excellence and dedication to their work in music promotions.

Jam Productions was co-founded in 1971 by Jerry Mickelson and Arny Granat, and has since become one of the country's leading promoters of concerts and shows, including public concerts, theatrical performances and private and corporate events.

During this time, Jam Productions has made Chicago proud through its efforts working with organizations and businesses in the community. They have worked with top names in the music industry, like U2, Frank Sinatra and Paul McCartney.

They have produced meetings and events for Fortune 500 companies including Ameritech, Philip Morris Companies, Miller Brewing, Ford Motor Company and HBO Entertainment.

Jam has developed close relationships with their clients by working through the entire production process for each individual project. This determination has made them the preferred production house at both Soldier Field and the United Center in Chicago.

In addition, Jam Productions, Ltd. has been continuously involved with organizations and events such as the Illinois state Gubernatorial Inauguration, the Democratic National Convention, the Grand Opening of Chicago's Museum Campus, the Chicago's AIDS Foundation annual gala benefit, the 100th Anniversary of the Veterans of Foreign Wars and the Grand Opening of Chicago's Navy Pier.

The staff of Jam Productions is considered an expert at each process of design and logistics, pre-show planning and production. Their valuable experience working with audiences both large and small continues to be a model for both Chicago businesses and for the entertainment field.

Mr. Speaker, I join with the people of Chicago in congratulating Jam Productions, Inc. on their achievement, and wish them continued growth and accomplishment in the future.

PROVIDING FOR CONSIDERATION OF H.R. 3717, BROADCAST DECENCY ENFORCEMENT ACT OF 2004

SPEECH OF

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 2004

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3717) to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmission of obscene, indecent, and profane language:

Mr. PAUL. Mr. Chairman, Americans are right to be outraged at much of the content of broadcast television and radio today. Too many television and radio programs regularly mock the values of millions of Americans and feature lude, inappropriate conduct. It is totally legitimate and even praiseworthy for people to use market forces, such as boycotts of the sponsors of the offensive programs, to pressure networks to remove objectionable programming. However, it is not legitimate for Congress to censor broadcast programs.

The First Amendment says, "Congress shall make no law . . . abridging the freedom of speech. . . ." It does not make an exception for broadcast television. Some argue that broadcast speech is different because broadcasters are using the "people's airwaves." Of course, the "people" don't really control the airwaves anymore then the "people" control the government in the "People's Republic" of China! Instead, the "people's airwaves" is a euphemism for government control of the airwaves. Of course, government exceeded its Constitutional authority when it nationalized the broadcast industry.

Furthermore, there was no economic justification for Congress determining who is, and is not, allowed to access the broadcast spectrum. Instead of nationalizing the spectrum, the Federal Government should have allowed private parties to homestead parts of the broadcast spectrum and settle disputes over ownership and use through market processes, contracts, and, if necessary, application of the common law of contracts and torts. Such a market-based solution would have provided a more efficient allocation of the broadcast spectrum than has government regulation.

Congress used its unconstitutional and unjustified power-grab over the allocation of broadcast spectrum to justify imposing federal regulations on broadcasters. Thus, the Federal Government used one unconstitutional action to justify another seizing of regulatory control over the content of a means of communication in direct violation of the First Amendment.

Congress should reject H.R. 3717, the Broadcast Decency Enforcement Act, because, by increasing fines and making it easier for governments to revoke the licenses of broadcasters who violate federal standards, H.R. 3717 expands an unconstitutional exercise of federal power. H.R. 3717 also establishes new frontiers in censorship by levying fines on individual artists for violating FCC regulations.

Congress should also reject H.R. 3717 because the new powers granted to the FCC may be abused by a future administration to crack down on political speech. The bill applies to speech the agency has determined is "obscene" or "indecent." While this may not appear to include political speech, I would remind my colleagues that there is a serious political movement that believes that the expression of certain political opinions should be censored by the government because it is "hate speech." Proponents of these views would not hesitate to redefine indecency to include "hate speech." Ironically, many of the strongest proponents of H.R. 3717 also hold views that would likely be classified as "indecent hate speech."

The new FCC powers contained in H.R. 3717 could even be used to censor religious speech. Just this week, a group filed a petition with the United States Department of Justice asking the agency to use federal hate crimes laws against the directors, producers, and screenwriters of the popular movie, "The Passion of the Christ." Can anyone doubt that, if H.R. 3717 passes, any broadcaster who dares show "The Passion" or similar material will risk facing indecency charges? Our founders recognized the interdependence of free speech and religious liberty; this is why they are protected together in the First Amendment. The more the Federal Government restricts free speech, the more our religious liberties are endangered.

The reason we are considering H.R. 3717 is not unrelated to questions regarding state censorship of political speech. Many of this bill's most rabid supporters appear to be motivated by the attacks on a member of Congress, and other statements critical of the current administration and violating the standards of political correctness, by "shock jock" Howard Stern. I have heard descriptions of Stern's radio program that suggest this is a despicable program. However, I find even more troubling the idea that the Federal Government should censor anyone because of his comments about a member of Congress. Such behavior is more suited for members of a Soviet politburo than members of a representative body in a constitutional republic.

The nation's leading conservative radio broadcaster, Rush Limbaugh, has expressed opposition to a federal crackdown on radio broadcast speech that offends politicians and bureaucrats:

> If the government is going to 'censor' what they think is right and wrong . . . . what happens if a whole bunch of John Kerrys, or Terry McAliffes start running this country. And decide conservative views are leading to violence?
>
> I am in the free speech business. It's one thing for a company to determine if they are going to be party to it. It's another thing for the government to do it.

Mr. Chairman, I am also concerned that the new powers H.R. 3717 creates will be applied in a manner that gives an unfair advantage to large media conglomerates. While the FCC will occasionally go after one of the major media conglomerates when it does something especially outrageous, the agency will likely spend most of its energies going after smaller outlets such as college and independent radio stations. Because college and independent stations lack the political clout of the large media companies, the FCC can prosecute them without incurring the wrath of powerful politicians. In addition, because these stations often cater to a small, niche audience, FCC actions against them would not incur the public opposition it would if the agency tried to kick "Survivor" off the air. Most significantly, college and independent stations lack the financial and technical resources to absolutely guarantee that no violations of ambiguous FCC regulations occur and to defend themselves adequately if the FCC attempts to revoke their licenses. Thus, college and independent radio stations make tempting targets for the FCC. My colleagues who are concerned about media concentration should consider how giving the FCC extended power to revoke licenses might increase media concentration.

H.R. 3717 should also be rejected because it is unnecessary. Major broadcasters' profits depend on their ability to please their audiences and thus attract advertisers. Advertisers are oftentimes "risk adverse," that is, afraid to sponsor anything that might offend a substantial portion of the viewing audience, who they hope to turn into customers. Therefore, networks have a market incentive to avoid offending the audience. It was fear of alienating the audience, and thus losing advertising revenue, that led to CBS's quick attempt at "damage control" after the Super Bowl. Last year, we witnessed a remarkable demonstration of the power of private citizens when public pressure convinced CBS to change plans to air the movie "The Reagans," which outraged conservatives concerned about its distortion of the life of Ronald Reagan.

Clearly, the American people do not need the government to protect them from "indecent" broadcasts. In fact, the unacknowledged root of the problem is that a large segment of the American people has chosen to watch material that fellow citizens find indecent. Once again, I sympathize with those who are offended by the choices of their fellow citizens. I do not watch or listen to the lewd material that predominates on the airwaves today, and I am puzzled that anyone could find that sort of thing entertaining. However, my colleagues should remember that government action cannot improve the people's morals; it can only reduce liberty.

Mr. Chairman, H.R. 3717 is the latest in an increasing number of attacks on free speech. For years, those who wanted to regulate and restrict speech in the commercial marketplace relied on the commercial speech doctrine that provides a lower level of protection to speech designed to provide a profit to the speaker. However, this doctrine has no Constitutional authority because the plain language of the First Amendment does not make any exceptions for commercial speech!

Even the proponents of the commercial speech doctrine agreed that the Federal Government should never restrict political speech. Yet, this Congress, this administration, and this Supreme Court have restricted political speech with the recently enacted campaign finance reform law. Meanwhile, the Department of Justice has indicated it will use the war against terrorism to monitor critics of the administration's foreign policy, thus chilling antiwar political speech. Of course, on many college campuses students have to watch what they say lest they run afoul of the rules of "political correctness." Even telling a "politically incorrect" joke can bring a student up on charges before the thought police! Now, self-proclaimed opponents of political correctness want to use federal power to punish colleges that allows the expression of views they consider "unpatriotic" and/or punish colleges when the composition of the facility does not meet their definition of diversity.

Just this week, there was a full-page ad in Roll Call, the daily paper distributed to House members, from people who want Congress to impose new regulations on movies featuring smoking. No doubt the sponsors of this ads are drooling over the prospect of fining stations that show Humphrey Bogart movies for indecent broadcasts.

These assaults on speech show a trend away from allowing the free and open expression of all ideas and points of view toward censoring those ideas that may offend some politically powerful group or upset those currently holding government power. Since censorship of speech invariably leads to censorship of ideas, this trend does not bode well for the future of personal liberty in America.

In conclusion, Mr. Chairman, because H.R. 3717 is the latest assault in a disturbing pattern of attacks on the First Amendment, I must vote against it and urge my colleagues to do the same.

PAYING TRIBUTE TO THE AMERICAN LUNG ASSOCIATION

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. McINNIS. Mr. Speaker, it is an honor to rise and pay tribute today to the American Lung Association on their 100th Anniversary. As the oldest voluntary health organization in the nation, its mission to combat tuberculosis and other lung diseases has done much to improve the health of our citizens. I would like to congratulate the Association for its one hundred years of service to America and commend their ongoing efforts in fighting lung diseases.

The American Lung Association was founded in 1904 as the National Association for the Study and Prevention of Tuberculosis by a group of dedicated doctors, nurses and volunteers to fight the tuberculosis epidemic. Since its founding, it has expanded its focus to include research, education, and advocacy programs for fighting all types of lung ailments. With the decline of tuberculosis related illnesses in the 1960s, the Association led education campaigns on the hazards of smoking and on chronic respiratory disease, which it continues to this day. The Association also played a major role in sponsoring progressive programs on asthma control, targeting our nation's youth.

Mr. Speaker, it is my privilege to recognize the American Lung Association and its numerous volunteers and staff for their work over the last hundred years. Its laudable goal of eradicating all types of lung diseases is an ever-continuing effort, and it is an honor to pay tribute to the Association before this body of Congress and this nation today. I wish them all the best in their continuing endeavors, and thank them for their 100 years of service to our nation's health.

HONORING 50 YEARS OF SERVICE OF PHILIP E. BARRINGER, A CAREER DIPLOMAT AND PUBLIC SERVANT

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. COX. Mr. Speaker, friends, colleagues, and a grateful nation will honor Philip E. Barringer in a memorial service this Friday. Mr. Barringer served half a century negotiating the arrangements that protect the interests of the United States and our Service personnel around the world. His negotiating career began with one of the twentieth century's historic diplomatic tasks: negotiating for governance of post-war Germany between the United States, the Soviet Union, France, and the United Kingdom. From the time of the signing of the North Atlantic Treaty in 1949 until his retirement in 1999, he served in a civilian capacity in the Pentagon negotiating agreements on stationing, access rights, and the legal status of United States military forces based in friendly foreign countries. For the majority of that long and distinguished period of public service, he was Director of Foreign Military Rights Affairs, an office under the Assistant Secretary for International Security Affairs.

The United States has been fortunate that a man of Mr. Barringer's consummate skill had educational opportunities that uniquely prepared him for a life of negotiating on behalf of his nation. Born in Haverford, Pennsylvania, in 1916, he graduated from the Episcopal Academy with highest honors in 1933. He studied for a year in Heidelberg College, Germany in 1934, gaining insight into the crucial events taking place in Germany during Hitler's rise. He returned to the United States and attended Princeton University, graduating in 1938 with honors in European history. Subsequent law studies at the University of Pennsylvania were interrupted by the mobilization of the Pennsylvania National Guard in 1941. During and following World War II, he served with the 28th Division Artillery; in Headquarters Army Ground Forces; and as Secretary of the Legal Division of the Allied Control Council for Germany. In 1945 he helped develop the quadripartite arrangements for occupied Germany.

He served 50 years in the Pentagon. Among his early assignments were an effort to stimulate Latin America to contribute to the Korean War, participating in negotiation of the NATO Status of Forces Agreement, and negotiating a leasing agreement for U.S. forces in Iceland.

After attending the National War College in 1950–51, Mr. Barringer was assigned to the West Germany, Berlin and Eastern Europe Programs at the Pentagon. In that capacity, he was a member of the U.S. Delegation to the 1954 Berlin Conference on Germany and Austria, and the ensuing Geneva Convention on Korea and Indo-China. His primary responsibility was to coordinate the West German defense contribution to NATO; this was enlarged in 1956 to assisting western European nations in meeting their military contributions to NATO.

Between 1964 and 1966, he served as politico-military attaché at the American Embassy in London. Here he worked with the British Foreign and Defense ministries to lay the political foundation for the military use arrangements for Diego Garcia. As Congress reflects on America's victory in Iraq, especially during this anniversary week, it is important to recognize how many efforts, over so long a period of time, have contributed to America's strength. Mr. Barringer's contribution to this matter alone was critical to permitting Diego Garcia to serve its very valuable role in supporting our forces in operations against Saddam Hussein in 1990–91 and again in 2003.

On returning to Washington in 1967, he served 1 year as Deputy Director of Near East and South Asian Affairs, during the Arab-Israeli war. He then became Director of Foreign Military Rights Affairs, and served as Defense representative in the continuing negotiation of basing, access and status of forces agreements, covering 25 countries and areas worldwide. By the end of his career, these had included: US Forces in NATO, 1951; Diego Garcia, 1964–76; Japan, 1967; Spain, 1970–88; Bahamas, 1973; Iceland, 1973–74; Panama, 1974–77 and 1997; Turkey, 1975; Philippines, 1976–90; Micronesia, 1978–89; Israel, 1979–89; Oman, 1980–86; Somalia, 1980; Morocco, 1982; Northern Marianas, 1982; Portugal, 1983–84 and 1991; Honduras, 1985–86; Thailand, 1986; Korea, 1989; Australia, 1991; Germany, 1991–92, United Arab Emirates, 1992; Guam 1993–95; Partners for Peace, 1994–95; Russia, 1998; and for German forces in the US, 1970 and 1995–96. The Pentagon awarded Mr. Barringer the Secretary of Defense Meritorious Civilian Service Medal, 1975 and 1981; Distinguished Service Medal, 1989; Meritorious Executive, Senior Executive Service, 1990, and the Paul H. Nitze award, 1998.

That list of accomplishments does not begin to speak of the full impact Mr. Barringer had on his colleagues in the Federal service, his family, or his friends. His influence will be felt by many, in very personal ways.

As a Member of Congress, I am grateful to recall a point Mr. Barringer repeatedly made in meetings before negotiations: "The Congress of the United States demands that the legal rights of American service members sent abroad be protected." For many years, under Mr. Barringer's careful watch, that principle guided the negotiation of Status of Forces Agreements governing U.S. forces serving in places as distant as Korea and Bahrain. I appreciate the opportunity to take a moment this week to remember the fine service of this talented and dedicated civil servant and recall the value of his efforts to protect the rights of our military service members serving our nation abroad.

HONORING GERALD E. BAKER

HON. RAHM EMANUEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. EMANUEL. Mr. Speaker; I rise to congratulate Gerald E. Baker on his recent retirement from the Airline Pilots Association.

Jerry Baker is a graduate of North Park College, now North Park University, located here in Chicago's Fifth Congressional District. He received an M.A.T. from Northwestern University and a J.D. from the National Law Center at George Washington University before embarking on a distinguished career spanning 35 years promoting the airline industry, its workers and their important interests before the U.S. Congress.

From 1968 to 1976, Jerry served as the legislative representative for American Airlines, and has served as the legislative counsel for the Airline Pilots Association since 1976. During his 28-year tenure with ALPA, Jerry has been involved in virtually every piece of legislation that affects the professional interests of commercial airline pilots.

From the deregulation of the airline industry in the 1970's, the turbulence of the 1980's, the relative prosperity of the 1990's, and the devastating events of September 11th, Jerry Baker has served the airline industry with competence and professionalism.

Jerry also enjoys a solid reputation for developing personal relationships that he has fostered on both sides of the aisle. Leaders in both the House and Senate look to Jerry for his experience, diligence and his bipartisan approach toward advancing the interests of the airline industry.

Away from Capitol Hill and downtown Washington, one of Jerry's principal interests is The County Club of Woodmore in Mitchellville, Maryland, where he has served for the last four years as the president of their Board of Directors. Here's hoping that Jerry gets to spend even more time there with this family and many good friends in the coming years.

I have tremendous respect for Jerry's knowledge of the industry, his integrity and his firm advocacy for airline workers and their families. He is a shining example of leadership and commitment to hard-working Americans and their values. I am grateful for our friendship and mutual support for a strong airline industry in the United States.

Mr. Speaker, I join with all of the airline pilots he represents and on behalf of the Illinois delegation in congratulating Jerry Baker on his retirement. I wish him, his wife Barbara and their three daughters all the happiness and continued success into the future. His presence will certainly be missed by all of us here in Congress.

PAYING TRIBUTE TO KAROL BENROTH

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to congratulate Karol Benroth of Grand Junction, Colorado, on being named the School Psychologist Advocate of the Year by the Colorado Society of School Psychologists. The psychologists of School District 51 nominated Karol for the award, which recognizes outstanding leadership, support, and inspiration to school psychology and the children they serve. This award is a well-deserved testament to her achievements.

Karol's efforts as the safe and drug free schools coordinator have been instrumental in making District 51 schools safer, in turn fostering an environment where students are free to focus on their education. Specifically, she has provided the staff of District 51 schools with training in the areas of bully proofing, drug and alcohol response, and threat assessment. In keeping with her selfless nature, she credits the efforts of her fellow staff members, as well as parents and students, for her success.

Mr. Speaker, I am honored to pay tribute to the service and achievements of Karol Benroth before this body of Congress and this nation. I congratulate her on having the distinction of being named School Psychologist Advocate of the year. Her contributions to our schools, children, and families are truly remarkable. I sincerely thank her for her service.

TRIBUTE TO FRANCES HARRIS

HON. MARSHA BLACKBURN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mrs. BLACKBURN. Mr. Speaker, there is no better way to strengthen your country, than by strengthening your community. One great American has been strengthening her community for 50 years as a member of the Brentwood Garden Club. Frances Harris was one of the founding members of the organization in 1954, and she is the only original member still actively involved with the club.

The Brentwood Garden Club holds an exceptional flower show each year, and they have successfully organized projects such as home and garden tours, and refurbishing the landscaping at public buildings.

Frances is an accredited flower show judge. She is also a member of the Association for the Preservation of Antiquities and a founding member of the Heritage Foundation of Franklin and Williamson County. Through her community involvement, she has worked to make America beautiful. All of our nation's communities should be so fortunate to have a Frances Harris. I thank her for preserving our communities and promoting good citizenship.

PAYING TRIBUTE TO VICTORIA ROMERO COE

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. McINNIS. Mr. Speaker, it is a privilege to rise today to pay tribute to Victoria Romero Coe for her selfless dedication to the community of Durango, Colorado, and congratulate her on being recognized by the Durango Chamber of Commerce as their 2003 Volunteer of the Year. Victoria received this honor in recognition of her outstanding work with the Durango Latino Education Coalition and numerous other civic organizations. It is an honor to pay tribute to Victoria for her well-deserved award, and her ongoing efforts to better her community today.

As an active member in her community, Victoria dedicates her time to helping minority students achieve their potential in school by implementing programs to help bolster high school graduation rates. She is a founding member of the Durango Latino Education Coalition and serves on the board of the Southwest Youth Corps. When Victoria is not dedicating her time to these various civic organizations, she works with New Mexico Medicare and the Aztec and Bloomfield schools as a pediatric physical therapist.

Mr. Speaker, it is my privilege to recognize Victoria before this body of Congress and this nation for her dedication and commitment to the Durango, Colorado community. She has done much to improve the lives of minority students in her community, and I congratulate her on her recent honor as the 2003 Durango Chamber of Commerce Volunteer of the Year. I wish her all the best in her future endeavors.

PERSONAL EXPLANATION

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. GONZALEZ. Mr. Speaker, on rollcall Vote Nos. 42, 43, 44, 45, 46, and 47, had I been present, I would have voted "yes."

PAYING TRIBUTE TO EARL AND FLOY YOUNG

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to congratulate Earl and Floy Young of Grand Junction, Colorado, on their forty-fourth wedding anniversary. At the same time, I would like to commend them for their selfless acts of service, for you see, they spent their anniversary in an unconventional manner, namely on a humanitarian mission to provide dental services to the impoverished people of Udaipur, India.

For the past few years, the Youngs have been traveling with Health Teams International, donating their time and efforts and also paying their own travel expenses in order to bring dental care to parts of the world that are in dire need. They are remarkable individuals, and it is my pleasure to recognize their actions before this body of Congress and this nation today.

The Youngs served their Grand Junction community side by side for over thirty years in Earl's dental practice, where Floy served in various positions, from office manager to chair side assistant. After Earl retired from his practice seven years ago, the Youngs discovered their passion for travel, and their desire to serve people through dentistry leading them to join Health Teams International. In addition to India, the Youngs have been to Siberia, Myanmar, and have made multiple visits to Cambodia and Ethiopia. It is a testament to their courage and perseverance that they continue these trips in spite of difficult and sometimes even dangerous conditions. During their recent trip to India, the Youngs had to work with limited equipment and medicine and also had to travel daily on a rocky one lane road where they encountered elephants as opposing traffic and faced the constant threat of bandits if they were not back to camp by nightfall.

Mr. Speaker, I am honored to bring the service of Earl and Floy Young to the attention of this body of Congress and this nation, and to commend them for the manner in which they have represented their community of Grand Junction and the United States. I would like to wish the Youngs the best of luck in all their future endeavors, which includes another humanitarian mission to Cambodia this July. I sincerely thank them for their service.

IN HONOR OF WOMEN'S HISTORY MONTH

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. KIND. Mr. Speaker, I rise today in honor of Women's History Month. In 1987, Congress passed a resolution designating the month of March as Women's History Month as a time to honor, "American women of every race, class and ethnic background [who] have made historic contributions to the growth and strength of our Nation in countless recorded and unrecorded ways."

For 2004, the theme of Women's History Month is "Women Inspiring Hope and Possibility." To celebrate this month, I would like to honor four of the numerous women from Wisconsin's history who inspired hope and possibility through their selfless efforts in gaining suffrage for women in America.

First, I would like to recognize Ada James, who served as president of the Political Equality League from 1911 to 1919. As a dedicated women's suffrage advocate, Ms. James spent these eight years preceding the Ratification of the suffrage amendment to the U.S. Constitution on an automobile tour through Southern Wisconsin. She spoke at state and county fairs, and to farmers and workers in factories with her fellow suffragists. Ms. James was a native of Richland Center, a city in Wisconsin's Third Congressional District, and I am honored to be able to share Ms. James' story here.

Reverend Olympia Brown resided in Racine, Wisconsin, where she was elected president of the Wisconsin Women's Suffrage Association, holding this post for thirty years. Reverend Brown lived a life of activism, and after being refused at Wisconsin polls, she took here case to the State Supreme Court. Despite a decision rendered in favor of the election inspectors, she never accepted defeat. She continued to fight for women's right to vote, and was one of the few suffrage leaders who lived to be able to cast a vote in the presidential election of 1920—the first in which women could vote.

As the first Wisconsin-born leader of the state's suffrage movement, Theodora Winton Youmans was able to help the movement gain momentum by writing a regular column for the Waukesha Freeman. She used her column as a platform to educate the public about suffrage and women's rights. After leaving her post as assistant editor in the 1890's, Ms. Youmans worked to create the Wisconsin Federation of Women's Clubs, serving as its president in 1900. In 1924, she lost a bid to Congress, and it was not until nearly 75 years later that Wisconsin would see its first Congresswoman with the election of TAMMY BALDWIN in 1999, who continues to represent Wisconsin women today.

Lastly, but certainly not least, I would like to honor the achievements of Carrie Lane Chapman Catt. As a native of Ripon, Wisconsin, she played the largest role in the final passage of the 19th Amendment. Her campaign was successful because she pushed for reform in the states, instead of focusing solely on a constitutional amendment. In 1990, she succeeded Susan B. Anthony as the president of the National American Woman Suffrage Association. Following ratification of the amendment, her leadership abilities were not forgotten as she helped establish the League of Women Voters, which is still active today. I think I speak for all people from Wisconsin when I say that we are fortunate to have had such a remarkable woman in our history.

These four women, along with so many others, inspired hope and possibility not only in Wisconsin, but across the United States. I have no doubt that their devotion to the cause was the sole reason why Wisconsin was the first state to ratify the 19th Amendment on June 10th 1919. I am honored to share these women's stories today, as their efforts made Wisconsin a leader in this landmark roll call of democracy. In many ways, their hopes are still with us today. As a reflection of this, I will end my statement with a quotation from Carrie Chapman Catt:

> "Everybody counts in applying democracy. And there will never be a true democracy until every responsible and law-abiding adult in it, without regard to race, sex, color or creed has his or her own inalienable and unpurchasable voice in government."

HOUSE OF REPRESENTATIVES—*Wednesday, March 17, 2004*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. BASS).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 17, 2004.

I hereby appoint the Honorable CHARLES F. BASS to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord, be with the American people as they pray today for all who witness for You in this world.

We ask You to be with all those who serve the public in roles of government, military service, homeland security, and neighborhood protection.

May all leaders of religious faiths, businesses, communities, and families be blessed with courage, perseverance, and hope.

May teachers, preachers, scientists, and artists bring the light of wisdom into the darkness of this age.

Remove evil from the sight of children. Calm every fear.

Fill everyone with the knowledge of Your presence here, now, and forever.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Texas (Mr. NEUGEBAUER) come forward and lead the House in the Pledge of Allegiance.

Mr. NEUGEBAUER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

IRAQ LIBERATION HAS BROUGHT THE HOPE OF FREEDOM TO MILLIONS

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, 1 year ago this Friday the historic liberation of the Iraqi people from Saddam Hussein's vicious tyranny began. Thanks to the leadership of President George W. Bush and the courage of our military with coalition partners, Iraqis no longer fear Saddam's torture chambers and executions. Instead, millions enjoy the hope of freedom and democracy.

Today, Iraqi women have the freedom to participate in government and children are going to newly renovated schools. Decades of neglect by Saddam are being reversed in record time as health clinics, water sources, electricity and sanitation are being restored throughout the country.

Most importantly, the world no longer lives under the constant threat of a madman who harbored and supported terrorists.

After World War II, we helped rebuild Germany to assist it from becoming a breeding ground for communists, and we were successful. Today we are rebuilding Iraq to assist it from being a breeding ground for terrorists, and we will be successful in protecting American families.

In conclusion, God bless our troops. And we will never forget September 11.

U.S. POLICY IN IRAQ DEFINED

(Mr. BLUMENAUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUMENAUER. Mr. Speaker, the House is about to consider H. Res. 561, which represents another missed opportunity for this body. The war in Iraq defined and drove United States' policy for the last 2 years. While there are legitimate questions about whether we are as a world safer today than we were a year ago, this resolution ignores the real question of how safe the world would be, if we had done it right.

While there was never a doubt about the U.S. winning the war, this administration ignored the cost of winning the peace. Our young men and women in uniform pay the price every day in Iraq for that failure.

Yes, we need to support; yes, we need to unify; yes, we need to indicate our appreciation for our troops; but more important, we need to learn from this experience. How do we improve our intelligence and our military execution so that our soldiers are not unnecessarily put in harm's way in the future? Our families at home and our troops overseas deserve for us to do it right.

THE TOTALITARIAN GULAG IN CUBA

(Mr. LINCOLN DIAZ-BALART of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, exactly 1 year ago, taking advantage of the attention of the world on the liberation of Iraq where U.S. Armed Forces and coalition forces eliminated a dangerous madman from power, that formerly oppressed country, the Cuban dictator 90 miles from the United States utilizing that cover of attention on Iraq, commenced a campaign to throw dozens of peaceful pro-democracy activists, librarians and economists and journalists and students and workers and others into the totalitarian gulag where they joined the thousands of others who languish as political prisoners in that enslaved island.

Mr. Speaker, each day we must remind the world of the existence of the totalitarian gulag 90 miles from the United States. We must demand the release of each and every political prisoner on that island. We must not rest until they are all free.

REGARDING IRAQ RESOLUTION

(Mr. MCDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, I rise to talk about the Iraq resolution that I will vote "no" on today.

Republicans would like us to say America is safer. I wish that were true, but it is not. We have only to look at what happened in Spain to be reminded. Terrorism threatens America today just as much as terrorism threatened America before we invaded Iraq.

Make no mistake, I wholeheartedly support the U.S. soldiers. My support does not stop at the Iraq border, nor is my support bounded by political party. I regularly visit troops at Walter Reed Hospital, and I urge every Member to do so. They are the best soldiers and they make America proud.

□This symbol represents the time of day during the House proceedings, e.g., □1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I would like to pass a resolution praising our soldiers, but this Republican resolution is meant to legitimize a position the administration cannot defend at home or abroad. Look at the Spanish election. We have lost soldiers. We continue to lose them. We have lost credibility. And we have found nothing.

This is not worthy of a victory lap. I will not sing the praises of the Bush doctrine.

SHALLOWATER HIGH SCHOOL STATE CHAMPIONS

(Mr. NEUGEBAUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEUGEBAUER. Mr. Speaker, I rise today to recognize the Shallowater High School State champion boys and girls basketball teams. Within the span of 1 week, the Shallowater boys teams followed the girls in an elite list of State basketball championships. This is an unprecedented victory for the school which can only be attributed to pure hard work and dedication.

In a rare moment in Texas State championships, both the girls and boys basketball teams won a State title. The Mustangs from Shallowater executed a 47–45 overtime victory over Argyle, thus winning the class 2A boys championship game. Just a week earlier, the Fillies, the girls team from Shallowater, triumphed over Aubrey with a dramatic 44–37 win and captured the girls 2A State championship game.

This is no small feat for a rural community high school like Shallowater to achieve what it has in this past week. These students have shown exemplary performance and proven what a commitment can do.

Shallowater is the home of champions. The players, Coach Chuck Darden, and Coach Ray Morris will go down in history as the folks who put their town in the spotlight through determination and hard work.

SALUTE TO THE GREY BERETS

(Mr. ISAKSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ISAKSON. Mr. Speaker, I rise today to pay tribute to all of our men and women in harm's way in Iraq and our Operation Iraqi Freedom, but in particular to focus on the Grey Berets Special Operation Forces Weathermen.

Although the war had not commenced as of this date a year ago, already for weeks on the ground many brave soldiers from these forces had infiltrated Iraq, had set up meteorological operations and were communicating to our pilots, to our Air Force, to our Navy, our Marines and Army the critical weather information necessary for a safe, a death-free, as much as possible, and a successful invasion of Iraq and the liberation of the Iraqi people.

Tonight, the Weather Channel Network will feature a 1-hour special on these brave men and women who went into harm's way before battle began, who hid, who worked, who got the data, and made sure our pilots, our Navy, our Marines, and Air Force had the information they needed.

I commend these brave Grey Berets. I commend the Weather Channel Network for paying special tribute to them on this day.

IRAQ'S INTERIM CONSTITUTION

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, on the 1-year anniversary of the war in Iraq, I rise to applaud the Iraqi civil leaders who last Monday on March 8 signed the interim constitution, the Transitional Administrative Law. With the adoption of this law, the governing council has taken a historic step forward towards a democratic Iraq. It took only 12 months, Mr. Speaker, to defeat Saddam Hussein and transition to an interim constitution.

Now, my colleagues, it took 6 years for the first State in the Union, Delaware, to ratify our Constitution, and several more years before the original 13 finally ratified.

Iraq is moving at a much faster pace. One year ago, the naysayers said we did not have enough forces in place to defeat Iraq's military. Naysayers said we could never find Saddam Hussein; and naysayers doubted that we could get Kurds, Shia, and Sunni Muslims to agree on anything.

Mr. Speaker, 1 year later the naysayers are wrong.

IRAQ REPLACES NEW HAMPSHIRE IN PRIMARY

(Mr. OBEY asked and was given permission to address the House for 1 minute.)

Mr. OBEY. Mr. Speaker, I am so excited by what I just heard that I expect that we will fully see Iraq replace New Hampshire on the Presidential primary circuit before long.

PERMISSION TO REVISE AND EXTEND ON HOUSE RESOLUTION H. RES. 557, RELATING TO LIBERATION OF IRAQI PEOPLE

Mr. OBEY. Mr. Speaker, I ask unanimous consent to extend my remarks and include extraneous material during the House debate on the Iraqi resolution later today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CELEBRATING AGRICULTURE IN WESTERN IOWA

(Mr. KING of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KING of Iowa. Mr. Speaker, I rise today not only because of St. Patrick's Day but because it is also National Agriculture Week. Iowa ranks number one in the Nation in corn, soybean, pork and egg production, and second in total agricultural exports. We have a fertile State with some of the richest and most productive soil in the world. And we use this resource to provide the safest food supply in the world.

This week I am asking Iowans to celebrate our rich heritage of agricultural production; but I also want us to look with anticipation to the future of agriculture, value-added agriculture, and our youth. Iowa agriculture is no longer just about growing commodities that we ship away by truck, train, or barge. Farmers in western Iowa have realized that if we do all of our business this way our small towns and cities will lose its youth, a very precious resource.

As I look at the youth of my district, I want them to have all the benefits of growing up in a farming community. And I want to see them in our communities making a difference, choosing to raise their families in western Iowa for years to come. There is no better place if we can continue to be innovative in agricultural development.

Our farmers and community leaders have led the charge to develop this new generation of agriculture because we think differently in Iowa. Let us use National Agriculture Week to thank them not only for rich heritage of agriculture production but for looking to the future and building a foundation for a new rural western Iowa.

☐ 1015

COMMEMORATING NATIONAL WOMEN'S HISTORY MONTH AND STOP VIOLENCE WEEK

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am proud to stand this morning to commemorate National Women's History Month and Stop Violence Week. This year's theme is Women Inspiring Hope and Possibility.

We are delighted, if you will, to reflect upon the history that women have made in the United States, but we also recognize that we must stand against violence and sexual assault. We know that both sexual and domestic violence and victims fear reporting is one of the greater challenges of women today in America.

In my State of Texas, nearly 2 million adult Texans, almost 13 percent of the State population, have been sexually assaulted. This is number one in the minds of many women. In Texas, every 2 minutes someone is sexually assaulted, and 2 women are killed each week by their intimate partner, and approximately 31 percent of sexual assault victims reported that a family member also had been sexually assaulted. An estimate of 82 percent of rapes and sexual assaults go unreported because of shame, fear, and hurt and anger, and nearly 80 percent of those raped know the person who raped them.

We realize in working with the Texans Against Sexual Assault and the Texas Council on Family Violence that we have a challenge before us.

Mr. Speaker, I conclude by saluting women for the progress they have made, but also reminding us as we work towards this very challenging problem, we must also include the women of Iraq who need to have their rights protected along with the children of Iraq as well.

PRESCRIPTION DRUG BENEFIT

(Mr. PORTMAN asked and was given permission to address the House for 1 minute.)

Mr. PORTMAN. Mr. Speaker, there are still some asking why Congress added a prescription drug benefit for seniors under Medicare. The reason is simple. Before we passed this law, the Medicare program operated like it was still back in 1965, when surgeries and hospital stays, rather than prescription drugs, were the primary means of treating and managing disease. Today, prescription medications not only treat illness, they can prevent them.

Prior to the changes in law, Medicare would pay an average of $5,000 for a person's hospitalization for heart failure, for instance, but not pay the $67 per month for Lipitor which is a cholesterol-lowering drug which can prevent heart failure. This is bad medicine and that is why we needed to add a prescription drug benefit.

Mr. Speaker, adding a benefit to Medicare was an important first step for providing seniors with quality and affordable health care. The benefit is entirely voluntary. The senior who does not want to take the benefit, they do not have to.

The prescription drug benefit is simple. It provides seniors relief from the high cost of prescription drugs, and it focuses that relief on those who need it most. Those who have low income, 12 million seniors get the benefit for the low-income seniors and those with high drug costs who can benefit from the new catastrophic insurance benefit.

Mr. Speaker, the new Medicare law provides seniors a choice and control with their drug plans, and it is good for our seniors.

PAYING THE DEBT OF HONOR

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, we are told if you owe debts, pay debts; if honor, then honor; if respect, then respect. And today, appropriately, we will commend and pay the debt of honor that we owe to American forces, our allies, and the brave people of Iraq in the success of Operation Iraqi Freedom begun one year ago.

But, sadly, we do so against the backdrop of tragedy and retreat amidst an ally in Europe, and so as we celebrate the victory in Iraq today, let our enemies nonetheless hear this today, Mr. Speaker, that this President, this Congress, and the good people of the home of the brave will never cower, will never relent, and will never retreat in the war on terror until the threat of terrorism is lifted from our people and the people of the free world, so help us God.

HEALTH SAVINGS ACCOUNTS

(Mr. CANTOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CANTOR. Mr. Speaker, in the historic Medicare prescription drug bill, Congress created health savings accounts to give individuals greater choice over their health care decisions, radically expand access to health care, and drive down rising costs.

According to the National Association of Health Underwriters, one of the most important ways to address the rising cost is through encouraging purchasers of health insurance to become better consumers. HSAs will do that.

HSAs are providing real savings. A family of four in my district used to pay $532 a month for health care and now pays only $245 a month after establishing a HSA plan.

HSAs will give Americans more choices, better access to health care, and empower them to save money.

QADDAFI WANTS TO BE ON THE WINNING SIDE

(Mr. CHOCOLA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHOCOLA. Mr. Speaker, later today we are going to have a debate about a resolution of Iraq, and we will hear a lot of debate about whether America is safer because of our successes in Iraq and Afghanistan.

Mr. Speaker, there really is no debate, and I saw the proof with my own eyes when I recently traveled to Libya and met with Muammar Qaddafi, and I heard Muammar Qaddafi say with my own ears that he did not want to follow the path of Saddam Hussein and that is why he had decided to dismantle his weapons of mass destruction and abandon supporting terrorists.

Mr. Speaker, some of my friends on the other side of the aisle do not understand that we are winning the war on terror, but Muammar Qaddafi understands it perfectly clear, and he wants to be on the winning side.

SUPPORTING OUR TROOPS

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, Columbus did not discover the trade route, but I am glad he made the journey. We did not find the weapons of mass destruction in Iraq, which we were so sure were there. Even JOHN EDWARDS and JOHN KERRY, Bill Clinton, and many of the leading Democrats who are so critical of this administration said 2 years ago there were weapons of mass destruction in Iraq.

But aside from that, what we did find is nearly 400 mass graves of citizens who had disappeared from their families. We found women who had been raped, husbands and brothers who had disappeared, forced to join an Army or had their tongue cut out for saying the wrong thing. We found a very oppressed people. We have liberated those people.

I believe what we have done in Iraq, we made the right decision, and I am very proud of the soldiers that are over there and the ones who have come home have done the job.

I am proud to represent the 3rd Infantry that was so much a part of the campaign in the Euphrates River last year. I believe the worst thing we can do in Washington now, in the name of partisan politics, is to try to erode this victory in order to gain the White House.

I hope we will all come together today and support this very important resolution in support of our troops.

MARKING THE ONE-YEAR ANNIVERSARY OF OPERATION IRAQI FREEDOM

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, as true as my friend from Georgia has just said, we are about to begin consideration of a very important resolution. It is one which I believe should, in fact, enjoy strong bipartisan support. It is noncontroversial in that it is designed simply to, as the gentleman from Illinois (Chairman HYDE) said last night before the Committee on Rules, provide commendation to our troops and to the Iraqi people and to the coalition forces for the fact that a year ago this week they began this effort to bring about the liberation of the people of Iraq, and there has been tremendous success.

We often hear of the negatives, Mr. Speaker, but I think it is important, as Secretary Donald Rumsfeld has pointed out time and time again, we are seeing schools rebuilt. We are seeing all kinds of very, very positive developments, even though we deal with some serious challenges.

So, Mr. Speaker, my message as we prepare for consideration of this rule, which will be debated for an hour and then we will have 4 hours of debate which will allow for a wide range of views to come forward, I hope that at the end of the day, the United States House of Representatives will stand firmly behind our troops and this effort which we mark the anniversary of right now.

PROVIDING FOR CONSIDERATION OF H. RES. 557, RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 561 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 561

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the resolution (H. Res. 557) relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces. The resolution shall be considered as read for amendment. The previous question shall be considered as ordered on the resolution and preamble to final adoption without intervening motion except: (1) four hours of debate equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations or their designee; and (2) one motion to recommit which may not contain instructions.

SEC. 2. During consideration of House Resolution 557 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the resolution to a time designated by the Speaker.

The SPEAKER pro tempore (Mr. BASS). The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my friend, the gentleman from Fort Lauderdale (Mr. HASTINGS) pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, 1 year ago, our brave servicemen and -women began a military operation that brought freedom for tens of millions, toppled one of the most despicable regimes in the history of the world, and strengthened the national security for the American people.

Operation Iraqi Freedom was, and continues to be, a military success of the highest order. Within 4 weeks from the start of operations on March 19 of last year, the U.S. military had won unqualified victory. Saddam Hussein and his Baathist regime could no longer terrorize the Iraqi people who were finally free to act, do and say as they pleased for the first time in decades.

Mr. Speaker, there is no question that Saddam Hussein endangered world security. He posed a threat to his people, his region and the international community. Trusting the intentions of a man who started two wars, gassed his own people, and supported international terrorism would have been grossly irresponsible.

As weapons inspector David Kay has said, we know Saddam Hussein wanted weapons of mass destruction, we know he was attempting to resuscitate his illicit programs, and we know with certainty who he viewed his greatest enemy to be.

In a world where Iran can buy its way to a nuclear program with assistance from Pakistan's top nuclear scientist, combined with Saddam's access to illicit oil revenue, the fact that weapons of mass destruction have not yet been found in Iraq is hardly proof that Saddam Hussein did not want to severely hurt our country. Moreover, American national security has been solidified by the military action that was undertaken last year.

Mr. Speaker, does anyone really believe that Iran would be cooperating with international nuclear inspectors today if we had not launched this military operation? Does anyone really believe that North Korea would be engaged in six-party talks over the future of their nuclear program if the United States had not deposed Saddam Hussein? Does anyone really believe that Muammar Qaddafi, as recalcitrant in his defiance to the international community as ever a dictator has been, would have willingly come to the United States and Britain and declared that he wanted to end his illicit weapons programs had the American military not marched into Baghdad?

Mr. Speaker, Operation Iraqi Freedom sent an unmistakable signal to the rest of the world's tyrannical leaders: Either play by the rules or face the consequences.

Now, the events of September 11 taught us that we cannot allow threats to arrive on our shores before we combat them. If other Nations wish to keep their head in the sand about the dangers of proliferation and terrorism, that is their prerogative, but we cannot and could not afford to take that chance.

To those who complain of the cost of war and its aftermath, I simply will note that estimates of the cost of containing Saddam and his successors, as some have argued we should have done, are upwards of six times the dollar amount we have spent on war and reconstruction thus far, and significantly higher in terms of human lives lost.

Because of the heroic action of our military, the Iraqi threat has been mitigated efficiently and a new dawn has begun for the people of Iraq.

Earlier this month, Iraqi leaders signed the transitional administrative law into effect. It establishes an Iraqi law, a bill of fundamental human rights and paves the way for Iraqi democracy.

Perhaps more important than the signing of the law itself, was the agreement of Suni, Shiite, and Kurdish leaders to sign the document. While differences amongst them remain, and the road ahead will be difficult, it is clear they are acting with the best interests of the new Iraq and its people firmly in mind.

I should say our colleague, the gentlewoman from Ohio (Ms. PRYCE) is going to, in her remarks today, tell a very moving story about the fact that these very, very disparate groups have been able to come together sharing this pursued goal.

The Iraqi people themselves are clearly enjoying their newfound freedoms under the transitional government. Poll results released just yesterday demonstrate that not only do a significant majority of Iraqis feel they are much better off than they were under Saddam Hussein's reign, but the extremely high level of participation in the poll demonstrates their desire to exercise their right to speak their minds, something that was unthinkable under the tyranny of Saddam Hussein.

□ 1030

Such progress has only been possible because of the tireless commitment of our Armed Forces and those of the 34 nations assisting us to provide security on the ground in Iraq.

It is dangerous territory; and the forces of evil, whether they be Ba'athist remnants or infiltrated al-Qaeda sympathizers, are a constant threat. In the past year, we have lost over 550 of our best and brightest Americans, with another 3,190 wounded. That number, as it is in any conflict, is too high. Without question, we owe the soldiers we have lost, the soldiers who remain, and their families, an enormous debt of gratitude. Mr. Speaker, that is exactly what this resolution marking this first anniversary is designed to do. If there is any solace, it is knowing that because of their actions, America and the world are safer places today with Saddam Hussein's regime dismantled.

Because of our military, the people of Iraq have a bright future, where Sunni, Shiite, and Kurd alike can dream of being treated equally, of electing their representatives, of owning a prosperous business, and being free to say, worship, and read what they want.

Mr. Speaker, it would be all too easy for the United States to leave Iraq now and let the Iraqi people fend for themselves. Avoiding conflict is the path of least resistance and is always politically expedient. But unlike previous conflict, terrorism cannot be contained. It has no boundaries. It has no rules. One day it strikes Baghdad, the next Madrid. The only recipe for success in this war is our resolve to defeat threats where we see them and promote democracy where we can.

Mr. Speaker, true success in the war on terror is taking place right now on the ground in Baghdad and Kabul. By supporting, securing, and strengthening the democratic governments of Iraq and Afghanistan, we are promoting greater equality within those countries as well as providing forums for those who feel disaffected to air they grievances without picking up arms. As open and transparent governments spread throughout the world, the precursor ingredients for terrorism, anger, and fanaticism will dissipate. That will be the continuing legacy of Operation Iraqi Freedom.

Mr. Speaker, I strongly support this rule and the underlying resolution, which not only affirms the actions that the United States undertook a year ago, but provides every Member of this body the opportunity to reaffirm their own personal commitment to winning the war against terrorism, our commitment to democracy in Iraq, and, most important, to our troops in the field.

Mr. Speaker, it is my hope that this resolution will enjoy strong bipartisan support. That is our goal. I also hope, Mr. Speaker, that as soon as we pass this resolution that we will immediately have it translated in Arabic so that Saddam Hussein can read it in his cell and be reminded constantly of what we and the victims are regularly reminded of. Thanks to our military, Mr. Speaker, Saddam Hussein does have time to read that.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I say to the distinguished chairman of the Committee on Rules, my very good friend, that I thank him for yielding me this time, and had it been intended that this would be a bipartisan resolution, then Members in the minority would have been included in drafting this resolution.

Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. SKELTON), the distinguished ranking member of the Committee on Armed Services.

Mr. SKELTON. Mr. Speaker, I truly wish that I could support this rule. National security is a bipartisan, or actually a nonpartisan, issue. And when we commend the troops, all of us, all of us have a stake. Every congressional district has a stake in commending the troops.

As a matter of fact, small town and rural America have furnished 46 percent and 43 percent of the deaths in Afghanistan and in Iraq. So all of us, whether we are from small towns or large cities, have a stake in a resolution commending the troops, and we should have been consulted about it. I am sorry for that.

Now, more than that, while we commend the troops, I would also have, had I been consulted, recommended that we do our best to protect our troops by including more body armor and extra up-armored Humvees, of which we still do not have enough in Iraq. As a matter of fact, Mr. Speaker, I received from the United States Army a letter indicating that there are unfunded requirements for the extra up-armored Humvees and the body armor, which is so necessary.

I would also have recommended that we have complete, timely, and high-quality health care to treat the wounds and injuries for those who have served, and to recognize those who pay the sacrifice, whether it be in wounds, injuries, or, sadly, deaths.

I would also have recognized the contributions of and the sacrifices of the families of our servicemen and -women, particularly in the Guard and Reserve. I would have recognized the efforts to improve our intelligence gaps that our troops need and so that they be better protected in the future. And I would have recognized and recommended the sufficient up-front funding for our military operations so we can ensure the safety and well-being of our troops.

Mr. Speaker, I would also have included the fact that there should have been better planning for the postwar period. I sent two letters to the President, one on September 4, 2002, and another 2 days before the attack on Iraq, both of which I include in the Record.

Mr. Speaker, I think that all of us should have been at least brought to the table and all of us had an opportunity to write this resolution. I am so proud of our troops, whether they be from Missouri or Maine or wherever they are from. This is the best military our country has ever seen. And I think every Member of Congress, both sides of the aisle, should have had the opportunity to say thank you, we are proud of you, and God bless you.

Mr. Speaker, here follows the letters to which I referred earlier in my comments:

House of Representatives,
Committee on Armed Services,
Washington, DC, September 4, 2002.

The President,
The White House,
Washington, DC.

Dear Mr. President: Thank you for inviting me to the briefing this morning. I share your concern about the continuing threat posed by Saddam Hussein and his efforts to produce weapons of mass destruction (WMD). I would like to offer my assistance as the administration considers how to deal with this threat.

Before Congress can authorize any military action that might be part of the administration's plan, we must have answers to more questions than were able to be raised at today's meeting. Our constitutional duty requires us to ensure that all implications of such action are considered in advance. The case has not yet been fully made as to what the threat is, why military force is an appropriate way of addressing the threat, and why action must occur now. In short, Congress and the American people must be clear on your strategic vision before we can authorize a specific course of action. I believe, like Clausewitz, that in strategy there is an "imperative . . . not to take the first step without considering the last."

Your strategy for dealing with Iraq must address the fundamental questions of the threat, the method of acting, and the timing. Furthermore, any strategy to eliminate Iraqi WMD must also address several component issues, each of which raises critical questions.

1. How to manage Iraq's transition to a stable post-Saddam regime

As I mentioned to you this morning, this is a crucial question for administration strategy to answer in advance of any military action. I have no doubt that our military would decisively defeat Iraq's forces and remove Saddam. But like the proverbial dog chasing the car down the road, we must consider what we would do after we caught it.

As Sun-Tzu said in the classic strategic treatise, The Art of War, "To win victory is easy; to preserve its fruits, difficult." Military planners and political leaders alike new this in World War II. Planning for the occupation of Germany and Japan—two economically viable, technologically sophisticated nations—took place well in advance of the end of the war. The extreme difficulty of occupying Iraq with its history of autocratic rule, its balkanized ethnic tensions, and its isolated economic system argues both for careful consideration of the benefits and risks of undertaking military action and for detailed advanced occupation planning if such military action is approved.

Specifically, your strategy must consider the form of a replacement regime and take seriously the possibility that this regime might be rejected by the Iraqi people, leading to civil unrest and even anarchy. The effort must be to craft a stable regime that will be geopolitically preferable to Saddam and will incorporate the disparate interests of all groups within Iraq—Shi'a, Sunni, and Kurd. We must also plan now for what to do with members of the Baath party that continue to support Saddam and with the scientists and engineers who have expertise born of the Iraqi WMD program.

All these efforts require careful planning and long-term commitment of manpower and resources. The American people must be clear about the amount of money and the number of soldiers that will have to be devoted to this effort for many years to come.

2. How to ensure the action in Iraq does not undermine international support for the broader war on terrorism

In planning for military operations in Iraq, we cannot ignore the lack of international support to date. Pre-emptive action against Iraq is currently vocally opposed by many of our allies and friends throughout the world and particularly in the Middle East.

When we are seen as acting against the concerns of large numbers of our friends, it calls into question the "humble" approach to international relations you espoused during the presidential campaign. More than that, it has several potentially damaging long-term consequences. First, it risks losing the large number of partners needed to prosecute the global war on terrorism. To ferret terrorists groups out of their many hiding places, we must have broad allied support. Second, it risks seriously damaging U.S. moral legitimacy, potentially providing states like India and Pakistan with a preemptive option that could drive long-standing conflicts beyond containable bounds.

Finally and perhaps most dangerously, actions without broad Arab support may inflame the sources of terrorism, causing unrest and anger throughout the Muslim world. This dynamic will be worse if Iraq attacks Israel—perhaps with weapons of mass destruction—and draws them into the conflict. Iran, which has the potential to seize a reformist path, may well move away from the United States in the face of attacks that could next be taken against them. Together, these dynamics will make achieving peace in the Middle East more difficult and may well provide the rationale for more terrorist attacks against Americans.

These concerns do not make military action in Iraq untenable. They do, however, highlight the depth and importance of the issues to be addressed before we strike. We need to ensure that in taking out Saddam, we don't win the battle and lose the war.

3. How to ensure that the United States can execute this operation successfully as well as its other military missions

As you are well aware, Mr. President, the consideration of military action against Iraq comes at a time when U.S. forces are actively engaged throughout the world in a range of missions. Given the operational pressures these forces currently face, we must ask what the risks and trade-offs will be of defeating Iraq, particularly if Iraqi forces mass in Baghdad for urban operations. How many casualties must the American people be prepared to take in a worst-case scenario? What will the impact of sustained operations be on so-called high-demand, low-density assets? What military operations might we have to forego because of continued demands in Iraq? Will we still be prepared for the range of other threats that might emerge throughout the world? With little allied support and contributions, will we still be able to maintain military spending on transformational technologies and on sound quality of life for our forces if we are bearing a huge wartime cost alone? What will be the impact on the domestic economy of these resources drains and of the long-term costs of reconstructing Iraq? These questions must be answered before any military action commences so that the American people understand the risks and the sacrifices involved.

I ask these questions only to highlight the complexity of the undertaking and the need for Congress, the American people, and our friends around the world to understand exactly what is at stake and why we must act now. Only such a comprehensive strategic approach will ensure that we commit U.S. troops consciously and with full knowledge of the range of challenges we face—both in the initial campaign and in the long aftermath to follow. Even a strategy that has military action as its centerpiece will require great diplomatic efforts to ensure its success. I look forward to hearing the administration's answers and to working with you to find the best course of action.

Sincerely,

IKE SKELTON,
Ranking Democrat.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, March 18, 2003.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: This is a critical week for our nation and for the world. As you prepare to make the most difficult decision of sending our troops into combat, the thoughts and prayers of all Americans are with you. My colleagues here in Congress have many different views on the wisdom of action in Iraq and the severity of its consequences. But we are united in our support for all the men and women who serve this nation.

There is no doubt that our forces will be victorious in any conflict, but there is great potential for a ragged ending to a war as we deal with the aftermath. I appreciate the efforts that members of your administration have made to keep me informed about plans for the administration and reconstruction of Iraq following military conflict. Your team has thought about many of the things that will need to be done.

Secretary Rumsfeld frequently talks about the list he keeps of things that could go wrong in an Iraq war. I have kept my own list—of things that could go wrong after the war is over. This list below is indicative of this broader list. My hope is that this will be helpful to members of your administration as you continue to plan for all possibilities. These are not complete scenarios but rather a series of possible problems that could occur in some combination.

INTERNAL DIVISIONS AND EXTERNAL INFLUENCES IN IRAQ

Without access to Iraq through Turkey, U.S. troops are not present in northern Iraq in large numbers. Turkey enters northern Iraq to establish a buffer zone and fighting breaks out between the Turks and Kurds. A significant U.S. military force is needed to separate the groups, complicating the governmental transition and international support.

An uprising in Kirkuk leaves the Kurds in control of areas of the city and surrounding area. This triggers a large Turkish invasion to protect the Turkmen minority and to prevent Kurdish control of oil resources. Again this would require U.S. military resources with all the attending effects.

In the event that Turkey crosses into Iraq, Iran may do the same, ostensibly to stem the refugee flows from southern Iraq and to protect Shi'a interests. Shi'a populations in the south rebel and undertake attacks against Sunnis. U.S. troops must step in to protect the Sunnis and restore peace. These tensions resurface during attempts to build a federal and representative government.

Urban fighting in the south brings Shi'a into conflict with Sunnis. The resulting devastation causes a refugee crisis as Shi'a make for the Iranian border. The results of Saddam's policy of forced Arabization of areas like Kirkuk yield dangerous consequences. Groups like the Kurds flow back into these areas seeking to reclaim their former homes and land, sparking conflict with Iraqi Arabs.

Attempts to fashion a federal government in Baghdad prove difficult. Iran is able to establish proxies for its influence among the Shi'a representatives. Once in Iraq, infighting breaks out among members of the former Iraqi opposition in exile. The United States is unable to transition the administration of Iraq effectively and has to remain in place, with significant military backing.

The war involves lengthy urban combat, particularly in Baghdad. Most infrastructure is destroyed resulting in massive humanitarian problems. The emphasis on humanitarian aid distracts from efforts to establish a new government. Once established the government faces massive political pressure from the sustained humanitarian crisis.

WEAPONS OF MASS DESTRUCTION

Saddam uses biological and chemical weapons against advancing U.S. troops, but also inflicts substantial civilian casualties. Efforts to stabilize cities and to establish a government are complicated by the need to deal with the large number of dead and to decontaminate affected areas.

Saddam uses biological and chemical weapons directly against civilian populations or against another Arab country and seeks to affix blame for civilian suffering to the United States. Over the period of occupation, this resentment complicates U.S. efforts to maintain support for reconstruction efforts.

U.S. troops are unable to quickly find all of Saddam's capabilities, requiring a long, labor-intensive search and anxiety as to when the task is complete.

Regional leaders, for money or to gain influence, retain caches of WMD and transfer some to terrorist groups.

Saddam attacks Israel with missiles containing weapons of mass destruction. Israel retaliates. Arab countries, notably Saudi Arabia and Jordan, come under intense political pressure to withdraw their support from the U.S. war effort. U.S. forces are forced to reposition operational centers into Iraq and Kuwait, complicating reconstruction and transition efforts.

OIL RESOURCES

Saddam sabotages a significant number of wells before his defeat. Current estimates indicate he may already have wired up to 1,500 of these wells. The damage takes years to contain at great economic and environmental cost and removes a major source of reconstruction funding.

Internal groups, such as the Kurds, seize oil-rich land before American troops reach the area, causing internal clashes over these resources. Militant Shi'as seize other wells in the South.

INTERNATIONAL SUPPORT

The United States takes immediate control of Iraq's administration and of reconstruction. The United Nations can't agree on how involved to get given the divisions among the Security Council about the need for conflict. The lack of UN involvement in the administration makes the European Union and others less likely to give. This situation delays reconstruction and puts more of the cost on the United States and a smaller number of partners.

U.S. reconstruction efforts that give U.S. corporations a great role at the expense of multilateral organizations and other participation—as was detailed in yesterday's Wall

Street Journal—spur resentment and again limit the willingness of others to participate.

AMERICAN COMMITMENT

Stabilization and reconstruction prove more difficult than expected. U.S. troop requirements approach 200,000—the figure General Shinseki has mentioned—for a sustained period. This puts pressure on troop rotations, reservists, their families, and employers and requires a dramatic increase in end-strength.

Required funding reaches the figure suggested by a recent Council on Foreign Relations assessment—$20 billion annually for several years. During a period of economic difficulty, the American public calls for greater burdensharing.

It is my hope that none of these eventualities comes to pass. But as you and all military leaders know, good planning requires considering the range of possibilities. It also requires advance preparation of the American people. You have regularly outlined the reasons for why the United States must disarm Iraq. I urge you to do the same in explaining why we must stay with Iraq for the long haul, even with the economic and military burdens this will entail.

As always, I am willing to help in any way I can to make this case to my colleagues and the American people.

Sincerely,

IKE SKELTON,
Ranking Democrat.

Mr. DREIER. Mr. Speaker, I yield myself 1 minute. I want to engage my colleague from Missouri in a colloquy.

There is no Member of this House who is more highly regarded in the area of national security than our friend, the gentleman from Missouri (Mr. SKELTON). I am privileged to be a native of the Show Me State, and he has done us all very proud.

I know at the end of the day he will want to support this resolution, Mr. Speaker, because this resolution does exactly, exactly what my friend just stated in his closing remarks: recognizing our troops.

Now, we had no intention of offending anyone in drafting the resolution. In fact, we thought it was so noncontroversial that it would be an appropriate thing to move it forward.

Mr. SKELTON. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Speaker, I would have thought it a mere courtesy of saying, Would the gentleman from Missouri like to read this over and add or make recommendations? I would love to have been there in order to support the gentleman from California.

Mr. DREIER. Reclaiming my time, Mr. Speaker, let me just say that I completely understand that he would like to have had input; and that is one of the reasons we, in fact, did provide an opportunity, which is unusual, in consideration of this rule, for a motion to recommit for Members of the minority, if in fact that was the case.

Mr. Speaker, I yield 3 minutes to the gentleman from Atlanta, Georgia (Mr. LINDER), my very good friend and the chairman of the Subcommittee on Technology and the House of the Committee on Rules.

Mr. LINDER. Mr. Speaker, I thank the chairman of the Committee on Rules for yielding me this time, and I rise in support of this rule and urge my colleagues to join me in approving this resolution.

H. Res. 561 will allow the House to work its will on the underlying resolution. It is an appropriate procedure, given the nature of H. Res. 557, which is a simple resolution. H. Res. 557 was introduced to recognize the Iraqi people's suffering under Saddam Hussein, the significant advancements being made in Iraq since last March, and the courage of U.S. and Coalition Forces as they strive to bring order and stability to the country.

The media is accurate in its reports of the difficulties that still face U.S. and Coalition Forces in Iraq. But there are also positive events taking place every day that deserve recognition and are largely ignored by the media. Probably the greatest accomplishment is that the Iraqis are returning to their lives and are enjoying freedoms that never could have existed under Saddam Hussein. Under his regime, the Iraqi lived in terror on a daily basis. Now, the people of Iraq have an opportunity to shape their history as they choose. The Iraqi people recently took their first step in shaping their future with the recent signing of the Iraqi interim constitution into law.

Other notable advancements in Iraq over the last year include the rise in oil production to roughly pre-March 2003 levels, the circulation of the new Iraqi currency, and the repair of critical infrastructure and roads. Additionally, the electricity supply has become more stable, and many Iraqi hospitals are up and running.

The number of Iraqis that have joined the Iraqi police force, border patrols, and army has also increased, allowing Iraqi citizens to participate in protection of their very own infrastructure.

Iraq is still a dangerous place, not only for Iraqi citizens but also for U.S. and Coalition Forces. I commend the U.S. and Coalition Forces for their dedication, sacrifice, and service in Iraq; and I salute them for helping to make our world a safer place.

The task of rebuilding Iraq will be no easy feat, and it will certainly take time. However, I am encouraged by the positive events of the last year, and I believe it is in the U.S.'s interest and the world's to persevere and create a stable and democratic Iraq.

Mr. Speaker, I urge my colleagues to support the rule so that we may proceed to debate the underlying legislation.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself 4½ minutes.

Mr. Speaker, I oppose this closed rule because it works against the values and principles for which American citizens are risking their lives in Iraq and Afghanistan on this very day.

We are fighting for democracy abroad, but we will not allow democracy on the floor of the House of Representatives of the United States. The fact of the matter is, if this had not been a political document, every Member of this House would follow the line, "Commends the members of the United States Armed Forces and Coalition Forces for liberating Iraq and expresses its gratitude for their valiant service." But that is not all that is in this resolution.

This is not about stopping consideration of the underlying resolution. It is a pleasure to take the time to pay tribute to the men and women who distinguish themselves daily in selfless service to this Nation. I do this, as do all Members on both sides of the aisle, at every available occasion. But there are other important matters that are not addressed in this resolution. And the fact that we were not included in its drafting allows them to be pronounced during the course of opposing this rule as well as in general debate.

We have not, for example, recognized the efforts of our National Guardsmen and Reserves, who have left friends and families and civilian jobs to serve in Iraq. But this completely closed rule does not give all Members of the House of Representatives the opportunity to commemorate the outstanding service of all those who have served in Iraq and Afghanistan.

Once this institution was considered one of the world's greatest deliberative bodies, and its Members were statespersons rather than professional self-promoters. Once Members of Congress were brimming with ideas befitting a proud democracy. But no more, Mr. Speaker. To all of my colleagues who showed up last night at the Committee on Rules with amendments that they thought could strengthen this resolution, I apologize to you for the majority's disdain for your contributions.

Actually, I had an amendment to this resolution that urged the President to provide Congress a straightforward and honest assessment of our past and future commitments in Iraq, as well as recognizing the selfless acts of the men and women in our service, who we all love and adore and applaud for their courage on a daily basis.

□ 1045

These are some of the many questions for which we are all seeking answers from the administration. Even more, there are questions to which Congress has a constitutional responsibility and obligation to raise and demand answers.

Mr. Speaker, I asked myself last night as the Committee on Rules Republicans passed yet another closed rule, and 11 have been closed, 1 has been open this year, which stifles debate and shuts off meaningful contributions from all of the Members of this Chamber, I asked myself, What is the problem? The problem is that the majority has introduced this resolution for political reasons. C–SPAN will broadcast today's speeches and Fox News will run stories professing the patriotism of those on the other side of the aisle. Thus, the Republican majority hopes to disguise the neglect and misdirection they have shown in governing by not making this a bipartisan effort.

The Republicans have not established a record which helps all Americans, and are relying on photos ops and waving the American flag to get themselves reelected. It would be much more patriotic to address the perennially underfunded veterans affairs health care system. By the Bush administration's own estimate, their policies will exclude approximately 500,000 veterans from the VA health care system by 2005. This is shameful. President Bush also proposed an increase in pay fees and copayments in an effort to shift the burden onto the backs of veterans and drive an additional 1 million veterans from the system. It is shameful.

Our troops should be taken care of when we send them into battle, and be given the respect they have earned when we bring them home. America's veterans fight and fought for our freedoms, they should not have to fight for their benefits.

As the Republicans continue to protect the wealthy and act like show horses in front of the cameras, Democrats are working for the men and women in uniform and our veterans today as well as in the future. We will continue to applaud them.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

It is true that the United States of America has had a bipartisan foreign policy. This resolution is not about foreign policy. This resolution is not about foreign policy, this is a resolution that is simply designed to congratulate our troops. I do not understand why there is any controversy on it. As I said earlier and as I said in the Committee on Rules last night, we are sorry if anyone was offended over the fact that Members of the minority were not offered a chance to have input. I said to a number of my colleagues, that is one of the reasons that we have in fact made in order a motion to recommit that will allow the minority at the end of the bill an opportunity to cast a vote on that.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Ms. PRYCE) who has done a phenomenal job of focusing on the rights of women. She chairs our Republican Conference and the Subcommittee on Legislative and Budget Process Reform for the Committee on Rules.

Ms. PRYCE of Ohio. Mr. Speaker, I stand before Members to strongly urge my colleagues to support this resolution for freedom and democracy in Iraq.

Life under Hussein's ruthless regime was unlike anything we have ever experienced. His cronies, in order to get information out of men, would rape their wives and their sisters and mothers. Women in Iraq frequently lost their husbands to "the law," never knowing what happened to them, where they went or why they were arrested. These same women, forbidden to go to work to support their families, were left to starvation.

The Iraqi women under Saddam Hussein's regime were someone's mothers, wives, and sisters, and they suffered tremendously. I led a women's delegation to Iraq and heard these atrocities firsthand from the women who now are free. They no longer dread the strong arm of Saddam Hussein's injustice. Coalition forces are now protecting the newly acquired rights of all Iraqis. I learned of the story of these two women who were protesting.

Mr. Speaker, 2 years ago they would have been executed for protesting. They were protesting to get the rights of women included in the Iraqi constitution. One of these women was waving her husband's death certificate saying, we have not waited all these years to be denied freedoms. A reporter, an Islamic reporter, went up to ask, Are you Sunni or Shiite? These women said, We may be one of each, but it is none of your business, we are Iraqis now.

That is what this is all about. This is what freedom stands for. This is what it means to two women, one who lost her husband and had no way of knowing what happened to him. This is what we are celebrating today. This is what has been accomplished by our Armed Forces, by the will of this administration.

Saddam Hussein, the ruthless murderer, is now in jail. He will be tried by his own people in his own country, and he will get his just rewards, and these two women, despite the fear and dread and horror of their past, will live in freedom. We should be very happy today.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. McGOVERN) who has fought aggressively for open rules on the Committee on Rules.

Mr. McGOVERN. Mr. Speaker, I rise in opposition to the undemocratic, completely closed rule, and in opposition to House Resolution 557.

Mr. Speaker, like all of my colleagues, I have tremendous respect for the men and women of our Armed Forces who are bearing the burden of this military action in Iraq. My support and my commitment to them and their families are unwavering. I will work to ensure that they remain the best trained, the best led, and the best equipped military force in the world. I am grateful and humbled by their courage, endurance and sacrifice, and I honor them not just today but every day, and I only wish this House was considering today a truly bipartisan resolution that properly honored our troops.

Unfortunately, once again this House is claiming to honor our troops without devoting the necessary resources for their safety or for their support. House Resolution 557 will do nothing to ensure that every one of our military personnel, including our National Guard and reservists serving on the front lines in Iraq will be fully equipped with the latest body armor. Instead, many families of our troops are buying and shipping that protection overseas to their loved ones, out of their own pockets with no hope for reimbursement. This is unacceptable, and we should fix it.

This resolution will do nothing to close the pay gap for our reservists and National Guard members who have been called away from their civilian jobs to serve in Iraq. Their families are struggling, going into debt as a result of their patriotic service. Yet the leadership of this House, unlike the other body, resists funding commonsense solutions to the problems caused by these overlong activations. This is unacceptable, and we should fix it.

This resolution contributes nothing towards fully funding our military construction needs so that all our military personnel have decent housing and facilities in which to live, train, and work. This is unacceptable, and we should fix it.

Mr. Speaker, I support our troops. I want to help the suffering people of Iraq live and prosper in a safe and secure nation. I want them to have the opportunity to choose their own government, one where every Iraqi may worship as he or she chooses, and every man, woman and child can live out their lives. But 1 year and $120 billion later, we face continuing hostilities in Iraq, with no end in sight.

This resolution fails to mention that the war in Iraq was justified by this administration on the threat of weapons of mass destruction. Why? Because just like the experts tried to tell us for months before the war, we now know there are no weapons of mass destruction in Iraq.

I do not believe we needed to send over 150,000 American troops to Iraq to confirm that fact. Mr. Speaker, 566 soldiers, sailors, airmen and marines have died, and over 3,200 more have been wounded. Thousands of Iraqi men, women and children have perished, and scores of other civilians and nationals have been killed since we entered Iraq. There is no mention, no remembrance for them in this resolution.

Today the American taxpayer is still paying for almost all of the cost of Iraq without the least idea of how much the war has cost to date or how much it will cost in the future. In fact, the operations in Iraq are not even included in the President's budget. We still do not have a truly independent commission to provide a full accounting of the events leading up to the war and the nature of the intelligence of policymaking that led the Bush administration to go to war.

Mr. Speaker, 1 year later the United States is more isolated than ever in the world. Terrorist networks are proliferating, including new networks in Iraq and Europe. And our troops abroad and our first responders at home are overstretched, underfunded, and overburdened.

I am glad Saddam Hussein no longer has the power to torment the Iraqi people, but unlike the claim made in this resolution, I do not believe that the world is a safer, less dangerous place than it was 12 months ago.

This resolution is more about what the Republican leadership wants us to forget about the past year: the costs, the bloated contracts, no weapons, no ties to al Qaeda, the flawed intelligence, the wounded and the dead.

I urge all my colleagues to remember and vote against this undemocratic rule and vote against this bill.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to simply say that again, we did not have a goal of offending Members on this. This is not about foreign policy, this is about commending our troops.

Mr. Speaker, this resolution is 2½ pages long, okay. I am going to share with our colleagues the resolved clause.

> *Resolved*, That the House of Representatives
>
> (1) affirms that the United States and the world have been made safer with the removal of Saddam Hussein and his regime from power in Iraq;
>
> (2) commends the Iraqi people for their courage in the face of unspeakable oppression and brutality inflicted on them by Saddam Hussein's regime;
>
> (3) commends the Iraqi people on the adoption of Iraq's interim constitution; and
>
> (4) commends the members of the U.S. Armed Forces and coalition forces for liberating Iraq and expresses its gratitude for their valiant service.

That is what this resolution is all about.

Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from North Carolina (Mrs. MYRICK), the very distinguished Chair of the Republican Study Committee.

Mrs. MYRICK. Mr. Speaker, I thank the gentleman for yielding me this time.

September 11, 2001, is a day that should be etched in the mind of every American, because that is the day that terrorists chose to attack America and that threat is still here. The primary function of our Federal Government is to protect our citizens and we are doing our best to see that happens.

It is now 1 year since the coalition forces entered Iraq to free those people from Saddam Hussein's rule of terror. Freedom is flourishing and the Iraqi people know they are better off. However, terrorists are still doing everything they can to interrupt that and see that does not happen. The Iraqi people are in control of their destiny for the first time, and we are here today to encourage them in that effort, and we are here today to say thank you to our troops, all those men and women who have served in the past in this effort and who are serving now over there, giving of themselves and giving their lives so they can protect these freedoms that we all enjoy. We know the world is safer today without Saddam Hussein.

We must never forget 9/11 and that we are fighting over there so we do not have to fight the terrorists here at home. And no matter what the terrorists try to do, they need to be reminded that these colors do not run.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would say to the chairman of the Committee on Rules, if this is not about foreign policy, then how is it that the chairman of the jurisdictional foreign policy committee brought it to the Committee on Rules? If it is not about foreign policy, why is the language for the Iraqi Liberation Act of 1998 referenced in this resolution? If it is not about foreign policy, why is the mention of the 16 previously adopted United Nations Security Council resolutions in this matter? If it is not about foreign policy, why is the Authorization for Use of Military Force Against Iraq Resolution 2002 referenced in this resolution? The other side of the aisle is trying to defend the indefensible.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. LANTOS), the ranking member of the Committee on International Relations, who may be able to tell us why it is not about foreign policy.

□ 1100

Mr. LANTOS. I want to thank my friend for yielding me this time.

Mr. Speaker, I rise in strong opposition to this rule, and I urge all of my colleagues to vote it down. I deeply regret that this resolution was not handled in a bipartisan manner. The Democratic side was not consulted on this resolution, and the Republican leadership bypassed its consideration before the Committee on International Relations. It is simply unacceptable that not a single amendment was made in order, no substitute is allowed; and there is no other way we on our side can offer improvements to this resolution.

Mr. Speaker, the country is at war. The men and women who serve are Democrats and Republicans and Independents. The men and women who are wounded are Democrats and Republicans and Independents. And, yes, Mr. Speaker, the men and women who die are Democrats and Republicans and Independents. The families grieving are Democrats and Republicans and independents. Many of us have tried very hard for a long time to work towards a bipartisan foreign policy decades ago and certainly since September 11. The manner in which this resolution was crafted and the way in which it is being considered under this rule is a slap in the face of all those who have tried to conduct a bipartisan foreign policy in the national interest. You on your side have neither a monopoly on wisdom nor a monopoly on patriotism. You should have come to the Democrats to craft a resolution honoring our troops, which would have passed this body unanimously. You have created divisiveness at a time when we need cohesion and unity. You have created divisiveness for no reason except illusory partisan advantage. This is a flawed resolution, flawed in its presentation, flawed in its procedure, flawed in its partisanship. This is not a Republican tax bill to be handled only by Republicans. This is a bill of national importance. Democrats, Independents, and Republicans have a right to have an input, to say how much we admire the courage and patriotism of our troops. You have failed, and you have failed miserably.

I urge my colleagues to defeat the rule and to come forward with a reasonable resolution supported across the political spectrum in this body.

Mr. DREIER. Mr. Speaker, let me just say that my friend from California is one of the greatest patriots in this institution. I hold him in the highest regard. I believe very strongly in the need for us to pursue a bipartisan foreign policy. Let me just say that, again, we had no intention of offending anyone in the crafting of this resolution, and it should be a nonpartisan resolution itself. At the end of the day because we found that controversy came forward in the Committee on Rules last night beyond the request that was made by Chairman HYDE, we did in fact offer a motion to recommit for members of the minority.

But I do believe again that this resolution is designed to do nothing more than commend the troops and the people of Iraq. That is what it is designed to do. It has nothing to do with our foreign policy. This here marks the first anniversary of this very, very successful effort. I think that what we are trying to do here is, in a bipartisan way, acknowledges that.

Mr. Speaker, I am happy to yield 3 minutes to my very good friend from

Miami, Florida (Mr. LINCOLN DIAZ-BALART), an able member of the Committee on Rules.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I thank the chairman for yielding me this time. I think it is appropriate on the 1-year anniversary of the liberation of Iraq that we focus on that monumental and extraordinary event on the floor of this House today. The resolution before us congratulates the valiant men and women of the United States Armed Forces and the Coalition for having liberated the people of Iraq, and it states that because of that heroic effort by the Armed Forces of the Coalition and principally the United States, the world is safer today. The world is safer, Mr. Speaker.

Each time a dangerous madman is removed from power anywhere in the world, the entire world is safer because there is one less madman kidnapping power in a country and holding the entire people of that country hostage and linking with terrorist groups throughout the world. Saddam Hussein was not the only dangerous enemy of freedom and peace in the world; but he was a dangerous enemy of freedom and peace in the world, and the entire world is safer because Saddam Hussein is gone from power and facing justice. I would ask the people of Iraq if they feel safer after having seen the regime deposed or if they do not feel safer.

The entire world is safer and especially, I believe, Mr. Speaker, the people of Iraq are safer. Just like we can ask the people of Albania if they feel safer because Hoxha is no longer in power or in Romania because Ceausescu is no longer in power or in Russia because Stalin is no longer in power. I think that we should ask all those peoples if they believe that they are safer or not safer because their former totalitarian despots are no longer in power. Or ask the people in Cambodia if they feel safer because Pol Pot is no longer in power.

Each time a madman is removed from power, not only the people that that madman had kidnapped and was torturing and oppressing are safer, the entire world is safer. Or is it that when we talk about Iraq, Iraq is not on planet Earth? The entire world is safer, but especially the people of Iraq are safer and the American Armed Forces are the primary liberators of that people. They deserve the commendation and the admiration of the entire world and most especially of this House. That is why I thank the authors for having brought it forward at this important occasion, the 1-year anniversary of the liberation of Iraq.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BASS). The Chair will remind Members to refrain from trafficking the well while another Member is speaking.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself 15 seconds to say to my distinguished friend from Florida that I do not believe that the families of the people of Spain or Morocco or Turkey where bombs have gone off feel safer. So maybe they are in this world.

Mr. Speaker, I am privileged to yield 3½ minutes to my good friend from California (Ms. HARMAN), the distinguished ranking member of the Permanent Select Committee on Intelligence with whom I work regularly.

Ms. HARMAN. Mr. Speaker, I thank my friend from Florida for yielding me this time and commend him for his service in this Congress and particularly his excellent service on the House Permanent Select Committee on Intelligence.

Mr. Speaker, I think it is appropriate to consider a resolution on the eve of the Iraq war anniversary. I agree that the world has much to be glad about with the fall of Saddam Hussein and the end of his despotic regime. And I certainly hope that the Iraqi people will create a transparent, democratic form of government for the first time in their history, a chance that they have now that Saddam Hussein is no longer in power. I for one, and I believe this entire Congress, will stand by them and must stand by them and support them as they make this transition. We must stay the course.

But there is more to this subject on the first anniversary of the Iraq war than H. Res. 557 acknowledges. Much more. On the anniversary of our military action in Iraq, we need to be talking about more. That is why many of us wanted an open rule and certainly an open process so that we could contribute to the language contained in this resolution.

As ranking member of one of the key committees with jurisdiction over this subject, that is, the House Permanent Select Committee on Intelligence, I would have welcomed the opportunity to share some of my ideas to fashion a great resolution which I believe would have passed this body unanimously. I consider myself a passionate bipartisan on questions of defense, national security, and intelligence; and I think that my ideas, if I had had a chance to communicate them, would have been accepted.

For example, I am one of many Members here who has visited Walter Reed to see the wounded from Iraq. These are very courageous kids. Thousands have been wounded. I would have liked us to acknowledge them and their courage.

I visited the families in my district who have lost family members in Iraq. I would have liked to acknowledge those losses and those families.

I have visited Iraq twice. Some have been there more. In addition to acknowledging our troops, I would have liked to acknowledge the intelligence community personnel who take such risks on our behalf and the civilians working selflessly there.

I worked in 1999 and 2000 as a member of the National Commission on Terrorism chaired by Jerry Bremer, Ambassador L. Paul Bremer. I might have liked to acknowledge him and his selfless service in Iraq.

Finally, Mr. Speaker, it is clear to me, and I will address this along with other Intelligence Committee members later in the debate, that I would have liked to acknowledge the important role that intelligence products play in force protection now in Iraq and why those products need to be better. In my view, Mr. Speaker, and I think many would share this, good intelligence is a force protection issue.

And so it seems to me on the first anniversary of our action in Iraq that we should acknowledge the need for better intelligence products and the need for this administration to fix right now, not next year but right now, the way we source and analyze intelligence. That is a suggestion I also would have made on a bipartisan basis if I had been permitted to participate.

In conclusion, Mr. Speaker, it seems to me that as we commemorate the first anniversary of the action in Iraq, we need actions and not just words.

Mr. HASTINGS of Florida. Mr. Speaker, I am privileged to yield 2 minutes to the distinguished gentlewoman from California (Ms. LEE), who also had an amendment that would have strengthened this matter had it been permitted by the Committee on Rules.

Ms. LEE. Mr. Speaker, let me just thank the gentleman from Florida for yielding me this time and for his strong leadership on each and every committee on which he has served.

Mr. Speaker, I rise in opposition to this rule and this resolution. This resolution really is an affront and an insult to our troops. I tried to offer an amendment to this very deceptive resolution. My amendment just basically expressed deep sorrow and real support for all of those who have been killed in this war and we extended support for their families in my amendment.

As the daughter of a career military officer, Mr. Speaker, I know how important this is and what this means. This resolution as it is written never even mentions the over 550 Americans who have died. How insulting and insensitive. It does not even mention the Iraqi civilians and all of our international friends who have died in this war. My amendment also stated that the war in Iraq has undermined our alliances, it has cost hundreds of Americans and unknown numbers of Iraqi lives and billions of dollars, and it has made the world a more dangerous place rather than a safer place. The evidence speaks for itself on that. We are not voting on my amendment today because once again the Republican-controlled Committee on Rules did not allow any amendments, not only my amendment but zero, none, they did not allow. Once again true debate is being stifled. What a shame and disgrace. As an officer of the Congressional Black Caucus, we continue to stand in full support of our troops, in support of our veterans and their health benefits, and in support of their economic security. This resolution does none of this. None of this.

I urge my colleagues to vote "no" on this rule. I urge them to vote "no" on this resolution. Remember, this is part of a pattern of deception which we have seen from day one. We are talking about not only the intelligence information that was not there but really a whole host of deceptive measures that have come before this body that we have voted on. I hope we vote "no" on this resolution. It is wrong. It is terrible.

☐ 1115

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Brentwood, Tennessee (Mrs. BLACKBURN), a very able new Member of this body.

Mrs. BLACKBURN. Mr. Speaker, I rise in support of this rule because I think it is a fair rule for a worthy resolution. And like a lot of my constituents, I have spent time reflecting on what September 11 and the war in Iraq has meant to our country, how terrorism affects our lives, and what all of this means in the context of our world community, and I have come to the conclusion that as complicated as our world is and as tangled as the diplomacy surrounding our economic and military ties with the rest of the world become, I know that there are certain basic truths. And one of the great basic truths is the constant struggle between good and evil. And there are times in our history when the struggle is very clear, and today we are at one of those moments of such clarity. The lines are drawn, and we know who is aligned on each side.

America leads a fight that we did not seek against a movement founded on distorted religious views and failed nations. This resolution marks a victory for good, and it is so very important that when good triumphs and advances that we celebrate that victory.

This resolution honors our men and women in uniform. They have made the world a safer place for our children, and there are fewer greater gifts than that. And today we are welcoming the Iraqi people into the community of free nations. The resolution says to the world that America was willing to take on this fight to dedicate the fruits of her labor to free a horribly, horribly oppressed people a world away. Iraqi success in rebuilding and being free is our greatest weapon against terrorism. Terrorism seeks to destroy. Freedom builds. And that is why we are in Afghanistan and why we are in Iraq.

Mr. Speaker, I thank our troops, I thank our families, and the communities that have supported them. And may God bless America.

Mr. DREIER. Mr. Speaker, I understand that there is going to be a motion for an adjournment vote here, and I just wanted to, before we proceed with that, inquire how many speakers the gentleman has remaining for the debate as we prepare to go into this.

Mr. HASTINGS of Florida. Three and possibly four, Mr. Speaker.

Mr. DREIER. Mr. Speaker, I reserve the balance of my time.

MOTION TO ADJOURN

Mr. HASTINGS of Florida. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore (Mr. BASS). The question is on the motion to adjourn offered by the gentleman from Florida (Mr. HASTINGS).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. HASTINGS of Florida. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 36, noes 377, not voting 20, as follows:

[Roll No. 61]

AYES—36

Abercrombie
Allen
Capuano
Conyers
Cummings
DeGette
Delahunt
Dicks
Dingell
Doggett
Emanuel
Filner
Hastings (FL)
Hinchey
Holt
Johnson, E. B.
Kilpatrick
McDermott
McGovern
Miller (NC)
Olver
Owens
Payne
Pelosi
Rothman
Roybal-Allard
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Shimkus
Thompson (MS)
Tierney
Waters
Wexler
Woolsey

NOES—377

Ackerman
Aderholt
Akin
Alexander
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Flake
Foley
Forbes
Ford
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinojosa
Hobson
Hoekstra
Holden
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kind
King (IA)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Majette
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Ortiz
Osborne
Ose
Otter
Oxley
Pallone
Pascrell
Pastor
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sabo
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Tiahrt
Tiberi
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Wamp
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—20

Clay
Frank (MA)
Frost
Hoeffel
Hunter
Israel
Jefferson
King (NY)
Kucinich
Lynch
Maloney
Quinn
Reyes
Reynolds
Rush
Ryan (OH)
Smith (WA)
Souder
Tauzin
Walsh

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BASS) (during the vote). Members are advised there are 2 minutes remaining in this vote.

☐ 1142

Messrs. SIMPSON, WICKER, McCOTTER, GREEN of Texas, SHAYS, WELLER, SHUSTER, LUCAS of Oklahoma, NEUGEBAUER, KINGSTON, SULLIVAN, HEFLEY, LARSON of Connecticut, CALVERT, JOHN, WOLF, LUCAS of Kentucky, and EHLERS, and Ms. BERKLEY, Ms. HART, Mrs. CAPPS, Ms. McCOLLUM, and Mrs. CAPITO changed their vote from "aye" to "no."

Mr. PAYNE changed his vote from "no" to "aye."

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

PROVIDING FOR CONSIDERATION OF H. RES. 557, RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

Mr. DREIER. Mr. Speaker, at this time I am happy to yield 2½ minutes to the gentleman from Lemoyne, Nebraska (Mr. OSBORNE), a very able Member.

Mr. OSBORNE. Mr. Speaker, I would like to speak in support of the rule and the resolution.

Obviously, much has happened in Iraq since the war began a year ago. The military occupation of Iraq was amazingly swift and efficient, taking only a few weeks. Since then much has been accomplished, and I would like to point out just a few things that I think are noteworthy.

More than 200,000 Iraqis are now involved with security operations. U.S. troops have been reduced by 20,000. Most importantly, an interim constitution has been approved, including a bill of rights. The gentlewoman from Washington (Ms. DUNN) and I have formed an Iraqi Women's Caucus, and we are pleased to see that Iraqi women will be given an active role in new government, after experiencing years of brutal oppression, with at least 25 percent representation. More than 17,000 reconstruction projects have been completed. The 240 hospitals are open, and I think something else worthy of note, health care spending has been increased 26 times higher than under Saddam. Ninety percent of the children are now immunized. Electricity and water are being rapidly restored and improved. Oil production has increased dramatically. Schools and universities are operating following a massive infusion of school supplies. Private enterprise is increasing dramatically. Seventy percent of Iraqis now say that things are going well, and they see a brighter future.

I just came from a meeting downstairs where we met with seven Iraqis who are over here as part of a delegation. One of those gentlemen saw three of his brothers executed and his father executed; their heads were chopped off. They talked about people who had been buried alive. I guess it is one thing to stand here and to debate and to talk; it is another to meet with people who have really experienced the pain and the suffering that was imposed by Saddam Hussein and to understand the gratitude that these people have for the military operation that has been going on in Iraq.

Reconstruction has certainly been difficult. There have been bumps in the road, as has been true throughout history. Reconstruction is much further along right now than it was for Germany and Japan following World War II, and I think we need to not lose track of these accomplishments.

There should be no disagreement, I believe, in this body that American troops are doing a remarkable job and deserve our total support. Also, I feel that there should be no disagreement, that we must see this conflict through to a successful resolution. It is important that we present a unified front in this body. I think recent events in Spain will indicate the danger of being fractionated, of sending mixed messages to terrorists. So I am hopeful that we can demonstrate a unified position.

As a young captain told me on a recent visit to Iraq in Afghanistan, it is better to fight terrorists here than in the United States. I agree wholeheartedly. Support the resolution and the rule.

☐ 1145

Mr. HASTINGS of Florida. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Pennsylvania (Mr. MURTHA), the ranking member of the Subcommittee on Defense of the Committee on Appropriations, who has absolutely no peer in the House of Representatives in being in support of the troops in Iraq and the armed services before and during and after Iraq.

Mr. MURTHA. Mr. Speaker, I am indignant, I am insulted, and I am embarrassed that no one came to me and asked me about this resolution. Nobody said, Do you have any input? Nobody has supported this war. The gentleman from California (Mr. LEWIS) and I put a bill on this floor that only 16 people voted against. And I am embarrassed that my colleague would come up with a partisan resolution saying whatever was said without any consultation to the Democrats, particularly me, who has voted so strongly for the defense of this country.

I go home and people criticize me for my position on the war. One fellow said to me, Never in history have so many been misled by so few. And, unfortunately, he was talking about me. He believed that I had misled him. I believed there were weapons of mass destruction in Iraq. I believed there was imminent danger to this country. And the reason we go to war is because there is a core danger to our national security. We do not go to war because they drained the swamps in Iraq.

I do not think anybody needs to question the Congress who supports the troops in Iraq or anyplace else. We voted continuously and overwhelmingly for the troops. We have tried to make sure they had what they needed, even though there were mistakes made in the original deployment.

There were many shortages that we saw. And we made sure when we went over there, a number of us went over there, we found those shortages, reported them to the Department of Defense; and we started to rectify those shortages.

We know there were changes that before our subcommittee an Under Secretary of Defense came forward and said this war will cost nothing. This war will be paid for by the oil revenues of the Iraqis. We know that in the last war our allies came up with $60 billion. We know that this time we have come up with $150 billion to pay for this war from the United States. We are paying much of the expense of the allies in this war.

This is not the time to divide the country. We are talking about we have got the lowest level of support internationally than we have ever had. All the polls indicate that overseas we are discredited. We are discredited because they do not believe what we say.

It is hard to comprehend. I read not long ago where Dean Acheson went to France and he went to France to talk about the Cuban missile crisis. And when he went to France, he said, I have got proof. He talked to President de Gaulle, and President de Gaulle was not one of our best supporters. He said, I have got photos here which will show you that we have missiles in Cuba. This was during the missile crisis. President de Gaulle said, I do not need to see those photos. I will take the word of the President of the United States.

Now, that is the problem we face. We need to come together. I hope that this resolution will be withdrawn and that we will change a few words in it that would make it unified for the whole country.

For instance, is it safer today in Spain? Is it safer in the Middle East?

These are the things that I worry about. Just by putting something on paper you cannot say it is safe. It is just like the President, I am sure he thought the war was over when he said the war is over. I am sure when he made the announcement he thought the war was over, but that does not make it over. And putting it on paper does not mean that we are out of this with this conflict.

We need the support of allies. We need the support, the solid support of this Congress. This is a long-term fight. I had members of the State Department over before with me in my office and they were telling me about the transition. This is going to be a very, very difficult transition. I do not say it was a shotgun wedding, but I would say we put together something where it is going to be very difficult to get the Iraqi people to agree when you have the divisions that you have in Iraq.

So we are going to need everybody's support, not only in Congress; but we are going to need the people of the world's support because it is such a difficult issue for us to face.

I am in it for the long run. Any money that they need, any equipment they need, anything they need, I am going to be there in front, the gentleman from California (Mr. LEWIS) and I, and all the rest of the committee and all the rest of the Members of Congress. Because everybody wants to support the troops. But you put it on paper, it does not mean that the troops are safer.

Now, I had two young women come to my office. Both of them had lost their husbands. One had two children, one had one child. I have lost six from my district. And they are from a very poor family. And they came in and they went to Walter Reed and they took gifts out to the wounded at Walter Reed.

Many of us have been out there. The gentleman from Florida (Mr. YOUNG) has been out there; the gentleman from California (Mr. LEWIS) has been out there. All of us have been out to Walter Reed. And this one young woman, 22 years old with a child said, You know, I got married, I got pregnant. Then my husband was deployed and I had a baby. He was killed and I had a baby. She said, I should not have to live my whole life in one year.

We support the troops. All of us support the troops. But we cannot get up here and divide the Nation at this time. This should be a bipartisan resolution. And I would hope we will be able to work that out so that everyone can vote for a resolution that shows this great country is united.

Mr. DREIER. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. GOSS), the very distinguished vice chairman of the Committee on Rules and, more importantly, the chairman of the Permanent Select Committee on Intelligence.

Mr. GOSS. Mr. Speaker, I appreciate the chairman yielding me the time.

Mr. Speaker, I think this debate is about the rule, and that is what we are going to be talking about in order to have more chances to articulate the sentiments as were just expressed so articulately by the gentleman from Pennsylvania (Mr. MURTHA).

And I have the highest feelings of praise also for Mr. MURTHA and his very strong record on behalf of our defense forces, our troops. He knows the subject, and he attends to them very well. And I am sorry that the gentleman from Pennsylvania (Mr. MURTHA) is aggrieved by the procedure today.

I need to tell you that I was not consulted either. This is a leadership resolution that is simply designed after 1 year of fighting the war on terror, the chapter in Iraq of the book on the war on terrorism for 1 year and all the extraordinary success and work that has happened over there. It is entirely appropriate to commend our troops who are working so hard and the members of the Coalition. That is the main thrust of this resolution.

Now, I admit it also says that we are commending and acknowledging and recognizing the courage and the accomplishment of the Iraqi people to go through very difficult days. And it is entirely appropriate to do that. It is no mean thing to come up with an interim constitution in the operational climate that those folks are operating.

And I think it is entirely appropriate for the House of Representatives of the Congress of the United States, the people's House, to say we sympathize with them, we understand what they have been through. And we are very grateful that they have got the patience to go forward with it and the commitment to do this hard work.

This is a democracy-building exercise in an area where democracy has had many false starts and very little success. This is good news. It is entirely appropriate for us at the end of the year to celebrate the good news.

There has been some concern, as we saw last night in the Committee on Rules, about whether or not we should be declaring that we are better off without Saddam. And the language that was used was that the world is safer without him. We did not say the world is safe. We are in the middle of a war on terror. And everybody needs to know that.

And we need the gentleman from Pennsylvania (Mr. MURTHA) and all his good works and everybody's good works in this body to support the war on terror because the war on terror will not be won without commitment. We know how these people work, and we have to be smart enough to resist the temptations, the wedges they drive, the propaganda they put out, apply our capabilities and get the job done. It will take all of us.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the last speaker, who is my good friend and the chairperson of the Permanent Select Committee on Intelligence and the ranking member of the Committee on Rules on which he and I serve, just made the comment that he was not consulted. I say to my good friend that he is an original co-sponsor of the legislation: the gentleman from Illinois (Mr. HYDE), the gentleman from Texas (Mr. DELAY), the gentleman from Missouri (Mr. BLUNT), the gentlewoman from Ohio (Ms. PRYCE), the gentleman from Florida (Mr. GOSS), and the gentleman from California (Mr. HUNTER).

Now, that said, my good friend had the privilege that the gentleman from Pennsylvania (Mr. MURTHA) and the gentleman from Missouri (Mr. SKELTON) did not have, and that was even to be original co-sponsors even if they were not consulted.

Mr. Speaker, I will be asking for a "no" vote on the previous question because I feel this totally closed rule is just plain wrong. There is not one single opportunity for any Member of the House to offer an amendment to this resolution, not even on the motion to recommit.

Oddly enough, when the current House Republican leadership was in the minority, a motion to recommit without instructions was one of the things they complained most about. Now, here they are doing the very thing they said was so wrong and offensive at that time. Where will the sanctimony end?

The war in Iraq is one of the most serious issues facing our Nation today. Anything that speaks to this matter on the floor of the U.S. House of Representatives should be done, as the gentleman from Pennsylvania (Mr. MURTHA) said, in a way that allows all responsible viewpoints to be considered. That is what democracy is all about.

This rule simply gags that process. Ironic, do you not think, when we are exporting democracy to Iraq.

Mr. Speaker, this is not about stopping consideration of the underlying resolution. I am not aware of one single Member of this body who does not support and praise the incredibly brave men and women who are in harm's way in Iraq.

□ 1200

I believe we can all agree wholeheartedly on supporting our soldiers, but there are other important matters that are not addressed in this resolution, issues that many in this House want to include in this resolution.

Therefore, if the previous question is defeated, I will offer an amendment to the rule that will allow the motion to recommit to contain instructions.

Mr. Speaker, I ask unanimous consent to submit for the RECORD immediately prior to the vote on the previous question a description of the motion to recommit that will be offered if the previous question is defeated and the rule is amended to allow instructions.

The SPEAKER pro tempore (Mr. BASS). Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. The gentleman's time has expired.

Mr. DREIER. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, let me just say that my friend, the chairman of the Permanent Select Committee on Intelligence, looked at that resolution and was so proud of it that he immediately joined as a cosponsor, as I believe everyone in this House should.

Let me just say, Mr. Speaker, obviously everyone in this House should be in support of a resolution which affirms that the United States and the world have been made safer with the removal of Saddam Hussein and his regime from power in Iraq; that commends the Iraqi people for their courage in the face of unspeakable oppression and brutality inflicted upon them by Saddam Hussein's regime; that commends the Iraqi people on the adoption of Iraq's interim constitution and commends the Members of the U.S. Armed Forces and coalition forces for liberating Iraq; and expresses its gratitude for their valiant service. That is what we are doing here today. Everyone should be in support of it.

The material previously referred to by Mr. HASTINGS of Florida is as follows:

PREVIOUS QUESTION FOR H. RES. 561 RULE FOR H. RES. 557—IRAQ RESOLUTION

Amendment in nature of substitute:

Strike all after the resolved clause and insert:

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the resolution (H. Res. 557) relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces. The resolution shall be considered as read for amendment. The previous question shall be considered as ordered on the resolution and preamble to final adoption without intervening motion except: (1) four hours of debate equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations; and (2) one motion to recommit.

SEC. 2. During consideration of House Resolution 557 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the resolution to a time designated by the Speaker.

MOTION TO RECOMMIT WITH INSTRUCTIONS

M. ______ moves to recommit the resolution H. Res. 557 to the Committee on International Relations with instructions to report the same back to the House forthwith with the following amendments:

Page 2, line 2, strike "affirms" and insert "acknowledges the belief".

Page 2, line 4, strike the semicolon and insert ", and the belief that a final judgment on the value of activities in Iraq cannot be made until Iraq is stable and secure;".

Page 3, line 5, strike "and".

Page 3, line 9, strike the period and insert a semicolon.

Page 3, after line 9, insert the following:

(5) urges the President—

(A) to take all steps necessary to ensure that all members of the United States Armed Forces serving in Iraq receive the best force protection equipment available, including protective body armor and extra-armored wheeled vehicles capable of providing better protection against explosive devices;

(B) to ensure that all members of the Armed Forces who suffer wounds or other injuries, or who incur illness, while serving in Iraq receive complete, timely, and high-quality health care to treat the short-term and long-term consequences of such wounds, injuries, and illnesses;

(C) to recognize the key contributions made by members of the reserve components of the Armed Forces, and their families, in Operation Iraqi Freedom, and, in consultation with Congress, to address immediately the disparity that exists for many Reserve and Guard personnel between the pay they receive in civilian life and the military compensation they receive when ordered to active duty;

(D) to acknowledge that there were serious deficiencies in United States pre-war intelligence on Iraq, particularly in light of the failure to find any evidence of significant weapons of mass destruction stockpiles, and to take steps now to improve intelligence so that United States troops are better protected and future United States national security strategies are better informed;

(E) to request sufficient funding immediately to fully support United States military operations in Iraq and the surrounding region in order to ensure the safety and well-being of United States troops deployed to Iraq and the surrounding region;

(F) to obtain far-reaching international participation in the securing, reconstruction, and political development of Iraq, including the protection of women's and children's rights; and

(G) to take steps to correct the failure of the United States Government to plan adequately for the post-war occupation of Iraq, including the failure to integrate internal United States Government studies and outside expert opinions that predicted the onset of guerrilla activity and described how to promote effective reconstruction, democratization, and civil society development activities, and the failure to apply those studies and opinions today in order to improve current United States reconstruction efforts in Iraq;

(6) expresses deep sorrow and regret for the deaths of more than 550 and the wounding of more than 3,500 members of the United States Armed Forces in Iraq and extends support to their families; and

(7) expresses sorrow and regret for the deaths in Iraq of United States civilians, United Nations personnel, unknown numbers of Iraqi civilians, and other noncombatants.

Mr. DREIER. Mr. Speaker, I yield back the balance of my time, and I move the previous question.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 217, nays 197, not voting 19, as follows:

[Roll No. 62]

YEAS—217

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiberi
Toomey
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weller
Whitfield

Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—197

Abercrombie
Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Majette
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Sabo
Sánchez, Linda T.
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—19

Barton (TX)
Bereuter
Gibbons
Hoeffel
Israel
Kirk
Kucinich
Leach
Lynch
Maloney
Rush
Ryan (OH)
Sanchez, Loretta
Smith (WA)
Souder
Tauzin
Tiahrt
Turner (OH)
Weldon (PA)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BASS) (during the vote). Members are advised there are 2 minutes remaining in this vote.

☐ 1220

Ms. WOOLSEY changed her vote from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

Stated for:

Mr. GIBBONS. Mr. Speaker, I would like to offer a personal explanation of the reason I missed rollcall vote No. 62, On Ordering the Previous Question for H. Res. 557. At the time the vote was called, I was seated at a House Armed Services Committee hearing and had just completed a question to which one of the witnesses was offering a long response.

I respectfully request that it be entered into the CONGRESSIONAL RECORD that if present, I would have voted: Rollcall vote No. 62, on Ordering the Previous Question—"yea."

Mr. TIAHRT. Mr. Speaker, on rollcall No. 62 I was unavoidably detained. Had I been present, I would have voted "yea."

Mr. TURNER of Ohio. Mr. Speaker, on rollcall No. 62 I was unavoidably detained. Had I been present, I would have voted "yea."

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HASTINGS of Florida. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 228, noes 195, not voting 10, as follows:

[Roll No. 63]

AYES—228

Aderholt
Akin
Alexander
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
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Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
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Lewis (CA)
Lewis (KY)
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LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
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Osborne
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Portman
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Putnam
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Radanovich
Ramstad
Regula
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Rogers (AL)
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Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
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Saxton
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Sherwood
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Simmons
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Smith (MI)
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Walden (OR)
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Weldon (FL)
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Weller
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Wicker
Wilson (NM)
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Wolf
Young (AK)
Young (FL)

NOES—195

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
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Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Chandler
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Clyburn
Conyers
Cooper
Costello
Cramer
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Cummings
Davis (AL)
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Delahunt
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Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
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Eshoo
Etheridge
Evans
Farr
Fattah
Filner
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Frank (MA)
Frost
Gephardt
Gonzalez
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Green (TX)
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Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Holden
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Honda
Hooley (OR)
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
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Lipinski
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McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Sabo
Sánchez, Linda T.
Sánchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
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Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—10

Hoeffel
Israel
Kaptur
Kucinich
Lowey
Maloney
Rush
Ryan (OH)
Smith (WA)
Tauzin

□ 1231

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BASS). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

COUNTER-TERORIST AND NARCO-TERRORIST REWARDS PROGRAM ACT

Ms. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3782) to amend the State Department Basic Authorities Act of 1956 to increase the maximum amount of an award available under the Department of State rewards program, to expand the eligibility criteria to receive an award, to authorize nonmonetary awards, to publicize the existence of the rewards program, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3782

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Counter-Terrorist and Narco-Terrorist Rewards Program Act".

SEC. 2. DEPARTMENT OF STATE COUNTER-TERRORIST AND NARCO-TERRORIST REWARDS PROGRAM.

(a) DISRUPTION OF FOREIGN TERRORIST FINANCING NETWORK.—Subsection (b) of section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708) is amended—

(1) in paragraph (5) by striking "or" at the end;

(2) in paragraph (6) by striking the period and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(7) the disruption of financial mechanisms of a foreign terrorist organization, including the use by the organization of illicit narcotics production or international narcotics trafficking—

"(A) to finance acts of international terrorism; or

"(B) to sustain or support any terrorist organization.".

(b) MAXIMUM AMOUNT OF REWARD.—Subsection (e)(1) of such section is amended—

(1) by striking "$5,000,000" and inserting "$25,000,000";

(2) by striking the second period at the end; and

(3) by adding at the end the following new sentence: "Without first making such determination, the Secretary may authorize a reward of up to twice the amount specified in this paragraph for the capture or information leading to the capture of a leader of a foreign terrorist organization.".

(c) CLARIFICATION OF EXISTING AUTHORITY.—Subsection (e) of such section is amended by adding at the end the following new paragraph:

"(6) FORMS OF REWARD PAYMENT.—The Secretary may make a reward under this section in the form of money, a nonmonetary item (including such items as automotive vehicles), or a combination thereof.".

(d) MEDIA SURVEYS AND ADVERTISEMENTS.—Such section is amended—

(1) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(2) by inserting after subsection (h) the following new subsection:

"(i) MEDIA SURVEYS AND ADVERTISEMENTS.—

"(1) SURVEYS CONDUCTED.—For the purpose of more effectively disseminating information about the rewards program, the Secretary may use the resources of the rewards program to conduct media surveys, including analyses of media markets, means of communication, and levels of literacy, in countries determined by the Secretary to be associated with acts of international terrorism.

"(2) CREATION AND PURCHASE OF ADVERTISEMENTS.—The Secretary may use the resources of the rewards program to create advertisements to disseminate information about the rewards program. The Secretary may base the content of such advertisements on the findings of the surveys conducted under paragraph (1). The Secretary may purchase radio or television time, newspaper space, or make use of any other means of advertisement, as appropriate.".

(e) PLAN OF ACTION.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a plan to maximize awareness of the reward available under section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708 et seq.) for the capture or information leading to the capture of a leader of a foreign terrorist organization who may be in Pakistan or Afghanistan. The Secretary may use the resources of the rewards program to prepare the plan.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Florida (Ms. HARRIS) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Florida (Ms. HARRIS).

GENERAL LEAVE

Ms. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

Ms. HARRIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill makes changes and modifications to the long-established U.S. State Department rewards programs to deal with the growing links between illicit drugs and the financing and support of terrorism.

The State Department Rewards Program has clearly prevented acts of terrorism in the past, has helped to bring to justice long-sought terrorists, such as the individual who fled to Pakistan after assassinating our CIA employees in Virginia, and has served as a valuable intelligence tool in the global war on terrorism. The Rewards Program could do even more, if we enact this bill, with its reforms.

It is time for renewed, expanded reward authority in the State Department, one which tackles and contends with the growing links, as recently reported in the press, of the illicit drug trade and the financing and supporting of terrorism. Our terrorist enemies may very well be changing their methods and means, and we mean to be even more flexible and creative than they are.

H.R. 3782 would clarify that any information provided which could be used to disrupt terrorist financing networks, including information related to illicit narcotics production or international trafficking, is eligible for reward moneys. It provides clarification of the authority for the Secretary of State to give rewards other than money for information related to terrorism and narcoterrorism, such as vehicles, appliances, commodities and other goods and services. It clarifies the authority of the Secretary of State to conduct media surveys and create or purchase advertisements for the Rewards Program. It requires the administration to submit a plan to the Congress that maximizes the publicity surrounding the reward for Osama bin Laden's capture. It raises the statutory maximum amount of terrorist and narcoterrorist rewards from $5 million to $25 million, and it provides the Secretary of State the authority to raise the reward for the capture of Osama bin Laden to double the amount of the current authorized reward.

Mr. Speaker, I believe that this bill will improve our ability to fight terrorism and I urge Members to support the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this legislation. This legislation assists the war on terrorism in two ways: speeding financial incentives to people who help the United States capture narcotics traffickers who are linked to terrorism, and raising the limits on reward for the capture of terrorist leaders.

Mr. Speaker, these legislative changes are long overdue. Under current law, the State Department's reward money is not being spent in the most effective way. In Afghanistan, where profits from heroin sales finance groups such as al Qaeda and the Taliban, informants in successful seizure and capture operations receive financial rewards from the Drug Enforcement Agency.

But the State Department does not contribute to this effort due to a false distinction between narcotics trafficking and terrorism. Presumably that distinction lets agencies like the Pentagon and the Department of State avoid the complexities of interagency collaboration to carry out a unified strategy that attacks both issues at the same time. For the struggle against terrorism to succeed, our government must be unified, not divided.

This bill ensures that money from the State Department's rewards programs can be given to informants when their assistance leads to drug shipments or drug labs, or otherwise disrupts narcotics trafficking as long as such actions are likely to disrupt terrorist financing. Any interruption of the drug trade that takes money out of the pockets of terrorists may well prevent tragedies.

Mr. Speaker, the State Department Rewards Program has been a useful tool in the past to capture wanted terrorists. Our resolution makes it easier for the Secretary of State to double the current reward of $25 million for ring leaders of foreign terrorist organizations, including Osama bin Laden. I strongly support this legislation, and urge all of my colleagues to support H.R. 3782.

Mr. Speaker, I reserve the balance of my time.

Ms. HARRIS. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Speaker, I commend the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) for this legislation. This bill comes to the House as U.S. Armed Forces today go into battle as part of Operation Mountain Storm.

Operation Mountain Storm is an allied military operation in Afghanistan and Pakistan designed to kill or capture Osama bin Laden. This bill provides immediate aid and assistance to those critical operations now ongoing in the eastern provinces of Afghanistan and the frontier autonomous tribal area of Pakistan.

This bill comes in part from a mission I conducted to Pakistan's frontier in January. Joined by Michele Lang, Jon Scharfen, John Mackey, David Fite and Lieutenant Kevin Fernandez, we found a great need to reenergize the State Department's Rewards Program in Pakistan. The Rewards Program has a long and successful history. As a staffer, I drafted reforms which lifted the rewards from $5 million to $25 million, and made the arrest of U.N. war criminals eligible for the reward. We arrested or killed two-thirds of war criminals in the Balkans using this legislation. We also arrested Aimal Khan Kasi in Pakistan using the authorities of this bill. Kansi killed several Americans outside of the CIA gate. He was arrested, tried, and executed for those trials.

Today this bill makes a crucial link between drug dealing and terrorism. We found that one Afghan is providing 2,000 kilograms a month of heroin to Osama bin Laden. At the Pakistani price, that provides bin Laden with an annual income of $38 million to fund his terror operations. This bill makes the link between funding terror and funding drug profits, and we want to make sure that we cut off Osama bin Laden's new supply of cash, which is coming not from donations, but from the sale of heroin.

The bottom line, Osama bin Laden in the frontier autonomous region of Pakistan has become one of the world's number one sellers of heroin. This bill makes that link very clearly, and lifts the reward for the arrest of Osama bin Laden to $50 million.

It also makes one other key reform. In many of these areas, most of the people are illiterate and could not even read a reward poster or one of the matchbook covers used to arrest Aimal Kasi. This bill allows the State Department to be more flexible in publicizing the reward effort, and it allows the State Department to use noncash rewards which in a rural community can be much more effective. Beyond a $25 million or $50 million reward, the provision of a truck or feed or farm animals can make all the difference for a rural community which seeks to provide information on the arrest of Osama bin Laden.

This bill makes it much more flexible and much more capable. I urge its adoption and thank the committee for moving it so quickly to the floor as Operation Mountain Storm is ongoing.

Mr. LANTOS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. HARRIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Florida (Ms. HARRIS) that the House suspend the rules and pass the bill, H.R. 3782, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECOGNIZING MORE THAN 5 DECADES OF STRATEGIC PARTNERSHIP BETWEEN THE UNITED STATES AND THE MARSHALL ISLANDS

Ms. HARRIS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 364) to recognize more than 5 decades of strategic partnership between the United States and the people of the Marshall Islands in the pursuit of international peace and security, and for other purposes.

The Clerk read as follows:

H. CON. RES. 364

Whereas on November 20, 2003, Congress, recognizing our Nation's historical responsibilities over the Former Trust Territory of the Marshall Islands and its successful transition from Trust Territory status to full independence in free association with the United States beginning in 1986, approved the Compact of Free Association Amendments Act, which was signed into law by President Bush on December 17, 2003, becoming Public Law Number 108–188;

Whereas the Compact of Free Association, as amended by Public Law 108–188, embodies and extends the close political, economic, and social partnership, as well as the strategic mutual security alliance, between the Republic of the Marshall Islands and the United States under the terms of the bilateral association between our nations;

Whereas this partnership for peace and alliance for the security of our nations and the world began in 1944, when the heroic armed forces of the United States and its allies, with the courageous assistance of the people of the Marshall Islands at the risk of their own safety, liberated the Marshall Islands from Japanese military occupation;

Whereas the friendship and cooperation between the United States and the people of the Marshall Islands that began during World War II continued during the next 4 decades, during which the United States exercised powers of government in the Marshall Islands under a Trusteeship Agreement with the United Nations;

Whereas during the Marshall Islands trusteeship era the aim of the United States was to promote international peace and security through its nuclear weapons testing program which was viewed as a critical element to the success of United States global leadership during the Cold War;

Whereas the United States testing program conducted in the Marshall Islands and the strategy of nuclear deterrence sustained by the United States and its allies, was carried out in the hope that understanding its destructive power would be the strategy for which we could arm the world with reasons for peace among nations;

Whereas from 1946 to 1958 the United States detonated 67 atmospheric nuclear weapons in the Marshall Islands, representing nearly 80 percent of all the atmospheric tests ever conducted by the United States, and enabling atmospheric tests in the continental United States to be terminated and relocated at the greatest possible distance from large cities and densely populated areas;

Whereas on March 1, 1954, the hydrogen weapons test code-named Bravo yielded explosive power approximately 1,000 times greater than the weapon used in the 1945 wartime nuclear attack on Hiroshima, Japan;

Whereas the Bravo test created a mushroom cloud 25 miles in diameter, and produced a crater 6,000 feet in diameter, vaporizing 6 islands at the Bikini Atoll;

Whereas the Bravo test and the 12 year nuclear testing program has been the defining experience of the modern era for the people of the Marshall Islands, and these momentous events created a common bond between the people of the Marshall Islands and the United States military and civilian personnel who shared hardships and suffering with the people of the Marshall Islands during the testing program, as well as the United States citizens in areas affected by the mainland testing programs and weapons production industry;

Whereas the people of the Marshall Islands, having learned first hand the dangers of nuclear weapons, freely chose in United Nations observed acts of self-determination in 1982 to enter into the Compact of Free Association in order to become a sovereign nation allied more closely with the United Sates than any other nation under any other alliance;

Whereas from the time of choosing self-determination, the Marshall Islands worked closely with Congress and the executive branch to bring about a strong understanding of the unique relationship between their islands and the other United States insular areas;

Whereas the United States nuclear testing program put the people of these remote islands on the front line in the Cold War struggle to preserve international peace, promote nuclear disarmament, support nuclear nonproliferation, and provide facilities critical to the development by the United States of a deployable missile defense system to reduce the risks of nuclear missile attacks; and

Whereas as a member state in the United Nations, the world body that once had oversight of United States stewardship of the trusteeship for the people of the Marshall Islands and their island homelands, the Republic of the Marshall Islands has an unmatched record of working in conjunction with the leadership of the United States in the pursuit of international peace and security, the rights and well-being of the peoples of the world, and in the War on Terrorism: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress recognizes as an historic achievement of friendship more than 5 decades of strategic partnership between the United States and the people of the Marshall Islands in pursuit of international peace and security, and recognizes with solemn regard for the cost of preserving peace, the importance of the nuclear weapon test code-named Bravo at Bikini Atoll in the Marshall Islands on March 1, 1954.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Florida (Ms. HARRIS) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Florida (Ms. HARRIS).

GENERAL LEAVE

Ms. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the concurrent resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

Ms. HARRIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to commend the gentleman from California (Mr. POMBO), chairman of the Committee on Resources, for introducing this timely resolution which commemorates the more than five decades of friendship and strategic solidarity that the United States has shared with the people of the Marshall Islands.

March 1 marked the 50th anniversary of the Bravo test, the largest of the 67 atmospheric nuclear tests that the United States conducted in the Marshall Islands. Those massive detonations, which represented significant sacrifices by the Marshallese people, were critical to the credibility and reliability of our nuclear deterrent during the Cold War. They are perhaps the most vivid, visual examples of a strategic partnership that stretches back to the Pacific campaign of the Second World War.

Most recently, the United States reaffirmed and extended aspects of its unique relationship with the Republic of the Marshall Islands in the amended Compact of Free Association, which the Congress considered and approved last year. That agreement continues and deepens our strategic cooperation, both by reaffirming our mutual defense obligations and by significantly extending United States access to our missile defense testing facility at Kwajalein Atoll.

As we commemorate the anniversary of the Bravo test, it is fitting to recall the mutual sacrifice that our peoples have shared during the last half century and to committing ourselves to maintaining our special friendship in the decades ahead.

I urge passage of this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this resolution, and I first would like to commend the authors of this resolution, the gentleman from California (Mr. POMBO) and the ranking member on the Subcommittee on Asia and the Pacific, the gentleman from American Samoa (Mr. FALEOMAVAEGA). We are grateful for their leadership on matters related to the Pacific.

This resolution recognizes the 50th anniversary of the Bravo nuclear weapon test which occurred in March 1954. It reaffirms the strong relationship between the United States and the people of the Marshall Islands. The timing of this resolution is particularly appropriate as Congress last year approved legislation renewing the Compact of Free Association. This compact is the guiding document for our relations with the Marshall Islands and with Micronesia.

Mr. Speaker, the beginnings of our Nation's close relationship with the people of the Marshall Islands are etched in history. In 1944, we joined with the Marshallese people to liberate the people from Japanese military rule.

At the end of the Second World War, the United States began a decades-long trustee relationship with the Marshall Islands, culminating in Marshallese independence in 1982.

□ 1245

During the trusteeship period, the United States conducted 67 atmospheric nuclear tests in the Marshall Islands, the largest of which was Bravo, which occurred in March 1954, a half a century ago. This test yielded approximately 1,000 times greater explosive power than the bomb dropped on Hiroshima. Our nuclear testing program did enormous, long-term damage to the health of the Marshallese and the environment of the islands. Yet rather than turning away from the United States, the people of the Marshall Islands sought a close political, strategic, and social relationship with our Nation. As we speak, Mr. Speaker, Marshallese soldiers are serving with our troops in Iraq.

The Compact of Free Association amendments recently enacted into law will further solidify U.S.-Marshallese ties by ensuring that the U.S. contributes to the economic and educational development of the Marshallese people for the next 2 decades and that we continue to operate the Kwajalein test facility on the islands.

So as we remember the 50th anniversary of the Bravo test, we also celebrate 6 decades of friendship and amity between the American and Marshallese people. I urge all my colleagues to support H. Con. Res. 364.

Mr. Speaker, I reserve the balance of my time.

Ms. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. POMBO).

Mr. POMBO. I thank the gentlewoman for yielding me this time.

Mr. Speaker, I rise in support of House Concurrent Resolution 364, which I introduced recently to formally recognize a political, social, and strategic relationship that is very unique to the history of the United States. The House Committee on Resources has witnessed this relationship over the years and has a unique understanding of the issues that affect the insular areas, having oversight over all of the former United Nations trust territories.

Today we consider this legislation in light of both the strong history between the Republic of the Marshall Islands and the United States as well as the common ties that will keep our nations closely connected for decades to come. For over 50 years, the United States has enjoyed a mutually beneficial relationship with the citizens of Micronesia and the Marshall Islands. In 1984, President Ronald Reagan proposed a new status for the trust territories of the Pacific through negotiated Compacts of Free Association. After having status as a United Nations trust territory for many years, in 1986 these islands chose to become sovereign states. Starting in 1986 when Congress passed the Compact Act, we made the agreement to strive to continue to maintain both economic and political stability in this region, including working to advance economic self-reliance in these islands. Congress also strongly endorsed the continuation of this relationship when we passed H.J. Res. 63, the new Compact of Free Association, by a strong bipartisan vote last year with the help of the House Committee on International Relations and numerous other House committees.

About 2 weeks ago, the citizens of the Marshall Islands, as well as many others, recognized a moment in time that was significant in American history and was a part of the daily lives of Marshallese citizens from 1946 to 1958. During this period, the United States was performing nuclear tests in the Marshall Islands that would prove primary to the success of our country during the Cold War. The contributions of the Marshall Islanders during these years further helped bring a positive and peaceful end to the Cold War that saw true democracies established across the globe.

In particular, H. Con. Res. 364 points to the significance of the nuclear weapons test that was code-named Bravo and its role in the half-century relationship that still exists between our countries. On March 1, 1954, the United States tested this weapon at Bikini Atoll in the Marshall Islands. It was the largest nuclear weapon ever detonated by our country. Its explosive power was nearly 1,000 times greater than the weapon used in 1945 in our attack on Hiroshima, Japan. This event and the success that came from our nuclear testing program will forever link the United States in history with the Marshall Islands. But the Marshallese continue to show their support for our country, as seen in 80 of their citizens serving in the U.S. Armed Forces. Our common pursuit of peace through working closely together through political, diplomatic, and strategic ties continues to this day.

I was fortunate to have recently been able to travel to the Marshall Islands with Department of Interior Secretary Gale Norton, as well as other members of the House Committee on Resources. The openness and kindness with which we were received will not be forgotten, as we were able to talk to some of the survivors of these nuclear tests and comprehend better the level of understanding that remains between the Marshallese and our government to this day. In fact, two Bikini citizens are here with us today to see this legislation move to the House floor: the Mayor of Bikini, Mr. Eldon Note, and Senator Juda from Bikini as well.

This bond should not be understated. I hope that other Members of this body will also show their recognition of this alliance in supporting H. Con. Res. 364 today. We continue to work with the Marshallese in both a socioeconomic and national defense standpoint. Be it the new schools being built with Compact of Free Association moneys or the critical work being done at the Ronald Reagan ballistic missile defense test site, our mutual ties founded in democracy and freedom can, with this legislation, be properly acknowledged.

I would like to thank the House Committee on International Relations for their help in bringing this legislation to the floor of the House in such an expeditious manner and look forward to the strong bipartisan support of this concurrent resolution by my colleagues.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 6 minutes to my good friend, the distinguished gentlewoman from Guam (Ms. BORDALLO).

Ms. BORDALLO. Mr. Speaker, over 7,000 miles due west from our Nation's Capitol at a location roughly 2,700 miles southwest from the Hawaiian Islands and 2,000 miles southwest from Guam lies a nation of more than 50,000 people. The Republic of the Marshall Islands comprises 30 atolls and 1,152 islands, an area that in total land mass represents roughly the equivalent in size of Washington, D.C. but straddles an area of about 770,000 square miles of the western Pacific Ocean.

Today the people of the Marshall Islands, their culture, their history, their special relationship with the United States, which this resolution seeks to appropriately recognize, is largely unknown and overlooked by most Americans. Their special relationship with the United States is embodied in a Compact of Free Association and the unique partnership the compact establishes between our two nations.

Last year, we as a Congress renewed this compact with the Marshalls for another 20 years, and we take this opportunity today to recognize the beginning of a new era in our strategic partnership. I am proud to have taken part in the compact's renewal and in the work on this legislation as a Member of this House. As our colleagues from Hawaii stated last year when the compact legislation was brought to this floor, this may be an issue of little note for many of the Members of the House. It would be easy, he said, to say that the compact represents an area of forgotten people, of the never noticed, perhaps lost in the vastness of the world's largest ocean, a people, a culture, an area that was undiscovered by the Western World until the Spaniards arrived in 1529 seeking a western route for trade. Over the centuries, their culture has flourished and the world has now taken notice.

The United States' relationship with the Marshallese began 5 decades ago during World War II. Allied forces, led by the U.S. Navy and Marines, drove the Japanese Imperial forces from their islands. Following the war, U.S. naval bases were established on the atolls of Kwajalein and Majuro. In 1946, Bikini Atoll was the site for Operation Crossroads, the first postwar atomic weapons tests. Fifty years ago this month, the United States detonated the historic Bravo shot, a 15-megaton hydrogen bomb 1,000 times more powerful than the atomic bomb that was dropped on Hiroshima. For 12 years, the United States detonated more than 67 nuclear weapons in the Marshalls during the development of our Nation's strategic arsenal. The testing in the Marshalls left a legacy that we continue to address to this day We recognize the important contributions of the Marshalls in our national security programs, and we know that the Free World owes a debt of gratitude to them for their role in the development of our national strategic deterrent. I am hopeful that we will soon address all these issues that the testing era brought for the benefit of our strategic partnership and special relationship.

In January, I was fortunate to have participated in a congressional delegation led by the gentleman from California (Mr. POMBO). I was very grateful that he decided to visit the Marshalls as well as other Pacific islands. While in Majuro, we met with President Kessai Note and elected officials from other islands, as well as with the Nuclear Claims Tribunal. This visit was important given the recent renewal of the compact, the anniversary of the Bravo blast, and the security issues facing our world today.

The people of the Marshall Islands have made tremendous sacrifices and contributions on behalf of the United States in the pursuit of peace and freedom around the world. Today, the Marshall Islands are among the United States' greatest friends and most reliable allies. I want to recognize and congratulate the Marshalls' Ambassador to the United States for his efforts in strengthening the relationship between our governments, the Honorable Banny de Brum. I also again want to thank the gentleman from California (Mr. POMBO), the gentleman from West Virginia (Mr. RAHALL), and the Secretary of Interior, Mrs. Norton, for their leadership in recognizing the value of the strategic partnership with this resolution. Mr. Speaker, I urge its unanimous adoption by this House.

Ms. HARRIS. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, I thank the gentlewoman for yielding me this time. I appreciate the chairman of the Committee on Resources for bringing this forward. I had the good fortune to travel to the Marshall Islands a couple of months ago on the CODEL with the Secretary of the Interior and some of my colleagues. We were able to meet with President Note and the elected leaders of many of the surrounding atolls. It was our good fortune to go to Kwajalein, to be able to watch what we are doing there at the Ronald Reagan test site, to see how important our relationship is with the Marshall Islands.

The U.S. nuclear testing program put the people of these remote islands in the front line of the Cold War. For many, many years testing went on. From 1946 to 1958, the U.S. detonated 67 atmospheric nuclear weapons in the Marshall Islands. Most Americans have no idea the contribution that the people of the Marshall Islands have made to our peace and our security. Hopefully, this resolution will go some distance in expressing our gratitude and our appreciation for that relationship. We have an obligation to the people of the atolls that were affected by these tests that we are still carrying through. I was pleased to support the Compact of Free Association, or the extension of it. This is a good start. It represents a good foundation for a continued strong relationship. We ought to appreciate strongly the Marshall Islands for their support for our position in the United Nations. No nation on this Earth, I think, supports us more, more frequently and is with us more than the Republic of the Marshall Islands. For that we should be grateful.

Mr. Speaker, I urge support of this resolution, and I am glad to speak on this topic.

Mr. ABERCROMBIE. Mr. Speaker, I rise today in support of H. Con. Res. 364, a resolution to recognize the decades of strategic partnership between the United States and the Republic of the Marshall Islands.

In 1947, the Republic of the Marshall Islands (RMI) became one of six entities in the Trust Territory of the Pacific Islands established by the United Nations with the United States as the Trustee. This began a decades long relationship between the United States and RMI that has proven to be resilient and enduring.

In particular, I'd like to highlight the United States nuclear testing program in RMI which began in 1946. Over the years, the United States detonated 67 nuclear weapons on the islands of Bikini and Enewetak. These tests comprise 80 percent of all atmospheric tests conducted by the United States and allowed a majority of all tests to be conducted as far from densely populated areas as possible. This testing includes the detonation of Bravo, the most powerful hydrogen bomb ever tested by the United States, on Bikini Atoll. Radiation from the test forced the evacuation of Marshallese and U.S. Military personnel on Rongelap, Rongerik, Utirik and Ailinginae.

Over the years, the Marshallese have faced very serious consequences as a result of the nuclear testing. The health and property effects have proved to be extensive and in many cases, immeasurable. The United States has recognized this and set up a fund to compensate those affected by the testing. However, the consequences of this testing, especially the health of the Marshallese people, continue to be impacted.

Mr. Speaker, I am sure that our countries will continue to work on this issue and find a resolution. I also have no doubt that the relationship between our governments will continue to be productive and mutually beneficial. Last year, this body worked on reauthorizing the Compacts of Free Association, an agreement between the United States and RMI, to continue our defense and economic alliance that has benefited both countries for 17 years. As a result of this work, the United States and RMI will continue this alliance for another 15 years.

I urge my colleagues to join me in recognizing our relationship with RMI and commend their dedication to international peace and security.

Mr. CASE. Mr. Speaker, I stand today in grateful support of this resolution, which I am proud to have cosponsored.

This resolution is about three things. First, re-acknowledgement of that region of our world in which the present and future of our Nation and so many others lie: the Pacific and Asia. Second, recognition of a proud people and culture whose future lies now not only in their home islands, but in our own country. Third, responsibility for our actions which, like the consequences of those actions, will extend down through the generations.

On re-acknowledgement, as a product of the Pacific, I confess to a Pacific-centric view of our world. But can anyone doubt that our own future is inextricably tied to that of the Pacific? And as we look to the Pacific, we cannot overlook its island nations, whose strategic value and loyalty to democratic principles are unquestioned.

Foremost among these nations is the Republic of the Marshall Islands, with a proud history and culture dating back thousands of years. We celebrate in this resolution the mutually beneficial relationship we have enjoyed for more than half a century.

We also celebrate its people, who at home are striving to build a modern and sustainable island nation. And the emigration of many to new lands and new opportunities, especially in our country, are strengthening communities beyond their homeland.

My own state has especially benefited, with a Marshallese community of some 5000 strong poised for a major breakthrough into the mainstream of political, economic and social participation in Hawaii's affairs.

And, of course, we cannot forget that the Marshallese and their counterpart Pacific nations today have their sons and daughters serving with our armed forces in Iraq and Afghanistan, and lying grievously wounded defending our joint freedoms in military hospitals.

And lastly, this is a resolution of remembrance, of the dire consequences to a whole people and their aina, or land, of 66 nuclear tests, virtually all open air, from 1946 through 1958, including, 50 years ago, BRAVO, the world's first hydrogen bomb. Few of us, even today, can imagine the force and devastation released by just one such device, much less 66.

I have my own recollection, as a boy of just six, sitting on my grandparents' porch on the Island of Kauai, on a dark night, watching the entire sky light up from a single explosion 2,300 miles away. But the Marshallese lived through it, and they are still living through it, and will live through it for generations to come.

These stories are being told elsewhere, by Beverly Keever, in a February 25, 2004 article in the "Honolulu Weekly," and by James Matayoshi, Mayor of Rongselap, in recent remarks on BRAVO day. I append these for the RECORD and commend them to your attention.

But today, we simply remember what happened and recommit ourselves to remedy that which must be remedied.

Mr. Speaker, there are lots of people to be thanked for this resolution. Chair POMBO and Ranking Member RAHALL, for their commitment, Chair HYDE and Ranking Member LANTOS for bringing this to the floor, and Chair LEACH and Ranking Member FALEOMAVAEGA for their advocacy. But mostly, we thank the people of the Marshall Islands, for their friendship and support. We will not forget.

Mr. Speaker, I submit the following articles for insertion into the RECORD in connection with H. Con. Res. 364.

SUFFERING, SECRECY, EXILE: BRAVO 50 YEARS LATER

(By Beverly Deepe Keever)

[From Honolulu Weekly, Feb. 25, 2004]

Almira Ainri was 10 years old when she was catapulted into the atomic age.

In June of 1946, as the U.S. Navy readied the first atomic bomb in peacetime—just the fourth in history—Ainri and about 100 other inhabitants of Rongelap Atoll, in the Marshall Islands, were sent south by ship to Lae Atoll, where it was thought they would be safe from the effects of the explosion 100 miles away, at Bikini Atoll.

Eight years later, in 1954, Ainri and other Rongelapese weren't as lucky.

Fifty years ago this week, on Bikini Atoll, the U.S. detonated the Bravo shot, a 15-megaton hydrogen bomb 1,000 times more powerful than the bomb it dropped on Hiroshima.

The most powerful bomb in U.S. nuclear history, Bravo had a radioactive cloud that plumed over 7,000 square miles, an area about the size of New Jersey. A hundred or so miles downwind, near-lethal fallout powdered at least 236 inhabitants of the Rongelap and Utrik atolls, contaminating their ancestral homelands. The Bravo-dusted islanders entered history as unique examples of the effects of radioactive fallout on humans.

Ainri, who now lives in Honolulu, is one of 118 survivors of the Bravo shot. For her and other islanders, the bomb's detonation set off a chain reaction of events over the last half century. They became unwitting subjects in secret U.S. research on the effects of nuclear fallout and ultimately were forced to leave their idyllic homeland, which remains uninhabitable to this day due to radioactivity.

Archeological finds on Bikini Atoll suggest that the first Micronesians likely arrived in the Marshall Islands between 2,500 and 4,000 years ago. Germany annexed the islands in 1885. Japan captured them in 1914. Allied forces captured and occupied them in World War II; the war's end left them in U.S. hands. The U.S. began nuclear testing there the next year.

The Marshall Islands were declared a Trust Territory by the United Nations in 1947, with the U.S. as the administrator, an arrangement that did not end until 1991. The following treatment of the irradiated islanders raises doubts about the behavior of the U.S. government:

U.S. officials failed to evacuate Ainri and other islanders before the Bravo shot and then delayed their removal for more than 50 hours after the fallout.

On March 7, 1954, six days after the Bravo shot, Project 4.1, "Study of Response of Human Beings Exposed to Significant Beta and Gamma Radiation due to Fallout from High Yield Weapons," established a secret U.S. medical program to monitor and evaluate islanders exposed to radiation, turning them into experimental human subjects without their consent.

Ainri and other islanders were allowed to return to their irradiated homeland in 1957. It was later deemed unsafe for human habitation.

Marshall Islanders were injected with or fed radioactive tracers without their consent, contrary to medical recommendations made by U.S. medical officers six weeks after the Bravo shot that the islanders should receive no more exposure to radioactivity in their lifetimes.

The research projects arising from Bravo were begun just seven years after war crimes tribunals convicted German medical officers for their horrific experiments with concentration camp inmates during World War II. Those tribunals led to the Nuremberg Code, an international standard for experiments involving human subjects, which stipulated that the voluntary consent of the subject "is absolutely essential." The U.S. Atomic Energy Commission established similar standards, requiring the consent of human subjects and the expectation that an experiment would benefit the subject, but they had little distribution or effect in the U.S. bureaucracy.

Did U.S. bureaucratic bungling and operational obstacles cause the mistreatment of the islanders or, as so many islanders and others say, did U.S. officials make the islanders guinea pigs to study the effects of radioactivity?

LIKE NEEDLES OVER MY WHOLE BODY

At about 6 a.m. on March 1, 1954, Almira Ainri was awakened by the brightness and noise of an inferno as hot as the core of the sun. Ainri was 18 then, married, and pregnant with her first child.

The island shook, she recalled. The air was gray. Snowlike particles fell from the sky.

A day later, U.S. soldiers with Geiger counters arrived and found people of Rongelap weak and vomiting. Fifty hours and more after Bravo's detonation, the 236 inhabitants on or near Rongelap and Utrik atolls were evacuated to the military clinic at Kwajalein Atoll. There, they were scrubbed every day with special soaps. The pressure of the water on Ainri's blistered skin felt "like needles over my whole body," she said—"like I was burning."

After the blast, Ainri gave birth to a son, Robert. His thyroid glands were so damaged that he became dwarfed. The glands were later removed, consigning him to a lifelong regimen of medication. Ainri got pregnant again and gave birth, she said, to "a bunch of grapes, that had to be pulled out of me." Twice more Ainri got pregnant, she said, and gave birth to children who appeared normal but died several days later. Another son, Alex, survived, but again with damaged thyroid glands. Ainri herself has thyroid problems; two new growths recently appeared there.

The suffering of Ainri and her family is hardly unique. Within a decade of the Bravo shot, more than 90 percent of the children who were under 12 years old at the time of the explosion developed thyroid tumors. Today, Marshall Islanders have one of the world's highest rates of abnormalities of the thyroid, which often result in cases of retardation, cretinism and stunted development.

For these and other conditions that the U.S. government presumes were caused by its nuclear weapons testing, the U.S. pays compensation. Those with leukemia or cancer of the esophagus, stomach, small intestine, pancreas or bone are awarded $125,000. Islanders with severe growth retardation due to thyroid damage get $100,000.

By the end of 2002, a U.S. trust fund had paid about $79 million to 1,808 islanders, but because the trust fund could not cover all its obligations, 46 percent of affected islanders died before they were fully paid for their injuries.

Rongelap Atoll comprises 61 islets with a combined land mass of about three square miles and a lagoon of 388 square miles. Because it is still too radioactive for humans, its former residents are scattered. In Honolulu, Ainri lives in a home where her pandanus floor mats mingle with a caller-I.D. phone and a television set.

Under a 1996, $45-million agreement with the U.S., projects are underway to prepare for the return of Rongelapese to the five southernmost, least-contaminated islets of the atoll. A glisteningly white church has been refurbished, complete with striking lapis trim. An airstrip, desalinization plant, field station, power plant and docks have been constructed or installed. Phase 2 calls for the construction of 50 four-bedroom homes, a dispensary and a hospital, school building, residences for doctors and teachers, a library, a town hall and a municipal building. All that is missing is a date when the resettlement will occur.

THE THREE SURPRISES

Corporal Don Whitaker hardly could have imagined the worldwide surprise his letter home would create. Writing to his hometown newspaper, in Cincinnati, in March 1954, Whitaker told of seeing distraught Marshall Islanders arrive at a navy clinic on Kwajalein after the Bravo shot. It was one of three surprises that shocked the world, and members of President Eisenhower's administration.

The first surprise was the magnitude of the Bravo bomb's blast. Its 15-megaton yield was more than twice what U.S. officials had expected. Set off from Bikini Atoll, it vaporized three of the atoll's 23 islets. The test was expected, however.

Whitaker's letter was the next surprise. In it, he revealed the evacuation of islanders that U.S. officials had tried to keep secret. Published March 9, eight days after the blast, Whitaker's letter prompted the Atomic Energy Commission to issue a press release the next day, masking the magnitude of the Bravo shot and its radioactive effects with a bland announcement. But Bravo was hardly the "routine atomic test" the release described, and the phrase "some radioactivity" did not come close to describing the islanders' dosage, which was the equivalent of the amount received by Japanese citizens less than two miles from Ground Zero at Hiroshima, lawyer-historian Jonathan M. Weisgall writes.

Twenty-eight years later, the U.S. Defense Nuclear Agency would call the Bravo shot "the worst single incident of fallout exposures in all the U.S. atmospheric testing program."

The third surprise came just days after the AEC had assured the public that the irradiated islanders were fine. A Japanese tuna trawler,—the No. 5 *Fukuryu Maru* ("Lucky Dragon"), was 112 miles east of Bikini Atoll at the time of the Bravo explosion, well outside the danger zone announced by U.S. officials. Yet Bravo's staggering detonation powdered the boat's 23 crew members with what is known in Japan as shi no hai—"ashes of death." When the *Fukuryu Maru* reached its home port of Yaizu, about 120 miles south of Tokyo, on March 14, the crew was suffering from a radiation sickness that stunned the world.

The crewmen's sickness and the subsequent panic over radioactive tuna in the U.S. and Japanese fish markets led to an international furor. The Japanese government and people dubbed it "a second Hiroshima" and it nearly led to severing diplomatic relations. A U.S. government doctor dispatched to Japan blamed the Japanese press for exaggerating the condition of the fishermen, who, he predicted, would recover completely in about a month.

Six months later, Aikichi Kuboyama, the 40-year-old radio operator of the *Fukuryu Maru*, died. He was "probably the world's first hydrogen-bomb casualty," said The New York Times.

It was this triple-play of surprises—Bravo's tremendous force, Whitaker's letter and the plight of the *Fukuryu Maru*—that chinked the U.S. government's usual policy of secrecy. Instead, the word fallout entered the world's lexicon. For the first time, people in Japan and Russia, London and Bonn, New York and Milwaukee, were aware of a danger that could not be smelled, seen, felt or heard.

THE SUN RISING IN THE WEST

The Bravo shot was the first U.S. hydrogen device that could be delivered by airplane. It was designed to catch up with the Soviets who, in August 1953, had exploded their first hydrogen bomb deliverable by aircraft.

The Bravo shot was so dangerous that it could not be detonated in the continental United States. Nor could it be set off at Enewetak Atoll, where the U.S. conducted nuclear blast tests from 1948 to 1958, for fear it would wipe out the extensive U.S. equipment and installations there. So it was tested at Bikini Atoll.

Even before the Bravo shot, experts knew that the radioactive dust of atmospheric nuclear weapons explosions was invisibly and unknowingly powdering the continental United States and touching others worldwide. The U.S. government's failure to move the Rongelap and Utrik Islanders in advance of the Bravo shot is painfully ironic because Almira Ainri and other Rongelapese had been moved before the first peacetime atomic test, in 1946—and Bravo was 1,000 times more powerful. Yet the islanders were not moved in 1954 because of "the high cost and logistic problems . . . in supporting such an operation," according to U.S. medical officers.

Six hours before Bravo, U.S. officials knew that the winds had shifted, putting Rongelap and Utrik Islanders in the path of fallout, but they proceeded with the detonation anyway. That knowledge, coupled with the lag of several days after the detonation before islanders were evacuated, led to speculation that the U.S. deliberately used the islanders as guinea pigs.

A month after the Bravo shot, Atomic Energy Commission chair Lewis Strauss told reporters that allegations that the evacuation of the Marshall Islanders had been deliberately delayed were "utterly false, irresponsible and gravely unjust to the men engaged in this patriotic service." He also said that he had just visited the islanders at the Kwajalein clinic and they "appeared to me to be well and happy."

Bravo was detonated at 6 a.m. Within four hours, the 28 U.S. weathermen on Rongerik Atoll, in the Marshall Islands, saw a mist from the blast. Seven hours later, the needle of their radiation-measuring instrument went off the scale. They were evacuated the next day.

Clouds of snowlike particles moved over Alinginae, Rongelap, Utrik and Ailuk atolls. The clouds deposited radioactive fallout on the people below and irradiated them with doses of "cloud shine," radiation produced by the blast itself, which Rongelapese described as being like "the sun rising in the west."

About two-thirds of the Rongelapese were nauseated for two days, according to a U.S. medical officer who examined them a week after Bravo. Roughly one in ten were vomiting and had diarrhea. Some had itching, burning skin that turned into black-pigmented areas and lesions, some of which became ulcerated and infected. Hair fell out. Blood counts fell.

The Bravo-dusted islanders disappeared from the news for the next year, because of the AEC's clampdown on information. But if they were not making news, they were making medical history.

GUINEA PIGS

Within days of the Bravo shot, irradiated islanders were unwittingly swept into a top-secret effort to research the effects of radioactive fallout on humans. "Never before in history had an isolated human population been subjected to high but sub-lethal amounts of radioactivity without the physical and psychological complexities associated with nuclear explosion," said scientist Neal O. Hines. Islanders would not learn the true nature of the experiment for 40 years, until 1994, when President Clinton ordered thousands of documents declassified in the wake of a national scandal involving human radiation experiments.

Four months before the Bravo shot, a then-secret U.S. document listed research Project 4.1 among 48 tests to be conducted during and after the explosion. "(D)ue to possible adverse publicity reaction, you will specifically instruct all personnel in this project to be particularly careful not to discuss the purposes of this project and its background or its findings with any except those who have a specific 'need to know,'" the document said.

The purpose of Project 4.1 was to study the effects of fallout radiation on human beings.

Three days after Bravo, Project 4.1 began to unfold in Washington, D.C., where top medical officials decided that the victims of its hazardous debris would be appropriate research subjects. A week after the blast, 25 officials of the AEC's medical program arrived at Kwajalein Atoll. Six weeks after the blast, Project 4.1 workers recommended a lifelong study of the affected islanders. After thyroid nodules began to appear on Rongelapese and Utrik islanders in 1963, they were studied every year.

They began to complain that they were being treated like guinea pigs rather than sick humans needing treatment. A doctor who evaluated them annually came close to agreeing when he wrote, 38 years after Bravo, "In retrospect, it was unfortunate that the AEC, because it was a research organization, did not include support of basic health care of populations under study."

RETURN TO RONGELAP

In 1957, U.S. officials assured Rongelapese that their homeland was safe and returned them there. Upon their return, U.S. medical officers shifted the emphasis of their study to what researchers who studied the documents released in the 1990s described as "the formation of an integrated long-term human environmental research program to document the bioaccumulation of fallout and the human effects of this exposure." In sum, U.S. officials knew they were placing the Rongelapese in a radioactive environment, even though the islanders had already sustained more than a lifetime's worth of radiation.

A 1982 U.S. Department of Energy report indicated that some inhabited areas of Rongelap were as contaminated as the parts forbidden to humans. It was the first report prepared for the Rongelapese in their own language and it shocked them. "All we needed to see was the center fold-out and our worst fears were confirmed!" Marshall Islands Senator Jeton Anjain told the U.S. Senate Committee on Energy and Natural Resources in 1991.

Rongelap, their principal island of residence since their 1957 return, had been assigned a level "3" of contamination, meaning it was unsafe for human habitation.

In 1984, Rongelapese representatives asked the U.S. to evacuate them. The U.S. refused.

The next year, the Rongelapese left anyway. "It was by no means an easy decision, for our people knew that it might mean they and their children would never again know life on their ancestral homeland of the last 4,000 years," Anjain told the U.S. Senate committee.

"But the safety of our children and the unborn was more important."

After living on radioactive Rongelap for 28 years, 70 islanders were moved by Greenpeace to Majetto Island, 100 miles away. Confirming their fears, a 1988 study authorized by the U.S. government and subsequent official testimony recommended that part of Rongelap Atoll be considered "forbidden" territory and that the remaining part would be safe only if inhabitants ate imported food for the next 30 to 50 years.

THE ONLY THING I COULD THINK OF WAS NAZI GERMANY

Residents of Rongelap and Enewetak atolls were also used in human radiation experiments involving radioactive tracers of tritiated water and chromium-51 injections, Marshall Islands Foreign Minister Phillip Muller told the U.S. Senate Committee on Governmental Affairs in 1996.

The U.S. Department of Energy withheld critical information about the adverse effects of U.S. weapons tests from the U.S. Congress and Marshallese officials, Muller said, and medical research without the consent of Marshallese subjects continued.

Marshallese Senator Tony de Brum told the committee that U.S. doctors 50 years ago pulled healthy as well as unhealthy teeth of islanders without their consent, for use in cesium, strontium or plutonium studies. Even in the mid-1990s, islanders were unsure whether they were being cared for or studied by U.S. medical personnel, de Brum said.

In 1999, Muller's allegations of human radiation experiments were confirmed by the Department of Energy, the successor agency of the Atomic Energy Commission. Declassified documents showed that U.S. officials included the irradiated islanders under the umbrella of its extensive biological program. Its worst known cases included x-raying the male organs of Oregon and Washington state prisoners, feeding radioactive fallout materials to university students, giving small doses of radioactive iron to pregnant women and feeding Quaker Oats laced with radioactive traces of iron and calcium to supposedly mentally retarded boys in a Massachusetts state home. Upon first learning about these kinds of experiments in 1993, Energy Secretary Hazel O'Leary said, "The only thing I could think of was Nazi Germany."

WHO WILL PAY?

Under the U.N. Trusteeship, the U.S. government was to prepare the people of the Marshall Islands for self-government. In 1986, President Reagan signed the Compact of Free Association after its ratification by the Marshall Islands government and Congress. Its provisions expired in 2001. New provisions for the compact were agreed upon earlier this year, but they are silent on U.S. funding that has since become inadequate to cover the spiraling claims of those harmed by U.S. nuclear weapons testing, including Bravo's fallout.

There may be a ray of hope for the Marshallese, however. The compacts say that nuclear testing damages to persons or property discovered after the original 1986 agreement can be covered in a new request to the U.S. Congress with documentation that circumstances have changed.

One changed circumstance is that the U.S. government did not disclose to the Marshallese government the yield of 44 of the 66 U.S. nuclear weapons tests detonated in its republic until 1993. The next year, a comprehensive list of 1,054 U.S. nuclear weapons tests worldwide and their yields was made public by the Department of Energy. It shows that the yield of 82 tests in the U.S.-administered Bikini, Enewetak and Johnston Atolls and Pacific waters from 1946 to 1962 was at least 128,704 kilotons. That's the equivalent of 8,580 Hiroshima-sized bombs, or 1.47 such bombs per day for 16 years.

A second changed circumstance is that the personal-injury and property claims arising from nuclear weapons testing have exceeded the capacity of the $150 million trust fund established to pay them.

The people of Enewetak and Bikini have been awarded just over $1 billion for property damages, radiological cleanup, loss of use and hardship and suffering, but as of the end of 2002, less than one percent of that money could be paid. And class-action damage claims for the people of Rongelap and Utrik are still pending.

About 5,000 claims seeking a combined $5.75 billion for radiation-related damages arising from U.S. weapons testing in the Pacific have been pressed. The U.S. has paid $759 million.

In 2000, invoking the "changed circumstances" provision of the compact, the Marshallese government asked the U.S. Congress for more funds and services to meet health costs and property damages. (Its petition can be viewed online at www.rmiembassyus.org—click "nuclear" and then "petition.")

In November 2001, the Marshallese government's petition was resubmitted to a new U.S. Congress and President Bush. As of early this month, the U.S. has yet to take any action.

REMARKS OF MAYOR JAMES MATAYOSHI, BRAVO DAY, MARCH 1, 2004

Today I stand before you as mayor of Rongelap, but more importantly, I stand before you as a son of Rangelap—a true son of the "survivors". You are here because you have determined that today, as we commemorate the terrible and terrifying event of March 1, 1954, it is important that you come. We are grateful to you for being here.

We are especially proud to welcome our friends from the World Councils of Churches, our friends from Japan, Europe, and America. We know of friends here from as far away as New Zealand and Puerto Rico. We thank you all. We welcome you all.

Some of you are from the islands which have born this tragedy for 50 years and more. . . . Some of you represent organizations and communities of people who feel strong ties to those of us who survived Bravo. Some of you represent governments and important organizations from throughout our world. Many of you have come to show solidarity with us today when we take a solemn pause to memorialize events of the past. . . . Events which forever changed our lives, and by the fact that you are here, your lives as well.

Throughout this day, and as you interact with each other during these commemorative services, you will undoubtedly hear various accounts of events surrounding Bravo. From this long list of stories and anecdotes, you will witness the horror of the bomb, hear the multitude of reasons why this or that happened, and draw your own conclusions as to what to believe. Of course, you will hear from the apologists who will try as they always do to explain away our suffering and sorrow as byproducts of the cold war. The "accident" theorists will tell you about sudden shifts of wind and stronger yields than expected. Others will write of us as allies just bearing their share of the burdens of the cold war.

Local witnesses will tell you personal versions of what they saw and felt from the eyes and the understanding of human beings and not scientists or soldiers or politicians. They will tell you of how as children they ran and cried, then played in the milky dust that fell on them. They will tell you of confusion, of fear, of thinking that the world had ended.

Leaders will tell you how they tried to do all they could do to deal with the matter. Representatives of governments will try to assure you that all that could be done to bring the matter to closure have been done. They will tell you that Washington no longer sees these islands on their radar screen and therefore our quest for fairness and justice is all in vain.

I wonder if they will tell you about project 4.1: The Study of Humans Exposed to Radiation. We began learning more about this program when previously classified documents pertaining to the testing program were released to us in 1994 under the Clinton administration. Among the thousands of documents declassified we discovered this frightening program plan. Drawn in 1953 for the planned 1954 Castle Nuclear Test Series, Project 4.1 contemplated the study of exposed human beings months before Bravo.

Throughout the years our people have had misgivings about the annual medical examinations they were subjected to by scientists from the United States. Our discovery of these descriptions of project 4.1 have reinforced our conviction that we were being studied, not treated by the scientists who examined us. If project 4.1 was conceived, planned and funded prior to March 1, 1954, where were the study subjects supposed to come from?

We have pictures showing "subjects" of the 4.1 study as early as March 16, 1954. Could this project have been put in place in a matter of 2 weeks without requisite technical and logistical planning? American doctors have testified that they were treating our injuries and that the studies were an integral part of the treatment. Yet it was general knowledge from the beginning that they would not treat conditions which they considered unrelated to the tests and would refer such patients to the Trust Territory medical authorities.

We have documents pertaining to studies where certain radioactive materials were given to subjects both "exposed" and "unexposed." This resulted in previously unexposed subjects being exposed for the purpose of comparison and exposed persons getting even more radiation than they had been getting from the bomb. If project 4.1 was not a study why were there "control groups"?

Many documents pertaining to the tests have yet to be released. Others, like the photographs in the Office of the District Administrator here in Majuro were removed and set on fire by agents of the United States Government. Several other fires involving medical records of Marshallese exposed to radiation have been reported through the years.

Sufficient information regarding weather conditions surrounding Bravo has been gathered to convince us that there was no unexpected change in weather that caused radioactive fallout to reach inhabited areas. The generals and scientists in charge of the testing chose to ignore weather studies and forecasts which predicted unsafe conditions for the testing.

On earlier occasions, people were moved for safety reasons for prior tests with much smaller expected yield. For Bravo, there was no such precautionary relocation. People were left where they were, unaware that they were in harm's way, totally at the mercy of the most powerful nuclear device ever detonated by man.

For all these years under American guidance, we have learned principles of democracy and human rights under which all men aspire to live. Yet, when we seek to be treated with honor and dignity, we are denied the means to assure that fairness and justice is guaranteed to all. The United States continues to be less than forthcoming in its handling of information and dissemination of facts pertaining to the testing program.

Here we are, 50 years after Bravo, and the people forcibly removed from their homes for the atomic tests, with the exception of Utrik, have yet to return home. The question of exposure as it affects other atolls of the Marshalls has yet to be fully addressed. Many claims are still being prepared. Adjudicated claims have not been paid in full as agreed upon by the United States. Medical and monitoring programs, promised by those who exposed us, have been severely curtailed or abandoned. Making "non-exposed" Marshallese responsible for the medical needs of "exposed" Marshallese is not a just solution. America must own up to the problems it created.

Bravo is not over. The people of Kwajalein, who sacrificed their home and society for America's nuclear ambitions, still live in squalid conditions on Ebeye, unable to live in peace and comfort in their own homeland. They have been subjected to many of the same treatments the islands of the tests suffered: displacement, loss of traditional skills, social disruption, and the contamination of their lands and seas.

We became dependent on the U.S. because the U.S. claimed the power to govern us. We did not ask for it, but when it happened we came to understand the choices we had. After decades of living with the good and the bad under American rule, we decided that the greater good would be to cast our lot with the U.S. under the compact of free association.

Today we are America's allies in the war on terrorism. We are America's allies in the development of the missile systems. We are allies in the U.N. and vote with you when all your other allies abandon the U.S. on issues of great importance. We do that of our own free will, without the exercise of extra ordinary U.S. powers under the compact.

For all these reasons, I can say we appreciate and understand America. We understand what Fourth of July means to Americans. We understand what Ford Theater and December 7, 1941 mean to America. We understand what November 22, 1963 means to America. We understand what September 11 will always mean to America.

What we are here today to ask is that America understand us as well as we understand it. For our people, for the Marshall Islands, March 1, 1954 is the defining moment in world history.

That is the Fourth of July, the assasination of President Lincoln and Kennedy, Pearl Harbor and 9/11 all wrapped into one.

That is the day the world stood still and also changed forever. That is the day we went from being an occupied nation to becoming a dependent nation. That is the day we went from being survivors of the World War to victims of the Cold War.

March 1, 1954, is the day that defines a legacy that would not end when the testing ended. This on-going legacy is recognized under Section 177 of the Compact of Free Association. The "full and final settlement" under Section 177 is not limited to the number of dollars deposited in the nuclear claims trust fund. The full and final settlement includes the on-going political and legal process recognized under the Section 177 agreement as the path to reach truth and justice. That includes the Article IX changed circumstances process as a matter left to be resolved by the U.S. Congress. It also includes the adjudication of additional claims under law by the Nuclear Claims Tribunal.

So what we ask today on this 50th anniversary is not just that we remember the past. We ask that the U.S. remember its commitments. We ask Americans to understand us as well as we understand them. We think they do. We think the U.S. is a great Nation that can do the right thing.

It is too simple to say that the wrongs done to us were justified by the good that the U.S. has done for the Marshall Islands and the world. There must also be justice for our people.

We believe it is significant that former U.S. Attorney General Dick Thornburgh independently concluded the Nuclear Claims Tribunal operated by the U.S. judicial standards. And we are pleased that Senator DOMENICI announced during hearings on the compact renewal that the U.S. Senate will hold hearings on the nuclear testing legacy.

At a time when the U.S. is spending billions to study nuclear clean up at mainland weapons production sites, and hundreds of billions to make the world a safer place, the U.S. has a legal and moral obligation to finally resolve the legacy of nuclear testing in the Marshall Islands. A democratic ally on all fronts in the current war that asks for nothing except just compensation for judicially determined claims.

That is all we ask. We respect and trust the United States to do what is right when it has the facts. Now is a moment in history when the facts can come out. The truth can be told. Our story needs to be told and the American people need to hear it.

So today, I tell you my friends—Bravo lives on. The terrible disruption it wreaked upon the lives of the people of Rongelap and the Marshall Islands still haunts us. But we shall not let that dampen our hopes or our determination to seek justice wherever we shall find it. We have survived the greatest weapon of war man has ever devised. We will survive whatever is before us and we shall not rest until our quest for justice is found. That is our promise. That is our goal. With your help, and the help of free people everywhere, with the blessing of God, we shall prevail.

Mr. RAHALL. Mr. Speaker, I rise in my capacity as the ranking Democrat of the Committee on Resources to support H. Con. Res. 364; recognizing more than five decades of strategic partnership between the Republic of the Marshall Islands and the United States.

Historically, the Committee on Resources held oversight jurisdiction of the former Trust Territory of the Marshall Islands when the United States first took responsibility for the islands and her people shortly after World War II as part of a United Nations trusteeship agreement.

Though we prevailed in war, our country was still healing from the pain and suffering associated with battle. Yet we were mindful that the security of our Nation, and that of the world, depended on our understanding of the destructive nature of our nuclear arsenal.

It is within this context that the people of the Marshall Islands made a sacrifice that is unimaginable for us Americans. On islands where their ancestry could be traced back thousands of years; where their culture flourished, and where they lived in relative peace; the people having been convinced it was "for the good of mankind" voluntarily left their homes.

On military ships we loaded their canoes and personal belongings and moved them hundreds of miles away to other islands, safe from nuclear fallout.

Our nuclear testing program commenced and lasted for twelve years, between 1946 and 1958. Within that time, we detonated 67 nuclear devices. One of the 67, detonated on March 1, 1954, in the Bikini Atoll, was the largest ever explosion to occur. Code-named BRAVO, the hydrogen bomb was 1,000 times greater than the weapon used against Japan in 1945.

Shifting winds in the Marshall Islands caused those that were placed out of harm's way to be exposed to nuclear fallout. We have continuing responsibilities for their care and rehabilitation. We continue to work with the Marshall Islands government to resolve issues of healthcare, environmental remediation, and eventual resettlement of atolls still contaminated by nuclear fallout.

After the U.S. nuclear testing program, we continued to assist the trust territory in their political, economic, and social development, consistent with the United Nations trusteeship agreement.

In the mid-1980's, in an act of self-determination, the Marshall Islands chose to become a sovereign nation in free association with the United States. This political partnership fulfilled the U.N. trusteeship agreement and built upon the relationship established during the trust territory period. It continues to this day.

In November of last year, Congress continued our Nation's relationship with the Marshall Islands by approving amendments to our existing Compact relationship. The term of the amended Compacts is for the next 20 years. However, given our history, I imagine that our political partnership will outlive such timeline.

We may never fully understand the personal hardships our nuclear testing program caused to the people of the Marshall Islands, and more specifically those directly affected communities from the atolls of Bikini, Enewetak, Rongelap, and Utrok.

And we should always remember the sacrifices made by the good people of the Republic of the Marshall Islands to strengthen our Nation and make the world more secure.

I thank Chairman POMBO for working with me to recognize the U.S. relationship with the Marshall Islands and to mark the fiftieth anniversary of the BRAVO test with this resolution. I also thank the Committee on International Relations for expediting this resolution so that it could be considered by the House.

I urge all my colleagues to support H. Con. Res. 364.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today in support of House Concurrent Resolution 364 which recognizes more than 5 decades of strategic partnership between the United States and the people of the Marshall Islands in the pursuit of international peace and security.

During World War II, the Marshall Islands were a strategic battleground. In 1944 and as a result of the heroic efforts of U.S. Armed Forces as well as the courageous assistance of the people of the Marshall Islands, the islands were successfully liberated from Japan's oppressive regime and a new cooperative partnership between the United States and the Marshalls was forged.

By 1947, the Republic of the Marshall Islands (RMI) became one of six entities in the Trust Territory of the Pacific Islands (TTPI) established by the United Nations and administered by the United States. This alliance obligated the United States to foster the development of self-governance and promote economic, social, and educational advancement of the people of the RMI.

However, on March 1, 1954, at 6:45 a.m., at the Bikini Atoll in the Marshall Islands, the United States detonated the Bravo shot, a 15 megaton hydrogen bomb 1,000 times more powerful than the bomb dropped on Hiroshima. Acknowledged as the greatest nuclear explosion ever detonated, the Bravo test vaporized 6 islands and created a mushroom cloud 25 miles in diameter.

While U.S. servicemen on Rongerik Atoll were evacuated within hours of the blast, Marshallese residents of Utirik and Rongelap were left behind for at least a day, resulting in their exposure to significant radiation. At the time of their removal, the people of these atolls were already suffering burns and loss of hair.

Also returned prematurely to their atolls, the people of Rongelap and Utirik received additional exposure causing many to believe that they were used to study the effects of radiation on human beings. Recently declassified information contains strong indications that human experimentation using the people of the exposed atolls was indeed part of the nuclear testing program in the Marshall Islands.

These tests exposed the people of the Marshalls to severe health problems and genetic anomalies for generations to come. Yet the United States has not made good on its promise to compensate citizens of the Marshall Islands for loss or damage to property and person resulting from the nuclear testing program which the Government of the United States conducted in the Marshall Islands between June 30, 1946 and August 18, 1958.

From 1946 to 1958, the United States detonated 67 nuclear weapons in the Marshall Islands, representing nearly 80 percent of all atmospheric tests ever conducted by the United States. If one were to calculate the net yield of these tests, it would be equivalent to the detonation of 1.7 Hiroshima bombs every day for 12 years.

Conducted in peacetime, the effects of the U.S. nuclear testing program in the Marshall Islands continues to be devastating and funds provided by the United States under the Compact of Free Association are grossly inadequate to provide for health care, environmental monitoring, personal injury claims, or land and property damage. I believe the survivors of U.S. atomic tests conducted in the Marshall Islands deserve just compensation and I am pleased that at a minimum H. Con. Res. 364 recognizes the historic contribution the people of the Marshall Islands have made in the cold-war struggle to preserve international peace and promote nuclear disarmament.

Today, the RMI provides use of its islands for the United States to develop a deployable missile defense system to reduce the risks of nuclear missile attacks and this is just another example of the RMI's unmatched record of working in conjunction with the leadership of the United States in pursuit of international peace and security. I commend the people of the Marshalls for their commitment to the rights and well-being of the peoples of the world and I recognize with solemn regard the sacrifices they have made so that you and I and future generations may live in peace.

I commend Chairman RICHARD POMBO of the House Resources Committee for introducing this legislation of which I am an original cosponsor. I thank my good friend for his leadership and for recently leading a congressional delegation to the Pacific Territories where we met with island leaders, including those from the Marshall Islands. Chairman POMBO invited Secretary Gale Norton to accompany us on this visit and I commend both the Secretary and the chairman for traveling to the Pacific Territories to see firsthand the difficulties we are facing in the region.

As the ranking member of the House International Relations Subcommittee on Asia and the Pacific, I also want to thank Chairman JIM LEACH of the Subcommittee on Asia and the Pacific for sponsoring this legislation and for working with Chairman POMBO and me to move this legislation to the International Relations Committee for mark-up. I also thank Chairman HENRY HYDE and Ranking Member TOM LANTOS of the International Relations Committee for their support.

Finally, on behalf of the people of American Samoa, I again recognize with solemn regard the sacrifices our Pacific Island cousins have made in pursuit of international peace and I am hopeful that one day the U.S. Congress will declare March 1 as a national day of remembrance for the survivors of U.S. nuclear tests in the Marshall Islands.

Mr. LANTOS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. HARRIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BASS). The question is on the motion offered by the gentlewoman from Florida (Ms. HARRIS) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 364.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 1 p.m.), the House stood in recess subject to the call of the Chair.

☐ 1410

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SIMPSON) at 2 o'clock and 10 minutes p.m.

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

Mr. HYDE. Mr. Speaker, pursuant to House Resolution 561, I call up the resolution (H. Res. 557) relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The text of House Resolution 557 is as follows:

H. RES. 557

Whereas Saddam Hussein and his regime committed crimes against humanity, systematically violating the human rights of Iraqis and citizens of other countries;

Whereas Saddam Hussein's terror regime subjected the Iraqi people to murder, torture, rape, and amputation;

Whereas on March 16, 1988, Saddam Hussein's regime had and unleashed weapons of mass destruction against Kurdish citizens, killing nearly 5,000 of them;

Whereas as many as 270 mass grave sites, containing the remains of as many as 400,000 victims of Saddam Hussein's regime, have been found in Iraq;

Whereas rape was used to intimidate the Iraqi population, with victims often raped in front of their families;

Whereas the regime punished the Marsh Arabs by draining the marshlands, which created hundreds of thousands of refugees and caused an ecological catastrophe;

Whereas the Iraq Liberation Act of 1998 (Public Law 105–338), passed by the House of Representatives by a vote of 360 to 38, made it United States policy to support efforts to remove from power the regime headed by Saddam Hussein;

Whereas with the Iraqi regime failing to comply with 16 previously adopted United Nations Security Council resolutions, the Security Council unanimously approved Resolution 1441 on November 8, 2002, declaring that Iraq "has been and remains in material breach of its obligations under relevant resolutions, including resolution 687 (1991), in particular through Iraq's failure to cooperate with United Nations inspectors"; and

Whereas on October 10, 2002, the House of Representatives passed the Authorization for Use of Military Force Against Iraq Resolution of 2002 (Public Law 107–243) and on March 19, 2003, the United States initiated military operations in Iraq: Now, therefore, be it

Resolved, That the House of Representatives—

(1) affirms that the United States and the world have been made safer with the removal of Saddam Hussein and his regime from power in Iraq;

(2) commends the Iraqi people for their courage in the face of unspeakable oppression and brutality inflicted on them by Saddam Hussein's regime;

(3) commends the Iraqi people on the adoption of Iraq's interim constitution; and

(4) commends the members of the United States Armed Forces and Coalition forces for liberating Iraq and expresses its gratitude for their valiant service.

The SPEAKER pro tempore. Pursuant to House Resolution 561, the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) each will control 2 hours.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is an important moment in our history. We are in the middle of a war the like of which has not been seen in recorded history. Everybody is a combatant, and the enemy works by night and works through cowardice. We do not see them. It is not like when Hitler marched through Europe with the blitzkrieg, where you could see the enemy. The enemy extends from New York City to Madrid to Indonesia. And if ever there was a time for this country, the United States of America, to be unified, as the gentleman from Pennsylvania (Mr. MURTHA) said earlier, it is now.

Now, there are two aspects to this issue that we have here today. One is the procedure by which we got here, and that is controversial and has evoked some harsh words. And the other aspect, the one that I choose to dwell on, is the substance of the resolution.

The resolution, it seems to me, is simple, straightforward and one that everybody can support. It does four things. It congratulates the Iraqi people on withstanding the torture, the brutality, and the oppression that Saddam Hussein has visited on that country for so long.

It affirms that the United States and the world has been made safer with the removal of Saddam Hussein and his regime. And I understand there are some who doubt that and wish to contest that. I would suggest to them that they look at Libya and they consider that Libya has given up its pretenses to have weapons of mass destruction, its capacity to develop nuclear weapons, and is rejoining the community of nations without a shot being fired. And anyone who doubts that that is not a direct result of our intervention in Iraq, seems to me, is not a very good logician nor a student of history.

The other two things the resolution does is commend the Iraqi people on the adoption of an interim constitution. This, Mr. Speaker, is a miracle. You have Sunnis, you have Shiites, you have Kurds who have been at each other's throats for a long, long time. You have them coming together in a period of 9 weeks reaching a constitutional document. Not perfect, but a giant leap forward from where they were. This is an immense contribution towards democratizing the volatile Middle East, and they deserve recognition.

And, of course, this resolution commends the United States Armed Forces and the Coalition for their valor and their courage in the war in the Middle East.

Now, those things, it seems to me, everybody can support. And regardless of our disagreements on process, regardless of our concerns about how we got here, I would ask, in the spirit of, dare I say, patriotism, sticking up for our country, never mind our ruffled feelings, justified or not, let us stand as one with our military people who are fighting this war, this strange, weird, deadly war, where all of us should be Americans, not Republicans and not Democrats.

□ 1415

Mr. Speaker, the vote in Spain was a great victory for al Qaeda, but it was simply a battle, it was not the war. The war will be a long, long war; and the voices of appeasement are being heard in Europe, but there are other voices, some from the past, voices like Churchill, voices like de Gaulle and voices like Roosevelt that caution resistance, resistance to tyranny. I would ask that Members read the resolution. It is very simple, very straightforward; read it and then put your bruised feelings aside and support it.

If we want to go into bruised feelings, both sides have ample cause, we certainly do, being called, and I say this in sorrow not anger, crooks and liars and having it suggested that the war was started by the President. Those kinds of ideas are not conducive to getting together and embracing each other in the unity that must prevail if we are to win. We do not dare lose this war. What can we do to help win it? I ask Members that, and I ask my friends on the other side of the aisle to give it heartfelt thought and support this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution we are considering today is deeply flawed. The way it was handled was meant to be divisive, and it has achieved that goal. None of us in this House knows if next January we will have a KERRY administration or a Bush administration, but we do know that whoever is in the White House must ensure the success of U.S. policy in Europe. Success in time of war requires cohesion and unity. We do not need a divisive, partisan resolution. This may be the way to prepare a Republican tax bill, but it is not the way to prepare a foreign policy resolution to win broad bipartisan support.

Mr. Speaker, the conflict in Iraq should not be a partisan issue. The soldiers who are fighting in Iraq are Democrats and Republicans and Independents. The soldiers who are wounded and killed in Iraq are Democrats and Republicans and Independents. The families who grieve for their sons and daughters who died in Iraq are Democrats and Republicans and Independents. The citizens of this country who are paying for this war are Democrats and Republicans and Independents.

Mr. Speaker, it is totally unacceptable that not a single amendment to this resolution was made in order. This was a Republican resolution, drafted with partisan intent by the Republican leadership. Many of us in this House who have been committed to and who have worked for a bipartisan foreign policy for decades know that this is a slap in our face.

A resolution that commends our troops ought to receive the unanimous support of this body, but this resolution has been written specifically to prevent that result.

Mr. Speaker, war is a time for shared sacrifice, a time when we are all united in a common struggle. This is not shared sacrifice. Some Americans are being killed, some are being wounded, some are asked to leave their families and risk their lives far from home; and some at the very top of the income scale are being asked to accept massive tax cuts.

Mr. Speaker, this resolution commends the troops, but it does not acknowledge the supreme sacrifice of many who are fighting. This resolution makes no reference to the more than 550 service men and women who have died in Iraq. It makes no reference to the thousands more who have been wounded. It offers no condolences to the families of those who have been killed. It makes no reference to the sacrifices of the families whose members are away from them serving in Iraq for many months or over a year. It makes no reference to the many civilian and humanitarian workers who risk their lives daily. It makes no reference to the contribution of our allies who have thousands of troops in Iraq, and it makes no mention of the death and casualties they have suffered. And it makes no reference to the Iraqi civilians who have lost their lives and suffered injuries, including dozens who were killed today.

Mr. Speaker, there are other serious omissions in this resolution. We should spend our time today debating substantive legislation to fix these problems. The American people have not sent us here just to be an "amen" chorus for this administration. There are serious problems, and we should be debating serious solutions.

There is no mention in this resolution of the flawed intelligence that was the basis of the administration's argument for going to war in the first place. We should be debating the establishment of a truly independent commission to examine the shortcomings of U.S. intelligence and the way it was used.

The members of this commission must not be appointed solely by the President, and the commission should make its findings known before Election Day. Only a truly independent investigation, and an investigation that the American people perceive to be independent, can bridge the credibility gap in our intelligence both here at home and abroad.

The failure of this Congress to deal with the problems facing our intelligence agencies will ultimately harm our national security, the war against terrorism, and our fight against the proliferation of weapons of mass destruction.

Mr. Speaker, we are commending our troops but we are not taking action that we can and should take to make their lives and to make the lives of their loved ones easier. The sacrifices being made by our National Guard and reservists in Iraq and elsewhere are extraordinary. Many National Guard and Reserve families have suffered serious financial losses because of the pay gap between their military pay when they are called up and their private sector pay. With longer rotations, Guard and Reserve families are facing dramatically increased financial burdens while their loved ones risk their lives far away from home. One of the consequences is a serious problem with reenlistments in the Reserves and the National Guard.

My legislation, H.R. 1345, legislation that I introduced 1 year ago this week, would fill that pay gap. My bill would ensure that government and private sector employees can continue to defend our country without being forced to worry about their families facing financial disaster.

Words of support for our troops ring hollow when substantive legislation to improve their conditions is sandbagged by the leadership on the other side.

Mr. Speaker, I very much regret that this resolution in its present form is brought before the House today. This should be a time for bipartisan unity and cohesion, not a time for partisanship. This should be a time for us to deal substantively with serious problems we face in Iraq and in our foreign policy. This should be a time for us to take serious action to help our service men and women. All of us join in commending our brave men and women of our Armed Forces.

Mr. Speaker, I reserve the balance of my time.

Mr. GREEN of Wisconsin. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER), a leading member of the Committee on International Relations.

Mr. WELLER. Mr. Speaker, I rise in support of this resolution. Let us review and remember the history of Saddam Hussein, a history of torture, murder and massive abuse of human rights. Saddam was not only an aggressor against his neighbors, but he murdered his own people. This is an outrage against all humanity.

Under Saddam Hussein, torture was widely used. Rape was a standard practice to intimidate and punish families, an outrage against women and all humanity. Murder was common. Truckloads of bodies took away victims. Ethnic cleansing was practiced with precision and effective organization, again an outrage against humanity.

The mass graves he created could barely hide the devastation of Saddam Hussein. Let us remember that Saddam Hussein was known in his own neighborhood, the Middle East, as The Butcher of Baghdad. Back in 1998, Saddam Hussein made a poison cocktail for the town of Halabja, using a combination of nerve agents, mustard gas and conventional munitions to kill 5,000 innocent Iraqi civilians, again an outrage against humanity.

And from 1983 to 1988, he went on an ethnic cleansing rampage against Iraqi Kurds, killing nearly 30,000 and wiping out 60 individual villages.

If you were not marked for death, Saddam Hussein was a master at torture and these were his favorite tools of torture, electric shock, drip acid on victims' skin, gouging out eyes, pulling out fingernails, suspending individuals from rotating ceiling fans, and for those who spoke ill of Saddam Hussein, they ripped out those victims' tongues. This is all an outrage against humanity.

There are over 400,000 unidentified bodies being unearthed in Iraq which call out for justice. I have a photo of a woman searching the remains of a mass grave for a loved one. Tell me this is not a just cause for freeing Iraq from Saddam Hussein.

Mr. Speaker, this Congress, this President, and our American military men and women had the leadership, the courage, and made the sacrifice to liberate Iraq from the mad, mad man, Saddam Hussein. It was the right step to take for all humanity.

Mr. LANTOS. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER), our distinguished whip.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I will support this resolution. I will support it as an expression of our Nation's gratitude and pride in our men and women in uniform who have performed with brilliance and valor in Operation Iraqi Freedom. To date, 565 Americans have given the ultimate measure of devotion to our country in Iraq, including a young soldier from my district, Jason C. Ford who was killed just a few days ago by a roadside bomb, 2 weeks after arriving in Iraq.

We mourn the loss of Jason and all other fallen patriots, and extend our most profound sympathies to their loved ones. We also pray for the full recovery of the more than 3,200 servicemen and -women who have been wounded there.

□ 1430

And to the approximately 110,000 Americans still in Iraq, we must offer this pledge: we will do everything within our power to ensure your success and safe return home.

Mr. Speaker, this resolution should have simply expressed the support of this House for our Armed Forces now in harm's way. Regrettably, however, the majority has handled this resolution in a manner which inevitably led to division. Our troops and the American people expect and deserve better. On a matter of the highest national importance, the majority has undermined the democratic process in this House, treated those who hold different views with disdain, and created a bludgeon where it should have built a bridge. This is the same approach that has guided the current administration's foreign policy and which has undermined our Nation's credibility and driven many allies away from us. This is a time to bring together, to consult, to be unanimous.

Mr. Speaker, I share the view that the Middle East and the world are better off with Hussein in custody and his Baathist regime on the run. But our mission in Iraq has not been accomplished. Even as we speak here, a car bomb has rocked Baghdad and killed more than 20 people. This comes on the heels of attacks on our troops, civilians and even innocent worshipers. Success must be our only exit strategy. And only when our objectives are accomplished can we say with certainty and conviction that the world has been made safer. As today's events in Baghdad and last week's horrific attacks in Spain make clear, this war has not been won. Yet. But we send an unequivocal message to those who perpetrate such madness: we will not retreat from our objective to eliminate the source of terrorism and those who perpetrate it. The legacy of the men and women who have committed the ultimate sacrifice in Iraq demands that we do no less. It should also demand that we do so united, united by common resolve and not divided by efforts to achieve political advantage.

Mr. GREEN of Wisconsin. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the debate on Iraq today I think confuses the American people. After all, one side focuses solely on parliamentary procedure or when they do on substance they focus solely on the tough times and the challenges that we face, which are very real. But its message all too often is devoid of any mention of progress. Sometimes it even suggests that we are not better off, we are not safer since Saddam's capture. However, the other side, Mr. Speaker, the side that I am on, talks openly of our soldiers' historic victories, how just 1 year after the start of Operation Iraqi Freedom, Saddam is in a dark cell, Osama is in a dark cave, and General Qaddafi is learning to play better with others.

The good news for the American public is that soon they will not have to rely on the media or the politics from either side of the aisle as the troop rotations take place. The public will get to hear from the soldiers themselves, our hometown heroes. And the story that they are going to hear is moving, it is amazing, it is historic. On the sobering side, the public will hear of mass graves discovered and death cells shut down. On the thrilling side, they will hear about some of the things I saw myself when I was in Iraq just a few months ago. The public will hear of schools and universities that are open and operating, clinics and hospitals that are open and serving, and democratically elected governing councils that are open and governing. They will hear that well over 100,000 Iraqis now serve in the military and the police and that water projects and economic development are well under way. In Mosul when I was there, I saw a sign on the wall of the headquarters of the 101st which read: "We are in a race to win over the Iraqi people. What have you done to contribute to victory today?" The answer from our magnificent troops is clear, a lot, an unbelievable amount. And Lord willing, the public is going to hear more each and every day about just what these fantastic brave men have done.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, before yielding to the gentleman from Florida, let me remind the gentleman from Wisconsin that national unity and cohesion are not matters of parliamentary procedure. They are at the core of uniting the United States and the American people at a time of war.

Mr. Speaker, I am pleased to yield 1½ minutes to the gentleman from Florida (Mr. WEXLER), a distinguished member of the committee.

Mr. WEXLER. Mr. Speaker, while I strongly support the brave American soldiers risking their lives to defend security and freedom, I rise in opposition to this politically motivated resolution because it is a farce and anyone who says otherwise is too blinded by politics to see the truth. The truth is Iraq was not an imminent threat to America. There were no chemical, biological, or nuclear weapons; and there was no link between al Qaeda and Saddam Hussein. The only mushroom cloud resulting from the war in Iraq is that represented by the Bush administration's barrage of deception and lies. While President Bush considers himself a war President, he is actually a self-made President of war. The President created the pretext for the war in Iraq. He planned for it before September 11, and he misused and fabricated intelligence to sell it to the American people. Instead of debating this empty resolution of praise for President Bush, Congress should investigate the President's unconscionable misuse of power and manipulation of the truth.

Despite this second declaration of "mission accomplished" in Iraq, history will tell the true story as it did in Vietnam. The mission is far from being accomplished, and President Bush will be judged harshly for the tragic events of the past year.

Mr. HYDE. Mr. Speaker, I am pleased to yield 3 minutes to the distinguished gentlewoman from Florida (Ms. ROS-LEHTINEN).

Ms. ROS-LEHTINEN. I thank the gentleman from Illinois for yielding me this time.

Mr. Speaker, as a political refugee from a brutal, sadistic regime, I know of the terrible crimes that dictators commit against their own people. Yet after talking to survivors of Saddam Hussein's regime and speaking with the teams who uncovered Iraq's mass graves, I was left speechless in the face of such atrocities. The Iraqi dictatorship indiscriminately slaughtered Iraqis but the women were among the most vulnerable. The notorious Fedayeen beheaded women in public, dumping their severed heads at their families' doorsteps. According to the September 2001 report of the United Nations Special Rapporteur, at least 130 Iraqi women were beheaded between June 2000 and April 2001, in just 1 year. The regime used widespread rape to extract confessions from detainees and would intimidate members of the opposition by sending them videotapes of the rapes of their female relatives. At times, family members were forced to watch those tapes.

However, Saddam Hussein's legacy of terror knew no boundaries. Even small children were not spared the butchery as evident from the tiny skeletons found in mass graves throughout Iraq. In 1998, the evidence of the Iraqi regime's threatening behavior continued to mount and we as Members of the United States Congress in a unified manner overwhelmingly approved the Iraq Liberation Act of 1998, calling for the regime of Saddam Hussein to be removed from power and replaced with a democratic government. By 2003 after 6 more years of Saddam's oppression, the death toll had reached frightening proportions. The U.S. could not watch idly and do nothing. As a Nation which stands for freedom, democracy and human rights, we were compelled to act. Today as a result of the President's resolve in Iraq and the courageous dedicated service of our troops, the Iraqi people are free.

As Iraq's new female minister of Municipalities and Public Works said last week to us: "On April 9, 2003, Iraqis were offered the opportunity to begin to dream their future." To determine if going to war in Iraq and liberating the Iraqi people was the right decision, just ask Dr. Khuzai, a member of the Iraqi Governing Council and National Council on Women. After being prisoners in their own country for 35 years, she told us: "For the Iraqi women, the morale is so high that you can't understand it unless you go and see. All the Iraqis are very grateful to Mr. Bush and to the U.S. for liberating us from the dictatorship regime. We will be grateful forever."

Today, the United States is helping Iraqi women reintegrate themselves into Iraqi society and, indeed, the outside world. Toward this end, the administration has embarked on the Iraqi Women's Democracy Initiative to train Iraqi women in the skills and practices of democratic public life. It has also established the U.S.-Iraqi Women's Network, helping to mobilize the private sector.

This is just the beginning. We will have a better, safer world for the Iraqi people, especially for the Iraqi women, and for all.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ), the distinguished chairman of the Democratic Caucus and an important member of the Committee on International Relations.

Mr. MENENDEZ. I thank the distinguished gentleman for yielding me this time.

Mr. Speaker, I hear my colleagues now talk about human rights and brutality, and there is no question about that; but there is human rights and brutality in many parts of the world, and that has not caused American troops to intervene in those countries. One year after the U.S. invasion of Iraq, it is time to focus on the truth. Yet this resolution leaves out the administration's most important justification for the war in Iraq, weapons of mass destruction. This administration systematically misled the American public and Congress into believing that there were weapons of mass destruction and that we were under an imminent threat. According to the Carnegie Endowment For International Peace recent report, the administration systematically misrepresented the threat from Iraq's weapons of mass destruction by presenting the case as solid instead of expressing the uncertainty that existed in the intelligence assessments, and making the threat seem dire rather than minor by misrepresenting the inspector's findings.

In fact, a report by the minority staff of the Committee on Government Reform found the administration made over 200 misleading public statements on the Iraqi threat.

The truth is that this administration will not have the American people know what really happened with the intelligence until after the November elections, a year from today. Most importantly, this Republican Iraq resolution, crafted with no input from Democrats, makes no mention of the over 565 American men and women who gave their lives in Iraq to date and over 3,500 others who are wounded. I say we should honor those who gave their lives, not ignore them. This resolution should commemorate that ultimate sacrifice.

In the wake of the recent attacks in Spain, it is shameful that Republicans are acting as dividers, not uniters. It is shameful that the Republicans without input from Democrats on a crucial resolution that could express our collective sentiment as we did after September 11 seek partisan gain out of what should be a national embrace.

Mr. HYDE. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentlewoman from Florida (Ms. HARRIS).

Ms. HARRIS. I thank the distinguished gentleman for yielding me this time.

Mr. Speaker, I rise today in support of House Resolution 557, which reaffirms the morality and justice of Operation Iraqi Freedom. One year ago, our brave men and women in uniform began to liberate a proud and resilient nation from an unspeakable 30-year nightmare. They also delivered a clear message to terrorists and tyrants alike: the United States will not tolerate a regime that pursues tools of mass murder and destruction. Operation Iraqi Freedom reversed more than a decade of failed diplomacy which exacted a devastating price. Because the world permitted Saddam Hussein to violate 16 U.N. resolutions with impunity, the terrorists became convinced of our weakness. Meanwhile, Saddam continued to murder, torture, mutilate and rape men, women and children by the millions. After routing Saddam Hussein's forces from Kuwait in 1991, we urged the Iraqi people to rise up and rebel against this brutal dictator. Then, because United Nations and international opinion required us to leave Saddam in power, we betrayed them.

During the Pryce delegation's mission to Iraq last fall, we listened to the victims and witnesses describe the horrors of this wicked regime. Incredibly, however, the faces of the Iraqis with whom we met reflected a new hope, born from the blood, sacrifice, heroism, and successes of our troops. Even as they endure the attacks of the enemies of freedom, they know that by working together, we will win the twilight struggle for their future.

□ 1445

In the heart of the Middle East, we are replacing the oppression and despair that breeds terrorists with the freedom and hope that defeats them. Mr. Speaker, this stunning transformation is the very essence of the war on terror and let us not permit the rhetoric of an election year to obscure this fundamental truth.

Mr. LANTOS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York (Mr. ACKERMAN), ranking member of the Subcommittee on the Middle East and Central Asia of the Committee on International Relations.

Mr. ACKERMAN. Mr. Speaker, this resolution is extraordinary, not for what it says but for what it deliberately refuses to admit. The President took us to war. An immediate nuclear threat was the bait. This resolution is the switch.

In the aftermath of the war, we found no stockpiles of weapons of mass destruction, and with shifting justifications coming from the President and memorialized here in this Republican-crafted resolution, I cannot help but feel, as my constituents do, that we were sold a bill of goods. Not surprisingly, today's feel-good pep-rally resolution does not speak to these issues. What it does provide is the background music for justification revisionists.

But since we have not discovered the promised stockpiles of weapons, we have a big problem. Not that our failure to find the weapons is not a big problem or that al Qaeda forces sneaking into Iraq is not a big problem or that nation building a place the size of California is not a big problem. The real problem is an utter lack of White House credibility. It is gone. Having not just cried wolf, but rabid wolf, this administration has lost its credibility with the Congress, with the American people, with the people of Europe, even with the people of "New Europe," and with the international community.

And the credibility gap extends to the plans for what we would do after the war. We won the war. The Secretary of War makes good war. And for the peace we were assured, the American people were assured that there was a plan. In fact, there was. It was crafted by the State Department. It spoke to all of the issues and problems that we have come up with until today, and it was scrapped by the Secretary of Defense. So how are the American people supposed to believe that the current plan to hand over power to the Iraqis on June 30, ready or not, come hell or high water, will actually work when all the expertise the United States Government could muster in advance has been summarily dismissed? I have concluded that the administration's plans to get us into the war was bait and switch, and the plan to get us out looks like cut and run.

Finally, I am deeply concerned that the war against Iraq has undermined our stated Bush national security doctrine on preemption. Surely we face a new and different world in the wake of September 11 and we must think differently about how to win the war on terror, but preemption as a valid and legal doctrine for self-defense depends on imminence, an imminent threat to our national security. What we have discovered in Iraq is that there was no imminent threat and that our intelligence about Saddam's weapons was far from the mark. The administration has destroyed its credibility with the world community, and if by our actions we have transformed preemptive war into preventative war, then despite what today's resolution says, we have not made the world a safe place but a more dangerous place in the long run.

Mr. HYDE. Mr. Speaker, I yield myself 30 seconds.

I would just like to comment on the use of the word "imminent." I wonder when the aircraft smashed into the World Trade Center, what was imminent. That morning? The day before? See, when we are dealing with suicide bombers, "imminence" is a rather difficult term to apply to circumstances. Sometimes by the time one finds out it is imminent, they are dead.

Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Virginia (Mrs. JO ANN DAVIS).

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, today I rise in support of this important resolution. It has been almost a year now since our brave men and women in uniform liberated the Iraqi people from the oppressive regime of Saddam Hussein. In doing so, our Armed Forces brought individual freedom to a people who have for decades only known persecution. Now they are proving just as impressive at rebuilding the country.

Mr. Speaker, several of the previous speakers have said that the Bush administration falsely claimed that the threat posed by Iraq was imminent. The threat was not imminent. The administration made no such claim. The threat was it needed to be dealt with before the issue became imminent. Saddam's regime continued to try to kill our American and British air crews patrolling the no fly zone, people like the gentleman from Illinois (Mr. KIRK), who flew those missions as a naval reservist. The United States could not keep a potential invasion force on station near Iraq indefinitely, nor would we want our soldiers to have to fight at the height of the summer.

With the ousting of Hussein from power, we have discovered the true horror and atrocities of this regime. As we look at the unearthed mass graves and reflect on the countless human rights abuses, how can we possibly question the legitimacy of this decision? The world is a safer place with the liberation of Iraq, particularly for the 25 million Iraqis who no longer have to live in fear of a brutal tyrant.

We entered Iraq to free its people and plant the seeds of a democratic government, and that is precisely what we are doing. If a few years ago, one would have told someone, anyone, that in the year 2004 the Iraqi people would be creating a constitution founded on democratic principles, I daresay that no one, no one, would have objected. Consequently, that is just what our decision has done.

I commend the diligence of our Armed Forces in the reconstruction effort, and I am pleased with the rapid progress that is being made. The road is certainly not an easy one, but I remain confident in the ability of the Iraqi people, with the cooperation of the coalition, to rebuild their country and to create a secure and stable sovereign nation.

I urge my colleagues to support this resolution.

Mr. LANTOS. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. BROWN), a distinguished member of the committee.

Mr. BROWN of Ohio. Mr. Speaker, I thank my friend from California for yielding me this time.

We all in this institution support our troops. We marvel at and applaud their bravery and their courage. It is not, Mr. Speaker, what is in this resolution. It is what is not in it. I suggest to my Republican colleagues that they meet with families of the men and women who are serving in Iraq, something many of us in this institution have done. They will learn how badly this administration has supplied our troops.

There is no mention of the lack of body armor in this resolution and how the Bush administration has failed to outfit our troops. There is no mention in this resolution about the lack of safe drinking water for our troops, something that this administration has failed to supply. There is no mention in this resolution of cuts in prescription drug benefits to veterans that this administration has forced on those who have lived up to their obligation for our country. There is no mention in this resolution of the $1.2 billion underfunded for the Veterans Administration in the President's budget. There is no mention in this resolution of 558 courageous young men and women who have died in Iraq. There is no mention of the 2,788 soldiers and sailors who were wounded since President Bush dressed in his flight suit and declared, "mission accomplished." There is no mention in this resolution of weapons of mass destruction. There is no mention in this resolution of the Bush administration's deceit in leading us to this war.

Mr. Speaker, the best way to honor our troops is to supply the troops adequately, to protect the troops and make sure they are safe, and to fulfill the promises to our veterans. Something the Bush administration has failed to do. Something my Republican friends on the other side of the aisle have failed to address.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

I was fascinated by the remarks of the last gentleman. We have been checking records of people who have strong views on this subject, and I find the gentleman has voted 11 times to cut the intelligence budget. That is pretty consistent, and I give him an A for consistency. He also voted against the supplemental to provide the wherewithal for the troops to be fully equipped. And so, as I say, the gentleman talks a very robust military, but he does not quite follow up with supporting funding for our intelligence.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, the $87 billion, first of all, I voted to equip the troops in Iraq in the first vote. When the Bush administration failed with enough money in that budget to provide safe drinking water, to provide body armor, when the administration failed to do it, they had plenty of money to do it; yet it took them months and months and months to make our troops safe. That is why so many in this body said do not give the Pentagon more money, do not give Halliburton more money, do not give more money to the company that is paying Vice President CHENEY $3,000 a week while he is Vice President of the United States.

Mr. HYDE. Mr. Speaker, the gentleman said what is not in our resolution. I will tell the Members what is not in. The 11 votes he voted to cut funds for intelligence, his vote against the supplemental. And so to talk out of one side of his mouth for a vigorous military and that they should be supplied, and then to deny them the wherewithal to do it, it seems to me is standing on two stools. It is a great way to get a political hernia.

Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Speaker, I rise today in strong support of this resolution, first to praise the efforts of our men and women in the military who have worked so hard and sacrificed so much on behalf of this country. I also want to take a minute to recognize the courage and resilience of the Iraqi women.

Under Saddam Hussein, Iraqi women lived in fear. They endured years of great beatings, torture, under a farce of a legal system under which they had no rights. Does no one remember the pictures of the Kurdish people, dead, holding their babies in their arms, trying to shield them from the horror of a weapon of mass destruction in Iraq? Only Baathists were awarded the right to have medical care. Families were torn apart on trumped-up charges. Divorce was grounds for having their children taken away. Imagine a mother watching her child die because of her political beliefs. Imagine watching a husband leave for work one day, never to come back. Imagine walking down the street and having their children ripped from their hands.

The persecution of women under Saddam Hussein was brutal and systematic and left deep and damaging psychological wounds. Women were afraid to walk down the streets. Girls were afraid to go to school. With the source of that oppression now removed great challenges lie ahead. Some estimate, for example, that over 70 percent of the Iraqi women are illiterate. They could not go to school.

Somehow this battered and oppressed nation has to educate a new generation of Iraqi children. And in the face of that tough task, there is optimism in Iraq. For the first time in generations, they see an opportunity where only once they had terror. Where once there was depravity, there is excitement and hope in these women for the future. I have met with these women. I have talked with these women.

The optimism is due to the United States' intervention and the selfless service of our men and women in uniform. In our Armed Forces stationed in Iraq, women stand alongside with men there and they serve as a model for the Iraqi women who aspire to that kind of equality on their own in their own country.

The new Constitution of Iraq calls for almost a 25 percent representation of women. The Iraqi women themselves have asked for 40 percent. Mr. Speaker; the resolution before us commends the Iraqi people for their courage in the face of unspeakable oppression. I commend the women of Iraq for overcoming that unspeakable adversity. I hope that everyone will back this bill.

Mr. LANTOS. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. SHERMAN), the distinguished ranking member of the Subcommittee on International Terrorism, Nonproliferation and Human Rights.

Mr. SHERMAN. Mr. Speaker, we send troops into battle without body armor. Shame. Those troops come back deprived of the veterans benefits we promised. Shame. And now we deliberately divide the homefront for political advantage. Shame.

Make no mistake about it. This resolution was designed by political consultants to generate the largest possible Democratic "no" vote which can then be the subject of political ads saying one of our Nation's great political parties does not support our troops. Shame.

The world is better because Saddam is gone. But a fair resolution would acknowledge that we are worse off because 566 of our troops are now deceased and 3,254 were wounded. And we are less safe because our military is exhausted and overextended. Our international credibility has been mangled beyond belief. So the real threats to our security, North Korea and Iran, are able to make progress on their nuclear weapons programs. We are not safer now than we were a year ago because those who would develop nuclear weapons and smuggle them into our cities have had a year further to progress.

□ 1500

And one party devotes a day of floor time to dividing our Nation during our war on terrorism. Shame. Just as that political party brought forward money for our troops in a supplemental and linked it to a giant welfare program for Halliburton and forced us to vote on it as a package. Now it attacks our patriotism when we said "no" to Halliburton, because they would not let us say "yes" to our troops and "no" to Halliburton at the same time. Shame.

Mr. HYDE. Mr. Speaker, I am very pleased to yield 2 minutes to the learned gentleman from Georgia (Mr. NORWOOD).

Mr. NORWOOD. Mr. Speaker, I thank the chairman for yielding me this time.

After listening to some of this debate, and I am sure it will get worse during the day as we deal with this politically, from a policy point of view, I would just like to take a minute and review what really we are talking about here. We are talking about a resolution that I cannot imagine any American, frankly, could not support. I mean we are simply saying that we affirm that the United States has made the world safer by the removal of Saddam Hussein. Well, I believe that pretty strongly.

We are commending the Iraqi people for their courage and going through all they have gone through. We are commending the Iraqi people because they actually have an interim Constitution and a Bill of Rights. That ought to have been on the front page of some paper somewhere. And we are commending our troops. What is there to be against, against that? All of it is true.

Do we want something else added to it? Well, I do too. And my colleagues will vote no because they did not get it exactly like they wanted it. I would like for this resolution to have commended the Commander in Chief of the United States. I would like for us to say to President Bush, thank God we have a man who has come along with enough backbone to stand up to the proliferation of weapons of mass destruction around the world and is willing to stand up to the terrorists. Thank goodness we do that.

My colleagues spend all of their time talking about weapons of mass destruction. What this President has said to us about weapons of mass destruction is precisely what the previous administration said to us also. The difference is, we have a 9/11. And the difference is, we had a President that was willing and ready to act as we should have acted.

Just think about it a minute. We knew he had weapons of mass destruction. We knew he had the ability to make weapons of mass destruction, did we not? We knew he used weapons of mass destruction. When I voted yes for the President, I thought he had weapons of mass destruction, but I was not by myself. Israeli Intelligence thought so; British Intelligence, German Intelligence, French Intelligence, the U.N., even Saddam Hussein thought he had weapons of mass destruction. Get off of that.

We are doing the right thing to protect this world, and we are doing the right thing to protect our security here at home.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 1½ minutes to the gentleman from New York (Mr. MEEKS), a distinguished member of the committee.

Mr. MEEKS of New York. Mr. Speaker, I have nothing but praise for our warriors in Iraq, but I oppose the President's Iraq war.

If this was a resolution praising our warriors instead of using them as a pretext for applauding the President's after-the-fact arguments for going to war, I would vote for it. If this was a resolution proposing ways in which Congress and the President will raise our soldiers' pay, improve their housing at home and abroad, ensure quality health care for their families and survivors, I would vote for it. If this was a resolution guaranteeing the greater benefits, job training, educational and employment opportunities for returning veterans, I would vote for it. If this was a resolution demanding that the President develop a real foreign policy agenda instead of a doctrine of preemption and preventative war, I would vote for it. If this was a resolution calling on the President and the Intelligence Community to come clean on why no weapons of mass destruction have been found, I would vote for it. If this was a resolution condemning the no-bid contracts by which private military companies like Halliburton have enriched themselves and whose contributions have fattened the President's campaign war chest, I would vote for it.

But since this resolution is none of the above, I am compelled to vote against it. Since this resolution is steeped in hypocrisy and self-congratulatory bravado while refusing to address the false pretenses upon which the Iraqi war was launched, I am compelled to vote against it.

Again, this is poli-tricks, again, as this resolution was crafted to divide this Nation, not bring this Nation together. No, none of us had an opportunity on this side to contribute anything to this resolution, if, in fact, they want to have any kind of unity.

Mr. HYDE. Mr. Speaker, I am very pleased to yield 3½ minutes to the distinguished gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman from Illinois (Chairman HYDE) for authoring this very important resolution.

Mr. Speaker, much of the dark and unseemly world of Saddam Hussein is only now coming to light, and it is significantly worse than many of us had thought. The fact that as many as 400,000 victims were systematically brutalized and raped and tortured to death ranks the Hussein dictatorship as one of the worst in modern history. Had the United States and coalition forces not gone in to liberate Iraq, there is no doubt whatsoever that the killing fields would have continued unabated and that tens of thousands Iraquis or more would have met a terrible fate.

Mr. Speaker, on the issue of chemical weapons, we know that chemical weapons used by the Iraqis are not mere conjecture. Hussein used weapons of mass destruction and used them with impunity both in the Iran-Iraq war and he used them against the Kurds. We know for a fact, according to Human Rights Watch and many other organizations and the U.S. Department of State, that upwards of 5,000 Kurdish people died a horrific death from those chemical attacks. There have also been, as my colleagues know, a staggering number of disappearances, believed to range between 250,000 to 290,000.

Mr. Speaker, the Armed Forces of the United States and our coalition partners have conducted themselves in Iraq with incredible valor, professionalism, and commitment. Our forces and those of our allies are peacemakers. We often talk about peacekeepers, soldiers who go in when the situation, while volatile, presents the opportunity to ensure that the combatants can be separated. Our men and women went into Iraq and they "made" the peace. They are peacemakers in a place in the world where peace was an oxymoron.

The recently adopted interim Iraqui constitution, Mr. Speaker, will more likely get further worked once the new assembly is up and running next year, is historic; a constitution which articulates basic fundamental human rights and the rule of law in the Middle East. After Israel, which has an excellent constitution, we now have Iraq. And I think there is a great opportunity for democracy to break out and the rule to be respected and that also mitigates the danger of Iraq which now is a peacemaker itself to its friends and allies in the region.

Finally, just let me say, a previous speaker talked about shame when it comes to our veterans and our men and women who are returning home. I chair the House Committee on Veterans' Affairs. We have seen, since the Bush Presidency began, and it continues the trend line of the late 1990s, more than a 30 percent increase in health care funding and we will increase it again this year, and we will do so significantly.

President Bush has signed no less than 16 separate bills to enhance, to expand veterans benefits. The Veterans Benefits Act of 2003 was signed on December 16. There were seven titles to it, filled with very important provisions to enhance veterans benefits. The Veterans Education and Benefits Act contains a 46 percent increase in the GI Bill, 46 percent increase in college funding. I know, because I authored it. I was the prime sponsor of the bill. With no fanfare whatsoever, this President signed that legislation and 15 other bills into law.

Mr. Speaker, I would hope that these trying to use veterans issues as a political football would cease on this floor today. We are trying, in a bipartisan way, to meet the obligations and the needs of our veterans. I stand committed to that. This party, and I would say to my friends on the other side of the aisle, to do so as well, we should all be pro-veteran, and we are matching our words and our rhetoric with funding and with responsive and responsible laws.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 1½ minutes to the gentleman from New York (Mr. ENGEL), a distinguished member of the committee.

Mr. ENGEL. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am going to vote for this resolution, but I am going to do it with a heavy heart. I am going to do it with a heavy heart because this is obviously a politicized resolution. It is a resolution that was designed to make Democrats look bad. It is a resolution which Democrats had no input in whatsoever. It is a resolution that really smacks, I think, of hypocrisy, because when we look at the self-righteousness on the other side, when we had a resolution on the House floor several years ago when Bill Clinton was President to support our troops in Kosovo, almost everyone on the other side voted no.

I am going to vote for this because I support our troops. I am glad that Saddam Hussein is no longer in power, and I am glad that there is an Iraqi Constitution, and that is essentially what this resolution says. I believe that whether one believed that the war in Iraq was justified or unjustified, the fact that we are there now and we cannot cut and run because if we did, Iraq would surely be a terrorist state now if it was not one before, we really cannot cut and run.

But I think my friends on the other side of the aisle really ought to build a consensus. Democrats should have had input into this resolution. Democrats should have been allowed to amend this resolution. If we truly want bipartisanship, then we really need to stand together.

I am troubled that no weapons of mass destruction were found in Iraq. I am troubled that it seems that our intelligence was not exactly up to snuff. I am troubled that the American people were not told the entire truth. But I think we have to come together to support our troops.

Mr. Speaker, I want to say again to my friends on the other side of the aisle, we support our troops whether they are in Iraq, Kosovo, or anywhere around the world, and we have to stand together and say it, not play partisan political games.

Mr. HYDE. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of H. Res. 557. Americans should be proud that we are again confronting an evil threat to the Western world. We have done that before and we will do it again. We should be proud of our soldiers and we should be proud of our President.

The last administration did nothing. What we are doing now is making up for what was not done 10 years ago. Ten years ago, we let Afghanistan be turned into a terrorist base. Ten years ago, we let Saddam Hussein continue his dictatorship and yes, the administration before the last, George Bush's father, deserves some of the blame for this; but for the 8 years of the Clinton administration, Saddam Hussein was murdering his people and aligning himself with the terrorists of the world. Yet we did nothing.

Now, I remember voting for the Iraq Liberation Act of 1998. It passed this House by 360 to 38. Now, today, we hear oh, the President of the United States did not justify going into Iraq. Well, many of the people making that point voted for the Iraq Liberation Act in which section 3 of the Iraq Liberation Act authorizes the President of the United States to remove Saddam Hussein by force. Yet this President is taking care of business, while the last administration did nothing. Finally, we have a President who is taking care of business, protecting our national security. And what do we get? What do we hear? Nitpicking and back-biting from day one.

Mr. Speaker, I am very proud to support this resolution because it indicates that America is standing proud again. We have a President that is providing leadership. We are courageous and we are going to change the course of history. By getting rid of Saddam Hussein, we are going to create a democratic Iraq and we are going to stick it out there. Nobody is going to force us to cut and run; no amount of nitpicking or back-biting will hurt our resolve. We are going to create an alternative for moderate Muslims throughout the world, and that will change history. It will take the power away from the radical Islam. We are taking care of business now. Let us support our troops and our President.

Mr. HYDE. Mr. Speaker, I yield 30 minutes of my time to the gentleman from California (Mr. HUNTER), the chairman of the House Committee on Armed Services, and 30 minutes to the gentleman from Florida (Mr. GOSS), the chairman of the House Permanent Select Committee on Intelligence, for purposes of control.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 1½ minutes to the gentlewoman from California (Ms. LEE), a valued member of our committee.

Ms. LEE. Mr. Speaker, first let me just say I rise in total opposition to this resolution. This is another resolution to deceive the American people. This resolution completely distorts and ignores the basis for this war and its costs.

□ 1515

This resolution never even mentions the more than, now, unfortunately, 560 Americans and countless others who have died in this war. This is really insulting, and it is insensitive.

It also leaves out any mention of weapons of mass destruction, which was the rationale for this war. And it claims the war made the world a safer place. That ignores reality.

We had choices. We had options. We did not have to go to war. In the last year, for example, 72 Members of this House voted for my amendment to the Bush administration's war resolution that would have rejected the unnecessary rush to war and instead strengthened our commitment to the United Nations inspections process.

Now we have a resolution today that celebrates this war but ignores its cost, its cost to our soldiers, to our credibility, to our children's future. This pattern of deception and distortion must end.

I tried to offer an amendment to this misleading resolution yesterday. It just expressed our deep sorrow for all those who have been killed in this war and pointed out the terrible toll this war has taken on our own security. The Committee on Rules did not even allow my amendment honoring the sacrifice of our troops or offering the truth about the war. Once, again, the debate is being stifled.

What has happened to democracy in this body? Once again, this administration and the Republican leadership are attempting to trick the American people. And they are neglecting the very soldiers they claim to honor, the men and women who need health care, proper equipment, and veterans benefits, whose families need economic security. We must call them out on this and vote against this resolution.

Mr. HUNTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the opportunity for Members of the Committee on Armed Services to talk about our piece of this important resolution, and that is, I think, the most gratifying part of this resolution, which I think we can all join together on and that is commending our great troops who have been carrying out this effort in Iraq.

Mr. Speaker, from the time when they spearheaded this drive up from Kuwait up through the choke points in Nasarea with the Marines out to the east and the Army, the 101st Airborne and the 3rd Infantry Division further to the west and worked up to those choke points at some places where RPGs were coming like volleys of high-tech arrows at those convoys of Humvees and trucks and tanks, to where they got up and went past the bridges before they could be blown, took the positions in the dams before the electronics could be executed to blow those places, and launched one of the most rapid-moving attacks in the history of warfare, with great heroism and great accomplishment, from those days to today when our troops are in this AO, this area of operation, not as much as attackers but in this case defenders of the new freedom of the Iraqi people, and hooking up pipelines and sanitary systems and getting children to school and opening up medical clinics, our people in uniform have performed heroically.

The most important message we can send from the United States House of Representatives is, you did a great job, America's people in uniform. You did a wonderful job for our country. And what you are doing has great value and will enure to our freedom over the coming decades as well as the freedom of the world.

So, Mr. Speaker, we stand together and even united in commending our troops. I am glad that my colleague, the gentleman from Missouri (Mr. SKELTON), is here as my partner on this committee to also commend the troops for the great job that they have done.

Mr. LANTOS. Mr. Speaker, I yield 1½ minutes to the gentleman from Oregon (Mr. BLUMENAUER), a valued member of our committee.

Mr. BLUMENAUER. Mr. Speaker, if the Republican leadership wanted to work on a bipartisan expression of support, we would have been able to get some place today. They could at least have had an opportunity for Congress to step back and examine what we have learned.

We were prepared to win the war in Iraq. It was never an issue. A major concern is that we were not adequately prepared to win the peace, either in terms of equipping or staffing the occupation of Iraq nor preparing the American public for the full scope of the cost and consequences.

Giving too much money to the wrong people to do the wrong things in Iraq is a legitimate object of debate, and I hope that we will some day have it.

But, in the meantime, the most important unanswered question is whether the massive investment of the troops, the money, and the attention was best spent rushing to Iraq rather than concentrating on continuing the global struggle against al Qaeda and the other forces of terror.

By delaying for over a year and a half the concerted efforts in searching out bin Laden, it has allowed al Qaeda and other terrorists to gain strength, to metastasize, making bin Laden almost irrelevant other than as a symbol of our policy failure. Our unwillingness or inability to launch a concentrated effort to mobilize global support when we had the entire world united on our side is a sad by-product of this administration's policies.

We are long on celebration; we are short on analysis. We are long on talking; we are short on accomplishment. Congress's job is to know what is going on, define the policy, to fund the right things, and provide oversight. That is our job, and we are falling far short of the mark.

Mr. LANTOS. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. SCHIFF), my colleague and a distinguished member of the committee.

Mr. SCHIFF. Mr. Speaker, 1 year ago this Friday, the President ordered the men and women of our Armed Forces into Iraq. They performed magnificently and have continued to do so despite an ongoing guerilla campaign, difficult conditions, and a shortage of protective gear such as Kevlar vests and armored Humvees.

As we celebrate their courage and skill, we must also reflect on their sacrifice. As of today, 565 American troops have been killed in this war including United States Army Specialist Rel Allen Ravago, IV, one of my constituents.

I will support this resolution because it includes language honoring our troops, but I am very concerned over what the resolution excludes and deeply disappointed that it was not crafted in a bipartisan manner.

Our troops in Iraq are not representatives of one political party or the other, and those who seek to exploit their daring and sacrifice for partisan gain would do well to remember that.

This resolution fails to address a number of serious issues that have arisen as a result of the war. Although the resolution before us makes no mention of it, this Nation went to war over intelligence that Saddam Hussein had both an existing arsenal of biological and chemical weapons and an ongoing nuclear weapons program. A year has passed, and we have yet to find evidence that this was correct.

Clearly, we must look at the totality of the circumstances that led to such a colossal intelligence failure. This failure cannot be minimized or, in the case of this resolution, ignored all together. To do so does no honor to our troops who have been lost and further imperils our future.

The planning for the post-war period of this operation was also deficient and based on a number of unsupported assumptions. Over the past decade and a half, our forces have been engaged more and more in post-conflict operations. Clearly we need to organize ourselves better to meet the challenges posed by post-conflict reconstruction.

In the coming days, I will offer a House companion to a bill introduced in the Senate by Senators LUGAR and BIDEN that does just that, and I hope my colleagues will support it.

Mr. LANTOS. Mr. Speaker, I yield 1¼ minutes to the gentlewoman from California (Ms. WATSON), my good friend and distinguished colleague.

Ms. WATSON. Mr. Speaker, for more than 200 years the men and women of the United States military have, through their valiant actions, earned a well-deserved reputation for courage, honor, and sacrifice in defense of liberty. The brave Americans now fighting and dying in Iraq are heirs to a legacy that flows from Lexington and Concord through Normandy, straight up to the present day. They should be very proud of what they have accomplished in Iraq, and they deserve our firm support as they continue to face danger there.

I am sure that my colleagues who support H. Res. 557 are sincere in their desire to salute our troops. However, I feel they have committed a grave error by confusing the valor and the sacrifice of our troops with the misguided and misleading policy that sent them to Iraq in the first place.

Members of Congress voted in good faith for a resolution on the use of force believing that Iraq was capable of unleashing deadly weapons of mass destruction. We were told that the threat was imminent and could directly impact our Nation's security. Certainly the people of Iraq had suffered from the brutal regime of Saddam Hussein, but this was not the primary reason given for the preemptive strike by the United States.

It is good that Congress is on record listing the many atrocities of Saddam Hussein's regime. Saddam was a brutal dictator. That is not debatable. What is debatable is whether our actions in Iraq have improved the security of the United States and our allies. I therefore question the resolution's assertion that "the United States and the world have been made safer with the removal of Saddam Hussein and his regime from power in Iraq." In fact, our laser beam focus on Iraq, with no proven connections to 9/11, has allowed al Qaeda to regroup and again unleash its destructive capabilities on one of our closest allies. Moreover, I believe our involvement in Iraq is a major contributing factor to America's declining image around the world, which Margaret Tutwiler, the administration's head official in charge of public diplomacy, admitted "will take us many years of hard, focused work" to restore.

When the President announced on May 1 of last year that major combat operations in Iraq had ceased, I expected a quick draw-down of American troops and a significant increase of United Nations peacekeepers. Tragically, our Nation has lost more American men and women in Iraq after the President's declaration that major hostilities had ended. The total now stands in excess of 565 and is climbing.

This resolution is disingenuous. In its place should be a straightforward resolution of commendation for those who fought valiantly and risked their lives to overthrow Saddam Hussein's regime. And condolences to those whose lives were snatched from them in this most unjustified conflict.

Mr. LANTOS. Mr. Speaker, I yield 1¼ minutes to the gentlewoman from Minnesota (Ms. MCCOLLUM), our last speaker.

Ms. MCCOLLUM. Mr. Speaker, today we are asked to commemorate a preemptive war. President Bush told the world there was no doubt Iraq was concealing weapons of mass destruction, but this Republican resolution instead reinterprets history.

It would have the American people believe that President Bush took our Nation to war because in 1988 Saddam gassed the Kurds while President Reagan appeased the Iraqi regime or because Saddam punished the Marsh Arabs by draining the marshlands while the first Bush administration watched.

This resolution memorializes the horrors of a dictator to justify the flawed premise for preemptive war, but it fails to acknowledge the 565 American patriots who sacrificed their lives. This resolution exploits the sacrifices of our troops, the suffering of the Iraqi people, all for partisan gamesmanship.

Our Nation is at war. Our troops, their families, and the American people deserve honesty from this House and from the White House.

We all support our troops. We all want a safer world. And the American people deserve the truth.

Mr. LANTOS. Mr. Speaker, pursuant to the rule, I designate each of the following three Members to control ½ hour of time allotted to me under the rule: ½ hour for the gentleman from Missouri (Mr. SKELTON), ½ hour for the gentlewoman from California (Ms. HARMAN), and ½ hour for the gentleman from Pennsylvania (Mr. MURTHA).

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to pay tribute to the greatest asset our Nation has known, those heroes, and they are heroes, that we call on every time when we need courage and effectiveness on the battlefield, the incredible American soldiers, sailors, airmen, and Marines that reflect the best attributes of those who have served before them; and they are a wonderful reflection of America across our country. So we thank them and we honor them.

Like many Members, I have had the privilege of traveling to Iraq twice, this last time with our minority leader, the gentlewoman from California (Ms. PELOSI), and with the gentleman from North Carolina (Mr. HAYES) from the Committee on Armed Services.

And what was clear is that our men and women are doing an extraordinary job in the most trying of circumstances. They are superbly trained, superbly led, and are just the finest force in the world. We owe them a great debt of gratitude.

We also owe the same to more than 550 families of those who have given the ultimate sacrifice to our Nation in Iraq. But what was also clear in my trips, there was no effective or realistic planning done for the aftermath of the military invasion of Iraq. We did a superb job on the battlefield; but since that time, sadly, as I warned the President in two letters, September 4, 2002, and then one a couple of days before the actual invasion, I feared the outcome and I warned the administration in these letters about what the potential consequences might be of getting the post-war wrong.

☐ 1530

Sadly now, we are seeing those consequences come home to roost, and some of the issues that I raised in those letters are sadly coming to pass today.

While the Iraqis now have an interim constitution and we should congratulate them for that, it is no clearer now than it was back in November, when the timetable for transformation was laid out, who will take over on June 30. Now it looks like there will be no status of forces agreement negotiated before that time. Let me tell my colleagues, a status of forces agreement is very important because it can establish limitations. It could establish rules of engagement that make it more difficult for our forces to protect themselves.

Perhaps most dangerously we see more signs of ethnic and religious strife, raising the possibility of a civil war in Iraq. I truly hope that does not happen, but the tensions are growing, and there are insurgents and foreign fighters who have fanned those flames. Today's most deadly and tragic bombing of the hotel in Baghdad seems to be the only recent sign of this. We need to do a better job in planning. Everything we have worked to achieve in Iraq will be undermined if we do not figure out who we are turning sovereignty over to on June 30 and how to manage the transition in a way that avoids civil war.

These are dangerous times. This is not an easy day for our troops or for the leadership in our country, and that is why I raise these issues, Mr. Speaker. The security of the Iraqi people, the security of our troops, the stability in the region, and even our own national security depends on doing this right.

I will support this resolution because I support the men and women who are sacrificing daily, and I support those families who are fighting the insurgency in making Iraq secure, but I urge the administration to do the hard planning, to figure out quickly what will happen after June 30 to hold off a potential civil war, and we cannot have that.

We must not let last year's military victory become a long-term defeat because of more failures due to the tough planning ahead. June 30 is a date that must be taken very seriously by our country. We must make sure there is a stable Iraqi transition, and that it works; because if it does not work, if there is civil war, all of the sacrifices of those young men and women in uniform, whether wounded or killed, and the families that have grieved and shared their burdens with them, will have been in vain. We really, really cannot afford to have that.

So let us praise the troops. And every American should be proud of them as I am.

Mr. Speaker, I reserve the balance of my time

Mr. HUNTER. Mr. Speaker, I want to thank my colleague for his thoughtful statement, and I yield for a unanimous consent request to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I thank the chairman, and I rise in support of this resolution, support of our troops and particularly pay my great admiration to the 124th Infantry, Bravo Company, that just returned safely to Palm Beach County, Florida.

Mr. Speaker, I rise today in support of H. Res. 557 and to offer my gratitude to all the men and women who have worked, and who continue to work, so hard to serve their country in Iraq. In particular, I'd like to extend my respect and admiration to Captain Joseph Lyon and the reservists of the 1st Battalion, 124th Infantry, Bravo Company, who have returned home safely to West Palm Beach from service in Iraq.

The contributions of these brave soldiers can be seen every day in the numerous improvements in the Iraqi economy and society. With the aid of the Coalition forces, the transfer of power to the people of Iraq is progressing smoothly. Iraqi forces are gradually relieving and will completely replace coalition forces in all aspects of the reconstruction.

I am thankful to all who have helped the Iraqi people establish a stable and peaceful country. By doing so, we defend our people from the danger of Iraq returning to being a haven for terrorists. Today, Iraq is a safer place and is on the road to establishing their own democracy to serve as an example in the heart of the Middle East.

I urge all my colleagues to support H. Res. 557.

Mr. HUNTER. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. SAXTON), who is the chairman of the Subcommittee on Terrorism, Unconventional Threats and Capabilities, who spends more time with the troops than he does with us.

Mr. SAXTON. Mr. Speaker, I thank the chairman for yielding me the time.

Mr. Speaker, I have had the privilege of traveling to Iraq twice in the last few months to visit our troops and to thank them for the job they are doing, as well as to see firsthand the progress that is being made by both the Iraqis and the international coalition in providing security and growing stability to the Nation.

I was amazed to see and hear some of the very real and significant success stories that our forces are accomplishing. When one travels by air, for example, over Iraq, it is easy to realize that 65 percent of the Iraqi people live off the land. Many are accomplished farmers, but others are being aided by the efforts of the American soldiers and by American generosity.

In Iraq, the Iraqi Ministry of Agriculture once ran a 400-acre farm not far from where Saddam Hussein was captured. It was called Saddam Farm, and it produced a harvest that benefited only Saddam Hussein and his family. Today, the Army is helping Iraqis establish the nation's very first cooperative farm on that 400 acres. Iraqi farming families are also being helped by the generosity of the American citizens who have donated some $20,000 worth of seeds, and the Army has distributed them.

Throughout my travels in Iraq, I have found Iraqi children with smiles on their faces. It is remarkable to think that they are living in freedom for the first time. They know it and they like it. Like many children throughout the world, Iraqis enjoy the sport of soccer, and I have seen Iraqi children kicking soccer balls on the playing fields and vacant lots and empty streets. American troops have undertaken projects to give soccer balls to some of the poorer Iraqi children who may not be able to obtain for themselves. For example, the 501st Forward Support Battalion undertook one project and gave away 150 soccer balls to kids in Baghdad. The 101st Airborne also distributed soccer balls in the north.

Perhaps the greatest and most noteworthy accomplishment that I have seen in Iraq, however, is the increase in the level of security and stability for the Iraqi people. Unfortunately, there are still those that want to see a free Iraq fail, but for our troops, many changes in the Iraqi lifestyle have been evident. In many other areas, security and stability are succeeding because of the efforts of the international coalition forces and the Iraqis themselves.

Iraq's security forces have grown tremendously in the last year since they were first created. The Iraqi Department of Border Enforcement now employs 80,000 Iraqis and 9,000 border enforcement agents, as well as to monitor the nation's 3600-kilometer border. More than 11,000 experienced policemen now patrol Iraq, and another several thousand Iraqi policemen will join their ranks by the end of this year.

There is still much to be done in Iraq, but the fact of the matter is that there are many success stories, many more than one reads in the morning newspaper or sees on daily television reports, and certainly many more than I have time to outline here.

The successes I spoke of and the countless others not only are helping Iraq to become more stable, but they are helping Iraqis to provide for that security and stability. Ultimately, the sooner Iraq is run and secured by Iraqis, the sooner our great troops will come home.

I am proud to stand here today and commend the Iraqi people for their courage and to say again thank you to our troops for a great job well done.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentlewoman, formerly from Missouri, now from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I thank my colleague from Missouri for recognizing that Missouri, too, is the State of my birth, and I am delighted to be on the floor today with him because he has provided wonderful leadership for our caucus.

Mr. Speaker, I came today to the floor to shame the Republicans and the President for politicizing this tragic war in Iraq. God bless our soldiers. They do not deserve to be made pawns in political gamesmanship. There are many Members who love and support our soldiers but refuse to be blackmailed into supporting this preemptive strike doctrine of this administration and to be used by this President. Just as President Bush is attempting to use the New York 9/11 scene as a backdrop in his political advertisement, this resolution is being used to paint the picture that this President is a tough leader, fighting terrorism and winning.

Mr. Speaker, this President is not winning. Our country and the world is not more secure. Tragically, over 564 soldiers have died since the war began last year, and thousands more have been injured. The administration has spent $157 billion so far in this war, and even the allies who have supported him are being retaliated against.

If my friends on the opposite side of the aisle were sincere about gathering us all together in a resolution to say to our soldiers thank you for your sacrifices, they would have done what was asked of them by the gentleman from Pennsylvania (Mr. MURTHA) today: Pull this one-sided resolution off the floor, get Democrats involved, let us join hands and support our soldiers.

This is the most divisive administration that this country has ever had, polarizing us, putting us at each others' throats. It is a shame, and I do not mind saying it on this floor today. You need to withdraw it.

Mr. HUNTER. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Speaker, I thank our great chairman for yielding me the time. And, Mr. Speaker, if my colleagues in this Chamber have any doubt about the necessity of our war against the sadistic and despotic regime of Saddam Hussein, I urge them to look at this photo that I took with Iraqi girls during a congressional trip that some of my colleagues and I went on last December.

If my colleagues take a close look at this picture, they will see bright, sunny faces of happy girls who look like they could live in my district or any of their districts around this country, but the sad reality is that a little over a year ago, these young girls were living under the ugly regime of a murderous dictator who would not hesitate to take their lives or the lives of their friends and family. In fact, from 1983 to 1988 Saddam Hussein wiped out 60 villages and murdered more than 30,000 Iraqi citizens with weapons of mass destruction. Human rights organizations continually received reports from women who said that rape was routinely used by Iraqi officials as weapons of torture, intimidation, and blackmail.

Mr. Speaker, I do not know what would have happened to these girls if the United States had not acted against Saddam Hussein's ruthless Baathist regime, but I do know this much. Since the liberation of Iraq, more than 5.5 million children went back to school this year; 2,300 schools which fell into disarray under Saddam's regime have been rehabilitated. School children have books, shoulder bags, notebooks, pencils, papers and desks to use for their studies; but, most importantly, they are now living free from Saddam's repressive regime, and they never have to worry again about being harmed by their tyrannical government, thanks to the strong leadership of President Bush and the heroic efforts of our men and women of the armed services.

I cannot say enough about our troops who risk life and limb every day to bring freedom to these girls and to the other people of Iraq. I urge strong support of this resolution endorsing our troops.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MEEHAN), the ranking member of our Subcommittee on Terrorism, Unconventional Threats and Capabilities.

Mr. MEEHAN. Mr. Speaker, I thank the gentleman for yielding me the time, and it is unfortunate that this resolution has become so political because I think clearly all of us should have been able to sit down and come up with a resolution that would be united and that would send a clear voice to all of the world how much we support our troops.

We are going to have 4 hours of debate, and there are so many important things we should be discussing, like the fact that we failed to provide our troops with critical protection and equipment that they need, from interceptive body armor to anti-jamming devices, to armored humvees.

Yesterday, I met with Brian Hart, the father of Private First Class John Hart who was killed in Iraq last October when the unarmored humvee that he was patrolling in was ambushed and sprayed with bullets. Just days before his death, Pfc. Hart called his father and told him how unsafe he felt riding around in humvees that lacked bulletproof shielding or reinforced doors.

The story of John Hart is all too familiar. A couple of months ago, the Defense Department stated that 29 American troops had been killed and 290 wounded on attacks on humvees. Now I hear they are not even tracking those numbers anymore, but I do know that of the 18 soldiers killed in Iraq from Massachusetts, 6 died in unarmored humvees or trucks.

Look at this chart. Almost 80 percent of the 12,500 humvees deployed in Operation Enduring Freedom and Iraqi Freedom lack reinforced windows and doors. The evidence here is overwhelming that we have not gotten what our troops need fast enough.

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And what bothers me is that the Army did not even begin to address this shortage until August 2003, 3 months after President Bush announced the end of the war in Iraq. The Secretary of the Army says that they will get this done by August; but as of today no new orders have been placed, leaving our troops, many of them, in this vulnerable position, in unarmed vehicles. August just is not good enough.

For too long, the Army has dragged its feet because it failed to consider quick, effective alternatives to uparmoring Humvees like installing add-on armor kits.

If we purchased more add-on kits and reached out to other vendors, we can get these Humvees armored now.

Recently, 25,000 Marines deployed to Iraq and Afghanistan and took with them 3,000 trucks and Humvees, all of which have been armored with protective plating. The Commandant of the Marine Corps, General Hagee, understood that installing temporary add-on kits provides a quick, easy alternative to uparmoring Humvees in depots at home. So Gen. Hagee purchased $9 million worth of add-on armor kits to outfit Humvees before he sent his Marines back into the battlefield.

I have introduced a resolution urging the Defense Department to use whatever means possible to armor these Humvees as quickly as they can.

If we truly want to support our Armed Forces, this would provide them with the critical protection and equipment they deserve!

Mr. HUNTER. Mr. Speaker, I yield myself such time as I may consume to let my colleagues know that all Humvees are manufactured unarmored. They are basically big Jeeps, and this Congress has been rushing to armor Humvees in the wake of the new threat known as the IED, the remotely detonated device. We put some $400 million in the last supplemental to pay for that armor.

I just would say to my colleagues, it would have been great if they could have voted with us on that one because that is the funding supplemental that paid for the arming of the Humvees.

Mr. MEEHAN. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Massachusetts.

Mr. MEEHAN. Mr. Speaker, that is precisely why I could not vote for it. We were supposed to have this money appropriated. We have troops over there in unarmed vehicles. It is inexcusable.

Mr. HUNTER. Mr. Speaker, reclaiming my time, the idea that you do not armor vehicles because it is not done already at the factory makes no logic to me.

I would urge the gentleman to work with me to continue to armor them, because we are shipping steel in there now.

Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. AKIN).

Mr. AKIN. Mr. Speaker, just as an introduction, it seems to me that, to a certain degree, the other party doeth protest too much.

The first thing I have been hearing about is complaints about intelligence information. Yet it was the other party, the Democrat Party, that under the Church Commission dismantled our human intelligence and has consistently done that. Over the 8 years Clinton was in office, they voted to cut the human intelligence budget 30 percent and now want to complain about the fact that our intelligence information is not that good.

This is also a party that cut the defense budget close to half and wonders why there is not some equipment sometimes. They cannot have it both ways.

But I would like to focus, rather, about what was and what is now. What was, we saw. We saw the late-night knock of the secret police. We saw the torture chambers when I was in Iraq that used to exist. We saw the women that had been raped as a form of political coercion. We saw women that were not educated.

Those things have changed. Because what is now is a society that is moving into a new century, a place where women can be educated, where no longer torture and murder and amputation are used as a tool to intimidate, and where we saw on the streets of Iraq people starting to emerge into a free civilization. There are all kinds of new businesses being formed.

These are words from a brave Iraqi Parliamentarian, probably risking his life, talking about the new constitution. Some, he says, may say that the Bill of Rights is copied from the West. My answer: these rights and values are not exclusively the property of the West. They are universal and should be respected and implemented everywhere. We have put up a high standard so that the people of the future may always try to reach.

I think that is a statement of our success. Americans have always succeeded when we invest in those tremendously important principles of our own founding, the belief that people are valuable. And we continue to attest to that by our presence in Iraq, by our brave soldiers there. They believe people are important, as opposed to the terrorists that say they are mere pawns.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I thank the ranking member for yielding me this time.

Mr. Speaker, this resolution claims to honor our troops, but it is nothing but a thinly veiled attempt to run a political campaign on taxpayers' time.

We have the best military in the world. I am honored to represent the men and women of Travis Air Force Base in Congress, and I will always be grateful to all of our men and women in uniform for their patriotism, courage, sacrifice, and devotion to our great Nation. As Members of Congress, we must support them in word and deed.

I have been to Iraq and the Persian Gulf twice in the past year to talk to our troops serving there and learned firsthand what they need to get the job done and return home safely. Forty thousand American troops were sent to Iraq without bulletproof vests, and many more still do not have reinforced Humvees to protect them from daily roadside bombs. But this resolution does nothing to get this critical lifesaving equipment to our troops.

I am very disappointed this resolution does not offer condolences to the families of the 564 Americans killed in Iraq thus far, nor mention the 2,500 wounded in action.

It is also hard to believe that these congressional leaders would consider a resolution that categorically reaffirms that the United States and the world are made safe by the removal of Saddam Hussein and the Ba'ath Party from power just days after the Spanish people buried more than 200 of their citizens in the worst act of terror in European history, and on a day, today, when a bomb blast killed dozens in Iraq.

Instead of patting ourselves on the back, it is time to ask whether this administration's approach to the war on terror and the war on Iraq have made us safer. Two and one-half years after the September 11 attacks, al Qaeda is more dangerous than ever. The war in Iraq removed a dictator, but has created a new front on the war on terror that did not exist before and has pinned down a large amount of our troops in the Middle East for years to come.

Mr. Speaker, I will vote "no" on this resolution. I urge my colleagues to support our troops with action, not shameless political ploys, and do the same.

Mr. HUNTER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia (Mr. FORBES).

Mr. FORBES. Mr. Speaker, all too often the voices whining about what they find wrong with our planning, our troops, or our military tend to drown out their great successes. But when I went to Iraq, I found our troops were proud that they had liberated 24 million Iraqi people in just 3 weeks.

The untold story of Operation Iraqi Freedom were the stories describing the logistics warriors who not only accomplished extraordinary things but who were often also put in harm's way to support the phenomenal contributions of our combat troops. Sometimes we just assume that food is going to get there and our ammunition is going to get there, but let me tell you some of the truly amazing logistics work that occurred during this conflict.

The main supply line stretched 350 miles; and on any given time, there were 2,500 logistics and support vehicles on the road. There were 2.5 million gallons of gas per day delivered effectively to fly our aircraft. We built the longest pipeline the Army has ever built, 220 miles long. There were 66,000 pipe sections hand laid to construct that critical system, and it is still in service today serving the Iraqi people. We delivered 1.5 million liters of water a day successfully and effectively. A third of a million meals were served per day. Two million tons of spare parts and equipment were moved effectively every day.

In particular, the tremendous effort of the Army's Quartermaster Corps, the home of which is in Fort Lee, Virginia, are reflected by these totals from the war: 186 million gallons of fuel, enough to fill the tanks of 40,000 cars; they served 53 million meals, enough to feed the entire population of New York State with three meals a day; provided 330 million gallons of water, enough for a daily shower for the half million residents of Las Vegas; and delivered nearly 8 million pieces of mail.

With so much success and such an enormous effort, it should not be hard to find additional improvements to be made. But, Mr. Speaker, I think it is only fitting today that we stand up and pass this resolution to honor their great work.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentlewoman from Guam (Mr. BORDALLO).

Ms. BORDALLO. Mr. Speaker, I thank the gentleman from Missouri for yielding me this time, and I rise today in support of our service men and women who need much more than the words we speak here today to help them in Iraq.

As the fires from the most recent terrorist attack today in Baghdad burn against the night sky, I am moved to remember Army Specialist Christopher Jude Rivera Wesley, who died in Iraq, the first Chamorro casualty of Operation Iraqi Freedom.

I also want to take time to pay tribute to Army Specialist Hilario Bermanis of the 82nd Airborne Division. He joined the Army from the Federated States of Micronesia, and after losing both legs and his left hand fighting in Iraq, he has now become an American citizen. I visited him at Walter Reed Medical Hospital. One day he might even become a Senator, like Max Cleland, who also sacrificed for his country a generation before him.

In my mind, this resolution affirms that we are yet to do everything that we can for our troops. We need the best technology to defend our troops and care for the wounded, the best diplomacy to make sure they do not stay a day longer than they have to, and the courage of our convictions to finish the job.

Mr. HUNTER. Mr. Speaker, I yield 1¾ minutes to the distinguished gentleman from South Carolina (Mr. WILSON).

Mr. WILSON of South Carolina. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, thanks to the leadership of President George W. Bush, the valor of the American military and the courage of our coalition partners, 1 year ago this week the liberation of Iraq started marking the beginning of the end of Saddam Hussein's brutal regime.

My gratitude for this historic success is as a Member of Congress. I had the opportunity to go with the gentleman from Missouri (Mr. SKELTON) and visit our troops in Iraq. Additionally, I am grateful as a veteran myself. I retired last July after 31 years of service with the Army National Guard, and I am so proud of what our active Guard and Reserve forces have done. But additionally, I am proud and grateful as a parent. I have three sons who are in the military of the United States, and one of my sons began his deployment in Iraq this week. We are very proud in the Wilson family of our contribution and the success of the American military.

Some today have incorrectly accused the administration of saying Iraq was in imminent threat. In reality, the case for the war with Iraq was made precisely because Iraq was not yet an imminent threat. After the hard lesson of September 11, we can no longer wait until our enemies grow stronger and more deadly before we take decisive action to prevent future tragedies.

Saddam Hussein posed a unique danger to the people of the United States and the world. He ignored 17 United Nations resolutions for over a decade, harbored and supported terrorists, and had used biological and chemical weapons on his own people, had a history of violent aggression against his neighboring countries, and attempted to assassinate a President of the United States.

Today, Saddam Hussein's regime of terror has ended and the world is a safer place for it; yet we know the war of terrorism is not over. We need to remain vigilant to protect America's families by promoting this resolution today, and I urge its support. In conclusion, God bless our troops. We will never forget September 11.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, this resolution, never opened for committee discussion and now closed to amendments, is perhaps a consistent way to mark the anniversary of an unnecessary war that was built on misleading statements, dangerous disregard for the facts, and dangerous policies.

To a person, we believe that our military men and women have done a remarkable job in very difficult conditions, conditions like traveling in tactical vehicles that do not have steel armor, leaving them dangerously vulnerable to grenades, small arms, and roadside bombs. Soldiers in Iraq are hanging flack vests and even plywood on their Humvees in desperate attempts at protection, army officials are quoted as saying, and the casualties mount week by week.

Republicans who choose to slime the records of opponents of this resolution would be better to turn the mirror on themselves. Many of us will be supporting a Democratic budget resolution that will back up our rhetoric with the resources needed to provide equipment, compensation, military housing, child tax credits for military families, and other necessities that are missing in the Republican budget proposal. Let us put our money where our mouth is.

Mr. HUNTER. Mr. Speaker, I yield 1¾ minutes to the gentleman from Colorado (Mr. HEFLEY), who provides all those quality-of-life issues to our uniformed services.

Mr. HEFLEY. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise today to support House Resolution 557.

Under the dictatorship of Saddam Hussein, the Iraqi people lived in poverty and fear. During his 30-year reign of tyranny, he massacred tens of thousands of his own people, some murdered for their religion and some for their ethnicity.

On March 19, 2003, the United States and its coalition partners launched the first air strikes of Operation Iraqi Freedom. In 3 weeks, Iraqis in Baghdad danced and waved their country's flag as U.S. forces toppled a statue of Saddam Hussein, signaling the end of Saddam's brutal tyranny.

□ 1600

Operation Iraqi Freedom was a military success, courageously executed by American men and women in uniform. It was an operation of unparalleled precision and speed, and was carried out in a way that prevented widespread destruction of Iraqi's infrastructure, lengthy street-by-street fighting or a humanitarian crisis. Food and medical aid flowed into Iraq immediately after the troops and there was no "adventurism" by Iraq's neighbors or other destabilizing action in the region.

One year later, Iraqis are engaged in the enormous challenge of rebuilding their country after decades of neglect, and are working with the coalition toward the creation of a secure, stable, sovereign and peaceful Iraq. To date, in nearly all major cities and most towns and villages, Iraqi municipal councils have been formed, and for the first time in more than a generation the Iraqi judiciary is fully independent. More than 600 Iraqi judges preside over more than 500 courts that operate independently from the Iraqi Governing Council and the Coalition Provisional Authority.

Mr. Speaker, U.S. forces are handing the torch to the Iraqi people as they take control, form an army, build an effective police force, and develop a fair justice system.

Mr. Speaker, I support this resolution. I have a lot of other good stuff to say, but my time has expired.

Mr. SKELTON. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. GREEN).

(Mr. GREEN of Texas asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. GREEN of Texas. Mr. Speaker, I rise first and foremost to thank the men and women of the Armed Forces serving bravely in Iraq, Afghanistan and literally all over the world. I supported the resolution to authorize the war, and in the supplemental request I continue to support those troops and their work, but I must express my continued concerns about the safety of the troops and the haphazard way the administration has proceeded in Iraq.

Mr. Speaker, we have no end game in sight. Our exit strategy is murky, and our efforts to help this fledgling democracy seem to be going nowhere. When this war began last year, it became clear our troops do not have the life-saving body armor and vehicle armor they needed. Even with the passage of the Iraq supplemental last November, there are still too many soldiers at risk, and we are experiencing increasing reports of street fire, mines and ambushes aimed at our troops. It is unconscionable that they continue to lack the protective gear they need.

On yesterday's evening news, Houston's CBS affiliate KHOU reported there are still a number of Humvees in Iraq without bulletproof armor, and I will include for the RECORD the news report. In fact, there are Humvees on the streets of Houston that have more safety features than the ones being used by our troops, according to the report. These vehicles are intended to transport soldiers and defend them in the war zone, and the last thing we should hear is soldiers' complaints that their family's sedans are safer than the military's soft-sided Humvees.

A year ago today, we started a war to remove an evil man from power; but in doing so, the lives of our troops are unnecessarily jeopardized by sending them into harm's way without proper armor and underequipped vehicles. Our troops are doing a dangerous job, and I hope the administration will correct these problems.

[From KHOU.com, Mar. 17, 2004]

UP CLOSE: MILITARY LEADERSHIP LITTLE SOFT ON VEHICLE PROTECTION

(By Dave Fehling)

As we approach the 1-year anniversary of the war in Iraq, we're learning more about an additional risk to our troops overseas. Thin-skinned vehicles not designed for combat are currently being driven by hundreds of soldiers in Iraq right now. And several service men have been killed, including one from League City. 11 News looks at the shortage of armor and the rush to fix what some call a deadly miscalculation.

Last October, 20-year-old paratrooper John Hart phoned his parents from Iraq and whispered words that shook them. He felt exposed in his softsided humvee, the same kind in which friends already had been killed or wounded in ambushes. The vehicle offered less protection than the family sedan.

"We were thinking about how best to address it," says John's father, Brian Hart, "when we got news the following week that John had been killed in an ambush."

John Hart was shot to death in his unarmored humvee, along with Lieutenant David Bernstein, fifth in his class at West Point.

Diane Elliott lives in fear that her husband is also an easy target in his unarmored humvee. "A bullet came through the humvee and through the back of his seat," she says. "He said there was a bullet hole, just barely missed his head."

That was the second time Army reserve Captain Roger Elliott escaped death in a canvas covered humvee in Baghdad.

The first time he got hit by a homemade bomb. "They said it hit the humvee, rolled off and hit the ground, and it blew a big hole in the ground," says Elliot. "Here's the humvee, and screws and nails and everything flying, just goes right through it."

Captain Elliott's Purple Heart arrived in an ammo box, along with his wife's wedding anniversary gifts.

Bullets, nails and shrapnel go right through the vast majority of humvees in Iraq because they were designed to transport soldiers, not to protect them.

A factory near Cincinnati is the only plant in the world that produces armored humvees. "This is what we end up with. Fully armored doors, armored perimeter, turret," says a factory worker. "Underbody capable of defeating a landmine."

And windows that stop bullets. It's the kind of protection soldiers are asking for, and dying for.

"It's maddening," says Brian Hart. "It's absolutely maddening."

Maddening for John Hart's father, for Roger Elliot's wife. "How could you not know you need armored humvees when you're going into a war?" asks Diane Elliott.

And maddening for the parents of Texas National Guardsman Nathan Feenstra who says their son was sent to Iraq with old soft sided humvees, and without new bullet proof vests that have saved an untold number of lives since the war began. "Basically, they're saying they've done all they can for now, 'It's too late for your unit, but we are preparing for the next group going into Iraq,'" says John Feenstra. "I said that's not good enough."

The Feenstras write letters to military leadership, and pray their son comes home alive.

Brian Hart is pressing congress to press the Army to speed up production. The plan in Ohio is boosting output. But some lawmakers are outraged. And the republican chairman of the Senate Armed Services Committee called the shortage of armored humvees "unacceptable."

The Army Vice Chief of Staff told Congress in September more armored humvees weren't sent to Iraq because "To be honest, we just didn't expect this level of violence."

Back in May there were only about 235 armored humvees in Iraq. The army now wants more than 3,000. But it's expected to take until summer of 2005 before the Army gets all the beefed up humvees it wants.

To Brian Hart who made a promise to his son and to the soldiers who brought home his son's body, that's not good enough.

The army says it's rushed all available armored humvees to Iraq, and is sending 6,000 kits to toughen up standard humvees. It's also speeding up production of new armored vehicles.

Meanwhile many soldiers are improvising, using steel plates, rubber mats and sandbags to harden their humvees against attacks.

Mr. HUNTER. Mr. Speaker, I yield for the purpose of making a unanimous consent request to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Mr. Speaker, the measure before us contains many consentaneous American thoughts: Recognition that Saddam was a despot of tyrannical proportions; support for a process of democratic self-governance in Iraq; and, profoundly, appreciation for the sacrifice and commitment of Americans serving in our armed forces in these very troubling, indeed dangerous, times.

But as widely accepted as these notions are, care must be taken in this debate to underscore what this resolution is not. It cannot be read either as a Gulf of Tonkin-like resolution giving the Executive a blank check for future actions or considered an indication of Congressional approval of executive action to date.

Many in Congress, perhaps a majority, would be willing to vote for a more expansive resolution, but such is not before us today. Nonetheless, the subject matter of this resolution necessitates a review of what has transpired since the Congress, without my support, authorized military intervention in Iraq a year and a half ago.

All of us recognize that Iraq is a judgmental quagmire. Thoughtful Americans are conflicted. The President has a case for the actions he has taken. But I feel obliged to make clear why I continue not to find it compelling and indicate, in as constructive a way as I am able, the problems that a lengthy occupation may yield and present a theoretical framework and the case for timely disengagement.

Perspective is difficult to apply to current events or for that matter life itself. But it is important to attempt to frame the discussion of the war in which we are engaged in relation to our history, to the development of knowledge (particularly science), and to our relations with other countries.

First our history. In the broadest sense the political history of America has encompassed four great debates. The first was the question of whether a country could be established based on the rights of man. The second was about definitions: whether the concept of "man" included individuals who were neither male nor pale. It took over a century, a civil war and suffrage and civil rights movements to bring full meaning to the universal language of the Declaration of Independence. With courage and sacrifice Americans finally came together to embrace the democratic notion that consent of the governed lacked legitimacy unless all individuals of all backgrounds had rights of citizenship.

The third debate is about opportunity, whether individual rights can be protected if every citizen doesn't have a fair crack at the American dream. There are many on-going elements of the opportunity debate, which in the 20th century was symbolized by the New Deal initiatives of Franklin Roosevelt and the counter-weight of the Reagan revolution. But I would like to emphasize an aspect of this debate which gets little attention because it is taken for granted, and that is the role of public education. All young Americans not only have access to public education, they are required by law to attend public schools or comparable alternatives. As society becomes more complicated, educational opportunity becomes increasingly central to advancing social opportunity. And as we look at the narrow schooling provided by madrasses abroad it becomes apparent that how and what others teach has relevance to the security of Americans at home.

The fourth debate is symbolized by Hiroshima and Nagasaki and revolves around the question of whether any right can be valid if it is not underpinned by a right to peace.

In these debates the role of foreign policy is critical, and even when we've looked inward it has been with an eye to establishing a shining city-state on a hill, a beacon for all.

The greatest legislated act in American and perhaps human history is the Declaration of Independence. The universality of its principles constitutes the cornerstone of historic American idealism in foreign as well as domestic policy.

As architect of the Declaration, Jefferson—while never a member of Congress—was our greatest legislator. And as the architect of the Louisiana Purchase, he stands as our greatest diplomat-president. The precept implicit in the Declaration and the Louisiana Purchase is the notion of individual rights and collective decision-making by a people entrusted with the capacity to make sovereign decisions.

Jefferson was the philosophical godson of John Locke, who borrowed from Thomas Hobbes the 17th century paradigm of a state of Nature where, according to Hobbes, life was nasty, brutish and short.

Hobbes had a pessimistic view of human nature. Self-centered man could not escape from the jungle of human relations. Locke, on the other hand, was an optimist. He also assumed that man was self-centered, but, unlike Hobbes, he believed that individuals were rational enough to recognize the necessity of accommodating the self-interest of others. Civil society—the condition where rules would govern disputes and third-party arbitration would exist—was thus possible as well as necessary.

Whether or not the theoretical constructs that political philosophers relied on three centuries ago have relevance to real life on the planet, then or now, the progress of science has made man's efforts to protect the rights of individuals and society more difficult today. In one of the most profound social observations of the 20th century, Einstein noted that splitting the atom changed everything save our mode of thinking.

Physics has brought us nuclear energy and perhaps a way to help live a modern life without reliance on fossil fuels. Biology has brought us the capacity to extend the life of man by several and perhaps many decades. But just as splitting the atom has a dark side—nuclear weapons—splitting genes has ominous implications, too—the ability to manufacture diseases for which there may be no antidote. Hence the obvious: at no time in human history is there a greater obligation for people in public life to appeal to the higher rather than lower angels of our nature.

This is particularly the case as the world has smallened and friction between peoples has increased in economics, politics and, most profoundly, religion.

Perhaps the most thoughtful speech ever given in Iowa was delivered four decades ago by the Oxford historian, Arnold Toynbee. A decade earlier, Winston Churchill chose a small Midwestern college in Fulton, Missouri, to warn of the dangers of Soviet expansionism; an "Iron Curtain," he said, had descended on Eastern Europe. Toynbee picked Grinnell College to chastise Marxists for shallowly looking at history through the lens of economic determinism and Americans for assuming, in part because of the civil rights movement then underway, that the most contentious issues in the world related to race. Toynbee argued that at this stage in history conflict would more likely erupt because of religious differentiations than economic or racial ones. As we look at the Middle East, at Northern Ireland, at the Balkans, at the divisions between Pakistan and India, Toynbee's observation appears to be vindicated.

Expanding on Toynbee, Samuel Huntington of Harvard has propounded a theory of international relations over the past several decades that suggests that the next great wars are less likely to represent battles between countries than clashes between various civilizations.

Given Toynbee's predictions and Huntington's civilization-clash paradigm, it is appropriate to return to Jefferson, who at the public level strove assiduously to protect individual freedom of religion and at the private level believed that what mattered most was not nuanced differences between religions or denominations, but the moral threads common to all creeds. In terms of guides to individual behavior, it is impressive, for instance, that the Ten Commandments underpin Islam as well as Judaism and Christianity. And the Confucian doctrine of "shu," which asserts that moral behavior should be premised on not doing unto others what one would not have done to oneself, is an inverted kind of Golden Rule.

Despite the fact that history is rife with examples where religious differentiations have caused and intensified conflicts, there is no credible substitute for the constructive role of faith-based convictions. Conflict may be envisioned, but it can be constrained if individuals are taught the most esoteric of precepts: loving, or at least not hating, one's neighbor.

Ironically, genocide, which is disproportionately a 20th century phenomenon, is about weapons of lesser lethality: machetes, bullets, poisonous gas.

But if mankind can't prevent killing up close, the question must be pondered whether there can be any optimism that the world can avoid a cataclysmic exchange from afar of weapons of mass destruction, which would make the greatest crime of mankind to date, genocide, the second-to-last crime in human history. It is simply a short stop from genocide—the killing one at a time of millions—to "global-cide"—the end in a single stroke of all life on the planet.

In recognition of the 20th century's experience with Holocaust and other brutal genocides, from Cambodia to Rwanda, we have no choice except to change our mode of thinking. Man's instinct to hate must be curbed and social wisdom applied to the new challenges science has thrown at man.

In this context, I want to stress a second challenge of science that has nothing to do with war and arms making but is clearly the largest foreign policy issue of our day. It is the problem of disease. In Iraq more than 500 Americans and perhaps as many as 20,000 Iraqis have been killed in the past year. But over the last two decades 20 million people have died of AIDS and 40 million are infected with HIV. In Africa, Southeast Asia, and Southern Russia, AIDS has hurdled well beyond the groups considered most vulnerable in the U.S. In many countries children are infected through mothers at birth and in several countries a 15-year-old girl is far more likely to have the disease than a 15-year-old boy. We simply must expand resources to stop this disease abroad before it stops our families at home.

Not that everything in the world is dark or unraveling. Promising political breakthroughs are occurring between India and Pakistan; in the civil war in Sri Lanka; in Libya, where Muammar Khaddafi may be giving up a quest for nuclear weapons; and even with North Korea, as six-party talks unfold. Several of these bits of good international news are developing without a central U.S. role; several will require our leadership. My only advice to the Executive is to meet every positive step of others with at least two steps of our own. Progressive change from suspect leaders cannot be sustained if peoples of various societies are not convinced that America prefers extending carrots to applying bullying tactics. We simply can't wait for tomorrow to respond to good omens today. This is especially true of a country like Libya where backsliding is so easy. It may be more difficult with the hermit country—North Korea—simply because paranoia and anti-Americanism run so irrationally deep in the people as well as the government. But constructive steps, especially of a humanitarian dimension, can be taken.

Iowa also has brought some good news to the world. In January I attended the World Economic Forum in Davos, Switzerland, and a Conference on the Prevention of Genocide in Stockholm, Sweden. In conversations with Europeans the depth of anti-American sentiment becomes quickly evident. But when asked what state I represent, I was impressed with the sincerity of the positive responses when I indicated I was from Iowa. Everyone knew of Iowa because of the caucuses. In Iowa the caucus process seems a bit mysterious. In other states it is very mysterious, and in Europe it is a full blown mystery. But people in Europe were deeply impressed that individuals seeking the most important political position in the world had to come to the homes and schools and offices of private citizens who, with real care, reviewed their credentials and platforms.

For many years I have had reservations about the caucus system because the ballot is not secret and because participation is not as large as in a traditional primary. But I feel obligated to reconsider and, as a Republican, must tip my hat to the Iowa Democrats for the thoughtfulness with which they advanced American democracy and spotlighted our values for the world. Abroad, people followed but did not necessarily identify with the individual candidates, but everyone was impressed with the process and the care with which citizens carried out their duties.

It is instructive to put the current tension in transatlantic relations in historical perspective. With regard to the profoundest issue—war and peace—attitudes on each side of the ocean have come full circle over the five centuries of interaction.

The U.S. was founded by immigrants seeking refuge from religious persecution and a spate of seemingly senseless wars among European countries and principalities. The new

Americans sought to distance themselves from the violence and religious intolerance of the Continent. It was with the greatest reluctance that in 1917 a pioneer country, which had been convulsed with the magnitude of a westward moving Manifest Destiny, determined that blocking a Kaiser's ambitions called for intervention in European affairs.

In the wake of a war trumpeted to end all wars, America retreated into political isolation in the 1920's. After inspiring its creation, we refused to join the League of Nations; and after expanding trade in industrial and agricultural products, we succumbed to economic protectionism in the 1930's. Only a direct attack on our territory caused us to enter World War II.

Today, it is Europe which is looking inward, pre-occupied with its manifest destiny, political integration made feasible by a growing economic union. Increasingly secular Europeans desire to separate themselves from an America that appears to them to be too unilateralist and quick to go to war, too fundamentalist and thus blind to tolerance, and too simplistic to realize that conflicts with religious overtones are the most traumatic to manage.

When speaking to constituents of the rationale for and against the Iraq War, I have over the past couple of years referenced a set of books that held particular currency in the 1960's: the Alexandria Quartet by Lawrence Durrell. Each of the four books describes the same set of events in inter-war Egypt from the perspective of a different character. While the events are the same, the stories that unfold are profoundly different, causing the reader to recognize that one person's perspective is at best a snapshot of reality. A clear picture cannot be pieced together without looking through the lens of a multiplicity of eyes and experiences.

The Moslem experience gives substantially less weight than the Western experience to the two cataclysmic wars of the 20th century. Despite Lawrence's involvement in Arabia and the battles between Allied forces and Rommel's tanks, the engagements in the Middle East and North Africa were skirmishes compared with the struggles in Europe and the Far East. Not only do Moslems see the 20th century differently from Westerners, but Europeans and Americans have drawn different strategic parallels in the application of common experience to current challenges in the Middle East.

In the immediate aftermath of the First World War, historians and political strategists in Europe rightly concluded that the European alliance system had been too rigid and the assassination of a relatively minor figure, an archduke, should not have precipitated a war of such devastating consequences. Hence European leaders in the 1930's falsely concluded that historical wisdom necessitated initial accommodation with Hitler's adventurism. Too little flexibility caused one war; too little spine led to Munich. In the current context, President Bush sees himself as Churchill rather than Chamberlain, but Europeans see 9/11 as more analogous to the shots fired at Archduke Ferdinand than as a cause for a doctrine of preemption or war with Iraq, a war that could too easily spring into a clash of civilizations. Second guessing is always conjectural because history gives few second chances. Unlike football, downs aren't repeated.

Accordingly, the challenge today on both sides of the Atlantic is to put debate about going to war behind and work together to figure out how we proceed from here. A lot of polite observations have been made that European leaders seem less angry about American decisions related to Iraq this year compared to the differences expressed during the pre-war buildup. This may appear that way on the surface, but my sense is that European judgment, if anything, is more solidified and definitive today. Europeans may have become resigned that events have unfolded without their concurrence. By the same token, frustration that their advice has been discounted has caused anti-American anger to metastasize into anti-American smugness. Europeans believe that their skepticism has been vindicated by events. The stark good-versus-evil clarity that Washington policy makers seek appears to Europeans to be un-nuanced, unsophisticated, and unappreciative of differing judgments.

Americans countenance criticism of our President and his policies by fellow Americans, but we are not so tolerant of foreign dissent. The assumption in Washington is that Continental leaders deliberately sought to undercut U.S. leadership in the world community and that, in particular, the refusal of the French and Germans to support the President's position in the Security Council and NATO has made matters more dangerous for our troops and reconciliation more difficult in the current post-war setting.

On our side of the Atlantic, the sense exists that French and German political judgment has not only been at variance with American ideas but that a concerted effort was made on the Continent to triangulate the terrorist challenge and take advantage of America's dilemma. By distancing themselves from Washington, Paris and Bonn are seen to be encouraging the re-direction of Moslem discord. Whereas the rhetoric of Osama Bin Laden and other extremists was initially anti-Western, it is now more exclusively anti-U.S. The opportunity to transplant America's commercial as well as political position in parts of the world consumed with anti-Americanism appears not to have been lost on the European political-industrial elite.

With all of the attention given to the new transatlantic tensions, the implications of the Iraq war on Russia have received short shrift. But the new European antagonism to America has not gone unnoticed in Moscow. The cleavage between Washington and Europe and the preoccupation of America with the Middle East clearly give Putin a freer hand to advance a less democratic and more nationalistic set of policies at home. This is one reason why it is so important that America and NATO demonstrate then can work together in such areas as Afghanistan, where strategic common ground exists.

Likewise, the priority we have given to Iraq as well as North Korea, two charter members of the so-called "Axis of Evil," means that we have been implicitly forced to subordinate trade and human rights issues with China. China's support, or at least not opposition, in international strategic affairs, has become so central to Administration policy makers that Beijing has been able to downgrade U.S. concerns about the historic shifts taking place in trade terms. A Chinese trade surplus with the U.S. that now exceeds $10 billion a month and an undervalued currency pegged to the dollar that makes flexible trade adjustments impossible are simply not being given the attention they deserve.

Economics and politics have seldom been more intertwined. Yet underappreciated is the prospect that a protectionist backlash of 1930's dimensions could develop if our political policies fail and our government loses respect in the world. Analogously, a political backlash could sweep the country if Washington doesn't develop institutional reforms to protect the political system from vulnerabilities to single-issue and special-interest constituencies. At a time when our foreign policy appears too attentive to ideological forces and too prone to rely on proxy empowered corporations to advance the national interest, Congress has an obligation to aggressively provide oversight of the contracting as well as intelligence judgments advanced by the Executive. Just as committees to review a new intelligence inadequacies are in order, so is a new committee to oversee government contracting related to operations in Iraq and Afghanistan. The professionalism and integrity of government decision-making about issues of war and peace must be above reproach. The country can afford neither ideological posturing nor war profiteering.

As for the dilemma of the moment, policy makers have been caught philosophically short. As mistaken as the overestimation of Saddam's WMD capacities was, the greater judgmental error may relate to the political pressure applied to the intelligence community on the issue of Iraqi complicity in the plane strikes on 9/11. Initially, the CIA straightforwardly noted that there was no credible evidence of Iraqi involvement. Then, under obvious pressure, it changed its stance and in presentation after presentation to Congress ominously suggested they had an "evolving" view of the role of Iraq, despite, to date, producing nothing of a definitive nature to show why the community changed its initial representation. Hence, the decision to go to war was against the backdrop of public opinion polls showing 60 percent of the American people believed significant Iraqi involvement existed in the 9/11 attack.

Compounding this lack of forthrightness, where the intelligence community knew the situation but refused publicly to differ with the political decision makers, was a judgment showing doubtful understanding of Moslem attitudes. The notion that American forces would be welcomed in Iraq as a liberating force with the well-intentioned option to reshape over time Iraqi political institutions was a mistake of profound proportions. Now, given the anarchy that has mushroomed in the country, Washington is swept by occupation analogies of World War II. Japan and Germany, it is noted, were occupied for more than five years after hostilities ceased. Hence, many are suggesting, we must be prepared to stay at least this long in Iraq.

I have seldom been more apprehensive about an historical analogy. Japan and Germany were the instigators of war; their citizens understood this. Iraqis don't see it this way. They see the U.S. as the aggressor. Images form Al-Jazeera portray a country under siege. In the Moslem world Iraq looks more like a police-cordoned West Bank than a great and ancient society on the move to a better life. Outsiders are viewed as unwanted intruders acting out of great power self-interest, unrespectful of the culture and values of the country being occupied. The irony that it is Shi'a clerics, not American statesmen, who are pushing for democratic elections at this time is not lost on the Iraqis or the Moslem world.

More profoundly, I am amazed that pundits haven't caught on to the possibility that the only thing worse than being wrong in our intelligence assessments of Iraqi WMD would have been if we had been right and thereby taken the risk of precipitating a retaliatory BW attack against Israel or possibly an American city. Biological weapons in the control of petty potentates is mad science in the hands of mad men. To go to war against a country with BW weapons, especially if the initiator has no knowledge where they are, is to hazard more than a clash of civilizations; it is to instigate a potential challenge to the maintenance of civilization itself.

In any regard, if a WMD rationale for intervention can't be established, we must not allow the democracy case to founder. To authorize an additional $80 billion for Iraq and not be able to find the means to conduct timely elections is preposterous.

Legitimacy is critical for all countries. There may be times and circumstances in which the U.S. national interest requires action without a U.N. sanction. But the U.N. is ignored at great risk, especially when the international community is at odds with a nation state's policies. The U.N.'s help, for instance, could be significant at this point in facilitating elections and helping legitimize new governing structures. If a commitment to a time frame for democratic elections isn't soon forthcoming, the Administration may see an escalation of violence in Iraq led by the Shi'a in the South, thus adding to the traumas precipitated by Saddam's old henchmen and foreign trouble makers in the Sunni triangle to the north, where disorder is so prevalent today.

The judgment call Washington must make is whether to employ something closer to a "get in/get out" strategy or one of prolonged occupation. Each approach caries risk, with the likelihood of a certain amount of disorder developing whenever the American presence is reduced. Whether that disorder becomes less deep with time or whether time allows anarchist forces to organize more vigorously and lay claim to a legitimizing nationalist mantle is conjectural.

In the realm of policy timing can often be as important as substance. Just as Senator Dirksen once noted that a billion dollars here and a billion dollars there and pretty soon you're talking about real money, in foreign affairs a week here and a week there can soon add up to a policy dilemma.

The difficulty of timing was underscored this week when some in Washington charged the newly elected Spanish Government with "appeasement" for its announced intention to withdraw its forces from Iraq in the wake of last week's bombings in Madrid unless the U.N. role in Iraq is broadened. The language of appeasement may appropriately describe the lack of resolve of Western leaders when they refused to stand up to Hitler's growing power in the 1930s, but it may not be as fair to apply such a term to Spanish policy today. Indeed, doing so may carry irresponsible implications because fear of its connotations may make disengagement more difficult if the country or forces of an occupying power are ever under attack. For instance, if "appeasement" is considered the dominant potential issue, U.S. policy makers relinquish their sovereign discretion and instead could give terrorists the determinative say when we will disengage from Iraq. A few radicals could with relative ease launch a steady dose of terrorist attacks on our civilian and armed services personnel and "force" us to stay or then be in a position to argue when we eventually leave that they forced us out. That is why it is so critical that we lay out a basis for withdrawal that has nothing to do with the terrorist behavior of Iraqi radicals and everything to do with the establishment of a freely elected leadership.

On the issue of the timing of the hand-over of civil authority I give less judgmental weight in the Iraqi circumstance to historical analogies to the post-war occupation of Japan and Germany and more to a personal anecdote about the manner the Vietnam war came to be concluded. Early in my career in Congress, I was invited to the Library of Congress to join a small group of historians to listen to a lecture by Henry Kissinger about the negotiations that led to the end of that war. The night before the lecture, I perused one of Secretary Kissinger's autobiographic tomes and came across a paragraph that so startled me that I asked him about it in the seminar that followed the lecture. Kissinger wrote that in December 1968, shortly after Richard Nixon had asked him to be his National Security Council director, he met with the President-elect to discuss the direction of the new administration's foreign policy. They determined together, he noted, that their policy would be to get out of Vietnam. So I asked him why they didn't just proceed to do that. Kissinger looked at me for a moment and then uttered words I will never forget. "Young man," he said, "we meant with honor." I then asked him if "honor" required escalation. "Absolutely," he responded.

In governance, judgment to be good must be timely. The course of history and attitudes toward America would be very different today if the Nixon administration had acted forthrightly on its own judgment. In Iraq, where we are fast becoming a magnet of instability rather than a force of stability, we must not hesitate. If the issue is democracy, let's hold elections with dispatch and use the democratic transition as the rationalization for deep troop reductions.

If we maintain a heavy presence much longer our president could find himself in a dilemma of the kind Lyndon Johnson and Richard Nixon came to know too well. There are circumstances in life where the small can humble the powerful. This has the makings of one. Despite the overwhelming nature of our military victory and the courageous commitment and sacrifice of our armed forces, policies can fail if the timing of disengagement is wrong.

This is why clarity of purpose and flexibility of response are so crucial. And why the neocon mantra—"we must see this through"—deserves review. Hasty withdrawal is problemsome; orderly, philosophically cogent decisions to wind down the military dimension of our presence in Iraq should, however, be our highest national interest priority. Democratic elections are the key. They can be held in relatively short order (at least by year's end; preferably earlier) if there is a will and commitment to do so. But the longer we heed the advice of those who want to hold onto power in Iraq, the harder it will be to avert increased terrorism here and abroad.

Here I would like to return to what in most contexts must be considered a rather esoteric paradigm: the Hobbesian notion of a state of nature. Terrorism is a military or, more precisely, militant tool of anarchy. It is the desire of terrorists to make Iraqi society a social jungle, a state of nature where anarchy rather than law rules. Legitimacy of government in this setting can perhaps be precipitated but it cannot be imposed from the outside. Outside pressure is less convincing when it appears to be presented by a singular authority—i.e., the United States. One of the reasons so many countries prefer a strong U.N. role is that such a role not only provides greater legitimization of intervention but greater legitimization of processes leading to a new government. U.S. slighting of the U.N. undercuts governmental legitimizing efforts and causes the entirety of the Moslem world to become more antagonistic to our country.

For our part, we have gotten caught in a web of events we can influence but not control. In the end, legitimacy of any new government in Iraq will depend on consent of the governed. The only wise U.S. policy is to steamroll ahead with a constitutional framework of democratic elections with a pre-announced strategy of large-scale troop withdrawals commencing somewhat before or just after elections are held.

In conclusion, let me suggest a corollary to Lord Acton's maxim that power corrupts and absolute power tends to corrupt absolutely. The Leach corollary is that military power tempts and excessive power tends to tempt excessively. America's enormous military strength is critical at this stage in history. But while we are obligated to recognize that its maintenance is imperative, we must also realize that its utilization may not fit, and may indeed be counter-productive, in certain strategic settings. We have to use more than just our own eyes and rely on more that just our own expertise if in turbulent times we are to manage prudently the affairs of state.

Analogies between all wars exist, but comparisons between Iraq and Vietnam are frail. What must be understood is not that Iraq could be as bad as Vietnam; rather, that it could be far worse. Vietnam, after all, involved no WMD issues; and while the North was predominantly Buddhist and the South Catholic, there were no implications of a world-wide religious struggle; nor of a conflict that might last many decades, if not centuries. The issue at the time was Communism and fear that if Vietnam fell, neighboring governments would topple like dominoes. In retrospect, the real domino lesson of Vietnam was about political decision-making. Once the patriotic flag was raised, stands taken, words uttered, one doubtful decision precipitated another, and the pride of politicians did not allow a change of course until the people demanded common sense reconsideration.

In this context, there is an aspect of this resolution that deserves reflective review. It is true, as the resolution asserts, that Iraq and the world are better off without Saddam Hussein ensconced in power. But it is not necessarily true that our country and the world are safer if the overthrow of one thug leads to the creation of millions of rebels with a cause.

It would be a mistake of historical proportions if respectful relations not only between America and the Moslem world but between America and its traditional allies were to rupture. We are obligated to see that they don't.

Mr. HUNTER. Mr. Speaker, I yield 1¾ minutes to the gentleman from Oklahoma (Mr. COLE), a very distinguished member of the Committee on Armed Services.

Mr. COLE. Mr. Speaker, I rise to support H.R. 557 expressing the views of the House on the liberation of Iraq. Frankly, I find myself amazed that this resolution is the topic of such an extended and spirited debate.

Who can seriously dispute H.R. 557's main points? The world is safer with Saddam Hussein in prison as opposed to being in power. If anyone questions that, let them ask the citizens of the two Muslim countries he invaded, the Kurds whom he gassed or the Shiites whom he butchered by the thousands. The Iraqi people should be commended for their courage in overcoming 35 years of oppression and they should be recognized for adopting an interim constitution and moving forward toward a democracy, similar to the same situation faced in our own Civil War.

Certainly the United States military and our allies in the coalition deserve to be recognized for their heroic service and their valor on the battlefield and their continuing struggle in Iraq.

The American people and our allies ought to also take pride in what we have done to improve the lives of the average Iraqi. Since the end of the war, 4.2 million children and 700,000 pregnant mothers have been vaccinated. Over 30 million vaccine doses have been procured and 22 million actually delivered to Iraq. By the end of 2004, 90 percent of Iraqi children will have been vaccinated against polio, tuberculosis, and measles; 600 primary health clinics have been reequipped to provide health care, dozens of schools opened, colleges kept operational and the sanitation extended.

Mr. Speaker, I am proud of what America and Americans have done in Iraq. I hope and trust that pride is shared by Members of this House and every American.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, a number of Members have said this resolution is simply about commending the troops and the people of Iraq. If that were truly the case, this measure would enjoy unanimous support. On the contrary, in what it says and what it fails to say, it attempts to speak to the handling of the war. It glosses over the serious intelligence failures and serious misstatements by the Bush administration concerning Iraq's weapons of mass destruction.

It papers over the lack of preparation for the aftermath of the war as well as the initial failure to actively seek international support and continued lack of it. It ignores the equipment shortages that need to be addressed to protect our troops. It fails to make any mention of the 565 U.S. soldiers who have died in Iraq, or the thousands who have been wounded, or the sacrifices of their families.

The resolution before the House today does not bring credit to this institution. It tries a well-used tactic to divide and conquer. Instead, it is a case of dividing and losing: dividing this House when it is a subject that needs unity and losing further credibility for the Republican House that does not even try to act on a bipartisan basis.

Mr. HUNTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just remind my colleagues if I am reading the same resolution they are, this resolution and I quote, commends the Members of the United States Armed Forces and Coalition forces for liberating Iraq and expresses its gratitude for their valiant service to our country. That is not a political statement, that is a commendation, and it should be from all of us, Democrats and Republicans.

I do not read politics into that, and nobody else should.

Mr. Speaker, I yield 1¾ minutes to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. Mr. Speaker, I represent Fort Benning, the home of the Infantry in Columbus, Georgia, and I rise in support of the resolution to pay tribute to those Americans serving in uniform who have brought liberty to 24 million Iraqi citizens. It is their courage, commitment, and endurance that made possible the unprecedented success that we have witnessed halfway across the world.

While soldiers are hunting down leaders of Saddam's regime, Americans and Iraqis are working together to construct hospitals and schools and establish a new Iraqi government. As a physician, I know what it takes to provide health care for a large number of patients. That is why it amazes me to learn 52 clinics have been renovated and over 600 have been reequipped to provide primary health care.

Mr. Speaker, I call attention to this chart which shows that more than 22 million doses of vaccines have been delivered to 4.2 million Iraqi children and 700,000 pregnant women. In fact, by the end of 2004, over 90 percent of Iraqi children under the age of 5 will be immunized against diseases such as polio, tuberculosis, and measles.

In February alone, 800 tons of high-protein meals were delivered to malnourished children. Sadly, those who oppose us are not idle. I do not know how long the war on terrorism will last, but I know America is right and our military and humanitarian efforts must continue until this evil is eradicated not only in the Middle East but in the entire world.

While we hope our allies will not abandon us when we face inevitable hardships, if necessary, we have the courage and the commitment to stand alone.

Mr. Speaker, my prayers remain with the soldiers, sailors, airmen and marines deployed around the world, and with their families who wait for them at home with love and patience. I wholeheartedly support this timely resolution.

Mr. SKELTON. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, in October 2002, I voted to authorize the use of force to remove Saddam Hussein, and I would again. I think it was the right decision for this country.

I agree with the resolution statement that the world is safer with the removal of this leader from Baghdad; I believe it is. And the succession of changes that we have seen in Syria, Libya, and Iran are evidence of that.

I went to Iraq in January and saw young people serving this country in uniform and the leadership that they showed us, and I was so proud of them. They have never let us down.

I think today with this resolution we are letting them down. Leadership is about unifying people; it is about healing wounds; it is about bringing people together. There are many patriotic Members of this body who in good faith believe the world is not safer because Saddam Hussein is gone. I respectfully disagree with them, but we should have been able to come together today on the first anniversary of the initiation of hostilities and focus on the soldiers, sailors, airmen and marines and the guardsmen, and we should have been able to focus on what we agree on; and what we agree on is we respect their service, we mourn the loss of our dead, we are ready to heal those who have come home wounded, and then we are ready to debate the foreign policy of this country as to how we should go forward. We have let our troops down by this resolution, and it is a shame.

Mr. HUNTER. Mr. Speaker, I yield 1¾ minutes to the gentlewoman from Michigan (Mrs. MILLER).

Mrs. MILLER of Michigan. Mr. Speaker, no one can ever forget the horrific attacks on our Nation of 9/11. Our lives changed that day; the world changed that day; and America looked for answers and we looked for justice. And we looked, most importantly, for leadership.

I think the terrorists, recognizing the very limp response that America had made to terrorist activities during the 1990s, probably thought we would make a lot of noise, we would be out here rattling our sabers, and then go back to our comfortable lifestyles and that we would not respond in any meaningful way.

Well, these cowards, these terrorists who prey on the weak and innocent, seriously underestimated the will of the American people, and they certainly did not understand the political resolve of our great President George W. Bush, our President who understands that his constitutional responsibilities are to protect the homeland, to protect Americans.

And so we went to Afghanistan and toppled the Taliban. We went into Iraq where we liberated the Iraqi people from the oppression of Saddam Hussein.

Mr. Speaker, recently I had the opportunity to travel to Libya where we met with Moammar Qaddafi, and as we all know, he has opened up the borders to Libya to let the Atomic Energy Commission come in and voluntarily dismantle his nuclear program. Apparently he watched Saddam Hussein get drug out of a rat hole and thought this regime change is not all it is cracked up to be. Clearly the Bush doctrine is working.

Mr. Speaker, we recognize the brave Americans who have lost their lives fighting for freedom, fighting the war on terror. We recognize that battle is not over yet. Every one of them is a hero, every American who puts on the uniform is a hero, and we thank our partners in the coalition as well. God bless them all, God bless our Commander in Chief, and God bless America.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I support commending our troops, but I believe the war with Iraq did not make the United States safer. We know that Iraq had nothing to do with 9/11 and no connection to al Qaeda which poses the real threat to the safety of the American people.

We know that the war in Iraq diverted resources from the war against al Qaeda and the Taliban, which is staging a resurgence in Afghanistan today. We know that the war in Iraq alienated our allies whose help and intelligence we need to fight the real threat, the Islamic terrorists. We know that the war against Iraq makes it much harder to take action, perhaps military action, if necessary, to deal with the very real potential threat of a nuclear-armed Iran.

After the administration misled this House, misled the American people, and misled the world about the nonexistent Iraqi weapons of mass destruction, who will believe us if we need to act against the real nuclear threat from Iran?

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I believe this war made us less safe because it dealt with a phantom threat, not the real threat. It diverted resources from the real threat. This resolution is good in commending our troops, but untruthful in saying the war against Iraq made us safer. Therefore, I cannot vote for it.

Mr. HUNTER. Mr. Speaker, I proudly yield 1¾ minutes to the gentleman from Ohio (Mr. TURNER), a member of our committee.

Mr. TURNER of Ohio. Mr. Speaker, I am pleased to speak on behalf of House Resolution 557. The U.S. investments in the war on terror and in Iraq are proving worthwhile and are making the world safer. As of February 2004, 44 of the 55 most wanted former Iraqi leaders are dead or in custody. The Iraqi people have created and signed an interim constitution guaranteeing basic freedoms, rights and protections to all Iraqis previously unrealized in Iraq.

I visited Iraq in October and saw firsthand that Iraqis are much better off than they were under the oppressive regime of Saddam Hussein. Children are able to go to school without being taught government propaganda. Small businesses are able to open. Iraqi citizens have access to health care formerly denied to them, and once neglected infrastructure is being rebuilt. No one who argues against this resolution can deny that Saddam Hussein was an enemy of the United States and an enemy of the Iraqi people. The war on terror has encouraged nations to protect their national security, track down and arrest known and suspected terrorists, and to make ovations to the international community in order to create a more peaceful and stable environment.

Last fall, the United States stopped a ship carrying nuclear components bound for Libya. Recently, Libya voluntarily turned over equipment from its nuclear weapons program to the United States. Had Libya kept these materials, they had the ingredients to create nuclear weapon capabilities. The 50,000 pounds of machine parts to enrich uranium is just a small portion of the material and information that they have turned over. Qaddafi himself has cited the fall of Saddam Hussein as a reason for Libya abandoning its nuclear weapons of mass destruction program. Can anyone have imagined a nuclear power as Libya?

Libya's decision is an example of the administration's tough line against states that sponsor terrorism and have unconventional weapons programs. United States investments in Iraq are proving themselves effective. Iraq is a safer nation, as is the United States. I commend our Armed Forces of the United States and the coalition forces.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me the time. First and foremost, let us all begin by thanking and saluting each and every American soldier, more than 500 of whom have died, thousands who have been injured, and several hundred thousand who are on active duty today, for their service and continued service doing what they are commanded to do every day. But under the shield of commending our troops, the sponsors of this measure are trying to run through what I believe is a resolution that does really nothing to, one, equip our soldiers with the body armor they still need and the extra protection for the armored vehicles that they use in Iraq, does nothing to restore veterans benefits that President Bush's budget proposes to cut for health care for our veterans, does nothing to bring in meaningful assistance from our so-called coalition partners or the international community to help patrol the streets of Iraq and rebuild the nation and the billions of dollars it will cost. And this resolution does nothing to lay out the exit strategy this Nation will need to tell our troops when they will be able to come home and when we will be able to stop spending the billions of dollars every day abroad.

Mr. Speaker, this is a resolution which can commend our troops, and should; but it does nothing to move the ball forward.

Mr. HUNTER. Mr. Speaker, I would just take a minute to remind my colleague that every single soldier in Iraq has body armor as does every single civilian worker in Iraq and that the gentleman who just spoke voted against the very supplemental that sent that body armor to Iraq.

Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. HAYES), who has spent so much time with the troops and is home to the 82nd Airborne, the All-American Division.

Mr. HAYES. I thank the gentleman for yielding me this time.

Mr. Speaker, I do represent Fort Bragg and Pope Air Force Base, the epicenter of the universe. I rise with great pride and admiration to support this resolution because of those troops.

The tragic events in Spain last week and in Iraq today remind us that terrorism is an ongoing threat to people around the world. However, today we live in a world that was different just 1 year ago. The Iraqi people were living under a tyrant, a brutal dictator who gassed his own people. The U.S. military victory in Iraq was unprecedented in military history. Our brave men and women in uniform liberated 24 million Iraqi people in just 3 weeks. Because of the actions and sacrifices of our troops, the regime of Saddam Hussein has been deposed and Iraq is on the path to becoming a free and prosperous nation.

The U.S. military victory in Iraq was truly unprecedented. On March 19, 2003, offensive operations began with air strikes against Iraqi leadership positions. Operation Iraqi Freedom was executed with a combination of precision, speed, and force that stunned our enemy. Soldiers and Marines, many from my home State of North Carolina, charged to Baghdad across 350 miles of hostile territory in one of the fastest military advances in the history of warfare. I am proud of those soldiers at Fort Bragg and Pope Air Force Base and other posts around this wonderful country. The Hussein regime fell on April 9. By April 15 after only 27 days of offensive operations, coalition forces were in relative control of all major Iraqi cities.

I would like to highlight some of those military victories. Coalition forces carried out hundreds of raids and thousands of patrols seizing caches of enemy weapons and massive amounts of ammunition that can no longer be used against our troops or innocent civilians. As of February, 44 of the 55 most wanted Iraqi leaders are dead or in custody.

In addition to bringing down Saddam's regime with great skill, courage and speed, we can also be proud that our military conducted operations with minimal collateral damage to the country's infrastructure. No neighboring countries were hit with Scud missiles, as was the case in the first Gulf War.

Mr. Speaker, when I was in Iraq, Command Sergeant Major Gainey gave me the following quote: "You have never lived until you have almost died. For those of us that have been deployed or fought for it, freedom has a special flavor the protected will never know."

God bless our troops and protect them.

Mr. Speaker, I represent Fort Bragg and Pope Air Force Base and I rise in strong support of this resolution. The tragic events in Spain last week and in Iraq today remind us that terrorism is an ongoing threat to people around the world. However, today we live in a world that was different just one year ago. The Iraqi people were living under a tyrant, a brutal dictator who gassed his own people. The U.S. military victory in Iraq was unprecedented in military history. Our brave men and women in uniform liberated 24 million Iraqi people in just three weeks. Because of the actions and sacrifices of our troops, the regime of Saddam Hussein has been deposed and Iraq is on the path to becoming a free and prosperous nation.

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Soldiers and Marines, many from my home State of North Carolina, charged to Baghdad across 350 miles of hostile territory in one of the fastest military advances in the history of warfare. I am particularly proud of the soldiers, airmen, special operations forces and others from Ft. Bragg and Pope Air Force base in my district in North Carolina. The Hussein regime fell on April 9, 2003 and by April 15 after only 27 days of offensive operations, coalition forces were in relative control of all major Iraqi cities, including Baghdad, Basra, Mosul, Kirkuk and Tikrit. Iraqi political and military leadership had collapsed.

I would like to highlight some of our military victories. Coalition forces carried out hundreds of raids and thousands of patrols, seizing caches of enemy weapons and massive amounts of ammunition that can no longer be used against our troops or innocent civilians. As of February 2004, 44 of the 55 most wanted former Iraqi leaders are dead or in custody, as well as thousands of other Baath Party loyalists and terrorists.

In addition to bringing down Saddam's regime with great skill, courage and speed, we can also be proud that our military conducted operations with minimal collateral damage to the country's infrastructure. No neighboring countries were hit with Scud missiles as was the case in the first Gulf War. There were virtually no instances of civilian casualties, nor were there large masses of fleeing refugees. Bridges were captured intact and rail lines protected. Dams were taken whole and villages were not flooded. Oil fields were protected and we denied Saddam's regime the opportunity to ignite widespread oil field fires. Of 250 wells in the key sections of the Rumaila oil field, only nine were detonated, causing just seven fires.

Operation Iraqi Freedom will go down in military annals as a truly unprecedented offensive. The Saddam Hussein regime was not a government of benevolence; it was a reign of terror. The U.S. men and women in uniform have deposed of that terror with their remarkable achievements.

Mr. Speaker, I have been to Iraq twice: the first time right after major combat operations ceased and we witnessed a country just beginning to consider life in the post Saddam era. The second time I visited was just this past month. Along with Leader PELOSI and Ranking Member SKELTON, we saw incredible progress being made. Command Sergeant Major Joe Gainey, one of the outstanding soldiers with whom we met, shared with me his favorite quote. I would like to share it with you:

You have never lived . . .
Until you have almost died.
For those of us that have been deployed or fought for it,
Freedom has a special flavor . . .
The protected will never know.

Our military success is about that freedom.

Mr. Speaker, I extend my heartfelt thanks and admiration to our men and women in uniform for their service and success. May God protect and bless them as they secure freedom for Iraq and protect freedom for America.

Mr. SKELTON. Mr. Speaker, I yield 1½ minutes to the gentleman from Rhode Island (Mr. LANGEVIN).

Mr. LANGEVIN. I would like to thank the ranking member for his leadership.

Mr. Speaker, like my colleagues on the House Committee on Armed Services, I have been pleased to provide our troops with the support and the equipment that they need to succeed in their mission, and I have had the privilege of traveling to Iraq to meet with some of them personally. I am so proud of the job that they are doing. God bless them. Iraq's transition to democracy and the ongoing war on terrorism will pose new challenges for our men and women in uniform, but they may take comfort in the knowledge that this Congress stands behind them.

Yet despite the fact that every Member of this Chamber supports our troops, this resolution was prepared with no input from Democrats. Just as the administration has adopted a "go it alone" strategy on numerous foreign policy initiatives, the House leadership has done the exact same thing when drafting legislation. This resolution could have and should have been prepared with bipartisan input. I am disappointed that inappropriate tactics have overshadowed the unanimity we share in support of our Armed Forces.

Mr. HUNTER. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CALVERT), a most distinguished member of the committee.

Mr. CALVERT. Mr. Speaker, as we speak here today, progress is being made in Iraq. As chairman of the Water and Power Subcommittee, I have visited Iraq and witnessed firsthand their accomplishments. With our help, they have surpassed prewar electrical generation levels and are on track to be generating at almost 140 percent over their prewar level by June. Water facilities are currently operating at 65 percent of prewar levels and are improving. Current projects include the rehabilitation of 15 water treatment facilities and a canal to Basra. These projects will benefit millions of Iraqis and provide for a future of water reliability.

But make no mistake, we did not go into Iraq to improve water infrastructure or increase electrical power capabilities. One year ago, this country, along with our allies, made the decision to topple a tyrannical regime, liberate a people, and help build a democracy in the heart of a terrorist breeding ground. However, the gift of freedom and democracy is being built on the basic level of services and quality of life which they are building today. We must stand by the Iraqi people in their long and challenging journey toward democracy because their freedom contributes to our security and the security of the world.

God bless America and God bless our troops.

Mr. SKELTON. Mr. Speaker, it gives me pleasure to yield 3 minutes to the gentleman from California (Mr. WAXMAN), the ranking member on the Committee on Government Reform.

Mr. WAXMAN. I thank the gentleman for yielding me this time.

As we near the 1-year anniversary of the commencement of hostilities in Iraq, now is an appropriate time to examine how we got into the war in Iraq in the first place. The resolution before us contains many "whereas" clauses about how brutally Saddam Hussein treated his own people. I agree with those clauses. But let us not fool ourselves about the reason the American people were told that we needed to launch a preemptive war against Iraq. Over and over again, President Bush and his senior advisers told us that we needed to go to war to protect America from weapons of mass destruction.

Several months ago I asked my staff to prepare a comprehensive analysis of the statements made by the top administration officials most responsible for making the case for war. Yesterday, I released the results of this work in a report entitled "Iraq on the Record." Members can find the report, and a searchable database of administration statements, at www.reform.house.gov/min. What we found was that the President, the Vice President, and other top administration officials repeatedly and systematically misled the public about the threats posed by Iraq. They made claims that Iraq posed an urgent threat; they exaggerated Iraq's nuclear capabilities; statements that overstated Iraq's chemical and biological weapons; and statements that misrepresented Iraq's relationship with al Qaeda. We judge whether a statement was misleading based on what intelligence officials knew at the time the statement was made, not what we know now.

If Congress really wanted to show respect for the troops, it would enact legislation calling for an independent commission, a real independent commission to examine how the President and his top advisers made hundreds of misleading statements to the American public.

The resolution before us is reminiscent of these statements. Vice President CHENEY said: "We do know with absolute certainty that he, Saddam Hussein, is using his procurement system to acquire the weapons he needs to build a nuclear weapon," when this resolution says the same thing so unequivocally, quote, "the world has been made safer with the removal of Saddam Hussein." I hope that is true, but we do not know it yet. Ask the hundreds who have died since Saddam Hussein was captured.

The purpose of this resolution is an attempt by the Republican leadership to divide us, not to unite us behind our troops. They are using the sacrifice of the lives of our young men and women for their own political gain. I will not vote for this resolution or against it. I will vote "present" as an act of disdain for those who want to play politics with the lives of Americans and the credibility of this great Nation as the world's leader.

Mr. HUNTER. Mr. Speaker, I yield myself such time as I may consume.

Let me just make a point to the gentleman who just spoke, that every Member in this House received a personal invitation from me for classified briefings dealing directly with our intelligence agencies with the opportunity to ask any question they wanted to ask so that when they made the vote on whether or not we should go into Iraq, they could make an informed vote. I presume that the gentleman accepted that opportunity and made an informed vote based on his own understanding of what the situation was. Let me just reiterate that every person in uniform in Iraq has full body armor, as does every civil servant.

Mr. Speaker, I yield 1½ minutes to the distinguished gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON of New Mexico. Mr. Speaker, the point of difference today appears to me to be the question of are we safer. I could not disagree more with my colleague from California on this issue.

□ 1630

It is not a question of truth or falsity or even of credibility. It is a question of judgment, a judgment that we collectively exercised as a body when we undertook our responsibility under the Constitution to authorize the use of force in Iraq. There were some things that were very important to me when I made that decision, which are reinforced here today. We knew that Saddam Hussein had used weapons of mass destruction against his own people and against his neighbors. We knew that he had tested unarmed aerial vehicles with sprayers. We knew that he had another unarmed aerial vehicle program with smaller drones that they were building and testing at long ranges. And we knew that that unarmed aerial vehicle program sought to purchase route mapping software over the United States of America.

Mr. Speaker, September 11 we watched 3,000 people die in a morning. That would be a footnote in American history compared to someone determined to use disease to kill Americans. This is a question of judgment, and we did the right thing to remove Saddam Hussein from power.

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume.

National security is not only a bipartisan effort, it is truly a nonpartisan effort. On the Committee on Armed Services, under the chairmanship of the gentleman from California (Mr. HUNTER), we do our very best to be bipartisan in nature. And, frankly, it concerns me a great deal that no Democrat was even asked to make a recommendation on what might or might not be in this resolution. I would have included several items including reference to the families. I would have included reference to those who have paid the ultimate sacrifice. I would have included a wish that the transition on June 30 be done correctly. And I would include that there should be increased international participation.

But I was not given that opportunity. Young men and young women from Democratic homes and from Republican homes and from Independent homes have paid the ultimate sacrifice. And I think it is incumbent upon everyone that offers such a serious resolution as this to give everybody an opportunity to make recommendations and to help write it.

Mr. Speaker, I reserve the balance of my time

Mr. HUNTER. Mr. Speaker, I reserve the balance of my time

Mr. SKELTON. Mr. Speaker, I have no further requests for time, and I would relinquish to the next group that has jurisdiction for the next hour.

Mr. HUNTER. Mr. Speaker, I yield myself the balance of my time.

This is a picture that Mr. Stavenas of our staff took of a reenlistment ceremony at Saddam Hussein's spider hole in Iraq. It symbolizes the willingness of our military, our soldiers, our people in uniform, to come back under very difficult circumstances and reenlist and continue to fight this wonderful fight for the United States and for freedom. And our soldiers have done a great job for us, and this resolution is commending those soldiers. All those people who wore the uniform of the United States supported our country at a time of need and are continuing to undertake the biggest deployment right now, redeployment, since World War II.

Let us all stand behind them, Republicans and Democrats, cast off the partisan positions that have been taken today on the House floor, and let them know that we support them.

Mr. Speaker, I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, I rise in support of H. Res. 557 and claim the time set aside for us under the rule, and I yield myself such time as I may consume.

Mr. Speaker, our President, having exhausted all other options, made the decision to take action against Saddam Hussein and the threat posed by his evil tyranny. During that course, the debate about that, this House was presented with an overwhelming body of evidence detailing the brutal inhumanity of Saddam Hussein and his regime, the suffering of the Iraqi people under his repressive dictatorship, the threat that Saddam presented to his neighbors and to the world, and indeed the piles of bodies in neighboring countries he left behind. Today, now that Saddam has been removed from power and the mass graves, the secret laboratories, the vast military stockpiles, missile capacities that he had, have all been exposed to the world, the world is a safer place. Certainly the Iraqi people, all Iraqi people, have a new hope for a better future today than they did just a year ago. Just a year ago. What a remarkable accomplishment by our troops and the coalition.

Yet we continue to hear claims from some that the liberation of Iraq, no matter how worthy the result, no matter how necessary to improving U.S. national security, was somehow a flawed endeavor. Yes, it was hard, but they claim it was a flawed endeavor because the intelligence that the United States had prior to the war was not perfect.

Some apparently feel that either the Intelligence Community was pressured by the administration into stating that Iraq was a threat or the Intelligence Community did not really believe Iraq was a threat but the administration misused the intelligence provided to it. The truth is neither of those are correct. But that has not deterred some conspiratorially critics from contorting themselves, trying to make both arguments simultaneously.

Looking back about a year and a half ago, while the Intelligence Community was focused heavily on Iraq, the President stated that Saddam was "a grave and growing threat." And he was right. Today we have the benefit of hindsight, of a presence on the ground in Iraq, and of the thousands of hours of studying all there is to study on the prewar intelligence picture of Iraq, and we have barely begun to get that job finished.

Taking advantage of all these benefits, I would like to share my assessment so far, and I would note that the Permanent Select Committee on Intelligence of the House, and I know of the Senate also, is underway in coming forward with a formal review of all this, which I hope we will be able to share with our colleagues before too long. That is our plan.

The intelligence picture of Iraq, of the threat Iraq posed to its neighbors and to the United States, including the assessment of Iraq's weapons of mass destruction, was entirely consistent over a period of almost a decade. The assessment is consistent in the finished intelligence and the daily current intelligence pieces from the mid-1990s onward. It is consistent in the classified records that have been provided to the House Permanent Select Committee on Intelligence over the past year. So I have to conclude on that basis alone, if the intelligence adjustments regarding Iraq were the result of political pressure or manipulation, any such machinations must have occurred in the middle of the 1990s. But I do not believe that that is the case. Therefore, if the intelligence picture is unchanging, was there a change in the substance or tone used by this administration to describe that threat? We do not need to go to the Intelligence Community or to any classified records to answer that question. We just need to compare public statements that have been made, and they are available to the world.

In 2003 President Bush said this: "Today, the gravest danger in the war on terror, the gravest danger facing America and the world, is outlaw regimes that seek and possess nuclear, chemical, and biological weapons. These regimes could use such weapons for blackmail, terror, and mass murder. They could give or sell those weapons to terrorist allies who would use them without the least hesitation."

In 1998 then President Bill Clinton said: "In the next century," which is now, "the community of nations may see more and more the very kind of threat Iraq poses now, a rogue state with weapons of mass destruction, ready to use them or provide them to terrorists . . . who traveled the world . . . if we fail to respond today, Saddam . . . will be emboldened tomorrow by the knowledge that they can act with impunity."

And again in 1998, then President Bill Clinton said: "There should be no doubt, Saddam's ability to produce and deliver weapons of mass destruction poses a grave threat to the peace of that region and the security of the world . . . His regime threatens the safety of his people, the stability of his region and the security of all the rest of us." President Clinton, 1998.

Fast forward, 2003, President Bush: "Some have said we must not act until the threat is imminent. Since when have terrorists and tyrants announced their intentions, politely putting us on notice before they strike . . . Trusting in the sanity and restraint of Saddam Hussein is not a strategy, and it is not an option."

Actually, there is not a lot of difference in the leadership that was taking place in this country on the question of the threat that Saddam Hussein and his regime and weapons of mass destruction that might be at his disposal were to the rest of us. It is pretty clear that that was a consistent view.

So, were the intelligence assessments perfect? No. In fact, comparing the intelligence assessment to what has been found in Iraq today, it is clear there were insufficiencies in our intelligence capabilities and they are of concern to us, and on a bipartisan basis we are looking into that. What was the cause of these insufficiencies? Perhaps Iraq, under Saddam, was a difficult target. It was sort of a denied area. There was a ruthless security apparatus there that made information gathering inside the country extremely difficult, very dangerous. We also know that Iraq instituted a truly massive denial and deception program designed to mislead anyone attempting to learn about Saddam's weapons of mass destruction and related programs. Virtually everybody who tried found out that he was involved in denial and deception. So these factors made intelligence collection a little difficult, but it is the tough job that intelligence is there for.

So, what else? I found that cuts in intelligence resources, personnel, and political support in the mid-1990s made many aspects of the intelligence mission in Iraq even more impossible than what we are up against.

Where were these cuts most severe? In the case of Iraq, it turns out it was the decline in our intelligence capabilities that hurt the most. Human intelligence is where we get more than pictures, more than fragments. We get insight into the plans and intentions of our target. What is going on in the minds of the troublemakers? And without good human intelligence, HUMINT, as we call it, it is very difficult indeed to get an accurate picture of what an adversary is up to.

Yet from 1991 to 1998, a time of cutbacks for military and intelligence resources across the board, our human intelligence capabilities suffered dramatically. The number of officers collecting information shrank by about a quarter; the number of operating locations overseas dropped by about a third; reporting sources declined by almost 40 percent; and the number of intelligence reports produced were cut in half or thereabouts.

So we add on top of that the politically correct "nice spies" guidelines that were posed in 1995, the risk aversion problem, and we begin to see why information in Iraq was so hard to come by. Good information about plans and intentions, the eyes and ears, just were not sufficient.

So despite these severe limitations, I think the scorecard shows that the United States Intelligence Community provided the best assessment it could. And referring Members to the Director of Central Intelligence's recent speech at Georgetown, the assessments were not as far wrong as some critics of the war would have us believe.

In the final analysis, I think it is important that we get it right. Saddam was a threat. The United Nations believed he was a threat. The vast majority of the Western nations, even those outside of the U.S.-led coalition, believed he was a threat. The U.S. Intelligence Community assessed consistently that Saddam was a threat. The previous administration told the American people that Saddam was a threat. And it has been the official policy of the United States to seek regime change in Iraq since 1998 across two administrations. The difference between 1998 and 2003 is that President Bush took the bold action necessary to address a grave threat where others before him did not. The world is a safer place for it.

□ 1645

Freedom is not free. The purpose of this resolution is to recognize the hardships that the men and women who are doing the dangerous, risky work of protecting our freedoms, the people in our military services, the people in the coalition, the people who are taking risks. After a year, we are here to say, you are doing great work, keep it up, we are so grateful.

We are also including some applause for the people of Iraq who have gone through miserable times and now have some hope, and they have completed the remarkable achievement of a temporary constitution already. This is the sign of a spirited people who are looking for a better life.

This resolution simply says that and commends that. I believe we can all agree that these are the times that we can get together and say, well done, more to do, let us get on with it.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore (Mr. ISAKSON). The gentlewoman from California (Ms. HARMAN) is recognized for 30 minutes.

Ms. HARMAN. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I came here to talk about how we can improve this resolution, but I would like to say to the able gentleman from Florida (Chairman GOSS), the chairman of our committee, that some of the things he just said in his opening remarks might deserve amplification. It is true that during the 1990s, overwhelming bipartisan majorities in both Houses of Congress approved cuts in funding for intelligence. So strong was this bipartisan position that often no one called for a recorded vote; Intelligence budgets were approved on a simple voice vote. The gentleman from Florida (Mr. GOSS) is correct that overseas intelligence operations were canceled and that the core of our overseas intelligence operations declined by about 25 percent. But what he failed to mention is that those cuts were ordered by the 41st President, President Bush. They were supported by more than 95 percent of Republicans in Congress, including the gentleman from Florida (Chairman GOSS).

What I am here to say today, however, is that this resolution could be improved if it called for steps now on a bipartisan basis to fix what are obvious intelligence problems. In addition to commending our troops, we should be calling for action to make them safer.

Had I been consulted on this resolution, I would have suggested adding a clause calling on the President to acknowledge the obvious problems with our intelligence and to take steps to fix those problems now. Had I been consulted, I would have insisted on adding language applauding the brave and dedicated cadre of people serving in Iraq and around the world as intelligence officers. They work in the shadows with little thanks and recognition.

Mr. Speaker, the terrorists are clearly not waiting for us to fix our intelligence, witness today's tragic bombing in Iraq and last week's bigger tragedy in Madrid. The insurgents in Iraq are not waiting for us to fix our intelligence. Ask the young men and women at Walter Reed Hospital.

The North Koreans and Iranians are not waiting for us to fix our intelligence. Their nuclear weapons programs are far more advanced than Iraq's ever were. As the gentleman from Florida (Mr. GOSS), the chairman of our committee, acknowledged this morning, the world is not safe just because we removed a brutal dictator. We all know this. It will not be safer until we fix our intelligence.

After deep study on the Select Committee on Intelligence, it is clear to me that our senior leaders remain in a deep state of denial. There are no discernible signs from the President or the Vice President acknowledging the obvious flaws in our intelligence systems and committing our country to fix the problems now. Force protection in Iraq depends on accurate, timely, and actionable intelligence to counter terrorism and insurgency. We must do better.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Michigan (Mr. HOEKSTRA), and chairman of one of our critical subcommittees.

Mr. HOEKSTRA. Mr. Speaker, I rise in support of House Resolution 557, recognizing the liberation of the Iraqi people and the valiant services of American and coalition forces.

In the years since the United States led a coalition of willing States to disarm Saddam Hussein, we have arrested a dictator that killed hundreds of thousands, possibly as many as 1 million people, during his reign. We have returned children to school and given the Iraqi people a new destiny.

I have been to Iraq several times. It continues to be a dangerous place. Iraq is also a complicated place. There has been a considerable amount of debate and attention to what we knew before we went to war and how well our intelligence is measuring up with the realities on the ground in Iraq.

I would like to take this time to clarify the record on a number of charges that have been levied against both the administration and our intelligence community.

A number of Members who voted for the Iraq war resolution claim they did so because they were fooled by the President who overstated the threat from Iraq. In fact, some suggest that the administration knew Iraq did not have weapons of mass destruction and went to war regardless of the facts. These critics do not understand the difference between intelligence and policy formation.

The President considered the intelligence in Iraq and calculated the risk of engaging in a conflict with Iraq and decided war was just. He took action, and we are all safer as a result. Some argue that the President portrayed Iraq as an "imminent threat," that the administration misled the American public by overstating the threat posed by Iraq. This is what he said in January 2003, 2 months before the war: "Some have said we must not act until the threat is imminent. Since when have terrorists and tyrants announced their intentions, politely putting us on notice before they strike? If this threat is permitted to fully and suddenly emerge, all actions, all words, and all recriminations would come too late. Trusting in the sanity and restraint of Saddam Hussein is not a strategy and it is not an option."

In fact, this President's statements on Iraq are not all that different from the previous President and his administration's remarks when they discussed the threat posed by Iraq: "If we fail to respond today, Hussein and all those who would follow in his footsteps will be emboldened tomorrow by the knowledge that they can act with impunity." And: "What if he fails to comply and we fail to act? Some day, some way, I guarantee you, he will use the arsenal."

These were President Clinton's words in August of 1998.

Another quote: "And, indeed, we have information that Iraq has assisted in the chemical weapons activity in Sudan. We had information linking bin Laden to the Sudanese regime and the Al Shifa plant." These words were written by former National Security Adviser Sandy Berger.

Another quote: "Sometimes the United States has to act alone or at least has to act first. Sometimes we cannot let other countries have a veto on our foreign policy." That was a quote from President Clinton during his election campaign.

President Bush used the best intelligence available, as it had been suggested by the former administration, that Iraq was a threat, a growing threat. The removal of Saddam Hussein and his evil regime from power was a policy endorsed by both sides of the aisle for more than a decade. This menace became even more of a concern when examined through the lens of September 11. Saddam is gone. The world is better because of it.

Mr. Speaker, we can argue the morality of war all day, but terrorists do not possess the same concern, as we saw again today. They act, and they act brutally. Iraq represents another front on the global war on terrorism. Iraq also represented a dangerous threat to the region and the world. This country witnessed the consequence of failing to act strongly against terrorism on September 11, 2001.

Ms. HARMAN. Mr. Speaker, I applaud the bipartisan comments of the last speaker, and I yield to the gentleman from Maryland (Mr. CARDIN) for a unanimous consent request.

Mr. CARDIN. Mr. Speaker, the Resolution before us correctly points out the atrocities that Saddam Hussein perpetuated against his own people and the importance to Iraq's future to be free from the oppression of Saddam Hussein. The Resolution properly commends the members of the U.S. Armed Forces for their valiant service. They have made tremendous sacrifices on behalf of their country and have served longer deployments than expected. I extend my condolences to the family members of U.S. soldiers and civilian personnel who have lost their lives in Iraq, as well as to the many thousands of soldiers that were wounded in Iraq. I also express my sorrow and regret for the deaths in Iraq of Coalition forces and United Nations personnel, as well as for the unknown number of Iraqi civilians and other noncombatants that perished in the war. Congress and the Administration have a obligation to provide our troops with all the resources necessary to carry out their ongoing mission.

I am pleased that Iraqi Governing Council has adopted an interim constitution, and that the Council, in cooperation with the international community, is establishing war crimes tribunals in Iraq to create a historical record of the war crimes and crimes against humanity committed by Saddam Hussein and his regime. We must establish an accurate and complete factual record of these crimes, so that we can punish the offenders and deter future war crimes by government officials against their own population.

My support for this resolution in no way signifies my views on other issues beyond the scope of this resolution. This resolution does not offer a complete and balanced chronology of events that led to the U.S. invasion of Iraq. I am most disappointed that both before and after the war in Iraq the United States consistently failed to broadly engage the international community. The Administration is only belatedly seeking international support for our reconstruction efforts in Iraq.

Because of these failures, Americans have paid a heavy price. It is primarily American troops stationed in Iraq that face continuing attacks. It is our taxpayers that are being asked to almost exclusively pay the cost to rebuild Iraq, and these costs are mounting every day. Iraq is already facing a difficult transition in establishing a democracy that operates under the rule of law and protects minority rights. The U.S. must show enough flexibility in working with our allies to effectively help Iraq during this critical transition period, so that other countries will pledge both troops and funds to alleviate the burden on our American soldiers and taxpayers. Ultimately, the best way that we can support our troops is to reach out more aggressively to the international community, establish order and security in Iraq, and transfer authority to the Iraqis in a responsible manner.

Although I support the Resolution, I regret that it was not in order to consider a Motion to Recommit with instructions. The Motion to Recommit would have allowed us to strengthen the resolution by urging the President to: give our troops in Iraq all of the equipment needed to keep them safe; provide the health care and benefits our wounded servicemen and women earned when they come home as veterans; recognize the key contributions made by our Reserve and Guard components, many of which came from my Congressional district in Maryland.

This Motion would have also asked the President to acknowledge that there were serious deficiencies in United States pre-war intelligence on Iraq, particularly in light of the failure to find any evidence of WMD programs, and to take action to improve our intelligence community so that United States troops are better protected and informed for future conflicts.

Finally, the Motion would have asked the President to seek broader international support for the reconstruction of Iraq, and to take steps to correct the deficiencies of the U.S. Government to plan adequately for the postwar occupation of Iraq.

We should have improved this Resolution to more accurately reflect our ongoing objectives in our involvement in Iraq.

Ms. HARMAN. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Texas (Mr. REYES), a member of the Committee on Intelligence and ranking member on the Subcommittee on Strategic Forces of the House Committee on Armed Services.

Mr. REYES. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, this resolution asks that the House affirm that the United States and the world is a safer place today with the removal of Saddam Hussein and his regime from power in Iraq. Who can argue with that? Saddam Hussein, a tyrant that is responsible for so many thousands of deaths, a tyrant that has used weapons of mass destruction in the past.

There was a famous frontiersman who said, Be sure you are right, then go ahead. That was reported to be Davy Crockett. I think that is what we are about a year later, after going to war against Saddam Hussein and Iraq.

A colleague of ours mentioned earlier, this whole thing was about judgment. Well, I would submit that it is also about responsibility, it is also about accountability, and it is also about credibility. Why do I say that? Because when we talk about the world being a safer place today, I want us to remember that 55-some-odd families are without their loved ones today that have been killed in Iraq carrying out this war.

I saw into the eyes of Sergeant Rico's widow who asked me why. And I told her that we were very proud of the sacrifice that had been made by her husband and by her family. But she continued to ask me why. And that is why I think it is about responsibility. Did we do the responsible thing by attacking Iraq and Saddam Hussein when we knew that he had nothing to do with 9-11? It is also about accountability. A year later, we are finding out that he did not have weapons of mass destruction. And, obviously, it is about credibility, because if we as the last superpower are going to benefit from credibility, we have to be patient, we have to understand what the threat is, and we have to act responsibly. That is what I think this is about.

I am going to support this resolution, as I support the men and women in uniform. But this whole issue is about those three words: responsibility, accountability, and credibility.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Nevada (Mr. GIBBONS), a member of our committee and the chairman of a subcommittee as well.

Mr. GIBBONS. Mr. Speaker, I rise in strong support of H. Res. 557, and I thank the gentleman from Florida for yielding me this time.

Mr. Speaker, our military and coalition forces, as well as our intelligence community, are all working tirelessly to protect this Nation 7 days a week, 24 hours a day.

A year ago, the United States led a military coalition to disarm Saddam Hussein. Saddam Hussein's regime committed horrible atrocities; and Saddam was a threat, a grave and increasing threat to his country, his region, and to the world. Yesterday, Mr. Speaker, marked the 16th anniversary of Saddam's use of chemical weapons on the Kurdish citizens of Iraq. Sixteen years ago, Mr. Speaker, as a result of this atrocity, 5,000 Kurdish Iraqis died. Saddam was indeed a terrorist in his own nation. Thanks to our efforts, Saddam Hussein will never commit such atrocities again.

There is no doubt, Mr. Speaker, we are all safer without this tyrant in power. Our decision to go to war in Iraq was based on our intelligence about Saddam's threat to world security.

As chairman of the Subcommittee on Human Intelligence, Analysis and Counterintelligence, I know the substantial investment now being made in our intelligence community to meet the demands of the global war on terrorism. Our intelligence community is aggressively rebuilding its capabilities that withered during the mid-1990s. Our clandestine service dropped by 25 percent, and nearly one-third of our overseas offices were closed. Our overall intelligence reporting fell by almost 50 percent during that period of time. Language skills were slow to develop, limiting our ability to infiltrate rogue organizations or intercept messages encrypted in tribal dialect and regional tongues. We effectively lost our ability to see and hear in many of the world's most dangerous places. Our intelligence community provided the best information and analysis on Iraq that it could, given the reduced collection, language shortfalls, and Iraq's active denial and deception programs.

Every one from David Kay to the Director of Central Intelligence, George Tenet, has stated that analysts did not and would not change their judgment to meet policy objectives.

Some argue that judgments in the October 2002 National Intelligence Estimate on Iraq's Continuing Programs of Weapons of Mass Destruction Programs were flawed. They point to the report's statement that "Iraq has chemical and biological weapons." However, this is only the first six words of the second sentence in the declassified portion of the report. The rest of the sentence reads, "as well as missiles with range in excess of U.N. restrictions and, if left unchecked, Iraq probably will have a nuclear weapon during this decade."

Critics also fail to mention judgments made by Dr. Kay and the Iraqi Survey Group regarding their findings in Iraq: "We judge that Iraq has continued its weapons of mass destruction programs in defiance of U.N. resolutions and restrictions." Quote: "Although we assess that Saddam does not yet have nuclear weapons or sufficient material to make any, he remains intent on acquiring them."

□ 1700

Yes, chemical or biological weapons stockpiling have not been found, but secret laboratories have. And, yes, Iraq appears not to have reconstructed its nuclear program, but the Iraq survey group uncovered documents that revealed Saddam's intent to make nuclear weapons.

Intelligence analysts seldom, if ever, are 100 percent perfect. This is the nature of the business. Intelligence officers collect the dots and analysts attempt to connect them. Given the reduced resources and inadequate insight into Iraq, I say the picture we drew from a limited amount of dots was pretty good.

And we were right to take action. Every day intelligence officers make tough judgment calls and dangerous operations are conducted. We must support them. We must support our troops in the ongoing efforts to protect our Nation.

I support House Resolution 557 and strongly urge its adoption.

Ms. HARMAN. Mr. Speaker, I yield to the gentleman from California (Mr. GEORGE MILLER) for a unanimous consent request.

Mr. GEORGE MILLER of California. Mr. Speaker, I rise in opposition to this resolution.

Mr. Speaker, once again, the Republican leadership in the House of Representatives has taken an issue of bipartisan concern and turned it into an occasion for partisan division.

On the 1-year anniversary of the beginning of Operation Iraqi Freedom, the leadership introduced a bill that claims to honor our troops—at the same time that our Armed Forces and veterans are being shortchanged in the budget that is under consideration in this body.

I strongly oppose this resolution for two important reasons.

First, it fails to properly acknowledge and honor the American troops who are serving, have died, or have been injured in this war.

And secondly, it is a blatant attempt to cover-up the fact that American soldiers went to war in Iraq because Iraq allegedly had weapons of mass destruction that threatened America. And yet no such weapons have since been found in Iraq.

Our troops—National Guard and Reserve and regular forces alike—deserve more than one line in a resolution on the first anniversary of a war. Their service and their sacrifice deserve to be honored, and more importantly they deserve the resources to help them succeed with the greatest degree of safety possible.

Had Democrats been afforded the opportunity to modify this resolution, we would have offered our sincere condolences to the families of the more than 500 soldiers killed and thousands wounded in Iraq, given our troops in Iraq the body armor and armored vehicles they need to keep them safe, and continued to press for a true international coalition to relieve the United States of its nearly unilateral burden in Iraq.

I am a proud cosponsor of the Democratic Salute to Veterans and the Armed Forces Act, a comprehensive package of benefits designed to honor the contributions of those who have served America in the Armed Forces. The legislation ensures that those who are serving today have incentives to continue serving, those who served in previous conflicts are properly honored, and those who choose to serve in the future are coming into a system that is the best in the world.

As I said at the outset, I also oppose this resolution because it is a blatant attempt by the Bush administration to distort the public's understanding of why America went to war.

Americans did not die in Iraq to punish Saddam Hussein for his reprehensible and vile actions, such as gassing the Kurds in 1988 or flooding the Arab marshlands. Those actions clearly did not pose an imminent threat to the security of the United States, especially not in the year 2003. And yet those are the actions that this partisan House resolution today speaks to. Americans would not have believed that those actions warranted a military attack in Iraq last year.

President Bush warned Americans that Iraq posed an imminent threat to the security of the United States that could only be deflected by a unilateral military strike against Iraq. Today, the House seeks to bury this crucial piece of history.

The President provided intelligence that has not been discredited to justify the attack on Iraq. It must never be forgotten that American soldiers attacked Iraq because the President said that it had weapons of mass destruction that endangered our security.

The Republican leadership sponsored this resolution today hoping to later attack Democrats who vote against it. But I for one will not join them in their partisan charade that brings shame on the People's House. My Democratic colleagues and I will continue to articulate our concerns for America's armed forces, for America's veterans, and for America's security.

Ms. HARMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. BOSWELL), the ranking member on the House Permanent Select Committee on Intelligence Subcommittee on Human Intelligence.

Mr. BOSWELL. Mr. Speaker, I thank the gentlewoman from California (Ms. HARMAN). I appreciate it.

And I want to say at the outset I rise to support the resolution. When I look over there, the gentleman from California (Mr. CUNNINGHAM), the gentleman from Texas (Mr. SAM JOHNSON), and a whole bunch of others, they are my heroes. But we have some on this side of the aisle too. I think of the gentleman from Pennsylvania (Mr. MURTHA), I think of the gentleman from Texas (Mr. REYES), the gentleman from Florida (Mr. BOYD), the gentleman from California (Mr. THOMPSON), a lot of us as well as a lot of my colleagues.

This is not a partisan thing. We support the troops. No question about it. I was a little appalled this morning as I heard my dear friend, the gentleman from Pennsylvania (Mr. MURTHA), and his comments. But I still support the troops.

Our troops in Iraq are to be commended for their courage and their valor. I do say the same about the dedicated men and women of the intelligence community. I visited with them in Iraq. It is truly inspiring to see what they have accomplished. And the Iraqi people are to be commended for their courage in the face of Saddam's cruelty.

But I agree with the remarks of my colleague, the gentlewoman from California (Ms. HARMAN), the proposed resolution ought to do more. It is time the President set about fixing the problems in intelligence that are already known to exist. This will do much more to secure the peace in Iraq than just commending the troops and the Iraqi people which, of course, is very important.

For example, the DCI has acknowledged that we did not have enough human intelligence. In addition, the sources we did have too often gave us bad information. There are also some indications that we may have dismissed potential sources of information because they were not telling us or we did not believe or did not want to believe that Iraq had weapons of mass destruction.

Closed societies of Iraq are among the most difficult of intelligence targets. No question about it. Terrorist groups are equally difficult to penetrate. However, there are steps we can take to improve our ability to recruit sources of information on these hard targets.

The intelligence community is developing new ways of deploying human intelligence collectors. In urging the President to take steps now to fix intelligence, we can encourage these efforts which will yield benefits in Iraq today. The proposed resolution ought to do this. Why not? We can. We should.

I do support the resolution.

Ms. HARMAN. Mr. Speaker, I commend the last speaker for his wonderful remarks.

Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. ESHOO), the ranking member on the House Permanent Select Committee on Intelligence Subcommittee on Intelligence Policy and National Security.

Ms. ESHOO. Mr. Speaker, I thank our very distinguished ranking member, the gentlewoman from California (Ms. HARMAN), for the time.

Mr. Speaker, we are just about a year to the day that America with our very brave forces invaded Iraq. So it is coming up to the moment where we commemorate those that serve, those that did serve and lost their lives, through a resolution that is on the floor.

This resolution has good parts to it. Of course, we commend our troops who are second to none. They are the best led, the best equipped, and the best performing troops in the world, the best military. But this resolution is not necessarily a celebration, nor should it be. Because what it does not include are the sacrifices that have been made: 558 American troops, 101 allied troops, and some 10,000 Iraqi citizens have died since this war began. They are not mentioned in this resolution.

Where is our commitment in this resolution? It should be stated and restated in more than one "whereas" about the 115,000 troops in Iraq with all the protective gear that they should have. Nowhere in this resolution do we affirm or reaffirm our commitment to our troops and veterans.

Today the House Committee on the Budget cut over $1 billion. So there is a bit of double speak to this. Nowhere in this resolution are the people that serve in our intelligence community, some of the most dangerous jobs that anyone could ever have, are they set apart and thanked in this resolution relative to Iraq.

Turn on the TV sets. Iraq is not safe. There are more people that have lost their lives today. There are more fires; there are more blow-ups. So this is a very sobering resolution. And I think the good parts of it should be underscored. But we have not been allowed to add to it the things that I just stated that I think should be very much a part of it.

Ms. HARMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. RUPPERSBERGER), our able rookie.

Mr. RUPPERSBERGER. Mr. Speaker, I will support this resolution as an expression of our Nation's gratitude and pride of our men and women in uniform who were ordered to war in Iraq by their Commander in Chief. Whether you are for or against the war, the fact is we are there now and we need to support our troops.

These military servicemembers are working around the clock to make Iraq a better place for the Iraqi people. Many of them have left their young families behind to serve their country, and they deserve our thanks here on the floor of Congress.

I recently returned from Iraq as part of a bipartisan group of Members from the House Permanent Select Committee on Intelligence. I truly believe that good intelligence is the best way to prevent terrorist attacks in our country, as well as Iraq. The members of our intelligence community who are also working on the dangerous front lines of this war deserve our gratitude. They serve in silence with little thanks.

I was proud to join with my Republican colleagues and visit the Iraqi police training academy and honor 23 Iraqi police officers killed in a recent bombing. Even in the face of tragedy, the resolve of the Iraqi people to take back their country and start governing themselves was strong.

Mr. Speaker, this resolution should have simply expressed our support for our Armed Forces working and living in harm's way. Regrettably, however, the majority has handled this resolution in a manner intended to divide us, not unite us.

Mr. Speaker, I share the view that the Middle East and the world are better off without Saddam Hussein and his brutal regime; but success must be our only exit strategy. When those goals are accomplished, we can say with certainty that the world is a safer place. We owe our military men and women who have made the ultimate sacrifice for their country in Iraq nothing less.

Ms. HARMAN. Mr. Speaker, I yield to the gentlewoman from California (Ms. LOFGREN) for a unanimous consent request.

Ms. HARMAN. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, I join the authors of this resolution in commending the Iraqi people for their courage in the face of oppression and in praising the valiant service of the United States and coalition forces in Iraq. We are as proud as we could possibly be of our troops, their sacrifice and their service.

But to put forth this partisan resolution in this way is both an affront to our troops and a disservice to our country, sowing division where there should be unity.

This resolution is not necessarily objectionable because of what it says, but because of what it omits. There is no reference, for example, to the midcourse correction that is called for in terms of financial accountability, contracting practices, securing international cooperation, and repairing our relationship with long-standing allies whose support is integral to our ultimate success.

The minority has been denied the opportunity to improve this bill, to give our troops the body armor they need, for example, to achieve pay equity for National Guard and Reserve personnel, to provide much needed health care and benefits for our wounded servicemen and -women, and to offer condolences to the families of those killed in Iraq.

This resolution rightly affirms our support for the Iraqi people as they adopt an interim constitution that upholds the values of open debate and democracy. How ironic that this very bill is structured to shut down discussion and debate.

The rule rammed through by the majority is not only a closed rule, making it impossible to offer a Democratic substitute, but it also eliminates the right to offer a motion to recommit with instructions. That takes to a new level the procedural abuses that have become almost routine in this House.

At stake is the manner in which we, as members of the House, are permitted to express our encouragement. We can support our troops serving in Iraq, yet still debate how to extend support to them and their families and to hasten the day when they can return. We can support the Iraqi people, yet still debate how best to ensure the development of a stable, democratic form of governance. To debate such issues does not reflect a lack of patriotism. To the contrary, it's a celebration of it.

We should be proud, Mr. Speaker, of the progress we have made in Iraq. At the same time we should address the deficiencies in our prewar intelligence and our post-war occupation plan.

No one disputes that the world is better off with Saddam Hussein gone, but we are doing our troops and the American people a grave disservice if we perpetuate the illusion that they are somehow "safe" or that our mission in Iraq is accomplished. Many difficult tasks still lie ahead, and glossing over the serious questions that remain unaddressed by this administration jeopardizes our mission to secure and stabilize Iraq.

I urge the Republican leadership to honor the collaborative and unifying approach that we are urging on the people of Iraq. This body should support our troops and lead by example, and this resolution falls short on both counts.

Ms. HARMAN. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY), my classmate and colleague.

Ms. WOOLSEY. Mr. Speaker, exactly 1 year ago the first bombs blasted in Baghdad and the United States christened a shameful new military doctrine, the preemptive war, against a regime that for all its vicious cruelty had not provoked the United States or our allies.

We were told by the President that Iraq posed an imminent threat to our national security with a link to al Qaeda, which is fiction. And our own weapons inspector concluded that weapons of mass destruction did not exist. Where was our intelligence? What were we working on?

After September 11, countries throughout the world clamored to give the United States support in the global fight against terrorism. But after bombing Iraq without multinational support, the United States lost the moral authority we once enjoyed around the rest of the world.

Today, 1 year later, Iraq remains mired in chaos. It is becoming a breeding ground for terrorists, nowhere near ready to assume the responsibility of a democracy.

For this we have sacrificed nearly 600 American lives with thousands more wounded; 27 today have already been killed in Baghdad with hundreds injured. If this Congress wants to support the troops, we should work to equip every soldier in Iraq and Afghanistan with the best equipment and supplies available, including hydration water systems. We would ensure them the benefits they have been promised and they deserve when they return home. But we do not talk about that in this resolution.

Tomorrow I will introduce a resolution called Smart Security. Smart Security is about prevention, not preemption. It sees war as a last resort to be considered only after every diplomatic solution has been exhausted.

□ 1715

It calls for more robust multilateral institutions to prevent terrorism, manages international conflicts and promotes global stability, since smart security is tough, pragmatic, and patriotic. It is smart and it would keep America safe and it supports our troops.

Ms. HARMAN. Mr. Speaker, it is my extreme pleasure to yield 2 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, I thank the gentlewoman for yielding me the time.

Mr. Speaker, if all we were doing here on the floor today on the House was commending our troops for their valor, there would be no debate. There would be no disagreement and there would be no opposition. This resolution, however, says something more than that we honor our troops.

What this resolution says is that we, the House of Representatives, affirm that "the United States and the world have been made safer with the removal of Saddam Hussein and his regime from power in Iraq." There is not a Member of this body that mourns the fact that Saddam Hussein and his regime have been removed from power. We all agree that Saddam was a brutal thug. The problem is that America was told before the war that we would be made safer by fighting to find and destroy Saddam's weapons of mass destruction. We now know that those weapons either did not exist, in which case we fought a war based on flawed intelligence, or that there really were weapons of mass destruction, in which case they are now in the hands of Saddam's Baathist henchmen or al Qaeda terrorists or some other party, and that would put us in greater peril than we were before the war started.

Moreover, if we switch our TV from C–SPAN to CNN, we will see that another bomb has gone off in Baghdad today, killing more than 25 and wounding nearly 50 innocent people. We will see that two American missionaries have been assassinated in Iraq. We will see reports of more and more targeted assassinations of civilian employees of the Coalition Authority, as well as continued attacks on our military forces in Iraq.

Meanwhile, the real terrorist threat to America, al Qaeda, continues to organize and plan future terrorist attacks against our country. Osama bin Laden and some of his top lieutenants remain at large. Mullah Omar, the head of the Taliban, remains at large.

What is happening on the House floor today is symptomatic of everything that is wrong with the Bush administration and Republican leaders in Washington. Instead of working together in a bipartisan fashion to congratulate the troops for the wonderful job which they did, they seek to divide this House by forcing us to vote on something which, in fact, is not an accurate representation of what has happened across this world.

Ms. HARMAN. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New Jersey (Mr. HOLT), another able member of our committee.

Mr. HOLT. Mr. Speaker, I thank the gentlewoman for yielding me the time.

Mr. Speaker, this resolution commends the men and women of the United States Armed Forces and the Coalition forces for their valiant service. It is appropriate to do that. They have made huge sacrifices, their families have. In many cases, the soldiers have made the ultimate sacrifice in their response to the call of their country.

As a member of the committee that oversees the Intelligence Community, let me also add my gratitude to the incredibly hardworking men and women of the Intelligence Community whose role in Iraq is less public but no less vital and in many cases is every bit as dangerous. These dedicated public servants should have all the tools they need to accomplish their mission. So rather than simply commending the Iraqi people for their courage and their accomplishments, rather than simply thanking these brave men and women in the U.S. armed services and Intelligence Community with words, we should see that they have what they need to do their jobs.

This resolution today, I believe, has different motivation than simply to honor our troops. It really is more about the House of Representatives patting themselves on the back than it is to honor our troops.

It perpetuates a simplistic thinking that took us into the war with unexamined intelligence, and clearly there were deficiencies in the intelligence that took us up to and into that war. It perpetuates the simplistic thinking that left our troops unprepared for the postwar occupation, and it perpetuates a kind of divisive thinking. I mean, what can be more divisive than a closed rule that allows no amendments, no substitutes, really nothing to make this a better resolution?

It is not enough to say thanks in words to 550 families who have lost someone in Iraq. They want more than thanks and words. Same for the more than 3,000 families of the wounded. If we only give them what they need, this resolution would be more meaningful: more armored Humvees, more language speakers, more support.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Illinois (Mr. LAHOOD), who is also a subcommittee chairman of the committee.

Mr. LAHOOD. Mr. Speaker, I rise in support of House Resolution 557, recognizing American and coalition forces in Iraq and the liberation of the Iraqi people.

The American people should know and believe that the President brought the U.S. into this war to oust Saddam Hussein and bring freedom in that part of the world with 34 coalition partners, and that was a good decision. Many of us supported the President and voted to provide emergency supplemental funding for military operations in Iraq. These were the resources that financed the capture of additional Saddam regime loyalists and Saddam himself and provided funding to protect our troops.

As a matter of fact, the lion's share of the money went to the troops and the other went to rebuilding the country, opening schools, opening hospitals, putting electricity on line, opening businesses. The people of Iraq love America because of their newfound freedom, their newfound hope, and their newfound opportunities.

Many of us voted for the war resolution because we believed it was the right thing to do, and many of us voted for the supplemental funding because we believed it was the right thing to do.

We have heard all the claims that the intelligence community's analysis was politicized and analytical judgments were made to advance the administration's policy. The same judgment and analysis was given to President Clinton who used that analysis to take limited action against Saddam. The point is that both Presidents received the same intelligence. The only difference is that President Bush took serious and meaningful action against Saddam Hussein.

In my opinion, critics have not given the intelligence community a fair shake, and it is obvious from some of those who do not even serve on the committee come down here and criticize when they have not had the benefit that many of us have had of serving on the committee. That is unfortunate. They have failed to highlight those judgments on UAVs, ballistic missiles, illicit procurement networks that have been found and confirmed in Iraq. They have failed to highlight those judgments about the presence in Iraq of terrorist elements associated with al Qaeda.

It is fine to highlight real problems and propose real solutions to fix them, but we have yet to hear that from the critics. Telling analysts not to make tough judgments is not a viable solution. Rebuilding our intelligence community and providing them with the resources needed to fight the global war on terrorism seems more appropriate.

I support our troops and our intelligence community, people who work in dark places in the world but never get any credit for the work that they do. The credit goes in some cases to politicians and government officials, but those people in dark places who are doing the hard work deserve the credit. No politician can take credit for capturing Saddam. That credit goes to the intelligence community and the military, and those of us that have supported them with our votes on this floor to give them the money to do it. Also I think they deserve the credit, and the critics need to really, I think, examine what they are saying.

Congratulations to those in the intelligence community and the military community for liberating Iraq, freeing the people and giving them hope and opportunity, and for that reason, I support I think a very well-worded and -constructed resolution.

Ms. HARMAN. Mr. Speaker, I would point out to the last speaker that I think this resolution should include words of praise for the members of the intelligence community who take risks on our behalf in Iraq.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I do not find myself critical of the intelligence community. The criticism I and many others have is of the political leadership which I think misused the intelligence and made faulty decisions.

The gentleman talked about people who work in dark places. I did not talk about the Vice President. I do not know how he got into this debate.

The point about what we are saying is this. We now, without weapons of mass destruction, without a tie to al Qaeda, have been told that the rationale for this was essentially to extend democracy. I am in favor of extending democracy; although extending it by military invasion is a difficult policy. There are plenty of undemocratic, tyrannical governments in the world, and I want to oppose them, but I am not generally for invading them. But what troubles me is that in the name of advancing democracy internationally, the majority is debasing it at home.

No one can think, who understands the tenets of democracy, that this procedure today comes close to it. There is no justification whatsoever for this legislation to have been drawn up and then brought to us without amendment. Will someone explain to me why this could not be amendmentable? Were we too busy? That would not pass the laugh test. The reason is that the majority is afraid that if amendments were available, it would bring into discussion things they do not want to talk about.

Of course, we support the troops. Voting for or against this resolution is wholly uncorrelated to supporting the troops. A resolution that simply congratulated the troops would have been passed unanimously. What we have here, frankly, is an effort to use the troops for political purposes. It is an effort to say that because Americans are proud of our fighting people, we will put into a resolution some phrase for them which contains a number of other politically more controversial items; we will bring it forward in a way that does not allow the democratic process to go forward.

I hope the Iraqis will not be watching this and think that this is the way a democracy should work, that it should be up or down, that the Constitution should not be amendable, resolutions should not be amendable. We do not advance democracy by debasing it as we do in this procedure.

Ms. HARMAN. Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, the resolution before us today seeks to rewrite history. It recognizes that on March 16, 1988, Iraq used mustard gas and other nerve agents against the Kurds in Halabjah, Iraq, killing an estimated 5,000 people. This is an atrocity that is used by many, including members of the President's war cabinet, as justification for invading Iraq.

Yet, if the gassing of the Kurds was a reason for war, why did these same people in both the Reagan and the first Bush administrations work to increase aid, cooperation, trade and intelligence-sharing with Iraq after the gassing occurred? Before history is rewritten, it is important to set the record straight about what did happen in this tragic event.

Secretary of State Colin Powell was Ronald Reagan's National Security Adviser from December 1987 to January 1989 and was the chairman of the Joint Chiefs from 1989 to 1993.

Under Secretary of Defense Paul Wolfowitz was Under Secretary of Defense for Policy from 1989 to 1993.

National Security Adviser Condoleezza Rice was a director on the National Security Council from 1989 to 1993.

Vice President DICK CHENEY was the Republican whip in the House in 1988 and the Secretary of Defense from 1989 until 1993.

Why then, when they were in positions of tremendous influence, did they not cry foul when this atrocious gassing happened? Briefly, here is what they did after the Halabjah gassing happened.

In 1988, the Reagan Administration sent $1.1 billion in loan guarantees to Iraq.

According to declassified State Department documents, the United States shared intelligence data with Iraq before and after this mass murder.

In early October 1989, President Bush signed a national security directive to expand political and economic ties with Iraq, including $1 billion in new aid to Iraq.

On October 31, 1989, Secretary of State Baker personally intervened with the Agriculture Department to get more money to go to Iraq.

On April 19, 1990, the National Security Council did the same thing.

☐ 1730

Following the end of the Gulf War, U.N. inspectors discovered that front companies for every known site at which Iraq developed biological and chemical weapons bought American computers with licenses approved by the Reagan and Bush administrations.

Weapons of mass destruction did exist in Iraq, but that was 15 years ago. We missed our chance to do something about it, and we cannot allow history to be rewritten here today. This war was not about Halabja or other human rights abuses. It was a preordained preemptive war of choice based upon twisted intelligence and driven by an equally twisted ideological agenda.

Ms. HARMAN. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I want to thank my colleague, the gentlewoman from California (Ms. HARMAN), for yielding me this time and giving me the opportunity to be heard this afternoon.

I stand here representing the 11th Congressional District of Ohio. In the Iraqi war, I lost two of my constituents. I read to my colleagues now the statements of the father of one of those constituents, and this is from an article in the Cleveland Plain Dealer:

"The soldier's father feels betrayed. On March 17, the President told the country intelligence gathered by this and other governments leaves no doubt that the Iraq regime continues to possess and conceal some of the most lethal weapons ever devised. A week later, Private Brandon Sloan, 19, was killed in Iraq. On Sunday, February 8, Brandon's father heard the President hedge about Saddam Hussein: 'We thought he had weapons. He had the capacity to make a weapon.'

"The Reverend Tandy Sloan believes there is a key difference between having no doubt a country possesses weapons of mass destruction and having the ability to make them. A minister, he calls that difference the eighth commandment: 'Thou shalt not bear false witness.' It bothers him deeply that the President apparently has no regrets for overstating the danger for weapons of mass destruction that do not appear to exist. Sloan says, 'At least we admit we were wrong. I want the President to say that mistakes were made that cost lives.'

"It has been almost a year since that Sunday night knock on the door when military uniforms brought news that Brandon was missing. Days later, Sloan learned that his son was dead. Months later a brigadier general told him what happened to the 507th Company, made famous by Jessica Lynch. 'He basically told us the military goofed,' Sloan said. 'The President wanted a hard, fast hit,' the general said. Brandon's unit, hauling trucks, water, tools and gear, couldn't move fast enough to keep up with the other units, so they left it behind.

"Sloan said, 'You let my son down. My son did not sign on to be left behind.'"

I stand here on behalf of the parents of private Brandon Sloan and other young people killed across this country. Let us not politicize whether or not we are safer without Saddam Hussein or not safer. Let us celebrate the young people who lost their lives in this war and let us move forward to make the United States a safer Nation.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the gentleman from Nebraska (Mr. BEREUTER), the vice chairman of the House Permanent Select Committee on Intelligence.

Mr. BEREUTER. Mr. Speaker, I thank the chairman for yielding me this time, and I do rise as a member of the Permanent Select Committee on Intelligence and the Committee on International Relations, and I want to commend the authors of the resolution. I think it is straightforward and an accurate statement of the facts regarding Iraq.

Mr. Speaker, I want to address just a few aspects of the resolution, particularly those relating to the WMD. As H. Res. 557 notes, the brutal regime of Saddam Hussein not only trampled on the rights of the Iraqi people but he repeatedly defied the U.N. Security Council and ignored its obligations to the U.N. weapons inspectors. The resolution correctly notes that in November 2002, the Security Council unanimously agreed that Iraq "remains in material breach of its obligations under the relevant resolutions."

Let me repeat that, because it is important. The U.N. Security Council unanimously found that Iraq was unquestionably in material breach of its international obligations. The Iraqi regime had unquestionably interfered with the IAEA inspectors and prevented the U.N. from effectively doing its job.

Contrary to our greatest fear, and fortunately for our forces, Iraq did not use weapons of mass destruction in the conflict with the U.S. and allied forces. Members of this body are acutely aware of the fact that no large WMD stockpiles have been found. This, of course, raises a number of questions. We certainly should examine the quality of our intelligence, and the appropriate oversight committees are doing just that. It is important, however, to remind the body of exactly what we have found that Saddam Hussein did possess.

We know, for example, that Saddam had, A, a concealed ballistic missile production line that dramatically breached U.N. range and payload restrictions; B, had covert programs to develop both new and more effective liquid and solid rocket fuels, which would further enhance the range and accuracy of Saddam's illegal missiles; C, had a secret pipeline to purchase advanced missile components and technology from North Korea; and had, D, two separate undeclared, unmanned aerial vehicle production lines that senior Iraqi officials now admit were to have been used for carrying biological weapons.

These items are critically important because missiles and UAVs are the means to deliver any weapons of mass destruction. That is why the U.N. prohibited Iraq from having these systems. There is no doubt that these missiles and UAV programs existed, in clear violation of Iraq's international obligations; and there is no doubt that they had WMD application.

What else do we know that Saddam Hussein had? One, the Iraqi Survey Group has found a network of labs and safe houses that contained everything needed for chemical/biological weapons production. These were undeclared facilities under the direct control of the Iraqi intelligence and security services.

Two, at an Iraqi prison they found evidence of an undeclared chemical/biological laboratory complex that seems to have been for human testing.

Three, we have learned that Iraq maintained a WMD scientific community and infrastructure that was organized in such a way that WMD production could be quickly resumed.

Four, we learned from David Kay, the former head of the Iraqi Survey Group, that Saddam and his son Uday were demanding to know from their subordinates how long it would take Iraq to produce chemical weapons.

And, five, while the evidence on nuclear activity is less clear, David Kay has testified that "the testimony we have obtained from Iraqi scientists should clear up any doubts about whether Saddam still wanted to obtain nuclear weapons." He did.

Mr. Speaker, none of this should be in the least bit surprising. Throughout the 1990s, we knew Saddam Hussein was seeking to maintain an arsenal of prohibited weapons. Over the years, he became a master of deception, hiding many elements of his extensive WMD program. For example, after the 1991 Persian Gulf War, we found that Iraq was much further along on a nuclear weapons development program than anyone had suspected, only months from a serious capability.

We do know in the 1990s Saddam himself admitted he possessed 30,000 liters of anthrax. Now, remember, just a teaspoon of anthrax paralyzed the other body, the Senate, for months.

Saddam acknowledged a stockpile of 5,000 gallons of botulinum toxin and 25 biologically filled Scud missiles. He admitted to these lethal weapons after years of denying he had such weapons because his son-in-law defected and provided incontrovertible evidence of their existence.

All intelligence services—U.S., British, French, Italian, German, and others, agreed that Iraq had WMD. The U.N. concluded Iraq possessed a hidden WMD arsenal. The IAEA warned that Saddam was not cooperating. The WMD threat in the late 1990s was considered so compelling that, in December 1998, President Clinton felt he had no choice but to launch retaliatory airstrikes. The case for action was compelling in 1998, and the case was every bit as compelling in 2003.

Certainly our intelligence could have been better; it should have been better. It will never be as good as the consumers—the policymakers—want it to be.

As we prepared for Operation Iraqi Freedom, there were gaps in our knowledge. There were things that we just did not know. It would seem that we just didn't have good access to Saddam Hussein's inner circle. There is a reason we didn't have that access and the intelligence information we would have wanted. Frankly, in the decade following the collapse of the former Soviet Union, we didn't invest adequately in human intelligence (HUMINT). The Intelligence Community sharply reduced the number of case officers, and the number of recruited intelligence assets is reported to have significantly declined.

This lack of HUMINT resources was compounded by self-imposed limits on whom our intelligence officers could recruit. In the 1990s the CIA established guidelines that made it extremely difficult to recruit the unsavory characters—individuals who are exactly the sort who could have provided useful intelligence. Any excuses aside, the "Deutsch Guidelines", as they were known, discouraged the recruitment of spies with criminal or human rights issues in their background. Yet these were precisely the sort of people who could get close to Saddam Hussein. In practical effect, our intelligence services were not allowed to recruit them.

With the active and tenacious involvement of the Intelligence Committee the Deutsch Guidelines were rescinded in the FY 2002 Intelligence Authorization Act, but there is little doubt that the damage to our human collection capability has been substantial. Under the guidance of the distinguished gentleman from Florida, the Chairman of the HPSCI, this body has been supporting the rebuilding of our HUMINT capability so that we aren't as likely to face future intelligence gaps. It is, however, a matter that will require continued priority, resources, and the close attention from the relevant oversight committees.

Mr. Speaker, H. Res. 557 is a good resolution that reflects the basic truth that the world is much better without Saddam Hussein governing Iraq. This Member commends the authors of the resolution and urges its support.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. CUNNINGHAM), a member of the committee.

Mr. CUNNINGHAM. Mr. Speaker, I, on this side of the aisle, I am also saddened. I have the greatest respect for the gentleman from Pennsylvania (Mr. MURTHA), the gentleman from Missouri (Mr. SKELTON), and the people I work with on the Subcommittee on Defense of the Committee on Appropriations and the Permanent Select Committee on Intelligence, and I think that we should have worked this together. But I tell my colleagues on the other side, I have been here 14 years, and this is the worst partisan bickering I have seen from the Democrat leadership since I have been here. And when my colleagues ask us to be bipartisan, I think you need to look inward at what has happened on this House floor recently.

They say the President overstated. But look at what Dr. Kay said. Liberal Democrats will not tell you what Dr. Kay actually said that Saddam Hussein and Iraq was even more dangerous from what we have found out since we went in there than we thought prior to the war. More dangerous. He said that any reasonable person, including any country, would know that Saddam Hussein was working on weapons of mass destruction; that he had them, used them against his own people, and would feel that he still had weapons of mass destruction.

So when I hear from the left that the President overstated, it's not so; and it makes me mad to point fingers like that. Evidence of weapons of mass destruction going to Syria. Dr. Kay. Any reasonable person would believe WMD.

Saddam Hussein ethically cleansed four times the number of people, four times, than when my liberal friends supported President Clinton going into Bosnia and Kosovo because of ethnic cleansing. Was there chemical or biological or nuclear weapons there? No, but ethnic cleansing.

And the liberal left, the most extreme case of bantering a secretary that I watched in the Haiti discussion was miserable. Tell me there is weapons of mass destruction in Haiti.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISAKSON). The Chair would remind all Members when addressing other colleagues that it is appropriate to use the term gentleman and gentlewoman, and not refer to the Member by a first name.

Ms. HARMAN. Mr. Speaker, I yield myself such time as I may consume, and I want to say first off that I am sure that is what the last speaker intended. He is a good friend, a member of our Permanent Select Committee on Intelligence; and I am certain he did not have me in mind when he was suggesting that there is excessive partisanship about our intelligence budget.

I call myself a passionate bipartisan on intelligence and security matters, and I take a back seat to no one for my efforts to try to work out agreements on a bipartisan basis to fix our intelligence.

As I said earlier, in my view, the proposed resolution does some good things, but it also should be calling for action to keep our troops and other personnel serving in Iraq safe.

Just a few hours ago, Mr. Speaker, a devastating car bomb destroyed a hotel in Baghdad. The casualty reports are still coming in, but at least two dozen people have died. Better intelligence is essential to protecting our troops in Iraq and ensuring that we ultimately succeed there. It is the first line of defense in the war on terrorism.

There are good ideas from both sides of the aisle that should be discussed and debated this year. What should we be doing? In my view, let us try six things:

First, the President should direct intelligence agencies to scrub weapons of mass destruction intelligence on all major targets and release updates on areas of concern. Now.

Second, the President should direct intelligence agencies to improve collection and vetting of information. Now.

Third, the President should require intelligence agencies to improve the way they analyze intelligence and convey information to policymakers. Now.

Fourth, the President should direct a review of the activities of various DOD offices, particularly the Office of Special Plans, to see whether they fed unreliable and unvetted intelligence to him, the Vice President, or his senior national security team.

Fifth, the President should take immediate steps to strengthen and reinvigorate international inspections.

And, finally, the President should consider longer term changes to the leadership organization and business methods of the intelligence community.

Mr. Speaker, this resolution should have been a call to action in support of our troops, in addition to an expression of our heartfelt gratitude.

We could have done much, much better.

Mr. Speaker, I yield back the balance of my time.

☐ 1745

Mr. GOSS. Mr. Speaker, I yield 1¾ minutes to the gentleman from New Hampshire (Mr. BASS), a former member of the Permanent Select Committee on Intelligence.

Mr. BASS. Mr. Speaker, we have heard plenty of questionable statements today from Members about misrepresentation of intelligence and alleged use of military force, without enough information to back up that action. As a former member of the Committee on Intelligence, I would remind Members about one particular incident and the, quote, "depth of intelligence" supporting that action.

Not long ago the United States, on the order of the Commander in Chief launched a cruise missile attack against a pharmaceutical plant in Sudan, destroying the facility and taking human life. At the time, the action was justified by the President and his administration on the grounds that the al-Shifa plant was involved in the production of chemical weapons and had ties to Iraq and possibly al Qaeda which had just bombed two U.S. embassies in Africa.

What was the administration's basis for making these claims? What was the entire intelligence record that backed up this military action? This represents the entire intelligence on the al-Shifa plant. Yes, the entirety of the intelligence record connecting the al-Shifa plant to chemical weapons production was this, a single soil sample collected by a friend of a friend of a source. That is it.

The Intelligence Community did not know who actually owned the plant or have any other clear and convincing evidence to connect al-Shifa to weapons of mass destruction production; all it had was a bit of dirt and many unanswered question.

Yes, the information gaps were emphatically stated in the intelligence record of the day. None of these caveats were expressed by the President or his administration, and I believe the President picked this target himself. Now, I could name the President and the precise day in August 1998 and the attacks, and what else was happening that day; but rather than dwell on that, I would like to ask my colleagues on the other side: Where was their outrage in 1998? The information that this President used to inform his policy decision and act militarily against Hussein was voluminous, consistent, and as sound as it could be.

Mr. GOSS. Mr. Speaker, I yield myself the remaining 45 seconds.

Mr. Speaker, I am pleased to have the gentlewoman from California (Ms. HARMAN) working as the ranking member on our committee to improve our Intelligence Community and to build support for the Intelligence Community in this House. It is important that we deal with a subject like this on a bipartisan basis. I know the gentlewoman from California (Ms. HARMAN) is anxious and sincere in her call for action. I am too.

I believe we did have a call for action after 9/11, and I think that call for action has led us to go forth as the United States of America and to try to do the right thing on the war on terror. And I think from time to time as we go through that war, it is fine for us to say to the troops, well done, God bless you, and it is time to say to people involved in places like Iraq, we know it is tough, thanks for hanging in there, you have a better future ahead.

That is what this is about. I thank all Members for having that kind of understanding and looking ahead. We have a lot to do; we have got to get along and get it done.

The SPEAKER pro tempore (Mr. ISAKSON). The gentleman's time has expired.

The Chair would advise the gentleman from Illinois (Mr. HYDE) he has 31 minutes remaining, including 1 minute from the gentleman's previous time rolled forward, and the gentleman from Pennsylvania (Mr. MURTHA) controls 35 minutes because the gentleman from Missouri (Mr. SKELTON) reserved the remaining 5 minutes of his time for this debate.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, I yield 2½ minutes to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, I rise in strong support of this resolution. I was fortunate to go to Iraq with a couple of my colleagues, the gentleman from Indiana (Mr. PENCE), the gentleman from Indiana (Mr. BURTON), and the gentleman from Tennessee (Mr. DAVIS) just a few weeks ago, and was able to see firsthand what is going on.

I think there is consensus that Saddam Hussein was a brutal dictator and he committed horrific crimes. But the question is whether we are right in ending this regime. I say emphatically I think the Iraqi people back this up, and we did the right thing there. There is still a very difficult security situation there, and the bombings which happened today underlie that.

But what are we to expect? When Saddam Hussein and his followers fled, coalition forces and ordinary Iraqis had to start from scratch to defend the place.

We had a taste of what went on over the past decade in particular. We went to several palaces built during the Oil-For-Food Program. We were told over 70 palaces were built during the 1990s when Saddam Hussein was supposed to use all of the revenue from oil to pay for food and medicines. Seventy palaces, with an estimated cost of over $2 billion, were built while Saddam Hussein's people starved.

We also went into the basement of one of these palaces and saw Uday Hussein's stash of personal belongings: booze, cigars, swords, guns, paintings, all kinds of things, while the people went without medicine. Saddam Hussein and his shallow circle of loyalists were able in part to control Iraqis by depriving them.

We were the first CODEL able to go to the south in Basra, and we were able to see what those people had during that time, particularly the last decade. A lot of them simply were killed by neglect. No money was put into the south. The buildings are falling down, the infrastructure is horrible, and the people were literally killed. We discovered remains of about 400,000 Iraqis. Over a million are believed to have been killed during that time.

Mr. Speaker, the question here is did we do the right thing. I can tell Members the Iraqi people know we did the right thing. Are we safer today because Saddam Hussein is gone? Yes, emphatically. People all over the world are safer because that madman is gone. I urge support of the resolution.

Mr. MURTHA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to lay some groundwork for some comments I will make later. I am concerned in the first place, as I said before, that no one on this side was consulted about this resolution. I am embarrassed, I am indignant that they did not consult me.

This looks like an innocuous resolution, but when it says it is safer today than before Saddam Hussein was captured, I believe we are putting on paper something that is not true. It is like some of the things that were said, and I said, before this war started. I said there were weapons of mass destruction. I said that Saddam Hussein was a danger to the world. We do not go to war unless there is a core national security interest, and now we are trying to justify why we went to war by some of the things that are in this resolution.

There is no question that a number of people were killed. Thousands of people were killed. There is no question that Saddam Hussein was a despot. There is no question about a brutal regime. But in this one list, they say that in 1988, 5,000 people were killed, Kurdish citizens were killed. Well, we went to war in 1991. President Bush once said, and he was one of the best foreign policy Presidents we have ever had, he said, I am not going into Iraq because I do not want to occupy Iraq because that would be a problem. He said that in his book, and he said, I do not want to reconstruct Iraq.

We have spent $150 billion in Iraq today. We had testimony before our committee right before the war started by the Under Secretary of Defense who said it will not cost us a penny, the oil revenues from Iraq will pay for this war. Well, $150 billion later we are still paying for it. When Members say it is safer, it makes me nervous because we are exaggerating, as we have during this whole thing. And I blame myself as much as anyone else.

A constituent of mine said to me, he said, never in history have so many been misled by so few, and he was talking to me. He was saying I misled him. I believed there were weapons of mass destruction. I believed there was an imminent danger, but it turns out that I was wrong.

What we have to look at now is we need bipartisanship now to win long term. This is a long-term problem. I have voted for every appropriation, I have supported every President when it comes to foreign policy, but this resolution, just because it says on paper it is safer, does not mean it is safer throughout the world.

Today we had an incident where there was a bombing in Baghdad where the bomb took out as wide as a street, 30 or 40 feet wide and 30 or 40 feet deep. We had the Spanish problem where they killed a couple hundred people and wounded 2,000. So worldwide, and it says here the world is safer. The world is not safer today than it was before they captured Saddam Hussein.

I have a list of countries where they do not think it is safer. Those countries, Canada, France, Italy, Germany, Spain, all of them believe there is an increased terrorism threat in the world. The reason I am saying this is we have to depend on those countries.

We have to be honest and upfront, and when we say it is safer today, we are not being upfront. It is not safer. It may be down the road. This is not the time, in my estimation, for us to make statements like that. There will come a time if we persist, and I am going to be there the whole way, but I am just concerned that we are making a statement which just exacerbates the very problem that we have.

Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, really in one sense, it does not matter how people vote on this resolution because it has no effect, but some things need to be said about it.

Every Member here supports the troops. Every Member here applauds the sacrifices the men and women of our Armed Forces have made. Every Member here understands that America needs no one's permission to defend this country from attack.

But when American leaders choose to wage a preemptive war against a country that did not attack the United States, when those leaders attempt to rally the American people to their support on the basis of faulty information and bad intelligence, when that unilateral decision costs more than 500 American lives, when it costs thousands of American wounded, when it costs the lives of uncounted thousands of innocent civilians, that decision does not, despite the claims of this resolution, it does not leave us in a stronger and safer position, as this resolution falsely suggests. In fact, it could be argued it does just the opposite.

Are we really in a safer and stronger position when the world and our allies know that we went to war unilaterally on the basis of wrong intelligence? Are we really going to be in a stronger position to persuade the world to follow us the next time we tell them it is necessary to act; for example, in the case of an American conclusion that North Korea has nuclear weapons?

Are we really in a safer and stronger position in persuading more Americans to serve in the military when they see that we rushed to war before 45,000 U.S. troops were supplied with the ceramic inserts that they needed for their body armor, when they see their government did not provide the shields that protect Humvees and their occupants from roadbed explosions, or when they see that their government did not supply our troops with the electronic jammers needed to protect those troops against remotely detonated bombs and mines?

Are we really in a safer and stronger position when we are forced to police Iraq largely on our own, with little help from our allies? Have we really created a safer world when, by our actions, we have told the Indians and Pakistanis, who have been close to nuclear war with each other, that a doctrine of preemptive war is acceptable? Are we really as safe and strong as we would be if we had not diverted to Iraq key personnel and taken intelligence resources away from the crucial task of finding Osama bin Laden in Afghanistan?

Last night, many of us sang the praises of John Hume, the great Irish peacemaker. Hume said last night that there has been no war in history that has not killed more innocent civilians than it has combatants.

Are we really safer and stronger in a world where thousands of young Muslims now are being told to hate the United States because we waged a war against a Muslim country that had not attacked the U.S., rather than focusing like a laser on destroying the al Qaeda network which is the justifiable target of our rage?

Many Members who vote for this resolution today will do so despite the misstatements it contains, because it contains an expression of support for our troops. Many who vote against it will also do so because of the unwarranted assertions in this resolution that needlessly detract from our focus on the sacrifices those troops have made.

□ 1800

Mr. Speaker, shame on the House leadership for drafting this resolution in a way that needlessly divides us rather than unites us. By not allowing meaningful alternatives to be debated and voted on, they do not promote democracy; they mock it.

Mr. Speaker, I am inserting in the RECORD after my statement a copy of the resolution on which we should have been allowed to vote.

RESOLUTION

Relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces.

Whereas Saddam Hussein and his regime committed crimes against humanity, systematically violating the human rights of Iraqis and citizens of other countries;

Whereas Saddam Hussein's terror regime subjected the Iraqi people to murder, torture, rape, and amputation;

Whereas on March 16, 1988, Saddam Hussein's regime had and unleashed weapons of mass destruction against Kurdish citizens, killing nearly 5,000 of them;

Whereas as many as 270 mass grave sites, containing the remains of as many as 400,000 victims of Saddam Hussein's regime, have been found in Iraq;

Whereas rape was used to intimidate the Iraqi population, with victims often raped in front of their families;

Whereas the regime punished the Marsh Arabs by draining the marshlands, which created hundreds of thousands of refugees and caused an ecological catastrophe;

Whereas the Iraq Liberation Act of 1998 (Public Law 105–338), passed by the House of Representatives by a vote of 360 to 38, made it United States policy to support efforts to remove from power the regime headed by Saddam Hussein;

Whereas with the Iraqi regime failing to comply with 16 previously adopted United Nations Security Council resolutions, the Security Council unanimously approved Resolution 1441 on November 8, 2002, declaring that Iraq 'has been and remains in material breach of its obligations under relevant resolutions, including resolution 687 (1991), in particular through Iraq's failure to cooperate with United Nations inspectors'; and

Whereas on October 10, 2002, the House of Representatives passed the Authorization for Use of Military Force Against Iraq Resolution of 2002 (Public Law 107–243) and on March 19, 2003, the United States initiated military operations in Iraq: Now, therefore, be it

Resolved, That the House of Representatives—

(1) acknowledges the belief on the part of some that the United States and the world have been made safer with the removal of Saddam Hussein and his regime from power in Iraq and the belief that a final judgment on the value of activities in Iraq cannot be made until Iraq is stable and secure;

(2) commends the Iraqi people for their courage in the face of unspeakable oppression and brutality inflicted on them by Saddam Hussein's regime;

(3) commends the Iraqi people on the adoption of Iraq's interim constitution;

(4) commends the members of the United States Armed Forces and Coalition forces for liberating Iraq and expresses its gratitude for their valiant service; and

(5) urges the President—

(A) to take all steps necessary to ensure that all members of the United States Armed Forces serving in Iraq receive the best force protection equipment available, including protective body armor and extra-armored wheeled vehicles capable of providing better protection against explosive devices;

(B) to ensure that all members of the Armed Forces who suffer wounds or other injuries, or who incur illness, while serving in Iraq receive complete, timely, and high-quality health care to treat the short-term and long-term consequences of such wounds, injuries, and illnesses;

(C) to recognize the key contributions made by members of the reserve components of the Armed Forces, and their families, in Operation Iraqi Freedom, and, in consultation with Congress, to address immediately the disparity that exists for many Reserve and Guard personnel between the pay they receive in civilian life and the military compensation they receive when ordered to active duty;

(D) to acknowledge that there were serious deficiencies in United States pre-war intelligence on Iraq, particularly in light of the failure to find any evidence of significant weapons of mass destruction programs, and to take steps now to improve intelligence so that United States troops are better protected and future United States national security strategies are better informed;

(E) to request sufficient funding immediately to fully support United States military operations in Iraq and the surrounding region in order to ensure the safety and well-being of United States troops deployed to Iraq and the surrounding region;

(F) to obtain far-reaching international participation in the securing, reconstruction, and political development of Iraq so that the United States can reduce the number of its troops in Iraq, and reduce the size of its financial commitment to Iraq operations; and

(G) to take steps to correct the failure of the United States Government to plan adequately for the post-war occupation of Iraq, including the failure to integrate internal

United States Government studies and outside expert opinions that predicted the onset of guerrilla activity and described how to promote effective reconstruction, democratization, and civil society development activities, and the failure to apply those studies and opinions today in order to improve current United States reconstruction efforts in Iraq;

(6) expresses deep sorrow and regret for the deaths of more than 550 and the wounding of more than 3,500 members of the United States Armed Forces in Iraq and extends support to their families; and

(7) expresses sorrow and regret for the deaths in Iraq of United States civilians, United Nations personnel, unknown numbers of Iraqi civilians, and other noncombatants.

Mr. HYDE. Mr. Speaker, I yield myself 30 seconds. I think there is a little semantic difficulty on the words "safe" and "safer." I would not say that Iraq is safe. I would not say crossing Pennsylvania Avenue in rush hour is safe. The question is, Is it safer with Mr. Saddam Hussein in a cell? Or is it less safe with him in one of his palaces plotting to amputate limbs from some of his people or to bury Kurds alive like he has done?

The world is a safer place with him in a cell because Mohmmar Qaddafi watched that and went to school on that. He decided to put his cards down and give up his nuclear pretensions.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. CHABOT).

Mr. CHABOT. Mr. Speaker, I want to join my colleagues in commending the brave men and women who have liberated the Iraqi people. And I want to express my heartfelt sympathies to those families who have lost loved ones in battle. Did we do the right thing? I would say we did. Hundreds of mass graves containing the remains of as many as 400,000 victims of Saddam Hussein have been found in Iraq. For those of my colleagues who have not seen it, I would urge them to get a copy of "Iraq's Legacy of Terror: Mass Graves," published by USAID. Let me quote from it:

"Rows of white bundles containing bones filled room after room. Families filed by searching for signs of those who had disappeared, some stolen during the night, others taken in daylight. Even small children were not spared the butchery. Some graves hold a few dozen bodies, their arms lashed together and the bullet holes in the backs of skulls testimony to their execution. Other graves go on for hundreds of meters, densely packed with thousands of bodies."

We have learned from survivors about Iraqi citizens being indiscriminately detained, men, women, children, the elderly, the blind, the aged, led to the edge of a swamp and executed one by one. Why? Just to let everybody know who was in charge. We know that Saddam's psychopath sons were as evil as their father. His eldest son Uday boasted that when it was his time to rule Iraq he would be even more brutal than Saddam. It was Uday who routinely had his thugs deliver women to him so he could rape them. It was he who was said to have fed a young woman to his attack dogs. It is he who reportedly abducted and violently raped a newlywed. After she committed suicide, he had her husband arrested and executed.

Now, because of the bravery and sacrifice of the men and women of our Armed Forces, Saddam is behind bars, Uday and Qusay are roasting in hell, and 25 million Iraqis are free.

Did we do the right thing? I think we did.

Mr. HYDE. Mr. Speaker, I am pleased to yield 4 minutes to the learned gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. I thank the gentleman for yielding me this time.

Mr. Speaker, I have been in my office listening to the rhetoric. It has been very interesting. People have been talking about how this resolution divides us. I do not think it is the resolution. I think it is the rhetoric. We are all in support of our troops, but those who have been over there, as we were just a couple of weeks ago, know that our troops know they are doing the right thing. They know that the Iraqi people are happy that Saddam Hussein is gone. We talked to people when I was over there that said they did not have 400,000 people in mass graves, people that were tortured in the prison; but they believe it was more like between 1 million and 1.3 million. Over 1 million people were thrown into mass graves. That alone is reason enough to get that guy out of there.

But let us talk about weapons of mass destruction. In the 1980s, the Israelis attacked a nuclear reactor in Iraq because they knew he was going to build a nuclear weapon, and a nuclear weapon is a weapon of mass destruction. He used, as we all know, chemical weapons to kill thousands and thousands of Kurds, women and children, and he used those same things in the Iran-Iraq war that went on for 7 years. So this guy used weapons of mass destruction. He violated every single U.N. resolution that came out of the United Nations. So why should we believe that he would not have weapons of mass destruction, that he would disarm himself when he violated every agreement that he made? And he used weapons of mass destruction.

The President had every right to do what he did. Saddam Hussein was a threat not only to the region but to the whole world. As far as working with al Qaeda, you will never convince me that he was not working with the international terrorist network, including al Qaeda. That guy wanted to destroy our way of life and everything we believe in.

Some of my colleagues today have been down here on the floor haranguing about how they feel about this. I want to quote some of my Democratic colleagues and what they have said in the past. On December 17, 1998, regarding Iraqi women and children and how they should be protected, the gentlewoman from Texas (Ms. JACKSON-LEE) said:

"I also say that we in this body, along with the Commander in Chief, must have a definitive policy to protect the suffering women and children and to make sure that democracy comes to the region." That is a little different than the tone we are hearing today. My distinguished colleague for whom I have high regard, the gentleman from Missouri (Mr. SKELTON), said:

"Had the President not ordered the attack, many would have bitterly criticized him for not having followed through with the tough words he uttered just 1 month ago." And also my distinguished colleague from Massachusetts (Mr. MEEHAN) came to the floor to decry criticism of President Clinton's motives for ordering air strikes on Iraq. He said:

"To my colleagues who have questioned the President's motives in the midst of this crisis, shame on them. Shame on them for breaking the longstanding tradition that leaves party politics at our Nation's shores." What are we hearing today? Party politics. This is a resolution congratulating our troops and talking about doing the right thing in Iraq, and we ought to be working together instead of criticizing each other for this. Then the gentleman from Florida (Mr. WEXLER) echoed those sentiments at the same time when he said, "For one day we should have been patriots, not partisans. Politics should have stopped at the water's edge." How about today? That is what the Democrat colleagues of mine were saying just a few years ago.

And, of course, the distinguished minority leader, the gentlewoman from California (Ms. PELOSI), said on National Public Radio's "Talk of the Nation" program, "There is no question that everyone wants regime change in Iraq. The question is change to what?" And then on the "O'Reilly Factor" she said in 2002, "I think Americans and those in Congress are unified in wanting and joining the President in wanting a regime change in Iraq."

Then let me quote the gentleman from New York (Mr. ACKERMAN), who said in 2002, "We cannot simply hope that Saddam Hussein will be deterred. He has shown himself to be an inveterate and dangerous gambler." The gentleman from New York was not wrong. This is a good resolution. We ought to all join together to pass it.

Mr. MURTHA. Mr. Speaker, I yield myself such time as I may consume.

The President of the United States has said there is no connection between al Qaeda and Saddam Hussein. The director of intelligence has said there is no connection. Secretary of State Colin Powell has said there is no connection. You may think there is a connection. We are revisiting history when we start to talk about all the things the gentleman is talking about. We went to war because there were weapons of mass destruction. We went to war because there was connection with al Qaeda. We did not go to war because of this. Many of these incidents happened when George Bush I was President and he said, "I'm not going to go into Iraq because I don't want to rebuild Iraq." The cost to this Nation, the Under Secretary of Defense said, will be nothing. He said, "We'll pay for it with their oil." $150 billion later we are still paying, and we will pay for a long time.

I am in this for the long haul, but when I see a partisan resolution which was brought up without any input from me or any other Democrat, and you call us partisan? This does not make any sense. Why did anybody not come to us and say, change a few words, change some in the preamble and we will have a resolution we can support.

I appreciate what the gentleman is saying. There is nobody that has supported Presidents more than I have, but I just get upset when something comes across this way.

Mr. Speaker, I yield 6 minutes to the gentleman from New York (Mr. RANGEL), a Korean War veteran.

Mr. RANGEL. Mr. Speaker, this is one of the most difficult periods of time that I have had, because I do not get angry when the majority drafts bills in order to embarrass Democrats. I think that goes with the job. But I think it is really insulting and embarrassing when they use the troops as a vehicle to embarrass us.

There is nobody on either side of the aisle that will challenge the deep respect that we have for the men and women in our Armed Forces. But when the majority drafts a bill and says this is a Republican bill, you know that there is something crummy about it. You just have to look and find out what it is.

So they start saying all of these things that we agree to; but then they say, and it is a safer world as a result of Saddam Hussein being captured. It would seem to me that the lives of Americans that are on the line, their safety, that if there is anything that we as Democrats and politicians could find as sacred, if we just wanted to commend them and their families and their loved ones, that we would go out of our way to make certain that we do not put anything in there that could be described by political pundits as a poison pill. We should run it by Democrats and Republicans and say, Is there anything at all offensive in this because we do not want this to be controversial?

I am so glad I was not a fly on the wall when the Republican leadership put this together because in my heart I do not truly believe that they wanted to find some way to laud the troops, but they wanted some way to try to find to embarrass Democrats. To use our military is one of the cheapest things that I think you can do.

Let us talk about who these military people are that we are lauding. This is one of those things I learned on Lennox Avenue when I was a hoodlum. There are always some people talking about, Let's go to fight. Let's settle this. Bring them on and we're not going to tolerate anything except total victory. But when it comes time to get involved in that fight, they are the same ones saying, "You go ahead in the fight, I'll hold your coat."

There is a lot of talk about shared sacrifice, but I hope we take a look and see who are the people who are volunteers, that is, volunteering putting their lives on the line each and every day. I remember in June of 1950 I was in Fort Lewis, Washington, and we were alerted that the Second Infantry Division was going to go to Korea to fight the North Koreans. Not one of us ever said, "What is the fight about? What is the war about?" We only knew that we were warriors, we were military people; and when that flag went up, we saluted it.

I go off and see the Reservists. I go off and see the National Guard going to Iraq. Not one of them has asked the political question as to why are we going over there. Yet I think that we have the political responsibility when we endorse the wars to find out not only why are we doing it but we have a political responsibility to be satisfied that it is the right thing. If we differ about that, that is what America is all about. That is what the Congress is all about. But you do not put that controversy in a bill when these military people do not have the options to discuss whether the war is right or wrong. They have the responsibility to obey the Commander in Chief.

I have taken a little survey along with the gentleman from Missouri (Mr. SKELTON) about who is fighting this war and these people that we are commending. Believe me, they did not sign up to get rid of Saddam Hussein. As evil as this guy may be, one day some of us may be asked the question, Was it worth 550 American lives or 3,000 people that are in our heart, some with and some without Purple Hearts? One day someone would ask, where did they come from? Did they enlist to fight terrorism, or did they enlist because there were no jobs available? Are these minorities from the inner cities that are looking for a better way of life but accept their responsibility as to why they enlisted? Do they come from districts such as the gentleman from Missouri's district, the rural areas where unemployment is rampant? And why do we find there are more blacks, almost twice as many as the population, in the Army and how does that compare where in my city 50 percent of the African American men are unemployed?

□ 1815

Do the Members not think that had something to do with the enlistments? Do the Members not think they wanted to send a check home to their mom because they could not get a job? Do the Members not think they want the educational benefits to improve themselves, as I did as a high school dropout?

And why do we have to commend them when we find out just today that 12 percent of the Nation's population is black but they represent 20 percent of those that were killed. Black deaths in the Iraq war exceeds the rate of Vietnam. Go to Hispanics, we see the same thing. Go to white Americans and we see the same thing.

So we do not need a political resolution to try to polarize this Congress. We know we love and respect those people who salute that flag. And to put in a political controversial clause to attempt to embarrass us is just not going to work.

How low can you get when you use the military as a way to attempt to embarrass your colleagues?

Mr. HYDE. Mr. Speaker, I yield myself 30 seconds.

I enjoyed listening to the last speaker tell us of his war exploits. I never tire of hearing them, and I find them quite fascinating. But I am bewildered. I do not quite understand why someone who wants to praise the military does not understand that getting rid of Saddam Hussein and trying to secure Iraq is a conquest by our military, an achievement, and that is why they are first in the four things this resolution does. And why he would want to detract from that accomplishment, that military achievement, is something that I am bewildered by.

Mr. RANGEL. Mr. Speaker, will the gentleman yield for edification since he is bewildered?

Mr. HYDE. Mr. Speaker, the last time I yielded, I did not get my time back.

Mr. MURTHA. Mr. Speaker, I yield 1 minute to the gentleman from New York.

The SPEAKER pro tempore (Mr. ISAKSON). The gentleman from Illinois controls the time. If the gentleman yields back his time, the gentleman from Pennsylvania may recognize the gentleman from New York, and then we have got our time in order.

Mr. MURTHA. Mr. Speaker, I yield 1 minute to the gentleman from New York.

Mr. HYDE. Very well, Mr. Speaker. I yield back my time and I will listen again.

Mr. RANGEL. Mr. Speaker, the chairman may be fascinated by my war experiences. I did not talk about it.

When he has time, I will give him more time than he will ever want to hear about it.

What I am saying is this: We have an opportunity to laud our service people. You know there is one issue on this floor, and that is whether or not we were misled in getting involved in this. I do not care which side one is on. We want to laud the servicemen. Why would you put Saddam Hussein in this resolution? Why did you not leave him out so that we could have unanimous consent that we laud the military? You deliberately put Saddam Hussein in there to divide us and not to bring us together.

Mr. HYDE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in strong support of this resolution. One year ago this week, freedom came to the good people of Iraq and the tyrant Saddam Hussein fell. And it is impossible to speak of the one without the other. And the contents of this resolution are therefore fitting and appropriate.

I rise to support this resolution, Mr. Speaker, with my feet still dusty from a trip to Iraq just 2 weeks ago. And while I was deeply moved and overwhelmed by the valor of our troops during that journey, I was equally moved by the gratitude and the affection that I experienced from the people of Iraq. I really fell in love with the Iraqi people, and I learned that the Iraqis that I met love the American people.

We traveled through a ravaged city of Basra, one-story sandstone homes, and met at Coalition Provisional Headquarters. During our meeting with top civil and religious leaders, I thought when it came to my turn I would just ask them, What did they think of our decision to remove Saddam Hussein? And what had been a cool if not distant atmosphere in our discussion suddenly erupted in a flourish of passion and candor. A local Muslim leader, whose dress and appearance gave him an ancient air, said icily to me "Saddam Hussein was a nightmare, and the day that your people removed him from power was a day when a dark curtain was lifted from the people of Iraq and the daylight was able to shine in."

Later we met with a large group of ordinary Iraqis eager to speak to American officials. As we sat around the lunch table, there were pointed opinions. These English-speaking Iraqis were so strong in their views and sometimes criticisms of our reconstruction policies, I thought for all the world I was back on the floor of Congress. But then they began to speak of their gratitude toward the American people, of the horror of living under Saddam Hussein, of 400,000 bodies of men and women and boys and girls that had been found, and another 800,000 that were missing. I saw them many times, Mr. Speaker, with tears in their eyes say to me as an American official "When you go home, tell the people that you serve that we are grateful to the American people and your allies for what you have done for us." And they were breathlessly excited about democracy.

I will never forget the moment at a USAID class where I spoke to a group of Iraqi women. They shared with me poems in English that they had written about democracy, and almost with the enthusiasm of grade-school children, their hands almost quivered as they spoke of the future in which they believe.

I rise to honor in this resolution our Armed Forces, our allies, and the good people of Iraq, all of whom deserve the resolution and support of this Congress.

Mr. HYDE. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, I thank the gentleman from Illinois (Chairman HYDE) for yielding me this time.

This resolution rightly highlights the vast crimes against humanity committed by Saddam Hussein's regime. And as we have heard today, as many as 270 mass graves have been found so far, containing the bodies of 400,000 Iraqis. Four hundred thousand.

I remember photos my father, a U.S. serviceman, took when U.S. forces overran the death camp in Dachau, Germany in the closing days of World War II. People executed in pits, by the thousands. I never thought I would see photos like those photos again.

In the days and weeks following Saddam's overthrow, we learned more about another dictator's evil, and here is one account from the L.A. Times: "The executions took place two or three times on most days. Each time between 100 and 150 blindfolded people, their hands and sometimes feet bound, were led into pits about 10 feet deep. Gunmen then fired into the pit, often for several minutes . . . A bulldozer then pushed dirt over the bodies, sometimes burying or crushing people who had survived the volley and were trying to climb out." Four hundred thousand people.

In two trips to Iraq, I have had the chance to talk to tortured Iraqis. Some ask, Why act in Iraq and not the other countries suffering through human rights nightmares? I would respond that just because we do not act in all cases of gross human rights abuses does not mean we should not act in any cases. Moreover, in Iraq's case, our ability to act effectively is greater because our vital national security interests are on the line. Our interest in seeing a reformed Middle East will keep us committed to building a free Iraq. So let us forget that argument. It obscures the nightmare that was Saddam's Iraq and it belittles our closing of his torture chambers.

Mr. MURTHA. Mr. Speaker, I yield myself such time as I may consume.

We did not go to war in World War II because of Dachau. We went to war because they attacked us, because our national security was in danger. And we went to war in Iraq because there were weapons of mass destruction, I thought. There were al Qaeda connections, I thought. We did not go to war because these people were killed.

George Bush one, the first George Bush, knew there were mass graves. And he did not go into Iraq and he said, I do not want to rebuild Iraq; I do not want to occupy Iraq. And one Under Secretary of Defense said to our subcommittee it will not cost us a cent. It has cost us $150 billion to fight in Iraq and to rebuild Iraq.

So we are trying to revisit history. I mean, we cannot change it. We went to war because we thought we were threatened. These things were terrible things. We are glad to get rid of Saddam Hussein. That is not the point. We cannot revisit and change history. So I feel very strongly.

Mr. Speaker, I yield 7 minutes to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, like many senior Democrats, I supported George Herbert Walker Bush in going into Iraq the first time. I also served my country in World War II, and I know a little about the military.

But I want to talk about this curious process that we are going through today. I want to talk about this resolution. If we look, the Committee on Rules has given us a closed rule. No Democratic amendments are allowed. No real discussion is permitted. And it says so in the report. If my colleagues do not believe me, they should get a copy of it. No Democratic sponsors. Very little Democratic support or consultation on this side with the Members.

If we want to have bipartisan support for what we are doing over there, there is a way to do it. It may well be my Republican colleagues do not know it. But a little consultation over here could be useful. I think my colleagues on the Republican side should know what the problem is. It is where we make an affirmation that the United States and the world have been made safer with the removal of Saddam Hussein and his regime. Have we really been made safer? Let us look at it. We have committed the entirety of our military to serve over there. We have nothing to meet a problem which might exist in Korea or somewhere else where there are atom bombs and weapons of mass destruction now readily available. No weapons of mass destruction have been found. Mr. Kay and Mr. Blix both said none. The President said they are there. Now the President has admitted they are not. And, of course, my Republican colleagues now want to purge themselves of responsibility for what is evidence of some kind of either disingenuous behavior or outright dishonesty in committing us to a war on the theory that there were weapons of mass destruction there.

Now we also have our Republican colleagues in the curious position where they say that al Qaeda is operating there, and al Qaeda probably is operating there, and we must ask again if we are safer because al Qaeda operates there. The fact of the matter is there is no evidence at any time previously, and the administration has to admit it, that al Qaeda or any terrorist group was functioning out of Iraq. That is something that has now been manufactured in the teeth of admissions by the administration that that kind of situation does not obtain.

I do not want to say whether the administration has deceived the American people intentionally or otherwise. That will be decided by history, and we are going to have to let the Republicans and their administration decide whether it was an exercise of supreme incompetence or whether there was dishonesty or some curious mixture of the above. I do not want to pollute this debate with that kind of discussion.

But I do want to point out some things. We are not safer now with the troops that we have all committed over there and the inability to address problems that exist in Korea or elsewhere in the world where people might stir up trouble, or in Iran, immediately next door, or, for that matter, in Pakistan, or in other places where there are dictators who are anxious and willing and able to make trouble. We are not stronger in this country because we have committed, as my good friend from Pennsylvania says, 150-some billion dollars. The number is actually more like $186 billion over there.

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That is money that will not be available for schools and education and health. It is money that is not going to be able to assist us to deal with threats to the security of this Nation from other causes, from the risks that exist in the other countries that do make trouble.

This is the defect of this process. If we want to deal with this thing of our commitment in Iraq, I say to my Republican colleagues, address it in a real bipartisan way. Let us consult. Let us work together. Let us consult together so that we can pull together in the interests of the United States. Because every man and woman in this Chamber wants to bring those young people home safe, with dignity and honor. Every person in this Chamber wants to see to it that we win over there. And every American in this Chamber is committed to seeing to it that we not only bring our people home safe, but to see to it that we win, and that we now do correct the problems of having committed ourselves to what was essentially a very unwise war on the basis of unwise statements which had little or no basis in fact.

That is the way we should be addressing this issue. We should not be bringing forward to the House something that looks like a pronouncement from the Republican National Committee that has all of the bipartisanship that one can find in such an undertaking. We should be talking and working together about how we bring Americans together now to address this question. Patriotic Americans are still entitled to speak their thoughts. Patriotic Americans are still entitled to have answers to why we are in this mess. And sensible, intelligent men and women are entitled to ask why we are in this mess.

Mr. Speaker, history tells us what we are looking at. The British went in in 1920 to Iraq. They left Iraq after a dozen years of warfare over there. They had lost thousands of British troops' lives, hundreds of millions of pounds, each one of those pounds was worth somewhere between $50 and $100 U.S. dollars today, and they still were not able to win, to get the peace that they wanted, to establish a world in that area where things would go the way honest and decent human beings wanted it.

Iraq is a country which is driven by racial and religious differences. We have the Sunnis, the Shi'ias, we have the Kurds, the Turkmens, the Catholics, the Christians, and the Chaldeans over there. None of them like each other and all of them distrust each other intensely.

We are losing today about one American every day, one American, dead; but thousands of them maimed and killed in the most gruesome of ways. We need to understand that we have to pull together. This is not the mechanism for that.

These people over there and the United States are not more safe because of this. We are not focusing on international problems which threaten us. We are not able to spend the resources which we need because we are spending them over there and cannot now spend them over here on schools and education and health and other things that are important to our people.

This is the wrong way to proceed. I say shame.

Mr. HYDE. Mr. Speaker, I am very pleased to yield 2½ minutes to the distinguished gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I thank the chairman for yielding me this time.

What are our goals and how do we best achieve them? I would think our goal in this war on terror is to have a safer and better place in America and the rest of the world. I would suggest that we are moving ahead in that direction.

Let me just read the resolution:

"Commends the Iraqi people for their courage in the face of unspeakable oppression and brutality inflicted on them by Saddam Hussein's regime." I do not think we should disagree with that.

"Commends the Iraqi people on the adoption of Iraq's interim constitution." I do not think anyone should disagree with that.

"Commends the members of the United States Armed Forces and Coalition forces for liberating Iraq and expresses its gratitude for their valiant service." Certainly nobody would disagree with their valiant service.

Is it a question that we are liberating Iraq? I thought the poll that came out was very interesting, where 2,500 Iraqis were polled on their opinion now, a year later, and I will read a couple. Some 57 percent said that life was better now than under Saddam, against 19 percent who said it was worse. Fifty-seven said it was better now and 19 percent said it was worse. Overall, 70 percent said that life was good now. Seventy percent said that life was good now, compared with 29 percent who said it was bad.

Asked what political system they believed was needed in their country, 86 percent said they wanted democracy. I met a little over a month ago with 60 nations at the Pacific Interparliamentary meeting. Those people are happy, in my mind, as I judge their conversations, that the United States and Great Britain and the coalition forces are doing something. They are sort of happy they are not paying for it, but they are happy that somebody is aggressive in this war on terrorism.

I met a couple of weeks ago in Libya, and Qaddafi, there is no question that Qaddafi did not want to end up the way that Saddam did. I was one of eight Members in Libya, and now we have countries like Libya saying, We are going to give up our nuclear weapons. We are going to give up our weapons of mass destruction.

Did Saddam have those weapons? We know he had them. This summer we found all of those airplanes buried under the sand. I think, I suspect, that some place under the sand or someplace, there are still those weapons. We know he had them; we do not know what he did with them. I think the world is safer.

Mr. HYDE. Mr. Speaker, I am pleased to yield 2½ minutes to the gentleman from Tennessee (Mr. WAMP).

Mr. WAMP. Mr. Speaker, like so many here in the House, I continue to pray for all of the courageous men and women in the uniforms of our Armed Forces, and especially the families who have lost a loved one and have paid the ultimate price in Afghanistan and Iraq. But I wish, as the gentleman from Illinois (Chairman HYDE) referenced, that all of the Members could have been with me in Oak Ridge, Tennessee, this past Monday, along with the Secretary of Energy, to see the centrifuges and the nuclear arsenal that was voluntarily given up by Moammar Qaddafi from Libya, because there is no doubt, while we can all draw our own conclusions, there is no doubt in my heart that that is a result of our consistent and decisive offensive since September 11 around the world against terror; because terrorism, as we see in Spain and in Baghdad and the fear in London, is alive and well, and terrorism continues, and we must pursue the terrorists and keep them on the defensive.

I believe our consistency and our resoluteness has paid off in effective ways, such as Libya giving up their nuclear deterrent; the Bush doctrine: You are either with us or you are against us. They have to declare. Libya declared. We do not want to be against you; they are voluntarily giving it up.

Now, we need to listen to some of the neutral parties. I know a lot of the concern today is about process. I do not know, I was not here when the Democrats were in the majority. Frankly, both parties are guilty of shutting out the other side. But I know that I am concerned about the signals that are being sent today out of this Chamber and in this town about our commitment to Iraq. This is a bold, long-term commitment.

Neutral observers like Thomas Friedman expressed concern in the last 48 hours about Spain, what is happening in Iraq, and whether the terrorists are intimidating free people around the world. We need to stand our ground in this war on terror. There is no doubt we had to do what we did in Iraq and that good has come out of it.

Mr. Speaker, terrorism cannot be allowed to win the day. Peace through strength works. Appeasement has never worked. And we are tested again today, whether or not we will stick to our guns and finish what we have started, even if it takes years and more money.

I want to secure our investments in the region. The people were poor there, but the country was wealthy. I believe we have done the right thing, and we have to be strong and tough and dig our heels in.

Mr. HYDE. Mr. Speaker, I am very pleased to yield 3 minutes to the distinguished gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I believe that when the political smoke of this great debate today clears, that this bill is going to pass with a very substantial vote. I think it is going to be passed with a substantial vote because every one of us in this Chamber wants to keep the commitment that we made several years ago after September 11, that we are going to support our troops when they are in the field, when they are at risk, when they are in harm's way.

This is just another statement, as the gentleman from Pennsylvania (Mr. MURTHA) has repeatedly said today, we have spent a lot of money of American taxpayer dollars to fund the operation, and we want to make sure that our troops understand that we believe they are doing a good job, and they are. We want to let them know that they are not in harm's way in vain.

So I think the bill is going to pass with a nice vote. But do my colleagues know something? I had a chance to be the sponsor of the bill that appropriated $40 billion on September 14 of 2001. I had the privilege of being the sponsor of the supplemental that the gentleman from Pennsylvania (Mr. MURTHA) talked about, that was sizable, to pay for our troops in the field and what they needed by way of equipment. But do my colleagues know something? Besides being a player to that extent, I am not offended that I was not asked to write this bill. I am very satisfied that the gentleman from Illinois (Chairman HYDE) and his committee wrote a very good bill. I am not offended that I was not asked to be the sponsor. The gentleman from Illinois (Mr. HYDE) is the ideal sponsor, and those who did sponsor this bill.

So I think once the political smoke clears, this House is going to stand up and is going to be counted and to tell our troops in the field and to tell our troops who are recuperating in hospitals that we support what they are doing, we believe in what they are doing, and that we are here to do whatever has to be done to protect our country and our countrymen from terrorist attacks and to provide support for those who provide that kind of security for us.

I have a lot of other things I would like to say, but time is limited. So, Mr. Speaker, I will insert the balance of my statement into the RECORD at this point.

Mr. Speaker, I rise in strong support of House Resolution 557, which honors the valor, courage, and professionalism with which our American forces, and those of our coalition partners, have served in liberating the people of Iraq.

We consider this resolution today on the first anniversary of the initiation of military operations in Iraq. However, the difficult decisions by Congress to authorize the use of force in Iraq and the President's ultimate directive to send troops into Iraq were the culmination of more than 13 years of violence and terrorism directed at the United States and our allies throughout the world.

Saddam Hussein's movement of troops into Kuwait in 1990 threatened the freedom and security of the people of that nation who remain one of our country's staunchest allies. We responded as a Nation and in partnership with the free nations of the world in Operation Desert Storm to throw Saddam's forces out of Kuwait. Subsequently, through a series of United Nation's resolutions, we sought to monitor Saddam's activities to prevent him from again threatening the sovereignty of another ally.

Since then, as this resolution points out, Saddam Hussein and his regime have committed repeated heinous crimes against humanity, including the murder, torture, rape, and amputation of his own people. This is the regime that unleashed weapons of mass destruction against the Kurdish people, killing nearly 5,000. We have found more than 270 mass graves sites in Iraq, with the remains of more than 400,000 people. Saddam Hussein poisoned the water supply of his enemies, he even punished the Marsh Arabs by draining their marshlands, which created hundreds of thousands of refugees and created an ecological catastrophe.

This Congress responded in 1998 by adopting the Iraq Liberation Act, which made it U.S. policy to support efforts to remove Saddam Hussein and his regime from power. President Clinton, however, after signing this act into law never followed through.

Four years later, after little or no U.S. action to rid Iraq of Saddam Hussein, the United Nation Security Council approved Resolution 1441 declaring that Iraq "has been and remains in material breach of its obligations" under previously adopted Security Council resolutions.

Clearly, the United States and President Bush did not start this war, just as we did not start the global war on terrorism. We responded to a series of attacks against the American people and our allies throughout the world.

Recall that on February 26, 1993, six lives were lost in the first bombing of the World Trade Center. Our response at the time was a series of harsh words and empty rhetoric.

Three years later, on June 25, 1996, 19 U.S. service members lost their lives in the bombing of Khobar Towers, outside a U.S. air base in Saudi Arabia. The response again was harsh words, empty rhetoric, and promises of a thorough investigation.

Two years after that, 259 died, including 11 Americans, in the bombing of U.S. Embassies in Kenya and Tanzania. The response again was more harsh words and a cruise missile attack on a pharmaceutical factory in Sudan.

Finally, feeling empowered by the continuing lack of a credible U.S. response to past attacks, terrorists bombed the USS *Cole* while anchored off Yemen, killing 17 U.S. sailors, and injuring countless others. The U.S. response again was harsh words of outrage and the promise of a full investigation.

The year 2001 arrived with a new President and a new set of world challenges. However, just nine months into the Bush Administration, the world changed forever on September 11, 2001. A hijacked airliner crashes into the Pentagon killing 189. Two hijacked planes crash into the World Trade Center, killing 2,801. And a hijacked plane crashes in rural Pennsylvania, killing 44.

This time it was a different President with a different response. President Bush announced that in response to these terrorist attacks on our nation and our people we will respond by seeking out those who were responsible and hold them accountable. We will respond by identifying terrorist organizations and eliminate them at their roots.

Mr. Speaker, the terrorist attacks of September 11th were a direct assault on our nation's freedom, and a test of our will to defend it. The nations of the free world wondered if we would meet the challenge, if this time our promises to strike back against the terrorists would be followed by decisive action.

Just three days after September 11th, my Committee on Appropriations and this Congress stepped forward to approve a $40 billion emergency supplemental appropriations bill to fund recovery efforts in New York City and at the Pentagon, and to take military action against the perpetrators of those despicable attacks. That was the first concrete signal to the world that this time, we as a nation were serious in backing up the words of our President. Since that day Congress and the America people have shown time and again that no matter how long it takes or where it may lead, our commitment to win this war on terrorism is unshakeable.

President Bush sent U.S. troops to Afghanistan to destroy and disrupt al-Qaeda and Osama bin Laden's operations. Our forces routed the Taliban, killed many terrorists, and eliminated al-Qaeda main base of operations. They also liberated millions of men, women, and children from a cruel regime, and gave them a chance to choose their own government and enjoy the benefits of freedom. But our victory against the Taliban was not the end of the war on terrorism.

When the United Nations determined that Saddam Hussein was not living up to the Security Council resolutions, President Bush acted decisively in sending troops to Iraq.

This resolution recognizes the remarkable swiftness and precision with which our troops advanced across Iraq to remove from power the Hussein regime. The effectiveness of our Armed Forces caught the enemy by surprise. Even after the end of major combat operations in Iraq our troops have continued their mission to stabilize and rebuild that country. They have captured 45 of the 55 most wanted Iraqis, including Saddam himself, ensuring that he will never return to power. With the cooperation of Iraqi security forces, our troops have captured and killed hundreds of terrorists who sought to restore the dictator to power. The world has also seen the humanity and generosity of America, as our troops, using funds appropriated by this Congress, help restore water and electricity, provide basic health services, and bring children back to school, free from intimidation and indoctrination.

There are those in this debate today who have said that we started the war against terrorists in Afghanistan and Iraq. The truth of the matter is that the war started in 1993 with the first bombing of the World Trade Center, which was greeted with such a tepid response. Thank God that on September 11, 2001 George Bush was President and he decided that there was enough of this one-sided war against Americans and our allies. There was enough of us being on the receiving end of cowardly acts of terrorism, with the bad guys getting away with it. So yes, we did engage in combat finally to fulfill our obligation to protect our country and our people whether in their workplace, in their homes, or in their schools.

Having spent considerable time with our troops here at home and abroad, including those who have been injured in the line of duty, I can tell you that they support President Bush and their mission. These kids; and I say kids because many who are on the front lines are 18, 19, and 20 years old; are true patriots. Those who are injured are determined to get well so they can get back to the fight to finish the job they have begun. They all share a strong belief that what we are doing is right, not just for the people of Iraq, but it is right for the freedom loving people of the world.

The battle of Iraq was another critical advance in the War on Terrorism. Today we are establishing a Muslim democracy at the heart of the Middle East. Representatives from all three of Iraqi's major ethnic groups came together on march 8 to sign an interim constitution. Iraq now has an independent judiciary and will have free elections later this year. Because of the leadership of our President, the courage and determination of our troops,and the strong commitment the members of this body made to the rebuilding of Iraq, that nation is making strong progress towards freedom and prosperity.

As many of you know, my wife Beverly and I spend many hours visiting wounded soldiers and Marines at the Walter Reed Army Medical Center and the National Naval Medical Center in Bethesda, Maryland. In addition to comforting them and helping give them strength for their recovery, I always take the time to remind them that the American people are grateful for their service and their sacrifice, and proud of their achievements. Mr. Speaker, this resolution gives Members of this body the opportunity to remind all of our men and women in uniform that we are thankful for their service, and proud of their victory in Iraq.

Mr. Speaker, it was President Franklin Delano Roosevelt who in this very Chamber talked about the "four essential human freedoms." He said that they are, "The freedom of speech—everywhere in the world. The freedom of every person to worship God in his or her own way—everywhere in the world. The freedom from want—everywhere in the world. The freedom from fear—anywhere in the world."

President Bush has led the world-wide effort to ensure the freedom from fear, anywhere in the world, whether it be the United States, Iraq, Afghanistan, or Spain. And he has called upon the world's most powerful and best trained soldiers of peace to carry out that mission, which they have done with valor, with courage, with pride, with devotion, and with unmatched professionalism.

Mr. Speaker, with the adoption of this resolution today, we can reiterate our support for their mission which is to ensure a world where people can truly live free from fear.

Mr. HYDE. Mr. Speaker, I am very pleased to yield 2 minutes to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, for more than 20 years, Saddam Hussein used tactics of torture, brutality, and fear to terrorize the citizens of Iraq and neighboring countries. Exactly 16 years ago this week, Saddam Hussein unleashed weapons of mass destruction that killed 5,000 of his own Kurdish citizens. He encouraged Iraqi officials to rape and torture women. Men and women of Iraq were repressed, and they were isolated from the rest of the world.

One year after the United States and coalition forces liberated Iraqi citizens, the people of Iraq are embracing this opportunity to build a new and free Iraq for their children.

Last October, I saw firsthand the remarkable activities that are taking place on the ground in Iraq. There are now over 3,800 programs that offer immediate assistance to improve the quality of life for all Iraqi people. As reconstruction efforts continue to move forward, many essential services like water, sanitation, electricity, and telecommunication have been restored and even surpass prewar levels. In fact, public health spending is now 26 times as great as it was under Saddam's regime.

Today I met with a delegation of Iraqi leaders to talk about the continuing advances in Iraq. This was a diverse delegation. It was men and women, Shi'ias, Sunnis, tribal leaders, doctors, members of the free press. They are dedicated to promoting and to teaching democracy throughout south central Iraq. They shared their personal stories. They talked about the Democracy Regional Center where a democracy discussion was held for more than 1,500 Iraq people from different backgrounds, and they are launching a radio station, and they are promoting democracy to 10 million people through that part of the country. The Iraqi people are embracing democracy with open arms.

Mr. Speaker, last week I held a roundtable discussion with a group of remarkable women leaders from Iraq. One of the women in the group gave me her wedding ring to keep as a reminder that we should not waiver from our commitment to women.

I urge my colleagues to support this resolution, support the Iraqi men and women who have done so much for us in that Nation. We should help them.

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Mr. HYDE. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Speaker, as I sit here and I listen to the debate, I am almost in disbelief when I hear Members on the other side claiming perhaps that the world is not as safe a place since Saddam Hussein was removed.

But I do not hear anyone on the other side disputing the facts in the resolution that Saddam Hussein committed crimes against humanity, that he subjected the Iraqi people to murder and torture, and that he unleashed weapons of mass destruction against his own people.

So I can only arrive at the conclusion that perhaps someone is insinuating that the horrific terrorist bombings that have occurred in Bali, in Riyadh, Madrid, Jerusalem since Saddam Hussein's ouster would not have occurred if he were still in office. Now, that is just preposterous. I know that no one would suggest such a thing.

President Bush was right when he said that we cannot distinguish between the terrorists and the states that sponsor those terrorists. Regimes like Saddam Hussein's still exist. Those brutal outlaw regimes around the world who are there supporting the terrorist organizations are our enemies just as the terrorists themselves.

Clearly, without Saddam Hussein, America is safer. The Middle East is safer. Just ask the Israelis. Ask them if they feel that they are not safer without the threat of Saddam and his Scuds aiming at Tel Aviv. Of course they are safer. Of course the world is safer.

Mr. Speaker, I would like to close by thanking God that we have our troops and our young men and women who are volunteering their lives, risking their lives to go and take the battle to the front lines, to take the battle to the terrorists so that perhaps we can avoid another terrorist attack on our homeland.

Mr. Speaker, some people may flinch when they look in the eyes of the terrorists, but with this President in this House with the American people, that will never happen.

Mr. HYDE. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. BLUNT), the distinguished whip.

Mr. BLUNT. Mr. Speaker, today as we debate this resolution, I am more convinced than ever that our country's leadership in removing Saddam Hussein from power was both morally and strategically right. Saddam Hussein left no choice but for us to act. He systematically violated 17 separate U.N. Security Council resolutions. The U.N. chose not to act. He tried to conceal from the international community his desire to produce weapons of mass destruction.

In November of 1999, our Secretary of State, Madeleine Albright, said that Saddam Hussein has chosen to spend his money on weapons of mass destruction and palaces for his cronies. No doubt David Kay was correct when he called Saddam a gathering threat during a recent congressional hearing. If you do not believe Mr. Kay, maybe we should ask the families of the thousands of Kurds Saddam gassed in 1988 or ask the first U.N. weapons inspectors who prior to 1998 revealed the presence of anthrax, mustard gas, VX nerve gas, chemical weapons casings, and bombs filled with germ agents. These weapons remain unaccounted for today.

Saddam Hussein's regime's support of numerous other terror organizations is well documented. Iraq stoked terrorism and instigated violence in Palestinian territories by paying the families of suicide bombers $25,000 for attacking innocent civilians.

Iraq harbored the notorious Abu Nidal, whose terror organization carried out more dozens of terrorist attacks in 20 countries that killed and injured nearly 900 people including many Americans.

Iraq harbored Abu Abbas who was responsible for the Achille Lauro.

Iraq also incorporated the MEK terrorist organization into its own military and security forces.

Since Saddam's fall, Libya voluntarily opened its weapons program to inspectors. Pakistan is now taking overdue action to reign in its nuclear proliferators. And very importantly, the emergence of a pluralist and democratic Iraq is forcing the region to undertake democratic and social reforms which will enhance stability throughout the Middle East.

Iraq has a bright future. Not every day is a bright day, but every day moves closer to constitutional government and democracy. On March 8, the governing council approved an interim constitution. Took us a lot longer to do that in our country. A sovereign government will assume authority for Iraq, we hope, later this year, later this summer even.

There is plenty of work left to be done. But I think as we move this resolution today, we appropriately commend those who led this fight, the Iraqi people, for their incredible courage and optimism in the face of unspeakable horrors, and the proud men and women who serve us in the United States Armed Forces.

For the reasons I just mentioned, along with many other reasons, I voted with the vast majority of my colleagues in 1998 in favor of the Iraq Liberation Act, which made it the policy of the Untied States that Saddam Hussein should be removed from power. And I commend the President for his leadership in taking action on this policy.

And, Mr. Speaker, as a result of this action, there is no question that the United States and the world are safer. Decisive coalition action against this brutal dictator and his WMD programs has demonstrated our resolve. To name a few specific examples: First, in the weeks and months after the war, Colonel Gadhafi's regime in Libya voluntarily opened up its weapons program to inspectors after considering the cost of defying the United States and its partners in the war on terrorism; second, Pakistan is now taking overdue action to rein in its nuclear proliferators and, as a result, the network of illicit WMD suppliers is becoming more clear; last, Mr. Speaker, and this is very important, the emergence of a pluralist and democratic Iraq is forcing regional autocrats to undertake much-needed democratic and social reforms, which will lead to greater stability in a tumultuous region.

For the first time in their lives, Iraqis will be guaranteed a free and fair election process, a Bill of Rights, and an independent judiciary; ideals which we here in America take for granted. All Iraqis, most notably Iraqi women, now have freedoms and rights they could have only dreamed of after a generation spent under Saddam's reign of terror. And more than 200,000 Iraqis have been trained and equipped by coalition forces to provide for the security, not the repression, of the Iraqi people.

To be sure, there is plenty of work left to be done in Iraq. A society of terror and repression does not transform into a free and stable democracy overnight. But we must have faith in the Iraqi people. Early in our own Nation's history, regional and racial schisms threatened to tear the United States apart. Although the parallel is not perfect, many of Iraq's challenges today resemble those of early America as Iraq struggles to secure peaceful borders, build institutions, and draft a working democratic constitution in the face of great odds.

The United States and the new Iraqi government must be strong allies in the war against terror, the effort to halt the proliferation of WMDs, and the ongoing struggles to bring fundamental human rights to all people. No other modern nation's people understand the need for these efforts like the people of Iraq. The normalization of relations with Iraq will provide us with opportunities to work closely with our Iraqi friends. I urge my colleagues to meet and work with Rend Rahim, the Representative to the United States from the Iraqi Governing Council, and who under the new sovereign government will become Iraqi Ambassador to the United States. Representative Rahim left Baghdad as a young woman in the 1970s. In 1991 she founded the Iraq Foundation and has become well-known as a passionate advocate for democracy in her homeland. In her new role she will work tirelessly toward fostering and maintaining the relationship between the United States and a free and democratic Iraq.

Mr. Speaker, we must be prepared to stay the course in Iraq, to overcome the terrorists and Ba'athists who fear democratic principles, and to put forth the necessary resources to demonstrate to the Iraqis and to the world that the United States will always remain committed to a free and secure Iraq. I commend the President and our coalition allies for their leadership in deposing Saddam Hussein, a brutal dictator who procured and employed weapons of mass destruction, repressed and tortured his people, and actively encouraged global terrorists with financial rewards. I commend the Iraqi people for their incredible courage and prevailing optimism in the face of horrors you and I cannot imagine. And I commend the proud men and women of the United States armed forces, who have proven once again that when called upon in defense of freedom, their effectiveness is unmatched anywhere in the world.

Mr. MURTHA. Mr. Speaker, I yield to the gentleman from California (Mr. FARR) for a unanimous consent request.

Mr. FARR. Mr. Speaker, I associate my remarks with the gentleman from Pennsylvania (Mr. MURTHA).

I rise with concern and dismay on the Resolution before us.

First of all it resolves a sense of the House of Representatives. How can you have a sense of the entire House when it only has Republican authors?

How can it be a sense of the House with not a single Democrat as a co-sponsor?

This Resolution seems to provide political cover for the President for failing to secure support from our major Western allies in the War on Terrorism in Iraq.

This Resolution ignores the fact that we had no post-conflict reconstruction plan, before the first bombs dropped.

The Resolution glosses over the fact that our investigators, along with the United Nations inspectors, have found no weapons of mass destruction and were denied more time to complete their inspections, which could have obviated the need to go to war.

This Resolution is brought up at a time when the President's poll ratings are slipping.

The world is not safer and adoption of this politicized resolution won't make it so.

Baghdad is suffering new deaths as we debate, our own home turf suffers from its own brand of terrorism. Inner city communities are losing lives in drive by shootings and Americans don't feel safer.

No, the world is not safer and to get Congress to say that it is, is hypocrisy at its worst.

In an election year, Congress should work to bring us together—not to play political gotcha.

I urge this body to reject this Resolution. We can do better. We can truly support our troops without political excuses. We can commend the Iraqi people for their courage without taking credit for their courage.

Write a Resolution without partisan politics and it will get a unanimous vote, which is after all, what is needed to show support for our troops—not a house divided for partisan purposes.

Mr. MURTHA. Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. TIERNEY) for a unanimous consent request.

Mr. TIERNEY. Mr. Speaker, I rise today in salute to America's troops and veterans, and urge my colleagues to honor their sacrifices not with lofty political rhetoric but with concrete budgetary reality.

Sadly, we are denied that opportunity today. Instead, after waiting weeks for a budget and voting primarily on uncontested matters, receiving only this week a proposed budget that:

Fails to appropriately address the sad state of our economy;

Fails to propose policies that will create an environment for the maintenance and creation of jobs;

Fails to clearly fund ongoing expenses related to the continuing military efforts in Afghanistan and Iraq and fails to adequately fund force protective measures as well as first responder needs for homeland security;

Fails to fund the President's own promises with respect to education mandates on local communities;

Fails to even begin to deal with the nation's health care crisis;

Proposes pilfering the Social Security surplus; and

Forces enormous further debt burden on every one of our children.

This Republican House leadership—I believe in cooperation with the White House—now proposes to politicize foreign policy for their own domestic political purposes.

It's a disgrace!

The self-promoted "uniter not divider" in the White House has at every opportunity slammed any effort at bi-partnership—this resolution is one more example. The White House has been complicit as House Republicans manipulate and distort rules and customs to wring every ounce of the democratic process out of the exercise of government here, while professing to support democracy worldwide.

After shamelessly exploiting in TV advertisements the 9/11 tragedies and depicting victims (whose families the President would not honor by cooperating with the investigation into circumstances surrounding the incident as well as intelligence and government action and inaction leading up to and following 9/11) and first responders (who must continue to labor on the front lines without adequate communications, equipment, training, standards and support), this group of Republicans now allows four hours to debate a resolution the sole purpose of which is to create a dilemma for those who know the Administration's effort with respect to Iraq and with respect to fighting terror to be woefully inadequate.

The resolution is structured with the appearance of supporting our troops, but is worded so that it could be argued—however wrong such an argument would be—that Congress endorsed the way this Administration has conducted itself with respect to Iraq.

In essence, yet another false choice for Members: Vote for it, so disingenuous political operatives can claim the President is supported even in his misleading acts and his diversion of efforts from the fight against terrorists and his Administration's abject failures of planning for post-Saddam Iraq, or Subject oneself to even more disingenuous assertion by political hacks—for that is what they would be—who might assert a vote against the resolution was a vote against support and recognition for our troops.

It is politics at its most base and vile level, yet this White House and this Republican majority promote it without hesitation.

Well, it will not work! The American people—even with an all-too-slowly awakening media—is learning more each day that this President and this Republican majority have very little in the way of meaningful policy for America—and far too much politics aimed at benefiting their careers and ideological extremists.

Whichever way people vote on this resolution, it will be clear to America that the President's and the Republican majority's hypocritical resolutions will not work any better than their tasteless advertisements.

The American people deserve far better, and the Democrats stand ready with a vision and a plan to deliver it: Democrats are working to protect and defend America from those who plan attacks against our families and communities. Democrats are prepared to use military force to protect our security, our people, and our vital interests, and have an unswerving commitment to ensure that America's armed forces remain the best trained, best led, best equipped force for peace the world has ever known.

Democrats applaud the troops who ousted Saddam in 20 days. We want to support them on their still dangerous mission, and believe we should be debating giving our troops the armor—body and vehicle—rifles, jammers and other equipment they need.

It now appears that the President's rationale for war was flawed. CIA Director George Tenet admitted that the intelligence agencies never told the White House that Iraq posed an imminent threat. [Washington Post 3/10/04] Former Chief UN Weapons Inspector Hans Blix stated that the Bush Administration made up its mind that Iraq had weapons of mass destruction—and wasn't interested in evidence to the contrary. [AP, 3/12/04] But the President and the rest of the Administration said Iraq posed an "urgent and unique threat," an "immediate threat," a "mortal threat," and an "imminent threat" to the people of the United States. [President Bush, 11/20/02; Secretary Rumsfeld, 11/14/02; Financial Times, 8/27/02; Press gaggle with Scott McClellan, 2/10/03] Democrats want a full accounting of the events leading up to the war in Iraq. Americans should be able to trust that what the President tells them is true—especially when it comes to the life and death decisions of war and peace.

Our troops were sent to Iraq without enough of the equipment they depend on to do their jobs safely. Un-armored Humvees are falling victim to road-side bombs and rocket propelled grenades. Thousands of soldiers are forced to fight without body armor—and the President still failed to include enough funds in his budget to pay for operations in Iraq.

Americans shouldn't have to continue to bear most of the burden of rebuilding Iraq alone. President Bush's dismissive treatment of our allies has left the United States primarily responsible for the heavy burden of stabilizing and rebuilding Iraq. A year after invading Iraq, we are seeing the price of the President's distorted priorities. American taxpayers are paying almost all the bills—a colossal $120 billion and rising. Most importantly, American soldiers are enduring almost all the casualties: over 550 Americans killed and thousands more wounded.

Democrats want to work with our international allies. Democrats want to strengthen the capacity of America's intelligence gathering operation, and forge stronger international coalitions, to increase our ability to target and capture terrorists even before they act. Instead of alienating our allies, Democrats want to work with them and with international institutions so that we can prevent the proliferation of weapons of mass destruction and keep them out of the hands of terrorists.

Democrats support a foreign policy that reflects American priorities. Democrats want to make America safer with a foreign policy that reflects American priorities—promoting political and economic freedom and human rights; cooperating with allies and friends; and respecting international law and institutions.

Democrats want an honest accounting of the continued cost of the Iraq war. Top defense officials, including Army Chief of Staff General Peter Schoomaker, testified to Congress that the U.S. war efforts in Iraq and Afghanistan will run out of money in September, leaving the military scrambling to cover as much as $19 billion in costs. [St. Petersburg Times, 2/11/04] Democrats want a detailed plan for future spending, so our troops are guaranteed to get the resources they need.

Homeland security must be a priority. Democrats want to make sure that our firefighters and police officers get the tools they need to keep us safe here at home. But the Bush Administration and the Republicans' budgets fail to provide the funding we need to address our security concerns. Democrats want to connect local, state, and federal terrorist information systems to make sure that every cop on the beat has the information they need to keep our families safe. We want to provide firefighters, police officers, and emergency medical personnel with the equipment they need to communicate in a crisis. We want to protect the long stretches of our border that are currently unwatched and unprotected. And we want to help make sure states are prepared to respond to a bioterrorist attack.

Part of winning the war on terror is taking care of those who helped us fight it. On the battlefield, our troops pledge to leave no soldier behind. Here at home, Democrats know that we must leave no veteran behind. We must ensure their health care, their pensions, and their survivor's benefits. But the Bush Administration wants to raise health care costs for over 1 million veterans, increasing co-payments and imposing new enrollment fees that will cost veterans $2 billion over five years.

Unfortunately, in a disgraceful rebuke to democracy, the Republican majority has stubbornly refused to offer Democrats any opportunity to share our vision and plan with the American people—refusing an up-or-down vote on the Democrats' plan to salute our troops not just with lofty political rhetoric, but with concrete budgetary reality. What are they afraid of? Why are the Republicans cowed by the prospect of a fair debate?

My colleagues, just because the Republican majority refuses us a democratic debate, you need not subject yourselves to the political antics of this most demeaning political ploy. Vote no, yes or present . . . whichever best allows you to share these comments and facts with the American people.

What is important is that the American people know our troops are supported, and that their sacrifices and those of their families are appreciated and honored.

They will know (quickly if the press is alert and perceptive; over time if left to their own diligent inquiries and pursuit of truth) that at a time of great national challenge and need for unity, this White House and their Republican majority once again sought to divide the nation, not unite it, and did so for crass, shortsighted, selfish benefit.

Mr. MURTHA. Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. PELOSI), the distinguished Democratic leader.

Ms. PELOSI. Mr. Speaker, I thank the distinguished gentleman from Pennsylvania (Mr. MURTHA), the ranking member on the Committee on Appropriations Subcommittee on Defense for yielding. I thank him and commend him for his extraordinary leadership and support of our troops. When the gentleman from Pennsylvania (Mr. MURTHA) speaks, we listen. And that is why I will be joining him in opposition to this resolution this evening.

Mr. Speaker, before I enter into my reasons why, I want to call to the attention of our colleagues a section of the San Francisco Chronicle that was published this Sunday: "Portraits of Sacrifice." It has the face, the name, and the date of sacrifice of the 556 members of the U.S. Armed Forces as of last Thursday who had lost their lives in Iraq since the war began almost a year ago. Of course, sadly, since last Thursday, indeed, since last Sunday, that number has grown.

Mr. Speaker, I will include for the RECORD these names and dates of sacrifice and home towns.

Mr. Speaker, I ask my colleagues to join me in a moment of silence to honor the memory, the sacrifice, and the patriotism of these brave American troops.

Mr. Speaker, every one of us who serves in this body supports our troops. There is no question about that. We appreciate their valor, their patriotism, again, the sacrifice that they are willing to make for our country. When I have had the privilege of visiting them before the initiation of hostilities with the gentleman from Pennsylvania (Mr. MURTHA) last year in Qatar, Turkey, and Kuwait, we promised those troops that they would have whatever they needed, that regardless of what we were on the resolution of going into the war, once we went into the war, once the President made that decision, we were one team, one fight.

And that is why it is so sad that today with this resolution to support the troops that we cannot be one team, one fight. Why was it so difficult for the Republicans to reach across the aisle, say to our troops that we could have come together as one team, one fight, in support of our troops?

Mr. Speaker, it is sad to say that more than 415 of our troops have died, over 415 of the 560-some have died since the President declared in early May the end of major combat with a sign saying "Mission Accomplished" behind him.

Perhaps some of those deaths could have been avoided if our troops had the equipment and the actionable intelligence to protect them, the force protection that they needed. But they did not.

I visited Iraq with the gentleman from Missouri (Mr. SKELTON), the senior Democrat on the Committee on Armed Services, and, similar to the visit with the gentleman from Pennsylvania (Mr. MURTHA), the troops greeted him with great appreciation for his service to our country.

Again, we promised them the equipment that they needed. And it is only recently, maybe just this week, that the troops have the Kevlar in their lining, in their flak jackets that they need. It has taken that long. And it would not have happened without the gentleman from Pennsylvania's (Mr. MURTHA) insistence when the $87 billion request came to the floor, the second request for Iraq, that did not have the request for that equipment in it.

We all agree that our military conducted itself with great excellence. It performed its duties in a way that is worthy of commendation. However, the civilian preparation was not so good. Do not take my word for it. Take the word of General Zinni, who said the level of sacrifice of our troops was not met with the level of preparation for post-war Iraq.

Over 400 of our troops have died in the post-war phase.

This resolution that we have before us today is interesting in what it lacks. It lacks the recognition of the challenge that we face in Iraq. It is clearly an indication that the Republicans are in severe denial about Iraq. They are in denial as to why we went into Iraq, they are in denial as to what the conditions are that exist in Iraq right now, and they are denying in this resolution what our troops and those who have served in Iraq need.

There is such inconsistency this day that I must spend my time on this floor to point it out. There is so much I want to say about this resolution and about statements that have been made in this debate. But what I want to focus on are some of the inconsistencies of the Republicans. Because while we have been debating here what would be the best resolution, bringing us together, of course, we do not have that opportunity, while the Republicans are proposing this resolution on the floor, they are dishonoring the troops in the Committee on the Budget. They are dishonoring the troops in the Committee on the Budget.

The Bush budget shortchanges American veterans. When he tells our brave troops serving in Iraq and Afghanistan in the State of the Union address that he will, quote, "give you the resources you need," but then does not budget for them, his credibility gap grows and so does my colleagues'.

This budget refuses to end the disabled veterans tax. It does not end the survivors' benefit tax. It proposes new increases in the cost of veterans health care. This is what is going on on Capitol Hill today while we have this meager resolution to support the troops on the floor. It fails to provide meaningful investments in veterans' health care. The list goes on and on.

And the severe blow was that the gentleman from Texas (Mr. EDWARDS), the ranking member on the Subcommittee on Military Construction, offered a resolution to add $1.3 billion for veterans' health. And that was defeated along party lines. That would have been a way to honor our troops. Yes, indeed, it would have.

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When I say that this resolution is in denial about why we went into the war, of course it mentions nothing about weapons of mass destruction, but it does mention that Saddam Hussein drained the Arab marsh, causing an ecological disaster. Did my colleagues realize that that was the reason that we went to war, the same folks who have rolled back 30 years of bipartisan environmental progress are declaring a cause of war, the draining of the marsh in Iraq? It was a terrible environmental disaster.

Nobody spoke about it at the time, but there is another swamp that must be drained and that is right here in Washington, DC, the swamp of special interest money, the swamp that says special interest money calls for giving tax cuts to people making over $1 million, not having $1 million, making over $1 million a year, give them that tax cut but do not provide for our troops and do not provide for our veterans. At the same time, we are giving money to Halliburton, who is ripping off the taxpayer while feeding the troops with overcharges.

Yes, there is a swamp that needs to be drained. It is right here in Washington, DC, and that would not be an environmental disaster.

Mr. Speaker, we did have an opportunity and we requested of the Committee on Rules that we be able to present a Democratic resolution. In fact, we had hoped it would be a bipartisan resolution, and it drew upon the expertise of so many; the leadership, the patriotism, the intellect, the integrity of so many of our Members.

The gentleman from Pennsylvania (Mr. MURTHA) and the gentleman from Missouri (Mr. SKELTON), of course, called for us immediately to offer our condolences to the families of those who were killed in Iraq. That would have been a valuable addition to this resolution. It insisted that we give the troops the body armor, all of them, and the armored vehicles they need to keep them safe. Some of that has come to fruition because of the gentleman from Pennsylvania's (Mr. MURTHA) work. Much of it is still not accomplished.

Under the gentlewoman from California's (Ms. HARMAN) leadership, we had in our resolution to immediately remedy the deficiencies in the intelligence on which our troops rely. Force protection saves lives. As a 10-year member of the Permanent Select Committee on Intelligence, I value that. It should be part of what we are advancing.

The gentleman from Pennsylvania (Mr. MURTHA) insisted that we honestly account for the cost of ongoing military operations in Iraq.

The gentleman from California (Mr. LANTOS) insisted that we assemble a true international coalition to accomplish our mission.

The gentleman from Texas (Mr. EDWARDS) and the gentleman from Missouri (Mr. SKELTON) demanded that we eliminate disparities in pay between our active duty military and the National Guard and reservists. We had that opportunity today, but you rejected it.

The gentleman from Texas (Mr. EDWARDS) again insisted that we provide for the health care and benefits our wounded servicemen and -women earned for when they come home.

Why could we not have come to the floor with a bipartisan resolution? Why could we not have been one team, one fight? I do not understand it. We all take our responsibility to provide for the common defense very, very seriously. The clear and present danger facing our country is terrorism. Our military and our Intelligence Community serve our country well. They protect us with their lives. We must support them with our actions, as well as our words.

Our military, we pledged to leave no soldier behind on the battlefield. We must leave no soldier or any veteran behind in our budget. Only then will we honor them in a manner worthy of their sacrifice.

The material I referred to previously I will insert in the RECORD at this point.

Name, Age, Branch, Hometown, State

Jay Thomas Aubin, 36, Marine Corps, Waterville, ME.
Ryan Anthony Beaupre, 30, Marine Corps, Bloomington, IL.
Therrel S. Childers, 30, Marine Corps, Harrison, MS.
Jose Gutierrez, 22, Marine Corps, Los Angeles, CA.
Brian Matthew Kennedy, 25, Marine Corps, Houston, TX.
Kendall Damon Waters-Bey, 29, Marine Corps, Baltimore, MD.
Thomas Mullen Adams, 27, Navy, La Mesa, CA.
Nicholas M. Hodson, 22, Marine Corps, Smithville, MO.
Eric James Orlowski, 25, Marine Corps, Buffalo, NY.
Christopher Scott Seifert, 27, Army, Morrisville, PA.
Brandon S. Tobler, 19, Army, Portland, OR.
Jamaal R. Addison, 22, Army, Roswell, GA.
Edward J. Anguiano, 24, Army, Brownsville, TX.
Michael E. Bitz, 31, Marine Corps, Oxnard, CA.
Brian Rory Buesing, 20, Marine Corps, Cedar Key, FL.
George E. Buggs, 31, Army, Barnwell, SC.
Tamario D. Burkett, 21, Marine Corps, Buffalo, NY.
Kemaphoom A. Chanawongse, 22, Marine Corps, Waterford, CT.
Donald J. Cline Jr., 21, Marine Corps, Sparks, NV.
Robert J. Dowdy, 38, Army, Cleveland, OH.
Ruben Estrella-Soto, 18, Army, El Paso, TX.
David K. Fribley, 26, Marine Corps, Cape Coral, FL.
Jose A. Garibay, 21, Marine Corps, Costa Mesa, CA.
Jonathan L. Gifford, 30, Marine Corps, Macon, IL.
Jorge A. Gonzalez, 20, Marine Corps, El Monte, CA.
Nolen R. Hutchings, 19, Marine Corps, Boiling Springs, SC.
Howard Johnson II, 21, Army, Mobile, AL.
Phillip A. Jordan, 42, Marine Corps, Brazoria, TX.
James M. Kiehl, 22, Army, Comfort, TX.
Johnny V. Mata, 35, Army, Amarillo, TX.
Patrick R. Nixon, 21, Marine Corps, Nashville, TN.
Lori Ann Piestewa, 23, Army, Tuba, AZ.
Frederick E. Pokorney Jr., 31, Marine Corps, Tonopah, NV.
Brendon C. Reiss, 23, Marine Corps, Casper, WY.
Randal Kent Rosacker, 21, Marine Corps, San Diego, CA.
Brandon U. Sloan, 19, Army, Warrensville Heights, OH.
Thomas J. Slocum, 22, Marine Corps, Thornton, CO.
Donald R. Walters, 33, Army, Kansas City, MO.
Michael J. Williams, 31, Marine Corps, Yuma, AZ.
Thomas A. Blair, 24, Marine Corps, Broken Arrow, OK.
Evan T. James, 20, Marine Corps, LaHarpe, IL.
Braedley S. Korthaus, 28, Marine Corps, Scott, IA.
Gregory P. Sanders, 19, Army, Hobart, IN.
Francisco A. Martinez Flores, 21, Marine Corps, Los Angeles, CA.
Donald C. May Jr., 31, Marine Corps, Richmond, VA.
Patrick T. O'Day, 20, Marine Corps, Santa Rosa, CA.
Gregory Stone, 40, Air Force, Boise, ID.
Michael Vann Johnson Jr., 25, Navy, Little Rock, AR.
Kevin G. Nave, 36, Marine Corps, Union Lake, MI.
Joseph Menusa, 33, Marine Corps, San Jose, CA.
Jesus A. Suarez Del Solar, 20, Marine Corps, Escondido, CA.
Fernando Padilla-Ramirez, 26, Marine Corps, San Luis, AZ.
Robert M. Rodriguez, 21, Marine Corps, Queens, NY.
Roderic A. Solomon, 32, Army, Fayetteville, NC.
James W. Cawley, 41, Marine Corps, Roy, UT.
Michael E. Curtin, 23, Army, Howell, NJ.
Diego F. Rincon, 19, Army, Conyers, GA.
Michael Russell Creighton Weldon, 20, Army, Palm Bay, FL.
William W. White, 24, Marine Corps, Brooklyn, NY.
Eugene Williams, 24, Army, Highland, NY.
Aaron J. Contreras, 31, Marine Corps, Sherwood, OR.
Michael V. Lalush, 23, Marine Corps, Troutville, VA.
Brian D. McGinnis, 23, Marine Corps, St. George, DE.
William A. Jeffries, 39, Army, Evansville, IN.
Brandon J. Rowe, 20, Army, Roscoe, IL.
Jacob L. Butler, 24, Army, Wellsville, KS.
Joseph B. Maglione, 22, Marine Corps, Landsdale, PA.
James F. Adamouski, 29, Army, Springfield, VA.
Brian E. Anderson, 26, Marine Corps, Durham, NC.

Mathew G. Boule, 22, Army, Dracut, MS.

George A. Fernandez, 36, Army, El Paso, TX.

Christian D. Gurtner, 19, Marine Corps, Ohio City, OH.

Erik A. Halvorsen, 40, Army, Bennington, VT.

Scott Jamar, 32, Army, Granbury, TX.

Michael F. Pedersen, 26, Army, Flint, MI.

Eric A. Smith, 41, Army, n/a, CA.

Nathan D. White, 30, Navy, Mesa, AZ.

Chad E. Bales, 21, Marine Corps, Coahoma, TX.

Wilbert Davis, 40, Army, Hinesville, GA.

Mark A. Evnin, 21, Marine Corps, Burlington, VT.

Edward J. Korn, 31, Army, Savannah, GA.

Nino D. Livaudais, 23, Army, Ogden, UT.

Ryan P. Long, 21, Army, Seaford, DE.

Donald S. Oaks Jr., 20, Army, Erie, PA.

Randall S. Rehn, 36, Army, Longmont, CO.

Russell B. Rippetoe, 27, Army, Arvada, CO.

Todd J. Robbins, 33, Army, Pentwater, MI.

Tristan N. Aitken, 31, Army, State College, PA.

Wilfred D. Bellard, 20, Army, Lake Charles, LA.

Daniel Francis J. Cunningham, 33, Army, Lewiston, ME.

Travis A. Ford, 30, Marine Corps, Ogallala, NE.

Bernard G. Gooden, 22, Marine Corps, Mt. Vernon, NY.

Devon D. Jones, 19, Army, San Diego, CA.

Brian M. McPhillips, 25 Marine Corps, Pembroke, MA.

Duane R. Rios, 25, Marine Corps, Hammond, IN.

Benjamin W. Sammis, 29, Marine Corps, Rehobeth, MA.

Erik H. Silva, 22, Marine Corps, Chula Vista, CA.

Paul R. Smith, 33, Army, Tampa, FL.

Stevon A. Booker, 34, Army, Apollo, PA.

Larry K. Brown, 22, Army, Jackson, MS.

Edward Smith, 38, Marine Corps, Chicago, IL.

Gregory P. Huxley, Jr., 19, Army, Forestport, NY.

Kelley S. Prewitt, 24, Army, Birmingham, AL.

Andrew Julian Aviles, 18, Marine Corps, Palm Beach, FL.

Eric B. Das, 30, Air Force, Amarillo, TX.

Lincoln D. Hollinsaid, 27, Army, Malden, IL.

Jeffery J. Kaylor, 24, Army, Clifton, VA.

Jesus Martin Antonio Medellin, 21, Marine Corps, Fort Worth, TX.

Anthony S. Miller, 19, Army, San Antonio, TX.

George A. Mitchell, 35, Army, Rawlings, MD.

William R. Watkins III, 37, Air Force Danville, VA.

Henry L. Brown, 22, Army, Natchez, MS.

Juuan Guadulupe Garza Jr., 20, Marine Corps, Temperance, MI.

John W. Marshall, 50, Army, Los Angeles, CA.

Jason M. Meyer, 23, Army, Swartz Creek, MI.

Scott D. Sather, 29, Air Force, Clio, MI.

Robert A. Stever, 36, Army, Pendleton, OR.

Jeffrey E. Bohr Jr., 39, Marine Corps, Ossian, IA.

Terry W. Hemingway, 39, Army, Willingboro, NJ.

Riayan A. Tejeda, 26, Marine Corps, New York, NY.

Jesus A. Gonzalez, 22, Marine Corps, Indio, CA.

David E. Owens Jr., 20, Marine Corps, Winchester, VA.

Gil Mercado, 25, Army, Paterson, NJ.

John E. Brown, 21, Army, Troy, AL.

Thomas A. Foley III, 23, Army, Dresden, TN.

Armando A. Gonzalez, 25, Marine Corps, Hileah, FL.

Richard A. Goward, 32, Army, Midland, MI.

Joseph P. Mayek, 20, Army, Rock Springs, WY.

Jason David Mileo, 20, Marine Corps, Centreville, MD.

John T. Rivero, 23, Army, Tampa, FL.

Andrew T. Arnold, 30, Marine Corps, Spring, TX.

Roy R. Buckley, 24, Army, Merrillville, IN.

Robert W. Channell Jr., 36, Marine Corps, Tuscaloosa, AL.

Alan D. Lam, 19, Marine Corps, Snow Camp, NC.

Troy D. Jenkins, 25, Army, Ridgecrest, CA.

Osbaldo Orozco, 26, Army, Delano, CA.

Narson B. Sullivan, 21, Army, North Brunswick, NJ.

Joe J. Garza, 43, Army, Robtown, TX.

Jesse A. Givens, 34, Army, Springfiel, MO.

Sean C. Reynolds, 25, Army, East Lansing, MI.

Jason L. Deibler, 20, Army, Coeburn, VA.

Marlin T. Rockhold, 23, Army, Hamilton, OH.

Cedric E. Bruns 22, Marine Corps, Vancouver, WA.

Richard P. Carl, 26, Army, King Hill, ID.

Hans N. Gukeisen, 31, Army, Lead, SD.

Brian K. Van Dusen, 39, Army, Columbus, OH.

Matthew R. Smith, 20, Marine Corps, Anderson, IN.

Jakub Henryk Kowalik, 21, Marine Corps, Schaumburg, IL.

Jose Franci Gonzalez Rodriguez, 19, Marine Corps, Norwalk, CA.

Patrick Lee Griffin Jr., 31, Air Force, Elgin, SC.

Nicholas Brian Kleiboeker, 19, Marine Corps, Irvington, IL.

David T. Nutt, 22, Army, Blackshear, GA.

William L. Payne, 46, Army, Otsego, MI.

Douglas J. Marencoreyes, 28, Marine Corps, Chino, CA.

Rasheed Sahib, 22, Army, Brooklyn, NY.

Dominic R. Baragona, 42, Army, Niles, OH.

Andrew D. LaMont, 31, Marine Corps, Eureka, CA.

Jason W. Moore, 21, Marine Corps, San Marcos, CA.

Timothy L. Ryan, 30, Marine Corps, Aurora, IL.

Kirk A. Straseskie, 23, Marine Corps, Beaver Dam, WI.

Aaron D. White, 27, Marine Corps, Shawnee, OK.

Nathaniel A. Caldwell, 27, Army, Omaha, NE.

David Evans Jr., 18, Army, Buffalo, NY.

Keman L. Mitchell, 24, Army, Hillard, FL.

Kenneth A. Nalley, 19, Army, Hamburg, IA.

Brett J. Petriken, 30, Army, Flint, MI.

Mathew E. Schram, 36, Army, Sister Bay, WI.

Jeremiah D. Smith, 25, Army, Odessa, MO.

Thomas F. Broomhead, 34, Army, Cannon City, CO.

Michael B. Quinn, 37, Army, Tampa, FL.

Kenneth R. Bradley, 39, Army, Utica, MS.

Jose A. Perez III, 22, Army, San Diego, TX.

Michael T. Gleason, 25, Army, Warren, PA.

Kyle A. Griffin, 20, Army, Emerson, NJ.

Zachariah W. Long, 20, Army, Milton, PA.

Jonathan W. Lambert, 28, Marine Corps, Newsite, MS.

Atanacio Haromarin, 27, Army, Baldwin Park, CA.

Branden F. Oberleitner, 20, Army, Worthington, OH.

Doyle W. Bollinger, 21, Navy, Poteau, OK.

Travis L. Burkhardt, 26, Army, Edina, MO.

David Sisung, 21, Navy, Phoenix, AZ.

Jesse M. Halling, 19, Army, Indianapolis, IN.

Michael E. Dooley, 23, Army, Pulaski, VA.

Gavin L. Neighbor, 20, Army, Somerset, OH.

John K. Klinesmith Jr., 25, Army, Stockbridge, GA.

Andrew R. Pokorny, 30, Army, Naperville, IL.

Ryan R. Cox, 19, Marine Corps, Derby, KS.

Shawn D. Pahnke, 25, Army, Shelbyville, IN.

Joseph D. Suell, 24, Army, Lufkin, TX.

Robert L. Frantz, 19, Army, San Antonio, TX.

Michael L. Tosto, 24, Army, Apex, NC.

Michael R. Deuel, 21, Army, Nemo, SD.

William T. Latham, 29, Army, Kingman, AZ.

John T. Nakamura, 21, Army, Santa Fe Springs, CA.

Orenthial J. Smith, 21, Army, Allendale, SC.

Cedric L. Lennon, 32, Army, West Blocton, AL.

Andrew F. Chris, 25, Army, San Diego, CA.

Gregory E. MacDonald, 29, Marine Corps, Washington, DC.

Kevin C. Ott, 27, Army, Columbus, OH.

Gladimir Philippe, 37, Army, Linden, NJ.

Corey A. Hubbell, 20, Army, Urbana, IL.

Joshua McIntosh, 22, Navy, Kingman, AZ.

Richard P. Orengo, 32, Army, Toa Alta, PR.

Tomas Sotelo Jr., 20, Army, Houston, TX.

Timothy M. Conneway, 22, Army, Enterprise, AL.

Christopher D. Coffin, 51, Army, Bethlehem, PA.

Travis J. Bradachnall, 21, Marine Corps, Multnomah County, OR.

Edward J. Herrgott, 20, Army, Shakopee, MN.

Corey L. Small, 20, Army, East Berlin, PA.

David B. Parson, 30, Army, Kannapolis, NC.

Jeffrey M. Wershow, 22, Army, Gainesville, FL.

Chad L. Keith, 21, Army, Batesville, IN.

Barry Sanford Sr., 46, Army, Aurora, CO.

Craig A. Boling, 38, Army, Elkhart, IN.

Robert L. McKinley, 23, Army, Kokomo, IN.

Dan H. Gabrielson, 39, Army, Spooner, WI.

Roger D. Rowe, 54, Army, Bon Aqua, TN.

Jason A. Tetrault, 20, Marine Corps, Moreno Valley, CA.

Melissa Valles, 26, Army, Eagle Pass, TX.

Christian C. Schulz, 20, Army, Colleyville, TX.

Joshua M. Neusche, 20, Army, Montreal, MO.

Paul J. Cassidy, 36, Army, Laingsburg, MI.

Michael T. Crockett, 27, Army, Soperton, GA.

Cory R. Geurin, 18, Marine Corps, Santee, CA.

Jaror C. Puello-Coronado, 36, Army, Pocono Summit, PA.

Ramon Reyes Torres, 29, Army, Caguas, PR.

David J. Moreno, 26, Navy, Gering, NV.

Mason Douglas Whetstone, 30, Army, Jacksonville, FL.

Joel L. Bertoldie, 20, Army, Independence, MO.

Jonathan D. Rozier, 25, Army, Katy, TX.

Justin W. Garvey, 23, Army, Townsend, MA.

Jason D. Jordan, 24, Army, Elba, AL.

David A. Scott, 51, Air Force, Union, OH.

Christopher R. Willoughby, 29, Army, Phenix, AL.

Mark A. Bibby, 25, Army, Watha, NC.
Jon P. Fettig, 30, Army, Dickinson, ND.
Joshua T. Byers, 29, Army, Sparks, NV.
Brett T. Christian, 27, Army, North Royalton, OH.
Evan Asa Ashcraft, 24, Army, West Hills, CA.
Raheen Tyson Heighter, 22, Army, Bay Shore, NY.
Hector R. Perez, 40, Army, Corpus Christi, TX.
Juan M. Serrano, 31, Army, Manati, PR.
Jonathan P. Barnes, 21, Army, Anderson, MO.
Jonathan M. Cheatham, 19, Army, Camden, AR.
Daniel K. Methvin, 22, Army, Belton, TX.
Wilfredo Perez Jr., 24, Army, Norwalk, CT.
Heath A. McMillin, 29, Army, Canandaigua, NY.
Nathaniel Hart Jr., 29, Army, Valdosta, GA.
William J. Maher, 35, Army, Yardley, PA.
Leif E. Nott, 24, Army, Cheyenne, WY.
Michael J. Deutsch, 21, Army, Dubuque, IA.
James I. Lambert III, 22, Army, Raleigh, NC.
Justin W. Hebert, 20, Army, Arlington, WA.
Farao K. Letufuga, 20, Army, Pago Pago, AS.
David L. Loyd, 44, Army, Jackson, TN.
Zeferino E. Colunga, 20, Army, Bellville, TX.
Kyle C. Gilbert, 20, Army, Brattleboro,VT.
Brian R. Hellerman, 35, Army, Freeport, MN.
Leonard D. Simmons, 33, Army, New Bern, NC.
Duane E. Longstreth, 19, Army, Tacoma, WA.
Matthew D. Bush, 20, Army, East Alton, IL.
Brandon Ramsey, 21, Army, Calumet City, IL.
Levi B. Kinchen, 21, Army, Tickfaw, LA.
Floyd G. Knighten Jr., 55, Army, Olla, LA.
David S. Perry, 36, Army, Bakersfield, CA.
Timothy R. Brown, 21, Army, Conway, PA.
Richard S. Eaton Jr., 37, Army, Guilford, CT.
Daniel R. Parker, 18, Army, Lake Elsinore, CA.
Taft V. Williams, 29, Army, New Orleans, LA.
Steven W. White, 29, Army, Lawton, OK.
Eric R. Hull, 23, Army, Uniontown, PA.
David M. Kirchhoff, 31, Army, Cedar Rapids, IA.
Craig S. Ivory, 26, Army, Port Matilda, PA.
Bobby C. Franklin, 38, Army, Mineral Bluff, GA.
Kenneth W. Harris Jr., 23, Army, Charlotte, TN.
Michael S. Adams, 20, Army, Spartanburg, SC.
Kylan A. Jones-Huffman, 31, Navy, Aptos, CA.
Vorn J. Mack, 19, Army, Orangeburg, SC.
Stephen M. Scott, 21, Army, Lawton, OK.
Ronald D. Allen Jr., 22, Army, Mitchell, IN.
Pablo Manzano, 19, Army, Heber, CA.
Darryl T. Dent, 21, Army, Washington, DC.
Gregory A. Belanger, 24, Army, Narragansett, RI.
Rafael L. Navea, 34, Army, Pittsburgh, PA.
Anthony L. Sherman, 43, Army, Pottstown, PA.
Mark A. Lawton, 41, Army, Hayden, CO.
Sean K. Cataudella, 28, Army, Tucson, AZ.
Charles T. Caldwell, 38, Army, North Providence, RI.
Joseph Camara, 40, Army, New Bedford, MA.
Cameron B. Sarno, 43, Army, Waipahu, HI.
Christopher A. Sisson, 20, Army, Oak Park, IL.
Bruce E. Brown, 32, Air Force, Coatopa, AL.
Jarrett B. Thompson, 27, Army, Dover, DE.
Ryan G. Carlock, 25, Army, Macomb, IL.
Joseph E. Robsky Jr., 31, Army, Elizaville, NY.
Henry Ybarra III, 32, Army, Austin, TX.
William M. Bennett, 35, Army, Seymour, TN.
Kevin N. Morehead, 33, Army, Little Rock, AR.
Trevor A. Blumberg, 22, Army, Canton, MI.
Kevin C. Kimmerly, 31, Army, North Creek, NY.
Alyssa R. Peterson, 27, Army, Flagstaff, AZ.
Richard Arraiga, 20, Army, Ganado, Tx.
Brian R. Faunce, 28, Army, Philadelphia, PA.
Anthony O. Thompson, 26, Army, Orangeburg, SC.
James C. Wright, 27, Army, Morgan, TX.
Lunsford B. Brown II, 27, Army, Creedmore, NC.
David T. Friedrich, 26, Army, Hammond, NY.
Frederick L. Miller, Jr., 27, Army, Hagerstown, In.
Paul J. Sturino, 21, Army, Rice Lake, WI.
Michael Andrade, 28, Army, Bristol, RI.
Robert L. Lucero, 34, Army, Casper, WY.
Robert E. Rooney, 43, Army, Nashua, NH.
Kyle G. Thomas, 23, Army, Topeka, KS.
Andrew Joseph Baddick, 26, Army, Jim Thorpe, PA.
Christopher E. Cutchall, 30, Army, McConnellsburg, PA.
Darrin K. Potter, 24, Army, Louisville, KY.
Dustin K. McGaugh, 20, Army, Derby, KS.
James D. Blankenbecler, 40, Army, Alexandria, VA.
Analaura Esparza Gutierrez, 21, Army, Houston, TX.
Simeon Hunte, 23. Army, Essex, NJ.
Tamarra J. Ramos, 24, Army, Quakertown, PA.
Charles M. Sims, 18, Army, Miami, FL.
James H. Pirtle, 27, Army, La Mesa, NM.
Spencer T. Karol, 20, Army, Woodruff, AZ.
Kerry D. Scott, 21, Army, Mount Vernon, WA.
Richard Torres, 25, Army, Clarksville, TN.
Joseph C. Norquist, 26, Army, Oakland, CA.
Sean A. Silva, 23, Army, Roseville, CA.
Christopher W. Swisher, 26, Army, Lincoln, NE.
James E. Powell, 26, Army, Radcliff, KY.
Jose Casanova, 23, Army, El Monte, CA.
Benjamin L. Freeman, 19, Army, Valdosta, GA.
Douglas J. Weismantle, 28, Army, Pittsburgh, PA.
Donald L. Wheeler, 22, Army, Concord, MI.
Stephen E. Wyatt, 19, Army, Kilgore, TX.
Kim S. Orlando, 43, Army, Nashville, TN.
Joseph P. Bellavia, 28, Army, Wakefield, MA.
Michael L. Williams, 46, Army, Buffalo, NY.
David R. Bernstein, 24, Army, Phoenixville, PA.
Sean R. Grilley, 24, Army, San Bernardino, CA.
John D. Hart, 20, Army, Bedford, MA.
Paul J. Johnson, 29, Army, Calumet, MI.
Paul J. Bueche, 19, Army, Daphne, AL.
John P. Johnson, 24, Army, Houston, TX.
Jason M. Ward, 25, Army, Tulsa, OK.
John R. Teal, 31, Army, Mechanicsville, VA.
Artimus D. Brassfield, 22, Army, Flint, MI.
Michael S. Hancock, 29, Army, Yreka, CA.
Jose L. Mora, 26, Army, Bell Gardens, CA.
Steven Acosta, 19, Army, Calexico, CA.
Rachel K. Bosveld, 19, Army, Waupun, WI.
Joseph R. Guerrera, 20, Army, Dunn, NC.
Jamie L. Huggins, 26, Army, Hume, MO.
Aubrey D. Bell, 33, Army, Tuskegee, AL.
Charles H. Buehring, 40, Army, Fayetteville, NC.
Jonathan I. Falaniko, 20, Army, Pago Pago, AS.
Algernon Adams, 36, Army, Aiken, SC.
Michael Paul Barrera, 26, Army, Von Ormy, TX.
Isaac Campoy, 21, Army, Douglas, AZ.
Todd J. Bryant, 23, Army, Riverside, CA.
Linda C. Jimenez, 39, Army, Brooklyn, NY.
Benjamin J. Colgan, 30, Army, Kent, WA.
Joshua C. Hurley, 24, Army, Clifton Forge, VA.
Maurice J. Johnson, 21, Army, Levittown, PA.
Daniel A. Bader, 28, Army, Colorado Springs, CO.
Ernest G. Bucklew, 33, Army, Enon Valley, PA.
Steven D. Conover, 21, Army, Wilmington, OH.
Anthony D. Dagostino, 20, Army, Waterbury, CT.
Darius T. Jennings, 22, Army, Cordova, SC.
Karina S. Lau, 20, Army, Livingston, CA.
Keelan L. Moss, 23, Army, Houston, TX.
Brian H. Penisten, 28, Army, Fort Wayne, IN.
Ross A. Pennanen, 36, Army, Shawnee, OK.
Joel Perez, 25, Army, Rio Grande, PR.
Brian D. Slavenas, 30, Army, Genoa, IL.
Bruce A. Smith, 41, Army, West Liberty, IA.
Frances M. Vega, 20, Army, Fort Buchanan, PR.
Paul A. Velazquez, 29, Army, San Diego, CA.
Joe N. Wilson, 30, Army, Crystal Springs, MS.
Rayshawn S. Johnson, 20, Army, Brooklyn, NY.
Robert T. Benson, 20, Army, Spokane, WA.
Francisco Martinez, 28, Army, Humacao, PR.
Jose A. Rivera, 34, Army, Bayamon, PR.
James A. Chance III, 25, Army, Kokomo, MO.
Paul F. Fisher, 39, Army, Cedar Rapids, IA.
James R. Wolf, 21, Army, Scottsbluff, NE.
Cornell W. Gilmore I, 45, Army, Baltimore, MD.
Kyran E. Kennedy, 43, Army, Boston, MA.
Morgan D. Kennon, 23, Army, Memphis, TN.
Paul M. Neff II, 30, Army, Fort Mill, SC.
Scott C. Rose, 30, Army, Fayetteville, NC.
Benedict J. Smith, 29, Army, Monroe City, MO.
Sharon T. Swartworth, 43, Army, n/a, VA.
Gary L. Collins, 32, Army, Hardin, TX.
Kurt R. Frosheiser, 22, Army, Des Moines, IA.
Mark D. Vasquez, 35, Army, Port Huron, MI.
Nicholas A. Tomko, 24, Army, Pittsburgh, PA.
Genaro Acosta, 26, Army, Fair Oaks, CA.
Marlon P. Jackson, 25, Army, Jersey City, NJ.
Nathan J. Bailey, 46, Army, Nashville, TN.
Robert A. Wise, 21, Army, Tallahassee, FL.
Joseph Minucci II, 23, Army, Richeyville, PA.
Irving Medina, 22, Army, Middletown, NY.
Michael D. Acklin II, 25, Army, Louisville, KY.
Ryan T. Baker, 24, Army, Brown Mills, NJ.

Kelly Bolor, 37, Army, Whittier, CA.
Jeremiah J. Digiovanni, 21, Army, Tylertown, MS.
William D. Dusenbery, 30, Army, Fairview Heights, IL.
Sheldon R. Hawk Eagle, 21, Army, Grand Forks, ND.
Jacob S. Fletcher, 28, Army, Bay Shore, NY.
Richard W. Hafer, 21, Army, Cross Lanes, WV.
Warren S. Hansen, 36, Army, Clintonville, WI.
Timothy L. Hayslett, 26, Army, Newville, PA.
Damian L. Heidelberg, 21, Army, Batesville, MS.
Erik C. Kesterson, 29, Army, Independence, OR.
Pierre E. Piche, 29, Army, Starksboro, VT.
John W. Russell, 26, Army, Portland, TX.
Scott A. Saboe, 33, Army, Willow Lake, SD.
John R. Sullivan, 26, Army, Countryside, IL.
Eugene A. Uhl III, 21, Army, Amherst, WI.
Joey D. Whitener, 19, Army, Nebo, NC.
Jeremy L. Wolfe, 27, Army, Menomenie, WI.
Alexander S. Coulter, 35, Army, Bristol, TN.
Nathan S. Dalley, 27, Army, Kaysville, UT.
Dale A. Panchot, 26, Army, Northome, MN.
James A. Shull, 32, Army, Kamiah, ID.
Joseph L. Lister, 22, Army, Pleasanton, KS.
Scott M. Tyrrell, 21, Army, Sterling, IL.
George A. Wood, 33, Army, New York, NY.
Gary B. Coleman, 24, Army, Pikeville, KY.
Damian S. Bushart, 22, Army, Waterford, MI.
Robert D. Roberts, 21, Army, Winter Park, FL.
Eddie E. Menyweather, 35, Army, Los Angeles, CA.
Christopher G. Nason, 39, Army, Los Angeles, CA.
Rel A. Ravago IV, 21, Army, Glendale, CA.
Darrell L. Smith, 28, Army, Otwell, IN.
Jerry L. Wilson, 45, Army, Thomson, GA.
David J. Goldberg, 20, Army, Layton, UT.
Thomas J. Sweet II, 23, Army, Bismarck, ND.
Ariel Rico, 25, Army, El Paso, TX.
Stephen A. Bertolino, 40, Army, Orange, CA.
Aaron J. Sissel, 22, Army, Tipton, IA.
Uday Singh, 21, Army, Lake Forest, IL.
Clarence E. Boone, 50, Army, Fort Worth, TX.
Raphael S. Davis, 24, Army, Tutwiler, MS.
Ryan C. Young, 21, Army, Corona, CA.
Arron R. Clark, 20, Army, Chico, CA.
Ray J. Hutchinson, 20, Army, League City, TX.
Joseph M. Blickenstaff, 23, Army, Corvallis, OR.
Steven H. Bridges, 33, Army, Tracy, CA.
Christopher J. Rivera Wesley, 26, Army, Portland, OR.
Jason G. Wright, 19, Army, Luzerne, MI.
Todd M. Bates, 20, Army, Bellaire, OH.
Richard A. Burdick, 24, Army, National City, CA.
Jerrick M. Petty, 25, Army, Idaho Falls, ID.
Aaron T. Reese, 31, Army, Reynoldsburg, OH.
Marshall L. Edgerton, 27, Army, Rocky Face, GA.
Jarrod W. Black, 26, Army, Peru, IN.
Jeffrey F. Braun, 19, Army, Stafford, CT.
Rian C. Ferguson, 22, Army, Taylors, SC.
Kimberly A. Voelz, 27, Army, Carlisle, PA.
Kenneth C. Souslin, 21, Army, Mansfield, OH.
Nathan W. Nakis, 19, Army, Corvallis, OR.
Christopher J. Holland, 26, Army, Brunswick, GA.
Glenn R. Allison, 24, Army, Pittsfield, MA.
Charles E. Bush, Jr., 43, Army, Buffalo, NY.
Stuart W. Moore, 21, Army, Livingston, TX.
Edward M. Saltz, 27, Army, Bigfork, MO.
Benjamin W. Biskie, 27, Army, Vermilion, OH.
Eric F. Cooke, 43, Army, Scottsdale, AZ.
Christopher F. Soelzer, 26, Army, Sturgis, SD.
Christopher J. Splinter, 43, Army, Platteville, WI.
Michael E. Yashinski, 24, Army, Monument, CO.
Thomas W. Christensen, 42, Army, Atlantic Mine, MI.
Stephen C. Hattamer, 43, Army, Gwinn, MI.
Charles G. Haight, 23, Army, Jacksonville, AL.
Michael G. Mihalakis, 18, Army, San Jose, CA.
Michael J. Sutter, 26, Army, Tinley Park, IL.
Ernesto M. Blanco, 28, Army, San Antonio, TX.
Rey D. Cuervo, 24, Army, Laguna Vista, TX.
Curt E. Jordan Jr., 25, Army, Green Acres, WA.
Justin W. Pollard, 21, Army, Foothill Ranch, CA.
Dennis A. Corral, 33, Army, Kearney, NE.
Solomon C. Bangayan, 24, Army, Jay, VT.
Kimberly N. Hampton, 27, Army, Easley, SC.
Eric T. Paliwoda, 28, Army, Goodyear, AZ.
Marc S. Seiden, 26, Army, Brigantine, NJ.
Luke P. Frist, 20, Army, West Lafayette, IN.
Jesse D. Mizener, 24, Army, Auburn, CA.
Craig Davis, 37, Army, Opelousas, LA.
Michael A. Diraimondo, 22, Army, Simi Valley, CA.
Christopher A. Golby, 26, Army, Johnstown, PA.
Gregory B. Hicks, Army, Duff, TN.
Nathaniel H. Johnson, 22, Army, Augusta, GA.
Philip A. Johnson, Jr., 31, Army, Mobile, AL.
Ian D. Manuel, 23, Army, Jacksonville, FL.
Jeffery C. Walker, 33, Army, Havre de Grace, MD.
Aaron A. Weaver, 32, Army, Inverness, FL.
Ricky L. Crockett, 37, Army, Broxton, GA.
Keicia M. Hines, 27, Army, Citrus Heights, CA.
Roland L. Castro, 26, Army, San Antonio, TX.
Cody J. Orr, 21, Army, Ruskin, FL.
Larry E. Polley Jr., 20, Army, Center, TX.
Edmond L. Randle, 26, Army, Miami, FL.
Kelly Hornbeck, 36, Army, Fort Worth, TX.
Gabriel T. Palacios, 22, Army, Lynn, MA.
James D. Parker, 20, Army, Bryan, TX.
Michael T. Blaise, 29, Army, Macon, MO.
Brian D. Hazelgrove, 29, Army, Fort Rucker, AL.
Jason K. Chappell, 22, Army, Hemet, CA.
Ervin Dervishi, 21, Army, Fort Worth, TX.
Kenneth W. Hendrickson, 41, Army, Bismarck, ND.
Randy S. Rosenberg, 23, Army, Berlin, NH.
Keith L. Smette, 25, Army, Fargo, ND.
William R. Sturges Jr., 24, Army, Spring Church, PA.
Adam G. Mooney, 28, Army, Cambridge, MD.
Matthew J. August, 28, Army, North Kingston, RI.
James T. Hoffman, 41, Army, Whitesburg, KY.
Luke S. James, 24, Army, Hooker, OK.
Lester O. Kinney, 27, Army, Zanesville, OH.
Travis A. Moothart, 23, Army, Brownsville, OR.
Cory R. Mracek, 26, Army, Hay Springs, NE.
Patrick Dorff, 32, Army, Buffalo, MN.
Sean G. Landrus, 31, Army, Thompson, OH.
Luis A. Moreno, 19, Army, New York, NY.
Juan C. Cabralbanuelos, 25, Army, Emporia, KS.
Holly J. McGeogh, 19, Army, Taylor, MI.
Eliu A. Miersandoval, 27, Army, San Clemente, CA.
Armando Soriano, 20, Army, Houston, TX.
Roger C. Turner Jr., 37, Army, Parkersburg, WV.
Seth J. Dvorin, 24, Army, East Brunswick, NJ.
Joshua L. Knowles, 23, Army, Sheffield, IA.
Richard P. Ramey, 27, Army, Canton, OH.
Thomas D. Robbins, 27, Army, Schenectady, NY.
Elijah Tai Wah Wong, 42, Army, Mesa, AZ.
Christopher Bunda, 29, Army, Bremerton, WA.
Jude C. Mariano, 39, Air Force, Vallejo, CA.
William C. Ramirez, 19, Army, Portland, OR.
Patrick S. Tainsh, 33, Army, Oceanside, CA.
Eric U. Ramirez, 31, Army, San Diego, CA.
Bryan N. Spry, 19, Army, Chestertown, MD.
Nichole M. Frye, 19, Army, Lena, WI.
Michael M. Merila, 23, Army, Sierra Vista, AZ.
Christopher M. Taylor, 25, Army, Daphne, AL.
Jeffrey C. Graham, 24, Army, Elizabethtown, KY.
Roger G. Ling, 20, Army, Douglaston, NY.
Henry A. Bacon, 45, Army, Wagram, NC.
Matthew C. Laskowski, 32, Army, Phoenix, AZ.
Stephen M. Wells, 29, Army, Egremont, MA.
Michael R. Woodliff, 22, Army, Port Charlotte, FL.
Michael J. Gray, 24, Navy, Richmond, VA.
Gussie M. Jones, 41, Army, El Paso, TX.
Matthew G. Milczark, 18, Marine Corps, Kettle River, MN.
Edward W. Brabazon, 20, Philadelphia, PA.
Richard S. Gottfried, 42, Lake Ozark, MO.
Bert Edward Hoyer, 23, Ellsworth, WI.

Mr. HYDE. Mr. Speaker, I am pleased to yield 30 seconds to the distinguished gentleman from California (Mr. HUNTER).

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding me the time.

I just have to remind the distinguished minority leader that, in fact, every troop who is in country now and every civil servant has body armor in the fight, in the fight. Every frontline troop moving up to Baghdad had body armor, and I would say further to the gentlewoman that the Humvees, the jeeps that we have, have never been manufactured with body armor until very recently to meet the new challenge of the IEDs, and we are armoring them in rapid fashion, and many Members on her side voted against the supplemental appropriation that provided both body armor and armor for the Humvees.

Mr. MURTHA. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, the distinguished gentleman, Chairman of the Committee on Armed Services, is respected by all of us here. I thank him for his service to our country.

Would the gentleman inform the Members of this body when all of the troops had the body armor? As of when?

Mr. HUNTER. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, it was a frontline troop that moved into the major assault, going up through, leaving Kuwait, last year starting on this anniversary, moving up through Iraq.

Ms. PELOSI. Starting this anniversary?

Mr. HUNTER. Every frontline troop. That meant every troop that was in the front line had both types of body armor; that is, the old type of body armor and the new.

Ms. PELOSI. As of when? As of when?

Mr. HUNTER. Every one. When they moved across the line, every frontline troop had it. Then what we did was we gave body armor over the last several months not only to the troops that were the frontline troops but every single troop.

Ms. PELOSI. As of when? As of when?

Mr. HUNTER. Every frontline troop had it when they moved across the line.

Ms. PELOSI. But when did every troop have it? As of when?

Mr. HUNTER. When they moved across the line from Kuwait.

Ms. PELOSI. The gentleman knows that they only had it as a matter of weeks, and they would not have had it without the gentleman from Pennsylvania's (Mr. MURTHA) help.

The SPEAKER pro tempore (Mr. ISAKSON). The Chair would observe the gentleman from Pennsylvania (Mr. MURTHA) has 4½ minutes remaining, and the gentleman from Illinois (Mr. HYDE) has 2 minutes remaining.

Mr. HYDE. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Texas (Mr. DELAY), the distinguished majority leader.

Mr. DELAY. Mr. Speaker, after this partisan debate, I want to open my remarks by saying I agree with Bill Clinton who in December of 1988 said, "There should be no doubt, Saddam's ability to produce and deliver weapons of mass destruction poses a grave threat to the peace of that region and the security of the world." I could not have put it better myself.

Unfortunately, too many in the minority, faced with the harsh realities of the war on terror, have not even tried to say it at all. Too many seem to be in denial. Too many seem to prefer to ignore the war on terror or choose to see it as "far less of a military operation and far more of a law enforcement operation."

Well, Mr. Speaker, this is a fundamental debate before us today. Are we at war or are we not? Should the United States appease international terrorists and pretend that they are a law enforcement problem or fight them as the military threat that they are? Let us consider the records of these competing positions.

First, the appeasement approach. Through the 1990s, the United States and our allies were victimized by progressively deadlier and more audacious terrorist attacks, and in accordance with the international law enforcement strategies, our leaders did nothing. They passed U.N. resolutions and they issued subpoenas and indictments. They wrung their hands about root causes, and they tried to reduce the problem of international terror to a dorm-room dialectic.

Meanwhile, as we listened to doubletalk about constructive engagement and cross-culture dialogues, they gutted the national security and intelligence infrastructure of this Nation. They slashed our military budget and surrendered national interests to the higher authority of international institutions. And on September 11, 2001, on September 11, 2001, we witnessed the tragic and the inevitable consequences of the international law enforcement approach.

By contrast, America's foreign policy since 9/11 has been to wage war on the terrorists before they wage war on us. In Afghanistan, in Iraq, in the Philippines, in southeast Asia, everywhere in the world a terrorist sticks his head out of a cave, there will we fight, fight the terrorists, their networks, their allies, their financiers and, most importantly, their state sponsors.

Enter Saddam. One year ago, Iraq was still enslaved, still ruled by an unstable psychopath who started two regional wars, two regional wars in just a decade, who possessed and used weapons of mass destruction against his own people when he gassed the Kurds in 1988, who funded international terrorism and provided terrorists a safe haven; a mass murderer, sitting atop a nuclear, chemical, and biological weapons program, a ticking bomb, a ticking time bomb, a nuclear 9/11 waiting to happen.

So we violated the principle tenet of the international law enforcement approach. We acted, and in less than a year, since Iraq's liberation, a preliminary constitution, the most progressive of its kind in the region, has been signed by its leaders. Elections will soon be scheduled and the human right, the human right of self-determination will be exercised by the Iraqi people.

Had we not acted, as our opponents wished, Iraq would still be enslaved. Terrorists would still enjoy a strategic ally and a safe haven and a financier in Baghdad, and we would still be fighting the war on terror with U.N. resolutions and losing; but instead, Iraq is free, America is safer, and the world has changed for the better.

Now, terrorists have no safe harbors in Afghanistan and Iraq nor potential partners in Saddam Hussein or Moammar Qaddafi's weapons of mass destruction programs. States once conflicted about terrorism, like Pakistan, Saudi Arabia, and others are now vital allies in the war, providing us with invaluable intelligence and assistance. And for all these reasons, Operation Iraqi Freedom and the courageous policies that set it in motion have won the most significant battle yet in the war on terror, and yet appeasers who endorsed the law enforcement approach, who did nothing to deter terrorism in the 1990s, had the audacity to call the Bush doctrine and Operation Iraqi Freedom reckless.

Well, what would you have us do? Wait until Saddam proved that he had nuclear weapons by detonating one in New York City? Wait like we waited for al Qaeda to prove that they really meant business on September 11, 2001? A war raged and many people did not know it. A war raged for 8 years and our national policy on Iraq was regime change, which had overwhelming bipartisan support and yet nothing was done. Six dead in the World Trade Center bombing, 19 dead at Khobar Towers, 224 dead in the African Embassy bombings, 17 sailors dead on the USS *Cole*, 3,000 dead on 9/11. And you speak to us about recklessness?

People are dying and the course of human history hangs by a thread, and that thread, Mr. Speaker, is the moral courage of this Nation.

In the name of justice, vote yes on this resolution to affirm the liberation of Iraq as a victory for all humanity over barbarism. In the name of decency, vote yes to salute our brave and compassionate troops, and in the name of freedom, vote yes to reaffirm that the citizens of these United States of America will never abandon the cause of human liberty, no matter how terrifying its enemies or tempting the platitudes of appeasement.

Support the resolution and make our voices heard. No retreat, no surrender, and no apologies. Victory, Mr. Speaker, only victory.

Mr. MURTHA. Mr. Speaker, I yield for the purpose of a unanimous consent to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to associate myself with the words of the gentleman from Pennsylvania (Mr. MURTHA) and salute the troops and emphasize that the world is not yet safe.

Mr. Speaker, every one of us in the House of Representatives supports our troops. We are proud of their services for this Nation. However, this is a complex issue. The War in Iraq has become costly and contentious. The American people are concerned for the future of Iraq, and for our own future. They deserve to hear that the House of Representatives is engaging in a thoughtful discussion of the progress and challenges before us in Iraq.

Unfortunately, on the one-year anniversary of the invasion of Iraq, instead of looking objectively at the situation in Iraq and discussing how we got there and how we could have done things better, we are spending hours on the Floor just discussing a partisan resolution that is just an opportunity for the leadership to wave the flag and pat each other on the back. The American people and our troops deserve a more thoughtful process.

The Republicans put out a resolution, with no input from the many Members on our side with decades of experience on issues of diplomacy and foreign policy. The resolution is deeply-flawed in its incompleteness. It jumps out at me that there is no mention of the words "democracy" or "women" or even "freedom". What are we fighting for? What do we want out of this struggle? It used to be about Weapons of Mass Destruction, but now we are hearing that there probably have not been any banned weapons in Iraq in over a decade. It used to be about 9/11; now even the President has admitted that there is no connection between Saddam Hussein and Osama bin Laden. Now it is about "liberating" the people of Iraq. That is what we lost almost 600 of our sons and daughters for, and almost $200 billion—while thousands of Iraqis and losing the respect and admiration of the world community. But if liberation was the goal, why does the Republican resolution not mention the principles we are fighting for, and the tremendous costs we have incurred fighting for them?

Obviously, I feel the discussion this week should be taking a much different course.

In a time when we are trying to encourage democracy in Iraq and Afghanistan, we should not be hindering democracy in our own Congress. I had three amendments that would have enhanced the underlying resolution, drawing attention to some of the successes that have come from the toils of our troops and the Iraqi Governing Council, and pointed to directions where progress is needed.

The first amendment simply would have encouraged the Iraqi Governing Council to enhance the role of women in the governing process. During the transition from a brutal dictatorship to a true representative democracy, it is critical that women are not left out of the mix. Great strides are being made to provide opportunities for Iraqi women to take leadership positions. That should be encouraged and reinforced. Instead the subject is not mentioned in H. Res. 557. I believe the omission was probably just an oversight that could have been easily corrected with a quick amendment. Instead we are missing an opportunity because the Republican leadership is not allowing amendments to their resolution.

Similarly, I was surprised to notice that the word "democracy" is nowhere to be found in the underlying resolution. Isn't it the principles of freedom and democracy that our soldiers are fighting for? My second amendment would have added a sense of Congress that the Iraqi Governing Council should continue on the path toward making Iraq a free and just democracy.

My third amendment may have been more controversial, but I believe it would have made the most important contribution. Our soldiers are now risking their lives fighting for a cause that has been called into question by our own experts and those from around the world. I didn't vote to send our troops to War, but I understand that many who did thought they were doing it to prevent a chemical, biological, or nuclear weapon from being launched at the U.S. from one of Saddam Hussein's alleged stockpiles of such WMDs. Now we are learning from Dr. David Kay and others, that such stockpiles were probably not there when War broke out. Other Members and some people in the American public supported the War because they were told Iraq somehow helped cause 9/11. Now, the President had told us that there is no reason to think there was such a connection.

I agree that Saddam Hussein was a horrible man. A decade ago, he was also dangerous to our allies in the region. But a decade of sanctions, precision strikes by our brave pilots, and patrols of the no fly zone—left him basically impotent. We need to find out why this administration was telling us otherwise. It is the duty of Congress to exercise our oversight of the executive branch, to immediately launch full Congressional hearings to determine how our intelligence failed, or how intelligence might have been misused or abused in the run-up to war. We owe it to our soldiers and our future soldiers to prevent future lapses.

Some may argue that "Intelligence is never perfect." Misjudging the size of a stockpile is, or thinking the missiles with anthrax are in Baghdad when actually they are in Tikrit—that is an "imperfection" in intelligence. However, when our President, Secretary of Defense, Director of the NSC, and Secretary of State are warning us of imminent threats and mushroom clouds—when the U.N. weapons inspectors are on the ground getting unprecedented access and can even bring senior Iraqi scientists to the U.S. for questioning—When we go to war and kill tens of thousands of Iraqis, and lose almost 600 of our own sons and daughters, and billions of dollars of taxpayer dollars, and lose the respect of the world community—that is not "imperfection" that is just a fundamental breakdown of our system.

We cannot base our foreign policy on such flawed intelligence in the future. It is up to Congress to find out what went wrong and start to fix the problem. My amendment would have started the process by calling for immediate hearings and a report to be produced by the end of the year.

But, we could not even debate that possibility on the Floor. It does not make sense. It is undemocratic. I would have liked to support the underlying resolution, but its failure to be forthright, to admit the need for more progress on the war on terrorism and the need for further investigation of our nation's representation that Iraq had at the time of the war, Weapons of Mass Destruction leaves me little choice but to vote no on partisanship.

I did not think we needed to go to War last year, while U.N. inspectors were making unprecedented progress in demonstrating that Saddam Hussein had no WMDs. We could have waited, and focused on terrorists like Al Queda and Osama bin Laden instead of broadening our scope and getting distracted by Iraq. Now we have compromised our military, compromised our budget, compromised our world standing, and embarked on a mission that could leave us in more danger than we were before.

As we look at the tragedy last week in Madrid, and then today with the bombing of the Palestine Hotel in Baghdad, we see that there is much work left to be done to make the world safer. It does not make sense to embark on that mission only drawing on half of our government's expertise. We need to work in a bipartisan fashion and in support of our troops and for real peace in Iraq and around the world.

It would have been a symbolic first step to work together on today's resolution.

Mr. MURTHA. Mr. Speaker, I yield to the gentlewoman from California (Mrs. DAVIS) for the purpose of a unanimous consent request.

Mr. MURTHA. Mr. Speaker, I yield myself such time as I may consume.

I went to Austin with the gentleman from California (Mr. LEWIS), the gentleman from Florida (Mr. YOUNG) after the President was elected but before he was inaugurated, and I sat at his table, and I said to him, Mr. President, you do not have to worry about missile defense, you have got to worry about terrorism and you have got to worry about nuclear proliferation.

Then I came back, we went to committee, and under the leadership of the gentleman from California (Mr. LEWIS) we moved $1.4 billion out of missile defense and put it into counterterrorism on September 11, 2001. We could not finish our markup that day because of what happened. One of the planes went down in my district. That was the start of the war against terrorism because those passengers in that plane took a stand. They got up and fought that plane to the ground. The plane was probably coming towards the Capitol of the United States.

The reason that I am so upset about this resolution, not only because they did not consult any of us, but because the terrorists worked with a calendar and we work with a clock. This is going to be a long war. We have been discredited worldwide with our intelligence.

I told the story before. When Dean Acheson, former Secretary of State at the time, went to meet with President de Gaulle to show him the evidence of the Cuban missiles in Cuba, and he offered to show him photographs, he said, I do not need to see the photographs, I will take the word of the President of the United States.

We have been discredited because our intelligence was faulty. I believed there was weapons of mass destruction. I believed that there was an al Qaeda connection. None of this has turned out to be true.

A constituent of mine said in pointing to me, he said, Never in history have so many been misled by so few. I said, You mean me? He said, I mean you, Mr. MURTHA. He said to me, Before I voted on the resolution and before we went to war, he told me, I have confidence in your vote; .I have confidence we should go to war and put our soldiers in harm's way because I know you have the inside and you know the truth.

Well, let me tell my colleagues, the preamble to this paper is what makes me so upset. We are trying to justify what we did. Look, no question about Saddam Hussein being a bad guy, but that is not why we went to war. If we took the preamble and we put that as a resolution, there would not have been a resolution. When they ask me if you would have voted for this resolution if you know what you know, I said there would not have been a resolution because the resolution would not have come up because there was no threat to our national course, national security.

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This is going to be a long war, and I am going to be right there. I am going to be voting for something that means something. I am going to be voting for the money, for the troops, for all the things they need. The gentleman from California (Mr. LEWIS) and I stand shoulder to shoulder. Only 16 people voted against our defense bill. I do not think that many voted against the authorization bill of the gentleman from California (Mr. HUNTER) and the gentleman from Missouri (Mr. SKELTON).

So we are for the defense of this country, but we should not mislead the people. I have said over and over again, do not be overly optimistic. This is going to be a long haul. And if we are overly optimistic and we tell the American public and the international community and they lose faiths in us, we cannot win this war on terrorism. We have to have the support of the American public, which has dropped dramatically. And if you tell them the cost, it drops below 50 percent. Internationally they do not support us because they do not believe many of the things that we say now, and we have to have them if we are going to win this war on terrorism.

So I would ask the Members to be careful with the charges that they are making in this resolution. And I would hope the Members understand that all of us support the troops. All of us want to do everything we can; and when it comes to the money, we will be there. So I would ask all the Members to vote for the recommital motion and let us make a slight change in this resolution so that we can pass it overwhelmingly.

Mr. HYDE. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois (Mr. HASTERT), the Speaker of the House.

Mr. HASTERT. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time.

First of all, I want to say that I have the utmost respect for the gentleman from Pennsylvania. He has been a leader in this Congress for a long, long time; and I have seen him in action in the Middle East and other places. He has the utmost concern for our men in uniform and respect for them and compassion for them.

However, I have to take some difference in his conclusion; and I just want to say that when we made that decision to move into, first of all, Iraq, we all made decisions based on the information we had before us, information that a previous President had, information that we had in the Senate, information that we all looked at. It was the best information that we could bring before us. I do not think anybody in this Chamber or in this town tried to deceive anybody on that information. I would stand shoulder to shoulder with him and say we tried to make the best decisions for our men and women in this country with the information that we had.

We still do not know where weapons of mass destruction are: if they are buried, if they are in a lab someplace, or where they are. But we know that the enemy at that time had the potential to make those weapons; and for all we knew, they had those weapons.

So I rise today in support of this resolution, and I urge my colleagues on both sides of the aisle to support it. This resolution is quite straightforward. My constituents back home would call it plain talk. It is common sense. It commends the Iraqi people for adopting an interim constitution. It commends our military for their brave efforts in liberating Iraq. And it affirms to the world that the world is a better place without Saddam Hussein in power. That is what it does.

It is hard to imagine that anyone in this Chamber could be against it; yet some are. Politicians sometimes behave in strange ways in election years. We all know that. And there are those who have vowed to change our national leadership no matter what it takes. But the "no matter what it takes" approach causes folks to do some foolish things, to cast some foolish votes.

How can anyone vote against a resolution that commends our troops as they fight a just war overseas? How can anyone defend a dictator who used rape rooms as a matter of state policy? How can anyone forget the 400,000 victims in mass graves that had already been found in Iraq, brutally murdered by the Hussein regime?

There has been a lot said in the press and even on this floor about the victory of the Spanish Socialists in last Sunday's election in Spain. Clearly, the Spanish people have a right to elect their own government. But I hope that the terrorists do not draw the wrong conclusion about that election. Europe should have learned a painful lesson in the 1930s and should never return to a peace-through-appeasement strategy. Our country, the United States of America, must never adopt a policy of appeasement. We must never let terrorists take encouragement from anything that we do on the battlefield or in this Chamber.

We all must say with one voice that we were right to rid the world of the murdering thug Saddam Hussein; that our troops did the right thing to bring Uday and Qusay and all of Saddam's brutal henchmen to justice; and that the long march to democracy that has started finally both in Baghdad and Kabul is both inexorable and inevitable.

Today, with this resolution, we start the public trial of Saddam Hussein. Let us never forget the pain that he caused countless Iraqis, his neighbors, and even his so-called friends. Let us never forget the threats that he posed to America and America's allies or his willful disregard of the 17 United Nations Security Council resolutions. And let us never say that this war was in any way unjust or illegitimate.

Every brave man and woman who sacrificed their lives, their limbs, or their blood and sweat and tears to fight the Hussein regime did so for a righteous and just cause. This is not like Vietnam. Vietnam is over. This war we fight now is a war against terrorists. It is a war against those who have attacked and killed Americans abroad and on our own soil. Saddam Hussein was a terrorist of the worst kind.

Some of my colleagues might be looking for the shades of gray in this debate, but I simply do not see the gray. Saddam Hussein and Osama bin Laden are cut from the same cloth. They are both brutal killers. They both hate America with every ounce of their being. And because we are free, we want all people on Earth to be free. And they both must be brought to justice. We have Hussein, and we will get bin Laden.

Take a stand against terrorism. Take a stand for our troops. And vote for this important resolution.

Mr. DELAHUNT. Mr. Speaker, Halabja is alluded to in the resolution before us. Because Halabja is where Saddam slaughtered some 5,000 Iraqi Kurds with chemical weapons. The resolution appears to suggest that this despicable act—this crime against humanity—provides some justification for the invasion of Iraq in 2003.

But the tragedy of Halabja occurred in March of 1988. And we did nothing then. Because Saddam was our ally. And many of those currently serving in the Bush Administration were key figures in that alliance. They were fully aware of what happened in Halabja.

Our Secretary of Defense, Mr. Rumsfeld, was a special envoy to Saddam. The Vice

President, DICK CHENEY, was Secretary of Defense for the first President Bush. The Secretary of State, Colin Powell, served as both National Security Advisor and Chairman of the Joint Chiefs.

The history of our relationship with Saddam is important so that we do not repeat the errors of the 80s and 90s in today's war on terror.

Under Presidents Reagan and Bush, Iraq was removed from the terrorist list. Full diplomatic relations were restored. Billions of dollars in loan guarantees were provided to Saddam. The sale of dual-use technology for weapons of mass destruction was approved—no wonder, after the first Gulf War, that we found that Iraq had an advanced nuclear weapons program. We gave them the tools to build it. We let other countries supply U.S. military equipment. We even shared highly sensitive satellite intelligence with Saddam's army. And even though we knew Saddam was using chemical weapons against Iran, the U.S. prevented the United Nations from condemning Iraq.

According to a Congressional Research Service report, which I will insert into the RECORD, not only did we support Saddam, but when the Congress tried to impose sanctions on Iraq for the use of chemical weapons, the Reagan and Bush Administrations blocked those efforts.

I fear now we are forging similar unholy alliances in our war on terror. In Uzbekistan we are supporting a tyrant who, according to our own State Department, heads an oppressive regime that has more than 5,000 political prisoners. In Turkmenistan, we are allied with another Stalinist thug, by the name of Turkmenbashi, who has created a personality cult that rivals Saddam's. He's renamed January after himself, and the month of April after his mother.

So let us remember the lessons of Halabja. If we are going to speak of democracy and liberty, let us practice it. If we are going to talk about human rights, let us defend them. If we are sincere about the war on terror, let us not ally ourselves with those illegitimate heads of state who terrorize their own people. Let us keep what credibility we have left.

Mr. SIMMONS. Mr. Speaker, I rise today to add my support for H. Res. 557.

As I have done since the beginning of this war, I continue to focus my attention on the fine men and women of the Armed Forces that have fought so valiantly in Iraq. In particular I am pleased to recognize the contributions of the National Guard and Reserve.

The citizen soldiers of the Guard and Reserve left behind their families and careers to serve their country. We must continue to recognize those family members and employers who have also sacrificed over the last year while their loved ones served in harm's way thousands of miles away.

Today, three units from the Connecticut National Guard continue to serve in support of Operation Iraqi Freedom, while one unit has returned and yet another prepares to deploy. I had the unique opportunity to meet with many of these fine soldiers in theater during my October trip to Iraq last year. Their morale and conviction for the mission remain as strong today as it was when they deployed.

We must remember that work here in Congress remains to insure that both active duty soldiers and our Guard and Reserve units continue to get the support they need. We must continue to see an increase in the flow of up-armored HMMWVs and up-armor kits and body armor to theater. We must also make sure the troops know that the American people support their efforts in securing a world free from the threat of terrorism.

Mr. Speaker, I was not able to make the roll call vote for H. Res. 557, but had I been in attendance I ask that the RECORD reflect that I would have voted "yea," joining with my colleagues on both sides of the aisle in commending the members of the United States Armed Forces and Coalition forces for liberating Iraq. I am grateful for their valiant service.

Mr. MICHAUD. Mr. Speaker, I rise today because I believe the resolution before us only tells part of the story about our efforts in Iraq. I will vote for this resolution because of my thanks to our brave service personnel for their efforts and my hope for the creation of a free and democratic Iraq, but I am deeply disappointed in the partisan way that such an important resolution is being used to further divide our country.

This resolution portrays the case that we went to Iraq solely based on the brutality of Saddam Hussein's regime. Americans were told that Saddam Hussein presented a clear and immediate danger to the safety of the United States, and our soldiers were told they were going to Iraq to protect our country from a direct attack on our soil. We now know that justification to be false, and I believe it is a disservice to our soldiers who are risking their lives and our citizens if we do not honestly address the failures in the use of intelligence.

Saddam Hussein was a brutal tyrant who oppressed and murdered his people. It is good that he is gone. The Iraqi people now have the opportunity to create something they have never had: a free and stable country. That is a goal that I fully support.

I am proud of our military personnel for performing above and beyond the call of duty. They have demonstrated that they are the best fighting force in the world, and we should show our gratitude for the professionalism and skill with which they have carried out their mission.

But that is not the whole story. This resolution fails to recognize the great sacrifices made by our military personnel and their families, or offer condolences to the over 540 families who have made the ultimate sacrifice. This resolution offers no recognition of the dedication shown by our citizen soldiers who have been asked to serve in far greater and more dangerous capacity than many of them ever imagined. We cannot afford to forget these sacrifices.

If we truly wish to honor our soldiers. I ask my colleagues to work together in a bipartisan way to provide not just words, but actions. We need to provide the proper support so that they may safely carry out their mission, and we need to recognize that our responsibility to our soldiers does not end when they take off the uniform. We need to recognize that caring for the veterans of this country and the veterans of this war is part of the cost of defending our Nation.

Mr. OLVER. Mr. Speaker, I support our courageous men and women in uniform who are bearing the burden of this military action in Iraq. I am deeply grateful for their patriotism, and their sacrifice.

Unfortunately, this resolution does not simply support our troops—it is an endorsement of this President's policy of unilateral, preemptive military action, and it makes the dubious assertion that the world today is safer than it was before the Iraq war began.

Considering that the President's budget does not request a single dollar for the ongoing military operations in Iraq and Afghanistan or provide the health care and benefits that our wounded servicemen and women deserve when they come home, I find it deeply ironic that the leadership of this House is so eager to offer a resolution praising our troops but empty of material support.

I would have happily supported an honest and fair resolution expressing support for our troops, but that is not what we are being asked to vote on today. The fact is President Bush and the Republican majority have not provided our troops in Iraq the body armor and armored vehicles they need to be as safe as they can be. The Administration has not explained its faulty "intelligence" to justify the decision to go to war or its failure to plan adequately for the post-war occupation of Iraq. The President clearly has not provided the Congress with an accurate accounting for the costs of the ongoing military operations in Iraq.

This resolution makes no mention of the more than 550 American service men and women who have been killed, another 2,500 Americans wounded, many grievously, or the thousands of Iraqis who have died during this conflict. Nor does this resolution mention the more than 200 people killed just last week in Madrid, and those who have been killed in numerous other terrorist attacks since the war began. It is hypocritical and disingenuous for the sponsors of this resolution to claim that the world is a safer place while ignoring the fact that terrorist operations in response to our occupation of Iraq are occurring with alarming frequency.

Mr. Speaker, like all of my colleagues, I am happy that Saddam Hussein no longer has the power to abuse and slaughter his own people—but unlike the claim made in this resolution, I do not believe that the world is a safer, less dangerous place than it was twelve months ago. Nor do I believe that we have provided our troops everything that they need to do their job properly.

The resolution that we are voting on today is really just a reminder of what the Bush Administration would like us to forget from the past year—the hidden costs, the faulty intelligence, the failure to find weapons of mass destruction, the false claims of links between al-Qaeda and Saddam Hussein, and the rising number of dead and wounded—and I cannot support it.

Ms. CORRINE BROWN of Florida. Mr. Speaker, as it should be, military service is being held in high esteem. What strikes me when I visit our military bases and Walter Reed Army Medical Center, is the age of those who have answered the call to duty throughout America's history. In this war, as in those of our past, we send our young. They are the best of the best. Their motto might well be, in the words of Alexander Pope, "Act well your part, therein all honor lies."

Spc. Jeffrey Wershow, a National Guardsman from Gainesville, Florida, is a shining example of Pope's words. He was a patriotic young man with passion and heart who left this world too early. His dreams included law school and public service. Spc. Wershow wanted to change the world, and he did.

I stand 100 percent behind our troops. All those who deserve our appreciation, our respect, and our compassion. The brave men and women in uniform who have volunteered to defend our country are in my thoughts, and in my prayers. I pledge to work to ensure that they have all the resources necessary to help them accomplish their mission quickly and safely so that they can return home to their families.

I want to salute the 566 U.S. troops killed in the year that troops have been in Iraq. Our Nation is humbled by their allegiance, service and sacrifice. I pray that their families will find comfort and peace. To date, 3,254 U.S. troops have been physically wounded. I wish them a speedy recovery and happiness as they return to their family and friends. An untold number of troops will not bear physical scars from this war, but will struggle with their time in Iraq when they return home. I pledge that I will not forget their service and will stand with them when they come home to America. Thousands of Iraqi civilian casualties have been reported. I want the Iraqi people to know that my heart goes out to them during this difficult period.

May God bless our troops and may God continue to bless America.

Mr. KIND. Mr. Speaker, I rise today in support of H. Res. 557, "relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces." First and foremost, I believe that it is important to take this time to honor the men and women of our armed forces who have sacrificed under difficult and dangerous conditions to make our military efforts successful in Iraq. It is also important to recognize the sacrifices of the families of our troops, friends, and those who employ the members of our Guard and Reserve forces deployed overseas. Our appreciation goes out to these individuals for their support during these challenging times.

Last October I had the opportunity to visit with our military men and women in Iraq and survey the operations of the U.S. reconstruction mission to Iraq. I have never been more proud to be an American than when I witnessed our troops fulfilling their mission in difficult and dangerous circumstances. While we still have a long way to go in Iraq, I saw many signs of progress in helping meet the basic needs of the Iraqi people.

From Wisconsin alone there are over 1,460 members of the Air and Army National Guard who are serving on active duty. This includes military units activated from the Third Congressional District, which I represent. Wisconsin's 229th Army National Guard Engineer Company from Prairie Du Chien and Platteville, and 652nd Army Reserves Engineer Company from Ellsworth are currently serving in Iraq.

We welcomed the members of Wisconsin's 829th Army National Guard Engineer Detachment from Richland Center back home recently. We also welcomed back members of Wisconsin's 1158th Army National Guard Transportation Detachment from Black River Falls and Tomah, serving in Fort Irwin, CA. In addition, the 128th Infantry Battalion headquartered in Eau Claire was recently alerted for possible mobilization. The people of western Wisconsin are proud of their service and the service of all men and women of our armed forces during this important time in our Nation's history. I also want to recognize the incredible work of the people at Fort McCoy and Volk Field in western Wisconsin. They are working countless hours to get our troops ready.

As the day pass, we must not forget those who have died in the mission to liberate the people of Iraq. Over 540 American soldiers have died while serving in Iraq. 2LT Jeremy Wolfe, MAJ Christopher Splinter, and PFC Bert Hoyer from the Third District in Wisconsin, each paid the ultimate sacrifice to give the people of Iraq the greatest gift of all—their freedom. These young men exemplify all that is good and decent about America. Their loss is tragic; their sacrifices should not be forgotten.

I do, however, have reservations about certain language in this resolution, in particular, the references to the world being safer with the removal of Saddam Hussein. That subject is highly debatable. While I agree that the Iraqi people are better off free from the tyrannical rule of Saddam Hussein, the most critical threat to international security is still at large and still very active. To this day, it is al Qaeda, who remains the number one security threat and we must combat that international threat with an international coalition.

It is al Qaeda that was directly responsible for the attacks on September 11 and it is al Qaeda that is reconstituting itself as a truly global terrorist threat. As we know now, Saddam Hussein's regime, as ruthless as it was, did not possess an imminent threat against its own neighbors, let alone against the United States. We still need a thorough investigation of our intelligence failures so future miscalculations, that change world opinion against us, are not repeated.

As our military effort continues, I, and other Members of Congress will work to ensure that our service men and women have all the resources necessary to fulfill this continuing mission. My thoughts and prayers are with those serving our country, as well as their families. America is firmly behind our troops and we are all hoping to see them home safe, secure and soon.

May God continue to bless these United States of America.

Mr. HEFLEY. Mr. Speaker, I rise today in support of H. Res. 577. Under the dictatorship of Saddam Hussein, the Iraqi people lived in poverty and fear. During his 30-year reign of tyranny, he massacred tens of thousands of his own people, some murdered for their religion, some for their ethnicity.

On March 19, 2003, the United States and its Coalition partners launched the first air strikes of Operation Iraqi Freedom. On the evening of April 9, 2003, Iraqis danced and waved their country's flag in central Baghdad as U.S. forces toppled a huge statue of Saddam Hussein. In a matter of weeks, Hussein's decades-old regime was dismantled and 25 million Iraqis were liberated from one of the world's most brutal tyrannies.

Operation Iraqi Freedom was a military success, courageously executed by American men and women in uniform. It was an operation of unparalleled precision and speed, and was carried out in a way that prevented widespread destruction of Iraq's infrastructure, lengthy street-by-street fighting or a humanitarian crises. Food and medical aid flowed into Iraq immediately after the troops, and there was no "adventurism" by Iraq's neighbors or other destabilizing action in the region.

Coalition successes include delivering some 3.3 million metric tons of food to Iraq; all 240 hospitals in Iraq and more than 1,200 clinics are open with more then 90 percent of Iraq's 4.3 million children under the age of 5 have been vaccinated against diseases including polio, tetanus, diphtheria, measles and tuberculosis; two-thirds of potable water production in Iraq has been restored, treating nearly 800 million liters a day, benefiting 3.5 million people; electric power generation has surpassed 4,400 megawatts of electricity in contrast to only 300 megawatts prior to the war; average crude oil production has reached 2.5 million barrels per day and since June 2003 oil sales have generated more than $5 billion in revenue for Iraqi reconstruction.

One year later, Iraqis are engaged in the enormous challenge of rebuilding their country after decades of neglect, and are working with the Coalition toward the creation of a secure, stable, sovereign and peaceful Iraq. To date, in nearly all major cities and most towns and villages, Iraqi municipal councils have been forced, and for the first time in more than a generation the Iraqi judiciary is fully independent. More than 600 Iraqi judges preside over more than 500 courts that operate independently from the Iraqi Governing Council and from the Coalition Provisional Authority.

Mr. Speaker, U.S. forces are handing the torch to the Iraqi people as they take control of their own resources, form an army, build an effective police force and develop a fair justice system. Thousands of Iraqis now provide security for their fellow citizens, and Iraqi security forces now account for more than half of all forces in Iraq. Every day more and more Iraqis who know that a free Iraq will change the world are stepping forward to ensure a more prosperous and free Iraq. And Iraqis who once fearfully followed a fluid and unwritten law now have the assurance of a fair and reliable bill of rights that ensures equality for all.

Some skeptics continue to suggest that military action in Iraq was wrong, that preemption is never the answer and that Iraqis would have been better off left to the will of Saddam Hussein. Today, however, Iraq has been freed from the grips of fear, a liberated people are cultivating their resources and exploring their free lands, and the world is also a safer place because of Saddam's removal.

Mr. SHAYS. Mr. Speaker, I rise in strong support of H. Res. 557.

A year ago this week a remarkably successful military campaign began against Saddam

Hussein's brutal dictatorship. As we honor the brave men and women of our Armed Forces who waged this battle and the Iraqi people who strive to establish a free and open society, we reflect on the tremendous sacrifice they have made and on the hard work that remains to be done.

We knew ridding the world of Saddam Hussein and introducing democracy to Iraq was not going to be easy. During four trips to Iraq since April, I have seen the strength and courage of our forces as they worked alongside Iraqis rebuilding schools by day, and risking their lives patrolling those same streets by night.

At the 1-year anniversary of military action, we extend our heartfelt thanks to the men and women of our military who continue to sacrifice in Iraq. We also honor the Iraqi people who, by signing an interim constitution, have taken a bold step in the pursuit of freedom.

Mr. HONDA. Mr. Speaker, while I am a staunch and unwavering supporter of our Nation's troops, I must rise in opposition to this resolution.

One year ago, the United States invaded Iraq, a unilateralist strike approved by Congress because President Bush told us that Saddam Hussein had weapons of mass destruction and was prepared to use them.

The Bush administration, in fact, assured the country that we faced imminent danger.

Today, we know that President Bush and his advisors made dozens—perhaps hundreds—of misleading statements about the threat posed by Iraq. Yet H. Res. 557 makes no reference to weapons of mass destruction, the leading justification for our supposed "preventive" strike at Saddam Hussein, other than to mention the use of such weapons some 16 years ago.

This is an attempt by the Republican Party to rewrite history and avoid accountability for their false claims about the nature of the Iraqi threat. Nobody from the Democratic side of the aisle was allowed to provide input on the resolution.

Let us remember: CIA Director George Tenet has admitted that U.S. intelligence never told the White House that Iraq posed an imminent threat; former Chief U.N. Weapons Inspector Hans Blix has stated that President Bush disregarded any evidence suggesting that Iraq lacked weapons of mass destruction; even David Kay, the Bush administration's hand-picked head of the U.S. post-war weapons inspection effort, has stated that the Iraq war "was not worth it" and recognized that weapons of mass destruction "don't exist."

But instead of taking responsibility for its repeated deception, Republicans now want to avoid any accountability for this misguided war by claiming to honor our troops.

More than 550 Americans have been killed in the Iraq war and occupation, and thousands more wounded, yet the Bush administration and the Republican congressional leadership refuse to admit that they were wrong.

I call for a full accounting of the events leading up to the war in Iraq. Until then, the American people cannot fully trust what their President tells them—especially when it comes to life and death decisions.

Mr. Speaker, I rise in strong support of our armed forces, but stand opposed to this resolution.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise in support of the United States forces in Iraq. I also salute the troops from 34 other nations who have also fought to liberate Iraq from the clutches of tyranny and despotism.

Our armed forces have performed with the utmost skill and bravery. They deserve our gratitude and support. They have not only been warriors in the heat of the battle and in the fog of war, they have also served as change agents, transforming upheaval into pace.

However, both time and the facts have proven that we were led into war with the weapons of mass distortion. We have since learned that our reasons for sending our troops to Iraq were based on faulty intelligence.

Assumptions about Iraq's weapons of mass destruction were incorrect. President Bush admits that the United States has no evidence linking Saddam Hussein to the 9/11 attacks, despite the Administration's timing conflating al-Qaeda-led terrorism and Saddam's regime.

Plans for rebuilding Iraq were woefully inadequate, and cost estimate absurdly low. Rather than catalyzing Mideast peace, the region is again awash in violence.

The Administration's arrogant dismissal of our allies' concerns has made it all the more difficult to win their financial and military support for post-war efforts.

One part of winning the war against terror is proving to the world that America stands with freedom, champions the weak and aids the righteous. We are failing in that effort.

The Administration has boasted that America, as well as the world, is now safer because of the toppling of Saddam Hussein. Twenty-five million Iraqis will attest to this. While the threat of Saddam Hussein may be gone, al-Qaeda is still a clear and present danger. As recent news headlines attest, the people of Spain are reeling from the dastardly acts of this hydra-headed monster.

The war in Iraq and the intensified conflict in the Middle East has increased anger at the United States, and people throughout the world have lost faith in America's foreign policies.

America's foreign policies should be driven by human rights, justice and equality—values that would decrease the threat to terrorism—and not by corporate interests.

I agree with this resolution on two points: the Iraqi people have been courageous and Saddam Hussein was a brutal and dangerous dictator.

A year ago, my constituents demanded answers to their many questions. How much would a war with Iraq and subsequent occupation cost taxpayers? How would this be paid for when the federal government is running large deficits? Will it be worth it? How long will we be there? All of these questions about Iraq remain unanswered.

I told them that there were no guarantees that we could replace the current regime with a viable alternative that would bring stability and peace to the region.

I hoped my grim predictions were wrong.

Mr. Speaker, I would never turn my back on our troops and our commitments. Our Nation is at war. We do know that the sons and daughters of all our many communities are engaged in the dangerous and unpredictable duties that are carried by the Armed Forces in a time of war. Our military, including overburdened national reservists, are stretched thin and remain vulnerable to deadly attacks.

Mr. Speaker, Iraq was neither an immediate or imminent threat to the security of the American people. Iraq's structural integrity did depend on fear, violence, illicit oil revenue and the illegitimate authority of one man and the party he led.

But was that enough to justify the more than 565 lost lives of American soldiers and more than 2000 wounded that will have to return to their communities where jobs are not available?

Post-war chaos and disorder in Iraq has proven to be just as destructive to human life as the actual war.

I believe this resolution fails to point out that following the devastation of World War II, the United States showed tremendous leadership in the world as we created international institutions and a framework of international law to prevent war and to sustain and maintain peace.

We were the leaders in promoting a world where conflicts could be resolved peacefully and cooperatively. While never perfect, this system of international institutions has been remarkably effective.

I and many others around the world are shocked and dismayed by the unilateral, confrontational approach that the Bush Administration has taken in the world arena.

We must recognize the consequences in the world community of our rejection of Kyoto, of the International Criminal Court, of the treaty to ban land mines, and our own withdrawal from the ABM treaty.

We must be mindful about how our criticism of the UN and NATO are heard throughout the world community.

We have to recognize that after 9-11, the world came together in solidarity with our loss, working with us to find the perpetrators, to break up Al Qaeda and to arrest its leaders.

It should have been abundantly clear that fighting terrorism and protecting American security would require friends and allies; cooperation, not confrontation.

Yet, the Adminatration instead engaged in a singled-minded drive to achieve its Iraqi objectives at a deadly cost instead of developing a policy to deal with Iraq by working with our allies, by working with the world community.

Even if the Administration gets what they want this time, what is the long term damage to our international relationships? How will it impact our efforts to stop terrorism and protect the security of the American people?

I am worried. The people that I represent are very anxious. My colleague from Maine earlier circulated a dear colleague about this resolution. I would like to emphasize the points he highlighted in his Dear Colleague:

> The Republican leadership has scheduled four hours of debate today on H. Res. 577, regarding this resolution.
>
> This amount of debate time allocated to this non-binding resolution is equal to the amount the Republican leadership allowed on the 2003 tax bill (one hour) and the Medicare bill (three hours) combined.

Mr. Speaker, I believe all of Congress and all of America stand by our troops, but we think it is absolutely incumbent upon this Administration to answer our questions instead of debating a resolution with sound and fury while signifying nothing.

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today in opposition to H. Res. 557. This resolution to mark the one year anniversary of the United States led military invasion of Iraq is a partisan measure. The brave men and women who continue to serve our Nation and fight for democracy in Iraq deserve bipartisan cooperation and an alternative resolution to the divisive proposal introduced today.

Back home in the fifth district of Missouri I have visited with families of service men and women to hear their concerns about the needs of our troops. Their message is clear: "We want them home. In the meantime, we want them safe." The Administration's budget proposes $1.2 billion less than the amount requested by Veterans Affairs Secretary Anthony Principi which the Veterans of Foreign Wars terms a "disgraceful" level of funding for veterans' healthcare. We must also provide active service members with the equipment, training and resources they need to protect our freedom and fight the war on terrorism.

On the one year anniversary of our involvement in Iraq, we praise the efforts and sacrifices of those who put their lives on the line for us every day. Let our future actions on their behalf reflect that. This resolution does not.

Ms. LEE. Mr. Speaker, I rise today in opposition to H. Res. 577. This resolution claims to support our troops, yet it fails to even mention the over 550 American service men and women who have died in this conflict.

It also fails to even mention the weapons of mass destruction what were supposedly the justification for this war with its terrible cost in lives, dollars, and security.

And its claims that this war has made the world safer. In fact, the war in Iraq and the Doctrine of Preemption have made the world a more dangerous place. This is a terrible resolution. And it is a trap.

This resolution completely distorts and ignores the basis for this war.

In the fall of 2002, the Bush Administration told us that Iraqi weapons of mass destruction posed a grave and gathering danger to the United States and that we therefore supposedly had to go to war.

This resolution does not even mention this.

Now, the Administration's own chief weapons inspector, David Kay, has said that there are no large stockpiles of chemical, biological or nuclear weapons. He said, "We were almost all wrong." Why isn't this cited in the resolution before us? Leaving out the weapons of mass destruction argument represents yet another lie of omission.

In fact, the truth is, not everyone was wrong.

Mohammed El-Baradei and Dr. Hans Blix, the U.N. inspectors, raised real doubts about the Administration's rush to war.

And 72 members of Congress voted for my amendment to the use of force resolution that would have rejected the unnecessary rush to war and instead strengthened our commitment to the United Nations inspections process.

Last March, before the first shots in the war were fired, I introduced a resolution disavowing the Doctrine of Preemption because I believed that preemptive first strikes in the absence of a proven imminent threat go against both American values and American interests.

We had choices. We had options. We did not have to go to war.

Now we are on the verge of commemorating a year of war led by a President who is proud to claim his record as a war president. In that year over 550 American service men and women have died and over 3000 have been wounded, along with literally untold numbers of Iraqi civilians.

This Republican resolution blatantly and shamefully disregards this fact.

Some of us remember them today and their families. We also hope and pray for the safe and swift return of all our armed forces who are still in harm's way. As the daughter of a retired military officer, I know what we owe to these men and women.

We owe them and their families economic security. And we owe them our best efforts to create a safer world.

Now I tried to offer an amendment to this misleading resolution that said two things.

First of all, my amendment expressed our deep sorrow and regret for all those who have been killed in this war and extending our support to their families in this moment of terrible loss.

As I said, the resolution as written, never mentions the more than 550 Americans who have died. How insulting and insensitive.

Second, my amendment addressed the new world order—or disorder—that has been created by this war.

It stated: The war in Iraq and the Doctrine of Preemption on which it is based have undermined long-standing alliances; weakened the effectiveness of the United Nations; cost hundreds of American and unknown numbers of Iraqi lives and billions of dollars; and have made the world a more dangerous rather than a safer place.

We are not voting on this amendment today because the Rules Committee did not allow my amendment honoring the sacrifice of our troops or offering the truth about the war.

Once again, true debate is being stifled. What a shame and a disgrace!

Once again, this Administration and the Republican leadership are attempting to deceive the American people.

We must call them on it and vote against this resolution which does not mention those who have been killed.

It does not mention the weapons of mass destruction that supposedly were the justification for the war itself.

And it does not accurately portray the fact that this war and the Doctrine of Preemption on which it is based have made the world a more dangerous, rather than a safer place.

Is that the world that we want to turn over to our children?

Mr. BOEHNER. Mr. Speaker, I rise today in strong support of H. Res. 557, commemorating the 1 year anniversary of the liberation of the Iraqi people.

In the past year, our soldiers, sailors, and airmen have performed magnificently, first liberating an oppressed country and now stabilizing peace and security. We could not be more proud of their efforts and dedication, and we thank them and their families for their commitment and sacrifices.

Solid progress has been made in the past year in reconstituting an Iraqi civil society and public infrastructure—after nearly 30 years of oppression under Saddam Hussein.

One sector I want to highlight is the work being done in improving the education system for Iraq's children. This is a critical step in giving them a viable, independent future, and it is necessary in order to secure Iraq's place in the world as a prosperous and peaceful country.

More children are attending school—currently 5.5 million are in school. All universities and technical schools have been re-opened. The curriculum now focuses on teaching reading, writing, and math—not instilling fear of the government.

As far as the Iraqi people have come in the last year, we know there is still more work to be done. Our troops and Iraqis still face threats from terrorists who have no future in a peaceful and prosperous Iraq.

Some during this debate have questioned the wisdom of our decision in liberating Iraq and removing Saddam Hussein as a threat to the international community. Some have focused on what has gone wrong, rather than on what has gone right. The recent terrorist attack in Spain should drive home the point of why we must take the fight to the terrorists—rather than waiting to fight with them here on our soil. This is not a clash of cultures, peoples of religions—this is about fanatic fundamentalists who despise their peaceful fellow countrymen and believers.

The new central front on the war on terror is Iraq. In order to defeat the fundamentalists, who love death and destruction more than they love life, we must stay the course in Iraq and in other parts of the globe where we and our allies work to defeat terrorism.

The war on terrorism is a global effort; it is a long-term effort. Terrorists have many agendas and capabilities. Their supporters hide in dark shadows and are elusive. But the one thing they have in common is the desire to change our way of life.

America is strong in its resolve in fighting terrorism. We will succeed, and we will continue to be patient, deliberate, and consistent in defending our citizens and interests.

Ms. SOLIS. Mr. Speaker, it has been one year since the brave men and women serving in the U.S. Armed Forces were ordered into Iraq. On a daily basis, these brave servicemembers are displaying tremendous patriotism and courage. They and their families have made enormous sacrifices, many even the ultimate sacrifice, to serve our Nation.

I continue to strongly support our troops serving us in Iraq, Afghanistan, and around the world. My own district has seen the loss of four fallen heroes who gave their lives in defense of our Nation: Jorge Casanova, Atanacio Haro Marin, Francisco Martinez Flores, and Kelly Bolor. Many more from my district have been injured. One of my constituents, Eugene Serrano, was part of the unit that captured Saddam Hussein.

Last month, I hosted a ceremony in my district to honor these fallen heroes and all of our Nation's veterans—those who have lost their lives, those who have put their lives on the line, and those who continue to risk their lives in order to defend our Nation.

We should honor our troops and our veterans. However, I cannot support the particular resolution before us today.

I oppose this resolution not because of what it says, but because of what it does not say. It fails to express sorrow and condolences to the families of the more than 550 servicemembers that have died in Iraq, over 415 of whom were killed after President Bush declared an end to major combat in Iraq. It also lacks mention of the more than 3,500 who have been wounded in Iraq.

Honoring our troops should go beyond mere words commending their service. We should also eliminate disparities in pay between our active duty military and the National Guard and reservists. Some reservist families in my district are struggling to make ends meet while their loved ones are serving our Nation abroad.

We should also provide the health care and benefits our wounded service men and women earned when they come home. I've had the privilege of visiting Walter Reed Hospital in Washington, DC, where many of the wounded troops are receiving care upon returning from Iraq. Some of these soldiers, many of who have little financial resources, are facing substantial medical bills for injuries sustained during war.

We should also take steps to ensure that the families of fallen soldiers have access to resources to cope with the loss of their loved one. This includes adequate funds for bereavement costs and translators for military personnel who visit families of fallen heroes whose first language is not English. When military personnel arrived at the home of one of the fallen service members from my district, his parents, like all parents in the same situation, feared the worst. Unfortunately, the parents were unable to fully understand why the uniformed military members were visiting them because they did not speak English. They feared for their son's condition. Language and cultural differences should be acknowledged and addressed, especially when families are hearing news that they have lost a loved one.

Finally, this resolution ignores the important steps that must be taken to lay the foundation for a stable and secure Iraq. We should immediately remedy the deficiencies in the intelligence on which our troops rely and assemble a true international coalition so that the United States does not have to consume all of the costs and nearly all of the casualties. Doing so will help secure the region and bring our troops safely home.

Today, we had an opportunity to truly honor our troops with words and action. Unfortunately, this resolution accomplishes nothing more than dividing us at a time when we should be united.

I continue to support our troops. I want to extend sincere gratitude to them and their families for their extraordinary sacrifices.

Mr. UDALL of New Mexico. Mr. Speaker, I rise today to express my concerns about the process by which H. Res. 557 has been considered in the House.

Once again, a small group in the House—the majority party on the Rules Committee—has prevented a full and fair debate. Last night, I submitted an amendment to the Committee for consideration. The first part of my amendment would have struck the language in the resolution claiming that the Iraq war has made the world safer, replacing it with language about the deplorable and brutal regime of Saddam Hussein. The second part would have added a fifth clause to the resolution, commending the members of the Reserve and National Guard and their families for their dedication and sacrifice, given the extraordinary number of such members called to active duty and their length of deployment in Iraq. Unfortunately, not only was my amendment not made in order, but no amendments at all were made in order. In fact, the minority does not even have the right to recommit this resolution with instructions.

Let me be clear that there is no doubt that the world is better off without Saddam Hussein and his horrible regime. But to put forth a resolution stating that the world is safer because of the U.S. invasion into Iraq, while claiming it "should be" bipartisan, is purely partisan politics. I am shocked at the audacity of the Republican leadership to force an up or down vote on a resolution with a clause justifying the war in Iraq, bundled with provisions that every member of this House supports—commending the Iraqis for their courage, commending the adoption of an interim constitution, and supporting U.S. and Coalition forces for their bravery. My amendment would have truly made this resolution something members on both sides of the aisle could support.

I also share the concerns of many of my colleagues that this resolution does not acknowledge many of the questions surrounding the justification that the Administration used for going to war in Iraq. First, no weapons of mass destruction have been found. Second, CIA Director Tenet has stated that he never said the threat coming from Iraq was imminent, a claim that President Bush repeatedly made to the American people. Third, the Administration's alleged ties between Al Qaeda and Saddam Hussein's regime have yet to be proven. In my view, these discrepancies are the reason why the Republican leadership has decided to take up this resolution. I think that they believe if they can get the House to agree that the world is safer because of the U.S. invasion into Iraq, the war is justified. But I disagree wholeheartedly with this flawed logic.

We should be spending our time talking about how to make our country and world safer. We should be talking about the security of our borders, of cargo, of our critical infrastructure. We should be talking about truly supporting our troops by making sure they are taken care of when they return to the U.S.—ensuring that they don't have to wait for six months to get an appointment at the VA; ensuring that the veterans who fought before them get the benefits they were promised; ensuring that their loved ones will be taken care of when they pass on. We should be talking about how to help the Reservists and members of the National Guard who have been called to serve longer then they ever envisioned, whose families need help paying the bills while the soldiers are gone.

I have been moved by the bravery of the troops that have been deployed from my district in New Mexico. They include the 52nd Engineer Combat Battalion's Charlie Battery, the New Mexico National Guard's 1115th Transportation Company, a group of soldiers from the New Mexico National Guard 3631st Maintenance Company, thousands of reservists, and countless active duty. I will continue working in Congress to help their families while they are gone and to help them with the transition when they return.

Let's pass a resolution commending the bravery of our troops and coalition forces, thanking their families, commending the Iraqis for their courage in the face of a brutal regime and war, commending the adoption of an interim constitution in Iraq—but let's allow for a full debate and do it in a way that does not divide us. A resolution on the one-year anniversary of the beginning of the war should not be used for political purposes. Our armed forces, including the Reservists and National Guard members I sought to commend, as well as the Iraqi people, deserve better.

Mr. PAUL. Mr. Speaker, I rise in opposition to H. Res. 557. I do so obviously not because I oppose praising our armed forces, but because our policy in the Persian Gulf is seriously flawed and an effort to commend our forces should not be used to rubber-stamp a policy of folly. To do so is disingenuous. Though this resolution may yield political benefits to those who are offering it, it will prove to be historically inaccurate. Justifying preemption is not the answer to avoiding appeasement.

Very few wars are necessary. Very few wars are good and just, including this one. In reality, most wars are costly beyond measure in life and limb and economic hardship, including this one. There have been 566 deaths, 10,000 casualties, and hundreds of billions of dollars for a "victory" that remains elusive. Rather than bragging of victory we should recognize that the war that rages on has intensified and spread, leaving our allies and our own people less safe.

Denying that we are interested in oil and that occupying an Islamic country is not an affront to the sensitivities of most Arabs and Muslims is foolhardy. Reasserting U.N. Security Council resolutions as the justification for war further emphasizes our sacrifice of sovereignty and Congress's reneging on its Constitutional responsibility on war.

This resolution seems to forget that for too long we were staunch military and economic allies of Saddam Hussein. This in itself only demonstrates the folly of our policy of foreign meddling over many decades from the days of the U.S. installing the Shah of Iran to the current world-wide spread of hostilities and hatred, our unnecessary intervention abroad shows so clearly how unintended consequences come back to haunt generation after generation.

Someday our leaders ought to ask why Switzerland, Sweden, Canada, Mexico and many other nations are not potential targets of an attack by Islamic extremists.

Falsely claiming that al-Qaeda was aligned with Saddam Hussein and using this as a rallying cry to war has now resulted in al-Qaeda actually having a strong presence and influence in Iraq. Falsely claiming that Iraq had a supply of weapons of mass destruction has resulted in a dramatic loss of U.S. credibility, as anti-Americanism spreads around the world. As a result of this, al-Qaeda recruitment sadly has been dramatically boosted.

That Saddam Hussein was a brutal dictator was never in question, so reaffirming it here is unnecessary. What we must keep in mind, however, is that Saddam Hussein was attacking his own people and making war on Iran when he was essentially an ally of the United States—to the point where the U.S. Government assisted him in his war on Iran. This support is made all the more clear when viewing recently-declassified State Department cables in the days after Donald Rumsfeld traveled to Iraq as a U.S. envoy in 1983. Here are two such examples:

(1) United States Embassy in the United Kingdom Cable from Charles H. Price II to the Department of State. "Rumsfeld One-on-One Meeting with Iraqi Deputy Prime Minister," December 21, 1983.

> Presidential envoy Donald Rumsfeld and Tariq Aziz meet for two and one-half hours and agree that "the U.S. and Iraq shared many common interests," including peace in the Persian Gulf, the desire to diminish the influence of Iran and Syria, and support for reintegrating Egypt, isolated since its unilateral peace with Israel, into the Arab world. Rumsfeld comments on Iraq's oil exports, suggests alternative pipeline facilities, and discusses opposition to international terrorism and support for a fair Arab-Israeli peace. He and Aziz discuss the Iran-Iraq war "in detail." Rumsfeld says that the administration wants an end to the war, and offers "our willingness to do more." He mentions chemical weapons, possible escalation of fighting in the Gulf, and human rights as impediments to the U.S. government's desire to do more to help Iraq, then shifts the conversation to U.S. opposition to Syria's role in Lebanon.

(2) Department of State, Office of the Assistant Secretary for Near Eastern and South Asian Affairs Action Memorandum from Richard W. Murphy to Lawrence S. Eagleburger. "EXIM [Export-Import] Bank Financing for Iraq" [Includes Letter From Lawrence S. Eagleburger to William Draper, Dated December 24, 1983], December 22, 1983.

> Pursuant to the Reagan administration's policy of increasing support for Iraq, the State Department advises Under Secretary of State for Political Affairs Lawrence Eagleburger to urge the U.S. Export-Import Bank to provide Iraq with financial credits. Eagleburger signs a letter to Eximbank saying that since Saddam Hussein had complied with U.S. requests, and announced the end of all aid to the principal terrorist group of concern to the U.S., and expelled its leader (Abu Nidal), "The terrorism issue, therefore, should no longer be an impediment to EXIM financing for U.S. sales to Iraq." The financing is to signal U.S. belief in Iraq's future economic viability, secure a foothold in the potentially large Iraqi market, and "go far to show our support for Iraq in a practical, neutral context."

This resolution praises the new constitution for Iraq, written by U.S. experts and appointees. No one stops to consider the folly of the U.S. and the West believing they can write a constitution for a country with a completely different political and social history than ours. The constitution that the occupying forces have come up with is unworkable and absurd. It also will saddle the Iraqi people with an enormous and socialist-oriented government. In this, we are doing the Iraqi people no favor.

Article 14 of the new constitution grants the Iraqi people the "right" to "security, education, health care, and social security," and affirms that " the Iraqi state . . . shall strive to provide prosperity and employment opportunities to the people." This sounds more like the constitution of the old USSR than that of a free and market-oriented society.

Further, this constitution declares that Iraqi citizens "shall not be permitted to possess, bear, buy, or sell arms" except by special license—denying the right of self defense to the Iraqi people just as their security situation continues to deteriorate. The Iraqi constitution also sets up a quota system for the Iraqi electoral system, stating that women should "constitute no less than one-quarter of the members of the National Assembly." Is this kind of social engineering in Iraq on very left-liberal lines really appropriate? Are we doing the Iraqi people any favors with this approach?

We all praise our troops and support them. Had this bill merely done that I would have been an enthusiastic supporter. But in politicizing the issue rather than simply praising the armed forces, I regret that I cannot support it. Challenging one's patriotism for not supporting this resolution and our policy in the Persian Gulf, however, is not appropriate.

We should all be cautious in endorsing and financing a policy that unfortunately expands the war rather than ending it. That, sadly, is what this legislation does.

Mr. SOUDER. Mr. Speaker, I rise today in support of our troops and the work of our armed forces in Iraq. About a year ago, our troops embarked on a mission to liberate the people of Iraq and end the threat posed by Saddam Hussein.

Looking back on the year, it is important that we remind ourselves of the nature of the threat against the United States, the Middle East, and the Iraqi people. Saddam Hussein was nothing short of evil. He threatened his neighbors through war and invasion. He threatened his people through rape, torture, and intimidation. He threatened the United States through years of nuclear, biological, and chemical weapons development. Thanks to the brave efforts of the American armed forces and our Coalition allies, we are now safer. Terrorists still prowl the earth but one of their protectors and one who wanted to add WMD to terrorism is finished.

The mission has not been easy. These are attacks by terrorist and Baathist forces who remain determined to undermine the United States, the war on terror, and democracy in Iraq. Our troops, however, are equally determined to root out and destroy these forces. Despite news reports and a constant barrage of negative commentary on our mission's success, American military personnel have routed the main Iraqi forces, rounded up countless rebels, and restored much of Iraq's long neglected infrastructure.

I had the opportunity and honor to visit our troops in Iraq in January. I visited with a number of troops from my district and the State of Indiana. Among these troops and among troops in general, I saw no signs of the low spirits that some media reports say are plaguing troops. The troops I met complained about the food, sand fleas and weather conditions, but felt their service is worthwhile.

None of Iraq's rehabilitation and reconstruction would have been possible without the hard work of American and Allied troops, including the thousands of National Guardsmen and Reservists who put their civilian lives on hold to serve their country. Our military relies increasingly on National Guard and Reserve units to supplement regular army deployments, and the liberation of Iraq was no exception. During this war, members of the 1–293rd Army National Guard Infantry unit and the 122nd Air National Guard Fighter Wing from the Third District of Indiana served our nation and kept us secure.

I rise support of this resolution because I think the worst thing would be for our troops to think there isn't support for them or their mission in the United States. This resolution sends a message to our troops that we support them. The U.S. mission was and remains justified. Our troops were and remain the key to this mission's success. I will continue to support the American troops in the field and those who have returned from their duty.

Mr. STARK. Mr. Speaker, I rise today in opposition to this resolution. We ought to be honoring those who gave their lives, their limbs and sacrificed their futures for our country. So far, 565 service members have lost their lives, more than 3,000 have been wounded—many losing limbs—and now we are seeing American civilians becoming targets.

Instead, we are here today making hollow political pronouncements that the war was right and just and that somehow our Nation and our world are more secure. Unfortunately, the opposite appears to be true. Americans are less safe and the world is more dangerous—precisely because of the Bush policy in Iraq.

On this anniversary of the war we ought to include in this resolution the names of the heroes who gave their lives. We ought to be honoring and commending these brave Americans for what they have given and sacrificed along with the troops who continue to serve valiantly. But, the Bush administration doesn't want to talk about—or expose—the 565 Americans who've been killed and the 3,254 wounded.

The omission of this remembrance demonstrates that President Bush and his Administration are good at taking credit, but terrible at accepting responsibility.

We've seen in the past few weeks the President cloaking himself in September 11th. He's put images of ground zero in his campaign ads. I wouldn't be surprised if he didn't go so far as to give his acceptance speech for the Republican presidential nomination at that very site as the entire Republican Party politicizes September 11th at their upcoming convention.

Yet, President Bush won't attend any funerals or memorial services for soldiers killed in action in Iraq.

In fact, he's prohibited access to Dover Air Force Base to the media altogether. The Department of Defense has broken a long tradition by prohibiting arrival ceremonies because the images of these casualties are an embarrassment to President Bush.

The President knows that American troops were sent to Iraq ill prepared and without enough equipment to keep them safe. Soldiers face daily threats there. They don't have sufficient body armor or armored vehicles as rocket propelled grenades and roadside bombs take lives and limbs.

The President knows the troops wouldn't be there in the first place if he hadn't misled the American people. We now know—far too late—that the intelligence community never told the President or senior administration officials that Iraq posed an imminent threat or that it had weapons of mass destruction. Yet, President Bush continually referred to Iraq as an "urgent," "mortal" and "immediate" threat in making his case for war.

The President knows his mind was already made up to go to war. Today, he should know the world is not a safer place as a result, especially for our troops. I will not support a resolution that falsely makes any such claim.

While senior defense officials have told Congress that we will run out of money and need another $19 billion in September, the President's Budget does not include a single penny of this spending. He simply refuses to give the American public the plain facts.

America and our security would benefit from a new approach to foreign policy. Imagine a President who embraces global cooperation, respects international law and institutions and promotes political and economic freedom and human rights around the globe. Imagine America exercising responsible leadership that reflects our priorities and capable of partnerships that make our world safer.

This would be a fitting tribute to those who gave their lives in Iraq. We should work for what these servicemen and women believed they could achieve: a more secure future for America and stronger, more peaceful world. That's the resolution I wish we were here considering today instead of this overblown rhetoric attempting to justify a failed Presidential agenda.

Ms. SLAUGHTER. Mr. Speaker, I rise today in support of our men and women in uniform. I cannot however, in full confidence, rise in support of statements that the world is a safer place for the removal of Saddam Hussein from power. The human and financial costs of war are colossal. This action has been no exception. With the details of the tragic bombing of a hotel in Baghdad still developing as we debate this resolution, we are once again reminded of the horrors of war—and the long road ahead. Based on today's events, and the recent bombing in Spain, how can the authors of this resolution say that we are safer?

No one has borne the costs of this military action more than our soldiers and their families. No one understands these sacrifices greater than the spouses and children of soldiers who spend month after month, deployment after deployment, in far away lands. No one understands sacrifices greater than the soldiers themselves who volunteer their time, but must sometimes pay with their health, their jobs, or even their lives.

All of us in this Congress want to honor these men and women in uniform. I am sure that we all want to minimize their hardships and that of their families. A bipartisan piece of legislation that I recently introduced, H.R. 3779, the Safeguarding Schoolchildren of Deployed Soldiers Act, would seek to bring us one step closer to this goal. At a time when Reservists and members of the National Guard are being used at unprecedented levels, many of them are experiencing new problems when they leave home.

According to the Department of Defense, there are currently 1.2 million children with military parents in the United States. This number is only slightly less than the total number of adults currently serving in the Armed Forces.

I learned firsthand how deployments can cause significant upheaval in a child's life when the brother of a deployed soldier recently contacted my office. He explained that his niece had moved to live with her mother while her father was away fighting in Iraq. As a result, she was prevented from attending her normal high school because she no longer resided within the school district.

The Safeguarding Schoolchildren of Deployed Soldiers Act would ensure some measure of continuity for children who change residence as a result of their parent's military service by allowing them to continue to receive an education at their schools, even if they are temporarily residing outside the school district.

While I will vote yes on today's resolution, Mr. Speaker, make no mistake that it is a vote of support for our troops and their families; troops such as Sgt. Christopher Kreiger from the 105th Military Police Company, who was informed this week that his unit's tour of duty has been extended indefinitely. It is my hope that he will come home quickly and safely to see his one-year-old daughter for the first time.

Mr. FRELINGHUYSEN. Mr. Speaker, on this very day 8 months ago, Prime Minister Tony Blair stood in this chamber and addressed a joint session of Congress. He said, "The spread of freedom is the best security for the free. It is our last line of defense and our first line of attack.

"And just as the terrorist seeks to divide humanity in hate, so we have to unify around an idea. And that idea is liberty.

"We must find the strength to fight for this idea and the compassion to make it universal. Abraham Lincoln said, 'Those that deny freedom to others deserve it not for themselves.' "

Mr. Speaker, for over 2 decades Saddam Hussein denied freedom and liberty to the Iraqi people. He killed Kurds because of their ethnicity. He killed Shiites because of their religion. He killed Sunnis for their political views. And he even killed Egyptians, Kuwaitis, and Iranians because their lives meant nothing to him or his evil regime.

Today, Saddam's regime is no more. Overthrown in May and pulled from a spider hole in December, Saddam is now in jail.

America and its great military—made up of men and women from all branches of our Armed Forces including our resilient National Guard and reserves—recognized that our security and freedom was under direct threat from Saddam Hussein.

With the strength of an international coalition, America took decisive action and set out on a clear mission: to defend America. Nearly one year later we are seeing the fruits of our work take hold. Operation Iraqi Freedom has delivered hope and optimism to the well-educated people of Iraq. Today, 25 million Iraqis are free from the grip of Saddam's oppressive regime.

Our operation and responsibility in Iraq, however, did not end with a quick and decisive military victory. Finishing the fight and removing Saddam did not mean we finished the job.

We pledged to see a new Iraq government grow into a model for democracy and freedom in the Middle East. We must stay until the job is done because America's security still depends upon it.

Terrorism cannot be defeated unless we bring civility to Iraq. With assistance from our coalition, the Iraqi people have taken the first steps toward controlling their own destiny. Schools, medical clinics and hospitals have been reopened. An army and more effective police force have been rebuilt. A fair judicial system has been constituted. And a foundation has been laid for democratic elections.

An interim constitution has been signed. Every Iraqi—no matter their gender, religion or ethnic origin—today has the guarantee of basic freedoms, rights and protections under law.

I wish every member of this House could have taken the trip I took to Iraq last year. Led by Chairman JERRY LEWIS, we traveled from Baghdad to Mosul to Al Hillah to witness the incredible work of our brave young men and women in uniform. We thanked them for their service to our country and let them know how grateful America was for job they were doing protecting our freedom and bringing democracy to Iraq.

To see our mission up-close and through the lens of our soldiers gave me great hope that one day Iraq will be a country of great promise and able to demonstrate strong leadership in the region.

On the first anniversary of Operation Iraqi Freedom let us honor every service man and woman who is making our country safer and more secure. And let us remember all those who have sacrificed and fallen while defending our freedom. We mourn the loss of very American soldier and pray for the early recovery of our wounded.

Today, America's courage remains firm and steadfast. Yet, we know that dangerous days still lie ahead. Terrorists who have previously sought weapons of mass destruction from Saddam "like ants to honey" continue to plot against America. The terrorists will not rest. When they're not attacking, terrorists are planning or strategizing about where and when to attack next. And remember, we were attacked without provocation on September 11, 2001.

For freedom and democracy to prevail over violence and terrorism, we must continue to take the fight to the terrorist before they again bring terrorism to our shores.

Mr. Speaker, let us commend the members of the United States Armed Forces and Coalition forces for liberating Iraq by passing this resolution.

Mr. UDALL of Colorado. Mr. Speaker, I will vote for this resolution, although I do not approve of the manner in which it is being debated. The fact that the House is not permitted even to consider amendments means that our debate will be incomplete because the resolution covers only some of the issues that are relevant to understanding where we are one year after the beginning of military action by coalition troops in Iraq.

On this one-year anniversary, there is no question but that the House should commend the Iraqi people "for their courage in the face of unspeakable oppression and brutality inflicted on them by Saddam Hussein's regime."

The resolution also very appropriately commends the Iraqi people on the adoption of Iraq's interim constitution, a key step toward what all Americans hope will be the Iraqi people's creation of a new, free, and democratic Iraq.

And there is no question but that the members of the U.S. Armed Forces and the Coalition forces should be commended for serving in Iraq. For me, this is the most important clause in this resolution.

We may not all agree on whether going to war a year ago was the right course for the U.S. to take—indeed, I was not persuaded that it was, and so I voted against the war resolution in 2002. But we can all agree that our brave men and women in uniform deserve our support, our respect, our gratitude for their service—and in the cases of over 550 servicemen and women, their giving what Lincoln rightly called the last full measure of devotion by sacrificing their lives.

But I must qualify my support for one clause in this resolution—the clause that asserts "the United States and the world have been made safer with the removal of Saddam Hussein and his regime from power in Iraq."

I believe that Saddam out of power is infinitely better than Saddam in power. Saddam can no longer terrorize his people and his neighbors in the region. The Iraqi people are now able to move into an era of freedom—an incredible step forward for a country that has been brutalized for so long.

And it's true that the U.S. and the world are now living free of fear from Saddam's possible use of weapons of mass destruction or his possible assistance to terrorists.

But, while the removal of Saddam Hussein and his regime has liberated the Iraqis and freed us from some worries, I think there are still some things to fear.

I still fear the consequences of the Bush Administration's "you're either with us or you're against us" approach. This approach rushed the diplomatic process at the United Nations and dismissed a strategy of "coercive inspections." This same approach caused Pentagon leaders to exaggerate intelligence claims and mangle the planning for the post-war occupation and rebuilding of Iraq. And by going in without broader support and without an adequate post-war plan, the Administration made long-term success in Iraq much more difficult to achieve.

So I'm afraid we're stuck with a heavy burden for years to come. I'm afraid that America won't be safer if it continues to have to focus so much of our attention and resources on our mission in Iraq. I'm afraid America won't be safer if we continue to spend so much in Iraq—$120 billion and rising—because it will mean we have that much less money to spend on ways to keep us safe from the proliferation of weapons of mass destruction, from terrorists in other areas of the world, or from potential threats right here at home. That would be troublesome enough if we were paying for it ourselves, through taxes—it is even more worrisome that the Administration is insisting on putting the burden on our children, who will have to repay with interest the massive amounts we are borrowing to cover the budget deficit.

I'm afraid that unless we return to a foreign policy that reflects American priorities—putting a priority on promoting political and economic freedom and human rights; more closely cooperating with allies and friends; and more truly respecting international law and institutions—we risk fueling the very terror that we ultimately hope to prevent.

I don't believe that the answer to these fears is to cut and run by prematurely pulling our troops out of Iraq. On the contrary, I believe we have to work that much harder to work with the international community to win the peace and to assist the Iraqi people to establish a new, free, and democratic Iraq.

Mr. Speaker, I believe it is important to take this moment to reflect on this one-year anniversary. We can look back at the last year with pride at the service and sacrifices of our troops and with admiration for the Iraqi people, who are working hard to find their way in this new post-Saddam world. And we can look back at this last year to learn lessons from what we did right. But we also need to understand our mistakes and what we did wrong in Iraq so that we can move forward with a better understanding and greater confidence in our mission in the months and perhaps years to come.

Ms. KILPATRICK. Mr. Speaker, today we are considering H. Res. 557, which is intended to praise the efforts of the United States to liberate the people of Iraq, and to commend the efforts of our valiant soldiers who are serving in Iraq. Let me state at the outset, I support our troops and their families who cling to hopes and prayers that our soldiers will not succumb to harm's way and will be home soon.

I must offer some sobering words regarding this resolution. I believe that although well intended, the resolution is untimely. It does not contain any input from Democratic members; it does not honor the over 550 soldiers who have died; or the over 11,000 who have been wounded. There is no mention of the fact that no Weapons of Mass Destruction (WMD) were found. I have concluded that the world is not safer today.

There is no doubt that Saddam Hussein was a tyrant and dictator. A revisiting of the facts leads me to conclude once again though, that Americans and members of Congress were misled by the Administration. The administration acted on flawed CIA intelligence, alleged that Iraq had WMD, and was prepared to use them. The U.N. inspection teams did not uncover any weapons. Their search for WMD was prematurely aborted.

Over 550 soldiers have been killed. Over 11,000 soldiers have been wounded. Here at home, the families of our military serving in Iraq, including reservists, are suffering financially and emotionally. They know that this mission was ill-conceived. Another problem is that our troop deployment is thin. Some of them have committed suicide. The administration and the Defense Department have our troops mired in a military holding action. The situation is compounded by the fact that there is no clear exit strategy.

As we tout our efforts to promote democracy, it is still clear that we are attempting to export our version of democracy, as opposed to encouraging a form of democracy that will best suit the citizens of Iraq. Iraq has a long history of sectarian strife amongst Shiites, Sunnis and ethnic Kurds. As Americans, we are attempting to export our ideals of democracy. The fact of the matter is, we are still a young democracy. We still have not mastered the process. As Iraqis prepare for the adoption of new constitution, they will still be confronted with the realities of internal sectarian strife that could well undermine our vision and their hopes for democratic rule.

Regarding the premise that the world is safer now than when Saddam was in power, the rhetoric fails to square with reality. Al Qaeda, which was purported to be operating in Iraq pre-invasion, was not. Clearly, there is no connection between Saddam Hussein and Al Qaeda. The facts are clear, terrorist activity by Al Qaeda has escalated. We need only look at the bombings in Indonesia, Turkey and most recently in Spain. Does this mean we should cease our efforts against terrorism? Absolutely not! It does mean that we should be much more circumspect in the way we go about fighting terrorism. We must build coalitions to assist us.

Finally, let me say our allies around the world continue to chafe at the bully of the world persona that is attached to the United States. We are seeing an increasing erosion of confidence throughout Europe regarding the foreign policies being promoted by this administration. The best way we can honor our troops is to provide them with the equipment they need to be effective. We must provide a clear exit strategy.

It is indeed unfortunate that we are considering and debating this resolution which does not adequately honor our troops. I urge the leadership to withdraw this resolution, It is important for Republicans to include our Democratic leaders in the crafting of a new resolution. The new resolution should honor soldiers who have been killed and wounded. It should also contain language that addresses a plan to bring our troops home.

Mr. JACKSON of Illinois. Mr. Speaker, on March 20, 2003, we were debating a similar resolution—then to express support for the President and the U.S. military (H. Con. Res. 104). I said on that occasion: "I want to make it clear that our young men and women, who are putting their lives on the line in Iraq, have my unequivocal support. I will do everything in my power as a member of Congress to see to it that they have everything they need to win this war and return home safe and sound to their families. We can only hope and pray that this war will end quickly, and a minimum number of American, British, and Iraqi civilian and military lives are lost, destroyed or maimed for the rest of their lives."

Unfortunately, my worst fears have come true. Our troops, and the few other nations whose troops are involved, are not home. Families and many good Americans are volunteering to raise money to buy for our soldiers the kind of protective vests they need to be as safe as possible in the middle of a war. Many Americans and thousands of Iraqi fighters, but mostly innocent Iraqi civilians, have died and been wounded. The wounded will spend a lifetime of disability and suffering. They will spend the rest of their lives knowing that they will never be able to accomplish the highest and best of what God had intended for their lives.

I said a year ago, "While the troops have 100 percent of my support, when appropriate, I will continue to articulate the grave concerns I have about the policies that sent them there." Today I am keeping the promise relative to the President's policies in Iraq.

This Congress did not vote to go to war in Iraq because Saddam Hussein was a bad guy. Everybody knew he was a bad guy. There are lots of bad guys in the world, and we are not even trying to remove them. Unfortunately, the fundamental lesson that President Bush has taught our children with his pre-emptive war strategy is that "the end justifies the means."

We were told we had to go to war because Iraq had weapons of mass destruction. Americans would not have supported going to war just because Saddam was a bad guy. One year later, we have found no weapons of mass destruction, and have little evidence that we will ever find them. Why? Because, mostly likely, U.N. inspections had contained his ability to make or use weapons of mass destruction.

President Bush has destroyed the unity, support and moral authority that the world gave to the United States after September 11. The latest evidence of that erosion of support was the Spanish election on March 14.

I said on March 20, 2003, "There is no convincing evidence that Iraq was involved or connected to Osama bin Laden, Al Qaeda or the events of September 11, 2001—despite President Bush's many failed attempts to morph the two, in order to convince the American people that there is such a connection." The attempt to weld 9/11, Iraq and the war on terror continues as we speak. The truth is we have virtually abandoned the real war on terrorism in Afghanistan. The truth is, Al Qaeda was not in Iraq a year ago, but they are today. As a result, the world has not been made safer, as the resolution suggests, but has become more unsafe and unstable.

I said on March 20, 2003, "Most Americans think that when our young men and women are risking their lives on the battlefield that Democrats, Republicans and Independents in this House would come together in a non-partisan manner to support our troops—because everyone does support them. . . . But the Republican extremists in the House have no shame and no limits. They will politicize the blood of our soldiers if they think they can gain a political advantage. They have never met an issue they were unwilling to 'wedge'." This resolution is a continuation of that same strategy in an election year.

I said one year ago, "Many Democrats, myself included, separate support for the troops from support for the President's policy. But the Republicans deliberately joined the two so they could make it a political wedge issue. Therefore, if you vote 'for' the resolution it appears that you support the President's policy. But if you vote 'against' the resolution, the Republicans intend to paint you as against our troops and unpatriotic in future elections. In other words, the Republicans have deliberately tried to set a 'Catch 22' trap."

Well, I support our troops, but I continue to oppose the President's policy in Iraq. I will vote "no" on this resolution because the world has not been made safer because of the removal of Saddam Hussein. If you doubt me, ask the families of the over 200 people in Spain who lost loved ones in the recent explosions on the train there, and the hundreds who were wounded.

I filed a Federal lawsuit to try to stop the President from going to war in Iraq without a declaration of war from Congress. I believe the President's actions in Iraq were unconstitutional and in violation of international law.

The Bush policy of ignoring the United Nations and the lack of decent respect for the opinion of mankind; the U.S.-led preemptive policy has weakened the United Nations, weakened the structures of "collective security," weakened the rule of international law and has not made the world safer, but more dangerous and unstable.

Again I repeat what I said on March 20, 2003: As the wealthiest and only superpower in the world, the U.S. has the most economic and military interests in the world. The United Nations, collective security, and the rule of international law have well-served those U.S. interests. Weakening any of them increases the threat to U.S. interests at home and abroad.

So today, even as I give our young men and women in Iraq my unconditional support, I also renew my dedication to strengthening the United Nations, collective security, and the rule of international law. They help guarantee peace and security in the world and, when fully utilized, make it less likely that American service men and women may have to be sent to possibly make the ultimate sacrifice in defense of our country in the future.

Mr. DEFAZIO. Mr. Speaker, I rise today to make a few comments about the resolution we are considering today in recognition of the one-year anniversary of the U.S. invasion of Iraq. The resolution before us on the floor has significant shortcomings that I want to point out for the RECORD.

On March 19, 2003, offensive U.S. military actions were initiated against Iraq. Just two days later, on March 21, 2003, the House of Representatives approved a resolution which expressed "the unequivocal support and appreciation of the Nation for our troops and their families."

Only 8 minutes before passing this feel good resolution, however, the House of Representatives passed a budget, which I voted against, that included a $28 billion cut over 10 years to veterans health care, disability compensation and pensions. While the Republican Party is able to eloquently express their support and admiration for our men and women in uniform via non-binding congratulatory resolutions, their follow through is non-existent.

Here we are a year later, and this "unequivocal support" has not been translated into substantive action. Congress must deliver on this promise of support by providing our troops with the equipment and training they need. And, Congress must deliver on this promise by providing our nation's veterans with the health care and services they've earned and deserve.

Words in a non-binding resolution will not provide a single soldier with the body armor necessary to protect his or her life nor will they ensure a single veteran can see a doctor in a timely manner or receive the disability compensation they've earned. Our soldiers and veterans need action, not words.

Unfortunately, the actions of the President and his allies in Congress have repeatedly short-changed our men and women in uniform and the veterans who have served our nation honorably.

Thousands of troops in Iraq remain in danger because the Pentagon leadership has failed to secure an adequate supply of body armor. Thousands of troops remain in danger because of inadequate supplies of armored Humvees and devices to disable roadside bombs.

According to a recent article in USA Today, U.S. military officers are having to dip into their own unit's funds in order to get this critical protective equipment because "bureaucratic delays" in Washington, DC, have short-changed troops.

I saw the dangers confronting U.S. troops first-hand during my recent trip to Iraq. I cannot understand why the President and the civilian leadership at the Pentagon would put our troops in harms' way without adequate protective equipment despite preparing for war with Iraq for 2 years prior to the actual invasion and despite $400 billion in annual Pentagon spending.

Yet, the resolution on the floor today will do nothing to solve this problem.

Further, our citizen-soldiers in the National Guard and Reserve continue to be subject to second-class treatment. When I recently visited Fort Hood, Texas, I discovered that the 2nd Battalion, 162nd Infantry of the Oregon National Guard was sent to train without the basics: fuel, ammunition, toilet paper, field radios and other essentials, and they were housed in moldy, crumbling barracks.

Media reports have documented that over 1,000 wounded Army National Guard and Army Reserve soldiers, evacuated from Iraq to Fort Stewart, Georgia, and Fort Knox, Kentucky, were housed in sub-standard concrete barracks with no air conditioning, indoor toilets or running water, while they were forced to wait weeks and sometimes months for medical care.

Yet, the resolution on the floor today will do nothing to solve these problems.

Next week, the House Republicans will present their budget on the House floor. Like last year's budget, this year's budget will fail to fully meet the needs of our troops and veterans.

The budget resolution, as currently drafted, underfunds veterans programs by $1.3 billion below the level requested by the Republican Chairman of the House Committee on Veterans Affairs.

The budget fails to repeal the age-62 penalty for military widows under the Survivor Benefit Plan. Yet, stand-alone legislation on this issue has 291 cosponsors, including 120 Republicans.

The budget fails to fully fund repeal of the disabled veterans tax immediately for all veterans despite the fact that stand-alone legislation to repeal the tax, H.R. 303, has 377 cosponsors, including 185 Republican cosponsors.

The budget fails to fund an expansion of the military health care program TRICARE to cover uninsured members of the National Guard and Reserve.

The budget fails to provide wage support for National Guard and Reserve members who are forced to leave civilian jobs with higher pay. These families are forced to do more with less.

The budget fails to provide additional compensation for soldiers who are forced to stay in the U.S. military through stop-loss orders despite having plans to retire or otherwise leave the service after fulfilling their time commitment under their enlistment contract. I have drafted legislation to provide a monthly bonus of $500 for soldiers subject to stop-loss orders, orders that amount to an involuntary draft.

The budget fails to fund an extension of imminent danger pay and family separation pay for troops in Iraq past the end of this year when even Pentagon officials admit that U.S. troops will be in Iraq for the next several years.

And, the budget cuts funding for military construction and quality-of-life improvements for U.S. troops by $1 billion from the levels approved before the Iraq war.

The resolution on the floor today will do nothing to address these challenges.

Finally, the resolution on the floor today fails to acknowledge the deaths of more than 550 American troops or the more than 3,000 wounded American soldiers.

The resolution fails to acknowledge the deaths and injuries suffered by American and Iraqi civilians, United Nations personnel, and soldiers from allied countries.

The resolution fails to adequately acknowledge the service and sacrifice of tens of thousands of National Guard and Reserve soldiers and their families.

However, I intend to support this resolution. There is no doubt that Saddam Hussein was a brutal dictator. He oppressed and killed his own people. He invaded his neighbors, and he used chemical weapons. The Iraqi people and the world are better off without him.

But, the fact that I am glad he's out of power and in U.S. custody does not mean I agree that the Iraq war was necessary. The war was not necessary. It was elective. I voted against the authorization for war. It was obvious even at the time of the vote, which occurred months before the war actually started, that the Administration had hyped, manipulated, and misrepresented the intelligence regarding the threat posed by Iraq and that the Administration had not planned adequately for post-war Iraq. The Administration's rosy scenario for post-war Iraq has not come to pass. Instead, the U.S. is bogged down in a costly—both in terms of dollars and lives—and lengthy occupation of Iraq.

I believe that America and the world would have been better served if the Administration had not become distracted by Iraq. Saddam was safely contained and defanged by sanctions supported by a broad international coalition. The sanctions prevented Iraq from redeveloping chemical or biological weapons, and made it impossible for Hussein to achieve his ultimate goal of developing nuclear weapons.

The Administration should have kept its focus on the single gravest threat to our society—al Qaeda. It was al Qaeda, after all, who attacked the U.S. on September 11, 2001, not Iraq. It was al Qaeda who bombed U.S. embassies in Africa. It was al Qaeda who bombed a U.S. warship in the Persian Gulf. And it is al Qqeda that continues to plan and carry out attacks against Americans and our allies around the world. The Administration should not have shifted intelligence and military resources away from the documented threat—al Qaeda—in order to invade and occupy Iraq.

However, I will support this resolution because it is merely hortatory. The resolution does not set national policy. It is not legally binding on anyone or anything. It commends the Iraqi people for their courage in the face of the brutal Hussein regime and commends their adoption of an interim constitution. It also commends the members of the U.S. military for their valiant service. I am voting for the resolution because I want to express my support for the nascent democracy in Iraq and for our soldiers.

I would urge the House Republican leadership to spend less time on resolutions like this, which offer merely words, and more time pushing through legislation that would actually provide our soldiers and veterans with the equipment, training and benefits they need and deserve.

Mr. STUPAK. Mr. Speaker, I am proud of the valiant service from our men and women in our Armed Services. That's why I am disappointed that the House leadership decided to present this toothless resolution rather than provide real assistance for our troops.

They say this resolution is meant to thank the American military men and women serving in Iraq. But if they truly wanted to honor these soldiers—this same leadership should have supported my amendment last year that would have given every American soldier serving in Iraq and Afghanistan a $1,500 bonus. But it failed with 210 Republicans voting against it.

The President is traveling across the country to mark the war's anniversary and thank our troops. Yet his budget cuts Veterans health benefits—just like last year. Some thanks!

I support this resolution. But let's be clear: this resolution won't save any lives; it won't provide adequate body armor and armored humvees to our troops any quicker; it doesn't repair the damage done to our reputation in the international community, it won't bring our troops home any sooner and it won't heal a single wound or restore a single American life lost in Iraq.

The resolution also fails to answer some key questions:

Why did this Administration mislead the American people 237 times in their statements about the so-called immediate threat from Iraq? As Mr. MURTHA of Pennsylvania stated, "never have so few, misled so many."

Why did this Administration say that reconstruction would only cost Americans $1.7 billion and that other countries and Iraqi oil would cover the rest? Instead American taxpayers have paid billions of dollars in rebuilding Iraq—and the tab is likely to increase in the next year.

To date, we have spent more than $150 billion in Iraq.

Mr. Speaker, more than 560 soldiers have died in Iraq and another 5,300 have been injured. We owe it to them, to their families and to all Americans to level with them and given them the straight answers on why we went into Iraq and how long it will take to get the job done.

Like all Americans, I am proud of our Americans soldiers in Iraq who are serving their country with dedication and courage. But I am not proud of those in the Administration that may have misled our great Nation into war.

Mr. PASCRELL. Mr. Speaker, I want to commend Mr. HYDE and Mr. DELAY, the authors of House Resolution 557, for crafting legislation that truly exemplifies naked political strategy.

This vapid proposal of phony patriotism does nothing to address the urgent concerns that are permeating the world stage.

Instead of seeking real solutions to the problems our troops are confronting; instead of taking the time to exercise judicious oversight to remedy the hardships that are being faced—we are instead spending a significant amount of our time indulging ourselves with legislation that ultimately does not help anyone.

And we are doing this today as Baghdad burns. How typical.

550 American service men and women have been killed in Iraq. No weapons of mass destruction have been found. Our Nation's reputation has been damaged to such an extent that former allies now have populations consumed with anti-American fervor.

Instead of affirming that Saddam Hussein is a bad guy—which we all know—shouldn't we be spending our time trying to decipher why the central arguments for a pre-emptive war appear to have been based on inaccurate intelligence?

Shouldn't we be examining reports regarding how Iraqi exile Ahmad Chalabi fed misinformation about Weapons of Mass Destruction to the United States government and investigate why the Pentagon is still paying him $340,000 a month?

Instead of proclaiming that the world is safer shouldn't we be analyzing the terrorist attacks in Spain that occurred last week?

And while each and every single Member of Congress is awed and thankful for the bravery and valor of our men and women in the Armed Services, shouldn't we be discussing what we can do to help alleviate the daily deaths and bloodshed that they face?

And shouldn't we, at some stage, focus our attention on Afghanistan as well?

Wouldn't real action by Congress honor our military more than this? Wouldn't real action be more patriotic?

Surely the leadership in the House of Representatives can focus on more important work than a celebratory resolution?

Mr. BACA. Mr. Speaker, I rise today in support of our troops and in support of those who lost loved ones in the violence in Baghdad that we all witnessed today.

On a day that should have shown the unity of our government, we have seen the parties divided. The Republican resolution has left out Democratic input.

It has left out our condolences to the families of those killed in Iraq.

It has left out feelings that our troops must be equipped with body armor and armored vehicles.

And it has left out steps to correct the intelligence failures in the run-up to the war.

Even though the Republican resolution leaves out so much, I'm supporting it to show my support for our troops.

After one year in Iraq our troops are still suffering.

Our soldiers were sent to Iraq without enough of the equipment they depend on to do their jobs safely and without a plan to bring them home.

564 Americans and 100 other coalition troops have been killed. Americans deserve to know what happened in the events leading up to the war in Iraq.

We demand accountability. We are tired of the President and the Administration obstructing the 9/11 commission.

We must be able to trust that what the President tells them is true and we shouldn't have to bear the burden of rebuilding Iraq alone.

American taxpayers are paying almost all the bills, $120 billion and rising.

We deserve a detailed plan for future spending, so our troops are guaranteed to get the resources they need.

Part of winning the war on terror is taking care of those who helped us fight it.

We must ensure our veterans health care, their pensions, and their survivor's benefits.

But the Administration wants to raise health care costs for over 1 million veterans, increasing co-payments and imposing new enrollment fees that will cost veterans $2 billion over 5 years.

Just this past month the VA said it will cut 540 positions from the Veterans Benefits Administration. How can the Administration reduce the veteran benefit backlog when it cuts the resources needed to help our veterans?

I keep thinking about the young men in my district that we recently lost.

There was Corporal Jorge Gonzales. His parents, Mario and Rosa are from Rialto and they still grieve.

And then there was Corporal Sean Grilley of San Bernardino who was killed while he was enforcing a curfew.

These brave men and their families deserve truthful accountability so our soldiers are protected, our veterans are taken care of and our troops can come home as soon as possible.

Mrs. CAPPS. Mr. Speaker, I rise to oppose this resolution. Our troops should not be a pawn in a political power play. This resolution is not a simple statement of support for the incredibly valiant work of our men and women in Iraq. It is a cynical, political tool to further the agenda of the Bush Administration during this election year.

This resolution was pushed through the House of Representatives without input from a single Democrat. I wanted to vote for a resolution that truly recognizes the sacrifice of our troops and the importance of living up to our commitments to them, but the Republican leadership would not allow a vote on any other measure but their own. I refuse to bow to the politization of the grave matter of our young people at war, and for this reason I voted against the resolution.

Let me be clear: our troops deserve our qualified support as they serve our Nation in such dangerous circumstances. But that support must be more than empty words, it must be in promises kept.

I would have voted today for a resolution that reiterated our commitment to providing our troops with the body armor and armored vehicles they need to keep them safe, to immediately address the intelligence deficiencies that continue to put our troops in further danger, and to insist on a clearly articulated strategy for post-war occupation and exit of Iraq.

This alternative resolution I supported included provisions to eliminate the disparities in pay between our active duty military and the National Guard and reservists, and provide the health care and benefits our wounded veterans need when they come home. But the Republican majority never allowed for a vote on this fair-minded alternative.

Last week I sat in the Budget Committee and watched in shock as the Republican members of the Committee voted on party lines to reject a "Support Our Troops" amendment that would have raised funding levels for the military by $2.5 billion. This money would have been spent on family separation pay, imminent danger pay, education funding for military school children, and TRICARE military health coverage for reservists, and military housing programs. How can we look our troops in the eye and tell them Congress rejected actual funding that would help them and their families through this difficult time, but instead passed a relatively meaningless resolution of our support? This is unconscionable.

I also strongly object to the clause in today's resolution claiming that the "world is safer" as a result of the Iraq war. Mr. Speaker, I disagree. Iraq is still in chaos. American soldiers, international diplomats, and Iraqi civilians are being killed every day. And the Administration is still a long way from pacifying Iraq or setting up a stable government. The Administration made claims that Iraq was a base of International terrorism and that turned out to be false.

Our troops deserve better than more empty words from Congress. On the one-year anniversary of the start to this misguided war, they deserve to be supported with sound policy, real dollars, and the commitment to bring them home safely.

Mr. VAN HOLLEN. Mr. Speaker, this is a deceitful resolution not for what it says, but for what it does not say. It is unfortunate that our Republican colleagues would once again use an issue that unites all Americans—support for our troops—into a naked political stunt that attempts to rewrite history in a divisive manner. The American people should understand that the Republican leadership in this House has prevented any Member of Congress from offering any change to this resolution.

The main defect of this resolution is that it tells only a small part of the story about Iraq. In an obvious attempt to change the subject, the resolution contains absolutely no mention of the primary justification President Bush gave for going to war in Iraq—the alleged existence of stockpiles of weapons of mass destruction. Instead, the resolution attempts to justify the decision for war on humanitarian grounds alone. It cites, among other things, Saddam Hussein's use of chemical weapons against Iraq's Kurdish citizens in 1988.

No one needs to tell me about Saddam Hussein's human rights abuses against the Kurds. In 1988, at the end of the Iran-Iraq war, I traveled to the Iraq-Turkish border as a staffer on the U.S. Senate Foreign relations Committee with my colleague Peter Galbraith. At that time, thousands of Kurds were fleeing across the border to seek refuge in Turkey. We interviewed hundreds of those refugees and documented Iraq's use of chemical weapons against the Kurdish people. Our report formed the basis for legislation to impose economic sanctions against Iraq for its use of chemical weapons against the Kurds. The bill passed the United States Senate; but the Reagan Administration, which included many of the key officials now in the Bush administration, opposed and helped block that sanctions legislation from passing. I challenge anyone to explain to me how you can oppose economic sanctions in 1988 in response to Iraq's use of chemical weapons against civilians and then today turn around and say that those same actions are the reason the United States went to war in 2003.

Moreover, if Saddam Hussein's use of chemical weapons against his own people was the reason for military action, we should have finished the job during the Persian Gulf War in 1991. Iraq has not used chemical weapons since 1988, since the time my colleague Peter Galbraith and I went to the Iraq-Turkish border at the end of the Iran-Iraq war. But 3 years later in 1991, not only did we not remove Hussein in Baghdad, but at the end of the war the United States looked the other way for many days while Saddam Hussein turned his guns on the Shias in the south and the Kurds in the north. This history exposes the hypocrisy of this attempt to rewrite history in order to change the argument for going to war in Iraq in 2003.

The fact is that the Bush Administration told the American people that we had to go to war because Saddam Hussein currently possessed stockpiles of weapons of mass destruction and posed an imminent threat to the United States. When the U.N. inspectors asked for additional time to determine whether Iraq possessed stockpiles of such weapons, the Administration rejected the request and went to war. We now know that—based on the report of Chief U.S. weapons inspector, David Kay, that to date no stockpiles of chemical, biological or nuclear weapons have been found in Iraq. This resolution says nothing about the serious blow to U.S. credibility and security around the world caused by the Administration's misuse and abuse of intelligence information.

The Republican leadership would like to equate support for our troops in Iraq with support for the President's decision to go to war in Iraq. But my constituents and the American people deserve better than the false choice presented by this resolution. I will not play the game of having to support the President's views on Iraq in order to express support our troops. I continue to stand behind our troops and am grateful for their valiant service. I recently returned from a trip to Iraq where I had the honor of meeting with many of the men and women in our Armed Forces. I expressed to them the gratitude of the American people for their sacrifice and for their service to our country. It is a disservice to our troops that the Republican leadership here would exploit them to attempt to gain partisan political advantage.

I have crafted an alternative resolution that presents the part of the story that the Republican leadership would like the American people to forget. This substitute resolution does not change a single word of the underlying resolution. However, it presents a fuller picture of the real story behind the decision to go to war in Iraq. Every one of the "Whereas" clauses in this alternative resolution is factually accurate and incontrovertible. Why does the Republican leadership want to hide from these facts? Why does it want to prevent the American people from knowing the full story? Why will it not allow this substitute to be voted on? Mr. Speaker, I submit this alternative resolution for the RECORD.

SUBSTITUTE RESOLUTION PROPOSED BY REPRESENTATIVE CHRIS VAN HOLLEN

Relating to the liberation of the Iraqi people, and the valiant service of the United States Armed Forces and Coalition forces and the failure to find stockpiles of weapons of mass destruction.

Whereas Saddam Hussein and his regime committed crimes against humanity, systematically violating the human rights of Iraqis and citizens of other countries;

Whereas Saddam Hussein's terror regime subjected the Iraqi people to murder, torture, rape, and amputation;

Whereas on March 16, 1988, Saddam Hussein's regime had and unleashed weapons of mass destruction against Kurdish citizens, killing nearly 5,000 of them;

Whereas in September 1988, the United States Senate unanimously passed legislation (S. 2763) to impose economic sanctions against the regime of Saddam Hussein for the use of chemical weapons against its Kurdish citizens, but the bill failed after the Reagan Administration opposed the legislation and threatened a veto;

Whereas as many as 270 mass grave sites, containing the remains of as many as 400,000 victims of Saddam Hussein's regime, have been found in Iraq;

Whereas rape was used to intimidate the Iraqi population, with victims often raped in front of their families;

Whereas the regime punished the Marsh Arabs by draining the marshlands, which created hundreds of thousands of refugees and caused an ecological catastrophe;

Whereas in 1991, explaining the Bush Administration decision not to advance on Baghdad, then Secretary of Defense Dick Cheney stated, "Once you've got Baghdad, it's not clear what you do with it. It's not clear what kind of government you would put in place of the one that's currently there now. Is it going to be a Shia regime, a Sunni regime or a Kurdish regime? Or one that tilts toward the Baathists, or one that tilts toward the Islamic fundamentalists? How much credibility is that government going to have if it's set up by the United States military when it's there? How long does the United States military have to stay to protect the people that sign on for that government, and what happens to it once we leave?";

Whereas the Iraq Liberation Act of 1998 (Public Law 105-338), passed by the House of Representatives by a vote of 360 to 38, made it United States policy to support efforts to remove from power the regime headed by Saddam Hussein;

Whereas on September 8, 2002, Secretary of State Powell said, "There is no doubt that he [Hussein] has chemical weapons stocks.";

Whereas on September 8, 2002, Vice President Cheney said, "We do know, with absolute certainty, that he [Hussein] is using his procurement system to acquire the equipment he needs in order to enrich uranium to build a nuclear weapon.";

Whereas on September 8, 2002, Secretary Powell said, "With respect to biological weapons, we are confident that he has some stocks of those weapons, and he is probably continuing to try to develop more.";

Whereas on October 2, 2002, President Bush said, "The Iraqi regime is a threat of unique urgency.";

Whereas on October 10, 2002, the House of Representatives passed the Authorization for Use of Military Force Against Iraq Resolution of 2002 (Public Law 107-243) and on March 19, 2003, the United States initiated military operations in Iraq;

Whereas with the Iraqi regime failing to comply with 16 previously adopted United Nations Security Council resolutions, the Security Council unanimously approved Resolution 1441 on November 8, 2002, declaring the Iraq "has been and remains in material breach of its obligations under relevant resolutions, including resolution 687 (1991), in particular through Iraq's failure to cooperate with United Nations inspectors"

Whereas on January 28, 2003, President Bush said, "The British government has learned that Saddam Hussein recently sought significant quantities of uranium from Africa. Our intelligence sources tell us that he has attempted to purchase high-strength aluminum tubes suitable for nuclear weapons production.";

Whereas on February 5, 2003, Secretary Powell said, "Our conservative estimate is that Iraq today has a stockpile of between 100 and 500 tons of chemical weapons agent. That is enough agent to fill 16,000 battlefield rockets. Even the low end of 100 tons of agent would enable Saddam Hussein to cause mass casualties across more than 100 square miles of territory, an area nearly 5 times the size of Manhattan. . . .";

Whereas on March 7, 2003, IAEA Director General Mohamed ElBaradei reported to the United Nations Security Council that: There is "no indication of nuclear activities . . . nor any indication of nuclear-related prohibited activities at any inspected sites . . . There is no indication that Iraq has attempted to import uranium since 1990.";

Whereas on March 7, 2003, IAEA Director General Mohamed ElBaradei concluded that the documents purporting to show a uranium purchase in Niger provided to the IAEA by the United States were unsubstantiated and likely forged. He told the United Nations Security Council that "Based on thorough analysis, the IAEA has concluded, with the concurrence of outside experts, that these documents, which formed the basis for reports of recent uranium transaction between Iraq and Niger, are in fact not authentic. We have therefore concluded that these specific allegations are unfounded.";

Whereas according to UNMOVIC'S 13th Quarterly Report, between November 27, 2002 and March 18, 2003, the 731 inspections conducted by UNMOVIC did not reveal any "evidence of continuation or resumption of programs of weapons of mass destruction or significant quantities of proscribed items.";

Whereas in March 2003, United Nations weapons inspectors requested additional time to determine whether Iraq possessed stockpiles of weapons of mass destruction;

Whereas the Bush Administration rejected the United Nations request for additional time, to complete the mission;

Whereas on March 16, 2003, Vice President Cheney said, ". . . we know he [Hussein] has been absolutely devoted to trying to acquire nuclear weapons. And we believe he has, in fact, reconstituted nuclear weapons.";

Whereas on March 16, 2003, President Bush said, "The dictator of Iraq and his weapons of mass destruction are a threat to the security of free nations.";

Whereas on March 25, 2003, Secretary of Defense Rumsfeld said, "The threat posed by Iraq's weapons of mass destruction will be removed.";

Whereas on October 2, 2003, Chief Weapons Inspector David Kay said, "Information found to date suggests that Iraq's large-scale capability to develop, produce, and fill new CW munitions was reduced—if not entirely destroyed—during Operations Desert Storm and Desert Fox, 13 years of UN sanctions and UN inspections . . . Our efforts to collect and exploit intelligence on Iraq's chemical weapons program have thus far yielded little reliable information on post-1991 CW stocks and CW agent production. . . .";

Whereas on October 2, 2003, David Kay said, ". . . to date we have not uncovered evidence that Iraq undertook significant post-1998 steps to actually build nuclear weapons or produce fissile material.";

Whereas to date, despite an extensive search by the United Nations and the United States no chemical, biological, nuclear or any other weapons of mass destruction have been found: Now, therefore, be it

Resolved, That the House of Representatives—

(1) affirms that the United States and the world have been made safer with the removal of Saddam Hussein and his regime from power in Iraq; however, the main question for the American people is not whether the United States is better off without Saddam Hussein, but whether the United States is better off for having gone to war in Iraq to remove Saddam Hussein;

(2) finds that, despite the removal of Saddam Hussein from power, it is premature to conclude that going to war in Iraq has made the United States safer; indeed, the weight of the evidence to date suggests that President Bush's approach to Iraq has not made the United States safer;

(3) affirms the findings of former Chief U.S. Weapons Inspector David Kay, that no weapons of mass destruction have been found in Iraq;

(4) affirms that no evidence has been found to support the statements made by president Bush, Vice President Cheney, Secretary of State Colin Powell, Secretary of Defense Donald Rumsfeld and National Security Advisor Condoleezza Rice between September 8, 2002 and the present that are cited in the "Whereas" clause above;

(5) commends the Iraqi people for their courage in the face of unspeakable oppression and brutality inflicted on them by Saddam Hussein's regime;

(6) commends the Iraqi people on the adoption of Iraq's interim constitution;

(7) commends the members of the United States Armed Forces and Coalition forces for liberating Iraq and expresses its gratitude for their valiant service; and

(8) extends condolences to the families of the American forces who have been killed in Iraq.

Ms. MAJETTE. Mr. Speaker, today I rise because we have reached the 1-year anniversary of the war in Iraq. One year ago, we invaded Iraq because the President said Saddam Hussein posed an imminent threat to the United States. A "mortal threat," he said.

We were told Saddam Hussein possessed weapons of mass destruction. We were told the international community would be involved, providing troops and financial assistance. We were told the troops would get whatever they needed to get the job done.

So on March 19, 2003, we invaded Iraq. And here we are, 1 year later. Let's examine the facts:

CIA Director George Tenet said intelligence agencies never told the White House that Iraq posed an imminent threat. No weapons of mass destruction have been found.

American taxpayers are paying almost all the bills—$120 billion and still rising. Most importantly, American soldiers are enduring almost all the casualties—more than 560 Americans killed and thousands more wounded.

Our troops did not get the equipment they needed to do their jobs safely—the President failed to include enough funds in his budget to pay for the war in Iraq. Moreover, there is no money in the President's own proposed budget for 2005 to pay for the war in Iraq. He apparently chooses to keep Congress and the American people in the dark about how much we will need to spend.

Let me tell you what's going on today with this resolution. It is an attempt to rewrite history. And if any of us vote against it, we will be attacked for not "supporting the troops."

This resolution is intellectually dishonest. It selects facts that portray the President and his decision to invade Iraq in a positive light, while conveniently ignoring other facts that do not support the President. It tells only of what we already knew—that Saddam Hussein was an evil tyrant. No one disputes that. It tells us of the atrocities he inflicted on his people—no one disputes that. It tells us that the American people applaud the Iraqi people for adopting an interim constitution—and no one denies that. And it affirms our country's unending support for our troops.

All of these accomplishments are worthy of our commendation, and I support them.

But this resolution ignores other facts—that we went into this war with faulty intelligence and sent our soldiers in without adequate body armor. It ignores that there were no weapons of mass destruction, and that Saddam did not pose an "imminent threat" to the U.S. It doesn't tell us that the administration continues to veil the true cost of this war—and it does not say that these costs will be borne by our children because this administration refuses to pay for them today. Instead, this administration gives tax cuts to the people who make over $1 million—and does not provide adequate resources for the veterans and their families.

It does not even acknowledge the deaths and injuries suffered by the men and women in uniform.

So I cannot in good conscience support such a deceptive resolution. It simply does not tell the whole truth.

Make no mistake—I support our troops, and I will do everything I can to help them get what they need. It is not their fault they were sent to Iraq—they are doing their sworn duty for this country. I will do everything I can to fight for their safe return and for an end to this sham of a war.

The authors of this resolution might think it will provide them political cover, but I am here to tell you that the American people are wise and will not be fooled. They understand that domestic priorities are being sacrificed to fund a war it turns out we didn't have to fight. They understand that landing on an aircraft carrier and floating a banner declaring "mission accomplished" does not make it so. They understand that the Republicans refused to allow anyone to offer amendments to the language of this resolution.

After last week's explosion in Madrid, Spain, and today's bombing in Baghdad, I cannot in good conscience state today that the United States and the world has been made safer than it was before we went to war with Iraq.

Mr. MATSUI. Mr. Speaker, as the war in Iraq continues, our military personnel, veterans and their families face a myriad of hardships. Our troops in Iraq have lacked adequate body armor and armored vehicles to keep them safe. Their families have to scrape by because of the pay disparity between serving in the military and in civilian life. When the troops return home, they do not have the health care and benefits they have earned through their service to our country.

Republicans proposed a resolution to supposedly honor our troops. But it does not truly acknowledge the real hardships our troops and their families face. It merely "commends the members of the United States Armed Forces and Coalition forces for liberating Iraq and expresses its gratitude for their valiant service."

Republicans also say in their resolution we are safer now that Saddam Hussein has been removed from power. But we cannot claim the mission is accomplished. We must continue to fight the battle against terrorism to ensure safety and stability in Iraq. And we must be honest about the true task ahead of us, or risk America's credibility with our international partners diminishing further.

Ironically enough, on the same day Republicans claim to honor our troops, they approved a budget proposal for the next year that would slash funding for military pay, health care, education and training for military personnel, veterans and their families. It also fails to extend imminent danger pay and family separation pay for troops in Iraq past December 31 of this year.

I supported an alternative resolution that would appropriately honor the military personnel and veterans who have served our country so courageously. It praises the work our troops are doing and urges the President to provide protective gear for our troops, ensure quality health care to treat both short- and long-term injuries among our troops, and correct pay disparities among civilian and military pay for guards and reservists.

We need to stand behind our courageous men and women in uniform who are bearing the burden of this military action in Iraq. Supporting our troops and giving them the tools they need to carry out their mission in Iraq is the only way to truly honor their service, courage and sacrifice.

Mr. ABERCROMBIE. Mr. Speaker, the Governor of my State recently went on a trip to Iraq. When she returned, she announced that the President's Iraq policy should not be the subject of political discussion. That suggestion is as problematic as it is unrealistic. Foreign policy and defense policy are always legitimate topics of political debate. That's how we do things in a democracy. The voting public has every right to a full and open airing of different points of view—especially when the lives of our service members and the treasury of our Nation are being committed.

Now, with this resolution it seems the Republicans want it both ways. They tell us Iraq policy is out of bounds for political discussion, and at the same time they present us with this resolution. This document amplifying the administration's spin is nothing less than an election-year endorsement of the President's Iraq policy. It will no doubt be denied that it has anything to do with politics. In fact it's blatantly political. It's transparently political. It's in-your-face political.

Our troops deserve better than this cursory salute swaddled in suffocating layers of political celebration. They've earned our gratitude for their patriotism, courage and spirit of sacrifice. More to the point, they deserve a solid commitment to their well being and the well being of their families. But that is something the majority refuses to do. Last week in the House Budget Committee, Mr. EDWARDS and others proposed some simple measures along these lines: TRICARE for reservists; a boost in imminent danger pay; improved military housing; higher pay for senior enlisted personnel; increased family separation allowance; and more funding for family support centers.

All of this is to be offset by a very modest rollback in the tax bonanza we granted to people making a million dollars a year and more. The majority's response? Forget about the troops—our allegiance is to people making a million or more. I don't have any statistics, but I suspect there aren't too many millionaires serving in Iraq or en route.

So let's not pretend this resolution has nothing to do with politics. It's about the politics of deception underlying this war. It's about the politics of delusion that we can remake the world in our own image. It's about the politics of desperation flowing from the realization that we're becoming stuck in a no-exit quagmire.

As for the troops, they're getting thin rations from the majority in this House. Saying you support the troops is easy. The issue here isn't whether anyone in this House supports the troops. We all do. The issue is whether we can fashion a policy worthy of their valor, dedication and sacrifice.

The SPEAKER pro tempore (Mr. ISAKSON). All time for debate has expired.

Pursuant to House Resolution 561, the resolution is considered read for amendment and the previous question is ordered on the resolution and preamble.

The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MURTHA. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on adoption of the resolution will be followed by a 5-minute vote on House Joint Resolution 87. Votes on motions to suspend the rules postponed earlier today will be taken tomorrow.

RECORDED VOTE

The vote was taken by electronic device, and there were—ayes 327, noes 93, answered "present" 7, not voting 7, as follows:

[Roll No. 64]

AYES—327

Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (TX)
Brown (OH)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capuano
Cardin
Cardoza
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Etheridge
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Ford
Fossella
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall
Harman
Harris
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinojosa
Hobson
Hoekstra
Holden
Holt
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Larsen (WA)
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Manzullo
Marshall
Matheson
McCarthy (NY)
McCotter
McCrery
McHugh
McInnis
McIntyre
McKeon
McNulty
Menendez
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Moore
Moran (KS)
Murphy
Musgrave
Myrick
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Pascrell
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Royce
Ruppersberger
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Turner (TX)
Udall (CO)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weiner
Weldon (FL)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NOES—93

Abercrombie
Ackerman
Baldwin
Ballance
Becerra
Bell
Blumenauer
Brady (PA)
Brown, Corrine
Capps
Clay
Clyburn
Conyers
Cummings
Davis (IL)
DeGette
Delahunt
Doyle
Eshoo
Evans
Farr
Fattah
Filner
Frank (MA)
Grijalva
Gutierrez
Hastings (FL)
Hinchey
Honda
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Kanjorski
Kilpatrick
Kleczka
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lofgren
Majette
Maloney
Markey
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, George
Mollohan
Moran (VA)
Murtha
Nadler
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Paul
Payne
Pelosi
Rahall
Rangel
Rothman
Roybal-Allard
Rush
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Scott (VA)
Serrano
Solis
Stark
Tauscher
Thompson (CA)
Tierney
Towns
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Wexler
Woolsey

ANSWERED "PRESENT"—7

Carson (IN)
Davis (AL)
Davis (CA)
Johnson, E. B.
Lantos
Meehan
Waxman

NOT VOTING—7

Hoeffel
Kucinich
Sherwood
Simmons
Smith (WA)
Tauzin
Weldon (PA)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISAKSON) (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1950

Mr. RUSH and Mr. JEFFERSON changed their vote from "aye" to "no."

Mrs. NAPOLITANO changed her vote from "no" to "aye."

Mr. HILL changed his vote from "present" to "aye."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mrs. JONES of Ohio. Mr. Speaker, on the vote on House Resolution 557, I spoke on the floor in opposition to H. Res. 557 and by mistake voted "yes" on the floor. I seek the record to be clear that I intended to vote "no."

HONORING THE LIFE AND LEGACY OF PRESIDENT FRANKLIN DELANO ROOSEVELT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution, H.J. Res. 87.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and pass the joint resolution, H.J. Res. 87, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 398, nays 5, answered "present" 6, not voting 24, as follows:

[Roll No. 65]

YEAS—398

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Barrett (SC)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Feeney
Ferguson
Filner
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Gerlach
Gibbons
Gilchrest
Gillmor

Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Kleczka
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sánchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—5

Bartlett (MD)
Flake
Hefley
King (IA)
Paul

ANSWERED "PRESENT"—6

Crane
Cunningham
Everett
Johnson, Sam
Kingston
Pence

NOT VOTING—24

Akin
Ballenger
Blunt
Collins
Dooley (CA)
Doolittle
Foley
Garrett (NJ)
Gephardt
Goss
Harman
Hoeffel
Kucinich
Lewis (CA)
Manzullo
Matsui
Otter
Rohrabacher
Sherwood
Simmons
Smith (WA)
Tauzin
Weldon (PA)
Weller

□ 1958

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM OFFICE MANAGER OF HON. HOWARD COBLE, MEMBER OF CONGRESS

The Speaker pro tempore laid before the House the following communication from Chris Beaman, Office Manager and Constituent Services Representative for the Honorable HOWARD COBLE, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 11, 2004.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a subpoena for testimony issued by the General Court of Justice for the State of North Carolina, Guilford County.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is inconsistent with the precedents and privileges of the House.

Sincerely,
CHRIS BEAMAN.

□ 2000

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1673

Mr. UDALL of Colorado. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 1673.

The SPEAKER pro tempore (Mr. BRADLEY of New Hampshire). Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

WE SHOULD NOT POLITICIZE FOREIGN POLICY

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise with a very heavy heart. And I speak from the heart. First, I think it is important for us to acknowledge that today in Baghdad another enormous tragedy occurred, the explosion that cost the life of almost 40 individuals, complete collapse of one of the hotels in the city of Baghdad, which shows us that the war is ongoing. And it reaffirms the fact that we are not yet safe.

I rise as well, Mr. Speaker, to say that we stand divided on policy but never divided from our troops. So I stand to salute those who have served and those who are serving now.

But I must stand today to also acknowledge why I voted no on the previous resolution, H. Res. 557. And I voted no, Mr. Speaker, because we should not politicize foreign policy or the lives of our young people. We should realize that the war on terrorism is both bipartisan and international. And when I met with a group of Iraqi citizens today who came and sat down and spoke with those of us who would listen, this is what they said. One, we will not be safe in Iraq until safety is number one; two, militia are roaming all over Iraq and kidnapping those of us who desire to be free; and three, rural Iraqis and Iraqis around the country, some 8 million, are not included in this constitution or the Iraqi Governing Council.

If my friends on the other side of the aisle would spend more time in honoring our troops and working in a bipartisan way, we would be safe and we could fight terrorism. And so I say today, shame on us when we politicize the foreign policy that needs a united front to save lives of our young men and women and the people in Iraq.

THE BUSH ADMINISTRATION'S PRESCRIPTION DRUG BILL

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, if the President's Medicare prescription drug bill is so good, why does the Bush administration have to sell it so hard?

The Bush administration has already used 13 million tax dollars to spend on selling this prescription drug bill, this prescription drug law, to the American people, spending tax dollars for a benefit that does not even take effect for 2 more years. They have already spent $13 million. They are planning to spend $80 million more to advertise to the American people, slick television ads to sell this law that simply is not going to work very well. That $80 million could fill 900,000 arthritis medicine prescriptions. That $80 million could by 1.5 million prescriptions of glaucoma medicine. That $80 million could buy 2.5 million prescriptions of blood pressure medicine. Instead, the Bush administration is going to spend that $80 million on an ad blitz of slick campaign-style ads in homage to late night infomercials.

TAX CUTS ARE WORKING IN TENNESSEE

(Mrs. BLACKBURN asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous material.)

Mrs. BLACKBURN. Mr. Speaker, today I rise to talk about jobs and to talk about the success that we are seeing from the Bush tax cuts that this body passed last spring. The child tax credit, marriage penalty, expensing, depreciation, those are working for small businesses. They are working for entrepreneurs. They are working for the people that make this economy grow.

I want you to take a look at this article. I found it this weekend when I got home sitting on the top of my desk: "Boom times ahead. LLC Formations Soar." What it tells us is that in Tennessee where these tax cuts are working, the State registered 15,064 new corporations, LLCs, limited partnerships. That topped the previous high of 14,500 in 1997 and is up 22 percent.

Now, jobs growth is working for small business. This is working for women, because the fastest growing sector of small business growth is women, women-owned businesses.

Tax cuts are working in Tennessee. I commend this body and the President.

[From the Nashville Business Journal, March 17, 2004]

BOOM TIMES AHEAD? LLC FORMATIONS SOAR

(By Holly Dolloff)

The formation of limited liability companies in Tennessee has soared over the past two years, a trend that could mean the region's bleak jobs picture may soon brighten considerably.

The Tennessee Secretary of State Division of Business Services registered 7,412 LLCs last year—500 more than were formed in 1998, the previous high mark, and 49 percent more than in 2001.

The number of LLCs registered last year was more than double the number of 1995, when companies first gained that option from the state. Local attorneys attribute the recent boom to several factors, from increased comfort levels with the process to a sluggish economy.

"The LLC has come into its own," says Leigh Griffith, an attorney at Waller Lansden Dortch & Davis. "It's the entity of choice for closely held companies."

Total for-profit business formation also set a new high. The state registered 15,064 new corporations, LLC, limited partnerships or limited liability partnerships. That topped the previous high of 14,565 set in 1997 and was up 22 percent from 2001.

Griffith speculates the 2003 boom may have resulted from the down-turn that began in 2001.

"As the economy gets softer, people get laid off and start their own businesses," he says.

A very similar dynamic applies to higher education and particularly graduate and professional programs. When the economy goes south, enrollment very often will rise as out-of-work professionals seek new opportunities or new skills.

Though their greater numbers may often be attributable to past bad news, new LLCs could end up improving the local and state economic picture as they grow into bona fide businesses with multiple employees.

At this point, it is very unlikely that many of the new companies are being counted in the local or state economic statistics that show a stagnant job market despite optimism from both consumers and business owners.

The record number of LLC formations last year also marked only the second time—1998 was the first—that Tennesseans created more LLCs than for-profit corporations. The year saw 7,209 corporations formed, up less than 1 percent from 2002 and 5 percent below their 2000 level.

Fellow Waller attorney Michael Yopp, who recently published "Tennessee Limited Liability Companies: Forms and Practices" (DataTrace Publishing, 2004), says the 1996 renovations of state law facilitated understanding and increased employment of the structure.

"Fairly extensive" litigation involving LLCs in the late '90s has also contributed to the higher numbers, he says.

Yopp is part of a group of attorneys currently revising the LLC statutes.

Griffith was a prime author of the original statutes creating LLCs and remains a proponent of them. He says the most obvious benefit of an LLC is limited responsibility for liabilities incurred by others, particularly in small businesses.

"When you realize the fate of your company is in the hands of a 19-year-old delivery boy who may be hung over from the night before, and he hits someone with the delivery vehicle, your house is on the line," says Griffith.

Partners in LLCs could lose their businesses in a smaller situation, but their personal property is immune from seizure. And the LLC format offers breaks from the taxes and red tape that corporations incur.

"You don't have to have annual meetings and you're covered by operating agreements and not by-laws or restrictive stock," says Larry Papel, managing partner at Baker Donelson Bearman Caldwell & Berkowitz, who has registered several LLCs for clients.

One such client was a restaurant group with multiple locations. Papel says such businesses may be better off registering each entity separately, an assessment with which Griffith agrees.

"If each restaurant in a chain is an LLC, they won't all suffer if one has a problem," Griffith says.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TRANSPORTATION FINANCING AT THE FEDERAL LEVEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BURGESS) is recognized for 5 minutes.

Mr. BURGESS. Mr. Speaker, our transportation system has a direct and significant impact on daily lives of all Americans. The United States has benefited greatly from having a strong transportation network. But, Mr. Speaker, we are approaching a crossroads.

In Texas our identified transportation needs outstrip available funding 3 to 1. Between 2000 and 2025, studies predict that the population of Texas will increase by 9 million people, and 90 percent, 8 million of those, will be living in metropolitan areas. The transportation system in Texas must be expanded to accommodate this projected population increase and related business growth. Important transportation projects all over the State of Texas are waiting in line for limited funding. Population growth, rise in construction costs, and increased transportation demands make this line a little bit longer every year.

We have three specific needs in Texas. The current pay-as-you-go funding system only covers about a third of our needs; the State's population growth is putting additional strain on aging roadways; and it just takes too long to get roads built.

As the only Texas Republican on the House Committee on Transportation and Infrastructure, the reauthorization of Federal surface transportation programs is the top priority for my legislative agenda in the 108th Congress. Congress and the administration continue to discuss the appropriate level of funding in our transportation reauthorization bill, but we also need to ensure that current Federal transportation dollars are being spent wisely. Our charge as congressional Representatives is to protect dollars taken from the taxpayer by streamlining and improving the activities of our Federal Government.

As a member of the committee, I wanted to be certain that the U.S. Department of Transportation was ensuring the most efficient business practices within the agency. Last year I met with Inspector General Kenneth Mead to discuss the business practices of the agency and how the Congress can curb transportation spending. Inspector General Mead and I discussed the need for greater stewardship and oversight of the Department of Transportation's programs.

To date, the Department of Transportation has not changed the way the agency disburses transportation funding to State and local entities since President Eisenhower was in office. The inspector general recommended that if 1 percent of the $500 billion spent over the last 10 years on transportation programs was saved, this would generate an additional $5 billion. In fact, Mr. Speaker, this $5 billion could equate to the amount of funding needed for 4 of the current 11 major transportation programs going on in the country today. I believe this practice could better assist the Department of Transportation in spending taxpayer dollars more efficiently.

There are examples of transportation projects that are done efficiently.

Interstate 15 in Utah was finished ahead of schedule and under budget. In North Texas, the Dallas Area Rapid Transit system worked within their budget last year and actually returned over $20 million in transit funding to the Federal Government. There are bad examples. Currently the poster child for bad examples is the Big Dig project in Boston, Massachusetts, and well over $10 billion has been invested into that project.

Mr. Speaker, the General Accounting Office has estimated that for fiscal years 1998 to 2001, the highway account lost over $6 billion because of the ethanol tax exemption and the General Fund transfer. Using the Treasury's projections of the gasohol tax receipts, based on current law, it is estimated that the highway fund will not collect $13 billion because of the tax exemption from fiscal years 2002 to 2012 and almost $7 billion from the general fund transfer between the same years.

Not paying interest on the Highway Trust Fund balance, the U.S. Department of Treasury estimates the Highway Trust Fund would have earned $4 billion from September 1999 through February 2002. For those without a calculator handy, the total now is about $30 billion.

Mr. Speaker, there are several policy initiatives that I have asked to be included in the highway reauthorization bill. These allow States more flexibility, especially in the realm of environmental streamlining, to get projects delivered on time. The RAPID Act, the Reforming, Accelerating, and Protecting Interstate Design Act of 2003, is one of these policy initiatives, and I urge the other Members to look at this legislation and to consider its inclusion in the overall transportation bill when it is voted out of committee and on the floor later this month.

The key to a 21st century transportation program is partnering private entities with the Federal Government and allowing large transportation systems to be built in a timely and sensible sequence. My bill allows large transportation systems to be built in less time and save money by constructing roads in commonsense increments as they are needed. Among other things, the bill would streamline and expedite project delivery by allowing an environmental assessment to be prepared simultaneously for several different elements of a project. It also expands States' authorities to collect tolls on interstate highways and expands the eligible uses of toll revenues collected on those facilities.

Mr. Speaker, in short, we all know we are approaching a crossroads in transportation in this country. My goal is to facilitate and allow States greater flexibility in handling these precious dollars that they will receive under this year's Federal transportation reauthorization. Mr. Speaker, it is my goal that families will be able to spend as much time at the dinner table as they currently spend in traffic jams.

VACATING OF 5-MINUTE SPECIAL ORDERS

The SPEAKER pro tempore. Without objection, the 5-minute special orders of the gentleman from New Jersey (Mr. PALLONE) and the gentleman from California (Mr. DREIER) are vacated.

There was no objection.

IRAQ 1-YEAR ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEWIS) is recognized for 5 minutes

Mr. LEWIS of Georgia. Mr. Speaker, this Friday marks the 1-year anniversary of the invasion of Iraq. Over 10,000 Iraqi soldiers are dead. Thousands of Iraqi civilians are dead. Nearly 600 Americans, 600 of our sons and daughters, are dead. Thousands more have been wounded. Physically and emotionally, their lives changed forever.

But the dead and the wounded are not the only casualties of President Bush's decision to invade Iraq. Something else has died in those desert sands. Something else has been lost. Truth, nothing but the truth, honesty.

For over a year, the American people have been deceived by the words of the President and his administration. Officials at every level have misled the people that they were elected to serve. They have also misled the community of nations.

We asked for truth, and President Bush told us that "Iraq sought significant quantities of uranium from Africa." We asked for truth, and Vice President CHENEY repeatedly warned us of close ties between al Qaeda and Iraq. We asked for truth, and Secretary of State Colin Powell told the United Nations that Iraq had weapons of mass destruction. Where are those weapons, Mr. Speaker? We asked for truth, and President Bush warned us that Iraq had planes that could fly weapons of mass destruction to our shores. We asked for truth, and they told us that our troops would be greeted as liberators, that Iraqi oil would pay to rebuild Iraq.

The falsehoods go on and on. I do not know whether this administration cannot stop or will not stop. I only know that they do not stop.

Just last Sunday National Security Adviser Condoleezza Rice told the American people that "Iraq was the most dangerous regime in the world." Where is the truth?

Mr. Speaker, this administration would never be able to justify the war on Iraq because we cannot believe a word they say. They have never been honest about why we went to war. Just ask the former Treasury Secretary, Paul O'Neill. He told the Nation this administration was hell bent to go to war from day one, even before the President took oath of office.

And it is not just Iraq. It is almost on every issue, every comment, every deed. We cannot believe a word they say.

The Bush administration proposed a $550 billion Medicare prescription drug bill and told us it will only cost $400 billion. They cut down trees on public land and call it "Healthy Forests." They let industry pollute our air and call it "Clear Skies."

The President himself, President Bush, proudly told the American people that his budget would cut the deficit in 5 years, but his budget does not pay for Iraq. It does not pay for Afghanistan. It does not pay for his tax cuts for the rich.

Mr. Speaker, instead of searching for weapons of mass destruction in Iraq, we should be searching for the truth right here at home. The Bible tells us, "The truth will set you free." And we will not find it at the other end of Pennsylvania Avenue. The British novelist John Le Carre once said, "I think the single greatest enemy is the misuse of information, the perversion of the truth in the hands of terribly skillful people."

On the eve of the anniversary of the invasion of Iraq, we must reflect on these words. President Bush and his administration have misused information. They have perverted the truth, and now 600 Americans are dead, 10,000 civilians are dead in Iraq, hundreds of thousands of our sons and daughters, brave men and women, young people, 18, 19, 21, 23 years old, have been torn from their homes, from their families, and sent thousands of miles from home.

□ 2015

I would ask the President, what are they fighting for? I would ask him why so many of our young people are dead and wounded, but I do not want his answer. I do not want the answer from the Vice President or Secretary Powell or Secretary Rumsfeld. The American people do not want more of what we have been hearing for the past year. What we want, Mr. Speaker, and what we need more than anything else, is the truth.

WASHINGTON WASTE WATCHERS

The SPEAKER pro tempore (Mr. BRADLEY of New Hampshire). Under a previous order of the House, the gentleman from Texas (Mr. HENSARLING) is recognized for 5 minutes.

Mr. HENSARLING. Mr. Speaker, I rise today, along with several of my colleagues from the Washington Waste Watchers, a Republican working group dedicated to rooting out the rampant waste, fraud, and abuse in the Federal Government.

Over the last 3 weeks, my colleagues on the Committee on the Budget have been discussing the Federal budget and debating the growth of government spending. With a historically large deficit and with Federal spending now exceeding $20,000 per American household for only the fourth time in American history and for the first time since World War II, many Democrats say, it is time to raise taxes yet again on the American people. Democrats are demanding that we roll back the tax relief that is responsible for the unparalleled growth that we have had in our economy, the tax relief that is bringing down our unemployment, the tax relief that amounts to only 1 percent, 1 percent of the $13.1 trillion 5-year spending plan the Committee on the Budget approved today. In other words, 99 percent of our budget woes lay on the spending side.

Clearly, Mr. Speaker, we have a spending problem, not a taxing problem in this town. And I, for one, say it is time to take the trash out of Washington. It is time to go after the costly waste, fraud, and abuse that permeate every nook and cranny in our Federal Government.

Albert Einstein once said that the definition of insanity was doing the same thing over and over again and expecting different results. Well, Mr. Speaker, each and every year, we pour more money into the Federal Government with scant accountability; and we continue to throw billions of dollars of American taxpayers' money away in waste, fraud, and abuse.

Let me discuss just a few examples. The Office of National Drug Control Policy awarded one advertising agency a $150 million grant to craft ads keeping American youth away from drugs, even though this company had a history of overbilling the Federal Government. In 2002 the firm had to repay the government $1.8 million for overstating its labor costs, and some representatives of the company are currently under indictment for filing false claims. Now, the ads are part of a 5-year, $1 billion campaign whose effectiveness has been greatly scrutinized. A private research firm concluded that teenagers viewing the ads were no less likely to use drugs than if they had not viewed them and that some were even more likely to use drugs. False claims and ineffective ads, yet Democrats want to raise our taxes to pay for more of this.

The Center for Medicare and Medicaid Services, CMS, is currently undertaking a major crackdown on phoney claims for power wheelchairs and has recovered $52.5 million thus far. One 89-year-old from Florida said that she and her husband were approached by a salesperson who pressured them into an unnecessary order. Medicare was then billed $15,500 for two scooters, a hospital bed, and a pressure mattress, none of which was needed. Another senior citizen testified in court that a claim had been submitted without her approval. She then demonstrated her lack of a need for a wheelchair by walking before the jurors. Mr. Speaker, $52 million in fraud, yet Democrats want to raise our taxes to pay for even more of this.

The Drug Enforcement Agency contracts with the private sector to get translators and transcribers in many of its field divisions. However, the Inspector General's Office found such loose controls were in place that $2.8 million of the $9.4 million paid was going to unauthorized and unallowable expenses. Yet Democrats want to raise taxes to pay for more of this.

In the year 2000, an investigation discovered that the Department of Energy spent more than $38 million developing information systems that it already had. They already had the systems in place. Yet Democrats want to raise taxes to pay for more of this.

Mr. Speaker, these are just a few examples of the rampant waste in our Federal Government. After we begin to look closely, we see that so many Federal programs routinely lose 10, 20, even 30 percent of their taxpayer-funded budgets to waste, fraud, and abuse and have for years.

There are so many different ways that we can save money in Washington without cutting any needed services or without raising taxes as our Democrat colleagues seek to do. Because when it comes to Federal programs, it is not how much money we spend that counts, it is how Washington spends the money that counts.

SUPPORTING BLUE DOG BUDGET PHILOSOPHY IS RIGHT FOR AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes.

Mr. STENHOLM. Mr. Speaker, it is amazing listening to my colleague from Texas. One would think that we Democrats are still in control and that his party has not been in control of this House for the last 8 years. It is amazing listening to these speeches. It is amazing to see the budget that came out of the committee which he serves on, that next will propose to borrow $377.6 billion, including all of the Social Security trust funds, all of the Civil Service trust funds, all of the Federal military retiree trust funds. In this same budget he supported today, the debt limit will be increased to $8.88 trillion, and yet the finger-pointing stills goes on.

He had a chance today to vote for a budget enforcement bill that the gentleman from California (Mr. THOMPSON) offered that would do something about the deficit. He voted "no," but he comes to the floor and makes a wonderful speech that sounds good, but does nothing to deal with our Nation's fiscal problems.

The Blue Dog philosophy and the budget we will offer next week begins with a simple wisdom: when you find yourselves in a hole, the first rule is to quit digging. Stop pointing the finger at the other side of the aisle and let us see how we might work together to deal with the most serious economic problems that have faced this country, perhaps in our history.

Strong budget enforcement rules are an important component of restoring fiscal discipline and making sure the budget remains in balance once we have done the hard work necessary to bring it back into balance. The budget enforcement rules Congress enacted in 1990 with bipartisan support, and that is when we Democrats were in control, and I worked with my friends on the other side of the aisle to do something about the deficit, and we did; it was an important part of getting a handle on deficits in the early 1990s and getting the budget back into balance with discretionary spending limits.

I want to make it very clear: the Blue Dog Democrats support President Bush's spending request to this body, not one penny more. So do not talk about spending when we talk about alternatives. If you do not have one that will work, do not come to the floor and speechify, unless you are just trying to make a good impression with the folks back home.

Unless we renew our budget discipline in this body, Congress will continue to find ways to pass more legislation that puts still more red ink on the national ledger. If we are truly serious about restoring fiscal discipline, budget enforcement rules must apply to all legislation that would increase the deficit. Through increases in spending or reductions in revenue, all parts of the budget must be on the table.

It is irresponsible and politically unrealistic to propose budget rules that apply to one part of the budget, but not the other. Borrowing for tax increases that do not contribute to growth in this country are just as irresponsible as the spending the gentleman was talking about a moment ago, if one is worried about the future of this country. Those of us who want to extend expiring tax cuts or make the tax cuts permanent should be willing to put forward the spending cuts or other offsets necessary to pay for them. Similarly, those who want to spend more in certain areas need to be willing to say where they would cut or how they would raise revenue to pay for their proposals.

Let me again repeat, I am part of the Blue Dog organization that will not vote to spend one dime more than President Bush asked us to spend this year, and let that be very clear. The

Blue Dogs support spending caps, limiting total discretionary spending to no more than the spending levels in the President's budget. If it is the will of the majority to pass legislation that will make the budget situation worse, we should be forced to step up and take the responsibility for doing so.

Under the Blue Dog plan, a separate vote would be required to waive the pay-go requirements or increase the discretionary spending limits. Congress could pass new spending or tax cuts without the offsets, but we will be held accountable for increasing the deficit by waiving budget rules.

The recognition that budget enforcement is an issue that needs to be addressed and the announcement that the Committee on the Budget will be considering budget enforcement legislation tomorrow is a positive step forward. But I am very, very disappointed that the Committee on the Budget in their wisdom chose to leave most of the issue off the table. If we really want to do something about deficits, we have to begin to address them, yes, on the spending side, no question about that. But we cannot continue to cut taxes with borrowed money unless we are willing to say to our grandchildren, I do not give a rip about your future.

Mr. Speaker, we can continue to vote for tax cuts and have the greatest tax increase, which is exactly what the majority is doing. You are voting to have the greatest tax increase in the history of this Nation by continuing to borrow as you are now borrowing, we are borrowing. I am part of it. I am part of the Members of Congress. But we will have a constructive alternative that we will be putting forth next week, and I hope sincerely that we can find some bipartisan support to put meaningful enforcement into place, so that we do something about the deficit other than come to this floor and speechify.

DEMOCRATS PROPOSE INCREASED TAXES AND MORE WASTEFUL SPENDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MARIO DIAZ-BALART) is recognized for 5 minutes.

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, I look forward to seeing the proposal that the gentleman from Texas (Mr. STENHOLM) just mentioned because so far, the only proposals that have been put forward by the Democrats in committee have been billions and billions and billions of additional spending and billions of tax increases. So I am looking forward to seeing if, in fact, his proposal will be different.

Mr. Speaker, last week in the Committee on the Budget, by the way, the Democrats proposed raising taxes three times and increase spending by over $13 billion in their first five amendments to the budget resolution. Mr. Speaker, they had only just begun.

Tonight, in the Committee on the Budget that we finished a little while ago, they presented numerous more amendments increasing spending by billions more and increasing taxes on the hard-working American people by billions more. The final tally: stay tuned, because we will be bringing that to our colleagues in the next few days.

Now, why do Democrats want to raise, insist on raising, the American people's taxes to pay for more waste, fraud, and abuse in Washington? I say that because let me read my colleagues some examples. A recent GAO report found that bureaucrats at the Department of Agriculture were using taxpayer-funded purchase cards for premium satellite and cable TV packages, including charges for pornographic movies, thousands of dollars charged to the taxpayers. By the way, this one I could not understand: fish costumes, web of life costumes, and a hand-switched salmon tent, $12,000 that the taxpayers paid for those. Very expensive, it must have been a really nice aquarium for $3,000, a billiard table; and yet the Democrats insist on trying to raise the taxes of the hard-working American people in this country. And that is the difference. They insist on trying to raise taxes, and their proposals show that.

Mr. Speaker, Republicans are trying to solve this problem alone. During the last year's budget resolution, Mr. Speaker, the gentleman from Iowa (Chairman NUSSLE) tried to eliminate just 1 percent of waste, fraud, and abuse by cutting spending by 1 percent. The esteemed minority whip said of that proposal that that was senseless and irresponsible to try to cut just 1 percent of waste, fraud, and abuse. What they proposed was not agreed to, but they proposed billions of dollars of tax increases and billions of dollars of more government expenditures.

President Bush is working on implementing the President's management agenda, a performance-based system that seeks to reduce waste, fraud, and abuse and has got nothing, nothing but opposition from the members of the minority party. This year, Mr. Speaker, the gentleman from Iowa (Chairman NUSSLE) once again is providing an avenue in the budget to eliminate waste, fraud, and abuse. Democrats will likely, unfortunately, oppose those efforts as well, and likely, once again, as they have done tonight and as they did last week, will propose billions of dollars in more spending and billions of dollars of tax increases on the hard-working Americans in this country.

While Republicans are making great strides in cleaning up wasteful spending, Mr. Speaker, Democrats continue aggressively with this love affair of trying to raise the taxes on the hard-working American taxpayer.

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ADDING TO THE NATIONAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. BERRY) is recognized for 5 minutes.

Mr. BERRY. Mr. Speaker, that great country singer and philosopher Merle Haggard has this wonderful song called "Rainbow Stew." And the words go something like this: "When a President goes through the White House door and does what he says he will do, we will all be drinking that free Bubble Up and eating that rainbow stew."

Now, there must be a barrel of Bubble Up in the Republican cloakroom tonight because, if I did not know better, the last two speakers on the Republican side, I would suspect that they might have gotten here by falling off a turnip truck on Independence Avenue. I have never heard such ridiculous goings on in all of my days.

Now, I know that they have not been here very long, and I understand that. What we need is a little bit of sanity. This would be hysterically funny if it was not so painful for the next generation. What we need is a little credibility. What we need is a little honesty from the gentlemen on the other side of the aisle that just voted today to support a budget that will raise the debt ceiling over $8 trillion. And then they come down here and talk about some ridiculous deal that they do not even know what they are talking about and blame the Democrats for it.

The Republicans have been in charge since 1995 in this place. And it is the Democrats' fault? Some of these fraud cases that they are talking about were contracts that were administered by the current administration. You have got to wonder when the turnip truck got through the barricades out here.

When the President came in this January of 2001, the Blue Dogs went to him, we said, We want to work with you. We will work with you to cut taxes. That is all we ask. But if you are going to cut taxes, cut spending. Let us agree on that. Let us work together, and we will do it. And we will all be proud of our work when we get through.

They sent Vice President CHENEY down here in room 122, downstairs. I will never forget it. And he said this: "We think you all are nice people, but we do not need you and we are going to do what we are going to do." And they can.

Now, look what we got, a budget that was voted for by the gentleman from Texas this afternoon that is going to borrow another $700 billion from our children and grandchildren. Now, you talk about waste, fraud, and abuse, that is it. There is not any proposal in there to cut spending in a responsible way.

The Blue Dog Coalition has worked and worked and worked to try to get the other side to sit down with us and let us do the responsible thing. We have proposed raising taxes. We have proposed balancing the budget in a responsible way. Then they sent Mitch Daniels, the head of the Office of Management and Budget, and he told us, "Do not worry, we are going to have so much money after we cut taxes we are going to pay off all the debt. The biggest problem we are going to have is you will not be able to buy any U.S. Treasury bonds; they will not be a safe investment." They did just about fix it with the U.S. Treasury bonds: they are not a safe investment anymore. I just wonder what in the Sam Hill these people are thinking about.

But I can tell you this: you can keep trying to fool the American people which will not be successful. You can keep doing what you are doing which is add to the debt load of our children and grandchildren in such an irresponsible way that it will be a horrendous day when the payday comes. And you will be the one that suffers, because I am so old I will probably be dead when it happens. But the young man from Texas over there that is sitting there smiling in such a cute way, he is going to still be around. And he is going to have to pay this tax.

The one tax that you cannot repeal is the interest on the national debt. Now, they want to raise that one as much as they can. And, boy, they are doing it great.

I just cannot imagine why. That is the great mystery to me. Why would you want to do such a ridiculous but, more importantly, irresponsible thing to our children and grandchildren.

TERRORIST ATROCITIES IN SPAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. BEREUTER) is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, this Member rises today to fervently condemn the terrorist bombings in Madrid on March 11 and to express his strong and unwavering support for the Spanish people in their fight against terrorism.

As all of our colleagues surely know, last Thursday at the height of the morning rush hour, terrorists detonated 10 bombs on commuter trains in the Spanish capital of Madrid. These synchronized attacks blew up four different trains. Several of them were in station at the time, increasing the carnage. At last count 201 people were killed in these attacks and almost 1,500 people were injured. These attacks were the worst terrorist atrocity in Spanish history and maybe the most terrible on the European continent in modern history.

Mr. Speaker, in the wake of the terrorist attacks on September 11, 2001, the French newspaper Le Monde, often a font of anti-American sentiment, declared that "We Are All Americans."

Now we are all Spaniards united in solidarity and resolve with our friends and our allies.

To compare terrorist atrocities is in some ways to minimize the importance of each human life that was so brutally and pointlessly extinguished by those who exalt in the murder and maiming of their fellow men, women, and, yes, children too. But I sense that most Americans saw the slaughter in Madrid on March 11 through the prism of our own experience on September 11. Even the dates mirrored each other with 3/11 coming exactly 2½ years after 9/11.

For those of us who evacuated our offices on 9/11, watched the smoke from the burning Pentagon, and heard the sirens of emergency vehicles, we could not help but identify with the scenes of killing and bloodshed that we all repeatedly saw on our television screens last week.

Sadly, last week's attacks marked not a new phenomenon in Spanish life, only a new magnitude of suffering.

For more than 30 years, Spaniards have endured a vicious terrorist campaign by the fringe, Basque-separatist ETA organization. Given this bloody history, it was no surprise when Spanish officials first blamed ETA for the March 11 train bombings.

Since then we learned that these reprehensible attacks are more likely the work of the Islamic terrorists linked to al Qaeda. A clear determination is not yet possible. We often speak of the global war on terrorism. Last week we were reminded just how global the threat of terrorism really is. Al Qaeda has already struck in Africa, Asia, and North America. Now nearly all relevant authorities are tentatively concluding that these terrorists have struck in Europe as well.

In conjunction with these attacks, Spanish authorities have arrested five suspects, three Moroccans and two Indians, who are believed to be al Qaeda loyals. Authorities are seeking other suspects in conjunction with the bombings. The bombings in Spain demonstrate that Europe is indeed a target of al Qaeda and the brand of Islamic extremism that it espouses. It is a terrible shock, but it comes as no surprise to European terrorism experts. Europol, which helps coordinate police activity among nations, warned in December that al Qaeda was still active in Europe and remained a threat there. However, if there was still any thought among Europeans that they were somehow immune from al Qaeda attacks, these bombings proved them wrong.

An additional concern in this case is the obvious, and apparently successful, effort by terrorists to influence a democratic election. Many analysts have attributed the unexpected victory of the Socialist Party in Sunday's national elections to voters' reactions to the terrorist attacks. Spain's participation in military action against Iraq was unpopular among the electorate. Some post-election reports indicate that a large number of Spanish voters may have voted against the ruling popular party in the belief that its support for the Iraq war was responsible for Spain being targeted by al Qaeda.

If, indeed, as this Member believes, al Qaeda carried out these terrorist attacks just 3 days before a national election in order to affect the results of the election, it would be an extremely troubling development. We already know that al Qaeda aims to kill our people and cripple our economies. It is, furthermore, extraordinarily disturbing that this group seems to be targeting governments friendly to the United States in order to bring them down.

An editorial in the Omaha World-Herald yesterday declared that, "The Spanish voters, in their sorrow and anger, have broadcast exactly the wrong signal: terrorism works."

Mr. Speaker, if anyone in Europe believes that standing on the sidelines will somehow protect them from al Qaeda, they are wrong. Europe was a target of al Qaeda even before 9/11 and the Iraq war, and it remains a target of al Qaeda. The response to terrorism cannot be a quest for neutrality. It cannot be the pursuit of a nonaggression pact or a modus vivendi with al Qaeda. This is not possible.

The only response can be a reaffirmation of a commitment to strenuously work together within Europe and within the Atlantic Alliance to root out the terrorists in our midst and to destroy their ability to operate throughout the world.

Fortunately, we see indications from our European allies that this will be their response. Already officials in European countries and in the European Union are stepping up their efforts to improve cooperation against terrorist groups and strengthen legislation against terrorism.

However, that inclination, apparently, is not shared by Romano Prodi, the President of the European Commission, which is the executive bureaucracy of the EU. On Monday, Mr. Prodi said, "It is clear that using force is not the answer to resolving the conflict with terrorists."

This outrageous, wrong-headed comment is the worst thing an EU official could have said in response to the terrorist attacks in Spain.

Instead of vowing to redouble efforts to defeat al Qaeda in the mountains of Afghanistan, the head of the European Commission advocates appeasement and surrender to those who orchestrated the massacre of innocents in Madrid.

If the terrorists were encouraged by their apparent success at influencing the Spanish elections, they must be ecstatic that high-ranking officials like Mr. Prodi want to pursue a separate, dishonorable accommodation with terrorists.

In an article in yesterday's Washington Post, Robert Kagan offered a withering critique of Mr. Prodi's comments.

Mr. Kagan wrote, "Al Qaeda seeks to divide Europe and the United States not just in Iraq, but in the overall struggle. It seeks to convince Europeans that not only the use of force in Iraq was mistaken, but that the use of force against terrorism in general is mistaken and futile—just as Prodi is arguing. Are Europeans prepared to grant all of al Qaeda's conditions in exchange for a promise of security? Thoughts of Munich and 1938 come to mind."

And Mr. Kagan recognizes that the policy of weakness advocated by Mr. Prodi will only encourage the terrorists. "Responsible heads in Europe must understand that anything that smacks of retreat in the aftermath of this latest attack could raise the likelihood of further attacks," Mr. Kagan wrote.

Surprisingly, a more realistic European assessment of the motivations and goals of these terrorists came from the French newspaper Le Monde.

Never known for sharing a worldview with the Bush Administration, Le Monde on Monday noted that these terrorists "attack democratic societies because of what they are: open, flexible, respectful of the rule of law," and for them "the only measure of success is killing as many people as possible."

Mr. Speaker, America must stand by our Spanish allies and all of our European allies in this struggle against terrorism. We extend our sympathy to the families of those killed in the Madrid bombings, to those injured, and to the Spanish people. And we reaffirm our commitment to work together to defeat the perpetrators of this terrible crime.

Mr. Speaker, at this point I will insert into the RECORD the Omaha World-Herald article.

[From the Omaha World-Herald, Mar. 16, 2004]

WRONG SIGNAL

Spain's change of leadership can be viewed as saying that terrorism works.

The surprise is not that Spain's prime minister-elect figures on pulling his nation's troops out of Iraq. He had made that pledge during the campaign. The surprise is that he was elected.

Spaniards have a long history of bravery verging on stubbornness. So it is unsettling to see them give at least a surface appearance of knuckling under to terrorism. Prior to last week's death-dealing bombings aboard Spanish trains, national polls had strongly suggested that Mariano Rajoy, candidate of the incumbent Popular Party, would be elected prime minister.

Then evidence increasingly pointed to the likelihood that Islamic fundamentalists—quite possible al-Qaida—were responsible for the bombings. After that, enough popular votes shifted to swing the Socialist Party into the parliamentary majority. That will make José Radríguez Zapatero prime minister.

In campaigning, Zapatero vowed to make fighting terror his "most immediate priority." He has a strange way of showing it. The signal being sent here, intentionally or not, is that radicals can gain advantage by murdering hundreds of innocent people.

There may be some wiggle room in all this. What Zapatero has specifically said is that he will pull out his nation's troops on June 30 unless, by then, the United Nations has taken charge in Iraq. That brings to the forefront what is meant by "take charge."

The occupying forces intend to hand political control of Iraq to an interim government on July 1, and there is ample evidence that the United Nations will embrace that change. Moreover, substantial U.N. involvement in peacekeeping would be widely welcomed. But expecting the international body to actually run the show is unrealistic. It isn't staffed to handle the task.

Spain's withdrawal from Iraq would be symbolic, in that its troops number less than 1 percent of international forces there. But in such matters, symbolism is important. It's true that about 90 percent of Spaniards opposed their nation's involvement in Iraq. But that opposition appears to have taken on added weight after the bombs went off.

The world weeps with Spain, which suffered a terrible blow. But the Spanish voters, in their sorrow and anger, have broadcast exactly the wrong signal: Terrorism works. It's enough to make you wonder what nation might be next.

WASHINGTON WASTE WATCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. CHOCOLA) is recognized for 5 minutes.

Mr. CHOCOLA. Mr. Speaker, today I rise to offer an update from the Washington Waste Watch. Every year the Federal Government wastes billions of dollars as a result of overpayments of government agencies, misuse of government credit cards, abuse of the Federal entitlement programs, and the mismanagement of the Federal bureaucracy. The waste exists in every program in every agency, in every Department of the Federal Government.

Mr. Speaker, let me share a few examples with you. Accounting errors prevented the Department of Agriculture from being able to account for $5 billion of its receipts and expenditures. The Department had no way of knowing where the money came from and where it had gone.

The Department of Defense spent $41 million to develop a system to track its ammunition, but 8 years later no system had been created or was close to completion.

Individuals defaulting on their student loans cost the Department of Education $4 billion in 1999 alone. An audit of the Department of Energy discovered that the Department had incorrectly listed $900 million in assets instead of liabilities and could not account for $56 million in missing funds.

That is not all, Mr. Speaker. A 2000 audit of the Department of Labor discovered that 35 percent of the recipients of dislocated worker benefits were ineligible for the program.

More than a quarter of the IRS's earned income credit payments were improper. The error rate is consistently between 27 and 32 percent of the total claims. In 1999 alone it cost the American taxpayers $8.1 billion.

The Veterans Affairs Department continued to pay the daughter of a veteran $78,000 in benefits after the veteran had died.

Now, Mr. Speaker, these are amazing examples. But what I think is even more amazing is that the Democrats want to raise our taxes to pay for more of this.

Mr. Speaker, these are but a few of the examples of the enormous amounts of waste that the Federal Government generates every single year, but these are only the tip of the iceberg when compared to the total amount of waste in Federal Government.

Mr. Speaker, as long as the Democrats continue to define the value of programs by how much we spend rather than how well or how effectively we spend, the taxpayers will continue to suffer.

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Yet, Mr. Speaker, the Democrats still want to raise our taxes for more of this.

ASSURING FISCAL HONESTY AND ACCOUNTABILITY ACT OF 2004

The SPEAKER pro tempore (Mr. BRADLEY of New Hampshire). Under a previous order of the House, the gentleman from Hawaii (Mr. CASE) is recognized for 5 minutes.

Mr. CASE. Mr. Speaker, good evening and aloha.

Tonight, I rise to address again the single most important issue facing our country, now, next year, and well into the next generation, and that is our crushing budget deficit and the fiscal corruption of our Nation's finances; and yes, I do not use that word "corruption" lightly because that is what is happening.

I do so in solidarity with my fellow Blue Dog Members, people of sincerity who I respect and who have stood here for years and decades and argued for fiscal responsibility and with whom I today cointroduced the Assuring Fiscal Honesty and Accountability Act of 2004. That is the subject that I want to address briefly here tonight because I can assure my fellow citizens, beyond any semblance of doubt, that fiscal honesty and accountability have no place at today's seat of power here in Washington.

Perhaps I am overly simplistic, but on any issue I like to ask: First, is there a problem? Second, what exactly is it? Third, what is the solution? Fourth, how do we accomplish it?

The act that we introduced today addresses the fourth question: How do we accomplish it? And it starts with the fourth question because I do not know how anybody can doubt that we have a problem. We know we have one, and we know exactly what it is, the systematic pillaging of our Nation's fiscal and budgetary integrity and resources for short-term political gain. We know the general parameters of the solution, and today we have had a good interchange on that.

We know we have to eliminate waste, fraud and abuse, wherever it is. We know we have to balance revenues and spending, but the reality is that we have lost our way on just how to get there.

We learned once in the eighties and the nineties that for us to have a realistic discussion and to make realistic decisions on the incredibly tough issues that go with the fiscal discipline territory, whether to raise or lower taxes and on whom, who and what to spend taxpayers hard-earned money on, and who not to spend it on, we had to set the rules of engagement and institute some basic checks and balances on natural political tendencies arising out of our reluctance, our abhorrence, of saying no. These rules were necessary, even though we had already placed limits on the amount of total national debt and required a separate vote to breach that national debt.

Those votes had become, as they are today and as we proved again today in the Committee on the Budget, a superfluous pro forma exercise as we now break through the $7.5 trillion total debt barrier. These rules had fancy names like discretionary spending caps and pay-go or pay-as-you-go, but they all stood for the same basic concept, a concept we are all familiar with in our personal and business finances: Set the ground rules, the overall boundary of the finances as a responsible, achievable, sustainable level before making individual decisions, and then match those decisions to those rules. The caps were just that, overhaul caps or limits. We could move around under caps, but we could not breach the caps, and pay-go just said if we break the rules in one area, if we exceed in one area, we have to make it up somewhere else, a pay-as-you-go. It all has to balance one way or the other. And these rules worked up until 3 years ago.

We had reversed a fiscal decline and were heading towards surpluses, but then what happened was something inexcusable, and it was on the watch of the current administration because that is when people around here in the majority and downtown decided they did not like those rules, because those rules got in the way of radically reducing revenues, while at the same time busting spending up to record highs. Yes, let us not talk about whose responsibility the spending increases were. The rest is history; record deficits as far as the eye can see, record total debt, material risk to our very fiscal foundations.

The gentleman from Texas (Mr. STENHOLM) again said tonight a saying that I am fond of: In order to get out of the hole, you have to stop digging. That is what this bill says: Let us stop digging right now by using techniques that worked in the past and let us start climbing.

One would think the majority and the administration would be falling all over themselves to get out in front on this issue. After all, I hear tell they are the party of fiscal responsibility. What an incredible surprise here in Washington to discover that that is anywhere but the truth.

So, lo and behold, they are not. They do not mind discretionary spending caps, as long as it is only the programs that they do not like. They do not mind putting caps on them. But, by the way, the programs that they want to raise, the programs that are busting our budget, no, we cannot afford discretionary spending caps. They do not mind pay-go, sounds good, as long as it does not apply to those programs, as long as it does not apply to evaluations of revenues and taxes.

Well, any fool can see that when you set the rules, they have to apply to everyone. When you balance a budget, you cannot leave it with so many outs, so many holes, that it is dead on arrival. And that is what the absence of this discretionary spending caps and pay-go rules has done.

So our bill says to everybody, hey, simply, you say you stand for fiscal responsibility, prove it. Set some rules that work and then live with them.

I urge this bill's prompt passage. And to my colleagues on the other side of the aisle, who have stood here today talking about fiscal responsibility, I invite their cosponsorship. I think we can form a good team to provide some realistic budget rules.

SALUTING OUR SOLDIERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BURNS) is recognized for 5 minutes.

Mr. BURNS. Mr. Speaker, 1 year ago today, one of the world's most brutal dictators still sat on his throne and boasted that he would defy the world with impunity, protected by massive armies, and threatened terror through weapons of mass destruction. We sent brave young men and women into harm's way to contest that point.

Where it is appropriate, we pause today and review the progress we made, not against the monstrosity and Saddam Hussein's regime but the total war on terror. Our troops have registered a string of unbroken victories. They have won every battle and every campaign. They have destroyed the staging areas and the hiding holes of those who attacked this Nation on September 11, 2001, and they have helped to restore the security of their fellow Americans.

They have driven the Taliban from control of Afghanistan and are restoring the government of that country to its people. They have destroyed the Iraqi war machine and captured Saddam Hussein and are restoring the government of that country to its people. They have liberated a nation that has endured the darkness of tyranny and brutality ever since Saddam's Baath party seized control of that unfortunate nation some three decades ago.

Coalition soldiers have purchased with their blood, their sweat, and their tears, the best and brightest chance for freedom and democracy that this Nation and these nations in the Middle East have ever known. These men and women are not just troops, they are my neighbors. They are my friends. They are my constituents. They are fellow Georgians. They are heroes to all Americans.

For the CONGRESSIONAL RECORD and for posterity, the soldiers of Georgia's 12th District that have served in Iraq or Afghanistan thus far include the first of the 214th Field Artillery from Athens and Waynesboro, Georgia; the 878th Engineering Battalion from Augusta; the 513th Military Intelligence Brigade, Fort Gordon; the U.S. Army Signal School, Fort Gordon; the Eisenhower Army Regional Medical Center, Fort Gordon, Georgia; the 3rd, and the proud, Infantry Division from Fort Stewart, Georgia, did a marvelous job in campaign Iraqi Freedom; the 75th Engineer Detachment from Fort Stewart; the 165th Air Control Wing from Savannah, Georgia; the 117th Air Control Squadron from Savannah; the 165th Security Police Squadron from Savannah; the Air Combat Readiness Training Center from Savannah; and the first of the 75th Ranger Regiment, Rangers lead the way, from Hunter Army Airfield, Savannah, Georgia.

"Walk softly and carry a big stick," that is what Republican President Theodore Roosevelt said. These soldiers not only carried the stick for their countrymen, but they have swung it powerfully to convince the world that ours is not an idle threat, and because of that, we have won another victory.

We have eliminated a decades-long threat of Libyan terrorism, without a single shot being fired or a boot on the ground.

□ 2100

Once the dictator of that nation witnessed the professionalism and the resolution of our troops in Iraq and Afghanistan, he capitulated to the world community. That speaks volumes to the power of the American will in bringing peace and conciliation around the globe without having to go to war.

If those who threaten peace and freedom are convinced that we really mean business in defending it, they will back down. But make no mistake, they will test us. They have been doing that in Iraq and Afghanistan with pointless attacks on our troops and our allies. And if they sense a weakening of our will, they will attack with even more frequency and ferociousness. If they sense a weakness, sacrifices and the victories that we have won honorably in battle by our troops will be lost dishonorably by politically motivated criticism of our war efforts.

Not only will those who speak such words undermine and jeopardize our troops; they will likely invite terrorist attacks on our homeland. We need only look at the example of Spain to realize this is not mere conjecture.

Mr. Speaker, every Member of this House has a mission in this war. Our mission is much more simple and more safe than that of the brave men and women who currently serve our country. We only have to show the world and our terrorist enemies that we are rock solid and that we will see this war through to final victory. We need to make sure our words of debate, both in this body and on the campaign trail, are chosen carefully to avoid even a hint of providing encouragement and aid to our declared enemies.

Our ammunition consists of words, but rest assured they are powerful weapons that can support our troops or those of the enemy. Mr. Speaker, to my colleagues on both sides of the aisle, let us commit today that every word spoken by us in this body and across the Nation will be in support of the American troops and not those of al Qaeda.

ON HOUSE RESOLUTION 557

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

Ms. MILLENDER-McDONALD. Mr. Speaker, I am deeply concerned about my colleagues on the other side in bringing to the floor House Resolution 557, which was just passed out with a "no" vote for me. This resolution is another attempt to divide this House on the Iraqi war while our young men and women continue to die, while parents, spouses and children suffer in their grief, and while we mourn their losses as a Nation.

Mr. Speaker, the Republicans did not involve a single Democrat in writing this resolution and, further, proposed a rule that allowed not a single amendment to be offered. We are here in this great House as a collective body to represent the people of America, and as the President constantly states, we are a Nation at war. Yet this House has chosen to ignore the Democrats and the people we represent in not involving us and including our position on this resolution. This is shameful, undemocratic, and an affront to our sons and daughters serving in this war.

Mr. Speaker, I share the view that the people of Iraq and the world are better off with Hussein in custody and his regime destroyed. Everyone agrees with that. However, the President told everyone in the Nation that combat was over on May 1, 2003. Yet every day young men and women continue to die in Iraq. Just today, a car bomb rocked Baghdad and killed more than 20 people. Over 500 Americans have died and over 3,000 have been injured, some seriously, during this war.

Our mission in Iraq has not been accomplished, the administration had no clear plan, our soldiers did not have the basic equipment that they needed, and returning veterans are being shortchanged on the benefits that they rightfully deserve. This resolution did not speak to any of these issues.

Resolution 557 states that Americans and the world are safer now that Saddam has been captured. Mr. Speaker, the facts simply do not support this. The world has become a much more dangerous place. Just this past weekend, over 200 people died in Spain as a result of a terrorist attack. The invasion of Iraq has become a breeding ground for terrorists, and we live here in America under a cloud of constant fear. We are not safer. We are also raising a generation of children living in fear instead of relishing the joy of the innocence of childhood.

I have heard my colleagues in the House state that Libyan leader Mommar Qaddafi decided to disarm because of the invasion of Iraq and the capture of Saddam Hussein. This is another attempt to twist the facts. It is well known that Mommar Qaddafi began negotiations with the United States and Europe to disarm long before the Iraqi war and the capture of Saddam Hussein. Even Secretary Colin Powell recently acknowledged that. This claim is akin to the claim that Saddam had weapons of mass destruction.

This resolution clearly shows the Republicans are in denial as to why we went to Iraq and denial as to the constant state of security and stability in the world and are delusional as to how this war is affecting other countries. This resolution also failed to mention how isolated we are in the international community. The people of Spain just showed the world what they thought of this war when they voted out the power of their government that supported President Bush on the war.

I stand behind our courageous men and women in uniform who are bearing the burden of this military action in Iraq. I am deeply grateful to their patriotism, their courage, and their sacrifice. I regret that they were placed in the position of fighting a war for weapons of mass destruction that did not exist, but I honor their service.

I have recently introduced legislation that would provide $50 million in funding to enable military families to get personal counseling upon return from this war and return from the service they have provided so admirably. I will continue to support our military men and women as they serve our country in this dangerous mission.

Finally, Mr. Speaker, our men and women in uniform deserve more than one line in this resolution that was passed on the floor. Surely our men and women in uniform, who have made the ultimate sacrifice, given their lives, deserve to be recognized and honored far greater than this. This was not outlined in the resolution just passed.

IN OPPOSITION TO HOUSE RESOLUTION 557

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes

Mr. PAUL. Mr. Speaker, today, in the floor debate on H. Res. 557, the Iraq resolution, though a member of the Committee on International Relations, I was unfortunately denied time to express my dissent on the policy of preemptive war in Iraq. The fact that the Committee on International Relations held no hearings and did not mark up the resolution further challenges the fairness of the process.

Mr. Speaker, I now rise to express my opposition to H. Res. 557, obviously, not because our Armed Forces do not deserve praise, but rather because our policy in the Persian Gulf is seriously flawed. An effort to commend our forces should not be used to rubber-stamp a policy of folly. To do so is disingenuous. Though the resolution may have political benefits, it will prove to be historically incorrect.

Justifying preemption is not an answer to avoiding appeasement. Very few wars are necessary. Very few wars are good wars. And this one does not qualify. Most wars are costly beyond measure, in life and limb and economic hardship. In this regard, this war does qualify: 566 deaths, 10,000 casualties, and hundreds of billions of dollars for a victory requiring self-deception.

Rather than bragging about victory, we should recognize that the war that rages on between the Muslim East and the Christian West has intensified and spread, leaving our allies and our own people less safe. Denying we have an interest in oil and that occupying an Islamic country is not an affront to the sensitivities of most Arabs and Muslims is foolhardy.

Reasserting U.N. Security Council resolutions as a justification for the war further emphasizes our sacrifice of sovereignty and Congress's reneging its constitutional responsibility over war.

This resolution dramatizes our forgetfulness that for too long we were staunch military and economic allies of Saddam Hussein, confirming the folly of our policy of foreign meddling over many decades. From the days of installing the Shah of Iran to the current worldwide spread of hostilities and hatred, our unnecessary involvement shows so clearly how unintended consequences come back to haunt generation after generation.

Someday our leaders ought to ask why Switzerland, Sweden, Canada, Mexico, and many others are not potential targets of an Islamic attack. Falsely believing that the al Qaeda was aligned with Saddam Hussein has resulted in the al Qaeda now having a strong presence and influence in Iraq. Falsely believing that Iraq had a supply of weapons of mass destruction has resulted in a dramatic loss of U.S. credibility, as anti-Americanism spreads around the world. Al Qaeda recruitment, sadly, has been dramatically increased.

We all praise our troops and support them. Challenging one's patriotism for not supporting this resolution and/or policy in the Persian Gulf is not legitimate. We should all be cautious in endorsing and financing a policy that unfortunately expands the war rather than ends it.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1375, FINANCIAL SERVICES REGULATORY RELIEF ACT OF 2003

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 108–439) on the resolution (H. Res. 566) providing for consideration of the bill (H.R. 1375) to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes, which was referred to the House Calendar and ordered to be printed.

IRAQ: ONE YEAR LATER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. CORRINE BROWN) is recognized for 5 minutes

Ms. CORRINE BROWN of Florida. Mr. Speaker, Iraq, 1 year later.

First of all, I want to commend our brave troops who proudly serve our great Nation and risk their lives to preserve our freedom. I praise their courageous efforts to protect our country, and I am with them 100 percent. They are the best of the best. And I can truly say every Member of this House, this body, supports them 100 percent. What I do not support is this misleading Bush administration and this House that follows them like sheep. Let me repeat that. What I do not support is this misleading Bush administration and this House, the people's House, that follows them like sheep.

A new report has been released that shows that George Bush, DICK CHENEY, Donald Rumsfeld, and Condoleezza Rice made 237 misleading statements about the threat posed by Iraq in 125 public appearances. Eighty-four of those statements misled the American people about Iraq's chemical and biological weapons.

Mr. Speaker, I was horrified last year to learn that 44,000 of our troops were sent out to battle without proper armor. Forty-four thousand. How can we ask young men and women to trust us when we make decisions that involve life and death and then not outfit them with the best that they need to save their lives. We deployed our young men and women to Iraq with Humvees that lacked armored protection and bulletproof windows.

I personally went to Walter Reed where six troops had lost their legs while riding in Humvees. If they had been riding in the right type of vehicles, this may not have happened. This use of Humvees in Iraq was not what they were made for. We need to get our troops the equipment they need now.

And, Mr. President, you need to spend more time planning for the safety of our troops and their families in your war efforts and less time fundraising and cutting taxes for the rich country club friends of yours.

There are two or three other points that I want to make. One, many of my constituents approach me about BRACC and the base closing amendment that we will be doing in 2005. They are telling me we are looking forward to your fighting to make sure our bases are not closed in our area. And my question to them is, why do you think that this Bush administration insisted, insisted, after the House and Senate both voted down and said we should not have a base closure, or BRACC scenario, during this time of war, why do you think this administration insisted that we go through this? It is destabling to the families and the communities during a time of war.

I have heard that someone from the other body indicated that if they were elected that that is one of the first things they would scrap.

I also want to comment on the 2000 election, which I cannot get past because the election determined who is in charge, and certainly I do not think we are headed in the right direction. I am going to submit for the RECORD an article that was in The New York Times last week indicating that Florida could be Florida again. In other words, the problems that we experienced in the 2000 election have not been corrected. It is a disservice to the people that we serve that we do not straighten out the problems with the elections, not just in Florida but all over this country; and we have not properly funded the program.

Lastly, let me mention the coup d'etat that took place a couple of weeks ago in Haiti. It is very unfortunate that this Bush administration has chosen to go in and take out a duly elected president. Just take him out. Just take him out. The poorest country in the western hemisphere. We have to make sure that the Haitian people get the assistance that they need from the super Bush administration, after going in and taking out the duly elected president.

THE CARBON CYCLE AND CLIMATE CHANGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. GILCHREST) is recognized for 5 minutes

Mr. GILCHREST. Mr. Speaker, I would like to present what I hope you will find as fascinating facts about the carbon cycle. There has been a great deal of discussion over the last several years about climate change: Is human activity causing the climate to change or is that not the case?

What I would like to present tonight, Mr. Speaker, is somewhat of a science lesson about the carbon cycle. Carbon, when burned, turns into a gas called CO_2, and CO_2 is a gas in the atmosphere that is needed to sustain life in its cycle. Excessive CO_2 would add to the greenhouse effect or cause the climate to warm. Thus, the climate would change.

What I would like to do tonight, Mr. Speaker, is to give some interesting facts, almost like a 7th grade science class; and I would like to go back to 1771, where an English minister named Reverend Priestley performed an experiment. Now, this is 1771.

He took a glass jar, about a foot high and about 8 inches in diameter, and he wanted to see how long air would stay good in that glass jar. And he discovered the air stayed good as long as he sealed it. Whether it was a week, a month, 3 months, it was always good air. What he did next, though, was put a flame next to that glass jar, which he found immediately fouled the air.

After that, he got another glass jar, and he put a mouse in that glass jar, and he sealed the glass jar. And it was not too long before the air was fouled again and the mouse died.

What he did next was pretty extraordinary. He took a glass jar, put a sprig of mint, a small green growing vegetable in that glass jar. Then he saw that the air stayed fine for a long time. He then put a flame to it. And we know that CO_2 comes from burning wood. The air stayed fine.

Then he put the mouse in the glass jar with that mint sprig and the mouse stayed in there for a long time and the air stayed fine.

□ 2115

Now Reverend Priestley did not realize what he had in that glass jar with the mint sprig and the mouse was a carbon cycle. The mint absorbed the carbon, built up its woody structure and exuded oxygen and so the mouse could live.

Trees across the planet breathe in carbon dioxide. They turn it into leaves and wood and breathe out oxygen. If we tested around the globe different areas and tried to discover the level of the CO_2 in the atmosphere, which is less than 1 percent, you would discover if you are near a forest, the CO_2 level is less than in other areas, if you are in an urban area. The trees breathe in CO_2, make wood and breathe out oxygen. This is the carbon cycle.

Every time you start your car, turn on a light, turn up the thermostat, you contribute more CO_2 to the atmosphere because you are burning carbon. Coal, oil, and natural gas fuel the world's economy, and they all use carbon dioxide which are inhaled by our forests and they turn that into oxygen.

But when we burn a lump of coal, when we burn oil, when we burn natural gas, we are releasing into our environment what took the natural processes, 20 million years ago, millions of years to lock up. So we are releasing into the atmosphere the same amount of CO_2 that took millions of years to lock up in about 150 years. So we are being excessive more than we have seen in eons of time by putting excessive extra amounts of CO_2 that goes against the grain of the natural cycle into our atmosphere.

Are there consequences to that faster releasing of CO_2? There are. The consequences are we see coral reefs around the world dying. We see deserts expanding, and we see the ocean currents themselves changing and in some cases slowing down. We see sea levels rise. In the northern parts of Canada, Alaska, and Russia, beetles are infesting millions of acres of forest that never infested those forests before because it was not that warm in the Northern Hemisphere. Forests, grasslands, and even our oceans absorb CO_2 that we emit into the atmosphere as humans.

If we diminish those carbon sinks, we accelerate CO_2 release into the atmosphere, and the consequences are that we are changing our climate.

EXCHANGE OF SPECIAL ORDER TIME

Mr. McDERMOTT. Mr. Speaker, I ask unanimous consent to take the time allocated to the gentleman from Illinois (Mr. GUTIERREZ).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMERICA'S PREEMPTIVE WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. McDERMOTT) is recognized for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, the House today debated America's first preemptive war. If this were about the courage and valor of our soldiers, I would ask that we act by unanimous consent to praise our troops, but this resolution is really about the Bush policy of global domination.

A year ago America launched a preemptive war. Today we are considering the consequences of that war. Words of great Presidents and great Americans offer guidance. In 1848, Abraham Lincoln expressed the fear of President Polk's power when he wrote to oppose U.S. annexation of Mexican territory. "If today, President Polk should choose to say he thinks it necessary to invade Canada to prevent the British from invading us, how could we stop him? You may say to him, 'I see no probability of the British invading us' but he will say to you, 'Be silent; I see it, if you do not.' "

Does that sound like George Bush to Members, with all of the misrepresentations we had?

One of America's greatest soldiers was President Dwight David Eisenhower. In what many regard as his finest speech, President Eisenhower said this about war: "Every gun that is made, every warship launched, every rocket fired, signifies in the final sense a theft from those who are hungry and not fed, those who are cold and not clothed."

Eleanor Roosevelt, "We have to face the fact that either all of us are going to die together or we are going to live together, and if we are going to live together we must talk."

Finally, Martin Luther King, "Darkness cannot drive out darkness; only light can do that. Hate cannot drive out hate; only love can do that. Hate multiplies hate, violence multiplies violence, and toughness multiplies toughness in a descending spiral of destruction. The chain reaction of evil, hate begetting hate, wars producing more wars, must be broken or we shall plunge into the dark abyss of annihilation."

Today, we are considering whether to endorse the Bush doctrine of domination. The world the President claims to be making safer finds our actions offensive. The nonpartisan Pew Research Center, as reported in today's Washington Post, conducted a survey in nine countries. The results are frightening. It found people in several Middle Eastern countries increasingly support suicide bombings and other violence against Americans.

Majorities in Jordan and Morocco said attacks against Americans were justified. These same people now favor Osama bin Laden. These opinions are coming from ordinary people, not armed terrorists. In Europe, nations are so concerned over American foreign policy they want the European Union to take on a new issue: America.

That is the world a year after the Bush doctrine of domination. Our best friends shudder at what we are doing. Those who hate us were convinced that terrorism is a legitimate defense. The world is not safer, America is not safe. This resolution will not help. It will only serve to deepen the mistrust of America and widen the great global divide created when President Bush invaded Iraq. We should all have voted "no" on this.

AMERICA EXPORTS JOBS, NOT PRODUCTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes

Ms. KAPTUR. Mr. Speaker, last week the administration announced a record $541.8 billion trade deficit for the year 2003: That means 541.8 billion more dollars' worth of imports coming into our country than our exports going out. That is over one-half trillion dollars, the largest in the history of this country. We are exporting jobs, we are not exporting products.

In fact, this number is so big, it is bigger than the last record deficit set in the year 2002. These are staggering numbers. Let us take a step back and look at them again. $541.8 billion or almost half a trillion dollars being lost to foreign competitors. This is not just pocket change. With each additional billion, America loses another 20,000 jobs here at home. In fact, since President Bush took office, America has lost 2.2 million more jobs, mostly due to our jobs being shipped offshore.

Meanwhile, taxes are going up for the majority of Americans as only a wealthy few benefit while the majority of our people are paying higher gas taxes, higher property taxes, higher excise taxes, more money for their health insurance, and higher tuition if their children are lucky enough to go on to college. Consumer confidence is plummeting. Disapproval of the President's handling of our economy has reached 59 percent, a career high, in a recent ABC News Washington Post poll, and there is no reason to wonder why.

The Bush administration tells us we can trade our way to a better, stronger economy. But let us look at the record. Since NAFTA passed, unfortunately in 1993, a very flawed trade agreement, we have not had a trade surplus with Mexico. In fact, the surplus we had has plummeted into a giant deficit as more and more of our jobs move south of the border. Every single year since NAFTA passage, we have had a growing trade deficit with Mexico.

The United States signed a trade deal with China in 2000. Before the trade deal, we already had a $68 billion deficit with China. Guess what, since the trade deal, it has doubled to over $124 billion in just 3 years. Every time we enter into one of these flawed trade agreements, our balance of payments goes in the wrong direction. What does it tell you, it tells you that the model of trade we are using is seriously flawed. Is anyone in this city paying attention?

When it was only manufacturing jobs being shipped out, some self-styled trade experts claimed this was the way to modernize our economy. I am not quite sure how cutting our core will modernize us, but that did not matter when we had all those service sector jobs to depend on. But not so fast. Now we hear from the jobs of accountants, medical technicians and other formerly untouchables, those are on the line. So where does the future of America lie and how do we stem this job loss?

When we started losing manufacturing jobs in automobiles and other core economic sectors, the economists assured us we were in for a so-called information economy, but now the jobs in the information economy are moving to India, so where are the new jobs supposed to come from?

Well, the Bush administration had several great ideas over the last couple months. First, one of the President's top advisers suggested that outsourcing our jobs was actually a good thing. The administration resorted then to a sleight of hand: When you are losing the game, change the rules. So they proposed reclassifying fast food workers as manufacturing workers. Nobody gets a new job, just a new title.

So when a fast food employee is adding pickles to your Big Mac, that must mean he or she is "working on the line." I will give them points for creativity, but the American people surely cannot be fooled.

Six months ago President Bush, with the fall elections in sight, announced he would be appointing a manufacturing czar. Now, that is not a bad idea to help a little bit, even though 6 months later as our economy still lags behind the administration's own rosy predictions, we still do not have that manufacturing czar in place because his name was pulled because that potential employee had one small problem: As he was letting American workers go, he was building a factory in China.

That is right, the man that President Bush wanted to put in charge of stemming the flow of jobs overseas was busy sending our jobs overseas.

Mr. Speaker, I have been coming to the floor asking for fair trade, good trade, balanced trade, not just free-for-all trade. Please, let us put a human face on trade.

□ 2130

AMERICAN JOBS IN THE 21ST CENTURY

The SPEAKER pro tempore (Mr. BRADLEY of New Hampshire). Under the Speaker's announced policy of January 7, 2003, the gentleman from California (Mr. DREIER) is recognized for 60 minutes as the designee of the majority leader.

Mr. DREIER. Mr. Speaker, I would like to begin this evening by reading a brief excerpt from a letter sent by my good friend, the gentleman from Michigan (Mr. DINGELL). He sent this letter to the chairman of the President's Council of Economic Advisers, Dr. Greg Mankiw. The dean of the House, the gentleman from Michigan, writes, "I'm sure the 163,000 factory workers who have lost their jobs in Michigan will find it heartening to know that a world of opportunity awaits them in high-growth manufacturing careers like spatula operator, napkin restocking and lunch tray removal."

Mr. Speaker, I certainly understand my good friend and esteemed colleague's deep concern for the loss of manufacturing jobs in his home State. Jobs are a big concern on everyone's mind, including my own. I believe that there are very few issues that are more pressing or more worthy of debate in this Congress than the issue of jobs. But I believe the premise behind the gentleman's statement is emblematic of a 2-decade effort on the part of anti-trade advocates to convince Americans that our economy is headed for disaster. It encapsulates a tired, yet oft used and mistaken, diagnosis of our economy, that is, that American business is going to ship all of our good jobs overseas, finally leaving American workers with no job opportunity other than the one behind the counter at a local fast-food joint.

In fact, I recently stood right here a couple of weeks ago and talked about the legacy of, quote-unquote, hamburger flipping jobs, that argument, and I traced its roots back to 1984. Mr. Speaker, politicians and pundits have been predicting the demise of our economy and the good American jobs for the last 20 years. The gentleman from Michigan's letter to Chairman Mankiw is a quintessential example of the persistent, yet just plain wrong, rhetoric that jobs overseas mean lower-paying, demeaning jobs here in the United States.

But let us look at what really happened in this 20-year period from 1984 to today. Mr. Speaker, profound and profoundly good changes have taken place. We shifted over this past 20 years from an economy based on heavy industry to our fast-paced, high-technology and ever-growing 21st century economy. This transformation ushered in a new era that fundamentally changed how business is conducted, and it vastly improved how we live our lives. Yet the letter written by the ranking member of the House Committee on Energy and Commerce proves that the predictions of gloom and doom are still alive and well today. He is not the only one predicting our hamburger-flipping future.

Let us take a look at what is being said by the other critics of our growing economy. Senator JOHN KERRY, who apparently now has all the delegates necessary to become the Democratic Presidential nominee, said not too long ago, "People are worried about their wages, their jobs, about how we're going to compete with other countries, where we're losing a countless number of jobs to those countries." Before he dropped out of the Presidential primary, Senator JOHN EDWARDS commented, "The mills are gone and so are the jobs." Mr. Speaker, Lou Dobbs, the CNN anchor, rails almost nightly against U.S. companies that invest in growing overseas markets, claiming that "we're exporting many, many jobs." Paul Craig Roberts, the economist, formerly committed to this country's open trade policies and a believer in the strength of our economy, has recently done an about face. Several weeks ago, Mr. Speaker, he joined our colleague in the other body, CHARLES SCHUMER, in penning an editorial for the New York Times that claimed the American workforce is doomed, stating that, and I quote, "Lots of new jobs are being created, just not here in the United States." Robert Slater said at a Brookings Institution forum that the United States will be a Third World country in 20 years.

Those are some very dire predictions that we have been receiving, Mr. Speaker. These political leaders and pundits are clearly asserting that our economy is in decline. They say we are rapidly losing all of our good jobs, mostly to foreign competitors, and that we are not creating new ones. Based on these claims, they see a very, very dismal future. That is why tonight I would like to focus on the heart of this issue, jobs, the issue that, of course, is regularly discussed here and should be discussed right here. Or more specifically, I want to talk about the incredibly fast pace at which our economy is creating exciting new types of jobs for Americans.

As I have said, the issue of job creation is always on the minds of the American people, and it is always a very important topic of debate. But in light of these growing attacks that are being directed at our economy, attacks that question our strength and assert that our good jobs are being destroyed or sent overseas, an honest look at the robust and dynamic job creation that is currently taking place is particularly relevant and timely.

Mr. Speaker, I am an optimist. I see a bright and promising future when I look at our economy. While I believe the doom-and-gloomers are correct in observing that our economy is changing, they have completely missed the fact that the change that is being made is change for the better. Like their predecessors who saw the decline of the buggy whip and telegraph industries, I believe those who are making the current gloom-and-doom predictions are missing the dynamism and innovation that have made our economy a global leader and one that continues to spur job creation. Literally thousands of new jobs, often in completely new fields, are being created routinely.

But before we get into these new kinds of jobs, I think it is important to get a firm understanding of the broad changes that are taking place in the American workforce. Throughout much of our economic history, fluctuations in employment have been the product of the business cycle. In the 1970s and 1980s, half of all employment was cyclical, that is, businesses would lay off workers during weak times and would rehire them during recoveries. As business picked up, employers were able to hire workers for the same jobs using the same skills that existed before the economic recession. Often this meant rehiring the very same workers. Because the job opportunities after a recession looked a lot like the job opportunities before the recession, job recovery always quickly followed economic recovery.

Today there is a lot more than just cyclical change taking place. Thanks to growing productivity, improved technology and a highly competitive global marketplace, many industries are undergoing fundamental changes. In other words, this economy has been experiencing a great deal of structural change. It is extremely important to note here that structural change is not just another term for permanent downsizing. As Federal Reserve Chairman Alan Greenspan has noted repeatedly in recent months, for years our economy has been a very dynamic job-creating machine. Every quarter, millions of jobs are destroyed and millions more are created. In 1999, for example, a booming year for the U.S. economy, 33 million jobs were lost and 36 million new jobs were created. The important distinction between structural change and cyclical change is that increasingly the newly created jobs are not only new positions in long established companies and long established industries; more and more a new job is new in every respect, a new type of work in a new business that demands new skills.

Mr. Speaker, this dynamism, which has produced a net gain of 40 million new jobs over these past 20 years about which I have been speaking, means that companies must constantly work to stay competitive and workers must continuously pursue more education and more training. But it also means that the U.S. continues to lead the world in productivity, innovation, and growth. But jobs are still a big concern. The U.S. may be the global economic leader, but what exactly are these new jobs that today's workers are supposed to be doing?

Mr. Speaker, workers in our 21st century economy are finding jobs in fields such as network and communications administration, business administration and management, computer engineering technology, health information technology, legal support, accounting, marketing, advertising, customer relations, news and information reporting, tax preparation and planning, highly specialized transportation and delivery, human resources support, pension and benefits management, purchasing and global sourcing, demand forecasting, inventory control, warehousing and distribution.

Mr. Speaker, these are good jobs using very valuable skills. They are service jobs that are a part of just about every kind of business in America today. They are not get-rich-quick jobs, but they are certainly not hamburger-flipping jobs. Think about the big and growing sectors of our economy. Think about what you spend, Mr. Speaker, on health care; biotechnology and pharmaceuticals; elderly care; education; movies; entertainment and digital gaming; recreation; telecommunications; cable; satellite TV and radio; phones; cellular and wireless networks; fashion; insurance; real estate; auto maintenance and repair; mass transit; investments, whether you call it the stock market, pensions or securities; government services, which is almost unimaginably big, as we all know; leisure; hospitality and tourism.

Then there are the businesses that service other businesses: Engineering, environmental protection services and technologies, risk management, export and import financing, express delivery, high-tech manufacturing, and biomedical informatics.

These are the jobs of the 21st century economy. Sure, there will always be hamburger-flipping jobs as long as there are hamburger eaters, but the vast majority of jobs that this economy is creating are good, skilled jobs that pay well.

But in our ongoing debate about jobs and job creation, the issue of offshoring is inevitably raised. Whereas the doom-and-gloom crowd used to argue that good jobs will never be created, now they have shifted gears. They concede that for a while our economy managed to produce a few good service jobs, but today all of those jobs are being exported to low-wage countries via offshoring. They claim that countries like India and China are siphoning off our good jobs much faster than we can create them and Americans are being left with, you guessed it, the dreaded hamburger-flipping job.

So what exactly is offshoring and what is its effect on our economy? Since offshoring is a relatively new word in the collective lexicon, it is easy to believe that it is a relatively new phenomenon. In fact, offshoring has always been a part of the free market. Whether it is a Ford plant importing some of its parts from Mexico, a multiplex in London showing American movies, or an Indian accountant crunching numbers for H&R Block, offshoring is a vital component of our economy.

It comes down to one core concept, Mr. Speaker, and it is in many ways the basis on which this country and our market process was established and, that is, competitiveness. Again, there is nothing new about competitiveness. U.S. companies have always had to compete to survive in the free market. Being competitive has always required American businesses to be innovative, increase efficiency, invest wisely and employ the best practices that are available. This has, in turn, been a boon to American workers. Millions of Americans work for global leaders like Hewlett Packard, General Motors, IBM, and Johnson & Johnson and millions more work for small and medium-sized businesses that serve business customers that include these global leaders. The ability of Americans to find good jobs has always been directly linked to the ability of American enterprises to compete here at home and in the global market.

□ 2145

Therefore, it is no accident that the companies that offshore, all those companies that Lou Dobbs rails against on his program on CNN almost every night, those companies are the largest creators of jobs right here in the United States. By investing in growing markets, which maximizes efficiency and increases productivity, these successful global competitors are able to turn around and reinvest here in America. Companies that are globally engaged employ millions of Americans and pay above-average wages. They make the majority of investments in physical capital right here in this country. They perform the majority of research and development right here in this country. They produce the majority of U.S. exports that go into other markets around the world. In short, companies that offshore are the biggest job creators right here in the United States of America.

It is important to remember a key point that I discussed earlier. Job creation does not preclude job destruction. Remember that figure that I gave in 1999, 30 million jobs were destroyed while 33 million new jobs were created. This is a reality, and it is painful for some, I will acknowledge that, but this is a reality of our dynamic, fast-paced 21st century economy. Offshoring functions in the exact same way. Some jobs will be lost. The important thing is that more will be created and that they will be better jobs, using more skills and paying better wages.

So what are some of these new jobs that offshoring is helping to create? One example, Mr. Speaker, comes from the software industry. U.S. companies outsourced 71,000 software programming jobs between 1999 and 2002, and those jobs paid an average of $55,000. Those were offshored. During that exact same period of time, 1999 to 2002, 125,000, 125,000, over 50,000 more software engineering jobs, were created which pay on average $74,000 a year. Let me go through that again. We saw the number of software programming jobs offshored, 71,000 of them paying on average 55 grand a year, and yet software engineering jobs were created to the tune of 125,000 right here in the United States, paying on average $74,000 a year. Not only was there a net gain in software jobs, but they, as I have said, were higher wage, higher value-added jobs.

Another growing sector, logistics, has not only benefited from higher efficiency and productivity, it is actually a direct result of the practice of offshoring. As companies engage more and more on a worldwide basis looking for high-quality, low-cost goods and services throughout the globe, delivery has become a very complex engineering task. Complicated supply and distribution lines involve multiple sources, often literally a world apart; diverse shipping and transportation modes; weather patterns; political unrest that can affect ports, airports, and other transportation hubs in the developing world; raw material shortages; and, of course, the finicky consumer demand, these all come into the mix, and so logistics is a massive industry in and of itself.

All of these complex factors require the highly skilled work of logistics experts, and companies pay very well for their expertise. Business owners have realized that fast and reliable delivery is one more way to cut costs and improve efficiency, and they are turning to logistics consultants on a widespread basis.

Don Westfall, the director of the Research and Supply Chain Logistics Council at the Manufacturers Alliance, has called this line of work "a huge growth area for service providers and an important part of improving productivity in U.S. industry."

Mr. Speaker, demand for these types of workers has risen so dramatically in recent years, the Massachusetts Institute of Technology, for example, has significantly expanded its logistics program and has added a new master's degree dedicated to logistics in its school of engineering.

Other new types of jobs that our robust economy is creating can be found simply by looking at the ways we spend our time and our money. For example, many people turn to eBay when looking to buy or sell anything from sports memorabilia to used books or cars, but the online auction is increasingly a place of business, a powerful resource used by individuals and small enterprises. Small business owners are using eBay to dramatically cut costs and conduct their business. And individuals are turning the Web site into a source of full-time work. In fact, these kinds of practices have become so widespread today, and I met with Meg Whitman last week from eBay and she confirmed this again, over 430,000 individuals and small businesses make their living on eBay. That is their source of income. Mr. Speaker, we are talking about nearly half a million Americans that count eBay auctioneering as their full-time job.

Two decades ago, few economists could have predicted that in 2004, hundreds of thousands of workers would be employed by an online auction site that got its start by catering to collectors of movie posters and matchbox cars. But this is precisely the sort of dynamism that has kept our economy churning out new jobs in the face of rapid change.

Another area where Americans are spending their leisure time and money and spurring job creation in the process is in, and I come from California so I have to talk about this, spa services. Massage therapy, for example, is a booming industry in this country. Just as we visit our internist, our chiropractor, our dentist, these professionals provide therapeutic services that many Americans are increasingly incorporating into their health care regimes, and rapidly growing demand is fueling growth in an industry that pays about $35 an hour, sometimes significantly more than that. The American Massage Therapy Association estimates that there are nearly 300,000 massage therapists in the United States. This is double the number in 1996, and the numbers are continuing to grow.

One might say that a few hundred thousand massage therapists, eBay entrepreneurs, and logistics specialists are not so important to our economy. One might say that the jobs in these three industries, eBay entrepreneurs, massage therapists, and logistics specialists, that these jobs are in industries that are not enough to sustain a Nation of nearly 300 million people. But, Mr. Speaker, I believe that these types of jobs are in fact critical to our economy and to this debate.

But I believe they are important for a number of reasons.

First, in terms of sheer numbers, these jobs are not insignificant. Just this handful of industries taken together represents literally millions of jobs, and in most cases we are talking about very well-paying jobs, jobs supporting families, sending kids to college, and padding retirement plans. But they are also significant because in many ways they represent the new face of the American economy: the independent contractor, the entrepreneur, the small business owner. It is very important.

Again, these people in these three industries that I have mentioned, eBay entrepreneurs, massage therapists, logistics specialists, they are part of this new economy consisting of the independent contractor, the entrepreneur, and the small business owner. These are the types of jobs that are booming the 21st century economy. Yet because of the old economy's mindset that is embedded in our employment survey, these are precisely the kinds of jobs that are overlooked in our jobs statistics.

Our primary method of counting jobs in this country is the Department of Labor's Payroll, or Establishment Survey. Its numbers are gathered by asking a sampling of established corporations how many people they are hiring and how many people they are firing. For years this was a fairly reliable way of figuring out our unemployment rate. The vast majority of Americans worked in factories and businesses that had been around for a long time. And because changes in employment were due largely, as I was saying earlier, to cyclical trends, as I discussed, most workers, whether employed or unemployed, were easy to track because when we would see the downturn, we would see people laid off, and then because it was reasonably static at that time, once we saw an improvement in the economy, people would go back to those same jobs.

But as we have seen, this is no longer the case. Americans are finding jobs in new industries. They are working as independent contractors and consultants. They are starting their own businesses, all of which are difficult to track using these old methods for determining unemployment. If we go looking for workers in their old jobs, we are not very likely to find them.

For example, Mr. Speaker, the Payroll Survey estimates that there are roughly 70,000 massage therapists working in this country. That would probably come as a surprise to the almost 300,000 massage therapists that the American Massage Therapy Association says are working in that industry today. The Department of Labor somehow managed to misplace over 200,000 workers or 70 percent of this industry's workforce. For eBay entrepreneurs the chances of getting counted are virtually zero. The Department of Labor does not currently count anyone making a living by selling or buying on eBay. No category exists for logistics specialists either. And because many of them work as independent contractors, prospects for counting seem pretty dim for those workers in logistics specialty areas as well.

Other workers who are largely getting missed by the Payroll Survey include the growing number of partners in Limited Liability Corporations or LLCs. The establishment of new LLCs is exploding, doubling in some States in just the last 3 years. But because these entrepreneurs are partners in new business startups, they are not counted in our jobs statistics.

And the Payroll Survey is not just ill-equipped to accurately portray our economy in 2004, it has historically been a poor indicator of job creation during a recovery. During the recovery of 1992, the Department of Labor's numbers showed job creation as relatively anemic.

As more and more data became available and a clearer picture of the economy emerged, the Payroll Survey was significantly revised to show that job creation had actually been quite robust. And that was over 10 years ago, before much of the boom in independent contracting, Internet entrepreneurship, and small business startups that, as I said, are such a big part of our economy today.

However, we do have at our disposal another survey which is strong precisely where the Payroll Survey is weak. It is the Department of Labor's Household Survey. Instead of asking businesses if they are hiring or laying off, the Household Survey asks individuals and families if they are working. By going straight to the employees, this survey is well suited to more accurately portray employment in our economy. Whereas the Payroll Survey counts established jobs in established businesses of established industries, the Household Survey counts any and all types of jobs, or more precisely, it counts people no matter what type of job they have. This approach allows the Household Survey to track workers like the self-employed. And, in fact, this survey shows that 31 percent of job growth right now is in self-employment. Thirty-one percent of our job growth is in self-employment. In other words, one third of all job creation is entirely missed by the Payroll Survey.

Therefore, it is no accident and no mystery why the Payroll Survey shows a net loss of 2.4 million jobs in the last 3 years and the Household Survey shows a net gain of 1.4 million jobs. That discrepancy is pretty significant during the highly politicized time that we are in, and it is huge in terms of the average American's peace of mind, which is why an honest discussion of what is really going on in the economy is so critical.

To be sure, while a fast-paced dynamic economy in which new jobs are constantly being created is good for all of us in the long run, it also means that rapid change is a way of life. That can be exciting. And, Mr. Speaker, we all know it can also be scary. The only way we can continue to succeed and lead the world as the strongest, most innovative economy is to significantly step up our commitment to education and training and, yes, retraining.

□ 2200

New jobs mean new skills to be learned, new technologies to develop and harness. But if we keep competing and innovating and remain committed to learning and using new skills, our 21st-century economy will continue to thrive and, Mr. Speaker, so will American workers. They are doing it today, and they can continue to do it in the future. We will keep creating new and better jobs, whether it is a specialized service in a booming industry like logistics or massage therapy, or an increasingly skilled part of a globally-competitive sector like software engineers whose jobs are supported by inexpensive computer programming labor in India, or an entirely new line of work that was just unheard of, inconceivable just a few years ago, like e-Bay entrepreneurship where, as I said, approaching a half a million Americans are working in their full-time jobs.

There is no doubt that many of the cutting-edge industries of today will eventually become routine or even obsolete. What is important is that through technology, innovation, investment, and education hard-working Americans keep on embracing change and propelling our economy forward.

REFLECTIONS ON TRIP TO IRAQ

The SPEAKER pro tempore (Mr. ROGERS of Alabama). Under the Speaker's announced policy of January 7, 2003, the gentleman from Indiana (Mr. PENCE) is recognized for the remainder of the majority leader's hour, approximately 28 minutes.

Mr. PENCE. Mr. Speaker, I rise tonight to engage in a colloquy for the remainder of this Special Order joined, as I was in travel, by my colleague, the gentleman from Arizona (Mr. FLAKE), also of the sixth district, him of Arizona, me of Indiana. The gentleman from Arizona and I had the privilege of traveling in the last 2 weeks to cities in Iraq under the leadership of the distinguished subcommittee chairman, the gentleman from Indiana (Mr. BURTON), of the Committee on International Relations. On this trip, as we will reflect tonight, we not only, as this photograph suggests, had the opportunity to spend time with soldiers in the instance of this photograph in the belly of a C–130 on our way into Baghdad. But more compellingly, it seems to me, Mr. Speaker, today, as we went through a vigorous and, in many ways, historic debate in this Congress, about the merits of Operation Iraqi Freedom, we found ourselves arguing one between another about the existence of certain types of weapons and the credibility of arguments. It seems that there was a group of people that was left out of that discussion today, and it was the people of Iraq and how they have benefited or how they have been moved or how they have been inspired by the heroism of American and allied forces in Operation Iraqi Freedom.

It is in that spirit, Mr. Speaker, that the gentleman from Arizona (Mr. FLAKE) and I come together tonight on the House floor to reflect on our experiences, principally during the first congressional delegation trip into the city of Basra, Iraq.

Basra, which is an area of southeastern Iraq under British control, had, prior to 2 weeks ago, never entertained American Congressmen. So when we arrived in Basra that day, we were literally, the four of us, we were the first Members of Congress that these Iraqis, regular, rank-and-file Iraqis, men and women from every station in life had a crack at, had a chance to speak to. We had truly a unique opportunity meeting with religious leaders, political leaders, but, more to the point as we will emphasize in our reflections today, regular Iraqis who shared, as I will reflect and detail and then yield to my colleague, the gentleman from Arizona (Mr. FLAKE), they shared a story that we are not hearing in America today. And I would offer humbly, Mr. Speaker, we did not hear very much about it on this floor today; and it was an outpouring of gratitude and appreciation for American soldiers and allied soldiers who had freed them from the tyranny of Saddam Hussein, and just as intense was their enthusiasm and their passion in almost a grade-school level enthusiasm that I saw for democracy that is beginning to take hold.

With that, Mr. Speaker, I yield to my colleague, the gentleman from Arizona, for such remarks on the trip as he would make.

Mr. FLAKE. Mr. Speaker, I appreciate the opportunity to be here, and I appreciate my colleague including me in this Special Order. It was a wonderful trip and a great experience and what a momentous time to be in Iraq, to be there as they were drafting their interim Constitution.

I have had the good fortune over the years of being in two countries when they have been drafting a constitution. I spent time in southern Africa in the country of Namibia in 1990 when they were sitting down after their first elections and drafting their first Constitution; and I was able to see that process firsthand, to see a country draft its first constitution and actually look to the future with hope and optimism. It was a similar experience here, if the gentleman will recall. In Baghdad we were meeting with Ambassador Bremer, and on the coffee table was a copy of the interim constitution that they would approve later that night, with a scratch-out here, a circle here, a white-out here; and it was just amazing to see that. It was appreciated, I think, on a number of levels.

As the gentleman mentioned, we were able to go to Basra, and one thing that strikes you when you go to Basra is the utter neglect that the southern half of Iraq has faced over the years. Saddam Hussein, after the first Gulf War, simply repressed the people in every way possible. The infrastructure of southern Iraq was completely neglected. The streets, the buildings falling apart, because he wanted to punish the people there. And the worst part, obviously, were the killings, mass graves, over 400,000 people already discovered; and it is feared that over a million were killed over the last couple of years by Saddam Hussein. That was striking.

But like the gentleman from Indiana, I felt the optimism of the Iraqi people, particularly in the south, who had undergone a lot over the last couple of years and finally could see forward to a bright future. And that feeling was certainly palpable there as we met with business people and with students and with clerics and others. It was a great opportunity. It is difficult when you are in the north to actually meet with regular Iraqis, because the security situation is so tight; but we had the opportunity in southern Iraq.

With that, I yield back to the gentleman.

Mr. PENCE. Mr. Speaker, I thank the gentleman for his comments. In fact, as my friend from Arizona said today in his remarks during the debate over the resolution, the opulence of Saddam Hussein's palaces is rendered even more immoral when one sees the squalor in which he forced the largely Shi'ia population of southern Iraq to live in huge communities like Basra, and where we see sandstone homes, a sewage system that has 20 percent of the capacity that it needed. So as one Iraqi told me, for years a good rain in the streets become the sewers. Yet, as we traveled to Baghdad, we saw, having visited not just a couple of Saddam Hussein's palaces, but the sheer opulence, the decadent self-indulgence was, in my judgment, sinful. But it showed the immorality.

Mr. FLAKE. Mr. Speaker, if the gentleman will yield, we were told that Saddam Hussein had built some 70 palaces just in the last 10 years during the time of the sanctions for food program, or the oil for food program, where every drop of oil revenue was supposed to be spent for the benefit of the Iraqi people, for food or for medicine. Instead, Saddam Hussein spent an estimated $2 billion building palaces for himself and the people of Iraq surely suffered during that time.

Mr. PENCE. Mr. Speaker, our first meeting, as is captured in this photograph with the gentleman from Arizona (Mr. FLAKE) and myself and our delegation, on the right was with a series of Iraqi religious and political leaders. We see a Muslim imam here, the Catholic bishop of Basra was in attendance and warmly received by those present. But my memory of this meeting had more to do with the very silent Muslim cleric who sat at the end of the table, the gentleman wearing ancient garb and a long beard who, after we had gone through the series of questions about everything from border jurisdiction to the process of reconstruction, it fell to us to be able to ask questions. And up to this point, we had heard mostly from these religious leaders who were quite chatty through an interpreter, and this gentleman had been icily silent.

At that point I remember asking, What do you think of our decision to remove Saddam Hussein? And before any of these three could answer, the gentleman in the white headdress suddenly leaned forward and began to speak urgently in Arabic and pointing his finger in my direction with his eyes on fire. And as I waited for the translation, the interpreter explained that he had said, Saddam Hussein is a nightmare, and the day you ended his regime, you lifted a dark curtain from our people and the daylight was able to shine in. It was for me an extraordinary moment where this icy and quiet figure who was clearly suspicious of American officials traveling thousands of miles to sit down in a delegation meeting, suddenly had his moment to speak a truth from his heart, and it was a truth about a nightmare that the United States of America had brought to an end.

I yield for the gentleman's reflections.

Mr. FLAKE. Mr. Speaker, that was an extraordinary meeting, to see, as we were able to do, to talk with the clerics who were repressed so much over the past couple of years. The gentleman had a previous slide there when we were in the C–130 with the troops, and it reminded me of perhaps the most special time in Iraq was being able to meet with the troops at Tallil Air Base. We were able to go to the mess hall, and I was looking for any Arizonans who might be present. It turned out there were a number of them. In fact, I ran into a cousin of mine from my hometown that I did not know was there, and another one from my hometown, and pretty soon there were a dozen or so. The 222nd National Guard unit out of Flagstaff was there and doing a great job. They had been there about 11 months and obviously were anxious to get home and see their families.

But what struck me was how they felt that they were there for a cause, and that morale was high, despite what some will tell us. It was a very difficult post for them to be in, obviously, very difficult and dangerous circumstances. But they were proud to do it, and they were proud to serve and anxious to see their families and be reunited once again. There were a lot of highlights on the trip and that was certainly one, to meet with the troops. And then we went to Baghdad and were able to meet with other troops from Arizona as well. Arizona is well represented in Iraq, and they are doing a great job; and I was just proud to be associated with them. I yield back.

Mr. PENCE. Mr. Speaker, I have tried to explain that. I admire the way my friend describes the morale of the troops, because I really believe it is also a good description of the enthusiasm of the Iraqis, some 60 or 70 with whom we spent a considerable amount of time that day in Basra, that regardless of the arguments that we have here on this floor and across this country and, frankly, through the course of a Presidential election year, all of which are appropriate, about evidence and information and intelligence, it struck me that that was completely irrelevant to the cause as it was understood by our soldiers that we met in Iraq and the Iraqis that we met; that this was a cause really between good and evil, between a tyrant who oppressed and murdered over a million of his own countrymen, 400,000 bodies of men and women, boys and girls who have been found in mass graves so far, over 800,000 Iraqis remain missing, people dragged from their homes in the dead of night without due process of law, never to be heard from again, versus the forces of the Western World coming together for the rule of law and for ending that tyranny. I am very grateful for my colleague's reference to a cause, because it emanated out of everything that I sensed about the people with whom we spoke.

□ 2215

Mr. FLAKE. Mr. Speaker, I thank the gentleman from Indiana (Mr. PENCE) for yielding.

Another highlight of the trip, obviously, was meeting, and I believe there is a slide coming up, meeting with some of the former prisoners of war. It was just striking to talk to them and to hear about the repression that they had experienced and to hear about the work they are currently doing to try to reunite family members with others that they have not seen or at least to find the remains of family members who have been missing for so long. A difficult task for them, obviously. But these people have been through a whole lot.

For those who I heard make references earlier today to we went to Iraq, for what, because Saddam had drained the marshes or drained the swamps in Iraq, the reference to Saddam Hussein draining the area where the Marsh Arabs lived and what an ecological and societal disaster that has become, as actual as that is, it pales in comparison to the human lives that were lost: over a million killed, some gassed, weapons of mass destruction used against the Kurds, mass graves found, people buried alive. The stories go on and on and on. It was just trying to hear that.

My colleague has some experience with that.

Mr. PENCE. Mr. Speaker, if the gentleman would yield, I must tell him that that time that we spent, and this is another photograph of our time with Iraqis during this trip, but the time that we spent with former political prisoners, one man who had been jailed a dozen times in the course of 25 years, to hear not just that individuals were dragged from their homes in the dead of night if they were thought to be suspected of disloyalty of the regime, not just that those individuals were tortured by the regime of Saddam Hussein, but to hear from these men that it was routine and ordinary practice to torture prisoners' wives in front of them, their mothers, and their children in order to extract information; and that oftentimes the torture would result in the death of a loved one and then the summary execution of the prisoner; and that this happened in numbers that boggle the mind.

And I must tell my colleague that I returned with a burden on my heart to carry this message back on behalf of these good people in Iraq for whom I developed a tremendous amount of affection and respect, that they lived in a hellish environment, subject to the most unspeakable cruelty by the tyranny of Saddam Hussein.

We cannot lightly pass over that and we cannot lightly ignore that and we cannot trivialize that, regardless of whether or not the human rights record of this regime was a central focus in the public debate prior to the war. It is nonetheless a fact that cries out from over 270 mass graves that have been found so far and the remains of some 400,000 Iraqis. I yield to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, I thank the gentleman for yielding. We often hear about the carnage and bloodshed since the war unofficially ended. The day after we left, there were over 200 killed in a series of bombings in mosques. Just today some 30 people were killed. So those things draw the most attention, as they should, and it is a terrible thing to happen. And our troops, we have lost a number of them. We continue to lose them. It is a very dangerous situation there.

But often overlooked are the positive and good things that are happening. I think that that is one thing that we brought back from our trip. One thing that was pointed out to us is the day, our first day there, the day prior they had set a record for oil output for a day since the war that the oil production is coming back. This is with equipment, obviously, that was neglected and abused during the past decade and is rendered almost unusable; and still, with our engineers and others, they have been able to go in and actually produce record oil output for a day.

Also, electricity we were told that we were actually producing more electricity in Iraq than was being produced not during the war but before the war. So things are happening.

It is much to the credit of our engineers and our individuals who are going over from this country doing contract work and USAID and other groups who are actually doing some very good things for the Iraqi people.

Education, I know that my colleague will want to talk about some of the education work going on, our democracy programs and whatnot. So I will yield for that.

Mr. PENCE. Mr. Speaker, I thank the gentleman for yielding. And I think it is a wonderful place for us as we approach the end of our conversation tonight to end it that I am overwhelmed by the sense of gratitude expressed by the Iraqis with whom we interacted in Basra. I mean, the touching of the heart, I came to find out virtually every Iraqi that we met ended their conversation with me, and I know with the gentleman from Arizona (Mr. FLAKE), by touching their hearts. And I would later find that this is a form of deep respect in the Muslim and Islamic tradition. It is the touching of the heart that means the ultimate expression of gratitude.

When we met with political prisoners and we thanked them for their candor and we thanked them for being willing to meet with us, they touched their hearts and bowed to us. And in this instance here where we visited one of hundreds of democracy workshops that are taking place all over Iraq, and here you see Ana who is a young Islamic Iraqi woman, wearing an abaya, and she is presenting me one of my most treasured possessions since becoming a Congressman. It is a stack of handwritten poems in English about what freedom means to her. And she illustrated the poems with almost childlike caricatures of freedom of religion and freedom of expression and the right to vote with a small ballot box.

The enthusiasm of all the people in this room that spoke broken English was very endearing to me and profoundly inspiring. Not only had we managed in Operation Iraqi Freedom to bring to an end a darkness, as one Iraqi said to me that day in Basra, a darkness that had descended on their people, but also the daylight of democracy, the daylight of freedom and liberty streaming into Iraq. And it is being greeted with enthusiasm.

The devastating bombing that took place today claiming lives in Baghdad, the car bombs that were detonated the day after we left Baghdad Airport, it was the bloodiest day since the end of major combat hostilities, all draw the mind to the violence.

They draw, it seems to me, the American public's focus to a very small number of Iraqis who seek to use violence to reclaim the dictatorial power they once enjoyed when this is a country of 10 million people, a sample of which we met, who were overflowing with gratitude to the people of the United States and our allies in this cause.

As this picture attests, and I hope it is on screen and, Mr. Speaker, I hope it can be seen, that you can see that enthusiasm on their faces, that enthusiasm for democracy that I encountered in Iraqi after Iraqi. And it is an enthusiasm I believe will be a foundation for a free Iraq for decades to come.

Mr. Speaker, I yield to the gentleman.

Mr. FLAKE. Mr. Speaker, I thank the gentleman for allowing me to participate. I will say a few words and yield back to my colleague to close.

The thing that struck me after all the experiences we had in Iraq, our last picture there in Baghdad we climbed on the C–130 to fly back to Kuwait and we waited outside of our plane while the ceremony was held where the body of an Estonian soldier who was killed the day before who, I believe, was trying to detonate an explosive on the street and was killed by a sniper as he was there, was placed on our plane. And we flew out with the body of that young soldier in the belly of our plane.

And it was quite a surreal experience to fly over Iraq, to fly over ancient Babylon, the confluence of the Tigris and Euphrates rivers, the cradle of civilization with the casualty of the latest conflict in our plane.

But it really made me think and ponder back about our time with the Iraqi people and about the experiences that we had where the yearning for freedom is strong; it is in the soul of every man and woman. And as our President has said, freedom is not a gift to the world; it is God's gift to mankind. It is something that is felt by everyone and certainly expressed in the gratitude that was expressed by people touching their heart when they would talk to us, that our country was able in some small way to bring that gift back to them to have them experience that God-given gift of freedom. It was a wonderful experience.

Mr. Speaker, I appreciate the opportunity to be here. I thank the gentleman from Indiana (Mr. PENCE) for allowing me to participate in this colloquy.

Mr. PENCE. Mr. Speaker, I thank the gentleman from Arizona (Mr. FLAKE) for yielding and for his participation. And I think those words especially eloquent. Because it was the gratitude and the enthusiasm for their freedom that I found most moving among the Iraqis that we met.

I close with a picture, Mr. Speaker, that I think the gentleman from Arizona (Mr. FLAKE) actually took. We were visiting the second of two palaces of Saddam Hussein now being rehabilitated into a hospital for Iraqis in Baghdad. And as we were making our way, we came across regular Iraqis who were moving materials. And as you see here, and I hope it is evidenced in the picture, the enthusiasm with which we as Americans were greeted was overwhelming. People stopping, smiling, reaching out.

I did not even expect that the thumbs up symbol would be international, but it was. And you see the warmth and you see the generous spirit that is present among the Iraqi people. I say without hesitation, as I said to many people upon my return, I fell in love with the Iraqi people. They are bright, visionary, optimistic, educated, and a people that are of such strong opinions that I thought they were from the Midwest in most of our conversations.

But in the midst of all of it, I came away with an image that I had a burden, Mr. Speaker, to come back and as we consider this important resolution today, even to help finish the debate today with my colleague from Arizona (Mr. FLAKE), to try and focus this debate on the real beneficiaries of Operation Iraqi Freedom, because certainly Operation Iraqi Freedom brought down a tyrant who represented, as the President concluded, a threat to the United States of America and our allies and that clear and present danger justified our decision to go to war. But the true beneficiaries are these Iraqis and the generations of Iraqis who will follow them, who will be born in a free country, that will live under not the rule of one, but the rule of law. And they will live under a constitution that is, as Ambassador Bremer said to us, not so much a revolutionary document, as for this part of the world and its torn history, a radical document, with freedom of religion, freedom of expression, freedom of speech, and equality of the genders.

This is an astonishing accomplishment. And I am here to report very simply, Mr. Speaker, that the Iraqi people that we met with, some four or five dozen in the course of our days in Basra and Baghdad two short weeks ago know that. They understand that. They are deeply and profoundly grateful to the people of the United States, to the families of our men and women in uniform for the sacrifices that have been made on their behalf.

And they are deeply hopeful and deeply enthusiastic and deeply ambitious to see democracy and a constitutional republic take hold in this beleaguered land.

With that, Mr. Speaker, I thank my colleague, the gentleman from Arizona (Mr. FLAKE).

□ 2230

MEDICARE PRESCRIPTION DRUG BILL

The SPEAKER pro tempore (Mr. ROGERS of Alabama). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, earlier this week, an international consulting firm that specializes in monitoring the pharmaceutical industry released a report that showed that prescription drug spending in the United States rose 11 percent last year, and Mr. Speaker, I have heard President Bush plans to highlight his health care achievements this week, and undoubtedly he will boast about the passage of his prescription drug legislation.

However, Mr. Speaker, seniors have already done the math and realize that the President's law will not help them with the ever-increasing costs of their prescription drugs.

Just consider, a senior who now spends $1,000 a year on prescription drugs will end up paying at least $857 a year under the law passed by the Republican majority here in the House and signed into law by the President. Seniors with bills of $5,000 a year will still pay at least $3,920 under the Republican law. I do not understand how the President can tout this law as helpful to seniors when you look at those statistics.

The trouble is that both the House Republican leadership and the President are having a difficult time selling this bad prescription drug law to seniors. Back when we were about to vote on this bill last year, the President was having a difficult time selling the plan to some of my fellow Republican colleagues right here on the House floor. In order to overcome the skepticism that not only most of the Democrats but even some of the Republicans had, President Bush and his administration got involved in some questionable activities that continue today.

Now, these activities are outlined in an editorial yesterday in the New York Times which was titled "The Actuary and the Actor," and I do not like to read the entire editorial usually in the newspaper, but I have to this evening, Mr. Speaker, because I just think that this New York Times editorial says it all, about how this administration is essentially misleading the public with regard to this Medicare bill, just like they misled many of my colleagues on the Republican side who ended up voting for the bill that night when we sat here for almost 3 hours before the voting was closed.

The New York Times editorial is as follows: "An Orwellian taint is emerging in the Bush administration's big victory last year in wringing the Medicare prescription drug subsidy from a balky Congress. The plan is being sold to the public through propagandistic ads disguised as TV news reports, and it turns out the government's top Medicare actuary was muzzled by superiors during the debate about the program's price tag.

"Richard Foster, one of the government's foremost Medicare experts, says he was ordered not to provide requested information to Congress last fall when doubts were being raised about the drug benefit's cost. The administration denies this, but a ranking former official has confirmed Mr. Foster's story. As the bill was being considered, Mr. Foster privately cautioned that its cost could amount to as much as $600 billion, while the White House publicly stuck to the Congressional Budget Office figure of $400 billion over 10 years. The administration eventually conceded a cost of $534 billion, but only after the bill was safely signed into law.

"With program in hand, the administration then attempted to rally support, and take political credit, with government-produced TV ads masquerading as news reports. Actors were hired by the Department of Health and Human Services to pose as television journalists purveying faux upbeat 'news' segments about the expanded Medicare coverage."

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, my understanding is that was with taxpayer dollars that was done. Is that correct?

Mr. PALLONE. I appreciate the gentleman bringing it up. It is 100 percent paid for with taxpayer dollars, and these taxpayer dollars are being used to pay for these videos and these advertisements.

This is a continuation of the New York Times editorial: "Actors were hired by the Department of Health and Human Services to pose as television journalists purveying faux upbeat 'news' segments about the expanded Medicare coverage. The hope is that TV stations will air them as their own. In one version, anchors are offered a script in which they promise that 'reporter Karen Ryan,' an actress, will explain the details of the new drug plan.

"This sleight of hand openly deepens doubts about White House credibility on a complex issue. The public deserves straightforward information about the changes in Medicare, and Federal agencies should not be engaging in political spin. This is no way to run a democracy nourished by information and taxpayers' money."

Now, again, I am just reading my colleagues the editorial of the New York Times. As my colleague from Ohio (Mr. BROWN) mentioned, this is taxpayers' money. This is not political campaign ads on behalf of the President's reelection. These are taxpayer funds.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will continue to yield, I think one of the fundamental questions here, and I appreciate the gentleman from New Jersey's (Mr. PALLONE) leading this special order tonight and the gentleman from Washington (Mr. INSLEE) being here, and the gentleman from Maine (Mr. ALLEN), all of whom have been very involved in this Medicare issue.

I think there are two questions. One is how can you justify taxpayer dollars being spent on an ad campaign in such a politically charged issue? Second, when the Medicare benefit does not even go into effect for 2 years so that you are running these ads at taxpayer expense during the Presidential election year, informing the voters and the beneficiaries of something that is 2 years away.

I think the second question to ask is, why are they having so much trouble convincing the public the Medicare bill is a great bill? The fact is the public is not biting. The public understands intuitively, the seniors overwhelmingly, and I think people of all ages overwhelmingly, understand that George Bush and the Republican leadership have sat down with the drug industry and sat down with the insurance industry, and they went into the Oval Office, and they came into this Chamber, the drug and insurance industry, and they wrote this legislation.

A $400 billion, they told us, bill, $139 billion of that goes to increased profits or the drug industry. Another $14 billion of our tax dollars goes to the insurance industry. It is just clear this is another example of President Bush's very close allegiance to the drug industry and the insurance industry.

The word on the street in Washington is the President is going to get $100 million from the drug industry for his campaign. The drug industry loves this President. They have gotten everything they want from this President, and you can bet if that $100 million from the prescription drug industry goes to President Bush, that is one of the reasons seniors in this country are paying such a high price. No wonder it is darn near impossible to convince seniors that they got a good deal with this drug bill.

Mr. PALLONE. Mr. Speaker, if I could just interrupt for a second, what happens from my experience is when I go to the senior centers in my district and I talk to the seniors, I do not have to say anything because essentially they have already figured it out. You know how it is. Senior citizens look at everything. They read all the material, and many of them just tell me they have calculated this is a voluntary program, it does not take effect for another 2 years, very much aware of the fact that it is not going to help them for the next 2 years. They just see it as a political ploy to get through the next election.

Then when they actually sit down and figure out how much they have to pay out of pocket versus what they are going to get in terms of benefit, they say, Why would I sign up for it? It is essentially a volunteer program. You do not have to sign up for it.

Mr. INSLEE. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from Washington.

Mr. INSLEE. Mr. Speaker, I would posit that this is a great example of waste, fraud and abuse being perpetrated by this administration in trying to sell a pig in the poke to senior citizens who are not buying it, and it is waste, fraud and abuse in its most classical sense for at least three reasons.

Number one, it is not working. Seniors listen to this and almost laugh at it. I was at a meeting put on by the local chapter of the AARP in Edmonds, Washington last week, and there were about 150 seniors there, 150 seniors who had listened to this "gobbledy-gook" put out by the administration, trying to sell this ad to them. Not one single person out of 150 seniors, not the lobbyists who they hire, but the real seniors who supposedly need to depend on real coverage, not one person bought this as a decent plan for them. And I have got to tell you, there was fire and vigor and youthfulness in that room because they were so angry at the government trying to sell them this wasted opportunity. So first thing is the waste, because it is not going to work, because seniors are not going to buy it.

Second, it clearly is propaganda. I think the GAO has looked at this, General Accounting Office, and they cited several omissions, at least in the charitable sense of the term, of these advertisements not telling seniors what the real deal is; which is, number one, left out the fact they conveniently forgot that this legislation prohibited Uncle Sam from trying to try to get better drug prices for seniors, prohibited seniors from getting drugs from Canada, prohibiting reimportation in a safe way. Somehow they conveniently forgot that. It is waste because it is propaganda.

The third is it is simply not true. Let me tell you, it seems like every week we hear about another abuse of governmental power here. But let me tell you about one I heard about just yesterday, and that was that this administration is sending out deliberately phony alleged videos that purport to be news accounts from news reporters which, in fact, were paid models and actors who were faking like they were doing a news conference. Now if that is not an abuse of government authority, I do not know what is. Right now, the General Accounting Office lawyers are investigating this abuse and I think they are going to find a violation. I will tell you why.

This administration hired actors to pose as people. One of the people they hired, actors, who at the ending of this video that the administration is using our taxpayer dollars to send this around to all these local news stations around the country, and at the end they have this actor who says, "In Washington, I am Karen Ryan reporting." Turns out she was just an actor on the take, paid for by this administration with our hard-earned dollars. It is a fraud. It is a fake. It is being investigated, and the administration should be ashamed of itself, not only for the substance of this bill which is insulting enough to seniors, but then they pay these people to fake seniors, to think there is cheering mobs out there. They pay these people to clap for this thing when we go out and talk to real seniors that I know think it is a bunch of garbage, politely speaking.

So this is a perfect incidence of waste, fraud and abuse that I wish my Republican colleagues would write letters to the White House and tell them to knock it off because it is our taxpayers dollars that are being wasted here, and it is not going to work.

Mr. PALLONE. Mr. Speaker, I appreciate what you said, and I just wanted to go briefly, and then I would like to yield to the gentleman from Maine, back to this story with Richard Foster who was the actuary who was basically told, do not reveal the true cost of this Medicare bill, because I think we have to mention that on the night when this bill was passed, and you will all remember, we were here in the House Chamber.

It was about 3 o'clock when the votes were first posted and the bill was defeated. The majority had voted "no" on the bill because they knew that it was basically worthless. And there is no question in my mind that if the Republicans who were wavering that night, and their arms had to be twisted and there were all kinds of things being done by the President and the administration to try to get people to change their votes, that if they had known what Foster knew and was told not to tell us, that the actual cost of this was not $400 billion over 10 years, which was what was in the budget, but $600 billion, essentially 50 percent more, there was no way that bill would have passed.

So this is a fraudulent effort to deny the true cost of the bill to the Congress to get those votes for the bill, and even with all that, it was almost impossible. If they had not twisted arms and basically bribed a couple of people that night, they still would not have gotten the votes. That is why the Richard Foster story is so important. That is why I think he has to be commended for coming forward and telling the truth, even at this late date.

Mr. ALLEN. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from Maine.

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding and for leading this Special Order. And the case of Richard Foster, though his name may not yet be a household word, is one that needs some review. It is an example of what we have tried to explain to people, that the legislative process in this Chamber, the democratic process in this Chamber, has been corrupted by special interests. And those are strong words, but there are no kind words that fit what the Republican majority is doing in this House.

So let us just for the moment look at the case of Richard Foster. Back in June 2003, when the Medicare bill first came to the floor of this House, it came with a CBO, Congressional Budget Office, assessment that the cost would be $395 billion over 10 years. At that very time, the chief Medicare actuary, Richard Foster, had done a number of scenarios, all of which showed that the cost of the bill would be somewhere between $500 billion and $600 billion. He settled on around $550 billion.

He never told any Member of Congress what that projection showed. And why did he not tell any Member of Congress? Because his boss, Tom Scully, the head of Medicare for this country, told Richard Foster that if he told Members of Congress what his numbers showed, that it would cost $550 billion and not $400 billion, he, Tom Scully, would fire Richard Foster.

☐ 2245

So here you have the chief Medicare actuary, under an ethical obligation, at least, to convey to the Congress of the United States information about what the Medicare law was likely to cost, and he could not say it because he would be fired.

Well, now look what has happened. The bill comes back in the fall and we have the long night, the 3-hour vote held open. And the process had been corrupted before that because Democratic Members from the House had been appointed to the conference committee, they were not allowed in the room. They were not allowed to attend the conference to which they had been appointed because the Republican chair of the conference would not let them in.

Now, if you try to explain this to people back home who read their textbooks about how American democracy is supposed to work, they do not believe you. They cannot believe that one party here, that the majority party would simply shut down the legislative process, would withhold information, would manipulate information.

And it continues today, because now that bill has become a law by the narrowest of margins, a bill which would not have passed if the truth had been told about its projected cost.

Now what happens? Well, Health and Human Services goes out and runs TV ads. Many people have seen them. They say same Medicare, better benefits. And it is not true. We are witnessing a concerted effort by the administration, in close collaboration with the insurance industry and the pharmaceutical industry, to move 35 percent of Medicare beneficiaries out of the fee-for-service plan they have today into private insurance.

And why is private insurance such a problem? Well, it costs more. It costs a lot more. And Members on the other side of the aisle have come down into the well here and they have said Medicare is in financial difficulty, that we need to do something; and what we need are private insurance companies to take it over.

Well, nobody in Maine has ever said to me, you know, I am willing to give up my choice of doctors and hospitals, which I have under traditional Medicare, and what I really want is a choice of insurance plans. Send me those brochures. Send me those insurance agents. That is the way to take care of our health care for seniors. Nobody has ever said that.

The latest projections are that the insurance companies will need to be paid 20 percent more than it costs today to deliver health care to the average Medicare beneficiary. A 20 percent bonus. A 20 percent overpayment to the second biggest lobby here in Washington.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield.

Mr. ALLEN. I would be glad to yield.

Mr. BROWN of Ohio. Mr. Speaker, I think it is intriguing what the gentleman from Maine (Mr. ALLEN) is saying about the whole Medicare structure and how my friends on the other side of the aisle and President Bush, in large part at the behest of the insurance industry, which sees huge profits in this Medicare bill, say that they want to privatize it.

One of the most important facts about Medicare public versus a private insurance HMO Medicare is administrative costs. Traditional Medicare, the Medicare that we know, that 85 percent of America's seniors are enrolled in, has about 2 percent administrative costs, while private insurance has administrative costs averaging between 15 and 20 percent.

So no wonder if we have privatized Medicare, it will cost taxpayers more, yet Medicare beneficiary seniors will actually get less.

Mr. ALLEN. Mr. Speaker, I just wanted to finish right now with a couple of comparisons.

The $80 million that Health and Human Services is going to spend to advertise this law, which does not take effect until January 2006, and Secretary Thompson made it clear why he was doing it, he said because there is too much criticism of the law. People do not understand that it is really the same Medicare. Of course, the author of the law in the House was quoted on television as saying, "To those who say this bill will destroy Medicare as we know it, my answer is, I certainly hope so." He has made it clear his goal is to destroy Medicare as we know it.

But I wanted just to finish up with this: $80 million in advertising to the American people. $80 million. Guess how much the President proposes to cut out of rural health care? One-half that amount, $39 million. We cannot afford $39 million to improve rural health care, but we can spend $80 million just to advertise a flawed Medicare bill to the American public.

The $80 million is more than the $58 million which the incoming FDA commissioner, Lester Crawford, says would be needed to establish a drug reimportation plan. So in other words, we are going to spend, according to the Bush administration, $80 million to run TV ads to help his reelection campaign out of the Federal Government, to promote a bill that is flawed, $80 million to do that, when we could spend $58 million and establish a reimportation plan that would allow seniors to buy their drugs from Canada without interference, and that would reduce their present drug prices dramatically.

Those are the priorities of this administration and the Republican Congress. And I do not know of anyone in my State of Maine who says those are the right priorities for the country.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. PALLONE. Mr. Speaker, I thank the gentleman for his comments; and before I yield to the gentleman from Washington, I just wanted to say when I was listening to the gentleman from Washington (Mr. INSLEE) and his statement about Republican abuse of power, that is essentially what this is. This is an abuse of power by the President and by the Republicans in the Congress.

And when I listened to my colleague from Maine and he talked about how the Medicare administrator, Tom Scully, had basically threatened Richard Foster that if he told the truth about the numbers that he would be fired, what the gentleman did not mention and I will add, is, of course, what happened to Tom Scully. Tom Scully during all this, while this Medicare legislation was moving in committee and moving in the House, was negotiating to get a job, which he ultimately got, with the law firm that represents the pharmaceutical industry. He actually got a waiver from the President that allowed him to negotiate for the job.

Normally, the agency rules that he worked for say that you cannot go out and seek a job and try to find yourself a job while you are still in the agency working on this legislation. So the abuse is just unbelievable, and the fact that he got the waiver and everything.

Mr. ALLEN. If the gentleman would yield just for a moment, Mr. Speaker.

There is one other finish to this story. We are not sitting here on the Democratic sides of the aisle making all this up. Yesterday, Secretary Thompson initiated an investigation into these facts: that Richard Foster was threatened with being fired if he disclosed the true cost of the Medicare bill. So now Health and Human Services itself is investigating what clearly, at least to my mind, was an ethical and perhaps a legal breach by this administration, but one that clearly was absolutely essential, absolutely essential to getting the Medicare bill to become the Medicare law.

Here again, we see a kind of distortion and misrepresentation of information that really has no place in the House of Representatives.

Mr. PALLONE. Mr. Speaker, I yield to the gentleman from Washington.

Mr. MCDERMOTT. Mr. Speaker, I thank the gentleman from New Jersey. I believe it is very important we bring this issue to the American people. Because in this election, the issue on which the people have to decide is if there is anything that comes out of the White House that they believe. Is there anything that comes out of the administration, anything, they can believe.

On weapons of mass destruction and connections to al Qaeda and all the reasons why we went to war in Iraq, it is clear they made it all up. Now we come to the domestic side of things; and I sit on the Committee on Ways and Means, and Secretary Thompson comes before us and admits that when they did a study on the inequities of health in this country, that they rewrote it because they did not like the way it came out. The Secretary said, well, we are going to change that. The next thing we know, the same person is calling for an investigation of his own Department on the issue of the actuary hiding the figures from the Congress.

This is the gang that cannot shoot straight. They cannot tell the truth about anything. Because if they told the truth about anything, they would have to change the way they act. They could not give all this money away in tax breaks. They would have to pay for the programs that they tell the people they are giving them.

Now, I had a very interesting experience over the weekend, and I suspect some Members will have the same experience this weekend. I went back to Seattle and had a community meeting in a retirement home with about 100 or 125 people there, and I showed them a video which has been made by the Families USA about the whole issue of the drug issue. Mr. Walter Cronkite is the narrator. Now, everybody knows Walter Cronkite. He is so believable and has so much integrity, he could tell you the sun was going to come up in the West and you would almost think it was going to because he is so believable.

Well, these 125 people, and this is an old people's home, where probably most everybody is 70 or older. So we are talking about people who are real senior citizens. They sat there and they listened to this, and they could not believe the things that are in this thing that have never come out.

So, then, we talked about these advertising statements they had been seeing on television. They said those television ads are not right, they are not telling us the truth, if Walter Cronkite says that, that we are not going to get any help until 2006, and that this drug card they are coming out with is a hoax of the first order.

These are people who some were school teachers or business people or whatever who are retired. They are now in their 70s or 80s. One of them said, you know, that drug card, I think we ought to boycott that drug card. I do not think we should even bother taking it. Why would I go and choose a card and they give me a list, and they say, now, these are the drugs that this card covers, and I pay $30 for it; and then after I got the card in my pocket, I am locked in for a year and they can take the drugs off the list.

The seniors were incredulous that this administration was trying to run some kind of game on them. I said to them, the reason you are going to get this card on the first of April is so you will have it in your hands when you go to vote in November. They want you to believe you have got something from them. But do not believe there is anything in that card. There is nothing guaranteed except that you have been sold a piece of paper for $30.

And these people said, what can we do to fix this, or what can we do to stop this? Do you think there will be some change in this Congress? I said, look, we are having an election year. Nothing in here is going to be good public policy. It is all going to be about convincing the American people that the Republicans have done everything good for them. And this drug card and this pharmaceutical bill is simply the worst of the examples, but there are all kinds of others.

The video by Mr. Cronkite shows the donut hole. You could hear the audience gasp when they realized that they were going to go for a long period of time, have to pay a premium and have no benefits. They could not believe that. And the donut hole does not stay the same. It grows. Every year it gets larger.

Finally, the crowning blow of it is what they discovered. They said, you mean when we pay this once, up to $5,100, or whatever, that we have to do it again the next year? You mean this happens every year to us? We fall into the donut hole every year? I said, yes. I said if that is what you want for public policy as senior citizens, then you ought to vote Mr. Bush back in, but I think it is a terrible hoax.

And if Members of Congress have the smarts to go out and show this video, they will have turned the whole thing around. Because these seniors watch TV, and they are being a little bit affected by those phony ads.

As I was coming over here, I was listening to my car radio. The Department admitted that they had put those out as fake news reports. They taped them in such a way that they knew if they were picked up just as they were taped, they would look like a news report.

☐ 2300

They planned to fake the old folks out.

Mr. PALLONE. Mr. Speaker, it is incredible to me. The whole idea was to take this video with the actors and hope a station would use it and think it was the real thing.

Mr. MCDERMOTT. They did it, and Fox News and all of the rest of these phony news stations picked it up and put it out there as though it was real. There is nothing real about this administration. They have misrepresented from the Iraq war all of the way through, the economy, the deficit, all these things are all predicated on misrepresentations. I try not to use the word "lie," but they have certainly misrepresented and tried to delude the people. You can fool some of the people all of the time, and some of the people some of the time, but you cannot fool all of the old people all of the time, and they are going to pay in this election for having tried to run this game on old people.

Mr. Speaker, I appreciate the gentleman taking the time to be out here at 11 at night putting this program on together, because it requires real dedication to come out here night after night and do this, and I thank the gentleman for what he has done.

Mr. PALLONE. Mr. Speaker, as the gentleman pointed out to me, it is only 8 p.m. in Seattle.

The other thing that I wanted to point out, we have talked about the misrepresentation and the schemes, if you will, that were being played the night when this was voted. And, of course, the numbers being wrong was certainly one of them. But one of the things was that after the vote occurred at 3 a.m. and the board was left open, and there was a majority against the bill, and we went on for 3 hours when the President and Republican majority tried to change Republican votes, one of the people whose vote they tried to change was the gentleman from Michigan (Mr. SMITH). And we heard very credible accounts from the gentleman from Michigan (Mr. SMITH) and others about the chicanery that was going on, statements being made to him about since he was retiring, his son would never get to succeed him in Congress if he did not switch his vote because the money would not be there by the Republican Party to finance his campaign.

I just wanted to mention today it was announced that the House Committee on Standards of Official Conduct is going to investigate these allegations that were made in that regard. Until today, they had refused to take up the issue. However, they did announce today that they were going to take up the issue. I do not know what the outcome is going to be.

If we think about the way that they got Members to change votes that night and the misinformation provided about how much it was going to cost and now all of these ads being paid for by the taxpayers to convince people this is a good bill, it is just a barrage of misinformation.

Mr. McDERMOTT. Mr. Speaker, today was the second shoe. The first shoe was Mr. Foster saying, I had the figures and they told me they would fire me if I gave the figures. Then we find out with the phony figures out here, they still could not get enough votes until they twisted some guy's arm into a pretzel. I think it is very important that the Committee on Standards of Official Conduct is looking at this issue.

Mr. INSLEE. Mr. Speaker, it needs to be said, too, that our colleague who made the assertion that he had been offered essentially a $100,000 bribe or something akin to that to his son's election campaign was a Republican. This was a Republican Member, a colleague, who made this assertion, and that is why it is important to find out what happened in the situation.

But I will tell Members why I am here at 11 at night and that is there is such a growing pattern of a corruption of democracy here in the Chamber that I have great respect for, the House of Representatives, the people's House. I am a relatively new Member to this Chamber, and it is troublesome to me and I can tell Members it is getting very troublesome to my constituents when they hear this repeated consistent drum beat of a corruption of the democratic process.

It is not just one thing. It is the fact they do not let Members read the bill before they vote on it, which my people believe is a corruption of the democratic process, which happened in the Medicare bill. It is the fact that when they lose, they leave the time open for 3 hours to try to break arms, like the Russians did in the Olympic Games in the 1960s when we won the game and the Russian official just put another several seconds up on the clock. My people believe that is a corruption of the democratic process. And then during that 3 hours, according to a Republican colleague, he was offered a $100,000 bribe essentially to change his vote, which he had the moral integrity not to do, by the way, and remained a "no" vote solidly because he believed, I suspect, this is a bad bill, as we do. This is a pattern, and it is not just isolated to the Medicare bill.

Let me tell Members about another couple of problems that trouble me. I serve on the Committee on Resources, and we had the Department of Agriculture people. They supervise our national forests. We found out due to some diligence of an investigative reporter, that of our hard-earned taxpayer money, this administration has spent almost $100,000 hiring a public relations firm to try to spin the public into accepting a forest plan that would allow more old-growth trees to be cut, which is against public sentiment in the Sierra Nevada and the Rocky Mountains, and this PR firm advised the Department of Agriculture to keep it secret. It did not want the public to find out that they had spent $100,000 to spin the public. Their memo is a classic. He said we cannot tell the public because this is, quote, "a matter of perception." We should not be spending $100,000 to create misperceptions or worry about perceptions. We ought to give the public the straight scope.

That is not the only one. The Department of the Interior, I picked up The Washington Post and I see we have an investigation going on at the Department of the Interior of a gentleman who works for the Department of the Interior, who, on repeated occasions, essentially was associated with beneficial decisions for his former clients in the oil and gas industry to open up methane wells in Wyoming and in the Rocky Mountains when he was specifically ordered not to do it.

Time after time, we are finding incidents where common sense and good practices of democracies are being violated.

Let me go back to a fundamental tenet. We have disagreements in this Chamber, and our constituents have disagreements. They disagree on a lot of things and it is not unexpected that we would have disagreements about matters of great import. But Americans ought to be able to expect at least one thing from the administration and from the President: That is the truth. Even if they may disagree with it, they are entitled to the truth in exchange for paying their taxes, and they have not got it, repeatedly. I want to go down a list of some of those things.

The President's administration told the American public and the U.S. Congress that the Medicare bill would cost about $460 billion. That was false; and more importantly, it was false and known to be false by this administration. To add insult to injury, not only was it known to be false, they ordered their own actuary to refuse to disclose this information to Congress. It is one thing to commit the sin of untruth and falsehood, it is a second sin to cover it up, which they have tried to do. That is falsehood number one.

Number two, they used taxpayer money to phony up these videos, acting like it is a news report, saying it is a news reporter reporting live, Sally Smith or whatever her name was, hiring actors to act like they liked the Medicare bill; and seniors all over the country are rejecting this Medicare bill. They want to hire actors. It is a falsehood to do that, and they did this consciously. They cannot do that by negligence or mistake. They made a decision. Somebody who works for the President of the United States said, I am going to hire an actor to fake out the seniors of this country, consciously, intentionally, and it is wrong.

Mr. PALLONE. And at taxpayers' expense.

Mr. INSLEE. And third, they told us their tax cuts were going to result in large surplus. We were going to have surpluses as far as the eye could see. They cut taxes wildly for the upper class. We now have the largest deficit in American history. That is falsehood number three, and they keep making the same mistake.

□ 2310

Fourth, and to me a series that I want to go through, because it is one thing to give falsehoods to Americans when it is about money, it is another thing to give falsehoods to Americans from the executive branch of this country sworn to defend the Constitution and the United States of America when it jeopardizes and takes the lives of Americans.

I just want to read some quotes that I think we need an accounting of and some responsibility from this administration. On March 17, 2003, the President of the United States told the American people, and I quote, "Intelligence gathered by this and other governments leaves no doubt that the Iraq regime continues to possess and conceal some of the most lethal weapons ever devised." That is a direct quote. It was false. Of all the information that we have gathered after hundreds of millions of dollars, the best evidence we have is that statement by the President of the United States, "it leaves no doubt." America deserves an answer why the President of the United States told Americans that there was no doubt when the facts were at least there was significant doubt as reported by multiple intelligence agencies and the facts have come to bear that multiple statements by this administration were false and as a result of that Americans paid the ultimate sacrifice, one of whose family I visited this weekend whose children will never see their father again who died in the Tigris River trying to save an Iraqi policeman while serving in the United States Army. That family and the other 500 families and the other over 3,000 families of our wounded GIs and Marines and other proud service men and women deserve the truth, and they deserve to know why they did not get it.

On August 2, 2002, the Vice President of the United States, while talking to the Veterans of Foreign Wars, a group that deserves the truth after their proud service to this country, said, "Simply stated, there is no doubt that Saddam Hussein now has weapons of mass destruction." That statement was false. According to the best information we have after hundreds of millions of dollars spent searching for these weapons, that statement was false. Americans who served in Iraq deserve to know why that happened. We do not know why that happened. It may have been a failure of intelligence. Our intelligence agencies may have overstated the threat. They may have left out caveats in their report to the White House. Somebody in the political machinery may have stretched, exaggerated, spun; we do not know what happened and why those statements that were made were so grievously in error that cost American lives, but we deserve an answer and this Chamber deserves an answer.

On January 28, 2003, during his State of the Union address in this Chamber to us, the President stated, "The British Government has learned that Saddam Hussein recently sought significant quantities of uranium from Africa. Our intelligence sources tell us that he has attempted to purchase high-strength aluminum tubes suitable for nuclear weapons production." That statement was false. Americans deserve to know the exact circumstances that led to that falsehood being given to them leading to this war.

On March 16, 2003, Vice President DICK CHENEY on an interview with NBC's "Meet the Press" said, referring to weapons of mass destruction, "He had years to get good at it. We know that he has been absolutely devoted to trying to acquire nuclear weapons and we believe he has, in fact, reconstituted nuclear weapons." To our knowledge that statement was false.

On January 9, 2003, White House spokesman Ari Fleischer stated, "We know for a fact that there are weapons there," referring to weapons of mass destruction. That statement was false.

On April 10, 2003, White House spokesman Ari Fleischer stated, "But make no mistake, as I said earlier, we have high confidence that they have weapons of mass destruction. That is what this war was about and it is about, and we have high confidence it will be found." That statement may be correct in the sense that he may have had high confidence. He may have had high confidence. But the underlying statement was false. With all due respect, we are hopeful about the people of Iraq; but this war was based on false information, and Americans deserve to know why they did not get the straight scoop about this situation.

On September 19, 2002, Secretary of Defense Donald Rumsfeld stated, "No terrorist state poses a greater or more immediate threat to the security of our people and the stability of the world than the regime of Saddam Hussein in Iraq."

People have been saying that, well, gee, the administration is now telling us that we did not mean to actually make Americans worried by saying this was an immediate threat. But, in fact, the Secretary of Defense gave reference to an immediate threat with his own language, and on multiple occasions they have continued to make that statement. When White House communications director Dan Bartlett was asked if Saddam Hussein on January 26, 2003, was "an imminent threat to the United States," he stated, "Well, of course he is." This is repeated references, and we have page after page after page of statements that were false. Again, I want to repeat. The people who made these statements may have believed that they were true at the time they were making them. We do not know that. I do not know that. I like to give people the benefit of the doubt. But when this country has suffered the loss of over 500 of its sons and daughters and wives and husbands and fathers and mothers, this Chamber owes it to the United States of America to get to the absolute bottom of who is responsible for these multiple falsehoods on multiple occasions with absolutely no contrition, accountability, or responsibility.

No one has lost their job over this false information except one disc jockey. Maybe it was not a disc jockey. He was a person who was involved in political discourse. Where is the accountability? Where is the personal responsibility for these falsehoods? Where is the smallest discipline of anyone for giving Americans false information leading to the deaths of over 500 Americans? Where are the changes of procedures? Where is the joint committee in this Chamber? Where is the report of the Congress? Where is the action from the Republican Party to help us find out what happened here? It is missing in action. It is AWOL. With all due respect to our intelligence committees, and they have been doing some discussion of what is happening here, but it is sadly lacking, the type of responsibility that we need to see taken, an explanation of what happened to this information.

Let me make one suggestion when we do get to the bottom of this what we are going to find. Let me tell you about a couple of things I have found through my research. There was a statement by the administration, frankly I cannot recall if it was the President or the Defense Secretary that told Americans that Iraq had developed a drone aircraft that was capable and intended to be able to spread biological and chemical weapons, that could fly over America and spread these horrendous materials over the United States of America. Obviously, that is something we should be concerned about and we should do everything we can to prevent. The problem is that the Air Force, the experts in airplanes, had told the administration before they told Americans this information, before they told Americans the information, that these things were made out of balsa wood and almost duct tape and what they were good for is maybe taking pictures. They were not meant for this other nefarious purpose. They had that information and did not share it with us because frankly there was a lot of doubt about this. There was doubt about this. We cannot expect our intelligence service to be 100 percent, but they did not tell us that.

These aluminum tubes. The President of the United States in his State of the Union address made reference to these aluminum tubes. He said specifically, "Our intelligence sources tell us that he has attempted to purchase high-strength aluminum tubes suitable for nuclear weapons production."

□ 2320

In fact, before the President made that statement, one of our agencies, and it was either the CIA or the Department of Energy, I cannot remember which, had concluded that that was not what these aluminum tubes were for. They were meant for other purposes.

If this was one misstatement, we would chalk it up to the fog of war and the need to be responsible as we need to be in the war on terrorism. But when it is a pattern, when it is a pattern of falsehood that continues to be consistent in their approach to the Medicare bill and the effort to clear-cut old-growth timber in the Sierra Nevada and a whole host of issues, it is responsible for Members of the House to come and blow the whistle on this multiple corruption of the democratic process. And that is what we are here to do.

Let me suggest there is a simple answer to some of these things, these issues that we are calling for. If the President would really initiate a thorough investigation of this, we could find out why this information was false and why we found out. But do my colleagues know what he did or his people did? When this mistake was found out about this yellow cake in his State of the Union address, we found out that his statement that they were trying to get yellow cake from Africa was false, when the administration found out that was a falsehood, it was pointed out by a gentleman named Joe Wilson, who was a former ambassador who was sent by the CIA to Africa to find out whether this assertion was true, and he concluded it was not and told the administration it was not; and then the President went ahead, and somebody gave it to him. I cannot believe he did it himself and put it in the State of the Union address.

I am not faulting him for that specific failure. Somebody had to give that misinformation. But when his administration found out there had been a big mistake in the State of the Union address, one might think he might want to thank the person who helped him correct publicly this mistake because obviously none of us want to make any mistakes. We like to make sure what we are saying is credible. Does the gentleman know what the administration did? Instead, they tried to destroy the career of a CIA agent, who was Joe Wilson's wife, by outing her to destroy a citizen's career in public service who blew the whistle on this corruption of the democratic process. And that is wrong.

And we are many months passed this issue, and the President of the United States, the most powerful person in the Western World, cannot find out who in his administration did that. I am not satisfied with that. I am not satisfied unless the President picks up his phone and says I want an answer by eight o'clock tomorrow morning who did this because they are fired. And he has not done that. This is a pattern that needs to be corrected.

Mr. PALLONE. Mr. Speaker, I just wanted to point out, and I know what the gentleman is talking about, that the war and the loss of lives is certainly more important, but we have the same thing here with Richard Foster that we talked about earlier where he was basically told that if he revealed the correct information about the cost of the Medicare bill, he would be fired. And the irony of it is now there is a statement which he made recently where he says that "I'm perhaps no longer in grave danger of being fired but there remains a strong likelihood that I will have to resign in protest of the withholding of important technical information from key policymakers for political reasons." So this poor guy who now basically came clean and explained what happened, I do not know what his career is going to be like as well, and it is just really tragic that this administration puts honest people that want to be honest with the public in danger of being fired or ultimately losing their jobs because they are just trying to be honest and tell us the truth. And we are just seeing a pattern of this continue with this administration in so many cases.

The gentleman from Washington (Mr. INSLEE) used the word before when he talked about abuse of power. That is essentially what we have here. It is false information and the willingness of this administration to essentially say whatever is necessary, the means justifies the ends, in order for them to justify their ideology.

Mr. INSLEE. Mr. Speaker, if I may, I suppose there are gray zones about conduct, but when the U.S. Congress is debating something as important as the Medicare prescription drug benefit and we are trying to figure out how to finance it so this deficit does not continue and the President knows that there are many people concerned about the cost of this and a good American patriot, in the fulfillment of his democratic responsibilities, figures out it is going to cost another $160 billion than the President tells us it is going to cost, and he tells the administration that and the White House and HHS and everybody else and they tell him that may jeopardize our ability to win our political battle and our political battle is more important than the truth. Because that is what this boils down to. They reached a conclusion here, and their conclusion is they are so smart and they are so gifted and they are so special that they are more important than the truth. Therefore, they ordered and they threatened to fire an American who wanted to and would have shared the truth with Americans and this Congress, Republicans and Democrats, because they concluded they were more important than the truth.

And I just may add, I want to tip a hat to some of my Republican colleagues here because we have Republican colleagues that are madder than hops about this too because they were concerned about the cost of this bill because we have a $500 billion deficit and we have a number of our Republican colleagues who want to fix that problem. So they are mad about this too. They are not quite as vocal as we are in this context with their party member in the White House. But Republicans and Democrats ought to agree on one thing, and that is let us get the facts and the truth; then let us have our debate and let the chips fall where they may, and we are just happy to have that debate. But it is time for them to stop perverting the truth.

Mr. PALLONE. Mr. Speaker, I agree. And it is important for us to continue to point this out because again we had a situation where this bill, which was a bad bill with prescription drugs, would not have passed if the truth had come out. That is abundantly clear. In fact, I cannot ever remember any legislation, and I have been here 16 years, where we have a vote on a piece of legislation and there is an absolute majority against it and we wait for 3 hours to try to change the vote. It is different maybe if the board is opened and there are some people who have not decided, but there was a majority against this bill, and now we understand all the things that were going on to try to basically make people change their minds about this.

I yield to the gentleman from Massachusetts.

Mr. DELAHUNT. Mr. Speaker, I thank the gentleman from New Jersey for yielding.

We are here to review today's proceedings relative to the resolution. As the gentleman is well aware, there is a group of us, and we describe ourselves as the Iraq Watch and we will be joined shortly by the gentleman from Hawaii (Mr. ABERCROMBIE), and of course the gentleman from Washington State (Mr. INSLEE) is an integral part of our conversation. And I am sure that tomorrow morning there will be some coverage of what occurred on the floor today because we did consider a resolution that was put forth by the Republican majority without any input of course from Democrats, as we talk about the process that has become the norm here in the House. Unfortunately, it has become exclusionary. And I think we can concur that that is indeed unfortunate if we want to have an open and respectful debate. So during the course of time, during the course of the debate, sometimes passions become very fierce. But I think it is important to review this resolution today for a variety of different reasons.

The resolution was about supporting troops and respecting their professionalism and their courage. We all agree on that. It also commended the Iraqi people for these early steps towards democracy.

□ 2330

IRAQ WATCH

The SPEAKER pro tempore (Mr. BRADLEY of New Hampshire). Under the Speaker's announced policy of January 7, 2003, the gentleman from Massachusetts (Mr. DELAHUNT) is recognized for the remainder of the time before midnight, approximately 30 minutes.

Mr. DELAHUNT. Mr. Speaker, I want to welcome my colleagues, the gentleman from Hawaii (Mr. ABERCROMBIE) and the gentleman from Washington (Mr. INSLEE). We have been here doing this so-called Special Order for the past 8 months, discussing and reviewing developments in the Middle East and, specifically, what has occurred over the course of the past week involving Iraq, Afghanistan, and the war on terror.

As I had indicated earlier, there was a resolution that was considered today by the House. There was a spirited debate, and I was reviewing specific provisions for the benefit of the people that, at least here on the East Coast, are up late and surfing the channels and want to listen to the conversation that we have among ourselves. I had indicated that as part of the resolution, there is a reference, and the only reference, I find this interesting, to the issue of weapons of mass destruction because, as we know, this was the premise that was put forth by the President, the Vice President, and other administration officials for the rationale for going to war. Of course, we have discovered subsequently that the intelligence was faulty, that the premise for the war, meaning stockpiles of nuclear, chemical, and biological weapons simply did not exist, and the implication that was put forth by the President and specifically the Vice President, because he has reiterated it even recently, that there were links between Saddam Hussein and al Qaeda, turned out to be without any substance at all.

But the one allusion to the use of weapons of mass destruction is contained in this resolution, and I will read it. It says, "Whereas, on March 16, 1988, Saddam Hussein's regime had unleashed weapons of mass destruction against Kurdish citizens, killing nearly 5,000 of them."

Well, this is about a city in Iraq. That city is called Halabja. And it is true that Saddam Hussein slaughtered some 5,000 Iraqi Kurds, men, women, and children. The provision in the resolution that we did debate today appears to suggest that this crime against humanity, and it is a crime against humanity, provides some justification for the invasion of Iraq 15 years later. The tragic truth is, and to our own shame, is that we did nothing, nothing in 1988, in 1989, in 1990 about this crime, this despicable act, this act of terrorism. We did not do anything because under that Bush administration, Saddam was our ally, and many of those currently serving in this Bush administration were key figures during that moment in our history.

Our Secretary of Defense, Mr. Rumsfeld, was a special envoy to Saddam Hussein. Even before his first visit to Baghdad in 1983, Iraq was removed from the terrorist list, and after his full diplomatic relations were restored and billions of dollars of loan guarantees were provided to Saddam Hussein, the sale of dual-use technology for the development of weapons of mass destruction was approved by the Reagan-Bush administration.

I would suggest that no wonder, in the aftermath of the first Gulf War, we learned that Iraq had an advanced nuclear weapons program because, in reality, we helped to build it. And we let other countries supply Saddam Hussein with American military equipment, and we even shared highly sensitive satellite intelligence with Saddam Hussein. Even though we knew that Saddam Hussein was using chemical weapons against Iran, that Bush administration prevented the United Nations from condemning Iraq.

The Vice President, this gentleman here, Mr. CHENEY, was Secretary of Defense for the first President Bush. The Secretary of State, Colin Powell, served as both National Security Adviser and Chairman of the Joint Chiefs of Staff. Well, according to a Congressional Research Service report, not only did we support Saddam Hussein during Mr. CHENEY's and Mr. Powell's and Mr. Wolfowitz' time in service to that Republican administration, but when the House and the Senate in 1989 and 1990 attempted to impose sanctions for the use of chemical weapons, that Bush administration blocked it. They used their influence in Congress to ensure that there were no sanctions imposed on Saddam Hussein.

I fear that we are making the same mistakes now that they made back then, the first President Bush and RICHARD CHENEY and Colin Powell and Paul Wolfowitz. Because like then, we are also today forging unholy alliances in our war on terror.

For example, in Uzbekistan, we are supporting another dictator who, according to our own State Department reports, heads an oppressive regime that perpetrates gross violations of human rights and has more than 5,000 political prisoners in custody today. The most recent, notorious, was when this individual and this regime, through torture, boiled in water a political prisoner. I am sure that conjures up memories of Saddam Hussein.

And in Turkmenistan, we are allied with another Stalinist thug by the name of Sherman Bashi who is creating a personality cult that rivals that of Saddam Hussein. He has renamed the month of January after himself and the month of June after his mother.

☐ 2340

And this is who we are allying ourselves with in the war on terror, just like we allied ourselves with Saddam Hussein back in the late 1980s. And, of course, we know the results.

So I would suggest to my friends and to those that are watching at this late hour that we remember those lessons of history. And I specifically would recommend that the Vice President, who constantly refers to the fact that Saddam Hussein used chemical weapons against his own people, remember that he was part of an administration that was aware of that and did nothing back then, much to the chagrin of the rest of the world and the United States House of Representatives and Senate that served in this building and this institution back then.

And what happened? Did we encourage Saddam Hussein? I guess that is a question we will never know. But we should remember the lessons of Halabja, that city in Iraq, where chemical weapons were used against Iraqi citizens by Saddam Hussein. Because I believe if we speak of democracy and liberty, let us practice it.

And every time the President and the Vice President stand up and proclaim that we are fighting this war on terror to promote democracy, what about Uzbekistan? And what about Turkmenistan? What are we doing there, allying ourselves with despots and tyrants and thugs that at some future point could very well be the new Saddam Hussein?

Let us not ally ourselves with illegitimate heads of state if we are sincere about the war on terror, who are truly terrorists who terrorize their own people. That would be my position.

Mr. ABERCROMBIE. Mr. Speaker, if the gentleman from Massachusetts (Mr. DELAHUNT) would yield, one can only have that kind of a dialogue if we can entertain a legitimate political discussion on the issue. When those who are trying to bring these facts forward, those who have this perspective are enunciating it, are in turn denounced for failing to support our troops, denounced for failing to want to carry forward the war on terrorism, as it is always referred to, are denounced for presumably being unwilling to face up to the cold hard realities of what constitutes terrorism and its origins, then it is very difficult to do as the gentleman suggests.

I had the experience of having the Governor of my State of Hawaii taken to Iraq for purposes that are beyond my ability to understand, other than when she came back she announced that President Bush's Iraq policy should not be the subject of political discussion, that we should not politicize the war.

Now, that suggestion is as problematic, I suggest to the gentlemen in turn, as it is unrealistic. Foreign policy and defense policy are always legitimate topics for political debate. That is how we do things in a democracy. Unfortunately, today we had a resolution ostensibly addressing these issues 1 year after the invasion of, or the attack on, Baghdad, as I term it, after which a war started. The voting public has every right to a full and open airing of different points of view.

We did not get to do that today. We were unable to attempt to amend the resolution dealing with these issues. It is most particularly pertinent, I think, when we are dealing with the lives of our servicemembers and the Treasury of our Nation. The resolution that ostensibly addressed these issues today very firmly supported by the Vice President, as you mentioned who, by the way, in my judgment is the most sinister Vice President we have ever had since Aaron Burr, this resolution tells us that the Iraq policies are out of bounds for discussion. We were not permitted to make amendments or to attempt to pass amendments with regard to this resolution.

The document simply amplified the administration's viewpoint, an election-year endorsement of this policy. It will no doubt be denied and is being denied even now, I suggest, Mr. Speaker, that this has anything to do with politics. In fact, it is blatantly political; it is transparently political. It is in-your-face political.

Our troops deserve better than this cursory salute swaddled in suffocating layers of political celebration. Our troops have earned our gratitude for their patriotism, their courage, and their spirit of sacrifice, something particularly missing from this debate today.

More to the point, they deserve a solid commitment for their well-being and the well-being of their families. This is something that the majority today refused to do and has refused to do.

Last week in the budget committee, the gentleman from Texas (Mr. Edwards) and others proposed some simple measures along these lines. I want to recite them to you: Tri-care medical service for reservists, a boost in the imminent-danger pay, improved military housing, higher pay for senior enlisted personnel, increased family separation allowance, more funding for family support centers. All of this to be offset by a modest roll-back of the tax bonanza that we granted to people making $1 million a year and more.

What was the response of Mr. Cheney and his party? Forget about the troops. Our allegiance is to people making $1 million a year or more.

I do not have any statistics, Mr. Speaker; but I suspect there are not too many millionaires serving in Iraq or going soon.

Mr. DELAHUNT. Mr. Speaker, if I could, clearly there is language in the resolution that we considered here today that praises the troops. But the reality is that the rhetoric does not match the action.

Mr. ABERCROMBIE. Mr. Speaker, would the gentleman yield on that point? My contention is that it is one thing to argue about politicizing the war. This resolution today politicized support for the troops. The characterizations that were implicit and explicit in the discussion today made it clear that not voting for this resolution somehow called your patriotism into question, somehow called your support for the troops into question, somehow called into question your capacity, ability, in fact, even your desire to conduct a war against terrorism.

Mr. DELAHUNT. Mr. Speaker, I would also like to welcome our friend, the gentleman from Florida (Mr. Meek), as part of our conversation tonight.

It is easy to indulge in rhetoric. It is easy to involve in a resolution with laudatory words about the courage and the heroism and the professionalism of the American military. It is just a little bit more difficult to ensure that all of our veterans, from whatever struggle, from whatever war, from wherever in terms of our history, are delivered, for example, the health care that we promised.

And this administration has failed them. This administration, this Vice President and the President of the United States, is failing them. The talk is fine, and the actions are not matching the rhetoric.

□ 2350

As the commander-in-chief of the Veterans of Foreign Wars recently stated within the past 2 weeks, the budget submitted by the President of the United States and the Vice President of the United States is a sham and a disgrace. So, if this resolution is about the veterans, then I dare say that should be there, support from the Vice-President and the President to ensure that the funding source for veterans' health care benefits in this country is mandatory and not discretionary. Stand up and do the right thing by our veterans and just do not simply indulge in rhetoric

Mr. MEEK of Florida. Mr. Speaker, will the gentleman yield?

Mr. DELAHUNT. I yield to the gentleman from Florida.

Mr. MEEK of Florida. Mr. Speaker, I just want to let you know that this whole resolution is stomach turning for many Members, especially myself and I know the gentleman from Hawaii (Mr. Abercrombie) as ranking member on strategic forces in the Committee on Armed Services, and I am proud to serve with him in that committee, but to have a resolution that does not even recognize the men and women that have lost their lives in Iraq is just stomach turning. It is beyond comprehension on how this administration, the Republican side of this Congress, could pass a resolution and not mention those individuals that came back in a box.

I mean, I am very concerned about that, and I think what we need to focus on now is making sure that we come straight with the American people. We have to make sure that we talk about accountability. We have to make sure that we talk about troops that are coming back. I am not even addressing right now, and in this resolution does not address, those individuals that are in Walter Reed right now, right now in Walter Reed Hospital, and I think it is important, and I am glad that Iraq Watch continues to be here night after night sharing with the American people the importance of making sure that we stand on behalf of our troops, that we also make sure that we make sound decisions and we continue to change the chart.

I am concerned about some of the comments that Vice President Cheney has made. I am concerned about some of the comments the President is making. I think that the comments of "bring it on" and "complete mission" and "I guarantee you that they will not shake the resolve of America," it is good to have a talk of confidence, but to be able to egg on these individuals, and to pass a resolution when a hotel has been leveled in Iraq, many Iraqis lost their lives, many national media individuals lost their lives, and not even recognize that and say that it is safer now, I think is a huge understatement.

So I think that we need to continue to share with the American people, if Democrats were brought in a part of this resolution, H. Res. 557, today, we could come together as a Congress, and it would be a much better resolution.

I know I voted for the first resolution commending the troops, but I think this resolution divided this House instead of bringing us together to fight against the war on terror

Mr. DELAHUNT. Mr. Speaker, I think you make an excellent point, and I see our colleague and friend the gentleman from Washington (Mr. Inslee) standing up, and I am going to recognize him in a minute.

I heard the word today on the floor "appeasement." I think it is important for those that are watching to understand, and I think I speak for every Democrat, appeasement is not part of our vocabulary when it comes to the war on terrorism, absolutely. I think there was only a single exception out of the entire body, but it was with one exception, one vote, a unanimous authorization by this body and by the U.S. Senate to authorize the attack against the Taliban and the al Qaeda in Afghanistan, and we will never surrender to terrorism. We will never indulge in appeasement of terrorism, but Mr. President and Mr. Cheney, we insist on the truth. Never appeasement, but always the truth.

What I find fascinating is in recent testimony in the United States Senate, the CIA chief, Mr. Tenet, told a Senate committee that he had privately intervened on several occasions to correct what he regarded as public mis-statements on intelligence by Vice-President Cheney and others and that he would do so again. I would just make a simple request of this administration and the Vice President. Just tell it like it is. As David Kay, the weapons inspector, said recently in an interview in The Guardian, a British publication, "Come clean." Just level with the people.

Mr. INSLEE. Mr. Speaker, will the gentleman yield?

Mr. DELAHUNT. I yield to the gentleman from Washington for any comment that he would wish to make.

Mr. INSLEE. Mr. Speaker, all of us have tremendous personal respect for our troops in Iraq and Afghanistan. Anyone who has had experience like I did, spending an afternoon with a family as I did from Bremerton, Washington, this weekend, but I want to mention a question that I have.

Tonight there is someone at large who wants to kill us. This person has killed us. This person has the capability of killing us. This person has an organization dedicated to kill us. We have known this situation since September 11. Why is it that with the passage of years, that is, until last week, that the administration finally says they actually are going to have a 24/7 effort to catch Osama bin Laden? They launched a war and took their eye off the ball to catch this guy who is at-large, and now, last week, finally says now we are going to have an all-out effort to catch Osama bin Laden? Where have they been?

They have been in Iraq, and I have a question I want this administration to answer. I was asked by the victims families of September 11 two weeks ago. Why, after September 11, when we knew that somewhere between 12 and 15 of the hijackers who killed our people were from Saudi Arabia, did this administration allow an airplane to fly all across America, when everybody else was grounded, when you could not fly home from anywhere, why did this administration specifically allow an airplane, paid for by Saudi Arabia, to fly around this country picking up potential witnesses who could have helped us catch Osama bin Laden, including members of the bin Laden family? Why did this administration allow that?

Mr. DELAHUNT. If you know, how many Saudis were implicated in the attack on America on September 11?

Mr. INSLEE. Mr. Speaker, I think it was something like 15 out of the 19, and yet this administration, I want to know why they flew out these people two days after September 11 without the full, complete, comprehensive interrogation of these individuals, including blood relatives of the guy who we know did this, and several days later they are playing footsy with the ambassador down at the White House of Saudi Arabia, an organization that has been very close to the oil and gas industry? I want to know why they did that. Maybe there is a good answer. I cannot imagine what it is, but this is one of the questions that the people who are serving in Iraq and the victims of September 11 want answered.

Mr. DELAHUNT. Mr. Speaker, by the way, how many Iraqis were on that plane?

Mr. INSLEE. Zero Iraqis on that plane.

Mr. DELAHUNT. One of you noted recently that the individual who was responsible, the Pakistani who is responsible for the proliferation of nuclear weapon technology to North Korea and Iran has been identified, and what have we heard from this administration, this President and this Vice-President about that? Nothing.

Mr. INSLEE. The fact is we should have been cracking down on Saudi Arabia a long time ago. We should have been cracking down on the Pakistani fellow that we found was purveying nuclear technology all over the world and, instead we have been involved in an action in Iraq. Now, I am very happy that eventually maybe something good will come out of the action in Iraq, but our people need answers to these questions.

Mr. ABERCROMBIE. Mr. Speaker, if the gentleman would yield, I believe that we have just a minute left. Perhaps you would like to sum up.

Mr. MEEK of Florida. Mr. Speaker, just quickly, I want to say this to the American people and I hope that it is not the case that we value oil over American blood. I am just saying that right now, and I think it is very important to make the message very simple tonight for Americans to understand.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HASTINGS of Florida) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. LEWIS of Georgia, for 5 minutes, today.

Mr. STENHOLM, for 5 minutes, today.

Mr. TURNER of Texas, for 5 minutes, today.

Mr. MOORE, for 5 minutes, today.

Mr. BERRY, for 5 minutes, today.

Mr. CASE, for 5 minutes, today.

Mr. TANNER, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. ALLEN, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

Mr. INSLEE, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Ms. CORRINE BROWN of Florida, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. BURGESS) to revise and extend their remarks and include extraneous material:)

Mr. CHOCOLA, for 5 minutes, today.

Mr. BILIRAKIS, for 5 minutes, March 24.

Mr. BURNS, for 5 minutes, today.

Mr. WILSON of South Carolina, for 5 minutes, today.

Mr. PAUL, for 5 minutes, today.

Mr. KING of Iowa, for 5 minutes, March 18.

Mr. FEENEY, for 5 minutes, today.

Mr. GILCHREST, for 5 minutes, today.

ADJOURNMENT

Mr. DELAHUNT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at midnight), the House adjourned until tomorrow, Thursday, March 18, 2004, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7183. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Sablefish Managed Under the Individual Fishing Quota Program [I.D. 020204C] received March 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7184. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Security Zone; Three Mile Island Generating Station, Susquehanna River, Dauphin County, Pennsylvania [COTP PHILADELPHIA 03-007] (RIN: 1625-AA00) received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7185. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulations; Commercial Boulevard Bridge (SR 870), Atlantic Intracoastal Waterway, mile 1059.0, Lauderdale-by-the-Sea, Broward County, FL. [CGD07-02-147] (RIN: 1625-AA09) received March 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7186. A letter from the FMCSA Regulatory Officer, Department of Transportation, transmitting the Department's final rule — Transportation of Household Goods; Consumer Protection Regulations [Docket No. FMCSA-97-2979] (RIN: 2126-AA32) received March 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7187. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Collision Avoidance Systems; Correction [Docket No. FAA-2001-10910; Amendment Nos. 121-297, 125-41, and 129-37] (RIN: 2120-AG90) received March 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7188. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Ashland, OH [Airspace Docket No. 01-AGL-19] received March 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7189. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Flightdeck Security on Large Cargo Airplanes; Correction [Docket No. FAA-2003-

15653; Amendment Nos. 121-299 and 129-38] (RIN: 2120-AH96) received March 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SESSIONS: Committee on Rules. House Resolution 566. Resolution providing for consideration of the bill (H.R. 1375) to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes (Rept. 108–439). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. NEUGEBAUER (for himself and Mr. MOORE):

H.R. 3980. A bill to establish a National Windstorm Impact Reduction Program; to the Committee on Science, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARTON of Texas (by request):

H.R. 3981. A bill to reclassify fees paid into the Nuclear Waste Fund as offsetting collections, and for other purposes; to the Committee on Energy and Commerce.

By Mr. CANNON:

H.R. 3982. A bill to direct the Secretary of Interior to convey certain land held in trust for the Paiute Indian Tribe of Utah to the City of Richfield, Utah, and for other purposes; to the Committee on Resources.

By Mr. BECERRA (for himself, Mr. BROWN of Ohio, Mr. FROST, and Mr. MCGOVERN):

H.R. 3983. A bill to assist low income taxpayers in preparing and filing their tax returns and to protect taxpayers from unscrupulous refund anticipation loan providers, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. BLACKBURN (for herself, Mr. HENSARLING, Mr. HERGER, and Mr. HOSTETTLER):

H.R. 3984. A bill to make 1 percent across-the-board rescissions in non-defense, non-homeland-security discretionary spending for fiscal year 2005; to the Committee on Appropriations.

By Mrs. BLACKBURN (for herself, Mr. HENSARLING, Mr. HERGER, and Mr. HOSTETTLER):

H.R. 3985. A bill to make 2 percent across-the-board rescissions in non-defense, non-homeland-security discretionary spending for fiscal year 2005; to the Committee on Appropriations.

By Mrs. BLACKBURN (for herself, Mr. HENSARLING, Mr. HERGER, and Mr. HOSTETTLER):

H.R. 3986. A bill to make 5 percent across-the-board rescissions in non-defense, non-homeland-security discretionary spending for fiscal year 2005; to the Committee on Appropriations.

By Mr. EVANS (for himself and Mr. MORAN of Virginia):

H.R. 3987. A bill to amend the Immigration and Nationality Act to provide for the automatic acquisition of citizenship by certain individuals born in Korea, Vietnam, Laos, Kampuchea, or Thailand; to the Committee on the Judiciary.

By Mr. FATTAH:

H.R. 3988. A bill to amend the Higher Education Act of 1965 by strengthening and expanding the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) in order to facilitate the transition of low-income high school students into post-secondary education; to the Committee on Education and the Workforce.

By Mr. HASTINGS of Florida (for himself, Mr. MEEK of Florida, Mr. WEXLER, Ms. CORRINE BROWN of Florida, Mr. OBERSTAR, Ms. JACKSON-LEE of Texas, Mr. RUSH, Mr. OWENS, Ms. KILPATRICK, Mr. KLECZKA, and Ms. NORTON):

H.R. 3989. A bill to require the Secretary of Treasury to direct the United States Executive Director at the Inter-American Development Bank to urge the Bank to release the loans approved for Haiti, and for other purposes; to the Committee on Financial Services, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PETERSON of Minnesota (for himself, Mr. SHERWOOD, Mr. OBEY, Mr. SENSENBRENNER, Mr. KIND, Mr. PETERSON of Pennsylvania, Mr. OBERSTAR, Mr. GREEN of Wisconsin, Ms. BALDWIN, and Mr. RYAN of Wisconsin):

H.R. 3990. A bill to amend the Farm Security and Rural Investment Act of 2002 to extend contracts for national dairy market loss payments through fiscal year 2007; to the Committee on Agriculture.

By Mr. SABO:

H.R. 3991. A bill to make supplemental appropriations for fiscal year 2004 for the Federal Air Marshals program, and for other purposes; to the Committee on Appropriations.

By Mr. TANCREDO (for himself and Mr. ROHRABACHER):

H.R. 3992. A bill to amend the National Environmental Policy Act of 1969 to require preparation of statements regarding the environmental impacts of legal and illegal immigration; to the Committee on Resources.

By Mr. JOHN:

H. Con. Res. 387. Concurrent resolution expressing the sense of Congress with respect to the current policy on bids for agricultural food tenders in Iraq; to the Committee on International Relations.

By Mr. LATOURETTE (for himself and Ms. NORTON):

H. Con. Res. 388. Concurrent resolution authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service; to the Committee on Transportation and Infrastructure.

By Mr. LATOURETTE (for himself and Ms. NORTON):

H. Con. Res. 389. Concurrent resolution authorizing the use of the Capitol Grounds for the D.C. Special Olympics Law Enforcement Torch Run; to the Committee on Transportation and Infrastructure.

By Ms. PELOSI (for herself, Mr. HOYER, Mr. MENENDEZ, Mr. CLYBURN, Ms. DELAURO, Mr. GEORGE MILLER of California, Mr. SKELTON, Ms. HARMAN, Mr. LANTOS, Mr. MURTHA, and Mr. MATSUI):

H. Res. 564. A resolution relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces; to the Committee on International Relations, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WELLER (for himself, Mr. HYDE, Mr. LANTOS, Mr. BEREUTER, Mr. GALLEGLY, Mr. GIBBONS, Mr. BAIRD, Mr. ACKERMAN, Mr. BONILLA, Mrs. BONO, Mr. CANNON, Mr. CROWLEY, Mr. LINCOLN DIAZ-BALART of Florida, Mr. MARIO DIAZ-BALART of Florida, Mr. FRANKS of Arizona, Mr. GINGREY, Mr. MEEKS of New York, Mrs. NAPOLITANO, Mr. NUNES, Mr. POMBO, Ms. ROS-LEHTINEN, and Mr. TOOMEY):

H. Res. 565. A resolution condemning the terrorist bombing attacks in Madrid that occurred on March 11, 2004; to the Committee on International Relations.

By Mr. CANTOR (for himself and Mr. SIMPSON):

H. Res. 567. A resolution congratulating the American Dental Association for sponsoring the second annual "Give Kids a Smile" program which emphasizes the need to improve access to dental care for children, and thanking dentists for volunteering their time to help provide needed dental care; to the Committee on Energy and Commerce.

By Mr. FEENEY (for himself, Mr. GOODLATTE, Mr. RYUN of Kansas, Mr. KING of Iowa, Mr. SOUDER, Mr. CHABOT, Mr. SMITH of Texas, Mr. SHADEGG, Mr. HOSTETTLER, Mr. PITTS, Mr. HERGER, Mr. FORBES, Mrs. JO ANN DAVIS of Virginia, Mr. FRANKS of Arizona, Mr. DELAY, Mr. BARTLETT of Maryland, Mrs. MUSGRAVE, Mr. PEARCE, Mr. OTTER, Mr. AKIN, Mr. JONES of North Carolina, Mr. CRANE, Ms. HARRIS, Mr. SMITH of New Jersey, Ms. HART, Mr. PICKERING, Mr. KELLER, Mr. TIAHRT, Mrs. BLACKBURN, Mr. GREEN of Wisconsin, Mr. WELDON of Florida, Mr. GOODE, Mr. CULBERSON, Mr. SULLIVAN, Mr. GARRETT of New Jersey, Mr. WILSON of South Carolina, Mr. SAM JOHNSON of Texas, Mrs. CUBIN, Mr. BLUNT, Mr. TANCREDO, Mr. CAMP, Mr. HOEKSTRA, Mr. CANTOR, Mr. CHOCOLA, Mr. KLINE, Mr. HENSARLING, Mr. SMITH of Michigan, Mr. ISTOOK, Mr. ADERHOLT, Mr. LEWIS of Kentucky, Ms. GINNY BROWN-WAITE of Florida, Mr. CANNON, Mr. PENCE, Mr. SENSENBRENNER, Mr. OSE, Mr. NEUGEBAUER, Mr. TOOMEY, Mr. ROGERS of Alabama, Mr. RENZI, and Mr. FLAKE):

H. Res. 568. A resolution expressing the sense of the House of Representatives that Judicial determinations regarding the meaning of the laws of the United States should not be based on judgments, laws, or pronouncements of foreign institutions unless such foreign judgments, laws, or pronouncements inform an understanding of the original meaning of the laws of the United States; to the Committee on the Judiciary.

By Mr. HASTINGS of Florida (for himself and Mr. DREIER):

H. Res. 569. A resolution expressing the condolences of the House of Representatives to the victims, their families and friends, and the people of the Kingdom of Spain for the loss suffered during the terrorist attacks in Madrid on March 11, 2004; to the Committee on International Relations.

By Ms. LEE (for herself, Mr. PAYNE, Mr. RANGEL, Mrs. CHRISTENSEN, and Mr. OWENS):

H. Res. 570. A resolution expressing the sense of the House of Representatives that there should be established a Caribbean-American Heritage Month; to the Committee on Government Reform.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 31: Mr. DEMINT.

H.R. 97: Mr. CONYERS.

H.R. 290: Mr. FOSSELLA.

H.R. 300: Mr. RAMSTAD.

H.R. 327: Mr. PLATTS.

H.R. 504: Mr. MCDERMOTT.

H.R. 713: Mr. TAYLOR of Mississippi, Mr. HOLDEN, and Mr. DAVIS of Illinois.

H.R. 716: Mr. KILDEE.

H.R. 742: Mr. THOMPSON of Mississippi.

H.R. 775: Mr. COBLE and Mr. PENCE.

H.R. 814: Mr. SIMMONS and Mr. GORDON.

H.R. 898: Mrs. CUBIN.

H.R. 1043: Mr. DAVIS of Florida.

H.R. 1051: Mr. BLUMENAUER.

H.R. 1083: Mr. LEACH.

H.R. 1097: Mr. DOGGETT.

H.R. 1101: Mr. STRICKLAND, Mr. MATSUI, Mr. CUMMINGS, Mr. SHERMAN, Mr. DOGGETT, Mrs. MALONEY, Mr. MEEHAN, Mr. HONDA, Mr. FOLEY, and Mr. FARR.

H.R. 1117: Mr. BOYD.

H.R. 1160: Mr. HALL.

H.R. 1214: Mr. BISHOP of New York, Mr. COSTELLO, Mr. HASTINGS of Florida, Mr. JACKSON of Illinois, Mr. RYUN of Kansas, Mr. TIERNEY, Mrs. KELLY, Mr. NEAL of Massachusetts, Mr. CRANE, and Ms. MCCOLLUM.

H.R. 1345: Mr. DEFAZIO, Mr. SANDLIN, and Mrs. LOWEY.

H.R. 1357: Mr. GRIJALVA Ms. CARSON of Indiana, Mr. BALLANCE, and Ms. LEE.

H.R. 1477: Mr. COX

H.R. 1501: Ms. CORRINE BROWN of Florida, Mr. BECERRA, Mr. ROTHMAN, Mr. SHERMAN, Mr. KIND, and Mr. FARR.

H.R. 1508: Mr. ROSS, Ms. DEGETTE, and Mrs. JONES of Ohio.

H.R. 1613: Mr. HONDA and Mr. MCHUGH.

H.R. 1639: Mr. WAXMAN, Mr. WEINER, Mr. FATTAH, Mr. INSLEE, Mr. CLAY, and Mr. KUCINICH.

H.R. 1742: Mr. STENHOLM and Mr. HUNTER.

H.R. 1749: Mr. TURNER of Ohio.

H.R. 1769: Mr. ENGEL, Mr. UDALL of New Mexico, and Mr. GUTIERREZ.

H.R. 1812: Mr. FARR and Ms. NORTON.

H.R. 1822: Mr. GALLEGLY and Mr. HUNTER.

H.R. 1824: Mr. RYAN of Wisconsin.

H.R. 1873: Mr. PLATTS.

H.R. 2157: Mr. SHERMAN, Mr. FATTAH, Mr. HASTINGS of Florida, Mr. JACKSON of Illinois, and Mr. DAVIS of Alabama.

H.R. 2339: Mr. PALLONE.

H.R. 2402: Ms. NORTON.

H.R. 2632: Mr. PALLONE.

H.R. 2665: Mr. STRICKLAND and Mr. CONYERS.

H.R. 2671: Mr. ROGERS of Alabama.

H.R. 2683: Mr. BURTON of Indiana, Mr. DAVIS of Illinois, and Mr. HOLT.

H.R. 2699: Mrs. KELLY, Mr. BISHOP of Georgia, Mr. HENSARLING, Mr. GRAVES, Mr. REGULA, Mr. CARTER, Mrs. MUSGRAVE, and Mr. QUINN.

H.R. 2743: Mr. DEAL of Georgia, Mr. DUNCAN, Mrs. MYRICK, Mr. GARRETT of New Jersey, Mr. PITTS, and Mr. CARTER.

H.R. 2818: Mr. KUCINICH.

H.R. 2851: Mr. FRANKS of Arizona.

H.R. 2900: Mr. COLLINS.

H.R. 2905: Mr. RYUN of Kansas, Mr. DEAL of Georgia, Mr. MCGOVERN, Mr. KLECZKA, and Mr. KUCINICH.

H.R. 2924: Mrs. MUSGRAVE.

H.R. 2926: Mr. RANGEL.

H.R. 2963: Mr. MICHAUD and Ms. WOOLSEY.

H.R. 3066: Mr. HERGER, Mr. PETRI, Mr. AKIN, and Mr. ISAKSON.

H.R. 3069: Mr. MICA.

H.R. 3085: Mr. PALLONE, Mr. PASCRELL, Mr. HOLT, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. SANDLIN, Mr. TURNER of Texas, and Ms. WATSON.

H.R. 3104: Mr. SMITH of Washington, Mr. TURNER of Texas, Mr. MEEK of Florida, Mr. TAYLOR of Mississippi, Mr. ABERCROMBIE, Mr. HILL, Mr. SCHROCK, Mrs. TAUSCHER, Mrs. JO ANN DAVIS of Virgina, Mr. MCHUGH, and Mr. INSLEE.

H.R. 3111: Mr. ROGERS of Michigan, Mr. CAMP, and Mr. FILNER.

H.R. 3178: Mr. DAVIS of Tennessee, Mr. SPRATT, and Ms. WATSON.

H.R. 3190: Mr. SMITH of New Jersey.

H.R. 3192: Mr. RUPPERSBERGER.

H.R. 3194: Ms. NORTON, Mr. SERRANO, and Mr. HOEFFEL.

H.R. 3235: Mr. DUNCAN.

H.R. 3242: Mr. ALLEN and Mr. HONDA.

H.R. 3294: Mrs. MCCARTHY of New York.

H.R. 3327: Ms. CORRINE BROWN of Florida, Mr. BECERRA, and Mr. SHERMAN.

H.R. 3350: Mr. DOGGETT and Mr. WEXLER.

H.R. 3352: Mr. JOHNSON of Illinois.

H.R. 3402: Mr. FILNER.

H.R. 3441: Mr. FARR, Mr. CAPUANO, Mr. CLAY, Mr. ALLEN, Mr. FILNER, and Mr. UDALL of New Mexico.

H.R. 3446: Mr. DEUTSCH, Mr. RANGEL, Mr. DOGGETT, Mr. CONYERS, Mr. GUTIERREZ, Mr. LANTOS, Mr. CAPUANO, Mr. PAYNE, Mr. ROTHMAN, and Ms. CARSON of Indiana.

H.R. 3473: Mr. GREENWOOD.

H.R. 3474: Mr. CALVERT and Mr. LAHOOD.

H.R. 3507: Ms. LORETTA SANCHEZ of California, Mr. NADLER, and Mr. HINCHEY.

H.R. 3539: Mr. KENNEDY of Rhode Island, Mr. MATHESON, Mr. ENGLISH, Mr. DOYLE, and Ms. NORTON.

H.R. 3550: Ms. PELOSI and Ms. DEGETTE.

H.R. 3574: Mr. MCINNIS, Mr. FILNER, Mr. THORNBERRY, Mr. CARDOZA, Mr. SMITH of Washington, and Mr. WALDEN of Oregon.

H.R. 3596: Mrs. MUSGRAVE, Ms. NORTON, Mr. PAUL, Mr. FRANK of Massachusetts, Mr. FROST, Mr. KILDEE, Mr. GORDON, Mr. LIPINSKI, Mr. CANNON, Mr. ROSS, and Mr. FOSSELLA.

H.R. 3643: Mr. EVANS.

H.R. 3674: Mr. DEAL of Georgia.

H.R. 3695: Mr. GARRETT of New Jersey.

H.R. 3707: Mr. BERMAN, Mr. BACHUS, Ms. WOOLSEY, Mr. BLUMENAUER, Mr. BACA, Mr. MARSHALL, Mr. WAXMAN, Mr. LANTOS, Mr. ROHRABACHER, Mr. BRADY of Pennsylvania, Mr. STRICKLAND, Mr. DELAHUNT, Mr. ABERCROMBIE, and Ms. MCCOLLUM.

H.R. 3716: Mr. STUPAK and Mr. BONNER.

H.R. 3728: Ms. WOOLSEY.

H.R. 3763: Ms. MCCOLLUM, Mr. ETHERIDGE, Mr. BISHOP of Utah, Mr. NADLER, and Mr. WAMP.

H.R. 3777: Mr. BRADLEY of New Hampshire.

H.R. 3782: Mr. MCCOTTER.

H.R. 3796: Mr. HILL.

H.R. 3815: Mr. PALLONE.

H.R. 3839: Mr. ROTHMAN.

H.R. 3919: Mr. FATTAH, Mr. Ballance, Ms. KILPATRICK, Mr. WATT, and Ms. NORTON.

H.R. 3936: Mr. MICHAUD.

H.R. 3963: Mr. FROST and Mr. PALLONE.

H.R. 3966: Mr. ROGERS of Michigan, Mr. GINGREY, Mr. MILLER of Florida, Mr. MCHUGH, and Mrs. JO ANN DAVIS of Virginia.

H.R. 3972: Mr. CARDOZA, Ms. WOOLSEY, and Mr. LANTOS.

H.J. Res. 72: Mr. BACA, Ms. KAPTUR, Mr. HONDA, Mr. GRIJALVA, Mr. HOEFFEL, Mr. BOEHLERT, and Mr. PETRI.

H.J. Res. 87: Mr. MCCOTTER.

H. Con. Res. 247: Mr. CANNON and Mr. ORTIZ.

H. Con. Res. 314: Mr. MATHESON, Mr. GRIJALVA, Mr. CUMMINGS, and Mr. DOYLE.

H. Con. Res. 332: Mr. SCHIFF.

H. Con. Res. 356: Ms. BALDWIN, Ms. LEE, Mr. WEINER, and Mr. MENENDEZ.

H. Con. Res. 366: Mr. NEAL of Massachusetts, Mr. GORDON, Ms. HOOLEY of Oregon, Ms. MCCARTHY of Missouri, Mr. DOGGETT, Mr. GREEN of Texas, Mr. MCDERMOTT, Mr. SABO, Mr. LATOURETTE, Ms. DEGETTE, and Mr. CLAY.

H. Con. Res. 371: Mr. HOEFFEL, Mrs. MCCARTHY of New York, Mr. CALVERT, Mr. ISAKSON, Mrs. MILLER of Michigan, Mr. JOHNSON of Illinois, Mr. TERRY, and Mr. WAXMAN.

H. Con. Res. 374: Mrs. JO ANN DAVIS of Virginia.

H. Con. Res. 375: Mr. ALLEN.

H. Res. 101: Mr. THOMPSON of Mississippi and Mr. KUCINICH.

H. Res. 167: Mr. KUCINICH.

H. Res. 233: Mr. SHUSTER.

H. Res. 381: Mrs. JONES of Ohio, Mr. THOMPSON of Mississippi, Mr. GRIJALVA, Mr. BERMAN, Mr. DAVIS of Tennessee, and Mr. LEWIS of Georgia.

H. Res. 402: Mr. OLVER.

H. Res. 514: Mr. MORAN of Virginia.

H. Res. 541: Mr. ABERCROMBIE.

H. Res. 542: Mr. GRIJALVA and Mr. MCGOVERN.

H. Res. 543: Mr. GILLMOR, Mr. SHIMKUS, Mr. DAVIS of Florida, Mr. HASTINGS of Florida, Mr. HOYER, Mr. ETHERIDGE, Mr. KENNEDY of Rhode Island, Mr. HEFLEY, Mr. WEXLER, Mr. MCDERMOTT, Mr. BOOZMAN, Mr. HONDA, and Mr. HOEFFEL.

H. Res. 550: Mr. EHLERS, Mr. MARKEY, Mr. INSLEE, Mr. CUMMINGS, Mr. MORAN of Virginia, Mr. GRIJALVA, Mr. FROST, Mr. SCHIFF, Mr. HOLT, Mr. FRANK of Massachusetts, Mr. MATHESON, Mr. MCNULTY, Mr. ABERCROMBIE, Mr. OLVER, Mr. CULBERSON, Mr. CARDIN, Mr. BAIRD, Mr. VAN HOLLEN, Mr. SMITH of Texas, Ms. JACKSON-LEE of Texas, Mr. FARR, Mr. HONDA, Mr. MCGOVERN, Mr. MICHAUD, Ms. NORTON, and Mr. HAYWORTH.

H. Res. 557: Mr. GREEN of Wisconsin, Mr. PENCE, Mr. CHABOT, Ms. ROS-LEHTINEN, Mr. MCCOTTER, and Ms. HARRIS.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1673: Mr. UDALL of Colorado.

EXTENSIONS OF REMARKS

ELECTION IN EL SALVADOR

HON. THOMAS G. TANCREDO

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. TANCREDO. Mr. Speaker, I rise today to express concern with the resurgence of the Leninist-Marxist FMLN in El Salvador. The FMLN is controversial in part because of its support for organizations such as the FARC, and for the public participation by some of its leaders in a pro-Al Qaeda rally where the U.S. flag was burned immediately after September 11, 2001. The U.S. Embassy in El Salvador was forced to condemn the written public statements related to the September 11 attacks that were issued by the FMLN and hostile toward the United States.

The leader of the FMLN has recently reiterated his commitment to communism. The FMLN continues to participate actively in international gatherings with violent and radical anti-U.S. organizations. Recent purges in the FMLN have reportedly left the party under the almost monolithic control of its most hard-line communist leaders.

Should the FMLN come to power in the upcoming elections, good bilateral relations between our two countries could be jeopardized. El Salvador's ARENA government provides military and intelligence cooperation, and is part of the coalition in the war on terror. The Salvadoran Government is also an active promoter of the free trade agreement with the United States.

To date, the United States Government has granted Temporary Protective Status to nearly 300,000 Salvadorans who are now living and working in the United States—workers who send home some $2 billion annually in remittances. If the FMLN controls the government of El Salvador following the presidential elections scheduled for March 2004, it could mean a radical change in United States policy as it pertains to the essentially free-flow of remittances from Salvadorans living in the United States to El Salvador.

Under an FMLN Presidency, the United States government would have no reliable counterpart to satisfy legitimate national security concerns, especially those regarding the threat posed by the FMLN's support of groups like the FARC. Therefore, if the FMLN takes control of the government in El Salvador, it may be necessary for the United States authorities to examine closely and possibly apply special controls to the flow of $2 billion in remittances from the United States to El Salvador—unfortunately to the detriment of many people living in El Salvador.

CONGRATULATING EDDIE MITCHELL ON RECEIPT OF THE CIBA SPECIALTY CHEMICALS HIGH SCHOOL PRINCIPAL AWARD

HON. JO BONNER

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. BONNER. Mr. Speaker, it is with great pride and pleasure that I rise to honor Mr. Eddie Mitchell, principal of Baldwin County High School in Bay Minette, AL, on the occasion of his being honored with the Ciba Specialty Chemicals Exemplary High School Principal Award. As one of 25 winners nationwide receiving this year's award, Mr. Mitchell becomes the first educator from Baldwin County and from the State of Alabama to have ever been afforded this honor.

The award is presented in conjunction with the National Science Teachers Association to educators for their work in promoting science education within their schools. During his tenure as principal of Baldwin County High School, and previously as principal of Daphne Middle School, Mr. Mitchell has worked tirelessly in the area of wetlands restoration and in establishing an outdoor science classroom facility at his school. His work at these schools has been instrumental in encouraging an interest in science education among students and in promoting an awareness of the preservation of the environment in which they live.

Mr. Speaker, we in this body have for many years strongly advocated the idea of promoting a strong educational system for students nationwide and providing them with every opportunity to excel in the numerous academic fields comprising their education. Teachers and school administrators are the most important people in the process of providing a quality education, and the success students achieve is a direct result of the interest and involvement of these men and women. Mr. Eddie Mitchell personifies the excellent caliber of individuals who have devoted their lives to educating our nation's young people, and he is to be highly commended for his many years of dedication to providing a quality education to these students.

Along with his many friends and colleagues, not only in Baldwin County but throughout the south Alabama educational community, I wish to extend to Mr. Eddie Mitchell my warmest congratulations on receiving the Ciba Specialty Chemicals Exemplary High School Principal Award.

HONORING THE LIFE AND LEGACY OF PRESIDENT FRANKLIN DELANO ROOSEVELT

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am pleased to be here today in support of H.J. Res 87, honoring the life and legacy of President Franklin Delano Roosevelt and recognizing his contributions. I am honored that I can be here to reflect upon and recognize the contributions President Franklin Delano Roosevelt made during his remarkable lifetime.

Franklin Delano Roosevelt entered public service through politics. He was elected to the New York Senate in 1910 and he was the Democratic nominee for Vice President in 1920. In the summer of 1921, at the age of 39, Franklin Delano Roosevelt was stricken with polio. Demonstrating indomitable courage, he fought to regain the use of his legs. In spite of these obstacles, Roosevelt became Governor of New York in 1928. In November 1932, Franklin Delano Roosevelt was elected President of the United States, the first of four terms.

Assuming the Presidency at the depth of the Great Depression, Franklin D. Roosevelt helped the American people regain faith in themselves and their government. He brought hope and inspired millions with his famous saying, "the only thing we have to fear is fear itself."

By March of 1934, there were 13,000,000 unemployed, and almost every bank was closed. In his first 100 days, he initiated revolutionary programs and reforms to bring recovery to business and agriculture, relief to the unemployed and to those in danger of losing farms and homes.

President Roosevelt was the first President to successfully merge government and private enterprise to form a partnership that furthered both domestic and international interests. As a result of the unique partnership, American jobs were created at a time when they were so desperately in need and the United States amassed 300,000 planes, 100,000 tanks, 2 million trucks, and 87,000 warships to the Allied cause, out producing the Allied and Axis forces combined.

Roosevelt had pledged the United States to the "good neighbor" policy, transforming the Monroe Doctrine from a unilateral American manifesto into arrangements for mutual action against aggressors. He also sought to keep the United States out of the war in Europe, yet at the same time to strengthen and provide support to nations threatened or attacked. When England came under siege in 1940, he began to send Great Britain all possible aid short of actual military involvement.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

When the Japanese attacked Pearl Harbor on December 7, 1941, Roosevelt understood that the war was escalating out of control, and United States involvement was crucial. Franklin Roosevelt felt that future peace of the world would depend upon relations between the United States and Russia, he devoted much thought to the planning of a United Nations, in which, he hoped, international difficulties could be settled.

As the war drew to a close, Roosevelt's health deteriorated, and on April 12, 1945, he died of a cerebral hemorrhage. President Franklin Roosevelt led our country with integrity and nobility. We would be a different Nation today if it was not for his courage and leadership through difficult times. I am honored to be here today to reflect on his legacy.

TRIBUTE AND HONOR THE LIFE OF ELMER ARNOLD BRAZELTON

HON. TIMOTHY V. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. JOHNSON of Illinois. Mr. Speaker, I rise today to pay tribute to, and honor the life of, Elmer Arnold Brazelton of Paris, Illinois. When he died on November 6th of 2003, Elmer left behind his lovely wife Patricia, four children, and eight grandchildren. Elmer was one of those people who was a joy to be around and his optimism and love of life were contagious to all of those close to him. His life, Mr. Speaker, was an excellent example of love for country and family. Elmer joined the National Guard in 1947, a full 2 years before graduating from Brocton High School in 1949. He attended both Light and Heavy Weapons Schools at Ft. Benning, Georgia and later joined up with the California Guard and was sent to Korea where he received two Bronze Stars. He left the service in 1953 and came home to his beloved Edgar County, Illinois. Over the next five decades, Elmer would raise a family, farm, manage a filling station in Hume, drive a school bus for the Urbana school district, and retire from the University of Illinois in 1993 after 33 years of dedicated service; 23 of those years spent as a Custodial Foreman. Elmer was a 50-year member of the Paris American Legion Post #211. He was also a valued member of the Edgar County Historical & Genealogical Society, the Edgar County Farm Bureau, the State Line Christian Church and the Weber St. Church of Christ to name a few of the many organizations that were important to him. I will never forget Elmer, his personality, nor his dedication to his family and his service to his community. I ask that my colleagues join me in paying tribute to the life of Elmer Brazelton who was a good and decent patriot; truly, one of the good guys.

PERSONAL EXPLANATION

HON. JEFF MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. MILLER of Florida. Mr. Speaker, last week, the week of March 7th, I was excused from the business of the House, however, if I were present, I would have voted in the following manner: Rollcall No. 57, "aye"; No. 56, "aye"; No. 55, "aye"; No. 54, "aye"; No. 53, "no"; No. 52, "no"; No. 51, "no"; No. 50, "no"; No. 49, "no"; No. 48, "no"; No. 47, "aye"; No. 46, "aye"; No. 45, "aye"; No. 44, "aye"; No. 43, "aye"; and No. 42, "aye."

Mr. Speaker, I request that these votes be reflected in the appropriate place of the CONGRESSIONAL RECORD.

NATIONAL WOMEN'S HISTORY MONTH AND STOP VIOLENCE WEEK

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am here this week, along with many of my colleagues from both sides of the aisle, for National Women's History Month and Stop Violence Week. This year's theme is Women Inspiring Hope and Possibility. Last week was Stop Violence week, coordinated between Lifetime Television and the Congressional Caucus on Women's Issues. This week brought to my attention that in light of all these celebrations of how far women have come over the decades, it would be naive for us to stand here and believe that we have eradicated gender based violence. Statistics keep coming in, showing that the problem is widespread for both sexual and domestic violence, and victims fear reporting the crimes to proper authorities.

In my State of Texas, nearly 2 million adult Texans, almost 13 percent of the State population, have been sexually assaulted.

In Texas, every 2 minutes, someone is sexually assaulted and two women are killed each week by their intimate partner.

Approximately 31 percent of sexual assault victims reported that a family member also has been sexually assaulted. We must raise awareness about how we as society can take care of the victims of such crimes. An estimate of 82 percent of rapes and sexual assaults go unreported because of shame, fear, hurt and anger. Nearly 80 percent of those raped know the person who raped them.

Family and friends not only help their loved one deal with the effects of an assault, and must manage their own feelings about the victimization of someone they care about. The impact of such a traumatic experience is severe. Thirty percent of rape victims contemplate suicide, and 13 percent attempt to take their own life.

I have worked with formidable organizations such as Texans Against Sexual Assault, who works to bring voices to women who have been victims of sexual crimes, and helping them along an emotional recovery. Also, the Texas Council on Family Violence, which has connected more than 15,000 Texas victims of domestic violence with emergency shelter and protection.

I am proud to be here, and grateful to these organizations and their hard work. But this does not start here. Sexual assault and violence affects all racial and ethnic groups. These victims are ourselves, our families, neighbors and coworkers. Together we must take a stand and work together for women's rights. We must work on building a brighter future, and make gender based violence a thing of the past. One week or month is not enough to do it all, but it's a beginning. Marian Wright Edelman, the founder and President of the Children's Defense Fund said, "Justice is not cheap. Justice is not quick. It is not ever finally achieved."

As a Congress, we come from different places and with diverging viewpoints. I want to thank all my colleagues, male and female, from all ends of the political spectrum who are taking measures to Stop the Violence. Working together, we can begin to make change.

HONORING CESAR CHAVEZ

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. FROST. Mr. Speaker, I rise today to commemorate the life of Cesar Chavez, who forged a legacy of service, conviction, and principled leadership that helped define a new decade of reform. Cesar began working early in life as a migrant farm worker during the Great Depression. He soon became involved with the Community Service Organization, a self-help group for Mexican-Americans, which sparked his desire to establish an organization solely dedicated to farm workers. His dream became a reality in 1962 when the National Farm Workers Association was established, and from that point on he dedicated the next 31 years of his life to pursuing social justice. He helped establish a 5-year strike by California grape pickers, as well as boycotts of grapes and lettuce that grew nationwide attention. Mr. Chavez will always be remembered and admired for achieving powerful change through this use of nonviolent activism. In honor of his many contributions to society he received the highest civilian awards from the United States and Mexico, the Presidential Medal of Freedom and the Aguila Azteca. Mr. Speaker, it is my hope that Mr. Cesar Chavez will be honored and remembered for his lifelong contribution to not only the Hispanic community, but to all of humanity.

CONGRATULATIONS TO JAMES H. MILLER, SR., ON THE OCCASION OF HIS RETIREMENT AS CHIEF OF POLICE OF THE FOLEY, ALABAMA, POLICE DEPARTMENT

HON. JO BONNER

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. BONNER. Mr. Speaker, it is with great pride and pleasure that I rise to pay tribute to James H. Miller, Sr., on the occasion of his retirement from the position of chief of police of the Foley, Alabama, Police Department. For the past 31 years, Chief Miller has served the families of Foley with a great deal of enthusiasm and concern for their well-being and for the well-being of the entire community. In the process of performing his professional duties, he has also gained the respect and admiration of everyone in south Baldwin County.

Following his graduation from the Alabama Police Academy in February 1973, Chief Miller joined the Foley Police Department and, as a result of his hard work and dedication, became the first African-American officer to be promoted to chief of that department. His efforts in law enforcement and the protection of his community resulted in his receiving numerous awards during his professional career, including the keys to the cities of Baltimore, Maryland, and Tuskegee, Alabama. Additionally, Chief Miller was awarded a citation by Maryland Governor William Donald Schaefer in 1994.

In addition to his work in the field of law enforcement, Chief Miller has been active as a minister for numerous congregations in Alabama and Florida. He received his Bachelor of Theology Degree from Easonian Baptist Seminary in Birmingham, Alabama, in 1982, and his Doctor of Divinity Degree from the Tennessee School of Religion in 1996. During his ministerial career, he has served the congregations of Fannie Baptist Church in Alabama and the First Baptist Church of Warrington, Florida.

Finally, Chief Miller has been extremely active in the life of the Foley community, and has for many years been a member of the South Baldwin Chamber of Commerce Board of Directors, the Foley Boys and Girls Club, the Optimist Club, the Baldwin County Extension Advisory Board, and the Alabama Association of Chiefs of Police. He has also served as Chaplain for the Southwest Alabama Police Academy.

Mr. Speaker, I ask my colleagues to join me today in recognizing Chief James H. Miller, Sr., for his tremendous contributions to the citizens of Foley and of Baldwin County. The experience and zeal he has brought to his job and the concern and compassion he has displayed for everyone in the city are unquestioned and unparalleled. He has indeed been a genuine asset to the police department and to the thousands of men, women, and children he has assisted over the past three decades.

Make no mistake, the chief's talents and experience in the department will be sorely missed, but I am confident he will continue to remain actively involved in the life of the Foley community for many years to come. Along with his many friends and colleagues throughout Alabama, I wish to extend to Chief Miller and his family—his wife Mary Jane; his children, James, Jr., Otis, Daron, Ronald, D.J., and Nicole; and his 27 grandchildren—much health and happiness in the years ahead.

HEALTH INFORMATION INDEPENDENCE ACT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. PAUL. Mr. Speaker, I rise to introduce the Health Information Independence Act. This act restores the right of consumers to purchase the dietary supplements of their choice and receive accurate information about the health benefits of foods and dietary supplements. The Health Information Independence Act restricts the Food and Drug Administration's (FDA) power to impede consumers' access to truthful claims regarding the benefits of foods and dietary supplements to those cases where the FDA has evidence that a product poses a threat to safety and well-being or that a product does not have a disclaimer informing consumers that the claims are not FDA-approved.

Claims that could threaten public safety, or that are marketed without a disclaimer, would have to be reviewed by an independent review board, comprised of independent scientific experts randomly chosen by the FDA. However, anyone who is, or has ever been, on the FDA's payroll is disqualified from serving on the board. The FDA is forbidden from exercising any influence over the review board. If the board recommends approval of a health claim, then the FDA must approve the claim.

The board also must consider whether any claims can be rendered nonmisleading by adopting a disclaimer, before rejecting a claim out of hand. For example, if the board finds that the scientific evidence does not conclusively support a claim, but the claim could be rendered nonmisleading if accompanied with a disclaimer, then the board must approve the claim provided the claim is always accompanied by an appropriate disclaimer. The disclaimer would be a simple statement to the effect that "scientific studies on these claims are inconclusive" and/or "these claims are not approved by the FDA." Thus, the bill tilts the balance of federal law in favor of allowing consumers access to information regarding the health benefits of foods and dietary supplements, which is proper in a free society.

The procedures established by the Health Information Independence Act are a fair and balanced way to ensure consumers have access to truthful information about dietary supplements. Over the past decade, the American people have made it clear they do not want the Federal Government to interfere with their access to dietary supplements, yet the FDA continues to engage in heavy-handed attempts to restrict such access.

In 1994, Congress responded to the American people's desire for greater access to information about the benefits of dietary supplements by passing the Dietary Supplements and Health and Education Act of 1994 (DSHEA), that liberalized rules regarding the regulation of dietary supplements. Congressional offices received a record number of comments in favor of DSHEA.

Despite DSHEA, FDA officials continued to attempt to enforce regulations aimed at keeping the American public in the dark about the benefits of dietary supplements. Finally, in the case of Pearson v. Shalala, 154 F.3d 650 (DC Cir. 1999), reh'g denied en banc, 172 F.3d 72 (DC Cir. 1999), the United States Court of Appeals for the DC Circuit Court reaffirmed consumers' First Amendment right to learn about dietary supplements without unnecessary interference from the FDA. The Pearson decision anticipated my legislation by suggesting the FDA adopt disclaimers in order to render some health claims non-misleading.

In the years since the Pearson decision, Members of Congress have had to continually intervene with the FDA to ensure it followed the court order. The FDA continues to deny consumers access to truthful health information. Clearly, the FDA is determined to continue to (as the Pearson court pointed out) act as though liberalizing regulations regarding health claims is the equivalent of "asking consumers to buy something while hypnotized and therefore they are bound to be misled."

The FDA's "grocery store censorship" not only violates consumers' first amendment rights, but, by preventing consumers from learning about the benefits of foods and dietary supplements, the FDA's policies are preventing consumers from taking easy steps to improve their own health!

If Congress is serious about respecting first amendment rights, and the people's right to act to improve their own health, we must remove the FDA's authority to censor nonmisleading health claims, and claims that can be rendered nonmisleading by the simple device of adopting a disclaimer.

In conclusion, I urge my colleagues to help establish an objective process that respects consumers' first amendment rights to nonmisleading information regarding the health benefits of foods and dietary supplements by cosponsoring the Health Information Independence Act.

HONORING BENITO JUAREZ

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. FROST. Mr. Speaker, I rise today to commemorate Benito Juarez, an influential Mexican hero who made an amazing impact during his lifetime. The son of Native American parents and the first president of Native American descent, Don Juarez worked hard to educate himself in law and to later become one of Mexico's greatest leaders. He established a new democratic government after the fall of Mexican General Antonio de Santa Anna, and he later he helped to restore this government after the French military invasion led by Austria's Archduke Maximilian.

As a national hero and President of Mexico, Benito Juarez left a legacy of liberal reforms that helped establish Mexico as a more democratic place to live. His democratic ideals were further embodied in the Constitution of 1857 which gave the Mexican people their basic rights of free speech and press. Due to significant contributions to Mexico through his service in state and national legislature and as a judge, a governor, and ultimately a president, Benito Juarez is regarded as one of the greatest heroes in Mexican history.

HONORING THE LIFE AND LEGACY OF LUIS A. FERRÉ

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. JACKSON-LEE of Texas. Madam Speaker, I rise today to pay tribute to a great man and a great public servant. In his 96 years, Luis A. Ferré—successful businessman, art patron, and former Governor of Puerto Rico—has had a unique opportunity to witness, and influence, a period of dramatic change on his native island.

Ferré was born in Ponce in 1904, "soon after the transition of Puerto Rico from Spanish to American control. It was a time of great promise, and many Puerto Ricans believed they would soon enjoy the rights which they had been denied for so long. Ferré's father, a Cuban immigrant and the founder of the Puerto Rico Iron Works, described to his young son how, in 1898, the people of Ponce had welcomed U.S. troops landing on the island.

The arrival of American forces did not, however, bring the immediate advantages that some had predicted. Instead, the process of political, economic, and cultural growth in Puerto Rico which began in 1898 has lasted all of Luis Ferré's life.

In 1917, when Ferré was 13 years old, the Puerto Rican people were granted U.S. citizenship. "Of course I can't remember it distinctly," he said 75 years later, "but ever since, I've been very proud of that day. I feel it is a great privilege and a great honor to be a citizen of the greatest republic that we've had in the history of the world."

Ferré's respect for the United States dates back to his years as a university student in Cambridge, Massachusetts. That period away from home was formative, both professionally and politically. He recalled much later: "I was a part of the old Hispanic community, but then I went to the mainland to study, in Boston at M.I.T., and I became completely sold on the importance of having Puerto Rico become a State of the Union, on an equal basis with the rest of the States."

Ferré returned to Puerto Rico with a degree in engineering and a firm belief in Statehood. He built his father's business into a hugely successful industrial enterprise, becoming a millionaire in the process. As his fortune grew, so did the movement among Puerto Ricans to govern themselves.

Luis Ferré entered politics at a propitious time in the island's history. In 1948, Puerto Ricans elected a governor for the first time, choosing Luis Muñoz Marín. In 1952 the year before commonwealth status and internal self-government, Luis Ferré was elected to the Puerto Rican House of Representatives. From this position, he advocated commonwealth as a stepping stone to his ultimate goal of Statehood for Puerto Rico.

Ferré saw the chance to further the cause in 1967, the year of the first political status plebiscite on the island. While commonwealth was the winning option, Ferré utilized the plebiscite to mobilize Statehood forces and establish a new political entity, the New Progressive Party (NPP).

Ferré ran for Governor of Puerto Rico as the NPP candidate in 1968, and he won a close race. His victory marked the end of 25 years of political dominance by Muñoz Marín's Popular Democratic Party (PDP), and the beginning of a new era in which the NPP and PDP would vie for the support of the Puerto Rican people.

Ferré was Governor for one term, from 1969 to 1973. However, his importance stems not so much from what he achieved in those four years, as from the precedent that he set.

After him came more Statehooders like Carlos Romero Barcelo, Hernan Padilla, and Pedro Rosselló. First under Ferré's guidance, then under his inspiration, the New Progressive Party with its statehood agenda has become a legitimate and powerful political force. As he noted in 1997, "When I became Governor of Puerto Rico, as a Statehood governor, we had 400,000 votes. Today, we won the election in 1996 with 1,600,000 votes."

Along with his political astuteness and business savvy, Ferré was also a great lover and supporter of the arts. "Art is something that enriches all nations," Ferré said in 1997. "It is very important to teach [art to] children when they're young because it opens up their minds and imagination and keeps them alive. In accordance with this philosophy, he founded the Museo de Arte de Ponce in 1965. The museum features artwork from medieval times to the present, focusing on the relevance of the European in Puerto Rico. Housed in an impressive, modern building, it is a major cultural attraction in Ferré's home city.

Over the past century, Puerto Rico has grown in freedom, wealth, and influence. Similarly, Luis Ferré has attained the honored positions of elder statesman and philanthropist. He is one of four Puerto Ricans to have received the Presidential Medal of Freedom. (Muñoz Marín, Antonia Pantoja, and Gov. Ferré's sister, Isolina, are the other three.) Reflecting on this distinction, he said, "I honestly believe that this was a recognition by the people of the United States to the people of Puerto Rico. After all, the people of Puerto Rico for the last eighty years [since attaining citizenship] have been contributing, in many ways, to the enrichment and the growth of our country."

TRIBUTE TO LESTER L. GOLDSTEIN

HON. KENDRICK B. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. MEEK of Florida. Mr. Speaker, I rise to pay homage to one of Miami-Dade County's leaders, the late Lester L. Goldstein, who passed away on March 16, 2004. His passing has cast a veil of deep sadness over our community, and I would like to extend my condolences to his widow, Bella, his children, Jeff and Tina, and his grandchildren, Jason and Ian.

Lester Goldstein was a partner in the Bilzen, Sumberg, Baena Price & Alexlrod law firm in Miami, but he was so much more. He was an extraordinary man of service, a quiet but tireless and effective leader who felt at ease with people throughout our diverse community, and he devoted his life to improving their lives by his service and his example.

He served as the chairperson of the Greater Miami Service corps, the founder of the Alzheimer Care Committee of Douglas Gardens, a founder of the Miami Jewish Home and Hospital for the Aged, and a founder of the Mt. Sinai Medical Center. These are but a few of the great initiatives his humanitarian spirit willed to come to fruition, and these programs now serve to improve the lives and lessen the burdens of countless residents of our community.

He spearheaded civic fund-raising efforts to help the Miami-Dade County Public Schools, the Zoological Society of Florida, and he was a member of the American Arbitration Association, the Builders Association of South Florida, and local infrastructure and water management advisory groups.

As a highly competent professional in real estate development, zoning and land use, administrative law and environmental compliance, he conscientiously advocated protection of our environment. His counsel was sought in matters ranging from developments of regional impact to the rezoning of local projects, including coordination of efforts among community groups, government agencies, scientists and environmental regulators. Our community feels the loss of a truly decent and caring man who made it his personal business to advocate for the well-being of our community.

The numerous tributes and accolades with which government officials and various organizations have honored him during his lifetime are testimony to the utmost gratitude and respect he enjoyed from a grateful community. He truly personified the resilience and compassion of a people servant whose life exemplified what Martin Luther King, Jr. said that ". . . everybody can be great because everybody can serve."

This is the legacy Mr. Lester L. Goldstein bequeathed to us. I am privileged to have been his friend, for his genuine advocacy on behalf of the less fortunate evoked a caring heart and a compassionate humanity.

HONORING FRANCES LYLE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. SKELTON. Mr. Speaker, I rise today to honor Frances Lyle. Mrs. Lyle, who recently celebrated her 82nd birthday, was nominated by her fellow employees at the Henry County Library in Clinton, Missouri, for the Missouri

Older Worker Award. She subsequently received the regional State award.

As an employee of the Henry County Library for the past 5 years, Mrs. Lyle has proven to be an asset and a joy to work with. She has shown her ability to relate to patrons of all ages. In an effort to serve the senior citizens in the community, she writes book reviews for the local paper, focusing on older books in the library's collection. She serves as an invaluable resource for older patrons who have read all of the books by their favorite authors. She has also become a favorite of many of the younger patrons, telling stories to the teenagers who pass through the doors.

Mrs. Lyle has taken it upon herself to organize and manage the annual library book sale. This is a major fund-raising event for the library, with all proceeds going to children's programming. Mrs. Lyle's efforts have been successful enough to bring in a nationally recognized author or storyteller to visit with the local children each of the past 3 years.

In addition to her work in the library, Mrs. Lyle is also an active member of her church. She is very involved in missionary projects, collecting books and supplies for children overseas. She also collects books for the church's annual gift drive, a project that ensures needy children in the area a special Christmas. In addition, she lends her beautiful singing voice to the church choir.

Mr. Speaker, Frances Lyle's friends and colleagues believe she is worthy of recognition, and I agree. She serves as an example, not just of the value that older Americans have to our communities but for all of us who could do so much more for our neighbors and those in need. I am sure the other Members of the House will join me in thanking her for all that she does.

HONORING THE DISTINGUISHED CAREER OF NISSAN'S EMIL HASSAN

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. GORDON. Mr. Speaker, I rise today to recognize the outstanding automotive career of Emil Hassan, the senior vice president of North American manufacturing, purchasing, quality and logistics at Nissan North America, Inc. Emil is retiring from Nissan on April 1 after 35 years in the automotive industry.

Emil has been credited with much of the automaker's success and profitability. He began his career with Nissan when the company built its auto manufacturing facility in Smyrna, Tennessee, in 1981. The Smyrna plant, which is located in my home county, is the largest U.S. automotive production plant under one roof and has produced more than 5 million automobiles to date. It has ranked for 9 consecutive years as the most efficient auto assembly plant in North America, according to the highly regarded annual Harbour Report.

And Emil has been an active civic leader in the hometown, as well. He is chairman of the Business/Education Partnership of Murfreesboro and Rutherford County and is a member of the Nashville Area Chamber of commerce and the Rutherford County Chamber of Commerce. In fact, he received the Rutherford County Chamber of Commerce Chairman's Award in 1996 for outstanding volunteer work in his home county. He has also been a director of the Federal Reserve Bank of Atlanta.

I congratulate Emil for his remarkable career in the automotive industry and for all he has done to help enhance the quality of life in Rutherford County and Middle Tennessee. And I wish him the very best in his future endeavors.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. GUTIERREZ. Mr. Speaker, I was also unavoidably absent from this Chamber on March 16, 2004. I would like the record to show that, had I been present, I would have voted "yea" on roll call votes 58, 59, and 60.

RECOGNIZING LAREDO DAY IN WASHINGTON

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. RODRIGUEZ. Mr. Speaker, I rise to recognize today, March 17, 2004, as Laredo Day in Washington. A distinguished delegation from Laredo is in our Nation's Capital this week to meet with leaders and decision-makers in Congress and executive branch. Please join me, Mr. Speaker, in welcoming them.

Settled in 1775 by Spaniards, the first Texas cattle drives transformed Laredo from a settlement of three families into a principal stop on the lower Camino Real, the Spanish royal highway.

Laredo became the first official port of entry on the United States-Mexico border in 1851. Today, Laredo handles more trade traffic than ports found in Southern California, New Mexico, Arizona and West Texas combined. As the fastest growing city east of the Rocky Mountains and the second fastest growing city in Texas, Laredo has become a vibrant and booming economic hub on the United States-Mexico border.

Much like it shares goods across the border, Laredo's culture melds both American and Mexican traditions. A prime example of this cultural fusion is Laredo's famed Washington's Birthday Celebration. The event includes over 34 events, lasts 17 days and brings together Americans and Mexicans alike. One event, the International Bridge Ceremony, takes place on the Lincoln-Juarez bridge and includes the meeting of officials, dignitaries, and children from both sides of the border. The groups share an embrace signifying the friendship and cooperation shared between the two nations. I was privileged to participate in this event earlier this year.

Helping to foster this camaraderie is the mayor of Laredo, the Honorable Betty Flores. Elected in 1998, Mayor Flores is the first female mayor to serve Laredo. She has worked diligently to improve the quality of life for all citizens of Laredo by tirelessly promoting her city without compromising the dignity of those she serves. Among the projects she has initiated are the Colonias Improvement Project, the inauguration of the Laredo Entertainment Center, and the opening of the World Trade Bridge. Mayor Flores' leadership on the state, local and national levels has brought prestige to her city.

Laredo's importance as a trade zone and cultural center is unparalleled, and its future is bright. It is my honor to recognize this city and Laredo Day 2004.

HONORING ONE OF OUR FALLEN HEROES

HON. LINCOLN DAVIS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. DAVIS of Tennessee. Mr. Speaker, it is with a heavy heart that I request the honor of distinguishing Sergeant First Class Gregory Hicks. I pay tribute to this exceptional soldier, husband, and father, who tragically died near Fajullah, Iraq on board a UH-60 Blackhawk helicopter.

Sergeant Hicks was assigned to Company B, 1st Battalion, 9th Cavalry Regiment, 1st Cavalry Division, based in Fort Hood, Texas. A recipient of the Purple Heart and Army Achievement Medal, among others, Sergeant Hicks had distinguished himself as a man of honor and integrity.

Campbell County and the Fourth Congressional District of Tennessee lost a great individual. It was with great personal joy when I heard the small community of Duff, Tennessee, where Sergeant Hicks was raised, rallied around the family in their time of need.

Accordingly, I would like to express my deepest sympathy to his wife, Melinda, his children, Chris and Jennifer, his mother and father, Clayton and Flora, and his siblings, Sandra, Stephen and Minnie on their tremendous loss. We honor his memory here today so that they will know that we all share their loss. Sergeant Hicks was a man devoted to his family, his country, and his community.

Mr. Speaker, I am deeply honored to pay tribute to the life and memory of First Sergeant Gregory Hicks. Never withholding their services in the face of war, Tennessee's citizens have always been celebrated for their wartime valor. Sergeant Hicks fought to keep his family and country safe and for that we are forever indebted. My thoughts and prayers are with the family and friends of Sergeant Hicks. It is with much respect that as a member of Congress I may honor his service.

HONORING JOHN HEMPEL

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. PORTER. Mr. Speaker, I rise today to honor the dedication and years of hard work by Mr. John Hempel as he retires after more than thirty years of service to the Department of Veterans Affairs.

Mr. Hempel was appointed by the Secretary of Veterans Affairs as the Director of the VA Southern Nevada Healthcare System (VASNHS) in Las Vegas on January 14, 2001. As Director, Mr. Hempel directed the planning, organization, coordination, and control of patient care, administrative, and support operations. He was also responsible for maintaining and improving the healthcare system and VA relationships in the community.

In addition to years of service to the VA, Mr. Hempel also bravely served his country as a combat-wounded Vietnam veteran. He served as a platoon leader and executive officer with A Troop, 1st Armored Cavalry, Americal Division in South Vietnam from 1969–1970.

During his service in the Las Vegas area, Mr. Hempel was the driving force behind significant improvements in the VA health care system. As a long-time supporter of veterans in Nevada, it was a pleasure for me to work with Mr. Hempel serving veterans in Southern Nevada.

I am honored to join with all Nevadans in honoring John Hempel on his many accomplishments and wish him well in his retirement.

ELECTIONS COMING IN PUNJAB OPPORTUNITY TO CLAIM FREEDOM

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. TOWNS. Mr. Speaker, elections have been scheduled in Punjab for May 10. They are part of India's national elections. The Sikhs in Punjab must seize this opportunity. Just changing the faces accomplishes nothing. Replacing one set of oppressors with another is not an exercise in democracy; it is merely proof of the need for independence from the tyranny that is the reality of daily life in Punjab.

The Council of Khalistan recently put out an open letter to the Sikhs in Punjab, Khalistan. They called for Sikhs to use these elections to elect officeholders who are committed to freeing the Sikh homeland, Khalistan.

Mr. Speaker, this is the only way to end the repression that has killed over 250,000 Sikhs since 1984, with more than 52,000 being held as political prisoners. Some of the prisoners are army officers who refused to participate in the brutal military attack on the seat of the Sikh religion, the Golden Temple, in 1984. Others are simply those who participated peacefully in the movement to liberate Khalistan.

India claims to be a democratic country. It also claims that there is no support for Khalistan. Why not simply hold a vote on the issue, the democratic way? Instead, this country that loudly proclaims that it is secular and democratic imposes the most brutal repression on the Sikhs and other minorities such as Christians in Nagaland and elsewhere, Muslims in Kas-hmir and throughout the country, Tamils, Dalit "Untouchables," Bodos, Assamese, Manipuris, and others.

I join with the Council of Khalistan in urging the Sikhs and all the minorities suffering under Indian oppression to vote for honest candidates committed to freedom for their people. This is the best thing that they can do to free themselves from this brutal tyranny.

We can help by stopping American aid to India until all people's basic human rights are respected and by declaring our support for a free and fair plebiscite on the question of independence. These measures will press India to begin living up to the democratic values that they so loudly proclaim.

I would like to place the Council of Khalistan's message to the Sikh Nation regarding the elections into the RECORD at this time.

COUNCIL OF KHALISTAN,
Washington, DC, March 2, 2004.

Open Letter to the Sikh Nation

PUNJAB ELECTIONS SET FOR MAY 10 OPPORTUNITY FOR SIKH NATION TO CLAIM FREEDOM

CHOOSE HONEST LEADERSHIP COMMITTED TO SIKH FREEDOM—DON'T MISS THIS PEACEFUL, DEMOCRATIC OPPORTUNITY TO LIBERATE KHALISTAN

DEAR KHALSA JI: WAHEGURU JI KA KHALSA, WAHEGURU JI KI FATEH!

Elections in Punjab have been set for May 10. This is an opportunity for Sikhs to install honest, dedicated leadership. Choose only leaders who are committed to Khalsa Raj. Only when Khalistan is free can Sikhs live in prosperity, security, and dignity. Only when Khalistan is free of Indian occupation can Punjab's farmers get a fair price for their crops. Only when Khalistan is free will our water stop being diverted to nonriparian states. We must do everything that we can to free our homeland, Punjab, Khalistan, from Indian occupation. These elections provide an opportunity to reclaim our freedom democratically and peacefully.

The Guru granted sovereignty to the Sikh Nation, saying "In Grieb Silkhin Ko Deon Patshahi." The Sikh Nation must achieve its independence to fulfill the mandate of the Guru. We always remember it by reciting every morning and evening, "Raj Kare Ga Khalsa." Now is the time to act on it. Do we mean what we say every morning and evening? I urge Sikhs to unite and take action to liberate our homeland, Punjab, Khalistan.

Parkash Singh Badal disgraced the Sikh Nation by running the most corrupt government in Punjab's history. His government was so corrupt, they even came up with a new term for bribery: "fee for service." If you didn't pay the fee, you didn't get the service. The Badal family was so adept at receiving bribes that Mrs. Badal could tell how much money was in a bag just by picking it up! We are pleased that Chief Minister Amarinder Singh is prosecuting the Badal family for its corruption. Clearly, the Akalis do not merit the Sikh Nation's support.

Badal also broke his campaign promises of 1997. He promised to release all the political prisoners. Yet according to the Movement Against State Repression (MASR), the Indian regime admitted to holding 52,268 Sikhs as political prisoners. They are being held without charge or trial, some of them since 1984! How can a democratic state hold political prisoners? He promised to punish police officials who have committed atrocities against Sikhs since 1984. No such action was ever taken. Where is the punishment of Swaran Singh Ghotna, who murdered Jathedar Gurdev Singh Kaunke? Where is the punishment of the police officers who kidnapped and murdered Sardar Jaswant Singh Khalra? He promised to appoint a commission to study the human-rights violations against the Sikhs. Yet when such a commission was formed by concerned Sikhs, he used the power of government to shut it down and deny it a meeting place.

The Congress Party is no better. It is the party that invaded and desecrated the Golden Temple and 125 other Sikh Gurdwaras throughout Punjab in June 1984 to murder Sant Jarnail Singh Bhindranwale and 20,000 other. Sikhs, including General Shabeg Singh, Bhai Amrik Singh, and over 100 Sikh religious students ages 8–13 who were taken out into the courtyard and shot. If Sikhs will not even protect the sanctity of the Golden Temple, how can the Sikh Nation survive as a nation? No conscientious Sikh can support the Congress Party. It is the enemy of the Sikh Nation.

Sikhs must speak for, work for, and vote for candidates committed to freeing our homeland, Punjab, Khalistan, from Indian occupation. Let us take this opportunity to put people in office who will work for Sikh freedom and will work to give the Sikh Nation a free and fair plebiscite on freedom for Khalistan.

Sarbjit Singh, the son of Sikh martyr Beant Singh, has been given a ticket in a reserved constituency in Bhatinda by the Akali Dal (Amritsar.) He deserves the support of Sikh voters, but Sikhs should not support Simranjit Singh Mann, who changes his colors on Khalistan almost daily. Mann is under the control of the Indian government, as shown by his letter to the Chief Justice of India, which is reprinted in the book Chakravyuh: Web of Indian Secularism, by Professor Gurtej Singh. Mann has been in Parliament for the past few years. What has he done to advance the cause of Sikh freedom? Has he even made a single speech on behalf of freeing our homeland?

We call on distinguished Sikh leaders such as Justice Ajit Singh Bains, General Narinder Singh, Professor Gurdarshan Singh Dhillon, Professor Gurtej Singh, former MP Atinder Pal Singh, and others to run themselves or find candidates who reflect their views. And we call on them to give a ticket to deserving, educated political prisoners. This will help to get the political prisoners freed and will help to put people in Parliament who are committed to Sikh freedom and sovereignty.

Remember the words of Professor Darshan Singh, former Jathedar of the Akal Takht: "If a Sikh is not a Khalistani, he is not a Sikh." The time to achieve our independence is now. India is not one country. It is a polyglot empire thrown together under one roof for the administrative convenience of the British colonialists. It has 18 official languages. History shows that such countries are doomed to fall apart. India will collapse just like the Austro-Hungarian Empire, the Soviet Union, and other multinational states such as Yugoslavia and Czechoslovakia.

The Indian government has murdered over 250,000 Sikhs since 1984, according to figures compiled by the Punjab State Magistracy and human rights groups and published in Inderjit Singh Jaijee's excellent book, The Politics of Genocide. India has killed over 300,000 Christians in Nagaland since 1947 and murdered priests, raped nuns, burned churches, and destroyed Christian schools and prayer halls. They expelled missionary Joseph Cooper from the country after militant Hindu nationalists beat him up so badly that he had to be in the hospital for a week. Missionary Graham Staines and his two young sons were burned to death while sleeping in their jeep by a mob of militant Hindus chanting "Victory to Hannuman," a Hindu god. Since they were allied with the pro-Fascist RSS, the parent organization of the ruling BJP, they were able to commit this atrocity with impunity. Muslims were massacred in Gujarat while the police were under orders to stand aside and let the massacre occur, a frightening parallel to the 1984 Delhi massacres of Sikhs. A policeman told an Indian newspaper that the Gujarat massacre was planned in advance by the government.

India is a fundamentalist Hindu theocracy, not secular or democratic at all. Remember what Narinder Singh, a spokesman for the Golden Temple, told America's National Public Radio in 1997: "The Indian government, they are always boasting that they are democratic, that they are secular. They have nothing to do with a secularism, nothing to do with a democracy. They just kill Sikhs just to please the majority." On December 5, President Bush told me "I am aware of the Sikh and Kashmiri problem."

Soon Kashmir will be free from Indian occupation. Now America is involved in it. As L.K. Advani predicted, "When Kashmir goes, India goes." We agree with him and we urge the Indian government to hold a free and fair plebiscite on the question of independence and to sit down with representatives of the Sikh Nation to negotiate the boundaries of a sovereign, independent Khalistan. Sikhs must use the upcoming elections to elect representatives who will make certain that India does that. Sikhs must claim their birthright by liberating Khalistan. Only by freeing Khalistan will we put an end to this corruption and restore control of Punjab and its assets to the people, to whom it rightfully belongs. A sovereign, independent Khalistan is a must for the survival of the Sikh Nation and will provide an optimal environment for the Sikh Nation to progress to its optimum potential politically, religiously, and economically. Let us take this opportunity to free Khalistan.

Panth Da Sewadar,
Dr. Gurmit Singh Aulakh,
President, Council of Khalistan.

DISTURBING STATEMENTS OUT OF EL SALVADOR

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. BURTON of Indiana. Mr. Speaker, the United States grants Temporary Protective Status (TPS) to about 400,000 citizens of El Salvador annually, and helps facilitate their sending about $2 billion home to their families each year. We do this, in part, because the United States enjoys a positive working relationship with the democratic government there.

Unfortunately, the communist candidate for the Presidency, and his political party, the FMLN, has explicitly stated their support for the communist narco-guerrilas who have been attacking the democratic government of Colombia since 1962. They have also said that upon their election to office they will immediately open full diplomatic relations with communist Cuba, a country recognized by the United States as a state sponsor of terrorism.

Based upon these disturbing statements, should the communist/FMLN candidate assume the Presidency of El Salvador, it may well be necessary for the United States to reconsider our relationship with El Salvador, the continuation of TPS for Salvadoran citizens, and our current support for their sending remittances back home.

Mr. Speaker, I would like to have the following statement, which I believe provides a concise overview of this matter placed into the CONGRESSIONAL RECORD following my statement. I strongly urge my colleagues to read it and keep it firmly in mind as we await the results of the March 21st elections in El Salvador.

STATEMENT ON U.S. NATIONAL SECURITY POLICY REGARDING THE FMLN

TPS AND NATIONAL SECURITY

In making immigration decisions, such as the granting or extension of Temporary Protective Status (TPS) or the conversion of TPS to Permanent Resident Status or other considerations that enable foreign nationals to remain in the United States, the U.S. government must put first the national security of the United States.

TPS AND THE PRO-TERRORIST REGIMES

For that reason, the granting of TPS to nationals of a country should be immediately reviewed and, in most cases, terminated, if a pro-terrorist party wins power or enters the government of that country.

THE FMLN AS A PRO-TERRORIST PARTY

The FMLN, a political party in El Salvador, can be considered a pro-terrorist party because of its support for designated terrorist organizations, such as the FARC, and for the public participation by some of its leaders in a pro-Al Qaeda rally where the U.S. flag was burned, this taking place immediately after September 11, 2001. The U.S. Embassy in El Salvador was forced to condemn the written public statements related to the September 11th attacks that were issued by the FMLN and hostile toward the U.S.

The FMLN was created as an armed subversive communist organization that sought the violent overthrow of the Government of El Salvador in order to replace it with a pro-Castro Marxist-Leninist regime. After years of armed aggression and terrorism, the FMLN signed a peace agreement in 1992 that brought the violence to an end and led to the participation of the FMLN in the political process. The leader of the FMLN has reiterated recently his commitment to communism. The FMLN continues to participate actively in international gatherings with violent and radical anti-U.S. groups and terrorist organizations. Recent purges in the FMLN have left the party under the complete control of its most hard-line communist leaders. The FMLN is also known to organize in the United States among the Salvadoran immigrant community.

EXCELLENT CURRENT RELATIONS BETWEEN U.S.-EL SALVADOR

It must be emphasized that the United States has superb relations with the current government of El Salvador, led by the party ARENA. This friendship is based on confidence, shared values, mutually beneficial international policies and strong personal relationships. Excellent bi-lateral relations permit a high-level of cooperation on important national security matters. El Salvador provides military and intelligence cooperation and is part of the coalition that has sent armed forces to post-war Iraq. The Salvadoran government is also an active promoter of the free trade agreement with the United States.

TPS BASED ON EXCELLENT STRATEGIC RELATIONSHIP

In the context of excellent relations and close cooperation, the U.S. government was able to grant and extend TPS for the benefit of nearly 300,000 Salvadorans now living and working in the United States. For similar reasons, the U.S. government has not had special concerns about the source and use of the $2 billion per year in remittances sent by Salvadorans in the United States to their home country, allowing the free movement of that large sum. The government of El Salvador has shown itself to be a reliable and trustworthy counterpart regarding U.S. national security.

FMLN IN GOVERNMENT RADICALLY CHANGES THE EQUATION

If the FMLN enters the government of El Salvador following the presidential elections scheduled for March 2004, it will mean a radical termination of the conditions that permitted the granting of TPS in the first place. The U.S. government would have no reliable counterpart to satisfy legitimate national security concerns, especially those regarding the threat posed by pro-terrorist groups and the providing of funding for those groups.

FMLN IN GOVERNMENT WOULD REQUIRE TERMINATION OF TPS

Therefore, if the FMLN enters the government in El Salvador it will be necessary for the U.S. authorities to consider all available information regarding the ties of the FMLN to violent anti-U.S. groups and designated terrorist groups and, on that basis, proceed toward the immediate termination of TPS for El Salvador.

FMLN IN GOVERNMENT WOULD REQUIRE REVIEW OF REMITTANCES

In many instances, pro-terrorist groups conduct fundraising in the United States, and special controls and restrictions on the flow of funds have been applied where necessary. Given the pro-terrorist nature of the FMLN and its ties to designated terrorist groups, if the FMLN enters the government in El Salvador, it will be urgent to apply special controls to the flow of remittances from the United States to El Salvador, a sum that is currently $2 billion per year.

A TRIBUTE TO KEN MILLER, SAN BERNARDINO COUNTY DIRECTOR OF PUBLIC WORKS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. LEWIS of California. Mr. Speaker, I would like today to pay tribute to Ken A. Miller, a true pioneer in the field of public works and flood control. Mr. Miller is retiring as Director of the San Bernardino County Department of

Public Works after 33 years of outstanding service to the citizens of San Bernardino County, California, the last 16 as director of the department.

The crowning achievement of Mr. Miller's distinguished career is the Santa Ana River Mainstem Project, a $1 billion project that has also been one of my top priorities for nearly two decades. Completion of the Seven Oaks Dam, the Prado Dam and Reservoir, the Mill Creek Levee and San Timoteo Creek flood control projects will protect millions of lives and billions of dollars worth of property in Southern California. Mr. Miller was the key driver for this project in San Bernardino County during most of his 33 years of public service.

Mr. Miller lent his skills and talent to a partnership with the U.S. Army Corps of Engineers on a range of flood control projects that have made San Bernardino County a much safer place, even as the county grew from a quiet suburb to an urban area of nearly 2 million residents.

While protecting San Bernardino County and other Southern California communities from the danger of severe flooding, Mr. Miller was a leading force behind the modernization and safety advancements of transportation routes, from remote desert highways to busy urban Interstates.

Ken Miller has been a Registered Civil Engineer in the State of California since 1973. He joined the San Bernardino County Flood Control District in 1971, following his graduation with a Bachelor of Science Degree in Civil Engineering from Cal Poly Pomona.

Ken A. Miller has served as President of the County's Management Forum and as president of the City and County Engineers Association at the county and state level. In one of his final assignments for the County of San Bernardino, Mr. Miller served as Acting County Administrative Officer, overseeing the county's workforce of more than 16,000.

Mr. Miller is a native Californian, born in Sanger and a resident of the San Bernardino area since 1951. Mr. Miller and his wife Sandy reside in Yucaipa, California. They have two daughters, Dana and Jennifer, who are currently attending college.

Under Mr. Miller's leadership, the Flood Control District was awarded the 1999–2000 American Society of Civil Engineers (ASCE) "Outstanding Government Civil Engineering Project" for the Seven Oaks Dam Project and also was awarded the American Public Works Association (APWA) "2000 Project of the Year Award."

Mr. Speaker, Ken A. Miller leaves an impressive legacy of public service and accomplishment. The transportation and flood control projects he made possible will stand for generations as monuments to a career dedicated to the safety and advancement of Southern California. Please join me in thanking him for his public service, and wishing him well in his retirement.

HONORING THE UNITED STATES POSTAL SERVICE NEVADA-SIERRA PERFORMANCE CLUSTER

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. PORTER. Mr. Speaker, I rise today to honor the dedication, hard work, and superior productivity achieved by Nevada's postal employees. Recently the Nevada-Sierra Performance Cluster was ranked as the number one cluster in the country in Overnight Delivery.

The United States Postal Service (USPS) is comprised of 79 Performance Clusters that are grouped into 9 geographical areas. The Nevada-Sierra Performance Cluster is part of the Pacific area and is serviced by two plants in Nevada, one in Las Vegas and one in Reno. These two plants process and distribute incoming mail to postal facilities throughout Nevada. Currently 96.7 percent of all Overnight Delivery mail in Nevada is delivered on time, ranking the Nevada-Sierra cluster number one in the country. In addition, as measured by the national USPS Breakthrough Productivity Index, the Nevada-Sierra Performance cluster ranks number 2 in the Nation in overall productivity.

These honors pay tribute to the work of the 5,217 career employees working for the United States Postal Service in Nevada. The productivity of Nevada's postal employees benefits all Nevadans who utilize the United States Postal Service. Each day the employees of the Postal Service reach millions of Nevadans through their work delivering the mail.

I am proud to join with all Nevadans in honoring the employees of the USPS Nevada-Sierra Postal Cluster. I wish them continued success and thank them for their fine work.

SIKHS WILL CELEBRATE 400TH ANNIVERSARY OF THEIR HOLY SCRIPTURE

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. TOWNS. Mr. Speaker, the Sikhs will celebrate the 400th anniversary of the compilation of their holy scripture, the Guru Granth Sahib, this year. As you may know, there are over 500,000 Sikhs in the United States and about 25 million worldwide.

Observances will include a seminar on June 5 at George Washington University and a parade on August 14 here in Washington.

In June 1984, the Indian government launched a military attack on the Golden Temple in Amritsar, the center and seat of the Sikh religion, and 125 other Sikh Gurdwaras throughout Punjab in which over 20,000 Sikhs were murdered. Indian forces shot bullets through the Guru Granth Sahib, which was a major desecration and an insult to the Sikh people and the Sikh religion. They took over 100 young Sikh boys outside and shot them at point blank range.

Mr. Speaker, the Golden Temple attack made it clear to the Sikhs that there is no place for them in India's Hindu nationalist theocracy. It is against this background that they declared their independence on October 7, 1987, calling their country Khalistan.

The Golden Temple attack is unacceptable to all civilized people. We must work to ensure that human rights are respected in India and that nothing like the Golden Temple attack, the Gujarat massacre, or the campaign of violence against Christians occurs there again. We can help bring that about by stopping our aid to India until it learns to observe basic human rights.

We can also help by putting this Congress on record in support of a free and fair plebiscite in Punjab, Khalistan, in Kashmir, as India promised the United Nations in 1948, in primarily Christian Nagaland, and wherever the people are seeking independence. This is the democratic way to settle the issue and India claims to be a democracy, so why are they afraid of holding a free and fair vote?

Mr. Speaker, the Council of Khalistan has published a press release on the 400th anniversary of the Guni Granth Sahib and the 20th anniversary of the Golden Temple attack. It is very informative, so I would like to insert it into the RECORD at this time.

400TH ANNIVERSARY OF GURU GRANTH SAHIB; 20TH ANNIVERSARY OF GOLDEN TEMPLE ATTACK

WASHINGTON, D.C., March 10, 2004.—On June 5, Sikhs from around the East Coast will observe the 400th anniversary of the compilation of the Guru Granth Sahib, the Sikh holy scriptures. During India's June 1984 attack on the Golden Temple in Amritsar, the center and seat of the Sikh religion, the Guru Granth Sahib was pierced by Indian Army bullets. The Sikh Nation will never forget the desecration of the Guru Granth Sahib. Political power is essential for the survival of the Sikh Nation.

The Council of Khalistan, the organization leading the Sikh struggle for independence, will hold a demonstration Saturday, June 5, from 12:00 noon to 3:00 p.m. in front of the Indian Embassy at 21st and Massachusetts Ave. NW in Washington, D.C. It will commemorate the twentieth anniversary of the attack on the Golden Temple and 125 other Sikh Gurdwaras in Punjab, in which over 20,000 Sikhs were killed, including such major Sikh leaders as Sant Jarnail Singh Bhindranwale, General Shabeg Singh, Bhai Amrik Singh, and others who had taken refuge in the Darbar Sahib complex. The Indian army killed over 100 young religious students, ages 8 to 13. They were taken out into the courtyard and asked whether they supported Khalistan. When they answered "Bole So Nihal," they were shot.

"This attack, along with simultaneous attacks on 125 other Gurdwaras throughout Punjab, was the clearest sign that there is no place for Sikhs in India," said Dr. Gurmit Singh Aulakh, President of the Council of Khalistan. "It is a brutal, tyrannical, fundamentalist Hindu nationalist theocracy," he said. "Sant Bhindranwale said that if the Indian government invaded the Golden Temple, they would lay the foundation of Khalistan," Dr. Aulakh said. "He was right. The movement for Khalistan is strong in Punjab. Just last year, seminars were held on the subject. The fire of freedom burns bright in the hearts of Sikhs."

"The brutal attack on the Golden Temple and the 20-year wave of repression it set off must never be forgotten," Dr. Aulakh said.

"Both the Congress Party and the Akalis are complicit in this criminal act against the Sikh Nation," he noted . . . "India needs to be reminded that 20 years later, Sikhs have not forgiven nor forgotten this brutal atrocity. The younger generation must be reminded of this terrible atrocity."

In addition to the protest, there will be a seminar on Saturday, June 5 at George Washington University to celebrate the 400th anniversary of the compilation of the Guru Granth Sahib. It will be sponsored by the International Conference on Sikh Studies along with Sikh Gurdwaras and institutions of North America.

The Indian government has murdered over 250,000 Sikhs since 1984, more than 300,000 Christians since 1948, over 85,000 Muslims in Kashmir since 1988, and tens of thousands of Tamils, Assamese, Manipuris, Dalits, and others. The Indian Supreme Court called the Indian government's murders of Sikhs "worse than a genocide." According to a study by the Movement Against State Repression, 52,268 Sikhs are being held in illegal detention as political prisoners without charge or trial. Some of them have been held since 1984!

Christian missionary Joseph Cooper was expelled from India after a mob of militant Hindu nationalists allied with the Rashtriya Swayamsewarak Sangh (RSS), a pro-Fascist organization that is the parent organization of the ruling BJP, beat him so severely he had to spend a week in the hospital. In 2002, 2,000 to 5,000 Muslims were murdered in Gujarat while police were ordered to stand aside, reminiscent of the 1984 Delhi massacres of Sikhs. Indian newspapers reported that the government planned the Gujarat massacre in advance.

History shows that multinational states such as India are doomed to failure. Countries like Austria-Hungary, India's longtime friend the Soviet Union, Yugoslavia, Czechoslovakia, and others prove this point. India is not one country; it is a polyglot like those countries, thrown together by the British for their administrative convenience. Sikhs ruled Punjab until 1849 when the British conquered the subcontinent. Sikhs were equal partners during the transfer of power from the British. The Muslim leader Jinnah got Pakistan, the Hindu leaders got India, but the Sikh leadership was fooled by the Hindu leadership promising that Sikhs would have "the glow of freedom" in Northwest India. The Sikhs took their share with India on that promise. For that mistake, Sikhs are suffering now. "As Professor Darshan Singh, a former Jathedar of the Akal Takht, said, 'If a Sikh is not for Khalistan, he is not a Sikh'," Dr. Aulakh noted.

"Democracies don't commit genocide," Dr. Aulakh said. "Only in a free and sovereign Khalistan will the Sikh Nation prosper. In a democracy, the right to self-determination is the sine qua non and India should allow a plebiscite for the freedom of the Sikh Nation," he said. "India should also allow self-determination in Christian Nagaland, Kashmir, Assam, and the other nations fighting for freedom. This is the only way to bring lasting peace to South Asia."

SIKHS CALL FOR AN APOLOGY FROM SENATOR KERRY

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. BURTON of Indiana. Mr. Speaker, on January 31, 2004 Democratic Presidential Candidate Senator JOHN KERRY referred to "Sikhs in India" as an example of terrorists. As you know, I have been a supporter of freedom for all people in South Asia, including the Sikhs.

Dr. Gurmit Singh Aulakh, President of the Council of Khalistan is well known among my colleagues as an invaluable source of information on the situation in India and Kashmir. He and his organization are committed to freeing Khalistan, the Sikh homeland, by peaceful, democratic, and non-violent means. However, the Indian government portrays their actions as terrorism. I was saddened to see that Senator KERRY apparently agreed with this mischaracterization.

The Sikhs I have met are responsible citizens. They make important contributions to many facets of American life. Dalip Singh Saund, a Sikh, even proudly served in the Congress. Many Sikhs, including Dr. Aulakh, were quite offended by the statement made by Senator KERRY, and they have asked for an apology. I hope that the distinguished Senator from Massachusetts will do the right thing and retract his statement.

Mr. Speaker, I would like to have the Council of Khalistan's letter to Senator KERRY placed into the CONGRESSIONAL RECORD following my statement.

COUNCIL OF KHALISTAN,
Washington, DC, February 11, 2004.

Senator JOHN F. KERRY,
U.S. Senate, Washington, DC.

DEAR SENATOR KERRY: I am writing to you today on behalf of half a million Sikh Americans and over 25 million Sikhs worldwide to say that your remarks equating Sikhs with terrorists were offensive to the Sikh community. While giving a speech in Oklahoma, you referred to "the Sikhs in India" as an example of terrorism.

Sikhism is an independent, monotheistic, revealed religion, not a part of any other religion. Sikhs are distinctive by our religion, language, and culture from any other people on Earth.

Sikhs ruled Punjab from 1710 to 1716 and again from 1765 to 1849. Sikhs, Hindus, Muslims, and Christians all participated in the government. Sikhs are a separate nation and people.

At the time of India's independence, three nations were to receive sovereign power: the Muslims, who got Pakistan, the Hindus, who got India, and the Sikhs. Sikhs took their share with India on the solemn promise that Sikhs would enjoy "the glow of freedom" in Punjab and no law affecting Sikh rights would be passed without our consent. Instead, almost as soon as the ink was dry on India's independence, Nehru sent out a directive describing Sikhs as "a criminal class" and ordering police to take extraordinary measures against us.

Since June 1984, India has murdered over 250,000 Sikhs, according to figures compiled by the Punjab State Magistracy and human rights groups and published in the book The Politics of Genocide by Inderjit Singh Jaijee. A report from the Movement Against State Repression (MASR) shows that India admitted to holding 52,268 Sikhs as political prisoners. Some have been in illegal custody since 1984! Tens of thousands of other minorities are also being held as political prisoners, according to Amnesty International. Indian forces carried out the March 2000 massacre in the village of Chithisinghpora, according to two independent investigations. Indian forces were caught red-handed trying to set fire to a Sikh Gurdwara and Sikh homes in a village in Kashmir. Sikh and Muslim villagers joined hands to stop them.

The book Soft Target, written by two Canadian journalists, Zuhair Kashmeri of the Toronto Globe and Mail and Brian McAndrew of the Toronto Star, shows conclusively that the Indian government blew up its own airliner in 1985, killing 329 innocent people, to blame it on the Sikhs and have an excuse for more repression.

Other minorities such as Christians and Muslims, among others, have also felt the lash of Indian repression. Over 300,000 Christians in Nagaland have been killed by the terrorist Indian regime. Nuns have been raped, priests have been murdered, churches have been burned, schools and prayer halls have been destroyed, all with impunity. A mob of militant Hindus affiliated with the parent organization of the ruling BJP murdered missionary Graham Staines and his two sons by burning them to death while they slept in their jeep, all the while chanting "Victory to Hannuman," a Hindu god. India threw missionary Joseph Cooper from Pennsylvania out of the country after he was beaten so severely that he had to spend a week in the hospital. A Christian religious festival on the theme "Jesus is the answer" was broken up by police gunfire.

Almost two year ago, Muslims were massacred in Gujarat while police were ordered to stand by and do nothing, according to Indian newspaper reports. One newspaper quoted a policeman as saying that the Indian government planned the massacre in advance. This is an eerie parallel to the 1984 massacre of Sikhs in Delhi, in which police were locked in their barracks while the state-run radio and television called for more Sikh blood.

An Indian Cabinet minister was quoted as saying that everyone who lives in India must either be a Hindu or be subservient to Hindus. This kind of religious fanaticism as state policy is dangerous and anti-democratic. We would not want it in America; why should we support it in India?

On October 7, 1987, Sikhs declared their independence from India, naming their new country Khalistan. We are committed to liberating Khalistan by peaceful, democratic, nonviolent means. History shows that multinational states such as Austria-Hungary, the Soviet Union, and India are doomed to fall apart. We intend to see that this happens peacefully, in the manner of Czechoslovakia, not violently like Yugoslavia. Yet simply supporting a sovereign, independent Khalistan is what India calls terrorism.

The 20,000 Sikhs who were murdered in the June 1984 attack on the Golden Temple and 37 other Sikh Gurdwaras throughout Punjab were not terrorists. They were seeking refuge from the Indian government's tyranny. Yet the Indian government insists on describing them as "terrorists," as if repeating it often enough will make it true.

Senator Kerry, we respectfully request that you apologize to the Sikh Nation and the Sikh community in the United States for your remark. I urge you to support measures to bring freedom to all the people of the subcontinent. Sikhs share the commitment to freedom you showed when you fought in Vietnam and in your service in public office. There was even a Sikh member of Congress in the late 1950s, Dalip Singh Saund of California. We look forward to working with you in the future to bring the blessings of liberty to everyone in the subcontinent.

If you would like any further information or would like to meet about these issues, please feel free to contact me.

Sincerely,

DR. GURMIT SINGH AULAKH,
President.

ACTION NEEDED ON ANIMAL ID SYSTEM

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. BEREUTER. Mr. Speaker, this Member commends to his colleagues the following editorial from the March 3, 2004, Lincoln Journal Star. The editorial emphasizes the need to develop an animal identification system in an expeditious manner. Clearly, an effective system to track livestock would benefit producers as well as consumers. It is time for action.

[From the Lincoln Journal Star, Mar. 3, 2004]

QUICK ACTION NEEDED ON LIVESTOCK IDS

A continued sense of urgency is needed in the effort to establish an animal identification system to improve food safety.

The U.S. Department of Agriculture has been working to develop a program for several years, but it's still far from implementation.

Meanwhile, the ability of the livestock industry to track sick animals is in woeful condition.

The USDA never did track down all the cattle in the herd in Washington state where a cow with mad cow disease was detected. Officials finally gave up and admitted they could not find 11 cows.

With technology that's available today, that's inexcusable.

A good starting place would be the bill introduced by Sen. Chuck Hagel, which would give U.S. Secretary of Agriculture Ann Veneman authority to implement the system the department has been working on for the past several years.

The program was designed to give inspectors the ability to identify all the farms and other animals that had contact with a diseased animal within 48 hours.

Compare that with the frustrating weeks that inspectors spent on the recent case of bovine spongiform encephalopathy. Tests confirmed the result on Dec. 23 last year. The investigation was not closed until Feb. 9.

The USDA is recommending the use of radio frequency identification devices, but other approaches, such as implantable microchips and retinal scanning, are also possible.

The device is a tag that is stapled to the base of the animal's ear. Each tag has a unique numerical code. The tag would be scanned at each stage of the production chain for tracking purposes. Information on the devices would be stored in a national database.

The program deserves industry support for reasons that should be obvious. The discovery of single case of mad cow cost the industry an estimated $4 billion in lost sales, according to agricultural economists.

It won't be cheap to establish the program. Officials estimate the costs could run around $100 million a year. Although a portion of the cost ultimately will be borne by the industry and passed along to consumers, tax support would be appropriate during the transition phase to the new system.

The good news is that some producers are already using the radio frequency identification tags.

The USDA currently plans to phase in the program this summer and begin issuing animal identification tags next year. First priority would be given to tracking beef and dairy cattle.

Progress on that timetable should not be allowed to slip. The livestock industry needs prompt action to protect consumer safety.

FREEDOM FOR PABLO PACHECO AVILA

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I rise today to speak about Pablo Pacheco Avila, a prisoner of conscience in totalitarian Cuba.

Mr. Pacheco Avila works as an independent journalist with the agency Avileña Cooperative of Independent Journalists, because he believes it is his obligation to expose the factual realities of totalitarian Cuba.

Due to Mr. Pacheco Avila's desire to communicate the truth about the nightmarish reality of Castro's repressive regime, he has been constantly harassed by the dictator's thugs. According to Amnesty International, in November 2002, Mr. Pacheco Avila was detained by Castro's agents of repression for six hours after attempting to video two totalitarian police officers mistreating two women. In March 2002, he was detained for providing news coverage on a peaceful pro-democracy meeting.

Unfortunately, under the tyrannical dictatorship, freedom is banned and repression is law. Mr. Pacheco Avila was arrested in Castro's brutal March 2003 crackdown on peaceful prodemocracy activists. After a summary, sham trial he was sentenced to 20 years in the totalitarian gulag.

Mr. Speaker, Mr. Pacheco Avila is a great example how the dictator torments and commits aggression against those who advocate for truth and democracy. Today marks the one year anniversary of Castro's infamous March 2003 crackdown on Cuba's prodemocracy activists. Amnesty International recognizes 75 prisoners of conscience from this condemnable March 2003 crackdown. Currently thousands of freedom-loving Cubans languish in Castro's totalitarian gulags because they refuse to accept the nightmarish oppression in Cuba. Today, I extend my solidarity to Mr. Pacheco Avila and the thousands of Cuban men and women who are shackled and suffering because they desire to see freedom reign in Cuba.

Mr. Pacheco Avila suffers today in an inhumane dungeon because he believes in writing and reporting the truth. My colleagues, on the one year anniversary of the brutal, March 2003 crackdown on pro-democracy activists in totalitarian Cuba, we must demand the immediate release of Pablo Pacheco Avila and every prisoner of conscience suffering in the gulags of totalitarian Cuba.

PAYING TRIBUTE TO RANDY AND CLARICY RUSK

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Randy and Claricy Rusk for the contributions they have made to their community and the State of Colorado. Recently, Randy and Claricy Rusk were presented the prestigious Leopold Conservation Award for their land conservation efforts. It is with great satisfaction that I congratulate Randy and Claricy for their well-deserved award, and thank them for their significant contributions to Custer County and the State of Colorado.

For five generations, the Rusk Hereford Ranch has sought out progressive conservation techniques in range management. Their efforts include improved range and riparian management, wildlife habitat enhancement, resource management planning, and creating conservation easements to prevent second home development. The Leopold Conservation Award is named after famed conservationist Aldo Leopold, and includes a $10,000 cash prize and a crystal statute of Aldo Leopold on horseback.

Mr. Speaker, it is clear that the Rusks have a legacy of strong commitment to the ranching community in Custer County and the State of Colorado. Randy and Claricy's efforts to keep this great tradition of conservation vibrant is worthy of recognition before this body of Congress and this nation today. It is my privilege to extend to Randy and Claricy my sincere congratulations on receiving the Leopold Conservation Award, and to wish them all the best in their future endeavors.

TRIBUTE TO CATHY L. SCIORTINO, IRA D. CALVERT DISTINGUISHED SERVICE AWARD RECIPIENT

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. CALVERT. Mr. Speaker, I rise today to honor and pay tribute to an individual whose dedication and contributions to the community of Corona, California are exceptional. Corona, and surrounding communities, has been fortunate to have dynamic and dedicated business and community leaders who willingly and unselfishly give their time and talent and make their communities a better place to live and work. Cathy Sciortino is one of these individuals. On March 27, 2004, Cathy will be honored at the annual YMCA Ira D. "Cal" Calvert Distinguished Service Awards Dinner.

Cathy was born in Akron, Ohio where she attended school and graduated from Youngstown State University in Youngstown, Ohio. After graduation, she worked for May Co. Corp. in Youngstown, Ohio for eleven years as a buyer of women's ready to wear clothing. In 1985, Cathy and her husband moved to Yorba Linda, California and a year later they bought a house in Corona.

After the birth of her first child, Carly, Cathy became a stay at home mom and was very active in the school system. She joined the PTA and served on the board for 14 years. In 1995, Cathy was elected to the Corona-Norco Unified School Board and served as the president in 1997–1998 and 2002–2003. She also served as the delegate for the California School Board Association Assembly and as the Corona-Norco School Board Representative. She has also served as a chairmember on the Corona Regional Medical Center Governing Board; was a founding member of the Unity Advisory Board; the Centennial High School PTSA President; board member of the Choices for Success advisory board; and board member of the ADV advisory board.

Cathy has been the recipient of the PTA-Honorary Service Award and the Soroptimist-Woman of Distinction Award for Education.

Cathy has set a standard of excellence and commitment in his work in the community. Her tireless passion for community service has contributed immensely to the betterment of the community of Corona, California. Her involvement in the community makes me proud to call her a fellow community member, American and friend. I know that many community members are grateful for her service and salute her as she receives the Ira D. Calvert Distinguished Service Award.

PERSONAL EXPLANATION

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. BECERRA. Mr. Speaker, on Tuesday, March 16, 2004, I was unable to cast my floor vote on rollcall numbers 58, 59, and 60. The votes I missed include rollcall vote 58 on the Motion to Suspend the Rules and Agree to H. Res. 551, Thanking C–SPAN for its service to the House of Representatives; rollcall vote 59 on the Motion to Suspend the Rules and Pass H.R. 3733, the Myron V. George Post Office Designation; and rollcall vote 60 on the Motion to Suspend the Rules and Agree to H. Res. 433, Honoring the life and legacy of Luis A. Ferré.

Had I been present for the votes, I would have voted "aye" on rollcall votes 58, 59, and 60.

THE HELPING THE PEOPLE OF HAITI ACT

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. HASTINGS of Florida. Mr. Speaker, I rise today to introduce the Helping the People of Haiti Act, a bill to renew United States financial assistance to Haiti and to urge the international community to support Haiti's economic recovery.

As the international community intervenes to restore peace in Haiti, I encourage all of my colleagues to concern yourselves with the suffering of its people. The health and welfare of millions of Haitians and the stability of a region close to our shores will only get worse if we do not seize the opportunity to act responsibly now.

My bill, the Helping the People of Haiti Act, requires the Secretary of the Treasury to direct the U.S. Executive Director at the Inter-American Development Bank to release the loans already approved for Haiti. These funds, amounting to $146 million, provide for health, education, water, sanitation, and transportation developments that are critical to stabilizing Haiti and improving the plight of its people. This bill also requires the Secretary of State to encourage foreign governments to strengthen their financial support and help with Haiti's economic development.

For too long, the United States and the international community did not intervene to alleviate the situation in Haiti, conditioning financial assistance on the strengthening of democratic institutions, free and fair elections, and transparent and accountable government. But it is reasonable to assume that these requirements for financial aid will now be met, given the international community's intimate involvement in Haiti's political affairs for the near future.

Let us work to alleviate all of Haiti's problems—environmental degradation, extreme poverty, starvation, and social chaos—not just the political crisis. This is critical to stabilizing the country, preventing a mass exodus of refugees, and ensuring that future political crises will be weathered not by street violence but by the rule of law and democracy.

Mr. Speaker, where the United Nations once called Haiti a "silent emergency," the plight of this country screams out for our assistance. We have a moral imperative to uphold democracy in Haiti, and to ensure that Haiti's people do not starve, that the environment is not obliterated, and that instead Haiti will become a nation of stability and opportunity. Haiti is a success story waiting to happen.

I urge my colleagues to support this legislation.

PAYING TRIBUTE TO VIRGINIA ERICKSON

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. McINNIS. Mr. Speaker, it is a privilege to rise today to pay tribute to Virginia Erickson for her selfless dedication to the community of New Castle, Colorado, and congratulate her on being recognized by the Garfield County Commissioners and the Glenwood Springs Post Independent as their 2003 Countywide Humanitarian of the Year. Virginia received this honor in recognition of her outstanding work with numerous civic organizations. It is an honor to pay tribute to Virginia for her well-deserved award, and her ongoing efforts to better her community.

As an active member of her community, Virginia dedicates her time to a vast array of civic functions. She serves as an emergency medical technician for the New Castle Volunteer Ambulance Service and as a member of the New Castle Historical Museum. An active advocate for New Castle seniors, Virginia also serves as a New Castle Councilwoman. Her enthusiasm for taking part in these organizations comes from the joy she receives in giving back to the community she loves.

Mr. Speaker, it is my privilege to recognize Virginia before this body of Congress and this nation for her dedication and commitment to the New Castle, Colorado community. She has done much to improve her community, and I congratulate her on her recent honor as the 2003 Countywide Humanitarian of the Year. I wish her all the best in her future endeavors.

TRIBUTE TO WAYNE KEITH, IRA D. CALVERT DISTINGUISHED SERVICE AWARD RECIPIENT

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. CALVERT. Mr. Speaker, I rise today to honor and pay tribute to an individual whose dedication and contributions to the community of Corona, California are exceptional. Corona, and surrounding communities, has been fortunate to have dynamic and dedicated business and community leaders who willingly and unselfishly give their time and talent and make their communities a better place to live and work. Wayne Keith is one of these individuals. On March 27, 2004, Wayne will be honored at the annual YMCA Ira D "Cal" Calvert Distinguished Service Awards Dinner.

Wayne has been an active member of the community since he moved here in 1969. He began work as the general manager of ALCOA's Premium Casting Division in Corona. There is hardly an organization that hasn't benefited from his participation. Wayne has served as President of the Corona Rotary Club, the Western Municipal Water District and the Navy League. He has been on the Board of Directors of United Way, Corona Chamber of Commerce, Corona Community Hospital Foundation, UCR Foundation, Good Samaritan Boys Club and California Manufacturers Association.

A longtime member of the First Congregational Church, he has held a number of church positions from choir member to vice president of the board of directors. Wayne has also donated countless hours to Peppermint Ridge, serving three terms on its board of directors and chairing several committees. He also directed renovations of the Woman's Improvement Club clubhouse, and chaired fundraising activities for the Corona-Norco Family YMCA.

Wayne began his career in 1945 with ALCOA after receiving his B.S. in Mechanical Engineering. He stayed with ALCOA over 40 years. During his career he was active in professional associations, has written on the subject of aluminum, and is co-holder of a patent for stair treads.

For all his volunteer efforts, Wayne has been recognized with several awards. In 1975, he was named Citizen of the Year by the Corona Chamber of Commerce; received the Chamber's "George" Award; was chosen, along with his wife Evie, Corona Community Hospital Volunteers of the Year; and was recipient of the Golden Hinge Award—only the second one given—by Peppermint Ridge.

Wayne has set a standard of excellence and commitment in his work in the community. His tireless passion for community service has contributed immensely to the betterment of the community of Corona, California. His involvement in the community makes me proud to call him a fellow community member, American and friend. I know that many community members are grateful for his service and salute him as he receives the "Ira D. Calvert Distinguished Service Award."

LOW-INCOME TAXPAYER PROTECTION ACT OF 2004

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. BECERRA. Mr. Speaker, today I am proud to introduce companion legislation to S. 685, a bill sponsored by Senator JEFF BINGAMAN (D–NM) and Senator DANIEL AKAKA (D–HI) to assist low-income taxpayers in preparing and filing their tax returns and to protect taxpayers from unscrupulous refund anticipation loan providers. In particular, the provisions of this legislation will benefit taxpayers eligible for the Earned Income Tax Credit (EITC) who must fill out dauntingly complex forms—the EITC instructions run 53 pages alone—and, because of the dearth of free tax preparation services to help navigate the process, are heavy users of commercial tax preparers.

The problems addressed by the Low-Income Taxpayer Protection Act of 2004 have been ignored for too long. The National Taxpayer Advocate's FY2002 Annual Report to Congress notes that in 2000, only 1 percent of filers with incomes below the EITC income limit received free tax preparation assistance from either the IRS Taxpayer Assistance Centers or volunteer sites affiliated with the IRS. The remaining low-income filers who had their forms filed for them used a commercial preparer. While many commercial preparers provide a very valuable, necessary service, the work of these men and women is too often overshadowed by those who peddle refund anticipation loans (RALs)—usurious short-term loans secured by the taxpayer's tax refund, including the EITC. In fact, it is estimated that 53 percent of EITC recipients who went to a paid tax preparer ended up with a RAL.

According to a report prepared by the Consumer Federation of America and the National Consumer Law Center and entitled "All Drain, No Gain," refund anticipation loan fees cost consumers about $1.14 billion in 2002, up almost $200 million from the year before. Additional fees for electronic filing, "document preparation," and "applications" added another $406 million to the total. Our constituents who can afford it the least are suffering a $1.5 billion drain on their tax refunds.

Mr. Speaker, let me take a moment to break down these estimates from the cumulative to the individual using an analysis found in "All Drain, No Gain." Based upon the prices for RALs in 2004, a consumer might pay the following in order to get a $2,100 RAL—the average refund—from a commercial tax preparation chain this year: (1) A loan fee of $99.95, which includes a $24.95 fee supposedly for the "dummy" bank account used to receive the consumer's tax refund from the IRS to repay the RAL; and (2) a system administration fee that averages $32 per loan. Combine that with tax preparation fees, which average about $120, and the total is about $250. The effective APR on this RAL would be 182 percent.

The Office of the Taxpayer Advocate acknowledges that there are several factors that drive low-income taxpayers to pay for tax preparation, including: (1) Inconvenient location or hours of VITA sites; (2) lack of bank accounts for direct deposit of refunds; (3) need or desire for immediate cash; and (4) inability to prepare one's own taxes due to limited language, literacy, or computer skills.

This bill takes a two-pronged approach aimed at curtailing the drain on the EITC program by first regulating income tax preparers and refund anticipation loan providers and, secondly, creating IRS-administered grant programs for free tax preparation for low-income taxpayers and to help individuals establish a bank account for the first time.

I encourage all of my colleagues to support this legislation.

PAYING TRIBUTE TO DAVID DAVIS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. MCINNIS. Mr. Speaker, it is a privilege to rise today to pay tribute to photographer David Davis and the outstanding work he has done to promote our Native American culture in Colorado. David is constantly challenging himself as an artist, and his recent project focusing on Native Americans has garnered national attention. While I would like to congratulate David on his recent accomplishment, I would also like to recognize his selflessness in donating proceeds of the project to Native Americans.

David first became interested in the Native American culture in 1993, when he did a photo shoot of a Native American wedding dress for an advertisement. Since then, he has traveled around southwestern Colorado and the neighboring states taking photographs of Native Americans against the breathtaking backgrounds of the Colorado Plateau. David made a DVD of his photographs entitled "Native Faces—Desert Light," and his work on this project will be shown at a Native American film festival in Tuba City, Arizona. Some of the proceeds from the project have been donated to endeavors encouraging Native Americans to take up photography, and his work is sold at stores on reservations.

Mr. Speaker, it is an honor to bring the selfless work of David Davis to the attention of this body of Congress and this nation. He has helped to promote this historically rich culture, and has brought to light the majesty of this land and its native peoples. I wish David all the best with this project and his future endeavors.

TRIBUTE TO OPERATION IRAQI FREEDOM

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. CALVERT. Mr. Speaker, consider this scenario: "The formation of a free and democratic society is being hampered by internal and external strife. The drafting of a constitution encounters opposition and various parties within the country are struggling for power. The economy is underdeveloped and there is little order. The people are unsure of their future and this promise of democracy. It would take decades for this democracy to truly flourish and become the republic that it is today." That's the history of America, Mr. Speaker. The people of Iraq, a year after their liberation, are facing many of the same obstacles of early Americans. However, they have accomplished more in one year than the United States accomplished in a decade—they have drafted a working constitution that guarantees freedom of religion and worship, freedom of expression, freedom to peacefully assemble and demonstrate, freedom to organize political parties, freedom to join unions and the right to equal treatment under the law. This progress is unprecedented.

365 days ago, our troops, along with other coalition forces, entered the country of Iraq to liberate a badly battered and abused population. Our troops performed with determination and tenacity: they were given their mission and performed brilliantly. Now, because of their accomplishment, 24 million people live in a country that has voiced its dedication to freedom and democracy. Unfortunately, there are those in this country that lack the same resolve to freedom and democracy. At the first sign of opposition and test of honor they run and hide behind words such as "quagmire." This wavering support is disheartening at best and it undermines the incredible accomplishments of our troops, especially those that have made the ultimate sacrifice. It also undermines the determination of the Iraqi people to establish a democracy—deeming them incapable and incompetent.

Even as we speak here today, progress is being made in Iraq. As chairman of the Water and Power Subcommittee I've visited Iraq and witnessed first-hand their accomplishments. With our help, they have surpassed prewar peak electrical generation levels and are on track to be generating at 140 percent over their prewar level by June. Water facilities are currently operating at 65 percent of prewar levels, mostly due to years of neglect, electricity shortages and post-war looting of plant and emergency generators. Current projects include the rehabilitation of 15 water treatment facilities and portions of the Sweet Water Canal to Basrah. These projects will benefit over 14.5 million Iraqis and provide a future for water reliability.

One year ago this country, along with our allies, made the decision to topple a tyrannical regime, liberate a people, and help build a democracy in the heart of a terrorist breeding ground. Our troops have done, and continue to do, their part. It is time for all leaders in America to do their part: we must stand by the Iraqi people and government as they begin their long and challenging journey towards freedom. Our own past demonstrates that democracy is messy; at times there will be setbacks and frustrations, but in the end, freedom is worth every sacrifice.

TRIBUTE TO THE LATE JOAN BOWMAN, MAYOR OF LENEXA, KS

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. MOORE. Mr. Speaker, on Monday of this week, I attended the funeral of an outstanding public servant who was taken from us too soon. Former Lenexa, KS, Mayor Joan Bowman died on March 11 after 26 years of dedicated public service to the community that is my home.

Joan Bowman died after a long battle with cancer. This longtime community leader, volunteer and advocate for education and individuals with disabilities was elected Lenexa mayor in 1995 and 1999. She was first elected to the Lenexa City Council in 1987, the same year she was inducted into the Lenexa Volunteer Hall of Fame. Her career in public office began in 1978 as a member of the Shawnee Mission West High School Advisory Board. In 1981, she began the first of two terms on the Shawnee Mission Board of Education, where she served as board president for 2 years. In her honor, flags at Lenexa city hall were flown at half staff.

Last month, the people of Lenexa dedicated to former Mayor Bowman a 7-foot, bronze statue of Na Nex Se, the Shawnee Native American woman after whom Lenexa was named. Dedicated to Bowman for her leadership and service to our community, the statue was funded with city resources and through a local letter writing campaign, which ultimately raised $8,000 more than was needed. I hope that Joan Bowman's legacy, as embodied in the Na Nex Se statue, will inspire future generations of Lenexans to make significant contributions to our community. Mr. Speaker, I include in the RECORD for your review a copy of the Kansas City Star's obituary regarding this remarkable, dedicated public servant.

[From the Kansas City Star, Mar. 12, 2004]

FORMER LENEXA MAYOR DIES

(By Eugene Scott)

Former Lenexa Mayor Joan Bowman, who was an advocate for education and persons with disabilities in her 26 years of public service, died Thursday after battling cancer. She was 63.

Bowman was respected as a volunteer and an officeholder, and news of her battle with cancer had been widespread in recent years.

In February, city officials dedicated a statue of Na Nex Se, the Shawnee American Indian woman after whom Lenexa was named, to Bowman in honor of her service and leadership.

Bowman was elected mayor twice, in 1995 and 1999. She was elected to the city council in 1987, the same year she was inducted into the Lenexa Volunteer Hall of Fame.

Current Lenexa Mayor Mike Boehm said Bowman's desire to implement projects in Lenexa's best interest greatly enhanced the city.

"Her biggest impact on Lenexa was that she took a reasonable approach. Joan would study every issue brought before her, and give it the necessary attention," he said.

Leawood Mayor Peggy Dunn worked with Bowman on the Johnson County/Wyandotte County Council of Mayors and developed a personal friendship.

"She was an outstanding leader, and a wonderful mentor to those of us who knew her," she said. "She was always ready to listen, and to give . . . wise counsel."

While Bowman formed friendships with other political leaders, Dunn said her ability to separate professional and personal relationships made her an effective leader.

"Her ability to see the big picture in every situation, to rise above personal feelings and do what was really the best thing for the greater good encouraged others to do so as well," Dunn said.

Rich Becker, Lenexa's mayor when Bowman was elected to the city council, admired her strong work ethic. "She was the toughest woman I ever met in my life," he said. "She was very meticulous, and she wanted to make sure that all the i's were dotted and all the t's were crossed."

While demanding, Bowman was humble, Becker said, and realized that being a team player would lead to success for everyone involved.

"She liked to involve as many people as she could in making decisions. She was involved in so many things, and very easy to work with. She was the kind of person you look up to and say 'nice job,'" he said.

Her career in public office began in 1978 as a member of the Shawnee Mission West Advisory Board. In 1981, she served the first of two terms on the Shawnee Mission Board of Education. She was board president for two years.

Julie Miller, a Shawnee Mission school board member for 16 years, met Bowman when the two served on the district's advisory boards. She remembers Bowman being consistently well-informed and dependable. "She was a brilliant person. You could always count on Joan," she said.

Before beginning her career in public service, Bowman taught math at junior high schools in the Shawnee Mission district. She graduated from Pittsburg State University in 1962.

David Watkins, Lenexa's city administrator for 19 years before leaving to accept a position as city administrator in Auburn, Ala., said Bowman's experience in education allowed her to communicate effectively with community members while listening to their concerns:

"She could take complex issues like the watershed program, and take all that technical info and reformat it to citizen groups in a manner that they can understand."

She was on the Lenexa Convention and Visitors Bureau board, the Lenexa Chamber of Commerce's board of directors, and was a member of the Lenexa Historical Society.

Council member Diane Linver said that despite Bowman's numerous offices and accolades, she would want to be remembered as a person who cared about her family and her community.

"She was a wonderful wife, a wonderful mother and a wonderful friend," she said.

Survivors include her husband, Ed, and two sons.

PAYING TRIBUTE TO MAYOR VAN WILLIS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. McINNIS. Mr. Speaker, it is with great sadness that I rise today to pay tribute to the life and memory of Mancos, Colorado, Mayor Van Willis who passed away recently at the age of eighty-seven. Van was a true American patriot, and a beloved friend and colleague to many in his Colorado community. In his years spent in public service, Van embodied the ideals of integrity and courage that we, as Americans, have come to expect from our public servants. As his family and community mourn his passing, I believe it is appropriate to recognize the life of this exceptional man, and his many contributions to his community, state and country.

Van lived an immensely rich and full life, always holding firm to his beliefs in serving his community and country. He spent ten years serving his nation in the Army, earning a reputation as a solid and dependable leader. After moving to Bayfield in 1947, he embraced the pioneering spirit of Colorado, running a ranch there, and later in Mancos. Van dedicated his efforts towards the betterment of his Mancos community, spending twelve years as the mayor of Mancos, serving on the board of the Chamber of Commerce, and serving as president of the Mancos Community Development. He also held a post command in the Veterans of Foreign Wars, and was a member of the American Legion.

Mr. Speaker, we are all at a great loss because of Mayor Willis' passing, but can be comforted in knowing he helped make Mancos a better place for future generations. I would like to extend my heartfelt sorrow to his sister Margaret, his children, Linda and Dean; his grandchildren and great-grandchildren. Mayor Willis' selfless dedication to Mancos, the State of Colorado, and the United States has helped ensure a promising future for our great country and I am deeply honored to bring his life to the attention of this body of Congress and this nation. I am proud to have known such a great man who enriched the lives of his family, community and nation.

TRIBUTE TO PROFESSOR RANDOLPH L. BRAHAM

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. LANTOS. Mr. Speaker, I invite my colleagues to join me in paying tribute to a brilliant and remarkable scholar, Professor Randolph L. Braham. Dr. Braham is Distinguished Professor Emeritus of Political Science from the City College and the Graduate Center of the City University of New York, where he is also Director of the Rosenthal Institute for Holocaust Studies. He is a distinguished member of the Academic Committee of the United States Holocaust Memorial Council. Professor Braham is an outstanding scholar and chronicler of the Hungarian Holocaust whose sixtieth anniversary we are commemorating this week.

His two-volume work, The Politics of Genocide: The Holocaust in Hungary, won the Jewish National Book award in 1981, and earned him citations in the New York State Assembly. In 1995, he was awarded the Order of Merit Officer's Cross of the Hungarian Republic.

Born in Romania in 1922, Professor Braham received a traditional Jewish upbringing in Dej, a small town in Transylvania. His parents and many relatives perished in the Holocaust. He spent 1943–45 in a forced labor battalion with the Hungarian and German armies in Ukraine. Later, he was captured and incarcerated in the gulag where he experienced the horrors of Soviet labor camps.

After the war, Professor Braham came to the United States on a Hillel Fellowship at the Graduate Faculty of the New School University and encountered many of the émigré luminaries, including Frieda Wunderlich, Arnold Brecht, Erich Hula, and Boris Mirkineguetzevitch.

Professor Braham has spent over forty years as a professor at the City College of New York. He is the author or co-editor of forty-two books on the Holocaust in central and eastern Europe including his all important documentation The Nazis' Last Victims: The Holocaust in Hungary. Professor Braham has made a most significant contribution to the scientific historiography of the Holocaust in general and the tragedy of Hungarian Jewry in particular.

Mr. Speaker, I want to pay tribute to Dr. Randolph Braham for his remarkable achievements and scholarly contributions in documenting the persecution of Jews in Europe, particularly his extensive history of the Hungarian Holocaust. The life's work of Dr. Randolph Braham is a major contribution to the understanding of the history of the twentieth century, and therefore it deserves to be recognized and honored by the Congress of the United States.

As George Santayana reminded us, "those who cannot remember the past are condemned to repeat it." Dr. Braham's important legacy should help all future generations to learn the dark lessons of the past and thus enable them in the future to create societies based on justice and on values that will always include respect for the rights of the minorities and human rights in general.

INTRODUCTION OF THE CARIBBEAN-AMERICAN HERITAGE MONTH LEGISLATION

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Ms. LEE. Mr. Speaker, I rise today to introduce a resolution designating a Caribbean-American Heritage month. This resolution acknowledges the contributions of Caribbean-Americans from the inception of our country to the present.

Alexander Hamilton, Hazel Scott, Sidney Poitier, Jean Michel Basquiat, Eric Holder, Colin Powell, Edwidge Danticat, Jean Baptiste Point du Sable, Sidney Ponson, Maryse Condé, Harry Belafonte, Celia Cruz, Mervyn Dymally and Shirley Chisolm are just a few of the many Caribbean-Americans who helped shape American government, politics, business, arts, education, science, and culture.

Many of us in Congress focus on "hot spots" in the Caribbean—Cuba and Haiti—and forget that we have many constituents with roots from Suriname to the Bahamas and from Belize to Barbados.

The recent revitalization of a bi-partisan Congressional Caribbean Caucus forced many of us to re-evaluate the policy between CARICOM and the United States, and to discuss proposed and pending U.S. legislation that will have a direct impact on bilateral relations.

It is also important that we remember that our policies in the Caribbean affect the relatives of our constituents. I wrote this resolution to remind the American public that there are Caribbean-Americans who reside in every state of the union, and make sure that are recognized and celebrated.

I ask all of my colleagues to join me in supporting this measure to honor the Caribbean-American community, and create a month designated to annually acknowledge their service to our society.

HONORING MR. LENNY MARTINELLI OF BOULDER, COLORADO

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. UDALL of Colorado. Mr. Speaker, I rise today to recognize Mr. Lenny Martinelli of Boulder, Colorado for his exemplary service to the Colorado community.

In 1987, two cities on opposite sides of the world, in countries on opposite sides of the political spectrum, collaborated to bring their respective traditions, culture, and history to one another in a peaceful manner. During a time of great conflict and tension, the cities of Boulder, Colorado, and Dushanbe, Tajikistan, united as the Sister Cities. Over the next three years, dozens of Tajikistani painters, woodcarvers, and ceramicists worked on completing Dushanbe's gift to Boulder, the Boulder Dushanbe Teahouse. The result was a magnificent structure and a wonderful restaurant that offers exquisite cuisine and atmosphere.

The success and beauty of the Teahouse would not have been possible without the leadership and management of Lenny Martinelli. For six years, Lenny has provided the direction, character, and culinary expertise for one of Colorado's most impressive restaurants. As proprietor of the Teahouse, Lenny has been responsible for maintaining the impressive reputation and quality of the Soviet Union's largest gift to the United States.

But Mr. Martinelli's dedication to the Sister Cities reaches beyond the walls of his restaurant. Every year he organizes a community cultural celebration on the Persian New Year of Navrus. He holds annual fundraisers to help finance Dushanbe's Cyber-Cafe, which is Boulder's gift to its sister city. A very positive and talented man, Lenny also is a constant advocate for worldwide unity and global awareness.

Mr Speaker, the Boulder Dushanbe Teahouse Is a world-class facility. Its lovely architecture and artwork make it the largest example of ancient Persian art in the country. Its food is an awesome assimilation of the greatest tastes from across the East. As the name indicates, it has one of the most impressive collections of teas in the world. Adding to the overall excellence of the Teahouse is Mr. Martinelli's great proprietorship which has kept the Teahouse as one of the premiere dining facilities in the Rocky Mountain region.

Through his role in the Boulder Dushanbe Teahouse, Lenny Martinelli has demonstrated the greatest attributes of a global community. I urge my colleague to join me today in honoring him for his accomplishments.

PAYING TRIBUTE TO NICK ALCORTA

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. MCINNIS. Mr. Speaker, it is with a heavy heart that I rise to pay tribute to the life and memory of Nick Alcorta. Nick touched the lives of many in his Basalt, Colorado community, dedicating his time and efforts to teaching the sport of baseball to youths. His tragic death at age thirty-nine is a loss to us all, and as the Basalt community gathers to celebrate the life of such an exceptional person, I would like to take this opportunity to honor a beloved Coloradoan.

Nick loved teaching and mentoring children, especially his two boys Dominick and Derek. He was involved in numerous youth sports programs, serving as the recreation director for Basalt from 1997 through 2002, serving as head coach of the Basalt High baseball team, and as assistant coach of the Basalt High girls basketball program. When the town of Basalt was forced to lay off Nick due to a tight budget, Nick volunteered his time for the kids who meant so much to him while their parents rallied at Town Hall to support the man who meant so much to their children.

Mr. Speaker, we are all at a great loss because of Nick Alcorta's passing, but can be comforted in knowing he made a lasting impact as a superb role model for the youth in

Basalt. I am deeply honored to bring his life to the attention of this body of Congress and this nation today. My thoughts are with Nick's wife Debbie, his two children, and the entire Basalt community during this difficult time of bereavement.

EL SALVADOR

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. ROHRABACHER. Mr. Speaker, the result of the election in Spain was a major setback in the War on Terror and is a setback in our relationship with the people of Spain. There is another election, which will be taking place shortly in this our hemisphere, in El Salvador. The communist/FMLN political party derives from the communist guerillas who waged war for years to establish a communist dictatorship in El Salvador. They could win this election in part because of reported covert assistance they are receiving from foreign communists and pro-Castro regimes.

If the communist/FMLN presidential candidate wins, the great spirit of cooperation we have had with El Salvador would be put in jeopardy. The FMLN has promised to immediately open full diplomatic relations with communist Cuba, which is a state sponsor of terrorism. They will do that at the expense of El Salvador's relationship with the United States.

If a new communist/FMLN government in El Salvador acts as it promises to do it could well cause the United States to reconsider its grant of Temporary Protective Status (TPS) to about 400,000 Salvadorans who live there. These citizens of El Salvador living in the U.S. also send about two billion dollars to their home country each year. A hostile communist/FMLN regime in El Salvador would likely lead the United States to reconsider our policies which permit the sending of such a bounty to El Salvador.

It is important for the people of El Salvador to understand that their decision at the polls will have consequences for their future relations with the United States. A victory for the communist/FMLN will most likely open a regrettable gulf between our countries after years of cooperation.

PERSONAL EXPLANATION

HON. FRANK W. BALLANCE, JR.

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. BALLANCE. Mr. Speaker, due to an emergency, I was not present for Rollcall votes Nos. 48 and 49. Had I been present, on Rollcall vote No. 48, I would have voted "aye"; on Rollcall vote No. 49, I would have voted "aye."

PAYING TRIBUTE TO SOUTHWESTERN BEVERAGE COMPANY

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. McINNIS. Mr. Speaker, it is my honor to rise before this body of Congress and this nation to pay tribute to the Southwestern Beverage Company's impressive tradition of business excellence and philanthropy in Durango, Colorado. Recently, the Durango Chamber of Commerce recognized the company with the Spirit of Durango award for its history of service to the community. It is with great pride that I congratulate Southwestern Beverage for its well-deserved award, and thank them for their significant contributions to their community.

The Southwestern Beverage legacy began when Arthur Welsh founded the company in 1963. From the beginning, the Welsh family was committed not only to distributing beverages across Southwest Colorado, but also to contributing profits to scholarship and recreation events in the Durango community. The company has sponsored numerous local events, including the Iron Horse Bicycle Classic and the Durango Grand Prix. The Welsh family has always believed that as their business grew, so should their civic responsibility to the community.

Mr. Speaker, the drive the Southwestern Beverage Company and Welsh family have shown in their business and charitable activities have made them true civic leaders in their community. For over forty years, they have left an indelible mark of excellence on the Durango community and the State of Colorado. It is my privilege to pay tribute to the company before this body of Congress and this nation today and congratulate them on receiving the Spirit of Durango award.

HOUSE OF REPRESENTATIVES—*Thursday, March 18, 2004*

The House met at 10 a.m.

Rabbi Elie Spitz, Congregation B'nai Israel, Tustin, California, offered the following prayer:

Master of the Universe, may You bless our great country and its leaders. May You give them, our congressional leaders, the wisdom to discern the path of righteousness.

Scripture teaches: "Today, I place before you life and death, blessing and curse. Choose life."

Sixty years ago this day, the Germans invaded greater Hungary to oust the government and begin deportations of hundreds of thousands of Jews and others. Many of those who survived have modeled an affirmation of life and a passion for justice in the shadow of tragic loss.

May You, the Almighty, guide our congressional leaders toward affirming life and pursuing justice in all that they do. May they find Your light despite shadow.

Infuse their acts with strength and courage, memory and wise purpose, open hearts and outstretched hands.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New Jersey (Mr. ANDREWS) come forward and lead the House in the Pledge of Allegiance.

Mr. ANDREWS led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain 10 1-minute speeches on each side.

HONORING SPECIALIST MICHAEL WOODLIFF

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, last Friday in Punta Gorda, Florida, I attended the funeral services for one Specialist Michael Woodliff who was killed in Iraq. He was laid to rest in Arlington Cemetery on Monday.

At the ceremony there was no bitterness, but fond memories for a fallen hero. His friends and families describe his credos as faith, family, country. His father said to me, "Michael died serving his country with pride in defending his homeland."

Michael would not want the political debate that has taken place in the last 24 hours of acrimony and division. Michael would want us not to question the merits of the war in Iraq. He would want us to track the terrorists who killed him and others who killed those in New York on September 11.

Iraq has changed the world as we know it. Libya is cooperating on nuclear weapons. North Korea is talking about peace. Pakistan and India are trying to settle their longstanding skirmish over Kashmir.

Michael Woodliff died defending the honor of this country. Politicians should think of him when they utter words on this floor. His sacrifice to this Nation is a lot better than the speeches I have heard by some.

God bless you, Michael. Thank you for serving your Nation.

THE AMERICAN PEOPLE DESERVE THE TRUTH

(Mr. INSLEE asked and was given permission to address the House for 1 minute.)

Mr. INSLEE. Mr. Speaker, one of the reasons this current administration has run up the largest Federal deficit in the universe's history is it has not told the truth to the American people.

The most recent example of that is this story that has come out that the chief actuary for Medicare had numbers indicating that the President's Medicare bill would cost billions of dollars more money than the administration told the American people. Indeed, Richard Foster advised the administration that this bill would cost $534 billion, when the administration was telling the American people it would cost about $400 billion.

And the reason this individual was not able to blow the whistle at that time is they effectively said they would fire him if he told the truth to the American people.

In an e-mail disclosed yesterday in the Wall Street Journal, it was disclosed that this gentleman got an e-mail that said essentially, if you tell Congress or the American people the truth, quote, "The consequences for insubordination are extremely severe," closed quote. We know what that means.

This administration told the person he would be fired if he told the truth to the American people. Well, we disagree with Jack Nicholson: We can handle the truth, and we deserve it.

IRAQ

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, a year ago our troops went into Iraq, removed Saddam Hussein from power, and the world is a safer place with him gone. Hussein was a homicidal tyrant who disregarded international law, basic human rights, and invaded his neighbors at will. He supported Palestinian terrorists and suicide bombers. He used chemical weapons of mass destruction against Iran and his own people. He killed thousands and thousands.

Hussein reigned over the people of Iraq in terror and he terrorized the region. Human rights organizations report that women told them that rape was routinely used by Iraqi officials as a means of torture and intimidation. Electric shock, pulling out fingernails, dripping acid on victims' skin, gouging out eyes, were torture methods used by Saddam's regime.

Iraq has come a long way since then. And if we stay the course, we can build a future for Iraq free of this kind of terror and deal a deathblow to the terrorists who rely on murder and coercion and death to advance the terrible agenda by building a free democratic Iraq.

THE RISING COST OF OIL

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. Mr. Speaker, oil hit a new high yesterday. Prices over 2 bucks a gallon in places in the western United States; $30 billion will be extorted from American consumers this year because OPEC is fixing prices and driving up the cost.

Now, what is the response of the oil men at the Bush White House? A collective yawn and silence from the Bush administration. I guess their buddies in the oil industry are doing pretty well because they are adding on a little margin to these increases in prices.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Now OPEC is violating the rules of the World Trade Organization. We have an administration that is a big fan of the World Trade Organization and rules-based trade. Will they file a complaint on behalf of American consumers because OPEC is breaking the rules? They have told me they will not do that.

They are going to unilaterally disarm Americans in face of this attack against our economy by OPEC because some of their buddies in the oil industry are adding a little margin on and doing okay.

IRAQ

(Mr. MURPHY asked and was given permission to address the House for 1 minute.)

Mr. MURPHY. Mr. Speaker, 1 year ago the Iraqi people lived under the rule of a man who massacred and tortured his own people by the hundreds of thousands, who supported terrorists groups, and who was a human weapon of mass destruction.

Today 25 million Iraqis have been liberated and an example has been made of Saddam Hussein. Today America is a safer place. Today the world is a safer place because of the actions of our military.

Since September 11, thousands of Guard and reservists have been activated to fight the war on terror and 40 percent of the current force in Iraq is composed of these soldiers. And despite what some critics continue to say, Guard and Reserve service is just as honorable as regular military service. They have left their families and their jobs to serve their Nation. They too have seen the horrors of Saddam Hussein's regime and the gratitude of the Iraqi people as they work hand in hand to rebuild their country.

Today I thank all who serve. I give a special nod to our guardsmen, for when I see them, I do not see half a soldier, but I see twice a patriot.

THE TRUTH ABOUT THE MEDICARE BILL

(Mr. GEORGE MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, Members of the House, we now learn that the efforts to provide a prescription drug benefit to the seniors of this Nation, which they so desperately need, that legislative process has now become a scandal.

We learned in the papers this morning that administration officials were threatened to be fired if they told the Congress the true cost of that legislation. We learned that the Medicare administrator was negotiating to set up a consulting business with the very people who would benefit from this legislation.

We learned that the legislative chairman of the committee was negotiating with the pharmaceutical industry for a contract to a job after leaving Congress. We learned in the New York Times that there is an inquiry now about the offering of a bribe to a Republican Member of Congress to support that legislation.

No wonder the senior citizens do not like this bill. It was never about them. It was only about the special interest and special money and campaign contributions and employment contracts for the Republican administrators and the Republican Members of the House.

ONE YEAR ANNIVERSARY OF THE WAR IN IRAQ

(Mr. BURGESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURGESS. Mr. Speaker, today this House should recognize that just 1 year ago the campaign started in Iraq to liberate the Iraqi people. A significant part of the war on terrorism, military victory in Iraq, and the capture of Saddam Hussein have helped move the world closer to safety.

Make no mistake about it, the decision to go into Iraq was not taken lightly. And the price of freedom is costly, but we must endure. We must recognize and relate the victories that have been achieved.

Unfortunately, we cannot count on our own news outlets to be objective and complete in this, because just last week, Mr. Speaker, a momentous event occurred that has yet to receive sufficient mention in the press. And this, of course, was the signing of the interim Iraqi Constitution by the 25 signatories.

The press scarcely reported what will likely be the outcome of this constitution and how this will shape the world events for the rest of this century.

Mr. Speaker, I want to congratulate our President on his leadership for getting this done. I want to congratulate Ambassador Bremer.

□ 1015

I want to congratulate our soldiers and our Reservists who dedicate themselves to ensuring as much safety as possible for the people of Iraq. As we focus on the future, we must understand that sacrifices have to be made for democracy and freedom to flourish for generations to come.

CONSEQUENCES FOR TELLING TRUTH ABOUT MEDICARE BILL EXTREMELY SEVERE

(Mr. EMANUEL asked and was given permission to address the House for 1 minute.)

Mr. EMANUEL. Mr. Speaker, the consequences for insubordination are extremely severe. That was the warning that the Medicare actuary Richard Foster received from his superiors for trying to tell the truth about the real costs of the Medicare bill. The penalties for misleading the American people are extremely severe as well.

Today, we learned that some in the Republican leadership knew all along the real cost of the prescription drug bill and yet continued to hide that information from their colleagues on both sides of the aisle. Let me again quote from the Wall Street Journal's lead editorial yesterday: "What's a mere $140 billion among friends?"

This is a case not only of politics trumpeting policy but of politics trumpeting principle. Some think that there are consequences for insubordination, but all of us know that the consequences of deception are extremely severe as well.

UNCOVERING SADDAM HUSSEIN'S LEGACY OF TERROR

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, in cooperation with the gentleman from California (Mr. HUNTER), the Committee on Armed Services chairman, I recently sent every Member of the House a copy of "Iraq's Legacy of Terror: Mass Graves," a report that highlights the worst human rights atrocity of Saddam Hussein's regime. Hundreds of thousands of murdered Iraqis, including women holding their children with bullet holes, lie in at least 270 mass grave sites around the country.

Saddam's mass graves represent a crime against humanity surpassed in scope only by the World War II Nazi Holocaust, Pol Pot's Cambodian communist killing fields in the 1970s, and the Rwandan genocide in 1994. Thanks to the leadership of President Bush and the valor of the American military, along with our international allies, Iraqis no longer live in fear of Saddam's brutal regime. Today, the Coalition Provisional Authority is working with thousands of Iraqi families to identify and rebury their loved ones.

In conclusion, may God bless our troops, and we will never forget September 11.

WOUNDED CREDIBILITY

(Mr. TIERNEY asked and was given permission to address the House for 1 minute.)

Mr. TIERNEY. Mr. Speaker, the credibility of this administration abroad has been wounded severely because of the misleading representations about the reasons we went into that country; and no matter how we try to rewrite history, that fact will not go away.

The administration's credibility at home has been shot. It is failing every day with the decreasing job market and the failure to do anything about it.

This House must fight the loss of its credibility with respect, especially what has been going on with the Medicare measure that passed more recently.

We now find out in today's papers and the last week's papers that the administration knew well ahead of time that this bill was going to cost substantially more than it represented it was going to cost; and in fact, a member of the administration was threatened with the loss of his job if he told Congress the facts, if he let people know the facts.

We find that the chairman of one of the committees drafting the bill was offered a $2 million-a-year job by the industry that would benefit by $139 billion over the course of that bill; and we find that a Republican Member of this House now says that although he is not running, he was told that his son would get money or not get money for his campaign to succeed his father depending on the vote on that bill.

Mr. Speaker, the credibility of this House is endangered. We need an investigation into those circumstances. We cannot afford to let the credibility of this institution go the way of the credibility of the administration.

THE RIGHT PRESCRIPTION FOR BETTER HEALTH

(Mr. REHBERG asked and was given permission to address the House for 1 minute.)

Mr. REHBERG. Mr. Speaker, I am proud of the Medicare prescription drug legislation we passed not long ago that will give more seniors more access to prescription drugs at lower costs. Sadly, a lot of seniors have not gotten the word yet. They have not heard that Medicare will now give seniors choice and control over their prescription drug plans. They have not heard that Medicare will now pay 75 percent of drug costs and 95 percent of catastrophic drug costs. They have not heard that those who choose to enroll in the prescription drug program will receive discount cards this spring entitling them to save up to 25 percent off the cost of their medications. In fact, by 2006, seniors who have elected to sign up for their new prescription benefit will pay a monthly premium of as little as $35.

On top of that, low-income seniors will receive a $600 cash subsidy to defray the costs of their medications. Plus, those with incomes below the Federal poverty level will see their drug bills virtually eliminated. Their deductible and monthly premiums will be waived, and their copays will be as little as $1 per prescription.

Groups like AARP, the American Medical Association, and the American Hospital Association agree, we have given seniors the right prescription to better health.

CONGRESS DEPENDS ON TRUTHFUL INFORMATION

(Mr. NADLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NADLER. Mr. Speaker, last year the Bush administration misled and systematically lied to the American people and to this Congress about the reasons why it said it was necessary to go into war with Iraq. We know that what they said about weapons of mass destruction, about nuclear weapons, about the biological weapons, we know all this was not true. The only question now is when they knew it was not true.

We now learn, Mr. Speaker, that the Bush administration misled this Congress deliberately and knowingly misled this Congress as to the cost of the Medicare bill by over $140 billion. We know that they threatened the actuary with being fired if he gave truthful information to Congress.

Mr. Speaker, we depend on truthful information to have democracy. Martha Stewart faces jail time for lying to the government. When are we going to hold this administration accountable for lying to the American people and to this institution so that we cannot do our work properly because we are working on false information? When are we going to appoint an independent counsel to begin to demand honesty so that we can represent the American people properly?

OUR PRESIDENT IS WORKING TO DEFEND AND PROTECT THE AMERICAN PEOPLE

(Mr. GARRETT of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARRETT of New Jersey. Mr. Speaker, when in power, Saddam Hussein posed a grave and great danger to the Iraqi people, the region's stability, and the worldwide community. He ruled by oppression, deception, and fear; and the President's decision to go to war with Iraq was the right one, and the world is safer and better off without Saddam Hussein in power.

For 12 years, Saddam Hussein used tactics of denial, distortion, and delay to prevent the world from enforcing the 1991 cease-fire agreement that ended the Persian Gulf War and numerous other U.N. Security Council resolutions demanding complete disarmament. It proves Saddam Hussein's stance against a peaceful resolve in the region.

Now, while some skeptics continue to suggest that military action in Iraq was wrong, their answer never is that Iraqis or the world would be better off left with him in power.

Mr. Speaker, I stand here today in support of the President and his decisions, for I know his one overriding responsibility is to protect and defend the American people, and our President is working to do just that.

UNEMPLOYMENT RATES

(Mrs. MILLER of Michigan asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MILLER of Michigan. Mr. Speaker, we in the Congress have been working hard to improve the economy and to help to create an environment that allows for new jobs.

This morning we received some more good news that shows that the economy is improving and that the President's economic growth package is working. The Labor Department reported that initial claims for unemployment benefits fell by 6,000 last week. This is the lowest level in more than 3 years.

By cutting taxes for every American taxpayer and job provider, we are making it easier for employers to create new jobs and certainly to help our families meet their needs. We cannot turn back the momentum in the recovery as some on the other side have suggested.

No tax increase ever created a job. The only way to continue to grow our economy and to create new jobs is to hold the line on taxes.

Today's good news is welcome, and we will continue the fight for lower taxes and for more jobs.

PENSION FUNDING EQUITY ACT

(Mr. FLAKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLAKE. Mr. Speaker, when the savings and loan industry was in the depths of its problems in the 1980s, Congress created a statutory requirement for deficit reduction contributions to be made where these pensions were underfunded. This was renewed in 1987 and actually made more stringent.

Recently, the House has considered H.R. 3108. In fact, it is in conference with the Senate at this time; and there are rumors by the Senate to actually grant waivers for these employment contributions to a couple of airlines and a couple of steel companies. To me, the only thing worse than a bailout of an industry is a bailout of certain segments or certain companies within an industry, and that is exactly what the Senate version of the bill purports to do.

We should not be going this direction. The taxpayers will be put at risk here just like they were with the savings and loan industry, and we should have no part of it; nor should we have any part of actually having government pick winners and losers in the economy, saying that you are favored but you are not. That is far worse than actually bailing out an entire industry.

I urge the House conferees to reject the Senate version and for all conferees to accede to the House version of the bill.

JOBS MOVING OVERSEAS

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, last month Siemans announced that it was moving most of its 15,000 software jobs to China, India, and Eastern Europe. We have now lost 229,000 computer jobs since 2001. Pfizer and Levis now produce none of their products in this country, even though this is where they make most of their money.

Yesterday, The Washington Post carried a story about a chemical plant in West Virginia closing this month, just after its 75th anniversary. The story said we have lost 100,000 chemical jobs in the last 5 years because of cheap foreign competition and soaring natural gas prices.

The Clinton administration locked up 213 trillion cubic feet of natural gas due to pressure from environmental extremists. Conservative columnist Paul Craig Roberts, a Reagan Treasury Department official, wrote recently, "The combination of war, job and income loss, unprecedented trade deficits, and the creation of Social Security entitlements for foreign nationals will break the U.S. long before another generation passes.

"Before the U.S. can reconstruct the world," he wrote, "it must cease deconstructing itself."

PROVIDING FOR CONSIDERATION OF H.R. 1375, FINANCIAL SERVICES REGULATORY RELIEF ACT OF 2003

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 566 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 566

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1375) to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill (except those arising under provisions of the Congressional Budget Act of 1974 other than section 302(f)) are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services and the Committee on the Judiciary now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute (except those arising under provisions of the Congressional Budget Act of 1974 other than section 302(f)) are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to the demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), my friend, pending which I yield myself such time as I may consume. During consideration of this resolution, all time is yielded for the purposes of debate only.

The resolution before us is a structured rule providing 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. The rule waives all points of order against consideration of the bill. However, the only Budget Act waiver granted in this rule is for section 302(f).

It also provides that the substitute amendment provided by the Committee on Financial Services and the Committee on the Judiciary is considered as read as an original bill for the purpose of amendment.

□ 1030

This rule also waives all points of order against consideration of the substitute, however, the only Budget Act waiver granted in this rule is for section 302(f). It makes in order only those amendments printed in the Committee on Rules report accompanying the resolution. These amendments shall be considered as read, and may only be considered in the order printed in the report, may only be offered by the Member designated in the report, and shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent; not to be subject to amendment and not to be subject to a demand for a division of the question in the whole House or in the Committee of the Whole.

Finally, this rule waives all points of order against the amendments printed in the report and provides one motion to recommit with or without instructions.

Mr. Speaker, today, I rise to introduce the rule for H.R. 1375, the Financial Services Regulatory Relief Act. This bill is commonsense legislation that will diminish or eliminate outdated statutory banking provisions to reduce the regulatory compliance burden faced by our Nation's financial institutions to improve their productivity, as well as to make necessary technical correction to current statutes.

America's banking laws are full of outdated and burdensome regulations, some dating back to the Great Depression, that have long outlived their usefulness. To address the problem of outdated rules and the rapidly advancing and highly competitive financial services industry, in 2001, Committee on Financial Services chairman, the gentleman from Ohio (Mr. OXLEY), asked the State and Federal regulators of our Nation's financial institutions to provide him with a list of regulations that they believed have outlived their usefulness.

The regulators answered the chairman's call, along with the rest of the financial services community, providing the chairman with a number of suggestions that, when enacted, will benefit consumers and regulators alike by lowering the cost of transacting financial services.

This wide-ranging list of proposals affecting banks, savings associations, and credit unions was first passed by the committee as H.R. 3951, but unfortunately the 107th Congress expired before it could be considered on the House floor. The bill that is being considered on the floor today is a new and updated version of that original legislation and remains true to the original vision of providing regulatory relief in financial services that the gentleman from Ohio (Mr. OXLEY) and the bill's chief sponsor, the gentlewoman from West Virginia (Mrs. CAPITO) had when they began this process more than 3 years ago.

This legislation accomplishes a number of important things, and in the interest of time I will only mention a few. For instance, for banks, H.R. 1375 removes the prohibition on national and State banks from expanding across State lines by opening branches. It eliminates unnecessary and costly reporting requirements on banks regarding lending to bank officials; and it streamlines bank merger application regulatory requirements.

For savings associations, the bill removes lending limits on small business and auto loans, and increases the limit on their business loans. It gives these institutions parity with banks with respect to broker-dealer and investment adviser SEC registration requirements; and it gives thrifts the same authority as national and State banks to make investments primarily designated to promote community development.

For credit unions, the bill expands the investment authority of Federal credit unions. It increases the general limit on the term of Federal credit union loans from 12 to 15 years, and it eases restrictions on voluntary mergers between healthy credit unions.

Finally, for the Federal financial regulatory agencies, the bill provides agencies with the discretion to adjust the examination cycle for insured depository institutions to use agency resources in the most efficient manner. It modernizes agency recordkeeping requirements to allow the use of optically-imaged or computer-scanned images. It clarifies that agencies may suspend or prohibit individuals charged with certain crimes from participation in the affairs of any depository institution and not only institutions for which that individual is associated.

By fixing these and many other technical and outdated problems, H.R. 1375 will allow financial institutions to devote more resources to the business of lending to consumers and less to the compliance with outdated and unneeded regulations. Reducing these regulatory burdens will lower the cost of credit for consumers and help our economy to grow and to provide more jobs even more quickly.

And while there are a number of things that Congress still needs to accomplish, like creating a uniform and cutting-edge national privacy standard for consumers, this legislation is a great step in the right direction. It will make all of our country's financial institutions more efficient, while balancing the additional regulatory burden they face each day as a result of the USA PATRIOT Act, and it will help our banks, savings associations, and credit unions to focus their compliance efforts on combating money laundering and terrorist financing, not on wasteful and duplicative regulations.

I strongly support this rule and the underlying legislation, and I urge my colleagues to do so. I would like to congratulate the members of the Committee on Financial Services who have made great contributions to this bill, including the chairman, the gentleman from Ohio (Mr. OXLEY), the gentlewoman from West Virginia (Mrs. CAPITO), the ranking member, the gentleman from Massachusetts (Mr. FRANK), the gentleman from Pennsylvania (Mr. TOOMEY), and the gentleman from Alabama (Mr. BACHUS). These are the people who have helped to bring this bill to the floor today. I am proud of what they have done.

Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, the Committee on Financial Services and the Committee on the Judiciary referred an imperfect bill to the full House. However, in a rare bipartisan move, the chairman, the gentleman from Ohio (Mr. OXLEY), the ranking member, the gentleman from Massachusetts (Mr. FRANK), and the gentleman from Ohio (Mr. GILLMOR) joined together to try to fix what is one of the more controversial elements of this bill. And they deserve credit for trying to work in a bipartisan way and to build consensus and to bring something to this floor that a majority of this House will be able to support.

Unfortunately, last night, the Committee on Rules failed to follow the lead set by our three distinguished colleagues. In what has become a very disturbing standard of operating procedure in the people's House, the Committee on Rules once again issued a restrictive rule. Now, this is the 12th rule considered by this body this year so far, and only one of them has been open. Mr. Speaker, a restrictive rule on a noncontroversial bill, and I think it is fair to say if the manager's amendment gets approved, this is a fairly uncontroversial bill, is simply undemocratic.

Every day, the people I talk to grow more and more outraged with the way this Republican leadership shuts down the democratic process in this House. This restrictive rule I think is also an insult to the former chairman of the Committee on Financial Services, the gentleman from Iowa (Mr. LEACH), who I have great admiration for. The major controversy with the underlying bill is the regulation of industrial loan companies, or ILCs. The manager's amendment includes the compromise that I mentioned, worked out among the chairman, the ranking member (Mr. FRANK), and the gentleman from Ohio (Mr. GILLMOR).

The gentleman from Iowa (Mr. LEACH), as he testified last night in the Committee on Rules, was not satisfied with the compromise language on ILCs. And as is his right, he came to the Committee on Rules last night to offer an amendment regulating these businesses. Now, during their testimony, I asked the chairman and I asked the ranking member if they supported the right of the gentleman from Iowa (Mr. LEACH) to offer his amendment on the floor today. And while they said that they had some issues with the substance of his amendment, and they would not be able to support it, they both agreed that the former chairman of the Committee on Financial Services deserves the right to offer his amendment before the full House, an amendment that deals with a very important aspect of this bill.

Now, if the chairman of the Committee on Financial Services and if the ranking Democrat on the Committee on Financial Services do not have a problem with the offering of the gentleman's amendment, why in the world does the Committee on Rules have a problem with the gentleman from Iowa being able to offer his amendment?

The amendment that was brought before the Committee on Rules was completely in accordance with the rules of this House. There were no waivers that were required in order for it to be considered on the floor today. In fact, if this was an open rule, he would be able to offer the amendment. There would be no problem. The gentleman from Iowa (Mr. LEACH) is a distinguished Member of this House who drafted this amendment in a thoughtful way, and I believe that the former chairman of the Committee on Financial Services deserves more than he is getting here today.

There are other amendments that were brought before the Committee on Rules last night that were not made in order. In addition, the Committee on Rules set a deadline for submitting amendments to the committee of 10 a.m. yesterday morning. By the time the Committee on Rules convened to report the rule last night, the Republican leadership knew full well that only 10 amendments would be offered today. Instead of granting an open rule so that all 10 amendments could be considered under regular order, the Committee on Rules granted this rule which provides for 1 hour of general debate and 70 minutes for consideration of the amendments.

With this restrictive rule, the Republican leadership not only shuts out one of their more distinguished Members but other Members who would like to offer amendments to this bill. Again, during the hearing last night in the Committee on Rules, both the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Ohio (Mr. OXLEY) made mention of the fact that all these amendments could be dealt with in a relatively short period of time; that there was no reason why some of these amendments needed to be shut out of the process.

For the life of me, I cannot figure out why the Committee on Rules and the Republican leadership continues to insist on shutting down democracy in this House of Representatives. Sometimes, like today, it seems as though they stifle debate just because they can. It is like a bad habit they cannot break. Mr. Speaker, the Republican leadership is addicted to their own power, and I urge them to take the first step toward recovery by admitting that they have a problem, a big problem. And it is not too late. Democrats stand ready to help you, there are thoughtful Members on the Republican side who stand ready to help you.

There is no reason why this bill needs to come to the floor today under this restrictive process. This should be an open process. This should be a relatively noncontroversial process, but you have made it more controversial than it needs to be. So I hope the Republican leadership at some time comes to their senses and does the right thing, but I am not holding my breath. But we are going to continue to insist that this process be more open and be more democratic.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume, and I would stand to be corrected, Mr. Speaker, but as I recall the testimony last night in the Committee on Rules, it was that the chairman of the Committee on Financial Services said that he had no problem making the amendment of the gentleman from Iowa in order, but would defer to the Committee on Rules to make that decision. And, in fact, we did.

Mr. McGOVERN. Mr. Speaker, will the gentleman yield?

Mr. SESSIONS. I yield to the gentleman from Massachusetts.

Mr. McGOVERN. Mr. Speaker, maybe we need to go get the text of the hearing last night. I asked specifically whether or not either the gentleman from Massachusetts (Mr. FRANK) or the gentleman from Ohio (Mr. OXLEY) had a problem with the gentleman from Iowa (Mr. LEACH) offering his amendment, and the answer was no. There was no qualification.

So that is why I asked the question. And I repeated it several times during the hearing to make the point that even though they had some problems with the substance of the gentleman's amendment, they had no problem with him offering his amendment.

Mr. SESSIONS. Reclaiming my time, Mr. Speaker, I thank the gentleman for his comments, and as part of that same openness to the gentleman from Davenport, Iowa, I yield 8 minutes to the gentleman from Iowa (Mr. LEACH), the former chairman of the Committee on Financial Services, or perhaps it was the Committee on Banking and Financial Services at that time.

Mr. LEACH. Mr. Speaker, I thank the gentleman for yielding me this time, and let me just say that it is with the greatest sadness and discomfort that I rise in opposition to the rule, and because of the rule, I am also obligated to oppose, with every degree of intensity I can, the underlying bill.

□ 1045

Let me explain what is happening before this House. The underlying bill is a bill that is a deregulatory bill. It is good in many ways for virtually every sector of the financial community in parts. It is not necessarily good in all parts for the public interest. Some of this bill I very much support. Other parts of it I very much object to. But embedded in the bill is a new empowerment, an empowerment that goes to a charter that virtually nobody in the public has ever heard of called industrial loan companies. Industrial loan companies will now be able to offer virtually every feature and service of a commercial bank, but they will be able to offer it without the protections to the public comparable to that authorized for commercial banks.

What this implies is that we have a breach of what is called commerce and banking; that is, industrial loan companies can be owned by commercial entities. We also have a breach of standards of regulation that have come to be commonplace in the United States and now in Europe, what is called consolidated regulation. In America, we do this in the Federal banking statutes in which the Federal Reserve Board is the consolidated regulator of holding companies.

What we have here is an exception to that rule. What it means, and I think this Congress should understand this, is that there are a number of problems that occur in banking now and again, or financial services. One relates to incompetence, and so you have regulatory authority. In this case, the FDIC will be a partial regulator of these institutions. Then you have a problem that relates to very sophisticated new instruments of finance, particularly those described as derivatives kinds of products. Historically these are the province of larger institutions. Now they are increasingly used by smaller institutions. Industrial loan companies used to be very small, mom-and-pop in the financial services industry kinds of institutions. None up to 1987 was as large as $400 million in assets. Most were under $50 million. Now we have one that is $60 billion and we have eight that are over $1 billion in size. It is becoming the obvious charter of choice to a lot of companies.

But then let me also mention that you have a problem of criminality and criminalities of many kinds. It can be American-derived; it can be foreign-derived. One of the roles of the Federal Reserve of the United States is the gatekeeper to access to the American financial system, which is the Federal Reserve system, and what this statute will say is that the Federal Reserve system can be tapped by institutions, foreign or domestic, which the Federal Reserve will not have the power to regulate. And so if you take a Latin American bank, a Russian bank, if they get chartered by one of the five States allowed to authorize industrial loan companies, they will be able to tap into the payment system and to Federal deposit insurance and without Federal Reserve oversight.

I will tell you, this is a scandal. It is nothing less. It is an embarrassment to the committee of jurisdiction; it is an embarrassment to the Committee on Rules. Because all I asked the Committee on Rules to do was allow a single, short amendment that simply said if the new powers under this act come to be applied, an institution would have to come under the Federal banking statutes, meaning Federal Reserve oversight of the holding company. But the fix was in. The power groupings did not want this to happen. I will say to you in my time in the United States Congress, this is the greatest microcosm evidence of special interest reasoning that does not even allow debate on this subject in an amendment on the House floor.

I happen to be the senior member of the committee of jurisdiction, a former chairman. I consider it not particularly uncivil to me that I am not allowed to offer this amendment, but I consider it an embarrassment to the House that this issue cannot be debated on the most important banking bill that is going to be before this Congress this year. Just so that no one is under any disillusionment, I am not on a hare. Chairman Greenspan and the Federal Reserve could not feel stronger about an amendment.

Mr. Speaker, we have seen in finance over the last decade some difficulties that have arisen. They have arisen because we have empowered the big without appropriate oversight. A legislative body really has a great deal of difficulty of understanding the subtleties of modern day finance. That is why we establish institutions in America that are designed to be the experts in this area. Most particularly we look in finance at very large levels, for example, in derivatives products, in money laundering, to holding company oversight to the Federal Reserve of the United States.

This Congress is saying that we do not want to see that oversight. This Congress is saying in this bill that we want to loosen things up. Here let me go to the structure of the bill because we have an interesting grandfather provision. We will say some will have these powers. Others after given dates of incorporation will not. Part of this is derived from a desire among some to stem a particular institution to get certain powers. I am not against any single institution. I am for everyone coming under the same law of the United States. This puts inequality under the law between financial institutions, ILC versus others, and then between types of ILCs. It is really preposterous.

All I am suggesting to this body is let us have evenness of law, let us have credible law to protect the public, and let us also recognize that when you make it easier for people to tie into the payment system that are foreign, you are inviting money laundering, among other things. You are inviting criminality. You are making it easier for the national security of the United States to be jeopardized. It is in that context that I would say to the committee of jurisdiction, I am deeply disappointed that this simple amendment could not be offered on this floor and, therefore, I must oppose this rule. I hesitate to oppose rules of my political party, but I have no option except to do so. I have to oppose the underlying bill even though there are a number of provisions in it that I strongly support. But this jeopardizes the United States public and the United States national security and I am deeply appalled.

Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume.

I just want to commend the gentleman from Iowa for his comments. Again, I wish that he had the opportunity to offer his amendment because I think there were a lot of Members who share his concerns. Maybe before this debate is over with, we can get an explanation from someone on the Committee on Rules as to why his amendment which was perfectly in order, required no budgetary waivers, was not allowed here, which I think is really unfortunate. We certainly have the time to be able to debate it and every Member should have the right to vote up or down on it.

Mr. Speaker, I yield 8 minutes to the gentleman from Massachusetts (Mr. FRANK), the ranking Democrat on the Committee on Financial Services who most recently David Broder in a Washington Post article referred to as one bold thinker among Democrats, one of the most effective Members of this House.

Mr. FRANK of Massachusetts. Mr. Speaker, I deeply appreciate my colleague and neighbor's generous remarks and I am abashed that I bring nothing bold to this debate. I apologize, but sometimes boldness is not appropriate. I think this legislation is a very well balanced one and I will be, when we get into the substantive debate, arguing for it. There are a couple of amendments that will be offered. The gentlewoman from California has a good one that I believe will prove noncontroversial. The gentleman from New York has one that I think is a good consumer protection amendment that we will have some controversy about.

What this bill tries to do is to continue what I believe has been the pattern in the committee which we dealt with last year with regard to the extension of the rules governing credit. That is, recognize the importance of market forces while at the same time providing those consumer protections and those public interest protections that the market is not designed to do. That is, I think our posture ought to be that the market works, the market is a great mechanism for creating wealth and providing services and creating goods but that you cannot leave it entirely alone, and our job is to try and do such regulation as vindicates important public interests but not to the point where you might become a burden on the market. This is a bill that tries to fine-tune that sum, that cuts back in some areas in regulation in ways that I do not think cause trouble.

Let me just address the gentleman from Iowa for whom everyone in this House has a great deal of respect both for his own commitment to the legislative process as a very serious effort and from his own expertise on the committee. I differ with him substantively on this and we will get into it more when we get into the manager's amendment. I did, as my friend from Massachusetts said, agree that the amendment ought to be offered. I would have voted against it. We debated it fully in the committee.

I do want to just respond briefly. One of our differences, I think, between myself and the gentleman from Iowa is that I think he equates not regulation by the Federal Reserve to not regulation by anybody else. There is, after all, under the existing law regulation, for example, by the Federal Deposit Insurance Corporation. It is not simply in this area, but there have been other areas where I think the notion of the Federal Reserve being the only regulator is a problem.

Mr. LEACH. Mr. Speaker, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Iowa.

Mr. LEACH. The gentleman is correct. The FDIC will regulate the depository institution but it cannot regulate the holding company. And what the Federal Reserve would do is regulate the holding company and would leave the FDIC as the primary regulator of the institution as it would be under the current law.

Mr. FRANK of Massachusetts. I understand that. But I believe that in this case, the entity that has a claim on the deposit insurance, that gets into the payment system, will be the entity that is regulated by the FDIC. Let us be clear in this bill, we are not creating ILCs. ILCs have been in existence for a considerable period of time. They are especially important in the States of California and Utah. I believe we will hear from some of our colleagues from California and Utah who think we are being unduly restrictive toward institutions which they say, experience has shown, play a useful role and do not interfere.

Mr. LEACH. If the gentleman will yield on that point, I think the Congress ought to be made aware that under law only five States can have ILCs. One is Utah, one is California, with Utah being the dominant one. But to vote for this approach means that people from 45 other States are going to see their institutions disadvantaged and devalued based upon our empowering institutions that can only operate in five States. It is really a quirk in the law that ought to be thought through.

Mr. FRANK of Massachusetts. Yes, I understand that. But I would differ that they were disempowered. I must tell the gentleman, here we may have some difference. I do not think our function here ought to be to worry about institutions. Our job is to worry about the economic function that institutions perform and what they offer consumers.

I understand that institutions will say this puts them at a disadvantage. I have been dealing with businesses in America for my 24 years here, in the Committee on the Judiciary with one set of businesses, in the Committee on Financial Services with another. Economists have downward sloping curves and upward sloping curves. We have a downward sloping metaphor. I am convinced from listening to testimony all this time that every single business in America is at a competitive disadvantage versus every other business. It is like in Lake Wobegon where everybody is above average. Here everybody is below in competitive advantage. Everyone argues that they have got a competitive disadvantage.

We are not here to protect institutions or to listen, I believe, to complaints that, gee, this one is a little unfair compared to the other in the way it ought to function. We also should note that in this bill which would allow them to extend to other States, there is a new restriction and that is the one that the gentleman referred to with the grandfathering, the institutions, any new ones would have to meet a certain test, others will have been in existence.

The other thing I would mention, though, is this. To the extent that we are talking about institutions that are not regulated by the Federal Reserve but have access to various advantages that we give banks, there is nothing unique about the ILCs in that regard. There are other banks in this country of various sorts that are regulated. As the gentleman knows, we have the Office of the Comptroller of the Currency, we have the FDIC, we have the

Office of Thrift Supervision, we have State bankers. There are other banks that do not have Federal Reserve supervision. There is a difference between us. I understand there is a view, and the gentleman from his own long years of study and I differ, for example, with regard to the Basle Accords internationally. Many of us found an overreach by the Federal Reserve. There is a view that says the Federal Reserve is the kind of lead regulator and the others are relegated. I disagree with that.

Mr. LEACH. If the gentleman will yield further, what is being established by this law is the notion that comparable institutions in 45 States will come under Federal law and in five States will not in a very significant area of Federal law and, that is, holding company regulation.

□ 1100

That is really bizarre. We are saying five States will not operate under Federal law; 45 States will.

Mr. FRANK of Massachusetts. Mr. Speaker, reclaiming my time, I would differ with the gentleman. There is this problem we have here, which is, certainly, the notion of grandfathering is not unique. If one is doing something that might pollute the air in California, they are subject to different laws than if they are doing it in Iowa. We do not have this absolute uniformity. And part of the problem we have is this: when we decide to change laws in any area, banking, pollution, other cases, we sometimes find that there are existing patterns in particular States, and we have this dilemma. We do not want to necessarily nationalize them, but we do not want to disrupt existing arrangements. So the notion in this very diverse country that we will sometimes have a lack of uniformity is inevitable if we are going to be able to legislate sensibly; otherwise every time we try to do something new, we will be faced with the notion that we have to uproot what exists. I do not think that is a problem, but I do want to stress again the fact that there will be financial institutions that are not regulated by the Federal Reserve, which is nothing new; and leaving aside ILCs, there are other financial institutions not regulated by the Federal Reserve. I know we will debate this later because my understanding is when we get to the manager's amendment, which is to restrict ILCs to vis-a-vis the bill, we will have some opposition from people who think we are being too restrictive.

But I just wanted to get back to my central theme, and I just would add one other thing to my friend from Iowa. As my friend from Massachusetts said, when I was asked, I said I thought his amendment ought to be in order, and the gentleman from the Committee on Rules said that I defer to the Committee on Rules. That is the wrong verb. Being a man of some awareness of my surroundings, I often find that I submit to the Committee on Rules. There is not anything voluntary about it. That is a fact of life. But I would say to my friend from Iowa I appreciate the feeling he has now. I hope the next time a rule comes up in which significant Democratic amendments are restricted that his indignation might carry over a little bit and that he will not necessarily vote for such rules.

What this bill does in summary is to say that we understand the need both to have regulation and to keep it updated so that it meets its public interest requirements and does not become excessive.

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the gentleman from Duluth, Georgia (Mr. LINDER), from the Committee on Rules.

Mr. LINDER. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS), my friend and colleague, for yielding me this time. I rise in support of the rule and urge my colleagues to join me in approving it.

H. Res. 566 is a structured rule that makes in order a total of six amendments. Of that total, three are sponsored by Democrats and three by Republicans. This is a fair and balanced rule that will allow the House to work its will on a number of different issues, and this rule should be overwhelmingly approved by the House.

With respect to the underlying legislation, H.R. 1375, it would streamline the regulatory compliance process for banks, thrifts, and credit unions and would eliminate or alter outdated, ineffective, and duplicative regulations. Removing existing burdens on depository institutions has become even more necessary since the enactment of the 2001 USA PATRIOT Act which mandates that depository institutions, in addition to other functions, focus compliance efforts on combating money-laundering and terrorist financing.

Some highlights of H.R. 1375's provisions relating to credit unions include streamlining procedural requirements and voluntary mergers between healthy credit unions, providing an exemption to existing law to allow private insured state-chartered credit unions to join a Federal Home Loan Bank, and increasing the general limit on the term of Federal credit union loans from 12 to 15 years.

H.R. 1375 would also remove ineffective regulations governing banks and thrifts. Under the legislation, the prohibition on national and State banks expanding across State lines to open branches would be eliminated, bank merger application requirements would be simplified, limits on thrifts for small business and auto loans would be removed, and thrifts would be given the same authority as national and State banks to make investments primarily designed to promote community development.

In conclusion, H.R. 1375, sponsored by the gentlewoman from West Virginia (Mrs. CAPITO), streamlines some of the outdated and ineffective regulations that have been hindering the financial and business activity of depository institutions. Removing these burdensome regulations will not only encourage productivity but will also save depository institutions valuable time and money.

Mr. Speaker, I urge my colleagues to support the rule so that we may proceed to debate the underlying legislation.

Mr. McGOVERN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York (Mr. WEINER), one of the more thoughtful Members of this House and a member of the Committee on the Judiciary.

Mr. WEINER. Mr. Speaker, I want to express my gratitude to the Committee on Rules for making my amendment in order and to the sponsors of the Financial Services Regulatory Relief Act, which seems to be an excellent piece of legislation, although somewhat complex for those of us who are not familiar with banking law.

My amendment is both very simple, very easy for average consumers and businesses to understand. In fact, I believe when many of my colleagues are confronted with my amendment, they are going to be shocked that what I proposed to ban is even permitted in the first place.

We all know that when someone writes a check to someone, let us say they are buying an air conditioner at a local appliance store, they write a check. If they do not have sufficient funds to cover that, very often in addition to having to make up the funds for the bounced check, they get a fee from the bank. I think many of us can quibble about whether that fee is too high or not, whether it is fair. However, that is reasonable. They have violated the essential rules of the transaction by not having enough money in the account.

What many Americans do not realize is that small business who is selling them that air conditioner, also when they have the check bounce, they are out the money. They have lost their air conditioner because they have already turned it over to the customer. But little known to many Americans is they also pay a fee. Banks charge the victim of a bounced check fees in the magnitude of $10 to $25 and in some cases $30. Seventy-five percent of all banks in the country charge this fee to the victim. We may hear arguments that, well, it costs us some money for the transaction. I do not dispute that. In fact, the person who is bouncing the check is paying a fine. What is unique about this practice that my amendment seeks to ban is it takes a customer who has done nothing wrong, they have followed every single rule of their bank, every single rule of trust, every single rule of good faith, and there is no way they can avoid this fine. And who is getting it? Average consumers get it from time to time when someone purchases something from someone and they accept a check, but more often than not it is small businesses who are victimized. That is why so many small business groups are in favor of this amendment. The Consumer Federation of America representing consumers is supportive of this amendment.

I, frankly, would defy anyone to tell me why the person who received the check should be penalized or sanctioned. Do not argue to me that they need to be disincentivized or discouraged from accepting a check. Believe me, no one intentionally takes a bad check. They are already harmed in many ways. Do not tell me that there is money that it costs to process the transaction. That could very well be the case. The only point I am making is why should the person who has already been harmed once be harmed again?

And perhaps the worst possible reason is the one that underlies all of the opposition to this amendment to the extent that there is any. Banking institutions said, Hey, Congressman WEINER, we make a lot of money on this. That is not a good enough reason. Frankly, the rules of the banking system, like any rule, like any law, should provide people fundamental rules of the road, should provide disincentives to do something bad, should punish someone who does something bad; and at the end of day in the final analysis if they are a good citizen, a good consumer, they should be able to avoid the sanction.

In the case of this fee, there is no way that any of those four things apply. They cannot avoid the fee. They cannot do anything. They can ask, I want to see ID, I want to see their driver's license. You cannot even call up the bank and say, hey, does Mr. Smith have enough money in his account, because privacy laws now prohibit releasing that type of information. Simply put, there is no rational reason why the victim, the small business that is the victim, should have to pay this fee, and there is no reason why the consumer who is the victim of a bounced check should have to pay this fee.

I will be offering an amendment that, as I said, I am grateful to the Committee on Rules for making in order which will say they simply cannot charge this fee. This is one that is not fair. I do not care if they disclose it in bold print, it is simply not fair, and anyone who believes it is have them come to this floor and say during this debate that we believe it is fair. It has no more connection to the person who received that check than it is to someone walking by the bank that day, charging them the fee. There is no connection with what they did either, other than being in the wrong place at the wrong time.

If the banking community believes that they need additional money to pay for these transactions, there are plenty of ways that they can deal with this. They can charge more at the front end. They can have interbank relationships that say, You have a customer that wrote a bad check and we want a few dollars from you to help cover it, or they can spread out the cost throughout if it is that substantial, which I frankly do not believe it is. Some estimates say it is as low as 62 cents, even when the banks themselves say that they have a case where someone can test and I want a copy and I want to debate it; even that only costs them $4 or $5 or $6. The simple fact is this is a way that victims are victimized again, and I urge support of the Weiner amendment.

Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume to close for our side.

Let me just again get back to the issue of the rule. I understand that there may be occasions for rules to come before the Members of this House that are not completely open, and the majority does after all have the responsibility of making sure that this House runs, that the legislative agenda moves forward. And I would prefer that any rules that come to the floor that have any kind of restrictions in them be done in consultation with the chairman and ranking members of the appropriate committees and subcommittees.

But here we have a situation where the ranking member of the Committee on Financial Services and the chairman of the Committee on Financial Services said that they had no problems with the amendments that were being offered last night; and specifically in response to a question by me regarding the gentleman from Iowa's (Mr. LEACH) amendment, they said they had absolutely no problem with his offering that amendment on the floor today. And I do not understand why the majority of the Committee on Rules decided last night to cut the gentleman from Iowa (Mr. LEACH) out of the process.

There has been a very interesting dialogue between the gentleman from Iowa (Mr. LEACH) and the gentleman from Massachusetts (Mr. FRANK). This is obviously a very important issue. Members have strong feelings on both sides. This is the kind of amendment that we should have a debate on on the floor and Members of both sides should be able to vote up or down on. And it is not like we do not have the time. According to the schedule that the majority put out today, we are going to be out of here by three o'clock. I do not think this would take very much time. They do not want to deal with issues of substance. We cannot deal with the extension of unemployment benefits. We cannot deal with a trade bill to stop sanctions against U.S. products. I do not know where the transportation bill is or health care bills or anything else, but we do have this bill on the floor. We do have the time. And it just seems to me to be somewhat puzzling that they could not find it within their wisdom last night as the majority to allow this amendment to come to the floor and for Members to vote up or down on it. Maybe it is just because they are in the habit of restricting things and closing things down.

But it just seems to me on a bill that is relatively noncontroversial where the chairman and the ranking member have no problem with the gentleman from Iowa (Mr. LEACH) offering his amendment, I do not understand why the Committee on Rules has such a big problem. And I think it is unfortunate, and I think Democrats and Republicans need to continue to point out the unfairness of this process. We can do much better. And on bills like this, there is absolutely no reason why this should not have been a wide-open rule. We could have handled this in a reasonable period of time, and we could have respected all the Members of this House, both Republican and Democrat; and I just think it is unfortunate that this is becoming a trend in the Committee on Rules.

We only had one open rule this year, notwithstanding all the great speeches those guys give about how they are committed to openness. This is not how we should be doing this, and I apologize to the gentleman from Iowa (Mr. LEACH) and others who did not have their amendments made in order last night, but I hope in the future that we do better.

Mr. Speaker, I yield back the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts does raise many very important points including that the distinguished chairman, former chairman, of the banking committee did appear before the Committee on Rules last night. The gentleman from Iowa (Mr. LEACH) is a very valuable and important and thoughtful member of our conference. The fact of the matter is the Committee on Rules has, in our own judgment, a lot of things which we consider on a regular basis, and some of those things do deal with whether a person chose to have a vote in the committee of jurisdiction or not. The fact of the matter is that the gentleman did not request a vote in the committee of jurisdiction that he came from.

☐ 1115

And we felt like that in the interests of us moving things on the floor, that it would be best in this circumstance to let the committee of jurisdiction speak on that matter. They chose not to; the gentleman chose not to. We do not always feel that bringing it to the floor is the correct place.

Mr. McGOVERN. Mr. Speaker, will the gentleman yield?

Mr. SESSIONS. I yield to the gentleman from Massachusetts.

Mr. McGOVERN. Mr. Speaker, I am just trying to figure all of this out because, in the past, the Committee on Rules has used the excuse that Members have brought amendments up in their relevant committees of jurisdiction and they have not passed, so therefore we should make them in order. Now you are saying that because he did not, the gentleman from Iowa did not bring his amendment up in his committee of jurisdiction, that it should be made in order. So I do not understand.

Mr. SESSIONS. Mr. Speaker, reclaiming my time, as a matter of fact, the gentleman is correct. But there are circumstances many times related to how close a vote is, whether it is controversial; there are a number of things which identify that as what we might call or term a jump ball. It is important at various times for the Committee on Rules to look at and to weigh those things which we believe are important to the efficiency of the use of this time on the floor.

In this case, we made a determination as to what we were going to do. We have made 3 Democrat amendments in order, we have made 2 Republican amendments and a manager's amendment in order. I believe that the time which we took yesterday in the Committee on Rules was appropriately done by the young chairman of the Committee on Rules, the gentleman from California (Mr. DREIER), and I am very proud of what we have done.

Mr. Speaker, I urge my colleagues to join me in supporting this rule and the underlying legislation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of the rule as reported out of the Committee for H.R. 1375. While portions of this bill that fall under the jurisdiction of the Judiciary Committee came for review and analysis, I generally supported the version of H.R. 1375 as reported out of the Committee; however, I shared one reservation about a provision that was not addressed at the Committee markup. Section 609 of H.R. 1375 amends section 11(b) of the Bank Holding Company Act of 1956, 12 U.S.C. 1849(b), and section 18(c)(6) of the Federal Deposit Insurance Act, 12 U.S.C. 1828(c)(6), by reducing the minimum waiting period from 15 calendar days to 5 calendar days for banks and bank holding companies to merge with or acquire other banks or bank holding companies. Although no amendment was offered at the Committee, we feel that this provision should be struck from the bill.

Community organizations have raised concerns about this provision, which reduces to five days the pre-merger, mandatory 15-day waiting period with the Attorney General's approval. During the course of a bank merger process, both the Federal financial supervisory agency and the Department of justice review the merger proposal for competitive concerns. After a Federal Banking agency approves a merger, DOJ has 30 days to decide whether to challenge the merger approval on antitrust grounds. At a minimum, the merging banks must now wait 15 days before completing their merger. Currently, banking law allows third parties, other than Federal banking agencies or DOJ, to file suit during the post-approval waiting period. As proposed, section 609 would reduce the minimum 15-day waiting period to 5 days when DOJ indicates it will not file suit challenging the merger approval order.

This provision is anti-Community Reinvestment Act, CRA, and strips the organizations' right to seek judicial review of Federal bank merger approval orders. Without such review, community organizations will be deprived of impartial means and mechanisms for ensuring that CRA performance obligations are taken into account when considering merger approvals. Community-based organizations use such suits to obtain information about the merger and ensure that the merger will not result in disproportionate branch closures in low-income or minority communities. These organizations play an important role in the public interest. The mandatory 15-day waiting period should remain intact and section 609 should be removed from the bill, if passed today.

My amendment, number 9, would amend section 607 of H.R. 1375 as drafted. The specific language of this amendment reads:

> SENSE OF CONGRESS.—It is the sense of Congress that, when a requesting agency requires expeditious action on an application for a merger transaction, consideration should be made as to the impact the merger transaction will have on corporate and individual customers in an effort to ensure that no harmful effects will result from the merger transaction.

This amendment, while very substantive, is also a less intrusive attempt to ensure that the emergency expedited application process for merger transactions called for in section 607 of this legislation will not allow applicants to harm customers and/or communities with the increased share of the respective market that will result from the transaction formed, as compared to my other amendment, Jackson-Lee No. 9. Under this "sense of Congress" provision, Congress will make clear its intent to retain an important degree of oversight over the expedited process provided for in section 607 as drafted. The import of this amendment only spells out what should already be inherent in the operation of our Federal Reserve Board. It is clear, however, that such a provision is necessary because so many individuals and communities are suffering from disparate treatment by lending institutions.

When we allow expedited review of a corporate act so substantial as a merger and of an act that will affect so many consumers, we must be very careful in conferring latitude to institutions or in curtailing our own oversight authority. The banking institutions covered under this legislation play a vital role in the lives of many individuals and corporations who receive their services.

In the case of the recent JP Morgan and Bank One merger, Bethel New Life, Inc. expressed on the Federal Reserve Board's record the fact that this transaction had a tremendous impact on the Chicago area. It was explained that the loss of a bank headquarters would result in job loss, less civic interest and commitment, and less detailed knowledge of the local community. Furthermore, there would be less interaction between senior bank staff and the variety of people involved in community development in underserved communities. A bank, merger if the bank is willing, may give community groups the opportunity to engage in discussion with the bank(s) about future community reinvestment goals. The Jackson-Lee Amendment No. 9 seeks to ensure that this kind of respect for the underserved communities remains intact with sufficient Congressional oversight.

While this legislation purports to facilitate the work of lending institutions by allowing them and other depository banks to devote more of their resources to the business of lending, section 607 makes it possible for some transactions to escape very important scrutiny.

As we see in the recent merger of J.P. Morgan Chase & Co., JPMCC, and Bank One Corporation, the capture of large portions of consumer markets in quick and easy transactions allow many individual and corporate customers to experience a negative impact of the transaction. The consolidation of the finance industry so rapidly allows institutions to exclude large parts of their activities from requirements set forth in the Community Reinvestment Act, CRA. CRA has been instrumental in increasing affordable housing, and making sure that banks throughout this country play a more responsible role in their communities. The CRA is working extremely well and must not be weakened by provisions such as those found in section 607. Instead of diminishing the CRA and other oversight tools that are in place, we must strengthen them. If this legislation passes as drafted, potentially fewer people will realize the dream of homeownership, fewer small businesses will get off the ground, fewer jobs will be created, and fewer neighborhoods will be rebuilt.

The CRA was enacted in 1977 to address these concerns by requiring banks to make loans in neighborhoods where they collect deposits.

Section 607 as drafted could allow for the virtual elimination of the oversight authority conferred through measures such as the Community Reinvestment Act relative to Houston businesses and individuals, as most of the authority will be vested in New York and diverted from Houston. Significant Community Reinvestment dollars are necessary for home loans for minorities, the development of affordable housing, small business loans for minorities, procurement opportunities for minority businesses, community lending for minorities, and community investment for industrial, commercial and social facilities in minority communities. It is absolutely essential that you thoroughly examine this merger in order to ensure that proper conditions are made to mitigate the imminent adverse affects on Houston's minority community.

The CRA is only enforced in connection with banks' merger and expansion applications as is the subject of section 607. The Federal bank regulatory agencies periodically evaluate banks for their compliance with CRA and assign them one of four ratings: Outstanding, Satisfactory, Needs to Improve or Substantial Non-Compliance. In 1998, the agencies rated over 98 percent of banks as either Outstanding or Satisfactory, despite that fact that, for example, the banking industry has continued to deny the mortgage loan applications of African Americans and Latinos twice as frequently as those of whites. Thanks to databases compiled under the Home Mortgage Disclosure Act, HMDA, data are made available to show stark statistics about loan approvals and loan denials that banks are required to make public each year.

Mr. Chairman, I urge my colleagues to support Jackson-Lee No. 9 and support the legislation with this amendment and that of Mr. OXLEY.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3800

Mr. LINDER. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 3800.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Georgia?

There was no objection.

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1375 and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FINANCIAL SERVICES REGULATORY RELIEF ACT OF 2003

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Pursuant to House Resolution 566 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1375.

□ 1119

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1375) to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio (Mr. OXLEY) and the gentleman from Massachusetts (Mr. FRANK) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am pleased to bring to the floor today H.R. 1375, bipartisan legislation making a number of changes to Federal banking, thrift, and credit union laws that will enable these sectors of the financial services industry to operate more productively and provide a higher level of service to their customers.

I want to begin by recognizing the efforts of the principal sponsor of this legislation, a valued member of the Committee on Financial Services, the gentlewoman from West Virginia (Mrs. CAPITO), as well as her primary democratic cosponsor, the gentleman from Arkansas (Mr. ROSS). In putting together this legislation, the gentlewoman from West Virginia (Mrs. CAPITO) and the committee consulted extensively with the Federal banking and credit union regulators, as well as affected private sector parties, to fashion a package that, by removing unneeded or outdated legal restrictions, helps to maintain the competitive standing of the U.S. banking and financial services system that has no equal in the world.

In the aftermath of the September 11 terrorist attacks on America, President Bush and this Congress have called upon the financial services industry to play a major role in the effort to starve al Qaeda and like-minded organizations of the funds they need to inflict terror on the civilized world. Title III of the USA PATRIOT Act enacted shortly after the September 11 attacks imposes a host of new mandates and due diligence requirements on financial institutions designed to identify and block the movement of terrorist funds through the global financial system. Committee on Financial Services has conducted extensive oversight on the implementation of title III, and I think I speak for many members of the committee in applauding the seriousness and sense of commitment with which the financial services industry has gone about fulfilling the front-line responsibilities it has been asked to assume in the financial war against terrorism.

Shouldering these burdens is not without significant costs, of course. The changes made by the PATRIOT Act require banks and other depository institutions to devote significant compliance resources to monitoring and examining transactions, verifying the identities of new customers, and responding to inquiries by law enforcement authorities seeking to track terrorist finances through the U.S. banking system. Both as a way of offsetting these new expenses and freeing institutions to devote sufficient resources to PATRIOT Act compliance and serving their customers, the committee began during the last Congress to try to identify regulatory or statutory requirements that could have outlived their useful purpose and could be eliminated without any adverse affects on the safety and soundness of the banking system or on basic consumer protections. H.R. 1375 is the end result of that process.

The legislation, which enjoyed bipartisan support in the Committee on Financial Services, reflects significant contributions from several members of the committee. For example, the bill incorporates legislation authored by the gentleman from California (Mr. OSE) which would permit credit unions to offer check-cashing and wire transfer services to individuals who are not members of the credit union, but are within its field of membership, thereby promoting alternative sources of banking services for many low- and moderate-income Americans. An important amendment offered in committee by the gentleman from Oklahoma (Mr. LUCAS) would greatly improve coordination between home and host State supervisors of State-chartered banks that operate branches in multiple States.

I also want to commend the gentleman from Ohio (Mr. GILLMOR) and the ranking member, the gentleman from Massachusetts (Mr. FRANK) for their hard work in crafting a compromise on an issue that was the subject of spirited debate in the committee: the extent to which certain commercially owned industrial loan companies, which are insured depository institutions chartered in a handful of States, should be permitted to exercise the new branching authority provided for in section 401 of the bill. I will offer a manager's amendment later today that incorporates the good work of the gentleman from Ohio (Mr. GILLMOR) and the ranking member on this difficult issue.

Finally, I want to thank the gentleman from Alabama (Mr. BACHUS), the chairman of the Subcommittee on Financial Institutions and Consumer Credit, for quarterbacking this effort in his subcommittee and helping to shepherd it through the full committee.

Thanks to hard work of the gentlewoman from West Virginia (Mrs. CAPITO) and the gentleman from Arizona (Mr. ROSS) and many other members of our committee, the House will have an opportunity to vote later today on legislation that improves the productivity and efficiency of our financial services industry. A vote for this bill is a vote to allow banks, thrifts, and credit unions to channel their resources away from complying with unneeded regulatory mandates and toward making loans and providing other financial products and services to consumers and to their small business customers, which can only help fuel economic growth in local communities across this country.

I strongly urge my colleagues to support this bipartisan piece of legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to express my appreciation to the chairman of the committee and the chairman of the subcommittee, because this is another example of where we have been able to work in a cooperative way. We do not agree on everything, but our method of operation allows us to refine our disagreements and to present to the House some legitimate policy disagreements, but in a form and in a context that does not interfere with our ability to go forward where there is consensus.

There will be two amendments that we will be debating. The gentleman from Alabama will offer one, which I plan to oppose, that would reject a request from the FDIC to make it easier for them to proceed against people in the banking area that they think have been negligent. The gentleman from New York (Mr. WEINER) will be offering an amendment that I think protects consumers. I feel strongly in favor of that one. Other than that, I believe we have agreement at the committee level. I want to emphasize, and I must say I am very hopeful that the Weiner amendment will be adopted, but we will have to see what happens.

I just want to reiterate my view that this reflects what I think ought to be our approach; namely, we start with respect for the market and an understanding that the free market is the best way to make our economy prosper. Particularly in the financial area that our committee has jurisdiction over, the role of the institutions as intermediaries in garnering the financial resources that are then made available to the people who do the production of goods and services, that is very important; and it is our obligation to make sure that that can be done with the maximum efficiency.

At the same time we recognize, many of us, that the market is not perfect. It does well what it is supposed to do, but there are areas of importance in our life that the market does not deal with. There are also inevitable tendencies in any institution, government, the private sector, the nonprofit sector, to do things that if there were constraints, it should not do. That does not mean that they are evil or that they are dysfunctional; it just means that human nature being what it is, no entity ought to be able to function without some restraints.

So our job is to provide for consumer protection in particular, which the market itself would not automatically do. Let me check that. In some areas I think we can rely on the market in the consumer area. There is a major merger, or a major sale in New England going on now where Fleet Boston is being bought by Bank of America. I have worked very closely with a number of entities that are advocates for low- and moderate-income people in the area of housing and in the area of small business and community development, because I do not think the market itself will take care of those. In other areas, in customer service, I think you can rely more on the market. There are competing institutions that will try to steal customers away. That is a good thing because, in the area of customer service, there will be competition. In areas where we are talking about lower-income people, competition does not do it, and we have to try to intervene.

What we need to do is to recognize the importance of regulation but, at the same time, make sure that we do not regulate unnecessarily, because there are regulatory costs. I do not object to regulatory costs if they are essential to achieving an important public purpose. Where they can be shown not to have that relationship, they ought to be removed. We ought to also try to pick among various regulatory approaches until we get the one that gives us the most benefit for the least cost. This bill is, on the whole, an effort to do that.

The chairman mentioned that in the controversial area of industrial loan corporations, we heard the forceful statements of the gentleman from Iowa who thinks that we should be more restrictive. We have Members who represent particularly States where the ILCs have played a major role, California and Utah in particular, who are represented in our committee, who think we have been too restrictive. The gentleman from Iowa (Mr. GILLMOR) took the lead, and I was glad to work with him, in using a formula we had previously adopted in the Congress; namely, that to be a financial institution you should be 85 percent financial in your revenues, and we have used that as a screen for the additional entities that might be entering the ILC field. I think that is a reasonable compromise. I think that will protect the public interests, while continuing to allow consumer choice, and I congratulate the chairman and others for creating the context in which we could work that out.

I know we will be proceeding to debate on a couple of controversial issues and, as I said, I think this is a good overall bill, but Members may be waiting to see what happens on some of the amendments to make their final judgment.

Mr. Chairman, I reserve the balance of my time.

Mr. OXLEY. Mr. Chairman, I am pleased to yield 5 minutes to the gentleman from Alabama (Mr. BACHUS), the chairman of the Subcommittee on Financial Institutions and Consumer Credit.

Mr. BACHUS. Mr. Chairman, I thank the chairman for yielding me this time.

Mr. Chairman, the financial services industry spends a great deal of time and a great deal of money every year complying with outdated and ineffective regulations. That is money that could be loaned to consumers and industries to buy new cars, new homes, new factories, new businesses, and that is what this bill is all about. It is also, as the chairman correctly said, delivering on a promise that this Congress made these same institutions, when we imposed title III of the PATRIOT Act, and also the Sarbanes-Oxley accountability measures. We told them that we would come and follow that with legislation to compensate them for that cost.

□ 1130

And in that regard, as the chairman so well put, I want to commend the financial institutions in this country for helping starve al Qaeda and other terrorist organizations. They have done an excellent job of cutting off the flow, not only to the terrorist organizations but also to narcotics traffickers and other criminal organizations, which is another benefit of these new money laundering legislations that this Congress put on the financial institutions. So it has had a very positive effect even on some areas that we might not have anticipated.

Secondly, I would like to commend the ranking member, the gentleman from Massachusetts (Mr. FRANK). I would like to commend him for working closely on this legislation. We talk about bipartisanship in this body. This committee, under the chairman, the gentleman from Ohio (Mr. OXLEY) and the ranking member, the gentleman from Massachusetts (Mr. FRANK), has achieved on more than one occasion, on many occasions, a bipartisan spirit of cooperation which I think ought to be the model for other committees in the Congress as a whole. So I commend both these gentlemen.

I would like to commend the two sponsors of this bill, the gentlewoman from West Virginia (Mrs. CAPITO). She has done an excellent job. I would also like to commend the Democratic member of the committee who offered this legislation, and that is the gentleman from Arkansas (Mr. ROSS).

Finally, I would like to call special attention to the legislation of the gentleman from Oklahoma (Mr. LUCAS), the provisions within this legislation which will greatly improve the coordination between home and host State supervisors of State-chartered banks. When State-chartered banks branch beyond State lines, there is a great need for the bank supervisors to coordinate in the supervision. And I think this is a long overdue provision.

I would also like to commend the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Ohio (Mr. GILLMOR) for working out, I think, an excellent compromise on this ILC provision, their compromise, the widespread almost unanimous support of the committee. There are Members who this morning have protested it.

The gentleman from Iowa (Mr. LEACH) had offered on another bill the way he wanted to address this. The committee on the bank interest bill actually rejected that idea, competing idea, by a vote of 50 to 8. So this has been an issue that has been debated on prior occasions.

Finally, I would like to say that this is a regulatory relief bill, not a regulatory burden bill. For that reason, I will be offering an amendment to take and strike section 614 which equates independent contractors who do business with the bank, whether they be attorneys, whether they be accountants, whether they be appraisers, whether they be real estate agents, all sorts of independent contractors, which equates them with having the same knowledge of banking operation as insiders. That is simply not the case. And, in fact, I believe strongly that in these cases they ought to have the right to a jury trial, to a full hearing.

But if we do not strike section 614, any accountants, any attorney, any realtor, any appraiser who does business with the bank, will be subjected to having the same knowledge as an insider. Simply not the case. I think we all agree they do not have that same knowledge. And I oppose the Weiner amendment which is a regulatory burden amendment.

Mr. Chairman, I rise in strong support of H.R. 522, the Financial Services Regulatory Relief Act of 2003.

I want to begin by thanking Chairman OXLEY for the tremendous leadership he has shown in steering this complex bill through the legislative process. I also want to thank the ranking member of the committee, Mr. FRANK, for his support of this important piece of legislation.

This bipartisan legislation, introduced by our colleagues on the subcommittee, Mrs. CAPITO and Mr. ROSS, reflects a commonsense approach to easing regulatory burdens imposed on our nation's depository institutions. H.R. 1375 is largely a product of recommendations that the committee has received over the last several years from the Federal and State financial regulators.

The legislation has strong bipartisan support and was approved by the Financial Services Committee by a unanimous voice vote. It is supported by a host of interested parties, including the Financial Services Roundtable, America's Community Bankers, the National Association of Federal Credit Unions, and the Credit Union National Association.

The banking industry estimates that it spends somewhere in the neighborhood of $25 billion annually to comply with regulatory requirements imposed at the Federal and State levels. A large portion of that regulatory burden is justified by the need to ensure the safety and soundness of our banking institutions; enforce compliance with various consumer protection statutes; and combat laundering and other financial crimes.

However, not all regulatory mandates that emanate from Washington, DC, or other State capitals across the country are created equal. Some are overly burdensome, unnecessarily costly, or largely duplicative of other legal requirements. Where examples of such regulatory overkill can be identified, Congress should act to eliminate them.

The bill that Congresswoman CAPITO and Congressman ROSS have introduced—and that I am proud to cosponsor along with Chairman OXLEY—contains a broad range of constructive provisions that, taken as a whole, will allow banks and other depository institutions to devote more resources to the business of lending to consumers and less to the bureaucratic maze of compliance with outdated and unneeded regulations. Reducing the regulatory burden on financial institutions will also lower the cost of credit for consumers.

In closing, let me once again commend Mrs. CAPITO and Mr. ROSS for this important legislative as well as the full committee chairman, Mr. OXLEY. The chairman has demonstrated a strong commitment to getting regulatory relief legislation enacted this year. I look forward to working with him to help accomplish that objective.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. MEEKS), a very hard working member of this committee.

Mr. MEEKS of New York. Mr. Chairman, let me begin by congratulating the leadership, the gentleman from Ohio (Mr. OXLEY) and the ranking member, the gentleman from Massachusetts (Mr. FRANK) on this great bill.

It proves that when Democrats and Republicans sit down and talk and work together, we really can come to a consensus. And the leadership of this committee should be applauded in a way that this bill, this important bill has gone through the committee. And I thank both the ranking member and the chairman.

My position has never been to favor one depository institution charter over another but, instead, to support policies that give each charter the best opportunity to be competitive and improve service delivery to their business and individual constituents.

It is my assertion that H.R. 1375, the regulatory relief bill, does just that for national banks, savings institutions, and credit unions, all of whom are vital to the financial health of this Nation and the provision of financial services to businesses and individuals nationwide.

For national banks, the bill eases certain restrictions related to directors, provides for flexibility in declaring dividends, and makes it easier to expand through intrastate branching or mergers with State banks.

For savings institutions, the bill provides more flexibility to provide automobile loans and leases for personal use. It also eliminates the limitation on small businesses, lending based on percentage of assets. These changes, among others, will greatly allow savings institutions to increase the diversity of their lending portfolios.

Federally chartered credit unions will be able to purchase and hold for their own account highly rated investment securities. They will be able to provide check cashing and money transfer services to nonmembers within their field of membership.

These changes, along with others, such as easing the process for voluntary mergers, will help credit unions diversify their portfolios and provide more services to individuals and the communities that they serve.

The ever-changing dynamics of the financial service industry demands that from time to time this committee review the existing laws and take action where required, not just to increase the laws as we often do, but to adjust and even eliminate archaic laws that may be hindering the success of our financial industry. I believe that this is just what we have done with this regulatory bill, a bill that has a little bit of something for everyone.

Mr. OXLEY. Mr. Chairman, I yield 4 minutes to the gentlewoman from West Virginia (Mrs. CAPITO), the lead sponsor of this important legislation.

Mrs. CAPITO. Mr. Chairman, I want to thank my colleague, the gentleman from Arkansas (Mr. ROSS), for sponsoring the Regulatory Relief Act of 2003 with me. He has been very instrumental in bringing this much-needed legislation to the floor. I also want to thank the gentleman from Alabama (Mr. BACHUS) and the ranking member, the gentleman from Massachusetts (Mr. FRANK), and especially the gentleman from Ohio (Mr. OXLEY) for shepherding this bill through the process, it has been a process, and their strong leadership on the committee.

With the passage of the Gramm-Leach-Bliley Act, the U.S. PATRIOT Act, and the Sarbanes-Oxley Act, Congress has imposed sweeping reforms and multiple new mandates on the financial services industry. While I firmly believe that these new laws have strengthened this important sector of our economy, such sweeping reforms do not come without a cost, a cost that is ultimately paid for by every American who writes a check, saves for their retirement, or simply purchases groceries with a credit card.

The gentleman from Arkansas (Mr. ROSS) and I introduced this bill to restore regulatory balance. While Federal regulations play an important role in protecting consumers, instilling confidence and ensuring a level playing field, overregulation can depress innovation, stifle competition, and actually retard our economy's ability to grow.

Periodically reviewing and questioning the regulations put into place over time will ensure that as industries and technologies change, so too will the rules that govern them.

This bipartisan legislation will roll back several outdated and burdensome mandates while also providing new commonsense provisions that together will benefit the financial services industry and their consumers.

To promote efficiency our bill allows the FDIC the flexibility to rely on new technology to store records electronically, streamlines the merger application process, and gives examining agencies the discretion to adjust the exam cycle so their resources can be used most efficiently, among very many other revisions in the regulatory process.

We provided enhanced consumer protection by prohibiting a person from working at a bank who has been convicted of a breach of trust and by allowing interagency data sharing to ensure that a lack of information does not result in malfeasance.

H.R. 1375 strikes a balance that will help the financial services community thrive, compete, and offer the best services to their customers. Again, I want to thank the ranking member and our chairman and the gentleman from Alabama (Mr. BAUCUS) and the other Members for the bipartisan nature of which this bill has been brought to the floor.

I urge my colleagues' support.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Mrs. MALONEY), a very able member of our subcommittee, the ranking member of the Subcommittee on International and Domestic Monetary Policy.

Mrs. MALONEY. Mr. Chairman, I thank the gentleman from Massachusetts (Mr. FRANK) for yielding and for his leadership.

I rise in support of the financial services regulatory relief legislation. This bill is the subject of several years of work and I thank the sponsors, the gentlewoman from West Virginia (Mrs. CAPITO) and the gentleman from Arkansas (Mr. ROSS) for their hard work.

I especially want to thank them for the inclusion of an amendment that I offered in committee with my colleague, the gentleman from Oklahoma (Mr. LUCAS). This amendment prohibits nonchartering States from unilaterally imposing a discriminatory fee against State-chartered banks from other States. It also strengthens cooperative agreements among the States for supervision of multistate institutions by giving Federal recognition to the cooperative agreements and requiring chartering States to follow them. This language is very important for preserving the vitality of our dual banking system.

As for amendments that will be offered today, I want to thank my colleague, the gentleman from New York (Mr. WEINER) for his checking amendment. He is a great consumer advocate. I have some concerns about how the amendment will work in practice, and I look forward to working with him on this as the process goes forward.

I also want to indicate my strong support for the Kelly-Toomey amendment. This language tracks legislation that the gentlewoman from New York (Mrs. KELLY) and I passed on the floor of this Congress earlier this year in the Business Checking Freedom Act.

This language builds on the important modernization of financial services that Congress has worked on in recent years. It lifts the prohibition on the payment of interest on business checking accounts after a 2-year phase-in. During the phase-in, banks may increase sweeps to interest-paying accounts to 24 intervals per month.

The prohibition on interest on both consumer and business accounts was enacted during the Great Depression. At the time it was enacted to limit competitive pressures to pay higher interests that were feared could lead to bank failures. Today given the global nature of financial services, interstate banking and many advances in technology, interest payment limits only distort competition and force businesses to seek out alternative interest bearing opportunities.

The prohibition on paying interest on consumer checking accounts was repealed by Congress more than 20 years ago and has not increased any concern about safety and soundness. Today the House, once again, takes an important step forward in offering this same benefit to the business community.

Importantly, this language will disproportionately benefit small businesses. Small businesses must keep money in checking accounts to meet payrolls and pay expenses. They are less likely to have complex financial arrangements that will allow them to get around interest restrictions.

The legislation also allows the Federal Reserve to pay interest on sterile accounts. These are reserves private banks hold at the Federal Reserve which the Fed can manipulate as a tool of monetary policy. And this provision is endorsed by Federal Reserve Chairman Alan Greenspan.

I support the legislation. I urge my colleagues to support it.

Mr. OXLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. LEACH), the distinguished former chairman of the committee.

Mr. LEACH. Mr. Chairman, let me just say this bill has a number of very commonsense provisions, but in the name of a relatively large number of minor commonsense issues, there is more than a small measure of regulatory mischief.

This bill is about less regulation but it is also about more imbalance.

□ 1145

It empowers a hitherto largely unknown charter in America called Industrial Loan Companies to have all the powers of commercial banks and, added with one of the amendments that is likely to pass today, a power to not only branch in all 50 States, but to do checking in a business kind of way, something ILCs were not hitherto empowered to do.

We will be giving five States in America the right to offer a charter with less regulation than 45 States. We will be putting an inequity in law that relates to this charter versus all others; and then we are going to be putting in a very intriguing way inequity between the charters, that is, those that have existed for a while will have more rights than those industrial loan companies that will be empowered later.

I would only like to stress to my colleagues, because there is some misunderstanding here, that one of the theories of the grandfather is to block a particular institution from getting an industrial loan company charter with full powers, which by the way indicates that those full powers are very significant. That particular company is unpopular with some of its competitors in the financial services industry. It is unpopular with organized labor. So there is a grandfather provision against that company; but the intriguing aspect of it is, it is a very enfeebled grandfather provision.

It is enfeebled because it gives the States the power of interpretation. There is no tie-in to Federal statute; and so any new company can get a new ILC charter, can buy an existing ILC charter. Then there are rules about changing control, but States have different change-of-control statutes. Some change of control is 25 percent ownership; some over 80 percent ownership. So a company can buy an existing charter and take on all the powers of an ILC under the pre-grandfather provisions, even though there appear to be in this statute certain restrictions, for example, that relate to a percentage that is financial in nature of their current operating business. All this is being interpreted by State government which has a vested interest to give charters rather than to stop charters because it means more jobs for their States.

The history of the ILC is that they were small institutions until 1987 when Congress, without much forethought, exempted them from the Bank Holding Company Act; and so the largest ILC charter had been less than $400 million, now the largest is $60 billion, and there are eight above a billion in size. If we give ILCs all the powers contemplated in this bill, there will be a pell mell run to the ILC charter.

This will sweep assets from 45 States to five States. It will breach commerce and banking in ways that have never been breached in modern day, and it will create great pressure to move grandfather dates and change existing statute in other ways because of the obvious inequities that will almost immediately develop within the ILC charter itself.

So I would like to suggest to this body that this was something that could be handled very simply, credibly, and that is simply to put ILCs like most other financial institutions of any size under the Bank Holding Company Act; but because of insider power, that amendment was not even allowed to be considered on this floor, and I cannot tell my colleagues that it would have passed. I can tell my colleagues that Chairman Greenspan thinks it would be very important to the security of the United States and, in many different ways, not only due to the fact that American ILCs can operate without oversight of the holding company but foreign companies can have ILCs.

So the FDIC, which is a very credible regulator, can look at the bank; but let us say a foreign company in Latin America or in Russia gets Utah to give them a charter. They create jobs in Utah. They could operate the bank credibly, but they could also be money laundering from their host company abroad, and so this is an invitation as a charter to greater money laundering.

I frankly urge my colleagues to think twice; and, unfortunately, I am in a position of suggesting opposing the bill.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont (Mr. SANDERS), a member of the committee, who is the ranking member of the subcommittee which has jurisdiction over this bill.

Mr. SANDERS. Mr. Chairman, I thank the gentleman from Massachusetts for yielding me the time.

Mr. Chairman, among other things, the Financial Services Regulatory Relief Act would make it easier for some of the biggest banks and other financial institutions in this country to merge. At a time in America where big institutions are becoming bigger and small institutions are being driven out of business, I think we have to ask whether this is a good idea. At a time in America when the people at top are making out like bandits, the middle class is shrinking and poverty is increasing. I think we have to ask whether it is proper for the United States Congress to give "regulatory relief" to huge multibillion dollar institutions. I think not.

Specifically, this bill would reduce the Federal review process for bank mergers from 30 days to a mere 5 days. This bill would allow the Officer of Comptroller Currency to waive notice requirements for national bank mergers located within the same State. This bill would end the prohibition of out-of-state banks merging with in-state banks that have been in existence for less than 5 years. This bill also gives Federal thrifts the ability to merge with one or more of their nonthrift affiliates; and, finally, this bill would eliminate certain reporting requirements for banks' CEOs in regard to inside-lending activities.

Mr. Chairman, I have serious concerns about the provisions in this bill; but equally important, I have major concerns about what this bill is not addressing, what it is not addressing, and what the American people and consumers all over this country are deeply concerned about.

For example, while the prime rate is at a historic low of 4 percent and the Federal Reserve has lowered the Federal funds rate 13 times to a mere 1 percent; credit card issuers are making record-breaking profits by ripping off consumers through outrageously high interest rates of 25 to 30 percent. How come in the midst of giving the ability of large banks to become larger, we forgot about demanding that interest rates go down so that people who already are hurting are not forced to pay usurious interest rates. I guess we just forgot about that.

Mr. Chairman, at a time when banks are making record-breaking $7.3 billion in late fees they collect from consumers, another major rip-off, there is nothing in this bill that would bring down these excessive fees. I guess we forgot about that issue as well.

Mr. Chairman, every Member of this Congress understands that throughout America we are hemorrhaging decent-paying jobs in manufacturing and in information technology; and one of the areas, one of the industries where we are hemorrhaging good-paying jobs is in the financial services industry. No mention, no mention in this bill of a concern that with these mergers comes the loss of decent-paying jobs. Maybe when we talk about financial services, we might want to talk about the ordinary people who do business in banks rather than just the needs of the CEOs who make huge compensation packages running these banks.

Mr. Chairman, while credit card issuers are ripping off middle class Americans by charging sky-high interest rates and outrageous fees, credit card CEOs are laughing all the way to the bank; and mark my words, this will be an issue that the American people will demand this Congress to address. We cannot ignore the fact that scam after scam is forcing hard-pressed American people to pay 20, 25 percent a year in interest rates on their credit card. That issue will come before the United States Congress.

In the midst of all of these rip-offs, if I may use that word, the compensation packages of the CEOs are going sky high. Over the past 5 years, the CEO of Citigroup made over $500 million in total compensation and the CEO of Capital One made over $169 million in total compensation. When we deregulate these industries, maybe we want to say a word on that issue as well.

Bottom line is that this legislation works on behalf of the largest financial institutions. It does not work on behalf of consumers, and I respectfully ask for a "no" vote on it.

Mr. OXLEY. Mr. Chairman, I am now pleased to yield 3 minutes to the outstanding gentleman from Ohio (Mr. LATOURETTE), a valued member of the committee.

Mr. LATOURETTE. Mr. Chairman, I want to talk about some of the smaller financial institutions in America. It has been about 6 years since the Congress passed the Credit Union Membership Access Act, a piece of legislation that forever changed the nature and the way the credit unions do business in this country, and I want to congratulate the gentleman from Ohio (Chairman OXLEY) and the gentleman from Massachusetts (Ranking Member FRANK) for including in this regulatory relief bill provisions that benefit credit unions once again.

Mr. Chairman, nearly 84 million Americans enjoy low-cost financial services at their credit unions. It is imperative that we allow credit unions to continue to change with the ever-expanding financial marketplace, just as we do with the banking and the thrift industry.

Credit unions do an excellent job of serving their members, a tradition we need to help protect and preserve. Sometimes the members of credit unions will be the men and women who are serving our country valiantly in the Armed Forces.

The bill being considered today would allow credit unions to build their own buildings on DOD facilities and to pay a nominal fee for rent, a practice which had been in effect but has recently been changed. Credit unions at DOD facilities provide our troops with the tools for money management so that while they are away defending our great Nation, their personal financial dealings back at home are not ignored. This may not always be profitable; but with credit unions, it is not a matter of profit. It is a matter of people. As member-owned not-for-profit entities, credit unions serve their members to the fullest capacity.

Another provision that I want to highlight would allow credit unions who convert to community charters to continue to serve their select employee groups who were added before their conversion. As we are all aware, with today's troubled economic times, there are times when a credit union that has been associated with a plant or an industry and it is closed down or the jobs are lost, the credit union is lost as well. The credit unions that serve the people whose jobs are gone and whose plants are closed, rather than also shutting down and leaving, are instead converting to community charters.

This accomplishes two things: One, it would allow the institution to stay open and bring in new members from the community; and, two, it allows those workers to continue their important relationship with their credit union.

Mr. Chairman, again I want to congratulate the gentleman from Massachusetts, ranking member FRANK, and Chairman OXLEY for crafting this bill, and I want to congratulate the trades that represent the credit unions in this town for making sure that H.R. 1375 has provisions with real teeth that benefit the credit union industry.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Before yielding time to one of the coauthors of the bill, the gentleman from Arkansas, who has done a lot of work on this, I did want to respond to the gentleman from Vermont.

Frankly, I was somewhat surprised to hear him raise some of those issues because he is, as I noted, the ranking member on the minority side of the subcommittee of jurisdiction; and I must say that had he raised some of them when we were considering this bill, he might not now feel they were being ignored.

One of them, of course, is not germane to this bill, the credit card question. That was debated and voted on in the committee last year, but some of the other issues he raised now, I just have to say that it is a little late to come to the floor, when the bill is already before us, and raise issues, particularly when you are the ranking member of the subcommittee and you have hearings and you have markup in subcommittee and you have markup in full committee.

In one case I would note he objected to the fact that this bill reduces the period during which the Federal Government can wait and study a merger for antitrust. Yes, I agree that that is a problem. We debated that one, in fact, in committee. It was the gentlewoman from California (Ms. WATERS) who raised that; and I appreciate the fact that because she, having raised it, stuck with it, she has worked with the majority, and an amendment that will put that back up to 15 days, instead of 5, I believe, is going to be accepted.

So I would like to inform the gentleman, he has left the floor, that there was, in fact, an agreement to address one of those issues that he raised.

He also raised the question of executive compensation, and I have been working with the very good staff that we have on our side of the committee to deal particularly with the aspect of executive compensation, top-level executive compensation, that is, the perverse incentive that stock options give to the top people.

□ 1200

So that one I assure him is going to be dealt with. But I do not think it makes sense to deal with it only for financial institutions. I think it should be dealt with across the board.

The committee is going to remain in business, and I have to say to my now absent colleague from Vermont that, as ranking member, he is fully positioned to raise these, and many of the other members would be glad to work with him, as we were able to work with the gentlewoman from California when she took a very serious look at this and accomplished something.

Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas (Mr. ROSS), who is a cosponsor of this bill.

Mr. ROSS. Mr. Chairman, I am pleased to join my colleagues, the gentleman from Ohio (Mr. OXLEY), the chairman, and the ranking member, the gentleman from Massachusetts (Mr. FRANK), and the gentlewoman from West Virginia (Mrs. CAPITO) as a cosponsor of this legislation.

Mr. Chairman, I live in a small rural town, I am a small business owner, and I recognize the limited resources that exist for small businesses. H.R. 1375, the Financial Services Regulatory Relief Act will assist financial institutions in my congressional district, and all across America for that matter, by easing some of the regulatory demands they have, which will allow them to focus more on service to their customers.

The Committee on Financial Services held a hearing on this bill with representatives of each of the regulatory agencies responsible for oversight of these institutions. Each presented their perspectives on the legislation and the need for implementation. I appreciate the efforts of my colleagues and the committee staff who have worked together since the full committee markup to make further improvements to ensure the final bill reflects a true bipartisan product; and, indeed, it does. It is what I call a piece of commonsense legislation.

This legislation is well balanced for all financial institutions, both large and small; both rural and urban. I believe it is imperative that Congress continues to work to help strengthen our struggling economy by making sure that our financial institutions have the necessary tools they need to operate more effectively and more efficiently. They are an integral part of our community's economic development and need legislation like H.R. 1375 to alleviate some of the burdens that impede their services to the public.

Again, I thank my colleagues, Chairman OXLEY, Ranking Member FRANK, and the gentlewoman from West Virginia (Mrs. CAPITO) for all of their hard work on this, and I urge my colleagues to support this legislation, H.R. 1375.

Mr. OXLEY. Mr. Chairman, I yield myself such time as I may consume to also recognize the leadership of the gentleman from Arkansas for being the lead Democrat sponsor on this legislation. We appreciate his hard work on this endeavor.

Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. ROYCE), a valuable member of the committee.

Mr. ROYCE. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise today to bring some more facts to the debate over industrial loan companies.

ILCs are well regulated, both at the State and Federal levels. They have played an important part in our country's financial system for over 100 years. I have a letter from the chairman, Donald Powell, of the Federal Deposit Insurance Corporation, and I will provide it for the RECORD, but I also thought I would just read some of the observations that Chairman Powell makes about ILCs.

Chairman Powell says that industrial loan companies and industrial banks have existed since the early 1900s, and overall it is the FDIC's view that ILC charters pose no greater safety and soundness risk than other charter types. As with any other insured institution, ILCs are subject to examinations and other supervisory activities. The FDIC's authority to pursue formal or informal enforcement actions against an ILC is the same as the FDIC authority with respect to any other State nonmember bank, with limited exceptions. In short, the FDIC does not believe that there are any compelling safety and soundness reasons to impose constraints on this charter type that are not imposed on other charter types.

Chairman Powell of the FDIC goes on to say that the FDIC and the State chartering authorities directly supervise insured ILCs, which must comply with the FDIC's rules and regulations, including those requirements for capital standards, safe and sound operations, and consumer compliance and community reinvestment. Further, as he says, the FDIC has the authority to examine any affiliate of an ILC, including its parent company, as may be necessary, to determine the relationship between the ILC and the affiliate, and to determine the effect of such relationship on the ILC.

I thought I would bring those facts to light. I know that some competitors of

ILCs worry because they do not want more competition in the banking marketplace, but we all know that competition is good for consumers, it is good for businesses, and it is good for our economy as a whole. And since I have heard other companies make the argument that ILCs are not safe and sound, I wanted to respond by saying that ILCs are heavily regulated financial institutions, ILCs are regulated by the FDIC and by State banking regulators in every State in which they operate, and I think we should judge ILCs on the facts.

To that end, Mr. Chairman, I submit the letter of Chairman Donald Powell for the RECORD herewith:

FEDERAL DEPOSIT
INSURANCE CORPORATION,
Washington, DC, April 30, 2003.

Hon. EDWARD R. ROYCE,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN ROYCE: Thank you for your recent letter concerning industrial loan companies. We are closely monitoring the recent attention that industrial loan companies are receiving and appreciate your questions.

Industrial loan companies and industrial banks (collectively, ILCs) have existed since the early 1900s. States with existing insured ILCs include California, Colorado, Indiana, Minnesota, Nevada, and Utah. There are 51 insured ILCs, with the vast majority operated from Utah (24) and California (17). The charters are unique in that, as long as they meet certain criteria (typically, not accepting demand deposits), they are not considered "banks" under the Bank Holding Company Act. As a result, an ILC's parent company is not subject to supervision by the Federal Reserve. Just as is true of unitary thrift holding companies and parent companies of limited-purpose credit card banks, the parent companies of ILCs include a diverse group of financial and commercial firms.

Overall, it is the FDIC's view that ILC charters pose no greater safety and soundness risk than other charter types. As with any other insured institution, ILCs are subject to examinations and other supervisory activities. The FDIC's authority to pursue formal or informal enforcement actions against an ILC is the same as the FDIC's authority with respect to any other state nonmember bank, with limited exceptions. Those exceptions pertain to cross-guaranty authority and golden parachute payments, and legislative changes to eliminate those exceptions are being pursued in H.R. 1375, the proposed Financial Services Regulatory Relief Act of 2003. In short, the FDIC does not believe there are compelling safety and soundness reasons to impose constraints on this charter type that are not imposed on other charter types.

The risk posed by any insured depository institution depends on the appropriateness of the business plan and model, management's competency in administering the institution's affairs, and the quality and implementation of risk management programs. Similar to institutions with other charter types, an ILC's capital adequacy and overall safety and soundness is driven by the composition and stability of its lending, investing and funding activities and the competence of management.

The FDIC and the state chartering authorities directly supervise insured ILCs, which must comply with the FDIC's Rules and Regulations, including, but not limited to, those requirements for capital standards, safe and sound operations, and consumer compliance and community reinvestment. ILCs also are subject to Sections 23A and 23B of the Federal Reserve Act, which restrict or limit transactions with a bank's affiliates and the Federal Reserve Board's Regulation O, which governs credit to insiders and their related interests. Further, the FDIC has the authority to examine any affiliate of an ILC, including its parent company, as may be necessary to determine the relationship between the ILC and the affiliate and to determine the effect of such relationship on the ILC.

Answers to your specific questions are enclosed. If you would like additional information, please do not hesitate to contact me or Alice Goodman, Director of our Office of Legislative Affairs, at (202) 898-8730.

Sincerely,

DONALD E. POWELL,
Chairman.

Enclosure.

RESPONSE OF THE FEDERAL DEPOSIT INSURANCE CORPORATION'S DIVISION OF SUPERVISION AND CONSUMER PROTECTION TO QUESTIONS CONCERNING INDUSTRIAL LOAN COMPANIES

In what banking activities are these institutions engaged? Do they have the authority to provide services that may not be offered by full-service commercial banks?

Generally, the authority of industrial loan companies and industrial banks (collectively, ILCs) to engage in activities is determined by the laws of the chartering state. The authority granted to an ILC may vary from one state to another and may be different from the authority granted to commercial banks. Except for offering demand deposits, an ILC generally may engage in all types of consumer and commercial lending activities and all other banking activities permissible for banks in general.

Core ILC functions are traditional financial activities that can generally be engaged in by institutions of all charter types. The exception would be institutions organized and chartered as limited-purpose institutions, which generally focus on credit card or trust activities.

Existing ILCs can generally be grouped according to one of four broadly defined business models:

Institutions that are operated as community-focused institutions, including standalone institutions and those serving a community niche within a larger organization. These institutions often provide credit to consumers and small- to medium-sized businesses. In addition to retail deposits (many ILCs offer NOW accounts), funding sources may include commercial and wholesale deposits, as well as borrowings. Institutions that operate within a larger corporate organization may also obtain funding through the parent organization.

Independent institutions that focus on specialty lending programs, including leasing, factoring, and real estate activities. Funding sources for this relatively small number of institutions may include retail and commercial deposits, wholesale deposits, and borrowings.

Institutions that are embedded in organizations whose activities are predominantly financial in nature, or within the financial services units of larger corporate organizations. These institutions may serve a particular lending, funding, or processing function within the organization. Lending strategies can carry greatly, but, within a specific institutions, are often focused on a limited range of products, such as credit cards, real estate mortgages, or commercial loans. Corporate strategies play a larger role in determining funding strategies in these cases, with some institutions periodically selling some or all outstanding loans to the parent organization. Parent assessments of funding options across all business units frequently determine the specific tactics at the ILC level. A few institutions restrict themselves to facilitating corporate access to the payment system or supporting cash management functions, such as administering escrowed funds.

Institutions that directly support the parent organizations' distinctly commercial activities. These institutions largely finance retail purchases of parent company products, ranging from general merchandise to automobiles, truck stop activities, fuel for rental car operations, and heating and air conditioning installations. Loan products might include credit cards, lines of credit, and term loans. Funding is generally limited to wholesale or money center operations, borrowings, or other options from within the parent organization.

From a federal law perspective, one of the primary differences between an ILC charter and other depository institution charters is that certain ILCs have a grandfathered exemption from the requirements and restrictions of the Bank Holding Company Act (BHCA). Generally, an LIC can maintain its exemption so long as it meets at least one of the following conditions: (1) the institution does not accept demand deposits, (2) the institution's total assets are less than $100,000,000, or (3) control of the institution has not been acquired by any company after August 10, 1987.

How does the FDIC go about regulating ILCs? What authority does the FDIC have to examine ILC parent companies? Does the FDIC feel it has the tools necessary to adequately and comprehensively regulate ILCs and their relationship to their owners?

The FDIC regulates ILCs in the same manner as other state nonmember institutions. ILCs are subject to the FDIC's safety and soundness regulations (with two exceptions discussed below), as well as federal consumer protection regulations. Like all insured depository institutions, ILCs receive regular examinations, during which compliance with the regulations is reviewed and overall performance and condition are analyzed. For FDIC-insured, state-chartered institutions that are not members of the Federal Reserve System, the FDIC and/or the state authority will conduct the examination. The FDIC has agreements with most states to conduct examinations under alternating schedules, although in the case of a troubled institution, the FDIC and the estate authority generally conduct joint or concurrent examinations.

Transactions with affiliates are reviewed during each examination. An ILC's transactions with its affiliates are restricted by Sections 23A and 23B of the Federal Reserve Act, which are made applicable to state nonmember banks in general by section 18(j) of the FDI Act, 12 U.S.C. §1828(j). Section 23A essentially limits the total amount of loans to affiliates and limits other transactions between a bank and its affiliates. These restrictions also apply to loans to third parties to pay debts to or purchase goods and services from an affiliate. Section 23B generally prohibits any transaction with an affiliate on terms or conditions less favorable to the bank than a transaction with an unrelated third party.

While the FDIC does not have statutory authority to supervise the parent companies of ILCs, the FDIC does have the authority, in examining any insured depository institution, to examine any affiliate of the institution (under 12 U.S.C. §1820(b)(4)), including its parent company, as may be necessary to determine the relationship between the institution and the affiliate and to determine the effect of such relationship on the institution. In the case of a parent subject to the reporting requirements of another regulatory body covered under the Gramm-Leach-Bliley Act of 1999, such as the Securities and Exchange Commission or a state insurance commissioner, the FDIC has agreements in place to share information with the functional regulator.

In determining whether to grant deposit insurance to an ILC, the FDIC must consider the same statutory factors of section 6 of the FDI Act, 12 U.S.C. §1816, that it considers for all other applications for deposit insurance. These factors are:

The financial history and condition of the depository institution;

The adequacy of its capital structure;

Its future earnings prospects;

The general character and fitness of its management;

The risk presented by such depository institution to the deposit insurance fund;

The convenience and needs of the community to be served by the depository institution; and

Whether its corporate powers are consistent with the purposes of the Act.

The FDIC has determined that there are two limitations in our authority regarding ILCs as compared to other institutions. These two limitations would be addressed by remedies included in the Financial Services Regulatory Relief Act of 2003, as proposed. These are:

Amendment to clarify the FDIC's cross-guarantee authority: As part of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Congress established a system that generally permits the FDIC to assess liability across commonly controlled institutions for FDIC losses caused by the default of one of the institutions. Currently, cross-guarantee liability is limited to insured depository institutions that are commonly controlled as defined in the statute. The definition of "commonly controlled" limits liability to insured depository institutions that are controlled by the same depository institution holding company, i.e., either a bank holding company or a savings and loan holding company. Since the parent company of an ILC is neither a bank holding company nor a savings and loan holding company, ILCs that are owned by the same parent company would not be "commonly controlled." As a result, cross-guarantee liability may not attach to ILCs that are owned by the same parent company. The Financial Services regulatory Relief Act of 2003 contains language that would enhance the FDIC's efforts to protect the deposit insurance funds by establishing parity with other charter types. This discretionary authority would extend only against an insured depository institution under common control with the defaulting institution.

Amendment to clarify the FDIC's Golden Parachute authority: As part of H.R. 1375, there also is an amendment to section 18(k) of the FDI Act, 12 U.S.C. §1828(k), to clarify that the FDIC could prohibit or limit a nonbank holding company's golden parachute payment or indemnification payment. In 1990 Congress authorized the FDIC to prohibit or limit prepayment of salaries or any liabilities or legal expenses of an institution-affiliated party by an insured depository institution or a depository institution holding company. Such payments are prohibited if they are made in contemplation of the insolvency of such institution or holding company or if they prevent the proper application of assets to creditors or create a preference for creditors of the institution. Due to the existing statutory definition of a depository institution holding company, it is not clear that the FDIC is authorized to prohibit these types of payments made by nonbank holding companies (such as ILC parent companies).

What differences, if any, exist between the manner in which the FDIC regulates industrial loan banks compared with commercial banks?

As indicated above, the FDIC regulates ILCs in the same manner as all other state nonmember institutions.

In your view, would ILCs pose a greater risk to the safety and soundness of the banking system than traditional banks if both received enhanced de novo interstate branching authority?

We do not believe that ILCs would pose a greater risk to the safety and soundness of the banking system than traditional banks if both received enhanced de novo interstate branching authority. As described above, insured ILCs are subject to the same Federal supervisory regime that applies to other insured institutions. ILC transactions with their parent companies are subject to the same restrictions that apply to transactions between other insured institutions and their parent companies.

Can you comment generally on the capital adequacy and safety and soundness record of the ILCs and compare these to the performance of commercial banks?

ILCs currently have an examination rating distribution that is similar to the insured banking universe. Similar to institutions with other charter types, an ILC's capital adequacy and overall safety and soundness is driven by the composition and stability of its lending, investing and funding activities as well as competence of management.

For troubled ILCs, several common issues have generally been evident, each reflecting faulty strategic or tactical decisions rather than issues of permissible activities, commercial affiliations, or the regulatory regime over the larger corporate organization:

Poorly conceived lending strategies, characterized by concentrations in relatively higher-risk loan problems, economic sectors, or borrowers, have resulted in an excessive volume of poor quality credits.

Less than satisfactory internal processes have hampered institutions' ability to identify and respond to changing circumstances, including deterioration in credit quality, which have thwarted timely corrective actions or collection efforts.

Reliance on potentially volatile funds management strategies, including wholesale deposit solicitations, borrowings, and large-scale loan sales, have placed additional strain on the institutions' earnings performance and liquidity posture.

If any institution is identified as troubled, the FDIC modifies its supervisory strategy. In addition, these institutions are generally subject to formal and informal enforcement actions. As a rule, the FDIC's supervisory strategies and specific actions are coordinated with those of the chartering state authority. Further, in those situations in which the parent organization controls multiple insured institutions, the FDIC also coordinates with the other state authorities or primary federal regulators to ensure that a comprehensive strategy is implemented.

Given the concerns some observers have raised about the ILCs' ability to affiliate with a commercial entity, it is important to note that the current group of troubled ILCs have problems that are not unique to the ILC charter, nor do the troubled ILCs have a history of unusual influence from parent companies or affiliates. As described above, the issues facing the troubled institutions are not dissimilar to those encountered under all charter types, including those in a traditional bank holding company framework.

Can you describe the regulatory framework that addresses safety and soundness concerns, or potential conflicts of interest, that may arise from the relationship of ILCs to their parent companies?

In general, the regulatory framework used to address safety and soundness concerns and potential conflicts of interest regarding an ILC and its parent is the same as that applicable to any insured state bank. For example, with regard to safety and soundness, section 8 of the FDI Act, 12 U.S.C. §1818, generally provides the FDIC with the authority to (i) terminate or suspend the insurance of an ILC for unsafe or unsound practices or unsafe or unsound condition, and (ii) order the ILC to cease and desist from engaging in an unsafe or unsound practice, or from the violation of any law, rule, regulation, written condition imposed in connection with the granting of any application, or any written agreement with the FDIC.

We do not believe that the potential for conflicts of interest is any greater for ILCs than for other FDIC-insured institutions operating in a holding company structure. For example, an ILC and its parent company are subject to the tying restrictions of section 106 of the Bank Holding Company Act Amendments of 1970 to the same extent as if the ILC were a "bank" and the parent company were a "bank holding company." Generally, the tying restrictions provide that a bank may not extend credit, sell or lease property, or furnish any service, or fix or vary the consideration for any of the foregoing based upon any of five specific conditions. Those conditions include, for example, that the customer obtain some additional credit, property or service from the holding company or an affiliate.

In order to ensure sufficient autonomy and insulation of the bank from the parent, the state authority or the FDIC typically imposes some or all of the following controls:

Executive ILC management is onsite at the ILC, as opposed to the sometimes distant location of the parent and affiliates;

The ILC Board of Directors consists of local representatives who are capable of providing strong oversight over the operations of the bank and establishing prudent policies and procedures;

Lending files, credit documentation and ILC policies are maintained at the institution and not the parent;

Lending policies and authorities are established and enforced by the ILC;

The bank's policies, processes and activities are consistent with regulatory laws, regulations, policy statements and other regulatory guidance;

Definitive bank-level business plans are established and followed by the bank;

All transactions with the parent or affiliate pass the strictest arms-length scrutiny; and

Sufficient resources are available at the ILC to carry out ILC activities.

With the above-noted prudential factors in place and experienced bankers at the helm of ILCs, we have not noted problems or issues unique to the ILC charter.

Mr. ROSS. Mr. Chairman, I am pleased to yield such time as he may consume to the gentleman from Utah (Mr. MATHESON), my colleague on the Committee on Financial Services and someone who has worked tirelessly on this piece of bipartisan commonsense legislation.

Mr. MATHESON. Mr. Chairman, I have listened to the debate today and there have been a couple of items that I think deserve some comment.

We have heard a lot of misinformation, in my opinion, about industrial loan companies. I think it is important that this Congress needs to go through an exercise in education about these institutions to learn about what they are and what they are not, and I want to address some of those things.

First of all, some people seem to think there is a lack of regulation; that ILCs are unregulated. That is not true. The FDIC regulates ILCs in the same manner as other State nonmember institutions. ILCs are subject to the FDIC safety and soundness regulations, as well as Federal consumer protections.

How about another thing that I often hear that I believe is a myth about this subject; that ILCs pose a threat to the safety and soundness of the national banking system. The fact is, overall, it is the FDIC's view that the ILC charters pose no greater safety and soundness risk than other charter types.

Another misconception out there about ILCs. Some people seem to think that ILCs may allow for inappropriate mixing of banking and commerce. The fact is, as the FDIC has said, they do not believe that the potential for conflict is any greater for ILCs than for other FDIC-insured institutions operating in a holding company structure. My colleague, the gentleman from California (Mr. ROYCE), is submitting a letter that was written by Chairman Powell from the FDIC that will provide greater expansion on those particular thoughts.

I voted for this bill when it came out of committee. I supported the regulatory relief bill, and I still think many components of the underlying bill are very good and positive. I am concerned about the components of the manager's amendment that tend to place restrictions on the branching capabilities of industrial loan companies.

Now, you will hear a lot of people, in the earlier debate on the rule and whatnot, saying these provisions do not go far enough; that we need greater restrictions. I want to point out there is another point of view, which is that I think these go too far. I do not think it is helpful. I think it is important we should talk about just what ILCs mean to this country, just so people will know.

Industrial loan banks are FDIC-regulated depository institutions. And, yes, they are chartered in five different States. There are more than 50 industrial loan banks in operation. They have been in operation for many years. They are subject to the same banking laws and are regulated in the same manner as other depository institutions. They are supervised and examined both by the States that charter them and by the FDIC. They are subject to the same general safety and soundness, consumer protection deposit insurance, Community Reinvestment Act, and other requirements that apply to other FDIC-insured depository institutions, and they have an exemplary record in serving the communities in which they operate.

Industrial loan banks have already been subject to the same rules regarding interstate branching as other banks. And although they have rarely used this authority, these banks have been authorized to open branches by acquisition, where State laws allow.

Most owners of industrial loan banks are exempted from the Bank Holding Company Act regulation through a specific provision added to the Bank Holding Company Act in 1987. This is neither a loophole nor a particularly unique provision. Similar Bank Holding Company Act exemptions apply to many institutions not owned by other companies, and to financial institutions that do not offer a full range of banking services, such as credit card banks, Edge Act banks, grandfathered "nonbank banks," grandfathered "unitary thrifts," and trust banks. These exemptions benefit bank customers. They introduce additional competition into the marketplace without increased risk to the deposit insurance system.

As I said earlier, some people will claim that these industrial loan banks are unregulated. That is just not true. They are subject to many of the same requirements as bank holding companies, such as strict restrictions on transactions with their bank affiliates. They are regulated under State law and are subject to examination by the FDIC and to prompt corrective action and capital guarantee requirements if the banks they control encounter financial difficulties. These tools, in the words of FDIC Chairman Donald Powell, allow the FDIC to manage the relationships between industrial loan banks and their parents "with little or no risk to the deposit insurance funds, and no subsidy transferred to the nonbank parent."

I think that it is important to note that what we are talking about here is choices. We have heard about, oh, these are only chartered in 5 States and that is to the detriment of 45 other States. This is about American consumers being given more choices; more choices and more efficiency in our economy. We should not be afraid of competition. There are various interest groups out there that are going to oppose ILCs. And I think they oppose them because they are saying, oh, gee, we are disadvantaged. I think they are trying to protect an advantage. Competition is good. Competition is a good thing in our country and in our economy here. It is something I would advocate for.

And I think the people have been well served in the many years in which ILCs have been in existence, and I think that businesses and consumers will continue to be served in all 50 States by the benefits of the services that industrial loan companies provide.

So as I said at the outset, a lot of things have been said. I think there is a lot of confusion about what ILCs are and are not. I have tried to walk through some of the fundamental comments that have been made that raise concern for me, and I would also suggest that this manager's amendment, which is a purported compromise, is not necessarily something that I agree with. I think it goes too far in being restrictive, and I think that it gives me concerns for a bill that otherwise passed through committee with very little controversy.

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. MATHESON. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Chairman, the gentleman is, of course, correct in part of what he says on regulation. But the reason that ILCs were exempted from the Bank Holding Company Act was they did not have all the powers of a bank. Now they are being given all the powers of a bank and also want to stay exempt from the Bank Holding Company Act.

What the Bank Holding Company Act says is that the parent of an ILC will be examined in a consolidated way, the way Europe is moving to, the same as the United States has attempted to establish in principle. But with this bill we make a breach in principle of profound dimensions. It is that examination of the bank holding company that is critical to an understanding of how you protect the taxpayer and how you protect the financial system. That is what is so important in this debate.

Mr. MATHESON. Reclaiming my time, Mr. Chairman, I appreciate the comments of the gentleman from Iowa. We have had discussions about this in the past and we tend to take a little bit different point of view on this issue.

But I do appreciate his mentioning some actions that are taking place within the European Union. Financial owners of industrial loan banks may very well soon be subject to further regulation, and holding company supervision will be driven by the European Union mandate that institutions doing business there be subject to consolidated holding company supervision.

It is my understanding the Securities and Exchange Commission has proposed a consolidated supervisory regime for holding companies predominantly engaged in securities business.

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I do acknowledge that there are some other actions taking place to address this holding company issue and I am glad the gentleman raised that point. That being said, I guess I would just repeat one more time that I do believe that these are entities where, according to the Federal agency that regulates them now, the FDIC, they do not see any relationship in terms of, substantive, between the holding company and the bank component of the business.

Mr. LEACH. If the gentleman will yield on that point, as the gentleman knows there is a profound difference between the Federal Reserve and the FDIC on this point. The Federal Reserve holds the exact opposite position. The Federal Reserve is what is in charge of the payment system, and by this bill we are allowing people access to the payment system without thorough oversight of the parent company. All I am asking is that ILCs come under the same national law as everybody else that operates as the equivalent of a full service bank, nothing less, nothing more. But it does have the effect of devaluing all other financial institution charters. That is a concern, although the principal concern is protection of the public purse. In that regard, I agree that the FDIC has a different position.

But I only make one final point. Under the Gramm-Leach-Bliley Act, the effort was to have coordination of all the Federal banking regulators. Here you have one banking regulator that wants to operate outside coordination of all the others. In that regard, I have some concerns about FDIC judgment which I believe is driven by a desire to regulate a greater body of institutions. That is a personal view. Maybe they have other motives. I do not know. But I want Federal coordination. I want public protection to the maximum degree possible.

Mr. MATHESON. I appreciate those comments. I would just say I understand there is a difference between the FDIC and the Federal Reserve and there is a difference on this particular issue. I just want to point out that this is not just an ILC issue, though. There are other entities that are also not regulated by the Federal Reserve.

Mr. OXLEY. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Indiana (Mr. CHOCOLA).

Mr. CHOCOLA. I thank the gentleman for yielding me this time.

Mr. Chairman, the banking industry estimates that it spends approximately $25 billion annually to comply with the regulatory requirements imposed at the Federal and State levels of government. While some of these regulations help to ensure the reliability of our financial services sector, many of the mandates that emerge from Washington, D.C. are overly burdensome, unnecessarily costly, and oftentimes hinder profitability, innovation and competition. Whenever we can identify examples of unnecessary regulatory obstacles, Congress should act to eliminate them.

H.R. 1375, the Financial Services Regulatory Relief Act of 2004, is a well-crafted bill that does exactly that. It allows credit unions, savings associations, and national banks to devote more of their resources to the business of lending to consumers and less to the bureaucratic maze of compliance with outdated and unnecessary regulations. It contains a broad range of provisions that, taken as a whole, will help grant parity among financial institutions of all characters and sizes as well as the agencies that regulate them and, most importantly, the customers they serve.

Of the many important provisions in this bill, several are significant for Indiana's credit unions. For example, access to the Federal Home Loan Bank is available only for financial institutions that are federally insured. H.R. 1375 contains a provision that would allow privately insured financial institutions to join the Federal Home Loan Bank. The Federal Home Loan Bank is a significant low-cost source of funds that a credit union can use to expand loan products, especially mortgage loans, to its members. Indiana has more than 20 privately insured credit unions, including Elkhart County Farm Bureau Credit Union, whose members could benefit from access to the Federal Home Loan Bank.

Currently, credit unions may only offer check cashing and money transfer services to members. H.R. 1375 contains a provision that allows credit unions to offer these services to anyone who is eligible for membership but has not yet joined the credit union. This would allow credit unions to extend services to underserved consumers at a lower cost than check cashers and money transfer providers, while introducing them to mainstream financial services.

By passing this legislation, Congress will demonstrate its commitment to reducing the regulatory burden. I urge all of my colleagues to support H.R. 1375.

Mr. OXLEY. Mr. Chairman, I yield myself the balance of my time. I would simply say this has been a very good debate and, in fact, a great representation of the legislative process at work. We have had a lot of strong opinions, particularly on the ILC issue. But overall this is an attempt to provide regulatory relief to institutions who have undertaken a tremendous burden, particularly under the PATRIOT Act strictures. For that reason, this bill needs to go forward.

Ms. LEE. Mr. Chairman, although I do have some reservations about this bill, I rise in support of the vast majority of the underlying bill and want to praise the excellent bipartisan leadership exercised in crafting it and moving it to the floor today. It was a long time in the making and I congratulate my colleagues on their hard work.

The bill provides much needed regulatory relief to credit unions, national banks, and savings and loan institutions. We all know that regulations can do great good, but they need to be reexamined and refined from time to time, especially when new consumer protections are warranted and where they can provide needed flexibility to enhance efficiency.

This bill does exactly that and I am pleased with many of its provisions, especially those that will help the credit unions compete, thrive and improve their services to consumers.

Mr. Chairman, I hope that we will improve the bill before us today by adopting the Manager's amendment, and Waters amendment, among others.

Mr. CANTOR. Mr. Chairman, I rise today to speak in favor of The Financial Services Regulatory Relief Act. This important legislation will help relieve several of the regulatory burdens that hinder the business practices of financial institutions throughout our Nation. By lifting these regulations, banks, credit unions, and other institutions will be able to better serve the average American.

Particularly, I would like to mention the importance of Section 208 of this legislation. This provision would remove a limitation on savings associations that prevents them from offering a larger percentage of automobile loans to their customers.

Presently, automobile loans are included in the household or consumer loan restriction limit of 35% of an institution's assets. Many savings associations will be forced to stop or limit the number of automobile loan products they offer because of this restriction. With less competition in the marketplace, the American people will be left with fewer options to purchase automobiles.

The language currently in this legislation will remove automobile loans from household or consumer loan restriction. This provision will help guard against predatory practices and add flexibility to the lending industry by creating better marketplace options for the American consumer.

For over 150 years, thrift banks have focused on providing consumers with the necessary means to obtain the American dream of ownership. We should not limit Americans in that dream.

Mr. Chairman, I would like to thank the Financial Services Committee and Chairman OXLEY for including this important provision in H.R. 1375. I urge that we pass this legislation, and I yield back the balance of my time.

Mr. TERRY. Mr. Chairman, I rise today in reluctant opposition to H.R. 1375.

The United States is a government of limited powers and of Federalism. We defer to the States to make their own determinations to ensure the health, welfare, and consumer protection of their citizens.

During my legislative career, I have fought to ease the regulatory burden on our Nation's businesses, our Nation's engines for growth. I have fought against unwarranted government intrusion.

As much as I support the removal of unnecessary and onerous regulatory burdens on our Nation's businesses, I am also a strong supporter of States rights.

In America we do not take a one-size-fits-all approach to government. One reason why we enjoy the highest standard of living in the world is because we have a laboratory of our States who are given the freedom to set their own paths. Similar to completion in the private sector, we allow States to offer competing plans to protect the safety and welfare of their citizens.

H.R. 1375 has many admirable provisions to ease the regulatory environment on our Nation's financial service industry; however, the bill amends the interstate branching laws to permit de novo interstate branching, thus eliminating the State's role in "entry-by-acquisition" only rules that apply under Federal law today. This is an unjustified unsurpation of State regulatory authority.

Currently, de novo interstate branching may occur only if a State's law expressly permits it. Seventeen States have passed laws that permit de novo branching, while thirty-three States, like Nebraska, do not.

It is for this reason only I reluctantly cannot support H.R. 1375.

Mr. CASTLE. Mr. Chairman, I rise today in support of H.R. 1375, the "Financial Services Regulatory Relief Act." I commend Chairman OXLEY and Subcommittee Chairman BACHUS for continuing the Financial Services Committee's efforts to address regulatory relief for our financial institutions.

This legislation will address regulatory relief for a number of financial institution systems; banks, savings associations and credit unions. It eases regulatory burden which in turn will improve productivity, ultimately benefiting consumers and small businesses.

As Members of Congress it is important for us not to forget our role in oversight of the laws and regulations that we create and address the regulations as needed. We should ensure that the laws and regulations we create follow our original intent and are not overly burdensome. I commend our committee for revisiting the regulatory requirements. It is essential we make sure we have streamlined them for efficiency and not made them overly onerous.

Mr. Chairman, this legislation is a good bipartisan bill that members of the Financial Services Committee held a number of hearings on. I am pleased today that we have brought this much needed bill to the floor. I urge my colleagues on both sides of the aisle to join me in supporting this important and very necessary legislation.

Mr. BEREUTER. Mr. Chairman, this Member has been a strong supporter of regulatory burden relief for our financial institutions in the past. However, this Member will oppose the Financial Services Regulatory Relief Act of 2003 (H.R. 1375) because of the provisions which preempt the laws of over 30 states on either interstate bank branching, the bank acquisition "age" requirements or both. As a former State senator in the Nebraska Unicameral legislature, this Member believes Congress should continue to defer to State legislatures on these questions.

Under current Federal law, State and national chartered banks can branch de novo into a new State only if the State explicitly permits de novo interstate branching. This provision of Federal law was enacted in the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. Furthermore, under Riegle-Neal, bank holding companies are permitted to acquire an existing bank in any State. However, under this law, a state can adopt "age" laws which provide that a bank holding company located out-of-State can only acquire a bank in the State if the bank has been in existence for a certain amount of time (up to 5 years) as determined by the State.

Section 401 of H.R. 1375 would preempt State laws as they relate to both interstate bank branching and the "age" requirement for the acquisition of existing banks. In the 107th Congress, this Member did offer an amendment on this subject during a Financial Services Committee Markup of the Financial Services Regulatory Relief Act of 2002. This Member's amendment would have deleted the provision of this bill which preempted the laws of States on bank branching and bank acquisition. Unfortunately, the amendment was defeated by a vote of 13 to 32.

In conclusion, this Member will oppose H.R. 1375 because of the provisions in Section 401 which preempted the laws of over 30 States. This Member strongly believes that these banking questions should be left to our State legislatures.

Mr. GUTIERREZ. Mr. Chairman, I had intended to offer an amendment on this legislation regarding the OCC preemption rules, but withdrew it in anticipation of revisiting that important issue soon on other legislation.

I do, however, want to state my strong support for a particular provision of H.R. 1375, the Financial Services Regulatory Relief Act of 2003. I am very pleased that credit unions will be permitted to offer remittance products to nonmembers under this legislation. I want to thank Chairman OXLEY, Ranking Member FRANK, CHARLIE GONZALEZ and DOUG OSE for their work on this important provision. Credit unions offer the lowest cost remittance products and the best exchange rates on the market. In addition, increased competition in this arena will provide more favorable options for consumers.

This is most important because many purveyors of remittance products charge extremely high fees and provide very unfavorable exchange rates to their consumers, and they often fail to provide adequate disclosure. I have legislation that addresses this issue, requiring meaningful disclosure of fees and rates, in the language that is used to advertise and/or transact business with consumers. I hope this meaningful legislation will soon advance to floor consideration.

Again, thank you, Chairman OXLEY and Ranking Member FRANK, for including this important remittance provision in the legislation.

Mr. OXLEY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. SIMMONS). All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1375

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Financial Services Regulatory Relief Act of 2003".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—NATIONAL BANK PROVISIONS

Sec. 101. National bank directors.
Sec. 102. Voting in shareholder elections.
Sec. 103. Simplifying dividend calculations for national banks.
Sec. 104. Repeal of obsolete limitation on removal authority of the Comptroller of the Currency.
Sec. 105. Repeal of intrastate branch capital requirements.
Sec. 106. Clarification of waiver of publication requirements for bank merger notices.
Sec. 107. Capital equivalency deposits for Federal branches and agencies of foreign banks.
Sec. 108. Equal treatment for Federal agencies of foreign banks.
Sec. 109. Maintenance of a Federal branch and a Federal agency in the same State.
Sec. 110. Business organization flexibility for national banks.
Sec. 111. Clarification of the main place of business of a national bank.

TITLE II—SAVINGS ASSOCIATION PROVISIONS

Sec. 201. Parity for savings associations under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940.
Sec. 202. Investments by Federal savings associations authorized to promote the public welfare.
Sec. 203. Mergers and consolidations of Federal savings associations with nondepository institution affiliates.
Sec. 204. Repeal of statutory dividend notice requirement for savings association subsidiaries of savings and loan holding companies.
Sec. 205. Modernizing statutory authority for trust ownership of savings associations.
Sec. 206. Repeal of overlapping rules governing purchased mortgage servicing rights.
Sec. 207. Restatement of authority for Federal savings associations to invest in small business investment companies.
Sec. 208. Removal of limitation on investments in auto loans.
Sec. 209. Selling and offering of deposit products.
Sec. 210. Funeral- and cemetery-related fiduciary services.
Sec. 211. Repeal of qualified thrift lender requirement with respect to out-of-state branches.
Sec. 212. Small business and other commercial loans.

Sec. 213. Clarifying citizenship of Federal savings associations for Federal court jurisdiction.
Sec. 214. Clarification of applicability of certain procedural doctrines.

TITLE III—CREDIT UNION PROVISIONS

Sec. 301. Privately insured credit unions authorized to become members of a Federal home loan bank.
Sec. 302. Leases of land on Federal facilities for credit unions.
Sec. 303. Investments in securities by Federal credit unions.
Sec. 304. Increase in general 12-year limitation of term of Federal credit union loans to 15 years.
Sec. 305. Increase in 1 percent investment limit in credit union service organizations.
Sec. 306. Member business loan exclusion for loans to nonprofit religious organizations.
Sec. 307. Check cashing and money transfer services offered within the field of membership.
Sec. 308. Voluntary mergers involving multiple common-bond credit unions.
Sec. 309. Conversions involving common-bond credit unions.
Sec. 310. Credit union governance.
Sec. 311. Providing the National Credit Union Administration with greater flexibility in responding to market conditions.
Sec. 312. Exemption from pre-merger notification requirement of the Clayton Act.
Sec. 313. Treatment of credit unions as depository institutions under securities laws.

TITLE IV—DEPOSITORY INSTITUTION PROVISIONS

Sec. 401. Easing restrictions on interstate branching and mergers.
Sec. 402. Statute of limitations for judicial review of appointment of a receiver for depository institutions.
Sec. 403. Reporting requirements relating to insider lending.
Sec. 404. Amendment to provide an inflation adjustment for the small depository institution exception under the Depository Institution Management Interlocks Act.
Sec. 405. Enhancing the safety and soundness of insured depository institutions.
Sec. 406. Investments by insured savings associations in bank service companies authorized.
Sec. 407. Cross guarantee authority.
Sec. 408. Golden parachute authority and nonbank holding companies.
Sec. 409. Amendments relating to change in bank control.

TITLE V—DEPOSITORY INSTITUTION AFFILIATES PROVISIONS

Sec. 501. Clarification of cross marketing provision.
Sec. 502. Amendment to provide the Federal Reserve Board with discretion concerning the imputation of control of shares of a company by trustees.
Sec. 503. Eliminating geographic limits on thrift service companies.
Sec. 504. Clarification of scope of applicable rate provision.

TITLE VI—BANKING AGENCY PROVISIONS

Sec. 601. Waiver of examination schedule in order to allocate examiner resources.
Sec. 602. Interagency data sharing.
Sec. 603. Penalty for unauthorized participation by convicted individual.
Sec. 604. Amendment permitting the destruction of old records of a depository institution by the FDIC after the appointment of the FDIC as receiver.
Sec. 605. Modernization of recordkeeping requirement.
Sec. 606. Clarification of extent of suspension, removal, and prohibition authority of Federal banking agencies in cases of certain crimes by institution-affiliated parties.
Sec. 607. Streamlining depository institution merger application requirements.
Sec. 608. Inclusion of Director of the Office of Thrift Supervision in list of banking agencies regarding insurance customer protection regulations.
Sec. 609. Shortening of post-approval antitrust review period with the agreement of the Attorney General.
Sec. 610. Protection of confidential information received by Federal banking regulators from foreign banking supervisors.
Sec. 611. Prohibition on the participation in the affairs of bank holding company or Edge Act or agreement corporations by convicted individual.
Sec. 612. Clarification that notice after separation from service may be made by an order.
Sec. 613. Examiners of financial institutions.
Sec. 614. Parity in standards for institution-affiliated parties.
Sec. 615. Enforcement against misrepresentations regarding FDIC deposit insurance coverage.
Sec. 616. Compensation of Federal home loan bank directors.
Sec. 617. Extension of terms of Federal home loan bank directors.
Sec. 618. Biennial reports on the status of agency employment of minorities and women.
Sec. 619. Coordination of State examination authority.

TITLE VII—CLERICAL AND TECHNICAL AMENDMENTS

Sec. 701. Clerical amendments to the Home Owners' Loan Act.
Sec. 702. Technical corrections to the Federal Credit Union Act.
Sec. 703. Other technical corrections.
Sec. 704. Repeal of obsolete provisions of the Bank Holding Company Act of 1956.

TITLE I—NATIONAL BANK PROVISIONS

SEC. 101. NATIONAL BANK DIRECTORS.

Section 5146 of the Revised Statutes of the United States (12 U.S.C. 72) is amended—

(1) by striking "Sec. 5146. Every director must during" and inserting the following:

"SEC. 5146. REQUIREMENTS FOR BANK DIRECTORS.

"(a) Residency Requirements.—Every director of a national bank shall, during";

(2) by striking "total number of directors. Every director must own in his or her own right" and inserting "total number of directors.

"(b) Investment Requirement.—

"(1) In general.—Every director of a national bank shall own, in his or her own right,"; and

(3) by adding at the end the following new paragraph:

"(2) Exception for subordinated debt in certain cases.—In lieu of the requirements of paragraph (1) relating to the ownership of capital stock in the national bank, the Comptroller of the Currency may, by regulation or order, permit an individual to serve as a director of a national bank that has elected, or notifies the Comptroller of the bank's intention to elect, to operate as a S corporation pursuant to section 1362(a) of the Internal Revenue Code of 1986, if that individual holds debt of at least $1,000 issued by the national bank that is subordinated to the interests of depositors and other general creditors of the national bank.".

SEC. 102. VOTING IN SHAREHOLDER ELECTIONS.

Section 5144 of the Revised Statutes of the United States (12 U.S.C. 61) is amended—

(1) by striking "or to cumulate" and inserting "or, if so provided by the articles of association of the national bank, to cumulate";

(2) by striking the comma after "his shares shall equal"; and

(3) by adding at the end the following new sentence: "The Comptroller of the Currency may prescribe such regulations to carry out the purposes of this section as the Comptroller determines to be appropriate.".

SEC. 103. SIMPLIFYING DIVIDEND CALCULATIONS FOR NATIONAL BANKS.

(a) In General.—Section 5199 of the Revised Statutes of the United States (12 U.S.C. 60) is amended to read as follows:

"SEC. 5199. NATIONAL BANK DIVIDENDS.

"(a) In General.—Subject to subsection (b), the directors of any national bank may declare a dividend of so much of the undivided profits of the bank as the directors judge to be expedient.

"(b) Approval Required Under Certain Circumstances.—A national bank may not declare and pay dividends in any year in excess of an amount equal to the sum of the total of the net income of the bank for that year and the retained net income of the bank in the preceding two years, minus any transfers required by the Comptroller of the Currency (including any transfers required to be made to a fund for the retirement of any preferred stock), unless the Comptroller of the Currency approves the declaration and payment of dividends in excess of such amount.".

(b) Clerical Amendment.—The table of sections for chapter three of title LXII of the Revised Statutes of the United States is amended by striking the item relating to section 5199 and inserting the following new item:

"5199. National bank dividends.".

SEC. 104. REPEAL OF OBSOLETE LIMITATION ON REMOVAL AUTHORITY OF THE COMPTROLLER OF THE CURRENCY.

Section 8(e)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)(4)) is amended by striking the 5th sentence.

SEC. 105. REPEAL OF INTRASTATE BRANCH CAPITAL REQUIREMENTS.

Section 5155(c) of the Revised Statutes of the United States (12 U.S.C. 36(c)) is amended—

(1) in the 2nd sentence, by striking ", without regard to the capital requirements of this section,"; and

(2) by striking the last sentence.

SEC. 106. CLARIFICATION OF WAIVER OF PUBLICATION REQUIREMENTS FOR BANK MERGER NOTICES.

The last sentence of sections 2(a) and 3(a)(2) of the National Bank Consolidation and Merger Act (12 U.S.C. 215(a) and 215a(a)(2), respectively) are each amended by striking "Publication of notice may be waived, in cases where the Comptroller determines that an emergency exists justifying such waiver, by unanimous action of the shareholders of the association or State bank" and inserting "Publication of notice may be waived if the Comptroller determines that an emergency exists justifying such waiver or if the shareholders of the association or State bank agree by unanimous action to waive the publication requirement for their respective institutions".

SEC. 107. CAPITAL EQUIVALENCY DEPOSITS FOR FEDERAL BRANCHES AND AGENCIES OF FOREIGN BANKS.

Section 4(g) of the International Banking Act of 1978 (12 U.S.C. 3102(g)) is amended to read as follows:

"(g) CAPITAL EQUIVALENCY DEPOSIT.—

"(1) IN GENERAL.—Upon the opening of a Federal branch or agency of a foreign bank in any State and thereafter, the foreign bank, in addition to any deposit requirements imposed under section 6, shall keep on deposit, in accordance with such regulations as the Comptroller of the Currency may prescribe in accordance with paragraph (2), dollar deposits, investment securities, or other assets in such amounts as the Comptroller of the Currency determines to be necessary for the protection of depositors and other investors and to be consistent with the principles of safety and soundness.

"(2) LIMITATION.—Notwithstanding paragraph (1), regulations prescribed under such paragraph shall not permit a foreign bank to keep assets on deposit in an amount that is less than the amount required for a State licensed branch or agency of a foreign bank under the laws and regulations of the State in which the Federal agency or branch is located.".

SEC. 108. EQUAL TREATMENT FOR FEDERAL AGENCIES OF FOREIGN BANKS.

The 1st sentence of section 4(d) of the International Banking Act of 1978 (12 U.S.C. 3102(d)) is amended by inserting "from citizens or residents of the United States" after "deposits".

SEC. 109. MAINTENANCE OF A FEDERAL BRANCH AND A FEDERAL AGENCY IN THE SAME STATE.

Section 4(e) of the International Banking Act of 1978 (12 U.S.C. 3102(e)) is amended by inserting "if the maintenance of both an agency and a branch in the State is prohibited under the law of such State" before the period at the end.

SEC. 110. BUSINESS ORGANIZATION FLEXIBILITY FOR NATIONAL BANKS.

(a) IN GENERAL.—Chapter one of title LXII of the Revised Statutes of the United States (12 U.S.C. 21 et seq.) is amended by inserting after section 5136B the following new section:

"SEC. 5136C. ALTERNATIVE BUSINESS ORGANIZATION.

"(a) IN GENERAL.—The Comptroller of the Currency may prescribe regulations—

"(1) to permit a national bank to be organized other than as a body corporate; and

"(2) to provide requirements for the organizational characteristics of a national bank organized and operating other than as a body corporate, consistent with the safety and soundness of the national bank.

"(b) EQUAL TREATMENT.—Except as provided in regulations prescribed under subsection (a), a national bank that is operating other than as a body corporate shall have the same rights and privileges and shall be subject to the same duties, restrictions, penalties, liabilities, conditions, and limitations as a national bank that is organized as a body corporate.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended, in the matter preceding the paragraph designated as the "First", by inserting "or other form of business organization provided under regulations prescribed by the Comptroller of the Currency under section 5136C" after "a body corporate".

(c) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States (12 U.S.C. 21 et seq.) is amended by inserting after the item relating to section 5136B the following new item:

"5136C. Alternative business organization.".

SEC. 111. CLARIFICATION OF THE MAIN PLACE OF BUSINESS OF A NATIONAL BANK.

Title LXII of the Revised Statutes of the United States is amended—

(1) in the paragraph designated the "Second" of section 5134 (12 U.S.C. 22), by striking "The place where its operations of discount and deposit are to be carried on" and inserting "The place where the main office of the national bank is, or is to be, located"; and

(2) in section 5190 (12 U.S.C. 81), by striking "the place specified in its organization certificate" and inserting "the main office of the national bank".

TITLE II—SAVINGS ASSOCIATION PROVISIONS

SEC. 201. PARITY FOR SAVINGS ASSOCIATIONS UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND THE INVESTMENT ADVISERS ACT OF 1940.

(a) SECURITIES EXCHANGE ACT OF 1934.—

(1) DEFINITION OF BANK.—Section 3(a)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(6)) is amended—

(A) in subparagraph (A), by inserting "or a Federal savings association, as defined in section 2(5) of the Home Owners' Loan Act" after "a banking institution organized under the laws of the United States"; and

(B) in subparagraph (C)—

(i) by inserting "or savings association as defined in section 2(4) of the Home Owners' Loan Act," after "banking institution,"; and

(ii) by inserting "or savings associations" after "having supervision over banks".

(2) INCLUDE OTS UNDER THE DEFINITION OF APPROPRIATE REGULATORY AGENCY FOR CERTAIN PURPOSES.—Section 3(a)(34) of such Act (15 U.S.C. 78c(a)(34)) is amended—

(A) in subparagraph (A)—

(i) in clause (ii), by striking "(i) or (iii)" and inserting "(i), (iii), or (iv)";

(ii) by striking "and" at the end of clause (iii);

(iii) by redesignating clause (iv) as clause (v); and

(iv) by inserting the following new clause after clause (iii):

"(iv) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))) the deposits of which are insured by the Federal Deposit Insurance Corporation, a subsidiary or a department or division of any such savings association, or a savings and loan holding company; and";

(B) in subparagraph (B)—

(i) in clause (ii), by striking "(i) or (iii)" and inserting "(i), (iii), or (iv)";

(ii) by striking "and" at the end of clause (iii);

(iii) by redesignating clause (iv) as clause (v); and

(iv) by inserting the following new clause after clause (iii):

"(iv) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))) the deposits of which are insured by the Federal Deposit Insurance Corporation, or a subsidiary of any such savings association, or a savings and loan holding company; and";

(C) in subparagraph (C)—

(i) in clause (ii), by striking "(i) or (iii)" and inserting "(i), (iii), or (iv)";

(ii) by striking "and" at the end of clause (iii);

(iii) by redesignating clause (iv) as clause (v); and

(iv) by inserting the following new clause after clause (iii):

"(iv) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))) the deposits of which are insured by the Federal Deposit Insurance Corporation, a savings and loan holding company, or a subsidiary of a savings and loan holding company when the appropriate regulatory agency for such clearing agency is not the Commission; and";

(D) in subparagraph (D)—

(i) by striking "and" at the end of clause (ii);

(ii) by redesignating clause (iii) as clause (iv); and

(iii) by inserting the following new clause after clause (ii):

"(iii) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))) the deposits of which are insured by the Federal Deposit Insurance Corporation; and";

(E) in subparagraph (F)—

(i) by redesignating clauses (ii), (iii), and (iv) as clauses (iii), (iv), and (v), respectively; and

(ii) by inserting the following new clause after clause (i):

"(ii) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))) the deposits of which are insured by the Federal Deposit Insurance Corporation; and";

(F) by moving subparagraph (H) and inserting such subparagraph after subparagraph (G); and

(G) by adding at the end the following new sentence: "As used in this paragraph, the term 'savings and loan holding company' has the meaning given it in section 10(a) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)).".

(b) INVESTMENT ADVISERS ACT OF 1940.—

(1) DEFINITION OF BANK.—Section 202(a)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(2)) is amended—

(A) in subparagraph (A) by inserting "or a Federal savings association, as defined in section 2(5) of the Home Owners' Loan Act" after "a banking institution organized under the laws of the United States"; and

(B) in subparagraph (C)—

(i) by inserting ", savings association as defined in section 2(4) of the Home Owners' Loan Act," after "banking institution"; and

(ii) by inserting "or savings associations" after "having supervision over banks".

(2) CONFORMING AMENDMENTS.—Subsections (a)(1)(A)(i), (a)(1)(B), (a)(2), and (b) of section 210A of such Act (15 U.S.C. 80b–10a), as added by section 220 of the Gramm-Leach-Bliley Act, are each amended by striking "bank holding company" each place it occurs and inserting "bank holding company or savings and loan holding company".

(c) CONFORMING AMENDMENT TO THE INVESTMENT COMPANY ACT OF 1940.—Section 10(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–10(c)), as amended by section 213(c) of the Gramm-Leach-Bliley Act, is amended by inserting after "1956)" the following: "or any one savings and loan holding company (together with its affiliates and subsidiaries) (as such terms are defined in section 10 of the Home Owners' Loan Act)".

SEC. 202. INVESTMENTS BY FEDERAL SAVINGS ASSOCIATIONS AUTHORIZED TO PROMOTE THE PUBLIC WELFARE.

(a) IN GENERAL.—Section 5(c)(3) of the Home Owners' Loan Act (12 U.S.C. 1464(c)) is amended by adding at the end the following new subparagraph:

"(D) DIRECT INVESTMENTS TO PROMOTE THE PUBLIC WELFARE.—

"(i) IN GENERAL.—A Federal savings association may make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families through the provision of housing, services, and jobs.

"(ii) DIRECT INVESTMENTS OR ACQUISITION OF INTEREST IN OTHER COMPANIES.—Investments under clause (i) may be made directly or by purchasing interests in an entity primarily engaged in making such investments.

"(iii) PROHIBITION ON UNLIMITED LIABILITY.—No investment may be made under this subparagraph which would subject a Federal savings association to unlimited liability to any person.

"(iv) SINGLE INVESTMENT LIMITATION TO BE ESTABLISHED BY DIRECTOR.—Subject to clauses (v) and (vi), the Director shall establish, by order or regulation, limits on—

"(I) the amount any savings association may invest in any 1 project; and

"(II) the aggregate amount of investment of any savings association under this subparagraph.

"(v) FLEXIBLE AGGREGATE INVESTMENT LIMITATION.—The aggregate amount of investments of any savings association under this subparagraph may not exceed an amount equal to the sum of 5 percent of the savings association's capital stock actually paid in and unimpaired and 5 percent of the savings association's unimpaired surplus, unless—

"(I) the Director determines that the savings association is adequately capitalized; and

"(II) the Director determines, by order, that the aggregate amount of investments in a higher amount than the limit under this clause will pose no significant risk to the affected deposit insurance fund.

"(vi) MAXIMUM AGGREGATE INVESTMENT LIMITATION.—Notwithstanding clause (v), the aggregate amount of investments of any savings association under this subparagraph may not exceed an amount equal to the sum of 10 percent of the savings association's capital stock actually paid in and unimpaired and 10 percent of the savings association's unimpaired surplus.

"(vii) INVESTMENTS NOT SUBJECT TO OTHER LIMITATION ON QUALITY OF INVESTMENTS.—No obligation a Federal savings association acquires or retains under this subparagraph shall be taken into account for purposes of the limitation contained in section 28(d) of the Federal Deposit Insurance Act on the acquisition and retention of any corporate debt security not of investment grade.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 5(c)(3)(A) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(3)(A)) is amended to read as follows:

"(A) [Repealed.]".

SEC. 203. MERGERS AND CONSOLIDATIONS OF FEDERAL SAVINGS ASSOCIATIONS WITH NONDEPOSITORY INSTITUTION AFFILIATES.

Section 5(d)(3) of the Home Owners' Loan Act (12 U.S.C. 1464(d)(3)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) by inserting after subparagraph (A) the following new subparagraph:

"(B) MERGERS AND CONSOLIDATIONS WITH NONDEPOSITORY INSTITUTION AFFILIATES.—

"(i) IN GENERAL.—Upon the approval of the Director, a Federal savings association may merge with any nondepository institution affiliate of the savings association.

"(ii) RULE OF CONSTRUCTION.—No provision of clause (i) shall be construed as—

"(I) affecting the applicability of section 18(c) of the Federal Deposit Insurance Act; or

"(II) granting a Federal savings association any power or any authority to engage in any activity that is not authorized for a Federal savings association under any other provision of this Act or any other provision of law.".

SEC. 204. REPEAL OF STATUTORY DIVIDEND NOTICE REQUIREMENT FOR SAVINGS ASSOCIATION SUBSIDIARIES OF SAVINGS AND LOAN HOLDING COMPANIES.

Section 10(f) of the Home Owners' Loan Act (12 U.S.C. 1467a(f)) is amended to read as follows:

"(f) DECLARATION OF DIVIDEND.—The Director may—

"(1) require a savings association that is a subsidiary of a savings and loan holding company to give prior notice to the Director of the intent of the savings association to pay a dividend on its guaranty, permanent, or other nonwithdrawable stock; and

"(2) establish conditions on the payment of dividends by such a savings association.".

SEC. 205. MODERNIZING STATUTORY AUTHORITY FOR TRUST OWNERSHIP OF SAVINGS ASSOCIATIONS.

(a) IN GENERAL.—Section 10(a)(1)(C) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(1)(C)) is amended—

(1) by striking "trust," and inserting "business trust,"; and

(2) by inserting "or any other trust unless by its terms it must terminate within 25 years or not later than 21 years and 10 months after the death of individuals living on the effective date of the trust," after "or similar organization,".

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 10(a)(3) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)(3)) is amended—

(1) by striking "does not include—" and all that follows through "any company by virtue" where such term appears in subparagraph (A) and inserting "does not include any company by virtue";

(2) by striking "; and" at the end of subparagraph (A) and inserting a period; and

(3) by striking subparagraph (B).

SEC. 206. REPEAL OF OVERLAPPING RULES GOVERNING PURCHASED MORTGAGE SERVICING RIGHTS.

Section 5(t) of the Home Owners' Loan Act (12 U.S.C. 1464(t)) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) [Repealed.]"; and

(2) in paragraph (9)(A), by striking "intangible assets, plus" and all that follows through the period at the end and inserting "intangible assets.".

SEC. 207. RESTATEMENT OF AUTHORITY FOR FEDERAL SAVINGS ASSOCIATIONS TO INVEST IN SMALL BUSINESS INVESTMENT COMPANIES.

Subparagraph (D) of section 5(c)(4) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(4)) is amended to read as follows:

"(D) SMALL BUSINESS INVESTMENT COMPANIES.—Any Federal savings association may invest in 1 or more small business investment companies, or in any entity established to invest solely in small business investment companies formed under the Small Business Investment Act of 1958, except that the total amount of investments under this subparagraph may not at any time exceed the amount equal to 5 percent of capital and surplus of the savings association.".

SEC. 208. REMOVAL OF LIMITATION ON INVESTMENTS IN AUTO LOANS.

(a) IN GENERAL.—Section 5(c)(1) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(1)) is amended by adding at the end the following new subparagraph:

"(V) AUTO LOANS.—Loans and leases for motor vehicles acquired for personal, family, or household purposes.".

(b) TECHNICAL AND CONFORMING AMENDMENT RELATING TO QUALIFIED THRIFT INVESTMENTS.—Section 10(m)(4)(C)(ii) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(4)(C)(ii)) is amended by adding at the end the following new subclause:

"(VIII) Loans and leases for motor vehicles acquired for personal, family, or household purposes.".

SEC. 209. SELLING AND OFFERING OF DEPOSIT PRODUCTS.

Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(h)) is amended by adding at the end the following new paragraph:

"(4) SELLING AND OFFERING OF DEPOSIT PRODUCTS.—No law, rule, regulation, or order, or other administrative action of any State or political subdivision thereof shall directly or indirectly require any individual who is an agent of 1 Federal savings association (as such term is defined in section 2(5) of the Home Owners' Loan Act (12 U.S.C. 1462(5)) in selling or offering deposit (as such term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)) products issued by such association to qualify or register as a broker, dealer, associated person of a broker, or associated person of a dealer, or to qualify or register in any other similar status or capacity, if the individual does not—

"(A) accept deposits or make withdrawals on behalf of any customer of the association;

"(B) offer or sell a deposit product as an agent for another entity that is not subject to supervision and examination by a Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act (12 U.S.C. 1813(z)), the National Credit Union Administration, or any officer, agency, or other entity of any State which has primary regulatory authority over State banks, State savings associations, or State credit unions;

"(C) offer or sell a deposit product that is not an insured deposit (as defined in section 3(m) of the Federal Deposit Insurance Act (12 U.S.C. 1813(m)));

"(D) offer or sell a deposit product which contains a feature that makes it callable at the option of such Federal savings association; or

"(E) create a secondary market with respect to a deposit product or otherwise add enhancements or features to such product independent of those offered by the association.".

SEC. 210. FUNERAL- AND CEMETERY-RELATED FIDUCIARY SERVICES.

Section 5(n) of the Home Owners' Loan Act (12 U.S.C. 1464(n)) is amended by adding at the end the following new paragraph:

"(11) FUNERAL- AND CEMETERY-RELATED FIDUCIARY SERVICES.—

"(A) IN GENERAL.—A funeral director or cemetery operator, when acting in such capacity, (or any other person in connection with a contract or other agreement with a funeral director or cemetery operator) may engage any Federal savings association, regardless of where the association is located, to act in any fiduciary capacity in which the savings association has the right to act in accordance with this section, including holding funds deposited in trust or escrow by the funeral director or cemetery operator (or by such other party), and the savings association may act in such fiduciary capacity on behalf of the funeral director or cemetery operator (or such other person).

"(B) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

"(i) CEMETERY.—The term 'cemetery' means any land or structure used, or intended to be used, for the interment of human remains in any form.

"(ii) CEMETERY OPERATOR.—The term 'cemetery operator' means any person who contracts or accepts payment for merchandise, endowment, or perpetual care services in connection with a cemetery.

"(iii) FUNERAL DIRECTOR.—The term 'funeral director' means any person who contracts or accepts payment to provide or arrange—

"(I) services for the final disposition of human remains; or

"(II) funeral services, property, or merchandise (including cemetery services, property, or merchandise).".

SEC. 211. REPEAL OF QUALIFIED THRIFT LENDER REQUIREMENT WITH RESPECT TO OUT-OF-STATE BRANCHES.

Section 5(r)(1) of the Home Owners' Loan Act (12 U.S.C. 1464(r)(1)) is amended by striking the last sentence.

SEC. 212. SMALL BUSINESS AND OTHER COMMERCIAL LOANS.

(a) ELIMINATION OF LENDING LIMIT ON SMALL BUSINESS LOANS.—Section 5(c)(1) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(1)) is amended by inserting after subparagraph (V) (as added by section 208 of this title) the following new subparagraph:

"(W) SMALL BUSINESS LOANS.—Small business loans, as defined in regulations which the Director shall prescribe.".

(b) INCREASE IN LENDING LIMIT ON OTHER BUSINESS LOANS.—Section 5(c)(2)(A) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(2)(A)) is amended by striking ", and amounts in excess of 10 percent" and all that follows through "by the Director".

SEC. 213. CLARIFYING CITIZENSHIP OF FEDERAL SAVINGS ASSOCIATIONS FOR FEDERAL COURT JURISDICTION.

Section 5 of the Home Owners' Loan Act (12 U.S.C. 1464) is amended by adding at the end the following new subsection:

"(x) HOME STATE CITIZENSHIP.—In determining whether a Federal court has diversity jurisdiction over a case in which a Federal savings association is a party, the Federal savings association shall be considered to be a citizen only of the State in which such savings association has its main office.".

SEC. 214. CLARIFICATION OF APPLICABILITY OF CERTAIN PROCEDURAL DOCTRINES.

Section 11A(d) of the Federal Deposit Insurance Act (12 U.S.C. 1821a(d)) is amended—

(1) by striking "LEGAL PROCEEDINGS.—Any judgment" and inserting "LEGAL PROCEEDINGS.—

"(1) IN GENERAL.—Any judgment"; and

(2) by adding at the end the following new paragraph:

"(2) CLARIFICATION OF APPLICABILITY OF CERTAIN PROCEDURAL DOCTRINES.—In any proceeding seeking a monetary recovery against the United States, or an agency or official thereof, based upon actions of the Federal Savings and Loan Insurance Corporation prior to its dissolution, or the Federal Home Loan Bank Board prior to its dissolution, and arising from the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 or its implementation, and where any monetary recovery in such proceeding would be paid from the FSLIC Resolution Fund or any supplements thereto, neither the United States Court of Federal Claims, the United States Court of Appeals for the Federal Circuit, nor any other court of competent jurisdiction shall dismiss, or affirm on appeal the dismissal of, the claims of any party seeking such monetary recovery, on the basis of res judicata, collateral estoppel, or any similar doctrine, defense, or rule of law, based upon any decision, opinion, or order of judgment entered by any court prior to July 1, 1996. Unless some other defense is applicable, in any such proceeding, the United States Court of Federal Claims, the United States Court of Appeals for the Federal Circuit, and any other court of competent jurisdiction shall review the merits of the claims of the party seeking such monetary relief and shall enter judgment accordingly.".

TITLE III—CREDIT UNION PROVISIONS

SEC. 301. PRIVATELY INSURED CREDIT UNIONS AUTHORIZED TO BECOME MEMBERS OF A FEDERAL HOME LOAN BANK.

(a) IN GENERAL.—Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended by adding at the end the following new paragraph:

"(5) CERTAIN PRIVATELY INSURED CREDIT UNIONS.—

"(A) IN GENERAL.—A credit union which has been determined, in accordance with section 43(e)(1) of the Federal Deposit Insurance Act and subject to the requirements of subparagraph (B), to meet all eligibility requirements for Federal deposit insurance shall be treated as an insured depository institution for purposes of determining the eligibility of such credit union for membership in a Federal home loan bank under paragraphs (1), (2), and (3).

"(B) CERTIFICATION BY APPROPRIATE SUPERVISOR.—

"(i) IN GENERAL.—For purposes of this paragraph and subject to clause (ii), a credit union which lacks Federal deposit insurance and which has applied for membership in a Federal home loan bank may be treated as meeting all the eligibility requirements for Federal deposit insurance only if the appropriate supervisor of the State in which the credit union is chartered has determined that the credit union meets all the eligibility requirements for Federal deposit insurance as of the date of the application for membership.

"(ii) CERTIFICATION DEEMED VALID.—If, in the case of any credit union to which clause (i) applies, the appropriate supervisor of the State in which such credit union is chartered fails to make a determination pursuant to such clause by the end of the 6-month period beginning on the date of the application, the credit union shall be deemed to have met the requirements of clause (i).

"(C) SECURITY INTERESTS OF FEDERAL HOME LOAN BANK NOT AVOIDABLE.—Notwithstanding any provision of State law authorizing a conservator or liquidating agent of a credit union to repudiate contracts, no such provision shall apply with respect to—

"(i) any extension of credit from any Federal home loan bank to any credit union which is a member of any such bank pursuant to this paragraph; or

"(ii) any security interest in the assets of such credit union securing any such extension of credit.".

(b) COPIES OF AUDITS OF PRIVATE INSURERS OF CERTAIN DEPOSITORY INSTITUTIONS REQUIRED TO BE PROVIDED TO SUPERVISORY AGENCIES.—Section 43(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(a)(2)) is amended—

(1) by striking "and" at the end of subparagraph (A)(i);

(2) by striking the period at the end of clause (ii) of subparagraph (A) and inserting a semicolon;

(3) by inserting the following new clauses at the end of subparagraph (A):

"(iii) in the case of depository institutions described in subsection (f)(2)(A) the deposits of which are insured by the private insurer, the National Credit Union Administration, not later than 7 days after that audit is completed; and

"(iv) in the case of depository institutions described in subsection (f)(2)(A) the deposits of which are insured by the private insurer which are members of a Federal home loan bank, the Federal Housing Finance Board, not later than 7 days after that audit is completed."; and

(4) by adding at the end the following new subparagraph:

"(C) CONSULTATION.—The appropriate supervisory agency of each State in which a private deposit insurer insures deposits in an institution described in subsection (f)(2)(A) which—

"(i) lacks Federal deposit insurance; and

"(ii) has become a member of a Federal home loan bank,

shall provide the National Credit Union Administration, upon request, with the results of any examination and reports related thereto concerning the private deposit insurer to which such agency may have in its possession.".

SEC. 302. LEASES OF LAND ON FEDERAL FACILITIES FOR CREDIT UNIONS.

(a) IN GENERAL.—Section 124 of the Federal Credit Union Act (12 U.S.C. 1770) is amended—

(1) by striking "Upon application by any credit union" and inserting "Notwithstanding any other provision of law, upon application by any credit union";

(2) by inserting "on lands reserved for the use of, and under the exclusive or concurrent jurisdiction of, the United States or" after "officer or agency of the United States charged with the allotment of space";

(3) by inserting "lease land or" after "such officer or agency may in his or its discretion"; and

(4) by inserting "or the facility built on the lease land" after "credit union to be served by the allotment of space".

(b) CLERICAL AMENDMENT.—The heading for section 124 is amended by inserting "OR FEDERAL LAND" after "BUILDINGS".

SEC. 303. INVESTMENTS IN SECURITIES BY FEDERAL CREDIT UNIONS.

Section 107 of the Federal Credit Union Act (12 U.S.C. 1757) is amended—

(1) in the matter preceding paragraph (1) by striking "A Federal credit union" and inserting "(a) IN GENERAL.—Any Federal credit union"; and

(2) by adding at the end the following new subsection:

"(b) INVESTMENT FOR THE CREDIT UNION'S OWN ACCOUNT.—

"(1) IN GENERAL.—A Federal credit union may purchase and hold for its own account such investment securities of investment grade as the Board may authorize by regulation, subject to such limitations and restrictions as the Board may prescribe in the regulations.

"(2) PERCENTAGE LIMITATIONS.—

"(A) SINGLE OBLIGOR.—In no event may the total amount of investment securities of any single obligor or maker held by a Federal credit union for the credit union's own account exceed at any time an amount equal to 10 percent of the net worth of the credit union.

"(B) AGGREGATE INVESTMENTS.—In no event may the aggregate amount of investment securities held by a Federal credit union for the credit union's own account exceed at any time an amount equal to 10 percent of the assets of the credit union.

"(3) INVESTMENT SECURITY DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'investment security' means marketable obligations evidencing the indebtedness of any person in the form of bonds, notes, or debentures and other instruments commonly referred to as investment securities.

"(B) FURTHER DEFINITION BY BOARD.—The Board may further define the term 'investment security'.

"(4) INVESTMENT GRADE DEFINED.—The term 'investment grade' means with respect to an investment security purchased by a credit union for its own account, an investment security that at the time of such purchase is rated in one of the 4 highest rating categories by at least 1 nationally recognized statistical rating organization.

"(5) CLARIFICATION OF PROHIBITION ON STOCK OWNERSHIP.—No provision of this subsection shall be construed as authorizing a Federal credit union to purchase shares of stock of any corporation for the credit union's own account, except as otherwise permitted by law.".

SEC. 304. INCREASE IN GENERAL 12-YEAR LIMITATION OF TERM OF FEDERAL CREDIT UNION LOANS TO 15 YEARS.

Section 107(a)(5) of the Federal Credit Union Act (12 U.S.C. 1757(5)) (as so designated by section 303 of this title) is amended—

(1) in the matter preceding subparagraph (A), by striking "to make loans, the maturities of which shall not exceed twelve years except as otherwise provided herein" and inserting "to make loans, the maturities of which shall not

exceed 15 years or any longer maturity as the Board may allow, in regulations, except as otherwise provided in this Act";

(2) in subparagraph (A)—

(A) by striking clause (ii);

(B) by redesignating clauses (iii) through (x) as clauses (ii) through (ix), respectively; and

(C) by inserting "and" after the semicolon at the end of clause (viii) (as so redesignated).

SEC. 305. INCREASE IN 1 PERCENT INVESTMENT LIMIT IN CREDIT UNION SERVICE ORGANIZATIONS.

Section 107(a)(7)(I) of the Federal Credit Union Act (12 U.S.C. 1757(7)(I)) (as so designated by section 303 of this title) is amended by striking "up to 1 per centum of the total paid" and inserting "up to 3 percent of the total paid".

SEC. 306. MEMBER BUSINESS LOAN EXCLUSION FOR LOANS TO NONPROFIT RELIGIOUS ORGANIZATIONS.

Section 107A(a) of the Federal Credit Union Act (12 U.S.C. 1757a(a)) is amended by inserting ", excluding loans made to nonprofit religious organizations," after "total amount of such loans".

SEC. 307. CHECK CASHING AND MONEY TRANSFER SERVICES OFFERED WITHIN THE FIELD OF MEMBERSHIP.

Paragraph (12) of section 107(a) of the Federal Credit Union Act (12 U.S.C. 1757(12)) (as so designated by section 303 of this title) is amended to read as follows:

"(12) in accordance with regulations prescribed by the Board—

"(A) to sell, to persons in the field of membership, negotiable checks (including travelers checks), money orders, and other similar money transfer instruments (including electronic fund transfers); and

"(B) to cash checks and money orders and receive electronic fund transfers for persons in the field of membership for a fee;".

SEC. 308. VOLUNTARY MERGERS INVOLVING MULTIPLE COMMON-BOND CREDIT UNIONS

Section 109(d)(2) of the Federal Credit Union Act (12 U.S.C. 1759(d)(2)) is amended—

(1) by striking "or" at the end of clause (ii) of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(D) a merger involving any such Federal credit union approved by the Board on or after August 7, 1998.".

SEC. 309. CONVERSIONS INVOLVING COMMON-BOND CREDIT UNIONS.

Section 109(g) of the Federal Credit Union Act (12 U.S.C. 1759(g)) is amended by inserting after paragraph (2) the following new paragraph:

"(3) CRITERIA FOR CONTINUED MEMBERSHIP OF CERTAIN MEMBER GROUPS IN COMMUNITY CHARTER CONVERSIONS.—In the case of a voluntary conversion of a common-bond credit union described in paragraph (1) or (2) of subsection (b) into a community credit union described in subsection (b)(3), the Board shall prescribe, by regulation, the criteria under which the Board may determine that a member group or other portion of a credit union's existing membership, that is located outside the well-defined local community, neighborhood, or rural district that shall constitute the community charter, can be satisfactorily served by the credit union and remain within the community credit union's field of membership.".

SEC. 310. CREDIT UNION GOVERNANCE.

(a) EXPULSION OF MEMBERS FOR JUST CAUSE.—Subsection (b) of section 118 of the Federal Credit Union Act (12 U.S.C. 1764(b)) is amended to read as follows:

"(b) POLICY AND ACTIONS OF BOARDS OF DIRECTORS OF FEDERAL CREDIT UNIONS.—

"(1) EXPULSION OF MEMBERS FOR NONPARTICIPATION OR FOR JUST CAUSE.—The board of directors of a Federal credit union may, by majority vote of a quorum of directors, adopt and enforce a policy with respect to expulsion from membership, by a majority vote of such board of directors, based on just cause, including disruption of credit union operations, or on nonparticipation by a member in the affairs of the credit union.

"(2) WRITTEN NOTICE OF POLICY TO MEMBERS.—If a policy described in paragraph (1) is adopted, written notice of the policy as adopted and the effective date of such policy shall be provided to—

"(A) each existing member of the credit union not less than 30 days prior to the effective date of such policy; and

"(B) each new member prior to or upon applying for membership.".

(b) TERM LIMITS AUTHORIZED FOR BOARD MEMBERS OF FEDERAL CREDIT UNIONS.—Section 111(a) of the Federal Credit Union Act (12 U.S.C. 1761(a)) is amended by adding at the end the following new sentence: "The bylaws of a Federal credit union may limit the number of consecutive terms any person may serve on the board of directors of such credit union.".

(c) REIMBURSEMENT FOR LOST WAGES DUE TO SERVICE ON CREDIT UNION BOARD NOT TREATED AS COMPENSATION.—Section 111(c) of the Federal Credit Union Act (12 U.S.C. 1761(c)) is amended by inserting ", including lost wages," after "the reimbursement of reasonable expenses".

SEC. 311. PROVIDING THE NATIONAL CREDIT UNION ADMINISTRATION WITH GREATER FLEXIBILITY IN RESPONDING TO MARKET CONDITIONS.

Section 107(a)(5)(A)(vi)(I) of the Federal Credit Union Act (12 U.S.C. 1757(5)(A)(vi)(I)) (as so designated by section 303 of this title) is amended by striking "six-month period and that prevailing interest rate levels" and inserting "6-month period or that prevailing interest rate levels".

SEC. 312. EXEMPTION FROM PRE-MERGER NOTIFICATION REQUIREMENT OF THE CLAYTON ACT.

Section 7A(c)(7) of the Clayton Act (15 U.S.C. 18a(c)(7)) is amended by inserting "section 205(b)(3) of the Federal Credit Union Act (12 U.S.C. 1785(b)(3))," before "or section 3".

SEC. 313. TREATMENT OF CREDIT UNIONS AS DEPOSITORY INSTITUTIONS UNDER SECURITIES LAWS.

(a) DEFINITION OF BANK UNDER THE SECURITIES EXCHANGE ACT OF 1934.—Section 3(a)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(6)) (as amended by section 201(a)(1) of this Act) is amended—

(1) by striking "this title, and (D) a receiver" and inserting "this title, (D) an insured credit union (as defined in section 101(7) of the Federal Credit Union Act) but only for purposes of paragraphs (4) and (5) of this subsection and only for activities otherwise authorized by applicable laws to which such credit unions are subject, and (E) a receiver"; and

(2) in subparagraph (E) (as so redesignated by paragraph (1) of this subsection) by striking "(A), (B), or (C)" and inserting "(A), (B), (C), or (D)".

(b) DEFINITION OF BANK UNDER THE INVESTMENT ADVISERS ACT OF 1940.—Section 202(a)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(2)) (as amended by section 201(b)(1) of this Act) is amended—

(1) by striking "this title, and (D) a receiver" and inserting "this title, (D) an insured credit union (as defined in section 101(7) of the Federal Credit Union Act) but only for activities otherwise authorized by applicable laws to which such credit unions are subject, and (E) a receiver"; and

(2) in subparagraph (E) (as so redesignated by paragraph (1) of this subsection) by striking "(A), (B), or (C)" and inserting "(A), (B), (C), or (D)".

(c) DEFINITION OF APPROPRIATE FEDERAL BANKING AGENCY.—Section 210A(c) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–10a(c)) is amended by inserting "and includes the National Credit Union Administration Board, in the case of an insured credit union (as defined in section 101(7) of the Federal Credit Union Act)" before the period at the end.

TITLE IV—DEPOSITORY INSTITUTION PROVISIONS

SEC. 401. EASING RESTRICTIONS ON INTERSTATE BRANCHING AND MERGERS.

(a) DE NOVO INTERSTATE BRANCHES OF NATIONAL BANKS.—

(1) IN GENERAL.—Section 5155(g)(1) of the Revised Statutes of the United States (12 U.S.C. 36(g)(1)) is amended by striking "maintain a branch if—" and all that follows through the end of subparagraph (B) and inserting "maintain a branch.".

(2) CLERICAL AMENDMENT.—The heading for subsection (g) of section 5155 of the Revised Statutes of the United States is amended by striking "STATE 'OPT-IN' ELECTION TO PERMIT".

(b) DE NOVO INTERSTATE BRANCHES OF STATE NONMEMBER BANKS.—

(1) IN GENERAL.—Section 18(d)(4)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)(4)(A)) is amended by striking "maintain a branch if—" and all that follows through the end of clause (ii) and inserting "maintain a branch.".

(2) CLERICAL AMENDMENT.—The heading for paragraph (4) of section 18(d) of the Federal Deposit Insurance Act is amended by striking "STATE 'OPT-IN' ELECTION TO PERMIT INTERSTATE" and inserting "INTERSTATE".

(c) DE NOVO INTERSTATE BRANCHES OF STATE MEMBER BANKS.—The 3rd undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 321) is amended by adding at the end the following new sentences: "A State member bank may establish and operate a de novo branch in a host State (as such terms are defined in section 18(d) of the Federal Deposit Insurance Act) on the same terms and conditions and subject to the same limitations and restrictions as are applicable to the establishment of a de novo branch of a national bank in a host State under section 5155(g) of the Revised Statutes of the United States. Such section 5155(g) shall be applied for purposes of the preceding sentence by substituting 'Board of Governors of the Federal Reserve System' for 'Comptroller of the Currency' and 'State member bank' for 'national bank'.".

(d) INTERSTATE MERGER OF BANKS.—

(1) MERGER OF INSURED BANK WITH ANOTHER DEPOSITORY INSTITUTION OR TRUST COMPANY.—Section 44(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1831u(a)(1)) is amended—

(A) by striking "Beginning on June 1, 1997, the" and inserting "The"; and

(B) by striking "insured banks with different home States" and inserting "an insured bank and another insured depository institution or trust company with a different home State than the resulting insured bank".

(2) NATIONAL BANK TRUST COMPANY MERGER WITH OTHER TRUST COMPANY.—Subsection (b) of section 4 of the National Bank Consolidation and Merger Act (12 U.S.C. 215a–1(b)) is amended to read as follows:

"(b) MERGER OF NATIONAL BANK TRUST COMPANY WITH ANOTHER TRUST COMPANY.—A national bank that is a trust company may engage in a consolidation or merger under this Act with any trust company with a different home State, under the same terms and conditions that would apply if the trust companies were located within the same State.".

(e) Interstate Fiduciary Activity.—Section 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)) is amended by adding at the end the following new paragraph:

"(5) INTERSTATE FIDUCIARY ACTIVITY.—

"(A) AUTHORITY OF STATE BANK SUPERVISOR.—The State bank supervisor of a State bank may approve an application by the State bank, when not in contravention of home State or host State law, to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in a host State in which State banks or other corporations which come into competition with national banks are permitted to act under the laws of such host State.

"(B) NONCONTRAVENTION OF HOST STATE LAW.—Whenever the laws of a host State authorize or permit the exercise of any or all of the foregoing powers by State banks or other corporations which compete with national banks, the granting to and the exercise of such powers by a State bank as provided in this paragraph shall not be deemed to be in contravention of host State law within the meaning of this paragraph.

"(C) STATE BANK INCLUDES TRUST COMPANIES.—For purposes of this paragraph, the term 'State bank' includes any State-chartered trust company (as defined in section 44(g)).

"(D) OTHER DEFINITIONS.—For purposes of this paragraph, the term 'home State' and 'host State' have the meanings given such terms in section 44.".

(f) Technical and Conforming Amendments.—

(1) Section 44 of the Federal Deposit Insurance Act (12 U.S.C. 1831u) is amended—

(A) in subsection (a)—

(i) by striking paragraph (4) and inserting the following new paragraph:

"(4) TREATMENT OF BRANCHES IN CONNECTION WITH CERTAIN INTERSTATE MERGER TRANSACTIONS.—In the case of an interstate merger transaction which involves the acquisition of a branch of an insured depository institution or trust company without the acquisition of the insured depository institution or trust company, the branch shall be treated, for purposes of this section, as an insured depository institution or trust company the home State of which is the State in which the branch is located."; and

(ii) by striking paragraphs (5) and (6);

(B) in subsection (b)—

(i) by striking "bank" each place such term appears in paragraph (2)(B)(i) and inserting "insured depository institution";

(ii) by striking "banks" where such term appears in paragraph (2)(E) and inserting "insured depository institutions or trust companies";

(iii) by striking "bank affiliate" each place such term appears in that portion of paragraph (3) that precedes subparagraph (A) and inserting "insured depository institution affiliate";

(iv) by striking "any bank" where such term appears in paragraph (3)(B) and inserting "any insured depository institution";

(v) by striking "bank" where such term appears in paragraph (4)(A) and inserting "insured depository institution and trust company"; and

(vi) by striking "all banks" where such term appears in paragraph (5) and inserting "all insured depository institutions and trust companies";

(C) in subsection (d)(1), by striking "any bank" and inserting "any insured depository institution or trust company";

(D) in subsection (e)—

(i) by striking "1 or more banks" and inserting "1 or more insured depository institutions"; and

(ii) by striking "paragraph (2), (4), or (5)" and inserting "paragraph (2)";

(E) by striking clauses (i) and (ii) of subsection (g)(4)(A) and inserting the following new clauses:

"(i) with respect to a national bank or Federal savings association, the State in which the main office of the bank or savings association is located; and

"(ii) with respect to a State bank, State savings association, or State-chartered trust company, the State by which the bank, savings association, or trust company is chartered; and";

(F) by striking paragraph (5) of subsection (g) and inserting the following new paragraph:

"(5) HOST STATE.—The term 'host State' means—

"(A) with respect to a bank, a State, other than the home State of the bank, in which the bank maintains, or seeks to establish and maintain, a branch; and

"(B) with respect to a trust company and solely for purposes of section 18(d)(5), a State, other than the home State of the trust company, in which the trust company acts, or seeks to act, in 1 or more fiduciary capacities.";

(G) in subsection (g)(10), by striking "section 18(c)(2)" and inserting "paragraph (1) or (2) of section 18(c), as appropriate,"; and

(H) in subsection (g), by adding at the end the following new paragraph:

"(12) TRUST COMPANY.—The term 'trust company' means—

"(A) any national bank;

"(B) any savings association; and

"(C) any bank, banking association, trust company, savings bank, or other banking institution which is incorporated under the laws of any State,

that is authorized to act in 1 or more fiduciary capacities but is not engaged in the business of receiving deposits other than trust funds (as defined in section 3(p)).".

(2) Section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) is amended—

(A) in paragraph (1)—

(i) by striking subparagraphs (B) and (C); and

(ii) by redesignating subparagraph (D) as subparagraph (B); and

(B) in paragraph (5), by striking "subparagraph (B) or (D)" and inserting "subparagraph (B)".

(3) Subsection (c) of section 4 of the National Bank Consolidation and Merger Act (12 U.S.C. 215a–1(c)) is amended to read as follows:

"(c) Definitions.—For purposes of this section, the terms 'home State', 'out-of-State bank', and 'trust company' each have the same meaning as in section 44(g) of the Federal Deposit Insurance Act.".

(g) Clerical Amendments.—

(1) The heading for section 44(b)(2)(E) of the Federal Deposit Insurance Act (12 U.S.C. 1831u(b)(2)(E)) is amended by striking "BANKS" and inserting "INSURED DEPOSITORY INSTITUTIONS AND TRUST COMPANIES".

(2) The heading for section 44(e) of the Federal Deposit Insurance Act (12 U.S.C. 1831u(e)) is amended by striking "Banks" and inserting "Insured Depository Institutions".

SEC. 402. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW OF APPOINTMENT OF A RECEIVER FOR DEPOSITORY INSTITUTIONS.

(a) National Banks.—Section 2 of the National Bank Receivership Act (12 U.S.C. 191) is amended—

(1) by striking "Section 2. The Comptroller of the Currency" and inserting the following:

"SEC. 2. APPOINTMENT OF RECEIVER FOR A NATIONAL BANK.

"(a) In General.—The Comptroller of the Currency"; and

(2) by adding at the end the following new subsection:

"(b) Judicial Review.—If the Comptroller of the Currency appoints a receiver under subsection (a), the national bank may, within 30 days thereafter, bring an action in the United States district court for the judicial district in which the home office of such bank is located, or in the United States District Court for the District of Columbia, for an order requiring the Comptroller of the Currency to remove the receiver, and the court shall, upon the merits, dismiss such action or direct the Comptroller of the Currency to remove the receiver.".

(b) Insured Depository Institutions.—Section 11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(7)) is amended to read as follows:

"(7) JUDICIAL REVIEW.—If the Corporation is appointed (including the appointment of the Corporation as receiver by the Board of Directors) as conservator or receiver of a depository institution under paragraph (4), (9), or (10), the depository institution may, within 30 days thereafter, bring an action in the United States district court for the judicial district in which the home office of such depository institution is located, or in the United States District Court for the District of Columbia, for an order requiring the Corporation to be removed as the conservator or receiver (regardless of how such appointment was made), and the court shall, upon the merits, dismiss such action or direct the Corporation to be removed as the conservator or receiver.".

(c) Expansion of Period for Challenging the Appointment of a Liquidating Agent.—Subparagraph (B) of section 207(a)(1) of the Federal Credit Union Act (12 U.S.C. 1787(a)(1)) is amended by striking "10 days" and inserting "30 days".

(d) Effective Date.—The amendments made by subsections (a), (b), and (c) shall apply with respect to conservators, receivers, or liquidating agents appointed on or after the date of the enactment of this Act.

SEC. 403. REPORTING REQUIREMENTS RELATING TO INSIDER LENDING.

(a) Reporting Requirements Regarding Loans to Executive Officers of Member Banks.—Section 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is amended—

(1) by striking paragraphs (6) and (9); and

(2) by redesignating paragraphs (7), (8), and (10) as paragraphs (6), (7), and (8), respectively.

(b) Reporting Requirements Regarding Loans From Correspondent Banks to Executive Officers and Shareholders of Insured Banks.—Section 106(b)(2) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972(2)) is amended—

(1) by striking subparagraph (G); and

(2) by redesignating subparagraphs (H) and (I) as subparagraphs (G) and (H), respectively.

SEC. 404. AMENDMENT TO PROVIDE AN INFLATION ADJUSTMENT FOR THE SMALL DEPOSITORY INSTITUTION EXCEPTION UNDER THE DEPOSITORY INSTITUTION MANAGEMENT INTERLOCKS ACT.

Section 203(1) of the Depository Institution Management Interlocks Act (12 U.S.C. 3202(1)) is amended by striking "$20,000,000" and inserting "$100,000,000".

SEC. 405. ENHANCING THE SAFETY AND SOUNDNESS OF INSURED DEPOSITORY INSTITUTIONS.

(a) Clarification Relating to the Enforceability of Agreements and Conditions.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 49. ENFORCEMENT OF AGREEMENTS.

"(a) In General.—Notwithstanding clause (i) or (ii) of section 8(b)(6)(A) or section 38(e)(2)(E), an appropriate Federal banking agency may enforce, under section 8, the terms of—

"(1) any condition imposed in writing by the agency on a depository institution or an institution-affiliated party (including a bank holding company) in connection with any action on any application, notice, or other request concerning a depository institution; or

"(2) any written agreement entered into between the agency and an institution-affiliated party (including a bank holding company).

"(b) RECEIVERSHIPS AND CONSERVATORSHIPS.—After the appointment of the Corporation as the receiver or conservator for any insured depository institution, the Corporation may enforce any condition or agreement described in paragraph (1) or (2) of subsection (a) involving such institution or any institution-affiliated party (including a bank holding company), through an action brought in an appropriate United States district court.".

(b) PROTECTION OF CAPITAL OF INSURED DEPOSITORY INSTITUTIONS.—Paragraph (1) of section 18(u) of the Federal Deposit Insurance Act (12 U.S.C. 1828(u)) is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

SEC. 406. INVESTMENTS BY INSURED SAVINGS ASSOCIATIONS IN BANK SERVICE COMPANIES AUTHORIZED.

(a) IN GENERAL.—Sections 2 and 3 of the Bank Service Company Act (12 U.S.C. 1862, 1863) are each amended by striking "insured bank" each place such term appears and inserting "insured depository institution".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 1(b)(4) of the Bank Service Company Act (12 U.S.C. 1861(b)(4)) is amended—

(A) by inserting ", except when such term appears in connection with the term 'insured depository institution'," after "means"; and

(B) by striking "Federal Home Loan Bank Board" and inserting "Director of the Office of Thrift Supervision".

(2) Section 1(b) of the Bank Service Company Act (12 U.S.C. 1861(b)) is amended—

(A) by striking paragraph (5) and inserting the following new paragraph:

"(5) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' has the meaning given the term in section 3(c) of the Federal Deposit Insurance Act;";

(B) by striking "and" at the end of paragraph (7);

(C) by striking the period at the end of paragraph (8) and inserting "; and"; and

(D) by adding at the end the following new paragraph:

"(9) the terms 'State depository institution', 'Federal depository institution', 'State savings association' and 'Federal savings association' have the meanings given the terms in section 3 of the Federal Deposit Insurance Act.".

(3) The 1st sentence of section 5(c)(4)(B) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(4)(B)) is amended by striking "by savings associations of such State and by Federal associations" and inserting "by State and Federal depository institutions".

(4) Subparagraph (A)(ii) and subparagraph (B)(ii) of section 1(b)(2) of the Bank Service Company Act (12 U.S.C. 1861(b)(2)) are each amended by striking "insured banks" and inserting "insured depository institutions".

(5) Section 1(b)(8) of the Bank Service Company Act (12 U.S.C. 1861(b)(8)) is further amended—

(A) by striking "insured bank" and inserting "insured depository institution"

(B) by striking "insured banks" each place such term appears and inserting "insured depository institutions"; and

(C) by striking "the bank's" and inserting "the depository institution's".

(6) Section 2 of the Bank Service Company Act (12 U.S.C. 1862) is amended by inserting "or savings associations, other than the limitation on the amount of investment by a Federal savings association contained in section 5(c)(4)(B) of the Home Owners' Loan Act" after "relating to banks".

(7) Section 4(c) of the Bank Service Company Act (12 U.S.C. 1864(c)) is amended by inserting "or State savings association" after "State bank" each place such term appears.

(8) Section 4(d) of the Bank Service Company Act (12 U.S.C. 1864(d)) is amended by inserting "or Federal savings association" after "national bank" each place such term appears.

(9) Section 4(e) of the Bank Service Company Act (12 U.S.C. 1864(e)) is amended to read as follows:

"(e) A bank service company may perform—

"(1) only those services that each depository institution shareholder or member is otherwise authorized to perform under any applicable Federal or State law; and

"(2) such services only at locations in a State in which each such shareholder or member is authorized to perform such services.".

(10) Section 4(f) of the Bank Service Company Act (12 U.S.C. 1864(f)) is amended by inserting "or savings associations" after "location of banks".

(11) Section 5 of the Bank Service Company Act (12 U.S.C. 1865) is amended—

(A) in subsection (a)—

(i) by striking "insured bank" and inserting "insured depository institution"; and

(ii) by striking "bank's" and inserting "institution's".

(B) in subsection (b), by striking "insured bank" and inserting "insured depository institution"; and

(C) in subsection (c)—

(i) by striking "the bank or banks" and inserting "any depository institution"; and

(ii) by striking "capability of the bank" and inserting "capability of the depository institution".

(12) Section 7 of the Bank Service Company Act (12 U.S.C. 1867) is amended—

(A) in subsection (b), by striking "insured bank" and inserting "insured depository institution"; and

(B) in subsection (c)—

(i) by striking "a bank" each place such term appears and inserting "a depository institution"; and

(ii) by striking "the bank" each place such term appears and inserting "the depository institution".

SEC. 407. CROSS GUARANTEE AUTHORITY.

Subparagraph (A) of section 5(e)(9) of the Federal Deposit Insurance Act (12 U.S.C. 1815(e)(9)(A)) is amended to read as follows:

"(A) such institutions are controlled by the same company; or".

SEC. 408. GOLDEN PARACHUTE AUTHORITY AND NONBANK HOLDING COMPANIES.

Subsection (k) of section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828(k)) is amended—

(1) in paragraph (2)(A), by striking "or depository institution holding company" and inserting "or covered company";

(2) by striking subparagraph (B) of paragraph (2) and inserting the following new subparagraph:

"(B) Whether there is a reasonable basis to believe that the institution-affiliated party is substantially responsible for—

"(i) the insolvency of the depository institution or covered company;

"(ii) the appointment of a conservator or receiver for the depository institution; or

"(iii) the depository institution's troubled condition (as defined in the regulations prescribed pursuant to section 32(f)).";

(3) in paragraph (2)(F), by striking "depository institution holding company" and inserting "covered company,";

(4) in paragraph (3) in the matter preceding subparagraph (A), by striking "depository institution holding company" and inserting "covered company";

(5) in paragraph (3)(A), by striking "holding company" and inserting "covered company";

(6) in paragraph (4)(A)—

(A) by striking "depository institution holding company" each place such term appears and inserting "covered company"; and

(B) by striking "holding company" each place such term appears (other than in connection with the term referred to in subparagraph (A)) and inserting "covered company";

(7) in paragraph (5)(A), by striking "depository institution holding company" and inserting "covered company";

(8) in paragraph (5), by adding at the end the following new subparagraph:

"(D) COVERED COMPANY.—The term 'covered company' means any depository institution holding company (including any company required to file a report under section 4(f)(6) of the Bank Holding Company Act of 1956), or any other company that controls an insured depository institution."; and

(9) in paragraph (6)—

(A) by striking "depository institution holding company" and inserting "covered company,"; and

(B) by striking "or holding company" and inserting "or covered company".

SEC. 409. AMENDMENTS RELATING TO CHANGE IN BANK CONTROL.

Section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)) is amended—

(1) in paragraph (1)(D)—

(A) by striking "is needed to investigate" and inserting "is needed—

"(i) to investigate";

(B) by striking "United States Code." and inserting "United States Code; or"; and

(C) by adding at the end the following new clause:

"(ii) to analyze the safety and soundness of any plans or proposals described in paragraph (6)(E) or the future prospects of the institution."; and

(2) in paragraph (7)(C), by striking "the financial condition of any acquiring person" and inserting "either the financial condition of any acquiring person or the future prospects of the institution".

TITLE V—DEPOSITORY INSTITUTION AFFILIATES PROVISIONS

SEC. 501. CLARIFICATION OF CROSS MARKETING PROVISION.

Section 4(n)(5) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(n)(5)) is amended—

(1) in subparagraph (B), by striking "subsection (k)(4)(I)" and inserting "subparagraph (H) or (I) of subsection (k)(4)"; and

(2) by adding at the end the following new subparagraph:

"(C) THRESHOLD OF CONTROL.—Subparagraph (A) shall not apply with respect to a company described or referred to in clause (i) or (ii) of such subparagraph if the financial holding company does not own or control 25 percent or more of the total equity or any class of voting securities of such company.".

SEC. 502. AMENDMENT TO PROVIDE THE FEDERAL RESERVE BOARD WITH DISCRETION CONCERNING THE IMPUTATION OF CONTROL OF SHARES OF A COMPANY BY TRUSTEES.

Section 2(g)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(g)(2)) is amended by inserting ", unless the Board determines that such treatment is not appropriate in light of the facts and circumstances of the case and the purposes of this Act" before the period at the end.

SEC. 503. ELIMINATING GEOGRAPHIC LIMITS ON THRIFT SERVICE COMPANIES.

(a) IN GENERAL.—The 1st sentence of section 5(c)(4)(B) of the Home Owners' Loan Act (12

U.S.C. 1464(c)(4)(B)) (as amended by section 406(b)(3) of this Act) is amended—

(1) by striking "corporation organized" and all that follows through "is available for purchase" and inserting "company, if the entire capital of the company is available for purchase"; and

(2) by striking "having their home offices in such State".

(b) TECHNICAL CORRECTIONS.—

(1) The heading for subparagraph (B) of section 5(c)(4) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(4)(B)) is amended by striking "CORPORATIONS" and inserting "COMPANIES".

(2) The 2nd sentence of section 5(n)(1) of the Home Owners' Loan Act (12 U.S.C. 1464(n)(1)) is amended by striking "service corporations" and inserting "service companies".

(3) Section 5(q)(1) of the Home Owners' Loan Act (12 U.S.C. 1464(q)(1)) is amended by striking "service corporation" each place such term appears in subparagraphs (A), (B), and (C) and inserting "service company".

(4) Section 10(m)(4)(C)(iii)(II) of the Home Owners' Loan Act (12 U.S.C. 1467a(m)(4)(C)(iii)(II)) is amended by striking "service corporation" each place such term appears and inserting "service company".

SEC. 504. CLARIFICATION OF SCOPE OF APPLICABLE RATE PROVISION.

Section 44(f) of the Federal Deposit Insurance Act (12 U.S.C. 1831u(f)) is amended by adding at the end the following new paragraphs:

"(3) OTHER LENDERS.—In the case of any other lender doing business in the State described in paragraph (1), the maximum interest rate or amount of interest, discount points, finance charges, or other similar charges that may be charged, taken, received, or reserved from time to time in any loan, discount, or credit sale made, or upon any note, bill of exchange, financing transaction, or other evidence of debt issued to or acquired by any other lender shall be equal to not more than the greater of the rates described in subparagraph (A) or (B) of paragraph (1).

"(4) OTHER LENDER DEFINED.—For purposes of paragraph (3), the term 'other lender' means any person engaged in the business of selling or financing the sale of personal property (and any services incidental to the sale of personal property) in such State, except that, with regard to any person or entity described in such paragraph, such term does not include—

"(A) an insured depository institution; or

"(B) any person or entity engaged in the business of providing a short-term cash advance to any consumer in exchange for—

"(i) a consumer's personal check or share draft, in the amount of the advance plus a fee, where presentment or negotiation of such check or share draft is deferred by agreement of the parties until a designated future date; or

"(ii) a consumer authorization to debit the consumer's transaction account, in the amount of the advance plus a fee, where such account will be debited on or after a designated future date.".

TITLE VI—BANKING AGENCY PROVISIONS

SEC. 601. WAIVER OF EXAMINATION SCHEDULE IN ORDER TO ALLOCATE EXAMINER RESOURCES.

Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)) is amended—

(1) by redesignating paragraphs (5), (6), (7), (8), (9), and (10) as paragraphs (6), (7), (8), (9), (10), and (11), respectively;

(2) by inserting after paragraph (4), the following new paragraph:

"(5) WAIVER OF SCHEDULE WHEN NECESSARY TO ACHIEVE SAFE AND SOUND ALLOCATION OF EXAMINER RESOURCES.—Notwithstanding paragraphs (1), (2), (3), and (4), an appropriate Federal banking agency may make adjustments in the examination cycle for an insured depository institution if necessary to allocate available resources of examiners in a manner that provides for the safety and soundness of, and the effective examination and supervision of, insured depository institutions."; and

(3) in paragraphs (8) and (9), as so redesignated, by striking "paragraph (6)" and inserting "paragraph (7)".

SEC. 602. INTERAGENCY DATA SHARING.

(a) FEDERAL BANKING AGENCIES.—Section 7(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(2)) is amended by adding at the end the following new subparagraph:

"(C) DATA SHARING WITH OTHER AGENCIES AND PERSONS.—In addition to reports of examination, reports of condition, and other reports required to be regularly provided to the Corporation (with respect to all insured depository institutions, including a depository institution for which the Corporation has been appointed conservator or receiver) or an appropriate State bank supervisor (with respect to a State depository institution) under subparagraph (A) or (B), a Federal banking agency may, in the agency's discretion, furnish any report of examination or other confidential supervisory information concerning any depository institution or other entity examined by such agency under authority of any Federal law, to—

"(i) any other Federal or State agency or authority with supervisory or regulatory authority over the depository institution or other entity;

"(ii) any officer, director, or receiver of such depository institution or entity; and

"(iii) any other person the Federal banking agency determines to be appropriate.".

(b) NATIONAL CREDIT UNION ADMINISTRATION.—Section 202(a) of the Federal Credit Union Act (12 U.S.C. 1782(a)) is amended by adding at the end the following new paragraph:

"(8) DATA SHARING WITH OTHER AGENCIES AND PERSONS.—In addition to reports of examination, reports of condition, and other reports required to be regularly provided to the Board (with respect to all insured credit unions, including a credit union for which the Corporation has been appointed conservator or liquidating agent) or an appropriate State commission, board, or authority having supervision of a State-chartered credit union, the Board may, in the Board's discretion, furnish any report of examination or other confidential supervisory information concerning any credit union or other entity examined by the Board under authority of any Federal law, to—

"(A) any other Federal or State agency or authority with supervisory or regulatory authority over the credit union or other entity;

"(B) any officer, director, or receiver of such credit union or entity; and

"(C) any other institution-affiliated party of such credit union or entity the Board determines to be appropriate.".

SEC. 603. PENALTY FOR UNAUTHORIZED PARTICIPATION BY CONVICTED INDIVIDUAL.

Section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829) is amended by adding at the end the following new subsection:

"(c) NONINSURED BANKS.—Subsections (a) and (b) shall apply to a noninsured national bank and a noninsured State member bank, and any agency or noninsured branch (as such terms are defined in section 1(b) of the International Banking Act of 1978) of a foreign bank as if such bank, branch, or agency were an insured depository institution, except such subsections shall be applied for purposes of this subsection by substituting the agency determined under the following paragraphs for 'Corporation' each place such term appears in such subsections:

"(1) The Comptroller of the Currency, in the case of a noninsured national bank or any Federal agency or noninsured Federal branch of a foreign bank.

"(2) The Board of Governors of the Federal Reserve System, in the case of a noninsured State member bank or any State agency or noninsured State branch of a foreign bank.".

SEC. 604. AMENDMENT PERMITTING THE DESTRUCTION OF OLD RECORDS OF A DEPOSITORY INSTITUTION BY THE FDIC AFTER THE APPOINTMENT OF THE FDIC AS RECEIVER.

Section 11(d)(15)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(15)(D)) is amended—

(1) by striking "RECORDKEEPING REQUIREMENT.—After the end of the 6-year period" and inserting "RECORDKEEPING REQUIREMENT.—

"(i) IN GENERAL.—Except as provided in clause (ii), after the end of the 6-year period"; and

(2) by adding at the end the following new clause:

"(ii) OLD RECORDS.—In the case of records of an insured depository institution which are at least 10 years old as of the date the Corporation is appointed as the receiver of such depository institution, the Corporation may destroy such records in accordance with clause (i) any time after such appointment is final without regard to the 6-year period of limitation contained in such clause.".

SEC. 605. MODERNIZATION OF RECORDKEEPING REQUIREMENT.

Subsection (f) of section 10 of the Federal Deposit Insurance Act (12 U.S.C. 1820(f)) is amended to read as follows:

"(f) PRESERVATION OF AGENCY RECORDS.—

"(1) IN GENERAL.—A Federal banking agency may cause any and all records, papers, or documents kept by the agency or in the possession or custody of the agency to be—

"(A) photographed or microphotographed or otherwise reproduced upon film; or

"(B) preserved in any electronic medium or format which is capable of—

"(i) being read or scanned by computer; and

"(ii) being reproduced from such electronic medium or format by printing or any other form of reproduction of electronically stored data.

"(2) TREATMENT AS ORIGINAL RECORDS.—Any photographs, microphotographs, or photographic film or copies thereof described in paragraph (1)(A) or reproduction of electronically stored data described in paragraph (1)(B) shall be deemed to be an original record for all purposes, including introduction in evidence in all State and Federal courts or administrative agencies and shall be admissible to prove any act, transaction, occurrence, or event therein recorded.

"(3) AUTHORITY OF THE FEDERAL BANKING AGENCIES.—Any photographs, microphotographs, or photographic film or copies thereof described in paragraph (1)(A) or reproduction of electronically stored data described in paragraph (1)(B) shall be preserved in such manner as the Federal banking agency shall prescribe and the original records, papers, or documents may be destroyed or otherwise disposed of as the Federal banking agency may direct.".

SEC. 606. CLARIFICATION OF EXTENT OF SUSPENSION, REMOVAL, AND PROHIBITION AUTHORITY OF FEDERAL BANKING AGENCIES IN CASES OF CERTAIN CRIMES BY INSTITUTION-AFFILIATED PARTIES.

(a) INSURED DEPOSITORY INSTITUTION.—

(1) IN GENERAL.—Section 8(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)(1)) is amended—

(A) in subparagraph (A), by striking "the depository" each place such term appears and inserting "any depository";

(B) in subparagraph (B)(i), by inserting "of which the subject of the order is an institution-affiliated party" before the period at the end;

(C) in subparagraph (C), by striking "the depository" each place such term appears and inserting "any depository";

(D) in subparagraph (D)(i), by inserting "of which the subject of the order is an institution-affiliated party" after "upon the depository institution"; and

(E) by adding at the end the following new subparagraph:

"(E) CONTINUATION OF AUTHORITY.—A Federal banking agency may issue an order under this paragraph with respect to an individual who is an institution-affiliated party at a depository institution at the time of an offense described in subparagraph (A) without regard to—

"(i) whether such individual is an institution-affiliated party at any depository institution at the time the order is considered or issued by the agency; or

"(ii) whether the depository institution at which the individual was an institution-affiliated party at the time of the offense remains in existence at the time the order is considered or issued by the agency.".

(2) CLERICAL AMENDMENT.—Section 8(g) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)) is amended by striking "(g)" and inserting the following new subsection heading:

"(g) SUSPENSION, REMOVAL, AND PROHIBITION FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN CRIMINAL OFFENSES.—".

(b) INSURED CREDIT UNIONS.—

(1) IN GENERAL.—Section 206(i)(1) of the Federal Credit Union Act (12 U.S.C. 1786(i)(1)) is amended—

(A) in subparagraph (A), by striking "the credit union" each place such term appears and inserting "any credit union";

(B) in subparagraph (B)(i), by inserting "of which the subject of the order is, or most recently was, an institution-affiliated party" before the period at the end;

(C) in subparagraph (C), by striking "the credit union" each place such term appears and inserting "any credit union";

(D) in subparagraph (D)(i), by striking "upon such credit union" and inserting "upon the credit union of which the subject of the order is, or most recently was, an institution-affiliated party"; and

(E) by adding at the end the following new subparagraph:

"(E) CONTINUATION OF AUTHORITY.—The Board may issue an order under this paragraph with respect to an individual who is an institution-affiliated party at a credit union at the time of an offense described in subparagraph (A) without regard to—

"(i) whether such individual is an institution-affiliated party at any credit union at the time the order is considered or issued by the Board; or

"(ii) whether the credit union at which the individual was an institution-affiliated party at the time of the offense remains in existence at the time the order is considered or issued by the Board.".

(2) CLERICAL AMENDMENT.—Section 206(i) of the Federal Credit Union Act (12 U.S.C. 1786(i)) is amended by striking "(i)" at the beginning and inserting the following new subsection heading:

"(i) SUSPENSION, REMOVAL, AND PROHIBITION FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN CRIMINAL OFFENSES.—".

SEC. 607. STREAMLINING DEPOSITORY INSTITUTION MERGER APPLICATION REQUIREMENTS.

(a) IN GENERAL.—Paragraph (4) of section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended to read as follows:

"(4) REPORTS ON COMPETITIVE FACTORS.—

"(A) REQUEST FOR REPORT.—In the interests of uniform standards, before acting on any application for approval of a merger transaction, the responsible agency, unless the agency finds that it must act immediately in order to prevent the probable failure of a depository institution involved, shall—

"(i) request a report on the competitive factors involved from the Attorney General; and

"(ii) provide a copy of the request to the Corporation (when the Corporation is not the responsible agency).

"(B) FURNISHING OF REPORT.—The report requested under subparagraph (A) shall be furnished by the Attorney General to the responsible agency—

"(i) not more than 30 calendar days after the date on which the Attorney General received the request; or

"(ii) not more than 10 calendar days after such date, if the requesting agency advises the Attorney General that an emergency exists requiring expeditious action.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The penultimate sentence of section 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(6)) is amended to read as follows: "If the agency has advised the Attorney General under paragraph (4)(B) of the existence of an emergency requiring expeditious action and has requested a report on the competitive factors within 10 days, the transaction may not be consummated before the fifth calendar day after the date of approval by the agency.".

SEC. 608. INCLUSION OF DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION IN LIST OF BANKING AGENCIES REGARDING INSURANCE CUSTOMER PROTECTION REGULATIONS.

Section 47(g)(2)(B)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1831x(g)(2)(B)(i)) is amended by inserting "the Director of the Office of Thrift Supervision," after "Comptroller of the Currency,".

SEC. 609. SHORTENING OF POST-APPROVAL ANTITRUST REVIEW PERIOD WITH THE AGREEMENT OF THE ATTORNEY GENERAL.

(a) ANTITRUST REVIEWS UNDER THE BANK HOLDING COMPANY ACT OF 1956.—The 4th sentence of section 11(b) of the Bank Holding Company Act of 1956 (12 U.S.C. 1849(b) is amended by striking "15 calendar days" and inserting "5 calendar days".

(b) ANTITRUST REVIEWS UNDER THE FEDERAL DEPOSIT INSURANCE ACT.—The last sentence of section 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(6)) is amended by striking "15 calendar days" and inserting "5 calendar days".

SEC. 610. PROTECTION OF CONFIDENTIAL INFORMATION RECEIVED BY FEDERAL BANKING REGULATORS FROM FOREIGN BANKING SUPERVISORS.

Section 15 of the International Banking Act of 1978 (12 U.S.C. 3109) is amended by adding at the end the following new subsection:

"(c) CONFIDENTIAL INFORMATION RECEIVED FROM FOREIGN SUPERVISORS.—

"(1) IN GENERAL.—Except as provided in paragraph (3), a Federal banking agency may not be compelled to disclose information received from a foreign regulatory or supervisory authority if—

"(A) the foreign regulatory or supervisory authority has, in good faith, determined and represented to such Federal banking agency that public disclosure of the information would violate the laws applicable to that foreign regulatory or supervisory authority; and

"(B) the relevant Federal banking agency obtained such information pursuant to—

"(i) such procedures as the Federal banking agency may establish for use in connection with the administration and enforcement of Federal banking laws; or

"(ii) a memorandum of understanding or other similar arrangement between the Federal banking agency and the foreign regulatory or supervisory authority.

"(2) TREATMENT UNDER TITLE 5, UNITED STATES CODE.—For purposes of section 552 of title 5, United States Code, this subsection shall be treated as a statute described in subsection (b)(3)(B) of such section.

"(3) SAVINGS PROVISION.—No provision of this section shall be construed as—

"(A) authorizing any Federal banking agency to withhold any information from any duly authorized committee of the House of Representatives or the Senate; or

"(B) preventing any Federal banking agency from complying with an order of a court of the United States in an action commenced by the United States or such agency.

"(4) FEDERAL BANKING AGENCY DEFINED.—For purposes of this subsection, the term 'Federal banking agency' means the Board, the Comptroller, the Federal Deposit Insurance Corporation, and the Director of the Office of Thrift Supervision.".

SEC. 611. PROHIBITION ON PARTICIPATION BY CONVICTED INDIVIDUAL.

Section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829) is amended by inserting after subsection (c) (as added by section 603 of this title) the following new subsections:

"(d) BANK HOLDING COMPANIES.—Subsections (a) and (b) shall apply to any bank holding company, any subsidiary (other than a bank) of a bank holding company, and any organization organized and operated under section 25A of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act as if such bank holding company, subsidiary, or organization were an insured depository institution, except such subsections shall be applied for purposes of this subsection by substituting 'Board of Governors of the Federal Reserve System' for 'Corporation' each place such term appears in such subsections.

"(e) SAVINGS AND LOAN HOLDING COMPANIES.—Subsections (a) and (b) shall apply to any savings and loan holding company and any subsidiary (other than a savings association) of a savings and loan holding company as if such savings and loan holding company or subsidiary were an insured depository institution, except such subsections shall be applied for purposes of this subsection by substituting 'Director of the Office of Thrift Supervision' for 'Corporation' each place such term appears in such subsections.".

SEC. 612. CLARIFICATION THAT NOTICE AFTER SEPARATION FROM SERVICE MAY BE MADE BY AN ORDER.

(a) IN GENERAL.—Section 8(i)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(3)) is amended by inserting "or order" after "notice" each place such term appears.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The heading for section 8(i)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(3)) is amended by inserting "OR ORDER" after "NOTICE".

SEC. 613. EXAMINERS OF FINANCIAL INSTITUTIONS.

(a) OFFER OF CREDIT TO BANK EXAMINER.—Section 212 of title 18, United States Code, is amended to read as follows:

"§212. Offer of credit to bank examiner

"(a) Subject to section 213(b), whoever being an officer, director or employee of a financial institution extends credit to any examiner which the examiner is prohibited from accepting under section 213 shall be fined under this title or imprisoned not more than one year, or both; and may be fined a further sum equal to the amount of the credit extended.

"(b) For purposes of this section, the following definitions shall apply:

"(1) The term 'financial institution' does not include a credit union, a Federal reserve bank, a Federal home loan bank, or a depository institution holding company.

"(2) The term 'examiner' means any person—

"(A) appointed by a Federal financial institution regulatory agency or pursuant to the laws of any State to examine a financial institution; or

"(B) elected under the law of any State to conduct examinations of any financial institution.

"(3) The term 'Federal financial institution regulatory agency' means—

"(A) the Comptroller of the Currency;

"(B) the Board of Governors of the Federal Reserve System;

"(C) the Director of the Office of Thrift Supervision;

"(D) the Federal Deposit Insurance Corporation;

"(E) the Federal Housing Finance Board;

"(F) the Farm Credit Administration;

"(G) the Farm Credit System Insurance Corporation; and

"(H) the Small Business Administration.".

(b) ACCEPTANCE OF CREDIT BY A BANK EXAMINER.—Section 213 of title 18, United States Code, is amended to read as follows:

"§213. Acceptance of credit by bank examiner

"(a) Whoever, being an examiner, accepts an extension of credit from any financial institution that the examiner examines or has authority to examine, or from any person connected with any such financial institution, shall be fined under this title or imprisoned not more than one year, or both; and may be fined a further sum equal to the amount of the credit extended, and shall be disqualified from holding office as such examiner.

"(b) Notwithstanding subsection (a) or section 212, a Federal financial institution regulatory agency may, by regulation or by order on a case-by-case basis, permit a financial institution to extend credit to an examiner, and permit an examiner to accept an extension of credit from a financial institution, if the agency determines that the extension of credit would not likely affect the integrity of any examination of a financial institution. Before prescribing regulations or issuing any order under this subsection, a Federal financial institution regulatory agency shall consult with each other Federal financial institution regulatory agency with regard to any such regulation or order. Any regulation prescribed by a Federal financial institution regulatory agency under this subsection, may exempt certain classes or categories of credit from the scope of this section or section 212, and shall provide procedures for examiners and financial institutions to request case-by-case exemption orders under this subsection, subject to subsection (c).

"(c) In considering any request by a financial institution or examiner for a case-by-case exemption order under subsection (b), a Federal financial institution regulatory agency shall consider such factors as the agency determines to be appropriate, including—

"(1) whether the terms and conditions of the credit being offered the examiner are generally comparable to those offered by the financial institution in connection with similar types of credit extended to other customers in similar circumstances;

"(2) the nature and extent of any other relationship the examiner has with the financial institution or any officer, director, or employee of the financial institution;

"(3) the proximity in time between any examination of the financial institution in which the examiner participated, or is scheduled to participate, and the extension, or the offer of an extension, of credit;

"(4) whether there are any other circumstances involving the transaction, or the proposed transaction, that may be perceived as providing the examiner with preferential treatment; and

"(5) any other fact or circumstance the agency may consider to be appropriate under the circumstances.

"(d) Notwithstanding subsection (a) or section 212, an examiner employed by a Federal financial institution regulatory agency may apply for and receive a credit card, or otherwise be approved as a cardholder, under any credit card account under an open end consumer credit plan, to the extent the terms and conditions applicable with respect to such account, and any credit extended under such account, are no more favorable generally to the examiner than the terms and conditions that are generally applicable to credit card accounts offered by the same financial institution to other cardholders under open end consumer credit plans.

"(e) For purposes of this section, the following definitions shall apply:

"(1) The terms 'examiner', 'Federal financial institution regulatory agency', and 'financial institution' have the same meaning as in section 212.

"(2) The term 'credit' means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

"(3) The term 'creditor' refers only to a person who both (A) regularly extends, whether in connection with loans, sales of property or services, or otherwise, consumer credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required, and (B) is the person to whom the debt arising from the consumer credit transaction is initially payable on the face of the evidence of indebtedness or, if there is no such evidence of indebtedness, by agreement. Notwithstanding the preceding sentence, in the case of an open-end credit plan involving a credit card, the card issuer and any person who honors the credit card and offers a discount which is a finance charge are creditors.

"(4) The term 'consumer', when used with reference to an open end credit plan, means a credit plan under which the party to whom credit is offered or extended is a natural person, and the money, property, or services which are the subject of any transaction under the plan are primarily for personal, family, or household purposes.

"(5) The term 'open end credit plan' means a plan under which the creditor reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and which provides for a finance charge which may be computed from time to time on the outstanding unpaid balance. A credit plan which is an open end credit plan within the meaning of the preceding sentence is an open end credit plan even if credit information is verified from time to time.

"(6) The term 'credit card' means any card, plate, coupon book or other credit device existing for the purpose of obtaining money, property, labor, or services on credit.

"(7) The term 'cardholder' means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.

"(8) The term 'card issuer' means any person who issues a credit card, or the agent of such person with respect to such card.".

(c) CLERICAL AMENDMENTS.—The table of sections for chapter 11 of title 18, United States Code, is amended by striking the items relating to sections 212 and 213 and inserting the following new items:

"212. Offer of credit to bank examiner.
"213. Acceptance of credit by bank examiner.".

SEC. 614. PARITY IN STANDARDS FOR INSTITUTION-AFFILIATED PARTIES.

Section 3(u)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1813(u)(4)) is amended by striking "knowingly or recklessly".

SEC. 615. ENFORCEMENT AGAINST MISREPRESENTATIONS REGARDING FDIC DEPOSIT INSURANCE COVERAGE.

(a) IN GENERAL.—Section 18(a) of the Federal Deposit Insurance Act (12 U.S.C. 1828(a)) is amended by adding at the end the following new paragraph:

"(4) FALSE ADVERTISING, MISUSE OF FDIC NAMES, AND MISREPRESENTATION TO INDICATE INSURED STATUS.—

"(A) PROHIBITION ON FALSE ADVERTISING AND MISUSE OF FDIC NAMES.—No person may—

"(i) use the terms 'Federal Deposit', 'Federal Deposit Insurance', 'Federal Deposit Insurance Corporation', any combination of such terms, or the abbreviation 'FDIC' as part of the business name or firm name of any person, including any corporation, partnership, business trust, association, or other business entity; or

"(ii) use such terms or any other sign or symbol as part of an advertisement, solicitation, or other document,

to represent, suggest or imply that any deposit liability, obligation, certificate or share is insured or guaranteed by the Federal Deposit Insurance Corporation, if such deposit liability, obligation, certificate, or share is not insured or guaranteed by the Corporation.

"(B) PROHIBITION ON MISREPRESENTATIONS OF INSURED STATUS.—No person may knowingly misrepresent—

"(i) that any deposit liability, obligation, certificate, or share is federally insured, if such deposit liability, obligation, certificate, or share is not insured by the Corporation; or

"(ii) the extent to which or the manner in which any deposit liability, obligation, certificate, or share is insured by the Federal Deposit Insurance Corporation, if such deposit liability, obligation, certificate, or share is not insured by the Corporation to the extent or in the manner represented.

"(C) AUTHORITY OF FDIC.—The Corporation shall have—

"(i) jurisdiction over any person that violates this paragraph, or aids or abets the violation of this paragraph; and

"(ii) for purposes of enforcing the requirements of this paragraph with regard to any person—

"(I) the authority of the Corporation under section 10(c) to conduct investigations; and

"(II) the enforcement authority of the Corporation under subsections (b), (c), (d) and (i) of section 8,

as if such person were a state nonmember insured bank.

"(D) OTHER ACTIONS PRESERVED.—No provision of this paragraph shall be construed as barring any action otherwise available, under the laws of the United States or any State, to any Federal or State law enforcement agency or individual.".

(b) ENFORCEMENT ORDERS.—Section 8(c) of the Federal Deposit Insurance Act (12 U.S.C. 1818(c)) is amended by adding at the end the following new paragraph:

"(4) FALSE ADVERTISING OR MISUSE OF NAMES TO INDICATE INSURED STATUS.—

"(A) TEMPORARY ORDER.—

"(i) IN GENERAL.—If a notice of charges served under subsection (b)(1) of this section specifies on the basis of particular facts that any person is engaged in conduct described in section 18(a)(4), the Corporation may issue a temporary order requiring—

"(I) the immediate cessation of any activity or practice described, which gave rise to the notice of charges; and

"(II) affirmative action to prevent any further, or to remedy any existing, violation.

"(ii) EFFECT OF ORDER.—Any temporary order issued under this subparagraph shall take effect upon service.

"(B) EFFECTIVE PERIOD OF TEMPORARY ORDER.—A temporary order issued under subparagraph (A) shall remain effective and enforceable, pending the completion of an administrative proceeding pursuant to subsection (b)(1) in connection with the notice of charges—

"(i) until such time as the Corporation shall dismiss the charges specified in such notice; or

"(ii) if a cease-and-desist order is issued against such person, until the effective date of such order.

"(C) CIVIL MONEY PENALTIES.—Violations of section 18(a)(4) shall be subject to civil money penalties as set forth in subsection (i) in an amount not to exceed $1,000,000 for each day during which the violation occurs or continues.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 18(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1828(a)) is amended—

(A) in the 1st sentence by striking "of this subsection" and inserting "of paragraphs (1) and (2)";

(B) by striking the 2nd sentence; and

(C) in the 3rd sentence, by striking "of this subsection" and inserting "of paragraphs (1) and (2)".

(2) The heading for subsection (a) of section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828(a)) is amended by striking "INSURANCE LOGO.—" and inserting "REPRESENTATIONS OF DEPOSIT INSURANCE.—".

SEC. 616. COMPENSATION OF FEDERAL HOME LOAN BANK DIRECTORS.

Section 7(i) of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended to read as follows:

"(i) DIRECTORS' COMPENSATION.—

"(1) IN GENERAL.—Each Federal home loan bank may pay the directors on the board of directors of the bank reasonable compensation for the time required of such directors, and reasonable expenses incurred by the directors, in connection with service on the board of directors, in accordance with resolutions adopted by the board of directors and subject to the approval of the board.

"(2) ANNUAL REPORT BY THE BOARD.—Information regarding compensation and expenses paid by the Federal home loan banks to the directors on the boards of directors of the banks shall be included in the annual report submitted to the Congress by the Board pursuant to section 2B(d).".

SEC. 617. EXTENSION OF TERMS OF FEDERAL HOME LOAN BANK DIRECTORS.

(a) IN GENERAL.—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(1) in the first sentence, by striking "3 years" and inserting "4 years"; and

(2) in the 2nd sentence—

(A) by striking "Federal Home Loan Bank System Modernization Act of 1999" and inserting "Financial Services Regulatory Relief Act of 2003"; and

(B) by striking "1/3" and inserting "1/4".

(b) PROSPECTIVE APPLICATION.—The amendment made by subsection (a) shall not apply to the term of office in which any director of a Federal home loan bank is serving as of the date of the enactment of this Act, including any director elected or appointed to fill a vacancy in any such term of office.

SEC. 618. BIENNIAL REPORTS ON THE STATUS OF AGENCY EMPLOYMENT OF MINORITIES AND WOMEN.

(a) IN GENERAL.—Before December 31, 2003, and the end of each 2-year period beginning after such date, each Federal banking agency shall submit a report to the Congress on the status of the employment by the agency of minority individuals and women.

(b) FACTORS TO BE INCLUDED.—The report shall include a detailed assessment of each of the following:

(1) The extent of hiring of minority individuals and women by the agency as of the time the report is prepared.

(2) The successes achieved and challenges faced by the agency in operating minority and women outreach programs.

(3) Challenges the agency may face in finding qualified minority individual and women applicants.

(4) Such other information, findings, and conclusions, and recommendations for legislative or agency action, as the agency may determine to be appropriate to include in the report.

(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) FEDERAL BANKING AGENCY.—The term "Federal banking agency"—

(A) has the same meaning as in section 3(z) of the Federal Deposit Insurance Act; and

(B) includes the National Credit Union Administration.

(2) MINORITY.—The term "minority" has the same meaning as in section 1204(c)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

SEC. 619. COORDINATION OF STATE EXAMINATION AUTHORITY.

Section 10(h) of the Federal Deposit Insurance Act (12 U.S.C. 1820(h)) is amended to read as follows:

"(h) COORDINATION OF EXAMINATION AUTHORITY.—

"(1) IN GENERAL.—The appropriate State bank supervisor of the home State of an insured State bank has authority to examine and supervise the bank. The State bank supervisor of the home State of an insured State bank shall exercise its authority to supervise and examine the branches of the bank in a host State in accordance with the terms of any applicable cooperative agreement between the home State bank supervisor and the State bank supervisor of the relevant host State. Except as expressly provided in a cooperative agreement between the State bank supervisors of the home State and host State(s) of an insured State bank, only the State bank supervisor of the home State of an insured State bank may levy or charge State supervisory fees on the bank.

"(2) HOST STATE EXAMINATION.—With respect to a branch operated in a host State by an out-of-State insured State bank that resulted from an interstate merger transaction approved under section 44 or that was established in such State pursuant to section 5155(g) of the Revised Statutes, the third undesignated paragraph of section 9 of the Federal Reserve Act or section 18(d)(4) of this Act, the appropriate State bank supervisor of such host State may—

"(A) with written notice to the State bank supervisor of the bank's home State and subject to the terms of any applicable cooperative agreement with the State bank supervisor of such home State, examine such branch for the purpose of determining compliance with host State laws that are applicable pursuant to section 24(j) of this Act, including those that govern community reinvestment, fair lending, and consumer protection; and

"(B) if expressly permitted under and subject to the terms of a cooperative agreement with the State bank supervisor of the bank's home State or if such out-of-State insured State bank has been determined to be in a troubled condition by either the State bank supervisor of the bank's home State or the bank's appropriate Federal banking agency, participate in the examination of the bank by the State bank supervisor of the bank's home State to ascertain that the activities of the branch in such host State are not conducted in an unsafe or unsound manner. The State bank supervisor of the home State of an insured State bank shall notify the State bank supervisor of each host State of the bank if there has been a final determination that the bank is in a troubled condition. The State bank supervisor of the bank's home State shall provide such notice as soon as reasonably possible but in all cases within 15 business days after the State bank supervisor has made such final determination or has received written notification of such final determination.

"(3) HOST STATE ENFORCEMENT.—If the State bank supervisor of a host State determines that a branch of an out-of-State State insured State bank is violating any law of the host State that is applicable to such branch pursuant to section 24(j) of this Act, including a law that governs community reinvestment, fair lending, or consumer protection, the State bank supervisor of the host State or, to the extent authorized by the law of the host State, a host State law enforcement officer may, with written notice to the State bank supervisor of the bank's home State and subject to the terms of any applicable cooperative agreement with the State bank supervisor of the bank's home State, undertake such enforcement actions and proceedings as would be permitted under the law of the host State as if the branch were a bank chartered by that host State.

"(4) COOPERATIVE AGREEMENT.—The State bank supervisors from 2 or more States may enter into cooperative agreements to facilitate State regulatory supervision of State banks, including cooperative agreements relating to the coordination of examinations and joint participation in examinations. For purposes of this subsection (h), the term "cooperative agreement" means a written agreement that is signed by the home State bank supervisor and host State bank supervisor to facilitate State regulatory supervision of State banks and includes nationwide or multi-state cooperative agreements and cooperative agreements solely between the home State and host State. Except for State bank supervisors, no provision of this subsection (h) relating to such cooperative agreements shall be construed as limiting in any way the authority of home and host State law enforcement officers, regulatory supervisors, or other officials that have not signed such cooperative agreements to enforce host State laws that are applicable to a branch of an out-of-State insured State bank located in the host State pursuant to section 24(j) of this Act.

"(5) FEDERAL REGULATORY AUTHORITY.—No provision of this subsection shall be construed as limiting in any way the authority of any Federal banking agency.

"(6) STATE TAXATION AUTHORITY NOT AFFECTED.—No provision of this subsection (h) shall be construed as affecting the authority of any State or political subdivision of any State to adopt, apply, or administer any tax or method of taxation to any bank, bank holding company, or foreign bank, or any affiliate of any bank, bank holding company, or foreign bank, to the extent such tax or tax method is otherwise permissible by or under the Constitution of the United States or other Federal law.

"(7) DEFINITIONS.—For purpose of this section, the following definition shall apply:

"(A) The terms 'host State', 'home State', and 'out-of-State bank' have the same meanings as in section 44(g).

"(B) The term 'State supervisory fees' means assessments, examination fees, branch fees, license fees, and all other fees that are levied or charged by a State bank supervisor directly upon an insured State bank or upon branches of an insured State bank.

"(C) Solely for purposes of subparagraph (2)(B) of this subsection (h), an insured State bank has been determined to be in 'troubled condition' if the bank—

"(i) has a composite rating, as determined in its most recent report of examination, of 4 or 5 under the Uniform Financial Institutions Ratings System (UFIRS); or

"(ii) is subject to a proceeding initiated by the Corporation for termination or suspension of deposit insurance; or

"(iii) is subject to a proceeding initiated by the State bank supervisor of the bank's home State to vacate, revoke, or terminate the charter of the bank, or to liquidate the bank, or to appoint a receiver for the bank.

"(D) For the purposes of paragraph (2)(B), the term 'final determination' means the transmittal of a Report of Examination to the bank or transmittal of official notice of proceedings to the bank.".

TITLE VII—CLERICAL AND TECHNICAL AMENDMENTS

SEC. 701. CLERICAL AMENDMENTS TO THE HOME OWNERS' LOAN ACT.

(a) AMENDMENT TO TABLE OF CONTENTS.—The table of contents in section 1 of the Home Owners' Loan Act (12 U.S.C. 1461) is amended by striking the items relating to sections 5 and 6 and inserting the following new items:

"Sec. 5. Savings associations.
"Sec. 6. [Repealed.]".

(b) CLERICAL AMENDMENTS TO HEADINGS.—

(1) The heading for section 4(a) of the Home Owners' Loan Act (12 U.S.C. 1463(a)) is amended by striking "(a) FEDERAL SAVINGS ASSOCIATIONS.—" and inserting "(a) GENERAL RESPONSIBILITIES OF THE DIRECTOR.—".

(2) The section heading for section 5 of the Home Owners' Loan Act (12 U.S.C. 1464) is amended to read as follows:

"SEC. 5. SAVINGS ASSOCIATIONS.".

SEC. 702. TECHNICAL CORRECTIONS TO THE FEDERAL CREDIT UNION ACT.

The Federal Credit Union Act (12 U.S.C. 1751 et seq.) is amended as follows:

(1) In section 101(3), strike "and" after the semicolon.

(2) In section 101(5), strike the terms "account account" and "account accounts" each place any such term appears and insert "account".

(3) In section 107(a)(5)(E) (as so designated by section 303 of this Act), strike the period at the end and insert a semicolon.

(4) In paragraphs (6) and (7) of section 107(a) (as so designated by section 303 of this Act), strike the period at the end and insert a semicolon.

(5) In section 107(a)(7)(D) (as so designated by section 303 of this Act), strike "the Federal Savings and Loan Insurance Corporation or".

(6) In section 107(a)(7)(E) (as so designated by section 303 of this Act), strike "the Federal Home Loan Bank Board," and insert "the Federal Housing Finance Board,".

(7) In section 107(a)(9) (as so designated by section 303 of this Act), strike "subchapter III" and insert "title III".

(8) In section 107(a)(13) (as so designated by section 303 of this Act), strike the "and" after the semicolon at the end.

(9) In section 109(c)(2)(A)(i), strike "(12 U.S.C. 4703(16))".

(10) In section 120(h), strike "under the Act approved July 30, 1947 (6 U.S.C., secs. 6–13)," and insert "chapter 93 of title 31, United States Code,".

(11) In section 201(b)(5), strike "section 116 of".

(12) In section 202(h)(3), strike "section 207(c)(1)" and insert "section 207(k)(1)".

(13) In section 204(b), strike "such others powers" and insert "such other powers".

(14) In section 206(e)(3)(D), strike "and" after the semicolon at the end.

(15) In section 206(f)(1), strike "subsection (e)(3)(B)" and insert "subsection (e)(3)".

(16) In section 206(g)(7)(D), strike "and subsection (1)".

(17) In section 206(t)(2)(B), insert "regulations" after "as defined in".

(18) In section 206(t)(2)(C), strike "material affect" and insert "material effect".

(19) In section 206(t)(4)(A)(ii)(II), strike "or" after the semicolon at the end.

(20) In section 206A(a)(2)(A), strike "regulator agency" and insert "regulatory agency".

(21) In section 207(c)(5)(B)(i)(I), insert "and" after the semicolon at the end.

(22) In section 207(c)(8)(D)(ii)(I), insert a closing parenthesis after "Act of 1934".

(23) In the heading for subparagraph (A) of section 207(d)(3), strike "TO" and insert "WITH".

(24) In section 207(f)(3)(A), strike "category or claimants" and insert "category of claimants".

(25) In section 209(a)(8), strike the period at the end and insert a semicolon.

(26) In section 216(n), insert "any action" before "that is required".

(27) In section 304(b)(3), strike "the affairs or such credit union" and insert "the affairs of such credit union".

(28) In section 310, strike "section 102(e)" and insert "section 102(d)".

SEC. 703. OTHER TECHNICAL CORRECTIONS.

(a) Section 1306 of title 18, United States Code, is amended by striking "5136A" and inserting "5136B".

(b) Section 5239 of the Revised Statutes of the United States (12 U.S.C. 93) is amended by redesignating the second of the 2 subsections designated as subsection (d) (as added by section 331(b)(3) of the Riegle Community Development and Regulatory Improvement Act of 1994) as subsection (e).

SEC. 704. REPEAL OF OBSOLETE PROVISIONS OF THE BANK HOLDING COMPANY ACT OF 1956.

(a) IN GENERAL.—Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended—

(1) in subsection (c)(2), by striking subparagraphs (I) and (J); and

(2) by striking subsection (m) and inserting the following new subsection:

"(m) [Repealed]".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Paragraphs (1) and (2) of section 4(h) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(h)) are each amended by striking "(G), (H), (I), or (J) of section 2(c)(2)" and inserting "(G), or (H) of section 2(c)(2)".

The CHAIRMAN pro tempore. No amendment to the committee amendment is in order except those printed in House Report 108–439. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider amendment No. 1 printed in House Report 108–439.

AMENDMENT NO. 1 OFFERED BY MR. OXLEY

Mr. OXLEY. Mr. Chairman, I offer an amendment made in order under the rule.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. OXLEY:

Page 9, strike line 3 and all that follows through page 10, line 2 (and redesignate subsequent sections and any cross reference to any such section and conform the table of contents accordingly).

Page 31, line 2, strike "main" and insert "home".

Page 31, strike line 3 and all that follows through page 32, line 13 (and conform the table of contents accordingly).

Page 37, strike lines 16 and 17 and insert the following new heading:

"(b) ADDITIONAL INVESTMENT AUTHORITY.—

Page 37, line 18, strike "A Federal" and insert "In addition to any investments otherwise authorized, a Federal".

Page 47, after line 5, insert the following new paragraphs (and redesignate the subsequent paragraph accordingly):

(2) INTERSTATE BRANCHING BY SUBSIDIARIES OF COMMERCIAL FIRMS PROHIBITED.—Section 18(d)(3)) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)(3)) is amended by adding at the end the following new subparagraph:

"(C) INTERSTATE BRANCHING BY SUBSIDIARIES OF COMMERCIAL FIRMS PROHIBITED.—

"(i) IN GENERAL.—If the appropriate State bank supervisor of the home State of any industrial loan company, industrial bank, or other institution described in section 2(c)(2)(H) of the Bank Holding Company Act of 1956, or the appropriate State bank supervisor of any host State with respect to such company, bank, or institution, determines that such company, bank, or institution is controlled, directly or indirectly, by a commercial firm, such company, bank, or institution may not acquire, establish, or operate a branch in such host State.

"(ii) COMMERCIAL FIRM DEFINED.—For purposes of this subsection, the term 'commercial firm' means any entity at least 15 percent of the annual gross revenues of which on a consolidated basis, including all affiliates of the entity, were derived from engaging, on an on-going basis, in activities that are not financial in nature or incidental to a financial activity during at least 3 of the prior 4 calendar quarters.

"(iii) GRANDFATHERED INSTITUTIONS.—Clause (i) shall not apply with respect to any industrial loan company, industrial bank, or other institution described in section 2(c)(2)(H) of the Bank Holding Company Act of 1956—

"(I) which became an insured depository institution before October 1, 2003 or pursuant to an application for deposit insurance which was approved by the Corporation before such date; and

"(II) with respect to which there is no change in control, directly or indirectly, of the company, bank, or institution after September 30, 2003, that requires an application under subsection (c), section 7(j), section 3 of the Bank Holding Company Act of 1956, or section 10 of the Home Owners' Loan Act.

"(iv) TRANSITION PROVISION.—Any divestiture required under this subparagraph of a branch in a host State shall be completed as quickly as is reasonably possible.

"(v) CORPORATE REORGANIZATIONS PERMITTED.—The acquisition of direct or indirect control of the company, bank, or institution referred to in clause (iii)(II) shall not be treated as a 'change in control' for purposes of such clause if the company acquiring control is itself directly or indirectly controlled by a company that was an affiliate of such company, bank, or institution on the date referred to in clause (iii)(II), and remained an affiliate at all times after such date.".

(3) TECHNICAL AND CONFORMING AMENDMENTS.—Section 18(d)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)(4)) is amended—

(A) in subparagraph (A) by striking "Subject to subparagraph (B)" and inserting "Subject to subparagraph (B) and paragraph (3)(C)"; and

(B) in subparagraphs (D) and (E), by striking "The term" and inserting "For purposes of this subsection, the term".

Page 47, line 21, insert "or are applicable to an insured State nonmember bank under section 18(d)(3) of the Federal Deposit Insurance Act" after "Revised Statutes of the United States".

Page 51, line 4, insert before the semicolon at the end "and inserting the following new paragraph".

Page 51, after line 4, insert the following new paragraph:

"(5) APPLICABILITY TO INDUSTRIAL LOAN COMPANIES.—No provision of this section shall be construed as authorizing the approval of any transaction involving a industrial loan company, industrial bank, or other institution described in section 2(c)(2)(H) of the Bank Holding Company Act of 1956, or the acquisition, establishment, or operation of a branch by any such company, bank, or institution, that is not allowed under section 18(d)(3).".

Page 58, line 19, insert "(i)" after "section 38(e)(2)(E)".

Page 88, strike line 1 and all that follows through the 2 items following line 15 on page 94 (and redesignate subsequent sections and any cross reference to any such section and conform the table of contents accordingly).

The CHAIRMAN pro tempore. Pursuant to House Resolution 566, the gentleman from Ohio (Mr. OXLEY) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. FRANK of Massachusetts. I do not see anyone on the floor who is opposed to this amendment. Is it then permissible under the rules for me to request the rest of the time?

The CHAIRMAN pro tempore. The gentleman may request unanimous consent.

Mr. OXLEY. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, my amendment makes certain technical and conforming changes to the bill requested by the Federal financial regulators, deletes sections from the bill reported by the Committee on Financial Services that have been superseded by other legislative or judicial developments, and, most importantly, incorporates compromise language developed by two highly respected members of our committee, the gentleman from Ohio (Mr. GILLMOR) and the gentleman from Massachusetts (Mr. FRANK), limiting the scope of the de novo branching authority provided for in section 401 of the bill.

As reported by the Committee on Financial Services, section 401 eliminates current statutory restrictions on banks' ability to branch across State lines. When the committee marked up H.R. 1375, the gentleman from Ohio (Mr. GILLMOR) and other Members expressed concerns about extending this de novo branching authority to industrial loan companies, or ILCs, that are owned by commercial companies, such as retailers and auto manufacturers. Since the markup, the gentleman from Ohio (Mr. GILLMOR) and the gentleman from Massachusetts (Mr. FRANK) have worked together to develop language that would permit ILCs owned by financial firms to avail themselves of the new de novo branching authority while prohibiting branching by ILCs owned by nonfinancial or commercial firms that did not become insured depositories until after a grandfather date specified in the amendment.

Like any good compromise, the Gillmor-Frank amendment does not embody total consensus. There are those in this body who believe we should place no restrictions on the activities of ILCs that do not also apply to other depository institutions and those on the other hand who feel equally strongly that the ILC charter has been expanded beyond its original purpose and should be scaled back. Indeed, we have heard strong debate on that during general debate. On the whole, I believe that the Gillmor-Frank language strikes a reasonable compromise on a very difficult issue, and I am pleased to include it in this manager's amendment.

Mr. Chairman, I urge all Members to support the manager's amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. Does any Member claim time in opposition to the amendment?

Mr. FRANK of Massachusetts. Mr. Chairman, if it is appropriate, I will, although I am not in opposition.

The CHAIRMAN pro tempore. If not, without objection, the gentleman from Massachusetts may claim the time otherwise reserved for opposition to the amendment.

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

I just want to address one important issue on this question of the industrial loan companies that the gentleman from Iowa had raised previously. It is clear, as we all agree, that the ILCs are in fact regulated. They are regulated by a Federal bank regulator, the FDIC. The element of unregulation goes with holding companies. Bank holding companies are regulated by the Federal Reserve. Heretofore, these holding companies have not had, in my experience, much independent existence and so the regulation by the FDIC has done it.

I will say to the gentleman from Iowa, while he is not here right now, he has been very conscientious on this bill and is probably following this, that I would be prepared to work with him on the question of whether or not an appropriate form of regulation for the holding companies ought to exist. Perhaps the FDIC or some other entity should have it. I do not think we have a regulatory hole. We have not had one historically. I do not think we are creating one. But I would note the only potential argument is there would not be a regulation of the holding company. All of the bank activities of the ILCs would be regulated by the FDIC.

Having said that, I just would repeat what the gentleman from Ohio essentially said. This is, I think, an effort to fine-tune regulation. I do not believe in any regard it cuts back excessively. I did disagree with the proposal to cut the review time for antitrust to 5 days. We have an amendment that will be coming soon from the gentlewoman from California that will push it back up to 15, not exactly where I would like it. We then will have a couple of other amendments to deal with. But I would note that we are going to correct what I think is one of the flaws in this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. OXLEY. Mr. Chairman, I am pleased to yield 3 minutes to the distinguished gentleman from Ohio (Mr. GILLMOR).

Mr. GILLMOR. Mr. Chairman, I rise in strong support of the manager's amendment to this bill. I want to thank the gentleman from Ohio (Mr. OXLEY) both for his outstanding work on this bill and also for allowing an essential provision authored by myself and the gentleman from Massachusetts (Mr. FRANK) in the manager's amendment. I want to thank the gentleman from Massachusetts for the very effective and the bipartisan way that he has worked to make this amendment happen. Our compromise language closes a dangerous loophole that would allow large commercial entities to obtain bank charters and to be unregulated at the holding company level in providing banking products and services in all 50 States.

Section 401 expands the authority of banks and industrial loan companies, or ILCs, to branch across State lines on a de novo basis rather than acquiring an existing bank. That means if a large retailer were to acquire an ILC, they could not only enter the banking industry without being subject to the Bank Holding Company Act but branch freely across the country. This would clearly be in defiance of our longstanding tradition of separating banking and commerce, most recently affirmed by Congress in the Gramm-Leach-Bliley Act of 1999. Large retailers have attempted to acquire, and in some cases have acquired, ILCs in several States and continue to express publicly their desire to offer financial services to their customers. While this amendment grandfathers some ILCs which were owned by commercial firms before, it provides that any ILC acquired in the future must play by the same rules in interstate branching as other financial institutions. There are some commercial or industrial companies who oppose the manager's amendment. Some companies want to prospectively create a giant loophole for themselves that would enable them to branch interstate in a way that no one else can. They include companies such as Wal-Mart, John Deere, Target, among others. The manager's amendment closes the loophole and simply requires they be treated the same as anybody else.

The existing business relationships of longstanding ILCs supported by FDIC insurance are protected by our language in the form of a grandfather clause. However, the risks associated with the mixing of banking and commerce are real and the compromise provisions contained in this language such as that allowing corporate reorganizations are not in any way meant to allow circumvention of our overall goal of preventing the acquisition of a grandfathered ILC by a commercial parent.

I urge support of the manager's amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

Mr. OXLEY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Ohio (Mr. OXLEY).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 2 printed in House report 108–439.

□ 1230

AMENDMENT NO. 2 OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The Chairman pro tempore (Mr. SIMMONS). The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Ms. WATERS:

Page 84, strike line 1 and all that follows through line 13 (and redesignate subsequent sections and any cross reference to any such section and conform the table of contents accordingly).

The CHAIRMAN pro tempore. Pursuant to House Resolution 566, the gentlewoman from California (Ms. WATERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

I would first like to thank the gentleman from Ohio (Mr. OXLEY) and the gentleman from Massachusetts (Mr. FRANK) for the leadership that they have provided in this committee not only on this issue but on all of the issues that we work with on the Committee on Financial Services. I think someone said it earlier, and I agree, I believe it was the gentleman from Alabama (Mr. BACHUS) who said it, we do have a way of working together, and we do have a way of respecting the work that is done on both sides of the aisle; and I am appreciative for the comradery that has developed out of that committee. So with that, I would like to thank also the chairman and the members of the Committee on Rules for making my rule in order.

During the course of a bank merger process, both the Federal financial supervisory agency and the Department of Justice review the merger proposal for competitive concerns. After a Federal banking agency approves a merger, DOJ has 30 days to decide whether to challenge the merger approval on antitrust grounds. At a minimum, the merging banks must now wait 15 days before completing their merger. As proposed, section 609 would reduce the minimum 15-day waiting period to 5 days when the Department of Justice indicates it will not file suit challenging the merger approval order.

This amendment is designed to preserve the existing 15-calendar-day waiting period in which members of the public may challenge a bank merger after the Department of Justice has approved a merger between banks or between bank-holding companies. This mandatory waiting period protects the rights of the public to raise concerns with respect to the propriety of bank mergers once the Department of Justice decides whether to challenge a merger on antitrust grounds. Currently, banking law allows third parties, other than Federal banking agencies or DOJ, to file suit during the post-approval waiting period. Such private enforcement is critical to ensuring that important policy concerns including the adequacy of the banks' Community Reinvestment Act performance, are taken into account when Federal courts evaluate whether an agency's approval of a proposed bank merger should be upheld. Such private suits are the vehicle through which community organizations may gain information about a proposed bank merger to ensure that the merger will not result in disproportionate branch closures in low-income or minority communities.

The existing law strikes the proper balance between the right of third parties to seek judicial review of bank merger approval orders and the rights of parties to the merger to finalize their transaction. Section 609 of the bill as reported would seriously impair the right of community organizations to seek this judicial review of Federal bank merger approval orders. The current 15-day waiting period should be preserved.

So my amendment has been made in order under the proposed rule, and I would ask support for the amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. SWEENEY). Does the gentleman from Ohio (Mr. OXLEY) rise in opposition to the amendment?

Mr. OXLEY. Mr. Chairman, I am not opposed.

The CHAIRMAN pro tempore. Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. OXLEY. Mr. Chairman, I yield myself such time as I may consume.

We are prepared to accept the amendment, and I say to the gentlewoman from California, good work on this issue.

Mr. OXLEY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from California (Ms. WATERS).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 3 printed in House Report 108–439.

AMENDMENT NO. 3 OFFERED BY MR. BACHUS

Mr. BACHUS. Mr. Chairman, I offer an amendment.

The Chairman pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. BACHUS:

Page 94, strike line 16 and all that follows through line 20 (and redesignate subsequent sections and any cross reference to any such section and conform the table of contents accordingly).

The CHAIRMAN pro tempore. Pursuant to House Resolution 566, the gentleman from Alabama (Mr. BACHUS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, my amendment simply strikes section 614, and what 614 does is, in a read relief bill, it actually shifts a burden to any independent contractor that deals with the banks, and it creates a presumption or a burden of proof on any independent contractor dealing with a bank in an enforcement provision by one of the regulatory agents. It puts a burden of proof on them in an administrative court hearing to basically prove their innocence. And they have no right to a trial by jury. They have no right to an appeal and trial de novo. Their assets can be frozen while these hearings are going on. And I think that that is a tremendous hammer to give to the regulatory bodies, one that we certainly do not need to do in this bill.

What section 614 would do, and I will be brief in this, is it simply equates and says that an independent contractor dealing with a bank will be treated as having the same knowledge or an equivalent knowledge as a bank insider, a director or a board member of that bank. So if they are an attorney, if they are an accountant, if they are an appraiser, if they are a Realtor, or if they are any of these affiliated parties, they are treated as if they have the inside knowledge of a bank insider; and that is simply not the case.

Not only are they equated with that knowledge, but when these charges are brought against them, as I said a minute ago, they have no right to a jury trial, and the administrative judge that makes a determination on whether they are guilty or innocent is appointed by the regulatory agent. And right now the burden of proof is on the regulatory agent to prove that the insider knew, had knowledge, or was reckless. And I think that standard proved to be the right standard during the savings and loan crisis during the mid-1980s. There has been no shortage of enforcement action by the regulators. So I simply say, let us strike section 614. The gentlewoman from Oregon (Ms. HOOLEY), the gentleman from Alabama (Mr. DAVIS), and the gentleman from Virginia (Mr. CANTOR) are supporting me in this amendment, as are the American Bar Association, the appraisers, the accounting organizations, all of which simply are aghast that we would put some provision like this in a bill which would give the regulators such ominous authority.

Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I rise in opposition. Mr. Chairman, I yield myself 3 minutes.

This is one of the two disagreements here. I should note that the section that is in the bill that the gentleman from Alabama seeks to strike was requested by the Federal Deposit Insurance Corporation. What they said was they want to be able to issue their orders. They do not have criminal procedures here. This does not take away one's right to a jury trial for any criminal trial. The FDIC has administrative powers. They can order one to cease and desist from a certain practice; they can debar one from working.

What they are saying is they do not want to be unable to bar people or to order a stop to people who are being grossly negligent. The language that will be governing the FDIC's regulating authority with regard to lawyers and others who work on banking matters, these are people that are hired by banks as professionals; and let me say there was some argument before that, well, these people should not be held to knowing banking law. We are not talking about the guys who install the drywall. We are not talking about the people who do the valet parking at the big soirees. We are talking about lawyers and other professionals. And, yes, I do believe it is reasonable to hold lawyers to a standard of knowing bank law when they do lawyering for banks. And what the FDIC said is we do not want to have to prove that they were reckless or deliberate. If they are grossly negligent, we want to be able to step in.

It is not a criminal proceeding. It is the FDIC. The FDIC wants to be able to hold professionals who are offering their professional services voluntarily to banks and working on bank matters to a knowledge of banking law to the extent if they are negligent, or even grossly negligent, if this amendment said the standard was gross negligence, it would be less of a problem for me, but this says for the FDIC to be able to discipline an attorney or any other professional servicing a bank, it must be a standard of either knowledge or recklessness of the conduct, and I think that is a mistake.

We know that there is not always a great difference between the people who work full-time for the bank and the people who are working as professionals for the bank. There are people who specialize, lawyers who specialize, in serving banks, other professionals who would specialize in serving banks. It seems to me entirely reasonable for them to be held to that standard.

So I do agree that we want to be deregulatory here, and a few minutes ago some of us were saying it was a good thing we have the FDIC. They are the regulators of the ILCs. They are an important regulator. This is a case where the regulators have asked us to keep a standard for them which they use when they are dealing with the banks themselves, and they want to be able to apply it to the independent contractors. I think it would be a mistake to give the FDIC significantly less power to act in enforcement proceedings against lawyers and other professionals than they now have.

Mr. Chairman, I reserve the balance of my time.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state the inquiry.

Mr. FRANK of Massachusetts. Mr. Chairman, do I have the right to close on this amendment?

The CHAIRMAN pro tempore. Yes, the gentleman will. The manager in opposition has the right to close.

Mr. BACHUS. Mr. Chairman, I yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Alabama (Mr. BACHUS).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 4 printed in House Report 108–439.

AMENDMENT NO. 4 OFFERED BY MR. WEINER

Mr. WEINER. Mr. Chairman, I offer an amendment.

The Chairman pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. WEINER:

Page 67, after line 13, insert the following new section (and conform the table of contents accordingly):

SEC. 410. CERTAIN CHECK DISHONORMENT FEES PROHIBITED.

(a) IN GENERAL.—Section 607 of the Expedited Funds Availability Act (12 U.S.C. 4006) (relating to miscellaneous provisions) is amended by adding at the end the following new subsection:

"(f) FEES ON DISHONORED CHECKS.—

"(1) RECEIVING DEPOSITORY INSTITUTION.—In the case of a check drawn on an account at an originating institution which is dishonored by the originating institution due to the lack of sufficient funds in such account to pay the check, a receiving depository institution may not impose any fee on the depositor, in connection with such check, due to such dishonorment.

"(2) RULE OF CONSTRUCTION.—No provision of this section shall be construed as affecting any intervening depository institution or the costs of the services provided by such depository institution.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply after the end of the 180-day period beginning on the date of the enactment of this Act.

The CHAIRMAN pro tempore. Pursuant to House Resolution 566, the gentleman from New York (Mr. WEINER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York (Mr. WEINER).

Mr. WEINER. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Chairman, this is a very proconsumer effort. I do think people ought to be penalized when they can control it. But as the gentleman from New York as pointed out, bank practices today blame the victim. If one is a recipient of a bad check and they in good faith deposit it in their bank, they are penalized. Indeed, I would contrast this with the previous amendment. If one is an attorney now under this bill and they behave with gross negligence, the FDIC cannot do anything about it; but if they are the consumer who gets a bad check, they get whacked. I do not think it is anticapitalist to say that people who are the victims of bad checks once should not be victimized by bad checks twice. People have said, well, we should give them an incentive. As the gentleman from New York had said, I do not know many people who say I do not mind getting a bad check as long as my bank does not hurt me.

I think there is already every incentive they have got to say no to it. We are not talking about someone who takes eight bad checks from the same person. The first time someone victimizes someone with a check that has insufficient funds, they are victimized.

This amendment is a good amendment.

Mr. WEINER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a very easy-to-understand issue, but a very difficult-to-understand fee. When someone writes someone a check and they do not have the funds in that account, they pay a penalty. They pay a fine. They violated the rules of the transaction. When they receive the check, what have they done wrong? What rule have they violated? What sanctions should be against someone for receiving the bad check? And the gentleman from Massachusetts was absolutely correct. This is a proconsumer measure. But let us remember who the recipients of most bounced checks are. They are small businesses, they are supermarkets, they are liquor stores, they are appliance stores that are not only out the money, they are out the goods. It simply makes no sense.

I have seen some of the arguments against this. They say, well, it is going to increase the cost of banking for consumers. If there is a cost to this transaction, I ask only one question: Why does the victim pay it? All my amendment does is it says they cannot charge the victim of a bad check for that action.

□ 1245

Why should the victim pay? Why should the victim pay?

Mr. Chairman, I reserve the balance of my time.

Mr. BACHUS. Mr. Chairman, I rise in opposition to the Weiner amendment, and I yield myself such time as I may consume.

Mr. Chairman, what this amendment does is it says, when a customer accepts a bad check from a third party and deposits that check into his account and the bank takes a hit, and it does take a hit anywhere from, according to the Massachusetts Division of Banks, which is one of the more liberal supervisors, it says that cost can be as much as $15, $14.46. It can be as little as $1 or $2. But this is not a pro-consumer bill; this is, in my mind, a pro-either customer who accepts a bad check, or a pro-person who issues worthless checks. I mean, the only person that is rewarded by this provision is someone who issues a bad check.

As drafted, it is not even clear whether the fee prohibition will apply only to the customer who accepts a bad check but, apparently, the prohibition will also pass through to the person who wrote the bad check.

So we have the perverse situation here where banks cannot charge for worthless checks. This provision is actually going to discourage responsibility by customers. It is going to prohibit the bank from passing that charge on to the customer who writes the check. In fact, what it could do is, if this thing passes, a fraudulent attempt could simply be to write a bunch of bad checks, deposit them in my account or deposit them in a friend's account, and we could swap and we could start inundating the bank with worthless checks.

Who would be saddled with that? Well, according to the gentleman from New York (Mr. WEINER), the bank, because the bank cannot pass it on to the customer, so what would the bank do? It would raise its fees to everyone. The end result would be that those customers, those of us who are diligent in determining who we are dealing with and accepting checks from other parties, would end up with the burden.

This really creates an unfair situation where customers who do not deposit bad checks or high-risk checks subsidize those who do on the cost of handling those items. In my mind, it is just the American system; banks are no different from you and I. When they incur costs, they ought to be able to charge the party responsible for causing that cost. Depository institutions should be allowed to charge those customers who cause the institution to incur the cost. It is just simply the way we have done business in this country since the start. We are simply absolving people of responsibility who are the people in the position to take responsibility. A customer who deposits a bad check has the opportunity, he often has the opportunity to pass any fees that are assessed back to the person who wrote the check.

So even if this is drafted, and I believe it is drafted where it is just a prohibition, it does not say that they can put it on anybody. They cannot put it on their customer. They certainly do not have any connection or relationship with the third party who wrote the bad check, so it is going to be almost very impractical, if not illegal under this provision, for them to charge the person who wrote the bad check.

Right now, I think it works very well. A landlord gets a bad check from a renter, the landlord takes that check down and deposits it to the bank, the bank gets stiffed with a bad check, it passes it back to the landlord, the landlord turns around and charges it to the renter. That is the way it ought to be. The bank, and all of the customers of the bank, should not have to pay for a renter who writes a worthless check to the landlord. That ought to be charged to the landlord, and then they can pass that back to the renter.

Let me simply close by saying this is a regulatory relief bill that we promised to the financial institutions because of all of the costs they were incurring as a result of the PATRIOT Act. It is not a regulatory burden bill. We do not reward someone with more punishment. We have imposed all of these money-laundering requirements on them, and we told them we would come back in this legislation and help them recover some of the costs, and thrifts are going to be stuck with this, credit unions cannot charge. It is going to really hurt a lot of institutions and a lot of customers.

Mr. WEINER. Mr. Chairman, I yield myself such time as I may consume.

I do not know where to start. First, let us start about the mistake that the gentleman made about the bill, line 13, page 1: may not impose a fee on the depositor. Nothing in this bill stops the bank from charging a fee to the person who bounced the check. Let me say it again. Nothing in this bill stops the person who bounced the check from getting a fee. You can charge them $10,000. I think it is too high, but $10,000.

Here is the scenario I would like to explain to the gentleman. The gentleman from Alabama (Mr. BACHUS) knows me. The gentleman and I serve on a committee together. I give the gentleman a check. I have violated the rules. I give the gentleman a check that does not have enough money to back it. Can the gentleman check whether I have enough money in the account? Under the rules of privacy we passed here, he can. He does everything exactly according to Hoyle.

The gentleman is now the victim of a bad check. The gentleman is the victim of a bad check, I say to the gentleman. I leave town. I do not get reelected. I get elected mayor. Stranger things have happened. And the gentleman from Alabama is now out the money for the check, and his bank is charging him a fee.

I want to make sure the gentleman understands this, because he misstated it consistently over 5 minutes. There is nothing stopping the bank from penalizing the person who bounces the check. This is about the person receiving the bad check. And this notion about the landlord and the oppression that we are putting on people, do my colleagues know who benefits from this bill the most? Those that are represented by the food marketing institute, local supermarkets, local liquor stores, local bodegas, people who receive checks in large numbers, who do everything according to the rules the gentleman from Alabama just described; and they are facing a sanction for the benefit of having a bounced check. The gentleman says, well, we are sticking this to the banks. No. There is no reason that we should stick this to anyone, but especially not the victim.

To oppose this amendment is to say, I believe the person who had the check bounced against them should pay this fee. I would say, Mr. Chairman, there are a lot of reasons why I can see the banks are so jealously guarding this. They all have dollar signs after them. They make a lot of money from this practice. But, frankly, it is patently unfair, unfair to individual consumers, unfair to that landlord. In the gentleman's description, the landlord is out the rent, and he is out the fee. What did that guy do wrong? What is the purpose of a penalty if it is not penalizing anything that he can avoid? He followed every single rule.

And I would ask the gentleman again, you are running a supermarket, you get a check. You say, I want to see your ID; I want to see your driver's license. I want a photograph. I want to know where you live. I want to know the names of your sisters and brothers. And they take the check, following every rule the bank set up, and it bounces. What have you done wrong? How do you avoid that sanction? What kind of a law do we ever pass here where we tell how you avoid the penalty? It is patently unfair.

I want to reiterate this. This is a consumer issue, because consumers get bad checks. Ninety-nine percent of these checks are to businesses, small businesses who use this check as an article of faith, and we should not penalize them for doing that.

The CHAIRMAN pro tempore (Mr. SWEENEY). The gentleman's time has expired. All time has expired.

The question is on the amendment offered by the gentleman from New York (Mr. WEINER).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. WEINER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from New York (Mr. WEINER) will be postponed.

It is now in order to consider amendment No. 5 printed in House report 108–439.

AMENDMENT NO. 5 OFFERED BY MS. JACKSON-LEE of texas

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The Chairman pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Ms. JACKSON-LEE of Texas:

Page 83, line 4, strike the closing quotation marks and the 2nd period.

Page 83, after line 4, insert the following new subparagraph:

"(C) SENSE OF THE CONGRESS.—It is the sense of the Congress that, when a requesting agency requires expeditious action on an application for a merger transaction, consideration should be made as to the impact the merger transaction will have on corporate and individual customers in an effort to ensure that no harmful effects will result from the merger transaction.".

The CHAIRMAN pro tempore. Pursuant to House Resolution 566, the gentlewoman from Texas (Ms. JACKSON-LEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Let me, first of all, add my appreciation to the chairman of the full committee and the ranking member of the full committee and of course the subcommittee Chair and ranking member, because I believe that they understand that everyone in every community has experienced the impact which my amendment is attempting to address.

We understand that this is a Nation now of mergers and acquisitions, but the real question on bank mergers is what happens to the friendly bank officer that most of us are familiar with? What happens to the civic spirit? What happens to the decision-making, and what happens to the jobs?

My amendment is simple. It says that when there is an expedited process in a merger transaction, consideration should be made as to the impact the transaction will have on corporate and individual customers in an effort to ensure that no harmful effects will result from the merger transaction.

What does that mean? It means that we know when there are large conglomerates coming together, whether you are in an urban area or whether you are in a rural area, there is going to be some loss. What is that loss? First of all, we may lose something that this body has been discussing over a number of months because of the large percentage of unemployment in our Nation. We will lose jobs in a certain area. But then we will lose something that is very important that many of us do not focus on: the decision-making capacity to lend monies to the community, home loans, bank loans dealing with businesses, maybe even car loans.

I have in my possession information that shows that in rural Texas, 42 percent of those who apply for loans are able to get it; but then the other remaining body does not. So there is a problem. When a conglomerate will merge with smaller banks in rural areas, it takes away that ability to gain the right to a decision to secure monies.

Mr. Chairman, this is again a simple amendment that I would ask my colleagues to support enthusiastically, to not abdicate our responsibilities of oversight when a merger comes about in terms of its impact on our communities.

Mr. Chairman, I reserve the balance of my time.

Mr. BACHUS. Mr. Chairman, I rise in opposition to the amendment, and claim that time, and I yield myself such time as I may consume.

Mr. Chairman, I believe that the gentlewoman's concerns are already fully addressed in this legislation. I believe that because the current law requires Federal financial regulators to closely examine the impact of any mergers, not only on the financial system, but also on the communities involved. If my colleagues will look at 12 USC 1842, it says: "A Federal financial regulator may not approve any merger where the proposed acquisition merger or consolidation may substantially lessen competition, tend to create a monopoly, or restrain trade, unless it finds that the anti-competitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served."

This section of the U.S. Code goes on to state that in every acquisition, merger, or consolidation the regulator shall take into consideration the financial and managerial resources and future prospects of the company or companies and bank concerns and the convenience and needs of the community. Let me stress that: and the convenience and needs of the communities.

All mergers, acquisitions, and consolidations are subject to antitrust review by the Department of Justice to ensure that there is not a negative impact on the financial system or on the communities that the financial institutions serve.

So we have all of these tests, all of these hurdles that must be gone through.

Finally, not only that, but notice must be given that a merger is being considered, and under the Community Reinvestment Act, members of the affected communities have the ability to comment on the impact of the merger to the banking agency. So we have all of this. Nothing in this regulation relief bill changes that.

These same protections and considerations apply when a financial institution is participating in an expedited merger process.

□ 1300

Accordingly, this amendment simply is not necessary. It will add additional cost. And I must urge its defeat on the grounds I have just stated and on the further grounds, as I have said in opposing the last amendment, that we promised the financial institutions, the credit unions, the thrifts, and the small banks, those that have the greatest regulatory burden, the greatest percentage of cost in complying with these new money laundering provisions, that we would take the burdens off of them, not put more burdens on them.

So I would urge the defeat of this amendment.

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am disappointed in the gentleman's opposition, but I press on in any event, because I press on on behalf of the consumers.

I would, with all due respect, refer to the gentleman from Ohio (Mr. OXLEY), who is on the floor, to look at this amendment. It is simply a sense of Congress that we not abdicate our oversight.

I have heard the gentleman from Alabama (Mr. BACHUS) on the fact that we have all of the oversight. But clearly I think in the expedited process, the indication or instruction, if you will, to the appropriate regulators that we should look keenly at whether or not these mergers impact negatively on corporate and individual consumers in the elements that I have listed, the loss of jobs, the element of decisionmaking, the question of civic mindedness, if you will, and clearly to note in our communities when headquarters lift up and move from cities that have hosted these banks for years and years and years.

This is not an excessive burden, Mr. Chairman. It is simply the responsibility of Congress to ensure that not only are we, if you will, the protectors of the corporate elite and large banking institutions, but we also respect the responsibilities that we have to the average Joe Consumer, whether that happens to be the small business consumer, the individual family who is seeking a home loan, or in individual accounts.

We know that the new kid on the block in our banking success stories is consumer banking. We know for a fact that we have had the opportunity to see our banks grow and thrive because of the fact that they have been basing their bottom line, their bottom black line, if you will, their success and profits on consumer banking. Why would we suggest that this is a burden to our credit unions or our banking institutions to be keenly sensitive to mergers and to make sure, in fact, that we have the opportunity to review this matter in a way that is appropriate for this body?

Again, it is a sense of Congress. That is all it is, gentlemen. Why in the world would we have a difficulty in a sense of Congress that does not in any way attempt to jeopardize the working relationship? It is not regulatory; it is a sense of Congress. Can we not have a commonality of viewpoints and response? I do not see why we cannot have an agreement on this. Again, it is a sense of Congress.

I want to just make this point, Mr. Chairman, if I can. The idea is that this is not isolated to one area versus another. All of us face mergers in our community. This is the next step of banks. We know that. For some reason they find it to be more accommodating to have these large institutions. This does not in any way undermine having a large institution. What it says is just be diligent to ensure that with respect to the sense of Congress that we ensure that these issues are covered.

I would ask my colleagues to support this amendment on behalf of rural America, urban America, suburban America, and on behalf of preserving the civic mindedness or at least paying attention to the civic mindedness that our banks provide.

Mr. BACHUS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we are concerned about many of the same things the gentlewoman from Texas (Ms. JACKSON-LEE) is concerned about. We simply think that existing law addresses these concerns. And I have reiterated those.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. SWEENEY). The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE) will be postponed.

It is now in order to consider Amendment No. 6 printed in House Report 108–439.

AMENDMENT NO. 6 OFFERED BY MRS. KELLY

Mrs. KELLY. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mrs. KELLY:

Page 108, after line 14, insert the following new title (and redesignate the subsequent title and sections and conform the table of contents accordingly):

TITLE VII—BUSINESS CHECKING FREEDOM

SEC. 701. SHORT TITLE.

This title may be cited as the "Business Checking Freedom Act of 2004".

SEC. 702. INTEREST-BEARING TRANSACTION ACCOUNTS AUTHORIZED FOR ALL BUSINESSES.

(a) Section 2 of Public Law 93–100 (12 U.S.C. 1832) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following:

"(b) Notwithstanding any other provision of law, any depository institution may permit the owner of any deposit or account which is a deposit or account on which interest or dividends are paid and is not a deposit or account described in subsection (a)(2) to make up to 24 transfers per month (or such greater number as the Board of Governors of the Federal Reserve System may determine by rule or order), for any purpose, to another account of the owner in the same institution. An account offered pursuant to this subsection shall be considered a transaction account for purposes of section 19 of the Federal Reserve Act unless the Board of Governors of the Federal Reserve System determines otherwise.".

(b) Effective at the end of the 2-year period beginning on the date of the enactment of this Act, section 2 of Public Law 93–100 (12 U.S.C. 1832) is amended—

(1) in subsection (a)(1), by striking "but subject to paragraph (2)";

(2) by striking paragraph (2) of subsection (a) and inserting the following new paragraph:

"(2) No provision of this section may be construed as conferring the authority to offer demand deposit accounts to any institution that is prohibited by law from offering demand deposit accounts."; and

(3) in subsection (b) (as added by subsection (a) of this section) by striking "and is not a deposit or account described in subsection (a)(2)".

SEC. 703. INTEREST-BEARING TRANSACTION ACCOUNTS AUTHORIZED.

(a) REPEAL OF PROHIBITION ON PAYMENT OF INTEREST ON DEMAND DEPOSITS.—

(1) FEDERAL RESERVE ACT.—Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended to read as follows:

"(i) [Repealed]".

(2) HOME OWNERS' LOAN ACT.—The first sentence of section 5(b)(1)(B) of the Home Owners' Loan Act (12 U.S.C. 1464(b)(1)(B)) is amended by striking "savings association may not—" and all that follows through "(ii) permit any" and inserting "savings association may not permit any".

(3) FEDERAL DEPOSIT INSURANCE ACT.—Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended to read as follows:

"(g) [Repealed]".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 704. PAYMENT OF INTEREST ON RESERVES AT FEDERAL RESERVE BANKS.

(a) IN GENERAL.—Section 19(b) of the Federal Reserve Act (12 U.S.C. 461(b)) is amended by adding at the end the following new paragraph:

"(12) EARNINGS ON RESERVES.—

"(A) IN GENERAL.—Balances maintained at a Federal reserve bank by or on behalf of a depository institution may receive earnings to be paid by the Federal reserve bank at least once each calendar quarter at a rate or rates not to exceed the general level of short-term interest rates.

"(B) REGULATIONS RELATING TO PAYMENTS AND DISTRIBUTION.—The Board may prescribe regulations concerning—

"(i) the payment of earnings in accordance with this paragraph;

"(ii) the distribution of such earnings to the depository institutions which maintain balances at such banks or on whose behalf such balances are maintained; and

"(iii) the responsibilities of depository institutions, Federal home loan banks, and the National Credit Union Administration Central Liquidity Facility with respect to the crediting and distribution of earnings attributable to balances maintained, in accordance with subsection (c)(1)(A), in a Federal reserve bank by any such entity on behalf of depository institutions.

“(C) DEPOSITORY INSTITUTIONS DEFINED.—For purposes of this paragraph, the term ‘depository institution’, in addition to the institutions described in paragraph (1)(A), includes any trust company, corporation organized under section 25A or having an agreement with the Board under section 25, or any branch or agency of a foreign bank (as defined in section 1(b) of the International Banking Act of 1978).”.

(b) AUTHORIZATION FOR PASS THROUGH RESERVES FOR MEMBER BANKS.—Section 19(c)(1)(B) of the Federal Reserve Act (12 U.S.C. 461(c)(1)(B)) is amended by striking “which is not a member bank”.

(c) CONSUMER BANKING COSTS ASSESSMENT.—

(1) IN GENERAL.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended—

(A) by redesignating sections 30 and 31 as sections 31 and 32, respectively; and

(B) by inserting after section 29 the following new section:

“SEC. 30. SURVEY OF BANK FEES AND SERVICES.

“(a) ANNUAL SURVEY REQUIRED.—The Board of Governors of the Federal Reserve System shall obtain annually a sample, which is representative by type and size of the institution (including small institutions) and geographic location, of the following retail banking services and products provided by insured depository institutions and insured credit unions (along with related fees and minimum balances):

“(1) Checking and other transaction accounts.

“(2) Negotiable order of withdrawal and savings accounts.

“(3) Automated teller machine transactions.

“(4) Other electronic transactions.

“(b) MINIMUM SURVEY REQUIREMENT.—The annual survey described in subsection (a) shall meet the following minimum requirements:

“(1) CHECKING AND OTHER TRANSACTION ACCOUNTS.—Data on checking and transaction accounts shall include, at a minimum, the following:

“(A) Monthly and annual fees and minimum balances to avoid such fees.

“(B) Minimum opening balances.

“(C) Check processing fees.

“(D) Check printing fees.

“(E) Balance inquiry fees.

“(F) Fees imposed for using a teller or other institution employee.

“(G) Stop payment order fees.

“(H) Nonsufficient fund fees.

“(I) Overdraft fees.

“(J) Deposit items returned fees.

“(K) Availability of no-cost or low-cost accounts for consumers who maintain low balances.

“(2) NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNTS AND SAVINGS ACCOUNTS.—Data on negotiable order of withdrawal accounts and savings accounts shall include, at a minimum, the following:

“(A) Monthly and annual fees and minimum balances to avoid such fees.

“(B) Minimum opening balances.

“(C) Rate at which interest is paid to consumers.

“(D) Check processing fees for negotiable order of withdrawal accounts.

“(E) Fees imposed for using a teller or other institution employee.

“(F) Availability of no-cost or low-cost accounts for consumers who maintain low balances.

“(3) AUTOMATED TELLER TRANSACTIONS.—Data on automated teller machine transactions shall include, at a minimum, the following:

“(A) Monthly and annual fees.

“(B) Card fees.

“(C) Fees charged to customers for withdrawals, deposits, and balance inquiries through institution-owned machines.

“(D) Fees charged to customers for withdrawals, deposits, and balance inquiries through machines owned by others.

“(E) Fees charged to noncustomers for withdrawals, deposits, and balance inquiries through institution-owned machines.

“(F) Point-of-sale transaction fees.

“(4) OTHER ELECTRONIC TRANSACTIONS.—Data on other electronic transactions shall include, at a minimum, the following:

“(A) Wire transfer fees.

“(B) Fees related to payments made over the Internet or through other electronic means.

“(5) OTHER FEES AND CHARGES.—Data on any other fees and charges that the Board of Governors of the Federal Reserve System determines to be appropriate to meet the purposes of this section.

“(6) FEDERAL RESERVE BOARD AUTHORITY.—The Board of Governors of the Federal Reserve System may cease the collection of information with regard to any particular fee or charge specified in this subsection if the Board makes a determination that, on the basis of changing practices in the financial services industry, the collection of such information is no longer necessary to accomplish the purposes of this section.

“(c) ANNUAL REPORT TO CONGRESS REQUIRED.—

“(1) PREPARATION.—The Board of Governors of the Federal Reserve System shall prepare a report of the results of each survey conducted pursuant to subsections (a) and (b) of this section and section 136(b)(1) of the Consumer Credit Protection Act.

“(2) CONTENTS OF THE REPORT.—In addition to the data required to be collected pursuant to subsections (a) and (b), each report prepared pursuant to paragraph (1) shall include a description of any discernible trend, in the Nation as a whole, in a representative sample of the 50 States (selected with due regard for regional differences), and in each consolidated metropolitan statistical area (as defined by the Director of the Office of Management and Budget), in the cost and availability of the retail banking services, including those described in subsections (a) and (b) (including related fees and minimum balances), that delineates differences between institutions on the basis of the type of institution and the size of the institution, between large and small institutions of the same type, and any engagement of the institution in multistate activity.

“(3) SUBMISSION TO CONGRESS.—The Board of Governors of the Federal Reserve System shall submit an annual report to the Congress not later than June 1, 2005, and not later than June 1 of each subsequent year.

“(d) DEFINITIONS.—For purposes of this section, the term ‘insured depository institution’ has the meaning given such term in section 3 of the Federal Deposit Insurance Act, and the term ‘insured credit union’ has the meaning given such term in section 101 of the Federal Credit Union Act.”.

(2) CONFORMING AMENDMENT.—

(A) IN GENERAL.—Paragraph (1) of section 136(b) of the Truth in Lending Act (15 U.S.C. 1646(b)(1)) is amended to read as follows:

“(1) COLLECTION REQUIRED.—The Board shall collect, on a semiannual basis, from a broad sample of financial institutions which offer credit card services, credit card price and availability information including—

“(A) the information required to be disclosed under section 127(c) of this chapter;

“(B) the average total amount of finance charges paid by consumers; and

“(C) the following credit card rates and fees:

“(i) Application fees.

“(ii) Annual percentage rates for cash advances and balance transfers.

“(iii) Maximum annual percentage rate that may be charged when an account is in default.

“(iv) Fees for the use of convenience checks.

“(v) Fees for balance transfers.

“(vi) Fees for foreign currency conversions.”.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on January 1, 2004.

(3) REPEAL OF OTHER REPORT PROVISIONS.—Section 1002 of Financial Institutions Reform, Recovery, and Enforcement Act of 1989 and section 108 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 are hereby repealed.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—Section 19 of the Federal Reserve Act (12 U.S.C. 461) is amended—

(1) in subsection (b)(4) (12 U.S.C. 461(b)(4)), by striking subparagraph (C) and redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively; and

(2) in subsection (c)(1)(A) (12 U.S.C. 461(c)(1)(A)), by striking “subsection (b)(4)(C)” and inserting “subsection (b)”.

SEC. 705. INCREASED FEDERAL RESERVE BOARD FLEXIBILITY IN SETTING RESERVE REQUIREMENTS.

Section 19(b)(2)(A) of the Federal Reserve Act (12 U.S.C. 461(b)(2)(A)) is amended—

(1) in clause (i), by striking “the ratio of 3 per centum” and inserting “a ratio not greater than 3 percent (and which may be zero)”; and

(2) in clause (ii), by striking “and not less than 8 per centum,” and inserting “(and which may be zero),”.

SEC. 706. TRANSFER OF FEDERAL RESERVE SURPLUSES.

(a) IN GENERAL.—Section 7(b) of the Federal Reserve Act (12 U.S.C. 289(b)) is amended by adding at the end the following new paragraph:

“(4) ADDITIONAL TRANSFERS TO COVER INTEREST PAYMENTS FOR FISCAL YEARS 2003 THROUGH 2007.—

“(A) IN GENERAL.—In addition to the amounts required to be transferred from the surplus funds of the Federal reserve banks pursuant to subsection (a)(3), the Federal reserve banks shall transfer from such surplus funds to the Board of Governors of the Federal Reserve System for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury, such sums as are necessary to equal the net cost of section 19(b)(12) in each of the fiscal years 2003 through 2007.

“(B) ALLOCATION BY FEDERAL RESERVE BOARD.—Of the total amount required to be paid by the Federal reserve banks under subparagraph (A) for fiscal years 2003 through 2007, the Board of Governors of the Federal Reserve System shall determine the amount each such bank shall pay in such fiscal year.

“(C) REPLENISHMENT OF SURPLUS FUND PROHIBITED.—During fiscal years 2003 through 2007, no Federal reserve bank may replenish such bank's surplus fund by the amount of any transfer by such bank under subparagraph (A).”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 7(a) of the Federal Reserve Act (12 U.S.C. 289(a)) is amended by adding at the end the following new paragraph:

"(3) PAYMENT TO TREASURY.—During fiscal years 2003 through 2007, any amount in the surplus fund of any Federal reserve bank in excess of the amount equal to 3 percent of the paid-in capital and surplus of the member banks of such bank shall be transferred to the Secretary of the Treasury for deposit in the general fund of the Treasury.".

SEC. 707. RULE OF CONSTRUCTION.

In the case of an escrow account maintained at a depository institution in connection with a real estate transaction—

(1) the absorption, by the depository institution, of expenses incidental to providing a normal banking service with respect to such escrow account;

(2) the forbearance, by the depository institution, from charging a fee for providing any such banking function; and

(3) any benefit which may accrue to the holder or the beneficiary of such escrow account as a result of an action of the depository institution described in subparagraph (1) or (2) or similar in nature to such action, shall not be treated as the payment or receipt of interest for purposes of this Act and any provision of Public Law 93–100, the Federal Reserve Act, the Home Owners' Loan Act, or the Federal Deposit Insurance Act relating to the payment of interest on accounts or deposits at depository institutions, provided, however, that nothing herein shall be construed so as to require a depository institution that maintains an escrow account in connection with a real estate transaction to pay interest on such escrow account or to prohibit such institution from paying interest on such escrow account. Nor shall anything herein be construed to preempt the provisions of law of any State dealing with the payment of interest on escrow accounts maintained in connection with real estate transactions.

The CHAIRMAN pro tempore. Pursuant to House Resolution 566, the gentlewoman from New York (Mrs. KELLY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I also want to thank the gentleman from Pennsylvania (Mr. TOOMEY) for his collaboration on this proposal and Members of the Committee on Rules for allowing this amendment to be considered today.

Most Americans with checking accounts would be shocked to learn that if they started their own business, any checking account they establish for that business would be prohibited from earning any interest. Yet that is the case today. Checking accounts held by small businesses are banned by Federal law from collecting the interest that money would earn if it were held by an individual.

The amendment I am offering addresses this matter and it has been pending before Congress for some time now. This body has actually passed this measure by voice vote not once, not twice, but actually three times; twice in the last Congress, and once earlier in the earlier year in this Congress.

Unfortunately, the job is not yet done. So I am coming again in the hope that we will finally be able to send this language to the President's desk.

The provisions in this amendment will go a long way in helping our main street banks and small businesses which are essential to growth and communities and our overall economy. The Business Checking Freedom Act contains a number of important provisions. First, it repeals the 70-year-old law prohibiting banks from paying interest on business checking accounts after a transition period. And while I believe it should be repealed entirely, a bipartisan group of Members have agreed that a proper transition period is necessary.

We are also aware of the potential impact of an outright repeal of the law. That is why a transition period is crucial. And we will continue to work to ensure that the needs of our smaller banks are being addressed. As a result, the legislation includes a 2-year transition period contained in the bill.

I would also like to say that I share and recognize the concerns of some Members with regard to the ILCs and will work with my colleagues, including the gentleman from Ohio (Mr. GILLMOR) and the gentleman from Massachusetts (Mr. FRANK) to achieve a remedy to the concerns that have been raised about the ILCs.

The legislation is important. It allows banks to increase money market deposits and savings account sweeps from the current 6 to 24 times a month. This gives banks an increase in their sweep activities, increasing the interest which businesses can make on their accounts.

The final provision gives the Federal Reserve the opportunity to pay interest on the reserves that the banks need to keep within the Federal Reserve system. And Chairman Greenspan has repeatedly testified that he is in favor of this provision.

It also gives the Fed the flexibility to lower reserve requirements, which enables the Fed to have greater control to maintain reserves at specific and consistent levels. This language will help foster healthy receiver balances and reduce the potential for volatility within the bank Federal funds rate protecting the Federal Reserve's ability to conduct monetary policy.

Quite simply, this legislation is about creating a new and broader market option and supporting our small businesses at the same time. The amendment allows banks to pay interest on business checking accounts and increase sweeps activities. The amendment also allows the Fed to pay interest on the sterile reserves that banks are required to keep with them and lower reserve requirements.

The amendment does not require or mandate anything. It allows the market to create change and not the government.

I want to thank the gentleman from Pennsylvania (Mr. TOOMEY) once again for working so closely with me on this proposal. I thank Members for considering, once again, this important legislation. I have been working on it for many years. I really am pleased to be able to bring it to the floor.

I ask my colleagues on both sides of the aisle to join me in strong support for this commonsense amendment that will help banks and small businesses fuel the economy.

Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, in the apparent absence of anyone in opposition, I would ask for the time.

The CHAIRMAN pro tempore. Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is, as I think has been made clear, a bill that has already passed the House. Clearly the former reasons for the prohibition on interest on business checking accounts no longer make sense in light of the current economy.

I appreciate the gentlewoman from New York (Mrs. KELLY) alluding to the issue of the ILCs. When we had originally dealt with this, it had been my hope as this bill went forward in the other body, the compromise we had adopted could be considered there. For a variety of reasons this did not go forward in the other body. And the rules prohibit me from commenting on whether or not anyone ought to be surprised by the absence of that progress, so I shall not.

But this, once again, we hope will go forward; because it is, I think, an important thing especially, as has been clear, for the small businesses. Interest on their checking accounts, if you are a smaller business and you have to maintain a large percentage of your funds in checking accounts for a variety of reasons, then the lack of interest could become a significant factor.

So I hope that this will ultimately pass, but I do hope that the ILC issue will get some further attention.

Mr. Chairman, I yield back the balance of my time.

Mrs. KELLY. Mr. Chairman, I yield my remaining minute to the gentleman from Pennsylvania (Mr. TOOMEY.)

Mr. FRANK of Massachusetts. Mr. Chairman, I ask unanimous consent to reclaim my time, and I also yield 1 minute to the gentleman from Pennsylvania (Mr. TOOMEY).

The CHAIRMAN pro tempore. Without objection, the gentleman from Massachusetts may reclaim his time.

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania (Mr. TOOMEY) is recognized for 2 minutes.

Mr. TOOMEY. Mr. Chairman, I would like to thank my colleague, the gentlewoman from New York (Mrs. KELLY), as well as my colleague, the gentleman from Massachusetts (Mr. FRANK) for kindly yielding time.

Certainly I rise in strong support of this amendment. I want to congratulate the gentlewoman from New York (Mrs. KELLY) for her leadership on this issue for a number of years.

This amendment simply is going to help small businesses. It is going to help small banks. It is going to help promote a rational allocation of resources and a free economy. It makes a lot of sense. In fact, it is hard to believe we ever passed a law that said it ought to be illegal to pay interest on deposits, any kind of deposits. But that is the fact. It is on the books. And I am hoping that today we take a big step in the direction of repealing this ban.

This amendment itself really reflects the confluence of two separate bills, one that I had introduced, one that the gentlewoman from New York (Mrs. KELLY) had introduced. And together they really simply amount to a commonsense reduction of long-outdated, unnecessary regulations.

Again, the people that are most harmed by the current regulation are the people operating small businesses, the people who have modest accounts, the people who have not got sophisticated Treasury operations to circumvent the regulations, and the people who therefore really need this help.

It will help small businesses do a host of things that they could do with a little more resources, whether it is hiring another employee, whether it is buying some more equipment, defraying other costs, it just makes a lot of sense.

I should observe that the Federal Reserve and the Treasury Department both fully support this legislation for a variety of reasons, not the least of which it will make banking services less expensive, more directly responsive to customers' needs, and basically every industry group that has looked at this legislation supports it as well, from the U.S. Chamber of Commerce, the NFIB, America's Community Bankers, to the Association for Financial Professionals. Pretty much there is a broad consensus that this is just a commonsense thing to do.

So I, again, would like to thank the gentleman from Massachusetts (Mr. FRANK) for his cooperation, the gentlewoman from New York (Mrs. KELLY) for her years of service on this issue. I urge my colleagues to adopt this amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from New York (Mrs. KELLY).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mrs. KELLY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from New York (Mrs. KELLY) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: amendment number 4 offered by the gentleman from New York (Mr. WEINER); amendment number 5 offered by the gentlewoman from Texas (Ms. JACKSON-LEE); and amendment number 6 offered by the gentlewoman from New York (Mrs. KELLY).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 4 OFFERED BY MR. WEINER

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from New York (Mr. WEINER) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 167, noes 255, not voting 11, as follows:

[Roll No. 66]

AYES—167

Abercrombie
Ackerman
Andrews
Baca
Baird
Baldwin
Ballance
Barton (TX)
Becerra
Bell
Berkley
Berman
Bishop (NY)
Blumenauer
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Chandler
Clay
Clyburn
Conyers
Costello
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Jo Ann
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Doyle
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gephardt
Green (TX)
Greenwood
Grijalva
Gutierrez
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hoyer
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kleczka
Lampson
Langevin
Lantos
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lynch
Majette
Maloney
Markey
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mollohan
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Otter
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (PA)
Platts
Price (NC)
Rangel
Reyes
Rodriguez
Rothman
Roybal-Allard
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Scott (VA)
Serrano
Simpson
Slaughter
Smith (NJ)
Solis
Spratt
Stark
Strickland
Stupak
Tauscher
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—255

Aderholt
Akin
Alexander
Allen
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Bereuter
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (UT)
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Case
Castle
Chabot
Chocola
Coble
Cole
Collins
Cooper
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (FL)
Davis (TN)
Davis, Tom
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Dooley (CA)
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (WI)
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hooley (OR)
Hostettler
Houghton
Hulshof
Hunter
Hyde
Inslee
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Larsen (WA)
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Marshall
McCarthy (MO)
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Moore
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Oxley
Paul
Pearce
Pence
Peterson (MN)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schrock
Scott (GA)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shuster
Simmons
Skelton
Smith (MI)
Smith (TX)
Snyder
Souder
Stearns
Stenholm
Sullivan
Sweeney

Tancredo
Tanner
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Tiahrt
Toomey
Turner (OH)
Upton
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weller
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Blackburn
Boehner
Harman
John
Kucinich
Shimkus
Smith (WA)
Tauzin
Tiberi
Weldon (PA)
Whitfield

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. SIMMONS) (during the vote). Members are notified there are 2 minutes remaining in this vote.

☐ 1340

Ms. EDDIE BERNICE JOHNSON of Texas and Messrs. VITTER, BERRY, CANNON, PETRI, POMEROY and ISSA changed their vote from "aye" to "no."

Mr. OWENS and Mr. PALLONE changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XV, the remainder of votes in this series will be conducted as 5-minute votes.

AMENDMENT NO. 4 OFFERED BY MS. JACKSON-LEE OF TEXAS

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on amendment No. 4 offered by the gentlewoman from Texas (Ms. JACKSON-LEE) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 194, noes 225, not voting 14, as follows:

[Roll No. 67]

AYES—194

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Boswell
Brady (PA)
Brown (OH)
Brown, Corrine
Camp
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Chandler
Clay
Clyburn
Costello
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Doyle
Duncan
Edwards
Ehlers
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gephardt
Gonzalez
Green (TX)
Grijalva
Gutierrez
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lynch
Majette
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-
McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Pomeroy
Porter
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Ryan (OH)
Sabo
Sánchez, Linda
T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shays
Sherman
Skelton
Slaughter
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Wamp
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—225

Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blumenauer
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Boucher
Boyd
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite,
Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cooper
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Dooley (CA)
Doolittle
Dreier
Dunn
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hostettler
Houghton
Hulshof
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney
Manzullo
Markey
Marshall
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stenholm
Sullivan
Sweeney
Tancredo
Tanner
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Toomey
Turner (OH)
Vitter
Walden (OR)
Walsh
Weldon (FL)
Weller
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—14

Blackburn
Boehner
Conyers
Harman
Hunter
John
Kucinich
Lewis (CA)
Shimkus
Smith (WA)
Tauzin
Tiberi
Weldon (PA)
Whitfield

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. SWEENEY) (during the vote). Members are advised 2 minutes remain in this vote.

☐ 1348

Mr. WAMP and Mr. DUNCAN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 6 OFFERED BY MRS. KELLY

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from New York (Mrs. KELLY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 418, noes 0, not voting 15, as follows:

[Roll No. 68]

AYES—418

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)

Blumenauer
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weller
Wexler
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—15

Blackburn
Boehner
Carter
Conyers
Goss
Harman
John
Kucinich
Shimkus
Smith (NJ)
Smith (WA)
Tauzin
Tiberi
Weldon (PA)
Whitfield

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

□ 1356

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SIMPSON) having assumed the chair, Mr. SWEENEY, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1375) to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes, pursuant to House Resolution 566, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BACHUS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on final passage will be followed by two 5-minute votes on the motions to suspend the rules that were debated yesterday.

The vote was taken by electronic device, and there were—yeas 392, nays 25, not voting 16, as follows:

[Roll No. 69]

YEAS—392

Ackerman
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.

Johnson, Sam
Jones (NC)
Jones (OH)
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Marshall
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy

Murtha
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Oberstar
Obey
Olver
Ortiz
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sandlin
Saxton
Schakowsky

Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (NC)
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weller
Wexler
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—25

Bereuter
Bishop (UT)
Boswell
Cooper
DeFazio
Delahunt
Evans
Gilchrest
Hinchey

Kanjorski
King (IA)
Latham
Leach
Lewis (GA)
Markey
Matheson
McDermott
Musgrave

Nussle
Osborne
Royce
Sanders
Slaughter
Taylor (MS)
Terry

NOT VOTING—16

Abercrombie
Aderholt
Blackburn
Boehner
Conyers
Crowley

Dunn
Harman
John
Kucinich
Shimkus
Smith (WA)

Tauzin
Tiberi
Weldon (PA)
Whitfield

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON) (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1414

Mr. EVANS changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1375, FINANCIAL SERVICES REGULATORY RELIEF ACT OF 2003

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that in the engrossment of H.R. 1375, the Clerk be authorized to correct section numbers, punctuation, and cross-references and to make such other technical and conforming changes as may be necessary to accurately reflect the actions of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, the next votes will be 5-minute votes.

There was no objection.

COUNTER-TERRORIST AND NARCO-TERRORIST REWARDS PROGRAM ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3782, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Florida (Ms. HARRIS) that the House suspend the rules and pass the bill, H.R. 3782, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 414, nays 0, not voting 19, as follows:

[Roll No. 70]

YEAS—414

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)

Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Blunt

Boehlert
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny

Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon

Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)

McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)

Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)

Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)

Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—19

Blackburn
Boehner
Carson (OK)
Conyers
Cox
Deal (GA)
Fossella

Harman
Hinchey
Hostettler
John
Kucinich
Markey
Shimkus

Smith (WA)
Tauzin
Terry
Tiberi
Whitfield

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON) (during the vote). Members are advised that 2 minutes remain in this vote.

☐ 1422

So (two thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RECOGNIZING MORE THAN 5 DECADES OF STRATEGIC PARTNERSHIP BETWEEN THE UNITED STATES AND THE MARSHALL ISLANDS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 364.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Florida (Ms. HARRIS) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 364, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 408, nays 0, not voting 25, as follows:

[Roll No. 71]

YEAS—408

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen

Andrews
Baca
Bachus
Baird
Baker
Baldwin

Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass

Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Cummings
Cunningham
Davis (CA)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English

Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
LaHood
Lampson

Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman

Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff

Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thomas

Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—25

Blackburn
Boehner
Conyers
Culberson
Davis (AL)
Davis (FL)
Deal (GA)
Harman
Hinchey

Hostettler
Jackson-Lee (TX)
John
Kucinich
Miller, George
Radanovich
Rogers (MI)
Shimkus

Smith (WA)
Stark
Tauzin
Terry
Tiberi
Toomey
Velázquez
Whitfield

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

☐ 1428

So (two thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. HOYER asked and was given permission to address the House for 1 minute.)

Mr. HOYER. Mr. Speaker, I yield to the gentleman from Texas (Mr. DELAY), the distinguished majority leader, for the purpose of inquiring of the majority leader the schedule for the coming week.

Mr. DELAY. Mr. Speaker, I thank the gentleman from Maryland, the distinguished whip, for yielding to me, and I will try to be brief as I am sure my friend is anxious to get back to watch the end of the Terps game.

Mr. HOYER. He is right.

Mr. DELAY. Mr. Speaker, the House will convene on Tuesday at 12:30 p.m. for morning hour and 2 p.m. for legislative business. We will consider several measures under suspension of the rules. A final list of those bills will be sent to

Members' offices by the end of this week. Any votes called on these measures will be rolled until 6:30 p.m. on Tuesday.

On Wednesday and Thursday, the House will convene at 10 a.m. We plan to consider the budget resolution for fiscal year 2005. We would hope to complete several hours of general debate on Wednesday before moving into the amendment process on Thursday.

And, finally, I would like to note for all the Members, and they should take note, that we are making a change to the schedule that was sent to offices at the beginning of the year. We do not plan to have votes next Friday, March 26.

I thank the gentleman for yielding and would be happy to answer any questions.

Mr. HOYER. Mr. Speaker, I thank the gentleman for the information. There are, of course, so many things which disappoint us when the majority leader announces them; but that is not one of them, I assure him.

I appreciate the majority leader's advice that Wednesday and Thursday we will be considering the budget, obviously one of the most important policy documents that we consider. And it appears from his announcement that there will be substantial time on Wednesday and substantial time on Thursday, I presume, for a full and fair debate on the underlying proposal that will be reported out of the committee, as well as such substitutes as may be made in order. Is that correct?

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I really anticipate next week's process to resemble years past. I do not want to presuppose what the Committee on Rules would do, but I would think that we would likely have an extended general debate in the neighborhood of 4 or 5 hours.

□ 1430

In addition, the Committee on Rules could and will likely make in order multiple substitutes, and assuming that they are legitimate budget resolutions, and we will have a very vigorous debate.

Mr. HOYER. Mr. Speaker, I thank the gentleman. I think that is very important for the House and for the American people, and we look forward to that discussion and the substitutes. As the gentleman knows, we will have the gentleman from South Carolina (Mr. SPRATT), our ranking member, who will have a substitute. I expect the Black Caucus to have a substitute, and perhaps there will be some other substitutes as well. Certainly the Blue Dogs will have a substitute, all of which I think, in the gentleman's understanding of it, would be very substantive budget resolution proposals, and we anticipate them being made in order so we can debate each of those as well.

Mr. Speaker, one of the other aspects, as the majority leader knows, there has been a lot of discussion about enforcement mechanisms. We believe on this side of the aisle that enforcement mechanisms are critically important if we are going to get to balance at some time in the future, which is our objective and I think the gentleman's objective as well.

Can the gentleman tell me when and in what form enforcement mechanisms will be brought to the floor? I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding. Obviously, the Committee on the Budget passed out a budget mechanism that will be considered by the Committee on Rules. I have no idea at this point in time when we could schedule such a thing. There are a lot of Members on our side and the gentleman's side that want to participate in this process that have a lot of good ideas. I think this issue needs to ripen a bit. The Committee on Rules claims some jurisdiction in this regard and they want to look at and mark up their own bill.

This is a process that actually just got started yesterday by the Committee on the Budget marking up a bill and moving it out of their committee, so I really cannot say. I do not know when is the earliest. We have a pretty full schedule next week and the following week and then, as the gentleman knows, we break for the spring district work period. But it is vitally important, everybody wants to bring fiscal discipline to the budget process and show that this House can have fiscal responsibility, and we think that is an important bill and we will bring it to the floor as soon as it is ready.

Mr. HOYER. Mr. Speaker, reclaiming my time, I thank the gentleman for his response. I would observe that, clearly, enforcement mechanisms we believe are critically important as we consider the budget in the mid-2005 budget, but also the outyears as well, whether we use a 5-year or 10-year budget analysis.

Without enforcement mechanisms, obviously, we really do not know what we are doing. We can say we are doing something, but without enforcement mechanisms to make sure that, in fact, we are controlling spending, controlling revenues, controlling entitlements, we do not have really a budget that is meaningful and enforceable. So we are hopeful that that will come relatively soon.

We would like to do it contemporaneously, but I understand what the gentleman is saying; the Committee on Rules wants to consider that. The Senate I think considered that contemporaneously and, of course, there are some in this country who have made it very clear that an enforcement mechanism that impacts on both spending and on revenues was the only kind of enforcement that would really be meaningful. I know there is a difference of opinion among people on that issue, but we think that needs to be debated fairly soon and fairly proximate to close the consideration of the budget.

Mr. Leader, my last question would be, if the gentleman knows, and I notice we have a member of the Committee on Rules on the floor, when will substitutes need to be filed, if the gentleman knows; or can the gentleman inform us when substitutes will need to be filed?

Mr. DELAY. As soon as we can get back to the Terps game, I think the gentleman from Washington (Mr. HASTINGS) is going to stand up and announce when they should be filed.

Mr. HOYER. Mr. Speaker, in a world of priorities, the gentleman just got mine.

ANNOUNCEMENT OF AMENDMENT PROCESS FOR CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 2005

(Mr. HASTINGS of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, the Committee on Rules may meet the week of March 22 to grant a rule which would limit the amendment process for the concurrent resolution on the budget for fiscal year 2005.

Any Member who wishes to offer an amendment should submit 55 copies of the amendment and one copy of a brief explanation of the amendment to the Committee on Rules in Room H–312 of the Capitol, no later than 5 p.m. on Tuesday, March 23. As in past years, the Committee on Rules intends to give priority to amendments offered as complete substitutes.

Members are advised that the text of the concurrent resolution, as ordered, reported by the Committee on the Budget, should be available on the Web sites of both the Committee on the Budget and the Committee on Rules on Friday, March 19.

Mr. Speaker, Members should use the Office of Legislative Council and the Congressional Budget Office to make sure that their substitute amendments are properly drafted and scored, and should check with the Office of the Parliamentarian to be certain that their amendments comply with the Rules of the House.

ADJOURNMENT TO MONDAY, MARCH 22, 2004

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourns to meet at noon on Monday, March 22, 2004.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON TUESDAY, MARCH 23, 2004

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, March 22, 2004, it adjourn to meet at 12:30 p.m. on Tuesday, March 23, for morning hour debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DELAY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SIMPSON). Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

ORDER OF BUSINESS

Mr. LANGEVIN. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

THE ROLE OF HOUSING-RELATED GOVERNMENT-SPONSORED ENTITIES IN THE U.S. ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. LANGEVIN) is recognized for 5 minutes.

Mr. LANGEVIN. Mr. Speaker, today I rise in response to Federal Reserve Chairman Alan Greenspan's recent remarks about the role of housing-related government-sponsored entities, otherwise known as GSEs, and our economy.

A day before Chairman Greenspan's controversial testimony regarding Social Security, his comments on a different issue caught my attention. While testifying before the Senate Banking Committee on February 24, he mentioned that the two largest housing GSEs, Fannie Mae and Freddie Mac, have grown so large that they could threaten the foundation of the entire United States economy if risks are not properly managed. I know that Chairman Greenspan is normally reserved in discussing financial markets because he understands the power that his words hold with investors. Therefore, his assessment of the GSE situation alarmed me.

Greenspan's comments brought back painful memories of the 1990 Rhode Island banking crisis when fraud at the private deposit insurer resulted in the temporary closing of 45 financial institutions and the freezing of $1.7 billion in customer deposits. Due to negligence and mismanagement, Rhode Islanders could not touch their assets for up to 36 days before the banks reopened, making it impossible for many families to pay their mortgages or rent, or to even buy food. The thought that more than a decade later, a similar crisis on a much broader scale could occur is cause for great concern.

Greenspan fears that many investors are under the false impression that GSEs are backed up by the full faith and credit of the United States. Well, because of this incorrect assumption, investors believe they can accept higher risks because the government will bail out GSEs if they are insolvent or default, as occurred in the 1980s. As Greenspan noted, GSEs now stand behind more than $4 trillion of mortgages, and the government can ill afford such a bailout in the wake of a housing crisis or corporate mismanagement.

It appears as though the increased risks the GSEs have been taking on is not related to their primary operation of purchasing affordable housing loans in the secondary market. Rather, much of their risk comes from derivative investments in an effort to maximize profits for shareholders. Now, as we learned from Enron, complex derivative schemes may boost profits in the short term, but the long-run risks can be too difficult to manage.

Congress needs to approach this issue very seriously and take appropriate corrective steps before it is too late. It is essential that we ensure that GSEs better manage risks without hampering their mission, which is to expand opportunities for home ownership and affordable rental housing. Among the options being discussed, we should be aware that if Fannie Mae and Freddie Mac are privatized or if debt caps limit the amount of mortgages that can be acquired, affordable housing is likely to be hurt the most because it is the least profitable part of the GSE business. Now, in addition, limited mortgage financing for home buyers could negatively affect the housing market by stunning growth.

In light of past financial problems and Greenspan's comments, I believe Congress should begin by considering oversight from an independent regulator with housing expertise. A strong regulator with a background in housing will ensure that home ownership opportunities continue to grow, while guarding against the potential of an Enron-like collapse that could devastate the United States' economy.

Mr. Speaker, I urge my colleagues in Congress to give this issue their immediate attention. We must act prudently and look at a range of options to ensure the solvency of Fannie Mae and Freddie Mac. We need to guarantee the mission of the GSEs is not compromised but, at the same time, ensure proper oversight and ethical behavior. Fannie Mae and Freddie Mac must continue to bring the American dream to as many people as possible while we strive to reduce the risk of fraud of a GSE derailing the United States economy.

Mr. Speaker, I look forward to working with my colleagues to address this important issue before it is too late.

ANNOUNCEMENT OF MEMBERS AVAILABLE TO SERVE ON INVESTIGATIVE SUBCOMMITTEES OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT FOR THE 108TH CONGRESS

The SPEAKER pro tempore. Pursuant to clause 5(a)(4)(A) of rule X, and the order of the House of December 8, 2003, the Chair announces that the Speaker named the following Members of the House to be available to serve on investigative subcommittees of the Committee on Standards of Official Conduct for the 108th Congress:

Mr. DOOLITTLE, California;
Mr. SAM JOHNSON, Texas;
Mr. LINCOLN DIAZ-BALART, Florida;
Mr. ENGLISH, Pennsylvania;
Mr. SHADEGG, Arizona;
Mr. BRADY, Texas;
Mr. SIMPSON, Idaho;
Mr. TERRY, Nebraska;
Mr. KIRK, Illinois;
Mr. REHBERG, Montana.

COMMUNICATION FROM THE HON. NANCY PELOSI, DEMOCRATIC LEADER

The SPEAKER pro tempore laid before the House the following communication from the Honorable NANCY PELOSI, Democratic Leader:

U.S. HOUSE OF REPRESENTATIVES,
OFFICE OF THE DEMOCRATIC LEADER,
Washington, DC, March 18, 2004.

Hon. J. DENNIS HASTERT,
Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to clause 5(a)(4)(A) of rule X of the Rules of the House of Representatives I designate the following Members to be available for service on an investigative subcommittee of the Committee on Standards of Official Conduct:

Mr. Becerra of California; Mr. Cooper of Tennessee; Mr. Delahunt of Massachusetts;

Mrs. McCarthy of New York; Mr. McIntyre of North Carolina; Mr. McNulty of New York; Mr. Schiff of California; Mr. Scott of Virginia; Mr. Stupak of Michigan; and Mrs. Tauscher of California.

Sincerely,

NANCY PELOSI,
Democratic Leader.

ORDER OF BUSINESS

Mr. WILSON of South Carolina. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore (Mr. BRADLEY of New Hampshire). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

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DEMOCRATIC LEADER SHOULD APOLOGIZE FOR INSULTING NATIONAL GUARD SERVICE

The SPEAKER pro tempore (Mr. BRADLEY of New Hampshire). Under a previous order of the House, the gentleman from South Carolina (Mr. WILSON) is recognized for 5 minutes.

Mr. WILSON of South Carolina. Mr. Speaker, I am profoundly disappointed in some of the rhetoric from Democrats in this election year debate. As we have all heard a few weeks ago, Terry McAullife, the chairman of the Democratic National Committee, said that President Bush had served in the National Guard but, quote, "never served in our military and our country," end of quote.

This is a double slander of the President and the National Guard. To imply that the National Guard is not a military service, Chairman McAullife dismisses the sacrifices of tens of thousands of National Guardsmen and women presently serving, and is a slap to the face of their service and their families.

As a retired National Guard member myself with 31 years service, with two sons in the Guard, one of whom was deployed to Iraq this week, America deserves an apology and the Democrats should find better leadership.

Terry McAullife's comments were wrong and they were offensive to me, my family, to the thousands of South Carolina National Guard members fighting in the war on terrorism today. Apparently Chairman McAullife is unaware of the distinguished history of the National Guard, which is America's oldest military service.

The South Carolina National Guard dates back over 300 years to 1670 when colonists united to defend their homeland against Spanish invasion. In fact, the valor of those early guardsmen has been enshrined in the South Carolina State flag when they defended the Carolina coast with a fort built of palmetto trees during the Revolutionary War.

Perhaps Mr. McAullife is simply unaware that guardsmen fought on the front lines of World War I, World War II, the Cold War, the war in Vietnam, the Korean War, the Gulf War, and now the war on terrorism. And on the morning of September 11, when we were not sure how many planes had been hijacked or how many sites had been targeted, the President ordered the Air National Guard to fly combat patrols over Washington, D.C. and New York.

Thank you to the Guard's 119th Fighter Wing whose F-16s defended the skies over Washington that morning and to the Air National Guard 102nd Fighter Wing whose F-15s rose to the defense of New York City. At a time of great peril and uncertainty they were America's first line of defense and we will never forget it.

Right now there are more than 193,000 National Guard members and reservists currently serving our country in the war on terror. They are steadfast servants to our country, who have given up their own civilian occupations and left their homes and families to ensure liberty for others. Some of these men and women are on the front lines who serve as the wedge between terrorism and freedom. They are serving our country.

I find Chairman McAuliffe's characterization insulting and demeaning. Terry McAuliffe disgraces himself and insults the National Guard by saying it is not military service. His baseless insinuation diminishes the National Guard as an institution, and he owes an apology to the guardsmen and -women in uniform serving our country and protecting their fellow Americans.

Chairman McAuliffe has a right to speak freely. But it is shameful that in one statement he dishonors some of America's bravest service members.

Chairman McAullife's comments represent the worst of election year politics. President Bush has been talking about the issues that matter to Americans: strong national defense, tax relief to promote job creation, and quality education for our children. Yet the Democratic leader has chosen to engage in personal partisan attacks and reckless comments that insult our men and women in uniform and the families supporting them.

It is a sad day for the Democratic Party whose leader publicly denounces, degrades, and dishonors a fighting force that at that moment is fighting for freedom and democracy and have devoted their lives to fighting terrorists around the world.

It is a time for truth. It is a time to raise the level of public debate in this country. It is a time for accountability. It is a time for honesty. It is past time for an apology, and it is time for the Democratic Party to find new leadership.

Mr. Speaker, as I conclude, I would like to offer, again, God bless our troops. We will never forget September 11.

ORDER OF BUSINESS

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent to take my Special Order out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE RAVAGES OF TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. FRANK) is recognized for 5 minutes.

Mr. FRANK of Massachusetts. Mr. Speaker, it is once again the sad duty of a Member of the House, myself in this case, to talk about the ravages of terrorism and the damage it does. I was struck last week, as we all were, by the terrible depth of the tragedy in Spain when hundreds were killed by brutal thugs. But I must say I was also struck at the relative lack of attention to the deaths of 10 people in Israel who were also killed by terrorists.

Taking into account the very small size of Israel's population, the loss of 10 in that country is equivalent to hundreds in many other places, thousands in some others. The sad fact is that Israel has so frequently been the victim of brutal murderist terrorism, aimed wholly at people who are by no stretch of the imagination combatants, that the world has become a little numb to it. And that is a very sad fact.

Obviously victims of terrorism are, in the first instance, those who are killed, those who are maimed, those who love and care for them. And that is where our focus should be. But there is a second victim of terrorism and it makes this a self-perpetuating problem, and that is any serious effort to negotiate peace.

I have been one of those in this House who strongly supported the efforts of former President Clinton and former Israel President Barak to reach peace. It was a terrible, terrible moment in Israel's history when Yitzhak Rabin, a great fighter for peace in the most literal sense of the word, was murdered, in this case by right-wing terrorists within Israel.

And I continue to believe that Israel should be seeking peace based on the two-state solution because, among other reasons, it is very much in Israel's interest. But those of us who hold that position must acknowledge that the continued pattern of terrorism, which the Palestinian authorities do little or nothing to oppose, makes the accomplishment of that goal extremely difficult.

I have been critical of some aspects of what the Israeli Government does. People say you cannot criticize another government. That, of course, is not true. People in this body spend most of our time criticizing other governments. It is perfectly legitimate to express points of view. Indeed, the more closely one feels allied to a nation, it seems to me the more your obligation is to speak out, if there are some differences, in a constructive and helpful way.

But those who are urging Israel to do more have to take due account of the steady, relentless pattern of terrorism of which it is the victim. Look what happened in Spain. Two hundred people were brutally murdered and a government fell, because they think it was an inappropriate reaction in terms of trying to blame people. But would anyone now be pressing the Spanish Government to enter into negotiations with al Qaeda which appears to be the author of this?

When the U.S. was the victim of thousands of murders and, given the population, Israel has seen a comparable number, if not more, murdered by terrorists, none of us here felt that the answer was to go further with negotiations.

I am not opposed to peace negotiations. I think it is very much in Israel's interest. I think the ability to get out of the settlements so that Israel can be a Jewish democratic state, setting an example for the world of how to achieve democratic values in the Middle East, that is very important. So I don't think the peace process ought to be abandoned. But I do believe it is important to take due note of what we are asking a democratic Nation to do: negotiate peace under difficult circumstances with an entity from which murderist terrorists come, and an entity which does too little to deal with it.

There have been some in the Palestinian Authority who want to show that they will make peace. But the role of Yassar Arafat has been so negative, so absent when it comes to any serious effort to preventing the terrorism, that it poisons the atmosphere.

So, Mr. Speaker, as we mourn the victims of terrorism in Spain, we mourn the victims of terrorism everywhere. We should note that the victims of terrorism in the Middle East are not simply those who were murdered, as terrible as that is, but it is an effort to achieve peace.

I continue to believe that Israel should make every reasonable effort to achieve peace. I don't think we can fairly say to the Israeli Government peace must be achieved, because that is not entirely in their control. I remain, unfortunately, skeptical that they have a true partner for peace on the Palestinian side, although I think they should continue to see if they do.

But no one who understands democracy, no one who has seen the way we have reacted, the way Spain has reacted, the way other democracies have reacted, should feel that you can put pressure on Israel without taking into account the context of repeated murder in which they are asked to operate.

OFFSHORING AND ITS IMPACT ON U.S. JOBS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DREIER) is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, I want to take just a few minutes to talk about the issue of offshoring, which is hotly debated and oft discussed as we focus on the question of jobs. It really comes down to two choices that we have here in the United States: We can try to isolate ourselves from the rest of the world or we can continue, as has been the case throughout recent history, to innovate and create better and better jobs for Americans right here in the United States.

After decades of American global economic leadership successfully competing in the worldwide marketplace and producing cutting-edge technologies and business practices, the economic isolationism option is clearly no option at all because of the success that we have enjoyed.

That leaves us with only one choice, Mr. Speaker, and that is to allow Americans to continue to innovate, grow, and create better jobs right here. In fact, innovation has always been the key to our global economic leadership. Our culture of creativity, independence and free thinking has created what the CEO of an Indian high-tech company recently called a, quote, "unique crucible for innovation."

He shared this anecdote in the New York Times recently talking about the very powerful force of innovation here in the United States. He said, "I was in Europe the other day and they were commiserating about the 400,000 European knowledge workers who have gone to live in the United States because of the innovative environment there. The whole process where people get an idea and put together a team, raise the capital, create a product and mainstream it, that can only be done in the United States of America," this Indian high-tech executive said.

Mr. Speaker, our longstanding position as the leading global innovator continues to be very strong. For example, the United States is by far the world's leader in producing new patents. In recent years, an average of 185,000 new patents have been granted here in the United States compared to 120,000 in Japan and only 45,000 in the entire European Union of all those countries combined.

Mr. Speaker, we also lead the world in research and development by a huge margin. The U.S. spends over a quarter of a trillion dollars on research and development every single year, while Britain spends about a tenth of that amount, Germany spends less than a fifth of the U.S. total, and France spent about an eighth.

Our growing investments in research and development have led to steady growth in the number of intervention disclosures and patent applications by academic and nonprofit research organizations as well. In 2002 these grew by 15 percent and they continue to increase.

These same institutions also are increasingly licensing their work in partnering with U.S. companies, primarily small- and medium-sized businesses, to apply their discoveries and innovations to our marketplace and to the global marketplace. This increased research and licensing lead has led to major breakthroughs in fields such as health care, including issues that are near and dear to virtually everyone here, cancer and Alzheimer's treatment, along with electronics with applications like improved cellular voice quality and computer monitors that create less stress on users' eyes, and even a new type of electric generator that can produce electricity with environmental-friendly hydrogen fuel at a fraction of the cost of current power plants.

Mr. Speaker, venture capital, by providing the resources necessary to turn ideas into new goods and services, is also a key component of our ability to innovate. Once again, the U.S. is the global leader. Business and individual investors provided over $21 billion in venture capital in 2002 compared to just $8 billion in European Union. That constitutes a 600 percent increase in U.S. venture capital over the past decade. This environment, Mr. Speaker, is the cornerstone of American prosperity.

□ 1500

It gives individuals the freedom to develop new ideas and concepts and encourages creativity and risk-taking. It has unparalleled financial markets and a venture capital system that are constantly helping Americans turn their dreams into reality. It has given American companies and individuals the power to invest, grow and create new jobs in cutting-edge fields, and it is our best answer to those who see offshoring as a reason to retreat behind the walls of economic isolationism.

We should not be trying to isolate ourselves from the worldwide market which would actually stifle our innovative environment and cede our position as the global leader. Instead, we should continue to allow our spirit of innovation and entrepreneurship to empower Americans as we lead the world and create better and better jobs right here in the United States.

ORDER OF BUSINESS

Mr. McGOVERN. Mr. Speaker, I ask that I may use my 5-minute time at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HUNGER AND POVERTY IN THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. McGOVERN) is recognized for 5 minutes.

Mr. McGOVERN. Mr. Speaker, over the past few months I have spoken on this floor on a weekly basis about the scourge of hunger around the world, especially among children. I have talked about the importance of adequately funding the McGovern-Dole Food For Education and Child Nutrition Program, which would provide children around the world with a nutritious school meal.

If we are going to make this world a safer and better place, I strongly believe that we must eradicate hunger. This is something we can do. There are some problems that we cannot solve, but hunger is not one of them.

It is important, however, in any discussion about hunger that we not ignore the problem of hunger that persists right here at home. In the face of world starvation, Americans tend to forget that millions of people in this country continue to go without food every day. Thankfully, we do not have the rampant starvation that affects places like the Horn of Africa, but that does not mean people are not going without food every day right here in the United States.

When we talk about hunger in America, we are really talking about food insecurity. According to the Food Research and Action Center, food insecurity refers to the lack of access to enough food to fully meet basic needs at all times due to lack of financial resources.

According to the United States Department of Agriculture, about 35 million people experienced food insecurity in 2002. This is an increase of 3.9 million people in just 3 years. Of the 12.1 million households that were food insecure in 2002, 3.8 million suffered from such severe food insecurity that they are classified as hungry.

The root cause of most food insecurity and hunger in America is poverty. It is unconscionable that in 2004 there are people in this country who do not have enough money to buy food. Approximately 35 million Americans live in poverty, about the same number of people who were food insecure and hungry. The correlation is obvious. The poorest people in this country are going hungry. The sad reality is that every day there are parents who sacrifice their own food so that their kids can eat.

I recently read a speech by my friend, the late Senator Paul Wellstone, delivered at Iowa State University in 1998. In that speech, Senator Wellstone recalled how he traveled to the Mississippi Delta after reading the book "Let Them Eat Promises" by Nick Kotz, following in the footsteps of Robert Kennedy. Senator Wellstone was so moved by the story about how Robert Kennedy, when touring the country to see firsthand the poverty and hunger that ravaged parts of this Nation, tried to connect with a young boy in the Mississippi Delta. When the boy would not even respond because of his severe malnourishment, Bobby Kennedy just broke down and cried.

Unfortunately, Mr. Speaker, I am afraid that if we left this Capitol building right now and traveled to another part of Washington or another city and town in America, we would find a similar situation. On that July day at Iowa State University, Senator Wellstone asked his audience, "Can't we do better?" Well, Mr. Speaker, the answer is, yes, we can.

During the last several decades, Congress has passed landmark legislation providing nutritious meals for low-income children and families. While the programs created over the last century do not adequately address the problem of poverty in America, they help in part to alleviate the food insecurity caused by poverty. These programs are vitally important and have improved the quality of millions of lives since their adoption.

The school lunch program, the school breakfast program, WIC and food stamps are just a few of the landmark programs that make up the core of our antihunger safety net here in the United States. Many of these programs are up for reauthorization this year, and our colleagues on the Committee on Education and the Workforce, led by the gentleman from Ohio (Chairman BOEHNER) and the gentleman from California (Ranking Member GEORGE MILLER), have produced a bipartisan bill that reauthorizes and expands many of these programs.

While I am disappointed that this bill, as currently drafted, does not go farther than it does, it is a good bill considering the circumstances under which it was drafted, and I am looking forward to its consideration in the near future.

Mr. Speaker, while these programs are important and need to be reauthorized and expanded, issues I will talk about at a later date, we cannot continue to ignore the fact that poverty is the root cause of food insecurity and hunger here in the United States.

We have a moral responsibility to end food insecurity and hunger. We have a moral responsibility to end and combat poverty. We can achieve these goals if we have the moral and political courage to do so.

The President recently challenged us to do what is necessary to put a man on Mars. That is a fine goal; but I would submit that a better, more urgent goal is combating hunger and ending poverty. We should begin a new war on poverty.

Let us utilize all that the government and the private sector can do to undertake this challenge. Only then will we end the scourge of food insecurity and hunger.

EXCHANGE OF SPECIAL ORDER TIME

Mr. KIRK. Mr. Speaker, I ask unanimous consent to take the gentleman from New Hampshire's (Mr. BRADLEY) place at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AUTHORITIES ARE CLOSE TO CAPTURING OSAMA BIN LADEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. KIRK) is recognized for 5 minutes.

Mr. KIRK. Mr. Speaker, today we have received tantalizing reports that Pakistani authorities may be close to arresting Osama bin Laden's deputy, Ayman al Zawahiri.

We do not know if this is true, but we do know that hundreds of American men and women in uniform are currently risking their lives as part of Operation Mountain Storm to arrest high-level terrorists in the critical border region of Afghanistan and Pakistan.

This border region was the safe haven for the world's most wanted man. Osama bin Laden lived there for many years since his first visit to the region during the Soviet occupation of Afghanistan.

This January, I conducted a mission to this region to review the operations of the State Department's terrorist rewards program. This program was highly successful in helping the arrest of key international criminals important to the United States. The program led to the arrest, capture, or death of two-thirds of U.N. war criminals in Bosnia. It led to the arrest, prosecution, and execution of Mir Aimal Kasi who killed many Americans outside the CIA gate in Virginia. By the way, Mr. Kasi was arrested in the very region of Pakistan receiving so much attention today. The program also led to the arrest and death of Uday and Qusay Hussein, the two Hussein brothers, sons of Saddam Hussein.

As a congressional staffer, I drafted the bill that lifted the rewards program from 5 to $25 million and allowed its use against U.N. war criminals. Based on my January mission to Afghanistan and Pakistan, we found the need for more reforms. We asked to raise the award for Osama bin Laden's arrest to $50 million and to make the payment of cash rewards more flexible so that in rural communities we could provide trucks or farm implements that could be a much more motivating factor with rural families.

In the frontier autonomous tribal region that we are focusing so heavily on today, we face a population largely illiterate, very poor and speaking the Wasari tribal language. In making these reforms, we need the State Department to do media surveys and use more radio and TV, which is much more appropriate to communicating with large, illiterate communities.

These ideas would all combine with one other idea: Osama bin Laden has slowly been changing his source of financing. He used to depend on Wahabi donations, his personal fortune and donations from Europe, but those sources of funding have largely dried up under a series of United Nations legal orders.

Today, Osama bin Laden stands as one of the world's number one sellers of heroin. Haji Bashir Noorzai of Canada provides him with 2,000 kilograms of heroin every 8 weeks, giving bin Laden from that source alone $28 million a year. In mid-December, the United States Navy arrested three dhows in the Arabian Gulf that contained methamphetamine, hashish, and heroin worth $10 million, an attempt by bin Laden to move from the Pakistani market where he gets $2,000 per kilogram of heroin to the United Arab Emirates where he would get $10,000 per kilogram.

Osama bin Laden has more money access to his fortune than ever before, and these ideas need to be incorporated into our new bill, H.R. 3782, the Counter-Terrorist and Narco-Terrorist Rewards Program Act. That act just passed the House of Representatives an hour ago by a vote of 414 to 0, a monument to bipartisan cooperation on a critical national security issue of the United States. The passage of this bill was needed, and it is needed more than ever because of the news coming from Operation Mountain Storm.

We need to thank the uniformed men and women of Combined Task Force 180 and the men and women of U.S. embassies in Islamabad and Kabul and other government agencies that are today risking their lives this very hour for the arrest of some of the world's most dangerous terrorists.

I also want to recognize our allies in this battle, the governments of Pakistan and Afghanistan. President Musharraf of Pakistan is riding a tiger tonight, but he has made the bold step to move against al Qaeda, regardless of the political risk. He and his Special Forces team are key, key parts of this allied victory against terrorism.

Mr. Speaker, we may or may not have good news tonight, but we can already thank the hundreds of Americans in uniform and out of uniform who are so far from home today, but are doing our government's most dangerous and important work.

EXCHANGE OF SPECIAL ORDER TIME

Mr. BAIRD. Mr. Speaker, I ask unanimous consent to accept the gentleman from California's (Mr. FILNER) time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

EXPRESSING CONDOLENCES TO SPAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BAIRD) is recognized for 5 minutes.

Mr. BAIRD. Mr. Speaker, a week ago we all mourned the loss, along with our brothers and sisters and friends in Spain, of so many innocent civilians.

Having had the opportunity to live in Spain for 2 years, I would like to take a few moments, if I may, to express my personal condolences in the hopes that our Congress, in its entirety, will do so before long.

Como estadounidense y miembro del Congreso de los Estados Unidos de América, quiero expresar mis más profundas condolencias al pueblo de España por la trágica pérdida de tantos inocentes en manos del terrorismo. Personalmente, tuve la oportunidad de vivir en España durante dos años, y desde entonces llevo una parte de ese país y de su gente en mi corazón. Hoy mi alma llora las muertes provocadas por la crueldad del terror. Hoy, todos somos españoles.

Nuestras naciones han sido a lo largo de la historia, aliados y amigos, unidos por los mismos valores y por una herencia común. Compartimos libertad, compasión, tolerancia y democracia. También es voluntad común mantenernos juntos y firmes contra aquellos que amenazan esos valores y matan inocentes en nombre del fanatismo político y religioso.

Cuando nuestro país sufrió los atentados del once de septiembre, el pueblo español y el resto del mundo ofreció a esta nación y a su gente, apoyo, comprensión y solidaridad. Ese ofrecimiento sin condiciones supuso más de lo que nunca podremos agradecer.

Ahora, somos nosotros y el resto del mundo los que debemos alargar nuestras manos hacia España y su gente. Permídnos que os abracemos como vosotros lo hicísteis. Permitidnos guardar el luto de vuestras víctimas. Queremos agradeceros vuestra lealtad y mantener el compromiso de llevar a la justicia a los responsables de esta atrocidad.

Los terroristas nunca vencerán. Su brutalidad y sus objetivos son contrarios a la civilización, a la decencia y a las aspiraciones de los seres humanos.

Nunca vencerán, pero hasta que podamos con ellos de una vez por todas, tendrán que pagar un precio muy alto. No hay mayor evidencia de sus errores que este acto atroz de crueldad contra gente inocente que iba a su trabajo o a su centro de estudios. Por ello, debemos mantenernos unidos frente al terror, unidos con nuestros amigos y aliados, unidos con España.

Cuando viví allí y aprendí su bonita lengua con mis grandes amigos, me impresionó el hecho de que la frase "I'm sorry" signifique realmente "lo siento". Permítanme decir a mis amigos españoles que "sentimos" su pérdida. Sabemos lo que es ese dolor, esa tristeza y la indignación e impotencia por unas muertes tan injustas. Hemos sentido en carne propia el drama del terror y lo volvemos a sentir con vosotros.

No hay palabras que puedan consolar tanto dolor, pero debeis saber que en este momento no estáis solos. Juntos, triunfaremos. Llevaremos a los responsables ante la justicia y más importante: les enseñaremos con el ejemplo de nuestros dos grandes países, que existe un camino mejor. Un camino que demuestre nuestra fuerza común y nuestro amor por la libertad.

Fuerza, amigos españoles . . . fuerza, coraje, y ánimo. Estamos con vosotros, hoy y siempre.

(English translation of the above statement is as follows:)

As an American citizen and member of the Congress of the United States of America, I want to express my profound condolences to all of the people of Spain for the tragic loss of so many innocents at the hands of terrorists. Having lived in Spain for 2 years, part of my heart and soul will always remain in Spain and part of Spain will always be within me. Today, my heart and soul are saddened by the losses and outraged by the inhumanity of the attackers. Today, we are all Spanish and we have all lost good people and friends.

Our nations have long been allies and friends, united by shared values and a common heritage. Liberty, compassion, tolerance, and democratic institutions are dear to all of us. So too is our willingness to stand together against those who would threaten those values and who kill innocents in the name of political and religious zealotry. Because of our shared values, we are now also united in suffering and loss.

When our Nation suffered on September 11th, the people of Spain and the rest of the world reached out to offer our own Nation and our people comfort, support and solidarity. That outpouring of kindness and support meant more than we could possibly express at the time.

Now, it is we and the rest of the world who reach out our hands to Spain and to all of the people of Spain. Let us embrace you now as you embraced us. Let us comfort you now as you comforted us. Let us grieve with you for your losses. And let us also pledge our loyalty to you and our commitment to bring those responsible for this atrocity to justice.

In the end, the terrorists will never win because their methods of brutality and their goals are contrary to civilization, contrary to decency, and contrary to the highest aspirations and realizations of human beings.

They will never win, but until they are defeated once and for all, they will exact a heavy, heavy toll. Now, tragically, as so often before, they have taken that toll from innocents on their way to work and school. There could be no greater evidence of the fallacy of their aims and beliefs than this heinous act of cruelty. That is why we stand united against them, united with our friends an allies, united with the people of Spain.

When I lived in Spain and was taught this beautiful language by my dear friends, I was struck by the fact that the translation of the English phrase "I am sorry" is lo siento, literally, I feel it. Lo siento, I feel it. Let me say to my friends in Spain that we feel your losses. We know something of the feeling, we know the pain, we know the sadness, we know the rage at such pointless, unjust slaughter. We have felt these things ourselves and now we feel it once again with you and for you.

No words can take that pain away, but please know in this dark time that you are not alone. Together, we will prevail. We will bring those responsible to justice and, more importantly still, we will show through the examples of our two great lands and peoples that there is a better path, a better way. Let us never lose sight of that higher vision and let the ways we respond to these tragedies show our true strength and or love for freedom and for one another.

Courage my friends. Courage, strength, and compassion. We are with you and always will be.

ETHNIC CLASHES IN KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ENGEL) is recognized for 5 minutes.

Mr. ENGEL. Mr. Speaker, I must say a couple of things before I begin. I want to commend my colleague, the gentleman from Washington (Mr. BAIRD) for his meticulous Spanish, and I want to also take note of the fact that the Manhattan College Jaspars, in my district, just won the opening round of the basketball NCAA against Florida. They were the underdogs. So I am very proud of them and the 17th District of New York. Go Jaspars.

I want to address a very serious subject, though, Mr. Speaker, and that is the violence which took place yesterday; ethnic clashes in Kosovo in the Balkans between ethnic Albanians and ethnic Serbs. I chair the Albanian Issues Caucus in the Congress and have done extensive work in the Balkans and extensive work in Kosovo. I believe that ultimately the situation in Kosovo can only be resolved through self-determination. The people of Kosovo have to have a future and have to understand that they have the right to determine their own future.

The ethnic violence which happened yesterday is a tragic undertaking, a tragic tragedy, and I must call on both sides to stop the violence. Violence is never a solution to anybody's perceived problems or indignities. It must be solved peacefully.

However, having said that, I think that the violence that erupted yesterday was inevitable, and it was inevitable because in 1999, when the United Nations came in, including our troops, and prevented genocide, prevented Slobodon Milosovic from his ethnic cleansing, from cleansing Kosovo of its Albanian population, we stepped in and prevented that from happening. And that was a wonderful thing that we did. However, since that time, very little has been done to move to a resolution of the final status of Kosovo.

When there is no resolution of the final status, the people in a country become restless because they see no future. They see no end point. They only see the status quo. And we have become the status quo in that country. UNMIK, the United Nations, and NATO have to be seen as people who are resolving this issue, who are moving it to final status to give the people of Kosovo hope. Right now there is rampant unemployment. Right now there is very little hope for a future. That has to end.

Self-determination and, ultimately, independence for the people of Kosovo is the only solution. When people do not see a chance for self-determination, tensions fester beneath the surface when you do not move to resolution.

What we have seen with the United Nations, with UNMIK and NATO, is this ridiculous plan called standards before status. To me, it only means status quo. We put forward benchmarks and we tell the people of Kosovo they have to achieve these benchmarks before we can even look at a resolution and at self-determination. And somehow or other, something always intervenes, the benchmarks are never there, so the status is never achieved and we delay, and we delay and we delay, and we push it to the back burner.

I very much regret that our administration has pushed the whole issue of Kosovo to the back burner. It needs to be on the front burner. We need to resolve this problem. We need to give the people of Kosovo hope. We need to have a resolution. Self-determination is what is needed, and we need to push that; not be pushing off the day of reckoning again and again and again and again.

And let me tell my colleagues why self-determination and, ultimately, independence is the only solution. There are only two other solutions, which do not work. One is to have Kosovo go back under Serb control. That will never happen after the ethnic cleansing of 1999. The overwhelming Albanian population will never, rightfully so, accept it. Secondly, the only other alternative would be for Kosovo to continue to be an international protectorate, which is what it is now, with troops of many countries there, United Nations troops and NATO troops. That cannot happen indefinitely. So the only solution is independence, and the only solution is to give the people of Kosovo some hope.

So I would hope that the administration would move to resolve this problem now, to give the people of Kosovo hope for the future. The status quo only aids and abets violence. And while we are at it, we have to resolve the whole situation with privatization. The people there have to know if they invest in property for the future, to help the people there, they must know that it will be secure.

So, again, I want to condemn the violence, I want to show my sympathy for the victims of the violence, but I want to again tell the administration that we need to ratchet it up and come to a resolution of final status for the people of Kosovo.

IN MEMORY OF THE LATE GOVERNOR MIKE O'CALLAGHAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Nevada (Ms. BERKLEY) is recognized for 5 minutes.

Ms. BERKLEY. Mr. Speaker, last week, with the passing of Governor Mike O'Callaghan at the age of 74, Nevada lost a giant who helped shape our State's history, Las Vegas lost one of its most compassionate and articulate voices, and I lost a friend and someone who was like a second father to me.

When I first met Mike, I was a 19-year-old college student in Las Vegas. At that time, I was student body president of UNLV, and for whatever reason, Mike O'Callaghan saw something in me that I did not even see in myself. He became my mentor and a trusted friend. Of all the giants in the State of Nevada, he was head and shoulders above them all, and I have never known a finer man in my life.

Born Donal O'Callaghan on September 10, 1929 in La Crosse, Wisconsin, Governor Mike, as he was affectionately known by all that knew him, was a member of the greatest generation. Raised on a farm during the Great Depression, he joined the Marines at 16 and served with the Pacific Fleet as an anti-aircraft gunner from 1946 to 1948. After ending his active duty in 1948, Mike served in the Marine Corps Reserve until 1950. And then he joined the Air Force as an intelligence operator and was assigned to the Aleutian Islands. In 1952, he joined the Army infantry so that he could serve his Nation in Korea. It was during this conflict he earned a Silver Star, a Purple Heart, and a Bronze Star with a V for valor.

According to an official Army account from February 1953, and I quote, "While his company was being subjected to a barrage of heavy artillery from Chinese Communist forces during a night attack, Sergeant O'Callaghan was informed that men on an outguard post had been cut off by this enemy action. Immediately, he voluntarily exposed himself to enemy fire, located the men, and brought them, together with a wounded member, safely back to the trenches."

After taking a direct hit in the leg by a mortar round, Mike made a tourniquet out of telephone wire and continued to direct the firefight for the next 3 hours. As a result of these wounds, his left leg was amputated below the knee.

After military service, Mike attended the University of Idaho, and in 1956 he graduated among its top 10 graduates. He then moved to a small community in Nevada by the name of Henderson where he taught high school economics and history and coached boxing. It was as a teacher and a coach that Mike came to know a young man named Harry Reid, who now serves as a distinguished senior Senator from the State of Nevada and that body's assistant minority leader.

Mike also served as Las Vegas' chief probation officer and as director of Nevada's Health and Welfare Department. Later that year, he moved to Washington, D.C. to serve as Job Corps Conservation Centers program management director, a position he held until 1966.

Despite being labeled the underdog, Mike ran for Governor of Nevada in 1970. His hard work and record of service ultimately propelled him to an unexpected victory. Four years later, he earned the respect and admiration of even those who did not give him a chance the first time and he rode a wave of popularity to the polls and was reelected to a second term. He remains to this day the choice of many Nevadans who, when asked, will say he was our Nation's and our State's greatest Governor.

Throughout his 8 years in office, he was a hands-on leader and a relentless champion for those he served. He was known to make surprise visits to prisons, mental hospitals, and other State-run institutions, and could often be seen eating in the cafeteria so he would know firsthand what life was like for those in those facilities.

As Governor, he fought for fair housing, civil rights, disadvantaged children, prison reform, and to protect the unique beauty of Lake Tahoe and aid for workers injured on the job.

After his career in public service, he went on to become executive editor of the Las Vegas Sun, where he used his column to draw attention to a wide array of causes and concerns that he continued to care about long after leaving office.

Mike was a deeply, deeply religious man, who attended church on a daily basis. He was known as much for his works of charity as he was for his political victories. If you were a millionaire or if you were homeless, Mike treated you with the same dignity and respect. He was legendary for his efforts on behalf of those who were down on their luck.

He also shared a deep interest in international affairs. He made countless trips to Israel to support the Israeli defense force. He was called upon to visit Central America to promote democracy and worked for fair elections in the nation of Nicaragua. He repeated his role in northern Iraq in 1992, helping observe free elections for the Kurds in that divided nation.

While he will be remembered for his lasting contributions as Governor and coach and newspaper executive, his greatest legacy was his family: his wife of nearly 50 years, Carolyn; his five children, Michael, Mary, Teresa, Brian, and Timothy; and his 15 grandchildren.

There are literally thousands of Nevadans and people around the world whose lives have been touched by this extraordinary man. He was one of my best friends, one of my closest friends. I will miss him as if he were my father, and I share the loss with his family.

While Mike will long be remembered for his lasting contributions as a Governor, teacher, coach and newspaper executive, perhaps his greatest legacy is the O'Callaghan family, which includes Mike's wife of nearly 50 years Carolyn, his five children Michael, Mary, Teresa, Brian and Timothy and his grandchildren.

There are literally the thousands of people in Nevada and around the world whose lives were touched in different ways by the efforts of Mike O'Callaghan.

As communities across southern Nevada mourned the loss of this great figure last week, endless personal stories about Mike and his many deeds filled memorial services, the airwaves and the pages of the newspaper. So many stories and so many lives, all touched by this humble, hard working, hard-nosed man with a heart of gold.

The State of Nevada is a far better place because of Mike O'Callaghan and he will forever be remembered as a man whose life was defined by his service to our Nation, his devotion to his family and friends, his rock solid religious beliefs, his steady leadership as Governor and his love of the underdog.

As one newspaper columnist put it, "Mike O'Callaghan believed heart and soul in the family of man. He has gone away, but we'll hear his voice for a long time to come."

While another wrote: "Although the word 'hero' is tossed about lightly these days, I can honestly say that Mike O'Callaghan is the only true hero I've ever met, and I count myself fortunate for the honor."

I also count myself among those lucky enough to have known and loved this great man and to have had the honor to call him my friend. Mike, you will be missed, but you will never be forgotten.

□ 1530

EXCHANGE OF SPECIAL ORDER TIME

Mr. KING of Iowa. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from New Jersey (Mr. GARRETT).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

TERRORISTS INFLUENCE SPANISH ELECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. KING) is recognized for 5 minutes.

Mr. KING of Iowa. Mr. Speaker, I rise today to address a subject matter, and that subject matter has to do with Spain.

First, I would like to thank the Spanish people and the Spanish leadership that they have had over the past several years for their allegiance to the principles that built this great Nation that we have the privilege to live in, their commitment to free enterprise and their commitment to the allies that we have pulled together in Iraq.

I have watched their economy grow in Spain as free markets took hold, and I have seen that Spain has become a competitor with us and made us both be stronger economically. They stood with us in times of toil, and they stood with us in times of terror. They have stood with us in Iraq, and the warm feeling we got when President Aznar was here to speak before this Chamber was a heartfelt appreciation for a nation that shares with us many of the same ideals and principles.

However, there has been a situation which has changed things dramatically in Spain. We also stand together with the Spanish people in their grief for having lost 201 of their citizens and hundreds of them wounded in the cowardly bombing attack on the trains in

Madrid just 2 days before the election. There are not many people on this planet that do not believe that the elections were profoundly changed because of those terrorist attacks.

We know not what went on in the minds of the voters in Spain that would bring them to the conclusion that going down the path of appeasement was preferable to going down the path of fighting terror wherever we find it. But that decision was made by the Spanish people, and we respect their decision. However, the challenge to our President that has been issued by Prime Minister-elect Zapatero that they would withdraw their troops from Spain and realign themselves, and presumably realign themselves with some of the nations in Europe that have opposed our policy in Iraq is a regretful situation.

And we have not seen a leader of a foreign country challenge a seated President in the time of an election as we do on this particular circumstance. In fact, the question I think has been answered, the question of the apparent Democrat nominee for President in this Nation has stated that he has the support of foreign leaders. He will not name those foreign leaders, but I believe one of them has come out and made the endorsement to support the Democrat candidate for President of the United States, thus injecting himself into our domestic politics, thus identifying an individual that might have been referenced by our candidate; thus taking them both down the path to appeasement.

This is a regrettable circumstance. The headline I am looking at is from the Salt Lake Tribune and it says, "Spanish socialist supports Democratic-apparent nominee." Spanish socialist, that should tell us something. Spanish socialist appeaser. The legacy of Neville Chamberlain hangs in the atmosphere across all of Europe today, and the message sent to the terrorists is, you have won.

Al Qaeda understands they have won the election in Spain by blowing up innocent civilians and moving the electorate in Spain toward the socialist candidate, the appeasement candidate.

I do not know what goes on in the minds of voters in a time of grief, but I have to believe and I have to pray that American voters, if confronted with the same thing, will react in an entirely differently fashion. For the last 3 weeks, I have been warning the people in my district and across the country that I fear a terrorist attack in this Nation prior to our Presidential election and an effort to change the election results in this country and elect the candidate who has been endorsed by the socialist from Spain.

Well, I believe the character of the American people is different than the response that we have seen by the Spaniards; and I believe that we will stand up, if that tragic time comes to pass, and now they have certainly been encouraged to attack us in this country because of their success in Spain. I believe we will stand up, and I believe we will stand with George W. Bush, our President, the man who understands terror, defines terror, and knows we have to fight the terrorists wherever they are, the one who said if you are not with us, you are against us; you are either a terrorist, and if you are a terrorist, we are opposed to you. If you harbor terrorists, if you support terrorists, if you fund terrorists, you are a terrorist. Now there is some habitat in Spain that might cause terrorists to settle in there, and that might potentially be a risk for more terror to come out of there. Maybe they will leave the Spanish people alone, but that does not mean the rest of the people are safe.

So we are confronted with appeasement over there. We need to stand together here. We need to stand together with our allies who have come together behind the United States. No other nation out there seems to be willing to crack and go off in that direction.

We have a large job ahead of us, to stand with our military, those who have given their lives and limbs, those who have given years out of their lives to protect us and protect our freedom.

I will continue to defend our President in this country, and let us be ready for any attacks. If we have to do it, let us go to the polls and defend our war on terror.

THREAT FROM MERCURY EMISSIONS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Maine (Mr. ALLEN) is recognized for 60 minutes as the designee of the minority leader.

Mr. ALLEN. Mr. Speaker, I am here today with the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON) and later others of my colleagues to tell a story. It is not the most pleasant story, but it is an important story. It is a story of the threat from mercury emissions from coal-fired power plants around the country to the health of the American people, and it is a story of how the Clean Air Act requires that mercury be regulated as a hazardous pollutant, but this administration has chosen not to do that. In fact, this administration has submitted a proposed mercury rule which in major respects was written by the industries it is supposed to regulate. This story is an indication of what needs to be done to change the direction of the environmental policy of this administration.

Let me begin by talking about the Clean Water Act and the threat that mercury emissions pose to people in this country.

Three decades ago, the Clean Water Act promised that America would have water bodies that were fishable, that were swimmable and drinkable. Clean water, that was the goal.

But today, all across this country there are warnings that particularly women and children should not eat the fish from our lakes and streams and rivers because those fish are contaminated with mercury. Mercury pollution has contaminated 12 million acres of lakes, estuaries, wetlands, 30 percent of the national total. Nearly every State has issued warnings about eating mercury-contaminated fish. Seventeen States have mercury warnings for every single inland body of water, and 11 States have issued warnings for mercury in their coastal areas.

This is an extremely serious health issue for people in this country. In February 2004, a new EPA analysis found that about 630,000 children are born in the United States each year with blood mercury levels higher than 5.8 parts per billion, the level at which the risk of poor brain development is doubled. The study found one in every six women of child-bearing age has enough mercury in her bloodstream to threaten the health of her child.

Where does this mercury come from? Well, it comes mostly from the burning of coal in electric generating plants; and the mercury goes up into the air, it travels great distances through the air, and then comes down and it gets into the food chain in our bodies of water. According to the National Research Council, effects from prenatal exposure include mental retardation, cerebral palsy, deafness, and blindness. Adult exposure can produce sensory and motor impairments such as slurred speech, blurred vision, tremors, and memory loss.

Members may remember the expression "mad as a hatter." Well, that expression grew out of 19th century England because hatters then were literally driven mad because there was a compound containing mercury that they used in processing the felt that went into their hats. Mercury can be extraordinarily dangerous in those kinds of concentrated forms. Mercury also threatens our loons, our ducks, our mammals. Recent evidence shows that exposure threatens reproductive success, liver damage, kidney damage, and neuro-behavioral effects.

Like 41 million Americans, I love to go fishing, but it has changed because fresh water fish in so many instances cannot be eaten without risk of mercury contamination, and that is why our States have so many warnings about the risks of mercury.

In Maine, my home State, we have about 26,000 people employed in the fishing industry, and we have thousands and thousands of recreational fishermen. Nationwide, recreational fishing generated more than $35.6 billion in expenditures in the year 2001 and $116 billion of total economic output. It supported more than 1 million jobs.

Now, in December the Bush administration was faced with a court requirement that it submit a proposed rule to regulate mercury emissions from power plants. Unfortunately, the rule that they proposed reinterprets the Clean Air Act, I believe, illegally in order to help polluters. It dramatically delays by how soon and by how much plants will have to clean up their act. Under the Clinton administration, EPA concluded that mercury is a hazardous air pollutant that had to be regulated under the strict section 112 entitled "Hazardous air pollutants."

Section 112 requires that EPA issue a maximum achievable control standard which would require every plant, here is one of the key differences, it would require every plant to reduce mercury emissions by 2007 to the maximum achievable level. Instead, the Bush administration proposes to regulate mercury, a hazardous air pollutant under section 111, "Standards of performance for new stationery permits," in order to allow the use of tradeable permits.

Senator George Mitchell of Maine and the gentleman from California (Mr. WAXMAN), and all of the Members of this body who worked together in 1990 to write the Clean Air Act amendments, I know intended for EPA to regulate hazardous air pollutants under the section of the law entitled "Hazardous air pollutants." It is exactly that simple. But the Bush administration proposal delays reductions. EPA agreed in court to regulate mercury emissions by December 15, 2007. This proposal delays any regulation until 2010 and full implementation to 2030. The cap-and-trade system they propose requires only a 29 percent reduction in 2010 and a 69 percent reduction by 2018.

So what we have is a weakening of the Clean Air Act in a way that I believe is absolutely illegal. But the EPA has not come to this with clean hands. Their own modeling shows that the 69 percent cut will not be achieved until 2030 because the trading system encourages many power plant owners to delay making improvements.

Here is a quote from Jeffrey Holmstead, the assistance environmental protection administrator in charge of air. This is what he says today: "What our models now show is we won't get there as soon as we expected we would." That is what he told the New York Times on Sunday, but the truth is the EPA knew very well that their mercury proposal would take well beyond 2025.

The proposal is designed to mirror the President's Clear Skies initiative. Clear Skies is a classic case of chutzpah, a triumph of marketing over substance, if I have ever heard one.

□ 1545

In July 2003, the gentleman from Massachusetts (Mr. MARKEY), the gentleman from New Jersey (Mr. PALLONE), the gentlewoman from California (Mrs. CAPPS) and I wrote to President Bush asking him to correct the claim made in the State of the Union address that his plan would mandate a 70 percent cut in air pollution from power plants by 2018. It was not true. In fact, the underlying EPA modeling made it clear that the reductions that the President proposed would not be achieved until years after 2018. We simply asked the President to get back to us and study by what date his proposal would actually reach that 69 or 70 percent reduction. Jeffrey Holmstead responded to our letter for the EPA and he wrote, "The presence of banking will likely result in some undercontrol for a short period of time after the decline." If he knew that the goal was not going to be achieved, that the proposal would result in undercontrol, how could he be surprised today by the agency's predictions that 70 percent reductions would not come true when they said they would?

These reductions are really embarrassing. I am going to go on shortly to talk about some of the evidence out there that is absolutely compelling that, in fact, we can clean up, in most cases, 90 percent of the pollution from utilities burning coal with existing technology. We can get very, very close to that standard in a relatively short period of time.

What I would like to do is to stop my remarks for the moment, to which I will come back, and thank the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON) for being with me here today to discuss the Bush administration's failure to come up with a reasonable proposal to regulate mercury emissions from power plants.

I yield to the gentlewoman.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I appreciate the opportunity to be here this afternoon and I thank my colleague from Maine for being willing to come to the floor and talk about a very serious issue.

I also applaud my colleagues for their hard work in bringing us together this afternoon, I think there will be others, to talk about a serious public health crisis that our country faces. That crisis is caused by mercury pollution. It is not only a national problem, it is also a very local one as well. The State of Texas leads the Nation in mercury pollution. Mercury emission from power plants is the major culprit. These plants dumped 8,968 pounds in 2001 alone. As a result, the whole gulf coast region has been placed under a consumption advisory. Our major fishing lakes are subject to such advisories.

Mr. Speaker, the citizens of Texas are urging us to take prompt and effective action to clean up mercury pollution from power plants. The Environmental Protection Agency's current proposals on mercury fall far short of what the law requires. The agency's proposals fail to protect the health of our children and our environment. This is especially true for Texas, where mercury emissions would increase, not decrease, under the proposed plan. We ask the EPA to carry out the requirements of the Clean Air Act to protect our Nation from toxic mercury contamination. We urge the agency to impose a 90 percent reduction in the mercury leaching from coal-burning power plants.

Last year, EPA proposed two alternative rules to address mercury emissions. Unfortunately, both of these proposals failed to meet clean air directives under section 112(d) for cleaning up mercury. EPA's proposals permit far more mercury pollution, and for years longer, than the Clean Air Act allows. This is playing games with the health of our Nation. Time and again scientists around the world have proven the toxicity of mercury. The agency's own scientists just released a study finding that approximately 630,000 infants, as my colleague said earlier, that were born in the United States in the dawn of this millennium had blood mercury levels higher than what is considered safe. This is a doubling of previous estimates.

Mercury emissions have also contaminated 10 million acres of lakes and 400,000 miles of streams. Soaring mercury levels have triggered advisories warning America's 41 million recreational fishermen that the fish they catch may not be safe to eat. Furthermore, evidence continues to mount that mercury causes reproductive problems in wildfowl populations such as loon and mallard ducks. Other fish-eating wildlife populations are at risk as well.

Mr. Speaker, we can address this public health and environmental problem if we just would do it. According to many States, industry experts and past EPA analyses, the technology to dramatically clean up these plants is available and affordable. I am concerned that EPA does not fully analyze the range of controls recommended by State utility and environmental and public health members of EPA's advisory group on this rule. I do not know what is holding EPA hostage, but once again they are failing to fulfill its reasonability to adopt standards that protect the public health and environment.

I look forward to working with my colleagues to call on EPA to develop appropriate mercury standards that reduce mercury emissions in the shortest time possible to protect public health and the environment. I thank my colleague for this opportunity to make a statement on this issue.

Mr. ALLEN. I thank my friend from Texas and I appreciate her willingness to engage in this issue and take a leadership role in trying to protect our citizens from the effects of mercury pollution.

I want to go back to the issue that we always hear about whenever we wind up talking about new kinds of environmental controls on a toxic pollutant. Industry always says, "It's too expensive, we can't do it" every single time. But the reduction levels that are proposed by the EPA are really embarrassing for our country. In February, the Southern Company, one of the largest mercury emitters in the world, announced that recently installed mercury control technologies at the Ernest Gaston coal plant in Alabama are removing about 80 percent of the mercury right now. Right now. They are very, very close to that 90 percent standard that would be the goal. The company's experts noted that this would barely comply with some draft versions of a MACT standard, a maximum achievable control technology standard, but they are complying. They are there. Furthermore, EPA's own data shows that most modern coal-fired power plants can and do achieve greater than 90 percent control of mercury and other toxic chemicals.

According to both industry and Department of Energy pilot tests and testimony in front of the Committee on Energy and Commerce, 90 percent reductions in mercury emissions are feasible and economical today. We are not suggesting they should be imposed today. There needs to be some time. But this could all be done between now and 2007 or 2008 and be completely feasible.

The data from EPA's interim report on the control of mercury from coal-fired boilers demonstrates that power plants with fabric filters and wet scrubbers are capturing over 90 percent of their mercury when bituminous coal is burned. There are a number of technical ways in which you can actually collect mercury. Carbon injection and a compact hybrid particulate collector baghouse, so-called, is one way of achieving the goal. Other industries like hospitals and city waste incinerators have been required to meet that 90 percent standard for over a decade.

In February of this year, the gentleman from Maine (Mr. MICHAUD) and I both wrote to the Bush administration asking that Maine people be given the opportunity to comment on EPA's proposed mercury emissions rules. There is a reason why those of us in Maine are particularly concerned about it. There is four times as much mercury in the feathers of loons in Maine as there is in the feathers of loons in Oregon. The wind blows west to east. It always has and it always will. Coming particularly out of those coal-fired power plants in the Midwest, mercury emissions are traveling east and northeast and contaminating many of our most scenic areas in the country. We do not have a single coal-fired power plant in the State of Maine, but our mercury is coming from other parts of the country. We need help.

The gentleman from Maine (Mr. MICHAUD) and I, as I said, wrote to the Bush administration in February asking simply that we have the right to a hearing, that EPA come to Maine and hold a hearing. They refused. The closest they got to us was Philadelphia. If the EPA would not come to Maine, I decided, well, we would have a hearing there, anyway; I would call the mock hearing, I would invite interested members of the public. And they came, they came in force and their testimony was compelling, both as to the health risks of mercury and the inadequacy of the Bush administration proposal.

Mr. Speaker, I would like to submit the testimony given at that hearing in Maine as a part of the record of this proceeding here.

Testimony of Maine Attorney General Steven Rowe on Standards Proposed by the Environmental Protection Agency for Mercury Emissions From Power Plants

Good afternoon. Thank you, Congressman Allen, for the opportunity to present these comments on a matter of great importance for the State of Maine and its citizens: the need for strict federal mercury emission standards for power plants. My office formally requested that EPA hold a public hearing on this proposal in New England, but that request was denied. With that in mind, I especially appreciate your being here today to draw attention to this matter.

Regrettably, EPA's recent regulatory proposals under the Clean Air Act tend to fall into two categories: (1) those that would degrade air quality, and (2) those that would prevent air quality from improving. The agency's New Source Review regulations are a notorious example of the first category. As Attorney General, I have vigorously opposed EPA's efforts to gut New Source Review, a part of the Act that requires the nation's worst polluters to install modern control technology when modifying their plants. These rules would cause Maine's already serious ozone pollution problem to worsen significantly. We sued the agency in federal court to prevent these reforms from going into effect, and won a major victory on Christmas Eve when the court issued a stay until the case is decided on the grounds that the rules appear to violate the Clean Air Act.

EPA's proposed mercury rule falls into the second category: a new program that will prevent us from realizing the reductions in mercury emissions that the law promises. This is not a bold new environmental initiative, but a giveaway to the owners of coal-burning power plants.

Atmospheric mercury deposition is a serious public health and environmental problem. Mercury is a powerful neurotoxin that accumulates in the body. EPA's own studies show that over 600,000 babies born in this country each year may be exposed to levels of mercury in the womb so high that it can affect their brain development. Maine and 44 other states have issued fish consumption advisories because of mercury levels found in our freshwater fish. Mercury is also poisoning the wildlife that feed on those fish. Loons in northern New England, the classic symbol of our wilderness lakes, have the highest levels of mercury in the country.

Mercury emissions from power plants to our south and west are a major source of deposition in Maine, and we desperately need strong federal regulation to address this problem. Despite the need for strict federal mercury emission standards, and the fact that such standards are legally required by the Clean Air Act, EPA fails to deliver in this proposal.

As a matter of policy, this proposed rule is flawed for two basic reasons. First, the levels of reduction in mercury emissions are far too low. The proposed reductions not only are insufficient to protect public health and the environment, but they are considerably less than what can be achieved through available control technology. Second, the proposed "cap and trade" program is inappropriate for regulation of a toxic substance like mercury. This approach allows some sources to accumulate large quantities of "pollution credits", which in turn allows them to continue to pollute at high levels. The result is "hotspots" of deposition in areas downwind. While a cap and trade program may make good sense for regulating a non-toxic pollutant like carbon dioxide, it is unacceptable for a hazardous pollutant like mercury.

As a matter of law, EPA's proposal is defective in several ways. Three years ago EPA formally concluded that mercury is a hazardous air pollutant, and therefore it is "appropriate and necessary" to regulate its emissions from power plants under Section 112 of the Act. However, EPA has now tried to reverse course, and has announced that mercury may not be a hazardous air pollutant after all. Instead, the agency suggests that it may be able to regulate mercury under Section 111 of the Act, governing New Source Performance Standards. This idea flies in the face of the plain language of the statute, which requires that EPA conduct a formal "delisting process" before it can decline to regulate a substance under Section 112 that it has concluded is a hazardous air pollutant. EPA's proposal to summarily rescind its prior finding that regulation of mercury is "appropriate and necessary" under Section 112 has no support in the law.

There are numerous other legal defects with this proposal, and we are describing them in detail in written comments to be submitted to EPA. For our purposes today, it is enough to observe that the Environmental Protection Agency is once again failing to fulfill its responsibility to adopt standards that protect the public health and environment. Instead, the agency seems committed to re-interpreting the laws it administers in an attempt to avoid that responsibility. If this proposal is finalized in its current form, we will likely be forced to file another lawsuit in federal court to force EPA to do its job. I sincerely hope that will not be necessary. Thank you.

Testimony of Senate Majority Leader Sharon Treat, Hearing on Federal Mercury Emissions Proposals

Congressman Allen, I am Sharon Treat, Majority Leader of the Maine Senate. I am a member and former chair of the Mercury Products Advisory Council and an environmental lawyer. I am here today to testify in opposition to proposals by the federal Environmental Protection Agency (EPA) which will significantly undermine the effectiveness of the Clean Air Act with respect to control and reduction of mercury emissions, leading to even dirtier air in Maine and significant, harmful, health and environmental impacts.

Maine has gone to extraordinary lengths to control mercury emissions from sources within our State, and for good reason. It is hard to think of a symbol of the purity and wildness of Maine's north woods more ubiquitous than the loon. Yet despite our efforts at the State level, loons in Maine are threatened with the highest measured mercury levels found anywhere in the United States, due in large part to our unenviable position at the tail end of the Nation's prevailing winds, which sweep mercury and other airborne pollutants from States to the west and south of us. A quarter of Maine's loon population is considered to be at "high risk" from the effects of mercury, and studies show that mercury pollution is the decisive factor in the negative loon population growth rate in Maine.

Mercury deposition has contaminated our lakes and rivers, to the extent that Maine's Bureau of Health has issued strict fish consumption advisories for all of Maine's lakes, rivers and streams, as well as for coastal bluefish and striped bass. It is a sad fact, at odds with our pristine image as "vacationland" and "Maine, the way life should be."

Surveys done both in Maine and nationally, indicate that 10 to 20% of women of childbearing age have blood levels of mercury considered too high for the safety of a developing fetus. The Center for Disease Control and Prevention has found that some four million American women of child-bearing age have blood mercury levels that exceed E.P.A.'s 5.8 parts per billion standard. Exposure to mercury puts the babies born to these women at risk of brain damage, learning disabilities and motor skills deficits.

It is time for the Federal Government to step up to its responsibilities in this area. That means at a minimum enforcing the Clean Air Act to require antiquated coal burning plants to upgrade to modern pollution control technology, and to continue to require state of the art controls on new facilities. It does NOT mean weakening the already weak law we have to be even more ineffective, as EPA proposes.

Section 112(d) of the Act sets forth a "maximum achievable control technologies" standard to control emissions from hazardous air pollution sources equivalent to what is achieved by the best-controlled similar source in the industry. When Congress amended the Clean Air Act in 1990, it specifically called for "maximum achievable" clean-up of major sources of toxic air pollution, including mercury. It is beyond dispute that EPA has the authority under the Act to adopt a standard requiring a minimum of 90 percent mercury emissions reductions at all of the Nation's power plants. Instead, EPA had proposed two alternatives each of which fail to protect the public health and carry out the requirements of the Clean Air Act—(1) that the Agency has discretion, but is not required, to apply a weak emission standard to existing sources, or alternatively (2) creating a novel "pooled performance standard" that is apparently designed to escape the restrictions of the law entirely. Both alternatives fall far short of the clean air standards required and should be rejected.

I think it is important for EPA to recognize the longstanding efforts of this State to make sure that we have done everything we can to reduce and even eliminate sources of mercury pollution here in Maine. We have done so even though our actions have placed practical and cost burdens on our citizens, business and government, because we recognize we must take responsibility for that part of the problem we have ourselves created.

One of my very first bills in 1990, as a freshman State representative, was legislation to ban mercury-containing batteries from garbage incinerators. I subsequently passed a resolve that required the State to identify all sources of mercury within and outside of the State and to develop a strategy to control and reduce that mercury. From that legislation, a comprehensive report was developed which provided scientific data that established the extent to which mercury deposition comes from sources outside the State, as well as in-state sources such as garbage incinerators. That report has led to a series of laws taking stringent measures to control in-state sources.

In the spring of 2000, the 119th Legislature passed An Act to Reduce the Release of Mercury into the Environment from Consumer Products, (Public Law 1999, c.779). The law defines mercury-added products to include thermostats, thermometers, electrical switches, relays or other electrical devices, scientific and medical devices, and lamps if mercury is added during manufacture of the product. The law established a Mercury Products Advisory Committee (Committee) to advise the Department of Environmental Protection (DEP), the State Planning Office (SPO) and the Legislature on actions needed to prevent and reduce the environmental releases of mercury from consumer products. The law contains several key provisions intended to increase the amount of mercury-added products collected for recycling. These provisions include:

As of July 15th, 2002, businesses and public entities may not knowingly place a mercury-added product in the solid waste stream sent for disposal.

As of January 1, 2005 this disposal ban is extended to all Maine residents.

The development and implementation of an aggressive education and outreach campaign by DEP to inform Maine citizens and businesses about the disposal bans and proper waste management techniques.

State assistance to municipalities and regional associations to develop collection programs.

A commitment by the State, within available resources, to develop and implement a capital investment grant program for public infrastructure development and improvements to enable municipalities to collect and recycle mercury-added products and universal wastes.

Since the passage of P.L. 1999, c. 779, the Legislature has passed additional mercury legislation, including the following:

An Act to Further Reduce Mercury Emissions from Consumer Products, P.L. 2001, c. 373. This bans the sale of mercury fever thermometers and dairy manometers; requires manufacturers to provide written notice to the Department before offering a mercury-added product for sale in Maine; prohibits the purchase of mercury or mercury compounds for use in schools; and requires manufacturers who sell products to hospitals to provide a certificate of mercury content upon hospital request.

An Act To Address The Health Effects of Mercury Fillings was enacted as P.L. 2001, c. 385. It requires the state Department of Human Services, Bureau of Health to prepare a brochure and a poster on alternative dental restorative materials and procedures and their health and environmental impacts, and for dentists who use mercury to display the poster and provide patients with the brochure.

An Act to Prevent Mercury Emissions when Recycling and Disposing of Motor Vehicle was enacted as P.L. 2001, c. 656. It prohibits the sale of mercury switches in automobiles as of January 1, 2003 and establishes a statewide system to collect, consolidate and recycle the switches. A bounty of $1 is provided to people who remove switches and return them for recycling, with the money to be provided by the auto manufacturers. Although challenged in court by the auto manufacturers (who argued in part that such programs are a federal, not state, responsibility), this law was recently upheld by the Federal District Court.

An Act to Phase Out the Availability of Mercury-added Products [P.L. 2001, c. 6201. It prohibits the sale of most mercury thermostats used in non-manufacturer applications (effective January 1, 2006), and requests DEP to submit a comprehensive strategy to further reduce the mercury content of products by January 2003.

An Act to Change the Reporting Requirements for the Mercury Switch Removal Program [P.L. 2003,c. 6] requires the DEP to file its initial status report on this program by January 1. 2004. The program provides for the removal of mercury switches from motor vehicles before they are crushed and shredded for the scrap metals market.

An Act to Reduce Mercury Use in Measuring Devices and Switches [P.L. 2003, c. 221], bans the sale of most mercury switches, relays and measuring devices beginning July 1, 2006. Measuring devices include barometers, gastrointestinal tubes, flow meters, hydrometers, hygrometers, manometers, pyrometers, sphygmomanometers and thermometers. The effective date of the ban coincides with the effective date of a similar law in Connecticut, and gives manufacturers time to phase in non-mercury alternatives or seek an exemption. The law allows the DEP commissioner to grant an exemption from the ban if the manufacturer of the mercury product demonstrates that functional non-mercury alternatives are not available.

An Act to Require the Installation of Dental Amalgam Separator Systems in Dental Offices [P.L. 2003, c. 301], requires the installation of amalgam separator systems in dental offices by December 31, 2004. The separators trap amalgam particles to prevent the discharge of mercury in dental office wastewater. If installed prior to March 20, 2003, the separators must achieve a minimum of a 95%, while separators installed on or after that date must have a minimum of a 98% removal efficiency as determined through testing under ISO 11143.

Maine has also put state dollars into these programs. In addition to paying for DEP staff to administer these programs and funding our defense of the auto switch provisions in court, we have also put funding into municipal mercury collection programs. In 2000, the Legislature allocated $438,000 from the Solid Waste Management Fund to jump start the activities mandated by the legislation. In November 2002, Maine voters approved an environmental bond request, of which $900,000 was slated to fund completion of the shed deployment statewide and the infrastructure/collection needs. We are still struggling with identifying funding sources to assist communities with the ongoing costs associated with these collection and recycling efforts. In the private sector, many Maine businesses have also incurred costs installing pollution control equipment to meet tough in-state mercury emission standards and complying with various mercury product separation and collection mandates.

Needless to say, Maine has done its part, having enacted the most sweeping mercury control laws in the country. While we are more than willing to do whatever we can, our pollution from mercury is in large part a federal responsibility: it comes from outside the state, and there is already a requirement under the Clean Air Act for the federal government to address it. It is time for the EPA to comply with the law, not undermine it. It is time for the EPA to provide assistance to states dealing with this toxic metal which threatens our children and our wildlife, not make our efforts more difficult. Thank you.

STATEMENT OF EVERETT "BROWNIE" CARSON, EXECUTIVE DIRECTOR OF THE NATURAL RESOURCES COUNCIL OF MAINE

(On the U.S. Environmental Protection Agency's Proposed Rulemaking on National Standards for Reduction of Mercury Emissions From Coal and Oil-Fired Electric Utility Power Plants and Maximum Achievable Control Technology (MACT), Published in the Federal Register on January 30, 2004 (69 FR 4692), EPA Docket ID Nos. OAR-2002-0056 and A-92-55.)

Presented at Hearing in Augusta, ME March 1, 2004

My name is Brownie Carson. I testify here today on behalf of the Natural Resources Council of Maine, a citizen supported environmental advocacy organization with 8000 members and supporters. Thank you to Congressman Tom Allen for giving us all the opportunity to express our views on the critical environmental issue of proposed national standards for mercury emissions from electric utility power plants. We would like to thank you and the entire Maine Congressional delegation for your efforts on this and related clean air and environmental matters. We commend, for example, Senator Collins strong leadership in introducing legislation that would eliminate and retire mercury.

On the issue at hand, we conclude that both the two alternative proposals put forward by the U.S. Environmental Protection Agency ("EPA" or "Agency") for mercury emissions standards are environmentally unsound and legally deficient. These proposals go in the wrong direction.

These things we know:

(1) Power plants that burn coal and oil release mercury and are the largest source of mercury released to the environment in the United States;

(2) The mercury emitted from these plants is transported downwind where Maine and other Northeast states receive a disproportionate share;

(3) In the environment, mercury from power plant emissions is converted into methylmercury, the dangerous organic form of the element;

(4) Methylmercury builds up and is magnified in the food chain making it a major environmental and public health hazard; methylmercury concentrations in fish are the worst pathway for human exposure;

(5) Exposure to methylmercury, a potent neurotoxin, puts small children, infants and fetuses at risk of brain damage, learning disabilities and motor skills deficits;

(6) An unacceptably high proportion of women in Maine and nationally have blood levels of mercury considered too high for the safety of a developing fetus; and

(7) Mercury also has insidious effects wildlife: Maine's loon population is at "high risk" with a negative growth rate attributed to mercury exposure. Maine bald eagles have high mercury body burdens and the lowest reproductive rate of any major bald eagle population in the country;

These facts are undisputed. EPA's own February 1998 report to Congress summarized how mercury emissions from power plants caused toxic exposures and grave threats to public health.

There is a ready solution both technically and legally. The technical solution is simply to retrofit each of the 1,100 coal fired power plants with modern emission control equipment.

Commercially available technologies and techniques in use today achieve up to 91 percent emissions reductions over uncontrolled levels—and do so at a cost of approximately 1/50th of a penny per KWh. Up to 98 percent reductions have been observed in tests of the most modern mercury controls.

These conclusions are supported by EPA's own analysis in 2001 which found that the use of currently available pollution controls at each power plant could reduce total emissions by 90% by 2008. The Northeast States for Coordinated Air Use Management in 2003 reviewed the pollution control technologies and affirmed 90% reductions can be achieved with existing technologies.

Moreover, there are no legal obstacles to achieving these reductions. Section 112 of the Clean Air Act, that regulates hazardous air pollutants, sets forth the "maximum achievable control technologies" standard. The Act contemplates control of emissions from hazardous air pollution sources equivalent to what is achieved by the best-controlled similar source in the industry. When Congress amended the Clean Air Act in 1990, it specifically called for "maximum achievable" clean-up of major sources of toxic air pollution, including mercury. It is beyond dispute that EPA has the authority under the Act to adopt a standard requiring a minimum of 90% mercury emissions reductions at all of the nation's power plants.

In Maine, a remarkable consensus on mercury pollution has led to positive action.

In 1997, the Maine Legislature called for a report and plan of action to control mercury pollution. The State's goal, set back then, was "to ensure that, over time, Maine people and wildlife are able to enjoy the full use of the state's waters and fisheries" and to "make Maine's fish safe to eat and to protect our wildlife and other resources."

Over ensuing years Maine took a series of actions on mercury, including the following:

Before 2000, we achieved mercury emission reductions of more than 90% at four municipal waste combustors achieving substantial reductions, meeting or exceeding federal limits, or where inapplicable applying equally stringent state limits;

In 2000, we closed the Holtra-chem, the heavily polluting chlor-alkli plant. In 2002, we made arrangements for safe removal and storage of 185,000 pounds of surplus mercury from the site;

In 2003, we enacted a law that bans the sale of most mercury-added switches, relays, and measuring devices; and

In 2002, we enacted a landmark law to require automobile manufacturers to recover mercury-containing switches from vehicles before they are scrapped.

When Maine's mercury auto switch law was challenged in Court, the State mounted a legal defense. On February 17, federal District Judge John Woodcock turned back the carmaker's challenge and upheld the auto switch law in its entirety.

The decision rejected all of the carmakers' claims, saying that burdens were reasonably "imposed on manufacturers in recognition of the fact that the need for a mercury switch recovery program existed solely by virtue of the manufacturers' incorporation of these mercury-laden components in their automobiles for roughly ten years after the industry's cognizance of the mercury disposal problem."

This is important, because it points the way to what the federal government should be doing with mercury pollution from power plants. Utilities should simply be made to clean up. That would be 90 percent reductions at all existing coal-fired power plants by 2008, that would bring total mercury emissions down from the current 48 tons to five tons annually. "EPA's proposal would still allow be allowing the release of 15 tons of mercury from the power plants in 2018."

Operators of power plants have been dodging pollution controls for decades. On the verge of achieving what the Clean Air Act was passed for, legal counsel for the Bush Administration and EPA say that they fear that if they require maximum achievable controls, as specified by the law, the utilities will challenge the rules in court. Threat of a court challenge must not deter EPA from doing what is necessary to protect public health and the environment.

We urge EPA to abandon its weak proposals and instead follow the Clean Air Act as written. Genuine maximum achievable control standards are technologically feasible, legally sound and eminently defensible. We urge EPA to recognize the health, environmental and economic importance of this outcome to Maine and the nation. Thank you again for the opportunity to present our views on this important issue.

STATEMENT OF LANI GRAHAM, MD, MPH, FAMILY PRACTICE PHYSICIAN AND FORMER CHIEF HEALTH OFFICER OF THE STATE OF MAINE

(On the U.S. Environmental Protection Agency's Proposed Rulemaking on Standards for Reduction of Mercury Emissions From Coal and Oil-fired Electric Utility Power Plants and the Use of Maximum Achievable Control Technology (MACT), published in the Federal Register on January 30, 2004 (69 FR 4692), EPA Docket ID Nos., OAR-2002-0056 and A-92-55.)

Good afternoon. I come here today to testify on behalf of the people of Maine, and particularly the children of Maine, who cannot speak for themselves. I am a Family Practice physician, but my real love throughout my professional life has been public health. Two alternative proposals have been offered by the U.S. Environmental Protection Agency (EPA) to reduce mercury emissions from electric utility plants. Neither is acceptable and both will condemn the next generation of Maine people to adverse health impacts from toxic levels of mercury in our environment, to say nothing of the terrible impacts on our wildlife and the natural resources.

Rather than repeat a lot of the very good scientific information that you have already heard and will continue to hear, regarding why these proposals must be scrapped, I want to provide a little history lesson. It is said that those who do not learn the lessons of history will be condemned to repeat them. This appears to be the reckless course that will be embarked on if these proposals are not substantially altered.

More than a decade ago, when I was the Chief Health Officer for this state, I received a letter from a Park Official at Acadia National Park. The letter revealed that a fish had been caught in one of the park's lakes and tested for mercury. I could see immediately that the provided results indicated that the fish contained mercury at a level many times what would be considered safe for a child to consume on a frequent basis.

The letter queried whether I was going to consider "posting" the lake, on the assumption that this particular lake was uniquely contaminated. Needless to say, I was both shocked and frightened. Who in Maine, or even from out of state, might have already been affected by eating fish caught in this lake? It was bad enough that any lake in Maine might be significantly contaminated by a known neurotoxin, but that the particular lake would be in the heart of our widely admired national park was a particular blow. Tragically, that blow was just the beginning of a lengthy investigation that revealed that the lake was not uniquely contaminated, and that it would not be sufficiently protective of public health to post that particular lake or even a dozen such lakes. Based on a study of fish caught from lakes all across Maine, it was clear that a great many lakes were contaminated, and that the contamination could not be accounted for by looking for natural sources of mercury or local pollution. The facts led to a number of conclusions and actions that were among the most discouraging of my tenure as Chief Health Officer in Maine.

In collaboration with four Departments of State Government (Agriculture, Environmental Protection, Human Services, and Inland Fish and Wildlife), we were forced to issue a statewide warning recommending a strict limit on the consumption of fish caught in Maine lakes by women of childbearing age and children under 8. To my knowledge ours was the first such warning in this country, but, sadly Maine is now one of 28 states that have issued statewide advisories, including three new states in 2002, Florida, Illinois and Rhode Island. I also am aware that New Brunswick, Canada has had to follow suit, making this an international problem. Air pollution does not respect state or international boundaries.

It is very sad that in these times when childhood obesity is such a problem and good nutrition is the hope of the future, that any Health Official must issue warnings on the consumption of fish, widely respected as healthy food, because it has become contaminated through our carelessness. But worse, from a public health point of view the warning approach to the protection of human health is highly undesirable. It is not effective. No matter how many lakes are posted or warnings issued, large portions of the population are likely to be adversely impacted despite your best efforts. What about the immigrant populations for whom fish is a basic part of the diet and who may not speak English? What about the Native Americans who similarly depend on locally caught fish? What about people with limited education who may not understand the advisories or those who just don't believe there? There is some parallel to the warnings on cigarette packages. Lead paint is another example. Parents are warned of the hazard, but children get poisoned by the thousands anyway. History has taught us that complicated medical advisories are insufficient to be protective of the public's health. Despite the warnings people, particularly children, get sick, become damaged for life, or die. Yet these proposed rules indicate clearly that another generation is being asked to repeat this history lesson. Unless our federal government takes a different course of action, one designed to move us more rapidly toward reducing air pollution, the advisories are likely to remain and the children of Maine will continue to pay the price of this history lesson not learned.

Another awful lesson that the fish from Acadia National Park taught us is that Maine was not going to be able to solve this problem on its own. The extent and distribution of the mercury contamination indicated to us that local factors could not account for it. The mercury had to be coming from somewhere else. We now know that out beautiful state is the recipient of tons of airborne mercury coming from other states. Nevertheless on the theory that it is best to "keep your own house clean" first, Maine people have worked hard over the last decade to reduce all local sources of mercury contamination. But it will never be enough. Without support from outside this state, the advisories are likely to remain in place. More than a decade has gone by since that Acadia National Park fish brought its warning. I urge you not to condemn us and other sites around this country to another twenty years of contamination when real progress can be made now. I urge you to abandon these proposals and return to the Clean Air Act as written.

Thank you for your attention.

MAINE AUDUBON,
Falmouth, ME, March 1, 2004.

Re EPA's proposed National Emission Standards for Hazardous Pollutants; and, in the Alternative, Proposed Standards of Performance for New and Existing Stationary Sources: Electric Utility Steam Generating Units; Docket ID No. OAR-2002-0056, 69 Fed. Reg. 4652 (January 30, 2004).

Good afternoon, Representative Allen, members of the Legislature, fellow Mainers . . ., my name is Susan Gallo: I represent Maine Audubon and our 11,000 members and supporters.

Representative Allen, we greatly appreciate your continued leadership and good work on behalf of Mainers with regard to the control of mercury pollution. The EPA has put forward several proposals, none of which provides the degree of public health protections mandated by the Clean Air Act. We are here today to share with you our deep concern that the EPA's proposals are not only many times weaker than what is actually required by Clean Air Act, but if accepted will cause irreparable harm to the health of Maine's waters, wildlife and people, particularly women and children, and fall far short of what is urgently needed.

Power plants are "major emitters" of hazardous air pollution, which means that each plant emits more than 10 tons per year of one kind of hazardous air pollutant or 25 tons per year of all the 188 hazardous air pollutants listed in the Clean Air Act. Coal-fired plants are the nation's largest source of mercury air emissions, emitting approximately 48 tons of mercury each year. One-third of a gram of mercury per year is enough to contaminate all the fish in a 25-acre lake.

Maine, along with the other New England states, bears the brunt of the nation's airborne mercury pollution. Maine has more than 30,000 miles of rivers, and almost a million acres of lakes—but these waters harbor dangerously high levels of mercury—so dangerous, that in 2002, Maine posted health warnings for all of our lakes and rivers statewide. The EPA and 43 states, including Maine, have posted warnings urging people to avoid or limit consumption of fish. Consuming mercury-laden fish can damage the developing brain and nervous system and can lead to birth defects; such as cerebral palsy, delayed onset of walking and talking, and learning disabilities. Relying on fish consumption advisories will not solve the problem. We must reduce the contamination at its source.

Because Maine is subject to the highest mercury contamination in the U.S., and given the impact already felt by both people and wildlife, it is imperative Maine's concerns be heard.

The accumulation of mercury in Maine's environment has reached epic proportions, with mercury levels in rainfall in parts of Maine up to 23 times higher than the EPA standard for human health. Mercury is also accumulating in Maine lakes at an alarming rate, creating deadly habitat for fish-eating birds and mammals. Moreover, people are at risk when they eat fish containing high levels of mercury. As you know, it is no longer safe for pregnant women, nursing mothers, and young children to eat certain fish from our waters. We must act to reduce children's exposure to mercury as we have done to reduce children's exposure to lead in the environment.

A recent report from the Centers for Disease Control and Prevention found that one in twelve women of childbearing age already has mercury levels above EPA's safe health threshold. Adverse neurological effects of mercury exposure on the young, has lead both the federal and state governments to post advisories against consuming certain fish. The state of Maine along with a majority of other states, advises women who might get pregnant not to eat most types of freshwater fish including rainbow trout and bass.

Mercury contamination is also a threat to recreational fishing—a vital piece of our state economy. Recreational fishing is a multi-billion dollar industry in Maine; anglers in Maine spent more than $250 million in 2001 alone. Studies indicate that mercury contamination has a direct impact on where people choose to fish, how often they go, and for how long they choose to fish.

Wildlife that have no choice but to eat fish high in mercury are at risk from the accumulation of mercury in their systems as well. Maine's loons have the dubious distinction of having higher levels of mercury in their blood than loons in any other state. Nearly 30% of Maine's common loon population is at "high-risk" for mercury contamination and is less likely to reproduce as a result. Loons accumulate high levels of mercury in their blood because their diet consists primarily of freshwater fish, which often harbors high levels of mercury. Some loons exposed to high levels of mercury in Maine's environment do not nest successfully because they do not spend enough time incubating their eggs. Others fail to feed their young once they hatch, leaving chicks to die from starvation. Loons in Maine experience higher levels of mercury in their blood, feathers and eggs than in any other state. Also, because loons are able to eliminate mercury from their system when they lay eggs; loon eggs from Maine also have higher levels of mercury than those from any other state. Other fish-eaters like osprey and kingfisher are subject to similarly high levels of mercury from eating fish from Maine's waters. It is imperative that we do what we can now to reduce the impact of mercury on Maine's loon population and on other fish-eating wildlife. If we wait until wildlife populations have significantly declined, it will be too late.

Maine Audubon has been a leader in working to reduce mercury pollution and protect the health of Maine's people as well as wildlife. Indeed Maine has made substantial progress in developing legislation to curb the use of mercury-added products as well as the collection of household hazardous waste, for example. But these efforts, while valiant and very much needed, do not address the largest source of mercury pollution—emissions from power plants beyond Maine's borders. The current EPA and Bush Administration proposal falls far short of what is needed.

The Clean Air Act requires that power plant mercury emissions be cut by 90 percent by 2008 and ensures that these reductions occur at each and every one of the nation's oil- and coal-fired power plants, the country's largest industrial source of mercury air emissions. In 2000, the EPA listed power plants as a category for which MACT standards must be developed. But one of the new proposals would "de-list" power plants, without any of the public health and environmental justifications mandated by the Clean Air Act. Such de-listing is illegal.

The EPA should uphold the law. Instead of setting a far weaker standard—in effect treating power plants' mercury emissions as non-hazardous air pollution—the EPA must abide by its prior decision that power plants must be regulated according to Maximum Achievable Control Technology (MACT) levels.

The EPA should continue to regulate mercury emissions from power plants under the MACT approach required by Clean Air Act for toxic pollutants, instead of issuing "New Source Performance Standards" for mercury, which are far less stringent. The EPA's own scientists two years ago concluded that 90 percent reductions are possible using existing technologies.

The EPA must abandon the current proposal allowing the trading of mercury pollution, which lets polluters continue to poison our air and waters. Trading mercury emissions is unacceptable from a public health and public policy perspective, because it creates new local "hot spots" of even mercury contamination—leaving some communities at risk more than others.

The EPA should not accept guidance from the Bush Administration which would set rules for power plants that give big energy special treatment—allowing them to put 6 to 7 times more mercury into the air than the law allows, and giving them an extra decade to clean up. The EPA should hold industry to the highest standard, and uphold—not weaken—the provisions of the Clean Air Act.

We respectfully ask that you convey to EPA Administrator Leavitt our testimony, urging the EPA to improve protections of human health and wildlife by strengthening, not weakening rules regulating mercury emissions to the level that we know is technologically feasible and morally imperative.

SIERRA CLUB, MAINE CHAPTER,
Portland, ME, March 1, 2004.

Re Environmental Protection Agency Docket Center, Attention Docket I.D. Number OAR-2002-0056.

Why is the Bush Administration rewarding corporate polluters at the expense of our children's health and safety?

Thank you Congressman Allen, for holding a hearing on this issue in Maine. My name is Maureen Drouin. I live in Hallowell, Maine, and I am here representing the 5,000 Maine members of the Sierra Club.

The Maine Chapter of the Sierra Club calls on Administrator Leavitt to throw out EPA's proposal to regulate mercury emissions and instead craft a serious plan that adequately protects American children from harmful mercury. Specifically, we call on the EPA to require 90% reductions in mercury emissions from ALL coal-fired power plants by 2008.

Coal-fired power plants constitute the largest source of industrial mercury emissions in the United States. This mercury falls to earth through rain and snow and enters lakes, rivers, and estuaries. Once there, it changes into its most toxic form, methylmercury, and accumulates in fish tissue. Americans are exposed to mercury primarily by eating contaminated fish.

Mercury poses a serious threat to Maine's families:

As with many toxic pollutants, children are the most susceptible to harm from mercury.

New estimates by the EPA indicate that one in six U.S. women of child-bearing age have mercury levels in their blood high enough to put their babies at risk.

During December 10–11, 2003, the FDA and the EPA issued a draft joint warning to pregnant women, women who may become pregnant, and nursing mothers against eating certain types of mercury-laden fish.

In 2001, the EPA estimated that if current clean air laws were enforced in conjunction with the use of current technology, mercury pollution would decrease by 90% by 2008.

Why is the Bush Administration rewarding corporate polluters at the expense of our children's health and safety?

Congressman, you and Representative Waxman recently sent a letter to EPA Administrator Leavitt requesting information regarding a report in The Washington Post that portions of EPA's latest mercury air pollution control proposal may have been "copied word-for-word from industry lobbying materials."

You pointed out that "Specifically, it appears that EPA has proposed a regulatory approach to mercury air pollution that in part is copied word-for-word from memos prepared by the law firm Latham & Watkins, which represents some of the largest polluters in the country."

Both Jeffrey Holmstead, EPA's Assistant Administrator for Air and Radiation, and William Wehrum, Mr. Holmstead's chief counsel, worked for Latham & Watkins prior to assuming their positions at EPA where they have played key roles in the mercury pollution rule-making process.

According to the Center for Responsive Politics, the Energy Industry, which would be affected by these rules, gave nearly $50 million in campaign contributions to the Republican Party during the 2000 election cycle. Of that amount, $2.9 million went directly to the Bush-Cheney campaign.

Perhaps this is why the Bush Administration is rewarding corporate polluters at the expense of our children's health and safety.

Last spring, I went fly-fishing with a few friends at Little Lyford Pond Camps in T7 R10. In the heart of the 100-mile wilderness of Maine, the ponds there are remote and pristine and constitute the headwaters of the West Branch of the Pleasant River. The brook trout fisheries there date back 10,000 years to the retreat of the last glacier. I thought about how rewarding it would be to catch one of these primeval fish and cook it for dinner. But even far away in T7 R10, the fish are contaminated by upwind pollution, and Mainers, especially women and children, are advised to limit their fish consumption.

Maine is one of 19 states that have issued statewide fish advisories for all of their inland freshwater lakes and rivers.

We have the solutions to reduce mercury pollution now and we should implement them immediately to protect our communities.

Thank you again for holding this hearing and for the work you are doing to protect Maine's children by decreasing mercury pollution.

TESTIMONY OF ANN BREWSTER WEEKS (DELIVERED BY JONATHAN LEWIS), CLEAN AIR TASK FORCE, BOSTON, MA

(Before the U.S. Environmental Protection Agency Regarding Proposed National Emission Standards for Hazardous Air Pollutants; and in the alternative, Proposed Standards of Performance for New and Existing Sources: Electric Utility Steam Generating Units, 69 Fed. Reg. 4652 (January 30, 2004), Docket No. OAR-2003-0056.)

Good afternoon. For the record, my name is Jonathan F. Lewis, and I am an attorney with the Clean Air Task Force. I am appearing today to provide the testimony of Ann Weeks, CATF's Litigation Director. Ms. Weeks was an alternate member of EPA's Electric Steam Generating Units MACT Rulemaking Working Group of stakeholders from industry, environmental organizations, and state governments, which offered the Agency a range of recommendations for the development of a MACT standard for EGUs, in the Fall of 2003.

Now the Agency proposes both a weak MACT standard and a radically different alternative approach to the regulation of power plant hazardous air pollutants. EPA's alternative approach not only is radically different than the approach considered by EPA and the stakeholders in the Working Group, it is radically different than the approach mandated by the Clean Air Act. Martha Keating, the CATF representative to the Working Group, is presenting today in North Carolina oral testimony on the MACT alternative proposed by the Agency in this rulemaking package. I will therefore limit my remarks to the inadequacies, both legal and from a public policy perspective, of the alternative New Source Performance Standards and cap and trade approach contained in the proposal.

EPA first listed mercury as an air toxic in 1971. The public health effects of this toxic are not just coming to light, we have known for over a century about neurological disorders stemming from exposure to high levels of mercury in the environment. Each year, the science improves, and we learn more, for example, about how eating mercury contaminated fish leads to children's delayed language development, impaired memory and vision, problems processing information and impaired fine motor coordination.

The Center for Disease Control and Prevention has recently noted that 1 in 12 women of childbearing years in the United States have unsafe levels of mercury in their blood. EPA's own Federal Advisory Committee on Children's Health Protection has noted its concern that this proposed rule package does not go as far as possible towards reducing emissions of mercury from the electric utility industry.

Existing coal-fired power plants are the largest uncontrolled industrial source of mercury in the United States today. Congress recognized this when it drafted the Clean Air Act Amendments of 1990, when it listed mercury under section 112, and demanded to be kept in the loop as your Agency made its determination whether to regulate hazardous air pollutant emissions from the electric generating industry.

EPA now seeks to administratively rewrite section 112 of the Act in an effort to try to find a way to treat mercury differently from the other 187 air toxics listed in the Act. Rather than regulating the power industry under the "Maximum Achievable Control Technology" approach required by the Act, EPA instead proposes to finalize New Source Performance Standards under section 111, for mercury emitted by new coal-fired power plants, and a cap and trade system including caps of 34 tons of mercury by 2010 and 15 tons in 2018.

This aspect of your proposal is completely without merit.

First, an NSPS approach to regulating hazardous air pollutants emitted by the utility industry is simply not authorized by the Clean Air Act. Congress revised section 112 in 1990 in an effort to promote faster regulation of hazardous air toxics, through the identification and the MACT regulation of the industrial categories of most concern. EPA listed coal- and oil-fired power plants under section 112(c) in 2000, which triggered the requirement to issue MACT standards for all hazardous air pollutants emitted by the industry. Congress did not direct the use of section 111 for utility industry HAP air emissions, as it did for solid waste combustors in Clean Air Act section 129. If Congress had meant to grant such authority to the Agency, it clearly knew how. It chose not to do so.

Second, your attempt to "de-list" the utility industry in order to advance your section 111 proposal does not meet the express terms of the Clean Air Act, and in any event is unsupportable on the merits. Section 112(c)(9) of the Act requires that a listed industrial category can be deleted from the 112(c) list only if certain specific statutory criteria are met. Your Agency has not even attempted to satisfy these criteria. For toxics that "may result in cancer in humans," as is the case with nickel from oil-fired units as recognized by the Agency in 1998 and 2000, the Administrator must determine that "no source in the category . . . emits such hazardous air pollutants in quantities which may cause a lifetime risk of cancer greater than one in one million to the individual in the population who is most exposed to emissions of such pollutants from the source." For air toxics like mercury, the Administrator must determine "that emissions from no source in the category or subcategory concerned . . . exceed a level which is adequate to protect public health with an ample margin of safety and no adverse environmental effect will result from emissions from any source." Neither of these determinations is supportable on the record before the Agency, as we will point out in our detailed comments.

Finally the proposed cap and trade approach is not supported by the Act and represents very bad public policy. The tonnage caps are transparently based on the legislative targets in the Administrations Clear Skies approach to utility regulation, and do not go near far enough or fast enough—either to adequately protect public health, or to satisfy the requirements set out by Congress to govern the regulation of hazardous air pollutants.

The Agency asserts broad authority under section 111 to establish a cap and trade program for listed hazardous air pollutants, although no such authority is articulated in the statute. Resorting to the tired and long discredited argument that since it is not expressly prohibited, an action must be allowable, the Agency severely overreaches in this proposal.

Furthermore, while the Agency asserts that a 34 ton 2010 target is based on what can and must be achieved to control other conventional pollutants for the IAQR, the Act requires far more than this level of effort for the control of a hazardous air pollutant. Even if EPA attempted to justify this cap based on the results of its MACT approach, the MACT floor emissions levels EPA has conjured up in this proposal to support a 34 ton emissions level are themselves fundamentally flawed, legally and technically, as Ms. Keating is testifying in North Carolina today.

Finally, even if it were authorized by the Act, the Administration's approach in the proposed cap and trade program is just abysmal public policy. Despite the fact that 60% of the mercury emitted by U.S. power plants is deposited locally or regionally, the proposal would do absolutely nothing to avoid the creation of toxic hot spots—geographic areas that will experience even more mercury contamination than at present, because local sources are permitted to trade away the requirement to reduce their emissions levels. The caps are set at "no action" levels, furthermore: on the final pages of the proposal, the Agency admits that meeting the mercury caps will require very little (if any) effort beyond controlling for conventional pollutants. "Look," the Administration seems to be saying to the industry—"just control your conventional pollutants a little further, and we will give you a hall pass on mercury." This approach is taken despite ample evidence, well-known to the Agency, that much deeper cuts in mercury and other hazardous air pollutants are achievable cost-effectively from the industry in the short term. It is taken despite the clear requirements of the Clean Air Act that a listed industry must be required to make the maximum reductions achievable, and to do so within 3, or at most 4 years of a final rule.

EPA's NSPS cap and trade approach to EGU toxics is simply unacceptable. It is unacceptable legally, and unacceptable from a public health perspective.

Testimony of Conrad Schneider, Advocacy Director, Clean Air Task Force, Hearing on EPA's Proposed Mercury Rule

Good afternoon. My name is Conrad Schneider of Brunswick, Maine. I am the Advocacy Director of the Clean Air Task Force. CATF is a Boston-based, national environmental advocacy organization dedicated to restoring clean air and healthy environments through scientific research, public education, and legal advocacy. Our primary mission involves cleaning up the nation's grandfathered power plants.

You know, school vacation week in Maine was two weeks ago and our family went to Sanibel Island, Florida—our first "sun and fun" vacation ever. While down there, I went saltwater fly-fishing for the first time. This June I am going with some buddies to fish Grand Lake stream here in Maine. Although Sanibel was saltwater and Grand Lake stream will be fresh, there is a common denominator here. Both Florida and Maine warn us to limit our consumption of the fish I catch. While I was trying to catch a trophy sport fish in Florida, I managed to catch only a flounder. However, I tossed it back because my wife's sister, who is four months pregnant, and her husband were with us and pregnant women are warned to eat no fish because the mercury contamination threatens their fetuses. In fact, while it was bad enough that she couldn't drink a pina colada in Florida, she couldn't eat any fish either! That'll be true when she visits us in Maine this summer too. Maybe you think this is a small matter. But consider that in Maine, recreational fishing contributes $250 million to the economy here each year.

I would like to thank Rep. Tom Allen for his leadership in holding this hearing; the first of what may be many more such hearings around the country by concerned members of Congress to hear from citizens about the deficiencies of the Bush Administration's power plant mercury proposal. We share Rep. Allen's view that it is outrageous that on an issue of such critical importance to our people, U.S. EPA chose not to schedule one hearing on this rule in New England.

The people of our region have always looked to the sea and our inland water bodies—for commerce, for knowledge, for recreation and, perhaps most importantly, for food. Ocean and freshwater fish have been a staple of the New England diet since the first human settlements here.

But we're here today because that food source is under threat—from mercury pollution. Due to eating mercury in contaminated ocean fish and fresh water fish, one in six women of childbearing age in the United States have mercury levels above what EPA considers safe. That's nearly five million women nationally with elevated mercury levels in their blood. Because mercury travels through the placenta and breast milk that also means more than 600,000 children born each year are at risk for mercury's toxic effects.

And those effects are serious. They include poor attention span and language development, impaired memory and vision, problems processing information, and impaired visual and fine motor coordination. Deborah Rice, formerly with EPA, is a renowned expert on the effects of toxic metals on brain development that Maine DEP was fortunate to hire. Dr. Rice last year warned at a U.S. Senate hearing that the threat posed by mercury is comparable to that of lead. We have too many children today who struggle to keep up in school and who require remedial classes or special education. And those of you who have had even passing involvement with our public schools know that the cost of these types of programs present a major fiscal challenge. Adults, too, are at risk. Elevated mercury levels are linked to fertility issues, high blood pressure, and heart problems.

As a result, children and women of childbearing age not just in Maine and Florida are being advised to restrict their intake of certain fish. Fourty-four states have issued advisories limiting consumption of fish from certain water bodies—17 states for every inland water body. Maine, for example, has an advisory covering every freshwater lake, stream, pond, and river. Species with specific consumption advice include our famous brook trout and landlocked salmon. For our coastal waters, Maine warns about consumption of blue fish and striped bass. Ten states have issued advisories on canned tuna. The FDA has told pregnant women not to eat swordfish, another staple of the North Atlantic fishery. Later this week, FDA is expected to revise its consumption warning for the first time to include tuna. It is ironic that at the very time concerns over the health effects of mercury are growing, EPA is proposing to weaken the requirements for mercury reduction from power plants.

There are many sources of mercury in the environment but most of it comes from human activity such as burning mercury-containing coal for electricity, mining, and improper disposal of mercury-containing products. Through these releases, we've contaminated a large part of our region's and nation's food supply. This is simply unacceptable.

So what's to be done? The answers are not simple or quick, but we've already made a start. About 70% of the world's new annual mercury releases are from coal combustion and waste incineration.

Fortunately, we have the technology to reduce coal plant mercury emissions nationally by 90% within the next decade. The State of Connecticut has adopted this target for its plants. Massachusetts, New Jersey, Wisconsin, and New Hampshire are considering similar targets.

But air pollution travels, so the states can't act alone. We need the federal government to act. We're aggressively controlling waste incineration in the U.S. by requiring incinerators to reduce their mercury emissions by 90%. But the biggest fish to catch—coal-fired power plants—has yet to be caught. Coal plants account for fully one third of U.S. mercury emissions and, amazingly, are completely unregulated.

In its proposed rule, U.S. EPA again proposes to let power plants off the hook. The proposed emissions standards are transparently based on the legislative targets in the Administration's so-called "Clear Skies" proposal, which is a broad attempt to rollback the requirements and deadlines of the Clean Air Act—in large part the work of Maine Senators Muskie and Mitchell. The Bush Administration proposal does not go far enough or fast enough—either to adequately protect public health or satisfy the requirements set out by Congress.

Frankly, I should not even dignify what EPA has issued as a proposed rule. It is so blatantly illegal, in the laxity of the emissions standards and deadlines and in the lack of legal authority for its misguided emissions trading scheme that the Bush Administration knows full well that legal challenges by the coal industry will be successful and leave us with no rule at all. Which is just what they want. The environmental community had to sue EPA just to issue a rule. What they've proposed is just "smoke and mirrors" to satisfy the court that they've proposed something on time.

This cynical ploy should come as no surprise when you realize that my organization broke a story in the Washington Post recently that the language of the Bush proposal includes over a dozen examples where whole paragraphs from industry memos were lifted verbatim and inserted in the rule. Either that, or industry lawyers themselves were actually writing the rules for EPA.

Back in the Year 2001, in the first year of the Bush Administration, EPA signaled that it would issue a rule resulting in a 90 percent reduction in mercury emissions—from 48 tons a year down to 5 tons—per year by 2008. That is what the Clean Air Act Amendments require. EPA now proposes a rule, which if implemented, would still allow 34 tons of mercury emissions per year in 2008 and 15 tons in 2018—giving us a decade more of delay while leaving three times as much mercury in the environment as what is achievable with today's control technology.

We call on U.S. EPA to return to its original compass bearing, set the hook, and reel in the "Big One" by dropping power plant mercury by 90 percent within this decade. That isn't likely to happen. So, ultimately, Rep. Allen, it may be left to you to finish the job Senator Mitchell thought he had done in Clean Air Act Amendments of 1990 (which was signed by the first President Bush)—requiring the U.S. power sector to do its full share to solve the problem of mercury contamination.

TESTIMONY OF DEBRA DAVIDSON, MAINE CHAPTER—IZAAK WALTON LEAGUE OF AMERICA, LIVERMORE FALLS, ME

(Proposed National Emission Standards for Hazardous Pollutants; and, in the Alternative, Proposed Standards of Performance for New and Existing Stationary Sources: Electric Utility Steam Generating Units; Docket ID No. OAR-2002-0056, 69 Fed. Reg. 4652 (January 30, 2004).)

I would like to thank Tom Allen for giving Maine the opportunity to voice our concerns about hazardous air pollutant emissions from power plants, in particular mercury emissions.

My name is Debi Davidson and I am here today as a representative of the Maine Chapter of the Izaak Walton League of America. We are a national organization of 50,000 anglers, hunters and conservationists committed to responsible environmental stewardship.

I have attached a letter to my testimony, signed by the directors of midwest sportsmen's organizations including the Izaak Walton League of America, and representing over 400,000 people in Minnesota, Wisconsin, Michigan, Iowa, Illinois, Indiana, and Ohio asking the environmental Protection Agency to strengthen their proposed rule.

Mercury contamination threatens Maine's fishing heritage. Residents in Maine share a long tradition of outdoor recreation centering on our lakes, ponds and rivers. We are a region of camp owners, fishermen, hunters, and outdoor enthusiasts whose lakes and woods represent a large part of who we are. Unless we eliminate mercury pollution from our lakes, ponds, streams and rivers, we cannot safely eat our fish if we choose to. Even if catch and release is one way to enjoy fishing, we should not have to limit ourselves to this method. The effects of mercury pollution on an ecosystem very much affects the quality of a total fishing experience. Warnings about eating fish due to mercury contamination very much detracts from this experience.

Mercury contamination threatens Maine's economy. While fishing in Maine is clearly a long-standing tradition, it is also big business. Figures show that recreational anglers who fish in our state spend more than $250 million dollars annually. This includes everything from fishing lures to special clothing to food, lodging and transportation for the trips we take. Economically, Maine cannot afford a contaminated fishery.

We can do better. Mercury contamination of fish in our lakes and rivers is a serious concern for our members and their families. The current EPA proposal falls far short of what is needed to address this threat. EPA's mercury MACT proposal fails to accomplish what is mandated by the Clean Air Act for mercury reduction. And the alternative New Source Performance Standard proposal is a poor substitute to an adequate mercury MACT standard.

We believe that the proposed mercury MACT rule should require emissions reductions from all coal-fired power plants by 2008 equivalent to the level that can be achieved by the most up-to date pollution controls and resulting in at least a 90 percent reduction in power plant mercury emissions nationwide. The technology to achieve these reductions is being developed and installed in Midwest plants right now.

The EPA should revise the mercury MALT proposal to meet the Clean Air Act's obligation to require the most up-to-date pollution controls on all power plants. The EPA should also reject the alternative New Source Performance Standard proposal and all mercury trading proposals.

The Maine Chapter of the Izaak Walton League asks that the EPA adopt a rule that maximizes the protection of human health and our fisheries by regulating mercury emissions to the level that we know is technologically feasible and to please do so now.

Thank you.

FEBRUARY 25, 2004.

Re proposed National Emission Standards for Hazardous Pollutants; and, in the Alternative, Proposed Standards of Performance for New and Existing Stationary Sources: Electric Utility Steam Generating Units; Docket ID No. OAR-2002-0056, 69 Fed. Reg. 4652. (January 30, 2004).

Administrator MIKE LEAVITT,
U.S. Environmental Protection Agency, EPA Docket Center (Air Docket), U.S. EPA West (6102T), Washington, DC.

DEAR ADMINISTRATOR LEAVITT: Sporting groups from Indiana, Illinois, Michigan, Minnesota, Ohio, and Wisconsin have worked for years to reduce mercury pollution and protect the health of our families. Today, we write to respectfully express our concerns over the proposed rule by the U.S. Environmental Protection Agency (EPA) to control mercury emissions from coal-fired power plants.

Fishing has been a tradition in the Midwest for generations, and sporting groups have been conserving fish habitat for decades. It has been an important part of family life and a bond between parents and children. Fishing is also important for our businesses, with sport-fishing adding $5 billion to our states' economies annually.

Unfortunately, all of our states are under statewide fish consumption advisories due to widespread mercury contamination. Catch and release is not just a choice anymore, it is a practice we must observe to safeguard the health of our children and grandchildren.

Power plants are one of the largest sources of mercury pollution in the Midwest. Twenty-three percent of the nation's coal-fired power plant mercury emissions come from the six states of Indiana, Illinois, Michigan, Minnesota, Ohio and Wisconsin. In order for anglers to once again catch fish that are safe to eat, it is critical that we significantly reduce emissions from coal plants in these states.

Mercury contamination of fish in our lakes and rivers is a serious concern for our members and their families, but the current proposal falls far short of what is needed to address this threat. We know that existing plants using the best modern technology can achieve mercury reductions of up to 90 percent. The technology to achieve these reductions is being developed and installed in plants right here in the Midwest. We urge the EPA to adequately address our mercury problem by greatly strengthening the proposed mercury rule under section 112 of the Clean Air Act for plants burning all types of coal. We further urge the agency to reject alternative New Source Performance Rule in place of a MACT standard.

MERCURY AND FISH CONSUMPTION ADVISORIES

The entire Midwest is affected by mercury contamination to such a large extent that state health departments have issued fish consumption advisories specifically for mercury. Indiana, Illinois, Minnesota, Michigan, Ohio and Wisconsin all have blanket statewide fish consumption advisories for mercury. In addition, Lake Superior and Lake Michigan have fish consumption advisories because of mercury contamination.

Relying on fish consumption advisories, however, will not solve the problem. We must reduce the contamination at its source. Surveys of anglers in the Northeast, Southeast and Great Lakes have revealed that many anglers may have heard about the advisories, but anglers with lower income levels fish more often, eat more fish they catch as part of their diet, and are generally less aware of advisories than other anglers. In addition, relying only on advisories to address the mercury problem leaves a legacy of contaminated fish our future generations.

SAFE-TO-EAT FISH IS IMPORTANT TO OUR FAMILIES

Women of childbearing age and pregnant women are the most important members of the population in terms of mercury exposure. Methylmercury interferes with the development and function of the nervous system. It poses the greatest hazard to the developing fetus. This is the reason most fish consumption advisories warn pregnant women to limit their fish consumption or avoid fish altogether. However, infants and children are also at high risk. Infants may ingest methyl mercury through nursing and children are exposed through their diet. Children and infants are more sensitive to the effects of mercury because their nervous systems continue to develop until about age 14.

Mercury threatens the health of older fishermen, too. New evidence suggests exposure to methylmercury can adversely impact blood pressure regulation, heart-rate variability, and heart disease.

FISHING IS AN IMPORTANT TRADITION IN THE MIDWEST

Residents in the Midwest share a rich tradition of outdoor recreation centering on our lakes and rivers. We are a region of cabin owners, fishermen, hunters, and outdoor enthusiasts whose lakes and woods are as much a part of who we are as our agriculture, snow and fall foliage. If there is one thing we love as much as catching fish, it is eating fish. The fish fry and shore lunch are beloved traditions in the Midwest.

The ability to pass our traditions on to future generations is threatened by mercury contamination. Unless we eliminate mercury pollution from our lakes, streams and rivers, our children's children may not be able to safely eat fresh bass, walleye, or northern pike—the fish most heavily contaminated.

FISHING IS IMPORTANT TO OUR ECONOMY

Fishing in our states is big business. With the Great Lakes, cold-water streams, and tens of thousands of lakes, it is no wonder fishing is so popular. Sportfish like largemouth bass, smallmouth bass, yellow perch, walleye, northern pike and muskie are just a few of many sought-after species. According to the U.S. Fish and Wildlife Service, more than 7.87 million anglers fish in our states and spend more than $5 billion annually. This includes everything from fishing lures to special clothing to food, lodging and transportation for the trips we take. Our region simply cannot afford a contaminated fishery.

But the value of fishing cannot just be measured in dollars. Although less tangible and difficult to quantify, the effects of mercury pollution on an ecosystem can affect the quality of the fishing experience. A survey of anglers underscores the importance of the social aspects of fishing. Some of the main reasons that people fish are to relax, to spend time with family and friends, and to be close to nature. Warnings about eating fish due to mercury contamination detract from this experience. Reducing environmental contaminants like mercury must be a goal so we can continue to conserve and protect this resource.

WHY IS MERCURY FROM POWER PLANTS A PROBLEM?

Goal-fired electric power plants remain the largest uncontrolled source of mercury in the U.S. Each year, uncontrolled coal-fired power plants in the U.S. emit nearly 50 tons of mercury to the air in addition to an estimated 33 tons disposed of in waste left over after power plants burn coal. EPA estimates that coal-fired power plants alone account for 42 percent of all U.S. mercury air emissions. Municipal, medical and hazardous waste combustors—which are stringently regulated by the EPA—account for about ten percent of U.S. air emissions. Industrial boilers are responsible for ten percent and chlorine manufacturers for six percent. The remaining third is made up of incidental use and products containing mercury.

Existing coal-fired power plants not only remain uncontrolled, but if left virtually unregulated, over time they will account for a larger and larger share of mercury emissions, as other source categories meet their obligations to reduce their mercury releases.

Coal-fired power plants are found throughout the Midwest. According to the EPA's Toxics Release Inventory (TRI), coal-fired power plants in Minnesota, Wisconsin, Michigan, Illinois, Indiana and Ohio together account for 23 percent of mercury emissions from all coal-fired power plants in the U.S. Because mercury does not degrade when released and because the typical coal plant operates for at least 50 years, the accumulation of mercury released by these plants makes them the most widespread, large-scale, long-lived generators of mercury in the U.S.

Mercury is emitted from the stacks of coal-fired power plants, and although it can remain in the atmosphere for up to one year, a great deal of mercury is deposited on land and water bodies within 50 miles of the plant. In addition to being a significant concern in the areas closest to the plants, the deposition and reemission makes mercury pollution a regional and global problem. However, we cannot wait for international cooperation before we start addressing the emission and deposition problems that occur in the United States.

After mercury is deposited from the atmosphere, its greatest adverse impact occurs in the aquatic ecosystem. In a series of chemical reactions, bacteria in the sediments can convert mercury to methylmercury. Methylmercury is a form of mercury that is especially toxic to humans and wildlife. Fish absorb methylmercury from the water as it passes over their gills and as they feed on other organisms. As larger fish eat smaller fish, methylmercury concentrations increase in the bigger fish, a process known as bioaccumulation. Consequently, larger predator fish usually have higher concentrations of methylmercury from eating smaller contaminated fish. Humans, birds and other wildlife that eat fish are exposed to mercury in this way.

EPA MACT PROPOSAL IS INADEQUATE

EPA's mercury MACT proposal fails to accomplish what is mandated by the Clean Air Act for mercury reduction. Further, the alternative New Source Performance Standard proposal is a poor substitute to an adequate mercury MACT standard.

We contend that the proposed mercury MACT rule should require emissions reductions from all coal-fired power plants by 2008 that are equivalent to the level that can be achieved by the most up-to date pollution controls. Based on data collected by the EPA, that would result in at least a 90 percent reduction in power plant mercury emissions nationwide.

By contrast, as proposed, EPA's MACT rule will only require an overall 30 percent cut in emissions, and that not until 2010 at the earliest. In addition, most of the reductions will come from power plants that burn eastern bituminous coal, while requiring very little emission reductions from power plants that burn western subbituminous coal. As a result, states like Minnesota, Wisconsin, Michigan, and Illinois, whose plants use a significant amount of western coal will see even more limited mercury reductions. Plants in Ohio and Indiana that use mostly eastern bituminous coal would have an incentive to switch to western coal. This could have the perverse effect of potentially increasing local emissions of mercury from plants in Ohio and Indiana. It would also create further strain on the coal industry in the eastern U.S.

The proposed alternative New Source Performance Standard (NSPS) rule would eventually require deeper reductions, but not for more than a decade and not to the levels mandated under a MALT approach. The NSPS alternative also creates different standards for different coal types and allows for some electric utilities to avoid making any mercury reductions, by allowing mercury trading. Treating coal types differently and allowing for trading raises the risk of increasing local emissions, exacerbating the problem of existing mercury hotspots, and creating new mercury hot spots in the Midwest.

The EPA should revise the mercury MACT to meet the Act's obligation to require the most up-to-date pollution controls on all power plants—regardless of the type of coal that they use—and by so doing achieve stringent and rapid reductions in emissions of this toxic pollutant. The EPA should also reject the alternative NSPS and all mercury trading proposals. These alternatives would cause additional mercury related adverse health risks through the promotion of pollution trading, and would allow unacceptable amounts of mercury pollution to continue.

We respectfully urge the EPA to adopt a rule that maximizes the protection of human health and our fisheries by regulating mercury—emissions to the level that we know is technologically feasible and to do so quickly.

Sincerely,

Jim Bahl, President, Minnesota Conservation Federation, St. Paul, Minnesota. 3,000 members.

Danny. J. Blandford, Conservation Director, Indiana BASS Federation, Martinsville, Indiana. 3,000 members.

Jim Doss, President, Ohio BASS Federation, Gallipolis, Ohio. 1,800 members.

Paul Hansen, Exccutive Director, Izaak Walton League of America, St. Paul Minnesota. 13,000 members in Midwest states of MN, WI, MI, IL, IN and OH; 50,000 members nationwide.

Mike Hofmann, President, Wisconsin State BASS Federation, Weston, Wisconsin. 1100 members.

Brad Maurer, President, Ohio Smallmouth Alliance, Bexley, Ohio. 160 members.

Edward L. Michael, Chairman, Illinois Council of Trout Unlimited, Oak Brook, Illinois. 3,000 members.

Larry Mitchell Sr., President, League of Ohio Sportsmen, Columbus, Ohio. LOOS and its member clubs represent about 200,000 Ohio sportsmen and women.

George Meyer, Executive Director, Wisconsin Wildlife Federation, Madison, Wisconsin. Representing 83 Wisconsin hunting, fishing, and trapping organizations.

Kim Olson, New Ulm Area Sport Fishermen, New Ulm, Minnesota. 150 members.

Bill Pielsticker, Chairman, Wisconsin Council of Trout Unlimited, Madison, Wisconsin. 4000 members.

Russ Ruland, DNR Liaison & Past President, Muskellunge Club of Wisconsin, Hales Corners, Wisconsin. 130 members.

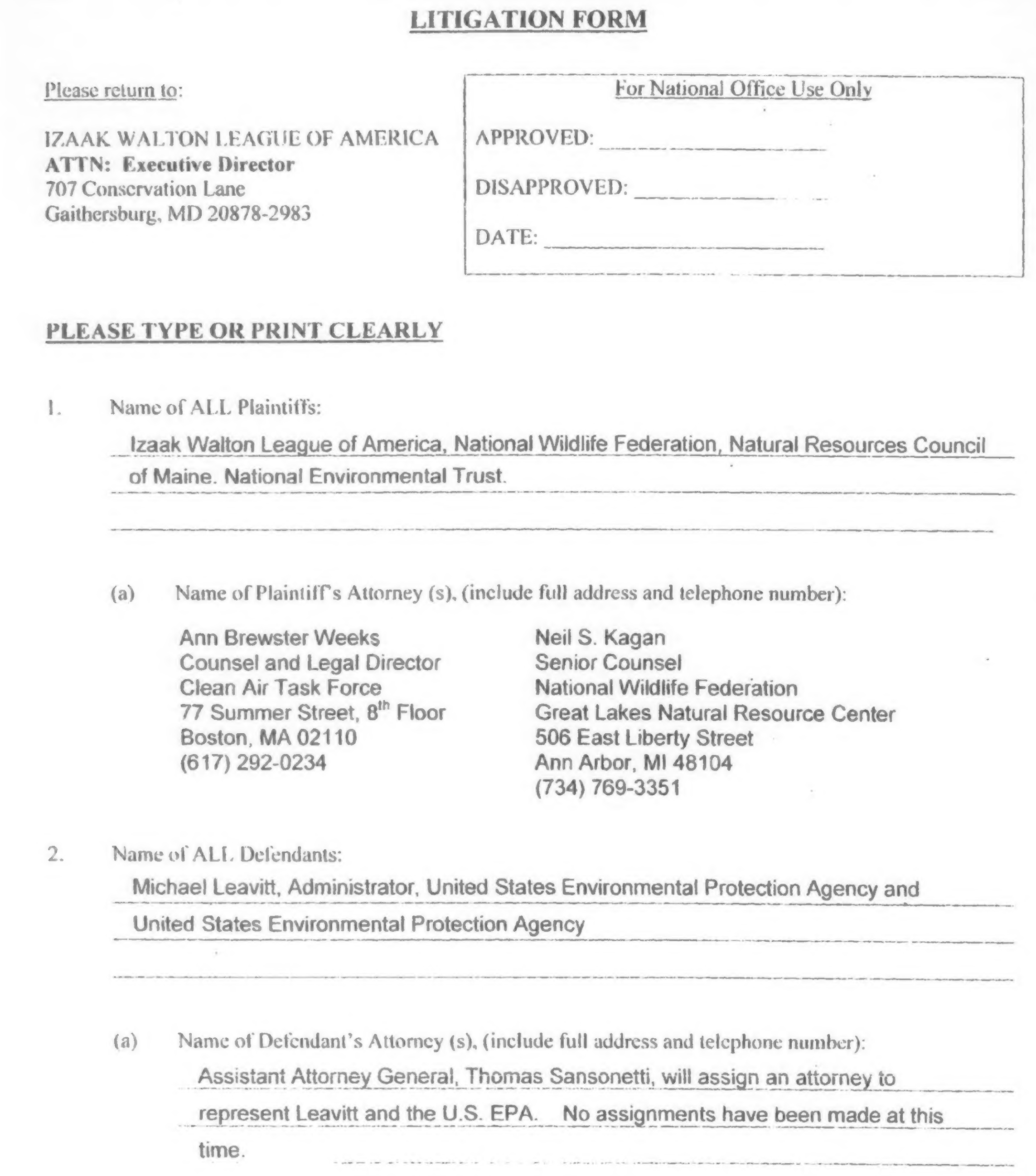
Scott Sparlin, Executive Director, Coalition for a Clean Minnesota River, New Ulm, Minnesota. 600 members.

Vern Wagner, Conservation Director, Minnesota BASS Federation, Champlin, Minnesota. 14,000 B.A.S.S. members in Minnesota and 650 enrolled in the Minnesota B.A.S.S. Federation.

Jay Walton, Iowa BASS Federation Conservation Director (4,000 member affiliation), Iowa Conservation Alliance Board (50,000 member affiliation), Ames, Iowa.

Sam Washington, Executive Director, Michigan United Conservation Clubs, East Lansing, Michigan. A network of nearly 100,000 men and women and over 500 affiliated conservation and outdoor recreation clubs.

Paula Yeager, Executive Director, Indiana Wildlife Federation, Carmel, Indiana. 20,000 members.



LITIGATION FORM

Please return to:

IZAAK WALTON LEAGUE OF AMERICA
ATTN: Executive Director
707 Conservation Lane
Gaithersburg, MD 20878-2983

For National Office Use Only

APPROVED: ____________

DISAPPROVED: ____________

DATE: ____________

PLEASE TYPE OR PRINT CLEARLY

1. Name of ALL Plaintiffs:

Izaak Walton League of America, National Wildlife Federation, Natural Resources Council of Maine. National Environmental Trust.

(a) Name of Plaintiff's Attorney (s), (include full address and telephone number):

Ann Brewster Weeks
Counsel and Legal Director
Clean Air Task Force
77 Summer Street, 8th Floor
Boston, MA 02110
(617) 292-0234

Neil S. Kagan
Senior Counsel
National Wildlife Federation
Great Lakes Natural Resource Center
506 East Liberty Street
Ann Arbor, MI 48104
(734) 769-3351

2. Name of ALL Defendants:

Michael Leavitt, Administrator, United States Environmental Protection Agency and United States Environmental Protection Agency

(a) Name of Defendant's Attorney (s), (include full address and telephone number):

Assistant Attorney General, Thomas Sansonetti, will assign an attorney to represent Leavitt and the U.S. EPA. No assignments have been made at this time.

3. Nature of IWLA participation (i.e. plaintiff, intervenor, amicus curiae):

Plaintiff

(a) Name of ALL Intervenors:

The case will not be filed until some time after February 24, 2004. Intervention can occur after the case is filed. Therefore, as yet, the name of all intervenors is not known.

(b) Name of Intervenors Attorney (include full address and telephone number):

See above.

4. Nature of complaint and relief sought (cite facts, figures, dates, hearings, court cases, applicable statues if known):

(a) Where is the specific injury or damage? (e.g. mineral exploration in a Wilderness Area):

Agency's failure to meet the statutory deadline for promulgation of final rules regulating hazardous air pollutants (including mercury) emitted by electric utility steam generating units by the statutory deadline of December 20, 2002. Since electric utilities are the largest domestic source of mercury emissions, failure to regulate these emissions in a timely manner poses serious hazards to public health and the environment.

(b) What are the immediate and long-range goals? (e.g. block exploration; overturn the 1872 Mining Act):

To achieve the District Court's declaration that the agency has failed to meet its mandatory duty to promulgate final Maximum Achievable Control Technology standards from hazardous air pollutant emissions from electric utility units, and that it failed to meet the mandatory deadline for such promulgation, which was December 20, 2002. The long range goal of the litigation is to establish a new enforceable deadline for the promulgation of final MACT standards for electric utility units.

(c) What is the history of the case? Be specific – (e.g. EIS public hearing – 6/1/73, followed by Federal District Court suit initiated 8/15/73…):

Please see attached "Notice of Citizen Suit" letter.

(d) Legal means to be employed to seek relief (e.g. preliminary injunction, temporary restraining order):

Declaratory judgment, court order setting new enforceable for final rules promulgation.

(c) Where will this action be brought?

United States District Court for the District of Columbia.

(f) Under what statues are you bringing the claim for relief?:

42 U.S.C. §7604(b)(2) and 40 C.F.R. Part 54.3

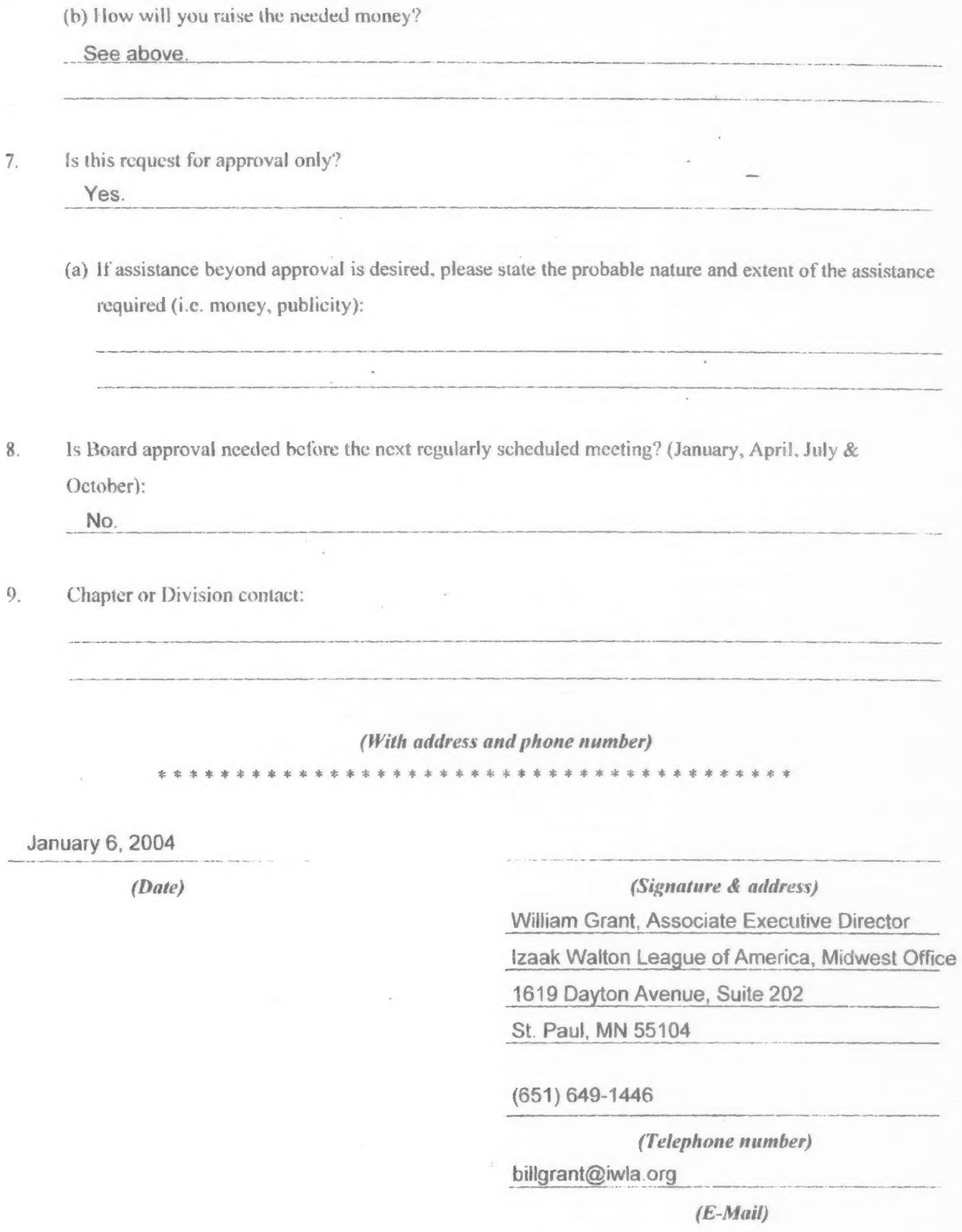
5. Please include copies of all complaints, pleadings, briefs, memos, and related materials such as news clippings, letters, etc. List materials below:

Enclosed, please find the December 23, 2003, "Notice of citizen suit…" letter from Clean Air Task Force to Administrator Leavitt.

(Please continue to keep National informed of all action taken. Provide the attorney with National's address and direct him to forward copies of all relevant documents filed on the League's behalf)

6. (a) Cost estimate. Include attorney's fees, filing fees, witness and investigation fees, court costs, if assessed, and incidentals. Consult your attorney on potential financial exposure and report his opinion:

CATF is funded to do this work but may seek supplemental funding if the case goes to trial. Supplemental funding will most likely be raised by CATF and come from their funder.



(b) How will you raise the needed money?

See above.

7. Is this request for approval only?

Yes.

(a) If assistance beyond approval is desired, please state the probable nature and extent of the assistance required (i.e. money, publicity):

8. Is Board approval needed before the next regularly scheduled meeting? (January, April, July & October):

No.

9. Chapter or Division contact:

(With address and phone number)

* *

January 6, 2004

(Date)

(Signature & address)

William Grant, Associate Executive Director
Izaak Walton League of America, Midwest Office
1619 Dayton Avenue, Suite 202
St. Paul, MN 55104

(651) 649-1446

(Telephone number)

billgrant@iwla.org

(E-Mail)

TESTIMONY: PROF. ELLEN K. SILBERGELD—EPA HEARINGS ON REGULATION OF UTILITY MERCURY EMISSIONS, PHILADELPHIA, FEBRUARY 25, 2004

I am Ellen K. Silbergeld, Professor of Environmental Health Sciences and Epidemiology at the Bloomberg School of Public Health, Johns Hopkins University, in Baltimore, Maryland. I am appearing without compensation as a private citizen, at the invitation of the Sierra Club, and my testimony is based upon my research experience on the toxicology and epidemiology of mercury compounds, as well as my experience in regulatory risk assessment and risk management, including the application of "cap and trade" mechanisms to achieve goals in reducing air pollution. My background and training are outlined in the attached documentation; my PhD is in environmental engineering sciences from Johns Hopkins School of Engineering, and I have held research positions with NIH and the University of Maryland Medical School. I have served as a member of EPA's Science Advisory Board as well as an advisor to the Department of Energy, the CDC, the World Health Organization, the World Bank, the Pan American Health Organization, the National Toxicology Program, the National Academy of Sciences, and many other international, national, and state commissions and expert committees. I was a member of EPA and NIH committees evaluating the sources and risks of mercury exposures and I participated by invitation in the deliberations of the NRC Committee on the Toxicology of Methyl Mercury. I am currently directing funded research in my laboratory on mercury compounds, studying exposures and mechanisms of both organomercury compounds (including methylmercury and thimerosal) and inorganic mercury. Last year we published two major research papers: an epidemiological study reporting that adults may be as sensitive as young children to the neurotoxic effects of methylmercury exposure, via fish consumption; and one of the first studies to show that very low doses of mercury can accelerate autoimmune disease, in an animal model of lupus.

In this testimony I want to make three points, relevant to important aspects of your deliberations: (1) mercury compounds must be considered toxic air pollutants; (2) exposures to mercury compounds are a serious and significant health concern for millions of Americans; and (3) it is dangerously inappropriate to propose a "cap and trade" policy for controlling the major remaining anthropogenic sources of mercury in the US.

Mercury compounds are toxic air pollutants. Mercury compounds are widely recognized as one of the most serious public health risks world wide, particularly for children (see WHO 1990 report; NRC 2000 report). Mercury compounds can affect many organ systems, including the nervous system, kidney, heart, and immune systems. However, we have not fully appreciated the range and severity of mercury toxicity. Public health policy, including the risk assessments conducted by federal and state agencies, has appropriately focused on the developing nervous system as a very sensitive target for irreversible toxic damage. However, mercury has multiple effects of many organ systems in addition to the developing brain. We recently published an epidemiologic study indicating that adults exposed to methyl mercury via fish are also at risk for neurocognitive deficits, with a dose:response relationship very similar to that found for children exposed prenatally (Yokoo et al 2003):

TABLE 3.—REGRESSION COEFFICIENTS β OF ADULT'S HAIR MERCURY CONCENTRATION AS A PREDICTOR OF NEUROBEHAVIORAL TRUST RESULTS

Test	β*	95% CI	β**	95% CI
Fine Motor Speed	−3.40	−5.80;−1.00	−3.20	−5.40;−1.00
Digit Span	−0.14	−0.29;—0.001	−0.15	−0.29; 0.003
Digit Span backward	−0.09	−0.18;—0.001	−0.09	−0.19;−0.009
Digit Symbol	−1.21	−2.8;−0.33	−0.54	−1.2;0.16
Easy Learning	−0.37	−0.70;−0.04	−0.34	−0.64;−0.04
Difficult Learning	−0.21	−0.42;−0.001	−0.15	−0.34;−0.03
Logical Memory first story	−0.29	−0.51;−0.09	−0.27	−0.49;−0.06
Errors of commission	−1.39	−0.26;−2.5	−1.45	−0.28;−2.6

*—bit adjusted; **—adjustsed by age, gender, and education level.

In addition, recent research in our group and elsewhere has identified the cardiovascular system and the immune system as important targets for mercury toxicity across the lifespan. Because these studies have been published since the 2000 NRC report and risk assessments by FDA and EPA, I will review these data here. In follow up studies in Minimata and in the Faeroes study of children exposed perinatally to methyl mercury via fish consumption, alterations in cardiovascular function have been reported (Oka et al 2002; Sorensen et al 1999). In 2003, my colleague Dr Eliseo Guallar reported that mercury exposures were associated with cardiovascular disease in adults. In this elegant analysis, Guallar et al (2002) demonstrated that consumption of fish containing mercury resulted in loss of the beneficial effects of fish consumption for cardiovascular function, that is, the methyl mercury ingested by fish consumers abrogated the recognized benefits of consuming omega-3 fatty acids of which fish are an excellent source.

The immunotoxic effects of mercury have long been reported in experimental studies, many conducted by researchers here in Philadelphia (Prof. Shenker, Monestier, and Kono). These researchers and others have shown that administration of mercury compounds to rats and mice can induce autoimmune dysfunction similar to that observed in such autoimmune diseases as lupus and scleroderma. However, there has been little data to suggest that mercury could cause autoimmune disease in humans. We have examined these potential risks of mercury in a different way, to test whether mercury can accelerate autoimmune disease in the context of triggers of these diseases, such as genetic susceptibility, infection, or exposure to antigens. We reported last year that pretreatment of mice with very low doses of mercury can accelerate and exacerbate lupus in an animal model of disease, resulting in premature mortality, more extensive kidney damage, and more rapid dysregulation of the immune system (Via et al 2003).

To put our experiments in perspective, we are exposing our mice to doses equivalent to consuming one can of tuna fish per day with a concentration of 5–10 ppm methyl mercury. In our current research we are examining interactions of low dose mercury with infections, such as Coxsackie B virus, which are major causes of autoimmune cardiomyopathy in humans. Again, we found that mercury accelerates and worsens heart disease in the context of viral "priming" (Nyland et al 2004). Autoimmune myocarditis is a leading cause of sudden heart failure in young persons; the possibility that mercury exposures could uncover latent disease, or worsen disease, is very serious.

Based on these studies, and the continued research on mercury worldwide, it is fair to say that we have not yet fully comprehended the range of mercury toxicity and its risks for human health. In many ways, we are still at the point in evaluating mercury as a toxic air pollutant as we were in thinking about lead some 25 years ago. We know that mercury is dangerous, and we know some people may be excessively exposed. However, we do not fully appreciate its toxicity and hence we cannot disregard the range of exposures current in the U.S. population.

Exposures to mercury compounds are a significant threat to millions of Americans. One yardstick by which to judge the need for urgent interventions in a public health problem is to evaluate current levels of exposure to a toxic agent like mercury. Several recent analyses have been undertaken on exposures of the U.S. population to mercury compounds, most recently by Dr. Kathryn Mahaffey and her colleagues at EPA. (Their report is available on line from Environmental Health Perspectives, the scientific journal published by NIEHS). Mercury exposures can be evaluated either by population studies of mercury concentrations in blood or hair, which was done by the CDC in 2003 (Schober et al 2003). Exposures can also be determined by analyzing mercury concentrations in food, which is the major source of exposure for the U.S. population. Mahaffey and colleagues have updated the earlier assessment of U.S. exposures, using information on blood mercury levels and on diet. Their analyses support the urgency of taking comprehensive and effective actions to reduce ongoing inputs of mercury into the environment. For all U.S. women of childbearing age, half have blood mercury levels in excess of 0.94 micrograms/L. Nearly 10% have blood mercury levels greater than 5 micrograms/L, with a range of 2.7 to 25% depending upon ethnicity. The NRC recommendations in 2000 supported a reference dose for mercury in cord blood of 5.8 micrograms/L. Mahaffey et al estimate that more than 300,000 infants may be born each year to women whose blood mercury levels are in excess of this health based guidance. Clearly, this is an environmental health issue demanding rapid intervention.

Mercury comes from many sources, natural and anthropogenic, and each individual is exposed to the sum of all these sources. For most Americans, the proximate source of mercury exposure is through the food supply, primarily through seafood. Finally, the FDA seems ready to adopt the current risk assessment, developed by the National Research Council and adopted by EPA. However, this is the proximate source of mercury, and attempting to reduce exposure by controlling the foods we eat is an inefficient and ultimately uncertain public health policy. Moreover, without controlling the ultimate sources of mercury, we are essentially writing off seafood as a food source.

The ultimate source of mercury is overwhelmingly from energy production using fossil fuels. Prudent and effective public health policy requires that we examine options for controlling this source, rather than eliminating seafood and some freshwater fish from our diets for now and forever.

"Cap and trade" policies are not appropriate for mercury. I am proud that I worked for the environmental organization Environmental Defense that has developed innovative strategies for protecting our environment and human health. One of these strategies has been the careful selection and implementation of so-called "cap and trade" policies for certain pollutants, notably sulfur oxides. From this experience, there are criteria we can apply in determining what policies are appropriate for controlling specific pollutants. First, trading only works to prevent environmental impacts and harness efficient private sector mechanisms under the following conditions: (1) it doesn't matter where the pollutant is released, so that if one source accumulated "trading rights" and emits more pollution than a source that sells these rights, there will be no local impacts around the buyer source. (2) the pollutant should not accumulate in the environment, such that continuing emissions do not build up in ecosystems or food pathways. (3) the current levels of exposure should be acceptable such that it is not necessary to implement a rapid overall reduction in exposures at the local or national level.

None of these conditions are met in the case of mercury. It does matter where mercury is emitted. In an analysis of EPA data conducted by Environmental Defense, it was shown that in many states with mercury problems (evidenced by fish advisories) local sources are the cause of environmental "hot spots". If these sources utilize trading rights, then the problem of local "hot spots" will continue. This is likely, since the reason for these hot spots is current levels of release, reflecting the fact that it is more convenient, economically and technologically, for these sources to emit mercury rather than control their facilities. Mercury accumulates in the environment and in food pathways affecting wildlife and humans. Mercury is an element and thus never disappears. In addition, in the aquatic environment, inorganic mercury emissions are transformed by bacteria into methyl mercury, which is bioaccumulated by organisms through complex food webs resulting in concentrations of methylmercury in large fish that eat other fish tens of thousands of times higher than the concentrations in water or sediments. Current levels of exposure are unacceptable. For that reason, it is imperative for us to take action to reduce mercury exposures from all sources, but most expeditiously to reduce the largest and least controlled sources. We have the technology to control utility emissions, as has been demonstrated in this country for other combustion sources and in Europe for utility plants. Data below show the dramatic reductions achieved by waste incinerators.

We do not have room for trading, when hundreds of thousands of adults and babies are at risk because of current levels of exposure. We do not have time for trading, when consumers must choose between a healthy diet, incorporating seafood, and avoiding the hazards of mercury for themselves and their children.

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MAINE COUNCIL OF CHURCHES,
ENVIRONMENTAL JUSTICE PROGRAM,
Portland, ME, March 1, 2004.

Re public hearing on mercury emissions ruling.

Congressman TOM ALLEN,
House of Representatives,
Augusta, ME.

DEAR CONGRESSMAN ALLEN: The Maine Council of Churches' Environmental Justice Program asks you, as our representative to the U.S. Congress, to carry a message to the Environmental Protection Agency and the Secretary of Energy. With deep concern for the sustainability of the living web of creation we oppose the proposed rule change on mercury pollution as well as the recently announced plan to build 94 new coal-burning power plants across the nation. Both proposals are appalling in light of our growing scientific knowledge that human activity—primarily burning fossil fuels in power plants and vehicles—is seriously compromising the health of our environment and all of the earth's inhabitants for generations to come. We have the technology available today to reduce mercury pollution by 90%; yet our federal government proposes to introduce a "cap-and-trade" program for this toxic pollutant and to build more power plants that will generate mercury emissions.

Living close to the land, most Mainers have experienced firsthand the effects of mercury and air pollution emitted by coal-burning power plants to our south and west. At our rivers and lakes we read the posted fish advisories. We see inhalers in backpacks reminding us that our children suffer from the highest asthma rate in the region. We've learned on hot summer days that the heavy haze that hugs our coastline is ground ozone and is dangerous for our friends and neighbors who have respiratory problems. Stay inside and reduce your level of activity, we are warned.

Concerned about these growing problems in our environment, congregations and their members across Maine have been working together to do something. Together we are conserving energy as we obey the first Commandment and put into practice our covenant with the Creator "to care for the garden." With support from the state Public Utilities Commission's Efficiency Maine, congregations are participating in free energy audits and rebates to install energy-efficient appliances; individuals are replacing incandescent light bulbs with compact fluorescent light bulbs at rebated prices and implementing other technologies that conserve energy in their homes.

We want to learn and participate in state programs that collect items containing hazardous wastes like mercury.

And it is not only the faith community. Businesses and the state have also made commitments, purchasing Maine-produced "green" electricity and supporting wind and solar power development through green tag purchases—all as a result of Maine Interfaith Power & Light's successful campaign to bring renewable electricity options to Maine residents.

One by one, community by community, Mainers are making a difference in the amount and kind of energy consumed in the state and cleaning up our own contributions to air and water degradation. But we can't do it alone. We need those who create policy and oversee the protection of our environment and its resources—the EPA, especially—to stand with us and enforce the Clean Air Act and the Clean Water Act, which are vital to the future of all of our neighbors on the earth. These leaders must indeed work with us, not against us, and champion life-sustaining energy and toxic pollution-reduction policies.

Thank you for your continued efforts on behalf of the earth and its living inhabitants.

Respectfully submitted,
ANNE D. (ANDY) BURT,
Director, Environmental Justice Program.

MERCURY RULE HEARING SPONSORED BY TOM ALLEN, MONDAY, MARCH 1, LEGISLATIVE COUNCIL CHAMBER, ROOM 334, MAINE STATE HOUSE, AUGUSTA

Thank you Rep. Tom Allen for holding this shadow hearing to the Environmental Protection Agency's field hearing in Philadelphia. We deserve the right to discuss their proposal to weaken the Clean Air Act's protections against mercury pollution from power plants, as it is Maine that will continue to see the high rates of mercury deposition.

My name is Patricia Philbrook. I am here today as a board member of the Maine People's Alliance (MPA), a statewide citizen action organization with 22,000 members.

Power plants are the largest industrial source of mercury in our environment. Mercury emitted from power plant stacks falls as rain, snow, and even dry deposition here in Maine. Three and one half years ago MPA co-released a report at the HoltraChem site in Orrington indicating our rain and other forms of precipitation, commonly thought to be pure, is tainted with varying levels of mercury, in some instances enough to be a threat to aquatic organisms. Remarkably, power plants are the only major mercury polluters yet to be regulated under federal clean air standards. Thus, in large part, our nation's mercury problem is due to the fact that while other sources must meet strict emission limits, power plants continue to spew unlimited quantities of mercury into our air, where the rain and snow wash it into our rivers, lakes and oceans, and, ultimately, into our food chain. Public health demands that we act on mercury to reduce children's exposure, who are especially vulnerable to this potent toxin, and to protect all members of our population.

Maine also has local mercury problems, which we have been addressing. Currently, the Maine People's Alliance and many others have serious concerns about the proposed cleanup plan at HoltraChem, one of the worst mercury pollution sites in the country. Basically, Mallinckrodt plans to "cover and run," leaving many tons of toxic mercury in close proximity to the Penobscot River. Mallinckrodt chose the best opportunities for cost cutting rather than the right options for eliminating toxic threats. This cheap solution is neither acceptable to the residents of Orrington, nor to the people living in the Penobscot Valley. Clearly, Mallinckrodt is solely responsible for this mess. It built the plant, and for years it profited while polluting one of Maine's great natural treasures.

As the sole responsible party left among the many that operated the plant at one time, Mallinckrodt should be legally bound to remove all toxic threats to human health and the environment. To date, it has been operating on a voluntary basis with the EPA to implement corrective actions at the site. The government should require Mallinckrodt to sign a consent agreement, legally binding it to follow through with a thorough cleanup. The consent agreement should also obligate Mallinckrodt to address any future problems at the site that may not be apparent today. While the Maine People's Alliance has worked tirelessly over three decades to clean up HoltraChem and has supported the Maine Legislature in efforts to reduce mercury contained in products sold in Maine, we will continue to have some of the highest mercury levels unless power plants are forced to observe strict standards at the federal level.

Unfortunately, the Bush administration has taken several steps in the wrong direction. Instead of protecting mothers and children from exposure to mercury, EPA's proposals would protect electric utilities by setting targets so weak that the industry will be allowed to continue polluting. What the mercury standard should be and what the EPA should be implementing is current law (Section 112 of the Clean Air Act), which requires that industries install maximum achievable control technologies to reduce air toxics such as mercury.

Two years ago, EPA's own scientists said the existing power plants could achieve a 90 percent reduction in mercury emissions using existing control technologies. This means we can reduce mercury emissions from power plants from 48 tons annually to roughly 5 tons per year by 2008. We should accept no less.

Mercury Rule Hearing: Teaching the Unthinkable

Hello, my name is Chris Coleman and I am here as a representative of the Chewonki Foundation. We are a non-profit center for environmental education located in Wiscasset, ME. Personally, I am the Assistant Director of our Travelling Natural History Programs. To put it simply: I am a teacher. In the course of a year I teach thousands of elementary school children throughout the state of Maine about Owls, Hawks, reptiles, amphibians, waste management, global warming, predators, prey, food chains, mammals, trees, etc. If it's going on outside we have a lesson that will teach you about it. In just about every lesson I teach, there is a time when I explain the problems that the particular subject of that lesson faces, whether it be plant or animal. I teach with the understanding that awareness leads to action. To each problem I offer a solution. Since the majority of these problems are related to humans, the solutions deal with things students can do to fix them, i.e., picking up trash on the beach, not throwing apple cores out car windows, buying things in the grocery store that produce less waste, etc. I feel that it is important that children understand they are not helpless in the grand scheme of things just because they are kids.

I pride myself in my ability as an educator to present issues to students in a nonbias, "middle of the road" sort of way. They deserve to hear both sides of the issue. I think it is unfair to take advantage of such a malleable mind. Children need to be given the facts, and then, from there it is truly an amazing thing to watch as they go through a very intense deductive process which almost always culminates in the simple but entirely justified question, "Why?" Gone are the days when as adults we can get away with the answer, "Because that's just the way it is." They have matured far too much to accept such a thoughtless answer. Even at ten years of age they need some "hard science" to reinforce every concept within their own environment.

Now I have a new problem to teach: mercury contamination. I know the problem is not new to most of us here, but upon researching the topic I have decided that the issue now warrants a great deal of awareness among children in order to create the action I spoke of earlier. Afterall, they are the ones that will be forced to deal with this issue as it becomes more and more of a problem. First I give them the "hard science":

Mercury is a highly toxic chemical with effects on the central nervous system comparable to those of lead, especially for unborn fetuses, very young children whose brains are still developing, and piscivorous animal.

Forty-five states have issued freshwater fish consumption advisories.

Loons of Maine in high-risk mercury situations have been observed spending far less time sitting on their eggs in the nest, foraging for food, and increased time brooding and resting.

High mercury levels are being passed on to loon chicks.

4.9 million women of childbearing age in the U.S.—that's 8 percent—have mercury levels in their blood that are unsafe. (Center for Disease Control).

Two years ago, EPA scientists concluded that 90 percent reduction in mercury output from coal fired power plants is possible using existing technologies.

The list goes on, and on, and on.

Here is my dilemma though. What do I offer as a solution to kids? What can they do? Maybe it's a problem better left for adults to handle. And then they'll ask, "What are the adults doing about all of the mercury that goes into our water?" Now, thankfully I have an answer. Based on recent decisions made by our government, I can honestly say to them, "Absolutely nothing."

What I fear the most though are the questions students ask that they have no idea are even related to mercury, like, " Where are all the loons that used to live on my lake? How come that bald eagle doesn't come back to its nest anymore? I used to hear the shrill cries of an osprey every time my family visited that island. Now everything is so quiet. Where did the osprey go?" Do I then explain to them that a deadly neurotoxin called methylmercury is slowly killing off these birds and it will only get worse as they grow older.

Don't make me answer those questions. I shouldn't have to answer them. Those answers should come from the people who have created and perpetuate the ill effects of mercury contamination. I always have such high hopes for children, for the things they are capable of now and in the future, but why do we constantly stack the deck against them. It is time to right the wrongs of my generation, your generation, and generations before us so that the children of today will be able to swim in their lakes, eat their fish, and enjoy the wildlife within their forests. I fear we as adults have created so many problems for them to deal with, so why not remedy this situation before it becomes catastrophic. My name is Chris Coleman. I am a teacher. I came here today to speak for the children of Maine.

Testimony by Philippe Grandjean, MD, PhD, at the Mercury MACT Rule Hearing Sponsored by Rep. Tom Allen

My name is Philippe Grandjean. I am an MD, PhD, and I work as an Adjunct Professor of Environmental Health at Harvard School of Public Health in Boston. I am also a Professor and Chair of Environmental Medicine at the University of Southern Denmark. I apologize for not being able to be present today due to commitments in Europe and my field studies in the Faroe Islands. I am grateful to you for allowing me to present a short summary of the current status of our studies of adverse effects of methylmercury in regard to human health.

I started studying the effects of mercury on human health almost 20 years ago. Together with Dr. Pal Weihe, I collected information on births in the Faroe Islands, a fishing community located in the North Atlantic between Norway and Iceland. In over 1,000 children, we determined the prenatal exposure to methylmercury by analyzing the cord blood for mercury. The mercury originated from the traditional Faroese diet, which includes pilot whale meat in addition to frequent meals of fish and shellfish. The pilot whale is a toothed whale that eats fish and squid, and the mercury concentration in the meat corresponds to the levels in swordfish and shark, or higher.

When we examined the children at age 7 years with sophisticated neurobehavioral methods, we found that increased prenatal mercury exposure was associated with deficits in several brain functions, including attention, language, verbal memory, spatial function and motor speed. These associations could not be explained away by a multitude of other factors that we also recorded. In fact, the Faroese population is relatively uniform, and whale meat is freely shared when available, so that one would not expect that socioeconomic or other factors would play any great role.

In 2000, the National Research Council released its report on the Toxicology of Methylmercury. This report identified our work as critical evidence in regard to identifying an exposure limit for methylmercury. The NRC committee used the so-called benchmark dose for these calculations and agreed with the U.S. EPA that an exposure limit of 0.1 micrograms per kilogram of body weight per day was justified.

Since then, our research has made substantial progress, and I would like to share some of these achievements with you.

One insight comes from efforts in statistical theory by my colleague, Dr. Esben Budtz-Jorgensen, a Danish statistician who now works as a postdoc at Harvard. Esben first calculated the degree of imprecision of the exposure assessments—that is, in this case, how well the cord-blood mercury concentrations reflected the "true" exposure. Imprecise exposure assessments result in an underestimation of the true effect of an exposure, in this case methylmercury. We had anticipated that our mercury measurements would not be a precise measure of the dose that the fetus (especially the fetal brain) had received. But Esben documented that the measurement error was much greater than we had thought. In addition, the mercury concentration in the mother's hair was a poor measure of the "true" exposure to the fetus.

Such imprecision of course also affects the calculations of benchmark doses. Esben has now calculated the influence on the results that the NRC used in their report. In short, the benchmark dose has been overestimated by a factor of 2. Accordingly, if we were to calculate an exposure limit today by the same procedure as the one used by the NRC, now using the adjusted benchmark dose, then the exposure limit would be only one-half of the limit used by the U.S.EPA.

Another issue of importance is how you convert mercury concentrations in hair to concentrations in blood and vice versa. The calculation originally presented by the NRC was based on cord blood and needs to be adjusted to the concentration in adult whole blood. The EPA now estimates the annual number of births in the US that exceed the EPA exposure limit to be 630,000. However, the number would have been even larger, had the EPA used the adjusted exposure limit.

Current risk assessments have been based on the assumption that the fetal brain is the most sensitive organ. Brain development also continues after birth, but we have been uncertain how long an increased susceptibility to mercury might last. Accordingly, some states have chosen to warn against mercury exposure from fish only with regard to pregnant women, while others have included children up to various age levels. Our new results, just published in The Journal of Pediatrics in the February issue shed new light on the vulnerability of the brain.

We had recently examined the Faroese children again at age 14 years, and the tests carried out included brainstem auditory evoked potentials. In this test, the child was hearing a sound from a headset, and we then recorded the resulting electrical activity in the brain using surface electrodes placed on the skull. Using standard clinical procedures, we measured the transmission of the electrical signal from the acoustic nerve through a series of "relay" stations in the brain. We found that the latency, or transmission time, of the signal from the acoustic nerve to the brainstem was significantly increased at higher prenatal exposure to mercury. This was true both at 7 years and at 14 years, suggesting that this effect of mercury on the developing brain is irreversible.

This mercury-associated delay in transmission appeared to be parallel to the effects on the child's cognitive functions that I mentioned before. The measurement of electrical signals is regarded an objective assessment that is independent of factors, such as age and socioeconomics. It therefore represents an important, independent confirmation of the neurotoxicity of methylmercury from seafood. We are currently working on the neuropsychological test results at age 14 years to see whether they too, as we anticipate, reflect lasting mercury toxicity. So I can't report on these results yet.

An additional finding at age 14 years was that a subsequent component of the signal transmission to the midbrain was delayed at higher current mercury exposures, but in this case it was not affected by prenatal exposure. Postnatal mercury exposure up to adolescence therefore also seems capable of damaging brain functions, although they may not be the same as those that are sensitive to mercury during fetal development. This conclusion is entirely plausible and agrees with experimental animal studies.

It is noteworthy that these children at age 14 had an average exposure that was similar to the exposure limit used by the U.S.EPA, and that 95% of them had exposures below the level which has previously been considered safe by the FDA. Yet, at these exposure levels, we saw a steady slope of increasing delays of the electrical signals, the higher the mercury exposure: The delay in the signals appeared already at mercury doses below the EPA limit.

All of these results regard cognitive effects and other changes of brain functions. The autonomic nervous system performs important, but unconscious functions, such as regulating the heart beat, the blood pressure, etc. We have now found that the mercury associated neurological changes are also linked to decreased nervous system control of the heart function. At higher mercury exposures, the children were less capable of maintaining the normal variability of the heart rate necessary to secure proper oxygen supply to the body and to maintain an appropriate blood pressure.

This finding has wider potential relevance, because other research has suggested that mercury from fish may increase the risk of heart disease and of dying from heart disease. The most recent reports were published in The New England Journal of Medicine in November, 2002. We suspect that part of the reason for these findings is that the mercury affects the autonomic nervous system and its control of the heart function. Such effects are of course highly relevant to Americans in general. These new results therefore suggest that we should not only be concerned about mercury exposures of pregnant women and small children. The EPA report that over 10% of all births every year exceed the exposure limit should therefore also be considered in regard to the population at large.

The importance of brain functions means even a small deficit, whether measured as a decrease in IQ points or otherwise, is likely to impact on an individual's quality-of-life, academic success and economic prospects in life. Even though the children that we examined were all basically normal, we have documented detectable deficits that appear to be permanent. I would consider such changes as adverse health effects that should be prevented. Further, even a small increase in the incidence of heart disease is important, because cardiovascular disease is the major cause of death in this country.

Freshwater fish and seafood are excellent supplies of energy and essential nutrients. If fish is not contaminated with mercury, it will help prevent heart disease. I believe that it is an important effort to support public health to prevent mercury contamination of the environment.

Thank you.

STATEMENT OF REBECCA WEINSTEIN, JD, MSW, EXECUTIVE DIRECTOR, MAINE DEVELOPMENTAL DISABILITIES COUNCIL

(On the U.S. Environmental Protection Agency's Proposed Rulemaking On Standards for Reduction of Mercury Emissions from Coal and Oil-Fired Electric Utility Power Plants and the Use of Maximum Achievable Control Technology (MACT) Published in the Federal Register on January 30, 2004 (69 FR 4692) EPA Docket ID Nos. OAR-2002-0056 & A-92-55.)

Good afternoon, my name is Rebecca Weinstein and I am the Executive Director of the Maine Developmental Disabilities Council. The Council is an independent advocacy organization working toward systems change to assure that individuals with developmental disabilities are fully included, integrated and involved in their communities and the decisions impacting them.

It is not often the case that I have the opportunity to testify on environmental issues; until fairly recently, discussion of disability meant discussion of health and other human services. However, increasing knowledge of the potential role of environmental toxins and other factors in causing developmental disabilities means that a much broader spectrum of issues now must be considered as disability issues.

According to the federal definition, a developmental disability is a condition which occurs before the age of 22, has severe impact in three major life areas and is likely to continue indefinitely. In most cases it is impossible to identify a direct cause of a developmental disability. The most current scientific research indicates that complex interactions between social environment, genetics, and environmental toxins such as lead, PCBs, and mercury play a profound role in the causation of developmental disabilities. While it is extremely difficult to have a measurable impact on social environments and genetic factors legislatively, emissions of these kinds of potent neurotoxins can be substantially reduced and even eliminated through stringent regulation.

Mercury can have a devastating impact on fetal brain development. Large exposures can cause mental retardation, gait and visual disturbances, and even small exposures can cause impairment in language, memory and attention. When fish contaminated with mercury are consumed, women of childbearing age can put their future children at risk for a range of developmental disabilities. Warnings are regularly issued to attempt to protect fetuses and young children from these effects, but even with this warning system in place, the Centers for Disease Control estimate that 1 in 12 women of childbearing age in the U.S. has unsafe levels of mercury in her blood. Women who have become contaminated with enough mercury to cause substantial harm to a developing fetus may not themselves have, or show signs of, mercury poisoning. This is because the developing brain is especially sensitive to the effects of mercury, where its presence can cause significant disruption to a variety of processes including cellular function, protein synthesis, cell division, and cellular migration.

As an additional cause for concern, recent studies have shown that methylmercury in combination with polychlorinated biphenyls (PCBs) act synergistically, raising questions about the impact of mercury in combination with other neurotoxins at very low levels. Many water systems in the US are contaminated with a variety of toxins including PCBs and other neurotoxicants, raising questions about analyses and alerts based solely on a single toxin.

The potential damage that mercury emissions pose to America's children make it imperative that mercury emissions be limited to the greatest extent possible. The more mercury that is prevented from entering the environment, the greater the chances that children will avoid its toxic impacts. Power plants have been allowed to emit these toxic chemicals for years, negatively impacting the health of our environment and the nation's children. It is simply unacceptable not to demand that these polluters meet anything but the most stringent emissions standards, especially when technologies already exist that can remove a large majority of these emissions.

I urge you to push for the most stringent standards possible to help protect America's children.

Thank you for your consideration.

MAINE COUNCIL
OF TROUT UNLIMITED,
March 1, 2004.

Re Proposed National Emission Standards for Hazardous Pollutants; and, in the Alternative, Proposed Standards of Performance for New and Existing Stationary Sources: Electric Utility Steam Generating Units; Docket ID No. OAR–2002–0056, 69 Fed. Reg. 4652 (January 30, 2004).

Administrator MIKE LEAVITT,
U.S. Environmental Protection Agency, EPA Docket Center (Air Docket), U.S. EPA West, Pennsylvania Avenue, NW, Washington, DC.

DEAR ADMINISTRATOR LEAVITT: EPA's current proposal to regulate hazardous air pollutants emitted by the electric utility industry does not adequately protect public health or our fisheries. It is important to Maine Trout Unlimited members that the electric utility industry takes responsibility for its harmful emissions.

Congress specifically lists mercury as a hazardous air pollutant in section 112 (b) of the Clean Air Act because of its toxic nature and its health effects. Toxic air pollutants must be regulated so as to require the maximum achievable control technology (MACT) at every source. The Maine Council of Trout Unlimited is concerned about EPA's proposal to allow trading of this toxic material.

All of the New England states have Statewide Mercury Advisories and within the State of Maine's Open Water and Ice Fishing Regulations book is a warning about eating freshwater fish: Warning: Mercury in Maine freshwater fish may harm the babies of pregnant and nursing mothers, and young children.

The proposed mercury MACT rule should require emissions reductions from all coal-fired power plants by 2008 that are equivalent to the level that can be achieved by the most up to date pollution controls. We strongly urge the EPA to adopt a rule that will protect human health and our fisheries.

Sincerely,

GREG PONTE,
Council Chair.

My name is Marjorie Monteleon. I live on Mt Desert Island where Acadia National Park is located. I chose to drive between 5-6 hours round trip to protest the EPA's proposed relaxing of the regulatory approach to mercury in air pollution.

Why?

Because: Some tree swallows in Acadia National Park are more mercury-contaminated than birds at a Superfund site in Massachusetts, according to Jerry Longcore, of the U.S. Geological Survey.

Because: "The mercury in rain falling on Acadia National Park peaked at . . . close to four times the current EPA standard and over 23 times higher than the Great Lakes human-health standard." On average, the rain in Maine carries mercury levels more than three times greater than the EPA's updated human-health standard for the Great Lakes.

Because: Seal Cove, Hodgdon Pond, and Aunt Betty Pond, in Acadia National Park are highly contaminated. It may be unsafe for anyone to eat any fish from these ponds.

Because: 20 to 25 percent of "loons" in Maine have high mercury levels, high enough, in fact, that they are at risk of neurological and behavioral problems; those loons fledge 40 percent fewer young and we know that mercury levels in loons are a measuring stick for mercury levels in our environment. And we know that mercury in our environment eventually winds up in our bodies.

Because: 3–4 million people come to Acadia each summer. We year-rounders depend on them for our living. They eat tons of our seafood, ride in our boats, buy our boats, rent lodging and campsites, buy souvenirs, gasoline, etc. What happens when our fish is completely inedible? What about the fishermen, my son included? What about the boat builders?

Because: Not just Acadia.

The rain in Bridgeton is contaminated with "more than twice the generic EPA aquatic life and wildlife standard and over 14 times the new more protective human-health standard developed for the Great Lakes," according to studies by the Mercury Deposition Network.

The EPA's motto is Protecting "Human Health, Safeguarding the Natural Environment. Pray tell what do they propose to tell the populace as it slowly dies from mercuy contamination? What does it take to get them to abide by their motto?

Apparently it takes many lawsuits to require the EPA to do it's job.

1. The goal of one case, by Earthjustice is to force the EPA to require Ohio to tighten the controls on some of the worst air pollution in the country. Oct. 02

2. Another case: The court settlement requires EPA to formally determine, by April 2004, which areas have smog that violates the 1997 national air quality standards for ozone. Once EPA makes those determinations, state and local governments will be called on to prepare smog cleanup plans adequate to meet the standards.

3. Another case: Challenged EPA's authorization of the use of vinclozolin; a dangerous fungicide linked with serious birth defects and other health maladies.

Mercury is one of the most toxic substances in the world, more toxic than lead or arsenic.

So how do we get the EPA to do it's job? Another lawsuit? We demand an end to airborne mercury pollution. We demand that the EPA protect over 630,000 infants born every year with levels of mercury in their blood so high that it can cause brain damage.

Good afternoon. My name is Jon Devine, and I am representing the Natural Resources Defense Council. I am an attorney in NRDC's Health and Environment program. Before coming to NRDC, I defended and implemented the Clean Air Act in a number of policy and legal positions for both state and federal agencies. I am also a parent of two young sons. I am troubled that the agency is shirking its public health mission and its duties under the Clean Air Act while consigning states to a future of contaminated waterways and fish. Beyond that, EPA's mercury proposal offends me as a parent, because the agency is telling my kids to wait until adulthood to see fewer mercury reductions than the law requires to be accomplished before my youngest is in grade school.

EPA has proposed a program that demands no mercury reductions in the near term except those that would otherwise occur, asks power plants to make only modest improvements by 2018, and sets up a trading mechanism that will actually delay pollution controls far beyond 2018. The agency's approach stands in stark contrast to what the Clean Air Act requires—reducing mercury pollution by as much as 90 percent within three years. My testimony focuses first on EPA's grotesquely weak section 112 proposal, then its proposal to revise history and undo the agency's determination that regulating power plant mercury is necessary and appropriate, and finally its proposal to find the authority in section 111 of the Act to do exactly what the administration had failed to accomplish with the so-called "Clear Skies" Act. That bill would establish a cap-and-trade system for mercury in two phases, with the first phase cap set at the level expected to occur as a "co-benefit" of controlling other pollutants, and the second phase cap requiring a reduction of roughly 70 percent in the far distant future.

Starting with section 112, EPA's mercury emission standards violate the Clean Air Act in several ways. First, EPA used stack tests and coal data from the lowest-emitting facilities, and then, in the name of establishing an "achievable" standard, subjected these data to a series of statistical manipulations that resulted in an emission standard far higher than what the plants achieved as a regular matter. EPA took several short-term emission observations from each facility, ranked them from best to worst, and picked the emission level that was worse than 97.5 percent of the data set, resulting in a figure that represented virtually the worst performance the plant experienced. The agency then took this figure for each of its top-performing sources and applied a second 97.5 percent adjustment, thus resulting in a number that, as best we can tell, is meant to represent a prediction of the worst performance any similar source might experience under the worst conditions. As a last step (or perhaps I should say straw), EPA then took this calculation of the worst-of-the-worst short-term emissions and used the result as the basis for an annual emission limit. This statistical manipulation is indefensible—it effectively assumes that the worst conditions that the worst facility in the group briefly experienced will exist throughout the year. EPA goes far beyond ensuring that regulated facilities will be able to meet the standard under "reasonably foreseeable circumstances," and instead makes sure that they will meet them under circumstances statistically certain never to occur. Even if one accepts some of EPA's assumptions, the consequences of the agency's most egregious numbers games are extreme; for example, by using the second 97.5 percent adjustment and by making the emission limit annual, EPA weakened the standard for bituminous coal burning units by more than a factor of four. Had EPA not used these two devices, we calculate that the agency would have to reduce emissions from bituminous, subbituminous, and lignite units to approximately 10.5 tons per year. By contrast, EPA uses these gimmicks to justify allowing power plants to emit approximately 34 tons per year, which is precisely the same level of mercury control that EPA predicts will occur as a cobenefit of controlling other pollutants. What a remarkable coincidence that EPA's technical staff performed these calculations and just happened to find that they required the exact same level of reductions EPA had sought to achieve legislatively and that it now proposes to accomplish with its alternative section 111 proposal.

The second major flaw with EPA's section 112 proposal is its failure to examine basic emission reduction techniques as MACT. EPA discards precombustion controls by suggesting that some sources in the industry might find them difficult to implement, but it does not undertake a MACT analysis to evaluate whether the superior performers in the industry engage in pollution prevention activities that minimize mercury emissions. Moreover, when one compares EPA's proposed 29 percent reduction to analyses by State regulators and others, the agency's characterization of its program as MACT appears laughable. For instance, the Northeast States for Coordinated Air Use Management recently concluded that "existing control devices designed to reduce other pollutants can deliver substantial mercury reductions," with some bituminous-fired units achieving 95 percent reductions and subbituminous units achieving over 70 percent reductions. NESCAUM also noted that mercury-specific controls, such as activated carbon injection, were successfully deployed in U.S. coal-fired plants and achieve over 90 percent control, and Iowa permitting authorities recently required a new subbituminous plant to achieve 83 percent control.

Third, EPA's proposal does not set emission limits for several hazardous air pollutants the agency admits are released from utility units. Doing so simply flies in the face of prior court decisions interpreting the MALT provisions of the Clean Air Act, and nothing in section 112(n)'s "necessary and appropriate" language allows the agency to issue rules only for those pollutants the agency feels are of concern.

Fourth, EPA proposes to allow sources to participate in a pollution trading scheme so that plants in the aggregate will emit 34 tons of mercury annually, but no individual plant would need to meet any particular emission limit. The agency suggests that either section 112(n)(1) or 112(d) of the Clean Air Act might provide it authority to create such a system, but neither section authorizes such a radical approach. Section 112(n)(1) does not provide authority to vary the characteristics of a MACT standard, and section 112(d) does not permit EPA to create a cap-and-trade program encompassing multiple sources. The agency itself acknowledged this several years ago, when it concluded that "no averaging can be permitted between sources that are not part of the same major source."

Fifth, EPA's proposal arbitrarily defines subcategories based on coal rank. This choice is flawed because EPA admits that nearly a quarter of the coal-fired units in the Nation currently fire different ranks of coal, and because many more may be capable of doing so. This fact suggests that the purported differences between units that burn different ranks of coal are of little real-world consequence.

Perhaps because of these obvious legal problems with the agency's attempt to shoehorn its desired result into section 112 of the Act, EPA has developed an alternative plan to avoid section 112—it proposes to undo the December 2000 regulatory determination that controlling mercury from power plants under section 112 is necessary and appropriate, and proposes to remove utility units from the list of source categories subject to MACT. EPA cannot lawfully rescind its determination because section 112(c)(9)(B) dictates the specific mechanism that EPA must follow in order to avoid setting emission standards for listed source categories. That provision only allows source categories to be removed from the regulatory list if no individual source is a danger to health or the environment, but EPA does not even attempt to make this showing in its proposal.

Finally, I want to turn to EPA's proposed section 111 two-phase, cap-and-trade, mercury program, which is the administrative twin of the Clear Skies proposal. This element of the agency's preferred approach is remarkable because it is simultaneously audacious and feeble. The proposal is audacious because EPA purports to find the authority in section 111 to do virtually anything it pleases in regulating stationary source emissions. The agency interprets the section's use of the terms "best," "system," and "standard of performance" to allow EPA to devise, so long as it considers certain factors in doing so, whatever emission control regime it thinks works best, and to permit the industry to comply at individual units, across whole plant sites, or even by averaging throughout whole industries. This strained interpretation fails because it threatens to swallow the rest of the Clean Air Act whole and because other parts of the Act—such as the MACT provisions—use the same or similar terms and would be rendered absurd if they were read the way EPA now reads section 111. The proposal's reach also exceeds its grasp by concluding that the Clean Air Act can be read to allow EPA to regulate HAPs under section 111, when the law was clearly intended to achieve HAP control under section 112.

Most of all, however, the section 111 proposal is feeble. It concludes that a 29 percent mercury cut by 2010 and a 69 percent reduction by 2018 represents what companies can achieve, even though greater reductions are possible much earlier with existing technology. Moreover, EPA intends to implement this reduction program using a cap-and-trade scheme that would allow polluters to bank emission credits and therefore would permit emissions to remain significantly elevated far into the future. Last summer, EPA performed modeling analyses of the Clear Skies Act and predicted that power plant mercury emissions would be cut by only 43 percent, to approximately 27.8 tons, by 2026, despite the law's 15-ton cap established for 2018. The trading scheme also raises the specter of toxic hotspots around companies that buy credits rather than clean up.

This brings me back to where I began. EPA's proposals deny our children's generation what the Clean Air Act promises. Rather than deliver dramatic mercury reductions by the time my sons are 7 and 3 years old, EPA has proposed a program that will allow emissions to remain at excessive levels at least until they are well into their twenties. To do so, EPA will have to violate numerous provisions of the Act, and will likely provoke litigation that causes additional delay. Rather than choose this ill-conceived course, the agency can and must implement the law and require companies to implement demonstrated technology to reduce toxic mercury pollution immediately. Thank you.

To the Environmental Protection Agency from a Maine physician:

The EPA must be true to it's mission and fight to the bitter end against the "cash and carry" proposals the Bush administration has adopted from secret industry memos. We in Northern New England have a huge stake in this since much of the toxic mercury that rains down on us originates in Pennsylvania and a few other big coal States upwind. The Bush administration will enshrine "Clear Skies" into law unless government agencies sworn to protect public health dig in to protect the people from these assaults as they did against arsenic in our drinking water!

Mercury is a persistent poison which is concentrated many thousand times as it moves up the food chain into the bodies of "top predators"—loons, eagles, Florida panthers—and mothers and babies. Your new EPA guidelines, based on the latest research, indicate 600,000 babies yearly are at risk of a wide range of developmental and learning disorders from mercury. The risks continue into early childhood.

Mercury poisons our bodies by interfering with proteins, which are the machinery of all cells. They orchestrate every move of the dance of life. Proteins are long strings of smaller molecules known as amino acids that must fold up like origami after creation, then bind to other proteins or chemicals in our cells. They must maintain their shape perfectly to do their jobs. Mercury deforms the shapes of proteins.

Proteins do an amazing number of different jobs. They transport materials into and throughout our bodies, and convert food into energy. They enfold and protect the DNA double spiral staircase. They form the delicate spindles that pull the chromosomes into the two daughter cells after division. On immune system cell surfaces, they recognize and help engulf invading microbes. They help us perceive our environment and survive through our five special senses.

One of the most amazing things proteins do is control brain development. The brain does not just start out as a single cell and grow ever larger. Brain cells actually move around in the embryonic brain. Some cells are killed off by others. Brain cells send out axons and dendrites that hook up with other very specific neurons which are often many inches away. All these actions must happen at very precise times, measured in single days or even hours. At every step proteins on the surface of cells and their outgrowing axons and dendrites must sense their environment. They react to minute traces of messenger chemicals released by other brain cells that tell them where they are and where to go. Thousands of such events happen during thousands of moments that are "windows of vulnerability", during which bad things can happen.

Each gene makes a protein that interacts with many other proteins. Fetal brain development is like a symphony with a hundred thousand instruments. Each must come in at the perfect time and the perfect pitch or you get a damaged child. This damage can often be detected by sophisticated psychological tests such as "The Boston Naming Test". These children can often look superficially normal but have problems with hearing or motor skills and later problems with language, attention, and memory. They are often marginalized and end up in special ed, in prison, and on the welfare rolls.

Field research summarized in a recent report by the Biodiversity Research Institute shows multiple adverse effects of mercury on various fish-eating birds, such as our beloved Maine loon. Loon fertility in Maine lakes can be 40 percent reduced because of mercury blown in on the prevailing winds from the Midwest. Stress hormone levels have been shown to increase as mercury increases. No reproduction occurs when mercury levels in fish are over a certain threshold. Loon parents with high mercury levels will spend less time sitting on their eggs and chicks warming and protecting them, less time foraging to feed them, and less time in generally high energy activities needed to support the next generation. They rest more or swim aimlessly in front of the nest. Present mercury levels can even cause abnormal loon feathers. Some fishing birds like the Great Egret have been shown to have problems catching fish. This is felt to be due to difficulty seeing. Some fish species with high mercury levels have been shown to have trouble avoiding predators.

The present administration has a long history of ignoring science in favor of short term profits for friends in industry. The EPA must help them accept the truth!

Sincerely,

Paul Averill Liebow MD FACEP, Bucksport, Maine. Maine Physicians for Social Responsibility, Steering Committee; Natural Resources Council of Maine, Board of Directors; National Wildlife Association, Maine Representative to Annual Meeting March 2004.

March 1, 2004.

Re: proposed National Emission Standards for Hazardous Pollutants; and, in the Alternative, Proposed Standards of Performance for New and Existing Stationary Sources: Electric Utility Steam Generating Units; Docket ID No. OAR–2002–00.56, 69 Fed. Reg. 4652 (January 30, 2004).

Administrator Mike Leavitt,
U.S. Environmental Protection Agency, EPA Docket Center (Air Docket), U.S. EPA West (6102T), Washington, DC.

Dear Administrator Leavitt: As chefs from Portland, ME, we are deeply invested in the safety of the seafood we prepare and serve to our patrons. Today, we write to respectfully express our concerns over the proposed rule by the U.S. Environmental Protection Agency (EPA) to control mercury emissions from coal-fired power plants.

Every year, people from all over Maine and the country enjoy the fine seafood offerings of Portland; we pride ourselves on the wide selection of fresh seafood dishes that our many visitors enjoy year after year.

Whether preparing a salmon filet or seared tuna, chefs know that fresh seafood is a critical component of our cuisine, which is why keeping it safe is so important. Unfortunately, the levels of mercury in some species of fish such as swordfish, oysters, tuna, halibut, red fish, pike, sea bass and others make them unsafe for young women and children. Mercury pollution poses a real threat to public health.

Right now, power plants across the country are contributing to a looming mercury crisis, contaminating much of the seafood that Portland is so famous for. Electric power plants are responsible for approximately 30 percent of the country's mercury emissions and are the only major mercury polluters that remain uncontrolled. Smokestacks spew mercury pollution into the air, where it rains and snows down into our waterways and accumulates up the food chain.

The principal way that people are exposed to mercury is by eating fish, a staple of our restaurants. Maine and 43 other States, the EPA and the Food and Drug Administration have issued various advisories warning people, especially women and children, to avoid or limit eating some types of fish. Even with such warnings in place, the Centers for Disease Control and Prevention estimate that 1 out of 6 U.S. women of child-bearing age have unsafe levels of mercury in their blood.

In the interest of our customers, our health and our environment, we are joining together to ask for action to keep the mercury levels from increasing. To make sure that mercury contamination does not affect the popularity of the restaurant industry in Portland, we write to request stronger regulations on power plant emissions of mercury.

Officials can, and should, take immediate action to nearly eliminate the mercury pollution that's spewing into our air from power plants. Two years ago, EPA's own scientists said current technologies could achieve a 90 percent reduction from power plants. The Bush administration should remove as much mercury from power plants as is technologically feasible—90 percent.

We respectfully urge the EPA to adopt a rule that maximizes the protection of human health and our fisheries by regulating mercury emissions to the level that we know is technologically feasible and to do so quickly.

Sincerely,

Becky Lee Simmons,
Chef, Owner,
Katahdin Restaurant.

Testimony of Dr. Jim Mainer Regarding Airborne Mercury Pollution

Thank you Representative Allen and others for this chance for Mainers to speak out on this issue!

I'm Dr. Jim Maier, a child and family psychiatrist with over 25 years experience living and working in Maine. I'm also the father of two daughters of child bearing age. And since I've spent most of my professional career helping to take care of the behavioral and neurological problems of kids who, for whatever combination of reasons including fetal brain damage, have been handicapped in school and in life, this is not just an academic issue for me.

The glaring fact that this is a "Shadow" hearing in the absence of EPA speaks volumes about the moral cowardice and irresponsibility of this administration. The Feds know a lot about the toxicity of mercury emissions of coal-fired plants in the Midwest for New Englanders and others "at the end of the tailpipe," but seem not to care what we think. It's a lot like a Bishop who has learned there's a bad priest in his Diocese sending that individual out of State to some other parish, and just not wanting to hear how many more children have been abused and harmed in the new location.

We know mercury is a bad actor. We've taken many measures here in Maine to clean up our own State. Like 45 other States, we're warning people not to eat much fish. (The administration does deserve credit for promoting "catch and release," but only because it's allowing the fish to become progressively more toxic to mothers of childbearing age!) But to delay implementation of the existing technology to reduce mercury emissions by 90 percent by 2008, and allowing another decade of relaxed standards in return for fat campaign contributions from the polluters, is a devil's bargain Mainers don't accept. This proposed delay, or meaningless shell games allowing some plants to continue to pollute if others clean up, means that perhaps 5 percent or more of women of childbearing age will continue to have unsafe levels of mercury in their bodies, and be putting tens of thousands of their babies at risk of damage to their developing brains or cardiovascular systems. (A long term study sponsored by Dr. Philippe Grandjean of the Harvard School of Public Health in the Faroe Islands has published objective evidence about this in the Journal of Pediatrics.)

Again to use the sex offender analogy, it's as if we are registering all sex offenders and pedophile priests in Maine, notifying neighborhoods and churches about the risks of letting them be in our communities, but then permitting any other States to send convicted child molesters here, and turning a blind eye to what damage and trauma these out-of-state sex criminals may inflict on Maine children.

Like all other medical students, I learned the name Minimata early in my training. Like Chernobyl, Bhopal, and Love Canal—other names that live in environmental infamy—it was the site of an environmental tragedy that taught just how poisonous high dose mercury can be. Death, blindness, cerebral palsy, severe mental retardation, seizures and other severe symptoms occurred in the exposed population around Minimata Bay, Japan where an industrial spill occurred. But we also know that subtle but definite brain and central nervous system effects can happen with exposure to far lower doses that come from eating even moderate amounts of fish contaminated by methyl mercury, an easily absorbed compound that is spread through the body, across the placenta, and is secreted in breast milk. This is insidious, because mothers may not even be symptomatic with levels of mercury that can definitely affect their more vulnerable fetus. Higher mercury exposure on the developing brain has been correlated with decreased attention, fine motor impairment, problems with language and visual-spatial abilities, and memory impairments. It's hard to pin down just what role mercury plays in such impairments because the research is less well developed than with lead, another known bad actor. But as with lead poisoning, as more research is done, we will probably become more concerned, and may be lowering what we think of as "acceptable" exposure levels. What's an acceptable level to a loon? The EPA heard testimony from the Natural Resources Council of Maine at a recent hearing in Philadelphia that loons in Maine test 4X higher with respect to mercury levels than loons in Oregon. What levels are o.k. for Bald Eagles, whose reproductive success may be jeopardized by the mercury they concentrate in their bodies. Unfortunately they don't vote, but we'll be voting on their behalf in November!

Perhaps if the Bush administration cared to reduce their blatant hypocrisy about "No Child left Behind," they should just come out and speak plainly about "No Child Left Unexposed to Toxics."

Representative Allen, we hope that you will pass on to your colleagues in the Maine Delegation who also care about clean air and water, and to the EPA which apparently doesn't care nearly enough, the angry earful you're hearing today from Maine people!

Respectfully Submitted,

James H. Maier, M.D.,
A.B.P.N. Certified Child
and Adult Psychiatrist.

The rule that I mentioned, the proposed rule that favors polluters, raises serious questions about this administration's commitment to the health of our citizens. Regulating hazardous air pollutants is in fact for many people a life-and-death matter and Congress designed a system under the Clean Air Act to ensure regulations are developed through an objective rulemaking process. Yet the attainment dates and level of reductions exactly match the President's Clear Skies proposal. In other words, the proposal that he and his staff generated for reductions is the proposal that has come out of the EPA. But that is not the way the EPA is supposed to work. The EPA is supposed to do independent, scientific analyses so that its rules are based on sound science, not made up as part of a political document.

The Bush administration allowed industry to write part of the rule. That is profoundly disturbing. The proposal that would allow trading under section 112 appears to have been written word for word by Latham and Watkins, a law firm in Washington representing utilities. EPA's assistant administrator for air and radiation, Mr. Jeffrey Holmstead, used to be a partner at Latham and Watkins. Mr. Holmstead now says, well, the Latham and Watkins contribution to the rule was submitted by the Energy Department. He says it came from the Energy Department. The White House says Jeffrey Holmstead was the brains behind the cap-and-trade proposal. But wherever it came from, the Latham and Watkins language, about three or four paragraphs, submitted to the EPA, is in the finished rule, word for word.

An EPA career professional told the L.A. Times the other day that they, the career professionals, were told not to undertake the normal scientific and economic studies called for under a standing executive order in preparing the rule. In other words, they take the information straight from the law firms representing the utility industry, they do not do the scientific tests that are required by law, and they come out with a proposed rule and that proposed rule is a bonanza for the coal industry and those utilities that use coal. It is outrageous.

I am very pleased that the gentleman from Washington (Mr. INSLEE), the other end of the continent, his loons do not have as much mercury in their feathers as loons do from Maine but he is here because this is an issue that he cares deeply about. I thank him very much for being here.

I yield to the gentleman from Washington.

Mr. INSLEE. I appreciate the gentleman from Maine bringing this important matter to national attention. I do care about the mercury contamination which this country will be experiencing because of the attempted sellout by this administration to special interests which will result in more mercury in the blood of young children in America. If that sounds like a strong statement it is, and it is true.

But one of my concerns here is this is not just the only instance when this administration has knuckled under to the interests of special interests on K Street rather than the public interest which is supposed to be expressed on Independence Avenue where the U.S. Capitol is located. I just want to say that this is not, unfortunately, an aberration of this administration's sellout to special interests, to ignore science, to ignore clear health implications. It is consistent with their pattern of neglect of science and they are showing great attention to special interests. They need to do it the other way around. We need an administration that will show special sensitivity to health interests and ignore special interests on occasion. They have got it exactly backwards. They show exquisite attention to lobbyists from these industries and ignoring the clear science for health to the American people. I want to list some of the other places where they have done this.

□ 1600

And the oil and gas industry that has attempted to open up these methane drilling wells in a variety of places, the Rocky Mountains, including wilderness areas in Utah and in the Arctic National Wildlife Refuge, they have catered to specialists; and they have ignored the clear import of science.

We are not the only ones who care about this. There have been some investigations in the Department of Interior about a fellow who used to work for the oil and gas industry, then was put as the fox in charge of the hen house, supposedly regulating. What was the first thing he did, like in the first few weeks on the job? And what did the investigators find out? They found out that he hosted a get-together, a little shindig for all the lobbyists to come down and do business with me, boys, I am now in charge of the Department. That is not what we expect from our public officials, and as a result, we have seen some ignoring of good science, which has caused tremendous problems for ranchers in Wyoming of contaminating the water supply because they have shown more interest to K Street than to Main Street.

Second example, we had over a million people testify about whether to preserve old-growth timber in our remaining 10 percent of our national forests that have not been clear-cut, and we went out to ask what the public thought of the President's proposal to open up what we call the roadless areas to clear-cutting, and the public responded. There were over a million people who told the administration to keep their handsaws and their chainsaws from clear-cutting our roadless areas. And they got maybe three letters from the lobbyists on K Street.

So what did this administration do? They are gutting this protection of the most pristine, the most precious crown jewels in our national forest system to allow these 6-foot and 8-foot and 10-foot 600-year-old trees to be cut down in clear-cuts, violating the clear science that that is not what we should be doing with the roadless areas. And why did they do it? They did it because this administration is extremely sensitive to K Street and not sensitive to the health interests and well-being, as they should be, of our constituents.

Let me tell the Members why this is important. A lot of people do not think of forests as a health issue, but we have found out that is where our clean water comes from, from the forests. This is the greatest water purification system the planet has. And this administration ignored 1.2 million people who told this administration to ignore K Street and fall to the wishes of people, which they did not do.

Third issue, and again I think it is important to note, anyone can make a mistake and any administration can make a mistake once in a while, but this is just a long train of abuses, an unbroken chain of following special interests rather than the health of the American people. When we are considering lead poisoning levels in the lead paint industry, which is of some interest to Members of Congress now because we are drinking water with too much lead in it in the Washington, D.C. system, which is an issue we are going to have to address, and maybe that explains some of the bad legislation around here, I am not sure; but in consideration of lead poisoning levels, in 2002, the CDC's Advisory Committee on Childhood Lead Poisoning Prevention was preparing to address the issue, and they had been advising that we need to address this issue. Did the administration address this issue in an aggressive, health-oriented way? No. Did they appoint people to the reflective committees that made their decision? No. They had special interests on their operation, and they failed the health of the American people.

We could go on and on, but we are limited by time. This is a system that has corrupted the democratic process, and some of the best evidence that I know of, and the gentleman may have talked about this already, about a month ago, 20 nonpolitical Nobel laureates, and Nobel laureates usually think about physics and chemistry rather than politics, and they do not pound a lot of yard signs and they are not interested in running for public office, but 20 people who won the Nobel Prize, Americans in various sciences, chemistry, physics, name it, they were so disturbed by what this administration was doing in ignoring science to cater to special interests, they got together and wrote a letter to the President of the United States, and their basic message was start listening to good science rather than bad special interests.

And it is a pretty extraordinary event when scientists will get out of the lab, frankly, where they do tremendous work, and write a letter like that to the President of the United States. These are Democrats and Republicans, probably some Green Party members in there too. So I think it is an indication of how sour and corrupted this system has become. And so we are down here blowing the whistle on it, and I want to thank the gentleman from Maine (Mr. ALLEN) for his efforts.

Mr. ALLEN. Mr. Speaker, I thank the gentleman from Washington (Mr. INSLEE) for his remarks, and I appreciate his leadership on this issue. And he is exactly right. That group of distinguished scientists was saying that this administration over and over again manipulates science to serve the ends of their policy.

I am going to yield to my friend from Maryland in just 1 minute, but just to pursue this question of who is writing the regulations, we have already pointed out that the EP professionals were shut out of the process of doing scientific studies of this proposed mercury rule and that Latham & Watkins, a Washington law firm, wrote part of the rule. There is another group involved. This is West Associates, a research and advocacy group representing 20 power and transmission companies in California and other Western States. The proposed rule contains exact language requested by West Associates, and the West language suggests a standard for determining likely mercury emissions at power plants.

In other words, a provision that was enormously beneficial to the power plants was put in this proposed rule, an EPA rule, word for word. So part of it came from Latham & Watkins here, a law firm here, and part of it came from West Associates in California. How can the public have any faith that their interests, their health interests, are being protected by an administration which routinely violates the Clean Air Act in developing its regulations, all as a way to try to reduce expenses for the coal industry and the utility industry, both big contributors to Republicans and to the administration?

Mr. INSLEE. Mr. Speaker, just one final note. There is a reason that the Vice President of the United States refuses to let the people who hired him, which is the American people, know what went on in this secret operation that took lobbyist language and put it in our energy bill. There is a reason for that. And that reason is another symptom of the sickness that is on our body politic right now. And I want to thank the gentleman for his efforts

Mr. ALLEN. Mr. Speaker, unfortunately the problem continues. Justice Scalia today issued a statement that he would not recuse himself from a Supreme Court case involving the Cheney documents even though he went on a hunting trip with the Vice President on Air Force 2 to a preserve owned by an oil executive. The beat goes on.

It is my pleasure to yield to the gentleman from Maryland (Mr. VAN HOLLEN), who has taken a real leadership position on these issues. And Maryland is next door, it has got a lot of water, and the last thing they need is contaminated waterways. And I yield to the gentleman.

Mr. VAN HOLLEN. Mr. Speaker, the gentleman is right, and I want to thank the gentleman from Maine (Mr. ALLEN) for his leadership and the gentleman from Washington State (Mr. INSLEE). And I want to tell the gentlemen a little good news/bad news story; and we had some good news this morning, which is that a group of bipartisan Members of Congress from the Chesapeake watershed States got together and established the Chesapeake Bay Watershed Task Force. The Chesapeake Bay is one of the greatest national treasures in the United States, indeed in the world; and so we got together to pledge ourselves to work together to clean up the Chesapeake Bay and take the steps that are necessary. But this Bush administration proposal on mercury that the gentleman has drawn our attention to takes us in exactly the wrong direction. It takes us backwards.

We all know that mercury consumption advisories have been issued throughout the United States; and, in fact, mercury contamination of fish is, of course, is the number one cause for human contamination, human poisoning. In my State of Maryland, we have had statewide advisories. In Pennsylvania and other States in the Chesapeake Bay Watershed, we had a Statewide advisory. And we know that recent studies have shown that Maryland is one of the States with the highest deposition of mercury in the country due to airborne mercury emitted from power plants. And this, as the gentleman has said, is a problem that is not unique to Maryland and to the Chesapeake Bay Watershed. It is a problem up in Maine. It is a problem in Washington State. It is a problem around our country. And currently advisories for mercury are increasing faster than any other pollutant. They now represent 60 percent of all water bodies with fish advisories nationwide. So this is a national problem. It is a problem obviously in the Chesapeake Bay Watershed, which we have a particular interest in locally; but it is a problem throughout the country.

And as my colleague from Maine was pointing out, we have an administration now that when it comes to issues of science, when it comes to issues of the environment, really the White House has become an evidence-free zone. I mean, we can get scientists, we can get Nobel laureates, we can get a consensus of opinion throughout the scientific community coming down on one side of an issue; and yet time after time the administration throws out the facts, buries its head in the sand, and decides to go the other way.

We understand that mercury poisoning is something that affects people throughout this country. Of course, pregnant women and children are particularly vulnerable to mercury poisoning. And so this idea that the EPA now has, the Bush administration EPA, of establishing a cap-in-trade program for mercury, which may be a very acceptable proposal for less poisonous contaminants, but when they have a cap-in-trade program for something as poisonous as mercury, what they are saying to those people who happen to live right next door to the power plant that is emitting mercury is it is okay if they get poison; as long as their power plant buys credits from somewhere else, buys the right to pollute, they can put as much mercury into the air around their plant as they want. That is a health disaster for people in the area. Again, it is one thing to treat less poisonous pollutants that way; but to take a hazardous pollutant like mercury and say go ahead and pollute, go ahead and contaminate the water in a particular area, it is going to mean serious health problems for women and children in that area and throughout the country.

Mr. ALLEN. Mr. Speaker, I thank the gentleman for those comments, and they are worth elaborating on because in the past sometimes people who have lived around large power plants, particularly coal-fired power plants, they may have known that pollution problems were created in those plants in States far away, but they enjoyed the benefit of lower rates.

The difficulty with mercury is just what the gentleman said. Mercury is a substance that does travel some distance, but lots of it comes down in the vicinity of the power plant itself. So along the Ohio River Valley in east Texas, in other parts of the country where we have coal-fired power plants, what the administration's proposal is basically saying is we do not care if the dirtiest plant in the country stays just as it is. We are going to develop a system that was developed for sulfur dioxide that will allow that dirty plant to buy credits from clean plants, and so the dirty plant can simply continue spewing out the mercury and poisoning people in the surrounding area. It is the height of irresponsibility.

That is why I come back to what I said earlier. There is no question that under the Clean Air Act mercury, which has been found to be a hazardous air pollutant, was meant to be regulated under section 112 of the act, entitled "Hazardous Air Pollutants," and all of the work being done by the administration to date with this proposed rule is a way to let coal producers and utility companies off the hook so they will not have to spend the additional money they need to spend to clean up their act. And in doing that, the administration is simply putting the health of the American people at risk.

It is absolutely mind boggling. Unless one is down in the middle of this and seeing this going on over and over again, with this administration, when the choice is between public health or the interests of polluters, polluters win.

I yield back to the gentleman.

Mr. VAN HOLLEN. Mr. Speaker, I thank my colleague for yielding to me, and he is exactly right. The problem with this is we need to make sure that the American people understand what is happening. That is why I am glad that he is doing this. Because we have an administration that goes out and does a lot of photo ops with beautiful landscapes in the background. There is a lot of rhetoric about the importance of preserving our environment, protecting areas like the Chesapeake Bay; but while we have this great public face of environmental protection on the one hand, on the other hand, when it comes to the regulatory process, people are very busy unraveling protections that have existed for years and years and years, and that is what this regulatory assault is about.

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It is one of many that has taken place in recent years, and it is very important that we put a stop to it.

Mr. ALLEN. Mr. Speaker, those are excellent points.

I wanted to mention another point here that has just come up. The administration is starting to feel the heat. The new administrator of the EPA, the Environmental Protection Agency, Mr. Leavitt, has now said that he is going to reexamine this proposed rule. In other words, they did not do the studies; they issued the proposed rule. Now he is saying we need to go back and do the studies. This is the exact opposite of what normally happens.

The gentleman said the administration was an evident-free zone. That seems to be the case. In past administrations, you do the scientific analysis first and then come up with a rule. You would not come up with a rule written by industry and then, when the heat got too much, say, well, we have to go back and do some studies now. But that is exactly what has happened. I think we need to say to the administration, well, it is about time, thank you for going back and doing the studies. But they have also made it clear that they do not really have much of an intention, as far as I can tell, of producing any results until December, conveniently, after the election.

I wanted to make a couple of points. Over the past year, I guess I would say, I have written on numerous occasions, on February 12 of this year, last October 14, and May 21, 2003, I have written letters to the EPA about this exact problem, about the importance of doing the analysis and coming up with a Mercury MACT standard, as it is called, by the deadline. I never dreamed that they would come up with a proposal but never bother to do the science.

Mr. Speaker, I would like to submit for the RECORD at this time the three letters I sent to the EPA.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 12, 2004.

Hon. MICHAEL O. LEAVITT,
Administrator, Environmental Protection Agency, Washington, DC.

DEAR GOVERNOR LEAVITT: We are writing regarding reports that portions of EPA's proposal to address mercury air pollution have been copied word-for-word from industry lobbying materials.

Specifically, it appears that EPA has proposed a regulatory approach to mercury air pollution that in part is copied word-for-word from memos prepared by the law firm Latham & Watkins, which represent some of the largest polluters in the country. This is particularly troubling because two key EPA officials who worked on the proposal were previously employed by Latham & Watkins.

On January 31, 2004, the Washington Post reported that an EPA proposal published on January 30, 2004, "is similar to recommendations from two memos sent to federal officials by" Latham & Watkins. The article explains the remarkable connections between EPA's proposal and the Latham & Watkins' memos: "A side-by-side comparison of one of the three proposed rules and the memorandums prepared by Latham & Watkins—one of Washington's premier corporate environmental law firms—shows that at least a dozen paragraphs were lifted, sometimes verbatim, from the industry suggestions."

It does not appear to be in dispute that EPA used the Latham & Watkins language to make the substantive proposals that Latham & Watkins advocated. The Washington Post quotes one Latham & Watkins representative who states that it is "gratifying" that the law firm's work had been "cut and paste[d]" into EPA's rulemaking. Additionally, Jeffrey Holmstead, EPA's Assistant Administrator for Air and Radiation, confirmed that the language had originated from outside of the agency. He stated, "That's not typically the way we do things, borrowing language from other people."

However, it is unclear how the Latham & Watkins language entered EPA's rulemaking process. As you know, Mr. Holmstead and his chief counsel, Bill Wehrum, worked for Latham & Watkins before joining the EPA. Both Mr. Holmstead and Mr. Wehrum have had high profile roles in this rulemaking.

The Administration's public statements on this matter appear to be less than completely transparent. In the January 31, 2004, Washington Post article, Mr. Holmstead stated "it came to us through the interagency process." He also stated, "Neither Bill [Wehrum] nor I had any idea this language came from Latham & Watkins. . . . Our technical folks . . . used it." The Post reports: "According to Holmstead, the law firm's language was part of the public record and was passed along to the EPA by the White House budget office and the Energy Department."

This appears to be at odds with press accounts of this rulemaking from just over a month ago. On December 30, 2003, the Washington Post reported that a senior White House adviser said: "If you had to pick one person, it was Jeff Holmstead in EPA's air office who played the key role in development of the cap-and-trade approach to regulation of mercury emissions."

We are deeply concerned that EPA's rulemaking process has been improperly influenced by industry at the potential cost of the health of future generations of children. Congress and the American people need to know how industry lobbyists came to write a significant portion of an EPA formal rulemaking proposal.

Therefore we request that you provide us with all communications (whether written, electronic, or oral) relating to mercury air pollution between EPA officials and the law firm Latham & Watkins, other industry law firms, electric utilities, and other outside parties since January 1, 2003. Additionally, please provide us with information on any meetings that took place since January 1, 2003, between EPA officials and representatives or employees of Latham & Watkins, including a list of the participants and the nature and purpose of the meeting.

Additionally, please explain if Latham & Watkins memos were docketed in the rulemaking process. If not, please explain why such influential documents that formed the basis for EPA's proposal were not docketed.

Please provide answers to each question and responsive documents no later than February 18, 2003. Thank you for your immediate attention to this issue.

Sincerely,
HENRY A. WAXMAN,
Member of Congress.
TOM ALLEN,
Member of Congress.

CONGRESS OF THE UNITED STATES,
Washington, DC, October 14, 2003.

Hon. MICHAEL O. LEAVITT,
Governor of Utah, Office of the Governor, State Capitol, Salt Lake City, UT.

DEAR GOVERNOR LEAVITT: We are writing regarding our concern that EPA is at risk of violating its legal and public commitment to control emissions of mercury and other hazardous air pollutants from power plants by the end of next year. Given the serious public health and environmental harms from this pollution, any further delay in regulation would be unacceptable.

Under a court-approved settlement agreement, EPA is required to propose a regulation establishing emission standards for hazardous air pollutants from electric generating units (electric utility MACT rule) by December 15, 2003. For a "significant" rulemaking, such as this one, EPA must submit a draft of the proposed rule to the Office of Management and Budget (OMB) for interagency review. OMB may, and frequently does, take up to 90 days to complete this review. In numerous public pronouncements, Governor Whitman and other EPA officials have repeatedly promised that EPA will issue the MACT rule proposal by the December 15, 2003, deadline. Yet to our knowledge, EPA has not yet transmitted a draft utility MACT rule proposal to OMB.

We seek your assurance that, if confirmed, you will act to ensure that the drafting and review of the proposed rule are completed on a schedule that will honor the commitments the government has made to propose a rule by December 15, 2003.

We make this request because of the seriousness of this issue. Two major Environmental Protection Agency reports to Congress document how hazardous air pollution from power plants, most notably mercury pollution, contaminates our lakes, streams, and other water bodies, concentrates in fish, and causes serious health risks for pregnant women and children who eat those fish. A Centers for Disease Control and Prevention report in January 2003 found that one in twelve women of childbearing age have mercury levels above EPA's safe health threshold. In adults, exposure to unsafe levels of mercury can adversely affect fertility and blood pressure regulation and can contribute to heart-rate variability and heart disease. The problem is nationwide: across the U.S., mercury pollution alone has contaminated 12 million acres of lakes, estuaries and wetlands (30% of the national total) and 473,000 miles of streams, rivers, and coasts (13% of the national total). As a result, forty-five states and territories have issued fish consumption advisories warning citizens to limit how often they eat certain types of fish, because the fish are contaminated with mercury.

We would appreciate receiving a written response to this letter as soon as possible, given that this is a time-sensitive matter and that the Senate may be considering your nomination in the very near future. Thank you for your attention to this matter.

Sincerely,

HENRY A. WAXMAN,
Member, U.S. House of Representatives.
PATRICK J. LEAHY,
Senator, U.S. Senate.
THOMAS H. ALLEN,
Member, U.S. House of Representatives.
JANICE D. SCHAKOWSKY,
Member, U.S. House of Representatives.

CONGRESS OF THE UNITED STATES,
Washington, DC, May 21, 2003.

Hon. CHRISTINE TODD WHITMAN,
Administrator, Environmental Protection Agency, Washington, DC.

DEAR MS. WHITMAN: We are concerned by recent reports that EPA has cancelled key analytical work intended to support the ongoing rulemaking on mercury and other hazardous air pollutants emitted by the utility sector ("utility MACT rule"). The failure to conduct this analysis threatens to derail this important rulemaking to reduce highly toxic mercury emissions from power plants, as well as impair congressional consideration of pending legislation to reduce air pollution from power plants.

It is particularly disturbing that the Bush Administration may be seeking to delay the release of this information for political reasons. Reports indicate that the analysis may have been cancelled because it could undercut the Administration's Clear Skies Initiative (CSI) by demonstrating that implementation of the existing Clean Air Act toxic air pollution requirements would produce greater reductions in mercury emissions than CSI, sooner, and at an acceptable cost. In the absence of EPA analysis, the Northeast States for Coordinated Air Use Management (NESCAUM) conducted an analysis, which indicates that recommendations from all but one of the stakeholder groups would produce greater reductions of mercury emissions and produce them significantly earlier than would CSI.

EPA should conduct timely analysis of mercury control options identified by the utility MACT rule stakeholder working group established by EPA. Absent such analysis, neither the public, EPA, nor Congress will fully understand the expected environmental benefits from reduced emissions and deposition of mercury, nor the expected costs to install and operate control technologies for the various options under consideration.

I. BACKGROUND

A. Mercury

Mercury is a highly toxic substance. It is a potential neurotoxin, and it is particularly damaging to the development of the fetus. Effects from prenatal exposure can include mental retardation, cerebral palsy, deafness, and blindness. Even low-dose prenatal exposure can cause persistent adverse effects on children's development, such as delayed walking and talking and impaired learning abilities. Adult exposure can produce sensory and motor impairment, such as slurred speech, blurred vision, tremors, and memory loss. In addition, several studies suggest that even small mercury exposures may cause adverse cardiovascular effects. The adverse effects of mercury exposure on birds and mammals include impaired growth and development, behavioral abnormalities, liver damage, kidney damage, and neurobehavioral effects.

Mercury exposure is a serious public health concern in the United States. Forty-two states have issued fish advisories warning against consumption of fish caught from various water-bodies based in whole or in part on mercury contamination. EPA has found that 8 percent of women of child-bearing age in the United States—about 5 million women—have blood mercury levels that would put children born to them at increased risk of adverse health effects.

B. Clean Air Act requirements

Under section 112 of the Clean Air Act, EPA must require sources of hazardous air pollutants to reduce emissions to the maximum degree achievable through application of control technology. These requirements are commonly referred to as "maximum achievable control technology" or MACT standards. For coal-fired power plants, the most significant hazardous air pollutant is mercury. Pursuant to a court-approved settlement agreement, EPA must issue a proposed MACT rule for hazardous air pollutants from utilities by December 15, 2003. Furthermore, EPA must finalize the rule by December 15, 2004, and utilities must comply with the rule by December 15, 2007.

This rule will for the first time require controls of mercury emissions from coal-fired power plants, which are the largest source of anthropogenic mercury emissions in the United States and contribute approximately one-third of annual mercury emissions.

C. Stakeholder process

Before beginning the rulemaking process, EPA recognized that promulgating a utility MACT standard would be a significant and potentially controversial rulemaking that would attract substantial public interest. In June 2000, EPA committed to solicit and consider the ideas and comments of the groups affected by this regulatory process. Subsequently, EPA has engaged in an extensive process to develop and use input from states, tribes, local governments, industry representatives, and environmental representatives throughout the development of the rule. This process has been carried out under the auspices of the Working Group on the Utility MACT, formed under the Clean Air Act Advisory Committee Subcommittee for Permits/New Source Reviews/Toxics.

As stated in the charge to the Working Group, the overall goal of the Working Group is to provide input to EPA regarding federal air emissions regulations for coal- and oil-fired electric utility steam-generating units that will maximize environmental and public health benefits in a flexible framework at a reasonable cost of compliance, within the constraints of the Clean Air Act. The Working Group is to "conduct analyses of the information, identify regulatory alternatives, assess the impacts of the regulatory alternatives, and make preliminary regulatory recommendations for the source category."

The Working Group has met 14 times to date. While the initial intent was for the Working Group to develop consensus recommendations, that did not prove possible. However, the Working Group has done extensive work identifying technical and policy issues, thoroughly discussing these issues, and clearly identifying the various stakeholder positions on each issue. In October 2002, the Working Group presented a report to EPA laying out eight key issues for the rulemaking and the stakeholder positions on each of these issues, including recommended approaches for settling the MACT standard. Since October, the Working Group has continued to build upon this work, last meeting on March 4, 2003. Although EPA has promised at least one if not more further meetings, none have been scheduled to date.

II. MERCURY CONTROL OPTION ANALYSIS

A. Purpose of IPM analysis of mercury control options

Conducting an Integrated Planning Model (IPM) analysis of the control options identified by the stakeholders is an important step in the rulemaking process for the utility MACT rule. IPM is an electric utility planning model that EPA uses to estimate air emission changes, emission control technology choices, incremental electric power system costs, changes in fuel use and prices, and other impacts of various approaches to air pollution control. IPM simulates how the utility industry would respond to an air pollution control requirement by selecting the least-cost compliance options for a set of model plants representing all of the power plants in the United States. IPM indicates where in the country control technology would be applied, the resulting emissions reductions, the costs of the technology, changes in fuel use, any resulting shifts in generation costs, and other effects.

The results of an IPM run are then fed into EPA's air quality models to project what a specified emissions control requirement will produce in terms of air quality effects and, in this case, the quantities and location of mercury deposition.

Every major EPA analysis of a rule or legislation related to the power sector over the past eight years has relied upon IPM analysis. These include the Ozone Transport Assessment Group, process, the NO_X SIP call, and most recently CSI.

B. Issues regarding IPM model's simulation of mercury controls

The Working Group process has addressed the need for technical adjustments to the IPM model. In May 2002, EPA heard recommendations from various members of the Working Group regarding adjustments to the IPM model. In June 2002, EPA issued a memo indicating how it planned to address such recommendations and the timeframe for such actions. In July 2002, EPA received further feedback from Working Group members on the proposal for addressing the recommendations. For example, the environmental representatives made recommendations for input assumptions on the effectiveness of certain mercury control technologies, particularly when applied to facilities combusting subbituminous and lignite coals. They also urged EPA to update the model to incorporate the latest findings on control technology demonstrations, particularly with respect to activated carbon injection.

C. Cancellation of planned IPM analysis

EPA has indicated that the next step in EPA's intended rulemaking development process is to analyze regulatory alternative control options. The members of the Working Group have expended substantial effort in developing their recommendations for these options.

Initially, EPA planned to conduct this analysis far earlier in the utility MACT rulemaking process. The proposed regulatory development schedule included in the charge to the Working Group stated that EPA would conduct overall economic impacts and benefits analyses of regulatory alternatives from June through August 2002. After a period for the Clean Air Act Advisory Committee to consider the alternatives and provide recommendations to EPA by February 2003, the schedule provided that EPA would select the proposed regulatory alternative or alternatives in March 2003, and EPA would draft and review the proposed rule from April through August 2003. OMB would review the draft proposal through November 2003, allowing the Administrator to sign the proposal by December 15, 2003.

While the initial target date for conducting this analysis slipped substantially, as of earlier this year EPA planned to conduct the analysis in time for the Working Group meeting on March 4, 2003. When EPA failed to complete the analysis by that date, EPA informed the stakeholders that EPA would conduct the analysis prior to a scheduled April 15 meeting of the Working Group. EPA said it would present the results of this analysis at that meeting. EPA also stated that at that meeting it would present to the Working Group the changes EPA had made to the IMP model.

Instead, EPA did not conduct the analysis and cancelled the April 15 meeting. EPA still has not informed the Working Group of how the agency has responded to the recommendations for modifications to the IPM model that stakeholders made during the summer of 2002, or of any other changes that EPA has made to the model. EPA also has not scheduled another meeting of the Working Group.

In addition, there does not appear to be any internal agency deadline for conducting the IPM analysis of utility MACT options. Assistant Administrator Holmstead has reportedly stated that conducting modeling for the CSI is "higher priority" than modeling for the utility MACT rule.

EPA's deviation from its announced plan to conduct this important analysis is sudden and inexplicable. It is simply not credible for EPA to point to resource constraints in this instance, as Assistant Administrator Holmstead is reportedly doing. While agency resources are undoubtedly constrained due to the Bush administration's budget cuts, EPA is apparently running the IPM model for CSI. There is no reason why further analysis of CSI should take precedence over the utility MACT rule. EPA has been conducting analyses of the CSI for over two years, and the agency has completed dozens of runs analyzing variations on CSI options. Yet to date, EPA has released no analysis of the identified utility MACT regulatory options, and it is unclear whether EPA has conducted any analysis of these options. Moreover, there is no legal deadline for additional CSI work, in contrast to the utility MACT rules.

Viewed in the larger political context, it appears that the Bush Administration has a strong incentive to delay release of information on the utility MACT regulatory options. The Administration has been engaged in a public relations battle to publicize and support its assertion that the CSI represents an environmental improvement over, and not a rollback of, the existing Clean Air Act. Most of the utility MACT regulatory options identified by the stakeholders would result in a greater quantity of emissions reductions and all of them would produce these emissions sooner than CSI would, if it is enacted. Information on the costs and benefits of most of the utility MACT options seems unlikely to help the Administration make its case for CSI.

CSI is the Administration's own initiative, with no deadline, while the utility MACT rule was required by Congress under existing law, is already past the statutory deadline, and is now required under a court-sponsored deadline. There is no legal or policy-related justification for deferring the utility MACT modeling in favor of CSI modeling. To the extent that the modeling delay may be in furtherance of the White House's political agenda, the delay is even more troubling.

D. Effect of continued failure to perform analysis

At the point, EPA's continued failure to reconvene the Working Group and to conduct the IPM analysis threatens the timing and substance of the utility MACT rule, as well as the achievement of significant reductions of mercury emissions from power plants. This analysis is not a legal prerequisite to EPA's identification of the minimum level at which it may set the MACT standard (known as the "MACT floor") under section 112 of the Clean Air Act, as the MACT floor is a technology-based standard. EPA's failure to perform such analysis would in no way justify delaying issuance of the utility MACT rule proposal beyond the court-enforceable deadline. Nonetheless, if EPA fails to complete this analysis soon and falls further behind schedule in drafting the proposal, EPA may well try to make the bootstrap argument that the analysis is necessary and therefore the agency needs more time for the rulemaking. Moreover, the IPM analysis will provide critical information, both for understanding the effects of the options recommended by the stakeholders and for informing Congress regarding the level of mercury reductions and environmental effects that may be achieved under the utility MACT rule. In addition, EPA likely must complete this or comparable analysis to comply with Executive Order 12866 prior to issuance of the proposal.

Considering practical constraints, it is clear that EPA is already in danger of missing a court-approved deadline. Working backward from the December 15 deadline, EPA must provide the draft rule to OMB by the end of August 2003 to allow OMB its mandated 90 days to review the draft prior to issuance. As you know well, staff drafting and management review commonly take many months, particularly for a technically complex rule such as this one. Assuming a minimum timeframe of several months to draft and review the rule internally, it appears that EPA should begin this process immediately, and certainly no later than June. Before the bulk of the drafting begins. EPA management must select the regulatory alternative to propose. To the extent that EPA believes it would be helpful to have information on technology options, costs, air quality and environmental effects, and other factors, EPA must conduct the analysis now.

III. QUESTIONS

We would appreciate your response to the following questions regarding EPA's planned activities on the utility MACT rule:

1. Is EPA committed to continuing the stakeholder process for the utility MACT rule? If so, when will EPA reconvene the Working Group and present to the Working Group a description and explanation of any changes EPA has made to the IPM model? If not, why is EPA abandoning this process for maximizing public involvement in this controversial and important rulemaking?

2. Will EPA model mercury control levels identified by the environmental and state stakeholders (as specifically recommended in the Working Group report or as subsequently updated by the stakeholders)?

3. If EPA commits to complete this modeling, by what date will EPA complete it and present the results to the stakeholders?

4. Is EPA committed to meeting the court-approved deadline of December 15, 2003, for issuing the proposal regardless of the status of EPA's modeling efforts? Please provide EPA's current schedule (with dates) for completing: all analyses EPA is planning to conduct; management decision on regulatory options; a staff draft of the proposal; intra-agency review of the proposal; and submission to OMB.

5. In making the decision to postpone this analysis, did EPA officials consult with Administration officials outside of EPA, such as officials from the White House (including the Council on Environmental Quality and the Office of Management and Budget), DOJ, and DOE? If so, which entities were consulted and what did they recommend? Did EPA officials consult with any of the stakeholders represented on the utility MACT Working Group? If so, which entities were consulted and what did they recommend?

We would appreciate receiving a response to this letter by June 2, 2003, as this is a time-sensitive and urgent matter.

Sincerely,

HENRY A. WAXMAN,
Member, U.S. House of Representatives.
THOMAS H. ALLEN,
Member, U.S. House of Representatives.
PATRICK J. LEAHY,
Senator, U.S. Senate.
JANICE D. SCHAKOWSKY,
Member, U.S. House of Representatives.

Mr. ALLEN. Mr. Speaker, one of the times that I raised this, the gentleman may be interested to know, was at a hearing before the House Subcommittee on Energy and Air Quality, and Jeffrey Holmstead, the Assistant Administrator For Air, came before the committee. I asked him this question. I said, have you done the modeling to do the MACT standard? In other words, have you done the scientific and technical analysis to come up with a mercury standard that is based on Maximum Achievable Control Technology, not on some idea that is dreamed up by the political people? And here is what he said, and I quote: "We are doing all the analysis that we need to do to propose a MACT standard, to do a proposal on time by December 15, so we are on track to do everything we need to do, including the evaluation of options, to get the MACT standard out.

Well, guess what? They did not. They did not have a MACT standard by December 15; they just had that old Clear Skies proposal which is, in my opinion, illegal under the Clean Air Act. And on Tuesday, Mr. Leavitt, the new EPA administrator, told the L.A. Times the process is not complete, nor is the analysis. Well, as my kids might say, duh, if you waste the year not doing the analysis, you will not have the analysis when it comes time to do the rule.

Mr. Speaker, I yield to the gentleman from Maryland.

Mr. VAN HOLLEN. Mr. Speaker, the gentleman is exactly right. I mean, the way most people go about planning when they are making major decisions is to take a look at the facts and then figure out what the policy is based on the facts, not to come down with a politically motivated policy and then try and make up the facts to fit that policy, and this administration has gotten in trouble in many ways with respect to that approach.

You really do not want to make a mistake when it comes to something like mercury, because if you make a mistake now, it is something that is going to live with us for many, many years to come.

Let us just take the Chesapeake Bay for an example. When it comes to nitrogen, when you are cleaning up nitrogen in the bay, if more nitrogen is going in today, and we take strong efforts, for example, in the bay watershed to get rid of that nitrogen, we can do it. We have to work hard to do it. Mercury, on the other hand, is something that stays in the ecosystem for a very long time. We cannot get rid of it overnight. And it stays in the ecosystem, it gets into organisms, it gets into fish and then, of course, it gets into the human food chain and gets into the food we eat, and then eventually can get into the brains of developing fetuses and of children.

This is a very, very serious issue, obviously; and it is one where we want to make sure we get the science right, we do our homework before we leap off the cliff. I appreciate again my colleague, the gentleman from Maine (Mr. ALLEN), drawing the attention of this body to this issue. Hopefully, we will pull the administration back from the precipice on this and, more important than saving the administration from a bad decision is saving the American people from what could be a very, very serious health problem in years to come.

Mr. ALLEN. Mr. Speaker, I thank the gentleman. I see we have been joined by my friend and colleague from Maine (Mr. MICHAUD). It is good to have the gentleman here, and I yield to him.

Mr. MICHAUD. Mr. Speaker, I thank the gentleman for yielding, and I too want to thank the gentleman from Maine (Mr. ALLEN) for bringing this to the attention of Congress. He definitely has been a leader in environmental issues and prescription drug issues. I appreciate the gentleman's leadership.

Mr. Speaker, today is March 18; and in my district in Maine, people who enjoy fishing are counting down on the days until they begin the fishing season. Again this year, as in the past, recreational anglers who fish in Maine's lakes will be unable to feed their catch to their children.

Mercury has made fish unsafe for children and pregnant women. We have known for years that many fish caught in fresh water posed a risk to our health. Now, just recently, we have confirmed that the canned tuna fish that we buy in grocery stores should not be eaten in large amounts either. Due to their position downwind of many of the most offensive mercury polluters, the people in Maine by themselves cannot control the amount of mercury in their communities.

As someone who enjoys fishing, I can say that the fishing in Maine remains some of the best in the country, but there was a time when it was not only about recreation; fresh water fishing also helped feed families.

In my district, the Maine Environmental Health Unit has a responsibility to inform the public of this mercury problem. For children and pregnant women, they have set a consumption advisory of zero for nearly every species of fresh water fish in Maine. They have also issued the following warning to the public: "It is hard to believe that a fish that looks, smells, and tastes fine may not be safe to eat, but the truth is that fish in Maine's lakes, ponds, and rivers have mercury in them. Mercury in the air settles into the waters. It then builds up in fish. Small amounts of mercury can harm a brain starting to form or grow. That is why unborn and nursing babies and young children are most at risk. Too much mercury can affect behavior and learning. It may cause numbness in hands and feet or change in vision."

Mr. Speaker, these words are not mine. These words are not political. These words are statements of scientific fact from an agency tasked with protecting our health. Mercury in our environment is dangerous to our health, and it is particularly dangerous to the health of our children. It is the responsibility of EPA and this administration to protect the public from mercury pollution.

Why does the administration not propose real mercury regulations? Contrary to some claims, it is not because of fear of losing jobs. Enforcing the Clean Air Act and limiting mercury pollution will not end the business of generating power in the Midwest. In fact, when the administration eliminated air pollution controls in August, people with high-paying jobs, with good benefits were actually laid off because of pollution control equipment that they installed was no longer needed.

The administration cannot outsource this problem. The responsibility to control mercury pollution is a challenge our country must face together. Recently we have heard reports from the Environmental Protection Agency that in creating its mercury proposal, usual EPA methods were not used. Sound science was not adhered to. Politics became more important than defending our health and our environment.

When EPA policy is taken word for word from the industry letters, there is a credibility problem there. The result of this mismanagement of mercury by the administration is a mercury plan that may violate the Clean Air Act and does little to make real, swift reduction in mercury released in the environment.

Because we have not stopped mercury pollution, the people of Maine continue to see their lakes and rivers polluted by a poison that cannot be controlled. The administration must understand that the American people expect the EPA to introduce a mercury rule that complies with the Clean Air Act and protects the health of our families. The administration must work with Congress to create an environment in which people can have good jobs, a clean environment, and a country where they can feed the fish that they catch to their children.

Mr. ALLEN. Mr. Speaker, I thank the gentleman for his leadership on this particular issue.

Before we close here, it is worth going back to that study I mentioned at the beginning. In February of this year, just last month, a new study came out which showed that of the 4 million babies born in this country every year, some 630,000 have been exposed while they were fetuses to levels of mercury in their mothers' body that are considered unsafe. Instead of dealing with that threat, this administration has written a proposed rule limiting mercury written by the industry lobbyists.

What is happening is, now the EPA is going to go back and say try to do it over again, try to fix it up, but we do not know when they will do it or what they will do. This problem is growing. It is manageable.

I said earlier that the technology is available today so that we could establish a rule to phase in mercury pollution control equipment; we could have that rule take effect in 2007. The industry would have time to make the changes. Ninety percent reductions in mercury emissions today are feasible, they are possible, they can be done. The only resistance is coal-fired power plants do not want to spend the money. So on the one hand, we have the interest of an industry that have been major, major contributors to the majority party here and, on the other hand, the health of our children. It is, or ought to be, a simple choice. And we are here tonight to make sure that people understand that choice and encourage policymakers here to make the right one.

PARENTAL CHOICE IN EDUCATION

The SPEAKER pro tempore (Mr. PORTER). Under the Speaker's announced policy of January 7, 2003, the gentleman from Arizona (Mr. FRANKS) is recognized for 60 minutes as the designee of the majority leader.

Mr. FRANKS of Arizona. Mr. Speaker, today we would like to address the House related to education. I think as all people have contemplated history and the betterment of human kind, most of the greatest leaders have recognized that some of the core hope of humanity lies in the education of its children. That is reflected by some of the words of great leaders of the past. Aristotle said, the longer I study the art of governing mankind, the more I realize that the fate of empires depends upon the education of youth. Teddy Roosevelt said, to educate a child not in line with moral capacity is to educate a menace to society. Thomas Jefferson said, the purpose of education is to create young citizens with knowing heads and loving hearts. And sometimes, Mr. Speaker, that loving hearts part complicates all of our lives, because it seems today in education we focus strictly on the academics of education. We forget that the real heart of education is indeed the education of the heart.

□ 1630

And I have to think sometimes, Mr. Speaker, that as we look across the spectrums of society and we recognize that some of the great tragedies in this world are not so much that our academics are out of kilter, but that sometimes our hearts simply have not been taught to truly respect and care about one another.

And I have had the beautiful privilege of teaching a group of 1 year olds in Sunday school for the past almost 21 years. And I have seen coming generations rise up around our knees. And as I look at how they grow up in the different areas they go into in life, it becomes very obvious to me that in nearly every case if a child is given the proper opportunity, they can grasp a lot of the academics of this world; but what they need to understand is that they are indeed a miracle, that they are part of a miracle of life, and that somehow that they were put here on this earth for a purpose. And I truly believe that that is where the education of the heart comes in.

But unfortunately, oftentimes in the public square in our country today, we run from the idea that parents or guardians should have any input in the foundational moral training of their children. It is left to the schools, and the schools make the decision and that is the way it is.

Mr. Speaker, I believe that we make a great error in doing that. Because if a child understands that they are indeed a miracle, that they are put here on this earth for a purpose, then somehow they are part of a significant enterprise that really begs human description. Once they understand that they have that purpose, then they begin to grasp the academics. They have the motivation to learn science and math and history. They have the convictions to go out and face the challenges of life without faltering when every wind of something that would distract them in life comes along.

Mr. Speaker, I believe that we really, truly need to begin to consider this entire dynamic in our educational system. As it happens, we have decried socialism across the world. In fact, we have pointed out to almost everyone that the highway of history is littered with the wreckages of Socialist governments, of governments that somehow thought that collectivism and socialism transcended that of liberty and the worth of the individual and that of a rule of law and of a republic.

And if anything has demonstrated that over the last 10 to 20 years, it is the fall of the Soviet Union. It seems that socialism has been discredited across the planet in nearly every way, unfortunately except in our own school systems in America. And we have embraced the notion that government should be the one to make all of those decisions, that government should be the ones to decide the academics, that government policy should be the ones to allow the educational requirements of children and to dictate what those are. And in so doing we leave out the most important single factors in a child's life, and that is simply those people who love them more than anyone else can possibly understand, and that is their parents.

And I know that there is going to be an ongoing debate in this Chamber for many, many years related to parental empowerment in education. But Mr. Speaker, unless we as a people understand that children are not wards of state, that they are the gifts of God to their parents and to the world, unless we understand that parents have more concern and more understanding about their particular children than anyone else in the world, then we will fail the coming generations.

Mr. Speaker, I am reminded of a circumstance recently in Arizona, where I come from, where there was testimony on this very issue before the State legislature. And some of the parents groups were there, advocating that they should have a greater role in their children's education. And as it happened, the debate continued in a more heated manner. One of the bureaucratic members of government got up and said, "Well, we love your children just as much as you do." He said that to one of the parents. And one of the parents very succinctly said to the bureaucrat, he says, "All right. Tell me what are their names." And, of course, the bureaucrat was without an answer of any kind.

And I think that that really illustrates what the bottom line here is, and that is that no public or private group can really ever understand a child's most important needs like mom and dad do. I suppose that is reflected to a large degree by the magnificent success of home schooling in America. These are some of the smartest kids in the entire Nation.

And I am reminded that the Ark was built by amateurs and the Titanic was built by experts. It seems that parents, even many times without teaching degrees, are turning out the smartest children that we could imagine. And we as a society and as a Nation and as policymakers need to understand why that is true. And I, again, believe with all in my heart that it goes to the motivation of the child many times. It goes to the causing that critical curiosity that comes into the life of every child if given that opportunity.

I believe parents are in a better position to know what is best for their children. And that is why one of the things that I advocated in this body for the time that I have been here has been to empower parents in education. I believe that there is probably no greater thing that we could do for our children in terms of the philosophical underpinnings of the Nation and of their ability to face the future with a sense of hope.

The reality is that everywhere we have tried to empower parents, we have seen good results. We have seen it in places where there are vouchers programs. We have seen it in places where there are scholarship tax credit programs. We have seen it in places where there are school choice between the public school systems, where a child's parents can choose to put their child in this public school or the public school down the street. We have seen it anytime we empower parents to make choices, something good happens. We have seen it, as I said, in the home schools.

When we empower parents, we do good things for children. It is that beautifully simple.

Mr. Speaker, as it happens among those groups, among those approaches to educational choice, among those approaches to parental empowerment, the one that I believe has the very most hope in terms of a public policy outside the area of home schooling is this thing called scholarship tax credits.

I was privileged to write Arizona's scholarship tax credit many years ago. And now today we scholarship 21,000 children in Arizona. And the schools they go to are entirely left up to the parents. The mechanism is very simple. The mechanism is such that if an individual on a voluntary basis chooses to contribute to a scholarship fund for children to go to a school of their parents' choice, then the contributor gets a dollar-for-dollar reduction in their income taxes.

And essentially what that does, Mr. Speaker, is it calls upon the individual taxpayer to make a simple choice. Would I rather my money go to the bureaucrats or would I rather it go to children? And I have to say that is not a complicated task for many parents or many scholarship donors. They have a pretty clear perspective of which way that should happen.

One of the challenges, of course, in Arizona is that we really do not have the money to put all the children that we would like to scholarship. But there are a lot of ancillary effects of this program, Mr. Speaker, one of which is that we have seen a definitive response by the government schools, by the public schools, to parental choice. We have seen that all of a sudden the schools there begin to have a much greater interest in what mom and dad have to say about education. Because they know now that mom and dad if they need to, if they choose, that they can move in a different direction, they can take their child to a different school.

When you empower parents like that, you create a dynamic between public schools and parents that is vitally important to the success of both.

As it happens, Mr. Chairman, about 90 percent of the parents in Arizona choose a faith-based school for their children, again being entirely up to them; but as many people would be detractors of such a choice, the reality goes back to the heart issues that we spoke of earlier.

And, Mr. Speaker, we talk about the problems with integration in our schools. And if one looks at some of the private faith-based schools, they are the most integrated schools in the entire Nation. And I have to say to my colleagues that when you give parents the ability to place their children in schools of their choosing, there are such a host of wonderful things that begin to occur. First of all, competition happens for the child. All of a sudden the child that might have been just a little bottom in the chair for the system becomes royalty to everyone in the system.

All of a sudden we begin to focus on the child rather than the system itself. All of a sudden parents matter, their opinions matter. Because if the schools could not respond effectively to the parents, then the parents simply have another option. All of a sudden the schools begin to say, all right, what are the dangers on this campus for children? What are the situations as far as bullying in our schools? All the things that we talk about in terms of public policy problems in the schools begin to be affected almost automatically.

All of a sudden those questions begin to be taken up seriously by the administrators because they recognize that they are competing for the child in a sense.

Mr. Speaker, there are so many other things I would like to add, but I see that a good friend of mine, the gentleman from Michigan (Mr. HOEKSTRA) has come into the room. I would like to yield to Mr. Congressman HOEKSTRA for a moment and perhaps we can come back and discuss the issues a little bit more.

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague for yielding.

To have the opportunity to have this dialogue about empowering parents, empowering parents to give them a bigger role in the education of their children, there are a number of methods now that States are employing to create a dramatic impact in improving their children's education.

I think my colleague and I agree that the most important thing in a child's education is having a caring and involved adult in their life. And whether it is a parent, whether it is a guardian, whether it is a mentor, whatever, but if a child has a caring adult in their life, who takes an interest in their education, that is a powerful motivator to ensure that that child has the ability to learn and has the ability to move forward.

And States are doing a tremendous amount of innovation and experimenting with how they provide parents with this option of selecting where their children go to school. Fifteen States today have various proposals for public school choice, inner- and intra-district choice programs, allowing students to transfer between public schools.

And then there are other States that provide slightly different versions of public school choice. One of the things, again, another version of public school choice, is charter schools. Today over 40 States and the District of Columbia have charter school laws. Again, giving parents the initiative of saying this is the school that best fits my child's needs. And it does not necessarily mean that the other schools are not good schools, but recognizing that certain schools will have certain strengths, not every school is exactly the same, and provides a better opportunity to tailor the match for the child to the school that they attend.

Six States have enacted voucher laws. My colleague has been very instrumental in another form, a modified form of school choice that opens up enhancing education for all of our kids, not only for those that might go to a private or parochial school, but also a public school, by putting more money into our school systems, public schools, and the private and parochial school systems with a tax credit program that my colleague not only introduced in the State of Arizona, but my colleague was the key move in, I think, a trend that is gaining a lot of interest. Because what it does is it not only empowers parents to select schools, but it also empowers parents to reward the schools or the community groups that they believe are doing a good job.

In the State of Michigan we passed a new education financing system that I think in many ways was positive. But after 10 years we have learned that there have been some unintended consequences. Our school administrators in some respects are now more beggars to the State Capitol than being focused where they should be, which is on the parents and the kids in their community. And there is really no way for a school district that is doing a phenomenal job to go back to the people of that community and say we want to do some special things for our kids and to get that money.

□ 1645

My hometown public schools have a declining enrollment. They cannot take costs down quick enough to reflect a declining enrollment, and so even though our public school system in Holland has always been a competitive advantage for the community, where companies would locate in Holland because they saw that we had a quality school system, it helped to attract, that school district can no longer go to the community and say if you want us to be a differentiater, that when a company is located saying are we going to locate in West Michigan, are we going to locate in Kentucky or somewhere else, one of the reasons that company is going to locate in west Michigan is they are saying they have got a great school district; they have put additional resources into that school, and I know that if I come to this community I will be able to attract the employees that I need because my employees are going to want to have a good school district for their kids.

Maybe you would want to share a little bit about what the impact of tax credits have been in Arizona, not only in improving public schools but enhancing choice for all of the kids in Arizona.

Mr. FRANKS of Arizona. Mr. Speaker, I will have to say that my first response would be that among those 21,000 children who have received scholarships, it is almost impossible to relate the wonderful anecdotal stories that you get. Parents come to me and say, my child was failing in the public situation. They just were not doing well. It was not that the schools were not a good school. It just was not the right fit for them. Sometimes we overlook that. Oftentimes there is this notion that if you are for parental empowerment that somehow you are condemning all public schools, and that is not the case at all.

Mr. HOEKSTRA. If the gentleman would yield, I think that is critical because I think this is what I really want to reinforce because I think it is also a model that I would hope that we would consider here in Washington; and more importantly, I am hoping that it is a model that we will consider in the State of Michigan for putting more money into our public schools.

The tax credit that you designed in Arizona not only empowers scholarship organizations to give scholarships to low-income students to go to private and parochial schools, but it also provides a mechanism of funneling more money into our local public schools in Arizona. Is that correct?

Mr. FRANKS of Arizona. That is correct, and it has the ancillary effect of causing parents to be more involved with that local public school. All of the sudden they have a stake in it personally. They have made a tax credit contribution to the school, and the schools then, of course, there is a dynamic. There is a communication that occurs there; and as you said in your remarks earlier, one of the prime indicators of successful education is an involved adult, in other words, the parental involvement in the education.

In fact, if there was any single greatest factor in a successful child's education, and we talk about all the systemic approaches, but the greatest single involvement is parental involvement, and I think that is recognized in the home schools and private schools and public schools. It really oftentimes does not matter so much which one of those systems the child goes to as much as is the parent fully engaged and involved, and that is why I believe things like the tax credit for the public school and the tax credit for the private school option are so good because they, as a matter of course, as part of the logistics, they involve parents; and parents, when they are involved and have to make a choice, then not only are they more aware of the situation but they have an investment of their time and emotions, and they made a choice and now they have to make it work.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman would yield, maybe you can relate a little bit about the experience in Arizona. You talked a little bit about that there have been, what, 21,000 students in the State of Arizona who have been able to take advantage of a scholarship to attend a school of their choice; but there have also been significant amounts of money that have flowed back into the public schools where parents who are very satisfied with what is going on in their public school, the public school has identified a specific need.

We did a hearing on this I think 4 or 5 years ago as this concept was starting to come out. I think that is what really intrigued me is it did not pit one sector of our education system against another, the privates against the parochials. This actually ended up being a win-win situation for education in general because it became a new way to voluntarily fund the public and private and parochial system, a voluntary way to move more money into educating our kids.

I will yield back to have you explain some of the results that you have seen in Arizona.

Mr. FRANKS of Arizona. Well, the gentleman is exactly correct. As it happens, somewhere around $100 million has been raised for children to go to the private school of their parents' choice.

Mr. HOEKSTRA. This is $100 million voluntarily, correct? This is not $100 million where the legislature in Arizona passed a new tax and said we are upping our sales tax by half a percent or changing the income tax? This is $100 million that people voluntarily in Arizona said we are going to pump this money back into our education system to help educate our kids and provide a higher level and a higher quality of education?

Mr. FRANKS of Arizona. The gentleman is exactly correct. Approximately $100 million has gone to the private scholarship groups and approximately 120 million additional dollars have gone into the public school setting.

Mr. HOEKSTRA. So over $220 million, voluntarily going into education?

Mr. FRANKS of Arizona. That is correct, and of course, that is the voluntary aspect of it, which, as you mentioned, is vitally important; but it also has engaged the parents. One of the things that we are seeing is a decided increase in Arizona among those parents who are highly satisfied with their public school experience, and we are convinced that there is a clear connection between the two because anytime that there is a motivation and incentive for parents and schools to talk, it usually creates a better environment altogether.

Mr. HOEKSTRA. Mr. Speaker, the gentleman may want to just explain for folks exactly how the tax credits work. How is this tax credit different perhaps than a voucher system that is maybe being used in some other States? Then we can talk a little bit about the advantages of the tax credits versus vouchers and that kind of thing.

Mr. FRANKS of Arizona. I will be happy to do that. I thank the gentleman.

The single most important difference between vouchers and tax credits is the fact that with the tax credit, all of the contributions that go into the system are entirely voluntary and they never go through government coffers. Now, you say, well, that is a simple difference; but it creates all kinds of ripple effects, all kinds of ancillary differences.

For instance, those people who are concerned that if they send their child to, say, a faith-based school down the block and that if they send them with a voucher that somehow the scary, insidious hand of government will come in and tell them to take down their cross or Star of David or whatever the case might be. Under the scholarship tax credit approach they would have very little to worry about because there is simply no connection to government in that regard. The moneys go into a private charity, which 90 percent of those moneys then go to the scholarship for the child.

When you consider the expenditures there, there is a significant difference. I mean, about 56, 55 percent of our dollars that come appropriated from this body go into the classroom; but overwhelmingly, when people contribute on the private scholarship tax credit, about 90 percent of those go directly for tuition of the child.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman would yield. I mean, that is one of the frustrating things that we have here, and I think that is an important statistics.

We passed a bill here a couple of years ago that entitled dollars to the classroom because we did a survey of the Education Department. We found that the Education Department and the other Federal agencies had over 760 different specific education programs, not all of them obviously in the Department of Education, not all of them obviously targeted to K through 12 education; but we do not have that many different kinds of education systems that you said, well, it makes sense to have 760 different education programs.

Then what we started doing is we started taking a look at how those dollars flow. We appropriate money into one of these programs, so we send it to a K through 12 school with a list of rules and regulations, or we send it to the State. The State then has to administer it and send it down to a local school district, and again, it gets to a local classroom, perhaps with some rules and restrictions on it. They then have to report back to the State, and the State has to report back to Washington and say we spent the money exactly the way that you told us to and within the restrictions of the program.

Of course, we know that the folks at the local level cheat, so we then send in our auditors. We send in our auditor from Department of Ed down to the State, down to the local school district to audit, and the school district has to justify and keep the records that they spent the money exactly the way that they did. Then we end up with the scary numbers that you said, somewhere between 50 and 60 percent of every dollar actually going into educating a child. Somewhere between 30, 35, 40 percent of every education dollar we spend in Washington goes into bureaucracy by deciding where the money is actually going to go. Somebody's got to divide it up at the Federal level and the State level, and we have got to track and monitor and audit.

What we tried to do a couple of years ago was kind of like what happens with the tax credit program. As we were saying, 90 cents gets into a classroom. What we tried to say here in Washington, would it not be great if every education dollar we spend at a K through 12 level, if we could get 95 cents of every dollar into the classroom educating a child and get rid of the rules and regulations, get rid of the bureaucracy.

It is exactly one of the points that the President had in his No Child Left Behind bill of giving States and local school districts more flexibility, but that part of the bill was left on the cutting room floor. It got cut out of the bill, but I could not help but think of that when you were talking about the effective nature of voluntary tax dollars going into a scholarship fund, and then that scholarship offering it to a student and 90 cents of every dollar gets to that local school versus what we do here in Washington. It is a very efficient way of getting money into a school.

Mr. FRANKS of Arizona. Absolutely. I find it fairly telling that from the Federal Government perspective that we supply about 7 percent of the funding for education that goes to the States. In other words, the total funding that it takes to educate a child in the public school system, about 7 percent of that money comes from the Federal Government; but when you consider that over 55 percent of the paperwork that the school has to do is mandated by the Federal Government and there is something horribly wrong about all that, because it just underscores everything that you said, and if you consider across the country, on the average, private schools cost approximately half, if you just measure them all out and average them all out, about half what the public school systems cost, and yet on the average they will educate a child academically about one to two grade levels higher in the same respective area.

There is something to be learned there. Oftentimes people say that is because the private schools skim. Now, I think there are some other differences. First of all, classroom size; second of all, certainly in Arizona, for every two teachers, we have more than one administrator, but when you look at the private settings, you have about one administrator for every 19 teachers. So there is an entirely different overhead dynamic, and I just think sometimes we need to look at just some of the financial dynamics there.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman would yield, we did a program called Education at a Crossroads, where we went around to schools; and I do not know, 13, 14 different States, and we asked those kinds of questions, what kind of paper do you have at the administration level, and all those kinds of things. The local administrators would be the first ones to say we share the same vision that you have. We want parental empowerment; we want the parents to want to send their kids to our schools; we want to get the dollars into the classroom; we want that to be the focus.

I still remember a press conference we did where we brought out the reams and reams and reams of paperwork that these school districts are required to send to Washington, and obviously if they have got to send all this stuff to Washington there has got to be somebody that fills it all out. The thing that we never did find was when you send all of that paperwork into Washington and we would have a huge stack from just a local school district, who in Washington is the person that reads all of that stuff? I think that we never found that person or that Department, and that is why the flexibility is so important.

So even though in some of our schools the ratio of teacher to administrator is very different than what you may find in another setting, if it is a private or parochial setting, that is not necessarily where the administrators want to be. They would prefer to put as much money into the classroom because they have got the same focus that we have.

Mr. FRANKS of Arizona. Mr. Speaker, that is pointed out very clearly in the year 2000 where only 52 percent of staff employees in public schools were teachers, about half; and many of them I am convinced that were not teachers would certainly have wanted the money to go towards instruction. If you look at the same year, only 52.4 percent of the nearly $382 billion spent nationwide on education, only about half was spent on instruction.

Mr. HOEKSTRA. What is the number?

Mr. FRANKS of Arizona. 382 billion in the year 1999 through 2000 school year. Only 52 percent was spent on instruction.

□ 1700

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will continue to yield, what this tells us is a very important thing. This is not an issue of money. We are spending a tremendous amount on education, but we are spending a tremendous amount of it in the wrong place, and it is partly because parts of the No Child Left Behind, that never made it into law, was to give local school districts and States relief from the paperwork burden that sucks up valuable education dollars away from the kids and puts it into a bureaucracy either at the State capital or here in Washington.

Like I said, and I think the gentleman agrees with me, the teachers, the principals, the administrators at the local level want to do what we are saying; they want to focus those dollars in the classroom. But they recognize that when they get as many mandates as they get from Washington, D.C., they have to have the piece of paper and the forms filled out; they have to dot the I's and cross the T's or they get in trouble.

Mr. FRANKS of Arizona. Mr. Speaker, the gentleman is exactly right. We have an estimated number of Federal programs, so when we talk about how we create these programs for the States, there are over 700 of them. And I would suggest to my colleagues that these mandates and regulations and ineffective programs make it very difficult for the local schools at the State level to comply with this.

What they do in the meantime, and this is shocking, but $84 million in State education funds were recently returned to the U.S. Treasury because States had not used it for more than 3 years. I am convinced they are just ready to pull their hair out because they could not deal with these complex mandates we put on them from the Federal Government.

I think there is a bigger issue here, and that is sometimes the Federal Government just needs to get out of the way and let the States and parents make the decisions on education. Because it seems like the more we get involved from the Federal level, the more we have a tendency to mess things up.

Mr. HOEKSTRA. The gentleman used the word that we talk about quite often. School districts and principals and teachers at the local level are forced to comply. Compliance means you adhere to the rules, but it also means your focus has changed from where it needs to be, which is educating the child to complying with the rules. And the teachers and principals at the local levels want to focus on our kids.

All these programs and all these rules and regulations move us away from where the gentleman and I started today when we started talking about parental choice. We talked about parental empowerment and recognizing that the tie between the parent and the child and the local school district is absolutely critical, and that when we put in funding schemes like we have in Michigan that say the money is no longer going to come from the local level and the people in the community, but it is going to come from these folks over here in Lansing, we weaken that.

When we send in a bunch of programs and a bunch of mandates from Washington, it weakens the ability of the folks at the local level to take a look at the needs of Johnny and say, What do I need to do for Johnny? They have to say, Wait a minute, I have this form 1081 with this program and I have to fill this out, and that means I have to do this. I have to fill this report out after class today, or I have to fill it out at the end of the semester. Again, it weakens that link between the parent, the teacher, and the child and that local community and it forces these people to look to Washington, which is the last place they should be looking to as to who needs to be educated in their community.

Mr. FRANKS of Arizona. Mr. Speaker, I find it ironic that this body is essentially the school district for the Washington, D.C. schools. Perhaps the nomenclature is a little different, but the reality is we are in charge of trying to make sure that the Washington school districts here in the District of Columbia operate effectively. Now, in Arizona, just to give a comparative, about $6,800 per year in the public school system is what it takes us to educate a child, when you add maintenance and operations along with the cost of facilities. But here in Washington, D.C. it is over $12,000. It is the highest in the Nation.

If we know what we are doing here in terms of educational policy, why is the one school area that we are most in charge of costing the most and have some of the poorest schools in the Nation?

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will once again yield, that is one of the ironies here. The gentleman is right. Many in Washington would say that the Congress functions as their school board, and yet we do spend somewhere upwards of $12,000 per student in the city of Washington, D.C.

I know that for most of the school districts in west Michigan, the area that I represent, the number that they get per child is somewhere in the neighborhood of $6,700 to maybe somewhere around $8,000, maybe a little over $8,000, but in that range, and they would be saying, wow, if I got $12,000, and even for the most or the best funded school district in west Michigan that is another $4,000 per student, that would be a 50 percent increase, what would I do with all that money? And then, of course, they look at the results here, and those are not very good results.

I remember when we did the "Education at the Crossroads" hearings, we did a district in Alabama, and it was very interesting. They had one of the lowest per-student funding ratios in the State and they had the highest test scores. So we asked them what they attributed this kind of performance to, because they did not get a lot of money, yet their scores were phenomenally well. The answer was, well, we only get enough money to focus on the basics. We do not do a lot of the peripheral stuff. We cannot do it. We cannot afford it. So all we do is, day in and day out, we focus on the basics.

That is not saying these other things are not worthwhile, but it means that they have to get the foundation and the basics done first. And I do not want to put a number out there, but if you gave that school district $12,000 per student, they would not know what to do with the money because they are doing it with a whole lot less and getting outstanding results.

Mr. FRANKS of Arizona. Mr. Speaker, I think that perhaps one of the greatest dynamics of this debate is the whole cost structure. On the average, and I will speak for Arizona because that is the State I am from, about $6,800 per student when we educate that child in a public school, whether it is an inner city school or rural school. If you average it all together, it is about $6,800. In Arizona, the average private school is approximately half of that, and yet, again, they outperform the public schools on the average. In Arizona, the average home schooler is approximately half of that, and yet they are the most outstanding academic children. They perform academically better than just about any other children in the State.

Consequently, I think that the obvious inference there is it is not just the money. In fact, it seems like we have to pay more for worse results on a regular basis. I am just convinced that rather than trying to argue about which system is better, we need to start looking at home schooling and the private schools and see what are they doing that the public schools are not doing. What are they doing that government can learn from, rather than to compete so much all of the time? Let us find out what they are doing that is making things work for children. I am convinced that that would have a big impact here.

Mr. HOEKSTRA. Well, I have spent a lot of time trying to find a common ground between the various forms of education in Michigan, whether it is home school, private schools, a charter school, or a public school, recognizing that each one of these plays a vital role in our total education system; and, also, very frankly, recognizing that when you are in the State of Michigan and you are talking about education reform, you are going to have to design it as a win-win that says there is something in here that is going to enhance the ability of public schools to compete, to educate our children, as well as enhance the educational opportunities for private and parochial schools.

One system is not inherently better than the other and one system should not be inherently favored over the other. Again, this is why I am very much intrigued by the concept that the gentleman has successfully promoted, which is a tax credit, which is a win-win for all of those. I do not think, as it is written, Arizona allows or provides a benefit for home schoolers, does it?

Mr. FRANKS of Arizona. It does not, unless the home school would have some type of satellite classroom setting, and I would hope and look for the day that it would. Because, again, there is no one that has a higher opinion and a greater respect for the home schoolers of this country than I do. They simply have done such a magnificent job that all of us could learn greatly from them. I hope we do.

Interesting to the gentleman's point, one of the great educational philanthropists in this country, John Walton, recently said in a roundtable that, "In any system, if you want to increase the attention a group receives, you must increase their power. The best way to empower school children and parents is to let them direct the money."

Mr. HOEKSTRA. That is exactly the point. What happens when we pass legislation out of Washington that empowers Washington, that gives them more authority, it means that people at the local level have to spend more time focusing on Washington bureaucrats. In Michigan, when we moved the funding from the local level to Lansing, it meant that the local administrators now would have to spend more time focused on Lansing rather than the interest in their community.

That does not mean that what we have done in Michigan is bad, but it is a recognition that that should be counterbalanced. Because where do we want the power and the influence for our local schools? Do we want it in bureaucrats in Washington, in Lansing, or do we want it in my hometown of Holland, with parents? Do I want it around a kitchen table or around a PTA table?

I want it in my local school districts, because in some cases now in my local community, the parents kind of walk away and say, Pete, what can we do? We cannot raise the money.

We had an inner-city school that a lot of people in the community wanted to keep open, but there was nothing that our superintendent could do to go to the community and say, this is not the most efficient way to run our school system by keeping this school open, but I really think it is important to the sense of community and the city of Holland that we leave that school open. He could not go to the community and say, if you agree with me, great, then give me the money to do it. They never had the opportunity to say there is something more important here than just the bottom line on dollars and cents.

There is a sense of community for that part of our town and the belief that using what somebody might describe as being an inefficient way of educating our kids by having that community school right there, that local neighborhood school right there, even if it is a little bit more inefficient, because it gets a better result.

We have to focus and give our people at the local level and the parents and administrators at the local level the opportunity to design a system that works, not necessarily the one that is the most efficient. Because it does not do us any good if it is the most efficient, but we do not get the kind of results that we want.

Mr. FRANKS of Arizona. Mr. Speaker, I think that if we look at the American economy, how it differs from, let us say Socialist countries in the world, and we see that we have placed nearly all of the direction of this economy, this monstrous productive American economy, in the hands of the consumer, in the hands of the everyday purchaser. Now, the reality is that there are always groups that join together and have economies of scale and magnify their purchasing power. But the reality is we have understood in this country that free enterprise and giving this over to private individuals has been a magnificent engine of productivity in this country.

Across the world I have seen that we are the most productive economy in the history of humanity, and it is not because we are so much smarter than anybody else. It is simply because we have a better system. I would suggest that sometimes those that would denigrate trying to pull free enterprise and parental empowerment and choice into education forget the lessons of history.

There were times when someone came along and said about Federal Express, when it came along, that it would destroy the post office. Well, not only did it not destroy the post office, it actually made them far more efficient. We send a letter across the country now in 2 days rather than 5 or 6. We have some of the more efficient efforts in the postal system than we have ever had. The postal system, many times, gives money back to the Treasury now, instead of us having to appropriate billions of dollars more.

The same thing happened with the telephone system when we deregulated it and turned that back into the hands of consumers. When we let people make their choices about what was best for them, we revolutionized communications. All of a sudden people had cell phones everywhere. It has become the bane of our society, I think, to see and hear cell phones ringing everywhere, but people can send pictures using their cell phones, they can call Australia for 10 cents a minute, they can look up their Web site on their cell phone, and almost everyone has one these days. And it is because we knew if we could deregulate those things, that an engine of innovation would occur.

□ 1715

Mr. Speaker, it astonishes me in this country that we have had the insight to increase the efficiency of the mail and the telephony of this country, and yet we do not afford our children the same opportunity to have competitive excellence in education.

Mr. HOEKSTRA. Mr. Speaker, I believe the gentleman is absolutely right. I do not believe we have even begun to tap the full potential to reform K–12 education with the technology that is out there today. How can we really revolutionize K–12 education? Rather than accepting the status quo, what can we do? We have some tremendous needs.

We have a much more diverse society than what we had before, so we need to assimilate children. We need to get them to learn English. I sit on the Permanent Select Committee on Intelligence. The other thing we need to have happen, as we have more kids who need to learn English, we have a tremendous need for children here to learn another language because we are in a global marketplace. How do we explore what they are doing in Europe where many kids speak two, three, four different languages? That is not done here.

I think there is a tremendous opportunity to investigate different means of learning. I think one of the ways that will happen is by allowing educational opportunities and choices to flourish and then empowering parents so they can align their child with the school that they best believe fits their child's needs.

Mr. FRANKS of Arizona. I cannot agree more. Several things occur when we empower parents as essentially the customers of education. We say education should not be a customer-driven thing. I suppose we can say that about anything; but one thing is sure, when we do have a market-driven situation, we get better quality, greater innovation, and a drastic reduction in costs.

I am convinced that those same things would happen for the educational system in this country if we injected parental empowerment and competitive excellence into the system.

But a fourth thing occurs, which is when we empower parents to choose their children's education, those parents with a philosophy of one kind are able to direct their children in that direction. Those with a philosophy of a different kind can do something else. I am afraid if we do not start looking into some of these hard issues, deeper issues in our educational system, we may grow a generation with great academic skills, but very little concern for their fellow human beings.

It is especially difficult when some, forgive me, some intellectual pigmy masquerading as a Federal judge says that children in the public school system cannot say the words "under God" in the Pledge of Allegiance. That essentially vitiates much of the efficiency of the system entirely. I am concerned if we do not begin to realize it is not just academics, that academics are important, but it is not just academics, that we are going to see a new generation that does not know who Abraham Lincoln is, that does not who George Washington is and what they stood for and the things that made this country the greatest Nation in the history of the world.

That is why I am so deeply committed to seeing that education is given a greater sense of parental empowerment and competitive excellence. It will be the salvation of the public school systems, and in my judgment it will be to the betterment of the coming generations.

Mr. HOEKSTRA. Mr. Speaker, it is kind of interesting, the gentleman brings up the judicial pronouncements, and they have been going on since the early 1960s with school prayer, and there has been a very serious unintended consequence. I was at a school in Michigan for a graduation. I looked at the program. It said opening prayer. I kind of looked at the superintendent and nudged him and said, You cannot do that. He kind of looked at me and laughed and said, We can here. Then I looked over at the diploma table and there were a stack of books over there. I said, What book are you handing out? He said, Well, we are handing out the Bible to all of our graduates. I had a smile on my face and said, You cannot do that here. And he kind of laughed and said, We do.

What some of the court pronouncements have done, they have broken the bond between the school and the community because public schools represented local community values, not to an extreme; but when you get a pronouncement from some judge in California about what some school in Arizona or some rural school in Michigan or Illinois or Indiana can do, and that now becomes the law of the land, and the people in Indiana or Michigan or Arizona never had any problem, they look and see what book is being handed out, and for 100 years this school has been handing out a Bible at graduation, and we are not telling people what to believe or whatever. It breaks the bond. Again, it is one of those barriers that comes up between a local public school and their community, and these are the barriers that I think are making it so difficult for our local public schools that have been so successful, but we are creating all sorts of barriers.

We are creating judicial rulings from California and other places that break that bond. We are moving funding away from the local level. We are moving rules and regulations in from Washington that tell them how to do their business, and all of that gets in between a local school, a parent and their child. That is a huge problem.

We ought to talk about what you are planning on doing here in Washington. We have talked about all of the money spent here in Washington on K–12 education, all of the money for the rapid acceleration on Federal spending on K-12 education, and it is all going through programs and mandates. When you start a new program, you send it to a school. That program comes with strings attached.

But the gentleman has another view, a version of a tax credit bill that he would like to see enacted here in Washington that would, rather than empowering bureaucrats, would empower parents. So it says Washington is going to become more balanced, we are going to fund money directly for programs that we think are of high priority, but at the same time we are going to do something to strengthen that bond between a parent and the educational system in their community by going to the same win-win proposal as they have in Arizona, which was tax credits.

Mr. FRANKS of Arizona. We have introduced the Children's Hope Act, and the gentleman is a cosponsor. All of us are very appreciative of that. The Children's Hope Act is essentially a bill in Congress designed to create an incentive for other States to create their own scholarship tax credit such as the ones in Arizona, Florida and Pennsylvania. The idea, of course, is to empower the States, the local governments, and the parents exactly in the opposite order: the parents, the local governments, then the States, and then lastly have the Federal involvement.

Instead of trying to create a monolithic program here that we control, and as has been demonstrated, we do not control things very well from this body, if we can empower the parents in the greatest way possible, we can do the States the greatest favor possible in my judgment. The Children's Hope Act will create a Federal tax credit. It would simply allow people to pay less Federal income taxes if they contributed to educational efforts in their own State. This is especially focused on the scholarship tax credit programs for tuition organizations that give tuition to children to go to the schools of their parents' choice.

Mr. HOEKSTRA. And it is intended to help public schools as well?

Mr. FRANKS of Arizona. It lets the States make that decision. We tried to create the broadest possible latitude for the States and the local governments there to do that. Certainly if we look at, and there is a lot of criticism that Washington no longer cares about education, and they measure our concern for education in funding, but the reality is our funding for education in Washington has gone up precipitously, and in my judgment that is in the wrong direction.

Mr. HOEKSTRA. The funding from Washington may not necessarily be all that bad if there was balance. But what we have done is we have funded bureaucracy, bureaucracy which has written more rules and more regulations for local school districts. We have talked about the impact that has had. It is smothering our local public schools with overhead and administrative costs and taking dollars out of the classroom. A tax credit would begin to bring a little bit of balance that says rather than putting more money into empowering bureaucrats, we are going to put some money into empowering parents and rebridging that gap between parents and local schools and their children.

That is the important thing, to give at least some of this money the opportunity to be driven by the parents in their local community, rather than by a bureaucrat here in Washington.

Mr. FRANKS of Arizona. There are two ways the Federal Government can return money to the States. They can appropriate money with all of these bureaucratic mandates; or they can simply say to the States, here is an idea, if you do it yourself, you will have to send less money to the Federal Government in the first place. That is what the Children's Hope Act is predicated upon. It creates an incentive for States to take care of their own efforts by empowering parents and sending less money to the Federal Government.

I am convinced that this solves a lot of the problems across the board.

Mr. Speaker, I am convinced we can accomplish so much if the Children's Hope Act is passed. It puts the scholarship tax credit on the radar of the States in general. It looks at what is happening in Arizona, Pennsylvania, and Florida. If we can empower parents and create a new movement toward competitive education, towards competition, towards competitive excellence in education, I think we can do more for this coming generation than anything else.

And I would suggest to the gentleman from Michigan (Mr. HOEKSTRA) that the implications are pretty significant. Abraham Lincoln said the philosophy of today's classroom is the philosophy of tomorrow's government, and how our children grow up and the days that exist now will certainly dictate the kinds of philosophies that fill these seats across this room. I would appropriate the words of one of our predecessors of a long time ago, Daniel Webster. Daniel Webster said it this way. He said if we work on marble, it will perish. And there is a lot of marble around here. If we work on brass, time will efface it. There is a lot of brass in this place. If we rear up temples, they will crumble in the dust. But if we work upon immortal minds and imbue them with principles with the just fear of God and the love for our fellow men, we engrave on those tablets something that will brighten to all eternity.

That is what it is really all about here. This is more than just a bureaucratic struggle over who has control over what happens. It is about trying to make sure that the foundations and the underpinnings of America and the great principles that have made us the greatest Nation in the history of the world remain in the hearts of the coming generations. That is certainly my belief, and I yield to the gentleman to express his perspective.

Mr. HOEKSTRA. Mr. Speaker, there is not much I can add to Daniel Webster or the gentleman's rendition of Daniel Webster.

On occasion I have an opportunity to give a tour of the Capitol at night. One of the places I go to is the other body. I go to the desk that was Daniel Webster's desk and tell the stories about him. He was a great orator, a very wise man, as the gentleman has quoted him. I think his quotes would be a very appropriate place to end this Special Order.

□ 1730

A LOOK BACK ON THE ONE-YEAR ANNIVERSARY OF OPERATION IRAQI FREEDOM

The SPEAKER pro tempore (Mr. PORTER). Under the Speaker's announced policy of January 7, 2003, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 60 minutes.

GENERAL LEAVE

Mr. CUMMINGS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. CUMMINGS. Mr. Speaker, I rise tonight along with fellow members of the Congressional Black Caucus to discuss the ongoing war in Iraq. As you well know, tomorrow will mark the 1-year anniversary of Operation Iraqi Freedom. I am sure you would agree, Mr. Speaker, that this is one anniversary that will not be commemorated with a joyous celebration. Instead, this anniversary will be met with somber reflection upon those lives, both military and civilian, that were lost or forever changed as a result of this tragic war.

Just last year, Mr. Speaker, President Bush told the American people, and I quote, "I want Americans and all the world to know that coalition forces will make every effort to spare innocent civilians from harm." Yet just 1 year later, the New York Times is reporting that somewhere between 3,000 and 5,000 innocent Iraqis have been killed as a result of this war. In fact, as of yesterday, there have been 566 Americans, 59 Britains, 5 Bulgarians, 1 Dane, 1 Estonian, 17 Italians, 2 Poles, 10 Spaniards, 2 Thai and 3 Ukrainians that have died in Iraq. And according to the Pentagon, there have been over 3,000 U.S. troops wounded. Those troops are some of the same people that I see in Walter Reed when I visit.

I was just at Walter Reed 2 weeks ago. When I see the young men and women who have gone off into war, many of them coming back missing a leg, an arm, two legs, many of them feeling a bit disoriented, many of them feeling confused, many of them just simply trying to get, as one soldier said, from one day to another, again, this commemoration will not be a joyous one.

Mr. Speaker, we in the Congressional Black Caucus wholeheartedly believe in the principles of peace. We also believe in the principles of freedom as well as a necessity for America to provide security for all of her citizens. But we also wholeheartedly believe in protecting the sanctity of human life.

Mr. Speaker, just last year, President Bush convinced the Nation that Iraq possessed weapons of mass destruction and thereby posed an imminent threat to our national security. And while there have been questions as to whether our data from the CIA and other organizations was accurate, the fact still remains to this day that no weapons of mass destruction have been found. I think, Mr. Speaker, that that is one of the things that makes it so painful for so many of the families. We see them on network television and we see them on the cable shows, those families who say that they believe in this country, that they raised their boys and girls as little children to put their hands up to their hearts and to say the Pledge of Allegiance to the flag. They taught them to be patriotic. They taught them to stand up for what they believe in. They taught them to stand up for the Office of the President, but, more significantly, to stand up for one of the greatest countries in the world. And so from little children they stood up and they said, "I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible with liberty and justice for all."

Those parents who now see their sons and daughters in many instances sadly coming back in sealed caskets, coming back with limbs missing, some of them have begun to ask the question, Why is it that we went to war? For when we went to war, Mr. Speaker, they did not hear the term "regime change." That is not what they thought. They thought that there was imminent danger. They thought our country was in deep trouble. I am sure that as they stood at the air bases and as they stood at the train stations and as they waved good-bye to their sons, to their husbands, their wives, to their sisters, their brothers, their friends, they said they are going off because of these weapons of mass destruction that the President had told them about.

Mr. Speaker, I am not here to beat up on the President because that is not appropriate. But I am here to remind us of why we went to war. I think that so often what happens is that we get so caught up in the political fray that is going on that we forget that when those parents stood at those various departing stations that they thought they were going for one reason, and then once the war got started and moved forward and as weapons of mass destruction were not found, we then began to hear new reasons.

And so it is when the President said that we were going to destroy these weapons, and although I must say that the Congressional Black Caucus begged on this floor the President to think very carefully before going to war, this Congressional Black Caucus begged, because we said that the number one thing that we must always protect is the lives of human beings, be they American soldiers, be they American civilians, or be they the Iraqi innocent people, we must always look at life as the number one priority. But then we went to war.

But before we went to war, we asked the President, Are American lives in imminent danger? We asked the question over and over and over again. Sadly, back then, we could not get an answer. But the implication was that we had major, major problems and that these weapons of mass destruction could be released at any time and could do so much harm.

We asked other questions, too. One of those questions was as we proceed with this war, how is it going to be paid for? Who is going to pay for it? The President was very generous in an answer when he talked about the war.

I shall never forget sitting in one of these seats as I listened to him. One of the things that he said was that this war had come to us, we did not go to it. He went on to say that we had to act now and we had to act so that our children and our grandchildren and their offspring would not have to deal with this issue and would not have to pay for this. And so again our soldiers went off to war, believing that as they marched onto the soil of Iraq that they were making sure that the weapons of mass destruction, when found, would be done away with so that no harm would not only come to the Iraqi people but to the world.

But, Mr. Speaker, I cannot help but ask, if the ultimate goal of this preemptive war was to disarm Saddam Hussein, was our mission really accomplished? Could we have reached the same end by utilizing a different means? Day after day as I listen to my colleagues come upon this floor and talk about how it is that we now have Saddam Hussein in custody and how we have gotten rid of this tyrant and we have locked up this person who was just a person that did so much harm to so many people, I ask myself the question, Was that the reason that we went into war from the beginning? After all, we still have not yet found, by the way, the weapons of mass destruction that were supposed to have caused this preemptive war.

By the way, that is another issue that we brought up, the whole issue of preemption. The Congressional Black Caucus, before this war came about, said that one of our major concerns was that we were committing a preemptive strike; that is, that we were going into a war of more or less prevention and certainly one, if one goes away from what we normally would do, and this preemptive strike is a major thing because that is something that the United States does not do; but the fact is that going into a preemptive strike caused us a lot of concern because we began to ask the question, Well, what are we trying to prevent?

That is where the question of imminent danger came in. Again, that question was never answered. And to be frank, when we look back at it, I do not think this country was in imminent danger. In essence, we have traded over 600 coalition lives and that of countless civilians for that one brutal dictator. One year later, we must ask, was it worth it? Was it worth it to the young man in my district, one of the first casualties of the war?

I shall never forget, Mr. Speaker, as his father heard about his death and cried out, Why is it that my son has died? He wanted to know, that is, Sergeant Walters-Bey's father wanted to know why his son had died. I shall never forget going to the funeral and standing there as he begged me for an answer to the question with tears rolling down his face, Why has my son died? His father was very clear. He had read the papers, he had watched the newscasts. He said to me, Mr. Speaker, "I am all for doing whatever is necessary to support this country. My son was for whatever was necessary to support this country. But I question what this war was all about."

And so, Mr. Speaker, I have asked time and time again if we had enough intelligence to determine that Saddam Hussein was hiding chemical and biological weapons then, why has the Intelligence Community not been able to lead us to those weapons? It is no wonder that the world leaders are now challenging our credibility.

Mr. Speaker, I know that the truth hurts, but the President need not blame others for the predicament that he has caused. It is no secret that our standing around the world has plummeted as a result of President Bush's foreign policy. Spain, a country that stood with President Bush just 1 year ago and supported this preemptive war, is now calling the United States occupation a fiasco.

Just today, Poland, a country which has about 2,400 troops in Iraq and was a strong supporter of the invasion, is saying that it was misled about the threat from Saddam Hussein's weapons of mass destruction.

□ 1745

Unfortunately, the tide seems to be beginning to turn against the United States. Mr. Speaker, I contend that in a multicultural society bolstered by a global economy, there is absolutely no room for a unilateralist foreign policy.

Following President Bush's pronouncement of war last year, the Vatican offered this response: "Whoever decides that peaceful means under international law" that was put at our disposition "have been exhausted assumes a serious responsibility before God, his own conscience, and his country."

I have often said, Mr. Speaker, a hundred years ago none of us were here and a hundred years from now, none of us will be here. The question is what do we do to make our time on this Earth the best that it can be? And perhaps the greater question is, how do we make the lives of others the best that they can be?

Let us seize upon this moment to begin working with international leaders to correct our current course in order that history would reflect kindly upon us as a Nation. One year later, Mr. Speaker, we must reclaim the moral high ground for the sake of our children and those generations yet unborn. I have often said that our children are the living messages we send to a future we will never see. Our children are the living messages we send to a future we will never see. We cannot allow our children, through our actions today, to send a message of war, arrogance, and bloodshed to that future.

Martin Luther King, Jr. once said, "The chain reaction of evil, hate begetting hate, wars producing more wars, must be broken; or we shall be plunged into the dark abyss of annihilation."

On this 1-year anniversary, let us not only contemplate how to better secure our homeland, but let us also contemplate how to secure the peace. One of the things that is so fascinating in an article that I recently read where a young man who was a medic in this war and is now home and he wished to remain anonymous, he was stationed at the Baghdad airport as a medic, and he talked about how he had served in previous wars, and he talked about how it was interesting how different it was because the young people that come back, the soldiers that come back today, a lot of times the public never has an opportunity to see our fallen. And he went on to say that "from what I gather, it used to be that the President would go out to the area to meet the deceased soldiers coming in. They would drape caskets and they would actually watch and give a moment of silence as the coffins came in." He went on to say, and this is a soldier, "The Bush administration felt that this was too much for Americans to handle. So they secured that part of the ceremony" and he said that "no one knows when that fallen soldier comes home.

He went on to say, "It is an injustice to the military because you gave your life to the country and the country should give something back to you. Even just a moment of silence. Every day that someone dies, the flag should be lowered to half staff, not just because a politician dies." He went on to say, "Those guys are good people. They work hard. They do anything and everything that is asked of them, and they gave the ultimate sacrifice. It should not be that you have to go to a Web site to find out who died."

So on this 1-year anniversary, although we do not see their faces, in towns and communities all over our country, people are experiencing the pain of war. Many of them are going to funerals, and our prayers go out with them. Many of them finding themselves in hospitals, and our prayers go out to them. Our prayers go out to all the families who have suffered losses. Our prayers also go out to all of our military who have gone forth to do what they had been called upon to do by our Commander in Chief. We pause on this 1-year anniversary to simply say to them, we thank them. We thank them for putting their lives in harm's way. We thank them for standing up. We thank them for being counted.

And as Swindoll, the great theologian, has often said, It is the things that you do when you are unknown, unseen, unappreciated, and unapplauded that truly matter.

So we in the Congressional Black Caucus refuse, as we did before the war, to be silent. We must raise our voices as we said then, as we begged the President not to go to war, and now that so many of our soldiers have gone on, our civilians have gone on, innocent Iraqi people have gone on, so many have been injured, we again raise our voices. Only this time we raise our voices to recognize those whose names will appear in a local paper or may appear in one or two paragraphs of some article talking about casualties in Iraq. We raise them and say to all of them, to those who have gone on, to those who have been injured, to those who are still in Iraq, to those who have come home for the 2-week leave and are about to go back, to those who believe so strongly in our country, they are no longer unseen, unnoticed, unappreciated, and unapplauded. We pause to say to them "thank you."

And so, hopefully, Mr. Speaker, as America goes to bed tonight, perhaps all of us need fall on our knees and ask God or at least whisper a prayer or have a moment of silence to recognize all of those who I have just mentioned who have given so much to make sure this country stays strong.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. HARMAN (at the request of Ms. PELOSI) for today on account of personal business.

Mrs. BLACKBURN (at the request of Mr. DELAY) for today on account of attending official ceremonies in her district commemorating America's 1-year anniversary of Iraq involvement at Fort Campbell with President Bush and Major General Petraeus.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCGOVERN) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. LANGEVIN, for 5 minutes, today.

Mr. FRANK of Massachusetts, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Ms. BERKLEY, for 5 minutes, today.

Mr. MCGOVERN, for 5 minutes, today.

Mr. ENGEL, for 5 minutes, today.

Mr. LAMPSON, for 5 minutes, today.

Mr. BAIRD, for 5 minutes, today.

Ms. CORRINE BROWN of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. WILSON of South Carolina) to revise and extend their remarks and include extraneous material:)

Mr. WILSON of South Carolina, for 5 minutes, today.

Mr. GARRETT of New Jersey, for 5 minutes, today.

Mr. BILIRAKIS, for 5 minutes, March 25.

Mr. KIRK, for 5 minutes, today.

ADJOURNMENT

Mr. CUMMINGS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p.m.), under its previous order, the House adjourned until Monday, March 22, 2004, at noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized for speaker-authorized official travel during the fourth quarter of 2003 and the first quarter of 2004, pursuant to Public Law 95–384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. JOHN V. SULLIVAN, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 13 AND JAN 17, 2004

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. John V. Sullivan	1/13	1/17	U.K.		1,748.00		5,872.53				7,620.53
Committee total											7,620.53

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN V. SULLIVAN, Mar. 4, 2004.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. KEVIN FROMER, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 4 AND JAN. 9, 2004

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Kevin Fromer	1/4	1/6	Jordan		467.00						467.00
	1/6	1/9	Israel		724.00						724.00
Committee total					1,191.00						1,191.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

J. DENNIS HASTERT, Speaker of the House.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. ROBERT W. VAN WICKLIN, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB.15 AND FEB. 18, 2004

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Robert W. Van Wicklin	2/15	2/18	France	E1073	1,374.00		5,961.09			E1073	7,335.09
Committee total					1,374.00		5,961.09				7,335.09

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. RYAN TATE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 15 AND FEB. 22, 2004

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Ryan Tate	2/15	2/22	China		1,123,000		5,631.00				6,754.00
Committee total					1,123.00		5,631.00				6,754.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

J. DENNIS HASTERT, Speaker of the House, Mar. 2, 2004.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. DEANNA FUNDERBURK, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 15 AND FEB. 22, 2004

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Deana Funderburk	2/15	2/22	China		1,123,000		5,631.00				6,754.00
Committee total					1,123.00		5,631.00				6,754.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

J. DENNIS HASTERT, Speaker of the House, Mar. 2, 2004.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. ANNE LENAY, HOUSE OF REPRESENTATIVES, EXPENDED-BETWEEN FEB. 16 AND FEB. 20, 2004

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Travel to Qatar, Pakistan, Afghanistan and Kuwait February 16–20, 2004: Anne R. LeMay.	2/16	2/17	Qatar		130.00						130.00
	2/17	2/19	Pakistan		526.00						526.00
	2/17	2/18	Afghanistan (day trips)								
	2/19	2/20	Kuwait		402.00						402.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. ANNE LENAY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 16 AND FEB. 20, 2004—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Commercial airfare							7,385.75				7,385.75
Committee total					1,058.00		7,385.75				8,443.75

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ANNE R. LeMAY, Feb. 24, 2004.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO THE PEOPLE'S REPUBLIC OF CHINA AND HONG KONG, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 10 AND JAN. 17, 2004

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Amo Houghton	1/10	1/16	China	Y12,843.81	1,554.00	n/a		n/a		Y12,843.81	1,554.00
	1/16	1/17	Hong Kong	HK2,942.00	379.00	n/a		n/a		HK2,942.00	379.00
Hon. Earl Pomeroy	1/10	1/16	China	Y12,843.81	1,554.00	n/a		n/a		Y12,843.81	1,554.00
	1/16	1/17	Hong Kong	HK2,942.00	379.00	n/a		n/a		HK2,942.00	379.00
Hon. Nick Smith	1/10	1/16	China	Y12,843.81	1,554.00	n/a		n/a		Y12,843.81	1,554.00
	1/16	1/17	Hong Kong	HK2,942.00	379.00	n/a		n/a		HK2,942.00	379.00
Hon. Phil English	1/10	1/16	China	Y12,843.81	1,554.00	n/a		n/a		Y12,843.81	1,554.00
	1/16	1/17	Hong Kong	HK2,942.00	379.00	n/a		n/a		HK2,942.00	379.00
Robert W. Van Wicklin	1/10	1/16	China	Y12,843.81	1,554.00	n/a		n/a		Y12,843.81	1,554.00
	1/16	1/17	Hong Kong	HK2,942.00	379.00	n/a		n/a		HK2,942.00	379.00
Committee total					9,665.00						9,665.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT PERMANENT COMMITTEE ON INTELLIGENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2003

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Robert E. (Bud) Cramer	10/23	10/28	Asia		1,518.00						
Commercial airfare							5,338.22				6,856.22
Hon. Robert E. (Bud) Cramer	11/29	12/07	Asia		2,106						
Commercial airfare							6,252.90				8,358.90
Michael Kostiw, Staff	11/24	11/28	Middle East		952.00		(3)				952.00
Patrick Kelly, Staff	11/24	11/28	Middle East		952.00		(3)				952.00
Robert Myhill, Staff	11/24	11/28	Middle East		952.00		(3)				952.00
William McFarland, Staff	11/24	11/28	Middle East		952.00		(3)				952.00
Hon. Mac Collins	11/24	11/28	Middle East		952.00		(3)				952.00
Kathleen Reilly, Staff	11/30	12/6	Central America		412.50						
Commercial airfare							1,232.14				1,644.64
Kevin Schmidt, Staff	11/30	12/6	Central America		412.50						
Commercial airfare							1,232.14				1,644.64
John Stopher, Staff	11/30	12/2	Southeast Asia		802.18						
Commercial airfare							5,815.90				6,618.08
Michael Kostiw, Staff	12/10	12/14	Europe		686.00						
	12/14	12/18	Europe		728.00						
	12/18	12/21	Europe		994.00						
Commercial airfare							8,042.33				10,450.33
Patrick Kelly, Staff	12/10	12/14	Europe		686.00						
	12/14	12/18	Europe		728.00						
	12/18	12/20	Europe		696.00						
Commercial airfare							7,992.48				10,102.48
Barbara Bennett, Staff	12/1	12/14	Asia		1,101.00						
	12/4	12/6	Asia		564.00						
Commercial airfare							7,597.35				9,262.35
Michael Ennis, Staff	12/5	12/10	Asia		1,108.00						
	12/10	12/12	Asia		656.00						
Commercial airfare							7,150.00				8,586.00
Marcel Lettre, Staff	12/5	12/10	Asia		1,108.00						
	12/10	12/11	Asia		328.00						
	12/11	12/14	Asia		1,101.00						
Commercial airfare							7,074.67				9,611.67
Wyndee Parker, Staff	12/5	12/10	Asia		1,108.00						
	12/10	12/11	Asia		328.00						
	12/11	12/14	Asia		1,101.00						
Commercial airfare							7,074.67				9,611.67
Suzanne Spaulding, Staff	12/15	12/18	Middle East		767.00		(3)				
	12/18	12/19	North Africa		255.00		(3)				
											1,022.00
Hon. Jane Harman	12/14	12/18	Middle East		767.00		(3)				
	12/18	12/19	North Africa		255.00		(3)				
											1,022.00
Kathleen Reilly, Staff	12/18	12/19	Europe		293.00						
	12/14	12/17	Europe		716.00						
Commercial airfare							5,020.09				6,029.09
Hon. Collin Peterson	12/18	12/21	Europe		879.00						
	12/14	12/17	Europe		716.00						
Commercial airfare							5,373.51				6,968.51
Barbara Bennett, Staff	12/11	12/14	Europe		1,263.00						
	12/14	12/17	Europe		1,620.00						
	12/17	12/19	Europe		586.00						
Commercial airfare							6,203.33				9,672.33
Michael Fogarty, Staff	12/11	12/14	Europe		1,263.00						

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT PERMANENT COMMITTEE ON INTELLIGENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2003—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	12/14	12/17	Europe		1,620.00						
	12/17	12/19	Europe		586.00						
Commercial airfare							6,203.33				9,672.33
Committee total											121,893.24

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

PORTER GOSS, Chairman, Feb. 23, 2004.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7190. A letter from the Director, Department of Health and Human Services, transmitting as required by Section 902(g) of the Healthcare Research and Quality Act of 1999 (Pub. L. 106–129), a report entitled "The National Healthcare Disparities Report (NHDR)"; to the Committee on Energy and Commerce.

7191. A letter from the Secretary, Department of the Treasury, transmitting a 6-month periodic report on the national emergency with respect to Iran that was declared in Executive Order 12957 of March 15, 1995, pursuant to 22 U.S.C. 2349aa-9(c); to the Committee on International Relations.

7192. A letter from the Secretary, Department of The Treasury, transmitting the semiannual report detailing payments made to Cuba as a result of the provision of telecommunications services pursuant to Department of the Treasury specific licenses, pursuant to 22 U.S.C. 6004(e)(6); to the Committee on International Relations.

7193. A letter from the Under Secretary for Industry and Security, Department of Commerce, transmitting the Department's report entitled, "Imposition of Foreign Policy Controls on Items Previously Controlled For National Security Reasons"; to the Committee on International Relations.

7194. A letter from the Secretary, Department of Commerce, transmitting the annual report for FY 2003 of the Department's Bureau of Industry and Security; to the Committee on International Relations.

7195. A letter from the Administrator, Small Business Administration, transmitting the Administration's inventories of Commercial and Inherently Governmental Activities for Year 2003 as pursuant to the Federal Activities Inventory Reform Act, pursuant to Public Law 105–270 section 2(c)(1)(A); to the Committee on Government Reform.

7196. A letter from the Architect of the Capitol, transmitting a report discussing the Congressional Office recycling programs for traditional and electronic equipment waste (E-waste) for the first quarter of FY 2004, pursuant to the directions issued in House Report 107-576; to the Committee on House Administration.

7197. A letter from the Acting Chief, Publications and Regulations Br., Internal Revenue Service, transmitting the Service's final rule — Certain Cost-Sharing Payments (Rev. Rul. 2004-08) received March 10, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7198. A letter from the Acting Chief, Publications and Regulations Br., Internal Revenue Service, transmitting the Service's final rule — Weighted Average Interest Rate Update [Notice 2004-24] received March 5, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7199. A letter from the Acting Chief, Publications and Regulations Br., Internal Revenue Service, transmitting the Service's final rule — Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability (Rev. Proc. 2004-17) received 5, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARTON: Committee on Energy and Commerce. House Resolution 522. Resolution expressing the sense of the House of Representatives that there is a critical need to increase awareness and education about heart disease and the risk factors of heart disease among women (Rept. 108–440). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mrs. BONO (for herself and Ms. HOOLEY of Oregon):

H.R. 3993. A bill to amend the Agricultural Marketing Act of 1946, as recently amended by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2004, to expedite the implementation of the country of origin labeling requirements of such Act, to impose certain recordkeeping requirements on retailers subject to such Act, to clarify the authority to impose civil penalties under such Act, and for other purposes; to the Committee on Agriculture.

By Mr. YOUNG of Alaska (for himself, Mr. OBERSTAR, Mr. PETRI, and Mr. LIPINSKI):

H.R. 3994. A bill to authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. HILL (for himself, Mr. SCHIFF, Mrs. TAUSCHER, Mr. JOHN, Mr. BISHOP of Georgia, Mr. STENHOLM, Mr. COOPER, Ms. HARMAN, Mr. CARDOZA, Mr. BERRY, Mr. BOYD, Mr. POMEROY, Mr. MATHESON, Mr. BOSWELL, Mr. HOLDEN, Ms. LORETTA SANCHEZ of California, Mr. CASE, Mr. TANNER, Mr. THOMPSON of California, Mr. MOORE, Mr. TAYLOR of Mississippi, Mr. MICHAUD, Mr. TURNER of Texas, and Mr. SANDLIN):

H.R. 3995. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 and the Congressional Budget Act of 1974 to extend the discretionary spending caps and the pay-as-you-go requirement, and for other purposes; to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SCHIFF (for himself, Mr. SHAYS, Mr. FROST, Mr. BLUMENAUER, Ms. JACKSON-LEE of Texas, Mr. CASE, and Ms. MCCARTHY of Missouri):

H.R. 3996. A bill to build operational readiness in civilian agencies, and for other purposes; to the Committee on International Relations.

By Mr. BOOZMAN:

H.R. 3997. A bill to direct the Secretary of Agriculture to convey to the New Hope Cemetery Association a small parcel of National Forest System land in the State of Arkansas for use as a cemetery; to the Committee on Agriculture.

By Mr. COOPER (for himself and Mr. FOLEY):

H.R. 3998. A bill to expand au pair exchange visitor programs to include the provision of in-home independent living services for adults with disabilities, and for other purposes; to the Committee on International Relations.

By Mr. GREENWOOD (for himself, Mr. GREEN of Texas, Mr. BILIRAKIS, and Mr. BROWN of Ohio):

H.R. 3999. A bill to amend the Public Health Service Act with respect to trauma care, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HOBSON (for himself and Ms. NORTON):

H.R. 4000. A bill to amend title 10, United States Code, to establish a program of financial assistance to enable more members of the National Guard of the District of Columbia to attend institutions of higher education; to the Committee on Armed Services.

By Mr. LATHAM (for himself, Mr. NETHERCUTT, Mr. BROWN of Ohio, Mr. MCDERMOTT, and Mr. LEACH):

H.R. 4001. A bill to authorize the Secretary of Agriculture to use the Agricultural Research Service to conduct research regarding the likelihood and risks of the transfer between animal species of the proteinaceous infectious particles, known as prions, that cause transmissible spongiform encephalopathies, and for other purposes; to the Committee on Agriculture.

By Mr. MATHESON:

H.R. 4002. A bill to amend the Elementary and Secondary Education Act of 1965 with respect to teacher qualifications, and for other purposes; to the Committee on Education and the Workforce.

By Mr. GEORGE MILLER of California (for himself, Mr. Davis of Illinois, Ms. Carson of Indiana, Mr. Ryan of Ohio, Mr. Van Hollen, Mr. Owens, Mr. Bishop of New York, Mr. Holt, Mr. Kucinich, Mr. Andrews, Mr. Stark, and Mr. Kildee):

H.R. 4003. A bill to amend the Higher Education Act of 1965 to improve the ability of foster care youths to attend and succeed in higher education; to the Committee on Education and the Workforce.

By Mr. PAUL:

H.R. 4004. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish a system independent of the Food and Drug Administration for the review of health claims, to define health claims, and for other purposes; to the Committee on Energy and Commerce.

By Mr. PETERSON of Minnesota (for himself, Mr. Rehberg, Mr. Tom Davis of Virginia, and Mr. Kanjorski):

H.R. 4005. A bill to exempt certain animal identification information from disclosure under the Freedom of Information Act; to the Committee on Government Reform, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. POMEROY (for himself and Mrs. Cubin):

H.R. 4006. A bill to amend the Packers and Stockyards Act, 1921, to prohibit the use of certain anti-competitive forward contracts; to the Committee on Agriculture.

By Mr. ROYCE (for himself, Mr. Dreier, Mr. Paul, and Mr. Rohrabacher):

H.R. 4007. A bill to amend the Internal Revenue Code of 1986 to allow amounts in a health flexible spending arrangement that are unused during a plan year to be carried over to subsequent plan years or deposited into certain health or retirement plans; to the Committee on Ways and Means.

By Mr. SHAYS (for himself and Mr. Ruppersberger):

H.R. 4008. A bill to increase the penalties for terrorism against mass transportation and railroads and provide law enforcement with the tools to combat and prevent attacks on mass transportation and railroads; to the Committee on the Judiciary.

By Mr. ACKERMAN (for himself, Ms. Ros-Lehtinen, Mr. Lantos, Mr. Waxman, Mr. Berman, Mr. Engel, Mr. Matsui, and Ms. Berkley):

H. Con. Res. 390. Concurrent resolution condemning the adoption of United Nations General Assembly Resolution ES-10/14 (December 8, 2003) which requests the International Court of Justice (ICJ) to render an advisory opinion concerning the international legal consequences arising from Israel's construction of a security fence in parts of the West Bank, and for other purposes; to the Committee on International Relations.

By Mr. MEEHAN (for himself, Mr. Simmons, Mrs. Tauscher, Mr. Brady of Pennsylvania, Mr. Cooper, Mr. Turner of Texas, Mr. Smith of Washington, and Mr. Alexander):

H. Con. Res. 391. Concurrent resolution expressing the sense of Congress concerning the well-being of members of the Armed Forces and calling on the Department of Defense to do its utmost to see that deployed military personnel have the best force protection equipment the Nation can make available, and for other purposes; to the Committee on Armed Services.

By Ms. WOOLSEY (for herself, Mr. Conyers, Mr. Emanuel, Mr. Farr, Mr. Grijalva, Mr. Hinchey, Mr. Hoeffel, Ms. Jackson-Lee of Texas, Ms. Kilpatrick, Ms. Lee, Mr. Markey, Mr. McDermott, Mr. Owens, Ms. Baldwin, Mr. Sanders, Ms. Solis, Mr. Payne, Mr. Olver, Ms. Carson of Indiana, Ms. McCarthy of Missouri, and Ms. McCollum):

H. Con. Res. 392. Concurrent resolution calling for the adoption of a Sensible, Multilateral American Response to Terrorism ("SMART") Security Platform for the 21st Century; to the Committee on International Relations.

By Mr. FROST:

H. Res. 571. A resolution expressing the sense of the House of Representatives that an Aviation Maintenance Technician Day should be established and expressing appreciation for Charles Edward Taylor's invaluable contributions to aviation; to the Committee on Transportation and Infrastructure.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. NORWOOD introduced A bill (H.R. 4009) for the relief of Thomas W. Sikes and Wellington Trade, Inc., doing business as Containerhouse; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 111: Mr. Shays.

H.R. 119: Mr. Smith of Washington.

H.R. 173: Mr. Kucinich.

H.R. 284: Mr. Sullivan and Mr. Lewis of California.

H.R. 375: Ms. Kaptur and Mr. Cummings.

H.R. 391: Mr. Stenholm.

H.R. 583: Mr. Neugebauer and Mr. Goss.

H.R. 584: Mr. LaHood.

H.R. 727: Mr. Shays, Mr. Allen, Ms. DeLauro, and Mr. Pallone.

H.R. 745: Ms. Kaptur and Ms. Roybal-Allard.

H.R. 814: Mrs. Capito.

H.R. 962: Mr. Capuano.

H.R. 965: Mr. Dicks.

H.R. 1002: Mr. Inslee.

H.R. 1117: Mr. Goss.

H.R. 1205: Mr. Sherman.

H.R. 1251: Mr. Filner.

H.R. 1258: Mr. Crowley.

H.R. 1264: Mr. Peterson of Minnesota.

H.R. 1266: Mr. Shays.

H.R. 1340: Mr. Gordon.

H.R. 1470: Mr. Lynch, Mr. Hoeffel, Mr. Filner, and Mr. Rothman.

H.R. 1480: Mr. Boucher and Mr. Grijalva.

H.R. 1608: Mr. Tom Davis of Virginia.

H.R. 1615: Mr. Platts.

H.R. 1653: Mr. LaHood.

H.R. 1735: Mr. Crowley.

H.R. 1886: Mr. Bell, Mr. DeFazio, and Mr. Wamp.

H.R. 1919: Mr. Platts.

H.R. 2032: Mr. Hyde.

H.R. 2060: Mr. Stupak.

H.R. 2151: Mr. Leach, Mr. Inslee, and Mrs. Maloney.

H.R. 2157: Mr. Acevedo-Vilá and Mr. Ford.

H.R. 2197: Mr. Lynch.

H.R. 2256: Mr. Tierney.

H.R. 2442: Ms. Roybal-Allard, Ms. Corrine Brown of Florida, Mr. Payne, Mr. Wu, Mr. Hall, Ms. Carson of Indiana, and Mr. Etheridge.

H.R. 2612: Mr. Holden and Mr. Grijalva.

H.R. 2625: Mr. Deutsch and Mr. Moran of Virginia.

H.R. 2885: Mr. Ford.

H.R. 2890: Mr. Vitter.

H.R. 2900: Mr. Isakson.

H.R. 2967: Mrs. Northup.

H.R. 2968: Mr. Herger and Mr. Jenkins.

H.R. 2978: Mr. Peterson of Minnesota.

H.R. 3015: Mr. Bass.

H.R. 3063: Ms. Carson of Indiana.

H.R. 3069: Mr. Rogers of Alabama, Mr. Peterson of Minnesota, and Mr. Hall.

H.R. 3103: Mr. Andrews.

H.R. 3104: Mr. Hayes and Mrs. Miller of Michigan.

H.R. 3109: Mr. Moran of Virginia, Ms. Watson, Mr. Watt, Mr. Bereuter, Mr. Aderholt, Mr. Fattah, Mr. Frost, and Mr. Green of Texas.

H.R. 3113: Mr. DeMint.

H.R. 3213: Mr. Gutknecht.

H.R. 3215: Mr. Forbes, Mr. Knollenberg, Mr. Jones of North Carolina, Ms. Granger, Mr. Cox, Mr. Wicker, Mr. Tancredo, Mr. Lewis of Kentucky, Mr. Shadegg, Mr. Sullivan, Mr. Cole, Mr. Hostettler, Mr. Manzullo, Mr. Aderholt, Mr. Souder, Mr. Pence, and Mr. Shuster.

H.R. 3243: Mr. McHugh and Ms. McCollum.

H.R. 3329: Mr. Culberson.

H.R. 3344: Mr. Wexler.

H.R. 3416: Mr. Schiff.

H.R. 3436: Mr. Frost and Mr. Lipinski.

H.R. 3438: Mr. Langevin and Mr. Leach.

H.R. 3441: Mr. Smith of Washington, Mr. Kucinich, Mr. Porter, Mr. Green of Texas, Mrs. Jones of Ohio, Mrs. Biggert, Mr. Berman, Mr. George Miller of California, Mr. Schiff, and Ms. Kaptur.

H.R. 3444: Mr. George Miller of California.

H.R. 3447: Ms. Lee, Mrs. Christensen, Mr. Engel, Ms. Corrine Brown of Florida, Mr. Frost, and Mr. Hinchey.

H.R. 3482: Mr. Ramstad.

H.R. 3550: Mr. Kucinich.

H.R. 3593: Ms. Slaughter, Mrs. Davis of California, Mr. McDermott, Mr. Fattah, Mr. Kucinich, Ms. Woolsey, and Mr. Clay.

H.R. 3598: Mr. Quinn, Mr. Hoekstra, Mr. Dingell, Mr. Oberstar, Mr. Michaud, Mr. LaTourette, Mr. Manzullo, Mr. Lipinski, and Mr. Knollenberg.

H.R. 3643: Mrs. Lowey.

H.R. 3678: Mrs. Johnson of Connecticut.

H.R. 3704: Ms. Ginny Brown-Waite of Florida.

H.R. 3716: Mr. Lipinski, Mrs. Myrick, and Mr. Regula.

H.R. 3719: Mr. Rothman, Mr. Delahunt, and Mr. Gonzalez.

H.R. 3729: Mr. McDermott, Mr. Grijalva, Mr. Brown of Ohio, Mr. Cardoza, and Mr. Wexler.

H.R. 3736: Mr. English and Mr. Green of Wisconsin.

H.R. 3763: Mr. Cannon, Mr. Pomeroy, Ms. McCarthy of Missouri, Mr. Toomey, and Mr. Garrett of New Jersey.

H.R. 3771: Mr. PALLONE.

H.R. 3773: Mr. WILSON of South Carolina, Mr. HAYWORTH, and Mr. TIBERI.

H.R. 3777: Mr. BEAUPREZ.

H.R. 3778: Mr. MURPHY, Mr. GERLACH, Mr. KANJORSKI, Mr. GREENWOOD, Mr. DOYLE, Mr. BRADY of Pennsylvania, Mr. FATTAH, Mr. MURTHA, Mr. PITTS, Mr. PLATTS, and Mr. HOEFFEL.

H.R. 3784: Mr. TERRY, Mr. DEMINT, Mrs. JO ANN DAVIS of Virginia, and Mr. WILSON of South Carolina.

H.R. 3799: Mr. PEARCE and Mr. DEAL of Georgia.

H.R. 3801: Mr. LINDER and Mr. WELLER.

H.R. 3803: Mr. FROST and Mr. ACEVEDO-VILÁ.

H.R. 3810: Mr. MCNULTY.

H.R. 3818: Mr. FROST, Mr. WOLF, Mr. CARSON of Oklahoma, Mr. EVANS, and Mr. LEACH.

H.R. 3854: Ms. GINNY BROWN-WAITE of Florida.

H.R. 3858: Mr. BLUMENAUER, Mr. SABO, Mr. WELLER, Ms. SOLIS, Mr. GOODE, Mr. KIRK, Mr. TERRY, Mr. BOYD, Mr. KUCINICH, Mrs. BLACKBURN, Mr. TANCREDO, Mr. BACA, Mr. WEXLER, Mr. GORDON, Mr. SPRATT, Mr. COLE, Mr. HOEKSTRA, Mr. MCNULTY, Mr. SHUSTER, Mr. CULBERSON, Mr. FARR, Ms. MAJETTE, Mr. LARSEN of Washington, and Mr. NEUGEBAUER.

H.R. 3866: Mr. COBLE and Mr. STUPAK.

H.R. 3873: Mr. OSBORNE, Ms. MAJETTE, Mr. HASTINGS of Washington, Mr. WEXLER, Ms. WOOLSEY, Mr. FILNER, and Mr. GREENWOOD.

H.R. 3881: Ms. LOFGREN, Mr. MEEHAN, Mr. FRANK of Massachusetts, Mr. BROWN of Ohio, Mr. BLUMENAUER, Mr. MICHAUD, and Mr. CROWLEY.

H.R. 3889: Mr. COBLE.

H.R. 3901: Mr. RENZI, Mr. LAHOOD, and Mr. CASE.

H.R. 3920: Mr. SAM JOHNSON of Texas, Mr. FEENEY, Mr. PENCE, Mr. SMITH of Michigan, Mr. HERGER, Mr. DUNCAN, Mr. MANZULLO, and Mr. JONES of North Carolina.

H.R. 3925: Mr. MILLER of Florida and Mrs. BLACKBURN.

H.R. 3974: Mr. FRANK of Massachusetts.

H.R. 3978: Mr. LANTOS and Mr. ROHRABACHER.

H. Con. Res. 218: Mr. RYAN of Wisconsin.

H. Con. Res. 301: Mr. MCDERMOTT, Mr. SNYDER, and Mr. BAIRD.

H. Con. Res. 332: Mr. POMEROY, Mr. PRICE of North Carolina, Mr. BROWN of South Carolina, Mr. HASTINGS of Florida, Mr. VAN HOLLEN, Mr. KING of Iowa, and Ms. LINDA T. SÁNCHEZ of California.

H. Con. Res. 363: Mr. EVANS and Mr. BAIRD.

H. Con. Res. 366: Mr. COSTELLO, Mr. ROSS, Mr. SANDERS, Mr. BOSWELL, Mr. ANDREWS, and Mr. MARSHALL.

H. Con. Res. 369: Mr. DEFAZIO, Mr. BROWN of Ohio, Mr. WATT, Mr. FILNER, Mr. STARK, Ms. SOLIS, Mr. SHERMAN, Mr. STRICKLAND, Mr. OWENS, Mr. ANDREWS, Mr. HINCHEY, and Ms. SCHAKOWSKY.

H. Con. Res. 371: Mr. FOSSELLA, Mr. SULLIVAN, Mr. PALLONE, Mr. BURGESS, Mr. SHAYS, Mr. SWEENEY, Ms. ROS-LEHTINEN, and Mr. ROGERS of Kentucky.

H. Con. Res. 374: Mr. MEEK of Florida, Mrs. MILLER of Michigan, Mr. MCHUGH, and Mr. MCKEON.

H. Con. Res. 378: Mrs. JO ANN DAVIS of Virginia.

H. Con. Res. 380: Mr. SCOTT of Georgia, Mr. GRIJALVA, Mr. RANGEL, Ms. MCCARTHY of Missouri, Mrs. CHRISTENSEN, Mr. FORD, Mr. SANDERS, Mr. NEAL of Massachusetts, Mr. GORDON, Ms. WATSON, Ms. MILLENDER-MCDONALD, Mr. KUCINICH, Mrs. JONES of Ohio, and Mr. LANGEVIN.

H. Con. Res. 387: Mr. ALEXANDER, Mr. BOOZMAN, and Mr. ROSS.

H. Res. 402: Mr. ROGERS of Kentucky.

H. Res. 541: Mr. WOLF and Mr. MCNULTY.

H. Res. 565: Mr. WEXLER.

H. Res. 569: Mr. HOLT and Mr. BAIRD.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3800: Mr. LINDER.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 5 by Mr. HILL on House Resolution 534: Max Sandlin, Mike Thompson, Peter Deutsch, Tom Udall, David Scott, Allen Boyd, George Miller, Jim Davis, Elijah E. Cummings, Earl Pomeroy, Corrine Brown, Diana DeGette, Ike Skelton, Nydia M. Velaquez, Maurice D. Hinchey, Chris Bell, Harold E. Ford, Jr., Sheila Jackson-Lee, Stephanie Tubbs Jones, Frank Pallone, Jr., Ciro D. Rodriguez, Sam Farr, Lucille Roybal-Allard, Neil Abercrombie, Mark Udall, Anthony D. Weiner, James P. Moran, Howard L. Berman, Chaka Fattah, Kendrick B. Meek, Bart Gordon, Edolphus Towns, Xavier Becerra, Luis V. Gutierrez, Gene Taylor, and Robert E. (Bud) Cramer, Jr.

Petition 6 by Mr. TURNER of Texas on House Resolution 532: Max Sandlin, Mike Thompson, Peter Deutsch, Tom Udall, Brad Carson, Elijah E. Cummings, Corrine Brown, Diana DeGette, Maurice D. Hinchey, Chris Bell, Harold E. Ford, Jr., Sheila Jackson-Lee, Ciro D. Rodriguez, Anthony D. Weiner, Kendrick B. Meek, Luis V. Gutierrez, Ed Case, Thomas E. Allen, Joseph M. Hoeffel, Baron P. Hill, Lincoln Davis, Robert E. (Bud) Cramer, Jr., Juanita Millender-McDonald, and Albert Russell Wynn.

The following Member's name was withdrawn from the following discharge petition:

Petition 6 by Mr. TURNER of Texas on House Resolution 532: Lucille Roybal-Allard.

EXTENSIONS OF REMARKS

TRIBUTE TO MICHAEL L. STERN

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. HASTERT. Mr. Speaker, I would like to take this opportunity to express my personal appreciation, and the appreciation of the United States House of Representatives, for the service of Michael L. Stern to the House as Senior Counsel in the Office of General Counsel. After more than 8 years in the Office, Mr. Stern will be moving to the other side of the Capitol to become the Deputy Staff Director for the Senate Committee on Governmental Affairs.

Mr. Stern has provided invaluable assistance and advice to the House and its Members, Officers, and Committees in connection with a broad range of legal matters. Many House Committees and Subcommittees, in particular, have come to rely on his expertise and guidance in connection with their investigative and oversight activities. Mr. Stern has brought his litigation skills to bear both in defending Members and other House employees and entities in judicial proceedings at the trial and appellate levels, and in responding to deposition, trial, grand jury, and administrative subpoenas. Over the years, Mr. Stern has also played a significant role in safeguarding the legal and institutional interests of the House in its interactions with other governmental entities.

I know that Mr. Stern will serve the Senate with the same level of distinction with which he served the House. On behalf of the entire House of Representatives, I thank him for his many years of service and extend to him our very best wishes for his continued success.

A PROCLAMATION THANKING THE 1001ST QUARTERMASTER COMPANY FOR THEIR SERVICE TO OUR COUNTRY

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. NEY. Mr. Speaker:

Whereas, the men and women of the 1001st Quartermaster Company of the Army Reserves are returning home after serving their country in Iraq; and

Whereas, the men and women of the 1001st Quartermaster Company are to be commended for their honor and bravery that they displayed while serving our nation in this time of war; and

Whereas, the men and women of the 1001st Quartermaster Company have demonstrated a commitment to meet challenges with enthusiasm, confidence, and outstanding service;

Therefore, I join with your family and friends, the residents of the Ohio Valley and the entire 18th Congressional District of Ohio in thanking the men and women of the 1001st Quartermaster Company for their service to our country.

CONGRATULATING THE SAUK RAPIDS-RICE STORM ON THEIR VICTORY IN THE MINNESOTA CLASS A BOYS SWIMMING AND DIVING STATE TOURNAMENT

HON. MARK R. KENNEDY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. KENNEDY of Minnesota. Mr. Speaker, I rise today to congratulate the Sauk Rapids-Rice Storm on their victory in the Minnesota Class A Boys Swimming and Diving State Tournament. This is the first State title for the Storm after finishing second last season.

Coached by Tom Swanson, the Storm narrowly defeated Hutchinson, 237–233, by placing first in the last event of the meet, the 400 freestyle relay. Two seniors on the relay team had been involved in the swimming program since the seventh grade—Jason Timmer and Connor Ziegler. Timmer also placed first in the 50 and 100 freestyle, posting All-American times in both events and setting a state Class A record in the 100.

Mr. Speaker, I congratulate the students, coaches and fans from Sauk Rapids-Rice High School on their championship season. It's a great tribute to their hard work, dedication and overall team effort and I know everyone in Minnesota is proud of their accomplishments.

FLORIDA AS THE NEXT FLORIDA

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Ms. CORRINE BROWN of Florida. Mr. Speaker, I submit the following for the RECORD.

FLORIDA AS THE NEXT FLORIDA

[From the New York Times, Mar. 14, 2004]

As Floridians went to the polls last Tuesday, Glenda Hood, Katherine Harris's successor as secretary of state, assured the Nation that Florida's voting system would not break down this year the way it did in 2000. Florida now has "the very best" technology available, she declared on CNN. "And I do feel that it's a great disservice to create the feeling that there's a problem when there is not." Hours later, results in Bay County showed that with more than 60 percent of precincts reporting, Richard Gephardt, who long before had pulled out of the presidential race, was beating John Kerry by two to one. "I'm devastated," the county's top election official said, promising a recount of his county's 19,000 votes.

Four years after Florida made a mockery of American elections, there is every reason to believe it could happen again. This time, the problems will most likely be with the electronic voting that has replaced chad-producing punch cards. Some counties, including Bay County, use paper ballots that are fed into an optical scanner, so a recount is possible if there are questions. But 15 Florida counties, including Palm Beach, home of the infamous "butterfly ballot," have adopted touch-screen machines that do not produce a paper record. If anything goes wrong in these counties in November, we will be in bad shape.

Florida's official line is that its machines are so carefully tested, nothing can go wrong. But things already have gone wrong. In a January election in Palm Beach and Broward Counties, the victory margin was 12 votes, but the machines recorded more than 130 blank ballots. It is simply not believable that 130 people showed up to cast a nonvote, in an election with only one race on the ballot. The runner-up wanted a recount, but since the machines do not produce a paper record, there was nothing to recount.

In 2002, in the primary race for governor between Janet Reno and Bill McBride, electronic voting problems were so widespread they cast doubt on the outcome. Many Miami-Dade County votes were not counted on election night because machines were shut down improperly. One precinct with over 1,000 eligible voters recorded no votes, despite a 33 percent turnout statewide. Election workers spent days hunting for lost votes, while Floridians waited, in an uncomfortable replay of 2000, to see whether Mr. McBride's victory margin, which had dwindled to less than 10,000, would hold up.

This past Tuesday, even though turnout was minimal, there were problems. Voters were wrongly given computer cards that let them vote only on local issues, not in the presidential primary. Machines did not work. And there were, no doubt, other mishaps that did not come to light because of the stunning lack of transparency around voting in the State. When a Times editorial writer dropped in on one Palm Beach precinct where there were reports of malfunctioning machines, county officials called the police to remove him.

The biggest danger of electronic voting, however, cannot be seen from the outside. Computer scientists warn that votes, and whole elections, can be stolen by rigging the code that runs the machines. The only defense is a paper record of every vote cast, a "voter-verified paper trail," which can be counted if the machines' tallies are suspect. Given its history, Florida should be a leader in requiring paper trails. But election officials, including Theresa LePore, the Palm Beach County elections supervisor who was responsible for the butterfly ballot, have refused to put them in place.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Last week, Representative Robert Wexler, a Florida Democrat, filed a Federal lawsuit to require paper trails. He relies on the Supreme Court's holding in Bush v. Gore that equal protection requires States to use comparable recount methods from county to county. Florida law currently requires a hand recount in close races. That is possible in most counties, but the 15 that use electronic voting machines do not produce paper records that can be recounted. Under the logic of Bush v. Gore, Representative Wexler is right.

After the 2000 mess, Americans were assured they would not have to live through such a flawed election again. But Florida has put in place a system, electronic voting without a paper trail, that threatens once more to produce an outcome that cannot be trusted. There is still time before the November vote to put printers in place in the 15 Florida counties that use touch screens. As we learned 4 years ago, once the election has been held on bad equipment, it is too late to make it right.

HONORING JUDGE NANCY DAVIS STARK ON HER INDUCTION TO THE SUPERIOR COURT OF CALIFORNIA

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. STARK. Mr. Speaker, I rise to congratulate and honor Nancy Davis Stark on her induction this past January to the State of California Superior Court for Contra Costa County.

Judge Davis Stark is a highly competent and capable addition to the bench having worked tirelessly for the past 2 decades as an accomplished Deputy District Attorney for Alameda County. In this position, Judge Davis Stark served as Chief of the Sexually Violent Predator Unit, was on the felony trial staff, and held several supervisory positions and assignments.

Judge Davis Stark has been a member of the California Bar since 1982, the same year she earned her Juris Doctor from the University of California's Hastings College of Law. She received her bachelor-of-arts degree from California State University at Hayward.

The daughter of Eugene and Amelia Davis, Judge Davis Stark grew up in the Bay Area having spent her childhood in Oakland and Castro Valley. For the past 14 years, she has been a resident of Alamo where she is a committed volunteer in her community, most notably as the creator and one-time manager of a children's string ensemble known as the Alamo Ensemble Players.

Perhaps most important to me, Judge Davis Stark—Nancy as I call her—is the mother of two beautiful daughters—my granddaughters—Gretchen and Claire and devoted wife of 18 years to my son Jeff. I am grateful to have Nancy as my daughter-in-law. I am even more honored that her years of hard work and service to the public have earned her a rightful place on the Superior Court.

Mr. Speaker, I know Nancy's sound intellect, strong sense of fairness, and demonstrated commitment to the law and justice will be a welcome addition to the bench. I wish her well in this pursuit.

PERSONAL EXPLANATION

HON. DENNIS A. CARDOZA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. CARDOZA. Mr. Speaker, on rollcall No. 52 and 53, had I been present, I would have voted "no."

A PROCLAMATION IN MEMORY OF JOSEPH C. HEINLEIN JR.

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. NEY. Mr. Speaker, I hereby offer my heartfelt condolences to the family and friends of Joseph C. Heinlein Jr. upon the death of this outstanding person.

Joseph C. Heinlein Jr. was born January 26, 1909 in Bridgeport, Ohio. He was a practicing attorney for over 65 years and was recognized by the Ohio House of Representatives for his unwavering dedication to the profession of law. A former U.S. Navy Lieutenant in World War II, Mr. Heinlein was also a member of the Kirkwood Presbyterian Church where he served in various official capacities.

Mr. Heinlein will certainly be remembered by all those who knew him for his personal sacrifices of time and energy to his family, friends, and community. The understanding and kindness to which he gave to others will stand as a monument to a truly fine person. His life and love gave joy to all who knew him.

I offer this token of profound sympathy to the family and friends of Joseph C. Heinlein Jr.

CONGRATULATING THE CENTENNIAL COUGARS, OF CIRCLE PINES, MINNESOTA, ON THEIR VICTORY IN THE MINNESOTA STATE HIGH SCHOOL CLASS AA BOYS HOCKEY TOURNAMENT

HON. MARK R. KENNEDY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. KENNEDY of Minnesota. Mr. Speaker, I rise today to congratulate the Centennial Cougars, of Circle Pines, Minnesota, on their victory in the Minnesota State High School Class AA Boys Hockey Tournament. The Cougars captured their first title in their first state appearance. Centennial draws students from Lino Lakes, Circle Pines, Lexington, Centerville and Blaine.

The Cougars, ranked first in the state, ended the season with an impressive 30–1 mark, defeating Moorhead 1–0, on a goal by Mike Montgomery, for the championship. Goalie Greg Stutz recorded three shut outs, a tournament record, for the Cougars. Additionally, Greg Flynn received the Herb Brooks award and Tom Gorowsky was named the 2004 Mr. Hockey of Minnesota. Centennial is coached by Erik Aus.

In Minnesota, we are justifiably proud of our hockey tradition. The Minnesota State Hockey Tournament is one of the preeminent hockey tournaments in the country. Featured in Sports Illustrated, the tournament draws larger and larger crowds every year. In fact, the tournament this year set an all-time attendance record—120,092 people watched the Class A and AA hockey tournaments.

Mr. Speaker, I congratulate the students, coaches and fans from Centennial High School on their championship season. It's a great tribute to their hard work, dedication and overall team effort. I know that everyone in the State of Minnesota is proud of their accomplishments.

IRAQ INVASION ANNIVERSARY, BRAC, AND HAITI

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Ms. CORRINE BROWN of Florida. Mr. Speaker, first of all I want to commend our brave troops who proudly serve our great Nation and risk their lives to preserve our freedom. I praise their courageous efforts to protect our country, and I am with them 100 percent. They are the best of the best. And I can truly say every Member of this House, this body, supports them 100 percent. What I do not support is this misleading Bush administration and this House that follows them like sheep. Let me repeat that. What I do not support is this misleading Bush administration and this House, the people's House, that follows them like sheep.

A new report has been released that shows that George Bush, DICK CHENEY, Donald Rumsfeld, and Condoleezza Rice made 237 misleading statements about the threat posed by Iraq in 125 public appearances. Eighty-four of those statements misled the American people about Iraq's chemical and biological weapons.

Mr. Speaker, I was horrified last year to learn that 44,000 of our troops were sent out to battle without proper armor. Forty-four thousand. How can we ask young men and women to trust us when we make decisions that involve life and death and then not outfit them with the best that they need to save their lives. We deployed our young men and women to Iraq with Humvees that lacked armored protection and bulletproof windows.

I personally went to Walter Reed where six troops had lost their legs while riding in Humvees. If they had been riding in the right type of vehicles, this may not have happened. This use of Humvees in Iraq was not what they were made for. We need to get our troops the equipment they need now.

And, Mr. President, you need to spend more time planning for the safety of our troops and their families in your war efforts and less time fundraising and cutting taxes for the rich country club friends of yours.

There are two or three other points that I want to make. One, many of my constituents approach me about BRACC and the base closing amendment that we will be doing in

2005. They are telling me we are looking forward to your fighting to make sure our bases are not closed in our area. And my question to them is, why do you think that this Bush administration insisted, insisted, after the House and Senate both voted down and said we should not have a base closure, or BRACC scenario, during this time of war, why do you think this administration insisted that we go through this? It is destabilizing the families and the communities during a time of war.

I have heard that someone from the other body indicated that if they were elected that is one of the first things they would scrap.

I also want to comment on the 2000 election, which I cannot get past because the election determined who is in charge, and certainly I do not think we are headed in the right direction. I am going to submit for the RECORD an article that was in The New York Times last week indicating that Florida could be Florida again. In other words, the problems that we experienced in the 2000 election have not been corrected. It is a disservice to the people that we serve that we do not straighten out the problems with the elections, not just in Florida but all over this country; and we have not properly funded the program.

Also, let me mention the coup d'etat that took place a couple of weeks ago in Haiti. It is very unfortunate that this Bush administration has chosen to go in and take out a duly elected president. Just take him out. Just take him out. The poorest country in the western hemisphere. We have to make sure that the Haitian people get the assistance that they need from the super Bush administration, after going in and taking out the duly elected president.

And I would also like to comment on the recently announced bank merger that the Federal Reserve approved of the Bank of America Corporation and FleetBoston Financial Corporation merger.

I am concerned about the recent Bank of America-FleetBoston bank merger announced today, particularly since it went through with very little public input. What concerns me even more is that although Bank of America has made significant Community Reinvestment commitments to other states, I am disappointed that Bank of America did not ensure the state I represent, Florida, that it too will receive its fair share of resources for minority communities.

On February 16, in the City Hall of Orlando, Florida, I hosted a Public Hearing so that Bank of America could better understand its responsibility to make a difference in Florida's African-American, Asian and Hispanic communities. Many minority groups and activists from across Florida attended this hearing, along with local elected officials of Florida, and Congressman EDOLPHUS TOWNS of New York. The groups testified that significant Community Reinvestment dollars were necessary for home loans for minorities, the development of affordable housing, small business loans for minorities, procurement opportunities for minority businesses, community lending for minorities, and community investment for industrial, commercial and social facilities in minority communities. The Bank of America sent representatives to this hearing, but the pleas from the minority communities in Florida fell on deaf ears, and Florida was never promised a specific dollar amount for Community Reinvestment. Bank of America has shown the minority communities of New England and California great respect, but refuses to do the same for our Florida minority communities. It is imperative that the leadership of Bank of America meet immediately with minority leaders at a general forum to discuss the specifies of a Bank of America commitment for Florida.

I am concerned about what occurred in 1994, when Bank of America publicly announced its plans to initiate certain lending programs in the state of Hawaii for Native Hawaiians on Hawaiian Home Lands. The Bank of America publicly called these programs "commitments" but did not pledge these commitments to the Federal Reserve Board, nor did Bank of America fulfill its public commitments to Hawaii. The Federal Reserve has stated that the enforceability of this third-party pledge is a matter outside of the Community Reinvestment Act, and to this day, Hawaii has been left without redress. How are we to trust that Florida will receive its share of Community Reinvestment Act money when Bank of America could not keep its word to Hawaii?

The Federal Reserve noted in its Order Approving the Merger of Bank Holding Companies, that there were requests for state-specific goals for certain loan products and programs, but that it viewed such third-party agreements as outside of the Community Reinvestment Act. I wholeheartedly disagree. The Board focuses on existing Community Reinvestment Act performance rather than promises of future activities, and anyhow, what type of organization does not have a plan for the future? My office was told that Bank of America has no plan for future Community Reinvestment activity in Florida or how much money would be spent in Florida—but not to worry. I think that this is a poor way to do business. Noting the experience that Hawaii had with Bank of America, I am wary of trusting that Bank of America has the needs of minority communities in Florida at heart.

HONORING THE AFGHAN AMERICAN CUISINE OF FREMONT, CALIFORNIA

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. STARK. Mr. Speaker, today, I rise to submit to the CONGRESSIONAL RECORD an article that appears in the current issue of VIA Magazine, celebrating the culinary contributions of several Afghan American restaurateurs in my city of Fremont, California.

These establishments deserve praise, not only for satisfying many appetites with delectable food, but for enriching our community with their enterprise and important cultural gifts that make Fremont a better place to live.

I am honored to represent the largest Afghan American community in the nation and gladly invite my colleagues to come to California to enjoy, as the author of this article exclaims, "some of the best Afghan food and goods this side of Kabul." I couldn't agree more myself.

[From VIA Magazine, Mar.–Apr. 2004]

LITTLE AFGHANISTAN: DISCOVER THE FLAVORS OF KABUL IN THE BAY AREA

(By April Thompson)

Handmade Afghan ravioli and rugs in sleepy, suburban Fremont? The Northern California city is home to the nation's largest Afghan American community and some of the best Afghan food and goods this side of Kabul. Afghanistan's cuisine has been influenced by Russia, India, China, and Persia, and its dishes star the rich, sweet, and tart tastes of cardamom, cilantro, rose water, and homemade yogurt.

The storefronts on Fremont Boulevard may look plain, but inside their shelves are stocked with pomegranate juice, sugared chickpeas, apple tobacco, and other goods imported from Bombay, Cairo, and numerous points between.

At the Pamir Food Mart, you can buy long loaves of Afghan naan warm from the oven. Bring a hearty appetite and sense of adventure to Salang Pass, one of four Afghan restaurants on the boulevard. Don't miss gabili pilau, Afghanistan's national dish of baked brown rice with lamb and raisins; aushak, ravioli stuffed with leeks and spices; or the burani kadu, soft pumpkin sauteed with garlic and cardamom. Across the street, carnivores should check out the De Afghanan Kabob House, where every plate features skewered meat.

PERSONAL EXPLANATION

HON. DENNIS A. CARDOZA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. CARDOZA. Mr. Speaker on rollcall Nos. 54, 55, 56, and 57, had I been present, I would have voted "yes."

A PROCLAMATION HONORING JEFF FREEMAN AND NICOLE PALYA

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. NEY. Mr. Speaker:

Whereas, Jeff Freeman and Nicole Palya have decided to dedicate their lives to each other; and

Whereas, Jeff and Nicole have shown the love and commitment necessary to live a long and beautiful life together; and

Whereas, Jeff and Nicole have chosen to share their special day with friends and family;

Therefore, I join with the Members of Congress and their staff in congratulating Jeff Freeman and Nicole Palya on the occasion of their marriage.

CONGRATULATING THE ST. MICHAEL-ALBERTVILLE KNIGHTS IN THEIR VICTORY IN THE MINNESOTA CLASS AA STATE WRESTLING TOURNAMENT

HON. MARK R. KENNEDY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. KENNEDY of Minnesota. Mr. Speaker, I rise today to congratulate the St. Michael-Albertville Knights on their victory in the Minnesota Class AA State Wrestling Tournament. This is the Knights' seventh consecutive and 14th overall state tournament appearance, and their third championship.

Coached by Gregg Greeno, the Knights finished a perfect 32–0 this season, winning all of their meets by at least 10 points. This was truly a team effort; they rose to the challenge in big meets and avoided injuries during the season.

Individually, the Knights qualified 12 of a possible 14 individuals for the state tournament. Two wrestlers, 112-pounder Mike Thorn and 160-pounder Chas Betts, won individual championships and six others finished in the top six.

Mr. Speaker, I congratulate the students, coaches and fans from St. Michael-Albertville on their championship season. It's a great tribute to their hard work, dedication and overall team effort and I know everyone in Minnesota is proud of their accomplishments.

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

SPEECH OF

HON. SANFORD D. BISHOP, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. BISHOP of Georgia. Mr. Speaker, I rise today to express my strong support, and most heartfelt gratitude to our troops and their families.

It is often said that "freedom is not free," Mr. Speaker. I couldn't agree more. The price of freedom—the freedom that we enjoy here in the United States and freedom that we have helped preserve or create—is great. The cost of freedom is measured in dollars, in time lost away from family and friends, and it is measured in human lives lost on distant battlefields thousands of miles away.

Wherever you serve, in Iraq, in Afghanistan, and around the world, you rise to answer the call for freedom without reservation.

So today I rise, in support of our troops who continue to help ensure peace and freedom around the world, and to the families of those who have made the ultimate sacrifice in pursuit of freedom.

We are grateful and humbled by your capabilities, your courage, and your commitment to the great cause of freedom. You are our heroes and our greatest hope for the future. Thank you for all that you do. God bless the United States of America.

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

SPEECH OF

HON. ANDER CRENSHAW

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. CRENSHAW. Mr. Speaker, I rise today to speak in support of H.R. 557 to commend the valiant service of the men and women of the United States and Coalition armed forces. One year ago these men and women were called on not only to protect the national security of the United States, but also to free the world of a ruthless and brutal dictator. I feel privileged to represent a large number of these men and women in the Fourth Congressional District of Florida.

In the beginning hours of the conflict, brave pilots of the Air Force flew bombing missions without knowing if they would be a target of Saddam's weak, but still existent surface to air missile capability. U.S. Marines stormed the port of Umm Qasr to ensure Saddam could not use his oil facilities to commit acts of environmental terrorism as he had in Operation Desert Storm. The United States Army pushed forward quickly to take Baghdad before Saddam could use his own people as human shields; while the fleet of the United States Navy sat ready to launch air and Tomahawk strikes to support them. If there is one thing that Operation Iraqi Freedom has demonstrated to the American people, it is that there is no longer a dividing line between active and reserve component troops in armed conflict. The men and women of the Florida National Guard were trained and ready to deploy within 24 hours when asked by their Commander in Chief. These citizen soldiers left higher paying jobs and loving families to fight in an inhospitable and rough environment with their active duty counterparts. It was this dedication and courage that defeated Saddam and his regime. It was this dedication and courage that rebuilt schools and hospitals so the people of Iraq could receive these basic human services for the first time in three decades.

As a member of the House Appropriations Subcommittee on Military Construction, I visited Iraq in August of last year. On this trip, I had the opportunity to sit down and talk with both active and reserve members of the Army, Marines Corps, and Air Force about their experiences. All of these men and women were proud of the mission of the United States and were eager to tell stories of grateful Iraqis.

I recently had the pleasure of meeting up again with an officer who I had first met on my trip to Iraq. When I asked him how he was doing, he told me the sad story of how he had just visited one of his soldiers who had lost both of his legs in Iraq. Even with this gruesome memory, he told me that both he and his soldiers would do it all over again. This officer's sentiment demonstrates the dedication and courage of our armed forces and it is this reason I rise to speak in support of H.R. 557.

HALLOWEEN SAFETY ACT OF 2004

HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. ROTHMAN. Mr Speaker, today I introduced the Halloween Safety Act of 2004, legislation to change the date on which daylight saving time ends each year in the interest of the safety of our children. This is a companion bill to S. 1803, introduced by Senator MICHAEL ENZI of Wyoming.

As we all know, the holiday of Halloween falls on October 31st, typically just a few days after the switch from daylight saving time to standard time. As a result of turning our clocks back, many young children go out to trick-or-treat around their neighborhoods or towns when darkness has already fallen by five or six o'clock in the evening. Parents are faced with the decision of whether or not to allow their children to go trick-or-treating in the dark, which creates a safety hazard for children running from house to house, and for motorists who must contend with children darting out into the streets.

Valerie Vainieri Huttle, the Chairwoman of the Bergen County Board of Chosen Freeholders, and David L. Ganz, who is both a Bergen County Freeholder and the Mayor of Fair Lawn, New Jersey, have raised this issue at the county government level and have asked that I act on a federal level to address this problem. The Halloween Safety Act of 2004 extends daylight saving time each year until the first Sunday in November, instead of the last Sunday in October, thereby ensuring that Halloween falls during daylight saving time each year.

I am proud to acknowledge that this safety problem has already been partly addressed in Bergen County, New Jersey. Fair Lawn's beloved police officer, the late Mary Ann Collura, implemented a special "glow stick" program so that young children would be adequately lit and visible as they walk the streets trick-or-treating. Since her untimely death in the line of duty last April, the glow stick program has gone countywide in Bergen County, thanks to the initiative of County Executive Dennis McNerney and his staff, Bergen County Prosecutor John Molinelli, and the Board of Chosen Freeholders.

By modestly changing the date that daylight saving time ends and that standard time begins, children in Bergen County and across the country would be safer and would have extended hours of daylight in which to participate in this holiday. I commend Freeholders Huttle and Ganz for sponsoring a resolution adopted by the Bergen County Board of Chosen Freeholders urging the change of daylight saving time, and I thank them for their commitment to the safety of the children of New Jersey and our Nation. I urge prompt consideration of the Halloween Safety Act of 2004.

H.R. ——

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Halloween Safety Act of 2004".

SEC. 2. DAYLIGHT SAVING TIME EXTENDED TO FIRST WEEK IN NOVEMBER.

(a) IN GENERAL.—Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking "last Sunday of October" and inserting "first Sunday of November".

(b) EFFECT ON EXISTING STATE ELECTIONS.—Any law in effect on the date of the enactment of this Act which is—

(1) adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone; or

(2) adopted pursuant to section 3(a)(1) of such Act by a State that lies entirely within one time zone,

shall be held and considered to remain in effect as the exercise by that State of the exemption permitted by such Act unless that State, by law, provides that such exemption shall not apply.

((c) ADJUSTMENT OF OPERATING HOURS OF DAY TIME BROADCASTERS.—(1) Notwithstanding any other provision of law or any regulation issued under law, the Federal Communications Commission shall, consistent with any existing treaty or other agreement, make such adjustment by general rules, or by interim action pending such general rules, with respect to hours of operation of daytime standard amplitude modulation broadcast stations as may be consistent with the public interest in receiving interference-free service.

(2) The general rules, or interim action, undertaken under paragraph (1) may include variances with respect to operating power and other technical operating characteristics.

(3) At any time after the adoption of general rules under paragraph (1), the general rules may be varied with respect to particular stations and areas because of the exigencies in each case.

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

SPEECH OF

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. OBERSTAR. Mr. Speaker, today, the House is considering a divisive and flawed resolution that proclaims that the world has been made safer with the removal of Saddam Hussein and his regime from power in Iraq. I have great difficulty accepting that proposition, and am deeply troubled that the House Republican leadership is embarking on this transparent, partisan exercise to score political points with their right wing.

Without question, the Saddam Hussein dictatorship brutalized the Iraqi people, and there is universal approval that he has been removed from power. Iraq is moving towards becoming more safe for the Iraqi people, but it is a great exaggeration to claim, as this resolution does, that the world is safer. As we examine the facts on the one-year commemoration of the war in Iraq, there is no direct evidence that Iraq represented a clear and present danger to the United States. President Bush initiated this war which has diverted attention and resources from what should be our primary international objective: discerning, disrupting and uprooting the source of terrorism.

Just as the Bush Administration distorted and manipulated intelligence concerning weapons of mass destruction to initiate this preemptive and unilateral war against Iraq, the House Republican leadership has added to the Administration's credibility problem by advancing this resolution. The Republican majority are deceiving themselves and the American people with this assertion that we are safer as a nation and we live in a safer world. We are not and do not.

We continue to live in a very dangerous world, and we are far from winning the war against terrorism. That is why I am very troubled that the President's proposed budget fails to seek the necessary funds for homeland security. We must provide more, not lower resources, for port security; our firefighters and first responders need additional funding, but the President's budget request falls far short of what is needed to make our hometowns safer.

I am also very disappointed with the manner in which this legislation was drafted and brought to the House Floor. If the Republican majority truly wanted a strong expression of support for our troops and the Iraqi people, they could have done so without inflammatory language in this resolution, and by including the Democrats in drafting a responsible statement of bipartisan national purpose and unity. This intentional failure to bring bipartisanship to bear on this critical national security policy leaves no other conclusion to draw than the Republican leadership places a higher priority on partisan gamesmanship than on statesmanship.

This "Do Nothing Congress" has failed to address the significant challenges at home and abroad, while spending the first three months of this year considering low-priority, feel-good House resolutions. On the one-year anniversary of our military action against Iraq, the House Republicans have squandered an opportunity to demonstrate unblemished, patriotic support for our courageous troops and the Iraqi people. The American people and especially our troops deserve better from this Congress than the misguided resolution.

IN RECOGNITION OF THE 10TH ANNIVERSARY OF THE YOLO HEALTH ALLIANCE

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. THOMPSON of California. Mr. Speaker, I rise today to recognize The Yolo Health Alliance as it celebrates its 10th anniversary of service to the community. Created in 1994, the Alliance is an integrated public-private partnership including Sutter Davis Hospital, CommuniCare Health Centers, Yolo County Health Department and Sutter West Medical Group. The Alliance provides a seamless continuum of medical care to Yolo County's uninsured residents.

During the ten years of its existence, The Yolo Health Alliance has served to maintain a healthy community in Yolo County by ensuring that quality health care is available to all residents, regardless of their ability to pay for services. The Alliance has served to significantly reduce unnecessary visits to hospital emergency rooms and to increase patient satisfaction by providing comprehensive care to the underserved population of Yolo County.

Since its inception, The Yolo Health Alliance has provided health care services to over 24,000 individuals, delivering multi-lingual and culturally-appropriate care to residents representing many ethnic backgrounds. Services have grown to include both primary medical and dental care services through a network of seven community clinics located in Davis, Woodland, West Sacramento, Esparto and Knights Landing.

Mr. Speaker, The Yolo Health Alliance has been a cost-effective model that lowered the cost of care per member since its inception and saved local government millions of dollars in indigent health care expenses.

It is therefore appropriate that The Yolo Health Alliance be recognized on its 10th anniversary and commended for its success and good work in providing an exceptional quality "safety net" of health care services for those in Yolo County without any coverage and without the resources to pay for care.

PERSONAL EXPLANATION

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. KOLBE. Mr. Speaker, yesterday, I was escorting the Under Secretary of the Department of Homeland Security in my Congressional District and missed votes on the following measures:

(1) H. Res. 551—thanking C–SPAN for its service to the House of Representatives on the 25th anniversary of its first coverage of the proceedings of the House (No. 58). Had I been present, I would have voted "aye."

(2) H.R. 3733—Myron V. George Post Office (No. 59). Had I been present, I would have voted "aye."

(3) H. Res. 433—Honoring the life and legacy of Luis A. Ferré (No. 60). Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

HON. DON SHERWOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. SHERWOOD. Mr. Speaker, due to a commitment in my congressional district, on March 17, I missed the vote on H. Res. 557, relating to the liberation of the Iraqi people and the valiant service of the United States Armed Forces and Coalition forces (rollcall vote 64). I support our Nation's efforts in Iraq, and I wholeheartedly support our troops. Had I been present, I would have voted "aye" on rollcall vote 64.

HONORING THE LIFE AND LEGACY OF LUIS A. FERRÉ

SPEECH OF

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 2004

Mr. WELLER. Mr. Speaker, I am pleased that the House has taken up and passed House Resolution 433, a resolution that honors and remembers the contributions of a great American and a revered figure on the island of Puerto Rico.

On October 21, 2003, at the age of 99, Puerto Rico lost a hero in the passing of Luis Ferré. Perhaps the greatest political figure in the history of Puerto Rico, Luis Ferré spent his entire life working to make life better for the residents of Puerto Rico. Luis Ferré was a successful businessman and a human rights advocate for people on the small Caribbean island. He was elected to post as both Governor and Representative in Puerto Rico and also served as Chairman of the Puerto Rico Republican Party.

Ferré loved America. One of his greatest hopes was to see his native Puerto Rico become an American State and he worked throughout his life to advance the cause of statehood for Puerto Rico. In 1917, at the age of 13 years old, Ferré along with the people of Puerto Rico were granted United States citizenship. Ferré often recounted that while he could not recall the day Puerto Ricans were granted U.S. Citizenship, that he was grateful to be alive to enjoy the privileges of living in the worlds greatest republic.

In 1951, Ferré was elected delegate to the Puerto Rican Constitutional Convention and he was able to directly contribute to the island becoming an official United States Commonwealth in 1952.

In 1968, Ferré was elected Governor and he continued to work toward Puerto Rican Statehood. He remained active in politics up to his death, most notably as the chairman of the Republican Party in Puerto Rico.

Mr. Speaker, many people from across the United States and across the globe have taken note of the contributions of Luis Ferré and his life of public service on the islands of Puerto Rico. Most notably, former President George H.W. Bush awarded Ferré with the Presidential Medal of Freedom in 1991, the highest government award a civilian can receive. Ferré is one of four Puerto Ricans to receive this Presidential honor.

Mr. Speaker, I am proud to support the people of Puerto Rico and I am pleased that this body is honoring a great American and a great Puerto Rican. I extend my condolences to Luis Ferré's family and to all the people of Puerto Rico who cherished this man and his contributions.

COUNTER-TERRORIST AND NARCO-TERRORIST REWARDS PROGRAM ACT

SPEECH OF

HON. MARK E. SOUDER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. SOUDER. Mr. Speaker, the Counter-Terrorist and Narco-Terrorist Rewards Program Act, H.R. 3782 seeks to expand the reward tools needed to encourage informants with data to come forward and help prevent or resolve acts of international terrorism against U.S. citizens and property throughout the world. Rewards also can be paid for information leading to the arrest or conviction of terrorists who attempt, commit, conspire, or aid and abet terrorist acts. Informants with the knowledge of a location or the identification of terrorist leaders can also be rewarded.

Secretary of State Powell has authorized a reward of up to $25 million for information leading to the capture of bin Laden and other key al Qaeda leaders, under the provisions of the USA Patriot Act of 2001. That act specifically authorizes the Secretary of State to offer and pay rewards of greater than $5 million if it is determined that a greater amount is necessary to combat terrorism or to defend the United States against terrorist acts. As we approach the fourth anniversary of the terrorist attacks on the United States, it is clear that a greater amount is necessary to entice informants and that the reward program must be publicized widely.

An especially important component of the bill would publicize the existence of the rewards program. The measure would provide additional authority to buy radio, television and newspaper advertisements to publicize the rewards program. It also would change the name of the program from the Rewards for Justice Program to the Terrorism and Narco-Terrorism Rewards Program.

The rewards incentives work. Twenty-nine people whom provided credible information that put terrorists behind bars or prevented acts of international terrorism worldwide have been rewarded with a total of more than $49 million over the last seven years by the United States. Reward incentives played a significant role in the arrest and conviction of terrorist Ramzi Yousef, for the 1993 World Trade Center bombing.

This bill would also empower the Secretary of State to make rewards in any combination of money and non-monetary instruments, including automobiles. This provision is important because people who have specific knowledge about perpetrators or their acts of terrorism may more highly value material objects, like a new tractor for their farm. The bill would also expand the eligibility criteria of informants seeking to receive a reward.

The bill would increase the maximum amount that can be paid by the Department of State for information and assistance. The maximum amount of a reward increases from $5 million to a maximum of $25 million and the Secretary of State may further authorize a reward of up to $50 million for the capture of or information leading to the capture of Usama bin Laden.

The bill clarifies that any information that disrupts terrorist financing networks, including information related to illicit narcotics production or international trafficking, is eligible for reward. The money laundering information does not need to be tied to a specific act of terrorism. This is particularly important, because we face threats in our own hemisphere from narco-terrorists. The common denominator for each of the many threats, however, is their funding stream. Being able to seize terrorist money has an immediate impact on their ability to conduct their horrific operations. Compensating an informant for financial information is just as vital as learning of the whereabouts of a particular actor.

The provisions in this bill dramatically improve the power of the tools available to the Department of State and law enforcement agencies to attract and compensate knowledgeable informants. We can't hope to place undercover operatives into the places where terrorist and narco-terrorist leaders plan their deeds. The advanced warning of an attack and the corresponding pre-event interdiction is priceless. Therefore, a reward is easily justified.

ON THE LOSS OF A GREAT AMERICAN, JEFF SCHROCK

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. FARR. Mr. Speaker, I rise today to salute a great American: Jeff Schrock.

Jeff died last month after battling brain cancer. Sadly, he leaves behind a loving wife, Cass, and two doting children, Jenny and Max.

I pay tribute to him as a fallen hero. Why? Because this was a man who represented the best of what America is—a loving husband, a good father, a solid citizen. Jeff Schrock and all the "Jeff Schrocks" of the world are what makes this a great country, are the kind of person that forms the intricate fabric that binds us as a Nation, are the unsung heroes who serve as the massive middle class that exemplifies the American nature at its best.

I loved Jeff. He was as generous a soul as one could hope to meet. His love of the outdoors and business acumen came together in a well-known business that he owned and which became a beach-front institution in Monterey: Monterey Bay Kayaks. At his kayak shop he patiently taught people to explore and enjoy the ocean, up close and personal. And for someone like me, he rarely giggled when I squeezed into a full-body wet suit and ringed my waist with a rubber spray skirt. I will miss my friend, the gentleman with such aplomb and discretion!

It is sad to lose anyone so close. I want you to know how much I respected and admired Jeff and looked up to him. He was an American hero. He lived a life that bespoke the best of husbands and fathers everywhere. The dedication he showed to his family, the sense of community he exhibited in the way he ran his business, the daily comings-and-goings of Jeff Schrock, Everyman, is how we all ought to live our lives. Why? Because the end result is a life of integrity and honor, a life of quiet determination, and a life full of love. It is the hallmark of how the core principles of American life are manifested in our Nation. Jeff, in his way, knew this and reveled in it. He chose to be a leader for his family by showing compassion and generosity. He chose to be a leader by introducing his business associates to the wonders of economic profits through environmental preservation. He chose to be a leader by getting involved in community issues. He was a beacon for all of us, and those who follow his lead, will be part and parcel of a stronger America, as Jeff truly was.

Mr. Speaker, I miss my friend Jeff Schrock. I lament the death of the fellow who helped me squeeze into a kayak and who opened, so for many of us, an amazing Window to the wonders of Monterey Bay and our world's oceans. I share the grief of his wife and children. But above all, I honor the role model he was and will be for those he left behind.

HONORING LARRY AND JEAN ELLIOTT

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. PRICE of North Carolina. Mr. Speaker, I rise today to pay tribute to a couple from my district, Larry and Jean Elliott, whose lives tragically ended in Iraq this week.

In life and death, the Elliotts saw service as God's calling. Missionaries for the Southern Baptist International Mission Board, they intermittently stayed at the mission house of First Baptist Church in Cary when they were in North Carolina. Long stationed in Honduras, they were watching CNN one day when they saw a broadcast of an Iraqi man pulling dirty water from a hang-dug well. It was a scene that struck a chord with Larry. In Honduras, he and Jean had spent years building schools, developing water purification systems to provide fresh water to rural residents, coordinating visits by medical and dental teams from the U.S., and translating for other relief workers. They knew the importance of taking care of basic human needs as a ministry of compassion and sacrifice.

Larry and Jean were not deterred by the dangers of Iraq, and they went without hesitation. A friend said their courage stemmed from a sense of peace and a belief that their destiny was in God's hands.

They were scouting the best location for their water purification project when they became casualties of the war: they were killed in a drive-by shooting in Mosul on March 15. It happened just two weeks before they were scheduled to return home.

Mr. Speaker, family and friends say Larry and Jean were totally dedicated to missionary work. They served without question—not for glory or recognition, but simply because they felt it was the right thing to do. They were the embodiment of the spirit of Christianity, and we are honored to claim them as North Carolina's own.

Three children, Gina, Scott and Todd, survive the couple, and their many friends and admirers grieve for them at First Baptist. The Elliotts' deaths leave a tremendous void, but they also inspire the rest of us to work harder and to practice our faith in ways that honor their service.

We thank God for the joy Larry and Jean Elliott found in their faith and honor all the candles they lit in lives around the world.

CONGRATULATIONS TO MARVIN AND LUGENE SOLOMON FOR 50 YEARS OF MARRIAGE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. LEWIS of California. Mr. Speaker, I would like today to extend congratulations to Marvin and Lugene Solomon of Southern California, who are celebrating their 50th year of marriage in a relationship that blends artistic talents with creative business acumen.

Although Lugene is a native of Oklahoma, the Solomons have lived a California dream since they met while attending the University of California. At the time, Lugene was juggling her studies with a starring role as Babs Riley in the television show "The Life of Riley."

Fifty years after they were married, Marvin and Lugene are still at work. Lugene now applies her artistic talents through a successful cloisonné pin and embroidered patch company, C. Sanders Emblems, which provides logos and uniform patches for groups and companies across America.

Marvin's first company, Nuclear Supplies, was started in 1963 specializing in nuclear radiation detection equipment and was later absorbed by his test and measurement instrumentation company Soltec Corporation, based in Los Angeles. Marvin, the CEO and founder of Soltec, leads a team of scientists and engineers with a world-class reputation for designing integrated engineering solutions to modern day challenges in both the public and private sectors. The company's hand-held radiation detection equipment has saved lives and protected the health of many people in both government and industry.

The Solomons have lived in San Marino, California, for the past 30 years, where they raised their two daughters, Jennifer Solomon and Kimberly Fortier. They are also the proud grandparents of three grandchildren. Lugene loves foreign languages and keeps current as a bi-lingual speaker of French in their travels abroad and in spending time at their apartment in Paris. She is also active in theatre and opera groups.

Mr. Speaker, Marvin and Lugene Solomon have forged successful independent careers even as they have shared their lives for the past 50 years. I ask that you and my colleagues join me in congratulating them on their perseverance, and wishing them well in their future endeavors.

HONORING DR. BRIAN APRILL UPON HIS RETIREMENT FROM THE U.S. NAVY

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. BEREUTER. Mr. Speaker, this Member rises to pay tribute to Dr. Brian Aprill, Captain in the U.S. Navy, on the occasion of his retirement from the U.S. Navy on May 1, 2004.

Dr. Aprill has accompanied the House of Representatives' delegation to NATO Parliamentary Assembly meetings, on seven separate occasions, in his capacity as the delegation's physician. As Chairman of the House Delegation to the NATO Parliamentary Assembly, this Member would like to thank Dr. Aprill for his truly outstanding performance in his professional competence, good nature and fine assistance to the delegation which is greatly appreciated by all Members of the delegation.

Dr. Aprill is a graduate of Whittier College and Washington University School of Medicine. Currently, he is the Staff Endocrinologist in the Endocrinology and Metabolism Division, Department of Internal Medicine at the Bethesda National Naval Medical Center. In addition, he is the Assistant Professor of Medicine, Uniformed Services University of Health Sciences, and Program Director, Transitional Year Program. In 1991, Dr. Aprill received the Navy Achievement Medal and in 1996, the Navy Commendation Medal.

This Member, in behalf of himself and the House delegation to the NATO Parliamentary Assembly, commends Dr. Aprill on his outstanding career with the U.S. Navy and wishes him well in his new capacity as a Staff Endocrinologist with the Frist Clinic in Nashville, Tennessee.

CONGRATULATING MOUNT CLEMENS GENERAL HOSPITAL

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. LEVIN. Mr. Speaker, I rise to congratulate Mount Clemens General Hospital on the opening of their new Radiology Oncology Center and the completion of the first phase of the Ted B. Wahby Cancer Center. I also want to join the staff and trustees of Mount Clemens General in honoring my friend Ted Wahby for his long dedication to providing quality health care and to the service of Macomb County.

Ted currently serves as Macomb County Treasurer and has a long record of dedicated public service. He was voted one of Crain's Detroit Business 25 most influential leaders last year. Prior to his service as Treasurer, he was the long-time mayor of St. Clair Shores and a trustee of the Lakeshore School District Board. Among his many charitable efforts, he serves as Chairman of the Board of Trustees at Mount Clemens General Hospital and has played an active, instrumental role in making this much-needed cancer center a reality.

Macomb County currently experiences a higher cancer rate than its neighboring counties. The county is also growing faster than any other Michigan County. In the next 50 years, the number of Macomb County cancer cases will double and the number of cancer cases among those over 85 will increase fourfold.

The good news is that more and more, we're winning the battle against cancer. The National Institutes of Health estimates that more than 59 percent of those diagnosed with cancer will survive at least five years, and advances in early detection and treatment could soon increase that rate to 75 percent.

The bad news is that it's still a long, hard battle. In Macomb County, it has been made harder by patients having to travel to multiple locations, some of them far away, in order to receive care. In 2001, nearly 70 percent of Macomb County residents were unable to get all the cancer care they needed in their own county.

The new facility will combine state-of-the art medical technology with a warm, welcoming environment for patients and their families. Patients will have access to clinical trials, interdisciplinary teams of doctors, nurses, pharmacists, social workers, and dietitians, but will also be able to stay in homelike rooms and visit a healing garden.

Ted Wahby's leadership and dedication were indispensable to the building of this new facility. On behalf of myself and the people I represent in the 12th district of Michigan, I thank him warmly for his efforts and congratulate him on the honor of having this fine facility bear his name. It is indeed well-deserved.

PERSONAL EXPLANATION

HON. MIKE ROSS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. ROSS. Mr. Speaker, I regret that my vote on the Scott/Watt Amendment (#6) to H.R. 339, the Personal Responsibility in Food Consumption Act was recorded as "no." I would like the record to reflect that my vote should have been "yes."

I recognize and appreciate the important work states have done to prevent and reduce chronic health diseases and obesity-related health conditions. As a former member of the Arkansas State Senate's Public Health, Welfare and Labor Committee, I worked diligently with state agencies and health providers to promote positive statewide health strategies.

According to the underlying bill, a person is defined in section 4(3) of the bill to include governmental entities. Consequently, states could be limited in bringing legal complaints against violators of state consumer protection statutes. The Scott/Watt Amendment would have protected a state's attorney general's option to protect consumers in accordance to consumer protection laws.

COMMEMORATING THE 150TH ANNIVERSARY OF THE FIRST MEETING OF THE REPUBLICAN PARTY IN RIPON, WISCONSIN

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. PETRI. Mr. Speaker, I rise today to commemorate the 150th Anniversary of the first meeting of the Republican Party in the town of Ripon, Wisconsin on March 20, 1854. On that momentous day, a group of 54 concerned citizens gathered in the Little White Schoolhouse to protest the extension of slavery into the territories of Kansas and Nebraska. Led by Alvan Bovay, this group of citizens dissolved the local Whig and Free Soil parties and officially declared themselves "Republicans." For this reason, the Little White Schoolhouse has long been known as the Birthplace of the Republican Party.

Since its inception, the Republican Party has stood for Liberty and Equality for all—making the Little White Schoolhouse a symbol of civic responsibility to the residents of Ripon and the nation. On May 30, 1974, the Department of the Interior formally recognized the historical importance of the first meeting of the Republican Party by designating the Little White Schoolhouse as a National Historic Landmark. The structure is significant, according to the National Park Service, because "a meeting in this simple, one story clapboard and frame schoolhouse on March 20, 1854 and another in Jackson, Michigan on July 6" led to the formation of the Republican Party. To this day it attracts visitors from around the world.

In order to commemorate the 150th Anniversary of the founding of the Republican Party, the town of Ripon is holding a celebration entitled, "From Schoolhouse to White House; A Celebration of Active Citizenship" that will promote the importance of civic involvement. This celebration will also honor the leadership that 54 citizens of Ripon displayed on March 20, 1854, in proclaiming themselves Republicans under the banner of Liberty and Equality. The event on March 20, 2004, caps off a two month series of events that have been held in Ripon, including a conference on the accomplishments of Wisconsin women and mock elections held in the Ripon schools to focus attention on this most basic form of active citizenship.

Therefore, I want to once again recognize the 150th Anniversary of the first meeting of the Republican Party at the Little White Schoolhouse in Ripon, Wisconsin.

PERSONAL EXPLANATION

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mrs. MALONEY. Mr. Speaker, on March 16, 2004 and March 17, 2004 I missed rollcall votes Nos. 58 to 63.

Had I been present, I would have voted "yea" on rollcall votes Nos. 58, 59, and 60. In addition, I would have voted "nay" on rollcall votes Nos. 61, 62, and 63.

IN MEMORY OF HAROLD YEE

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Ms. PELOSI. Mr. Speaker, I rise to pay final tribute to civil rights leader and community activist Harold Yee, who passed away on February 5th in San Francisco. Harold was an extraordinary leader and visionary who empowered San Francisco's Asian American community to dramatically expand and solidify its economic and political strength.

Born in China in 1932, Harold immigrated to the United States in 1939 where he grew up in East Los Angeles. He received his bachelor's degree in pomology from UC Davis in 1956, and his master's degree in economics from UC Berkeley in 1961. Beginning as a researcher for the U.S. Food and Drug Administration, Harold discovered his passion for community development, eventually leaving the FDA in 1971 to found ASIAN, Inc.

Through ASIAN, Inc., Harold strengthened the San Francisco Asian American community economically, socially and politically. ASIAN, Inc. helped launch many minority-owned small businesses in San Francisco, trained young professionals for the rigors of running their own businesses, and encouraged the development of trade associations. Harold leaves a rich legacy, including more than 100 non-profit organizations and agencies.

Harold was a fierce advocate for the civil rights and equality of Asian Pacific Americans. He founded the Chinese American Voter Education Committee to increase political awareness and participation. His contributions to the Asian American Community and to the City of San Francisco are immeasurable.

Harold's boundless energy and enthusiasm for life were contagious. He was a mentor and a friend to countless people, who greatly benefited from his wisdom, support and friendship. It is with sadness and appreciation that I extend my deepest sympathies to his wife, Wilma, his daughter, Catherine, and his son, Robert. To his family and friends, thank you for allowing him to give his time to the community he loved.

RECOGNIZING THE PRINCE WILLIAM REGIONAL CHAMBER OF COMMERCE 2004 VALOR AWARD RECIPIENTS

HON. TOM DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. TOM DAVIS of Virginia. Mr. Speaker, each year, the Prince William Regional Chamber of Commerce honors individuals for courageous, selfless dedication to public safety. These remarkable men and women have played an important role in the protection and betterment of their community. Their tremendous efforts on behalf of Prince William County have earned them one of the highest honors bestowed upon county public safety officials—the Valor Award. It is with great honor that I recognize the Prince William County Gold, Silver, Bronze, Merit, Lifesaving, Hilary Robinette, and Special Department Valor Award recipients:

Gold.—Officer A.S. Robinson, Prince William County Police Department; Officer M.J. Harman, Prince William County Police Department.

Silver.—Detective J. Lanzafama, Prince William County Police Department; Officer K.K Kane, Prince William County Police Department; Officer R. W. Kovach, Prince William County Police Department; Officer M.T. Sullivan, Prince William County Police Department; Officer W.F. VanAntwerp, Jr., Prince William County Police Department; Officer W.G. Ward, Prince William County Police Department; Officer M.L. West, Prince William County Police Department; Officer E.J. Barhart, Prince William County Police Department; Officer B.M. Carter, Prince William County Police Department; Officer M.J. Headrick, Prince William County Police Department; Officer C.A. Meurer, Prince William County Police Department, Vehicle Fire; Deputy Animal Control Officer L.A. Thompson, Prince William County Police Department; Deputy Animal Control Officer C.D. Firebaugh, Prince William County Police Department.

Bronze.—Police Officer First Class Esteban Jordan, City of Manassas Police Department; Deputy Kim El-bisi, Prince William County Sheriff's Office; Officer G.D. VanDyke, Prince William County Police Department; Officer S.M. Peak, Prince William County Police Department; Lieutenant Michael Nazionale, OWL Volunteer Fire Department; Technician II Brett Hamby, Prince William County Fire and Rescue; Technician II Jeff Howdyshell, Prince William County Fire and Rescue.

Merit.—Deputy Ricki Booth, Prince William County Sheriff's Office; Sergeant G.H. Howard, Prince William County Police Department; Officer R.A. Arce, Prince William County Police Department; Officer C.M. Begley, Prince William County Police Department; Officer M.J. McCauley, Prince William County Police Department; Officer J.G. Medawar, Prince William County Police Department; Officer R.W. Minnick, Prince William County Police Department, River Run Fire, Shell Station Fire; Officer S.C Mercer, Prince William County Police Department; Officer C.A. Meurer, Prince William County Police Department, Shell Station Fire; Lieutenant B.L. Finn, Prince William County Police Department; Sergeant R.D. Larkin, Prince William County Police Department; Captain David Halman, OWL Volunteer Fire Department; Sergeant Eric Craven, OWL Volunteer Fire Department; Technician II Scott Richardson, Prince William County Department Fire and Rescue.

Lifesaving.—Sergeant R.D. Grinnell, Prince William County Police Department.

Hilary Robinette.—First Sergeant R.A. Cantarella, Prince William County Police Department, Excellence and Integrity for Investigative Work.

Special Department.—Dale City Volunteer Fire Department for Exceptional Firefighting and Lifesaving, February 8, 2003, River Run Senior Apartments; Occoquan-Woodbridge-Lorton Volunteer Fire Department for Exceptional Firefighting and Lifesaving, February 8, 2003, River Run Senior Apartments.

All of these individuals have provided invaluable community service, truly deserving these prestigious awards. I congratulate and commend them.

Mr. Speaker, in closing, I would like to thank all the men and women who serve Prince William County. These strong, brave, determined individuals make sacrifices daily to preserve our safety. Their countless acts of heroism merit our highest praise. I ask that my colleagues join me in applauding these outstanding individuals.

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. MOORE. Mr. Speaker, I rise in support of the resolution before the House of Representatives today that commends the members of the United States armed forces and coalition forces for liberating Iraq, and expresses the gratitude of the American people for their valiant service.

On a plane coming home to Kansas recently, I had a conversation about the situation in Iraq with a man who served our country in Vietnam. The veteran noted the contrast in the treatment of soldiers returning home today compared with what he had faced. He didn't provide details, but the memories of his own homecoming still brought tears decades later.

March 20th will mark the one-year anniversary of our intervention in Iraq. I'm thankful time has changed the way we treat veterans who have served our country. While I hear differing opinions from Kansans about this issue, we can all agree on the need to support the thousands of men and women in harm's way who protect our freedom and stand up for us in the war on terrorism.

Last September, I met with family members of the over 300 reservists and National Guard members from units based in my district deployed to Operation Iraqi Freedom. Many reservists and members of the National Guard left behind jobs and families with reduced income and limited support networks. Some have lost their homes and small businesses in order to do their duty. To show our gratitude for their sacrifices, I believe we must do everything we can to address the needs of our military. Troop strength, equipment, supplies, and care they need when they come home are an absolute.

Too often Congress pays lip service to our veterans and military personnel, yet fails to deliver on solid votes and programs that would demonstrate our recognition of their sacrifice. I listened to military personnel and their families, and I'm proud my legislative proposals are helping troops and veterans. In November 2003, my proposal to relieve the travel burden on troops coming home for Rest and Recuperation (R&R) was signed into law. The new law provides funding to cover all travel costs necessary to return service personnel home to their families. Another bill I introduced that will protect the growing health care needs of our veterans became law in December 2003.

In January, I was part of a small congressional delegation to Iraq. I heard firsthand from those serving on the front lines, including Kansas military personnel who are upbeat and proud of their efforts in Iraq. I was pleased to learn that many of the concerns about equipment and supplies have been corrected. I returned from Iraq more confident about the condition of American troops and their morale.

In times of crisis like the past year, our nation looks to the men and women of the armed forces. America must honor their sacrifice and courage by living up to her promises to service personnel, whether active duty, reservists, members of the National Guard or veterans. This anniversary is a time for all of us to reflect, by remembering the sacrifices our veterans are making and working for a more peaceful future.

IN HONOR OF WOMEN'S HISTORY MONTH

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. KIND. Mr. Speaker, I rise today in honor of Women's History Month. In 1987, Congress passed a resolution designating the month of March as Women's History Month as a time to honor, "American women of every race, class and ethnic background [who] have made historic contributions to the growth and strength of our Nation in countless recorded and unrecorded ways."

For 2004, the theme of Women's History Month is "Women Inspiring Hope and Possibility." To celebrate this month, I would like to honor four of the numerous women from Wisconsin's history who inspired hope and possibility through their selfless efforts in gaining suffrage for women in America.

First, I would like to recognize Ada James, who served as president of the Political Equality League from 1911 to 1919. As a dedicated women's suffrage advocate, Ms. James spent these eight years preceding the ratification of the suffrage amendment to the U.S. Constitution on an automobile tour through Southern Wisconsin. She spoke at state and county fairs, and to farmers and workers in factories with her fellow suffragists. Ms. James was a native of Richland Center, a city in Wisconsin's Third Congressional District, and I am honored to be able to share Ms. James' story here.

Reverend Olympia Brown resided in Racine, Wisconsin, where she was elected president of the Wisconsin Women's Suffrage Association, holding this post for 30 years. Reverend Brown lived a life of activism, and after being refused at Wisconsin polls, she took her case to the State Supreme Court. Despite a decision rendered in favor of the election inspectors, she never accepted defeat. She continued to fight for women's right to vote, and was one of the few suffrage leaders who lived to be able to cast a vote in the Presidential election of 1920—the first in which women could vote.

As the first Wisconsin-born leader of the state's suffrage movement, Theodora Winton Youmans was able to help the movement gain momentum by writing a regular column for the Waukesha Freeman. She used her column as a platform to educate the public about suffrage and women's rights. After leaving her post as assistant editor in the 1890s, Ms. Youmans worked to create the Wisconsin Federation of Women's Clubs, serving as its president in 1900. In 1924, she lost a bid to Congress, and it was not until nearly 75 years later that Wisconsin would see its first Congresswoman with the election of TAMMY BALDWIN in 1999, who continues to represent Wisconsin women today.

Lastly, but certainly not least, I would like to honor the achievements of Carrie Lane Chapman Catt. As a native of Ripon, Wisconsin, she played the largest role in the final passage of the 19th Amendment. Her campaign was successful because she pushed for reform in the states, instead of focusing solely on a constitutional amendment. In 1900, she succeeded Susan B. Anthony as the president of the National American Woman Suffrage Association. Following ratification of the amendment, her leadership abilities were not forgotten as she helped establish the League of Women Voters, which is still active today. I think I speak for all people from Wisconsin when I say that we are fortunate to have had such a remarkable woman in our history.

These four women, along with so many others, inspired hope and possibility not only in Wisconsin, but across the United States. I have no doubt that their devotion to the cause was the sole reason why Wisconsin was the first state to ratify the 19th Amendment on June 10th, 1919. I am honored to share these women's stories today, as their efforts made Wisconsin a leader in this landmark roll call of democracy. In many ways, their hopes are still with us today. As a reflection of this, I will end my statement with a quotation from Carrie Chapman Catt: "Everybody counts in applying democracy. And there will never be a true democracy until every responsible and law-abiding adult in it, without regard to race, sex, color or creed has his or her own inalienable and unpurchasable voice in government."

IN HONOR OF MIGUEL RIVERA

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Miguel Rivera for his years of outstanding work and service with Verizon Communications. Mr. Rivera will be honored by the Friends of Mike Rivera Committee for 35 years of dedicated service to Verizon Communications and the Hispanic Community at 7 p.m. on Friday, March 19, 2004, at the Hyatt Regency Hotel in North Brunswick, New Jersey.

Mr. Rivera is retiring from Verizon Communications after 35 years of service. Mr. Rivera started his career with Verizon as Facilities Engineer from 1968 to 1972. He also held the position of Systems Equipment Engineer from 1972 to 1977. From 1977 to his retirement, Mr. Rivera was Director of External Affairs, serving as the face of Verizon Communications to local government, consumer relations, and Hispanic relations in New Jersey.

As Director of External Affairs, Mr. Rivera was able to dedicate a great deal of time and resources to the enhancement of the Hispanic community in New Jersey. Serving as Corporate Representative of Verizon Communications with the Statewide Hispanic Chamber of Commerce and the Hudson County Chamber of Commerce, Mr. Rivera was able to bring increased prosperity to Hispanics throughout the state by forming new partnerships with Latin America, bringing products and jobs back to New Jersey, and creating further economic development and business opportunities throughout our region.

Mr. Rivera currently is Chairman of the Board of Trustees of Community United for the Rehabilitation of the Addict, Inc. (CURA), Secretary of the Board of Trustees of the Puerto Rican Action Board, and Trustee for New Brunswick Tomorrow. Mr. Rivera's vast community activities are an example of his wide variety of concerns for his community, while showing his dedication and desire to improve his community through action.

Mr. Rivera received his bachelor's degree from the University of Puerto Rico. Mr. Rivera is a loving husband to his wife, Nina Rivera.

Today, I ask my colleagues to join me in honoring Miguel Rivera for his 35 years of distinguished service, outstanding leadership, and devotion to Verizon Communications and the Hispanic community.

TERRORISM PROTECTION OF MASS TRANSPORTATION AND RAILROAD CARRIERS ACT OF 2004

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. SHAYS. Mr. Speaker, the recent horrific terrorist attacks on commuter trains in Madrid, Spain tragically underscored the vulnerability of railroad and mass transit systems to terrorist attacks. It is time we identify these vulnerabilities and make the necessary changes to improve our safety.

Congressman RUPPERSBERGER and I have introduced the Anti-Terrorism Mass Transportation and Railroad Carrier Act of 2004, which is the companion legislation to a bill introduced by Senator SESSIONS in the Senate. This bill takes tangible steps to protect the millions of Americans who use our transit systems and increase punishment if a terrorist is able to conduct an attack.

Under current law, an attack on a train is treated differently than an attack on any other mass transit system. We believe clear federal jurisdiction is needed to send the message to would-be terrorists: they will face the full force of law. Under our bill, perpetrators would face up to 20 years in prison if an attack causes material damage to a railroad or mass transit system, and the death penalty if the attack results in any deaths.

Our bill would also broaden the definition of "domestic and international terrorism" to provide law enforcement with tools to combat and prevent attacks on mass transportation and railroads. Specifically, our bill would make it easier for law enforcement officials to detect and disrupt terrorist plots against mass transit systems in the planning phases by allowing the interception of wire, oral, or electronic communications if sufficient evidence existed.

Mr. Speaker, we need to deal with the terrorist threat in a forceful, decisive manner. While much remains to be done to improve railroad security in our country, this bill takes an important first step.

INTRODUCING CONSTITUTIONAL AMENDMENT TO ADDRESS CONTINUITY OF CONGRESS ISSUE

HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. LARSON of Connecticut. Mr. Speaker, today I rise to offer what I believe is a necessary solution to a problem not addressed in our Founding Fathers' plan for our country's government.

I recently introduced a Constitutional Amendment to address the issue of how Congress would continue should a catastrophic event occur. Under this proposal, if a majority of House members are killed or incapacitated as a result of such an event their seats could be immediately filled by temporary appointments made by state legislatures. We need look no further than the Continental Congresses and Constitutional Convention, to understand that such a temporary solution would be successful. I believe that a functional House, even in a temporarily modified form, is far better than no House at all.

The temporary appointments would be afforded full Member powers, until vacancies are filled by a special election. However, a temporary Member could not be a candidate in the election for the seat he or she holds, and the temporary Member must be of the same political party as the Member who previously held the seat.

There is no way the Founders could have foreseen the need to address such an issue. The terrorist acts that take place nearly every day across the globe were not a part of their world. That's why I believe a Constitutional Amendment is necessary to enable the House to reconstitute itself as quickly as possible.

We have amended the Constitution to address presidential succession and the appointment of Senators in the case of vacancies, but the House has no such constitutional safeguard in the event of a catastrophe. That doesn't make sense. If the Senate can accept an appointment to fill an entire term, then a temporary appointment should not be that offensive to the concept of democracy, and therefore, should be acceptable for the House.

I offered this Constitutional amendment (H.J. Res. 89), because I believe that proposals to expedite special elections and make temporary appointments are not mutually exclusive. I support the idea of a new statute that seeks to expedite special elections and fill House seats quickly in the event of a catastrophe, but this needs to be done in concert with a Constitutional Amendment for temporary replacements and with respect for views of the states.

As for other proposals that address this issue only through expedited special elections, I am certainly willing to review any compromise opportunities. However, I do not believe, nor does the secretary of state from my home state of Connecticut believe, that it is reasonable to expect that we can hold special elections within 45 days after a disastrous event has wiped out hundreds of Members. Also, expedited special elections won't reconstitute the House fast enough to deal with pressing legislative matters.

The tragic events of September 11, 2001 taught us that Congress needs to act quickly on critical pieces of legislation to deal with the aftermath of a crisis. Should such an event occur again and many Members of Congress die, the country will not have the luxury of waiting for special elections to occur in order for the people's business to continue. To avoid taking action now to prevent this scenario would be a dereliction of our duty.

My proposed Constitutional Amendment also addresses vacancies created by the incapacity of a Member of the House, which cannot be addressed by a mere statute. The article would become part of the Constitution if ratified by the legislatures of three-fourths of the states within seven years of the date of its submission to them.

As a former history teacher and long-serving member of the Connecticut State Senate, I feel very strongly about the need to preserve the institution of Congress. In December, I held a Continuity of Congress Forum at the University of Connecticut School of Law in Hartford, Connecticut. I invited local academic leaders, who are experts in Congressional operations, to discuss current House proposals about how Congress would continue should a catastrophic event occur.

Mr. Speaker, I urge my colleagues to join me in supporting this Constitutional Amendment. This is certainly an issue that is difficult for all of us to address—our untimely demise or incapacitation. Yet, given the level of terrorist activity in our world, it would behoove us to recognize that we need a mechanism for temporary appointments should a catastrophic event occur in the House of Representatives.

TRIBUTE TO PELKIE AGRICULTURAL SCHOOL AND THE ORIGINAL SEVEN ONE-ROOM COUNTRY SCHOOL HOUSES ON THE OCCASION OF THEIR REUNION

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. STUPAK. Mr. Speaker, I rise tonight to call your attention and that of our House colleagues to a ceremony that took place in the Upper Peninsula of Michigan on August 9, 2002. While the Baraga County Fair went on, the Pelkie Agricultural School along with the original seven one-room country school houses of the Pelkie area, will be celebrating with all their alumni.

In the NW corner of the Upper Peninsula there is the small town of Pelkie where a hidden treasure lay. The treasure built in 1932 is known as Pelkie Agricultural School, and is perhaps one of the oldest schools of its kind in Michigan or even in the United States still operating as an educational institution. The community looks forward to hosting the event and reuniting with old friends, teachers and classmates.

The Pelkie area was originally settled by Finnish immigrants in the latter part of the nineteenth century and the early part of the twentieth century. As late as the mid–1970's one could walk into the local Co-op Store and hear the Finnish language spoken, or attend an area church service on Sunday conducted in the Finnish language. In the early years, seven one-room country school houses served the educational needs of the Pelkie area children, and then in 1932 the Pelkie Agricultural School was built to consolidate these schools. For the first ten years or so, Pelkie Agricultural School operated as a K–10 school with an agricultural focus. The concepts of agriculture (for boys) and home economics (for the girls) were articulated and integrated into all aspects of the curriculum.

In the mid-1940's, the school began the first of many changes caused by declining enrollment and dwindling finances. The school first changed to a K–8 school and then eventually a K–6 school. As innovations and curriculum changes occurred in Michigan education, Baraga Township decided to implement a new and innovative concept. Eventually this lead to the designation of the school as a lower elementary building for the entire district. The elementary school is currently filled to capacity and wisely used by the district.

When asked what role the school plays in the community, a local resident responded that the school was and continues to be the center of the community. It is the place for all community activities except church services. MSU Extension Study Clubs, 4–H Clubs, physical fitness programs, preschool programs, Agricultural Extension meetings, as well as the Baraga County fair are held there. Everyone has fond memories from their times at Pelkie Agricultural School and the community takes pride in doing everything they can to keep the school in good condition.

Over the years, the school has provided many important needs for the community including educational programs for soldiers after WWII. The school received federal funding under the GI bill to offer educational services and training in agriculture to area men returning home after the war. Five teachers dedicated themselves to teaching night classes to returning GIs in efforts to help them become productive independent farmers on the land that their Finnish forefathers had cleared a generation earlier.

The caliber of education offered at Pelkie Agricultural School is revealed through their many distinguished alumni. For forty-four years, Mrs. Ida Fitzpatrick, one of the school's teachers and its principal, directed the education of community youth. The school has produced many farmers, professors, traders, musicians, teachers, writers, and doctors. Among those we can cite as having attended Pelkie Agricultural School are Dr. LuAnne Ruona, psychiatrist and faculty member at George Washington University, Dr. Paul Niemisto, a professor and composer of music at St. Olaf's University, and Mr. Dan Maki, professor of History at Finlandia University. I am proud of their commitment to education and their contribution to their individual professions.

Mr. Speaker, I ask you and our House colleagues to join me in wishing the best to the people of Pelkie in celebrating 70 years of education at Pelkie Agricultural School and the seven original one-room country school houses. We also extend a hearty, "Well Done!" to the Reunion Planning Committee. I am sure that many former Pelkie residents will be drawn back home for this celebration, so that families may be reunited, old friendships renewed, and a remarkable quality of life rediscovered.

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

SPEECH OF

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. OWENS. Mr. Speaker, I rise to strongly condemn and denounce this cynical resolution which seeks members of Congress to once more endorse the needless war against Iraq. The world is certainly not safer now than it was before the attack on Iraq. Indeed, just the opposite is true. We are bogged down in a war at the wrong place which drains dollars, manpower and creative decision-making energy from our government. This administration has placed our nation in a deadly vise that blocks us from a more effective pursuit of terrorism. Let me just cite one critical example: Pakistan! We are losing our long-term ally, Pakistan, as a result of blatant neglect. The one Islamic nation which clearly has "weapons of mass destruction" has received low priority and second class treatment from our government. Even after the President of Pakistan chose to take great risks to assist in the war against the Taliban in Afghanistan, the U.S. offered this nation an economic assistance package of less than one billion dollars. At the same time this administration was offering Turkey several billion dollars merely to allow our troops to pass through on their way to Iraq. Pakistan also has a population of more than 150 million people while Iraq only has 25 million people. Nevertheless we are proposing 27 billion dollars to rebuild Iraq while offering the loyal ally, Pakistan, less than one billion dollars.

Mr. Speaker, we are losing our most valuable ally in the war against terrorism because we are obsessed with Iraq. Because I have a large Pakistani-American community in my

District I was invited to visit Pakistan 2 years ago. Everywhere there was obviously admiration for America; however, everywhere there was also disappointment and bitterness with respect to the treatment of Pakistan by successive U.S. governments. In the end there is a feeling that their nuclear weapons program is the only way they can command the appropriate attention from the U.S.

Be assured that no high school sophomore is expected to believe that the sale of Pakistan's nuclear secrets to other nations was a crime committed by one super scientist acting without the assistance of the government. These deadly sales to North Korea and other rogue nations represent defiance and revenge expressed by a nation that deems itself to have been grossly mistreated.

Emergency diplomatic and economic assistance are needed to save Pakistan from becoming a Taliban victim or an overt enemy. Loyalties in the nation are now almost evenly divided and the present government is walking on a very thin line. Diverting just a quarter of the economic assistance approved for Iraq to Pakistan would send a meaningful message to our long-term ally. Who is losing Pakistan? The Iraq obsessed White House is losing Pakistan.

Problems in Iraq are impacting on all types and levels of decision-making in Washington. We have been forced into a hardship budget for domestic programs. While there is no Federal aid for public school construction here at home, we are spending billions to build schools in Iraq. While fifty percent of the Black males in New York City are unemployed, billions of dollars are being spent to provide jobs to Iraqi men. There is a possibility that the bitterness and desperation which is the fertilizer for terrorism will create a unique incubator in America.

Is the world better off since we ventured into oil rich Iraq? Are Americans safer? Is the war against terrorism being conducted effectively? The answer to all of these questions is no. Should we pass this resolution which pretends to honor the troops but has been concocted to ambush legislators into stating that they endorse the war in Iraq? The answer is no.

TRIBUTE TO THE REPUBLIC OF TUNISIA

HON. ROBERT E. (BUD) CRAMER, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. CRAMER. Mr. Speaker, I rise today to honor the government and citizens of the Republic of Tunisia on the forty-eighth anniversary of Tunisian independence.

On March 20, 1956, Tunisia declared its independence from France and the United States was one of the first countries to recognize an independent Tunisian state. For forty-eight years, Tunisia has been a strong ally of the U.S. and has helped to encourage the values of liberty, democracy, and free enterprise throughout Africa and the world.

In addition, Tunisia has worked closely with the United States to promote international peace, stability, and progress. In fact, Mr. Speaker, Tunisia was one of the first nations to condemn the terrorist attacks of September 11, 2001 and offer its support in the global fight against terrorism.

Mr. Speaker, on Saturday, all of Tunisia's people will be in joyous celebration. I rise today to join them in the commemoration of their independence.

RECOGNIZING ALFRED P. GERHARDT, JR.

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. GERLACH. Mr. Speaker, I rise today to recognize the American Legion's Eighth District Commander and Wawassan Post 422 Post Commander Alfred P. Gerhardt, Jr.

Alfred P. Gerhardt, Jr. received his draft notice on Pearl Harbor Day, December 7, 1966 and spent three months and ten days at Fort Lewis, Washington when he was honorably discharged on April 27, 1967.

In 1968, he went to Baptist Bible College in Clarks Summitt, Pennsylvania as a part-time student during the spring semester and eventually went on to work as a nursing assistant at the Coatesville Veterans Administration Hospital in Coatesville. He subsequently retired from there after 15 years of service on March 28, 1998.

In the summer of 1977, Mr. Gerhardt transferred his American Legion membership to Wawassan Post No. 422 in Honey Brook. He was elected and installed as Post Chaplain on the night of his official transfer and held that post until he became the 43rd Post Commander on September 15, 1980. He then was appointed Post Adjutant and served in that office continuously for all but two years. Even during his tenure as Post Commander, he more than often handled many of the responsibilities of the Post's Adjutant.

On September 13, 1982, Alfred Gerhardt became the 55th Chester County Commander and was only the second member of his Post to hold this office. He later served as Chester County Adjutant and as Deputy District Commander for many years. His service as Post Commander resumed again on two separate occasions from September 19, 1994 through September 16, 1996 and from September 21, 1998 through September 18, 2000. Throughout many of his years of service, Alfred was the acting Post Service Officer and Post Historian. It was in July of 2002 that he became the Eighth District Commander.

Mr. Speaker, I ask my colleagues to join me today in recognizing Alfred P. Gerhardt, Jr. for all his years of dedicated and exemplary service to the American Legion and his fellow veterans.

A TRIBUTE TO ISTVÁN DEÁK

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 2004

Mr. LANTOS. Mr. Speaker, I rise today to pay tribute to a most talented and remarkable scholar—Professor István Deák, the Seth Low Professor Emeritus of History at Columbia University, and a world-renowned expert about 19th and 20th century Europe.

Professor Deák was born in 1926 in Hungary and after surviving the Second World War, enrolled in college at the University of Budapest. Later, after Hungary was overtaken by the communist regime, Professor Deák fled his homeland and arrived in the United States in 1956. He earned his Doctorate in Modern European History from Colombia University in 1964 and then began a distinguished career as a professor there.

Mr. Speaker, Professor Deák has focused his research on the history of resistance, collaboration and retribution of political movements in 19th and 20th century Europe. His research and publications on this topic has been extraordinary and has provided great insight into this often neglected area of academic pursuit. Professor Deák's research has been especially important when compared to his colleagues working on similar topics but trapped in Eastern Bloc countries. While Professor Deák was able to write and research unfettered, his colleagues in Eastern Europe were dictated to and directed by party rulers that desired to rewrite the history of their regimes in the best possible light. Mr. Speaker, it should be pointed out that while Professor Deák was able to work freely in this country, his work was hindered by the fact that many of his crucial sources remained behind the Iron Curtain, and were often only available to members of the Communist party. As a result, Professor Deák often traveled to Hungary for his research, placing himself in danger. The ruling regime had the power to interrupt his travel if his work was deemed a threat. Undaunted by these constraints, Professor Deák continued to produce brilliant work on the Hungarian Revolution as well as the history of European Nationalism.

Mr. Speaker, in addition to his extraordinary research and writing talents, Professor Deák devoted much time to his students, both at Columbia and around the world. He lectured in universities in Germany and the United States, where he continuously taught his students to be critical thinkers. He also stressed to his students the idea that history should be considered an art and that their historical prose should be elegant.

Professor Deák is a prodigious writer himself and has authored numerous articles, reviews, and books, including; Weimar Germany's Left-Wing intellectuals: A Political history of the Weltbuhne and its Circle and Beyond Nationalism: a Social and Political History of the Habsburg Officer Corps, 1848–1918. He continues to prove himself as an articulate and gifted historian; his recent essays have been published in the New York Review of Books and The New Republic, and he also recently published a book entitled Essays on Hitler's Europe.

Mr. Speaker, Professor István Deák is an extraordinary scholar and his work on collaboration and resistance has provided numerous invaluable lessons to our generation and future generations. I urge all my colleagues to join me in paying tribute to him today.

HOUSE OF REPRESENTATIVES—*Monday, March 22, 2004*

The House met at noon and was called to order by the Speaker pro tempore (Mr. PETRI).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 22, 2004.

I hereby appoint the Honorable THOMAS E. PETRI to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

The heavens proclaim Your glory, O God, and the firmament reveals Your handiwork. Day pours out the word today, and night after night tells the story.

No speech, no word, no sound is needed. Yet throughout all Earth Your voice is heard to the ends of the world this message.

At the beginning of each day the sun comes forth like a bridegroom from his bridal chamber, like a champion ready to run its course.

From one end of the sky comes the rising sun to stretch its way to furthest other end; nothing escapes its heat.

So fill the Nation this day with blessings, Lord. May Your presence permeate all that is living and justice flourish among Your people, now and forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair will lead the House in the Pledge of Allegiance.

The SPEAKER pro tempore led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF MEMBERS TO POLICY COMMITTEE OF WHITE HOUSE CONFERENCE ON AGING

The SPEAKER pro tempore. Pursuant to section 211 of the Older Americans Act Amendments of 2000 (42 U.S.C. 3001 Note), and the order of the House of December 8, 2003, the Chair announces the Speaker's appointment of the following Members on the part of the House to the Policy Committee of the White House Conference on Aging:

Mr. E. CLAY SHAW, Jr., Fort Lauderdale, Florida; and

Mr. HOWARD P. (BUCK) MCKEON, Santa Clarita, California.

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House stands adjourned until 12:30 p.m. tomorrow for morning hour debates.

There was no objection.

Accordingly (at 12 o'clock and 3 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, March 23, 2004, at 12:30 p.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7200. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Pesticide Tolerance Fees; Suspension of Collection [OPP-2004-0084; FRL-7349-7] received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7201. A letter from the Under Secretary, Department of Defense, transmitting a report required pursuant to title 10, United States Code, section 12302(d), relating to those units of the Ready Reserve of the Armed Forces that remained on active duty under the provisions of section 12302 as of January 1, 2004; to the Committee on Armed Services.

7202. A letter from the Secretary, Department of Health and Human Services, transmitting the twenty-fourth annual report on the implementation of the Age Discrimination Act of 1975 by departments and agencies which administer programs of Federal financial assistance, pursuant to 42 U.S.C. 6106a(b); to the Committee on Education and the Workforce.

7203. A letter from the Administrator, Energy Information Administration, transmitting a copy of the Energy Information Administration's report entitled "Annual Energy Outlook 2004," pursuant to 15 U.S.C. 790f(a)(1); to the Committee on Energy and Commerce.

7204. A letter from the Attorney, National Highway Traffic Safety Administration, Department of Transportation, transmitting the Department's final rule — Automotive Fuel Economy Manufacturing Incentives for Alternative Fueled Vehicles [Docket No. NHTSA-2001-10774; Notice 3] (RIN: 2127-AI41) received February 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7205. A letter from the Attorney Advisor, National Highway Traffic Safety Administration, Department of Transportation, transmitting the Department's final rule — Federal Motor Vehicle Safety Standards; Child restraint systems [Docket No. NHTSA-04-17230] (RIN: 2127-AJ15) received March 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7206. A letter from the Attorney Advisor, National Highway Traffic Safety Administration, Department of Transportation, transmitting the Department's final rule — Federal Motor Vehicle Safety Standards; Child Restraint Systems [Docket No. NHTSA-2003-17140] (RIN: 2127-AI88) received March 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7207. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Community-Based Urban and Per-Urban Drinking Water Capacity-Building in Africa — received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7208. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; Indiana [IN158-1a; FRL-7626-7] received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7209. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Air Quality Implementation Plans; Kentucky Update to Materials Incorporated by Reference; Technical Correction [KY-200404(c); FRL-7636-9] received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7210. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Air Quality Implementation Plans; Maine; Approval of State Implementation Plan Revision to PM10 PSD Increments [R01-OAR-2004-ME-0001; A-1-FRL-7625-3] received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7211. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Revisions to the California State Implementation Plan, South Coast Air Quality Management District [CA287-0428a; FRL-7628-3] received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7212. A letter from the Deputy Associate Administrator, Environmental Protection

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□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Agency, transmitting the Agency's final rule — National Emission Standards for Hazardous Air Pollutants: Plywood and Composite Wood Products; Effluent Limitations Guidelines and Standards for the Timber Products Point Source Category; List of Hazardous Air Pollutants, Lesser Quantity Designations, Source Category List [OAR-2002-0048, FRL-7634-1] (RIN: 2060-AG52) received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7213. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report entitled "Country Reports on Human Rights Practices for 2003," pursuant to 22 U.S.C. 2151n(d); to the Committee on International Relations.

7214. A letter from the Director, Office of Management and Budget, transmitting the Office's FY 2003 report on Federal Government Information Security Management; to the Committee on Government Reform.

7215. A letter from the Director, Office of Personnel Management, transmitting OPM's Fiscal Year 2003 Annual Report to Congress on the Federal Equal Opportunity Recruitment Program (FEORP), pursuant to 5 U.S.C. 7201(e); to the Committee on Government Reform.

7216. A letter from the Assistant Attorney General for Administration, Department of Justice, transmitting the ninth annual report on the Communications Assistance for Law Enforcement Act (CALEA) of 1994, as amended, pursuant to Public Law 103-414; to the Committee on the Judiciary.

7217. A letter from the Secretary, Department of Health and Human Services, transmitting the Department's Annual Report On Child Welfare Outcomes 2001, pursuant to Public Law 105-89, section 203(a) (111 Stat. 2127); to the Committee on Ways and Means.

7218. A letter from the Acting Director, Defense Security Cooperation Agency, Department of Defense, transmitting notification of the Department of State's intent to initiate the FY 2004 International Military Education and Training funds for Algeria, pursuant to Public Law 108-199; jointly to the Committees on International Relations and Appropriations.

7219. A letter from the Secretary, Department of Health and Human Services, transmitting the Department's report entitled, "National Coverage Determinations for Fiscal Year 2002 ," pursuant to Public Law 106-554 section522(a); jointly to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[The following reports were filed on March 19, 2004]

Mr. NUSSLE: Committee on the Budget. House Concurrent Resolution 393. Resolution establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009 (Rept. 108-441). Referred to the Committee on the Whole House on the State of the Union.

Mr. NUSSLE: Committee on the Budget. H.R. 3973 A bill to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to extend the discretionary spending limits and pay-as-you-go through fiscal year 2009; with an amendment (Rept. 108-442). Referred to the Committee of the Whole House on the State of the Union.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 489: Mr. McCotter and Mr. Miller of Florida.

H.R. 1873: Mr. Case.

H.R. 2402: Mr. McHugh.

H.R. 3203: Ms. Corrine Brown of Florida, Mr. Foley, and Ms. DeGette.

H.R. 3602: Mr. Towns, Ms. Lee, Mr. Boucher, Mr. Lucas of Kentucky, Mr. Cramer, Ms. McCarthy of Missouri, Mr. Sessions, and Mr. Pastor.

H.R. 3966: Mr. Foley, Mr. McKeon, Mrs. Miller of Michigan, Mr. Meek of Florida, Mr. Franks of Arizona, and Mr. Bachus.

H.R. 3984: Mr. Miller of Florida and Mr. Garrett of New Jersey.

H. Res. 60: Mr. Garrett of New Jersey, Ms. Harris, and Mr. Upton.

H. Res. 532: Ms. Baldwin.

SENATE—*Monday, March 22, 2004*

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. STEVENS].

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray. O God, our Creator and Preserver, who displays Your glory in the beauty of the seasons, thank You for the light of day and for blessings beyond our deserving. Thank You for the gift of redemption and for the opportunity to be Your salvation instruments in a world of pain. Forgive us when we miss opportunities to reveal Your character to a sometimes cynical world.

Bless Your Senators today. Give them grace to fill every hour with efforts that will truly make a difference. Endow them with insight to solve the riddles that challenge our world. Use each of us, Lord, to advance Your kingdom of good will upon Earth.

We pray this in Your holy Name, Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. McCONNELL. Mr. President, today the Senate will conduct a period of morning business until 2 p.m. and then resume consideration of the JOBS bill, also known as FSC/ETI.

As announced by the majority leader before the recess, there will be no rollcall votes today. Chairman GRASSLEY will be here to work through consideration of pending amendments. We want to encourage Members to come to the floor for debate through the day.

The next vote will occur sometime tomorrow, Tuesday. We will notify all Members when we can lock in a time certain for any rollcall votes.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

THIS WEEK'S SCHEDULE

Mr. DASCHLE. Mr. President, I urge Senators to come to the floor. I was just discussing with the distinguished acting majority leader the schedule for the week. There are a number of amendments that could be offered with time agreements that we might be able to work through reaching an agreement on the overall list of amendments to be offered. Many would like to complete work on the bill. We could at the end of the day have a pretty good vote on the legislation that is pending. There are a number of critical amendments that our colleagues want to have considered, but I think we can work through those on a timely basis.

I look forward to more discussions with our Republican friends with regard to the schedule and the list of amendments to be offered.

GOVERNMENT WORKING FOR THE PEOPLE

Mr. DASCHLE. Mr. President, we spend a lot of time here in the Capitol talking about the abstract effects of policy. But when we go home, we see firsthand the challenges and pain so many of our constituents are facing.

I spent the last week in South Dakota. We have a higher percentage of our National Guard and Reserve units activated than almost any other State. South Dakotans are united in our support for all the men and women who are risking their lives to defend our freedom. We are proud that America looks out for other nations.

But we need to look out for people here at home, too. We need leadership that fights for American workers and families, not against them. That is what I heard, over and over again, from people in South Dakota.

Last Tuesday, I held a town hall meeting in Spearfish, in the Black Hills. Among the people who came were a couple I have known for years.

Donna Smith is a newspaper reporter for the Black Hills Pioneer. She is one of the best journalists in my State; I have tremendous respect for her skill and fairness.

Over the years, I have seen Donna at many meetings. But this time was different. This time she was there not as a reporter but as an American who needs help.

Donna and Larry Smith have been married for 29 years. They have six children.

Larry Smith is tall and athletic. He takes good care of his health. Unfortunately, he inherited some bad genes; his arteries clog. He had his first heart bypass surgery when he was 47 years old and his second one a year later.

Everything was fine for almost 11 years. Then, about a year ago, Larry started feeling constant, debilitating pain in his legs and hips.

Larry works at a casino in the Black Hills. He was a machinist all his working life, but he switched to cashier because he couldn't take the walking involved in his old job; it hurt too much.

Last February, he had a stent placed in his heart. His doctors determined that the pain was being caused by a build-up of plaque in Larry's arteries. They said the only place he could find a vascular surgeon skilled enough to clear the blockages was at the Mayo Clinic in Rochester, MN.

Larry had that surgery. He was at the Mayo Clinic nearly a month. Donna was with him the whole time. Their insurance company paid most of the hospital bills.

But there were lots of out-of-pocket costs insurance didn't cover:

The lost income from the time both Larry and Donna had to take off from their jobs; the cost of getting to and from the Mayo Clinic; the cost of Donna's motel; the $2,000 annual deductible the Smiths had to pay before their insurance coverage kicked in; the $200 they spend every month on the prescription drugs Larry takes to control his blood pressure and other health conditions.

In addition, Donna is a diabetic and a cancer survivor. They spend another $150 a month on her prescriptions.

Then there are the health insurance premiums: $270 a month for Larry and $180 a month for Donna.

Add it all up and, suddenly, a couple who had worked hard all their lives and put six children through college is drowning in a sea of medical debt—$18,000 in debt.

Larry and Donna Smith have done everything they can to honor their debts. They sold their home. They now live in a smaller, rented house. They have borrowed money from friends.

They have even borrowed money from their children. Talking about that is one of the few times Donna cries. "How demeaning," she says, "to have to ask your children for money. We're at a time in our lives when we ought to be showering our grandchildren with gifts, but we can't. We can't even pay our bills."

Creditors started threatening lawsuits. Bill collectors called at home and work. They garnished Donna's wages.

In January—less than a year after Larry's surgery at Mayo—the pain in his legs came back. It's worse than ever now. It hurts him to lift the bags of coins at the casino. It hurts him just to walk.

But he still works five nights a week; he can't afford to take time off.

Two weeks ago, Donna decided there was nothing else they could do, no one else they could borrow money from. So they filed for bankruptcy.

On April 6, Larry Smith is scheduled to go back to the Mayo Clinic to see if there is anything else that can be done. Donna says they have no choice. Without medical help, Larry is at increased risk of a heart attack or stroke or amputation.

The people at Mayo have generously offered to "work with" the Smiths to meet the $2,000 deductible.

Donna doesn't know where she'll stay this time. She says maybe she'll sleep in the car.

There's something else Donna Smith doesn't know. As she puts it, "I don't know how to give up. This is my husband. This is the man I've spent my whole life with, the man who fathered my children, and who worked hard all his life to support us.

She said, "We know that there are hundreds of thousands of other people going through this, too. You pay for health insurance and you always believe that everything will be covered, but it is not. The safety net is not there and suddenly you have nothing.

"If people are just supposed to give up, how do you do that?" Donna asks. "How do you just give up on the life of someone you love?"

Larry Smith and I talked for quite a while last week. I found out later that he spent 48 hours thinking about exactly what he would say so that I would understand how fragile economic security has become for so many middle-class families. All over this country, people who have done everything right—people who have worked for decades, bought their own homes, put their children through college, saved for their retirements—are finding they are just one medical emergency, one pink slip, one bad break away from serious economic trouble. The social and economic safety net that used to protect families is being shredded. Health care costs that used to be manageable are bankrupting families and businesses.

Last Thursday, I had another town-hall meeting in Aberdeen, my hometown. That afternoon I got a fax from a general manager of a farmers' cooperative grain elevator in the nearby town of Florence. His name is Steve Schlenner. He said 3 years ago the health care premiums for the co-op's employees went up 38 percent. The next year they went up another 28 percent. Last year they increased another 24 percent. This year they had to lay off one of their workers so they could afford health insurance for the other workers.

He asks:

> How are we ever going to get people back to work if the insurance companies are taking more and more of our profits every year? At this rate, only the rich will be able to afford insurance in the future. . . . The average hard-working, tax-paying, middle-class American needs to be put on the endangered species list if we sit back and do not address these insurance issues and high unemployment [rates].

He ends his fax by saying:

> Thank you for taking my comments seriously. They represent the thoughts and feelings of quite a few people in this area.

All of us, Democrats and Republicans, need to take the comments of people like Donna and Larry Smith and Steve Schlenner seriously. Donna and Larry are luckier than many Americans. They have insurance. More than 43 million Americans have no health insurance. We must work together to make health insurance affordable again and health care accessible to all Americans.

We need to fix what is wrong with the new Medicare prescription drug program. At a minimum, we need to end the prohibition that prevents the Government from negotiating better prices for seniors. We need to allow the safe reimportation of drugs from Canada and other countries where they are less expensive. We need new policies that create good jobs in America.

There are 8.2 million Americans out of work. Two million have been out of work for the last 6 months or longer. It is not their fault they cannot find jobs. Last month, the economy created only 21,000 new jobs—all of them Government jobs, none in the private sector. Mr. President, 21,000 jobs; that is one new job for every 389 unemployed workers.

The administration and some of our Republican colleagues say the economy is getting stronger. I guess I would ask, whose economy? Not the 8.2 million Americans who want to work but cannot find jobs; not the 43 million Americans without health insurance; not the millions of Americans who are working harder than ever and taking on more debt than ever.

We need trade and tax policies that reward companies for creating jobs in America—not for shipping American jobs overseas. We need to help workers who are hurt by outsourcing, and make sure they get access to health care and job training while they get back on their feet.

Unless we act to prevent it, 9 days from today, on March 31, the Government will stop paying unemployment insurance benefits to workers who have already exhausted their State benefits. We cannot let that happen. We need to extend Federal unemployment insurance benefits now.

Also, at the end of this month, the Federal Government and the Department of Labor will issue new regulations effectively ending overtime pay for 8 million American workers. The Senate voted on a bipartisan basis to reject that change when the White House proposed it, but the House rejected it. Somehow, behind closed doors, someone slipped it into a conference report that had to pass or most of the Federal Government would have been shut down.

That is wrong. The Senate should reject this bad idea and the underhanded way it was handled. We should vote to protect the 40-hour workweek and overtime pay. Working families cannot afford a cut in pay.

A week ago today, Lead-Deadwood High School held its annual Government Day. Students at the school spent the day shadowing local government officials, observing firsthand how democracy in America works. In a story about the program, on the front page of the Black Hills Pioneer, the students talked about how interesting it was to see Government work for people. That story was written by Donna Smith. Despite all of their struggles, she and her husband still believe Government can be a force for good. They, and millions of other Americans, are looking to us for help. As we begin this next work period, let's vow not to disappoint them.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business until 2 p.m., with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Texas is recognized.

MEASURE PLACED ON THE CALENDAR—S. 2207

Mr. CORNYN. Mr. President, I understand there is a bill at the desk that is due for its second reading.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 2207) to improve women's access to health care services, and the access of all individuals to emergency and trauma care services, by reducing the excessive burden the liability system places on the delivery of such services.

Mr. CORNYN. Mr. President, in order to place the bill on the calendar under the provisions of rule XIV, I object to further proceeding.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

Mr. CORNYN. I thank the Chair.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from Texas.

MARRIAGE

Mr. CORNYN. Mr. President, I want to say a few words about a hearing we are going to have tomorrow in the Senate Judiciary Committee on the subject of marriage. I know the last thing I thought I would be doing, coming from Texas to Washington, DC, would be talking about traditional marriage, but such are the times we live in.

Earlier this month I chaired a hearing in the Judiciary Committee's Subcommittee on the Constitution regarding the U.S. Supreme Court's decision last summer in Lawrence v. Texas, as well as the Goodridge decision from the Massachusetts Supreme Court that resulted from it, and the subsequent explosion of the marriage controversy across America. I thought we had a very thought-provoking discussion, a bipartisan discussion, and one that will continue at our hearing tomorrow where proposed constitutional language is the subject.

At the hearing earlier this month I was moved by the sentiments of Pastor Daniel de Leon of the Templo Calvario Church in California and Rev. Richard Richardson of the African Methodist Episcopal Church in Boston, who we were honored to have in attendance.

Both testified they would rather be at home than having to defend traditional marriage here in Washington. But it is because of the work they do in their own communities, because they see the results of the decline of marriage in their communities every day, that they believe traditional marriage is so important and worth defending.

This is a discussion we will continue to have in the coming months. I believe it is vital that we have a national discussion on the importance of this institution, and a discussion based upon the facts.

In recent months, a lot of people have spent time talking about the benefits of marriage for adults. They have talked about hospital visiting rights and inheritance problems, even though many of these issues can be solved simply and quickly by statute or arrangements that can be achieved by simply signing a few simple documents.

This discussion, in terms of the benefits to adults, has included discussion of Government benefits, even though with these benefits come burdens, and the actual financial ramifications of these benefits are a matter for future debate.

Today it is time to turn the debate to what I believe is an even more important issue—that is, the benefits of marriage to children.

It is easy for some people to step back and say: The same-sex marriage controversy doesn't affect me. But the facts, demonstrated by experiments in other countries, show us otherwise. The facts show us this issue affects everyone, but especially children. None of us can pretend to ignore this issue, and none of us can afford to be neutral on this subject.

Scandinavia has treated same-sex households as marriage for more than a decade. This practice was instituted in Denmark in 1989, in Norway in 1993, and in Sweden in 1994. The direct reaction was relatively small. Very few people were actually interested in being part of this new arrangement, and to this day the number of participating individuals and households remains low.

The greatest effect was not on those who had sought the new institution but, in fact, on society at large. Sad to say, there has been an enormous rise in family dissolution and out-of-wedlock childbirths in these countries since they embraced the institution of same-sex marriage.

Today, about 15 years after Denmark created this new institution, a majority of children in Scandinavia are born out of wedlock, including more than 50 percent of children in Norway and 55 percent of children in Sweden. In Denmark, a full 60 percent of first-born children have unmarried parents. In Scandinavia as a whole, traditional marriage is now an institution entirely socially separated from the idea of childbearing or child-rearing. It is regarded as an incidental union, not an important one.

Respected British demographer Kathleen Kiernan drew on the Scandinavian case to form a four-stage model by which to gauge a country's movements towards Swedish levels of out-of-wedlock childbirth.

At stage one, the vast majority of the population produces children within marriage, such as in Italy. In the second stage, cohabitation is tolerated as a testing period before marriage and is generally a childless phase such as we currently have in America. In stage three, cohabitation becomes increasingly acceptable and parenting is no longer automatically associated with marriage. While Norway was once at this stage, recent demographic and legal changes have pushed it further into stage four, along with Sweden and Denmark. In this fourth stage, marriage and cohabitation become practically indistinguishable, with many children—even most children—born and raised outside of traditional marriage. According to Kiernan, once a country has reached this stage, return to an earlier phase is highly unlikely.

As you can see, the dilution of marriage is passed on to children, to the next generation, and the devaluation continues. And in America, the results could be even more significant than in Scandinavia; after all, we are already facing the problem of too many single-parent households, particularly in inner-city communities.

When the ideal of traditional marriage is removed, when cohabitation and marriage are equally regarded, and when childbearing is no longer something that ought to ideally come within the context of traditional marriage, I fear the problem of single-parent households will only worsen.

While many single parents do a very good job day in and day out raising children against long odds, no one considers it the best arrangement for raising children—with good reason. Indeed, we have a wealth of social science research from hundreds of sources over the course of decades which consistently reflects both the positive ramifications for children of a stable traditional marriage, and the negative effects of family breakup.

Marriage provides the basis for the family, which remains the strongest and most important social unit. Countless statistics and research attest to this fact. It is not ideal to raise children outside of marriage. While everyone is free to choose his or her own path, no one wishes divorce on children but, rather, a happy and stable home.

In America, we have made the decision that we ought to particularly encourage and support those who marry and have children. This is not a partisan issue. As one of the most distinguished Democratic Members of this body, Senator Daniel Patrick Moynihan, observed more than a decade ago, we must stop "the breakup of family inevitably" as best we can:

> [T]he principal social objective of the American national government at every level . . . should be to see that children are born into intact families and that they remain so.

We don't raise our neighbor's children as our own, but we do help all the children in our community every time we affirm and reinforce marriage—through our speech, through our action, through our culture, and through our wallets. It is a position reinforced through our laws and our practices, and I believe it is a good one. Government cannot be neutral, should not be neutral, nor should it pretend it is possible to be neutral when it comes to children and families.

Most Americans take for granted that traditional marriage as we know it today will always exist. But that is sadly proving to be a mistake. We see in Scandinavia why that assumption is a mistake.

Across this country today, renegade judges and some local officials are attempting to radically redefine this traditional institution. Lawsuits seeking to dismantle traditional marriage have already been filed in Federal court and State courts in Massachusetts, New York, Nebraska, Utah, Florida, Indiana, Iowa, Georgia, West Virginia, Arizona, Alaska, Hawaii, New Jersey, Connecticut, Oregon, Washington, California, and Vermont, as well as my home State of Texas. According to the New York Times, we can expect lawsuits in 46 States by residents who have traveled to San Francisco in recent weeks to receive a marriage license, then return and claim the validity of that marriage under the laws of their home State.

Louis Brandeis famously described the States as "laboratories for democracy." But he was, of course, referring to representative government in the States and not to the courts. Given how this litigation has spread, it appears that judicial activists bent on experimenting with the institution of marriage will have every possible opportunity to do so.

The American people are not persuaded that this radical redefinition of marriage is needed or that it is a good thing. When given the opportunity in the voting booth, they have always supported traditional marriage clearly and forthrightly.

While The New York Times recently described the law on this subject in California as "murky," the California family code clearly defines traditional marriage in an initiative enacted by voters themselves 4 years ago by 61-percent majority.

Rather than believing this discussion is altogether a bad thing, I believe there is a lot of good to be had out of a national discussion on the issue and importance of traditional marriage, supporting family life as providing the best hope for raising children. Those of us on the side of traditional marriage, though, must not flinch in the face of those who would try to characterize our efforts as some hateful or hurtful position. Indeed, I believe advocates of traditional marriage must not back down. We must not allow those who will try to paint our motivations as discriminatory because, in fact, they are not.

What we are seeking to preserve is the fundamental bedrock of our society, the wellspring of families, and an institution that is in the best interest of children. That is what we are for. Those of us who have the honor of serving in this body and in government have a duty to act to protect this positive social good and not ignore this issue until it is too late.

Some activists believe traditional marriage itself is about discrimination, that all traditional marriage laws are unconstitutional and must, therefore, be abolished by the courts. Indeed, that is what the court in Massachusetts said. These activists found friends in four justices in Massachusetts who were legislating from the bench and who contended that traditional marriage is "rooted in persistent prejudices" and represents "invidious discrimination." Those are not my words. Those are the words of the four justices who struck down traditional marriage laws in Massachusetts.

Indeed, these justices even claim that traditional marriage is not in the best interest of children. They accuse others of wanting to write discrimination into the Constitution. Yet they are the ones writing the American people out of our constitutional democracy.

In the face of similar arguments, Hawaiians and Alaskans a number of years ago took preemptive action when they were faced with State constitutional challenges to their traditional marriage laws. Citizens of Nebraska, Nevada, and other States have also taken preemptive action under their State constitutions before suits were even filed.

Interestingly, in the hearing we had just a couple weeks ago, we heard from Nebraska Attorney General Jon Bruning, who said that while his state has a Constitutional Defense of Marriage Amendment, even that amendment has now been challenged in Federal Court by the American Civil Liberties Union, who claim that this state constitutional provision itself violates the Federal Constitution.

The threat to traditional marriage is now a Federal threat, and a Federal constitutional amendment is the only way to preserve traditional marriage laws nationwide before it is too late.

America needs stable marriages and stable families. The institution of marriage is just too important to leave to chance.

Unless and until the American people are persuaded otherwise, we have a duty, as their representatives, to defend the laws they passed and to not let those who would take the law into their own hands reshape society according to their whim.

We can be confident in the fact a constitutional amendment is the most representative process we have in American law—requiring, as it does, two-thirds of the Congress to pass a constitutional resolution and three-quarters of the States to ratify it. It is the most democratic form of lawmaking we have in this country, bar none.

The burden of proof is on those who seek to experiment with traditional marriage, an institution that has sustained society for countless generations. The experimenters must present their case to us that the radical new social unit they propose is good for the community, good for families and, most important of all, good for children. Thus far, the lab for this experiment has already been run in Scandinavia, and it has produced nothing but disastrous results.

With that, Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH). Without objection, it is so ordered.

SOARING GASOLINE PRICES

Mr. WYDEN. Mr. President, gasoline prices are soaring to the highest levels ever and once again the response of the Federal Government is to do nothing. I have come to the floor today because I believe the gasoline consumer is about to be hit by a perfect storm, a combination of refinery cutbacks that boost profits, the fact that oil is being moved into the Strategic Petroleum Reserve with no plan to protect the consumer from resulting shortages, and the prospect of even higher OPEC prices when OPEC cuts production possibly in June, just at the start of the high travel season. I want to discuss this today because inaction in the face of spiraling gas prices is the worst possible response Congress and the administration could have at this time.

Higher oil and gasoline prices act like attacks on our consumers, causing them to defer spending in order to pay for gasoline. Right now, consumer spending is the principal ingredient driving our economy. If consumer spending declines, economic recovery is going to be delayed and there is the chance of the economy sliding further into a recession.

I know gasoline prices are already as high as they have ever been, and the perfect storm I see coming in the days ahead is going to soak consumers for even more money at the pump with the prices already staggering.

According to the American Automobile Association, the national average price of gasoline is $1.72 per gallon. That is just 2 cents short of the alltime high set last August and, of course, it is not even the peak driving season. California prices are consistently way over $2 per gallon. The prices in my State are consistently in the ballpark of $1.80. I will outline this afternoon why I believe it is likely to get even worse.

One major oil company, Shell, has announced it is deliberately shutting a 70,000-barrel-per-day refinery in Bakersfield, CA. This refinery is critical to the entire West Coast market. The fact is, when Shell permanently constricts gasoline supplies and drives up prices along the West Coast, our area, which already has staggeringly high unemployment, is going to be hit very hard.

Earlier this month, at a Senate Energy Committee hearing, I asked the Administrator of the Energy Information Administration whether the closing of Shell's Bakersfield refinery could boost West Coast prices even higher. That day he agreed that could be the result of that refinery shutting down. Yet, in the face of these kinds of problems, the response of the Federal Government is simply to sit on the sidelines.

Shell's announcement of its decision to close the Bakersfield refinery claimed in a statement that there is simply not enough crude supply to ensure the viability of the refinery in the long term. Recent news articles have reported that both Chevron/Texaco and State of California officials estimate that in that valley where the Bakersfield refinery is located, there is a 20- to 25-year supply of crude oil remaining. In fact, Bakersfield, CA, reported on January 8 of this year that Chevron/Texaco plans on drilling more than 800,000 new wells in the valley, which is 300 more new wells than last year. The fact that Texaco, Shell's former partner in the Bakersfield refinery, is increasing drilling in the area calls into question this claim by Shell that a lack of available oil supply is the real reason for closing the Bakersfield refinery.

Shell also claimed that its decision was not made to drive up profits, but the company admitted to the Wall Street Journal that there will be an impact on the market. Of course, the impact is going to be to drive up prices even higher. The question for the Senate, and why it is so important for us to act now, is, How much are these prices going to go up and when is the Senate going to finally stand with those who have to make these gasoline purchases?

In 2001, I revealed internal oil company documents that showed major oil companies pursued efforts to curtail refinery capacity as a strategy for stifling competition and boosting their profits. These documents raised significant questions about whether American oil companies are trying to pull off a financial triple play: Boosting profits by reducing refinery capacity, tagging consumers with higher pump prices, and then going out and arguing for environmental rollbacks and additional financial incentives.

I say, and I want to use this to make clear why I think it is important the Senate should act, that I believe these practices I described in 2001 are still ongoing today as gasoline prices rise even higher and consumers suffer even more. In memos detailed in a report I issued then, oil companies articulated a desire to reduce oil and gas supply.

One document from Texaco reads:

> Significant events need to occur to assist in reducing supplies and/or increasing the demand for gasoline in order to increase prices and grow profit margins. Oil company competitors also discussed—

Discussed with each other, Mr. President—

> mutual opportunities to control oil and gas supply, thus keeping markets tight.

In one case, they were trying specifically to prevent the restart of a closed refinery in southern California. One company document revealed if the refinery in question, Powerine, was restarted, the additional gasoline supply on the market could bring down gas prices and refinery prices by 2 cents to 3 cents per gallon and it called for a "full court press" to keep the refinery down. The Powerine refinery's capacity was 20,000 barrels per day. The Bakersfield company Shell wants to shut down has a capacity of 70,000 barrels a day. If oil companies in the mid-1990s thought a much smaller shutdown would raise the price of gas by 2 cents to 3 cents, you can't tell me the shutdown of a refinery with 3½ times the capacity will not have an even larger impact on prices at the pump.

What makes Shell's decision to close its Bakersfield refinery especially curious is it seems the company has done virtually nothing proactively to find a buyer. But, to date, in spite of my requests and the requests of others, the Federal Trade Commission has made no effort to stop or even slow plans for Shell's refinery closure. The Federal Trade Commission has been arguing they can only prosecute if they find out-and-out blatant collusion, setting out a standard that is virtually impossible to prove against these very savvy oil interests. But in this case the Federal Trade Commission has the authority to act because the Agency allowed two megamergers to go through that directly affect the refinery Shell now plans to shut down. The Federal Trade Commission had a chance to act when it allowed Shell to acquire full ownership of the Bakersfield refinery in 2001 from a Shell-Texaco partnership.

The Federal Trade Commission had another chance to act when it allowed Shell to acquire Pennzoil-Quaker State in 2002. Then last November, when Shell announced it was closing the Bakersfield refinery, the Federal Trade Commission had a third chance to act, using its continuing authority to reexamine these earlier mergers.

I say it is time to get the Federal Trade Commission off the sidelines and onto the side of the consumer who is getting shellacked at gasoline pumps all across America. Today I am calling on the Federal Trade Commission to exercise its continuing authority over these past mergers and to either block the shutdown of Shell's Bakersfield refinery or to otherwise keep refineries in that area viable. That set of decisions will affect the entire west coast gasoline market. At a time when our economy is being hit so hard, it is absolutely critical to the public interest.

The Energy Department ought to be doing more to address the problem of high gasoline prices, but at a minimum the Energy Department should not be making the problem worse. When Secretary Abraham was asked recently about the problem of rising gasoline prices, he told reporters he was extremely concerned but did not specify the Department would do anything. One thing that could be done by the Department that would help address the problem is the Energy Department could stop making the current supply situation worse by taking oil from the tight U.S. market to fill the Strategic Petroleum Reserve without any protections for the consumer.

On February 12, as crude and gasoline prices were spiking up, the Bush administration awarded five new long-term contracts to fill the Strategic Petroleum Reserve. These new contracts will run from April through the summer, the very time period where prices typically shoot upward. If the Bush administration were concerned about high gasoline prices, the Energy Department could have either delayed awarding these long-term contracts or arranged to defer the delivery of oil to the Strategic Petroleum Reserve, as was done last winter, to minimize the impact on the market and on the consumer. But now the administration is taking oil off the market and moving it into the Strategic Petroleum Reserve with no concrete plan to protect consumers from the higher prices this action will cause.

Earlier this month, Guy Caruso of the Energy Information Agency told me OPEC would be making up the difference in supply for oil that is being moved into America's Strategic Petroleum Reserve. So you have a situation where the administration, through the Energy Information Agency, is telling people to not really sweat these OPEC decisions. But now OPEC is telling us they are going to cut production by 1 million barrels a day. This morning we hear they might hold off until June instead of making cuts in April. But even if they do that, the OPEC production cuts would come at the beginning of the summer travel season. So certainly OPEC is engaged in some doubletalk. For some time they have not kept their promise to hold oil prices within their own target price range. In fact, some members of OPEC just want the price range increased.

Some in OPEC say they are concerned prices are too high. Yet this cartel is taking oil off the market. Others are saying they see a glut of oil on the market, justifying the production cut. These are mixed signals, but the message for our consumers is clear: OPEC is certainly going to do what is best for OPEC, not what is best for the American consumer.

My bottom line is the Federal Government certainly is challenged, in terms of stopping OPEC from cutting production. But certainly the Federal Government can take steps and take steps immediately to make sure there is competition in our gasoline markets so consumers are not getting ripped off at the pump.

Today I am calling for Congress to take action on a specific, concrete package of procompetition initiatives to help consumers at the Nation's gas pumps. First, Congress needs to direct the Government regulators to act to eliminate anticompetitive practices that currently siphon competition out of gasoline markets. Scores of communities, including those in my home State, have few if any choices for the consumer. Nationwide, the gasoline markets in Oregon and in at least 27 other States are now considered to be tight oligopolies, with 4 companies controlling more than 60 percent of the gas supply. In California, where Shell's Bakersfield refinery is located, 4 oil companies control 70 percent of the market. In these tightly concentrated markets, numerous studies have found oil company practices have driven independent wholesalers and dealers out of the market. One practice they employ, called redlining, limits where independent distributors can sell gas. As a result, independent stations have to buy their gas directly from the oil company, usually at a higher price than the company's own brand-name stations are paying. With these higher costs the independent stations can't compete.

Last year I sponsored legislation, S. 1732, that would give the Federal Trade Commission additional tools to promote competition in these areas that are essentially small monopolies. Under my bill, in these very highly concentrated markets you would have consumer watch zones. In these zones there would be greater monitoring of anticompetitive practices by the Federal Trade Commission. The Federal Trade Commission would also be empowered to issue cease-and-desist orders to prevent the companies from gouging the consumer, and Congress would stipulate certain anticompetitive practices like redlining and zone pricing are, per se, anticompetitive and oil companies engaging in these anticompetitive practices that manipulate supply or limit competition would have the burden of proof to show these anticompetitive practices are not harming consumers.

There is a vehicle right now. Right today there is a vehicle, S. 1737, Congress could use to address the problem of skyrocketing gasoline prices, because the companies admit the market is not going to solve the problem on its own.

Last August, a report by the RAND Corporation revealed even oil industry officials are predicting more price volatility in the future. This means consumers can expect more frequent and larger price spikes in the next few years.

Last November, the Energy Information Agency also issued a report on the causes of last summer's record high gas prices. The Energy Information Agency found, "There is continuing vulnerability to future gasoline price hikes." The industry and the Bush administration both agree gasoline price spikes are going to be a continuing and significant problem. But neither, as of today, is willing to step in and work with the Congress on a bipartisan basis to do anything about the problem. I am here to say the Congress needs to act now. This is legislation to act now before gasoline shoots up to $3 per gallon, as some oil industry analysts are predicting.

The reasons Congress ought to act are twofold. Aside from the obvious cost to the consumer at the pump, there are hidden costs to the price manipulation. There is a huge economic impact that will only worsen as prices rise. When gasoline costs more, the costs for our businesses in the transportation area go up. Our businesses see their profits go down. So we have one of two things—either the prices of the goods they sell to consumers have to go up or the number of people they employ is going to plummet. Higher gasoline prices either means bigger costs for consumer goods or fewer jobs in our economy. And certainly in our home State, we cannot afford to see that. This isn't high economic theory. This is basic math.

Just this month, the New York Times quoted a truck driver from Wisconsin saying eventually the added cost of transporting household goods and snacks and other items will once again come back and clobber the consumer. You have a double whammy. Consumers get socked at the pump in person, and then get hit again with higher prices for the goods they buy. That is not acceptable to me, and I don't believe it is acceptable to the American people.

The challenge now is for the Congress to stand up to the status quo in the oil industry. I understand—and certainly nobody would minimize this—this will be a hard row to hoe in terms of taking on these very powerful interests.

When I first introduced legislation that now can be used to protect the consumer from gasoline prices going up to $3 per gallon, various oil interests and Bush administration officials voiced great consternation and argued vociferously that the legislation I believed will protect the consumer was unacceptable to the oil industry and the administration.

I still believe the proposals which I have put forward in legislation and on which the Congress could move now would protect competition and free markets. My legislation doesn't involve big expenditures from Government. It doesn't involve setting up new agencies. It involves bringing some competition and free market forces back to this country and to the gasoline business—particularly in those States where we have these quasi-monopolies.

But for those who disagree with my legislation, S. 1737, which I believe would protect the consumer who is getting clobbered at the gasoline pumps, I issue a challenge. If they think they have a better approach than my legislation for bringing competition and free market forces back to the gasoline market, they have an obligation to come forward at a time when our consumers are being hit so hard at the pump. Unless people who are opposing my legislation are prepared to say the record high gasoline prices aren't a problem, they have an obligation to come forward with their proposals to promote competition. Put an alternative on the table and stand up for the consumer.

I also think Congress needs to address the growing gap between consumer demand for gas and what the oil companies can produce. When supplies are tight and there is no spare gasoline in inventories, consumers are especially vulnerable to supply shortages and price spikes. That frequently causes severe price spikes when refineries shut down unexpectedly or a pipeline breaks, as happened last summer. Congress should ensure consumers are not left stalled by the side of the road or being pounded at the pump by taking steps to keep supplies available in an emergency. One option would be to require major oil companies to maintain minimum inventories to address unexpected supply crunches.

Alternatively, the Federal Government can create a strategic gasoline reserve to provide supplies during refinery or pipeline shutdowns. This proposal would build on the strategic reserves that already exist for petroleum and heating oil supplies.

It seems to me what it all comes down to is the American people deserve better, and they deserve better than the Federal Government being AWOL when our consumers are facing skyrocketing gasoline prices across the country. With a new energy bill expected to come before the Senate in the next several weeks, this is an opportunity to put the Government on the side of the American consumer when they are filling their tanks at the pumps across the land.

I conclude by again commenting on the role of the Federal Trade Commission. This is the agency that is charged by Congress with promoting competition and free markets. Again and again in the energy field they have either sat on the sidelines or simply looked the other way in the face of increasing concentration in this critical sector of our economy. With gasoline prices already soaring at the highest level at this particular time, it seems to me it is absolutely critical for the Federal Trade Commission to reverse its present course, get on the side of the consumer, and promote marketplace forces and competition in the gasoline business.

I intend to use my seat on the Senate Commerce Committee at every possible opportunity to force the Federal Trade Commission to do the job it has been charged by the Congress to do. It ought to start with looking seriously into the shutdown in Bakersfield, which is going to, in my view, have calamitous consequences for the entire west coast gasoline market. But it also should include a broader look at the implication of concentration in the gasoline business.

I am hopeful that ultimately the Federal Trade Commission will support my legislation, S. 1737, which would promote more competition in the gasoline business. And if they disagree with it, the head of that agency, Mr. Timothy Muris, ought to propose his own alternative.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, before I make comments on a different subject matter, I commend my friend and colleague for addressing the issue of energy—energy production and energy costs—while he is still on the floor. We have probably close to 200,000 American troops in the gulf area to protect and preserve the countries in those regions. It seems to me it would not be asking too much of our President to jawbone those leaders to increase production. We can see what an increase of production of 1 million barrels per day and 2 million barrels a day would mean. It would have a dramatic impact and effect on consumers in this country. It is difficult for me to understand why we should not expect that kind of leadership from the President of the United States when every day we learn young Americans are losing their lives in that region, and tens of thousands of troops have been serving over in that region for years in order to protect the security of those nations.

Now we come to an issue of enormous need in our country—an important part of that because of our responsibilities in meeting the defense needs and security needs for our forces overseas. We have silence by the administration when they are asked why they aren't jawboning these countries in the Middle East.

I don't know whether the Senator could make some comment on that, just briefly. I listened with great interest to his other comments. I hope the Senate as a whole will take him to heart.

Mr. WYDEN. Mr. President, I very much appreciate the distinguished Senator from Massachusetts coming to the floor because he has done so much to help the consumer in this area. My concern—and I would be interested in the Senator's reaction—is I think the consumer is about to get hit by a perfect storm with the combination of failure to push OPEC, as the Senator has said, to try to help on the production issue, plus the refinery cutbacks that apparently are primarily to boost profits, plus filling the strategic petroleum reserve. With these factors coming together, it seems to me a perfect storm is going to push the consumers' gasoline price at the pump to $3 a gallon.

I would be interested in the Senator's reaction, and I am anxious to work with him in this effort to push the administration to go after OPEC.

Mr. KENNEDY. The Senator is sounding the alarm. I think his predictions are self-evident. Thankfully, he is providing the leadership before the full impact of these different events, the confluence of these different events taking place. Clearly, they will take place over the course of late spring or early summer.

I commend the Senator for bringing this to our attention. It is an enormous service, not only to the people of his State but the people of my State and the people all over this country. As we are coming into the late spring and summer, constituents will be wondering where we have been as representatives in dealing with this issue. The Senator from Oregon has outlined a very critical problem and made splendid recommendations. I look forward to working with the Senator to achieve these recommendations.

JOBS ACT

Mr. KENNEDY. Mr. President, I welcome the chance to address the Senate briefly this afternoon on the underlying legislation. We are in morning business now, and we will lay down the bill shortly. I am informed my friend and colleague from Iowa intends to offer an amendment to address the proposal being developed, that has been developed, and continues to be developed by the administration to restrict overtime pay for some 8 million Americans.

I ask unanimous consent to be able to proceed beyond the 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, before the Senate is the legislation called Jumpstart Our Business Strength Act, or the JOBS Act. The proposal of the Senator from Iowa is entirely appropriate to address this issue. He will be addressing key aspects of employment in this country; that is, the question of adequate pay for those working long hours in this country, and the proposal of the administration to cut back on their pay by eliminating the overtime for some 8 million workers.

For those who have been traveling not only in their own States but around the country—as I and other Members have—we know we are facing a serious challenge in creating good jobs with good benefits in the United States. This is affecting the quality of life of millions of American families.

The fact is, the Senate has refused to increase the minimum wage for a period of 7 years. We have 7 million Americans, our fellow citizens, hardworking Americans, men and women who take a sense of pride even in working at minimum-wage jobs. They are the men and women who clean the buildings where American commerce takes place. They work in our nursing homes to take care of our elderly people. They work as teachers' aides in many of our schools. These are men and women of dignity. They have worked long and hard over the period of the last 7 years, and we have failed to provide an increase in the minimum wage because our Republican leadership and this administration refuse to support an increase in the minimum wage. That is fact No. 1.

Fact No. 2. Even though we have seen the total loss of some 3 million private sector jobs and now an overall loss of about 2.2 million jobs, this administration refuses to extend the unemployment compensation. The unemployment compensation fund is $15 billion in surplus. It was paid by people who have worked hard for this very eventuality that we are now facing—this heavy, prolonged unemployment. Those who have extended unemployment, who have worked hard, should be entitled to unemployment compensation. It is in surplus.

The proposal of the Senator from Washington, Ms. CANTWELL, will cost $5.6 billion to extend unemployment compensation for 13 weeks. There are 90,000 Americans a week losing their unemployment compensation. How do these families pay for their mortgage, put food on the table? How do they feed their children? How do they look forward to the future with any kind of sense of hope?

Where are we in responding to them in their crisis of need? Our Republican colleagues, the Republican administration, refuses to extend unemployment compensation.

If that is not bad enough, what is the administration proposing to do now? They are proposing to eliminate overtime pay for some 8 million of our fellow Americans who otherwise are receiving overtime.

Who is receiving overtime? Police officers, nurses, firefighters. Do those three categories have a ring to Members in the Senate and across this country? Who is in those categories? Whom do they represent? They represent homeland security.

On the one hand, we hear a good many statements in the Senate about trying to deal with the problems of homeland security. On the other hand, the administration is out to take away overtime for those individuals who are the backbone of homeland security.

These are the categories: Police officers, nursing, firefighters. The list also includes primarily women workers in our society. The overtime pay affects all workers but it particularly affects women.

What has been the state of our economy now in terms of new workers?

Some say: Senator, you do not understand. Workers are doing well in the country at this time.

I don't believe it. Those who say this do not understand it. They may be reading the clippings of Wall Street, but they do not understand Main Street. If they have been reading the clippings of Main Street over the past week or so, they see there has not been great news.

The new jobs being created in the United States do not pay as much as jobs lost. This chart indicates the average wage in 2001 was $44,570 a year. Jobs gained do not pay as much as jobs lost. The average wage today from the jobs gained, according to the Bureau of Labor Statistics, is $35,410. That is a 21-percent reduction for the new jobs being created; a 21-percent reduction in pay over the jobs they have replaced.

At the same time, this administration is trying to eliminate overtime even for this group. What in the world is the reason for this?

Against this backdrop, we look at the chart demonstrating that Americans work more hours than workers in other industrialized nations of the world. This red bar represents the United States. The other countries on this chart include Denmark, France, Ireland, Netherlands, UK, Italy, and Germany. In the United States, far more than any other country, workers are working harder, working longer, trying to make ends meet. What do we do? We in the Senate refuse to increase the minimum wage. If these workers lose their jobs, there is no federal unemployment compensation. Even though they are working longer and harder, we will take away their overtime.

This administration is attempting to take away overtime protection. This chart demonstrates what happens to workers with overtime protection and those without overtime protection. Those without overtime protection are twice as likely to be required by their bosses to work overtime hours as those with overtime protection. We know what this is all about—requiring workers to work longer, harder, for less pay over a period of time. Overtime has been in the law since the 1930s. Now we have this administration trying to take away from the workers? For those who do not have overtime protection, they are twice as likely to work more than 40 hours a week. And those without overtime protections are three times as likely to work more than 50 hours a week. Take away the overtime protections and we are going to see the exploitation of working families in the middle class in this country greater than ever. That is basically greed. It is wrong.

The amendment of the Senator from Iowa is focused on making sure we continue to pay the overtime.

I make two final points. First of all, in the proposal by the administration to eliminate overtime, they are looking not only at the categories I just illustrated, but they are also saying if you have served in the Armed Forces and have received that training, that when you get out of the Armed Forces you are not going to be eligible for overtime. For the first time in the history of this country, they are saying, military training—training that you receive in the military—is going to exclude you from coverage for overtime. Tell that to the servicemen who are over in Iraq. Tell it to the National Guard, who are making up 40 percent of those under combat arms. When you get some training in order to protect members of your particular unit, and then you come back and are out there in the civilian market, you are told by your boss: You got training in the military. You are not eligible for overtime.

I see my friend in the Chamber. I will take a few more minutes because I know he wants to address the Senate. This is a letter to Secretary Chao from Thomas Corey, the National President of the Vietnam Veterans of America:

> . . . [W]e would like to make you aware that the proposed modification to the rules would give employers the ability to prohibit veterans from receiving overtime pay based on the training they received in the military. This legitimizes the already extensive problems of "vetism" or discrimination against veterans.

There you are. What in the world is this administration thinking?

I will read a letter, and then I will conclude. I think it illustrates very powerfully what the debate is about and the strong reasons we all ought to be behind the Harkin amendment:

> My name is Randy Fleming. I live in Haysville, Kansas—outside Wichita—and I work as an Engineering Technician in Boeing's Metrology Lab.
>
> I'm also proud to say that I'm a military veteran. I served in the U.S. Air Force from August 1973 until February 1979.
>
> I've worked for Boeing for 23 years. During that time I've been able to build a good, solid life for my family and I've raised a son who now has a good career and children of his own. There are two things that helped make that possible.
>
> First, the training I received in the Air Force made me qualified for a good civilian job. That was one of the main attractions when I enlisted as a young man back in Iowa. I think it's still one of the main reasons young people today decide to enlist. Military training opens up better job opportunities—and if you don't believe me, just look at the recruiting ads on TV.
>
> The second thing is overtime pay. That's how I was able to give my son the college education that has opened doors for him. Some years, when the company was busy and I had those college bills to pay, overtime pay was probably 10% or more of my income. My daughter is next. Danielle is only 8, but we'll be counting on my overtime to help her get her college degree, too, when that time comes. For my family, overtime pay has made all the difference.
>
> That's where I'm coming from. Why did I come to Washington? I came to talk about an issue that is very important back home and to me personally as a working man, a family man, and a veteran. That issue is overtime rights.
>
> The changes that this administration is trying to make in the overtime regulations would break the government's bargain with the men and women in the military and would close down opportunities that working vets and their families thought they could count on.
>
> When I signed up back in 1973, the Air Force and I made a deal that I thought was fair. They got a chunk of my time and I got training to help me build the rest of my life. There was no part of that deal that said I would have to give up my right to overtime pay. You've heard of the marriage penalty? Well I think that what these new rules do is to create a military penalty. If you got your training in the military, no matter what your white collar profession is, your employer can make you work as many hours as they want and not pay you a dime extra.
>
> If that's not a bait and switch, I don't know what is.
>
> And I don't have any doubt that employers will take advantage of this new opportunity to cut our overtime pay. They'll tell us they have to in order to compete. They'll say if they can't take our overtime pay, they'll have to eliminate our jobs.
>
> It won't be just the bad employers, either—because these rules will make it very hard for companies to do the right thing. If they can get as many overtime hours as they want for free instead of paying us time-and-a-half, they'll say they owe it to the stockholders. And the veterans and other working people will be stuck with less time, less money, and a broken deal.
>
> I'm luckier than some other veterans because I have a union contract that will protect my rights for a while anyway. But we know the pressure will be on, because my employer is one that pushed for these new rules and they've been trying hard to get rid of our union.
>
> And for all those who want to let these military penalty rules go through, I have a deal I'd like to propose. If you think it's okay for the government to renege on its deals, I think it should be your job to tell our military men and women in Iraq that when they come home, their service to their country will be used as a way to cut their overtime pay.

That is from Randy Fleming. It could not be said any clearer. That is the issue. TOM HARKIN and I will offer the amendment. I hope the Senate will at least permit us a chance to vote on that amendment in the next day or two.

I thank the Senator for his patience and for his indulgence.

The PRESIDING OFFICER. The Senator from Nebraska.

ECONOMIC POLICY

Mr. HAGEL. Mr. President, for those estimated 2.3 million Americans who have lost their jobs over the past 3 years, and for those worried about keeping their jobs, economic policy is not about abstract discussions or theoretical debates. It is about finding and keeping steady work at a decent wage. It is about affordable health care, buying a home, and sending their children to college.

We live in a time of dramatic historical change, a transformational period. The byproducts of such change are uncertainty, complications, instability, and danger, as well as vast opportunities.

America today, as at the end of World War II, is in a position to lead and shape the direction of this 21st century change.

America's economic security and prosperity cannot be separated from our leadership of the global economy. During periods of uncertainty and change, some Americans seek refuge in an insular political tradition that, in the past, has contributed to isolationism at home and instability abroad.

After World War I, America pursued an isolationist foreign and trade policy that resulted in a weakened international order that led to World War II.

In contrast, after World War II, America's leaders laid the foundation for the World Trade Organization and a new global political and economic order. As a result, America and much of the world have enjoyed historic peace and prosperity for more than 50 years.

The recent job losses in the United States must be analyzed and understood in the context of historic increases in American worker productivity, a global decline in manufacturing employment, and the changes occurring in the global economy.

Michael Porter, in his classic work, "The Comparative Advantage of Nations," wrote that:

> A nation's standard of living in the long term depends on its ability to attain a high and rising level of productivity in the industries in which its firms compete.

Between 1997 and 2002, U.S. manufacturing productivity grew by 109 percent. This remarkable increase in productivity has cost jobs in the manufacturing sector. Advances in technology lead to increases in productivity which requires fewer workers.

Former Secretary of Labor Robert Reich recently wrote that despite these trends in the manufacturing sector "this doesn't mean that we are left with fewer jobs." As a matter of fact, the trend, over time, is just the opposite. Advances in technology and gains in productivity mean more jobs in high-growth, high-tech, high-paying sectors.

Robert Samuelson makes the case well when he said:

> Manufacturing employment peaked in mid-1979 at 19.5 million; now it's 14.5 million. But over that period, total U.S. employment grew about 40 million, and manufacturing output rose more than 80%. American companies became more productive and shifted to more valuable products.

The decline in employment in the manufacturing sector is a global phenomenon. The same technologies that have enhanced productivity in America's manufacturing sector are employed in the manufacturing sectors of other countries. For example, while the United States lost 22 million factory jobs between 1995 and 2002—an 11-percent decline—Japan lost 16 percent; Brazil, 20 percent; and China, 15 percent.

The trend we see in manufacturing is the same trend we had seen over the past century in agriculture. One hundred years ago, 35 percent of Americans worked on a farm or in the agricultural industry. Today, because of dramatic increases in productivity due to improving agricultural technologies, science, and research, that number is 3 percent.

The globalization of technology and productivity has contributed to another related issue. Many politicians and the media have recently focused on the impact on U.S. employment of U.S. companies outsourcing manufacturing and service jobs overseas. Since March 2001, it is estimated that more than 1 million jobs in the manufacturing and service sectors have been outsourced. The U.S. economy currently has 139 million jobs and showed an increase of 97,000 jobs in January and 21,000 jobs last month.

But outsourcing is not a zero sum loss for America. There are benefits for the United States. Outsourcing of some manufacturing operations has resulted in lower cost goods for U.S. businesses and consumers. The globalization of the information technology sector has resulted in a reduction of 10 to 30 percent in the price of computers and IT-related products. These reduced costs have contributed to increases of 2.5 to 2.8 percent in productivity growth in the United States and added at least $230 billion to the U.S. gross domestic product.

Outsourcing cannot be understood as simply the number of jobs shipped overseas. It is more complicated. As American companies outsource jobs, there are also potential benefits to American businesses and workers. Companies can save in profit through the reduced costs gained by outsourcing some jobs. With expansion and additional revenues, more U.S. goods, services, and equipment are purchased to support those outsourced industries. This also contributes to innovation, growth, and, over time, better and more jobs for America's most competitive industries and technologies.

Economic growth from outsourcing is not a zero sum gain or loss. Both sides gain. Economic growth in other nations creates markets, markets capable of purchasing more and more American goods and services.

For example, Tom Friedman in a recent New York Times op-ed wrote about his visit to the 24/7 customer call center in Bangalore, India. There he observed that the computers were Compaq; the software, Microsoft; the air-conditioning, Carrier; and the drinking water distributor, Coca-Cola. And 90 percent of the company's shares were owned by U.S. investors.

As attention is focused on the negative implications of outsourcing to India, often overlooked are the advantages to America's economy. American exports to India have grown from $2.5 billion in 1990 to $4.1 billion in 2002.

The larger picture is instructive because it guides our policy choices. Meeting the demands of a global economy requires maintaining America's leadership in free trade, expanding programs to retrain those workers who lose their jobs, and educating the next generation of Americans about what it will take to compete in a more competitive global economy.

As Federal Reserve Board Chairman Alan Greenspan recently remarked to the Greater Omaha Chamber of Commerce:

> The loss of jobs over the past three years is attributable largely to rapid declines in the demand for industrial goods and to outsized gains in productivity that have caused effective supply to outstrip demand. Protectionism will do little to create jobs; and if foreigners retaliate, we will surely lose more jobs. We need instead to discover the means to enhance the skills of our workforce to further open markets here and abroad to allow our workers to compete effectively in the global marketplace.

The expansion of free and fair trade will continue to be the most assured path for prosperity and job creation. Trade does not cost American jobs. Free trade has been an engine of economic growth, innovation, wealth, and job creation for the United States since World War II.

The value of American exports grew substantially between 1994 and 2003, from $703 billion to more than $1 trillion. More than 18 million new jobs were added to the economy because of trade. U.S. exports during the 1990s accounted for 25 percent of the growth in America's economy. Exports today support more than 12 million directly related jobs that pay as much as 18 percent more than the average national wage.

In 2003, U.S. exports of advanced technology totaled $180 billion. Meanwhile, in America's high tech electronics sector, exports exceeded $100 billion annually between 1997 and 2003, showing that America continues to maintain its leadership in cutting edge technologies, a source of more and better paying jobs for Americans in the United States.

American consumers and businesses also gain from trade through lower priced imports. Lower import prices mean increased purchasing power for consumers. As U.S. Trade Representative Robert Zoellick noted last year in testimony before the Senate Committee on Finance:

> By lowering prices through imports and increasing incomes through trade, America's

> newest trade agreements will build on the success of the North American Free Trade Agreement and the Uruguay Round, which together already provide the average American family of four with benefits amounting to $1,300 to $2,000 each and every year.

If consumers have more money, American businesses benefit from greater consumer demand, consumer demand for their businesses, their products, and their services. Businesses and entrepreneurs, therefore, have more resources to invest and spend and expand on plants, creating more jobs in the United States. Expanding free trade and fair trade also encourages foreign companies to invest and set up operations in the United States. Foreign-owned firms currently provide 6.4 million jobs throughout the United States.

The North American Free Trade Agreement is testimony to the impact of expanded free trade for American jobs, growth, and prosperity. Since NAFTA's implementation, total trade among the United States, Mexico, and Canada has more than doubled from $306 billion in 1993 to $621 billion last year. That is $1.7 billion in trade every day between our trading partners to the north and south.

U.S. exports to Canada and Mexico have grown from $142 billion to $263 billion over these 10 years. U.S. exports to Mexico of cars and trucks totaled about $3.3 billion in 2003. That is an increase from exports of approximately $165 million in 1993.

My State of Nebraska has directly benefited from increased trade and specifically from NAFTA. Nebraska's worldwide exports in 2003 were in excess of $2.7 billion. Mexico and Canada are Nebraska's largest export markets. Nebraska's exports to Mexico and Canada in 2003 were valued at over $1.2 billion. From 1999 to 2003, Nebraska's trade with Mexico increased by 87 percent and trade with Canada by 28 percent.

Americans know that changes in the global economy lead to dislocations in domestic workforces. Dislocations are painful. They are difficult. No one wants to lose a job. Americans need retraining programs and education programs that address these global economic adjustments.

Former Secretary of Treasury Robert Rubin has written in his recent book "In An Uncertain World"

> . . . trade must be accompanied by effective programs to help dislocated workers find new places in our economy. This is not only fair, but will contribute both to productivity and to political acceptance of trade liberalization.

Many Americans who lose their jobs, especially jobs in the manufacturing sector, require assistance and retraining to find new work. In 2002, Congress spent $12 billion on 44 Federal programs, which helped 30 million Americans with job search assistance, employment counseling, and vocational training.

These Federal programs include those authorized through the Trade Adjustment Assistance Act, the Workforce Investment Act, National Emergency Grants, and State-run worker training programs.

These programs have helped and are helping displaced workers all over the country. In fiscal year 2004, approximately $1.3 billion will be spent on these benefits and programs of the TAA program alone.

TAA programs have provided job training, as much as 130 weeks of unemployment compensation, monetary allowances for job searches and job relocation, tax credits for health insurance, and wage insurance.

The greater longer view challenge for America is to ensure our students have prepared for the competitive global economy of the 21st century. America's universities are the best in the world.

The global demand for what Secretary Reich has called the "symbolic analytic" sector professionals—research and development, design engineering, law, finance, medicine, and other fields—should and must remain high. It is in America's interest to maintain our leadership in these areas. As Secretary Reich puts it:

> America's long-term problem isn't too few jobs. It's the widening gap between personal-service workers and symbolic analysts.
>
> The long-term solution is to help spur upward mobility for all workers by getting more Americans a good education, including access to college.

The trends in this area should be monitored carefully. For example, in 2002, 58 percent of all degrees awarded in China were in engineering and physical sciences. In the United States, only 17 percent of degrees awarded were in these fields. America's security and vitality depend on policies that are based on the strengths of America, not its insecurities. Adjusting to the global economy requires immigration policies that consider those seeking to live and work in the United States as assets and not burdens on our national economy. Daniel Henninger recently wrote in the Wall Street Journal:

> The global migration of human labor, on which there is little organized data, is perhaps the most powerful force on the globe today.

Many politicians and commentators have portrayed immigration as a threat to American workers. But immigration is a vital part of America's strength. Throughout our history, immigration has played an important role in our economy. Free trade also directly affects American interests in promoting stability, security, and democracy in other nations. By pursuing free and fair trade, and by encouraging business and investment practices that contribute to more open societies at home and abroad, we are establishing partnerships with developed and developing nations that help make a more peaceful and prosperous world. That is in the interest of all nations, of all people, and certainly of America.

Countries that trade with each other are less likely to go to war with each other. We are all shareholders in this enterprise. We all have a stake in its success. American leadership in free trade will over time reduce America's security commitments abroad, allowing a reduction in American peacekeeping, nation building, and force protection, thus saving American lives and dollars.

The tough economic choices ahead will require leadership, vision, and courage. American leadership in the global economy will depend on confidence at home and abroad. Investor confidence is a catalyst for job creation. Excessive Federal deficits and a looming crisis in American entitlement programs can and surely will undermine our fiscal credibility and our economic leadership.

The Federal deficit for fiscal year 2004 is now projected to be a half trillion dollars. In 2035, 75 million Americans will be over 65 and entitled to Social Security and Medicare. That is double the number of Americans eligible today. Where will the money come from? It will come from economic growth, which will be driven by world affairs and trade, and American international leadership. To lead in the 21st century, America must combine fiscally responsible policies with a commitment to trade. Our economic policies will influence and affect the shape of America's domestic policies and programs, as well as political reform and change throughout the world.

Now is not the time to retreat from our commitment to free trade, market economies, and democratic reforms. Since World War II, America has been the primary architect and leader of a global economic order that has provided the structure for unprecedented growth and opportunity both at home and abroad. Our economic policies, like our domestic and foreign policies, are about the limitless potential of all human beings. Trade is not a guarantee; it is an opportunity—an opportunity to compete and make a better world for all people.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant journal clerk read as follows:

A bill (S. 1637) to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

Pending:

Bunning amendment No. 2686, to accelerate the phase-in of the deduction relating to income attributable to domestic production activities.

Grassley (for Bayh) amendment No. 2687 (to amendment No. 2686), to provide for the extension of certain expiring provisions.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, this afternoon we resume consideration of the JOBS bill. The chairman of the committee, Senator GRASSLEY, is on his way over. I thought I would proceed to make sure we do not have any dead time.

While the Senate went off this bill and considered the budget just a week ago, the Bureau of Labor Statistics released new job figures for February. Those data show 8.2 million people are still unemployed. That is more than 2 million more than at the beginning of the recession in March 2001. Job growth remains too slow.

As this chart shows, we have lost more than 3 million private sector jobs since December 2000, and job creation has not turned around.

This next chart shows jobs lost—2.2 million jobs lost; overall total employment, 3 million jobs lost from January 2001 to February 2004; 3 million lost in the private sector during that same period. It was almost 3 million, 2.8 million lost in the manufacturing sector.

The economy created just 20,000 new jobs in February. The private sector created no new jobs last month. All the net new jobs came from the Government. Let me repeat that. There were no new private sector jobs created last month. Yet there were 20,000 new jobs overall, and all those jobs were Government jobs. That is not something I think we want to do.

This next chart shows manufacturing jobs. It is very interesting to see that in the years 1950, 1960, 1970, all the way up to the year 2000, this dotted line shows that today, 2004, we have the fewest jobs in America in half a century. That is the fewest jobs in half a century. Stated another way, the number of jobs we have now is as low as it was a half century ago.

Manufacturing jobs declined for the 43rd straight month. Mr. President, 3,000 manufacturing jobs disappeared in February. Manufacturing employment is at its lowest point in more than a half century, since March of 1950. Again, that is what this chart shows. The job level now is as low as it was a half century ago.

Part of the story is that the American manufacturing worker has become more productive. The average manufacturing worker has turned out more product than before. But it goes deeper than that. Manufacturing production—that is the output of manufacturing jobs—remains below the levels of the beginning of 2001.

There is reason for continued concern about the future. A week ago, Goldman Sachs reviewed the latest manufacturing data and concluded:

> [W]e interpret Monday's decline in the New York Fed's Empire Survey for March as one more piece of evidence that the manufacturing sector is transitioning to somewhat slower growth. . . .

This next chart shows the share of population with jobs. That is, we reached our peak in about the year 2000 of the percentage of American population that had jobs, and we can tell by the chart that whereas it has been steadily rising in percentage of Americans who have jobs from 1994, steadily rising up to the beginning of the recession in March 2001, we have declined precipitously since that date.

In sum, the jobs picture remains sluggish. Even the normally taciturn Federal Reserve noted the weak job market in saying in a recent statement last Tuesday that "hiring has lagged."

The latest Labor Department numbers show total unemployment fell in February to 138.3 million. The share of the population age 16 and older with jobs declined to 62.2 percent. This employment population ratio is lower than it was at any time between March 1994 and June 2003. Again, that is in the chart as I just indicated.

The slow job market spans the Nation. As of January 2004, nearly 3 years after the recession began, almost every region of the country continues to have higher unemployment than in March 2001. Forty-five States have higher unemployment rates than when the recession began.

In terms of unemployment, my State of Montana has fared better than some, but unemployment remains markedly higher than pre-recession levels throughout much of the country. Colorado unemployment is up 2.8 percent. Again, if we look at the chart, every State has higher unemployment, as indicated by red, but for three States. One is the State of Montana, where it is level. In two States, Nevada and South Dakota, unemployment has actually declined. In every other State, unemployment has increased at a very marked rate.

Again, as I said, Colorado is up 2.8 percent; Ohio is up 2.6 percent; Massachusetts up 2.6 percent; Oregon up 2.4 percent; New York up 2.3 percent; Texas is up 2.1 percent; and New Jersey is also up 2 percent. The list goes on.

In terms of the absolute number of jobs, 36 States have failed to get back to the pre-recession employment levels. In 49 States, job creation has not kept up with natural growth in the number of potential workers. Only in Alaska has job growth exceeded the growth of working age population.

The news of the Nation's slow job growth has cycled back to lessened consumer demand, and thus economic growth. This chart shows consumer confidence. As we can see beginning in 1994, consumer confidence in America remained at about the 95 percent level. This is the consumer confidence index, based in the hundreds, so it was a little lower in 1994 to 1996. It steadily rose from 1997 to 1998. Those are the boom years. It reached its peak roughly at the beginning of the recession in March of 2001, and then just plummeted to its low levels.

Why is that important? It is important because, as I have mentioned, the Nation's slow job growth has cycled back. It has cycled back to lessened consumer demand. When consumer demand is down, economic growth also falls off as well.

In the latest consumer confidence survey, confidence fell for the second straight month in part because of consumer concern over the weak job market. Nearly 3 years after the start of the recession, consumer confidence remains below its January 2001 levels.

These numbers of people without jobs are not just statistics; they are real lives. These are real lives we are talking about. This weak job picture causes real pain. It causes disruption in many families.

For example, there is a fellow named John in East Helena, MT, who has worked 22 years at the ASARCO smelter plant that has recently closed. John suffers permanent health problems from working with chemicals at the plant. He has been unable to get full-time employment so he works part time. John cannot get health insurance because he has preexisting health conditions.

Then there is Bruce. Bruce is 50 years old. He worked 28 years at that same East Helena smelter. He did what they say to do; that is, use retraining benefits and train as a computer technician. Unable to get work in that field, he works now full time in a grocery store.

Often when a person loses a job, a family loses a job. Evelyn from western Montana wrote:

> I am concerned about the economy of Western Montana. . . . I see that industry . . . is [waning]. What do we have to offer our children and grandchildren in the way of stability within Montana? . . . What do you propose . . . [to give us] a hope of being able to support our families?

Kim wrote about her husband's job:

> The second paper mill my spouse has worked at in three years is threatened with

> closure in the next six to twelve months. In a letter to the employees . . . in Missoula, Montana[,] the company president blamed the endless drain of manufacturing America to overseas as the cause for possible shutdown. [The company] makes liner-board, the cardboard boxes products are shipped in. [I]f products are not made in the United States, boxes are not needed. . . . [T]he liner-board market is a direct reflection of the state of the economy[,] because the more liner-board boxes sold[,] the more products being manufactured within the United States . . .

Real people like John, Bruce, Evelyn, and Kim are the reason we need to move this bill. We need to fight to create and keep good manufacturing jobs in America.

The bill before us provides a 9-percent deduction for manufacturing, effectively reducing the tax rate for domestic manufacturers by 3 percentage points. The JOBS Act will thus help all manufacturers produce goods in the United States. Cutting taxes for domestic manufacturers will help prevent layoffs and will help preserve jobs. It is the right thing to do.

We got a good start in this bill the week before the budget resolution. The Senate agreed to the managers' amendment that among other things ended some outrageous leasing tax shelters, and the Senate unanimously extended the R&D tax credit. We expanded that credit for universities and labs.

We also conducted a good and spirited debate on an amendment by Senator DODD. That amendment addressed the performance of Government contracts by American workers. After working collaboratively on modifications proposed by Senator MCCONNELL and Senator MCCAIN, the Senate agreed to that amendment by a vote of 70 to 26.

The Senate then began debate on an amendment proposed by Senators BUNNING and STABENOW to accelerate the phase-in of the manufacturing tax cuts. The Senate also began considering an amendment by Senator BAYH providing for an extension of expiring tax provisions. These last two important amendments are now pending.

Under a previous order, the next first-degree amendment in order will be that offered by the minority leader or his designee. We understand the amendment will be proposed by Senator HARKIN regarding the Department of Labor's overtime regulations. I know there are strong feelings on this amendment, but Senators are all now aware that we must address that issue in order to move this bill along. I hope we can come up to a vote on that amendment in a reasonably short period of time and move to other amendments.

In the end—and I will keep returning to this theme—this bill is about jobs, good jobs, about jobs in America. We are trying to help preserve American manufacturing. The task ahead of us is large, the challenge great, but Americans do not shrink from that challenge. Renee, the bookkeeping manager for a small manufacturer in Bozeman, MT, said it well when she wrote:

> The United States is a nation built on steely determination in the face of overwhelming odds. We must act now to reverse the loss of our high-skill, high wage manufacturing jobs.

That is our job, and we need to do that. We need to get this bill done for John, Bruce, Kim, and Evelyn and all the hardworking Americans who depend on a strong manufacturing sector in America. We cannot let them down. Let us move on to the bill, let us move on to amendments and let's address them. Let's move this bill and let us do what we can to strengthen American manufacturing.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I want to reiterate the words of my distinguished ranking member, the Senator from Montana, on the importance of getting this bill passed. This bill is about jobs because it is about keeping American manufacturing competitive, particularly manufacturing that is exported. Export-related jobs in America are very good jobs because they pay 15 percent above the national average.

This bill, that we call by the acronym FSC/ETI, foreign sales corporation extraterritorial income, reduces the income tax on goods manufactured in the United States and sold overseas. Whether it is done by American manufacturers or foreign companies that have come to America to establish a manufacturing plant and hire Americans, it applies to both. It does not apply to American companies that manufacture overseas.

The World Trade Organization is the reason we are debating this bill, because the World Trade Organization has ruled that our FSC/ETI legislation, that has been on the books for more than a couple of decades, is an illegal export subsidy and has authorized up to $4 billion a year of sanctions against U.S. exports. This is something the World Trade Organization said to the European Community that they could do on U.S. exports, because until we change this law, they see us not living up to our international trade obligations.

Why would the United States respond to the World Trade Organization this way? In the very same way we expect Europe or any other country to respond when the United States wins cases before the World Trade Organization. Let me say, we win many more than we lose. In fact, anybody reading commerce newspapers over the last week would find out that the United States has recently won two decisions before the World Trade Organization on other issues.

In regard to Europe, as one specific example, we expect Europe to abide by the decision that the U.S. cattle producers won in the World Trade Organization because Europe was not taking in our red meat, our beef products, because they were treated with a growth stimulant. Europe has decided not to abide by the World Trade Organization decision, so the United States, over the last 2 years, has imposed sanctions against Europe.

Would it be surprising to you if the U.S. Government does not respond positively to the World Trade Organization ruling and then Europe would, in fact, put sanctions against American products? They have already done that. Starting March 1, there has been a 5-percent increase in sanctions. We are going to have a 1-percent increase each month that we do not repeal this legislation. By November that would be in effect a 12-percent sales tax on American products going overseas to Europe.

It is very difficult for the United States to compete when we have a level playing field, but when we have a 12-percent add-on you can see that eventually some companies are going to become uncompetitive and, as a result, workers will be laid off.

What we want this legislation to do is not only avoid these sanctions, but we want to put American manufacturing in more of a competitive environment than it is in presently by reducing the corporate tax rate on companies that export if the manufacturing is done within the United States of America.

We have, potentially, by November, sanctions of 12 percent on American products. This is a very serious threat to all Members because sanctions are going to hit agricultural products, timber products, and even manufacturing products. We need to get this issue behind us before Memorial Day or sooner or we will never be able to get this bill to the President for signature.

I wanted to act on this bill last year because I was fearful politics would get in the way of the Senate's ability to do the job. Obviously, the closer you get to the election, the more there is an opportunity for politics to interfere.

The opening debate and shenanigans we had 2 weeks ago when we first took up this bill confirmed my worst fears. Some on the other side want to play politics with this bipartisan bill. Senator BAUCUS and I had an agreed order of amendments that would have improved the bill and brought up important, relevant issues. That agreement was undermined by the other side, particularly the leadership on the other side. The leadership does not really want to debate the substance of this bill. Yet they would say it is very important to get this bill passed.

We hear a lot about not creating enough jobs in the economy in this recovery. This is our opportunity to create jobs. I would think everybody would want to get this bill passed. Instead, it seems this bipartisan bill is being turned into a political football.

I am hopeful everybody on the other side of the aisle will see the best policy is also very good politics. That is what we have with this bill. We help domestic manufacturers; we help U.S. companies compete overseas. Putting politics ahead of good policy is exactly the wrong approach.

In effect, this political game does not help those who face sanctions. In other words, jobs in the industries and the products that have already been identified by Europe for sanctions are going to be in jeopardy. Particularly where we have so much problem competing with the global competition we have, it doesn't help our domestic manufacturers and workers, in manufacturing as well as other segments of the economy.

As I said before, I hope the Democratic leadership will focus on the task at hand and not play politics with this very important bipartisan piece of legislation.

With that procedural point I wanted to make behind us, I wish to speak specifically as a reminder to my colleagues of some of the important features of this legislation. Repealing FSC/ETI, as the World Trade Organization has ruled against the United States and implied that we need to get our laws in tune with our international obligations, the repeal raises around $55 billion over 10 years, and 89 percent of that $55 billion comes from manufacturing industries. If that money is not sent back to the manufacturing sector, it will be a $50 billion tax increase on manufacturing. You know one of the simple rules of economics 101—you tax something more, you get less of it.

The Congressional Budget Office then says we have lost 3 million manufacturing jobs since the manufacturing decline started in the last year of the Clinton administration—in other words, since the middle of July. A $50 billion tax increase now on that manufacturing obviously is not going to stimulate manufacturing jobs.

The bill before us uses all the money that is raised from the FSC/ETI repeal to put back into manufacturing, giving manufacturing corporations and self-proprietorships and other business entities a 3-percentage point tax rate reduction on all income derived from manufacturing in the United States.

This is not meant to help—and will not help—because our bill is not written this way to help manufacturing done offshore. We start phasing in these tax cuts this year. The cuts apply to different business entities, sole proprietors, partnerships, farmers, individuals, family businesses, multinational corporations, or foreign corporations that set up manufacturing plants in the United States but only if they set up their manufacturing plants in the United States. We are not doing anything in this bill to export jobs overseas; just the opposite. What we are doing is meant to create jobs and preserve jobs in manufacturing in the United States, and to give the benefit to American-based companies or foreign corporations based in America that are creating jobs here.

Our bill also includes the Homeland Reinvestment Act, which has broad support in the House and Senate. The finance bill is also revenue neutral. That is very important because it seems to be an unwritten rule in the Senate—maybe not one that I entirely agree with, but if we are going to get anything done in a bipartisan way when it deals with tax reform, it has to be revenue neutral.

This bill, as amended, provides over $130 billion in business tax relief, but it is paid for by extending customs user fees and, most importantly, by shutting down corporate tax shelters and abusive loopholes.

It is an unwritten rule in the Senate, as I said, for revenue neutrality. So we have gone beyond the $50 billion to $130 billion of tax changes but offsetting it totally with money raised from FSC/ETI, from customs user fees, and, most importantly, doing something that ought to be done with or without this bill—shutting down these tax shelters and abusive loopholes.

As all bills, there is never complete agreement on an approach. Our bill contains a temporary haircut on rate reduction that some of us would like to remove and others of us would like to retain. Some Members prefer a reduction in the top corporate rate in place of international reforms and a rate reduction applying just to manufacturing. These Members would say you ought to treat all corporations the same. If all corporations were being impacted with a WTO ruling in the same way, whether manufacturing or not, I would agree. We are talking about basically manufacturing and at least 89 percent of the revenues coming in. We say we want to keep our manufacturing competitive. We are going to pour most of the benefits of this legislation back into the manufacturing sector.

Those on the other side say it ought to be across the board, affecting all corporations. There is a desire on the other side for a simpler approach by just cutting taxes across the board, but a top level rate cut would only go to the biggest corporations of America. Local family held S corporations or partnerships which presently get some ETI benefits would get nothing from that approach. If we redirect the FSC/ETI money to an across-the-board corporate cut, then the manufacturing sector will be the revenue offset for the services sector tax cut.

The international tax reforms largely fix problems our domestic companies face with the complexities of the foreign tax credit. These reforms are necessary if we are to level the playing field for U.S. companies that compete with our trading partners.

The Finance Committee's bipartisan bill has been improved with an amendment to extend the research and development tax credit through the end of year 2005. That is a domestic tax benefit which is an incentive to research and development. This translates also into good, high-paying jobs for workers in the United States and not overseas. Plus, it is an incentive for research and development which is going to keep our industries competitive with the highly educated workforces of Russia, China, and India where we are finding increasing competition. We need to keep up with these others.

America has no reason to be timid about the competitiveness of our workforce—the competitiveness of our workers from the standpoint of our educational commitment and our educational attainment. We have nothing to worry about when it involves our research leading us to new industries not of this decade but for the next decade. America has a very flexible economy. We can compete. Anyone who says we can't compete is a defeatist. I am not a defeatist when it comes to America's ability to be ahead of the rest of the world as we have been for the last 100 years in almost every aspect of our economy. The research and development part of this bill is surely something that is going to help us continue to do that.

In addition to the previously agreed upon research and development amendment, there are several additional amendments pending which will substantially improve this bill. First is an amendment offered by Senators Bunning and Stabenow to accelerate the manufacturing deduction. This amendment assures that the tax relief and related economic benefits of the bill are provided more quickly to those hurt by the repeal of FSC/ETI.

Second, I have offered an amendment with Senator BAUCUS to extend the 2-year tax provisions which expired in the years 2003–2004. This includes items such as the work opportunity tax credit and the welfare-to-work tax credit which have been merged and simplified into a single credit as proposed by Senator SANTORUM and others in the bill, S. 1180.

A third pending amendment on net operating losses should also be included. This amendment allows companies that operated at losses during the difficult economic conditions of last year to offset those losses against their income for the previous 5 years. This provision would accelerate tax relief to companies that need to continue operations and recover from recent difficulties.

I ask my colleagues: Let us get on with the business at hand. Have this institution be what it traditionally has been. Yes. An institution where everything is thoroughly discussed as it ought to be because this is the only institution where that can be done in our American political system. But it is also an institution that moves along and doesn't stymie legislation. We know our responsibilities are to the taxpayers of this country to produce a good product and produce it quickly. If we think of the best policy, we will in fact have the best politics. Let's put good economic policy ahead of shortsighted politics.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I take a couple of moments to discuss the pending second-degree amendment, the amendment offered by the Senator from Indiana, Senator BAYH. It is an excellent amendment. It is somewhat broad in scope. I commend Senator BAYH for suggesting this. My guess is it will be adopted without too much difficulty.

I have been pushing for a long time, and I know the chairman of the committee has, as well, the package of extenders. We have crafted the underlying JOBS bill to create jobs and to stimulate competitiveness in American business. In addition to the new provisions in the bill, it is critical we renew our past commitments in the Tax Code and not leave anyone behind. I am talking about the so-called package of tax extenders.

We failed last year to extend many expired or expiring tax provisions that are essential. We now have another chance. That is the amendment offered by the Senator from Indiana, not only to extend these provisions, but also to improve upon them.

When we were last on the bill, the Senate acted to improve one of the provisions, the research and development tax credit. This was the first of many positive steps we need to take to fix an ailing economy. Encouraging research and development clearly is one of the most important forward looking actions we could take. Why is that so important? It is the underlying basis for improving innovation and for addressing the offshoring of American jobs.

In addition, there are many other provisions commonly referred to as extenders. They all address the needs of our Nation. These are not contentious. They are not partisan. Rather, they are provisions that just make good sense.

The chairman and I pushed to have these same provisions extended last year. We urged our colleagues not to wait until the last minute before these provisions were expired. We wanted to move right away.

These provisions are like a yo-yo. We enact them. We extend them for several months, sometimes a year or a year and a half, we let them expire. After they have expired, sometimes we go back and reenact them retroactively and there is no break. Sometimes we do not reenact them retroactively. It is very poor policy.

I personally believe all these provisions should be enacted permanently into the Tax Code. We should not have the on-again, off-again, up-and-down, yo-yo effect Congress has undertaken in addressing these provisions. For the life of me, I cannot understand why we are not making these permanent. Nevertheless, they are not, and taxpayers have suffered often from lapsed provisions. We have let them down. I hope we do not do that again. The time has now come to extend these provisions. If we do not act now, there is no telling when our next opportunity will be.

In this package there are many good provisions that have already expired. They are widely supported. The expiring provisions include a diverse array of topics and all are important. One of the most important expiring provisions we must address is the one allowing for the carryback of net operating losses, otherwise known as NOLs. In the wake of prolonged economic downturn and the recent ruling by the WTO, it is very important we give American businesses a chance to recover their losses. Like the underlying JOBS bill, this provision also promotes economic growth.

Two other important provisions are the work opportunity tax credit, sometimes known as WOTC, and the welfare-to-work tax credit. I have worked long and hard with many of my colleagues—especially Senator SANTORUM, Senator BAYH; both Senators worked very hard—for the provisions to make the credits permanent. Unfortunately, we cannot achieve permanence at this point, but neither can we afford to let this opportunity pass.

The work opportunity tax credit and the welfare-to-work tax credit are proven initiatives that help economically disadvantaged workers get jobs. They help those receiving the welfare check to earn a paycheck. That is very important. These provisions very much help get people off welfare and to get jobs. Both of the credits expired in 2003 in December.

As we consider ways to create jobs for Americans, it is only appropriate to consider what these tax credits have done for both employees and employers across our country. In a recent study, it is shown in New York State the work opportunity tax credit generates economic benefits that exceed the cost of the program. These programs are too valuable to fall by the wayside.

This amendment, including the extenders, will simplify and strengthen the credits to expand unemployment opportunities for disadvantaged individuals and attract more employers to participate in the program.

Along with these are other provisions that help raise the standard of living in America now and in the future. Individual credits against the alternative minimum tax provide for such things as lifetime learning credit, the HOPE scholarship, and care for the elderly and disabled. These provisions not only create incentives for education but also help families build a stronger financial base.

Other benefits to be gained from this important extenders package include encouraging computer contributions to schools, economic recovery provisions in the wake of September 11, deductions for school teachers, and energy incentives for the environment. And the list goes on.

These tax incentives make America a better place, a better place for jobs, education, health care, environment, and more. Now is the time to act. We must not let these essential parts of our Tax Code fall by the wayside.

I encourage my colleagues to join me in support of this amendment offered by the Senator from Indiana, Senator BAYH, and others. Like the JOBS bill itself, these provisions will help make important contributions to American business and to American people.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I will speak as in morning business and I will yield the floor for anyone who wants to speak on the legislation.

The PRESIDING OFFICER (Mrs. DOLE). Without objection, it is so ordered.

ENERGY

Mr. GRASSLEY. Madam President, I will deal with the issue of the energy bill in the context of where we left off last November, two votes short of stopping a filibuster against the legislation so it could be passed. That means we had 58 votes. We needed two more. We cannot get two more votes. Therefore, the bill still languishes.

It was the first major energy policy for probably 15 years as far as the Federal Government passing one is concerned, and things are a lot scarier now than they were last November. Now we have what are the highest gasoline prices in the history of our country, just slightly above where they were a year ago, and previous to that a couple times in the late 1990s or the early part of this century. In other words, over the last 4 or 5 years they have probably been almost as high three or four times. We also have, different than at most times, very high natural gas prices.

The impact in the economy is very negative, as we know. The impact upon low-income families is very bad, as we know. It is a shame we could not get that bill passed last November. I hope we can get one passed very shortly. In fact, I had hoped the high natural gas prices and gasoline prices we faced would be an impetus to any Member in this body. Of the 42 who did not vote to stop debate, hopefully these Members will see the need for passing this energy legislation to help the economy, to help the consumers of America, to move this economy along.

I recall over the last 4 or 5 years there have been high gasoline prices in the past and maybe not so high natural gas prices in the past, that there has been an outrage expressed on the floor of this Senate about those high gasoline prices—Members speaking about collusion within the industry, Members asking the Department of Justice and the Federal Trade Commission to investigate whether there was any anticompetitive activity, and tremendous outrage over the high prices.

Now that gasoline prices are higher, I would guess I would hear that same outrage. But we are not hearing it. I wonder if we are not hearing it because so many Members on the other side of the aisle were part of the filibuster against the energy bill last year, and they are ashamed when they had an opportunity to do something to bring an energy policy to America they did not do it.

That energy policy was one that was well balanced between tax incentives for the production of fossil fuel, tax incentives for the conservation of energy, and tax incentives for alternative and renewable fuels—a very well-balanced piece of legislation, legislation I would say was well balanced to meet the immediate needs of our country, which are best met by the fossil fuels we have been using for more than 100 years to take care of the near term but also well balanced for the outyears. Obviously, since God only made so much fossil fuel, and it is finite, the dependence on renewable and alternative fuels, as well as incentives for conservation, is the pattern for the future if we are going to have a sound energy policy.

This package, put together by Senator DOMENICI, is well balanced and had the good fortune of having so many of these tax incentives involved that came out of my Senate Finance Committee in a bipartisan way.

So why not the outrage now? We keep hearing so much debate during the bill that is before us, and during morning business by Members, particularly of the other party, about the problems we are having creating jobs, the problems we are having with the Nation's economy.

There might be a difference of opinion whether the economy is doing well, but there are a lot of statistics that show it is doing well with the 8.2 percent growth for the third quarter of 2003, and the 4.1 percent growth for the fourth quarter of 2003, and unemployment holding steady at 5.6 percent. But we are still hearing the outrage that jobs are not being created. And who can argue that if you are unemployed and want a job you ought not have a job? You would expect to have a job with an economy growing where it is now and with the fabulously low rate of unemployment of 5.6 percent, because seldom have we had that low a rate of unemployment in the last 40 years. A national energy policy would surely help us with the creation of jobs.

So you can ask, where are the jobs, particularly manufacturing jobs? One factor affecting the manufacturing industry and, in turn, the economy in general I have not heard mentioned during the debate is the rising cost of energy. The fact is, the rising energy costs continue to be a drag on our economy.

In January, consumer prices jumped one-half of 1 percent, and that was only because, as small as that is, of higher energy costs. In fact, energy costs rose 4.7 percent, accounting for more than three-quarters of the overall increase in consumer prices.

Crude oil for April delivery is over $36 a barrel on the New York Mercantile Exchange. Gas prices at the pump around the Nation are at record highs. Nationally, a gallon of regular gasoline averages $1.74. That is 2 cents higher than at this time last year.

Why are energy prices so high? Well, global demand for crude oil is increasing because of greater demand not only in the United States but because of a higher percentage of demand in Japan and China.

OPEC, which supplies 40 percent of the world's oil, recently announced they intend to cut production by 1 million barrels a day starting April 1. That is obviously going to push prices yet higher. This is from OPEC, an organization that has repeatedly stated their goal is to keep prices somewhere between $22 and $28 a barrel, not now satisfied with $36 a barrel. Because we are so dependent upon foreign countries for over 60 percent of our crude oil, I think they have gotten us—meaning OPEC has gotten the United States—over a barrel.

We have also seen a sustained increase in the demand and cost of natural gas. Because natural gas is now the fuel of choice for new electricity generation, the demand for natural gas is no longer seasonal. While our existing policies in Washington have created the increased demand for natural gas, we have done very little to ensure a domestic supply to meet that demand.

In fact, the increased exploration is not bringing in enough new natural gas online to keep up with the increased needs we have in this country. Hence, as you understand economics 101, when supply is down, price is up; hence, higher natural gas prices.

The fact is, high fuel prices remain a concern for transportation firms. High energy prices hurt steel mills, manufacturers, farmers, and eventually end up hurting all consumers. High energy prices cost American jobs. Unless we increase supply, we are going to see record high prices again this year, and we are going to see a continued drag on the American economy.

We need to help the manufacturing and agricultural industries save existing jobs and go beyond that to create new jobs. We need to lower our Nation's energy costs.

What are the alternatives? We could and should apply pressure to members of OPEC to increase supplies. Some have suggested releasing crude oil from the Strategic Petroleum Reserve to increase supply and drive down prices.

I believe we can and must take action in the Senate to address rising energy costs. As my colleagues know, we have been considering a comprehensive energy bill in this Chamber for over a period of 3 years now, with the most progress made last year when we had a bill pass the House, a bill pass the Senate, a bill come successfully out of conference committee, and overwhelmingly pass the House of Representatives, but being defeated or at least stalled here on the floor of the Senate last November when we came up two votes short of stopping debate, to stop the filibuster, to get to finality. So it is quite obvious we have the votes to pass an energy bill in the Senate.

It is a shame we cannot get over that hurdle of 60 votes to get this bill there, to get us on the road to greater self-sufficiency with energy as we try to do it through a combination of incentives for fossil fuel production, incentives for energy conservation, and for alternative and renewable fuels. That conference committee agreement was voted on last November. Unfortunately, we had a minority of Senators successful in filibustering the bill.

I strongly support the chairman of the Energy Committee, Senator DOMENICI, in his efforts, then as well as now, to move this bill forward or, short of moving it forward, a bill of a similar nature to start over as hopefully one way of getting around a Democratic filibuster.

I am pleased Senator DOMENICI has introduced a slimmed-down bill that addresses the major concerns that prevented the Senate from adopting the conference report. This bill goes a long way toward increasing domestic energy production of conventional energy such as oil, natural gas, and nuclear power. The bill includes provisions to improve the tax treatment of natural gas gathering and distribution lines. It includes incentives for the construction of a natural gas pipeline from Alaska to markets in the lower 48. The bill seeks to improve our Nation's electricity transmission capacity and reliability by creating enforceable and mandatory reliability standards and providing incentives for transmission grid improvements.

It also includes a number of provisions that would increase domestic production of renewable energy and create jobs at home. Through the renewable fuels standard, it would double the use of domestic homegrown ethanol, a first-time tax incentive for biodiesel to be made from soybeans.

It would also bring new sources of energy on line. It would extend the wind energy production tax credit that I first got through the Senate in 1992. It would have an expansion of the production tax credit for biomass and a tax incentive for purchases of residential solar and wind energy equipment.

Each of these provisions will increase our production of domestic renewable energy resources. They will also create thousands—some people have estimated 800,000—of jobs all across our country.

The bill also includes incentives for energy-efficient improvements to existing homes and for the purchase of alternative fuel vehicles. These initiatives will lead to an increased domestic supply of energy, a more stable economy, and thousands of jobs for America's workers. Make no mistake about it, this energy bill is a jobs bill.

As I indicated, these provisions are in a new bill that Senator DOMENICI is trying to move along. But the ideal way to handle this would be to get two more votes to bring to an end the filibuster of the bill that was before the Senate last November because all of these provisions are included in that bill. There is no reason to start all over again, particularly when now, compared to last November, we have the highest price for gasoline in the history of our country, and we still have outrageously high prices for natural gas.

It is time this country has a national energy policy. There is no reason two Senators who are in the minority should stand in the way of moving this legislation along, legislation that passed the House and Senate overwhelmingly last year, came out of conference after about 2 months of work on putting together a compromise that could get an overwhelming vote in the House of Representatives and get a vast majority vote in the Senate, but two votes short of the 60, the extraordinary supermajority it takes to stop a filibuster. I don't understand why we have Democrats from corn States, with everything this bill does for the production of ethanol that would help the farmers of their States, and also help the energy needs of our Nation, how any Senator who is from a big corn-producing State could dare vote not to end this filibuster.

There are votes out there from members of the other party, from corn-producing States, who ought to explain to their constituents why they won't join in this effort with other farm State Senators to bring massively on line the production of ethanol that can help us be more energy independent from OPEC nations, particularly in a time when Americans are shedding blood in Iraq because we need some stability in the Middle East to guarantee oil coming to our country. Obviously, the blood I am talking about is shed because of the war we are in, the war to defeat terrorism against Americans, against western culture, but also the sort of democracy we can have in the Middle East brings stability that we don't have there now. And it is important to have that stability for the economic needs of our country.

I don't know why we can't get some votes from some farm State Democrats. We only need two of about half a dozen, whom we could easily identify, who should be voting with us to bring finality to this issue.

I believe these bills on energy, because we have this pending bill before the Senate and we have the conference report that is through the House and two votes short of getting to finality in the Senate last November—whichever one you are talking about—I believe these bills represent a comprehensive energy policy consisting of conservation efforts, the development of renewable and alternative energy sources, and domestic production of traditional sources of energy. This bill goes a long way to develop an energy policy that will drive down the cost of energy and create jobs at home so that we don't have to have the outrage that we have on the Senate floor, primarily from members of the other party, over 3 out of the last 5 years when energy prices have been so high. Why don't we do something about it? We have an opportunity. We don't seem to grasp it now when it is here.

This bill is too important to our economy to let it die. Therefore, I strongly encourage Members on both sides of the aisle to help our leadership bring either the conference committee up for a vote on the issue of stopping debate or the new bill that Senator DOMENICI has placed before the Senate, to bring it to the floor and consider it in a timely manner, and timely is already probably 3 months late as we have seen the energy prices go up to the highest level, hurting our economy. We can and should come to an agreement so we can consider and pass this JOBS bill as soon as possible.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Madam President, I know we are a little stalled on the floor right now. There is an underlying amendment to the bill, and then there is a second degree that is now trying to be worked out having to do with tax extenders. I understand there may even be yet another second degree into this package.

I know the leadership has said there will be no votes today. I understand that. But I ask the Presiding Officer, is there now pending a unanimous consent agreement that after the disposition of the pending amendment, and any amendments thereto, that Senator DASCHLE or his designee would then be recognized to offer an amendment?

The PRESIDING OFFICER. The agreement does authorize the leader or his designee to offer the next first-degree amendment.

Mr. HARKIN. I thank the Presiding Officer because that was my understanding: that upon the disposition of the pending amendment, and any amendments thereto—any second degrees—then Senator DASCHLE would be recognized, or his designee, in which case he is designating me to offer the overtime amendment.

Now, I was here the other day, and I was going to offer the overtime amendment as a second degree to the underlying amendment, but then Senator GRASSLEY got recognized, as is his right as the chairman of the committee, to offer a second degree, and that now is what is pending before the Senate.

I take the floor this afternoon to once again state how urgently necessary it is that we proceed to consideration of my amendment regarding the administration's proposed changes of the rules on overtime.

To recapture what has transpired, about a year ago, the Department of Labor issued proposed regulations that would fundamentally change how employers pay overtime to people who work over 40 hours a week. These proposed regulations came forth without having one public hearing, perhaps the most substantial change in our overtime laws since 1938 when they were adopted under the Fair Labor Standards Act.

You would think if any administration wanted to really change how overtime is paid, they would have gone around the country and had public hearings. This is normally what you do. No. These were issued without one public hearing.

Now that the proposed regulations have been out there, the Department of Labor has heard from America. I understand tens of thousands, maybe as high as 70 or 80,000, comments have come in on these proposed regulations. Still the administration has not seen fit to have public hearings about it. I think they thought they could do it quietly. This is a fundamental alteration, the biggest alteration since 1938 when the Fair Labor Standards Act was passed.

Last year I offered an amendment to an appropriations bill that would have denied the right of the administration to issue the proposed regulations and would have forced the administration to work with Congress, to have hearings and come up with a reasonable approach to changing overtime rules. That amendment was adopted by the Senate on a bipartisan vote. The House of Representatives soon after had a vote on what they call instructing their conferees, which is basically a vote to say we agree with the Senate and this is what we want in the final bill. That passed the House of Representatives.

So they went into conference between the House and the Senate with my amendment intact. Somehow it never made it to the final bill. The administration came into the conference and said it had to be taken out. It was thrown out. And, of course, the Omnibus appropriations bill we vote on, as you know, cannot be amended. So, therefore, we were faced with an up-or-down vote on the bill without this amendment. We had to vote to keep the Government operating, to pay our troops in Iraq, and everything else.

I said at the time this is too important a matter just to forget about and move on. So when the Senate came back into session in January of this year, I immediately took to the floor and said: At the first opportunity, I will offer this amendment again. The American people now have heard about it, and they know about it. They are beginning to understand what it means to them and their jobs to have these changes go into effect. I believe the votes are here, once again, to say to the administration: No, don't take away the right of people to get time-and-a-half pay when they work over 40 hours a week.

By some estimates, up to 8 million American workers would have their right to overtime pay taken away. So I have said I would offer this amendment on this bill. They call this a jobs bill. Well, this amendment is about jobs. It is about not only protecting jobs and overtime pay, but it is about creating jobs.

I believe it is necessary to proceed to consideration of this amendment so that the administration, once again, will understand that prior to any final regulations being issued, they need to go back to the drawing board, hear from the public, work with Congress, as other Congresses have done. Since 1938, we have amended the Fair Labor Standards Act maybe a dozen times, but it has always been done in conjunction with Congress, Congress and the administration working together to come up with reasonable amendments to the Fair Labor Standards Act. There is nothing wrong with that. Times change. Conditions change. This should be done periodically.

But this administration did not do that. They just drafted these under the cover of darkness, issued them and said: We are going to take away the right of about 8 million Americans to overtime pay.

So it is appropriate that we debate and vote on my amendment on the FSC JOBS bill because my amendment is about one thing—jobs. These new overtime rules will eliminate time-and-a-half overtime pay for up to 8 million American workers. But, again, it is not just about eliminating overtime pay. These proposed rules will retard the creation of new jobs. This is just basic logic. If employers can more easily deny overtime pay, they will push their current employees to work longer hours without compensation. With 9 million Americans currently out of work, why would you give an employer yet another disincentive to hire new workers. Yet that is exactly why the administration is pushing these new overtime rules. This is why these proposed new rules have the support of some major business groups in America but not all.

I always like to point out that I represent a lot of businesses in my State of Iowa—good, healthy, productive businesses. Not one business in my State of Iowa has come to me saying we need to change the overtime rules, not one. I am wondering, where is this coming from?

The National Association of Manufacturers says, well, they will reduce labor costs. It will reduce the need to hire new workers. It will have a direct destructive impact on jobs in the United States.

So let's be clear. My amendment on overtime is about creating jobs, overcoming the stagnant job market. And, yes, it is about making sure we protect the time-honored right to overtime pay when you work over 40 hours a week.

There was an article that appeared in the Wall Street Journal which I think summed it up. It says: Shortchanged. Many firms refuse to pay for overtime. Employees complain. Others claim workers are exempt under the law or raise output targets, but the rules are confusing.

Here is the quote:

> . . . While employees like overtime pay, a lot of employers don't. That is no surprise. Violations are so common that the Employer Policy Foundation, an employer supported think tank in Washington, estimates that workers would get an additional $19 billion a year if the rules were observed. That estimate is considered conservative by many researchers.

In plain English, the Employer Policy Foundation, an employer-supported think tank in Washington, is basically saying American workers are being cheated out of $19 billion a year because they are working overtime and they are not getting paid for it right now.

Well, guess what happened, Madam President. A couple of these companies got caught. They got taken to court. They appealed and the appeals court found for the employees. One famous case on the west coast is where employees were clocking out of work after working an 8-hour day, and they were being forced to come right back in the door and work longer hours. Well, they got caught. More and more employers were getting caught.

So, now what they want to do is change the rules. They want to work you longer. They want to work you more than 40 hours a week, but they don't want to pay you overtime. That is what the Wall Street Journal said.

So rather than being confronted with the fact that they might be taken to court, they change the rules. Now there won't be any court case. That is what the administration's proposal on overtime is all about. It is about taking away the rights of people.

You know, I had a quote that I will bring up in further debate on this amendment. One worker—a woman, if I am not mistaken—said something I thought was very poignant. She said:

My time with my kids and my family in the evenings and on the weekends is premium time to me. If I am being asked to give up my premium time with my kids and my family, then I think I ought to get premium pay. That is what overtime is about.

They are asking you to give up your premium time with your family, your children, to work overtime. You ought to get premium pay, which is what time and a half is all about. Again, the Bush administration thought they could put these new rules into effect quietly, with no hearings, before anybody knew what was going on. They were wrong. They got caught. The fact is, public outrage over the proposed new overtime rules has gotten stronger and stronger as Americans learn more about the details. They want these proposed rules to be stopped.

I understand if the other side, the Republican side, can drag this out and prevent a vote, well, then maybe in the next month or so they can issue these final rules taking away overtime pay, and then it will be very hard to undo that later on. They know that. That is why they don't want a vote on this amendment. That is why the other side is doing everything they can to keep me from getting a vote.

Madam President, we are not going to be quiet about it. This is the editorial from the New York Times: "The Quiet Shift In Overtime."

It says:

> The Bush administration is engineering bread and butter changes in the Federal regulation of overtime pay. . . .
>
> The proposed Labor Department regulations have stirred justifiable concerns.
>
> They are being presented by the Labor Department as overdue improvements.

But as they are doing it, as they said, they are doing it quietly, behind the scenes.

> More problematical is the possibility that more workers—millions, according to pro-labor analysts—could be forced into unpaid overtime under the regulations, which do not affect blue collar workers. By some estimates, veterans, police detectives, or senior nurses might lose overtime compensation that now accounts for as much as 25 percent of their salaries.

They thought they could do it quietly, but the more we learned about it, we found that the American people were not going to sit by and let premium time with their families be taken away, being forced to work longer hours for regular pay.

With so many people unemployed, you would think you would want to create jobs. These proposed rules on overtime will be a disincentive to creating any new jobs.

Madam President, I hope we can get to my amendment. I will have more to say about it. I have more data and details I wish to bring out. For example, one thing I brought out before, since 1938, there has been a classification of learned professions, such as lawyers, doctors, architects, things like that—the learned professions, which were exempt from overtime. In all of the regulations since that time, there has never been any inclusion in the learned professions of what an individual learned while serving in the U.S. military. It wasn't until going through these proposed regulations with a fine-tooth comb that we discovered there were inserted into these proposed regulations four or five words about what these learned professions—as it goes through them all—learned while in the military, military training.

That had never been in the regulations before—never. Why were those in there? Here it is right on this chart. These are the changes, the new part of the regulations that had never been there before:

> However, the word customarily means that the exemption is also available to employees in such professions and substantially the same knowledge level as the degreed employees, but who attain such knowledge through a combination of work experience, training in the Armed Forces, attending a technical school, attending a community college, or other intellectual instruction.

What is different? "Training in the Armed Forces" has never been in these rules before. So when we see all these ads saying "join the Army and be all you can be," they talk about all the nice technical training you can get while you are in the military. What they are not telling you now is, if you do that, after you get out of the military, you will be exempt from overtime pay because of what you learned while you were in the military.

So we could have a situation where we have two individuals: one goes to the military and gets training and the other doesn't. They come out and they could have substantially the same kind of jobs. One could have had on-the-job training and one learned in the military. Both are basically equal. The person who served in the military gets cheated out of overtime, but the person who wasn't in the military would be able to get overtime. What kind of sense does that make? But it is in there.

"Training in the Armed Forces" has never been in the rules since 1938. We fought World War II, the Korean war, the cold war, Vietnam war, and every other war and we have never said to the men and women in uniform when they learn something in the military, we are going to take away their right to overtime. Why are we doing that now? Why are we doing that?

Again, these are some of the hidden little things in this proposed regulation that need to be brought out, with scrutiny in the sunshine. Let people know about it. Again, I hope we can get to my amendment. It has the overwhelming support of the American public. As more and more of them know about this, they don't want their right to be taken away. I have talked with workers who received no overtime last year, no overtime pay. They were expressing to me how much they were opposed to this proposed change in the rules.

I said: If you are not working overtime, why are you opposed?

They said: It is a right we have. We may not have gotten overtime, but if I do work it, I want my right protected. That just about sums it up. It is a right that should not be taken away.

Again, it is urgent that we proceed to the overtime amendment. Let's go to my amendment. Let's have a good debate. I am willing to have a time agreement, if the other side would like to have a time agreement. Let's have the debate. I want to hear from the other side why we should let these proposed regulations go into effect. Let's have the debate so the American people can understand what is at stake, and let's have an up-or-down vote on my amendment. Let's have an up-or-down vote on whether the Senate would agree with the administration that these proposed rules, these changes in the Fair Labor Standards Act, should go into effect or whether the administration should go back to the drawing board, work with Congress, do it in an open, aboveboard manner.

There are some changes that do need to be made in the Fair Labor Standards Act. There is one part of the proposed rules of which I am supportive, and that is raising the base from about $8,000 a year to $22,000 a year. That should have been done a long time ago.

My amendment does not affect that. My amendment leaves that in place. But in giving with one hand—that is, raising the base up to $22,000 a year—the administration is taking away the right to overtime pay from about 8 million Americans with the other hand. That is a bad deal.

I hope we can get to my amendment. I hope we can have a good debate and an up-or-down vote on it. I am prepared to do so whenever the leadership dispenses with these pending amendments.

Madam President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Madam President, I ask unanimous consent to speak as in morning business for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

WAR ON TERRORISM

Mr. NICKLES. Madam President, last night I observed, as I am sure many Americans did, Richard Clarke's statement on the program "60 Minutes" where he made some very strong allegations concerning President Bush and his lack of effort on the war on terrorism. I was struck by his tone, by his statements, and also by the lack of questions concerning what he had done the previous years.

I believe Mr. Clarke was appointed in May of 1998 by President Clinton as the first National Coordinator for Security Infrastructure Protection and Counterterrorism at the National Security Council. That is a very long title, but many people say "counterterrorism czar." He was the person to combat terrorism. That is a very prestigious position, a very important position.

Looking at the events that occurred in 1998 and also in 2000, I wonder what we were doing. I kept waiting for the questioner to ask him: Why didn't we do more?

On August 7, 1998, terrorists bombed the American embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania. Madam President, 212 people were killed on August 7, 1998, and over 4,000 people were injured in Nairobi. Eleven people were killed and 72 people were wounded in Tanzania. It was a very deadly day.

Two U.S. embassies—that happens to be U.S. soil—a lot of people are not aware of that but our embassies are U.S. soil. Those are U.S. buildings, those were U.S. employees, some U.S. citizens—almost all U.S. employees. Africans were killed.

What was our response? The Clinton administration, with Mr. Clarke as the head of counterterrorism, lobbed a few cruise missiles, supposedly to get Mr. bin Laden. We missed, but I compliment them for trying.

What else did we do? Did we try again? The answer is no. Did we send special forces over there? The answer is no. They killed 212 people in Nairobi, 11 people in Tanzania, over 4,000 people injured, some of them critically, very seriously injured, and what did we do? We lobbed a few cruise missiles and hit the desert. This was in August of 1998.

I kept waiting for the questioner to say: Why didn't we do more in 1998? I heard him say: We were on a wartime footing; we had a lot of meetings; I had a lot of face time with President Clinton; I talked with him about it; we urged him to do more. Why didn't we do more?

I have only served with a few Presidents but I could not help but think Ronald Reagan would have done more. We had American soldiers who were killed as a result of a terrorist bombing in Germany, and Ronald Reagan sent planes to Libya and sent a heck of a signal to Mr. Qadhafi and, frankly, I think he changed his terrorist ways to some extent.

I can't help but think President Bush 1 would have done more, and I know President Bush 2, the current President, would have done a lot more.

President Clinton was President for 8 years, and Mr. Clarke was head of his counterterrorism division for about 3 of those years. He worked in his administration in another capacity as well. But we didn't do hardly anything after the 1998 bombings, which was a direct assault on the United States and our citizens, our people, our property, and two poor countries in Africa, and we did not do anything.

Later, the USS *Cole* was attacked on October 12, 2000, and 17 people were killed, 39 were wounded, and it was pretty close to being a lot more serious than that. We could have had hundreds killed. Again, that was a direct attack on the United States. Mr. Clarke was still head of counterterrorism, and what did we do then? The answer is nothing. They might have had some meetings, but they did not do anything. They did not do anything visible, anything we could see. They did not make concerted efforts.

Last week, I was watching on TV a picture of bin Laden walking in Afghanistan where we had satellites viewing him, and we still did not do anything. We did not have assets in the region. Why? We had plenty of time to put assets in the region to make a change and maybe prevent 9/11/2001 from even happening, but maybe the administration and maybe Mr. Clarke were preoccupied or they did not have it high on their priorities.

Those questions were not asked in this program. Maybe, for whatever reason, he has a vendetta against the current President. I don't know.

I also learned today from Condoleezza Rice, the President's National Security Adviser, that Mr. Clarke wanted a job in the new Department of Homeland Security. I don't know what caused his change. I don't know what his motivation is. I am not sure if he wants to sell books or is looking for a job or what his efforts are. But I am amazed at the neglect or the lack of interest in the previous administration after we had our embassies attacked, after we had the USS *Cole* attacked, and we had Americans killed and hundreds of American employees killed.

We had thousands of people injured, and we did not do anything. For him to have the gall or the nerve to start pointing a finger at President Bush saying he did not do enough in fighting the war on terrorism when Mr. Clarke was actually in a position to really do something for 2 or 3 years during the Clinton administration, I find unbelievable. I cannot believe the press would not ask, why did he not do more, why did President Clinton not do more? Why did we not respond? If we would have responded in 1998, 1999, or 2000, maybe 9/11 would have never happened. It is unbelievable that kind of attack would be made. Maybe it is for political reasons. I do not know. It is very sobering and startling.

I hope when he is in front of the cameras or maybe when he is before a committee in Congress people ask him why did he not do more when he was in a position to do so.

It is also interesting to note on October 19, 2001, the Bush White House issued a press release saying Mr. Clarke was recently named special adviser to the President for cyberspace security. It is not the same. The President has an excellent team and he receives counsel from an excellent team. With his national security adviser, Condoleezza Rice, Vice President DICK CHENEY, with Secretary of State Colin Powell, the President has an excellent team in foreign policy.

I am very disappointed in Mr. Clarke's comments. I think he should be held accountable and questions need to be asked of him.

I yield the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CORNYN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the pending Grassley amendment No. 2687 be agreed to; provided further that I then be immediately recognized to offer a further second degree related to net operating loss. I further ask consent that the amendment then be agreed to, and the underlying amendment No. 2686 be agreed to, as amended, with the motions to reconsider laid upon the table. I further ask consent that Senator HARKIN then be recognized in order to offer an amendment relating to overtime; further, that no second degrees be in order to that amendment prior to a vote in relation to that amendment.

The PRESIDING OFFICER. The Democratic whip.

Mr. REID. Reserving the right to object, Mr. President, I think this is tremendous progress. I commend the two managers of the bill. They do work well together, as everyone knows. But I have heard—and I certainly do not know if this is valid or not—there is going to be an effort made later tonight to try to invoke cloture on this bill. I want everyone within the sound of my voice to know we have spent time here this afternoon with our manager, and we have indicated that we believe we could whittle down significantly the number of amendments that are pending on this very important piece of legislation.

The amendment Senator HARKIN is going to offer is his amendment. We have worked with the majority on other occasions to have him not offer this amendment in an effort to get important legislation passed. We can no longer do that. It is long overdue that the Senate speaks on this issue. I can say, as I have indicated, to anyone listening, if there is an attempt to invoke cloture on this legislation without an up-or-down vote on the overtime amendment offered by the Senator from Iowa, there are no guarantees, but I think it is going to be extremely difficult to have cloture invoked on this bill.

We want an up-or-down vote on this overtime amendment. If there are efforts made later tonight to file a motion to invoke cloture, I think the majority leader should know that I think it is extremely doubtful that he would get cloture on this bill.

Senator HARKIN has been talking about offering this amendment on several occasions, and we are going to go forward. As I said, I want the majority leader to know that I think it would be extremely doubtful, without an up-or-down vote on overtime, that he would be able to get cloture on this bill. I could be wrong, but I really kind of doubt it.

I also want everyone to understand that the reason for taking this bill down is the inability of the minority to get a vote on this overtime amendment. It seems somewhat foolish to pull down this very important bill for this amendment. I cannot imagine why the other side won't let us vote. It has passed before. It will pass again. The overtime amendment will pass.

So having said that, I withdraw my reservation.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 2687) was agreed to.

AMENDMENT NO. 2882 TO AMENDMENT NO. 2686

Mr. GRASSLEY. Mr. President, then, according to the unanimous consent agreement, I send an amendment to the desk for Senators BUNNING, LINCOLN, SANTORUM, CONRAD, and BAUCUS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. BUNNING, for himself, Mrs. LINCOLN, Mr. SANTORUM, Mr. CONRAD, and Mr. BAUCUS, proposes an amendment numbered 2882 to amendment No. 2686.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for the extension of the special net operating loss carryover provision)

At the end of the matter proposed to be inserted at the end of the bill, add the following:

SEC. ___. FIVE-YEAR CARRYBACK OF NET OPERATING LOSSES.

(a) In General.—Subparagraph (H) of section 172(b)(1) is amended—

(1) by inserting "5-year carryback of certain losses.—" after "(H)", and

(2) by striking "or 2002" and inserting ", 2002, or 2003".

(b) Rules Relating to Certain Extended Net Operating Losses.—Section 172 is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) Rules Relating to Certain Extended Net Operating Losses.—For purposes of this section, in the case of a taxpayer which has a net operating loss for any taxable year ending during 2003 and does not make an election under subsection (j), such taxpayer shall be deemed to have made an election under paragraphs (4)(E) and (2)(C)(iii) of section 168(k) with respect to all classes of property for such taxable year.

(c) Temporary Suspension of 90 Percent Limit on Certain NOL Carryovers.—Section 56(d)(1)(A)(ii)(I) (relating to general rule defining alternative tax net operating loss deduction) is amended—

(1) by striking "or 2002" and inserting ", 2002, or 2003", and

(2) by striking "and 2002" and inserting ", 2002, and 2003".

(d) Technical Corrections.—

(1) Subparagraph (H) of section 172(b)(1) is amended by striking "a taxpayer which has".

(2) Section 102(c)(2) of the Job Creation and Worker Assistance Act of 2002 (Public Law 107–147) is amended by striking "before January 1, 2003" and inserting "after December 31, 1990".

(3)(A) Subclause (I) of section 56(d)(1)(A)(i) is amended by striking "attributable to carryovers".

(B) Subclause (I) of section 56(d)(1)(A)(ii) is amended—

(i) by striking "for taxable years" and inserting "from taxable years", and

(ii) by striking "carryforwards" and inserting "carryovers".

(e) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to net operating losses for taxable years ending after December 31, 2002.

(2) Technical corrections.—The amendments made by subsection (d) shall take effect as if included in the amendments made by section 102 of the Job Creation and Worker Assistance Act of 2002.

(3) Election.—In the case of a net operating loss for a taxable year ending during 2003—

(A) any election made under section 172(b)(3) of such Code may (notwithstanding such section) be revoked before April 15, 2004, and

(B) any election made under section 172(j) of such Code shall (notwithstanding such section) be treated as timely made if made before April 15, 2004.

(4) Special rule for taxpayers with taxable years ending during January.—Any taxpayer which has a taxable year ending during January may elect under this paragraph to apply section 172(b)(1)(H) of the Internal Revenue Code of 1986 (as amended by this section) to its taxable year ending in 2004 rather than its taxable year ending in 2003. If such election is made, then section 172(k) of such Code (as added by this section) shall be applied to the taxpayer's taxable year ending in 2004. Such election shall be made in such manner and at such time as may be prescribed by the Secretary of the Treasury. Such election, once made, shall be irrevocable.

(c) Prior Section To Have No Effect.—Notwithstanding section 311(e) of this Act, such section, and the amendments made by such section, shall not take effect.

Mr. BUNNING. Mr. President, I am happy to join with my colleagues in offering an amendment to address the net operating loss NOL rules in the Internal Revenue Code. The NOL carryback and carryover rules are designed to allow taxpayers to ease swings in business income that result from business cycle fluctuations and unexpected financial losses.

I am certain that every Senator on the floor will admit that the last few years have been difficult for many American companies. But we have finally turned the corner and are headed to economic recovery. Businesses are finally ready to reinvest in equipment and, more importantly, create new jobs. The NOL provisions increase the cash flow of many struggling American companies and help them to hire and retain workers and fund capital investments.

Under current law, companies may carry back NOL for 2 years. In the Job Creation and Worker Assistance Act of 2002, however, we here in Congress recognized the difficult circumstances that many American businesses have found themselves in during recent years and have granted them temporary relief by allowing NOL to be carried back for 5 years, rather than 2. That 5-year carryback provision expired at the end of 2002.

I believe that it makes sense to extend the relief we have granted in the past in the form of a 5-year NOL carryback for one additional year. While the economy started showing strong signs of economic recovery last year, there were still many taxpayers who incurred unexpected financial losses in 2003. Now is not the time to roll back important tax provisions that are among the very reasons we are now on the road to economic recovery. We need to give American companies every opportunity to expand and invest.

I led the fight with my colleague, Senator CONRAD, to extend the 5-year carryback provision to 2003 when we passed the bill before us out of the Finance Committee with strong bipartisan support last fall. Senator CONRAD and I were able to include in the Finance Committee-approved bill a 3-year carryback for 2003. The amendment I offer with my colleagues today will expand upon what we achieved in committee by simply returning the NOL carryback rule for 2003 to the 5-year period rather than the 3-year period currently provided for in this legislation.

This important amendment will give much needed relief to U.S. employers and provide an additional jump start to our economy.

Mr. BAUCUS. Mr. President, a fundamental feature of any income tax system is the ability to use losses to reduce taxable gains. If a company has gross income of $100,000 and losses of $50,000, we don't force the company to pay tax on $100,000—they only pay tax on net income.

But just as a company can have gross income and losses within the same year, a company can also have income in one year and losses in the next.

Letting companies "carry-back" their losses to prior years smooths things out and helps companies deal with the hardships of the business cycle.

And it is important to be able to carry losses back. Carrying losses forward doesn't give taxpayers a boost when they need it.

Carrying losses forward only gives them a boost after things have already turned around.

Many businesses have been in hard times for the last 3 or 4 years. Giving them a 1- or a 2-year NOL carryback doesn't help them—because they don't have any profits in the last few years.

For many of these companies, the last year they were profitable was 1999 or even earlier. These companies will be able to use a 5-year NOL carryback to help them turn things around.

I urge you to support this amendment, to help get our economy going again.

For example, the timber industry in Montana and many parts of the Northwest was profitable in the late 1990s. But many of these timber companies—both large and small—have fallen on hard times in the last few years. The terrorist attacks of 9/11, the economic downturn, and the wildfires of last summer have taken their toll on these timber companies.

These companies paid large tax bills when things were going well. But how that they are struggling they can't get any of those taxes back.

If they had a smoother, more consistent pattern of earnings, they would have paid less tax over the course of the last 5 years. Instead, the boom-bust cycle that has actually played out is giving them higher tax bills overall.

This NOL provision will ensure that these timber companies—and many other companies in cyclical industries—pay an appropriate amount of tax over time. It will give them a boost in those unprofitable years when they need it most.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the amendment. The amendment is agreed to.

The amendment (No. 2882) was agreed to.

VOTE ON AMENDMENT NO. 2686

The PRESIDING OFFICER. The question is on agreeing to the underlying amendment, as amended.

Without objection, the amendment, as amended, is agreed to.

The amendment (No. 2686), as amended, was agreed to.

The PRESIDING OFFICER. Under the previous order, the motions to reconsider are laid upon the table.

The Senator from Iowa.

AMENDMENT NO. 2881

Mr. HARKIN. Mr. President, I call up amendment No. 2881 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. KENNEDY, Mr. SARBANES, Mr. KERRY, and Ms. MIKULSKI, proposes an amendment numbered 2881.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To amend the Fair Labor Standards Act of 1938 to clarify provisions relating to overtime pay)

At the appropriate place, insert the following:

SEC. ___. PROTECTION OF OVERTIME PAY.

Section 13 of the Fair Labor Standards Act of 1938 (29 U.S.C. 213) is amended by adding at the end the following:

"(k)(1) The Secretary shall not promulgate any rule under subsection (a)(1) that exempts from the overtime pay provisions of section 7 any employee who would not be exempt under regulations in effect on March 31, 2003.

"(2) Any portion of a rule promulgated under subsection (a)(1) after March 31, 2003, that exempts from the overtime pay provisions of section 7 any employee who would not otherwise be exempt if the regulations in effect on March 31, 2003, remained in effect, shall have no force or effect.".

Mr. HARKIN. Mr. President, I appreciate my colleague from Iowa, the Senator from Montana, and also Senator REID, our assistant leader on this side, for working out this agreement. As I have said all along, all we want is debate and a vote on the overtime issue.

This is an important issue that has come to a head right now because the administration shortly will be issuing final regulations on this issue without really having duly consulted with Congress. These regulations could take away the right to overtime pay for over 8 million American workers.

So I hope we can have a good debate on this, probably tomorrow—not tonight but tomorrow. Certainly I have discussed this with the Senator from Montana. We would be willing to enter into a time agreement.

I have heard some talk around that the other side, the Republican side, will now file a cloture motion. Obviously, if that cloture motion wins, then my amendment fails because it is "nongermane."

Now, we just saw—and I did not object to the amendments just being adopted which have to do with some extenders. There were some other things added. Those are also nongermane to the bill. So the other side cannot make the argument that they are not going to allow nongermane amendments to this bill. We just adopted a whole bunch of nongermane amendments to this bill. So that is fine. We do that all the time around here.

I hope we can have a good debate on this overtime issue and have an up-or-down vote. I can assure the other side that if their goal is to cut off this amendment by filing a cloture motion, we will do all we can on this side to deny cloture on this bill until we have a vote on the overtime amendment.

With that, Mr. President, I yield the floor and look forward to the debate tomorrow on overtime.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I would like to comment on the remarks of the Senator from Nevada. He mentioned the possibility of a cloture motion. My colleague from Iowa also mentioned that possibility, and it could be a possibility. But I hope that will not poison the waters as we still try to reach agreement on this amendment and try to reach agreement on getting to finality on this bill.

I, along with Senator BAUCUS, have urged that we not have a cloture motion. That, of course, is a leadership decision. I would urge my colleagues to think in terms of the fact that it takes 48 hours for that motion to mature so it can be voted upon. That will be time for us to see if we can work out agreements not only on the pending amendment but also on any other amendments that may be adopted, and then, if so, the cloture motion could be vitiated.

I hope Members will look down the road at the goal of this legislation. That goal is to create jobs that are going to be very difficult to create if we are stuck with sanctions put on our manufacturing by the European Union. We already have 5-percent sanctions. It is going to go up 1 percent a month until it gets to 17 percent. Between now and the election, that is going to add up to at least 12-percent sanctions.

I hope both sides of the aisle will agree that it is already very difficult for U.S. manufacturing to compete in the global economy. A 17-percent penalty after 1 year is just like a 17-percent sales tax. That is going to make our manufacturing exports much more uncompetitive. Since everybody is concerned about creating and preserving jobs, keeping American manufacturing strong, competitive, passage of this legislation is very important.

We all have amendments we want to get adopted. We want the Senate to consider amendments, whether germane or nongermane. There is plenty of opportunity between now and adjournment of this Congress to consider these amendments. In the meantime, if we don't pass this legislation this week, we are going to have a 6-percent penalty in April, a 7-percent penalty in May. I hope we can get this legislation passed very soon so we can get rid of all those sanctions against our products.

In the meantime we have reduced the corporate tax for manufacturing in America by 3 percentage points, and that is going to make it possible for the cost of capital in America to be less expensive and make American manufacturing much more competitive and, in the process, preserve jobs and create jobs.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FITZGERALD). Without objection, it is so ordered.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that amendment No. 2686, which was previously agreed to, be considered to have been agreed to without amendment; further, I ask unanimous consent amendment No. 2687, which was also previously agreed to, be considered as having been agreed to as a first-degree amendment, amended by amendment No. 2882.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTION TO RECOMMIT WITH AMENDMENT NO. 2886

Mr. MCCONNELL. Mr. President, on behalf of the majority leader, I now move to recommit the pending bill to the Committee on Finance with instructions to report back forthwith,

with the amendment that is at the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for Mr. FRIST, moves to recommit the bill, S. 1637, to the Committee on Finance with instructions to report back forthwith with an amendment No. 2886, by Mr. MCCONNELL, for Mr. FRIST.

Mr. REID. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under "Text Of Amendments.")

CLOTURE MOTION

Mr. MCCONNELL. Mr. President, I have sent the cloture motion on the motion to recommit to the desk. I ask the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the cloture motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending motion to recommit to the Committee on Finance, Calendar No. 381, S. 1637.

Bill Frist, Charles E. Grassley, Jon Kyl, Jim Bunning, Lindsey O. Graham, Mike Enzi, Trent Lott, Mitch McConnell, Craig Thomas, Orrin G. Hatch, Gordon Smith, Rick Santorum, Robert F. Bennett, John Ensign, Olympia J. Snowe, Kay Bailey Hutchison, Don Nickles.

The PRESIDING OFFICER. Without objection, the mandatory quorum call under rule XXII is waived.

MORNING BUSINESS

Mr. MCCONNELL. I ask unanimous consent the Senate now proceed to a period of morning business, with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT FROM THE PRESIDENT PURSUANT TO WAR POWERS RESOLUTION

Mr. STEVENS. Mr. President, I ask unanimous consent that the attached statement from the President of the United States be entered into the RECORD today pursuant to the War Powers Resolution and P.L. 107-243 and P.L. 102-1, as amended.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 20, 2004.

HON. TED STEVENS,
President pro tempore of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: In the interests of improving the efficiency of the reporting process and to increase the utility of reports to the Congress, consistent with the War Powers Resolution, I have decided to consolidate supplemental reports I provide to the Congress regarding the deployment of U.S. combat-equipped armed forces in a number of locations around the world. This consolidated report is part of my efforts to keep the Congress informed about such deployments and covers operations in support of the global war on terrorism (including in Afghanistan), Kosovo, Bosnia and Herzegovina, and Haiti. Operations in Iraq are a critical part of the war on terror, and it is my intention to continue to provide, consistent with the War Powers Resolution, information regarding the deployment of U.S. forces in Iraq in the reports to the Congress under Public Law 107-243 and Public Law 102-1, as amended.

THE GLOBAL WAR ON TERRORISM

Since September 24, 2001, I have reported, consistent with Public Law 107-40 and the War Powers Resolution, on the combat operations in Afghanistan against al-Qaida terrorists and their Taliban supporters, which began on October 7, 2001, and the deployment of various combat-equipped and combat-support forces to a number of locations in the Central, Pacific, and Southern Command areas of operation in support of those operations and of other operations in our global war on terrorism.

United States efforts in the campaign in Afghanistan continue to meet with success, but as I have stated in my previous reports, the U.S. war on terror will be lengthy. United States Armed Forces, with the assistance of numerous coalition partners, continue to conduct the U.S. campaign to eliminate the primary source of support to the terrorists who viciously attacked our Nation on September 11, 2001. These operations have been successful in seriously degrading al-Qaida's training capability and virtually eliminating the Taliban's ability to brutalize the Afghan people and to harbor and support terrorists. Pockets of Al-Qaida and Taliban forces, however, remain a threat to U.S. and Coalition forces and to the Afghan government and Afghan people. United States, Coalition, and Afghan forces are actively pursuing and engaging remnant Taliban and al-Qaida fighters.

The United States continues to detain several hundred al-Qaida and Taliban fighters who are believed to pose a continuing threat to the United States and its interests. The combat-equipped and combat-support forces deployed to Naval Base, Guantanamo Bay, Cuba, in the U.S. Southern Command area of operations since January 2002, continue to conduct secure detention operations for the approximately 610 enemy combatants at Guantanamo Bay.

In furtherance of the U.S. worldwide efforts against terrorists who pose a continuing and imminent threat to the United States, our friends and allies, and our forces abroad, the United States continues to work with friends and allies in areas around the globe. For example, combat-equipped and combat-support forces deployed to Georgia to assist in training and equipping the Georgian government's forces will be completing their task in May 2004. United States combat-equipped and combat-support forces are also located in Djibouti. The U.S. forces headquarters element in Djibouti provides command and control support as necessary for military operations against al-Qaida and other international terrorists in the Horn of Africa region, including Yemen. These forces also assist in enhancing counterterrorism capabilities in Kenya, Ethiopia, Yemen, Eritrea, and Djibouti. The United States is engaged in a continuous process of assessing options for working with other nations to assist them in this respect.

Additionally, the United States continues to conduct maritime interception operations on the high seas in the U.S. Central, European, and Pacific Command areas of responsibility. These maritime operations have recently expanded into the U.S. Southern and Northern Command areas of responsibility to stop the movement, arming, or financing of international terrorists.

It is not possible to know at this time either the duration of combat operations or the scope and duration of the deployment of U.S. Armed Forces necessary to counter the terrorist threat to the United States. I will direct additional measures as necessary in the exercise of the U.S. right to self-defense and to protect U.S. citizens and interests. Such measures may include short-notice deployments of special operations and other forces for sensitive operations in various locations throughout the world.

NATO-LED KOSOVO FORCE (KFOR)

As noted in previous reports regarding U.S. contributions in support of peacekeeping efforts in Kosovo, most recently on November 14, 2003, the U.N. Security Council authorized member states to establish KFOR in U.N. Security Council Resolution 1244 of June 10, 1999. The mission of KFOR is to provide an international security presence in order to deter renewed hostilities; verify, and, if necessary, enforce the terms of the Military Technical Agreement between NATO and the Federal Republic of Yugoslavia (which is now Serbia and Montenegro); enforce the terms of the Undertaking on Demilitarization and Transformation of the former Kosovo Liberation Army; provide day-to-day operational direction to the Kosovo Protection Corps; and maintain a safe and secure environment to facilitate the work of the U.N. Interim Administration Mission in Kosovo (UNMIK).

Currently, there are 18 NATO nations contributing to KFOR in addition to the 18 non-NATO nations that provide forces. The U.S. contribution to KFOR in Kosovo is about 1,900 U.S. military personnel, or approximately 17,500 personnel. Additionally, U.S. military personnel occasionally operate from Macedonia, Albania, and Greece in support of KFOR operations. Eighteen non-NATO contributing countries also participate with NATO forces in providing military personnel and other support personnel to KFOR.

The U.S. forces have been assigned to a sector principally centered around Gnjilane in the eastern region of Kosovo. For U.S. KFOR forces, as for KFOR generally, maintaining a safe and secure environment remains the primary military task. The KFOR operates under NATO command and control and rules of engagement. The KFOR coordinates with and supports UNMIK at most levels, provides a security presence in towns, villages, and the countryside, and organizes checkpoints and patrols in key areas to provide security, protect minorities, resolve disputes, and help instill in the community a feeling of confidence. By the end of 2003, UNMIK had transferred all non-reserved competencies under the Constitutional

Framework document to the Kosovar Provisional Institutions of Self-Government (PISG). The PISG includes the President, Prime Minister, and Kosovo Assembly, and has been in place since March 2002.

NATO continues formally to review KFOR's mission at 6-month intervals. These reviews provide a basis for assessing current force levels, future requirements, force structure, force reductions, and the eventual withdrawal for KFOR. NATO has adopted the Joint Operations Area plan to regionalize and rationalize its force structure in the Balkans. The KFOR has transferred full responsibility for public safety and policing to the UNMIK international and local police forces throughout Kosovo except in the area of Mitrovica, where the responsibility is shared due to security concerns. The UNMIK international police and local police forces have also begun to assume responsibility for guarding patrimonial sites and established border-crossing checkpoints.

NATO-LED STABILIZATION FORCE IN BOSNIA AND HERZEGOVINA (SFOR)

As noted in previous reports regarding U.S. contributions in support of peacekeeping efforts in the former Yugoslavia, most recently on January 22, 2004, the U.N. Security Council authorized member states to continue SFOR for a period of 12 months in U.N. Security Council Resolution 1491 of July 11, 2003. The mission of SFOR is to provide a focused military presence in order to deter hostilities, stabilize and consolidate the peace in Bosnia and Herzegovina, contribute to a secure environment, and perform key supporting tasks including support to the international civil presence in Bosnia and Herzegovina.

The U.S. force contribution to SFOR in Bosnia and Herzegovina is about 1,100 personnel. United States personnel comprise approximately 9 percent of the approximately 12,000 personnel assigned to SFOR. NATO has agreed to reduce the size of the force to 7,000 personnel by June 2004. United States participation is expected to be reduced proportionately. Currently, 16 NATO nations and 11 others provide military personnel or other support to SFOR. Most U.S. forces in Bosnia and Herzegovina are assigned to Multinational Brigade, North, headquartered near the city of Tuzla. The U.S. forces continue to support SFOR efforts to apprehend persons indicted for war crimes and to conduct counterterrorism operations.

MULTINATIONAL INTERIM FORCE IN HAITI

As I reported on February 25 and March 2, 2004, the United States deployed combat-equipped and combat-support personnel to Haiti in order to secure key facilities, facilitate the continued repatriation of Haitian migrants, help create conditions in the capital for the anticipated arrival of the Multinational Interim Force authorized by U.N. Security Council Resolution 1529, and for other purposes consistent with Resolution 1529. Additional U.S. forces have since been deployed to Haiti, bringing the total of U.S. combat-equipped and combat-support forces in Haiti to approximately 1,800. It is possible that additional U.S. forces will be deployed to Haiti in the future; however, it is anticipated that U.S. forces will redeploy when the Multinational Interim Force has transitioned to a follow-on United Nations Stabilization Force.

I have directed the participation of U.S. Armed Forces in all of these operations pursuant to my constitutional authority to conduct U.S. foreign relations and as Commander in Chief and Chief Executive. Officials of my Administration and I communicate regularly with the leadership and other members of Congress with regard to these deployments, and we will continue to do so.

Sincerely,

GEORGE W. BUSH.

GOVERNOR JOHN CARL WEST

Mr. HOLLINGS. Mr. President, yesterday South Carolina lost a valuable public servant and I lost a very dear friend. Some 66 years ago John Carl West and I came to the Citadel as freshmen. The attention of the freshmen in those days was responding to the howling orders of the upperclassmen. But it wasn't long before John came to my attention. We both had COL Carl Coleman in political science and Colonel Coleman loved those Time magazine articles on public events. He would spring them on the class with a test. I would barley know half of the answers, but John Carl would get 100 every time. I felt I ought to pay closer attention to the smartest in a class of 525. In those days, at different heights, we were in different companies and different barracks, but we got thrown together on the Roundtable in the International Relations Club. I learned quickly that John was not only the academician but long on common sense.

Along with the other members of our class, John and I both left for the war shortly after graduation, but we ended up in the same class at the University of South Carolina Law School after the war. I got home the day after Thanksgiving in 1945 and Dean Friersen allowed that I could audit the classes and take the exams in January and if I passed them then I could be considered a law school student. Many in the class furnished me their notes, most notably John West. By January the 17th I was through the first semester and by May already through the first year. John and I and others marched on the legislature so that we veterans could continue in the summer and by August the following year I was through a 3-year course in less than 2 years. But I couldn't keep up with John. He was in a bigger rush, passing the bar exam before graduation, teaching at the university and forming a law partnership.

I used to kid him that I was catching up when in one election he was running for the State Senate and I was running for Lieutenant Governor. I carried Kershaw County by 1,200 votes and he became the Kershaw County Senator by three. John was more or less my lawyer when I was Governor. As a young Governor I needed help. My strong suit was that I knew the general assembly intimately, having been the presiding officer in both houses, so I had a three-man committee in the house with Floyd Spence, Rex Carter and Bob McNair, and a three-man committee on the senate side with Billy Goldberg, Marshall Parker and John West. West was astute and could immediately point the conflicts in a different way to get things done. This house-senate group would, off the record, vet all of my initiatives. Working together, most all of them got done and not a single veto was overridden in that 4-year period.

When West ran for Governor, South Carolina faced its toughest and most heated political choice. The school discrimination decision had hit with full force and so had racial politics. The school busses were being overturned. I had already been elected twice to the U.S. Senate and so I could give my schoolhood friend some help. South Carolina was lucky that John West became the Governor. He didn't mind using his political capital to get things done. John moved immediately to set a course for racial harmony in South Carolina with the appointment of James Clyburn as the head of the Human Relations Committee. The Clyburn decisions on the most sensitive situations had the full force and support of Governor West. A new day and a new direction for the State was set. The same was true with labor. A flood of industry had commenced by 1971 and the resistance of national labor was hitting the work force and communities of the State. Again, Governor West responded with the appointment of Ed McGowan, backing him up 100 percent. In the field of mental health, Governor West again set the tone and direction of mental illness treatment in South Carolina. Working with his brilliant wife, Lois, the cottage system in mental health clinics was launched, which today still makes South Carolina a forerunner in mental illness treatment.

But I guess it was John's appointment as Ambassador to Saudi Arabia that brought out the unique combination of personality and brilliance. I know the Arabs I—invaded Algeria and Tunisia in World War II and the tribal way of life was next to impossible. To form national policy and protect the United States interests with one of these countries isn't easy. The Kingdom felt that not only was John West close to President Carter, but he was almost family. He handled the knottiest problems with the greatest of ease. I used to kid him on several occasions, as he handled difficult problems, that that was the Arab blood in him.

At the end of all these important political offices John didn't retire. He maintained a vital interest in everything affecting the State of South Carolina. Like me, many would continue to call on him to see what John thought about a situation and he readily gave of his time and leadership. He had instituted a Chair in International Studies at the Citadel, continued to instruct political science at the University of South Carolina and on national problems was always conversant and wise. Many at home didn't realize the events of Washington, but John was my best read friend as well as my best friend. The truth is, he is the best friend that South Carolina ever had.

HONORING OUR ARMED FORCES

CLINT D. FERRIN, U.S. ARMY

Mr. HATCH. Mr. President, some ask what is the hardest duty that a Senator faces. This is that task. Today, I rise with heavy heart to pay tribute to another son of Utah who has made the ultimate sacrifice so that others may be free. This patriot's name was SSG Clint Ferrin, he was a member of the elite, the 82nd Airborne Division. To all that knew him he exceeded, in every way, his division's motto: He was truly an "All American."

We, the citizens of the State of Utah, had the privilege of knowing Sergeant Ferrin as he grew up in Garland and Ogden. His commitment to service started at a young age when he became an Eagle Scout. That commitment to service, to helping others and truly making a difference was reflected in his choice to become a solider. But he was not just a soldier, he was a paratrooper, knowing full well that when a challenge faced our Nation he would be one of the first to be called. This was reflected in where he served: Afghanistan, Kosovo, Bosnia, Africa, and finally Iraq.

These will be trying times for his wife, his son, age 7, and his daughter, age 3. But they should know this: though we can do little to alleviate your loss, we will always honor Sergeant Ferrin, he was a true "All-American" and a hero when his Nation needed them most.

And so, another name has been added to Utah's List of Honor: SSG Clint D. Ferrin of the Army's 82 Airborne Division. His name and the service he performed is something that I shall never forget. I shall always honor him and his family.

RICHARD BRIAN WILSON

Mr. LOTT. Mr. President, I rise today to pay tribute to a departing staff member who has worked with me in my Washington office for the last 5 years. Richard Brian Wilson, who has served as my legislative assistant, is departing my staff this week to return home to Mississippi. I wanted to take this opportunity to thank him for his dedicated serve and to wish him the very best as he pursues new career opportunities.

Those who know Brian know of his keen interest in State and local politics. A native of Macon, MS, he has been involved in politics since high school. In fact, his fellow staff members have jokingly referred to him as a "walking encyclopedia of Mississippi politics." I have no doubt this expertise will serve him well as he returns home to Mississippi.

Brian graduated from the University of Mississippi in 1998 with a Bachelor of Arts degree in Political Science and History. Throughout his tenure at Ole Miss he was involved in numerous extracurricular activities where his leadership abilities became apparent. For instance, he served as Vice President of Pi Kappa Alpha fraternity, Student Body Vice President, and Student Body Senator. In recognition of his contributions to the university, I understand Brian was once named Student Body Senator of the Year. He also spent a great deal of time during his college years volunteering on political campaigns throughout the State.

During the fall of 1998, Brian served as an intern in the district office of Congressman Chip Pickering. Immediately following his internship, in January 1999, Brian came to work for me in my Washington office. Throughout his service on my staff, Brian has grown in his ability to help me service my constituents and address a wide variety of needs and issues for Mississippians. He has handled issues ranging from appropriations to homeland defense, as well as environment and public works, agriculture, natural resources and interior, small business, rural development, and Indian affairs. Through his work on appropriations bills, such as Energy and Water Development, Agriculture, Interior, and VA-HUD, Brian has helped me steer millions of dollars in Federal funding to large and small communities all across Mississippi. In the process, we have improved infrastructure, created hope and opportunity in communities where none existed before, and provided a better quality of life for Mississippians throughout the State.

For example, Brian has helped me secure Federal funds to improve water and wastewater systems in areas of Mississippi, such as DeSoto County, Jackson County, Fayette County, the city of Gulfport, Hancock County, and Madison County. He has worked to improve the infrastructure at our State's ports including the Port of Pascagoula and the State port at Gulfport. He was instrumental in helping me secure the initial funding for an environmental infrastructure pilot program in Mississippi which has since helped fund numerous environmental infrastructure projects around the State. Brian also worked to help me secure the final funding necessary to complete construction of a new Federal courthouse in Gulfport. Of course, one of the things of which I know he is most proud is our work to help his hometown, the city of Macon. Through expansion of their water and sewer systems and a new multi-purpose facility to be constructed, we have begun to bring hope to this poverty-stricken area of our State.

Brian is truly one of those unique individuals who has a thirst for knowledge about the issue areas he is assigned. He has spend countless hours over the past 5 years reading news articles, books, papers, academic journals, and industry publications to keep himself apprised of the latest events, issues and concerns relative to his assigned issues. In fact, I would venture to guess that he knows as much as just about anyone with regard to the many historic properties and places in Mississippi that he has worked hard to help me protect and provide resources for. Properties such as the Battle of Corinth Interpretive Center in northeast Mississippi, L.Q.C. Lamar's home in Oxford, and General Pemberton's headquarters at Vicksburg are just as few of those.

Although Brian is leaving Washington, I have no doubt the knowledge he has gained through his work here will serve him well in his new capacity as Special Assistant to the Executive Director of the Mississippi Department of Marine Resources. In this position, Brian will serve as liaison for the Department with the Federal and State legislatures, as well as local governments throughout Mississippi and particularly along our Gulf Coast.

While we all certainly will miss Brian, I know he is looking forward to returning to our home State and particularly to the warm climate of the Mississippi Gulf Coast. And although fresh seafood, the warm gulf climate, and unlimited fishing opportunities certainly justify Brian's move home, I know this move was compelled by his desire to be closer to family and friends, particularly his younger sister in whom he has expressed enormous pride throughout his stay in Washington.

I wish to thank Brian for 5 years of dedicated service to me and to the people of Mississippi. I wish him the absolute best in this transition and in all of his future endeavors.

ADDITIONAL STATEMENTS

LOCAL LAW ENFORCEMENT ACT OF 2003

• Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

On April, 2000, in Keene, NH, a 19-year-old was sentenced to 3 years of probation for carving antigay epithets into a student's back the preceding year.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.●

DR. NORMAN BORLAUG

● Mr. BOND. Mr. President, it is my distinct privilege to rise today to pay special tribute to the one of the world's foremost physiologists, Dr. Norman Borlaug. Dr. Borlaug is widely credited as the father of the 1960s Green Revolution, a movement that has continued to cure hundreds of millions of people around the globe from starvation. It is very likely that Dr. Borlaug is directly responsible for saving more lives than anyone else in the twentieth century.

Born in Cresco, IA on March 25, 1914, Dr. Borlaug was raised on livestock farm before attending the University of Minnesota as a biology student and a member of the University's wrestling team. After graduation, in addition to being inducted to the University's Hall of Fame for his wrestling record, Dr. Borlaug carefully balanced teaching while successfully working on the development of several new strains of disease-resistant wheat. The new strand of wheat went on to be widely utilized in Mexico, Pakistan, and India and led to dramatic increases in food production, in turn earning Dr. Borlaug the Nobel Peace Prize in 1970. The Dallas Morning News attests his lifelong dedication to physiology to growing up among the food shortages of the Great Depression: “The sight of farm failures, sheriff's sales and hungry children would stay with him and influence his choices for the rest of his life.” Dr. Borlaug added in his own words, “I saw all that unfold. And I think that had something to do with how things turned out.”

Dr. Borlaug has certainly earned the right to slow down after his many years of hard work, but he continues, even at age 90, to a be a leader in the development and implementation of new technologies, in effect, ensuring the world's most needy adequate food supplies. He often travels to Asia and Africa, Europe and Latin America to help the public understand the value and potential of new biotechnology, while respecting and preserving the environment. In addition to his efforts globally, Dr. Borlaug is helping farmers make a living by leading the fight against wealthy and well-fed anti-technology protectionists in Europe.

Some would rest after a Nobel Peace Prize and many others would certainly take the opportunity to reward themselves and their family—deservedly—by answering lucrative offers from the private sector. In a world where 800 million children are hungry and even more live on less than one dollar a day, Dr. Borlaug has never stopped fighting, teaching, inventing, or caring. It is clear that Dr. Borlaug is inspired by the rewards his efforts yield for others.

Missouri's renowned plant scientist, George Washington Carver words are appropriate when used to describe Dr. Borlaug: “No individual has any right to come into the world and go out of it without leaving behind him distinct and legitimate reasons for having passed through it.” So very few of a talented world, billions strong, have met this test to the extent that Dr. Borlaug has. He has selflessly and tirelessly developed his gifts from God on behalf of millions and billions of desperate people he does not know, and who will never know whom to thank.

I also thank Mrs. Borlaug and the rest of the Borlaug family, on the behalf of the people of the State of Missouri, America, and throughout the world, for sharing Norman's attention for all these years.

Dr. Borlaug will soon gain status as the world's youngest 90 year old. I speak for all in thanking him for his lifelong dedication to agriculture and I sincerely wish him a happy birthday. The world owes Dr. Borlaug endless amounts of gratitude and we will look forward to celebrating his achievements again on his 100th birthday.●

NATIONAL AGRICULTURE WEEK

● Mr. JOHNSON. Mr. President, in my home State of South Dakota and across America, hardworking men and women tirelessly contribute to the production of our Nation's food supply. These men and women consistently preserve the safety and wholesomeness of the commodities they produce, ensuring America's food security and contributing substantially to our overall well-being. During National Agriculture Week, I would like to take this opportunity to thank and celebrate our Nation's farmers for producing plentiful and healthful harvests, and in the face of so many challenges.

While agriculture can be a very rewarding endeavor, a farmer experiences myriad challenges outside of their control which affect their bottom line. Regardless of commodity or region, today's family farmer is affected by weather conditions, market concentration, fluctuating prices, uncertain foreign markets, and an ever-changing landscape in the agricultural industry. Family farms in my home State of South Dakota, and across America, not only labor to produce our Nation's food supply, but also to preserve our rural heritage. Agriculture is an economic engine that runs our rural communities, and it is an essential component of a stable and productive America.

Despite these challenges, I am hopeful for our Nation's producers and believe that several factors, including our farmers' own persistence and dedication, will contribute to their future successes in the industry. While we continue to struggle with budgetary constraints, I do believe that we will be successful in ensuring that money is allocated for small and medium-sized producers. We must make certain that our Nation's family farms, which comprise the majority of producers, have sufficient access to agriculture funds. The adoption of an amendment to this year's Budget Resolution, which I supported, would alter payment limitations and cap excessive compensation to large farms. This money would instead be channeled toward worthwhile and essential conservation and development programs, which are beneficial to producers in South Dakota and across the Nation.

I also believe that fair trade is necessary to ensure our farmers get a fair deal and a fair price for their product. Too often, the market price a farmer receives for his or her product doesn't reflect the financial and personal investment that a producer makes during the growing season and throughout the year. I am confident that new opportunities, like the recently announced trade with China involving quality South Dakota wheat, will open new doors and foster additional opportunities. I also believe that increasing awareness of the negative impacts of some trade agreements, including the Free Trade Agreement with Australia, will aid us in developing a firm base to oppose such measures and encourage more productive trading possibilities.

Lastly, I am confident that Country of Origin Labeling, COOL, will greatly benefit our agriculture economy, in addition to increasing consumer confidence and choice. While opponents of the COOL labeling provision were successful in delaying implementation of the law for 2 years, American consumers and producers remain incredibly supportive of mandatory labeling. Every consumer public opinion survey confirms that consumers would pay a modestly higher price for beef if they were certain it was American beef. I contacted the United States Department of Agriculture, USDA, in December, requesting clarification of the department's interpretation of the language delaying implementation of COOL. While I strongly oppose this delay, I also believe the department needs to clarify the rulemaking process. The USDA's response to my inquiries was vague and unclear, which I find unsatisfactory. I intend to seek clarification of the rule pertaining to the delay while also actively working on opportunities to speed up implementation of this law. Along with my colleague Senator TOM DASCHLE, I am pleased to have worked so extensively on this initiative, and I am confident in the future of this quality provision.

America's farmers produce quality products, which are recognized the world-over. It is essential that we function as a united team to promote these products in today's ever-changing agricultural environment, and ensure that family farmers in South Dakota and across the nation are recognized and adequately compensated for their substantial contributions.●

RECOGNIZING EMILY NEUMEIER AND CHRISTINE BANKS

● Mr. NELSON of Florida. Mr. President, I would like to take a moment to congratulate two exceptional high school students from my home State of Florida. Just this March, Emily Neumeier of Tampa and Christine Banks of St. Petersburg were selected from a competitive pool of 800 participants as winners in a nationwide "If I Were President Competition . . ." These two young scholars were among 50 award-winners who each received a $1,000 scholarship from the contest sponsor Freedom's Answer—a student-run, nonpartisan and nonprofit organization that increases civic participation among youth. I would like to commend the contest organizers, entry evaluators, participants and winners for involving youth in politics and contributing to the well-being of American democracy. Again, I would like to recognize Emily and Christine for a job well done and wish them all the best in the future. Maybe one of them will even be President one day.●

HONORING DONNA PETERSON AND SALLY STOLL

● Mr. JOHNSON. Mr. President, I rise here today to publicly honor and recognize Donna Peterson and Sally Stoll for receiving the 2003 Presidential Award for excellence in Mathematics and Science teaching, the Nation's highest commendation for work in the classroom. Donna Peterson won the math award for sharing her innovative teaching approaches with the students at Belle Fourche High School. Sally Stoll won the science award for her knowledge and passion on the subject and the ability to inspire her student's at Vermillion High School.

The National Science Foundation, NSF, administers the awards program for the White House. NSF is an independent Federal agency that supports research and education across all fields of science. Since 1983, the White House and NSF have sought nominations of exemplary math and science teachers from every State. In addition to honoring their achievement, the goal of the awards is to expand the definition of excellent science and mathematics teaching exemplified by Donna Peterson and Sally Stoll.

These two teachers have provided us with excellent examples of quality teaching. They have a passion for their subjects and dedication to their students. They know how to bring out the very best in every student, in every kind of school. The national award-winning teachers overwhelmingly agree that students frequently respond best to lessons that relate to recognizable phenomena from their own lives, or that allow for hands-on learning. They have observed that an engaging teaching style prompts students to pose their own questions, test their own theories, and arrive at their own solutions, with the teacher serving as a facilitator and guide.

Research indicates that nothing is so important in raising student achievement as a good teacher; not top notch equipment, not Internet access, not family income level. Those things are helpful, we know, but it's the teachers themselves that are the "make or break" link between students and educational success.

United States student performance in mathematics and science has been lagging, and many schools are experiencing shortages of math and science teachers. Donna and Sally are constantly searching for meaningful ways to spark the learning process. In doing so, they will have continued to inspire their students in such a way that it will have enriched them for the rest of their lives. If you are lucky, you'll have a chance to experience at least one such teacher in your lifetime.

I congratulate Donna Peterson and Sally Stoll on this tremendous honor. Their dedication to the teaching field in South Dakota serves as a model for all educators to emulate. It is with great honor that I share their impressive accomplishments with my colleagues.●

25TH ANNIVERSARY OF CENTER FOR FIRESAFETY STUDIES

● Mr. KENNEDY. Mr. President, I welcome this opportunity to pay tribute to the Center for Firesafety Studies at Worcester Polytechnic Institute in Massachusetts as it celebrates its 25th Anniversary.

Worcester Polytechnic Institute was founded in 1865 to support the new industrial economy that was developing in Central Massachusetts in the 19th century. Its founders believed in merging theory and practice as part of the ongoing effort to deal with changing needs of our society. Over the years, the university has earned international respect for its innovations in engineering education and its responsiveness to a changing world.

In the 1960s, fire safety in America was a priority in Congress. The Fire Research and Safety Act in 1968 called for a national study of the issue, which resulted in the landmark report known as America Burning. Among its findings, America Burning emphasized that, "Appallingly, the richest and most technologically advanced nation in the world leads all the major industrialized countries in per capita deaths and property loss from fire."

In response to this wake-up call, Congress passed the Fire Prevention and Control Act of 1974, which created the United States Fire Administration and its National Fire Academy. David A. Lucht of Ohio was appointed by President Ford to lead the new agency in 1975.

True to its tradition, Worcester Polytechnic Institute took the issue on, with Professor Robert W. Fitzgerald as the guiding intellect and catalyst. In 1979, WPI created the Center for Firesafety Studies as the first graduate degree program in fire protection engineering in the Nation. In the past quarter century with Professor Lucht as Director, the WPI fire safety program has become an international leader in fire protection engineering education, with graduates from 30 countries. Through its outstanding faculty, students and alumni, WPI has had an important role in making the world safer from fire.

I commend WPI on this impressive 25th Anniversary of the Center for Firesafety Studies and its graduate degree program in fire protection engineering. We are proud of them in Massachusetts, and the Nation is grateful for the difference they have made in fire safety for us all.●

25TH ANNIVERSARY OF C-SPAN

● Mr. LUGAR. Mr. President, I rise today to commemorate a signal anniversary that passed on Friday, March 19, 2004, the 25th anniversary of the Cable-Satellite Public Affairs Network, C-SPAN.

Founded in 1979, C-SPAN has rapidly grown from its humble beginnings televising the proceedings on the floor of the House of Representatives to a series of networks reaching millions of viewers daily. This service, which functions without any financial support of the Federal Government, provides our constituents with invaluable access to the day-to-day proceedings of both bodies of Congress, as well as other important mechanisms of our government. As a direct result, it is now easier than ever for our constituents to keep abreast of our deliberations and contribute well to the debates at hand.

I am also pleased to point out that these tremendous networks were founded by a fellow Hoosier, Brian Lamb. Through his work experiences on Capitol Hill, Brian realized the importance of bringing the business of the Federal Government into the homes of Americans nationwide and his indefatigable enthusiasm made this possible. In addition, he has shown great commitment to our home State of Indiana. Brian has also maintained strong ties with his alma mater, Purdue University, in West Lafayette, IN, where he established the C-SPAN archives. Over

80,000 hours of C–SPAN programming are immediately accessible through this database.

I am pleased to bring this important anniversary to the attention of my colleagues. I am thankful to C–SPAN for their efforts to spread the availability of our government, and I look forward to the continuing relationship, now in its 25th year, between C–SPAN and the U.S. Congress.●

CONGRATULATING PATRICIA SIMMONS

● Ms. MIKULSKI. Mr. President, I rise to honor Mrs. Patricia Simmons for her 34 years of dedicated service as head librarian at the National Naval Medical Center, and to congratulate her for earning the Meritorious Civilian Service Award. Mrs. Simmons is a lifelong civil servant. She has touched the lives of many in the military service with her love of literature and her commitment to service.

I ask that an article from the Journal, a publication of the Medical Center, be printed in the RECORD.

The article follows.

[From the Journal, Oct. 30, 2003]

END OF A CHAPTER

(By Ellen Maurer)

Patricia Simmons, head librarian at the National Naval Medical Center (NNMC), stamped her last book this month.

Retiring after 34 years of service at the hospital's general library, Simmons was honored in a ceremony Oct. 15 for not only her long-term commitment to the command, its staff and patients, but also for her love of literature.

"She loves that library and every book that makes it up," says Cat DeBinder, an NNMC staff member who has known Simmons for more than 25 years.

RADM Donald Arthur, MC, Commander, NNMC, presented Simmons with the Meritorious Civilian Service Award during her retirement ceremony. The award citation detailed Simmons' significant contributions, which included an improved web cataloging data-base system and an internet cafe. Ironically, though, those who knew Simmons best said she wasn't really dependent on new technology.

"Pat never needed a computer . . . her unflappable data base was between her ears and it never crashed," says DeBinder. "She carried out her responsibilities with great love and true passion. She could tell you exactly where any book was; lead you correctly, without hesitation, to any subject and was a wizard with those little three-by-five index cards."

DeBinder admits, however, that Simmons' familiarity with the books she "guarded" for more than three decades did have its disadvantages—if only to those library patrons, like DeBinder herself, who occasionally missed their "due back" date.

"Once, I had to fess up to the unspeakable. I lost a book. It was an old paperback, printed in the late sixties or early seventies. I think the original price was 40 cents. The pages were yellowish-orange with age. The title was "No Bad Dogs." Pat had a very difficult time accepting the fact that I lost one of her books. I begged for mercy, forgiveness and I offered money. She said, 'Just keep trying to find the book.'"

Whimsically, DeBinder adds, "Pat . . . I'm still looking."●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE DURING ADJOURNMENT

ENROLLED BILLS SIGNED

Under authority of the order of the Senate of January 7, 2003, the Secretary of the Senate, on March 17, 2004, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

S. 1881. An act to amend the Federal Food, Drug, and Cosmetic Act to make technical corrections relating to the amendments by the Medical Device User Fee and Modernization Act of 2002, and for other purposes.

H.R. 3724. An act to amend section 220 of the National Housing Act to make a technical correction to restore allowable increases in the maximum mortgage limits for FHA-insured mortgages for multifamily housing projects to cover increased costs of installing a solar energy system or residential energy conservation measures.

Under the authority of the order of January 7, 2003, the enrolled bills were signed by the President pro tempore (Mr. STEVENS) on today, March 22, 2004.

MESSAGE FROM THE HOUSE

At 12:15 pm., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 1375. An act to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes.

H.R. 3733. An act to designate the facility of the United States Postal Service located at 410 Huston Street in Altamont, Kansas, as the "Myron V. George Post Office".

H.R. 3782. An act to amend the State Department Basic Authorities Act of 1956 to increase the maximum amount of an award available under the Department of State rewards program, to expand the eligibility criteria to receive an award, to authorize nonmonetary awards, to publicize the existence of the rewards program, and for other purposes.

H.J. Res. 87. Joint resolution honoring the life and legacy of President Franklin Delano Roosevelt and recognizing his contributions on the anniversary of the date of his birth.

The message also announced that the House has agreed to the following concurrent resolutions, without amendment:

S. Con. Res. 93. Concurrent resolution authorizing the use of the rotunda of the Capitol by the Joint Congressional Committee on Inaugural Ceremonies.

S. Con. Res. 94. Concurrent resolution establishing the Joint Congressional Committee on Inaugural Ceremonies.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 364. Concurrent resolution to recognize more than 5 decades of strategic partnership between the United States and the people of the Marshall Islands in the pursuit of international peace and security, and for other purposes.

The message also announced that pursuant to 10 U.S.C. 9355(a), and the order of the House of December 8, 2003, the Speaker appoints the following Member of the House of Representatives to the Board of Visitors to the United States Air Force Academy to fill the existing vacancy thereon: Mr. GRANGER of Texas.

The message further announced that pursuant to Senate Concurrent Resolution 94, 108th Congress, and the order of the House of December 8, 2003, the Speaker appoints the following Members of the House of Representatives to the Joint Congressional Committee on Inaugural Ceremonies: Mr. HASTERT of Illinois, Mr. DELAY of Texas, and Ms. PELOSI of California.

The message also announced that pursuant to clause 5(a)(4)(A) of rule X, and the order of the House of December 8, 2003, the Speaker names the following Members of the House of Representatives to be available to serve on Investigative Subcommittees of the Committee on Standards of Official Conduct for the 108th Congress: Mr. DOOLITTLE of California, Mr. SAM JOHNSON of Texas, Mr. LINCOLN DIAZ-BALART of Florida, Mr. ENGLISH of Pennsylvania, Mr. SHADEGG of Arizona, Mr. BRADY of Texas, Mr. SIMPSON of Idaho, Mr. TERRY of Nebraska, Mr. KIRK of Illinois, and Mr. REHBERG of Montana.

The message further announced that pursuant to clause 5(a)(4)(A) of rule X of the Rules of the House of Representatives the Minority Leader designates the following Members to be available for service on an Investigative Subcommittee of the Committee on Standards of Official Conduct: Mr. BECERRA of California, Mr. COOPER of Tennessee, Mr. DELAHUNT of Massachusetts, Mrs. MCCARTHY of New York, Mr. MCINTYRE of North Carolina, Mr. MCNULTY of

New York, Mr. SCHIFF of California, Mr. SCOTT of Virginia, Mr. STUPAK, of Michigan, and Ms. TAUSCHER of California.

MEASURES REFERRED

The following bills and joint resolution were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 1375. An act to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 3733. An act to designate the facility of the United States Postal Service located at 410 Houston Street in Altamont, Kansas, as the "Myron V. George Post Office"; to the Committee on Governmental Affairs.

H.R. 3782. An act to amend the State Department Basic Authorities Act of 1956 to increase the maximum amount of an award available under the Department of State rewards program, to expand the eligibility criteria to receive an award, to authorize nonmonetary awards, to publicize the existence of the rewards program, and for other purposes; to the Committee on Foreign Relations.

H.J. Res. 87. Joint resolution honoring the life and legacy of President Franklin Delano Roosevelt and recognizing his contributions on the anniversary of the date of his birth; to the Committee on the Judiciary.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 364. Concurrent resolution to recognize more than 5 decades of strategic partnership between the United States and the people of the Marshall Islands in the pursuit of international peace and security, and for other purposes; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 2207. A bill to improve women's access to health care services, and the access of all individuals to emergency and trauma care services, by reducing the excessive burden the liability system places on the delivery of such services.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 22, 2004, she had presented to the President of the United States the following enrolled bill:

S. 1881. An act to amend the Federal Food, Drug, and Cosmetic Act to make technical corrections relating to the amendments by the Medical Device User Fee and Modernization Act of 2002, and for other purposes.

REPORTS OF COMMITTEES

Under the authority of the order of the Senate of March 12, 2004, the following reports of committees were submitted on March 18, 2004:

By Mr. GREGG, from the Committee on Health, Education, Labor, and Pensions:

Report to accompany S. 1172, A bill to establish grants to provide health services for improved nutrition, increased physical activity, obesity prevention, and for other purposes (Rept. No. 108–245).

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment.

S. 2096. A bill to promote a free press and open media through the National Endowment for Democracy and for other purposes (Rept. No. 108–246).

S. 2127. A bill to build opertional readiness in civilian agencies, and for other purposes (Rept. No. 108–247).

By Mr. LUGAR, from the Committee on Foreign Relations, with amendments.

S. 2144. A bill to authorize appropriations for the Department of State and international broadcasting activities for fiscal year 2005, for the Peace Corps for fiscal year 2005 through 2007, for foreign assistance programs for fiscal year 2005, and for other purposes (Rept. No. 108–248).

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted on March 18, 2004, under the authority of an order of the Senate of March 12, 2004:

By Mr. LUGAR, from the Committee on Foreign Relations:

[Treaty Doc. 99–10 Income Tax Convention with Sri Lanka, and; Treaty Doc. 108–9 Protocol Amending Tax Convention with Sri Lanka (Exec. Rept. No. 108–11)]

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Democratic Socialist Republic of Sri Lanka for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes and Income, signed at Colombo on March 14, 1985 (Treaty Doc. 99–10), and the Protocol amending the Convention, together with an Exchange of Notes, signed at Washington on September 20, 2002 (Treaty Doc. 108–9), subject to the understanding that the authorities to which information may be disclosed under Article 27 include appropriate congressional committees and the General Accounting Office.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. DOMENICI:

S. 2218. A bill to direct the Secretary of the Interior to establish a rural water supply program in the Reclamation States for the purpose of providing a clean, safe, affordable, and reliable water supply to rural residents and for other purposes, to authorize the Secretary to conduct appraisal and feasibility studies for rural water projects, and to establish the guidelines for any projects authorized under this program; to the Committee on Energy and Natural Resources.

By Mrs. FEINSTEIN:

S. 2219. A bill entitled "Motherhood Protection Act"; to the Committee on the Judiciary.

By Mrs. HUTCHISON:

S. 2220. A bill to amend the Internal Revenue Code of 1986 to encourage a strong community-based banking system; to the Committee on Finance.

By Mr. SMITH (for himself and Mr. WYDEN):

S. 2221. A bill to authorize the Secretary of Agriculture to sell or exchange certain National Forest System land in the State of Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS (for himself and Mr. ROCKEFELLER):

S. 2222. A bill to amend titles XIX and XXI of the Social Security Act to clarify and ensure that the authority granted to the Secretary of Health and Human Services under section 1115 of that Act is used solely to promote the objectives of the medicaid and State children's health insurance programs, and for other purposes; to the Committee on Finance.

By Mr. ALLARD (for himself, Mr. BROWNBACK, Mr. ENZI, Mr. INHOFE, Mr. MILLER, Mr. LOTT, Mr. SANTORUM, Mr. SESSIONS, and Mr. SHELBY):

S.J. Res. 30. A joint resolution proposing an amendment to the Constitution of the United States relating to marriage; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HAGEL:

S. Res. 322. A resolution designating August 16, 2004, as "National Airborne Day"; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 419

At the request of Ms. SNOWE, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 419, a bill to amend title XVIII of the Social Security Act to expand coverage of bone mass measurements under part B of the medicare program to all individuals at clinical risk of osteoporosis.

S. 489

At the request of Mr. DEWINE, the name of the Senator from New Hampshire (Mr. SUNUNU) was added as a cosponsor of S. 489, a bill to expand certain preferential trade treatment for Haiti.

S. 503

At the request of Mr. KERRY, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 503, a bill to amend the Internal Revenue Code of 1986 to allow increase the minimum tax credit where stock acquired pursuant to an incentive stock option is sold or exchanged at a loss.

S. 525

At the request of Mr. LEVIN, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 525, a bill to amend the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 to reauthorize and improve that Act.

S. 756

At the request of Mr. THOMAS, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 756, a bill to amend the Internal Revenue Code of 1986 to modify the qualified small issue bond provisions.

S. 976

At the request of Mr. WARNER, the names of the Senator from Oklahoma (Mr. INHOFE) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 976, a bill to provide for the issuance of a coin to commemorate the 400th anniversary of the Jamestown settlement.

S. 1010

At the request of Mr. HARKIN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1010, a bill to enhance and further research into paralysis and to improve rehabilitation and the quality of life for persons living with paralysis and other physical disabilities.

S. 1180

At the request of Mr. SANTORUM, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 1180, a bill to amend the Internal Revenue Code of 1986 to modify the work opportunity credit and the welfare-to-work credit.

S. 1398

At the request of Mr. DEWINE, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 1398, a bill to provide for the environmental restoration of the Great Lakes.

S. 1422

At the request of Mr. CORZINE, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1422, a bill to provide assistance to train teachers of children with autism spectrum disorders, and for other purposes.

S. 1524

At the request of Mr. SANTORUM, the name of the Senator from South Carolina (Mr. GRAHAM) was added as a cosponsor of S. 1524, a bill to amend the Internal Revenue Code of 1986 to allow a 7-year applicable recovery period for depreciation of motorsports entertainment complexes.

S. 1545

At the request of Mr. HATCH, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1545, a bill to amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 to permit States to determine State residency for higher education purposes and to authorize the cancellation of removal and adjustment of status of certain alien students who are long-term United States residents.

S. 1638

At the request of Mr. GRASSLEY, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 1638, a bill to amend title II of the Higher Education Act of 1965 to increase teacher familiarity with the educational needs of gifted and talented students, and for other purposes.

S. 1647

At the request of Mr. BUNNING, his name was withdrawn as a cosponsor of S. 1647, a bill to amend title XVIII of the Social Security Act to provide for direct access to audiologists for medicare beneficiaries, and for other purposes.

S. 1709

At the request of Mr. CRAIG, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 1709, a bill to amend the USA PATRIOT ACT to place reasonable limitations on the use of surveillance and the issuance of search warrants, and for other purposes.

S. 1756

At the request of Mr. CONRAD, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1756, a bill to amend the Internal Revenue Code of 1986 to protect the health benefits of retired miners and to restore stability and equity to the financing of the United Mine Workers of America Combined Benefit Fund by providing additional sources of revenue to the Fund, and for other purposes.

S. 1833

At the request of Mr. DASCHLE, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1833, a bill to improve the health of minority individuals.

S. 1834

At the request of Ms. STABENOW, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1834, a bill to waive time limitations in order to allow the Medal of Honor to be awarded to Gary Lee McKiddy, of Miamisburg, Ohio, for acts of valor while a helicopter crew chief and door gunner with the 1st Cavalry Division during the Vietnam War.

S. 1923

At the request of Mr. LEAHY, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 1923, a bill to reauthorize and amend the National Film Preservation Act of 1996.

S. 1934

At the request of Ms. LANDRIEU, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 1934, a bill to establish an Office of Intercountry Adoptions within the Department of State, and to reform United States laws governing intercountry adoptions.

S. 2020

At the request of Mrs. BOXER, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2020, a bill to prohibit, consistent with Roe v. Wade, the interference by the government with a woman's right to choose to bear a child or terminate a pregnancy, and for other purposes.

S. 2059

At the request of Mr. FITZGERALD, the names of the Senator from Indiana (Mr. LUGAR), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Carolina (Mr. HOLLINGS) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 2059, a bill to improve the governance and regulation of mutual funds under the securities laws, and for other purposes.

S. 2076

At the request of Mr. BAUCUS, the names of the Senator from Delaware (Mr. CARPER), the Senator from New York (Mrs. CLINTON) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 2076, a bill to amend title XI of the Social Security Act to provide direct congressional access to the office of the Chief Actuary in the Centers for Medicare & Medicaid Services.

S. 2096

At the request of Mr. LUGAR, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2096, a bill to promote a free press and open media through the National Endowment for Democracy and for other purposes.

S. 2152

At the request of Mr. MILLER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2152, a bill to amend title 10, United States Code, to provide eligibility for reduced non-regular service military retired pay before age 60, and for other purposes.

S. 2157

At the request of Mr. BAUCUS, the names of the Senator from Arkansas (Mrs. LINCOLN), the Senator from Maryland (Mr. SARBANES) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 2157, a bill to amend the Trade Act of 1974 to extend the trade adjustment assistance program to the services sector, and for other purposes.

S. 2158

At the request of Ms. COLLINS, the names of the Senator from Nebraska (Mr. NELSON) and the Senator from Alaska (Ms. MURKOWSKI) were added as cosponsors of S. 2158, a bill to amend the Public Health Service Act to increase the supply of pancreatic islet cells for research, and to provide for better coordination of Federal efforts and information on islet cell transplantation.

S. 2176

At the request of Mr. BINGAMAN, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 2176, a bill to require the Secretary of Energy to carry out a program of research and development to advance high-end computing.

S. 2179

At the request of Mr. BROWNBACK, the names of the Senator from Colorado (Mr. ALLARD), the Senator from Kentucky (Mr. BUNNING), the Senator from Colorado (Mr. CAMPBELL), the Senator from Minnesota (Mr. COLEMAN), the Senator from Maine (Ms. COLLINS), the Senator from Idaho (Mr. CRAIG), the Senator from New Mexico (Mr. DOMENICI), the Senator from Nevada (Mr. ENSIGN), the Senator from Wyoming (Mr. ENZI), the Senator from Illinois (Mr. FITZGERALD), the Senator from South Carolina (Mr. GRAHAM), the Senator from Iowa (Mr. GRASSLEY), the Senator from Nebraska (Mr. HAGEL), the Senator from Utah (Mr. HATCH), the Senator from Hawaii (Mr. INOUYE), the Senator from Arizona (Mr. MCCAIN), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Maine (Ms. SNOWE), the Senator from Alaska (Mr. STEVENS) and the Senator from Missouri (Mr. TALENT) were added as cosponsors of S. 2179, a bill to posthumously award a Congressional Gold Medal to the Reverend Oliver L. Brown.

S. 2186

At the request of Mr. LEVIN, his name was added as a cosponsor of S. 2186, a bill to temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958, through May 15, 2004, and for other purposes.

S. 2193

At the request of Mr. KERRY, his name was added as a cosponsor of S. 2193, a bill to improve small business loan programs, and for other purposes.

S. 2216

At the request of Mr. HOLLINGS, the names of the Senator from Hawaii (Mr. INOUYE), the Senator from Maryland (Ms. MIKULSKI), the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 2216, a bill to provide increased rail transportation security.

S.J. RES. 28

At the request of Mr. CAMPBELL, the names of the Senator from Florida (Mr. NELSON), the Senator from Nevada (Mr. REID), the Senator from Ohio (Mr. VOINOVICH) and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of S.J. Res. 28, a joint resolution recognizing the 60th anniversary of the Allied landing at Normandy during World War II.

S. CON. RES. 81

At the request of Mrs. FEINSTEIN, the names of the Senator from Indiana (Mr. BAYH), the Senator from Wyoming (Mr. THOMAS), the Senator from Florida (Mr. GRAHAM), the Senator from Washington (Ms. CANTWELL) and the Senator from Nevada (Mr. ENSIGN) were added as cosponsors of S. Con. Res. 81, a concurrent resolution expressing the deep concern of Congress regarding the failure of the Islamic Republic of Iran to adhere to its obligations under a safeguards agreement with the International Atomic Energy Agency and the engagement by Iran in activities that appear to be designed to develop nuclear weapons.

S. CON. RES. 88

At the request of Mr. SARBANES, the names of the Senator from New Jersey (Mr. CORZINE) and the Senator from North Dakota (Mr. DORGAN) were added as cosponsors of S. Con. Res. 88, a concurrent resolution expressing the sense of Congress that there should continue to be parity between the adjustments in the pay of members of the uniformed services and the adjustments in the pay of civilian employees of the United States.

S. CON. RES. 90

At the request of Mr. LEVIN, the names of the Senator from Nevada (Mr. REID) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. Con. Res. 90, a concurrent resolution expressing the sense of the Congress regarding negotiating, in the United States-Thailand Free Trade Agreement, access to the United States automobile industry.

S. RES. 298

At the request of Mr. CAMPBELL, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. Res. 298, a resolution designating May 2004 as "National Cystic Fibrosis Awareness Month".

S. RES. 311

At the request of Mr. BROWNBACK, the names of the Senator from Ohio (Mr. DEWINE), the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. Res. 311, a resolution calling on the Government of the Socialist Republic of Vietnam to immediately and unconditionally release Father Thadeus Nguyen Van Ly, and for other purposes.

S. RES. 317

At the request of Mr. HAGEL, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. Res. 317, a resolution recognizing the importance of increasing awareness of autism spectrum disorders, supporting programs for increased research and improved treatment of autism, and improving training and support for individuals with autism and those who care for individuals with autism.

AMENDMENT NO. 2686

At the request of Mr. BUNNING, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of amendment No. 2686 proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2687

At the request of Mr. BUNNING, his name was withdrawn as a cosponsor of amendment No. 2687 proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2698

At the request of Mrs. FEINSTEIN, the names of the Senator from Washington (Mrs. MURRAY), the Senator from Washington (Ms. CANTWELL) and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of amendment No. 2698 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2839

At the request of Mr. BINGAMAN, his name was added as a cosponsor of amendment No. 2839 proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI:

S. 2218. A bill to direct the Secretary of the Interior to establish a rural water supply program in the Reclamation States for the purpose of providing a clean, safe, affordable, and reliable water supply to rural residents and for other purposes, to authorize the Secretary to conduct appraisal and feasibility studies for rural water projects, and to establish the guidelines for any projects authorized under this program; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI. Mr. President, I am introduing the Reclamation Rural Water Supply Act of 2004 as a courtesy to the administration.

By Mrs. HUTCHISON:

S. 2220. A bill to amend the Internal Revenue Code of 1986 to encourage a strong community-based banking system; to the Committee on Finance.

Mrs. HUTCHISON. Mr. President, today I am pleased to introduce the

Community Savings and Investment Act of 2004. This will create jobs, expand economic activity, and help to revitalize distressed urban and rural communities. It will accomplish this by providing tax relief for community-focused banks and helping to generate financial opportunities in low-income areas.

As we address the challenges many of our communities face and search for ways to help those looking to improve their standard of living, we must properly leverage the tax laws to encourage economic development. Most people and communities do not want handouts. They want the chance to find solutions and make it on their own. However, to do this they need financial resources.

The lifeblood of any economic development is capital. Too often it is difficult for people, especially those in distressed areas, to access financial resources and other banking services. Providing community banking will lead to much-needed investments in communities, allowing people to purchase homes, start new businesses, and revitalize their neighborhoods.

The Community Savings and Investment Act will improve access to banking services by lowering taxes for community banks. It also provides incentives for banks to serve distressed communities by excluding any resulting income from taxation. By lowering the costs for banks to operate in communities, we can unleash powerful new forces for economic development.

This initiative will make a significant difference in the lives of thousands of families and communities across this Nation. As we seek ways to further strengthen our economy, I urge the Senate to pass this common-sense approach.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2220

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Savings and Investment Act of 2004".

SEC. 2. INCOME TAX ON QUALIFIED COMMUNITY LENDERS.

(a) IN GENERAL.—Section 11 of the Internal Revenue Code of 1986 (relating to tax imposed on corporations) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following:

"(d) QUALIFIED COMMUNITY LENDERS.—

"(1) IN GENERAL.—In the case of a qualified community lender, in lieu of the amount of tax under subsection (b), the amount of tax imposed by subsection (a) for a taxable year shall be the sum of—

"(A) 15 percent of so much of the taxable income as exceeds $250,000 but does not exceed $1,000,000, and

"(B) the highest rate of tax imposed by subsection (b) multiplied by so much of the taxable income as exceeds $1,000,000.

"(2) QUALIFIED COMMUNITY LENDER.—For purposes of paragraph (1), the term 'qualified community lender' means a bank—

"(A) which achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of such bank under the Community Reinvestment Act of 1977,

"(B) the outstanding local community loans of which at all times during the taxable year comprised not less than 60 percent of the total outstanding loans of that bank,

"(C) meets the ownership requirements of paragraph (3), and

"(D) at all times during the taxable year has total assets of not more than $1,000,000,000.

"(3) OWNERSHIP REQUIREMENTS.—

"(A) IN GENERAL.—The ownership requirements of this paragraph are met with respect to any bank if—

"(i) no shares of, or other ownership interests in, the bank are publicly traded, or

"(ii) in the case of a bank the shares of which or ownership interests in which are publicly traded, the last known address of the holders of at least ⅔ of all such shares or interests, including persons for whose benefit such shares or interests are held by another, is in the home State of the bank or a State contiguous to such home State.

"(B) HOME STATE DEFINED.—For purposes of subparagraph (A), the term 'home State' means—

"(i) with respect to a national bank or Federal savings association, the State in which the main office of the bank or savings association is located, and

"(ii) with respect to a State bank or State savings association, the State by which the bank or savings association is chartered.

"(4) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) BANK.—The term 'bank'—

"(i) has the meaning given to such term in section 581, and

"(ii) includes any bank—

"(I) in which at least 80 percent of the shares of, or other ownership interests in, the bank are owned by other qualified community lenders, and

"(II) the sole purpose of which is to serve the banking needs of such lenders.

"(B) LOCAL COMMUNITY LOAN.—The term 'local community loan' means—

"(i) any loan originated by a bank to any person, other than a related person with respect to the bank, who is a resident of a community in which the bank is chartered or in which it operates an office at which deposits are accepted, and

"(ii) any loan originated by a bank to any person, other than a related person with respect to the bank, who is engaged in a trade or business in any such community, to the extent that all or substantially all of the proceeds of such loan are expended in connection with the trade or business of such person in any such community.

"(C) RELATED PERSON.—The term 'related person' means, with respect to any bank, any affiliate of the bank, any person who is a director, officer, or principal shareholder of the bank, and any member of the immediate family of any such person.".

(b) S CORPORATION INCOME.—Section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) is amended by adding at the end the following:

"(j) COMMUNITY LENDER INCOME FROM S CORPORATION.—

"(1) IN GENERAL.—If a taxpayer has community lender income from a S corporation for any taxable year, the tax imposed by this section for such taxable year shall be the sum of—

"(A) the tax computed at the rates and in the same manner as if this subsection had not been enacted on the greater of—

"(i) taxable income reduced by community lender income, or

"(ii) the lesser of—

"(I) the amount of taxable income taxed at a rate below 25 percent, or

"(II) taxable income reduced by community lender income, and

"(B) a tax on community lender income computed at—

"(i) a rate of zero on zero-rate community lender income,

"(ii) a rate of 15 percent on 15 percent community lender income, and

"(iii) the highest rate in effect under this section with respect to the taxpayer on the excess of community lender income on which a tax is determined under clause (i) or (ii).

"(2) COMMUNITY LENDER INCOME.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The term 'qualified community lender income' means taxable income (if any) of a qualified community lender (as defined in section 11(d)(2)) that is an S corporation, determined at the entity level.

"(B) ZERO-RATE COMMUNITY LENDER INCOME.—The term 'zero-rate community lender income' means the taxpayer's pro rata share of so much of community lender income as does not exceed $250,000.

"(C) 15 PERCENT COMMUNITY LENDER INCOME.—The term '15 percent community lender income' means the taxpayer's pro rata share of so much of community lender income as exceeds $250,000 but does not exceed $1,000,000.

"(D) SPECIAL RULES.—

"(i) For purposes of this paragraph, the taxpayer's pro rata share of community lender income shall be determined under part II of subchapter S.

"(ii) This subsection shall be applied after the application of subsection (h).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 3. EXCLUSION FROM INCOME TAXATION FOR INCOME DERIVED FROM BANKING SERVICES WITHIN DISTRESSED COMMUNITIES.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by inserting after section 140A the following new section:

"SEC. 140B. BANKING SERVICES WITHIN DISTRESSED COMMUNITIES.

"(a) IN GENERAL.—At the election of the taxpayer, gross income shall not include distressed community banking income.

"(b) DISTRESSED COMMUNITY BANKING INCOME.—For purposes of subsection (a), the term 'distressed community banking income' means net income of a qualified depository institution which is derived from the active conduct of a banking business in a distressed community.

"(c) QUALIFIED DEPOSITORY INSTITUTION.—For purposes of this section, an institution is a qualified depository institution if—

"(1) such institution is an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)),

"(2) such institution is located in, or has a branch located in, a qualified distressed community, and

"(3) as of the last day of the taxable year, at least 85 percent of its loans from its location within the qualified distressed community are local community loans (as defined in section 11(d)(4)(B)).

"(d) DISTRESSED COMMUNITY.—For purposes of this section, the term 'distressed community' has the meaning given the term 'qualified distressed community' by section 233 of the Bank Enterprise Act of 1991 (12 U.S.C. 1834a(b)).".

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 140A the following:

"Sec. 140B. Banking services within distressed communities.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

By Mr. BAUCUS (for himself and Mr. ROCKEFELLER):

S. 2222. A bill to amend titles XIX and XXI of the Social Security Act to clarify and ensure that the authority granted to the Secretary of Health and Human Services under section 1115 of that Act is used solely to promote the objectives of the medicaid and State children's health insurance programs, and for other purposes; to the Committee on Finance.

Mr. BAUCUS. Mr. President, I rise today to introduce the Medicaid and CHIP Safety Net Preservation Act, a bill to clarify existing law and to preserve the core elements of Medicaid, the State Children's Health Insurance Program, (CHIP), and our health care safety net, which provide needed health services to more than sixty million Americans. These programs, which are so critical to the health of our children, our parents and grandparents, and to our communities, have been threatened in recent years by waivers that undermine the very foundations of these programs. I am introducing this bill with my colleague, good friend, and the Ranking Member of the Finance Committee's Subcommittee on Health, Senator ROCKEFELLER.

I have long been concerned about the inappropriate use of the so-called "Section 1115" waiver authority with respect to Medicaid and CHIP. Section 1115 of the Social Security Act permits the Secretary of HHS to waive provisions of the Medicaid and CHIP statutes at the request of a state if the waiver is determined to "promote the Objectives" of the program, and if it meets certain other criteria established in statute. The waiver authority has existed since before Medicaid's inception, and it is designed to allow states before Medicaid's inception, and it is designed to allow states to experiment and engage in pilot and demonstration programs in a variety of Social Security Act programs. It has long been used to allow States to try innovative approaches to deliver or finance healthcare for some of our most vulnerable citizens—poor children, pregnant women and parents, individuals with disabilities, and the elderly, including many in nursing homes.

But in recent years, the waiver authority has been used increasingly aggressively and, in my view, irresponsibly. I first became concerned about these waivers when I learned that waiver programs, which now affect millions of people and tens of billions of dollars annually, were being negotiated and approved in the dark. In some cases, Medicaid enrollees literally could not find what the operative Medicaid rules were in their state, because laws and rules had been waived and the new program requirements were not published in a place accessible to the public. In 2001, I and my colleague, Chairman CHUCK GRASSLEY, wrote to Secretary Thompson with our concerns that the waiver process was not adequately transparent, and that there could be no accountability without transparency.

After many months and much correspondence with Secretary Thompson, I noticed some improvement in the posting of approved waiver applications. By that time, the General Accounting Office had reported that there were serious problems with 1115 waivers. Waivers were being approved without adequate public input; waivers were being approved that used funds set aside by Congress for children's health care on childless adults; and waiver applications were being negotiated and approved with different standards applied, depending on the identity of the state applicant. Finally, and most disturbing, the GAO noted that HHS was applying a condition to one type of waiver that imposed a hard cap on Federal spending for a state's elderly Medicaid enrollees over a five-year period.

Most recently, I was deeply disturbed to read press reports indicating that HHS was inviting states to prepare new more comprehensive waiver applications that would impose enforceable, global caps on state Medicaid programs. One of the crucial elements of the Medicaid program is its unique state-federal financing structure, which requires every state dollar expended on Medicaid to be matched by at least one Federal dollar. This guaranteed matching structure provides financial stability and an incentive for states to maintain levels of health care spending in good and bad economic times. The matching structure has, over time, allowed a swift response to economic recessions, high rates of uninsurance, epidemics, disasters like 9/11, and innovative treatment advances, like the advent of expensive protease inhibitors to threat AIDS. The law does not, and it should not, allow a Secretarial waiver of such a core element of Medicaid.

Another press report indicated that one governor intended to seek a waiver to the Medicaid entitlement in exchange for accepting a hard cap on Federal Medicaid spending. In the absence of the individual entitlement, a state could turn away eligible applicants; impose waiting lists; or terminate a health care benefit in the middle of treatment for a serious illness or a stay in a nursing home. For the poor, for children, for individuals with disabilities, such as "innovation" in Medicaid could be devastating.

I also heard reported an instance where HHS announced in court, for the very first time, that the Secretary has waived the essential "EPSDT" benefit for children in one state. Beneficiaries did not even know that they were no longer entitled to the comprehensive benefit for children until they were in litigation with the State over inadequacies in the state's Medicaid program.

And finally, I am concerned about efforts to undermine Medicaid financing for Community Health Clinics and Rural Health Clinics through the use of the 1115 waiver authority. These clinics provide desperately needed care for Medicaid and CHIP enrollees as well as millions of uninsured Americans. Without fair payment from Medicaid, CHCs and RHCs have reduced capacity to see the patients who rely on them for care.

There are some features of the Medicaid program that are so fundamental to the program that they should never be waived with the stroke of the pen of one person. And I am pleased to quote the new Administrator of the Centers on Medicare and Medicaid Services, Mark McClellan, who agreed at his nomination hearing that, and I quote from a news article citing his testimony, "federally imposed caps on spending are not envisioned as part of Medicaid's structure." He also said that core Medicaid principles, such as the program's state and federal funding partnership and citizens' entitlement to benefits, should not be waived.

I am hopeful that, one day in the not too distant future, the Congress can have a meaningful debate on how to improve the Medicaid program that is now a healthcare lifeline for more than 50 million people, and how to improve CHIP and expand coverage to the uninsured. But in the meantime, we must ensure that efforts to innovate through waivers are made publicly and openly, with an opportunity for stakeholder input at every level of decision making, and with a promise that innovation will "do no harm" to the foundational principles of these safety net programs. I urge my colleagues to cosponsor this bill, which will improve the integrity of Medicaid and CHIP and ensure that they remain available and responsive to the needs of so many Americans.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2222

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Medicaid and CHIP Safety Net Preservation Act of 2004".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings; purposes; rule of construction.
Sec. 3. Clarification that section 1115 authority does not permit a cap on Federal financial participation.
Sec. 4. Clarification that section 1115 authority does not permit elimination of, or modification limiting, individual entitlement.
Sec. 5. Clarification that section 1115 authority does not permit elimination or modification of requirements relating to EPSDT services.
Sec. 6. Clarification that section 1115 authority does not permit elimination or modification of requirements relating to certain safety-net services.
Sec. 7. Prohibition on use of CHIP funds for health benefits coverage for childless adults.
Sec. 8. Improvement of the process for the development and approval of medicaid and CHIP demonstration projects.
Sec. 9. Effective date.

SEC. 2. FINDINGS; PURPOSES; RULE OF CONSTRUCTION.

(a) FINDINGS.—Congress makes the following findings:

(1) Certain requirements of titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.) are central to the overall objectives of the medicaid and State children's health insurance programs and are not properly subject to waiver, modification, or disregard under the authority of section 1115 of the Social Security Act (42 U.S.C. 1315).

(2) Some of the requirements of titles XIX and XXI of the Social Security Act that promote the overall objectives of the medicaid and State children's health insurance programs have been waived, modified, or otherwise disregarded by the Secretary of Health and Human Services under such section 1115, despite the explicit requirement in that section that certain requirements of the medicaid and State children's health insurance programs only may be waived, modified, or disregarded for the purpose of approving an experimental, pilot, or demonstration project if the waiver, modification, or disregard "is likely to assist in promoting the objectives" of those programs.

(b) PURPOSES.—The purposes of this Act are the following:

(1) To clarify that certain requirements of titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.), which are among those critical to achieving the objectives of the medicaid and State children's health insurance programs, may not be waived, modified, or otherwise disregarded by the Secretary of Health and Human Services under the authority of section 1115 of the Social Security Act (42 U.S.C. 1315).

(2) To ensure that the authority granted to the Secretary of Health and Human Services under section 1115 of the Social Security Act (42 U.S.C. 1315) with respect to the medicaid and State children's health insurance programs for the purpose of approving experimental, pilot, or demonstration projects is not used inappropriately.

(c) RULE OF CONSTRUCTION.—Nothing in this Act or the amendments made by this Act shall be construed to—

(1) authorize the waiver, modification, or other disregard of any provision of title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.); or

(2) imply congressional approval of any demonstration project affecting the medicaid program under title XIX of the Social Security Act or the State children's health insurance program under title XXI of such Act that has been approved by the Secretary of Health and Human Services as of the date of enactment of this Act.

SEC. 3. CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT A CAP ON FEDERAL FINANCIAL PARTICIPATION.

Title XIX of the Social Security Act is amended by inserting after section 1925 the following:

"CLARIFICATIONS OF AUTHORITY UNDER SECTION 1115

"SEC. 1926. (a) CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT A CAP ON FEDERAL FINANCIAL PARTICIPATION.—The Secretary may not impose or approve under the authority of section 1115 a cap, limitation, or other restriction on payment under section 1903(a) to a State for amounts expended as medical assistance in accordance with the requirements of this title.".

SEC. 4. CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OF, OR MODIFICATION LIMITING, INDIVIDUAL ENTITLEMENT.

Section 1926 of the Social Security Act, as added by section 3, is amended by adding at the end the following:

"(b) CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OF, OR MODIFICATION LIMITING, INDIVIDUAL ENTITLEMENT.—The Secretary may not approve or impose under the authority of section 1115 an elimination of, or modification limiting, the entitlement (established under section 1902(a), 1905(a), or otherwise) of an individual to receive any medical assistance for which Federal financial participation is claimed under this title.".

SEC. 5. CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OR MODIFICATION OF REQUIREMENTS RELATING TO EPSDT SERVICES.

Section 1926 of the Social Security Act, as added by section 3 and amended by section 4, is amended by adding at the end the following:

"(c) CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OR MODIFICATION OF REQUIREMENTS RELATING TO EPSDT SERVICES.—The Secretary may not impose or approve under the authority of section 1115 an elimination or modification of the amount, duration, or scope of the services described in section 1905(a)(4)(B) (relating to early and periodic screening, diagnostic, and treatment services (as defined in section 1905(r))) or of the requirements of subparagraphs (A) through (C) of section 1902(a)(43).".

SEC. 6. CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OR MODIFICATION OF REQUIREMENTS RELATING TO CERTAIN SAFETY-NET SERVICES.

Section 1926 of the Social Security Act, as added by section 3 and amended by sections 4 and 5, is amended by adding at the end the following:

"(d) CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OR MODIFICATION OF REQUIREMENTS RELATING TO CERTAIN SAFETY-NET SERVICES.—The Secretary may not impose or approve under the authority of section 1115 an elimination or modification of the amount, duration, or scope of the services described in subparagraphs (B) and (C) of section 1905(a)(2) (relating to services provided by a rural health clinic (as defined in section 1905(l)(1)) and services provided by a Federally-qualified health center (as defined in section 1905(l)(2))) or of the requirements of section 1902(bb) (relating to payment for such services).".

SEC. 7. PROHIBITION ON USE OF CHIP FUNDS FOR HEALTH BENEFITS COVERAGE FOR CHILDLESS ADULTS.

(a) IN GENERAL.—Section 2107 of the Social Security Act (42 U.S.C. 1397gg) is amended by adding at the end the following:"

"(f) LIMITATION OF WAIVER AUTHORITY.—Notwithstanding subsection (e)(2)(A) and section 1115(a), on and after the date of enactment of this subsection, the Secretary may not approve a waiver, experimental, pilot, or demonstration project, or an amendment to such a project, that would allow funds made available under this title to be used to provide child health assistance or other health benefits coverage to a nonpregnant childless adult. For purposes of the preceding sentence, a caretaker relative (as such term is defined for purposes of carrying out section 1931) shall not be considered a childless adult.".

(b) CONFORMING AMENDMENTS.—Section 2105(c)(1) of such Act (42 U.S.C. 1397ee(c)(1)) is amended—

(1) by inserting "and may not include coverage of a nonpregnant childless adult" after "section 2101)"; and

(2) by adding at the end the following: "For purposes of the preceding sentence, a caretaker relative (as such term is defined for purposes of carrying out section 1931) shall not be considered a childless adult.".

SEC. 8. IMPROVEMENT OF THE PROCESS FOR THE DEVELOPMENT AND APPROVAL OF MEDICAID AND CHIP DEMONSTRATION PROJECTS.

Section 1115 of the Social Security Act (42 U.S.C. 1315) is amended by inserting after subsection (c) the following:

"(d) In the case of any experimental, pilot, or demonstration project under subsection (a) to assist in promoting the objectives of title XIX or XXI in a State that would result in a substantive change in eligibility, enrollment, benefits, financing, or cost-sharing (to the extent permitted under section 1916(f)) with respect to a State program under title XIX or XXI (in this subsection referred to as a 'demonstration project') the following shall apply:

"(1) The Secretary may not approve a proposal for a demonstration project, or for an amendment of a demonstration project, submitted by a State on or after the date of enactment of this subsection, unless the State requesting approval certifies that the State provided reasonable public notice and a reasonable opportunity for receipt and consideration of public comment on the proposal prior to submission of the proposal to the Secretary. Such notice shall include—

"(A) the proposal;

"(B) the methodologies underlying the proposal;

"(C) the justifications for the proposal;

"(D) the State's projections regarding the likely effect and impact of the proposal on individuals eligible for assistance and providers or suppliers of items or services under title XIX or XXI (including under any demonstration project conducted in conjunction with either of those titles); and

"(E) the State's assumptions on which the projections described in subparagraph (D) are based.

"(2) With respect to any proposal for a demonstration project, or for an amendment or extension of a demonstration project, which has not been approved or disapproved by the Secretary as of the date of enactment of this subsection, the Secretary shall—

"(A) provide public notice in the Federal Register and on the Internet website of the Centers for Medicare & Medicaid Services of the proposal, any revisions of the proposal, and any conditions for the financing or approval of the proposal;

"(B) provide adequate opportunity for public comment on the proposal, any revisions of the proposal, and any such conditions;

"(C) approve such proposal, any revisions of the proposal, and any such conditions only if, after consideration of the public comments received, the Secretary determines that the proposal, any revisions of the proposal, and any such conditions are likely to assist in promoting the objectives of title XIX or XXI and identifies in writing the basis for such determination; and

"(D) publish on such website all documentation relating to the proposal (including the written determination required under subparagraph (C)), any revisions of the proposal, and any such conditions, including if the proposal, any revisions of the proposal, and any such conditions are approved—

"(i) the final terms and conditions for the demonstration project; and

"(ii) a list identifying each provision of title XIX or XXI, and each regulation relating to either such title, with which compliance is waived, modified, or otherwise disregarded or for which costs that would otherwise not be permitted under such title will be allowed.".

SEC. 9. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by sections 3 through 6 shall apply to the approval on or after the date of enactment of this Act of—

(1) a waiver, experimental, pilot, or demonstration project under section 1115 of the Social Security Act (42 U.S.C. 1315); and

(2) an amendment or extension of such a project.

(b) EXCEPTION.—The amendment made by section 5 shall not apply with respect to any extension of approval of a waiver, experimental, pilot, or demonstration project with respect to title XIX of the Social Security Act that was first approved before 1994 and that provides a comprehensive and preventive child health program under such project that includes screening, diagnosis, and treatment of children who have not attained age 21.

Mr. ROCKEFELLER. Mr. President, I rise today to join the distinguished ranking member from Montana, Mr. BAUCUS, in introducing the Medicaid and CHIP Safety Net Preservation Act of 2004. Medicaid and the Children's Health Insurance Program (CHIP) provide health insurance coverage to more than 50 million vulnerable Americans, including pregnant women, kids, people with disabilities, and seniors in nursing homes. Preserving the integrity of each of these programs should be one of our top priorities. The bill that we are introducing today would ensure that Section 1115 of the Social Security Act—the so-called "1115 waiver authority"—does not erode the core objectives of Medicaid and CHIP.

Medicaid and CHIP form the foundation of our Nation's health care safety net. Without them, many more Americans would be uninsured. Unfortunately, the central objectives of these entitlement programs have been threatened in recent years by short-sighted proposals to cap Federal funding, questionable administrative rules and regulations, and inappropriate waivers that essentially waive the requirements of Federal law. The Medicaid and CHIP Safety Net Preservation Act would address each of these issues by reaffirming the core requirements of Medicaid and SCHIP.

Congress created Medicaid in 1965 as Federal-State partnership to provide health insurance coverage to low-income families on welfare. Over the years, Medicaid has evolved into a multi-faceted health insurance program that serves working families, the disabled, and the elderly. Throughout the evolution of Medicaid, two aspects of the program have remained the same: Federal guidelines for program administration and shared Federal and State responsibility for financing. This structure has served the Medicaid program well. It maintains the national health care safety net, while also allowing Federal and State policymakers to tailor the program to meet local needs.

In 1997, I was joined by Senator CHAFEE in introducing the Children's Health Insurance Program as part of the Balanced Budget Act. The purpose of this program has always been to help the children of families that do not qualify for Medicaid. At the time that CHIP was enacted, 10 million children were uninsured. Today, over 5 million children have coverage through CHIP; this includes nearly 23,000 children in the State of West Virginia. While we still have a long way to go in order to provide every child with health insurance, I believe the families touched by the CHIP program thus far would agree it serves its purpose well.

The legislation that Senator BAUCUS and I are introducing today is designed to make it very clear that certain requirements under Medicaid and CHIP are central to the overall objectives of these programs and are not subject to waiver. Specifically, this legislation would ensure that 1115 waivers are not used to impose global caps on Federal payments to Medicaid. It would protect the Federal guarantee of Medicaid for any eligible individual. Children would continue to have access to comprehensive health benefits under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program. Money intended for the care of children under CHIP would be used for that purpose. Finally, the process for reviewing and approving 1115 waivers would be more transparent, allowing greater opportunities for public notice and comment.

The Medicaid and CHIP Safety Net Preservation Act is a good first step toward preserving these critical health insurance programs. However, in order to strengthen Medicaid and CHIP for the future, we must also enact legislation that gives States the resources they need to cover eligible Medicaid beneficiaries, restores funding for the CHIP program, and allows states greater flexibility within the guidelines of the law. I urge my colleagues to support all of these important measures.

By Mr. ALLARD (for himself, Mr. BROWNBACK, Mr. ENZI, Mr. INHOFE, Mr. MILLER, Mr. LOTT, Mr. SANTORUM, Mr. SESSIONS, and Mr. SHELBY):

S.J. Res. 30. A joint resolution proposing an amendment to the Constitution of the United States relating to marriage; to the Committee on the Judiciary.

S.J. RES. 30

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE—

"SECTION 1. SHORT TITLE.

"This Article may be cited as the 'Federal Marriage Amendment'.

"SECTION 2. MARRIAGE AMENDMENT.

"Marriage in the United States shall consist only of the union of a man and a woman. Neither this Constitution, nor the constitution of any State, shall be construed to require that marriage or the legal incidents thereof be conferred upon any union other than the union of a man and a woman.".

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 322—DESIGNATING AUGUST 16, 2004, AS "NATIONAL AIRBORNE DAY"

Mr. HAGEL submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 322

Whereas the airborne forces of the United States Armed Forces have a long and honorable history as units of adventuresome, hardy, and fierce warriors who, for the national security of the United States and the defense of freedom and peace, project the effective ground combat power of the United States by Air Force air transport to the far reaches of the battle area and, indeed, to the far corners of the world;

Whereas August 16, 2004, marks the anniversary of the first official validation of the innovative concept of inserting United States ground combat forces behind the battle line by means of a parachute;

Whereas the United States experiment of airborne infantry attack began on June 25, 1940, when the Army Parachute Test Platoon was first authorized by the United States Department of War, and was launched when 48 volunteers began training in July of 1940;

Whereas the Parachute Test Platoon performed the first official Army parachute jump on August 16, 1940;

Whereas the success of the Parachute Test Platoon in the days immediately preceding the entry of the United States into World War II led to the formation of a formidable force of airborne units that, since then, have served with distinction and repeated success in armed hostilities;

Whereas among those units are the former 11th, 13th, and 17th Airborne Divisions, the venerable 82nd Airborne Division, the versatile 101st Airborne Division (Air Assault), and the airborne regiments and battalions (some as components of those divisions, some as separate units) that achieved distinction as the elite 75th Ranger Regiment, the 173rd Airborne Brigade, the 187th Infantry (Airborne) Regiment, the 503rd, 507th, 508th, 517th, 541st, and 542nd Parachute Infantry Regiments, the 88th Glider Infantry Regiment, the 509th, 551st, and 555th Parachute Infantry Batallions, and the 550th Airborne Infantry Battalion;

Whereas the achievements of the airborne forces during World War II provided a basis of evolution into a diversified force of parachute and air assault units that, over the years, have fought in Korea, Vietnam, Grenada, Panama, the Persian Gulf Region, and Somalia, and have engaged in peacekeeping operations in Lebanon, the Sinai Peninsula, the Dominican Republic, Haiti, Bosnia, and Kosovo;

Whereas the modern-day airborne force that has evolved from those World War II beginnings is an agile, powerful force that, in large part, is composed of the 82nd Airborne Division, the 101st Airborne Division (Air Assault), and the 75th Ranger Regiment which, together with other units, comprise the quick reaction force of the Army's XVIII Airborne Corps when not operating separately under a regional combatant commander;

Whereas that modern-day airborne force also includes other elite forces composed entirely of airborne trained and qualified special operations warriors, including Army Special Forces, Marine Corps Force Reconnaissance units, Navy SEALs, and Air Force combat control teams, all or most of which comprise the forces of the United States Special Operations Command;

Whereas in the aftermath of the terrorist attacks on the United States on September 11, 2001, the 75th Ranger Regiment, special forces units, and units of the 82nd Airborne Division and the 101st Airborne Division (Air Assault), together with other units of the Armed Forces, have been prosecuting the war against terrorism by carrying out combat operations in Afghanistan, training operations in the Philippines, and other operations elsewhere;

Whereas in the aftermath of the President's announcement of Operation Iraqi Freedom in March 2003, the 75th Ranger Regiment, special forces units, and units of the 82nd Airborne Division, the 101st Airborne Division (Air Assault), and the 173rd Airborne Brigade, together with other units of the Armed Forces, have been prosecuting the war against terrorism, carrying out combat operations, conducting civil affair missions, and assisting in establishing democracy in Iraq;

Whereas the airborne forces are and will continue to be at the ready and the forefront until the Global War on Terrorism is concluded;

Whereas of the members and former members of the United States combat airborne forces, all have achieved distinction by earning the right to wear the airborne's "Silver Wings of Courage", thousands have achieved the distinction of making combat jumps, 69 have earned the Medal of Honor, and hundreds have earned the Distinguished-Service Cross, Silver Star, or other decorations and awards for displays of such traits as heroism, gallantry, intrepidity, and valor;

Whereas the members and former members of the United States combat airborne forces are members of a proud and honorable fraternity of the profession of arms that is made exclusive by those distinctions which, together with their special skills and achievements, distinguish them as intrepid combat parachutists, special operations forces, and (in former days) glider troops; and

Whereas the history and achievements of the members and former members of the airborne forces of the United States Armed Forces warrant special expressions of the gratitude of the American people as the airborne community celebrates August 16, 2004, as the 64th anniversary of the first official jump by the Army Parachute Test Platoon: Now, therefore, be it

Resolved, That the Senate—

(1) designates August 16, 2004, as "National Airborne Day"; and

(2) requests that the President issue a proclamation calling on Federal, State, and local administrators and the people of the United States to observe "National Airborne Day" with appropriate programs, ceremonies, and activities.

Mr. HAGEL. Mr. President, I am pleased to rise today to submit a Senate resolution which designates August 16, 2004 as "National Airborne Day."

Our friend and former colleague, the late Senator Strom Thurmond, introduced this resolution in past years. Senator Thurmond served with the 82nd Airborne Division, one of the first airborne divisions to be organized in the U.S. Army.

During a 2-year period during World War II, the regiments of the 82nd Airborne served in Italy at Anzio, in France at Normandy, and at the Battle of the Bulge.

As a member of the 82nd Airborne Division, Senator Strom Thurmond participated in the landings at Normandy in June 1944.

Later this year we will celebrate the 60th Anniversary of the D-Day landings and the Battle of Bulge.

On June 25, 1940, the War Department authorized the Parachute Test Platoon to experiment with the potential use of airborne troops. The Parachute Test Platoon, which was composed of 48 volunteers, performed the first official Army parachute jump on August 16, 1940. The success of the Platoon led to the formation of a large and successful airborne contingent that has served from World War II until the present.

The 11th, 13th, 17th, and 101st Airborne Divisions and numerous other regimental and battalion size airborne units were also organized following the success of the Parachute Test Platoon. In the last 64 years, these airborne forces have performed in important military and peace-keeping operations all over the world, including Operation Iraqi Freedom, and it is only appropriate that we designate a day to salute the contributions they have made to this Nation.

Through passage of "National Airborne Day," the Senate will reaffirm our support for the members of the airborne community.

I would like to thank Airborne veterans and Airborne units for their tireless commitment to our Nation's defense and for the ideals of duty, honor, country they embody. Airborne!

AMENDMENTS SUBMITTED AND PROPOSED

SA 2860. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

SA 2861. Mr. VOINOVICH (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2862. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2863. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2864. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2865. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2866. Mr. BUNNING (for himself and Mr. CONRAD) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2867. Mr. BENNETT submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2868. Mrs. DOLE submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2869. Mr. GRAHAM, of Florida (for himself, Mr. NELSON, of Florida, Ms. CANTWELL, and Mrs. MURRAY) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2870. Mr. GRAHAM, of Florida submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2871. Mr. GRAHAM, of Florida submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2872. Mr. GRAHAM, of Florida submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2873. Mr. THOMAS submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2874. Mr. THOMAS submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2875. Ms. COLLINS (for herself, Mr. GRASSLEY, Mr. BINGAMAN, Mr. CHAFEE, Mr. DASCHLE, and Mr. SMITH) submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2876. Mrs. HUTCHISON (for herself, Mr. SMITH, and Ms. LANDRIEU) submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2877. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2878. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2879. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2880. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2881. Mr. HARKIN (for himself, Mr. KENNEDY, Mr. SARBANES, Mr. KERRY, and Ms. MIKULSKI) proposed an amendment to the bill S. 1637, supra.

SA 2882. Mr. GRASSLEY (for Mr. BUNNING (for himself, Mrs. LINCOLN, Mr. SANTORUM, Mr. CONRAD, and Mr. BAUCUS)) proposed an amendment to amendment SA 2686 proposed by Mr. BUNNING (for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER) to the bill S. 1637, supra.

SA 2883. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2884. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2885. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2886. Mr. McCONNELL (for Mr. FRIST) submitted an amendment intended to be proposed by Mr. MCCONNELL to the bill S. 1637, supra.

SA 2887. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2888. Mrs. HUTCHISON (for herself, Mr. FRIST, Ms. CANTWELL, and Mr. ALEXANDER) submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2889. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2890. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2860. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

At the appropriate place, insert the following:

SEC. ___. CREDIT AGAINST FICA TAXES FOR EMPLOYERS OF FIRST RESPONDERS WHO ARE CALLED TO ACTIVE DUTY.

(a) IN GENERAL.—Subchapter C of chapter 21 is amended by redesignating section 3128 as section 3129 and inserting after section 3127 the following new section:

"SEC. 3128. CREDIT AGAINST TAX FOR EMPLOYERS OF FIRST RESPONDERS.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter an amount equal to 50 percent of the wages paid to each qualified first responder of the employer.

"(b) QUALIFIED FIRST RESPONDER.—For purposes of this section, the term 'qualified first responder' means any person who is—

"(1) employed as a law enforcement official, a firefighter, or a paramedic,

"(2) a member of the Ready Reserve of a reserve component of an Armed Force of the United States (as defined in section 10142 and 10101 of title 10, United States Code), and

"(3)(A) serving on active duty for a period of more than 30 days (within the meaning of section 101(d) of such title 10),

"(B) hospitalized for, or convalescing from, an illness or injury incurred in, or aggravated during, the performance of such active duty, or

"(C) not present at work during the 14-day period beginning at the end of such active duty or the end of the period referred to in paragraph (2).".

(b) TRANSFER OF FUNDS.—The Secretary of the Treasury shall transfer from the general revenues of the Federal Government an amount sufficient so as to ensure that the income and balances of the trust funds under section 201 of the Social Security Act are not reduced as a result of the application of the amendment made by subsection (a).

(c) DETERMINATION OF BENEFITS.—In making any determination of benefits under title II of the Social Security Act and part A of title XVIII of such Act, the Commissioner of Social Security shall disregard the effect of the amendment made by subsection (a) on any individual's earnings record.

(d) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 21 is amended by striking the last 2 items and inserting the following:

"Sec. 3128. Credit against tax for employers of first responders.

"Sec. 3129. Short title.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid after the date of the enactment of this Act.

SA 2861. Mr. VOINOVICH (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

At the appropriate place, insert the following:

SEC. ___. BLUE RIBBON COMMISSION ON COMPREHENSIVE TAX REFORM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established the "Blue Ribbon Commission on Comprehensive Tax Reform" (in this section referred to as the "Commission").

(2) MEMBERSHIP.—

(A) COMPOSITION.—The Commission shall be composed of 17 members of whom—

(i) 3 shall be appointed by the majority leader of the Senate;

(ii) 3 shall be appointed by the minority leader of the Senate;

(iii) 3 shall be appointed by the Speaker of the House of Representatives;

(iv) 3 shall be appointed by the minority leader of the House of Representatives; and

(v) 5 shall be appointed by the President, of which no more than 3 shall be of the same party as the President.

(B) FEDERAL EMPLOYEES.—The members of the Commission may be employees or former employees of the Federal Government.

(C) DATE.—The appointments of the members of the Commission shall be made not later than October 30, 2004.

(3) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(4) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(5) MEETINGS.—The Commission shall meet at the call of the Chairman.

(6) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(7) CHAIRMAN AND VICE CHAIRMAN.—The President shall select a Chairman and Vice Chairman from among its members.

(b) DUTIES OF THE COMMISSION.—

(1) STUDY.—The Commission shall conduct a thorough study of all matters relating to a comprehensive reform of the Federal tax system, including the reform of the Internal Revenue Code of 1986 and the implementation (if appropriate) of other types of tax systems.

(2) RECOMMENDATIONS.—The Commission shall develop recommendations on how to comprehensively reform the Federal tax system in a manner that generates appropriate revenue for the Federal Government.

(3) REPORT.—Not later than 18 months after the date on which all initial members of the commission have been appointed pursuant to subsection (a)(2), the Commission shall submit a report to the President and Congress which shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate.

(c) POWERS OF THE COMMISSION.—

(1) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this Act.

(2) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(4) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(d) COMMISSION PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(3) STAFF.—

(A) IN GENERAL.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(B) COMPENSATION.—The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(e) TERMINATION OF THE COMMISSION.—The Commission shall terminate 90 days after the date on which the Commission submits its report under subsection (b).

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to the Commission to carry out this section.

SA 2862. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

At the end of the bill, add the following:

TITLE V—NON-REVENUE PROVISIONS

SEC. 501. LCD PANEL ASSEMBLIES.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.85.24	LCD panel assemblies for use in LCD projection type televisions (provided for in subheading 9013.80.90)	Free	No change	No change	On or before 12/31/2006	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

SA 2863. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—NON-REVENUE PROVISIONS

SEC. 501. PLASMA DISPLAY PANELS.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.85.23	Plasma display panels for use in plasma flat screen televisions (provided for in subheading 8529.90.53)	Free	No change	No change	On or before 12/31/2006	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

SA 2864. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—NON-REVENUE PROVISIONS

SEC. 501. ELECTRON GUNS FOR CATHODE RAY TUBES.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.85.25	Electron guns actually used for cathode ray tubes (CRT's) with a high definition television screen aspect ratio of 16:9 (provided for in subheading 8540.91.50)	Free	No change	No change	On or before 12/31/2006	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

SA 2865. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . REVISIONS TO REIT PROVISIONS.

(a) Rules of Application for Failure To Satisfy Section 856(c)(4).—Section 856(c) (relating to definition of real estate investment trust), as amended by section 101, is amended by inserting after paragraph (6) the following new paragraph:

"(7) Rules of application for failure to satisfy paragraph (4)—

"(A) De minimus failure.—A corporation, trust, or association that fails to meet the requirements of paragraph (4)(B)(iii) for a particular quarter shall nevertheless be considered to have satisfied the requirements of such paragraph for such quarter if—

"(i) such failure is due to the ownership of assets the total value of which does not exceed the lesser of—

"(I) 1 percent of the total value of the trust's assets at the end of the quarter for which such measurement is done, and

"(II) $10,000,000, and

"(ii)(I) the corporation, trust, or association, following the identification of such failure, disposes of assets in order to meet the requirements of such paragraph within 6 months after the last day of the quarter in which the corporation, trust or association's identification of the failure to satisfy the requirements of such paragraph occurred or such other time period prescribed by the Secretary and in the manner prescribed by the Secretary, or

"(II) the requirements of such paragraph are otherwise met within the time period specified in subclause (I).

"(B) Failures exceeding de minimis amount.—A corporation, trust, or association that fails to meet the requirements of paragraph (4) for a particular quarter shall nevertheless be considered to have satisfied the requirements of such paragraph for such quarter if—

"(i) such failure involves the ownership of assets the total value of which exceeds the de minimis standard described in subparagraph (A)(i) at the end of the quarter for which such measurement is done,

"(ii) following the corporation, trust, or association's identification of the failure to satisfy the requirements of such paragraph for a particular quarter, a description of each asset that causes the corporation, trust, or association to fail to satisfy the requirements of such paragraph at the close of such quarter of any taxable year is set forth in a schedule for such quarter filed in accordance with regulations prescribed by the Secretary,

"(iii) the failure to meet the requirements of such paragraph for a particular quarter is due to reasonable cause and not due to willful neglect,

"(iv) the corporation, trust, or association pays a tax computed under subparagraph (C), and

"(v)(I) the corporation, trust, or association disposes of the assets set forth on the schedule specified in clause (ii) within 6 months after the last day of the quarter in which the corporation, trust or association's identification of the failure to satisfy the requirements of such paragraph occurred or such other time period prescribed by the Secretary and in the manner prescribed by the Secretary, or

"(II) the requirements of such paragraph are otherwise met within the time period specified in subclause (I).

"(C) Tax.—For purposes of subparagraph (B)(iv)—

"(i) Tax imposed.—If a corporation, trust, or association elects the application of this subparagraph, there is hereby imposed a tax on the failure described in subparagraph (B) of such corporation, trust, or association. Such tax shall be paid by the corporation, trust, or association.

"(ii) Tax computed.—The amount of the tax imposed by clause (i) shall be the greater of—

"(I) $50,000, or

"(II) the amount determined (pursuant to regulations promulgated by the Secretary) by multiplying the net income generated by the assets described in the schedule specified in subparagraph (B)(ii) for the period specified in clause (iii) by the highest rate of tax specified in section 11.

"(iii) Period.—For purposes of clause (ii)(II), the period described in this clause is the period beginning on the first date that the failure to satisfy the requirements of such paragraph (4) occurs as a result of the ownership of such assets and ending on the earlier of the date on which the trust disposes of such assets or the end of the first quarter when there is no longer a failure to satisfy such paragraph (4).

"(iv) Administrative provisions.—For purposes of subtitle F, the taxes imposed by this subparagraph shall be treated as excise taxes with respect to which the deficiency procedures of such subtitle apply.".

"(b) Modification of Rules of Application for Failure To Satisfy Sections 856(c)(2) or 856(c)(3).—Paragraph (6) of section 856(c) (relating to definition of real estate investment trust) is amended by striking subparagraphs (A) and (B), by redesignating subparagraph (C) as subparagraph (B), and by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) following the corporation, trust, or association's identification of the failure to meet the requirements of paragraph (2) or (3), or of both such paragraphs, for any taxable year, a description of each item of its gross income described in such paragraphs is set forth in a schedule for such taxable year filed in accordance with regulations prescribed by the Secretary, and".

(c) Reasonable Cause Exception to Loss of Reit Status if Failure To Satisfy Requirements.—Subsection (g) of section 856 (relating to termination of election) is amended—

(1) in paragraph (1) by inserting before the period at the end of the first sentence the following: "unless paragraph (5) applies", and

(2) by adding at the end the following new paragraph:

"(5) Entities to which paragraph applies.—This paragraph applies to a corporation, trust, or association—

"(A) which is not a real estate investment trust to which the provisions of this part apply for the taxable year due to one or more failures to comply with one or more of the provisions of this part (other than subsection (c)(6) or (c)(7) of section 856),

"(B) such failures are due to reasonable cause and not due to willful neglect, and

"(C) if such corporation, trust, or association pays (as prescribed by the Secretary in regulations and in the same manner as tax) a penalty of $50,000 for each failure to satisfy a provision of this part due to reasonable cause and not willful neglect.".

(d) Deduction of Tax Paid From Amount Required To Be Distributed.—Subparagraph (E) of section 857(b)(2) is amended by striking "(7)" and inserting "(7) of this subsection, section 856(c)(7)(B)(iii), and section 856(g)(1).".

(e) Expansion of Deficiency Dividend Procedure.—Subsection (e) of section 860 is amended by striking "or" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting "; or," and by adding at the end the following new paragraph:

"(4) a statement by the taxpayer attached to its amendment or supplement to a return of tax for the relevant tax year.".

(f) Effective Date.—The amendments made by this section shall apply to taxable years beginning after date of the enactment of this Act.

SA 2866. Mr. BUNNING (for himself and Mr. Conrad) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

On page 179, after line 25, insert the following:

SEC. . CONSOLIDATION OF LIFE INSURANCE COMPANIES WITH OTHER COMPANIES PERMITTED.

(a) In General.—Section 1504(b) (defining includible corporation) is amended by striking paragraph (2) and by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively.

(b) Conforming Amendments.—

(1) Section 1503 is amended by striking subsection (c) (relating to special rule for application of certain losses against income of insurance companies taxed under section 801) and by redesignating subsections (d), (e), and (f) as subsections (b), (c), and (d), respectively.

(2) Section 1504 is amended by striking subsection (c) and by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(3) Section 243(b)(2)(A) is amended by striking "sections 1504(b)(2), 1504(b)(4), and 1504(c)" and inserting "section 1504(b)(3)".

(4) Section 542(b)(5) is repealed.

(5) Section 805(a)(4)(E) is amended by striking "1504(b)(3)" and inserting "1504(b)(2)".

(6) Section 806(b)(3)(C) is repealed.

(7) Section 818(e)(1) is amended to read as follows:

"(1) Items of companies other than insurance companies.—If an affiliated group includes members which are and which are not life insurance companies, all items of the members of such group which are not life insurance companies shall not be taken into account in determining the amount of the tentative LICTI of members of such group which are life insurance companies.".

(8) Section 832(b)(5)(D)(ii)(II) is amended by striking "1504(b)(3)" and inserting "1504(b)(2)".

(9) Section 847(8) is amended by striking "without regard to the limitations" and all that follows and inserting a period.

(10) Section 864(e)(5)(A) is amended by striking "paragraph (4)" and inserting "paragraph (3)".

(11) Section 936(i)(5)(A) is amended by striking "section 1504(b)(3) or (4)" and inserting "section 1504(b)(2) or (3)".

(12) Section 952(c)(1)(B)(vii)(II) is amended by striking "1504(b)(3)" and inserting "1504(b)(2)".

(13) Section 953(d)(3) is amended by striking “1503(d)” and inserting “1503(c)”.

(14) Section 954(h)(4)(F)(ii) is amended by striking “1504(b)(3)” and inserting “1504(b)(2)”.

(15) Section 6166(b)(10)(B)(ii)(V) is amended by striking “1504(b)(3)” and inserting “1504(b)(2)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. ___ . PHASE-IN OF APPLICATION OF CERTAIN LOSSES AGAINST INCOME OF INSURANCE COMPANIES.

(a) PHASE-IN.—

(1) IN GENERAL.—For taxable years beginning after December 31, 2003, and before January 1, 2010, if—

(A) an affiliated group includes 1 or more domestic insurance companies subject to tax under section 801 of the Internal Revenue Code of 1986,

(B) the common parent of such group has not elected under subsection (b) to treat all such insurance companies as corporations which are not includible corporations, and

(C) the consolidated taxable income of the members of the group not taxed under such section 801 results in a consolidated net operating loss for such taxable year,

then, under regulations prescribed by the Secretary of the Treasury or his delegate, the amount of such loss which cannot be absorbed in the applicable carryback periods against the taxable income of such members not taxed under such section 801 shall be taken into account in determining the consolidated taxable income of the affiliated group for such taxable year to the extent of the applicable percentage of such loss or the applicable percentage of the taxable income of the members taxed under such section 801, whichever is less. The unused portion of such loss shall be available as a carryover, subject to the same limitations (applicable to the sum of the loss for the carryover year and the loss (or losses) carried over to such year), in applicable carryover years.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

For taxable years beginning in:	The applicable percentage is:
2004	40
2005	50
2006	60
2007	70
2008	80
2009	90.

(b) ELECTION FOR PRE-2010 YEARS OF GROUPS WITH INSURANCE COMPANIES.—For taxable years beginning after December 31, 2003, and before January 1, 2010, the common parent of an affiliated group (determined without regard to section 1504(b)(2) of the Internal Revenue Code of 1986 as in effect on the day before the date of enactment of this Act) which includes 1 or more domestic insurance companies subject to tax under section 801 of such Code may elect to treat all such insurance companies as corporations which are not includible corporations within the meaning of subsection (b) of section 1504 of such Code, if, as of the date of enactment of this section—

(1) such affiliated group included 1 or more insurance companies subject to tax under section 801 of such Code, and

(2) no additional election was in effect under section 1504(c)(2) of such Code (as in effect on the day before the date of the enactment of this Act).

(c) NO CARRYBACK BEFORE JANUARY 1, 2004.—To the extent that a consolidated net operating loss is allowed or increased by reason of this section or the amendments made by this Act, such loss may not be carried back to a taxable year beginning before January 1, 2004.

(d) NONTERMINATION OF GROUP.—No affiliated group shall terminate solely as a result of this section or the amendments made by this Act.

(e) SUBSIDIARY STOCK BASIS ADJUSTMENTS.—A member corporation's basis in the stock of a subsidiary corporation shall be adjusted upon consolidation to reflect the preconsolidation income, gain, deduction, loss, distributions, and other relevant amounts during a period when such corporations were members of an affiliated group (determined without regard to section 1504(b)(2) of the Internal Revenue Code of 1986 as in effect on the day before the date of enactment of this Act) but were not included in a consolidated return of such group by operation of section 1504(c)(2)(A) of such Code (as in effect on the day before the date of the enactment of this Act) or by reason of the election allowed under subsection (b).

(f) WAIVER OF 5-YEAR WAITING PERIOD.—An automatic waiver from the 5-year waiting period for reconsolidation provided in section 1504(a)(3) of the Internal Revenue Code of 1986 shall be granted to any corporation which was previously an includible corporation but was subsequently deemed a nonincludible corporation as a result of becoming a subsidiary of a corporation which was not an includible corporation solely by operation of section 1504(c)(2) of such Code (as in effect on the day before the date of enactment of this Act), subject to such conditions as the Secretary may prescribe.

SA 2867. Mr. BENNETT submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

On page 179, after line 25, add the following:

SEC. ___ . MODIFICATION OF INVOLUNTARY CONVERSION RULES FOR BUSINESSES AFFECTED BY THE SEPTEMBER 11TH TERRORIST ATTACKS.

(a) IN GENERAL.—Subsection (g) of section 1400L is amended to read as follows:

“(g) MODIFICATION OF RULES APPLICABLE TO NONRECOGNITION OF GAIN.—In the case of property which is compulsorily or involuntarily converted as a result of the terrorist attacks on September 11, 2001, in the New York Liberty Zone—

“(1) which was held by a corporation which is a member of an affiliated group filing a consolidated return, such corporation shall be treated as satisfying the purchase requirement of section 1033(a)(2) with respect to such property to the extent such requirement is satisfied by another member of the group, and

“(2) notwithstanding subsections (g) and (h) of section 1033, clause (i) of section 1033(a)(2)(B) shall be applied by substituting ‘5 years’ for ‘2 years’ with respect to property which is compulsorily or involuntarily converted as a result of the terrorist attacks on September 11, 2001, in the New York Liberty Zone but only if substantially all of the use of the replacement property is in the City of New York, New York.”.

(b) EFFECTIVE DATE.—The amendments made by this Act shall apply to involuntary conversions occurring on or after September 11, 2001.

SA 2868. Mrs. DOLE submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

At the appropriate place, insert the following:

SEC. ___ . TAX TREATMENT OF STATE OWNERSHIP OF RAILROAD REAL ESTATE INVESTMENT TRUST.

(a) IN GENERAL.—If a State owns all of the outstanding stock of a corporation which is a real estate investment trust, which is a non-operating class III railroad, and substantially all of the activities of which consist of the ownership, leasing, and operation by such corporation of facilities, equipment, and other property used by the corporation or other persons in railroad transportation, then, for purposes of section 115 of the Internal Revenue Code of 1986—

(1) income derived from such activities by the corporation shall be treated as accruing to the State, and

(2) such activities shall be treated as the exercise of an essential governmental function of the State to the extent such activities are of a type which are an essential government function (within the meaning of section 115 of such Code).

(b) GAIN OR LOSS NOT RECOGNIZED ON CONVERSION.—Notwithstanding section 337(d) of the Internal Revenue Code of 1986—

(1) no gain or loss shall be recognized under section 336 or 337 of such Code, and

(2) no change in basis of the property of such corporation shall occur,

because of any change of status of the corporation to a tax-exempt entity by reason of the application of subsection (a).

(c) TAX-EXEMPT FINANCING.—Any obligation issued by an entity described in subsection (a) shall be treated as an obligation of the State for purposes of applying section 103 and part IV of subchapter B of chapter 1 of the Internal Revenue Code of 1986.

(d) DEFINITIONS.—For purposes of this section—

(1) REAL ESTATE INVESTMENT TRUST.—The term “real estate investment trust” has the meaning given such term by section 856(a) of the Internal Revenue Code of 1986.

(2) NON-OPERATING CLASS III RAILROAD.—The term “non-operating class III railroad” has the meaning given such term by part A of subtitle IV of title 49, United States Code (49 U.S.C. 10101 et seq.) and the regulations thereunder.

(3) STATE.—The term “State” includes—

(A) the District of Columbia and any possession of the United States, and

(B) any authority, agency, or public corporation of a State.

(e) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall apply on and after the date on which a State becomes the

owner of all of the outstanding stock of a corporation described in subsection (a).

(2) EXCEPTION.—This section shall not apply to any State which—

(A) becomes the owner of all of the voting stock of a corporation described in subsection (a) after December 31, 2003, or

(B) becomes the owner of all of the outstanding stock of a corporation described in subsection (a) after December 31, 2005.

SA 2869. Mr. GRAHAM of Florida (for himself, Mr. NELSON of Florida, Ms. CANTWELL, and Mrs. MURRAY) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title II add the following:

SEC. ___. DELAY IN EFFECTIVE DATE OF FINAL REGULATIONS GOVERNING EXCLUSION OF INCOME FROM INTERNATIONAL OPERATION OF SHIPS OR AIRCRAFT.

Notwithstanding the provisions of Treasury regulation §1.883-5, the final regulations issued by the Secretary of the Treasury relating to income derived by foreign corporations from the international operation of ships or aircraft (Treasury regulations §1.883-1 through §1.883-5) shall apply to taxable years of a foreign corporation seeking qualified foreign corporation status beginning after September 24, 2004.

SA 2870. Mr. GRAHAM of Florida submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, insert the following:

SEC. ___. EXPANSION OF PERIOD WITHIN WHICH CONVERTED CITRUS TREE PROPERTY MUST BE REPLACED.

(a) IN GENERAL.—Section 1033 (relating to period within which property must be replaced) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) COMMERCIAL TREES DESTROYED BECAUSE OF CITRUS TREE CANKER.—In the case of commercial citrus trees which are compulsorily or involuntarily converted under a public order as a result of the citrus tree canker, clause (i) of subsection (a)(2)(B) shall be applied as if such clause read: '2 years after the close of the taxable year in which a State or Federal plant health authority determines that the land on which such trees grew is free from the bacteria that causes citrus tree canker and permits replanting to begin'.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning before, on, or after the date of the enactment of this Act.

SEC. ___. 10-YEAR RATABLE INCOME INCLUSION FOR CITRUS CANKER TREE PAYMENTS.

(a) IN GENERAL.—Part I of subchapter Q of chapter 1 (relating to income averaging) is amended by inserting after section 1301 the following new section:

"SEC. 1302. 10-YEAR RATABLE INCOME INCLUSION FOR CITRUS CANKER TREE PAYMENTS.

"(a) IN GENERAL.—At the election of the taxpayer, any amount taken into account as income or gain by reason of receiving a citrus canker tree payment shall be included in the income of the taxpayer ratably over the 10-year period beginning with the taxable year in which the payment is received or accrued by the taxpayer.

"(b) CITRUS CANKER TREE PAYMENT.—For purposes of subsection (a), the term 'citrus canker tree payment' means a payment made to an owner of a commercial citrus grove to recover income that was lost as a result of the removal of commercial citrus trees to control canker under the amendments to the citrus canker regulations (7 C.F.R. 301) made by the final rule published in the Federal Register by the Secretary of Agriculture on June 18, 2001 (66 Fed. Reg. 32713, Docket No. 00-37-4).".

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter Q of chapter 1 is amended by inserting after the item relating to section 1301 the following new item:

"Sec. 1302. 10-year ratable income inclusion for citrus canker tree payments.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made before, on, or after the date of the enactment of this Act.

SA 2871. Mr. GRAHAM of Florida submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. ___. REPEAL OF APPLICATION OF BELOW-MARKET LOAN RULES TO AMOUNTS PAID TO CERTAIN CONTINUING CARE FACILITIES.

(a) IN GENERAL.—Section 7872(c)(1) (relating to below-market loans to which section applies) is amended by striking subparagraph (F).

(b) FULL EXCEPTION.—Section 7872(g) (relating to exception for certain loans to qualified continuing care facilities) is amended—

(1) by striking paragraphs (2) and (5),

(2) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively,

(3) by adding at the end of paragraph (2) (as so redesignated) the following new flush sentence:

"The Secretary shall issue guidance which limits such term to contracts which provide to an individual or individual's spouse only facilities, care, and services described in this paragraph which are customarily offered by continuing care facilities.", and

(4) by striking "CERTAIN" in the heading thereof.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2004.

SA 2872. Mr. GRAHAM of Florida submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

On page 179, after line 25, insert the following:

SEC. ___. SPACEPORTS TREATED LIKE AIRPORTS UNDER EXEMPT FACILITY BOND RULES.

(a) IN GENERAL.—Paragraph (1) of section 142(a) (relating to exempt facility bonds) is amended to read as follows:

"(1) airports and spaceports,".

(b) TREATMENT OF GROUND LEASES.—Paragraph (1) of section 142(b) (relating to certain facilities must be governmentally owned) is amended by adding at the end the following new subparagraph:

"(C) SPECIAL RULE FOR SPACEPORT GROUND LEASES.—For purposes of subparagraph (A), spaceport property which is located on land owned by the United States and which is used by a governmental unit pursuant to a lease (as defined in section 168(h)(7)) from the United States shall be treated as owned by such unit if—

"(i) the lease term (within the meaning of section 168(i)(3)) is at least 15 years, and

"(ii) such unit would be treated as owning such property if such lease term were equal to the useful life of such property.".

(c) DEFINITION OF SPACEPORT.—Section 142 is amended by adding at the end the following new subsection:

"(l) SPACEPORT.—

"(1) IN GENERAL.—For purposes of subsection (a)(1), the term 'spaceport' means—

"(A) any facility directly related and essential to servicing spacecraft, enabling spacecraft to launch or reenter, or transferring passengers or space cargo to or from spacecraft, but only if such facility is located at, or in close proximity to, the launch site or reentry site, and

"(B) any other functionally related and subordinate facility at or adjacent to the launch site or reentry site at which launch services or reentry services are provided, including a launch control center, repair shop, maintenance or overhaul facility, and rocket assembly facility.

"(2) ADDITIONAL TERMS.—For purposes of paragraph (1)—

"(A) SPACE CARGO.—The term 'space cargo' includes satellites, scientific experiments, other property transported into space, and any other type of payload, whether or not such property returns from space.

"(B) SPACECRAFT.—The term 'spacecraft' means a launch vehicle or a reentry vehicle.

"(C) OTHER TERMS.—The terms 'launch', 'launch site', 'launch services', 'launch vehicle', 'payload', 'reenter', 'reentry services', 'reentry site', and 'reentry vehicle' shall have the respective meanings given to such terms by section 70102 of title 49, United

States Code (as in effect on the date of enactment of this subsection).".

(d) Exception From Federally Guaranteed Bond Prohibition.—Paragraph (3) of section 149(b) (relating to exceptions) is amended by adding at the end the following new subparagraph:

"(E) Exception for spaceports.—Paragraph (1) shall not apply to any exempt facility bond issued as part of an issue described in paragraph (1) of section 142(a) to provide a spaceport in situations where—

"(i) the guarantee of the United States (or an agency or instrumentality thereof) is the result of payment of rent, user fees, or other charges by the United States (or any agency or instrumentality thereof), and

"(ii) the payment of the rent, user fees, or other charges is for, and conditioned upon, the use of the spaceport by the United States (or any agency or instrumentality thereof).".

(e) Conforming Amendment.—The heading for section 142(c) is amended by inserting ", Spaceports," after "Airports".

(f) Effective Date.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SA 2873. Mr. THOMAS submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ___. DEFINITION OF MANUFACTURING FACILITY FOR SMALL ISSUE BONDS.

(a) In General.—Section 144(a)(12) (relating to termination dates) is amended by striking subparagraph (C) and inserting the following new subparagraphs:

"(C) Manufacturing facility.—For purposes of this paragraph, the term 'manufacturing facility' means any facility which is used in—

"(i) the manufacture of tangible personal property (including processing which results in a change in the condition of such property),

"(ii) the manufacture or development of any software product or process if—

"(I) it takes more than 6 months to manufacture or develop such product,

"(II) the manufacture or development could not with due diligence be reasonably expected to occur in less than 6 months, and

"(III) the software product or process comprises programs, routines, and attendant documentation developed and maintained for use in computer and telecommunications technology, or

"(iii) the manufacture or development of any biobased product or bioenergy if—

"(I) it takes more than 6 months to manufacture or develop, and

"(II) the manufacture or development could not with due diligence be reasonably expected to occur in less than 6 months.

"(D) Related facilities.—For purposes of subparagraph (C), the term 'manufacturing facility' includes a facility which is directly and functionally related to a manufacturing facility (determined without regard to subparagraph (C)) if—

"(i) such facility, including an office facility and a research and development facility, is located on the same site as the manufacturing facility, and

"(ii) not more than 40 percent of the net proceeds of the issue are used to provide such facility.

"(E) Other definitions.—For purposes of subparagraph (C)(iii)—

"(i) Biobased product.—The term 'biobased product' means a commercial or industrial product (other than food or feed) which utilizes biological products or renewable domestic agricultural (plant, animal, and marine) or forestry materials.

"(ii) Bioenergy.—The term 'bioenergy' means biomass used in the production of energy, including liquid, solid, or gaseous fuels, electricity, and heat.".

(b) Effective Date.—The amendment made by this section shall apply to obligations issued after the date of the enactment of this Act.

SA 2874. Mr. THOMAS submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. 3___. SODA ASH ROYALTIES.

Section 24 of the Mineral Leasing Act (30 U.S.C. 262) is amended—

(1) by striking "Sec. 24. That upon" and inserting the following:

"SEC. 24. LEASES.

"(a) In General.—Upon"; and

(2) by adding at the end the following:

"(b) Soda Ash Royalties.—Notwithstanding subsection (a), during the 5-year period beginning on the date of enactment of this subsection, the royalty rate applicable to any soda ash lease entered into under subsection (a) before, on, or after the date of enactment of this subsection shall be 2 percent.".

SA 2875. Ms. COLLINS (for herself, Mr. GRASSLEY, Mr. BINGAMAN, Mr. CHAFEE, Mr. DASCHLE, and Mr. SMITH) submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE VI—CIVIL RIGHTS TAX RELIEF

SEC. 601. EXCLUSION FROM GROSS INCOME FOR AMOUNTS RECEIVED ON ACCOUNT OF CERTAIN UNLAWFUL DISCRIMINATION.

(a) In General.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 140 as section 140A and by inserting after section 139 the following new section:

"SEC. 140. AMOUNTS RECEIVED ON ACCOUNT OF CERTAIN UNLAWFUL DISCRIMINATION.

"(a) In General.—

"(1) Exclusion.—Gross income does not include amounts received by a claimant (whether by suit or agreement and whether as lump sums or periodic payments) on account of a claim of unlawful discrimination (as defined in subsection (b)) or a claim of a violation of subchapter III of chapter 37 of title 31, United States Code.

"(2) Amounts covered.—For purposes of paragraph (1), the term 'amounts' does not include—

"(A) backpay or frontpay, as defined in section 1302(b), or

"(B) punitive damages.

"(b) Unlawful Discrimination Defined.—For purposes of this section, the term 'unlawful discrimination' means an act that is unlawful under any of the following:

"(1) Section 302 of the Civil Rights Act of 1991 (2 U.S.C. 1202).

"(2) Section 201, 202, 203, 204, 205, 206, or 207 of the Congressional Accountability Act of 1995 (2 U.S.C. 1311, 1312, 1313, 1314, 1315, 1316, or 1317).

"(3) The National Labor Relations Act (29 U.S.C. 151 et seq.).

"(4) The Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

"(5) Section 4 or 15 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623 or 633a).

"(6) Section 501 or 504 of the Rehabilitation Act of 1973 (29 U.S.C. 791 or 794).

"(7) Section 510 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1140).

"(8) Title IX of the Education Amendments of 1972 (29 U.S.C. 1681 et seq.).

"(9) The Employee Polygraph Protection Act of 1988 (29 U.S.C. 201 et seq.).

"(10) The Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102 et seq.).

"(11) Section 105 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2615).

"(12) Chapter 43 of title 38, United States Code (relating to employment and reemployment rights of members of the uniformed services).

"(13) Section 1977, 1979, or 1980 of the Revised Statutes (42 U.S.C. 1981, 1983, or 1985).

"(14) Section 703, 704, or 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–2, 2000e–3, or 2000e–16).

"(15) Section 804, 805, 806, 808, or 818 of the Fair Housing Act (42 U.S.C. 3604, 3605, 3606, 3608, or 3617).

"(16) Section 102, 202, 302, or 503 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12112, 12132, 12182, or 12203).

"(17) Any provision of Federal law (popularly known as whistleblower protection provisions) prohibiting the discharge of an employee, the discrimination against an employee, or any other form of retaliation or reprisal against an employee for asserting rights or taking other actions permitted under Federal law.

"(18) Any provision of Federal, State, or local law, or common law claims permitted under Federal, State, or local law—

"(A) providing for the enforcement of civil rights, or

"(B) regulating any aspect of the employment relationship, including claims for wages, compensation, or benefits, or prohibiting the discharge of an employee, the discrimination against an employee, or any other form of retaliation or reprisal against an employee for asserting rights or taking other actions permitted by law.".

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by striking the last item and inserting the following:

"Sec. 140. Amounts received on account of certain unlawful discrimination.

"Sec. 140. Cross references to other Acts.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to damages received in taxable years beginning after December 31, 2002.

SEC. 602. LIMITATION ON TAX BASED ON INCOME AVERAGING FOR BACKPAY AND FRONTPAY RECEIVED ON ACCOUNT OF CERTAIN UNLAWFUL EMPLOYMENT DISCRIMINATION.

(a) IN GENERAL.—Part I of subchapter Q of chapter 1 (relating to income averaging) is amended by adding at the end the following new section:

"SEC. 1302. INCOME FROM BACKPAY AND FRONTPAY RECEIVED ON ACCOUNT OF CERTAIN UNLAWFUL EMPLOYMENT DISCRIMINATION.

"(a) GENERAL RULE.—If employment discrimination backpay or frontpay is received by a taxpayer during a taxable year, the tax imposed by this chapter for such taxable year shall not exceed the sum of—

"(1) the tax which would be so imposed if—

"(A) no amount of such backpay or frontpay were included in gross income for such year, and

"(B) no deduction were allowed for such year for expenses (otherwise allowable as a deduction to the taxpayer for such year) in connection with making or prosecuting any claim of unlawful employment discrimination by or on behalf of the taxpayer, plus

"(2) the product of—

"(A) the number of years in the backpay period and frontpay period, and

"(B) the amount by which the tax determined under paragraph (1) would increase if the amount on which such tax is determined were increased by the average annual net backpay and frontpay amount.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EMPLOYMENT DISCRIMINATION BACKPAY OR FRONTPAY.—The term 'employment discrimination backpay or frontpay' means backpay or frontpay receivable (whether as lump sums or periodic payments) on account of a claim of unlawful employment discrimination.

"(2) UNLAWFUL EMPLOYMENT DISCRIMINATION.—The term 'unlawful employment discrimination' has the meaning provided the term 'unlawful discrimination' in section 140(b).

"(3) BACKPAY AND FRONTPAY.—The terms 'backpay' and 'frontpay' mean amounts includible in gross income in the taxable year—

"(A) as compensation which is attributable—

"(i) in the case of backpay, to services performed, or that would have been performed but for a claimed violation of law, as an employee, former employee, or prospective employee before such taxable year for the taxpayer's employer, former employer, or prospective employer; and

"(ii) in the case of frontpay, to employment that would have been performed but for a claimed violation of law, in a taxable year or taxable years following the taxable year; and

"(B) which are—

"(i) ordered, recommended, or approved by any governmental entity to satisfy a claim for a violation of law, or

"(ii) received from the settlement of such a claim.

"(4) BACKPAY PERIOD.—The term 'backpay period' means the period during which services are performed (or would have been performed) to which backpay is attributable. If such period is not equal to a whole number of taxable years, such period shall be increased to the next highest number of whole taxable years.

"(5) FRONTPAY PERIOD.—The term 'frontpay period' means the period of foregone employment to which frontpay is attributable. If such period is not equal to a whole number of taxable years, such period shall be increased to the next highest number of whole taxable years.

"(6) AVERAGE ANNUAL NET BACKPAY AND FRONTPAY AMOUNT.—The term 'average annual net backpay and frontpay amount' means the amount equal to—

"(A) the excess of—

"(i) employment discrimination backpay and frontpay, over

"(ii) the amount of deductions that would have been allowable but for subsection (a)(1)(B), divided by

"(B) the number of years in the backpay period and frontpay period.".

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter Q of chapter 1 is amended by inserting after section 1301 the following new item:

"Sec. 1302. Income from backpay or frontpay received on account of certain unlawful employment discrimination.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received in taxable years beginning after December 31, 2002.

SEC. 603. INCOME AVERAGING FOR BACKPAY AND FRONTPAY RECEIVED ON ACCOUNT OF CERTAIN UNLAWFUL EMPLOYMENT DISCRIMINATION NOT TO INCREASE ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

"(2) COORDINATION WITH INCOME AVERAGING FOR AMOUNTS RECEIVED ON ACCOUNT OF EMPLOYMENT DISCRIMINATION.—Solely for purposes of this section, section 1302 (relating to averaging of income from backpay or frontpay received on account of certain unlawful employment discrimination) shall not apply in computing the regular tax.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SA 2876. Mrs. HUTCHISON (for herself, Mr. SMITH, and Ms. LANDRIEU) submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 76, strike lines 3 through 14 and insert the following:

"(e) DOMESTIC PRODUCTION GROSS RECEIPTS.—For purposes of this section—

"(1) IN GENERAL.—

"(A) RECEIPTS FROM QUALIFYING PRODUCTION PROPERTY.—The term 'domestic production gross receipts' means the gross receipts of the taxpayer which are derived from—

"(i) any sale, exchange, or other disposition of, or

"(ii) any lease, rental, or license of,

qualifying production property which was manufactured, produced, grown, or extracted in whole or in significant part by the taxpayer within the United States.

"(B) RECEIPTS FROM CERTAIN SERVICES.—Such term also includes the gross receipts of the taxpayer which are derived from any construction, engineering, or architectural services performed in the United States for construction projects in the United States.

SA 2877. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

Beginning on page 164, strike line 12 through page 165, line 2, and insert the following:

(b) SPECIAL RULE FOR MUTUAL OR COOPERATIVE TELEPHONE COMPANIES.—Section 512(b) (relating to modifications) is amended by adding at the end the following new paragraph:

"(18) SPECIAL RULE FOR MUTUAL OR COOPERATIVE TELEPHONE COMPANIES.—A mutual or cooperative telephone company which for the taxable year satisfies the requirements of section 501(c)(12)(A) may elect to reduce its unrelated business taxable income for such year, if any, by an amount that does not exceed the qualified broadband expenditures which would be taken into account under section 191 for such year by such company if such company was not exempt from taxation. Any amount which is allowed as a deduction under this paragraph shall not be allowed as a deduction under section 191 and the basis of any property to which this paragraph applies shall be reduced under section 1016(a)(29).".

On page 168, strike lines 16 through 18 and insert the following:

(f) EFFECTIVE DATES.—The amendments made by this section shall apply to expenditures incurred after the date of the enactment of this Act and before the date which is 12 months after the date of the enactment of this Act.

SA 2878. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

Strike section 487 in amendment No. 2645, as agreed to.

SA 2879. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

At the appropriate place, insert the following:

SEC. ___. TRANSMISSION OF PERSONALLY IDENTIFIABLE INFORMATION TO FOREIGN AFFILIATES OR SUBCONTRACTORS.

(a) Definitions.—As used in this section, the following definitions shall apply:

(1) Business enterprise.—The term "business enterprise" means any organization, association, or venture established to make a profit.

(2) Country with adequate privacy protection.—The term "country with adequate privacy protection" means a country that has been certified by the Federal Trade Commission as having a legal system that provides adequate privacy protection for such information.

(3) Health care business.—The term "health care business" means any business enterprise or nonprofit organization that collects or retains personally identifiable information about consumers in relation to medical care, including—

(A) hospitals;

(B) health maintenance organizations;

(C) medical partnerships;

(D) emergency medical transportation companies;

(E) medical transcription companies; and

(F) subcontractors, or potential subcontractors, of the entities described in subparagraphs (A) through (E).

(4) Personally identifiable information.—The term "personally identifiable information" includes name, bank account information, social security number, address, telephone number, passwords, mother's maiden name, and age.

(b) Transmission of Information.—

(1) In general.—A business enterprise may transmit personally identifiable information regarding a citizen of the United States to any foreign affiliate or subcontractor located in a country that is a country with adequate privacy protection.

(2) Consent required.—A business enterprise may not transmit personally identifiable information regarding a citizen of the United States to any foreign affiliate or subcontractor located in a country that is not a country with adequate privacy protection, unless—

(A) the business enterprise obtains consent from the citizen, before a consumer relationship is established or before the effective date of this section, to transmit such information to such foreign affiliate or subcontractor; and

(B) the consent referred to in subparagraph (A) is renewed by the citizen within 1 year before such information is transmitted.

(3) Liability.—A business enterprise shall be liable for any damages arising from the improper storage, duplication, sharing, or other misuse of personally identifiable information by the business enterprise or by any of its foreign affiliates or subcontractors that received such information from the business enterprise.

(4) Rulemaking.—The Chairman of the Federal Trade Commission shall promulgate regulations through which the Chairman may enforce the provisions of this subsection and impose a fine for a violation of this subsection.

(c) Health Care Information.—

(1) In general.—A health care business shall be liable for any damages arising from the improper storage, duplication, sharing, or other misuse of personally identifiable information by the business enterprise or by any of its foreign affiliates or subcontractors that received such information from the business enterprise.

(2) No opt out provision.—A health care business may not terminate an existing relationship with a consumer of health care services to avoid the consent requirement under subsection (b)(2).

(3) Rulemaking.—The Secretary of Health and Human Services shall promulgate regulations through which the Secretary may enforce the provisions of this subsection and impose a fine for the violation of this subsection.

(d) Effective Date.—This section shall take effect on the date which is 90 days after the date of enactment of this Act.

SA 2880. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, insert the following:

SEC. ___. CREDIT FOR QUALIFIED EXPENDITURES FOR MEDICAL PROFESSIONAL MALPRACTICE INSURANCE.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business tax credits) is amended by adding at the end the following:

"SEC. 45G. CREDIT FOR EXPENDITURES FOR MEDICAL PROFESSIONAL MALPRACTICE INSURANCE.

"(a) General Rule.—For purposes of section 38, in the case of a taxpayer which is an eligible person, the medical malpractice insurance expenditure tax credit determined under this section for a covered year shall equal the applicable percentage of the qualified medical malpractice insurance expenditures incurred by an eligible person during the covered year.

"(b) Applicable Percentage.—For purposes of subsection (a), the applicable percentage is—

"(1) in the case of an eligible person described in subsection (c)(2)(A), 20 percent,

"(2) in the case of an eligible person described in subsection (c)(2)(B), 10 percent, and

"(3) in the case of an eligible person described in subsection (c)(2)(C), 15 percent.

"(c) Definitions.—In this section:

"(1) Covered year.—The term 'covered year' means taxable years beginning in 2004 and 2005.

"(2) Eligible person.—The term 'eligible person' means—

"(A) any physician (as defined in section 213(d)(4)) who practices in any surgical specialty or subspecialty, emergency medicine, obstetrics, anesthesiology or who does intervention work which is reflected in medical malpractice insurance expenditures,

"(B) any physician (as so defined) who practices in general medicine, allergy, dermatology, pathology, or any other specialty not otherwise described in this section, and

"(C) any hospital, clinic, or long-term care provider,

which meets applicable legal requirements to provide the health care services involved.

"(3) Qualified medical malpractice insurance expenditure.—The term 'qualified medical malpractice insurance expenditure' means so much of any professional insurance premium, surcharge, payment or other cost or expense which is incurred by an eligible person in a covered year for the sole purpose of providing or furnishing general medical malpractice liability insurance for such eligible person as does not exceed twice the average of such costs for similarly situated eligible persons.

"(d) Special Rules.—

"(1) In general.—The credit determined under this section shall be claimed by the eligible person incurring the qualified medical malpractice insurance expenditure.

"(2) Certification.—Each State, through its board of medical licensure and State board (or agency) regulating insurance, annually shall provide such information to the Secretary of Health and Human Services as is necessary to permit the Secretary to calculate average costs for purposes of subsection (c)(3) and to certify such average costs (rounded to the nearest whole dollar) to the Secretary of the Treasury on or before the 15th day of November of each year.

"(e) Application of Section.—This section shall apply to qualified medical malpractice expenditures incurred after December 31, 2003.".

(b) Credit Made Part of General Business Credit.—Section 38(b) (relating to current year business credit) is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following new paragraph:

"(16) the medical malpractice insurance expenditure tax credit determined under section 45G(a).".

(c) Limitation on Carryback.—Section 39(d) (relating to transition rules) is amended by adding at the end the following new paragraph:

"(11) No carryback of medical malpractice insurance expenditure tax credit before effective date.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 45G may be carried back to any taxable year beginning before 2004.".

(d) Denial of Double Benefit.—Section 280C (relating to certain expenses for which credits are allowable) is amended by adding at the end the following new subsection:

"(d) Credit for Medical Malpractice Liability Insurance Premiums.—

"(1) In general.—No deduction shall be allowed for that portion of the qualified medical malpractice insurance expenditures otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit allowable for the taxable year under section 45G (determined without regard to section 38(c)).

"(2) Controlled groups.—In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 41(f)(5)) or a trade or business which is treated as being under common control with other trades or business (within the meaning of section 41(f)(1)(B)), this subsection shall be applied under rules prescribed by the Secretary similar to the rules applicable under subparagraphs (A) and (B) of section 41(f)(1).''.

(e) Grants to Non-Profit Hospitals, Clinics, and Long-Term Care Providers.—

(1) In general.—The Secretary of Health and Human Services, acting through the Administrator of the Health Resources and Services Administration, shall award grants to eligible non-profit hospitals, clinics, and long-term care providers to assist such hospitals, clinics, and long-term care providers in defraying qualified medical malpractice insurance expenditures.

(2) Eligible non-profit hospital, clinic, or long-term care provider.—To be eligible to receive a grant under paragraph (1) an entity shall—

(A) be a non-profit hospital, clinic, or long-term care provider;

(B) be unable to claim the tax credit described in section 45G for the year for which an application is submitted under subparagraph (C); and

(C) prepare and submit to the Secretary of Health and Human Services an application at such time, in such manner, and containing such information as the Secretary may require.

(3) Amount of grant.—The amount of a grant to a non-profit hospital, clinic, or long-term care provider under paragraph (1) shall equal 15 percent of the amount of the qualified medical malpractice insurance expenditures of the hospital, clinic, or long-term care provider for the year involved.

(4) Qualified medical malpractice insurance expenditure.—In this subsection, the term "qualified medical malpractice insurance expenditure" means so much of any professional insurance premium, surcharge, payment or other cost or expense which is incurred by a non-profit hospital, clinic, or long-term care provider in a year for the sole purpose of providing or furnishing general medical malpractice liability insurance for such hospital, clinic, or long-term care provider as does not exceed twice the average of such costs for similarly situated hospitals, clinics, or long-term care provider homes.

(5) Authorization of appropriations.—There are authorized to be appropriated to carry out this subsection, such sums as may be necessary for each of fiscal years 2005 and 2006.

(f) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45G. Credit for expenditures for medical professional malpractice insurance.''.

(g) Effective Date.—The amendments made by this section shall apply to expenditures incurred after December 31, 2003.

SA 2881. Mr. HARKIN (for himself, Mr. Kennedy, Mr. Sarbanes, Mr. Kerry, and Ms. Mikulski) proposed an amendment to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. ___. PROTECTION OF OVERTIME PAY.

Section 13 of the Fair Labor Standards Act of 1938 (29 U.S.C. 213) is amended by adding at the end the following:

"(k)(1) The Secretary shall not promulgate any rule under subsection (a)(1) that exempts from the overtime pay provisions of section 7 any employee who would not be exempt under regulations in effect on March 31, 2003.

"(2) Any portion of a rule promulgated under subsection (a)(1) after March 31, 2003, that exempts from the overtime pay provisions of section 7 any employee who would not otherwise be exempt if the regulations in effect on March 31, 2003, remained in effect, shall have no force or effect.''.

SA 2882. Mr. GRASSLEY (for Mr. Bunning (for himself, Mrs. Lincoln, Mr. Santorum, Mr. Conrad, and Mr. Baucus)) proposed an amendment to amendment SA 2686 proposed by Mr. Bunning (for himself, Ms. Stabenow, Mrs. Feinstein, Mr. Levin, Mr. Kohl, and Mr. Rockefeller) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

At the end of the matter proposed to be inserted at the end of the bill, add the following:

SEC. ___. FIVE-YEAR CARRYBACK OF NET OPERATING LOSSES.

(a) In General.—Subparagraph (H) of section 172(b)(1) is amended—

(1) by inserting "5-year carryback of certain losses.—" after "(H)", and

(2) by striking "or 2002" and inserting ", 2002, or 2003".

(b) Rules Relating to Certain Extended Net Operating Losses.—Section 172 is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) Rules Relating to Certain Extended Net Operating Losses.—For purposes of this section, in the case of a taxpayer which has a net operating loss for any taxable year ending during 2003 and does not make an election under subsection (j), such taxpayer shall be deemed to have made an election under paragraphs (4)(E) and (2)(C)(iii) of section 168(k) with respect to all classes of property for such taxable year.

(c) Temporary Suspension of 90 Percent Limit on Certain NOL Carryovers.—Section 56(d)(1)(A)(ii)(I) (relating to general rule defining alternative tax net operating loss deduction) is amended—

(1) by striking "or 2002" and inserting ", 2002, or 2003", and

(2) by striking "and 2002" and inserting ", 2002, and 2003".

(d) Technical Corrections.—

(1) Subparagraph (H) of section 172(b)(1) is amended by striking "a taxpayer which has".

(2) Section 102(c)(2) of the Job Creation and Worker Assistance Act of 2002 (Public Law 107–147) is amended by striking "before January 1, 2003" and inserting "after December 31, 1990".

(3)(A) Subclause (I) of section 56(d)(1)(A)(i) is amended by striking "attributable to carryovers".

(B) Subclause (I) of section 56(d)(1)(A)(ii) is amended—

(i) by striking "for taxable years" and inserting "from taxable years", and

(ii) by striking "carryforwards" and inserting "carryovers".

(e) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to net operating losses for taxable years ending after December 31, 2002.

(2) Technical corrections.—The amendments made by subsection (d) shall take effect as if included in the amendments made by section 102 of the Job Creation and Worker Assistance Act of 2002.

(3) Election.—In the case of a net operating loss for a taxable year ending during 2003—

(A) any election made under section 172(b)(3) of such Code may (notwithstanding such section) be revoked before April 15, 2004, and

(B) any election made under section 172(j) of such Code shall (notwithstanding such section) be treated as timely made if made before April 15, 2004.

(4) Special rule for taxpayers with taxable years ending during January.—Any taxpayer which has a taxable year ending during January may elect under this paragraph to apply section 172(b)(1)(H) of the Internal Revenue Code of 1986 (as amended by this section) to its taxable year ending in 2004 rather than its taxable year ending in 2003. If such election is made, then section 172(k) of such Code (as added by this section) shall be applied to the taxpayer's taxable year ending in 2004. Such election shall be made in such manner and at such time as may be prescribed by the Secretary of the Treasury. Such election, once made, shall be irrevocable.

(c) Prior Section To Have No Effect.—Notwithstanding section 311(e) of this Act, such section, and the amendments made by such section, shall not take effect.

SA 2883. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

At the end add the following:

TITLE V—HOUSING BOND AND CREDIT MODERNIZATION AND FAIRNESS PROVISIONS

SEC. 501. REPEAL OF REQUIRED USE OF CERTAIN PRINCIPAL REPAYMENTS ON MORTGAGE SUBSIDY BOND FINANCINGS TO REDEEM BONDS.

(a) In General.—Subparagraph (A) of section 143(a)(2) (defining qualified mortgage issue) is amended by adding "and" at the end of clause (ii), by striking ", and" at the end of clause (iii) and inserting a period, and by striking clause (iv) and the last sentence.

(b) Conforming Amendment.—Clause (ii) of section 143(a)(2)(D) of such Code is amended by striking "(and clause (iv) of subparagraph (A))".

(c) Effective Date.—The amendments made by this section shall apply to repayments received after the date of the enactment of this Act.

SEC. 502. MODIFICATION OF PURCHASE PRICE LIMITATION UNDER MORTGAGE SUBSIDY BOND RULES BASED ON MEDIAN FAMILY INCOME.

(a) IN GENERAL.—Paragraph (1) of section 143(e) (relating to purchase price requirement) is amended to read as follows:

"(1) IN GENERAL.—An issue meets the requirements of this subsection only if the acquisition cost of each residence the owner-financing of which is provided under the issue does not exceed the greater of—

"(A) 90 percent of the average area purchase price applicable to the residence, or

"(B) 3.5 times the applicable median family income (as defined in subsection (f))."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to financing provided, and mortgage credit certificates issued, after the date of the enactment of this Act.

SEC. 503. DETERMINATION OF AREA MEDIAN GROSS INCOME FOR LOW-INCOME HOUSING CREDIT PROJECTS.

(a) IN GENERAL.—Paragraph (4) of section 42(g) (relating to certain rules made applicable) is amended by striking the period at the end and inserting "and the term 'area median gross income' means the amount equal to the greater of—

"(A) the area median gross income determined under section 142(d)(2)(B), or

"(B) the statewide median gross income for the State in which the project is located."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to—

(1) housing credit dollar amounts allocated after the date of the enactment of this Act, and

(2) buildings placed in service after such date to the extent paragraph (1) of section 42(h) of the Internal Revenue Code of 1986 does not apply to any building by reason of paragraph (4) thereof.

SA 2884. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

On page 179, after line 25, add the following:

SEC. ___. REPEAL OF CHECK-THE-BOX RULES.

(a) IN GENERAL.—Paragraph (3) of section 7701(a) (relating to corporation) is amended by inserting at the end the following new sentence: "The determination as to whether any foreign business entity is a corporation shall be made without regard to any election regarding the classification of the business form of such entity and shall be made under rules similar to the rules for determining the status of such entity on December 31, 1996 (except that any foreign business entity which is defined as a corporation under regulations on the date of the enactment of this sentence shall continue to be classified as a corporation).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning in calendar years beginning after the date of the enactment of this Act.

SA 2885. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table as follows:

Beginning on page 85, line 20, strike all through page 146, line 23, and insert the following:

SEC. 201. DETERMINATION OF FOREIGN PERSONAL HOLDING COMPANY INCOME WITH RESPECT TO TRANSACTIONS IN COMMODITIES.

(a) IN GENERAL.—Clauses (i) and (ii) of section 954(c)(1)(C) (relating to commodity transactions) are amended to read as follows:

"(i) arise out of commodity hedging transactions (as defined in paragraph (4)(A)),

"(ii) are active business gains or losses from the sale of commodities, but only if substantially all of the controlled foreign corporation's commodities are property described in paragraph (1), (2), or (8) of section 1221(a), or".

(b) DEFINITION AND SPECIAL RULES.—Subsection (c) of section 954 is amended by adding after paragraph (3) the following new paragraph:

"(4) DEFINITION AND SPECIAL RULES RELATING TO COMMODITY TRANSACTIONS.—

"(A) COMMODITY HEDGING TRANSACTIONS.—For purposes of paragraph (1)(C)(i), the term 'commodity hedging transaction' means any transaction with respect to a commodity if such transaction—

"(i) is a hedging transaction as defined in section 1221(b)(2), determined—

"(I) without regard to subparagraph (A)(ii) thereof,

"(II) by applying subparagraph (A)(i) thereof by substituting 'ordinary property or property described in section 1231(b)' for 'ordinary property', and

"(III) by substituting 'controlled foreign corporation' for 'taxpayer' each place it appears, and

"(ii) is clearly identified as such in accordance with section 1221(a)(7).

"(B) TREATMENT OF DEALER ACTIVITIES UNDER PARAGRAPH (1)(C).—Commodities with respect to which gains and losses are not taken into account under paragraph (2)(C) in computing a controlled foreign corporation's foreign personal holding company income shall not be taken into account in applying the substantially all test under paragraph (1)(C)(ii) to such corporation.

"(C) REGULATIONS.—The Secretary shall prescribe such regulations as are appropriate to carry out the purposes of paragraph (1)(C) in the case of transactions involving related parties.".

(c) MODIFICATION OF EXCEPTION FOR DEALERS.—Clause (i) of section 954(c)(2)(C) is amended by inserting "and transactions involving physical settlement" after "(including hedging transactions".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after December 31, 2004.

SA 2886. Mr. MCCONNELL (for Mr. FRIST) submitted an amendment intended to be proposed by Mr. MCCONNELL to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Jumpstart Our Business Strength (JOBS) Act".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—PROVISIONS RELATING TO REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME

Sec. 101. Repeal of exclusion for extraterritorial income.
Sec. 102. Deduction relating to income attributable to United States production activities.

TITLE II—INTERNATIONAL TAX PROVISIONS

Subtitle A—International Tax Reform

Sec. 201. 20-year foreign tax credit carryover; 1-year foreign tax credit carryback.
Sec. 202. Look-thru rules to apply to dividends from noncontrolled section 902 corporations.
Sec. 203. Foreign tax credit under alternative minimum tax.
Sec. 204. Recharacterization of overall domestic loss.
Sec. 205. Interest expense allocation rules.
Sec. 206. Determination of foreign personal holding company income with respect to transactions in commodities.

Subtitle B—International Tax Simplification

Sec. 211. Repeal of foreign personal holding company rules and foreign investment company rules.
Sec. 212. Expansion of de minimis rule under subpart F.
Sec. 213. Attribution of stock ownership through partnerships to apply in determining section 902 and 960 credits.
Sec. 214. Application of uniform capitalization rules to foreign persons.
Sec. 215. Repeal of withholding tax on dividends from certain foreign corporations.
Sec. 216. Repeal of special capital gains tax on aliens present in the United States for 183 days or more.

Subtitle C—Additional International Tax Provisions

Sec. 221. Active leasing income from aircraft and vessels.
Sec. 222. Look-thru treatment of payments between related controlled foreign corporations under foreign personal holding company income rules.
Sec. 223. Look-thru treatment for sales of partnership interests.
Sec. 224. Election not to use average exchange rate for foreign tax paid other than in functional currency.

Sec. 225. Treatment of income tax base differences.
Sec. 226. Modification of exceptions under subpart F for active financing.
Sec. 227. United States property not to include certain assets of controlled foreign corporation.
Sec. 228. Provide equal treatment for interest paid by foreign partnerships and foreign corporations.
Sec. 229. Clarification of treatment of certain transfers of intangible property.
Sec. 230. Modification of the treatment of certain REIT distributions attributable to gain from sales or exchanges of United States real property interests.
Sec. 231. Toll tax on excess qualified foreign distribution amount.
Sec. 232. Exclusion of income derived from certain wagers on horse races and dog races from gross income of nonresident alien individuals.
Sec. 233. Limitation of withholding tax for Puerto Rico corporations.
Sec. 234. Report on WTO dispute settlement panels and the appellate body.
Sec. 235. Study of impact of international tax laws on taxpayers other than large corporations.

TITLE III—DOMESTIC MANUFACTURING AND BUSINESS PROVISIONS

Subtitle A—General Provisions

Sec. 301. Expansion of qualified small-issue bond program.
Sec. 302. Expensing of broadband Internet access expenditures.
Sec. 303. Exemption of natural aging process in determination of production period for distilled spirits under section 263A.
Sec. 304. Modification of active business definition under section 355.
Sec. 305. Exclusion of certain indebtedness of small business investment companies from acquisition indebtedness.
Sec. 306. Modified taxation of imported archery products.
Sec. 307. Modification to cooperative marketing rules to include value added processing involving animals.
Sec. 308. Extension of declaratory judgment procedures to farmers' cooperative organizations.
Sec. 309. Temporary suspension of personal holding company tax.
Sec. 310. Increase in section 179 expensing.
Sec. 311. Five-year carryback of net operating losses.
Sec. 312. Extension and modification of research credit.
Sec. 313. Expansion of research credit.

Subtitle B—Manufacturing Relating to Films

Sec. 321. Special rules for certain film and television productions.
Sec. 322. Modification of application of income forecast method of depreciation.

Subtitle C—Manufacturing Relating to Timber

Sec. 331. Expensing of certain reforestation expenditures.
Sec. 332. Election to treat cutting of timber as a sale or exchange.
Sec. 333. Capital gain treatment under section 631(b) to apply to outright sales by landowners.
Sec. 334. Modification of safe harbor rules for timber REITS.

TITLE IV—ADDITIONAL PROVISIONS

Subtitle A—Provisions Designed To Curtail Tax Shelters

Sec. 401. Clarification of economic substance doctrine.
Sec. 402. Penalty for failing to disclose reportable transaction.
Sec. 403. Accuracy-related penalty for listed transactions and other reportable transactions having a significant tax avoidance purpose.
Sec. 404. Penalty for understatements attributable to transactions lacking economic substance, etc.
Sec. 405. Modifications of substantial understatement penalty for nonreportable transactions.
Sec. 406. Tax shelter exception to confidentiality privileges relating to taxpayer communications.
Sec. 407. Disclosure of reportable transactions.
Sec. 408. Modifications to penalty for failure to register tax shelters.
Sec. 409. Modification of penalty for failure to maintain lists of investors.
Sec. 410. Modification of actions to enjoin certain conduct related to tax shelters and reportable transactions.
Sec. 411. Understatement of taxpayer's liability by income tax return preparer.
Sec. 412. Penalty on failure to report interests in foreign financial accounts.
Sec. 413. Frivolous tax submissions.
Sec. 414. Regulation of individuals practicing before the Department of Treasury.
Sec. 415. Penalty on promoters of tax shelters.
Sec. 416. Statute of limitations for taxable years for which required listed transactions not reported.
Sec. 417. Denial of deduction for interest on underpayments attributable to nondisclosed reportable and noneconomic substance transactions.
Sec. 418. Authorization of appropriations for tax law enforcement.
Sec. 419. Increases in penalties for aiding and abetting understatements.
Sec. 420. Study on information sharing among law enforcement agencies.

Subtitle B—Other Corporate Governance Provisions

Sec. 421. Affirmation of consolidated return regulation authority.
Sec. 422. Declaration by chief executive officer relating to Federal annual income tax return of a corporation.
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Sec. 431. Limitation on transfer or importation of built-in losses.
Sec. 432. No reduction of basis under section 734 in stock held by partnership in corporate partner.
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Sec. 441. Tax treatment of inverted corporate entities.
Sec. 442. Imposition of mark-to-market tax on individuals who expatriate.
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Sec. 445. Reporting of taxable mergers and acquisitions.

Subtitle E—International Tax

Sec. 451. Clarification of banking business for purposes of determining investment of earnings in United States property.
Sec. 452. Prohibition on nonrecognition of gain through complete liquidation of holding company.
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Sec. 454. Effectively connected income to include certain foreign source income.
Sec. 455. Recapture of overall foreign losses on sale of controlled foreign corporation.
Sec. 456. Minimum holding period for foreign tax credit on withholding taxes on income other than dividends.

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Sec. 463. Recognition of cancellation of indebtedness income realized on satisfaction of debt with partnership interest.
Sec. 464. Modification of straddle rules.
Sec. 465. Denial of installment sale treatment for all readily tradeable debt.

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Sec. 481. Clarification of rules for payment of estimated tax for certain deemed asset sales.
Sec. 482. Extension of IRS user fees.
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PART V—MISCELLANEOUS PROVISIONS

Sec. 491. Addition of vaccines against hepatitis A to list of taxable vaccines.
Sec. 492. Recognition of gain from the sale of a principal residence acquired in a like-kind exchange within 5 years of sale.
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Sec. 496. Repeal of 10-percent rehabilitation tax credit.
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TITLE V—PROTECTION OF UNITED STATES WORKERS FROM COMPETITION OF FOREIGN WORKFORCES

Sec. 501. Limitations on off-shore performance of contracts.
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TITLE VI—OTHER PROVISIONS

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Subtitle E—Miscellaneous Provisions

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Sec. 709. Expansion of certain New York Liberty Zone benefits.
Sec. 710. Temporary special rules for taxation of life insurance companies.
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TITLE I—PROVISIONS RELATING TO REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME

SEC. 101. REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME.

(a) IN GENERAL.—Section 114 is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1)(A) Subpart E of part III of subchapter N of chapter 1 (relating to qualifying foreign trade income) is hereby repealed.

(B) The table of subparts for such part III is amended by striking the item relating to subpart E.

(2) The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 114.

(3) The second sentence of section 56(g)(4)(B)(i) is amended by striking "114 or".

(4) Section 275(a) is amended—

(A) by inserting "or" at the end of paragraph (4)(A), by striking "or" at the end of paragraph (4)(B) and inserting a period, and by striking subparagraph (C), and

(B) by striking the last sentence.

(5) Paragraph (3) of section 864(e) is amended—

(A) by striking:

"(3) Tax-Exempt Assets Not Taken Into Account.—

"(A) In General.—For purposes of"; and inserting:

"(3) Tax-Exempt Assets Not Taken Into Account.—For purposes of", and

(B) by striking subparagraph (B).

(6) Section 903 is amended by striking "114, 164(a)," and inserting "164(a)".

(7) Section 999(c)(1) is amended by striking "941(a)(5),".

(c) Effective Date.—

(1) In General.—The amendments made by this section shall apply to transactions occurring after the date of the enactment of this Act.

(2) Binding Contracts.—The amendments made by this section shall not apply to any transaction in the ordinary course of a trade or business which occurs pursuant to a binding contract—

(A) which is between the taxpayer and a person who is not a related person (as defined in section 943(b)(3) of such Code, as in effect on the day before the date of the enactment of this Act), and

(B) which is in effect on September 17, 2003, and at all times thereafter.

(d) Revocation of Section 943(e) Elections.—

(1) In General.—In the case of a corporation that elected to be treated as a domestic corporation under section 943(e) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act)—

(A) the corporation may, during the 1-year period beginning on the date of the enactment of this Act, revoke such election, effective as of such date of enactment, and

(B) if the corporation does revoke such election—

(i) such corporation shall be treated as a domestic corporation transferring (as of such date of enactment) all of its property to a foreign corporation in connection with an exchange described in section 354 of such Code, and

(ii) no gain or loss shall be recognized on such transfer.

(2) Exception.—Subparagraph (B)(ii) of paragraph (1) shall not apply to gain on any asset held by the revoking corporation if—

(A) the basis of such asset is determined in whole or in part by reference to the basis of such asset in the hands of the person from whom the revoking corporation acquired such asset,

(B) the asset was acquired by transfer (not as a result of the election under section 943(e) of such Code) occurring on or after the 1st day on which its election under section 943(e) of such Code was effective, and

(C) a principal purpose of the acquisition was the reduction or avoidance of tax (other than a reduction in tax under section 114 of such Code, as in effect on the day before the date of the enactment of this Act).

(e) General Transition.—

(1) In General.—In the case of a taxable year ending after the date of the enactment of this Act and beginning before January 1, 2007, for purposes of chapter 1 of such Code, a current FSC/ETI beneficiary shall be allowed a deduction equal to the transition amount determined under this subsection with respect to such beneficiary for such year.

(2) Current FSC/ETI Beneficiary.—The term "current FSC/ETI beneficiary" means any corporation which entered into one or more transactions during its taxable year beginning in calendar year 2002 with respect to which FSC/ETI benefits were allowable.

(3) Transition Amount.—For purposes of this subsection—

(A) In General.—The transition amount applicable to any current FSC/ETI beneficiary for any taxable year is the phaseout percentage of the base period amount.

(B) Phaseout Percentage.—

(i) In General.—In the case of a taxpayer using the calendar year as its taxable year, the phaseout percentage shall be determined under the following table:

Years:	The phaseout percentage is:
2004	80
2005	80
2006	60.

(ii) Special Rule for 2004.—The phaseout percentage for 2004 shall be the amount that bears the same ratio to 100 percent as the number of days after the date of the enactment of this Act bears to 365.

(iii) Special Rule for Fiscal Year Taxpayers.—In the case of a taxpayer not using the calendar year as its taxable year, the phaseout percentage is the weighted average of the phaseout percentages determined under the preceding provisions of this paragraph with respect to calendar years any portion of which is included in the taxpayer's taxable year. The weighted average shall be determined on the basis of the respective portions of the taxable year in each calendar year.

(C) Short Taxable Year.—The Secretary shall prescribe guidance for the computation of the transition amount in the case of a short taxable year.

(4) Base Period Amount.—For purposes of this subsection, the base period amount is the average FSC/ETI benefit for the taxpayer's taxable years beginning in calendar years 2000, 2001, and 2002.

(5) FSC/ETI Benefit.—For purposes of this subsection, the term "FSC/ETI benefit" means—

(A) amounts excludable from gross income under section 114 of such Code, and

(B) the exempt foreign trade income of related foreign sales corporations from property acquired from the taxpayer (determined without regard to section 923(a)(5) of such Code (relating to special rule for military property), as in effect on the day before the date of the enactment of the FSC Repeal and Extraterritorial Income Exclusion Act of 2000).

In determining the FSC/ETI benefit there shall be excluded any amount attributable to a transaction with respect to which the taxpayer is the lessor unless the leased property was manufactured or produced in whole or in significant part by the taxpayer.

(6) Special Rule for Agricultural and Horticultural Cooperatives.—Determinations under this subsection with respect to an organization described in section 943(g)(1) of such Code, as in effect on the day before the date of the enactment of this Act, shall be made at the cooperative level and the purposes of this subsection shall be carried out in a manner similar to section 199(h)(2) of such Code, as added by this Act. Such determinations shall be in accordance with such requirements and procedures as the Secretary may prescribe.

(7) Certain Rules to Apply.—Rules similar to the rules of section 41(f) of such Code shall apply for purposes of this subsection.

(8) Coordination With Binding Contract Rule.—The deduction determined under paragraph (1) for any taxable year shall be reduced by the phaseout percentage of any FSC/ETI benefit realized for the taxable year by reason of subsection (c)(2) or section 5(c)(1)(B) of the FSC Repeal and Extraterritorial Income Exclusion Act of 2000, except that for purposes of this paragraph the phaseout percentage for 2004 shall be treated as being equal to 100 percent.

(9) Special Rule for Taxable Year Which Includes Date of Enactment.—In the case of a taxable year which includes the date of the enactment of this Act, the deduction allowed under this subsection to any current FSC/ETI beneficiary shall in no event exceed—

(A) 100 percent of such beneficiary's base period amount for calendar year 2004, reduced by

(B) the FSC/ETI benefit of such beneficiary with respect to transactions occurring during the portion of the taxable year ending on the date of the enactment of this Act.

SEC. 102. DEDUCTION RELATING TO INCOME ATTRIBUTABLE TO UNITED STATES PRODUCTION ACTIVITIES.

(a) In General.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end the following new section:

"SEC. 199. INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES.

"(a) Allowance of Deduction.—

"(1) In General.—There shall be allowed as a deduction an amount equal to 9 percent of the qualified production activities income of the taxpayer for the taxable year.

"(2) Phasein.—In the case of taxable years beginning in 2004, 2005, 2006, 2007, or 2008, paragraph (1) shall be applied by substituting for the percentage contained therein the transition percentage determined under the following table:

"Taxable years beginning in:	The transition percentage is:
2004, 2005, or 2006	5
2007	6
2008	7.

"(b) Deduction Limited to Wages Paid.—

"(1) In General.—The amount of the deduction allowable under subsection (a) for any taxable year shall not exceed 50 percent of the W–2 wages of the employer for the taxable year.

"(2) W–2 Wages.—For purposes of paragraph (1), the term 'W–2 wages' means the sum of the aggregate amounts the taxpayer is required to include on statements under paragraphs (3) and (8) of section 6051(a) with respect to employment of employees of the taxpayer during the taxpayer's taxable year.

"(3) Special Rules.—

"(A) Pass-Thru Entities.—In the case of an S corporation, partnership, estate or trust, or other pass-thru entity, the limitation under this subsection shall apply at the entity level. The preceding sentence shall not apply to any entity all of the ownership interests of which are held directly or indirectly by members of the same expanded affiliated group.

"(B) Acquisitions and Dispositions.—The Secretary shall provide for the application of this subsection in cases where the taxpayer acquires, or disposes of, the major portion of a trade or business or the major portion of a separate unit of a trade or business during the taxable year.

"(c) Qualified Production Activities Income.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified production activities income' means an amount equal to the portion of the modified taxable income of the taxpayer which is attributable to domestic production activities.

"(2) REDUCTION FOR TAXABLE YEARS BEGINNING BEFORE 2013.—The amount otherwise determined under paragraph (1) (the 'unreduced amount') shall not exceed—

"(A) in the case of taxable years beginning before 2010, the product of the unreduced amount and the domestic/worldwide fraction, and

"(B) in the case of taxable years beginning in 2010, 2011, or 2012, an amount equal to the sum of—

"(i) the product of the unreduced amount and the domestic/worldwide fraction, plus

"(ii) the applicable percentage of an amount equal to the unreduced amount minus the amount determined under clause (i).

For purposes of subparagraph (B)(ii), the applicable percentage is 25 percent for 2010, 50 percent for 2011, and 75 percent for 2012.

"(d) DETERMINATION OF INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES.—For purposes of this section—

"(1) IN GENERAL.—The portion of the modified taxable income which is attributable to domestic production activities is so much of the modified taxable income for the taxable year as does not exceed—

"(A) the taxpayer's domestic production gross receipts for such taxable year, reduced by

"(B) the sum of—

"(i) the costs of goods sold that are allocable to such receipts,

"(ii) other deductions, expenses, or losses directly allocable to such receipts, and

"(iii) a proper share of other deductions, expenses, and losses that are not directly allocable to such receipts or another class of income.

"(2) ALLOCATION METHOD.—The Secretary shall prescribe rules for the proper allocation of items of income, deduction, expense, and loss for purposes of determining income attributable to domestic production activities.

"(3) SPECIAL RULES FOR DETERMINING COSTS.—

"(A) IN GENERAL.—For purposes of determining costs under clause (i) of paragraph (1)(B), any item or service brought into the United States shall be treated as acquired by purchase, and its cost shall be treated as not less than its fair market value immediately after it entered the United States. A similar rule shall apply in determining the adjusted basis of leased or rented property where the lease or rental gives rise to domestic production gross receipts.

"(B) EXPORTS FOR FURTHER MANUFACTURE.—In the case of any property described in subparagraph (A) that had been exported by the taxpayer for further manufacture, the increase in cost or adjusted basis under subparagraph (A) shall not exceed the difference between the value of the property when exported and the value of the property when brought back into the United States after the further manufacture.

"(4) MODIFIED TAXABLE INCOME.—The term 'modified taxable income' means taxable income computed without regard to the deduction allowable under this section.

"(e) DOMESTIC PRODUCTION GROSS RECEIPTS.—For purposes of this section—

"(1) IN GENERAL.—The term 'domestic production gross receipts' means the gross receipts of the taxpayer which are derived from—

"(A) any sale, exchange, or other disposition of, or

"(B) any lease, rental, or license of,

qualifying production property which was manufactured, produced, grown, or extracted in whole or in significant part by the taxpayer within the United States.

"(2) SPECIAL RULES FOR CERTAIN PROPERTY.—In the case of any qualifying production property described in subsection (f)(1)(C)—

"(A) such property shall be treated for purposes of paragraph (1) as produced in significant part by the taxpayer within the United States if more than 50 percent of the aggregate development and production costs are incurred by the taxpayer within the United States, and

"(B) if a taxpayer acquires such property before such property begins to generate substantial gross receipts, any development or production costs incurred before the acquisition shall be treated as incurred by the taxpayer for purposes of subparagraph (A) and paragraph (1).

"(f) QUALIFYING PRODUCTION PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'qualifying production property' means—

"(A) any tangible personal property,

"(B) any computer software, and

"(C) any property described in section 168(f) (3) or (4), including any underlying copyright or trademark.

"(2) EXCLUSIONS FROM QUALIFYING PRODUCTION PROPERTY.—The term 'qualifying production property' shall not include—

"(A) consumable property that is sold, leased, or licensed by the taxpayer as an integral part of the provision of services,

"(B) oil or gas,

"(C) electricity,

"(D) water supplied by pipeline to the consumer,

"(E) utility services, or

"(F) any film, tape, recording, book, magazine, newspaper, or similar property the market for which is primarily topical or otherwise essentially transitory in nature.

"(g) DOMESTIC/WORLDWIDE FRACTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'domestic/worldwide fraction' means a fraction (not greater than 1)—

"(A) the numerator of which is the value of the domestic production of the taxpayer, and

"(B) the denominator of which is the value of the worldwide production of the taxpayer.

"(2) VALUE OF DOMESTIC PRODUCTION.—The value of domestic production is the excess (if any) of—

"(A) the domestic production gross receipts, over

"(B) the cost of purchased inputs allocable to such receipts that are deductible under this chapter for the taxable year.

"(3) PURCHASED INPUTS.—

"(A) IN GENERAL.—Purchased inputs are any of the following items acquired by purchase:

"(i) Services (other than services of employees) used in manufacture, production, growth, or extraction activities.

"(ii) Items consumed in connection with such activities.

"(iii) Items incorporated as part of the property being manufactured, produced, grown, or extracted.

"(B) SPECIAL RULE.—Rules similar to the rules of subsection (d)(3) shall apply for purposes of this subsection.

"(4) VALUE OF WORLDWIDE PRODUCTION.—

"(A) IN GENERAL.—The value of worldwide production shall be determined under the principles of paragraph (2), except that—

"(i) worldwide production gross receipts shall be taken into account, and

"(ii) paragraph (3)(B) shall not apply.

"(B) WORLDWIDE PRODUCTION GROSS RECEIPTS.—The worldwide production gross receipts is the amount that would be determined under subsection (e) if such subsection were applied without any reference to the United States.

"(h) DEFINITIONS AND SPECIAL RULES.—

"(1) APPLICATION OF SECTION TO PASS-THRU ENTITIES.—In the case of an S corporation, partnership, estate or trust, or other pass-thru entity—

"(A) subject to the provisions of paragraph (2) and subsection (b)(3)(A), this section shall be applied at the shareholder, partner, or similar level, and

"(B) the Secretary shall prescribe rules for the application of this section, including rules relating to—

"(i) restrictions on the allocation of the deduction to taxpayers at the partner or similar level, and

"(ii) additional reporting requirements.

"(2) PATRONS OF AGRICULTURAL AND HORTICULTURAL COOPERATIVES.—

"(A) IN GENERAL.—If any amount described in paragraph (1) or (3) of section 1385 (a)—

"(i) is received by a person from an organization to which part I of subchapter T applies which is engaged—

"(I) in the manufacturing, production, growth, or extraction in whole or significant part of any agricultural or horticultural product, or

"(II) in the marketing of agricultural or horticultural products, and

"(ii) is allocable to the portion of the qualified production activities income of the organization which, but for this paragraph, would be deductible under subsection (a) by the organization and is designated as such by the organization in a written notice mailed to its patrons during the payment period described in section 1382(d),

then such person shall be allowed a deduction under subsection (a) with respect to such amount. The taxable income of the organization shall not be reduced under section 1382 by reason of any amount to which the preceding sentence applies.

"(B) SPECIAL RULES.—For purposes of applying subparagraph (A), in determining the qualified production activities income of the organization under this section—

"(i) there shall not be taken into account in computing the organization's modified taxable income any deduction allowable under subsection (b) or (c) of section 1382 (relating to patronage dividends, per-unit retain allocations, and nonpatronage distributions), and

"(ii) in the case of an organization described in subparagraph (A)(i)(II), the organization shall be treated as having manufactured, produced, grown, or extracted in whole or significant part any qualifying production property marketed by the organization which its patrons have so manufactured, produced, grown, or extracted.

"(3) SPECIAL RULE FOR AFFILIATED GROUPS.—

"(A) IN GENERAL.—All members of an expanded affiliated group shall be treated as a single corporation for purposes of this section.

"(B) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' means an affiliated group as defined in section 1504(a), determined—

"(i) by substituting '50 percent' for '80 percent' each place it appears, and

"(ii) without regard to paragraphs (2) and (4) of section 1504(b).

For purposes of determining the domestic/worldwide fraction under subsection (g), clause (ii) shall be applied by also disregarding paragraphs (3) and (8) of section 1504(b).

"(4) Coordination with minimum tax.—The deduction under this section shall be allowed for purposes of the tax imposed by section 55; except that for purposes of section 55, alternative minimum taxable income shall be taken into account in determining the deduction under this section.

"(5) Ordering rule.—The amount of any other deduction allowable under this chapter shall be determined as if this section had not been enacted.

"(6) Trade or business requirement.—This section shall be applied by only taking into account items which are attributable to the actual conduct of a trade or business.

"(7) Possessions, etc.—

"(A) In general.—For purposes of subsections (d) and (e), the term 'United States' includes the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands of the United States.

"(B) Special rules for applying wage limitation.—For purposes of applying the limitation under subsection (b) for any taxable year—

"(i) the determination of W–2 wages of a taxpayer shall be made without regard to any exclusion under section 3401(a)(8) for remuneration paid for services performed in a jurisdiction described in subparagraph (A), and

"(ii) in determining the amount of any credit allowable under section 30A or 936 for the taxable year, there shall not be taken into account any wages which are taken into account in applying such limitation.

"(8) Coordination with transition rules.—For purposes of this section—

"(A) domestic production gross receipts shall not include gross receipts from any transaction if the binding contract transition relief of section 101(c)(2) of the Jumpstart Our Business Strength (JOBS) Act applies to such transaction, and

"(B) any deduction allowed under section 101(e) of such Act shall be disregarded in determining the portion of the taxable income which is attributable to domestic production gross receipts.

"(9) Separate application to films and videotape.—In the case of qualifying production property described in section 168(f)(3), this section shall be applied separately to qualified production activities income of the taxpayer allocable to each of the following markets with respect to such property:

"(A) Theatrical.

"(B) Broadcast television (including cable, foreign, pay-per-view, and syndication).

"(C) Home video.".

(b) Minimum Tax.—Section 56(g)(4)(C) (relating to disallowance of items not deductible in computing earnings and profits) is amended by adding at the end the following new clause:

"(v) Deduction for domestic production.—Clause (i) shall not apply to any amount allowable as a deduction under section 199.".

(c) Clerical Amendment.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end the following new item:

"Sec. 199. Income attributable to domestic production activities.".

(d) Effective Date.—

(1) In general.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) Application of section 15.—Section 15 of the Internal Revenue Code of 1986 shall apply to the amendments made by this section as if they were changes in a rate of tax.

TITLE II—INTERNATIONAL TAX PROVISIONS

Subtitle A—International Tax Reform

SEC. 201. 20-YEAR FOREIGN TAX CREDIT CARRYOVER; 1-YEAR FOREIGN TAX CREDIT CARRYBACK.

(a) General Rule.—Section 904(c) (relating to carryback and carryover of excess tax paid) is amended—

(1) by striking "in the second preceding taxable year,", and

(2) by striking ", and in the first, second, third, fourth, or fifth" and inserting "and in any of the first 20".

(b) Excess Extraction Taxes.—Paragraph (1) of section 907(f) is amended—

(1) by striking "in the second preceding taxable year,",

(2) by striking ", and in the first, second, third, fourth, or fifth" and inserting "and in any of the first 20", and

(3) by striking the last sentence.

(c) Effective Date.—

(1) Carryback.—The amendments made by subsections (a)(1) and (b)(1) shall apply to excess foreign taxes arising in taxable years beginning after the date of the enactment of this Act.

(2) Carryover.—The amendments made by subsections (a)(2) and (b)(2) shall apply to excess foreign taxes which (without regard to the amendments made by this section) may be carried to any taxable year ending after the date of the enactment of this Act.

SEC. 202. LOOK-THRU RULES TO APPLY TO DIVIDENDS FROM NONCONTROLLED SECTION 902 CORPORATIONS.

(a) In General.—Section 904(d)(4) (relating to look-thru rules apply to dividends from noncontrolled section 902 corporations) is amended to read as follows:

"(4) Look-thru applies to dividends from noncontrolled section 902 corporations.—

"(A) In general.—For purposes of this subsection, any dividend from a noncontrolled section 902 corporation with respect to the taxpayer shall be treated as income described in a subparagraph of paragraph (1) in proportion to the ratio of—

"(i) the portion of earnings and profits attributable to income described in such subparagraph, to

"(ii) the total amount of earnings and profits.

"(B) Earnings and profits of controlled foreign corporations.—In the case of any distribution from a controlled foreign corporation to a United States shareholder, rules similar to the rules of subparagraph (A) shall apply in determining the extent to which earnings and profits of the controlled foreign corporation which are attributable to dividends received from a noncontrolled section 902 corporation may be treated as income in a separate category.

"(C) Special rules.—For purposes of this paragraph—

"(i) Earnings and profits.—

"(I) In general.—The rules of section 316 shall apply.

"(II) Regulations.—The Secretary may prescribe regulations regarding the treatment of distributions out of earnings and profits for periods before the taxpayer's acquisition of the stock to which the distributions relate.

"(ii) Inadequate substantiation.—If the Secretary determines that the proper subparagraph of paragraph (1) in which a dividend is described has not been substantiated, such dividend shall be treated as income described in paragraph (1)(A).

"(iii) Coordination with high-taxed income provisions.—Rules similar to the rules of paragraph (3)(F) shall apply for purposes of this paragraph.

"(iv) Look-thru with respect to carryover of credit.—Rules similar to subparagraph (A) also shall apply to any carryforward under subsection (c) from a taxable year beginning before January 1, 2003, of tax allocable to a dividend from a noncontrolled section 902 corporation with respect to the taxpayer. The Secretary may by regulations provide for the allocation of any carryback of tax allocable to a dividend from a noncontrolled section 902 corporation to such a taxable year for purposes of allocating such dividend among the separate categories in effect for such taxable year.".

(b) Conforming Amendments.—

(1) Subparagraph (E) of section 904(d)(1) is hereby repealed.

(2) Section 904(d)(2)(C)(iii) is amended by adding "and" at the end of subclause (I), by striking subclause (II), and by redesignating subclause (III) as subclause (II).

(3) The last sentence of section 904(d)(2)(D) is amended to read as follows: "Such term does not include any financial services income.".

(4) Section 904(d)(2)(E) is amended—

(A) by inserting "or (4)" after "paragraph (3)" in clause (i), and

(B) by striking clauses (ii) and (iv) and by redesignating clause (iii) as clause (ii).

(5) Section 904(d)(3)(F) is amended by striking "(D), or (E)" and inserting "or (D)".

(6) Section 864(d)(5)(A)(i) is amended by striking "(C)(iii)(III)" and inserting "(C)(iii)(II)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 203. FOREIGN TAX CREDIT UNDER ALTERNATIVE MINIMUM TAX.

(a) In General.—

(1) Subsection (a) of section 59 is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) Section 53(d)(1)(B)(i)(II) is amended by striking "and if section 59(a)(2) did not apply".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 204. RECHARACTERIZATION OF OVERALL DOMESTIC LOSS.

(a) General Rule.—Section 904 is amended by redesignating subsections (g), (h), (i), (j), and (k) as subsections (h), (i), (j), (k), and (l) respectively, and by inserting after subsection (f) the following new subsection:

"(g) Recharacterization of Overall Domestic Loss.—

"(1) General rule.—For purposes of this subpart and section 936, in the case of any taxpayer who sustains an overall domestic loss for any taxable year beginning after December 31, 2006, that portion of the taxpayer's taxable income from sources within the United States for each succeeding taxable year which is equal to the lesser of—

"(A) the amount of such loss (to the extent not used under this paragraph in prior taxable years), or

"(B) 50 percent of the taxpayer's taxable income from sources within the United States for such succeeding taxable year,

shall be treated as income from sources without the United States (and not as income from sources within the United States).

"(2) OVERALL DOMESTIC LOSS DEFINED.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'overall domestic loss' means any domestic loss to the extent such loss offsets taxable income from sources without the United States for the taxable year or for any preceding taxable year by reason of a carryback. For purposes of the preceding sentence, the term 'domestic loss' means the amount by which the gross income for the taxable year from sources within the United States is exceeded by the sum of the deductions properly apportioned or allocated thereto (determined without regard to any carryback from a subsequent taxable year).

"(B) TAXPAYER MUST HAVE ELECTED FOREIGN TAX CREDIT FOR YEAR OF LOSS.—The term 'overall domestic loss' shall not include any loss for any taxable year unless the taxpayer chose the benefits of this subpart for such taxable year.

"(3) CHARACTERIZATION OF SUBSEQUENT INCOME.—

"(A) IN GENERAL.—Any income from sources within the United States that is treated as income from sources without the United States under paragraph (1) shall be allocated among and increase the income categories in proportion to the loss from sources within the United States previously allocated to those income categories.

"(B) INCOME CATEGORY.—For purposes of this paragraph, the term 'income category' has the meaning given such term by subsection (f)(5)(E)(i).

"(4) COORDINATION WITH SUBSECTION (f).—The Secretary shall prescribe such regulations as may be necessary to coordinate the provisions of this subsection with the provisions of subsection (f).".

(b) CONFORMING AMENDMENTS.—

(1) Section 535(d)(2) is amended by striking "section 904(g)(6)" and inserting "section 904(h)(6)".

(2) Subparagraph (A) of section 936(a)(2) is amended by striking "section 904(f)" and inserting "subsections (f) and (g) of section 904".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to losses for taxable years beginning after December 31, 2006.

SEC. 205. INTEREST EXPENSE ALLOCATION RULES.

(a) ELECTION TO ALLOCATE ON WORLDWIDE BASIS.—Section 864 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) ELECTION TO ALLOCATE INTEREST, ETC. ON WORLDWIDE BASIS.—For purposes of this subchapter, at the election of the worldwide affiliated group—

"(1) ALLOCATION AND APPORTIONMENT OF INTEREST EXPENSE.—

"(A) IN GENERAL.—The taxable income of each domestic corporation which is a member of a worldwide affiliated group shall be determined by allocating and apportioning interest expense of each member as if all members of such group were a single corporation.

"(B) TREATMENT OF WORLDWIDE AFFILIATED GROUP.—The taxable income of the domestic members of a worldwide affiliated group from sources outside the United States shall be determined by allocating and apportioning the interest expense of such domestic members to such income in an amount equal to the excess (if any) of—

"(i) the total interest expense of the worldwide affiliated group multiplied by the ratio which the foreign assets of the worldwide affiliated group bears to all the assets of the worldwide affiliated group, over

"(ii) the interest expense of all foreign corporations which are members of the worldwide affiliated group to the extent such interest expense of such foreign corporations would have been allocated and apportioned to foreign source income if this subsection were applied to a group consisting of all the foreign corporations in such worldwide affiliated group.

"(C) WORLDWIDE AFFILIATED GROUP.—For purposes of this paragraph, the term 'worldwide affiliated group' means a group consisting of—

"(i) the includible members of an affiliated group (as defined in section 1504(a), determined without regard to paragraphs (2) and (4) of section 1504(b)), and

"(ii) all controlled foreign corporations in which such members in the aggregate meet the ownership requirements of section 1504(a)(2) either directly or indirectly through applying paragraph (2) of section 958(a) or through applying rules similar to the rules of such paragraph to stock owned directly or indirectly by domestic partnerships, trusts, or estates.

"(2) ALLOCATION AND APPORTIONMENT OF OTHER EXPENSES.—Expenses other than interest which are not directly allocable or apportioned to any specific income producing activity shall be allocated and apportioned as if all members of the affiliated group were a single corporation. For purposes of the preceding sentence, the term 'affiliated group' has the meaning given such term by section 1504 (determined without regard to paragraph (4) of section 1504(b)).

"(3) TREATMENT OF TAX-EXEMPT ASSETS; BASIS OF STOCK IN NONAFFILIATED 10-PERCENT OWNED CORPORATIONS.—The rules of paragraphs (3) and (4) of subsection (e) shall apply for purposes of this subsection, except that paragraph (4) shall be applied on a worldwide affiliated group basis.

"(4) TREATMENT OF CERTAIN FINANCIAL INSTITUTIONS.—

"(A) IN GENERAL.—For purposes of paragraph (1), any corporation described in subparagraph (B) shall be treated as an includible corporation for purposes of section 1504 only for purposes of applying this subsection separately to corporations so described.

"(B) DESCRIPTION.—A corporation is described in this subparagraph if—

"(i) such corporation is a financial institution described in section 581 or 591,

"(ii) the business of such financial institution is predominantly with persons other than related persons (within the meaning of subsection (d)(4)) or their customers, and

"(iii) such financial institution is required by State or Federal law to be operated separately from any other entity which is not such an institution.

"(C) TREATMENT OF BANK AND FINANCIAL HOLDING COMPANIES.—To the extent provided in regulations—

"(i) a bank holding company (within the meaning of section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)),

"(ii) a financial holding company (within the meaning of section 2(p) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(p)), and

"(iii) any subsidiary of a financial institution described in section 581 or 591, or of any such bank or financial holding company, if such subsidiary is predominantly engaged (directly or indirectly) in the active conduct of a banking, financing, or similar business,

shall be treated as a corporation described in subparagraph (B).

"(5) ELECTION TO EXPAND FINANCIAL INSTITUTION GROUP OF WORLDWIDE GROUP.—

"(A) IN GENERAL.—If a worldwide affiliated group elects the application of this subsection, all financial corporations which—

"(i) are members of such worldwide affiliated group, but

"(ii) are not corporations described in paragraph (4)(B),

shall be treated as described in paragraph (4)(B) for purposes of applying paragraph (4)(A). This subsection (other than this paragraph) shall apply to any such group in the same manner as this subsection (other than this paragraph) applies to the pre-election worldwide affiliated group of which such group is a part.

"(B) FINANCIAL CORPORATION.—For purposes of this paragraph, the term 'financial corporation' means any corporation if at least 80 percent of its gross income is income described in section 904(d)(2)(C)(ii) and the regulations thereunder which is derived from transactions with persons who are not related (within the meaning of section 267(b) or 707(b)(1)) to the corporation. For purposes of the preceding sentence, there shall be disregarded any item of income or gain from a transaction or series of transactions a principal purpose of which is the qualification of any corporation as a financial corporation.

"(C) ANTIABUSE RULES.—In the case of a corporation which is a member of an electing financial institution group, to the extent that such corporation—

"(i) distributes dividends or makes other distributions with respect to its stock after the date of the enactment of this paragraph to any member of the pre-election worldwide affiliated group (other than to a member of the electing financial institution group) in excess of the greater of—

"(I) its average annual dividend (expressed as a percentage of current earnings and profits) during the 5-taxable-year period ending with the taxable year preceding the taxable year, or

"(II) 25 percent of its average annual earnings and profits for such 5-taxable-year period, or

"(ii) deals with any person in any manner not clearly reflecting the income of the corporation (as determined under principles similar to the principles of section 482),

an amount of indebtedness of the electing financial institution group equal to the excess distribution or the understatement or overstatement of income, as the case may be, shall be recharacterized (for the taxable year and subsequent taxable years) for purposes of this paragraph as indebtedness of the worldwide affiliated group (excluding the electing financial institution group). If a corporation has not been in existence for 5 taxable years, this subparagraph shall be applied with respect to the period it was in existence.

"(D) ELECTION.—An election under this paragraph with respect to any financial institution group may be made only by the common parent of the pre-election worldwide affiliated group and may be made only for the first taxable year beginning after December 31, 2008, in which such affiliated group includes 1 or more financial corporations. Such an election, once made, shall apply to all financial corporations which are members of the electing financial institution group for such taxable year and all subsequent years unless revoked with the consent of the Secretary.

"(E) DEFINITIONS RELATING TO GROUPS.—For purposes of this paragraph—

"(i) PRE-ELECTION WORLDWIDE AFFILIATED GROUP.—The term 'pre-election worldwide affiliated group' means, with respect to a corporation, the worldwide affiliated group of which such corporation would (but for an election under this paragraph) be a member for purposes of applying paragraph (1).

"(ii) ELECTING FINANCIAL INSTITUTION GROUP.—The term 'electing financial institution group' means the group of corporations to which this subsection applies separately by reason of the application of paragraph (4)(A) and which includes financial corporations by reason of an election under subparagraph (A).

"(F) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this subsection, including regulations—

"(i) providing for the direct allocation of interest expense in other circumstances where such allocation would be appropriate to carry out the purposes of this subsection,

"(ii) preventing assets or interest expense from being taken into account more than once, and

"(iii) dealing with changes in members of any group (through acquisitions or otherwise) treated under this paragraph as an affiliated group for purposes of this subsection.

"(6) ELECTION.—An election to have this subsection apply with respect to any worldwide affiliated group may be made only by the common parent of the domestic affiliated group referred to in paragraph (1)(C) and may be made only for the first taxable year beginning after December 31, 2008, in which a worldwide affiliated group exists which includes such affiliated group and at least 1 foreign corporation. Such an election, once made, shall apply to such common parent and all other corporations which are members of such worldwide affiliated group for such taxable year and all subsequent years unless revoked with the consent of the Secretary.".

(b) EXPANSION OF REGULATORY AUTHORITY.—Paragraph (7) of section 864(e) is amended—

(1) by inserting before the comma at the end of subparagraph (B) "and in other circumstances where such allocation would be appropriate to carry out the purposes of this subsection", and

(2) by striking "and" at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

"(F) preventing assets or interest expense from being taken into account more than once, and".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

SEC. 206. DETERMINATION OF FOREIGN PERSONAL HOLDING COMPANY INCOME WITH RESPECT TO TRANSACTIONS IN COMMODITIES.

(a) IN GENERAL.—Clauses (i) and (ii) of section 954(c)(1)(C) (relating to commodity transactions) are amended to read as follows:

"(i) arise out of commodity hedging transactions (as defined in paragraph (4)(A)),

"(ii) are active business gains or losses from the sale of commodities, but only if substantially all of the controlled foreign corporation's commodities are property described in paragraph (1), (2), or (8) of section 1221(a), or".

(b) DEFINITION AND SPECIAL RULES.—Subsection (c) of section 954 is amended by adding after paragraph (3) the following new paragraph:

"(4) DEFINITION AND SPECIAL RULES RELATING TO COMMODITY TRANSACTIONS.—

"(A) COMMODITY HEDGING TRANSACTIONS.—For purposes of paragraph (1)(C)(i), the term 'commodity hedging transaction' means any transaction with respect to a commodity if such transaction—

"(i) is a hedging transaction as defined in section 1221(b)(2), determined—

"(I) without regard to subparagraph (A)(ii) thereof,

"(II) by applying subparagraph (A)(i) thereof by substituting 'ordinary property or property described in section 1231(b)' for 'ordinary property', and

"(III) by substituting 'controlled foreign corporation' for 'taxpayer' each place it appears, and

"(ii) is clearly identified as such in accordance with section 1221(a)(7).

"(B) TREATMENT OF DEALER ACTIVITIES UNDER PARAGRAPH (1)(C).—Commodities with respect to which gains and losses are not taken into account under paragraph (2)(C) in computing a controlled foreign corporation's foreign personal holding company income shall not be taken into account in applying the substantially all test under paragraph (1)(C)(ii) to such corporation.

"(C) REGULATIONS.—The Secretary shall prescribe such regulations as are appropriate to carry out the purposes of paragraph (1)(C) in the case of transactions involving related parties.".

(c) MODIFICATION OF EXCEPTION FOR DEALERS.—Clause (i) of section 954(c)(2)(C) is amended by inserting "and transactions involving physical settlement" after "(including hedging transactions".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after December 31, 2004.

Subtitle B—International Tax Simplification

SEC. 211. REPEAL OF FOREIGN PERSONAL HOLDING COMPANY RULES AND FOREIGN INVESTMENT COMPANY RULES.

(a) GENERAL RULE.—The following provisions are hereby repealed:

(1) Part III of subchapter G of chapter 1 (relating to foreign personal holding companies).

(2) Section 1246 (relating to gain on foreign investment company stock).

(3) Section 1247 (relating to election by foreign investment companies to distribute income currently).

(b) EXEMPTION OF FOREIGN CORPORATIONS FROM PERSONAL HOLDING COMPANY RULES.—

(1) IN GENERAL.—Subsection (c) of section 542 (relating to exceptions) is amended—

(A) by striking paragraph (5) and inserting the following:

"(5) a foreign corporation,",

(B) by striking paragraphs (7) and (10) and by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively,

(C) by inserting "and" at the end of paragraph (7) (as so redesignated), and

(D) by striking "; and" at the end of paragraph (8) (as so redesignated) and inserting a period.

(2) TREATMENT OF INCOME FROM PERSONAL SERVICE CONTRACTS.—Paragraph (1) of section 954(c) is amended by adding at the end the following new subparagraph:

"(I) PERSONAL SERVICE CONTRACTS.—

"(i) Amounts received under a contract under which the corporation is to furnish personal services if—

"(I) some person other than the corporation has the right to designate (by name or by description) the individual who is to perform the services, or

"(II) the individual who is to perform the services is designated (by name or by description) in the contract, and

"(ii) amounts received from the sale or other disposition of such a contract.

This subparagraph shall apply with respect to amounts received for services under a particular contract only if at some time during the taxable year 25 percent or more in value of the outstanding stock of the corporation is owned, directly or indirectly, by or for the individual who has performed, is to perform, or may be designated (by name or by description) as the one to perform, such services.".

(c) CONFORMING AMENDMENTS.—

(1) Section 1(h) is amended—

(A) in paragraph (10), by inserting "and" at the end of subparagraph (F), by striking subparagraph (G), and by redesignating subparagraph (H) as subparagraph (G), and

(B) by striking "a foreign personal holding company (as defined in section 552), a foreign investment company (as defined in section 1246(b)), or" in paragraph (11)(C)(iii).

(2) Section 163(e)(3)(B), as amended by this Act, is amended by striking "which is a foreign personal holding company (as defined in section 552), a controlled foreign corporation (as defined in section 957), or" and inserting "which is a controlled foreign corporation (as defined in section 957) or".

(3) Paragraph (2) of section 171(c) is amended—

(A) by striking ", or by a foreign personal holding company, as defined in section 552", and

(B) by striking ", or foreign personal holding company".

(4) Paragraph (2) of section 245(a) is amended by striking "foreign personal holding company or".

(5) Section 267(a)(3)(B), as amended by this Act, is amended by striking "to a foreign personal holding company (as defined in section 552), a controlled foreign corporation (as defined in section 957), or" and inserting "to a controlled foreign corporation (as defined in section 957) or".

(6) Section 312 is amended by striking subsection (j).

(7) Subsection (m) of section 312 is amended by striking ", a foreign investment company (within the meaning of section 1246(b)), or a foreign personal holding company (within the meaning of section 552)".

(8) Subsection (e) of section 443 is amended by striking paragraph (3) and by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(9) Subparagraph (B) of section 465(c)(7) is amended by adding "or" at the end of clause (i), by striking clause (ii), and by redesignating clause (iii) as clause (ii).

(10) Paragraph (1) of section 543(b) is amended by inserting "and" at the end of subparagraph (A), by striking ", and" at the end of subparagraph (B) and inserting a period, and by striking subparagraph (C).

(11) Paragraph (1) of section 562(b) is amended by striking "or a foreign personal holding company described in section 552".

(12) Section 563 is amended—

(A) by striking subsection (c),

(B) by redesignating subsection (d) as subsection (c), and

(C) by striking "subsection (a), (b), or (c)" in subsection (c) (as so redesignated) and inserting "subsection (a) or (b)".

(13) Subsection (d) of section 751 is amended by adding "and" at the end of paragraph (2), by striking paragraph (3), by redesignating paragraph (4) as paragraph (3), and by

striking "paragraph (1), (2), or (3)" in paragraph (3) (as so redesignated) and inserting "paragraph (1) or (2)".

(14) Paragraph (2) of section 864(d) is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(15)(A) Subparagraph (A) of section 898(b)(1) is amended to read as follows:

"(A) which is treated as a controlled foreign corporation for any purpose under subpart F of part III of this subchapter, and".

(B) Subparagraph (B) of section 898(b)(2) is amended by striking "and sections 551(f) and 554, whichever are applicable,".

(C) Paragraph (3) of section 898(b) is amended to read as follows:

"(3) UNITED STATES SHAREHOLDER.—The term 'United States shareholder' has the meaning given to such term by section 951(b), except that, in the case of a foreign corporation having related person insurance income (as defined in section 953(c)(2)), the Secretary may treat any person as a United States shareholder for purposes of this section if such person is treated as a United States shareholder under section 953(c)(1).".

(D) Subsection (c) of section 898 is amended to read as follows:

"(c) DETERMINATION OF REQUIRED YEAR.—

"(1) IN GENERAL.—The required year is—

"(A) the majority U.S. shareholder year, or

"(B) if there is no majority U.S. shareholder year, the taxable year prescribed under regulations.

"(2) 1-MONTH DEFERRAL ALLOWED.—A specified foreign corporation may elect, in lieu of the taxable year under paragraph (1)(A), a taxable year beginning 1 month earlier than the majority U.S. shareholder year.

"(3) MAJORITY U.S. SHAREHOLDER YEAR.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'majority U.S. shareholder year' means the taxable year (if any) which, on each testing day, constituted the taxable year of—

"(i) each United States shareholder described in subsection (b)(2)(A), and

"(ii) each United States shareholder not described in clause (i) whose stock was treated as owned under subsection (b)(2)(B) by any shareholder described in such clause.

"(B) TESTING DAY.—The testing days shall be—

"(i) the first day of the corporation's taxable year (determined without regard to this section), or

"(ii) the days during such representative period as the Secretary may prescribe.".

(16) Clause (ii) of section 904(d)(2)(A) is amended to read as follows:

"(ii) CERTAIN AMOUNTS INCLUDED.—Except as provided in clause (iii), the term 'passive income' includes, except as provided in subparagraph (E)(iii) or paragraph (3)(I), any amount includible in gross income under section 1293 (relating to certain passive foreign investment companies).".

(17)(A) Subparagraph (A) of section 904(g)(1), as redesignated by section 204, is amended by adding "or" at the end of clause (i), by striking clause (ii), and by redesignating clause (iii) as clause (ii).

(B) The paragraph heading of paragraph (2) of section 904(g), as so redesignated, is amended by striking "FOREIGN PERSONAL HOLDING OR".

(18) Section 951 is amended by striking subsections (c) and (d) and by redesignating subsections (e) and (f) as subsections (c) and (d), respectively.

(19) Paragraph (3) of section 989(b) is amended by striking ", 551(a),".

(20) Paragraph (5) of section 1014(b) is amended by inserting "and before January 1, 2005," after "August 26, 1937,".

(21) Subsection (a) of section 1016 is amended by striking paragraph (13).

(22)(A) Paragraph (3) of section 1212(a) is amended to read as follows:

"(3) SPECIAL RULES ON CARRYBACKS.—A net capital loss of a corporation shall not be carried back under paragraph (1)(A) to a taxable year—

"(A) for which it is a regulated investment company (as defined in section 851), or

"(B) for which it is a real estate investment trust (as defined in section 856).".

(B) The amendment made by subparagraph (A) shall apply to taxable years beginning after December 31, 2004.

(23) Section 1223 is amended by striking paragraph (10) and by redesignating the following paragraphs accordingly.

(24) Subsection (d) of section 1248 is amended by striking paragraph (5) and by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(25) Paragraph (2) of section 1260(c) is amended by striking subparagraphs (H) and (I) and by redesignating subparagraph (J) as subparagraph (H).

(26)(A) Subparagraph (F) of section 1291(b)(3) is amended by striking "551(d), 959(a)," and inserting "959(a)".

(B) Subsection (e) of section 1291 is amended by inserting "(as in effect on the day before the date of the enactment of the Jumpstart Our Business Strength (JOBS) Act)" after "section 1246".

(27) Paragraph (2) of section 1294(a) is amended to read as follows:

"(2) ELECTION NOT PERMITTED WHERE AMOUNTS OTHERWISE INCLUDIBLE UNDER SECTION 951.—The taxpayer may not make an election under paragraph (1) with respect to the undistributed PFIC earnings tax liability attributable to a qualified electing fund for the taxable year if any amount is includible in the gross income of the taxpayer under section 951 with respect to such fund for such taxable year.".

(28) Section 6035 is hereby repealed.

(29) Subparagraph (D) of section 6103(e)(1) is amended by striking clause (iv) and redesignating clauses (v) and (vi) as clauses (iv) and (v), respectively.

(30) Subparagraph (B) of section 6501(e)(1) is amended to read as follows:

"(B) CONSTRUCTIVE DIVIDENDS.—If the taxpayer omits from gross income an amount properly includible therein under section 951(a), the tax may be assessed, or a proceeding in court for the collection of such tax may be done without assessing, at any time within 6 years after the return was filed.".

(31) Subsection (a) of section 6679 is amended—

(A) by striking "6035, 6046, and 6046A" in paragraph (1) and inserting "6046 and 6046A", and

(B) by striking paragraph (3).

(32) Sections 170(f)(10)(A), 508(d), 4947, and 4948(c)(4) are each amended by striking "556(b)(2)," each place it appears.

(33) The table of parts for subchapter G of chapter 1 is amended by striking the item relating to part III.

(34) The table of sections for part IV of subchapter P of chapter 1 is amended by striking the items relating to sections 1246 and 1247.

(35) The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by striking the item relating to section 6035.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2004, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 212. EXPANSION OF DE MINIMIS RULE UNDER SUBPART F.

(a) IN GENERAL.—Clause (ii) of section 954(b)(3)(A) (relating to de minimis, etc., rules) is amended by striking "$1,000,000" and inserting "$5,000,000".

(b) TECHNICAL AMENDMENTS.—

(1) Clause (ii) of section 864(d)(5)(A) is amended by striking "$1,000,000" and inserting "$5,000,000".

(2) Clause (i) of section 881(c)(5)(A) is amended by striking "$1,000,000" and inserting "$5,000,000".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2004, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 213. ATTRIBUTION OF STOCK OWNERSHIP THROUGH PARTNERSHIPS TO APPLY IN DETERMINING SECTION 902 AND 960 CREDITS.

(a) IN GENERAL.—Subsection (c) of section 902 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) CONSTRUCTIVE OWNERSHIP THROUGH PARTNERSHIPS.—Stock owned, directly or indirectly, by or for a partnership shall be considered as being owned proportionately by its partners. Stock considered to be owned by a person by reason of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person. The Secretary may prescribe such regulations as may be necessary to carry out the purposes of this paragraph, including rules to account for special partnership allocations of dividends, credits, and other incidents of ownership of stock in determining proportionate ownership.".

(b) CLARIFICATION OF COMPARABLE ATTRIBUTION UNDER SECTION 901(b)(5).—Paragraph (5) of section 901(b) is amended by striking "any individual" and inserting "any person".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxes of foreign corporations for taxable years of such corporations beginning after the date of the enactment of this Act.

SEC. 214. APPLICATION OF UNIFORM CAPITALIZATION RULES TO FOREIGN PERSONS.

(a) IN GENERAL.—Section 263A(c) (relating to exceptions) is amended by adding at the end the following new paragraph:

"(7) FOREIGN PERSONS.—Except for purposes of applying sections 871(b)(1) and 882(a)(1), this section shall not apply to any taxpayer who is not a United States person if such taxpayer capitalizes costs of produced property or property acquired for resale by applying the method used to ascertain the income, profit, or loss for purposes of reports or statements to shareholders, partners, other proprietors, or beneficiaries, or for credit purposes.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2004.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendment made by this section to change its method of accounting for its first taxable year beginning after December 31, 2004—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account in such first year.

SEC. 215. REPEAL OF WITHHOLDING TAX ON DIVIDENDS FROM CERTAIN FOREIGN CORPORATIONS.

(a) In General.—Paragraph (2) of section 871(i) (relating to tax not to apply to certain interest and dividends) is amended by adding at the end the following new subparagraph:

"(D) Dividends paid by a foreign corporation which are treated under section 861(a)(2)(B) as income from sources within the United States.".

(b) Effective Date.—The amendment made by this section shall apply to payments made after December 31, 2004.

SEC. 216. REPEAL OF SPECIAL CAPITAL GAINS TAX ON ALIENS PRESENT IN THE UNITED STATES FOR 183 DAYS OR MORE.

(a) In General.—Subsection (a) of section 871 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(b) Conforming Amendment.—Section 1441(g) is amended is amended by striking "section 871(a)(3)" and inserting "section 871(a)(2)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

Subtitle C—Additional International Tax Provisions

SEC. 221. ACTIVE LEASING INCOME FROM AIRCRAFT AND VESSELS.

(a) In General.—Section 954(c)(2) is amended by adding at the end the following new subparagraph:

"(D) Certain rents, etc.—

"(i) In general.—Foreign personal holding company income shall not include qualified leasing income derived from or in connection with the leasing or rental of any aircraft or vessel.

"(ii) Qualified leasing income.—For purposes of this subparagraph, the term 'qualified leasing income' means rents and gains derived in the active conduct of a trade or business of leasing with respect to which the controlled foreign corporation conducts substantial activity, but only if—

"(I) the leased property is used by the lessee or other end-user in foreign commerce and predominantly outside the United States, and

"(II) the lessee or other end-user is not a related person (as defined in subsection (d)(3)).

Any amount not treated as foreign personal holding income under this subparagraph shall not be treated as foreign base company shipping income.".

(b) Conforming Amendment.—Section 954(c)(1)(B) is amended by inserting "or (2)(D)" after "paragraph (2)(A)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2006, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 222. LOOK-THRU TREATMENT OF PAYMENTS BETWEEN RELATED CONTROLLED FOREIGN CORPORATIONS UNDER FOREIGN PERSONAL HOLDING COMPANY INCOME RULES.

(a) In General.—Subsection (c) of section 954, as amended by this Act, is amended by adding after paragraph (4) the following new paragraph:

"(5) Look-thru in the case of related controlled foreign corporations.—For purposes of this subsection, dividends, interest, rents, and royalties received or accrued from a controlled foreign corporation which is a related person (as defined in subsection (b)(9)) shall not be treated as foreign personal holding company income to the extent attributable or properly allocable (determined under rules similar to the rules of subparagraphs (C) and (D) of section 904(d)(3)) to income of the related person which is not subpart F income (as defined in section 952). For purposes of this paragraph, interest shall include factoring income which is treated as income equivalent to interest for purposes of paragraph (1)(E). The Secretary shall prescribe such regulations as may be appropriate to prevent the abuse of the purposes of this paragraph.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2004, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 223. LOOK-THRU TREATMENT FOR SALES OF PARTNERSHIP INTERESTS.

(a) In General.—Section 954(c) (defining foreign personal holding company income), as amended by this Act, is amended by adding after paragraph (5) the following new paragraph:

"(6) Look-thru rule for certain partnership sales.—

"(A) In general.—In the case of any sale by a controlled foreign corporation of an interest in a partnership with respect to which such corporation is a 25-percent owner, such corporation shall be treated for purposes of this subsection as selling the proportionate share of the assets of the partnership attributable to such interest. The Secretary shall prescribe such regulations as may be appropriate to prevent abuse of the purposes of this paragraph, including regulations providing for coordination of this paragraph with the provisions of subchapter K.

"(B) 25-percent owner.—For purposes of this paragraph, the term '25-percent owner' means a controlled foreign corporation which owns directly 25 percent or more of the capital or profits interest in a partnership. For purposes of the preceding sentence, if a controlled foreign corporation is a shareholder or partner of a corporation or partnership, the controlled foreign corporation shall be treated as owning directly its proportionate share of any such capital or profits interest held directly or indirectly by such corporation or partnership".

(b) Effective Date.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2004, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 224. ELECTION NOT TO USE AVERAGE EXCHANGE RATE FOR FOREIGN TAX PAID OTHER THAN IN FUNCTIONAL CURRENCY.

(a) In General.—Paragraph (1) of section 986(a) (relating to determination of foreign taxes and foreign corporation's earnings and profits) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

"(D) Elective exception for taxes paid other than in functional currency.—

"(i) In general.—At the election of the taxpayer, subparagraph (A) shall not apply to any foreign income taxes the liability for which is denominated in any currency other than in the taxpayer's functional currency.

"(ii) Application to qualified business units.—An election under this subparagraph may apply to foreign income taxes attributable to a qualified business unit in accordance with regulations prescribed by the Secretary.

"(iii) Election.—Any such election shall apply to the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary.".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 225. TREATMENT OF INCOME TAX BASE DIFFERENCES.

(a) In General.—Paragraph (2) of section 904(d) is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

"(H) Treatment of income tax base differences.—

"(i) In general.—A taxpayer may elect to treat tax imposed under the law of a foreign country or possession of the United States on an amount which does not constitute income under United States tax principles as tax imposed on income described in subparagraph (C) or (I) of paragraph (1).

"(ii) Election irrevocable.—Any such election shall apply to the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary.".

(b) Effective Date.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 226. MODIFICATION OF EXCEPTIONS UNDER SUBPART F FOR ACTIVE FINANCING.

(a) In General.—Section 954(h)(3) is amended by adding at the end the following:

"(E) Direct conduct of activities.—For purposes of subparagraph (A)(ii)(II), an activity shall be treated as conducted directly by an eligible controlled foreign corporation or qualified business unit in its home country if the activity is performed by employees of a related person and—

"(i) the related person is an eligible controlled foreign corporation the home country of which is the same as the home country of the corporation or unit to which subparagraph (A)(ii)(II) is being applied,

"(ii) the activity is performed in the home country of the related person, and

"(iii) the related person is compensated on an arm's-length basis for the performance of the activity by its employees and such compensation is treated as earned by such person in its home country for purposes of the home country's tax laws.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years of such foreign corporations beginning after December 31, 2004, and to taxable years of United States shareholders with or within which such taxable years of such foreign corporations end.

SEC. 227. UNITED STATES PROPERTY NOT TO INCLUDE CERTAIN ASSETS OF CONTROLLED FOREIGN CORPORATION.

(a) In General.—Section 956(c)(2) (relating to exceptions from property treated as United States property) is amended by striking "and" at the end of subparagraph (J), by striking the period at the end of subparagraph (K) and inserting a semicolon, and by adding at the end the following new subparagraphs:

"(L) securities acquired and held by a controlled foreign corporation in the ordinary course of its business as a dealer in securities if—

"(i) the dealer accounts for the securities as securities held primarily for sale to customers in the ordinary course of business, and

"(ii) the dealer disposes of the securities (or such securities mature while held by the dealer) within a period consistent with the holding of securities for sale to customers in the ordinary course of business; and

"(M) an obligation of a United States person which—

"(i) is not a domestic corporation, and

"(ii) is not—

"(I) a United States shareholder (as defined in section 951(b)) of the controlled foreign corporation, or

"(II) a partnership, estate, or trust in which the controlled foreign corporation, or any related person (as defined in section 954(d)(3)), is a partner, beneficiary, or trustee immediately after the acquisition of any obligation of such partnership, estate, or trust by the controlled foreign corporation.".

(b) Conforming Amendment.—Section 956(c)(2) is amended by striking "and (K)" in the last sentence and inserting ", (K), and (L)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2004, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 228. PROVIDE EQUAL TREATMENT FOR INTEREST PAID BY FOREIGN PARTNERSHIPS AND FOREIGN CORPORATIONS.

(a) In General.—Paragraph (1) of section 861(a) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by adding at the end the following new subparagraph:

"(C) in the case of a foreign partnership, which is predominantly engaged in the active conduct of a trade or business outside the United States, any interest not paid by a trade or business engaged in by the partnership in the United States and not allocable to income which is effectively connected (or treated as effectively connected) with the conduct of a trade or business in the United States.".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 229. CLARIFICATION OF TREATMENT OF CERTAIN TRANSFERS OF INTANGIBLE PROPERTY.

(a) In General.—Subparagraph (C) of section 367(d)(2) is amended by adding at the end the following new sentence: "For purposes of applying section 904(d), any such amount shall be treated in the same manner as if such amount were a royalty.".

(b) Effective Date.—The amendment made by this section shall apply to amounts treated as received pursuant to section 367(d)(2) of the Internal Revenue Code of 1986 on or after August 5, 1997.

SEC. 230. MODIFICATION OF THE TREATMENT OF CERTAIN REIT DISTRIBUTIONS ATTRIBUTABLE TO GAIN FROM SALES OR EXCHANGES OF UNITED STATES REAL PROPERTY INTERESTS.

(a) In General.—Paragraph (1) of section 897(h) (relating to look-through of distributions) is amended by adding at the end the following new sentence: "Notwithstanding the preceding sentence, any distribution by a REIT with respect to any class of stock which is regularly traded on an established securities market located in the United States shall not be treated as gain recognized from the sale or exchange of a United States real property interest if the shareholder did not own more than 5 percent of such class of stock at any time during the taxable year.".

(b) Conforming Amendment.—Paragraph (3) of section 857(b) (relating to capital gains) is amended by adding at the end the following new subparagraph:

"(F) Certain distributions.—In the case of a shareholder of a real estate investment trust to whom section 897 does not apply by reason of the second sentence of section 897(h)(1), the amount which would be included in computing long-term capital gains for such shareholder under subparagraph (B) or (D) (without regard to this subparagraph)—

"(i) shall not be included in computing such shareholder's long-term capital gains, and

"(ii) shall be included in such shareholder's gross income as a dividend from the real estate investment trust.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 231. TOLL TAX ON EXCESS QUALIFIED FOREIGN DISTRIBUTION AMOUNT.

(a) In General.—Subpart F of part III of subchapter N of chapter 1 is amended by adding at the end the following new section:

"SEC. 965. TOLL TAX IMPOSED ON EXCESS QUALIFIED FOREIGN DISTRIBUTION AMOUNT.

"(a) Toll Tax Imposed on Excess Qualified Foreign Distribution Amount.—If a corporation elects the application of this section, a tax shall be imposed on the taxpayer in an amount equal to 5.25 percent of—

"(1) the taxpayer's excess qualified foreign distribution amount, and

"(2) the amount determined under section 78 which is attributable to such excess qualified foreign distribution amount.

Such tax shall be imposed in lieu of the tax imposed under section 11 or 55 on the amounts described in paragraphs (1) and (2) for such taxable year.

"(b) Excess Qualified Foreign Distribution Amount.—For purposes of this section—

"(1) In general.—The term 'excess qualified foreign distribution amount' means the excess (if any) of—

"(A) the aggregate dividends received by the taxpayer during the taxable year which are—

"(i) from 1 or more corporations which are controlled foreign corporations in which the taxpayer is a United States shareholder on the date such dividends are paid, and

"(ii) described in a domestic reinvestment plan which—

"(I) is approved by the taxpayer's president, chief executive officer, or comparable official before the payment of such dividends and subsequently approved by the taxpayer's board of directors, management committee, executive committee, or similar body, and

"(II) provides for the reinvestment of such dividends in the United States (other than as payment for executive compensation), including as a source for the funding of worker hiring and training, infrastructure, research and development, capital investments, or the financial stabilization of the corporation for the purposes of job retention or creation, over

"(B) the base dividend amount.

"(2) Base dividend amount.—The term 'base dividend amount' means an amount designated under subsection (c)(7), but not less than the average amount of dividends received during the fixed base period from 1 or more corporations which are controlled foreign corporations in which the taxpayer is a United States shareholder on the date such dividends are paid.

"(3) Fixed base period.—

"(A) In general.—The term 'fixed base period' means each of 3 taxable years which are among the 5 most recent taxable years of the taxpayer ending on or before December 31, 2002, determined by disregarding—

"(i) the 1 taxable year for which the taxpayer had the highest amount of dividends from 1 or more corporations which are controlled foreign corporations relative to the other 4 taxable years, and

"(ii) the 1 taxable year for which the taxpayer had the lowest amount of dividends from such corporations relative to the other 4 taxable years.

"(B) Shorter period.—If the taxpayer has fewer than 5 taxable years ending on or before December 31, 2002, then in lieu of applying subparagraph (A), the fixed base period shall include all the taxable years of the taxpayer ending on or before December 31, 2002.

"(c) Definitions and Special Rules.—For purposes of this section—

"(1) Dividends.—The term 'dividend' has the meaning given such term by section 316, except that the term shall include amounts described in section 951(a)(1)(B), but shall not include amounts described in sections 78 and 959.

"(2) Controlled foreign corporations and united states shareholders.—The term 'controlled foreign corporation' has the meaning given such term by section 957(a) and the term 'United States shareholder' has the meaning given such term by section 951(b).

"(3) Foreign tax credits.—The amount of any income, war, profits, or excess profit taxes paid (or deemed paid under sections 902 and 960) or accrued by the taxpayer with respect to the excess qualified foreign distribution amount for which a credit would be allowable under section 901 in the absence of this section, shall be reduced by 85 percent. No deduction shall be allowed under this chapter for the portion of any tax for which credit is not allowable by reason of the preceding sentence.

"(4) Foreign tax credit limitation.—For purposes of section 904, there shall be disregarded 85 percent of—

"(A) the excess qualified foreign distribution amount,

"(B) the amount determined under section 78 which is attributable to such excess qualified foreign distribution amount, and

"(C) the amounts (including assets, gross income, and other relevant bases of apportionment) which are attributable to the excess qualified foreign distribution amount which would, determined without regard to this section, be used to apportion the expenses, losses, and deductions of the taxpayer under section 861 and 864 in determining its taxable income from sources without the United States.

For purposes of applying subparagraph (C), the principles of section 864(e)(3)(A) shall apply.

"(5) TREATMENT OF ACQUISITIONS AND DISPOSITIONS.—Rules similar to the rules of section 41(f)(3) shall apply in the case of acquisitions or dispositions of controlled foreign corporations occurring on or after the first day of the earliest taxable year taken into account in determining the fixed base period.

"(6) TREATMENT OF CONSOLIDATED GROUPS.—Members of an affiliated group of corporations filing a consolidated return under section 1501 shall be treated as a single taxpayer for purposes of this section.

"(7) DESIGNATION OF DIVIDENDS.—Subject to subsection (b)(2), the taxpayer shall designate the particular dividends received during the taxable year from 1 or more corporations which are controlled foreign corporations in which it is a United States shareholder which are dividends excluded from the excess qualified foreign distribution amount. The total amount of such designated dividends shall equal the base dividend amount.

"(8) TREATMENT OF EXPENSES, LOSSES, AND DEDUCTIONS.—Any expenses, losses, or deductions of the taxpayer allowable under subchapter B—

"(A) shall not be applied to reduce the amounts described in subsection (a)(1), and

"(B) shall be applied to reduce other income of the taxpayer (determined without regard to the amounts described in subsection (a)(1)).

"(d) ELECTION.—

"(1) IN GENERAL.—An election under this section shall be made on the taxpayer's timely filed income tax return for the first taxable year (determined by taking extensions into account) ending 120 days or more after the date of the enactment of this section, and, once made, may be revoked only with the consent of the Secretary.

"(2) ALL CONTROLLED FOREIGN CORPORATIONS.—The election shall apply to all corporations which are controlled foreign corporations in which the taxpayer is a United States shareholder during the taxable year.

"(3) CONSOLIDATED GROUPS.—If a taxpayer is a member of an affiliated group of corporations filing a consolidated return under section 1501 for the taxable year, an election under this section shall be made by the common parent of the affiliated group which includes the taxpayer and shall apply to all members of the affiliated group.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary and appropriate to carry out the purposes of this section, including regulations under section 55 and regulations addressing corporations which, during the fixed base period or thereafter, join or leave an affiliated group of corporations filing a consolidated return.".

(b) CONFORMING AMENDMENT.—The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by adding at the end the following new item:

"Sec. 965. Toll tax imposed on excess qualified foreign distribution amount.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only to the first taxable year of the electing taxpayer ending 120 days or more after the date of the enactment of this Act.

SEC. 232. EXCLUSION OF INCOME DERIVED FROM CERTAIN WAGERS ON HORSE RACES AND DOG RACES FROM GROSS INCOME OF NONRESIDENT ALIEN INDIVIDUALS.

(a) IN GENERAL.—Subsection (b) of section 872 (relating to exclusions) is amended by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and inserting after paragraph (4) the following new paragraph:

"(5) INCOME DERIVED FROM WAGERING TRANSACTIONS IN CERTAIN PARIMUTUEL POOLS.—Gross income derived by a nonresident alien individual from a legal wagering transaction initiated outside the United States in a parimutuel pool with respect to a live horse race or dog race in the United States.".

(b) CONFORMING AMENDMENT.—Section 883(a)(4) is amended by striking "(5), (6), and (7)" and inserting "(6), (7), and (8)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to wagers made after the date of the enactment of this Act.

SEC. 233. LIMITATION OF WITHHOLDING TAX FOR PUERTO RICO CORPORATIONS.

(a) IN GENERAL.—Subsection (b) of section 881 is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) COMMONWEALTH OF PUERTO RICO.—If dividends are received during a taxable year by a corporation—

"(A) created or organized in, or under the law of, the Commonwealth of Puerto Rico, and

"(B) with respect to which the requirements of subparagraphs (A), (B), and (C) of paragraph (1) are met for the taxable year,

subsection (a) shall be applied for such taxable year by substituting '10 percent' for '30 percent'.".

(b) WITHHOLDING.—Subsection (c) of section 1442 (relating to withholding of tax on foreign corporations) is amended—

(1) by striking "For purposes" and inserting the following:

"(1) GUAM, AMERICAN SAMOA, THE NORTHERN MARIANA ISLANDS, AND THE VIRGIN ISLANDS.—For purposes", and

(2) by adding at the end the following new paragraph:

"(2) COMMONWEALTH OF PUERTO RICO.—If dividends are received during a taxable year by a corporation—

"(A) created or organized in, or under the law of, the Commonwealth of Puerto Rico, and

"(B) with respect to which the requirements of subparagraphs (A), (B), and (C) of section 881(b)(1) are met for the taxable year,

subsection (a) shall be applied for such taxable year by substituting '10 percent' for '30 percent'.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (b) of section 881 is amended by striking "GUAM AND VIRGIN ISLANDS CORPORATIONS" in the heading and inserting "POSSESSIONS".

(2) Paragraph (1) of section 881(b) is amended by striking "IN GENERAL" in the heading and inserting "GUAM, AMERICAN SAMOA, THE NORTHERN MARIANA ISLANDS, AND THE VIRGIN ISLANDS".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dividends paid after the date of the enactment of this Act.

SEC. 234. REPORT ON WTO DISPUTE SETTLEMENT PANELS AND THE APPELLATE BODY.

Not later than March 31, 2004, the Secretary of Commerce, in consultation with the United States Trade Representative, shall transmit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, regarding whether dispute settlement panels and the Appellate Body of the World Trade Organization have—

(1) added to or diminished the rights of the United States by imposing obligations or restrictions on the use of antidumping, countervailing, and safeguard measures not agreed to under the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade of 1994, the Agreement on Subsidies and Countervailing Measures, and the Agreement on Safeguards;

(2) appropriately applied the standard of review contained in Article 17.6 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade of 1994; or

(3) exceeded their authority or terms of reference under the Agreements referred to in paragraph (1).

SEC. 235. STUDY OF IMPACT OF INTERNATIONAL TAX LAWS ON TAXPAYERS OTHER THAN LARGE CORPORATIONS.

(a) STUDY.—The Secretary of the Treasury or the Secretary's delegate shall conduct a study of the impact of Federal international tax rules on taxpayers other than large corporations, including the burdens placed on such taxpayers in complying with such rules.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the results of the study conducted under subsection (a), including any recommendations for legislative or administrative changes to reduce the compliance burden on taxpayers other than large corporations and for such other purposes as the Secretary determines appropriate.

TITLE III—DOMESTIC MANUFACTURING AND BUSINESS PROVISIONS

Subtitle A—General Provisions

SEC. 301. EXPANSION OF QUALIFIED SMALL-ISSUE BOND PROGRAM.

(a) IN GENERAL.—Subparagraph (F) of section 144(a)(4) (relating to $10,000,000 limit in certain cases) is amended to read as follows:

"(F) ADDITIONAL CAPITAL EXPENDITURES NOT TAKEN INTO ACCOUNT.—With respect to any issue, in addition to any capital expenditure described in subparagraph (C), capital expenditures of not to exceed $10,000,000 shall not be taken into account for purposes of applying subparagraph (A)(ii).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 302. EXPENSING OF BROADBAND INTERNET ACCESS EXPENDITURES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 190 the following new section:

"SEC. 191. BROADBAND EXPENDITURES.

"(a) TREATMENT OF EXPENDITURES.—

"(1) IN GENERAL.—A taxpayer may elect to treat any qualified broadband expenditure which is paid or incurred by the taxpayer as an expense which is not chargeable to capital account. Any expenditure which is so treated shall be allowed as a deduction.

"(2) ELECTION.—An election under paragraph (1) shall be made at such time and in such manner as the Secretary may prescribe by regulation.

"(b) QUALIFIED BROADBAND EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified broadband expenditure' means, with respect to any taxable year, any direct or indirect costs incurred during 2004 and properly taken into account for such taxable year with respect to—

"(A) the purchase or installation of qualified equipment (including any upgrades thereto), and

"(B) the connection of such qualified equipment to any qualified subscriber.

"(2) CERTAIN SATELLITE EXPENDITURES EXCLUDED.—Such term shall not include any costs incurred with respect to the launching of any satellite equipment.

"(3) LEASED EQUIPMENT.—Such term shall include so much of the purchase price paid by the lessor of qualified equipment subject to a lease described in subsection (c)(2)(B) as is attributable to expenditures incurred by the lessee which would otherwise be described in paragraph (1).

"(c) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—For purposes of this section—

"(1) IN GENERAL.—Qualified broadband expenditures with respect to qualified equipment shall be taken into account with respect to the first taxable year in which—

"(A) current generation broadband services are provided through such equipment to qualified subscribers, or

"(B) next generation broadband services are provided through such equipment to qualified subscribers.

"(2) LIMITATION.—

"(A) IN GENERAL.—Qualified expenditures shall be taken into account under paragraph (1) only with respect to qualified equipment—

"(i) the original use of which commences with the taxpayer, and

"(ii) which is placed in service, after December 31, 2003.

"(B) SALE-LEASEBACKS.—For purposes of subparagraph (A), if property—

"(i) is originally placed in service after December 31, 2003, by any person, and

"(ii) sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in clause (ii).

"(d) SPECIAL ALLOCATION RULES.—

"(1) CURRENT GENERATION BROADBAND SERVICES.—For purposes of determining the amount of qualified broadband expenditures under subsection (a)(1) with respect to qualified equipment through which current generation broadband services are provided, if the qualified equipment is capable of serving both qualified subscribers and other subscribers, the qualified broadband expenditures shall be multiplied by a fraction—

"(A) the numerator of which is the sum of the number of potential qualified subscribers within the rural areas and the underserved areas which the equipment is capable of serving with current generation broadband services, and

"(B) the denominator of which is the total potential subscriber population of the area which the equipment is capable of serving with current generation broadband services.

"(2) NEXT GENERATION BROADBAND SERVICES.—For purposes of determining the amount of qualified broadband expenditures under subsection (a)(1) with respect to qualified equipment through which next generation broadband services are provided, if the qualified equipment is capable of serving both qualified subscribers and other subscribers, the qualified expenditures shall be multiplied by a fraction—

"(A) the numerator of which is the sum of—

"(i) the number of potential qualified subscribers within the rural areas and underserved areas, plus

"(ii) the number of potential qualified subscribers within the area consisting only of residential subscribers not described in clause (i),

which the equipment is capable of serving with next generation broadband services, and

"(B) the denominator of which is the total potential subscriber population of the area which the equipment is capable of serving with next generation broadband services.

"(e) DEFINITIONS.—For purposes of this section—

"(1) ANTENNA.—The term 'antenna' means any device used to transmit or receive signals through the electromagnetic spectrum, including satellite equipment.

"(2) CABLE OPERATOR.—The term 'cable operator' has the meaning given such term by section 602(5) of the Communications Act of 1934 (47 U.S.C. 522(5)).

"(3) COMMERCIAL MOBILE SERVICE CARRIER.—The term 'commercial mobile service carrier' means any person authorized to provide commercial mobile radio service as defined in section 20.3 of title 47, Code of Federal Regulations.

"(4) CURRENT GENERATION BROADBAND SERVICE.—The term 'current generation broadband service' means the transmission of signals at a rate of at least 1,000,000 bits per second to the subscriber and at least 128,000 bits per second from the subscriber.

"(5) MULTIPLEXING OR DEMULTIPLEXING.—The term 'multiplexing' means the transmission of 2 or more signals over a single channel, and the term 'demultiplexing' means the separation of 2 or more signals previously combined by compatible multiplexing equipment.

"(6) NEXT GENERATION BROADBAND SERVICE.—The term 'next generation broadband service' means the transmission of signals at a rate of at least 22,000,000 bits per second to the subscriber and at least 5,000,000 bits per second from the subscriber.

"(7) NONRESIDENTIAL SUBSCRIBER.—The term 'nonresidential subscriber' means any person who purchases broadband services which are delivered to the permanent place of business of such person.

"(8) OPEN VIDEO SYSTEM OPERATOR.—The term 'open video system operator' means any person authorized to provide service under section 653 of the Communications Act of 1934 (47 U.S.C. 573).

"(9) OTHER WIRELESS CARRIER.—The term 'other wireless carrier' means any person (other than a telecommunications carrier, commercial mobile service carrier, cable operator, open video system operator, or satellite carrier) providing current generation broadband services or next generation broadband service to subscribers through the radio transmission of energy.

"(10) PACKET SWITCHING.—The term 'packet switching' means controlling or routing the path of any digitized transmission signal which is assembled into packets or cells.

"(11) PROVIDER.—The term 'provider' means, with respect to any qualified equipment—

"(A) a cable operator,

"(B) a commercial mobile service carrier,

"(C) an open video system operator,

"(D) a satellite carrier,

"(E) a telecommunications carrier, or

"(F) any other wireless carrier,

providing current generation broadband services or next generation broadband services to subscribers through such qualified equipment.

"(12) PROVISION OF SERVICES.—A provider shall be treated as providing services to 1 or more subscribers if—

"(A) such a subscriber has been passed by the provider's equipment and can be connected to such equipment for a standard connection fee,

"(B) the provider is physically able to deliver current generation broadband services or next generation broadband services, as applicable, to such a subscriber without making more than an insignificant investment with respect to such subscriber,

"(C) the provider has made reasonable efforts to make such subscribers aware of the availability of such services,

"(D) such services have been purchased by 1 or more such subscribers, and

"(E) such services are made available to such subscribers at average prices comparable to those at which the provider makes available similar services in any areas in which the provider makes available such services.

"(13) QUALIFIED EQUIPMENT.—

"(A) IN GENERAL.—The term 'qualified equipment' means equipment which provides current generation broadband services or next generation broadband services—

"(i) at least a majority of the time during periods of maximum demand to each subscriber who is utilizing such services, and

"(ii) in a manner substantially the same as such services are provided by the provider to subscribers through equipment with respect to which no deduction is allowed under subsection (a)(1).

"(B) ONLY CERTAIN INVESTMENT TAKEN INTO ACCOUNT.—Except as provided in subparagraph (C) or (D), equipment shall be taken into account under subparagraph (A) only to the extent it—

"(i) extends from the last point of switching to the outside of the unit, building, dwelling, or office owned or leased by a subscriber in the case of a telecommunications carrier,

"(ii) extends from the customer side of the mobile telephone switching office to a transmission/receive antenna (including such antenna) owned or leased by a subscriber in the case of a commercial mobile service carrier,

"(iii) extends from the customer side of the headend to the outside of the unit, building, dwelling, or office owned or leased by a subscriber in the case of a cable operator or open video system operator, or

"(iv) extends from a transmission/receive antenna (including such antenna) which transmits and receives signals to or from multiple subscribers, to a transmission/receive antenna (including such antenna) on the outside of the unit, building, dwelling, or office owned or leased by a subscriber in the case of a satellite carrier or other wireless carrier, unless such other wireless carrier is also a telecommunications carrier.

"(C) PACKET SWITCHING EQUIPMENT.—Packet switching equipment, regardless of location, shall be taken into account under subparagraph (A) only if it is deployed in connection with equipment described in subparagraph (B) and is uniquely designed to perform the function of packet switching for current generation broadband services or next generation broadband services, but only if such packet switching is the last in a series of such functions performed in the transmission of a signal to a subscriber or the first in a series of such functions performed in the transmission of a signal from a subscriber.

"(D) MULTIPLEXING AND DEMULTIPLEXING EQUIPMENT.—Multiplexing and demultiplexing equipment shall be taken into account under subparagraph (A) only to the extent it is deployed in connection with equipment described in subparagraph (B) and is uniquely designed to perform the function of multiplexing and demultiplexing packets or cells of data and making associated application adaptions, but only if such multiplexing or demultiplexing equipment is located between packet switching equipment described in subparagraph (C) and the subscriber's premises.

"(14) QUALIFIED SUBSCRIBER.—The term 'qualified subscriber' means—

"(A) with respect to the provision of current generation broadband services—

"(i) any nonresidential subscriber maintaining a permanent place of business in a rural area or underserved area, or

"(ii) any residential subscriber residing in a dwelling located in a rural area or underserved area which is not a saturated market, and

"(B) with respect to the provision of next generation broadband services—

"(i) any nonresidential subscriber maintaining a permanent place of business in a rural area or underserved area, or

"(ii) any residential subscriber.

"(15) RESIDENTIAL SUBSCRIBER.—The term 'residential subscriber' means any individual who purchases broadband services which are delivered to such individual's dwelling.

"(16) RURAL AREA.—The term 'rural area' means any census tract which—

"(A) is not within 10 miles of any incorporated or census designated place containing more than 25,000 people, and

"(B) is not within a county or county equivalent which has an overall population density of more than 500 people per square mile of land.

"(17) RURAL SUBSCRIBER.—The term 'rural subscriber' means any residential subscriber residing in a dwelling located in a rural area or nonresidential subscriber maintaining a permanent place of business located in a rural area.

"(18) SATELLITE CARRIER.—The term 'satellite carrier' means any person using the facilities of a satellite or satellite service licensed by the Federal Communications Commission and operating in the Fixed-Satellite Service under part 25 of title 47 of the Code of Federal Regulations or the Direct Broadcast Satellite Service under part 100 of title 47 of such Code to establish and operate a channel of communications for distribution of signals, and owning or leasing a capacity or service on a satellite in order to provide such point-to-multipoint distribution.

"(19) SATURATED MARKET.—The term 'saturated market' means any census tract in which, as of the date of the enactment of this section—

"(A) current generation broadband services have been provided by a single provider to 85 percent or more of the total number of potential residential subscribers residing in dwellings located within such census tract, and

"(B) such services can be utilized—

"(i) at least a majority of the time during periods of maximum demand by each such subscriber who is utilizing such services, and

"(ii) in a manner substantially the same as such services are provided by the provider to subscribers through equipment with respect to which no deduction is allowed under subsection (a)(1).

"(20) SUBSCRIBER.—The term 'subscriber' means any person who purchases current generation broadband services or next generation broadband services.

"(21) TELECOMMUNICATIONS CARRIER.—The term 'telecommunications carrier' has the meaning given such term by section 3(44) of the Communications Act of 1934 (47 U.S.C. 153(44)), but—

"(A) includes all members of an affiliated group of which a telecommunications carrier is a member, and

"(B) does not include a commercial mobile service carrier.

"(22) TOTAL POTENTIAL SUBSCRIBER POPULATION.—The term 'total potential subscriber population' means, with respect to any area and based on the most recent census data, the total number of potential residential subscribers residing in dwellings located in such area and potential nonresidential subscribers maintaining permanent places of business located in such area.

"(23) UNDERSERVED AREA.—The term 'underserved area' means—

"(A) any census tract which is located in—

"(i) an empowerment zone or enterprise community designated under section 1391, or

"(ii) the District of Columbia Enterprise Zone established under section 1400, or

"(B) any census tract—

"(i) the poverty level of which is at least 30 percent (based on the most recent census data), and

"(ii) the median family income of which does not exceed—

"(I) in the case of a census tract located in a metropolitan statistical area, 70 percent of the greater of the metropolitan area median family income or the statewide median family income, and

"(II) in the case of a census tract located in a nonmetropolitan statistical area, 70 percent of the nonmetropolitan statewide median family income.

"(24) UNDERSERVED SUBSCRIBER.—The term 'underserved subscriber' means any residential subscriber residing in a dwelling located in an underserved area or nonresidential subscriber maintaining a permanent place of business located in an underserved area.

"(f) SPECIAL RULES.—

"(1) PROPERTY USED OUTSIDE THE UNITED STATES, ETC., NOT QUALIFIED.—No expenditures shall be taken into account under subsection (a)(1) with respect to the portion of the cost of any property referred to in section 50(b) or with respect to the portion of the cost of any property specified in an election under section 179.

"(2) BASIS REDUCTION.—

"(A) IN GENERAL.—For purposes of this title, the basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a)(1).

"(B) ORDINARY INCOME RECAPTURE.—For purposes of section 1245, the amount of the deduction allowable under subsection (a)(1) with respect to any property which is of a character subject to the allowance for depreciation shall be treated as a deduction allowed for depreciation under section 167.

"(3) COORDINATION WITH SECTION 38.—No credit shall be allowed under section 38 with respect to any amount for which a deduction is allowed under subsection (a)(1).".

(b) SPECIAL RULE FOR MUTUAL OR COOPERATIVE TELEPHONE COMPANIES.—Section 512(b) (relating to modifications) is amended by adding at the end the following new paragraph:

"(18) SPECIAL RULE FOR MUTUAL OR COOPERATIVE TELEPHONE COMPANIES.—A mutual or cooperative telephone company which for the taxable year satisfies the requirements of section 501(c)(12)(A) may elect to reduce its unrelated business taxable income for such year, if any, by an amount that does not exceed the qualified broadband expenditures which would be taken into account under section 191 for such year by such company if such company was not exempt from taxation. Any amount which is allowed as a deduction under this paragraph shall not be allowed as a deduction under section 191 and the basis of any property to which this paragraph applies shall be reduced under section 1016(a)(29).".

(c) CONFORMING AMENDMENTS.—

(1) Section 263(a)(1) (relating to capital expenditures) is amended by striking "or" at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting ", or", and by adding at the end the following new subparagraph:

"(I) expenditures for which a deduction is allowed under section 191.".

(2) Section 1016(a) of such Code is amended by striking "and" at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting ", and", and by adding at the end the following new paragraph:

"(29) to the extent provided in section 191(f)(2).".

(3) The table of sections for part VI of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 190 the following new item:

"Sec. 191. Broadband expenditures.".

(d) DESIGNATION OF CENSUS TRACTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall, not later than 90 days after the date of the enactment of this Act, designate and publish those census tracts meeting the criteria described in paragraphs (16), (22), and (23) of section 191(e) of the Internal Revenue Code of 1986 (as added by this section). In making such designations, the Secretary of the Treasury shall consult with such other departments and agencies as the Secretary determines appropriate.

(2) SATURATED MARKET.—

(A) IN GENERAL.—For purposes of designating and publishing those census tracts meeting the criteria described in subsection (e)(19) of such section 191—

(i) the Secretary of the Treasury shall prescribe not later than 30 days after the date of the enactment of this Act the form upon which any provider which takes the position that it meets such criteria with respect to any census tract shall submit a list of such census tracts (and any other information required by the Secretary) not later than 60 days after the date of the publication of such form, and

(ii) the Secretary of the Treasury shall publish an aggregate list of such census tracts and the applicable providers not later than 30 days after the last date such submissions are allowed under clause (i).

(B) NO SUBSEQUENT LISTS REQUIRED.—The Secretary of the Treasury shall not be required to publish any list of census tracts meeting such criteria subsequent to the list described in subparagraph (A)(ii).

(e) OTHER REGULATORY MATTERS.—

(1) PROHIBITION.—No Federal or State agency or instrumentality shall adopt regulations or ratemaking procedures that would have the effect of eliminating or reducing any deduction or portion thereof allowed under section 191 of the Internal Revenue Code of 1986 (as added by this section) or otherwise subverting the purpose of this section.

(2) TREASURY REGULATORY AUTHORITY.—It is the intent of Congress in providing the election to deduct qualified broadband expenditures under section 191 of the Internal Revenue Code of 1986 (as added by this section) to provide incentives for the purchase, installation, and connection of equipment and facilities offering expanded broadband

access to the Internet for users in certain low income and rural areas of the United States, as well as to residential users nationwide, in a manner that maintains competitive neutrality among the various classes of providers of broadband services. Accordingly, the Secretary of the Treasury shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of section 191 of such Code, including—

(A) regulations to determine how and when a taxpayer that incurs qualified broadband expenditures satisfies the requirements of section 191 of such Code to provide broadband services, and

(B) regulations describing the information, records, and data taxpayers are required to provide the Secretary to substantiate compliance with the requirements of section 191 of such Code.

(f) Effective Date.—The amendments made by this section shall apply to expenditures incurred after the date of the enactment of this Act and before the date which is 12 months after the date of the enactment of this Act.

SEC. 303. EXEMPTION OF NATURAL AGING PROCESS IN DETERMINATION OF PRODUCTION PERIOD FOR DISTILLED SPIRITS UNDER SECTION 263A.

(a) In General.—Section 263A(f) of the Internal Revenue Code of 1986 (relating to general exceptions) is amended by adding at the end the following new paragraph:

"(5) Exemption of natural aging process in determination of production period for distilled spirits.—For purposes of this subsection, the production period for distilled spirits shall be determined without regard to any period allocated to the natural aging process.".

(b) Effective Date.—The amendment made by this section shall apply to production periods beginning after the date of the enactment of this Act.

SEC. 304. MODIFICATION OF ACTIVE BUSINESS DEFINITION UNDER SECTION 355.

(a) In General.—Section 355(b) (defining active conduct of a trade or business) is amended by adding at the end the following new paragraph:

"(3) Special rules relating to active business requirement.—

"(A) In general.—For purposes of determining whether a corporation meets the requirement of paragraph (2)(A), all members of such corporation's separate affiliated group shall be treated as one corporation. For purposes of the preceding sentence, a corporation's separate affiliated group is the affiliated group which would be determined under section 1504(a) if such corporation were the common parent and section 1504(b) did not apply.

"(B) Control.—For purposes of paragraph (2)(D), all distributee corporations which are members of the same affiliated group (as defined in section 1504(a) without regard to section 1504(b)) shall be treated as one distributee corporation.".

(b) Conforming Amendments.—

(1) Subparagraph (A) of section 355(b)(2) is amended to read as follows:

"(A) it is engaged in the active conduct of a trade or business,".

(2) Section 355(b)(2) is amended by striking the last sentence.

(c) Effective Date.—

(1) In general.—The amendments made by this section shall apply—

(A) to distributions after the date of the enactment of this Act, and

(B) for purposes of determining the continued qualification under section 355(b)(2)(A) of the Internal Revenue Code of 1986 (as amended by subsection (b)(1)) of distributions made before such date, as a result of an acquisition, disposition, or other restructuring after such date.

(2) Transition rule.—The amendments made by this section shall not apply to any distribution pursuant to a transaction which is—

(A) made pursuant to an agreement which was binding on such date of enactment and at all times thereafter,

(B) described in a ruling request submitted to the Internal Revenue Service on or before such date, or

(C) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

(3) Election to have amendments apply.—Paragraph (2) shall not apply if the distributing corporation elects not to have such paragraph apply to distributions of such corporation. Any such election, once made, shall be irrevocable.

SEC. 305. EXCLUSION OF CERTAIN INDEBTEDNESS OF SMALL BUSINESS INVESTMENT COMPANIES FROM ACQUISITION INDEBTEDNESS.

(a) In General.—Section 514(c) (relating to acquisition indebtedness) is amended by adding at the end the following new paragraph:

"(10) Certain indebtedness of small business investment companies.—For purposes of this section, the term 'acquisition indebtedness' does not include any indebtedness incurred by a small business investment company licensed under the Small Business Investment Act of 1958 which is evidenced by a debenture—

"(A) issued by such company under section 303(a) of such Act, and

"(B) held or guaranteed by the Small Business Administration.".

(b) Effective Date.—The amendment made by this section shall apply to any indebtedness incurred after December 31, 2003, by a small business investment company described in section 514(c)(10) of the Internal Revenue Code of 1986 (as added by this section) with respect to property acquired by such company after such date.

SEC. 306. MODIFIED TAXATION OF IMPORTED ARCHERY PRODUCTS.

(a) Bows.—Paragraph (1) of section 4161(b) (relating to bows) is amended to read as follows:

"(1) Bows.—

"(A) In general.—There is hereby imposed on the sale by the manufacturer, producer, or importer of any bow which has a peak draw weight of 30 pounds or more, a tax equal to 11 percent of the price for which so sold.

"(B) Archery equipment.—There is hereby imposed on the sale by the manufacturer, producer, or importer—

"(i) of any part or accessory suitable for inclusion in or attachment to a bow described in subparagraph (A), and

"(ii) of any quiver or broadhead suitable for use with an arrow described in paragraph (2),

a tax equal to 11 percent of the price for which so sold.".

(b) Arrows.—Subsection (b) of section 4161 (relating to bows and arrows, etc.) is amended by redesignating paragraph (3) as paragraph (4) and inserting after paragraph (2) the following:

"(3) Arrows.—

"(A) In general.—There is hereby imposed on the sale by the manufacturer, producer, or importer of any arrow, a tax equal to 12 percent of the price for which so sold.

"(B) Exception.—In the case of any arrow of which the shaft or any other component has been previously taxed under paragraph (1) or (2)—

"(i) section 6416(b)(3) shall not apply, and

"(ii) the tax imposed by subparagraph (A) shall be an amount equal to the excess (if any) of—

"(I) the amount of tax imposed by this paragraph (determined without regard to this subparagraph), over

"(II) the amount of tax paid with respect to the tax imposed under paragraph (1) or (2) on such shaft or component.

"(C) Arrow.—For purposes of this paragraph, the term 'arrow' means any shaft described in paragraph (2) to which additional components are attached.".

(c) Conforming Amendments.—Section 4161(b)(2) is amended—

(1) by inserting "(other than broadheads)" after "point", and

(2) by striking "Arrows.—" in the heading and inserting "Arrow components.—".

(d) Effective Date.—The amendments made by this section shall apply to articles sold by the manufacturer, producer, or importer after December 31, 2003.

SEC. 307. MODIFICATION TO COOPERATIVE MARKETING RULES TO INCLUDE VALUE ADDED PROCESSING INVOLVING ANIMALS.

(a) In General.—Section 1388 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

"(k) Cooperative Marketing Includes Value-Added Processing Involving Animals.—For purposes of section 521 and this subchapter, the marketing of the products of members or other producers shall include the feeding of such products to cattle, hogs, fish, chickens, or other animals and the sale of the resulting animals or animal products.".

(b) Conforming Amendment.—Section 521(b) is amended by adding at the end the following new paragraph:

"(7) Cross Reference.—

"For treatment of value-added processing involving animals, see section 1388(k).".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 308. EXTENSION OF DECLARATORY JUDGMENT PROCEDURES TO FARMERS' COOPERATIVE ORGANIZATIONS.

(a) In General.—Section 7428(a)(1) (relating to declaratory judgments of tax exempt organizations) is amended by striking "or" at the end of subparagraph (B) and by adding at the end the following new subparagraph:

"(D) with respect to the initial classification or continuing classification of a cooperative as an organization described in section 521(b) which is exempt from tax under section 521(a), or".

(b) Effective Date.—The amendments made by this section shall apply with respect to pleadings filed after the date of the enactment of this Act.

SEC. 309. TEMPORARY SUSPENSION OF PERSONAL HOLDING COMPANY TAX.

(a) In General.—Section 541 (relating to imposition of personal holding company tax) is amended by adding at the end the following new sentence: "The preceding sentence shall not apply with respect to any taxable year to which section 1(h)(11) (as in effect on the date of the enactment of this sentence) applies.".

(b) Coordination With Accumulated Earnings Tax.—Section 532(b) is amended by adding at the end the following flush sentence:

"Paragraph (1) shall not apply to any taxable year to which section 541 does not apply."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 310. INCREASE IN SECTION 179 EXPENSING.

(a) In General.—Section 179(b)(2) (relating to reduction in limitation) is amended by inserting "50 percent of" before "the amount".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 311. FIVE-YEAR CARRYBACK OF NET OPERATING LOSSES.

(a) In General.—Subparagraph (H) of section 172(b)(1) is amended—

(1) by inserting "5-year carryback of certain losses.—" after "(H)", and

(2) by striking "or 2002" and inserting ", 2002, or 2003".

(b) Rules Relating to Certain Extended Net Operating Losses.—Section 172 is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) Rules Relating to Certain Extended Net Operating Losses.—For purposes of this section, in the case of a taxpayer which has a net operating loss for any taxable year ending during 2003 and does not make an election under subsection (j), such taxpayer shall be deemed to have made an election under paragraphs (4)(E) and (2)(C)(iii) of section 168(k) with respect to all classes of property for such taxable year.

(c) Temporary Suspension of 90 Percent Limit on Certain NOL Carryovers.—Section 56(d)(1)(A)(ii)(I) (relating to general rule defining alternative tax net operating loss deduction) is amended—

(1) by striking "or 2002" and inserting ", 2002, or 2003", and

(2) by striking "and 2002" and inserting ", 2002, and 2003".

(d) Technical Corrections.—

(1) Subparagraph (H) of section 172(b)(1) is amended by striking "a taxpayer which has".

(2) Section 102(c)(2) of the Job Creation and Worker Assistance Act of 2002 (Public Law 107–147) is amended by striking "before January 1, 2003" and inserting "after December 31, 1990".

(3)(A) Subclause (I) of section 56(d)(1)(A)(i) is amended by striking "attributable to carryovers".

(B) Subclause (I) of section 56(d)(1)(A)(ii) is amended—

(i) by striking "for taxable years" and inserting "from taxable years", and

(ii) by striking "carryforwards" and inserting "carryovers".

(e) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to net operating losses for taxable years ending after December 31, 2002.

(2) Technical corrections.—The amendments made by subsection (d) shall take effect as if included in the amendments made by section 102 of the Job Creation and Worker Assistance Act of 2002.

(3) Election.—In the case of a net operating loss for a taxable year ending during 2003—

(A) any election made under section 172(b)(3) of such Code may (notwithstanding such section) be revoked before April 15, 2004, and

(B) any election made under section 172(j) of such Code shall (notwithstanding such section) be treated as timely made if made before April 15, 2004.

(4) Special rule for taxpayers with taxable years ending during January.—Any taxpayer which has a taxable year ending during January may elect under this paragraph to apply section 172(b)(1)(H) of the Internal Revenue Code of 1986 (as amended by this section) to its taxable year ending in 2004 rather than its taxable year ending in 2003. If such election is made, then section 172(k) of such Code (as added by this section) shall be applied to the taxpayer's taxable year ending in 2004. Such election shall be made in such manner and at such time as may be prescribed by the Secretary of the Treasury. Such election, once made, shall be irrevocable.

SEC. 312. EXTENSION AND MODIFICATION OF RESEARCH CREDIT.

(a) Extension.—

(1) In general.—Section 41(h)(1)(B) (relating to termination) is amended by striking "June 30, 2004" and inserting "December 31, 2005".

(2) Conforming amendment.—Section 45C(b)(1)(D) is amended by striking "June 30, 2004" and inserting "December 31, 2005".

(b) Increase in Rates of Alternative Incremental Credit.—Subparagraph (A) of section 41(c)(4) (relating to election of alternative incremental credit) is amended—

(1) by striking "2.65 percent" and inserting "3 percent",

(2) by striking "3.2 percent" and inserting "4 percent", and

(3) by striking "3.75 percent" and inserting "5 percent".

(c) Alternative Simplified Credit for Qualified Research Expenses.—

(1) In general.—Subsection (c) of section 41 (relating to base amount) is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) Election of alternative simplified credit.—

"(A) In general.—At the election of the taxpayer, the credit determined under subsection (a)(1) shall be equal to 12 percent of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined.

"(B) Special rule in case of no qualified research expenses in any of 3 preceding taxable years.—

"(i) Taxpayers to which subparagraph applies.—The credit under this paragraph shall be determined under this subparagraph if the taxpayer has no qualified research expenses in any 1 of the 3 taxable years preceding the taxable year for which the credit is being determined.

"(ii) Credit rate.—The credit determined under this subparagraph shall be equal to 6 percent of the qualified research expenses for the taxable year.

"(C) Election.—An election under this paragraph shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary. An election under this paragraph may not be made for any taxable year to which an election under paragraph (4) applies."

(2) Coordination with election of alternative incremental credit.—

(A) In general.—Section 41(c)(4)(B) (relating to election) is amended by adding at the end the following: "An election under this paragraph may not be made for any taxable year to which an election under paragraph (5) applies."

(B) Transition rule.—In the case of an election under section 41(c)(4) of the Internal Revenue Code of 1986 which applies to the taxable year which includes the date of the enactment of this Act, such election shall be treated as revoked with the consent of the Secretary of the Treasury if the taxpayer makes an election under section 41(c)(5) of such Code (as added by paragraph (1)) for such year.

(f) Effective Dates.—

(1) Subsection (a).—The amendments made by subsection (a) shall apply to amounts paid or incurred after the date of the enactment of this Act.

(2) Subsections (b) and (c).—The amendments made by subsections (b) and (c) shall apply to taxable years beginning after December 31, 2004.

SEC. 313. EXPANSION OF RESEARCH CREDIT.

(a) Credit for Expenses Attributable to Certain Collaborative Research Consortia.—

(1) In general.—Section 41(a) (relating to credit for increasing research activities) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end the following new paragraph:

"(3) 20 percent of the amounts paid or incurred by the taxpayer in carrying on any trade or business of the taxpayer during the taxable year (including as contributions) to a research consortium.".

(2) Research consortium defined.—Section 41(f) (relating to special rules) is amended by adding at the end the following new paragraph:

"(6) Research consortium.—

"(A) In general.—The term 'research consortium' means any organization—

"(i) which is—

"(I) described in section 501(c)(3) and is exempt from tax under section 501(a) and is organized and operated primarily to conduct energy research, or

"(II) organized and operated primarily to conduct research in the public interest (within the meaning of section 501(c)(3)),

"(ii) which is not a private foundation,

"(iii) to which at least 5 unrelated persons paid or incurred during the calendar year in which the taxable year of the organization begins amounts (including as contributions) to such organization for research, and

"(iv) to which no single person paid or incurred (including as contributions) during such calendar year an amount equal to more than 50 percent of the total amounts received by such organization during such calendar year for research.

"(B) Treatment of persons.—All persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as related persons for purposes of subparagraph (A)(iii) and as a single person for purposes of subparagraph (A)(iv).".

(3) Conforming amendment.—Section 41(b)(3)(C) is amended by inserting "(other than a research consortium)" after "organization".

(b) Repeal of Limitation on Contract Research Expenses Paid to Small Businesses, Universities, and Federal Laboratories.—Section 41(b)(3) (relating to contract research expenses) is amended by adding at the end the following new subparagraph:

"(D) Amounts paid to eligible small businesses, universities, and federal laboratories.—

"(i) In general.—In the case of amounts paid by the taxpayer to—

"(I) an eligible small business,

"(II) an institution of higher education (as defined in section 3304(f)), or

"(III) an organization which is a Federal laboratory,

for qualified research which is energy research, subparagraph (A) shall be applied by substituting '100 percent' for '65 percent'.

"(ii) Eligible small business.—For purposes of this subparagraph, the term 'eligible small business' means a small business with respect to which the taxpayer does not own (within the meaning of section 318) 50 percent or more of—

"(I) in the case of a corporation, the outstanding stock of the corporation (either by vote or value), and

"(II) in the case of a small business which is not a corporation, the capital and profits interests of the small business.

"(iii) Small business.—For purposes of this subparagraph—

"(I) In general.—The term 'small business' means, with respect to any calendar year, any person if the annual average number of employees employed by such person during either of the 2 preceding calendar years was 500 or fewer. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the person was in existence throughout the year.

"(II) Startups, controlled groups, and predecessors.—Rules similar to the rules of subparagraphs (B) and (D) of section 220(c)(4) shall apply for purposes of this clause.

"(iv) Federal laboratory.—For purposes of this subparagraph, the term 'Federal laboratory' has the meaning given such term by section 4(6) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(6)), as in effect on the date of the enactment of the Energy Tax Incentives Act of 2003.".

(c) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2004.

Subtitle B—Manufacturing Relating to Films

SEC. 321. SPECIAL RULES FOR CERTAIN FILM AND TELEVISION PRODUCTIONS.

(a) In General.—Part VI of subchapter B of chapter 1 is amended by inserting after section 180 the following new section:

"SEC. 181. TREATMENT OF QUALIFIED FILM AND TELEVISION PRODUCTIONS.

"(a) Election To Treat Certain Costs of Qualified Film and Television Productions as Expenses.—

"(1) In general.—A taxpayer may elect to treat the cost of any qualified film or television production as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction.

"(2) Dollar limitation.—

"(A) In general.—The aggregate cost which may be taken into account under paragraph (1) with respect to each qualified film or television production shall not exceed $15,000,000.

"(B) Higher dollar limitation for productions in certain areas.—In the case of any qualified film or television production the aggregate cost of which is significantly incurred in an area eligible for designation as—

"(i) a low-income community under section 45D, or

"(ii) a distressed county or isolated area of distress by the Delta Regional Authority established under section 2009aa–1 of title 7, United States Code,

subparagraph (A) shall be applied by substituting '$20,000,000' for '$15,000,000'.

"(b) Amortization of Remaining Costs.—

"(1) In general.—If an election is made under subsection (a) with respect to any qualified film or television production, that portion of the basis of such production in excess of the amount taken into account under subsection (a) shall be allowed as a deduction ratably over the 36-month period beginning with the month in which such production is placed in service.

"(2) No other deduction or amortization deduction allowable.—With respect to the basis of any qualified film or television production described in paragraph (1), no other depreciation or amortization deduction shall be allowable.

"(c) Election.—

"(1) In general.—An election under subsection (a) with respect to any qualified film or television production shall be made in such manner as prescribed by the Secretary and by the due date (including extensions) for filing the taxpayer's return of tax under this chapter for the taxable year in which costs of the production are first incurred.

"(2) Revocation of election.—Any election made under subsection (a) may not be revoked without the consent of the Secretary.

"(d) Qualified Film or Television Production.—For purposes of this section—

"(1) In general.—The term 'qualified film or television production' means any production described in paragraph (2) if 75 percent of the total compensation of the production is qualified compensation.

"(2) Production.—

"(A) In general.—A production is described in this paragraph if such production is property described in section 168(f)(3). For purposes of a television series, only the first 44 episodes of such series may be taken into account.

"(B) Exception.—A production is not described in this paragraph if records are required under section 2257 of title 18, United States Code, to be maintained with respect to any performer in such production.

"(3) Qualified compensation.—For purposes of paragraph (1)—

"(A) In general.—The term 'qualified compensation' means compensation for services performed in the United States by actors, directors, producers, and other relevant production personnel.

"(B) Participations and residuals excluded.—The term 'compensation' does not include participations and residuals (as defined in section 167(g)(7)(B)).

"(e) Application of Certain Other Rules.—For purposes of this section, rules similar to the rules of subsections (b)(2) and (c)(4) of section 194 shall apply.

"(f) Termination.—This section shall not apply to qualified film and television productions commencing after December 31, 2008.".

(b) Conforming Amendment.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 180 the following new item:

"Sec. 181. Treatment of qualified film and television productions.".

(c) Effective Date.—The amendments made by this section shall apply to qualified film and television productions (as defined in section 181(d)(1) of the Internal Revenue Code of 1986, as added by this section) commencing after the date of the enactment of this Act.

SEC. 322. MODIFICATION OF APPLICATION OF INCOME FORECAST METHOD OF DEPRECIATION.

(a) In General.—Section 167(g) (relating to depreciation under income forecast method) is amended by adding at the end the following new paragraph:

"(7) Treatment of participations and residuals.—

"(A) In general.—For purposes of determining the depreciation deduction allowable with respect to a property under this subsection, the taxpayer may include participations and residuals with respect to such property in the adjusted basis of such property for the taxable year in which the property is placed in service, but only to the extent that such participations and residuals relate to income estimated (for purposes of this subsection) to be earned in connection with the property before the close of the 10th taxable year referred to in paragraph (1)(A).

"(B) Participations and residuals.—For purposes of this paragraph, the term 'participations and residuals' means, with respect to any property, costs the amount of which by contract varies with the amount of income earned in connection with such property.

"(C) Special rules relating to recomputation years.—If the adjusted basis of any property is determined under this paragraph, paragraph (4) shall be applied by substituting 'for each taxable year in such period' for 'for such period'.

"(D) Other special rules.—

"(i) Participations and residuals.—Notwithstanding subparagraph (A), the taxpayer may exclude participations and residuals from the adjusted basis of such property and deduct such participations and residuals in the taxable year that such participations and residuals are paid.

"(ii) Coordination with other rules.—Deductions computed in accordance with this paragraph shall be allowable notwithstanding paragraph (1)(B) or sections 263, 263A, 404, 419, or 461(h).

"(E) Authority to make adjustments.—The Secretary shall prescribe appropriate adjustments to the basis of property and to the look-back method for the additional amounts allowable as a deduction solely by reason of this paragraph.".

(b) Determination of Income.—Section 167(g)(5) (relating to special rules) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and inserting after subparagraph (D) the following new subparagraph:

"(E) Treatment of distribution costs.—For purposes of this subsection, the income with respect to any property shall be the taxpayer's gross income from such property.".

(c) Effective Date.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

Subtitle C—Manufacturing Relating to Timber

SEC. 331. EXPENSING OF CERTAIN REFORESTATION EXPENDITURES.

(a) In General.—So much of subsection (b) of section 194 (relating to amortization of reforestation expenditures) as precedes paragraph (2) is amended to read as follows:

"(b) Treatment as Expenses.—

"(1) Election to treat certain reforestation expenditures as expenses.—

"(A) In general.—In the case of any qualified timber property with respect to which the taxpayer has made (in accordance with regulations prescribed by the Secretary) an election under this subsection, the taxpayer shall treat reforestation expenditures which are paid or incurred during the taxable year with respect to such property as an expense which is not chargeable to capital account. The reforestation expenditures so treated shall be allowed as a deduction.

"(B) Dollar limitation.—The aggregate amount of reforestation expenditures which may be taken into account under subparagraph (A) with respect to each qualified timber property for any taxable year shall not exceed **$10,000** (**$5,000** in the case of a separate return by a married individual (as defined in section 7703)).".

(b) Net Amortizable Basis.—Section 194(c)(2) (defining amortizable basis) is amended by inserting "which have not been taken into account under subsection (b)" after "expenditures".

(c) Conforming Amendments.—

(1) Section 194(b) is amended by striking paragraphs (3) and (4).

(2) Section 194(b)(2) is amended by striking "paragraph (1)" both places it appears and inserting "paragraph (1)(B)".

(3) Section 194(c) is amended by striking paragraph (4) and inserting the following new paragraphs:

"(4) Treatment of trusts and estates.—

"(A) In general.—Except as provided in subparagraph (B), this section shall not apply to trusts and estates.

"(B) Amortization deduction allowed to estates.—The benefit of the deduction for amortization provided by subsection (a) shall be allowed to estates in the same manner as in the case of an individual. The allowable deduction shall be apportioned between the income beneficiary and the fiduciary under regulations prescribed by the Secretary. Any amount so apportioned to a beneficiary shall be taken into account for purposes of determining the amount allowable as a deduction under subsection (a) to such beneficiary.

"(5) Application with other deductions.—No deduction shall be allowed under any other provision of this chapter with respect to any expenditure with respect to which a deduction is allowed or allowable under this section to the taxpayer .".

(4) The heading for section 194 is amended by striking "**AMORTIZATION**" and inserting "**TREATMENT**".

(5) The item relating to section 194 in the table of sections for part VI of subchapter B of chapter 1 is amended by striking "Amortization" and inserting "Treatment".

(d) Repeal of Reforestation Credit.—

(1) In general.—Section 46 (relating to amount of credit) is amended—

(A) by adding "and" at the end of paragraph (1),

(B) by striking ", and" at the end of paragraph (2) and inserting a period, and

(C) by striking paragraph (3).

(2) Conforming amendments.—

(A) Section 48 is amended—

(i) by striking subsection (b),

(ii) by striking "this subsection" in paragraph (5) of subsection (a) and inserting "subsection (a)", and

(iii) by redesignating such paragraph (5) as subsection (b).

(B) The heading for section 48 is amended by striking "**; REFORESTATION CREDIT**".

(C) The item relating to section 48 in the table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by striking ", reforestation credit".

(D) Section 50(c)(3) is amended by striking "or reforestation credit".

(e) Effective Date.—The amendments made by this section shall apply with respect to expenditures paid or incurred after the date of the enactment of this Act.

SEC. 332. ELECTION TO TREAT CUTTING OF TIMBER AS A SALE OR EXCHANGE.

Any election under section 631(a) of the Internal Revenue Code of 1986 made for a taxable year ending on or before the date of the enactment of this Act may be revoked by the taxpayer for any taxable year ending after such date. For purposes of determining whether the taxpayer may make a further election under such section, such election (and any revocation under this section) shall not be taken into account.

SEC. 333. CAPITAL GAIN TREATMENT UNDER SECTION 631(b) TO APPLY TO OUTRIGHT SALES BY LANDOWNERS.

(a) In General.—The first sentence of section 631(b) (relating to disposal of timber with a retained economic interest) is amended by striking "retains an economic interest in such timber" and inserting "either retains an economic interest in such timber or makes an outright sale of such timber".

(b) Conforming Amendments.—

(1) The third sentence of section 631(b) is amended by striking "The date of disposal" and inserting "In the case of disposal of timber with a retained economic interest, the date of disposal".

(2) The heading for section 631(b) is amended by striking "With a Retained Economic Interest".

(c) Effective Date.—The amendments made by this section shall apply to sales after the date of the enactment of this Act.

SEC. 334. MODIFICATION OF SAFE HARBOR RULES FOR TIMBER REITS.

(a) Expansion of Prohibited Transaction Safe Harbor.—Section 857(b)(6) (relating to income from prohibited transactions) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (C) the following new subparagraph:

"(D) Certain sales not to constitute prohibited transactions.—For purposes of this part, the term 'prohibited transaction' does not include a sale of property which is a real estate asset (as defined in section 856(c)(5)(B)) if—

"(i) the trust held the property for not less than 4 years in connection with the trade or business of producing timber,

"(ii) the aggregate expenditures made by the trust, or a partner of the trust, during the 4-year period preceding the date of sale which—

"(I) are includible in the basis of the property (other than timberland acquisition expenditures), and

"(II) are directly related to operation of the property for the production of timber or for the preservation of the property for use as timberland,

do not exceed 30 percent of the net selling price of the property,

"(iii) the aggregate expenditures made by the trust, or a partner of the trust, during the 4-year period preceding the date of sale which—

"(I) are includible in the basis of the property (other than timberland acquisition expenditures), and

"(II) are not directly related to operation of the property for the production of timber, or for the preservation of the property for use as timberland,

do not exceed 5 percent of the net selling price of the property,

"(iv)(I) during the taxable year the trust does not make more than 7 sales of property (other than sales of foreclosure property or sales to which section 1033 applies), or

"(II) the aggregate adjusted bases (as determined for purposes of computing earnings and profits) of property (other than sales of foreclosure property or sales to which section 1033 applies) sold during the taxable year does not exceed 10 percent of the aggregate bases (as so determined) of all of the assets of the trust as of the beginning of the taxable year,

"(v) in the case that the requirement of clause (iv)(I) is not satisfied, substantially all of the marketing expenditures with respect to the property were made through an independent contractor (as defined in section 856(d)(3)) from whom the trust itself does not derive or receive any income, and

"(vi) the sales price of the property sold by the trust is not based in whole or in part on income or profits, including income or profits derived from the sale or operation of such property.".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE IV—ADDITIONAL PROVISIONS

Subtitle A—Provisions Designed To Curtail Tax Shelters

SEC. 401. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) In General.—Section 7701 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) Clarification of Economic Substance Doctrine; Etc.—

"(1) General rules.—

"(A) In general.—In any case in which a court determines that the economic substance doctrine is relevant for purposes of this title to a transaction (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

"(B) Definition of economic substance.—For purposes of subparagraph (A)—

"(i) In general.—A transaction has economic substance only if—

"(I) the transaction changes in a meaningful way (apart from Federal tax effects) the taxpayer's economic position, and

"(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

In applying subclause (II), a purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax.

"(ii) Special rule where taxpayer relies on profit potential.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

"(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

"(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

"(C) Treatment of fees and foreign taxes.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

"(2) Special rules for transactions with tax-indifferent parties.—

"(A) Special rules for financing transactions.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction is substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

"(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

"(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

"(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

"(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) ECONOMIC SUBSTANCE DOCTRINE.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

"(B) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

"(C) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

"(D) TREATMENT OF LESSORS.—In applying paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease—

"(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

"(I) depreciation,

"(II) any tax credit, or

"(III) any other deduction as provided in guidance by the Secretary, and

"(ii) subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

"(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

"(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 402. PENALTY FOR FAILING TO DISCLOSE REPORTABLE TRANSACTION.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6707 the following new section:

"SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE REPORTABLE TRANSACTION INFORMATION WITH RETURN OR STATEMENT.

"(a) IMPOSITION OF PENALTY.—Any person who fails to include on any return or statement any information with respect to a reportable transaction which is required under section 6011 to be included with such return or statement shall pay a penalty in the amount determined under subsection (b).

"(b) AMOUNT OF PENALTY.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amount of the penalty under subsection (a) shall be $50,000.

"(2) LISTED TRANSACTION.—The amount of the penalty under subsection (a) with respect to a listed transaction shall be $100,000.

"(3) INCREASE IN PENALTY FOR LARGE ENTITIES AND HIGH NET WORTH INDIVIDUALS.—

"(A) IN GENERAL.—In the case of a failure under subsection (a) by—

"(i) a large entity, or

"(ii) a high net worth individual,

the penalty under paragraph (1) or (2) shall be twice the amount determined without regard to this paragraph.

"(B) LARGE ENTITY.—For purposes of subparagraph (A), the term 'large entity' means, with respect to any taxable year, a person (other than a natural person) with gross receipts in excess of $10,000,000 for the taxable year in which the reportable transaction occurs or the preceding taxable year. Rules similar to the rules of paragraph (2) and subparagraphs (B), (C), and (D) of paragraph (3) of section 448(c) shall apply for purposes of this subparagraph.

"(C) HIGH NET WORTH INDIVIDUAL.—For purposes of subparagraph (A), the term 'high net worth individual' means, with respect to a reportable transaction, a natural person whose net worth exceeds $2,000,000 immediately before the transaction.

"(c) DEFINITIONS.—For purposes of this section—

"(1) REPORTABLE TRANSACTION.—The term 'reportable transaction' means any transaction with respect to which information is required to be included with a return or statement because, as determined under regulations prescribed under section 6011, such transaction is of a type which the Secretary determines as having a potential for tax avoidance or evasion.

"(2) LISTED TRANSACTION.—Except as provided in regulations, the term 'listed transaction' means a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011.

"(d) AUTHORITY TO RESCIND PENALTY.—

"(1) IN GENERAL.—The Commissioner of Internal Revenue may rescind all or any portion of any penalty imposed by this section with respect to any violation if—

"(A) the violation is with respect to a reportable transaction other than a listed transaction,

"(B) the person on whom the penalty is imposed has a history of complying with the requirements of this title,

"(C) it is shown that the violation is due to an unintentional mistake of fact;

"(D) imposing the penalty would be against equity and good conscience, and

"(E) rescinding the penalty would promote compliance with the requirements of this title and effective tax administration.

"(2) DISCRETION.—The exercise of authority under paragraph (1) shall be at the sole discretion of the Commissioner and may be delegated only to the head of the Office of Tax Shelter Analysis. The Commissioner, in the Commissioner's sole discretion, may establish a procedure to determine if a penalty should be referred to the Commissioner or the head of such Office for a determination under paragraph (1).

"(3) NO APPEAL.—Notwithstanding any other provision of law, any determination under this subsection may not be reviewed in any administrative or judicial proceeding.

"(4) RECORDS.—If a penalty is rescinded under paragraph (1), the Commissioner shall place in the file in the Office of the Commissioner the opinion of the Commissioner or the head of the Office of Tax Shelter Analysis with respect to the determination, including—

"(A) the facts and circumstances of the transaction,

"(B) the reasons for the rescission, and

"(C) the amount of the penalty rescinded.

"(5) REPORT.—The Commissioner shall each year report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

"(A) a summary of the total number and aggregate amount of penalties imposed, and rescinded, under this section, and

"(B) a description of each penalty rescinded under this subsection and the reasons therefor.

"(e) PENALTY REPORTED TO SEC.—In the case of a person—

"(1) which is required to file periodic reports under section 13 or 15(d) of the Securities Exchange Act of 1934 or is required to be consolidated with another person for purposes of such reports, and

"(2) which—

"(A) is required to pay a penalty under this section with respect to a listed transaction,

"(B) is required to pay a penalty under section 6662A with respect to any reportable transaction at a rate prescribed under section 6662A(c), or

"(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction,

the requirement to pay such penalty shall be disclosed in such reports filed by such person for such periods as the Secretary shall specify. Failure to make a disclosure in accordance with the preceding sentence shall be treated as a failure to which the penalty under subsection (b)(2) applies.

"(f) COORDINATION WITH OTHER PENALTIES.—The penalty imposed by this section is in addition to any penalty imposed under this title.".

(b) DISCLOSURE BY SECRETARY.—

(1) IN GENERAL.—Section 6103 is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) DISCLOSURE RELATING TO PAYMENTS OF CERTAIN PENALTIES.—Notwithstanding any other provision of this section, the Secretary shall make public the name of any person required to pay a penalty described in section 6707A(e)(2) and the amount of the penalty.".

(2) RECORDS.—Section 6103(p)(3)(A) is amended by striking "or (n)" and inserting "(n), or (q)".

(c) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6707 the following:

"Sec. 6707A. Penalty for failure to include reportable transaction information with return or statement.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to returns and statements the due date for which is after the date of the enactment of this Act.

SEC. 403. ACCURACY-RELATED PENALTY FOR LISTED TRANSACTIONS AND OTHER REPORTABLE TRANSACTIONS HAVING A SIGNIFICANT TAX AVOIDANCE PURPOSE.

(a) In General.—Subchapter A of chapter 68 is amended by inserting after section 6662 the following new section:

"SEC. 6662A. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERSTATEMENTS WITH RESPECT TO REPORTABLE TRANSACTIONS.

"(a) Imposition of Penalty.—If a taxpayer has a reportable transaction understatement for any taxable year, there shall be added to the tax an amount equal to 20 percent of the amount of such understatement.

"(b) Reportable Transaction Understatement.—For purposes of this section—

"(1) In general.—The term 'reportable transaction understatement' means the sum of—

"(A) the product of—

"(i) the amount of the increase (if any) in taxable income which results from a difference between the proper tax treatment of an item to which this section applies and the taxpayer's treatment of such item (as shown on the taxpayer's return of tax), and

"(ii) the highest rate of tax imposed by section 1 (section 11 in the case of a taxpayer which is a corporation), and

"(B) the amount of the decrease (if any) in the aggregate amount of credits determined under subtitle A which results from a difference between the taxpayer's treatment of an item to which this section applies (as shown on the taxpayer's return of tax) and the proper tax treatment of such item.

For purposes of subparagraph (A), any reduction of the excess of deductions allowed for the taxable year over gross income for such year, and any reduction in the amount of capital losses which would (without regard to section 1211) be allowed for such year, shall be treated as an increase in taxable income.

"(2) Items to which section applies.—This section shall apply to any item which is attributable to—

"(A) any listed transaction, and

"(B) any reportable transaction (other than a listed transaction) if a significant purpose of such transaction is the avoidance or evasion of Federal income tax.

"(c) Higher Penalty for Nondisclosed Listed and Other Avoidance Transactions.—

"(1) In general.—Subsection (a) shall be applied by substituting '30 percent' for '20 percent' with respect to the portion of any reportable transaction understatement with respect to which the requirement of section 6664(d)(2)(A) is not met.

"(2) Rules applicable to assertion and compromise of penalty.—

"(A) In general.—Only upon the approval by the Chief Counsel for the Internal Revenue Service or the Chief Counsel's delegate at the national office of the Internal Revenue Service may a penalty to which paragraph (1) applies be included in a 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals. If such a letter is provided to the taxpayer, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

"(B) Applicable rules.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of subparagraph (A).

"(d) Definitions of Reportable and Listed Transactions.—For purposes of this section, the terms 'reportable transaction' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).

"(e) Special Rules.—

"(1) Coordination with penalties, etc., on other understatements.—In the case of an understatement (as defined in section 6662(d)(2))—

"(A) the amount of such understatement (determined without regard to this paragraph) shall be increased by the aggregate amount of reportable transaction understatements and noneconomic substance transaction understatements for purposes of determining whether such understatement is a substantial understatement under section 6662(d)(1), and

"(B) the addition to tax under section 6662(a) shall apply only to the excess of the amount of the substantial understatement (if any) after the application of subparagraph (A) over the aggregate amount of reportable transaction understatements and noneconomic substance transaction understatements.

"(2) Coordination with other penalties.—

"(A) Application of fraud penalty.—References to an underpayment in section 6663 shall be treated as including references to a reportable transaction understatement and a noneconomic substance transaction understatement.

"(B) No double penalty.—This section shall not apply to any portion of an understatement on which a penalty is imposed under section 6662B or 6663.

"(3) Special rule for amended returns.—Except as provided in regulations, in no event shall any tax treatment included with an amendment or supplement to a return of tax be taken into account in determining the amount of any reportable transaction understatement or noneconomic substance transaction understatement if the amendment or supplement is filed after the earlier of the date the taxpayer is first contacted by the Secretary regarding the examination of the return or such other date as is specified by the Secretary.

"(4) Noneconomic substance transaction understatement.—For purposes of this subsection, the term 'noneconomic substance transaction understatement' has the meaning given such term by section 6662B(c).

"(5) Cross reference.—

"For reporting of section 6662A(c) penalty to the Securities and Exchange Commission, see section 6707A(e).".

(b) Determination of Other Understatements.—Subparagraph (A) of section 6662(d)(2) is amended by adding at the end the following flush sentence:

"The excess under the preceding sentence shall be determined without regard to items to which section 6662A applies and without regard to items with respect to which a penalty is imposed by section 6662B.".

(c) Reasonable Cause Exception.—

(1) In general.—Section 6664 is amended by adding at the end the following new subsection:

"(d) Reasonable Cause Exception for Reportable Transaction Understatements.—

"(1) In general.—No penalty shall be imposed under section 6662A with respect to any portion of a reportable transaction understatement if it is shown that there was a reasonable cause for such portion and that the taxpayer acted in good faith with respect to such portion.

"(2) Special rules.—Paragraph (1) shall not apply to any reportable transaction understatement unless—

"(A) the relevant facts affecting the tax treatment of the item are adequately disclosed in accordance with the regulations prescribed under section 6011,

"(B) there is or was substantial authority for such treatment, and

"(C) the taxpayer reasonably believed that such treatment was more likely than not the proper treatment.

A taxpayer failing to adequately disclose in accordance with section 6011 shall be treated as meeting the requirements of subparagraph (A) if the penalty for such failure was rescinded under section 6707A(d).

"(3) Rules relating to reasonable belief.—For purposes of paragraph (2)(C)—

"(A) In general.—A taxpayer shall be treated as having a reasonable belief with respect to the tax treatment of an item only if such belief—

"(i) is based on the facts and law that exist at the time the return of tax which includes such tax treatment is filed, and

"(ii) relates solely to the taxpayer's chances of success on the merits of such treatment and does not take into account the possibility that a return will not be audited, such treatment will not be raised on audit, or such treatment will be resolved through settlement if it is raised.

"(B) Certain opinions may not be relied upon.—

"(i) In general.—An opinion of a tax advisor may not be relied upon to establish the reasonable belief of a taxpayer if—

"(I) the tax advisor is described in clause (ii), or

"(II) the opinion is described in clause (iii).

"(ii) Disqualified tax advisors.—A tax advisor is described in this clause if the tax advisor—

"(I) is a material advisor (within the meaning of section 6111(b)(1)) who participates in the organization, management, promotion, or sale of the transaction or who is related (within the meaning of section 267(b) or 707(b)(1)) to any person who so participates,

"(II) is compensated directly or indirectly by a material advisor with respect to the transaction,

"(III) has a fee arrangement with respect to the transaction which is contingent on all or part of the intended tax benefits from the transaction being sustained,

"(IV) has an arrangement with respect to the transaction which provides that contractual disputes between the taxpayer and the advisor are to be settled by arbitration or which limits damages by reference to fees paid to the advisor for such transaction, or

"(V) as determined under regulations prescribed by the Secretary, has a disqualifying financial interest with respect to the transaction.

"(iii) Disqualified opinions.—For purposes of clause (i), an opinion is disqualified if the opinion—

"(I) is based on unreasonable factual or legal assumptions (including assumptions as to future events),

"(II) unreasonably relies on representations, statements, findings, or agreements of the taxpayer or any other person,

"(III) does not identify and consider all relevant facts,

"(IV) is not signed by all individuals who are principal authors of the opinion, or

"(V) fails to meet any other requirement as the Secretary may prescribe.".

(2) Conforming amendment.—The heading for subsection (c) of section 6664 is amended by inserting "for Underpayments" after "Exception".

(d) Conforming Amendments.—

(1) Subparagraph (C) of section 461(i)(3) is amended by striking "section 6662(d)(2)(C)(iii)" and inserting "section 1274(b)(3)(C)".

(2) Paragraph (3) of section 1274(b) is amended—

(A) by striking "(as defined in section 6662(d)(2)(C)(iii))" in subparagraph (B)(i), and

(B) by adding at the end the following new subparagraph:

"(C) TAX SHELTER.—For purposes of subparagraph (B), the term 'tax shelter' means—

"(i) a partnership or other entity,

"(ii) any investment plan or arrangement, or

"(iii) any other plan or arrangement,

if a significant purpose of such partnership, entity, plan, or arrangement is the avoidance or evasion of Federal income tax.".

(3) Section 6662(d)(2) is amended by striking subparagraphs (C) and (D).

(4) Section 6664(c)(1) is amended by striking "this part" and inserting "section 6662 or 6663".

(5) Subsection (b) of section 7525 is amended by striking "section 6662(d)(2)(C)(iii)" and inserting "section 1274(b)(3)(C)".

(6)(A) The heading for section 6662 is amended to read as follows:

"SEC. 6662. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERPAYMENTS.".

(B) The table of sections for part II of subchapter A of chapter 68 is amended by striking the item relating to section 6662 and inserting the following new items:

"Sec. 6662. Imposition of accuracy-related penalty on underpayments.

"Sec. 6662A. Imposition of accuracy-related penalty on understatements with respect to reportable transactions.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 404. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

"SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

"(a) IMPOSITION OF PENALTY.—If a taxpayer has an noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

"(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by substituting '20 percent' for '40 percent' with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

"(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'noneconomic substance transaction understatement' means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than items to which section 6662A would apply without regard to this paragraph.

"(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term 'noneconomic substance transaction' means any transaction if—

"(A) there is a lack of economic substance (within the meaning of section 7701(n)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(n)(2), or

"(B) the transaction fails to meet the requirements of any similar rule of law.

"(d) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

"(1) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

"(2) APPLICABLE RULES.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of paragraph (1).

"(e) COORDINATION WITH OTHER PENALTIES.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

"(f) CROSS REFERENCES.—

"(1) For coordination of penalty with understatements under section 6662 and other special rules, see section 6662A(e).

"(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e).".

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 68 is amended by inserting after the item relating to section 6662A the following new item:

"Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 405. MODIFICATIONS OF SUBSTANTIAL UNDERSTATEMENT PENALTY FOR NONREPORTABLE TRANSACTIONS.

(a) SUBSTANTIAL UNDERSTATEMENT OF CORPORATIONS.—Section 6662(d)(1)(B) (relating to special rule for corporations) is amended to read as follows:

"(B) SPECIAL RULE FOR CORPORATIONS.—In the case of a corporation other than an S corporation or a personal holding company (as defined in section 542), there is a substantial understatement of income tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of—

"(i) 10 percent of the tax required to be shown on the return for the taxable year (or, if greater, $10,000), or

"(ii) $10,000,000.".

(b) REDUCTION FOR UNDERSTATEMENT OF TAXPAYER DUE TO POSITION OF TAXPAYER OR DISCLOSED ITEM.—

(1) IN GENERAL.—Section 6662(d)(2)(B)(i) (relating to substantial authority) is amended to read as follows:

"(i) the tax treatment of any item by the taxpayer if the taxpayer had reasonable belief that the tax treatment was more likely than not the proper treatment, or".

(2) CONFORMING AMENDMENT.—Section 6662(d) is amended by adding at the end the following new paragraph:

"(3) SECRETARIAL LIST.—For purposes of this subsection, section 6664(d)(2), and section 6694(a)(1), the Secretary may prescribe a list of positions for which the Secretary believes there is not substantial authority or there is no reasonable belief that the tax treatment is more likely than not the proper tax treatment. Such list (and any revisions thereof) shall be published in the Federal Register or the Internal Revenue Bulletin.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 406. TAX SHELTER EXCEPTION TO CONFIDENTIALITY PRIVILEGES RELATING TO TAXPAYER COMMUNICATIONS.

(a) IN GENERAL.—Section 7525(b) (relating to section not to apply to communications regarding corporate tax shelters) is amended to read as follows:

"(b) SECTION NOT TO APPLY TO COMMUNICATIONS REGARDING TAX SHELTERS.—The privilege under subsection (a) shall not apply to any written communication which is—

"(1) between a federally authorized tax practitioner and—

"(A) any person,

"(B) any director, officer, employee, agent, or representative of the person, or

"(C) any other person holding a capital or profits interest in the person, and

"(2) in connection with the promotion of the direct or indirect participation of the person in any tax shelter (as defined in section 1274(b)(3)(C)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to communications made on or after the date of the enactment of this Act.

SEC. 407. DISCLOSURE OF REPORTABLE TRANSACTIONS.

(a) IN GENERAL.—Section 6111 (relating to registration of tax shelters) is amended to read as follows:

"SEC. 6111. DISCLOSURE OF REPORTABLE TRANSACTIONS.

"(a) IN GENERAL.—Each material advisor with respect to any reportable transaction shall make a return (in such form as the Secretary may prescribe) setting forth—

"(1) information identifying and describing the transaction,

"(2) information describing any potential tax benefits expected to result from the transaction, and

"(3) such other information as the Secretary may prescribe.

Such return shall be filed not later than the date specified by the Secretary.

"(b) DEFINITIONS.—For purposes of this section—

"(1) MATERIAL ADVISOR.—

"(A) IN GENERAL.—The term 'material advisor' means any person—

"(i) who provides any material aid, assistance, or advice with respect to organizing, managing, promoting, selling, implementing, or carrying out any reportable transaction, and

"(ii) who directly or indirectly derives gross income in excess of the threshold amount for such aid, assistance, or advice.

"(B) THRESHOLD AMOUNT.—For purposes of subparagraph (A), the threshold amount is—

"(i) $50,000 in the case of a reportable transaction substantially all of the tax benefits from which are provided to natural persons, and

"(ii) $250,000 in any other case.

"(2) REPORTABLE TRANSACTION.—The term 'reportable transaction' has the meaning given to such term by section 6707A(c).

"(c) REGULATIONS.—The Secretary may prescribe regulations which provide—

"(1) that only 1 person shall be required to meet the requirements of subsection (a) in cases in which 2 or more persons would otherwise be required to meet such requirements,

"(2) exemptions from the requirements of this section, and

"(3) such rules as may be necessary or appropriate to carry out the purposes of this section.".

(b) CONFORMING AMENDMENTS.—

(1) The item relating to section 6111 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

"Sec. 6111. Disclosure of reportable transactions.".

(2)(A) So much of section 6112 as precedes subsection (c) thereof is amended to read as follows:

"SEC. 6112. MATERIAL ADVISORS OF REPORTABLE TRANSACTIONS MUST KEEP LISTS OF ADVISEES.

"(a) IN GENERAL.—Each material advisor (as defined in section 6111) with respect to any reportable transaction (as defined in section 6707A(c)) shall maintain, in such manner as the Secretary may by regulations prescribe, a list—

"(1) identifying each person with respect to whom such advisor acted as such a material advisor with respect to such transaction, and

"(2) containing such other information as the Secretary may by regulations require.

This section shall apply without regard to whether a material advisor is required to file a return under section 6111 with respect to such transaction.".

(B) Section 6112 is amended by redesignating subsection (c) as subsection (b).

(C) Section 6112(b), as redesignated by subparagraph (B), is amended—

(i) by inserting "written" before "request" in paragraph (1)(A), and

(ii) by striking "shall prescribe" in paragraph (2) and inserting "may prescribe".

(D) The item relating to section 6112 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

"Sec. 6112. Material advisors of reportable transactions must keep lists of advisees.".

(3)(A) The heading for section 6708 is amended to read as follows:

"SEC. 6708. FAILURE TO MAINTAIN LISTS OF ADVISEES WITH RESPECT TO REPORTABLE TRANSACTIONS.".

(B) The item relating to section 6708 in the table of sections for part I of subchapter B of chapter 68 is amended to read as follows:

"Sec. 6708. Failure to maintain lists of advisees with respect to reportable transactions.".

(c) REQUIRED DISCLOSURE NOT SUBJECT TO CLAIM OF CONFIDENTIALITY.—Subparagraph (A) of section 6112(b)(1), as redesignated by subsection (b)(2)(B), is amended by adding at the end the following new flush sentence:

"For purposes of this section, the identity of any person on such list shall not be privileged.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to transactions with respect to which material aid, assistance, or advice referred to in section 6111(b)(1)(A)(i) of the Internal Revenue Code of 1986 (as added by this section) is provided after the date of the enactment of this Act.

(2) NO CLAIM OF CONFIDENTIALITY AGAINST DISCLOSURE.—The amendment made by subsection (c) shall take effect as if included in the amendments made by section 142 of the Deficit Reduction Act of 1984.

SEC. 408. MODIFICATIONS TO PENALTY FOR FAILURE TO REGISTER TAX SHELTERS.

(a) IN GENERAL.—Section 6707 (relating to failure to furnish information regarding tax shelters) is amended to read as follows:

"SEC. 6707. FAILURE TO FURNISH INFORMATION REGARDING REPORTABLE TRANSACTIONS.

"(a) IN GENERAL.—If a person who is required to file a return under section 6111(a) with respect to any reportable transaction—

"(1) fails to file such return on or before the date prescribed therefor, or

"(2) files false or incomplete information with the Secretary with respect to such transaction,

such person shall pay a penalty with respect to such return in the amount determined under subsection (b).

"(b) AMOUNT OF PENALTY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the penalty imposed under subsection (a) with respect to any failure shall be $50,000.

"(2) LISTED TRANSACTIONS.—The penalty imposed under subsection (a) with respect to any listed transaction shall be an amount equal to the greater of—

"(A) $200,000, or

"(B) 50 percent of the gross income derived by such person with respect to aid, assistance, or advice which is provided with respect to the listed transaction before the date the return including the transaction is filed under section 6111.

Subparagraph (B) shall be applied by substituting '75 percent' for '50 percent' in the case of an intentional failure or act described in subsection (a).

"(c) CERTAIN RULES TO APPLY.—The provisions of section 6707A(d) shall apply to any penalty imposed under this section.

"(d) REPORTABLE AND LISTED TRANSACTIONS.—The terms 'reportable transaction' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).".

(b) CLERICAL AMENDMENT.—The item relating to section 6707 in the table of sections for part I of subchapter B of chapter 68 is amended by striking "tax shelters" and inserting "reportable transactions".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns the due date for which is after the date of the enactment of this Act.

SEC. 409. MODIFICATION OF PENALTY FOR FAILURE TO MAINTAIN LISTS OF INVESTORS.

(a) IN GENERAL.—Subsection (a) of section 6708 is amended to read as follows:

"(a) IMPOSITION OF PENALTY.—

"(1) IN GENERAL.—If any person who is required to maintain a list under section 6112(a) fails to make such list available upon written request to the Secretary in accordance with section 6112(b)(1)(A) within 20 business days after the date of the Secretary's request, such person shall pay a penalty of $10,000 for each day of such failure after such 20th day.

"(2) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by paragraph (1) with respect to the failure on any day if such failure is due to reasonable cause.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to requests made after the date of the enactment of this Act.

SEC. 410. MODIFICATION OF ACTIONS TO ENJOIN CERTAIN CONDUCT RELATED TO TAX SHELTERS AND REPORTABLE TRANSACTIONS.

(a) IN GENERAL.—Section 7408 (relating to action to enjoin promoters of abusive tax shelters, etc.) is amended by redesignating subsection (c) as subsection (d) and by striking subsections (a) and (b) and inserting the following new subsections:

"(a) AUTHORITY TO SEEK INJUNCTION.—A civil action in the name of the United States to enjoin any person from further engaging in specified conduct may be commenced at the request of the Secretary. Any action under this section shall be brought in the district court of the United States for the district in which such person resides, has his principal place of business, or has engaged in specified conduct. The court may exercise its jurisdiction over such action (as provided in section 7402(a)) separate and apart from any other action brought by the United States against such person.

"(b) ADJUDICATION AND DECREE.—In any action under subsection (a), if the court finds—

"(1) that the person has engaged in any specified conduct, and

"(2) that injunctive relief is appropriate to prevent recurrence of such conduct,

the court may enjoin such person from engaging in such conduct or in any other activity subject to penalty under this title.

"(c) SPECIFIED CONDUCT.—For purposes of this section, the term 'specified conduct' means any action, or failure to take action, which is—

"(1) subject to penalty under section 6700, 6701, 6707, or 6708, or

"(2) in violation of any requirement under regulations issued under section 320 of title 31, United States Code.".

(b) CONFORMING AMENDMENTS.—

(1) The heading for section 7408 is amended to read as follows:

"SEC. 7408. ACTIONS TO ENJOIN SPECIFIED CONDUCT RELATED TO TAX SHELTERS AND REPORTABLE TRANSACTIONS.".

(2) The table of sections for subchapter A of chapter 67 is amended by striking the item relating to section 7408 and inserting the following new item:

"Sec. 7408. Actions to enjoin specified conduct related to tax shelters and reportable transactions.".

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on the day after the date of the enactment of this Act.

SEC. 411. UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY INCOME TAX RETURN PREPARER.

(a) STANDARDS CONFORMED TO TAXPAYER STANDARDS.—Section 6694(a) (relating to understatements due to unrealistic positions) is amended—

(1) by striking "realistic possibility of being sustained on its merits" in paragraph (1) and inserting "reasonable belief that the tax treatment in such position was more likely than not the proper treatment",

(2) by striking "or was frivolous" in paragraph (3) and inserting "or there was no reasonable basis for the tax treatment of such position", and

(3) by striking "UNREALISTIC" in the heading and inserting "IMPROPER".

(b) AMOUNT OF PENALTY.—Section 6694 is amended—

(1) by striking "$250" in subsection (a) and inserting "$1,000", and

(2) by striking "$1,000" in subsection (b) and inserting "$5,000".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to documents prepared after the date of the enactment of this Act.

SEC. 412. PENALTY ON FAILURE TO REPORT INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

(a) In General.—Section 5321(a)(5) of title 31, United States Code, is amended to read as follows:

"(5) Foreign financial agency transaction violation.—

"(A) Penalty authorized.—The Secretary of the Treasury may impose a civil money penalty on any person who violates, or causes any violation of, any provision of section 5314.

"(B) Amount of penalty.—

"(i) In general.—Except as provided in subparagraph (C), the amount of any civil penalty imposed under subparagraph (A) shall not exceed $10,000.

"(ii) Reasonable cause exception.—No penalty shall be imposed under subparagraph (A) with respect to any violation if—

"(I) such violation was due to reasonable cause, and

"(II) the amount of the transaction or the balance in the account at the time of the transaction was properly reported.

"(C) Willful violations.—In the case of any person willfully violating, or willfully causing any violation of, any provision of section 5314—

"(i) the maximum penalty under subparagraph (B)(i) shall be increased to the greater of—

"(I) $100,000, or

"(II) 50 percent of the amount determined under subparagraph (D), and

"(ii) subparagraph (B)(ii) shall not apply.

"(D) Amount.—The amount determined under this subparagraph is—

"(i) in the case of a violation involving a transaction, the amount of the transaction, or

"(ii) in the case of a violation involving a failure to report the existence of an account or any identifying information required to be provided with respect to an account, the balance in the account at the time of the violation.".

(b) Effective Date.—The amendment made by this section shall apply to violations occurring after the date of the enactment of this Act.

SEC. 413. FRIVOLOUS TAX SUBMISSIONS.

(a) Civil Penalties.—Section 6702 is amended to read as follows:

"SEC. 6702. FRIVOLOUS TAX SUBMISSIONS.

"(a) Civil Penalty for Frivolous Tax Returns.—A person shall pay a penalty of $5,000 if—

"(1) such person files what purports to be a return of a tax imposed by this title but which—

"(A) does not contain information on which the substantial correctness of the self-assessment may be judged, or

"(B) contains information that on its face indicates that the self-assessment is substantially incorrect; and

"(2) the conduct referred to in paragraph (1)—

"(A) is based on a position which the Secretary has identified as frivolous under subsection (c), or

"(B) reflects a desire to delay or impede the administration of Federal tax laws.

"(b) Civil Penalty for Specified Frivolous Submissions.—

"(1) Imposition of penalty.—Except as provided in paragraph (3), any person who submits a specified frivolous submission shall pay a penalty of $5,000.

"(2) Specified frivolous submission.—For purposes of this section—

"(A) Specified frivolous submission.—The term 'specified frivolous submission' means a specified submission if any portion of such submission—

"(i) is based on a position which the Secretary has identified as frivolous under subsection (c), or

"(ii) reflects a desire to delay or impede the administration of Federal tax laws.

"(B) Specified submission.—The term 'specified submission' means—

"(i) a request for a hearing under—

"(I) section 6320 (relating to notice and opportunity for hearing upon filing of notice of lien), or

"(II) section 6330 (relating to notice and opportunity for hearing before levy), and

"(ii) an application under—

"(I) section 6159 (relating to agreements for payment of tax liability in installments),

"(II) section 7122 (relating to compromises), or

"(III) section 7811 (relating to taxpayer assistance orders).

"(3) Opportunity to withdraw submission.—If the Secretary provides a person with notice that a submission is a specified frivolous submission and such person withdraws such submission within 30 days after such notice, the penalty imposed under paragraph (1) shall not apply with respect to such submission.

"(c) Listing of Frivolous Positions.—The Secretary shall prescribe (and periodically revise) a list of positions which the Secretary has identified as being frivolous for purposes of this subsection. The Secretary shall not include in such list any position that the Secretary determines meets the requirement of section 6662(d)(2)(B)(ii)(II).

"(d) Reduction of Penalty.—The Secretary may reduce the amount of any penalty imposed under this section if the Secretary determines that such reduction would promote compliance with and administration of the Federal tax laws.

"(e) Penalties in Addition to Other Penalties.—The penalties imposed by this section shall be in addition to any other penalty provided by law.".

(b) Treatment of Frivolous Requests for Hearings Before Levy.—

(1) Frivolous requests disregarded.—Section 6330 (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

"(g) Frivolous Requests for Hearing, etc.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of a request for a hearing under this section or section 6320 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.".

(2) Preclusion from raising frivolous issues at hearing.—Section 6330(c)(4) is amended—

(A) by striking "(A)" and inserting "(A)(i)";

(B) by striking "(B)" and inserting "(ii)";

(C) by striking the period at the end of the first sentence and inserting "; or"; and

(D) by inserting after subparagraph (A)(ii) (as so redesignated) the following:

"(B) the issue meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A).".

(3) Statement of grounds.—Section 6330(b)(1) is amended by striking "under subsection (a)(3)(B)" and inserting "in writing under subsection (a)(3)(B) and states the grounds for the requested hearing".

(c) Treatment of Frivolous Requests for Hearings Upon Filing of Notice of Lien.—Section 6320 is amended—

(1) in subsection (b)(1), by striking "under subsection (a)(3)(B)" and inserting "in writing under subsection (a)(3)(B) and states the grounds for the requested hearing", and

(2) in subsection (c), by striking "and (e)" and inserting "(e), and (g)".

(d) Treatment of Frivolous Applications for Offers-in-Compromise and Installment Agreements.—Section 7122 is amended by adding at the end the following new subsection:

"(e) Frivolous Submissions, etc.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of an application for an offer-in-compromise or installment agreement submitted under this section or section 6159 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.".

(e) Clerical Amendment.—The table of sections for part I of subchapter B of chapter 68 is amended by striking the item relating to section 6702 and inserting the following new item:

"Sec. 6702. Frivolous tax submissions.".

(f) Effective Date.—The amendments made by this section shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

SEC. 414. REGULATION OF INDIVIDUALS PRACTICING BEFORE THE DEPARTMENT OF TREASURY.

(a) Censure; Imposition of Penalty.—

(1) In general.—Section 330(b) of title 31, United States Code, is amended—

(A) by inserting ", or censure," after "Department", and

(B) by adding at the end the following new flush sentence:

"The Secretary may impose a monetary penalty on any representative described in the preceding sentence. If the representative was acting on behalf of an employer or any firm or other entity in connection with the conduct giving rise to such penalty, the Secretary may impose a monetary penalty on such employer, firm, or entity if it knew, or reasonably should have known, of such conduct. Such penalty shall not exceed the gross income derived (or to be derived) from the conduct giving rise to the penalty and may be in addition to, or in lieu of, any suspension, disbarment, or censure of the representative.".

(2) Effective date.—The amendments made by this subsection shall apply to actions taken after the date of the enactment of this Act.

(b) Tax Shelter Opinions, etc.—Section 330 of such title 31 is amended by adding at the end the following new subsection:

"(d) Nothing in this section or in any other provision of law shall be construed to limit the authority of the Secretary of the Treasury to impose standards applicable to the rendering of written advice with respect to any entity, transaction plan or arrangement, or other plan or arrangement, which is of a type which the Secretary determines as having a potential for tax avoidance or evasion.".

SEC. 415. PENALTY ON PROMOTERS OF TAX SHELTERS.

(a) Penalty on Promoting Abusive Tax Shelters.—Section 6700(a) is amended by adding at the end the following new sentence: "Notwithstanding the first sentence, if an activity with respect to which a penalty imposed under this subsection involves a statement described in paragraph (2)(A), the amount of the penalty shall be equal to 50 percent of the gross income derived (or to be derived) from such activity by the person on which the penalty is imposed.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 416. STATUTE OF LIMITATIONS FOR TAXABLE YEARS FOR WHICH REQUIRED LISTED TRANSACTIONS NOT REPORTED.

(a) IN GENERAL.—Section 6501(c) (relating to exceptions) is amended by adding at the end the following new paragraph:

''(10) LISTED TRANSACTIONS.—If a taxpayer fails to include on any return or statement for any taxable year any information with respect to a listed transaction (as defined in section 6707A(c)(2)) which is required under section 6011 to be included with such return or statement, the time for assessment of any tax imposed by this title with respect to such transaction shall not expire before the date which is 1 year after the earlier of—

''(A) the date on which the Secretary is furnished the information so required; or

''(B) the date that a material advisor (as defined in section 6111) meets the requirements of section 6112 with respect to a request by the Secretary under section 6112(b) relating to such transaction with respect to such taxpayer.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years with respect to which the period for assessing a deficiency did not expire before the date of the enactment of this Act.

SEC. 417. DENIAL OF DEDUCTION FOR INTEREST ON UNDERPAYMENTS ATTRIBUTABLE TO NONDISCLOSED REPORTABLE AND NONECONOMIC SUBSTANCE TRANSACTIONS.

(a) IN GENERAL.—Section 163 (relating to deduction for interest) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) INTEREST ON UNPAID TAXES ATTRIBUTABLE TO NONDISCLOSED REPORTABLE TRANSACTIONS AND NONECONOMIC SUBSTANCE TRANSACTIONS.—No deduction shall be allowed under this chapter for any interest paid or accrued under section 6601 on any underpayment of tax which is attributable to—

''(1) the portion of any reportable transaction understatement (as defined in section 6662A(b)) with respect to which the requirement of section 6664(d)(2)(A) is not met, or

''(2) any noneconomic substance transaction understatement (as defined in section 6662B(c)).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions in taxable years beginning after the date of the enactment of this Act.

SEC. 418. AUTHORIZATION OF APPROPRIATIONS FOR TAX LAW ENFORCEMENT.

There is authorized to be appropriated $300,000,000 for each fiscal year beginning after September 30, 2003, for the purpose of carrying out tax law enforcement to combat tax avoidance transactions and other tax shelters, including the use of offshore financial accounts to conceal taxable income.

SEC. 419. INCREASES IN PENALTIES FOR AIDING AND ABETTING UNDERSTATEMENTS.

(a) IN GENERAL.—Section 6701(b) is amended to read as follows:

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—The amount of the penalty imposed by subsection (a) shall be the greater of—

''(A) $2,000, or

''(B) 50 percent of the gross income derived (or to be derived) from the activity giving rise to the penalty.

''(2) CORPORATIONS.—If the return, affidavit, claim, or other document relates to the tax liability of a corporation, paragraph (1)(A) shall be applied by substituting '$20,000' for '$2,000'.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 420. STUDY ON INFORMATION SHARING AMONG LAW ENFORCEMENT AGENCIES.

(a) STUDY.—The Secretary of the Treasury shall, jointly with the Attorney General, the Securities and Exchange Commission, and the Commissioner of Internal Revenue, study the effectiveness of, and ways to improve, the sharing of information related to the promotion of prohibited tax shelters or tax avoidance schemes and other potential violations of Federal laws.

(b) REPORT.—The Secretary shall, not later than 1 year after the date of the enactment of this Act, report to the appropriate committees of the Congress the results of the study under subsection (a), including any recommendations for legislation.

Subtitle B—Other Corporate Governance Provisions

SEC. 421. AFFIRMATION OF CONSOLIDATED RETURN REGULATION AUTHORITY.

(a) IN GENERAL.—Section 1502 (relating to consolidated return regulations) is amended by adding at the end the following new sentence: ''In prescribing such regulations, the Secretary may prescribe rules applicable to corporations filing consolidated returns under section 1501 that are different from other provisions of this title that would apply if such corporations filed separate returns.''.

(b) RESULT NOT OVERTURNED.—Notwithstanding subsection (a), the Internal Revenue Code of 1986 shall be construed by treating Treasury regulation §1.1502-20(c)(1)(iii) (as in effect on January 1, 2001) as being inapplicable to the type of factual situation in 255 F.3d 1357 (Fed. Cir. 2001).

(c) EFFECTIVE DATE.—The provisions of this section shall apply to taxable years beginning before, on, or after the date of the enactment of this Act.

SEC. 422. DECLARATION BY CHIEF EXECUTIVE OFFICER RELATING TO FEDERAL ANNUAL INCOME TAX RETURN OF A CORPORATION.

(a) IN GENERAL.—The Federal annual tax return of a corporation with respect to income shall also include a declaration signed by the chief executive officer of such corporation (or other such officer of the corporation as the Secretary of the Treasury may designate if the corporation does not have a chief executive officer), under penalties of perjury, that the corporation has in place processes and procedures to ensure that such return complies with the Internal Revenue Code of 1986 and that the chief executive officer was provided reasonable assurance of the accuracy of all material aspects of such return. The preceding sentence shall not apply to any return of a regulated investment company (within the meaning of section 851 of such Code).

(b) EFFECTIVE DATE.—This section shall apply to the Federal annual tax return of a corporation with respect to income for taxable years ending after the date of the enactment of this Act.

SEC. 423. DENIAL OF DEDUCTION FOR CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

(a) IN GENERAL.—Subsection (f) of section 162 (relating to trade or business expenses) is amended to read as follows:

''(f) FINES, PENALTIES, AND OTHER AMOUNTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no deduction otherwise allowable shall be allowed under this chapter for any amount paid or incurred (whether by suit, agreement, or otherwise) to, or at the direction of, a government or entity described in paragraph (4) in relation to the violation of any law or the investigation or inquiry by such government or entity into the potential violation of any law.

''(2) EXCEPTION FOR AMOUNTS CONSTITUTING RESTITUTION.—Paragraph (1) shall not apply to any amount which the taxpayer establishes constitutes restitution (including remediation of property) for damage or harm caused by or which may be caused by the violation of any law or the potential violation of any law. This paragraph shall not apply to any amount paid or incurred as reimbursement to the government or entity for the costs of any investigation or litigation.

''(3) EXCEPTION FOR AMOUNTS PAID OR INCURRED AS THE RESULT OF CERTAIN COURT ORDERS.—Paragraph (1) shall not apply to any amount paid or incurred by order of a court in a suit in which no government or entity described in paragraph (4) is a party.

''(4) CERTAIN NONGOVERNMENTAL REGULATORY ENTITIES.—An entity is described in this paragraph if it is—

''(A) a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) in connection with a qualified board or exchange (as defined in section 1256(g)(7)), or

''(B) to the extent provided in regulations, a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) as part of performing an essential governmental function.

''(5) EXCEPTION FOR TAXES DUE.—Paragraph (1) shall not apply to any amount paid or incurred as taxes due.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after April 27, 2003, except that such amendment shall not apply to amounts paid or incurred under any binding order or agreement entered into on or before April 27, 2003. Such exception shall not apply to an order or agreement requiring court approval unless the approval was obtained on or before April 27, 2003.

SEC. 424. DISALLOWANCE OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) DISALLOWANCE OF DEDUCTION.—

(1) IN GENERAL.—Section 162(g) (relating to treble damage payments under the antitrust laws) is amended by adding at the end the following new paragraph:

''(2) PUNITIVE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment in, or settlement of, any action. This paragraph shall not apply to punitive damages described in section 104(c).''.

(2) CONFORMING AMENDMENTS.—

(A) Section 162(g) is amended—

(i) by striking ''If'' and inserting:

''(1) TREBLE DAMAGES.—If'', and

(ii) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively.

(B) The heading for section 162(g) is amended by inserting ''OR PUNITIVE DAMAGES'' after ''LAWS''.

(b) Inclusion in Income of Punitive Damages Paid by Insurer or Otherwise.—

(1) In general.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

"SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

"Gross income shall include any amount paid to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer's liability (or agreement) to pay punitive damages.".

(2) Reporting requirements.—Section 6041 (relating to information at source) is amended by adding at the end the following new subsection:

"(f) Section To Apply to Punitive Damages Compensation.—This section shall apply to payments by a person to or on behalf of another person as insurance or otherwise by reason of the other person's liability (or agreement) to pay punitive damages.".

(3) Conforming amendment.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

"Sec. 91. Punitive damages compensated by insurance or otherwise.".

(c) Effective Date.—The amendments made by this section shall apply to damages paid or incurred on or after the date of the enactment of this Act.

SEC. 425. INCREASE IN CRIMINAL MONETARY PENALTY LIMITATION FOR THE UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.

(a) In General.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking "Any person who—" and inserting "(a) In General.—Any person who—", and

(2) by adding at the end the following new subsection:

"(b) Increase in Monetary Limitation for Underpayment or Overpayment of Tax Due to Fraud.—If any portion of any underpayment (as defined in section 6664(a)) or overpayment (as defined in section 6401(a)) of tax required to be shown on a return is attributable to fraudulent action described in subsection (a), the applicable dollar amount under subsection (a) shall in no event be less than an amount equal to such portion. A rule similar to the rule under section 6663(b) shall apply for purposes of determining the portion so attributable.".

(b) Increase in Penalties.—

(1) Attempt to evade or defeat tax.—Section 7201 is amended—

(A) by striking "$100,000" and inserting "$250,000",

(B) by striking "$500,000" and inserting "$1,000,000", and

(C) by striking "5 years" and inserting "10 years".

(2) Willful failure to file return, supply information, or pay tax.—Section 7203 is amended—

(A) in the first sentence—

(i) by striking "misdemeanor" and inserting "felony", and

(ii) by striking "1 year" and inserting "10 years", and

(B) by striking the third sentence.

(3) Fraud and false statements.—Section 7206(a) (as redesignated by subsection (a)) is amended—

(A) by striking "$100,000" and inserting "$250,000",

(B) by striking "$500,000" and inserting "$1,000,000", and

(C) by striking "3 years" and inserting "5 years".

(c) Effective Date.—The amendments made by this section shall apply to underpayments and overpayments attributable to actions occurring after the date of the enactment of this Act.

Subtitle C—Enron-Related Tax Shelter Provisions

SEC. 431. LIMITATION ON TRANSFER OR IMPORTATION OF BUILT-IN LOSSES.

(a) In General.—Section 362 (relating to basis to corporations) is amended by adding at the end the following new subsection:

"(e) Limitations on Built-In Losses.—

"(1) Limitation on importation of built-in losses.—

"(A) In general.—If in any transaction described in subsection (a) or (b) there would (but for this subsection) be an importation of a net built-in loss, the basis of each property described in subparagraph (B) which is acquired in such transaction shall (notwithstanding subsections (a) and (b)) be its fair market value immediately after such transaction.

"(B) Property described.—For purposes of subparagraph (A), property is described in this subparagraph if—

"(i) gain or loss with respect to such property is not subject to tax under this subtitle in the hands of the transferor immediately before the transfer, and

"(ii) gain or loss with respect to such property is subject to such tax in the hands of the transferee immediately after such transfer.

In any case in which the transferor is a partnership, the preceding sentence shall be applied by treating each partner in such partnership as holding such partner's proportionate share of the property of such partnership.

"(C) Importation of net built-in loss.—For purposes of subparagraph (A), there is an importation of a net built-in loss in a transaction if the transferee's aggregate adjusted bases of property described in subparagraph (B) which is transferred in such transaction would (but for this paragraph) exceed the fair market value of such property immediately after such transaction.

"(2) Limitation on transfer of built-in losses in section 351 transactions.—

"(A) In general.—If—

"(i) property is transferred by a transferor in any transaction which is described in subsection (a) and which is not described in paragraph (1) of this subsection, and

"(ii) the transferee's aggregate adjusted bases of such property so transferred would (but for this paragraph) exceed the fair market value of such property immediately after such transaction,

then, notwithstanding subsection (a), the transferee's aggregate adjusted bases of the property so transferred shall not exceed the fair market value of such property immediately after such transaction.

"(B) Allocation of basis reduction.—The aggregate reduction in basis by reason of subparagraph (A) shall be allocated among the property so transferred in proportion to their respective built-in losses immediately before the transaction.

"(C) Exception for transfers within affiliated group.—Subparagraph (A) shall not apply to any transaction if the transferor owns stock in the transferee meeting the requirements of section 1504(a)(2). In the case of property to which subparagraph (A) does not apply by reason of the preceding sentence, the transferor's basis in the stock received for such property shall not exceed its fair market value immediately after the transfer.".

(b) Comparable Treatment Where Liquidation.—Paragraph (1) of section 334(b) (relating to liquidation of subsidiary) is amended to read as follows:

"(1) In general.—If property is received by a corporate distributee in a distribution in a complete liquidation to which section 332 applies (or in a transfer described in section 337(b)(1)), the basis of such property in the hands of such distributee shall be the same as it would be in the hands of the transferor; except that the basis of such property in the hands of such distributee shall be the fair market value of the property at the time of the distribution—

"(A) in any case in which gain or loss is recognized by the liquidating corporation with respect to such property, or

"(B) in any case in which the liquidating corporation is a foreign corporation, the corporate distributee is a domestic corporation, and the corporate distributee's aggregate adjusted bases of property described in section 362(e)(1)(B) which is distributed in such liquidation would (but for this subparagraph) exceed the fair market value of such property immediately after such liquidation.".

(c) Effective Dates.—

(1) In general.—The amendment made by subsection (a) shall apply to transactions after February 13, 2003.

(2) Liquidations.—The amendment made by subsection (b) shall apply to liquidations after February 13, 2003.

SEC. 432. NO REDUCTION OF BASIS UNDER SECTION 734 IN STOCK HELD BY PARTNERSHIP IN CORPORATE PARTNER.

(a) In General.—Section 755 is amended by adding at the end the following new subsection:

"(c) No Allocation of Basis Decrease to Stock of Corporate Partner.—In making an allocation under subsection (a) of any decrease in the adjusted basis of partnership property under section 734(b)—

"(1) no allocation may be made to stock in a corporation (or any person which is related (within the meaning of section 267(b) or 707(b)(1)) to such corporation) which is a partner in the partnership, and

"(2) any amount not allocable to stock by reason of paragraph (1) shall be allocated under subsection (a) to other partnership property in such manner as the Secretary may prescribe.

Gain shall be recognized to the partnership to the extent that the amount required to be allocated under paragraph (2) to other partnership property exceeds the aggregate adjusted basis of such other property immediately before the allocation required by paragraph (2).".

(b) Effective Date.—The amendment made by this section shall apply to distributions after February 13, 2003.

SEC. 433. REPEAL OF SPECIAL RULES FOR FASITS.

(a) In General.—Part V of subchapter M of chapter 1 (relating to financial asset securitization investment trusts) is hereby repealed.

(b) Conforming Amendments.—

(1) Paragraph (6) of section 56(g) is amended by striking "REMIC, or FASIT" and inserting "or REMIC".

(2) Clause (ii) of section 382(l)(4)(B) is amended by striking "a REMIC to which part IV of subchapter M applies, or a FASIT to which part V of subchapter M applies," and inserting "or a REMIC to which part IV of subchapter M applies,".

(3) Paragraph (1) of section 582(c) is amended by striking ", and any regular interest in a FASIT,".

(4) Subparagraph (E) of section 856(c)(5) is amended by striking the last sentence.

(5)(A) Section 860G(a)(1) is amended by adding at the end the following new sentence: “An interest shall not fail to qualify as a regular interest solely because the specified principal amount of the regular interest (or the amount of interest accrued on the regular interest) can be reduced as a result of the nonoccurrence of 1 or more contingent payments with respect to any reverse mortgage loan held by the REMIC if, on the startup day for the REMIC, the sponsor reasonably believes that all principal and interest due under the regular interest will be paid at or prior to the liquidation of the REMIC.”.

(B) The last sentence of section 860G(a)(3) is amended by inserting “, and any reverse mortgage loan (and each balance increase on such loan meeting the requirements of subparagraph (A)(iii)) shall be treated as an obligation secured by an interest in real property” before the period at the end.

(6) Paragraph (3) of section 860G(a) is amended by adding “and” at the end of subparagraph (B), by striking “, and” at the end of subparagraph (C) and inserting a period, and by striking subparagraph (D).

(7) Section 860G(a)(3), as amended by paragraph (6), is amended by adding at the end the following new sentence: “For purposes of subparagraph (A), if more than 50 percent of the obligations transferred to, or purchased by, the REMIC are originated by the United States or any State (or any political subdivision, agency, or instrumentality of the United States or any State) and are principally secured by an interest in real property, then each obligation transferred to, or purchased by, the REMIC shall be treated as secured by an interest in real property.”.

(8)(A) Section 860G(a)(3)(A) is amended by striking “or” at the end of clause (i), by inserting “or” at the end of clause (ii), and by inserting after clause (ii) the following new clause:

“(iii) represents an increase in the principal amount under the original terms of an obligation described in clause (i) or (ii) if such increase—

“(I) is attributable to an advance made to the obligor pursuant to the original terms of the obligation,

“(II) occurs after the startup day, and

“(III) is purchased by the REMIC pursuant to a fixed price contract in effect on the startup day.”.

(B) Section 860G(a)(7)(B) is amended to read as follows:

“(B) Qualified reserve fund.—For purposes of subparagraph (A), the term ‘qualified reserve fund’ means any reasonably required reserve to—

“(i) provide for full payment of expenses of the REMIC or amounts due on regular interests in the event of defaults on qualified mortgages or lower than expected returns on cash flow investments, or

“(ii) provide a source of funds for the purchase of obligations described in clause (ii) or (iii) of paragraph (3)(A).

The aggregate fair market value of the assets held in any such reserve shall not exceed 50 percent of the aggregate fair market value of all of the assets of the REMIC on the startup day, and the amount of any such reserve shall be promptly and appropriately reduced to the extent the amount held in such reserve is no longer reasonably required for purposes specified in clause (i) or (ii) of paragraph (3)(A).”.

(9) Subparagraph (C) of section 1202(e)(4) is amended by striking “REMIC, or FASIT” and inserting “or REMIC”.

(10) Clause (xi) of section 7701(a)(19)(C) is amended—

(A) by striking “and any regular interest in a FASIT,”, and

(B) by striking “or FASIT” each place it appears.

(11) Subparagraph (A) of section 7701(i)(2) is amended by striking “or a FASIT”.

(12) The table of parts for subchapter M of chapter 1 is amended by striking the item relating to part V.

(c) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall take effect on February 14, 2003.

(2) Exception for existing fasits.—Paragraph (1) shall not apply to any FASIT in existence on the date of the enactment of this Act to the extent that regular interests issued by the FASIT before such date continue to remain outstanding in accordance with the original terms of issuance.

SEC. 434. EXPANDED DISALLOWANCE OF DEDUCTION FOR INTEREST ON CONVERTIBLE DEBT.

(a) In General.—Paragraph (2) of section 163(l) is amended by inserting “or equity held by the issuer (or any related party) in any other person” after “or a related party”.

(b) Capitalization Allowed With Respect to Equity of Persons Other Than Issuer and Related Parties.—Section 163(l) is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) and by inserting after paragraph (3) the following new paragraph:

“(4) Capitalization allowed with respect to equity of persons other than issuer and related parties.—If the disqualified debt instrument of a corporation is payable in equity held by the issuer (or any related party) in any other person (other than a related party), the basis of such equity shall be increased by the amount not allowed as a deduction by reason of paragraph (1) with respect to the instrument.”.

(c) Exception for Certain Instruments Issued by Dealers in Securities.—Section 163(l), as amended by subsection (b), is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7) and by inserting after paragraph (4) the following new paragraph:

“(5) Exception for certain instruments issued by dealers in securities.—For purposes of this subsection, the term ‘disqualified debt instrument’ does not include indebtedness issued by a dealer in securities (or a related party) which is payable in, or by reference to, equity (other than equity of the issuer or a related party) held by such dealer in its capacity as a dealer in securities. For purposes of this paragraph, the term ‘dealer in securities’ has the meaning given such term by section 475.”.

(c) Conforming Amendments.—Paragraph (3) of section 163(l) is amended—

(1) by striking “or a related party” in the material preceding subparagraph (A) and inserting “or any other person”, and

(2) by striking “or interest” each place it appears.

(d) Effective Date.—The amendments made by this section shall apply to debt instruments issued after February 13, 2003.

SEC. 435. EXPANDED AUTHORITY TO DISALLOW TAX BENEFITS UNDER SECTION 269.

(a) In General.—Subsection (a) of section 269 (relating to acquisitions made to evade or avoid income tax) is amended to read as follows:

“(a) In General.—If—

“(1)(A) any person or persons acquire, directly or indirectly, control of a corporation, or

“(B) any corporation acquires, directly or indirectly, property of another corporation and the basis of such property, in the hands of the acquiring corporation, is determined by reference to the basis in the hands of the transferor corporation, and

“(2) the principal purpose for which such acquisition was made is evasion or avoidance of Federal income tax,

then the Secretary may disallow such deduction, credit, or other allowance. For purposes of paragraph (1)(A), control means the ownership of stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote or at least 50 percent of the total value of all shares of all classes of stock of the corporation.”.

(b) Effective Date.—The amendment made by this section shall apply to stock and property acquired after February 13, 2003.

SEC. 436. MODIFICATION OF INTERACTION BETWEEN SUBPART F AND PASSIVE FOREIGN INVESTMENT COMPANY RULES.

(a) Limitation on Exception From PFIC Rules for United States Shareholders of Controlled Foreign Corporations.—Paragraph (2) of section 1297(e) (relating to passive foreign investment company) is amended by adding at the end the following flush sentence:

“Such term shall not include any period if the earning of subpart F income by such corporation during such period would result in only a remote likelihood of an inclusion in gross income under section 951(a)(1)(A)(i).”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after February 13, 2003, and to taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

Subtitle D—Provisions to Discourage Expatriation

SEC. 441. TAX TREATMENT OF INVERTED CORPORATE ENTITIES.

(a) In General.—Subchapter C of chapter 80 (relating to provisions affecting more than one subtitle) is amended by adding at the end the following new section:

“SEC. 7874. RULES RELATING TO INVERTED CORPORATE ENTITIES

“(a) Inverted Corporations Treated as Domestic Corporations.—

“(1) In general.—If a foreign incorporated entity is treated as an inverted domestic corporation, then, notwithstanding section 7701(a)(4), such entity shall be treated for purposes of this title as a domestic corporation.

“(2) Inverted domestic corporation.—For purposes of this section, a foreign incorporated entity shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)—

“(A) the entity completes after March 20, 2002, the direct or indirect acquisition of substantially all of the properties held directly or indirectly by a domestic corporation or substantially all of the properties constituting a trade or business of a domestic partnership,

“(B) after the acquisition at least 80 percent of the stock (by vote or value) of the entity is held—

“(i) in the case of an acquisition with respect to a domestic corporation, by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation, or

“(ii) in the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership, and

“(C) the expanded affiliated group which after the acquisition includes the entity does not have substantial business activities in the foreign country in which or under the law of which the entity is created or organized when compared to the total business activities of such expanded affiliated group.

Except as provided in regulations, an acquisition of properties of a domestic corporation shall not be treated as described in subparagraph (A) if none of the corporation's stock was readily tradeable on an established securities market at any time during the 4-year period ending on the date of the acquisition.

“(b) Preservation of Domestic Tax Base in Certain Inversion Transactions to Which Subsection (a) Does Not Apply.—

“(1) In general.—If a foreign incorporated entity would be treated as an inverted domestic corporation with respect to an acquired entity if either—

“(A) subsection (a)(2)(A) were applied by substituting ‘after December 31, 1996, and on or before March 20, 2002’ for ‘after March 20, 2002’ and subsection (a)(2)(B) were applied by substituting ‘more than 50 percent’ for ‘at least 80 percent’, or

“(B) subsection (a)(2)(B) were applied by substituting ‘more than 50 percent’ for ‘at least 80 percent’,

then the rules of subsection (c) shall apply to any inversion gain of the acquired entity during the applicable period and the rules of subsection (d) shall apply to any related party transaction of the acquired entity during the applicable period. This subsection shall not apply for any taxable year if subsection (a) applies to such foreign incorporated entity for such taxable year.

“(2) Acquired entity.—For purposes of this section—

“(A) In general.—The term ‘acquired entity’ means the domestic corporation or partnership substantially all of the properties of which are directly or indirectly acquired in an acquisition described in subsection (a)(2)(A) to which this subsection applies.

“(B) Aggregation rules.—Any domestic person bearing a relationship described in section 267(b) or 707(b) to an acquired entity shall be treated as an acquired entity with respect to the acquisition described in subparagraph (A).

“(3) Applicable period.—For purposes of this section—

“(A) In general.—The term ‘applicable period’ means the period—

“(i) beginning on the first date properties are acquired as part of the acquisition described in subsection (a)(2)(A) to which this subsection applies, and

“(ii) ending on the date which is 10 years after the last date properties are acquired as part of such acquisition.

“(B) Special rule for inversions occurring before March 21, 2002.—In the case of any acquired entity to which paragraph (1)(A) applies, the applicable period shall be the 10-year period beginning on January 1, 2003.

“(c) Tax on Inversion Gains May Not Be Offset.—If subsection (b) applies—

“(1) In general.—The taxable income of an acquired entity (or any expanded affiliated group which includes such entity) for any taxable year which includes any portion of the applicable period shall in no event be less than the inversion gain of the entity for the taxable year.

“(2) Credits not allowed against tax on inversion gain.—Credits shall be allowed against the tax imposed by this chapter on an acquired entity for any taxable year described in paragraph (1) only to the extent such tax exceeds the product of—

“(A) the amount of the inversion gain for the taxable year, and

“(B) the highest rate of tax specified in section 11(b)(1).

For purposes of determining the credit allowed by section 901 inversion gain shall be treated as from sources within the United States.

“(3) Special rules for partnerships.—In the case of an acquired entity which is a partnership—

“(A) the limitations of this subsection shall apply at the partner rather than the partnership level,

“(B) the inversion gain of any partner for any taxable year shall be equal to the sum of—

“(i) the partner's distributive share of inversion gain of the partnership for such taxable year, plus

“(ii) income or gain required to be recognized for the taxable year by the partner under section 367(a), 741, or 1001, or under any other provision of chapter 1, by reason of the transfer during the applicable period of any partnership interest of the partner in such partnership to the foreign incorporated entity, and

“(C) the highest rate of tax specified in the rate schedule applicable to the partner under chapter 1 shall be substituted for the rate of tax under paragraph (2)(B).

“(4) Inversion gain.—For purposes of this section, the term ‘inversion gain’ means any income or gain required to be recognized under section 304, 311(b), 367, 1001, or 1248, or under any other provision of chapter 1, by reason of the transfer during the applicable period of stock or other properties by an acquired entity—

“(A) as part of the acquisition described in subsection (a)(2)(A) to which subsection (b) applies, or

“(B) after such acquisition to a foreign related person.

The Secretary may provide that income or gain from the sale of inventories or other transactions in the ordinary course of a trade or business shall not be treated as inversion gain under subparagraph (B) to the extent the Secretary determines such treatment would not be inconsistent with the purposes of this section.

“(5) Coordination with section 172 and minimum tax.—Rules similar to the rules of paragraphs (3) and (4) of section 860E(a) shall apply for purposes of this section.

“(6) Statute of limitations.—

“(A) In general.—The statutory period for the assessment of any deficiency attributable to the inversion gain of any taxpayer for any pre-inversion year shall not expire before the expiration of 3 years from the date the Secretary is notified by the taxpayer (in such manner as the Secretary may prescribe) of the acquisition described in subsection (a)(2)(A) to which such gain relates and such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

“(B) Pre-inversion year.—For purposes of subparagraph (A), the term ‘pre-inversion year’ means any taxable year if—

“(i) any portion of the applicable period is included in such taxable year, and

“(ii) such year ends before the taxable year in which the acquisition described in subsection (a)(2)(A) is completed.

“(d) Special Rules Applicable to Acquired Entities to Which Subsection (b) Applies.—

“(1) Increases in accuracy-related penalties.—In the case of any underpayment of tax of an acquired entity to which subsection (b) applies—

“(A) section 6662(a) shall be applied with respect to such underpayment by substituting ‘30 percent’ for ‘20 percent’, and

“(B) if such underpayment is attributable to one or more gross valuation understatements, the increase in the rate of penalty under section 6662(h) shall be to 50 percent rather than 40 percent.

“(2) Modifications of limitation on interest deduction.—In the case of an acquired entity to which subsection (b) applies, section 163(j) shall be applied—

“(A) without regard to paragraph (2)(A)(ii) thereof, and

“(B) by substituting ‘25 percent’ for ‘50 percent’ each place it appears in paragraph (2)(B) thereof.

“(e) Other Definitions and Special Rules.—For purposes of this section—

“(1) Rules for application of subsection (a)(2).—In applying subsection (a)(2) for purposes of subsections (a) and (b), the following rules shall apply:

“(A) Certain stock disregarded.—There shall not be taken into account in determining ownership for purposes of subsection (a)(2)(B)—

“(i) stock held by members of the expanded affiliated group which includes the foreign incorporated entity, or

“(ii) stock of such entity which is sold in a public offering or private placement related to the acquisition described in subsection (a)(2)(A).

“(B) Plan deemed in certain cases.—If a foreign incorporated entity acquires directly or indirectly substantially all of the properties of a domestic corporation or partnership during the 4-year period beginning on the date which is 2 years before the ownership requirements of subsection (a)(2)(B) are met with respect to such domestic corporation or partnership, such actions shall be treated as pursuant to a plan.

“(C) Certain transfers disregarded.—The transfer of properties or liabilities (including by contribution or distribution) shall be disregarded if such transfers are part of a plan a principal purpose of which is to avoid the purposes of this section.

“(D) Special rule for related partnerships.—For purposes of applying subsection (a)(2) to the acquisition of a domestic partnership, except as provided in regulations, all partnerships which are under common control (within the meaning of section 482) shall be treated as 1 partnership.

“(E) Treatment of certain rights.—The Secretary shall prescribe such regulations as may be necessary—

“(i) to treat warrants, options, contracts to acquire stock, convertible debt instruments, and other similar interests as stock, and

“(ii) to treat stock as not stock.

“(2) Expanded affiliated group.—The term ‘expanded affiliated group’ means an affiliated group as defined in section 1504(a) but without regard to section 1504(b)(3), except that section 1504(a) shall be applied by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each place it appears.

“(3) Foreign incorporated entity.—The term ‘foreign incorporated entity’ means any entity which is, or but for subsection (a)(1) would be, treated as a foreign corporation for purposes of this title.

"(4) FOREIGN RELATED PERSON.—The term 'foreign related person' means, with respect to any acquired entity, a foreign person which—

"(A) bears a relationship to such entity described in section 267(b) or 707(b), or

"(B) is under the same common control (within the meaning of section 482) as such entity.

"(5) SUBSEQUENT ACQUISITIONS BY UNRELATED DOMESTIC CORPORATIONS.—

"(A) IN GENERAL.—Subject to such conditions, limitations, and exceptions as the Secretary may prescribe, if, after an acquisition described in subsection (a)(2)(A) to which subsection (b) applies, a domestic corporation stock of which is traded on an established securities market acquires directly or indirectly any properties of one or more acquired entities in a transaction with respect to which the requirements of subparagraph (B) are met, this section shall cease to apply to any such acquired entity with respect to which such requirements are met.

"(B) REQUIREMENTS.—The requirements of the subparagraph are met with respect to a transaction involving any acquisition described in subparagraph (A) if—

"(i) before such transaction the domestic corporation did not have a relationship described in section 267(b) or 707(b), and was not under common control (within the meaning of section 482), with the acquired entity, or any member of an expanded affiliated group including such entity, and

"(ii) after such transaction, such acquired entity—

"(I) is a member of the same expanded affiliated group which includes the domestic corporation or has such a relationship or is under such common control with any member of such group, and

"(II) is not a member of, and does not have such a relationship and is not under such common control with any member of, the expanded affiliated group which before such acquisition included such entity.

"(f) REGULATIONS.—The Secretary shall provide such regulations as are necessary to carry out this section, including regulations providing for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including the avoidance of such purposes through—

"(1) the use of related persons, pass-thru or other noncorporate entities, or other intermediaries, or

"(2) transactions designed to have persons cease to be (or not become) members of expanded affiliated groups or related persons.".

(b) INFORMATION REPORTING.—The Secretary of the Treasury shall exercise the Secretary's authority under the Internal Revenue Code of 1986 to require entities involved in transactions to which section 7874 of such Code (as added by subsection (a)) applies to report to the Secretary, shareholders, partners, and such other persons as the Secretary may prescribe such information as is necessary to ensure the proper tax treatment of such transactions.

(c) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 80 is amended by adding at the end the following new item:

"Sec. 7874. Rules relating to inverted corporate entities.".

(d) TRANSITION RULE FOR CERTAIN REGULATED INVESTMENT COMPANIES AND UNIT INVESTMENT TRUSTS.—Notwithstanding section 7874 of the Internal Revenue Code of 1986 (as added by subsection (a)), a regulated investment company, or other pooled fund or trust specified by the Secretary of the Treasury, may elect to recognize gain by reason of section 367(a) of such Code with respect to a transaction under which a foreign incorporated entity is treated as an inverted domestic corporation under section 7874(a) of such Code by reason of an acquisition completed after March 20, 2002, and before January 1, 2004.

(e) DISCLOSURE OF CORPORATE EXPATRIATION TRANSACTIONS.—

(1) IN GENERAL.—Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end the following new subsection:

"(i) PROXY SOLICITATIONS IN CONNECTION WITH CORPORATE EXPATRIATION TRANSACTIONS.—

"(1) DISCLOSURE TO SHAREHOLDERS OF EFFECTS OF CORPORATE EXPATRIATION TRANSACTION.—The Commission shall, by rule, require that each domestic issuer shall prominently disclose, not later than 5 business days before any shareholder vote relating to a corporate expatriation transaction, as a separate and distinct document accompanying each proxy statement relating to the transaction—

"(A) the number of employees of the domestic issuer that would be located in the new foreign jurisdiction of incorporation or organization of that issuer upon completion of the corporate expatriation transaction;

"(B) how the rights of holders of the securities of the domestic issuer would be impacted by a completed corporate expatriation transaction, and any differences in such rights before and after a completed corporate expatriation transaction; and

"(C) that, as a result of a completed corporate expatriation transaction, any taxable holder of the securities of the domestic issuer shall be subject to the taxation of any capital gains realized with respect to such securities, and the amount of any such capital gains tax that would apply as a result of the transaction.

"(2) DEFINITIONS.—In this subsection, the following definitions shall apply:

"(A) CORPORATE EXPATRIATION TRANSACTION.—The term 'corporate expatriation transaction' means any transaction, or series of related transactions, described in subsection (a) or (b) of section 7874 of the Internal Revenue Code of 1986.

"(A) DOMESTIC ISSUER.—The term 'domestic issuer' means an issuer created or organized in the United States or under the law of the United States or of any State."

(2) EFFECTIVE DATE.—Section 14(i) of the Securities Exchange Act of 1934 (as added by this subsection) shall apply with respect to corporate expatriation transactions (as defined in that section 14(i)) proposed on and after the date of enactment of this Act.

SEC. 442. IMPOSITION OF MARK-TO-MARKET TAX ON INDIVIDUALS WHO EXPATRIATE.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

"SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

"(a) GENERAL RULES.—For purposes of this subtitle—

"(1) MARK TO MARKET.—Except as provided in subsections (d) and (f), all property of a covered expatriate to whom this section applies shall be treated as sold on the day before the expatriation date for its fair market value.

"(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

"(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

"(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence.

"(3) EXCLUSION FOR CERTAIN GAIN.—

"(A) IN GENERAL.—The amount which, but for this paragraph, would be includible in the gross income of any individual by reason of this section shall be reduced (but not below zero) by $600,000. For purposes of this paragraph, allocable expatriation gain taken into account under subsection (f)(2) shall be treated in the same manner as an amount required to be includible in gross income.

"(B) COST-OF-LIVING ADJUSTMENT.—

"(i) IN GENERAL.—In the case of an expatriation date occurring in any calendar year after 2004, the $600,000 amount under subparagraph (A) shall be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 2003' for 'calendar year 1992' in subparagraph (B) thereof.

"(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.

"(4) ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES CITIZEN.—

"(A) IN GENERAL.—If a covered expatriate elects the application of this paragraph—

"(i) this section (other than this paragraph and subsection (i)) shall not apply to the expatriate, but

"(ii) in the case of property to which this section would apply but for such election, the expatriate shall be subject to tax under this title in the same manner as if the individual were a United States citizen.

"(B) REQUIREMENTS.—Subparagraph (A) shall not apply to an individual unless the individual—

"(i) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require,

"(ii) consents to the waiver of any right of the individual under any treaty of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

"(iii) complies with such other requirements as the Secretary may prescribe.

"(C) ELECTION.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, shall be irrevocable. Such election shall also apply to property the basis of which is determined in whole or in part by reference to the property with respect to which the election was made.

"(b) ELECTION TO DEFER TAX.—

"(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the payment of the additional tax attributable to such property shall be postponed until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

"(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

"(3) TERMINATION OF POSTPONEMENT.—No tax may be postponed under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

"(4) SECURITY.—

"(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided to the Secretary with respect to such property.

"(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

"(i) it is a bond in an amount equal to the deferred tax amount under paragraph (2) for the property, or

"(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

"(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer consents to the waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

"(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable. An election may be made under paragraph (1) with respect to an interest in a trust with respect to which gain is required to be recognized under subsection (f)(1).

"(7) INTEREST.—For purposes of section 6601—

"(A) the last date for the payment of tax shall be determined without regard to the election under this subsection, and

"(B) section 6621(a)(2) shall be applied by substituting '5 percentage points' for '3 percentage points' in subparagraph (B) thereof.

"(c) COVERED EXPATRIATE.—For purposes of this section—

"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'covered expatriate' means an expatriate.

"(2) EXCEPTIONS.—An individual shall not be treated as a covered expatriate if—

"(A) the individual—

"(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

"(ii) has not been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) during the 5 taxable years ending with the taxable year during which the expatriation date occurs, or

"(B)(i) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

"(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

"(d) EXEMPT PROPERTY; SPECIAL RULES FOR PENSION PLANS.—

"(1) EXEMPT PROPERTY.—This section shall not apply to the following:

"(A) UNITED STATES REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the day before the expatriation date, meet the requirements of section 897(c)(2).

"(B) SPECIFIED PROPERTY.—Any property or interest in property not described in subparagraph (A) which the Secretary specifies in regulations.

"(2) SPECIAL RULES FOR CERTAIN RETIREMENT PLANS.—

"(A) IN GENERAL.—If a covered expatriate holds on the day before the expatriation date any interest in a retirement plan to which this paragraph applies—

"(i) such interest shall not be treated as sold for purposes of subsection (a)(1), but

"(ii) an amount equal to the present value of the expatriate's nonforfeitable accrued benefit shall be treated as having been received by such individual on such date as a distribution under the plan.

"(B) TREATMENT OF SUBSEQUENT DISTRIBUTIONS.—In the case of any distribution on or after the expatriation date to or on behalf of the covered expatriate from a plan from which the expatriate was treated as receiving a distribution under subparagraph (A), the amount otherwise includible in gross income by reason of the subsequent distribution shall be reduced by the excess of the amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

"(C) TREATMENT OF SUBSEQUENT DISTRIBUTIONS BY PLAN.—For purposes of this title, a retirement plan to which this paragraph applies, and any person acting on the plan's behalf, shall treat any subsequent distribution described in subparagraph (B) in the same manner as such distribution would be treated without regard to this paragraph.

"(D) APPLICABLE PLANS.—This paragraph shall apply to—

"(i) any qualified retirement plan (as defined in section 4974(c)),

"(ii) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

"(iii) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

"(e) DEFINITIONS.—For purposes of this section—

"(1) EXPATRIATE.—The term 'expatriate' means—

"(A) any United States citizen who relinquishes citizenship, and

"(B) any long-term resident of the United States who—

"(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)), or

"(ii) commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such treaty applicable to residents of the foreign country.

"(2) EXPATRIATION DATE.—The term 'expatriation date' means—

"(A) the date an individual relinquishes United States citizenship, or

"(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

"(3) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing United States citizenship on the earliest of—

"(A) the date the individual renounces such individual's United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

"(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

"(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

"(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

"(4) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

"(f) SPECIAL RULES APPLICABLE TO BENEFICIARIES' INTERESTS IN TRUST.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a trust on the day before the expatriation date—

"(A) the individual shall not be treated as having sold such interest,

"(B) such interest shall be treated as a separate share in the trust, and

"(C)(i) such separate share shall be treated as a separate trust consisting of the assets allocable to such share,

"(ii) the separate trust shall be treated as having sold its assets on the day before the expatriation date for their fair market value and as having distributed all of its assets to the individual as of such time, and

"(iii) the individual shall be treated as having recontributed the assets to the separate trust.

Subsection (a)(2) shall apply to any income, gain, or loss of the individual arising from a distribution described in subparagraph (C)(ii). In determining the amount of such distribution, proper adjustments shall be made for liabilities of the trust allocable to an individual's share in the trust.

"(2) SPECIAL RULES FOR INTERESTS IN QUALIFIED TRUSTS.—

"(A) IN GENERAL.—If the trust interest described in paragraph (1) is an interest in a qualified trust—

"(i) paragraph (1) and subsection (a) shall not apply, and

"(ii) in addition to any other tax imposed by this title, there is hereby imposed on each distribution with respect to such interest a tax in the amount determined under subparagraph (B).

"(B) AMOUNT OF TAX.—The amount of tax under subparagraph (A)(ii) shall be equal to the lesser of—

"(i) the highest rate of tax imposed by section 1(e) for the taxable year which includes the day before the expatriation date, multiplied by the amount of the distribution, or

"(ii) the balance in the deferred tax account immediately before the distribution determined without regard to any increases under subparagraph (C)(ii) after the 30th day preceding the distribution.

"(C) DEFERRED TAX ACCOUNT.—For purposes of subparagraph (B)(ii)—

"(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any trust interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in gross income under subsection (a).

"(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined (on the balance in the account at the time the interest accrues), for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods, except that section 6621(a)(2) shall be applied by substituting '5 percentage points' for '3 percentage points' in subparagraph (B) thereof.

"(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced—

"(I) by the amount of taxes imposed by subparagraph (A) on any distribution to the person holding the trust interest, and

"(II) in the case of a person holding a nonvested interest, to the extent provided in regulations, by the amount of taxes imposed by subparagraph (A) on distributions from the trust with respect to nonvested interests not held by such person.

"(D) ALLOCABLE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary's interest in a trust is the amount of gain which would be allocable to such beneficiary's vested and nonvested interests in the trust if the beneficiary held directly all assets allocable to such interests.

"(E) TAX DEDUCTED AND WITHHELD.—

"(i) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld by the trustees from the distribution to which it relates.

"(ii) EXCEPTION WHERE FAILURE TO WAIVE TREATY RIGHTS.—If an amount may not be deducted and withheld under clause (i) by reason of the distributee failing to waive any treaty right with respect to such distribution—

"(I) the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax, and

"(II) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

"(F) DISPOSITION.—If a trust ceases to be a qualified trust at any time, a covered expatriate disposes of an interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust dies, then, in lieu of the tax imposed by subparagraph (A)(ii), there is hereby imposed a tax equal to the lesser of—

"(i) the tax determined under paragraph (1) as if the day before the expatriation date were the date of such cessation, disposition, or death, whichever is applicable, or

"(ii) the balance in the tax deferred account immediately before such date.

Such tax shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax and any other beneficiary of the trust shall be entitled to recover from the covered expatriate or the estate the amount of such tax imposed on the other beneficiary.

"(G) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

"(i) QUALIFIED TRUST.—The term 'qualified trust' means a trust which is described in section 7701(a)(30)(E).

"(ii) VESTED INTEREST.—The term 'vested interest' means any interest which, as of the day before the expatriation date, is vested in the beneficiary.

"(iii) NONVESTED INTEREST.—The term 'nonvested interest' means, with respect to any beneficiary, any interest in a trust which is not a vested interest. Such interest shall be determined by assuming the maximum exercise of discretion in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

"(iv) ADJUSTMENTS.—The Secretary may provide for such adjustments to the bases of assets in a trust or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

"(v) COORDINATION WITH RETIREMENT PLAN RULES.—This subsection shall not apply to an interest in a trust which is part of a retirement plan to which subsection (d)(2) applies.

"(3) DETERMINATION OF BENEFICIARIES' INTEREST IN TRUST.—

"(A) DETERMINATIONS UNDER PARAGRAPH (1).—For purposes of paragraph (1), a beneficiary's interest in a trust shall be based upon all relevant facts and circumstances, including the terms of the trust instrument and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar adviser.

"(B) OTHER DETERMINATIONS.—For purposes of this section—

"(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

"(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

"(I) the methodology used to determine that taxpayer's trust interest under this section, and

"(II) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

"(g) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

"(1) any period during which recognition of income or gain is deferred shall terminate on the day before the expatriation date, and

"(2) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

"(h) IMPOSITION OF TENTATIVE TAX.—

"(1) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in an amount equal to the amount of tax which would be imposed if the taxable year were a short taxable year ending on the expatriation date.

"(2) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date.

"(3) TREATMENT OF TAX.—Any tax paid under paragraph (1) shall be treated as a payment of the tax imposed by this chapter for the taxable year to which subsection (a) applies.

"(4) DEFERRAL OF TAX.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to gain includible in gross income by reason of this section.

"(i) SPECIAL LIENS FOR DEFERRED TAX AMOUNTS.—

"(1) IMPOSITION OF LIEN.—

"(A) IN GENERAL.—If a covered expatriate makes an election under subsection (a)(4) or (b) which results in the deferral of any tax imposed by reason of subsection (a), the deferred amount (including any interest, additional amount, addition to tax, assessable penalty, and costs attributable to the deferred amount) shall be a lien in favor of the United States on all property of the expatriate located in the United States (without regard to whether this section applies to the property).

"(B) DEFERRED AMOUNT.—For purposes of this subsection, the deferred amount is the amount of the increase in the covered expatriate's income tax which, but for the election under subsection (a)(4) or (b), would have occurred by reason of this section for the taxable year including the expatriation date.

"(2) PERIOD OF LIEN.—The lien imposed by this subsection shall arise on the expatriation date and continue until—

"(A) the liability for tax by reason of this section is satisfied or has become unenforceable by reason of lapse of time, or

"(B) it is established to the satisfaction of the Secretary that no further tax liability may arise by reason of this section.

"(3) CERTAIN RULES APPLY.—The rules set forth in paragraphs (1), (3), and (4) of section 6324A(d) shall apply with respect to the lien imposed by this subsection as if it were a lien imposed by section 6324A.

"(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.".

(b) INCLUSION IN INCOME OF GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—Section 102 (relating to gifts, etc. not included in gross income) is amended by adding at the end the following new subsection:

"(d) GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—

"(1) IN GENERAL.—Subsection (a) shall not exclude from gross income the value of any property acquired by gift, bequest, devise, or inheritance from a covered expatriate after the expatriation date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.

"(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Paragraph (1) shall not apply to any property if either—

"(A) the gift, bequest, devise, or inheritance is—

"(i) shown on a timely filed return of tax imposed by chapter 12 as a taxable gift by the covered expatriate, or

"(ii) included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate, or

"(B) no such return was timely filed but no such return would have been required to be filed even if the covered expatriate were a citizen or long-term resident of the United States.".

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

"(48) TERMINATION OF UNITED STATES CITIZENSHIP.—

"(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(e)(3).

"(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.".

(d) INELIGIBILITY FOR VISA OR ADMISSION TO UNITED STATES.—

(1) IN GENERAL.—Section 212(a)(10)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)(E)) is amended to read as follows:

"(E) FORMER CITIZENS NOT IN COMPLIANCE WITH EXPATRIATION REVENUE PROVISIONS.—Any alien who is a former citizen of the United States who relinquishes United States citizenship (within the meaning of section 877A(e)(3) of the Internal Revenue Code of 1986) and who is not in compliance with section 877A of such Code (relating to expatriation).".

(2) AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Section 6103(l) (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

"(19) DISCLOSURE TO DENY VISA OR ADMISSION TO CERTAIN EXPATRIATES.—Upon written request of the Attorney General or the Attorney General's delegate, the Secretary shall disclose whether an individual is in compliance with section 877A (and if not in compliance, any items of noncompliance) to officers and employees of the Federal agency responsible for administering section 212(a)(10)(E) of the Immigration and Nationality Act solely for the purpose of, and to the extent necessary in, administering such section 212(a)(10)(E).".

(B) SAFEGUARDS.—

(i) TECHNICAL AMENDMENTS.—Paragraph (4) of section 6103(p) of the Internal Revenue Code of 1986, as amended by section 202(b)(2)(B) of the Trade Act of 2002 (Public Law 107–210; 116 Stat. 961), is amended by striking "or (17)" after "any other person described in subsection (l)(16)" each place it appears and inserting "or (18)".

(ii) CONFORMING AMENDMENTS.—Section 6103(p)(4) (relating to safeguards), as amended by clause (i), is amended by striking "or (18)" after "any other person described in subsection (l)(16)" each place it appears and inserting "(18), or (19)".

(3) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to individuals who relinquish United States citizenship on or after the date of the enactment of this Act.

(B) TECHNICAL AMENDMENTS.—The amendments made by paragraph (2)(B)(i) shall take effect as if included in the amendments made by section 202(b)(2)(B) of the Trade Act of 2002 (Public Law 107–210; 116 Stat. 961).

(e) CONFORMING AMENDMENTS.—

(1) Section 877 is amended by adding at the end the following new subsection:

"(g) APPLICATION.—This section shall not apply to an expatriate (as defined in section 877A(e)) whose expatriation date (as so defined) occurs on or after January 1, 2004.".

(2) Section 2107 is amended by adding at the end the following new subsection:

"(f) APPLICATION.—This section shall not apply to any expatriate subject to section 877A.".

(3) Section 2501(a)(3) is amended by adding at the end the following new subparagraph:

"(F) APPLICATION.—This paragraph shall not apply to any expatriate subject to section 877A.".

(4)(A) Paragraph (1) of section 6039G(d) is amended by inserting "or 877A" after "section 877".

(B) The second sentence of section 6039G(e) is amended by inserting "or who relinquishes United States citizenship (within the meaning of section 877A(e)(3))" after "877(a))".

(C) Section 6039G(f) is amended by inserting "or 877A(e)(2)(B)" after "877(e)(1)".

(f) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

"Sec. 877A. Tax responsibilities of expatriation.".

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (within the meaning of section 877A(e) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) occurs on or after January 1, 2004.

(2) GIFTS AND BEQUESTS.—Section 102(d) of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to gifts and bequests received on or after January 1, 2004, from an individual or the estate of an individual whose expatriation date (as so defined) occurs after such date.

(3) DUE DATE FOR TENTATIVE TAX.—The due date under section 877A(h)(2) of the Internal Revenue Code of 1986, as added by this section, shall in no event occur before the 90th day after the date of the enactment of this Act.

SEC. 443. EXCISE TAX ON STOCK COMPENSATION OF INSIDERS IN INVERTED CORPORATIONS.

(a) IN GENERAL.—Subtitle D is amended by adding at the end the following new chapter:

"CHAPTER 48—STOCK COMPENSATION OF INSIDERS IN INVERTED CORPORATIONS

"Sec. 5000A. Stock compensation of insiders in inverted corporations entities.

"SEC. 5000A. STOCK COMPENSATION OF INSIDERS IN INVERTED CORPORATIONS.

"(a) IMPOSITION OF TAX.—In the case of an individual who is a disqualified individual with respect to any inverted corporation, there is hereby imposed on such person a tax equal to 20 percent of the value (determined under subsection (b)) of the specified stock compensation held (directly or indirectly) by or for the benefit of such individual or a member of such individual's family (as defined in section 267) at any time during the 12-month period beginning on the date which is 6 months before the inversion date.

"(b) VALUE.—For purposes of subsection (a)—

"(1) IN GENERAL.—The value of specified stock compensation shall be—

"(A) in the case of a stock option (or other similar right) or any stock appreciation right, the fair value of such option or right, and

"(B) in any other case, the fair market value of such compensation.

"(2) DATE FOR DETERMINING VALUE.—The determination of value shall be made—

"(A) in the case of specified stock compensation held on the inversion date, on such date,

"(B) in the case of such compensation which is canceled during the 6 months before the inversion date, on the day before such cancellation, and

"(C) in the case of such compensation which is granted after the inversion date, on the date such compensation is granted.

"(c) TAX TO APPLY ONLY IF SHAREHOLDER GAIN RECOGNIZED.—Subsection (a) shall apply to any disqualified individual with respect to an inverted corporation only if gain (if any) on any stock in such corporation is recognized in whole or part by any shareholder by reason of the acquisition referred to in section 7874(a)(2)(A) (determined by substituting 'July 10, 2002' for 'March 20, 2002') with respect to such corporation.

"(d) EXCEPTION WHERE GAIN RECOGNIZED ON COMPENSATION.—Subsection (a) shall not apply to—

"(1) any stock option which is exercised on the inversion date or during the 6-month period before such date and to the stock acquired in such exercise, if income is recognized under section 83 on or before the inversion date with respect to the stock acquired pursuant to such exercise, and

"(2) any specified stock compensation which is exercised, sold, exchanged, distributed, cashed out, or otherwise paid during such period in a transaction in which gain or loss is recognized in full.

"(e) DEFINITIONS.—For purposes of this section—

"(1) DISQUALIFIED INDIVIDUAL.—The term 'disqualified individual' means, with respect to a corporation, any individual who, at any time during the 12-month period beginning on the date which is 6 months before the inversion date—

"(A) is subject to the requirements of section 16(a) of the Securities Exchange Act of 1934 with respect to such corporation, or

"(B) would be subject to such requirements if such corporation were an issuer of equity securities referred to in such section.

"(2) INVERTED CORPORATION; INVERSION DATE.—

"(A) INVERTED CORPORATION.—The term 'inverted corporation' means any corporation to which subsection (a) or (b) of section 7874 applies determined—

"(i) by substituting 'July 10, 2002' for 'March 20, 2002' in section 7874(a)(2)(A), and

"(ii) without regard to subsection (b)(1)(A).

Such term includes any predecessor or successor of such a corporation.

"(B) INVERSION DATE.—The term 'inversion date' means, with respect to a corporation, the date on which the corporation first becomes an inverted corporation.

"(3) SPECIFIED STOCK COMPENSATION.—

"(A) IN GENERAL.—The term 'specified stock compensation' means payment (or right to payment) granted by the inverted corporation (or by any member of the expanded affiliated group which includes such corporation) to any person in connection with the performance of services by a disqualified individual for such corporation or member if the value of such payment or right is based on (or determined by reference to) the value (or change in value) of stock in such corporation (or any such member).

"(B) EXCEPTIONS.—Such term shall not include—

"(i) any option to which part II of subchapter D of chapter 1 applies, or

"(ii) any payment or right to payment from a plan referred to in section 280G(b)(6).

"(4) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' means an affiliated group (as defined in section 1504(a) without regard to section 1504(b)(3)); except that section 1504(a) shall be applied by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears.

"(f) Special Rules.—For purposes of this section—

"(1) Cancellation of restriction.—The cancellation of a restriction which by its terms will never lapse shall be treated as a grant.

"(2) Payment or reimbursement of tax by corporation treated as specified stock compensation.—Any payment of the tax imposed by this section directly or indirectly by the inverted corporation or by any member of the expanded affiliated group which includes such corporation—

"(A) shall be treated as specified stock compensation, and

"(B) shall not be allowed as a deduction under any provision of chapter 1.

"(3) Certain restrictions ignored.—Whether there is specified stock compensation, and the value thereof, shall be determined without regard to any restriction other than a restriction which by its terms will never lapse.

"(4) Property transfers.—Any transfer of property shall be treated as a payment and any right to a transfer of property shall be treated as a right to a payment.

"(5) Other administrative provisions.—For purposes of subtitle F, any tax imposed by this section shall be treated as a tax imposed by subtitle A.

"(g) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.".

(b) Denial of Deduction.—

(1) In general.—Paragraph (6) of section 275(a) is amended by inserting "48," after "46,".

(2) $1,000,000 limit on deductible compensation reduced by payment of excise tax on specified stock compensation.—Paragraph (4) of section 162(m) is amended by adding at the end the following new subparagraph:

"(G) Coordination with excise tax on specified stock compensation.—The dollar limitation contained in paragraph (1) with respect to any covered employee shall be reduced (but not below zero) by the amount of any payment (with respect to such employee) of the tax imposed by section 5000A directly or indirectly by the inverted corporation (as defined in such section) or by any member of the expanded affiliated group (as defined in such section) which includes such corporation.".

(c) Conforming Amendments.—

(1) The last sentence of section 3121(v)(2)(A) is amended by inserting before the period "or to any specified stock compensation (as defined in section 5000A) on which tax is imposed by section 5000A".

(2) The table of chapters for subtitle D is amended by adding at the end the following new item:

"Chapter 48. Stock compensation of insiders in inverted corporations.".

(d) Effective Date.—The amendments made by this section shall take effect on July 11, 2002; except that periods before such date shall not be taken into account in applying the periods in subsections (a) and (e)(1) of section 5000A of the Internal Revenue Code of 1986, as added by this section.

SEC. 444. REINSURANCE OF UNITED STATES RISKS IN FOREIGN JURISDICTIONS.

(a) In General.—Section 845(a) (relating to allocation in case of reinsurance agreement involving tax avoidance or evasion) is amended by striking "source and character" and inserting "amount, source, or character".

(b) Effective Date.—The amendments made by this section shall apply to any risk reinsured after April 11, 2002.

SEC. 445. REPORTING OF TAXABLE MERGERS AND ACQUISITIONS.

(a) In General.—Subpart B of part III of subchapter A of chapter 61 is amended by inserting after section 6043 the following new section:

"SEC. 6043A. TAXABLE MERGERS AND ACQUISITIONS.

"(a) In General.—The acquiring corporation in any taxable acquisition shall make a return (according to the forms or regulations prescribed by the Secretary) setting forth—

"(1) a description of the acquisition,

"(2) the name and address of each shareholder of the acquired corporation who is required to recognize gain (if any) as a result of the acquisition,

"(3) the amount of money and the fair market value of other property transferred to each such shareholder as part of such acquisition, and

"(4) such other information as the Secretary may prescribe.

To the extent provided by the Secretary, the requirements of this section applicable to the acquiring corporation shall be applicable to the acquired corporation and not to the acquiring corporation.

"(b) Nominee Reporting.—Any person who holds stock as a nominee for another person shall furnish in the manner prescribed by the Secretary to such other person the information provided by the corporation under subsection (d).

"(c) Taxable Acquisition.—For purposes of this section, the term 'taxable acquisition' means any acquisition by a corporation of stock in or property of another corporation if any shareholder of the acquired corporation is required to recognize gain (if any) as a result of such acquisition.

"(d) Statements To Be Furnished to Shareholders.—Every person required to make a return under subsection (a) shall furnish to each shareholder whose name is required to be set forth in such return a written statement showing—

"(1) the name, address, and phone number of the information contact of the person required to make such return,

"(2) the information required to be shown on such return with respect to such shareholder, and

"(3) such other information as the Secretary may prescribe.

The written statement required under the preceding sentence shall be furnished to the shareholder on or before January 31 of the year following the calendar year during which the taxable acquisition occurred.".

(b) Assessable Penalties.—

(1) Subparagraph (B) of section 6724(d)(1) (relating to definitions) is amended by redesignating clauses (ii) through (xvii) as clauses (iii) through (xviii), respectively, and by inserting after clause (i) the following new clause:

"(ii) section 6043A(a) (relating to returns relating to taxable mergers and acquisitions),".

(2) Paragraph (2) of section 6724(d) is amended by redesignating subparagraphs (F) through (AA) as subparagraphs (G) through (BB), respectively, and by inserting after subparagraph (E) the following new subparagraph:

"(F) subsections (b) and (d) of section 6043A (relating to returns relating to taxable mergers and acquisitions).".

(c) Clerical Amendment.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6043 the following new item:

"Sec. 6043A. Returns relating to taxable mergers and acquisitions.".

(d) Effective Date.—The amendments made by this section shall apply to acquisitions after the date of the enactment of this Act.

Subtitle E—International Tax

SEC. 451. CLARIFICATION OF BANKING BUSINESS FOR PURPOSES OF DETERMINING INVESTMENT OF EARNINGS IN UNITED STATES PROPERTY.

(a) In General.—Subparagraph (A) of section 956(c)(2) is amended to read as follows:

"(A) obligations of the United States, money, or deposits with—

"(i) any bank (as defined by section 2(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)), without regard to subparagraphs (C) and (G) of paragraph (2) of such section), or

"(ii) any corporation not described in clause (i) with respect to which a bank holding company (as defined by section 2(a) of such Act) or financial holding company (as defined by section 2(p) of such Act) owns directly or indirectly more than 80 percent by vote or value of the stock of such corporation;".

(b) Effective Date.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 452. PROHIBITION ON NONRECOGNITION OF GAIN THROUGH COMPLETE LIQUIDATION OF HOLDING COMPANY.

(a) In General.—Section 332 is amended by adding at the end the following new subsection:

"(d) Recognition of Gain on Liquidation of Certain Holding Companies.—

"(1) In general.—In the case of any distribution to a foreign corporation in complete liquidation of an applicable holding company—

"(A) subsection (a) and section 331 shall not apply to such distribution, and

"(B) such distribution shall be treated as a distribution to which section 301 applies.

"(2) Applicable holding company.—For purposes of this subsection—

"(A) In general.—The term 'applicable holding company' means any domestic corporation—

"(i) which is a common parent of an affiliated group,

"(ii) stock of which is directly owned by the distributee foreign corporation,

"(iii) substantially all of the assets of which consist of stock in other members of such affiliated group, and

"(iv) which has not been in existence at all times during the 5 years immediately preceding the date of the liquidation.

"(B) Affiliated group.—For purposes of this subsection, the term 'affiliated group' has the meaning given such term by section 1504(a) (without regard to paragraphs (2) and (4) Of section 1504(b)).

"(3) Coordination with subpart F.—If the distributee of a distribution described in paragraph (1) is a controlled foreign corporation (as defined in section 957), then notwithstanding paragraph (1) or subsection (a), such distribution shall be treated as a distribution to which section 331 applies.

"(4) Regulations.—The Secretary shall provide such regulations as appropriate to prevent the abuse of this subsection, including regulations which provide, for the purposes of clause (iv) of paragraph (2)(A), that a corporation is not in existence for any period unless it is engaged in the active conduct of a trade or business or owns a significant ownership interest in another corporation so engaged.".

(b) Effective Date.—The amendment made by this section shall apply to distributions in complete liquidation occurring on or after the date of the enactment of this Act.

SEC. 453. PREVENTION OF MISMATCHING OF INTEREST AND ORIGINAL ISSUE DISCOUNT DEDUCTIONS AND INCOME INCLUSIONS IN TRANSACTIONS WITH RELATED FOREIGN PERSONS.

(a) Original Issue Discount.—Section 163(e)(3) (relating to special rule for original issue discount on obligation held by related foreign person) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) Special rule for certain foreign entities.—

"(i) In general.—In the case of any debt instrument having original issue discount which is held by a related foreign person which is a foreign personal holding company (as defined in section 552), a controlled foreign corporation (as defined in section 957), or a passive foreign investment company (as defined in section 1297), a deduction shall be allowable to the issuer with respect to such original issue discount for any taxable year before the taxable year in which paid only to the extent such original issue discount (reduced by properly allowable deductions and qualified deficits under section 952(c)(1)(B)) is includible during such prior taxable year in the gross income of a United States person who owns (within the meaning of section 958(a)) stock in such corporation.

"(ii) Secretarial authority.—The Secretary may by regulation exempt transactions from the application of clause (i), including any transaction which is entered into by a payor in the ordinary course of a trade or business in which the payor is predominantly engaged.".

(b) Interest and Other Deductible Amounts.—Section 267(a)(3) is amended—

(1) by striking "The Secretary" and inserting:

"(A) In general.—The Secretary", and

(2) by adding at the end the following new subparagraph:

"(B) Special rule for certain foreign entities.—

"(i) In general.—Notwithstanding subparagraph (A), in the case of any item payable to a foreign personal holding company (as defined in section 552), a controlled foreign corporation (as defined in section 957), or a passive foreign investment company (as defined in section 1297), a deduction shall be allowable to the payor with respect to such amount for any taxable year before the taxable year in which paid only to the extent that an amount attributable to such item (reduced by properly allowable deductions and qualified deficits under section 952(c)(1)(B)) is includible during such prior taxable year in the gross income of a United States person who owns (within the meaning of section 958(a)) stock in such corporation.

"(ii) Secretarial authority.—The Secretary may by regulation exempt transactions from the application of clause (i), including any transaction which is entered into by a payor in the ordinary course of a trade or business in which the payor is predominantly engaged and in which the payment of the accrued amounts occurs within 8½ months after accrual or within such other period as the Secretary may prescribe.".

(c) Effective Date.—The amendments made by this section shall apply to payments accrued on or after the date of the enactment of this Act.

SEC. 454. EFFECTIVELY CONNECTED INCOME TO INCLUDE CERTAIN FOREIGN SOURCE INCOME.

(a) In General.—Section 864(c)(4)(B) (relating to treatment of income from sources without the United States as effectively connected income) is amended by adding at the end the following new flush sentence:

"Any income or gain which is equivalent to any item of income or gain described in clause (i), (ii), or (iii) shall be treated in the same manner as such item for purposes of this subparagraph.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 455. RECAPTURE OF OVERALL FOREIGN LOSSES ON SALE OF CONTROLLED FOREIGN CORPORATION.

(a) In General.—Section 904(f)(3) (relating to dispositions) is amending by adding at the end the following new subparagraph:

"(D) Application to certain dispositions of stock in controlled foreign corporation.—

"(i) In general.—This paragraph shall apply to an applicable disposition in the same manner as if it were a disposition of property described in subparagraph (A), except that the exception contained in subparagraph (C)(i) shall not apply.

"(ii) Applicable disposition.—For purposes of clause (i), the term 'applicable disposition' means any disposition of any share of stock in a controlled foreign corporation in a transaction or series of transactions if, immediately before such transaction or series of transactions, the taxpayer owned more than 50 percent (by vote or value) of the stock of the controlled foreign corporation.

"(iii) Exception.—A disposition shall not be treated as an applicable disposition under clause (ii) if it is part of a transaction or series of transactions—

"(I) to which section 351 or 721 applies, or under which the transferor receives stock in a foreign corporation in exchange for the stock in the controlled foreign corporation and the stock received is exchanged basis property (as defined in section 7701(a)(44)), and

"(II) immediately after which, the transferor owns (by vote or value) at least the same percentage of stock in the controlled foreign corporation (or, if the controlled foreign corporation is not in existence after such transaction or series of transactions, in another foreign corporation stock in which was received by the transferor in exchange for stock in the controlled foreign corporation) as the percentage of stock in the controlled foreign corporation which the taxpayer owned immediately before such transaction or series of transactions.

Clause (i) shall apply to any gain recognized on any disposition to which this clause applies.

"(iv) Controlled foreign corporation.—For purposes of this subparagraph, the term 'controlled foreign corporation' has the meaning given such term by section 957.

"(v) Stock ownership.—For purposes of this subparagraph, ownership of stock shall be determined under the rules of subsections (a) and (b) of section 958.

(b) Effective Date.—The amendment made by this section shall apply to dispositions after the date of the enactment of this Act.

SEC. 456. MINIMUM HOLDING PERIOD FOR FOREIGN TAX CREDIT ON WITHHOLDING TAXES ON INCOME OTHER THAN DIVIDENDS.

(a) In General.—Section 901 is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

"(l) Minimum Holding Period for Withholding Taxes on Gain and Income Other Than Dividends etc.—

"(1) In general.—In no event shall a credit be allowed under subsection (a) for any withholding tax (as defined in subsection (k)) on any item of income or gain with respect to any property if—

"(A) such property is held by the recipient of the item for 15 days or less during the 30-day period beginning on the date which is 15 days before the date on which the right to receive payment of such item arises, or

"(B) to the extent that the recipient of the item is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property.

This paragraph shall not apply to any dividend to which subsection (k) applies.

"(2) Exception for taxes paid by dealers.—

"(A) In general.—Paragraph (1) shall not apply to any qualified tax with respect to any property held in the active conduct in a foreign country of a business as a dealer in such property.

"(B) Qualified tax.—For purposes of subparagraph (A), the term 'qualified tax' means a tax paid to a foreign country (other than the foreign country referred to in subparagraph (A)) if—

"(i) the item to which such tax is attributable is subject to taxation on a net basis by the country referred to in subparagraph (A), and

"(ii) such country allows a credit against its net basis tax for the full amount of the tax paid to such other foreign country.

"(C) Dealer.—For purposes of subparagraph (A), the term 'dealer' means—

"(i) with respect to a security, any person to whom paragraphs (1) and (2) of subsection (k) would not apply by reason of paragraph (4) thereof if such security were stock, and

"(ii) with respect to any other property, any person with respect to whom such property is described in section 1221(a)(1).

"(D) Regulations.—The Secretary may prescribe such regulations as may be appropriate to carry out this paragraph, including regulations to prevent the abuse of the exception provided by this paragraph and to treat other taxes as qualified taxes.

"(3) Exceptions.—The Secretary may by regulation provide that paragraph (1) shall not apply to property where the Secretary determines that the application of paragraph (1) to such property is not necessary to carry out the purposes of this subsection.

"(4) Certain rules to apply.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (k) shall apply for purposes of this subsection.

"(5) Determination of holding period.—Holding periods shall be determined for purposes of this subsection without regard to section 1235 or any similar rule.".

(b) Conforming Amendment.—The heading of subsection (k) of section 901 is amended by inserting "on Dividends" after "Taxes".

(c) Effective Date.—The amendments made by this section shall apply to amounts paid or accrued more than 30 days after the date of the enactment of this Act.

Subtitle F—Other Revenue Provisions

PART I—FINANCIAL INSTRUMENTS

SEC. 461. TREATMENT OF STRIPPED INTERESTS IN BOND AND PREFERRED STOCK FUNDS, ETC.

(a) In General.—Section 1286 (relating to tax treatment of stripped bonds) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) Treatment of Stripped Interests in Bond and Preferred Stock Funds, etc.—In the case of an account or entity substantially all of the assets of which consist of bonds, preferred stock, or a combination thereof, the Secretary may by regulations provide that rules similar to the rules of this section and 305(e), as appropriate, shall apply to interests in such account or entity to which (but for this subsection) this section or section 305(e), as the case may be, would not apply.".

(b) Cross Reference.—Subsection (e) of section 305 is amended by adding at the end the following new paragraph:

"(7) Cross reference.—

"For treatment of stripped interests in certain accounts or entities holding preferred stock, see section 1286(f).".

(c) Effective Date.—The amendments made by this section shall apply to purchases and dispositions after the date of the enactment of this Act.

SEC. 462. APPLICATION OF EARNINGS STRIPPING RULES TO PARTNERSHIPS AND S CORPORATIONS.

(a) In General.—Section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

"(8) Application to partnerships and s corporations.—

"(A) In general.—This subsection shall apply to partnerships and S corporations in the same manner as it applies to C corporations.

"(B) Allocations to certain corporate partners.—If a C corporation is a partner in a partnership—

"(i) the corporation's allocable share of indebtedness and interest income of the partnership shall be taken into account in applying this subsection to the corporation, and

"(ii) if a deduction is not disallowed under this subsection with respect to any interest expense of the partnership, this subsection shall be applied separately in determining whether a deduction is allowable to the corporation with respect to the corporation's allocable share of such interest expense.".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 463. RECOGNITION OF CANCELLATION OF INDEBTEDNESS INCOME REALIZED ON SATISFACTION OF DEBT WITH PARTNERSHIP INTEREST.

(a) In General.—Paragraph (8) of section 108(e) (relating to general rules for discharge of indebtedness (including discharges not in title 11 cases or insolvency)) is amended to read as follows:

"(8) Indebtedness satisfied by corporate stock or partnership interest.—For purposes of determining income of a debtor from discharge of indebtedness, if—

"(A) a debtor corporation transfers stock, or

"(B) a debtor partnership transfers a capital or profits interest in such partnership,

to a creditor in satisfaction of its recourse or nonrecourse indebtedness, such corporation or partnership shall be treated as having satisfied the indebtedness with an amount of money equal to the fair market value of the stock or interest. In the case of any partnership, any discharge of indebtedness income recognized under this paragraph shall be included in the distributive shares of taxpayers which were the partners in the partnership immediately before such discharge.".

(b) Effective Date.—The amendment made by this section shall apply with respect to cancellations of indebtedness occurring on or after the date of the enactment of this Act.

SEC. 464. MODIFICATION OF STRADDLE RULES.

(a) Rules Relating to Identified Straddles.—

(1) In general.—Subparagraph (A) of section 1092(a)(2) (relating to special rule for identified straddles) is amended to read as follows:

"(A) In general.—In the case of any straddle which is an identified straddle—

"(i) paragraph (1) shall not apply with respect to identified positions comprising the identified straddle,

"(ii) if there is any loss with respect to any identified position of the identified straddle, the basis of each of the identified offsetting positions in the identified straddle shall be increased by an amount which bears the same ratio to the loss as the unrecognized gain with respect to such offsetting position bears to the aggregate unrecognized gain with respect to all such offsetting positions, and

"(iii) any loss described in clause (ii) shall not otherwise be taken into account for purposes of this title.".

(2) Identified straddle.—Section 1092(a)(2)(B) (defining identified straddle) is amended—

(A) by striking clause (ii) and inserting the following:

"(ii) to the extent provided by regulations, the value of each position of which (in the hands of the taxpayer immediately before the creation of the straddle) is not less than the basis of such position in the hands of the taxpayer at the time the straddle is created, and", and

(B) by adding at the end the following new flush sentence:

"The Secretary shall prescribe regulations which specify the proper methods for clearly identifying a straddle as an identified straddle (and the positions comprising such straddle), which specify the rules for the application of this section for a taxpayer which fails to properly identify the positions of an identified straddle, and which specify the ordering rules in cases where a taxpayer disposes of less than an entire position which is part of an identified straddle.".

(3) Unrecognized gain.—Section 1092(a)(3) (defining unrecognized gain) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) Special rule for identified straddles.—For purposes of paragraph (2)(A)(ii), the unrecognized gain with respect to any identified offsetting position shall be the excess of the fair market value of the position at the time of the determination over the fair market value of the position at the time the taxpayer identified the position as a position in an identified straddle.".

(4) Conforming amendment.—Section 1092(c)(2) is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(b) Physically Settled Positions.—Section 1092(d) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(8) Special rules for physically settled positions.—For purposes of subsection (a), if a taxpayer settles a position which is part of a straddle by delivering property to which the position relates (and such position, if terminated, would result in a realization of a loss), then such taxpayer shall be treated as if such taxpayer—

"(A) terminated the position for its fair market value immediately before the settlement, and

"(B) sold the property so delivered by the taxpayer at its fair market value.".

(c) Repeal of Stock Exception.—

(1) In general.—Paragraph (3) of section 1092(d) (relating to definitions and special rules) is amended to read as follows:

"(3) Special rules for stock.—For purposes of paragraph (1)—

"(A) In general.—The term 'personal property' includes—

"(i) any stock which is a part of a straddle at least 1 of the offsetting positions of which is a position with respect to such stock or substantially similar or related property, or

"(ii) any stock of a corporation formed or availed of to take positions in personal property which offset positions taken by any shareholder.

"(B) Rule for application.—For purposes of determining whether subsection (e) applies to any transaction with respect to stock described in subparagraph (A)(ii), all includible corporations of an affiliated group (within the meaning of section 1504(a)) shall be treated as 1 taxpayer.".

(2) Conforming amendment.—Section 1258(d)(1) is amended by striking "; except that the term 'personal property' shall include stock".

(d) Modifications of Qualified Covered Call Exception.—

(1) Markets on which options may be traded.—

(A) In general.—Section 1092(c)(4)(B)(i) is amended by striking "or other market which the Secretary determines has rules adequate to carry out the purposes of this paragraph".

(B) Regulations.—Section 1092(c)(4)(H) is amended by adding at the end the following new sentence: "Such regulations shall not add any exchange or market not described in subparagraph (B)(i) to the exchanges or markets on which qualified covered call options may be traded."

(2) Holding period for dividend exclusion.—The last sentence of section 246(c) is amended by inserting: ", other than a qualified covered call option to which section 1092(f) applies" before the period at the end.

(e) Effective Date.—The amendments made by this section shall apply to positions established on or after the date of the enactment of this Act.

SEC. 465. DENIAL OF INSTALLMENT SALE TREATMENT FOR ALL READILY TRADEABLE DEBT.

(a) In General.—Section 453(f)(4)(B) (relating to purchaser evidences of indebtedness payable on demand or readily tradeable) is amended by striking "is issued by a corporation or a government or political subdivision thereof and".

(b) Effective Date.—The amendment made by this section shall apply to sales occurring on or after the date of the enactment of this Act.

PART II—CORPORATIONS AND PARTNERSHIPS

SEC. 466. MODIFICATION OF TREATMENT OF TRANSFERS TO CREDITORS IN DIVISIVE REORGANIZATIONS.

(a) IN GENERAL.—Section 361(b)(3) (relating to treatment of transfers to creditors) is amended by adding at the end the following new sentence: "In the case of a reorganization described in section 368(a)(1)(D) with respect to which stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under section 355, this paragraph shall apply only to the extent that the sum of the money and the fair market value of other property transferred to such creditors does not exceed the adjusted bases of such assets transferred.".

(b) LIABILITIES IN EXCESS OF BASIS.—Section 357(c)(1)(B) is amended by inserting "with respect to which stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under section 355" after "section 368(a)(1)(D)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers of money or other property, or liabilities assumed, in connection with a reorganization occurring on or after the date of the enactment of this Act.

SEC. 467. CLARIFICATION OF DEFINITION OF NONQUALIFIED PREFERRED STOCK.

(a) IN GENERAL.—Section 351(g)(3)(A) is amended by adding at the end the following: "Stock shall not be treated as participating in corporate growth to any significant extent unless there is a real and meaningful likelihood of the shareholder actually participating in the earnings and growth of the corporation.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transactions after May 14, 2003.

SEC. 468. MODIFICATION OF DEFINITION OF CONTROLLED GROUP OF CORPORATIONS.

(a) IN GENERAL.—Section 1563(a)(2) (relating to brother-sister controlled group) is amended by striking "possessing—" and all that follows through "(B)" and inserting "possessing".

(b) APPLICATION OF EXISTING RULES TO OTHER CODE PROVISIONS.—Section 1563(f) (relating to other definitions and rules) is amended by adding at the end the following new paragraph:

"(5) BROTHER-SISTER CONTROLLED GROUP DEFINITION FOR PROVISIONS OTHER THAN THIS PART.—

"(A) IN GENERAL.—Except as specifically provided in an applicable provision, subsection (a)(2) shall be applied to an applicable provision as if it read as follows:

'(2) BROTHER-SISTER CONTROLLED GROUP.—Two or more corporations if 5 or fewer persons who are individuals, estates, or trusts own (within the meaning of subsection (d)(2) stock possessing—

'(A) at least 80 percent of the total combined voting power of all classes of stock entitled to vote, or at least 80 percent of the total value of shares of all classes of stock, of each corporation, and

'(B) more than 50 percent of the total combined voting power of all classes of stock entitled to vote or more than 50 percent of the total value of shares of all classes of stock of each corporation, taking into account the stock ownership of each such person only to the extent such stock ownership is identical with respect to each such corporation.'

"(B) APPLICABLE PROVISION.—For purposes of this paragraph, an applicable provision is any provision of law (other than this part) which incorporates the definition of controlled group of corporations under subsection (a).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 469. MANDATORY BASIS ADJUSTMENTS IN CONNECTION WITH PARTNERSHIP DISTRIBUTIONS AND TRANSFERS OF PARTNERSHIP INTERESTS.

(a) IN GENERAL.—Section 754 is repealed.

(b) ADJUSTMENT TO BASIS OF UNDISTRIBUTED PARTNERSHIP PROPERTY.—Section 734 is amended—

(1) by striking ", with respect to which the election provided in section 754 is in effect," in the matter preceding paragraph (1) of subsection (b),

(2) by striking "(as adjusted by section 732(d))" both places it appears in subsection (b),

(3) by striking the last sentence of subsection (b),

(4) by striking subsection (a) and by redesignating subsections (b) and (c) as subsections (a) and (b), respectively, and

(5) by striking "optional" in the heading.

(c) ADJUSTMENT TO BASIS OF PARTNERSHIP PROPERTY.—Section 743 is amended—

(1) by striking "with respect to which the election provided in section 754 is in effect" in the matter preceding paragraph (1) of subsection (b),

(2) by striking subsection (a) and by redesignating subsections (b) and (c) as subsections (a) and (b), respectively,

(3) by adding at the end the following new subsection:

"(c) ELECTION TO ADJUST BASIS FOR TRANSFERS UPON DEATH OF PARTNER.—Subsection (a) shall not apply and no adjustments shall be made in the case of any transfer of an interest in a partnership upon the death of a partner unless an election to do so is made by the partnership. Such an election shall apply with respect to all such transfers of interests in the partnership. Any election under section 754 in effect on the date of the enactment of this subsection shall constitute an election made under this subsection. Such election may be revoked by the partnership, subject to such limitations as may be provided by regulations prescribed by the Secretary.", and

(4) by striking "optional" in the heading.

(d) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 732 is repealed.

(2) Section 755(a) is amended—

(A) by striking "section 734(b) (relating to the optional adjustment" and inserting "section 734(a) (relating to the adjustment", and

(B) by striking "section 743(b) (relating to the optional adjustment" and inserting "section 743(a) (relating to the adjustment".

(3) Section 755(c), as added by this Act, is amended by striking "section 734(b)" and inserting "section 734(a)".

(4) Section 761(e)(2) is amended by striking "optional".

(5) Section 774(a) is amended by striking "743(b)" both places it appears and inserting "743(a)".

(6) The item relating to section 734 in the table of sections for subpart B of part II of subchapter K of chapter 1 is amended by striking "Optional".

(7) The item relating to section 743 in the table of sections for subpart C of part II of subchapter K of chapter 1 is amended by striking "Optional".

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to transfers and distributions made after the date of the enactment of this Act.

(2) REPEAL OF SECTION 732(d).—The amendments made by subsections (b)(2) and (d)(1) shall apply to—

(A) except as provided in subparagraph (B), transfers made after the date of the enactment of this Act, and

(B) in the case of any transfer made on or before such date to which section 732(d) applies, distributions made after the date which is 2 years after such date of enactment.

PART III—DEPRECIATION AND AMORTIZATION

SEC. 471. EXTENSION OF AMORTIZATION OF INTANGIBLES TO SPORTS FRANCHISES.

(a) IN GENERAL.—Section 197(e) (relating to exceptions to definition of section 197 intangible) is amended by striking paragraph (6) and by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively.

(b) CONFORMING AMENDMENTS.—

(1)(A) Section 1056 (relating to basis limitation for player contracts transferred in connection with the sale of a franchise) is repealed.

(B) The table of sections for part IV of subchapter O of chapter 1 is amended by striking the item relating to section 1056.

(2) Section 1245(a) (relating to gain from disposition of certain depreciable property) is amended by striking paragraph (4).

(3) Section 1253 (relating to transfers of franchises, trademarks, and trade names) is amended by striking subsection (e).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property acquired after the date of the enactment of this Act.

(2) SECTION 1245.—The amendment made by subsection (b)(2) shall apply to franchises acquired after the date of the enactment of this Act.

SEC. 472. CLASS LIVES FOR UTILITY GRADING COSTS.

(a) GAS UTILITY PROPERTY.—Section 168(e)(3)(E) (defining 15-year property) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) initial clearing and grading land improvements with respect to gas utility property.".

(b) ELECTRIC UTILITY PROPERTY.—Section 168(e)(3) is amended by adding at the end the following new subparagraph:

"(F) 20-YEAR PROPERTY.—The term '20-year property' means initial clearing and grading land improvements with respect to any electric utility transmission and distribution plant.".

(c) CONFORMING AMENDMENTS.—The table contained in section 168(g)(3)(B) is amended—

(1) by inserting "or (E)(iv)" after "(E)(iii)", and

(2) by adding at the end the following new item:

"(F) .... 25".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 473. EXPANSION OF LIMITATION ON DEPRECIATION OF CERTAIN PASSENGER AUTOMOBILES.

(a) IN GENERAL.—Section 179(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended by adding at the end the following new paragraph:

"(6) LIMITATION ON COST TAKEN INTO ACCOUNT FOR CERTAIN PASSENGER VEHICLES.—

"(A) IN GENERAL.—The cost of any sport utility vehicle for any taxable year which may be taken into account under this section shall not exceed $25,000.

"(B) SPORT UTILITY VEHICLE.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'sport utility vehicle' means any 4-wheeled vehicle—

"(I) which is primarily designed or which can be used to carry passengers over public streets, roads, or highways (except any vehicle operated exclusively on a rail or rails),

"(II) which is not subject to section 280F, and

"(III) which is rated at not more than 14,000 pounds gross vehicle weight.

"(ii) CERTAIN VEHICLES EXCLUDED.—Such term does not include any vehicle which—

"(I) is designed to have a seating capacity of more than 9 persons behind the driver's seat,

"(II) is equipped with a cargo area of at least 6 feet in interior length which is an open area or is designed for use as an open area but is enclosed by a cap and is not readily accessible directly from the passenger compartment, or

"(III) has an integral enclosure, fully enclosing the driver compartment and load carrying device, does not have seating rearward of the driver's seat, and has no body section protruding more than 30 inches ahead of the leading edge of the windshield.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 474. CONSISTENT AMORTIZATION OF PERIODS FOR INTANGIBLES.

(a) START-UP EXPENDITURES.—

(1) ALLOWANCE OF DEDUCTION.—Paragraph (1) of section 195(b) (relating to start-up expenditures) is amended to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—If a taxpayer elects the application of this subsection with respect to any start-up expenditures—

"(A) the taxpayer shall be allowed a deduction for the taxable year in which the active trade or business begins in an amount equal to the lesser of—

"(i) the amount of start-up expenditures with respect to the active trade or business, or

"(ii) $5,000, reduced (but not below zero) by the amount by which such start-up expenditures exceed $50,000, and

"(B) the remainder of such start-up expenditures shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the active trade or business begins.".

(2) CONFORMING AMENDMENT.—Subsection (b) of section 195 is amended by striking "AMORTIZE" and inserting "DEDUCT" in the heading.

(b) ORGANIZATIONAL EXPENDITURES.—Subsection (a) of section 248 (relating to organizational expenditures) is amended to read as follows:

"(a) ELECTION TO DEDUCT.—If a corporation elects the application of this subsection (in accordance with regulations prescribed by the Secretary) with respect to any organizational expenditures—

"(1) the corporation shall be allowed a deduction for the taxable year in which the corporation begins business in an amount equal to the lesser of—

"(A) the amount of organizational expenditures with respect to the taxpayer, or

"(B) $5,000, reduced (but not below zero) by the amount by which such organizational expenditures exceed $50,000, and

"(2) the remainder of such organizational expenditures shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the corporation begins business.".

(c) TREATMENT OF ORGANIZATIONAL AND SYNDICATION FEES OR PARTNERSHIPS.—

(1) IN GENERAL.—Section 709(b) (relating to amortization of organization fees) is amended by redesignating paragraph (2) as paragraph (3) and by amending paragraph (1) to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—If a taxpayer elects the application of this subsection (in accordance with regulations prescribed by the Secretary) with respect to any organizational expenses—

"(A) the taxpayer shall be allowed a deduction for the taxable year in which the partnership begins business in an amount equal to the lesser of—

"(i) the amount of organizational expenses with respect to the partnership, or

"(ii) $5,000, reduced (but not below zero) by the amount by which such organizational expenses exceed $50,000, and

"(B) the remainder of such organizational expenses shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the partnership begins business.

"(2) DISPOSITIONS BEFORE CLOSE OF AMORTIZATION PERIOD.—In any case in which a partnership is liquidated before the end of the period to which paragraph (1)(B) applies, any deferred expenses attributable to the partnership which were not allowed as a deduction by reason of this section may be deducted to the extent allowable under section 165.".

(2) CONFORMING AMENDMENT.—Subsection (b) of section 709 is amended by striking "AMORTIZATION" and inserting "DEDUCTION" in the heading.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SEC. 475. REFORM OF TAX TREATMENT OF LEASING OPERATIONS.

(a) CLARIFICATION OF RECOVERY PERIOD FOR TAX-EXEMPT USE PROPERTY SUBJECT TO LEASE.—Subparagraph (A) of section 168(g)(3) (relating to special rules for determining class life) is amended by inserting "(notwithstanding any other subparagraph of this paragraph)" after "shall".

(b) LIMITATION ON DEPRECIATION PERIOD FOR SOFTWARE LEASED TO TAX-EXEMPT ENTITY.—Paragraph (1) of section 167(f) is amended by adding at the end the following new subparagraph:

"(C) TAX-EXEMPT USE PROPERTY SUBJECT TO LEASE.—In the case of computer software which would be tax-exempt use property as defined in subsection (h) of section 168 if such section applied to computer software, the useful life under subparagraph (A) shall not be less than 125 percent of the lease term (within the meaning of section 168(i)(3))."

(c) LEASE TERM TO INCLUDE RELATED SERVICE CONTRACTS.—Subparagraph (A) of section 168(i)(3) (relating to lease term) is amended by striking "and" at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

"(ii) the term of a lease shall include the term of any service contract or similar arrangement (whether or not treated as a lease under section 7701(e))—

"(I) which is part of the same transaction (or series of related transactions) which includes the lease, and

"(II) which is with respect to the property subject to the lease or substantially similar property, and".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to leases entered into after December 31, 2003.

SEC. 476. LIMITATION ON DEDUCTIONS ALLOCABLE TO PROPERTY USED BY GOVERNMENTS OR OTHER TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by adding at the end the following new section:

"SEC. 470. LIMITATIONS ON LOSSES FROM TAX-EXEMPT USE PROPERTY.

"(a) LIMITATION ON LOSSES.—Except as otherwise provided in this section, a tax-exempt use loss for any taxable year shall not be allowed.

"(b) DISALLOWED LOSS CARRIED TO NEXT YEAR.—Any tax-exempt use loss with respect to any tax-exempt use property which is disallowed under subsection (a) for any taxable year shall be treated as a deduction with respect to such property in the next taxable year.

"(c) DEFINITIONS.—For purposes of this section—

"(1) TAX-EXEMPT USE LOSS.—The term 'tax-exempt use loss' means, with respect to any taxable year, the amount (if any) by which—

"(A) the sum of—

"(i) the aggregate deductions (other than interest) directly allocable to a tax-exempt use property, plus

"(ii) the aggregate deductions for interest properly allocable to such property, exceed

"(B) the aggregate income from such property.

"(2) TAX-EXEMPT USE PROPERTY.—The term 'tax-exempt use property' has the meaning given to such term by section 168(h) (without regard to paragraph (1)(C) or (3) thereof and determined as if property described in section 167(f)(1)(B) were tangible property). Such term shall not include property with respect to which the credit under section 42 is allowed and which, but for this sentence, would be tax-exempt property solely by reason of section 168(h)(6).

"(d) EXCEPTION FOR CERTAIN LEASES.—This section shall not apply to any lease of property which meets the requirements of all of the following paragraphs:

"(1) PROPERTY NOT FINANCED WITH TAX-EXEMPT BONDS OR FEDERAL FUNDS.—A lease of property meets the requirements of this paragraph if no part of the property was financed (directly or indirectly) from—

"(A) the proceeds of an obligation the interest on which is exempt from tax under section 103(a) and which (or any refunding bond of which) is outstanding when the lease is entered into, or

"(B) Federal funds.

The Secretary may by regulations provide for a de minimis exception from this paragraph.

"(2) AVAILABILITY OF FUNDS.—

"(A) IN GENERAL.—A lease of property meets the requirements of this paragraph if (at any time during the lease term) not more than an allowable amount of funds are—

"(i) subject to any arrangement referred to in subparagraph (B), or

"(ii) set aside or expected to be set aside, to or for the benefit of the lessor or a lender, or to or for the benefit of the lessee to satisfy the lessee's obligations or options under the lease. Funds shall be treated as described in clause (ii) only if a reasonable person would conclude, based on the facts and circumstances, that such funds are so described.

"(B) ARRANGEMENTS.—The arrangements referred to in this subparagraph are—

"(i) a defeasance arrangement, a loan by the lessee to the lessor or a lender, a deposit arrangement, a letter of credit collateralized with cash or cash equivalents, a payment undertaking agreement, a lease prepayment, a sinking fund arrangement, or any similar arrangement (whether or not such arrangement provides credit support), and

"(ii) any other arrangement identified by the Secretary in regulations.

"(C) ALLOWABLE AMOUNT.—

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'allowable amount' means an amount equal to 20 percent of the lessor's adjusted basis in the property at the time the lease is entered into.

"(ii) HIGHER AMOUNT PERMITTED IN CERTAIN CASES.—To the extent provided in regulations, a higher percentage shall be permitted under clause (i) where necessary because of the credit-worthiness of the lessee. In no event may such regulations permit a percentage of more than 50 percent.

"(iii) OPTION TO PURCHASE.—If under the lease the lessee has the option to purchase the property for a fixed price or for other than the fair market value of the property (determined at the time of exercise), the allowable amount at the time such option may be exercised may not exceed 50 percent of the price at which such option may be exercised.

"(iv) NO ALLOWABLE AMOUNT FOR CERTAIN ARRANGEMENTS.—The allowable amount shall be zero in the case of any arrangement which involves—

"(I) a loan from the lessee to the lessor or a lender,

"(II) any deposit, letter of credit, or payment undertaking agreement involving a lender, or

"(III) any credit support made available to the lessor in which a lender (if any) does not have a claim which is senior to the lessor.

For purposes of subclause (I), the term 'loan' shall not include any amount treated as a loan under section 467 with respect to a section 467 rental agreement.

"(3) LESSOR MUST MAKE SUBSTANTIAL EQUITY INVESTMENT.—A lease of property meets the requirements of this paragraph if—

"(A) the lessor—

"(i) has at the time the lease is entered into an unconditional at-risk equity investment (as determined by the Secretary) in the property of at least 20 percent of the lessor's adjusted basis in the property as of that time, and

"(ii) maintains such investment throughout the term of the lease, and

"(B) the fair market value of the property at the end of the lease term is reasonably expected to be equal to at least 20 percent of such basis.

Subparagraphs (A)(ii) and (B) shall not apply if the lease term is described in section 168(h)(1)(C)(ii), or in the case of qualified technological equipment, is described in section 168(h)(3). For purposes of subparagraph (B), the fair market value at the end of the lease term shall be reduced to the extent that a person other than the lessor bears a risk of loss in the value of the property.

"(4) LESSEE MAY NOT BEAR MORE THAN MINIMAL RISK OF LOSS.—

"(A) IN GENERAL.—A lease of property meets the requirements of this paragraph if there is no arrangement under which more than a minimal risk of loss (as determined under regulations) in the value of the property is borne by the lessee.

"(B) CERTAIN ARRANGEMENTS FAIL REQUIREMENT.—In no event will the requirements of this paragraph be met if there is any arrangement under which the lessee bears—

"(i) any portion of the loss that would occur if the fair market value of the leased property were 25 percent less than its reasonably expected fair market value at the end of the lease term, or

"(ii) more than 50 percent of the loss that would occur if the fair market value of the leased property at the time the lease is terminated were zero.

"(5) PROPERTY WITH MORE THAN 7-YEAR CLASS LIFE.—In the case of a lease—

"(A) of property with a class life (as defined in section 168(i)(1)) of more than 7 years, and

"(B) under which the lessee has the option to purchase the property,

the lease meets the requirements of this paragraph only if the purchase price under the option equals the fair market value of the property (determined at the time of exercise).

"(6) REGULATORY REQUIREMENTS.—A lease of property meets the requirements of this paragraph if such lease of property meets such requirements as the Secretary may prescribe by regulations.

"(e) SPECIAL RULES.—

"(1) TREATMENT OF FORMER TAX-EXEMPT USE PROPERTY.—

"(A) IN GENERAL.—In the case of any former tax-exempt use property—

"(i) any deduction allowable under subsection (b) with respect to such property for any taxable year shall be allowed only to the extent of any net income (without regard to such deduction) from such property for such taxable year, and

"(ii) any portion of such unused deduction remaining after application of clause (i) shall be treated as allowable under subsection (b) with respect to such property in the next taxable year.

"(B) FORMER TAX-EXEMPT USE PROPERTY.—For purposes of this subsection, the term 'former tax-exempt use property' means any property which—

"(i) is not tax-exempt use property for the taxable year, but

"(ii) was tax-exempt use property for any prior taxable year.

"(2) DISPOSITION OF ENTIRE INTEREST IN PROPERTY.—If during the taxable year a taxpayer disposes of the taxpayer's entire interest in tax-exempt use property (or former tax-exempt use property), rules similar to the rules of section 469(g) shall apply for purposes of this section.

"(3) COORDINATION WITH SECTION 469.—This section shall be applied before the application of section 469.

"(f) OTHER DEFINITIONS.—For purposes of this section—

"(1) RELATED PARTIES.—The terms 'lessor', 'lessee', and 'lender' include any related party (within the meaning of section 197(f)(9)(C)(i)).

"(2) LEASE TERM.—The term 'lease term' has the meaning given to such term by section 168(i)(3).

"(3) LENDER.—The term 'lender' means, with respect to any lease, a person that makes a loan to the lessor which is secured (or economically similar to being secured) by the lease or the leased property.

"(4) LOAN.—The term 'loan' includes any similar arrangement.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the provisions of this section, including regulation which—

"(1) allow in appropriate cases the aggregation of property subject to the same lease, and

"(2) provide for the determination of the allocation of interest expense for purposes of this section."

(b) CONFORMING AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by adding at the end the following new item:

"Sec. 470. Limitations on losses from tax-exempt use property."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to leases entered into after November 18, 2003.

PART IV—ADMINISTRATIVE PROVISIONS

SEC. 481. CLARIFICATION OF RULES FOR PAYMENT OF ESTIMATED TAX FOR CERTAIN DEEMED ASSET SALES.

(a) IN GENERAL.—Paragraph (13) of section 338(h) (relating to tax on deemed sale not taken into account for estimated tax purposes) is amended by adding at the end the following: "The preceding sentence shall not apply with respect to a qualified stock purchase for which an election is made under paragraph (10).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transactions occurring after the date of the enactment of this Act.

SEC. 482. EXTENSION OF IRS USER FEES.

(a) IN GENERAL.—Section 7528(c) (relating to termination) is amended by striking "December 31, 2004" and inserting "September 30, 2013".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to requests after the date of the enactment of this Act.

SEC. 483. DOUBLING OF CERTAIN PENALTIES, FINES, AND INTEREST ON UNDERPAYMENTS RELATED TO CERTAIN OFFSHORE FINANCIAL ARRANGEMENT.

(a) DETERMINATION OF PENALTY.—

(1) IN GENERAL.—Notwithstanding any other provision of law, in the case of an applicable taxpayer—

(A) the determination as to whether any interest or applicable penalty is to be imposed with respect to any arrangement to which any initiative described in paragraph (2) applied, or to any underpayment of Federal income tax attributable to items arising in connection with any arrangement described in paragraph (2), shall be made without regard to section 6664 of the Internal Revenue Code of 1986, and

(B) if any such interest or applicable penalty is imposed, the amount of such interest or penalty shall be equal to twice that determined without regard to this section.

(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term "applicable taxpayer" means a taxpayer eligible to participate in—

(A) the Department of the Treasury's Offshore Voluntary Compliance Initiative, or

(B) the Department of the Treasury's voluntary disclosure initiative which applies to the taxpayer by reason of the taxpayer's underreporting of United States income tax liability through financial arrangements which rely on the use of offshore arrangements which were the subject of the initiative described in subparagraph (A).

(b) DEFINITIONS AND RULES.—For purposes of this section—

(1) APPLICABLE PENALTY.—The term "applicable penalty" means any penalty, addition

to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(2) VOLUNTARY OFFSHORE COMPLIANCE INITIATIVE.—The term "Voluntary Offshore Compliance Initiative" means the program established by the Department of the Treasury in January of 2003 under which any taxpayer was eligible to voluntarily disclose previously undisclosed income on assets placed in offshore accounts and accessed through credit card and other financial arrangements.

(3) PARTICIPATION.—A taxpayer shall be treated as having participated in the Voluntary Offshore Compliance Initiative if the taxpayer submitted the request in a timely manner and all information requested by the Secretary of the Treasury or his delegate within a reasonable period of time following the request.

(c) EFFECTIVE DATE.—The provisions of this section shall apply to interest, penalties, additions to tax, and fines with respect to any taxable year if as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.

SEC. 484. PARTIAL PAYMENT OF TAX LIABILITY IN INSTALLMENT AGREEMENTS.

(a) IN GENERAL.—

(1) Section 6159(a) (relating to authorization of agreements) is amended—

(A) by striking "satisfy liability for payment of" and inserting "make payment on", and

(B) by inserting "full or partial" after "facilitate".

(2) Section 6159(c) (relating to Secretary required to enter into installment agreements in certain cases) is amended in the matter preceding paragraph (1) by inserting "full" before "payment".

(b) REQUIREMENT TO REVIEW PARTIAL PAYMENT AGREEMENTS EVERY TWO YEARS.—Section 6159, as amended by this Act, is amended by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively, and inserting after subsection (c) the following new subsection:

"(d) SECRETARY REQUIRED TO REVIEW INSTALLMENT AGREEMENTS FOR PARTIAL COLLECTION EVERY TWO YEARS.—In the case of an agreement entered into by the Secretary under subsection (a) for partial collection of a tax liability, the Secretary shall review the agreement at least once every 2 years.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to agreements entered into on or after the date of the enactment of this Act.

SEC. 485. EXTENSION OF CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking "March 31, 2004" and inserting "September 30, 2013".

SEC. 486. DEPOSITS MADE TO SUSPEND RUNNING OF INTEREST ON POTENTIAL UNDERPAYMENTS.

(a) IN GENERAL.—Subchapter A of chapter 67 (relating to interest on underpayments) is amended by adding at the end the following new section:

"SEC. 6603. DEPOSITS MADE TO SUSPEND RUNNING OF INTEREST ON POTENTIAL UNDERPAYMENTS, ETC.

"(a) AUTHORITY TO MAKE DEPOSITS OTHER THAN AS PAYMENT OF TAX.—A taxpayer may make a cash deposit with the Secretary which may be used by the Secretary to pay any tax imposed under subtitle A or B or chapter 41, 42, 43, or 44 which has not been assessed at the time of the deposit. Such a deposit shall be made in such manner as the Secretary shall prescribe.

"(b) NO INTEREST IMPOSED.—To the extent that such deposit is used by the Secretary to pay tax, for purposes of section 6601 (relating to interest on underpayments), the tax shall be treated as paid when the deposit is made.

"(c) RETURN OF DEPOSIT.—Except in a case where the Secretary determines that collection of tax is in jeopardy, the Secretary shall return to the taxpayer any amount of the deposit (to the extent not used for a payment of tax) which the taxpayer requests in writing.

"(d) PAYMENT OF INTEREST.—

"(1) IN GENERAL.—For purposes of section 6611 (relating to interest on overpayments), a deposit which is returned to a taxpayer shall be treated as a payment of tax for any period to the extent (and only to the extent) attributable to a disputable tax for such period. Under regulations prescribed by the Secretary, rules similar to the rules of section 6611(b)(2) shall apply.

"(2) DISPUTABLE TAX.—

"(A) IN GENERAL.—For purposes of this section, the term 'disputable tax' means the amount of tax specified at the time of the deposit as the taxpayer's reasonable estimate of the maximum amount of any tax attributable to disputable items.

"(B) SAFE HARBOR BASED ON 30-DAY LETTER.—In the case of a taxpayer who has been issued a 30-day letter, the maximum amount of tax under subparagraph (A) shall not be less than the amount of the proposed deficiency specified in such letter.

"(3) OTHER DEFINITIONS.—For purposes of paragraph (2)—

"(A) DISPUTABLE ITEM.—The term 'disputable item' means any item of income, gain, loss, deduction, or credit if the taxpayer—

"(i) has a reasonable basis for its treatment of such item, and

"(ii) reasonably believes that the Secretary also has a reasonable basis for disallowing the taxpayer's treatment of such item.

"(B) 30-DAY LETTER.—The term '30-day letter' means the first letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals.

"(4) RATE OF INTEREST.—The rate of interest allowable under this subsection shall be the Federal short-term rate determined under section 6621(b), compounded daily.

"(e) USE OF DEPOSITS.—

"(1) PAYMENT OF TAX.—Except as otherwise provided by the taxpayer, deposits shall be treated as used for the payment of tax in the order deposited.

"(2) RETURNS OF DEPOSITS.—Deposits shall be treated as returned to the taxpayer on a last-in, first-out basis.".

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 67 is amended by adding at the end the following new item:

"Sec. 6603. Deposits made to suspend running of interest on potential underpayments, etc.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to deposits made after the date of the enactment of this Act.

(2) COORDINATION WITH DEPOSITS MADE UNDER REVENUE PROCEDURE 84–58.—In the case of an amount held by the Secretary of the Treasury or his delegate on the date of the enactment of this Act as a deposit in the nature of a cash bond deposit pursuant to Revenue Procedure 84–58, the date that the taxpayer identifies such amount as a deposit made pursuant to section 6603 of the Internal Revenue Code (as added by this Act) shall be treated as the date such amount is deposited for purposes of such section 6603.

SEC. 487. QUALIFIED TAX COLLECTION CONTRACTS.

(a) CONTRACT REQUIREMENTS.—

(1) IN GENERAL.—Subchapter A of chapter 64 (relating to collection) is amended by adding at the end the following new section:

"SEC. 6306. QUALIFIED TAX COLLECTION CONTRACTS.

"(a) IN GENERAL.—Nothing in any provision of law shall be construed to prevent the Secretary from entering into a qualified tax collection contract.

"(b) QUALIFIED TAX COLLECTION CONTRACT.—For purposes of this section, the term 'qualified tax collection contract' means any contract which—

"(1) is for the services of any person (other than an officer or employee of the Treasury Department)—

"(A) to locate and contact any taxpayer specified by the Secretary,

"(B) to request full payment from such taxpayer of an amount of Federal tax specified by the Secretary and, if such request cannot be met by the taxpayer, to offer the taxpayer an installment agreement providing for full payment of such amount during a period not to exceed 3 years, and

"(C) to obtain financial information specified by the Secretary with respect to such taxpayer,

"(2) prohibits each person providing such services under such contract from committing any act or omission which employees of the Internal Revenue Service are prohibited from committing in the performance of similar services,

"(3) prohibits subcontractors from—

"(A) having contacts with taxpayers,

"(B) providing quality assurance services, and

"(C) composing debt collection notices, and

"(4) permits subcontractors to perform other services only with the approval of the Secretary.

"(c) FEES.—The Secretary may retain and use an amount not in excess of 25 percent of the amount collected under any qualified tax collection contract for the costs of services performed under such contract. The Secretary shall keep adequate records regarding amounts so retained and used. The amount credited as paid by any taxpayer shall be determined without regard to this subsection.

"(d) NO FEDERAL LIABILITY.—The United States shall not be liable for any act or omission of any person performing services under a qualified tax collection contract.

"(e) APPLICATION OF FAIR DEBT COLLECTION PRACTICES ACT.—The provisions of the Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) shall apply to any qualified tax collection contract, except to the extent superseded by section 6304, section 7602(c), or by any other provision of this title.

"(f) CROSS REFERENCES.—

"(1) For damages for certain unauthorized collection actions by persons performing services under a qualified tax collection contract, see section 7433A.

"(2) For application of Taxpayer Assistance Orders to persons performing services under a qualified tax collection contract, see section 7811(a)(4).".

(2) CONFORMING AMENDMENTS.—

(A) Section 7809(a) is amended by inserting "6306," before "7651".

(B) The table of sections for subchapter A of chapter 64 is amended by adding at the end the following new item:

"Sec. 6306. Qualified Tax Collection Contracts.".

(b) Civil Damages for Certain Unauthorized Collection Actions by Persons Performing Services Under Qualified Tax Collection Contracts.—

(1) In general.—Subchapter B of chapter 76 (relating to proceedings by taxpayers and third parties) is amended by inserting after section 7433 the following new section:

"SEC. 7433A. CIVIL DAMAGES FOR CERTAIN UNAUTHORIZED COLLECTION ACTIONS BY PERSONS PERFORMING SERVICES UNDER QUALIFIED TAX COLLECTION CONTRACTS.

"(a) In General.—Subject to the modifications provided by subsection (b), section 7433 shall apply to the acts and omissions of any person performing services under a qualified tax collection contract (as defined in section 6306(b)) to the same extent and in the same manner as if such person were an employee of the Internal Revenue Service.

"(b) Modifications.—For purposes of subsection (a)—

"(1) Any civil action brought under section 7433 by reason of this section shall be brought against the person who entered into the qualified tax collection contract with the Secretary and shall not be brought against the United States.

"(2) Such person and not the United States shall be liable for any damages and costs determined in such civil action.

"(3) Such civil action shall not be an exclusive remedy with respect to such person.

"(4) Subsections (c), (d)(1), and (e) of section 7433 shall not apply.".

(2) Clerical amendment.—The table of sections for subchapter B of chapter 76 is amended by inserting after the item relating to section 7433 the following new item:

"Sec. 7433A. Civil damages for certain unauthorized collection actions by persons performing services under a qualified tax collection contract.".

(c) Application of Taxpayer Assistance Orders to Persons Performing Services Under a Qualified Tax Collection Contract.—Section 7811 (relating to taxpayer assistance orders) is amended by adding at the end the following new subsection:

"(g) Application to Persons Performing Services Under a Qualified Tax Collection Contract.—Any order issued or action taken by the National Taxpayer Advocate pursuant to this section shall apply to persons performing services under a qualified tax collection contract (as defined in section 6306(b)) to the same extent and in the same manner as such order or action applies to the Secretary.".

(d) Ineligibility of Individuals Who Commit Misconduct To Perform Under Contract.—Section 1203 of the Internal Revenue Service Restructuring Act of 1998 (relating to termination of employment for misconduct) is amended by adding at the end the following new subsection:

"(e) Individuals Performing Services Under a Qualified Tax Collection Contract.—An individual shall cease to be permitted to perform any services under any qualified tax collection contract (as defined in section 6306(b) of the Internal Revenue Code of 1986) if there is a final determination by the Secretary of the Treasury under such contract that such individual committed any act or omission described under subsection (b) in connection with the performance of such services.".

(e) Effective Date.—The amendments made to this section shall take effect on the date of the enactment of this Act.

PART V—MISCELLANEOUS PROVISIONS

SEC. 491. ADDITION OF VACCINES AGAINST HEPATITIS A TO LIST OF TAXABLE VACCINES.

(a) In General.—Section 4132(a)(1) (defining taxable vaccine) is amended by redesignating subparagraphs (I), (J), (K), and (L) as subparagraphs (J), (K), (L), and (M), respectively, and by inserting after subparagraph (H) the following new subparagraph:

"(I) Any vaccine against hepatitis A.".

(b) Conforming Amendment.—Section 9510(c)(1)(A) is amended by striking "October 18, 2000" and inserting "May 8, 2003".

(c) Effective Date.—

(1) Sales, etc.—The amendments made by this section shall apply to sales and uses on or after the first day of the first month which begins more than 4 weeks after the date of the enactment of this Act.

(2) Deliveries.—For purposes of paragraph (1) and section 4131 of the Internal Revenue Code of 1986, in the case of sales on or before the effective date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

SEC. 492. RECOGNITION OF GAIN FROM THE SALE OF A PRINCIPAL RESIDENCE ACQUIRED IN A LIKE-KIND EXCHANGE WITHIN 5 YEARS OF SALE.

(a) In General.—Section 121(d) (relating to special rules for exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

"(10) Property acquired in like-kind exchange.—If a taxpayer acquired property in an exchange to which section 1031 applied, subsection (a) shall not apply to the sale or exchange of such property if it occurs during the 5-year period beginning with the date of the acquisition of such property.".

(b) Effective Date.—The amendment made by this section shall apply to sales or exchanges after the date of the enactment of this Act.

SEC. 493. CLARIFICATION OF EXEMPTION FROM TAX FOR SMALL PROPERTY AND CASUALTY INSURANCE COMPANIES.

(a) In General.—Section 501(c)(15)(A) is amended to read as follows:

"(A) Insurance companies (as defined in section 816(a)) other than life (including interinsurers and reciprocal underwriters) if—

"(i) the gross receipts for the taxable year do not exceed $600,000, and

"(ii) more than 50 percent of such gross receipts consist of premiums.".

(b) Controlled Group Rule.—Section 501(c)(15)(C) is amended by inserting ", except that in applying section 1563 for purposes of section 831(b)(2)(B)(ii), subparagraphs (B) and (C) of section 1563(b)(2) shall be disregarded" before the period at the end.

(c) Conforming Amendment.—Clause (i) of section 831(b)(2)(A) is amended by striking "exceed $350,000 but".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 494. DEFINITION OF INSURANCE COMPANY FOR SECTION 831.

(a) In General.—Section 831 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Insurance Company Defined.—For purposes of this section, the term 'insurance company' has the meaning given to such term by section 816(a)).".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 495. LIMITATIONS ON DEDUCTION FOR CHARITABLE CONTRIBUTIONS OF PATENTS AND SIMILAR PROPERTY.

(a) Deduction Allowed Only to the Extent of Basis.—Section 170(e)(1)(B) (relating to certain contributions of ordinary income and capital gain property) is amended by striking "or" at the end of clause (i), by adding "or" at the end of clause (ii), and by inserting after clause (ii) the following new clause:

"(iii) of any patent, copyright, trademark, trade name, trade secret, know-how, software, or similar property, or applications or registrations of such property,".

(b) Treatment of Contributions Where Donor Receives Interest.—Section 170(e) is amended by adding at the end the following new paragraph:

"(7) Special rules for contributions of patents and similar property where donor receives interest.—

"(A) Disallowance of deduction.—No deduction shall be allowed under this section with respect to a contribution of property described in paragraph (1)(B)(iii) if the taxpayer after the contribution has any interest in the property other than a qualified interest.

"(B) Contributions with qualified interest.—If a taxpayer after a contribution of property described in paragraph (1)(B)(iii) has a qualified interest in the property—

"(i) any payment pursuant to the qualified interest shall be treated as ordinary income and shall be includible in gross income of the taxpayer for the taxable year in which the payment is received by the taxpayer, and

"(ii) subsection (f)(3) and section 1011(b) shall not apply to the transfer of the property from the taxpayer to the donee.

"(C) Qualified interest.—For purposes of this paragraph—

"(i) In general.—The term 'qualified interest' means, with respect to any taxpayer, a right to receive from the donee a percentage (not greater than 50 percent) of any royalty payment received by the donee with respect to property described in paragraph (1)(B)(iii) (other than copyrights which are described in section 1221(a)(3) or 1231(b)(1)(C)) contributed by the taxpayer to the donee.

"(ii) Secretarial authority.—

"(I) In general.—Except as provided in subclause (II), the Secretary may by regulation or other administrative guidance treat as a qualified interest the right to receive other payments from the donee, but only if the donee does not possess a right to receive any payment (whether royalties or otherwise) from a third party with respect to the contributed property.

"(II) Exceptions.—The Secretary may not treat as a qualified interest the right to receive any payment which provides a benefit to the donor which is greater than the benefit retained by the donee or the right to receive any portion of the proceeds from the sale of the property contributed.

"(iii) Limitation.—An interest shall be treated as a qualified interest under this subparagraph only if the taxpayer has no right to receive any payment described in clause (i) or (ii)(I) after the earlier of the date on which the legal life of the contributed property expires or the date which is 20 years after the date of the contribution.".

(c) Reporting Requirements.—

(1) In general.—Section 6050L(a) (relating to returns regarding certain dispositions of donated property) is amended—

(A) by striking "If" and inserting:

"(1) Dispositions of donated property.—If",

(B) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively, and

(C) by adding at the end the following new paragraph:

"(2) PAYMENTS OF QUALIFIED INTERESTS.—Each donee of property described in section 170(e)(1)(B)(iii) which makes a payment to a donor pursuant to a qualified interest (as defined in section 170(e)(7)) during any calendar year shall make a return (in accordance with forms and regulations prescribed by the Secretary) showing—

"(A) the name, address, and TIN of the payor and the payee with respect to such a payment,

"(B) a description, and date of contribution, of the property to which the qualified interest relates,

"(C) the dates and amounts of any royalty payments received by the donee with respect to such property,

"(D) the date and the amount of the payment pursuant to the qualified interest, and

"(E) a description of the terms of the qualified interest.".

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 6050L is amended by striking "**certain dispositions of**".

(B) The item relating to section 6050L in the table of sections for subpart B of part III of subchapter A of chapter 61 is amended by striking "certain dispositions of".

(d) ANTI-ABUSE RULES.—The Secretary of the Treasury may prescribe such regulations or other administrative guidance as may be necessary or appropriate to prevent the avoidance of the purposes of section 170(e)(1)(B)(iii) of the Internal Revenue Code of 1986 (as added by subsection (a)), including preventing—

(1) the circumvention of the reduction of the charitable deduction by embedding or bundling the patent or similar property as part of a charitable contribution of property that includes the patent or similar property,

(2) the manipulation of the basis of the property to increase the amount of the charitable deduction through the use of related persons, pass-thru entities, or other intermediaries, or through the use of any provision of law or regulation (including the consolidated return regulations), and

(3) a donor from changing the form of the patent or similar property to property of a form for which different deduction rules would apply.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after October 1, 2003.

SEC. 496. REPEAL OF 10-PERCENT REHABILITATION TAX CREDIT.

Section 47 is amended by adding at the end the following new subsection:

"(e) TERMINATION.—This section shall not apply to expenditures described in subsection (a)(1) incurred in taxable years beginning after December 31, 2003.".

SEC. 497. INCREASE IN AGE OF MINOR CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Section 1(g)(2)(A) (relating to child to whom subsection applies) is amended by striking "age 14" and inserting "age 18".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 498. HOLDING PERIOD FOR PREFERRED STOCK.

(a) IN GENERAL.—Section 1(h)(11)(B)(iii)(I) is amended to read as follows:

"(I) with respect to which the holding period requirements of section 246(c) are not met, determined by substituting '60 days' for '45' days each place it appears, by substituting '120-day' for '90-day' each place it appears, and by substituting '120 days' for '90 days' and '240-day' for '180-day' in paragraph (2)."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE V—PROTECTION OF UNITED STATES WORKERS FROM COMPETITION OF FOREIGN WORKFORCES

SEC. 501. LIMITATIONS ON OFF-SHORE PERFORMANCE OF CONTRACTS.

(a) LIMITATIONS.—

(1) IN GENERAL.—The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by adding at the end the following new section:

"SEC. 42. LIMITATIONS ON OFF-SHORE PERFORMANCE OF CONTRACTS.

"(a) CONVERSIONS TO CONTRACTOR PERFORMANCE OF FEDERAL ACTIVITIES.—An activity or function of an executive agency that is converted to contractor performance under Office of Management and Budget Circular A–76 may not be performed by the contractor or any subcontractor at a location outside the United States except to the extent that such activity or function was previously performed by Federal Government employees outside the United States.

"(b) OTHER FEDERAL CONTRACTS.—(1) A contract that is entered into by the head of an executive agency may not be performed outside the United States except to meet a requirement of the executive agency for the contract to be performed specifically at a location outside the United States.

"(2) The prohibition in paragraph (1) does not apply in the case of a contract of an executive agency if—

"(A) the President determines in writing that it is necessary in the national security interests of the United States for the contract to be performed outside the United States; or

"(B) the head of such executive agency makes a determination and reports such determination on a timely basis to the Director of the Office of Management and Budget that—

"(i) the property or services needed by the executive agency are available only by means of performance of the contract outside the United States; and

"(ii) no property or services available by means of performance of the contract inside the United States would satisfy the executive agency's need.

"(3) Paragraph (1) does not apply to the performance of a contract outside the United States under the exception provided in subsection (a).

"(c) STATE CONTRACTS.—(1) Except as provided in paragraph (2), funds appropriated for financial assistance for a State may not be disbursed to or for such State during a fiscal year unless the chief executive of that State has transmitted to the Administrator for Federal Procurement Policy, not later than April 1 of the preceding fiscal year, a written certification that none of such funds will be expended for the performance outside the United States of contracts entered into by such State.

"(2) The prohibition on disbursement of funds to or for a State under paragraph (1) does not apply with respect to the performance of a State contract outside the United States if—

"(A) the chief executive of such State—

"(i) determines that the property or services needed by the State are available only by means of performance of the contract outside the United States and no property or services available by means of performance of the contract inside the United States would satisfy the State's need; and

"(ii) transmits a notification of such determination to the head of the executive agency of the United States that administers the authority under which such funds are disbursed to or for the State; and

"(B) the head of the executive agency receiving the notification of such determination—

"(i) confirms that the facts warrant the determination;

"(ii) approves the determination; and

"(iii) transmits a notification of the approval of the determination to the Director of the Office of Management and Budget.

"(3) In this subsection, the term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(d) Subsections (b) and (c) shall not apply to procurement covered by the World Trade Organization Government Procurement Agreement.

"(e) NATIONAL SECURITY EXEMPTION.—Subsection (b) shall not apply to any procurement for national security purposes entered into by—

"(1) the Department of Defense or any agency or entity thereof;

"(2) the Department of the Army, the Department of the Navy, the Department of the Air Force, or any agency or entity of any of the military departments;

"(3) the Department of Homeland Security;

"(4) the Department of Energy or any agency or entity thereof, with respect to the national security programs of that Department; or

"(5) any element of the intelligence community.

"(f) RESPONSIBILITIES OF OMB.—The Director of the Office of Management and Budget shall—

"(1) maintain—

"(A) the waivers granted under subsection (b)(2), together with the determinations and certifications on which such waivers were based; and

"(B) the notifications received under subsection (c)(2)(B)(iii); and

"(2) submit to Congress promptly after the end of each quarter of each fiscal year a report that sets forth—

"(A) the waivers that were granted under subsection (b)(2) during such quarter; and

"(B) the notifications that were received under subsection (c)(2)(B)(iii) during such quarter.

"(g) ANNUAL GAO REVIEW.—The Comptroller General shall—

"(1) review, each fiscal year, the waivers granted during such fiscal year under subsection (b)(2) and the disbursements of funds authorized pursuant to the exceptions in subsections (c)(2) and (e); and

"(2) promptly after the end of such fiscal year, transmit to Congress a report containing a list of the contracts covered by such waivers and exception together with a brief description of the performance of each such contract to the maximum extent feasible outside the United States.".

(2) CLERICAL AMENDMENT.—The table of sections in section 1(b) of such Act is amended by adding at the end the following new item:

"Sec. 42. Limitations on off-shore performance of contracts.".

(b) Inapplicability to States During First Two Fiscal Years.—Section 42(c) of the Office of Federal Procurement Policy Act (as added by subsection (a)) shall not apply to disbursements of funds to a State during the fiscal year in which this Act is enacted and the next fiscal year.

SEC. 502. REPEAL OF SUPERSEDED LAW.

Section 647 of the Transportation, Treasury, and Independent Agencies Appropriations Act, 2004 (division F of Public Law 108–199) is amended by striking subsection (e).

SEC. 503. EFFECTIVE DATE AND APPLICABILITY.

(a) In General.—This title and the amendments made by this title shall take effect 30 days after the Secretary of Commerce certifies that the amendments made by this title will not result in the loss of more jobs than it will protect and will not cause harm to the United States economy. The initial certification shall be made by the Secretary of Commerce no later than 90 days after the enactment of this Act. Such certification must be renewed on or before January 1 of each year in order for the amendments made by this title to be in effect for that year.

(b) Consistency With International Agreements.—The provisions of this title shall not apply to the extent that they may be inconsistent with obligations under international agreements. Within 90 days of this legislation, the Office of Management and Budget, in consultation with the Office of the United States Trade Representative, shall develop guidelines for the implementation of this provision.

TITLE VI—OTHER PROVISIONS

Subtitle A—Provisions Relating to Housing

SEC. 601. TREATMENT OF QUALIFIED MORTGAGE BONDS.

(a) Year Holiday.—Section 143(a)(2)(iv) of the Internal Revenue Code of 1986 shall not apply to amounts received during the 1-year period beginning on the date of the enactment of this Act with respect to any bond outstanding on such date.

(b) Repeal of Required Use of Certain Principal Repayments on Mortgage Subsidy Bond Financings To Redeem Bonds.—

(1) In general.—Subparagraph (A) of section 143(a)(2) (defining qualified mortgage issue) is amended by adding "and" at the end of clause (ii), by striking ", and" at the end of clause (iii) and inserting a period, and by striking clause (iv) and the last sentence.

(2) Conforming amendment.—Clause (ii) of section 143(a)(2)(D) is amended by striking "(and clause (iv) of subparagraph (A))".

(3) Effective date.—The amendments made by this subsection shall apply to bonds issued after the date of the enactment of this Act.

SEC. 602. PREMIUMS FOR MORTGAGE INSURANCE.

(a) In General.—Paragraph (3) of section 163(h) (relating to qualified residence interest) is amended by adding after subparagraph (D) the following new subparagraph:

"(E) Mortgage insurance premiums treated as interest.—

"(i) In general.—Premiums paid or accrued for qualified mortgage insurance by a taxpayer during the taxable year in connection with acquisition indebtedness with respect to a qualified residence of the taxpayer shall be treated for purposes of this subsection as qualified residence interest.

"(ii) Phaseout.—The amount otherwise allowable as a deduction under clause (i) shall be reduced (but not below zero) by 10 percent of such amount for each $1,000 ($500 in the case of a married individual filing a separate return) (or fraction thereof) that the taxpayer's adjusted gross income for the taxable year exceeds $100,000 ($50,000 in the case of a married individual filing a separate return).".

(b) Definition and Special Rules.—Paragraph (4) of section 163(h) (relating to other definitions and special rules) is amended by adding at the end the following new subparagraphs:

"(E) Qualified mortgage insurance.—The term 'qualified mortgage insurance' means—

"(i) mortgage insurance provided by the Home Loan Guaranty Program of the Department of Veterans Affairs, the Federal Housing Administration, or the Rural Housing Administration, and

"(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901), as in effect on the date of the enactment of this subparagraph).

"(F) Special rules for prepaid qualified mortgage insurance.—Any amount paid by the taxpayer for qualified mortgage insurance that is properly allocable to any mortgage the payment of which extends to periods that are after the close of the taxable year in which such amount is paid shall be chargeable to capital account and shall be treated as paid in such periods to which so allocated. No deduction shall be allowed for the unamortized balance of such account if such mortgage is satisfied before the end of its term. The preceding sentences shall not apply to amounts paid for qualified mortgage insurance provided by the Department of Veterans Affairs or the Rural Housing Administration.".

(c) Information Returns Relating to Mortgage Insurance.—Section 6050H (relating to returns relating to mortgage interest received in trade or business from individuals) is amended by adding at the end the following new subsection:

"(h) Returns Relating to Mortgage Insurance Premiums.—

"(1) In general.—The Secretary may prescribe, by regulations, that any person who, in the course of a trade or business, receives from any individual premiums for mortgage insurance aggregating $600 or more for any calendar year, shall make a return with respect to each such individual. Such return shall be in such form, shall be made at such time, and shall contain such information as the Secretary may prescribe.

"(2) Statement to be furnished to individuals with respect to whom information is required.—Every person required to make a return under paragraph (1) shall furnish to each individual with respect to whom a return is made a written statement showing such information as the Secretary may prescribe. Such written statement shall be furnished on or before January 31 of the year following the calendar year for which the return under paragraph (1) was required to be made.

"(3) Special rules.—For purposes of this subsection—

"(A) rules similar to the rules of subsection (c) shall apply, and

"(B) the term 'mortgage insurance' means—

"(i) the Home Loan Guaranty Program of the Department of Veterans Affairs, and mortgage insurance provided by the Federal Housing Administration or the Rural Housing Administration, and

"(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901), as in effect on the date of the enactment of this subparagraph).".

(d) Effective Date.—The amendments made by this section shall apply to amounts paid or accrued in taxable years beginning after December 31, 2004, and ending before January 1, 2006.

SEC. 603. INCREASE IN HISTORIC REHABILITATION CREDIT FOR CERTAIN LOW-INCOME HOUSING FOR THE ELDERLY.

(a) In General.—Section 47 (relating to rehabilitation credit) is amended by adding at the end the following new subsection:

"(e) Special Rule Regarding Certain Historic Structures.—In the case of any qualified rehabilitation expenditure with respect to any certified historic structure—

"(1) which is placed in service after the date of the enactment of this subsection,

"(2) which is part of a qualified low-income building with respect to which a credit under section 42 is allowed, and

"(3) substantially all of the residential rental units of which are used for tenants who have attained the age of 65,

subsection (a)(2) shall be applied by substituting '25 percent' for '20 percent'.".

(b) Application of MACRS.—The Internal Revenue Code of 1986 shall be applied and administered as if paragraph (4)(X) of section 251(d) of the Tax Reform Act of 1986 as applied to the amendments made by section 201 of such Act had not been enacted with respect to any property described in such paragraph and placed in service after the date of the enactment of this Act.

(c) Effective Date.—The amendment made by subsection (a) shall apply to property placed in service after the date of the enactment of this Act.

Subtitle B—Provisions Relating to Bonds

SEC. 611. EXPANSION OF NEW YORK LIBERTY ZONE TAX BENEFITS.

(a) Additional Extension of Tax-Exempt Bond Financing.—Section 1400L(d)(2)(D), as amended by this Act, is amended by striking "2006" and inserting "2010".

(b) Extension of Advance Refundings.—Section 1400L(e)(1) is amended by striking "2005" and inserting "2006".

SEC. 612. MODIFICATIONS OF TREATMENT OF QUALIFIED ZONE ACADEMY BONDS.

(a) Proceeds of Bonds May Be Used for Construction and Land Acquisition.—Paragraph (5) of section 1397E(d) (defining qualified purpose) is amended—

(1) by striking "rehabilitating or repairing" in subparagraph (A) and inserting "constructing, rehabilitating, or repairing", and

(2) by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following:

"(B) acquiring the land on which the facility is to be constructed,".

(b) Effective Date.—The amendments made by this section shall apply to obligations issued after December 31, 2003.

SEC. 613. MODIFICATIONS OF AUTHORITY OF INDIAN TRIBAL GOVERNMENTS TO ISSUE TAX-EXEMPT BONDS.

(a) In General.—Paragraph (1) of section 7871(c) (relating to Indian tribal governments treated as States for certain purposes) is amended to read as follows:

"(1) In general.—Subsection (a) of section 103 shall apply to any obligation issued by an Indian tribal government (or subdivision thereof) only if—

"(A) such obligation—

"(i) is part of an issue 95 percent or more of the net proceeds of which are to be used to finance any facility located on an Indian reservation, and "(ii) is issued before January 1, 2006, or

"(B) such obligation is part of an issue substantially all of the proceeds of which are to be used in the exercise of any essential governmental function.".

(b) SPECIAL RULES AND DEFINITIONS.—Subsection (c) of section 7871 is amended by inserting at the end the following new paragraph:

"(4) SPECIAL RULES AND DEFINITIONS.—

"(A) EXCLUSION OF GAMING.—An obligation described in subparagraph (A) or (B) of paragraph (1) may not be used to finance any portion of a building in which class II or III gaming (as defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2702)) is conducted or housed.

"(B) INDIAN RESERVATION.—For purposes of paragraph (1), the term 'Indian reservation' means—

"(i) a reservation, as defined in section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)), and

"(ii) lands held under the provisions of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) by a Native corporation as defined in section 3(m) of such Act (43 U.S.C. 1602(m)).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 614. DEFINITION OF MANUFACTURING FACILITY FOR SMALL ISSUE BONDS.

(a) IN GENERAL.—Section 144(a)(12) (relating to termination dates) is amended by striking subparagraph (C) and inserting the following new subparagraphs:

"(C) MANUFACTURING FACILITY.—For purposes of this paragraph, the term 'manufacturing facility' means any facility which is used in—

"(i) the manufacture of tangible personal property (including processing which results in a change in the condition of such property),

"(ii) the manufacture or development of any software product or process if—

"(I) it takes more than 6 months to manufacture or develop such product,

"(II) the manufacture or development could not with due diligence be reasonably expected to occur in less than 6 months, and

"(III) the software product or process comprises programs, routines, and attendant documentation developed and maintained for use in computer and telecommunications technology, or

"(iii) the manufacture or development of any biobased product or bioenergy if—

"(I) it takes more than 6 months to manufacture or develop, and

"(II) the manufacture or development could not with due diligence be reasonably expected to occur in less than 6 months.

"(D) RELATED FACILITIES.—For purposes of subparagraph (C), the term 'manufacturing facility' includes a facility which is directly and functionally related to a manufacturing facility (determined without regard to subparagraph (C)) if—

"(i) such facility, including an office facility and a research and development facility, is located on the same site as the manufacturing facility, and

"(ii) not more than 40 percent of the net proceeds of the issue are used to provide such facility.

"(E) OTHER DEFINITIONS.—For purposes of subparagraph (C)(iii)—

"(i) BIOBASED PRODUCT.—The term 'biobased product' means a commercial or industrial product (other than food or feed) which utilizes biological products or renewable domestic agricultural (plant, animal, and marine) or forestry materials.

"(ii) BIOENERGY.—The term 'bioenergy' means biomass used in the production of energy, including liquid, solid, or gaseous fuels, electricity, and heat.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 615. CONSERVATION BONDS.

(a) TAX-EXEMPT BOND FINANCING.—

(1) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, any qualified forest conservation bond shall be treated as an exempt facility bond under section 142 of such Code.

(2) QUALIFIED FOREST CONSERVATION BOND.—For purposes of this section, the term "qualified forest conservation bond" means any bond issued as part of an issue if—

(A) 95 percent or more of the net proceeds (as defined in section 150(a)(3) of such Code) of such issue are to be used for qualified project costs,

(B) such bond is issued for a qualified organization, and

(C) such bond is issued before December 31, 2006.

(3) LIMITATION ON AGGREGATE AMOUNT ISSUED.—

(A) IN GENERAL.—The maximum aggregate face amount of bonds which may be issued under this subsection shall not exceed $1,500,000,000 for all projects (excluding refunding bonds).

(B) ALLOCATION OF LIMITATION.—The limitation described in subparagraph (A) shall be allocated by the Secretary of the Treasury among qualified organizations based on criteria established by the Secretary not later than 180 days after the date of the enactment of this section, after consultation with the Chief of the Forest Service.

(4) QUALIFIED PROJECT COSTS.—For purposes of this subsection, the term "qualified project costs" means the sum of—

(A) the cost of acquisition by the qualified organization from an unrelated person of forests and forest land which at the time of acquisition or immediately thereafter are subject to a conservation restriction described in subsection (c)(2),

(B) capitalized interest on the qualified forest conservation bonds for the 3-year period beginning on the date of issuance of such bonds, and

(C) credit enhancement fees which constitute qualified guarantee fees (within the meaning of section 148 of such Code).

(5) SPECIAL RULES.—In applying the Internal Revenue Code of 1986 to any qualified forest conservation bond, the following modifications shall apply:

(A) Section 146 of such Code (relating to volume cap) shall not apply.

(B) For purposes of section 147(b) of such Code (relating to maturity may not exceed 120 percent of economic life), the land and standing timber acquired with proceeds of qualified forest conservation bonds shall have an economic life of 35 years.

(C) Subsections (c) and (d) of section 147 of such Code (relating to limitations on acquisition of land and existing property) shall not apply.

(D) Section 57(a)(5) of such Code (relating to tax-exempt interest) shall not apply to interest on qualified forest conservation bonds.

(6) TREATMENT OF CURRENT REFUNDING BONDS.—Paragraphs (2)(C) and (3) shall not apply to any bond (or series of bonds) issued to refund a qualified forest conservation bond issued before December 31, 2006, if—

(A) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

(B) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

(C) the net proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the issuance of the refunding bond.

For purposes of subparagraph (A), average maturity shall be determined in accordance with section 147(b)(2)(A) of such Code.

(7) EFFECTIVE DATE.—This subsection shall apply to obligations issued on or after the date which is 180 days after the enactment of this Act.

(b) ITEMS FROM QUALIFIED HARVESTING ACTIVITIES NOT SUBJECT TO TAX OR TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Income, gains, deductions, losses, or credits from a qualified harvesting activity conducted by a qualified organization shall not be subject to tax or taken into account under subtitle A of the Internal Revenue Code of 1986.

(2) LIMITATION.—The amount of income excluded from gross income under paragraph (1) for any taxable year shall not exceed the amount used by the qualified organization to make debt service payments during such taxable year for qualified forest conservation bonds.

(3) QUALIFIED HARVESTING ACTIVITY.—For purposes of paragraph (1)—

(A) IN GENERAL.—The term "qualified harvesting activity" means the sale, lease, or harvesting, of standing timber—

(i) on land owned by a qualified organization which was acquired with proceeds of qualified forest conservation bonds,

(ii) with respect to which a written acknowledgement has been obtained by the qualified organization from the State or local governments with jurisdiction over such land that the acquisition lessens the burdens of such government with respect to such land, and

(iii) pursuant to a qualified conservation plan adopted by the qualified organization.

(B) EXCEPTIONS.—

(i) CESSATION AS QUALIFIED ORGANIZATION.—The term "qualified harvesting activity" shall not include any sale, lease, or harvesting for any period during which the organization ceases to qualify as a qualified organization.

(ii) EXCEEDING LIMITS ON HARVESTING.—The term "qualified harvesting activity" shall not include any sale, lease, or harvesting of standing timber on land acquired with proceeds of qualified forest conservation bonds to the extent that—

(I) the average annual area of timber harvested from such land exceeds 2.5 percent of the total area of such land or,

(II) the quantity of timber removed from such land exceeds the quantity which can be removed from such land annually in perpetuity on a sustained-yield basis with respect to such land.

The limitations under subclauses (I) and (II) shall not apply to post-fire restoration and rehabilitation or sanitation harvesting of timber stands which are substantially damaged by fire, windthrow, or other catastrophes, or which are in imminent danger from insect or disease attack.

(4) TERMINATION.—This subsection shall not apply to any qualified harvesting activity of a qualified organization occurring after the date on which there is no outstanding qualified forest conservation bond

with respect to such qualified organization or any such bond ceases to be a tax-exempt bond.

(5) PARTIAL RECAPTURE OF BENEFITS IF HARVESTING LIMIT EXCEEDED.—If, as of the date that this subsection ceases to apply under paragraph (3), the average annual area of timber harvested from the land exceeds the requirement of paragraph (3)(B)(ii)(I), the tax imposed by chapter 1 of the Internal Revenue Code of 1986 shall be increased, under rules prescribed by the Secretary of the Treasury, by the sum of the tax benefits attributable to such excess and interest at the underpayment rate under section 6621 of such Code for the period of the underpayment.

(c) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED CONSERVATION PLAN.—The term "qualified conservation plan" means a multiple land use program or plan which—

(A) is designed and administered primarily for the purposes of protecting and enhancing wildlife and fish, timber, scenic attributes, recreation, and soil and water quality of the forest and forest land,

(B) mandates that conservation of forest and forest land is the single-most significant use of the forest and forest land, and

(C) requires that timber harvesting be consistent with—

(i) restoring and maintaining reference conditions for the region's ecotype,

(ii) restoring and maintaining a representative sample of young, mid, and late successional forest age classes,

(iii) maintaining or restoring the resources' ecological health for purposes of preventing damage from fire, insect, or disease,

(iv) maintaining or enhancing wildlife or fish habitat, or

(v) enhancing research opportunities in sustainable renewable resource uses.

(2) CONSERVATION RESTRICTION.—The conservation restriction described in this paragraph is a restriction which—

(A) is granted in perpetuity to an unrelated person which is described in section 170(h)(3) of such Code and which, in the case of a nongovernmental unit, is organized and operated for conservation purposes,

(B) meets the requirements of clause (ii) or (iii)(II) of section 170(h)(4)(A) of such Code,

(C) obligates the qualified organization to pay the costs incurred by the holder of the conservation restriction in monitoring compliance with such restriction, and

(D) requires an increasing level of conservation benefits to be provided whenever circumstances allow it.

(3) QUALIFIED ORGANIZATION.—The term "qualified organization" means an organization—

(A) which is a nonprofit organization substantially all the activities of which are charitable, scientific, or educational, including acquiring, protecting, restoring, managing, and developing forest lands and other renewable resources for the long-term charitable, educational, scientific and public benefit,

(B) more than half of the value of the property of which consists of forests and forest land acquired with the proceeds from qualified forest conservation bonds,

(C) which periodically conducts educational programs designed to inform the public of environmentally sensitive forestry management and conservation techniques,

(D) which has at all times a board of directors—

(i) at least 20 percent of the members of which represent the holders of the conservation restriction described in paragraph (2),

(ii) at least 20 percent of the members of which are public officials, and

(iii) not more than one-third of the members of which are individuals who are or were at any time within 5 years before the beginning of a term of membership on the board, an employee of, independent contractor with respect to, officer of, director of, or held a material financial interest in, a commercial forest products enterprise with which the qualified organization has a contractual or other financial arrangement,

(E) the bylaws of which require at least two-thirds of the members of the board of directors to vote affirmatively to approve the qualified conservation plan and any change thereto, and

(F) upon dissolution, is required to dedicate its assets to—

(i) an organization described in section 501(c)(3) of such Code which is organized and operated for conservation purposes, or

(ii) a governmental unit described in section 170(c)(1) of such Code.

(4) UNRELATED PERSON.—The term "unrelated person" means a person who is not a related person.

(5) RELATED PERSON.—A person shall be treated as related to another person if—

(A) such person bears a relationship to such other person described in section 267(b) (determined without regard to paragraph (9) thereof), or 707(b)(1), of such Code, determined by substituting "25 percent" for "50 percent" each place it appears therein, and

(B) in the case such other person is a nonprofit organization, if such person controls directly or indirectly more than 25 percent of the governing body of such organization.

Subtitle C—Provisions Relating to Depreciation

SEC. 621. SPECIAL PLACED IN SERVICE RULE FOR BONUS DEPRECIATION PROPERTY.

(a) IN GENERAL.—Section 168(k)(2)(D) (relating to special rules) is amended by adding at the end the following new clause:

"(iii) SYNDICATION.—For purposes of subparagraph (A)(ii), if—

"(I) property is originally placed in service after September 10, 2001, by the lessor of such property,

"(II) such property is sold by such lessor or any subsequent purchaser within 3 months after the date so placed in service (or, in the case of multiple units of property subject to the same lease, within 3 months after the date the final unit is placed in service, so long as the period between the time the first unit is placed in service and the time the last unit is placed in service does not exceed 12 months), and

"(III) the user of such property after the last sale during such 3-month period remains the same as when such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date of such last sale, so long as no previous owner of such property elects the application of this subsection with respect to such property.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales after the date of the enactment of this Act.

SEC. 622. MODIFICATION OF DEPRECIATION ALLOWANCE FOR AIRCRAFT.

(a) AIRCRAFT TREATED AS QUALIFIED PROPERTY.—

(1) IN GENERAL.—Paragraph (2) of section 168(k) is amended by redesignating subparagraphs (C) through (F) as subparagraphs (D) through (G), respectively, and by inserting after subparagraph (B) the following new subparagraph:

"(C) CERTAIN AIRCRAFT.—The term 'qualified property' includes property—

"(i) which meets the requirements of clauses (ii) and (iii) of subparagraph (A),

"(ii) which is an aircraft which is not a transportation property (as defined in subparagraph (B)(iii)) other than for agricultural or firefighting purposes,

"(iii) which is purchased and on which such purchaser, at the time of the contract for purchase, has made a nonrefundable deposit of the lesser of—

"(I) 10 percent of the cost, or

"(II) $100,000, and

"(iv) which has—

"(I) an estimated production period exceeding 4 months, and

"(II) a cost exceeding $200,000.".

(2) PLACED IN SERVICE DATE.—Clause (iv) of section 168(k)(2)(A) is amended by striking "subparagraph (B)" and inserting "subparagraphs (B) and (C)".

(b) CONFORMING AMENDMENTS.—

(1) Section 168(k)(2)(B) is amended by adding at the end the following new clause:

"(iv) APPLICATION OF SUBPARAGRAPH.—This subparagraph shall not apply to any property which is described in subparagraph (C).".

(2) Section 168(k)(4)(A)(ii) is amended by striking "paragraph (2)(C)" and inserting "paragraph (2)(D)".

(3) Section 168(k)(4)(B)(iii) is amended by inserting "and paragraph (2)(C)" after "of this paragraph)".

(4) Section 168(k)(4)(C) is amended by striking "subparagraphs (B) and (D)" and inserting "subparagraphs (B), (C), and (E)".

(5) Section 168(k)(4)(D) is amended by striking "Paragraph (2)(E)" and inserting "Paragraph (2)(F)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 623. MODIFICATION OF CLASS LIFE FOR CERTAIN TRACK FACILITIES.

(a) 7-YEAR PROPERTY.—Subparagraph (C) of section 168(e)(3) (relating to classification of certain property) is amended by redesignating clause (ii) as clause (iii) and by inserting after clause (i) the following new clause:

"(ii) any motorsports entertainment complex, and".

(b) DEFINITION.—Section 168(i) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(15) MOTORSPORTS ENTERTAINMENT COMPLEX.—

"(A) IN GENERAL.—The term 'motorsports entertainment complex' means a racing track facility that is permanently situated on land and which during the applicable period is scheduled to host one or more racing events for automobiles (of any type), trucks, or motorcycles that are open to the public for the price of admission.

"(B) ANCILLARY AND SUPPORT FACILITIES.—Such term shall include, if owned by the complex and provided for the benefit of patrons of the complex—

"(i) ancillary grounds and facilities and land improvements in support of the complex's activities (including parking lots, sidewalks, waterways, bridges, fences, and landscaping),

"(ii) support facilities (including food and beverage retailing, souvenir vending, and other nonlodging accommodations), and "(iii) appurtenances associated with such facilities and related attractions and amusements (including ticket booths, race track surfaces, suites and hospitality facilities, grandstands and viewing structures, props, walls, facilities that support the delivery of entertainment services, other special purpose structures, facades, shop interiors, and buildings).

"(C) EXCEPTION.—Such term shall not include any transportation equipment, administrative services assets, warehouses, administrative buildings, hotels, or motels.

"(D) APPLICABLE PERIOD.—For purposes of subparagraph (A), the term 'applicable period' means the period ending the later of the last day of—

"(i) the 24 month period following the first day of the month in which the asset is or was placed in service, or

"(ii) the 24 month period ending December 31, 2003, to the extent that the asset remains in service during such period.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to any property placed in service after the date of the enactment of this Act.

(2) NO INFERENCE.—Nothing in the amendments made by this section shall be construed to affect the treatment of expenses incurred on or before the date of the enactment of this Act.

SEC. 624. MINIMUM TAX RELIEF FOR CERTAIN TAXPAYERS.

(a) ELECTION TO INCREASE MINIMUM TAX CREDIT LIMITATION IN LIEU OF BONUS DEPRECIATION.—

(1) IN GENERAL.—Section 53 (relating to credit for prior year minimum tax liability) is amended by adding at the end the following new subsection:

"(e) ADDITIONAL CREDIT IN LIEU OF BONUS DEPRECIATION.—

"(1) IN GENERAL.—In the case of a corporation making an election under this subsection for a taxable year, the limitation under subsection (c) shall be increased by an amount equal to 50 percent of the bonus depreciation amount.

"(2) BONUS DEPRECIATION AMOUNT.—For purposes of paragraph (1), the bonus depreciation amount for any taxable year is an amount (not in excess of $10,000,000) equal to the product of—

"(A) 30 percent, and

"(B) the excess (if any) of—

"(i) the aggregate amount of depreciation which would be determined under section 168 for property placed in service during such taxable year if no election under this subsection were made, over

"(ii) the aggregate allowance for depreciation allowable with respect to such property placed in service for such taxable year.

"(3) AGGREGATION RULE.—All members of the same controlled group of corporations shall be treated as 1 corporation for purposes of this subsection.

"(4) ELECTION.—Sections 168(k) (other than paragraph (2)(F) thereof) shall not apply to any property placed in service during a taxable year by a corporation making an election under this subsection for such taxable year. An election under this subsection may only be revoked with the consent of the Secretary.

"(5) CREDIT REFUNDABLE.—The aggregate increase in the credit allowed by this section for any taxable year by reason of this subsection shall for purposes of this title (other than subsection (b)(2) of this section) be treated as a credit allowed to the taxpayer under subpart C.".

(2) CONFORMING AMENDMENTS.—Subsection (k) of section 168 is amended by adding at the end the following new paragraph:

"(5) CROSS REFERENCE.—For an election to claim certain minimum tax credits in lieu of the allowance determined under this subsection, see section 53(e).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after December 31, 2003.

(b) USE OF GENERAL BUSINESS CREDITS AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 38(c) (relating to limitations based on amount of tax) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) SPECIAL RULE FOR 2004.—Notwithstanding the preceding provisions of this paragraph, in the case of any taxable year beginning in 2004, the credit allowed under subsection (a) shall not exceed the greater of—

"(A) the amount determined under this subsection without regard to this paragraph, or

"(B) 50 percent of the lesser of—

"(i) the amount which would be determined under this subsection if the tentative minimum tax were treated as being zero in applying paragraph (1) to such credit, or

"(ii) the amount of the current year business credit.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning in 2004.

Subtitle D—Expansion of Business Credit

SEC. 631. NEW MARKETS TAX CREDIT FOR NATIVE AMERICAN RESERVATIONS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by redesignating sections 45E and 45F as sections 45F and 45G, respectively, and by inserting after section 45E the following new section:

"SEC. 45D. NEW MARKETS TAX CREDIT FOR NATIVE AMERICAN RESERVATIONS.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—For purposes of section 38, in the case of a taxpayer who holds a qualified equity investment on a credit allowance date of such investment which occurs during the taxable year, the Native American new markets tax credit determined under this section for such taxable year is an amount equal to the applicable percentage of the amount paid to the reservation development entity for such investment at its original issue.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is—

"(A) 5 percent with respect to the first 3 credit allowance dates, and

"(B) 6 percent with respect to the remainder of the credit allowance dates.

"(3) CREDIT ALLOWANCE DATE.—For purposes of paragraph (1), the term 'credit allowance date' means, with respect to any qualified equity investment—

"(A) the date on which such investment is initially made, and

"(B) each of the 6 anniversary dates of such date thereafter.

"(b) QUALIFIED EQUITY INVESTMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified equity investment' means any equity investment in a reservation development entity if—

"(A) such investment is acquired by the taxpayer at its original issue (directly or through an underwriter) solely in exchange for cash,

"(B) substantially all of such cash is used by the reservation development entity to make qualified low-income reservation investments, and

"(C) such investment is designated for purposes of this section by the reservation development entity.

Such term shall not include any equity investment issued by a reservation development entity more than 5 years after the date that such entity receives an allocation under subsection (f). Any allocation not used within such 5-year period may be reallocated by the Secretary under subsection (f).

"(2) LIMITATION.—The maximum amount of equity investments issued by a reservation development entity which may be designated under paragraph (1)(C) by such entity shall not exceed the portion of the limitation amount allocated under subsection (f) to such entity.

"(3) SAFE HARBOR FOR DETERMINING USE OF CASH.—The requirement of paragraph (1)(B) shall be treated as met if at least 85 percent of the aggregate gross assets of the reservation development entity are invested in qualified low-income reservation investments.

"(4) TREATMENT OF SUBSEQUENT PURCHASERS.—The term 'qualified equity investment' includes any equity investment which would (but for paragraph (1)(A)) be a qualified equity investment in the hands of the taxpayer if such investment was a qualified equity investment in the hands of a prior holder.

"(5) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this subsection.

"(6) EQUITY INVESTMENT.—The term 'equity investment' means—

"(A) any stock (other than nonqualified preferred stock as defined in section 351(g)(2)) in an entity which is a corporation, and

"(B) any capital interest in an entity which is a partnership.

"(c) RESERVATION DEVELOPMENT ENTITY.—For purposes of this section—

"(1) IN GENERAL.—The term 'reservation development entity' means any domestic corporation or partnership if—

"(A) the primary mission of the entity is serving, or providing investment capital for, low-income reservations,

"(B) the entity maintains accountability to residents of low-income reservations through their representation on any governing board of the entity or on any advisory board to the entity, and

"(C) the entity is certified by the Secretary for purposes of this section as being a reservation development entity.

"(2) EXCEPTION.—For purposes of subparagraph (C) of paragraph (1), the Secretary shall not certify an entity as a reservation development entity if such entity is also certified as a qualified community development entity under section 45D(c).

"(d) QUALIFIED LOW-INCOME RESERVATION INVESTMENTS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified low-income reservation investment' means—

"(A) any capital or equity investment in, or loan to, any qualified active low-income reservation business,

"(B) the purchase from another reservation development entity of any loan made by such entity which is a qualified low-income reservation investment,

"(C) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, low-income reservations, and

"(D) any equity investment in, or loan to, any reservation development entity.

"(2) QUALIFIED ACTIVE LOW-INCOME RESERVATION BUSINESS.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'qualified active low-income reservation business' means, with respect to any taxable year, any corporation (including a nonprofit corporation) or partnership if for such year—

"(i) at least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any low-income reservation,

"(ii) a substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any low-income reservation,

"(iii) a substantial portion of the services performed for such entity by its employees are performed in any low-income reservation,

"(iv) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

"(v) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property (as defined in section 1397C(e)).

"(B) PROPRIETORSHIP.—Such term shall include any business carried on by an individual as a proprietor if such business would meet the requirements of subparagraph (A) were it incorporated.

"(C) PORTIONS OF BUSINESS MAY BE QUALIFIED ACTIVE LOW-INCOME RESERVATION BUSINESS.—The term 'qualified active low-income reservation business' includes any trades or businesses which would qualify as a qualified active low-income reservation business if such trades or businesses were separately incorporated.

"(3) QUALIFIED BUSINESS.—For purposes of this subsection, the term 'qualified business' has the meaning given to such term by section 45D(d)(3).

"(e) LOW-INCOME RESERVATION.—For purposes of this section, the term 'low-income reservation' means any Indian reservation (as defined in section 168(j)(6)) which has a poverty rate of at least 40 percent.

"(f) NATIONAL LIMITATION ON AMOUNT OF INVESTMENTS DESIGNATED.—

"(1) IN GENERAL.—There is a Native American new markets tax credit limitation of $50,000,000 for each of calendar years 2004 through 2007.

"(2) ALLOCATION OF LIMITATION.—The limitation under paragraph (1) shall be allocated by the Secretary among reservation development entities selected by the Secretary. In making allocations under the preceding sentence, the Secretary shall give priority to any entity—

"(A) with a record of having successfully provided capital or technical assistance to disadvantaged businesses or communities, or

"(B) which intends to satisfy the requirement under subsection (b)(1)(B) by making qualified low-income reservation investments in 1 or more businesses in which persons unrelated to such entity (within the meaning of section 267(b) or 707(b)(1)) hold the majority equity interest.

"(3) CARRYOVER OF UNUSED LIMITATION.—If the Native American new markets tax credit limitation for any calendar year exceeds the aggregate amount allocated under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess. No amount may be carried under the preceding sentence to any calendar year after 2014.

"(g) RECAPTURE OF CREDIT IN CERTAIN CASES.—

"(1) IN GENERAL.—If, at any time during the 7-year period beginning on the date of the original issue of a qualified equity investment in a reservation development entity, there is a recapture event with respect to such investment, then the tax imposed by this chapter for the taxable year in which such event occurs shall be increased by the credit recapture amount.

"(2) CREDIT RECAPTURE AMOUNT.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

"(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if no credit had been determined under this section with respect to such investment, plus

"(B) interest at the underpayment rate established under section 6621 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

"(3) RECAPTURE EVENT.—For purposes of paragraph (1), there is a recapture event with respect to an equity investment in a reservation development entity if—

"(A) such entity ceases to be a reservation development entity,

"(B) the proceeds of the investment cease to be used as required of subsection (b)(1)(B), or

"(C) such investment is redeemed by such entity.

"(4) SPECIAL RULES.—

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

"(h) BASIS REDUCTION.—The basis of any qualified equity investment shall be reduced by the amount of any credit determined under this section with respect to such investment. This subsection shall not apply for purposes of sections 1202, 1400B, and 1400F.

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations—

"(1) which limit the credit for investments which are directly or indirectly subsidized by other Federal tax benefits (including the credit under section 42 and the exclusion from gross income under section 103),

"(2) which prevent the abuse of the purposes of this section,

"(3) which provide rules for determining whether the requirement of subsection (b)(1)(B) is treated as met,

"(4) which impose appropriate reporting requirements, and

"(5) which apply the provisions of this section to newly formed entities.".

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38 is amended by redesignating paragraphs (14) and (15) as paragraphs (15) and (16), respectively, and by inserting after paragraph (13) the following new paragraph:

"(14) the Native American new markets tax credit determined under section 45E(a),".

(2) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

"(10) NO CARRYBACK OF NATIVE AMERICAN NEW MARKETS TAX CREDIT BEFORE JANUARY 1, 2004.—No portion of the unused business credit for any taxable year which is attributable to the credit under section 45E may be carried back to a taxable year ending before January 1, 2004.".

(c) DEDUCTION FOR UNUSED CREDIT.—Subsection (c) of section 196 is amended by redesignating paragraph (10) as paragraph (11), by striking "and" at the end of paragraph (9), and by inserting after paragraph (9) the following new paragraph:

"(10) the Native American new markets tax credit determined under section 45E(a), and".

(d) CONFORMING AMENDMENTS.—

(1) Section 38(b)(15), as redesignated by subsection (b)(1), is amended—

(A) by striking "45E(c)" and inserting "45F(c)", and

(B) by striking "45E(a)" and inserting "45F(a)".

(2) Section 38(b)(16), as redesignated by subsection (b)(1), is amended by striking "45F(a)" and inserting "45G(a)".

(3) Section 39(d)(11), as redesignated by subsection (b)(2), is amended by striking "section 45E" and inserting "section 45F".

(4) Section 196(c)(11), as redesignated by subsection (c), is amended by striking "45E(a)" and inserting "45F(a)".

(5) Section 1016(a)(28) is amended—

(A) by striking "under section 45F" and inserting "under section 45G", and

(B) by striking "section 45F(f)(1)" and inserting "section 45G(f)(1)".

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by striking the items relating to sections 45E and 45F and inserting the following:

"Sec. 45E. Native American new markets tax credit.
"Sec. 45F. Small employer pension plan startup costs.
"Sec. 45G. Employer-provided child care credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to investments made after December 31, 2003.

(f) GUIDANCE ON ALLOCATION OF NATIONAL LIMITATION.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Treasury or the Secretary's delegate shall issue guidance which specifies—

(1) how entities shall apply for an allocation under section 45E(f)(2) of the Internal Revenue Code of 1986, as added by this section;

(2) the competitive procedure through which such allocations are made; and

(3) the actions that such Secretary or delegate shall take to ensure that such allocations are properly made to appropriate entities.

(g) AUDIT AND REPORT.—Not later than January 31 of 2007 and 2010, the Comptroller General of the United States shall, pursuant to an audit of the Native American new markets tax credit program established under section 45E of the Internal Revenue Code of 1986 (as added by subsection (a)), report to Congress on such program, including all reservation development entities that receive an allocation under the Native American new markets credit under such section.

(f) GRANTS IN COORDINATION WITH CREDIT.—

(1) IN GENERAL.—The Secretary of the Treasury is authorized to award a grant of not more than $1,000,000 to the First Nations Oweesta Corporation.

(2) USE OF FUNDS.—The grant awarded under paragraph (1) may be used—

(A) to enhance the capacity of people living on low-income reservations (within the meaning of section 45E(e) of the Internal Revenue Code of 1986, as added by this section) to access, apply, control, create, leverage, utilize, and retain the financial benefits to such low-income reservations which are attributable to qualified low-income reservation investments (within the meaning of section 45E(d) of such Code), and

(B) to provide access to appropriate financial capital for the development of such low-income reservations.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for fiscal years 2004 through 2014 to carry out the provisions of this subsection.

SEC. 632. READY RESERVE-NATIONAL GUARD EMPLOYEE CREDIT ADDED TO GENERAL BUSINESS CREDIT.

(a) READY RESERVE-NATIONAL GUARD CREDIT.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following:

"SEC. 45H. READY RESERVE-NATIONAL GUARD EMPLOYEE CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the Ready Reserve-National Guard employee credit determined under this section for any taxable year with respect to each Ready Reserve-National Guard employee of an employer is an amount equal to 50 percent of the lesser of—

"(1) the actual compensation amount with respect to such employee for such taxable year, or

"(2) $15,000.

"(b) DEFINITION OF ACTUAL COMPENSATION AMOUNT.—For purposes of this section, the term 'actual compensation amount' means the amount of compensation paid or incurred by an employer with respect to a Ready Reserve-National Guard employee on any day when the employee was absent from employment for the purpose of performing qualified active duty.

"(c) LIMITATIONS.—

"(1) MAXIMUM PERIOD FOR CREDIT PER EMPLOYEE.—The maximum period with respect to which the credit may be allowed with respect to any Ready Reserve-National Guard employee shall not exceed the 12-month period beginning on the first day such credit is so allowed with respect to such employee.

"(2) DAYS OTHER THAN WORK DAYS.—No credit shall be allowed with respect to any day that a Ready Reserve-National Guard employee who performs qualified active duty was not scheduled to work (for reason other than to participate in qualified active duty).

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED ACTIVE DUTY.—The term 'qualified active duty' means—

"(A) active duty, other than the training duty specified in section 10147 of title 10, United States Code (relating to training requirements for the Ready Reserve), or section 502(a) of title 32, United States Code (relating to required drills and field exercises for the National Guard), in connection with which an employee is entitled to reemployment rights and other benefits or to a leave of absence from employment under chapter 43 of title 38, United States Code, and

"(B) hospitalization incident to such duty.

"(2) COMPENSATION.—The term 'compensation' means any remuneration for employment, whether in cash or in kind, which is paid or incurred by a taxpayer and which is deductible from the taxpayer's gross income under section 162(a)(1).

"(3) READY RESERVE-NATIONAL GUARD EMPLOYEE.—The term 'Ready Reserve-National Guard employee' means an employee who is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as described in sections 10142 and 10101 of title 10, United States Code.

"(4) CERTAIN RULES TO APPLY.—Rules similar to the rules of section 52 shall apply.".

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 (relating to general business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting ", plus", and by adding at the end the following:

"(17) the Ready Reserve-National Guard employee credit determined under section 45H(a).".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C(a) (relating to rule for employment credits) is amended by inserting "45H(a)," after "45A(a),".

(d) CONFORMING AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 45G the following:

"Sec. 45H. Ready Reserve-National Guard employee credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 633. RURAL INVESTMENT TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following:

"SEC. 42A. RURAL INVESTMENT CREDIT.

"(a) IN GENERAL.—For purposes of section 38, the amount of the rural investment credit determined under this section for any taxable year in the credit period shall be an amount equal to the applicable percentage of the eligible basis of each qualified rural investment building.

"(b) APPLICABLE PERCENTAGE: 70 PERCENT PRESENT VALUE CREDIT FOR NEW BUILDINGS; 30 PERCENT PRESENT VALUE CREDIT FOR EXISTING BUILDINGS.—For purposes of this section—

"(1) IN GENERAL.—The term 'applicable percentage' means the appropriate percentage prescribed by the Secretary for the earlier of—

"(A) the first month of the credit period with respect to a rural investment building, or

"(B) at the election of the taxpayer, the month in which the taxpayer and the rural investment credit agency enter into an agreement with respect to such building (which is binding on such agency, the taxpayer, and all successors in interest) as to the rural investment credit dollar amount to be allocated to such building.

A month may be elected under subparagraph (B) only if the election is made not later than the 5th day after the close of such month. Such an election, once made, shall be irrevocable.

"(2) METHOD OF PRESCRIBING PERCENTAGES.—The percentages prescribed by the Secretary for any month shall be percentages which will yield over a 10-year period amounts of credit under subsection (a) which have a present value equal to—

"(A) 70 percent of the eligible basis of a new building, and

"(B) 30 percent of the eligible basis of an existing building.

"(3) METHOD OF DISCOUNTING.—The present value under paragraph (2) shall be determined—

"(A) as of the last day of the 1st year of the 10-year period referred to in paragraph (2),

"(B) by using a discount rate equal to 72 percent of the average of the annual Federal mid-term rate and the annual Federal long-term rate applicable under section 1274(d)(1) to the month applicable under subparagraph (A) or (B) of paragraph (1) and compounded annually, and

"(C) by assuming that the credit allowable under this section for any year is received on the last day of such year.

"(c) ELIGIBLE BASIS; QUALIFIED RURAL INVESTMENT BUILDING.—For purposes of this section—

"(1) ELIGIBLE BASIS.—

"(A) IN GENERAL.—The eligible basis of any qualified rural investment building for any taxable year shall be determined under rules similar to the rules under section 42(d), except that—

"(i) the determination of the adjusted basis of any building shall be made as of the beginning of the credit period, and

"(ii) such basis shall include development costs properly attributable to such building.

"(B) DEVELOPMENT COSTS.—For purposes of subparagraph (A)(ii), the term 'development costs' includes—

"(i) site preparation costs,

"(ii) State and local impact fees,

"(iii) reasonable development costs,

"(iv) professional fees related to basis items,

"(v) construction financing costs related to basis items other than land, and

"(vi) on-site and adjacent improvements required by State and local governments.

"(2) QUALIFIED RURAL INVESTMENT BUILDING.—The term 'qualified rural investment building' means any building which is part of a qualified rural investment project at all times during the period—

"(A) beginning on the 1st day in the compliance period on which such building is part of such an investment project, and

"(B) ending on the last day of the compliance period with respect to such building.

"(d) REHABILITATION EXPENDITURES TREATED AS SEPARATE NEW BUILDING.—Rehabilitation expenditures paid or incurred by the taxpayer with respect to any building shall be treated for purposes of this section as a separate new building under the rules of section 42(e).

"(e) DEFINITION AND SPECIAL RULES RELATING TO CREDIT PERIOD.—

"(1) CREDIT PERIOD DEFINED.—For purposes of this section, the term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is first placed in service.

"(2) SPECIAL RULE FOR 1ST YEAR OF CREDIT PERIOD.—

"(A) IN GENERAL.—The credit allowable under subsection (a) with respect to any building for the 1st taxable year of the credit period shall be determined by multiplying such credit by the fraction—

"(i) the numerator of which is the number of full months of such year during which such building was in service, and

"(ii) the denominator of which is 12.

"(B) DISALLOWED 1ST YEAR CREDIT ALLOWED IN 11TH YEAR.—Any reduction by reason of subparagraph (A) in the credit allowable (without regard to subparagraph (A)) for the 1st taxable year of the credit period shall be allowable under subsection (a) for the 1st taxable year following the credit period.

"(3) CREDIT PERIOD FOR EXISTING BUILDINGS NOT TO BEGIN BEFORE REHABILITATION CREDIT ALLOWED.—The credit period for an existing building shall not begin before the 1st taxable year of the credit period for rehabilitation expenditures with respect to the building.

"(f) QUALIFIED RURAL INVESTMENT PROJECT; QUALIFYING COUNTY.—For purposes of this section—

"(1) QUALIFIED RURAL INVESTMENT PROJECT.—The term 'qualified rural investment project' means any investment project of 1 or more qualified rural investment buildings located in a qualifying county (and, if necessary to the project, any contiguous county) and selected by the State according to its qualified rural investment plan.

"(2) QUALIFYING COUNTY.—The term 'qualifying county' means any county which—

"(A) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

"(B) during the 20-year period ending with the calendar year preceding the date of the enactment of this section, has a net out-migration of inhabitants from the county of at least 10 percent of the population of the county at the beginning of such period.

"(g) LIMITATION ON AGGREGATE CREDIT ALLOWABLE WITH RESPECT TO INVESTMENT PROJECTS LOCATED IN A STATE.—

"(1) CREDIT MAY NOT EXCEED CREDIT AMOUNT ALLOCATED TO BUILDING.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the rural investment credit dollar amount allocated to such building under rules similar to the rules of section 42(h)(1).

"(2) ALLOCATED CREDIT AMOUNT TO APPLY TO ALL TAXABLE YEARS ENDING DURING OR AFTER CREDIT ALLOCATION YEAR.—Any rural investment credit dollar amount allocated to any building for any calendar year—

"(A) shall apply to such building for all taxable years in the credit period ending during or after such calendar year, and

"(B) shall reduce the aggregate rural investment credit dollar amount of the allocating agency only for such calendar year.

"(3) RURAL INVESTMENT CREDIT DOLLAR AMOUNT FOR AGENCIES.—

"(A) IN GENERAL.—The aggregate rural investment credit dollar amount which a rural investment credit agency may allocate for any calendar year is the portion of the State rural investment credit ceiling allocated under this paragraph for such calendar year to such agency.

"(B) STATE CEILING INITIALLY ALLOCATED TO STATE RURAL INVESTMENT CREDIT AGENCIES.—Except as provided in subparagraphs (D) and (E), the State rural investment credit ceiling for each calendar year shall be allocated to the rural investment credit agency of such State. If there is more than 1 rural investment credit agency of a State, all such agencies shall be treated as a single agency.

"(C) STATE RURAL INVESTMENT CREDIT CEILING.—The State rural investment credit ceiling applicable to any State and any calendar year shall be an amount equal to the sum of—

"(i) the unused State rural investment credit ceiling (if any) of such State for the preceding calendar year,

"(ii) $185,000 for each qualifying county in the State,

"(iii) the amount of State rural investment credit ceiling returned in the calendar year, plus

"(iv) the amount (if any) allocated under subparagraph (D) to such State by the Secretary.

For purposes of clause (i), the unused State rural investment credit ceiling for any calendar year is the excess (if any) of the sum of the amounts described in clauses (ii) through (iv) over the aggregate rural investment credit dollar amount allocated for such year. For purposes of clause (iii), the amount of State rural investment credit ceiling returned in the calendar year equals the rural investment credit dollar amount previously allocated within the State to any investment project which fails to meet the 10 percent test under section 42(h)(1)(E)(ii) on a date after the close of the calendar year in which the allocation was made or which does not become a qualified rural investment project within the period required by this section or the terms of the allocation or to any investment project with respect to which an allocation is canceled by mutual consent of the rural investment credit agency and the allocation recipient.

"(D) UNUSED RURAL INVESTMENT CREDIT CARRYOVERS ALLOCATED AMONG CERTAIN STATES.—

"(i) IN GENERAL.—The unused rural investment credit carryover of a State for any calendar year shall be assigned to the Secretary for allocation among qualified States for the succeeding calendar year.

"(ii) UNUSED RURAL INVESTMENT CREDIT CARRYOVER.—For purposes of this subparagraph, the unused rural investment credit carryover of a State for any calendar year is the excess (if any) of the unused State rural investment credit ceiling for such year (as defined in subparagraph (C)(i)) over the excess (if any) of—

"(I) the unused State rural investment credit ceiling for the year preceding such year, over

"(II) the aggregate rural investment credit dollar amount allocated for such year.

"(iii) FORMULA FOR ALLOCATION OF UNUSED RURAL INVESTMENT CREDIT CARRYOVERS AMONG QUALIFIED STATES.—The amount allocated under this subparagraph to a qualified State for any calendar year shall be the amount determined by the Secretary to bear the same ratio to the aggregate unused rural investment credit carryovers of all States for the preceding calendar year as such State's population for the calendar year bears to the population of all qualified States for the calendar year. For purposes of the preceding sentence, population shall be determined in accordance with section 146(j).

"(iv) QUALIFIED STATE.—For purposes of this subparagraph, the term 'qualified State' means, with respect to a calendar year, any State—

"(I) which allocated its entire State rural investment credit ceiling for the preceding calendar year, and

"(II) for which a request is made (not later than May 1 of the calendar year) to receive an allocation under clause (iii).

"(E) STATE MAY PROVIDE FOR DIFFERENT ALLOCATION.—Rules similar to the rules of section 146(e) (other than paragraph (2)(B) thereof) shall apply for purposes of this paragraph.

"(F) POPULATION.—For purposes of this paragraph, population shall be determined in accordance with section 146(j).

"(G) COST-OF-LIVING ADJUSTMENT.—

"(i) IN GENERAL.—In the case of a calendar year after 2005, the $185,000 amount in subparagraph (C) shall be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2004' for 'calendar year 1992' in subparagraph (B) thereof.

"(ii) ROUNDING.—Any increase under clause (i) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

"(4) PORTION OF STATE CEILING SET-ASIDE FOR CERTAIN INVESTMENT PROJECTS INVOLVING QUALIFIED NONPROFIT ORGANIZATIONS.—

"(A) IN GENERAL.—At least 10 percent of the State rural investment credit ceiling for any State for any calendar year shall be allocated to qualified rural investment projects described in subparagraph (B).

"(B) INVESTMENT PROJECTS INVOLVING QUALIFIED NONPROFIT ORGANIZATIONS.—For purposes of subparagraph (A), a qualified rural investment project is described in this subparagraph if a qualified nonprofit organization is to materially participate (within the meaning of section 469(h)) in the development and operation of the investment project throughout the compliance period.

"(C) QUALIFIED NONPROFIT ORGANIZATION.—For purposes of this paragraph, the term 'qualified nonprofit organization' means any organization if—

"(i) such organization is described in any paragraph of section 501(c) and is exempt from tax under section 501(a),

"(ii) such organization is determined by the State rural investment credit agency not to be affiliated with or controlled by a for-profit organization; and

"(iii) 1 of the exempt purposes of such organization includes the fostering of rural investment.

"(D) TREATMENT OF CERTAIN SUBSIDIARIES.—

"(i) IN GENERAL.—For purposes of this paragraph, a qualified nonprofit organization shall be treated as satisfying the ownership and material participation test of subparagraph (B) if any qualified corporation in which such organization holds stock satisfies such test.

"(ii) QUALIFIED CORPORATION.—For purposes of clause (i), the term 'qualified corporation' means any corporation if 100 percent of the stock of such corporation is held by 1 or more qualified nonprofit organizations at all times during the period such corporation is in existence.

"(E) STATE MAY NOT OVERRIDE SET-ASIDE.—Nothing in subparagraph (F) of paragraph (3) shall be construed to permit a State not to comply with subparagraph (A) of this paragraph.

"(F) CREDITS FOR QUALIFIED NONPROFIT ORGANIZATIONS.—

"(i) ALLOWANCE OF CREDIT.—Any credit which would be allowable under subsection (a) with respect to a qualified rural investment building of a qualified nonprofit organization if such organization were not exempt from tax under this chapter shall be treated as a credit allowable under subpart C to such organization.

"(ii) USE OF CREDIT.—A qualified nonprofit organization may assign, trade, sell, or otherwise transfer any credit allowable to such organization under subparagraph (A) to any taxpayer.

"(iii) CREDIT NOT INCOME.—A transfer under subparagraph (B) of any credit allowable under subparagraph (A) shall not result in income for purposes of section 511.

"(5) SPECIAL RULES.—

"(A) BUILDING MUST BE LOCATED WITHIN JURISDICTION OF CREDIT AGENCY.—A rural investment credit agency may allocate its aggregate rural investment credit dollar amount only to buildings located in the jurisdiction of the governmental unit of which such agency is a part.

"(B) AGENCY ALLOCATIONS IN EXCESS OF LIMIT.—If the aggregate rural investment credit dollar amounts allocated by a rural investment credit agency for any calendar year exceed the portion of the State rural investment credit ceiling allocated to such agency for such calendar year, the rural investment credit dollar amounts so allocated shall be reduced (to the extent of such excess) for buildings in the reverse of the order in which the allocations of such amounts were made.

"(C) CREDIT REDUCED IF ALLOCATED CREDIT DOLLAR AMOUNT IS LESS THAN CREDIT WHICH WOULD BE ALLOWABLE WITHOUT REGARD TO SALES CONVENTION, ETC.—

"(i) IN GENERAL.—The amount of the credit determined under this section with respect to any building shall not exceed the clause (ii) percentage of the amount of the credit which would (but for this subparagraph) be determined under this section with respect to such building.

"(ii) DETERMINATION OF PERCENTAGE.—For purposes of clause (i), the clause (ii) percentage with respect to any building is the percentage which—

"(I) the rural investment credit dollar amount allocated to such building bears to

"(II) the credit amount determined in accordance with clause (iii).

"(iii) DETERMINATION OF CREDIT AMOUNT.—The credit amount determined in accordance with this clause is the amount of the credit which would (but for this subparagraph) be determined under this section with respect to the building if this section were applied without regard to paragraph (2)(A) of subsection (e).

"(D) RURAL INVESTMENT CREDIT AGENCY TO SPECIFY APPLICABLE PERCENTAGE AND MAXIMUM ELIGIBLE BASIS.—In allocating a rural investment credit dollar amount to any building, the rural investment credit agency shall specify the applicable percentage and the maximum eligible basis which may be taken into account under this section with respect to such building. The applicable percentage and maximum eligible basis so specified shall not exceed the applicable percentage and eligible basis determined under this section without regard to this subsection.

"(6) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) RURAL INVESTMENT CREDIT AGENCY.—The term 'rural investment credit agency' means any agency authorized to carry out this subsection.

"(B) POSSESSIONS TREATED AS STATES.—The term 'State' includes a possession of the United States.

"(7) PORTION OF STATE CEILING SET-ASIDE FOR QUALIFIED RURAL SMALL BUSINESS INVESTMENT CREDITS.—Not more than 10 percent of the State rural investment credit ceiling for any State for any calendar year may be allocated to qualified rural small business investment credits under section 42B.

"(h) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) COMPLIANCE PERIOD.—The term 'compliance period' means, with respect to any building, the period of 10 taxable years beginning with the 1st taxable year of the credit period with respect thereto.

"(2) NEW BUILDING.—The term 'new building' means a building the original use of which begins with the taxpayer.

"(3) EXISTING BUILDING.—The term 'existing building' means any building which is not a new building.

"(4) APPLICATION TO ESTATES AND TRUSTS.—In the case of an estate or trust, the amount of the credit determined under subsection (a) and any increase in tax under subsection (i) shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each.

"(i) RECAPTURE OF CREDIT.—If—

"(1) as of the close of any taxable year in the compliance period, the amount of the eligible basis of any building with respect to the taxpayer is less than

"(2) the amount of such basis as of the close of the preceding taxable year,

then the taxpayer's tax under this chapter for the taxable year shall be increased by the credit recapture amount determined under rules similar to the rules of section 42(j).

"(j) CERTIFICATIONS AND OTHER REPORTS TO SECRETARY.—

"(1) CERTIFICATION WITH RESPECT TO 1ST YEAR OF CREDIT PERIOD.—Following the close of the 1st taxable year in the credit period with respect to any qualified rural investment building, the taxpayer shall certify to the Secretary (at such time and in such form and in such manner as the Secretary prescribes)—

"(A) the taxable year, and calendar year, in which such building was first placed in service,

"(B) the eligible basis of such building as of the beginning of the credit period,

"(C) the maximum applicable percentage and eligible basis permitted to be taken into account by the appropriate rural investment credit agency under subsection (g),

"(D) the election made under subsection (f) with respect to the qualified rural investment project of which such building is a part, and

"(E) such other information as the Secretary may require.

In the case of a failure to make the certification required by the preceding sentence on the date prescribed therefor, unless it is shown that such failure is due to reasonable cause and not to willful neglect, no credit shall be allowable by reason of subsection (a) with respect to such building for any taxable year ending before such certification is made.

"(2) ANNUAL REPORTS TO THE SECRETARY.—The Secretary may require taxpayers to submit an information return (at such time and in such form and manner as the Secretary prescribes) for each taxable year setting forth—

"(A) the eligible basis for the taxable year of each qualified rural investment building of the taxpayer,

"(B) the information described in paragraph (1)(C) for the taxable year, and

"(C) such other information as the Secretary may require.

The penalty under section 6652(j) shall apply to any failure to submit the return required by the Secretary under the preceding sentence on the date prescribed therefor.

"(3) ANNUAL REPORTS FROM RURAL INVESTMENT CREDIT AGENCIES.—Each agency which allocates any rural investment credit amount to any building for any calendar year shall submit to the Secretary (at such time and in such manner as the Secretary shall prescribe) an annual report specifying—

"(A) the amount of rural investment credit amount allocated to each building for such year,

"(B) sufficient information to identify each such building and the taxpayer with respect thereto, and

"(C) such other information as the Secretary may require.

The penalty under section 6652(j) shall apply to any failure to submit the report required by the preceding sentence on the date prescribed therefor.

"(k) RESPONSIBILITIES OF RURAL INVESTMENT CREDIT AGENCIES.—

"(1) PLANS FOR ALLOCATION OF CREDIT AMONG INVESTMENT PROJECTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, the rural investment credit dollar amount with respect to any building shall be zero unless—

"(i) such amount was allocated pursuant to a qualified rural investment plan of the agency which is approved by the governmental unit (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) of which such agency is a part,

"(ii) such agency notifies the chief executive officer (or the equivalent) of the local jurisdiction within which the building is located of such investment project and provides such individual a reasonable opportunity to comment on the investment project,

"(iii) a comprehensive market study of the development needs of individuals in the qualifying county to be served by the investment project is conducted before the credit allocation is made and at the developer's expense by a disinterested party who is approved by such agency, and

"(iv) a written explanation is available to the general public for any allocation of a rural investment credit dollar amount which is not made in accordance with established priorities and selection criteria of the rural investment credit agency.

"(B) QUALIFIED RURAL INVESTMENT PLAN.—For purposes of this section, the term 'qualified rural investment plan' means any plan—

"(i) which sets forth selection criteria to be used to determine priorities of the rural investment credit agency which are appropriate to qualifying counties,

"(ii) which also gives preference in allocating rural investment credit dollar amounts among selected investment projects to—

"(I) investment projects that target those small rural counties with consistently high rates of net out-migration,

"(II) investment projects that link the economic development and job creation efforts of 2 or more small rural counties with high rates of net out-migration, and

"(III) investment projects that link the economic development and job creation efforts of 1 or more small rural counties in the State with high rates of net out-migration to related efforts in regions of such State experiencing economic growth, and

"(iii) which provides a procedure that the agency (or an agent or other private contractor of such agency) will follow in monitoring for noncompliance with the provisions of this section and in notifying the Internal Revenue Service of such noncompliance which such agency becomes aware of and in monitoring for noncompliance through regular site visits.

“(C) CERTAIN SELECTION CRITERIA MUST BE USED.—The selection criteria set forth in a qualified rural investment plan must include—

“(i) investment project location,

“(ii) technology and transportation infrastructure needs, and

“(iii) private development trends.

“(2) CREDIT ALLOCATED TO BUILDING NOT TO EXCEED AMOUNT NECESSARY TO ASSURE INVESTMENT PROJECT FEASIBILITY.—

“(A) IN GENERAL.—The rural investment credit dollar amount allocated to an investment project shall not exceed the amount the rural investment credit agency determines is necessary for the financial feasibility of the investment project and its viability as a qualified rural investment project throughout the compliance period.

“(B) AGENCY EVALUATION.—In making the determination under subparagraph (A), the rural investment credit agency shall consider—

“(i) the sources and uses of funds and the total financing planned for the investment project,

“(ii) any proceeds or receipts expected to be generated by reason of tax benefits,

“(iii) the percentage of the rural investment credit dollar amount used for investment project costs other than the cost of intermediaries, and

“(iv) the reasonableness of the developmental and operational costs of the investment project.

Clause (iii) shall not be applied so as to impede the development of investment projects in hard-to-develop areas.

“(C) DETERMINATION MADE WHEN CREDIT AMOUNT APPLIED FOR AND WHEN BUILDING PLACED IN SERVICE.—

“(i) IN GENERAL.—A determination under subparagraph (A) shall be made as of each of the following times:

“(I) The application for the rural investment credit dollar amount.

“(II) The allocation of the rural investment credit dollar amount.

“(III) The date the building is first placed in service.

“(ii) CERTIFICATION AS TO AMOUNT OF OTHER SUBSIDIES.—Prior to each determination under clause (i), the taxpayer shall certify to the rural investment credit agency the full extent of all Federal, State, and local subsidies which apply (or which the taxpayer expects to apply) with respect to the building.

“(l) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

“(1) dealing with—

“(A) investment projects which include more than 1 building or only a portion of a building,

“(B) buildings which are sold in portions,

“(2) providing for the application of this section to short taxable years,

“(3) preventing the avoidance of the rules of this section, and

“(4) providing the opportunity for rural investment credit agencies to correct administrative errors and omissions with respect to allocations and record keeping within a reasonable period after their discovery, taking into account the availability of regulations and other administrative guidance from the Secretary.”.

(b) CURRENT YEAR BUSINESS CREDIT CALCULATION.—Section 38(b) (relating to current year business credit), as amended by this Act, is amended by striking “plus” at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting “, plus”, and by adding at the end the following:

“(18) the rural investment credit determined under section 42A(a).”.

(c) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits), as amended by this Act, is amended by adding at the end the following:

“(12) NO CARRYBACK OF RURAL INVESTMENT CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the rural investment credit determined under section 42A may be carried back to a taxable year beginning before the date of the enactment of the Jumpstart Our Business Strength (JOBS) Act.”.

(d) CONFORMING AMENDMENTS.—

(1) Section 55(c)(1) is amended by inserting “or subsection (i) or (j) of section 42A” after “section 42”.

(2) Subsections (i)(c)(3), (i)(c)(6)(B)(i), and (k)(1) of section 469 are each amended by inserting “or 42A” after “section 42”.

(3) Section 772(a) is amended by striking “and” at the end of paragraph (10), by redesignating paragraph (11) as paragraph (12), and by inserting after paragraph (10) the following:

“(11) the rural investment credit determined under section 42A, and”.

(4) Section 774(b)(4) is amended by inserting “, 42A(i),” after “section 42(j)”.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 42 the following:

“Sec. 42A. Rural investment credit.”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made in taxable years beginning after the date of the enactment of this Act.

SEC. 634. QUALIFIED RURAL SMALL BUSINESS INVESTMENT CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by this Act, is amended by adding at the end the following:

“SEC. 42B. QUALIFIED RURAL SMALL BUSINESS INVESTMENT CREDIT.

“(a) IN GENERAL.—For purposes of section 38, in the case of a qualified rural small business, the amount of the qualified rural small business investment credit determined under this section for any taxable year is equal to 30 percent of the qualified expenditures for the taxable year of such business.

“(b) DOLLAR LIMITATION.—

“(1) IN GENERAL.—The credit allowable under subsection (a) for any taxable year shall not exceed the lesser of—

“(A) $5,000, or

“(B) the amount when added to the aggregate credits allowable to the taxpayer under subsection (a) for all preceding taxable years does not exceed $25,000.

“(2) NO DOUBLE CREDIT ALLOWED.—In the case of any qualified rural small business which places in service a qualified rural investment building with respect to which a rural investment credit is allowed under section 42A for any taxable year, paragraph (1)(A) shall be applied with respect to such taxable year by substituting ‘zero’ for ‘$5,000’.

“(c) QUALIFIED RURAL SMALL BUSINESS.—For purposes of this section, the term ‘qualified rural small business’ means any person if such person—

“(1) employed not more than 5 full-time employees during the taxable year,

“(2) materially and substantially participates in management,

“(3) is located is a qualifying county, and

“(4) submitted a qualified business plan with respect to which the rural investment credit agency with jurisdiction over such qualifying county has allocated a portion of the State rural investment ceiling for such taxable year under section 42A(g)(7).

For purposes of paragraph (1), an employee shall be considered full-time if such employee is employed at least 30 hours per week for 20 or more calendar weeks in the taxable year.

“(d) QUALIFIED EXPENDITURES.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified expenditures’ means expenditures normally associated with starting or expanding a business and included in a qualified business plan, including costs for capital, plant and equipment, inventory expenses, and wages, but not including interest costs.

“(2) ONLY CERTAIN EXPENDITURES INCLUDED FOR EXISTING BUSINESSES.—In the case of a qualified rural small business with respect to which a credit under subsection (a) was allowed for a preceding taxable year, such term shall include only so much of the expenditures described in paragraph (1) for the taxable year as exceed the aggregate of such expenditures for the preceding taxable year.

“(e) QUALIFIED BUSINESS PLAN.—For purposes of this section, the term ‘qualified business plan’ means a business plan which—

“(1) has been approved by the rural investment credit agency with jurisdiction over the qualifying county in which the qualified rural small business is located pursuant to such agency’s rural investment plan, and

“(2) meets such requirements as the agency may specify.

“(f) DENIAL OF DOUBLE BENEFIT.—In the case of the amount of the credit determined under this section—

“(1) no deduction or credit shall be allowed for such amount under any other provision of this chapter, and

“(2) no increase in the adjusted basis of any property shall result from such amount.

“(g) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) any term which is used in this section which is used in section 42A shall have the meaning given such term by section 42A, and

“(2) rules similar to the rules under subsections (j)(2), (j)(3), and (k) of section 42A shall apply.”.

(b) CURRENT YEAR BUSINESS CREDIT CALCULATION.—Section 38(b) (relating to current year business credit), as amended by this Act, is amended by striking “plus” at the end of paragraph (17), by striking the period at the end of paragraph (18) and inserting “, plus”, and by adding at the end the following:

“(19) the qualified rural small business investment credit determined under section 42B(a).”.

(c) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits), as amended by this Act, is amended by adding at the end the following:

“(13) NO CARRYBACK OF QUALIFIED RURAL SMALL BUSINESS INVESTMENT CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the qualified rural small business investment credit determined under section 42B may be carried back to a taxable year beginning before the date of the enactment of the Jumpstart Our Business Strength (JOBS) Act.”.

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 42A the following:

"Sec. 42B. Qualified rural small business investment credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made in taxable years beginning after the date of the enactment of this Act.

SEC. 635. CREDIT FOR MAINTENANCE OF RAILROAD TRACK.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45I. RAILROAD TRACK MAINTENANCE CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the railroad track maintenance credit determined under this section for the taxable year is an amount equal to 15 percent of the qualified railroad track maintenance expenditures paid or incurred by an eligible taxpayer during the taxable year.

"(b) LIMITATION.—The credit allowed under subsection (a) for any taxable year shall not exceed the product of—

"(1) $10,000, and

"(2) the number of miles of railroad track owned or leased by the eligible taxpayer as of the close of the taxable year.

"(c) ELIGIBLE TAXPAYER.—For purposes of this section, the term 'eligible taxpayer' means—

"(1) any Class II or Class III railroad, and

"(2) any person who transports property using the rail facilities of a person described in paragraph (1) or who furnishes railroad-related property or services to such a person.

"(d) QUALIFIED RAILROAD TRACK MAINTENANCE EXPENDITURES.—For purposes of this section, the term 'qualified railroad track maintenance expenditures' means expenditures (whether or not otherwise chargeable to capital account) for maintaining railroad track (including roadbed, bridges, and related track structures) owned or leased as of January 1, 2005, by a Class II or Class III railroad.

"(e) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) CLASS II OR CLASS III RAILROAD.—For purposes of this section, the terms 'Class II railroad' and 'Class III railroad' have the meanings given such terms by the Surface Transportation Board.

"(2) CONTROLLED GROUPS.—Rules similar to the rules of paragraph (1) of section 41(f) shall apply for purposes of this section.

"(3) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section with respect to any railroad track, the basis of such track shall be reduced by the amount of the credit so allowed.

"(f) APPLICATION OF SECTION.—This section shall apply to qualified railroad track maintenance expenditures paid or incurred during taxable years beginning after December 31, 2004, and before January 1, 2008.".

(b) LIMITATION ON CARRYBACK.—Section 39(d) (relating to transition rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(14) NO CARRYBACK OF RAILROAD TRACK MAINTENANCE CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the railroad track maintenance credit determined under section 45I may be carried to a taxable year beginning before January 1, 2005.".

(c) CONFORMING AMENDMENTS.—

(1) Section 38(b) (relating to general business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (18), by striking the period at the end of paragraph (19) and inserting ", plus", and by adding at the end the following new paragraph:

"(20) the railroad track maintenance credit determined under section 45I(a).".

(2) Subsection (a) of section 1016, as amended by this Act, is amended by striking "and" at the end of paragraph (28), by striking the period at the end of paragraph (29) and inserting ", and", and by adding at the end the following new paragraph:

"(30) in the case of railroad track with respect to which a credit was allowed under section 45I, to the extent provided in section 45I(e)(3).".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 45F the following new item:

"Sec. 45I. Railroad track maintenance credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 636. RAILROAD REVITALIZATION AND SECURITY INVESTMENT CREDIT.

(a) RAILROAD REVITALIZATION AND SECURITY INVESTMENT CREDIT.—

(1) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45J. RAILROAD REVITALIZATION AND SECURITY INVESTMENT CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the railroad revitalization and security investment credit determined under this section for the taxable year is the amount equal to 50 percent of the qualified project expenditures paid or incurred by the taxpayer during the taxable year.

"(b) QUALIFIED PROJECT EXPENDITURES.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified project expenditures' means, with respect to any project for intercity passenger rail transportation (as defined under section 24102 of title 49, United States Code) which is included in a State rail plan, expenditures (whether or not otherwise chargeable to capital account) for—

"(A) planning,

"(B) environmental review and environmental impact mitigation,

"(C) track and track structure rehabilitation, relocation, improvement, and development,

"(D) railroad safety and security improvements,

"(E) communications and signaling improvements,

"(F) intercity passenger rail equipment acquisition, and

"(G) rail station and intermodal facilities development.

"(2) EXCEPTIONS.—An expenditure shall not be treated as a qualified project expenditure unless all persons which conduct rail operations over the infrastructure with respect to which such an expenditure is made—

"(A) are employers for purposes of the Railroad Retirement Act of 1974 and are carriers for purposes of the Railway Labor Act (unless such a person is an operator with respect to commuter rail passenger transportation (as defined in section 24102(4) of title 49, United States Code) of a State or local government authority (as such terms are defined in section 5302 of such title) eligible to receive financial assistance under section 5307 of such title, a contractor performing services in connection with the operations with respect to commuter rail passenger transportation (as so defined), or the Alaska Railroad or its contractors),

"(B) provide assurances to the State that any collective bargaining agreements with such a person's employees (including terms regulating the contracting of work) will remain in full force and effect according to the terms of the agreements for work performed for such a person on the railroad transportation corridor, and

"(C) comply with the protective agreements established under section 504 of the Railroad Revitalization and Regulatory Reform Act of 1976 with respect to employees affected by actions taken in connection with the project.

"(c) LIMITATION.—

"(1) IN GENERAL.—The amount of the credit allowed under subsection (a) for any taxable year with respect to any project for which qualified project expenditures are made shall not exceed the limitation allocated to such project under this subsection for the calendar year in which the taxable year begins.

"(2) STATE LIMITATION.—

"(A) IN GENERAL.—There is a State railroad revitalization and security investment credit limitation for each calendar year. Such limitation is the amount which bears the same ratio to $165,000,000 as the allocation number for such State bears to the allocation number for all States.

"(B) ALLOCATION NUMBER.—For purposes of subparagraph (A), the allocation number is, with respect to any State, the sum of the following:

"(i) The number of railroad and public road grade crossings on intercity passenger rail routes within the State.

"(ii) The number of intercity passenger rail miles within the State.

"(iii) The number of intercity embarkations and disembarkations for each passenger within the State.

"(3) UNUSED CREDIT CARRYOVERS ALLOCATED AMONG CERTAIN STATES.—

"(A) IN GENERAL.—The unused credit carryover for all States for any calendar year shall be reallocated to each qualified State in an amount which bears the same ratio to the unused credit carryover for all States for the calendar as the allocation number for such qualified State bears to the allocation number for all qualified States.

"(B) UNUSED CREDIT CARRYOVER.—For purposes of this paragraph, the term 'unused credit carryover' means, with respect to any State, the excess of the State limitation (determined under paragraph (2)) for the calendar year over the amount allocated by the State under paragraph (4) for such calendar year.

"(C) QUALIFIED STATES.—For purposes of this paragraph, the term 'qualified State' means any State—

"(i) which allocated its entire State limitation amount under paragraph (4) for the calendar year, and

"(ii) for which a request is made to receive an allocation under this paragraph.

"(4) ALLOCATION WITHIN STATES.—Each State shall allocate the limitation amount allocated to such State under paragraphs (2) and (3) to projects for intercity passenger rail transportation which are included in the State rail plan of such State.

"(5) NEW YORK CITY RAIL PROJECTS.—In addition to the amounts allocated under paragraph (2), the Secretary shall allocate a limitation of $100,000,000 for each calendar year to New York City for qualified project expenditures within such city.

"(d) STATE RAIL PLAN.—For purposes of this section, the term 'State rail plan' means a plan prepared and maintained in accordance with chapter 225 of title 49, United States Code.

"(e) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section with respect to any property, the basis of such property shall be reduced by the amount of the credit so allowed.

"(f) NO DOUBLE BENEFIT.—No credit shall be allowed under this section with respect to any expenditures for which a credit is allowed under section 45I.

"(g) CREDIT TRANSFERABILITY.—Any credit allowable under this section may be transferred (but not more than once) if—

"(1) the credit exceeds the tax liability of the taxpayer for the taxable year, or

"(2) the taxpayer is not subject to any tax imposed by this chapter by reason of having a tax-exempt status.

"(h) APPLICATION OF SECTION.—This section shall apply to qualified project expenditures paid or incurred during taxable years beginning after December 31, 2004, and before January 1, 2008.".

(2) LIMITATION ON CARRYBACK.—Section 39(d) (relating to transition rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(15) NO CARRYBACK OF SECTION 45J CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 45J(a) may be carried back to any taxable year beginning before January 1, 2005.".

(3) CONFORMING AMENDMENTS.—

(A) Section 38(b) (relating to general business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (19), by striking the period at the end of paragraph (20) and inserting ", plus", and by adding at the end the following new paragraph:

"(21) the railroad revitalization and security investment credit determined under section 45J(a).".

(B) Subsection (a) of section 1016, as amended by this Act, is amended by striking "and" at the end of paragraph (29), by striking the period at the end of paragraph (30) and inserting ", and", and by adding at the end the following new paragraph:

"(31) in the case of property with respect to which a credit was allowed under section 45J, to the extent provided in section 45J(e).".

(4) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 45I the following new item:

"Sec. 45J. Railroad revitalization and security investment credit.".

(5) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

(b) STATE RAIL PLANS.—

(1) IN GENERAL.—Part B of subtitle V of title 49, United States Code, is amended by adding at the end the following:

"CHAPTER 225—STATE RAIL PLANS

"Sec.
"22501. Authority.
"22502. Purposes.
"22503. Transparency; coordination.
"22504. Content.
"22505. Approval.
"22506. Definitions.

"§ 22501. Authority

"(a) IN GENERAL.—Each State may prepare and maintain a State rail plan in accordance with the provisions of this chapter.

"(b) REQUIREMENTS.—For the preparation and periodic revision of a State rail plan, a State shall—

"(1) establish or designate a State rail transportation authority to prepare, maintain, coordinate, and administer the plan;

"(2) establish or designate a State rail plan approval authority to approve the plan;

"(3) make the State's approved plan available to the public and transmit a copy to the Secretary of Transportation; and

"(4) revise the plan no less frequently than once every 5 years.

"§ 22502. Purposes

"(a) PURPOSES.—The purposes of a State rail plan are as follows:

"(1) To set forth State policy involving freight and passenger rail transportation, including commuter rail operations, in the State.

"(2) To present priorities and strategies to enhance rail service in the State that benefits the public.

"(3) To serve as the basis for Federal and State rail investments within the State.

"(b) CONTENT.—The State rail plan shall establish the period covered by such plan.

"(c) CONSISTENCY WITH STATE TRANSPORTATION EFFORTS.—A State rail plan shall be consistent with the State transportation planning goals and programs and shall set forth rail transportation's role within the State transportation system.

"§ 22503. Transparency; coordination

"(a) PREPARATION.—A State shall provide adequate and reasonable notice and opportunity for comment and other input on a proposed State rail plan under this chapter to the following:

"(1) The public.

"(2) Rail carriers.

"(3) Commuter and transit authorities operating in, or affected by rail operations within, the State.

"(4) Units of local government.

"(5) Other parties interested in the preparation and review of the State rail plan.

"(b) INTERGOVERNMENTAL COORDINATION.—A State shall review the freight and passenger rail service activities and initiatives of regional planning agencies, regional transportation authorities, and municipalities within the State, or in the region in which the State is located, while preparing the plan, and shall include any recommendations made by such agencies, authorities, and municipalities as deemed appropriate by the State.

"§ 22504. Content

"(a) IN GENERAL.—Each State rail plan shall contain the following:

"(1) An inventory of the existing overall rail transportation system and rail services and facilities within the State and an analysis of the role of rail transportation within the State's surface transportation system.

"(2) A comprehensive review of all rail lines within the State, including proposed high speed rail corridors and significant rail line segments not currently in service.

"(3) A statement of the State's passenger rail service objectives, including minimum service levels, for intercity passenger rail transportation routes in the State.

"(4) A general analysis of rail's transportation, economic, and environmental impacts in the State, including congestion mitigation, trade and economic development, air quality, land-use, energy-use, and community impacts.

"(5) A long-range rail investment program for current and future freight and passenger infrastructure in the State that meets the requirements of subsection (b).

"(6) A statement of public financing issues for rail projects and service in the State, including a list of current and prospective public capital and operating funding resources, public subsidies, State taxation, and other financial policies relating to rail infrastructure development.

"(7) An identification of rail infrastructure issues within the State that reflects consultation with all relevant stake holders.

"(8) A review of major passenger and freight intermodal rail connections and facilities within the State, including seaports, and prioritized options to maximize service integration and efficiency between rail and other modes of transportation within the State.

"(9) A review of publicly funded projects within the State to improve rail transportation safety and security, including all major projects funded under section 130 of title 23.

"(10) A performance evaluation of passenger rail services operating in the State, including possible improvements in those services, and a description of strategies to achieve those improvements.

"(11) A compilation of studies and reports on high-speed rail corridor development within the State not included in a previous plan under this chapter, and a plan for funding any recommended development of such corridors in the State.

"(12) A statement that the State satisfies the conditions set forth in section 22102.

"(b) LONG-RANGE SERVICE AND INVESTMENT PROGRAM.—

"(1) PROGRAM CONTENT.—A long-range rail investment program included in a State rail plan under subsection (a)(5) shall include the following matters:

"(A) Two lists for rail capital projects, 1 list for freight rail capital projects and 1 list for intercity passenger rail capital projects.

"(B) A detailed funding plan for the projects.

"(2) PROJECT LIST CONTENT.—The lists of freight and intercity passenger rail capital projects shall contain—

"(A) a description of the anticipated public and private benefits of each such project; and

"(B) a statement of the correlation between—

"(i) public funding contributions for the projects; and

"(ii) the public benefits.

"(3) CONSIDERATIONS FOR PROJECT LIST.—In preparing the list of freight and intercity passenger rail capital projects, a State rail transportation authority shall take into consideration the following matters:

"(A) Contributions made by non-Federal and non-State sources through user fees, matching funds, or other private capital involvement.

"(B) Rail capacity and congestion effects.

"(C) Effects to highway, aviation, and maritime capacity, congestion, or safety.

"(D) Regional balance.

"(E) Environmental impact.

"(F) Economic and employment impacts.

"(G) Projected ridership and other service measures for passenger rail projects.

"§ 22505. Approval

"The State rail plan approval authority established or designated under section 22501(b)(2) may approve a State rail plan for the purposes of this chapter if—

"(1) the plan meets all of the requirements applicable to State plans under this chapter;

"(2) for each ready-to-commence project listed on the ranked list of freight and intercity passenger rail capital improvement projects under the plan—

"(A) the project meets all safety and environmental requirements, including those prescribed under the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) that are applicable to the project under law; and

"(B) the State has entered into an agreement with any owner of rail infrastructure or right-of-way directly affected by the project that provides for the State to proceed with the project and includes assurances regarding capacity and compensation for use of such infrastructure or right-of-way, if applicable; and

"(3) the content of the plan is coordinated with State transportation plans developed pursuant to section 135 of title 23.

"§ 22506. Definitions

"In this chapter:

"(1) PRIVATE BENEFIT.—The term 'private benefit'—

"(A) means a benefit accrued to a person or private entity, other than the National Railroad Passenger Corporation, that directly improves the economic and competitive condition of that person or entity through improved assets, cost reductions, service improvements, or other means; and

"(B) shall be determined on a project-by-project basis, based upon an agreement between the State and the affected persons or private entities.

"(2) PUBLIC BENEFIT.—The term 'public benefit'—

"(A) means a benefit accrued to the public in the form of enhanced mobility of people or goods, environmental protection or enhancement, congestion mitigation, enhanced trade and economic development, improved air quality or land use, more efficient energy use, enhanced public safety or security, reduction of public expenditures due to improved transportation efficiency or infrastructure preservation, and other positive community effects; and

"(B) shall be determined on a project-by-project basis, based upon an agreement between the State and the persons or private entities involved in the project.

"(3) STATE.—The term 'State' means any of the 50 States and the District of Columbia.

"(4) STATE RAIL TRANSPORTATION AUTHORITY.—The term 'State rail transportation authority' means the State agency or official responsible under the direction of the Chief Executive of the State or a State law for preparation, maintenance, coordination, and administration of the State rail plan under this chapter.".

(2) CLERICAL AMENDMENT.—The table of chapters at the beginning of subtitle V of title 49, United States Code, is amended by inserting after the item relating to chapter 223 the following:

"225. STATE RAIL PLANS ....22501.".

Subtitle E—Miscellaneous Provisions

SEC. 641. EXCLUSION OF GAIN OR LOSS ON SALE OR EXCHANGE OF CERTAIN BROWNFIELD SITES FROM UNRELATED BUSINESS TAXABLE INCOME.

(a) IN GENERAL.—Subsection (b) of section 512 (relating to unrelated business taxable income) is amended by adding at the end the following new paragraph:

"(18) TREATMENT OF GAIN OR LOSS ON SALE OR EXCHANGE OF CERTAIN BROWNFIELD SITES.—

"(A) IN GENERAL.—Notwithstanding paragraph (5)(B), there shall be excluded any gain or loss from the qualified sale, exchange, or other disposition of any qualifying brownfield property by an eligible taxpayer.

"(B) ELIGIBLE TAXPAYER.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'eligible taxpayer' means, with respect to a property, any organization exempt from tax under section 501(a) which—

"(I) acquires from an unrelated person a qualifying brownfield property, and

"(II) pays or incurs eligible remediation expenditures with respect to such property in an amount which exceeds the greater of $550,000 or 12 percent of the fair market value of the property at the time such property was acquired by the eligible taxpayer, determined as if there was not a presence of a hazardous substance, pollutant, or contaminant on the property which is complicating the expansion, redevelopment, or reuse of the property.

"(ii) EXCEPTION.—Such term shall not include any organization which is—

"(I) potentially liable under section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 with respect to the qualifying brownfield property,

"(II) affiliated with any other person which is so potentially liable through any direct or indirect familial relationship or any contractual, corporate, or financial relationship (other than a contractual, corporate, or financial relationship which is created by the instruments by which title to any qualifying brownfield property is conveyed or financed or by a contract of sale of goods or services), or

"(III) the result of a reorganization of a business entity which was so potentially liable.

"(C) QUALIFYING BROWNFIELD PROPERTY.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'qualifying brownfield property' means any real property which is certified, before the taxpayer incurs any eligible remediation expenditures (other than to obtain a Phase I environmental site assessment), by an appropriate State agency (within the meaning of section 198(c)(4)) in the State in which such property is located as a brownfield site within the meaning of section 101(39) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (as in effect on the date of the enactment of this paragraph).

"(ii) REQUEST FOR CERTIFICATION.—Any request by an eligible taxpayer for a certification described in clause (i) shall include a sworn statement by the eligible taxpayer and supporting documentation of the presence of a hazardous substance, pollutant, or contaminant on the property which is complicating the expansion, redevelopment, or reuse of the property given the property's reasonably anticipated future land uses or capacity for uses of the property (including a Phase I environmental site assessment and, if applicable, evidence of the property's presence on a local, State, or Federal list of brownfields or contaminated property) and other environmental assessments prepared or obtained by the taxpayer.

"(D) QUALIFIED SALE, EXCHANGE, OR OTHER DISPOSITION.—For purposes of this paragraph—

"(i) IN GENERAL.—A sale, exchange, or other disposition of property shall be considered as qualified if—

"(I) such property is transferred by the eligible taxpayer to an unrelated person, and

"(II) within 1 year of such transfer the eligible taxpayer has received a certification from the Environmental Protection Agency or an appropriate State agency (within the meaning of section 198(c)(4)) in the State in which such property is located that, as a result of the eligible taxpayer's remediation actions, such property would not be treated as a qualifying brownfield property in the hands of the transferee.

For purposes of subclause (II), before issuing such certification, the Environmental Protection Agency or appropriate State agency shall respond to comments received pursuant to clause (ii)(V) in the same form and manner as required under section 117(b) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (as in effect on the date of the enactment of this paragraph).

"(ii) REQUEST FOR CERTIFICATION.—Any request by an eligible taxpayer for a certification described in clause (i) shall be made not later than the date of the transfer and shall include a sworn statement by the eligible taxpayer certifying the following:

"(I) Remedial actions which comply with all applicable or relevant and appropriate requirements (consistent with section 121(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980) have been substantially completed, such that there are no hazardous substances, pollutants, or contaminants which complicate the expansion, redevelopment, or reuse of the property given the property's reasonably anticipated future land uses or capacity for uses of the property.

"(II) The reasonably anticipated future land uses or capacity for uses of the property are more economically productive or environmentally beneficial than the uses of the property in existence on the date of the certification described in subparagraph (C)(i). For purposes of the preceding sentence, use of property as a landfill or other hazardous waste facility shall not be considered more economically productive or environmentally beneficial.

"(III) A remediation plan has been implemented to bring the property into compliance with all applicable local, State, and Federal environmental laws, regulations, and standards and to ensure that the remediation protects human health and the environment.

"(IV) The remediation plan described in subclause (III), including any physical improvements required to remediate the property, is either complete or substantially complete, and, if substantially complete, sufficient monitoring, funding, institutional controls, and financial assurances have been put in place to ensure the complete remediation of the property in accordance with the remediation plan as soon as is reasonably practicable after the sale, exchange, or other disposition of such property.

"(V) Public notice and the opportunity for comment on the request for certification was completed before the date of such request. Such notice and opportunity for comment shall be in the same form and manner as required for public participation required under section 117(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (as in effect on the date of the enactment of this paragraph). For purposes of this subclause, public notice shall include, at a minimum, publication in a major local newspaper of general circulation.

"(iii) ATTACHMENT TO TAX RETURNS.—A copy of each of the requests for certification described in clause (ii) of subparagraph (C) and this subparagraph shall be included in the tax return of the eligible taxpayer (and, where applicable, of the qualifying partnership) for the taxable year during which the transfer occurs.

"(iv) SUBSTANTIAL COMPLETION.—For purposes of this subparagraph, a remedial action is substantially complete when any necessary physical construction is complete, all immediate threats have been eliminated, and all long-term threats are under control.

"(E) ELIGIBLE REMEDIATION EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'eligible remediation expenditures' means, with respect to any qualifying brownfield property, any amount paid or incurred by the eligible taxpayer to an unrelated third person to obtain a Phase I environmental site assessment of the property, and any amount so paid or incurred after the date of the certification described in subparagraph (C)(i) for goods and services necessary to obtain a certification described in subparagraph (D)(i) with respect to such property, including expenditures—

"(I) to manage, remove, control, contain, abate, or otherwise remediate a hazardous substance, pollutant, or contaminant on the property,

"(II) to obtain a Phase II environmental site assessment of the property, including any expenditure to monitor, sample, study, assess, or otherwise evaluate the release, threat of release, or presence of a hazardous substance, pollutant, or contaminant on the property,

"(III) to obtain environmental regulatory certifications and approvals required to manage the remediation and monitoring of the hazardous substance, pollutant, or contaminant on the property, and

"(IV) regardless of whether it is necessary to obtain a certification described in subparagraph (D)(i)(II), to obtain remediation cost-cap or stop-loss coverage, re-opener or regulatory action coverage, or similar coverage under environmental insurance policies, or financial guarantees required to manage such remediation and monitoring.

"(ii) EXCEPTIONS.—Such term shall not include—

"(I) any portion of the purchase price paid or incurred by the eligible taxpayer to acquire the qualifying brownfield property,

"(II) environmental insurance costs paid or incurred to obtain legal defense coverage, owner/operator liability coverage, lender liability coverage, professional liability coverage, or similar types of coverage,

"(III) any amount paid or incurred to the extent such amount is reimbursed, funded, or otherwise subsidized by grants provided by the United States, a State, or a political subdivision of a State for use in connection with the property, proceeds of an issue of State or local government obligations used to provide financing for the property the interest of which is exempt from tax under section 103, or subsidized financing provided (directly or indirectly) under a Federal, State, or local program provided in connection with the property, or

"(IV) any expenditure paid or incurred before the date of the enactment of this paragraph.

For purposes of subclause (III), the Secretary may issue guidance regarding the treatment of government-provided funds for purposes of determining eligible remediation expenditures.

"(F) DETERMINATION OF GAIN OR LOSS.—For purposes of this paragraph, the determination of gain or loss shall not include an amount treated as gain which is ordinary income with respect to section 1245 or section 1250 property, including amounts deducted as section 198 expenses which are subject to the recapture rules of section 198(e), if the taxpayer had deducted such amounts in the computation of its unrelated business taxable income.

"(G) SPECIAL RULES FOR PARTNERSHIPS.—

"(i) IN GENERAL.—In the case of an eligible taxpayer which is a partner of a qualifying partnership which acquires, remediates, and sells, exchanges, or otherwise disposes of a qualifying brownfield property, this paragraph shall apply to the eligible taxpayer's distributive share of the qualifying partnership's gain or loss from the sale, exchange, or other disposition of such property.

"(ii) QUALIFYING PARTNERSHIP.—The term 'qualifying partnership' means a partnership which—

"(I) has a partnership agreement which satisfies the requirements of section 514(c)(9)(B)(vi) at all times beginning on the date of the first certification received by the partnership under subparagraph (C)(i),

"(II) satisfies the requirements of subparagraphs (B)(i), (C), (D), and (E), if 'qualified partnership' is substituted for 'eligible taxpayer' each place it appears therein (except subparagraph (D)(iii)), and

"(III) is not an organization which would be prevented from constituting an eligible taxpayer by reason of subparagraph (B)(ii).

"(iii) REQUIREMENT THAT TAX-EXEMPT PARTNER BE A PARTNER SINCE FIRST CERTIFICATION.—This paragraph shall apply with respect to any eligible taxpayer which is a partner of a partnership which acquires, remediates, and sells, exchanges, or otherwise disposes of a qualifying brownfield property only if such eligible taxpayer was a partner of the qualifying partnership at all times beginning on the date of the first certification received by the partnership under subparagraph (C)(i) and ending on the date of the sale, exchange, or other disposition of the property by the partnership.

"(iv) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to prevent abuse of the requirements of this subparagraph, including abuse through—

"(I) the use of special allocations of gains or losses, or

"(II) changes in ownership of partnership interests held by eligible taxpayers.

"(H) SPECIAL RULES FOR MULTIPLE PROPERTIES.—

"(i) IN GENERAL.—An eligible taxpayer or a qualifying partnership of which the eligible taxpayer is a partner may make a 1-time election to apply this paragraph to more than 1 qualifying brownfield property by averaging the eligible remediation expenditures for all such properties acquired during the election period. If the eligible taxpayer or qualifying partnership makes such an election, the election shall apply to all qualified sales, exchanges, or other dispositions of qualifying brownfield properties the acquisition and transfer of which occur during the period for which the election remains in effect.

"(ii) ELECTION.—An election under clause (i) shall be made with the eligible taxpayer's or qualifying partnership's timely filed tax return (including extensions) for the first taxable year for which the taxpayer or qualifying partnership intends to have the election apply. An election under clause (i) is effective for the period—

"(I) beginning on the date which is the first day of the taxable year of the return in which the election is included or a later day in such taxable year selected by the eligible taxpayer or qualifying partnership, and

"(II) ending on the date which is the earliest of a date of revocation selected by the eligible taxpayer or qualifying partnership, the date which is 8 years after the date described in subclause (I), or, in the case of an election by a qualifying partnership of which the eligible taxpayer is a partner, the date of the termination of the qualifying partnership.

"(iii) REVOCATION.—An eligible taxpayer or qualifying partnership may revoke an election under clause (i)(II) by filing a statement of revocation with a timely filed tax return (including extensions). A revocation is effective as of the first day of the taxable year of the return in which the revocation is included or a later day in such taxable year selected by the eligible taxpayer or qualifying partnership. Once an eligible taxpayer or qualifying partnership revokes the election, the eligible taxpayer or qualifying partnership is ineligible to make another election under clause (i) with respect to any qualifying brownfield property subject to the revoked election.

"(I) RECAPTURE.—If an eligible taxpayer excludes gain or loss from a sale, exchange, or other disposition of property to which an election under subparagraph (H) applies, and such property fails to satisfy the requirements of this paragraph, the unrelated business taxable income of the eligible taxpayer for the taxable year in which such failure occurs shall be determined by including any previously excluded gain or loss from such sale, exchange, or other disposition allocable to such taxpayer, and interest shall be determined at the overpayment rate established under section 6621 on any resulting tax for the period beginning with the due date of the return for the taxable year during which such sale, exchange, or other disposition occurred, and ending on the date of payment of the tax.

"(J) RELATED PERSONS.—For purposes of this paragraph, a person shall be treated as related to another person if—

"(i) such person bears a relationship to such other person described in section 267(b) (determined without regard to paragraph (9) thereof), or section 707(b)(1), determined by substituting '25 percent' for '50 percent' each place it appears therein, and

"(ii) in the case such other person is a nonprofit organization, if such person controls directly or indirectly more than 25 percent of the governing body of such organization."

(b) EXCLUSION FROM DEFINITION OF DEBT-FINANCED PROPERTY.—Section 514(b)(1) (defining debt-financed property) is amended by striking "or" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting "; or", and by inserting after subparagraph (D) the following new subparagraph:

"(E) any property the gain or loss from the sale, exchange, or other disposition of which would be excluded by reason of the provisions of section 512(b)(18) in computing the gross income of any unrelated trade or business.".

(c) SAVINGS CLAUSE.—Nothing in the amendments made by this section shall affect any duty, liability, or other requirement imposed under any other Federal or State law. Notwithstanding section 128(b) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, a certification provided by the Environmental Protection Agency or an appropriate State agency (within the meaning of section 198(c)(4) of the Internal Revenue Code of 1986) shall not affect the liability of any person under section 107(a) of such Act.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any gain or loss on the sale, exchange, or other disposition of any property acquired by the taxpayer after December 31, 2004.

SEC. 642. MODIFICATION OF UNRELATED BUSINESS INCOME LIMITATION ON INVESTMENT IN CERTAIN DEBT-FINANCED PROPERTIES.

(a) IN GENERAL.—Section 514(c)(6) (relating to acquisition indebtedness) is amended—

(1) by striking "include an obligation" and inserting "include—

"(A) an obligation",

(2) by striking the period at the end and inserting ", or", and

(3) by adding at the end the following:

"(B) indebtedness incurred by a small business investment company licensed under the Small Business Investment Act of 1958 which is evidenced by a debenture—

"(i) issued by such company under section 303(a) of such Act, and

"(ii) held or guaranteed by the Small Business Administration.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to acquisitions made on or after the date of the enactment of this Act.

SEC. 643. CIVIL RIGHTS TAX RELIEF.

(a) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (18) the following new item:

"(19) COSTS INVOLVING DISCRIMINATION SUITS, ETC.—Any deduction allowable under this chapter for attorney fees and court costs paid by, or on behalf of, the taxpayer in connection with any action involving a claim of unlawful discrimination (as defined in subsection (e)) or a claim of a violation of subchapter III of chapter 37 of title 31, United States Code. The preceding sentence shall not apply to any deduction in excess of the amount includible in the taxpayer's gross income for the taxable year on account of a judgment or settlement (whether by suit or agreement and whether as lump sum or periodic payments) resulting from such claim.".

(b) UNLAWFUL DISCRIMINATION DEFINED.—Section 62 is amended by adding at the end the following new subsection:

"(e) UNLAWFUL DISCRIMINATION DEFINED.—For purposes of subsection (a)(19), the term 'unlawful discrimination' means an act that is unlawful under any of the following:

"(1) Section 302 of the Civil Rights Act of 1991 (2 U.S.C. 1202).

"(2) Section 201, 202, 203, 204, 205, 206, or 207 of the Congressional Accountability Act of 1995 (2 U.S.C. 1311, 1312, 1313, 1314, 1315, 1316, or 1317).

"(3) The National Labor Relations Act (29 U.S.C. 151 et seq.).

"(4) The Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

"(5) Section 4 or 15 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623 or 633a).

"(6) Section 501 or 504 of the Rehabilitation Act of 1973 (29 U.S.C. 791 or 794).

"(7) Section 510 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1140).

"(8) Title IX of the Education Amendments of 1972 (29 U.S.C. 1681 et seq.).

"(9) The Employee Polygraph Protection Act of 1988 (29 U.S.C. 201 et seq.).

"(10) The Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102 et seq.).

"(11) Section 105 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2615).

"(12) Chapter 43 of title 38, United States Code (relating to employment and reemployment rights of members of the uniformed services).

"(13) Section 1977, 1979, or 1980 of the Revised Statutes (42 U.S.C. 1981, 1983, or 1985).

"(14) Section 703, 704, or 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–2, 2000e–3, or 2000e–16).

"(15) Section 804, 805, 806, 808, or 818 of the Fair Housing Act (42 U.S.C. 3604, 3605, 3606, 3608, or 3617).

"(16) Section 102, 202, 302, or 503 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12112, 12132, 12182, or 12203).

"(17) Any provision of Federal law (popularly known as whistleblower protection provisions) prohibiting the discharge of an employee, the discrimination against an employee, or any other form of retaliation or reprisal against an employee for asserting rights or taking other actions permitted under Federal law.

"(18) Any provision of State or local law, or common law claims permitted under Federal, State, or local law—

"(i) providing for the enforcement of civil rights, or

"(ii) regulating any aspect of the employment relationship, including claims for wages, compensation, or benefits, or prohibiting the discharge of an employee, the discrimination against an employee, or any other form of retaliation or reprisal against an employee for asserting rights or taking other actions permitted by law.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fees and costs paid after December 31, 2002, with respect to any judgment or settlement occurring after such date.

SEC. 644. EXCLUSION FOR PAYMENTS TO INDIVIDUALS UNDER NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM AND CERTAIN STATE LOAN REPAYMENT PROGRAMS.

(a) IN GENERAL.—Section 108(f) (relating to student loans) is amended by adding at the end the following new paragraph:

"(4) PAYMENTS UNDER NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM AND CERTAIN STATE LOAN REPAYMENT PROGRAMS.—In the case of an individual, gross income shall not include any amount received under section 338B(g) of the Public Health Service Act or under a State program described in section 338I of such Act.".

(b) TREATMENT FOR PURPOSES OF EMPLOYMENT TAXES.—Each of the following provisions is amended by inserting "108(f)(4)," after "74(c),":

(1) Section 3121(a)(20).

(2) Section 3231(e)(5).

(3) Section 3306(b)(16).

(4) Section 3401(a)(19).

(5) Section 209(a)(17) of the Social Security Act.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received by an individual in taxable years beginning after December 31, 2003.

SEC. 645. CERTAIN EXPENSES OF RURAL LETTER CARRIERS.

(a) IN GENERAL.—Section 162(o) (relating to treatment of certain reimbursed expenses of rural mail carriers) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

"(2) SPECIAL RULE WHERE EXPENSES EXCEED REIMBURSEMENTS.—Notwithstanding paragraph (1)(A), if the expenses incurred by an employee for the use of a vehicle in performing services described in paragraph (1) exceed the qualified reimbursements for such expenses, such excess shall be taken into account in computing the miscellaneous itemized deductions of the employee under section 67.".

(b) CONFORMING AMENDMENT.—The heading for section 162(o) is amended by striking "REIMBURSED".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 646. METHOD OF ACCOUNTING FOR NAVAL SHIPBUILDERS.

(a) IN GENERAL.—In the case of a qualified naval ship contract, the taxable income of such contract during the 5-taxable year period beginning with the taxable year in which the contract commencement date occurs shall be determined under a method identical to the method used in the case of a qualified ship contract (as defined in section 10203(b)(2)(B) of the Revenue Act of 1987).

(b) RECAPTURE OF TAX BENEFIT.—In the case of a qualified naval ship contract to which subsection (a) applies, the taxpayer's tax imposed by chapter 1 of the Internal Revenue Code of 1986 for the first taxable year following the 5-taxable year period described in subsection (a) shall be increased by the excess (if any) of—

(1) the amount of tax which would have been imposed during such period if this section had not been enacted, over

(2) the amount of tax so imposed during such period.

(c) QUALIFIED NAVAL SHIP CONTRACT.—For purposes of this section—

(1) IN GENERAL.—The term "qualified naval ship contract" means any contract or portion thereof that is for the construction in the United States of 1 ship or submarine for the Federal Government if the taxpayer reasonably expects the acceptance date will occur no later than 9 years after the construction commencement date.

(2) ACCEPTANCE DATE.—The term "acceptance date" means the date 1 year after the date on which the Federal Government issues a letter of acceptance or other similar document for the ship or submarine.

(3) CONSTRUCTION COMMENCEMENT DATE.—The term "construction commencement date" means the date on which the physical fabrication of any section or component of the ship or submarine begins.

(d) EFFECTIVE DATE.—This section shall apply to contracts for ships or submarines with respect to which the construction commencement date occurs after the date of the enactment of this Act.

SEC. 647. SUSPENSION OF POLICYHOLDERS SURPLUS ACCOUNT PROVISIONS.

(a) IN GENERAL.—Section 815 (relating to distributions to shareholders from pre-1984 policyholders surplus account) is amended by adding at the end the following new subsection:

"(g) APPLICATION OF SECTION.—This section shall not apply to stock life insurance companies for taxable years beginning after December 31, 2003, and beginning before January 1, 2006.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 648. PAYMENT OF DIVIDENDS ON STOCK OF COOPERATIVES WITHOUT REDUCING PATRONAGE DIVIDENDS.

(a) IN GENERAL.—Subsection (a) of section 1388 (relating to patronage dividend defined) is amended by adding at the end the following new sentence: "For purposes of paragraph (3), net earnings shall not be reduced by amounts paid during the year as dividends on capital stock or other proprietary capital interests of the organization to the extent that the articles of incorporation or bylaws of such organization or other contract with patrons provide that such dividends are in addition to amounts otherwise payable to patrons which are derived from business done with or for patrons during the taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions in taxable years beginning after the date of the enactment of this Act.

SEC. 649. SPECIAL RULES FOR LIVESTOCK SOLD ON ACCOUNT OF WEATHER-RELATED CONDITIONS.

(a) REPLACEMENT OF LIVESTOCK WITH OTHER FARM PROPERTY.—Subsection (f) of section 1033 (relating to involuntary conversions) is amended—

(1) by inserting ''drought, flood, or other weather-related conditions, or'' after ''because of'',

(2) by inserting ''in the case of soil contamination or other environmental contamination'' after ''including real property'', and

(3) by striking ''WHERE THERE HAS BEEN ENVIRONMENTAL CONTAMINATION'' in the heading and inserting ''IN CERTAIN CASES''.

(b) EXTENSION OF REPLACEMENT PERIOD OF INVOLUNTARILY CONVERTED LIVESTOCK.—Subsection (e) of section 1033 (relating to involuntary conversions) is amended—

(1) by striking ''CONDITIONS.—For purposes'' and inserting ''CONDITIONS.—

''(1) IN GENERAL.—For purposes'', and

(2) by adding at the end the following new paragraph:

''(2) EXTENSION OF REPLACEMENT PERIOD.—

''(A) IN GENERAL.—In the case of drought, flood, or other weather-related conditions described in paragraph (1) which result in the area being designated as eligible for assistance by the Federal Government, subsection (a)(2)(B) shall be applied with respect to any converted property by substituting '4 years' for '2 years'.

''(B) FURTHER EXTENSION BY SECRETARY.—The Secretary may extend on a regional basis the period for replacement under this section (after the application of subparagraph (A)) for such additional time as the Secretary determines appropriate if the weather-related conditions which resulted in such application continue for more than 3 years.''.

(c) INCOME INCLUSION RULES.—Section 451(e) (relating to special rule for proceeds from livestock sold on account of drought, flood, or other weather-related conditions) is amended by adding at the end the following new paragraph:

''(3) SPECIAL ELECTION RULES.—If section 1033(e)(2) applies to a sale or exchange of livestock described in paragraph (1), the election under paragraph (1) shall be deemed valid if made during the replacement period described in such section.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 650. MOTOR VEHICLE DEALER TRANSITIONAL ASSISTANCE.

(a) IN GENERAL.—For purposes of subtitle A of the Internal Revenue Code of 1986, in the case of a taxpayer who elects the application of this section and who was a party to a motor vehicle sales and service agreement with a motor vehicle manufacturer who announced in December 2000 that it would phase-out the motor vehicle brand to which such agreement relates—

(1) amounts received by such taxpayer from such manufacturer on account of the termination of such agreement (hereafter in this section referred to as ''termination payment'') are considered to be received for property used in the trade or business of a motor vehicle retail sales and service dealership, and

(2) to the extent such termination payment is reinvested in property used in a motor vehicle retail sales and service dealership located within the United States, such property shall qualify as like-kind replacement property to which section 1031 of the Internal Revenue Code of 1986 shall apply with the following modifications:

(A) Such section shall be applied without regard to subparagraphs (A) and (B)(ii) of subsection (a)(3).

(B) The period described in section 1031(a)(3)(B) of such Code shall be applied by substituting ''2 years'' for ''180 days''.

(b) RULES FOR ELECTION.—

(1) FORM OF ELECTION.—The taxpayer shall make an election under this section in such form and manner as the Secretary of the Treasury may prescribe and shall include in such election the amount of the termination payment received, the identification of the replacement property purchased, and such other information as the Secretary may prescribe.

(2) ELECTION ON AMENDED RETURN.—The Secretary of the Treasury shall permit an election under this section on an amended tax return for taxable years beginning before the date of the enactment of this Act.

(c) STATUTE OF LIMITATIONS.—Notwithstanding the provisions of any other law or rule of law, the statutory period for the assessment for any deficiency attributable to any termination payment gain shall be extended until 3 years after the date the Secretary of the Treasury is notified by the taxpayer of the like-kind replacement property or an intention not to replace.

(d) EFFECTIVE DATE.—This section shall apply to amounts received after December 12, 2000, in taxable years ending after such date.

SEC. 651. EXPANSION OF DESIGNATED RENEWAL COMMUNITY AREA BASED ON 2000 CENSUS DATA.

(a) RENEWAL COMMUNITIES.—Section 1400E (relating to designation of renewal communities) is amended by adding at the end the following new subsection:

''(g) EXPANSION OF DESIGNATED AREAS.—

''(1) EXPANSION BASED ON 2000 CENSUS.—At the request of the nominating entity with respect to a renewal community, the Secretary of Housing and Urban Development may expand the area of a renewal community to include any census tract—

''(A) which, at the time such community was nominated, met the requirements of this section for inclusion in such community but for the failure of such tract to meet 1 or more of the population and poverty rate requirements of this section using 1990 census data, and

''(B) which meets all failed population and poverty rate requirements of this section using 2000 census data.

''(2) EXPANSION TO CERTAIN AREAS WHICH DO NOT MEET POPULATION REQUIREMENTS.—

''(A) IN GENERAL.—At the request of 1 or more local governments and the State or States in which an area described in subparagraph (B) is located, the Secretary of Housing and Urban Development may expand a designated area to include such area.

''(B) AREA.—An area is described in this subparagraph if—

''(i) the area is adjacent to at least 1 other area designated as a renewal community,

''(ii) the area has a population less than the population required under subsection (c)(2)(C), and

''(iii)(I) the area meets the requirements of subparagraphs (A) and (B) of subsection (c)(2) and subparagraph (A) of subsection (c)(3), or

''(II) the area contains a population of less than 100 people.

''(3) APPLICABILITY.—Any expansion of a renewal community under this section shall take effect as provided in subsection (b).''.

(b) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the amendments made by section 101 of the Community Renewal Tax Relief Act of 2000.

SEC. 652. REDUCTION OF HOLDING PERIOD TO 12 MONTHS FOR PURPOSES OF DETERMINING WHETHER HORSES ARE SECTION 1231 ASSETS.

(a) IN GENERAL.—Subparagraph (A) of section 1231(b)(3) (relating to definition of property used in the trade or business) is amended by striking ''and horses''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 653. BLUE RIBBON COMMISSION ON COMPREHENSIVE TAX REFORM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established the ''Blue Ribbon Commission on Comprehensive Tax Reform'' (in this section referred to as the ''Commission'').

(2) MEMBERSHIP.—

(A) COMPOSITION.—The Commission shall be composed of 17 members of whom—

(i) 3 shall be appointed by the majority leader of the Senate;

(ii) 3 shall be appointed by the minority leader of the Senate;

(iii) 3 shall be appointed by the Speaker of the House of Representatives;

(iv) 3 shall be appointed by the minority leader of the House of Representatives; and

(v) 5 shall be appointed by the President, of which no more than 3 shall be of the same party as the President.

(B) FEDERAL EMPLOYEES.—The members of the Commission may be employees or former employees of the Federal Government.

(C) DATE.—The appointments of the members of the Commission shall be made not later than October 30, 2004.

(3) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(4) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(5) MEETINGS.—The Commission shall meet at the call of the Chairman.

(6) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(7) CHAIRMAN AND VICE CHAIRMAN.—The President shall select a Chairman and Vice Chairman from among its members.

(b) DUTIES OF THE COMMISSION.—

(1) STUDY.—The Commission shall conduct a thorough study of all matters relating to a comprehensive reform of the Federal tax system, including the reform of the Internal Revenue Code of 1986 and the implementation (if appropriate) of other types of tax systems.

(2) RECOMMENDATIONS.—The Commission shall develop recommendations on how to

comprehensively reform the Federal tax system in a manner that generates appropriate revenue for the Federal Government.

(3) Report.—Not later than 18 months after the date on which all initial members of the commission have been appointed pursuant to subsection (a)(2), the Commission shall submit a report to the President and Congress which shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate.

(c) Powers of the Commission.—

(1) Hearings.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this Act.

(2) Information from federal agencies.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) Postal services.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(4) Gifts.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(d) Commission Personnel Matters.—

(1) Compensation of members.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) Travel expenses.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(3) Staff.—

(A) In general.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(B) Compensation.—The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) Detail of government employees.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(5) Procurement of temporary and intermittent services.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(e) Termination of the Commission.—The Commission shall terminate 90 days after the date on which the Commission submits its report under subsection (b).

(f) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to the Commission to carry out this section.

SEC. 654. TREATMENT OF DISTRIBUTIONS BY ESOPS WITH RESPECT TO S CORPORATION STOCK.

(a) In General.—Section 4975(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following new flush sentences:

"A plan shall not be treated as violating the requirements of section 401, 409, or subsection (e)(7), or as engaging in a prohibited transaction for purposes of paragraph (3), merely by reason of any distribution described in section 1368(a) with respect to S corporation stock which constitutes qualifying employer securities if the distribution is, in accordance with the plan provisions, used to make payments on a loan described in paragraph (3) the proceeds of which were used to acquire the qualifying employer securities (whether or not allocated to participants). The preceding sentence shall not apply in the case of a distribution which is paid with respect to any employer security which is allocated to a participant unless the plan provides that employer securities with a fair market value of not less than the amount of such distribution are allocated to such participant for the year which (but for the preceding sentence) such distribution would have been allocated to such participant."

(b) Effective Date.—The amendment made by this section shall take effect on January 1, 1998.

SEC. 655. CLARIFICATION OF WORKING CAPITAL FOR REASONABLY ANTICIPATED NEEDS OF A BUSINESS FOR PURPOSES OF ACCUMULATED EARNINGS TAX.

(a) In General.—Section 537(b) (relating to special rules) is amended by adding at the end the following new paragraph:

"(6) Working capital.—The reasonably anticipated needs of a business for any taxable year shall include working capital for the business in an amount which is not less than the sum of the cost of goods, operating expenses, taxes, and interest expense which the business incurred during the preceding taxable year. Any amounts incurred as part of a plan a principal purpose of which is to increase the limitation under this subsection shall not be taken into account.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003, and before January 1, 2009.

Subtitle F—Revenue Provisions

PART I—GENERAL REVENUE PROVISIONS

SEC. 661. TREASURY REGULATIONS ON FOREIGN TAX CREDIT.

Section 901, as amended by this Act, is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) Regulations.—The Secretary may prescribe regulations disallowing a credit under subsection (a) for all or a portion of any foreign tax, or allocating a foreign tax among 2 or more persons, in cases where the foreign tax is imposed on any person in respect of income of another person or in other cases involving the inappropriate separation of the foreign tax from the related foreign income.".

SEC. 662. NONATTRIBUTION OF CERTAIN MANUFACTURING BY PERSONS OTHER THAN CONTROLLED FOREIGN CORPORATION.

(a) In General.—Section 954(d) (defining foreign base company sales income) is amended by adding at the end the following new paragraph:

"(5) Nonattribution of certain manufacturing activities.—For purposes of this subsection, in determining whether income of a controlled foreign corporation is foreign base company sales income, any manufacturing, production, or construction by a person other than an individual who is an employee of the corporation shall not be attributed to the corporation."

(b) Effective Date.—

(1) In general.—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning on or after the date of the enactment of this Act, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

(2) No inference.—Nothing in the amendment made by this section shall be construed to infer the proper treatment of manufacturing, production, or construction for taxable years beginning before the date of the enactment of this Act.

SEC. 663. FREEZE OF PROVISIONS REGARDING SUSPENSION OF INTEREST WHERE SECRETARY FAILS TO CONTACT TAXPAYER.

(a) In General.—Section 6404(g) (relating to suspension of interest and certain penalties where secretary fails to contact taxpayer) is amended by striking "1-year period (18-month period in the case of taxable years beginning before January 1, 2004)" both places it appears and inserting "18-month period".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

PART II—PENSION AND DEFERRED COMPENSATION

SEC. 671. TREATMENT OF NONQUALIFIED DEFERRED COMPENSATION PLANS.

(a) In General.—Subpart A of part I of subchapter D of chapter 1 is amended by adding at the end the following new section:

"SEC. 409A. INCLUSION IN GROSS INCOME OF DEFERRED COMPENSATION UNDER NONQUALIFIED DEFERRED COMPENSATION PLANS.

"(a) Rules Relating to Constructive Receipt.—

"(1) In general.—

"(A) Gross income inclusion.—If at any time during a taxable year a nonqualified deferred compensation plan—

"(i) fails to meet the requirements of paragraphs (2), (3), (4), and (5), or

"(ii) is not operated in accordance with such requirements,

all compensation deferred under the plan for the taxable year and all preceding taxable years shall be includible in gross income for the taxable year to the extent not subject to a substantial risk of forfeiture and not previously included in gross income.

“(B) INTEREST AND ADDITIONAL TAX PAYABLE WITH RESPECT TO PREVIOUSLY DEFERRED COMPENSATION.—

“(i) IN GENERAL.—If compensation is required to be included in gross income under subparagraph (A) for a taxable year, the tax imposed by this chapter for the taxable year of inclusion shall be increased by the sum of—

“(I) the amount of interest determined under clause (ii), and

“(II) an amount equal to 10 percent of the compensation which is required to be included in gross income.

“(ii) INTEREST.—For purposes of clause (i), the interest determined under this clause for any taxable year is the amount of interest at the underpayment rate on the underpayments that would have occurred had the deferred compensation been includible in gross income for the taxable year in which first deferred or, if later, the first taxable in which such deferred compensation is not subject to a substantial risk of forfeiture.

“(2) DISTRIBUTIONS.—

“(A) IN GENERAL.—The requirements of this paragraph are met if the plan provides that compensation deferred under the plan may not be distributed earlier than—

“(i) except as provided in subparagraph (B)(i), separation from service (as determined by the Secretary),

“(ii) the date the participant becomes disabled (within the meaning of subparagraph (C)),

“(iii) death,

“(iv) a specified time (or pursuant to a fixed schedule) specified under the plan as of the date of the deferral of such compensation,

“(v) to the extent provided by the Secretary, a change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation, or

“(vi) the occurrence of an unforeseeable emergency.

“(B) SPECIAL RULES.—

“(i) SEPARATION FROM SERVICE OF SPECIFIED EMPLOYEES.—In the case of specified employees, the requirement of subparagraph (A)(i) is met only if distributions may not be made earlier than 6 months after the date of separation from service. For purposes of the preceding sentence, a specified employee is a key employee (as defined in section 416(i)) of a corporation the stock in which is publicly traded on an established securities market or otherwise.

“(ii) CHANGES IN OWNERSHIP OR CONTROL.—In the case of a participant who is subject to the requirements of section 16(a) of the Securities Exchange Act of 1934, the requirement of subparagraph (A)(v) is met only if distributions may not be made earlier than 1 year after the date of the change in ownership or effective control.

“(iii) UNFORESEEABLE EMERGENCY.—For purposes of subparagraph (A)(vi)—

“(I) IN GENERAL.—The term ‘unforeseeable emergency’ means a severe financial hardship to the participant or beneficiary resulting from a sudden and unexpected illness or accident of the participant or beneficiary, the participant's or beneficiary's spouse, or the participant's or beneficiary's dependent (as defined in section 152(a)), loss of the participant's or beneficiary's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or beneficiary.

“(II) LIMITATION ON DISTRIBUTIONS.—The requirement of subparagraph (A)(vi) is met only if, as determined under regulations of the Secretary, the amounts distributed with respect to an emergency do not exceed the amounts necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the participant's or beneficiary's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

“(C) DISABLED.—For purposes of subparagraph (A)(ii), a participant shall be considered disabled if the participant—

“(i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or

“(ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the participant's employer .

“(3) INVESTMENT OPTIONS.—The requirements of this paragraph are met if the plan provides that the investment options a participant may elect under the plan—

“(A) are comparable to the investment options which a participant may elect under the qualified employer plan of the employer which has the fewest investment options, or

“(B) if there is no such qualified employer plan, meet such requirements as the Secretary may prescribe (including requirements limiting such options to permissible investment options specified by the Secretary).

“(4) ACCELERATION OF BENEFITS.—The requirements of this paragraph are met if the plan does not permit the acceleration of the time or schedule of any payment under the plan, except as provided by the Secretary.

“(5) ELECTIONS.—

“(A) IN GENERAL.—The requirements of this paragraph are met if the requirements of subparagraphs (B) and (C) are met.

“(B) INITIAL DEFERRAL DECISION.—The requirements of this subparagraph are met if the plan provides that compensation earned during a taxable year may be deferred at the participant's election only if the election to defer such compensation is made during the preceding taxable year or at such other time as provided in regulations. In the case of the first year in which a participant becomes eligible to participate in the plan, such election may be made with respect to services to be performed subsequent to the election within 30 days after the date the participant becomes eligible to participate in such plan.

“(C) CHANGES IN TIME AND FORM OF DISTRIBUTION.—The requirements of this subparagraph are met if, in the case of a plan which permits under a subsequent election a delay in a payment or a change in the form of payment—

“(i) the plan requires that such election may not take effect until at least 12 months after the date on which the election is made,

“(ii) in the case an election related to a payment not described in clause (ii), (iii), or (vi) of paragraph (2)(A), the plan requires that the first payment with respect to which such election is made be deferred for a period of not less than 5 years from the date such payment would otherwise have been made, and

“(iii) the plan requires that any election related to a payment described in paragraph (2)(A)(iv) may not be made less than 12 months prior to the date of the first scheduled payment under such paragraph.

A plan shall be treated as failing to meet the requirements of this subparagraph if the plan permits more than 1 subsequent election to delay any payment.

“(b) RULES RELATING TO FUNDING.—

“(1) OFFSHORE PROPERTY IN A TRUST.—In the case of assets set aside (directly or indirectly) in a trust (or other arrangement determined by the Secretary) for purposes of paying deferred compensation under a nonqualified deferred compensation plan, such assets shall be treated for purposes of section 83 as property transferred in connection with the performance of services whether or not such assets are available to satisfy claims of general creditors—

“(A) at the time set aside if such assets are located outside of the United States, or

“(B) at the time transferred if such assets are subsequently transferred outside of the United States.

This paragraph shall not apply to assets located in a foreign jurisdiction if substantially all of the services to which the nonqualified deferred compensation relates are performed in such jurisdiction.

“(2) EMPLOYER'S FINANCIAL HEALTH.—In the case of a nonqualified deferred compensation plan, there is a transfer of property within the meaning of section 83 as of the earlier of—

“(A) the date on which the plan first provides that assets will become restricted to the provision of benefits under the plan in connection with a change in the employer's financial health, or

“(B) the date on which assets are so restricted.

“(3) INCOME INCLUSION FOR OFFSHORE TRUSTS AND EMPLOYER'S FINANCIAL HEALTH.—For each taxable year that assets treated as transferred under this subsection remain set aside in a trust or other arrangement subject to paragraph (1) or (2), any increase in value in, or earnings with respect to, such assets shall be treated as an additional transfer of property under this subsection (to the extent not previously included in income).

“(4) INTEREST ON TAX LIABILITY PAYABLE WITH RESPECT TO TRANSFERRED PROPERTY.—

“(A) IN GENERAL.—If amounts are required to be included in gross income by reason of paragraph (1) or (2) for a taxable year, the tax imposed by this chapter for such taxable year shall be increased by the sum of—

“(i) the amount of interest determined under subparagraph (B), and

“(ii) an amount equal to 10 percent of the amounts required to be included in gross income.

“(B) INTEREST.—For purposes of subparagraph (A), the interest determined under this subparagraph for any taxable year is the amount of interest at the underpayment rate on the underpayments that would have occurred had the amounts been includible in gross income for the taxable year in which first deferred or, if later, the first taxable in which such amounts is not subject to a substantial risk of forfeiture.

“(c) NO INFERENCE ON EARLIER INCOME INCLUSION.—Nothing in this section shall be construed to prevent the inclusion of amounts in gross income under any other provision of this chapter or any other rule of law earlier than the time provided in this section. Any amount included in gross income under this section shall not be required to be included in gross income under any other provision of this chapter or any other rule of law later than the time provided in this section.

"(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) NONQUALIFIED DEFERRED COMPENSATION PLAN.—The term 'nonqualified deferred compensation plan' means any plan that provides for the deferral of compensation, other than—

"(A) a qualified employer plan, and

"(B) any bona fide vacation leave, sick leave, compensatory time, disability pay, or death benefit plan.

"(2) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' means—

"(A) any plan, contract, pension, account, or trust described in subparagraph (A) or (B) of section 219(g)(5), and

"(B) any eligible deferred compensation plan (within the meaning of section 457(b)) of an employer described in section 457(e)(1)(A).

"(3) PLAN INCLUDES ARRANGEMENTS, ETC.—The term 'plan' includes any agreement or arrangement, including an agreement or arrangement that includes one person.

"(4) SUBSTANTIAL RISK OF FORFEITURE.—The rights of a person to compensation are subject to a substantial risk of forfeiture if such person's rights to such compensation are conditioned upon the future performance of substantial services by any individual.

"(5) TREATMENT OF EARNINGS.—References to deferred compensation shall be treated as including references to income (whether actual or notional) attributable to such compensation or such income.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

"(1) providing for the determination of amounts of deferral in the case of a nonqualified deferred compensation plan which is a defined benefit plan,

"(2) relating to changes in the ownership and control of a corporation or assets of a corporation for purposes of subsection (a)(2)(A)(v),

"(3) exempting arrangements from the application of subsection (b) if such arrangements will not result in an improper deferral of United States tax and will not result in assets being effectively beyond the reach of creditors,

"(4) defining financial health for purposes of subsection (b)(2), and

"(5) disregarding a substantial risk of forfeiture in cases where necessary to carry out the purposes of this section."

(b) APPLICATION OF GOLDEN PARACHUTE PAYMENT PROVISIONS.—Section 280G(b) of such Code (defining excess parachute payment) is amended by adding at the end the following new paragraph:

"(7) SPECIAL RULES FOR CERTAIN PAYMENTS FROM NONQUALIFIED DEFERRED COMPENSATION PLANS.—

"(A) IN GENERAL.—In the case of any applicable payment—

"(i) such payment shall be treated as a parachute payment without regard to any exception otherwise applicable under this subsection, and

"(ii) notwithstanding paragraph (1), the entire amount of the payment shall be treated as an excess parachute payment.

"(B) COORDINATION WITH OTHER PAYMENTS.—An applicable payment shall be taken into account in determining whether any payment other than an applicable payment is a parachute payment under paragraph (2) or an excess parachute payment under paragraph (1).

"(C) APPLICABLE PAYMENT.—For purposes of this paragraph, the term 'applicable payment' means any distribution from a nonqualified deferred compensation plan (as defined in section 409A(d)) which is made—

"(i) to a participant who is subject to the requirements of section 16(a) of the Securities Exchange Act of 1934, and

"(ii) during the 1-year period following a change in the ownership or effective control of the corporation or in the ownership of a substantial portion of the assets of the corporation."

(c) W–2 FORMS.—

(1) IN GENERAL.—Subsection (a) of section 6051 (relating to receipts for employees) is amended by striking "and", by striking the period at the end of paragraph (12) and inserting ", and", and by inserting after paragraph (12) the following new paragraph:

"(13) the total amount of deferrals under a nonqualified deferred compensation plan (within the meaning of section 409A(d))."

(2) THRESHOLD.—Subsection (a) of section 6051 is amended by adding at the end the following: "In the case of the amounts required to be shown by paragraph (13), the Secretary may (by regulation) establish a minimum amount of deferrals below which paragraph (13) does not apply."

(d) CONFORMING AND CLERICAL AMENDMENTS.—

(1) Section 414(b) is amended by inserting "409A," after "408(p),".

(2) Section 414(c) is amended by inserting "409A," after "408(p),".

(3) The table of sections for such subpart A is amended by adding at the end the following new item:

"Sec. 409A. Inclusion in gross income of deferred compensation under nonqualified deferred compensation plans."

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to amounts deferred in taxable years beginning after December 31, 2004.

(2) EARNINGS ATTRIBUTABLE TO AMOUNT PREVIOUSLY DEFERRED.—The amendments made by this section shall apply to earnings on deferred compensation only to the extent that such amendments apply to such compensation.

(f) GUIDANCE RELATING TO CHANGE OF OWNERSHIP OR CONTROL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue guidance on what constitutes a change in ownership or effective control for purposes of section 409A of the Internal Revenue Code of 1986, as added by this section.

(g) GUIDANCE RELATING TO TERMINATION OF CERTAIN EXISTING ARRANGEMENTS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue guidance providing a limited period during which an individual participating in a nonqualified deferred compensation plan adopted on or before December 31, 2004, may, without violating the requirements of paragraphs (2), (3), (4), and (5) of section 409A(a)(2) of the Internal Revenue Code of 1986 (as added by this section), terminate participation or cancel an outstanding deferral election with regard to amounts earned after December 31, 2004, if such amounts are includible in income as earned.

SEC. 672. PROHIBITION ON DEFERRAL OF GAIN FROM THE EXERCISE OF STOCK OPTIONS AND RESTRICTED STOCK GAINS THROUGH DEFERRED COMPENSATION ARRANGEMENTS.

(a) IN GENERAL.—Section 83 (relating to property transferred in connection with performance of services) is amending by adding at the end the following new subsection:

"(i) PROHIBITION ON ADDITIONAL DEFERRAL THROUGH DEFERRED COMPENSATION ARRANGEMENTS.—If a taxpayer elects to exchange an option to purchase employer securities—

"(1) to which subsection (a) applies, or

"(2) which is described in subsection (e)(3), or any other property based on employer securities transferred to the taxpayer, for a right to receive future payments, then, notwithstanding any other provision of this title, there shall be included in gross income for the taxable year of the exchange an amount equal to the present value of such right (or such other amount as the Secretary may by regulations specify). For purposes of this subsection, the term 'employer securities' includes any security issued by the employer."

(b) CONTROLLED GROUP RULES.—Section 414(t)(2) is amended by inserting "83(i)," after "79,".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any exchange after December 31, 2004.

SEC. 673. INCREASE IN WITHHOLDING FROM SUPPLEMENTAL WAGE PAYMENTS IN EXCESS OF $1,000,000.

(a) IN GENERAL.—If an employer elects under Treasury Regulation 31.3402(g)–1 to determine the amount to be deducted and withheld from any supplemental wage payment by using a flat percentage rate, the rate to be used in determining the amount to be so deducted and withheld shall not be less than 28 percent (or the corresponding rate in effect under section 1(i)(2) of the Internal Revenue Code of 1986 for taxable years beginning in the calendar year in which the payment is made).

(b) SPECIAL RULE FOR LARGE PAYMENTS.—

(1) IN GENERAL.—Notwithstanding subsection (a), if the supplemental wage payment, when added to all such payments previously made by the employer to the employee during the calendar year, exceeds $1,000,000, the rate used with respect to such excess shall be equal to the maximum rate of tax in effect under section 1 of such Code for taxable years beginning in such calendar year.

(2) AGGREGATION.—All persons treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as a single employer for purposes of this subsection.

(c) CONFORMING AMENDMENT.—Section 13273 of the Revenue Reconciliation Act of 1993 (Public Law 103–66) is repealed.

(d) EFFECTIVE DATE.—The provisions of, and the amendment made by, this section shall apply to payments made after December 31, 2003.

SEC. 674. TREATMENT OF SALE OF STOCK ACQUIRED PURSUANT TO EXERCISE OF STOCK OPTIONS TO COMPLY WITH CONFLICT-OF-INTEREST REQUIREMENTS.

(a) IN GENERAL.—Section 421 of the Internal Revenue Code of 1986 (relating to general rules for certain stock options) is amended by adding at the end the following new subsection:

"(d) CERTAIN SALES TO COMPLY WITH CONFLICT-OF-INTEREST REQUIREMENTS.—If—

"(1) a share of stock is transferred to an eligible person (as defined in section 1043(b)(1)) pursuant to such person's exercise of an option to which this part applies, and

"(2) such share is disposed of by such person pursuant to a certificate of divestiture (as defined in section 1043(b)(2)),

such disposition shall be treated as meeting the requirements of section 422(a)(1) or 423(a)(1), whichever is applicable."

(b) Effective Date.—The amendment made by this section shall apply to sales after the date of the enactment of this Act.

SEC. 675. DETERMINATION OF BASIS OF AMOUNTS PAID FROM FOREIGN PENSION PLANS.

(a) In General.—Section 72 of the Internal Revenue Code of 1986 (relating to annuities and certain proceeds of endowment and life insurance contracts) is amended by redesignating subsection (w) as subsection (x) by inserting subsection (v) the following new subsection:

"(w) Determination of Basis of Foreign Pension Plans.—Notwithstanding any other provision of this section, for purposes of determining the portion of any distribution from a foreign pension plan which is includible in gross income of the distributee, the investment in the contract with respect to the plan shall not include employer or employee contributions to the plan (or any earnings on such contributions) unless such contributions or earnings were subject to taxation by the United States or any foreign government."

(b) Effective Date.—The amendments made by this section shall apply to distributions on or after the date of the enactment of this Act.

TITLE VII—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Extensions

SEC. 701. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) In General.—Section 9812(f) is amended—

(1) by striking "and" at the end of paragraph (1), and

(2) by striking paragraph (2) and inserting the following new paragraphs:

"(2) on or after January 1, 2004, and before the date of the enactment of the Jumpstart Our Business Strength (JOBS) Act, and

"(3) after December 31, 2005.".

(b) ERISA.—Section 712(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185a(f)) is amended by striking "on or after December 31, 2004" and inserting "after December 31, 2005".

(c) PHSA.—Section 2705(f) of the Public Health Service Act (42 U.S.C. 300gg-5(f)) is amended by striking "on or after December 31, 2004" and inserting "after December 31, 2005".

(d) Effective Dates.—

(1) Subsection (a).—The amendments made by subsection (a) shall apply to benefits for services furnished on or after December 31, 2003.

(2) Subsections (b) and (c).—The amendments made by subsections (b) and (c) shall apply to benefits for services furnished on or after December 31, 2004.

SEC. 702. MODIFICATIONS TO WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) Extension of Credit.—

(1) Subparagraph (B) of section 51(c)(4) is amended by striking "December 31, 2003" and inserting "December 31, 2005".

(2) Subsection (f) of section 51A is amended by striking by striking "December 31, 2003" and inserting "December 31, 2005".

(b) Eligibility of Ex-Felons Determined Without Regard to Family Income.—Paragraph (4) of section 51(d) is amended by adding "and" at the end of subparagraph (A), by striking ", and" at the end of subparagraph (B) and inserting a period, and by striking all that follows subparagraph (B).

(c) Increase in Maximum Age for Eligibility of Food Stamp Recipients.—Clause (i) of section 51(d)(8)(A) is amended by striking "25" and inserting "40".

(d) Increase in Maximum Age for Designated Community residents.—

(1) In general.—Paragraph (5) of section 51(d) is amended to read as follows:

"(5) Designated community residents.—

"(A) In general.—The term 'designated community resident' means any individual who is certified by the designated local agency—

"(i) as having attained age 18 but not age 40 on the hiring date, and

"(ii) as having his principal place of abode within an empowerment zone, enterprise community, or renewal community.

"(B) Individual must continue to reside in zone or community.—In the case of a designated community resident, the term 'qualified wages' shall not include wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, or renewal community."

(2) Conforming amendment.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

"(D) a designated community resident,".

(e) Clarification of Treatment of Individuals Under Individual Work Plans.—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking "or" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", or", and by adding at the end the following new clause:

"(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met."

(f) Effective Dates.—

(1) Extension of credits.—The amendments made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2003.

(2) Modifications.—The amendments made by subsections (b), (c), (d), and (e) shall apply to individuals who begin work for the employer after December 31, 2004.

SEC. 703. CONSOLIDATION OF WORK OPPORTUNITY CREDIT WITH WELFARE-TO-WORK CREDIT.

(a) In General.—Paragraph (1) of section 51(d) is amended by striking "or" at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting ", or", and by adding at the end the following new subparagraph:

"(I) a long-term family assistance recipient."

(b) Long-Term Family Assistance Recipient.—Subsection (d) of section 51 is amended by redesignating paragraphs (10) through (12) as paragraphs (11) through (13), respectively, and by inserting after paragraph (9) the following new paragraph:

"(10) Long-term family assistance recipient.—The term 'long-term family assistance recipient' means any individual who is certified by the designated local agency—

"(A) as being a member of a family receiving assistance under a IV–A program (as defined in paragraph (2)(B)) for at least the 18-month period ending on the hiring date,

"(B)(i) as being a member of a family receiving such assistance for 18 months beginning after August 5, 1997, and

"(ii) as having a hiring date which is not more than 2 years after the end of the earliest such 18-month period, or

"(C)(i) as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(ii) as having a hiring date which is not more than 2 years after the date of such cessation."

(c) Increased Credit for Employment of Long-Term Family Assistance Recipients.—Section 51 is amended by inserting after subsection (d) the following new subsection:

"(e) Credit for Employment of Long-Term Family Assistance Recipients.—

"(1) In general.—With respect to the employment of a long-term family assistance recipient—

"(A) the amount of the work opportunity credit determined under this section for the taxable year shall include 50 percent of the qualified second-year wages for such year, and

"(B) in lieu of applying subsection (b)(3), the amount of the qualified first-year wages, and the amount of qualified second-year wages, which may be taken into account with respect to such a recipient shall not exceed $10,000 per year.

"(2) Qualified second-year wages.—For purposes of this subsection, the term 'qualified second-year wages' means qualified wages—

"(A) which are paid to a long-term family assistance recipient, and

"(B) which are attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such recipient determined under subsection (b)(2).

"(3) Special rules for agricultural and railway labor.—If such recipient is an employee to whom subparagraph (A) or (B) of subsection (h)(1) applies, rules similar to the rules of such subparagraphs shall apply except that—

"(A) such subparagraph (A) shall be applied by substituting '$10,000' for '$6,000', and

"(B) such subparagraph (B) shall be applied by substituting '$833.33' for '$500'."

(d) Repeal of Separate Welfare-to-Work Credit.—

(1) In general.—Section 51A is hereby repealed.

(2) Clerical amendment.—The table of sections for subpart F of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 51A.

(e) Effective Date.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2004.

SEC. 704. QUALIFIED ZONE ACADEMY BONDS.

(a) In General.—Paragraph (1) of section 1397E(e) is amended by striking "and 2003" and inserting "2003, 2004, and 2005".

(b) Effective Date.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 2003.

SEC. 705. COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) In General.—Paragraph (1) of section 7652(f) is amended by striking "January 1, 2004" and inserting "January 1, 2006".

(b) Effective Date.—The amendment made by subsection (a) shall apply to articles brought into the United States after December 31, 2003.

SEC. 706. DEDUCTION FOR CORPORATE DONATIONS OF SCIENTIFIC PROPERTY AND COMPUTER TECHNOLOGY.

(a) Scientific Property Used for Research.—

(1) In general.—Clause (ii) of section 170(e)(4)(B) (defining qualified research contributions) is amended by inserting "or assembled" after "constructed".

(2) Conforming amendment.—Clause (iii) of section 170(e)(4)(B) is amended by inserting "or assembling" after "construction".

(b) Computer Technology and Equipment for Educational Purposes.—

(1) In general.—Clause (ii) of section 170(e)(6)(B) is amended by inserting "or assembled" after "constructed" and "or assembling" after "construction".

(2) Special rule extended.—Section 170(e)(6)(G) is amended by striking "2003" and inserting "2005".

(3) Conforming amendments.—Subparagraph (D) of section 170(e)(6) is amended by inserting "or assembled" after "constructed" and "or assembling" after "construction".

(c) Effective Date.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2003.

SEC. 707. DEDUCTION FOR CERTAIN EXPENSES OF SCHOOL TEACHERS.

(a) In General.—Subparagraph (D) of section 62(a)(2) is amended by striking "or 2003" and inserting ", 2003, 2004, or 2005".

(b) Effective Date.—The amendment made by subsection (a) shall apply to expenses paid or incurred in taxable years beginning after December 31, 2003.

SEC. 708. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) Extension of Termination Date.—Subsection (h) of section 198 is amended by striking "December 31, 2003" and inserting "December 31, 2005".

(b) Effective Date.—The amendment made by subsection (a) shall apply to expenditures paid or incurred after December 31, 2003.

SEC. 709. EXPANSION OF CERTAIN NEW YORK LIBERTY ZONE BENEFITS.

(a) Extension of Tax-Exempt Bond Financing.—Subparagraph (D) of section 1400L(d)(2) is amended by striking "2005" and inserting "2006".

(b) Clarification of Bonds Eligible for Advance Refunding.—Section 1400L(e)(2)(B) (relating to bonds described) is amended by striking ", or" and inserting "or the Municipal Assistance Corporation, or".

(c) Election Out Technical Amendment.—Subsection (c) of section 1400L is amended by adding at the end the following new paragraph:

"(5) Election out.—For purposes of this subsection, rules similar to the rules of section 168(k)(2)(C)(iii) shall apply.".

(d) Effective date.—The amendments made by subsections (b) and (c) shall take effect as if included in the amendments made by section 301 of the Job Creation and Worker Assistance Act of 2002.

SEC. 710. TEMPORARY SPECIAL RULES FOR TAXATION OF LIFE INSURANCE COMPANIES.

(a) In General.—Subsection (j) of section 809 is amended by striking "or 2003" and inserting "2003, 2004, or 2005".

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2003.

SEC. 711. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) Designation of Zone.—Subsection (f) of section 1400 is amended by striking "December 31, 2003" both places it appears and inserting "December 31, 2005".

(b) Tax-Exempt Economic Development Bonds.—Subsection (b) of section 1400A is amended by striking "December 31, 2003" and inserting "December 31, 2005".

(c) Zero Percent Capital Gains Rate.—

(1) In general.—Subsection (b) of section 1400B is amended by striking "January 1, 2004" each place it appears and inserting "January 1, 2006".

(2) Conforming amendments.—

(A) Section 1400B(e)(2) is amended—

(i) by striking "December 31, 2008" and inserting "December 31, 2010", and

(ii) by striking "2008" in the heading and inserting "2010".

(B) Section 1400B(g)(2) is amended by striking "December 31, 2008" and inserting "December 31, 2010".

(C) Section 1400F(d) is amended by striking "December 31, 2008" and inserting "December 31, 2010".

(d) First-Time Homebuyer Credit.—Subsection (i) of section 1400C is amended by striking "January 1, 2004" and inserting "January 1, 2006".

(e) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall take effect on January 1, 2004.

(2) Tax-exempt economic development bonds.—The amendment made by subsection (b) shall apply to obligations issued after the date of the enactment of this Act.

SEC. 712. DISCLOSURE OF TAX INFORMATION TO FACILITATE COMBINED EMPLOYMENT TAX REPORTING.

(a) In General.—Paragraph (5) of section 6103(d) (relating to disclosure to State tax officials and State and local law enforcement agencies) is amended to read as follows:

"(5) Disclosure for combined employment tax reporting.—The Secretary may disclose taxpayer identity information and signatures to any agency, body, or commission of any State for the purpose of carrying out with such agency, body, or commission a combined Federal and State employment tax reporting program approved by the Secretary. Subsections (a)(2) and (p)(4) and sections 7213 and 7213A shall not apply with respect to disclosures or inspections made pursuant to this paragraph.".

(b) Effective Date.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 713. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.

(a) In General.—Paragraph (2) of section 26(a) is amended—

(1) by striking "RULE FOR 2000, 2001, 2002, AND 2003.—" and inserting "RULE FOR TAXABLE YEARS 2000 THROUGH 2004.—", and

(2) by striking "or 2003" and inserting "2003, or 2004".

(b) Conforming Provisions.—

(1) Section 904(h) is amended by striking "or 2003" and inserting "2003, or 2004".

(2) The amendments made by sections 201(b), 202(f), and 618(b) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2004.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 714. CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) In General.—Subparagraphs (A), (B), and (C) of section 45(c)(3) are each amended by striking "January 1, 2004" and inserting "January 1, 2005".

(b) Effective Date.—The amendments made by subsection (a) shall apply to facilities placed in service after December 31, 2003.

SEC. 715. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

(a) In General.—Subparagraph (H) of section 613A(c)(6) is amended by striking "January 1, 2004" and inserting "January 1, 2005".

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2003.

SEC. 716. INDIAN EMPLOYMENT TAX CREDIT.

Section 45A(f) (relating to termination) is amended by striking "December 31, 2004" and inserting "December 31, 2005".

SEC. 717. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATION.

Section 168(j)(8) (relating to termination) is amended by striking "December 31, 2004" and inserting "December 31, 2005".

SEC. 718. DISCLOSURE OF RETURN INFORMATION RELATING TO STUDENT LOANS.

Section 6103(l)(13)(D) (relating to termination) is amended by striking "December 31, 2004" and inserting "December 31, 2005".

SEC. 719. EXTENSION OF TRANSFERS OF EXCESS PENSION ASSETS TO RETIREE HEALTH ACCOUNTS.

(a) Amendment of Internal Revenue Code of 1986.—Paragraph (5) of section 420(b) (relating to expiration) is amended by striking "December 31, 2005" and inserting "December 31, 2013".

(b) Amendments of ERISA.—

(1) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking "Tax Relief Extension Act of 1999" and inserting "Jumpstart Our Business Strength (JOBS) Act".

(2) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking "Tax Relief Extension Act of 1999" and inserting "Jumpstart Our Business Strength (JOBS) Act".

(3) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(3)) is amended—

(A) by striking "January 1, 2006" and inserting "January 1, 2014", and

(B) by striking "Tax Relief Extension Act of 1999" and inserting "Jumpstart Our Business Strength (JOBS) Act".

(c) Minimum Cost Requirements.—

(1) In general.—Section 420(c)(3)(E) is amended by adding at the end the following new clause:

"(ii) Insignificant cost reductions permitted.—

"(I) In general.—An eligible employer shall not be treated as failing to meet the requirements of this paragraph for any taxable year if, in lieu of any reduction of retiree health coverage permitted under the regulations prescribed under clause (i), the employer reduces applicable employer cost by an amount not in excess of the reduction in costs which would have occurred if the employer had made the maximum permissible reduction in retiree health coverage under such regulations. In applying such regulations to any subsequent taxable year, any reduction in applicable employer cost under this clause shall be treated as if it were an equivalent reduction in retiree health coverage.

"(II) Eligible employer.—For purposes of subclause (I), an employer shall be treated as an eligible employer for any taxable year if, for the preceding taxable year, the qualified current retiree health liabilities of the employer were at least 5 percent of the gross receipts of the employer. For purposes of this subclause, the rules of paragraphs (2), (3)(B), and (3)(C) of section 448(c) shall apply in determining the amount of an employer's gross receipts."

(2) CONFORMING AMENDMENT.—Section 420(c)(3)(E) is amended by striking "The Secretary" and inserting:

"(i) IN GENERAL.—The Secretary".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 720. ELIMINATION OF PHASEOUT OF CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30(b) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(b) CONFORMING AMENDMENTS.—

(1) Section 53(d)(1)(B)(iii) is amended by striking "section 30(b)(3)(B)" and inserting "section 30(b)(2)(B)".

(2) Section 55(c)(2) is amended by striking "30(b)(3)" and inserting "30(b)(2)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2003.

SEC. 721. ELIMINATION OF PHASEOUT FOR DEDUCTION FOR CLEAN-FUEL VEHICLE PROPERTY.

(a) IN GENERAL.—Paragraph (1) of section 179A(b) is amended to read as follows:

"(1) QUALIFIED CLEAN-FUEL VEHICLE PROPERTY.—The cost which may be taken into account under subsection (a)(1)(A) with respect to any motor vehicle shall not exceed—

"(A) in the case of a motor vehicle not described in subparagraph (B) or (C), $2,000,

"(B) in the case of any truck or van with a gross vehicle weight rating greater than 10,000 pounds but not greater than 26,000 pounds, $5,000, or

"(C) $50,000 in the case of—

"(i) a truck or van with a gross vehicle weight rating greater than 26,000 pounds, or

"(ii) any bus which has a seating capacity of at least 20 adults (not including the driver).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after December 31, 2003.

Subtitle B—Revenue Provisions

SEC. 731. DONATIONS OF MOTOR VEHICLES, BOATS, AND AIRPLANES.

(a) IN GENERAL.—Subsection (f) of section 170 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

"(11) CONTRIBUTIONS OF USED MOTOR VEHICLES, BOATS, AND AIRPLANES.—

"(A) IN GENERAL.—In the case of a contribution of a qualified vehicle in excess of $500—

"(i) paragraph (8) shall not apply and no deduction shall be allowed under subsection (a) for such contribution unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgement of the contribution by the donee organization that meets the requirements of subparagraph (B) and includes the acknowledgement with the taxpayer's return of tax which includes the deduction, and

"(ii) if the organization sells the vehicle without any significant intervening use or material improvement of such vehicle by the organization, the amount of the deduction allowed under subsection (a) shall not exceed the gross proceeds received from such sale.

"(B) CONTENT OF ACKNOWLEDGEMENT.—An acknowledgement meets the requirements of this subparagraph if it includes the following information:

"(i) The name and taxpayer identification number of the donor.

"(ii) The vehicle identification number or similar number.

"(iii) In the case of a qualified vehicle to which subparagraph (A)(ii) does not apply and which is sold by the donee organization—

"(I) a certification that the vehicle was sold in an arm's length transaction between unrelated parties,

"(II) the gross proceeds from the sale, and

"(III) the amount of such gross proceeds is the deductible amount.

"(iv) In the case of a qualified vehicle to which subparagraph (A)(ii) does not apply—

"(I) a certification of the intended use or material improvement of the vehicle and the intended duration of such use, and

"(II) a certification that the vehicle would not be transferred in exchange for money, other property, or services before completion of such use or improvement.

"(C) CONTEMPORANEOUS.—For purposes of subparagraph (A), an acknowledgement shall be considered to be contemporaneous if the donee organization provides it within 30 days of—

"(i) the sale of the qualified vehicle, or

"(ii) in the case of an acknowledgement including a certification described in subparagraph (B)(iv), the contribution of the qualified vehicle.

"(D) INFORMATION TO SECRETARY.—A donee organization required to provide an acknowledgement under this paragraph shall provide to the Secretary the information contained in the acknowledgement. Such information shall be provided at such time and in such manner as the Secretary may prescribe.

"(E) QUALIFIED VEHICLE.—For purposes of this paragraph, the term 'qualified vehicle' means any—

"(i) self-propelled vehicle manufactured primarily for use on public streets, roads, and highways,

"(ii) boat, or

"(iii) airplane.

Such term shall not include any property which is described in section 1221(a)(1).

"(F) REGULATIONS OR OTHER GUIDANCE.—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this paragraph.".

(b) PENALTY FOR FRAUDULENT ACKNOWLEDGMENTS.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended adding at the end the following new section:

"SEC. 6717. FRAUDULENT ACKNOWLEDGMENTS WITH RESPECT TO DONATIONS OF MOTOR VEHICLES, BOATS, AND AIRPLANES.

"Any donee organization required under section 170(f)(11)(A) to furnish a contemporaneous written acknowledgment to a donor which knowingly furnishes a false or fraudulent acknowledgment, or which knowingly fails to furnish such acknowledgment in the manner, at the time, and showing the information required under section 170(f)(11), or regulations prescribed thereunder, shall for each such act, or for each such failure, be subject to a penalty equal to—

"(1) in the case of an acknowledgment with respect to a qualified vehicle to which section 170(f)(11)(A)(ii) applies, the greater of the value of the tax benefit to the donor or the gross proceeds from the sale of such vehicle, and

"(2) in the case of an acknowledgment with respect to any other qualified vehicle to which section 170(f)(11) applies, the greater of the value of the tax benefit to the donor or $5,000.".

(2) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by adding at the end the following new item:

"Sec. 6717. Fraudulent acknowledgments with respect to donations of motor vehicles, boats, and airplanes.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions after June 30, 2004.

SEC. 732. ADDITION OF VACCINES AGAINST INFLUENZA TO LIST OF TAXABLE VACCINES.

(a) IN GENERAL.—Section 4132(a)(1) (defining taxable vaccine) is amended adding at the end the following new subparagraph:

"(M) Any trivalent vaccine against influenza:".

(b) CONFORMING AMENDMENT.—Section 9510(c)(1)(A) is amended by striking "October 18, 2000" and inserting "the date of the enactment of the Jumpstart Our Business Strength (JOBS) Act".

(b) EFFECTIVE DATE.—

(1) SALES, ETC.—The amendment made by this section shall apply to sales and uses on or after the later of—

(A) the first day of the first month which begins more than 4 weeks after the date of the enactment of this Act, or

(B) the date on which the Secretary of Health and Human Services lists any vaccine against influenza for purposes of compensation for any vaccine-related injury or death through the Vaccine Injury Compensation Trust Fund.

(2) DELIVERIES.—For purposes of paragraph (1) and section 4131 of the Internal Revenue Code of 1986, in the case of sales on or before the effective date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

SEC. 733. TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT INSTRUMENTS.

(a) IN GENERAL.—Section 1275(d) (relating to regulation authority) is amended—

(1) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary", and

(2) by adding at the end the following new paragraph:

"(2) TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT.—

"(A) IN GENERAL.—In the case of a debt instrument which—

"(i) is convertible into stock of the issuing corporation, or in stock or debt of a related party (within the meaning of section 267(b) or 707(b)(1), or into cash or other property in an amount equal to the approximate value of such stock or debt, and

"(ii) provides for contingent payments,

any regulations which require original issue discount to be determined by reference to the comparable yield of a noncontingent fixed rate debt instrument shall be applied as requiring that such comparable yield be determined by reference to a noncontingent fixed rate debt instrument which is convertible into stock.

"(B) SPECIAL RULE.—For purposes of subparagraph (A), the comparable yield shall be determined without taking into account the yield resulting from the conversion of a debt instrument into stock.".

(b) CROSS REFERENCE.—Section 163(e)(6) (relating to cross references) is amended by adding at the end the following:

"For the treatment of contingent payment convertible debt, see section 175(d)(2).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to debt instruments issued after the date of the enactment of this Act.

SEC. 734. MODIFICATION OF CONTINUING LEVY ON PAYMENTS TO FEDERAL VENDERS.

(a) IN GENERAL.—Section 6331(h) (relating to continuing levy on certain payments) is amended by adding at the end the following new paragraph:

"(3) INCREASE IN LEVY FOR CERTAIN PAYMENTS.—Paragraph (1) shall be applied by substituting '100 percent' for '15 percent' in the case of any specified payment due to a vendor of goods or services sold or leased to the Federal Government.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SA 2887. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title I, insert:

SEC. ___. MANUFACTURER'S JOBS CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits) is amended by adding at the end the following:

"SEC. 45G. MANUFACTURER'S JOBS CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible taxpayer, the manufacturer's jobs credit determined under this section is an amount equal to the lesser of the following:

"(1) The excess of the W–2 wages paid by the taxpayer during the taxable year over the W–2 wages paid by the taxpayer during the preceding taxable year.

"(2) The W–2 wages paid by the taxpayer during the taxable year to any employee who is an eligible TAA recipient (as defined in section 35(c)(2)) for any month during such taxable year.

"(3) 22.4 percent of the W–2 wages paid by the taxpayer during the taxable year.

"(b) LIMITATION.—

"(1) IN GENERAL.—If there is an excess described in paragraph (2)(A) for any taxable year, the amount of credit determined under subsection (a) (without regard to this subsection)—

"(A) if the value of domestic production determined under subsection (g)(2) for the taxable year does not exceed such value for the preceding taxable year, shall be zero, and

"(B) if subparagraph (A) does not apply, shall be reduced (but not below zero) by the applicable percentage of such amount.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means, with respect to any taxable year, the percentage equal to a fraction—

"(A) the numerator of which is the excess (if any) of the modified value of worldwide production of the taxpayer for the taxable year over such modified value for the preceding taxable year, and

"(B) the denominator of which is the excess (if any) of the value of worldwide production of the taxpayer for the taxable year over such value for the preceding taxable year.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) VALUE OF WORLDWIDE PRODUCTION.—The value of worldwide production for any taxable year shall be determined under subsection (g)(4).

"(B) MODIFIED VALUE.—The term 'modified value of worldwide production' means the value of worldwide production determined by not taking into account any item taken into account in determining the value of domestic production under subsection (g)(2).

"(c) ELIGIBLE TAXPAYER.—For purposes of this section, the term 'eligible taxpayer' means any taxpayer—

"(1) which has domestic production gross receipts for the taxable year and the preceding taxable year, and

"(2) which is not treated at any time during the taxable year as an inverted domestic corporation under section 7874.

"(d) DEFINITIONS.—For purposes of this section—

"(1) IN GENERAL.—Any term used in this section which is also used in section 199 shall have the meaning given such term by section 199.

"(2) SPECIAL RULE FOR W–2 WAGES.—Notwithstanding paragraph (1), the amount of W–2 wages taken into account with respect to any employee for any taxable year shall not exceed $50,000.

"(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

"(f) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2005."

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following:

"(16) the manufacturer's jobs credit determined under section 45G."

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

"Sec. 45G. Manufacturer's jobs credit."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SA 2888. Mrs. HUTCHISON (for herself, Mr. FRIST, Ms. CANTWELL, and Mr. ALEXANDER) submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. DEDUCTION OF STATE AND LOCAL GENERAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.

(a) IN GENERAL.—Subsection (b) of section 164 (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(5) GENERAL SALES TAXES.—For purposes of subsection (a)—

"(A) ELECTION TO DEDUCT STATE AND LOCAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.—

"(i) IN GENERAL.—At the election of the taxpayer for the taxable year, subsection (a) shall be applied—

"(I) without regard to the reference to State and local income taxes,

"(II) as if State and local general sales taxes were referred to in a paragraph thereof, and

"(III) without regard to the last sentence.

"(B) DEFINITION OF GENERAL SALES TAX.—The term 'general sales tax' means a tax imposed at one rate with respect to the sale at retail of a broad range of classes of items.

"(C) SPECIAL RULES FOR FOOD, ETC.—In the case of items of food, clothing, medical supplies, and motor vehicles—

"(i) the fact that the tax does not apply with respect to some or all of such items shall not be taken into account in determining whether the tax applies with respect to a broad range of classes of items, and

"(ii) the fact that the rate of tax applicable with respect to some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

"(D) ITEMS TAXED AT DIFFERENT RATES.—Except in the case of a lower rate of tax applicable with respect to an item described in subparagraph (C), no deduction shall be allowed under this paragraph for any general sales tax imposed with respect to an item at a rate other than the general rate of tax.

"(E) COMPENSATING USE TAXES.—A compensating use tax with respect to an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term 'compensating use tax' means, with respect to any item, a tax which—

"(i) is imposed on the use, storage, or consumption of such item, and

"(ii) is complementary to a general sales tax, but only if a deduction is allowable under this paragraph with respect to items sold at retail in the taxing jurisdiction which are similar to such item.

"(F) SPECIAL RULE FOR MOTOR VEHICLES.—In the case of motor vehicles, if the rate of tax exceeds the general rate, such excess shall be disregarded and the general rate shall be treated as the rate of tax.

"(G) SEPARATELY STATED GENERAL SALES TAXES.—If the amount of any general sales tax is separately stated, then, to the extent that the amount so stated is paid by the consumer (other than in connection with the consumer's trade or business) to the seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.

"(H) AMOUNT OF DEDUCTION TO BE DETERMINED UNDER TABLES.—

"(i) IN GENERAL.—The amount of the deduction allowed under this paragraph shall be determined under tables prescribed by the Secretary.

"(ii) REQUIREMENTS FOR TABLES.—The tables prescribed under clause (i) shall reflect the provisions of this paragraph and shall be based on the average consumption by taxpayers on a State-by-State basis, as determined by the Secretary, taking into account filing status, number of dependents, adjusted gross income, and rates of State and local general sales taxation.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 2889. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ___. EXTENSION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

(a) IN GENERAL.—Section 29 (relating to credit for producing fuel from a nonconventional source) is amended by adding at the end the following new subsection:

"(h) EXTENSION FOR OTHER FACILITIES.—Notwithstanding subsection (f), in the case of a facility for producing coke or coke gas which was placed in service before January 1, 1993, or after June 30, 1998, and before January 1, 2007, this section shall apply with respect to coke and coke gas produced in such facility and sold during the during the period—

"(1) beginning on the later of January 1, 2004, or the date that such facility is placed in service, and

"(2) ending on the earlier of the date which is 4 years after the date such period began or December 31, 2009.

SA 2890. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. ___. TAXATION OF CERTAIN SETTLEMENT FUNDS.

(a) IN GENERAL.—Subsection (g) of section 468B (relating to clarification of taxation of certain funds) is amended to read as follows:

"(g) CLARIFICATION OF TAXATION OF CERTAIN FUNDS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), nothing in any provision of law shall be construed as providing that an escrow account, settlement fund, or similar fund is not subject to current income tax. The Secretary shall prescribe regulations providing for the taxation of any such account or fund whether as a grantor trust or otherwise.

"(2) EXEMPTION FROM TAX FOR CERTAIN SETTLEMENT FUNDS.—An escrow account, settlement fund, or similar fund shall be treated as beneficially owned by the United States and shall be exempt from taxation under this subtitle if—

"(A) it is established pursuant to a consent decree entered by a judge of a United States District Court,

"(B) it is created for the receipt of settlement payments as directed by a government entity for the sole purpose of resolving or satisfying one or more claims asserting liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980,

"(C) the authority and control over the expenditure of funds therein (including the expenditure of contributions thereto and any net earnings thereon) is with such government entity, and

"(D) upon termination, any remaining funds will be disbursed upon instructions by such government entity in accordance with applicable law.

For purposes of this paragraph, the term 'government entity' means the United States, any State or political subdivision thereof, the District of Columbia, any possession of the United States, and any agency or instrumentality of any of the foregoing.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

NOTICES OF HEARINGS/MEETINGS

SUBCOMMITTEE ON WATER AND POWER

Ms. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that the following bills have been added to the agenda for the hearing scheduled for Subcommittee on Water and Power of the Committee on Energy and Natural Resources on Thursday, March 25th, at 2:30 p.m. in Room SD–366 of the Dirksen Senate Office Building.

S. 2218 a bill to direct the Secretary of the Interior to establish a rural water supply program in the Reclamation States to provide a clean, safe, affordable, and reliable water supply to rural residents and establish guidelines for projects and for other purposes. S. 1727, a bill to authorize additional appropriations for the Reclamation Safety of Dams Act of 1978; and S. 1791, a bill to amend the Lease Lot Conveyance Act of 2002 to provide that the amounts received by the United States under that Act shall be deposited in the reclamation fund, and for other purposes.

Because of the limited time available for the hearings, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Water and Power, Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510–6150.

For further information, please contact Shelly Randel at 202–224–7933, Erik Webb at 202–224–4756 or Colin Hayes at 202–224–0883.

SUBCOMMITTEE ON NATIONAL PARKS

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on National Parks of the Committee on Energy and Natural Resources. The purpose of this hearing is to conduct oversight on National Heritage Areas, including findings and recommendations of the General Accounting Office, the definition of a National Heritage Area, the definition of national significance as it relates to National Heritage Areas, recommendations for establishing National Heritage Areas as units of the National Park System, recommendations for prioritizing proposed studies and designations, and options for developing a National Heritage Area Program within the National Park Service.

The hearing will take place on Tuesday, March 30, 2004 at 2:30 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, SD–364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact: Tom Lillie at (202) 224–5161 or Sarah Creachbaum at (202) 224–6293.

AUTHORITY FOR COMMITTEES TO MEET

SPECIAL COMMITTEE ON AGING

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet Monday, March 22, 2004, from 2 p.m.–5 p.m. in Dirksen 628 for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that David Sinsky of my staff be granted floor privileges for the duration of today's and tomorrow's debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE 91ST MEETING OF THE GARDEN CLUB OF AMERICA

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Con. Res. 97, and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the concurrent resolution by title.

The assistant journal clerk read as follows:

> A concurrent resolution recognizing the 91st annual meeting of The Garden Club of America.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. McCONNELL. Mr. President, I further ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to this matter be printed in the RECORD, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 97) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 97

Whereas The Garden Club of America is holding its 91st annual meeting in Washington, DC April 24 through 27, 2004;

Whereas The Garden Club of America has 195 member clubs in 40 States and the District of Columbia, representing more than 17,000 members;

Whereas since its founding in 1913, The Garden Club of America has become a recognized leader in the fields of horticulture, conservation, historic preservation, and civic improvement, and an influential organization in the protection of America's environment; and

Whereas in our Nation's Capital, The Garden Club of America was instrumental in the founding of the National Arboretum, the development of the Archives of American Gardens at the Smithsonian Institution, and the creation and installation of the Butterfly Habitat Garden which now graces The National Mall at the National Museum of Natural History: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress commends The Garden Club of America for the many contributions it has made in our Nation's Capital and in communities across the United States, and sends its best wishes on the occasion of its 91st annual meeting in Washington, DC, April 24 through 27, 2004.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Democratic Leader, pursuant to Public Law 108–199, appoints the following individuals to serve as members of the Helping to Enhance the Livelihood of People (HELP) Around the Globe Commission: Leo J. Hindery, Jr. of New York and Gayle E. Smith of Washington, DC.

The Chair, on behalf of the Majority Leader, pursuant to Public Law 108–199, Section 104(c), 1(A), appoints the following individual to serve as a member of the Abraham Lincoln Study Abroad Fellowship Program: Ms. Christine Vick of Washington, DC.

ORDERS FOR TUESDAY, MARCH 23, 2004

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:45 a.m. tomorrow, Tuesday, March 23. I further ask unanimous consent that following the prayer and pledge the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day and the Senate then begin a period of morning business until 11 a.m. with the majority leader or his designee in control of the first half of the time and the Democratic leader or his designee in control of the remaining time; provided that at 11 a.m. the Senate resume consideration of S. 1637, the JOBS bill; provided further that Senator GRASSLEY be recognized at that time.

I further ask unanimous consent that the Senate recess from 12:30 p.m. until 2:15 p.m. for the weekly party luncheons.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, reserving the right to object, on this side we believe we are entitled to an up-or-down vote regarding the most important issue facing many Americans; that is, overtime. I just returned from our recess when I met with the fire and police personnel in the State of Nevada. They all brought this up. We know there is an effort not to have a vote, the reason being this amendment will pass. When the Harkin amendment is offered and there is a vote on it, it will pass. The majority doesn't want to vote on this because it is embarrassing to the President who has no support from the American people on this overtime issue.

Also, we have other amendments—not many but a few amendments—one dealing with China. Senator SCHUMER has wanted to offer an amendment for a long time on this bill dealing with international trade, among other things.

Also, there is an amendment my friend, the distinguished senior Senator from Illinois, is going to speak on dealing with a tax credit for insurance premiums and medical malpractice. I support my friend from Illinois on this issue. It would not solve the medical malpractice issue, but it is something the physicians in this country approved, and it is the right thing to do. It would help alleviate some of the medical malpractice pressure we have around the country.

I say to my friend through the Chair, I can't guarantee cloture will not be invoked, but I think it is very doubtful cloture will be invoked.

I want the RECORD to reflect that on this side we are not trying to amend this bill to death. We have a handful of amendments, and we will agree to a list of finite amendments. That has been explained to the two managers.

The way things are headed, this bill is going to go down, and it is not good for the country.

The PRESIDING OFFICER. Is there objection?

Mr. REID. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCONNELL. Mr. President, let me say in response to my good friend from Nevada, as he knows full well, we have already voted on this once. We voted on it last year. Having continuing votes on the same subject strikes some Members in the Senate, on this side of the aisle, as not exactly the best way to move forward. But even if it is insisted by the other side that we have repetitious votes on the same issue, I say to my friend from Nevada there will be other authorizing bills coming along shortly after the JOBS bill which will be open to such amendments, and this underlying bill happens to be one I believe Senators on both sides of the aisle think needs to pass. In fact, the imposition of penalties against U.S. companies has already begun—my understanding is March 1.

I think we all understand the need to pass this bill to prevent the escalation of those penalties against U.S. business here in the coming months.

If there were not another opportunity, I say to my good friend from Nevada, to have further repetitious votes on the same issue, I might understand it. But there will be other authorizing bills coming up shortly that will give the other side an opportunity to offer and insist on more votes on the very same subject.

I hope cloture will be invoked. The right of the minority is still there to offer these nongermane or irrelevant amendments on other authorizing bills that will be coming along very shortly.

PROGRAM

Mr. MCCONNELL. Mr. President, a short while ago I filed a cloture motion relative to the JOBS bill. That cloture vote will occur on Wednesday of this week. The chairman will be back tomorrow to discuss the importance of this legislation, and we hope to finish the bill this week. Amendments may still be considered prior to the cloture vote, and we will continue to look for an opportunity to consider amendments that are relevant to the underlying bill. Rollcall votes are, therefore, possible during tomorrow's session. Senators will be notified when the first vote is scheduled.

Mr. REID. Mr. President, if my friend will allow me to make one brief statement, we understand the importance of the underlying bill. That is the reason we have agreed to have a list of finite amendments. It is not often we have tax bills come across the floor. This is a tax bill. We have been told on many occasions: do the overtime vote later. This bill is important. As I explained earlier today, the Senator from Iowa has withheld on a number of important pieces of legislation in an effort to move them through the Senate. But that time has come to an end. He is not agreeable to doing it at a later time anymore. We are going to have a vote on this legislation.

If this legislation is important to the administration—which I am hopeful and confident it is—we should have a vote on this overtime issue.

I repeat: The reason the administration doesn't want a vote on this overtime issue is it will pass. There is no question about it. Members in the majority and virtually everyone in the minority will vote for this most important amendment.

I hope this legislation is allowed to go forward. If it isn't, it will be directed back to the President of the United States for doing what he has done affecting the rights of millions of Americans, which is the overtime issue.

Mr. McCONNELL. Mr. President, at the risk of repeating myself, we have had this vote once. I am sure there will be other opportunities in the very near future for repetitious votes on the same issue. I know our good friends on the other side will insist on an opportunity to do that. The question is whether we should move the underlying bill now and terminate these sanctions being imposed on American businesses which cost us jobs. Jobs is an important issue here in America. We want to get this bill passed because it will preserve existing jobs and offer the opportunity for more jobs. The overtime issue, to the extent our good friends on the other side of the aisle think is a good issue, is already out there. A move is on by spending millions of dollars of George Soros' money running soft-money issue ads on this subject. I am sure those ads are not going to go away, whether or not we have this vote on this particular bill which, of course, would be our second vote on this issue without further debating the issue.

ORDER FOR ADJOURNMENT

Mr. McCONNELL. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of our friend from Illinois, Senator DURBIN, for up to 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I know I have been given permission to speak in morning business. I have two separate issues totally unrelated, and I would like to address each of them.

The PRESIDING OFFICER. The Senator from Illinois.

MEDICAL MALPRACTICE

Mr. DURBIN. Mr. President, we face a serious medical malpractice problem in Illinois. I have had meetings in the area where I was born with doctors and most recently with hospital administrators. The recent medical malpractice insurance premium increases for this year were only—I underline "only"—7½ percent through the Illinois State Medical Society, but adjustments will follow for specialties and for experience, and for some of these doctors that rate could be increased dramatically. I have come away from the meetings convinced now more than ever that we need to do something about the medical malpractice crisis that faces America.

I understand, and I think those who follow it understand, that in my State of Illinois and in other States around the Nation medical malpractice premiums have gone up so dramatically that good doctors who have no experience of having ever been sued successfully for medical malpractice see their premiums go up by 30, 40 percent, and more. These doctors, frankly, cannot continue to practice under those circumstances and are forced into early retirement or have to transfer their practices to adjoining States with different malpractice laws.

Hospital administrators talked to me about what it means for them. When you do not have a neurosurgeon on staff at a hospital, how can you open an emergency room or give trauma care? It is a legitimate, real concern. These doctors and hospitals are facing an increased cost for malpractice premiums that must be addressed as quickly as possible by either the States where these are occurring or by the Federal Government.

Most people point toward a solution that involves tort reform. I am one of them. I believe tort reform has to be part of the solution to the medical malpractice challenge we face. I also believe we have to include elements in this whole issue that address the number of medical errors committed each year. Some 98,000 Americans, it is estimated, die each year from medical malpractice—not from their disease or the illness that brought them to the doctor but simply because they were treated improperly and incorrectly.

It is an epidemic, according to some medical sources. Medical errors and medical negligence have to be reduced so the universe of bad results is reduced, as well. That will lead, of course, to fewer cases being filed and less litigation.

When it comes to malpractice itself in the courtroom, we have to find ways to make certain that only worthy, good, deserving suits go forward, to make certain those that should not be filed that may be frivolous or unnecessary are stopped early in the process before they cost both the doctors, hospitals, and their insurance companies the precious resources they are paying each year in premiums. We have to figure out a reasonable way to approach this. We can. We can do it on a bipartisan basis.

I reject the idea of caps, which is the only proposal that has been brought consistently to the Senate. To say we will sit as a jury for medical malpractice cases across America is to take away the jury system, which is basic to American government. Instead of 12 people in your neighborhood and community making the decision, we will make the decision, and we will decide the maximum amount one can recover, regardless of the injury which you, as an innocent patient, suffered.

We need to address tort reform that does not include caps on noneconomic losses. We can. I hope we can. I have said to the doctors and hospitals, I have reached out across the aisle to my friends on the Republican side to find common ground. Be prepared to make concessions on both sides, but let's address it now. We cannot allow this to continue.

The one thing we all agree on is even if tort reform is passed tomorrow, it will be years before it has any impact in reducing medical malpractice premiums. Why? Because the doctors in practice today who performed surgeries or dispensed medical services in years gone by are liable for years under statutes of limitations for what they have done in the past, and those years could be extended to a period when the actual injury is discovered which could be many years after the act was committed. Even if we change the law today, all of that past conduct and exposure to liability will be there, and malpractice premiums will continue to be very high.

What I have proposed is that we do something immediately to provide relief to doctors and to hospitals. What I have suggested is that we consider the establishment of a tax credit and reimbursement of medical malpractice premiums for some doctors and hospitals. Senator LINDSEY GRAHAM, a Republican from South Carolina, has joined me in this amendment. Our amendment allows doctors and hospitals to claim a tax credit for a percentage of the malpractice premiums they are paying and will pay during the years 2004 and 2005. If a doctor is in a high-risk specialty with increased risk of complications, they would be eligible for a tax credit equivalent to 20 percent of their total malpractice premium. The credit would be taken for premiums up to twice the statewide average for the specialty in which the doctor practices.

Let me explain that. A doctor can deduct his medical malpractice insurance costs now from his business costs or his business revenue. We could add to that a 20-percent tax credit on top of the deduction. That would help these doctors immensely in dealing with the increase in these malpractice premiums. High-risk doctors include those in all surgical services and subspecialties, emergency medicine, obstetrics, or anesthesiology, or those doctors who do interventional work that is reflected in their malpractice premiums.

Doctors who practice in lower risk specialties—general medicine, for example—would be eligible for a 10-percent tax credit.

For-profit hospitals are eligible for a tax credit equivalent to 15 percent of their total malpractice premium, including nursing homes, as well, if they need malpractice insurance.

Those that are nonprofit institutions, hospitals and nursing homes, are eligible for reimbursement under a 2-year grant to the Health Resources Services Administration at the Department of Health and Human Services.

What we are trying to do is provide immediate relief while we work out the issues of reducing medical errors and tort reform, understanding if we pass legislation today, dealing with those two issues, tort reform and medical errors, these doctors and hospitals would still see staggering premiums for years to come. This is a responsible way to address the immediate need.

I say to my friends in the medical community, though you may not agree with me on the issue of caps, I hope you understand that even if you had your way and passed the caps limiting recovery for those who are victims of medical malpractice, the premiums would still continue to increase on your medical malpractice insurance.

This Durbin-Graham amendment, also supported by Senator PATTY MURRAY of Washington, provides immediate relief.

COLLEGE BASKETBALL

Mr. DURBIN. Mr. President, the second issue I would like to address is an issue that could not be more timely. The issue is "March Madness." Frankly, everywhere I have gone today—in the airport, while traveling, as I came back to my office—everybody is abuzz about the basketball games over the weekend.

I am happy the University of Illinois is going into Sweet 16. There have been upsets and great victories, and those who love college basketball cannot wait each year for the NCAA tournament. It is college basketball really brought home to America in a way like no other sport. Sixty-five teams start, and in the end one will be champion.

But, frankly, when we take a closer look and understand the reality of who the players are, it calls into question whether or not in many cases this is college basketball.

Let me tell you what I mean.

Mr. President, I ask unanimous consent to have printed in the RECORD today's lead editorial in the Chicago Tribune of March 22.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune]

THE REAL MARCH MADNESS

> If you're a basketball fan, you know how many college teams qualify each year for the NCAA men's tournament: 65. But can you guess how many schools would be playing if there was a requirement that they had to graduate at least half of their athletes?
>
> If you guessed a third, you'd be about right.
>
> Commentary about college sports often focuses on programs with serious shortcomings. So let it be noted that there are some universities that have exemplary records combining athletics and scholarships. Among the schools with teams in this year's tournament, Kansas graduates 73 percent of its players within six years of their original enrollment. At Dayton, 82 percent get a degree, and at Lehigh, the figure is 90 percent. Atop them all is Stanford, with a 100 percent graduation rate (and a number one seed in the tourney).
>
> Three years ago, the Knight Foundation Commission on Intercollegiate Athletics proposed that postseason competition be limited to teams that graduate at least 50 percent of their players. But the NCAA obviously has a long way to go. Of the 65 teams playing this year, only 21 would qualify under that rule—down from 22 last year.
>
> For that matter, 10 of the teams fail to graduate even 20 percent of their players. But they're not the worst. Commission Chairman William C. Friday, president emeritus of the University of North Carolina, noted that "four of the teams in the men's tournament failed to graduate a single athlete over the period we reviewed." He was kind enough not to identify them.
>
> Basketball fans may be aghast to think what March Madness would look like if the commission had its way. Only three of this year's first-round games could be played if its rule were in effect—Gonzaga v. Valparaiso, North Carolina vs. Air Force, and Mississippi State vs. Monmouth. A tournament like that would make for a short, craze-free March.
>
> But if the rule were in effect, you can be sure schools would be taking the steps needed to strengthen their academic mission. They'd recruit kids capable of doing college-level work, and they'd structure their programs to assure that players devote as much time and energy to their studies as to their sport. If every school that hoped to play in the tournament had to graduate 50 percent of its players, just about every school would graduate 50 percent of its players.
>
> That's as it should be. Most college basketball players will never play professionally. They need an education that prepares them for life after sports.
>
> The Knight Foundation Commission goal is hardly outlandish, as the teams in the women's tournament regularly demonstrate. Of the 63 women's teams for which the commission had sufficient data to judge, only 10 failed to graduate half their players.
>
> And there's no apparent conflict between success in the classroom and success on the court: At many of the perennial powers, such as Connecticut, Tennessee, Texas and Duke, upwards of 67 percent of players get degrees.
>
> On the men's side, though, most schools apparently care more about winning than anything else. That approach creates far too many losers.

Mr. DURBIN. Mr. President, this editorial raises the following question:

> [C]an you guess how many schools would be playing [in the NCAA men's tournament] if there was a requirement that they had to graduate at least half of their athletes [in a 6-year period of time]?
>
> If you guessed a third, you'd be right.

This article goes on to note that some universities involved in this tournament have exemplary records combining athletics and scholarship; and he names Kansas, with 73 percent of its players graduating within 6 years of their original enrollment; Dayton, 82 percent; Lehigh, 90 percent; and atop the chart—which is a university which lost yesterday—Stanford, with 100 percent.

This editorial says:

> Three years ago, the Knight Foundation Commission on Intercollegiate Athletics proposed that postseason competition be limited to teams that graduate at least 50 percent of their players [within 6 years]. But the NCAA obviously has a long way to go. Of the 65 teams playing [in the tournament] this year, only 21 would qualify under that rule—down from 22 last year.
>
> For that matter, 10 of the teams [in the NCAA tournament] fail to graduate even 20 percent of their players.

This is what commission Chairman William Friday, president emeritus of the University of North Carolina, noted:

> [F]our of the teams in the men's tournament failed to graduate a single athlete over the period we reviewed.

The information here talks about the general graduation rate. We call this college basketball. But if we were to learn that there was a team headed for the Sweet Sixteen or the Final Four that did not have a single college player graduate, we would cry fraud. This is supposed to be about college athletes participating against one another. But if you have schools involved in the tournament where none—absolutely none—of the athletes involved in the basketball game are ever going to graduate, are these truly college students, is this really college basketball?

Mr. President, I ask unanimous consent to have printed in the RECORD a commentary from that same newspaper written by Derrick Z. Jackson, entitled "Suppressing the bad news on NCAA graduation rates."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUPPRESSING THE BAD NEWS ON NCAA GRADUATION RATES

(By Derrick Z. Jackson)

> Not to be outdone by the federal government's attempts to delete key portions of reports on global warming, health disparities, and racism within the Justice Department, here comes the National Collegiate Athletic Association. That august body is eliminating the graduation rates of basketball players.

> What is good for the Bush administration is wonderful news for the Universities of Cincinnati, Kentucky, Louisville and Memphis.
>
> March Madness ought to be canceled with the scandal that is in the computer banks of the NCAA's 2003 Graduation Rates Report. The report covers whether scholarship athletes who entered school in the falls of 1993, 1994, 1995 or 1996 graduated within six years. The report is the best long-term way to see whether a university is providing an education to its athletes or pimping them in an era where CBS is paying the NCAA $6 billion over 11 years to televise men's games and where an additional $3.5 billion will be wagered illegally on this year's tournament alone, according to The Wall Street Journal. The amount of betting is half the annual budget of the chronically underfunded Head Start.
>
> That is March Madness enough, but now the NCAA has quietly adjusted the graduation rates to satisfy "a new interpretation" of federal laws which say that information on any category containing only one or two students "must be suppressed."
>
> In basketball, which has far fewer players than football or baseball teams, the new rules amount to liberation from any accountability whatsoever on the part of college athletic departments and their presidents.
>
> Because of the new rules, 37 of the 65 men's teams in this year's tournament did not publish graduation rates of their African-American players. Sixteen schools published no graduation rates at all.
>
> Nine of the 16 schools that mysteriously had no graduation rate whatsoever just happen to include last year's most hideous offenders, such as:
>
> Alabama (0 percent for black men and 13 percent overall in the 2002 report).
>
> Cincinnati (0 percent for black men, 17 percent overall).
>
> Louisville (0 for black men, 10 percent overall).
>
> Kentucky (13 percent and 33 percent overall).
>
> Southern Illinois (14 percent for black men and 27 percent overall).
>
> Memphis (0 period).
>
> Nevada (0 percent for black men, 20 percent overall).
>
> Virginia Commonwealth (0 period).
>
> Alabama State (0 period).
>
> The "new rules" did not stop the schools with good and great graduation rates from publishing them, even when the numbers of players on scholarship are obviously similar to the schools that withheld the information. Kansas, Air Force, Manhattan, Gonzaga, Vanderbilt, Central Florida, Duke, Princeton, Valparaiso, Stanford, Monmouth and Xavier all had African-American player graduation rates of at least 67 percent.
>
> Among New England schools in the men's and women's tournament, the Connecticut men's team published its general and woeful graduation rate of 27 percent, but withheld its black rate. The UConn women's team published its general graduation rate of 67 percent but withheld the black rate. Boston College's men's team published both its 46 percent overall and 67 percent African-American rate. BC's women's team published its 71 percent overall rate but withheld its black rate.
>
> Rates for Providence's men were 42 percent overall, 50 percent for black men, Vermont's men were 55 percent overall and the school withheld a figure for black men. Maine's women were at 69 percent overall, with no black women to count.
>
> In the case of most of the New England schools, the withholding of the black rate actually did not affect the overall rate much as the white rate was similar to the overall rate. But it was very clear that many other schools purposely hid disastrous rates. For instance, Georgia Tech did not publish the rate of its black athletes. But with a white graduation rate of 60 percent, it managed to plummet to an overall rate of 27 percent. Texas Tech did not publish the rates for black athletes. But with a white graduation rate of 60 percent, it had an overall rate of only 33 percent.
>
> Last year, 13 men's schools had a 0 graduation rate for black men. The average black male graduation rate for the 65-team field was 35 percent. With the liberation provided by the new privacy rules, only one university in this year's field published a black male rate under 38 percent. That was Eastern Washington, where the rate was zero.
>
> That is probably because that school is not a perennial NCAA powerhouse. Give it time. A couple more appearances in March Madness and school officials will join Kentucky, Cincinnati, and Louisville in erasing its records, too. If President Bush wins re-election and needs some more bureaucrats to delete the truth, he knows where he can find them. At the NCAA and in our nation's athletic departments.

Mr. DURBIN. Mr. Jackson comes at this issue a little differently. Mr. Jackson says, let's take a close look and see how many are graduating who are minorities, African Americans. He says:

> This is March Madness . . . but now NCAA has quietly adjusted the graduation rates to satisfy "a new interpretation" of federal laws which say that information on any category containing only one or two students "must be suppressed."

What it basically means is that these schools will not publish the graduation rates of their athletes, and particularly will not publish the graduation rates of the African-American athletes who are playing basketball.

> Because of the new rules [as interpreted by the NCAA], 37 of the 65 men's teams in this year's tournament did not publish graduation rates of their African-American players. Sixteen schools published no graduation rates at all.
>
> Nine of the 16 schools that mysteriously had no graduation rate whatsoever just happen to include last year's most hideous offenders. . . .

He lists the following universities: Alabama University, zero-percent graduation rate for Black players, and 13 percent overall—this is in a 2002 report—Cincinnati, zero percent for African-American athletes, 17 percent overall; Louisville, zero percent for Black men, 10 percent overall; Kentucky, 13 percent for African Americans, 33 percent overall; Southern Illinois, 14 percent for Black men, 27 percent overall; Memphis, zero percent in both groups, Black and White basketball players not graduating; Nevada, zero percent for Black men, 20 percent overall; Virginia Commonwealth, zero percent in both categories; Alabama State, zero percent, period.

He goes on to list the schools that can point with pride to their graduation rates. Kansas, Air Force, Manhattan, Gonzaga, Vanderbilt, Central Florida, Duke, Princeton, Valparaiso, Stanford, Monmouth, and Xavier all had African-American player graduation rates of at least 67 percent.

> Among New England schools in the men's and women's tournament, the Connecticut men's team published its general and woeful graduation rate of 27 percent, but withheld [the graduation rate for African Americans].

Rates for Providence's men were 42 percent overall; 50 percent for Black men. Vermont's men were 55 percent on their men's basketball team overall, and they withheld the figure for their African-American athletes.

Mr. President, the reason I think these two items should be in the RECORD is that all of us enjoy watching college basketball. But, frankly, if these athletes we are watching are not really college students, we are not watching the best of college basketball; we are watching the best of colleges and universities that are sending teams of so-called students who have not even a ghost of a chance of ever graduating from their institution.

These men in the men's tournament are being used. They are being used as players on the court in the hope that some of them will end up in professional basketball. I am sure that is their ambition, but such a small percentage ever do.

So we watch and applaud and talk about our alma maters and their devotion to education when, in fact, these schools know full well that the people who are being put on the court to play this game are, frankly, never going to graduate in most instances in many of these schools.

What do the universities get out of it? A lot of money. They go to the NCAA tournament, and the money comes back to them in revenue, money that might have been spent to help some of their players get the help they need to go on to graduate. But, sadly, that never happens.

Mr. President, I am going to be looking at this interpretation of the NCAA rule which allows them to suppress and, frankly, refuse to publish the graduation rate of African-American players who are at the NCAA tournament, and, frankly, in all other sports. I think that should be public knowledge. I think the leaders at the universities have an obligation to not only put the best basketball teams on the court but to make certain those teams are made up of real students who, with the help of the university, are going to end up graduating someday and have a college education on which to build their lives.

Unfortunately, today, that is not the case. As the Chicago Tribune editorial concludes, when it comes to men's basketball, though, "most schools apparently care more about winning than anything else. That approach creates far too many losers."

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold his suggestion of the absence of a quorum?

Mr. DURBIN. Yes, I will.

ADJOURNMENT UNTIL 9:45 A.M. TOMORROW

The PRESIDING OFFICER. The Senate now stands adjourned until 9:45 a.m. tomorrow.

Thereupon, the Senate, at 6:54 p.m., adjourned until Tuesday, March 23, 2004, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate March 22, 2004:

DEPARTMENT OF COMMERCE

JONATHAN W. DUDAS, OF VIRGINIA, TO BE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE, VICE JAMES EDWARD ROGAN, RESIGNED.

DEPARTMENT OF STATE

CONSTANCE BERRY NEWMAN, OF ILLINOIS, TO BE AN ASSISTANT SECRETARY OF STATE (AFRICAN AFFAIRS), VICE WALTER H. KANSTEINER, RESIGNED.

JENDAYI ELIZABETH FRAZER, OF VIRGINIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SOUTH AFRICA.

THOMAS NEIL HULL III, OF NEW HAMPSHIRE, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SIERRA LEONE.

R. NIELS MARQUARDT, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CAMEROON, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF EQUATORIAL GUINEA.

ROGER A. MEECE, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE DEMOCRATIC REPUBLIC OF THE CONGO.

LAUREN MORIARTY, OF HAWAII, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR THE RANK OF AMBASSADOR DURING HER TENURE OF SERVICE AS UNITED STATES SENIOR OFFICIAL TO THE ASIA-PACIFIC ECONOMIC COOPERATION FORUM.

MITCHELL B. REISS, OF VIRGINIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SPECIAL ENVOY FOR NORTHERN IRELAND.

IN THE AIR FORCE

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. RICHARD R. MOSS, 8154

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS THE CHIEF OF ENGINEERS/COMMANDING GENERAL, UNITED STATES ARMY CORPS OF ENGINEERS, AND APPOINTMENT TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601 AND 3036:

To be lieutenant general

MAJ. GEN. CARL A. STROCK, 1502

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. GEORGE W. WEIGHTMAN, 6988

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. CARLA G. HAWLEY-BOWLAND, 5280

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

CAPT. EDWARD H. DEETS III, 2048

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

CAPT. VICTOR C. SEE JR., 8526

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

CAPT. KEVIN M. MCCOY, 6826
CAPT. WILLIAM D. RODRIGUEZ, 8529

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK (*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be major

CHRISTOPHER N. * AASEN, 4795
CHRISTOPHER C. * ABATE, 4117
DAVID W. ABBA, 2682
GAYLORD L. * ABBAS, 0905
TAMMY L. * ABBETT, 8586
LAIRD S. * ABBOTT, 2513
DAVID J. ABRAHAMSON, 8196
DANIEL R. * ABSHERE, 7886
MELISSA J. * ACHESON, 7677
PHILIP F. ACQUARO, 5751
ALAN B. ADAMS, 5391
DAVID L. * ADAMS, 3421
MATTHEW H. ADAMS, 8285
SHAWNAE L. * ADKINSLACY, 3186
RENE C. E. ADLUNG, 1658
ROBERT S. * AGDINAOAY, 2404
TODD R. * ALCOTT, 1460
LOUIS C. ALDEN, 8735
RODOLFO D. * ALEJANDRO, 7619
JAMES R. ALEXANDER, 3094
STEVEN S. ALEXANDER, 1606
DETROL W. * ALFORD, 2936
CHRISTOPHER D. * ALIPHAT, 5131
JENNIFER J. ALLEE, 7723
CHARLES L. * ALLEN, 1115
MARK A. * ALLEN, 7124
MARK B. ALLEN, 6235
MICHAEL D. ALLEN, 0871
PAUL S. * ALLEN, 0513
MONICA R. ALLORI, 5979
JAMES JAY * ALONZO, 0311
JOHN T. ALPETER, 6212
AARON D. ALTWIES, 5228
ANGEL A. * ALVAREZ III, 0066
STEVEN JEROME * ALVES, 6346
FRANCISCO R. * ALVIDREZ, 5743
BRANDON L. * AMBRUOSO, 8192
ADAM D. ANDERSON, 2675
DAVID J. * ANDERSON, 4666
GREGORY J. ANDERSON, 6088
JASON C. ANDERSON, 9961
MICHAEL P. ANDERSON, 4717
NEIL E. ANDERSON, 9960
TODD W. * ANDRE, 1573
BRIAN A. * ANGELL, 0457
THOMAS P. J. ANGELO, 9573
WILLIAM S. ANGERMAN, 0674
RALPH A. * ANTHENIEN JR., 6000
DAMON A. ANTHONY, 1180
RICHARD M. * ANTOINE, 4599
RITCHE C. * ANTONIO, 5795
DAVID R. * ANZALDUA, 9066
THOMAS G. * ARANDA, 2658
VALENTINE S. ARBOGAST, 5524
BENITA D. * ARCENEAUX, 7795
WILLIAM B. * ARCHER, 1409
ROBERT J. * ARDIZZONI, 3696
LUIS M. ARES, 0378
HERMON C. * ARMSTRONG JR., 8295
KEVIN M. * ARMSTRONG, 7494
RICHARD W. ARMSTRONG, 8008
DOUGLAS W. * ASHER, 5109
MOHAMMAD K. * ASIF, 6409
ERIC K. * ASMUSSEN, 0328
MATTHEW D. ATKINS, 5922
KEVIN T. * ATTEBERRY, 7443
LANCE W. * AUG, 9135
CRAIG R. * AUGUSTINO, 4701
CHRISTOPHER E. AUSTIN, 3368
JONATHAN F. * AUSTIN, 6506
TROY C. * AUSTIN, 2201
CHRISTIAN M. * AVERETT, 5154
NICK M. * AVLONITIS, 0929
REX O. AYERS, 1151
MAURICE C. AZAR, 1108
CRAIG R. BABBITT, 9702
ARIANNE M. * BABCOCK, 9000
BRIAN J. * BACARELLA, 1232
JASON T. * BACHELER, 2719
MICHAEL J. BACHTELL, 2714
PAMELA D. BACKEBERG, 5129
NEAL C. * BACON, 1491
RUSSELL R. * BAGNALL, 0780
SCOTT L. * BAGNELL, 5430
JAMES G. * BAILEY, 4163
JASON E. BAILEY, 2196
RICHARD F. * BAILEY JR., 9940
STEPHEN G. * BAILEY, 5937
TRENT D. * BAINES, 8308
WILLIAM E. BAIRD JR., 1879
JOHN E. * BAKER, 3886
LARRY E. BAKER JR., 9293
BRIAN T. BALDWIN, 5213
HOWARD S. * BALDWIN, 7266
JEREMIAH W. * BALDWIN, 6035
CHAD A. BALETTIE, 0370
SHANE M. * BALKEN, 9094
DEAN L. * BALSTAD, 1619
AARON D. * BANDSTRA, 8982
JEFFREY B. * BANKS, 7412
CHRISTOPHER S. * BARACK, 0816
BRIAN C. * BARKER, 2996
STEVEN G. * BARKER, 7660
JOHN V. * BARLETT, 5702
JAMES V. * BARLOW, 9517
JENNIFER M. * BARNARD, 1719
NATHANIEL D. BARNES, 3929
JOHN R. * BARNETT, 8419
DAVID J. BARNHART, 9745
DONALD J. * BARRETT, 7200
JEREME A. BARRETT, 9570
WILLIAM A. BARRINGTON, 7885
BENITO J. * BARRON, 6520
CORI E. * BARRY, 7834
JASON P. * BARRY, 1705
BRIAN Y. BARTEE, 1890
DOUGLAS H. BARTELS, 6927
MICHAEL H. BARTEN, 9214
CHRISTIAN A. * BARTHOLOMEW, 9966
ROBERT R. * BASOM, 9572
CURTIS R. * BASS, 5566
MARK A. * BASS, 5286
THOMAS E. * BASS JR., 6689
CHRISTOPHER B. BASSHAM, 5582
RICKY T. * BATEMAN, 7118
BRIAN M. BAUMANN, 7227
DOMINIC A. * BAUMANN, 0648
DYLAN S. BAUMGARTNER, 3828
BRYAN J. * BAYER, 7720
DOUGLAS J. * BAYLEY, 8946
ROYCE W. * BEAL, 0918
TODD A. * BEAN, 4488
MICHAEL P. BEASLEY, 9566
TATIANA L. * BEAUCHAMP, 3575
ALAN L. * BEAUMONT, 3342
ERIC V. * BECK, 2908
MITCHELL B. BEDESEM, 8396
BERNARD BEDGOOD II, 3657
VICTOR W. * BEELER, 7271
GARY D. BEENE, 2795
ERIC J. * BEERS, 7987
JASON H. BEERS, 1761
STEPHEN M. * BEHM, 2169
TROY D. BELIN, 8622
KENYON K. BELL, 0077
ANTHONY P. * BELLIONE, 9232
BRENT L. * BELSCHNER, 8274
ROBERT M. * BENDER, 8226
TREVOR B. BENITONE, 3448
ADAM D. BENJAMIN, 1634
CHRISTINE M. * BENJAMIN, 0787
MICHAEL J. BENSON, 9600
BRIAN D. BENTER, 9912
ROBERT A. * BENTON, 3934
JOSEPH A. * BENUCCI, 5555
MARK M. * BENYO, 0954
EDWARD W. * BERG, 2211
SHAWN D. BERNARDINI, 7731
WALTER T. BERRIDGE, 3727
RONALD H. BERZINS, 0979
OSCAR I. * BETANCOURT, 9629
WILLIAM D. BETTS, 5310
KAREN L. * BICE, 5166
JOHN A. * BIDOL III, 0693
BRIAN E. * BIEBEL, 5124
CHRISTOPHER E. * BIEGUN, 5992
MATTHEW J. BIEWER, 0501
ANDREW W. * BIGELOW, 5314
KIRK * BIGGER, 7673
MARK M. * BINKOWSKI, 1383
KATHLEEN R. * BINNS, 5738
CHRISTIAN J. BISBANO, 1621
SEAN C. * BITTNER, 7413
DANIEL A. * BLACK, 3718
MICHAEL R. BLACK, 3558
ANDREW H. * BLAIR JR., 0195
BRETT R. BLAKE, 4659
TRAVIS F. BLAKE, 8824
MICHAEL S. * BLAKELY, 3790
DENNIS W. * BLANCHARD, 5000
BRYAN A. BLIND, 0895
JAY C. * BLOCK, 9193
TED L. * BLOINK, 9467
SARAH W. BLOODWORTH, 3924
STEVEN M. BOATRIGHT, 2047
JEREMY S. * BOENISCH, 1108
MICHAEL C. * BOGER, 3962
WILLIE L. * BOHLES, 2133
DAVID P. BOHNEN, 7081
KENNETH D. * BOLE, 7942
MICHAEL A. * BOLE, 4064
MICHAEL T. BOLEN, 6642
ROBERT T. BOLINGER, 4907
BARTHOLOMEW G. * BONAR, 2844
CHAD B. BONDURANT, 0728
PETER M. * BONETTI, 9144
DAVID A. * BONIFANT, 7006

OLIVER C. * BONNEY. 1509
CHRISTOPHER A. * BOONE. 8897
STEVEN P. BORDING. 0891
BRAD W. BORKE. 9307
BENJAMIN C. BOTH. 0126
BRIAN J. * BOTKIN. 4737
KENNETH L. * BOTTARI. 4347
NOEL R. BOUCHARD. 4964
JOHN P. * BOUDREAUX. 0941
JEFFREY A. * BOUNDS. 4183
KENNETH D. * BOURLAND. 9750
DANIEL R. BOURQUE. 3936
SHANNON D. * BOUVIER. 7024
PATRICK J. BOWAR. 8483
COOPER D. * BOWDEN. 0518
NEAL E. * BOWEN. 1641
WILLIAM C. * BOWEN III. 9193
WILLIAM D. BOWER. 2549
JOSHUA D. BOWMAN. 4564
DANIEL P. BOYD. 0031
SAMUEL P. * BRABHAM. 2667
DAVID C. BRACKNEY. 7222
BRIAN L. * BRACY. 9253
BENJAMIN L. * BRADDOCK. 4450
ROBERT J. BRADEEN JR.. 1380
SHAWN P. BRADY. 2563
TOBY J. BRALLIER. 9317
STEPHEN B. * BRANCH. 9391
JERRY B. * BRANDAU. 0710
KENNETH B. BRATLAND. 5347
MICHAEL A. * BRAZELTON. 3728
LAWRENCE A. * BREIGHNER. 3359
JOHN E. BREMER JR.. 1195
ROBERT C. * BRENZEL JR.. 6467
THEODORE A. BREUKER. 9145
DENIS * BRICENO. 6844
DAVID E. * BRICKLEY. 0426
BRADLEY E. BRIDGES. 5396
JASON E. * BRIGGS. 3512
ROBERT M. * BRINKER. 6455
KATERINA L. * BRINSON. 5439
JUSTIN Z. BRIZUELA. 5730
MICHAEL E. BROCK. 2567
DAVID A. * BROCKMAN. 3872
PAUL J. BROCKWAY. 7586
KEVIN B. * BROKAW. 3328
CHRISTOPHER J. BROMEN. 0067
JOSHUA D. * BROOKS. 9026
BRIAN R. * BROWN. 1082
CHRISTOPHER J. * BROWN. 2021
DARRAL W. * BROWN. 9910
DAVID E. * BROWN. 5699
JASON M. BROWN. 8259
JEFFRY E. * BROWN. 0980
KATHRYN A. * BROWN. 1621
KYLE D. BROWN. 5964
POLLY S. * BROWN. 5082
VICKIE T. * BROWN. 1652
PAUL A. * BROWNING JR.. 0306
TRAVIS A. * BROWNLOW. 6180
MICHAEL D. * BROX. 1103
TODD P. * BROYLES. 5728
STEPHANIE L. * BRUCE. 2987
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MICHAEL K. *HILLS, 6482
RENAE M. HILTON, 9877
MARC J. HIMELHOCH, 9972
JANETTE L. HO, 5299
WILLIAM K. HOBSON, 9495
RUSSELL W. *HOCH III, 6803
GEORGE H. HOCK JR., 5374

GARY W. *HOCKETT, 3007
DERRICK D. *HODGES, 6096
KENNETH G. *HODGES, 3589
TYLER L. *HODSON, 9492
COLBY D. HOEFAR, 4642
TROY C. *HOEGER, 8972
KEVIN L. *HOFFER, 9019
DONALD L. *HOFFMAN, 4398
JEFFREY N. *HOFFMAN, 9433
JUSTIN R. HOFFMAN, 2214
MARK G. HOFFMAN, 7704
PAUL J. HOFFMAN, 6778
SCOTT A. HOFFMAN, 9002
BRIAN K. *HOLBEIN, 9371
MARK A. HOLBROOK, 9740
CYNTHIA A. *HOLDEN, 7507
ROBERT B. *HOLDSWORTH, 9602
KUM H. *HOLL, 9790
MARK D. HOLLANDSWORTH, 2955
RONALD R. *HOLLENBAUGH JR., 8618
JEFFRY A. *HOLLMAN, 9897
PHILIP A. *HOLMES, 6405
JACOB J. *HOLMGREN, 0043
BJORN E. *HOLMQUIST, 7357
WILLIAM E. *HOLT, 8203
DEAN M. *HOLTHAUS, 8265
WILLIAM T. *HOOVER, 6877
GREGORY E. HOPKINS, 9165
DOUGLAS W. *HORNE, 3456
EDWARD P. *HORNER, 9103
CHRISTOPHER D. *HOSKINS, 0994
ROBERT A. *HOSKINS, 2272
THOMAS E. *HOSKINS, 0344
JENNIFER S. HOTEN, 4880
DAVID V. *HOTTLE, 0644
DEBORAH L. *HOUCHINS, 6214
TODD M. *HOUCHINS, 9130
JASON D. HOUSER, 7819
CHRISTOPHER J. *HOWARD, 4059
MARGARET L. *HOWARD, 5305
BRIAN C. *HOYBACH, 0298
TIM M. *HUANG, 1029
MICHAEL M. *HUCHKO II, 0977
KEVIN D. HUEBERT, 3198
RICARDO A. *HUERTA, 9163
FREDDRICK M. *HUGHES JR., 5416
ERIC T. *HULGAN, 4961
DARIN P. *HUMISTON, 8952
CHRISTOPHER G. HUMMEL, 1827
COREY J. *HUMMEL, 2839
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DENNIS A. *HUNT, 9096
JOHN J. *HUNT, 7758
KENNETH J. *HUNT, 1594
TANYA A. HURWITZ, 3297
JOHN S. *HUTCHESON, 5542
GREGORY E. HUTSON, 1135
RANDOLPH P. *HUTTON, 1392
LUIS U. *IBANEZ, 4686
MICHAEL P. *IMHOLZ, 3727
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TRAVIS L. INGBER, 4170
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DARRYL L. *INSLEY, 9991
CHRISTOPHER P. *IRIARTE, 1856
PAUL M. *IRWIN, 2874
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GARY T. *IWICKI, 4393
JACK J. *JACKMAN JR., 5819
ROBERT *JACKS JR., 5087
DEBRA D. *JACKSON, 0023
GINA M. *JACKSON, 6932
MICHAEL A. JACKSON, 6428
SCOTT A. *JACKSON, 3567
TIMOTHY W. *JACKSON, 2157
MARLA J. *JACOBS, 0298
DANIEL G. *JACOBSON JR., 6972
MICHAEL D. *JACOBSON, 0811
KENNETH M. *JAMBOR, 5311
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TRAUNA L. JAMES, 4304
JASON M. *JANAROS, 3558
BRUCE A. *JANDREY, 9174
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AMY K. JARDON, 6657
TONY *JARRY, 3449
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ROBERT B. JAYME, 1163
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MARK A. *JEFFREY, 7190
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BRUCE C. *JENKINS, 3401
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BOE J. JENSEN, 5554
ROBERT A. *JENSEN, 6868
ALEX E. *JERNIGAN, 9408
CHRISTOPHER T. *JERZEWSKI, 6611
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CHRISTOPHER B. *JETTE, 6095
JAMES J. *JEWELL, 9042
SCOTT M. *JEWELL, 1332
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CAREY JOHANSON *JOHNSON, 2830
DANA T. *JOHNSON, 4202
DARREL G. *JOHNSON, 2432
ERIC A. *JOHNSON, 1628
ERIC D. JOHNSON, 6348
JEFFREY A. JOHNSON, 9898
JEREMY G. *JOHNSON, 5418
JOHN P. *JOHNSON, 0802
KEVIN S. JOHNSON, 8000
MICHAEL J. *JOHNSON, 2463
MICHELE E. *JOHNSON, 7122
RICHARD L. *JOHNSON JR., 2315
SAM C. JOHNSON, 3181
SCOTT S. JOHNSON, 2462
STEPHAN K. *JOHNSON, 8851
THOMAS N. *JOHNSON, 6665
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DONALD P. JONES, 9721
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OTIS C. JONES, 3731
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RICO M. *JONES, 5965
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PAULA M. *JOSEPHSMILLER, 0067
JAMES R. *JOSEPHSON, 7996
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BILLEYE S. JUAREZ, 4219
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CHRISTOPHER E. KIBBLE, 2842
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PATTY B. *KIM, 9468
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DAVID B. KINCAID, 5119
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JASON S. *KING, 8658
JUDY L. *KING, 9740
ROBERT F. *KING, 8733
RONALD *KING, 6977
GARY W. *KINNEY JR., 0734
EILEEN M. W. *KIRKLAND, 4461
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JOHN A. *KISSACK, 0152
NIKI J. *KISSIAR, 0045
ROBERT C. *KITTELL, 0730
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HORST D. E. *KNORRECK, 5181
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CHRISTOPHER S. *KOCH, 0668
KARL F. KOCH, 9607
RICHARD T. KOCH, 5263
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KURT A. *KOENIGSFELD, 2147
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SCOTT L. *KOHL, 9321
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MATTHEW D. *KOVICH, 3319
STEVEN C. *KRAABEL, 0902
THOMAS M. *KRAMER, 8555
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BRIAN L. *LAMIRANDE, 9362
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VANDY *LAMPKIN, 1262
MICHAEL D. *LAND, 0383
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CHRISTOPHER A. LANE, 9072
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JOSHUA D. *LAVIN, 6614
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GLENN D. *LEARN, 6553
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JOSHUA M. *LECHOWICK, 7498
JASON R. *LEDUC, 1693
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JAMES W. *LEE, 2260
TODD A. *LEGRAND, 2510
KEVIN T. *LEHNERD, 6144
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JAMES R. *LENZENDORF, 9665
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PATRICK E. *LEONARD, 1482
ANDREW C. H. LEONG, 4019
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BRIAN A. *LESIAK, 9331
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MARCUS L. LEWIS, 9792
MARK D. LEWIS, 4881
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MIGUEL J. *LEZAUN, 5928
LEWIS C. *LIETCH, 6353
CHARLES A. *LIGHT, 5909
MATTHEW LILJENSTOLPE, 5084
JASON C. LINDGREN, 8125
MARK A. LINDSEY, 2737
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TY D. LITTLE, 6398
CHARLES R. *LIVELY, 8154
SANDRA D. *LLEWELLYN, 9455
STEPHEN E. *LLEWELLYN, 2325
FRANK J. LOBASH, 9100
JOSEPH W. LOCKE, 8641
NATHANIEL P. LOCKWOOD, 3094
ROBERT F. LOCKWOOD JR., 7028
TONY S. LOMBARDO, 5234
PETER D. LOMMEN, 3316
WILLIAM E. *LONG, 9692
BEDE O. LOPEZ JR., 7297
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CARRIE L. *LORANGER, 4062
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SHANE D. *LOUIS, 0283
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MARY E. *LOWE, 7668
WILLIAM M. LOWE, 2730
DENNY *LOZANO, 4481
CRAIG R. LUCEY, 3818
TRISHA A. D. *LUIKEN, 6215
WALTER C. *LUTHER III, 2841
PHI ANH THI *LUTZ, 4591
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STEVEN T. LYGREN, 8885
DAVID J. LYLE, 5549
GARY L. *LYLES, 4197
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MICHAEL P. LYONS, 7591
BRIAN W. MACDONALD, 4730
STEVEN E. MACEDA, 7070
DAVID D. *MACHEN, 2386
DENTON T. *MACK, 9525
TODD P. MACLER, 4157
BERTHA J. *MACMILLAN, 8195
CHRISTOPHER V. MADDOX, 3093
KEVIN M. MAGALETTA, 0655
MICHAEL A. *MAHAN, 2045
WILLIAM J. MAHER, 9681
BENJAMIN R. MAITRE, 2107
THERESA L. *MALASAVAGE, 7189
JAMES S. MALLORY, 6808
KATHLEEN A. *MALONEY, 3581
MICHAEL H. MANION, 8917
ROBERT J. *MANKUS, 7945
SHAMSHER S. MANN, 1074
DANIEL R. MANNING, 1021
JENNIFER A. *MANSHIP, 7670

WESLEY E. *MANSHIP JR., 8825
SRIKANT *MANTRAVADI, 9792
STEPHANIE A. *MARCH, 8404
FRANK *MARCONI, 6911
LENORE A. *MARENTETTE, 5870
DANIEL J. *MARKHAM, 3180
MADALYN M. MARLATT, 0198
AABRAM G. *MARSH, 6606
ZANE G. MARSHALL JR., 3844
NICHOLAS J. MARTIN, 4182
RODGER E. *MARTIN, 7790
STUART C. MARTIN, 9156
LISA MARIE *MARTINEZ, 1425
DOROTHY L. *MARTINO, 9638
BRYAN P. *MARTYN, 5260
ROBERT A. MASAITIS, 3231
JOHN T. MASER, 6434
STEVEN M. *MASSEY, 7230
KEVIN B. MASSIE, 5277
JASON A. MASSIGNAN, 8658
MICHAEL L. MATESICK, 4182
STEVEN E. *MATHEWS, 4126
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MILES L. MATHIEU, 1908
ALICIA A. MATTESON, 1594
GEORGE J. *MATUSAK, 9065
DAVIS H. *MAULDING, 0238
TIMOTHY P. *MAXWELL, 4109
WILLIAM G. *MAXWELL, 2158
GEORGE M. MAY, 3243
MELISSA J. MAY, 0249
MICHAEL J. MAY, 6800
TAMARA M. *MAYER, 1049
LIONEL W. *MAYNARD JR., 5797
SARAH F. *MAYNARD, 6455
CHRISTOPHER E. MAZZEI, 5335
KENNETH C. *MCADAMS, 5935
DANIEL P. MCALISTER, 6321
THOMAS MCAULEY, 4729
GARY E. *MCBRIDE, 9431
JONATHON W. *MCBRIDE, 9038
GLENN H. MCCADAMS, 2555
BARRETT T. MCCANN, 4703
SEAN M. *MCCARTHY, 5809
MATTHEW R. *MCCARTY, 9369
WILLIAM M. *MCCAW, 3527
CAROL A. *MCCLELLAND, 1741
MICHAEL E. MCCLOUD, 9251
WHITNEY P. MCCLOUD, 4434
REGAN E. MCCLURKIN, 0098
STEVEN W. *MCCOLLUM, 0108
PRESTON J. MCCONNELL, 3482
KEITH A. *MCCORMICK, 3806
CARRIE TARKIN *MCCOY, 8322
KELLY M. *MCCOY, 4564
BRIAN A. *MCCULLOUGH, 3180
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EDWIN F. *MCGEE, 3476
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JAMES R. MCGLONE, 0490
SHAWN M. MCGRATH, 1897
JOHN S. *MCGUIRE, 5769
JEFFREY S. MCGUIRK, 4068
BRIAN T. *MCHENRY, 0547
JAMES A. MCHENRY, 6237
DAVID M. MCILLECE, 9574
JASON B. *MCKAY, 0173
RICHARD A. *MCKEE, 8675
PERRY L. MCKEETHEN, 1217
CLEVELAND S. *MCKENZIE, 8663
DAVID D. *MCKENZIE, 3194
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DEREK S. *MCLANE, 8278
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RAYMOND S. *MCLEOD, 6399
SHAWN K. MCMANUS, 6408
DAVID C. MCMARTIN, 3475
SUZANNA J. D. *MCNABB, 9041
SHELDON L. *MCNEIL, 2571
MICHAEL L. *MCNEILL, 8206
BRENT S. *MCPHERSON, 1092
JERRY A. *MEADOWS JR., 3062
OSWALD G. MEDLEY JR., 3878
GEORGE T. *MELLEN II, 2362
STEPHEN G. MELLOTT, 1810
MATTHEW A. MELOENY, 7029
FREDERICK A. *MENA, 9599
JESSICA Q. *MENASCO, 6592
DAVID S. *MENKE, 0640
KATHRYN A. *MERCER, 0285
MARTIN J. *MERGENTHAL, 2356
JASON S. *MERGL, 0537
KEVIN J. MERRILL, 1467
DANIEL L. *MEYER, 3593
DAVID C. *MEYER, 6077
JACQUELINE T. *MEYER, 5560
NICHOLAS W. MEYER, 5285
ROBERT D. *MEYER, 6593
CHAD L. MEYERING, 0441
ADAM J. MEYERS, 3705
JEFFREY L. MEYERS, 3074
WILLIAM B. *MICKLEY, 5688
CYNTHIA D. *MIGHTEN, 8196
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BETHANY JOHANNA *MILLER, 3549
CHRISTOPHER L. *MILLER, 8747
CRAIG S. *MILLER, 3752
DARRIN S. *MILLER, 5226
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FRANCIS K. MILLER, 0912
FRED R. *MILLER, 0321
GARY D. *MILLER, 7221
GERALD B. *MILLER, 0829
JAMES E. *MILLER, 1435
JAY D. *MILLER, 3541
JEFFREY R. *MILLER, 8398
KEITH H. *MILLER, 6564
MARK C. *MILLER, 2180
MATTHEW T. *MILLER, 1500
MICHAEL S. MILLER, 9938
PATRICK C. *MILLER, 6506
RENEE J. *MILLER, 5623
TREVOR W. MILLER, 7931
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SEAN T. MILLIKEN, 1746
RICKY L. *MILLS, 5630
CHRISTOPHER J. *MILNER, 6430
THOMAS G. *MINER JR., 9961
MICHAEL W. MIRANDA, 1204
PHILIP R. *MISCHLER JR., 8458
ANTHONY C. *MISCISKIA, 9896
ANDREA E. MISENER, 1074
RENEE L. *MITCHELL, 9357
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JOHN F. *MOESNER IV, 2939
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JEREMIAH R. MONK, 8759
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ANDRE F. *MOORE, 4918
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MATTHEW A. *MORAND, 2741
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HEATHER L. *MORGENSTERN, 4884
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ROGER C. *MORIN, 5093
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BRIAN J. MURPHY, 8528
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DELEON C. *NARCISSE, 9640
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ERIC S. *NELSON, 2471
JOSEPH M. *NELSON, 4749
RICHARD J. *NELSON, 6666
JACK L. NEMCEFF II, 7752
JOHN M. NEMECEK, 8523
LISA A. NEMETH, 6688
ERIC S. *NESMITH, 8684
STANLEY J. NESS, 3245
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BRETT D. *NEVILLE, 6501
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DANNY N. *NGUYEN, 2606
PHONG D. NGUYEN, 0925
QUY H. *NGUYEN, 5550
CLAYSON L. *NICHOLSON, 4916
ROBERTA L. *NICHOLSON, 6617
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MICHAEL E. *OLSEN, 8942
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DAVID R. OMALLEY, 4339
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ROWENA Y. *ORMISTON, 7830
WILLIAM A. ORMISTON, 4711
LOUIS E. *ORNDORFF, 8065
JOSE L. *OROZCO, 3117
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DEVIN M. *WASHINGTON, 8204
ROBERT A. *WASIK, 0724
DANIEL J. WASILAUSKY, 4593
RAQUEL C. WASILAUSKY, 0327
ERIC R. *WATERWORTH, 2385
BRIAN K. WATKINS, 0048
EVAN T. *WATKINS, 5529
ETHEL M. *WATSON, 8915
MICHAEL A. *WATSON, 3133
JEFFREY A. *WAUGH, 3049
BRIAN A. WAYPA, 1779
ERNEST L. WEARREN JR., 5580
MARK H. *WEBB, 6750
RODRICK L. *WEBB, 7579
DOUGLAS J. *WEBER, 6054
DANIEL L. *WEEKLEY, 2592
JEFFREY R. WEEKS, 0554
MAX C. WEEMS, 4174
THERESA E. *WEEMS, 7051
FREDERIC M. *WEHREY, 5584
JAY A. *WELBORN, 2884
SEAN T. WELSH, 8339
PETER A. WENELL, 0960
BRIAN R. *WERAB, 5602
ANDREW R. WERNER, 1291
ANTHONY E. *WESSEL, 1557
LOUIS *WESSELS, 7165
ROBERT D. *WESTOVER, 4760
CHRISTOPHER J. *WETMORE, 3918
STACY A. WHARTON, 1356
WILLIAM H. WHARTON, 0384
RONALD W *WHEELER, 6276
ANDREW K. WHIAT, 0244
JEFFREY J. WHITE, 1389
JEROME K. WHITE, 9364
NATHAN A. *WHITE, 2710
WILLIAM C. *WHITE, 6480
RICHARD T. *WHITLOCK, 9343
REAGAN K. WHITLOW, 2152
MATTHEW R. WHITNEY, 2813
KEVIN A. WHITTAKER, 0619
RAYMOND K. *WHYTE, 3553
BRYAN J. WICKERING, 1196
DOUGLAS P. WICKERT, 7804
STEPHEN D. WIER, 8181
JASON B. WIERZBANOWSKI, 9443
DANIEL R. WILCOX, 9982
JOHN D. WILCOX, 4074
TRAVIS S. WILDS, 5626
TODD A. *WILES, 2201
PAUL E. *WILKERSON, 7825
ALLEN L. WILLIAMS, 3792
DAVID E. *WILLIAMS JR., 1777
KEITH P. *WILLIAMS, 6283
KEVIN L. WILLIAMS, 6056
LEE *WILLIAMS, 7321
LEONARD R. *WILLIAMS, 8106
ROBERT S. *WILLIAMS, 4192
TRENT J. *WILLIAMS, 0427
WARREN S. *WILLIAMS, 2497
WENDELL M. *WILLIAMS, 6754
CHAZ M. *WILLIAMSON, 5205
DAVID A. WILLIAMSON, 2845
DEAN G. *WILLIAMSON, 9892
ERIN C. *WILLINGHAM, 6885
JOHN T. *WILLOUGHBY JR., 4637
CHARLES T. *WILSON II, 0794
JENNIFER E. *WILSON, 6180
KENNETH W. *WILSON, 4714
KEVIN P. *WILSON, 3624
LYNDA M. Z. *WILSON, 8156
ROBERT A. *WILSON, 0468
KATHRINE M. WINANS, 6859
LORI L. *WINN, 1451
BERT G. WINSLOW, 4573
CHRISTOPHER J. WIRTANEN, 0785
CARL H. *WISWELL, 2600
RYAN E. WOERNER, 7220
JEFFREY C. *WOFFINDEN, 3704
LISA M. *WOFFINDEN, 7305
PAUL M. WOJTOWICZ, 3039
JOHN J. WOLF, 8575
GREGORY C. *WOLFF, 8797
STEPHANE L. *WOLFGEHER, 6579
JEFFERY M. WOLIVER, 1051
TIMOTHY G. WOLLER, 6049
ZUN MAY *WOO, 8512
PAUL C. WOOD, 3107
BRECK A. *WOODARD, 1162
GEORGE S. *WOODWORTH, 6240
LEANDRO T. *WORRELL, 8836
BRIAN J. *WORTH, 9412
SCOTT M. *WURZBURGER, 3787
CHARLES D. *WYATT, 9051
BENJAMIN L. WYBORNEY, 8254
WILLIAM L. *YAEGER, 8437
SURESH *YALAMANCHILI, 2637
JAE K. *YANG, 5723
STEPHEN *YANYECIC, 3256
ERIC M. YAPE, 7688
JAMES N. *YEPEZ, 4058
JOHANNA L. *YOCUM, 2669
JIN B. *YOON, 9599
SOKTAE *YOON, 4685
STEVEN J. YOUD, 1697
MICHELLE T. *YOUNG, 6847
DEREK J. A. YOUNGER, 4837
MILAD F. *YOUSSEF, 6491
PAUL J. *YUSON, 8727
ROBERT B. *ZALANKA, 4969
MATTHEW E. *ZEHR, 5069
JOSEPH B. *ZELL, 3392
ERIC J. ZIHMER, 9228
JEFFREY S. *ZORNES, 5943
BRIAN S. *ZUBEK, 7886
CHRISTOPHER J. ZUHLKE, 7911
KARL D. ZURBRUGG, 1041
STEVE P. *ZURGA, 3201
RONALD J. *ZWICKEL, 4085

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 624:

To be colonel

THOMAS A. BURGESS, 4831
JOHN R. STEFANOVICH, 1397

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

TIMOTHY J. CALLAHAN, 2638
RONALD O. GIENAPP, 7262

WITHDRAWAL

Executive message transmitted by the President to the Senate on March 22, 2004, withdrawing from further Senate consideration the following nomination:

GLEN L. BOWER, OF ILLINOIS, TO BE A JUDGE OF THE UNITED STATES TAX COURT FOR A TERM OF FIFTEEN YEARS AFTER HE TAKES OFFICE, WHICH WAS SENT TO THE SENATE ON JANUARY 7, 2003.

EXTENSIONS OF REMARKS

RECOGNIZING MARINA MARTINEZ

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 2004

Ms. SOLIS. Mr. Speaker, I rise today to pay tribute to Marina Martinez. She was a true leader and an inspirational woman who passed away on March 15, 2004.

A community activist in El Sereno, California, Marina Martinez promoted parental involvement and advocated for parental rights to ensure that every child receives a quality education. She began her lifelong commitment to children by volunteering both as a Girl Scout leader and Boy Scout den mother in 1959. Since that time, Marina chaired numerous organizations and provided leadership to many local, State, and Federal organizations. These organizations and positions included the Compensatory Education Advisory in 1972 and the Bilingual Teacher Training Center in 1976. Most notably, she was appointed by the dean of the School of Education to serve as a member of the Advisory Committee of the Bilingual Teacher Training Center.

Marina Martinez also served as the council appointee to the Citizens Unit for Participation in Housing and Community Development in 1978 and was a proud member of other long-standing community-based organizations in El Sereno. These organizations included the Mexican-American Education Commission, National Clients Council for the Legal Aid Foundation, the Community Alliance for Education, and the El Sereno Community Coordinating Council.

Even with the tragic death of her son Ismael Martinez on December 7, 1980, Marina and her husband, Joe, did not move away from their El Sereno community. On the contrary, they turned their pain into strength and vowed to help other families with similar tragedies by establishing the Victims of Crime in El Sereno (VOCES). Several years ago, Marina's beloved husband, Joe, passed away.

Marina was a loving and caring community leader. Every Christmas, she made sure that victims of senseless violence would not be forgotten. Her message was shared throughout the community every December by organizing tree lighting ceremonies in Huntington Drive, with each tree decorated with red ribbons honoring the deceased victims.

I have known and supported Marina since my years as a California State Assembly member. She leaves behind three grown children and a beautiful community she helped build. She will always be remembered for her stewardship and hard work to improve her community and the citizens who lived in it. We will miss her greatly, and may she rest in peace.

PERSONAL EXPLANATION

HON. ROGER F. WICKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 2004

Mr. WICKER. Mr. Speaker, I was regrettably absent on March 10 and 11, 2004. Had I been present, I would have voted "yea" on roll call votes 45, 46, 47, 54, 56, and 57. I would have voted "nay" on roll call votes 48, 49, 50, 51, 52, and 53.

DARLENE MONTGOMERY RYAN

HON. MICHAEL C. BURGESS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 2004

Mr. BURGESS. Mr. Speaker, I rise today to congratulate Darlene Montgomery Ryan for being recognized as a 2004 honoree of the Leading Women Entrepreneurs of the World. Darlene Montgomery Ryan is the co-founder, principal owner, president and chief executive officer of PharmaFab, a contract pharmaceuticals formulator and manufacturer located in the Dallas/Fort Worth area.

In February, the Leading Women Entrepreneurs of the World announced the names of the 2004 honorees who will be distinguished at an international awards ceremony and gala in Sydney, Australia, May 9–13, 2004. Chosen by an international selection committee from hundreds of nominees worldwide, these outstanding businesswomen represent nine countries and over $600 million in annual sales.

PharmaFab, started by Darlene, her brother, and their father in late 1994, has been recognized as one of the 500 fastest-growing private companies in the United States for the past 3 years in a row. Prior to starting PharmaFab, Darlene was a partner in a worldwide accounting firm recognized as an expert in international taxation. She is a certified public accountant, with a BA in math and German from DePauw University and an MBA from the University of Chicago.

In addition to her leading role at PharmaFab, Darlene Montgomery Ryan is an officer in the Generic Pharmaceutical Association, which is dedicated to reducing health care costs for all of us. In her spare time, Darlene teaches Junior Achievement classes to low-income elementary school students, acts as a board member for several local charities, and is highly involved in her community.

I congratulate Darlene Montgomery Ryan for her contribution not only to my local community but also to our country for being only one out of the nine honorees to be recognized from the United States. I applaud her efforts and support her desire to improve health care in the United States.

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

SPEECH OF

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. SANDERS. Mr. Speaker, I am saddened by the degree to which the Republican Leadership has turned this resolution into a partisan political defense of President Bush's view of the war in Iraq. Instead of commending and thanking the men and women in our Armed Forces who are serving so bravely in Iraq, a resolution that would have probably been passed unanimously, this resolution rewrites history and justifies a war that need not have been fought. Yes. Saddam was a terrible dictator, but getting rid of him was not the reason why President Bush told us we had to go to war. The American people were told that we had to invade Iraq because Saddam had weapons of mass destruction that could be used against us, something which turned out not to be true. It is particularly outrageous that, in order to spin the war in as positive light as possible, this resolution does not say one word about our gratitude to the over 560 families who have lost a loved one in Iraq—including six Vermont families—or the over 2,800 soldiers who have been injured. What must these families be thinking when the sacrifice of their loved ones are not even acknowledged in this resolution? If Congressional Republicans really want to say thanks to the troops they should adequately fund veterans' benefits, increase military pay and provide the money to buy the body armor and other equipment our troops need. But using the sacrifice of our troops for partisan political advantage is something that I cannot support.

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

SPEECH OF

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Ms. DELAURO. Mr. Speaker, all of us in this chamber are united in our commitment to support our troops in Iraq. It is that commitment that creates a strong presumption in my own mind on any resolution that recognizes their honorable goals, their services to country and their need for best support possible.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Along with my Democratic colleagues, we would also rush to sponsor and support a resolution that highlighted the crimes of Saddam Hussein. There was never any disagreement in this Chamber on the evil he represented and we all applaud our troops for bringing him to justice. They did the job they were asked to do and more.

But I pause on supporting this resolution on two counts. This war has not brought greater stability to the area. It has not enhanced America's leadership position or created stronger alliances. While our soldiers have fought with honor—even as we speak here—the administration failed to support their efforts with a plan to win the peace, bring stability or share the burden and risk. We still wait for the President to speak honestly with the American people about the failed intelligence estimates and the reasons for the rush to war. America remains isolated, which is itself a risk to our security and our troops.

This resolution is silent on these questions and the leadership will not allow them to be addressed.

There is no commitment to ensuring that our troops have the best protection equipment available, no commitment to getting wounded troops the best health care as quickly as possible. There is no mention of the heroic contributions our reserve troops have provided or the very serious challenges that lie ahead in Iraq. Any resolution honoring and supporting our troops would express these sentiments.

What I find most egregious is that at the very moment we debate this resolution, the Budget Committee is considering a budget that omits funding for many of our most pressing priorities in Iraq. During consideration of this budget, the majority has turned aside efforts to increase our commitment to health care for reservists, for military housing programs and to educate military schoolchildren. At a time when we have families of troops searching the Internet to buy body armor for their loved ones in Iraq because this Congress has failed to provide it for them, that is the very least we should be doing for these brave men and women. Had Democrats been allowed the elemental rights of a minority, we would have incorporated language that made clear Congress's first obligation was to provide our troops in Iraq with the security and the best equipment available.

To be frank, the hypocrisy of this Congress in offering this resolution but not the actual support, tempts me to fight back and protest on behalf of our men and women in Iraq and in the reserves.

But stronger in my heart is an appreciation for our troops that keep us free. I cast my vote for those words in the resolution and express my personal exception to the majority's maneuvering that has diminished their resolution and our work.

Fortunately, we will have more opportunities to express our views about our postwar policy in Iraq and failure to genuinely support our military and veterans.

"A RUN FOR THEIR SON"

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 2004

Mr. FRANK of Massachusetts. Mr. Speaker, we talk here often about family values, with good reason, because defending the family is one of the most important parts of our job. One way to do that is to give truly inspirational examples of how families have pulled together, especially in those very difficult, tragic times when awful events befall good people.

One such inspirational example was recently chronicled in the New Bedford Standard Times, describing the determination of Elsie and Tony Souza, of New Bedford to compete in a marathon to honor the memory of their son Christopher, who was tragically taken from them ten years ago at the age of twenty-six. I had the privilege of knowing Christopher, as I have the privilege of knowing and working with Tony and Elsie Souza. Tony is the Executive Director of the Waterfront Historic Area League, an extremely important, innovative and effective organization working to advance the cultural and—therefore—economic—fortunes of New Bedford. Elsie has been since 1993 the Deputy Director of my Massachusetts operation, based in my New Bedford office.

This excellent article by Don Cuddy in the New Bedford Standard Times gives a sense of these wonderful people and of the extent to which they truly exemplify family values, and I ask that the article be printed here.

[From the New Bedford Standard Times, Mar. 19, 2004]

A RUN FOR THEIR SON

(By Don Cuddy)

NEW BEDFORD.—"Tony! It's a quarter to five." Tony took an eight count.

It was another black, freezing, January morning and the mercury was not moving. Neither was the city. There were no cars on Route 18, the waterfront was deserted and the shops on Union Street had been locked down and abandoned.

The cobbled streets of the historic district were deathly still until the door on Center Street creaked open. Just as they had for months, two shadowy figures emerged from within and began to run silently through the darkness.

Up the hill to frigid Buttonwood Park they labored side by side, then around to Hawthorne Street onto Slocum Road and back downtown as the first streaks of light became visible in the eastern sky.

Beginning with a promise in the fall and undeterred by the worst winter in years, Tony and Elsie Souza have held faithfully to their training program as they move ever closer to their goal of completing this year's New Bedford Half-Marathon.

There will be some mixed emotions when they step to the starting line Sunday and take their places with the other runners. This year marks the 10th anniversary of their only son's passing. The need arose to find something to mark the occasion and it was Elsie's idea that they should run the race.

Christopher Jon Souza had a bright future until he was fatally stricken with cancer at the age of 26.

After obtaining a degree in Russian language and literature from Syracuse University, he worked for Sen. Ted Kennedy in Washington before moving to Boston in 1994 to complete his master's degree. Always athletic, he was training for the Boston Marathon in March of that year when he began to experience breathing difficulties. He saw a doctor and was told he had a sinus infection.

In fact, he had a tumor in his chest, an offshoot of testicular cancer. When he came home to New Bedford in July at his mother's urging, he was finally given a chest x-ray. Three weeks later he was in a coma. The end came in November.

"There was no warning at all," Tony said. "After they took the chest x-ray I went to the doctor's office on a Saturday morning and, I'll never forget, he said 'I think you better sit down.'" Within five days their son was on life-support. Christopher underwent chemotherapy while in a coma. When he came out of it, for a very short time it appeared that he might have beaten the odds. But it was not to be.

In tribute to his memory the New Bedford couple have committed to running the race and, because of their enduring love for their child and of New Bedford, they have also offered trophy and a cash prize in Christopher's name. The first city residents, male and female, to cross the finish line this year will receive the Christopher Jon Souza Award and $250.

"Chris loved sports and he was a great runner, so last fall I just decided that I was going to run it," Elsie said. "To convince Tony. I said, 'We're going to do this for Chris.' So every day I get up at 4 a.m. and read the paper before we go. He hopes there's a snowstorm outside and prays that I'll go back to bed."

Tony laughed. "She has all her clothes laid out the night before, too," he said.

"I used to run. I ran the Ocean State Marathon, and in '91 I did the Marine Corps Marathon in D.C. with Chris. I was 48 and he was 24. He was very competitive, just like Elsie. She won't let me pass her.

"But after he died I just quit. Before he passed I promised Chris I'd get back and it's been 10 years, so I was saying to myself: 'I guess you broke your promise.' I'd put on so much weight but I went on a diet and now I've lost 27 pounds. It wasn't easy. I got frostbite on my legs and hands in January and it's just healing up now. We've been through everything but last Saturday we did 10 miles. We're ready."

For Elsie it was even tougher. She had never been a runner and suffered bouts of asthma as a child that confined her to bed much of the winter, but they never contemplated quitting. Their loss has strengthened them. They have stayed together through the training and intend to do the same on Sunday.

Once they had committed to entering the race, the idea of adding the award came naturally.

"As parents, losing an only child has been very difficult." Tony said. "We've forged on, I think bravely, but they are always with you and you don't want them to go away, so anything we can do to memorialize him we do."

The Souzas have also established a scholarship fund in their son's memory.

"We love New Bedford and we believe that this race exemplifies all the good things about this community," Elsie said. "The people who put it together are doing it against all odds."

In recognition of that the Souzas decided to make their own contribution.

"People here work so hard to try to make things better and we suffer so needlessly from a bad reputation," Tony said. "When you see all these runners coming down here it shows we are doing something right."

Tony and Elsie Souza have already endured the greatest lose a parent can. Nevertheless the race poses a challenge in and of itself.

"We're not fast but we'll do it" Tony said, looking at his wife for confirmation. Elsie had her own concerns.

"My biggest challenge right now is deciding what I am going to wear! Only a woman would understand that."

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

SPEECH OF

HON. KENDRICK B. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Mr. MEEK of Florida. Mr. Speaker, I rise in opposition to this very flawed, very inadequate and blatantly political resolution.

Every Member of this House wants to honor our troops. That view is truly non-partisan. Each of us is deeply grateful for the patriotism and courage our troops have exhibited in Iraq, and for the sacrifices that they and their families are making. But House Republican leaders should be ashamed of themselves for playing politics and trying to score political points by pushing this partisan resolution through the House, and using the brave men and women in our armed forces as cover in order to do it.

This resolution does not even mention the thousands of wounded soldiers from this war, many of whom I met at Walter Reed Army Hospital in Washington, DC. Their sacrifices will not end when they come home and leave the military. For those who lost limbs or suffered other serious, debilitating injuries, their sacrifice will be with them for the rest of their lives. That is certainly true for the parents, brothers and sisters, spouses, children and friends of the 564 Americans who have lost their lives so far in this Iraq War.

They clearly deserve our recognition and our gratitude, but they are not mentioned in this resolution.

Republican leaders are so single-minded and so dead-set on justifying the President's decision to go to war that they use the opportunity to honor our troops as an excuse to explain away the war. And they purposely excluded Democrats in the drafting process so that they could have it their way, and their way alone. Their failure to reach across the aisle and make this resolution bipartisan is wrong and disgraces the memory of those who serve, and those who have sacrificed, and those who have died.

As written, this resolution states that the "United States and the world have been made safer by the removal of Saddam Hussein and the Baath party from power". There is certainly not unanimity on that point. The Bush administration has tried hard to change the reasons the President took this country to war. We were told that Saddam Hussein was hand-in-hand with Al Qaeda; that he was constructing weapons of mass destruction; and that he had a program to create nuclear weapons. We were led to believe that Iraq was arming itself to attack us—and to attack us imminently.

But now little of what they told us appears to be true. It now appears that the President's rationale for war in Iraq was fundamentally and deeply flawed. Judging from the 27 people killed in a car bombing in Baghdad this afternoon or the 200 people killed in Madrid only 6 days ago, it appears that the undisputed enemy that all Americans recognize, Al Qaeda, is as strong as ever. No weapons of mass destruction have been found. The sober warnings from the President about an Iraqi nuclear program were exaggerated and based on discredited and unverified reports.

So, while every Member of Congress is glad that Saddam Hussein is no longer in power and no longer a menace to the people of Iraq, it is certainly not clear that removing Saddam Hussein has made the United States any safer, or that it was worth the terrible cost of 564 American lives, thousands of Americans wounded, and over $150 billion—so far.

It seems to me that, if the Republican leadership really wanted to salute the troops involved in this year-old war, they would join with Democrats to draft a resolution of praise and honor that every Member would support. Even more fitting would be an immediate vote on legislation to ensure that all of our troops are properly armed and outfitted, and that they and their families will be taken care of. The President's budget request shortchanges our troops and the generations of American soldiers before them.

And so, Mr. Speaker, I will vote against this resolution. We must support our troops with action, not with political rhetoric.

TRIBUTE TO SERGEANT AARON SCHARF

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 2004

Mr. BACA. Mr. Speaker, it is with great pride that I pay tribute today to the life of Sergeant Aaron Scharf. Aaron recently passed away at the age of 33 and left an incredible legacy of community work and innovation in his chosen profession. He was not only dedicated to improving his community but also to fulfilling his responsibilities as husband, father, son, and friend. It gives me no greater pleasure than honoring his memory today.

To all those who knew Aaron, he was energetic, determined, and purposeful. He consistently exhibited generosity of spirit, love for his fellow man, and dedication to his work. He was never afraid to challenge the status quo in his own humble and unassuming manner. These qualities undoubtedly left an immeasurable impression on his friends, family, and co-workers.

Graduating from Chaffey High School in 1988, Aaron already knew his calling. The son of a police officer, he joined the Fontana Police Department in 1989 and graduated from the Police Academy in March of 1991. His special details throughout the years included the Narcotics Unit, Gang Unit, Drug Enforcement Task Force, the FBI Gang Task Force, and Special Enforcement Detail. Aaron was a truly special man. He provided an incredible service for those he loved with no thought of additional compensation.

Throughout his time serving for the Fontana Police Department, Aaron exhibited tremendous passion, pride, and a deep resolve to fight for the people of the Inland Empire. He was a beloved part of his family and a respected member of his community. His kind and passionate spirit was an incredible resource and blessing to those who knew him.

I join today with family and friends in paying my respects to Sergeant Aaron Scharf, beloved husband, father, and friend. He is survived by his wife, Shana, and his daughters, Amanda, Ryan, and Camryn. He was a generous and gentle man who fought for what he believed in. He will be deeply missed by all.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, March 23, 2004 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 24

9 a.m.

Governmental Affairs

Investigations Subcommittee

To hold hearings to examine problems facing the credit counseling industry, focusing on cases of misconduct among credit card counseling agencies and their for-profit service providers and what solutions may be available to repair the industry.

SD–342

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings to examine port security.

SR–253

Indian Affairs

To hold hearings to examine S. 1529, to amend the Indian Gaming Regulatory Act to include provisions relating to the payment and administration of gaming fees.

SD–562

Armed Services
Strategic Forces Subcommittee
To hold hearings to examine the proposed Defense Authorization Request for fiscal year 2005, focusing on strategic forces and capabilities.
SR–222

10 a.m.
Appropriations
Defense Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Department of the Air Force.
SD–192

Appropriations
Energy and Water Development Subcommittee
To hold hearings to examine the Bureau of Reclamation's Animas-La Plata Project.
SD–124

Environment and Public Works
To hold hearings to examine the environmental impacts on the United States natural gas supply.
SD–406

Judiciary
To hold hearings to examine the nomination of Paul S. Diamond, to be United States District Judge for the Eastern District of Pennsylvania.
SD–226

11:30 a.m.
Energy and Natural Resources
Business meeting to consider pending calendar business.
SD–366

2 p.m.
Armed Services
Airland Subcommittee
To hold hearings to examine Navy and Air Force aviation programs in review of the Defense Authorization request for fiscal year 2005 and future years defense program.
SR–232A

2:30 p.m.
Banking, Housing, and Urban Affairs
Housing and Transportation Subcommittee
To hold hearings to examine the real estate appraisal industry, focusing on related issues involving financial markets and community investments, risk management, and consumer protection.
SD–538

Energy and Natural Resources
Public Lands and Forests Subcommittee
To hold hearings to examine S. 433, to provide for enhanced collaborative forest stewardship management within the Clearwater and Nez Perce National Forests in Idaho, S. 2180, to direct the Secretary of Agriculture to exchange certain lands in the Arapaho and Roosevelt National Forests in the State of Colorado, and H.R. 1964, to assist the States of Connecticut, New Jersey, New York, and Pennsylvania in conserving priority lands and natural resources in the Highlands region.
SD–366

MARCH 25

9:30 a.m.
Armed Services
To hold hearings to examine the role of the U.S. Northern Command and U.S. Special Operations Command in defending the homeland and in the global war on terrorism, in review of the defense authorization request for fiscal year 2005; to be followed by a closed session in SH-219.
SH–216

Commerce, Science, and Transportation
To hold hearings to examine cable rates.
SR–253

Foreign Relations
To hold hearings to examine proposed legislation to amend the African Growth and Opportunity Act to expand certain trade benefits to eligible sub-Saharan African countries.
SD–419

Appropriations
Interior Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Department of the Interior.
SD–124

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Department of Health and Human Services.
SD–192

10 a.m.
Appropriations
Commerce, Justice, State, and the Judiciary Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Department of State.
SD–116

Banking, Housing, and Urban Affairs
Economic Policy Subcommittee
To hold an oversight hearing to examine national flood insurance repetitive losses.
SD–538

Health, Education, Labor, and Pensions
Employment, Safety, and Training Subcommittee
To hold hearings to examine hazard communication in the workplace.
SD–430

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Environmental Protection Agency.
SD–628

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to examine the legislative presentations of the National Association of State Directors of Veterans Affairs, AMVETS, American Ex-Prisoners of War, the Vietnam Veterans of America, and the Military Officers Association of America.
345 CHOB

1:30 p.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for programs under its jurisdiction.
SD–192

2 p.m.
Banking, Housing, and Urban Affairs
To hold hearings to examine the President's proposed budget request for fiscal year 2005 for the Federal Transit Administration, Department of Transportation.
SD–538

2:30 p.m.
Foreign Relations
To hold hearings to examine the nominations of Thomas Bolling Robertson, of Virginia, to be Ambassador to Slovenia, Miles T. Bivins, of Texas, to be Ambassador to Sweden, and Michael Christian Polt, of Tennessee, to be Ambassador to Serbia and Montenegro.
SD–419

Armed Services
Strategic Forces Subcommittee
To hold hearings to examine national security space programs and management in review of the Defense Authorization request for fiscal year 2005.
SR–232A

Energy and Natural Resources
Water and Power Subcommittee
To hold hearings to examine S. 1085, to provide for a Bureau of Reclamation program to assist states and local communities in evaluating and developing rural and small community water supply systems, S. 1732, to direct the Secretary of the Interior to establish a rural water supply program in the Reclamation States to provide a clean, safe, affordable, and reliable water supply to rural residents, S. 1727, to authorize additional appropriations for the Reclamation Safety of Dams Act of 1978, and S. 1791, to amend the Lease Lot Conveyance Act of 2002 to provide that the amounts received by the United States under that Act shall be deposited in the reclamation fund.
SD–366

MARCH 30

9 a.m.
Indian Affairs
To hold oversight hearings to examine Inter-Tribal Timber Council's Indian Forest Management Assessment Team report.
SR–485

9:30 a.m.
Armed Services
To hold closed hearings to examine the second interim report of the Iraq Survey Group.
S–407, Capitol

10 a.m.
Energy and Natural Resources
To hold hearings to examine the implementation of the Energy Employees Occupational Illness Compensation Program Act of 2000.
SD–366

Indian Affairs
To hold hearings to examine S. 868, to amend the Coos, Lower Umpqua, and Siuslaw Restoration Act to provide for the cultural restoration and economic self-sufficiency of the Confederation Tribes of Coos, Lower Umpqua, and Siuslaw Indians of Oregon.
SR–485

2 p.m.
Armed Services
Airland Subcommittee
To hold hearings to examine the proposed Defense Authorization Request for fiscal year 2005 and the Future Years Defense Program, focusing on Army aviation programs.
SR–232A

2:30 p.m.
Energy and Natural Resources
National Parks Subcommittee
To hold oversight hearings to examine National Heritage Areas, including findings and recommendations of the General Accounting Office, the definition of a National Heritage Area, the definition of national significance as it relates to National Heritage Areas, recommendations for establishing National Heritage Areas as units of the

National Park System, recommendations for prioritizing proposed studies and designations, and options for developing a National Heritage Area Program within the National Park Service.

SD–366

MARCH 31

9:30 a.m.

Armed Services

Personnel Subcommittee

To hold hearings to examine the Defense authorization request for fiscal year 2005, focusing on active and Reserve military and civilian personnel programs.

SR–232A

10 a.m.

Health, Education, Labor, and Pensions

Business meeting to consider pending calendar business.

SD–430

Indian Affairs

Business meeting to consider pending calendar business.

SR–485

2:30 p.m.

Foreign Relations

European Affairs Subcommittee

To hold hearings to examine the effects of the Madrid Terrorist Attacks on U.S. European cooperation in the war on terrorism.

SD–419

APRIL 1

9:30 a.m.

Armed Services

To hold hearings to examine the proposed Defense Authorization Request for fiscal year 2005, focusing on the military strategy and operational requirements of the unified and regional commands; to be followed by a possible closed session in SR-222.

SD–106

2:30 p.m.

Armed Services

Readiness and Management Support Subcommittee

To hold hearings to examine the proposed Defense Authorization Request for fiscal year 2005, focusing on military installation programs.

SR–232A

SEPTEMBER 21

10 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to examine the legislative presentation of the American Legion.

345 CHOB

POSTPONEMENTS

MARCH 24

9:30 a.m.

Foreign Relations

To hold hearings to examine intellectual property piracy issues.

SD–419

SENATE—*Tuesday, March 23, 2004*

The Senate met at 9:45 a.m. and was called to order by the President pro tempore [Mr. STEVENS].

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Lord God, who illuminates our paths with love and laughter, hallowed be Your Name. Lord, thank You for life's clouds and storms that position us to receive Your deliverance. Thank You also for refusing to move our mountains but instead giving us strength to climb them. Give us the wisdom to see spiritual things in life's commonplace happenings. May a baby's cry or a falling leaf or the gentle dew or a golden sunset whisper to us about the sacred.

Today, bless our dedicated lawmakers and each member of their staffs who routinely deliver excellence in the midst of the frenetic. May they never forget Your promise to always be with them. Guide them today with fresh insights on living abundantly. Supply all their needs, for the kingdom, the power, and the glory belong to You. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. McCONNELL. Good morning, Mr. President.

The Senate will be in a period of morning business until 11 a.m. The first half of the time will be under the control of the majority leader or his designee, and the remaining time will be under the control of the Democratic leader or his designee.

Following morning business at 11, the Senate will resume consideration of S. 1637, the JOBS bill, also known as the FSC/ETI bill. The bill managers were able to make some progress during yesterday's session by working through several amendments. As a reminder, a cloture motion was filed with respect to the FSC bill. That vote will occur tomorrow. We hope, if cloture is invoked, we can finish the bill this week. It is still possible we could consider related amendments during today's session. Therefore, rollcall votes are possible throughout the day, although we do not anticipate any vote prior to our respective policy luncheons. If there are votes, obviously Senators will be notified.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The minority whip.

VOTE ON OVERTIME

Mr. REID. Mr. President, last night there was an exchange between the distinguished Senator from Kentucky and myself, pleasant as it always is between the two of us, regarding the overtime vote that we believe is essential to moving forward on this legislation that will be before the Senate at 11 o'clock today. My friend, the senior Senator from Kentucky, said we had voted on this once before.

I wanted to make sure what the facts were. There is no question that I was right. We did vote on it once before. We voted on it in the Senate and it passed by a nice margin. It was voted on in the House and passed by a nice margin. It was on the Omnibus appropriations bill.

Magically, when it came back after the conference, it was stricken, even though it had passed both Houses of the legislature by a large margin.

The point is, having had a vote on the overtime bill should not take away the fact that it was stripped in conference with Democrats not participating in the conference. We believe that overtime is important.

On my trip home last week, I visited fire stations and police stations. The first thing they talk about is: What is happening to our overtime? People in America are concerned by the hundreds of thousands, if not millions. That is why we demand a vote on overtime.

The PRESIDENT pro tempore. The Senator from Kentucky is recognized.

Mr. McCONNELL. Mr. President, very briefly, my good friend from Nevada and I discussed this last night and I listened carefully to what he just said. I want to make one adjustment as we get the facts before our colleagues.

On the amendment to prohibit the Labor Department from going forward with the 541 regulations, that was approved in the Senate. We voted on it earlier. It was not approved in the House. That is why it was a matter in conference.

As my good friend from Nevada pointed out, it was subsequently not agreed to in the conference. There was an additional vote in the House on a motion to instruct conferees, which came out the way my friend from Nevada suggests; but on the vote that counted, the House of Representatives did not approve the effort to block the Department of Labor from going forward with the overtime regulation.

As my friend from Nevada conceded, we have voted on this once and I am rather confident, given the persistence of Members on that side of the aisle, at some point we will probably vote on it again. But this underlying bill is a bill that is widely supported on both sides of the aisle. Sanctions have already been imposed on March 1 on American businesses. I would like to see, and I know the majority leader would like to see, and the vast majority of the Senate would like to see this bill approved so we can move on with other matters that will come before the Senate.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business until 11 a.m., with the majority leader in control of the first half of the time, and the Democratic leader or his designee in control of the remaining time.

Does the minority leader seek recognition?

Mr. DASCHLE. I do, Mr. President.

The PRESIDENT pro tempore. The minority leader is recognized.

DISTURBING PATTERN OF CONDUCT

Mr. DASCHLE. Mr. President, I want to talk this morning about a disturbing pattern of conduct by the people around President Bush. They seem to be willing to do anything for political purposes, regardless of the facts and of what is right.

I don't have the time this morning to talk in detail about all the incidents that come to mind. Larry Lindsay, for instance, seems to have been fired as the President's Economic Adviser because he spoke honestly about the costs of the Iraq war. General Shinseki seems to have become a target when he spoke honestly about the number of troops that would be needed in Iraq.

There are many others, who are less well known, who have also faced consequences for speaking out. U.S. Park Police Chief Teresa Chambers was suspended from her job when she disclosed budget problems that our Nation's parks are less safe, and Professor Elizabeth Blackburn was replaced on the Council on Bioethics because of her scientific views on stem-cell research.

Each of these examples deserves examination, but they are not my focus today. Instead, I want to talk briefly about four other incidents that are deeply troubling.

When former Treasury Secretary Paul O'Neill stepped forward to criticize the Bush administration's Iraq policy, he was immediately ridiculed by the people around the President and his credibility was attacked. Even worse, the administration launched a government investigation to see if Secretary O'Neill improperly disclosed classified documents. He was, of course, exonerated, but the message was clear: If you speak freely, there will be consequences.

Ambassador Joseph Wilson also learned that lesson. Ambassador Wilson, who by all accounts served bravely under President Bush in the early 1990s, felt a responsibility to speak out on President Bush's false State of the Union statement on Niger and uranium. When he did, the people around the President quickly retaliated. Within weeks of debunking the President's claim, Ambassador Wilson's wife was the target of a despicable act.

Her identity as a deep-cover CIA agent was revealed to Bob Novak, a syndicated columnist, and was printed in newspapers around the country. That was the first time in our history, I believe, that the identity and safety of a CIA agent was disclosed for purely political purposes. It was an unconscionable and intolerable act.

Around the same time Bush administration officials were endangering Ambassador Wilson's wife, they appear to have been threatening another Federal employee for trying to do his job. In recent weeks Richard Foster, an actuary for the Department of Health and Human Services, has revealed that he was told he would be fired if he told Congress and the American people the real costs of last year's Medicare bill.

Mr. Foster, in an e-mail he wrote on June 26 of last year, said the whole episode had been "pretty nightmarish." He wrote: "I'm no longer in grave danger of being fired, but there remains a strong likelihood that I will have to resign in protest of the withholding of important technical information from key policymakers for political purposes."

Think about those words. He would lose his job if he did his job. If he provided the information the Congress and the American people deserved and were entitled to, he would lose his job. When did this become the standard for our government? When did we become a government of intimidation?

And now, in today's newspapers, we see the latest example of how the people around the President react when faced with facts they want to avoid.

The White House's former lead counterterrorism adviser, Richard Clarke, is under fierce attack for questioning the White House's record on combating terrorism. Mr. Clarke has served in four White Houses, beginning with Ronald Reagan's administration, and earned an impeccable record for his work.

Now the White House seeks to destroy his reputation. The people around the President aren't answering his allegations; instead, they are trying to use the same tactics they used with Paul O'Neill. They are trying to ridicule Mr. Clarke and destroy his credibility, and create any diversion possible to focus attention away from his serious allegations.

The purpose of government isn't to make the President look good. It isn't to produce propaganda or misleading information. It is, instead, to do its best for the American people and to be accountable to the American people.

The people around the President don't seem to believe that. They have crossed a line—perhaps several lines—that no government ought to cross.

We shouldn't fire or demean people for telling the truth. We shouldn't reveal the names of law enforcement officials for political gain. And we shouldn't try to destroy people who are out to make our country safer.

I think the people around the President have crossed into dangerous territory. We are seeing abuses of power that cannot be tolerated.

The President needs to put a stop to it, right now. We need to get to the truth, and the President needs to help us do that.

The PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

THE CARE ACT

Mr. SANTORUM. Mr. President, I rise to offer a unanimous consent request having to do with the CARE Act. I noted that a week ago the Senator from South Dakota, the Democratic leader, sent a letter suggesting we should move forward on this legislation. I wanted to take him up on his suggestion. I believe, as he says in his letter, it is important for us to take a piece of legislation that passed with over 90 votes, has passed the House of Representatives, and give it the opportunity to be negotiated between the House and the Senate so we can get it to the President's desk in a timely fashion.

I want to put in the RECORD about a dozen articles, letters, and press releases from a variety of groups—everything from the United Jewish Communities, to the Catholic Health Association, to the Farm Bureau, to the National Conference of State Legislatures, all of which are asking to either put this legislation on the bill we have before us or, more preferably, get this bill to conference where we can work out the differences.

I ask unanimous consent that this information be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED JEWISH COMMUNITIES,
Washington, DC.

CHARITABLE GIVING AND SOCIAL SERVICES BLOCK GRANTS

2004 PRIORITY: ENACT CHARITABLE GIVING TAX INCENTIVES AND RESTORE FUNDING FOR THE SOCIAL SERVICES BLOCK GRANT

For decades, many Jewish organizations have partnered with government to provide a wide range of social services for people in need. In 2004, UJC has made it a priority to support restoration of funding for Social Services Block Grants and tax incentives for charitable giving as a way to ensure and expand critical nonprofit services.

In 2003, both the Senate and the House of Representatives overwhelmingly passed legislation that would create new charitable giving tax incentives—specifically, IRA charitable rollovers and tax deductions for non-itemizers. Current tax law requires that IRAs be fully taxed before they can be transferred to a charity, substantially reducing both the amounts transferred and the size of the contributor's tax deduction. The proposed IRA rollover provision—in what is generally referred to as the CARE legislation—would permit tax-free donation of IRAs to charities. The non-itemizer provision would allow individuals who do not itemize deductions on their tax returns to receive a deduction for charitable gifts.

The Senate-passed CARE bill would also restore funding to the Social Services Block Grant (SSBG); the House bill did not include the SSBG funding increase. The SSBG provides Federal grants to the States on a formula basis, which are then allocated to local agencies. SSBG programming is delivered through countless agencies that provide adult day care, kosher Meals on Wheels and other nutrition programs, employment training for the homeless, immigrants and refugees, and counseling. SSBG is currently funded at $1.7 billion—a cut of more than $1.1 billion since 1995. The budget cuts have forced social services providers, including Federation agencies, to discontinue services and reduce benefits for families in need. The current shortfalls in State budgets will make SSBG funding even more crucial over the next few years.

The CARE legislation's new incentives for charitable giving, as well as restoration of SSBG to its 1995 level of $2.8 billion are vital to meeting the needs of the most vulnerable members of our communities. UJC is working hard to ensure passage of a CARE bill that would enable Federations and other charitable non-profits to access new sources of planned giving and restore vital SSBG funding.

MARCH 11, 2004.

U.S. SENATE,
Washington, DC.

DEAR SENATOR: We urge you to support an amendment by Senators Santorum and

Lieberman to attach the Charity Aid, Recovery and Empowerment Act of 2003 (CARE Act) to S. 1637, the Jumpstart Our Business Strength (JOBS) Act. While we have not taken a position on S. 1637, we see this as an opportunity to pass the CARE Act.

The CARE Act, which the Senate has already approved by an overwhelming 95–5 vote, will provide crucial assistance to charities and the people they serve by restoring $1.3 billion in funding to the Social Services Block Grant (SSBG) program; allowing non-itemizers to claim charitable deductions on their taxes to spur additional private giving; creating a Compassion Capital Fund to provide technical assistance and capacity building for faith-based and community groups; and authorizing $33 million to establish group maternity homes for young mothers.

Restoring SSBG funding is especially crucial given the state of the economy and the severe fiscal crises facing the states. States use SSBG funding to assist community groups and religious agencies that serve working families, abused and abandoned children, persons with disabilities, and the frail elderly.

We support these provisions in the CARE Act because they are among the very few active legislative initiatives that will help low-income families and the most vulnerable members of our society. If enacted, they will strengthen the partnership between government and religious and other community groups to meet the basic human needs of all in our country, a partnership that is demanded by the moral scandal of so much poverty in the richest nation on earth.

We urge you to vote "yes" on the amendment to add the CARE Act to S. 1637.

Sincerely,

THEODORE CARDINAL McCARRICK,
Archbishop of Washington, Chairman, Domestic Policy Committee, United States Conference of Catholic Bishops.
THOMAS A. DESTEFANO,
President, Catholic Charities USA.
Rev. MICHAEL D. PLACE, STD,
President and Chief Executive Officer, Catholic Health Association of the United States.

ALLIANCE FOR IDA TAX CREDITS,
Washington, DC, March 11, 2004.

Hon. ROY BLUNT,
Majority Whip, House of Representatives, Capitol Building, Washington, DC.
Hon. RICK SANTORUM,
Chairman, Republican Conference, U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR REPRESENTATIVE BLUNT AND SENATOR SANTORUM: The Alliance for Individual Development Account (IDA) Tax Credits—a consortium of philanthropic organizations, businesses, industry associations, and organizations of elected officials created to champion tax credit legislation for IDAs—is strongly committed to enacting needed tax incentives to help working, low-income families save, build assets and move into the financial mainstream. The Alliance has been a consistent supporter of the Savings for Working Families Act, which is Title V of S. 476, the CARE Act of 2003, as it will provide tax credits to create 300,000 IDAs across the country. We also strongly support upcoming efforts to finally begin conference deliberations of S. 476, and H.R. 7, the Charitable Giving Act of 2003, and encourage these conference discussions to include the IDA provisions of S. 476 as part of any final agreement regarding S. 476 and H.R. 7.

IDAs are endorsed by President Bush and have received considerable bipartisan support in the House led by Representatives Joe Pitts and Charles Stenholm and in the Senate by Senators Rick Santorum and Joe Lieberman, as these policymakers recognize the importance of rewarding work, savings, and self-reliance by low-income families and individuals. Passage of Title V of S. 476 presents an opportunity to enact sound asset-building tax policy for a segment of our society that traditionally does not benefit from existing wealth building, tax-based incentives.

IDAs are targeted, matched savings accounts held by financial institutions and credit unions, which help low- and moderate-income families and individuals buy their first home, start a small business, or expand post-secondary education. No federal resources are provided until people work, save their own hard-earned dollars, fulfill financial education requirements, and meet their savings goals. In addition, IDA accountholders have to meet strict program standards and safeguards to ensure that IDAs are a hand-up, and not a handout.

The upcoming conference deliberations on S. 476 and H.R. 7 provides both the House of Representatives and the Senate with an historic opportunity to show its support for helping working, low-income families who want to build a better future and achieve their piece of the American Dream. Including the Savings for Working Families Act in the final conference agreement on the CARE Act/Charitable Giving Act will provide the necessary matching dollars to make IDAs a reality for hundreds of thousands of working-poor individuals and families and will help those who want to help themselves.

Thank you in advance of your support for IDAs. If you have any questions or need any additional information on how IDAs work, please call Sandi Smith at the Corporation for Enterprise Development at 202–408–9788.

America's Community Bankers
Association for Enterprise Opportunity
Center for Social Development
Consumer Federation of America
Corporation for Enterprise Development
Credit Union National Association
Economic Security 2000
Education, Training and Enterprise Center
Entergy
Enterprise Corporation of the Delta
Financial Services Roundtable
First Nations Development Institute
Foundation for the Mid South
H&R Block
Ibero American Chamber of Commerce
Institute for Responsible Fatherhood
Levi Strauss & Co.
National Association of Homebuilders
National Bankers Association
National Black Chamber of Commerce
National Center for Neighborhood Enterprise
National Conference of State Legislatures
National Congress for Community Economic Development
National Federation of Community Development Credit Unions
National Housing Conference
National Organization of African Americans in Housing
New America Foundation
Progressive Policy Institute
RESULTS
Shorebank Corporation
The Empowerment Network
The Enterprise Foundation
US Pan Asian American Chamber of Commerce
United Way of America
Wal-Mart

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, DC, March 9, 2004.

DEAR SENATOR: On behalf of the National Conference of State Legislatures (NCSL), we urge you to adopt Amendment 2670 to the S. 1637—Jumpstart Our Business Strength (JOBS) Act. This amendment, offered by Senators Santorum and Lieberman, would add the language of S. 476 (the CARE Act) which passed the Senate 95–5 on April 9, 2003 into the underlying bill. The CARE Act will enhance the role of faith-based and community based organizations in the delivery of social services and provide much needed technical guidance and assistance to states without compromising the states' role in the implementation of social services to people in need. The CARE Act reflects a thoughtful and harmonized approach to the inclusion of faith-based organizations in providing services at the state level.

It is laudable that the CARE Act increases funding for the Social Services Block Grant (SSBG). The SSBG is an essential source of funds for community and home-based services to the most vulnerable segments of our society including the disabled, elderly and children. We cannot expand the role of faith-based and community programs without increasing the funds available for these programs. We support the Individual Development Account provisions, as such accounts are an important tool to promote self-sufficiency that will complement state efforts to reform welfare. We are especially pleased to see that the CARE Act provides funding to states for seed money and for technical assistance to the states to support administering the provisions of the bill. NCSL greatly appreciates Senators' Santorum and Lieberman commitment to this legislation and their willingness to work with NCSL to resolve our outstanding issues.

We support the CARE Act and urge you to vote for Amendment 2670 during floor considerations of the JOBS Act. For further information about NCSL's position, please contact Sheri Steisel, Federal Affairs Counsel and Director, Human Services Committee or Tamra Spielvogel, Policy Associate, State-Federal Relations in NCSL's Washington, DC Office at 202/624–5400.

Sincerely,

MARTIN R. STEPHENS,
Speaker of the House, Utah, President, NCSL.

AMERICA'S SECOND HARVEST,
March 10, 2004.

Hon. TOM DASCHLE,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR DASCHLE: I'm writing to you today because times are desperate for the food banks in South Dakota. We need your help in the passage of important legislation pending before the Senate. In tens of thousands of local food pantries, soup kitchens and emergency shelters the lines of needy Americans requesting short-term food assistance are increasing. These increasing lines of needy families include the faces of the working poor, the recently unemployed and children. As these lines grow, I continue to hear from our member food banks what sounds like a broken record: "there's more requests for food, and it's hard to keep pace."

Last year, you joined 94 other Senators in the common call that we need the CARE Act now more than ever. Now, America's emergency food providers are asking you to continue your strong commitment to America's hungry by supporting an amendment to the JOBS Act, S. 1637, which would allow the provisions of the Senate-passed Charity, Aid, Recovery and Empowerment Act of 2003 (the CARE Act, S. 476/H.R. 7) to move forward.

As you know, the CARE Act includes a strong food donation tax incentive provision that we estimate will create more than 878 million new meals over the next 10 years, much of that food coming from farmers, ranchers, and small businesses. The need for this tax law change is urgent. Today, the USDA estimates that nearly 96 billion pounds of food in the United States is wasted, dumped, plowed over or destroyed. If even one percent of that food was donated, rather than dumped, we would be able to feed hundreds of thousands more needy Americans. Simply put, we have a strong moral obligation to stop the waste, and get this food on the tables of the people who desperately need it.

Passage of Senate Amendment 2670 is critical for the emergency food providers in DC and the America's Second Harvest nationwide network of food banks and food rescue organizations working so hard to encourage food donations within the food industry. The provisions in the Santorum-Lieberman amendment are very important to companies trying to decide how to dispose of their surplus food.

We're hoping we can continue to count on you to make sure this amendment is adopted and the CARE Act becomes law. Thank you for consideration.

Sincerely,

ROBERT FORNEY,
President and CEO,
America's Second Harvest.

AMERICAN FARM BUREAU FEDERATION,
Washington, DC.

STATEMENT BY BOB STALLMAN, PRESIDENT, AMERICAN FARM BUREAU FEDERATION, REGARDING THE CARE ACT

WASHINGTON, D.C., March 11, 2004.—"Congress can provide important hunger-relief assistance by enacting the CARE Act of 2003. The legislation has been adopted by both chambers, endorsed by President Bush, and is awaiting conference.

If enacted, the law would create incentives to allow all farmers and ranchers to deduct the costs and value of food donated to hunger-relief charities, regardless of how their farming business is organized. This will enable us to get more food to hungry people who can't afford to feed their families. The CARE Act would increase the amount of food provided to needy people by an estimated 878 million new meals over the next 10 years.

Passage of the CARE Act could not come at a better time. The American Farm Bureau Federation and America's Second Harvest just completed a successful year of activity with a program called "Harvest for All." Throughout the year, farmers across the nation donated food, funds and people power with the goal of creating a hunger-free America. Both organizations, in partnership with Syngenta, are working together to ensure that every American can enjoy the bounty produced on American farms and ranches. Those efforts will be greatly enhanced by enactment of the CARE Act."

MARCH OF DIMES,
Washington, DC, March 4, 2004.
Hon. THOMAS DASCHLE,
Democratic Leader, U.S. Senate,
Washington, DC.

DEAR DEMOCRATIC LEADER DASCHLE: On behalf of more than 3 million volunteers and 1400 staff members of the March of Dimes, I am writing to urge you to vote for Senate Amendment 2670 to S. 1637, the Foreign Sales Corporation/Extraterritorial Income (FSC/ETI) bill. This amendment provides much needed tax incentives to encourage charitable giving.

As you know, many of America's charities are facing heightened financial challenges due to the soft economy and increasing reliance on services offered through community based programs. Tax incentives to encourage increased charitable giving are needed now more than ever. The March of Dimes strongly supports the following two provisions that we believe will stimulate additional charitable donations and create greater equity in the tax code:

Creation of a charitable tax deduction for individuals and couples who do not itemize on their tax returns; and

An IRA Charitable Rollover provision that would allow donors who are at least 59½ to rollover amounts from a traditional or Roth IRA to create a life income gift and donors who are at least 70½ to be eligible to rollover amounts as direct gifts.

If enacted, these provisions would benefit the March of Dimes and other charities that rely on small donations, by creating incentives for current donors and encouraging others to become donors. The donations stimulated by these changes in the tax code would provide increased resources for expanding the Foundation's investment in cutting-edge research, widening the distribution of education materials aimed at preventing birth defects and infant mortality, and increasing support of community-based programs to improve birth outcomes.

March of Dimes volunteers and staff in every state as well as the District of Columbia and Puerto Rico stand ready to work with you to secure enactment of this important amendment. Thank you for your consideration.

Sincerely,

MARINA L. WEISS, Ph.D.,
Senior Vice President, Public Policy
and Government Affairs.

AMERICA'S BLOOD CENTERS,
Washington, DC, March 18, 2004.
Senator THOMAS A. DASCHLE,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR DASCHLE: We are writing to ask that you allow the Charity, Aid, Recovery, and Empowerment Act of 2003 (CARE Act—S. 476) and the Charitable Giving Act of 2003 (H.R. 7) to go to a conference committee. Members of America's Blood Centers, such as United Blood Services of South Dakota and Siouxland Community Blood Bank, which together support the blood needs of all South Dakota patients, strongly endorse this legislation and specifically support a provision contained in both bills that corrects an inequality by extending to not-for-profit independent community blood centers certain exemptions from the Federal excise tax.

In spite of their importance in maintaining America's volunteer donor blood supply, community-based blood centers do not enjoy the same status as the Red Cross blood centers under the Federal tax code. Even though the Red Cross is exempt from paying Federal excise taxes for its blood-related activities and functions, America's independent, community-based, not-for-profit blood centers are not. These taxes directly impact the ability of blood centers to provide mobile blood collections, conduct telerecruiting of donors, and engage in other similar activities. The tax exemption will significantly help our centers and other community-based blood centers by allowing us to allocate more of our funding to what we do best—collecting blood for the millions of Americans who rely upon us.

The differences between the House and Senate versions of the charitable giving bills are small. Now is the time to take the steps needed to turn this legislation into law. America's Blood Centers strongly urge you to support a successful conference and quick passage of this legislation to level the playing field among blood collection organizations and demonstrate your strong support for the importance of independent, community-based, not-for-profit blood centers. Please contact ABC's CEO Jim MacPherson (jmacpherson@americasblood.org); 202-654-2902 if you have any questions. We appreciate your attention to this concern and thank you in advance for your responsiveness.

Sincerely,

LOUIS KATZ, M.D.,
President.

Mr. SANTORUM. Mr. President, this is a bill that has been a bipartisan bill. The Senator from South Dakota has mentioned on numerous occasions, and again in this letter, that the concern is—and in the newspaper article—that things have been put in conference that were not either the scope of the conference or slipped in without the minority's knowledge of what was going to happen.

I just ask the Senator from South Dakota and all those who are objecting to this bill going to conference to look at the history of this legislation.

The history of this legislation has been bipartisan. Senator JOE LIEBERMAN and I have worked to put this bill together. It has priorities on the Democratic side. It has priorities on the Republican side. We have worked to take out everything that could be controversial.

At a press conference we had the other day, Senator LIEBERMAN said this bill is simply all good. There is not anything bad or controversial. There is not any kind of strong opposition to this bill on either side of the aisle. If there was strong opposition on either side of the aisle, it would not be in this bill. We have a bill that provides money to those who are serving those in need in our society. We have a bill on which the track record through the Finance Committee and through the Senate floor has shown we have worked together.

Senator GRASSLEY and Senator BAUCUS have worked together in committee to pass a bill unanimously out of that committee, on a bipartisan basis. When it came to the floor, there were concerns. We were able to take care of those concerns and pass a bill. I believe it was 95 to 5.

As we were going through the passage, we had some concerns as to some things the House might be interested in putting in this bill, some faith-based provisions some Members on the Democratic side had concerns about. We received a letter from the House saying they had no intention of doing that. In a sense, we were able to preconference some of the concerns to make sure we were trying to pass something good and helpful to those agencies and individuals wanting to help people in need in our society. At a time when many in this Chamber are clamoring about those who are falling through the cracks, this is an opportunity for us to get literally billions of dollars, some of it Government money but most of it contributed by individuals, to groups which get favorable tax treatment for doing so.

We set up individual development accounts, which has been a high priority of Senator LIEBERMAN, Senator FEINSTEIN, myself, and others on both sides of the aisle. We have a laundry list of very positive things this legislation does, and we have a history of bipartisan cooperation.

With some of the other legislation that may have been brought forward, I understand why the Senator from South Dakota may say, well, I do not want to take the chance, let's say, of the FSC bill, for example, or something going to conference; we do not know what is going to go on there and there may have been controversies around it.

There has been no controversy around this bill. Other bills have passed and gone to conference we did not have great controversy about, we had a broad consensus about, and they were allowed to be worked out. For some reason, this was the first one grabbed and it has been held on to now for quite some time.

One final thing. Senator FRIST, the leader, and I have given a commitment the Democrats will be fully involved in this conference; there will be no backdoor meetings because, candidly, Senator LIEBERMAN and I have worked hand in glove on this. We continue to work hand in glove, as have Senator BAUCUS and Senator GRASSLEY.

We will continue to work with our colleagues on the other side of the aisle because we believe it is so important to get done. I believe basically the four corners of the bill are fairly well established. It is now working on how we do it.

Another thing that shows bipartisan cooperation is we have actually been working on a bipartisan basis on offsets. I know the Democratic leader has been rather insistent about having the tax provisions offset. We have been working, again in a bipartisan manner, on the Finance Committee. I know Senator LIEBERMAN and myself have been trying to find offsets to get this bill in a position to get strong bipartisan support. I would make the point there may be instances in which the Democratic leader can justifiably say there has not been a cooperative venture in getting a bill through the Senate and we are hesitant about taking a bill to conference because of that. That has not been the case on this bill.

The Senator has the commitment from the leader and myself that it will not be the case in conference, and I am hopeful that word and the track record of this bill will have some influence over the Democratic leader's decision to allow this bill to move forward in the process so we can get a good negotiation going with the House of Representatives to get this done.

UNANIMOUS CONSENT REQUEST—H.R. 7

I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 7, the charitable giving bill. I further ask unanimous consent that all after the enacting clause be stricken, that the Snowe amendment and the Grassley-Baucus amendment which are at the desk be agreed to en bloc; that the substitute amendment which is the text of S. 476, the Senate-passed version of the charitable giving bill, as amended by the Snowe and Grassley-Baucus amendments, be agreed to; that the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table; further, that the Senate insist upon its amendments and request a conference with the House; and lastly, that the Chair be authorized to appoint conferees with a ratio of 3 to 2, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER (Mr. SMITH). Is there objection?

Mr. DASCHLE. Mr. President, reserving the right to object, I will respond to the Senator from Pennsylvania by saying there are two issues. One is process and the other is substance. I think there is ample opportunity for us to agree on substance. The distinguished Senator from Pennsylvania and I have talked on a few occasions in recent weeks about this matter and it comes down to two questions: the social services block grant and the importance we place on fully funding it, and the need for offsets to the tax provisions in this legislation.

We agree there should be tax provisions. We agree there should be an SSBG provision. What we have not agreed to is how we resolve ways in which to fully fund them and to offset the costs involved with the tax provisions of the bill. That is a substantive question.

Then there is a procedural question. The Senator from Pennsylvania continues to insist the only way to resolve the procedural issue is by forcing this bill to conference. As I have said to him on several occasions, we are very reluctant without the concurrence of the House leadership that there will be the kind of bipartisan participation we need to resolve these issues in a fair way. He has given his assurance, but he has also indicated to me privately he cannot commit for the House, and I understand that. I would not expect him to.

We have done a lot of work between the House and the Senate in the last two Congresses in the way I have proposed we resolve these issues. We send the bill over to the House. The House deals with the amendments. We preconference or we negotiate the amendment and either through conference or a final ratification of the bill the legislation is sent to the President.

We have actually resolved our differences with the House without a conference on 51 occasions during the 107th Congress, and already this year we have resolved our differences with the House on 19 occasions on a whole array of bills: the veterans benefits bill, the Healthy Forest Act last year, the Syrian Accountability Act, the military tax bill. All of these issues have been preconferenced and resolved in a way that has allowed us to work through our differences, with the assurance we would have the kind of involvement and participation I expect and all of our colleagues expect with regard to the conferencing or the working out of the differences between the two versions. I ask unanimous consent that we simply remove references to the conference in the request made by the distinguished Senator from Pennsylvania so we can do what we have done on 19 occasions so far in this Congress: Send the bill to the House, let us resolve our differences through negotiation, and send the bill to the President, as we all want.

The PRESIDING OFFICER. Does the Senator from Pennsylvania so modify his request?

Mr. SANTORUM. No, Mr. President, I do not. I ask that my unanimous consent be acted upon.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. With the objection raised by the Senator from Pennsylvania, I, too, would have to object.

The PRESIDING OFFICER. The objection is heard. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I am very disappointed we cannot get agreement. As the Senator from South Dakota said, there are two major issues. They are not particularly complex issues, but they are ones in which I think it is important for us to be in a position to be able to drive to a resolution. There has been no talk about extraneous matters being brought in. This is simply the four corners of this bill trying to be worked out. The way we have done it historically in this Congress and previous Congresses is to sit down with both bodies in a conference and work it out. I am very disappointed we do not have the opportunity to get that done for this very important bill.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. I want to make sure the record is clear. We have not actually resolved our differences in the House on a majority of occasions through conference. We have actually done the opposite. We have done what I have suggested we do with this bill. On 51 occasions in the 107th Congress and on 19 occasions so far in the 108th Congress, we have not gone to conference. We have resolved these matters by sending the bill to the House and worked on legislation either in preconference or through negotiation. I am fully prepared to do that again in this case and look forward to working not only with the Senator from Pennsylvania but others who want to see this legislation passed as I do.

I yield the floor.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, parliamentary inquiry: What is the status of time now under morning business?

The PRESIDING OFFICER. The majority leader or his designee controls the next 19 minutes 40 seconds. The minority leader has 30 minutes 24 seconds, and he would have the remainder of that time until 11 o'clock.

Mr. STEVENS. Is the time equally divided between now and 11 o'clock?

The PRESIDING OFFICER. It is not now. The majority leader has used some time already. They have remaining 19 minutes.

Mr. STEVENS. The minority used no time?

The PRESIDING OFFICER. That is what the clock reads.

Mr. STEVENS. Very well.

The PRESIDING OFFICER. The minority has used 30 seconds.

Mr. REID. Mr. President, if the Senator will yield, the time Senator DASCHLE used was under leader's time. We have some speakers on our side. We know you have speakers on your side. I think it is pretty clear, based on the conversation on the floor last evening and today between Senator MCCONNELL and this Senator, that not much is going to happen on the bill today.

I ask if the Senator from Alaska wishes to have morning business in addition to what is now left? We would be happy to agree to that. We have three Senators on our side who wish to speak in morning business.

Mr. STEVENS. Mr. President, I ask that the floor management check with the leader, to see if there is any objection to restoring the concept there be 1 hour equally divided.

Mr. REID. I am confident that if there is some problem at a subsequent time we will be happy to take that time away, because I am confident it would not be. So I ask there be—let's make it 11:15, an extra 2 minutes, and the time be equally divided?

Mr. STEVENS. I support that and ask unanimous consent that be the case.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. If the Senator would just yield for one other unanimous consent request, on our side we have three speakers. We have Senators SCHUMER, DORGAN, and CARPER on our side—I am sorry, Senators SCHUMER, WYDEN, DORGAN—and Senator CARPER also wishes to speak. I ask the time be equally divided among those four Senators on our side, in the order I have just announced.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, it is my understanding the first half of this 1-hour period is under the control of the majority; is that correct?

The PRESIDING OFFICER. The Senator is correct.

The Senator from Alaska.

ENERGY

Mr. STEVENS. Mr. President, the Energy Committee has introduced a revised energy bill. Swift passage of this bill is vital. We should not underestimate the widespread and important consequences that this comprehensive energy legislation will have for the future of our Nation.

American citizens and businesses rely on our ability to stabilize energy prices and provide them with the energy resources they need. Now, in the post-9/11 world, our energy development and production has taken on an additional level of importance. Our national security is dependent upon our ability to decrease our reliance on foreign energy sources, particularly from unstable or unfriendly regimes.

The comprehensive energy policy embodied by this new bill is also critical for ensuring our economic growth. High energy prices impact our economy in many ways, and our ability to stabilize energy prices will have far-reaching consequences for our overall economic health and growth.

The United States is recovering from a recession, but this recovery is threatened by sustained high energy prices which will increase real interest rates, the rate of inflation, and reduce gross domestic product growth.

This first chart shows that situation. I call it to the attention of the Senate. As crude oil prices go up, there are changes in our gross domestic product. We have seen these effects firsthand already. High energy prices, which rose 4.7 percent in January and another 1.7 percent in February, greatly contributed to an increase in consumer prices. The Department of Labor recently announced that those prices jumped .3 percent in February and another .5 percent in March. Consumers are paying more for food, goods, and energy bills. High energy prices are essentially acting as a consumer tax, leaving Americans with less disposable income for travel, home buying, restaurants, retail establishments, and daily living.

Record high gasoline prices only intensify this problem. Gasoline prices rose 8.1 percent in January and an additional 2.5 percent in March. Last week the average price at the gas pump reached $1.72 per gallon, with California leading at an average of $2.10 at the pump. These prices are an additional constraint on the consumer spending power. For every 1 cent increase at the pump, we see $1 billion lost in consumer spending capability.

The rise in fuel prices also greatly impacts our aviation and trucking industry. Our airline industry has lost over $25 billion in the last 3 years. Sustained high jet fuel costs of $1 per gallon, which is double that of 1998–1999, continues to hamper the health of our critical transportation industry. High energy prices also prevent job creation for the transportation sector. The Air Transport Association estimates for every $1 increase in the price of fuel, they could fund 5,300 airline jobs. The increase in these prices is staggering.

Every homeowner in America feels the pressure of high energy prices. Home heating costs for the 2002–2003 season were up 12 percent for natural gas, 7 percent for propane, and 2 percent for electricity. This winter alone, natural gas prices were 60 percent higher than last year—60 percent higher than last year. Estimates show that consumers may pay more than $200 billion this year in energy costs. This is an enormous and unnecessary burden on our economy.

Overall, it is estimated that since 2000 consumers paid $111 billion more than they did in the previous 3 years for natural gas alone. This increase cost industrial consumers $57 billion, commercial customers $21 billion, and residential consumers $33 billion.

This second chart shows that situation. We have had job losses throughout the country because of this change in energy prices. Look at that: In California alone, 250,000 jobs. It has had an amazing impact. High energy prices have had a devastating impact on American jobs. Since 2000, when the energy crisis began, we have lost 2.9 million jobs related to the cost of energy. Sustained high energy prices have the potential to lower our gross domestic product, which could cost the U.S. an additional 770,000 to 2.7 million jobs. The jobs issue is an energy issue. If we want to deal with the jobs issue, we must pass the energy bill.

The industrial energy consumers of America have stated that high energy prices, most in natural gas, contributed to the loss of almost 2.8 million manufacturing jobs. Chart No. 3 deals with this problem. Since 1982, jobs in the oil and gas industry have declined by one-half, from over 700,000 jobs to roughly 330,000 jobs.

As chart No. 4 shows, the chemical industry lost jobs. As gas prices go up, the number of chemical industry jobs goes down. The price of energy is directly related to the loss of jobs in this country.

Since 2000, our chemical industry has lost 85,000 jobs. This industry employs more than 1 million Americans, and 5 million Americans have jobs that depend upon the chemical industry. More of these jobs are threatened as major chemical companies across the United States are closing their factories and moving to countries which provide cheaper natural gas.

This jeopardizes millions of well-paying American jobs that will not be replaced unless we have energy. Moving these industries offshore not only contributes to job losses but it increases our burgeoning trade deficit. Our chemical industry once was a major exporter, generating a $16 to $18 billion trade surplus. Last year the chemical industry generated a trade deficit of $9.6 billion, contributing to an overall U.S. trade deficit of over $530 billion. That deficit, too, is related to energy availability and the cost of energy.

High energy prices are threatening our fertilizer industry. Up to 90 percent of the cost of producing fertilizer is directly linked to the cost of natural gas. Between 2001 and 2003, eight U.S. nitrogen fertilizer manufacturers permanently closed. That is one-fifth—20 percent—of all the United States fertilizer production. Additionally, our ammonia factories are operating at 60 to 65 percent capacity. Why? Because of the cost of natural gas.

The impact of high energy prices is acutely felt by the agriculture community. The energy costs account for 6 percent of farm production costs. Farmers spent between $1 and $2 billion more this year to plant crops. In 2003, farmers paid $350 per ton for fertilizers, more than twice what they paid just 1 year previously. That is a 100-percent or more increase in the cost of fertilizer in 1 year.

The good news is a worsening crisis is avoidable. The United States has the natural resources to increase our energy supply. But inconsistent Government policies discourage exploration, development, and the use of our own natural resources—our own energy resources.

Over 95 percent of undiscovered oil and 40 percent of undiscovered natural gas is located on Federal land. These public resources can secure our energy needs. Today the Government encourages use of natural gas but discourages exploration and development of domestic natural gas. As a result, most major energy companies, including some which operate in my own State of Alaska, are abandoning the United States and investing in and developing energy resources in other countries.

A recent article shows while the 4 major oil and gas companies realized $21 billion in cashflow from their U.S. oil and gas activities, they only reinvested $9.15 billion back into the United States. Less than half of the money they paid was invested here to increase the supply of gas.

This lack of reinvestment makes us dependent on foreign sources of energy from unstable or unfriendly regimes. More and more we are dependent on foreign sources.

This industry generates jobs and revenues in other countries at our own expense. These new jobs should be American jobs and that energy royalty income should be coming into our Government. The receipts generated by that economic activity would help reduce the deficit, provide new jobs, fund the war on terror, and support many of the domestic programs we cannot fully fund.

Despite the obvious benefits of domestic energy exploration and development, today we rely on foreign imports for over 60 percent of our oil supply. Imagine that. It was about 33 percent at the time of the embargo on oil in the 1970s. Now it is over 60 percent. We are 60 percent reliant on foreign oil, and more people oppose the development of the oil resources on the North Slope of my State. Currently, we also rely on 16 percent for foreign sources for our natural gas supply. Energy imports make up the largest portion of our foreign trade deficit.

This is chart No. 5. It shows the natural gas consumption outlook. In the last 10 years, demand for natural gas has increased by 19 percent, and that number is projected to grow by 50 percent in the next 25 years. Absent a new supply of natural gas, we will likely see a gap of 15 billion cubic feet per day or 6 trillion cubic feet per year in the next 10 years.

This chart shows the difference between our consumption and the projection into the future. We are growing more reliant on foreign sources for our natural gas. We are already 60 percent reliant for oil. This chart shows that as the years go by we are going to be more reliant on foreign sources for natural gas. It will be expensive natural gas. It has to be gasified, transported in cryogenic tankers, and then regasified when it gets here. Our own natural gas is pumped out of the ground and shipped in a pipeline. The costs associated with foreign reliance are going to be staggering. That means more American jobs lost.

The Natural Petroleum Council found that to bridge this gap, $1.2 trillion dollars must be invested in new exploration and production in the United States by 2025. Unless we pass an energy bill to bring certainty to American energy policy, that investment will not take place. I repeat: Unless this bill is passed, there will be no new investment in the production and development of oil and gas resources in the United States.

The high impact of energy prices can be seen at all levels of our economy. High energy prices have produced job losses, trade deficits, and constraints on consumer spending and economic growth. But the most disturbing aspect of this problem is the fact that Congress has been debating comprehensive legislation since 2001. I don't think we have passed a real energy bill in 12 years. We are squabbling here in Congress while high energy prices burn our economy and destroy American jobs.

In April of 2002, the Senate passed H.R. 4, the Energy Policy Act of 2002, by a vote of 88–11. Then the bill died in conference.

In July of 2003, after months of intensive debate, the Senate passed H.R. 6, the Energy Policy Act of 2003. However, in November of that year the Senate rejected cloture by a vote of 57–40, 3 votes short of having an energy bill.

We were elected as public officials to improve the lives of American people, to enact laws and to formulate policies designed to ensure the strength and economic viability of our Nation. By failing to enact a comprehensive energy policy for our Nation, we have failed the American people. American businesses and citizens are struggling out of recession and meaningful and sustainable economic recovery. Job creation will only come with stable energy prices, and they will come only if we pass an energy bill and send it to the President.

A comprehensive energy policy is necessary to secure domestic energy security and to support American jobs. Given the negative impact of high energy prices on our Nation, we should act quickly to address this situation.

As I said, the Energy Committee has introduced a revised energy bill which encompasses a comprehensive and balanced natural energy policy. This bill will increase domestic energy supplies, encourage energy conservation, stabilize energy prices, bring certainty to American energy policy for our businesses and consumers, and ensure our energy security. It contains provisions designed to increase oil and gas exploration and development, while at the same time promoting energy conservation and alternative and renewable energy resources. This bill is a jobs bill. It will create more than 800,000 new jobs. Many of those jobs will be the result of a major component of this energy bill, which is authorization for the building of the Alaska natural gas pipeline.

Our gas pipeline will create over 400,000 jobs in and of itself, including

7,000 construction jobs, thousands of manufacturing jobs necessary to create equipment, and thousands of infrastructure jobs. It will meet approximately 10 percent of our country's natural gas needs. Over 4 billion cubic feet per day will come from Alaska to decrease our dependence on foreign gas and imports of liquefied natural gas. It will generate over $40 billion in revenue for the American Government, instead of sending that money overseas.

Chart 7 shows the 800,000 energy bill jobs. The renewable fuel standard provision of this new bill will create in and of itself 214,000 new jobs. It is estimated this provision will increase farm revenue by $51 billion over the next 10 years. This reduces the overall farm payments currently expended by the Federal Government by $5.9 billion.

In a time when the Federal budget deficit is increasing, it is incredibly important we find some cashflow to offset this spending.

I am still convinced unless Congress acts to ensure greater domestic production of our oil resources, our energy security is jeopardized.

Given the importance of Congress enacting a comprehensive energy policy this year, I urge the Senate to move swiftly to pass this Energy bill. I can think of not one thing the Senate can do to assist the American people more, that will restore American jobs, than acting quickly on the Energy bill that has just been reintroduced.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I agree with the Senator from Alaska. Having worked for several years on this Energy bill, it seems to me there is nothing more timely than to move forward. This is a policy. We think it is for tomorrow, but it is looking forward. It is a balanced policy that has alternative fuels. It has clean air. It has conservation and efficiency, as well as domestic production. We need to do this. I hope we move forward.

IRAQ

Mr. THOMAS. Mr. President, a year ago we started the Iraqi freedom activity. I will talk a little bit about what has been accomplished this past year, to recognize all those who have done so much to have a successful operation there. We are moving toward completion—hopefully not too long in the future, but we have accomplished a great deal. We recognize and thank those who have given so much to continue to fight for freedom, in this case in Iraq and, of course, around the world.

I am sorry this has become so much of a political issue. The fact is, we are talking about finishing a task we started. It is not something that ought to be constantly talked about as a political issue in a Presidential election. Certainly we ought to be talking about some of the successes that have occurred there.

I had the opportunity to visit Iraq and Afghanistan. I was impressed with the things that have been done and are being done by our troops there, by other Americans there seeking to work for a secular government and freedom in that part of the world. I hope we can be more positive about it than we have been, particularly in the media.

I was especially interested to read an editorial in the newspaper "Wingspan" from Laramie County Community College in Cheyenne, WY. It was partially about a young man named Nathan Span, and written by Ashley Colgan, the co-editor of this college paper. Marine Corporal Nathan Span, at the age of 22, is a two-time war veteran and has only good things to say about the risks he has taken. He was in Operation Enduring Freedom and Operation Iraqi Freedom, and returned home in December of 2003. It was interesting what Ashley had to say.

> On this one-year anniversary, I remind people that although the war may be somewhat political, it is not so to the men and women who fought and still fight in Iraq. Americans should remember that at one point we fought for our freedom from oppression, and we also had to seek help. All I ask for Americans to remember is what soldiers in Iraq represent: Freedom.

Ashley goes on to say:

> I understand the fear, pain, and confusion but why get angry at what I feel is America's attempt to make the world a better place. Many Americans feel misled and lied to by the administration, but let's keep in mind the greater good for which the soldiers are fighting. Soldiers in Iraq feel they are setting an example of what America will not tolerate from a malicious dictator.

Corporal Span is a young man who just returned from spending part of his life in Iraq and Afghanistan. In the editorial, Span says, "For those who have fought for it, freedom has a taste that the protected will never know."

I will talk a little bit about where we are. Certainly, most recognize this action in Iraq was necessary for a number of reasons. Saddam Hussein's regime harbored and supported terrorists and was consistently an aggravating factor in the Middle East. He had attacked his neighbors and launched wars of aggression. Saddam had a history of possessing and using chemical and biological weapons, in violation of the terms of the cease-fire agreement in 1991 of the Gulf War, and numerous United Nations resolutions.

The best intelligence available at the time showed Saddam Hussein to be a growing threat to the United States. I am pleased the President acted swiftly and decisively before the threat became imminent. The mission in Iraq is critical to winning the global war on terrorism. The war on terrorism remains an aggressive effort to bring not only the perpetrators of September 11 to justice but also those who supported, aided terrorism. This has been policy from day one in Iraq and clearly fits this definition.

The conclusion that Saddam Hussein was hiding chemical and biological weapons while conspiring to rebuild the nuclear program was also reached in the Clinton administration, the United Nations, and a number of other western governments, including several that actively opposed the war. In fact, regime change in Iraq has been a U.S. policy since 1998. It is clear that some of the prewar intelligence on which decisions may have been made were not complete, perhaps were flawed, but the fact remains the President acted in good faith based on the best intelligence available at the time.

But cynical political efforts, of course, have portrayed the President as deliberately misleading the public and remaining dishonest. Rather than playing the election year politics with this issue, we need to focus on correcting the existing programs, focus on the future and where we are going, and how to complete the task to ensure that our leaders have accurate and reliable information on which to implement policy in the future.

I hope the mission of the September 11 Commission that we hear so much about, the talk about it, what should have been done and was not done—what we ought to do is keep this from happening in the future. That is really the issue. This idea of seeking to assess blame in the past is immaterial. The point is, What can we do differently to avoid something of this kind happening in the future? We all know what is going on with respect to those issues.

Where are we today? Two weeks ago, the Iraqi Governing Council unanimously signed an interim constitution toward a secular government, an amazing change in that part of the world. It guarantees freedom of religion and expression, the right to assemble, to organize political parties, the right to vote, the right to a fair and speedy and open trial. It prohibits discrimination on gender, nationality, religion, and arbitrary arrests and detention.

Of course, what the terrorist enemy fears most is a free and democratic Iraq. Freedom, liberty, and democracy are threats to all that oppose it. They will not see this happen without a fight.

Our challenge is to stay there until we have completed our goals. The situation remains dangerous and volatile. The cost of freedom is high. Thanks to the selfless devotion and hard work of our men and women in uniform, we continue to make definite and visible progress toward a goal of returning a free and stable country to the Iraqi people.

Iraqis are much better off today than they were under Saddam Hussein. The Middle East is more stable and the United States is safer with Saddam out of power. Operation Iraqi Freedom is the right action. We are winning the war in Iraq and the war on terrorism.

I thank those who have participated, those service men and women who have given so much for this kind of freedom to be achieved.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

ORDER OF PROCEDURE

Mr. REID. Mr. President, there is a unanimous consent agreement that has been made, an order dividing the time on the Democratic side. Senator CARPER is not going to come, so that being the case, I ask unanimous consent that Senator SCHUMER be given 10 minutes, Senator WYDEN be given 10 minutes, and Senator DORGAN be given 10 minutes—in that order, changing the order now in effect.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Senator SCHUMER is on his way.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. Mr. President, I ask unanimous consent that I be recognized for 10 minutes of our side's morning business time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New York.

THE 9/11 COMMISSION

Mr. SCHUMER. Mr. President, I would like to talk a little bit about the 9/11 Commission which, of course, is right now beginning to interview some of the most high-level people in our Government. The Commission has an important and, I would say, sacred mission, and that mission is to find out what happened and why so many people were killed in the tragedy of 9/11. Of course, many of those people were from my city and State—the vast majority. Some of those people I knew: someone I played basketball with in high school, someone who was a businessman who befriended me on the way up, someone who was a brave firefighter from the Marine Park neighborhood from where I come. And the families mirror—of course with greater intensity—the determination of the American people to get to the bottom of this.

The unfortunate situation is the 9/11 Commission—which is bipartisan and has an important mission that transcends any politics, any one administration, any one Secretary of Defense or Secretary of State or President—is being thwarted as it tries to do its work. They have not been given documents. They have been delayed. Even to this day, Condoleezza Rice has said she will not testify to the Commission in public, even though she was in probably the most sensitive staff position there could be in regard to figuring out the signals before 9/11 and what should be done as a result of 9/11.

I think this is regretful. I think this shows, unfortunately, a pattern in this administration of not wanting facts, of sort of making up your mind first and then trying to get the facts to fit that.

It is no secret I have been sympathetic to the President on the war in Iraq. I disagree with certain things he did, but I voted for the war. I voted for the $87 billion. I think we have to fight terrorism. And I do think it is easy to second-guess. I also believe we could get so hamstrung and do nothing that the terrorists would gain more than they have.

Having said that, if there is one thing we thrive on, if there is a thing that is a hallmark not only of winning a successful war on terrorism but of defending the very democracy the terrorists hate and fight, it is that all information come out so we can make an accurate assessment.

I have to tell you, as you look at it, it seems this administration does not want all the facts to come out and, in fact, oftentimes thwarts facts coming out; and then, when they hear facts they do not like that come out not because of administration auspices, they start kneecapping the bringer of bad news.

This has not just happened in one instance; this has happened in instance after instance after instance. Today there is a whole machine discrediting Richard Clarke—certainly disagree with his arguments, certainly disagree with his interpretations of what happened in the White House.

There are two sides to every argument. But to say Mr. Clarke—who, until 2000, according to the newspapers, was a registered Republican, whom I know well, whose sole mission was to defend us against terrorism—to call him names and say he is motivated by partisan politics and he has one friend in the John Kerry campaign, that does a disservice to America; to do the same thing to Mr. Foster, who had numbers on how much the prescription drug bill would cost; to do the same thing to Ambassador Wilson; to do the same thing to Chief of Staff General Shinseki, this is a pattern that does not do the President, the White House, or the administration proud. In fact, it has an antidemocratic tinge to it that should make all of us worry, that should make all of us troubled by what has happened.

Probably the last analogy to 9/11 was Pearl Harbor. And what did this country do? What did Franklin D. Roosevelt and the leaders of this country do? They said: We need to find the facts as to why we were so unprepared. Might those facts have damaged people in office? Surely. But, nonetheless, pursue the facts we did, and a comprehensive report on why America slept was issued.

This 9/11 Commission is in that tradition. Yet this 9/11 Commission has been thwarted every step of the way. Governor Kean is a Republican, greatly respected, not a partisan man. The vice chairman is Lee Hamilton, whom I served with in the House—the same way, a Democrat, but not regarded as partisan. In fact, sometimes the Democratic leadership in the House would tear their hair out at Lee Hamilton's bipartisan nature.

Yet there is almost a fear of facts coming out. What does this say to the American people? Do we believe our country is right? I do. Do we believe, unlike other countries, that we search for the truth, even though that truth sometimes creates bad currents, dissension, whatever, but that truth is the hallmark of our democracy? I do. I think the vast majority of Americans do. I think if you ask President Bush, he would say he does.

But yet, over and over again, with the 9/11 Commission, with Richard Clarke, with Mr. Foster, with Ambassador Wilson, there has been not only an aversion to facts coming out but a kind of "McCarthyism" in sort of calling names at the person who had a different interpretation instead of debating whether their interpretation was right or wrong.

This is bad for our democracy. This does not bring credit to this President or the Presidency. This has to stop. I hope today, as the 9/11 Commission begins to interview a series of very important witnesses—two Presidents, two Vice Presidents, many of their leaders—maybe we can turn over a new leaf; that maybe, instead of stonewalling and name-calling and hiding from the truth, this administration will say, look, when you are President you have the powers of the incumbency, but it is also a tough country to govern and sometimes you have to take one for the truth, you have to take one because the facts do not quite square how you thought they did, and explain that to the American people.

I see my colleague from Oregon in the Chamber, and I know he is going to speak on the same subject.

But, again, this 9/11 Commission is extremely important. As Santayana said: Those of us who don't learn the lessons of history are condemned to repeat them. As a New Yorker, I believe that particularly in regard to 9/11. If we cannot get a full, unvarnished, nonpartisan reading of the facts—an analysis of why we were caught so unprepared on that awful day, 9/11—it will hurt us in fighting this war on terrorism, which I believe will be with us for a generation.

If we start off in a way that we are afraid of the facts, if we start off seeming to believe only one side is right and the motivation of anyone who disagrees is suspect, I fear we will not win the war on terror because we will not learn what has happened and we will not be able to correct the mistakes that have been made by many different people of both political parties in the past.

My final plea to our President at 1600 Pennsylvania Avenue is, don't hide the facts. Don't be afraid of the facts. Don't try to undermine those who will present the facts. Our country will be better and stronger for it if you can stick to those rules.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 10 minutes.

Mr. WYDEN. Mr. President, I thank my colleague from New York for taking this time. I want to spend a few minutes trying to put in context the debate about Mr. Clarke's new book. It seems to me that first and foremost this debate is about more than "he said/she said." Invariably that is what these discussions become fairly quickly. I want to review a couple of instances that have caused me to be particularly concerned about the way the Clarke book has been handled.

When former Ambassador Wilson was concerned that the administration had no evidence that the Iraqis had attempted to buy yellow cake from Nigeria, there was a very significant effort to try to discredit him. When former Treasury Secretary O'Neill, a close friend of the Vice President, in effect talked about the administration going after Saddam Hussein, everybody in the administration said he was all wet as well. Now we see the same tactic employed against Mr. Clarke, who served both Republican and Democratic administrations, beginning with the Reagan administration.

Having worked closely with Mr. Clarke on a number of issues relating to cyber terrorism, Mr. Clarke has been very critical of actions taken by executive branch officials of both political parties.

My sense is that, when you look at what people such as former Post reporters Bob Woodward and Carl Bernstein have said over the years, you don't go with a story unless you have two independent sources to confirm it. What you have this morning is Mr. Clarke in effect confirming Secretary O'Neill's account of the administration's focus on Saddam Hussein.

That is particularly important. These are two people with a long history of working in Washington, DC. Both of them have been fiercely independent. Both are known for calling the issues on the basis of how they see them. In effect, you have Mr. Clarke now confirming Secretary O'Neill's account with respect to the focus on Saddam Hussein.

There is an old saying that all roads lead to Rome. It seems the administration so often clearly believes that no matter what the evidence was at any particular time, essentially everything led to Saddam Hussein.

It is clear that Saddam Hussein, throughout his leadership in Iraq, consistently looked for opportunities to inflict pain and trauma on the people of that country. It is beyond question that this was an evil individual. But at the same time, it is critically important that we be in a position to follow the facts.

I sit on the Senate Intelligence Committee: I have always tried to work in a bipartisan way. I see the Presiding Officer of the Senate, Mr. SMITH. He and I together have tried to set an example of bipartisanship. That is the way we need to proceed in this critical area. When you have the Clarke book backing up what former Secretary O'Neill said, that ought to set off alarm bells. That ought to set off alarm bells with respect to exactly how information is filtered now in the executive branch.

I am hopeful we will see this independent inquiry get to the bottom of the situation and find out exactly what transpired after this critical situation with the attack on our country. It is important that our Nation get the facts. It is important that they are found in a dispassionate fashion. Now with this new book by Mr. Clarke making it clear that he shares the judgment of Secretary O'Neill, it ought to renew a concern in the Congress and a concern on a bipartisan basis that this country has a right to know, this country has a right to the facts. Certainly the question of responsibility for 9/11 is an issue the American people should be able to see in a dispassionate fashion, what really happened and how it happened. If anything, the events of the last week reaffirm in my mind how important it is that the American people get the real story.

I yield my time. I note the Senator from North Dakota is on the floor as well. He and I have worked together on many issues. Certainly on the foreign policy arena, we share the view that these issues have to be worked on in a bipartisan way. I will continue to focus on the evidence and focus on that evidence no matter where it leads.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, let me follow on the comments of my colleagues from New York and Oregon. The issue of 9/11 is very important. I have spoken a couple of times about it previously, only because we created a commission to take a look at what happened with respect to 9/11, events leading up to it and following, to try to understand what happened, how did it happen, and what lessons can we learn.

I have been very distraught that the 9/11 Commission has actually had to issue subpoenas. This Commission that we, with the President, have impaneled to find the answers of what happened and what we can learn has had to issue subpoenas to our government to get information. I don't understand that. Why on earth should this Commission have had to use any subpoena power at any time?

Why would not the administration have said to all of the agencies under their control, anything this Commission wants, anything they ask for—they are doing the country's work—provide complete information? Instead, they have met with roadblocks. I do not understand that.

I learned this morning that National Security Adviser Condoleezza Rice is willing to testify but not in public and in limited circumstances. The fact is, on Sunday she was a guest on all five network morning shows. She has plenty of time to do that, but somehow there is not enough time to appear publicly before the 9/11 Commission to give testimony. I do not understand that. I believe and hope that all Republicans and Democrats, this President and this Congress, just want the unvarnished facts, what happened and what can we learn from it.

I know in recent days there have been discussions about a number of books that have been written. I was on the floor also and spoke about former Treasury Secretary O'Neill's book. The Secretary described circumstances where almost instantly, in meetings in the White House, the question posed by the President and the Vice President and Mr. Wolfowitz and others was, What about Iraq? Let's get the evidence on Iraq. Suggesting that there was only one issue, and that was to use 9/11 to get Iraq.

My colleague from Oregon said it well. The leader of Iraq was a murderer. We are unearthing football-field-sized graves in Iraq.

This man was a butcher, no question about that. But there are bad people around the world who are in place now and there are no plans in this Chamber or at the White House to go after them.

The pretext of dealing with Iraq was that they had weapons of mass destruction, we were told. The CIA and others provided secret briefings to us, and Condoleezza Rice, George Tenet, and many others provided the evidence. Secretary Rumsfeld said, "We know where those weapons of mass destruction are, where they exist."

The Secretary of State went to the United Nations and laid it out with pictures and slides and said, "Here is the evidence." It turns out that evidence wasn't accurate. So Mr. O'Neill writes a bit about that. Now Mr. Clarke writes a book about it. He is not a Democrat; he is a Republican. There is now an industry in the last 24 hours to try to destroy his credibility. I don't know Mr. Clarke. I don't believe I have ever met him. All I know is that legitimate questions are being raised about these issues, about intelligence, about Iraq, and about the commission that has been impaneled to look into 9/11.

It all has the same kind of origin; that is, let's not ask questions, let's not disclose this or that, let's keep it all secret, if we can. Part of this shroud of secrecy that Mr. Krugman writes about, in fact, I believe in this morning's New York Times, also relates to something we learned last week that is of incredible importance. We learned last week that this issue of the Medicare bill being discussed on the floor of the Senate—adding prescription drugs to Medicare—that the estimates of the cost of that proposal that were given to Congress were wrong and, in fact, the administration had estimates that would have had a substantial impact, perhaps, on the debate on that legislation. They had those estimates, but the person who had them, the chief actuary—again, no Democrat, just a career public servant who, by all accounts, is a wonderful public servant—had the estimates and was told: If you provide the real estimates to Congress, you will be fired.

If anything demands an investigation, it is that. It demands an immediate investigation. If you cannot rely on information coming from the executive branch about programs we are considering on the floor of the Senate because someone threatened to fire someone if they tell the truth to the Congress, there is something radically wrong. So it doesn't matter whether it is Mr. Clarke who writes a book and describes what he found in the White House. He also worked, as you know, for the Clinton administration. He worked for the first George Bush Presidency. He has worked for George W. Bush for the last couple of years. He writes a book and raises serious questions about the information that was used to decide to focus on Iraq rather than on al-Qaida. I think many of us now, at least in the rearview mirror, look at that and say moving from Afghanistan to Iraq and not continuing to focus on the destruction of al-Qaida may have been a serious mistake.

How did that happen? Why did that happen? These are legitimate public policy questions. I suppose there is politics in some of it. I think the well-being and future of this country depends on our getting this right. We talk about the quality of intelligence and the questions about that, and whether intelligence information was misrepresented.

Look, the next potential terrorist attack against this country will be thwarted—if it is thwarted, and we certainly hope it is—by good intelligence. We must rely on our intelligence system. Is there something wrong with that system? If there is, it must be fixed now. It is not sufficient just to say, somebody wrote a book, so let's trash this person time and time again. That is not what we ought to do. We ought to get to the bottom of what is happening here, what caused all these things to happen, what can we learn about it and what can we do to protect our country.

Mr. President, I yield the remaining time I might have to the Senator from Delaware, Mr. CARPER. How much time remains?

The PRESIDING OFFICER. Just under 7 minutes.

ENERGY INDEPENDENCE

Mr. CARPER. I thank my colleague for yielding. Before he leaves the floor, I want to take a moment and thank him for his leadership on another issue. As we have sought to become more energy independent, Senator DORGAN has led the charge, saying maybe part of that would be to practice better conservation. He focused, among other things, on the efficiency of air-conditioners. It may sound like a small thing, but in the scheme of things, it is a big step. I thank him for his leadership on that.

I bought gasoline in my hometown of Wilmington, and I think it cost $1.77 per gallon, a little higher than it has been in recent months. I read a news account the other day that said we might be looking at prices as high as $3 per gallon in some parts of America before the end of the summer. We are also hearing a fair amount of concern about the price of not just gasoline but of natural gas. Natural gas is what we use to provide a feedstock for many of our chemical companies. A lot of agribusinesses use it for fertilizers. Natural gas is also the fuel of choice for many of the new electric-generating powerplants that are being built across this country.

I want us to go back in time about 4 years to the last year of the Clinton administration. In 2000, the Clinton administration suggested, through regulation, that we call on the makers of air-conditioners in this country to create and begin selling more energy-efficient air-conditioners in 2006. Something was adopted called the SEER 13, seasonal energy efficiency rating. The idea behind the regulation was that, by 2006, air-conditioners would have to be 30 percent more energy efficient than those currently available. We adopted a standard that was implemented and then withdrawn by the Bush administration in the following year or two, and it was replaced by a less rigorous standard.

There has been a court battle over the last year or so, and the outcome is that the court battle has sustained the more rigorous standards, the SEER 13 standard, which says that manufacturers in this country, by 2006, should be producing air-conditioners that are 30 percent more efficient than those available in 2000. That may or may not sound like a very big deal, 30 percent more energy efficient, but I ask my colleagues to think about this. When was the last time we had a blackout during March or April or May or, frankly, in October, November, December? I don't recall one. My guess is that you don't, either. We have them, for the most part, in the summer. We have blackouts, for the most part, when temperatures get hot and people turn on their air-conditioners.

If we begin buying more energy-efficient air-conditioners in 2006, we will do a couple of things: One, reduce the likelihood of blackouts and the kind of calamity they create for our economy; two, we reduce the need to build new electric powerplants. Some 48 fewer electric powerplants will have to be built because of the higher standard. In addition to that, we will reduce, with a higher efficiency standard for air-conditioners, the emissions of carbon dioxide from our electric-generating plants by 2.5 million tons by 2020.

In addition, if we are building more power-generating plants that will use natural gas, it will have a positive effect on the price of natural gas and, I think, a positive effect on the manufacturing industry in this country.

The second district court has ruled that the Clinton standard—the SEER 13 standard—should prevail. Last week, the association that represents the air-conditioning manufacturers joined, saying they thought they could build and begin selling, by 2006, air-conditioners that met the more rigorous standard.

I hold a letter signed by 53 colleagues, Democrats and Republicans, that was sent last week to the President.

It is a letter that simply says: Mr. President, we do a lot of good for our country. We can help ourselves on the manufacturing side. We can help ourselves by building fewer electric-power-generating plants. We can reduce the price of natural gas to some extent. We can reduce the emissions that are coming out of our electric-power-generating plants by millions of tons of CO2 each year. We can do that, Mr. President, if the administration does not appeal the decision of the second district court.

If the Association of American Air-Conditioning Manufacturers can say we have the ability to live up to this more rigorous standard, more than half the Senate can say: Mr. President, we believe we, too, have the ability to live by this more rigorous standard.

I am tempted to say let's let sleeping dogs lie. But rather than say that, let's let the more rigorous standard stand. Whether or not we pass an energy bill this year or not—we need an energy policy desperately—I will say one thing: One good component of energy policy in this Nation is conservation. One good way to conserve a whole lot of electricity, particularly starting in 2006, is making sure that when we turn on the air-conditioners in our homes, offices, and buildings, they are meeting the more tough and rigorous standard. That would be a good thing for America.

I ask unanimous consent that a copy of this letter signed by 53 of our colleagues be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC.

Hon. GEORGE W. BUSH,
The White House,
Washington, DC.

MR. PRESIDENT: A recent federal court decision regarding energy efficient air conditioners is a significant victory for consumers, for the environment, and for our nation's energy future. We respectfully request that you do not appeal the decision to the U.S. Supreme Court.

Last month, the U.S. Court of Appeals for the Second District (Natural Resources Defense Council et al v. Abraham, Docket 01-4102) affirmed that central air conditioners sold beginning in 2006 must be at least 30 percent more energy efficient than those available today.

Air conditioners are a necessary modern convenience but are also major users of electricity. On hot days, cooling homes and businesses is the largest category of electricity demand. Requiring air conditioners to be as energy efficient as possible will begin to reduce the stress on the electricity generation and transmission network and decrease the likelihood of blackouts that many regions of the country experience during warm weather conditions.

Air conditioners that meet the Seasonal Energy Efficiency Rating 13 standard will provide benefits for consumers, the environment, and the nation. The SEER 13 standard will alleviate the need for additional electricity production and transmission resulting in as many as 48 fewer power plants required by 2020. This standard will also result in less harmful air pollution being emitted into the atmosphere. Moreover, by 2020 power plant emissions of carbon dioxide will be 2.5 million tons lower as a result, and emissions of mercury, sulfur dioxide, and nitrogen oxides will also be held down resulting in cleaner air and healthier citizens.

Finally, the higher standard can be expected to save businesses and residential consumers $1 billion per year in lower electricity bills. Lower electricity bills will recover the slightly higher purchase cost for the more efficient air conditioners in less than 18 months.

As the Congress continues to debate the future of our nation's energy policy, this court decision is one that should be embraced and encouraged, not appealed.

Respectfully,

Tom Carper, Susan Collins, Byron L. Dorgan, Peter Fitzgerald, Jeff Bingaman, Dick Durbin, Jack Reed, Lincoln D. Chafee, Charles Schumer, Deborah Stabenow, Dianne Feinstein, Daniel K. Akaka, Elizabeth Dole, Ernest Hollings, Patty Murray, Lamar Alexander, Judd Gregg, Carl Levin, Olympia Snowe, Joseph Lieberman, Paul Sarbanes, Max Baucus, Maria Cantwell, Patrick Leahy, Joe Biden, Russell D. Feingold, Jim Jeffords, Jay Rockefeller, Frank Lautenberg, Ben Nelson, Hillary Rodham Clinton, Barbara Boxer, Barbara A. Mikulski, Christopher Dodd, Jon Corzine, John E. Sununu, Mark Dayton, Arlen Specter, Bill Nelson, Bob Graham, Ted Kennedy, Gordon Smith, Ron Wyden, Robert C. Byrd, Herb Kohl, Tim Johnson, John Edwards, John F. Kerry, Thomas Daschle, Daniel Inouye, Kent Conrad, Harry Reid, Richard Lugar.

The PRESIDING OFFICER. Who yields time? Is there further morning business?

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENZI). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous unanimous agreement, morning business is closed.

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 1637, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1637) to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

Pending:

Harkin amendment No. 2881, to amend the Fair Labor Standards Act of 1938 to clarify provisions relating to overtime pay.

McConnell motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith the following amendment:

McConnell (for Frist) amendment No. 2886, in the nature of a substitute.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 2898

Mr. GRASSLEY. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment No. 2898 to the instructions to the motion to recommit S. 1637.

The amendment follows:

At the end of the instructions (Amdt. No. 2886) insert the following:

SEC. . This act shall become effective one day following enactment of the legislation.

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2899

Mr. GRASSLEY. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment No. 2899 to the amendment numbered 2898.

The amendment follows:

In the pending amendment strike "one" and insert "two".

Mr. GRASSLEY. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, let me take a few moments to review where we are on this legislation.

First, I don't want to sound melodramatic but this is an important bill. This bill would help to create and keep good manufacturing jobs where they should be; that is, in America.

We need to move this bill. The Senate conducted 3 days of debate on the bill, one of them a Monday without rollcall votes, and this is our fourth day on the bill. In that time, we might say, the Senate has considered and adopted a good number of amendments. Let me just list them.

We have adopted, first, the managers' amendment on leasing shelters; the managers' amendment making modifications to the revenue provisions; the committee substitute. We have also adopted the Bingaman amendment to expand the research credit; the Hatch-Murray amendment to extend the research and development credit. We have further adopted the McConnell amendment to protect American workers; the McCain amendment on defense; the Dodd amendment to protect American workers; the Bayh amendment to extend expiring provisions; the Bunning amendment to extend the net operating loss carryover provision; and the Bunning-Stabenow amendment to accelerate the phase-in of the manufacturing deduction.

That is quite a bit. A lot of legislation adopted, amendments passed already. Now, under the previous order, Senator HARKIN has offered his amendment on the Department of Labor's overtime regulations and that is the pending first-degree amendment.

Regrettably, in my view, the assistant majority leader offered a motion to recommit the bill and filed cloture on that motion to recommit. This morning the majority filled that amendment tree by offering a couple of secondary amendments.

There may come a time, after full and fair debate and amendment on the bill, when I would support a motion to cut off debate. But under the current circumstances, I will oppose that cloture motion. This is a bill about jobs, about quality jobs here in America. Senator HARKIN's amendment is also about the quality of jobs in America. This is not some amendment out of left field. The Senator from Iowa is not trying to change the subject, for example, to gun control or Medicare or reproductive choice, but rather he is staying on the subject. He is talking about jobs.

His amendment, although relevant, may not be strictly germane within the meaning of that term in Senate procedure. The effect of this cloture motion, if adopted, would be to block a vote on the Harkin amendment. I will not be a party to that effort. On a major bill such as this one, Senators deserve a full and fair opportunity to offer and get votes on amendments. We should allow that process to continue.

Even though this cloture motion has brought the Senate to something of an impasse, I remain hopeful. I am hopeful because I believe after the Senate recognizes that the votes are not there to block the Harkin amendment, the Senate can then reach an agreement limiting amendments to the bill to a reasonable number. I believe we can then work through this bill and bring it to completion by the end of the week. It is important that we do so. We need to respond to the European Union's sanctions, sanctions that impose a harmful tax on dozens of American products. Most importantly, we need to do what we can to help to create and keep jobs in America.

I urge a prompt vote on the Harkin amendment, that we reach an agreement limiting amendments to a reasonable number, and then move on to complete this bill.

I yield the floor.

Mr. GRASSLEY. Mr. President, last night the majority leader set up a process for moving this bill to a cloture vote. This is not our preferred route for moving what is clearly a bipartisan bill voted out of committee 19 to 2. The two dissenting votes happened to be Republicans, not Democrats. This is clearly a bipartisan bill. A bipartisan bill should not require a cloture vote to get passed.

I remain hopeful we will be able to work out an agreement on moving the bill forward without the need for this extraordinary parliamentary process, but if cloture is the only way to move this bill, then I hope everybody will support cloture. We need to support cloture in the same bipartisan manner we used to build this bill. It is urgent that we move this bill immediately.

This bill reduces the income tax on goods manufactured in the United States and sold overseas so we can create jobs in America. We give a priority on taxation to goods made in America.

Everybody in this body is concerned about outsourcing. If we want to do something about keeping jobs in America and adding to the number of jobs in America, this bill will do it. It is going to make our costs of operation less and consequently competitive with world competition. That is why we call it the JOBS bill.

The reason we are in a bad position right now is because under the international agreements we have on trade, the World Trade Organization has ruled that our pretax policy is an illegal export subsidy, and consequently the World Trade Organization has authorized Europe to do up to $4 billion a year in sanctions against U.S. exports.

It isn't just the case of our tax system causing us to not be competitive. On top of that, we now have $4 billion of sanctions to further weigh down our ability to compete in the export market. These sanctions began on March 1. These sanctions started at 5 percent, which is just like a 5-percent sales tax on the stuff we are going to sell. The rule of Economics 101 is if you tax something at a higher rate, you get less of it. But not only is it 5 percent now, it is going to be 5 percent for each month we do not conform our tax laws to our trade agreements.

Remember, we have trade agreements because the U.S. Congress enacted those trade agreements. It has been done by a majority of the representatives of the American people. One percent a month can take us all the way up to a maximum of 17 percent over the course of a year. By November, we are going to have a 12-percent tax on our exports. This is a very serious threat for all States because the sanctions hit a wide range of products—agricultural, timber, and manufacturing products that we sell overseas.

We need to get this issue behind us very soon or we will never get this bill passed and we will continue to have this mounting level of taxation on our products being exported to a point where we are even more uncompetitive, to a point where workers may be laid off; whereas just the opposite can happen if we pass this legislation. We are going to be able to make our manufacturing more competitive and across the board with a wider range—not just for big corporations in America but for individuals that export, for sole proprietorships that are in manufacturing; you name it. People are going to get the benefit of a lower rate of taxation if they manufacture in America—not if they have a company in America and they manufacture overseas but just American jobs, American products made in America, or if a company wants to come over here and invest in America and build a plant and hire American workers, they will get the benefit of it as well.

We had 3 or 4 days on this bill 2 weeks ago. We started on it again yesterday. I think it is very important that we move ahead on this legislation. But the opening debate and the procedural shenanigans confirm my worst fears because there are some on the other side who want to use this legislation to move things that are unrelated to making our industry competitive and unrelated to the motivations behind this bipartisan bill.

Senator BAUCUS and I agreed on an order of amendments that would improve the bill and broaden important relevant issues. That agreement was undermined by the process coming from the other side of the aisle.

It means Members there presumably do not know the importance of this legislation, do not want to debate the substance of the bill but debate everything else. In a sense, this bipartisan bill is being turned into a political football. That is inexcusable because we have worked hard throughout this process to make sure everyone's concerns, both Republican and Democrat, were incorporated into this bill. You do not play political games with a bipartisan bill that affects the jobs of manufacturing workers across this land.

I take a moment to talk about how bipartisan this bill is. It is bipartisan and was built that way from the ground up. It is the construction that began when my friend and colleague, Senator BAUCUS, was chairman of the Finance Committee. Senator BAUCUS held hearings on this issue in July 2002 to address the FSC/ETI controversy going on within the World Trade Organization. The title of the hearing was "The Role of the Extraterritorial Income Exclusion Act in the International Competitiveness of U.S. Commerce." Talk about a chairman taking his responsibilities seriously, Senator BAUCUS did.

Even then we were concerned about the outsourcing of jobs. We were concerned about American manufacturing being able to compete with the global environment we are in. We heard at that time vital testimony from a cross-section of industries that would be adversely affected by the repeal of this extraterritorial income act.

We also heard from U.S. companies that were clamoring for international tax reform more broadly than FSC/ETI because our tax rules were hurting their competitiveness in the foreign markets. If you want to create jobs in America, and we have a tax system that makes us uncompetitive, would you not expect the Congress of the United States to respond, and respond in a bipartisan way to that problem for our manufacturers? Or if you did not, why would you harangue about outsourcing? You need to do something about it.

These companies that testified in the summer of 2002 told us their foreign competitors were running circles around them because of our antiquated international taxing rules. During this hearing, we had our colleagues, Senator BOB GRAHAM of Florida and Senator HATCH of Utah, express concerns about how our international tax laws were impairing the competitiveness of U.S. companies. After some discussion on forming a blue-ribbon commission to study this problem, we all decided that decisive action was more important than the usual commission approach that usually ends up with a lot of public relations and high talk but no action.

During that hearing, then-Chairman Baucus formed an international tax working group that was joined by Senator GRAHAM, Senator HATCH, and this Senator, and was open to any other Finance Committee Senator interested in this issue. The bipartisan Finance Committee working group formed the basis for the bill we are debating this very minute. We directed our staff to engage in an exhaustive analysis of many international reform proposals that have been offered. Our efforts were intended to glean the very best ideas from as many sources as possible.

Senator BAUCUS and I also formed a bipartisan, bicameral working group with the chairman and ranking member of the Ways and Means Committee of the other body in an effort to find some common ground on dealing with this repeal of FSC/ETI. Obviously, that did not go so well because the other body has come out with legislation somewhat different than ours. Consequently, they are finding it very difficult to get the votes to pass it in the other body. That is another reason, if we move quickly, maybe we can impress upon the House of Representatives that this body can function, this body works; we have a good product and maybe that will encourage bipartisanship in the House of Representatives.

Through this working group we continued our efforts in cooperation with Senator HATCH, Senator BOB GRAHAM, and other members of the Finance Committee who wanted to do what was fair and what was right in complying with this World Trade Organization ruling. We continued our bipartisan efforts when I became chairman in 2003. In July last year, we held two hearings on the FSC/ETI and international reform issues. One hearing focused on: "An Examination of the United States Tax Policy and Its Effect on Domestic and International Competitiveness of United States-Based Operations," building upon the very successful hearing that chairman BAUCUS had in 2002.

Our second hearing was entitled "United States Tax Policy and Its Effects on International Competitiveness of United States-Owned Foreign Operations," as opposed to United States-based operations in the first hearing. These two hearings concluded our final bipartisan effort in reviewing all of the policy options that led to the creation of the bill that is before the Senate right now.

Let me again emphasize there is not one provision in this JOBS bill that was not agreed to by both Republicans and Democrats. We have acted in good faith. We have acted in the best of faith to produce a bill that takes American manufacturing jobs and ensures that our companies remain the global competitors we want them to be. We did this in a fully bipartisan manner, which is what the American people expect on such an important issue as manufacturing jobs in our Nation's economic health.

These efforts that have been expended to bring this bill to this point are apparently not enough for some. They still view this whole process as political punt, pass, and kick competition. I now realize there are some who do not want this bill to pass, and maybe not having it passed will serve their political end. They want economic downturns that continued sanctions will produce to continue economic doldrum.

Several weeks ago, an article in the Washington Post quoted a Democratic tax aide as saying: "There is not a lot of incentive for us to figure out this problem." The Democratic aide went on to say that allowing the extraterritorial income controversy to fester would yield increased sanctions that somehow would benefit the Democrats in November. That is an appalling statement because we hear the concern that is legitimately expressed about outsourcing.

We have a bill before the Senate that can do something about outsourcing. We have a situation before the Senate that if we do not pass this bill, not only will we not have some tax advantage we thought we once had, but we will have the sanctions on top of that to weight down American industry so more people are laid off.

How can Members one day give a speech about outsourcing and the next day slow down a bill that does something about outsourcing? Outsourcing only comes as a matter of competition. There is not any American businessperson sitting around anyplace that decides, I want Mary's job to go to India. I want Pete's job to go to China. I want Ralph's job to go to Russia.

There is not any American businessman who speaks in terms of: I don't want this American to have a job, because they would not have hired them in the first place.

This outsourcing happens because they look at what their competition is paying to produce a product. In the economics of business, when you are a businessperson, wherever in the world, if you do not make a profit, you are not going to be in business. So a businessperson seeing that he is not competitive, that is where you lead to outsourcing.

Now these American manufacturers come and testify before our committee. They tell us what makes them noncompetitive. One is the cost of capital in America being high. We have an opportunity to reduce the cost of capital and, at the same time, encourage manufacturing in America. That is what this bill does.

So everyone on both sides of the aisle who talks about outsourcing—I do myself—needs to band together if we are serious about doing something about outsourcing and get behind this effort to get the bill passed because manufacturers tell us this bill will help. And, for sure, they know these sanctions that are on American manufacturing now are an additional burden they cannot withstand.

America's farmers and manufacturing workers must not pay the price for the sort of stonewalling we are seeing. Efforts to delay this bipartisan bill with unrelated measures is a bad excuse. Why would they raise political issues that are unrelated to this bill in an attempt to undermine the JOBS Act?

Delay will allow sanctions to continue and drive down our economy. That will allow sanctions to increase to 12 percent by the November elections. Maybe that is too tempting for some people who are worried about the election instead of the next generation to pass up.

I am hopeful we will see the best politics ends up being good policy. That is what we have with this bill. We help domestic manufacturers. We help U.S. companies compete overseas. Putting politics ahead of good policy is exactly the wrong approach. In effect, this political game does not help those who face the sanctions. It does not help domestic manufacturers and workers in those industries.

A vote against this bill is a vote to continue European Union sanctions, already at 5 percent—6 percent in April, 7 percent in May, 8 percent in June, 9 percent in July, 10 percent in August, 11 percent in September, 12 percent in November.

We are here to represent the interests of the United States. On this bill, we are here to represent the interests of jobs in America. We are here to represent the symbol "Made in America."

If we do not pass this bill, whether people realize it, they are representing the interests of the European Union, because it is the European Union which is going to benefit with European jobs.

We have 5.6 percent unemployment in America, which is probably less unemployment than most of my life in politics as an index of how the economy is going. But still, it is bad to have 5.6 percent unemployment. What is worse than the 5.6 percent unemployment is the people who are complaining about the 5.6 percent unemployment and not passing this bill that is going to make employment in America better.

Oh, maybe they are looking over to Germany. Their unemployment rate went up last month to 10.7 percent. By not passing this bill, we might help some German workers get a job, some of the German unemployed get a job. Well, I do not think we ought to put the interests of the European Union first.

The only way to honor our trade obligations and to make American business competitive and to create jobs in America is to pass this bill and repeal the extraterritorial income provisions of our law. It is very simple. It is so simple that is why this is a bipartisan bill. As I said before, I hope the leadership of this body can cooperate, both Republican and Democrat, to focus on this legislation, to focus on the task at hand, and particularly on the other side where all the amendments are coming from, to know the importance of passing this bill, not stalling this bill, and moving forward.

Repealing FSC/ETI raises about $55 billion over 10 years, and 89 percent of that money comes from manufacturing. It gives us an opportunity to use that $55 billion to emphasize American manufacturing, the creation of jobs in America, and to use that $55 billion as an incentive to American manufacturers to manufacture here and not to manufacture overseas.

We need to send that money back to the manufacturing sector because if we do not, then besides these sanctions, we have a $50 billion tax increase on American manufacturing.

The Congressional Budget Office says we have lost 3 million manufacturing jobs since July of 2000. Is this manufacturing decline something the Bush administration did? No. It started in July of 2000. A $50 billion tax increase will not stimulate manufacturing jobs.

Again, simple principles of economics 101: If you tax something more, you get less of it.

The JOBS bill uses all of the money from the FSC/ETI repeal to give a 3 percentage point tax cut on all income derived from manufacturing in the United States. Let me emphasize: just in the United States. It is not for manufacturing by American companies overseas.

The relief applies not only to big manufacturers but sole proprietors, partnerships, farmers, individuals, family businesses, multinational corporations if they are manufacturing in America, and also plain big or small foreign companies that set up manufacturing plants in the United States.

We also include international tax reforms, mostly in the foreign tax area, and most of which benefit manufacturing.

Our bill also includes the Homeland Reinvestment Act, which has broad support in both bodies of the Congress.

The Finance bill is revenue neutral. That is another thing we have to do: have it carefully crafted in order to get bipartisan support for this legislation and not add to the deficit; there are both Republicans and Democrats who do not want to pass a tax bill that loses revenue. So we have the ability, by extending Customs user fees—and, more importantly, by shutting down illicit tax shelters, corporate tax shelters, and closing abusive corporate tax loopholes—to raise money to do even more than we have described to be able to do some reform of the international taxing regime generally beyond just FSC/ETI.

As with all bills, there is never complete agreement on this approach. That is even considering the fact it was voted out of committee in a bipartisan way 19 to 2. Remember, all Democrats voted for this bill to come out of committee.

Our bill contains a haircut on the rate reduction some of us would like to remove and others would like to retain. Some Members prefer a reduction in the top corporate rate across the board in place of the international reforms and the manufacturer's rate cut in this bill. I understand the desire for this simpler approach cutting taxes, but a top level rate cut would only go to the biggest corporations of America. Local family-held S corporations and partnerships, which presently get some extraterritorial income benefits, get nothing from this. If we redirect FSC/ETI money to an across-the-board corporate cut, then the manufacturing sector will be the revenue offset. In other words, we are going to be shifting from tax advantages from manufacturing to services where we have some problem, but I think we generally agree not as much of a problem as we have in manufacturing.

The international tax reforms largely fix problems our domestic companies face with the complexities of the foreign tax credit. These reforms are necessary if we are to level the playing field for U.S. companies that compete with our trading partners. The Finance Committee bipartisan bill has been improved with an amendment to extend the research and development tax credit through the end of 2005. That is a domestic tax benefit that incentives research and development, makes our businesses competitive and prepared for the next generation of technology. This, however, translates also into good, high-paying jobs for workers in America and not overseas.

In addition to the previously agreed upon R&D amendment, there are several additional provisions to improve this bill. We have the amendment by Senators BUNNING and STABENOW, a bipartisan amendment to accelerate the manufacturing deduction. This amendment ensures the tax relief and related economic benefits of the bill are provided more quickly to those hurt by the repeal of FSC/ETI. This is now part of the bill.

Second, there is an amendment I offered with Senator BAUCUS to extend for 2 years tax provisions that have expired. Some expired in 2003, some this year. This includes items such as the work opportunity tax credit and the welfare-to-work tax credit which have been merged and simplified into a single credit as proposed by Senator SANTORUM and others in the bill S. 1180. This is now a part of the legislation.

A third provision on net operating losses is also included. This provision allows companies that operated at losses during the difficult economic conditions of last year to offset those losses against their income of the previous 5 years. So this provision is going to accelerate tax relief to companies that need it to continue operations and to continue their recovery from the recent economic difficulties. This provision is now in the bill.

The JOBS bill before us also contains many other items that are widely supported by the Members. We have enhanced the amount of transition relief for U.S. manufacturing companies that will be harmed by the FSC/ETI repeal. We have enhanced depreciation provisions, brownfield revitalization, mortgage revenue bonds. We allow deductions from private mortgage insurance for people struggling to afford a home.

The bill includes tax benefits for reservist employees that provides a tax credit to employers for wages paid to reservists who have been called up to active duty. We have extended and enhanced the Liberty Zone Bonds for the rebuilding of New York City, particularly requested by its two Senators. We have increased industrial development bond levels to spur economic development. We have included the Civil Rights Tax Fairness Act. We have provided for rail infrastructure and broadband.

All of these benefits are being held hostage because some Members are pushing politically motivated votes on an issue that is not even in this bill. Let's get on with the business at hand and finish it. Let's put good economic policy first in the Senate.

We do have the issue of cloture which comes up periodically when we have to get to the completion of legislation. I, for one, was hoping this cloture would not be filed. That is the way Senator BAUCUS and I hoped it would happen. I have to deal with the fact it is filed. My colleague Senator BAUCUS has to deal with that fact as well. This needs to be dealt with on a little higher plain than from bill to bill.

I propose to the leadership of the Republican and Democratic caucuses that somehow, if we are going to get between now and adjournment this fall, without a lot of waste of time on the part of the Senate and the 100 Members equally affected, that we get a list of the so-called amendments I referred to as politically motivated. I think the other side sees they have certain issues that ought to get before the American people, ought to be discussed. Republicans have some of those issues as well that Democrats would just as soon we not bring up. I don't know why there can't be some agreement unrelated to a specific bill before the Senate that certain of these issues are going to be brought up, and we will find someplace to handle one on this bill, one on another bill, a third one on another bill, so they don't get dumped at one time all on one piece of legislation. Then we know ahead of time what the situation is; there will be a plan for the functioning of the Senate.

I should not speak for Senator BAUCUS but I believe I can. He comes from a philosophy that this place ought to work, that it ought to make product. We ought to do our job. And I am sure that even though he might have a different view than I do on this issue of cloture, he wishes it were not that way. I wish it were not that way. He wishes there was a plan before us to move every important piece of legislation in an expeditious way because that is what we are sent here to do. We all ought to want to make this place work because when it does not work, it makes all of us look bad. It puts the good of the American people secondary to politics, whether it is Republican politics or Democratic.

I yield the floor.

Mr. HARKIN. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. The parliamentary inquiry I would like to make is where are we right now on the bill? Are we on the motion to recommit, at this point?

The PRESIDING OFFICER. The motion to recommit is pending.

Mr. HARKIN. I understand also that a cloture motion has been filed on the motion to recommit.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. Since there is a motion to recommit that is pending, is it not in order for an amendment to be made to that motion?

The PRESIDING OFFICER. Amendments have already been made to the motion to recommit.

Mr. HARKIN. Do I understand that both a first-degree and second-degree amendment have been made already?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. So, therefore, no amendments, then, are allowed, under the rules of the Senate, to be made to the motion to recommit?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. Further inquiry, Mr. President: Yesterday this Senator offered an amendment dealing with overtime. Is that amendment still pending?

The PRESIDING OFFICER. The amendment is still pending.

Mr. HARKIN. Is it further correct to say that if cloture is invoked, this amendment would fall, that it would not be allowed under the rules of the Senate?

The PRESIDING OFFICER. If the motion to recommit is adopted, the Harkin amendment would be vitiated.

Mr. HARKIN. I understand that. But then this Senator would be allowed to offer my overtime amendment on the new bill that will be before us at that point?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. Further inquiry, Mr. President: If, however, cloture is invoked on the motion to recommit, is it not true that this Senator's amendment then would fall and not be allowed, under the rules of cloture, or am I wrong? Maybe my amendment would be allowed.

The PRESIDING OFFICER. The question is on whether, if cloture is invoked——

Mr. HARKIN. Yes.

The PRESIDING OFFICER. If cloture is invoked, then the amendment would be nongermane.

Mr. HARKIN. I understand that. I want to make it very clear for those who may be watching in their offices and not present on the floor. If cloture tomorrow, when it ripens, is invoked, we will not be allowed to vote on an overtime amendment; is that correct? Because it will be deemed to be nongermane under the rules of cloture, is that correct?

I repeat my question. I want to make it clear to those who are watching in their offices and may not be on the floor right now. Under the rules of germaneness, under the rules of the Senate, because of the parliamentary tactics just taken by the majority, having a motion to recommit and then sort of filling the tree, as we call it around here in parliamentary parlance, having the first-degree amendment and the second-degree amendment and then filing cloture—that was filed, I guess, yesterday—that through all of this parliamentary maneuvering, if in fact the Senate votes for cloture, on Wednesday, on tomorrow, then Senators will be denied a right to vote on my overtime amendment; is that not correct?

The PRESIDING OFFICER. The difficulty in answering the question is based on the motion that is pending, which is the motion to recommit as opposed to the cloture vote, and the cloture vote depends upon whether the motion to recommit passes or not.

Mr. HARKIN. I will ask one more time because I want to get this straight. There is pending a cloture motion. That cloture motion will be voted on tomorrow; is that not correct? It will ripen tomorrow.

The PRESIDING OFFICER. The Senator is correct. It will ripen.

Mr. HARKIN. If in fact there is a vote tomorrow on cloture and cloture is invoked—that is, a majority of the Senate votes yes on cloture—then this Senator's amendment on overtime will not be allowed under the rules of the Senate pertaining to germaneness; is that correct?

The PRESIDING OFFICER. It will not be allowed on the motion to recommit.

Mr. KENNEDY. Will my amendment be allowed on the bill that is then before the Senate?

The PRESIDING OFFICER. The bill will be pending before the Senate with a new substitute that is amendable.

Mr. HARKIN. Then under the rules of Senate, if cloture is invoked, this Senator's amendment would not be allowed, I understand, because it will be nongermane.

The PRESIDING OFFICER. The new substitute will be fully open to amendment. The Senator can then offer his amendment to the substitute.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I thank my good friend, the chairman of the committee, for his remarks. I am quite hopeful, frankly, that we can reach an agreement fairly quickly so that we can move on this bill. At the present moment, we are at an impasse with the cloture motion filed, and the amendment tree is filled up.

I expect it is the wish of the majority to eventually avoid a vote on the amendment offered by Senator HARKIN. I believe Senator HARKIN deserves a vote. I believe the vast majority of Senators on both sides of the aisle would like to move quickly on this legislation—reach agreement on a number of amendments that would be in order so we can move quickly.

Based on my conversations with Senators and with the leadership, I have every expectation that we can reach that agreement quite soon—hopefully, this afternoon. This is the Senate. Every Senator deserves an opportunity to offer his or her amendments. We also have to reach agreements. We have to pass legislation. It requires compromise. I do believe we will reach that agreement which, necessarily, will be the result of compromise, fairly quickly.

I urge Senators to push their interests, as they should, but push them in a way where we can get an agreement to pass this legislation. I hope we will do that this afternoon.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I understand that under a previous order the Senate is going to recess at 12:30 p.m.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. Mr. President, we are in a situation where it looks as though the majority on the other side simply does not want to vote on my overtime amendment. They are going to do everything they can to try to prevent it.

Again, there is talk about delay and who is delaying this bill. Look, I offered my amendment the other day and we could have had a vote by now. I was willing to enter into a time agreement. They would not do it. I offered the amendment under a unanimous consent agreement reached with the other side to bring it up. Now, the parliamentary games being played are not on this side; they are on the other side. One really has to ask, Does the other side really want to get this bill through?

Again, I have no doubt that the chairman, my friend and colleague from Iowa, wants to get it through. He is chairman. Having been in that position before on another committee, I know you want to get your bill through. I have no doubt that the Senator from Iowa would like to get the bill through. It looks as though the leadership on that side—either the leadership or the administration; I don't know who is calling the shots—is simply saying they don't want to have a vote on overtime.

It is really unfortunate that they have now filed cloture on this bill. My friend and colleague from Iowa, and others on the other side, have referred to this as a jobs bill. They keep talking about it is a jobs bill. Well, all I can say in response to that is I believe the ranking member of our committee, Senator BAUCUS from Montana, would like to get the bill through, we would like to get completion of this bill and get it through, but that does not mean we should not be allowed to offer some reasonable number of amendments to try to improve it as we see fit. They may win, they may lose, but at least we ought to be allowed the right to offer and debate some amendments within reasonable timeframes.

One of the most important job-related amendments is the amendment on overtime. How could we possibly tell the American people with a straight face that we are passing a "jobs bill" on the Senate floor but we are not addressing the issue of overtime pay and the administration's proposed regulations that would have the effect of taking overtime pay protection away from millions of American workers?

This is an issue that goes right to the heart, the gut, of our American workforce: The right to be paid time and a half when one works over 40 hours a week. It has been in the law since 1938. Yet, as I said yesterday and I will continue to point out, last year the administration came out with a proposed set of regulations to change the underlying overtime law. They did it without having one public hearing. Imagine that, changing something so fundamental to the American work ethic as the right to overtime pay without having a public hearing.

They put out the proposed regulations and the American public responded with thousands—I have heard maybe 60,000 to 70,000 comments. Then last summer, after a number of us had gotten wind of what they were trying to do and we started reading the proposed regulations, we offered an amendment on the Senate floor that would have basically denied that part of the overtime regulation that would take away this overtime right.

That amendment I offered last summer passed the Senate. It was bipartisan. I have heard a lot of references to the fact that this bill is a bipartisan bill. Well, the amendment I am offering is a bipartisan amendment because it was voted on last summer by both Republicans and Democrats and passed in the Senate, 54 to 46. Around here, that is pretty bipartisan.

Basically, what that amendment said is, no, we are not going to agree with the administration's proposed changes on overtime rules. If the administration wants to make fundamental changes in overtime rules, they ought to do it in the time-honored manner: work with Congress, have public hearings around the country, and then let Congress and the administration get together to revise, if revision is needed, overtime laws. But that is not the way the administration did it.

Again, if I hear correctly people on the other side say we are slowing down or stopping this bill, I am sorry; it does not ring true. This bill could have been brought up last fall, and it was not. We just spent a whole week in the Senate debating a gun bill that failed with over 90 votes against it. What was that all about? Why did we spend over a week doing that when we could have been doing this bill, if this bill is so important?

One has to raise some questions about what is going on because when one reads some of the publications around here—this was in Congressional Quarterly Today about this bill. According to the Congressional Quarterly, the chairman of the House committee, Congressman THOMAS:

> . . . told the Tax Executive Institute, a group of corporate tax officials, on Monday that lobbyists seeking specific changes in international tax rules had effectively stymied his bill, according to the Associated Press.

So it is not us who are stymying this bill. Again, there are some corporate lobbyists downtown who are. Again, from CQ Today:

> Meanwhile, House Ways and Means Chairman Bill Thomas, R-California, told a group of business tax officials on Monday that the current House version of the bill (H.R. 2896) was probably doomed.

So it is not us who are slowing this bill down, not at all. This Senator would like to see this bill get through. I think there are some good things in this bill. That does not mean we should not be allowed to offer our amendments and have an up-or-down vote on those amendments.

A jobs bill? Well, fine, call it a jobs bill, but do not tell me this is a jobs bill and then say we cannot have a vote on our overtime amendment. That is about jobs. We know it is about jobs because we know, common sense dictates, if an employer can work a person longer than 40 hours a week and not have to pay overtime, why, it would be much better to work the person longer, pay them less, and then not hire any new workers.

At a time when we have 9 million Americans out of work, we have a jobless recovery in this country, why would we now be wanting to give employers another incentive not to hire new workers?

We had an agreement to consider my amendment. It was the fourth amendment in the series we agreed to prior to last week's recess, but no sooner was I able to offer my amendment last evening than the majority leadership decided to move to recommit the whole bill and to file cloture on that motion.

I am not sure how that meets our previous agreement to take up my amendment, but that is where we are now. A motion to recommit the bill is pending. I would like to talk about overtime. I would like to have an amendment about overtime and have a vote on it. As my parliamentary inquiries earlier this morning showed, we can go through this whole charade, motion to recommit, file a cloture, we can vote on that, and we can still come back with this amendment.

I suppose then they will file cloture on the bill. That is why it was wrong on the majority side to file cloture on this motion to recommit and why I hope we will oppose that cloture motion and deny cloture until we can get a right to offer our amendments and have a vote on our amendments.

We are not asking for unlimited debate. I would agree with the manager of the bill right now to a time limit on my amendment with an up-or-down vote. So it is not about us stalling this bill. Forget about that. Get that out of your head. That is not what is happening. What is happening is the majority side simply does not want to vote on overtime. Why? Because I think they are afraid, and the vote will be even stronger this time than it was last summer because more and more American workers, more and more people have found out what this administration downtown is trying to do to their overtime pay.

I will be on the floor waiting for every opportunity to offer this amendment and to get a vote on it. If the other side believes that somehow by going through this charade and slowing this bill down and somehow blaming us for it when we are not doing this is somehow going to get rid of this overtime amendment, well, I am sorry to disappoint them. We are going to continue to debate and have a vote on this overtime amendment. It is that crucial, that important, to the American worker that this Senate express itself once again and say no to the administration, that we are not going to let them trample on the rights of American workers and take away their right to overtime pay if they work over 40 hours a week.

I see my time has expired. I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:29 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. ALEXANDER).

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT—Continued

The PRESIDING OFFICER. The assistant Democratic leader.

Mr. REID. Mr. President, the matter before the Senate is what?

The PRESIDING OFFICER. The second-degree amendment by Senator GRASSLEY.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, the Senator from Connecticut, Mr. DODD, wishes to speak for 15 minutes. I ask following that, the Senator from Massachusetts, Mr. KENNEDY, be recognized.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I thank the Senator from Nevada for securing the time. I may not need all of that time. I want to take a few minutes to express my deep concerns about the pending amendment. I am in favor of the pending amendment. My concern is that an effort will be made to somehow avoid having to vote on this critical issue, the issue of overtime pay.

First, let me commend Senator HARKIN of Iowa for being so tenacious and patient about this amendment. He has offered this proposal in the past. We carried the amendment, as I recall, in the Chamber, only to watch the matter be dispensed with and dropped in conference.

He has tried to bring up this matter before. In fact, prior to the recess period, Senator HARKIN was on the floor of this Chamber for a number of hours, trying to get a vote. I think he agreed to a simple 20 minutes or 25 minutes of debate on whether we would be able to prohibit the administration from implementing a new regulation that would take overtime away from millions of working Americans.

I have no doubt about the outcome of the vote if we can actually get a vote. I have no doubt the overwhelming majority of our colleagues, if given the chance to express themselves on the proposed regulation by the administration, would support the Harkin amendment. We have done that already. I think that is where Members are, both Democrats and Republicans.

But a determined minority here will not allow us to have this vote. We will not get the chance to express whether we believe that hard-working Americans who work beyond their 40 hours ought to get paid for the overtime work they do.

I was stunned to learn not only is the administration proposing the regulation that would prohibit overtime pay for people, but actually, within administration documents, they instruct employers on how to craft their working relationships with their employees to avoid paying overtime pay, moving people into whole new classifications they had never held.

I am baffled that the administration has unveiled such an antiworker, antifamily proposed regulation. It is simply one more bad economic policy decision that I think is indefensible, and I think we would like a chance, both Democrats and Republicans, to express ourselves on this proposal.

I am determined, along with the Senator from Iowa and many others, to stay here and do whatever we have to do to get an up-or-down vote on whether we ought to ban people from collecting overtime pay when they work those hours.

Mr. KENNEDY. Will the Senator yield?

Mr. DODD. I will be happy to yield to my colleague from Massachusetts.

Mr. KENNEDY. Mr. President, I join the Senator in cosponsoring the Harkin amendment.

Is the Senator familiar with the fact that the Republican leadership has now done a parliamentary maneuver so there is absolutely no opportunity for this institution to act on the Harkin amendment dealing with overtime; that they have taken the rules of the Senate and are so unwilling to address the amendment of the Senator from Iowa that they have effectively foreclosed any opportunity for the Senate of the United States to act this afternoon, late afternoon, this evening, or at any time until after the cloture motion?

Can the Senator from Connecticut possibly tell us why the Republican leadership would want to deny the people's representatives in the Senate the opportunity to express their view on an issue that affects approximately 8 million workers in this country?

Mr. DODD. I thank the Senator. The Senator from Massachusetts has been a Member of this Chamber for a number of years, and I have been here for almost a quarter of a century. I say to my colleague from Massachusetts, I was born at night but not last night.

You can use the rules of this institution for various purposes. It seems clear to this Member that the reason the Republican leadership—a determined minority within the majority—is engaging in these parliamentary sorts of gymnastics is because they know the outcome. I suspect a strong majority of us would speak with a resounding voice in saying no, you shouldn't implement a rule that would prohibit hard-working Americans from collecting overtime pay. This is particularly troublesome at a time when so many are out of work and where two incomes in a family may be necessary to keep up with the mortgage payments, or to pay college tuition, or make car payments. We cannot deprive 8 million Americans who today have the right to collect overtime. The only reason the Republican leadership is prohibiting a vote is because they know the outcome—the amendment would pass.

Mr. KENNEDY. Mr. President, as the Senator remembers, we had a vote on this measure on September 10, 2003. To substantiate what the Senator has pointed out, they voted 54 to 45 in the Senate to retain overtime, and in the House of Representatives it was 221 to 203. This was a matter of 7 or 8 months ago when we had this body speak in a bipartisan way and the House of Representatives speak in a bipartisan way. Still we find the Republicans are denying the Senate an opportunity to express its will.

Does the Senator not agree with me that this is sending a message to every working family in this country that we have Republican opposition to the increase in the minimum wage, Republican opposition to extending the unemployment compensation, and Republican opposition to halting the proposal that will eliminate overtime for some 8 million Americans; that one can conclude this administration is not on the side of working families?

Mr. DODD. Again, I thank my colleague for his question. I don't know how you can draw any other conclusion than my colleague from Massachusetts has.

As I recall—again, my colleague has a wonderful sense of history, and I think my memory is not bad but correct me if I am wrong—during the Reagan administration, during the Bush administration, the President's father, extended unemployment benefits in those years when people were out of work. I think during both Republican and Democratic administrations, they said we ought to extend those unemployment benefits and raise the minimum wage. But in this administration's case, the answer is a resounding no. Not only do they not allow us to vote on those matters and extend those benefits as every administration has over time, but, of course, they are going a step further and proposing regulations.

Let me be clear so people understand. If you are among one of 250 current white-collar occupations, if you are a nurse, a firefighter, a police officer, emergency medical training personnel, health technician, clerical worker, surveyor, chef, if you are in those categories and many more, even though your work obligations don't change at all, it gives your employer the right to reclassify you as no longer someone who qualifies for overtime pay. Even though your work doesn't change, you will be deprived of overtime pay, no matter how many hours you work. I don't understand.

Mr. KENNEDY. Will the Senator yield?

Mr. DODD. I am happy to yield to my colleague.

Mr. KENNEDY. Will the Senator not agree with me that for the first time in the history of the overtime laws this administration has stated if individuals in the military—I am reading from their proposed regulation of March 31, 2003. They talk about training in the Armed Forces, stating if you are a member of the National Guard and are called up to go over to Iraq, you take a training program in order to try to provide greater protection and defense for the men and women in your unit, you come back here to the United States, you go back to your workplace, and you think you are entitled to overtime, under their proposal, make no mistake about it, you are excluded.

I draw the attention of the Senator to the comments of the very distinguished head of a veterans organization. The Senator has mentioned the categories of those who will be made ineligible for an increase in overtime. This is a letter to Secretary Chao from Thomas Corey, national president of the Vietnam Veterans of America, dated February 17, 2004:

> [We] would like to make you aware that the proposed modification of the rules would give employers the ability to prohibit veterans from receiving overtime pay based on the training they received in the military. This legitimizes the already extensive problem of "vetism" or the discrimination against veterans.

There it is. That is what their proposal is all about. I don't blame the other side for not wanting to have a vote on it.

Has the Senator ever heard of such a time when we have American servicemen spread all over the world being called on—and the National Guard and Reserve—to get some training, and they come back and go back to work, and there comes the boss who says, Well, you have some training in the military, and you are out?

Mr. DODD. Mr. President, I had heard some reports about this. I had never seen this letter before, but I find it incredible. Like many of my colleagues, I have attended various meetings with the families of guardsmen and reservists who have deployed to Afghanistan and Iraq over the last number of months. I have also been at armories in my State as the men and women have come back from their service there. I have even visited with our troops in Iraq for a few days in December. I cannot believe that these men and women, many of whom have spent a year boots-on-the-ground overseas would be treated in this way. These men and women have already had to put their jobs and families on hold as they go over for a year—maybe getting back for a week or so. It is hard enough to do that, hard enough to be away, hard enough to go through the perils of serving in a war zone as these young men and women are doing. But I find it stunning to also be told because of the training they may receive in order to help us rebuild Iraq and defend their fellow men and women in the uniform, that the training they got now deprives them of getting as much as 25 percent of their income. I am told that as much as 25 percent of the earning power of an average worker in this country comes from overtime pay. People coming back who just served their country, who put their life on the line, and been away for a year, are now being told if they got job training over there, they will no longer be eligible for overtime pay. That is incredible.

Mr. KENNEDY. I draw the attention of the Senator to the comments from the National Association of Manufacturers.

> The NAM applauds the department for including this alternative means of establishing that an employee has the knowledge required for the exception [from the overtime protections] to apply . . . For example, many people who come out of the military . . .

There it is again, the National Association of Manufacturers praising that part of the Bush proposal.

We are talking about those who are serving in the Armed Forces now, and we know 40 percent of the combat arms in Iraq are National Guard reserve units. We find out that those individuals who get that extra training, which is essential in order to help protect the lives of their fellow servicemen, are told when they come back home, too bad, you are not going to get your overtime pay.

I ask the Senator if this has been his experience. I have a chart, as well, regarding workers without overtime protections being more than twice as likely to work longer hours.

The point I have heard the Senator from Connecticut and the Senator from Illinois make is, if you do not have the protections, some think you will have to work a little bit longer, but it will not make much difference.

This chart from the Labor Department shows what happens in the two cases: where workers are paid time and a half for overtime and where they are not.

The PRESIDING OFFICER (Mr. VOINOVICH). The time of the Senator from Connecticut has expired.

Mr. KENNEDY. I had requested to be recognized following the Senator.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized under the previous order.

Mr. KENNEDY. Mr. President, this is on my time.

This chart shows if you do not have overtime protections, you are twice as likely to work more than 40 hours a week and three times as likely to work more than 50 hours a week.

Without overtime protections, hold onto your seat, employers will make you work twice as hard after hours.

Does the Senator agree with me that the Bush Administration is not only denying fair compensation on a proposal that has been in effect since the 1930s, but the message ought to go out to workers across this country they are going to work a great deal longer, a great deal harder because without the overtime protection, that is the record. They will be exploited in the workplace.

Mr. DODD. I thank my colleague for the question. I see our friend from Illinois, as well, so I will not take much time.

I am glad the Senator pointed this out. It reinforces the argument I mentioned a moment ago that according to Labor Department studies, this elimination of overtime pay for 250 job classifications will reduce the earning power of the average working family by 25 percent. What the Senator from Massachusetts is saying is not only will you have less pay, but you will have to work longer hours, as well.

I am glad the Senator referenced the Fair Labor Standards Act of 1938. We went through World War II, we went through Korea, Vietnam, through economic downturns, and no administration ever suggested the kind of changes in overtime pay this Bush administration is advocating today.

I urge, as my colleague from Massachusetts has, give us a chance to vote. Give this body a chance to express its will on whether we think during these times of economic hardship people ought to be able to get overtime pay.

If you are a nurse, clerical worker, firefighter, a reporter, a paralegal, dental hygienist, graphic artist, the list goes on, those are the job classifications in which you will be denied overtime pay. Your work remains the same, you do not get the extra pay, you work longer hours.

Let's vote on the Harkin amendment. Let's have an up-or-down vote to determine whether this body believes overtime pay ought to still be the practice in this country.

Mr. KENNEDY. I ask a final two questions of my friend from Connecticut.

When we are talking about police officers and nurses and firefighters, they are the categories we rely on for homeland security. They are the backbone of homeland security. Here we are in the Senate effectively saying to those workers, we are going to take away your overtime pay. The Republicans are saying that because they will not let us get a vote on it.

We have a lot of problems in this country, but I don't believe one of the problems is that we are paying our firefighters, our nurses, and our police officers who are on the front line of homeland security—I don't think the principal problem we have is we are paying them too much.

The Senator from Connecticut is the leader in this body with regard to children and children's issues. I have a chart that looks at the number of children hungry in this country. We are seeing an expansion of hunger in this country. We do not talk about it a great deal in this body, but it is a direct result of the fact working families are having a hard time making ends meet. They have not gotten an increase in the minimum wage, unemployment compensation has been denied, they are facing the threat of loss of overtime. We have 13 million hungry children. I ask the Senator, we have the other problem with 8 million unemployed, 8 million workers who will lose overtime, the low minimum wage for 7 million, 3 million more Americans are living in poverty because of the economic policies of the last 3 years, and 90,000 workers a week are losing their unemployment benefits. Regarding the impact of all these economic policies on children, I am wondering if the Senator would address this issue briefly. It is important when we are talking about these issues, we are not just talking about technical questions of overtime; we are talking about real people with real lives and people who are facing some very challenging times.

Mr. DODD. Mr. President, again I thank my colleague from Massachusetts. He has in a sense answered the question himself with these numbers. It is hard to believe, given the times, the hardship, 90,000 people a week are exhausting their unemployment insurance benefits.

We know of the pressures that exist on families already. We know how hard it is today economically. It is not an uncommon story to hear, whether you are in the home State of the Presiding Officer in Ohio, or Massachusetts, Illinois or Connecticut, to have families where two, three, and four jobs are held in order to make ends meet and how critically important it is to have that income coming in.

When we read about jobs being outsourced across the country, being shipped off to India and China, and the administration is saying that that is a good thing for the economy, when 2.6 million manufacturing jobs have been lost, many of which have left the country, we have to be concerned about the future of America's families. These are all pressure points on these families who are living on the margins. We are not talking about families who are necessarily in poverty but families who are struggling to provide for their basic needs, trying to prepare for children going on to college, seeing to it they get a good education, keeping them properly clothed, and in good health.

Forty-four million Americans do not have health care. The overwhelming majority of that 44 million are working people with two incomes. That is the average. Over 80 percent of the 44 million people without health care are working families. Now you take up to 25 percent of their income away and make them work longer hours. How is that balancing work and family?

This body took 7 years to pass the Family and Medical Leave Act with the help of my good friend from Massachusetts. We tried to make it possible for people to balance their needs, but now, this administration is depriving these families and their children from receiving basic necessities.

I am glad my colleague from Massachusetts has raised the issue beyond just the numbers and statistics we cite.

These are real people and real lives out there struggling to make ends meet. And now the Republican leadership is depriving this body a chance to vote on this amendment which would prohibit the administration from moving forward with their overtime proposal. I am glad my colleague made the point about the firefighters, about the EMT services, about the police officers. These are the first responders on homeland security. This administration is not only turning their back on veterans and people in uniform who are going to be shoved into the class of not getting overtime pay, but even our first responders now are going to be asked to pay a price as well.

Let's vote on the Harkin amendment. Let's have an up-and-down vote to determine whether or not this body believes overtime pay ought to still be the law of the land and not relegated to a handful of people.

So, Mr. President, I thank my colleague for his efforts. I am glad to join with him as a cosponsor of the Harkin amendment.

Mr. KENNEDY. Mr. President, I underline once again what the Senator from Connecticut has been saying about the average wage in 2001. The average wage of the jobs we lost in 2001 was $44,570, according to the Bureau of Labor Statistics. The average wage of the jobs we are gaining today is $35,000, down 21 percent. This is outside of the overtime. These are the new jobs. This is the average wage today of the new jobs being created, $35,000; $44,000 of the jobs we lost in 2001.

This is what is happening, and we are saying to these workers: Well, that is not bad enough. We are going to deny you overtime pay. We have been denying you an increase in the minimum wage for 7 years. We are going to deny you unemployment compensation—90,000 people a week. These are the facts. The average wage of jobs lost was $44,570 to but only $35,410 for the jobs gained.

As this chart shows you, American workers are working longer and harder than workers in any other industrial nation in the world. Look at this line right over here. The United States is right at the top. Americans are working longer, they are working harder, and they are falling further and further and further and further behind. And what is the answer of this administration? Cut overtime. We can do better. What is the answer of the Republican leadership? Deny us a chance to do something about it. That is what we are faced with.

Well, it seems to me that hopefully Americans will have their answer sometime soon. If we are not able to on this bill, I know the Senators from Connecticut and Illinois share my view. I know the Senator from Iowa does. This is just the beginning. This is the opening shot. I tell our Republican friends, this issue is coming at you again and again and again. Make no mistake about it. You don't like to vote on it? Too bad. These families are suffering out there, and we are going to keep bringing this up, again and again and again and again, until you do vote on it.

Mr. DURBIN. Will the Senator yield for a question?

Mr. KENNEDY. I am glad to yield.

Mr. DURBIN. I thank the Senator from Massachusetts and the Senator from Connecticut. I think what we hear in this discussion should be described in simple terms to those following this debate. We are asking, on the floor of the Senate, for an up-or-down vote for Members to be counted on the question of whether the Bush administration will, for the first time in the history of the law, restrict overtime pay to American workers.

Since the law was created in 1938 establishing overtime, each successive administration that has changed the law—Democrat and Republican—has expanded the class of workers eligible for overtime.

But this time, this administration, which has witnessed almost 3 million jobs eliminated in America, has now suggested that we should reduce and eliminate overtime for 8 million American workers.

I say to the Senator from Massachusetts, it is part of a pattern. The Bush administration is not sensitive to the real needs of working families. They have resisted the efforts of the Senator from Massachusetts to increase the minimum wage for 7 years. Think about how many people are working one, two, and three jobs to try to put enough money together to keep their families in a good home, to pay their basic bills. Yet they resist increases in the minimum wage.

Then, when you ask them about these jobs going overseas, the Bush administration's economic adviser says the outsourcing of jobs to India and China is a good thing. Where does he live? Where does he get his advice? This man is trapped in a textbook. He should get out on Main Street and talk to real families. The outsourcing of jobs overseas is not a good thing. It is costing us jobs in America.

When the Senators from Massachusetts and Connecticut stand up and say, well, for goodness' sake, at least take pity on unemployed Americans, help them keep their families together, pay for their health insurance now that they have lost their jobs, consistently, on the floor of the Senate, the other party—the Republican Party—votes against the extension of unemployment benefits.

In my State we have thousands of people unemployed who have no benefits coming in. How do you keep it together under those circumstances?

And the last point—an important one we are discussing—is the idea that we would eliminate overtime pay for 8 million workers. I think the Senator has made such a positive and important point. Who are these workers? They are firefighters; they are policemen; they are nurses.

I do not know about the State of Massachusetts. In the State of Illinois, we have a serious shortage of nurses. Hospitals come to me and say: Can you help us bring nurses in from the Philippines and overseas? We don't have enough nurses. And this administration says we are going to eliminate overtime pay for nurses? What will that do to us? Fewer and fewer health care professionals in hospitals cannot make America healthier or safer, and that is what they are proposing.

But today I believe the Senator from Massachusetts has brought to us the icing on the cake. Now we have this administration saying, when it comes to overtime, if you happen to be a soldier in the military or an activated guardsman or reservist, and you serve your country, and are trained in service, pick up skills, when you come home, because of this Bush administration proposal, you will be disqualified from overtime pay.

It is almost incredible to say those words: That men and women leave their families with the 233rd unit of the Illinois National Guard, military police, and are gone for a year over in Iraq—who are coming home in a few weeks, thank God; their families have waited patiently—but if they made the mistake of picking up a new skill while they were activated, they could be disqualified from overtime pay when they return to their job. That is exactly what the Bush administration is proposing.

We hear so many speeches about how Members of the Senate are going to stand up for fighting soldiers, stand up for the vets. I ask the Senator from Massachusetts, when it comes to the Bush proposal to eliminate overtime for those vets who have been trained in the military, how can this possibly be a demonstration of our support and admiration for the men and women in uniform?

Mr. KENNEDY. Well, it is beyond comprehension, I say to the Senator, that in this proposal the administration has yielded to the recommendation of the National Association of Manufacturers, that those who get special skills in the military would not qualify for overtime. And I read that particular provision in the proposed regulation.

I ask unanimous consent to print the paragraph in the RECORD, dated March 31, of the proposed rules that talk about training in the Armed Forces.

> [From the Federal Register Mar. 31, 2003]
>
> (d) The phrase "customarily acquired by a prolonged course of specialized intellectual instruction" generally restricts the exemption to professions where specialized academic training is a standard prerequisite for entrance into the profession. The best prima facie evidence that an employee meets this requirement is possession of the appropriate academic degree. However, the word "customarily" means that the exemption is also available to employees in such professions who have substantially the same knowledge level as the degreed employees, but who attained such knowledge through a combination of work experience, training in the armed forces, attending a technical school, attending a community college or other intellectual instruction.

Mr. KENNEDY. It is right in there. And it was requested by the National Association of Manufacturers. They made a comment about how happy they are it is in there. It is one of the most offensive proposals this administration has made.

I want to just make a final comment and respond to what the Senator has mentioned with regard to the nurses because this is so important, as I know the Senator is concerned about the issue of the quality of health care.

This is from Cathy Stoddart of Mingo Junction, OH, a nurse at the Allegheny Regional Hospital in Pittsburgh:

> . . . President Bush and the Republican members of the House and Senate are trying to take away the one thing that discouraged hospital administrators from forcing nurses to work overtime. If you think nurses are running away now, just wait until their employers start telling them they have to work a 20 hour shift and aren't getting overtime pay for a single minute of it!

This proposal affects the quality of health care. We talked about the standard of living for working families and the challenges they are facing over a lack of an increase in the minimum wage, over the lack of unemployment compensation, and now there is the overtime proposal. This is going to have a dramatic impact and adverse effect on the quality of health care in this country. And for what? And that is because of the urging of the National Association of Manufacturers, the Chamber of Commerce urging the administration to find a way to cut back on overtime for 8 million workers in this country.

I thank the Senator from Illinois for raising not only what this issue is going to mean for working families, but what the impact is going to be on, in this case, health care and other vital services.

We have talked about veterans. In that regard, I bring to the attention of the Senator Randy Fleming, who writes:

I am also proud to say that I am a military veteran. I have worked for Boeing for 23 years. The training I received in the Air Force qualified me for a good civilian job. The second thing is overtime pay. With the overtime, I have paid for my kid's college education. The changes this administration is trying to make in the overtime regulations would break the government's bargain with the men and women in the military, close down the opportunities that working vets and their families thought they could count on.

When I signed up back in 1973, the Air Force and I made a deal that I thought was fair. They got a chunk of my time and I got training to help me build the rest of my life. There was no part of the deal that said I would have to give up my right to overtime pay. You have heard of the marriage penalty. I think what these new rules do is create a military penalty. If you get your training in the military, no matter what your white-collar profession is, your employer can make you work as many hours as they want and not pay an extra dime. If that is not a bait and switch, I don't know what is.

I have no doubt employers will take advantage of this new opportunity to cut our overtime pay. They will say if they can't take out our overtime pay, they will have to eliminate the jobs. It won't be just the bad employers because these rules will make it very hard for companies to do the right thing. The veterans and other working people will be stuck with less time, less money, and a broken deal.

There it is, in real life, Randy Fleming, a veteran who looks down the road in the eyes of his children, hard working, played by the rules, served our country, acquired some skills, and he is looking to the future.

This is a lousy proposal. It doesn't deserve to be favorably considered. But our Republican friends are refusing us, denying us the opportunity to get a vote on it. I know the Senator from Iowa would be willing to agree to an hour of debate, a half hour of debate, 15 minutes of debate—we know what the issues are—to get a vote. The idea to use the rules of the Senate to deny the Senate the ability to express its will on this issue is an enormous insult to working families all across the country and one they will not forget easily.

Mr. HARKIN. Will the Senator yield?

Mr. KENNEDY. I am glad to yield.

Mr. HARKIN. I thank the Senator from Massachusetts for his continued strong support of our working families, especially on the issues of the minimum wage and overtime. I was listening to the Senator talk about the issue dealing with training in the armed services. I ask the Senator, is it not true that since 1938, when we have gone through World War II, the Korean War, the cold war, the Vietnam War, Gulf War, everything else, during that time our young men and women who served in the military who got training and then later got out were still eligible for overtime pay regardless of the kind of training they got?

Mr. KENNEDY. The Senator is absolutely correct. I welcome his historical memory on this issue. We have been involved in conflicts—Vietnam, Korean War, World War II—with Republican and Democratic administrations, and at no time during those conflicts did we ever say the skills that were developed in the military were going to effectively preclude you from receiving overtime. This is the first time with this administration. The Senator is correct.

Mr. HARKIN. I ask the Senator further, would this not then set up the oddest kind of circumstance with a veteran and a nonveteran? Let's say two young people just got out of high school. They see these ads on television that say join the Army, be all you can be, get all this training to help you out. One friend decides to go in the Army. The other doesn't. It is a volunteer force. The person who goes in the Army gets training as an aerospace mechanic on engines or something like that, and comes out. The other person has not gone in the military, has different jobs, gets some kind of on-the-job training. Could this not set up a circumstance where if both of them were working for the same company, the person who entered the military and got that training, because of the way it is written in the rules, could be classified exempt from overtime, and the person who didn't go in the military would still get the overtime for the same exact job? Wouldn't this be the kind of situation that could arise?

Mr. KENNEDY. The overtime rule is unfair. As the Senator knows, particularly today, when so much of the combat arms are National Guard—probably 40 percent of the combat arms in Iraq today are National Guard and Reserve—these are people getting these skills, going back home, and getting the jobs. They are not staying in there 5, 7, 10 years. They are receiving these skills now, and these skills are necessary in terms of protecting the members of their squad or unit, to ensure that the military mission is going to be advanced.

I would be interested in the Senator's reaction. I mentioned Randy Fleming, who is a military veteran and served in the Air Force from 1973 to 1979, got training in the military, and used overtime to pay for the tuition of his children. He says: When I went in the service, I went in the service to get that training. No one told me that after I served 6 years in the Air Force and got my training, that in the twilight period of my life, because I received that training 20 years ago, I am going to be denied the overtime pay I had planned to put aside to educate my daughter. No one told me, he said in his letter. You talk about a marriage penalty. Here it is, a penalty against us. Where is the fairness? Where is the justice? Isn't the word of the United States good on this?

I commend the Senator for bringing up this historical background because we have never done that to the veterans.

I mentioned earlier the letter to Secretary Chao from Thomas Corey: We would like to make you aware that the modification of the rules would give the employers the ability to prohibit veterans from receiving overtime pay based on the training they received. This legitimizes the already extensive problem of vetism, discrimination against veterans.

This is it. I put the section in the RECORD of the proposal. I think there are many reasons to be against this proposal, but the signal it sends to the families of our servicemen couldn't be more unfortunate.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I was listening with interest to my colleagues from Massachusetts and Iowa talk about the overtime issue. I was thinking about this in the context of jobs.

One of the great debates we have is an economy that apparently is growing but producing really no new jobs. We are about 2.5 million jobs down from 3 years ago. Last month's jobs numbers were pretty anemic—I think 12,000 jobs, almost all of them government jobs.

I was thinking about the announcement 2 weeks ago that scheduled to create this manufacturing jobs czar that had been promised last fall. The administration is going to create a jobs czar because they are concerned about jobs, so they announced a ceremony that was going to be held to introduce their jobs czar. And then just before it happens, it is called off because the jobs czar is in China visiting his manufacturing plant he has moved from Nebraska to China. Everybody in the Administration was embarrassed about that. They are going to have a jobs czar that actually moved some of his American jobs to China. He was over there visiting his employees when the President was prepared to announce a new jobs czar for U.S. jobs.

It seems to me that the 40-hour workweek has always been about creating jobs, because if you can work employees 50 hours, 60 hours, 70 hours, and there is no consequence to it, then you don't have to create new jobs.

You just work your current employees overtime, on and on. But for 60 or 70 years in this country we have decided if you are required to work more than 40 hours a week, you have a right to be paid overtime. That is incentive to create jobs for the amount of work that is available or necessary for that amount over 40 hours. So at a time when we are losing jobs, and when jobs are the issue, I ask my colleague from Iowa, isn't it the case this overtime proposal actually retards the creation of new jobs, and to keep the 40-hour workweek and to get rid of this goofy proposal from the Department of Labor would actually be job creating?

Mr. HARKIN. Mr. President, the Senator has put his finger on it. This proposal by the administration to take away the rights of up to 8 million Americans on overtime is what I call a job-killing proposal. The Senator is absolutely right. It is common sense.

Look, if you have people working and you can work them over 40 hours and not pay them time and a half, but regular pay, why would you hire anybody else? You would just work them longer. In fact, I say to the Senator—and he may well be aware of this—when they put out the proposed rules, they put out certain examples on how employers could get around paying overtime. One of the proposals—I will read it into the RECORD later; I have done it previously—was to say, look, what you do is simply reclassify your workers; you then pay them a little bit less, but work them longer so your out-of-pocket expenses are the same, but you work them over 40 hours a week. What a deal.

This is like the IRS telling people how to cheat on their taxes and giving them information on how to get around the IRS Code. At a time when we need jobs in this country, this is another disincentive to creating jobs. Not only do they want to outsource jobs to other countries, I say to my friend; they now want to tell the American worker to work longer every week and don't expect to get paid any more for it.

Mr. DORGAN. As I walked over to the Chamber a few moments ago, it occurred to me there is almost never someone walking around this building, or standing out in front of the building who is advocating on behalf of working families, saying my job is to be here to make sure the voice of working families is heard in the Halls of Congress. There are a lot of people with shiny shoes, suspenders, and Cohiba cigars here and they are paid well to look after the big interests of this country, and they do a great job, God bless them. But the fact is working families don't have so much influence, regrettably, in Washington, DC. They don't have people here looking after their interests.

I am talking about those families in this country who know about second jobs. Why? Because they work second jobs. They know about second shifts. Why? Because they have the second-shift job. They know about second-hand, they know about second mortgages, and about second everything. Now they are worried about job security and about whether they will keep their jobs, about whether their jobs will be exported to China because they cannot compete with 33-cent labor. Now they have to worry about a proposal that says, for 70 years we have had a 40-hour workweek, and we are thinking of changing that so the big employers have the opportunity to work you 50 hours a week or 60 hours a week if we choose.

We go to bed at night in this country feeling good and safe. Why? Because the men and women from our police forces are driving up and down the streets to keep us safe. We go to bed not worrying about fires because we have firefighters out there who are awake all night. Many of them work extra hours and are paid overtime for it. That is an important part of their family's income.

Now we are told by the Department of Labor we would like to change all that after almost 70 years; we don't think employers ought to pay overtime. My colleague had it right. In fact, the sole job of some consulting companies it is to say to corporations, we are going to find a way with these rules to allow you not to have to pay overtime to your employees. I don't understand it.

I watched this morning when my colleague from Iowa was on the floor. I don't understand why we are not voting on this amendment. We voted on it before. The Senate already expressed itself. We said we support this amendment. I don't have the foggiest idea what those who are now scheduling this place think they are accomplishing. This isn't going away. This is going to be voted on. Perhaps not 5 minutes from now, maybe not 5 hours from now, but the Senate will vote. When the Senate votes on this, the Senate is going to say the Department of Labor should not be allowed to promulgate those rules. Why? Because the Senate, by and large, has a sense of fairness about this. The only way the leadership can stop this is to prevent a vote.

That is why we are here today, trying to force a vote. But those who have their foot in the door are doing it for one reason. They would lose a vote if they had it. They are going to have it and lose it. It will probably be tomorrow or next week, but this vote will happen and they are going to lose it. Why? Because there is a basic sense of fairness, in my judgment.

Finally, I come back to the proposition I started with. This kind of rule at this point is a way of saying we don't need more jobs in this country. Eliminating overtime for 6 or 8 million people is a way of saying we don't care about creating jobs. If you cannot work people overtime, over 40 hours, without paying time and a half—if you cannot do that, you have to create jobs to do the extra work. That is the way the system works. That is what has allowed the economy to grow. That is what produces new jobs.

Those who now support this proposition—the administration, Department of Labor, the majority party in Congress—that these overtime rules ought to be changed after 60-some years and prevent overtime payments to 6 million or 8 million people, they are the ones who are saying, apparently, we don't need new jobs in this country. They don't stand for creating new jobs. I cannot think of a worse position to take at this point than, in the face of diminishing jobs and jobs moving overseas and outsourcing and those issues, for somebody to come to this floor and say, by the way, let's cut down even more on jobs by forcing people to work longer without paying them overtime. This makes no sense to me at all.

Again, my colleague is doing a service to the Senate by standing here and saying we are going to vote on this.

Mr. HARKIN. If the Senator will yield. Again, I thank the Senator from North Dakota for not forgetting his populace roots of North Dakota. When the Senator speaks on the floor, as he just has, he speaks with clarity, common sense, and the wisdom of the common man and woman. That is why I have always admired the Senator from North Dakota.

What he has just said strikes right at the heart of what the common man and woman in this country feel—that their rights to at least overtime pay, if they are working over 40 hours, are being taken away without their having anything to say about it.

As the Senator pointed out very clearly, we are not being allowed our right to represent the common man and woman—his constituents in North Dakota, my constituents in Iowa, or anywhere else in this country—in getting a vote on the Senate floor as to whether we will permit the administration to take away those overtime rights.

I say to the Senator this is something that should not be allowed to happen on the Senate floor. I thank the Senator for his stalwart support for our working men and women and for insisting we have a vote on this Senate floor. The Senator is absolutely right that we are having all kinds of games being played, all kinds of little parliamentary tricks, so we will not vote on this.

There is one other thing I want to ask the Senator from North Dakota, who also has a keen insight and judgment on issues dealing with fairness and taxation and jobs going overseas.

This morning, the senior Senator from Iowa, who is the chairman of the Finance Committee, went on to talk about how if we do not pass this bill there are going to be tariffs because the WTO said we are in violation, and so therefore we have to change the law or we are going to have to start paying tariffs.

I am reading from what basically he said this morning: The sanctions began on March 1, 5 percent. The Senator from Iowa said: It is like a 5-percent sales tax on everything we are going to sell overseas or stuff we are going to sell overseas. He said by March it would be 5 percent; 6 percent in April; 7 percent in May; 8 percent in June; 9 percent in July; 10 percent in August; 11 percent in September; 12 percent by November.

So will the Senator from North Dakota help me clear up my thinking on this? I hear now that the Republicans, since they do not want to vote on the overtime amendment, may actually pull the bill, kill this bill, which means then we will have to pay tariffs to Europe, we will have to pay a penalty, that may amount, according to the Senator from Iowa, up to $4 billion a year. Am I correct, I ask the Senator from North Dakota, that they would rather pay tariffs to Europe than overtime to our workers?

That is what they are saying. If they pull this bill, we will have to pay these tariffs; we will be paying money to Europe but we will not be paying overtime. Does the Senator from North Dakota see it that way, that somehow because they do not want to vote on overtime they will pay tariffs to Europe but not overtime to our people? I ask the Senator from North Dakota what kind of fairness is there to our working people in that?

Mr. DORGAN. That is an interesting construct of the debate, and I think a reasonably accurate one. This underlying bill, while it has some flaws, would pass the Senate, in my judgment, and will pass the Senate. Those who are the architects of the bill and bring it to the floor want to bring it in a circumstance where they say, oh, by the way, this is our idea and you cannot add any of your ideas to it.

What the Senator from Iowa is doing is using the only alternative available to him to try to stop something that diminishes and destroys jobs in this country and destroys the opportunity to create more jobs.

The Senator from Iowa is perfectly within his rights to offer this amendment. The Senate already expressed itself on this amendment. Republicans and Democrats have said: We believe we ought to stop the Department of Labor from issuing these rules on overtime. It is not a radical position. The Senate has already taken this position. It had the vote.

I conclude by trying to put this in some perspective. I find it interesting that there are people in our political system who like organized labor as long as it is overseas. I will describe a story of something that happened. My colleague was perhaps there at the time. There was a joint session of Congress held in Washington, DC. As joint sessions are in almost all cases, it was a majestic situation. The House and Senate come together in the House Chamber. It is normally when the President gives a State of the Union Address, but sometimes a foreign leader is invited to speak to a joint session of Congress.

On this day, at the backdoor of the House of Representatives, a man was introduced to a joint session as Lech Walesa from Poland. I will never forget the day because this man, probably 5′8″ tall, kind of chubby cheeks, red cheeks and a handlebar mustache, walked to the front of the room of the House and the applause began. It went on and on and on and on.

Then this man, no politician, no diplomat, no scholar, no intellectual, no military hero, told his story. I will never forget the speech he gave that day. The story briefly was this: He was a worker in a shipyard in Gdansk, Poland. He had been fired from his job as an electrician because he was leading a strike to organize workers. He was fired by the Communist government. On a Saturday morning, he was back in the shipyard in Gdansk, Poland, leading a strike of workers in that shipyard once again against the Communist government. He told us that the Communist secret police grabbed him and beat him severely. They took him to the edge of the shipyard and they hoisted him up unceremoniously over the barbed wire fence and threw him on the other side of the fence in this shipyard in Gdansk, Poland.

He told us that he lay there face down bleeding. Remember, this is an unemployed electrician who was leading a strike for a free labor movement against a Communist government. He lay there on that Saturday morning, bleeding face down in the dirt, wondering what to do next. The history books, of course, tell us what he did next. He pulled himself back up, climbed right back over the fence into that shipyard, and then 10 years later he was introduced in the House of Representatives to a joint session of the Congress as the President of the country of Poland.

This is what he said to us: We did not have any guns. The Communist government had all the guns. We did not have any bullets. The Communist government had all the bullets. We were only armed with an idea, and that is workers ought to be free to choose their own destiny. He said: My friends, ideas are more powerful than guns.

This man was no intellectual, no politician or diplomat, he was an unemployed electrician. And 10 years later he walked into this building as the President of his country, saying that workers have rights.

Our country embraced him. Our country embraced the effort and the sacrifice by Lech Walesa and so many others in the country of Poland in support of workers rights, in support of labor unions, in support of the very things we are talking about today.

It is interesting that it was Lech Walesa and Poland that lit the fuse that created a free Eastern Europe. In country after country, he lit the fuse that started it all and changed the world—the power of one and the power of an idea.

My colleague from Iowa is talking about the power of an idea, and this is not a new idea; it is a timeless truth. Yes, there are some timeless truths, and that is working people have a right to expect to be treated fairly. This country is not just about people at the top; this is about people at the top and the bottom and everything in between.

In my part of the country, we understood a century and a half ago, as the wagon trains moved across the landscape in North Dakota heading west, that one does not move a wagon train ahead by leaving some wagons behind. We understood that long ago. The same is true with respect to policies in this country, especially economic policies.

The things that represented the root and the core of belief for Lech Walesa of Poland was represented on the streets of America 75 to 100 years ago about the rights of workers.

Business has rights, workers have rights, investors have rights. I understand all of that. Now we are talking about the right of people who for 60 years have understood the rules, and the rules are that if one's employer wants to work a person more than 40 hours a week, they have a right to expect to be paid overtime.

All of a sudden, for millions of families, law enforcement folks, firefighters and others, this administration wants to say: We are changing that rule; we believe employers have a right to tell you to work 50 or 60 hours and they do not need to pay you overtime.

As I said before, that is a quick way to say we do not need to create new jobs. We will just overwork existing workers. It is not fair. There is a basic sense of fairness in this Congress. That is why when this is voted on, as it was before, it will pass.

The basic contention of Senator HARKIN is that this is, at its root, unfair. It changes the rules of the game.

You can talk a lot about this country of ours. I suppose in political campaigns there is way too much negative talk about our country. But there is a lot right about our country, and much of what has been right about our country has been manifested by people who have gone to the streets and gone to the ballot boxes and effected positive change that has improved the lives of working people and raised an entire middle class in this country which did not previously exist.

This is a big issue and an important issue. It is probably not as big or important to anybody in this Senate who doesn't get paid overtime. But there are millions of families who rely on overtime, who work hard every day to get the extra hours and get the overtime pay because that is the way they send their kids to school and buy their schoolbooks and send their kids to college or buy the spring clothing—to those families, it is important. I come back again to say those are the families who know about second: Second choice, second mortgage, second shift, second job, and too often, in my judgment, they get shortchanged here in Congress.

But they will not, I repeat not, be shortchanged if the Senator from Iowa and I and others who demand a vote on this provision get a vote because we will win that vote. We won it before in the Senate. We will win it again. When we win that vote, we will stop the Department of Labor from doing this, and we will, in my judgment, have advanced two things: No. 1, the respect for the rights of American workers; and, No. 2, we will have forced the creation of additional jobs in this country, something that is desperately needed at a time when we see far too many jobs going overseas.

I don't know what the time situation is of the Senator from Iowa, but I want to make one more comment. I talk about jobs overseas because it is the core of this issue about jobs that brings me to the floor to talk about overtime. I have spoken a good number of times about this issue and I am going to talk one more time for a minute.

The symbol of outsourcing of jobs is for me Huffy bicycles. We all know about Huffy bicycles. They are 20 percent of the American marketplace. Buy a good Huffy bicycle, buy it at Sears, Kmart, buy it at Wal-Mart. It used to be made in Ohio by American workers. I am sure they were proud of their jobs. I don't know any of them. Eleven dollars an hour they were paid to make Huffy bicycles.

Between the handlebar and the fender they put a little decal on Huffy bicycles and the decal was the American flag. But Huffy bicycles are not made there anymore. They are made in China. The decal isn't an American flag anymore. They changed the decal. In fact, I was told it was the last job the workers in Ohio had to do, was replace on existing inventory the American flag decal with a decal of the globe. Huffy bicycles are made in China by people making 33 cents an hour, working 7 days a week, 12 to 14 hours a day. The workers in Ohio can't compete with 33 cents an hour. That is the struggle of American workers these days. It is a big struggle. We have big questions to answer. We have trade policies we must try to set right. We have to deal with all these issues. We have to find some way to stand up for the interests of American jobs and American workers.

This overtime issue is just one piece of that, just one piece. But to some families it is everything. It is the way they send their kids to school; it is the way they help pay their mortgage; it is the way they help provide the income to raise their families. So this is a big deal to many families in this country.

For the 6 to 8 million families, workers who are affected by this, I think they owe a great debt of gratitude to my friend, Senator HARKIN from Iowa. I will stand with him as will many of my colleagues to say he has a right to get this vote. When we get this vote we are going to win. We are going to do it not because we want to have a political argument with anybody; we are going to do it because this is very important to millions of Americans families who, all too often, are left behind in public policy here in this Congress.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank my friend and colleague from North Dakota for the eloquence of his statement and I thank Senator DORGAN for his unwavering support through all the years I have been privileged to know him and be his friend, his unwavering support for the common man and woman in this country, for working families, for our farmers and ranchers out in the West and the Midwest.

Senator DORGAN is always eloquent in his remarks. As you listen to Senator DORGAN speak, you can hear the voice of that average man and that average woman out there who are not big time lobbyists down here on K Street; as Senator DORGAN said, they don't have the shiny shoes and suspenders and whatever else. They are out there working every day, feeding and clothing their families. They have a decent life. They give their kids a good education. They do what they can to make sure their kids have a little bit better life than they have had. It is called the American dream. And no one has been a stronger supporter of ensuring that American dream for our working families than the Senator from North Dakota, Mr. DORGAN.

I thank him for all that support through all the years and for carrying on the fight for overtime and making sure our workers are paid the overtime that is due them when they work over 40 hours a week.

Earlier today I pointed out the chairman of the House Ways and Means Committee, Congressman THOMAS from California, according to the Congressional Quarterly, told a business group yesterday he thinks this foreign tax bill we have before us is doomed. Those were his words. He pointed the finger at the business community, according to today's issue of the national journal Congress Daily. Mr. THOMAS, in other words, was blaming K Street lobbyists for this bill's likely demise in the House.

It seems to me what we have is a bill that is already being slow-walked by some of the majority leadership in the Senate because the leaders on the other side don't want to vote on overtime. I hope we don't hear anything from the other side saying somehow we are to blame for slowing down this bill. We had a unanimous consent agreement. My amendment was in line to be offered. I offered the amendment in good faith. I was even asking if we could have a time agreement. Imagine that. I offered the amendment. I offered a time agreement. I couldn't even be given a time agreement by the other side.

Then the Republican side goes ahead and files this motion to recommit with an amendment on it and then they filed cloture and all this gobbledygook parliamentary stuff. What it means is we will not vote today. We will have a cloture vote tomorrow. They will not get cloture. Then I hear rumors the leadership on the Republican side will then pull the bill and somehow blame Democrats, blame Democrats, us, our side, for not getting this bill through.

I will tell you, talk about chutzpah. That is like the person who went before the judge for having killed his parents and then threw himself on the mercy of the court because he was an orphan.

The other side is responsible for killing this bill. Have no doubt. Make no bones about it. They are responsible because they don't want to vote on overtime. They don't want to vote. They get kind of wobbly in the knees. Their ankles get weak. They break out in a cold sweat when they think they might have to vote on whether to uphold the administration's proposed rules that will take overtime pay away from hard-working American families. They have to vote against the administration.

Sometimes we are called upon to represent our constituents. As hard as that may be to believe by some, sometimes we are called upon to represent our constituents, not the administration but to represent our people.

The administration may want to take away overtime pay. That may be their position. But at least we ought to have the right to vote on whether we ought to uphold that decision.

I know it may come as a shock to many Americans, but sometimes we are not allowed to vote in the Senate. We are not allowed to vote on an amendment. I have my amendment pending. They won't let us vote on it because they filed this cloture motion, this parliamentary device,

As the Senator from North Dakota said, I don't care how many times we have to be here. We will be back, we will be back, we will be back to vote on whether we are going to take overtime pay away from American workers.

If we don't vote on it tomorrow, we will vote on it some other time, or my friends on the other side will continue to pull bill after bill after bill because they don't want to vote on it. Maybe they think they can just go ahead and issue the final regulations. Then it will be sort of a fait accompli. Evidently, we will not do anything.

I am sorry, Mr. President. If that is the case, we will be back with an amendment to say they will not go into effect until we have had open and public hearings on these regulations.

We will have a vote on it. My friends on the other side of the aisle are just putting off the inevitable. Maybe for one reason or another they don't want this bill to go through anyway. That is kind of an odd position, as I said to the Senator from North Dakota. As the chairman of the committee said this morning, under the international agreements we have on trade, the World Trade Organization rules that our pretax policy is an illegal export subsidy, and consequently the WTO has authorized Europe to go up to $4 billion a year against certain U.S. exports. The sanctions began on March 1. They started at 5 percent. Then they go up 1 percent a month, all the way up to 17 percent over the course of a year. I don't want to pay those tariffs. I don't want to pay those penalties.

I would like to get this bill through. The other side, though, simply because they do not want a vote on overtime, is saying they are going to go ahead and pay these tariffs. It seems to me what they are saying is they would rather pay tariffs to Europe than overtime to workers. That is exactly what is happening. Pay the tariffs to Europe but don't pay overtime to our workers.

A lot has been said about the American worker and working families. I wonder how many people know that right now American workers work longer per year than anyone else in the industrialized world. This chart shows it. For the years 2002 and 2003, American workers are working in the United States almost 2,000 hours a year—more than Australia, Japan, Spain, Canada, the United Kingdom, Italy, Sweden, or Germany. Not only are we working longer hours per year, we are now being told if we work overtime we will not get paid for it.

Do you know what is going to happen if these rules go into effect? This bar will go way up because then employers will work their employees longer because they don't have to pay them overtime. We already work longer.

What is the history of this bill? This kind of gets to the crux again of what is happening here with the proposed rules on overtime. I said last summer when I offered this amendment and it was adopted by the Senate, the biggest impact of taking away overtime pay protection would be on women. People wondered why I said that. Why would women be impacted most? For two reasons: One, because the annual hours worked by middle-income wives with children in 1979 were 895 hours a year. By the year 2000, that had gone to 1,308 hours a year. Women with children are working more—not quite double but almost—than what they were a mere 21 years ago.

Most of these jobs are in certain types of clerical positions in which women have been engaged. Some of them are in positions which are going to be reclassified under the proposed rules as "professions." These are the kinds of jobs that are mostly held by working women, and mostly by working mothers. The biggest impact will be on working women. The initial wave of impact will be on working women.

I have a statement from Susan Moore of Chicago. She said:

> I am currently entitled to time and a half under Federal law. I know for a fact that is the reason I am not required to work long hours like the project managers who are not entitled to overtime pay. My supervisor has to think hard about whether to assign overtime to me because he has to pay for my time. That means more time for my family and that time is important to me. If the law changes and I lose my right to overtime pay, I will be faced with the impossible choice of losing time with my family or losing my job.

This is a statement from Sheila Perez of Bremerton, WA. She said:

> I began my career as a supply clerk earning $3.10 an hour in 1976. I entered an upward mobility program and received training to become an engineer technician with a career ladder that gave me a yearly boost in income. It seemed, though, that even with a decent raise every year, I really relied on overtime income to help make ends meet.
>
> I am a working single parent. There are many more single parents today with the same problem. How does one pay for the car that broke down or the braces for the children's teeth? Overtime income has been the lifesaver to many of us.
>
> When I as a working mother leave my 8-hour day job and go home, my second shift begins. There is dinner to cook, dishes to wash, laundry and all the other housework that must be done which adds another 3 to 4 hours to your workday. When one has to put in extra hours at work, it takes away from the time needed to take care of our personal needs.

Listen to Sheila Perez who is from Bremerton, WA, a single parent. She says:

> It only seems fair that one should be compensated for that extra effort of working overtime. Overtime is a sacrifice of one's time, energy, physical and mental well-being. Compensation should be commensurate in the form of premium pay as it is a premium of one's personal time, energy and expertise that is being used.

If I might interpret what Sheila Perez is saying, she says: I am a single parent. I work hard. I rely on overtime. When I get home from work, I have another job taking care of my kids, doing all of my laundry. My time with my kids at home on the weekends is my premium time. If I am being asked to give up my premium time to work on the job, I ought to be given premium pay.

I can't say it any better than Sheila Perez. Again, it is another example why this is going to hit working women the hardest.

I am just notified that CongressDaily, as of 3 p.m., which was only about 40 minutes ago, had this statement. CongressDaily comes out during the day, and at 3 p.m. said:

> A senior GOP leadership aide reiterated today that GOP leaders will refuse a floor vote on the amendment from Senator Tom Harkin, D-Iowa, to strike a labor provision involving overtime pay for white-collar workers.

I don't know if that is true. It is being reported in CongressDaily at 3 p.m. that they will refuse a floor vote on my amendment; refuse it. Why is it they get so wobbly in the knees, with weak ankles, and break out in a cold sweat? Maybe they are just afraid of George Bush. Maybe they are afraid of the administration downtown.

I say to my friends on the other side of the aisle, don't be afraid of them; be afraid of the people you represent. They are the ones who pay your salary. They are the ones who vote to send you here. They are the ones whose overtime is being assaulted, not the President and the people down at the White House.

Last summer in August, Peter Hart Research Associates, a well-known national pollster, did a poll. This was the question: There is now a proposal to change the Federal law that determines which employees have the legal right to overtime pay. This proposal would eliminate the right to overtime pay for 7 million employees who now have that right. Do you favor or oppose this proposal? In favor, 14 percent; oppose,74 percent.

That is not even close. I can understand why the other side would not want to vote on this. Maybe they feel dutybound, politically bound, party bound to support their President. Therefore, they would not want to vote because they know 74 percent of the American people are opposed to this proposal to take away their overtime pay, the right to overtime pay.

This is an issue that strikes, as so many before me have said, at the heart of fairness and equity to American workers. What could be more fair than if you have to work over 40 hours a week, you have to be paid time-and-a-half overtime? That is the Fair Labor Standards Act, 1938.

What is a little known fact is that a debate raged in this country for a long period of time—I would say almost 40 years from the end of the 19th century to the middle of the 20th century, at least until 1938—on restricting the number of hours that an American worker had to work without getting some kind of extra pay. Remember, in those days we even had child labor; we got rid of that. The American workers were working 50, 60, 70 hours a week with no protection by labor unions, no rights whatever. Finally, slowly but surely, organized labor grew, more and more rights were attained by our workers, and then the debate ensued about how many hours a week should a worker work without being paid overtime.

A little known fact: In 1937, this Senate, in this very Chamber in which we find ourselves today, right here in this Chamber, the Senate, in 1937, voted to establish a 30-hour workweek. Imagine, right here in the Senate where we are standing, the Senate, in 1937, voted for a 30-hour workweek. The debate ensued, and finally, by 1938 they compromised. The compromise was a 40-hour week with time-and-a-half overtime. Think about that: the Senate, in 1937, actually voted to establish a 30-hour workweek. Today, we cannot even get a vote in the Senate on whether we will pay people overtime to work over 40 hours a week. We cannot get a vote on it.

That says something about the difference of the Senate in 1937 from the Senate in 2004. I wonder how many votes the Senate would get today if someone offered a vote to establish a 30-hour workweek. Do you think it would get 10 votes? In 1937 they got a majority of the votes, right here in the Senate. Yet now they are working longer and longer hours every year. More and more people are being made to work over 40 hours a week and not being paid for it.

The reason I hear so much is we need to reclassify workers. The reclassification they are talking about basically would hit women the hardest, would reclassify them as being professional and therefore exempt from overtime. Again, they have done this without having one public hearing. I think they thought they could get by with it; just issue these rules and that would be the end of it. The American people have spoken loudly and strongly, saying they are not going to sit down and let their rights to overtime pay be taken away.

Congress Daily, today at 3 p.m. says, quoting a senior GOP leadership aide, GOP leaders will refuse a floor vote on my amendment.

As I said a week or so ago—and I see my colleague from California—and I am not in the habit of quoting the present Governor of California, the movie actor, but I will quote him in saying "I'll be back." We'll be back. This is not going to go away. If the other side thinks by doing these parliamentary tricks that somehow we will give up, they are wrong.

Mrs. BOXER. Will the Senator yield?

Mr. HARKIN. We will not give up because we are fighting for the rights of American workers to have justice and fairness in their working conditions. As Sheila Perez said, from Bremerton, WA, if she is forced to give up her premium time, her time with her family, she ought to get premium pay.

We will continue to fight for this.

Mrs. BOXER. Will the Senator yield?

Mr. HARKIN. I am delighted to yield.

Mrs. BOXER. I was hoping my friend would stay. I would like to ask a series of questions and give him some information. Does the Senator have the time to stay?

Mr. HARKIN. Why don't I yield the floor so the Senator can be recognized.

Before I do, let me thank my colleague from California, Senator BOXER, for her longtime unyielding support for our working families. No one has fought harder, more consistently, and with such eloquence than the Senator from California. I know the people of California recognize in Senator BOXER they have a fighter who will not give up and who will not back down in fighting for their families' rights.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I thank my friend, Senator HARKIN, for his wonderful words. It means so much to me coming from him, someone who has been in this Senate for so many years, a voice of the working people. By the way, that is most of the people in this country who have to work for a living. In many families, as we know, two people are working, and in many families they work overtime to be able to pay the bills and college tuition and health care, and on and on. This issue is crucial.

I also thank Senator BAUCUS for being so strong in his support of allowing a vote on this amendment.

It is very important because, as my friend said today at lunch—I had the honor of listening to Senator HARKIN speak as he made the point—how can you do a jobs bill and not look at the issue of overtime, which if the administration has its way will be taken away from probably 8 million people? As my friend, Senator HARKIN, relayed the history, it is a stunning situation that we find ourselves refighting the issue of overtime in the 21st century.

I wish to share with my colleague something that is very interesting, a bit of correspondence that has gone back and forth. When I saw Secretary Chao—by the way, I find her to be a very nice person. I like her. We have a very nice personal relationship. This is not personal. I asked her about the regulation. I said: My people at home are very afraid of this regulation because they think they will be denied overtime.

She said: Oh, it's hardly going to affect anybody.

I said: All right. Instead of asking you about every category, let me tell you that my police men and women, my firefighters, and my paramedics—my first responders—are very concerned about losing their overtime.

She said: Senator BOXER, not a chance. This is not even going to happen.

So I wrote her a letter, and I said: Secretary Chao, you know I oppose this. I am very worried about it. Can you please explain to me why I should not be worried? So she writes back a letter. I wrote her on February 9, and on February 26 I was very pleased that she answered the letter, and she explains why, in her opinion, firefighters and first responders and policemen will not be impacted.

Mr. President, I ask unanimous consent to have printed in the RECORD my letter to Secretary Chao and her response.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
HART SENATE OFFICE BUILDING,
Washington, DC, February 9, 2004.

Secretary ELAINE L. CHAO,
U.S. Department of Labor,
Washington, DC.

DEAR SECRETARY CHAO: As you know, I object to the Department's proposed regulations on "white collar" overtime exemptions to the Fair Labor Standards Act. The proposed changes threaten overtime pay protections for millions of Americans. I oppose any proposal that threatens overtime pay for vast numbers of hardworking Americans.

I have heard from a variety of professionals with concerns about this rule. I am particularly concerned that the International Union of Police Associations (IUPA) estimates that 50% of police officers would lose overtime protection under the current DOL proposal. And, according to the American Nurses Association, "this proposed rule could virtually eliminate every registered nurse in an 'administrative position' from overtime pay." According to the Economic Policy Institute, 234,000 licensed practical nurses would lose their overtime protection under your proposal.

I know that you disagree with that conclusion. You testified before the Senate in January that the Department's overtime reform proposal "will not eliminate protections for police officers, firefighters, paramedics, and other first responders." You went on to add other professions that would not be affected including nurses.

First responders themselves disagree with your claim. I write to ask you to explicitly exclude these categories of workers from your final rule. That would provide the certainty our first responders need to ease their fears of losing overtime pay. They stand ready to respond to another crisis resulting from everything from the spread of a deadly virus to a terrorist attack. As they stand prepared to protect us, the least we can do is protect the overtime pay they deserve.

Sincerely,

BARBARA BOXER
U.S. Senator.

SECRETARY OF LABOR
Washington, DC, Feb 26, 2004.

Hon. BARBARA BOXER,
U.S. Senate, Washington, DC.

DEAR SENATOR BOXER: Thank you for your letter dated February 9, 2004, regarding the Department of Labor's proposal to update Part 541 of the Fair Labor Standards Act regulations, known as the "white collar exemptions." You expressed particular concern about the impact of the proposed regulations on police officers, fire fighters, paramedics, and nurses. I appreciate the opportunity to respond.

As I testified on January 20, in a hearing before the Senate Labor-HHS Appropriations Subcommittee, we take strong issue with the claim that these reforms—even as proposed—would take away overtime pay from rank and file public safety employees.

First, police officers, fire fighters, paramedics, and other first responders are not white collar employees. They do not perform office or non-manual work. By definition, they are not covered by Part 541.

Second, a large number of such employees—such as those represented by the International Union of Police Associations—are covered by collective bargaining agreements, which are not affected by the current or proposed regulations. We also believe it is unrealistic for unions to claim that overtime pay granted under a current collective bargaining agreement is likely to be revoked during a new negotiation. That would imply that the union could not obtain any wage or benefit for members outside of what is required by law. For example, that is clearly not the case for registered nurses represented by a union.

Third, many public safety employees, as well as nurses, are paid on an hourly basis. Hourly workers are not affected by Part 541 under either the current or proposed rules.

Moreover, those public safety employees who are paid on a salary basis and may be

> earning less than $22,100 a year will immediately gain overtime protection under our proposed rule. They would be among the estimated 1.3 million low-salaried workers who would gain overtime protection who do not have it today. The Fraternal Order of Police (FOP), the nation's largest police union, and the International Association of Fire Fighters (IAFF) have stated that they do not oppose the Department's rule. They believe many of their members would benefit by it.
>
> Registered nurses (RNs) can already be classified as exempt professionals under current law, based on their education and duties. The proposed regulation makes no change in this regard for registered nurses. The fact is, however, that many RNs are paid on an hourly basis, or are covered by a collective bargaining agreement, and therefore would be entitled to overtime pay under current law. You may be interested to know that the Department of Labor recently collected over $200,000 in back wages for RNs in New Jersey who had been wrongly denied overtime pay.
>
> We disagree with the Economic Policy Institute's estimate that 234,000 licensed practical nurses (LPNs) would lose their right to overtime pay. LPNs, with all due respect for their skills and service, would not meet the test for exempt professional under either current law or the proposed regulation.
>
> The final regulations are still in development. I can assure you, however, that it is not our intention to deny overtime pay to police officers, fire fighters, paramedics, or LPNs, or to change the current rules with respect to RNs. You and many others have recommended that we make this intent explicit; and, of course, we will take this and all the other comments and opinions that have been put forward into careful consideration.
>
> Sincerely,
>
> ELAINE L. CHAO.

Mrs. BOXER. Well, it did not end there, I say to my friend from Iowa. I got a visit from police officers in my office here in Washington, and what is on their agenda, the first thing? Overtime. I said: Well, look, I am going to do everything I can to protect you. I raised this issue with Secretary Chao. She answered my letter. She says you have nothing to worry about. Will you please go over her answers, and can you please comment back to me as to what you think of her opinion on whether you will lose overtime?

So I have blown up for you to see, I say to Senator HARKIN and Senator BAUCUS, something you might be interested in. These quotes go side by side.

Secretary Chao says in her letter to me:

> First, police officers, firefighters, paramedics, and other first responders are not white collar employees. They do not perform office or non-manual work.

So, therefore, she is essentially saying they will not fit into this revision of the rules because they are not white-collar employees. This is what she says about police officers.

This is what my police officers write back:

> Many police officers do not drive black and white patrol vehicles and perform only enforcement/patrol duties. Police officers also serve in investigative and other capacities. As such they do not wear uniforms and a great deal of their work is performed in an office.

So here she is saying they are not white-collar employees and they say many times their work is in the office.

> In cold case units—

You know what a cold case is: an old case. They call it a cold case. They just put it aside—

> The vast preponderance of their duties entail reviewing files and records in the office.
>
> With the increased use of technology many officers are spending more and more of their time performing office, non-manual type work to facilitate the detection and basis for apprehension of criminal suspects.
>
> Without an explicit non-exempt status—

This is the key point—

> Local agencies interpreting the regulation may well determine that those employees are white collar and perform office work—and then exclude them from overtime coverage. If this were to occur, many of the most talented officers would choose not to be promoted (to the detriment of the Department) due to monetary concerns.

So with all due respect to Secretary Chao, who is, as I say, a friend, her comment that they are not white-collar employees is not at all clear. So that is one difference.

Now let's go on to the other differences. This is why my police officers are absolutely in favor of what Senator HARKIN wants to do, which is to reverse the move of the administration.

Secretary Chao's letter says:

> Second, a large number of such employees—such as those represented by the International Union of Police Associations—are covered by collective bargaining agreements, which are not affected by the current or proposed regulations. We also believe it is unrealistic for unions to claim that overtime pay granted under a current collective bargaining agreement is likely to be revoked during a new negotiation.

So that is her second point. First, they say they never do white-collar work. Wrong. Now she says their collective bargaining agreements could never be overturned.

Let's see what the California police officers say:

> The clout of independent police associations varies widely. Some would be able to protect their contract-required overtime, others would not. Many overtime provisions in collective bargaining agreements refer to the regulations or statutory requirements. Those overtime provisions would end with statutory or regulatory changes and would not even extend to the next negotiations.
>
> To assume that it is "unrealistic" that contract provisions once granted would not be revoked is simply ignorant.

Those are strong statements.

> Contract provisions are frequently revoked during the collective bargaining process. The regulatory or statutory requirements currently in place have held at bay any attack of the overtime agreement.
>
> Regulatory and statutory requirements have been a major contributing factor in the successful recovery of moneys owed and withheld by employers in violation of respective collective bargaining agreements.

Mr. HARKIN. Will my colleague yield?

Mrs. BOXER. Yes, I yield to my friend.

Mr. HARKIN. I thank my colleague for pointing this out. I think this does clarify it. Because who better to respond than the people being affected, the police officers?

Mrs. BOXER. Exactly.

Mr. HARKIN. I say to my friend from California that this, right here, is very instructive:

> We also believe it is unrealistic for unions to claim that overtime pay granted under a current collective bargaining agreement is likely to be revoked during a new negotiation.

I ask the Senator, am I correct that what she is actually saying is, however, now overtime pay will be a negotiable item?

Mrs. BOXER. Exactly.

Mr. HARKIN. See, now it is nonnegotiable.

Mrs. BOXER. Exactly the point.

Mr. HARKIN. Am I right on that?

Mrs. BOXER. Right. They say right here:

> If it was such a foregone conclusion that represented employees could negotiate and maintain overtime protections absent statutory and regulatory requirements, the law and regulations would never have been made applicable to any workers under a collective bargaining agreement.

Mr. HARKIN. I thank the Senator from California. This really does point out what is very important.

Again, I ask the Senator if I am correct in my interpretation, because I want to make sure I am clear on this, that right now, for these certain classes that are not being reclassified as it exists, if you work over 40 hours a week, you have a contract negotiation that is not even negotiable because you are covered by overtime law.

Mrs. BOXER. That is right. You have the statutory protection, which they are now going to take away from these workers. They are taking it away and saying: Well, you can fix it with your collective bargaining.

Mr. HARKIN. See, that is it.

Mrs. BOXER. And she says, you have it anyway in your collective bargaining, which is not always the case. I think what the police officers have done, in dissecting this, is to be the truth tellers here.

There is one more chart. Secretary Chao says in her letter:

> Third, many public safety employees, as well as nurses, are paid on an hourly basis. Hourly workers are not affected by Part 541 under either the current or proposed rules.

This is what the California police officers say:

> Employers have made determinations on who is exempt based on the totality of the regulatory requirements. Some will view any modification as a basis to reconsider exempt status. Collective bargaining agreements generally do not state that employees are "hourly" employees. Employers would challenge that assertion.

So that is another point.

Then Secretary Chao says:

> Moreover, those public safety employees who are paid on a salary basis and may be earning less than $22,100 a year will immediately gain overtime protection under our proposed rule.

They say:

> Fine. But this does not apply to and will not affect any California public safety officers.

Thank God we pay them more than $22,100 to protect our lives and our children's lives. So that is a useless deal in this category of workers.

Lastly, she writes:

> I can assure you, however, that it is not our intention to deny overtime pay to police officers, fire fighters, paramedics, or LPNs, or to change the current rules with respect to RNs.

Here is what the police officers say:

> We in police work subscribe to a common rule: Say what you mean, mean what you say and memorialize it in print. If the intent is not to deny overtime, then put it in writing.

By the way, that was in my first letter I sent to Secretary Chao. I said: You keep saying they are not affected. Why don't you change your rule and simply exempt first responders, and then at least my police and firefighters and nurses and paramedics will not be so upset.

Mr. HARKIN. The Senator has done something of great value to all of us by bringing this out. A lot of the time we hear these things, but this puts it in focus.

The Secretary says:

> Hourly workers not affected by part 541 under either the current or proposed rules.

But is there anything in the proposed rules that would prevent an employer from saying: OK, you were an hourly worker. We have now reclassified you. You are now a professional. Don't you feel good? You are now a professional. And guess what. You don't get overtime.

There is nothing to stop them from doing that.

Mrs. BOXER. Even more to the point, collective bargaining agreements generally do not state that employees are hourly. So it is very easy for an employer to say: Show me in your contract where it says you are hourly, even if you formally are. So people are going to be stuck, and they are not going to get their overtime pay.

At the end of the day we have to get back to this bottom line. The Secretary says:

> I can assure you, however, it is not our intention to deny overtime pay to police officers, fire fighters, paramedics. . . .

I say to my friend, put it in writing. I think that is pretty obvious. They will not put it in writing.

I am so happy that my friend brought this up. When I first approached Secretary Chao, we had a very friendly conversation. It was right out here.

I said to her: My people are up in arms. Talk to me. What are you doing? Well, it is hardly going to affect anybody, she said.

I said: Well, if it is going to affect hardly anybody, why bother? That doesn't make any sense.

Then I said: My policemen, my firemen, my first responders are really over the top on this.

And she said: They are not affected.

That is why I wrote to her and said put it in writing. She said: It is not necessary, they are exempt because they are not white collar, and all the rest.

Here we find out from the police officers themselves how silly the Department of Labor position is because of the fact that many of our criminal cases are solved now on computers in the office, doing investigatory work.

I don't know exactly what is going on except an effort to undermine working conditions and pay for millions of people.

I want to read one more letter and then I will leave the floor. This is from SGT Mark Nichols, President of the Santa Ana Police Officers Association in Orange County:

> Public safety in California is facing a major crisis as we try to get back on our feet fiscally. To eliminate the Federal non-exempt provision at this time when dollars are scarce would be akin to placing a huge bull's eye on the already beleaguered morale of our members. We are currently stretched further than is prudent. To give our employers the opportunity possibly of stretching us even further to save an extra buck or two could be devastating to a profession already facing recruitment and retention problems.
>
> We are a profession that works 24 hours a day, seven days a week, 365 days a year. I personally left a salaried position to join police work. Being compensated for extra work at the overtime rate was a big factor in my decision. We are continually required to extend our workday or return to work from off duty time. This is a difficult enough job, with its disruptions and hardships placed on our members and our families. To even allow for the possibility that police officers could lose their non-exempt status and overtime provisions is irresponsible.

I thank my friend. I know he has to go to other Senate business. I will ask for a quorum call in a moment. But I will yield to him for one more comment. I just say thank you on behalf of my police officers, my nurses, my first responders. I can't thank you enough.

Mr. HARKIN. The Senator, basically, is thanking the wrong person. The Senator should look in the mirror if she wants to thank someone. The people of California are privileged to have a fighter like BARBARA BOXER representing them in the Senate. I mean that. Not only is the Senator a personal friend of mine but someone I admire so much because she never backs down. When Senator BOXER speaks, you hear clearly the voices of the common man and woman, the person who doesn't have a voice here, individuals who will never set foot on the Senate floor, who never will be privileged to speak in this hallowed Chamber. The Senator from California speaks for them.

Mrs. BOXER. I thank the Senator. He made my day. I am so privileged that he would say such words to me. On this issue, we will not back down. We will stand together with many of our colleagues. Interestingly, a majority of the Senate already voted with the Senator. All we are asking is give us a vote on behalf of the policemen, the policewomen, the first responders, the firefighters, the nurses, the paramedics. Let us make sure we do not take away their overtime pay because to do so would be an enormous hardship on them and on their families at a time when we should be elevating them in status and saying to them, thank you, not only in pictures that we love to show with our arms around them—and we all do that—but in deeds. We really mean what we say, and we say you will not lose your overtime pay.

I hope we can get a vote on this important amendment and move on to the rest of the bill which is quite important.

I thank the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CHAFEE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, last week, I was in Nevada and I visited a number of police stations and fire stations. Let me direct our attention to the Henderson Police Department that I met with. The chief, the deputy chief, and a number of police officers were there. It was time for a shift change. A number of hard-working police officers were there. I expected them to talk about homeland security and their obligations as first responders. They wanted to talk about that, of course, about the unfunded mandate passed on to police departments in Nevada and all over the country. Henderson, NV, is the second largest city in Nevada. By most standards, it is not really large—about 250,000 people. It is a suburb of Las Vegas, where I went to high school.

They didn't want to talk about homeland security and first responders initially; they wanted to know what is happening to their overtime. That is what is on the minds of firefighters and police officers all over America. As has been established on the Senate floor in the last 2 days during the pendency of the Harkin amendment and efforts to deprive us of a vote on that, people in our country are very concerned about what this administration is doing regarding overtime. This affects about 8 million working men and women in this country. Specifically, it is directed to police officers, who I talked about; firefighters, who I have talked about; and nurses.

A group of young people visited me today in my office upstairs. They were here representing a group of young Jewish leaders from Las Vegas. I asked them what they were going to do and what they were doing. One young lady said she was a student studying to be a nurse. She had less than 2 years to go to complete her degree. I didn't say anything, but what I wanted to say is, Do you know what has happened with this administration? They are trying to take away your overtime. They are trying to make it so that if you are working in a hospital and there is work that needs to be done, you can do it, but you won't get paid for it. I didn't say that to her, but that is what I felt like saying.

Being a chef now is very in vogue. When I was younger, to have somebody say they were going to go to school to be a cook, you didn't hear much about that. Now there are a lot of young men and women who go to school to learn to be a chef. That is the thing to do; it is one of the things to do. They work very hard. People don't realize how hard they work. As their jobs require, especially when big things are going on in the restaurants and they get a convention or some kind of a wedding or anniversary, they are required, because they have a lot of work to do, to work more than 8 hours a day, 40 hours a week. Under the proposal we have from the President, they won't be able to get their overtime. Anyone making more than $22,000 a year is, in effect, prevented from getting overtime.

Clerical workers: Why would you want to take the ability of somebody required by virtue of their work to put in extra time and not be paid for it?

Mr. President, the Fair Labor Standards Act, more than 50 years ago, said if a person works more than 8 hours a day, more than 40 hours a week, except under contractor situations, and some other exemptions—few in number—they are to be paid extra, time and a half, and for working holidays, double time, meaning they work 1 day and get paid as if they worked 2.

Physical therapists, reporters—that is a strange way to punish reporters, but I guess you can do it that way. If you are in the middle of something big, you can just say "stop" because you are not going to get paid.

Paralegals, dental hygienists, graphic artists, bookkeepers, lab technicians, and social workers—these are the people included in the 8 million Americans who would lose overtime protection under the proposal of President Bush. That is a shame. It is too bad and it is not fair.

When these police officers and firefighters ask me about overtime—when you go to these kinds of meetings, you don't want to be partisan. That takes away the purpose of your being there. What was I to say? I could only respond that our President has suggested—I should not say suggested—he has directed this. There is now, of course, a rule in effect, which is working its way through the process, to take away the ability of people who make more than $21,000 a year to make overtime pay. I told them that.

They are worried about their overtime pay. Families depend on overtime. It is not just the firefighters I saw in Reno or the police officers I met at Henderson whom I spoke about. It is families all over the country who depend on overtime.

As I have indicated, it is not only the firefighters, not only the police officers, nurses, flight attendants, preschool teachers, cooks, secretaries, fast-food shift managers, but 8 million others will lose their right to overtime pay under the new rules the administration wants to adopt.

We hear speeches on this floor, we hear speeches at high school graduations, we hear lectures given to us from the time we are kids until the time we pass on that this country is built upon hard work, that hard work has enabled generations of Americans to own a home, buy a car, do things to make a stronger community and give their children a good education. They say if one works hard in America, that is all it takes.

Americans have been willing to work hard and reach their goals. We are working longer now than we ever have before. Almost one-third of the labor force in our country regularly works longer than a 40-hour week. Twenty percent, 2 out of every 10 workers in America, work up to 50 hours a week. The Fair Labor Standards Act recognized employers would take advantage of employees if they were not required to pay overtime. That is why the Fair Labor Standards Act was passed.

The principle of overtime pay for those who work more than 40 hours a week was part of that act. It was the main purpose of that act. This legislation recognized hard work rewarded those who worked the hardest. Families who work hard depend on overtime pay. In fact, families that work overtime earn 25 percent of their pay in overtime. The administration's proposal would cut their pay by 25 percent.

It would also mean fewer jobs. Why? Of course it would be fewer jobs, because why would an employer bother hiring somebody else when they can just have whoever is working—a nurse, a clerical worker, a reporter, a graphic artist, a social worker—why hire another one? Just make them work more hours. They may not have to work a full shift, just have them work 2 or 3 hours a day. That way they will not have to hire a new person.

Of course, it would mean fewer jobs because companies would simply force their employees to work longer hours instead of hiring new workers. In the current economic condition, when millions of Americans are out of work during this administration, the last 3 years, there have been almost 3 million jobs lost. It does not make sense to do something that will stifle the creation of new jobs when in the private sector we have already lost almost 3 million jobs. Even for the workers who would still qualify for overtime, this is a bad rule, because some by contract would allow people to be paid overtime. Why? Because big companies would force overtime-exempt workers to put in longer hours and cut the hours of those qualified for overtime.

This rule is bad for so many reasons. It punishes working families by cutting their pay. It prevents the creation of new jobs and dishonors hard work, which is one of the things I have talked about, one of those things that has made this country great. Well, these are strong, convincing arguments, not because I made them, but because they are common sense. That is what has been said on this floor during the last 2 days.

Last night, I asked, why are my colleagues going to try to invoke cloture? I heard they were going to file a petition for cloture. I asked that question when we were doing our closing, when the distinguished majority whip said he was sending a petition to the desk to invoke cloture. I asked, why would he do that?

I cannot understand why he would do that. I asked why, because the House overwhelmingly said they wanted to have this overtime rule rescinded, and in the Senate we voted to rescind this rule.

My distinguished friend, the senior Senator from Kentucky, said we voted on it once. Why do we need to vote on it again?

Let me show my colleagues what we are talking about. The majorities in the Senate and in the House voted against the Bush overtime proposal on September 10 of last year. Yes, we had a vote on it once before. My distinguished friend is right, September, October, November, December, January, February, March—yes, we had one. I counted it on my fingers. It was more than 6 months ago when we had a vote in the Senate, 54 to 45. It did not go party-line votes, but it was close. There were some courageous Republicans who voted against the party line, one of whom is sitting in the chair. They voted against this issue, and it passed.

Not long after that, less than a month after that, the House, by a party-line vote said, no, we do not want to rescind it, they knew they were wrong because of what I have said today, that it punishes working families, it prevents the creation of new jobs, it dishonors hard work, and they recognized that. So by a vote of 221 to 203, the House voted to have the instruction go to the conferees to take what happened in the Senate and rescind what the President had done.

In the middle of the night, the Republican majorities in the House and Senate, without a single Democrat being present, took the Harkin-Kennedy amendment—that is this amendment right here, passed by a vote of 54 to 45—out of the omnibus bill. It comes to the floor and it is not in the bill. Surprise, surprise. Even though it passed, they took it out.

Yes, my friend from Kentucky is right; we had a vote on it over 6 months ago, and by some phantom-like work in the middle of the night, contrary to what I think are rules of fairness, and just brute power, they stripped this from the bill.

By recorded votes, the House and the Senate said they wanted this rule changed, but in spite of our constitutional framework, in spite of the rules we have in the Senate and House and the rules that work to keep the two bodies working together, they were abrogated and we came up with this strange situation.

No, the conferees did not follow these heavy votes. When this bill was rolled into the omnibus, the conference committee struck it. I repeat, the conference committee, which excluded Democrats, ignored the votes of Congress and in doing so ignored the voice of the American people.

I respect the opinions and views of every Member of the Senate, whether or not I agree with those views, because I know every Senator was elected by the citizens of their State. Every Member's opinion carries weight with me because I believe every person in America has a right to be heard. In order for the people to be heard, the votes of those who represent them must count for something in Congress. Unfortunately, the conference committee that stripped Senator HARKIN's overtime amendment out of the Omnibus appropriations bill said our votes do not count; the voice of the people does not count; the voice of the people does not matter. Meeting behind closed doors, the committee disregarded the will of Congress and ignored the voice of the American people. So we have to have another vote on this.

We have had those on the other side of the aisle say this is an important bill. Why are we doing this?

Senator HARKIN has said he would take a time agreement. What does this mean? We have unlimited debate in the Senate. I think Senator HARKIN would take 15 minutes, give the majority 15 minutes, and then vote, an up-or-down vote on whether we want to have a rule in the United States that police officers, nurses, cooks, clerical workers, firefighters, physical therapists, reporters, paralegals, dental hygienists, graphic artists, bookkeepers, lab technicians, and social workers and on and on—8 million people are not going to be able to get overtime. I want a vote here. We want a vote. We are entitled to a vote. The only vote we had, the voice of the people, was stricken in the middle of the night. If this is an important bill, can't we afford 15 minutes to vote on this amendment?

The reason they don't want a vote on this amendment is because they know this amendment of Senator HARKIN will pass and the Secretary of Labor will have to issue new directions.

The purpose of the underlying amendment is to protect the jobs of American workers. It is a measure that protects the overtime pay of 8 million people, 8 million people who have families. Remember, 20 percent of these people work up to 50 hours a week; 25 percent of them depend on this overtime pay to make car payments, house payments, furniture payments, to send their kids to school. The voices of the American people are clear, just as the voices of the police officers and firefighters I met in Nevada last week were clear. They want us to protect the overtime pay their families depend on. We have a duty as legislators, national legislators, to stand and speak for the people we represent.

This bill, which is an important tax bill, the majority is willing to take down. The majority is willing to take down this important tax bill that we support on our side. They are willing to take it down, to have it go into limbo as so many other things do, like the gun legislation, like other bills. We can't seem to have closure on much of anything around here because the majority is unwilling to take tough votes. If it is something they disagree with, procedurally they just block us from voting on it.

This matter, that is, overtime pay for 8 million people, is going to be something we are going to vote on. The responsibility for this bill being taken down is not at the hands of the Democrats. It is at the hands of the majority party, the Republican Party, which refuses to have a vote on repealing a decision made by the President of the United States that takes away overtime pay for people who make more than $22,000 a year, as I have listed on this chart. It is wrong.

I told people twice yesterday that seeking to do away with this amendment by a parliamentary maneuver is not going to accomplish anything. We are wasting time. I can just see it now. The majority leader is going to come here and say we don't have time to do these important pieces of legislation; we are so busy.

We are busy wasting time. That is what we are doing. We wasted yesterday. We wasted all day today. We are having a cloture vote tomorrow. Cloture will be defeated. But to even show the complicity of what is happening here by my friends on the other side of the aisle, they were unwilling—they didn't have the nerve to file cloture on the underlying bill. Why? Because it would show directly what they were doing with the Harkin amendment. So they have developed this very interesting procedure where they have a motion here to recommit. The only reason they are doing it this way is so they do not have a direct attack on the FSC/ETI bill, the underlying bill here, and the Harkin amendment. They are going around that and saying we have this motion to recommit. If cloture is invoked, the bill comes back in its regular form.

Say whatever you want to say in however many ways you want to say it, this is an attempt to stop Senator HARKIN from having a vote on this overtime issue. It is wrong. No matter how many times people say we are going to be able to vote on it some other time, the record is replete with our cooperating in the first few months of this legislative session.

We have said to Senator HARKIN on many occasions, Let us go ahead and do this legislation. Let us work on this legislation. You can offer it on the next piece of legislation. And then the next piece of legislation.

We are at the end of the rope. The American people will no longer let us avoid this issue. This is an issue that must be addressed and we are going to address the issue because it is the right thing to do. Eight million Americans are depending on us, and $22,000—it is as if somebody who makes $22,000 a year and then gets overtime pay is committing some type of crime. Is that ruining our country? As I established here statistically, no, it is not. It is good for our country. Overtime pay creates more jobs. It rewards hard work. It allows people to maintain their standard of living—which isn't very high. Remember the starting point is $22,000 a year.

I hope in the days and weeks to come and the few months we have left in this legislative session, where we have 13 appropriations bills to pass and many other items, people remember the wasted time this week. All we want is a simple vote on overtime. Fifteen minutes of debate and vote. They will not let us do that because they know it would show the President of the United States is wrong, wrong in trying to take away overtime pay from people who make $22,000 a year or more. It is wrong.

They will not let us vote on this. We are going to continue coming back as often as we have the opportunity. They will not be able to escape this. I feel really bad about this bill, which is important to our country. The majority is willing to take down a bill that is important to the competitive nature of our country. They are willing to take this bill down because they don't want a vote on overtime pay because it makes the President look bad. I should tell them the President looks bad anyway on this issue. They are not going to take away the damage done here. Why not let us vote and get rid of that ridiculous rule he has issued and get back to allowing people to be rewarded for working hard and creating new jobs? It is an issue we need, to make sure people are honored for hard work, rewarded for hard work, not punished.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOND). Without objection, it is so ordered.

Mr. KYL. Mr. President, I would like to speak about the Harkin amendment. I wasn't here for the earlier conversation, but I was advised about some of the arguments that have been made. It concerns me because people are concerned about the proposed rules that have been promulgated by the Department of Labor. I think it is incumbent upon us to clarify the situation so American workers are not frightened of these proposed rules because of the mischaracterization by certain people.

The amendment here would stop the rules from going into effect. I fear there are things being said about these rules that are very inaccurate, misleading, and therefore are frightening people into thinking somehow the rules would prevent them from receiving overtime pay, when the reality is more people would be ensured they could qualify for overtime pay than is the case today.

I want to speak for a few moments to try to allay the fears of people so they are not concerned about these proposals and they embrace them, because the possibility of overtime extends to a larger universe of people than it does today. I will talk about this for a moment. The amendment would prohibit the Department of Labor from pursuing this proposed rule, which clarifies something called the white-collar exemption from the FLSA overtime rules, or the Fair Labor Standards Act rules.

What it has to do with is the requirement that non-white-collar workers are entitled to overtime under certain circumstances. The question is, how do we define the non-white-collar workers as opposed to the white-collar workers to understand who is entitled to receive compensation for the overtime and who is not. The proposed changes would actually guarantee payments to 1.3 million low-wage workers who were not entitled to overtime before. I think this is the key point. It does not take away people; it adds to the number of people who would qualify for overtime.

This is one of the ways in which that occurs: It would raise the minimum salary level at which workers are ensured overtime pay from $155 to $425 a week, $22,100 annually. So it raises the level at which this kicks in, which would be the largest increase since the law was enacted in 1938. So we are making the availability to a much larger group of people, people at a higher salary level, than has ever been the case.

It will actually ensure that the lowest 20 percent of all salaried workers get pay of time and a half for overtime work. Now, that is a substantial increase in the number of American workers who will be ensured overtime pay. This is so important because I have heard from workers who have personally spoken to me and they are very frightened about this. They believe that somehow or another these proposed rules are going to make it more difficult for them to get overtime pay. The reality is that a lot more people are going to be ensured that they will receive overtime pay. First, as I said, because we are raising the level of people who would be covered. That is the largest reason why we can make that claim.

Another thing that this proposed rule does is to clarify the definitions of who is actually covered and who is not covered. In recent years, there have been a large number of class action lawsuits that have been brought over this definition of white-collar status; therefore, the question of whether they are exempt from overtime requirements. This has actually surpassed the Equal Employment Opportunity class action lawsuits in number, and there are a lot of those. The trial lawyers end up making millions of dollars off of this confusion in the current system over the definition. This law would eliminate all of that cost and all of the wasted energy in litigation and paying a lot of trial lawyers by clarifying who is covered and who is not covered.

Now let's talk a little bit about that definition because, once again, people are asking whether they are going to be covered anymore; they will be exempt from this guarantee of overtime pay with the new definitions. I want to make it very clear that in most of the situations I have heard described that just is not true.

Employees who earn more than $65,000 annually would be exempted from the overtime pay requirements if their job involves executive, administrative, or professional duties. Now, again, we are talking about time-and-a-half pay. When one is making over $65,000 a year and they are in an executive position, the theory is that they can negotiate their own salary, that they are not in the situation in which they would be getting time and a half for the time they put in, and that is the reason for this particular exemption.

Those who earn between $22,100 and $65,000 will remain eligible for overtime pay if they meet what is called the short test. That determines whether they are exempted white-collar workers. That test basically includes definitions such as whether one supervises two or more employees, whether they have the authority to hire and fire or they need an advanced degree or some kind of specialized training. One would have to clearly be in one of those categories in order not to be guaranteed the protection of this time and a half for overtime. That is between $22,100 and $65,000.

There is a study out that I think also has some faulty data in it which have skewed the effect of the proposed rule that has been used by the opponents of the proposed regulation and by the supporters of the amendment that would prevent the regulation from going into effect. The claim is that 8 million workers would become exempt from overtime pay requirements based on this so-called EPI study. One of the reasons that the number is so large is because the study counts part-time workers who do not work 40 hours a week and therefore do not receive overtime pay.

Well, we have to extract all of those workers in order to have a relevant cohort because one has to work 40 hours a week in order to qualify for overtime pay.

The study also includes individuals who are not affected by the rule. Again, I do not see how one can have a valid study that allegedly shows how many people would no longer qualify if a lot of people are included in the study who do not qualify in the first instance. So it is very unclear what the actual number of people would be who would not qualify for the overtime pay.

Clearly, this study is fatally flawed in those two significant respects and therefore it should not be used to scare people into suggesting they would no longer be covered.

I will give some other examples of different professions in which there have been questions raised, and I think it is important we allay the fears of these people. Cooks are concerned, people who cook in restaurants, for example. Well, all cooks are not exempted from the overtime pay in the proposal. Only chefs who have college degrees in the culinary arts will be deemed white-collar workers and therefore exempt from this requirement. So when one hears the conversation about all of the cooks who are no longer going to be entitled to time and a half because that is—I mean, when a person is working in a restaurant, for example, there is a lot of time and a half involved in that and here we are not talking about most of the people. The people who would be exempted are only those who have a college degree in culinary arts, which does not represent most of the people who are actually doing the cooking.

One of the arguments is as to the process, and there has been a suggestion that this rule was just passed in the middle of the night and somehow people are not aware of it. Nothing could be further from the truth. Prior to the drafting of the rule, the Department of Labor held over 40 meetings of stakeholders, people who had an interest in the proposed rule, 50 different interest groups, including, by the way, 16 labor unions. Some of the labor unions have raised questions, I think some will support it, but the bottom line is they were included in the consultations.

I am advised that the Department of Labor invited 80 groups to participate in these stakeholder meetings. So I do not think anybody can claim this was done in the middle of the night.

I ask unanimous consent that a letter which was provided to me—it was sent to the majority leader and minority leader from the Grand Lodge Fraternal Order of Police—be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GRAND LODGE,
FRATERNAL ORDER OF POLICE®,
Washington, DC, March 22, 2004.

Hon. WILLIAM H. FRIST,
Majority Leader, U.S. Senate,
Washington, DC

Hon. THOMAS A. DASCHLE,
Minority Leader, U.S. Senate,
Washington, DC.

DEAR MR. MAJORITY LEADER AND SENATOR DASCHLE: I am writing on behalf of the membership of the Fraternal Order of Police to advise you of our concerns regarding an amendment which is expected to be offered tomorrow on the floor of the Senate concerning the proposed regulations governing the exemptions from overtime pay under the Fair Labor Standards Act (FLSA), and to renew our opposition to any such effort which would have the effect of delaying or hindering the Department of Labor's (DOL) ability to issue a final rule.

On 31 March, DOL published a Notice of Proposed Rulemaking in the Federal Register to revise and update the exemptions from overtime under the FLSA for executive, administrative and professional employees. The F.O.P. was the first union to weigh in on behalf of America's law enforcement community regarding the proposed change and recommended the exclusion of public safety personnel from the Part 541 or "white collar" exemptions from overtime—including those employees who are classified as exempt under the existing regulations. We argued that the exclusion of these employees was necessary due to the increased burdens placed on public safety officers following the terrorist attacks of 11 September 2001.

Since the beginning, it has been clear from our dialogue with Secretary of Labor Elaine L. Chao and Department officials that it was never their intention to cut overtime for public safety employees. Thus, we decided that the interests of our members could best be served by working cooperatively with the Department. Based on our dialogue with DOL, we are confident that when the final regulations are issued, that overtime pay will be available to even more police officers, firefighters and EMTs than is possible under the current regulations.

The F.O.P. believes that amendments such as the one which may be offered on Tuesday do not take into consideration the police officers, firefighters and EMTs who are currently exempt, who must work longer hours when the terrorist threat level goes up, and who are ineligible to receive overtime compensation. Nor do we think it is the best possible result that Congress should reaffirm that the existing executive, administrative, and professional exemptions are acceptable for our nation's first responders. Instead, our efforts with the Department of Labor and others have been geared towards ensuring that overtime compensation is available to all those public safety employees whose continued performance of overtime work is vital to the security of our nation.

These regulations offer an important opportunity to correct the application of the overtime provisions of the FLSA to public safety officers. We are therefore concerned that the adoption of any amendment with respect to the Department's revisions to the Part 541 regulations will undermine our efforts to successfully protect overtime compensation for more than 1 million public safety officers, and hinder DOL's ability to issue a final rule. During the public comment period on the proposal, the Department received nearly 80,000 comments from individuals across the nation. The purpose was to solicit feedback and suggested changes to the original proposal before issuing final regulations. None can say with any degree of certainty what changes DOL has made to their proposed rule and what its final scope will be. In essence, all of the concerns which have been expressed to this point are based solely on the pre-public comment draft proposal, and on conjecture over what is feared will or will not be part of the final regulation. That is why the F.O.P. believes that the regulatory process should be allowed to move forward unimpeded, and that Congress should reserve acting on this issue until after the regulations have been promulgated as a final rule.

On behalf of the more than 311,000 members of the Fraternal Order of Police, we respectfully request your assistance in opposing the adoption of any amendment which would delay the issuance of a final rule. I cannot express to you the critical importance of this issue to our membership. Thank you in advance, and please do not hesitate to contact me, or Executive Director Jim Pasco, through our Washington office if we can be of any assistance whatsoever.

Sincerely,

CHUCK CANTERBURY,
National President.

Mr. KYL. The author of the letter in the first paragraph—I will not cite the entire letter but the national president of the Fraternal Order of Police, whose name is Chuck Canterbury, wrote this:

> I am writing on behalf of the membership of the Fraternal Order of Police to advise you of our concerns regarding an amendment which is expected to be offered tomorrow on the floor of the Senate concerning the proposed regulations governing the exemptions from overtime pay under the Fair Labor Standards Act, and to renew our opposition to any such effort which would have the effect of delaying or hindering the Department of Labor's ability to issue a final rule.

The reason I quote that letter is to make the point that this is the FOP, a very large and important union in our Nation today, which would like to see this rule issued. It is an illustration of one of the groups that has been involved in the process that understands what the Department of Labor is doing and appreciates the positive effect of the rule that has been proposed.

I also want to make it clear that this is only a proposed regulation. After the rule is promulgated by the Department, obviously there would be a final implementation of the rule. At the earliest, that would come out next year sometime, and clearly the Senate would have the ability at that time to address any complaints about the final rule. The agency, I am advised, has received over 80,000 comments with respect to its proposed rule and is currently working its way through those comments. So this is not something that is going to be happening tomorrow. Once they get through all of those comments, they will promulgate the final rule, again perhaps coming out sometime next year. The Senate, in any event, would have plenty of time to work on it.

That is essentially what I wanted to say, to make the point that those who have been scared or frightened by some of the comments about this proposed rule should stop and get more information about the rule. They should listen to some of the debate we are trying to bring to the floor and contact the Department of Labor if they have a question, or contact our offices so we can clarify what this proposed rule really does. We can make it clear it is not being put into effect to take a bunch of people out of the market for time-and-a-half guarantee of overtime, but in point of fact it would actually guarantee that more people would have the ability to get overtime, and because of the clarification of definitions, it would remove the potential for even more litigation that simply raises confusion about whether people are covered.

We can make it clear we are talking about people who make a lot of money, who have a lot of control over the negotiation of their salaries, who have supervision over other employees, and so on. Those are the people who are being exempt. It is not the people who are just regular workers, who don't supervise a lot of people, who don't hire and fire people, and so on. Those folks may or may not wear white collars to work, but the bottom line is they are not exempt from the requirements under the Fair Labor Standards Act to provide them time and a half for overtime for the hours they actually work. It is important to get that message out to folks; that it is not something about which they should be concerned. Rather, the intention behind the rule is to clarify and expand the number of people eligible for it.

I hope folks who have concerns about that will be in touch with us so we can allay those concerns. Perhaps the amendment I am talking about will come up for a vote, perhaps it will not. If it does, I hope it is defeated because we need to move forward with the regulations the Department is working on right now and see them promulgated. Once that occurs, you will see labor unions and workers all over the country looking at the final product and saying, yes, that is fair. That is protective of me. It clarifies the situation, and we can support it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CORNYN). Without objection, it is so ordered.

Mr. REID. Mr. President, the junior Senator from Arizona is someone for whom I have the highest regard. He is articulate. He always makes a good presentation. I am glad he is a neighbor of the great State of Nevada.

But I have to say the one question he didn't answer is, Why don't we just vote on this? Why don't we just have a vote on this overtime issue? We have agreed to have Senator HARKIN spend 15 or 20 minutes summarizing his arguments, the majority can take whatever time they believe appropriate, and then we can vote on this issue and move on to this most important underlying bill.

My friend from Arizona, who is the first person who has come to try to defend the overtime proposal of the President, says the study is faulty, that it is really not 8 million people, and some are part-time.

Let's say it is faulty, which I don't think it is, but let's say it is only 6 million people.

I would also say, of course, more people would qualify for overtime pay because whatever they are doing is allowing people who now are not entitled to overtime pay, people who really don't make much money—we would allow them to have overtime pay under the proposed rule.

Let them do it. Let them have overtime. No one is trying to stop them from having overtime. What we criticize is why would we want to make one group of workers disadvantaged to try to advantage another group of workers? Let's let them all be entitled to overtime, time and a half. That seems to be the fair thing to do. I see nothing wrong with giving people who are not making much money now the ability to get overtime. We support that. But why disadvantage others?

Of course, we are told it is in the definition of "white collar." Can you imagine the litigation and problems it is going to cause in the workforce—who is a chef, who is a cook, who is a physical therapist?

This is an issue that is important to millions and millions of working men and women in this country. We believe the rule is not right for the American people. We believe people should be rewarded for hard work. We believe we should create more jobs, not take away jobs. This proposal will not reward hard work, and it will take away people's honest efforts to be rewarded for hard work.

We are willing to vote, as had been done last September when we voted in this body by a large margin to rescind the rule. The House of Representatives, by more than 220 Members, said they wanted to do what the Senate did, the same thing. We voted on it twice. It was taken out in the middle of the night in a secret conference, with no Democrats present. Why can't we vote on it again? We believe that is what we should do. Let's vote on whether the President and his people are right or wrong.

We are willing to debate this issue in public, not secretly. We are willing to state our position and simply go forward as the Senate and the House have already spoken and get rid of this rule, which is unfair.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS. Mr. President, I want to continue to discuss the white-collar exemptions on the overtime legislation and the amendment we are dealing with. I want to express how frustrating it is to see a very carefully constructed proposal by the Secretary of Labor, Elaine Chao, being mischaracterized, therefore placing fear in the American people through the misrepresentation of the nature of these regulations.

First of all, Secretary Chao is one of the finest public servants I know. From the time she gets to work in the morning until the time she gets home late at night, she is committed to making this a better country, a good country to live and work in. She wants to do something about these regulations that have not been changed since 1954 in any significant way. They need to be updated. Her proposed rule changes have received 70,000 comments. The Department of Labor is considering those, and they ought to be able to update these regulations. There is no doubt about it. It is time to do that.

The impact has been completely misrepresented. We need to talk about it. I think the reason, frankly, is that we are in a political season. People want to make this a political issue. If they can go around and say, Mean old President Bush wants to deny you your overtime and you can't get overtime anymore, and they can stir this up and make these complaints, then they think some people might believe it. But it is not right. What is being said is not right. It is not fair.

The Department of Labor has proposed changes to the regulations governing the overtime exemption under the Fair Labor Standards Act, also known as the white-collar exemption.

The regulations defining which workers are entitled to overtime were written in 1954 and have not been updated to reflect the ongoing changes in the workplace. Today's workers are operating under the rules that are 50 years old.

These rules include job descriptions like "gang leader," "ratesetter," and "Linotype operator." Therefore, it is easy to understand why many businesses have trouble identifying which workers qualify for overtime and which are exempt under current law.

The proposed rule increases the minimum salary requirements for overtime from as low as $155 a week to $425 a week.

Let me talk about that. Let us get this straight.

A worker making as little as $155 a week today could be denied overtime if they are classified in a supervisor capacity. Under the rules of the Secretary of Labor, if you made $425 a week or less, you are automatically entitled to overtime no matter what job title some business might give you. That is going to help a lot of people, I submit. According to the Department of Labor, this change would result in 1.3 million Americans who earn less than $22,100 per year being guaranteed overtime compensation. That is not so now. A worker can be classified as some sort of supervisor making $18,000 or $20,000 a year and not get overtime.

Under the current regulations, a person earning $14,300 annually who works behind the counter at a restaurant, for example, and is called a manager could be denied overtime compensation. The new regulations would guarantee overtime pay to this person and others making less than $22,100. They would be guaranteed it. That is a lot of people. It means a lot to those people.

Additionally, the Department of Labor projects 10.7 million workers who currently qualify for overtime will have all of those protections strengthened, including nurses, chefs, secretaries, unionized workers, and first responders.

Following discussions with the Department of Labor, the Fraternal Order of Police, a major organization representing thousands of police officers who we deal with from the Judiciary Committee on a regular basis and who is actively engaged in defending the interests of their members, released a statement recognizing the fact that police officers will still receive overtime compensation under these new regulations. The President of the National Fraternal Order of Police, Chuck Canterbury, said:

> Thanks to the leadership of Secretary Chao, we have no doubt that overtime pay will continue to be available to those officers currently receiving it and, if the new rules are approved, even more of our Nation's police officers, firefighters, and EMTs will be eligible for overtime. This development was possible because this is an Administration that listens to the concerns of the FOP, and because of their commitment to our Nation's first responders.

I think that is a strong statement. And for months now we have been hearing how these regulations are going to hurt policemen, firemen, and emergency medical technicians.

That is not true. It is false. In fact, it is going to guarantee a lot of people overtime who are not receiving it today.

According to the Human Resource Policy Association, the proposed changes would impact about 12.6 million workers—it sounds like a lot—12.6 million workers out of 134 million workers. About 10 percent of workers would be affected. Of that 12.6 million affected, 12 million would now qualify for overtime or have their current overtime protections strengthened—not reduced, strengthened—12 million out of 12.6 million who are affected will have their protections strengthened. The other 644,000 workers—highly educated individuals earning an average of $50,000 per year—might be subject to reclassification under these regulations. That is what it is focusing on. The proposed rules would clarify the regulations affecting millions of workers.

By updating these rules, the Department of Labor would ease the burden on employees and employers who find it difficult to navigate the often confusing and outdated regulations governing proper compensation, including overtime pay. Additionally, the Department will be better able to enforce the law once clarifications are made.

I know the Presiding Officer is a lawyer, a former attorney general and justice of the Texas Supreme Court, and knows litigation. As a lawyer in private practice not too many years ago—maybe not long before I came to the Senate in the mid 1990s—I represented a friend I grew up with who is a bulldozer operator, a heavy equipment operator. He is a good guy. He had a dispute with his employer. He thought maybe he was entitled to overtime pay because he ran heavy equipment. The company said, No, you are a contractor. I said, Friend, I think you are right. We filed a lawsuit, and we had to go to court. We eventually settled before trial, and we got him overtime. I think he was legally entitled to overtime under current Federal regulations. Whether he should have been, I do not know. But it makes it clear that these rules and regulations are confusing. He had to pay me a lawyer's fee to represent him. I do not know how much it cost the court or how much it cost the company to pay their lawyer to defend the lawsuit. But this kind of thing happens too much.

I represented one more overtime case. She was a clerical person at an entity, and she thought she was being unfairly treated. I looked at her case and it was not a lot of money. I talked to her and I thought she was right. We filed a lawsuit. They agreed eventually to pay her overtime after some haggling and discussion back and forth.

Do you know where she worked? Do you know who her employer was? It was a union local. They agreed to pay and they admitted she was not properly paid overtime. If we make it clearer so that it is indisputable what overtime is and what it is not, we will see less confusion.

Lawsuits over violations of the Fair Labor Standards Act are increasing each year. According to the HR Policy Association, in 2001 the number of Fair Labor Standards Act class action lawsuits actually exceeded the number of Equal Employment Opportunity class action lawsuits.

In Carpenter v. R.M. Shoemaker Company, the court ruled that a project superintendent making around $90,000 annually was not an exempt employee and was thus entitled to overtime even though the employee supervised three large construction projects for a construction management company.

These laws are complex. If I were a plaintiff and I were representing someone, I would try to figure out a way to get my client in there and get them overtime, too. But I don't think that is what Congress had in mind when it created a statute where a guy making $90,000 a year that supervises three large construction projects can receive overtime compensation. That sounds like a supervisor to me. I bet the company did not lose the lawsuit for any other reason than there was probably a violation of the complex Federal law written in 1954, 50 years ago.

In Hashop v. Rockwell Space Operations, the court decided that "network communications systems instructors" who had advanced degrees in physics, mathematics, and engineering, and trained personnel were not exempt because they used technical manuals and made decisions in groups. These things are pretty complicated.

Under the current rule we have employees earning $90,000 a year or possessing advanced degrees qualifying for overtime. This is not the low-wage worker we keep hearing about in our debate. Fundamentally that is what Secretary Chao's regulations are focused on, these high-wage employees who are supervisors and are slipping in and claiming overtime when that was not the intention of Congress.

Many employers worry about incurring large unexpected litigation costs due to their inability to properly interpret these confusing rules. Even lawyers and Department of Labor investigators can have difficulty deciphering the line between exempt and nonexempt employees. By clarifying the line—who is a salaried employee and who is not—we can reduce the number of lawsuits brought under this section, and we can make sure more people get paid overtime properly from the very beginning. If you make less than $22,100 a year, you get overtime. That is a bright line. That is what we ought to have more of, more bright lines in this Congress so there is a lot less confusion. If you make less than that, you get overtime. That will pick up a tremendous number of people today who have been classified as some sort of manager or supervisor but have made much less than $22,100 and, as a result of these changes, they are going to gain benefits. I believe far more will benefit than will lose under these proposed regulations. By clarifying that, we can reduce lawsuits.

In 1938, when the Fair Labor Standards Act was passed, the Congress instructed the Secretary of Labor to make changes to the white-collar exemption rules. That was part of the congressional instruction, to make changes in the white-collar exemption rules. It was understood, I assume, at that time that they had not worked everything out fully and more work needed to be done on these regulations.

The Department of Labor has now issued these proposed regulations. They issued them in March of last year. Everyone has seen them. They have been published. They have received in response to these proposed regulations over 70,000 comments during the 90-day comment period. Secretary Chao is doing her job. She is seeking to update and modernize these regulations to make them fit the contemporary needs of America today. We do not have gang leaders being paid wages today. I don't think that job description any longer exists. There is a lot of need for improvement and change. Secretary Chao is on the right track. They will continue to refine these regulations if there is a problem.

There is no plot here to try to undermine the right of working Americans to receive overtime. That is a completely bogus and political argument we are in at this time. Frankly, politics is intervening too much in our debate of late. I guess that is the nature of American government. We will have to put up with it. I am getting a bellyful of it and think we need to set the record straight whenever possible.

I am looking at another group that has been asserted would lose benefits under this, the Non-Commissioned Officers Association of the United States of America. They wrote a letter to BILL FRIST, the majority leader in the Senate. They said:

> It is a blinding glimpse of the obvious that neither the current rules nor the revised proposal will negatively impact those who serve or have served in the [United States] uniformed services. In fact, this association's direct discussions with DOL leads us to the conclusion that the proposed rule relative to the revised ceiling for annual income (increased from $8,060 to $13,000) will greatly expand the pool of eligible workers for overtime compensation.

I ask unanimous consent to have this letter printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NCOA,
Alexandria, VA, January 29, 2004.

Hon. BILL FRIST,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR FRIST: The Non Commissioned Officers expresses its grave concern that America's military personnel and veterans are being used as an "emotional" ploy to delay the Department of Labor implementation of the Fair Labor Standards Act relative "white collar" exemptions. Claims that military members involved in the War on Terrorism and this Nation's veterans will have their employment status elevated to "exempt" based on military training and experience and lose opportunity for overtime compensation are patently incorrect. The Association regrets that some would wrongfully use such false allegations concerning impact to America's service members to garner emotional and legislative support to delay the final rules for implementation of FLSA.

It is a blinding glimpse of the obvious that neither the current nor the revised proposal will negatively impact those who serve or have served in the Uniformed Services. In fact, this association's direct discussions with DOL leads us to the conclusion that the proposed rule relative the revised ceiling for annual income (increased from $8,060 to $13,000) will greatly expand the eligibility pool for worker overtime compensation.

It is outrageous that unsubstantiated claims are reaching America's Soldiers, Sailors, Marines, and Airmen currently in harm's way that their future return to civilian jobs will result in a reclassification of their employment status. It is clear from our discussions with the Department of Labor that the proposed rule makes no changes from the current regulation and case law regarding military training and eligibility for overtime payments.

NCOA will continue to monitor the rights of all service members and pursue DOL intervention if the intent of any program or interpretation of the published rules would negatively impact those who have served in the Uniformed Service of this Nation. NCOA will remain vigilant to ensure their employment rights.

Sincerely,

GENE OVERSTREET,
President/CEO.

Mr. SESSIONS. We need to let this process work, allow the Secretary of Labor to evaluate these comments and continue her process of establishing fair and modernized overtime regulations.

I yield the floor.

Mr. SANTORUM. Mr. President, I rise to commend the Senate for the passage yesterday by unanimous consent an amendment to extend for 2 years the Work Opportunity and Welfare to Work tax credits, and to make certain improvements to these programs that will make them even more effective in helping Americans transition from welfare to work. These credits clearly belong in a bill whose name is JOBS; I can think of few programs that have created jobs and provided basic workplace skills to a segment of the population that is badly in need of these resources with the efficiency and low cost of WOTC and W-t-W. I can also think of few jobs programs that have as positive an impact as these have on scarce state welfare resources. I am also pleased that Senator BAYH joined me as a cosponsor of this bipartisan amendment. I would also like to thank Chairman GRASSLEY and Senator BAUCUS for their support of this important initiative as part of a larger package of extenders.

WOTC and W-t-W are also key elements of welfare reform. Employers in the retail, health care, hotel, financial services, and food industries have incorporated this program into their hiring practices and through these programs, more than 2,700,000 previously dependent persons have found work.

A recent report issued by the New York State Department of Labor bears this out in economic terms. Comparing the cost of WOTC credits taken by New York State employers during the period 1996–2003—for a total of $192.59 million—with savings achieved through closed welfare cases and reductions in vocational rehabilitation programs and jail spending—for a total of $199,89 million—the State of New York concluded that WOTC provided net benefits to the taxpayers even without taking into account the additional economic benefits resulting from the addition of new wages to the GDP or reductions in other social spending such as Medicaid.

In that regard, the New York State analysis concluded that the roughly $90 million in wages paid to WOTC workers since 1996 generated roughly $225 million in increased economic activity. Perhaps even more importantly, the study found that roughly 58 percent of the TANF recipients who entered private sector employment with the assistance of WOTC stayed off welfare.

I mention the New York State study because it is the first of its kind; however, I am certain that similar conclusions would be reached in the Commonwealth of Pennsylvania or any of the other 48 States and the District of Columbia. These programs work and do so at a net savings to taxpayers. In fact, over a 7-year period there were more than 111,000 certifications for both WOTC and W-t-W in Pennsylvania alone enabling many to leave welfare and find private sector work. The legislation is supported by hundreds of employers throughout Pennsylvania and around the country.

WOTC and W-t-W have received high praise as well from the Federal Government. A 2001 GAO study concluded that employers have significantly changed their hiring practices because of WOTC by providing job mentors, longer training periods, and significant recruiting outreach efforts.

Mr. President, WOTC and W-t-W are not traditional government jobs programs. Instead they are precisely the type of program that we should champion in a time when we need to be fiscally responsible. These are efficient and low cost public-private partnerships that have as their goal to provide a means by which individuals can transition from welfare to a lifetime of work and dignity.

Under present law, WOTC provides a 40-percent tax credit on the first $6,000 of wages for those working at least 200 hours, or a partial credit of 25 percent for those working 120–399 hours. W-t-W provides a 35-percent tax credit on the first $10,000 of wages for those working 400 hours in the first year. In the second year, the W-t-W credit is 50 percent of the first $10,000 of wages earned. WOTC and W-t-W are key elements of welfare reform. A growing number of employers use these programs in the retail, health care, hotel, financial services, food, and other industries. These programs have helped over 2,200,000 previously dependent persons to find jobs.

Eligibility for WOTC is currently limited to: (1) Recipients of Temporary Assistance to Needy Families in 9 of the 18 months ending on the hiring date; (2) individuals receiving Supplemental Security Income, SSI, benefits; (3) disabled individuals with vocational rehabilitation referrals; (4) veterans on food stamps; (5) individuals aged 18–24 in households receiving food stamp benefits; (6) qualified summer youth employees; (7) low-income ex-felons; and (8) individuals ages 18–24 living in empowerment zones or renewal communities. Eligibility for W-t-W is limited to individuals receiving welfare benefits for 18 consecutive months ending on the hiring date. More than 80 percent of WOTC and W-t-W hires were previously dependent on public assistance programs. These credits are both a hiring incentive, offsetting some of the higher costs of recruiting, hiring, and retaining public assistant recipients and other low-skilled individuals, and a retention incentive, providing a higher reward for those who stay longer on the job.

Despite the considerable success of WOTC and W-t-W, many vulnerable individuals still need a boost in finding employment. This is particularly true during periods of high unemployment. There are several legislative changes that would strengthen these programs, expand employment opportunities for needy individuals, and make the programs more attractive to employers. These changes are reflected in legislation which I introduced along with Senator BAUCUS, S. 1180, and these changes are as follows:

The administration's budget proposes to simplify these important employment incentives by combining them into one credit and making the rules for computing the combined credits simpler. The credits would be combined by creating a new welfare-to-work target group under WOTC. The minimum employment periods and credit rates for the first year of employment under the present work opportunity tax credit would apply to W-t-W employees. The maximum amount of eligible wages would continue to be $10,000 for W-t-W employees and $6,000 for other target groups—$3,000 for summer youth. In addition, the second year 50-percent credit under W-t-W would continue to be available for W-t-W employees under the modified WOTC.

Under current law, only those ex-felons whose annual family income is 70 percent or less than the Bureau of Labor Statistics lower living standard during the 6 months preceding the hiring date are eligible for WOTC. The administration's budget also proposes to eliminate the family income attribution rule.

Current WOTC eligibility rules heavily favor the hiring of women because single mothers are much more likely to be on welfare or food stamps. Women constitute about 80 percent of those hired under the WOTC program, but men from welfare households face the same or even greater barriers to finding work. Increasing the age ceiling in the "food stamp category" would greatly improve the job prospects for many absentee fathers and other "at risk" males. This change would be completely consistent with program objectives because many food stamp households include adults who are not working, and more than 90 percent of those on food stamps live below the poverty line.

I am very pleased that President Bush proposed a 2-year extension for these programs in his budget, as well as some useful modifications and improvements. The administration along with all of us in Congress are eager to continue our efforts to create jobs in America. The amendment would provide for a 1-year extension of current law to facilitate a transition period and then in the second year implement these important changes.

I would prefer a permanent extension which would provide these important programs with greater stability, thereby encouraging more employers to participate, make investment in expanding outreach to identify potential workers from the targeted groups, and avoid the wasteful disruption of termination and renewal. A permanent extension would also encourage the state job services to invest the resources needed to make the certification process more efficient and employer-friendly. Yet the cost is a significant consideration in the current budget environment even though this is an excellent use of tax incentives which ultimately saves government resources while expanding opportunity for Americans.

Finally, I commend the Senate for acting on this amendment and encourage support for cloture tomorrow and quick completion of this important underlying jobs bill. WOTC and W-t-W expired at the end of last year, and even though the extension we propose is retroactive, these programs will not be fully effective until they become law. The individuals who enter the workforce under these programs, and our States, that benefit greatly from the reduction in welfare that these programs generate, deserve quick action by the Senate on this bill. I urge all of my colleagues to support its passage.

Ms. COLLINS. Mr. President, I am pleased today to rise in support of the amendment offered by Senators GRASSLEY and BAYH that would extend certain tax provisions to prevent their expiration.

The Grassley-Bayh amendment contains a number of useful provisions, but one in particular that I commend to my colleagues would extend for two more years the $250 deduction provided to teachers who purchase supplies for their classrooms out of their own pockets. Senator WARNER and I were the principal authors of this law.

This is a modest, but appropriate, step toward recognizing the invaluable services that teachers provide each and every day to our children and to our communities. So often teachers in Maine, and throughout the country, spend their own money to improve the classroom experiences of their students. While many of us are familiar with the National Education Association's estimate that teachers spend, on average, $400 a year on classroom supplies, a more recent survey demonstrates that they are spending even more than that. According to a report released last year by Quality Education Data, the average teacher spends more than $520 a year out of pocket on school supplies.

I have visited more than 100 schools in Maine, and everywhere I go, I find teachers who are spending their own money to improve the educational experiences of their students by supplementing classroom supplies.

The teacher tax relief we passed overwhelmingly in the last Congress was a step in the right direction. As Tyler Nutter, a middle school math and reading teacher from North Berwick, ME, told me, "It's a nice recognition of the contributions that many teachers have made." I commend the authors of this amendment for including the extension of the Collins-Warner Teacher Tax Credit on this important piece of legislation, and I invite all of my colleagues to join us in recognizing our teachers for a job well done.

The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from Iowa.

Mr. GRASSLEY. Is our situation such that we are on the JOBS bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRASSLEY. We have a very important vote tomorrow. That vote is cloture to stop an effort to bring nongermane issues into and stall this bill.

I spoke this morning, spending a great deal of time explaining how the JOBS bill is a fully bipartisan bill built from the ground up in a bipartisan manner. We cannot get anything through the Senate that is not bipartisan. We can get a lot of things through the House of Representatives that are partisan but not through the Senate.

Now we are facing an attempt to defeat this bipartisan measure by injecting politically charged amendments into the JOBS bill regarding an issue that is not even dealt with in this bill. Somebody wants to write a law.

Why does the other side insist on amending this important bill for a matter that is not even the subject of this legislation? We need to focus on what is in this bill and what will be killed if we do not get cloture approval tomorrow.

We know the only way this bill can pass is by a "yes" vote tomorrow on stopping debate and moving to finality. But will the Democrats say no to cloture? Will they go on record opposing the provisions that are in this bill—very important provisions for creating jobs in America, preserving jobs in manufacturing, answers to concerns that the people of this body have expressed about outsourcing, about not enough manufacturing jobs being created?

If you look at this bill, you will find, then, that there is very important provisions for creating jobs that the other side is preparing to kill, so, in a sense, their vote tomorrow will be a vote contrary to what they have been complaining about for a long period of time about this recovery not providing enough jobs, and particularly about jobs going overseas.

This bill will prevent that. I do not understand why people would not vote to move a bill along that is going to solve a lot of the problems about our not creating enough jobs in manufacturing. If this bill does not move along, actually the situation is going to get worse, and we are going to lose jobs that we presently have in manufacturing.

So why would they be prepared to kill this bill? This bill will end $4 billion a year of tariffs put on U.S. exports by Europe. Those tariffs are already being imposed against U.S. exports of grain, timber, paper, and manufactured goods. We can end those tariffs now at 5 percent, growing 1 percent a month into the future. We can end them with this bill. But will the Democrats say no?

A vote against the JOBS bill is a vote in favor of that 5-percent tariff going up 1 percent a month into the future. And that goes up very fast, making our business, our American manufacturing uncompetitive.

The Congressional Budget Office says we have lost 3 million manufacturing jobs since the manufacturing downturn started 6 months before President Bush became President. This bill provides $75 billion of tax relief to our manufacturing sector to promote rehiring in U.S.-based manufacturing. But will the Democrats say no?

The Democrats claim they are worried about the scope of the proposed overtime regulations. The regulations are not even final yet. But how can you worry about overtime if you do not have a job in the first place? Shouldn't we first worry about creating manufacturing jobs and take care of overtime on another bill instead of slowing this one up? Or will the Democrats say no?

The money from the FSC/ETI repeal gives a 3-percentage point tax rate cut on all income derived from manufacturing in the United States. It is not for manufacturing done offshore. We start this tax relief immediately.

This manufacturing rate cut relief applies to sole proprietors, partnerships, farmers, individuals, family businesses, multinational corporations, even foreign companies that set up manufacturing plants in the United States to manufacture here with American workers. This should keep the Government out of their pockets while they try to recover from the economic downturn. That is what this bill is all about: helping these manufacturing companies recover from the economic downturn. Now, will the Democrats say no to the opportunity to help American manufacturing?

This bill includes international tax reforms, most of which benefit American manufacturing, to keep it competitive in the global marketplace.

This bill also includes the Homeland Reinvestment Act, which has broad support in both the House and the Senate. It has both Republican and Democrat sponsors. But will the Democrats say no?

This bill extends the research and development tax credit through the end of 2005, something very necessary to keep our industry ahead of the curve, building for the next product, building for the next service, particularly in the technical areas. This is a domestic tax benefit that incentivizes research and development, translating into good, high-paying jobs for workers here in America, not across the ocean. But will the Democrats say no tomorrow on the cloture vote?

In addition, there are several additional provisions that are important to this bill. Senators BUNNING and STABENOW sought to accelerate the manufacturing deduction. This ensures that the tax relief and related economic benefits of the bill are provided more quickly to those hurt by the repeal of FSC/ETI.

The bill extends, for 2 years, tax provisions that expired in 2003, last year. Some of them already expired. Some of them are expiring this year. They need to be included because those incentives are very important to the prosperity of companies that rely upon these tax incentives. This would include items such as the work opportunity tax credit, helping young people, helping low-income people to get jobs, to get job training. It helps to move people from welfare to work because we have tax credits that do that.

Why would any Democrat vote against the extension of the welfare-to-work tax credits, moving people out of welfare, where they are assured a life of poverty, into the mainstream of America, the world of work where you have a chance to move up the economic ladder? Over here, in welfare, you never have a chance to move up. We have tax credits to help. Will the Democrats say no to these tax credits to help low-income people get into the world of work, to move above, to improve themselves, to get out of poverty?

There is a provision also in this bill on net operating losses that will accelerate tax relief to companies that need it to continue operations and recover from recent difficulties. The reason for doing that is they have some tax credits. They do not have income to write it off against. This gives them some benefit helping them to enhance their recovery.

We have enhanced depreciation provisions to help the ailing airline industry, the manufacture of airplanes—Boeing, in my State where avionics are made for airplanes, Rockwell Collins—because you cannot, under existing depreciation laws, get something into completion by this deadline because it takes so long to build an airplane. This will extend provisions that were meant to help industry a year ago if they got long timelines to get something finished.

There are new homestead provisions. This provides special assistance for businesses in counties that are losing population. This is rural economic development, providing incentives for newly constructed rural investment buildings, for starting or expanding a rural business in a rural high-outmigration county. Will the Democrats say no to that rural economic development?

This bill includes brownfields revitalization. The bill waives taxes for tax-exempt investors who invest in the cleanup and remediation of qualified brownfields sites. Will the Democrats say no to helping clean up the environment? Would that vote comport with the rhetoric you hear on the environment from the other side of the aisle?

Mortgage revenue bonds: This proposal would repeal the current rule that mortgage revenue bond payments received after the bond has been outstanding for 10 years must be used to pay off the bond, rather than issue new mortgages.

There are 70 Senate cosponsors to this bill. Would the Democrats justify voting no on cloture to kill a provision that 70 of their colleagues support?

We allow deductions for private mortgage insurance for people struggling to afford a home. Anyone planning to vote no on this one? Would they vote no on allowing the cost of mortgage insurance to be written off as one writes off interest on a mortgage? That is helping a lot of young people to get a home that they would not otherwise be able to afford. I know home ownership is the highest it has been in the history of our country. Maybe they are saying: We have enough Americans owning homes. Why help some other people this way? It is in this bill. If they vote no tomorrow, they are voting against helping those homeowners with their mortgage insurance costs.

This bill includes a tax credit to employers for wages paid to reservists who have been called to active duty. Would Democrats say no to the guardsmen and reservists who are defending our country, helping us win this war, by voting no tomorrow?

We have extended and enhanced the Liberty Zone bonds for rebuilding New York City. The two Senators from New York have talked to me about them. Are they going to vote no tomorrow and say no to the Liberty Zone bonds helping New York City at a time when Ground Zero begs for help? Will they tie up funding for the Liberty Zone in order to prove a political point for a Labor Department overtime regulation that has not yet been finalized? If it had been finalized, there is an opportunity for an expedited procedure for congressional veto of those very same regulations they don't want. This is not the last train out of the station. There are other opportunities to fight these battles and probably in a more appropriate way than a nongermane amendment on legislation that ought to pass, that is going to preserve and create jobs in manufacturing. Where are the priorities of the other side of the aisle?

We also have in this bill increased industrial development bond levels to spur economic development. We have bonds for rebuilding school infrastructure. We have included tribal bonds which apply the same rules to Native American tribes issuing tax exempt bonds to finance facilities on a Native American reservation that apply to tax exempt bonds that we allow State and local governments to use. Are Senators of the other party going to vote against the Native American Indian provisions of this bill?

We have a tribal new markets tax credit. This amendment would add $50 million annually in the new markets tax credit dedicated to community development entities serving Native American reservations, if there is a poverty rate of over 40 percent. Are they going to say no to helping those needy Americans?

We have included a Civil Rights Tax Fairness Act so when people have been harmed in violation of their civil rights, they can go to court and get justice. Do you know what happens when they get justice? We have some people paying income tax on what they pay their lawyers so when it is all said and done, a big settlement, sometimes the people who have been harmed get nothing because of the unfair taxation of that award. Are the Democrats going to say no to those people who have had their civil rights violated? They can't get justice in court. That doesn't sound like the other party, does it?

Is it worth killing off these important priorities over a regulatory issue that has already been voted on by the Senate? How many times do we have to express our view on something?

We also have in this bill a special dividends allocation rule that benefits agricultural cooperatives. We have other farm provisions that help cattlemen receive tax free treatment if they replace livestock with other farm property where there has been drought, flood, or other weather-related conditions within 2 years from the date the livestock has been sold. Last year we heard a lot from the other side of the aisle about not helping the farmers who have been hurt by drought. Here is an opportunity to help some people through tax problems they have as a result of something beyond the control of the family farmer. Are they not going to give those farmers an opportunity to have help?

We have a provision that allows payment under the National Health Service Corps loan repayment program to be exempt from tax. Every Senator here has rural America in their State. We are always saying there is not adequate health delivery services in some parts of our country in rural America. We set up the National Health Service Corps to provide services there. They still have a hard time getting adequate service, but we have provisions in here for additional incentives for people to serve rural America. I hear from my colleagues that we have to do something about health care in rural America. We have an opportunity tomorrow in this legislation to do something about it. Will the Democrats vote no tomorrow?

We have a proposal to allow the itemized deduction for unreimbursed vehicle use for rural letter carriers. Why does that come before us? Because every time you drive a quarter of a mile and you stop at a rural mailbox to leave mail, and then go on to the next farmer's box to leave mail, that vehicle has higher costs than if it was going down the road 60 miles an hour and never stopping. The Tax Code ought to reflect a little bit different business deduction for that automobile as opposed to a business vehicle that doesn't stop at every mailbox.

We have provisions in this bill to enhance broadband expensing provisions. We always hear from the other side that the quality of life in rural America can never be equal to that of cities if they don't have the same IT access. This gives that IT access. I hear Members of the other side of the aisle talk to me about broadband tax credits. We have an opportunity to do that now. Are they going to say no to what they have been asking me to do for the last 2 or 3 years?

We provide real infrastructure tax credits, the so-called short-line credits. This bill provides $500 million over 3 years in Federal tax credits to States for intercity passenger rail capital projects. Eligible intercity passenger rail projects include planning, track rehabilitation, upgrade, development and relocation, security and safety projects, passenger equipment acquisition, station improvement, intermodal facilities development, and environmental review and impact mitigation.

States may transfer credits directly to short-line and regional railroads. They are going to say no to that?

Finally—here is something for the New York Senators—the proposal makes $100 million in tax credits available to New York to be used on rail infrastructure projects in the New York Liberty Zone.

Will the Democrats say no? Will they vote against cloture tomorrow and thereby kill these measures? Will they do this over a proposed regulation which, as Senator KYL and Senator SESSIONS just explained, is being misrepresented and used as a political scare tactic?

All of these benefits are being held hostage because the other side is pushing a politically motivated vote on an issue that is not even in this bill.

The leadership on the other side doesn't really want to debate the substance of this bill. Sometimes I get that feeling. They would prefer to turn this bipartisan bill into a political football.

This is inexcusable because we have worked very hard throughout this process to make sure everyone's concerns, both Republican and Democrat, were incorporated into this bill. I related all of those. There is no reason this bill should not get almost unanimous support. In fact, it was voted out of committee 19 to 2. Now we have opposition from the other side. I don't understand.

Anyone who votes against cloture tomorrow is effectively voting against all of the items I just listed. This should not happen on a bill that is meant to create jobs in America, with an emphasis upon manufacturing jobs.

Several weeks ago, there was an article in the Washington Post quoting a Democratic tax aide—unidentified—saying, "There's not a lot of incentives for us to figure out this problem."

The Democratic aide went on to say that allowing the extraterritorial income controversy to fester would yield increased sanctions—increased tariffs—on American products going to Europe, which would benefit the Democrats in November.

That is a very appalling statement. I don't think that staff of either party are paid to think in terms of politics. They ought to be paid to think in terms of policy and, in the end, if they think about policy, they have good politics.

Efforts to delay this bipartisan bill with unrelated measures is a poor excuse. So let's get on with the business at hand and finish this bill. Vote on cloture tomorrow, approve cloture, have finality on the bill, and when we do all that, we are going to put a jobs creation bill ahead of partisan politics, put these important benefits I just listed ahead of some concern that we have about an administrative regulation that hasn't even been issued yet. Let's stop playing politics and put the Senate back to work and move the JOBS bill forward.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

TRIP TO THE MIDDLE EAST

Mr. LAUTENBERG. Mr. President, I wish to talk about a trip I took last week to the Middle East. I was privileged to travel with a group of colleagues to Israel, the Palestinian territories, Jordan, Syria, Iraq, Kuwait, and Qatar. I will discuss it in two parts.

One part is what we saw happening in Iraq and the apprehension, the concerns we all had with the confusion, the chaos that exists there, the continued loss of life among our troops, and the inability to cope with a relatively new form or a new mode of warfare where remote bombs are set off by people who are some distance away from the place of the explosion, seeing a target they particularly want to get to, and the prospect that will continue to be an ever-increasing part of the mechanism of war. It is so tough to fight against that kind of weaponry, that kind of a remote attack.

The people are courageous. They are dedicated. I had a chance to meet with some of our troops. I particularly met with a group from New Jersey. I got the same impression from all with whom I met. These are people who really want to do the right thing. They are not mercenaries. They are there because of the obligation they feel toward resurrecting or helping the revitalizing of Iraq and turning over to them their own responsibilities for governing.

Our people are young. Frankly, even though I served in World War II and was myself young—I was 18 when I enlisted—our military personnel today look different. They seem to be more educated. They seem to be more thoughtful. Their bravery is unquestioned. They are out there doing their duty even though there are risks all over the place which we saw in abundance.

We left Iraq about an hour before the explosion took place at the hotel. We were not at the hotel, but we were nearby. We were in the air when the bomb went off. It was simply, if I can say that, a replay of what happens every day there, whether it is Iraqis being killed or Americans being killed or coalition troops being killed. The death and the violence is ever present.

I believe we are on a path to try to make it right, but what we have to recognize is that we are not free to leave, even though there is a proposal that goes into place on July 1 for a governing council made up of Iraqis that will purportedly take over. I say "purportedly" not because I am disdainful of the effort—I am not at all—but for the lack of readiness for governing.

They need 73,000 policemen, for instance, and they have in the low twenties in uniform now. It is very hard to control the chaos, the turbulence, and the confrontations that occur with such a small police force. It is going to take a long time, maybe a couple of years, to get the police force to the size they need. They also need an army.

What is the conclusion? The conclusion is we cannot leave there, and we have to face up to it. There are 130,000 troops coming in to replace existing personnel on the ground who have been there long enough to be rotated. Nobody believes we are going to be able to pack our bags on July 2 and start to go home. We are going to be there a long time, and I hope we will have the courage to face up to the funding necessary and put it in the budget and say what it is we are doing there.

We are adding to the total indebtedness of the country, but yet we hide it. We appropriated $166 billion thus far, and it looks as if we are going to have a supplemental request for $50 billion to $75 billion in the not too distant future, and it is on the side.

We have to support our people. You have no idea how disappointing it is when I talk to young people who are serving. I said: If you can be totally candid with me, tell me what your complaint is. Is it the accommodations? Is it where you live? Is it how you live? Is it the food you get? No, no, no.

One young man, a captain, said to me: Mr. Senator, I will tell you what bothers me. I see some of our coalition friends, people who are helping us in this quest of ours, who have the latest in bulletproof vests. The ones we have are not as good and they do not protect us as well as they should.

We have seen that in the papers, but here when you come face to face, you see the faces of people who are wearing those vests, who are trying to protect themselves while they do their duty, I can tell you this: Five Senators—all of us—were wearing the latest in flak gear. It was a sad commentary on where things are to hear them say they do not have it.

They point to their weapons. I think they were M–16s. I carried a Carbine when I was in the Army, so that is not a familiar weapon to me. They said the coalition people had better, newer rifles, lighter, more efficient. Why should that happen? They needed trucks and armored vehicles, and they did not have them. Why should that happen? When we look in the paper, just yesterday, and see the problem is in the transportation of the materials to Iraq, that the manufacture of these products has taken place but we can't get the materials there, it is very disappointing. I hope we will be able to do something to accelerate the pace of providing the protective gear and the equipment they need.

Today I want to discuss another part of the trip. The volatile situation in Israel—the Middle East altogether—was difficult to witness. We went to Israel and the other places I mentioned—the Palestinian territories, et cetera.

The other visit was taking place with the Prime Minister of Israel and a few people from his staff. Suddenly activity took place and people were running out and coming back with notes. The Prime Minister of Israel reported to us: We have just had a suicide bombing in Ashdod, which is a port community in Israel, and 10 people were killed and many more wounded.

I watched this man, who I have known over the years, deflate and age in years in just a few minutes, whipped by the knowledge that more of his citizens, innocent civilians, had been killed.

I volunteered the notion that he may want to adjourn the meeting and take care of the business he had to take care of, the duties he had to deal with. He said, no, as Prime Minister of the Jewish state, unfortunately, we learn to live with adversity and we must carry on, so we will carry on the meeting.

It was a painful thing to witness. It happens so frequently. We are in a state of shock when we hear it and see it, and I know the pain that must go through their community because it affects so many people. It is the dead, the injured, their friends, their families, their fellow workers, and those with whom they serve in the military. The pain is an excruciating whirlpool, it touches so many people. When we look at that, we say, what is it that permits this kind of slaughter of innocent people to take place?

Now we hear the shrieking about the assassination, we will call it that directly, of Sheikh Yassin, the man who invented Hamas and all the horrible deeds they carried out. This is after the third suicide bombing attack in Israel in the year 2004. The death toll now stands at 941 Israelis killed by terrorism since the start of the intifada in September of 2000.

Israel is a tiny country with a small population of 6.3 million people. To put the terrorist toll in perspective, if the United States were to suffer such a wave of terror attacks, over 50,000 Americans would be dead, almost the same number we lost over 10 years in Vietnam, 58,000. In Britain, it would have translated into approximately 9,000 fatalities. Imagine the impact that has in this single day when 10 people are killed from that attack. It is the equivalent of 500 people. If we had a killing in 1 day of 500 people by terrorists, we would be, as we were in Vietnam, in national mourning. These relative numbers underscore the impact of terrorism on the Israelis.

Israel has seen 130 attempted suicide bombings since September 2000. In the latest incident, 10 Israelis lost their lives, leaving behind dozens of children, grandchildren, spouses, parents and, as I said, friends and workers and those with whom they served in the military.

As I looked at the pictures in the papers of the 10 victims, most of whom were under 40, with families to support, I asked myself: What could it take for 2 young Palestinian kids, 17 years old, to be capable of perpetrating such atrocities against innocents?

One of the main reasons that takes place, in my view, is the Palestinian Authority Chairman Yasser Arafat has not only failed to rein in the terrorists but he is actively supporting a culture that incites young people to commit such acts. Arafat's Al Aqsa Martyrs Brigade claimed responsibility for the attack, along with Hamas. They take pleasure in this. Large crowds of Palestinians in the West Bank celebrated the attacks by honking their car horns, firing guns into the air and distributing candy to passersby for the killing of innocent people. The Palestinian Authority did nothing to stop these celebrations.

By the way, I have never heard of a celebration taking place, with all the violence that has been visited upon Israel, when they killed some Palestinians, never. As a matter of fact, there are times when soldiers in the Israeli army have refused to serve, saying their conscience disturbed them such they did not want to serve in those territories.

There have been many times when Israeli civilians or soldiers have been punished for attacks on Palestinians within their community. That is the difference in the cultures. One culture celebrates death and destruction, and the other mourns the victims on both sides of the boundary.

The reality is Yasser Arafat has instituted a deliberate policy of preaching and encouraging hate. Books they have in the school system teach them to hate the Israelis, to hate the Jews. For example, on March 13, 2004, Palestinian Authority-controlled television carried a speech by a sheikh in Gaza in which he said the Jews are the sons of apes and pigs and the extremists and terrorists who deserve death while we deserve life since we have a just cause.

I was on a TV program one day with a representative of the Arab organization here, and I said this violence has to stop; you have to come to some peaceful arrangement, some detente. He said: Not as long as the occupation continues.

He was an American of Palestinian heritage. So I said, well, would you say Native Americans living in America, people who had their country wrested from them in the late 1600s, early 1700s, would have the justification to strap bombs on their backs and go into the Federal Reserve Bank or the Supreme Court or places such as that and blow them up and say this is an occupation?

The Presiding Officer is a man of learning and experience, and I would ask: How many times have borders moved as a result of combat, as a result of war? It has happened many times. Those adjustments remain in many instances.

When we look at the reason for this killing, instead of saying stop it, once and for all, Arafat should speak out and say, stop the killing. We should not lend him a hand of help, not a nickel's worth of assistance or anything else until he gives up that post and turns it over to people.

We met with the finance minister from the Palestinian Authority. He was a reasonable individual, wanting to make peace, wanting to stop the violence. The Palestinians cry as much as the Israelis cry when they lose a son or a daughter. The false belief they are going to some kind of martyrdom does not relieve them of the sadness of the loss of a family member.

We learned something else. There was an emergency meeting in Yasser Arafat's compound in Ramallah following the suicide bombing at the Ashdod port. Arafat refused his cabinet's call to use Palestinian security forces against terror organizations.

Palestinian cabinet ministers, such as the interior minister and the commander of the national security forces, pleaded with him to act against Hamas and Fatah's military wing, the Al Aqsa Martyrs Brigade. He refused to intervene. He is an accomplice in these killings no matter how they try to deny it. He provides no useful service to his "leadership in the Palestinian community." He incites them to violence.

We went to Syria, and all President Assad wanted to talk about was the Israeli-Palestinian conflict. There are borders, 600-mile borders. He couldn't stop the people from crossing the border. We know who is crossing the border. He didn't know. He said there were people in innocent travel, business, recreation, family, et cetera. Meanwhile, terrorists are flooding into Iraq, many of them coming across the Syrian border.

That is what happens there. It is the corrupt leadership that has people believing the way out is to kill themselves and to kill Israelis and other innocent people. We don't know what the reach is. To the train bombing in Spain or other acts of violence in other parts of the world? But this notion that violence is an acceptable form of behavior is outrageous, and Arafat is allowing Palestinian society to be undermined and destroyed by a reign of terror. He has chosen to allow terrorism to flourish. Because of Arafat's lack of action, not only are Israeli children being orphaned and Israeli society terrorized, but also the Palestinian people's dream of living in a secure, free, and vibrant state is being destroyed.

I still believe all roads and roadmaps lead to a two-state solution. When I was in the region last week, I urged the Israeli leadership to try to meet and resume direct contacts with Palestinian officials in order to try to make progress toward a settlement. I told Prime Minister Sharon that his plan to withdraw from the Gaza Strip was a good start. Such a withdrawal, however, must be done in coordination with Palestinian and international officials to ensure there is a viable infrastructure to govern the people and to prevent Hamas and the Islamic Jihad from overrunning the Gaza Strip.

I also encouraged the Israeli Prime Minister to work with the international community to resume progress on the roadmap and to begin looking at how to withdraw remote Jewish settlements from the West Bank as well as from the Gaza Strip. Yet any real progress on the roadmap depends on the speedy emergence of new Palestinian leaders who realize that a healthy Palestinian state cannot be built on a foundation of terror and violence. On this point, there should be no concessions, no flexibility, no turning a blind eye.

Today we see pictures of angry mobs in the Arab world protesting the death of Sheik Yassin, the head of Hamas. The Israeli military's strategy of targeted assassinations is questionable and controversial. But I have to ask my colleagues, if someone is standing in your kid's schoolyard with a gun in his hand, what would you do? Would you meet with him and confer about what he ought to do or would you take advantage of the opportunity of the moment and abolish the threat? Do you eliminate the threat immediately or abide by the Marquis of Queensbury rules when dealing with terrorists? These are difficult questions, but given the lack of real leadership on the Palestinian side, the Israelis are trying to find the best way to protect their population from terror.

Peace in the Middle East begins with the removal of Arafat from power. It is a step the Palestinians must take if they want to move their nation forward. Peace will not be obtained through terror but only through peaceful negotiation. It is something Yasser Arafat clearly does not understand, but we have to help him understand. We can't give him any other help of any kind. As a matter of fact, whatever sanctions we can put on him and his corrupt government, we ought to do it.

It is very painful to witness, I understand, for those who are engaged in the innocent pursuit of life, to suddenly come face to face with someone who has been encouraged to give up his life. What kind of false notion is this, that somehow or other you get rewarded for losing a son or daughter and get a financial reward? I think what we ought to do is try to trace those financial rewards to the countries that offer them. Maybe friends like Saudi Arabia ought to step up and do their share to not permit this to happen, to not permit these militant groups to exist in their society.

I can tell you one thing. After our visit there, I am more convinced than ever that we must protect Israel no matter what we have to do to see that she survives. It is not because we just love those people. It is because we love the American people. It is because we want to protect America's interests. It is because we don't want to have American troops in the middle of that mad world, with corrupt governments who siphon off the wealth of their countries while their people in those communities starve and have no opportunity for themselves.

That is the interest I see we have in a strong Israel. It is not just the informational exchange. That is important. But it is the fact of Israel sitting there as a reminder to those corrupt countries, and it is an extension of democracy. It is not an extension of the United States. It is not the 51st State. It is an extension of democracy, and it shows what people can do when they can take a malaria-ridden nation and change it into a thriving agricultural and scientific nation. That is the example that has to be set and that is the one that has to be understood and we ought not to equivocate and say there is violence on both sides. That is the wrong message. You can't say that because that only encourages terrorism. It says violence on one side begets violence on the other side.

I said it before. I have never heard an Israeli, and I know many, nor have I ever seen the country, celebrate the death of children on the other side of the boundary. I have never seen them celebrate when men, women, and children who are innocent are killed—never.

But in the Palestinian community they celebrate by shooting off guns and handing out candy to kids and parading, happy that they have taken someone out of the family, a child, a sister or brother, mother, father—outrageous. Outrageous.

We have to stand steadfast in our support of Israel. We have to insist that Arafat step aside and provide them the right leadership, and there is leadership there but they don't have a chance to operate because he robs them of that opportunity.

It was a wonderful opportunity we had to see what was taking place there and be able to report back and shape our thinking based on the need.

Support our troops. Commend them for what it is that they do in accordance with the tenets of democracy and ultimately decency. We can argue whether we should be there or we should not be there, but we are there and we have to support those people as fully as we can, everyone who wears a uniform. We have to be proud of them. They do their duty splendidly.

With those thoughts, Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TALENT). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ASBESTOS LEGISLATION

Mr. SPECTER. Mr. President, I have sought recognition to comment briefly on the bill, S. 1125, which provides for relief on the serious problem facing America involving asbestos.

I have had a number of inquiries on the status of the bill. I recently received a comprehensive memorandum by former Chief Judge Edward R. Becker for the Court of Appeals for the Third Circuit. I thought it would be useful to comment as to the status of this bill at the present time.

Asbestos litigation has caused some 67 bankruptcies in America, and the injuries from asbestos have left workers without compensation and suffering from mesothelioma, asbestosis, and other very serious ailments. In July, the Judiciary Committee passed out S. 1125. I voted for it. It was a vote pretty much along party lines. We passed it out of committee so we could take the next step looking toward floor action.

But the bill required a great deal of evaluation, analysis, and significant changes. I contacted senior Circuit Judge Edward R. Becker, who had been chief judge of the Court of Appeals for the Third Circuit until May 5 of last year. Since he had been involved in major asbestos litigation, I thought he would have special insights into this issue and this problem. He is one of America's leading Federal jurists, if not the leading Federal jurist. He received the Devitt award last year as the author of many scholarly opinions. He was a district judge from 1970 to 1982. He has been on the Court of Appeals for the Third Circuit from 1982 until the present time.

I think bringing in a Federal jurist to help on a legislative matter is unprecedented During the month of August, when the Senate was in recess, 2 full days were spent in Judge Becker's chambers in Philadelphia, where I attended, and we had representatives from the manufacturers of asbestos; insurance companies, which insured asbestos manufacturers; reinsurers, who reinsured the insurers; representatives of the AFL–CIO, representing the injured parties; and trial lawyers, also representing the injured parties.

Since those two meetings in August, there have been a series of additional meetings in Washington in my office, where Judge Becker has attended. One meeting involved Majority Leader BILL FRIST. Another meeting involved representatives of the Department of Labor. In total, there have been some 15 meetings. We are scheduled to have our 16th one on Thursday of this week.

The bill—the product of very inventive thinking by the chairman of the committee, Senator HATCH—has created a fund, funded initially at $104 billion. It has subsequently been increased. The thrust was to create a schedule of payments very much like workers' compensation, where there would not have to be proof of causality, proof of liability; but once the damages were established coming from asbestos, the payments would follow this schedule.

The situation has been compounded, as I say, by the bankruptcy proceedings and the reorganization of some 67 companies. The law has been that workers, or others exposed to asbestos, could be compensated for the full range of their potential injuries even if they had not yet sustained those injuries—a result which I submit does not make good sense in a context where many people who have serious injuries, mesothelioma, asbestosis, and others who are not being compensated at all. This seeks to correct those inequities.

We have wrestled with a great many of the problems, and we have solved a great many issues. Enormous progress has been made on others. We have had the cooperation of many Senators. Senator HATCH has had representatives at the meeting. Senator LEAHY, the ranking Democrat, has had representatives there. The majority leader, Senator FRIST, and the Democratic leader, Senator DASCHLE, have had representatives there. Senators DODD, CARPER, FEINSTEIN and NELSON have also participated with representatives present. Judge Becker prepared a very comprehensive memorandum, dated March 16, outlining the evaluation of the current status of ongoing efforts to achieve a consensus among the manufacturers and insurers, the trial lawyers, and the AFL–CIO.

It is my view that this is the kind of bill that cannot be enacted unless there is a consensus. Unless there is agreement among all of the stakeholders or parties, I think we will not be able to enact this important legislation. If this legislation were to be enacted, it would be an enormous stimulus to the economy and would take these many companies that are in bankruptcy proceedings out of those proceedings so that they become again productive.

Many of those companies are in my home State of Pennsylvania and many across the country.

That is a very brief summary as to where we stand. We will be back at work on Thursday. We are determined to solve these problems. I am optimistic they can be solved. The majority leader has stated his intention to bring this matter to the floor for a vote some time next month. I think we are very close to knowing whether we can resolve these issues, and we will continue to try to do that.

I repeat, I am optimistic we can resolve the issues. The stakes are very high. We have many injured workers who are relying upon some answer to their just compensation. The companies are looking for an answer, and the economy needs to be stimulated and also looks for an answer.

I ask unanimous consent that the memorandum from Senior Chief Judge Edward R. Becker, dated March 16, 2004, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM

Date: March 16, 2004.
To: Senator Arlen Specter.
From: Judge Edward R. Becker.
Re: Pending Asbestos Legislation S. 1125 (Fairness in Asbestos Injury Resolution Act) (Status Report on Progress of our Mediation).

You have asked that I memorialize my evaluation of the current status of our ongoing efforts to achieve a consensus among the manufacturers and other defendant companies, the insurers, the reinsurers, organized labor, and the trial lawyers, i.e., the stakeholders concerned with S. 1125, so as to facilitate consideration of the legislation by the Senate and make possible its ultimate passage in a form satisfactory to the stakeholders and the Senate. This is an interim evaluation. I will be in better position to evaluate the situation after the weekly meeting this Thursday, March 18, 2004. That is because at our meeting of March 11, it was represented to us that draft legislative language with respect to a number of key issues, including "start-up" of the National Trust Fund, on which the stakeholders are apparently close to consensus, will be presented on March 18. The start-up consensus, as I understand it, is to have the insurers and manufacturers put up substantial sums on "day one" so that the Fund can be jump-started and exigent claims can come right into the Fund and not have to linger in the tort system. I have urged that language be drafted tc authorize Bankruptcy Courts to approve immediate payments by the Tier 1 (Chapter XI) companies into the Trust Fund. I will give you a follow-up evaluation after the March 18 meeting.

As you know we have made enormous progress over the last few months on quite a number of issues, and already have a clean consensus draft of a comprehensive administrative structure for processing claims which, subject to review by Senate Legislative Counsel, can go right into the bill. Based on representations at recent meetings, I believe that we can expect (consensus) bill language in the next week or two, tying up the few loose ends on the administrative structure, particularly the statute of limitations issue and the definition of exigent claims. The issue of limits on attorney's fees will also have to be resolved, but I think that is do-able. I also expect very shortly consensus bill language covering non-discrimination by health insurers with respect to coverage against workers receiving benefits under S. 1125; and engrafting into S. 1125 Health Insurance Portability & Accountability Act (HIPAA) presumptions regarding exposure criteria; i.e., rebuttable presumptions concerning the extent to which employment (a) in specific industries, (b) in specific occupations within those industries, and/or (c) during specific time periods constitutes "significant occupational exposure."

There are quite a number of other issues on which the stakeholders represent that they are close to agreement including:

1. Values as a range
2. Timing of payments
3. Exclusivity for all asbestos related claims (silica, etc.)
4. The anatomy of medical monitoring
5. Collusive default judgment
6. The smoking matrix.

These matters can, I believe, be put into consensus bill form quickly, and I will seek to establish a timetable at Thursday's meeting.

Another key area on which the parties seem close to agreement is the status of settlements and pending cases. The views that you expressed—that a case that has been settled should be out of the National Trust—seemed to be accepted by all. There were two caveats. One related to partial settlements—with some but not all potential defendants, but I believe that a formula can be worked out to deal with that situation. The second related to generalized agreements between plaintiffs' counsel with large inventory of cases and insurance carriers as to the terms of settlement when the cases become ripe. I do not believe that such "settlements" should qualify. I believe that other pending cases should go into the S. 1125 National Trust. I note, however, that there are 300,000 pending cases, and unless start-up can be quite effective Labor would prefer that they be processed in the tort system. I still believe that the pending claim issue is resolvable.

Another critical area where much progress has been made is "sunset." Based on representations at last week's meeting, I believe that we are in striking distance of an agreement on sunset, including the timing of sunset; program review (so as to anticipate the need for sunset); and return to the tort system. There is some disagreement as to whether the return to the tort system should be in state or federal court. I understand that your position is that the return should be to federal court, so as to avoid the excesses of certain state jurisdictions. I agree, and believe that the stakeholders, with the exception of the trial lawyers, will be satisfied with that result. Another sunset-related issue that is under discussion and needs resolution is whether, in the event of sunset, the Tier 1 companies (those presently in Chapter XI) go back to the Bankruptcy Court, so as to assure that funds dedicated to Bankruptcy not be dispersed (disbursed) at large. I believe that issue too to be capable of early resolution.

In our recent meeting with high officials of the railroad industry and the rail unions, we discussed in depth the treatment of rail workers with asbestos disease under S. 1125. It was the position of the rail unions that the preemption by S. 1125 of the right of rail workers to file claims under the Federal Employers Liability Act (FELA) is unfair because non-rail workers maintain their full rights to seek workers' compensation from their employers for asbestos related diseases. However, our discussion revealed that the supposed discrimination was largely illusory because 95% of the rail workers with asbestos disease are retired and would have no traditional workers' compensation claims. It was acknowledged by all that the scheme of S. 1125 does leave non-retired rail workers modestly worse off than their non-rail counterparts, and we charged the stakeholders with coming up with a formula that would create parity. We are awaiting the results of their deliberations. If they do not reach agreement, the Senate could settle it.

The insurers and reinsurers are struggling to come up with an allocation formula that would obviate the need for an Asbestos Insurer's Commission (appointed by the President). If they cannot, the Commission can remain in the bill (as a kind of "club"—for S. 1125 already provides that if an allocation formula is agreed to by all participants in each insurer group and approved by the Commission and the House-Senate Judiciary Committees, the Commission will terminate. Section 212(2). I have entreated the stakeholders to work on a redraft on the Asbestos Insurer's Commission language, § 219 et seq., which is presently cumbersome, and they have agreed to do so. At the very least, the requirement of 100% agreement seems too high. I note that the creation of a Commission is not a matter of great urgency because it is anticipated that the start-up payment of both the insurers and reinsurers will be very substantial, postponing the need for a Commission decision on allocation. We also discussed last week mechanisms for assuring the contributions (and collecting of contributions) from offshore reinsurers. A number of potential statutory provisions were discussed, and I think that this aspect of the matter can be resolved.

We had a good deal of discussion last week about what to do with pending bankruptcies. I expressed the view, based upon a conversation that morning with the bankruptcy judge who is handing most of the asbestos bankruptcy cases, that it will be quite some time, at least a year and probably a good deal longer, before the major bankruptcies can be resolved; even if plans are agreed upon and are confirmed, the insurers will appeal. Consequently, I urged that the pending bankruptcies be folded into the National Trust. The Tier 1 (Chapter XI) companies are liable under S. 1125 for roughly 20% of the Trust funding, so that their participation in the National Trust is essential. Additionally, it appears that, with fast start up, the claimants will receive compensation from the Trust Fund much more quickly then they would from the bankruptcy trusts. I believe that the stakeholders are comfortable with this view. Drafting is simple.

It appears that Labor feels that the Tier 1 companies should pay more than S. 1125 provides, i.e. what they would pay on bankruptcy. The Tier 1 companies, however, point out that they will already pay a significantly greater percentage then the non-bankrupt companies, and further argue that any effort to make them pay into the Trust Fund the amount they might have to pay in bankruptcy is not sound, because: (1) in most cases these amounts are at present speculative (usually agreed to by only one class of creditors), and, at all events, subject to approval of the Bankruptcy Court (in one case the Court disapproved); (2) the deal under S. 1125 is different because in bankruptcy they are forever discharged whereas under S. 1125 they may be back in the tort system; and (3) companies such as Armstrong would be dealt a body blow by such a provision. Since the increment is at most $1 billion, I do not think that this is a "deal breaker."

I turn now to the few remaining issues. Medical screening and education for high risk workers must be resolved. I do not think that one is too tough. Some technical bankruptcy issues such as the problematic floating Chapter XI lien and some points raised by the Bankruptcy Administration Division of the Administrative Office of the United States Courts must be resolved. These are just drafting problems. There are, however, three critical issues remaining, the second and third of which will make or break the bill, and they are related.

The first is subrogation of workers' compensation payments (health insurer subrogation is apparently not a problem). Labor firmly believes there should be no subrogation; it represents that no similar federal program provides for it. The insurers and business think there should be subrogation to avoid "double dipping." One major manufacturer represented at the talks did not see failure to provide for workers comp subrogation as a problem, but others thought that the failure to mention subrogation in the bill would alter future behavior by encouraging more comp claims. We charged the stakeholders with ascertaining the dollar amounts involved. I suspect that they are not as great as imagined, especially in view of the number of workers with asbestos disease who are retired. These appears to be a will to work this out.

The second issue is "transparency"—the need to assure Labor and the claimants that the funding formula (for insurers and especially manufacturers and other defendants) will yield the sums projected by the bill's sponsors. Labor maintains that on the present record there is no way to know this. Business concedes that there is no extant list of the companies who will be in the various tiers, and that there will not be one. The companies acknowledge that they must come up with a solution to the transparency problem, whether it is joint or several liability, or guarantees, or surcharges, or something else, or there can be no consensus. They have promised to come up with something.

The final—and most difficult issue—is the funding level. Labor claims that the projected $114 billion is grossly inadequate to pay the needed compensation to the injured workers. This matter is well beyond my portfolio. I believe that Labor must come down considerably from the Leahy-Kennedy values, and that business must "sweeten" considerably the Frist values. If all the other issues can be worked out, perhaps the Senate leadership can prevail on the stakeholders to reach agreement on the projected dollars.

One final comment. I cannot praise too highly the representatives of the stakeholders who have participated in our dialogue. They are working assiduously, constantly (two or three meetings per week), and, in my view, earnestly, and in a spirit of cooperation and in good faith to try to reach consensus. Senate staff has also been of very great help. I believe that if we can keep up the current pace for another four weeks, five at the most, we can get the job done. I may be wrong. The dollars may be the final stumbling bloc, However, I am prepared to give it my "best shot," and to come to your office every week to work with you to keep the ball rolling.

TRIBUTE TO HANH THAI DUONG

Mr. McCONNELL. Mr. President, I rise today to pay tribute to Hanh Thai Duong, a woman who epitomizes the American dream. Duong is the owner of a restaurant in my hometown of Louisville, KY, The Lemongrass Café.

Duong's journey from Vietnam to America is a miraculous one. In 1979, when she was only 10 years old, the Vietnamese government told her family that they would be able to leave Vietnam because of her father's Chinese ancestry, but only if they gave up all of their possessions and paid a sum in gold to the Vietnamese government. They decided the trip would be worth the risk, so they left everything behind and boarded a fishing boat that took them to a new life in Hong Kong.

A year later, with the help of a relative in Louisville and a number of Catholic charities, Duong and her family left Hong Kong for Kentucky. Duong's unwavering determination and a belief in the importance of an education, helped her work her way through the University of Louisville and earn a degree in finance and international business.

After her parents retired, Duong followed in their footsteps and opened her own restaurant, The Lemongrass Café, bringing a taste of her native land to her new home. I ask my colleagues in the Senate to recognize and pay tribute to this remarkable woman.

Mr. President, I ask unanimous consent that the article, "Restaurant a testament to Vietnamese family's drive" from The Courier-Journal, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Louisville Courier-Journal, Feb. 22, 2004]

RESTAURANT A TESTAMENT TO VIETNAMESE FAMILY'S DRIVE

(By Byron Crawford)

The Lemongrass Cafe in Louisville's Highlands neighborhood is more than a quaint oasis for Thai, Vietnamese and Chinese cuisine. It is a monument to one Vietnamese family's appetite for freedom and opportunity.

The cafe's proprietor, Hanh Thai Duong, 34, was 10 years old in 1979 when the Vietnamese government told her parents that because of her father's Chinese ancestry the family would be allowed to leave Vietnam—if they gave up all their possessions and paid the government a sum in gold.

"You really leave empty-handed, but my mom and dad were thinking for a better future for their children," Duong said. "My parents always said that the United States was the land of opportunity. We left on a fishing boat for Hong Kong."

Such voyages were treacherous. The boats were small and often unsafe.

The trips sometimes took weeks. Twenty to 30 passengers jammed into tight quarters and often went days without food. Pirates roamed the South China Sea, sometimes boarding the fishing vessels, killing, raping and taking women and children captives.

"We were lucky. It only took us four or five days to reach Hong Kong, but my aunt and her twins did not get to Hong Kong . . . for like a month or so, and one of the twins died of hunger and they ended up burying her out at sea," Duong said. "As soon as my aunt stepped on the ground in Hong Kong, she passed away, too."

Duong's baby sister was badly burned in an accident soon after the fishing boat reached Hong Kong Harbor and was taken to the mainland for treatment. The family lost track of the child for months but finally found her in a refugee camp. Duong's mother, not having seen the baby for months, did not immediately recognize her.

Another of Duong's aunts, who then lived in Louisville, sponsored the family to immigrate in 1980, and they were flown to America by Catholic Charities, which they later repaid. Duong's father, Trung Thai, had owned a successful grocery-supply business in Vietnam, and her mother, Nga, was a good cook. They opened a small restaurant from which they have since retired.

Duong married at an early age but was determined to get an education, and she worked her way through the University of Louisville to earn a degree in finance and international business. She and her husband, Edward Duong—who had twice been captured while trying to leave Vietnam in violation of government orders—later lived in New York City. But they soon decided that they preferred Louisville, where Edward Duong now works at Ford's Kentucky Truck Plant.

Hanh Duong's older brother and younger sister both earned degrees from UofL and are working in business. Another sister owns a nail salon and her youngest sister is working her way through college.

"You think about your parents' sacrifice for you and you don't want to fail," she said. "You don't take things for granted and you don't give up easily."

Duong has forgotten much of her early life in Vietnam, but a few vivid memories remain: one of her parents running with her for shelter as bombs exploded nearby, and her mother being wounded by a stray bullet near their home in Saigon (now known as Ho Chi Minh City).

Today, Duong works hard in the Lemongrass Cafe, on Bardstown Road to make happier memories for her children—a daughter, Cheryl, 17, a senior at Male High School and a Governor's Scholar who will enter the University of Kentucky next fall, and a son, Nick, 9, a student at Greathouse/Shryock Traditional Elementary School. Many of their grandmother's favorite recipes are helping to lure customers to their mother's cafe.

"Other than the delicious food, I guess it was just the simplicity of Lemongrass and the personality of Hanh that I like about the place," said Jeannie Treitz, a frequent customer.

A few years ago, Hanh said, she took her children to Vietnam to show them the country their parents and grandparents had fled.

"They were raised here and they don't know how people have to struggle in Vietnam," she said. "I took them back so they could understand that they have bundles of opportunities here, and that they should work hard and never give up on anything."

RFIDS AND THE DAWNING MICRO MONITORING REVOLUTION

Mr. LEAHY. Mr. President, today I outlined some of the privacy challenges we will soon face as new micro monitoring technologies begin to proliferate in our society. I spoke in particular about breakthroughs in Radio Frequency Identification, also known as RFID.

My remarks were offered at Georgetown University Law Center, during a conference on the legal and technological challenges of video surveillance. Micro monitoring is a subject that deserves the attention of the Senate and of the American people, and I ask unanimous consent the text of my address be printed in the RECORD in the interest of advancing this discussion.

There being no objection, the material was ordered to be printed in the RECORD as follows:

THE DAWN OF MICRO MONITORING: ITS PROMISE, AND ITS CHALLENGES TO PRIVACY AND SECURITY

In our post-9/11 world, technology often has been our crucial but silent partner in helping us to ramp up our law enforcement and national security capabilities. We in this city are profoundly aware of the new risks we face. But we also need to do it right. The public does not want false assurances, nor do they want to be unduly alarmed. What the American people want is to actually be safer. And we still have a way to go in accomplishing that.

TENSION BETWEEN LIBERTY AND SECURITY

In our constitutional system there is always tension between liberty and security and never more so than since September 11th. One of the difficult challenges we face is to strike the right midpoint. Our constitutional checks and balances are intended to help us do that.

The video technologies you are discussing today offer tools that are better, faster and smarter, on scales of magnitude that are unprecedented. As an advocate of emerging technologies who also has a keen interest in them, I watch these breakthroughs with great interest.

I have sought to find ways to encourage the commercial sector to create new products and opportunities, and I have promoted use of new technologies by law enforcement agencies, while also protecting consumer privacy and constitutional freedoms. That was the balance I sought to strike in my work on CALEA and in other legislation that blends law enforcement's needs, the needs of our robust technology sector, and the privacy interests of the American people. The hands-off approach to the Internet that I have favored is another example, and right now I am working with others to extend the Internet tax moratorium, to keep the Internet free from discriminatory and multiple state and local taxes.

ON THE CUSP OF A MICRO-MONITORING REVOLUTION

The marriage of information-gathering technology with information storing technology, manipulated in increasingly sophisticated databases, is beginning to produce the defining privacy challenge of the information age. Modern databases, networks and the Internet allow us to easily collect, store, distribute and combine video, audio and other digital trails of our daily transactions. We are on the verge of a revolution in micro-monitoring the capability for the highly detailed, largely automatic, widespread surveillance of our daily lives.

RFIDS

And one of the most dramatic and dazzling new challenges we all will be facing soon is the emergence of a relatively new, surveillance-related technology called radio frequency identification—R-F-I-D for short.

RFID tags are tiny computer chips that can be attached to physical items in order to provide identification and tracking by radio. Their potential invasiveness is obvious from their size, which already is surprisingly small. And they will only get smaller.

In their basic function, RFID chips are like barcodes, which by now are ubiquitous in our stores and offices and crime labs and manufacturing plants.

BARCODES ON STEROIDS

But RFID chips are like supercharged barcodes—barcodes on steroids, if you will. They are so small they can be tagged onto almost any object. They do not have to be in open view; RFID receivers just have to be within the vicinity—at a security checkpoint, in a doorway, inside a mailbox, atop a traffic light. And RFID chips can carry a lot more information than barcodes. Some versions are recordable so that they can carry along the object's entire history.

RFID chips are more powerful than today's video surveillance technology. RFIDs are more reliable, they are 100 percent automatic, and they are likely to become more pervasive because they are significantly less expensive, and there are many business advantages to using them. RFIDs seem poised to become the catalyst that will launch the age of micro-monitoring.

I have followed RFID technology for some time and have welcomed its potential for many constructive uses. I have supported the use of RFIDs in a Vermont pilot program for tracking cattle to curtail outbreaks, like mad cow disease, and our Vermont program is now being emulated for a national tracking system. RFID technology may also help thwart prescription drug counterfeiting, a use the FDA encouraged in a recent report. Leading retailers like Wal-Mart and Target—as well as the Department of Defense—are requiring its use by suppliers for inventory control. Fifty million pets around the world have embedded RFID chips. Of course, many of us already have experience with simpler versions of the technology in "smart tags" at toll booths and "speed passes" at gas stations.

But this is just the beginning. RFID technology is on the brink of widespread applications in manufacturing, distribution, retail, healthcare, safety, security, law enforcement, intellectual property protection and many other areas, including mundane applications like keeping track of personal possessions. Some visionaries imagine, quote, "an internet of objects"—a world in which billions of objects will report their location, identity, and history over wireless connections. Those days of long hunts around the house for lost keys and remote controls might be a frustration of the past.

These all raise exciting possibilities, but they also raise potentially troubling tangents. While it may be a good idea for a retailer to use RFID chips to manage its inventory, we would not want a retailer to put those tags on goods for sale without consumers' knowledge, without knowing how to deactivate them, and without knowing what information will be collected and how it will be used. While we might want the Pentagon to be able to manage its supplies with RFID tags, we would not want an al Qaeda operative to find out about our resources by simply using a hidden RFID scanner in a war situation.

DRAWING LINES

Of course these are just some of the foreseeable possibilities, and a lot depends on enhancements in the technology, reductions in costs, and developments in voluntary standard-setting, systems and infrastructure to manage RFID-collected information. But the RFID train is beginning to leave the station, and now is the right time to begin a national discussion about where, if at all, any lines will be drawn to protect privacy rights.

The need to draw some lines is already becoming clear. Recent reports revealed clandestine tests at a Wal-Mart store where RFID tags were inserted in packages of Max Factor lipsticks, with RFID scanners hidden on nearby shelves. The radio signals triggered nearby surveillance cameras to allow researchers 750 miles away to watch those consumers in action. A similar test occurred with Gillette razors at another Wal-Mart store.

These excesses suggest that Congress may need to step in at some point. When privacy intrusions reach the point of behavior that is absurdly out of bounds, we find ourselves having to deal with such issues as the "Video Voyeurism Prevention Act," a bill now before Congress that would ban the use of camera to spy in bathrooms and up women's skirts, a practice that by now has even been given a name, "upskirting," which I'm sure is as new to you as it is to most of us in Congress.

Other powerful new technologies are on the horizon, like sensor technology and nanotechnology. All the more reason to think about these issues broadly and to establish guiding principles serving the twin goals of fostering useful technologies while keeping them from overtaking our civil liberties.

With RFID technology as with many other surveillance technologies, we need to consider how it will be used, and will it be effective. What information will it gather, and how long will that data be kept? Who will have access to those data banks, and under what checks-and-balances? Will the public have appropriate notice, opportunity to consent and due process in the case mistakes are made? How will the data be secured from theft, negligence and abuse, and how will accuracy be ensured? In what cases should law enforcement agencies be able to use this information, and what safeguards should apply? There should be a general presumption that Americans can know when their personal information is collected, and to see, check and correct any errors.

These are all questions we need to consider, and it is entirely possible that Congress may decide that enacting general parameters would be constructive. It is important that we let RFID technology reach its potential without unnecessary constraints. But it is equally important that we ensure protections against privacy invasions and other abuses. Technology may also help with the answers—for example, "blockers" that deactivate RFID tags, and software that thwarts spyware.

BEGINNING A NATIONAL DIALOGUE

There is no downside to a public dialogue about these issues, but there are many dangers in waiting too long to start. We need clear communication about the goals, plans and uses of the technology, so that we can think in advance about the best ways to encourage innovation, while conserving the public's right to privacy.

We have seen this time and time again where a potentially good approach is hampered because of lack of communication with Congress, the public and lack of adequate consideration for privacy and civil liberties.

Take for example the so-called CAPPS II program. No doubt in a post-9/11 world, we should have an effective airline screening system. But the Administration quietly put this program together, collected passengers' information without their knowledge and piloted this program without communicating with us and before privacy protections were in place. The result was a recent GAO analysis that showed pervasive problems in the screening program and admissions that we are now set back in our efforts to create an effective screening system.

As another example, the Administration recently funded the MATRIX program to provide law enforcement access to state government and commercial databases. This was potentially a useful crime-fighting tool. But there was insufficient information about the program and about potentially intrusive data mining capabilities, and there were unaddressed concerns about privacy protections. Now 11 out of 16 states participating in the program have pulled out—many, citing privacy concerns—thus hampering the effectiveness of the information sharing program.

Again, had some of these issues been vetted in advance, we may have been able to enhance law enforcement intelligence.

Just recently, there were reports about the FBI's new Strategic Medical Intelligence program, in which doctors have been enlisted to report to the FBI "any suspicious event," such as an unusual rash or a lost finger. The goal of preventing bio-terrorism is important. But there are many unanswered questions about the program's privacy protections and its ability to identify truly suspicious events and not unrelated personal medical situations. Hopefully, this program will not be hampered by lack of communication and oversight.

I have written oversight letters to the Justice Department and to the Department of Homeland Security on all of these issues and am waiting for their responses.

I want to make sure that mistakes like those are not repeated, especially with RFID technology, where there is so much potential value. That is why I asked to speak with you today, to begin the process of encouraging public dialogue in both the commercial and public sectors before the RFID genie is let fully out of its bottle.

This is a dialogue that should cut across the political spectrum, and it should include the possibility of constructive, bipartisan congressional hearings. The earlier we begin this discussion, the greater the prospects for success in reaching consensus on a set of guiding principles.

When several of us from both parties banded together years ago to found the Congressional Internet Caucus, we were united by our appreciation for what the Internet would do for our society. Years later, we remain united, we remain optimistic, and partisanship has never interfered in the Caucus's work.

That is the spirit in which I hope a discussion can now begin on micro-monitoring.

Thank you for your interest in these cutting-edge issues, and thanks for this opportunity to share some ideas with you.

BUDGET SCOREKEEPING REPORT

Mr. NICKLES. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under Section 308(b) and in aid of Section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the First Concurrent Resolution on the Budget for 1986.

This report shows the effects of congressional action on the 2004 budget through March 22, 2004. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the 2004 Concurrent Resolution on the Budget, H. Con. Res. 95, as adjusted.

The estimates show that current level spending is above the budget resolution by $14.1 billion in budget authority and under the budget resolution by $222 million in outlays in 2004. Current level for revenues is $244 million below the budget resolution in 2004.

This is my first report for the second session of the 108th Congress.

I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 23, 2004.

Hon. DON NICKLES,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed tables show the effects of Congressional action on the 2004 budget and are current through March 22, 2004 (the last day that the Senate was in session before the recent recess). This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended.

The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of H. Con. Res. 95, the Concurrent Resolution on the Budget for Fiscal Year 2004, as adjusted.

This is my first report for the second session of the 108th Congress.

Sincerely,
DOUGLAS HOLTZ-EAKIN,
Director.

Enclosures.

TABLE 1.—SENATE CURRENT-LEVEL REPORT FOR SPENDING AND REVENUES FOR FISCAL YEAR 2004, AS OF MARCH 22, 2004

[In billions of dollars]

	Budget resolution	Current level [1]	Current level over/under (-) resolution
On-budget:			
Budget Authority	1,873.5	1,887.5	14.1
Outlays	1,897.0	1,896.8	−0.2
Revenues	1,331.0	1,330.8	−0.2
Off-budget:			
Social Security Outlays	380.4	380.4	0
Social Security Revenues	557.8	557.8	*

[1] Current level is the estimated effect on revenue and spending of all legislation that the Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made.

Note.—* = less than $50 million.

Source: Congressional Budget Office.

TABLE 2.—SUPPORTING DETAIL FOR THE SENATE CURRENT-LEVEL REPORT FOR ON-BUDGET SPENDING AND REVENUES FOR FISCAL YEAR 2004, AS OF MARCH 22, 2004

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted in previous sessions:			
Revenues	(3)	(3)	1,330,756
Permanents and other spending legislation [1]	1,117,071	1,077,878	(3)
Appropriation legislation	1,152,537	1,183,200	(3)
Offsetting receipts	−368,484	−368,484	(3)
Total, enacted in previous sessions	1,901,124	1,892,594	1,330,756
Enacted this session:			
Authorizing Legislation:			
Surface Transportation Extension Act of 2004 (P.L. 108–202)	7,880	0	0
Social Security Protection Act of 2003 (P.L. 108–203)	685	685	0
Total, authorizing legislation	8,565	685	0
Entitlements and mandatories: Difference between enacted levels and budget resolution estimates for appropriated entitlements and other mandatory programs	−22,156	3,472	(3)
Total Current Level [1] [2]	1,887,533	1,896,751	1,330,756
Total Budget Resolution	1,873,459	1,896,973	1,331,000
Current Level Over Budget Resolution	14,074	(3)	(3)
Current Level Under Budget Resolution	(3)	222	244

[1] Per section 502 of H. Con. Res. 95, the Concurrent Resolution on the Budget for Fiscal Year 2004, provisions designated as emergency requirements are exempt from enforcement of the budget resolution. As a result, the current level excludes $82,433 million in budget authority and $36,782 million in outlays from previously enacted bills.

[2] Excludes administrative expenses of the Social Security Administration, which are off-budget.

[3] Not applicable.

Note.—P.L. = Public Law; * = less than $500,000.

Source: Congressional Budget Office.

INTERNATIONAL WOMEN'S DAY

Mr. FEINGOLD. Mr. President, I rise today to commemorate International Women's Day, which is celebrated around the world on March 8. For nearly a century, women's groups worldwide have paused on this day to celebrate the achievements and contributions of women around the globe. This day is also an opportunity to reflect on the challenges that women continue to face in their daily lives.

Despite the progress women have made in many countries, women worldwide continue to confront discrimination, violence and even slavery. In central Africa and, specifically, in the Democratic Republic of the Congo, DRC, sexual violence has increasingly been used as a weapon against women and girls. These horrific acts cannot be tolerated, and those responsible for these atrocities must be held accountable. At the same time, the international community must reach out to help provide medical and psycho-social support to women and girls affected by these horrors, and must work vigorously with civil society and local authorities to prevent these abuses in the future.

Sadly, these violent acts are not isolated instances. Rather, they are indicative of the violence occurring against women in many conflict zones. Experts note that women and girls are most affected by violence, economic instability, and displacement associated with warfare. At home, in flight or in refugee camps, they are frequently threatened by rape and sexual exploitation. Far too many victims of domestic violence and of human trafficking. In some countries, women fall victim to "honor killings," a deplorable practice whereby women are murdered by male relatives for actions that are perceived to bring dishonor to the family. Other countries tolerate the burning of thousands of brides a year due to insufficient dowries.

While I am pleased that the United States has begun to address the global HIV/AIDS crisis, the pandemic continues to exact a terrible human toll on communities around the world, and in sub-Saharan Africa, it is having a particularly devastating effect on women. As the ranking member of the Senate Foreign Relations Committee's Subcommittee on African Affairs, I have had the opportunity to travel to numerous countries in Africa and see firsthand the devastating toll that HIV/AIDS and other infectious diseases are taking on the people of this continent. According to United Nations reports, over 25 million adults and children in Africa are infected with the HIV virus, the majority of them in sub-Saharan Africa.

Sub-Saharan Africa is the only region in which women are infected with the virus at a higher rate than men. UNAIDS, the United Nations Program on HIV/AIDS, reports that women make up an estimated 58 percent of the HIV-positive adult population in this region, as compared to 50 percent worldwide. Young women and girls are especially at risk. The United Nations reports that in this region 6 to 11 percent of girls age 15–24 are infected with HIV, whereas infection among boys of the same age group is 3 to 6 percent. International efforts to fight AIDS will not succeed unless we make a sustained and serious effort to address the factors that make women and girls so vulnerable to exposure. This means more than talking about legal rights, and more than talking about economic empowerment. It means that we must take action.

Despite these difficulties for women, encouraging signs of women's progress are also in evidence around the world. In Western and Central Africa, international courts are holding those responsible for crimes against humanity, including the use of rape as a weapon of war, accountable for their actions

In Mexico, indigenous women, who once lived in the shadows of a deeply patriarchal society, are increasing their influence in local communities. These women are increasingly buying small businesses and owning their own land, taking an aggressive stance against domestic violence and contributing to decision-making in their communities.

In Afghanistan, women are finally back in school. The new Afghan Constitution, approved on January 4, 2004, provides equal rights and duties under the law to women and includes special provisions to encourage women's access to education and government. Restoring human rights, and, in particular, women's rights, is key to Afghanistan's successful reconstruction and transition to democracy.

Women of all cultures are being recognized on an international stage for their contributions. Notably, Shiri Edadi won the 2003 Nobel Peace Prize for her efforts to promote democracy and human rights in Iran, particularly for women and children.

The U.S. Senate can work toward protecting women's rights and improving the status of women domestically and internationally by acting upon the United Nations Convention on the Elimination of Discrimination against Women, or CEDAW. CEDAW is a comprehensive treaty on women's human rights addressing almost all forms of discrimination in areas such as education, employment, marriage and family, health care, politics and law. It has been over two decades since the United States signed this treaty, and it still awaits consideration before the Senate. Once again, I urge the Committee on Foreign Relations to take up this treaty and allow the Senate the opportunity to offer its advice and consent on this important convention.

International Women's Day celebrates the progress women have made in the face of adversity and pays tribute to women fighting against discrimination and other injustices. This year, Congress recognized Dorothy Height for her tremendous work for women's rights. Ms. Height, who fought against racism and violence toward African Americans, also battled for women's full and equal employment, increased educational opportunities, and institutions for women in the United States. This year, she was awarded a congressional gold medal for her contributions to our nation.

Women have made tremendous strides in the last century. In the United States, more and more women are attending college and earning post-graduate degrees. Worldwide, women are becoming increasingly active in the political process—more women are being elected to office and appointed to positions of power than ever before. In the year 2000, 11 countries were led by women.

While I recognize that women in the U.S. continue to make great advances, work remains to narrow the wage disparity between men and women. Although some progress has been made in narrowing the gender wage-gap since Congress enacted the Equal Pay Act in 1963, unfair wage disparities continue. I am proud to support legislative efforts to correct his discrepancy. In addition, I encourage the Senate to consider legislation to reauthorize the TANF program. I believe that any welfare reauthorization bill that passes the Senate should help to ensure that we are not just reducing the welfare rolls, but are also helping current and former TANF recipients break the cycle of poverty.

Unfortunately, violence against women is still all too prevalent in our country. Domestic violence is the leading cause of injury among women of child-bearing age. One out of every six American women have been victims of a rape or an attempted rape. Many rapes go unreported, and more than half of the women attacked know their assailant. We must continue to adequately fund state and local programs, including support shelters for women suffering from violent abuse in their homes. These safe havens deserve strong support and funding for the invaluable work they provide for women and communities around the country.

As we honor women and celebrate their accomplishments and contributions, we must recognize that there is still much more to be done in the struggle for gender equity. Discrimination and violence against women continue to exist at home and abroad. The United States and the rest of the international community must reaffirm their commitment to promote gender equality and human rights around the world.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

In Stafford, VA, Thomas Rivers heard that another boy thought he was cute. Rivers responded by shouldering the classmate in hallways at school, shouting slurs and spitting on him. The next year, 18-year-old Rivers attacked the boy by bashing him in the back of the head with a metal pole, nearly killing him.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

THE EUROPEAN COMMISSION AND MICROSOFT

Mr. ALLEN. Mr. President, I rise to address the European Commission's antitrust action against Microsoft. It is my understanding that antitrust authorities for the European Union member nations have given European Competition Commissioner Mario Monti their unanimous backing for a formal commission finding that Microsoft abused its market share of its Windows operating system for personal computers to leverage its way into related markets for networking and multimedia software. It is expected that the European Commission will hand down a formal decision finding that Microsoft is in violation of European Union antitrust laws.

By imposing harsh, unprecedented penalties upon Microsoft, the Commission has extended its view of competition and regulation beyond Europe and onto the United States—to the detriment of U.S. laws, industry and consumers.

For many years, the European Union and its member states have criticized the United States for adopting laws and regulations that, in the view of European policymakers, have had an extraterritorial reach. The European Commission in particular has consistently urged the United States to ensure that its legal determinations do not intrude into European affairs. We now have a clear example of the European Union not practicing what they preach.

If the Commission rules that Microsoft is in violation of European Union antitrust laws, it will undercut the settlement that was so carefully and painstakingly crafted with Microsoft by the U.S. Department of Justice and several state antitrust authorities. There can be no question that the U.S. Government was entitled to take the lead in this matter—Microsoft is a U.S. company, many if not all of the complaining companies in the EU case are American, and all of the relevant design decisions took place here. I would hope that if the Commission were cognizant of America's legitimate interests in this matter, it would act in a manner that complemented the U.S. settlement. I fear the Commission has selected a path that places its resolution of this case in direct conflict with ours.

This is not the only example of the Commission's overreaching in this case. In recent negotiations with Microsoft, the European Commission demanded that Microsoft agree to ensure that computer manufacturers who sell pre-installed versions of Windows also install three competing media players—an obligation that the Commission insisted on imposing not just within the EU, but globally. In spite of its objections to these requirements, Microsoft agreed to the Commission's approach in order to reach a settlement. I understand the Commission proposes to impose a fine of over $610 million on Microsoft—higher than any fine in the Commission's history. It has been suggested that the amount of this fine was based not only on Microsoft's conduct in the EU, but in the United States and elsewhere as well. One can only conclude that the Commission was not satisfied with how U.S. antitrust authorities and courts resolved the case against Microsoft, and therefore decided to act as a kind of supranational competition authority by fining Microsoft for its conduct worldwide.

The Commission's proposed ruling, as well as its negotiation tactics, is unprecedented in its scope. By proposing to fine Microsoft for purported anticompetitive conduct and injuries in the United States, the European Commission is directly challenging the adequacy of the United States' own antitrust laws, including the settlement that Microsoft and U.S. authorities reached in the U.S. proceedings. In fact, the obligations proposed to be imposed on Microsoft by the Commission are precisely the type that the U.S. District Court and the U.S. Department of Justice rejected as undermining consumer welfare.

It is incumbent on the Departments of State and Justice to stand up not only for an important American company but more importantly for legitimate U.S. jurisdiction over alleged anticompetitive behavior in the United States. The U.S. and the EU are signatories to a 1991 comity agreement on antitrust issues which requires that one government defer to the other if the principal issues being investigated involve companies of one of the parties. Here, the EU is investigating a U.S. company based on complaints from other U.S. companies. If the U.S. Government does not make a clear and strong statement objecting to the EU's extraterritorial approach, we will lose influence and credibility for years to come to the detriment of all U.S. industry, as well as to U.S. consumers.

ADDITIONAL STATEMENTS

25TH ANNIVERSARY OF VETERANS UPWARD BOUND

● Mr. KENNEDY. Mr. President, it is a privilege to take this opportunity to commend the Veterans Upward Bound Program and all those associated with it on its 25th anniversary.

Hundreds of students at the University of Massachusetts have benefited from the program and gone on to earn bachelors, masters, and doctorate degrees. These veterans are using the same enthusiasm and drive that made them exemplary members of our Armed Forces, and are now vital forces for positive change in their communities.

For many years, the TRIO programs have been available to help more young men and women in our society to understand that college is within their reach. The Veterans Upward Bound Program does the same for veterans. It provides a bridge to help those who have served our country so well make the transition into college. Veterans learn how to use the benefits available from the Veterans Administration and from veterans' associations and State and local veterans programs to obtain the information and skills they need to qualify for college. Every year, nearly 5,000 veterans are served by this impressive program and go on to college.

Many of us share a strong commitment to the belief that each of us can make a difference in improving the world around us, and all of us must try. Enabling veterans to continue their education is in the best tradition of our country.

These are very difficult days in our history. As our service men and women return to civilian life, education can often have an essential and prominent role in their futures, and in the Nation's future too. Veterans Upward Bound programs are an important part of a nationwide grassroots effort to enable our veterans to improve their own lives and continue to keep our Nation strong in many different ways.

The talented professionals who carry out these programs so well deserve our gratitude. On this special anniversary, I commend them for all they do so well to make college a reality for our veterans.●

UNIVERSITY OF HAWAII WAHINE SOCCER PLAYER NATASHA KAI

● Mr. AKAKA. Mr. President, it is with great pride that I rise to recognize Natasha Kai of Kahuku, HI, for her extraordinary athletic achievements. As a forward for the University of Hawaii Rainbow Wahine soccer team, Natasha was recently named to the 2004 Women's Under 21 National Soccer team. This achievement marks the first time any female athlete from the State of Hawaii has acquired a position on this prestigious, nationally recognized team. After attending two training camps within the last month, Natasha competed amongst 40 of the country's top female athletes to earn a coveted spot on the national team.

The national team is currently in China and competing in a tournament with the hopes of making it to the 2004 Nordic Cup, the premier tournament to be held in Iceland later this summer. A few days ago, the national team secured its first exhibition match win triumphing over the Shanghai SVA team. Natasha made her international debut during that match and scored the first goal within the first three minutes of play. The national team is off to a successful start and has two more exhibition matches before they return home.

I am doubly proud that Natasha hails from Kahuku High School, which is one of the schools where I first entered the classroom as a teacher. As a multi-talented athlete at Kahuku, Natasha received four varsity letters each in soccer and track, as well as two in volleyball, and one each in basketball and cross country. Natasha was a two-time Oahu Interscholastic Association (OIA) All-Star soccer player, as well as a 2001 All-State player of the year. During her senior season, she led the Red Raider soccer team to a OIA division title win, a first for the school. Natasha earned State track and field honors in the 110 meter hurdles, high jump, and long jump, and was the two-time record holder and State champion in the 300 meter hurdles. In 2001, as a volleyball player she was voted to the OIA-East first team. Basketball accomplishments include being named to the OIA First-team and State Second-team that same year. In addition to her success on the field, Natasha also excelled in the classroom and was an honor student. As one of the most highly recruited female athletes in the State, Natasha decided to stay and pursue her athletic endeavors at the University of Hawaii at Manoa.

As a forward on the soccer field, Natasha is known for her explosive speed and skill when evading defenders and scoring goals. During her freshman year with the UH Wahine Rainbow soccer team, she started 16 of the 17 games she appeared in and broke eight school records. Natasha was named the 2002 Western Athletic Conference (WAC) freshman of the year and WAC player of the year, and captured all-WAC first team honors. As a 2002 UH Scholar athlete, she was also selected for the Soccer Buzz freshman All-West region first team and All-American third team. The freshman scored two hat tricks against Tulsa and Boise State during conference play and was named WAC Offensive Player of the Week three times. Last season as a sophomore, Natasha led the Nation in scoring with 29 goals and again received her second WAC player of the year and All-American honors. With the help of this skilled athlete, UH won a record 13 matches and secured its first conference title in 2003.

The athletic accolades of Natasha speak volumes of her character, love of the sport of soccer, and dedication to the game. I am confident that all the people of Hawaii, particularly her family and friends, take great pride in her great accomplishments. I wish Natasha and her teammates the best of luck while competing in the tournament and a safe journey home. Win or lose, I extend the support of the country and especially the support of all Hawaii. I thank Natasha for serving as a role model and for reminding us all that through hard work and determination, even what seems like a distant dream can be realized.•

NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK,

• Mrs. BOXER. Mr. President, I take this opportunity to recognize National Public Safety Telecommunicators Week.

In 1981, a 9–1–1 public safety dispatcher from the Contra Costa County Sheriff's Office, in my home State of California, first had the idea to designate one week each year to honor the work of public safety telecommunicators. In 1991, Congress issued a formal proclamation acknowledging National Public Safety Telecommunicators Week. In 1994, National Public Safety Telecommunicators Week became a permanent, federally designated week, observed annually during the second week of April.

I commend our Nation's public safety telecommunicators, usually the first and most critical contact our Nation's citizens have when they need emergency services. Over 500,000 9–1–1 calls are made every day across the country. Telecommunicators provide the best emergency assistance they can to each of the callers. People depend on the skill, expertise and commitment of telecommunicators who help save lives by responding to emergency calls, dispatching emergency professionals and equipment and providing support to citizens in distress. Telecommunicators also serve as the vital link for our police officers, sheriffs and firefighters by providing them with information and insuring their safety.

Public safety telecommunicators have a tremendous responsibility to remain calm while handling stressful situations. Amid panic and fear from a caller, public safety telecommunicators obtain the necessary information, make critical decisions and quickly dispatch the assistance that saves lives and property. Although they may be anonymous to callers, each of these men and women deserve praise and recognition for their hard work, not only during National Public Safety Telecommunicators Week but every day.

I am proud of the heroic work of public safety telecommunicators, and I offer my sincerest thanks for their compassion and professionalism.•

TRIBUTE TO NORMAN M. RICH, M.D.

• Mr. SARBANES. Mr. President, today I pay tribute to Norman M. Rich, M.D., Professor and Chairman, Department of Surgery, F. Edward Hébert School of Medicine at the Uniformed Services University of the Health Sciences—USUHS. This week, on March 26, 2004, Dr. Rich will mark the end of his 44-year career in Federal service.

Dr. Rich's Federal career began in the U.S. Army where he served for 20 years as a career officer and physician from 1960 through 1980. As a military surgeon with academic interests in the management of injured patients and vascular surgery, he earned international recognition; his military awards include the Legion of Merit, the Bronze Star, the Meritorious Service Award and Vietnam Medals.

Dr. Rich was appointed as the Founding Chairman of the USUHS School of Medicine's Department of Surgery in August of 1977 and held that position until October of 2002. For the past 16 months, he has continued to serve as an advisor and mentor to the Acting Department Chairman.

As Founding Chairman, Dr. Rich was faced with the difficult task of establishing a Department of Surgery at a university where the campus had not yet been constructed. From the outset, Dr. Rich and his considerable reputation gave credibility to the newly established Uniformed Services University of the Health Sciences and enabled the recruitment of a competent faculty for its new Department of Surgery. He utilized his collaborative relationships, both nationally and internationally, to strengthen his department's curricula and lectures and thereby provided a military and academically unique environment for the over 3,400 USUHS medical school graduates and thousands more future uniformed medical students.

Dr. Rich can take pride in having developed an academically sound curriculum, recruiting competent faculty with military unique expertise, meeting the initial and on-going accreditation requirements for the School of Medicine, and creating a sound national and global reputation for the university. His efforts have aided the School of Medicine in attaining full accreditation and he has helped shape USUHS graduates into what the Secretary of Defense has dubbed "the backbone of the Military Health System." Indeed, his efforts are reflected in the continued success of USUHS and its graduates and in the continued health of the millions of uniformed personnel and their families who have benefited from his extraordinary expertise.

During the course of his career, Dr. Rich has published over 300 manuscripts and authored or co-authored five books. Among these is the internationally recognized "Vascular Trauma." He has served on 10 editorial boards, including the major peer-reviewed journals focusing upon his specialty. His recent awards include: the 2003 National Safety Council Surgeons' Award for Distinguished Service in Safety presented by the American College of Surgeons, the American Association for the Surgery of Trauma, and the National Safety Council; recognition as a Citizen & Apothecary of London in 2001; and, the J.E. Wallace Sterling Lifetime Alumni Achievement Award from the Stanford Medical Alumni Association.

Our Nation can be proud of Dr. Rich's long and distinguished career of service and I am pleased to join with his family, friends and colleagues in expressing appreciation for the significant contributions he has made to the health of the uniformed services and that of all citizens. I certainly wish him continued success and happiness in the years to come.•

SIEGLINDE KURZ

• Mr. BOND. Mr. President, today I would like to commend Mrs. Sieglinde Kurz on her outstanding career as a public servant. Mrs. Kurz received her Bachelor of Arts degree from Fontbonne College, in St. Louis, MO in 1961 and her Masters Degree in Health Care Management from Northwestern University, in Evanston, IL in 1976.

I have worked with Mrs. Kurz on numerous occasions and I have always been impressed by her consummate professionalism. Her selfless attitude and intense work ethic have consistently led her to do great things within the field of veterans' health care.

Mrs. Kurz began her career with the Department of Veterans Affairs in November 1965 as a research chemist in renal hypertension research at the St. Louis VA Medical Center.

During her illustrious government career, Mrs. Kurz was the administrative assistant to the Associate Director in Hines, IL; Associate Director of the VA Medical Center in Tomah, WI; Associate Deputy Regional Director for the Northeastern Region in Albany, NY; Associate Director of the VA Medical Center in Marion, IL; Director of Construction Project Coordination and Budget at VA Headquarters in Washington, DC; and Director of the VA Medical Center in Marion, IL. She left the Marion VA Medical Center to accept the position of Director at the St. Louis VA Medical Center.

Mrs. Kurz served as the Director of the St. Louis VA for 5 years and 8 months, a term spanning from May 1998 thru January 2004. The St. Louis VA is one of the largest and most complex facilities in the nation and it has steadily improved under her guidance.

Mrs. Kurz provided leadership for this dual division hospital by facilitating care for more than 36,000 veterans annually. The primary service area of metropolitan St. Louis includes 9 counties in Missouri and 14 counties in West Central Illinois. During her tenure in St. Louis she led a care team of 1900 full time employee equivalents.

Mrs. Kurz's stellar career includes a number of achievements.

As a leader in the field of health care management she served as a mentor for executive career field director trainees and VHA Health Care management trainees. She also achieved the status of diplomat in the American College of Healthcare Executives.

Mrs. Kurz was listed as one of the top female directors in the Missouri Hospital Association Newsletter, Summer 2003 Edition, and in Who's Who Among Top Executives in 1998–1999. In 1999, during her tenure as Director of the St. Louis VA Medical Center, she was recognized with the Vice-Presidential "Hammer and Scissors" award for her efforts in piloting the first Department of Veterans Affairs Canteen Integration.

During her time at the St. Louis VA, Mrs. Kurz worked tirelessly to improve veterans' access to care and she opened three new health clinics. She also supported her employees by providing educational opportunities for mid-level managers through programs such as mini-MBA. She promoted an open policy that allowed staff at all levels to communicate through employee and supervisory forums.

After 37 years of government service, Mrs. Kurz retired on January 31, 2004, having devoted countless hours to the welfare of American Veterans. On behalf of all veterans in the St. Louis area, I would like to thank her for her tireless efforts and wish her well in her retirement.•

IN RECOGNITION OF DAN TERRY

• Mrs. BOXER. Mr. President, I today honor of Dan Terry, who will be retiring this May after 31 years of service as president of the California Professional Firefighters, CPF, a statewide organization representing more than 30,000 career firefighters in over 150 affiliated local unions.

America's firefighters are the heroes of our times. We know that they are always going to be there protecting us through any challenge.

For more than three decades, as firefighters have protected us, Dan Terry has been protecting them. He has fought for safer working conditions and worked to increase firefighter education, training, and staffing.

Thanks largely to his extraordinary efforts, California firefighters are now covered by statewide legislation that guarantees binding interest arbitration, enhanced retirement benefits, survivor benefits, and firefighter illness presumption laws. Dan Terry has also fought to protect firefighters' right to earn overtime pay as well as disability and workers' compensation benefits.

A retired fire captain with more than 20 years of service on the front lines, Dan Terry was elected CPF president in May 1973. After 31 years in office, he remains passionate and dedicated to the cause of improving the lives of California firefighters and their families. Even after leaving the presidency of CPF, he will remain active in the organization and in the service of California families and the courageous firefighters who protect them every day.

On behalf of the people of California, I express our profound gratitude and admiration to Dan Terry for his outstanding service to our State.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6708. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Pesticide Tolerances Fees; Suspension of Collection" (FRL#7349–7) received on March 16, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6709. A communication from the Under Secretary of Defense, Comptroller, Department of the Defense, transmitting, pursuant to law, a report relative to the assessment of desktop computer management services; to the Committee on Armed Services.

EC–6710. A communication from the General Counsel, Department of Defense, transmitting, pursuant to law, the National Defense Authorization Bill for Fiscal Year 2005; to the Committee on Armed Services.

EC–6711. A communication from the Assistant Secretary, Department of the Army, Department Defense, transmitting, pursuant to law, a report relative to a project for ecosystem restoration for Villas and Vicinity, Cape May County, New Jersey; to the Committee on Armed Services.

EC–6712. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report of a violation of the Antideficiency Act within the Research and Education account and the Extension Activities account; to the Committee on Appropriations.

EC–6713. A communication from the Architect of the Capitol, transmitting, pursuant to law, a report of all expenditures during the period April 1, 2003 through September 30, 2003 from moneys appropriated to the Architect; to the Committee on Appropriations.

EC–6714. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report required by Executive Order 12957 relative to the national emergency with respect to Iran; to the Committee on Banking, Housing, and Urban Affairs.

EC–6715. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Prohibiting Directed Fishing for Pacific Cod by Vessels Catching Pacific Cod for Processing by the Inshore Component in Western Regulatory Area of the Gulf of Alaska"; to the Committee on Commerce, Science, and Transportation.

EC–6716. A communication from the General Counsel, Consumer Product Safety Commission, transmitting, pursuant to law, the report of a rule entitled "Metal-Cored Candlewicks Containing Lead and Candles with Such Wicks" (68 FR 19142) received on March 16, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6717. A communication from the Secretary of Homeland Security, transmitting, pursuant to law, a report relative to the United States Coast Guard's implementations of regulations under Public Law 104–55; to the Committee on Commerce, Science, and Transportation.

EC–6718. A communication from the Under Secretary for Commerce and Industry, Bureau of Industry and Security, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Export Administration Regulations: Penalty Guidance in the Settlement of Administrative Enforcement Cases" (RIN0694–AC92) received on March 16, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6719. A communication from the Administrator, Office of Information and Regulatory Affairs, Executive Office of the President, transmitting, pursuant to law, a report relative to the Federal Government's use of voluntary consensus standards; to the Committee on Commerce, Science, and Transportation.

EC–6720. A communication from the Assistant Secretary for Fish, Wildlife, and Parks, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for Cirsium Loncholepis (La Graciosa Thistle)" (RIN1018–AG88) received on March 15, 2004; to the Committee on Energy and Natural Resources.

EC–6721. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Revisions to the California State Implementation Plan, South Coast Air Quality Management District" (FRL#7628–3) received on March 16, 2004; to the Committee on Environment and Public Works.

EC–6722. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Maine; Approval of State Implementation Plan Revision to PM10 PSD Increments" (FRL#7625–3) received on March 16, 2004; to the Committee on Environment and Public Works.

EC–6723. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans: Kentucky Update to Materials Incorporated by Reference; Technical Correction" (FRL#7636–9) received on March 16, 2004; to the Committee on Environment and Public Works.

EC–6724. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; Indiana" (FRL#7626–7) received on March 16, 2004; to the Committee on Environment and Public Works.

EC–6725. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Community-Based Urban and Peri-Urban Drinking Water Capacity-Building in Africa" received on March 16, 2004; to the Committee on Environment and Public Works.

EC–6726. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Emission Standards for Hazardous Air Pollutants: Plywood and Composite Wood Products; Effluent Limitations Guidelines and Standards for the Timber Products Point Source Category List of Hazardous Air Pollutants; Lesser Quantity Designations, Source Category List" (FRL#7634–1) received on March 16, 2004; to the Committee on Environment and Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. DASCHLE:

S. 2223. A bill to expand the list of entities eligible to establish and maintain a qualified tuition program under section 529 of the Internal Revenue Code of 1986; to the Committee on Finance.

By Mr. BROWNBACK (for himself and Mr. ROBERTS):

S. 2224. A bill to establish the Bleeding Kansas and the Enduring Struggle for Freedom National Heritage Area, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BURNS (for himself, Mr. BAUCUS, and Mr. CAMPBELL):

S. 2225. A bill to authorize an exchange of mineral rights by the Secretary of the Interior in the State of Montana; to the Committee on Energy and Natural Resources.

By Mr. CORZINE:

S. 2226. A bill to extend the period for COBRA coverage for recipients of trade adjustment assistance; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BIDEN (for himself, Mr. HOLLINGS, Mrs. MURRAY, Mr. SMITH, and Mr. ALLEN):

S. 2227. A bill to prevent and punish counterfeiting and copyright piracy, and for other purposes; to the Committee on the Judiciary.

By Mr. ALLEN:

S. 2228. A bill to authorize the issuance of a certificate of documentation with appropriate endorsement for employment in the coastwise trade and fisheries for the vessel CROYANCE; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FRIST (for himself and Mr. DASCHLE):

S. Res. 323. A resolution to authorize legal representation in United States of America v. Elena Ruth Sassower; considered and agreed to.

ADDITIONAL COSPONSORS

S. 595

At the request of Mr. HATCH, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 595, a bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financings to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. 641

At the request of Mrs. LINCOLN, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 641, a bill to amend title 10, United States Code, to support the Federal Excess Personal Property program of the Forest Service by making it a priority of the Department of Defense to transfer to the Forest Service excess personal property of the Department of Defense that is suitable to be loaned to rural fire departments .

S. 976

At the request of Mr. WARNER, the names of the Senator from Arkansas (Mr. PRYOR) and the Senator from Georgia (Mr. MILLER) were added as cosponsors of S. 976, a bill to provide for the issuance of a coin to commemorate the 400th anniversary of the Jamestown settlement.

S. 1190

At the request of Mr. BINGAMAN, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 1190, a bill to expand and enhance postbaccalaureate opportunities at Hispanic-serving institutions, and for other purposes.

S. 1645

At the request of Mr. CRAIG, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 1645, a bill to provide for the adjustment of status of certain foreign agricultural workers, to amend the Immigration and Nationality Act to reform the H–2A worker program under that Act, to provide a stable, legal agricultural workforce, to extend basic legal protections and better working conditions to more workers, and for other purposes.

S. 1786

At the request of Mr. ALEXANDER, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1786, a bill to revise and extend the Community Services Block Grant Act, the Low-Income Home Energy Assistance Act of 1981, and the Assets for Independence Act.

S. 1944

At the request of Mr. ENSIGN, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 1944, a bill to enhance peace between the Israelis and Palestinians.

S. 1992

At the request of Mr. KENNEDY, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1992, a bill to amend the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to eliminate privatization of the medicare program, to improve the medicare prescription drug benefit, to repeal health savings accounts, and for other purposes.

S. 1998

At the request of Mr. BINGAMAN, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1998, a bill to amend title 49, United States Code, to preserve the essential air service program.

S. 2054

At the request of Mr. JOHNSON, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 2054, a bill to require the Federal forfeiture funds be used, in part, to clean up methamphetamine laboratories.

S. 2059

At the request of Mr. FITZGERALD, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2059, a bill to improve the governance and regulation of mutual funds under the securities laws, and for other purposes.

S. 2076

At the request of Mr. BAUCUS, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 2076, a bill to amend title XI of the Social Security Act to provide direct congressional access to the office of the Chief Actuary in the Centers for Medicare & Medicaid Services.

S. 2141

At the request of Mr. LUGAR, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 2141, a bill to amend the Farm Security and Rural Investment Act of 2002 to enhance the ability to produce fruits and vegetables on soybean base acres.

S. 2157

At the request of Mr. BAUCUS, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 2157, a bill to amend the Trade Act of 1974 to extend the trade adjustment assistance program to the services sector, and for other purposes.

S. 2158

At the request of Ms. COLLINS, the names of the Senator from Tennessee (Mr. ALEXANDER) and the Senator from Kentucky (Mr. BUNNING) were added as cosponsors of S. 2158, a bill to amend the Public Health Service Act to increase the supply of pancreatic islet cells for research, and to provide for better coordination of Federal efforts and information on islet cell transplantation.

S. 2165

At the request of Mr. REED, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 2165, a bill to specify the end strength for active duty personnel of the Army as of September 30, 2005.

S. 2182

At the request of Mr. NELSON of Nebraska, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 2182, a bill to amend the Farm Security and Rural Investment Act of 2002 to permit the planting of chicory on base acres.

S. 2193

At the request of Ms. CANTWELL, her name was added as a cosponsor of S. 2193, a bill to improve small business loan programs; and for other purposes.

At the request of Ms. SNOWE, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 2193, supra.

At the request of Mr. LEVIN, his name was added as a cosponsor of S. 2193, supra.

S. 2194

At the request of Mr. CORNYN, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 2194, a bill to amend part D of title IV of the Social Security Act to improve the collection of child support, and for other purposes.

S. 2208

At the request of Mr. ROCKEFELLER, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 2208, a bill to amend the Surface Mining Control and Reclamation Act of 1977 to reduce the amounts of reclamation fees, to modify requirements relating to transfers from the Abandoned Mine Reclamation Fund, and for other purposes.

S. CON. RES. 14

At the request of Mr. SMITH, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. Con. Res. 14, a concurrent resolution expressing the sense of Congress regarding the education curriculum in the Kingdom of Saudi Arabia.

S. CON. RES. 81

At the request of Mrs. FEINSTEIN, the names of the Senator from Illinois (Mr. DURBIN), the Senator from New Hampshire (Mr. SUNUNU) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. Con. Res. 81, a concurrent resolution expressing the deep concern of Congress regarding the failure of the Islamic Republic of Iran to adhere to its obligations under a safeguards agreement with the International Atomic Energy Agency and the engagement by Iran in activities that appear to be designed to develop nuclear weapons.

S. RES. 168

At the request of Mr. CAMPBELL, the names of the Senator from Arkansas (Mr. PRYOR) and the Senator from Delaware (Mr. CARPER) were added as cosponsors of S. Res. 168, a resolution designating May 2004 as "National Motorcycle Safety and Awareness Month".

AMENDMENT NO. 2667

At the request of Mr. SMITH, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of amendment No. 2667 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2683

At the request of Mr. SANTORUM, the name of the Senator from South Carolina (Mr. GRAHAM) was added as a cosponsor of amendment No. 2683 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2690

At the request of Mrs. FEINSTEIN, the names of the Senator from Hawaii (Mr. INOUYE) and the Senator from Virginia (Mr. ALLEN) were added as cosponsors of amendment No. 2690 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2873

At the request of Mr. THOMAS, the names of the Senator from Arkansas (Mr. PRYOR) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of amendment No. 2873 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2880

At the request of Mr. DURBIN, the names of the Senator from Washington (Mrs. MURRAY) and the Senator from Nevada (Mr. REID) were added as cosponsors of amendment No. 2880 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2888

At the request of Mrs. HUTCHISON, the names of the Senator from Texas (Mr. CORNYN) and the Senator from Washington (Mrs. MURRAY) were added as cosponsors of amendment No. 2888 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DASCHLE:

S. 2223. A bill to expand the list of entities eligible to establish and maintain a qualified tuition program under section 529 of the Internal Revenue Code of 1986; to the Committee on Finance.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2223

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADDITIONAL ELIGIBLE ENTITIES FOR QUALIFIED TUITION PROGRAMS.

(a) IN GENERAL.—For purposes of section 529 of the Internal Revenue Code of 1986, an eligible educational institution shall be deemed to include a corporation—

(1) which is a transferee corporation (within the meaning of section 150(d)(3) of such Code) of a corporation described in section 150(d) of such Code, and

(2) a majority of the outstanding stock of which is owned by an employee stock ownership plan (as defined in section 4975(d)(7) of such Code).

(b) EFFECTIVE DATE.—Subsection (a) shall take effect with respect to any qualified tuition program established after the date of the enactment of this Act.

By Mr. BROWNBACK (for himself and Mr. ROBERTS):

S. 2224. A bill to establish the Bleeding Kansas and the Enduring Struggle for Freedom National Heritage Area, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BROWNBACK. Mr. President, the great story of Kansas can be summed up in the State motto, "Ad Astra per Aspera," to the stars through difficulties. Though only a short phrase comprised of four words, the meaning and passion behind the Kansas State motto are as profound as they are descriptive of a State that though smaller than some, was a catalyst for racial equality in this Nation.

From inception, Kansas was born in controversy—a controversy that helped to shape a Nation and end the egregious practice of chattel slavery that brutalized an entire race of individuals in this country. I cannot think of a more noble or more important contribution provided to our Nation—through arguably it was one of the most turbulent and darkest hours of our history. Without this struggle however, the battle to end persecution and transform our country into a symbol of freedom and democracy throughout the world would not have been realized.

This year marks the sesquicentennial of the signing of the Kansas-Nebraska bill which repealed the Missouri compromise, allowed States to enter into the Union with or without slavery. This piece of legislation, which was passed in May 1854, set the stage for what is now referred to as, "Bleeding Kansas." During this time, our State, then a territory, was thrown into chaos with Kansans fighting passionately to ensure that the territory would enter the Union as a free State and not condone or legalize slavery in any capacity. At the end of a very difficult and bloody struggle, Kansas entered the Union as a free State and helped to spark the issue of slavery on a national level. However, Kansas' contributions to the realization of freedom in this Nation did not stop with the Kansas-Nebraska Act.

Keeping true to the motto, "to the stars through difficulties." Kansas opened up her arms to a newly freed people after the Civil War ended. Many African Americans looked to Kansas for solace and prosperity when the South was still an uncertain place. Perhaps one of the best examples of Ad Astra per Aspera was the founding of a town in Kansas by African Americans coming to our State to begin their life of freedom and prosperity.

Founded in 1877, Nicodemus, which was named after a legendary slave who purchased his freedom, is the most recognized historically black town in Kansas. Nicodemus was established by a group of colonists from Lexington, KY and grew to a population of 600 by 1879. However, Nicodemus is not the only Kansas contribution that shaped a more tolerant Nation. Kansas was also one of the first States to house an African American military regiment in the 1800s, the Buffalo Soldiers.

The Buffalo Soldiers were, and still are, considered one of the most distinguished and revered African American military regiments in our Nation's history. One of those regiments, the 10th Cavalry, was stationed at Fort Leavenworth, KS. In July 1866, Congress passed legislation establishing two cavalry and four infantry regiments that were to be solely comprised of African Americans. The mounted regiments were the 9th and 10th Cavalries, soon nicknamed "Buffalo Soldiers" by the Cheyenne and Comanche tribes. Lt. Henry O. Flipper, the first African American to graduate from the United States Military Academy in 1877 and commanded the 10th Calvary unit where he proved that African Americans possessed the quality of military leadership. Until the early 1890s, the Buffalo Soldiers constituted 20 percent of all cavalry forces on the American frontier. Their invaluable service on the western frontier still remains one of the most exemplary services performed by a regiment in the U.S. Army.

These are just a few examples of why I am pleased to join with my colleague from Kansas, Senator PAT ROBERTS, today and introduce the Bleeding Kansas National Heritage Area Act, which will not only serve to educate Kansans but the Nation on the important contributions—and in many cases the sacrifices—made in order to establish this proud State. The creation of this heritage area will ensure that this legacy is not only commemorated but celebrated on a national level.

Specifically, the Bleeding Kansas National Heritage Area Act will designate 24 counties in Kansas as the "Bleeding Kansas and the Enduring Struggle for Freedom National Heritage Area." Each of these counties will be eligible to apply for the heritage area grants administered by the National Park Service.

The heritage area will add to local economies within the State by increasing tourism and will encourage collaboration between interests of diverse units of government, businesses, tourism officials, private property owners, and nonprofit groups within the heritage area. Finally, the bill protects private property owners by requiring that they provide in writing consent to be included in any request before they are eligible to receive Federal funds from the heritage area. The bill also authorizes $10,000,000.00 over a 10 year period to carry out this act and states that no more than $1,000,000.00 may be appropriated to the heritage area for any fiscal year.

Kansas has much to be proud of in its history and it is vital that this history be shared on a national level. By establishing the Bleeding Kansas and the

Enduring Struggle for Freedom National Heritage Area, we will ensure that this magnificent legacy lives on and serves as a stirring reminder of the sacrifices and triumphs that created this Nation—a Nation united in freedom for all people.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2224

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bleeding Kansas National Heritage Area Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds the following:

(1) The Bleeding Kansas National Heritage Area is a cohesive assemblage of natural, historic, cultural, and recreational resources that—

(A) together represent distinctive aspects of American heritage worthy of recognition, conservation, interpretation, and continuing use;

(B) are best managed through partnerships between private and public entities;

(C) will build upon the Kansas rural development policy and the new homestead act to recognize inherent strengths of small towns and rural communities—close-knit communities, strong local business networks, and a tradition of entrepreneurial creativity.

(2) The Bleeding Kansas National Heritage Area reflects traditions, customs, beliefs, folk life, or some combination thereof, that are a valuable part of the heritage of the United States.

(3) The Bleeding Kansas National Heritage Area provides outstanding opportunities to conserve natural, cultural, or historic features, or some combination thereof.

(4) The Bleeding Kansas National Heritage Area provides outstanding recreational and interpretive opportunities.

(5) The Bleeding Kansas National Heritage Area has an identifiable theme, and resources important to the theme retain integrity capable of supporting interpretation.

(6) Residents, nonprofit organizations, other private entities, and units of local government throughout the Bleeding Kansas National Heritage Area demonstrate support for designation of the Bleeding Kansas National Heritage Area as a national heritage area and for management of the Bleeding Kansas National Heritage Area as appropriate for such designation.

(7) Capturing these interconnected stories through partnerships with National Park Service sites, Kansas State Historical Society sites, local organizations, and citizens will augment the story opportunities within the prospective boundary for the educational and recreational benefit of this and future generations of Americans.

(8) Communities throughout this region know the value of their Bleeding Kansas legacy, but require expansion of the existing cooperative framework to achieve key preservation, education, and other significant goals by working more closely together.

(9) The State of Kansas officially recognized the national significance of the Bleeding Kansas story when it designated the heritage area development as a significant strategic goal within the statewide economic development plan.

(10) Territorial Kansas Heritage Alliance is a nonprofit corporation created for the purposes of preserving, interpreting, developing, promoting and, making available to the public the story and resources related to the story of Bleeding Kansas and the Enduring Struggle for Freedom.

(11) Territorial Kansas Heritage Alliance has completed a study that—

(A) describes in detail the role, operation, financing, and functions of Territorial Kansas Heritage Alliance, the management entity; and

(B) provides adequate assurances that Territorial Kansas Heritage Alliance, the management entity, is likely to have the financial resources necessary to implement the management plan for the Heritage Area, including resources to meet matching requirement for grants.

(12) There are at least 7 National Historic Landmarks, 32 National Register properties, 3 Kansas Register properties, and 7 properties listed on the National Underground Railroad Network to Freedom that contribute to the Heritage Area as well as other significant properties that have not been designated at this time.

(13) There is an interest in interpreting all sides of the Bleeding Kansas story that requires further work with several counties in Missouri interested in joining the area.

(14) In 2004, the State of Kansas is commemorating the Sesquicentennial of the signing of the Kansas-Nebraska Act, opening the territory to settlement.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To designate a region in eastern Kansas and western Missouri containing nationally important natural, historic, and cultural resources and recreational and educational opportunities that are geographically assembled and thematically related as areas that provide unique frameworks for understanding the great and diverse character of the United States and the development of communities and their surroundings as the Bleeding Kansas National Heritage Area.

(2) To strengthen, complement, and support the Fort Scott, Brown v. Board of Education, Nicodemus and Tallgrass Prairie sites through the interpretation and conservation of the associated living landscapes outside of the boundaries of these units of the National Park System.

(3) To describe the extent of Federal responsibilities and duties in regard to the Heritage Area.

(4) To further collaboration and partnerships among Federal, State, and local governments, nonprofit organizations, and the private sector, or combinations thereof, to conserve and manage the resources and opportunities in the Heritage Area through grants, technical assistance, training and other means.

(5) To authorize Federal financial and technical assistance to management entity to assist in the conservation and interpretation of the Heritage Area.

(6) To empower communities and organizations in Kansas to preserve the special historic identity of Bleeding Kansas and with it the identity of the Nation.

(7) To provide for the management, preservation, protection, and interpretation of the natural, historical, and cultural resources within the region for the educational and inspirational benefit of current and future generations.

(8) To provide greater community capacity through inter-local cooperation.

(9) To provide a vehicle, particularly in the four counties with high out-migration of population, to recognize that self-reliance and resilience will be the keys to their economic future.

(10) To build upon the Kansas rural development policy, the Kansas agritourism initiative and the new homestead act to recognize inherent strengths of small towns and rural communities—close-knit communities, strong local business networks, and a tradition of entrepreneurial creativity.

(11) To educate and cultivate among its citizens, particularly its youth, the stories and cultural resources of the region's legacy that—

(A) reflect the popular phrase "Bleeding Kansas" describing the conflict over slavery that became nationally prominent in Kansas just before and during the American Civil War;

(B) reflect the commitment of American settlers who first fought and killed to uphold their different and irreconcilable principles of freedom and equality during the years of the Kansas Conflict;

(C) reflect the struggle for freedom, experienced during the "Bleeding Kansas" era, that continues to be a vital and pressing issue associated with the real problem of democratic nation building; and

(D) recreate the physical environment revealing its impact on agriculture, transportation, trade and business, and social and cultural patterns in urban and rural settings.

(12) To interpret the effect of the era's democratic ethos on the development of America's distinctive political culture.

SEC. 3. DEFINITIONS.

For the purposes of this Act:

(1) MANAGEMENT ENTITY.—The term "management entity" means Territorial Kansas Heritage Alliance, recognized by the Secretary, in consultation with the chief executive officer of the State of Kansas, that agrees to perform the duties of a local coordinating entity under this Act.

(2) HERITAGE AREA.—The term "Heritage Area" means the Bleeding Kansas and the Enduring Struggle for Freedom National Heritage Area in eastern Kansas and western Missouri.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(4) UNIT OF LOCAL GOVERNMENT.—The term "unit of local government" means the government of a State, a political subdivision of a State, or an Indian tribe.

SEC. 4. BLEEDING KANSAS AND THE ENDURING STRUGGLE FOR FREEDOM NATIONAL HERITAGE AREA.

(a) ESTABLISHMENT.—There is established in the State of Kansas the Bleeding Kansas and the Enduring Struggle for Freedom National Heritage Area.

(b) BOUNDARIES.—The Heritage Area shall include the following:

(1) An area located in eastern Kansas and western Missouri, consisting currently of Allen, Anderson, Bourbon, Cherokee, Clay, Coffey, Crawford, Douglas, Franklin, Geary, Johnson, Labette, Leavenworth, Linn, Miami, Neosho, Pottawatomie, Riley, Shawnee, Wabaunsee, Wilson, Woodson, Wyandotte Counties in Kansas and tentatively including additional counties in Kansas and western Missouri to be included in the development of the management plan.

(2) Contributing sites, buildings, and districts within the area will be recommended by the management plan.

(c) MAP.—Final boundary will be defined during the management plan development. A map of the Heritage Area shall be included in the management plan. The map shall be on file in the appropriate offices of the National Park Service, Department of the Interior.

(d) MANAGEMENT ENTITY.—The management entity for the Heritage Area shall be Territorial Kansas Heritage Alliance, a nonprofit organization established in the State of Kansas, recognized by the Secretary, in consultation with the chief executive officer of the State of Kansas, that agrees to perform the duties of a local coordinating entity under this Act.

SEC. 5. AUTHORITIES, DUTIES, AND PROHIBITIONS OF THE MANAGEMENT ENTITY.

(a) AUTHORITIES.—The management entity may, for purposes of preparing and implementing the management plan, use funds made available under this Act to—

(1) prepare a management plan for the Heritage Area;

(2) prepare reports, studies, interpretive exhibits and programs, historic preservation projects, and other activities recommended in the management plan for the Heritage Area;

(3) pay for operational expenses of the management entity incurred within the first 10 fiscal years beginning after the date of the enactment of this Act designating the Heritage Area;

(4) make grants or loans to entities defined in the management plan;

(5) enter into cooperative agreements with the State of Kansas, its political subdivisions, nonprofit organizations, and other organizations;

(6) hire and compensate staff;

(7) obtain money from any source under any program or law to be used for a regrant program requiring the recipient of such money to make a contribution in order to receive it;

(8) contract for goods and services; and

(9) offer a competitive grants program to contributing partners requiring a dollar-for-dollar match of Federal funds.

(b) DUTIES OF THE MANAGEMENT ENTITY.—In addition to developing the management plan, the management entity shall—

(1) give priority to the implementation of actions, goals, strategies, and standards set forth in the management plan, including assisting units of government and other persons in—

(A) encouraging economic viability in the Heritage Area in accordance with the goals of the management plan;

(B) establishing interpretive exhibits in the Heritage Area;

(C) increasing public awareness of and appreciation for the cultural, historical, and natural resources of the Heritage Area;

(D) supporting the restoration of historic buildings that are—

(i) located in the Heritage Area; and

(ii) related to the themes of the Heritage Area;

(E) the conservation of contributing landscapes and natural resources; and

(F) the installation throughout the Heritage Area of signs identifying public access points and sites of interest;

(2) prepare and implement the management plan while considering the interests of diverse units of government, businesses, private property owners, and nonprofit groups within the Heritage Area;

(3) conduct public meetings in conjunction with training and skill building workshops regarding the development and implementation of the management plan; and

(4) for any fiscal year for which Federal funds are received under this Act—

(A) submit to the Secretary a report that describes, for the year—

(i) accomplishments of the management entity;

(ii) expenses and income of the management entity;

(iii) each entity to which a grant was made; and

(iv) an accounting of matching funds obtained to meet grant guidelines;

(B) conduct an annual audit with a neutral auditing firm and make available for audit by Congress, the Secretary, and appropriate units of government, all records pertaining to the expenditure of the funds and any matching funds; and

(C) require, for all agreements authorizing expenditure of Federal funds by any entity, that the receiving entity make available for audit all records pertaining to the expenditure of their funds.

(c) PROHIBITION OF ACQUISITION OF REAL PROPERTY.—The management entity shall not use Federal funds received under this Act to acquire real property or an interest in real property.

(d) OTHER SOURCES.—Nothing in this Act precludes the management entity from using Federal funds from other sources for authorized purposes.

SEC. 6. MANAGEMENT PLAN.

(a) REQUIREMENTS.—The management entity shall:

(1) MANAGEMENT PLAN.—Not later than 3 years after the date funds are made available for this purpose, prepare and submit a management plan reviewed by participating units of local government within the boundaries of the proposed Heritage Area.

(2) COLLABORATION.—Collaborate with and consider the interests of diverse units of government, businesses, tourism officials, private property owners, and nonprofit groups within the geographic area of the Heritage Area in developing and implementing such a management plan.

(3) PUBLIC INVOLVEMENT.—Ensure regular public involvement, including public meetings at least annually, regarding the implementation of the management plan.

(b) CONTENTS OF MANAGEMENT PLAN.—The management plan prepared for the Heritage Area shall—

(1) present a comprehensive program for the conservation, interpretation, funding, management, and development of the Heritage Area, in a manner consistent with the existing local, State, and Federal land use laws and compatible economic viability of the Heritage Area;

(2) establish criteria or standards to measure what is selected for conservation, interpretation, funding, management, and development;

(3) involve residents, public agencies, and private organizations working in the Heritage Area;

(4) specify and coordinate, as of the date of the management plan, existing and potential sources of technical and financial assistance under this and other Federal laws to protect, manage, and develop the Heritage Area; and

(5) include—

(A) actions to be undertaken by units of government and private organizations to protect, conserve, and interpret the resources of the Heritage Area;

(B) an inventory of the resources contained in the Heritage Area, including a list of any property in the Heritage Area that is related to the themes of the Heritage Area and that meets the establishing criteria (such as, but not exclusive to, visitor readiness) to merit preservation, restoration, management, development, or maintenance because of its natural, cultural, historical, or recreational significance;

(C) policies for resource management including the development of intergovernmental cooperative agreements, private sector agreements, or any combination thereof, to protect the historical, cultural, recreational, and natural resources of the Heritage Area in a manner consistent with supporting appropriate and compatible economic viability;

(D) a program for implementation of the management plan by the designated management entity, in cooperation with its partners and units of local government;

(E) evidence that relevant State, county, and local plans applicable to the Heritage Area have been taken into consideration;

(F) an analysis of ways in which local, State, and Federal programs may best be coordinated to promote the purposes of this Act; and

(G) a business plan that—

(i) describes in detail the role, operation, financing, and functions of the management entity for each activity included in the recommendations contained in the management plan; and

(ii) provides, to the satisfaction of the Secretary, adequate assurances that the management entity is likely to have the financial resources necessary to implement the management plan for the Heritage Area, including resources to meet matching requirement for grants awarded under this Act.

(c) PUBLIC NOTICE.—The management entity shall place a notice of each of its public meetings in a newspaper of general circulation in the Heritage Area and shall make the minutes of the meeting available to the public.

(d) DISQUALIFICATION FROM FUNDING.—If a proposed management plan is not submitted to the Secretary within 4 years of the date of the enactment of this Act, the management entity shall be ineligible to receive additional funding under this title until the date on which the Secretary receives the proposed management plan.

(e) APPROVAL AND DISAPPROVAL OF MANAGEMENT PLAN.—The Secretary shall approve or disapprove the proposed management plan submitted under this title not later than 90 days after receiving such proposed management plan.

(f) ACTION FOLLOWING DISAPPROVAL.—If the Secretary disapproves a proposed management plan, the Secretary shall advise the management entity in writing of the reasons for the disapproval and shall make recommendations for revisions to the proposed management plan. The Secretary shall approve or disapprove a proposed revision within 90 days after the date it is submitted.

(g) APPROVAL OF AMENDMENTS.—The Secretary shall review and approve substantial amendments to the management plan. Funds appropriated under this title may not be expended to implement any changes made by such amendment until the Secretary approves the amendment.

SEC. 7. TECHNICAL AND FINANCIAL ASSISTANCE; OTHER FEDERAL AGENCIES.

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—On the request of the management entity, the Secretary may provide technical and financial assistance for the development and implementation of the management plan.

(2) PRIORITY FOR ASSISTANCE.—In providing assistance under paragraph (1), the Secretary shall give priority to actions that assist in—

(A) conserving the significant cultural, historic, and natural resources of the Heritage Area; and

(B) providing educational, interpretive, and recreational opportunities consistent with the purposes of the Heritage Area.

(3) SPENDING FOR NON-FEDERAL PROPERTY.—The management entity may expend Federal funds made available under this Act on non-Federal property that—

(A) meets the criteria in the approved management plan; or

(B) is listed or eligible for listing on the National Register of Historic Places.

(4) OTHER ASSISTANCE.—The Secretary may enter into cooperative agreements with public and private organizations to carry out this subsection.

(b) OTHER FEDERAL AGENCIES.—Any Federal entity conducting or supporting an activity that directly affects the Heritage Area shall—

(1) consider the potential effect of the activity on the purposes of the Heritage Area and the management plan;

(2) consult with the management entity regarding the activity; and

(3) to the maximum extent practicable, conduct or support the activity to avoid adverse effects on the Heritage Area.

(c) OTHER ASSISTANCE NOT AFFECTED.—This Act does not affect the authority of any Federal official to provide technical or financial assistance under any other law.

(d) NOTIFICATION OF OTHER FEDERAL ACTIVITIES.—The head of each Federal agency shall provide to the Secretary and the management entity, to the extent practicable, advance notice of all activities that may have an impact on the Heritage Area.

SEC. 8. PRIVATE PROPERTY PROTECTION.

(a) ACCESS TO PRIVATE PROPERTY.—Nothing in this Act shall be construed to require any private property owner to permit public access (including Federal, State, or local government access) to such private property. Nothing in this Act shall be construed to modify any provision of Federal, State, or local law with regard to public access to or use of private lands.

(b) LIABILITY.—Designation of the Heritage Area shall not be considered to create any liability, or to have any effect on any liability under any other law, of any private property owner with respect to any persons injured on such private property.

(c) RECOGNITION OF AUTHORITY TO CONTROL LAND USE.—Nothing in this Act shall be construed to modify any authority of Federal, State, or local governments to regulate land use.

(d) PARTICIPATION OF PRIVATE PROPERTY OWNERS IN HERITAGE AREAS.—Nothing in this Act shall be construed to require the owner of any private property located within the boundaries of the Heritage Area to participate in or be associated with the Heritage Area.

(e) LAND USE REGULATION.—

(1) IN GENERAL.—The management entity shall provide assistance and encouragement to State and local governments, private organizations, and persons to protect and promote the resources and values of the Heritage Area.

(2) EFFECT.—Nothing in this Act—

(A) affects the authority of the State or local governments to regulate under law any use of land; or

(B) grants any power of zoning or land use to the management entity.

(f) PRIVATE PROPERTY.—

(1) IN GENERAL.—The management entity shall be an advocate for land management practices consistent with the purposes of the Heritage Area.

(2) EFFECT.—Nothing in this Act—

(A) abridges the rights of any person with regard to private property;

(B) affects the authority of the State or local government regarding private property; or

(C) imposes any additional burden on any property owner.

SEC. 9. REQUIREMENTS FOR INCLUSION OF PRIVATE PROPERTY.

(a) NOTIFICATION AND CONSENT OF PROPERTY OWNERS REQUIRED.—No privately owned property shall be governed by the management plan for the Heritage Area until the owner of that private property has been notified in writing by the management entity and has given written consent for such inclusion to the management entity.

(b) LANDOWNER WITHDRAW.—Any owner of private property included within the boundary of the Heritage Area, and not notified under subsection (a), shall have their property immediately removed from the boundary by submitting a written request to the management entity.

SEC. 10. SAVINGS PROVISIONS.

(a) RULES, REGULATIONS, STANDARDS, AND PERMIT PROCESSES.—Nothing in this Act shall be construed to impose any environmental, occupational, safety, or other rule, regulation, standard, or permit process in the Heritage Area that is different from those that would be applicable if the Heritage Area had not been established.

(b) WATER AND WATER RIGHTS.—Nothing in this Act shall be construed to authorize or imply the reservation or appropriation of water or water rights.

(c) NO DIMINISHMENT OF STATE AUTHORITY.—Nothing in this Act shall be construed to diminish the authority of the State to manage fish and wildlife, including the regulation of fishing and hunting within the Heritage Area.

(d) EXISTING NATIONAL HERITAGE AREAS.—Nothing in this Act shall affect any national heritage area so designated before the date of the enactment of this Act.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this Act $10,000,000, of which not more than $1,000,000 may be authorized to be appropriated for any fiscal year.

(b) COST-SHARING REQUIREMENT.—The Federal share of the total cost of any activity assisted under this Act shall be not more than 50 percent.

SEC. 12. TERMINATION OF AUTHORITY.

The authority of the Secretary to provide assistance under this Act terminates on the date that is 10 years after the date of the enactment of this Act.

Mr. ROBERTS. Mr. President, I am pleased to introduce, along with my distinguished colleague Senator BROWNBACK, a bill designating the Bleeding Kansas and the Enduring Struggle for Freedom National Heritage Area. This project has joined communities throughout eastern Kansas in an effort to document, preserve and celebrate Kansas' significant role in the political struggle that led to the Civil War and in other historic struggles for equality that took place in our state.

Designated by Congress, National Heritage Areas are places where natural, cultural, historic and recreational resources combine to form complete and distinct landscape. Our State, which has a proud heritage and compelling story, will benefit from this national designation that helps preserve and celebrate America's defining landscapes. By enhancing and developing historic sites throughout eastern Kansas, we will ensure that the traditions that evolved there are preserved.

During the Civil War, William Quantrill, the head of an infamous gang of Confederate sympathizers, led a raid on Lawrence, KS. Though far from the main campaigns, this massacre caused Bleeding Kansas to become a prominent symbol in the fight for the freedom of all people, and the territory would become a battleground over the question of slavery. After these attacks, the abolitionist senator Charles Sumner delivered his famous speech called "The Crime Against Kansas," in which he brought the escalating situation into sharper focus for the Nation.

Almost 100 years later, Kansas became the battleground once again, as Oliver L. Brown fought to prove that separate among the people of this great Nation is not equal. In fact, we will soon celebrate the 50th anniversary of the Brown v. Topeka Board of Education Supreme Court decision, which was a landmark victory in the civil rights movement. These are but two of the many stories that will make up this heritage area, marking an important era in our Nation's history.

I'd like to commend the Lawrence City Commission, the Douglas County Commission, and the Lawrence Chamber of Commerce, who have worked diligently on Federal heritage area designation. And I encourage the Senate's swift passage of this important piece of legislation.

By Mr. BURNS (for himself, Mr. BAUCUS, and Mr. CAMPBELL):

S. 2225. A bill to authorize an exchange of mineral rights by the Secretary of the Interior in the State of Montana; to the Committee on Energy and Natural Resources.

Mr. BAUCUS. Mr. President, I am pleased to introduce today the Montana Mineral Exchange Act with Senators BURNS and CAMPBELL.

This bill will enable the Northern Cheyenne Tribe and eastern Montana to create jobs and provide a shot in the arm for a local economy that has been creative in forging its own destiny.

The Montana Mineral Exchange Act is the result of years of working together. President Geri Small has been a true advocate for the Northern Cheyenne Tribe as she has worked tirelessly on this project for years.

The Montana Mineral Exchange Act is a positive step forward in creating good-paying jobs and boosting economic development in Montana. This shows what Montana can do when we—the congressional delegation, the governor's office, the private sector, and the Northern Cheyenne—work together to develop our resources while creating jobs and protecting our quality of life. Development of this high-quality coal will allow Montana to move forward economically and compete with other energy producing states for jobs and market share. I'm glad I could work together with Governor Martz, Senator BURNS, Congressman REHBERG, Senator CAMPBELL and all of the parties involved to make this bill happen.

By Mr. CORZINE:

S. 2226. A bill to extend the period for COBRA coverage for recipients of trade adjustment assistance; to the Committee on Health, Education, Labor, and Pensions.

Mr. CORZINE. Mr. President, I rise today to introduce legislation to ensure that displaced workers whose jobs have moved overseas have access to affordable health care coverage.

Under the Trade Assistance Adjustment Act, unemployed workers who have seen their manufacturing jobs shipped overseas are eligible for Federal subsidies to help them maintain their employer-based health coverage through COBRA. Unfortunately, while these workers have access to these Federal subsidies for 24 months, they only have access to COBRA coverage for 18 months. This discrepancy means that displaced workers are unable to fully utilize these subsidies. Indeed, the discrepancy creates the anomalous situation in which displaced workers can remain in their COBRA plan for 18 months, using the Federal subsidy to help defray their costs, but once their COBRA coverage runs out, they have six additional months of Federal subsidy available but lose their existing health coverage. This leaves them no choice but to seek coverage in the expensive individual market where they are not guaranteed coverage and where their subsidy may not be sufficient to help them afford coverage.

My legislation would fix this problem by making COBRA coverage available for the full 24 months that the subsidy is available. This will ensure that displaced workers can take full advantage of the assistance that Congress made available to them in 2002.

As more and more Americans see their jobs outsourced overseas, many struggle to provide health insurance for their families. We have lost 3,000 manufacturing jobs in February alone and have lost a total of 2.8 million since 2000. Congress took a critical step in authorizing Federal assistance for those who have lost these jobs. Now we must ensure that displaced workers have access to health coverage so that they can utilize this assistance. My legislation will ensure this.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows.

S. 2226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF COBRA COVERAGE PERIOD FOR TAA-ELIGIBLE INDIVIDUALS.

(a) ERISA.—Section 605(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1165(b)) is amended—

(1) in the subsection heading, by inserting "AND COVERAGE" after "ELECTION"; and

(2) in paragraph (2)—

(A) in the paragraph heading, by inserting "AND PERIOD" after "COMMENCEMENT";

(B) by striking "and shall" and inserting ", shall"; and

(C) by inserting ", and in no event shall the maximum period required under section 602(2)(A) be less than the period during which the individual is a TAA-eligible individual" before the period at the end.

(b) INTERNAL REVENUE CODE OF 1986.—Section 4980B(f)(5)(C) of the Internal Revenue Code of 1986 is amended—

(1) in the subparagraph heading, by inserting "AND COVERAGE" after "ELECTION"; and

(2) in clause (ii)—

(A) in the clause heading, by inserting "AND PERIOD" after "COMMENCEMENT";

(B) by striking "and shall" and inserting ", shall"; and

(C) by inserting ", and in no event shall the maximum period required under paragraph (2)(B)(i) be less than the period during which the individual is a TAA-eligible individual" before the period at the end.

(c) PUBLIC HEALTH SERVICE ACT.—Section 2205(b) of the Public Health Service Act (42 U.S.C. 300bb–5(b)) is amended—

(1) in the subsection heading, by inserting "AND COVERAGE" after "ELECTION"; and

(2) in paragraph (2)—

(A) in the paragraph heading, by inserting "AND PERIOD" after "COMMENCEMENT";

(B) by striking "and shall" and inserting ", shall"; and

(C) by inserting ", and in no event shall the maximum period required under section 2202(2)(A) be less than the period during which the individual is a TAA-eligible individual" before the period at the end.

(d) RETROACTIVE EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Trade Act of 2002 (Public Law 107–210; 116 Stat. 933).

By Mr. BIDEN (for himself, Mr. HOLLINGS, Mrs. MURRAY, Mr. SMITH, and Mr. ALLEN):

S. 2227. A bill to prevent and punish counterfeiting and copyright piracy, and for other purposes; to the Committee on the Judiciary.

Mr. BIDEN. Mr. President, I rise today to introduce the Anticounterfeiting Act of 2004, along with Senators MURRAY, HOLLINGS, SMITH, and ALLEN.

Two years ago, I held a hearing entitled, "Theft of American Intellectual Property: Fighting Crime Abroad and At Home," and I issued a report on the status of our fight against this crime. Today, I attended a hearing chaired by Senator SPECTER on a similar topic, again driving home for me the serious problems encountered in today's world by American intellectual property.

What I have learned is that every day, thieves steal millions of dollars of American intellectual property from its rightful owners. Over a hundred thousand American jobs are lost as a result.

American innovation and creativity need to be protected by our government no less than our personal property, our homes and our streets. The Founding Fathers had the foresight to provide for protection of intellectual property, giving Congress the power to "promote the progress of science and useful arts" by providing copyrights and patents.

American intellectual property represents the largest single sector of the American economy, employing 4.7 million Americans. It has been estimated that software piracy alone cost the U.S. economy over 118,000 jobs and $5.7 billion in wage losses in the year 2000. Even more, the International Planning and Research Corporation estimates that the government loses more than a billion dollars worth of revenue every year from intellectual property theft.

To put that in perspective, with a billion dollars in additional revenue, the American government could pay for child care services for more than 100,000 children annually. Alternatively, $1 billion could be used to fund a Senate proposal to assist schools nationally with emergency school renovations and repairs.

There is another problem. Counterfeiters of software, music CDs and motion pictures are now tampering with authentication features. Holograms, certificates of authenticity, watermarks and other security features allow the copyright owners to distinguish genuine works from counterfeits. But now, highly sophisticated counterfeiters have found ways to tamper with these features to make counterfeit products appear genuine and to increase the selling price of genuine products and licenses. Put another way, not only do crooks illegally copy American intellectual property, they also now illegally fake or steal the very features property owners use to prevent that theft.

Copyrights mean nothing if government authorities fail to enforce the protections they provide intellectual property owners. The criminal code has not kept up with the counterfeiting operations of today's high-tech pirates, and it's time to make sure that it does. The Anticounterfeiting Act of 2004 updates and strengthens the Federal criminal code, which currently makes it a crime to traffic in counterfeit labels or copies of certain forms of intellectual property, but not authentication features. For example, we can currently prosecute someone for trafficking in fake labels for a computer program, but we cannot go after them for faking the hologram that the software maker uses to ensure that copies of the software are genuine.

In addition, many actions that violate current law go unprosecuted in this day and age when priorities, such as the fight against terrorism and life-threatening crimes, necessarily take priority over crimes of property, be they intellectual or physical. Moreover, the victims of this theft often do not have a way to recover their losses from this crime. For this reason, the Anticounterfeiting Act of 2004 also provides a private cause of action, to permit the victims of these crimes to pursue the criminals themselves and recover damages in federal court.

Current law criminalizes trafficking in counterfeit documentation and packaging, but only for software programs. The Anticounterfeiting Act of 2003 updates and expands these provisions to include documentation and packaging for phonorecords, motion pictures, other audiovisual works, and copies of other copyrighted works.

The existing provision with regard to counterfeiting addresses certain items of intellectual property, including motion pictures, software, and phonorecords. The Anticounterfeiting Act of 2004 updates the coverage of this statute to include other copyrighted works, such as books. As published books and ebooks begin to be subject to the piracy already witnessed by motion picture, softward and recording industries, they need the same protection.

This issue is not going way; to the contrary, it is growing, and Congress continues to focus on potential solutions, as evidenced by today's hearing in the Senate Judiciary Committee, and an upcoming hearing in the Foreign Relations Committee. The 2002 version of this bill did not manage to secure passage and enactment into law, but there is reason for optimism that this year its fate will be different. America's content providers, and the many jobs that depend on them, could certainly use the help.

America is a place where we must encourage diverse ideas, and with that encouragement we must protect those ideas. They are the source of our music, our art, our novels, our movies, our software, our products, all that is American culture and American know-how. The Anticounterfeiting Act of 2004 gives our ideas the protection they deserve.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2227

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anticounterfeiting Act of 2004".

SEC. 2. FINDINGS.

Congress finds that—

(1) American innovation, and the protection of that innovation by the government, has been a critical component of the economic growth of this Nation throughout the history of the Nation;

(2) copyright-based industries represent one of the most valuable economic assets of this country, contributing over 5 percent of the gross domestic product of the United States and creating significant job growth and tax revenues;

(3) the American intellectual property sector employs approximately 4,300,000 people, representing over 3 percent of total United States employment;

(4) the proliferation of organized criminal counterfeiting enterprises threatens the economic growth of United States copyright industries;

(5) the American intellectual property sector has invested millions of dollars to develop highly sophisticated authentication features that assist consumers and law enforcement in distinguishing genuine intellectual property products and packaging from counterfeits;

(6) in order to thwart these industry efforts, counterfeiters traffic in, and tamper with, genuine authentication features, for example, by obtaining genuine authentication features through illicit means and then commingling these features with counterfeit software or packaging;

(7) Federal law does not provide adequate civil and criminal remedies to combat tampering activities that directly facilitate counterfeiting crimes; and

(8) in order to strengthen Federal enforcement against counterfeiting of copyrighted works, Congress must enact legislation that—

(A) prohibits trafficking in, and tampering with, authentication features of copyrighted works; and

(B) permits aggrieved parties an appropriate civil cause of action.

SEC. 3. PROHIBITION AGAINST TRAFFICKING IN ILLICIT AUTHENTICATION FEATURES.

(a) IN GENERAL.—Section 2318 of title 18, United States Code, is amended—

(1) by striking the heading and inserting "**TRAFFICKING IN COUNTERFEIT LABELS, ILLICIT AUTHENTICATION FEATURES, OR COUNTERFEIT DOCUMENTATION OR PACKAGING**";

(2) by striking subsection (a) and inserting the following:

"(a) Whoever, in any of the circumstances described in subsection (c), knowingly traffics in—

"(1) a counterfeit label affixed to, or designed to be affixed to—

"(A) a phonorecord;

"(B) a copy of a computer program;

"(C) a copy of a motion picture or other audiovisual work; or

"(D) documentation or packaging;

"(2) an illicit authentication feature affixed to or embedded in, or designed to be affixed to or embedded in—

"(A) a phonorecord;

"(B) a copy of a computer program;

"(C) a copy of a motion picture or other audiovisual work; or

"(D) documentation or packaging; or

"(3) counterfeit documentation or packaging, shall be fined under this title or imprisoned for not more than 5 years, or both.";

(3) in subsection (b)—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3)—

(i) by striking "and 'audiovisual work' have" and inserting the following: ", 'audiovisual work', and 'copyright owner' have"; and

(ii) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

"(4) the term 'authentication feature' means any hologram, watermark, certification, symbol, code, image, sequence of numbers or letters, or other physical feature that either individually or in combination with another feature is used by the respective copyright owner to verify that a phonorecord, a copy of a computer program, a copy of a motion picture or other audiovisual work, or documentation or packaging is not counterfeit or otherwise infringing of any copyright;

"(5) the term 'documentation or packaging' means documentation or packaging for a phonorecord, copy of a computer program, or copy of a motion picture or other audiovisual work; and

"(6) the term 'illicit authentication feature' means an authentication feature, that—

"(A) without the authorization of the respective copyright owner has been tampered with or altered so as to facilitate the reproduction or distribution of—

"(i) a phonorecord;

"(ii) a copy of a computer program;

"(iii) a copy of a motion picture or other audiovisual work; or

"(iv) documentation or packaging;

in violation of the rights of the copyright owner under title 17;

"(B) is genuine, but has been distributed, or is intended for distribution, without the authorization of the respective copyright owner; or

"(C) appears to be genuine, but is not.";

(4) in subsection (c)—

(A) by striking paragraph (3) and inserting the following:

"(3) the counterfeit label or illicit authentication feature is affixed to, is embedded in, or encloses, or is designed to be affixed to, to be embedded in, or to enclose—

"(A) a phonorecord of a copyrighted sound recording;

"(B) a copy of a copyrighted computer program;

"(C) a copy of a copyrighted motion picture or other audiovisual work; or

"(D) documentation or packaging; or"; and

(B) in paragraph (4), by striking "for a computer program";

(5) in subsection (d)—

(A) by inserting "or illicit authentication features" after "counterfeit labels" each place it appears;

(B) by inserting "or illicit authentication features" after "such labels"; and

(C) by inserting before the period at the end the following: ", and of any equipment, device, or materials used to manufacture, reproduce, or assemble the counterfeit labels or illicit authentication features"; and

(6) by adding at the end the following:

"(f) CIVIL REMEDIES FOR VIOLATION.—

"(1) IN GENERAL.—Any copyright owner who is injured by a violation of this section or is threatened with injury, may bring a civil action in an appropriate United States district court.

"(2) Discretion of court.—In any action brought under paragraph (1), the court—

"(A) may grant 1 or more temporary or permanent injunctions on such terms as the court determines to be reasonable to prevent or restrain violations of this section;

"(B) at any time while the action is pending, may order the impounding, on such terms as the court determines to be reasonable, of any article that is in the custody or control of the alleged violator and that the court has reasonable cause to believe was involved in a violation of this section; and

"(C) may award to the injured party—

"(i) reasonable attorney fees and costs; and

"(ii)(I) actual damages and any additional profits of the violator, as provided by paragraph (3); or

"(II) statutory damages, as provided by paragraph (4).

"(3) Actual damages and profits.—

"(A) In general.—The injured party is entitled to recover—

"(i) the actual damages suffered by the injured party as a result of a violation of this section, as provided by subparagraph (B); and

"(ii) any profits of the violator that are attributable to a violation of this section and are not taken into account in computing the actual damages.

"(B) Calculation of damages.—The court shall calculate actual damages by multiplying—

"(i) the value of the phonorecords or copies to which counterfeit labels, illicit authentication features, or counterfeit documentation or packaging were affixed or embedded, or designed to be affixed or embedded; by

"(ii) the number of phonorecords or copies to which counterfeit labels, illicit authentication features, or counterfeit documentation or packaging were affixed or embedded, or designed to be affixed or embedded, unless such calculation would underestimate the actual harm suffered by the copyright owner.

"(C) Definition.—For purposes of this paragraph, the term 'value of the phonorecord or copy' means—

"(i) the retail value of an authorized phonorecord of a copyrighted sound recording;

"(ii) the retail value of an authorized copy of a copyrighted computer program; or

"(iii) the retail value of a copy of a copyrighted motion picture or other audiovisual work.

"(4) Statutory damages.—The injured party may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for each violation of this section in a sum of not less than $2,500 or more than $25,000, as the court considers appropriate.

"(5) Subsequent violation.—The court may increase an award of damages under this subsection by 3 times the amount that would otherwise be awarded, as the court considers appropriate, if the court finds that a person has subsequently violated this section within 3 years after a final judgment was entered against that person for a violation of this section.

"(6) Limitation on actions.—A civil action may not be commenced under this section unless it is commenced within 3 years after the date on which the claimant discovers the violation.

"(g) Other Rights Not Affected.—Nothing in this section shall enlarge, diminish, or otherwise affect liability under section 1201 or 1202 of title 17.".

(b) Technical and Conforming Amendment.—The item relating to section 2318 in the table of sections at the beginning of chapter 113 of title 18, United States Code, is amended by inserting "or illicit authentication features" after "counterfeit labels".

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 323—TO AUTHORIZE LEGAL REPRESENTATION IN UNITED STATES OF AMERICA v. ELENA RUTH SASSOWER

Mr. FRIST (for himself and Mr. Daschle) submitted the following resolution; which was considered and agreed to:

S. Res. 323

Whereas, in the case of *United States of America* v. *Elena Ruth Sassower*, Crim. No. M–4113–3, pending in the Superior Court of the District of Columbia, the defendant has served subpoenas for testimony and documents upon Senators Orrin Hatch, Patrick Leahy, Saxby Chambliss, Hillary Rodham Clinton, and Charles Schumer, and on Senate employees Tamera Luzzatto, Chief of Staff to Senator Clinton, Leecia Eve, Counsel to Senator Clinton, Joshua Albert, Legislative Correspondent to Senator Clinton, and Michael Tobman, Director of Intergovernmental Affairs for Senator Schumer; and,

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent Members, officers, and employees of the Senate with respect to any subpoena, order, or request for testimony or documents relating to their official responsibilities: Now, therefore, be it

Resolved That the Senate Legal Counsel is authorized to represent the above-listed Senators and Senate employees who are the subject of subpoenas and any other Member, officer, or employee who may be subpoenaed in this case.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2891. Mr. BREAUX (for himself and Mrs. Feinstein) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

SA 2892. Mr. BREAUX (for himself and Mr. Hatch) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2893. Mr. REID (for himself and Mr. Dayton) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2894. Mr. KYL (for himself and Mr. Nickles) submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2895. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2896. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2897. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2898. Mr. GRASSLEY proposed an amendment to amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, supra.

SA 2899. Mr. GRASSLEY proposed an amendment to amendment SA 2898 proposed by Mr. Grassley to the amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, supra.

SA 2900. Mr. THOMAS (for himself and Mr. Daschle) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2901. Mr. MILLER (for himself, Mr. Allard, Mrs. Clinton, Mr. Schumer, and Mr. Chambliss) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2902. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2903. Mr. BOND (for himself and Mr. Talent) submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2904. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2905. Mr. NICKLES (for himself and Mrs. Lincoln) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2906. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2907. Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2908. Mr. SMITH submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2909. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2910. Mr. SPECTER submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2911. Mr. SPECTER submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2912. Mrs. HUTCHISON submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2913. Mr. NICKLES (for himself and Mrs. Lincoln) submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2914. Mr. COLEMAN submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. MCCONNELL (for Mr. FRIST) to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2915. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2916. Mr. WYDEN (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2917. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2918. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2919. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2920. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2921. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2922. Mr. DORGAN (for himself, Ms. MIKULSKI, Mr. KOHL, Mr. KENNEDY, Mr. EDWARDS, Mr. FEINGOLD, and Mr. HARKIN) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2923. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2924. Mr. DORGAN (for himself, Mr. COLEMAN, Ms. CANTWELL, Mrs. MURRAY, Mr. BINGAMAN, and Mr. NELSON, of Nebraska) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2891. Mr. BREAUX (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 137, between lines 8 and 9, insert:

"(4) DOLLAR LIMITATION.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), the excess qualified foreign distribution amount shall not exceed the lesser of—

"(i) the amount shown on the applicable financial statement as earnings permanently reinvested outside the United States, or

"(ii) the excess (if any) of—

"(I) the estimated aggregate qualified expenditures of the corporation for taxable years ending in 2005, 2006, and 2007, over

"(II) the aggregate qualified expenditures of the corporation for taxable years ending in 2001, 2002, and 2003.

"(B) EARNINGS PERMANENTLY REINVESTED OUTSIDE THE UNITED STATES.—

"(i) IN GENERAL.—If an amount on an applicable financial statement is shown as Federal income taxes not required to be reserved by reason of the permanent reinvestment of earnings outside the United States, subparagraph (A)(i) shall be applied by reference to the earnings to which such taxes relate.

"(ii) NO STATEMENT OR STATED AMOUNT.—If there is no applicable financial statement or such a statement fails to show a specific amount described in subparagraph (A)(i) or clause (i), such amount shall be treated as being zero.

"(iii) APPLICABLE FINANCIAL STATEMENT.—For purposes of this paragraph, the term 'applicable financial statement' means the most recently audited financial statement (including notes and other documents which accompany such statement)—

"(I) which is certified on or before March 31, 2003, as being prepared in accordance with generally accepted accounting principles, and

"(II) which is used for the purposes of a statement or report to creditors, to shareholders, or for any other substantial nontax purpose.

In the case of a corporation required to file a financial statement with the Securities and Exchange Commission, such term means the most recent such statement filed on or before March 31, 2003.

"(C) QUALIFIED EXPENDITURES.—For purposes of this paragraph, the term 'qualified expenditures' means—

"(i) wages (as defined in section 3121(a)),

"(ii) additions to capital accounts for property located within the United States (including any amount which would be so added but for a provision of this title providing for the expensing of such amount),

"(iii) qualified research expenses (as defined in section 41(b)) and basic research payments (as defined in section 41(e)(2)), and

"(iv) irrevocable contributions to a qualified employer plan (as defined in section 72(p)(4)) but only if no deduction is allowed under this chapter with respect to such contributions.

"(D) RECAPTURE.—If the taxpayer's estimate of qualified expenditures under subparagraph (A)(ii)(I) is greater than the actual expenditures, then the tax imposed by this chapter for the taxpayer's last taxable year ending in 2007 shall be increased by the sum of—

"(i) the increase (if any) in tax which would have resulted in the taxable year for which the deduction under this section was allowed if the actual expenditures were used in lieu of the estimated expenditures, plus

"(ii) interest at the underpayment rate, determined as if the increase in tax described in clause (i) were an underpayment for the taxable year of the deduction.

"(5) LIMITATION ON CONTROLLED FOREIGN CORPORATIONS IN POSSESSIONS.—In computing the excess qualified foreign distribution amount under paragraph (1) and the base dividend amount under paragraph (2), there shall not be taken into account dividends received from any controlled foreign corporation created or organized under the laws of any possession of the United States.

SA 2892. Mr. BREAUX (for himself and Mr. HATCH) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ___. REPEAL OF 10 YEAR RULE FOR QUALIFIED MORTGAGE BONDS; HOLIDAY FOR USE OF CERTAIN REPAYMENTS.

(a) REPEAL.—Subparagraph (A) of section 143(a)(2) (relating to qualified mortgage issue defined) is amended by striking the last sentence thereof.

(b) HOLIDAY FOR PREPAYMENTS.—Subparagraph (A) of section 143(a)(2) is amended by adding at the end the following flush sentence: "Clause (iv) shall not apply to amounts received during 2004, 2005, and 2006.".

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to bonds issued after the date of the enactment of this Act.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to amounts received after December 31, 2003.

SEC. ___. MODIFICATION OF PURCHASE PRICE LIMITATION UNDER MORTGAGE SUBSIDY BOND RULES BASED ON MEDIAN FAMILY INCOME.

(a) IN GENERAL.—Paragraph (1) of section 143(e) (relating to purchase price requirement) is amended to read as follows:

"(1) IN GENERAL.—An issue meets the requirements of this subsection only if the acquisition cost of each residence the owner-financing of which is provided under the issue does not exceed the greater of—

"(A) 90 percent of the average area purchase price applicable to the residence, or

"(B) 3.5 times the applicable median family income (as defined in subsection (f)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to financing provided, and mortgage credit certificates issued, after the date of the enactment of this Act.

SEC. ___. DETERMINATION OF AREA MEDIAN GROSS INCOME FOR LOW-INCOME HOUSING CREDIT PROJECTS.

(a) IN GENERAL.—Paragraph (4) of section 42(g) (relating to certain rules made applicable) is amended by striking the period at the end and inserting "and in areas designated by the housing credit agency as requiring higher income limits to support development costs and project feasibility, the term 'area median gross income' means the amount equal to the greater of—

"(A) the area median gross income determined under section 142(d)(2)(B), or

"(B) the statewide median gross income for the State in which the project is located.".

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 142(d)(2) (relating to income of individuals; area median gross income) is amended—

(1) by striking ".—The income" and inserting ".—

"(i) IN GENERAL.—Except as provided in clause (ii), the income", and

(2) by adding at the end the following new clause:

"(ii) AREA MEDIAN GROSS INCOME FOR LOW-INCOME HOUSING CREDIT PROJECTS.—In the case of any building which receives a low-income housing credit allocation under section 42 in areas designated by the housing credit agency (as defined in section 42(h)(8)) as requiring higher income limits to support development costs and project feasibility, the term 'area median gross income' means the amount equal to the greater of—

"(I) the area median gross income determined under clause (i), or

"(II) the statewide median gross income for the State in which the project is located.".

(c) Effective Date.—The amendments made by this section shall apply to—

(1) housing credit dollar amounts allocated after the date of the enactment of this Act, and

(2) buildings placed in service after such date to the extent paragraph (1) of section 42(h) of the Internal Revenue Code of 1986 does not apply to any building by reason of paragraph (4) thereof.

SA 2893. Mr. REID (for himself and Mr. Dayton) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 179, after line 25, add the following:

SEC. ___. EXTENSION AND EXPANSION OF CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) Expansion of Qualified Energy Resources.—Subsection (c) of section 45 (relating to electricity produced from certain renewable resources), as amended by section 514 of this Act (as added by amendment no. 2687, as agreed to) is amended to read as follows:

"(c) Qualified Energy Resources.—For purposes of this section—

"(1) In general.—The term 'qualified energy resources' means—

"(A) wind,

"(B) closed-loop biomass,

"(C) biomass (other than closed-loop biomass),

"(D) geothermal energy,

"(E) solar energy,

"(F) small irrigation power,

"(G) biosolids and sludge, and

"(H) municipal solid waste.".

"(2) Closed-loop biomass.—The term 'closed-loop biomass' means any organic material from a plant which is planted exclusively for purposes of being used at a qualified facility to produce electricity.

"(3) Biomass.—

"(A) In general.—The term 'biomass' means—

"(i) any agricultural livestock waste nutrients, or

"(ii) any solid, nonhazardous, cellulosic waste material which is segregated from other waste materials and which is derived from—

"(I) any of the following forest-related resources: mill and harvesting residues, precommercial thinnings, slash, and brush,

"(II) solid wood waste materials, including waste pallets, crates, dunnage, manufacturing and construction wood wastes (other than pressure-treated, chemically-treated, or painted wood wastes), and landscape or right-of-way tree trimmings, but not including municipal solid waste, gas derived from the biodegradation of solid waste, or paper which is commonly recycled, or

"(III) agriculture sources, including orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues.

"(B) Agricultural livestock waste nutrients.—

"(i) In general.—The term 'agricultural livestock waste nutrients' means agricultural livestock manure and litter, including wood shavings, straw, rice hulls, and other bedding material for the disposition of manure.

"(ii) Agricultural livestock.—The term 'agricultural livestock' includes bovine, swine, poultry, and sheep.

"(4) Geothermal energy.—The term 'geothermal energy' means energy derived from a geothermal deposit (within the meaning of section 613(e)(2)).

"(5) Small irrigation power.—The term 'small irrigation power' means power—

"(A) generated without any dam or impoundment of water through an irrigation system canal or ditch, and

"(B) the installed capacity of which is less than 5 megawatts.

"(6) Biosolids and sludge.—The term 'biosolids and sludge' means the residue or solids removed in the treatment of commercial, industrial, or municipal wastewater.

"(7) Municipal solid waste.—The term 'municipal solid waste' has the meaning given the term 'solid waste' under section 2(27) of the Solid Waste Disposal Act (42 U.S.C. 6903).".

(b) Extension and Expansion of Qualified Facilities.—

(1) In general.—Section 45 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Qualified Facilities.—For purposes of this section—

"(1) Wind facility.—In the case of a facility using wind to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 1993, and before January 1, 2007.

"(2) Closed-loop biomass facility.—

"(A) In general.—In the case of a facility using closed-loop biomass to produce electricity, the term 'qualified facility' means any facility—

"(i) owned by the taxpayer which is originally placed in service after December 31, 1992, and before January 1, 2007, or

"(ii) owned by the taxpayer which before January 1, 2007, is originally placed in service and modified to use closed-loop biomass to co-fire with coal, with other biomass, or with both, but only if the modification is approved under the Biomass Power for Rural Development Programs or is part of a pilot project of the Commodity Credit Corporation as described in 65 Fed. Reg. 63052.

"(B) Special rules.—In the case of a qualified facility described in subparagraph (A)(ii)—

"(i) the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than October 1, 2004,

"(ii) the amount of the credit determined under subsection (a) with respect to the facility shall be an amount equal to the amount determined without regard to this clause multiplied by the ratio of the thermal content of the closed-loop biomass used in such facility to the thermal content of all fuels used in such facility, and

"(iii) if the owner of such facility is not the producer of the electricity, the person eligible for the credit allowable under subsection (a) shall be the lessee or the operator of such facility.

"(3) Biomass facility.—

"(A) In general.—In the case of a facility using biomass (other than closed-loop biomass) to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which—

"(i) in the case of a facility using agricultural livestock waste nutrients, is originally placed in service after September 30, 2004 and before January 1, 2007, and

"(ii) in the case of any other facility, is originally placed in service before January 1, 2005.

"(B) Special rules for preeffective date facilities.—In the case of any facility described in subparagraph (A)(ii) which is placed in service before October 1, 2004—

"(i) subsection (a)(1) shall be applied by substituting '1.2 cents' for '1.5 cents', and

"(ii) the 5-year period beginning on October 1, 2004, shall be substituted for the 10-year period in subsection (a)(2)(A)(ii).

"(C) Credit eligibility.—In the case of any facility described in subparagraph (A), if the owner of such facility is not the producer of the electricity, the person eligible for the credit allowable under subsection (a) shall be the lessee or the operator of such facility.

"(4) Geothermal or solar energy facility.—

"(A) In general.—In the case of a facility using geothermal or solar energy to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after September 30, 2004, and before January 1, 2007.

"(B) Special rule.—In the case of any facility described in subparagraph (A), the 5-year period beginning on the date the facility was originally placed in service shall be substituted for the 10-year period in subsection (a)(2)(A)(ii).

"(5) Small irrigation power facility.—In the case of a facility using small irrigation power to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after September 30, 2004, and before January 1, 2007.

"(6) Biosolids and sludge facility.—In the case of a facility using waste heat from the incineration of biosolids and sludge to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after September 30, 2004, and before January 1, 2007. Such term shall not include any property described in section 48(a)(6) the basis of which is taken into account for purposes of the energy credit under section 46.

"(7) Municipal solid waste facility.—

"(A) In general.—In the case of a facility or unit incinerating municipal solid waste to produce electricity, the term 'qualified facility' means any facility or unit owned by the taxpayer which is originally placed in service after September 30, 2004, and before January 1, 2007.

"(B) Special rule.—In the case of any facility or unit described in subparagraph (A), the 5-year period beginning on the date the facility or unit was originally placed in service shall be substituted for the 10-year period in subsection (a)(2)(A)(ii).

"(C) Credit eligibility.—In the case of any qualified facility described in subparagraph (A), if the owner of such facility is not the producer of the electricity, the person eligible for the credit allowable under subsection (a) shall be the lessee or the operator of such facility.".

(2) No credit for certain production.—Section 45(e) (relating to definitions and special rules), as redesignated by paragraph (1),

is amended by striking paragraph (6) and inserting the following new paragraph:

"(6) Operations inconsistent with solid waste disposal act.—In the case of a qualified facility described in subsection (d)(6)(A), subsection (a) shall not apply to electricity produced at such facility during any taxable year if, during a portion of such year, there is a certification in effect by the Administrator of the Environmental Protection Agency that such facility was permitted to operate in a manner inconsistent with section 4003(d) of the Solid Waste Disposal Act (42 U.S.C. 6943(d)).".

(3) Conforming amendment.—Section 45(e), as so redesignated, is amended by striking "subsection (c)(3)(A)" in paragraph (7)(A)(i) and inserting "subsection (d)(1)".

(c) Credit Rate for Electricity Produced From New Facilities.—Section 45(a) is amended by adding at the end the following new flush sentence:

"In the case of electricity produced after September 30, 2004, at any qualified facility originally placed in service after such date, paragraph (1) shall be applied by substituting '1.8 cents' for '1.5 cents'.".

(d) Elimination of Certain Credit Reductions.—Section 45(b)(3)(A) (relating to credit reduced for grants, tax-exempt bonds, subsidized energy financing, and other credits) is amended—

(1) by striking clause (ii),

(2) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii),

(3) by inserting "(other than proceeds of an issue of State or local government obligations the interest on which is exempt from tax under section 103, or any loan, debt, or other obligation incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), as in effect on the date of the enactment of the Energy Tax Incentives Act)" after "project" in clause (ii) (as so redesignated),

(4) by adding at the end the following new sentence: "This paragraph shall not apply with respect to any facility described in subsection (d)(2)(A)(ii).", and

(5) by striking "TAX-EXEMPT BONDS," in the heading and inserting "CERTAIN".

(e) Treatment of Persons Not Able To Use Entire Credit.—Section 45(e) (relating to definitions and special rules), as redesignated by subsection (b)(1), is amended by adding at the end the following new paragraph:

"(8) Treatment of persons not able to use entire credit.—

"(A) Allowance of credit.—

"(i) In general.—Except as otherwise provided in this subsection—

"(I) any credit allowable under subsection (a) with respect to a qualified facility owned by a person described in clause (ii) may be transferred or used as provided in this paragraph, and

"(II) the determination as to whether the credit is allowable shall be made without regard to the tax-exempt status of the person.

"(ii) Persons described.—A person is described in this clause if the person is—

"(I) an organization described in section 501(c)(12)(C) and exempt from tax under section 501(a),

"(II) an organization described in section 1381(a)(2)(C),

"(III) a public utility (as defined in section 136(c)(2)(B)), which is exempt from income tax under this subtitle,

"(IV) any State or political subdivision thereof, the District of Columbia, any possession of the United States, or any agency or instrumentality of any of the foregoing, or

"(V) any Indian tribal government (within the meaning of section 7871) or any agency or instrumentality thereof.

"(B) Transfer of credit.—

"(i) In general.—A person described in subparagraph (A)(ii) may transfer any credit to which subparagraph (A)(i) applies through an assignment to any other person not described in subparagraph (A)(ii). Such transfer may be revoked only with the consent of the Secretary.

"(ii) Regulations.—The Secretary shall prescribe such regulations as necessary to ensure that any credit described in clause (i) is assigned once and not reassigned by such other person.

"(iii) Transfer proceeds treated as arising from essential government function.—Any proceeds derived by a person described in subclause (III), (IV), or (V) of subparagraph (A)(ii) from the transfer of any credit under clause (i) shall be treated as arising from the exercise of an essential government function.

"(C) Use of credit as an offset.—Notwithstanding any other provision of law, in the case of a person described in subclause (I), (II), or (V) of subparagraph (A)(ii), any credit to which subparagraph (A)(i) applies may be applied by such person, to the extent provided by the Secretary of Agriculture, as a prepayment of any loan, debt, or other obligation the entity has incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), as in effect on the date of the enactment of the Energy Tax Incentives Act.

"(D) Credit not income.—Any transfer under subparagraph (B) or use under subparagraph (C) of any credit to which subparagraph (A)(i) applies shall not be treated as income for purposes of section 501(c)(12).

"(E) Treatment of unrelated persons.—For purposes of subsection (a)(2)(B), sales of electricity among and between persons described in subparagraph (A)(ii) shall be treated as sales between unrelated parties.".

(f) Credit Allowed Against Regular and Minimum Tax.—

(1) In general.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) Special rules for section 45 credit.—

"(A) In general.—In the case of any section 45 credit—

"(i) this section and section 39 shall be applied separately with respect to such credit, and

"(ii) in applying paragraph (1) to such credit—

"(I) the tentative minimum tax shall be treated as being zero, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the section 45 credit).

"(B) Section 45 credit.—For purposes of this subsection, the term 'section 45 credit' means the credit determined under section 45 to the extent that such credit is attributable to electricity produced—

"(i) at a facility which is originally placed in service after the date of the enactment of this paragraph, and

"(ii) during the 4-year period beginning on the date that such facility was originally placed in service.".

(2) Conforming amendments.—

(A) Paragraph (2)(A)(ii)(II) of section 38(c) of such Code is amended by striking "or" and inserting a comma and by inserting ", and the section 45 credit" after "employee credit".

(B) Paragraph (3)(A)(ii)(II) of section 38(c) of such Code is amended by inserting "and the section 45 credit" after "employee credit".

(g) Effective Dates.—

(1) In general.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to electricity produced and sold—

(A) with respect to facilities described in paragraphs (1) and (2)(A)(i) of section 45(d), as amended by this section, after December 31, 2003, in taxable years ending after such date, and

(B) with respect to all other facilities described in section 45(d), as amended by this section, after September 30, 2004, in taxable years ending after such date.

(2) Certain biomass facilities.—With respect to any facility described in section 45(d)(3)(A)(ii) of the Internal Revenue Code of 1986, as added by subsection (b)(1), which is placed in service before the date of the enactment of this Act, the amendments made by this section shall apply to electricity produced and sold after September 30, 2004, in taxable years ending after such date.

(3) Credit rate for new facilities.—The amendments made by subsection (c) shall apply to electricity produced and sold after September 30, 2004, in taxable years ending after such date.

(4) Nonapplication of amendments to preeffective date poultry waste facilities.—The amendments made by this section shall not apply with respect to any poultry waste facility (within the meaning of section 45(c)(3)(C), as in effect on September 30, 2004) placed in service on or before such date.

SA 2894. Mr. KYL (for himself and Mr. Nickles) submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the amendment contained in the instructions insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "Jumpstart Our Business Strength (JOBS) Act".

(b) Amendment of 1986 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Table of Contents.—

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—PROVISIONS RELATING TO REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME

Sec. 101. Repeal of exclusion for extraterritorial income.

TITLE II—REDUCTION OF TOP CORPORATE TAX RATE

Sec. 201. Reduction in corporate income tax rate.

TITLE III—ALTERNATIVE MINIMUM TAX RELIEF

Sec. 301. Reduction in corporate AMT rate.
Sec. 302. Increase in exemption from AMT for small corporations.
Sec. 303. Foreign tax credit under alternative minimum tax.

TITLE IV—ADDITIONAL PROVISIONS

Subtitle A—Provisions Designed To Curtail Tax Shelters

Sec. 401. Clarification of economic substance doctrine.
Sec. 402. Penalty for failing to disclose reportable transaction.
Sec. 403. Accuracy-related penalty for listed transactions and other reportable transactions having a significant tax avoidance purpose.
Sec. 404. Penalty for understatements attributable to transactions lacking economic substance, etc.
Sec. 405. Modifications of substantial understatement penalty for nonreportable transactions.
Sec. 406. Tax shelter exception to confidentiality privileges relating to taxpayer communications.
Sec. 407. Disclosure of reportable transactions.
Sec. 408. Modifications to penalty for failure to register tax shelters.
Sec. 409. Modification of penalty for failure to maintain lists of investors.
Sec. 410. Modification of actions to enjoin certain conduct related to tax shelters and reportable transactions.
Sec. 411. Understatement of taxpayer's liability by income tax return preparer.
Sec. 412. Penalty on failure to report interests in foreign financial accounts.
Sec. 413. Frivolous tax submissions.
Sec. 414. Regulation of individuals practicing before the Department of Treasury.
Sec. 415. Penalty on promoters of tax shelters.
Sec. 416. Statute of limitations for taxable years for which required listed transactions not reported.
Sec. 417. Denial of deduction for interest on underpayments attributable to nondisclosed reportable and noneconomic substance transactions.
Sec. 418. Authorization of appropriations for tax law enforcement.

Subtitle B—Other Corporate Governance Provisions

Sec. 421. Affirmation of consolidated return regulation authority.
Sec. 422. Increase in criminal monetary penalty limitation for the underpayment or overpayment of tax due to fraud.

Subtitle C—Enron-Related Tax Shelter Provisions

Sec. 431. Limitation on transfer or importation of built-in losses.
Sec. 432. No reduction of basis under section 734 in stock held by partnership in corporate partner.
Sec. 433. Repeal of special rules for FASITs.
Sec. 434. Expanded disallowance of deduction for interest on convertible debt.
Sec. 435. Expanded authority to disallow tax benefits under section 269.
Sec. 436. Modification of interaction between subpart F and passive foreign investment company rules.

Subtitle D—Provisions to Discourage Expatriation

Sec. 441. Tax treatment of inverted corporate entities.
Sec. 442. Imposition of mark-to-market tax on individuals who expatriate.
Sec. 443. Excise tax on stock compensation of insiders in inverted corporations.
Sec. 444. Reinsurance of United States risks in foreign jurisdictions.
Sec. 445. Reporting of taxable mergers and acquisitions.

Subtitle E—International Tax

Sec. 451. Clarification of banking business for purposes of determining investment of earnings in United States property.
Sec. 452. Prohibition on nonrecognition of gain through complete liquidation of holding company.
Sec. 453. Prevention of mismatching of interest and original issue discount deductions and income inclusions in transactions with related foreign persons.
Sec. 454. Effectively connected income to include certain foreign source income.
Sec. 455. Recapture of overall foreign losses on sale of controlled foreign corporation.
Sec. 456. Minimum holding period for foreign tax credit on withholding taxes on income other than dividends.

Subtitle F—Other Revenue Provisions

PART I—FINANCIAL INSTRUMENTS

Sec. 461. Treatment of stripped interests in bond and preferred stock funds, etc.
Sec. 462. Application of earnings stripping rules to partnerships and S corporations.
Sec. 463. Recognition of cancellation of indebtedness income realized on satisfaction of debt with partnership interest.
Sec. 464. Modification of straddle rules.
Sec. 465. Denial of installment sale treatment for all readily tradeable debt.

PART II—CORPORATIONS AND PARTNERSHIPS

Sec. 466. Modification of treatment of transfers to creditors in divisive reorganizations.
Sec. 467. Clarification of definition of nonqualified preferred stock.
Sec. 468. Modification of definition of controlled group of corporations.
Sec. 469. Mandatory basis adjustments in connection with partnership distributions and transfers of partnership interests.

PART III—DEPRECIATION AND AMORTIZATION

Sec. 471. Extension of amortization of intangibles to sports franchises.
Sec. 472. Class lives for utility grading costs.
Sec. 473. Expansion of limitation on depreciation of certain passenger automobiles.
Sec. 474. Consistent amortization of periods for intangibles.
Sec. 475. Reform of tax treatment of leasing operations.
Sec. 476. Limitation on deductions allocable to property used by governments or other tax-exempt entities.

PART IV—ADMINISTRATIVE PROVISIONS

Sec. 481. Clarification of rules for payment of estimated tax for certain deemed asset sales.
Sec. 482. Extension of IRS user fees.
Sec. 483. Doubling of certain penalties, fines, and interest on underpayments related to certain offshore financial arrangement.
Sec. 484. Partial payment of tax liability in installment agreements.
Sec. 485. Extension of customs user fees.
Sec. 486. Deposits made to suspend running of interest on potential underpayments.
Sec. 487. Qualified tax collection contracts.

PART V—MISCELLANEOUS PROVISIONS

Sec. 491. Addition of vaccines against hepatitis A to list of taxable vaccines.
Sec. 492. Recognition of gain from the sale of a principal residence acquired in a like-kind exchange within 5 years of sale.
Sec. 493. Clarification of exemption from tax for small property and casualty insurance companies.
Sec. 494. Definition of insurance company for section 831.
Sec. 495. Limitations on deduction for charitable contributions of patents and similar property.
Sec. 496. Repeal of 10-percent rehabilitation tax credit.
Sec. 497. Increase in age of minor children whose unearned income is taxed as if parent's income.

TITLE I—PROVISIONS RELATING TO REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME

SEC. 101. REPEAL OF EXCLUSION FOR EXTRATERRITORIAL INCOME.

(a) IN GENERAL.—Section 114 is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1)(A) Subpart E of part III of subchapter N of chapter 1 (relating to qualifying foreign trade income) is hereby repealed.

(B) The table of subparts for such part III is amended by striking the item relating to subpart E.

(2) The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 114.

(3) The second sentence of section 56(g)(4)(B)(i) is amended by striking "114 or".

(4) Section 275(a) is amended—

(A) by inserting "or" at the end of paragraph (4)(A), by striking "or" at the end of paragraph (4)(B) and inserting a period, and by striking subparagraph (C), and

(B) by striking the last sentence.

(5) Paragraph (3) of section 864(e) is amended—

(A) by striking:

"(3) TAX-EXEMPT ASSETS NOT TAKEN INTO ACCOUNT.—

"(A) IN GENERAL.—For purposes of"; and inserting:

"(3) TAX-EXEMPT ASSETS NOT TAKEN INTO ACCOUNT.—For purposes of", and

(B) by striking subparagraph (B).

(6) Section 903 is amended by striking "114, 164(a)," and inserting "164(a)".

(7) Section 999(c)(1) is amended by striking "941(a)(5),".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to transactions occurring after the date of the enactment of this Act.

(2) Binding contracts.—The amendments made by this section shall not apply to any transaction in the ordinary course of a trade or business which occurs pursuant to a binding contract—

(A) which is between the taxpayer and a person who is not a related person (as defined in section 943(b)(3) of such Code, as in effect on the day before the date of the enactment of this Act), and

(B) which is in effect on September 17, 2003, and at all times thereafter.

(d) Revocation of Section 943(e) Elections.—

(1) In general.—In the case of a corporation that elected to be treated as a domestic corporation under section 943(e) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act)—

(A) the corporation may, during the 1-year period beginning on the date of the enactment of this Act, revoke such election, effective as of such date of enactment, and

(B) if the corporation does revoke such election—

(i) such corporation shall be treated as a domestic corporation transferring (as of such date of enactment) all of its property to a foreign corporation in connection with an exchange described in section 354 of such Code, and

(ii) no gain or loss shall be recognized on such transfer.

(2) Exception.—Subparagraph (B)(ii) of paragraph (1) shall not apply to gain on any asset held by the revoking corporation if—

(A) the basis of such asset is determined in whole or in part by reference to the basis of such asset in the hands of the person from whom the revoking corporation acquired such asset,

(B) the asset was acquired by transfer (not as a result of the election under section 943(e) of such Code) occurring on or after the 1st day on which its election under section 943(e) of such Code was effective, and

(C) a principal purpose of the acquisition was the reduction or avoidance of tax (other than a reduction in tax under section 114 of such Code, as in effect on the day before the date of the enactment of this Act).

(e) General Transition.—

(1) In general.—In the case of a taxable year ending after the date of the enactment of this Act and beginning before January 1, 2007, for purposes of chapter 1 of such Code, a current FSC/ETI beneficiary shall be allowed a deduction equal to the transition amount determined under this subsection with respect to such beneficiary for such year.

(2) Current FSC/ETI beneficiary.—The term "current FSC/ETI beneficiary" means any corporation which entered into one or more transactions during its taxable year beginning in calendar year 2002 with respect to which FSC/ETI benefits were allowable.

(3) Transition amount.—For purposes of this subsection—

(A) In general.—The transition amount applicable to any current FSC/ETI beneficiary for any taxable year is the phaseout percentage of the base period amount.

(B) Phaseout percentage.—

(i) In general.—In the case of a taxpayer using the calendar year as its taxable year, the phaseout percentage shall be determined under the following table:

Years:	The phaseout percentage is:
2004	80
2005	80
2006	60.

(ii) Special rule for 2004.—The phaseout percentage for 2004 shall be the amount that bears the same ratio to 100 percent as the number of days after the date of the enactment of this Act bears to 365.

(iii) Special rule for fiscal year taxpayers.—In the case of a taxpayer not using the calendar year as its taxable year, the phaseout percentage is the weighted average of the phaseout percentages determined under the preceding provisions of this paragraph with respect to calendar years any portion of which is included in the taxpayer's taxable year. The weighted average shall be determined on the basis of the respective portions of the taxable year in each calendar year.

(C) Short taxable year.—The Secretary shall prescribe guidance for the computation of the transition amount in the case of a short taxable year.

(4) Base period amount.—For purposes of this subsection, the base period amount is the FSC/ETI benefit for the taxpayer's taxable year beginning in calendar year 2002.

(5) FSC/ETI benefit.—For purposes of this subsection, the term "FSC/ETI benefit" means—

(A) amounts excludable from gross income under section 114 of such Code, and

(B) the exempt foreign trade income of related foreign sales corporations from property acquired from the taxpayer (determined without regard to section 923(a)(5) of such Code (relating to special rule for military property), as in effect on the day before the date of the enactment of the FSC Repeal and Extraterritorial Income Exclusion Act of 2000).

In determining the FSC/ETI benefit there shall be excluded any amount attributable to a transaction with respect to which the taxpayer is the lessor unless the leased property was manufactured or produced in whole or in significant part by the taxpayer.

(6) Special rule for agricultural and horticultural cooperatives.—Determinations under this subsection with respect to an organization described in section 943(g)(1) of such Code, as in effect on the day before the date of the enactment of this Act, shall be made at the cooperative level and the purposes of this subsection shall be carried out in a manner similar to section 199(h)(2) of such Code, as added by this Act. Such determinations shall be in accordance with such requirements and procedures as the Secretary may prescribe.

(7) Certain rules to apply.—Rules similar to the rules of section 41(f) of such Code shall apply for purposes of this subsection.

(8) Coordination with binding contract rule.—The deduction determined under paragraph (1) for any taxable year shall be reduced by the phaseout percentage of any FSC/ETI benefit realized for the taxable year by reason of subsection (c)(2) or section 5(c)(1)(B) of the FSC Repeal and Extraterritorial Income Exclusion Act of 2000, except that for purposes of this paragraph the phaseout percentage for 2004 shall be treated as being equal to 100 percent.

(9) Special rule for taxable year which includes date of enactment.—In the case of a taxable year which includes the date of the enactment of this Act, the deduction allowed under this subsection to any current FSC/ETI beneficiary shall in no event exceed—

(A) 100 percent of such beneficiary's base period amount for calendar year 2004, reduced by

(B) the FSC/ETI benefit of such beneficiary with respect to transactions occurring during the portion of the taxable year ending on the date of the enactment of this Act.

TITLE II—REDUCTION OF TOP CORPORATE TAX RATE

SEC. 201. REDUCTION IN CORPORATE INCOME TAX RATE.

(a) In General.—Subsection (b) of section 11 (relating to tax imposed on corporations) is amended by redesignating paragraph (2) as paragraph (6) and by striking paragraph (1) and inserting the following new paragraphs:

"(1) For taxable years beginning after 2009.—In the case of taxable years beginning after 2009, the amount of the tax imposed by subsection (a) shall be determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $50,000	15% of taxable income.
Over $50,000 but not over $75,000.	$7,500, plus 25% of the excess over $50,000.
Over $75,000	$13,750, plus 33% of the excess over $75,000.

"(2) For taxable years beginning in 2006, 2007, 2008, or 2009.—In the case of taxable years beginning in 2006, 2007, 2008, or 2009, the amount of the tax imposed by subsection (a) shall be determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $50,000	15% of taxable income.
Over $50,000 but not over $75,000.	$7,500, plus 25% of the excess over $50,000.
Over $75,000	$13,750, plus 33.5% of the excess over $75,000.

"(3) For taxable years beginning in 2005.—In the case of taxable years beginning in 2005, the amount of the tax imposed by subsection (a) shall be determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $50,000	15% of taxable income.
Over $50,000 but not over $75,000.	$7,500, plus 25% of the excess over $50,000.
Over $75,000	$13,750, plus 34% of the excess over $75,000.

"(4) For taxable years beginning in 2004.—In the case of taxable years beginning in 2004, the amount of the tax imposed by subsection (a) shall be determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $50,000	15% of taxable income.
Over $50,000 but not over $75,000.	$7,500, plus 25% of the excess over $50,000.
Over $75,000 but not over $10,000,000.	$13,750, plus 34% of the excess over $75,000.
Over $10,000,000	$3,388,250, plus 34.5% of the excess over $10,000,000.

"(5) Phaseout of lower rates for certain taxpayers.—

"(A) General rule.—In the case of a corporation which has taxable income in excess of $100,000 for any taxable year, the amount of tax determined under paragraph (1), (2), (3) or (4) for such taxable year shall be increased by the lesser of (i) 5 percent of such excess, or (ii) $11,000 ($11,750 in the case of taxable years beginning before 2006 and $11,375 in the case of taxable years beginning after 2005 and before 2010).

"(B) Higher income corporations.—In the case of a corporation which has taxable income in excess of $15,000,000 for taxable years beginning in 2004, the amount of the tax determined under the foregoing provisions of this subsection shall be increased by an additional amount equal to the lesser of (i) 3 percent of such excess, or (ii) $50,000.".

(b) Conforming Amendments.—

(1) Section 904(b)(3)(D)(ii) is amended to read as follows:

"(ii) in the case of a corporation, section 1201(a) applies to such taxable year.".

(2) Section 1201(a) is amended by striking "the last 2 sentences of section 11(b)(1)" and inserting "section 11(b)(5)".

(3) Section 1561(a) is amended—

(A) by striking "the last 2 sentences of section 11(b)(1)" and inserting "section 11(b)(5)", and

(B) by striking "such last 2 sentences" and inserting "section 11(b)(5)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

TITLE III—ALTERNATIVE MINIMUM TAX RELIEF

SEC. 301. REDUCTION IN CORPORATE AMT RATE.

(a) In General.—Section 55(b)(1)(B)(i) (relating to amount of tentative tax for corporations) is amended by striking "20 percent" and inserting "19 percent (19.5 percent for taxable years beginning in 2004 or 2005)".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 302. INCREASE IN EXEMPTION FROM AMT FOR SMALL CORPORATIONS.

(a) In General.—Paragraph (1) of section 55(e) (relating to exemption for small corporations) is amended—

(1) by striking "$7,500,000" in the heading and the text of subparagraph (A) and inserting "$15,000,000",

(2) by striking subparagraph (B), and

(3) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 303. FOREIGN TAX CREDIT UNDER ALTERNATIVE MINIMUM TAX.

(a) In General.—

(1) Subsection (a) of section 59 is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) Section 53(d)(1)(B)(i)(II) is amended by striking "and if section 59(a)(2) did not apply".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

TITLE IV—ADDITIONAL PROVISIONS

Subtitle A—Provisions Designed To Curtail Tax Shelters

SEC. 401. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) In General.—Section 7701 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) Clarification of Economic Substance Doctrine; Etc.—

"(1) General rules.—

"(A) In general.—In any case in which a court determines that the economic substance doctrine is relevant for purposes of this title to a transaction (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

"(B) Definition of economic substance.—For purposes of subparagraph (A)—

"(i) In general.—A transaction has economic substance only if—

"(I) the transaction changes in a meaningful way (apart from Federal tax effects) the taxpayer's economic position, and

"(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

In applying subclause (II), a purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax.

"(ii) Special rule where taxpayer relies on profit potential.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

"(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

"(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

"(C) Treatment of fees and foreign taxes.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

"(2) Special rules for transactions with tax-indifferent parties.—

"(A) Special rules for financing transactions.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction is substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

"(B) Artificial income shifting and basis adjustments.—The form of a transaction with a tax-indifferent party shall not be respected if—

"(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

"(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

"(3) Definitions and special rules.—For purposes of this subsection—

"(A) Economic substance doctrine.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

"(B) Tax-indifferent party.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

"(C) Exception for personal transactions of individuals.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

"(D) Treatment of lessors.—In applying paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease—

"(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

"(I) depreciation,

"(II) any tax credit, or

"(III) any other deduction as provided in guidance by the Secretary, and

"(ii) subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

"(4) Other common law doctrines not affected.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

"(5) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.".

(b) Effective Date.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 402. PENALTY FOR FAILING TO DISCLOSE REPORTABLE TRANSACTION.

(a) In General.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6707 the following new section:

"SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE REPORTABLE TRANSACTION INFORMATION WITH RETURN OR STATEMENT.

"(a) Imposition of Penalty.—Any person who fails to include on any return or statement any information with respect to a reportable transaction which is required under section 6011 to be included with such return or statement shall pay a penalty in the amount determined under subsection (b).

"(b) Amount of Penalty.—

"(1) In general.—Except as provided in paragraphs (2) and (3), the amount of the penalty under subsection (a) shall be $50,000.

"(2) Listed transaction.—The amount of the penalty under subsection (a) with respect to a listed transaction shall be $100,000.

"(3) Increase in penalty for large entities and high net worth individuals.—

"(A) In general.—In the case of a failure under subsection (a) by—

"(i) a large entity, or

"(ii) a high net worth individual,

the penalty under paragraph (1) or (2) shall be twice the amount determined without regard to this paragraph.

"(B) Large entity.—For purposes of subparagraph (A), the term 'large entity' means, with respect to any taxable year, a person (other than a natural person) with gross receipts in excess of $10,000,000 for the taxable year in which the reportable transaction occurs or the preceding taxable year. Rules similar to the rules of paragraph (2) and subparagraphs (B), (C), and (D) of paragraph (3) of section 448(c) shall apply for purposes of this subparagraph.

"(C) High net worth individual.—For purposes of subparagraph (A), the term 'high net worth individual' means, with respect to a reportable transaction, a natural person whose net worth exceeds $2,000,000 immediately before the transaction.

"(c) Definitions.—For purposes of this section—

"(1) Reportable transaction.—The term 'reportable transaction' means any transaction with respect to which information is required to be included with a return or statement because, as determined under regulations prescribed under section 6011, such transaction is of a type which the Secretary determines as having a potential for tax avoidance or evasion.

"(2) Listed transaction.—Except as provided in regulations, the term 'listed transaction' means a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011.

"(d) AUTHORITY TO RESCIND PENALTY.—

"(1) IN GENERAL.—The Commissioner of Internal Revenue may rescind all or any portion of any penalty imposed by this section with respect to any violation if—

"(A) the violation is with respect to a reportable transaction other than a listed transaction,

"(B) the person on whom the penalty is imposed has a history of complying with the requirements of this title,

"(C) it is shown that the violation is due to an unintentional mistake of fact;

"(D) imposing the penalty would be against equity and good conscience, and

"(E) rescinding the penalty would promote compliance with the requirements of this title and effective tax administration.

"(2) DISCRETION.—The exercise of authority under paragraph (1) shall be at the sole discretion of the Commissioner and may be delegated only to the head of the Office of Tax Shelter Analysis. The Commissioner, in the Commissioner's sole discretion, may establish a procedure to determine if a penalty should be referred to the Commissioner or the head of such Office for a determination under paragraph (1).

"(3) NO APPEAL.—Notwithstanding any other provision of law, any determination under this subsection may not be reviewed in any administrative or judicial proceeding.

"(4) RECORDS.—If a penalty is rescinded under paragraph (1), the Commissioner shall place in the file in the Office of the Commissioner the opinion of the Commissioner or the head of the Office of Tax Shelter Analysis with respect to the determination, including—

"(A) the facts and circumstances of the transaction,

"(B) the reasons for the rescission, and

"(C) the amount of the penalty rescinded.

"(5) REPORT.—The Commissioner shall each year report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

"(A) a summary of the total number and aggregate amount of penalties imposed, and rescinded, under this section, and

"(B) a description of each penalty rescinded under this subsection and the reasons therefor.

"(e) PENALTY REPORTED TO SEC.—In the case of a person—

"(1) which is required to file periodic reports under section 13 or 15(d) of the Securities Exchange Act of 1934 or is required to be consolidated with another person for purposes of such reports, and

"(2) which—

"(A) is required to pay a penalty under this section with respect to a listed transaction,

"(B) is required to pay a penalty under section 6662A with respect to any reportable transaction at a rate prescribed under section 6662A(c), or

"(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction,

the requirement to pay such penalty shall be disclosed in such reports filed by such person for such periods as the Secretary shall specify. Failure to make a disclosure in accordance with the preceding sentence shall be treated as a failure to which the penalty under subsection (b)(2) applies.

"(f) COORDINATION WITH OTHER PENALTIES.—The penalty imposed by this section is in addition to any penalty imposed under this title.".

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6707 the following:

"Sec. 6707A. Penalty for failure to include reportable transaction information with return or statement.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns and statements the due date for which is after the date of the enactment of this Act.

SEC. 403. ACCURACY-RELATED PENALTY FOR LISTED TRANSACTIONS AND OTHER REPORTABLE TRANSACTIONS HAVING A SIGNIFICANT TAX AVOIDANCE PURPOSE.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662 the following new section:

"SEC. 6662A. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERSTATEMENTS WITH RESPECT TO REPORTABLE TRANSACTIONS.

"(a) IMPOSITION OF PENALTY.—If a taxpayer has a reportable transaction understatement for any taxable year, there shall be added to the tax an amount equal to 20 percent of the amount of such understatement.

"(b) REPORTABLE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'reportable transaction understatement' means the sum of—

"(A) the product of—

"(i) the amount of the increase (if any) in taxable income which results from a difference between the proper tax treatment of an item to which this section applies and the taxpayer's treatment of such item (as shown on the taxpayer's return of tax), and

"(ii) the highest rate of tax imposed by section 1 (section 11 in the case of a taxpayer which is a corporation), and

"(B) the amount of the decrease (if any) in the aggregate amount of credits determined under subtitle A which results from a difference between the taxpayer's treatment of an item to which this section applies (as shown on the taxpayer's return of tax) and the proper tax treatment of such item.

For purposes of subparagraph (A), any reduction of the excess of deductions allowed for the taxable year over gross income for such year, and any reduction in the amount of capital losses which would (without regard to section 1211) be allowed for such year, shall be treated as an increase in taxable income.

"(2) ITEMS TO WHICH SECTION APPLIES.—This section shall apply to any item which is attributable to—

"(A) any listed transaction, and

"(B) any reportable transaction (other than a listed transaction) if a significant purpose of such transaction is the avoidance or evasion of Federal income tax.

"(c) HIGHER PENALTY FOR NONDISCLOSED LISTED AND OTHER AVOIDANCE TRANSACTIONS.—

"(1) IN GENERAL.—Subsection (a) shall be applied by substituting '30 percent' for '20 percent' with respect to the portion of any reportable transaction understatement with respect to which the requirement of section 6664(d)(2)(A) is not met.

"(2) RULES APPLICABLE TO ASSERTION AND COMPROMISE OF PENALTY.—

"(A) IN GENERAL.—Only upon the approval by the Chief Counsel for the Internal Revenue Service or the Chief Counsel's delegate at the national office of the Internal Revenue Service may a penalty to which paragraph (1) applies be included in a 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals. If such a letter is provided to the taxpayer, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

"(B) APPLICABLE RULES.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of subparagraph (A).

"(d) DEFINITIONS OF REPORTABLE AND LISTED TRANSACTIONS.—For purposes of this section, the terms 'reportable transaction' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).

"(e) SPECIAL RULES.—

"(1) COORDINATION WITH PENALTIES, ETC., ON OTHER UNDERSTATEMENTS.—In the case of an understatement (as defined in section 6662(d)(2))—

"(A) the amount of such understatement (determined without regard to this paragraph) shall be increased by the aggregate amount of reportable transaction understatements and noneconomic substance transaction understatements for purposes of determining whether such understatement is a substantial understatement under section 6662(d)(1), and

"(B) the addition to tax under section 6662(a) shall apply only to the excess of the amount of the substantial understatement (if any) after the application of subparagraph (A) over the aggregate amount of reportable transaction understatements and noneconomic substance transaction understatements.

"(2) COORDINATION WITH OTHER PENALTIES.—

"(A) APPLICATION OF FRAUD PENALTY.—References to an underpayment in section 6663 shall be treated as including references to a reportable transaction understatement and a noneconomic substance transaction understatement.

"(B) NO DOUBLE PENALTY.—This section shall not apply to any portion of an understatement on which a penalty is imposed under section 6662B or 6663.

"(3) SPECIAL RULE FOR AMENDED RETURNS.—Except as provided in regulations, in no event shall any tax treatment included with an amendment or supplement to a return of tax be taken into account in determining the amount of any reportable transaction understatement or noneconomic substance transaction understatement if the amendment or supplement is filed after the earlier of the date the taxpayer is first contacted by the Secretary regarding the examination of the return or such other date as is specified by the Secretary.

"(4) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this subsection, the term 'noneconomic substance transaction understatement' has the meaning given such term by section 6662B(c).

"(5) CROSS REFERENCE.—

"For reporting of section 6662A(c) penalty to the Securities and Exchange Commission, see section 6707A(e).".

(b) DETERMINATION OF OTHER UNDERSTATEMENTS.—Subparagraph (A) of section 6662(d)(2) is amended by adding at the end the following flush sentence:

"The excess under the preceding sentence shall be determined without regard to items to which section 6662A applies and without regard to items with respect to which a penalty is imposed by section 6662B.".

(c) REASONABLE CAUSE EXCEPTION.—

(1) IN GENERAL.—Section 6664 is amended by adding at the end the following new subsection:

"(d) REASONABLE CAUSE EXCEPTION FOR REPORTABLE TRANSACTION UNDERSTATEMENTS.—

"(1) IN GENERAL.—No penalty shall be imposed under section 6662A with respect to any portion of a reportable transaction understatement if it is shown that there was a reasonable cause for such portion and that the taxpayer acted in good faith with respect to such portion.

"(2) SPECIAL RULES.—Paragraph (1) shall not apply to any reportable transaction understatement unless—

"(A) the relevant facts affecting the tax treatment of the item are adequately disclosed in accordance with the regulations prescribed under section 6011,

"(B) there is or was substantial authority for such treatment, and

"(C) the taxpayer reasonably believed that such treatment was more likely than not the proper treatment.

A taxpayer failing to adequately disclose in accordance with section 6011 shall be treated as meeting the requirements of subparagraph (A) if the penalty for such failure was rescinded under section 6707A(d).

"(3) RULES RELATING TO REASONABLE BELIEF.—For purposes of paragraph (2)(C)—

"(A) IN GENERAL.—A taxpayer shall be treated as having a reasonable belief with respect to the tax treatment of an item only if such belief—

"(i) is based on the facts and law that exist at the time the return of tax which includes such tax treatment is filed, and

"(ii) relates solely to the taxpayer's chances of success on the merits of such treatment and does not take into account the possibility that a return will not be audited, such treatment will not be raised on audit, or such treatment will be resolved through settlement if it is raised.

"(B) CERTAIN OPINIONS MAY NOT BE RELIED UPON.—

"(i) IN GENERAL.—An opinion of a tax advisor may not be relied upon to establish the reasonable belief of a taxpayer if—

"(I) the tax advisor is described in clause (ii), or

"(II) the opinion is described in clause (iii).

"(ii) DISQUALIFIED TAX ADVISORS.—A tax advisor is described in this clause if the tax advisor—

"(I) is a material advisor (within the meaning of section 6111(b)(1)) who participates in the organization, management, promotion, or sale of the transaction or who is related (within the meaning of section 267(b) or 707(b)(1)) to any person who so participates,

"(II) is compensated directly or indirectly by a material advisor with respect to the transaction,

"(III) has a fee arrangement with respect to the transaction which is contingent on all or part of the intended tax benefits from the transaction being sustained, or

"(IV) as determined under regulations prescribed by the Secretary, has a disqualifying financial interest with respect to the transaction.

"(iii) DISQUALIFIED OPINIONS.—For purposes of clause (i), an opinion is disqualified if the opinion—

"(I) is based on unreasonable factual or legal assumptions (including assumptions as to future events),

"(II) unreasonably relies on representations, statements, findings, or agreements of the taxpayer or any other person,

"(III) does not identify and consider all relevant facts, or

"(IV) fails to meet any other requirement as the Secretary may prescribe.".

(2) CONFORMING AMENDMENT.—The heading for subsection (c) of section 6664 is amended by inserting "FOR UNDERPAYMENTS" after "EXCEPTION".

(d) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 461(i)(3) is amended by striking "section 6662(d)(2)(C)(iii)" and inserting "section 1274(b)(3)(C)".

(2) Paragraph (3) of section 1274(b) is amended—

(A) by striking "(as defined in section 6662(d)(2)(C)(iii))" in subparagraph (B)(i), and

(B) by adding at the end the following new subparagraph:

"(C) TAX SHELTER.—For purposes of subparagraph (B), the term 'tax shelter' means—

"(i) a partnership or other entity,

"(ii) any investment plan or arrangement, or

"(iii) any other plan or arrangement,

if a significant purpose of such partnership, entity, plan, or arrangement is the avoidance or evasion of Federal income tax.".

(3) Section 6662(d)(2) is amended by striking subparagraphs (C) and (D).

(4) Section 6664(c)(1) is amended by striking "this part" and inserting "section 6662 or 6663".

(5) Subsection (b) of section 7525 is amended by striking "section 6662(d)(2)(C)(iii)" and inserting "section 1274(b)(3)(C)".

(6)(A) The heading for section 6662 is amended to read as follows:

"SEC. 6662. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERPAYMENTS.".

(B) The table of sections for part II of subchapter A of chapter 68 is amended by striking the item relating to section 6662 and inserting the following new items:

"Sec. 6662. Imposition of accuracy-related penalty on underpayments.

"Sec. 6662A. Imposition of accuracy-related penalty on understatements with respect to reportable transactions.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 404. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

"SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

"(a) IMPOSITION OF PENALTY.—If a taxpayer has an noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

"(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by substituting '20 percent' for '40 percent' with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

"(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'noneconomic substance transaction understatement' means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than items to which section 6662A would apply without regard to this paragraph.

"(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term 'noneconomic substance transaction' means any transaction if—

"(A) there is a lack of economic substance (within the meaning of section 7701(n)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(n)(2), or

"(B) the transaction fails to meet the requirements of any similar rule of law.

"(d) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

"(1) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

"(2) APPLICABLE RULES.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of paragraph (1).

"(e) COORDINATION WITH OTHER PENALTIES.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

"(f) CROSS REFERENCES.—

"(1) For coordination of penalty with understatements under section 6662 and other special rules, see section 6662A(e).

"(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e).".

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 68 is amended by inserting after the item relating to section 6662A the following new item:

"Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 405. MODIFICATIONS OF SUBSTANTIAL UNDERSTATEMENT PENALTY FOR NONREPORTABLE TRANSACTIONS.

(a) SUBSTANTIAL UNDERSTATEMENT OF CORPORATIONS.—Section 6662(d)(1)(B) (relating to special rule for corporations) is amended to read as follows:

"(B) SPECIAL RULE FOR CORPORATIONS.—In the case of a corporation other than an S corporation or a personal holding company (as defined in section 542), there is a substantial understatement of income tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of—

"(i) 10 percent of the tax required to be shown on the return for the taxable year (or, if greater, $10,000), or

"(ii) $10,000,000.".

(b) REDUCTION FOR UNDERSTATEMENT OF TAXPAYER DUE TO POSITION OF TAXPAYER OR DISCLOSED ITEM.—

(1) IN GENERAL.—Section 6662(d)(2)(B)(i) (relating to substantial authority) is amended to read as follows:

"(i) the tax treatment of any item by the taxpayer if the taxpayer had reasonable belief that the tax treatment was more likely than not the proper treatment, or".

(2) CONFORMING AMENDMENT.—Section 6662(d) is amended by adding at the end the following new paragraph:

"(3) SECRETARIAL LIST.—For purposes of this subsection, section 6664(d)(2), and section 6694(a)(1), the Secretary may prescribe a list of positions for which the Secretary believes there is not substantial authority or there is no reasonable belief that the tax treatment is more likely than not the proper tax treatment. Such list (and any revisions thereof) shall be published in the Federal Register or the Internal Revenue Bulletin.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 406. TAX SHELTER EXCEPTION TO CONFIDENTIALITY PRIVILEGES RELATING TO TAXPAYER COMMUNICATIONS.

(a) IN GENERAL.—Section 7525(b) (relating to section not to apply to communications regarding corporate tax shelters) is amended to read as follows:

"(b) SECTION NOT TO APPLY TO COMMUNICATIONS REGARDING TAX SHELTERS.—The privilege under subsection (a) shall not apply to any written communication which is—

"(1) between a federally authorized tax practitioner and—

"(A) any person,

"(B) any director, officer, employee, agent, or representative of the person, or

"(C) any other person holding a capital or profits interest in the person, and

"(2) in connection with the promotion of the direct or indirect participation of the person in any tax shelter (as defined in section 1274(b)(3)(C)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to communications made on or after the date of the enactment of this Act.

SEC. 407. DISCLOSURE OF REPORTABLE TRANSACTIONS.

(a) IN GENERAL.—Section 6111 (relating to registration of tax shelters) is amended to read as follows:

"SEC. 6111. DISCLOSURE OF REPORTABLE TRANSACTIONS.

"(a) IN GENERAL.—Each material advisor with respect to any reportable transaction shall make a return (in such form as the Secretary may prescribe) setting forth—

"(1) information identifying and describing the transaction,

"(2) information describing any potential tax benefits expected to result from the transaction, and

"(3) such other information as the Secretary may prescribe.

Such return shall be filed not later than the date specified by the Secretary.

"(b) DEFINITIONS.—For purposes of this section—

"(1) MATERIAL ADVISOR.—

"(A) IN GENERAL.—The term 'material advisor' means any person—

"(i) who provides any material aid, assistance, or advice with respect to organizing, managing, promoting, selling, implementing, or carrying out any reportable transaction, and

"(ii) who directly or indirectly derives gross income in excess of the threshold amount for such aid, assistance, or advice.

"(B) THRESHOLD AMOUNT.—For purposes of subparagraph (A), the threshold amount is—

"(i) $50,000 in the case of a reportable transaction substantially all of the tax benefits from which are provided to natural persons, and

"(ii) $250,000 in any other case.

"(2) REPORTABLE TRANSACTION.—The term 'reportable transaction' has the meaning given to such term by section 6707A(c).

"(c) REGULATIONS.—The Secretary may prescribe regulations which provide—

"(1) that only 1 person shall be required to meet the requirements of subsection (a) in cases in which 2 or more persons would otherwise be required to meet such requirements,

"(2) exemptions from the requirements of this section, and

"(3) such rules as may be necessary or appropriate to carry out the purposes of this section.".

(b) CONFORMING AMENDMENTS.—

(1) The item relating to section 6111 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

"Sec. 6111. Disclosure of reportable transactions.".

(2)(A) So much of section 6112 as precedes subsection (c) thereof is amended to read as follows:

"SEC. 6112. MATERIAL ADVISORS OF REPORTABLE TRANSACTIONS MUST KEEP LISTS OF ADVISEES.

"(a) IN GENERAL.—Each material advisor (as defined in section 6111) with respect to any reportable transaction (as defined in section 6707A(c)) shall maintain, in such manner as the Secretary may by regulations prescribe, a list—

"(1) identifying each person with respect to whom such advisor acted as such a material advisor with respect to such transaction, and

"(2) containing such other information as the Secretary may by regulations require.

This section shall apply without regard to whether a material advisor is required to file a return under section 6111 with respect to such transaction.".

(B) Section 6112 is amended by redesignating subsection (c) as subsection (b).

(C) Section 6112(b), as redesignated by subparagraph (B), is amended—

(i) by inserting "written" before "request" in paragraph (1)(A), and

(ii) by striking "shall prescribe" in paragraph (2) and inserting "may prescribe".

(D) The item relating to section 6112 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

"Sec. 6112. Material advisors of reportable transactions must keep lists of advisees.".

(3)(A) The heading for section 6708 is amended to read as follows:

"SEC. 6708. FAILURE TO MAINTAIN LISTS OF ADVISEES WITH RESPECT TO REPORTABLE TRANSACTIONS.".

(B) The item relating to section 6708 in the table of sections for part I of subchapter B of chapter 68 is amended to read as follows:

"Sec. 6708. Failure to maintain lists of advisees with respect to reportable transactions.".

(c) REQUIRED DISCLOSURE NOT SUBJECT TO CLAIM OF CONFIDENTIALITY.—Subparagraph (A) of section 6112(b)(1), as redesignated by subsection (b)(2)(B), is amended by adding at the end the following new flush sentence:

"For purposes of this section, the identity of any person on such list shall not be privileged.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to transactions with respect to which material aid, assistance, or advice referred to in section 6111(b)(1)(A)(i) of the Internal Revenue Code of 1986 (as added by this section) is provided after the date of the enactment of this Act.

(2) NO CLAIM OF CONFIDENTIALITY AGAINST DISCLOSURE.—The amendment made by subsection (c) shall take effect as if included in the amendments made by section 142 of the Deficit Reduction Act of 1984.

SEC. 408. MODIFICATIONS TO PENALTY FOR FAILURE TO REGISTER TAX SHELTERS.

(a) IN GENERAL.—Section 6707 (relating to failure to furnish information regarding tax shelters) is amended to read as follows:

"SEC. 6707. FAILURE TO FURNISH INFORMATION REGARDING REPORTABLE TRANSACTIONS.

"(a) IN GENERAL.—If a person who is required to file a return under section 6111(a) with respect to any reportable transaction—

"(1) fails to file such return on or before the date prescribed therefor, or

"(2) files false or incomplete information with the Secretary with respect to such transaction,

such person shall pay a penalty with respect to such return in the amount determined under subsection (b).

"(b) AMOUNT OF PENALTY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the penalty imposed under subsection (a) with respect to any failure shall be $50,000.

"(2) LISTED TRANSACTIONS.—The penalty imposed under subsection (a) with respect to any listed transaction shall be an amount equal to the greater of—

"(A) $200,000, or

"(B) 50 percent of the gross income derived by such person with respect to aid, assistance, or advice which is provided with respect to the listed transaction before the date the return including the transaction is filed under section 6111.

Subparagraph (B) shall be applied by substituting '75 percent' for '50 percent' in the case of an intentional failure or act described in subsection (a).

"(c) CERTAIN RULES TO APPLY.—The provisions of section 6707A(d) shall apply to any penalty imposed under this section.

"(d) REPORTABLE AND LISTED TRANSACTIONS.—The terms 'reportable transaction' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).".

(b) CLERICAL AMENDMENT.—The item relating to section 6707 in the table of sections for part I of subchapter B of chapter 68 is amended by striking "tax shelters" and inserting "reportable transactions".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns the due date for which is after the date of the enactment of this Act.

SEC. 409. MODIFICATION OF PENALTY FOR FAILURE TO MAINTAIN LISTS OF INVESTORS.

(a) IN GENERAL.—Subsection (a) of section 6708 is amended to read as follows:

"(a) IMPOSITION OF PENALTY.—

"(1) IN GENERAL.—If any person who is required to maintain a list under section 6112(a) fails to make such list available upon written request to the Secretary in accordance with section 6112(b)(1)(A) within 20 business days after the date of the Secretary's request, such person shall pay a penalty of $10,000 for each day of such failure after such 20th day.

"(2) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by paragraph (1) with respect to the failure on any day if such failure is due to reasonable cause.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to requests made after the date of the enactment of this Act.

SEC. 410. MODIFICATION OF ACTIONS TO ENJOIN CERTAIN CONDUCT RELATED TO TAX SHELTERS AND REPORTABLE TRANSACTIONS.

(a) In General.—Section 7408 (relating to action to enjoin promoters of abusive tax shelters, etc.) is amended by redesignating subsection (c) as subsection (d) and by striking subsections (a) and (b) and inserting the following new subsections:

"(a) Authority To Seek Injunction.—A civil action in the name of the United States to enjoin any person from further engaging in specified conduct may be commenced at the request of the Secretary. Any action under this section shall be brought in the district court of the United States for the district in which such person resides, has his principal place of business, or has engaged in specified conduct. The court may exercise its jurisdiction over such action (as provided in section 7402(a)) separate and apart from any other action brought by the United States against such person.

"(b) Adjudication and Decree.—In any action under subsection (a), if the court finds—

"(1) that the person has engaged in any specified conduct, and

"(2) that injunctive relief is appropriate to prevent recurrence of such conduct,

the court may enjoin such person from engaging in such conduct or in any other activity subject to penalty under this title.

"(c) Specified Conduct.—For purposes of this section, the term 'specified conduct' means any action, or failure to take action, subject to penalty under section 6700, 6701, 6707, or 6708.".

(b) Conforming Amendments.—

(1) The heading for section 7408 is amended to read as follows:

"SEC. 7408. ACTIONS TO ENJOIN SPECIFIED CONDUCT RELATED TO TAX SHELTERS AND REPORTABLE TRANSACTIONS.".

(2) The table of sections for subchapter A of chapter 67 is amended by striking the item relating to section 7408 and inserting the following new item:

"Sec. 7408. Actions to enjoin specified conduct related to tax shelters and reportable transactions.".

(c) Effective Date.—The amendment made by this section shall take effect on the day after the date of the enactment of this Act.

SEC. 411. UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY INCOME TAX RETURN PREPARER.

(a) Standards Conformed to Taxpayer Standards.—Section 6694(a) (relating to understatements due to unrealistic positions) is amended—

(1) by striking "realistic possibility of being sustained on its merits" in paragraph (1) and inserting "reasonable belief that the tax treatment in such position was more likely than not the proper treatment",

(2) by striking "or was frivolous" in paragraph (3) and inserting "or there was no reasonable basis for the tax treatment of such position", and

(3) by striking "Unrealistic" in the heading and inserting "Improper".

(b) Amount of Penalty.—Section 6694 is amended—

(1) by striking "$250" in subsection (a) and inserting "$1,000", and

(2) by striking "$1,000" in subsection (b) and inserting "$5,000".

(c) Effective Date.—The amendments made by this section shall apply to documents prepared after the date of the enactment of this Act.

SEC. 412. PENALTY ON FAILURE TO REPORT INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

(a) In General.—Section 5321(a)(5) of title 31, United States Code, is amended to read as follows:

"(5) Foreign financial agency transaction violation.—

"(A) Penalty authorized.—The Secretary of the Treasury may impose a civil money penalty on any person who violates, or causes any violation of, any provision of section 5314.

"(B) Amount of penalty.—

"(i) In general.—Except as provided in subparagraph (C), the amount of any civil penalty imposed under subparagraph (A) shall not exceed $5,000.

"(ii) Reasonable cause exception.—No penalty shall be imposed under subparagraph (A) with respect to any violation if—

"(I) such violation was due to reasonable cause, and

"(II) the amount of the transaction or the balance in the account at the time of the transaction was properly reported.

"(C) Willful violations.—In the case of any person willfully violating, or willfully causing any violation of, any provision of section 5314—

"(i) the maximum penalty under subparagraph (B)(i) shall be increased to the greater of—

"(I) $25,000, or

"(II) the amount (not exceeding $100,000) determined under subparagraph (D), and

"(ii) subparagraph (B)(ii) shall not apply.

"(D) Amount.—The amount determined under this subparagraph is—

"(i) in the case of a violation involving a transaction, the amount of the transaction, or

"(ii) in the case of a violation involving a failure to report the existence of an account or any identifying information required to be provided with respect to an account, the balance in the account at the time of the violation.".

(b) Effective Date.—The amendment made by this section shall apply to violations occurring after the date of the enactment of this Act.

SEC. 413. FRIVOLOUS TAX SUBMISSIONS.

(a) Civil Penalties.—Section 6702 is amended to read as follows:

"SEC. 6702. FRIVOLOUS TAX SUBMISSIONS.

"(a) Civil Penalty for Frivolous Tax Returns.—A person shall pay a penalty of $5,000 if—

"(1) such person files what purports to be a return of a tax imposed by this title but which—

"(A) does not contain information on which the substantial correctness of the self-assessment may be judged, or

"(B) contains information that on its face indicates that the self-assessment is substantially incorrect; and

"(2) the conduct referred to in paragraph (1)—

"(A) is based on a position which the Secretary has identified as frivolous under subsection (c), or

"(B) reflects a desire to delay or impede the administration of Federal tax laws.

"(b) Civil Penalty for Specified Frivolous Submissions.—

"(1) Imposition of penalty.—Except as provided in paragraph (3), any person who submits a specified frivolous submission shall pay a penalty of $5,000.

"(2) Specified frivolous submission.—For purposes of this section—

"(A) Specified frivolous submission.—The term 'specified frivolous submission' means a specified submission if any portion of such submission—

"(i) is based on a position which the Secretary has identified as frivolous under subsection (c), or

"(ii) reflects a desire to delay or impede the administration of Federal tax laws.

"(B) Specified submission.—The term 'specified submission' means—

"(i) a request for a hearing under—

"(I) section 6320 (relating to notice and opportunity for hearing upon filing of notice of lien), or

"(II) section 6330 (relating to notice and opportunity for hearing before levy), and

"(ii) an application under—

"(I) section 6159 (relating to agreements for payment of tax liability in installments),

"(II) section 7122 (relating to compromises), or

"(III) section 7811 (relating to taxpayer assistance orders).

"(3) Opportunity to withdraw submission.—If the Secretary provides a person with notice that a submission is a specified frivolous submission and such person withdraws such submission within 30 days after such notice, the penalty imposed under paragraph (1) shall not apply with respect to such submission.

"(c) Listing of Frivolous Positions.—The Secretary shall prescribe (and periodically revise) a list of positions which the Secretary has identified as being frivolous for purposes of this subsection. The Secretary shall not include in such list any position that the Secretary determines meets the requirement of section 6662(d)(2)(B)(ii)(II).

"(d) Reduction of Penalty.—The Secretary may reduce the amount of any penalty imposed under this section if the Secretary determines that such reduction would promote compliance with and administration of the Federal tax laws.

"(e) Penalties in Addition to Other Penalties.—The penalties imposed by this section shall be in addition to any other penalty provided by law.".

(b) Treatment of Frivolous Requests for Hearings Before Levy.—

(1) Frivolous requests disregarded.—Section 6330 (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

"(g) Frivolous Requests for Hearing, etc.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of a request for a hearing under this section or section 6320 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.".

(2) Preclusion from raising frivolous issues at hearing.—Section 6330(c)(4) is amended—

(A) by striking "(A)" and inserting "(A)(i)";

(B) by striking "(B)" and inserting "(ii)";

(C) by striking the period at the end of the first sentence and inserting "; or"; and

(D) by inserting after subparagraph (A)(ii) (as so redesignated) the following:

"(B) the issue meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A).".

(3) Statement of grounds.—Section 6330(b)(1) is amended by striking "under subsection (a)(3)(B)" and inserting "in writing under subsection (a)(3)(B) and states the grounds for the requested hearing".

(c) Treatment of Frivolous Requests for Hearings Upon Filing of Notice of Lien.—Section 6320 is amended—

(1) in subsection (b)(1), by striking "under subsection (a)(3)(B)" and inserting "in writing under subsection (a)(3)(B) and states the grounds for the requested hearing", and

(2) in subsection (c), by striking "and (e)" and inserting "(e), and (g)".

(d) Treatment of Frivolous Applications for Offers-in-Compromise and Installment Agreements.—Section 7122 is amended by adding at the end the following new subsection:

"(e) Frivolous Submissions, etc.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of an application for an offer-in-compromise or installment agreement submitted under this section or section 6159 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.".

(e) Clerical Amendment.—The table of sections for part I of subchapter B of chapter 68 is amended by striking the item relating to section 6702 and inserting the following new item:

"Sec. 6702. Frivolous tax submissions.".

(f) Effective Date.—The amendments made by this section shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

SEC. 414. REGULATION OF INDIVIDUALS PRACTICING BEFORE THE DEPARTMENT OF TREASURY.

(a) Censure; Imposition of Penalty.—

(1) In general.—Section 330(b) of title 31, United States Code, is amended—

(A) by inserting ", or censure," after "Department", and

(B) by adding at the end the following new flush sentence:

"The Secretary may impose a monetary penalty on any representative described in the preceding sentence. If the representative was acting on behalf of an employer or any firm or other entity in connection with the conduct giving rise to such penalty, the Secretary may impose a monetary penalty on such employer, firm, or entity if it knew, or reasonably should have known, of such conduct. Such penalty shall not exceed the gross income derived (or to be derived) from the conduct giving rise to the penalty and may be in addition to, or in lieu of, any suspension, disbarment, or censure of the representative.".

(2) Effective date.—The amendments made by this subsection shall apply to actions taken after the date of the enactment of this Act.

(b) Tax Shelter Opinions, etc.—Section 330 of such title 31 is amended by adding at the end the following new subsection:

"(d) Nothing in this section or in any other provision of law shall be construed to limit the authority of the Secretary of the Treasury to impose standards applicable to the rendering of written advice with respect to any entity, transaction plan or arrangement, or other plan or arrangement, which is of a type which the Secretary determines as having a potential for tax avoidance or evasion.".

SEC. 415. PENALTY ON PROMOTERS OF TAX SHELTERS.

(a) Penalty on Promoting Abusive Tax Shelters.—Section 6700(a) is amended by adding at the end the following new sentence: "Notwithstanding the first sentence, if an activity with respect to which a penalty imposed under this subsection involves a statement described in paragraph (2)(A), the amount of the penalty shall be equal to 50 percent of the gross income derived (or to be derived) from such activity by the person on which the penalty is imposed.".

(b) Effective Date.—The amendment made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 416. STATUTE OF LIMITATIONS FOR TAXABLE YEARS FOR WHICH REQUIRED LISTED TRANSACTIONS NOT REPORTED.

(a) In General.—Section 6501(c) (relating to exceptions) is amended by adding at the end the following new paragraph:

"(10) Listed Transactions.—If a taxpayer fails to include on any return or statement for any taxable year any information with respect to a listed transaction (as defined in section 6707A(c)(2)) which is required under section 6011 to be included with such return or statement, the time for assessment of any tax imposed by this title with respect to such transaction shall not expire before the date which is 1 year after the earlier of—

"(A) the date on which the Secretary is furnished the information so required; or

"(B) the date that a material advisor (as defined in section 6111) meets the requirements of section 6112 with respect to a request by the Secretary under section 6112(b) relating to such transaction with respect to such taxpayer.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years with respect to which the period for assessing a deficiency did not expire before the date of the enactment of this Act.

SEC. 417. DENIAL OF DEDUCTION FOR INTEREST ON UNDERPAYMENTS ATTRIBUTABLE TO NONDISCLOSED REPORTABLE AND NONECONOMIC SUBSTANCE TRANSACTIONS.

(a) In General.—Section 163 (relating to deduction for interest) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) Interest on Unpaid Taxes Attributable to Nondisclosed Reportable Transactions and Noneconomic Substance Transactions.—No deduction shall be allowed under this chapter for any interest paid or accrued under section 6601 on any underpayment of tax which is attributable to—

"(1) the portion of any reportable transaction understatement (as defined in section 6662A(b)) with respect to which the requirement of section 6664(d)(2)(A) is not met, or

"(2) any noneconomic substance transaction understatement (as defined in section 6662B(c)).".

(b) Effective Date.—The amendments made by this section shall apply to transactions in taxable years beginning after the date of the enactment of this Act.

SEC. 418. AUTHORIZATION OF APPROPRIATIONS FOR TAX LAW ENFORCEMENT.

There is authorized to be appropriated $300,000,000 for each fiscal year beginning after September 30, 2003, for the purpose of carrying out tax law enforcement to combat tax avoidance transactions and other tax shelters, including the use of offshore financial accounts to conceal taxable income.

Subtitle B—Other Corporate Governance Provisions

SEC. 421. AFFIRMATION OF CONSOLIDATED RETURN REGULATION AUTHORITY.

(a) In General.—Section 1502 (relating to consolidated return regulations) is amended by adding at the end the following new sentence: "In prescribing such regulations, the Secretary may prescribe rules applicable to corporations filing consolidated returns under section 1501 that are different from other provisions of this title that would apply if such corporations filed separate returns.".

(b) Result Not Overturned.—Notwithstanding subsection (a), the Internal Revenue Code of 1986 shall be construed by treating Treasury regulation §1.1502-20(c)(1)(iii) (as in effect on January 1, 2001) as being inapplicable to the type of factual situation in 255 F.3d 1357 (Fed. Cir. 2001).

(c) Effective Date.—The provisions of this section shall apply to taxable years beginning before, on, or after the date of the enactment of this Act.

SEC. 422. INCREASE IN CRIMINAL MONETARY PENALTY LIMITATION FOR THE UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.

(a) In General.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking "Any person who—" and inserting "(a) In General.—Any person who—", and

(2) by adding at the end the following new subsection:

"(b) Increase in Monetary Limitation for Underpayment or Overpayment of Tax Due to Fraud.—If any portion of any underpayment (as defined in section 6664(a)) or overpayment (as defined in section 6401(a)) of tax required to be shown on a return is attributable to fraudulent action described in subsection (a), the applicable dollar amount under subsection (a) shall in no event be less than an amount equal to such portion. A rule similar to the rule under section 6663(b) shall apply for purposes of determining the portion so attributable.".

(b) Increase in Penalties.—

(1) Attempt to evade or defeat tax.—Section 7201 is amended—

(A) by striking "$100,000" and inserting "$250,000",

(B) by striking "$500,000" and inserting "$1,000,000", and

(C) by striking "5 years" and inserting "10 years".

(2) Willful failure to file return, supply information, or pay tax.—Section 7203 is amended—

(A) in the first sentence—

(i) by striking "misdemeanor" and inserting "felony", and

(ii) by striking "1 year" and inserting "10 years", and

(B) by striking the third sentence.

(3) Fraud and false statements.—Section 7206(a) (as redesignated by subsection (a)) is amended—

(A) by striking "$100,000" and inserting "$250,000",

(B) by striking "$500,000" and inserting "$1,000,000", and

(C) by striking "3 years" and inserting "5 years".

(c) Effective Date.—The amendments made by this section shall apply to underpayments and overpayments attributable to actions occurring after the date of the enactment of this Act.

Subtitle C—Enron-Related Tax Shelter Provisions

SEC. 431. LIMITATION ON TRANSFER OR IMPORTATION OF BUILT-IN LOSSES.

(a) In General.—Section 362 (relating to basis to corporations) is amended by adding at the end the following new subsection:

"(e) Limitations on Built-In Losses.—

"(1) Limitation on importation of built-in losses.—

"(A) In general.—If in any transaction described in subsection (a) or (b) there would (but for this subsection) be an importation of a net built-in loss, the basis of each property described in subparagraph (B) which is acquired in such transaction shall (notwithstanding subsections (a) and (b)) be its fair market value immediately after such transaction.

"(B) PROPERTY DESCRIBED.—For purposes of subparagraph (A), property is described in this subparagraph if—

"(i) gain or loss with respect to such property is not subject to tax under this subtitle in the hands of the transferor immediately before the transfer, and

"(ii) gain or loss with respect to such property is subject to such tax in the hands of the transferee immediately after such transfer.

In any case in which the transferor is a partnership, the preceding sentence shall be applied by treating each partner in such partnership as holding such partner's proportionate share of the property of such partnership.

"(C) IMPORTATION OF NET BUILT-IN LOSS.—For purposes of subparagraph (A), there is an importation of a net built-in loss in a transaction if the transferee's aggregate adjusted bases of property described in subparagraph (B) which is transferred in such transaction would (but for this paragraph) exceed the fair market value of such property immediately after such transaction.

"(2) LIMITATION ON TRANSFER OF BUILT-IN LOSSES IN SECTION 351 TRANSACTIONS.—

"(A) IN GENERAL.—If—

"(i) property is transferred by a transferor in any transaction which is described in subsection (a) and which is not described in paragraph (1) of this subsection, and

"(ii) the transferee's aggregate adjusted bases of such property so transferred would (but for this paragraph) exceed the fair market value of such property immediately after such transaction,

then, notwithstanding subsection (a), the transferee's aggregate adjusted bases of the property so transferred shall not exceed the fair market value of such property immediately after such transaction.

"(B) ALLOCATION OF BASIS REDUCTION.—The aggregate reduction in basis by reason of subparagraph (A) shall be allocated among the property so transferred in proportion to their respective built-in losses immediately before the transaction.

"(C) EXCEPTION FOR TRANSFERS WITHIN AFFILIATED GROUP.—Subparagraph (A) shall not apply to any transaction if the transferor owns stock in the transferee meeting the requirements of section 1504(a)(2). In the case of property to which subparagraph (A) does not apply by reason of the preceding sentence, the transferor's basis in the stock received for such property shall not exceed its fair market value immediately after the transfer.".

(b) COMPARABLE TREATMENT WHERE LIQUIDATION.—Paragraph (1) of section 334(b) (relating to liquidation of subsidiary) is amended to read as follows:

"(1) IN GENERAL.—If property is received by a corporate distributee in a distribution in a complete liquidation to which section 332 applies (or in a transfer described in section 337(b)(1)), the basis of such property in the hands of such distributee shall be the same as it would be in the hands of the transferor; except that the basis of such property in the hands of such distributee shall be the fair market value of the property at the time of the distribution—

"(A) in any case in which gain or loss is recognized by the liquidating corporation with respect to such property, or

"(B) in any case in which the liquidating corporation is a foreign corporation, the corporate distributee is a domestic corporation, and the corporate distributee's aggregate adjusted bases of property described in section 362(e)(1)(B) which is distributed in such liquidation would (but for this subparagraph) exceed the fair market value of such property immediately after such liquidation.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after February 13, 2003.

SEC. 432. NO REDUCTION OF BASIS UNDER SECTION 734 IN STOCK HELD BY PARTNERSHIP IN CORPORATE PARTNER.

(a) IN GENERAL.—Section 755 is amended by adding at the end the following new subsection:

"(c) NO ALLOCATION OF BASIS DECREASE TO STOCK OF CORPORATE PARTNER.—In making an allocation under subsection (a) of any decrease in the adjusted basis of partnership property under section 734(b)—

"(1) no allocation may be made to stock in a corporation (or any person which is related (within the meaning of section 267(b) or 707(b)(1)) to such corporation) which is a partner in the partnership, and

"(2) any amount not allocable to stock by reason of paragraph (1) shall be allocated under subsection (a) to other partnership property in such manner as the Secretary may prescribe.

Gain shall be recognized to the partnership to the extent that the amount required to be allocated under paragraph (2) to other partnership property exceeds the aggregate adjusted basis of such other property immediately before the allocation required by paragraph (2).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions after February 13, 2003.

SEC. 433. REPEAL OF SPECIAL RULES FOR FASITS.

(a) IN GENERAL.—Part V of subchapter M of chapter 1 (relating to financial asset securitization investment trusts) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (6) of section 56(g) is amended by striking "REMIC, or FASIT" and inserting "or REMIC".

(2) Clause (ii) of section 382(l)(4)(B) is amended by striking "a REMIC to which part IV of subchapter M applies, or a FASIT to which part V of subchapter M applies," and inserting "or a REMIC to which part IV of subchapter M applies,".

(3) Paragraph (1) of section 582(c) is amended by striking ", and any regular interest in a FASIT,".

(4) Subparagraph (E) of section 856(c)(5) is amended by striking the last sentence.

(5)(A) Section 860G(a)(1) is amended by adding at the end the following new sentence: "An interest shall not fail to qualify as a regular interest solely because the specified principal amount of the regular interest (or the amount of interest accrued on the regular interest) can be reduced as a result of the nonoccurrence of 1 or more contingent payments with respect to any reverse mortgage loan held by the REMIC if, on the startup day for the REMIC, the sponsor reasonably believes that all principal and interest due under the regular interest will be paid at or prior to the liquidation of the REMIC.".

(B) The last sentence of section 860G(a)(3) is amended by inserting ", and any reverse mortgage loan (and each balance increase on such loan meeting the requirements of subparagraph (A)(iii)) shall be treated as an obligation secured by an interest in real property" before the period at the end.

(6) Paragraph (3) of section 860G(a) is amended by adding "and" at the end of subparagraph (B), by striking ", and" at the end of subparagraph (C) and inserting a period, and by striking subparagraph (D).

(7) Section 860G(a)(3), as amended by paragraph (6), is amended by adding at the end the following new sentence: "For purposes of subparagraph (A), if more than 50 percent of the obligations transferred to, or purchased by, the REMIC are originated by the United States or any State (or any political subdivision, agency, or instrumentality of the United States or any State) and are principally secured by an interest in real property, then each obligation transferred to, or purchased by, the REMIC shall be treated as secured by an interest in real property.".

(8)(A) Section 860G(a)(3)(A) is amended by striking "or" at the end of clause (i), by inserting "or" at the end of clause (ii), and by inserting after clause (ii) the following new clause:

"(iii) represents an increase in the principal amount under the original terms of an obligation described in clause (i) or (ii) if such increase—

"(I) is attributable to an advance made to the obligor pursuant to the original terms of the obligation,

"(II) occurs after the startup day, and

"(III) is purchased by the REMIC pursuant to a fixed price contract in effect on the startup day.".

(B) Section 860G(a)(7)(B) is amended to read as follows:

"(B) QUALIFIED RESERVE FUND.—For purposes of subparagraph (A), the term 'qualified reserve fund' means any reasonably required reserve to—

"(i) provide for full payment of expenses of the REMIC or amounts due on regular interests in the event of defaults on qualified mortgages or lower than expected returns on cash flow investments, or

"(ii) provide a source of funds for the purchase of obligations described in clause (ii) or (iii) of paragraph (3)(A).

The aggregate fair market value of the assets held in any such reserve shall not exceed 50 percent of the aggregate fair market value of all of the assets of the REMIC on the startup day, and the amount of any such reserve shall be promptly and appropriately reduced to the extent the amount held in such reserve is no longer reasonably required for purposes specified in clause (i) or (ii) of paragraph (3)(A).".

(9) Subparagraph (C) of section 1202(e)(4) is amended by striking "REMIC, or FASIT" and inserting "or REMIC".

(10) Clause (xi) of section 7701(a)(19)(C) is amended—

(A) by striking "and any regular interest in a FASIT,", and

(B) by striking "or FASIT" each place it appears.

(11) Subparagraph (A) of section 7701(i)(2) is amended by striking "or a FASIT".

(12) The table of parts for subchapter M of chapter 1 is amended by striking the item relating to part V.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on February 14, 2003.

(2) EXCEPTION FOR EXISTING FASITS.—Paragraph (1) shall not apply to any FASIT in existence on the date of the enactment of this Act to the extent that regular interests

issued by the FASIT before such date continue to remain outstanding in accordance with the original terms of issuance.

SEC. 434. EXPANDED DISALLOWANCE OF DEDUCTION FOR INTEREST ON CONVERTIBLE DEBT.

(a) IN GENERAL.—Paragraph (2) of section 163(l) is amended by inserting “or equity held by the issuer (or any related party) in any other person” after “or a related party”.

(b) CAPITALIZATION ALLOWED WITH RESPECT TO EQUITY OF PERSONS OTHER THAN ISSUER AND RELATED PARTIES.—Section 163(l) is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) and by inserting after paragraph (3) the following new paragraph:

“(4) CAPITALIZATION ALLOWED WITH RESPECT TO EQUITY OF PERSONS OTHER THAN ISSUER AND RELATED PARTIES.—If the disqualified debt instrument of a corporation is payable in equity held by the issuer (or any related party) in any other person (other than a related party), the basis of such equity shall be increased by the amount not allowed as a deduction by reason of paragraph (1) with respect to the instrument.”.

(c) EXCEPTION FOR CERTAIN INSTRUMENTS ISSUED BY DEALERS IN SECURITIES.—Section 163(l), as amended by subsection (b), is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7) and by inserting after paragraph (4) the following new paragraph:

“(5) EXCEPTION FOR CERTAIN INSTRUMENTS ISSUED BY DEALERS IN SECURITIES.—For purposes of this subsection, the term ‘disqualified debt instrument’ does not include indebtedness issued by a dealer in securities (or a related party) which is payable in, or by reference to, equity (other than equity of the issuer or a related party) held by such dealer in its capacity as a dealer in securities. For purposes of this paragraph, the term ‘dealer in securities’ has the meaning given such term by section 475.”.

(c) CONFORMING AMENDMENTS.—Paragraph (3) of section 163(l) is amended—

(1) by striking “or a related party” in the material preceding subparagraph (A) and inserting “or any other person”, and

(2) by striking “or interest” each place it appears.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to debt instruments issued after February 13, 2003.

SEC. 435. EXPANDED AUTHORITY TO DISALLOW TAX BENEFITS UNDER SECTION 269.

(a) IN GENERAL.—Subsection (a) of section 269 (relating to acquisitions made to evade or avoid income tax) is amended to read as follows:

“(a) IN GENERAL.—If—

“(1)(A) any person or persons acquire, directly or indirectly, control of a corporation, or

“(B) any corporation acquires, directly or indirectly, property of another corporation and the basis of such property, in the hands of the acquiring corporation, is determined by reference to the basis in the hands of the transferor corporation, and

“(2) the principal purpose for which such acquisition was made is evasion or avoidance of Federal income tax,

then the Secretary may disallow such deduction, credit, or other allowance. For purposes of paragraph (1)(A), control means the ownership of stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote or at least 50 percent of the total value of all shares of all classes of stock of the corporation.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to stock and property acquired after February 13, 2003.

SEC. 436. MODIFICATION OF INTERACTION BETWEEN SUBPART F AND PASSIVE FOREIGN INVESTMENT COMPANY RULES.

(a) LIMITATION ON EXCEPTION FROM PFIC RULES FOR UNITED STATES SHAREHOLDERS OF CONTROLLED FOREIGN CORPORATIONS.—Paragraph (2) of section 1297(e) (relating to passive foreign investment company) is amended by adding at the end the following flush sentence:

“Such term shall not include any period if the earning of subpart F income by such corporation during such period would result in only a remote likelihood of an inclusion in gross income under section 951(a)(1)(A)(i).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after February 13, 2003, and to taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

Subtitle D—Provisions To Discourage Expatriation

SEC. 441. TAX TREATMENT OF INVERTED CORPORATE ENTITIES.

(a) IN GENERAL.—Subchapter C of chapter 80 (relating to provisions affecting more than one subtitle) is amended by adding at the end the following new section:

“SEC. 7874. RULES RELATING TO INVERTED CORPORATE ENTITIES.

“(a) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

“(1) IN GENERAL.—If a foreign incorporated entity is treated as an inverted domestic corporation, then, notwithstanding section 7701(a)(4), such entity shall be treated for purposes of this title as a domestic corporation.

“(2) INVERTED DOMESTIC CORPORATION.—For purposes of this section, a foreign incorporated entity shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)—

“(A) the entity completes after March 20, 2002, the direct or indirect acquisition of substantially all of the properties held directly or indirectly by a domestic corporation or substantially all of the properties constituting a trade or business of a domestic partnership,

“(B) after the acquisition at least 80 percent of the stock (by vote or value) of the entity is held—

“(i) in the case of an acquisition with respect to a domestic corporation, by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation, or

“(ii) in the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership, and

“(C) the expanded affiliated group which after the acquisition includes the entity does not have substantial business activities in the foreign country in which or under the law of which the entity is created or organized when compared to the total business activities of such expanded affiliated group. Except as provided in regulations, an acquisition of properties of a domestic corporation shall not be treated as described in subparagraph (A) if none of the corporation's stock was readily tradeable on an established securities market at any time during the 4-year period ending on the date of the acquisition.

“(b) PRESERVATION OF DOMESTIC TAX BASE IN CERTAIN INVERSION TRANSACTIONS TO WHICH SUBSECTION (a) DOES NOT APPLY.—

“(1) IN GENERAL.—If a foreign incorporated entity would be treated as an inverted domestic corporation with respect to an acquired entity if either—

“(A) subsection (a)(2)(A) were applied by substituting ‘after December 31, 1996, and on or before March 20, 2002’ for ‘after March 20, 2002’ and subsection (a)(2)(B) were applied by substituting ‘more than 50 percent’ for ‘at least 80 percent’, or

“(B) subsection (a)(2)(B) were applied by substituting ‘more than 50 percent’ for ‘at least 80 percent’,

then the rules of subsection (c) shall apply to any inversion gain of the acquired entity during the applicable period and the rules of subsection (d) shall apply to any related party transaction of the acquired entity during the applicable period. This subsection shall not apply for any taxable year if subsection (a) applies to such foreign incorporated entity for such taxable year.

“(2) ACQUIRED ENTITY.—For purposes of this section—

“(A) IN GENERAL.—The term ‘acquired entity’ means the domestic corporation or partnership substantially all of the properties of which are directly or indirectly acquired in an acquisition described in subsection (a)(2)(A) to which this subsection applies.

“(B) AGGREGATION RULES.—Any domestic person bearing a relationship described in section 267(b) or 707(b) to an acquired entity shall be treated as an acquired entity with respect to the acquisition described in subparagraph (A).

“(3) APPLICABLE PERIOD.—For purposes of this section—

“(A) IN GENERAL.—The term ‘applicable period’ means the period—

“(i) beginning on the first date properties are acquired as part of the acquisition described in subsection (a)(2)(A) to which this subsection applies, and

“(ii) ending on the date which is 10 years after the last date properties are acquired as part of such acquisition.

“(B) SPECIAL RULE FOR INVERSIONS OCCURRING BEFORE MARCH 21, 2002.—In the case of any acquired entity to which paragraph (1)(A) applies, the applicable period shall be the 10-year period beginning on January 1, 2003.

“(c) TAX ON INVERSION GAINS MAY NOT BE OFFSET.—If subsection (b) applies—

“(1) IN GENERAL.—The taxable income of an acquired entity (or any expanded affiliated group which includes such entity) for any taxable year which includes any portion of the applicable period shall in no event be less than the inversion gain of the entity for the taxable year.

“(2) CREDITS NOT ALLOWED AGAINST TAX ON INVERSION GAIN.—Credits shall be allowed against the tax imposed by this chapter on an acquired entity for any taxable year described in paragraph (1) only to the extent such tax exceeds the product of—

“(A) the amount of the inversion gain for the taxable year, and

“(B) the highest rate of tax specified in section 11(b)(1).

For purposes of determining the credit allowed by section 901 inversion gain shall be treated as from sources within the United States.

“(3) SPECIAL RULES FOR PARTNERSHIPS.—In the case of an acquired entity which is a partnership—

“(A) the limitations of this subsection shall apply at the partner rather than the partnership level,

“(B) the inversion gain of any partner for any taxable year shall be equal to the sum of—

"(i) the partner's distributive share of inversion gain of the partnership for such taxable year, plus

"(ii) income or gain required to be recognized for the taxable year by the partner under section 367(a), 741, or 1001, or under any other provision of chapter 1, by reason of the transfer during the applicable period of any partnership interest of the partner in such partnership to the foreign incorporated entity, and

"(C) the highest rate of tax specified in the rate schedule applicable to the partner under chapter 1 shall be substituted for the rate of tax under paragraph (2)(B).

"(4) INVERSION GAIN.—For purposes of this section, the term 'inversion gain' means any income or gain required to be recognized under section 304, 311(b), 367, 1001, or 1248, or under any other provision of chapter 1, by reason of the transfer during the applicable period of stock or other properties by an acquired entity—

"(A) as part of the acquisition described in subsection (a)(2)(A) to which subsection (b) applies, or

"(B) after such acquisition to a foreign related person.

The Secretary may provide that income or gain from the sale of inventories or other transactions in the ordinary course of a trade or business shall not be treated as inversion gain under subparagraph (B) to the extent the Secretary determines such treatment would not be inconsistent with the purposes of this section.

"(5) COORDINATION WITH SECTION 172 AND MINIMUM TAX.—Rules similar to the rules of paragraphs (3) and (4) of section 860E(a) shall apply for purposes of this section.

"(6) STATUTE OF LIMITATIONS.—

"(A) IN GENERAL.—The statutory period for the assessment of any deficiency attributable to the inversion gain of any taxpayer for any pre-inversion year shall not expire before the expiration of 3 years from the date the Secretary is notified by the taxpayer (in such manner as the Secretary may prescribe) of the acquisition described in subsection (a)(2)(A) to which such gain relates and such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

"(B) PRE-INVERSION YEAR.—For purposes of subparagraph (A), the term 'pre-inversion year' means any taxable year if—

"(i) any portion of the applicable period is included in such taxable year, and

"(ii) such year ends before the taxable year in which the acquisition described in subsection (a)(2)(A) is completed.

"(d) SPECIAL RULES APPLICABLE TO ACQUIRED ENTITIES TO WHICH SUBSECTION (b) APPLIES.—

"(1) INCREASES IN ACCURACY-RELATED PENALTIES.—In the case of any underpayment of tax of an acquired entity to which subsection (b) applies—

"(A) section 6662(a) shall be applied with respect to such underpayment by substituting '30 percent' for '20 percent', and

"(B) if such underpayment is attributable to one or more gross valuation understatements, the increase in the rate of penalty under section 6662(h) shall be to 50 percent rather than 40 percent.

"(2) MODIFICATIONS OF LIMITATION ON INTEREST DEDUCTION.—In the case of an acquired entity to which subsection (b) applies, section 163(j) shall be applied—

"(A) without regard to paragraph (2)(A)(ii) thereof, and

"(B) by substituting '25 percent' for '50 percent' each place it appears in paragraph (2)(B) thereof.

"(e) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) RULES FOR APPLICATION OF SUBSECTION (a)(2).—In applying subsection (a)(2) for purposes of subsections (a) and (b), the following rules shall apply:

"(A) CERTAIN STOCK DISREGARDED.—There shall not be taken into account in determining ownership for purposes of subsection (a)(2)(B)—

"(i) stock held by members of the expanded affiliated group which includes the foreign incorporated entity, or

"(ii) stock of such entity which is sold in a public offering or private placement related to the acquisition described in subsection (a)(2)(A).

"(B) PLAN DEEMED IN CERTAIN CASES.—If a foreign incorporated entity acquires directly or indirectly substantially all of the properties of a domestic corporation or partnership during the 4-year period beginning on the date which is 2 years before the ownership requirements of subsection (a)(2)(B) are met with respect to such domestic corporation or partnership, such actions shall be treated as pursuant to a plan.

"(C) CERTAIN TRANSFERS DISREGARDED.—The transfer of properties or liabilities (including by contribution or distribution) shall be disregarded if such transfers are part of a plan a principal purpose of which is to avoid the purposes of this section.

"(D) SPECIAL RULE FOR RELATED PARTNERSHIPS.—For purposes of applying subsection (a)(2) to the acquisition of a domestic partnership, except as provided in regulations, all partnerships which are under common control (within the meaning of section 482), shall be treated as 1 partnership.

"(E) TREATMENT OF CERTAIN RIGHTS.—The Secretary shall prescribe such regulations as may be necessary—

"(i) to treat warrants, options, contracts to acquire stock, convertible debt instruments, and other similar interests as stock, and

"(ii) to treat stock as not stock.

"(2) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' means an affiliated group as defined in section 1504(a) but without regard to section 1504(b)(3), except that section 1504(a) shall be applied by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears.

"(3) FOREIGN INCORPORATED ENTITY.—The term 'foreign incorporated entity' means any entity which is, or but for subsection (a)(1) would be, treated as a foreign corporation for purposes of this title.

"(4) FOREIGN RELATED PERSON.—The term 'foreign related person' means, with respect to any acquired entity, a foreign person which—

"(A) bears a relationship to such entity described in section 267(b) or 707(b), or

"(B) is under the same common control (within the meaning of section 482) as such entity.

"(5) SUBSEQUENT ACQUISITIONS BY UNRELATED DOMESTIC CORPORATIONS.—

"(A) IN GENERAL.—Subject to such conditions, limitations, and exceptions as the Secretary may prescribe, if, after an acquisition described in subsection (a)(2)(A) to which subsection (b) applies, a domestic corporation stock of which is traded on an established securities market acquires directly or indirectly any properties of one or more acquired entities in a transaction with respect to which the requirements of subparagraph (B) are met, this section shall cease to apply to any such acquired entity with respect to which such requirements are met.

"(B) REQUIREMENTS.—The requirements of the subparagraph are met with respect to a transaction involving any acquisition described in subparagraph (A) if—

"(i) before such transaction the domestic corporation did not have a relationship described in section 267(b) or 707(b), and was not under common control (within the meaning of section 482), with the acquired entity, or any member of an expanded affiliated group including such entity, and

"(ii) after such transaction, such acquired entity—

"(I) is a member of the same expanded affiliated group which includes the domestic corporation or has such a relationship or is under such common control with any member of such group, and

"(II) is not a member of, and does not have such a relationship and is not under such common control with any member of, the expanded affiliated group which before such acquisition included such entity.

"(f) REGULATIONS.—The Secretary shall provide such regulations as are necessary to carry out this section, including regulations providing for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including the avoidance of such purposes through—

"(1) the use of related persons, pass-thru or other noncorporate entities, or other intermediaries, or

"(2) transactions designed to have persons cease to be (or not become) members of expanded affiliated groups or related persons.".

(b) INFORMATION REPORTING.—The Secretary of the Treasury shall exercise the Secretary's authority under the Internal Revenue Code of 1986 to require entities involved in transactions to which section 7874 of such Code (as added by subsection (a)) applies to report to the Secretary, shareholders, partners, and such other persons as the Secretary may prescribe such information as is necessary to ensure the proper tax treatment of such transactions.

(c) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 80 is amended by adding at the end the following new item:

"Sec. 7874. Rules relating to inverted corporate entities.".

(d) TRANSITION RULE FOR CERTAIN REGULATED INVESTMENT COMPANIES AND UNIT INVESTMENT TRUSTS.—Notwithstanding section 7874 of the Internal Revenue Code of 1986 (as added by subsection (a)), a regulated investment company, or other pooled fund or trust specified by the Secretary of the Treasury, may elect to recognize gain by reason of section 367(a) of such Code with respect to a transaction under which a foreign incorporated entity is treated as an inverted domestic corporation under section 7874(a) of such Code by reason of an acquisition completed after March 20, 2002, and before January 1, 2004.

SEC. 442. IMPOSITION OF MARK-TO-MARKET TAX ON INDIVIDUALS WHO EXPATRIATE.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

"SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

"(a) GENERAL RULES.—For purposes of this subtitle—

"(1) MARK TO MARKET.—Except as provided in subsections (d) and (f), all property of a covered expatriate to whom this section applies shall be treated as sold on the day before the expatriation date for its fair market value.

"(2) Recognition of gain or loss.—In the case of any sale under paragraph (1)—

"(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

"(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence.

"(3) Exclusion for certain gain.—

"(A) In general.—The amount which, but for this paragraph, would be includible in the gross income of any individual by reason of this section shall be reduced (but not below zero) by $600,000. For purposes of this paragraph, allocable expatriation gain taken into account under subsection (f)(2) shall be treated in the same manner as an amount required to be includible in gross income.

"(B) Cost-of-living adjustment.—

"(i) In general.—In the case of an expatriation date occurring in any calendar year after 2004, the $600,000 amount under subparagraph (A) shall be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 2003' for 'calendar year 1992' in subparagraph (B) thereof.

"(ii) Rounding rules.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.

"(4) Election to continue to be taxed as United States citizen.—

"(A) In general.—If a covered expatriate elects the application of this paragraph—

"(i) this section (other than this paragraph and subsection (i)) shall not apply to the expatriate, but

"(ii) in the case of property to which this section would apply but for such election, the expatriate shall be subject to tax under this title in the same manner as if the individual were a United States citizen.

"(B) Requirements.—Subparagraph (A) shall not apply to an individual unless the individual—

"(i) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require,

"(ii) consents to the waiver of any right of the individual under any treaty of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

"(iii) complies with such other requirements as the Secretary may prescribe.

"(C) Election.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, shall be irrevocable. Such election shall also apply to property the basis of which is determined in whole or in part by reference to the property with respect to which the election was made.

"(b) Election To Defer Tax.—

"(1) In general.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the payment of the additional tax attributable to such property shall be postponed until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

"(2) Determination of tax with respect to property.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

"(3) Termination of postponement.—No tax may be postponed under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

"(4) Security.—

"(A) In general.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided to the Secretary with respect to such property.

"(B) Adequate security.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

"(i) it is a bond in an amount equal to the deferred tax amount under paragraph (2) for the property, or

"(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

"(5) Waiver of certain rights.—No election may be made under paragraph (1) unless the taxpayer consents to the waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

"(6) Elections.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable. An election may be made under paragraph (1) with respect to an interest in a trust with respect to which gain is required to be recognized under subsection (f)(1).

"(7) Interest.—For purposes of section 6601—

"(A) the last date for the payment of tax shall be determined without regard to the election under this subsection, and

"(B) section 6621(a)(2) shall be applied by substituting '5 percentage points' for '3 percentage points' in subparagraph (B) thereof.

"(c) Covered Expatriate.—For purposes of this section—

"(1) In general.—Except as provided in paragraph (2), the term 'covered expatriate' means an expatriate.

"(2) Exceptions.—An individual shall not be treated as a covered expatriate if—

"(A) the individual—

"(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

"(ii) has not been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) during the 5 taxable years ending with the taxable year during which the expatriation date occurs, or

"(B)(i) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

"(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

"(d) Exempt Property; Special Rules for Pension Plans.—

"(1) Exempt property.—This section shall not apply to the following:

"(A) United states real property interests.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the day before the expatriation date, meet the requirements of section 897(c)(2).

"(B) Specified property.—Any property or interest in property not described in subparagraph (A) which the Secretary specifies in regulations.

"(2) Special rules for certain retirement plans.—

"(A) In general.—If a covered expatriate holds on the day before the expatriation date any interest in a retirement plan to which this paragraph applies—

"(i) such interest shall not be treated as sold for purposes of subsection (a)(1), but

"(ii) an amount equal to the present value of the expatriate's nonforfeitable accrued benefit shall be treated as having been received by such individual on such date as a distribution under the plan.

"(B) Treatment of subsequent distributions.—In the case of any distribution on or after the expatriation date to or on behalf of the covered expatriate from a plan from which the expatriate was treated as receiving a distribution under subparagraph (A), the amount otherwise includible in gross income by reason of the subsequent distribution shall be reduced by the excess of the amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

"(C) Treatment of subsequent distributions by plan.—For purposes of this title, a retirement plan to which this paragraph applies, and any person acting on the plan's behalf, shall treat any subsequent distribution described in subparagraph (B) in the same manner as such distribution would be treated without regard to this paragraph.

"(D) Applicable plans.—This paragraph shall apply to—

"(i) any qualified retirement plan (as defined in section 4974(c)),

"(ii) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

"(iii) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

"(e) Definitions.—For purposes of this section—

"(1) Expatriate.—The term 'expatriate' means—

"(A) any United States citizen who relinquishes citizenship, and

"(B) any long-term resident of the United States who—

"(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)), or

"(ii) commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such treaty applicable to residents of the foreign country.

"(2) EXPATRIATION DATE.—The term 'expatriation date' means—

"(A) the date an individual relinquishes United States citizenship, or

"(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

"(3) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing United States citizenship on the earliest of—

"(A) the date the individual renounces such individual's United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

"(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

"(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

"(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

"(4) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

"(f) SPECIAL RULES APPLICABLE TO BENEFICIARIES' INTERESTS IN TRUST.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a trust on the day before the expatriation date—

"(A) the individual shall not be treated as having sold such interest,

"(B) such interest shall be treated as a separate share in the trust, and

"(C)(i) such separate share shall be treated as a separate trust consisting of the assets allocable to such share,

"(ii) the separate trust shall be treated as having sold its assets on the day before the expatriation date for their fair market value and as having distributed all of its assets to the individual as of such time, and

"(iii) the individual shall be treated as having recontributed the assets to the separate trust.

Subsection (a)(2) shall apply to any income, gain, or loss of the individual arising from a distribution described in subparagraph (C)(ii). In determining the amount of such distribution, proper adjustments shall be made for liabilities of the trust allocable to an individual's share in the trust.

"(2) SPECIAL RULES FOR INTERESTS IN QUALIFIED TRUSTS.—

"(A) IN GENERAL.—If the trust interest described in paragraph (1) is an interest in a qualified trust—

"(i) paragraph (1) and subsection (a) shall not apply, and

"(ii) in addition to any other tax imposed by this title, there is hereby imposed on each distribution with respect to such interest a tax in the amount determined under subparagraph (B).

"(B) AMOUNT OF TAX.—The amount of tax under subparagraph (A)(ii) shall be equal to the lesser of—

"(i) the highest rate of tax imposed by section 1(e) for the taxable year which includes the day before the expatriation date, multiplied by the amount of the distribution, or

"(ii) the balance in the deferred tax account immediately before the distribution determined without regard to any increases under subparagraph (C)(ii) after the 30th day preceding the distribution.

"(C) DEFERRED TAX ACCOUNT.—For purposes of subparagraph (B)(ii)—

"(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any trust interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in gross income under subsection (a).

"(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined (on the balance in the account at the time the interest accrues), for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods, except that section 6621(a)(2) shall be applied by substituting '5 percentage points' for '3 percentage points' in subparagraph (B) thereof.

"(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced—

"(I) by the amount of taxes imposed by subparagraph (A) on any distribution to the person holding the trust interest, and

"(II) in the case of a person holding a nonvested interest, to the extent provided in regulations, by the amount of taxes imposed by subparagraph (A) on distributions from the trust with respect to nonvested interests not held by such person.

"(D) ALLOCABLE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary's interest in a trust is the amount of gain which would be allocable to such beneficiary's vested and nonvested interests in the trust if the beneficiary held directly all assets allocable to such interests.

"(E) TAX DEDUCTED AND WITHHELD.—

"(i) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld by the trustees from the distribution to which it relates.

"(ii) EXCEPTION WHERE FAILURE TO WAIVE TREATY RIGHTS.—If an amount may not be deducted and withheld under clause (i) by reason of the distributee failing to waive any treaty right with respect to such distribution—

"(I) the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax, and

"(II) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

"(F) DISPOSITION.—If a trust ceases to be a qualified trust at any time, a covered expatriate disposes of an interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust dies, then, in lieu of the tax imposed by subparagraph (A)(ii), there is hereby imposed a tax equal to the lesser of—

"(i) the tax determined under paragraph (1) as if the day before the expatriation date were the date of such cessation, disposition, or death, whichever is applicable, or

"(ii) the balance in the tax deferred account immediately before such date.

Such tax shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax and any other beneficiary of the trust shall be entitled to recover from the covered expatriate or the estate the amount of such tax imposed on the other beneficiary.

"(G) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

"(i) QUALIFIED TRUST.—The term 'qualified trust' means a trust which is described in section 7701(a)(30)(E).

"(ii) VESTED INTEREST.—The term 'vested interest' means any interest which, as of the day before the expatriation date, is vested in the beneficiary.

"(iii) NONVESTED INTEREST.—The term 'nonvested interest' means, with respect to any beneficiary, any interest in a trust which is not a vested interest. Such interest shall be determined by assuming the maximum exercise of discretion in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

"(iv) ADJUSTMENTS.—The Secretary may provide for such adjustments to the bases of assets in a trust or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

"(v) COORDINATION WITH RETIREMENT PLAN RULES.—This subsection shall not apply to an interest in a trust which is part of a retirement plan to which subsection (d)(2) applies.

"(3) DETERMINATION OF BENEFICIARIES' INTEREST IN TRUST.—

"(A) DETERMINATIONS UNDER PARAGRAPH (1).—For purposes of paragraph (1), a beneficiary's interest in a trust shall be based upon all relevant facts and circumstances, including the terms of the trust instrument and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar adviser.

"(B) OTHER DETERMINATIONS.—For purposes of this section—

"(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

"(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

"(I) the methodology used to determine that taxpayer's trust interest under this section, and

"(II) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

"(g) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

"(1) any period during which recognition of income or gain is deferred shall terminate on the day before the expatriation date, and

"(2) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

"(h) IMPOSITION OF TENTATIVE TAX.—

"(1) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in an amount equal to the amount of tax which would be imposed if the taxable year were a short taxable year ending on the expatriation date.

"(2) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date.

"(3) TREATMENT OF TAX.—Any tax paid under paragraph (1) shall be treated as a payment of the tax imposed by this chapter for the taxable year to which subsection (a) applies.

"(4) DEFERRAL OF TAX.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to gain includible in gross income by reason of this section.

"(i) SPECIAL LIENS FOR DEFERRED TAX AMOUNTS.—

"(1) IMPOSITION OF LIEN.—

"(A) IN GENERAL.—If a covered expatriate makes an election under subsection (a)(4) or (b) which results in the deferral of any tax imposed by reason of subsection (a), the deferred amount (including any interest, additional amount, addition to tax, assessable penalty, and costs attributable to the deferred amount) shall be a lien in favor of the United States on all property of the expatriate located in the United States (without regard to whether this section applies to the property).

"(B) DEFERRED AMOUNT.—For purposes of this subsection, the deferred amount is the amount of the increase in the covered expatriate's income tax which, but for the election under subsection (a)(4) or (b), would have occurred by reason of this section for the taxable year including the expatriation date.

"(2) PERIOD OF LIEN.—The lien imposed by this subsection shall arise on the expatriation date and continue until—

"(A) the liability for tax by reason of this section is satisfied or has become unenforceable by reason of lapse of time, or

"(B) it is established to the satisfaction of the Secretary that no further tax liability may arise by reason of this section.

"(3) CERTAIN RULES APPLY.—The rules set forth in paragraphs (1), (3), and (4) of section 6324A(d) shall apply with respect to the lien imposed by this subsection as if it were a lien imposed by section 6324A.

"(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.".

(b) INCLUSION IN INCOME OF GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—Section 102 (relating to gifts, etc. not included in gross income) is amended by adding at the end the following new subsection:

"(d) GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—

"(1) IN GENERAL.—Subsection (a) shall not exclude from gross income the value of any property acquired by gift, bequest, devise, or inheritance from a covered expatriate after the expatriation date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.

"(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Paragraph (1) shall not apply to any property if either—

"(A) the gift, bequest, devise, or inheritance is—

"(i) shown on a timely filed return of tax imposed by chapter 12 as a taxable gift by the covered expatriate, or

"(ii) included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate, or

"(B) no such return was timely filed but no such return would have been required to be filed even if the covered expatriate were a citizen or long-term resident of the United States.".

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

"(48) TERMINATION OF UNITED STATES CITIZENSHIP.—

"(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(e)(3).

"(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.".

(d) INELIGIBILITY FOR VISA OR ADMISSION TO UNITED STATES.—

(1) IN GENERAL.—Section 212(a)(10)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)(E)) is amended to read as follows:

"(E) FORMER CITIZENS NOT IN COMPLIANCE WITH EXPATRIATION REVENUE PROVISIONS.—Any alien who is a former citizen of the United States who relinquishes United States citizenship (within the meaning of section 877A(e)(3) of the Internal Revenue Code of 1986) and who is not in compliance with section 877A of such Code (relating to expatriation).".

(2) AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Section 6103(l) (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

"(19) DISCLOSURE TO DENY VISA OR ADMISSION TO CERTAIN EXPATRIATES.—Upon written request of the Attorney General or the Attorney General's delegate, the Secretary shall disclose whether an individual is in compliance with section 877A (and if not in compliance, any items of noncompliance) to officers and employees of the Federal agency responsible for administering section 212(a)(10)(E) of the Immigration and Nationality Act solely for the purpose of, and to the extent necessary in, administering such section 212(a)(10)(E).".

(B) SAFEGUARDS.—

(i) TECHNICAL AMENDMENTS.—Paragraph (4) of section 6103(p) of the Internal Revenue Code of 1986, as amended by section 202(b)(2)(B) of the Trade Act of 2002 (Public Law 107–210; 116 Stat. 961), is amended by striking "or (17)" after "any other person described in subsection (l)(16)" each place it appears and inserting "or (18)".

(ii) CONFORMING AMENDMENTS.—Section 6103(p)(4) (relating to safeguards), as amended by clause (i), is amended by striking "or (18)" after "any other person described in subsection (l)(16)" each place it appears and inserting "(18), or (19)".

(3) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to individuals who relinquish United States citizenship on or after the date of the enactment of this Act.

(B) TECHNICAL AMENDMENTS.—The amendments made by paragraph (2)(B)(i) shall take effect as if included in the amendments made by section 202(b)(2)(B) of the Trade Act of 2002 (Public Law 107–210; 116 Stat. 961).

(e) CONFORMING AMENDMENTS.—

(1) Section 877 is amended by adding at the end the following new subsection:

"(g) APPLICATION.—This section shall not apply to an expatriate (as defined in section 877A(e)) whose expatriation date (as so defined) occurs on or after January 1, 2004.".

(2) Section 2107 is amended by adding at the end the following new subsection:

"(f) APPLICATION.—This section shall not apply to any expatriate subject to section 877A.".

(3) Section 2501(a)(3) is amended by adding at the end the following new subparagraph:

"(F) APPLICATION.—This paragraph shall not apply to any expatriate subject to section 877A.".

(4)(A) Paragraph (1) of section 6039G(d) is amended by inserting "or 877A" after "section 877".

(B) The second sentence of section 6039G(e) is amended by inserting "or who relinquishes United States citizenship (within the meaning of section 877A(e)(3))" after "877(a))".

(C) Section 6039G(f) is amended by inserting "or 877A(e)(2)(B)" after "877(e)(1)".

(f) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

"Sec. 877A. Tax responsibilities of expatriation.".

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (within the meaning of section 877A(e) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) occurs on or after January 1, 2004.

(2) GIFTS AND BEQUESTS.—Section 102(d) of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to gifts and bequests received on or after January 1, 2004, from an individual or the estate of an individual whose expatriation date (as so defined) occurs after such date.

(3) DUE DATE FOR TENTATIVE TAX.—The due date under section 877A(h)(2) of the Internal Revenue Code of 1986, as added by this section, shall in no event occur before the 90th day after the date of the enactment of this Act.

SEC. 443. EXCISE TAX ON STOCK COMPENSATION OF INSIDERS IN INVERTED CORPORATIONS.

(a) IN GENERAL.—Subtitle D is amended by adding at the end the following new chapter:

"CHAPTER 48—STOCK COMPENSATION OF INSIDERS IN INVERTED CORPORATIONS

"Sec. 5000A. Stock compensation of insiders in inverted corporations entities.

"SEC. 5000A. STOCK COMPENSATION OF INSIDERS IN INVERTED CORPORATIONS.

"(a) IMPOSITION OF TAX.—In the case of an individual who is a disqualified individual with respect to any inverted corporation, there is hereby imposed on such person a tax equal to 20 percent of the value (determined under subsection (b)) of the specified stock compensation held (directly or indirectly) by or for the benefit of such individual or a member of such individual's family (as defined in section 267) at any time during the 12-month period beginning on the date which is 6 months before the inversion date.

"(b) VALUE.—For purposes of subsection (a)—

"(1) IN GENERAL.—The value of specified stock compensation shall be—

"(A) in the case of a stock option (or other similar right) or any stock appreciation right, the fair value of such option or right, and

"(B) in any other case, the fair market value of such compensation.

"(2) Date for determining value.—The determination of value shall be made—

"(A) in the case of specified stock compensation held on the inversion date, on such date,

"(B) in the case of such compensation which is canceled during the 6 months before the inversion date, on the day before such cancellation, and

"(C) in the case of such compensation which is granted after the inversion date, on the date such compensation is granted.

"(c) Tax To Apply Only if Shareholder Gain Recognized.—Subsection (a) shall apply to any disqualified individual with respect to an inverted corporation only if gain (if any) on any stock in such corporation is recognized in whole or part by any shareholder by reason of the acquisition referred to in section 7874(a)(2)(A) (determined by substituting 'July 10, 2002' for 'March 20, 2002') with respect to such corporation.

"(d) Exception Where Gain Recognized on Compensation.—Subsection (a) shall not apply to—

"(1) any stock option which is exercised on the inversion date or during the 6-month period before such date and to the stock acquired in such exercise, if income is recognized under section 83 on or before the inversion date with respect to the stock acquired pursuant to such exercise, and

"(2) any specified stock compensation which is exercised, sold, exchanged, distributed, cashed out, or otherwise paid during such period in a transaction in which gain or loss is recognized in full.

"(e) Definitions.—For purposes of this section—

"(1) Disqualified individual.—The term 'disqualified individual' means, with respect to a corporation, any individual who, at any time during the 12-month period beginning on the date which is 6 months before the inversion date—

"(A) is subject to the requirements of section 16(a) of the Securities Exchange Act of 1934 with respect to such corporation, or

"(B) would be subject to such requirements if such corporation were an issuer of equity securities referred to in such section.

"(2) Inverted corporation; inversion date.—

"(A) Inverted corporation.—The term 'inverted corporation' means any corporation to which subsection (a) or (b) of section 7874 applies determined—

"(i) by substituting 'July 10, 2002' for 'March 20, 2002' in section 7874(a)(2)(A), and

"(ii) without regard to subsection (b)(1)(A). Such term includes any predecessor or successor of such a corporation.

"(B) Inversion date.—The term 'inversion date' means, with respect to a corporation, the date on which the corporation first becomes an inverted corporation.

"(3) Specified stock compensation.—

"(A) In general.—The term 'specified stock compensation' means payment (or right to payment) granted by the inverted corporation (or by any member of the expanded affiliated group which includes such corporation) to any person in connection with the performance of services by a disqualified individual for such corporation or member if the value of such payment or right is based on (or determined by reference to) the value (or change in value) of stock in such corporation (or any such member).

"(B) Exceptions.—Such term shall not include—

"(i) any option to which part II of subchapter D of chapter 1 applies, or

"(ii) any payment or right to payment from a plan referred to in section 280G(b)(6).

"(4) Expanded affiliated group.—The term 'expanded affiliated group' means an affiliated group (as defined in section 1504(a) without regard to section 1504(b)(3)); except that section 1504(a) shall be applied by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears.

"(f) Special Rules.—For purposes of this section—

"(1) Cancellation of restriction.—The cancellation of a restriction which by its terms will never lapse shall be treated as a grant.

"(2) Payment or reimbursement of tax by corporation treated as specified stock compensation.—Any payment of the tax imposed by this section directly or indirectly by the inverted corporation or by any member of the expanded affiliated group which includes such corporation—

"(A) shall be treated as specified stock compensation, and

"(B) shall not be allowed as a deduction under any provision of chapter 1.

"(3) Certain restrictions ignored.—Whether there is specified stock compensation, and the value thereof, shall be determined without regard to any restriction other than a restriction which by its terms will never lapse.

"(4) Property transfers.—Any transfer of property shall be treated as a payment and any right to a transfer of property shall be treated as a right to a payment.

"(5) Other administrative provisions.—For purposes of subtitle F, any tax imposed by this section shall be treated as a tax imposed by subtitle A.

"(g) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.".

(b) Denial of Deduction.—

(1) In general.—Paragraph (6) of section 275(a) is amended by inserting "48," after "46,".

(2) $1,000,000 limit on deductible compensation reduced by payment of excise tax on specified stock compensation.—Paragraph (4) of section 162(m) is amended by adding at the end the following new subparagraph:

"(G) Coordination with excise tax on specified stock compensation.—The dollar limitation contained in paragraph (1) with respect to any covered employee shall be reduced (but not below zero) by the amount of any payment (with respect to such employee) of the tax imposed by section 5000A directly or indirectly by the inverted corporation (as defined in such section) or by any member of the expanded affiliated group (as defined in such section) which includes such corporation.".

(c) Conforming Amendments.—

(1) The last sentence of section 3121(v)(2)(A) is amended by inserting before the period "or to any specified stock compensation (as defined in section 5000A) on which tax is imposed by section 5000A".

(2) The table of chapters for subtitle D is amended by adding at the end the following new item:

"Chapter 48. Stock compensation of insiders in inverted corporations.".

(d) Effective Date.—The amendments made by this section shall take effect on July 11, 2002; except that periods before such date shall not be taken into account in applying the periods in subsections (a) and (e)(1) of section 5000A of the Internal Revenue Code of 1986, as added by this section.

SEC. 444. REINSURANCE OF UNITED STATES RISKS IN FOREIGN JURISDICTIONS.

(a) In General.—Section 845(a) (relating to allocation in case of reinsurance agreement involving tax avoidance or evasion) is amended by striking "source and character" and inserting "amount, source, or character".

(b) Effective Date.—The amendments made by this section shall apply to any risk reinsured after April 11, 2002.

SEC. 445. REPORTING OF TAXABLE MERGERS AND ACQUISITIONS.

(a) In General.—Subpart B of part III of subchapter A of chapter 61 is amended by inserting after section 6043 the following new section:

"SEC. 6043A. TAXABLE MERGERS AND ACQUISITIONS.

"(a) In General.—The acquiring corporation in any taxable acquisition shall make a return (according to the forms or regulations prescribed by the Secretary) setting forth—

"(1) a description of the acquisition,

"(2) the name and address of each shareholder of the acquired corporation who is required to recognize gain (if any) as a result of the acquisition,

"(3) the amount of money and the fair market value of other property transferred to each such shareholder as part of such acquisition, and

"(4) such other information as the Secretary may prescribe.

To the extent provided by the Secretary, the requirements of this section applicable to the acquiring corporation shall be applicable to the acquired corporation and not to the acquiring corporation.

"(b) Nominee Reporting.—Any person who holds stock as a nominee for another person shall furnish in the manner prescribed by the Secretary to such other person the information provided by the corporation under subsection (d).

"(c) Taxable Acquisition.—For purposes of this section, the term 'taxable acquisition' means any acquisition by a corporation of stock in or property of another corporation if any shareholder of the acquired corporation is required to recognize gain (if any) as a result of such acquisition.

"(d) Statements To Be Furnished to Shareholders.—Every person required to make a return under subsection (a) shall furnish to each shareholder whose name is required to be set forth in such return a written statement showing—

"(1) the name, address, and phone number of the information contact of the person required to make such return,

"(2) the information required to be shown on such return with respect to such shareholder, and

"(3) such other information as the Secretary may prescribe.

The written statement required under the preceding sentence shall be furnished to the shareholder on or before January 31 of the year following the calendar year during which the taxable acquisition occurred.".

(b) Assessable Penalties.—

(1) Subparagraph (B) of section 6724(d)(1) (relating to definitions) is amended by redesignating clauses (ii) through (xvii) as clauses (iii) through (xviii), respectively, and by inserting after clause (i) the following new clause:

"(ii) section 6043A(a) (relating to returns relating to taxable mergers and acquisitions),".

(2) Paragraph (2) of section 6724(d) is amended by redesignating subparagraphs (F)

through (AA) as subparagraphs (G) through (BB), respectively, and by inserting after subparagraph (E) the following new subparagraph:

“(F) subsections (b) and (d) of section 6043A (relating to returns relating to taxable mergers and acquisitions).”.

(c) Clerical Amendment.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6043 the following new item:

“Sec. 6043A. Returns relating to taxable mergers and acquisitions.”.

(d) Effective Date.—The amendments made by this section shall apply to acquisitions after the date of the enactment of this Act.

Subtitle E—International Tax

SEC. 451. CLARIFICATION OF BANKING BUSINESS FOR PURPOSES OF DETERMINING INVESTMENT OF EARNINGS IN UNITED STATES PROPERTY.

(a) In General.—Subparagraph (A) of section 956(c)(2) is amended to read as follows:

“(A) obligations of the United States, money, or deposits with—

“(i) any bank (as defined by section 2(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)), without regard to subparagraphs (C) and (G) of paragraph (2) of such section), or

“(ii) any corporation not described in clause (i) with respect to which a bank holding company (as defined by section 2(a) of such Act) or financial holding company (as defined by section 2(p) of such Act) owns directly or indirectly more than 80 percent by vote or value of the stock of such corporation;”.

(b) Effective Date.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 452. PROHIBITION ON NONRECOGNITION OF GAIN THROUGH COMPLETE LIQUIDATION OF HOLDING COMPANY.

(a) In General.—Section 332 is amended by adding at the end the following new subsection:

“(d) Recognition of Gain on Liquidation of Certain Holding Companies.—

“(1) In general.—In the case of any distribution to a foreign corporation in complete liquidation of an applicable holding company—

“(A) subsection (a) and section 331 shall not apply to such distribution, and

“(B) such distribution shall be treated as a distribution to which section 301 applies.

“(2) Applicable holding company.—For purposes of this subsection—

“(A) In general.—The term ‘applicable holding company’ means any domestic corporation—

“(i) which is a common parent of an affiliated group,

“(ii) stock of which is directly owned by the distributee foreign corporation,

“(iii) substantially all of the assets of which consist of stock in other members of such affiliated group, and

“(iv) which has not been in existence at all times during the 5 years immediately preceding the date of the liquidation.

“(B) Affiliated group.—For purposes of this subsection, the term ‘affiliated group’ has the meaning given such term by section 1504(a) (without regard to paragraphs (2) and (4) of section 1504(b)).

“(3) Coordination with subpart F.—If the distributee of a distribution described in paragraph (1) is a controlled foreign corporation (as defined in section 957), then notwithstanding paragraph (1) or subsection (a), such distribution shall be treated as a distribution to which section 331 applies.

“(4) Regulations.—The Secretary shall provide such regulations as appropriate to prevent the abuse of this subsection, including regulations which provide, for the purposes of clause (iv) of paragraph (2)(A), that a corporation is not in existence for any period unless it is engaged in the active conduct of a trade or business or owns a significant ownership interest in another corporation so engaged.”.

(b) Effective Date.—The amendment made by this section shall apply to distributions in complete liquidation occurring on or after the date of the enactment of this Act.

SEC. 453. PREVENTION OF MISMATCHING OF INTEREST AND ORIGINAL ISSUE DISCOUNT DEDUCTIONS AND INCOME INCLUSIONS IN TRANSACTIONS WITH RELATED FOREIGN PERSONS.

(a) Original Issue Discount.—Section 163(e)(3) (relating to special rule for original issue discount on obligation held by related foreign person) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

“(B) Special rule for certain foreign entities.—

“(i) In general.—In the case of any debt instrument having original issue discount which is held by a related foreign person which is a foreign personal holding company (as defined in section 552), a controlled foreign corporation (as defined in section 957), or a passive foreign investment company (as defined in section 1297), a deduction shall be allowable to the issuer with respect to such original issue discount for any taxable year before the taxable year in which paid only to the extent such original issue discount is included during such prior taxable year in the gross income of a United States person who owns (within the meaning of section 958(a)) stock in such corporation.

“(ii) Secretarial authority.—The Secretary may by regulation exempt transactions from the application of clause (i), including any transaction which is entered into by a payor in the ordinary course of a trade or business in which the payor is predominantly engaged.”.

(b) Interest and Other Deductible Amounts.—Section 267(a)(3) is amended—

(1) by striking “The Secretary” and inserting:

“(A) In general.—The Secretary”, and

(2) by adding at the end the following new subparagraph:

“(B) Special rule for certain foreign entities.—

“(i) In general.—Notwithstanding subparagraph (A), in the case of any amount payable to a foreign personal holding company (as defined in section 552), a controlled foreign corporation (as defined in section 957), or a passive foreign investment company (as defined in section 1297), a deduction shall be allowable to the payor with respect to such amount for any taxable year before the taxable year in which paid only to the extent such amount is included during such prior taxable year in the gross income of a United States person who owns (within the meaning of section 958(a)) stock in such corporation.

“(ii) Secretarial authority.—The Secretary may by regulation exempt transactions from the application of clause (i), including any transaction which is entered into by a payor in the ordinary course of a trade or business in which the payor is predominantly engaged and in which the payment of the accrued amounts occurs within 8½ months after accrual or within such other period as the Secretary may prescribe.”.

(c) Effective Date.—The amendments made by this section shall apply to payments accrued on or after the date of the enactment of this Act.

SEC. 454. EFFECTIVELY CONNECTED INCOME TO INCLUDE CERTAIN FOREIGN SOURCE INCOME.

(a) In General.—Section 864(c)(4)(B) (relating to treatment of income from sources without the United States as effectively connected income) is amended by adding at the end the following new flush sentence:

“Any income or gain which is equivalent to any item of income or gain described in clause (i), (ii), or (iii) shall be treated in the same manner as such item for purposes of this subparagraph.”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 455. RECAPTURE OF OVERALL FOREIGN LOSSES ON SALE OF CONTROLLED FOREIGN CORPORATION.

(a) In General.—Section 904(f)(3) (relating to dispositions) is amending by adding at the end the following new subparagraph:

“(D) Application to dispositions of stock in controlled foreign corporations.—In the case of any disposition by a taxpayer of any share of stock in a controlled foreign corporation (as defined in section 957), this paragraph shall apply to such disposition in the same manner as if it were a disposition of property described in subparagraph (A), except that the exception contained in subparagraph (C)(i) shall not apply.”.

(b) Effective Date.—The amendment made by this section shall apply to dispositions after the date of the enactment of this Act.

SEC. 456. MINIMUM HOLDING PERIOD FOR FOREIGN TAX CREDIT ON WITHHOLDING TAXES ON INCOME OTHER THAN DIVIDENDS.

(a) In General.—Section 901 is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

“(l) Minimum Holding Period for Withholding Taxes on Gain and Income Other Than Dividends etc.—

“(1) In general.—In no event shall a credit be allowed under subsection (a) for any withholding tax (as defined in subsection (k)) on any item of income or gain with respect to any property if—

“(A) such property is held by the recipient of the item for 15 days or less during the 30-day period beginning on the date which is 15 days before the date on which the right to receive payment of such item arises, or

“(B) to the extent that the recipient of the item is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property.

This paragraph shall not apply to any dividend to which subsection (k) applies.

“(2) Exception for taxes paid by dealers.—

“(A) In general.—Paragraph (1) shall not apply to any qualified tax with respect to any property held in the active conduct in a foreign country of a business as a dealer in such property.

“(B) Qualified tax.—For purposes of subparagraph (A), the term ‘qualified tax’ means a tax paid to a foreign country (other than the foreign country referred to in subparagraph (A)) if—

“(i) the item to which such tax is attributable is subject to taxation on a net basis by the country referred to in subparagraph (A), and

“(ii) such country allows a credit against its net basis tax for the full amount of the tax paid to such other foreign country.

“(C) Dealer.—For purposes of subparagraph (A), the term ‘dealer’ means—

“(i) with respect to a security, any person to whom paragraphs (1) and (2) of subsection (k) would not apply by reason of paragraph (4) thereof if such security were stock, and

“(ii) with respect to any other property, any person with respect to whom such property is described in section 1221(a)(1).

“(D) Regulations.—The Secretary may prescribe such regulations as may be appropriate to carry out this paragraph, including regulations to prevent the abuse of the exception provided by this paragraph and to treat other taxes as qualified taxes.

“(3) Exceptions.—The Secretary may by regulation provide that paragraph (1) shall not apply to property where the Secretary determines that the application of paragraph (1) to such property is not necessary to carry out the purposes of this subsection.

“(4) Certain rules to apply.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (k) shall apply for purposes of this subsection.

“(5) Determination of holding period.—Holding periods shall be determined for purposes of this subsection without regard to section 1235 or any similar rule.”.

(b) Conforming Amendment.—The heading of subsection (k) of section 901 is amended by inserting “on Dividends” after “Taxes”.

(c) Effective Date.—The amendments made by this section shall apply to amounts paid or accrued more than 30 days after the date of the enactment of this Act.

Subtitle F—Other Revenue Provisions

PART I—FINANCIAL INSTRUMENTS

SEC. 461. TREATMENT OF STRIPPED INTERESTS IN BOND AND PREFERRED STOCK FUNDS, ETC.

(a) In General.—Section 1286 (relating to tax treatment of stripped bonds) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) Treatment of Stripped Interests in Bond and Preferred Stock Funds, etc.—In the case of an account or entity substantially all of the assets of which consist of bonds, preferred stock, or a combination thereof, the Secretary may by regulations provide that rules similar to the rules of this section and 305(e), as appropriate, shall apply to interests in such account or entity to which (but for this subsection) this section or section 305(e), as the case may be, would not apply.”.

(b) Cross Reference.—Subsection (e) of section 305 is amended by adding at the end the following new paragraph:

“(7) Cross reference.—

“For treatment of stripped interests in certain accounts or entities holding preferred stock, see section 1286(f).”.

(c) Effective Date.—The amendments made by this section shall apply to purchases and dispositions after the date of the enactment of this Act.

SEC. 462. APPLICATION OF EARNINGS STRIPPING RULES TO PARTNERSHIPS AND S CORPORATIONS.

(a) In General.—Section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

“(8) Application to partnerships and S corporations.—

“(A) In general.—This subsection shall apply to partnerships and S corporations in the same manner as it applies to C corporations.

“(B) Allocations to certain corporate partners.—If a C corporation is a partner in a partnership—

“(i) the corporation's allocable share of indebtedness and interest income of the partnership shall be taken into account in applying this subsection to the corporation, and

“(ii) if a deduction is not disallowed under this subsection with respect to any interest expense of the partnership, this subsection shall be applied separately in determining whether a deduction is allowable to the corporation with respect to the corporation's allocable share of such interest expense.”.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 463. RECOGNITION OF CANCELLATION OF INDEBTEDNESS INCOME REALIZED ON SATISFACTION OF DEBT WITH PARTNERSHIP INTEREST.

(a) In General.—Paragraph (8) of section 108(e) (relating to general rules for discharge of indebtedness (including discharges not in title 11 cases or insolvency)) is amended to read as follows:

“(8) Indebtedness satisfied by corporate stock or partnership interest.—For purposes of determining income of a debtor from discharge of indebtedness, if—

“(A) a debtor corporation transfers stock, or

“(B) a debtor partnership transfers a capital or profits interest in such partnership,

to a creditor in satisfaction of its recourse or nonrecourse indebtedness, such corporation or partnership shall be treated as having satisfied the indebtedness with an amount of money equal to the fair market value of the stock or interest. In the case of any partnership, any discharge of indebtedness income recognized under this paragraph shall be included in the distributive shares of taxpayers which were the partners in the partnership immediately before such discharge.”.

(b) Effective Date.—The amendment made by this section shall apply with respect to cancellations of indebtedness occurring on or after the date of the enactment of this Act.

SEC. 464. MODIFICATION OF STRADDLE RULES.

(a) Rules Relating to Identified Straddles.—

(1) In general.—Subparagraph (A) of section 1092(a)(2) (relating to special rule for identified straddles) is amended to read as follows:

“(A) In general.—In the case of any straddle which is an identified straddle—

“(i) paragraph (1) shall not apply with respect to identified positions comprising the identified straddle,

“(ii) if there is any loss with respect to any identified position of the identified straddle, the basis of each of the identified offsetting positions in the identified straddle shall be increased by an amount which bears the same ratio to the loss as the unrecognized gain with respect to such offsetting position bears to the aggregate unrecognized gain with respect to all such offsetting positions, and

“(iii) any loss described in clause (ii) shall not otherwise be taken into account for purposes of this title.”.

(2) Identified straddle.—Section 1092(a)(2)(B) (defining identified straddle) is amended—

(A) by striking clause (ii) and inserting the following:

“(ii) to the extent provided by regulations, the value of each position of which (in the hands of the taxpayer immediately before the creation of the straddle) is not less than the basis of such position in the hands of the taxpayer at the time the straddle is created, and”, and

(B) by adding at the end the following new flush sentence:

“The Secretary shall prescribe regulations which specify the proper methods for clearly identifying a straddle as an identified straddle (and the positions comprising such straddle), which specify the rules for the application of this section for a taxpayer which fails to properly identify the positions of an identified straddle, and which specify the ordering rules in cases where a taxpayer disposes of less than an entire position which is part of an identified straddle.”.

(3) Unrecognized gain.—Section 1092(a)(3) (defining unrecognized gain) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

“(B) Special rule for identified straddles.—For purposes of paragraph (2)(A)(ii), the unrecognized gain with respect to any identified offsetting position shall be the excess of the fair market value of the position at the time of the determination over the fair market value of the position at the time the taxpayer identified the position as a position in an identified straddle.”.

(4) Conforming amendment.—Section 1092(c)(2) is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(b) Physically Settled Positions.—Section 1092(d) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

“(8) Special rules for physically settled positions.—For purposes of subsection (a), if a taxpayer settles a position which is part of a straddle by delivering property to which the position relates (and such position, if terminated, would result in a realization of a loss), then such taxpayer shall be treated as if such taxpayer—

“(A) terminated the position for its fair market value immediately before the settlement, and

“(B) sold the property so delivered by the taxpayer at its fair market value.”.

(c) Repeal of Stock Exception.—

(1) In general.—Paragraph (3) of section 1092(d) (relating to definitions and special rules) is amended to read as follows:

“(3) Special rules for stock.—For purposes of paragraph (1)—

“(A) In general.—The term ‘personal property’ includes—

“(i) any stock which is a part of a straddle at least 1 of the offsetting positions of which is a position with respect to such stock or substantially similar or related property, or

“(ii) any stock of a corporation formed or availed of to take positions in personal property which offset positions taken by any shareholder.

“(B) Rule for application.—For purposes of determining whether subsection (e) applies to any transaction with respect to stock described in subparagraph (A)(ii), all includible corporations of an affiliated group (within the meaning of section 1504(a)) shall be treated as 1 taxpayer.”.

(2) Conforming amendment.—Section 1258(d)(1) is amended by striking “; except

that the term 'personal property' shall include stock".

(d) Repeal of Qualified Covered Call Exception.—Section 1092(c)(4) is amended by adding at the end the following new subparagraph:

"(I) Termination.—This paragraph shall not apply to any position established on or after the date of the enactment of this subparagraph.".

(e) Effective Date.—The amendments made by this section shall apply to positions established on or after the date of the enactment of this Act.

SEC. 465. DENIAL OF INSTALLMENT SALE TREATMENT FOR ALL READILY TRADEABLE DEBT.

(a) In General.—Section 453(f)(4)(B) (relating to purchaser evidences of indebtedness payable on demand or readily tradeable) is amended by striking "is issued by a corporation or a government or political subdivision thereof and".

(b) Effective Date.—The amendment made by this section shall apply to sales occurring on or after the date of the enactment of this Act.

PART II—CORPORATIONS AND PARTNERSHIPS

SEC. 466. MODIFICATION OF TREATMENT OF TRANSFERS TO CREDITORS IN DIVISIVE REORGANIZATIONS.

(a) In General.—Section 361(b)(3) (relating to treatment of transfers to creditors) is amended by adding at the end the following new sentence: "In the case of a reorganization described in section 368(a)(1)(D) with respect to which stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under section 355, this paragraph shall apply only to the extent that the sum of the money and the fair market value of other property transferred to such creditors does not exceed the adjusted bases of such assets transferred.".

(b) Liabilities in Excess of Basis.—Section 357(c)(1)(B) is amended by inserting "with respect to which stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under section 355" after "section 368(a)(1)(D)".

(c) Effective Date.—The amendments made by this section shall apply to transfers of money or other property, or liabilities assumed, in connection with a reorganization occurring on or after the date of the enactment of this Act.

SEC. 467. CLARIFICATION OF DEFINITION OF NONQUALIFIED PREFERRED STOCK.

(a) In General.—Section 351(g)(3)(A) is amended by adding at the end the following: "Stock shall not be treated as participating in corporate growth to any significant extent unless there is a real and meaningful likelihood of the shareholder actually participating in the earnings and growth of the corporation.".

(b) Effective Date.—The amendment made by this section shall apply to transactions after May 14, 2003.

SEC. 468. MODIFICATION OF DEFINITION OF CONTROLLED GROUP OF CORPORATIONS.

(a) In General.—Section 1563(a)(2) (relating to brother-sister controlled group) is amended by striking "possessing—" and all that follows through "(B)" and inserting "possessing".

(b) Application of Existing Rules to Other Code Provisions.—Section 1563(f) (relating to other definitions and rules) is amended by adding at the end the following new paragraph:

"(5) Brother-sister controlled group definition for provisions other than this part.—

"(A) In general.—Except as specifically provided in an applicable provision, subsection (a)(2) shall be applied to an applicable provision as if it read as follows:

'(2) Brother-sister controlled group.—Two or more corporations if 5 or fewer persons who are individuals, estates, or trusts own (within the meaning of subsection (d)(2) stock possessing—

'(A) at least 80 percent of the total combined voting power of all classes of stock entitled to vote, or at least 80 percent of the total value of shares of all classes of stock, of each corporation, and

'(B) more than 50 percent of the total combined voting power of all classes of stock entitled to vote or more than 50 percent of the total value of shares of all classes of stock of each corporation, taking into account the stock ownership of each such person only to the extent such stock ownership is identical with respect to each such corporation.'

"(B) Applicable provision.—For purposes of this paragraph, an applicable provision is any provision of law (other than this part) which incorporates the definition of controlled group of corporations under subsection (a).".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 469. MANDATORY BASIS ADJUSTMENTS IN CONNECTION WITH PARTNERSHIP DISTRIBUTIONS AND TRANSFERS OF PARTNERSHIP INTERESTS.

(a) In General.—Section 754 is repealed.

(b) Adjustment to Basis of Undistributed Partnership Property.—Section 734 is amended—

(1) by striking ", with respect to which the election provided in section 754 is in effect," in the matter preceding paragraph (1) of subsection (b),

(2) by striking "(as adjusted by section 732(d))" both places it appears in subsection (b),

(3) by striking the last sentence of subsection (b),

(4) by striking subsection (a) and by redesignating subsections (b) and (c) as subsections (a) and (b), respectively, and

(5) by striking "optional" in the heading.

(c) Adjustment to Basis of Partnership Property.—Section 743 is amended—

(1) by striking "with respect to which the election provided in section 754 is in effect" in the matter preceding paragraph (1) of subsection (b),

(2) by striking subsection (a) and by redesignating subsections (b) and (c) as subsections (a) and (b), respectively,

(3) by adding at the end the following new subsection:

"(c) Election To Adjust Basis for Transfers Upon Death of Partner.—Subsection (a) shall not apply and no adjustments shall be made in the case of any transfer of an interest in a partnership upon the death of a partner unless an election to do so is made by the partnership. Such an election shall apply with respect to all such transfers of interests in the partnership. Any election under section 754 in effect on the date of the enactment of this subsection shall constitute an election made under this subsection. Such election may be revoked by the partnership, subject to such limitations as may be provided by regulations prescribed by the Secretary.", and

(4) by striking "optional" in the heading.

(d) Conforming Amendments.—

(1) Subsection (d) of section 732 is repealed.

(2) Section 755(a) is amended—

(A) by striking "section 734(b) (relating to the optional adjustment" and inserting "section 734(a) (relating to the adjustment", and

(B) by striking "section 743(b) (relating to the optional adjustment" and inserting "section 743(a) (relating to the adjustment".

(3) Section 755(c), as added by this Act, is amended by striking "section 734(b)" and inserting "section 734(a)".

(4) Section 761(e)(2) is amended by striking "optional".

(5) Section 774(a) is amended by striking "743(b)" both places it appears and inserting "743(a)".

(6) The item relating to section 734 in the table of sections for subpart B of part II of subchapter K of chapter 1 is amended by striking "Optional".

(7) The item relating to section 743 in the table of sections for subpart C of part II of subchapter K of chapter 1 is amended by striking "Optional".

(e) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to transfers and distributions made after the date of the enactment of this Act.

(2) Repeal of section 732(d).—The amendments made by subsections (b)(2) and (d)(1) shall apply to—

(A) except as provided in subparagraph (B), transfers made after the date of the enactment of this Act, and

(B) in the case of any transfer made on or before such date to which section 732(d) applies, distributions made after the date which is 2 years after such date of enactment.

PART III—DEPRECIATION AND AMORTIZATION

SEC. 471. EXTENSION OF AMORTIZATION OF INTANGIBLES TO SPORTS FRANCHISES.

(a) In General.—Section 197(e) (relating to exceptions to definition of section 197 intangible) is amended by striking paragraph (6) and by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively.

(b) Conforming Amendments.—

(1)(A) Section 1056 (relating to basis limitation for player contracts transferred in connection with the sale of a franchise) is repealed.

(B) The table of sections for part IV of subchapter O of chapter 1 is amended by striking the item relating to section 1056.

(2) Section 1245(a) (relating to gain from disposition of certain depreciable property) is amended by striking paragraph (4).

(3) Section 1253 (relating to transfers of franchises, trademarks, and trade names) is amended by striking subsection (e).

(c) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to property acquired after the date of the enactment of this Act.

(2) Section 1245.—The amendment made by subsection (b)(2) shall apply to franchises acquired after the date of the enactment of this Act.

SEC. 472. CLASS LIVES FOR UTILITY GRADING COSTS.

(a) Gas Utility Property.—Section 168(e)(3)(E) (defining 15-year property) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) initial clearing and grading land improvements with respect to gas utility property.".

(b) Electric Utility Property.—Section 168(e)(3) is amended by adding at the end the following new subparagraph:

"(F) 20-year property.—The term '20-year property' means initial clearing and grading land improvements with respect to any electric utility transmission and distribution plant.".

(c) Conforming Amendments.—The table contained in section 168(g)(3)(B) is amended—

(1) by inserting "or (E)(iv)" after "(E)(iii)", and

(2) by adding at the end the following new item:

"(F) .... 25".

(d) Effective Date.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 473. EXPANSION OF LIMITATION ON DEPRECIATION OF CERTAIN PASSENGER AUTOMOBILES.

(a) In General.—Section 179(b) (relating to limitations) is amended by adding at the end the following new paragraph:

"(6) Limitation on cost taken into account for certain passenger vehicles.—

"(A) In general.—The cost of any sport utility vehicle for any taxable year which may be taken into account under this section shall not exceed $25,000.

"(B) Sport utility vehicle.—For purposes of subparagraph (A)—

"(i) In general.—The term 'sport utility vehicle' means any 4-wheeled vehicle which—

"(I) is manufactured primarily for use on public streets, roads, and highways,

"(II) is not subject to section 280F, and

"(III) is rated at not more than 14,000 pounds gross vehicle weight.

"(ii) Certain vehicles excluded.—Such term does not include any vehicle which—

"(I) does not have the primary load carrying device or container attached,

"(II) has a seating capacity of more than 12 individuals,

"(III) is designed for more than 9 individuals in seating rearward of the driver's seat,

"(IV) is equipped with an open cargo area, or a covered box not readily accessible from the passenger compartment, of at least 72.0 inches in interior length, or

"(V) has an integral enclosure, fully enclosing the driver compartment and load carrying device, does not have seating rearward of the driver's seat, and has no body section protruding more than 30 inches ahead of the leading edge of the windshield.".

(c) Effective Date.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 474. CONSISTENT AMORTIZATION OF PERIODS FOR INTANGIBLES.

(a) Start-Up Expenditures.—

(1) Allowance of deduction.—Paragraph (1) of section 195(b) (relating to start-up expenditures) is amended to read as follows:

"(1) Allowance of deduction.—If a taxpayer elects the application of this subsection with respect to any start-up expenditures—

"(A) the taxpayer shall be allowed a deduction for the taxable year in which the active trade or business begins in an amount equal to the lesser of—

"(i) the amount of start-up expenditures with respect to the active trade or business, or

"(ii) $5,000, reduced (but not below zero) by the amount by which such start-up expenditures exceed $50,000, and

"(B) the remainder of such start-up expenditures shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the active trade or business begins.".

(2) Conforming amendment.—Subsection (b) of section 195 is amended by striking "Amortize" and inserting "Deduct" in the heading.

(b) Organizational Expenditures.—Subsection (a) of section 248 (relating to organizational expenditures) is amended to read as follows:

"(a) Election To Deduct.—If a corporation elects the application of this subsection (in accordance with regulations prescribed by the Secretary) with respect to any organizational expenditures—

"(1) the corporation shall be allowed a deduction for the taxable year in which the corporation begins business in an amount equal to the lesser of—

"(A) the amount of organizational expenditures with respect to the taxpayer, or

"(B) $5,000, reduced (but not below zero) by the amount by which such organizational expenditures exceed $50,000, and

"(2) the remainder of such organizational expenditures shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the corporation begins business.".

(c) Treatment of Organizational and Syndication Fees or Partnerships.—

(1) In general.—Section 709(b) (relating to amortization of organization fees) is amended by redesignating paragraph (2) as paragraph (3) and by amending paragraph (1) to read as follows:

"(1) Allowance of deduction.—If a taxpayer elects the application of this subsection (in accordance with regulations prescribed by the Secretary) with respect to any organizational expenses—

"(A) the taxpayer shall be allowed a deduction for the taxable year in which the partnership begins business in an amount equal to the lesser of—

"(i) the amount of organizational expenses with respect to the partnership, or

"(ii) $5,000, reduced (but not below zero) by the amount by which such organizational expenses exceed $50,000, and

"(B) the remainder of such organizational expenses shall be allowed as a deduction ratably over the 180-month period beginning with the month in which the partnership begins business.

"(2) Dispositions before close of amortization period.—In any case in which a partnership is liquidated before the end of the period to which paragraph (1)(B) applies, any deferred expenses attributable to the partnership which were not allowed as a deduction by reason of this section may be deducted to the extent allowable under section 165.".

(2) Conforming amendment.—Subsection (b) of section 709 is amended by striking "Amortization" and inserting "Deduction" in the heading.

(d) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SEC. 475. REFORM OF TAX TREATMENT OF LEASING OPERATIONS.

(a) Clarification of Recovery Period for Tax-Exempt Use Property Subject to Lease.—Subparagraph (A) of section 168(g)(3) (relating to special rules for determining class life) is amended by inserting "(notwithstanding any other subparagraph of this paragraph)" after "shall".

(b) Limitation on Depreciation Period for Software Leased to Tax-Exempt Entity.—Paragraph (1) of section 167(f) is amended by adding at the end the following new subparagraph:

"(C) Tax-exempt use property subject to lease.—In the case of computer software which would be tax-exempt use property as defined in subsection (h) of section 168 if such section applied to computer software, the useful life under subparagraph (A) shall not be less than 125 percent of the lease term (within the meaning of section 168(i)(3))."

(c) Lease Term To Include Related Service Contracts.—Subparagraph (A) of section 168(i)(3) (relating to lease term) is amended by striking "and" at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

"(ii) the term of a lease shall include the term of any service contract or similar arrangement (whether or not treated as a lease under section 7701(e))—

"(I) which is part of the same transaction (or series of related transactions) which includes the lease, and

"(II) which is with respect to the property subject to the lease or substantially similar property, and".

(d) Effective Date.—The amendments made by this section shall apply to leases entered into after December 31, 2003.

SEC. 476. LIMITATION ON DEDUCTIONS ALLOCABLE TO PROPERTY USED BY GOVERNMENTS OR OTHER TAX-EXEMPT ENTITIES.

(a) In General.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by adding at the end the following new section:

"SEC. 470. LIMITATIONS ON LOSSES FROM TAX-EXEMPT USE PROPERTY.

"(a) Limitation on Losses.—Except as otherwise provided in this section, a tax-exempt use loss for any taxable year shall not be allowed.

"(b) Disallowed Loss Carried to Next Year.—Any tax-exempt use loss with respect to any tax-exempt use property which is disallowed under subsection (a) for any taxable year shall be treated as a deduction with respect to such property in the next taxable year.

"(c) Definitions.—For purposes of this section—

"(1) Tax-exempt use loss.—The term 'tax-exempt use loss' means, with respect to any taxable year, the amount (if any) by which—

"(A) the sum of—

"(i) the aggregate deductions (other than interest) directly allocable to a tax-exempt use property, plus

"(ii) the aggregate deductions for interest properly allocable to such property, exceed

"(B) the aggregate income from such property.

"(2) Tax-exempt use property.—The term 'tax-exempt use property' has the meaning given to such term by section 168(h) (without regard to paragraph (1)(C) or (3)(C) thereof and determined as if property described in section 167(f)(1)(B) were tangible property).

"(d) Exception for Certain Leases.—This section shall not apply to any lease of property which meets the requirements of all of the following paragraphs:

"(1) Property not financed with tax-exempt bonds.—A lease of property meets the requirements of this paragraph if no part of the property was financed (directly or indirectly) from the proceeds of an obligation the interest on which is exempt from tax under section 103(a) and which (or any refunding bond of which) is outstanding when the lease is entered into. The Secretary may by regulations provide for a de minimis exception from this paragraph.

"(2) AVAILABILITY OF FUNDS.—

"(A) IN GENERAL.—A lease of property meets the requirements of this paragraph if (at any time during the lease term) not more than an allowable amount of funds are—

"(i) subject to any arrangement referred to in subparagraph (B), or

"(ii) otherwise reasonably expected to remain available,

to or for the benefit of the lessor or any lender, or to or for the benefit of the lessee to satisfy the lessee's obligations or options under the lease.

"(B) ARRANGEMENTS.—The arrangements referred to in this subparagraph are—

"(i) a defeasance arrangement, a loan by the lessee to the lessor or any lender, a deposit arrangement, a letter of credit collateralized with cash or cash equivalents, a payment undertaking agreement, a lease prepayment, a sinking fund arrangement, or any similar arrangement (whether or not such arrangement provides credit support), and

"(ii) any other arrangement identified by the Secretary in regulations.

"(C) ALLOWABLE AMOUNT.—

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'allowable amount' means an amount equal to 20 percent of the lessor's adjusted basis in the property at the time the lease is entered into.

"(ii) HIGHER AMOUNT PERMITTED IN CERTAIN CASES.—To the extent provided in regulations, a higher percentage shall be permitted under clause (i) where necessary because of the credit-worthiness of the lessee. In no event may such regulations permit a percentage of more than 50 percent.

"(iii) OPTION TO PURCHASE.—If under the lease the lessee has the option to purchase the property for other than the fair market value of the property (determined at the time of exercise), the allowable amount at the time such option may be exercised may not exceed 50 percent of the price at which such option may be exercised.

"(3) LESSOR MUST MAKE SUBSTANTIAL EQUITY INVESTMENT.—A lease of property meets the requirements of this paragraph if—

"(A) the lessor—

"(i) has at the time the lease is entered into an unconditional at-risk equity investment (as determined by the Secretary) in the property of at least 20 percent of the lessor's adjusted basis in the property as of that time, and

"(ii) maintains such investment throughout the term of the lease, and

"(B) the fair market value of the property at the end of the lease term is reasonably expected to be equal to at least 20 percent of such basis.

"(4) LESSEE MAY NOT BEAR MORE THAN MINIMAL RISK OF LOSS.—

"(A) IN GENERAL.—A lease of property meets the requirements of this paragraph if there is no arrangement under which more than a minimal risk of loss (as determined under regulations) in the value of the property is borne by the lessee.

"(B) CERTAIN ARRANGEMENTS FAIL REQUIREMENT.—In no event will the requirements of this paragraph be met if there is any arrangement under which the lessee bears—

"(i) any portion of the loss that would occur if the fair market value of the leased property at the time the lease is terminated were 25 percent less than its projected fair market value at the end of the lease term, or

"(ii) more than 50 percent of the loss that would occur if the fair market value of the leased property at the time the lease is terminated were zero.

"(5) REGULATORY REQUIREMENTS.—A lease of property meets the requirements of this paragraph if such lease of property meets such requirements as the Secretary may prescribe by regulations.

"(e) SPECIAL RULES.—

"(1) TREATMENT OF FORMER TAX-EXEMPT USE PROPERTY.—

"(A) IN GENERAL.—In the case of any former tax-exempt use property—

"(i) any deduction allowable under subsection (b) with respect to such property for any taxable year shall be allowed only to the extent of any net income (without regard to such deduction) from such property for such taxable year, and

"(ii) any portion of such unused deduction remaining after application of clause (i) shall be treated as allowable under subsection (b) with respect to such property in the next taxable year.

"(B) FORMER TAX-EXEMPT USE PROPERTY.—For purposes of this subsection, the term 'former tax-exempt use property' means any property which—

"(i) is not tax-exempt use property for the taxable year, but

"(ii) was tax-exempt use property for any prior taxable year.

"(2) DISPOSITION OF ENTIRE INTEREST IN PROPERTY.—If during the taxable year a taxpayer disposes of the taxpayer's entire interest in tax-exempt use property (or former tax-exempt use property), rules similar to the rules of section 469(g) shall apply for purposes of this section.

"(3) COORDINATION WITH SECTION 469.—This section shall be applied before the application of section 469.

"(f) OTHER DEFINITIONS.—For purposes of this section—

"(1) RELATED PARTIES.—The terms 'lessor', 'lessee', and 'lender' include any related party (within the meaning of section 197(f)(9)(C)(i)).

"(2) LEASE TERM.—The term 'lease term' has the meaning given to such term by section 168(i)(3).

"(3) LENDER.—The term 'lender' means, with respect to any lease, a person that makes a loan to the lessor which is secured (or economically similar to being secured) by the lease or the leased property.

"(4) LOAN.—The term 'loan' includes any similar arrangement.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the provisions of this section, including regulation which—

"(1) allow in appropriate cases the aggregation of property subject to the same lease, and

"(2) provide for the determination of the allocation of interest expense for purposes of this section."

(b) CONFORMING AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by adding at the end the following new item:

"Sec. 470. Limitations on losses from tax-exempt use property."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to leases entered into after December 31, 2003.

PART IV—ADMINISTRATIVE PROVISIONS

SEC. 481. CLARIFICATION OF RULES FOR PAYMENT OF ESTIMATED TAX FOR CERTAIN DEEMED ASSET SALES.

(a) IN GENERAL.—Paragraph (13) of section 338(h) (relating to tax on deemed sale not taken into account for estimated tax purposes) is amended by adding at the end the following: "The preceding sentence shall not apply with respect to a qualified stock purchase for which an election is made under paragraph (10).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transactions occurring after the date of the enactment of this Act.

SEC. 482. EXTENSION OF IRS USER FEES.

(a) IN GENERAL.—Section 7528(c) (relating to termination) is amended by striking "December 31, 2004" and inserting "September 30, 2013".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to requests after the date of the enactment of this Act.

SEC. 483. DOUBLING OF CERTAIN PENALTIES, FINES, AND INTEREST ON UNDERPAYMENTS RELATED TO CERTAIN OFFSHORE FINANCIAL ARRANGEMENT.

(a) GENERAL RULE.—If—

(1) a taxpayer eligible to participate in—

(A) the Department of the Treasury's Offshore Voluntary Compliance Initiative, or

(B) the Department of the Treasury's voluntary disclosure initiative which applies to the taxpayer by reason of the taxpayer's underreporting of United States income tax liability through financial arrangements which rely on the use of offshore arrangements which were the subject of the initiative described in subparagraph (A), and

(2) any interest or applicable penalty is imposed with respect to any arrangement to which any initiative described in paragraph (1) applied or to any underpayment of Federal income tax attributable to items arising in connection with any arrangement described in paragraph (1),

then, notwithstanding any other provision of law, the amount of such interest or penalty shall be equal to twice that determined without regard to this section.

(b) DEFINITIONS AND RULES.—For purposes of this section—

(1) APPLICABLE PENALTY.—The term "applicable penalty" means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(2) VOLUNTARY OFFSHORE COMPLIANCE INITIATIVE.—The term "Voluntary Offshore Compliance Initiative" means the program established by the Department of the Treasury in January of 2003 under which any taxpayer was eligible to voluntarily disclose previously undisclosed income on assets placed in offshore accounts and accessed through credit card and other financial arrangements.

(3) PARTICIPATION.—A taxpayer shall be treated as having participated in the Voluntary Offshore Compliance Initiative if the taxpayer submitted the request in a timely manner and all information requested by the Secretary of the Treasury or his delegate within a reasonable period of time following the request.

(c) EFFECTIVE DATE.—The provisions of this section shall apply to interest, penalties, additions to tax, and fines with respect to any taxable year if as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.

SEC. 484. PARTIAL PAYMENT OF TAX LIABILITY IN INSTALLMENT AGREEMENTS.

(a) In General.—

(1) Section 6159(a) (relating to authorization of agreements) is amended—

(A) by striking “satisfy liability for payment of” and inserting “make payment on”, and

(B) by inserting “full or partial” after “facilitate”.

(2) Section 6159(c) (relating to Secretary required to enter into installment agreements in certain cases) is amended in the matter preceding paragraph (1) by inserting “full” before “payment”.

(b) Requirement To Review Partial Payment Agreements Every Two Years.—Section 6159, as amended by this Act, is amended by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively, and inserting after subsection (c) the following new subsection:

“(d) Secretary Required To Review Installment Agreements for Partial Collection Every Two Years.—In the case of an agreement entered into by the Secretary under subsection (a) for partial collection of a tax liability, the Secretary shall review the agreement at least once every 2 years.”.

(c) Effective Date.—The amendments made by this section shall apply to agreements entered into on or after the date of the enactment of this Act.

SEC. 485. EXTENSION OF CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking “March 31, 2004” and inserting “September 30, 2013”.

SEC. 486. DEPOSITS MADE TO SUSPEND RUNNING OF INTEREST ON POTENTIAL UNDERPAYMENTS.

(a) In General.—Subchapter A of chapter 67 (relating to interest on underpayments) is amended by adding at the end the following new section:

“SEC. 6603. DEPOSITS MADE TO SUSPEND RUNNING OF INTEREST ON POTENTIAL UNDERPAYMENTS, ETC.

“(a) Authority To Make Deposits Other Than as Payment of Tax.—A taxpayer may make a cash deposit with the Secretary which may be used by the Secretary to pay any tax imposed under subtitle A or B or chapter 41, 42, 43, or 44 which has not been assessed at the time of the deposit. Such a deposit shall be made in such manner as the Secretary shall prescribe.

“(b) No Interest Imposed.—To the extent that such deposit is used by the Secretary to pay tax, for purposes of section 6601 (relating to interest on underpayments), the tax shall be treated as paid when the deposit is made.

“(c) Return of Deposit.—Except in a case where the Secretary determines that collection of tax is in jeopardy, the Secretary shall return to the taxpayer any amount of the deposit (to the extent not used for a payment of tax) which the taxpayer requests in writing.

“(d) Payment of Interest.—

“(1) In general.—For purposes of section 6611 (relating to interest on overpayments), a deposit which is returned to a taxpayer shall be treated as a payment of tax for any period to the extent (and only to the extent) attributable to a disputable tax for such period. Under regulations prescribed by the Secretary, rules similar to the rules of section 6611(b)(2) shall apply.

“(2) Disputable tax.—

“(A) In general.—For purposes of this section, the term ‘disputable tax’ means the amount of tax specified at the time of the deposit as the taxpayer's reasonable estimate of the maximum amount of any tax attributable to disputable items.

“(B) Safe harbor based on 30-day letter.—In the case of a taxpayer who has been issued a 30-day letter, the maximum amount of tax under subparagraph (A) shall not be less than the amount of the proposed deficiency specified in such letter.

“(3) Other definitions.—For purposes of paragraph (2)—

“(A) Disputable item.—The term ‘disputable item’ means any item of income, gain, loss, deduction, or credit if the taxpayer—

“(i) has a reasonable basis for its treatment of such item, and

“(ii) reasonably believes that the Secretary also has a reasonable basis for disallowing the taxpayer's treatment of such item.

“(B) 30-day letter.—The term ‘30-day letter’ means the first letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals.

“(4) Rate of interest.—The rate of interest allowable under this subsection shall be the Federal short-term rate determined under section 6621(b), compounded daily.

“(e) Use of Deposits.—

“(1) Payment of tax.—Except as otherwise provided by the taxpayer, deposits shall be treated as used for the payment of tax in the order deposited.

“(2) Returns of deposits.—Deposits shall be treated as returned to the taxpayer on a last-in, first-out basis.”.

(b) Clerical Amendment.—The table of sections for subchapter A of chapter 67 is amended by adding at the end the following new item:

“Sec. 6603. Deposits made to suspend running of interest on potential underpayments, etc.”.

(c) Effective Date.—

(1) In general.—The amendments made by this section shall apply to deposits made after the date of the enactment of this Act.

(2) Coordination with deposits made under revenue procedure 84–58.—In the case of an amount held by the Secretary of the Treasury or his delegate on the date of the enactment of this Act as a deposit in the nature of a cash bond deposit pursuant to Revenue Procedure 84–58, the date that the taxpayer identifies such amount as a deposit made pursuant to section 6603 of the Internal Revenue Code (as added by this Act) shall be treated as the date such amount is deposited for purposes of such section 6603.

SEC. 487. QUALIFIED TAX COLLECTION CONTRACTS.

(a) Contract Requirements.—

(1) In general.—Subchapter A of chapter 64 (relating to collection) is amended by adding at the end the following new section:

“SEC. 6306. QUALIFIED TAX COLLECTION CONTRACTS.

“(a) In General.—Nothing in any provision of law shall be construed to prevent the Secretary from entering into a qualified tax collection contract.

“(b) Qualified Tax Collection Contract.—For purposes of this section, the term ‘qualified tax collection contract’ means any contract which—

“(1) is for the services of any person (other than an officer or employee of the Treasury Department)—

“(A) to locate and contact any taxpayer specified by the Secretary,

“(B) to request full payment from such taxpayer of an amount of Federal tax specified by the Secretary and, if such request cannot be met by the taxpayer, to offer the taxpayer an installment agreement providing for full payment of such amount during a period not to exceed 3 years, and

“(C) to obtain financial information specified by the Secretary with respect to such taxpayer,

“(2) prohibits each person providing such services under such contract from committing any act or omission which employees of the Internal Revenue Service are prohibited from committing in the performance of similar services,

“(3) prohibits subcontractors from—

“(A) having contacts with taxpayers,

“(B) providing quality assurance services, and

“(C) composing debt collection notices, and

“(4) permits subcontractors to perform other services only with the approval of the Secretary.

“(c) Fees.—The Secretary may retain and use an amount not in excess of 25 percent of the amount collected under any qualified tax collection contract for the costs of services performed under such contract. The Secretary shall keep adequate records regarding amounts so retained and used. The amount credited as paid by any taxpayer shall be determined without regard to this subsection.

“(d) No Federal Liability.—The United States shall not be liable for any act or omission of any person performing services under a qualified tax collection contract.

“(e) Application of Fair Debt Collection Practices Act.—The provisions of the Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) shall apply to any qualified tax collection contract, except to the extent superseded by section 6304, section 7602(c), or by any other provision of this title.

“(f) Cross References.—

“(1) For damages for certain unauthorized collection actions by persons performing services under a qualified tax collection contract, see section 7433A.

“(2) For application of Taxpayer Assistance Orders to persons performing services under a qualified tax collection contract, see section 7811(a)(4).”.

(2) Conforming amendments.—

(A) Section 7809(a) is amended by inserting “6306,” before “7651”.

(B) The table of sections for subchapter A of chapter 64 is amended by adding at the end the following new item:

“Sec. 6306. Qualified Tax Collection Contracts.”.

(b) Civil Damages for Certain Unauthorized Collection Actions by Persons Performing Services Under Qualified Tax Collection Contracts.—

(1) In general.—Subchapter B of chapter 76 (relating to proceedings by taxpayers and third parties) is amended by inserting after section 7433 the following new section:

“SEC. 7433A. CIVIL DAMAGES FOR CERTAIN UNAUTHORIZED COLLECTION ACTIONS BY PERSONS PERFORMING SERVICES UNDER QUALIFIED TAX COLLECTION CONTRACTS.

“(a) In General.—Subject to the modifications provided by subsection (b), section 7433 shall apply to the acts and omissions of any person performing services under a qualified tax collection contract (as defined in section 6306(b)) to the same extent and in the same manner as if such person were an employee of the Internal Revenue Service.

“(b) Modifications.—For purposes of subsection (a)—

“(1) Any civil action brought under section 7433 by reason of this section shall be brought against the person who entered into the qualified tax collection contract with the Secretary and shall not be brought against the United States.

"(2) Such person and not the United States shall be liable for any damages and costs determined in such civil action.

"(3) Such civil action shall not be an exclusive remedy with respect to such person.

"(4) Subsections (c), (d)(1), and (e) of section 7433 shall not apply.".

(2) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 76 is amended by inserting after the item relating to section 7433 the following new item:

"Sec. 7433A. Civil damages for certain unauthorized collection actions by persons performing services under a qualified tax collection contract.".

(c) APPLICATION OF TAXPAYER ASSISTANCE ORDERS TO PERSONS PERFORMING SERVICES UNDER A QUALIFIED TAX COLLECTION CONTRACT.—Section 7811 (relating to taxpayer assistance orders) is amended by adding at the end the following new subsection:

"(g) APPLICATION TO PERSONS PERFORMING SERVICES UNDER A QUALIFIED TAX COLLECTION CONTRACT.—Any order issued or action taken by the National Taxpayer Advocate pursuant to this section shall apply to persons performing services under a qualified tax collection contract (as defined in section 6306(b)) to the same extent and in the same manner as such order or action applies to the Secretary.".

(d) INELIGIBILITY OF INDIVIDUALS WHO COMMIT MISCONDUCT TO PERFORM UNDER CONTRACT.—Section 1203 of the Internal Revenue Service Restructuring Act of 1998 (relating to termination of employment for misconduct) is amended by adding at the end the following new subsection:

"(e) INDIVIDUALS PERFORMING SERVICES UNDER A QUALIFIED TAX COLLECTION CONTRACT.—An individual shall cease to be permitted to perform any services under any qualified tax collection contract (as defined in section 6306(b) of the Internal Revenue Code of 1986) if there is a final determination by the Secretary of the Treasury under such contract that such individual committed any act or omission described under subsection (b) in connection with the performance of such services.".

(e) EFFECTIVE DATE.—The amendments made to this section shall take effect on the date of the enactment of this Act.

PART V—MISCELLANEOUS PROVISIONS

SEC. 491. ADDITION OF VACCINES AGAINST HEPATITIS A TO LIST OF TAXABLE VACCINES.

(a) IN GENERAL.—Section 4132(a)(1) (defining taxable vaccine) is amended by redesignating subparagraphs (I), (J), (K), and (L) as subparagraphs (J), (K), (L), and (M), respectively, and by inserting after subparagraph (H) the following new subparagraph:

"(I) Any vaccine against hepatitis A.".

(b) CONFORMING AMENDMENT.—Section 9510(c)(1)(A) is amended by striking "October 18, 2000" and inserting "May 8, 2003".

(c) EFFECTIVE DATE.—

(1) SALES, ETC.—The amendments made by this section shall apply to sales and uses on or after the first day of the first month which begins more than 4 weeks after the date of the enactment of this Act.

(2) DELIVERIES.—For purposes of paragraph (1) and section 4131 of the Internal Revenue Code of 1986, in the case of sales on or before the effective date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

SEC. 492. RECOGNITION OF GAIN FROM THE SALE OF A PRINCIPAL RESIDENCE ACQUIRED IN A LIKE-KIND EXCHANGE WITHIN 5 YEARS OF SALE.

(a) IN GENERAL.—Section 121(d) (relating to special rules for exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

"(10) PROPERTY ACQUIRED IN LIKE-KIND EXCHANGE.—If a taxpayer acquired property in an exchange to which section 1031 applied, subsection (a) shall not apply to the sale or exchange of such property if it occurs during the 5-year period beginning with the date of the acquisition of such property.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales or exchanges after the date of the enactment of this Act.

SEC. 493. CLARIFICATION OF EXEMPTION FROM TAX FOR SMALL PROPERTY AND CASUALTY INSURANCE COMPANIES.

(a) IN GENERAL.—Section 501(c)(15)(A) is amended to read as follows:

"(A) Insurance companies (as defined in section 816(a)) other than life (including interinsurers and reciprocal underwriters) if—

"(i) the gross receipts for the taxable year do not exceed $600,000, and

"(ii) more than 50 percent of such gross receipts consist of premiums.".

(b) CONTROLLED GROUP RULE.—Section 501(c)(15)(C) is amended by inserting ", except that in applying section 1563 for purposes of section 831(b)(2)(B)(ii), subparagraphs (B) and (C) of section 1563(b)(2) shall be disregarded" before the period at the end.

(c) CONFORMING AMENDMENT.—Clause (i) of section 831(b)(2)(A) is amended by striking "exceed $350,000 but".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 494. DEFINITION OF INSURANCE COMPANY FOR SECTION 831.

(a) IN GENERAL.—Section 831 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) INSURANCE COMPANY DEFINED.—For purposes of this section, the term 'insurance company' has the meaning given to such term by section 816(a)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 495. LIMITATIONS ON DEDUCTION FOR CHARITABLE CONTRIBUTIONS OF PATENTS AND SIMILAR PROPERTY.

(a) DEDUCTION ALLOWED ONLY TO THE EXTENT OF BASIS.—Section 170(e)(1)(B) (relating to certain contributions of ordinary income and capital gain property) is amended by striking "or" at the end of clause (i), by adding "or" at the end of clause (ii), and by inserting after clause (ii) the following new clause:

"(iii) of any patent, copyright, trademark, trade name, trade secret, know-how, software, or similar property, or applications or registrations of such property,".

(b) TREATMENT OF CONTRIBUTIONS WHERE DONOR RECEIVES INTEREST.—Section 170(e) is amended by adding at the end the following new paragraph:

"(7) SPECIAL RULES FOR CONTRIBUTIONS OF PATENTS AND SIMILAR PROPERTY WHERE DONOR RECEIVES INTEREST.—

"(A) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed under this section with respect to a contribution of property described in paragraph (1)(B)(iii) if the taxpayer after the contribution has any interest in the property other than a qualified interest.

"(B) CONTRIBUTIONS WITH QUALIFIED INTEREST.—If a taxpayer after a contribution of property described in paragraph (1)(B)(iii) has a qualified interest in the property—

"(i) any payment pursuant to the qualified interest shall be treated as ordinary income and shall be includible in gross income of the taxpayer for the taxable year in which the payment is received by the taxpayer, and

"(ii) subsection (f)(3) and section 1011(b) shall not apply to the transfer of the property from the taxpayer to the donee.

"(C) QUALIFIED INTEREST.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'qualified interest' means, with respect to any taxpayer, a right to receive from the donee a percentage (not greater than 50 percent) of any royalty payment received by the donee with respect to property described in paragraph (1)(B)(iii) (other than copyrights which are described in section 1221(a)(3) or 1231(b)(1)(C)) contributed by the taxpayer to the donee.

"(ii) SECRETARIAL AUTHORITY.—

"(I) IN GENERAL.—Except as provided in subclause (II), the Secretary may by regulation or other administrative guidance treat as a qualified interest the right to receive other payments from the donee, but only if the donee does not possess a right to receive any payment (whether royalties or otherwise) from a third party with respect to the contributed property.

"(II) EXCEPTIONS.—The Secretary may not treat as a qualified interest the right to receive any payment which provides a benefit to the donor which is greater than the benefit retained by the donee or the right to receive any portion of the proceeds from the sale of the property contributed.

"(iii) LIMITATION.—An interest shall be treated as a qualified interest under this subparagraph only if the taxpayer has no right to receive any payment described in clause (i) or (ii)(I) after the earlier of the date on which the legal life of the contributed property expires or the date which is 20 years after the date of the contribution.".

(c) REPORTING REQUIREMENTS.—

(1) IN GENERAL.—Section 6050L(a) (relating to returns regarding certain dispositions of donated property) is amended—

(A) by striking "If" and inserting:

"(1) DISPOSITIONS OF DONATED PROPERTY.—If",

(B) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively, and

(C) by adding at the end the following new paragraph:

"(2) PAYMENTS OF QUALIFIED INTERESTS.—Each donee of property described in section 170(e)(1)(B)(iii) which makes a payment to a donor pursuant to a qualified interest (as defined in section 170(e)(7)) during any calendar year shall make a return (in accordance with forms and regulations prescribed by the Secretary) showing—

"(A) the name, address, and TIN of the payor and the payee with respect to such a payment,

"(B) a description, and date of contribution, of the property to which the qualified interest relates,

"(C) the dates and amounts of any royalty payments received by the donee with respect to such property,

"(D) the date and the amount of the payment pursuant to the qualified interest, and

"(E) a description of the terms of the qualified interest.".

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 6050L is amended by striking "**certain dispositions of**".

(B) The item relating to section 6050L in the table of sections for subpart B of part III of subchapter A of chapter 61 is amended by striking "certain dispositions of".

(d) ANTI-ABUSE RULES.—The Secretary of the Treasury may prescribe such regulations or other administrative guidance as may be necessary or appropriate to prevent the avoidance of the purposes of section 170(e)(1)(B)(iii) of the Internal Revenue Code of 1986 (as added by subsection (a)), including preventing—

(1) the circumvention of the reduction of the charitable deduction by embedding or bundling the patent or similar property as part of a charitable contribution of property that includes the patent or similar property,

(2) the manipulation of the basis of the property to increase the amount of the charitable deduction through the use of related persons, pass-thru entities, or other intermediaries, or through the use of any provision of law or regulation (including the consolidated return regulations), and

(3) a donor from changing the form of the patent or similar property to property of a form for which different deduction rules would apply.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after October 1, 2003.

SEC. 496. REPEAL OF 10-PERCENT REHABILITATION TAX CREDIT.

Section 47 is amended by adding at the end the following new subsection:

"(e) TERMINATION.—This section shall not apply to expenditures described in subsection (a)(1) incurred in taxable years beginning after December 31, 2003.".

SEC. 497. INCREASE IN AGE OF MINOR CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Section 1(g)(2)(A) (relating to child to whom subsection applies) is amended by striking "age 14" and inserting "age 18".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

SA 2895. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ___. INCREASE IN HISTORIC REHABILITATION CREDIT FOR CERTAIN LOW-INCOME HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—Section 47 (relating to rehabilitation credit) is amended by adding at the end the following new subsection:

"(e) SPECIAL RULE REGARDING CERTAIN HISTORIC STRUCTURES.—In the case of any qualified rehabilitation expenditure with respect to any certified historic structure—

"(1) which is placed in service after the date of the enactment of this subsection,

"(2) which is part of a qualified low-income building with respect to which a credit under section 42 is allowed, and

"(3) substantially all of the residential rental units of which are used for tenants who have attained the age of 65,

subsection (a)(2) shall be applied by substituting '25 percent' for '20 percent'.".

(b) APPLICATION OF MACRS.—The Internal Revenue Code of 1986 shall be applied and administered as if paragraph (4)(X) of section 251(d) of the Tax Reform Act of 1986 as applied to the amendments made by section 201 of such Act had not been enacted with respect to any property described in such paragraph and placed in service after the date of the enactment of this Act.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after the date of the enactment of this Act.

SA 2896. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, insert the following:

SEC. . NEW MARKETS TAX CREDIT FOR NATIVE AMERICAN RESERVATIONS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by redesignating sections 45E and 45F as sections 45F and 45G, respectively, and by inserting after section 45E the following new section:

"SEC. 45D. NEW MARKETS TAX CREDIT FOR NATIVE AMERICAN RESERVATIONS.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—For purposes of section 38, in the case of a taxpayer who holds a qualified equity investment on a credit allowance date of such investment which occurs during the taxable year, the Native American new markets tax credit determined under this section for such taxable year is an amount equal to the applicable percentage of the amount paid to the reservation development entity for such investment at its original issue.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is—

"(A) 5 percent with respect to the first 3 credit allowance dates, and

"(B) 6 percent with respect to the remainder of the credit allowance dates.

"(3) CREDIT ALLOWANCE DATE.—For purposes of paragraph (1), the term 'credit allowance date' means, with respect to any qualified equity investment—

"(A) the date on which such investment is initially made, and

"(B) each of the 6 anniversary dates of such date thereafter.

"(b) QUALIFIED EQUITY INVESTMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified equity investment' means any equity investment in a reservation development entity if—

"(A) such investment is acquired by the taxpayer at its original issue (directly or through an underwriter) solely in exchange for cash,

"(B) substantially all of such cash is used by the reservation development entity to make qualified low-income reservation investments, and

"(C) such investment is designated for purposes of this section by the reservation development entity.

Such term shall not include any equity investment issued by a reservation development entity more than 5 years after the date that such entity receives an allocation under subsection (f). Any allocation not used within such 5-year period may be reallocated by the Secretary under subsection (f).

"(2) LIMITATION.—The maximum amount of equity investments issued by a reservation development entity which may be designated under paragraph (1)(C) by such entity shall not exceed the portion of the limitation amount allocated under subsection (f) to such entity.

"(3) SAFE HARBOR FOR DETERMINING USE OF CASH.—The requirement of paragraph (1)(B) shall be treated as met if at least 85 percent of the aggregate gross assets of the reservation development entity are invested in qualified low-income reservation investments.

"(4) TREATMENT OF SUBSEQUENT PURCHASERS.—The term 'qualified equity investment' includes any equity investment which would (but for paragraph (1)(A)) be a qualified equity investment in the hands of the taxpayer if such investment was a qualified equity investment in the hands of a prior holder.

"(5) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this subsection.

"(6) EQUITY INVESTMENT.—The term 'equity investment' means—

"(A) any stock (other than nonqualified preferred stock as defined in section 351(g)(2)) in an entity which is a corporation, and

"(B) any capital interest in an entity which is a partnership.

"(c) RESERVATION DEVELOPMENT ENTITY.—For purposes of this section—

"(1) IN GENERAL.—The term 'reservation development entity' means any domestic corporation or partnership if—

"(A) the primary mission of the entity is serving, or providing investment capital for, low-income reservations,

"(B) the entity maintains accountability to residents of low-income reservations through their representation on any governing board of the entity or on any advisory board to the entity, and

"(C) the entity is certified by the Secretary for purposes of this section as being a reservation development entity.

"(2) EXCEPTION.—For purposes of subparagraph (C) of paragraph (1), the Secretary shall not certify an entity as a reservation development entity if such entity is also certified as a qualified community development entity under section 45D(c).

"(d) QUALIFIED LOW-INCOME RESERVATION INVESTMENTS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified low-income reservation investment' means—

"(A) any capital or equity investment in, or loan to, any qualified active low-income reservation business,

"(B) the purchase from another reservation development entity of any loan made by such entity which is a qualified low-income reservation investment,

"(C) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, low-income reservations, and

"(D) any equity investment in, or loan to, any reservation development entity.

"(2) QUALIFIED ACTIVE LOW-INCOME RESERVATION BUSINESS.—

"(A) In general.—For purposes of paragraph (1), the term 'qualified active low-income reservation business' means, with respect to any taxable year, any corporation (including a nonprofit corporation) or partnership if for such year—

"(i) at least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any low-income reservation,

"(ii) a substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any low-income reservation,

"(iii) a substantial portion of the services performed for such entity by its employees are performed in any low-income reservation,

"(iv) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

"(v) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property (as defined in section 1397C(e)).

"(B) Proprietorship.—Such term shall include any business carried on by an individual as a proprietor if such business would meet the requirements of subparagraph (A) were it incorporated.

"(C) Portions of business may be qualified active low-income reservation business.—The term 'qualified active low-income reservation business' includes any trades or businesses which would qualify as a qualified active low-income reservation business if such trades or businesses were separately incorporated.

"(3) Qualified business.—For purposes of this subsection, the term 'qualified business' has the meaning given to such term by section 45D(d)(3).

"(e) Low-Income Reservation.—For purposes of this section, the term 'low-income reservation' means any Indian reservation (as defined in section 168(j)(6)) which has a poverty rate of at least 40 percent.

"(f) National Limitation on Amount of Investments Designated.—

"(1) In general.—There is a Native American new markets tax credit limitation of $50,000,000 for each of calendar years 2004 through 2007.

"(2) Allocation of limitation.—The limitation under paragraph (1) shall be allocated by the Secretary among reservation development entities selected by the Secretary. In making allocations under the preceding sentence, the Secretary shall give priority to any entity—

"(A) with a record of having successfully provided capital or technical assistance to disadvantaged businesses or communities, or

"(B) which intends to satisfy the requirement under subsection (b)(1)(B) by making qualified low-income reservation investments in 1 or more businesses in which persons unrelated to such entity (within the meaning of section 267(b) or 707(b)(1)) hold the majority equity interest.

"(3) Carryover of unused limitation.—If the Native American new markets tax credit limitation for any calendar year exceeds the aggregate amount allocated under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess. No amount may be carried under the preceding sentence to any calendar year after 2014.

"(g) Recapture of Credit in Certain Cases.—

"(1) In general.—If, at any time during the 7-year period beginning on the date of the original issue of a qualified equity investment in a reservation development entity, there is a recapture event with respect to such investment, then the tax imposed by this chapter for the taxable year in which such event occurs shall be increased by the credit recapture amount.

"(2) Credit recapture amount.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

"(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if no credit had been determined under this section with respect to such investment, plus

"(B) interest at the underpayment rate established under section 6621 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

"(3) Recapture event.—For purposes of paragraph (1), there is a recapture event with respect to an equity investment in a reservation development entity if—

"(A) such entity ceases to be a reservation development entity,

"(B) the proceeds of the investment cease to be used as required of subsection (b)(1)(B), or

"(C) such investment is redeemed by such entity.

"(4) Special rules.—

"(A) Tax benefit rule.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) No credits against tax.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

"(h) Basis Reduction.—The basis of any qualified equity investment shall be reduced by the amount of any credit determined under this section with respect to such investment. This subsection shall not apply for purposes of sections 1202, 1400B, and 1400F.

"(i) Regulations.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations—

"(1) which limit the credit for investments which are directly or indirectly subsidized by other Federal tax benefits (including the credit under section 42 and the exclusion from gross income under section 103),

"(2) which prevent the abuse of the purposes of this section,

"(3) which provide rules for determining whether the requirement of subsection (b)(1)(B) is treated as met,

"(4) which impose appropriate reporting requirements, and

"(5) which apply the provisions of this section to newly formed entities.".

(b) Credit Made Part of General Business Credit.—

(1) In general.—Subsection (b) of section 38 is amended by redesignating paragraphs (14) and (15) as paragraphs (15) and (16), respectively, and by inserting after paragraph (13) the following new paragraph:

"(14) the Native American new markets tax credit determined under section 45E(a),".

(2) Limitation on carryback.—Subsection (d) of section 39 is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

"(10). No carryback of Native American new markets tax credit before January 1, 2004.—No portion of the unused business credit for any taxable year which is attributable to the credit under section 45E may be carried back to a taxable year ending before January 1, 2004.".

(c) Deduction for Unused Credit.—Subsection (c) of section 196 is amended by redesignating paragraph (10) as paragraph (11), by striking "and" at the end of paragraph (9), and by inserting after paragraph (9) the following new paragraph:

"(10) the Native American new markets tax credit determined under section 45E(a), and".

(d) Conforming Amendments.—

(1) Section 38(b)(15), as redesignated by subsection (b)(1), is amended—

(A) by striking "45E(c)" and inserting "45F(c)", and

(B) by striking "45E(a)" and inserting "45F(a)".

(2) Section 38(b)(16), as redesignated by subsection (b)(1), is amended by striking "45F(a)" and inserting "45G(a)".

(3) Section 39(d)(11), as redesignated by subsection (b)(2), is amended by striking "section 45E" and inserting "section 45F".

(4) Section 196(c)(11), as redesignated by subsection (c), is amended by striking "45E(a)" and inserting "45F(a)".

(5) Section 1016(a)(28) is amended—

(A) by striking "under section 45F" and inserting "under section 45G", and

(B) by striking "section 45F(f)(1)" and inserting "section 45G(f)(1)".

(e) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by striking the items relating to sections 45E and 45F and inserting the following:

"Sec. 45E. Native American new markets tax credit.

"Sec. 45F. Small employer pension plan startup costs.

"Sec. 45G. Employer-provided child care credit.".

(e) Effective Date.—The amendments made by this section shall apply to investments made after December 31, 2003.

(f) Guidance on Allocation of National Limitation.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Treasury or the Secretary's delegate shall issue guidance which specifies—

(1) how entities shall apply for an allocation under section 45E(f)(2) of the Internal Revenue Code of 1986, as added by this section;

(2) the competitive procedure through which such allocations are made; and

(3) the actions that such Secretary or delegate shall take to ensure that such allocations are properly made to appropriate entities.

(g) Audit and Report.—Not later than January 31 of 2007 and 2010, the Comptroller General of the United States shall, pursuant to an audit of the Native American new markets tax credit program established under section 45E of the Internal Revenue Code of 1986 (as added by subsection (a)), report to

Congress on such program, including all reservation development entities that receive an allocation under the Native American new markets credit under such section.

(f) GRANTS IN COORDINATION WITH CREDIT.—

(1) IN GENERAL.—The Secretary of the Treasury is authorized to award a grant of not more than $1,000,000 to the First Nations Oweesta Corporation.

(2) USE OF FUNDS.—The grant awarded under paragraph (1) may be used—

(A) to enhance the capacity of people living on low-income reservations (within the meaning of section 45E(e) of the Internal Revenue Code of 1986, as added by this section) to access, apply, control, create, leverage, utilize, and retain the financial benefits to such low-income reservations which are attributable to qualified low-income reservation investments (within the meaning of section 45E(d) of such Code), and

(B) to provide access to appropriate financial capital for the development of such low-income reservations.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for fiscal years 2004 through 2014 to carry out the provisions of this subsection.

SA 2897. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. TRANSMISSION OF PERSONALLY IDENTIFIABLE INFORMATION TO FOREIGN AFFILIATES OR SUBCONTRACTORS.

(a) DEFINITIONS.—As used in this section, the following definitions shall apply:

(1) BUSINESS ENTERPRISE.—The term "business enterprise" means any organization, association, or venture established to make a profit.

(2) COUNTRY WITH ADEQUATE PRIVACY PROTECTION.—The term "country with adequate privacy protection" means a country that has been certified by the Federal Trade Commission as having a legal system that provides adequate privacy protection for such information.

(3) HEALTH CARE BUSINESS.—The term "health care business" means any business enterprise that collects or retains personally identifiable information about consumers in relation to medical care, including—

(A) hospitals;

(B) health maintenance organizations;

(C) medical partnerships;

(D) emergency medical transportation companies;

(E) medical transcription companies; and

(F) subcontractors, or potential subcontractors, of the entities described in subparagraphs (A) through (E).

(4) PERSONALLY IDENTIFIABLE INFORMATION.—The term "personally identifiable information" includes—

(A) name;

(B) bank account information;

(C) social security number;

(D) address;

(E) telephone number;

(F) passwords;

(G) mother's maiden name; and

(H) age.

(b) TRANSMISSION OF INFORMATION.—

(1) IN GENERAL.—A business enterprise may transmit personally identifiable information regarding a citizen of the United States to any foreign affiliate or subcontractor located in a country that is a country with adequate privacy protection.

(2) CONSENT REQUIRED.—A business enterprise may not transmit personally identifiable information regarding a citizen of the United States to any foreign affiliate or subcontractor located in a country that is not a country with adequate privacy protection, unless—

(A) the business enterprise obtains consent from the citizen, before a consumer relationship is established or before the effective date of this section, to transmit such information to such foreign affiliate or subcontractor; and

(B) the consent referred to in subparagraph (A) is renewed by the citizen within 1 year before such information is transmitted.

(3) LIABILITY.—A business enterprise shall be liable for any damages arising from the improper storage, duplication, sharing, or other misuse of personally identifiable information by the business enterprise or by any of its foreign affiliates or subcontractors that received such information from the business enterprise.

(4) RULEMAKING.—The Chairman of the Federal Trade Commission shall promulgate regulations through which the Chairman may enforce the provisions of this subsection and impose a fine for a violation of this subsection.

(c) HEALTH CARE INFORMATION.—

(1) IN GENERAL.—A health care business shall be liable for any damages arising from the improper storage, duplication, sharing, or other misuse of personally identifiable information by the business enterprise or by any of its foreign affiliates or subcontractors that received such information from the business enterprise.

(2) NO OPT OUT PROVISION.—A health care business may not terminate an existing relationship with a consumer of health care services to avoid the consent requirement under subsection (b)(2).

(3) RULEMAKING.—The Secretary of Health and Human Services shall promulgate regulations through which the Secretary may enforce the provisions of this subsection and impose a fine for the violation of this subsection.

(d) EFFECTIVE DATE.—This section shall take effect on the date which is 90 days after the date of enactment of this Act.

SA 2898. Mr. GRASSLEY proposed an amendment to amendment SA 2886 submitted by Mr. MCCONNELL (for Mr. FRIST) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

At the end of the instructions (Amdt. No. 2886) insert the following:

Sec.   . This act shall become effective one day following enactment of the legislation.

SA 2899. Mr. GRASSLEY proposed an amendment to amendment SA 2898 proposed by Mr. GRASSLEY to the amendment SA 2886 submitted by Mr. MCCONNELL (for Mr. FRIST) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

In the pending amendment strike "one" and insert "two".

SA 2900. Mr. THOMAS (for himself and Mr. DASCHLE) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ___. SPECIAL RULES FOR LIVESTOCK SOLD ON ACCOUNT OF WEATHER-RELATED CONDITIONS.

(a) REPLACEMENT OF LIVESTOCK WITH OTHER FARM PROPERTY.—Subsection (f) of section 1033 (relating to involuntary conversions) is amended—

(1) by inserting "drought, flood, or other weather-related conditions, or" after "because of",

(2) by inserting "in the case of soil contamination or other environmental contamination" after "including real property", and

(3) by striking "WHERE THERE HAS BEEN ENVIRONMENTAL CONTAMINATION" in the heading and inserting "IN CERTAIN CASES".

(b) EXTENSION OF REPLACEMENT PERIOD OF INVOLUNTARILY CONVERTED LIVESTOCK.—Subsection (e) of section 1033 (relating to involuntary conversions) is amended—

(1) by striking "CONDITIONS.—For purposes" and inserting "CONDITIONS.—

"(1) IN GENERAL.—For purposes", and

(2) by adding at the end the following new paragraph:

"(2) EXTENSION OF REPLACEMENT PERIOD.—

"(A) IN GENERAL.—In the case of drought, flood, or other weather-related conditions described in paragraph (1) which result in the area being designated as eligible for assistance by the Federal Government, subsection (a)(2)(B) shall be applied with respect to any converted property by substituting '4 years' for '2 years'.

"(B) FURTHER EXTENSION BY SECRETARY.—The Secretary may extend on a regional basis the period for replacement under this section (after the application of subparagraph (A)) for such additional time as the Secretary determines appropriate if the weather-related conditions which resulted in such application continue for more than 3 years.".

(c) INCOME INCLUSION RULES.—Section 451(e) (relating to special rule for proceeds from livestock sold on account of drought, flood, or other weather-related conditions) is amended by adding at the end the following new paragraph:

"(3) SPECIAL ELECTION RULES.—If section 1033(e)(2) applies to a sale or exchange of livestock described in paragraph (1), the election under paragraph (1) shall be deemed valid if made during the replacement period described in such section.”.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SA 2901. Mr. MILLER (for himself, Mr. ALLARD, Mrs. CLINTON, Mr. SCHUMER, and Mr. CHAMBLISS) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 179, after line 25, add the following:

SEC. ___. BROWNFIELDS DEMONSTRATION PROGRAM FOR QUALIFIED GREEN BUILDING AND SUSTAINABLE DESIGN PROJECTS.

(a) Treatment as Exempt Facility Bond.—Subsection (a) of section 142 (relating to the definition of exempt facility bond) is amended by striking “or” at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting “, or”, and by inserting at the end the following new paragraph:

“(14) qualified green building and sustainable design projects.”.

(b) Qualified Green Building and Sustainable Design Projects.—Section 142 (relating to exempt facility bonds) is amended by adding at the end thereof the following new subsection:

“(l) Qualified Green Building and Sustainable Design Projects.—

“(1) In general.—For purposes of subsection (a)(14), the term ‘qualified green building and sustainable design project’ means any project which is designated by the Secretary, after consultation with the Administrator of the Environmental Protection Agency, as a qualified green building and sustainable design project and which meets the requirements of clauses (i), (ii), (iii), and (iv) of paragraph (4)(A).

“(2) Designations.—

“(A) In general.—Within 60 days after the end of the application period described in paragraph (3)(A), the Secretary, after consultation with the Administrator of the Environmental Protection Agency, shall designate qualified green building and sustainable design projects. At least one of the projects designated shall be located in, or within a 10-mile radius of, an empowerment zone as designated pursuant to section 1391, and at least one of the projects designated shall be located in a rural State. No more than one project shall be designated in a State. A project shall not be designated if such project includes a stadium or arena for professional sports exhibitions or games.

“(B) Minimum conservation and technology innovation objectives.—The Secretary, after consultation with the Administrator of the Environmental Protection Agency, shall ensure that, in the aggregate, the projects designated shall—

“(i) reduce electric consumption by more than 150 megawatts annually as compared to conventional generation,

“(ii) reduce daily sulfur dioxide emissions by at least 10 tons compared to coal generation power,

“(iii) expand by 75 percent the domestic solar photovoltaic market in the United States (measured in megawatts) as compared to the expansion of that market from 2001 to 2002, and

“(iv) use at least 25 megawatts of fuel cell energy generation.

“(3) Limited designations.—A project may not be designated under this subsection unless—

“(A) the project is nominated by a State or local government within 180 days of the enactment of this subsection, and

“(B) such State or local government provides written assurances that the project will satisfy the eligibility criteria described in paragraph (4).

“(4) Application.—

“(A) In general.—A project may not be designated under this subsection unless the application for such designation includes a project proposal which describes the energy efficiency, renewable energy, and sustainable design features of the project and demonstrates that the project satisfies the following eligibility criteria:

“(i) Green building and sustainable design.—At least 75 percent of the square footage of commercial buildings which are part of the project is registered for United States Green Building Council's LEED certification and is reasonably expected (at the time of the designation) to receive such certification.

“(ii) Brownfield redevelopment.—The project includes a brownfield site as defined by section 101(39) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601), including a site described in subparagraph (D)(ii)(II)(aa) thereof.

“(iii) State and local support.—The project receives specific State or local government resources which will support the project in an amount equal to at least $5,000,000. For purposes of the preceding sentence, the term ‘resources’ includes tax abatement benefits and contributions in kind.

“(iv) Size.—The project includes at least one of the following:

“(I) At least 1,000,000 square feet of building.

“(II) At least 20 acres.

“(v) Use of tax benefit.—The project proposal includes a description of the net benefit of the tax-exempt financing provided under this subsection which will be allocated for financing of one or more of the following:

“(I) The purchase, construction, integration, or other use of energy efficiency, renewable energy, and sustainable design features of the project.

“(II) Compliance with LEED certification standards.

“(III) The purchase, remediation, and foundation construction and preparation of the brownfields site.

“(vi) Prohibited facilities.—An issue shall not be treated as an issue described in subsection (a)(14) if any proceeds of such issue are used to provide any facility the principal business of which is the sale of food or alcoholic beverages for consumption on the premises.

“(vii) Employment.—The project is projected to provide permanent employment of at least 1,500 full time equivalents (150 full time equivalents in rural States) when completed and construction employment of at least 1,000 full time equivalents (100 full time equivalents in rural States).

The application shall include an independent analysis which describes the project's economic impact, including the amount of projected employment.

“(B) Project description.—Each application described in subparagraph (A) shall contain for each project a description of—

“(i) the amount of electric consumption reduced as compared to conventional construction,

“(ii) the amount of sulfur dioxide daily emissions reduced compared to coal generation,

“(iii) the amount of the gross installed capacity of the project's solar photovoltaic capacity measured in megawatts, and

“(iv) the amount, in megawatts, of the project's fuel cell energy generation.

“(5) Certification of use of tax benefit.—No later than 30 days after the completion of the project, each project must certify to the Secretary that the net benefit of the tax-exempt financing was used for the purposes described in paragraph (4).

“(6) Definitions.—For purposes of this subsection—

“(A) Rural state.—The term ‘rural State’ means any State which has—

“(i) a population of less than 4,500,000 according to the 2000 census,

“(ii) a population density of less than 150 people per square mile according to the 2000 census, and

“(iii) increased in population by less than half the rate of the national increase between the 1990 and 2000 censuses.

“(B) Local government.—The term ‘local government’ has the meaning given such term by section 1393(a)(5).

“(C) Net benefit of tax-exempt financing.—The term ‘net benefit of tax-exempt financing’ means the present value of the interest savings (determined by a calculation established by the Secretary) which result from the tax-exempt status of the bonds.

“(7) Aggregate face amount of tax-exempt financing.—

“(A) In general.—An issue shall not be treated as an issue described in subsection (a)(14) if the aggregate face amount of bonds issued by the State or local government pursuant thereto for a project (when added to the aggregate face amount of bonds previously so issued for such project) exceeds an amount designated by the Secretary as part of the designation.

“(B) Limitation on amount of bonds.—The Secretary may not allocate authority to issue qualified green building and sustainable design project bonds in an aggregate face amount exceeding $2,000,000,000.

“(8) Termination.—Subsection (a)(14) shall not apply with respect to any bond issued after September 30, 2009.

“(9) Treatment of current refunding bonds.—Paragraphs (7)(B) and (8) shall not apply to any bond (or series of bonds) issued to refund a bond issued under subsection (a)(14) before October 1, 2009, if—

“(A) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

“(B) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

“(C) the net proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the issuance of the refunding bond.

For purposes of subparagraph (A), average maturity shall be determined in accordance with section 147(b)(2)(A).”.

(c) Exemption From General State Volume Caps.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking "or (13)" and inserting "(13), or (14)", and

(2) by striking "and qualified public educational facilities" and inserting "qualified public educational facilities, and qualified green building and sustainable design projects".

(d) ACCOUNTABILITY.—Each issuer shall maintain, on behalf of each project, an interest bearing reserve account equal to 1 percent of the net proceeds of any bond issued under this section for such project. Not later than 5 years after the date of issuance, the Secretary of the Treasury, after consultation with the Administrator of the Environmental Protection Agency, shall determine whether the project financed with such bonds has substantially complied with the terms and conditions described in section 142(l)(4) of the Internal Revenue Code of 1986 (as added by this section). If the Secretary, after such consultation, certifies that the project has substantially complied with such terms and conditions and meets the commitments set forth in the application for such project described in section 142(l)(4) of such Code, amounts in the reserve account, including all interest, shall be released to the project. If the Secretary determines that the project has not substantially complied with such terms and conditions, amounts in the reserve account, including all interest, shall be paid to the United States Treasury.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SA 2902. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. MCCONNELL (for Mr. FRIST) to the bill S. 1637, to amend the Internal Revenue Code 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 218, of Senate amendment no. 2886, strike lines 13 through 19, and insert the following:

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to transactions after December 31, 2003.

(2) LIQUIDATIONS.—The amendment made by subsection (b)(1)(B) shall apply to liquidations after December 31, 2003.

SA 2903. Mr. BOND (for himself and Mr. TALENT) submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. MCCONNELL (for Mr. FRIST) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the instructions, add the following:

SEC. ___. EXTENSION OF THE ADDITIONAL TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION FOR DISPLACED AIRLINE RELATED WORKERS.

(a) IN GENERAL.—Section 4002(c)(2) of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11; 26 U.S.C. 3304 note), in the deemed matter, is amended—

(1) by striking "December 29, 2003" and inserting "May 17, 2004"; and

(2) by striking "December 28, 2003" and inserting "May 16, 2004".

EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11; 26 U.S.C. 3304 note).

SA 2904. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 64, of Senate amendment no. 2645, as agreed to, strike lines 23 through 25, and insert the following:

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to transactions after December 31, 2003.

(2) LIQUIDATIONS.—The amendment made by subsection (b)(1)(B) shall apply to liquidations after December 31, 2003.

SA 2905. Mr. NICKLES (for himself and Mrs. LINCOLN) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ___. RECOVERY PERIOD FOR CERTAIN WIRELESS TELECOMMUNICATIONS EQUIPMENT.

(a) IN GENERAL.—Subparagraph (A) of section 168(i)(2) (defining qualified technological equipment) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by inserting after clause (iii) the following new clause:

"(iv) any wireless telecommunications equipment.".

(b) WIRELESS TELECOMMUNICATIONS EQUIPMENT.—Section 168(i)(2) is amended by inserting after subparagraph (C) the following new subparagraph:

"(D) WIRELESS TELECOMMUNICATIONS EQUIPMENT.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'wireless telecommunications equipment' means equipment which is used in the transmission, reception, coordination, or switching of wireless telecommunications service.

"(ii) EXCEPTION.—Such term does not include towers, buildings, T–1 lines, or other cabling which connects cell sites to mobile switching centers.

"(iii) WIRELESS TELECOMMUNICATIONS SERVICE.—For purposes of clause (i), the term 'wireless telecommunications service' includes any commercial mobile radio service as defined in title 47 of the Code of Federal Regulations.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2004, and before January 1, 2008.

SA 2906. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___.

(a) IN GENERAL.—Paragraph (1) of section 648 Public Law 98–369 (the Deficit Reduction Act of 1984) is amended to read as follows:

"(1) such securities obligations are held in a fund—

"(A) which, except to the extent of the investment earnings on such securities or obligations, cannot be used, under State constitutional or statutory restrictions continuously in effect since October 9, 1969, through the date of issue of the bond issue, to pay debt service on the bond issue or to finance the facilities that are to be financed with the proceeds of the bonds, or

"(B) the annual distributions from which cannot exceed 7 percent of the average fair market value of the assets held in such fund except to the extent distributions are necessary to pay debt service on the bond issue,".

(b) CONFORMING AMENDMENT.—Paragraph (3) of such section is amended by striking "the investment earnings of" and inserting "distributions from."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2000.

SA 2907. Mr. MCCONNELL submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the amendment, add the following:

TITLE V—EXTENSION OF NORMAL TRADE RELATIONS TO ARMENIA

SEC. 501. FINDINGS.

Congress makes the following findings:

(1) Armenia has been found to be in full compliance with the freedom of emigration requirements under title IV of the Trade Act of 1974.

(2) Armenia acceded to the World Trade Organization on February 5, 2003.

(3) Since declaring its independence from the Soviet Union in 1991, Armenia has made considerable progress in enacting free-market reforms within a stable democratic framework.

(4) Armenia has demonstrated a strong desire to build a friendly and cooperative relationship with the United States and has concluded many bilateral treaties and agreements with the United States.

(5) United States-Armenia bilateral trade for 2002 totaled more than $134,200,000.

SEC. 502. TERMINATION OF APPLICATION OF TITLE IV OF THE TRADE ACT OF 1974 TO ARMENIA.

(a) PRESIDENTIAL DETERMINATIONS AND EXTENSIONS OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(1) determine that such title should no longer apply to Armenia; and

(2) after making a determination under paragraph (1) with respect to Armenia, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(b) TERMINATION OF APPLICATION OF TITLE IV.—On and after the effective date of the extension under subsection (a)(2) of nondiscriminatory treatment to the products of Armenia, title IV of the Trade Act of 1974 shall cease to apply to that country.

SA 2908. Mr. SMITH submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 68, strike lines 17 through 20, and insert:

(4) BASE PERIOD AMOUNT.—For purposes of this subsection, the base period amount is the average FSC/ETI benefit for the taxpayer's taxable years beginning in calendar years 2000, 2001, and 2002.

SA 2909. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—MISCELLANEOUS PROVISIONS.

SEC. 501. TEMPORARY WORKER PROVISIONS.

(a) ATTESTATION REQUIREMENTS FOR H–1B WORKERS.—Section 212(n)(1)(E)(ii) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)(E)(ii)) is amended by striking "October 1, 2003," and inserting "October 1, 2005,".

(b) H–1B EMPLOYER PETITIONS.—Section 214(c)(9) of the Immigration and Nationality Act (8 U.S.C. 1184(c)(9)) is amended—

(1) in subparagraph (A), by striking "October 1, 2003" and inserting "October 1, 2005,"; and

(2) by striking subparagraphs (B) and (C) and inserting the following:

"(B) The amount of the fee shall be $2,000 for each such petition, of which—

"(i) $1,000 shall be deposited in the H–1B Nonimmigrant Petitioner Account in accordance with paragraphs (1) through (5) of section 286(s); and

"(ii) $1,000 shall be deposited in the H–1B Nonimmigrant Petitioner Account in accordance with paragraph (6) of section 286(s).".

(c) H–1B NONIMMIGRANT PETITIONER ACCOUNT.—Section 286(s) of the Immigration and Nationality Act (8 U.S.C. 1356(s)) is amended by adding at the end the following:

"(6) TRADE ADJUSTMENT ASSISTANCE.—One hundred percent of amounts deposited into the H–1B Nonimmigrant Petitioner Account in accordance with sections 214(c)(9)(B)(ii) and 214(c)(2)(F) shall remain available to the Secretary of Labor until expended for trade adjustment assistance programs under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.). Such amounts shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide trade adjustment assistance for workers.".

(d) L VISA BLANKET PETITIONS.—Section 214(c)(2) of the Immigration and Nationality Act (8 U.S.C. 1184(c)(2)) is amended by adding at the end the following:

"(F) The Secretary of Homeland Security shall impose a fee on any employer that files a blanket petition to import aliens as nonimmigrants described in section 101(a)(15)(L) in an amount equal to $1,500 for each blanket petition filed by such employer. The fee shall be deposited in the H–1B Nonimmigrant Petitioner Account in accordance with paragraph (6) of section 286(s).".

(e) TECHNICAL AND CONFORMING AMENDMENTS.—Section 286(s) of the Immigration and Nationality Act (8 U.S.C. 1356(s)) is amended in paragraphs (2) through (5) by inserting "in accordance with section 214(c)(9)(B)(i)" after "H–1B Nonimmigrant Petitioner Account" each place that term appears.

SA 2910. Mr. SPECTER submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. MCCONNELL (for Mr. FRIST) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the instructions, add the following:

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. TEMPORARY DUTY REDUCTIONS FOR CERTAIN COTTON SHIRTING FABRIC.

(a) CERTAIN COTTON SHIRTING FABRICS.—

(1) IN GENERAL.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

"	9902.52.08	Woven fabrics of cotton, all the foregoing certified by the importer as suitable for use in making men's and boys' shirts and as imported by or for the benefit of a manufacturer of men's and boys' shirts, subject to the quantity limitations contained in general note 18 of this subchapter (provided for in section 204(b)(3)(B)(i)(III) of the Andean Trade Preference Act (19 U.S.C. 3203))	Free	No change	No change	On or before 12/31/2005	
	9902.52.09	Woven fabrics of cotton, all the foregoing certified by the importer as containing 100 percent pima cotton grown in the United States, as suitable for use in making men's and boys' shirts, and as imported by or for the benefit of a manufacturer of men's and boys' shirts (provided for in section 204(b)(3)(B)(i)(III) of the Andean Trade Preference Act (19 U.S.C. 3203))	Free	No change	No change	On or before 12/31/2005	".

(2) DEFINITIONS AND LIMITATION ON QUANTITY OF IMPORTS.—The U.S. Notes to chapter 99 are amended by adding at the end the following:

"17. For purposes of subheadings 9902.52.08 and 9902.52.09, the term 'making' means cutting and sewing in the United States, and the term 'manufacturer' means a person or entity that cuts and sews in the United States.

"18. The aggregate quantity of cotton fabrics entered under subheading 9902.52.08 from January 1 to December 31 of each year, inclusive, by or on behalf of each manufacturer of men's and boys' shirts shall be limited to 85 percent of the total square meter equivalents of all imported cotton woven fabric used by such manufacturer in cutting and sewing men's and boys' cotton shirts in the United States and purchased by such manufacturer during calendar year 2000.".

(b) DETERMINATION OF TARIFF-RATE QUOTAS.—

(1) AUTHORITY TO ISSUE LICENSES AND LICENSE USE.—To implement the limitation on the quantity of imports of cotton woven fabrics under subheading 9902.52.08 of the Harmonized Tariff Schedule of the United States, as required by U.S. Note 18 to subchapter II of chapter 99 of such Schedule, for the entry, or withdrawal from warehouse for consumption, the Secretary of Commerce

shall issue licenses designating eligible manufacturers and the annual quantity restrictions under each such license. A licensee may assign the authority (in whole or in part) to import fabric under subheading 9902.52.08 of such Schedule.

(2) Licenses under U.S. Note 18.—For purposes of U.S. Note 18 to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States, as added by subsection (a)(2), a license shall be issued within 60 days of an application containing a notarized affidavit from an officer of the manufacturer that the manufacturer is eligible to receive a license and stating the quantity of imported cotton woven fabric purchased during calendar year 2000 for use in the cutting and sewing men's and boys' shirts in the United States.

(3) Affidavits.—For purposes of an affidavit described in this subsection, the date of purchase shall be—

(A) the invoice date if the manufacturer is not the importer of record; and

(B) the date of entry if the manufacturer is the importer of record.

SEC. 502. COTTON TRUST FUND.

(a) In General.—There is established in the Treasury of the United States a trust fund to be known as the "Pima Cotton Trust Fund", consisting of $32,000,000 transferred to the Pima Cotton Trust Fund from funds in the general fund of the Treasury.

(b) Grants.—

(1) General purpose.—From amounts in the Pima Cotton Trust Fund, the Secretary of Commerce is authorized to provide grants to spinners of United States grown pima cotton, manufacturers of men's and boys' cotton shirting, and a nationally recognized association that promotes the use of pima cotton grown in the United States, to assist such spinners and manufacturers in maximizing United States employment in the production of textile or apparel products and to increase the promotion of the use of United States grown pima cotton respectively.

(2) Timing for grant awards.—The Secretary of the Treasury shall, not later than 90 days after the date of enactment of this section, establish guidelines for the application and awarding of the grants described in paragraph (1), and shall award such grants to qualified applicants not later than 180 days after the date of enactment of this section. Each grant awarded under this section shall be distributed to the qualified applicant in 2 equal annual installments.

(3) Distribution of funds.—Of the amounts in the Pima Cotton Trust Fund—

(A) $8,000,000 shall be made available to a nationally recognized association established for the promotion of pima cotton grown in the United States for the use in textile and apparel goods;

(B) $8,000,000 shall be made available to yarn spinners of pima cotton grown in the United States, and shall be allocated to each spinner based on the percentage of the spinner's production of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), from pima cotton grown in the United States in single and plied form during calendar year 2002 (as evidenced by an affidavit provided by the spinner), compared to the production of such yarns for all spinners who qualify under this subparagraph; and

(C) $16,000,000 shall be made available to manufacturers who cut and sew cotton shirts in the United States and that certify that they used imported cotton fabric during the period January 1, 1998, through July 1, 2003, and shall be allocated to each manufacturer on the bases of the dollar value (excluding duty, shipping, and related costs) of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased by the manufacturer during calendar year 2002 (as evidenced by an affidavit from the manufacturer) used in the manufacturing of men's and boys' cotton shirts, compared to the dollar value (excluding duty, shipping, and related costs) of such fabric for all manufacturers who qualify under this subparagraph.

(4) Affidavit of shirting manufacturers.—For purposes of paragraph (3)(D), an officer of the manufacturer of men's and boys' shirts shall provide a notarized affidavit affirming—

(A) that the manufacturer used imported cotton fabric during the period January 1, 1998, through July 1, 2003, to cut and sew men's and boys' woven cotton shirts in the United States;

(B) the dollar value of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased during calendar year 2002;

(C) that the manufacturer maintains invoices along with other supporting documentation (such as price lists and other technical descriptions of the fabric qualities) showing the dollar value of such fabric purchased, the date of purchase, and evidencing the fabric as woven cotton fabric of 80s or higher count and 2-ply in warp; and

(D) that the fabric was suitable for use in the manufacturing of men's and boys' cotton shirts.

(5) Date of purchase.—For purposes of the affidavit required by paragraph (4), the date of purchase shall be the invoice date, and the dollar value shall be determined excluding duty, shipping, and related costs.

(6) Affidavit of yarn spinners.—For purposes of paragraph (3)(B), an officer of a company that produces ringspun yarns shall provide a notarized affidavit affirming—

(A) that the manufacturer used pima cotton grown in the United States during the period January 1, 2002, through December 31, 2002, to produce ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during 2002;

(B) the quantity, measured in pounds, of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during calendar year 2002; and

(C) that the manufacturer maintains supporting documentation showing the quantity of such yarns produced, and evidencing the yarns as ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during calendar year 2002.

(7) No appeal.—Any grant awarded by the Secretary under this section shall be final and not subject to appeal or protest.

(c) Authorization.—There are authorized to be appropriated, and are appropriated out of the amounts in the general fund of the Treasury not otherwise appropriated, such sums as are necessary to carry out the provisions of this section, including funds necessary for the administration and oversight of the grants provided for in this section.

SA 2911. Mr. SPECTER submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McConnell (for Mr. Frist) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the instructions, add the following:

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. TEMPORARY DUTY REDUCTIONS FOR CERTAIN COTTON SHIRTING FABRIC.

(a) Certain Cotton Shirting Fabrics.—

(1) In general.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

"9902.52.08	Woven fabrics of cotton, all the foregoing certified by the importer as suitable for use in making men's and boys' shirts and as imported by or for the benefit of a manufacturer of men's and boys' shirts, subject to the quantity limitations contained in general note 18 of this subchapter (provided for in section 204(b)(3)(B)(i)(III) of the Andean Trade Preference Act (19 U.S.C. 3203))	Free	No change	No change	On or before 12/31/2005
9902.52.09	Woven fabrics of cotton, all the foregoing certified by the importer as containing 100 percent pima cotton grown in the United States, as suitable for use in making men's and boys' shirts, and as imported by or for the benefit of a manufacturer of men's and boys' shirts (provided for in section 204(b)(3)(B)(i)(III) of the Andean Trade Preference Act (19 U.S.C. 3203))	Free	No change	No change	On or before 12/31/2005".

(2) Definitions and limitation on quantity of imports.—The U.S. Notes to chapter 99 are amended by adding at the end the following:

"17. For purposes of subheadings 9902.52.08 and 9902.52.09, the term 'making' means cutting and sewing in the United States, and the term 'manufacturer' means a person or entity that cuts and sews in the United States.

"18. The aggregate quantity of cotton fabrics entered under subheading 9902.52.08 from January 1 to December 31 of each year, inclusive, by or on behalf of each manufacturer of men's and boys' shirts shall be limited to 85 percent of the total square meter equivalents of all imported cotton woven fabric used by such manufacturer in cutting and sewing men's and boys' cotton shirts in the

United States and purchased by such manufacturer during calendar year 2000.''.

(b) DETERMINATION OF TARIFF-RATE QUOTAS.—

(1) AUTHORITY TO ISSUE LICENSES AND LICENSE USE.—To implement the limitation on the quantity of imports of cotton woven fabrics under subheading 9902.52.08 of the Harmonized Tariff Schedule of the United States, as required by U.S. Note 18 to subchapter II of chapter 99 of such Schedule, for the entry, or withdrawal from warehouse for consumption, the Secretary of Commerce shall issue licenses designating eligible manufacturers and the annual quantity restrictions under each such license. A licensee may assign the authority (in whole or in part) to import fabric under subheading 9902.52.08 of such Schedule.

(2) LICENSES UNDER U.S. NOTE 18.—For purposes of U.S. Note 18 to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States, as added by subsection (a)(2), a license shall be issued within 60 days of an application containing a notarized affidavit from an officer of the manufacturer that the manufacturer is eligible to receive a license and stating the quantity of imported cotton woven fabric purchased during calendar year 2000 for use in the cutting and sewing men's and boys' shirts in the United States.

(3) AFFIDAVITS.—For purposes of an affidavit described in this subsection, the date of purchase shall be—

(A) the invoice date if the manufacturer is not the importer of record; and

(B) the date of entry if the manufacturer is the importer of record.

SEC. 502. COTTON TRUST FUND.

(a) IN GENERAL.—There is established in the Treasury of the United States a trust fund to be known as the "Pima Cotton Trust Fund", consisting of $32,000,000 transferred to the Pima Cotton Trust Fund from funds in the general fund of the Treasury.

(b) GRANTS.—

(1) GENERAL PURPOSE.—From amounts in the Pima Cotton Trust Fund, the Secretary of Commerce is authorized to provide grants to spinners of United States grown pima cotton, manufacturers of men's and boys' cotton shirting, and a nationally recognized association that promotes the use of pima cotton grown in the United States, to assist such spinners and manufacturers in maximizing United States employment in the production of textile or apparel products and to increase the promotion of the use of United States grown pima cotton respectively.

(2) TIMING FOR GRANT AWARDS.—The Secretary of the Treasury shall, not later than 90 days after the date of enactment of this section, establish guidelines for the application and awarding of the grants described in paragraph (1), and shall award such grants to qualified applicants not later than 180 days after the date of enactment of this section. Each grant awarded under this section shall be distributed to the qualified applicant in 2 equal annual installments.

(3) DISTRIBUTION OF FUNDS.—Of the amounts in the Pima Cotton Trust Fund—

(A) $8,000,000 shall be made available to a nationally recognized association established for the promotion of pima cotton grown in the United States for the use in textile and apparel goods;

(B) $8,000,000 shall be made available to yarn spinners of pima cotton grown in the United States, and shall be allocated to each spinner based on the percentage of the spinner's production of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), from pima cotton grown in the United States in single and plied form during calendar year 2002 (as evidenced by an affidavit provided by the spinner), compared to the production of such yarns for all spinners who qualify under this subparagraph; and

(C) $16,000,000 shall be made available to manufacturers who cut and sew cotton shirts in the United States and that certify that they used imported cotton fabric during the period January 1, 1998, through July 1, 2003, and shall be allocated to each manufacturer on the bases of the dollar value (excluding duty, shipping, and related costs) of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased by the manufacturer during calendar year 2002 (as evidenced by an affidavit from the manufacturer) used in the manufacturing of men's and boys' cotton shirts, compared to the dollar value (excluding duty, shipping, and related costs) of such fabric for all manufacturers who qualify under this subparagraph.

(4) AFFIDAVIT OF SHIRTING MANUFACTURERS.—For purposes of paragraph (3)(D), an officer of the manufacturer of men's and boys' shirts shall provide a notarized affidavit affirming—

(A) that the manufacturer used imported cotton fabric during the period January 1, 1998, through July 1, 2003, to cut and sew men's and boys' woven cotton shirts in the United States;

(B) the dollar value of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased during calendar year 2002;

(C) that the manufacturer maintains invoices along with other supporting documentation (such as price lists and other technical descriptions of the fabric qualities) showing the dollar value of such fabric purchased, the date of purchase, and evidencing the fabric as woven cotton fabric of 80s or higher count and 2-ply in warp; and

(D) that the fabric was suitable for use in the manufacturing of men's and boys' cotton shirts.

(5) DATE OF PURCHASE.—For purposes of the affidavit required by paragraph (4), the date of purchase shall be the invoice date, and the dollar value shall be determined excluding duty, shipping, and related costs.

(6) AFFIDAVIT OF YARN SPINNERS.—For purposes of paragraph (3)(B), an officer of a company that produces ringspun yarns shall provide a notarized affidavit affirming—

(A) that the manufacturer used pima cotton grown in the United States during the period January 1, 2002, through December 31, 2002, to produce ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during 2002;

(B) the quantity, measured in pounds, of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during calendar year 2002; and

(C) that the manufacturer maintains supporting documentation showing the quantity of such yarns produced, and evidencing the yarns as ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during calendar year 2002.

(7) NO APPEAL.—Any grant awarded by the Secretary under this section shall be final and not subject to appeal or protest.

(c) AUTHORIZATION.—There are authorized to be appropriated, and are appropriated out of the amounts in the general fund of the Treasury not otherwise appropriated, such sums as are necessary to carry out the provisions of this section, including funds necessary for the administration and oversight of the grants provided for in this section.

SA 2912. Mrs. HUTCHISON submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McCONNELL (for Mr. FRIST) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 22, strike lines 3 through 14 and insert the following:

"(e) DOMESTIC PRODUCTION GROSS RECEIPTS.—For purposes of this section—

"(1) IN GENERAL.—

"(A) RECEIPTS FROM QUALIFYING PRODUCTION PROPERTY.—The term 'domestic production gross receipts' means the gross receipts of the taxpayer which are derived from—

"(i) any sale, exchange, or other disposition of, or

"(ii) any lease, rental, or license of,

qualifying production property which was manufactured, produced, grown, or extracted in whole or in significant part by the taxpayer within the United States.

"(B) RECEIPTS FROM CERTAIN SERVICES.—Such term also includes the gross receipts of the taxpayer which are derived from any construction, engineering, or architectural services performed in the United States for construction projects in the United States.

SA 2913. Mr. NICKLES (for himself and Mrs. LINCOLN) submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. McCONNELL (for Mr. FRIST) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III of the instructions, add the following:

SEC. ___. RECOVERY PERIOD FOR CERTAIN WIRELESS TELECOMMUNICATIONS EQUIPMENT.

(a) IN GENERAL.—Subparagraph (A) of section 168(i)(2) (defining qualified technological equipment) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by inserting after clause (iii) the following new clause:

"(iv) any wireless telecommunications equipment.".

(b) WIRELESS TELECOMMUNICATIONS EQUIPMENT.—Section 168(i)(2) is amended by inserting after subparagraph (C) the following new subparagraph:

"(D) WIRELESS TELECOMMUNICATIONS EQUIPMENT.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'wireless telecommunications equipment' means equipment which is used in the transmission, reception, coordination, or switching of wireless telecommunications service.

"(ii) EXCEPTION.—Such term does not include towers, buildings, T-1 lines, or other cabling which connects cell sites to mobile switching centers.

"(iii) WIRELESS TELECOMMUNICATIONS SERVICE.—For purposes of clause (i), the term 'wireless telecommunications service' includes any commercial mobile radio service as defined in title 47 of the Code of Federal Regulations.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2004, and before January 1, 2008.

SA 2914. Mr. COLEMAN submitted an amendment intended to be proposed to amendment SA 2886 submitted by Mr. MCCONNELL (for Mr. FRIST) to the bill S. 1637, to amend the Internal Revenue Code of 1968 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the instructions, add the following:

TITLE V—NON-REVENUE PROVISIONS

SEC. 501. CUSTOMS SERVICES.

Section 13031(e)(1) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(e)(1)) is amended—

(1) by striking "(1) Notwithstanding section 451 of the Tariff Act of 1930 (19 U.S.C. 1451) or any other provision of law (other than paragraph (2))," and inserting:

"(1) IN GENERAL.—

"(A) SCHEDULED FLIGHTS.—Notwithstanding section 451 of the Tariff Act of 1930 (19 U.S.C. 1451) or any other provision of law (other than subparagraph (B) and paragraph (2)),"; and

(2) by adding at the end the following:

"(B) CHARTER FLIGHTS.—If an air carrier (as defined in section 40102(2) of title 49, United States Code) specifically requests that customs border patrol services for passengers and their baggage be provided for a charter flight arriving after normal operating hours at a customs border patrol serviced airport and overtime funds for those services are not available, the appropriate customs border patrol officer may assign sufficient customs employees (if available) to perform any such services, which could lawfully be performed during regular hours of operation, and any overtime fees incurred in connection with such service shall be paid by the air carrier.".

SA 2915. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1968 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—NON-REVENUE PROVISIONS

SEC. 501. CUSTOMS SERVICES.

Section 13031(e)(1) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(e)(1)) is amended—

(1) by striking "(1) Notwithstanding section 451 of the Tariff Act of 1930 (19 U.S.C. 1451) or any other provision of law (other than paragraph (2))," and inserting:

"(1) IN GENERAL.—

"(A) SCHEDULED FLIGHTS.—Notwithstanding section 451 of the Tariff Act of 1930 (19 U.S.C. 1451) or any other provision of law (other than subparagraph (B) and paragraph (2)),"; and

(2) by adding at the end the following:

"(B) CHARTER FLIGHTS.—If an air carrier (as defined in section 40102(2) of title 49, United States Code) specifically requests that customs border patrol services for passengers and their baggage be provided for a charter flight arriving after normal operating hours at a customs border patrol serviced airport and overtime funds for those services are not available, the appropriate customs border patrol officer may assign sufficient customs employees (if available) to perform any such services, which could lawfully be performed during regular hours of operation, and any overtime fees incurred in connection with such service shall be paid by the air carrier.".

SA 2916. Mr. WYDEN (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—TRADE ADJUSTMENT ASSISTANCE

Subtitle A—Service Workers

SEC. 511. SHORT TITLE.

This subtitle may be cited as the "Trade Adjustment Assistance Equity For Service Workers Act of 2004".

SEC. 512. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE TO SERVICES SECTOR.

(a) ADJUSTMENT ASSISTANCE FOR WORKERS.—Section 221(a)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2271(a)(1)(A)) is amended by striking "firm)" and inserting "firm, and workers in a service sector firm or subdivision of a service sector firm or public agency)".

(b) GROUP ELIGIBILITY REQUIREMENTS.—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "agricultural firm)" and inserting "agricultural firm, and workers in a service sector firm or subdivision of a service sector firm or public agency)";

(B) in paragraph (1), by inserting "or public agency" after "of the firm"; and

(C) in paragraph (2)—

(i) in subparagraph (A)(ii), by striking "like or directly competitive with articles produced" and inserting "or services like or directly competitive with articles produced or services provided"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B)(i) there has been a shift, by such workers' firm, subdivision, or public agency to a foreign country, of production of articles, or in provision of services, like or directly competitive with articles which are produced, or services which are provided, by such firm, subdivision, or public agency; or

"(ii) such workers' firm, subdivision, or public agency has obtained or is likely to obtain such services from a foreign country.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "agricultural firm)" and inserting "agricultural firm, and workers in a service sector firm or subdivision of a service sector firm or public agency)";

(B) in paragraph (2), by inserting "or service" after "related to the article"; and

(C) in paragraph (3)(A), by inserting "or services" after "component parts";

(3) in subsection (c)—

(A) in paragraph (2), by adding at the end the following:

"(C) Taconite pellets produced in the United States shall be considered to be an article that is like or directly competitive with imports of semifinished steel slab.".

(B) in paragraph (3)—

(i) by inserting "or services" after "value-added production processes";

(ii) by striking "or finishing" and inserting ", finishing, or testing";

(iii) by inserting "or services" after "for articles"; and

(iv) by inserting "(or subdivision)" after "such other firm"; and

(C) in paragraph (4)—

(i) by striking "for articles" and inserting ", or services, used in the production of articles or in the provision of services"; and

(ii) by inserting "(or subdivision)" after "such other firm"; and

(4) by adding at the end the following new subsection:

"(d) BASIS FOR SECRETARY'S DETERMINATIONS.—

"(1) INCREASED IMPORTS.—For purposes of subsection (a)(2)(A)(ii), the Secretary may determine that increased imports of like or directly competitive articles or services exist if the workers' firm or subdivision or customers of the workers' firm or subdivision accounting for not less than 20 percent of the sales of the workers' firm or subdivision certify to the Secretary that they are obtaining such articles or services from a foreign country.

"(2) OBTAINING SERVICES ABROAD.—For purposes of subsection (a)(2)(B)(ii), the Secretary may determine that the workers' firm, subdivision, or public agency has obtained or is likely to obtain like or directly competitive services from a firm in a foreign country based on a certification thereof from the workers' firm, subdivision, or public agency.

"(3) AUTHORITY OF THE SECRETARY.—The Secretary may obtain the certifications under paragraphs (1) and (2) through questionnaires or in such other manner as the Secretary determines is appropriate.".

(c) TRAINING.—Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) is amended by striking "$220,000,000" and inserting "$440,000,000".

(d) DEFINITIONS.—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319) is amended—

(1) in paragraph (1)—

(A) by inserting "or public agency" after "of a firm"; and

(B) by inserting "or public agency" after "or subdivision";

(2) in paragraph (2)(B), by inserting "or public agency" after "the firm";

(3) by redesignating paragraphs (8) through (17) as paragraphs (9) through (18), respectively; and

(4) by inserting after paragraph (6) the following:

"(7) The term 'public agency' means a department or agency of a State or local government or of the Federal Government.

"(8) The term 'service sector firm' means an entity engaged in the business of providing services.".

(e) Technical Amendment.—Section 245(a) of the Trade Act of 1974 (19 U.S.C. 2317(a)) is amended by striking ", other than subchapter D".

SEC. 513. TRADE ADJUSTMENT ASSISTANCE FOR FIRMS AND INDUSTRIES.

(a) Firms.—

(1) Assistance.—Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended—

(A) in subsection (a), by inserting "or service sector firm" after "(including any agricultural firm";

(B) in subsection (c)(1)—

(i) in the matter preceding subparagraph (A), by inserting "or service sector firm" after "any agricultural firm";

(ii) in subparagraph (B)(ii), by inserting "or service" after "of an article"; and

(iii) in subparagraph (C), by striking "articles like or directly competitive with articles which are produced" and inserting "articles or services like or directly competitive with articles or services which are produced or provided"; and

(C) by adding at the end the following:

"(e) Basis for Secretary Determination.—

"(1) Increased imports.—For purposes of subsection (c)(1)(C), the Secretary may determine that increases of imports of like or directly competitive articles or services exist if customers accounting for not less than 20 percent of the sales of the workers' firm certify to the Secretary that they are obtaining such articles or services from a foreign country.

"(2) Authority of the secretary.—The Secretary may obtain the certifications under paragraph (1) through questionnaires or in such other manner as the Secretary determines is appropriate. The Secretary may exercise the authority under section 249 in carrying out this subsection.".

(2) Authorization of appropriations.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking "$16,000,000" and inserting "$32,000,000".

(3) Definition.—Section 261 of the Trade Act of 1974 (19 U.S.C. 2351) is amended—

(A) by striking "For purposes of" and inserting "(a) Firm.—For purposes of"; and

(B) by adding at the end the following:

"(b) Service Sector Firm.—For purposes of this chapter, the term 'service sector firm' means a firm engaged in the business of providing services.".

(b) Industries.—Section 265(a) of the Trade Act of 1974 (19 U.S.C. 2355(a)) is amended by inserting "or service" after "new product".

SEC. 514. MONITORING AND REPORTING.

Section 282 of the Trade Act of 1974 (19 U.S.C. 2393) is amended—

(1) in the first sentence—

(A) by striking "The Secretary" and inserting "(a) Monitoring Programs.—The Secretary";

(B) by inserting "and services" after "imports of articles";

(C) by inserting "and domestic provision of services" after "domestic production";

(D) by inserting "or providing services" after "producing articles"; and

(E) by inserting ", or provision of services," after "changes in production"; and

(2) by adding at the end the following:

"(b) Collection of Data and Reports on Services Sector.—

"(1) Secretary of labor.—Not later than 3 months after the date of the enactment of the Trade Adjustment Assistance Equity For Service Workers Act of 2004, the Secretary of Labor shall implement a system to collect data on adversely affected service workers that includes the number of workers by State, industry, and cause of dislocation of each worker.

"(2) Secretary of commerce.—Not later than 6 months after such date of enactment, the Secretary of Commerce shall, in consultation with the Secretary of Labor, conduct a study and report to the Congress on ways to improve the timeliness and coverage of data on trade in services, including methods to identify increased imports due to the relocation of United States firms to foreign countries, and increased imports due to United States firms obtaining services from firms in foreign countries.".

SEC. 515. ALTERNATIVE TRADE ADJUSTMENT ASSISTANCE.

In General.—Section 246(a)(3) of the Trade Act of 1974 (19 U.S.C. 2318(a)(3)) is amended to read as follows:

"(3) Eligibility.—A worker in the group that the Secretary has certified as eligible for the alternative trade adjustment assistance program may elect to receive benefits under the alternative trade adjustment assistance program if the worker—

"(A) is covered by a certification under subchapter A of this chapter;

"(B) obtains reemployment not more than 26 weeks after the date of separation from the adversely affected employment;

"(C) is at least 40 years of age;

"(D) earns not more than $50,000 a year in wages from reemployment;

"(E) is employed on a full-time basis as defined by State law in the State in which the worker is employed; and

"(F) does not return to the employment from which the worker was separated.".

(b) Conforming Amendments.—(1) Subparagraphs (A) and (B) of section 246(a)(2) of the Trade Act of 1974 (19 U.S.C. 2318(a)(2) (A) and (B)) are amended by striking "paragraph (3)(B)" and inserting "paragraph (3)" each place it appears.

(2) Section 246(b)(2) of such Act is amended by striking "subsection (a)(3)(B)" and inserting "subsection (a)(3)".

SEC. 516. CLARIFICATION OF MARKETING YEAR.

Section 291(5) of the Trade Act of 1974 (19 U.S.C. 2401(5)) is amended by inserting before the end period the following: ", or in the case of an agricultural commodity that has no marketing year, in a 12-month period for which the petitioner provides written justification".

SEC. 517. EFFECTIVE DATE.

(a) In General.—Except as provided in subsections (b) and (c), the amendments made by this subtitle shall take effect on October 1, 2004.

(b) Special Rule for Certain Service Workers.—A group of workers in a service sector firm, or subdivision of a service sector firm, or public agency (as defined in section 247 (7) and (8) of the Trade Act of 1974, as added by section 512(d) of this Act) who—

(1) would have been certified eligible to apply for adjustment assistance under chapter 2 of title II of the Trade Act of 1974 if the amendments made by this Act had been in effect on November 4, 2002, and

(2) file a petition pursuant to section 221 of such Act within 6 months after the date of enactment of this Act,

shall be eligible for certification under section 223 of the Trade Act of 1974 if the workers' last total or partial separation from the firm or subdivision of the firm or public agency occurred on or after November 4, 2002 and before October 1, 2004.

(c) Special Rule for Taconite.—A group of workers in a firm, or subdivision of a firm, engaged in the production of taconite pellets who—

(1) would have been certified eligible to apply for adjustment assistance under chapter 2 of title II of the Trade Act of 1974 if the amendments made by this Act had been in effect on November 4, 2002, and

(2) file a petition pursuant to section 221 of such Act within 6 months after the date of enactment of this Act,

shall be eligible for certification under section 223 of the Trade Act of 1974 if the workers' last total or partial separation from the firm or subdivision of the firm occurred on or after November 4, 2002 and before October 1, 2004.

Subtitle B—Data Collection

SEC. 521. SHORT TITLE.

This subtitle may be cited as the "Trade Adjustment Assistance Accountability Act".

SEC. 522. DATA COLLECTION; STUDY; INFORMATION TO WORKERS.

(a) Data Collection; Evaluations.—Subchapter C of chapter 2 of title II of the Trade Act of 1974 is amended by inserting after section 249, the following new section:

"SEC. 250. DATA COLLECTION; EVALUATIONS; REPORTS.

"(a) Data Collection.—The Secretary shall, pursuant to regulations prescribed by the Secretary, collect any data necessary to meet the requirements of this chapter.

"(b) Performance Evaluations.—The Secretary shall establish an effective performance measuring system to evaluate the following:

"(1) Program performance.—A comparison of the trade adjustment assistance program before and after the effective date of the Trade Adjustment Assistance Reform Act of 2002 with respect to—

"(A) the number of workers certified and the number of workers actually participating in the trade adjustment assistance program;

"(B) the time for processing petitions;

"(C) the number of training waivers granted;

"(D) the coordination of programs under this chapter with programs under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

"(E) the effectiveness of individual training providers in providing appropriate information and training;

"(F) the extent to which States have designed and implemented health care coverage options under title II of the Trade Act of 2002, including any difficulties States have encountered in carrying out the provisions of title II;

"(G) how Federal, State, and local officials are implementing the trade adjustment assistance program to ensure that all eligible individuals receive benefits, including providing outreach, rapid response, and other activities; and

"(H) any other data necessary to evaluate how individual States are implementing the requirements of this chapter.

"(2) Program participation .—The effectiveness of the program relating to—

"(A) the number of workers receiving benefits and the type of benefits being received both before and after the effective date of the Trade Adjustment Assistance Reform Act of 2002;

"(B) the number of workers enrolled in, and the duration of, training by major types of training both before and after the effective date of the Trade Adjustment Assistance Reform Act of 2002;

"(C) earnings history of workers that reflects wages before separation and wages in any job obtained after receiving benefits under this Act;

"(D) reemployment rates and sectors in which dislocated workers have been employed;

"(E) the cause of dislocation identified in each petition that resulted in a certification under this chapter; and

"(F) the number of petitions filed and workers certified in each congressional district of the United States.

"(c) STATE PARTICIPATION.—The Secretary shall ensure, to the extent practicable, through oversight and effective internal control measures the following:

"(1) STATE PARTICIPATION.—Participation by each State in the performance measurement system established under subsection (b).

"(2) MONITORING.—Monitoring by each State of internal control measures with respect to performance measurement data collected by each State.

"(3) RESPONSE.—The quality and speed of the rapid response provided by each State under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)).

"(d) REPORTS.—

"(1) REPORTS BY THE SECRETARY.—

"(A) INITIAL REPORT.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Accountability Act, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that—

"(i) describes the performance measurement system established under subsection (b);

"(ii) includes analysis of data collected through the system established under subsection (b); and

"(iii) provides recommendations for program improvements.

"(B) ANNUAL REPORT.—Not later than 1 year after the date the report is submitted under subparagraph (A), and annually thereafter, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that includes the information collected under clause (ii) of subparagraph (A).

"(2) STATE REPORTS.—Pursuant to regulations prescribed by the Secretary, each State shall submit to the Secretary a report that details its participation in the programs established under this chapter, and that contains the data necessary to allow the Secretary to submit the report required under paragraph (1).

"(3) PUBLICATION.—The Secretary shall make available to each State, and other public and private organizations as determined by the Secretary, the data gathered and evaluated through the performance measurement system established under subsection (b).".

(b) CONFORMING AMENDMENTS.—

(1) COORDINATION.—Section 281 of the Trade Act of 1974 (19 U.S.C. 2392) is amended by striking "Departments of Labor and Commerce" and inserting "Departments of Labor, Commerce, and Agriculture".

(2) TRADE MONITORING SYSTEM.—Section 282 of the Trade Act of 1974 (19 U.S.C. 2393) is amended by striking "The Secretary of Commerce and the Secretary of Labor" and inserting "The Secretaries of Commerce, Labor, and Agriculture".

(3) TABLE OF CONTENTS.—The table of contents for title II of the Trade Act of 1974 is amended by inserting after the item relating to section 249, the following new item:

"Sec. 250. Data collection; evaluations; reports.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2004.

Subtitle C—Trade Adjustment Assistance for Communities

SEC. 531. SHORT TITLE.

This subtitle may be cited as the "Trade Adjustment Assistance for Communities Act of 2004".

SEC. 532. PURPOSE.

The purpose of this subtitle is to assist communities negatively impacted by trade with economic adjustment through the integration of political and economic organizations, the coordination of Federal, State, and local resources, the creation of community-based development strategies, and the provision of economic transition assistance.

SEC. 533. TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.

Chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371 et seq.) is amended to read as follows:

"CHAPTER 4—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

"SEC. 271. DEFINITIONS.

"In this chapter:

"(1) AFFECTED DOMESTIC PRODUCER.—The term 'affected domestic producer' means any manufacturer, producer, service provider, farmer, rancher, fisherman or worker representative (including associations of such persons) that was affected by a finding under the Antidumping Act of 1921, or by an antidumping or countervailing duty order issued under title VII of the Tariff Act of 1930.

"(2) AGRICULTURAL COMMODITY PRODUCER.—The term 'agricultural commodity producer' has the same meaning as the term 'person' as prescribed by regulations promulgated under section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)).

"(3) COMMUNITY.—The term 'community' means a city, county, or other political subdivision of a State or a consortium of political subdivisions of a State that the Secretary certifies as being negatively impacted by trade.

"(4) COMMUNITY NEGATIVELY IMPACTED BY TRADE.—A community negatively impacted by trade means a community with respect to which a determination has been made under section 273.

"(5) ELIGIBLE COMMUNITY.—The term 'eligible community' means a community certified under section 273 for assistance under this chapter.

"(6) FISHERMAN.—

"(A) IN GENERAL.—The term 'fisherman' means any person who—

"(i) is engaged in commercial fishing; or

"(ii) is a United States fish processor.

"(B) COMMERCIAL FISHING, FISH, FISHERY, FISHING, FISHING VESSEL, PERSON, AND UNITED STATES FISH PROCESSOR.—The terms 'commercial fishing', 'fish', 'fishery', 'fishing', 'fishing vessel', 'person', and 'United States fish processor' have the same meanings as such terms have in the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).

"(7) JOB LOSS.—The term 'job loss' means the total or partial separation of an individual, as those terms are defined in section 247.

"(8) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

"SEC. 272. COMMUNITY TRADE ADJUSTMENT ASSISTANCE PROGRAM.

"(a) ESTABLISHMENT.—Within 6 months after the date of enactment of the Trade Adjustment Assistance for Communities Act of 2004, the Secretary shall establish a Trade Adjustment Assistance for Communities Program at the Department of Commerce.

"(b) PERSONNEL.—The Secretary shall designate such staff as may be necessary to carry out the responsibilities described in this chapter.

"(c) COORDINATION OF FEDERAL RESPONSE.—The Secretary shall—

"(1) provide leadership, support, and coordination for a comprehensive management program to address economic dislocation in eligible communities;

"(2) coordinate the Federal response to an eligible community—

"(A) by identifying all Federal, State, and local resources that are available to assist the eligible community in recovering from economic distress;

"(B) by ensuring that all Federal agencies offering assistance to an eligible community do so in a targeted, integrated manner that ensures that an eligible community has access to all available Federal assistance;

"(C) by assuring timely consultation and cooperation between Federal, State, and regional officials concerning economic adjustment for an eligible community; and

"(D) by identifying and strengthening existing agency mechanisms designed to assist eligible communities in their efforts to achieve economic adjustment and workforce reemployment;

"(3) provide comprehensive technical assistance to any eligible community in the efforts of that community to—

"(A) identify serious economic problems in the community that are the result of negative impacts from trade;

"(B) integrate the major groups and organizations significantly affected by the economic adjustment;

"(C) access Federal, State, and local resources designed to assist in economic development and trade adjustment assistance;

"(D) diversify and strengthen the community economy; and

"(E) develop a community-based strategic plan to address economic development and workforce dislocation, including unemployment among agricultural commodity producers, and fishermen;

"(4) establish specific criteria for submission and evaluation of a strategic plan submitted under section 274(d);

"(5) establish specific criteria for submitting and evaluating applications for grants under section 275;

"(6) administer the grant programs established under sections 274 and 275; and

"(7) establish an interagency Trade Adjustment Assistance for Communities Working Group, consisting of the representatives of any Federal department or agency with responsibility for economic adjustment assistance, including the Department of Agriculture, the Department of Education, the Department of Labor, the Department of Housing and Urban Development, the Department of Health and Human Services, the

Small Business Administration, the Department of the Treasury, the Department of Commerce, and any other Federal, State, or regional department or agency the Secretary determines necessary or appropriate.

"SEC. 273. CERTIFICATION AND NOTIFICATION.

"(a) CERTIFICATION.—Not later than 45 days after an event described in subsection (c)(1), the Secretary of Commerce shall determine if a community described in subsection (b)(1) is negatively impacted by trade, and if a positive determination is made, shall certify the community for assistance under this chapter.

"(b) DETERMINATION THAT COMMUNITY IS ELIGIBLE.—

"(1) COMMUNITY DESCRIBED.—A community described in this paragraph means a community with respect to which on or after October 1, 2004—

"(A) the Secretary of Labor certifies a group of workers (or their authorized representative) in the community as eligible for assistance pursuant to section 223;

"(B) the Secretary of Commerce certifies a firm located in the community as eligible for adjustment assistance under section 251;

"(C) the Secretary of Agriculture certifies a group of agricultural commodity producers (or their authorized representative) in the community as eligible for adjustment assistance under section 293;

"(D) an affected domestic producer is located in the community; or

"(E) the Secretary determines that a significant number of fishermen in the community is negatively impacted by trade.

"(2) NEGATIVELY IMPACTED BY TRADE.—The Secretary shall determine that a community is negatively impacted by trade, after taking into consideration—

"(A) the number of jobs affected compared to the size of workforce in the community;

"(B) the severity of the rates of unemployment in the community and the duration of the unemployment in the community;

"(C) the income levels and the extent of underemployment in the community;

"(D) the outmigration of population from the community and the extent to which the outmigration is causing economic injury in the community; and

"(E) the unique problems and needs of the community.

"(c) DEFINITION AND SPECIAL RULES.—

"(1) EVENT DESCRIBED.—An event described in this paragraph means one of the following:

"(A) A notification described in paragraph (2).

"(B) A certification of a firm under section 251.

"(C) A finding under the Antidumping Act of 1921, or an antidumping or countervailing duty order issued under title VII of the Tariff Act of 1930.

"(D) A determination by the Secretary that a significant number of fishermen in a community have been negatively impacted by trade.

"(2) NOTIFICATION.—The Secretary of Labor, immediately upon making a determination that a group of workers is eligible for trade adjustment assistance under section 223, (or the Secretary of Agriculture, immediately upon making a determination that a group of agricultural commodity producers is eligible for adjustment assistance under section 293, as the case may be) shall notify the Secretary of Commerce of the determination.

"(d) NOTIFICATION TO ELIGIBLE COMMUNITIES.—Immediately upon certification by the Secretary of Commerce that a community is eligible for assistance under subsection (b), the Secretary shall notify the community—

"(1) of the determination under subsection (b);

"(2) of the provisions of this chapter;

"(3) how to access the clearinghouse established by the Department of Commerce regarding available economic assistance;

"(4) how to obtain technical assistance provided under section 272(c)(3); and

"(5) how to obtain grants, tax credits, low income loans, and other appropriate economic assistance.

"SEC. 274. STRATEGIC PLANS.

"(a) IN GENERAL.—An eligible community may develop a strategic plan for community economic adjustment and diversification.

"(b) REQUIREMENTS FOR STRATEGIC PLAN.—A strategic plan shall contain, at a minimum, the following:

"(1) A description and justification of the capacity for economic adjustment, including the method of financing to be used.

"(2) A description of the commitment of the community to the strategic plan over the long term and the participation and input of groups affected by economic dislocation.

"(3) A description of the projects to be undertaken by the eligible community.

"(4) A description of how the plan and the projects to be undertaken by the eligible community will lead to job creation and job retention in the community.

"(5) A description of how the plan will achieve economic adjustment and diversification.

"(6) A description of how the plan and the projects will contribute to establishing or maintaining a level of public services necessary to attract and retain economic investment.

"(7) A description and justification for the cost and timing of proposed basic and advanced infrastructure improvements in the eligible community.

"(8) A description of how the plan will address the occupational and workforce conditions in the eligible community.

"(9) A description of the educational programs available for workforce training and future employment needs.

"(10) A description of how the plan will adapt to changing markets and business cycles.

"(11) A description and justification for the cost and timing of the total funds required by the community for economic assistance.

"(12) A graduation strategy through which the eligible community demonstrates that the community will terminate the need for Federal assistance.

"(c) GRANTS TO DEVELOP STRATEGIC PLANS.—The Secretary, upon receipt of an application from an eligible community, may award a grant to that community to be used to develop the strategic plan.

"(d) SUBMISSION OF PLAN.—A strategic plan developed under subsection (a) shall be submitted to the Secretary for evaluation and approval.

"SEC. 275. GRANTS FOR ECONOMIC DEVELOPMENT.

"(a) IN GENERAL.—The Secretary, upon approval of a strategic plan from an eligible community, may award a grant to that community to carry out any project or program that is certified by the Secretary to be included in the strategic plan approved under section 274(d), or consistent with that plan.

"(b) ADDITIONAL GRANTS.—

"(1) IN GENERAL.—Subject to paragraph (2), in order to assist eligible communities to obtain funds under Federal grant programs, other than the grants provided for in section 274(c) or subsection (a), the Secretary may, on the application of an eligible community, make a supplemental grant to the community if—

"(A) the purpose of the grant program from which the grant is made is to provide technical or other assistance for planning, constructing, or equipping public works facilities or to provide assistance for public service projects; and

"(B) the grant is 1 for which the community is eligible except for the community's inability to meet the non-Federal share requirements of the grant program.

"(2) USE AS NON-FEDERAL SHARE.—A supplemental grant made under this subsection may be used to provide the non-Federal share of a project, unless the total Federal contribution to the project for which the grant is being made exceeds 80 percent and that excess is not permitted by law.

"(c) RURAL COMMUNITY PREFERENCE.—The Secretary shall develop guidelines to ensure that rural communities receive preference in the allocation of resources.

"SEC. 276. GENERAL PROVISIONS.

"(a) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this chapter. Before implementing any regulation or guideline proposed by the Secretary with respect to this chapter, the Secretary shall submit the regulation or guideline to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives for approval.

"(b) SUPPLEMENT NOT SUPPLANT.—Funds appropriated under this chapter shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide economic development assistance for communities.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary $100,000,000 for each of fiscal years 2005 through 2008, to carry out this chapter. Amounts appropriated pursuant to this subsection shall remain available until expended.".

SEC. 534. CONFORMING AMENDMENTS.

(a) TERMINATION.—Section 285(b) of the Trade Act of 1974 (19 U.S.C. 2271 note) is amended by adding at the end the following new paragraph:

"(3) ASSISTANCE FOR COMMUNITIES.—Technical assistance and other payments may not be provided under chapter 4 after September 30, 2008.".

(b) TABLE OF CONTENTS.—The table of contents for title II of the Trade Act of 1974 is amended by striking the items relating to chapter 4 of title II and inserting after the items relating to chapter 3 the following new items:

"CHAPTER 4—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

"Sec. 271. Definitions.
"Sec. 272. Community Trade Adjustment Assistance Program.
"Sec. 273. Certification and notification.
"Sec. 274. Strategic plans.
"Sec. 275. Grants for economic development.
"Sec. 276. General provisions.".

(c) JUDICIAL REVIEW.—Section 284(a) of the Trade Act of 1974 (19 U.S.C. 2395(a)) is amended by striking "section 271" and inserting "section 273".

SEC. 535. EFFECTIVE DATE.

The amendments made by this subtitle shall take effect on October 1, 2004.

Subtitle D—Office of Trade Adjustment Assistance

SEC. 541. SHORT TITLE.

This subtitle may be cited as the "Trade Adjustment Assistance for Firms Reorganization Act".

SEC. 542. OFFICE OF TRADE ADJUSTMENT ASSISTANCE.

(a) In General.—Chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341 et seq.) is amended by inserting after section 255 the following new section:

"SEC. 255A. OFFICE OF TRADE ADJUSTMENT ASSISTANCE.

"(a) Establishment.—Not later than 90 days after the date of enactment of the Trade Adjustment Assistance for Firms Reorganization Act, there shall be established in the International Trade Administration of the Department of Commerce an Office of Trade Adjustment Assistance.

"(b) Personnel.—The Office shall be headed by a Director, and shall have such staff as may be necessary to carry out the responsibilities of the Secretary of Commerce described in this chapter.

"(c) Functions.—The Office shall assist the Secretary of Commerce in carrying out the Secretary's responsibilities under this chapter.".

(b) Conforming Amendment.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 255, the following new item:

"Sec. 255A. Office of Trade Adjustment Assistance.".

SEC. 543. EFFECTIVE DATE.

The amendments made by this subtitle shall take effect on the earlier of—

(1) the date of the enactment of this Act; or

(2) October 1, 2004.

TITLE VI—IMPROVEMENT OF CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE INDIVIDUALS

SEC. 601. CLARIFICATION OF 3-MONTH REQUIREMENT OF EXISTING COVERAGE.

(a) In General.—Clause (i) of section 35(e)(2)(B) of the Internal Revenue Code of 1986 (defining qualifying individual) is amended by inserting "(prior to the employment separation necessary to attain the status of an eligible individual)" after "9801(c)".

(b) Conforming Amendment.—Section 173(f)(2)(B)(ii)(I) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(2)(B)(ii)(I)) is amended by inserting "(prior to the employment separation necessary to attain the status of an eligible individual)" after "1986".

(c) Effective Date.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 602. DISREGARD OF TAA PRE-CERTIFICATION PERIOD FOR PURPOSES OF DETERMINING WHETHER THERE IS A 63-DAY LAPSE IN CREDITABLE COVERAGE.

(a) ERISA Amendment.—Section 701(c)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(c)(2)) is amended by adding at the end the following:

"(C) TAA-eligible individuals.—

"(i) Disregard of pre-certification period.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date the individual is certified by the Secretary (or by any person or entity designated by the Secretary) as being eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

"(ii) Definitions.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 605(b)(4)(C).".

(b) PHSA Amendment.—Section 2701(c)(2) of the Public Health Service Act (42 U.S.C. 300gg(c)(2)) is amended by adding at the end the following:

"(C) TAA-eligible individuals.—

"(i) Disregard of pre-certification period.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date the individual is certified by the Secretary (or by any person or entity designated by the Secretary) as being eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

"(ii) Definitions.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 2205(b)(4)(C).".

(c) IRC Amendment.—Section 9801(c)(2) of the Internal Revenue Code of 1986 (relating to not counting periods before significant breaks in creditable coverage) is amended by adding at the end the following:

"(D) TAA-eligible individuals.—

"(i) Disregard of pre-certification period.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date the individual is certified by the Secretary of Labor (or by any person or entity designated by the Secretary of Labor) as being eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 shall not be taken into account in determining the continuous period under subparagraph (A).

"(ii) Definitions.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 4980B(f)(5)(C)(iv).".

(d) Effective Date.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 603. IMPROVEMENT OF THE AFFORDABILITY OF THE CREDIT.

(a) In General.—Section 35(a) of the Internal Revenue Code of 1986 (relating to credit for health insurance costs of eligible individuals) is amended by striking "65" and inserting "75".

(b) Conforming Amendment.—Section 7527(b) of such Code (relating to advance payment of credit for health insurance costs of eligible individuals) is amended by striking "65" and inserting "75".

(c) Effective Date.—The amendments made by this section apply to taxable years beginning after December 31, 2004.

SEC. 604. EXPEDITED REFUND OF CREDIT FOR PRORATED FIRST MONTHLY PREMIUM.

(a) In General.—Section 7527 of the Internal Revenue Code of 1986 (relating to advance payment of credit for health insurance costs of eligible individuals) is amended by adding at the end the following:

"(e) Expedited Payment of Prorated First Monthly Premium.—The program established under subsection (a) shall provide for payment to a certified individual of an amount equal to the applicable percentage (as defined in section 35(a)(2)) of the prorated first monthly premium for coverage of the taxpayer and qualifying family members under qualified health insurance for eligible coverage months upon receipt by the Secretary of evidence of payment of such premium by the certified individual.".

(b) Effective Date.—The amendment made by this section takes effect on the date of enactment of this Act.

SA 2917. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—BUY AMERICAN ACT IMPROVEMENTS

SEC. 501. SHORT TITLE.

This title may be cited as the "Buy American Improvement Act of 2004".

SEC. 502. REQUIREMENTS FOR WAIVERS.

(a) In General.—Section 2 of the Buy American Act (41 U.S.C. 10a) is amended—

(1) by striking "Notwithstanding" and inserting the following:

"(a) In General.—Notwithstanding"; and

(2) by adding at the end the following:

"(b) Special Rules.—The following rules shall apply in carrying out the provisions of subsection (a):

"(1) Public interest waiver.—A determination that it is not in the public interest to enter into a contract in accordance with this Act may not be made after a notice of solicitation of offers for the contract is published in accordance with section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) and section 8(e) of the Small Business Act (15 U.S.C. 637(e)).

"(2) Domestic bidder.—A Federal agency entering into a contract shall give preference to a company submitting an offer on the contract that manufactures in the United States the article, material, or supply for which the offer is solicited, if—

"(A) that company's offer is substantially the same as an offer made by a company that does not manufacture the article, material, or supply in the United States; or

"(B) that company is the only company that manufactures in the United States the article, material, or supply for which the offer is solicited.

"(3) Use outside the united states.—

"(A) In general.—Subsection (a) shall apply without regard to whether the articles, materials, or supplies to be acquired are for use outside the United States if the articles, materials, or supplies are not needed on an urgent basis or if they are acquired on a regular basis.

"(B) Cost analysis.—In any case where the articles, materials, or supplies are to be acquired for use outside the United States and are not needed on an urgent basis, before entering into a contract an analysis shall be made of the difference in the cost for acquiring the articles, materials, or supplies from a company manufacturing the articles, materials, or supplies in the United States (including the cost of shipping) and the cost for acquiring the articles, materials, or supplies from a company manufacturing the articles, materials, or supplies outside the United States (including the cost of shipping).

"(4) DOMESTIC AVAILABILITY.—The head of a Federal agency may not make a determination under subsection (a) that an article, material, or supply is not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of satisfactory quality, unless the head of the agency has conducted a study and, on the basis of such study, determined that—

"(A) domestic production cannot be initiated to meet the procurement needs; and

"(B) a comparable article, material, or supply is not available from a company in the United States.

"(c) REPORTS.—

"(1) IN GENERAL.—Not later than 60 days after the end of each fiscal year, the head of each Federal agency shall submit to Congress a report on the acquisitions that were made of articles, materials, or supplies by the agency in that fiscal year from entities that manufacture the articles, materials, or supplies outside the United States.

"(2) CONTENT OF REPORT.—The report for a fiscal year under paragraph (1) shall separately indicate the following information:

"(A) The dollar value of any articles, materials, or supplies that were manufactured outside the United States.

"(B) An itemized list of all waivers granted with respect to such articles, materials, or supplies under this Act.

"(C) A summary of—

"(i) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

"(ii) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

"(3) PUBLIC AVAILABILITY.—The head of each Federal agency submitting a report under paragraph (1) shall make the report publicly available by posting on an Internet website.".

(b) DEFINITIONS.—Section 1 of the Buy American Act (41 U.S.C. 10c) is amended by striking subsection (c) and inserting the following:

"(c) FEDERAL AGENCY.—The term 'Federal agency' means any executive agency (as defined in section 4(1) of the Federal Procurement Policy Act (41 U.S.C. 403(1))) or any establishment in the legislative or judicial branch of the Government.".

(c) CONFORMING AMENDMENTS.—

(1) Section 2 of the Buy American Act (41 U.S.C. 10a) is amended by striking "department or independent establishment" and inserting "Federal agency".

(2) Section 3 of such Act (41 U.S.C. 10b) is amended—

(A) by striking "department or independent establishment" in subsection (a), and inserting "Federal agency"; and

(B) by striking "department, bureau, agency, or independent establishment" in subsection (b) and inserting "Federal agency".

(3) Section 633 of the National Military Establishment Appropriations Act, 1950 (41 U.S.C. 10d) is amended by striking "department or independent establishment" and inserting "Federal agency".

SEC. 503. GAO REPORT AND RECOMMENDATIONS.

(a) REQUIREMENT FOR REPORT.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Comptroller General of the United States shall report to Congress recommendations for determining, for purposes of applying the waiver provision of section 2(a) of the Buy American Act—

(A) unreasonable cost; and

(B) inconsistent with the public interest.

(2) REPORT TO INCLUDE RECOMMENDED DEFINITIONS.—The report shall include recommendations for a statutory definition of unreasonable cost and standards for determining inconsistency with the public interest.

(b) WAIVER PROCEDURES.—The report described in subsection (a) shall also include recommendations for establishing procedures for applying the waiver provisions of the Buy American Act that can be consistently applied.

SEC. 504. DUAL-USE TECHNOLOGIES.

The head of a Federal agency (as defined in section 1(c) of the Buy American Act (as amended by section 502)) may not enter into a contract, nor permit a subcontract under a contract of the Federal agency, with a foreign entity that involves giving the foreign entity plans, manuals, or other information that would facilitate the manufacture of a dual-use item on the Commerce Control List unless approval for providing such plans, manuals, or information has been obtained in accordance with the provisions of the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) and the Export Administration Regulations (15 C.F.R. part 730 et seq.).

SA 2918. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. TRANSMISSION OF PERSONALLY IDENTIFIABLE INFORMATION TO FOREIGN AFFILIATES OR SUBCONTRACTORS.

(a) DEFINITIONS.—As used in this section, the following definitions shall apply:

(1) BUSINESS ENTERPRISE.—The term "business enterprise" means any organization, association, or venture established to make a profit.

(2) COUNTRY WITH ADEQUATE PRIVACY PROTECTION.—The term "country with adequate privacy protection" means a country that has been certified by the Federal Trade Commission as having a legal system that provides adequate privacy protection for personally identifiable information.

(3) HEALTH CARE BUSINESS.—The term "health care business" means any business enterprise or private, nonprofit organization that collects or retains personally identifiable information about consumers in relation to medical care, including—

(A) hospitals;

(B) health maintenance organizations;

(C) medical partnerships;

(D) emergency medical transportation companies;

(E) medical transcription companies; and

(F) subcontractors, or potential subcontractors, of the entities described in subparagraphs (A) through (E).

(4) PERSONALLY IDENTIFIABLE INFORMATION.—The term "personally identifiable information" includes—

(A) name;

(B) bank account information;

(C) social security number;

(D) address;

(E) telephone number;

(F) passwords;

(G) mother's maiden name; and

(H) age.

(b) TRANSMISSION OF INFORMATION.—

(1) IN GENERAL.—A business enterprise may transmit personally identifiable information regarding a citizen of the United States to any foreign affiliate or subcontractor located in a country that is a country with adequate privacy protection.

(2) CONSENT REQUIRED.—A business enterprise may not transmit personally identifiable information regarding a citizen of the United States to any foreign affiliate or subcontractor located outside of the United States unless—

(A) the business enterprise discloses to the citizen whether the country to which the information will be transmitted has been certified under subsection (d);

(B) the business enterprise obtains consent from the citizen, before a consumer relationship is established or before the effective date of this section, to transmit such information to such foreign affiliate or subcontractor; and

(C) the consent referred to in subparagraph (B) is renewed by the citizen within 1 year before such information is transmitted.

(3) LIABILITY.—A business enterprise shall be liable for any damages arising from the improper storage, duplication, sharing, or other misuse of personally identifiable information by the business enterprise or by any of its foreign affiliates or subcontractors that received such information from the business enterprise.

(4) RULEMAKING.—The Chairman of the Federal Trade Commission shall promulgate regulations through which the Chairman may enforce the provisions of this subsection and impose a fine for a violation of this subsection.

(c) HEALTH CARE INFORMATION.—

(1) IN GENERAL.—A health care business shall be liable for any damages arising from the improper storage, duplication, sharing, or other misuse of personally identifiable information by the business enterprise or by any of its foreign affiliates or subcontractors that received such information from the business enterprise.

(2) NO OPT OUT PROVISION.—A health care business may not terminate an existing relationship with a consumer of health care services to avoid the consent requirement under subsection (b)(2).

(3) RULEMAKING.—The Secretary of Health and Human Services shall promulgate regulations through which the Secretary may enforce the provisions of this subsection and impose a fine for the violation of this subsection.

(d) CERTIFICATION.—Not later than 6 months after the date of enactment of this Act, the Federal Trade Commission shall—

(1) certify those countries that have legal systems that provide adequate privacy protection for personally identifiable information; and

(2) make the list of countries certified under paragraph (1) available to the general public.

(e) EFFECTIVE DATE.—This section shall take effect on the date which is 90 days after the date of enactment of this Act.

SA 2919. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end add the following:

SEC. ___. REFUNDABLE CREDIT FOR ACTIVATED MILITARY RESERVISTS.

(a) In General.—Subpart C of part IV of subchapter A of chapter 1 is amended by redesignating section 36 as section 37 and by inserting after section 35 the following new section:

"SEC. 36. WAGE DIFFERENTIAL FOR ACTIVATED RESERVISTS.

"(a) In General.—In the case of a qualified reservist, there shall be allowed as a credit against the tax imposed by this subtitle an amount equal to the qualified active duty wage differential of such qualified reservist for the taxable year.

"(b) Qualified Active Duty Wage Differential.—For purposes of this section—

"(1) In general.—The term 'qualified active duty wage differential' means the daily wage differential of the qualified active duty reservist multiplied by the number of days such qualified reservist participates in qualified reserve component duty during the taxable year, including time spent in a travel status.

"(2) Daily wage differential.—The daily wage differential is an amount equal to the lesser of—

"(A) the excess of—

"(i) the qualified reservist's average daily qualified compensation, over

"(ii) the qualified reservist's average daily military pay while participating in qualified reserve component duty to the exclusion of the qualified reservist's normal employment duties, or

"(B) $54.80.

"(3) Average daily qualified compensation.—

"(A) In general.—The term 'average daily qualified compensation' means—

"(i) the qualified compensation of the qualified reservist for the one-year period ending on the day before the date the qualified reservist begins qualified reserve component duty, divided by

"(ii) 365.

"(B) Qualified compensation.—The term 'qualified compensation' means—

"(i) compensation which is normally contingent on the qualified reservist's presence for work and which would be includible in gross income, and

"(ii) compensation which is not characterized by the qualified reservist's employer as vacation or holiday pay, or as sick leave or pay, or as any other form of pay for a nonspecific leave of absence.

"(4) Average daily military pay and allowances.—

"(A) In general.—The term 'average daily military pay and allowances' means—

"(i) the amount paid to the qualified reservist during the taxable year as military pay and allowances on account of the qualified reservist's participation in qualified reserve component duty, determined as of the date the qualified reservists begins qualified reserve component duty, divided by

"(ii) the total number of days the qualified reservist participates in qualified reserve component duty during the taxable year, including time spent in travel status.

"(B) Military pay and allowances.—The term 'military pay' means pay as that term is defined in section 101(21) of title 37, United States Code, and the term 'allowances' means the allowances payable to a member of the Armed Forces of the United States under chapter 7 of that title.

"(5) Qualified reserve component duty.—The term 'qualified reserve component duty' means—

"(A) active duty performed, as designated in the reservist's military orders, in support of a contingency operation as defined in section 101(a)(13) of title 10, United States Code, or

"(B) full-time National Guard duty (as defined in section 101(19) of title 32, United States Code) which is ordered pursuant to a request by the President,

for a period under 1 or more orders described in subparagraph (A) or (B) of more than 90 consecutive days.

"(c) Qualified Reservist.—For purposes of this section—

"(1) In general.—The term 'qualified reservist' means an individual who is engaged in normal employment and is a member of—

"(A) the National Guard (as defined by section 101(c)(1) of title 10, United States Code), or

"(B) the Ready Reserve (as defined by section 10142 of title 10, United States Code).

"(2) Normal employment.—The term 'normal employment duties' includes self-employment.

"(d) Disallowance With Respect to Persons Ordered to Active Duty for Training.—No credit shall be allowed under subsection (a) to a qualified reservist who is called or ordered to active duty for any of the following types of duty:

"(1) Active duty for training under any provision of title 10, United States Code.

"(2) Training at encampments, maneuvers, outdoor target practice, or other exercises under chapter 5 of title 32, United States Code.

"(3) Full-time National Guard duty, as defined in section 101(d)(5) of title 10, United States Code.

"(e) Credit Included in Gross Income.—Gross income includes the amount of the credit allowed the taxpayer under this section.".

(b) Conforming Amendments.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ", or from section 36 of such Code".

(2) The table of sections for subpart C of part IV of chapter 1 is amended by striking the last item and inserting the following new items:

"Sec. 36. Wage differential for activated reservists.

"Sec. 37. Overpayments of tax.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SA 2920. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end add the following:

SEC. ___. ADDITIONAL 2-YEAR EXTENSION OF WIND ENERGY PRODUCITON CREDIT.

(a) In General.—Section 45(c)(3)(a) (relating to wind facility), as amended by this Act, is amended by striking "January 1, 2005" and inserting "January 1, 2007".

(b) Effective Date.—The amendments made by this section shall apply to electricity sold after December 31, 2003, in taxable years ending after such date.

SA 2921. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ___. MODIFICATION OF INCOME REQUIREMENT FOR CENSUS TRACTS WITHIN HIGH MIGRATION RURAL COUNTIES.

(a) In general.—Section 45D(e) (relating to low-income community) is amended by adding at the end the following new paragraph:

"(4) Modification of income requirement for census tracts within high migration rural counties.—

"(A) In general.—In the case of a population census tract located within a high migration rural county, paragraph (1)(B)(i) shall be applied by substituting '85 percent' for '80 percent'.

"(B) High migration rural county.—For purposes of this paragraph, the term 'high migration rural county' means any county which, during the 20-year period ending on December 31, 2000, has a net out-migration of inhabitants from the county of at least 10-percent of the population of the county at the beginning of such period.".

(b) Effective Date.—The amendment made by this section shall take effect as if included in the amendment made by section 121(a) of the Community Renewal Tax Relief Act of 2000.

SA 2922. Mr. DORGAN (for himself, Ms. Mikulski, Mr. Kohl, Mr. Kennedy, Mr. Edwards, Mr. Feingold, and Mr. Harkin) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 330, between lines 6 and 7, insert the following:

SEC. ___. TAXATION OF INCOME OF CONTROLLED FOREIGN CORPORATIONS ATTRIBUTABLE TO IMPORTED PROPERTY.

(a) General Rule.—Subsection (a) of section 954 (defining foreign base company income) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by adding at the end the following new paragraph:

"(6) imported property income for the taxable year (determined under subsection (j) and reduced as provided in subsection (b)(5))."

(b) DEFINITION OF IMPORTED PROPERTY INCOME.—Section 954 is amended by adding at the end the following new subsection:

"(j) IMPORTED PROPERTY INCOME.—

"(1) IN GENERAL.—For purposes of subsection (a)(6), the term 'imported property income' means income (whether in the form of profits, commissions, fees, or otherwise) derived in connection with—

"(A) manufacturing, producing, growing, or extracting imported property,

"(B) the sale, exchange, or other disposition of imported property, or

"(C) the lease, rental, or licensing of imported property.

Such term shall not include any foreign oil and gas extraction income (within the meaning of section 907(c)) or any foreign oil related income (within the meaning of section 907(c)).

"(2) IMPORTED PROPERTY.—For purposes of this subsection—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'imported property' means property which is imported into the United States by the controlled foreign corporation or a related person.

"(B) IMPORTED PROPERTY INCLUDES CERTAIN PROPERTY IMPORTED BY UNRELATED PERSONS.—The term 'imported property' includes any property imported into the United States by an unrelated person if, when such property was sold to the unrelated person by the controlled foreign corporation (or a related person), it was reasonable to expect that—

"(i) such property would be imported into the United States, or

"(ii) such property would be used as a component in other property which would be imported into the United States.

"(C) EXCEPTION FOR PROPERTY SUBSEQUENTLY EXPORTED.—The term 'imported property' does not include any property which is imported into the United States and which—

"(i) before substantial use in the United States, is sold, leased, or rented by the controlled foreign corporation or a related person for direct use, consumption, or disposition outside the United States, or

"(ii) is used by the controlled foreign corporation or a related person as a component in other property which is so sold, leased, or rented.

"(3) DEFINITIONS AND SPECIAL RULES.—

"(A) IMPORT.—For purposes of this subsection, the term 'import' means entering, or withdrawal from warehouse, for consumption or use. Such term includes any grant of the right to use intangible property (as defined in section 936(h)(3)(B)) in the United States.

"(B) UNRELATED PERSON.—For purposes of this subsection, the term 'unrelated person' means any person who is not a related person with respect to the controlled foreign corporation.

"(C) COORDINATION WITH FOREIGN BASE COMPANY SALES INCOME.—For purposes of this section, the term 'foreign base company sales income' shall not include any imported property income."

(c) SEPARATE APPLICATION OF LIMITATIONS ON FOREIGN TAX CREDIT FOR IMPORTED PROPERTY INCOME.—

(1) IN GENERAL.—Paragraph (1) of section 904(d) (relating to separate application of section with respect to certain categories of income) is amended by striking "and" at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (J), and by inserting after subparagraph (H) the following new subparagraph:

"(I) imported property income, and".

(2) IMPORTED PROPERTY INCOME DEFINED.—Paragraph (2) of section 904(d) is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

"(H) IMPORTED PROPERTY INCOME.—The term 'imported property income' means any income received or accrued by any person which is of a kind which would be imported property income (as defined in section 954(j))."

(3) LOOK-THRU RULES TO APPLY.—Subparagraph (F) of section 904(d)(3) is amended by striking "or (E)" and inserting "(E), or (I)".

(d) TECHNICAL AMENDMENTS.—

(1) Clause (iii) of section 952(c)(1)(B) (relating to certain prior year deficits may be taken into account) is amended—

(A) by redesignating subclauses (III), (IV), (V), and (VI) as subclauses (IV), (V), (VI), and (VII), and

(B) by inserting after subclause (II) the following new subclause:

"(III) imported property income,".

(2) Paragraph (5) of section 954(b) (relating to deductions to be taken into account) is amended by striking "and the foreign base company oil related income" and inserting "the foreign base company oil related income, and the imported property income".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders within which or with which such taxable years of such foreign corporations end.

(2) SUBSECTION (c).—The amendments made by subsection (c) shall apply to taxable years beginning after such date of enactment.

(f) SENSE OF THE SENATE.—It is the sense of the Senate that any increase in revenues in the Treasury resulting from the amendments made by this section should be applied to reduce the phasein of the deduction relating to income attributable to domestic production activities under section 199 of the Internal Revenue Code of 1986 (as added by section 102 of this Act).

SA 2923. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ___. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

"(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

"(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution.

"(B) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

"(i) which is made directly by the trustee—

"(I) to an organization described in section 170(c), or

"(II) to a split-interest entity, and

"(ii) which is made on or after—

"(I) in the case of any distribution described in clause (i)(I), the date that the individual for whose benefit the account is maintained has attained age 70½, and

"(II) in the case of any distribution described in clause (i)(II), the the date that such individual has attained age 59½.

A distribution shall be treated as a qualified charitable distribution only to the extent that, the distribution would be includible in gross income without regard to subparagraph (A) and, in the case of a distribution to a split-interest entity, only if no person holds an income interest in the amounts in the split-interest entity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

"(C) CONTRIBUTIONS MUST BE OTHERWISE DEDUCTIBLE.—For purposes of this paragraph—

"(i) DIRECT CONTRIBUTIONS.—A distribution to an organization described in section 170(c) shall be treated as a qualified charitable distribution only if a deduction for the entire distribution would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

"(ii) SPLIT-INTEREST GIFTS.—A distribution to a split-interest entity shall be treated as a qualified charitable distribution only if a deduction for the entire value of the interest in the distribution for the use of an organization described in section 170(c) would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

"(D) APPLICATION OF SECTION 72.—Notwithstanding section 72, in determining the extent to which a distribution is a qualified charitable distribution, the entire amount of the distribution shall be treated as includible in gross income without regard to subparagraph (A) to the extent that such amount does not exceed the aggregate amount which would have been so includible if all amounts were distributed from all individual retirement accounts treated as 1 contract under paragraph (2)(A) for purposes of determining the inclusion on such distribution under section 72. Proper adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.

"(E) SPECIAL RULES FOR SPLIT-INTEREST ENTITIES.—

"(i) CHARITABLE REMAINDER TRUSTS.—Notwithstanding section 664(b), distributions made from a trust described in subparagraph (G)(i) shall be treated as ordinary income in the hands of the beneficiary to whom is paid the annuity described in section 664(d)(1)(A) or the payment described in section 664(d)(2)(A).

"(ii) POOLED INCOME FUNDS.—No amount shall be includible in the gross income of a pooled income fund (as defined in subparagraph (G)(ii)) by reason of a qualified charitable distribution to such fund, and all distributions from the fund which are attributable to qualified charitable distributions shall be treated as ordinary income to the beneficiary.

“(iii) CHARITABLE GIFT ANNUITIES.—Qualified charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

“(F) DENIAL OF DEDUCTION.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

“(G) SPLIT-INTEREST ENTITY DEFINED.—For purposes of this paragraph, the term ‘split-interest entity’ means—

“(i) a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)) which must be funded exclusively by qualified charitable distributions,

“(ii) a pooled income fund (as defined in section 642(c)(5)), but only if the fund accounts separately for amounts attributable to qualified charitable distributions, and

“(iii) a charitable gift annuity (as defined in section 501(m)(5)).”.

(b) MODIFICATIONS RELATING TO INFORMATION RETURNS BY CERTAIN TRUSTS.—

(1) RETURNS.—Section 6034 (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

“SEC. 6034. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

“(a) TRUSTS DESCRIBED IN SECTION 4947(a)(2).—Every trust described in section 4947(a)(2) shall furnish such information with respect to the taxable year as the Secretary may by forms or regulations require.

“(b) TRUSTS CLAIMING A CHARITABLE DEDUCTION UNDER SECTION 642(c).—

“(1) IN GENERAL.—Every trust not required to file a return under subsection (a) but claiming a deduction under section 642(c) for the taxable year shall furnish such information with respect to such taxable year as the Secretary may by forms or regulations prescribe, including—

“(A) the amount of the deduction taken under section 642(c) within such year,

“(B) the amount paid out within such year which represents amounts for which deductions under section 642(c) have been taken in prior years,

“(C) the amount for which such deductions have been taken in prior years but which has not been paid out at the beginning of such year,

“(D) the amount paid out of principal in the current and prior years for the purposes described in section 642(c),

“(E) the total income of the trust within such year and the expenses attributable thereto, and

“(F) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

“(2) EXCEPTIONS.—Paragraph (1) shall not apply to a trust for any taxable year if—

“(A) all the net income for such year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries, or

“(B) the trust is described in section 4947(a)(1).”.

(2) INCREASE IN PENALTY RELATING TO FILING OF INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—Paragraph (2) of section 6652(c) (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

“(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6034(a), subparagraphs (A) and (B) of this paragraph shall not apply and paragraph (1) shall apply in the same manner as if such return were required under section 6033, except that—

“(i) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply,

“(ii) in the case of any trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting ‘$100’ for ‘$20’, and the second sentence thereof shall be applied by substituting ‘$50,000’ for ‘$10,000’, and

“(iii) the third sentence of paragraph (1)(A) shall be disregarded.

In addition to any penalty imposed on the trust pursuant to this subparagraph, if the person required to file such return knowingly fails to file the return, such penalty shall also be imposed on such person who shall be personally liable for such penalty.”.

(3) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 6104 (relating to inspection of annual information returns) is amended by adding at the end the following new sentence: “In the case of a trust which is required to file a return under section 6034(a), this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).”.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to distributions—

(A) described in section 408(d)(8)(B)(i)(I) of the Internal Revenue Code of 1986, as added by this section, made after the date of the enactment of this Act, and

(B) described in section 408(d)(8)(B)(i)(II) of such Code, as so added, made after December 31, 2003.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to returns for taxable years beginning after December 31, 2003.

SA 2924. Mr. DORGAN (for himself, Mr. COLEMAN, Ms. CANTWELL, Mrs. MURRAY, Mr. BINGAMAN, and Mr. NELSON of Nebraska) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end add the following:

SEC. ___. EXTENSION AND EXPANSION OF CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) EXPANSION OF QUALIFIED ENERGY RESOURCES.—Subsection (c) of section 45 (relating to electricity produced from certain renewable resources) is amended to read as follows:

“(c) QUALIFIED ENERGY RESOURCES.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified energy resources’ means—

“(A) wind,

“(B) closed-loop biomass,

“(C) open-loop biomass,

“(D) geothermal energy,

“(E) solar energy,

“(F) small irrigation power, and

“(G) municipal solid waste.

“(2) CLOSED-LOOP BIOMASS.—The term ‘closed-loop biomass’ means any organic material from a plant which is planted exclusively for purposes of being used at a qualified facility to produce electricity.

“(3) OPEN-LOOP BIOMASS.—

“(A) IN GENERAL.—The term ‘open-loop biomass’ means—

“(i) any agricultural livestock waste nutrients, or

“(ii) any solid, nonhazardous, cellulosic waste material which is segregated from other waste materials and which is derived from—

“(I) any of the following forest-related resources: mill and harvesting residues, precommercial thinnings, slash, and brush,

“(II) solid wood waste materials, including waste pallets, crates, dunnage, manufacturing and construction wood wastes (other than pressure-treated, chemically-treated, or painted wood wastes), and landscape or right-of-way tree trimmings, but not including municipal solid waste, gas derived from the biodegradation of solid waste, or paper which is commonly recycled, or

“(III) agriculture sources, including orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues.

Such term shall not include closed-loop biomass.

“(B) AGRICULTURAL LIVESTOCK WASTE NUTRIENTS.—

“(i) IN GENERAL.—The term ‘agricultural livestock waste nutrients’ means agricultural livestock manure and litter, including wood shavings, straw, rice hulls, and other bedding material for the disposition of manure.

“(ii) AGRICULTURAL LIVESTOCK.—The term ‘agricultural livestock’ includes bovine, swine, poultry, and sheep.

“(4) GEOTHERMAL ENERGY.—The term ‘geothermal energy’ means energy derived from a geothermal deposit (within the meaning of section 613(e)(2)).

“(5) SMALL IRRIGATION POWER.—The term ‘small irrigation power’ means power—

“(A) generated without any dam or impoundment of water through an irrigation system canal or ditch, and

“(B) the nameplate capacity rating of which is not less than 150 kilowatts but is less than 5 megawatts.

“(6) MUNICIPAL SOLID WASTE.—The term ‘municipal solid waste’ has the meaning given the term ‘solid waste’ under section 2(27) of the Solid Waste Disposal Act (42 U.S.C. 6903).”.

(b) EXTENSION AND EXPANSION OF QUALIFIED FACILITIES.—

(1) IN GENERAL.—Section 45 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

“(d) QUALIFIED FACILITIES.—For purposes of this section—

“(1) WIND FACILITY.—In the case of a facility using wind to produce electricity, the term ‘qualified facility’ means any facility owned by the taxpayer which is originally placed in service after December 31, 1993, and before January 1, 2007.

“(2) CLOSED-LOOP BIOMASS FACILITY.—

“(A) IN GENERAL.—In the case of a facility using closed-loop biomass to produce electricity, the term ‘qualified facility’ means any facility—

"(i) owned by the taxpayer which is originally placed in service after December 31, 1992, and before January 1, 2007, or

"(ii) owned by the taxpayer which before January 1, 2007, is originally placed in service and modified to use closed-loop biomass to co-fire with coal, with other biomass, or with both, but only if the modification is approved under the Biomass Power for Rural Development Programs or is part of a pilot project of the Commodity Credit Corporation as described in 65 Fed. Reg. 63052.

"(B) SPECIAL RULES.—In the case of a qualified facility described in subparagraph (A)(ii)—

"(i) the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than January 1, 2004,

"(ii) the amount of the credit determined under subsection (a) with respect to the facility shall be an amount equal to the amount determined without regard to this clause multiplied by the ratio of the thermal content of the closed-loop biomass used in such facility to the thermal content of all fuels used in such facility, and

"(iii) if the owner of such facility is not the producer of the electricity, the person eligible for the credit allowable under subsection (a) shall be the lessee or the operator of such facility.

"(3) OPEN-LOOP BIOMASS FACILITIES.—

"(A) IN GENERAL.—In the case of a facility using open-loop biomass to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which—

"(i) in the case of a facility using agricultural livestock waste nutrients—

"(I) is originally placed in service after December 31, 2003, and before January 1, 2007, and

"(II) the nameplate capacity rating of which is not less than 150 kilowatts, and

"(ii) in the case of any other facility, is originally placed in service before January 1, 2007.

"(B) CREDIT ELIGIBILITY.—In the case of any facility described in subparagraph (A), if the owner of such facility is not the producer of the electricity, the person eligible for the credit allowable under subsection (a) shall be the lessee or the operator of such facility.

"(4) GEOTHERMAL OR SOLAR ENERGY FACILITY.—In the case of a facility using geothermal or solar energy to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 2003, and before January 1, 2007. Such term shall not include any property described in section 48(a)(3) the basis of which is taken into account by the taxpayer for purposes of determining the energy credit under section 48.

"(5) SMALL IRRIGATION POWER FACILITY.—In the case of a facility using small irrigation power to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 2003, and before January 1, 2007.

"(6) LANDFILL GAS FACILITIES.—In the case of a facility producing electricity from gas derived from the biodegradation of municipal solid waste, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 2003, and before January 1, 2007.

"(7) TRASH COMBUSTION FACILITIES.—In the case of a facility which burns municipal solid waste to produce electricity, the term 'qualified facility' means any facility or unit owned by the taxpayer which is originally placed in service after December 31, 2003, and before January 1, 2007.".

(2) CONFORMING AMENDMENT.—Section 45(e) of such Code, as so redesignated, is amended by striking "subsection (c)(3)(A)" in paragraph (7)(A)(i) and inserting "subsection (d)(1)".

(c) SPECIAL CREDIT RATE AND PERIOD FOR ELECTRICITY PRODUCED AND SOLD AFTER ENACTMENT DATE.—Section 45(b) is amended by adding at the end the following new paragraph:

"(4) CREDIT RATE AND PERIOD FOR ELECTRICITY PRODUCED AND SOLD FROM CERTAIN FACILITIES.—

"(A) CREDIT RATE.—In the case of electricity produced and sold after the date of the enactment of this paragraph at any qualified facility described in paragraph (3), (5), (6), or (7) of subsection (d), the amount in effect under subsection (a)(1) for any calendar year beginning with the calendar year in which such date occurs (determined before the application of the last sentence of paragraph (2) of this subsection) shall be reduced by one-third.

"(B) CREDIT PERIOD.—

"(i) IN GENERAL.—Except as provided in clause (ii), in the case of any facility described in paragraph (3), (4), (5), (6), or (7) of subsection (d), the 5-year period beginning on the date the facility was originally placed in service shall be substituted for the 10-year period in subsection (a)(2)(A)(ii).

"(ii) CERTAIN OPEN-LOOP BIOMASS FACILITIES.—In the case of any facility described in subsection (d)(3)(A)(ii) placed in service before January 1, 2004, the 5-year period beginning on January 1, 2004, shall be substituted for the 10-year period in subsection (a)(2)(A)(ii).".

(d) COORDINATION WITH SECTION 48.—Section 48(a)(3) (relating to defining energy property) is amended by adding at the end the following new sentence: "Such term shall not include any property which is part of a facility the production from which is allowed as a credit under section 45 for the taxable year or any prior taxable year.".

(e) CREDIT ALLOWED AGAINST REGULAR AND MINIMUM TAX.—

(1) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) SPECIAL RULES FOR SECTION 45 CREDIT.—

"(A) IN GENERAL.—In the case of any section 45 credit—

"(i) this section and section 39 shall be applied separately with respect to such credit, and

"(ii) in applying paragraph (1) to such credit—

"(I) the tentative minimum tax shall be treated as being zero, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the section 45 credit).

"(B) SECTION 45 CREDIT.—For purposes of this subsection, the term 'section 45 credit' means the credit determined under section 45 to the extent that such credit is attributable to electricity produced—

"(i) at a facility which is originally placed in service after the date of the enactment of this paragraph, and

"(ii) during the 4-year period beginning on the date that such facility was originally placed in service.".

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (2)(A)(ii)(II) of section 38(c) of such Code is amended by striking "or" and inserting a comma and by inserting ", and the section 45 credit" after "employee credit".

(B) Paragraph (3)(A)(ii)(II) of section 38(c) of such Code is amended by inserting "and the section 45 credit" after "employee credit".

(f) ELIMINATION OF CERTAIN CREDIT REDUCTIONS.—Section 45(b)(3)(A) (relating to credit reduced for grants, tax-exempt bonds, subsidized energy financing, and other credits) is amended—

(1) by striking clause (ii),

(2) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii),

(3) by inserting "(other than proceeds of an issue of State or local government obligations the interest on which is exempt from tax under section 103, or any loan, debt, or other obligation incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), as in effect on the date of the enactment of the Energy Tax Incentives Act of 2003)" after "project" in clause (ii) (as so redesignated),

(4) by adding at the end the following new sentence: "This paragraph shall not apply with respect to any facility described in subsection (d)(2)(A)(ii).", and

(5) by striking "TAX-EXEMPT BONDS," in the heading and inserting "CERTAIN".

(g) TREATMENT OF PERSONS NOT ABLE TO USE ENTIRE CREDIT.—Section 45(e) (relating to definitions and special rules), as redesignated by subsection (b)(1), is amended by adding at the end the following new paragraph:

"(8) TREATMENT OF PERSONS NOT ABLE TO USE ENTIRE CREDIT.—

"(A) ALLOWANCE OF CREDIT.—

"(i) IN GENERAL.—Except as otherwise provided in this subsection—

"(I) any credit allowable under subsection (a) with respect to a qualified facility owned by a person described in clause (ii) may be transferred or used as provided in this paragraph, and

"(II) the determination as to whether the credit is allowable shall be made without regard to the tax-exempt status of the person.

"(ii) PERSONS DESCRIBED.—A person is described in this clause if the person is—

"(I) an organization described in section 501(c)(12)(C) and exempt from tax under section 501(a),

"(II) an organization described in section 1381(a)(2)(C),

"(III) a public utility (as defined in section 136(c)(2)(B)), which is exempt from income tax under this subtitle,

"(IV) any State or political subdivision thereof, the District of Columbia, any possession of the United States, or any agency or instrumentality of any of the foregoing, or

"(V) any Indian tribal government (within the meaning of section 7871) or any agency or instrumentality thereof.

"(B) TRANSFER OF CREDIT.—

"(i) IN GENERAL.—A person described in subparagraph (A)(ii) may transfer any credit to which subparagraph (A)(i) applies through an assignment to any other person not described in subparagraph (A)(ii). Such transfer may be revoked only with the consent of the Secretary.

"(ii) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to ensure that any credit described in clause (i) is assigned once and not reassigned by such other person.

"(iii) TRANSFER PROCEEDS TREATED AS ARISING FROM ESSENTIAL GOVERNMENT FUNCTION.—Any proceeds derived by a person described in subclause (III), (IV), or (V) of subparagraph (A)(ii) from the transfer of any credit under clause (i) shall be treated as arising from the exercise of an essential government function.

"(C) USE OF CREDIT AS AN OFFSET.—Notwithstanding any other provision of law, in the case of a person described in subclause (I), (II), or (V) of subparagraph (A)(ii), any credit to which subparagraph (A)(i) applies may be applied by such person, to the extent provided by the Secretary of Agriculture, as a prepayment of any loan, debt, or other obligation the entity has incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), as in effect on the date of the enactment of the Energy Tax Incentives Act.

"(D) CREDIT NOT INCOME.—Any transfer under subparagraph (B) or use under subparagraph (C) of any credit to which subparagraph (A)(i) applies shall not be treated as income for purposes of section 501(c)(12).

"(E) TREATMENT OF UNRELATED PERSONS.—For purposes of subsection (a)(2)(B), sales of electricity among and between persons described in subparagraph (A)(ii) shall be treated as sales between unrelated parties.".

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to electricity produced and sold after December 31, 2003, in taxable years ending after such date.

(2) CERTAIN BIOMASS FACILITIES.—With respect to any facility described in section 45(d)(3)(A)(ii) of the Internal Revenue Code of 1986, as added by subsection (b)(1), which is placed in service before January 1, 2004, the amendments made by this section shall apply to electricity produced and sold after December 31, 2003, in taxable years ending after such date.

(3) CREDIT RATE AND PERIOD FOR NEW FACILITIES.—The amendments made by subsection (c) shall apply to electricity produced and sold after the date of the enactment of this Act, in taxable years ending after such date.

(4) NONAPPLICATION OF AMENDMENTS TO PREEFFECTIVE DATE POULTRY WASTE FACILITIES.—The amendments made by this section shall not apply with respect to any poultry waste facility (within the meaning of section 45(c)(3)(C), as in effect on the day before the date of the enactment of this Act) placed in service before January 1, 2004.

(5) CREDIT ALLOWED AGAINST REGULAR AND MINIMUM TAX.—The amendments made by subsection (e) shall apply to taxable years ending after the date of the enactment of this Act.

(i) GAO STUDY.—The Comptroller General of the United States shall conduct a study on the market viability of producing electricity from resources with respect to which credit is allowed under section 45 of the Internal Revenue Code of 1986 but without such credit. In the case of open-loop biomass and municipal solid waste resources, the study should take into account savings associated with not having to dispose of such resources. In conducting such study, the Comptroller shall estimate the dollar value of the environmental impact of producing electricity from such resources relative to producing electricity from fossil fuels using the latest generation of technology. Not later than June 30, 2006, the Comptroller shall report on such study to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on March 23, 2004, at 9:30 a.m., in open session to receive testimony on the Atomic Energy Defense activities of the Department of Energy, in review of the Defense authorization request for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, March 23, 2004, at 10:00 a.m. to conduct a hearing on "Review of Current Investigations and Regulatory Actions Regarding the Mutual Fund Industry."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Tuesday, March 23, 2004, at 10 a.m., on Passenger and Freight Rail Safety.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet on Tuesday, March 23rd at 2:00 p.m. to conduct an oversight hearing to examine the "United Nations Convention on the Law of the Sea".

The meeting will be held in SD 406.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 23, 2004 at 9:30 a.m. to hold a hearing on U.S. & Mexico: Immigration Policy and the Bilateral Relationship.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Tuesday, March 23, 2004, at 2:30 p.m. for a joint hearing with the House Committee on Government Reform, titled "The Postal Service in Crisis: A Joint Senate-House Hearing on Principles for Meaningful Reform."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Tuesday, March 23, 2004, at 10 a.m. on "A Proposed Constitutional Amendment to Preserve Traditional Marriage" in the Russell Senate Office Building Room 325.

Panel I: The Honorable WAYNE ALLARD, U.S. Senator, R–CO, The Honorable BARNEY FRANK, U.S. Representative, D–MA, The Honorable JOHN LEWIS, U.S. Representative, D–GA.

Panel II: Ms. Phyllis G. Bossin, Phyllis G. Bossin Co., L.P.A., Chair, American Bar Association, Family Law Section, Cincinnati, OH, Professor Teresa Stanton Collett, Professor of Law, St. Thomas University School of Law, Minneapolis, MN, Reverent Richard Richardson, Assistant Pastor, St. Paul African Methodist Episcopal (AME) Church, Director of Political Affairs, The Black Ministerial Alliance of Greater Boston, President/CEO, Children's Services of Roxbury, Boston, MA, Professor Katherine S. Spaht, Jules F. and Frances L. Landry Professor, Paul M. Hebert Law Center, Louisiana State University, Baton Rouge, LA, Professor Cass R. Sunstein, Karl N. Llewellyn Distinguished Service Professor of Jurisprudence, University of Chicago Law School, Chicago, IL.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Tuesday, March 23, 2004, at 2:30 p.m. on "Counterfeiting and Theft of Tangible Intellectual Property: Challenges and Solutions" in the Dirksen Senate Office Building Room 226.

Panel I: The Honorable Jon W. Dudas, Acting Under Secretary of Commerce for Intellectual Property and Director of the Patent and Trademark Office, Washington, DC, The Honorable Christopher Wray, Assistant Attorney General, Criminal Division, United States Department of Justice, Washington, DC, Mr. James Mendenhall, Assistant United States Trade Representative for Intellectual Property, Office of the United States Trade Representative, Washington, DC, The Honorable Earl Anthony Wayne, Assistant Secretary of State for Economic and Business Affairs, United States Department of State, Washington, DC.

Panel II: Mr. Thomas J. Donohue, President and CEO, United States Chamber of Commerce, Mr. Richard K. Willard, Senior Vice President, Legal and General Counsel, The Gillette Company, Boston, MA, Mr. Brad Buckles, Executive Vice President for Anti-

Piracy, Recording Industry Association of America, Washington, DC, Ms. Vanessa Price, Intellectual Property Specialist, Burton Snowboards, Burlington, VT.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on March 23, 2004 at 2:30 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE ON AGING

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet Tuesday, March 23, 2004 from 10:30 a.m.–12:00 p.m. in Dirksen 628 for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Communications be authorized to Meet Tuesday, March 23, 2004, at 2:30 p.m., on Spyware.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Committee on Armed Services be authorized to meet during the session of the Senate on March 23, 2004, at 2:30 p.m., in open session to receive testimony on Department of Defense financial management in review of the defense authorization request for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent Emily Deimel of my staff be granted the privilege of the floor for the duration of today's session.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to the provisions of S. Con. Res. 94, 108th Congress, appoints the following Senators to the Joint Congressional Committee on Inaugural Ceremonies: the Senator from Tennessee, Mr. FRIST; the Senator from Mississippi, Mr. LOTT; and the Senator from Connecticut, Mr. DODD.

The Chair, on behalf of the majority leader, pursuant to Public Law 108–136, Title XV, Section 1501(b)(1)(C), appoints the following individual to serve on the Veteran's Disability Benefits Commission: Mr. Charles Joeckel of Washington, DC.

AUTHORIZING SENATE LEGAL REPRESENTATION

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 323, which was submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 323) to authorize legal representation in United States of America v. Elena Ruth Sassower.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, this resolution concerns representation by the Senate legal counsel of five Members and four of their employees who have been subpoenaed to provide testimony and documents in a criminal trial by a defendant charged with disrupting proceedings at a hearing of the Senate Committee on the Judiciary in May 2003. These subpoenas are not well taken. As the testimony and documents sought by these subpoenas are either irrelevant or cumulative of the testimony and evidence that will be offered at trial from other sources, evidence from these Senators and Senate employees is unnecessary. Moreover, under controlling precedent, the testimony and documents sought by the subpoenas are privileged under the Speech or Debate Clause of the Constitution.

This resolution would authorize the Senate legal counsel to represent the Senators and staff who have been subpoenaed by the defendant, as well as any other Members, officers, or employees who may be subpoenaed, in order to quash the subpoenas and protect the privileges of the Senate.

Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to this matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 323) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 323

Whereas, in the case of United States of America v. Elena Ruth Sassower, Crim. No. M-4113-3, pending in the Superior Court of the District of Columbia, the defendant has served subpoenas for testimony and documents upon Senators ORRIN HATCH, PATRICK LEAHY, SAXBY CHAMBLISS, HILLARY RODHAM CLINTON, and CHARLES SCHUMER, and on Senate employees Tamera Luzzatto, Chief of Staff to Senator Clinton, Leecia Eve, Counsel to Senator Clinton, Joshua Albert, Legislative Correspondent to Senator Clinton, and Michael Tobman, Director of Intergovernmental Affairs for Senator Schumer; and,

Whereas, pursuant to sections 703(a) and 288c(a)(2) of the Ethias in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent Members, officers, and employees of the Senate with respect to any subpoena, order, or request for testimony or documents relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is authorized to represent the above-listed Senators and Senate employees who are the subject of subpoenas and any other Member, officer, or employee who may be subpoenaed in this case.

ORDERS FOR WEDNESDAY, MARCH 24, 2004

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m., on Wednesday, March 24. I further ask that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business until 10:30 a.m., with the Democratic leader or his designee in control of the first half of the time and the majority leader or his designee in control of the remaining time; provided that at 10:30 a.m., the Senate resume consideration of S. 1637, the JOBS bill, and the time until 11:30 a.m. be equally divided between the two leaders or their designees; provided further that at 11:30 a.m. the Senate proceed to the cloture vote on the motion to recommit the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FRIST. Mr. President, tomorrow, following morning business, the Senate will resume consideration of the JOBS bill. That is S. 1637. At 11:30 in the morning, the Senate will vote on the motion to invoke cloture on the motion to recommit. This is the second week of floor consideration of the JOBS bill. It is my hope that cloture would be invoked and we could finish the bill this week. We have been prepared to consider amendments relating to the underlying bill, but, unfortunately, extraneous amendments have been offered. Chairman GRASSLEY has been prepared to work through the amendments that Members have mentioned and that are relevant to the issue.

Rollcall votes will occur during tomorrow's session. The first rollcall vote will occur at 11:30 a.m., and that vote will be on the motion to invoke cloture on the motion to recommit the bill.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:33 p.m., adjourned until Wednesday, March 24, 2004, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 23, 2004:

CONSUMER PRODUCT SAFETY COMMISSION

THOMAS HILL MOORE, OF FLORIDA, TO BE A COMMISSIONER OF THE CONSUMER PRODUCT SAFETY COMMISSION FOR A TERM OF SEVEN YEARS FROM OCTOBER 27, 2003. (REAPPOINTMENT)

DEPARTMENT OF STATE

JAMES FRANCIS MORIARTY, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF NEPAL.

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

CAPTAIN GERALD R. BEAMAN, 7819
CAPTAIN MARK S. BOENSEL, 9146
CAPTAIN JOHN H. BOWLING III, 9693
CAPTAIN MARK H. BUZBY, 9492
CAPTAIN DAN W. DAVENPORT, 4237
CAPTAIN WILLIAM E. GORTNEY, 9997
CAPTAIN MICHAEL R. GROOTHOUSEN, 1183
CAPTAIN VICTOR GUILLORY, 1980
CAPTAIN CECIL E. HANEY, 0815
CAPTAIN HARRY B. HARRIS JR., 2998
CAPTAIN JAMES M. HART, 6484
CAPTAIN RONALD H. HENDERSON JR., 8595
CAPTAIN JOSEPH D. KERNAN, 3385
CAPTAIN RAYMOND M. KLEIN, 5016
CAPTAIN CHARLES J. LEIDIG JR., 4367
CAPTAIN ARCHER M. MACY JR., 7023
CAPTAIN MICHAEL K. MAHON, 3439
CAPTAIN CHARLES W. MARTOGLIO, 2785
CAPTAIN WALTER M. SKINNER, 1667
CAPTAIN SCOTT R. VANBUSKIRK, 0831
CAPTAIN MICHAEL C. VITALE, 7437
CAPTAIN RICHARD B. WREN, 0911

WITHDRAWAL

Executive message transmitted by the President to the Senate on March 23, 2004, withdrawing from further Senate consideration the following nomination:

THOMAS HILL MOORE, OF FLORIDA, TO BE A COMMISSIONER OF THE CONSUMER PRODUCT SAFETY COMMISSION FOR A TERM OF SEVEN YEARS FROM OCTOBER 27, 2002, WHICH WAS SENT TO THE SENATE ON MARCH 11, 2004.

HOUSE OF REPRESENTATIVES—*Tuesday, March 23, 2004*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. KING of Iowa).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 23, 2004.

I hereby appoint the Honorable STEVE KING to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Texas (Mr. DELAY).

COMPETING VISIONS

Mr. DELAY. Mr. Speaker, this week the House will take up the budget resolution for fiscal year 2005. This is the document that will set the terms for much of the national debate in this very pivotal year. Issues as unrelated as tax cuts and homeland security, law enforcement and space exploration, and the deficit and the international democracy and diplomacy will all be affected by this budget.

Anyone who believes there are no real differences between the two parties should watch this week's debate, read the competing budget proposals, and see how stark these differences really are.

The Republican budget is built on the principles of strength, growth, and opportunity. To secure our Nation and win the war on terror, it increases defense spending by 7 percent; it provides for more than $33 billion in nonmilitary homeland security initiatives to fund America's first responders, law enforcement officers and the every day heroes who keep our communities safe.

The Republican budget will provide the framework by which Congress can help maintain the economic recovery. It will protect the economy from targeted snap-back tax increases on parents, married couples, and the working class. Our budget will anchor Federal spending by freezing all nonsecurity discretionary spending growth giving the economy breathing room to grow, create jobs, and cut the deficit.

Finally, Mr. Speaker, the budget will meet all our domestic needs, from health care and education to welfare reform and veterans benefits without leaving any priority behind. The Republican budget speaks clearly to the issues facing our Nation this year.

And to their credit, so does the Democrat's budget. Unfortunately, their budgets, while clear, are just wrong. In not one budget, but in three separate budgets, the minority party will propose job-killing tax increases, more spending, and bigger government as the solutions to our Nation's problems.

The differences between the parties' visions could not be more clear. Democrats trust government, and Republicans trust the American people. This week we will see which vision prevails in this debate and in the minds of the American people.

DEFENSE OF MARRIAGE ACT

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, it has been nearly 8 years since Congress overwhelmingly passed the Defense of Marriage Act in 1996. DOMA, as it is called, passed the Senate by a vote of 85–14 and the House by a vote of 342–67. I was honored to have cosponsored and vote for final passage of this bipartisan legislation which President Clinton signed into law.

We passed DOMA in response to a State court decision because we were concerned that activist judges in Hawaii would force 49 other States to accept gay marriages. We clarified the full faith and credit clause to mean that States do not need to recognize same-sex marriages performed and validated in other States.

At the time, DOMA was a reasonable response to a real problem. Nobody wanted a handful of judges overturning the will of the individual States and millions of American citizens. DOMA relied on the principle of federalism to defend States rights and to preserve the sanctity of marriage. It was a perfect match.

But several momentous events occurred in the next few years which have put DOMA in a difficult light. In 1997 and 2003, the U.S. Supreme Court overturned two duly enacted States' laws regarding homosexuals. In the Lawrence case, the Court even went so far as to overturn one of its previous decisions. More recently, the Supreme Court and other Federal courts have even blatantly disregarded the 2000 Dale decision which gave the Boy Scouts the right to exclude avowed homosexuals from positions of leadership.

In Vermont, the State Supreme Court ordered the State legislature to provide the benefits of marriage to gay couples. Finally, gay marriages have been legalized in several Canadian provinces. These decisions have given opponents of DOMA ammunition to challenge it in court.

But in order to challenge DOMA, plaintiffs need standing to sue. That was accomplished a month ago when the Massachusetts Supreme Judicial Court decision set the stage for a constitutional challenge. There is no doubt if couples start getting married in Massachusetts on May 17, as planned, they will move back to their home States where they will demand that their union be recognized and accepted.

When their States refuse to embrace this new arrangement under the Federal DOMA or one of 39 other "little DOMAs," then there will probably be a challenge to the State or Federal DOMA. It would not be difficult to imagine many Federal courts, including the Supreme Court, using legal precedents and their own personal belief to rule on DOMA's constitutionality.

Let me be clear. As we stand now, DOMA prevents same-sex marriages from being imposed on the individual States. Of course since no State enacted same-sex marriages, there has been no explicit challenge to DOMA. There was a Federal tax evasion case in 2002 in which the defendant claimed that he and his domestic partner were "economic partners" who should be afforded filing status equivalent to that of a married couple and argued that DOMA was unconstitutional. But since the defendant did not even try to have his same-sex union recognized as a marriage under State law, and since DOMA was not even in effect when the defendant was scamming the Federal Government, this argument was not even considered by the court. But as

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☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

they say on Wall Street, "Past performance is no guarantee of future results."

Lawsuits will continue to be filed, and State laws defining marriage as being between a man and woman will continue to be mocked and ignored by public officials, judges, and bureaucrats. Look at what has happened in San Francisco, New York City, Oregon, New Mexico and many other places over the last month or so. The blatant disregard for the rule of law is astonishing.

These events and rulings over the last few years have compelled many of my colleagues and I, and the administration, to seriously consider the proposed constitutional amendment to our Constitution defining marriage as being between a man and a woman. I have chosen to cosponsor this legislation. We passed DOMA. Thirty-nine States have enacted their own Defense of Marriage Act. The vast majority of Americans oppose gay marriage and do not want such an arrangement forced upon them. We have tried every legal and political avenue possible, but 8 years since DOMA was passed has shown us now that a constitutional amendment may be a better and another way to protect the sanctity of marriage.

LOOMING SOCIAL SECURITY CRISIS

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, a couple very important events are happening today that significantly impact our kids and our grandkids. One is the budget that we are passing. Although it is the best budget, the leanest budget, that we have passed since 1996, this budget still grows overall at about twice the rate of inflation.

If we project that out, to the future and government grows at twice the rate of inflation, eventually we are going to have a government that is much larger relative to our economy and GDP. The other event that has just happened today is the actuaries at the Social Security Administration have released their report on what is going to happen to Social Security. It is not good news in the actuarial report of Social Security. It confirms that Social Security is going broke; less money is coming in than is needed to pay benefits 12 years from now.

We continue in this body and across the Capitol in the Senate and the White House to increase our promises of what we are going to provide to people in the future; These are unfunded liabilities when it is not paid for. So our increased borrowing, how much our deficit spending is; how much we overspend in 1 year, how much we have to borrow in 1 year to accommodate that spending adds up to debt. The debt is a sum of all of the deficit spending. Our deficit is now over $7 trillion, and so we are going to have to vote again to increase the debt limit.

I brought this chart to show what has happened in the history of the United States when Social Security faces problems of less money coming in than is needed to pay benefits.

This is what has happened on the increase in taxes to accommodate the increased spending, and that is what I am suggesting today. If we do nothing, if we do not deal with this problem, if we do not look at the actuarial report of the huge burden of unfunded liabilities that are facing our kids and grandkids, then I think maybe, for lack of a better word, it is unconscionable.

Just for a moment, in 1940 the rate was 2 percent on the first $3,000. By 1960, we needed more money, so what did the government do, raise it to 6 percent. In 1980, it was raised to over 10 percent on the first $26,000; in 2000, 12 percent of the first $76,000; and now it is 12.4 percent of $87,900.

□ 1245

When government has needed a little more money, what we have done is increased taxes on working Americans. We have got to change from a program of fixed benefits over the next 60 years to a program of fixed contributions. Almost every other State has done that. To fix this around the edges simply puts off the problem to a future date and a future generation, which again I suggest is unfair.

For everybody that is interested, I suggest that you take the time, look at the Web site of the actuarial report from the Social Security Administration, and I will just say it, www.ssa.gov/OACT/TR. That report says that the severe long-term consequences are enormous without action.

I compliment President Bush for saying that we have got to move ahead on this, that we have got to have a bipartisan group come to grips and understand the enormity of this problem of Social Security. It is a program that has been developed, that now we have 80 percent of our population that are retired that depend on Social Security benefits for 90 percent or more of their total retirement income. It needs to be fixed.

It is not fair for this Chamber to demagogue the issue and simply go into this election year trying to scare seniors. If they listen to some other party of a proposed solution to Social Security that it is going to ruin their Social Security.

I guess what I am trying to say is, I ask every voter, Mr. Speaker, to go and ask the candidates for President, to ask every candidate for the United States Senate, to ask every candidate for the U.S. House of Representatives what proposal have you introduced, what proposal have you signed on to as a cosponsor that is going to make sure that we keep Social Security solvent.

RECESS

The SPEAKER pro tempore (Mr. KING of Iowa). Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 45 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. TERRY) at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God, we call upon Your holy name in prayer. To take time for prayer helps us focus on Your presence in our midst.

Prayer does not make You present, for You are the Almighty, the ever-present, far beyond us and our imagining. You hold everyone and everything in Your creative hand, redeeming every minute for the people of Your covenant and of Your communion.

By being mindful and presenting ourselves to You, we state our desire that You bless all in this assembly and in this Nation. We open our minds to the possibility of Your goodness manifested throughout the activities of this day. We open our hearts to receive the love, loyalty, virtue, and collaboration of one another.

In this way You strengthen, with lasting effect, all our labor and You fortify this union, both now and hopefully forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mrs. BIGGERT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mrs. BIGGERT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Michigan (Mr. KILDEE) come forward and lead the House in the Pledge of Allegiance.

Mr. KILDEE led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a concurrent resolution of the following title in which the concurrence of the House is requested:

> S. Con. Res. 97. Concurrent Resolution recognizing the 91st annual meeting of The Garden Club of America.

The message also announced that pursuant to Public Law 108–199, the Chair, on behalf of the Democratic Leader, appoints the following individuals to serve as members of the Helping to Enhance the Livelihood of People (HELP) Around the Globe Commission—

Leo J. Hindery, Jr. of New York; and
Gayle E. Smith of Washington, D.C.

The message also announced that pursuant to section 104(c)(1)(A) of Public Law 108–199, the Chair, on behalf of the Majority Leader, appoints the following individual to serve as a member of the Abraham Lincoln Study Abroad Fellowship Program:

Ms. Christine Vick of Washington, D.C.

YOU CANNOT HAVE IT BOTH WAYS

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, recently, a Democrat candidate for President was asked about his vote against the $87 billion that went to support our troops in Iraq and to build schools and hospitals for the Iraqi people. He said this: "I voted for it before I voted against it."

This rhetoric is so typical of many who want to have it both ways. They vote to give President Bush the authority to send American troops into Iraq, to oust one of the most brutal dictators in history and a supporter of terrorism around the world; but now they say we never should have gone to Iraq, that it was unjustified that the President acted unilaterally.

The fact is, on October 10, 2002, a bipartisan majority in this body voted to authorize the use of force in Iraq. And then, in October of last year, we voted to supply our troops on the front lines. Unfortunately, many of the same people who voted to send our men and women off to war then voted against them when the time came to give them the resources they needed to do their job and get home safe. You cannot have it both ways, Mr. Speaker.

HONORING LIEUTENANT COLONEL BOB ZANGAS

(Mr. MURPHY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MURPHY. Mr. Speaker, on behalf of a grateful Nation, we honor a man today who recently lost his life while serving our country.

Bob Zangas of Level Green, Pennsylvania, first went to Iraq as a Marine and later returned as a civilian to help rebuild that country. He described a land that "is in desperate need of everything," where he felt he "was pouring a cup of water out into a dry desert," but believing some day it would make flowers grow.

He lived on a hope that he made a difference, and he did. Americans and Iraqis alike mourn his passing, but celebrate his accomplishments. His wife, Brenda, described him as a true patriotic American, humanitarian, and Marine, and, foremost, a father and husband.

He closed one of his last letters with a challenge to "hang on to your dreams," and that is just what he did to the very end. It is a dream of compassion. It is a dream of freedom. And for that, the whole world is grateful.

Thank you, Lieutenant Colonel Bob Zangas. We shall hold on to our dreams.

STOP THE GAS TAX INCREASE

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, I rise today in opposition to recent proposals to raise the Federal gas tax. As the former chairman of the South Carolina State Senate Transportation Committee, I know that raising taxes on America's families is not the proper answer to building a better road system.

The gas tax is a regressive tax that affects low-income Americans disproportionately. The revered Heritage Foundation recently noted that analysis shows that increasing the gas tax would depress economic activity and the incomes of millions of Americans. It would also significantly raise less revenue than its proponents project.

Instead of raising the burden on overtaxed American families, we should better manage taxpayers' money. Millions of dollars are diverted every year on low-priority roadside enhancements that are not urgent safety matters. Also, we should repeal Davis-Bacon. As the Nonpartisan Americans For Tax Reform has noted, transportation costs would decrease by an estimated 8 to 30 percent if Congress would remove the Davis-Bacon prevailing wage requirement.

I ask all of my colleagues to oppose any attempt to raise the gas tax on American families.

In conclusion, may God bless our troops, and we will never forget September 11.

LESSON IN CONNECTING THE DOTS

(Mr. BURGESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURGESS. Mr. Speaker, yesterday as the basketball games concluded, I was not quick enough to the TV dial; and I was exposed to a 20-minute infomercial that was passed off as a news interview.

We are told a lot these days about connecting the dots, and I just want to help people connect the dots just a little bit.

Mr. Clarke, Mr. Dick Clarke, Richard Clarke was on the CBS news show "60 Minutes." CBS, as we learned during the Super Bowl last year after the halftime show, is owned by Viacom. The publisher of the Clarke book is owned by Simon and Schuster. Simon and Schuster, according to their Web site, is the publishing operation of Viacom, Incorporated, one of the world's premier media companies.

Mr. Speaker, Mr. Clarke closed his interview with a comment which actually should have been first. He said, all of us perhaps share some blame for 9–11, and I am partly to blame. Yes, Mr. Clarke, indeed you are, and those should have been the first words out of your mouth. While you are at it, how about Mogadishu? How about the first World Trade Center bombing? What about our servicemen at the Kobar Towers? What about the two embassy bombings in Iraq? And, Mr. Clarke, what about the *Cole?*

COUNCIL OF GREAT CITY SCHOOLS REPORT

(Mrs. BIGGERT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BIGGERT. Mr. Speaker, I rise today to highlight a report recently issued by the Council of Great City Schools that showed solid improvement in test scores among the most disadvantaged students. Fourth graders scored an impressive 4.9 points higher in reading and 6.8 points higher in math than in previous years. Eighth grade reading and math scores increased by 1.1 and 3 points respectively.

No Child Left Behind is working. Before the act, many of these disadvantaged children might have been allowed to slip through the cracks. Now schools are accountable; no one can slip behind.

These successes and others like it are due to massive increases in education funding and an additional $1 billion in title 1 money in fiscal year 2004, and we hope another $1 billion increase this year.

Congratulations to these students and their teachers who demonstrate that with the increased accountability and funding under No Child Left Behind, every child can succeed.

NEW MEDICARE BILL PROVIDES MORE OPTIONS FOR SENIORS

(Mrs. BLACKBURN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BLACKBURN. Mr. Speaker, yesterday I opened up Roll Call and among the first things to catch my attention was an article about the Democrats' message and their effort to get out the message on Medicare reform. I thought, well, better late than never. Perhaps they would now start talking about the plan this Congress and the President passed to help our seniors with their prescription drug costs for the first time ever. I thought that maybe the Democrats were finally ready to talk to our seniors about the inclusion of preventive care that starts with a free physical when the seniors enter Medicare. I thought that maybe Democrats would join us in talking about how we will, through the Medicare reform bill, begin working toward a 21st-century health care system for our seniors so that their prescription drug usage is better coordinated to prevent overusage and harmful interactions.

I should have known better.

Democrats continue to resist informing seniors about the new options available. This Medicare reform is law, and it will provide seniors with more options and more choices than ever. I hope my colleagues across the aisle will reconsider their tactics.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken after 6:30 p.m. today.

HYDROGRAPHIC SERVICES AMENDMENTS OF 2004

Mr. SAXTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 958) to authorize certain hydrographic services programs, to name a cove in Alaska in honor of the late Able Bodied Seaman Eric Steiner Koss, and for other purposes, as amended.

The Clerk read as follows:

H.R. 958

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hydrographic Services Amendments of 2004".

TITLE I—NOAA HYDROGRAPHIC SERVICES IMPROVEMENT

SEC. 101. REFERENCES.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Hydrographic Services Improvement Act of 1998 (33 U.S.C. 892 et seq.).

SEC. 102. FUNCTIONS OF ADMINISTRATOR.

(a) REGIONAL NAVIGATION RESPONSE TEAMS.—Section 303(a) (33 U.S.C. 892a(a)) is amended by striking paragraphs (7) and (8) and inserting the following:

"(7) establish, equip, and maintain up to 4 Regional Navigation Response teams in priority coastal areas identified by the Secretary, in consultation with the Commandant of the Coast Guard, to conduct activities related to navigational safety and the validation of hydrographic data;

"(8) to the greatest extent practicable and cost-effective, fulfill the requirements of paragraphs (1) and (7) through contracts or other agreements with private sector entities; and

"(9) participate in the development of, and implement for the United States in cooperation with other appropriate Federal agencies, international standards for hydrographic data and hydrographic services.".

(b) AUTHORITY TO ACCEPT VOLUNTEER SERVICES.—Section 303 (33 U.S.C. 892a) is amended by adding at the end the following:

"(d) AUTHORITY TO ACCEPT VOLUNTEER SERVICES.—

"(1) IN GENERAL.—To help fulfill the duties of the Administrator, including authorities under the Act of 1947 (33 U.S.C. 883a et seq.), this Act, or in response to a maritime emergency, the Administrator may—

"(A) establish a volunteer program; and

"(B) enter into special agreements with qualified organizations to assist in the implementation of a volunteer program.

"(2) LEGAL STATUS OF VOLUNTEERS.—

"(A) Paragraphs (1) through (5) of section 7(c) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f(c)) shall apply to volunteers who provide services to the Administrator under a volunteer program established under paragraph (1).

"(B) For purposes of subparagraph (A), any reference in section 7(c) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f(c)) to the Secretary of Interior or the Secretary of Commerce is deemed to refer to the Administrator.

"(3) QUALIFIED ORGANIZATION.—In this subsection, the term 'qualified organization' means a nongovernmental, not-for-profit organization, determined by the Administrator to have demonstrated expertise in boating safety and a commitment to improving the quality of hydrographic services and related oceanographic and meteorological information that is made available to mariners.

"(e) PARTICIPATION IN JOINT INSTITUTE.—The Secretary may participate in a joint institute that develops new hydrographic technology and conducts academic, educational, and outreach activities that assist the Administrator in fulfilling the functions of the Administrator under this section.".

SEC. 103. KOSS COVE.

(a) IN GENERAL.—Notwithstanding any other provision of law or existing policy, the cove described in subsection (b) shall be known and designated as "Koss Cove", in honor of the late Able Bodied Seaman Eric Steiner Koss of the National Oceanic and Atmospheric Administration vessel RAINIER who died in the performance of a nautical charting mission off the Alaskan coast.

(b) COVE DESCRIBED.—The cove referred to in subsection (a) is—

(1) adjacent to and southeast of Point Elrington, Alaska, and forms a portion of the southern coast of Elrington Island;

(2) ¾ mile across the mouth;

(3) centered at 59 degrees 56.1 minutes North, 148 degrees 14 minutes West; and

(4) 45 miles of Seward, Alaska.

(c) REFERENCES.—Any reference in any law, regulation, document, record, map, or other paper of the United States to the cove described in subsection (b) is deemed to be a reference to Koss Cove.

SEC. 104. DEPICTION OF SAME SHORELINES ON CHARTS AND MAPPING PRODUCTS.

Not later than 6 months after the date of enactment of the Act, the Secretary of Commerce and the Secretary of the Interior, in consultation with the Federal Emergency Management Agency, shall provide to the Committee on Resources of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a plan to depict the same shorelines on National Oceanic and Atmospheric Administration nautical charts and United States Geological Survey mapping products.

SEC. 105. AMENDMENTS TO THE HYDROGRAPHIC SERVICES PANEL.

Section 305 of the Hydrographic Services Improvement Act of 1998 (33 U.S.C. 892c) is amended—

(1) in subsection (a), by striking "Secretary" and inserting "Secretary of Commerce"; and

(2) in subsection (c)(3), subsection (d), and subsection (e), by striking "Secretary" each place it appears and inserting "Administrator".

SEC. 106. GREAT LAKES WATER LEVEL MEASUREMENTS.

Section 306(5) of the Hydrographic Services Improvement Act of 1998 (33 U.S.C. 892d(5)) is amended—

(1) by redesignating subparagraphs (A) through (E) as clauses (i) through (v), respectively;

(2) by striking "(5)" and inserting "(5)(A)"; and

(3) by adding at the end the following new subparagraph:

"(B) Of the amounts authorized under subparagraph (A), $2,000,000 in each fiscal year is authorized for the Great Lakes Water Level Observation Network.".

TITLE II—FISHERY SURVEY VESSELS

SEC. 201. FISHERY SURVEY VESSELS.

Section 302(c) of the Fisheries Survey Vessel Authorization Act of 2000 (33 U.S.C. 891b note) is amended by striking "$60,000,000 for each of fiscal years 2002 and 2003" and inserting "$51,000,000 for fiscal year 2005 and $39,000,000 for fiscal year 2006.

SEC. 202. ACQUISITION OF HYDROGRAPHIC SURVEY VESSEL.

No later than 6 months after the date of the enactment of this Act, the Secretary of Commerce shall submit to the Committee on Resources of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate—

(1) a detailed requirements package and cost estimate for the construction and equipping of a hydrographic survey vessel that is capable of—

(A) staying at sea continuously for at least 30 days;

(B) carrying at least 4 hydrographic survey launches;

(C) conducting hydrographic surveys; and

(D) conducting other work necessary to provide mariners with the accurate and timely data needed to conduct safe and efficient maritime commerce;

(2) an explanation of what vessel or vessels would be retired if a vessel described in paragraph (1) were to become operational; and

(3) a comparison of the 10-year estimated costs of operation and maintenance of a new vessel described in paragraph (1) versus such costs for a vessel or vessels proposed for retirement under paragraph (2).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SAXTON) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SAXTON).

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 958.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Secretary of Commerce, through the National Oceanic and Atmospheric Association, is responsible for the United States navigation services programs. These include the collection of hydrographic data, the production and distribution of nautical charts, the maintenance of geodetic reference systems, and the measurement and prediction of tides and currents.

In the 1990s, years of budget cuts and a revolution in technology left NOAA decades behind in meeting its mission goals and made it unable to provide the up-to-date products needed to assure safe and efficient marine transportation. In response to this problem, Congress enacted the Hydrographic Services Act of 1998. Coupled with increased appropriations, the 1998 act has reduced the nautical charting backlog for areas critical to navigation and modernized NOAA hydrographic, geodetic, and tide and current measurement programs.

To build on that reauthorization, H.R. 958 creates four regional navigation response teams which will conduct activities related to navigational safety and the validation of hydrographic data. The bill allows the Secretary of Commerce to accept volunteer services and create a volunteer program.

□ 1415

Section 103 of the bill names a cove in Alaska for a sailor who drowned while on a nautical charting mission. The bill requires the Secretary to provide Congress with a plan to depict shorelines consistently on NOAA and the United States Geographical Survey maps. It makes technical modifications to the Hydrographic Services Panel. It also clarifies that $2 million of the funds authorized each fiscal year are for the Great Lakes Water Level Observation Network.

Finally, Title II of the bill reauthorizes the Fishery Survey Vessel Authorization Act of 2000 for 2 years and authorizes the Secretary to provide Congress with a plan detailing requirements for the cost for the construction and equipping of the hydrographic survey vessel.

H.R. 958 will continue the progress we have made to get our coastline surveys up to date and to make our ports and waterways safer. This is a noncontroversial bill and I urge all Members to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the programs of the National Oceanic and Atmospheric Administration, especially NOAA's hydrographic survey, current and tide measurements, and nautical charts are extremely important to ensure safe marine commerce and navigation.

H.R. 958 is noncontroversial legislation that would make helpful amendments to the Hydrographic Services Improvement Act to clarify authority and address recognized gaps in operations.

I am pleased that this legislation would authorize emergency response survey teams to go in and resurvey coastal areas after catastrophic storms which will enhance safe navigation for both commercial mariners and recreational boaters. I am also very much appreciative that this legislation includes my amendment adopted by the Subcommittee on Fisheries Conservation, Wildlife and Oceans to authorize specific annual funding for water level observations important to my State of Michigan.

Great Lakes water level measurements constitute one of the longest, high-quality hydrological data sets in North America. Reference gauge records begin as far back as 1860 and some sporadic records date back to the early 1800s.

We will learn from these observations that the water levels of the Great Lakes can and do fluctuate greatly from year to year. These fluctuations can have dramatic negative consequences for shipping, port and marine operations, and lakeshore erosion throughout the Great Lakes Basin.

My amendment will ensure that adequate funding is allocated by NOAA to carry out those important observations in the future.

In closing, NOAA's navigation and hydrographic services are vital to the economic and environmental well-being of our Nation, and I urge all Members to support this noncontroversial bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAXTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from New Jersey (Mr. SAXTON) that the House suspend the rules and pass the bill, H.R. 958, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SAXTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

NATIONAL WILDLIFE REFUGE VOLUNTEER ACT OF 2003

Mr. SAXTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2408) to amend the Fish and Wildlife Act of 1956 to reauthorize volunteer programs and community partnerships for national wildlife refuges, as amended.

The Clerk read as follows:

H.R. 2408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Wildlife Refuge Volunteer Act of 2003".

SEC. 2. REAUTHORIZATION OF VOLUNTEER PROGRAMS AND COMMUNITY PARTNERSHIPS UNDER FISH AND WILDLIFE ACT OF 1956.

Section 7(f) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f(f)) is amended to read as follows:

"(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of the Interior to carry out subsections

(b), (c), (d), and (e) $2,000,000 for each of fiscal years 2004 through 2009.".

SEC. 3. AUTHORIZATION OF PROJECTS UNDER NATIONAL WILDLIFE REFUGE SYSTEM VOLUNTEER AND COMMUNITY PARTNERSHIP ENHANCEMENT ACT OF 1998.

Section 4(a) of the National Wildlife Refuge System Volunteer and Community Partnership Enhancement Act of 1998 (16 U.S.C. 742f note) is amended—

(1) in the heading by striking "PILOT";

(2) by striking "pilot project" each place it appears and inserting "project";

(3) in paragraph (1) by striking ", but not more than 20 pilot projects nationwide";

(4) in paragraph (3)—

(A) by striking "pilot projects" and inserting "projects"; and

(B) by striking "after the date of the enactment of this Act" and inserting "after the date of the enactment of the National Wildlife Refuge Volunteer Act of 2003, and every 3 years thereafter"; and

(5) in paragraph (4) by striking "each of fiscal years 1999 through 2002" and inserting "for each fiscal year through fiscal year 2009".

SEC. 4. CLARIFICATION OF COOPERATIVE AGREEMENT AUTHORITY.

Section 7(d)(2) (A) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f(d)(2)(A)) is amended to read as follows:

"(A) IN GENERAL.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary of the Interior may negotiate and enter into a cooperative agreement with a partner organization, academic institution, State or local government agency, or other person to implement one or more projects or programs for a refuge or complex of geographically related refuges in accordance with the purposes of this subsection and in compliance with the policies of other relevant authorities, regulations, and policy guidance.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SAXTON) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SAXTON).

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2408.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I introduced the bill, H.R. 2408, to reauthorize the National Wildlife Refuge System Volunteer and Community Partnership Act, which I authored in 1998.

There is no question that volunteers play an invaluable role in the successful operation of hundreds of National Wildlife Refuges throughout the United States. Since 1982, the number of refuge volunteers has grown from about 4,200 individuals to over 39,000 people. In the past year alone, volunteers have contributed over 1.4 million man-hours of their own time to the refuge system. From operating a backhoe, assisting in the banding of birds or providing education to the public, to many other functions, volunteers can do it all.

At the hearing of the Subcommittee on Fisheries Conservation, Wildlife and Oceans held in June of this year, significant support for the volunteer program was very evident. A number of suggestions were made to improve the existing 1998 landmark law, and at the subcommittee markup these suggestions were incorporated into the bill. Included in these changes is the authority of the Secretary of the Interior to enter into cooperative agreements outside the Federal Grant and Cooperative Agreements Act of 1977 with academic institutions, State and local agencies, and partner organizations, like the "Friends" groups that exist at many refuges. The Cooperative Agreement Act has been a hindrance to the Secretary in entering into these agreements. H.R. 2408 would clarify that Congress intended to give the Secretary the same flexibility that the Secretary has to enter into these agreements under the North American Wetlands Conservation Act.

I urge all Members to support the Refuge Volunteer Program by voting yes on this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as noted by the previous speaker, H.R. 2408 is noncontroversial legislation that would reauthorize the existing authority that promotes volunteer programs and community partnerships across our National Wildlife Refuge System.

Volunteers provide truly indispensable hours of service to augment the yeoman labor of our Federal resource managers, rangers, and biologists stretched thin by the day-to-day demands of managing 98 million acres of fish and wildlife habitat. Congress should do all that it can to encourage the expansion of volunteer opportunities at our National Wildlife Refuges.

I commend the act's author and the bill's sponsor, my good friend, the gentleman from New Jersey (Mr. SAXTON), for his continued steadfast leadership in promoting our refuges as places for both people to enjoy and wildlife to have a proper habitat.

I also congratulate the chairman of the Subcommittee on Fisheries Conservation, Wildlife and Oceans, the gentleman from Maryland (Mr. GILCHREST), and the ranking Democratic member of that subcommittee, the gentleman from New Jersey (Mr. PALLONE), for developing mutually acceptable language to clarify the authority for the Fish and Wildlife Service to enter into cooperative agreements in support of volunteer activities.

This clarification should not only help spur the creation of new partnerships, but also enhance private sources of support for our refuges.

This is good legislation, Mr. Speaker, and I urge all Members to support the bill.

Mr. KIND. Mr. Speaker, I rise in enthusiastic support of H.R. 2408, "The National Wildlife Refuge Volunteer Act."

Since the first refuge was established in my home state in 1912, the Wisconsin refuge system has become an integral part of life for our citizens. Our five wildlife refuges and two wetlands management districts attract nearly 2 million visitors each year. They provide critical habitat for our state's world-renowned wildlife resources, as well as opportunities for recreation and groundbreaking research.

Thankfully, the U.S. Fish and Wildlife Service has help in meeting President Teddy Roosevelt's commitment of protecting our country's diverse wildlife heritage for future generations. Volunteers like my constituent John Wetzel, and the "Friends of the Upper Mississippi River Refuges," work constantly to improve our local refuges and serve as advocates at the national level.

John Wetzel is only one of over 45,000 individuals across the country who provide support for our refuge system. These "Friends of the Refuge" do whatever is needed—whether it is raising funds, guiding tours, battling invasive species or restoring wetlands. As noted anthropologist, Margaret Mead, once said, "Never doubt that a small thoughtful group of concerned citizens can change the world. Indeed, it is the only thing that ever has."

I am proud to support the National Fish and Wildlife Service in its vital mission, and I'm pleased this legislation will provide these dedicated activists the tools and information necessary to help them in their efforts on behalf of us all.

Mr. KILDEE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAXTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SAXTON) that the House suspend the rules and pass the bill, H.R. 2408, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SAXTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

COWLITZ INDIAN TRIBE DISTRIBUTION OF JUDGMENT FUNDS ACT

Mr. SAXTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2489) to provide for the distribution of judgment funds to the Cowlitz Indian Tribe, as amended.

The Clerk read as follows:

H.R. 2489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COWLITZ INDIAN TRIBE DISTRIBUTION OF JUDGMENT FUNDS ACT.

This Act shall be known as the "Cowlitz Indian Tribe Distribution of Judgment Funds Act".

SEC. 2. DEFINITIONS.

For the purpose of this Act—

(1) The term "current judgment fund" means the funds awarded by the Indian Claims Commission Docket No. 218 and all interest accrued thereon as of the date of the enactment of this Act.

(2) The term "initial interest" means the interest on the funds awarded by the Indian Claims Commission Docket No. 218 during the time period from one year before the date of the enactment of this Act through the date of the enactment of this Act.

(3) The term "principal" means the funds awarded by the Indian Claims Commission Docket No. 218 and all interest accrued thereon as of one year before the date of the enactment of this Act.

(4) The term "Secretary" means the Secretary of the Interior.

(5) The term "tribe" means the Cowlitz Indian Tribe of Washington, which was extended Federal acknowledgment by the United States Department of the Interior on December 31, 2001, pursuant to part 83 of title 25, Code of Federal Regulations.

(6) The term "tribal member" means an individual who is an enrolled member of the Cowlitz Indian Tribe pursuant to tribal enrollment procedures and requirements.

(7) The term "tribe's governing body" means the Cowlitz Tribal Council, which is the tribe's governing body under the tribe's Constitution.

(8) The term "tribal elder" means any tribal member who was 62 years of age or older as of February 14, 2000.

SEC. 3. JUDGMENT DISTRIBUTION PLAN.

Notwithstanding the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401, et seq.), or any plan prepared or promulgated by the Secretary pursuant to that Act, the judgment funds awarded in Indian Claims Commission Docket No. 218 and interest accrued thereon as of the date of the enactment of this Act shall be distributed and used in accordance with this Act.

SEC. 4. DISTRIBUTION AND USE OF FUNDS.

(a) Principal Preserved After Elderly Assistance and Tribal Administration Payments.—(1) Except as provided in subsection (b), the principal shall not be distributed under this Act. Only the interest earned on the undistributed principal may be used to fund such programs. There will be no distribution of any funds other than as specified in this Act.

(2) The Secretary shall—

(A) maintain undistributed current judgment funds in an interest-bearing account in trust for the tribe; and

(B) disburse principal or interest in accordance with this Act not later than 30 days after receipt by the Northwest Regional Director, Bureau of Indian Affairs, of a request by the tribe's governing body for such disbursement of funds.

(b) Elderly Assistance Program.—(1) From the current judgment fund, the Secretary shall set aside 20 percent for an elderly assistance payment. The Secretary shall provide one elderly assistance payment to each enrolled tribal elder not later than 30 days after all of the following have occurred:

(A) The tribe's governing body has compiled and reviewed for accuracy a list of all enrolled tribal members that are both a minimum of one-sixteenth Cowlitz blood and 62 years of age or older as of February 14, 2000.

(B) The Secretary has verified the blood quantum and age of the tribal members identified on the list prepared pursuant to subparagraph (A).

(C) The tribe's governing body has made a request for disbursement of judgment funds for the elderly assistance payment.

(2) If a tribal elder eligible for an elderly assistance payment dies before receiving payment under this subsection, the money which would have been paid to that individual shall be added to and distributed in accordance with the emergency assistance program under subsection (c).

(3) The Secretary shall pay all costs of distribution under this subsection out of the amount set aside under paragraph (1).

(c) Emergency Assistance Program.—From the principal, the Secretary shall set aside 10 percent for the Emergency Assistance Program. Beginning the second year after the date of the enactment of this Act, interest earned on such sum shall be distributed annually in a lump sum to the tribe's governing body and will be used to provide emergency assistance for tribal members. 10 percent of the initial interest shall be available upon the date of the enactment of this Act to fund the program for the first year after the date of the enactment of this Act.

(d) Education, Vocational, and Cultural Training Program.—From the principal, the Secretary shall set aside 10 percent for an Education, Vocational and Cultural Training Program. Beginning the second year after the date of the enactment of this Act, interest earned on such sum shall be distributed annually in a lump sum to the tribe's governing body and will be used to provide scholarships to tribal members pursuing educational advancement, including cultural and vocational training. 10 percent of the initial interest shall be available upon the date of the enactment of this Act to fund the program for the first year after the date of the enactment of this Act.

(e) Housing Assistance Program.—From the principal, the Secretary shall set aside 5 percent for the Housing Assistance Program. Beginning the second year after the date of the enactment of this Act, interest earned on such sum shall be disbursed annually in a lump sum to the tribe's governing body and may be added to any existing tribal housing improvements programs to supplement them or it may be used in a separate Housing Assistance Program to be established by the tribe's governing body. 5 percent of the initial interest shall be available upon the date of the enactment of this Act to fund the program for the first year after the date of the enactment of this Act.

(f) Economic Development, Tribal, and Cultural Centers.—From the principal, the Secretary shall set aside 21.5 percent for economic development and, if other funding is not available or not adequate (as determined by the tribe), for the construction and maintenance of tribal and cultural centers. Beginning the second year after the date of the enactment of this Act, interest earned on such sum shall be disbursed annually in a lump sum to the tribe's governing body and shall be used for the following, with 21.5 percent of the initial interest available upon the date of the enactment of this Act to fund the program for the first year after the date of the enactment of this Act:

(1) Property acquisition for business or other activities which are likely to benefit the tribe economically or provide employment for tribal members.

(2) Business development for the tribe, including collateralization of loans for the purchase or operation of businesses, matching funds for economic development grants, joint venture partnerships, and other similar ventures, which are likely to produce profits for the tribe. All business loans shall pay principal and interest back to the Economic Development program for reinvestments and business profits shall go to the tribe's general fund for uses to be determined by the tribe's governing body.

(3) Design, construction, maintenance, and operation of tribal and cultural centers.

(g) Natural Resources.—From the principal, the Secretary shall set aside 7.5 percent for natural resources. Beginning the second year after the date of the enactment of this Act, interest earned on such sum shall be disbursed annually in a lump sum to the tribe's governing body and may be added to any existing tribal natural resource program to enhance the tribe's use and enjoyment of existing and renewable natural resources within the tribe's lands. 7.5 percent of the initial interest shall be available upon the date of the enactment of this Act to fund the program for the first year after the date of the enactment of this Act.

(h) Cultural Resources.—From the principal, the Secretary shall set aside 4 percent for cultural resources. Beginning the second year after the date of the enactment of this Act, interest earned on such sum shall be distributed annually in a lump sum to the tribe's governing body and shall be used to maintain artifacts, collect documents, archive, and identify cultural sites of tribal significance. 4 percent of the initial interest shall be available upon the date of the enactment of this Act to fund the program for the first year after the date of the enactment of this Act.

(i) Health.—From the principal, the Secretary shall set aside 21 percent for health. Beginning the second year after the date of the enactment of this Act, interest earned on such sum shall be disbursed annually in a lump sum to the tribe's governing body and shall be used for the health needs of the tribe. 21 percent of the initial interest shall be available upon the date of the enactment of this Act to fund the program for the first year after the date of the enactment of this Act.

(j) Tribal Administration Program.—From the principal, the Secretary shall set aside 21 percent for tribal administration. 21 percent of the initial interest and such of the principal sum set aside for this program as required to fund the first year of this program at $150,000, the sum of $150,000 shall be immediately disbursed to the tribe for the purposes of funding tribal administration for the first year after the date of the enactment of this Act. Beginning the second year after the date of the enactment of this Act, interest earned on the remaining principal set aside under this subsection shall be disbursed annually in a lump sum to the tribe's governing body for operating costs of the tribe's governing body, including travel, telephone, cultural, and other expenses incurred in the conduct of the tribe's affairs, and legal fees as approved by the tribe's governing body.

(k) General Conditions.—The following conditions will apply to the management and use of all funds available under this Act by the tribe's governing body:

(1) No amount greater than 10 percent of the interest earned on the principal designated for any program under this Act may be used for the administrative costs of any of that program, except those programs operated pursuant to subsections (i) and (j).

(2) No service area is implied or imposed under any program under this Act. If the costs of administering any program under this Act for the benefit of tribal members living outside the tribe's Indian Health Service area are greater than 10 percent of the interest earned on the principal designated for that program, the tribe's governing body may authorize the expenditure of such funds for that program.

(3) Before any expenditures, the tribe's governing body must approve all programs and shall publish in a publication of general circulation regulations which provide standards and priorities for programs established in this Act.

(4) Section 7 of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1407) shall apply to funds available under this Act.

(5) Any tribal member who feels he or she has been unfairly denied the right to take part in any program under this Act may appeal to the tribal secretary. The tribal secretary shall bring the appeal to the tribe's governing body for resolution. The resolution shall be made in a timely manner and the tribal secretary at that time shall respond to the tribal member.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SAXTON) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SAXTON).

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2489.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, our colleague, the gentleman from the State of Washington (Mr. BAIRD), has introduced legislation to assist a tribe in his district that will finally receive funds they are owed by the Federal Government.

His legislation, H.R. 2489, will provide for the distribution of judgment funds awarded to the Cowlitz Indian Tribe. The Cowlitz Indian Tribe has lands in western Washington and the over 1,000 enrolled members are commonly divided into two groups, the Upper Cowlitz and the Lower Cowlitz.

In 1973, the Indian Claims Commission ruled in favor of the tribe, stating that their aboriginal title of the lands had been taken from them and they deserved compensation for the loss of those lands. H.R. 2489 provides for the distribution of the Commission's judgment.

The legislation is also particularly crafted so that the tribe will use the judgment funds in a manner that follows the Indian Tribal Judgment Funds Use or Distribution Act. Uses of the moneys will include programs administered by the Cowlitz Indian Tribe, bringing assistance to tribal elders and educating younger tribal members in the areas of culture and cultural significance.

Specifically, H.R. 2489 distributes moneys from the judgment fund into areas that plague many tribes and are of concern to the Cowlitz tribe as well. To address these issues, the tribe will be using the funding wisely; for example, they will disburse sums annually for tribal housing improvements and for other purposes.

Recognizing tribal health care needs, the Cowlitz Indian Tribe plans to set aside over 20 percent of the principal funding for various health care needs. This will allow the Tribe's Fir Complex in Longview, Washington, to provide more comprehensive health care to the tribal members.

Again, it is important to emphasize that the Cowlitz Indian Tribe will finally be able to use the moneys they are owed in a manner which best fits their needs and continues their sovereignty as well as their positive working relationship with the Federal Government.

The House can now move this legislation forward and help to strengthen the close relationship the Federal Government has with this tribe. Having been federally recognized in 2000, they can use this funding to more easily help their tribe to grow and become increasingly self-sufficient, while retaining their culture.

This legislation represents another step toward tribal government advancement through the many hours of work put in by the Bureau of Indian Affairs, the Indian Claims Commission and, of course, the Cowlitz Indian Tribe itself. The amendment in the nature of a substitute was supported at the committee level, and I appreciate the bipartisan work of the committee in acting quickly on this legislation.

Finally, I would also like to point out that H.R. 2489, as amended, was passed by the Committee on Resources by a voice vote on October 29, 2003. I hope we can now act in the same bipartisan fashion. I urge adoption of the bill.

Let me commend the gentleman from Washington (Mr. BAIRD) for his fine work in bringing this bill forward to us.

Mr. Speaker, I reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in support of H.R. 2489, legislation that authorizes the distribution plan for the Cowlitz Indian Tribe's judgment funds.

The Cowlitz's compensation will be used to address a variety of tribal priorities, which include a housing assistance program, cultural centers, an elderly assistance program, and both educational and vocational training.

Held in trust by the Bureau of Indian Affairs since 1973, this award furthers the tribe's goal of self-determination, economic development, cultural preservation, and protection of natural resources.

Mr. Speaker, I congratulate the bill's sponsor, the gentleman from Washington (Mr. BAIRD) for his diligence and hard work. I also want to recognize the chairman of the Committee on Resources, the gentleman from California (Mr. POMBO) and the ranking member, the gentleman from West Virginia (Mr. RAHALL) for their efforts in bringing this legislation to the floor. This legislation is noncontroversial, and I urge all of my colleagues to support H.R. 2489.

□ 1430

Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Speaker, I thank my good friends and distinguished colleagues. I would like to begin by acknowledging the gentleman from West Virginia (Mr. RAHALL) for his good work, as well as my friend and colleague, the gentleman from Michigan (Mr. KILDEE) for their support of this. The gentleman from California (Mr. POMBO) was also extremely supportive, and I appreciate the gentleman from New Jersey's (Mr. SAXTON) work and kind remarks in this regard.

In addition, I would like to acknowledge Marie Howard of the Committee on Resources and the staff of the BIA for their diligent work on this project.

This legislation, as has been mentioned, distributes moneys which were awarded to the tribe in 1973 by the Indian Claims Commission. The ICC awarded the tribe $1.5 million for ancestral lands forcibly confiscated by the Federal Government.

The tribe initially refused the funds as insufficient, and the $1.5 million award was sent to BIA to remain in an interest-bearing account until the tribe requested its release. In a wonderful example of the power of compound interest, one which would no doubt make Ben Franklin proud, the original $1.5 million is now worth $13 million.

In January of 2002, the tribe was formally recognized, but it has scarce funding with which to manage tribal programs. Accordingly, the tribe unanimously determined to seek the release of its ICC award, to fund tribal programs to care for the elderly, expand health care services, provide housing assistance, cover educational expenses and create economic development opportunities.

The legislation before us today requires the vast majority of the ICC fund to remain permanently in an account collecting interest, and only allows the interest collected from the award, from this date forward, to fund tribal programs. This ensures these funds will be available for future generations of Cowlitz people.

The tribe is free to spend the interest accrued on this award as they wish, consistent with the legislation. However, to the extent to which tribal programs will impact local communities, I strongly encourage the tribe to work with local officials. The ICC allocated this money to the Cowlitz, and they will ultimately decide how to spend it; but those decisions will inevitably impact nontribal members as well. As a consequence, I strongly encourage the tribe to work with local officials and community members to ensure that this money is used to the greatest extent possible to the benefit of all concerned.

Finally, I would say that in seeking this money for the Cowlitz, my goal is to ensure they receive the funds to which they have been entitled. However, the passage of this legislation is not intended in any way to influence BIA's evaluation of the tribe's pending land trust decision.

Again, I thank the chairman and ranking member. I thank my colleagues.

Mr. KILDEE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAXTON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from New Jersey (Mr. SAXTON) that the House suspend the rules and pass the bill, H.R. 2489, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SAXTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ORGAN DONATION AND RECOVERY IMPROVEMENT ACT

Mr. ROGERS of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3926) to amend the Public Health Service Act to promote organ donation, and for other purposes.

The Clerk read as follows:

H.R. 3926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Organ Donation and Recovery Improvement Act”.

SEC. 2. SENSE OF CONGRESS.

(a) PUBLIC AWARENESS OF NEED FOR ORGAN DONATION.—It is the sense of Congress that the Federal Government should carry out programs to educate the public with respect to organ donation, including the need to provide for an adequate rate of such donations.

(b) FAMILY DISCUSSIONS OF ORGAN DONATIONS.—Congress recognizes the importance of families pledging to each other to share their lives as organ and tissue donors and acknowledges the importance of discussing organ and tissue donation as a family.

(c) LIVING DONATIONS OF ORGANS.—Congress—

(1) recognizes the generous contribution made by each living individual who has donated an organ to save a life; and

(2) acknowledges the advances in medical technology that have enabled organ transplantation with organs donated by living individuals to become a viable treatment option for an increasing number of patients.

SEC. 3. REIMBURSEMENT OF TRAVEL AND SUBSISTENCE EXPENSES INCURRED TOWARD LIVING ORGAN DONATION.

Section 377 of the Public Health Service Act (42 U.S.C. 274f) is amended to read as follows:

“SEC. 377. REIMBURSEMENT OF TRAVEL AND SUBSISTENCE EXPENSES INCURRED TOWARD LIVING ORGAN DONATION.

“(a) IN GENERAL.—The Secretary may award grants to States, transplant centers, qualified organ procurement organizations under section 371, or other public or private entities for the purpose of—

“(1) providing for the reimbursement of travel and subsistence expenses incurred by individuals toward making living donations of their organs (in this section referred to as ‘donating individuals’); and

“(2) providing for the reimbursement of such incidental nonmedical expenses that are so incurred as the Secretary determines by regulation to be appropriate.

“(b) PREFERENCE.—The Secretary shall, in carrying out subsection (a), give preference to those individuals that the Secretary determines are more likely to be otherwise unable to meet such expenses.

“(c) CERTAIN CIRCUMSTANCES.—The Secretary may, in carrying out subsection (a), consider—

“(1) the term ‘donating individuals’ as including individuals who in good faith incur qualifying expenses toward the intended donation of an organ but with respect to whom, for such reasons as the Secretary determines to be appropriate, no donation of the organ occurs; and

“(2) the term ‘qualifying expenses’ as including the expenses of having relatives or other individuals, not to exceed 2, accompany or assist the donating individual for purposes of subsection (a) (subject to making payment for only those types of expenses that are paid for a donating individual).

“(d) RELATIONSHIP TO PAYMENTS UNDER OTHER PROGRAMS.—An award may be made under subsection (a) only if the applicant involved agrees that the award will not be expended to pay the qualifying expenses of a donating individual to the extent that payment has been made, or can reasonably be expected to be made, with respect to such expenses—

“(1) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program;

“(2) by an entity that provides health services on a prepaid basis; or

“(3) by the recipient of the organ.

“(e) DEFINITIONS.—For purposes of this section:

“(1) The term ‘donating individuals’ has the meaning indicated for such term in subsection (a)(1), subject to subsection (c)(1).

“(2) The term ‘qualifying expenses’ means the expenses authorized for purposes of subsection (a), subject to subsection (c)(2).

“(f) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated $5,000,000 for each of the fiscal years 2005 through 2009.”.

SEC. 4. PUBLIC AWARENESS; STUDIES AND DEMONSTRATIONS.

Part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.) is amended by inserting after section 377 the following:

“SEC. 377A. PUBLIC AWARENESS; STUDIES AND DEMONSTRATIONS.

“(a) ORGAN DONATION PUBLIC AWARENESS PROGRAM.—The Secretary shall, directly or through grants or contracts, establish a public education program in cooperation with existing national public awareness campaigns to increase awareness about organ donation and the need to provide for an adequate rate of such donations.

“(b) STUDIES AND DEMONSTRATIONS.—The Secretary may make peer-reviewed grants to, or enter into peer-reviewed contracts with, public and nonprofit private entities for the purpose of carrying out studies and demonstration projects to increase organ donation and recovery rates, including living donation.

“(c) GRANTS TO STATES.—

“(1) IN GENERAL.—The Secretary may make grants to States for the purpose of assisting States in carrying out organ donor awareness, public education, and outreach activities and programs designed to increase the number of organ donors within the State, including living donors.

“(2) ELIGIBILITY.—To be eligible to receive a grant under this subsection, a State shall—

“(A) submit an application to the Department in the form prescribed;

“(B) establish yearly benchmarks for improvement in organ donation rates in the State; and

“(C) report to the Secretary on an annual basis a description and assessment of the State's use of funds received under this subsection, accompanied by an assessment of initiatives for potential replication in other States.

“(3) USE OF FUNDS.—Funds received under this subsection may be used by the State, or in partnership with other public agencies or private sector institutions, for education and awareness efforts, information dissemination, activities pertaining to the State donor registry, and other innovative donation specific initiatives, including living donation.

“(d) EDUCATIONAL ACTIVITIES.—The Secretary, in coordination with the Organ Procurement and Transplantation Network and other appropriate organizations, shall support the development and dissemination of educational materials to inform health care professionals and other appropriate professionals in issues surrounding organ, tissue, and eye donation including evidence-based proven methods to approach patients and their families, cultural sensitivities, and other relevant issues.

“(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $15,000,000 for fiscal year 2005, and such sums as may be necessary for each of the fiscal years 2006 through 2009. Such authorization of appropriations is in addition to any other authorizations of appropriations that are available for such purpose.

“SEC. 377B. GRANTS REGARDING HOSPITAL ORGAN DONATION COORDINATORS.

“(a) AUTHORITY.—

“(1) IN GENERAL.—The Secretary may award grants to qualified organ procurement organizations and hospitals under section 371 to establish programs coordinating organ donation activities of eligible hospitals and qualified organ procurement organizations under section 371. Such activities shall be coordinated to increase the rate of organ donations for such hospitals.

“(2) ELIGIBLE HOSPITAL.—For purposes of this section, the term ‘eligible hospital’ means a hospital that performs significant trauma care, or a hospital or consortium of hospitals that serves a population base of not fewer than 200,000 individuals.

"(b) ADMINISTRATION OF COORDINATION PROGRAM.—A condition for the receipt of a grant under subsection (a) is that the applicant involved agree that the program under such subsection will be carried out jointly—

"(1) by representatives from the eligible hospital and the qualified organ procurement organization with respect to which the grant is made; and

"(2) by such other entities as the representatives referred to in paragraph (1) may designate.

"(c) REQUIREMENTS.—Each entity receiving a grant under subsection (a) shall—

"(1) establish joint organ procurement organization and hospital designated leadership responsibility and accountability for the project;

"(2) develop mutually agreed upon overall project performance goals and outcome measures, including interim outcome targets; and

"(3) collaboratively design and implement an appropriate data collection process to provide ongoing feedback to hospital and organ procurement organization leadership on project progress and results.

"(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to interfere with regulations in force on the date of enactment of the Organ Donation and Recovery Improvement Act.

"(e) EVALUATIONS.—Within 3 years after the award of grants under this section, the Secretary shall ensure an evaluation of programs carried out pursuant to subsection (a) in order to determine the extent to which the programs have increased the rate of organ donation for the eligible hospitals involved.

"(f) MATCHING REQUIREMENT.—The Secretary may not award a grant to a qualifying organ donation entity under this section unless such entity agrees that, with respect to costs to be incurred by the entity in carrying out activities for which the grant was awarded, the entity shall contribute (directly or through donations from public or private entities) non-Federal contributions in cash or in kind, in an amount equal to not less than 30 percent of the amount of the grant awarded to such entity.

"(g) FUNDING.—For the purpose of carrying out this section, there are authorized to be appropriated $3,000,000 for fiscal year 2005, and such sums as may be necessary for each of fiscal years 2006 through 2009.".

SEC. 5. STUDIES RELATING TO ORGAN DONATION AND THE RECOVERY, PRESERVATION, AND TRANSPORTATION OF ORGANS.

Part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.) is amended by inserting after section 377B, as added by section 4, the following:

"SEC. 377C. STUDIES RELATING TO ORGAN DONATION AND THE RECOVERY, PRESERVATION, AND TRANSPORTATION OF ORGANS.

"(a) DEVELOPMENT OF SUPPORTIVE INFORMATION.—The Secretary, acting through the Director of the Agency for Healthcare Research and Quality, shall develop scientific evidence in support of efforts to increase organ donation and improve the recovery, preservation, and transportation of organs.

"(b) ACTIVITIES.—In carrying out subsection (a), the Secretary shall—

"(1) conduct or support evaluation research to determine whether interventions, technologies, or other activities improve the effectiveness, efficiency, or quality of existing organ donation practice;

"(2) undertake or support periodic reviews of the scientific literature to assist efforts of professional societies to ensure that the clinical practice guidelines that they develop reflect the latest scientific findings;

"(3) ensure that scientific evidence of the research and other activities undertaken under this section is readily accessible by the organ procurement workforce; and

"(4) work in coordination with the appropriate professional societies as well as the Organ Procurement and Transplantation Network and other organ procurement and transplantation organizations to develop evidence and promote the adoption of such proven practices.

"(c) RESEARCH AND DISSEMINATION.—The Secretary, acting through the Director of the Agency for Healthcare Research and Quality, as appropriate, shall provide support for research and dissemination of findings, to—

"(1) develop a uniform clinical vocabulary for organ recovery;

"(2) apply information technology and telecommunications to support the clinical operations of organ procurement organizations;

"(3) enhance the skill levels of the organ procurement workforce in undertaking quality improvement activities; and

"(4) assess specific organ recovery, preservation, and transportation technologies.

"(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $2,000,000 for fiscal year 2005, and such sums as may be necessary for each of fiscal years 2006 through 2009.".

SEC. 6. REPORT RELATING TO ORGAN DONATION AND THE RECOVERY, PRESERVATION, AND TRANSPORTATION OF ORGANS.

Part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.) is amended by inserting after section 377C, as added by section 5, the following:

"SEC. 377D. REPORT RELATING TO ORGAN DONATION AND THE RECOVERY, PRESERVATION, AND TRANSPORTATION OF ORGANS.

"(a) IN GENERAL.—Not later than December 31, 2005, and every 2 years thereafter, the Secretary shall report to the appropriate committees of Congress on the activities of the Department carried out pursuant to this part, including an evaluation describing the extent to which the activities have affected the rate of organ donation and recovery.

"(b) REQUIREMENTS.—To the extent practicable, each report submitted under subsection (a) shall—

"(1) evaluate the effectiveness of activities, identify effective activities, and disseminate such findings with respect to organ donation and recovery;

"(2) assess organ donation and recovery activities that are recently completed, ongoing, or planned; and

"(3) evaluate progress on the implementation of the plan required under subsection (c)(5).

"(c) INITIAL REPORT REQUIREMENTS.—The initial report under subsection (a) shall include the following:

"(1) An evaluation of the organ donation practices of organ procurement organizations, States, other countries, and other appropriate organizations including an examination across all populations, including those with low organ donation rates, of—

"(A) existing barriers to organ donation; and

"(B) the most effective donation and recovery practices.

"(2) An evaluation of living donation practices and procedures. Such evaluation shall include an assessment of issues relating to informed consent and the health risks associated with living donation (including possible reduction of long-term effects).

"(3) An evaluation of—

"(A) federally supported or conducted organ donation efforts and policies, as well as federally supported or conducted basic, clinical, and health services research (including research on preservation techniques and organ rejection and compatibility); and

"(B) the coordination of such efforts across relevant agencies within the Department and throughout the Federal Government.

"(4) An evaluation of the costs and benefits of State donor registries, including the status of existing State donor registries, the effect of State donor registries on organ donation rates, issues relating to consent, and recommendations regarding improving the effectiveness of State donor registries in increasing overall organ donation rates.

"(5) A plan to improve federally supported or conducted organ donation and recovery activities, including, when appropriate, the establishment of baselines and benchmarks to measure overall outcomes of these programs. Such plan shall provide for the ongoing coordination of federally supported or conducted organ donation and research activities.".

SEC. 7. NATIONAL LIVING DONOR MECHANISMS.

Part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.) is amended by inserting after section 371 the following:

"SEC. 371A. NATIONAL LIVING DONOR MECHANISMS.

"The Secretary may establish and maintain mechanisms to evaluate the long-term effects associated with living organ donations by individuals who have served as living donors.".

SEC. 8. STUDY.

Not later than December 31, 2004, the Secretary of Health and Human Services, in consultation with appropriate entities, including advocacy groups representing those populations that are likely to be disproportionately affected by proposals to increase cadaveric donation, shall submit to the appropriate committees of Congress a report that evaluates the ethical implications of such proposals.

SEC. 9. QUALIFIED ORGAN PROCUREMENT ORGANIZATIONS.

Section 371(a) of the Public Health Service Act (42 U.S.C. 273(a)) is amended by striking paragraph (3).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. ROGERS) and the gentleman from New York (Mr. TOWNS) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. ROGERS).

GENERAL LEAVE

Mr. ROGERS of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 3926.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ROGERS of Michigan. Mr. Speaker, I yield myself such time as I may consume.

I rise today in strong support of H.R. 3926, the Organ Donation and Recovery

Improvement Act. This legislation, introduced by the Subcommittee on Health chairman, the gentleman from Florida (Mr. BILIRAKIS), and I pause here for a moment, Mr. Speaker, to commend the gentleman from Florida's (Mr. BILIRAKIS) effort on this particular bill. He is such a distinguished Member of our body, respected by both sides of the aisle, and his compassion for those in need is unparalleled, and I would hope that we could note for the record his great effort in this particular cause.

This bill reflects a great bipartisan effort and one that passed the Senate late last year. I hope that all of my colleagues will join me in supporting this important legislation.

As most of us know, there is a great unmet need for donated organs and tissue right here in the United States. According to the United Network of Organ Sharing, there are 84,138 people who currently are waiting for transplant, while only 12,133 individuals had donated their organs between January and November of 2003; 23,387 individuals did receive a transplant within that same time frame, but close to 6,000 individuals died while waiting on the list.

H.R. 3926 responds to this public health crisis by effectively targeting our limited Federal resources towards areas we think will do the most good. This legislation authorizes the Secretary of Health and Human Services to award grants for the purposes of covering travel and subsistence expenses incurred by living organ donors. Hopefully, this assistance will help ensure that no potential living organ donor is prevented from donating simply because they cannot afford the associated travel costs.

Additionally, H.R. 3926 includes a new grant program that will help to replace organ donation coordinators in hospitals and organ procurement organizations in an effort to increase donation rates. Finally, the bill provides the Secretary with $15 million in new resources to help State governments and public and nonprofit private entities develop innovative new initiatives designed to increase organ donation rates, including living donation.

Mr. Speaker, H.R. 3926 enjoys strong support within the transplant community and will help us in our efforts to ensure that every American has access to a donated organ or tissue when they need it.

Mr. Speaker, I urge my colleagues to support this piece of legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. TOWNS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 3926, the Organ Donation and Recovery Improvement Act. I would like to commend the work of my colleagues on both sides of the aisle for working in a bipartisan manner to craft this important legislation and for working to encourage more efficient and widespread organ donation activities.

Each day in America, nearly 70 people receive an organ transplant, and while this number is amazing, there are other numbers that are far more troubling. At day's end, 18 people on an organ transplant waiting list will have died because not enough organs are available. Nearly 85,000 men, women and children are currently awaiting life-saving transplants, and every 13 minutes another name is added to the national transplant waiting list.

According to the Institute of Medicine, which is part of the National Academy of Sciences, report Organ Procurement and Transplantation, many factors have been found to affect the organ donation rates, including the attitudes of the donor's family, the policies and practices of hospital staff and organ procurement organizations, and the manner in which individuals are approached about a donation.

Sadly, while most Americans indicate that they support an organ donation, only about 50 percent of the families who are asked to donate a loved one's organs agree to do so. Equally perplexing is the interplay between cultural attitudes and race/ethnicity and how this affects rates of organ donation among racial/ethnic minority groups.

The IOM reports that the perception of fairness and effectiveness in distribution of donated organs is as important as other factors in affecting donation rates beneficially. Members of racial/ethnic minorities comprise approximately 25 percent of the population, yet represent close to 50 percent of patients on organ transplant waiting lists. More than half of those who die while patiently waiting for their gift of life are people of color.

The Organ Donation and Recovery Improvement Act establishes grants to States that will be used to assist in carrying out organ donation awareness, public education and outreach activities, and programs designed to increase the number of organ donors within a State.

Finally, Mr. Speaker, the bill directs the Agency for Health Care Research and Quality to conduct studies to ensure that efforts to increase organ donation and improve the recovery, preservation and transportation of donated organs are not done in vain.

I urge my colleagues to support H.R. 3926, and I am proud to stand here and to say that this is something that we should do and we should do it right away.

Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, this really is a bright day for the U.S. House of Representatives because today, with the passage of this bill, we will expedite the abilities of Americans to give the gift of life. It is not every day that we do something in the House of Representatives that can allow people to live, allow people that are now on waiting lists, waiting this morning to get an e-mail to come in and get their liver transplant or their heart transplant, that we are going to pass a bill today that will allow people to make a decision to actually give the gift of life; and I think that is a pretty good thing to be pleased about in the U.S. House of Representatives.

The part I would like to talk about just briefly about this bill is a portion of a bill that Floyd Spence, our great Republican colleague from South Carolina, who I introduced a portion of this bill with back in 2000. Floyd, when we introduced this bill, was the longest living double heart/lung transplant in America, and I hope that this will shine on his memory with the passage of this bill today. Because what this bill will do will create an organ donor coordinator position in hospitals.

It will be largely federally funded, and where we have put organ coordinators in hospitals, we have found we actually doubled the rate of donation decisions made by families, because it allows families the confidence and the knowledge and the coordination with doctors and nursing staff to make this decision.

So this bill, we believe, is going to significantly increase a number of people who get that great call in the morning saying, come on down for your new liver and a new lease on life with 10, 20, 30, 40, 50 new years of life that people are going to have in this country because this bill is going to pass.

Just to put a personal face on this if I can, and let me tell my colleagues why I feel so passionately about this. I want to introduce my colleagues to a friend of mine, Chris Klug. This was taken about 2 years ago when we started working on this bill. Scott, in the year 2000, had a problem where he lost his liver function, and Scott did not have a lot of time to live when he got a new liver transplant.

Just to show my colleagues how successful these organ transplants can be, Scott, just 2 years later after getting a new liver, went on to get a Bronze Medal in the slalom snow-boarding Olympic championship in 2002. That is a pretty amazing thing that this gift of life not only gives a gift of life, but it gives a gift of the tremendous life that Scott is now engaged in. We can see him on these snow-boarding competitions on occasion.

The second person I want to tell my colleagues a little story about is, yesterday morning I was at the University of Washington Medical School in Seattle, Washington, and I was talking to Dr. Robert Carithers and Dr. Connie Davis, who had been involved in one of the premier transplant centers in the United States. They introduced me to a general named Henry Durnil.

Henry is a fellow who works making sure that our navy ships are in good shape at the naval port in Everett, Washington, and some time ago, Henry's liver started to fail him. He got a call Saturday saying, come on in, get your new liver, and I got to meet Henry who was lying in bed. I have got to tell my colleagues if my colleagues saw the smile on Henry Durnil's face and we heard him talking about the miracle of getting a new lease on life, my colleagues will both vote for this bill and they will be happy to spread the gospel of helping others to make the donation decision, because Henry told me that he felt this was truly a miracle. He thanked his nurse, Susan Moore, and the whole transplant team at the University of Washington.

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I am happy we are going to pass this bill so there will be more people with Henry's story to tell.

I want to make a special plea to those who are considering this bill, and may be candidates to be organ donors. There are 80,000-plus people who are in the position of Scott Bennett, whom I also met yesterday at the Washington University Medical School. Scott Bennett has climbed Mount Ranier a few times. He has a heart ailment and has been on a waiting list for a heart for over 4 years.

I would also like to mention Jack Slater, who is a teacher for Seattle public schools who has been writing a diary in the Seattle newspapers about his experience.

Mr. Speaker, we have over 80,000 people like Scott and Jack on a waiting list. This is a step we are going to take today to get the Jacks and the Scotts of the world in a position like the Chris Klugs of the world back doing healthy active lives.

To let Members know how active they can be, we are trying to get the Organ Donation Transplant Athletic Games in Seattle in 2006.

I want to make a couple of points in general that are important in this issue of donation.

Number one, it is very important for people to realize that all of us are both prospective donors and recipients. I can tell Members how we are all prospective recipients, because a year after I started working on this bill, my son developed a congenital eye condition and ended up getting his sight restored due to a cornea transplant. So all of us can be recipients.

But most importantly, we can all be donors. It does not matter how old you are, your race, where you live; all of us can give the gift of life.

There is a fellow named Jamie Moyer, who is an All-Star pitcher for the Seattle Mariners. He is going to be the starting pitcher this year, and he has been an advocate for organ donation issues. Not all of us can pitch like Jamie Moyer, but all of us can be donors to give the gift of life; and I hope people will think about that in their own personal lives.

Secondly, if someone wants to be a donor, it is very important to talk to your family because your family is essentially involved in the decision at that particular moment, and it is very important to let your family know about your wishes because your family needs to convey your wishes to the hospital at the right time. I hope people will talk to their families about this issue and we can make sure that we help more folks on the road back to recovery.

I thank the gentleman from Florida (Chairman BILIRAKIS), who has shown great leadership on this issue. This is a great bipartisan effort, and the wonderful story that we can tell as we go home to our constituents this weekend is to say that we can give the gift of life. It is a good day for the House of Representatives and America.

Mr. TOWNS. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman from Washington (Mr. INSLEE) for his moving statement about how important this is. I think he really summed it up. I also thank the gentleman from Florida (Mr. BILIRAKIS), the gentleman from Ohio (Mr. BROWN), the gentleman from California (Mr. WAXMAN), the gentleman from North Carolina (Mr. BURR), the gentleman from New Jersey (Mr. PALLONE), and of course the gentleman from Michigan (Mr. DINGELL), and many, many other Members who made this a reality. And I would like to thank the staff that also worked on this bill, because this is life-saving legislation. I think when it comes to saving lives, I think we should try to move as quickly as possible. I hope we can move this bill through the House and it becomes law, and we can make certain that we save lives of people.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of the Organ Donation and Recovery Improvement Act. This bill will potentially save hundreds of thousands of lives over the next decade, by helping increase enrollment in organ donation programs, and making it easier for vital organs to get to the people who so desperately need them.

According to Department of Health and Human Services data, 68 people receive life-saving organ transplantation every day. This is truly a miracle of modern science, turning tragedy into hope for a suffering individual. I commend our health professionals and scientists for their excellent work in making this happen. However, the true heroes are the millions of Americans who take the time to educate themselves on organ donation, and sign up to give the gift of life, in the case they lose their own lives. Checking the organ donor box on one's driver's license is a small but noble gesture that I hope every American makes.

The problem is that not everyone does. Everyday 18 people die while on the waiting list for an organ donation—more than 6500 per year. Before they dies, they often spend years suffering with failing organs, and tens or even hundreds of thousands of dollars in hospital bills, or on dialysis. It is tragic that in a country with top-quality surgeons, with state-of-the-art facilities, that so many people on the waiting list and their families must continue to suffer.

H.R. 3926 will take some smart steps to mitigate the problem. First the bill will provide travel and housing expenses for people who choose to donate their organs while living, such as a kidney, or bone marrow. This is a heroic sacrifice, and deserves our endorsement. Often hours are matched with recipients far from home. Of course, health insurance pays for the medical procedures involved with the transplantation, but the donor is often forced to pay for their own travel costs. That could keep some people from deciding to give. This bill will reimburse non-medical travel and lodging costs to make donation more likely.

The bill will also provide grants for efforts to raise public awareness of the need for the organ donors, and to increase enrollment. If we can get a burst of enrollments, and shorten the organ waiting list, we could get rid of this tragic problem once and for all.

The bill also makes important investments to help our hospitals and organ procurement agencies better able to handle organs and get them to the people who need them. Finally, the bill will require the Secretary of Health and Human Services to produce a report every two years, describing our progress in improving our organ donation record—where we are succeeding and where we need further work.

H.R. 3296 will authorize $25 million dollars per year for those life-saving programs. It is an excellent investment that will ultimately save millions of dollars in care for people on the organ waiting list, and prevent years of suffering, or even death.

I support this bill and urge my colleagues to do the same.

Mr. UPTON. Mr. Speaker, I rise in support of H.R. 3926, the Organ Donation and Recovery Improvement Act, of which I am a cosponsor. Let me just mention several numbers, that for me, say it all about why we need incentives to increase organ donations across the nation. In Michigan, as of the first of this month, 2544 individuals are on the waiting list for an organ donation. Since the first of the year, 108 individuals received a donated organ and, sadly, 19 people have already died because there was no organ available to save them. These are our constituents, our families, our friends. I know the Transplant Society of Michigan, our state's organ procurement organization, is working hard to increase donations. But they could use a helping hand, as could OPOs across the nation. The Organ Donation and Recovery Improvement Act we will vote on today is a very good start.

The key to donation is public education and awareness. This legislation gives the Secretary of Health and Human Services the ability to award grants to States for the purpose of assisting States in carrying out organ donor awareness, public education and outreach activities designed to increase the number of organ donors. While there is a desperate need for vital human organs, the American public should know that there is also a continuing need for donated human eyes and tissue. Donation is the term used to describe the humanitarian act of giving to help another. Anatomical gifts include vital, life-saving human organs, sight restoring eyes, and repair and reconstruction human tissue such as bone, cartilage, tendons, skin, and heart valves.

At national, state, and local levels, a partnership exists between the organ, eye and tissue bank communities. While all three communities are considered separate, given differences in medical criteria, training needs and distribution pathways, they are united in their message to encourage the act of donation. Organ donation saves lives, eye donation restores sight, and tissue donation provides skin grafts for critically injured burn patients and benefits thousands of patients in need of bone, cartilage, tendons, and heart valves. Without a donor, transplant surgeons cannot save or improve the health of even one individual.

The intent of H.R. 3926 is primarily to address the shortage of solid human organs. It must be noted, however, that the eye and tissue banking communities are also partners in donation and that their participation and contribution in the donation process is critical to the continued health and well being of many Americans who have either been injured or are suffering from a disease. It is my understanding that it was our intent in crafting H.R. 3926 that specialists in the eye and tissue fields, as well as the organ field, should be consulted and included in the development and dissemination of educational materials on donation. It is my further understanding that it is our intent in this legislation that eye banks and tissue banks be participants in the development of hospital-based donations and protocols that have an impact on eye and tissue banking—as is currently the case under the Medicare and Medicaid programs.

Every individual can sign-up to be a donor, regardless of health or medical condition. It is imperative, however, that individuals openly discuss their decision to donate with family and friends so that they may help honor their loved one's wishes and are knowledgeable about their options. Just one individual can save and improve as many as 50 lives. Representatives of hospitals, organ banks, eye banks, and tissue banks work hand in hand to see that loved ones' wishes are respected and that gifts are properly handled for the benefit of others. I commend these organizations for working tirelessly toward this end and for their efforts to educate the public on the benefits of donation.

In closing, I fully encourage all Americans to consider the altruistic act of donation and to make others aware of your decision.

Mr. HOLT. Mr. Speaker, I rise today to support the Organ Donation and Recovery Improvement Act.

The need for human organs for donation has long been a silent crisis, one that rarely hits the headlines but can have a tremendous impact on thousands of patients and their families. Medical advances and the generosity of organ and tissue donors enable more than 22,000 Americans per year to receive organ transplants that save or enhance their lives. But despite the self-sacrifice and charity of so many donors, more than 84,000 Americans are currently on a waiting list, hoping to prolong their lives by finding a matching donor.

Tragically, the number of patients waiting for organ transplants rose more than five times as fast as the number of transplant operations in the 1990s, according to an annual report by the United Network for Organ Sharing (UNOS). As a result, about 5,500 people die in the United States each year (or 15 patients each day) while waiting for a donated heart, liver, kidney, or other organ. Every 16 minutes, a new name is added to this growing waiting list.

These numbers are indeed concerning, and they should merit greater attention. Each number represents a person—a human being with a family, friends, and a future, and I have met with several of them who live in central New Jersey. We need to do everything we can to ensure that they get access to the organs that could very well save their lives.

As one who carries an organ donor card and has discussed organ donation with his family, I urge all of my colleagues to consider taking similar steps. This action can mean the difference between life and death for someone in need of an organ transplant.

I am glad to see that the House is considering the Organ Donation and Recovery Improvement Act, which would help improve access to organs by implementing a public awareness campaign, reimbursing expenses for organ donors, and authorizing grants to help hospitals coordinate their efforts with organ procurement organizations.

While this legislation deserves our wholehearted support, it is also important to remember that the need for sustained investments in biomedical research and development at the NIH and in the basic science research, at agencies like the NSF, that creates the knowledge base needed to move ahead with medical research. Investing in R&D is about more than just giving jobs to scientists—it's about saving lives and improving the quality of life for countless Americans.

I urge my colleagues to vote in favor of the Organ Donation and Recovery Improvement Act and to remember the importance of supporting biomedical and basic science research.

Mr. TOWNS. Mr. Speaker, I yield back the balance of my time.

Mr. ROGERS of Michigan. Mr. Speaker, I thank the other side of the aisle for moving this bill so quickly, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from Michigan (Mr. ROGERS) that the House suspend the rules and pass the bill, H.R. 3926.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. ROGERS of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

SENSE OF HOUSE REGARDING HEART DISEASE AMONG WOMEN

Mr. ROGERS of Michigan. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 522) expressing the sense of the House of Representatives that there is a critical need to increase awareness and education about heart disease and the risk factors of heart disease among women.

The Clerk read as follows:

H. RES. 522

Whereas heart disease is the number one killer of American women;

Whereas heart attack, stroke, and other cardiovascular diseases claim the lives of more than half a million women each year;

Whereas heart disease takes the lives of more women than men;

Whereas according to a recent American Heart Association survey, only 13 percent of women consider heart disease their greatest health threat;

Whereas one in three women dies of heart disease;

Whereas heart disease kills almost twice as many women as all forms of cancer;

Whereas African-Americans are at greater risk for heart disease and stroke than Caucasians, affecting African-American females at a rate of 39.6 percent compared to 23.8 percent in Caucasian females;

Whereas heart disease and stroke are the leading causes of death for Hispanics, and responsible for 33 percent of deaths in Hispanic females;

Whereas heart disease risk factors include family history, smoking, high blood pressure, high cholesterol, overweight/obesity, physical inactivity, and diabetes; and

Whereas women are often unaware of the risk and receive fewer preventive services than recommended: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that there is a critical need to increase awareness and education about heart disease and the risk factors for heart disease among women, and the House of Representatives—

(1) commends First Lady Laura Bush and the National Heart, Lung, and Blood Institute in their vital campaign to raise public awareness that heart disease is the number one killer of American women;

(2) believes that heart disease will remain the number one killer of American women unless we as a society dramatically improve education, preventative care, research, diagnostic capabilities, and treatments; and

(3) recognizes that the more women become cognizant of the scourge of heart disease and how to prevent it, the more likely they can make sound lifestyle changes to help reduce their chances of getting heart disease.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. ROGERS) and the gentleman from New York (Mr. TOWNS) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. ROGERS).

GENERAL LEAVE

Mr. ROGERS of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 522.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ROGERS of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 522 to express the sense of the House of Representatives that there is a critical need to increase awareness and education about heart disease and the risk factors for heart disease among women.

Heart disease is the number one killer of women, killing almost twice as many as all forms of cancer. Yet according to a recent survey conducted by the American Heart Association, only 13 percent of women consider heart disease their greatest health risk. Lack of knowledge and awareness of symptoms of heart disease is dangerous and can be easily addressed.

This resolution goes right to this point. It encourages all women to recognize the dangers of this disease and take steps to make healthy choices that can reduce the risk of heart disease in the first place. Men and women alike are far more likely to make sound life-style changes when they are educated about the risks of heart disease.

This resolution also commends First Lady Laura Bush and the Heart, Lung and Blood Institute for the fantastic work they have done in this area to raise public awareness about this disease. The First Lady and the NIH have taken a creative approach with this public education campaign using a variety of different media to get the word out about heart disease. I applaud the work that they have done to heighten awareness of this issue. I urge my colleagues to support this piece of legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. TOWNS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of House Resolution 522 and in solidarity with all those who are troubled by the fact that heart disease, stroke, and other cardiovascular disease claim the lives of more than half a million women each year.

A report released by the Centers For Disease Control and Prevention indicates that, despite major progress in reducing death rates from heart disease and stroke, these conditions contribute substantially to the Nation's health care crisis. According to the CDC, the epidemic of heart disease and stroke can be expected to continue with an increasing burden and widening disparities unless unprecedented public efforts are mounted to arrest and reverse it. With statistics showing that heart disease currently takes the lives of more women than men, and one in three women die of heart disease, a challenge has been placed at the feet of our public health and health care systems.

It is imperative that all that can be done is indeed done to ensure that our mothers, wives, sisters, and daughters are made aware of the risk of heart disease and they receive the quality of care needed to live long, healthy lives.

I commend my colleagues on both sides of the aisle for bringing this problem to our attention because this is a worthwhile cause.

Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas (Mr. SNYDER), the primary sponsor of this resolution.

Mr. SNYDER. Mr. Speaker, I am a middle-aged man; and as a man and as a family doctor, I have known for years that my number one health risk is cardiovascular disease. Blood vessel disease, heart disease and strokes, that is what we mean by cardiovascular disease. But, in fact, heart disease takes the lives of more women than men. A recent American Heart Association survey showed that only 13 percent of American women realize that cardiovascular disease, heart disease and strokes is their number one health threat.

The reality is that nearly 500,000 American women die each year from cardiovascular disease; and, in fact, more women die of cardiovascular disease, heart disease and stroke, than the next seven causes of death, including cancer. Nearly twice as many women in the United States die from heart disease and stroke than from all forms of cancers, including breast cancer.

I have a picture of several of our friends and colleagues from on the Hill, staffers that work for various folks. If you are a young woman, as Sarah is on my staff, over your lifetime, her number one risk for death is from heart disease and stroke. If you are a middle-aged women, your number one cause of death is heart disease and stroke. If you are an African American woman, as Stacie is, your number one cause of death is heart disease and stroke. And, in fact, more African American women by percentage die of heart disease and stroke than Caucasian. Again, if you are a young woman, over your lifetime, your number one cause of death is heart disease and stroke. If you are Hispanic, your number one cause of death over your lifetime is heart disease and stroke.

So what do you do about this? We spend a lot of time on this House floor talking and worrying about health policy. We talk about the insured and how do we take care of our men and women in uniform and their health care needs, what to do about the Veterans Administration and meeting the needs of veterans; but the reality is for most of us, a lot of what we can do in our health, we control.

So you look at the risk factors. Women smoke too much. Women are like men, they smoke too much, they are too inactive, do not pay enough attention to their blood pressure and diet; and they do not do a good enough job of diagnosing and controlling diabetes. Those are the main risk factors for heart disease.

What this resolution is about, it does not do anything. This is a sense of the House. This does not change law. What it does is give us a chance as Members to talk to women and Americans about this very real risk. First Lady Laura Bush has been doing that. The National Heart, Lung and Blood Institute has been doing that. What we can now do with this resolution is educate our constituents back home, women, that their number one health threat is heart disease and stroke.

Mr. Speaker, I thank the gentleman from Florida (Chairman BILIRAKIS) and the gentleman from New York (Mr. TOWNS), the ranking member, for bringing this resolution to the floor.

Mr. TOWNS. Mr. Speaker, I yield 4 minutes to the gentlewoman from Guam (Ms. BORDALLO), who has been active on these issues for a number of years and has been a strong voice in the House of Representatives.

Ms. BORDALLO. Mr. Speaker, I thank the gentleman from New York (Mr. TOWNS) for yielding me this time.

Mr. Speaker, I rise today in support of House Resolution 522, which is an important measure outlining the need for more awareness and education about heart disease, particularly as it affects women. I commend the gentleman from Arkansas (Mr. SNYDER) for his initiative and leadership on this important women's health issue.

Like the country as a whole, heart disease is the leading cause of death on my island of Guam. However, heart disease is increasingly becoming an issue for island women, as the gentleman from Arkansas (Mr. SNYDER) just pointed out with his statistics among minorities.

□ 1500

In fact, a recent Centers for Disease Control study indicates that heart disease is responsible for 214 deaths per 100,000 women on Guam. This is a staggering rate, and only through greater awareness and education can we begin to confront this problem.

One of the primary risk factors leading to heart disease in women is diabetes. Studies show that Guam's death rate from diabetes is five times higher than in the mainland. While some diabetes cases can be attributed largely to genetics, type 2 diabetes can be prevented by a combination of early detection and life-style changes.

Other life-style changes that women can make that will help reduce the risk of developing heart disease include paying close attention to blood pressure and cholesterol levels, preventing obesity and reviewing family history. Abstaining from smoking and increasing physical activity have also been shown to reduce the risk of heart disease.

It is very important that we, as leaders, work hard to educate women that heart disease is not just a health issue for men and that there are many proven life-style changes that women can make to help prevent heart disease. Not only is it important that we as Members of Congress stress the importance of maintaining a healthy life-style to prevent heart disease, but we must continue to support funding to medical researchers and professionals that study these diseases and teachers and public health officials that disseminate such information to women at high risk. Additionally, as studies continue to show, minorities tend to be at greater risk of developing heart disease. We must continue to support studies and uncover the reasons for higher risk in Pacific Islanders and other minorities, and we must provide the necessary resources to ensure parity with regard to education and health care access to high-risk communities.

I congratulate again the gentleman from Arkansas (Mr. SNYDER) for his hard work on the issue of heart disease among women, and I urge this Congress to not only support House Resolution 522, but to follow through with decisive action.

Mr. TOWNS. Mr. Speaker, I yield myself 2 minutes.

First of all, I would like to congratulate the gentleman from Arkansas for moving this resolution forward. Some people say, well, it's not going to do anything, but I think it does several things.

Number one, I think it makes us focus on the fact that there is a very serious problem that needs to be addressed, and I think that this resolution does that. I think it calls our attention to the fact that there are some serious problems and that we need to address them, and that in order to address them, that we are probably going to need some additional resources in order to do so.

This resolution indicates the fact that it is something that we cannot ignore. We must address the issue and we must address it now.

I would just like to commend him again for the outstanding job that he has done in bringing this matter to our attention.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROGERS of Michigan. Mr. Speaker, I yield myself 2 minutes.

I want to thank the gentleman from Arkansas, as well, for bringing this to the people of America's attention. It is an incredibly important health risk for women that has gone unnoted for far too long. I thank the gentleman for bringing this important piece of legislation to the forefront and for getting that message out. I thank the gentleman from New York (Mr. TOWNS) for his cooperation today in reaching across the aisle, really on two pieces of legislation today that will have a positive impact on the health of Americans around the country.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of House Resolution 522, expressing the sense of the House that there is a critical need to increase awareness and education about heart disease and the risk factors of heart disease among women. I am proud to be a cosponsor of this resolution.

Heart disease is no longer considered a disease that affects just men. In the past, women usually received less aggressive treatment for heart disease and were not referred for diagnostic tests as often. As a result, when many women were finally diagnosed with heart disease, they usually had more advanced disease and their prognosis was poorer. We now know that cardiovascular diseases affect more women than men and are responsible for more than 40 percent of all deaths in American women.

The problem is that most women still don't know that they are vulnerable. Despite the fact that heart disease kills almost twice as many women as all forms of cancer, only 13 percent of women consider heart disease their greatest health threat. Even when cardiovascular disease strikes, many women and even their physicians do not recognize it. For example, Dr. Susan Wilansky, a Texas Heart Institute cardiologist at St. Luke's Episcopal Hospital, stated: "Many women don't exhibit the traditional symptoms of heart disease. Some experience just shortness of breath, extreme fatigue upon exertion, or pain in the jaw or elbow. Women who suspect they are experiencing symptoms of heart disease should be sure to take them seriously."

We need to help get the word out, and this resolution will help. We must especially concentrate on minority and disadvantaged communities who, too often, are at highest risk. African-Americans, are at greater risk for heart disease and stroke than Caucasians, affecting African-American females at a rate of 39.6 percent compared to 23.8 percent in Caucasian females. Heart disease and stroke are the leading causes of death for Hispanics, and responsible for 33 percent of deaths in Hispanic females.

I commend the National Heart, Lung, and Blood Institute and First Lady Laura Bush for their vital work to raise public awareness that heart disease is the number one killer of American women. I am glad to see that Congress is now recognizing the problem. I hope that we will see this same level of commitment in the budget and appropriations process later this year. It is time to take this problem head-on.

I support this resolution and urge my colleagues to do the same.

Mr. ROGERS of Michigan. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from Michigan (Mr. ROGERS) that the House suspend the rules and agree to the resolution, H. Res. 522.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. ROGERS of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until approximately 6:30 p.m. today.

Accordingly (at 3 o'clock and 4 minutes p.m.), the House stood in recess until approximately 6:30 p.m.

☐ 1830

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. OSE) at 6 o'clock and 30 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on the Speaker's approval of the Journal and on three motions to suspend the rules previously postponed. Votes will be taken in the following order:

The Speaker's approval of the Journal, de novo;

H.R. 958, by the yeas and nays;

H.R. 2408, by the yeas and nays;

H.R. 2489, by the yeas and nays.

The votes on H.R. 3926 and House Resolution 522 will be taken tomorrow.

The first electronic vote will be conducted as a 15-minute vote. The other votes in this series will be 5-minute votes.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. PENCE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 380, nays 26, answered "present" 1, not voting 26, as follows:

[Roll No. 72]

YEAS—380

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Coble
Cole
Collins
Conyers
Cooper
Cox
Cramer
Crenshaw
Crowley
Cubin
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
Etheridge
Evans
Everett
Farr
Feeney
Ferguson
Flake
Foley
Forbes
Ford
Fossella
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (WI)
Greenwood
Grijalva
Gutierrez
Hall
Harman
Harris
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger
Hill
Hinchey
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moore
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Ney
Northup
Norwood
Nunes
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Rangel
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sánchez, Linda T.
Sánchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Sullivan
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Upton
Van Hollen
Velázquez
Vitter
Walden (OR)
Walsh
Wamp
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NAYS—26

Capuano
Costello
Crane
DeFazio
English
Filner
Frank (MA)
Green (TX)
Gutknecht
Hart
Hefley
Kennedy (MN)
Latham
Lee
McDermott
Moran (KS)
Oberstar
Peterson (MN)
Ramstad
Sabo
Stupak
Thompson (CA)
Thompson (MS)
Udall (NM)
Visclosky
Weller

ANSWERED "PRESENT"—1

Tancredo

NOT VOTING—26

Bachus
Burr
Clyburn
Culberson
Eshoo
Fattah
Gephardt
Gillmor
Hinojosa
Hoeffel
Hulshof
Matsui
McKeon
Mollohan
Nethercutt
Nussle
Peterson (PA)
Reyes
Rodriguez
Simmons
Stark
Tauzin
Toomey
Waters
Wexler
Wynn

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. OSE) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1854

Mr. CRANE changed his vote from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

Stated for:

Mr. HINOJOSA. Mr. Speaker, on rollcall No. 72, had I been present, I would have voted "yea."

HYDROGRAPHIC SERVICES AMENDMENTS OF 2004

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 958, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SAXTON) that the House suspend the rules and pass the bill, H.R. 958, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 384, nays 23, not voting 26, as follows:

[Roll No. 73]

YEAS—384

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Cole
Conyers
Cooper
Costello
Cramer
Crane
Crenshaw
Crowley
Cubin
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Etheridge
Evans
Farr
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach

Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McNulty
Meehan
Meek (FL)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shuster
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NAYS—23

Akin
Bartlett (MD)
Blackburn
Coble
Collins
Deal (GA)
Duncan
Everett
Flake
Franks (AZ)
Herger
Johnson, Sam
Miller (FL)
Neugebauer
Paul
Royce
Sensenbrenner
Shadegg
Shimkus
Stearns
Sullivan
Tancredo
Wamp

NOT VOTING—26

Bachus
Boswell
Burr
Clyburn
Cox
Culberson
Eshoo
Fattah
Gephardt
Gillmor
Hoeffel
Hulshof
Matsui
McKeon
Meeks (NY)
Mollohan
Nethercutt
Peterson (PA)
Rodriguez
Simmons
Stark
Tauzin
Toomey
Waters
Wexler
Wynn

☐ 1905

Mr. WAMP changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NATIONAL WILDLIFE REFUGE VOLUNTEER ACT OF 2003

The SPEAKER pro tempore (Mr. OSE). The pending business is the question of suspending the rules and passing the bill, H.R. 2408, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SAXTON) that the House suspend the rules and pass the bill, H.R. 2408, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 401, nays 10, not voting 22, as follows:

[Roll No. 74]

YEAS—401

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Etheridge
Evans
Everett
Farr
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gingrey
Gonzalez
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NAYS—10

Coble
Duncan
Flake
Franks (AZ)
Goode
Hensarling
Johnson, Sam
Jones (NC)
Paul
Stearns

NOT VOTING—22

Burr
Clyburn
Culberson
Eshoo
Fattah
Gephardt
Gillmor
Hoeffel
Hulshof
Matsui
McKeon
Mollohan
Nethercutt
Peterson (PA)
Rodriguez
Simmons
Stark
Tauzin
Toomey
Waters
Wexler
Wynn

☐ 1914

Mr. JONES of North Carolina and Mr. GOODE changed their vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: " A bill to amend the Fish and Wildlife Act of 1956 to reauthorize volunteer programs and community partnerships for national wildlife refuges, and for other purposes.".

A motion to reconsider was laid on the table.

COWLITZ INDIAN TRIBE DISTRIBUTION OF JUDGMENT FUNDS ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2489, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SAXTON) that the House suspend the rules and pass the bill, H.R. 2489, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 404, nays 0, not voting 29, as follows:

[Roll No. 75]

YEAS—404

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Etheridge
Everett
Farr
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moore
Moran (KS)
Moran (VA)
Murphy
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NOT VOTING—29

Burr
Chandler
Clyburn
Collins
Culberson
Davis (FL)
Eshoo
Evans
Fattah
Gephardt
Gillmor
Hoeffel
Hooley (OR)
Hulshof
Matsui
McKeon
Mollohan
Murtha
Nethercutt
Peterson (PA)
Rodriguez
Simmons
Smith (MI)
Stark
Tauzin
Toomey
Waters
Wexler
Wynn

□ 1921

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3633

Mr. DREIER. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 3633.

The SPEAKER pro tempore (Mr. OSE). Is there objection to the request of the gentleman from California?

There was no objection.

MAKING IN ORDER AT ANY TIME CONSIDERATION OF H. CON. RES. 393, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. DREIER. Mr. Speaker, I ask unanimous consent that it be in order at any time for the Speaker, as though pursuant to clause 2(b)of rule XVIII, to declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of H. Con.Res. 393, and that consideration of the concurrent resolution proceed according to the following order:

the first reading of the concurrent resolution is dispensed with;

all points of order against consideration of the concurrent resolution are waived;

general debate shall be confined to the congressional budget and shall not exceed 6 hours equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, provided that 1 hour of such debate shall be on the subject of economic goals and policies, which shall be equally divided and controlled by the gentleman from New Jersey (Mr. SAXTON) and the gentleman from California (Mr. STARK) or their designees;

After general debate, the Committee of the Whole shall rise without motion; and

No further consideration of H. Con. Res. 393 shall be in order except pursuant to a subsequent order of the House.

The SPEAKER pro tempore (Mr. OSE). Is there objection to the request of the gentleman from California?

There was no objection.

RE-REFERRAL OF H.R. 3997, CONVEYANCE OF NATIONAL FOREST SYSTEM LAND IN STATE OF ARKANSAS, TO COMMITTEE ON RESOURCES

Mr. NUNES. Mr. Speaker, I ask unanimous consent that the Committee on

Agriculture be discharged from further consideration of H.R. 3997 and that the bill be re-referred to the Committee on Resources.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. STRICKLAND. Mr. Speaker, last Thursday I was unavoidably absent from the Chamber. Had I been present, I would have voted "no" on rollcall 66 and 67, and "yes" on rollcall 68, 69, 70, and 71.

U.S. MUST REMAIN ENGAGED IN ISRAELI-PALESTINIAN CRISIS

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, one really does not know where to begin. In February of 2001, I went to the floor of the House and literally begged the President of the United States, duly inaugurated, to remain engaged in the Palestinian and Israeli crisis. The response of the administration at that time was let them fight it out. So I again come to this floor and indicate that if we are to have peace in the Mideast, the United States of America must be engaged in a reconciliation and a resolution of that crisis. Lives are being lost, futures are being denied, because we are not engaged in activating either the road map or an opportunity for there to be peace negotiations in that region.

Then, Mr. Speaker, might I comment very briefly on an editorial by Governor Jeb Bush that indicted the Congressional Black Caucus because of its concern for Haiti and its concern for a duly democratically elected leader. I would ask Governor Bush to take and pay attention to democracy in his State so that he will be able to have standing to criticize anybody who wants to support democracy in Haiti.

PASS CRANE-RANGEL FOR INCREASED INCENTIVES FOR MANUFACTURING

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, President Bush was in my home State of Ohio in Cleveland near my district a week or so ago trying to justify his economic policy. Ohio has lost 300,000 jobs since President Bush took office. That is 2,000 jobs a week, 260 jobs every day. One out of six manufacturing jobs has simply disappeared in Ohio.

His response is more tax cuts for the most wealthy in society, with trickle-down economics, hoping that it might create some jobs and trade agreements that ship more jobs overseas. It is not working.

Mr. Speaker, this House of Representatives should pass the Crane-Rangel bill, which will give incentives to American manufacturing to grow their manufacturing jobs here. This Congress should pass that instead of what President Bush has tried: old trickle-down economics, which is not working.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

AMERICANS SUPPORT ASSAULT WEAPONS BAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. McCARTHY) is recognized for 5 minutes.

Mrs. McCARTHY of New York. Mr. Speaker, in April of 2003, James Oo-jamuh of Seattle pleaded guilty to charges of conspiracy to help al Qaeda. He planned to train terrorists in Oregon. According to one recruit, members of the cell brought AK–47s, pistols, and other assault rifles, enough for anybody and then some.

Mr. Speaker, assault weapons will go back on our streets in 174 days, that is, September 14. If we do not bring the bill up for a vote here on the House floor, it will expire; and we will be back where we were 10 years ago. That is good news for terrorists and other criminals, but bad news for American families and communities and our police officers.

Since I came to the floor to talk about gun violence last week, almost 400 people have died in the past week to gun violence in this country. Simply put, assault weapons were designed to kill as many people as possible as quickly as possible, and we want them back on our streets? Where in God's name do we understand that kind of an attitude? That sounds like the perfect weapon for a terrorist whose goal is to create as much death and fear as possible.

Following the fall of Kabul in November of 2001, a document was found in a safe house advising those that were training where to buy the guns: go to America and buy all the guns you can. It is also known that during the 1980s al Qaeda purchased dozens of advanced sniper rifles for use in the Afghan war against the Russians.

Since going into effect in 1994, the Assault Weapons Ban has increased public safety and prevented dangerous weapons from falling into the wrong hands.

There are those who wish to see this critical and commonplace public safety measure die a quiet death. The American people support this ban. Our law enforcements across this Nation support this ban.

During the 2000 year election, then-Governor Bush, now President Bush, promised he would sign the bill if it went on his desk. Well, that, unfortunately, is the trick. Unless we have a vote on it here, it is never going to get on his desk. It is up to the American people to use their right to have their voices heard. All they have to do is call the two bodies, call the White House and say, we want to have an assault weapons ban in place.

□ 1930

Let me say this: Ten years ago I was not in Congress. Ten years ago I was back home in Mineola. I was a nurse, and something happened to my family. They were shot with many others on the Long Island Rail Road. That is when I woke up to the gun violence in this country.

I promised that I would do whatever I could to reduce gun violence in this country, and the first thing I started working on was the assault weapons ban. If we do not approve this, it is going to die.

Large capacity clips, our police officers are allowed to use them, our military men are allowed to use them. Our hunters are not allowed to use them. Hunters give animals a better chance of surviving than we allow people. Clips that have 15 bullets in it. Well, we can go back to the old days, 20, 30, 40.

Why in God's name do we need these particular guns on our streets again?

Please, I am asking the American people, have your voices heard. I hear continuously they feel they have no voice in government. You can have a voice in government. You can make a difference. One person can make a difference. How many votes have we had here on the House floor where it is won or lost by one vote?

I am asking the American people to get involved in this. Please. We can make a difference.

TAX CUTS IMPROVE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, last week I spoke about a Tennessee report showing 15,647 new corporations, LLCs and limited partnership registrations in my State. That was the best ever, the best on record. The tax cuts that President Bush and Congress passed are clearly giving those with the entrepreneurial spirit the room to take that leap and form new businesses. This is what America is all about, living out that American dream.

And today I have more good news. This time from the Nashville Tennesseean Business Section that speaks to the growth that this Republican tax relief is helping to generate.

Democrats and candidate JOHN KERRY say the Bush tax cuts are not working, that they will repeal the Bush tax cuts and raise your tax bill so that they can fund more government spending. Well, I would like to recommend that they just hold on a minute before the Democrats rally around tax increases.

They should read this article. "Businesses Using Tax Cuts to Get While Gettin's Good." This is from the Nashville Tennesseean. "Businesses Using Tax Cuts to Get While the Gettin's Good." This is what we said would happen with tax cuts, businesses would grow.

Now the article is about John Aron, a business owner in Nashville. He runs The Pasta Shop, and his story is a testament to the Bush tax relief. Mr. Aron wanted to expand his business, but the cost of new equipment was nearly $81,000. After looking at the President's tax relief package that this Congress passed last year, and it gives businesses a tax break on equipment purchases, Mr. Aron went ahead and made the investment and expensed 57 percent of his equipment costs this year, saving his company $35,000 on his 2003 taxes.

Well, guess what he did next? He hired two employees. This is exactly what Republicans said would happen if we lowered the taxes.

Now, some across the aisle are saying, well, that is just one story and it cannot be a trend; but let me give you a few more examples. Brad Blevins spent $100,000 for a metal stamping machine for his company. He'll save $30,000 in taxes. Business grows.

Rivergate Partners in Nashville spending $350,000 on their 50,000-square-foot building. They will save $60,000. Business is growing.

Richards & Richards, able to write off $100,000 worth of storage shelving for their offices.

Get the point? Businesses are growing because of the tax relief. Mr. Aron said, "The Bush tax cuts substantially reduced the risk of entry."

If I were calling for tax increase, I would be feeling a little bit foolish right now for calling for those tax increases.

In 2003, 25 million small business owners saved an average of $2,853 on their tax bill. That is 25 million small business owners. The President and Republicans supported this relief because we know that it will spur investment and encourage Americans to start new businesses and reach that American dream.

Mr. Speaker, I would like to correct a few misplaced perceptions that have been allowed to go unchallenged far too long. The Democrats have criticized the President. They have slammed his foreign policy, his economic policy, and they often cite Europe as an example of the sort of countries that we ought out emulate.

I beg to differ.

The countries of Europe have created large, extensive welfare systems. They have outrageously high taxes. They tax and spend, all to support growing government social programs. And the result? In December 2003, Belgium had an 8.3 unemployment rate. In January 2004, France, a vocal critic of U.S. economic and foreign policy, had a whopping 9.3 percent unemployment rate. Germany, another consistent critic of the U.S., in January of this year had a 9.1 percent unemployment rate.

Mr. Speaker, in January of 2004 America had a 5.6 percent unemployment rate.

A leftist European model does not work in foreign affairs and it does not work here in economics. Unfortunately and unwisely, Democrats have adopted this kind of approach for their platform.

We have weathered a recession and September 11 with the $1 trillion impact it had on our economy, and we remain committed to tax relief. And this month the Employer Outlook Survey reported that 28 percent of the 16,000 employers that they surveyed expected to hire more workers from April to June of this year.

"EXXON VALDEZ" IS NOT THE ONLY SHIP AGROUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. McDERMOTT) is recognized for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, America will pause tomorrow to remember the 15th anniversary of the *Exxon Valdez* environmental disaster. On March 24, 1989, the captain in charge of this massive tanker was unfit to command even a row boat, yet the intoxicated captain was at the helm, and he ran the *Valdez* aground in Alaska's fragile and pristine Prince William Sound. Eleven million gallons of oil emptied into the sea and devastated everything in its path. It will take generations, if ever, for there to be a complete recovery.

Fifteen years later, at least 100 tons of toxic waste, concentrated by years of weathering, continues to kill and maim Alaska's environment. Fifteen years later, thousands of Alaskans continue to wait for the $5 billion a jury ordered Exxon to pay. The money remains in Exxon's pocket. Exxon would rather buy time and influence than pay what amounted to 1 year of profits for an environmental catastrophe.

Sound familiar?

It should.

The President's proposed budget hemorrhages red ink about as fast as the *Exxon Valdez* gushed oil into the Prince William Sound, and the consequences are just as devastating. This President has run the U.S. economy aground with the same disregard for protecting ordinary Americans as a drunken captain had one night for protecting Alaska's environment. It will take generations, if ever, for there to be a complete recovery.

Here is the damage report from the scene.

The President rewards our soldiers returning from Iraq by increasing fees for medical service in his budget. Welcome home, soldiers. Get out your checkbooks.

The administration orders universal health care for everyone in Iraq, but not America. Administration officials claim everyone in America already has health coverage. That will come as a surprise to 44 million Americans.

The person who knew the prescription drug bill would cost $139 billion more than the administration said it would, he was told he would be fired if he released that data. If only Supreme Court Justice Scalia were a Member of the House, he might lead the Republicans in a great "Quack, Quack" when the drug bill passed on quack data.

Perhaps we should have heard a similar refrain when the administration decided that flipping hamburgers was a manufacturing job. Perhaps the President should have declared, "Quack, Quack" when the administration rewarded corporate buddies by throwing out the rule book for overtime pay for ordinary Americans.

The average American is a sitting duck for this administration.

Millions of Americans are drowning in a sea of unemployment, but the administration refuses to throw a lifeline by extending unemployment benefits.

Average Americans received an average cut of $676. Millionaire Americans received an average cut of $112,925. This must be an example of the compassion the President says motivates him every day.

Big oil gets invited to secret meetings conducted by the Vice President to map out a future energy policy for America. Somehow, I do not think they talked at all about the *Exxon Valdez* or the money Exxon owes the people of Alaska for their drunken sailor.

I could be wrong, but we may never know because the administration refuses to tell America what went on behind closed doors.

Speaking of doors, they are slamming shut on average Americans at an alarming rate. Interest rates are at a record low. Mortgage foreclosures, personal bankruptcy and credit card delinquencies are either rising or are at record highs.

I wonder if we will hear a "Quack, Quack" from the White House on that one? Probably not. Duck hunting, after all, is best done on private lands owned by oil companies with the Vice President leading a Supreme Court Justice who has elevated duck calls to a Supreme Court decision.

How much things change. How much they stay the same.

The *Exxon Valdez* ran aground when there was a President Bush in the White House. The U.S. economy ran aground when there was a President Bush in the White House. The *Exxon Valdez* caused the greatest environmental catastrophe in history when it ran aground. Our President Bush, Bush II, may trump that with the largest economic catastrophe in history when he ran America aground.

HONORING THE CONGRESSIONAL HISPANIC CONFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. WELLER) is recognized for 5 minutes.

Mr. WELLER. Mr. Speaker, I rise today in honor of the first anniversary of the Congressional Hispanic Conference. Formed just 1 year ago, the Conference promotes the interest of over 40 million Americans of Hispanic and Portuguese descent. As an associate member of this Conference, along with our founding members, we have provided a needed voice in Congress and in issues important to the Hispanic and Latino community.

Hispanics, by principle, value moderate and conservative beliefs, and the Congressional Hispanic Conference's policy objectives mirror those beliefs.

Mr. Speaker, I strongly believe "Los valores le los Hispanos son los valores de los Republicanos," meaning "Hispanic values are Republican values."

When you address the issues, it is clear that the values of the Republican Party are the values of Hispanic and Latino Americans.

In the 108th Congress, the Jobs and Growth Tax Relief Reconciliation Act of 2003, known by most as the "Bush tax cut," was passed and signed by George W. Bush. This legislation lowered taxes for every American taxpayer, and now several million working Americans of low income benefit from a new lower tax bracket of 10 percent, allowing them to keep more of what they earned. But also note, these hardworking Americans in the lowest tax bracket receive the largest percentage reduction in their tax burden. In fact, 3 million low-income families no longer have to pay Federal income taxes.

Another benefit of the Bush tax cut to strengthen families is that we increased the child tax credit from $600 to $1,000 per child this year. An estimated 34 million families benefit from this provision to help them. And I would note that we also strengthen families and, particularly, the institution of marriage by eliminating the marriage tax penalty.

The Congressional Hispanic Conference is committed to passing legislation which provides common-sense lower taxes for all Americans.

With the No Child Left Behind Act designed to help our schools passed by this Congress, signed into law by President Bush, minority parents are empowered with the freedom to remove their children from unsafe and failing schools and enroll them into a more successful institution. Ensuring that Hispanics receive a quality education will assist bridging the wage and unemployment gap that exists here in America.

□ 1945

We have all learned that with higher education workers can earn more income with their jobs; and I would also note, with our commitment to education in the Republican Congress, when we worked with the President over the last 3½ years, we have increased Federal funding for education by 45 percent over just 3 years ago.

Mr. Speaker, these are just two examples of numerous legislative accomplishments of the Congressional Hispanic Conference, along with the Republican majority. The list continues, whether the issue is the Republican effort to increase the number of community health centers and access to health care, to lower taxes to strengthen and make our schools better, to support faith-based community organizations, or promote homeownership and develop a common market for all of the Americas.

Republicans, under the leadership of the gentleman from Illinois (Speaker HASTERT) and President Bush have worked hard to make our messages of support clear to our Latino and Hispanic communities and neighbors.

Mr. Speaker, I am honored to serve as an associate member of the Congressional Hispanic Conference and commend the conference for a successful year in just 1 year. My colleagues and I will continue to promote the goals and aspirations of the Latino community and the opportunities for all Americans.

Los valores de los Hispanos son los valores de los Republicanos. Compartimos los mismos valores. Somos todos Americanos.

(English translation of the above statement is as follows:)

Hispanic values are Republican values. We share common values. We are all Americans.

TELLING THE TRUTH, FACING THE CONSEQUENCES IN THE BUSH ADMINISTRATION

The SPEAKER pro tempore (Mr. MARIO DIAZ-BALART of Florida). Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

Mr. EMANUEL. Mr. Speaker, Richard Clarke is a career civil servant and registered Republican who served in four administrations: President Reagan, President Bush, President Clinton and now our present President Bush. Most recently, he served for this President as a counterterrorism czar for President George W. Bush.

Apparently, he committed an unforgivable sin on "60 Minutes" Sunday night. In his new book, "Against All Enemies," Mr. Clarke lays out a detailed, factual, substantive critique of the President Bush's failure to adequately address the threat of terrorism and specifically al Qaeda before September 11.

I worked in the Clinton White House. I worked with Dick Clarke. We did not always agree on everything; but we never doubted his patriotism, and working for four Presidents, one Democrat and three Republicans, he was committed to this country and to his mission in serving it.

Let me give my colleagues a quote from that show: "I think the way he," that is, the President, "responded to al Qaeda, both before 9/11 by doing nothing, and by what he's done after 9/11 has made us less safe. Absolutely."

"He [President Bush] ignored terrorism for months, when maybe we could have done something to stop 9/11. Maybe. We'll never know."

What has been the consequence? He has been castigated since the newscast aired Sunday night. The White House has attacked him professionally and personally, going to the point of questioning the loyalty and integrity of a man who clearly was not in the business for politics.

But Dick Clarke joins a long list of ex-administration officials who have one thing in common: they told the truth. They told the truth in the face of great political pressure and personal risk, knowing they would be attacked for what they said, and this is a long list of people that exited the administration.

This administration prides themselves on having all these MBAs. The first thing you do when you have an MBA is assess the people around you. They have either got the greatest amount of names that have ever been assembled or the greatest amount of truth tellers, but they cannot handle the truth there.

I do not understand how they have hired Richard Foster, current chief Medicare actuary, who wanted to tell the truth about the cost of the prescription drug. Paul O'Neill, former Secretary of Treasury, former chairman of ALCOA, he told the truth about what was happening to America's fiscal house. Joe Wilson, former U.S. Ambassador to Nigeria. Eric Shinseki, retired Army chief of staff. John DiIullio, former White House director of the faith-based initiatives. Anthony Zinni, retired Marine general and President Bush's envoy to the Mideast. Larry Lindsey, the President's former chairman of the Council of Economic Advisers, and now Dick Clarke. These people told the truth despite the pressure to otherwise tell the American people the facts. For these acts of simple honesty, they deserve to be called patriots rather than be cast aside and have their patriotism and their professionalism questioned.

Let us review the facts: Richard Foster, current chief Medicare actuary. The truth: the chief Medicare actuary, Richard Foster, revealed the real cost of the Medicare bill was $550 billion, not $400 billion. Consequences: he was warned that the consequences for insubordination are extremely severe if he told the Congress and the American people the truth.

Bruce Buckheit, EPA director for air quality. Truth: Mr. Buckheit said the new mercury standards were written to benefit the administration's corporate friends and polluters. Consequences: five current EPA officials corroborated Buckheit's story, but according to the Los Angeles Times chose to remain anonymous for fear of retribution. Mr. Buckheit resigned in December. EPA Administrator Leavitt is now reexamining the mercury rule and may propose a more stringent one, but he had to leave.

Paul O'Neill, former Secretary of the Treasury. Truth: Secretary O'Neill described in his book, "The Price of Loyalty," that President Bush is distracted, incurious and makes decision on the economy and national security based on poor information or for political motives. He called President Bush "a blind man in a room full of deaf people." He criticized his tax cuts and his plan to invade Iraq since week one. He criticized the tax cuts because he said they would leave America fiscally unsound. We have $3 trillion additional debt because of these tax cuts. Consequence: it took the White House less than 24 minutes after Mr. O'Neill's "60 Minutes" interview to launch an investigation into his use of "classified" documents and then they fired him. He was actually fired before that.

I will submit the rest of my text into the RECORD herewith.

Joseph C. Wilson—former U.S. Ambassador to Niger.

Truth: In a July 6, 2003, New York Times Op-Ed, Ambassador Wilson challenged the President's claim that Iraq tried to buy uranium ore from Africa. The White House later admitted he was correct and the President's claim shouldn't have appeared in the State of the Union address.

Consequence: According to government sources, Administration officials leaked the name of Ambassador Wilson's wife, an undercover CIA agent, to a journalist. A White House senior official admitted about the leak, "Clearly, it was meant purely and imply for revenge."

General Shinseki—retired Army Chief of Staff.

Truth: Army Chief of Staff General Eric Shinseki told Congress that occupying Iraq would require "several hundred thousand troops."

Consequence: Deputy Secretary Wolfowitz criticized his estimate as "wildly off the mark." Shinseki later resigned.

John DiIulio—former White House Director of Faith Based Initiatives.

Truth: "There is no precedent in any modern White House for what is going on in this one: a complete lack of a policy apparatus," DiIulio told Esquire in January 2003. "What you've got is everything—and I mean everything—being run by the political arm. It's the reign of the Mayberry Machiavellis."

Consequence: Under intense pressure from the White House, DiIulio apologized for his statement and was forced to say he didn't mean it.

General Zinni—Retired Marine General and President Bush's envoy to the Middle East.

Truth: Zinni, a retired Marine Corps General who was Bush's middle east envoy, told a foreign policy forum before the Iraq war that the Administration had far more pressing policy priorities than Iraq and said there could be a prolonged, difficult occupation after the war.

Consequence: Zinni was not reappointed.

Larry Lindsey—the President's former chairman of the Council of Economic Advisors.

Truth: Larry Lindsey told a newspaper that the Iraq war would cost $200 billion.

Consequence: The President fired him.

As President Ronald Reagan said, facts are stubborn things. Richard Clarke and the many others we should recognize as Patriots have pulled back the curtain and revealed facts that are not only stubborn, but also inconvenient and damaging to Mr. Bush, the self-described "War President." They told the truth and are now facing the consequences.

REQUEST FOR ADDITIONAL SPECIAL ORDER

Mr. EMANUEL. Mr. Speaker, I ask to take the gentleman from Missouri's (Mr. HULSHOF) time.

The SPEAKER pro tempore. The gentleman is entitled to only one 5-minute speech.

TRIBUTE TO U.S. MARINE CORPORAL DAVID M. VICENTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MEEHAN) is recognized for 5 minutes.

Mr. MEEHAN. Mr. Speaker, I rise tonight to honor a true hero, Marine Corporal David M. Vicente, who gave his life in service to this country in Iraq. Corporal Vicente was a resident of Methuen, Massachusetts; and he was deployed with the brave men and women serving in our Armed Forces as part of Operation Iraqi Freedom II.

David arrived in Iraq just 2 weeks ago; and he died tragically on March 19, 2004, when a Humvee in which he was patrolling hit a land mine near the town of Hit, Iraq. David had just celebrated his 25th birthday and was newly engaged to his beloved girlfriend, Alexandria. His friends and family recalled David's knack for fixing things and a fondness for all things mechanical, from remote-control racing cars to his Chevrolet short-bed pickup truck.

Since he was a small child, David Vicente knew what he wanted to be, a United States Marine. While his friends dressed in overalls and T-shirts, David grew up wearing fatigues and combat boots. His friends at Greater Lawrence Technical School never doubted him when David would declare, One day, I want to be a Marine.

David's dream came true when he joined the Marine Corps 6 months prior to the September 11 terrorist attacks on our Nation. He trained as a rifleman while based at Twenty-nine Palms, California, and rose to serve his country valiantly and faithfully as a corporal with the 2nd battalion of the 7th Marines, 1st Marine Division.

David's parents, Orlando and Celeste, are proud of their son, not just for the supreme sacrifice he made on behalf of his country, but for the honor he brought to them as a Marine. The bumper sticker on the family's car affirms their pride, "My son is a United States Marine."

One morning following the tragedy of September 11, Celeste Vicente discovered someone had draped an American flag over their family car. She felt that it was not only touched by her son's service but wanted to honor all of our troops for their courageous efforts on our behalf.

I spoke to Celeste today, and like so many other parents of soldiers who have lost their lives, she expressed concerns about her son and other soldiers not having the equipment, the gear, the technology that they need. I told her today that I am going to work with other Members of the Congress to make sure that we get what our troops need immediately.

Today, I have also requested an American flag be flown over the United States Capitol in memory of Corporal David Vicente to honor his brave service to this country. This flag will be delivered to his family.

David died fighting for the country he loved, alongside comrades that he respected and with the family he adored forever in his heart.

Our Nation is humbled and grateful for his sacrifice.

Mr. Speaker, we should all take a moment to recognize Corporal David M. Vicente, United States Marine Corps, who gave his life in service to the country he loved.

IN MEMORY OF SERGEANT DANNY LONDONO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. LYNCH) is recognized for 5 minutes.

Mr. LYNCH. Mr. Speaker, last week this House passed a resolution offering our sincere thanks and this Nation's thanks to our men and women in uniform who have so bravely and brilliantly served the cause of freedom, justice, and democracy in Iraq.

While I fully support that resolution, offering our sincere appreciation to our armed service personnel, I personally wanted to add to those sentiments the great sadness and most profound sense of loss on behalf of the families of those young men and women who have made the supreme sacrifice in the fight against terrorism and tyranny in our time.

It is with such sadness today that I must add the name of Sergeant Danny Londono, from the neighborhood of Dorchester in the city of Boston, which I proudly represent in the Congress, to the list of those who have fought with extreme valor and given their lives for our country.

In my brief time here in the Congress, following the attacks of September 11, I note that we frequently speak of the grandest ideals and the noblest principles on which this country stands; and against the backdrop of world terrorism, it is easy to be persuaded that we are all paying the price equally in some small way to meet the cost of that confrontation between good and evil.

But, Mr. Speaker, I rise today to say that there are some citizens, like Danny Londono, who are rendering all they have so that others might know freedom; and there are some families, like the Londono family, who are literally carrying this Nation forward on their backs and in their individual grief.

One such citizen soldier is Danny Londono. Sergeant Danny Londono gave his life for his country on the streets of Baghdad about 10 days ago, and one such family who must now bear the terrible grief and sadness is Danny's family.

Danny's family lives on East Cottage Street in Dorchester, Massachusetts, a tightly knit, hard-working neighborhood in Boston. Danny was a graduate of Archbishop Williams High School in Braintree, where he was a member of the track team. He enlisted in the Army straight out of high school and did tours as a foot soldier, as paratrooper, and as sergeant with the 82nd Airborne Division; and at age 22, Danny had served in Kosovo and Afghanistan, as well as Iraq.

Sergeant Londono represents the very best this country has to offer. He was someone who hoped to use his skills and training that he got in the Army to make a better life for himself and his family so he could pay for college and possibly return to his community to serve as a police officer. His tour of duty with the Army would have finished in August.

Mr. Speaker, this Nation is enormously proud of Danny Londono. We mourn his loss as we honor his memory. We are all proud of our Armed Forces and the job they are doing today in Iraq, as well as places like Kosovo and Bosnia, Afghanistan, Haiti and elsewhere; but I think it is important that we never lose sight of the individual stories of the soldiers who have given their lives on behalf of this country. For these families, the sacrifice is overwhelming, the sorrow is unspeakable, and the sacrifice is real.

I join with the Members of the House of Representatives in offering our condolences and prayers to Danny Londono and his family.

□ 2000

HELP AMERICA VOTE

The SPEAKER pro tempore (Mr. MARIO DIAZ-BALART of Florida). Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, following the election debacle in Florida in the 2000 Presidential race, Congress passed the Help America Vote Act to improve election systems across the country; but lately I have met with many election officials who are largely unaware of what that law actually says, and tonight I would like to clarify some of its provisions.

Importantly, HAVA will make money available to the Sates for new voting machines, but HAVA does not require States and localities to replace systems if they are satisfied with the ones that they have. All those jurisdictions have to do if they want to keep their equipment is just provide voters with instructions how to correct their ballot if they make a mistake before that ballot is cast and counted. So the law that Congress passed permits paper ballots if jurisdictions want to use them, it permits punch cards, it permits lever machines, it permits a central count voting system. Those are not outlawed. Indeed, I am putting in the RECORD tonight title III, section 301 from that act that explains to local election officials what the law actually says. They should not be afraid. There is no Federal pressure to do what they do not want to do.

Some States have decided to go ahead with replacing equipment before this year's Presidential elections even though there are no standards in place at the Federal level to guarantee if they purchase new machines, particularly electronic machines, that they will be secure. And 23 States, including Ohio, have thus received a waiver and are not required to have new systems in place until the first Federal election in 2006, nearly 2 years from now.

There are problems with new electronic voting machines that we did not know when this legislation was initially passed. Some, particularly the primary sponsors of this legislation, say we should leave it alone. They say let the Election Assistance Commission that was talked about in the law do its work. They say let the National Institute of Standards and Technology do its work, let us not have Congress ask any questions right now.

Well, that would be all well and good if those entities had the resources to carry out their job. But the Election Assistance Commission has been formed very late. In fact, a year late. Virtually every deadline that it was given for the issuance of voluntary guidelines to help our local election officials for reports to Congress and for assistance to State and local election authorities has been missed. Today, the commission had its first public meeting, despite the fact it has no permanent office, no equipment it can call its own, no staff beyond the four commissioners and its detailees, and not even enough money to pay for rent for its offices, nor money to pay for the publication tomorrow of State election plans in the Federal Register. It had to depend on the generosity of the General Services Administration for this step required by the Help America Vote Act. Election plans must be published, but the commission has no authority to require changes in them. Public comments will be directed to State election authorities who are free to certify themselves as having met the requirements of HAVA, which essentially at this point has no standards.

So in 45 days with their own certification and no input from the commission, they will begin to receive more than $2.3 billion to spend with no security standards and no guidance beyond the limited verbiage in the act itself. If this were any other Federal program, how many of our colleagues would be here condemning it? Testing by the National Institute of Standards and Technology on voting machines and its obligation to help develop tough standards for this new equipment was suspended for 2 months this year because of the lack of Federal money.

The commission is thankful that NIST has been able to identify $375,000 to help the technical guidance development committee get under way, but it is only getting under way. No recommendations are expected for another 9 months while the commissioners themselves recognize that State and local election authorities are looking for Federal guidelines to help them develop their own standards.

In fact, AP writer Robert Tanner said this weekend, and I will place the entire article in the RECORD, "High-tech voting machines can miscount election results through a software bug or a crashing computer. What is even more troubling, they can be manipulated if someone hacks the computer software.

And the biggest problem is without a paper ballot, there is nothing tangible to recount."

To offer some level of guidance, the commission today voted to hold its own hearing on election voting technology within 35 days. I applaud the commission for doing so, but nothing is more important than our right to vote. We must take the time to get this right.

Mr. Speaker, I urge State and local election officials to read my remarks in the RECORD.

Election Fix Stymied by Delays, Computer Doubts, Confidence Gap

Editors Note—Problems with the election system in Florida left the winner of the 2000 presidential race in doubt for more than a month, and prompted widespread calls to reform the way the nation elects its leaders. Yet nearly four years since George W. Bush won in Florida by 537 votes, reform has been spotty. This story is part of the AP's ongoing coverage of electoral problems across the country.

(By Robert Tanner, AP National Writer)

The discord of Florida 2000 is hard to forget. Angry crowds yelling at local election officials, a paralysis that virtually halted other political work, accusations of a stolen presidential election that echo today.

But the many promises that followed the 36-day stalemate have not produced a nationwide solution to the glaring flaws exposed in the way we cast votes and count them—and another presidential election is just months away.

There's blame enough to go around. Pick any of the following, or all: President Bush and Congress; the voting machine industry; local election officials. (You can add computer scientists, the media, even mistake-prone voters.)

It's true some changes have been made: Roughly 50 million registered voters, or slightly more than a quarter nationwide, will be able to cast ballots on the latest touchscreen equipment this year.

But that leaves the glass half-full, at best, especially with the biggest reforms so far now coming in for criticism. In particular, those ATM-style electronic voting machines—once trumpeted as the solution to voting problems—are now under fire from some computer scientists and lawmakers. That, in turn, is slowing further reforms and weakening confidence in the system even more.

"You have resistance, sort of natural resistance, to change," said Ken Blackwell, Ohio's secretary of state. Legislators in his state, worried about security, want an end to electronic machine purchases, even if punch cards remain in many counties.

In critics' eyes, the problems have been worsened by electoral officials blind to the dangers of a broken system or influenced by political aims, and caring too little about damage done to voters' trust. Others see the slow progress as healthy—that's the way democracies work, they argue, by publicly hashing out problems.

Either way, the bottom line is that another razor-thin presidential election could again leave a victor unclear, a system unable to smoothly resolve the problem, and a skeptical and angry public.

The pitfalls break down into three broad categories: cash, computers and confidence.

After the 2000 crisis, promises of electoral reform didn't translate into quick action. It took nearly two years for Congress to pass the law giving states money and direction to buy new machines, and improve voter registration and training.

The problem was the policy-makers were pulled in different directions—minority and disabled voters sought federal standards to ensure all had equal access to the polls, while state election officials argued local control would best serve widely different communities.

Experts produced nearly a dozen studies, including recommendations from a Gerald Ford-Jimmy Carter commission (some of its top ideas, like making Election Day a holiday and giving all felons the right to vote after serving their sentence, were promptly ignored).

Money for the states to implement reform took even longer: Of $3.8 billion promised, states have only received $650 million so far.

The commission that was to be created to dole out money and advice was delayed by arguments between the White House and Congress. Members weren't appointed until December, less than a year before the 2004 election.

"I put the largest blame on Congress itself," said Kim Brace, an elections expert who consults with states. "They built up a lot of hope in the rhetoric side and fell through dramatically on the action side. And certainly on the dollars."

THE DELAYS CONTINUE

Critical technical work on voting machines, tasked to the National Institute of Standards and Technology, was suspended for two months this year because of a lack of federal money. The institute's job? Make sure standards are tough for computerized touchscreen voting machines.

And that leads to the heart of the fight: Critics, including some prominent Democrats, say the ATM-style machines are a bigger danger than punch cards. Source of the infamous "hanging chad" ballots that left Florida election commissioners trying to divine voter intent from bumps on the cards.

Laterly, those warnings have been heard: Besides Ohio, officials are reconsidering or delaying the switch to new machines in California, West Virginia, Utah, and more.

"Why trade one imperfect system for another imperfect system?" David Wilde, a councilman in Salt Lake County, asked when questions were raised there about switching to touchscreen machines.

COMPUTER SCIENTISTS' WORRIES RUN MUCH DEEPER

The high-tech voting machines, they say, can miscount election results through a software bug or a crashing computer; what's even more troubling, they can be manipulated if someone hacks the computer's software. And the biggest problem is that, without a paper ballot, there is nothing tangible to recount.

Because the voting machine industry keeps its computer code secret, claiming competitive business concerns, no one can be truly confident that the machines are as secure as they promise, critics say.

"If something can be stolen, eventually it will be," said Barbara Simons, a retired IBM computer scientist. "Our democracy is much too valuable to trust them to this machine. . . . If the election is close—or the opinion polls are close—that means people aren't going to trust the outcome. And there's no way to convince them that they are right."

The solution, in this view, are "voter verifiable paper trails"—a paper ballot that the computer prints after a vote is cast, that the voter can see to ensure their choice was accurately recorded, and that will be locked away for any recount.

A number of studies of the electronic machines have confirmed the doubts including a harshly critical one from Johns Hopkins University. Studies in Maryland and Ohio also found flaws, but said they could be corrected.

The divide is deep, however, with exasperated election officials and executives from the voting machine industry arguing that critics are inflating small problems into systemwide dangers and frightening voters unnecessarily.

"I think touchscreen is the best voting system," said Pam Iorio, the former elections supervisor in Florida's Hillsborough County (Tampa), where touchscreens were installed. "Election officials have just not been able to get their message out."

The paper trail proposed would "do more harm than good," said Dawn Williams, who oversees elections in Marshall County, Iowa. The receipts will just confuse voters, add more equipment to break down and more burdens for poll workers.

Primary elections so far this year have produced small glitches—machines that failed to boot up in San Diego, coding problems in Georgia and Maryland—but no outright disasters. Supporters of the new technology say that proves the wisdom of their confidence; doubters say it shows nothing of the sort.

The suspicion of critics is compounded by the fact that election officials and the voting machine industry are often closely intertwined.

Washington state's secretary of state went to work in the industry; so did several election officials in California. Under scrutiny is a job change in California, when the former state official in charge of evaluating voting machines took a top job with Election Systems and Software, a large manufacturer.

Those in the relatively small world of elections say that's natural.

"I personally don't see anything wrong with it," said Ernie Hawkins, who retired last year as head of Sacramento's election division. "You know the business, you know the problem, you know where the dangers are. I'd probably be more inclined to listen to someone who was trying to sell me something if they knew what they were talking about."

And don't leave out the politics. The chief executive of Ohio-based Diebold Inc., one of the largest voting machine manufacturers and a top target of security critics, is a top fund-raiser for the Bush campaign. In an August fund-raising letter, Walden O'Dell sought $10,000 donations and declared he was "committed to helping Ohio deliver its electoral votes to the president next year."

He later announced that he would "try to be more sensitive" and would lower his political profile.

While errors are inevitable in a system recording tens of millions of votes nationally, it's clear that scrutiny of the voting system will be at an all-time high this year. A greater-than-usual number of election officials have quit or taken retirement. Others are just hoping for a presidential blowout.

"Every election official's prayer is, you hear many times, they really don't care who wins," said Richard Smolka, an elections expert and retired political science professor. "They just don't want the election to be that close."

TITLE III—UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS

Subtitle A—Requirements

SEC. 301. VOTING SYSTEMS STANDARDS.

(a) Requirements.—Each voting system used in an election for Federal office shall meet the following requirements:

(1) In General.—

(A) Except as provided in subparagraph (B), the voting system (including any lever voting system, optical scanning voting system, or direct recording electronic system) shall—

(i) permit the voter to verify (in a private and independent manner) the votes selected by the voter on the ballot before the ballot is cast and counted;

(ii) provide the voter with the opportunity (in a private and independent manner) to change the ballot or correct any error before the ballot is cast and counted (including the opportunity to correct the error through the issuance of a replacement ballot if the voter was otherwise unable to change the ballot or correct any error); and

(iii) if the voter selects votes for more than one candidate for a single office—

(I) notify the voter that the voter has selected more than one candidate for a single office on the ballot;

(II) notify the voter before the ballot is cast and counted of the effect of casting multiple votes for the office; and

(III) provide the voter with the opportunity to correct the ballot before the ballot is cast and counted.

(B) A State or jurisdiction that uses a paper ballot voting system, a punch card voting system, or a central count voting system (including mail-in absentee ballots and mail-in ballots), may meet the requirements of subparagraph (A)(iii) by—

(i) establishing a voter education program specific to that voting system that notifies each voter of the effect of casting multiple votes for an office; and

(ii) providing the voter with instructions on how to correct the ballot before it is cast and counted (including instructions on how to correct the error through the issuance of a replacement ballot if the voter was otherwise unable to change the ballot or correct any error).

(C) The voting system shall ensure that any notification required under this paragraph preserves the privacy of the voter and the confidentiality of the ballot.

(2) Audit capacity.—

(A) In general.—The voting system shall produce a record with an audit capacity for such system.

(B) Manual audit capacity.—

(i) The voting system shall produce a permanent paper record with a manual audit capacity for such system.

(ii) The voting system shall provide the voter with an opportunity to change the ballot or correct any error before the permanent paper record is produced.

(iii) The paper record produced under subparagraph (A) shall be available as an official record for any recount conducted with respect to any election in which the system is used.

HOUSE TO DEBATE BUDGET RESOLUTION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from South Carolina (Mr. SPRATT) is recognized for 60 minutes as the designee of the minority leader.

Mr. SPRATT. Mr. Speaker, I yield to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I thank the gentleman from South Carolina (Mr. SPRATT) for yielding me this time. In the 2000 Presidential election, President Bush declared that he was against nation building. Who knew it was America he was talking about? President Kennedy used to say, to govern is to choose, and how we make our choices in this budget is a reflection of our values and the choices we want to make for the American people. It is not just a set of numbers; it is a set of priorities, a set of values, a set of principles.

I put together an analysis of what the President has done here in America with his budget and what he is doing in Iraq with the American taxpayers' money. Take job training, for instance. In the United States, although we have cut $316 million in vocational education, in Iraq, $60 million for demobilizing and job training for 130,000 enemy combatants. Funding is $353 million for American enterprise fund and job training. $151 million has been cut in adult training here in the United States. Those are values; those are priorities.

Take the area of college education. Here in the United States we have cut $101 million in the President's budget for Perkins loans; $327 million has been cut in Pell grants for college education. In Iraq, $20 million for higher education and development projects creating U.S.-Iraqi university partnerships.

Expanding literacy, we have cut reading programs here in the United States; $40 million for building 275 schools and training 10,000 teachers in Iraq. That is just one example of the set of priorities and values that the President's budget reflects here at home.

My view is, I am for investing in Iraq's future, giving the children of Iraq a future, but not one that is less promising and less strong and less valuable than the one we have here for the people in the United States. We should not invest in Iraq for things we are not willing to invest for here in the United States.

Take the issue of health care. Americans are facing a huge health care crisis. Costs are growing by 20 percent a year for the last 3 years and are expected to grow like that going forward. What have we done since the President got elected? We used to have 38 million uninsured in America, today we have 43 million uninsured, and not a single proposal to deal with it.

In the President's budget, we cut $278 million for health professional training. In Iraq, we fund free training for 2,200 health professionals and 8,000 volunteers.

There has been a $94 million cut to community access programs to coordinate health care services to underinsured. In Iraq, $793 million has been spent for health care construction and medical equipment. $78 million in the United States is cut for health activities to provide health care for rural America; $28 million is provided for operation and staffing of 150 health clinics for 3 million Iraqis.

Down here, funding has been cut for all child care programs here in the United States; $44 million is provided for community development projects in Iraq for child care facilities. Those are our values; those are our priorities. Why is Congress willing to fund Iraq's health care professionals, why are we investing American money for 2,200 new health care professionals, yet here in the President's budget we cut health professional training not just by $78 million. That is a 64 percent cut in that budget.

What is it about the Iraqi health care system that we can see an investment that will reap the benefits of a stronger, healthier Iraqi population; but here at home, we say to rural America and community health care, we say to control cost, we are going to cut and slash. Those are our values; those are our priorities. These budgets are not numbers. They reflect what we care about and what we envision. We cannot have a vision for Iraq that is stronger and better than the one that we envision for the American people.

Mr. Speaker, that is just in the area of health care. In the Corps of Engineers, in Iraq we have opened up a new port for commerce. In the United States, the Corps of Engineers, we have a 10 percent cut in their budget, in the President's budget. We are investing $4 billion to open up a new port in Iraq, and we are cutting the Corps of Engineers here in the United States that helps economic growth and the movement of goods and services.

That budget for Iraq reflects our values, and that budget for America reflects our values. These are not our values at work. We can have differences among our parties; but ultimately the budget has to reflect what we think and how we see America growing, how we see our children getting educated, how we see our workers getting trained, and how we see the health care for our communities.

We cannot invest in Iraq in a way that envisions they have a brighter future than the one we are envisioning for our own families. As we hear from my colleagues this evening about the budget choices we make, there are other areas we are going to be talking about on education, job training, health care, commerce, the environment.

We have a policy for the marshes to be restored in Iraq, yet we are cutting the Environmental Protection Agency in the United States. We have a $4 billion water program going on in Iraq, yet for our drinking water facility we have cut $300 million here at home. Those are not our values; those are not our priorities.

So when the President declared in 2000 when he was running for the Presidency that he was against nation building, he was right; but who knew it was the United States he was talking about. But think of the upside: in 2004 when President Bush seeks reelection, he can at least say he kept his commitment, that he was against nation building because the end result of his economic policies, the end result of his budgets, 9 million uninsured Americas, 2.7 million Americans who had jobs since he became President lost their jobs, 43 million Americans have no health care, 33 million Americans work full time without health care, 2 million additional children who used to be part of the middle class are now in poverty, and a trillion dollars' worth of corporate assets have been foreclosed on.

As Ronald Reagan once said, facts are a stubborn thing. Those are the facts, and those are the results of the President's economic priorities. This is his fourth budget since being President. He has made an investment in Iraq that he has not measured up and made here in the United States. We must have the priorities that we hold for Iraq to be true for the United States. That is what this debate and this discussion about the budget is.

Mr. Speaker, I thank again the gentleman from South Carolina (Mr. SPRATT) for allowing me this opportunity to lay out some of the choices that I went through on the budget.

Mr. SPRATT. Mr. Speaker, I thank the gentleman from Illinois (Mr. EMANUEL) for his contribution.

The gentleman was talking about the budget. The reason the budget is topical is tomorrow the House takes up what we call the budget resolution. It is a tough task that lies before us tomorrow. The budget resolution is just an outline. This is it right here. I have the Democratic substitute to it. It is about 67 pages double-spaced. So why is it so tough? It is tough because the deficit this year is $521 billion. This year, 1 year, the deficit is $521 billion.

□ 2015

The budget is in deficit over the next 10 years by at least two to three times that amount, by at least $4 trillion on top of that amount. That is one reason the task is tough.

It is also tough because we did not have to be here. We did not have to be in this situation. Three years ago when President Bush took office, he gained a benefit that no President in recent history has enjoyed. He gained a budget which he inherited in surplus, big-time surplus, by more than $100 billion. The previous year, the year 2000, the surplus was $236 billion. We actually paid off debt of the United States in 1999, 2000 and 2001. That was the context in which Mr. Bush came to office.

His economists at his budget shop, the Office of Management and Budget, looked out over the next 10 years and told the President they foresaw surpluses, cumulative surpluses, of $5.6 trillion. Today, just 3 years later, those surpluses have disappeared. Vanished. They are gone. They are no more. In their place we have a deficit, a cumulative deficit, of $2 to $3 trillion over the next 10 years, depending on assumptions you make about tax and spending policy.

What happened to that surplus of $5.6 trillion? As it turned out, we warned the President. We had seen surpluses like this projected before. The projection is really an economist's construct of the future, and they missed it. They misestimated the size of the surplus by at least 50 percent. And when you diminish the surplus expected of $5.6 trillion by 50 to 55 percent, it becomes $2.6 to $2.8 trillion. All of that remaining surplus has now been wiped out by tax cuts and then some, and by spending increases, largely for defense.

The President says we have to rein in spending, but for the most part, spending has gone to defense, homeland security, the New York bailout, the airline bailout, the consequences of 9/11, categories that could hardly have been controlled. Domestic discretionary spending on education and health care and the environment has been growing at 2 to 3 percent a year. He says we have to rein it in, but he ignores the spending category that is the big spike in the budget.

In any event, the surplus has disappeared. The surplus of $5.6 trillion is no more. It has been replaced by a deficit. So you would expect the President in that light to send us a budget this year that would begin to move us into balance, take us back to the path we were on when he came to office, when he saw nothing but surpluses for the next 10 years.

The President does indeed present us a budget which claims to cut the deficit in half by 2009, within 5 years. But he omits from that calculation anything for waging war of low intensity against the insurgencies and so forth in Iraq and Afghanistan. Nothing for the deployments we have there. Even though his Office of Management and Budget says that there will probably be at least $500 billion more needed sometime later this year or early next year, you will not find that calculated anywhere in the President's budget.

When he says we are going to cut the deficit in half, not a nickel after 2004 is included for the cost of our deployments in Afghanistan and Iraq, even though the cost is substantial and they are not coming to an end, unfortunately, anytime soon.

And so the President does not bring the budget to balance. Indeed, he does not run his budget out 10 years as was customary just a few years ago.

When he came to office, so that he could say that there is plenty of support for the type of tax cut I am proposing, $1.7 trillion in tax reduction over 10 years, he extended his projection of the budget out over 10 years to get the cumulative total of $5.6 trillion. Those who looked closely noticed that two-thirds to three-fourths of all that surplus occurred in the second half of that 10-year period of time. Now, the surplus has disappeared, the basis for those tax cuts has been removed, so what does the President recommend for next year? Another $1.3 trillion in tax reduction. He recommends making permanent all of the tax cuts made in 2001, 2002 and 2003.

We are not here tonight to advocate higher taxes or more taxes or more revenues. We are here to advocate rebalancing the budget as a critical domestic priority, particularly given the fact that in just a few years we are going to see a demographic phenomenon the likes of which this country has not seen before, the retirement of the baby boomers. Within 20 years, the number of people on Social Security will nearly double. The number of beneficiaries on Medicare will nearly double. We should be preparing now by saving, and we are not.

We are dissaving. We are spending more than we take in. As a consequence, our children are going to have to bear the cost of Medicare and Social Security for our retirement, for the baby boomers' retirement. And in addition to that, they are going to have to bear the consequences of the debt that we are now stacking up, which could easily be $7, $8, $9 trillion by the time the baby boomers begin to retire and start drawing their benefits. That is why this is a serious period that requires serious fiscal policy.

So what does the President recommend? He recommends another $1.3 trillion in tax cuts, and the budget resolution that our colleagues on the other side of the aisle, the Republicans, will bring up tomorrow will embrace essentially the same tax agenda, which can only mean, given the fact that we have no surplus anymore, that every dollar of those tax cuts, if they are enacted and implemented, every dollar of revenue lost due to those tax cuts will go straight to the bottom line, will enlarge the deficit and will make it bigger and not smaller.

That is the situation we find ourselves in tonight and tomorrow as we take up the budget resolution, with a tough problem and difficult to handle.

Before going further, let me recognize the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. I thank the gentleman from South Carolina for his hard work on the budget. It is a lot of hard work and a lot of dedication. He articulates what the problem is.

I like to use charts when I discuss the budget because sometimes people lose perspective of exactly what the problem is when you talk about the budget and the mess that we are in.

This is a chart showing the deficit from the Johnson administration, Nixon, Ford, Carter. The red here is the Reagan and Bush deficits; the green is the Clinton administration digging us out of the mess; and the red is the present Bush administration budget.

The difference between the $100 billion surplus that we expected and the over-$650 billion deficit we see now, this is on-budget, this is after you have spent the $150 billion Medicare and Social Security surplus, that is a $750 billion swing. That is a big number.

I like to put it in perspective. If you look on the Federal budget, on the line item Revenue Individual Income Tax, that is all the individual income tax that we take in, we take in less than $800 billion in individual income tax. Here in 3 years, the budget deterioration, the deficit situation has deteriorated $750 billion, almost the entire value of the entire individual income tax that we take in.

As the gentleman from South Carolina indicated, we had a surplus. When this administration came in, the budget discussion, the questions that were asked of Chairman Greenspan, questions like, if we paid off the entire national debt, what would happen to the interest rates? What would happen to the bond market? Should we retire all of the debt or just the long-term debt or maybe just the short-term debt? That was the discussion, how to pay off the national debt.

Since the first budget of this administration was enacted, we have not heard anything about paying off the national debt.

Some of the Republicans want to take credit for some of the hard work and tough decisions made during the Clinton administration. I would remind them that when the Clinton administration came in and passed the first budget, it was passed by the narrowest of margins and not a single Republican in the House or in the Senate voted to start this green line going up.

In 1995, when the Republicans used those votes, demagogued those votes, took over the House and the Senate and offered their first budget, it included massive tax cuts. President Clinton vetoed those tax cuts. They threatened to close down the government if he did not sign the tax cuts. He vetoed them anyway. They shut down the government and he vetoed them again. He would not sign a budget that would wreck the progress that we had already made. As a result of the presidential vetoes, not the congressional action, the presidential vetoes, we maintained a straight line all the way up to a surplus of $100 billion.

When President Bush came in, the Congress passed those tax cuts again, and we see what happened as a result.

The administration promises to cut the deficit in half within 5 years. First of all, as the gentleman from South Carolina indicated, the President is not going to be able to achieve that goal. But the goal itself is insulting. We started this administration with a surplus expected to be $100 billion and now we have gotten into the mess and the President only promises to clean up half of the mess. What we ought to be talking about is, when do we get back to a major surplus and when do we pay off this additional debt that we actually have?

We got into that mess with massive tax cuts. The administration and some Republicans like to say, who got the tax cuts? This chart by 20th percentiles shows the lowest 20 percent, the middle 20 percent, third 20 percent, fourth 20 percent, the highest 20 percent, highest upper-income brackets. Who got the tax cuts?

You can call it what you want. This is the chart. There is a line here at about the 50 percent mark. Half of the value of the tax cuts went to the upper 1 percent of the population. So whatever they say, this is the chart.

When you run up that kind of debt, you have to pay it back off, but in the meanwhile, you have to pay interest on the national debt. This chart shows the interest that we will be paying on the national debt.

This line is the interest we expected to pay as we were paying off the entire national debt; that is this dark line here. The red line is the interest on the national debt that we are going to have to pay because we have messed up the budget.

These lines show the difference in interest on the national debt. It is going to be $341 billion more in interest on the national debt every year and growing. By 2010, about $1.2 trillion in additional interest on the national debt.

$341 billion additional interest on the national debt; like I said, we are bringing in less than $800 billion in individual income tax, but $341 billion at $34,000 apiece, that is enough to hire 10 million Americans, give 10 million American jobs at $34,000 apiece.

There are only 9 million listed as unemployed. Ten million could have been hired with just the difference in interest on the national debt. Ten million. We are struggling to hire 100,000 police officers and cannot do it. We would like to hire 100,000 additional teachers, maybe even 1 million teachers. Ten million additional people at $34,000 apiece just in the lost interest on the debt.

We were told we got into that mess to create jobs. You need a chart to show the jobs. This is one chart. There are other charts that show the same picture, the number of jobs from everybody's administration back to Harry Truman.

Harry Truman created about 4 million jobs in his second administration. Eisenhower, about 1.9 million jobs the first term, lost about 200,000 in the next term, but it is a net plus, 1.7 million. Kennedy-Johnson, Johnson, Nixon, Ford. Everyone creating jobs. Clinton, over 10 million jobs the first term, another 10 million jobs the second term; until you get to this administration, lost almost 3 million jobs already.

□ 2030

When we look at this chart, we wonder what happened. This administration will point to 9–11 as the cause for the loss in jobs. In my view, because we had so much additional spending right after 9–11, about $40 billion, properly done, we should have been gaining jobs after 9–11. But whatever the situation with 9–11, just remember that this chart includes the Korean War, the Vietnam War, the hostages in Iran, Grenada, Persian Gulf War, Somalia, Kosovo. Everyone has had military involvement including the Korean War and the Vietnam War, and everyone creates jobs during those crises except this administration. We have lost jobs.

Now, we need to look at the chart because some in this administration will say that the tax cuts are working. Look at the chart. The economy is doing well. We look at the chart. This is the worst since Harry Truman. Actually, the worst since the Great Depression, but this chart just goes back 50 years. This is not a good result. The tax cuts did not work. Millions of Americans lost their jobs.

The final chart shows the real crisis that we have, and that is maintaining Social Security. Chairman Greenspan said if we make the tax cuts permanent, we have to, I think he said, adjust Social Security. He did not say cut, but the people will get less than they anticipated. Most people would call that a cut. Increase the age of retirement, reduce the cost-of-living increases, most people would consider those as cuts; but we will use "adjust." If we make the tax cuts permanent, we must adjust Social Security. This chart shows that we are bringing in more Social Security than we are paying out now, and in 2017 we are going to start paying out more than we are bringing in.

This chart shows that in just a few years we will be paying out $300 billion more in Social Security than we are bringing in. If we add the Social Security deficit with the additional interest on the national debt, the GAO just recently produced a chart that showed that the projected Federal revenues in just a couple of decades will be insufficient to pay the Social Security deficit and interest on the national debt. It will be insufficient to pay that. Before we get to Medicaid and Medicare and before we get to all other government spending, just the deficit and Social Security and interest on the national debt will absorb all Federal revenues.

There is one thing about this chart that is interesting, and that is as challenging as this chart is, if the President, instead of giving a tax cut to that upper 1 percent, had allocated what he has got in store for the upper 1 percent into the Social Security trust fund, we would have been able to pay Social Security without reducing benefits or adjusting benefits for 75 years. Or we can look out for the upper 1 percent and give them the tax cuts that the President has proposed. We had a choice. We had a choice in education, tax cuts for the millionaires or Pell grants and fully fund No Child Left Behind.

We have talked about veterans benefits. We do not pay enough in the budget proposed by the Republican majority, not enough to maintain present services for veterans health care. Homeland Security, underfunded. The troops are not properly equipped. And this administration has shown no indication that they care about the budget. I mean, just the way that the war has been fought, we appropriated $87 billion a couple of months ago. We had already spent $79 billion. That is $166 billion on the war with more coming. The meter is still ticking. $166 billion is more than we spent in a year in the Department of Homeland Security plus the Department of Education plus the Department of Transportation plus the Department of Labor plus the Department of State, combined, not up to $166 billion. What has this administration talked about as to how to pay for it? Tax cuts and no cuts in spending? It all goes to the bottom line.

Now, $166 billion compared to the Persian Gulf War 12 years ago, how much did we spend on the Persian Gulf War? How much did the Persian Gulf War cost the United States of America? $7.4 billion, 7.4. We have spent 166 billion already and counting. It cost 7.4 billion because we had allies. It was not "my way or the highway." We had allies, and they paid most of the expenses. This time it is all on our dime. We are spending $166 billion and more. It goes right to the bottom line on the deficit chart.

So I would say to the gentleman from South Carolina, we can do better than this. We do not create a chart like this by accident. We do not create this green shaded area by accident. Tough choices were involved. And we can make those tough choices. We can fund our priorities, the ones that the gentleman from Illinois talked about: the health care, the transportation, the housing, all of those needs. We can address those. But we have to do it in a fiscally responsible way.

During this period of time when we were exercising fiscal responsibility, making the tough choices, we were creating millions of jobs. When we resorted to fiscal irresponsibility, none of the tough choices, we noticed that not only have we wrecked the budget, but we have also lost jobs in the process. So these are the kinds of things that are going on.

GENERAL LEAVE

Mr. SCOTT of Virginia. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of the gentleman from South Carolina's (Mr. SPRATT) Special Order.

The SPEAKER pro tempore (Ms. GINNY BROWN-WAITE of Florida). Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SCOTT of Virginia. Madam Speaker, I yield back to the gentleman from South Carolina.

Mr. SPRATT. Madam Speaker, I would like to pick up where the gentleman left off with more explanatory charts. We have said that the projected surplus in the year 2001 when the President came to office was an unprecedented $5.6 trillion. There it is on this simple table. Under the President's fiscal policies and under the situation of the times, not all of his making, that surplus declined from $5.6 trillion to a deficit today in accordance with his 2005 budget, which will equal over this same period of time 2002, 2011, a cumulative $2.928 trillion deficit. From $5.6 trillion in surplus to $2.9 trillion in deficit. The arithmetic is simple. That is a reversal of $8.5 trillion over a 3-year period of time. We have never seen fiscal discipline come so unraveled, all of the effort in the 1990s to put the budget in balance for the first time in 30 years, to put it in surplus, to bequeath that surplus to President Bush only to have it absolutely wiped out over the next 3 years.

Here is a very simple graph that shows the path the deficit has taken since 1989 when the first President Bush was the President. As we can see, under the administration of the first President Bush, the deficit declined and grew worse, from $153 billion to $221 billion to the point where in the last year the first President Bush held office, we had a deficit of $290 billion. In 1991, 1992, a deficit of $290 billion. That was the situation that President Clinton found when he came to office in January of 1993.

If we look at the curve rising up, it shows us that every year of the Clinton administration, the bottom line of the budget got better and better and better. Every year the deficit was lower until 1998 when we had a surplus for the first time in 30 years and in the year 2000 we had a surplus, a phenomenal surplus, of $236 billion. The next year President Bush came to office. Three solid years preceded him in surplus. His own economists told him to expect a surplus of $5.6 trillion. They blew it. They overestimated it. We warned him to be wary, but nevertheless that was the situation in which he came to office. Here is what has happened since. The $521 billion here at the bottom of this chart is the projected deficit for this year from the administration. That is not our estimate. We are not trying to put some sort of spin on it. The facts are bad enough and speak for themselves. The Office of Management and Budget, Mr. Bush's shop, said the deficit this year will be $521 billion.

As we see the next chart, we pick up that $521 billion over here on the vertical axis, right there, $521 billion, the deficit in 2004; and then we make some politically realistic, and we think budgetarily realistic, adjustments to the path that CBO, our Congressional Budget Office, has plotted for the President's budget because they make certain assumptions that are, frankly, not realistic. For example, they require by law to assume that when a tax cut expires, it dies, it sunsets, it does not come back. We know from practical experience that popular tax cuts are almost always renewed, and therefore they do not give a plus-up to the budget. If we make assumptions like that, politically realistic assumptions, then the President's budget will go from $521 billion to 389 next year. It gets a bit of a bounce from this economy. It is helping. The economy is helping diminish the budget deficit, but it bottoms out at about that level and stays around 300 to $400 billion for the next 10 years to the point where in 2014, the deficit is still over $500 billion: 521 in 2004; 502 in 2014. That is our best estimate of where we are going under the President's budget per his projections adjusted for what we consider political reality.

By the way, the blue line up there, which the gentleman from Virginia (Mr. SCOTT) was just rising to call my attention to remind the Members, that is the plot we were on, the path we were taking when President Bush came to office, and that is how far we have descended into debt. From all the way up here, $250 billion in surplus down to deficits of $521 billion.

It is obvious to anyone, everyone, that a budget deficit of this magnitude requires bold measures. Simple half measures simply will not cut it. We learned that in the 1980s and the 1990s. We need a long-term plan for deficit reduction. We need enforcement to back up our intentions, and we need to look at every segment of the budget, spending and revenues both.

If we look at this simple pie chart here, we will see that this wedge, domestic nonhomeland security, discretionary spending, that is, education, the FBI, the Justice Department, the National Parks Service, the government as we know it falls in this wedge right here. The entitlement programs take up two thirds of the budget. This other wedge, the red wedge, is for defense and international support, international aid, foreign aid, discretionary spending; and then this sliver down here is homeland defense. A small sliver today, but growing every year, $46 billion this year, an account that did not even exist in the budget 3 years ago.

□ 2045

Well, what does the President propose? Essentially what he proposes is to rein in spending, his words, but he goes only to this segment of the budget, 15 percent of the budget, domestic, nonhomeland security, domestic discretionary spending. He goes to it and begins to clamp down on it and take one-half to one percentage points out of it, cuts that do not seem that draconian in truth.

But, in effect, the President takes about $10 billion to $15 billion below constant dollar levels out of the domestic discretionary accounts, and by the fifth year of his budget forecast, that is all that is left. That is all that is left. The cut amounts to $40 billion to $50 billion. It begins to become serious, particularly in accounts like education and health care.

Now, we have taken seriously this budget forecast because it is, I think, a call to arms. If you add up all of the deficits shown on this politically realistic line, they come to about $3.5 trillion over the next 10 years. If we are realistic, honest, frank, and face the facts, that is the future we are looking at. I do not think that is a sustainable course. I do not think that is a future we want to have or a situation we want to bequeath to our children.

So we have come up with a budget that will be offered tomorrow as a substitute to the budget offered by our Republican colleagues. Their budget never gets in deficit, partly because they only run the budget out 5 years, not 10 years as was customary in the recent past. They do not go the extra 5 years, because that would require them to confront an uncomfortable decision.

Their tax cuts will expire within that second 5 years. They intend to renew those tax cuts. But if they renew those tax cuts that were passed in 2002, 2003 and 2001, if they renew those tax cuts, the budget will never balance, at least not on any chart we have got or any forecast that is likely to be made. It will be in deficit for as far out as the eye can see.

We, however, have taken our budget and run it out 10 years, and we have made certain assumptions about tax cuts. We protect middle-income tax cuts. We call for the extension of the marriage penalty provisions. We call for extension of the child tax credit at $1,000. We call for extension of the 10 percent bracket. So we protect middle-class tax cuts.

In addition, we protect the estate tax. We protect the reforms in the estate tax and call for a reduction in the estate tax by substantial increases in the unified estate and gift tax credits.

What do we do? This is most important. After doing these things, spending $10 billion over 5 years, more than they commit to education, $4 billion more to the environment, all down the line with critical priorities, veterans health care, $2.5 billion more than the President provides for veterans health care because veterans deserve it, we promised it, and they are stacked up trying to get appointments at veterans hospitals today. We have taken care of critical priorities with a really discriminating eye as to what really matters.

In the process, we have also provided for a fiscal framework that will balance the budget within 8 years, by 2012, will accumulate less debt each year, less deficit each year, than the Republican bill that is the main bill on the floor tomorrow. Our substitute will accumulate less debt, smaller deficits, and will balance by the year 2012.

I yield to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. I notice some of the gentleman's numbers are slightly different than the numbers I was using. I think we need to explain that these numbers are with the unified budget. The ones I was using were what are called on-budget, which means that you save the $150 billion in Social Security and Medicare surpluses. That $521 billion assumes that you have spent through that already, before you start counting the deficit.

Mr. SPRATT. The gentleman makes an excellent point. If the $521 billion were not reduced or diminished by the offset of the Social Security surplus, which is about $160 billion, it would instead be $681 billion, instead of $521 billion. In truth, he was here when we voted to do it. We have taken Social Security off budget. We acknowledge that the moneys in that trust fund are being accumulated today to be spent in the very near future, and they should not be consolidated with and diminish other accounts. You should look at the budget bottom line without offsetting the Social Security surplus gains.

Mr. SCOTT of Virginia. I would also ask the gentleman, who was here leading the charge during the time when we eliminated the deficit and went to surplus, if he could explain what PAYGO means.

Mr. SPRATT. Madam Speaker, I would say to the gentleman, the word "PAYGO" will be used frequently in this debate. In 1990, as we were trying to get our hands around the deficit, we came up with some budget process changes that had enormous significance. They were scoffed at at the time, but they have worked remarkably well.

One was the pay-as-you-go rule, or PAYGO rule. What it provided was if anyone wants to cut taxes, he must either cut taxes in one place in the code and raise them elsewhere, or find an entitlement benefit and cut it by an amount commensurate with the tax cut so that it is deficit neutral, it does not enlarge the deficit.

By the same token, if one wants to enhance, enlarge, liberalize an entitlement, benefit, it either has to be paid for with a new revenue stream or you have to cut another entitlement somewhere in order to offset it and make it deficit neutral.

Mr. SCOTT of Virginia. Is that the one behind you? The red, green and yellow on the floor.

Mr. SPRATT. I will put your favorite chart up.

Mr. SCOTT of Virginia. When we had PAYGO with the fiscal discipline, wherein if you increased the spending, you had to pay for it, or if you cut a tax, you had to pay for that, what color is that on the chart?

Mr. SPRATT. The green is surplus. It is deficit diminution. The red is a growing deficit.

Mr. SCOTT of Virginia. Then what happened to PAYGO in recent years?

Mr. SPRATT. The PAYGO rule was adopted for 5 years, renewed again for 5 years in 1997, and expired in 2002, and has not been renewed. But for the PAYGO rule, the tax cuts that were passed in the early 2000 period by the Bush administration could not have come to the House floor.

Mr. SCOTT of Virginia. Unless they were paid for.

Mr. SPRATT. Offset, fully offset.

I yield to the gentlewoman from Nevada.

Ms. BERKLEY. I would like to thank the gentleman from South Carolina for his leadership in this extraordinary quest to balance the budget and provide the surpluses that this Nation so sorely needs. I would like to thank the gentleman for allowing me to speak tonight on an issue that I care greatly about.

I voted for the first Bush tax cuts, and I voted consistently to cut estate taxes and to eliminate the marriage penalty tax, so I do not think anybody could accuse me of being a wild-eyed tax and spend liberal, but I do understand fiscal responsibility and I understand what is important to the people I represent.

Our President speaks of his commitment to education and his dedication to our seniors and veterans and his support for improving health care, but when it comes to providing the funding needed to match this rhetoric, I am afraid this President refuses to put his money where his mouth is. In fact, our President cuts nearly all domestic programs after the year 2005. He cuts education and training programs, health care and environmental protection programs, and veterans programs as well, all of which are vitally important to the millions of Americans all across our vast country.

One item in this year's budget that escaped without any cuts is the Yucca Mountain project. Despite hundreds of unanswered scientific questions, multiple lawsuits now pending in Federal court and troubling homeland security issues, the President has budgeted nearly $900 million for this white elephant, an increase of more than 50 percent.

Since September 11, we are living in a far more dangerous world, yet the administration refuses to acknowledge the very real terrorist threat that will be unleashed if thousands of shipments of nuclear waste are allowed to cross the Nation on their way to the State of Nevada. One terrorist attack on a shipment of high level nuclear waste could unleash the most deadly substance known to man, threatening lives and causing billions of dollars in environmental damage. The funding that is now being wasted on this giant hole in the middle of the Nevada desert should be used in ways that benefit America's families, not in the profits of the nuclear energy industry.

Why not pour these hundreds of millions of dollars into providing educational programs for our students, greater access to health care, benefits for our veterans and into efforts to make our Nation energy independent? Or to restore the $850 million in funding for homeland security activities that has been left out of the Republican budget?

In times of war, America has made promises to our veterans that we failed to fulfill in times of peace. As our troops fight in Iraq and Afghanistan and in countries across the globe, President Bush is refusing to ensure quality health care and pensions and benefits for our veterans. The Republicans provided $1.3 billion less in funding than recommended by our VA Secretary for Health Care Programs, including cuts to long-term care that will affect over 8,000 former service members.

In Las Vegas, aging veterans need more care than their families can possibly provide, and they turn to the VA long-term care facilities to provide the necessary health care services. These brave men and women, who fought for and protected our Nation, must know that they can count on the VA to assist them with the care they have earned through their military service.

Our veterans deserve better than having to worry that the budget cuts at the VA will deny them the high-quality health care they were promised when they left military duty. We must send them a message that we are indebted to their sacrifices and that we remain committed to our promises and to increasing these levels of funding to keep pace with the demand in Las Vegas and nationwide.

Another area, Madam Speaker, of the budget that is of vital importance to my district is funding for dropout prevention programs. Nevada has one of the highest dropout rates in this Nation. School officials in Nevada are working diligently to develop and implement programs to keep our kids in school, but they lack the funding and the resources at the local level.

I do not have to tell the gentleman that students that do not earn a diploma, that do not graduate from high school, will make far less in the workplace than their counterparts, and they are at a high risk of incarceration, far higher than those who do graduate high school. Sadly, the President's budget for fiscal year 2005 completely eliminates all Federal funding for dropout prevention efforts in Nevada and nationwide.

Like many other States, Nevada is facing a health care crisis. The exploding growth of Nevada has put a strain on our health care system. Working families in my State are struggling to make ends meet, and many are scared to death of the financial burden they face as a result of having no health insurance should they require medical treatment.

The Bush budget does nothing, nothing, to help these families access health care or obtain insurance coverage. Instead, it hands almost $46 million over to the HMOs, cuts training for nurses by 60 percent and slashes Medicaid.

Not only does the Bush budget ignore the realities of the uninsured, the President has also proposed shifting the cost of Medicaid onto the States. Most of our States are already facing a fiscal crisis. In the State of Nevada, we raised taxes to an unprecedented level. In Nevada, this shift that the President is suggesting will result in those most in need of assistance, children, the disabled and working families being cut from the rolls or having their benefits slashed unmercifully.

The President's budget represents far more than just numbers on a page. It is a commitment to meeting the needs of our Nation, our communities and those that we elected to serve in this United States Congress. The Bush budget fails to meet the needs of our veterans, our students, our teachers and our seniors.

Rather than invest in dropout prevention, long-term care for our veterans or protecting the Medicare system, this budget increases funding for Yucca Mountain at the expense of those who will suffer as a result of these misplaced priorities.

I would urge all of my colleagues to vote for the Democratic alternative. It makes sense, it is balanced, it is smart and it puts our Nation's citizens at the forefront when it comes to priorities.

I thank the gentleman for letting me share the problems that the people in my community are experiencing and that will only be exacerbated by the President's budget.

Mr. SPRATT. I thank the gentlewoman for her contribution.

Madam Speaker, going back to this chart, I think it should be obvious to almost any citizen, every fair-minded person, that a budget accumulating a deficit of $3 trillion to $4 trillion over the next 10 years, and possibly more, plotted by this line right here, is a budget that is not sustainable and should not be passed.

□ 2100

The Republicans have brought to the floor and will bring up tomorrow a budget resolution that, in effect, hides the outyear consequences because they simply quit in 2009. They do not go further. They do not extrapolate what will happen when the tax cuts, passed in 2001, 2002 and 2003, are made permanent. But what will happen is shown on this chart: the deficit will never get better. We have decided that this kind of problem requires bold decisions, and this budget resolution brought to the floor tomorrow by the majority party does not make them.

We are offering instead an alternative. It could be bolder, but it is definitely a step forward and a step in the right direction. Our budget fiscally will sustain smaller deficits each year and every year from 2005 through 2014 because we do not fear the extension of our budget into the outyears, because we propose a path through those years that will eventually bring us to balance. Indeed, our budget will balance in 8 years, by the year 2012, using realistic and reasonable assumptions. We will accumulate less debt, we will have smaller deficits, and we will put the budget back in balance.

Madam Speaker, let me emphasize too that in doing so, we will provide the same basic level for national defense as our Republican colleagues, and we will up them one. We will provide $5 billion more than they provide for homeland defense. We will protect the middle-income tax cuts, as I said earlier, the marriage penalty, the 10 percent bracket, the child tax credit. We will even provide that the estate tax should be substantially reformed by significantly increasing the estate and gift tax credits.

Within that same context, we will provide $10 billion more than our Republican colleagues do over 5 years, $10 billion more for education. We will provide $2.2 billion more for the environment. We will provide $5 billion, as I said, more for homeland security. And over 10 years, we will provide $6.6 billion more for veterans health care.

We have been discriminating and careful about the increases we have made. We have picked our priorities with care. But we protected those things that are essentially important, the safety net and important programs like veterans health care, as they should be protected; but we have still protected our children and our future by bringing the budget to balance within 8 years.

Madam Speaker, I appreciate the opportunity to make this presentation and will be back to the floor tomorrow to pick up where we leave off tonight.

Ms. JACKSON-LEE of Texas. Madam Speaker, I rise today being very disturbed with the direction that the Republican Party and this administration is taking our great Nation. The prime reason for my concern is the national budget which will come before this body tomorrow. The Nussle budget clearly does not improve upon the severely flawed Bush Administration budget. The needs of average Americans are still ignored. The interests of a wealthy few outweigh the needs of an entire Nation in this budget. I say this not out of partisanship, but from a statement of the facts. I want to highlight a few areas in this budget that are particularly egregious.

EDUCATION

This President and the majority party in this body have spent so much time talking about their record on education, and as hard as I try I cannot see what they have to be proud of. It is one thing to address areas of critical need with rhetoric, but to advocate a policy and then not fund it sufficiently is plain irresponsible. At the top of the list of my concerns is the No Child Left Behind Act (NCLB) and the fact that it has become an unfunded mandate. The House Republican resolution provides at least $8.8 billion less than the $34.3 billion authorized for education programs under the "No Child Left Behind" Act for 2005. This low funding leaves millions of elementary and secondary school students without the services Congress and the President promised just two years ago. For example, the Republican budget denies Title I services to 2.4 million students who qualify under the Act.

But the irresponsibility does not end with No Child Left Behind. For the third straight year the Republican Party has frozen the funding level for Pell Grants. Both the Republicans and the President freeze the maximum Pell Grant award at the 2003 level of $4,050, with an average grant of $2,399. Such small Pell Grants make college unaffordable for millions of students: the College Board reports that tuition and fees at 4-year public colleges today average $4,694. In any market this gap would be hard to swallow, but with the current state of joblessness that the Republican Party's agenda has created it is near impossible for so many American families to send their children to college. I fear that this agenda, if allowed to continue, will cause a perpetual state where our American families aren't able to succeed.

VETERANS

Our brave American veterans are another group who were outraged by the President's budget and will unfortunately be disappointed with the Republican House Budget. I hear so much in this body from the majority party about the greatness of our Armed Forces, and they're right, but again it's just empty rhetoric on their part. Those brave men and women fighting on the front lines in our War Against Terror will come back and find that the Republican Party looks at them differently once they become veterans. Almost all veterans need some form of health care, some will need drastic care for the rest of their lives because of the sacrifice they made in war, but the Republican Party continues to turn a blind eye to their needs. On a bipartisan basis, the Committee on Veterans Affairs recommended that $2.5 billion more than the President's budget was needed to maintain vital health care programs for veterans. Nevertheless, the House Republican budget provides $1.3 billion less than what the Committee recommended for 2005.

The entire Department of Veterans Affairs is going to suffer because of the Republican agenda. Over the next five years the money allocated to the Department of Veterans Affairs will not even be able to maintain these programs at their current levels. In 2007, the budget is $227 million less than what the Department of Veterans Affairs needs to keep pace with inflation. Over five years, the Republican budget cuts $1.6 billion from the total needed to maintain services at the 2004 level. I've heard from veterans groups throughout my district in Houston, and I'm sure each Member of this body has heard from groups in their own district, because veterans are one group that comes from all parts of this Nation. These brave veterans have told me their stories of how they are suffering now with the current state of Veterans Affairs. I am going to have trouble telling them that not only will things continue to stay bad, but if this budget passes this body things will only continue to get worse. That is not what our returning soldiers from Iraq and Afghanistan should have to look forward to—a future where their needs are not only not provided for, but are in fact ignored.

IRRESPONSIBLE REPUBLICAN POLICIES

Education and Veterans Affairs make up only two areas where the Republican budget fails Americans. The truth is there are many other programs and services vital to our Nation that are at risk because of the Republican agenda. At this point, an average American may be asking why the Republican Party finds it necessary to cut so many fundamental programs. The answer is simple, yet disturbing: The majority party is cutting important programs in order to finance all their irresponsible tax cuts. They will continue to make the argument that tax cuts provide stimulus for our economy, but millions of unemployed Americans will tell you otherwise. In fact the Congressional Budget Office itself said "tax legislation will probably have a net negative effect on saving, investment, and capital accumulation over the next 10 years."

While the Republican Party continues its offensive for irresponsible tax policies, they allow our national deficit to grow increasingly larger. The deficits are so large and their policies are so irresponsible that they won't even make deficit projections past 2009. It's clear that the Republican Party is hiding from the American people. This President and this majority in Congress have yet to advocate a fiscal policy that helps average Americans. Special interests have become king in this budget at the price of sound fiscal policies.

DEMOCRATIC AND CBC ALTERNATIVE BUDGET

The truth about the budget is that a sound fiscal policy that funds needed programs is possible. The Democratic Alternative Budget and the CBC Alternative Budget are both examples of how we can get out of the quagmire that the Republican agenda has put this Nation in.

The Democratic budget achieves balance within eight years through realistic policy choices that protect funding for key services. The Democratic budget also has a better bottom line than the Republican budget every year, meaning a smaller national debt and fewer resources wasted paying interest on the national debt. Chronic deficits crowd out private borrowing, run up interest rates, and slow down economic growth. In addition, the Democratic budget provides $1.3 billion more than the Republican budget for veterans programs for 2005 and $6.6 billion more over five years. The Democratic budget provides $2.1 billion more for appropriated education and training programs than the Republican budget for 2005 and $9.8 billion more over the next five years. The Democratic budget also provides $3.7 billion in mandatory funding to make up the current shortfall in funding for Pell grants and additional funding to make college loans cheaper for students. These programs are all funded while maintaining a sound fiscal policy. The Democratic budget achieves balance within eight years through realistic policy choices that protect funding for key services. The Democratic budget also has a better bottom line than the Republican budget every year, meaning a smaller national debt and fewer resources wasted paying interest on the national debt. Republicans will surely try to counter this by touting the benefits of tax cuts. However, most Americans are waking up to the fact that mass tax cuts targeted toward the wealthiest Americans will only bog down our national economy. The Democratic budget accommodates the extension of marriage-penalty relief, the child tax credit, and the ten percent individual income tax bracket. These tax cuts provide relief to middle-class families whose incomes have stagnated under the current administration's economic policies. This is what a sound fiscal policy really stands for.

This body was made to stand for the will of all Americans; if we allow this budget proposal to take effect we will have failed our mandate. I for one will not stand by silently; I have a duty to my constituents and indeed to all Americans to work for their well being and I will continue to honor that duty.

INNOVATIVE BUDGETING PROCEDURES FOR CONGRESS

The SPEAKER pro tempore (Ms. Ginny Brown-Waite of Florida.) Under the Speaker's announced policy of January 7, 2003, the gentleman from Illinois (Mr. Kirk) is recognized for 60 minutes as the designee of the majority leader.

Mr. KIRK. Madam Speaker, I believe the Federal Government must return to a balanced budget, not just as a goal of sound financial policy, but also as the sacred moral fulfillment of commitments that we have made to the American people.

I am pleased to be joined here by my colleague, the gentleman from Wisconsin (Mr. Ryan), who has joined across the ideological spectrum of our party to make sure that we have a budget that not only cuts the deficit, but that is enforced to make sure that the commitments we make under that budget are actually fulfilled.

I yield to my colleague, the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Madam Speaker, I thank the gentleman from Illinois (Mr. KIRK) for his work on this budget issue as well. Only if all of us work together to bring real reform to the budget process can we actually achieve that. The prior speaker, the gentleman from South Carolina (Mr. SPRATT), is a person who also deserves a tremendous amount of credit for his work on the budget issue. He is a person who has been around and has witnessed this budget process work and not work, and we really do look forward to working with him on this issue as well.

Madam Speaker, I want to briefly describe what the problem we have here is. Every time we bring a budget to the floor of the House of Representatives and the Senate and pass something, and we pass a budget every year, we debate about the numbers, we debate about the glidepath, the dates, all of those things. We just saw the charts of the gentleman from South Carolina (Mr. SPRATT).

This week the House Committee on the Budget will be bringing a budget resolution to the floor. The problem with this entire process is, once Congress sets a budget, Congress does not have to stick to that budget. That is a big problem. Look at how we do it with our family budgets. We do not have the ability to just assume more income into our families when we set a budget for our family budget for the year. However, Congress does that. So what we have here in this current system, it marks the 30th year where we have operated under these current rules, since the 1974 Budget Act was passed, where we will pass a budget resolution, not into law, but as a resolution, binding Congress for the year to those numbers. The problem is, Congress does not have to follow those resolutions, and there are a thousand tricks out of those budget caps.

What we have proposed together, many of us, a large group of us on the Republican side of the aisle, and now we have some Democratic cosponsors on some of our bills, so that we are making this a bipartisan effort is, number one, let us make our budget binding. Let us actually pass a budget at the beginning of the session and get its top numbers signed into law by the President so that we have a budget that is legally binding on Congress. Once that is established, that can, therefore, give us the rules to enforce that budget. If we pass a budget that is not legally binding that we do not have to adhere to, it is difficult to enforce it.

So what we are proposing is, and this is something our coalition has come up with, I have introduced legislation along with the gentleman from Texas (Mr. HENSARLING) and the gentleman from Indiana (Mr. CHOCOLA) and the gentleman from California (Mr. COX) to do this as well; and the gentleman from Illinois (Mr. KIRK) has also introduced legislation. What we are proposing is, number one, a budget that gets signed into law in its numbers by the President; and, number two, because it is a legally binding budget and a legally binding document, we can, therefore, enforce it. If Congress, if spending exceeds the budget in any given year, automatically, an across-the-board spending cut, a sequester, kicks in to bring us back into conformity with the budget if Congress does not pass a bill to bring us into conformity with the budget. If we want to break that spending, it is no longer a majority vote, which is the case today; it is a two-thirds vote in the House and the Senate to actually break this legally-binding budget.

There are many other things we do in this bill, but I think it is very important that as Congress sets its track for spending, as we decide our priorities, as we determine when we hope to balance the budget, what level of spending for this, what level of taxing for that, we ought to be able to enforce that budget so we have the discipline needed to adhere to those goals and those challenges and those numbers.

Now, there are some other things that we think we need to do to address this issue, and that is there are a thousand little tricks that are employed here in Congress to get around what little spending discipline we have. For instance, we can pass an emergency spending bill, although emergencies do not have to be paid for in the current budget rules. Emergencies are things like a natural disaster like a tornado or a hurricane or a flood or, God forbid, another act of terrorism. Those things do not have to be paid for under our current budget rules.

The problem is, Congress can declare anything an emergency. A couple of years ago in this House, we passed an emergency will that put a $2 million summit house on top of Pike's Peak during, I think, it was a flood disaster emergency bill at that time. We can declare anything an emergency today, and that is one of the often-used tricks to get around the budget rules. We need to stop that, and one of the things we have proposed in our coalition that the gentleman from Illinois (Congressman KIRK) and I are members of and the legislation we are proposing is to tightly define what an emergency is, really what an emergency is.

Mr. KIRK. Madam Speaker, if the gentleman will yield, before we go into some of the other reforms we have talked about, people have asked, if the Republican leadership is in control of Congress, why can it not enforce its own rules? What we have seen time and time again is the leadership many times is defeated by a majority on the House floor. This is a lot easier if we make a supermajority requirement to enforce the decisions that we have already made.

Mr. RYAN of Wisconsin. Madam Speaker, that is exactly right. We have a tight majority, and it is very easy for the leadership to come up with a good budget and good enforcement around that budget; but all it takes is a majority vote on the floor of the House to defeat that, and that often happens, that is often the case. Having that higher vote threshold makes it much more difficult for Congress to defeat its own budgets. Having a legally-binding budget, which automatically kicks in spending cuts across the board, forces Congress to act. And if Congress chooses not to act, then the across-the-board spending cut comes in. If two-thirds of the Members of Congress do not want that to happen, then they can make sure that that does not happen. But that is a much higher threshold.

Among the other tricks that we seek to limit here is not only do we want to tightly define what an emergency is, but we want to raise the vote threshold on emergencies to a two-thirds vote, so that that too is a protected procedure, not another game that can be used to get around the budget spending caps that we have. But also, we want to set aside money for emergencies. We often have emergencies in this country that need quick attention by Congress. That is why we are proposing to set up a rainy day fund. Several State legislatures and State governments do the same thing. Congress also should set money aside to budget for the inevitable emergencies that occur every single year. Clearly, we are not going to be able to plan for every emergency. We spent $40 billion, as we needed to, after 9–11 to address that emergency. That was a lot of money; clearly, more than we have for our average tornado or natural disaster. But we can still try and budget for the inevitable emergencies we will incur here this year.

Another thing that really happens that is a big problem in part of our appropriation process is in addition to the fact that the appropriations bills can form huge bills where they put seven to 10 appropriations bills in one giant omnibus bill, they can tack in spending items that have nothing to do with the issue at hand. Let us take, for example, one spending item that we voted against just this last December, $50 million for a rain forest museum in Iowa City. They were going to build a rain forest under a glass bubble for $50 million. That was tucked inside of an omnibus appropriations bill in the part that went to Labor and Health and Human Services. A $50 million rain forest museum in the middle of Iowa has nothing to do with health, human services, or labor, the Labor Department. However, it was stuck into that portion of the bill.

Now, if we had the ability which, in this case, we did not in the House, to go to the floor, pass an amendment to defeat that $50 million from going to that rain forest project, we could do that. The gentleman from Illinois (Mr. KIRK) and I could bring an amendment to the floor saying, we should not be putting $50 million into a boondoggle rain forest museum in Iowa; let us pass an amendment to defeat that. We could pass that amendment. But by the rules of this institution, by the laws of the 1974 Budget Act, that $50 million would have to be respent somewhere else in the Federal Government. It could not be saved. So that is another thing we want to fix.

Another huge, glaring glitch in the budget process is we want to be able to come to the floor of Congress, identify wasteful spending, make sure that this kind of pork does not happen again and not only defeat the pork, not only get these projects not funded, but save the money so we can use it to reduce taxes or to reduce deficits or reduce debt. That is another reform we put inside of our bill and inside the coalition of principles that we have all agreed to subscribe ourselves too.

Mr. KIRK. Madam Speaker, the example of the rain forest is a powerful one that we focused on. But we have another reform that we have seen difficulties with: a line-item veto, which allows the President to identify pork barrel spending and eliminate it. But we have a fix.

Mr. RYAN of Wisconsin. We do. That is a very important point that the gentleman from Illinois raises. If my colleague recalls, the line-item veto was knocked down by the Supreme Court a few years ago, for good reason, which was it is anticonstitutional, it was unconstitutional for Congress to delegate its lawmaking power to the executive branch; and the Supreme Court aptly knocked down that line-item veto law.

So what we have come up with in place of it is the ability for the executive, the President of the United States, when he receives these big spending bills, to pull out pieces of spending, pork barrel spending and through an expedited procedure send those pieces of spending, those pork barrel projects back to Congress for an up-or-down vote on each of these procedures, each of these pork barrel projects. We have a procedure here where the President can make sure that he gets that vote. We cannot stonewall, we cannot filibuster it; we have to have a vote on this wasteful spending that the President can take out of these bills and send back to the Congress so we have another up-or-down vote to make sure that we have another chance, a redundant system to go after this wasteful spending. It accomplishes the same thing that a line-item veto does, but it retains the constitutional authority of the lawmaking body and the legislative branch that the Constitution and the Supreme Court calls for.

Mr. KIRK. Madam Speaker, this is the same way that we now close military bases, which was so difficult before.

We also talked about how, in the budget presentation to us, that the executive branch, the budgeteers, automatically include an inflation adjustment, so that we do not actually see clearly some of the increases that are in the budget.

Mr. RYAN of Wisconsin. That is correct. And that is why some of the other forms that we are calling for, which is automatically, they just assume that we are going to keep raising spending. One of the things we see around here is a lot of Members of Congress come to the floor and say we are cutting spending on programs, when actually what is occurring, if at all, is reducing the rate of growth of programs. What we believe is we should go back to zero-based budgeting, and we can go back to not baseline budgeting, but a zero-based budgeting whereby a dollar extra for a program the next year is an increase in spending. We do not want to have a baseline that constantly inflates and puts spending on auto pilot for all parts of our government. We want to make sure that we are more frugal with our constituents' dollars and that an extra dollar in an extra year is an extra dollar of spending, not a reduction in spending.

□ 2115

Mr. KIRK. We have that to make sure that we show that what you got last year is higher than what you have got the previous year. This year is higher than what you got last year.

But we have a number of other problems in presenting the financial condition of the budgets. And that is that, as yet, we do not have a good picture of the full debts and liabilities of the Federal Government.

Mr. RYAN of Wisconsin. One of the other things that we do not account for here in the accrual accounting is the costs of the pension that the Federal Government owes to its employees and many of the other Federal Government's liabilities. If the accountants of the Federal Government had to subscribe to the laws that we have placed upon the private sector, we would make the accountants at Enron look like saints. We would not be able to adhere to the common private sector accounting principles that are employed in the marketplace today.

What we wanted to accomplish is a full, clear accounting for all of the Federal Government's debts and liabilities. And that is another thing because if you take a look at the way the Federal budget is displayed and presented to Congress, it does not fully reflect all of the Federal Government's debts and liabilities. That is misleading. We need a clear and accurate picture of truly what taxpayers are on the hook for, not a rosy scenario, not a disguised scenario, not one that makes the situation look better than it actually is.

Mr. KIRK. We have that.

We also are talking about changing the rules of Congress. There are some rules of the Congress that are never waived. Any Member can raise a point of personal privilege, and that has never been touched. But there are other rules of the Congress that are routinely waived. We make changes to affect the budget.

Mr. RYAN of Wisconsin. That is right. One of the problems we have in this particular body, in the House Chamber, unlike the other body, is all the budget points of order that seek to protect our budget, to enforce our budget, are easily waived before they even get to the floor.

We have a Committee on Rules that sets the parameters of debate, the rules for the kinds of amendments that will be considered here. And the Committee on Rules, they can waive budget points of order. Therefore, if the Budget Enforcement Act of 1974 has a number in it that we miss and hit, and we break our budget, we are supposed to be able to have a point of order that defeats legislation coming to the floor that breaks our budget.

All it takes is a Committee on Rules to waive that point of order before it even gets to the floor and we pass a rule with a majority vote without even having to vote on whether or not we are going to break that point of order.

So the rules are so easily circumvented here on the floor that what we are doing is, we are making sure that these points of order are still maintained as points that Members individually can bring up. They cannot be waived in the Committee on Rules. They take a two-thirds vote. This is our preference in our particular legislation in order to waive these budget points of order.

Members of Congress need to be empowered with the rules so that they can raise the awareness that we are breaking our budget and they can force a vote to make sure we conform with the budget, and it takes two-thirds to break that.

Mr. KIRK. Now, we are talking about a basic principle that should be obvious to everyone. The rules should be the rules. But we have embodied these ideas in a number of pieces of legislation.

I wonder if the gentleman could talk about his bill that has come out.

Mr. RYAN of Wisconsin. Yes, I would like to ask the gentleman a few questions about his bill as well.

I thank the gentleman for the mike. He has given me a lot of time to talk about ours.

Our bill is what we call The Family Budget Protection Act. Number one, our bill does change the rules of the House so that you cannot waive these budget points of order, meaning you cannot just break the spending caps and not even have a vote on whether we did that or not on the floor of Congress.

First, we make a binding budget so it is signed into law by the President.

Second, if Congress is going to break the budget, it takes a two-thirds vote in order to break that budget. If we do not vote that two-thirds, then we have an obligation to reduce spending to bring it back into conformity with the budget. If we do not do that, an across-the-board spending cut comes into play.

But also the games that are played in the appropriations process, putting nongermane spending items in the bills where they should not be, we tighten up what we call the germaneness standards so we cannot put those kinds of things in appropriations bills.

It is important that we are honest with the American people in how we spend their money. It is important that we make sure we set a budget and stick to it. And it is also important that we have a budget process that is at least neutral toward higher taxes and higher spending.

The 30-year anniversary of the 1974 Budget Act paints one very clear picture, and that is the rules that run the budgeting in Congress are clearly biased toward higher taxing and higher spending. And they tie both hands behind your back if your goal is to bring sense to the budget system, bring fiscal discipline and hold the line on taxes.

What we are seeking to achieve in our legislation is simply to make the rules at least neutral toward taxing and spending, not biased for higher taxing and spending. And that is something that we all have to work together on.

What I am very encouraged about year, and this is my sixth year in Congress; I have been working on this ever since I got here. What I am especially encouraged about is the new coalition that we have been able to form.

The gentleman from Illinois (Mr. KIRK) has been a leader in this new coalition to fix this budget process, and only by linking arms and building a team can we get these kinds of things passed. So I would like for the gentleman to tell me some of his ideas about what he hopes to achieve in this budget process, which are all part of the broader principles that we signed on o and how exactly does the gentleman's bill work.

Mr. KIRK. I want to applaud the gentleman for his bill, which is now approaching 80 cosponsors. The companion legislation that I have introduced has 17. So we are now on our way to almost half of Republican Conference supporting comprehensive budget reform.

These reforms have been agreed to by dozens of Members on our side of the aisle and some Democrats because it is essential that this be a bipartisan reform effort to make sure that the rules really are the rules, to remove the spending bias in the Federal Government, so that we can get ahold of the spending picture and present it clearly to the American people; and to also make sure that we can root out some traditional, ages-long pork barrel spending included by the Congress, which a few powerful Members can support, but the body as a whole would never support, for example, a rain forest in Iowa City.

For us, it is important that we not only put forward these reform principles, but we put them in a broad principle, across party lines, and make sure that in the coming days we have not only passed a budget, but we pass legislation which allows easy enforcement of the budget. The budget should not be difficult to enforce. It should be very easy to enforce by a group of dedicated Members, fiscal conservatives who are watching the long-term bottom line of the U.S. Government.

Mr. RYAN of Wisconsin. That is right. I applaud that.

One of the things that we have to keep in mind is that the demographics of America are changing. And as the baby boomers begin to retire, we have to take into account the fact that we have 40 million retirees today; when the boomers are fully retired, we will have 80 million retirees. And so many of our programs are geared towards senior citizens, namely, Social Security and Medicare, Medicaid as well. So we have a tremendous fiscal pressure staring us in the face.

In order to prepare for those moments, not only do we need to reform these programs so we can improve them and make sure they are solvent, but we have to be able to pass a budget that we can stick to and enforce to get us to that solvency date, to make these programs viable for the baby boomers and for our generation, the generation afterwards.

Mr. KIRK. I thank the gentleman for participating in this.

First, I think this is critical that we not only vote on a good budget this week, but that we bring up our legislation for budget reform in the coming weeks

Mr. RYAN of Wisconsin. That is right. I also think it is very important to recognize that a lot of Members have worked on this issue. It is one thing to pass a budget under the current rules and talk about the great accomplishments we have in it; they are good accomplishments.

We are bringing a good budget resolution to the floor tomorrow, freezing domestic spending, getting to a balanced budget even faster than the President proposed, and he gave us a lean budget, making sure that we are not going to have huge tax increases hitting the American family just as the economic recovery is under way.

But the point of all this is, the current budget system, it is so easy to circumvent these budget rules, to circumvent the budget. So even though we are bringing what we think is a pretty good budget to the floor, actually a very good budget to the floor this week, we can easily circumvent it next month.

That is why we need to have a budget process that is honest, that has integrity, that is clear, that is transparent, that is honest with the American people, that has honest accounting, that makes sure that you cannot have these bills that we get a day before we vote on them, that are this thick, and have so many little programs tucked into them that are pork barrel projects that raise the total of spending for the Federal Government, but waste a lot of money and also have nothing to do with the issue at hand that we are trying to legislate on.

Mr. KIRK. I thank the gentleman very much.

This government, our government, has the prime duty given by the Founding Fathers to provide for our common defense. If we fail in that duty, we fail all other duties inherited by a free people. And I think that is the essential point that I want to make here. This is about honoring the promises that we have already made.

Mr. RYAN of Wisconsin. One of the things, and I notice that there are some gentlemen coming in that I want to recognize when they all get in the room, that are in the gallery, that I think is very fitting for the House to recognize, but before I get to that, because I see some of them are still coming in, I think it is very important for them to recognize, and for those who are listening to this debate, we do not have the tools that we need to cut wasteful spending in Congress.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Ms. GINNY BROWN-WAITE of Florida). The Chair would remind the gentleman that references are not to be made to visitors in the gallery.

Mr. RYAN of Wisconsin. I apologize, Madam Chair. I simply wanted to recognize the fact that we have a group of Special Operations Forces in the gallery that just came back from Iraq. And I simply want to say to those, and I realize we have rules, that we are very proud of what you have done for our country, and we want to salute you for your sacrifice to our Nation and to thank you for making us a safer and more secure world and country. Thank you for what you have done for us.

Will I be admonished for that?

Thank you, Madam Chair, for your indulgence.

I simply want to conclude by saying, I thank the gentleman for his leadership in this because he has been one of the linchpin people in Congress to bring together this coalition. You cannot have a handful of fiscal conservatives to try to change rules that have not been changed for 30 years. It takes a lot of people from a broad coalition to do this. There are a lot of people who have been in Congress for decades, longer than the gentleman and I have been living in some cases.

A lot of people like the way things are done today. They like the current rules. It makes it easier to filter power through your committee, to filter power through this institution. But these rules have really accomplished one thing. The budgets we set for the Federal Government every year we pass a budget resolution are very easily and very quickly circumvented. They do not stick. They do not count, and they do not work.

If we can fix our budget process, bring common sense back to it, real legal enforcement measures so that the budget is easy to enforce, we can accomplish these goals of not only balancing the budget, making sure huge tax increases do not hit the American people, but prepare our entitlement programs for that baby boom retirement without having to resort to deep benefit cuts or huge tax increases.

We have to avoid the kind of malaise and troubles that other countries like those in Europe have fallen into where they have to keep taxing and taxing and taxing their people with payroll taxes and business taxes and value added taxes, and they have chronic unemployment of 9 to 12 percent.

We do not want to go down that road. We have to prepare to make sure we do not go down that road as these demographics confront us with the retirement of the baby boomers. If we are going to confront that, if we are going to pass legislation to do that, we have to budget for it. And we have to have a budget that is enforceable. The current rules make that nearly impossible. That is why you have this great coalition in Congress that is serious about doing this this year to enforce these rules.

I want to thank the gentleman from Illinois (Mr. KIRK) for his leadership in bringing a whole host of Members of Congress to the table to take this issue seriously. I look forward to working with my colleague from Illinois to working on this as soon as this budget resolution is done, to move a bill through the Committee on the Budget, and to get it to the House floor and to fight those interests who like the status quo.

I think we can prevail. I know we can prevail and I sure hope we do. And it is only with this kind of coalition that the gentleman has helped assemble that will give us a chance of prevailing.

Mr. KIRK. I want to thank the gentleman from Wisconsin (Mr. RYAN). Our districts abut and it does prove that there is some common wisdom that comes from America's heartland.

Mr. RYAN of Wisconsin. That is right.

Mr. KIRK. As our special operators/warriors will no doubt note, our government has the primary duty given by the Founding Fathers to provide for our common defense; but if we fail, then all of our other duties are failed.

In the last century, we, Republicans and Democrats, Americans, added a second mission to our Federal Government. And that was to provide for the retirement security of Americans who worked hard and became members of what we now call "The Greatest Generation" that saved the world from fascism.

□ 2130

These commitments to protect our families and older Americans call on most of the resources of the Federal Government. If we cannot afford to meet those commitments, we fail the most fundamental bond between Americans and their government. These commitments are on such a massive scale and duration that it calls on us all to be fiscal conservatives. We know that the Federal Government cannot do everything, but it can and must meet the duties of national and retirement security wealth.

In our history, we have not built a perfect record of balanced budgets. This chart shows some of the history, and you see for a lot of our history we have not had a balanced budget, deep deficits obviously during World War II and parts of the Cold War.

Most of our deficits early in our history dealt with whether the country was at war or at peace, but the deficits of later years have something entirely different at fault.

In the 19th century, this Congress faced entirely the opposite problem. We had a high tariff against foreign goods, and that hurt our economy, but built up a massive Federal surplus. In the 20th century, we built up massive debts, but they were largely to fight and win the world wars. Our debts consumed a fifth of the Nation's income, but I think they were absolutely necessary to secure victories in 1918 and 1945.

The Korean War, the mounting cost of the Cold War and the Vietnam War did push the Federal Government into the red. These costs were staggering and seemed never ending until the Cold War was ended on America's terms in 1991.

Our national security duties faded, but only briefly until forced by other challenges in Kuwait and Haiti and Bosnia and Kosovo. But these challenges hid a growing structural change in the way our government spent the taxpayers' funds.

Imagine a rain barrel. Water inside represents Federal tax dollars. A pipe above the rain barrel brings in more water, Federal tax receipts. If we raise taxes, the pipe gets bigger and more water goes into the barrel. If we cut taxes, we narrow that pipe.

Around this mythical barrel are 13 ladles. These ladles represent the 13 regular appropriations bills. These bills are used to fund the traditional part of the Federal Government. Each part of our government from the FBI to the FAA to the FDA is supplied out of these 13 bills.

For most of our government's history, these 13 bills, represented by the 13 ladles around our barrel, were how we funded Washington; but in the 20th century, we invented entitlement programs, programs making beneficiaries entitled to Federal spending, for example, Americans over 65 entitled to health care under Medicare.

The best way to think about these entitlement programs is to imagine they are holes drilled in the bottom of the barrel. Expand an entitlement program, as we did giving a prescription drug benefit to Medicare, and you widen the hole in the bottom of the barrel.

The analogy of our rain barrel with holes drilled in its side leads us to a clear picture of what is happening to the Federal budget. We are spending more money through automatic spending of entitlements than we are through the regular appropriations bills, the ladles I talked about. We are spending a lot more through entitlements.

Our budget this year will total $2.5 trillion. Only $820 billion, roughly one-third of the budget, will be spent under the regular appropriations bills of the Congress. Two-thirds of our budget will be spent in automatic spending through entitlement programs. Our entitlement programs increase their spending even when we do not improve benefits. That is because the number of people entitled to these programs is rising.

Today, roughly 35 million Americans have most of their health care paid by Medicare, but America's baby boomers are aging, and since the first baby boomer was born in 1946, they become eligible for Social Security and Medicare in just 5 years. The number of people eligible will rise from 35 million to over 70 million. This increase in beneficiaries puts an enormous strain on our budget.

Americans should know that our government uses different accounting rules than a private company. If a company promises a pension to one of its employees, it must show the cost of that promise for the entire life of the retiree on the company's books. But that is not how the Federal Government works. We only calculate the cost of our pension promises for the next year, and we estimate the cost of our promises over 5 years.

This method of government accounting leaves much of our financial position in the dark, where Americans cannot learn what is being done on our behalf. If you were an accountant for the Federal Government and you accounted for our finances the way any family-owned business in America does, then it would show that our government is $30 trillion in the red.

Many politicians, like one of those that just spoke on the floor this evening, talked about the surplus of the 1990s. The surplus existed only on paper. It did not stand up to analysis. Every dollar of the so-called 1990 surplus and more was needed to honor the promises that have already been made by our government.

So where do we go from here? First, we begin where I began by looking at the two basic commitments of our Federal Government, that we provide for the national defense and we provide for retirement security. National defense in time of terror is not cheap. Our victory in Afghanistan was won by a seaborne Army against a country with no coastline. Such victories are possible, but not inexpensive.

In the post-September 11 world, we could not guarantee that every terrorist in the United States had been caught, and therefore, we were forced to defend the homeland at great cost. For example, an airport screening machine costs $2 million and O'Hare Airport needed 50, requiring $100 million to secure just one of the Nation's 4,000 airports.

Like our grandmothers and -fathers of World War II, we had to protect our families, even with borrowed money. That was necessary in the edgy days after September 11, but now it is time to return to a bottom line so that we can ensure that our capacity for honoring those most basic commitments can be met. This House must review a budget to meet our most important obligations while returning our finances to balance.

The Congress will consider several budgets this week, from both sides of the political aisle. I have my preferences, but we stand here tonight to make a more basic point, above partisan rhetoric in a presidential year.

Process matters as much as policy. We have a choice between adopting a budget and not. If we do not adopt a budget, the record of the Congress is clear that we will spend much more than otherwise. Our history shows that we spend less with a budget plan than without. Ironically, any budget plan is more fiscally responsible than no budget plan. This sets a bipartisan imperative that, in the end, the common good is served when we come together on a revenue and spending budget plan.

My second point on process is even more obvious. We must not only adopt a budget, we must enforce it. Far too often, Congress has made tough decisions on a budget and then waived its restrictions in end-of-year legislation or additional supplemental appropriations bills.

This week, Congress will debate a budget and will debate all sorts of specific numbers on defense and veterans and the Environmental Protection Agency and the like, but once we adopt a budget, we must make a change. We must make sure that we add tools to both the executive and legislative branches to make it easier to enforce the budget we have already passed.

Here in Congress, we have subdivisions between Democrats and Republicans; and Democrats are further subdivided into liberal progressives, main line and conservative Blue Dog factions. Republicans are also divided between conservative study group Republicans and moderate Main Street Republicans. I am a member of the moderate Main Street Republican group, and the problem of balancing our budget is so important that we have not let divisions divide our rank and file.

Republican moderates and conservatives joined together to talk about and put forward 12 consensus principles to reduce spending. These principles were drafted into legislation.

One bill, H.R. 3925, was authored by myself, cosponsored by 17 of my colleagues. My learned colleague from Wisconsin (Mr. RYAN) authored the other major piece of legislation on this with 80 cosponsors.

We set forth some basic principles: that budgets should be enforceable in law; that if we are estimated to miss our targets, then we should have automatic spending reductions to reassure taxpayers and markets that what our budget said it would do it will actually do. We should not put in superfluous numbers that are ignored by the political process, but numbers that count, and those are a number for the Committee on Appropriations, a number for entitlement programs and especially that rainy day fund number.

We know that this country will go through hurricanes and floods and fires. We even know some of the national security challenges we will face. We need to plan for that now so that we can control our budget.

Our budgets presented to us now under the old pro-spending rules automatically include an inflation adjustment that hides spending increases. We need to show the American people exactly how much we spent last year and how much we are going to spend next year without any inflation adjustments. We need to also block spending outside the budget, with pay-as-you-go rules, to make sure that anyone proposing a program which costs more is forced to actually have a way of actually cutting another program to pay for their increase.

We must make sure that we cut pork barrel spending programs by learning the lessons from the Supreme Court and from the military base closing legislation to allow the President to send up a list of rescissions that can be presented for a clean up-or-down vote in the people's House to make sure that we can knock out pork barrel spending included in large bills by powerful Members of Congress.

We need to show the government's full debts and liabilities to make sure the American people know that right now we stand $31 trillion in debt and we cannot afford to add any more new programs or new spending. We must clearly show the debt owed to our public, and most importantly, for the rules of the Congress, they need to be the actual rules that cannot be waived.

I am very happy to be joined here not just by my colleague from Wisconsin, but also my colleague from New Jersey (Mr. GARRETT) who has led on this and helped us come to a broad-based conclusion on how we fund bipartisan reform to make sure that when we pass a budget we actually stick to it.

First, I yield to my colleague from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Madam Speaker, I only wanted to say that we have now added some Members from the other side of the aisle to our legislation so they have become true pieces of bipartisanship. That is the right step in the right direction. That is the critical ingredient we need to get critical mass to pass these things.

But I also wanted to recognize our colleague from New Jersey (Mr. GARRETT) as well, who is also a very, very strident Member in making sure that we live within our means, a good fiscal conservative. I wanted to ask the gentleman from New Jersey if there are any comments he would like to make on this subject.

Mr. GARRETT of New Jersey. Madam Speaker, will the gentleman yield?

Mr. KIRK. I yield to the gentleman from New Jersey.

Mr. GARRETT of New Jersey. Madam Speaker, I rise today to discuss and join the discussion on a matter that I think should be of grave concern to every American taxpayer, every American worker, every American that relies on an essential Federal program that they look to on a daily basis and any American that basically looks to our Federal Government to provide for our safety and security, and that is, I join with my colleagues in discussing this issue of fiscal responsibility on the Federal level. It is one that you and I agree is long overdue, as Washington begins to put its house in order, and that we need to do it obviously in the sense that if we want to continue to provide those essential services back to our districts, those services that people have a right to under the Constitution and look to the Federal Government for, we have to put those processes in place.

So, Madam Speaker, I appreciate the chance to join with my good friend from Illinois (Mr. KIRK), and thank him for all the work he has done on this issue in the past, basically, this evening to bring to the American public's attention the issue of fiscal responsibility and process to the system.

□ 2145

Madam Speaker, it has been discussed already here and in the past that we are looking at a $521 billion budget deficit right now, meaning we are sending out $521 billion more than we are taking in at the end of the day. I stand up here as a freshman, and $521 billion is an awful lot of money to me. I come from the good State of New Jersey, where when I go back and talk to businesses there, they obviously would never be able to operate their business on a basis like we do in Washington.

Even in our State government, where I had the honor of serving for the last 12 years, we did not have the opportunity to operate in the manner that Congress has over the years. We had to do the fiscally responsible thing, and that is to end up at the end of the year with a balanced budget.

I have the privilege and honor of being on the Committee on the Budget, and we just went through 2 days of hearing, and this past week we passed through the budget that we will soon be considering in this House. We discussed the issue of fiscal responsibility during the course of that markup. But I think it is interesting to know that during the debate and during that time we got that bill out of committee, the Members on the other side of the aisle, still understanding where we stand with regard to the budget deficits, still proposed spending and sending out $28 billion more than we see in the budget that will be coming before us.

I do not know whether those tactic were simply playing politics or whether the other side of the aisle honestly does not care about spending more than we are taking in, but I think it sets a bad example either way.

Mr. KIRK. Madam Speaker, if I understand correctly, the gentleman is saying that minority members of the committee offered amendments that would have cost the taxpayers an extra $28 billion, which the Republicans defeated?

Mr. GARRETT of New Jersey. Exactly. Each and every one of those amendments came up, and Members on the other side of the aisle made their best case as to why we should be spending more money than we are taking in. Fortunately, members on this side of the aisle said it would not be fiscally responsible to do those programs and at the end of the day not have money available to provide the essentials.

Mr. RYAN of Wisconsin. Madam Speaker, could the gentleman share with us what the budget that was passed out does with respect to the deficit over the next 5 years?

Mr. GARRETT of New Jersey. It cuts that deficit in half, which goes in the correct direction. That is to say what we talked about, the area of trying to get to a balanced budget some day, we have to do it by reining in spending, and this goes to doing that not by raising taxes.

Mr. RYAN of Wisconsin. And that was done without raising taxes?

Mr. GARRETT of New Jersey. Exactly. That is an important point we need to get to as well. At the end of the day, we want to grow the economy. One of the points that I think I have learned here and in State government, when you cut taxes, you return those dollars from Washington back to the family budget. Families have the ability to spend more; consumer confidence goes up. They spend more locally, businesses are able to expand, jobs are created; and at the end of the day, not only do you expand the economy, but by putting more people back to work and expanding the economy, you reduce the amount of the reliance on the Federal Government, and so you reduce the amount of money that we have to spend. So eventually you will be able to reduce taxes even further.

Mr. RYAN of Wisconsin. There is more money coming into the Federal Government because more people are working and paying taxes.

Mr. KIRK. Madam Speaker, some tough choices were made. The overall budget, outside of the Department of Defense, froze Federal spending. Some will say that is a cut, but actually the same level of financing was provided that we did last year as a part of fiscal discipline.

Mr. GARRETT of New Jersey. Actually we are doing a level funding plan. If a program had this much money this year, we are going to keep it level going into the future.

Mr. KIRK. Is that a cut?

Mr. GARRETT of New Jersey. That is absolutely not a cut. A cut is when you are spending this much this year, and next year you go down to here. That is a cut. If we keep it level, I do not know how anyone can call that a cut.

Mr. KIRK. Madam Speaker, I think it is important to look at this budget plan coming up, and people may differ with the details of the budget, but my understanding is this budget cuts the deficit as a percentage of GNP by half. We may want a more aggressive action by the Committee on the Budget; but in a time of national security crisis with so many Americans in uniform still on the field, we have some pressing national security needs that we need to make sure that we meet our obligations to Americans in uniform. So this budget sends us in the right direction, but we only meet that right direction if we actually enforce the budget that we put in place.

The series of reforms that we put in in H.R. 3925, or other pieces of legislation, reform legislation, I think are essential to make sure that we assure markets and taxpayers that we actually mean what we say, that we hit our targets that we have told everybody in the budget resolution that we are going to do, and so that people take the word of Congress very directly.

I wanted to thank the gentleman from Wisconsin (Mr. RYAN) and the gentleman from New Jersey (Mr. GARRETT) for joining me. This will be a very hot debate in Congress with regard to the specifics of the budget; but the debate is not over, and we have not completed our full mission until we have actually also passed reforms to make sure that it is much easier and not harder to enforce the budget which has actually been adopted by the Congress.

IRAQ WATCH

The SPEAKER pro tempore (Ms. GINNY BROWN-WAITE of Florida). Under the Speaker's announced policy of January 7, 2003, the gentleman from Massachusetts (Mr. DELAHUNT) is recognized for 60 minutes.

Mr. DELAHUNT. Madam Speaker, I applaud the gentleman from Illinois (Mr. KIRK) for spending an hour, although I do not quite agree with some of the facts that the gentleman stated.

Mr. KIRK. Madam Speaker, if the gentleman would yield, I will say that the gentleman is an absolute leader on human rights around the world, and on that we completely agree.

Mr. DELAHUNT. Madam Speaker, on that I echo the kudo.

I am joined tonight by the gentleman from Washington (Mr. INSLEE). I anticipate that we will be shortly joined by two other colleagues, the gentleman from Hawaii (Mr. ABERCROMBIE) as well as the gentleman from Ohio (Mr. STRICKLAND), for another session that we have labeled as Iraq Watch to discuss issues concerning the Middle East with a particular focus on Iraq, Afghanistan, and the war on terror.

There is much to talk about tonight. I do not think an hour will be sufficient. I also should mention over the course of the past 8 months, and we have been doing this for approximately 8 months now, I know that the gentleman from Washington (Mr. INSLEE) and the other Members involved have received a number of calls, e-mails, correspondence from not just our own constituents but from all over the country. There is one question that is constantly asked, and that is why is the House empty at this hour of the night.

I think we should explain to those viewing this evening that the legislative business of the House of Representatives has been concluded for the day and we are now into a phase that is called Special Orders. Each side of the aisle, Republicans and Democrats, are allocated an hour, actually two hours, to just have a conversation or make a presentation about issues that they have a particular interest in or issues which they feel the American people need more information on. I am sure many who watch C–SPAN note that during the course of the debate on particular proposals, the time is very limited, given the numbers of Members that wish to speak. In fact, the usual course allows for at most a maximum of some 5 minutes for each Member to speak. On those issues that have a particular interest on both sides of the aisle, what occurs is the individual Member who happens to be managing the bill, either Republican or Democrat, is responsible for allocating time and often rather than 5 minutes, the likelihood is that a Member will only have 2 or 3 minutes to explain his or her perspective on a particular issue.

So this phase is called Special Orders. Earlier there were three of our friends and colleagues from the Republican side who discussed the budget. Prior to their coming to the floor, three or four Democratic Members spoke about the budget and the perspective of Democrats as to the proposal put forth by the Republican Party, and also clearly an alternative that will be presented by the Democrats in terms of the debate on where we go as far as a Nation is concerned, because in many respects the budget does reflect our values. And as Members heard earlier from our colleagues on the Republican side, there is a growing and profound concern about the escalating deficit that has been brought about by the actions of this particular administration and this Republican majority in both the House and the Senate.

I think it is important that the American people remember that the Republican Party controls the House of Representatives, controls the United States Senate, and obviously the current incumbent in the White House is a Republican. So when we speak of deficits, this is a deficit that was engendered by the majority party in this country. I know the Democrats are extremely concerned about the deficit because the interest that is paid on the national debt detracts from other investments that could be made in a wide variety of initiatives such as infrastructure, education, health care, and a long litany of issues that I believe are a priority to the American people.

Madam Speaker, I yield to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Madam Speaker, just to follow up on the comment and the discussion of the deficit, it is not only Democrats who are concerned with the deficit; it is Republicans as well. Last night I was in a town hall meeting attended by about 150 people in Snohomish County, Washington, and I had a fellow stand up who said he was a Republican and was extremely concerned that this government, which he understood was controlled by the Republican Party lock, stock and barrel, was running up these enormous deficit. His basic question was, What is going on? He was flabbergasted to see that happening.

What I had to tell him was the news was actually worse than he had heard. He had heard the number that the Republican government had run up a $500 billion deficit, and it bothered him. It bothered him even more when I told him the deficit was actually higher than that because the administration and the Congress to some degree have played with some funny numbers that make Enron blush how accounting is done.

One example, I had to tell him the President's budget, which has been forwarded to the Congress proposing expenditures for next year, omitted any sums for fighting the Iraq war, any sums for fighting the Afghanistan war. You can kind of understand how a government can run up giant deficits, the largest deficits in American history if they play funny games of sending up budgets when we are in the middle of a war spending $100 billion a year in Iraq, or a little short of that, and then assess zero cost to that.

I just cannot understand, this administration must not think anybody can read in America when they try to play games like that. I can inform the White House that my Democrat and Republican constituents are very aware of this and are very concerned about it.

□ 2200

Let me turn, if I can, to the Iraq issue which we have now been talking about for some months.

The reason we are here is twofold: One, our proud men and women are doing a job in Iraq tonight which all Americans are proud of. Over 500 of them have paid the ultimate sacrifice to the duty to which they pledged honor to our country. Their sacrifice demands that the government of the United States tell the truth to the American people about what happened in Iraq and why this war started, based on false information.

Just to set the stage for our discussion tonight, I would like to point out at least some of that false information that ended up starting this war. I want to be very specific on this so no one can say that we have gilded the lily.

The fact is, sadly, that on March 17, 2003, the President of the United States of America went before the American people and in an address to the Nation said, and I quote, "Intelligence gathered by this and other governments leaves no doubt that the Iraq regime continues to possess and conceal some of the most lethal weapons ever devised." That statement was false and the information gathered over a year of spending over $100 million of seeking with a fine-toothed comb in Iraq has demonstrated with some conviction that that statement was false, unfortunately.

On August 2, 2002, the Vice President of the United States, DICK CHENEY, went before the Veterans of Foreign Wars and stated, "Simply stated, there is no doubt that Saddam Hussein now has weapons of mass destruction." That statement was false, false both on the issue of the presence of weapons of mass destruction as indicated by Mr. David Kay, who was the person hired by this country to find out, but also false in saying there was no doubt, because a review by this Chamber, by the three of us and others, has showed there was plenty of doubt about this issue in Iraq that was covered up, was suppressed by this administration.

Mr. DELAHUNT. I think it is important to remember that when the Director of the CIA testified recently before the Senate Foreign Relations Committee, he acknowledged that on several occasions he privately spoke to both the President and on multiple occasions spoke to the Vice President about errors that they had made in terms of misstatements, let us use that term for the moment, misstatements, yet we have heard nothing specifically from the Vice President. And the gentleman alluded to the incident earlier, being forthright with the American people that subsequently he received information from George Tenet in private that corrected a public statement that he had made, and yet he does not acknowledge that today publicly.

Mr. INSLEE. Let me, if I can, say why that is a problem. We need the administration to fulfill its obligation to the American people to help get to the bottom of what happened in this situation. The fact is, I will indicate in just a moment, every single chance we have had to peel back the onion and peel back the draperies to find out what happened, this administration has continued to suppress information.

I want to give the gentleman this one example. On January 28, 2003, the President went before the Nation in the State of the Union address, stood right behind where the gentleman is standing right now and said, "The British Government has learned that Saddam Hussein recently sought significant quantities of uranium from Africa. Our intelligence sources tell us that he has attempted to purchase high-strength aluminum tubes suitable for nuclear weapons production."

That statement was false. The reason we know that is that the person sent by the administration to Africa to find out whether it was true or not, Ambassador Joe Wilson, who, at the request of the administration, went to Africa and reported back before the State of the Union address that that was a bunch of hokum, it was a bunch of malarkey, and it was false.

And the President, in the State of the Union, despite that specific response from our intelligence service, if you will, or someone acting in their behalf, put it in the State of the Union anyway, or someone on his behalf.

Everybody can make mistakes. We are all human. But let us see what this administration's response to this falsehood and disclosure of falsehood was. Was it a thank you to Mr. Wilson for helping us get to the bottom of this? Was it a further inquiry to find out who was responsible for putting this gross misstatement in the State of the Union address? No.

What did they do? They tried to punish Joe Wilson, the citizen who did his patriotic duty to disclose this misstatement, by outing his wife who worked for the CIA, attempting to destroy her CIA career, to send a message to the world and to America, "Don't tell the truth about this administration because we'll attempt to destroy you." That is what they have attempted to do.

Thank goodness there is a grand jury investigating what could be a Federal crime here, because this is a pattern with this administration. Look what is happening tonight.

Mr. ABERCROMBIE. If the gentleman will yield, the gentleman makes reference to the question of a grand jury. I believe that if one takes an oath to speak before a committee of the Congress or one that is authorized by the Congress and the executive, that one is subject to perjury. I believe that is the case.

I would have to defer to the gentleman from Massachusetts, I suppose, on the question of prosecution of that, but we have a commission now, the so-called 9/11 Commission, which is now meeting, and there have been severe criticisms that amount to open accusations that Mr. Richard Clarke, referred to in various ways by different officials in the administration as someone who apparently, if one is to believe the designations attached to him by members of the administration, is lying. Not distorting, not misinterpreting, not misunderstanding, not having a different point of view, not engaged in an academic exercise of confrontation and different contending visions of what might have taken place, but on the contrary, specifically that Mr. Clarke is lying, that he is not telling the truth.

I believe Mr. Clarke is going to testify to the Commission tomorrow. I am not familiar with whether or not the witnesses taking the stand there in front of that Commission are under oath. But given the seriousness of the circumstances, I certainly hope that they are.

Mr. DELAHUNT. I think that we should remind the audience that the gentleman from Hawaii has just joined us. In terms of what Mr. Clarke testifies to tomorrow, I think we should suspend our judgment tonight.

Mr. ABERCROMBIE. If the gentleman will yield on that point, I have no difficulty with that. My point here was in response to the gentleman from Washington's observation that there is at least one grand jury meeting right now.

Mr. DELAHUNT. One grand jury that we are aware of.

Mr. ABERCROMBIE. That is what I say, at least one meeting now. Perhaps there may be more. My point is that there are so many accusations with respect to why, how, when, should we, et cetera, having to do with Iraq that you simply cannot continue to assassinate the personalities or the characters of the various individuals that we have been citing and at some point not say, look, somebody's either telling the truth or not, and let's put it to the test.

Mr. DELAHUNT. Does this come as a surprise to the gentleman?

Let us be honest among ourselves and with those people that are viewing. If the gentleman remembers, it was the Bush-Cheney campaign that back in 2000 during the primary season, there was an ad that ran in New York. It was a 60-second radio spot in the days before the primary which was March 7 of 2000.

Let me just give the gentleman a condensed version of that ad:

Hello. My name is Geri Barish and I am a breast cancer survivor. It is a woman introducing herself to the listening audience. Like many, I had thought of supporting JOHN MCCAIN in next week's presidential primary. So I looked into his record.

What I discovered was shocking. JOHN MCCAIN opposes many projects dedicated to women's health issues.

It's true. MCCAIN opposes funding for vital breast cancer programs right here in New York. JOHN MCCAIN calls these projects just "garden variety pork." That's shocking.

The truth, of course, was that Senator MCCAIN did not vote against this bill because of the breast cancer projects, but because it was a military spending bill that did not provide adequate increases, in his judgment, for our troops.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Ms. GINNY BROWN-WAITE of Florida). The gentleman is reminded to please not make references to individual Senators.

Mr. DELAHUNT. I apologize to the Chair.

Mr. ABERCROMBIE. Madam Speaker, point of inquiry to the Chair. So that we can be sure that we do not violate any of the rules, I believe the gentleman was not making specific reference: He was referring to an article by way of reference. He was not referring directly. He was reporting something else.

Mr. DELAHUNT. I will eliminate reference.

The SPEAKER pro tempore. For clarification, the gentleman is not allowed to quote material that makes references to an individual Senator that would be out of order if spoken in his own words.

Mr. DELAHUNT. I thank the Chair. What I want to explain is that in this particular case, the attack on Senator MCCAIN failed to mention that his sister was a breast cancer survivor.

Mr. ABERCROMBIE. If the gentleman will yield, because I do not want to incur the ire of the Chair, I think what we need to do here, and perhaps the Chair can enlighten us if we are in violation, if we would refer to a Senator unnamed who happened to be running for President at a particular time, people can make their own reference. Is that allowed?

Mr. DELAHUNT. From the State of Arizona, I would add.

The SPEAKER pro tempore. The Parliamentarian indicates that the gentleman should refrain from making references to individual Senators.

Mr. DELAHUNT. Again, I thank the Chair.

Mr. ABERCROMBIE. We do not want to violate anything. We would not refer to a particular Senator, but at least one Senator ran for President in the last election. Can we do that? Can we at least refer to the fact that there was a Senator who ran in the last election?

The SPEAKER pro tempore. General references may be made without referencing an individual Senator.

Mr. ABERCROMBIE. I thank the Chair. I appreciate the Chair taking the time to make that clear.

Mr. DELAHUNT. If I can, what I am going to do is what is rather boldly stated here on the cover of Time magazine in February, when the question is posed, and I would suggest that the question is now being posed in very real terms as we witness the string of revelations that are occurring now on an everyday basis: Believe Him Or Not: Does Bush Have a Credibility Gap?

This is about credibility. It is not just about the President, because the President speaks for the United States. The President's credibility becomes our credibility. Not Republican credibility, not Democratic credibility, but the credibility of the United States in a very dangerous moment in world history, when we are all united to defeat terrorism.

There was a fascinating story in my hometown paper, the Boston Globe, this morning. I think it is worthy to present it to the gentleman tonight and to have the viewing audience listen.

The former chief U.S. weapons inspector in Iraq warned yesterday that the United States is in grave danger of destroying its credibility at home and abroad if it does not own up to our mistakes in Iraq.

□ 2215

That is David Kay. That is the individual who universally has received praise and respect from policymakers and people involved in this particular issue. He was appointed by this White House, this administration, to lead a team to go to Iraq and determine whether there were weapons of mass destruction. It is he now that is imploring this White House, this President, this Vice President, to use his words, to "come clean with the American people" because, as he points out, the cost of our mistakes with regard to the explanation of why we went to war in Iraq are far greater than Iraq itself. This issue is so profound that it is now the credibility of the United States, the prestige that we have earned through decades, through the centuries, that is at risk.

"We are in grave danger of having destroyed our credibility internationally and domestically with regard to warning about future events. The answer is to admit you were wrong, and what I find most disturbing about Washington is the belief you can never admit you are wrong."

It is like I indicated earlier, there have been newspaper reports that the director of the CIA, Mr. Tenet, privately corrected the Vice President on his statements linking Saddam Hussein to al Qaeda. And yet the Vice President has not had the decency to come forward to the American people and say, I was wrong, when I was wrong.

And in another interview Mr. Kay goes on, and when asked what his opinion was of the statement of Vice President CHENEY that weapons of mass destruction might still be found in Iraq, his response was, "What worries me about Cheney's statements is I think people who hold out for a Hail Mary pass delay the inevitable looking back at what went wrong." That is what this 9/11 commission is hearing this week. The message that we send out to the rest of the world is that we are strong and a mature democracy if we tell the truth, and we will not have a credibility gap.

I believe we have enough evidence now to say that the intelligence process and the policy process obviously crafted by the President, President Bush, and Vice President CHENEY that used that information did not work at the level of effectiveness that we require in the age we live in. I mean, this is absolutely the most profound issue, in my judgment, that is currently confronting the United States with long-term implications.

Mr. ABERCROMBIE. Madam Speaker, will the gentleman yield on that point?

Mr. DELAHUNT. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Madam Speaker, it is quite clear that Mr. Kay is clearly taking the high road in terms of his characterization of what took place and is giving the broadest benefit of a doubt with respect to whether there were misinterpretations or misunderstandings as to what the true facts were and what the implications of those facts were in terms of whether we went into Iraq or not.

Others have a different interpretation. I quite agree with the gentleman that this is the most profound issue that we have faced perhaps in our lifetime because we have to go all the way back to the Nixon Administration to find a situation in which there was a deliberate misleading of the American people as to what the facts were with a given situation, in this instance the general question of Watergate, everything that that implied and involved. But at least there what was being done was a cover-up, essentially, of rather sordid and almost banal and mundane political machinations. The rather sad spectacle of the President of the United States engaged in third-rate theatrics, burglaries, false presentations as to where money came from and where it went and so on, sordid and stupid and tawdry.

But in this instance, I would posit for my friend and for those who are listening, in this instance we have accusations made that there was a deliberate undertaking geared towards moving this Nation to war, a preemptive war, based on information and perspectives presented to the American public which were untrue, were known to be untrue, and were in fact the ideological leanings of a small group of people determined to take this Nation into war with Iraq regardless of whether it served either the strategic interests of this Nation or whether it satisfied anybody's definition by any measure of the truth.

Mr. INSLEE. Madam Speaker, will the gentleman yield?

Mr. DELAHUNT. I yield to the gentleman from Washington.

Mr. INSLEE. Madam Speaker, I think the proper characterization, I heard one of our colleagues at a town meeting say to one of our colleagues never in this country have so many been misled by so few, and now we are going to find the truth as to why that happened. And the reason we are going to find the truth are two principles: principle number one, facts are stubborn things; and, two, the truth comes out. It is coming out now, and it has come out yesterday on television, and it is coming out tomorrow in the commission.

I want to read some of this truth that I believe we are going to hear. The question is whether or not this administration was compelled by intelligence reports of weapons of mass destruction that forced them to action in Iraq or whether this administration had a preconceived judgment and decision to go after Iraq and then went looking for something to substantiate that preconceived decision to the American public. And it is the latter, and we know it is the latter, because every day more and more truth is leaking out of this White House.

What did we hear last night? We heard in a book by Mr. Richard Clarke, who was the White House's former counterterrorism chief, a pretty high individual in the White House who is responsible for counterterrorism, which was quoted in the New York Times, where he said that Mr. Bush pressed him, Mr. Clarke, three times to find evidence that Iraq was behind the attacks on the World Trade Center and the Pentagon. The accusation is explosive because no such link has ever been proved. Mr. Clarke says, quoting the President, "'I want you, as soon as you can, to go back over everything, everything,'" Mr. Clarke writes, and Mr. Bush told him "'See if Saddam did this. See if he's linked in any way.'" When Mr. Clarke protested that the culprit was al Qaeda, not Iraq, Mr. Bush "testily ordered" him, he writes, to "'look into Iraq's Saddam,'" and then left the room; then demanded a report, which was prepared, which came back and gave the same answer that there was not a meaningful connection between al Qaeda and Iraq, sent the report up the chain from CIA and FBI. It got bounced back and sent back saying, "'wrong answer, do it again.'"

A war was started on a false premise of a connection between Iraq and al Qaeda, and the truth as to why that happened is coming out. Basically, as far as I can tell, the White House's principle is that their Secretary of the Treasury, who essentially said pretty much the same thing, that it had been Iraq, Iraq, Iraq even before September 11. Their counterterrorism chief, Richard Clarke, who said on the day of the attack they said let us go get Iraq and try to gin up some evidence to support this, in a manner of speaking; Joe Wilson, who was sent by this administration to find out whether this is a bill of goods about this uranium that got into the State of the Union address, the White House is saying that all these people who worked for the White House in these high positions have no clue as to what was going on. As far as I can tell, what the White House says is their position is nobody who ever worked in the White House has a clue as to what went on there because whatever they said has got to be wrong. And now, instead of welcoming a critical analysis as to what went wrong here and where the foul-up is, what is this administration doing?

According to the New York Times, the way they characterize it, and I think it is fair, they have "opened an aggressive personal attack against its former counterterrorism chief, Richard Clarke." What did they do to Joe Wilson, the ambassador who found out that they told a falsehood in the State of the Union address? They tried to destroy his wife's career. What did they do to their former Secretary of the Treasury, who said essentially that they had been trying to go after Iraq from day one in the administration? And I paraphrase a little bit, but generally that was the thrust. They attacked him personally.

Mr. DELAHUNT. Madam Speaker, but these are all actions that are directed at individuals. And I abhor them, and somebody should be held responsible. It is as if there is another enemies list.

The gentleman alluded earlier to the Nixon years. There is something Nixonian about targeting individuals, attacking them, attacking them at a personal level, and clearly trying to undermine their professionalism and hurt their careers. We have seen it again and again.

I began earlier with the radio spot that was used during the course of the Presidential election, the one that was masterminded obviously by Karl Rove, who is the political adviser and I am sure consults with the President on a regular basis. But the gentleman talked about former Secretary O'Neill. Mr. Clarke now. What happened to General Shinseki when he suggested that there was need for 2 to 300,000 troops if the peace was to be won in Iraq? He was castigated in an extremely dismissive way by Under Secretary Paul Wolfowitz.

Mr. ABERCROMBIE. Madam Speaker, will the gentleman yield?

Mr. DELAHUNT. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Madam Speaker, he was publicly rebuked, the chief of staff of the Army who had come up, I will tell the Members, from the ranks. I happen to know about General Shinseki because he is a true son of Hawaii. The son of humble people whose family was interned in World War II for the crime of being Japanese Americans, who served our country from the ranks on up to becoming chief of staff of the Army, was rebuked by this little man.

Mr. DELAHUNT. Madam Speaker, again as I indicated, I sympathize with these individuals, and I am confident that as time moves on, because America is truly about, at its essence, the search for the truth, that they will be vindicated. What I would submit is that time is vindicating them now, whether it be Mr. Clarke or whether it be David Kay.

Mr. ABERCROMBIE. Hans Blix.

Mr. DELAHUNT. Hans Blix. They are all being vindicated. But really what is at stake here is the prestige and the credibility of the United States.

We heard a lot in the debate last week about appeasement. There is no appeasement when it comes to terrorism. We are all united, Republican, Democrat. I cannot imagine one Member of this House not being adamant that we pursue justice and that we win the war on terror. But if we continue to have our credibility undermined by this White House, we risk losing the war on terror.

Mr. INSLEE. Madam Speaker, if the gentleman would yield, frankly, again, I want to reiterate we are all human and we have all made mistakes and every administration has made mistakes in the past, and we ought to be somewhat understanding of that. But this administration has been an abject failure in helping us find out what happened here and finding responsibility for those and taking action to hold them accountable so we can demonstrate to the world and to the American people that we are not going to countenance starting wars based on falsehood.

□ 2230

Let us look at the record of this administration in that regard.

How many people have been held to account for the fact that a war started based on false information? How many people? The answer? Zero. Zero. Five hundred people have lost their lives in Iraq, but zero people has George Bush held accountable for this false information, and it is wrong. Only one person in America has lost their job over this false information, and that was a radio talk show host.

We need accountability for this mistake, and this administration needs to get busy, instead of stonewalling and covering up the truth, to help us find the truth and find who is accountable.

Mr. DELAHUNT. Let us hope that they listened to David Kay, who is imploring them to come clean with the American people. It is so important, because, well, let us look at the most recent example.

If we are serious about the war on terrorism, we need to have the respect and cooperation and commitment of the entire world. If you remember, in the aftermath of September 11 there was information that came pouring into the United States about al Qaeda cells in some 60 different countries. In fact, we heard there were dozens of al Qaeda cells operating right here in the United States.

What is happening now? The most recent statement by one of those nations that actually participated and has a number of troops in Iraq today, and I refer to the Polish nation, their President said, "We were misled. They took us for a ride." That is his quote.

The Spaniards, we are castigated by our friends for appeasement. I thought that was rather arrogant, considering the fact that the Spanish have dealt for years attempting to rid their nation of the terrorists who claim to be seeking independence, the so-called ETA.

I found very interesting in the aftermath of the election in Spain that the new leader there declared that his most immediate priority will be to fight terrorism. There was a disagreement that Iraq was a distraction, that we went after the wrong enemy. And more and more people are coming to that belief.

The South Koreans just this past week indicated that they did not want their troops transported to a venue that would most likely create a potential where they would be engaged in violence.

The problem is, this is not about appeasement; this is about credibility in winning the war on terror.

Mr. INSLEE. If the gentleman will yield, the question you are asking is what Americans are asking all over the country. Yesterday, one of my constituents asked, I thought, a very interesting question. He said, after September 11, who did the President focus on? According to Paul O'Neill, the Secretary of the Treasury, including the President's own counterterrorism chief, Richard Clarke, the answer was Iraq.

What my constituent asked me then, he said, well, you know, 15 out of the 19 hijackers were from Saudi Arabia. Did the President ever ask about Saudi Arabia, the country where historically a lot of these companies he has had dealings with in the oil and gas industry are? No. He never asked about Saudi Arabia. Iraq, Iraq.

I wanted to read what the counterterrorism chief says happened, because it is important, in trying to find out whether they focused on Iraq without justification.

Mr. Richard Clarke said, "Mr. Rumsfeld was saying we needed to bomb Iraq, and we all said no, no, al Qaeda is in Afghanistan; we need to bomb Afghanistan. And Mr. Rumsfeld said, there aren't any good targets in Afghanistan, and there are lots of good targets in Iraq. I said, well, there are a lot of good targets in a lot of places, but Iraq has nothing to do with it."

This is the counterterrorism chief of the White House. He went on: "Initially, I thought when he said there aren't enough targets in Afghanistan, I thought he was joking. Initially. I think that they wanted to believe that there was a connection, but the CIA was sitting there, the FBI was sitting there, I was sitting there, saying we have looked at this issue for years; for years we have looked, and there is just no connection."

This is the White House's counterterrorism chief telling the Secretary of Defense there is no connection between Iraq and al Qaeda.

And what did the President tell the American people over and over and over? He said essentially you cannot even think of them as distinct entities. He wanted to create a fear, to create an image in America that al Qaeda and Osama bin Laden had been morphed into Saddam Hussein, because he believed it was in the Nation's best interest, for whatever the reasons are.

But he did not have the right to tell these falsehoods to the American people. Now that the truth is coming up, he owes us an obligation to hold accountable in his administration whoever is responsible for this, and he owes us the obligation to stop stonewalling the distribution of truth to the American people, and he needs to come clean, as his arms inspector, David Kay, says he should do. This is an obligation to the people who are serving in Iraq tonight, our brothers and sons and daughters and husbands and wives.

Mr. DELAHUNT. Do you find it interesting that in the United Kingdom, and I disagreed with the Prime Minister there, Tony Blair. As you know, I voted against the resolution authorizing military action against Iraq. But I respect Tony Blair. He went before the Parliament, and for hour after hour after hour stood his ground in a respectful fashion and answered each question that was posed to him.

There is a commission going on right now. I would hope that the President would reconsider and go before that commission, not behind closed doors, but for the American people to hear, so that the credibility not just of President Bush and Vice President CHENEY, but the credibility of the United States can be restored and replicate exactly what the Prime Minister of the United Kingdom did in response to questions about the British role in Iraq.

Mr. ABERCROMBIE. If the gentleman will yield, the gentleman might be interested in the view of former President Carter in that regard.

In an interview today in the Independent, the British newspaper, the Independent reports that President Carter "strongly criticized" Mr. Bush and British Prime Minister Tony Blair "for waging an unnecessary war to oust Saddam Hussein, based on lies and misinterpretations."

This is not me speaking; this is former President Carter. This is not a reporter giving an editorial point of view. This is former President Carter.

I will repeat: "for waging an unnecessary war to oust Saddam Hussein, based on lies and misinterpretations. There was no reason for us to become involved in Iraq recently. That was a war based on lies and misinterpretations from London and from Washington claiming falsely that Saddam Hussein was responsible for the 9–11 attacks, claiming falsely that Iraq had weapons of mass destruction. And I think that President Bush and Prime Minister Blair probably knew that many of the allegations were based on uncertain intelligence. A decision was made to go to war. Then people said, let's find a reason to do it."

Mr. DELAHUNT. Well, you know, again if I can take the time for just a moment, what I would propose, because I understand that the 9/11 commission that is currently sitting here today has agreed to, and I think mistakenly, has agreed to a 1-hour interview with President Bush, and only two members of the commission are going to be entitled to inquire of him. That just simply continues to raise questions. It will be interpreted as a lack of being forthcoming.

What is necessary now, more than ever, as David Kay has said, let us open up. We are a democracy. I would go so far as a Democrat to suggest that the former President, President Clinton, and President Bush, go before that commission, one after another, sequentially, and stay there as long as there are questions to be asked regarding terrorism and the threat of terrorism to the United States. I would issue a challenge to both of them. Make it a bipartisan challenge. We have to take this out of the political realm.

Yes, I am not naive; I know there is a Presidential election, and these are issues that should be discussed in a Presidential election. But they have to be vetted in a forum such as a commission, where all of the answers are put out. And if there are mistakes that have been made, both during the Clinton administration and in this administration, the American people will be better off, and, more importantly, America's role in the world will once again be respected.

One only has to look at the polls. There was a recent study done, and I am not going to take the time, but let me just give you a quick example, and then one of you gentleman can close.

This is rating George Bush, but substitute George Bush for America. In Britain, our closest ally, the favorability of George Bush is 39 percent; the unfavorably is 57 percent. In France, the favorability is 15; 85 unfavorable. Fourteen percent favorable in Germany; 85 unfavorable. In Russia, 28 favorable; 60 unfavorable. In Turkey, 21 percent favorable; 67 percent unfavorable. Pakistan, 7 percent favorable; 67 percent unfavorable. In Jordan, 3 percent favorable; and 96 percent unfavorable.

This is true all over the world, not just in the Mideast, but Asia, all over Latin America. It is about the United States. We need allies. We are finding that out. We need cooperation. We have got to win the war on terror. We cannot tolerate appeasement, but we should not be doing it alone.

Mr. INSLEE. If the gentleman will yield, the obligation that I think is paramount, forgetting for the moment the need for allies, but the real paramount obligation is to the families who have lost loved ones in Iraq.

Now, the family I think of is one that I spent some time with last weekend who lost their husband and son in the Tigress River, a U.S. soldier awarded the Bronze Star for his heroism and service in Iraq. That family is owed an explanation by its government as to why their husband and son died in a conflict that was started based on false information from the Government of the United States, and that ought to be a bipartisan position that that obligation is owed.

Amongst questions that need to be answered are these: Why did the President of the United States of America and his administration 10 times on nine separate public appearances tell the American people that Saddam Hussein and Iraq had obtained aluminum tubes for use in a reconstituted nuclear program, when its own Department of Energy had told it that that was false before they made those statements?

How can they possibly now stonewall this information when we have already peeled back the onion to find out that the Department of Energy had told the White House that they were wrong about this claim and they still used it to start this war? That is a question this family is owed an answer to.

Second, why did this administration tell Americans that Iraq had developed these robot drone aircraft for the purpose of spraying chemical and biological weapons on us here in the continental United States when its own Air Force in analyzing the information had concluded that these robots were used for photography, not aerial spraying of biological and chemical weapons?

□ 2245

Why did the President of the United States authorize doing that, and if he did not do it, who did? Who did that? Because those people need to be held accountable, if necessary, with their jobs at least. This administration has done nothing of the sort.

Mr. ABERCROMBIE. Madam Speaker, if the gentleman will yield on that point, there is a lesson for all of us, and I think we have all said tonight, and if I have not said it yet, I will certainly reiterate the gentleman's point that we all make mistakes, we all have our weaknesses, we all have our elements of shortsightedness. But I will tell my colleagues this: as much as I opposed this attack on Baghdad and, as I termed it at the time that a war would break out after we made this dash to Baghdad which is, in fact, what happened, as much as I opposed that, we bear responsibility too. And I want to indicate to people that we are down on this floor not just because we need to hear ourselves talk; we are down on this floor because this Congress needs to be accountable too. The very questions that the gentleman from Washington (Mr. INSLEE) has been asking, this Congress should have been asking. We should not have allowed ourselves to be pushed into doing the most profound and fundamental thing that any Congress can do and that any President can do, which is take us into war. This should be a lesson to all of us, including and perhaps starting with the Congress.

The Constitution says only the Congress can declare war. When did it happen that we turned it over to the President to make his or her own decision on that issue? We have a responsibility, too; and I want to indicate to everybody, at least for this Member, and I think I am probably speaking for the other Members on the floor here, we intend to come back here, not because we are doing penance, but because we are doing oversight, the oversight that we should have done before. Maybe the same conclusion would have been arrived at, I do not know, I doubt it; but we should have been doing these things.

No commission should be looking into this right now. The plain fact is we should be looking into it, and that is what this Iraq Watch is going to do. We may not have the benefit of having the President in front of us or Mr. CHENEY or others, but we have the benefit of understanding what the revelations have been and what their meanings are and to search for the truth, and that is our obligation. And I hope that if nothing else comes out of all of this, that in future the Congress will take seriously its obligation and carry forward on the understanding that only the Congress can declare war; and it should be only done over the most thorough and complete examination as to what has taken place and what the strategic and moral interests of the United States are.

Mr. DELAHUNT. Madam Speaker, I am reminded of the words of Brent Scowcroft and others in the first Bush administration, those that served under President George Herbert Walker Bush, but particularly what Brent Scowcroft stated in a column that he wrote. He expressed a fear that a unilateral rush into a preemptive war would undercut worldwide support for the war on terror and cast America as an aggressor Nation for the first time in our history. Now, here is a gentleman, a lifelong Republican, presumably, a man well respected internationally, has an excellent reputation here in Washington as a serious person, a man of unimpeachable integrity. And I think we have all been saying in our own different ways what he said so eloquently. And sadly, we find ourselves in that very, very tragic moment where we are losing allies, we are losing the respect of the international community; friends are beginning to turn their backs on us. And, if that occurs, the war that we must win, the war on terror, is very much at risk.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CLYBURN (at the request of Ms. PELOSI) for today on account of official business.

Mr. CULBERSON (at the request of Mr. DELAY) for today on account of official business.

Mr. TAUZIN (at the request of Mr. DELAY) for today and the balance of the week on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCDERMOTT) to revise and extend their remarks and include extraneous material:)

Mrs. MCCARTHY of New York, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. HINCHEY, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. MEEHAN, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. LYNCH, for 5 minutes, today.

(The following Members (at the request of Mr. WELLER) to revise and extend their remarks and include extraneous material:)

Mr. MARIO DIAZ-BALART of Florida, for 5 minutes, today and March 24.

Mr. BURGESS, for 5 minutes, today and March 24 and 25.

Mrs. BLACKBURN, for 5 minutes, today.

Mr. WELLER, for 5 minutes, today.

Mr. HULSHOF, for 5 minutes, today.

Ms. ROS-LEHTINEN, for 5 minutes, today and March 24 and March 30.

Mr. BUYER, for 5 minutes, March 24.

Mr. HENSARLING, for 5 minutes, March 24.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 97. Concurrent resolution recognizing the 91st annual meeting of The Garden Club of America; to the Committee on Government Reform.

ADJOURNMENT

Mr. ABERCROMBIE. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, March 24, 2004, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7220. A letter from the Assistant General Counsel for Regulatory Law, Office of Energy Efficiency and Renewable Energy, Department of Energy, transmitting the Department's final rule—Alternative Fuel Transportation Program; Private and Local Government Fleet Determination [Docket No. EE-RM-03-001] (RIN: 1904-AA98) received March 1, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7221. A letter from the Director, Regulations Policy and Management Sta., Department of Health and Human Services, transmitting the Department's final rule—Human Cells, Tissues, and Cellular and Tissue-Based Products; Establishment Registration and Listing [Docket No. 97N-484R] received March 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7222. A letter from the Director, Regulations Policy and Mangement Sta., Department of Health and Human Services, transmitting the Department's final rule—Human Cells, Tissues, and Cellular and Tissue-Based Products; Establishment Registration and Listing; Correction [Docket No. 97N-484R] received March 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7223. A communication from the President of the United States, transmitting a report, consistent with the War Powers Resolution and Public Law 107-243 and Public Law 102-1, to help ensure that the Congress is kept informed on the status of United States efforts in the global war on terrorism; (H. Doc. No. 108-175); to the Committee on International Relations and ordered to be printed.

7224. A letter from the Chairman, Merit Systems Protection Board, transmitting the Board's Performance Budget Justification for FY 2005; to the Committee on Government Reform.

7225. A letter from the Assistant Attorney General, Department of Justice, transmitting the Department's report entitled, "21st Century Department of Justice Appropriations Authorization Act," pursuant to Public Law 107-273 section 202(a)(1)(c); to the Committee on the Judiciary.

7226. A letter from the Assistant Attorney General, Department of Justice, transmitting the 2002 Annual Report of the Office of the Police Corps and Law Enforcement Education, pursuant to Public Law 103-322; to the Committee on the Judiciary.

7227. A communication from the President of the United States, transmitting the 2004 Trade Policy Agenda and 2003 Annual Report on the Trade Agreements Program, pursuant to 19 U.S.C. 2213(a); to the Committee on Ways and Means.

7228. A letter from the Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting the 2004 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), and 1395t(b)(2); (H. Doc. No. 108–176); to the Committee on Ways and Means and ordered to be printed.

7229. A letter from the Chief, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, Department of the Treasury, transmitting the Department's final rule—Oak Knoll District of Napa Valley Viticultural Area (2002R–046P) [T.D. TTB–9; Re: ATF Notice No. 947] (RIN: 1513–AA48) received March 10, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7230. A letter from the Acting Chief, Publications and Regulations Br., Internal Revenue Service, transmitting the Service's final rule—2004 Calendar Year Resident Population Estimates [Notice 2004–21] received March 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7231. A letter from the Acting Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule—Guidance Under Section 1502; Application of Section 108 to Members of a Consolidated Group [TD 9117] (RIN: 1545–BC96) received March 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7232. A letter from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting the Service's final rule—Last-in, first-out inventories. (Rev. Rul. 2004–35) received March 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7233. A letter from the Acting Chief, Publications and Regulations Br., Internal Revenue Service, transmitting the Service's final rule—New Markets Tax Credit Amendments [TD 9116] (RIN: 1545–BC02) received March 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7234. A letter from the Acting Chief, Publications and Regulations Br., Internal Revenue Service, transmitting the Service's final rule—Definition of Real Estate Investments Trust (Rev. Rul. 2004–24) received March 10, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7235. A letter from the SSA Regulations Officer, Social Security Administration, transmitting the Administration's final rule—Interrelationship of Old-Age, Survivors and Disability Insurance Program with the Railroad Retirement Program (RIN: 0960–AF82) received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7236. A letter from the Board of Trustees, Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, transmitting the 2004 Annual Report Of The Boards Of Trustees Of The Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), and 1395t(b)(2); (H. Doc. No. 108–177); jointly to the Committees on Ways and Means and Energy and Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HUNTER: Committee on Armed Services. H.R. 3966. A bill to amend title 10, United States Code, and the Homeland Security Act of 2002 to improve the ability of the Department of Defense to establish and maintain Senior Reserve Officer Training Corps units at institutions of higher education, to improve the ability of students to participate in Senior ROTC programs, and to ensure that institutions of higher education provide military recruiters entry to campuses and access to students that is at least equal in quality and scope to that provided to any other employer; with amendments (Rept. 108–443, Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on Ways and Means. H.R. 3971. A bill to amend the Internal Revenue Code of 1986 to credit the Highway Trust Fund with the full amount of fuel taxes, to combat fuel tax evasion, and for other purposes; with an amendment (Rept. 108–444). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOEHNER: Committee on Education and the Workforce. H.R. 3873. A bill to amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with access to food and nutrition assistance, to simplify program operations, to improve children's nutritional health, and to restore the integrity of child nutrition programs, and for other purposes; with an amendment (Rept. 108–445). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mrs. CUBIN (for herself and Mr. Gibbons):

H.R. 4010. A bill to reauthorize and amend the National Geologic Mapping Act of 1992; to the Committee on Resources.

By Mr. LEACH (for himself, Mr. Lantos, Mr. Cox, Mr. Faleomavaega, Mr. Smith of New Jersey, Mr. Berman, Mr. Royce, Mr. Ackerman, and Mr. Chabot):

H.R. 4011. A bill to promote human rights and freedom in the Democratic People's Republic of Korea, and for other purposes; to the Committee on International Relations, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TOM DAVIS of Virginia (for himself and Ms. Norton):

H.R. 4012. A bill to amend the District of Columbia College Access Act of 1999 to permanently authorize the public school and private school tuition assistance programs established under the Act; to the Committee on Government Reform.

By Mr. GINGREY:

H.R. 4013. A bill to amend the Federal Food, Drug, and Cosmetic Act to prohibit the approval of any drug that infringes the right to life, and for other purposes; to the Committee on Energy and Commerce.

By Mr. LaHOOD (for himself, Mr. Houghton, Mr. Nadler, Mr. Quinn, Mr. Dicks, Mr. Brown of Ohio, Mr. Wolf, Mr. Skelton, Mr. McNulty, Mr. Duncan, Mr. Rahall, Mr. Crane, Mr. Lipinski, Mr. Leach, and Mr. Evans):

H.R. 4014. A bill to award a congressional gold medal to Brian Lamb; to the Committee on Financial Services.

By Mr. ROTHMAN:

H.R. 4015. A bill to expand the applicability of daylight saving time; to the Committee on Energy and Commerce.

By Mr. STEARNS (for himself and Mr. Strickland):

H.R. 4016. A bill to amend the Public Health Service Act to provide for the education and training of allied health professionals in exchange for a service commitment, and for other purposes; to the Committee on Energy and Commerce.

By Mr. UDALL of Colorado:

H.R. 4017. A bill to assure that development of certain Federal oil and gas resources will occur in ways that protect water resources and respect the rights of the surface owners, and for other purposes; to the Committee on Resources, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CASE:

H.R. 4018. A bill to amend the Immigration and Nationality Act to assure that immigrants do not have to wait longer for an immigrant visa as a result of a reclassification from family second preference to family first preference because of the naturalization of a parent or spouse; to the Committee on the Judiciary.

By Mr. COOPER (for himself, Mr. Ford, Ms. Jackson-Lee of Texas, Ms. Kilpatrick, Ms. Waters, Mr. Jefferson, Mr. Lewis of Georgia, Mr. Wynn, Mr. Towns, Mr. Meeks of New York, Mr. Ross, Mr. Payne, Ms. Corrine Brown of Florida, Mrs. Napolitano, Mr. Gutierrez, Mr. Hinojosa, Mr. Ortiz, Mr. Serrano, Mr. Rodriguez, Mr. Acevedo-Vilá, Mr. Baca, Mr. Cardoza, Mr. Gonzalez, Mr. Becerra, Mr. Grijalva, Mr. Reyes, Ms. Linda T. Sánchez of California, Ms. Loretta Sanchez of California, Ms. Solis, Ms. Velázquez, Mr. Taylor of North Carolina, Ms. Ginny Brown-Waite of Florida, and Mr. Cardin):

H. Con. Res. 394. Concurrent resolution recognizing the 100th anniversary of Citizens Bank, the Nation's oldest continuously operating minority-owned bank, and honoring the many contributions of the Nation's minority-owned banks; to the Committee on Financial Services.

By Ms. WATERS:

H. Con. Res. 395. Concurrent resolution honoring Donald J. Smith for his commitment to providing housing and economic assistance opportunities to Los Angeles-area low-income families; to the Committee on Financial Services.

By Mr. BAIRD:

H. Res. 572. A resolution providing for the consideration of the joint resolution (H.J. Res. 83) proposing an amendment to the Constitution of the United States regarding the appointment of individuals to fill vacancies in the House of Representatives; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 348: Mr. McIntyre.

H.R. 375: Mr. Bachus.

H.R. 601: Mr. Ackerman, Mr. Capuano, Mr. Frost, Mr. Kildee, Ms. Solis, Mr. DeFazio, Mr. Guiterrez, Mr. Gephardt, Mr. Filner, Mr. Ford, Ms. DeGette, Mr. Emanuel, Ms. Eshoo, Mr. Evans, Mr. Gonzalez, Mr. Grijalva, Mr. Kanjorski, Mr. Kennedy of Rhode Island, Mr. Langevin, Mr. Schiff, Ms. Schakowsky, Mr. Scott of Georgia, Ms. Woolsey, Mr. Stark, Mrs. Napolitano, Mr. McCollum, Mr. McDermott, Mr. Pastor, Mr. Pallone, Ms. Roybal-Allard, Ms. Linda T. Sánchez of California, and Mr. Sanders.

H.R. 677: Ms. Eshoo and Mr. Pallone.

H.R. 742: Mr. Doyle.

H.R. 814: Mr. Alexander and Mr. Bonner.

H.R. 872: Mr. Garrett of New Jersey.

H.R. 970: Mrs. Wilson of New Mexico.

H.R. 979: Mr. Sherman.

H.R. 1117: Mr. Simpson.

H.R. 1173: Mrs. Jones of Ohio and Mr. Murphy.

H.R. 1193: Mr. Tiahrt.

H.R. 1264: Mr. McDermott and Ms. Jackson-Lee of Texas.

H.R. 1336: Ms. Corrine Brown of Florida, Mr. Vitter, and Mr. Marshall.

H.R. 1348: Mr. Cummings.

H.R. 1357: Mr. Hoeffel.

H.R. 1508: Mr. Bishop of New York.

H.R. 1519: Mr. Wexler.

H.R. 1662: Mr. Bonner and Mr. Cramer.

H.R. 1726: Mr. Blumenauer.

H.R. 2023: Mr. Jenkins.

H.R. 2068: Ms. Schakowsky and Mr. Kucinich.

H.R. 2096: Mr. Brown of Ohio, Mr. Strickland, Mr. Matsui, Ms. Granger, and Mr. Green of Wisconsin.

H.R. 2133: Mr. Sensenbrenner.

H.R. 2151: Mr. LaHood and Mr. Davis of Illinois.

H.R. 2157: Ms. McCarthy of Missouri, Mr. Gillmor, Ms. Lofgren, Mr. Hinojosa, and Mr. Turner of Ohio.

H.R. 2238: Mrs. Jones of Ohio, Ms. Norton, Mr. Towns, Ms. Lee, and Mr. Etheridge.

H.R. 2426: Ms. Majette.

H.R. 2434: Ms. DeLauro.

H.R. 2464: Mr. Conyers, Mr. Ackerman, Mr. Berman, Mr. Crowley, Mr. Evans, Mr. Hastings of Florida, Mr. Kennedy of Rhode Island, Mr. Kucinich, Mr. Pallone, Mr. Payne, Mr. Waxman, Mr. Weiner, Mr. Rangel, and Mr. Grijalva.

H.R. 2490: Mrs. Napolitano.

H.R. 2511: Mr. Hoeffel and Ms. DeLauro.

H.R. 2569: Mr. Cardoza.

H.R. 2574: Mr. McGovern.

H.R. 2612: Mr. Brady of Pennsylvania.

H.R. 2671: Mr. Lucas of Oklahoma.

H.R. 2771: Mr. Crowley and Mr. Meeks of New York.

H.R. 2814: Mr. McCotter, Mr. Walsh, Mr. Souder, Mr. Sessions, Mr. Collins, Mr. Lewis of Kentucky, and Mr. Boehlert.

H.R. 2824: Mr. Boehner.

H.R. 2863: Mr. Stupak.

H.R. 2915: Mr. Shaw.

H.R. 2928: Mr. Gerlach and Ms. Norton.

H.R. 2978: Mr. Hall, Mr. Walsh, Mr. Pickering, Mr. Souder, Mr. Green of Wisconsin, and Mr. Manzullo.

H.R. 3049: Mr. Frank of Massachusetts and Mr. Gordon.

H.R. 3085: Mr. Rush.

H.R. 3104: Mr. Larsen of Washington, Mr. Forbes, Mr. Kline, and Mr. Gingrey.

H.R. 3178: Mr. Cramer.

H.R. 3194: Mr. Rogers of Kentucky, Mr. Jackson of Illinois, and Mr. Acevedo-Vilá.

H.R. 3246: Mr. Tancredo, Mr. Allen, Mr. McInnis, and Mrs. Musgrave.

H.R. 3308: Mr. Smith of Michigan, Mr. Scott of Georgia, and Mr. Rehberg.

H.R. 3359: Mr. Wexler and Mr. Deutsch.

H.R. 3371: Mr. Blumenauer and Mr. Meek of Florida.

H.R. 3377: Mrs. Napolitano.

H.R. 3378: Mrs. Capps.

H.R. 3403: Mr. Jones of North Carolina, Mr. Boozman, and Mr. Gingrey.

H.R. 3416: Mr. Olver, Mr. Levin, and Mr. Scott of Virginia.

H.R. 3436: Mr. Walsh.

H.R. 3441: Mr. LaHood, Mr. Gonzalez, Mr. Kildee, Mr. Alexander, Mr. Rogers of Kentucky, Mr. Gordon, Mr. Olver, and Mr. Waxman.

H.R. 3452: Mr. Souder.

H.R. 3474: Ms. Hooley of Oregon and Mr. Markey.

H.R. 3543: Mr. Tierney.

H.R. 3545: Mrs. Tauscher.

H.R. 3664: Mr. Ehlers.

H.R. 3673: Ms. Lofgren.

H.R. 3676: Mr. Kucinich.

H.R. 3716: Mr. Spratt, Ms. Kaptur, Mr. Thompson of Mississippi, Mr. Manzullo, Mr. Aderholt, and Mr. Sanders.

H.R. 3755: Mr. Pastor and Mrs. Maloney.

H.R. 3789: Mr. Carson of Oklahoma.

H.R. 3793: Mr. Deutsch, Mr. Evans, and Mr. Owens.

H.R. 3804: Mr. LoBiondo.

H.R. 3811: Mr. Miller of Florida.

H.R. 3816: Mr. McGovern.

H.R. 3824: Mr. Kolbe and Mr. Pastor.

H.R. 3873: Mr. Platts, Mr. Marshall, Mrs. Davis of California, Mr. Andrews, Mr. Norwood, Mr. George Miller of California, Mr. Crowley, Mr. Van Hollen, Mr. Hoeffel, Mr. Jefferson, Ms. Norton, Ms. Lofgren, Ms. Bordallo, Mr. McGovern, Mr. Petri, Mr. Isakson, Mr. Kind, Mr. Price of North Carolina, Mrs. Biggert, Mr. Holt, Mrs. McCarthy of New York, Mr. Hinojosa, Mr. Kildee, Mr. Grijalva, Ms. Millender-McDonald, Mr. Tierney, Mr. Turner of Ohio, and Ms. Lee.

H.R. 3888: Ms. Linda T. Sánchez of California and Mr. Lewis of Georgia.

H.R. 3889: Mr. Souder.

H.R. 3913: Mr. Foley.

H.R. 3926: Mr. Inslee.

H.R. 3951: Mr. Ballenger, Mr. Brady of Pennsylvania, Mr. Jones of North Carolina, Mr. Walsh, and Mr. Meehan.

H.R. 3968: Ms. Slaughter, Ms. Jackson-Lee of Texas, Ms. Lee, Mr. Kucinich, Mrs. Jones of Ohio, Mr. Grijalva, Mr. Wexler, Mr. Lantos, Mr. Pallone, Mr. Acevedo-Vilá, Mr. Green of Texas, Mr. Holden, Ms. Corrine Brown of Florida, Mr. Owens, and Ms. Schakowsky.

H.R. 3970: Mr. Rohrabacher and Mr. Simmons.

H.R. 3980: Mr. Manzullo.

H.R. 3984: Mrs. Myrick.

H.R. 3985: Mr. Garrett of New Jersey, Mr. Miller of Florida, and Mrs. Myrick.

H.R. 3986: Mr. Garrett of New Jersey, Mr. Miller of Florida, and Mrs. Myrick.

H.R. 3993: Mr. Pomeroy.

H.R. 3995: Mr. Ford, Mr. Peterson of Minnesota, and Mr. Scott of Georgia.

H.R. 3999: Mr. Dingell.

H.J. Res. 46: Mr. McIntyre.

H.J. Res. 72: Ms. Eshoo, Mr. Marshall, Mr. Renzi, Mr. Rodriguez, and Mr. Matsui.

H. Con. Res. 99: Mr. Farr and Mr. Hastings of Florida.

H. Con. Res. 213: Mr. Acevedo-Vilá.

H. Con. Res. 276: Ms. Baldwin.

H. Con. Res. 314: Mr. Clay, Mr. Scott of Georgia, Ms. Majette, and Mr. Deal of Georgia.

H. Con. Res. 330: Mr. Waxman.

H. Con. Res. 332: Mr. Meehan, Mr. Latham, Mr. Hulshof, Mr. Barrett of South Carolina, Mr. Tom Davis of Virginia, Mr. Sandlin, Mr. Boswell, Mr. Smith of Texas, Mr. Hayes, Mr. Ehlers, Mr. Ryun of Kansas, Mr. Aderholt, Mr. Brady of Pennsylvania, and Mr. Lincoln Diaz-Balart of Florida.

H. Con. Res. 366: Ms. Baldwin, Mr. Rangel, Mr. Davis of Illinois, Mr. Alexander, Ms. Roybal-Allard, Mr. Grijalva, Mr. Matsui, Ms. Pelosi, Mr. McGovern, Mr. Doyle, Mr. Menendez, Mr. Payne, Mr. Hoeffel, Mr. Pallone, Mrs. Capps, Mr. Kennedy of Rhode Island, Mr. Serrano, Mr. Boyd, Mr. Peterson of Minnesota, Mr. Lantos, and Mr. Baird.

H. Con. Res. 369: Ms. Lee and Ms. Jackson-Lee of Texas.

H. Con. Res. 371: Mr. Weldon of Pennsylvania, Mr. Rothman, Mr. Brady of Pennsylvania, Mr. Ramstad, and Mr. Lampson.

H. Con. Res. 375: Mr. Sanders, Mr. Wolf, Ms. Jackson-Lee of Texas, Mr. Greenwood, Mr. Hinchey, Mr. Farr, and Mr. Tanner.

H. Res. 307: Mr. Inslee.

H. Res. 550: Mr. Latham, Mr. Green of Texas, Mr. Nadler, Mr. Kucinich, Mr. Pastor, Mr. Levin, and Mr. Jackson of Illinois.

H. Res. 558: Mr. Blumenauer and Mr. Ehlers.

H. Res. 565: Mr. Abercrombie, Mr. Blumenauer, Mr. Ehlers, Mr. Hoeffel, Mr. Johnson of Illinois, Mr. Saxton, Mr. Scott of Georgia, Mr. Terry, and Mr. Wolf.

H. Res. 567: Mr. Ferguson and Mrs. Blackburn.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H. Con. Res. 393

Offered By: Mr. Emanuel

Amendment No. 1: At the end, add the following new section:

SEC. _____. SENSE OF THE HOUSE REGARDING A TRIGGER MECHANISM FOR PRESCRIPTION DRUG PRICE NEGOTIATION.

(a) Findings.—The House finds the following:

(1) The cost of the new Medicare law, estimated by the Congressional Budget Office before its passage to be $395,000,000,000 over ten years, has now been estimated by the Department of Health and Human Services to be $534,000,000,000 over ten years. Without taking steps to control the cost of prescription drugs, the Medicare law will become an unsustainable burden on the the Government and on taxpayers. In addition, rising drug costs could end up shifting additional cost burdens to Medicare beneficiaries.

(2) Prescription drug costs increased 15.3 percent in 2003. These rising costs are one of the primary drivers of increasing health care costs, which ran at 9.3 percent last year.

(3) The Veterans' Administration as well as every private insurer depends on bulk negotiation to keep drug prices down.

(4) According to a study by the Inspector General of the Department of Health and Human Services, Medicare payments for 24 leading drugs in 2000 were $887,000,000 higher than actual wholesale prices available to physicians and suppliers and $1,9,000,000,000

higher than prices available through the Federal supply schedule used by the Department of Veterans Affairs and other Federal purchasers.

(5) Despite the fact that the private prescription drug plans provided for in the Medicare law have the right to negotiate with manufacturers, former CMS Administrator Tom Scully said that the type of private plans created by the Medicare law "doesn't exist in nature". Therefore, it is impossible to predict whether these private plans will in fact be able to acquire substantial discounts through negotiation. In addition, private plans cannot take advantage of the full purchasing power of 40,000,000 beneficiaries.

(6) Secretary Tommy Thompson said that he does not necessarily agree with the Administration's rationale for not allowing him to negotiate, and that if he were given the power to negotiate, he would use it.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) legislation should be adopted which would establish a trigger mechanism for negotiation of prescription drug prices by the Secretary of Health and Human Services; and

(2) this legislation would mandate that at any point when the expected ten-year expenditures for fiscal years 2004 through 2013 for Public Law 108–173 exceed the Congressional Budget Office estimate for this legislation, the Secretary of Health and Human Services would be required to immediately enter into direct negotiations with pharmaceutical manufacturers for competitive drug prices.

H. CON. RES. 393

OFFERED BY: MR. EMANUEL

AMENDMENT NO. 2: Paragraph (1)(A) of section 101 (the recommended levels of Federal revenues) is amended by increasing revenues for the fiscal years set forth below as follows:

Fiscal year 2005: $875,000,000.
Fiscal year 2006: $875,000,000.

Paragraph (1)(B) of section 101 (the amounts by which the aggregate levels of Federal revenues should be reduced) is amended by reducing the reduction for the fiscal years set forth below as follows:

Fiscal year 2005: $875,000,000.
Fiscal year 2006: $875,000,000.

Paragraph (2) of section 101 (the appropriate levels of new budget authority) is amended by increasing new budget authority for fiscal year 2006 by $1,750,000,000.

Paragraph (3) of section 101 (the appropriate levels of total budget outlays) is amended by increasing total budget outlays for fiscal year 2006 by $1,750,000,000.

Paragraph (4) of section 101 (deficits (on-budget) is amended by decreasing the deficit for fiscal year 2005 by $875,000,000 and by increasing the deficit for fiscal year 2006 by $875,000,000.

Paragraph (11) of section 102 (Education, Training, Employment, and Social Services (500)) is amended by increasing new budget authority and outlays for fiscal year 2006 by $1,750,000,000.

EXTENSIONS OF REMARKS

PERSONAL EXPLANATION

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. STEARNS. Mr. Speaker, I missed the following vote due to a personal family reason:

On Roll Call Vote No. 58 to H.Res. 551, Thanking C–SPAN for its Service to the House of Representatives on the 25th Anniversary of its First Coverage of the Proceedings of the House, had I been present I would have voted "yes."

PERSONAL EXPLANATION

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Ms. LORETTA SANCHEZ of California. Mr. Speaker, on Wednesday, March 17, 2004, I was unavoidably detained due to a prior obligation.

I request that the CONGESSIONAL RECORD reflect that had I been present and voting, I would have voted as follows:

Roll Call No. 62: no (on the ordering the previous question for H. Res. 561).

IN HONOR OF JOSE ROHAIDY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Jose Rohaidy for his years of outstanding work and dedication to the Hispanic community. Mr. Rohaidy was honored by the Hispanic State Parade of New Jersey on Sunday, March 21, 2004, at the Fiesta Banquets in Woodridge, New Jersey.

Mr. Rohaidy was honored for his numerous contributions to the Hispanic community. Mr. Rohaidy was one of the pioneers of the Puerto Rican Parade in Paterson, New Jersey, and also Trenton, New Jersey. He was also one of the four founding members of the Hispanic Statewide Parade of New Jersey. For his tireless efforts and perseverance in the Hispanic community, Mr. Rohaidy has been the recipient of over 200 proclamations, awards, and citations.

Mr. Rohaidy was born in Zulueta, Cuba, to a Lebanese father and a Mexican mother. In Cuba, he worked as the Director of the news show Radio Nacional. While in Cuba, Mr. Rohaidy served as the President of Brigade 21 of the Red Cross. In 1968, when Mr. Rohaidy came to the United States, he continued his passion for journalism working for El Diario La Prensa, as Chief Editor of the New Jersey section of the paper. He also worked for Radio WADO covering the New Jersey area. Mr. Rohaidy owns Mini-Mundo Printing along with his wife, Magali.

Mr. Rohaidy received a Doctorate degree in Journalism from Essex County Community College and was the first Hispanic to do so. He is a loving husband for over 46 years to his wife, Magali, father to four children, and grandfather of seven grandchildren.

Today, I ask my colleagues to join me in honoring Jose Rohaidy, a true pioneer, outstanding leader, visionary, and dedicated servant to the Hispanic community.

HONORING FLOYD IRONS: A DEDICATED LEADER

HON. WM. LACY CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. CLAY. Mr. Speaker, I rise today to pay tribute to Floyd Irons for being inducted into the Missouri Sports Hall of Fame. Irons has served 30 years as Vashon High School's basketball coach and is currently the Principal. In addition to being an extraordinary motivator to the players, he has been a mentor to the students and a role-model for the St. Louis community.

Irons graduated from Vashon in 1966. After graduating from Langston University, Irons returned to his alma mater in 1971 to teach Social Studies and coach varsity basketball. He was later named Assistant Principal and took pride in helping many students obtain scholarship information and funding sources for college.

During his 30 years at Vashon High School, Irons has coached his varsity teams to 20 Final Four tournaments and 10 State titles. This year, Irons coached his team through the first undefeated season in Vashon High School's history. In 2003, The National Sporting Magazine named Irons its Coach of the Year and with an overall impressive 791 wins, Irons has the third best record of all of Missouri's high school coaches.

Over the years, Irons has watched the school's facilities catch up with the capabilities of its students. Undaunted by any of the limitations that he faces as Principal of an urban school, Irons continues to exhibit innovation, incredible energy and unyielding commitment to keeping Vashon as a staple in the community. He has dedicated himself to the students at Vashon and its mission.

Mr. Speaker, it is with great privilege that I recognize Floyd Irons today before Congress. He is well-deserved of our respect, and I urge my colleagues to join me in honoring Floyd Irons.

A TRIBUTE TO MS. QUINTINA BENNETT

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. SCHIFF. Mr. Speaker, I rise today to pay special recognition to Ms. Quintina Bennett, who has served with distinction as a classroom teacher of the San Gabriel Unified School District from 1953 to the present.

Ms. Bennett was born November 29, 1930, in the Lincoln Heights region of Los Angeles, California. She was raised in a close-knit Italian family, where strong work ethics and responsibility were a way of life. Ms. Bennett continues to exemplify these values, priding herself in her extended family and commitment to education. She attended school in Lincoln Heights, graduating from Lincoln High School. Ms. Bennett continued her education at Los Angeles City College and graduated from California State University, Los Angeles in June, 1953.

Ms. Bennett began her teaching career at Washington Elementary School in September, 1953. During this tenure, she taught second through fifth grades, and the last 30 years have been spent in the same third grade classroom. She has dedicated one-half a century enriching the lives and minds of approximately 1,500 students, with more to come!

Ms. Bennett has actively promoted the creative arts through classroom music instruction and appreciation. Ms. Bennett has written and choreographed many of Washington School's music programs. She has also been the piano accompanist for all school musical programs. In addition, Ms. Bennett has played an active leadership role in developing district science curricula, serving as team leader for the advancement of technology for Washington School's third grade class.

I ask all Members of Congress to join me today in congratulating and recognizing Ms. Quintina Bennett on a truly remarkable career as she reaches her 50-year milestone year in education at Washington School. Best wishes for many more rewarding and fulfilling years to come.

IN RECOGNITION OF SHULAMITH KOENIG: A CHAMPION FOR HUMAN RIGHTS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. RANGEL. Mr. Speaker, I rise today to recognize Shulamith Koenig's outstanding contributions in the field of human rights. Ms. Koenig is the founder and executive director of

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

PDHRE-People's Movement for Human Rights Education, an organization dedicated to promoting human rights and democracy worldwide through workshops, lectures, articles and books. Ms. Koenig has conducted workshops with educators, human rights advocates and community leaders in Asia, Africa, Central Europe, Latin America and the Middle East.

For the last 14 years, Ms. Koenig has dedicated her life to educating people in the field of human rights as well as economic and social development around the world. Her efforts were recognized when the United Nations Prize in the Field of Human Rights award was presented to her on December 10, 2003. The United Nations Prize is given to individuals and organizations every 5 years in recognition of their outstanding contribution to the promotion and protection of human rights and fundamental freedoms. I am proud to say that Ms. Koenig is a resident of my congressional district and I commend her receipt of this prestigious honor. She now joins the list of prominent persons who have received the prize, including Mrs. Eleanor Roosevelt, Reverend Dr. Martin Luther King, former South African President Nelson Mandela, and President Jimmy Carter.

Supported by the United Nations Development Program, Ms. Koenig spearheads the Human Rights Cities project, which has trained 500 young community leaders as human rights educators in 30 cities around the world. Founded by Ms. Koenig in 1989, the People's Movement for Human Rights Education is a nonprofit international organization, designed to improve the lives of people in more than 60 countries around the world. The organization has offices in New York, Argentina, India, Philippines, Mali, and Austria. There are schools and libraries bearing Ms. Koenig's name in Mumbai, India; Chenai, India; and Bamaco, Mali; and the library Kensington Rights Welfare Union in Philadelphia, PA.

Ms. Koenig was born in Jerusalem and majored in Industrial Engineering and Management at Columbia University. She has edited and published articles in numerous books and journals and is a lecturer and an award-winning sculptor. Ms. Koenig and her husband Jerome have three children and four grandchildren.

HONORING THE LIFE OF MARY BETH HAYWARD

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Ms. KAPTUR. Mr. Speaker, January 20, 2004 saw the unexpected passing of a beloved member of Toledo, Ohio's medical community, a philanthropist, mentor, and friend to many, a wife, mother, sister and grandmother. Mary Beth Hayward, RN, MSN, passed from this life at the age of 65.

Born in Grand Rapids, Michigan, Mary Beth was the only daughter of George and Evelyn Ludwig. She received her undergraduate RN from St. Mary's College and her Master of Science in Nursing from Catholic University, graduating from both magna cum laude. She followed graduation with a teaching position at Georgetown University's School of Nursing. That same year, she married John Hayward, a strong union lasting nearly 42 years. In 1966, the Haywards moved to Toledo, Ohio, and Mary Beth began teaching advanced medical and surgical care nursing at the former Mercy School of Nursing. In 1974, Mary Beth joined the faculty of the Medical College of Ohio, where she remained for the next 30 years until her untimely death. A visionary leader in the nursing profession the MCO associate professor pioneered the development of new teaching methods including online courses. She was a member of MCO's Faculty Senate, and a testament to her teaching was the 18 Excellence in Teaching awards she received during her tenure.

A leader in her profession, Mary Beth at the time of her death was president of the Northwest Ohio Nurses Association and secretary of the Ohio Nurses Association Board of Directors. She was a member of the International Honor Society of Nursing, Sigma Theta Tau, and president of the Ohio League for Nursing for a 2000–2003 term.

Along with her husband and singly, Mary Beth was a respected community leader. She' gave service to the Kidney Foundation of Northwest Ohio, Sunset Retirement Communities, the Junior League of Toledo, the Toledo Bar Association Auxiliary, and Hospice of Northwest Ohio. In addition to this service, she could be counted upon to lend her support to many other causes.

Mary Beth Hayward leaves a legacy in nursing and in our community. Yet her strongest legacy is her family. Our prayers remain with her husband John, her children Beth, Mary Bridget, John, Thomas, and Ethan, her eight grandchildren, her brother William, and many more family and friends.

Lofty words and poetic phrase could easily be used to describe the life of Mary Beth Hayward, but the eulogy noting her passing encapsulates her perfectly, "She loved God, she loved life, she loved her family, and she loved teaching. She was a force for good who gave much and took little."

HONORING JACKIE SHERRILL

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. PICKERING. Mr. Speaker, I rise today to recognize the distinguished 13-year coaching career of Jackie Sherrill at Mississippi State University, where he has served as head coach since 1991. With his retirement at the conclusion of the 2003 season, Coach Sherrill exits as a quarter-century coaching institution after serving at eight different universities. His trailblazing efforts as a coach and player have netted him two national championships as a player, countless accolades as a coach, and the satisfaction of driving three major programs to unparalleled heights on the college grid scene.

At the time of his retirement he was the dean of Southeastern Conference football coaches and the face of Mississippi State University football. During his tenure as coach of the Bulldogs, Coach Sherrill:

Recorded back to back winning seasons during his first 2 years at MSU. Prior to that time the Bulldogs had produced only one winning season in the previous nine before him.

Directed the Bulldog program to six postseason berths, recurring prosperity unmatched in the school history. He is only the second head coach ever to take the institution to more than two bowl games and the first to lead the school to two consecutive postseason victories.

Retired as the most winning football coach in MSU history. Over his 13-year span at the helm of the Bulldogs he won 74 games, lost 74 games, tied 2 games and had 7 winning seasons. For the span from 1997–2000, Coach Sherrill's teams won 33 games, of which 20 were SEC games, lost 15 games, won the Western Division Championship, and participated in three consecutive bowl games. No school in the SEC West had a better five-year regular season mark during that time.

Bulldog fans responded. Coach Sherrill rallied a fractured fan base, producing record amounts of giving and attendance. He gave Bulldog fans a winning attitude and elicited emotion and passion for the program like no one else. The number of fans grew, as did appreciation for Mississippi State football on the State, regional, and national level.

Twenty-three of the top 25 crowds—including the top 14 ever to see the Bulldogs play at MSU's Scott Field, have come during Coach Sherrill's tenure. In addition to the sell out throngs, he has made the Bulldog football program attractive for national and regional television network audiences. MSU football has been televised 70 times during his 140 games as head of the program.

All that success on the field, at the turnstiles, and in achieving national rankings and postseason bowl berths, has fueled success in the construction and improvement of football facilities. Coach Sherrill oversaw the refurbishing of State's entire football complex. New or renovated weight training facilities and sports medicine areas, modern equipment and locker rooms, full team meeting rooms and individualized teaching cubicles were just the beginning of a stronger program's modern infrastructure. In 1996, MSU completed the John H. Bryan Sr. Athletic Administration Building that holds all the football coaching offices. A $30 million enlargement of Scott Field's east side in 2001 added 50 luxury skyboxes, an additional 1,700 club level seats, and 7,600 seats in the upper deck. The stadium hosts completely remodeled dressing rooms for both home and visiting teams, and a new recruiting lounge for Bulldog football prospects.

Coach Sherrill has been loyal to Mississippi State, even when at the height of his success larger universities called, he always reminded fans that he planned to retire at MSU. For Coach Sherrill, it isn't just about football. You will see his fevered enthusiasm at the Bulldog basketball games as well. Coach Sherrill is a fan, not just of Bulldog football or even basketball, but of Mississippi State University and all the students that make up the MSU family.

His support is not surprising; after all, his arrival as State's 30th head coach was a homecoming of sorts for Coach Sherrill in Mississippi. Though born in Duncan, OK, Jackie Sherrill spent his youth in Biloxi where he starred on the football team at Biloxi High School. He played on two Shrimp Bowl teams and as a senior earned high school all-America distinction and most valuable player honors before graduating in 1962.

From Biloxi, Jackie moved to Tuscaloosa to play for the legendary Paul "Bear" Bryant. Jackie played seven different positions for the Crimson Tide from 1962 until 1965. He lettered 3 years at Bama and played on Bryant's 1964 and 1965 national championship teams.

Upon earning a bachelor of science degree with a major in general business and a minor in social science at Alabama in 1966, Jackie launched an assistant coaching career that included stints on not only Bryant's staff, but those of respected coaches Frank Broyles at Arkansas and Johnny Majors at Iowa State. He followed Majors to Pittsburgh where Jackie served as Assistant Head Coach until launching his own head coaching career at Washington State in 1976. He returned to Pittsburgh when Majors departed for the University of Tennessee, and Coach Sherrill continued his storied career at Texas A&M and finally at Mississippi State University.

Coach Sherrill's record extends beyond MSU, and we are proud he concluded his career in his home state. Coach Sherrill is number No. 4 behind Joe Paterno, Bobby Bowden and Lou Holtz as the NCAA's Most Winning Active Coach by wins; and No. 22 by win percentage.

Coach Sherrill is one of a select group of head coaches in NCAA history to take three different schools to postseason bowl competition. Jackie Sherrill joins Lou Holtz, Ken Hatfield, Dennis Franchione, John Makovic and Mack Brown as the only active head coaches with that distinction. Coach Sherrill is one of only two Division 1–A head coaches ever to lead three different schools to 10 wins or more in a season.

Over 100 of Coach Sherrill's pupils have advanced to careers in professional football and over 80 percent of his student-athletes have graduated during his career. Currently, 20 Mississippi State players coached by Jackie Sherrill play in the National Football League.

Away from reporters and public relations experts, Coach Sherrill would quietly visit hospitals dressed and painted as a clown to cheer up sick children. He would hear about a terminally ill State fan in the hospital and routinely and discretely visit the fan. He would take children with cerebral palsy, cancer, mental disorders or other afflictions to games with the team, or to eat meals with the players.

Jackie Sherrill has become a leader in supporting the Leukemia Society of Pittsburg, the Boys Club, the Shriners Children's Hospital of Houston, the Boy Scouts, and the Palmer Home for Children in Columbus, Mississippi—where my wife Leisha serves on the Board. Jackie is a popular motivational speaker, missing few opportunities to address student and campus groups, alumni gatherings, and civic organizations.

Coach Sherrill was always gracious in victory, giving full credit to his team. In defeat he took the high road and accepted the blame. His relationship and commitment to the players began during recruiting and remained steadfast through graduation. He stood by his players when some fans or sports writers would criticize. He was supportive and loyal and faithful to his players. He loved them and they played their hearts out for him.

Coach Sherrill's future is still undecided. He wants to spend more time with his wife Peggy and his children Elizabeth, Kellie, Bonnie, Justin, and Braxton. He has said he may coach his grandson's little league team or help out in junior high or high school. He says he looks forward to actually being able to play golf in season, but we expect to see him every football Saturday in the stands dressed in Maroon and White with a cowbell in his hands.

Mississippi State University will miss Jackie Sherrill, but his legacy at MSU will never be forgotten. .

REMEMBERING MR. DUNLAP ROBERT "BOB" ROBINSON

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. DOOLITTLE. Mr. Speaker, today I wish to remember and honor an outstanding citizen from the City of Auburn, California, Mr. Dunlap Robert "Bob" Robinson. Following a lifetime of dedication to family, country, and community, Bob Robinson passed away on March 8, 2004, following a series of strokes. He was 86 years old.

Throughout his youth, Bob attended schools in his native Auburn. While at Placer High School, he served as student body president and captain of the basketball team. In fact, he led his team to the state championship by hitting the game winning shot at the buzzer. After graduating from high school, he earned an undergraduate degree from the University of California, Berkeley and a law degree from U.C. Berkeley's Boalt Hall.

Bob served admirably in the United States Navy during World War II. At the age of 27, he became the youngest naval officer to command a destroyer. He was assigned the post after surviving a kamikaze attack against the U.S.S. *Caldwell.* As a mark of his character and decency, he stood up to his shipmates who wanted to mistreat the charred body of the kamikaze pilot who had killed and wounded scores of Americans onboard. In fact, Bob afforded the enemy full naval burial honors for having discharged his own duties faithfully.

Mr. Speaker, those who served with him recall his bravery and leadership. He was awarded the Silver Star and the Bronze Star for valor in combat and the Asiatic-Pacific Medal with eight battle stars for his service.

Bob was known for his courage away from battle as well. In 1943, he spoke to Placer High School students about the unfair treatment of Japanese Americans. Due to the popular sentiment at the time, this position was not very well received. He received hate mail from people in his own community. However, Bob always had a clear sense of justice. Perhaps it was this sense of justice and being the son and grandson of attorneys that instilled in Bob the desire to attend law school and follow in their footsteps. He returned to his home in Auburn where he embarked on a long legal career. He served as the Auburn City Attorney for 30 years. During this time, he was a consistent guiding hand in settling city affairs. Following his retirement from the city, he returned to the local law firm of Robinson, Lyon & Springford. Those who worked with him remember him for his honesty, intelligence, and exemplary work ethic.

Outside of his profession, Bob was an avid hunter who enjoyed the time in the beautiful natural surroundings near his home. He also served on the board of his father's favorite charity, the Auburn Community Foundation for three decades. In this capacity, he helped to enhance the city he loved.

Bob is survived by his wife of 26 years, Dulcie, daughters Linda Scott, Nina Cushing, Marty Overmiller, and Carolyn Basque; sons David Burns, and Kelly Robinson; 10 grandchildren, and seven great-grandchildren.

Today, I join with Bob Robinson's family, friends, and community to commemorate his life of committed service, good citizenship, and uncommon decency. May he rest in peace.

CONGRATULATING THE AMERICAN LUNG ASSOCIATION ON THEIR 100TH ANNIVERSARY

HON. JEFF MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. MILLER of Florida. Mr. Speaker, it is my honor today to recognize the American Lung Association and congratulate them on their 100th anniversary.

As one of the Nation's oldest voluntary health organizations, the American Lung Association was founded in 1904 by a network of community-based physicians, nurses, and volunteers. United together by one resounding goal, the members strove each day to eliminate tuberculosis.

Today, after closely achieving their 1904 goal of eradicating tuberculosis, the association has turned its focus to a world free of lung disease. With close to 344,000 Americans dying each year of lung disease, the association expanded its research, education and advocacy programs to combat the growing problems of chronic lung disease. As the disease climbs to be America's number three killer, the volunteers at the Lung Association are focusing their energies on tobacco control, environmental health, and asthma. Knowing that the association is committed to excellence in all their endeavors, Americans can breath easier.

Mr. Speaker, on behalf of the U.S. Congress, I would like to thank the American Lung Association for their 100 years of dedicated public health service to the American people.

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

SPEECH OF

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Ms. ROYBAL-ALLARD. Mr. Speaker, at a time when our country is at war, Members of this House must stand, not as either Democrat or Republican, but together as Americans totally united in support of our troops.

For that reason, Mr. Speaker, it is with bitter disappointment and regret that I find that I must stand in opposition to House Resolution 557. By introducing this flawed partisan resolution, which is therefore tainted in purpose, the Republican leadership has chosen, once again, to try to divide us rather than unify us during this dark time in our Nation's history.

What makes H.R. 557 even more misguided is the fact that our Ranking Member Congressman JACK MURTHA—who many in this august body would surely agree has no equal in Congress when it comes to supporting our troops—was not even consulted or given the opportunity to take part in the drafting of this resolution to ensure a well-deserved bipartisan tribute is paid to our troops in Iraq.

Therefore, Mr. Speaker, I take this opportunity to extend my own personal praise and appreciation for the sacrifices and outstanding service of our brave men and women in Iraq.

Like all Americans, I am extremely proud of their service, their commitment, and, yes, their willingness, if necessary, to pay the ultimate price to protect our country at home and abroad.

Brave men and women such as Lance Corporal Henry Lopez, Army Spec. Joo H. Bahk, and Corporal Alex Argumedo, and Marines Jonathan Kirkpatrick, Juan Silva and Javier Martinez, and many others from my 34th Congressional District who are true heroes in every sense of the word.

Like all Americans, I am grateful to the thousands of soldiers who have been wounded in battle and whose lives have been forever changed because of their severe injuries suffered on our behalf. I had the privilege of meeting with some of them at Walter Reed Army Medical Center last year, and I found the experience both moving and humbling. They are truly an inspiration and deserve our praise and the support they need to heal. They also deserve and have earned every opportunity we can give them and their families to look forward to a better future.

And Mr. Speaker, to compensate for that which H.R. 557 fails to do, I offer my deep personal sorrow, regret, and respect to those like Army Specialist Jason Kristoffer Chappell and Army Spc. Jose L. Mora who paid the ultimate price for our country. And to all the families who lost a loved one, I extend my most heartfelt condolences.

In closing Mr. Speaker, let me, once again, extend my praise and appreciation for the sacrifices made by our troops in Iraq and throughout the world. Every day, in ways both large and small, they make us all very proud to be Americans. May God continue to bless them and keep them safe.

HONORING DANIEL J. WUENSCHEL ON HIS RETIREMENT AS EXECUTIVE DIRECTOR OF THE CAMBRIDGE HOUSING AUTHORITY

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. CAPUANO. Mr. Speaker, it is with great pleasure but great sadness that I rise today to honor Daniel J. Wuenschel on his impending retirement from the Cambridge Housing Authority.

Dan has served as executive director of the Cambridge Housing Authority since 1978. During his tenure, he has been a tireless advocate for affordable housing in the City of Cambridge. Dan's work in the reconstruction and redevelopment of the city's aging public housing stock has garnered several State and national awards and served as a prototype for a national public housing redevelopment program. He also directed CHA efforts to produce over 700 additional units of affordable housing in more than 15 different locations throughout the city. His work has been essential in ensuring that Cambridge has an economically diverse population at a time of skyrocketing housing costs in Massachusetts.

Dan has been honored with the 1986 Governor's Design Award, the 1989 Massachusetts Historical Commission's Preservation Award, the 1990 Ford Foundation/Harvard University Innovations in State & Local Government Award, and a 1998 Boston Society of Architects' Citation for Urban Planning. The CHA has also been recognized many times for its superior work in providing service to its residents.

Dan has also been an innovator in the public housing field. The CHA recently opened Neville Manor at Fresh Pond, a 71-unit, mixed-income assisted living facility and Neville Center, a 112 bed skilled nursing facility. He also secured a HOPE VI grant to rehabilitate the John F. Kennedy Apartments, a 69-unit affordable housing complex for seniors. CHA has also been instrumental in supporting numerous nonprofit affordable housing developers in Cambridge.

As executive director, he led the Cambridge Housing Authority in its role as cofounder of the National Council of Large Public Housing Authorities. He became the first president of CLPHA, an office he held for 6 years, during which time CLPHA became the premier industry group representing housing authority interests at the national level and here in Washington, DC.

Mr. Speaker, Dan Wuenschel has provided a home for thousands of families and my district and this country are the better for it. We are extremely grateful for all of his work, and he will be sorely missed. Dan, congratulations on a job well done.

RECOGNIZING THE CONTRIBUTIONS AND ACCOMPLISHMENTS OF KENNETH A. GUENTHER

HON. SPENCER BACHUS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. BACHUS. Mr. Speaker, I rise today to recognize the contributions and accomplishments of an extraordinary man who, for a quarter century, devoted his whole heart, mind and spirit to the success of the Nation's community banks. Today the Independent Community Bankers of America at their National Convention is honoring and celebrating Kenneth A. Guenther, as he completes 25 years of leadership.

As president and chief executive officer, Ken Guenther has led the ICBA with an uncompromising intellect, conviction and courage. Through unceasing effort, he strengthened the trade association to help shepherd community banks through a period of remarkable challenges and change for the banking industry.

Throughout his tenure, Ken Guenther has represented community banks with unflagging passion, credibility and tenacity in Washington. He demonstrated foresight and innovation in harnessing the collective economic might of community banks to assure their future. His integrity and commitment to excellence will be long remembered. His lasting legacy will be a vibrant community banking industry, the foundation of America's economic prosperity and liberty.

Mr. Speaker, I ask my colleagues to join me in commemorating the quarter century of incomparable service and dedication Kenneth A. Guenther has devoted to the Nation's community banks.

TRIBUTE TO REV. DR. GADSON L. GRAHAM

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. PAYNE. Mr. Speaker, I rise today to recognize a devoted and inspirational member of my community, Rev. Dr. Gadson L. Graham, on the occasion of his 45th Pastoral Anniversary.

Dr. Graham will be honored this month by the members of the Canaan Baptist Church of Paterson, New Jersey, and I am honored to join with them in extending my best wishes to this man who has dedicated his life's work to serving others. He has ministered to our community as a preacher, a teacher, a mentor, and a counselor.

In 1975, Dr. Graham founded the Haitian Project, Canaan Baptist Church's first foreign mission program, and has extended this global outreach to many other countries, including Liberia, Senegal, Benin, and Uganda. His global ministry has offered him the opportunity to meet with members of the British Parliament, the Honorable Nelson Mandela, President of South Africa, and His Excellency Robert Mugabe, President of Zimbabwe.

Dr. Graham serves on the Board of Directors for the New Jersey Performing Arts Center and serves as Advisory Board President of the Rutgers School of Nursing, both in Newark, New Jersey. Among his many honors and awards, he was named Pastor of the Year by Brothers in Blue, a Policeman's Fraternal Organization in the City of Paterson; was the first African American minister to mentor African American students at Fairleigh Dickinson University in Teaneck; and was the recipient of the Z–HOPE HONOREE Award, given by Zeta Phi Beta Sorority, Inc., State of New Jersey, and Rho Tau Zeta Chapter of Paterson for his humanitarian pursuits to uplift women and their families in Haiti, Africa and other countries.

I am grateful for Dr. Graham's leadership in the community, and I value his commitment to meeting the needs of his brothers and sisters in Paterson, the United States, and around the world.

Mr. Speaker, please join me in extending thanks to Dr. Graham for 45 years of pastoral ministry; and I invite my colleagues to join me in wishing him the strength and grace to continue for many years to come.

CONGRATULATIONS TO "THE" EAGLE PRIDE BAND

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. SKELTON. Mr. Speaker, it has come to my attention the "THE" Eagle Pride Band from Calhoun, Missouri, has been selected to perform at the Indianapolis 500 in May. For the 26 students who participate in the band this honor is well deserved.

The students have been recognized for their combined talents, but they also deserve credit for efforts on behalf of those in need. A benefit concert held in the fall raised over $2,000 for needy families in Calhoun. In December 2001, following the terrorist attacks on Washington and New York City, the band put on a patriotic concert. Over 700 attended, and the contributions for relief efforts exceeded $4,000.

Continuing its tradition of excellence, in May the band will travel to Indiana to perform at the Indianapolis 500, participating in a parade, a prerace ceremony and at a special performance at the Indiana State Capitol.

Mr. Speaker, the students of "THE" Eagle Pride Band, under the direction of Brandon Harris, represent their school, their community, and their State with honor and distinction. I am certain that the Members of the House will join me in congratulating them on their accomplishments and thanking them for their dedication to helping others.

TRIBUTE TO MR. CONNIE L. RICHARD

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. PAYNE. Mr. Speaker, I rise today to recognize a valued member of my district, Mr. Connie Richard. Mr. Richard has been a respected educator and administrator in the Newark Public School System for 35 years and will celebrate his retirement on March 26, 2004.

Mr. Richard was born in Chattanooga, Tennessee, but moved to Newark as a young child with his parents and sister. During his teenage years, he and his sister, Belita, were active participants in the Newark YMCA/YWCA programs that I directed. His sister, Belita, was one of the two Newark High School teenagers selected to participate in a YMCA-sponsored international travel program, which included a 3-week tour of Brazil, Ecuador, and Peru. His dedication to his studies and his academic achievements earned him a scholarship to study at the College of Santa Fe in New Mexico. He returned to Newark after graduation and began his career with the public school system.

For the past 35 years, he has worked tirelessly within the Newark Public School System as both teacher and administrator. He has served as Project Coordinator of Elementary Reading Centers, District Title I Coordinator, Central Office Title I Coordinator, Chapter I Supervisor, Director of Special Projects, and Special Assistant to SLT Assistant Superintendent.

Never content to end his day when working hours were over, he has been an active volunteer with the Sussex Avenue Recreation Program, the Alexander Street School Aerospace Club, and neighborhood athletic and leadership programs. He is a member of the New Jersey Education Association, the New Jersey Minority Caucus, the Association of School Administrators, the New Jersey Association of Federal Program Administrators, the Association for Supervision and Curriculum Development, the National Association of Federal Program Administrators, the National Coalition of Title I/Chapter I Parents, the New Jersey Congress of Parents and Teachers, and the Organization of African American Administrators.

I can assure you that his retirement will be as active as his working life, full of time spent with family and friends, enjoying camping, athletics, and great jazz music, traveling to destinations both familiar and uncharted, and honing his woodcarving skills. I salute Mr. Richard for his dedication to the students, parents, and teachers in our community. I am proud to have him in my district, and I am proud of the legacy he has left for our public school system. Mr. Speaker, please join me in extending my thanks to Mr. Richard for his lifetime of public service, and I invite my colleagues to join me in wishing him a happy, fulfilling retirement.

HONORING THE CAREER OF DONALD J. SMITH ON HIS RETIREMENT

HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Ms. WATERS. Mr. Speaker, I rise tonight to honor a wonderful public servant and a good friend who has made pioneering contributions to the field of public housing administration in the City of Los Angeles and throughout our country, Donald Smith.

Don will be retiring on April 30 as executive director of the Housing Authority for the City of Los Angeles (HACLA). For 32 years, Don has played a vital role in improving the lives of countless families by helping them to obtain clean, safe, and affordable housing; and he will be sorely missed. His expertise, sound judgment, and good humor are tremendously rare and valuable assets. He will be leaving very big shoes to fill.

Don began his career as HACLA's director of management from 1971 to 1980 before moving to the Los Angeles County Community Development Commission, where he served as assistant director of the housing division, director of assisted housing, and assistant executive director of housing. In 1994, Don returned to the HACLA as executive director.

Since Don's return, HACLA has been rated as a "high performer" by the U.S. Department of Housing and Urban Development (HUD) in recognition of its high lease rate in public housing and its record of achieving 100 percent section 8 voucher utilization even in a difficult market. In addition, under Don's leadership, HACLA was the first housing authority to receive a Welfare-to-Work grant from the U.S. Department of Labor and subsequently received local and national recognition for its excellence and success with this program.

During Don's tenure, HACLA has helped to improve and beautify my City of Los Angeles by demolishing public housing that dates from the 1940s and replacing it with vibrant, mixed-income communities including Harbor Village/Normont Terrace in the Harbor area and Pico Aliso and Aliso Village/Pueblo del Sol in Boyle Heights. Don was a prime reason why HUD chose the HACLA to administer all of its section 8 properties in 10 Southern California counties.

HACLA is a state-chartered public agency that administers the largest stock of affordable housing in the Los Angeles area. While the HACLA gets the majority of its funding through HUD, Don has built many key partnerships with city and State agencies, nonprofit foundations, community-based organizations, and private developers, which have proven invaluable to achieving HACLA's mission.

Mr. Speaker, in recognition of his dedication to the City of Los Angeles and the thousands of people he has helped, I have introduced a resolution recognizing Don for his outstanding work. I hope that the Congress will join me in thanking Don for his service to Los Angeles and to our Nation.

Thank you, Don, for your tremendous work and for your friendship. I wish you all the best in your retirement.

SENSENBRENNER REMARKS BEFORE THE U.S. JUDICIAL CONFERENCE REGARDING CONGRESSIONAL OVERSIGHT RESPONSIBILITY OF THE JUDICIARY

HON. TOM FEENEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. FEENEY. Mr. Speaker, this Member commends this remarkable speech because of its brevity and clarity and the extraordinary manner in which the speaker explains the appropriate and honorable role of federal judges.

House Judiciary Committee Chairman F. JAMES SENSENBRENNER, Jr. (R–Wis.) spoke this morning before the Judicial Conference, a body composed of federal judges of districts and levels from across the country and headed by Supreme Court Chief Justice William Rehnquist. Chairman SENSENBRENNER delivered the following remarks:

Thank you for the invitation to speak this morning before the Judicial Conference of the United States.

As we all know, the Founders of our Republic drafted a blueprint for self-government that has endured for well over two centuries because it delineated a balanced relationship among the legislative, executive, and judicial branches. The tripartite system engrafted into our Constitution has served as a model charter of government for nations around the world; and the intellectual legacy of our Founders is the proud birthright of every American.

The Founders anticipated, indeed welcomed, a dynamic interplay among the branches of government. For example, in a speech to the House of Representatives in 1789 concerning the proper role of the judicial branch, James Madison stated: "I acknowledge, in the ordinary course of government, that the exposition of the laws and Constitution devolves upon the judicial; but I beg to know upon what principle it can be contended that any one department draws from the Constitution greater powers than another, in marking out the limits of the powers of the several departments." The relationships among the federal branches over the course of our nation's history has been typified by comity and mutual respect. While sometimes rivalrous, relations among the branches have been free of the destructive impulses that have proven ruinous to other nations.

The relative tranquility in these inter-branch relations is at least partly attributable to the clarity with which the Constitution assigns authority to each branch. The Constitution provides Congress a central role in regulating the Judiciary. Article I provides Congress the authority to establish the lower federal courts, determine the Supreme Court's appellate jurisdiction, impeach and remove judges, and to enact laws necessary and proper for executing these authorities.

Unfortunately, over the past year or so, Congress, and the House Judiciary Committee in particular, has been under sustained criticism for its constitutionally-mandated legislative and oversight actions concerning the federal judiciary. The stridency of these remarks has sometimes taken on a harshness that is not only uncommon, but inconsistent with the historic amity that has governed relations between the branches.

As we all know, Congress passed the PROTECT Act last year, which among other things reformed the federal criminal laws concerning child abduction and child pornography. Among the provisions of the bill were reforms of the federal sentencing guidelines; particularly, reforms correcting abuse by federal judges of downward departure authority. The Feeney Amendment was approved by the House of Representatives on a straight up-or-down vote by an overwhelming bipartisan majority—357 to 58. The final bill, which included weakened Feeney provisions, passed the House 400 to 25 and the Senate 98 to 0.

The Feeney Amendment represents a legislative response to long-standing Congressional concern that the Sentencing Guidelines were increasingly being circumvented by some federal judges through inappropriate downward departures, resulting in a return to sentencing disparities.

Much attention has been focused on the Judiciary Committee's oversight of the Chief Judge of the District of Minnesota following misleading testimony before the Committee concerning the application of the federal sentencing guidelines. He identified specific cases as relevant to the Committee's consideration of pending legislation. Thereafter, the Committee sought the public records of these cases and certain others in which the Chief Judge had departed downward. Among other documents, the Committee obtained a transcript of one of the Chief Judge's sentencing hearings in which he admitted to having granted "an illegal departure" in the case and dared the United States to appeal his one month variance. Surely reasonable persons would conclude that Congress has a responsibility to inquire further in the face of such an admission.

In a letter to me dated November 7, 2003 this body (the Judicial Conference of the United States) objected to "the dissemination of judge-specific data on sentencing in criminal cases," and suggested that "Congress should meet its responsibility to oversee the functioning of the criminal justice system through use of this data without subjecting individual judges to the risk of unfair criticism in isolated cases." I have been perplexed as to why such furor has been raised over obtaining records from a judge's publicly decided cases.

Assuredly, federal judges in a democracy may be scrutinized, and may even be "unfairly criticized." Subject to removal from office upon conviction of impeachment, Article III judges have been given lifetime tenure precisely to be better able to withstand such criticism, not to be immune from it.

That the Congress, the elected representatives of the people, may obtain and review the public records of the Judicial branch is both Constitutionally authorized and otherwise appropriate. Over 200 years of precedents show that the Judiciary as a collective body, or an individual judge, is subject to Congressional inquiry. For example, every year Congress scrutinizes budget requests and appropriates money. On a more targeted basis, articles of impeachment against federal judges stemming from their conduct on the bench have led to both impeachment by the House and trial and conviction in the Senate and removal from office on several occasions.

Of course, I think we all can agree that impeachment ought not lie simply because Congress may disagree with a judge's "judicial philosophy," or because Congress considers a judge's ruling "unwise or out of keeping with the times." That is a far cry from the suggestion that Congress lacks authority, or should not exercise it, to conduct appropriate oversight of the judicial branch including individual judges.

The Committee's oversight of the sentencing record of the Chief Judge of the District of Minnesota is not premised upon disagreement concerning the "wisdom" of a particular sentence, but upon its legality.

I think it is important to note that Congressional oversight has assumed increased importance because of the delegated authority currently possessed by the Judiciary to investigate and impose appropriate discipline upon its members and its decidedly mixed record in this regard. I have previously noted my profound disappointment with the whitewash of the Congressional complaint against the Honorable Richard D. Cudahy of the 7th Circuit Court of Appeals while serving on the Special Division of the D.C. Circuit Court overseeing independent counsels. Judge Cudahy, whether inadvertent or otherwise, leaked confidential sealed grand jury material to an AP reporter on the day that former Vice President Gore was nominated to run for President. Judge Cudahy admitted to his acts only upon threat of exposure by a criminal investigation and polygraph examination, after seeking to preclude any investigation.

In response to my formal complaint as Chairman of the Committee on the Judiciary, Judge Richard Posner, only eight days after its receipt, simply whitewashed the matter regarding his colleague Judge Cudahy without conducting any investigation. Judge Posner dismissed the matter out of hand by noting that Judge Cudahy had apologized and Judge Posner concluded that the leak simply did not constitute Rule 6(e) "matters occurring before the grand jury." This conclusion is contrary to the view of the Chief Judge of the Special Division of the D.C. Circuit Court, Judge David B. Sentelle.

The Judiciary's response in the Cudahy matter stands in contrast to the Congressional Judicial complaint concerning Judge Norma Holloway Johnson. In this case, an independent investigator was hired to review and evaluate allegations, outlined in a congressional complaint, that the Chief Judge of the D.C. judicial district bypassed the random case-assignment process in four campaign finance cases that were potentially politically embarrassing. The rules of the court with respect to case-assignments changed as a result.

The experience with the Cudahy matter and the Chief Judge of the District of Minnesota raises profound questions with respect to whether the Judiciary should continue to enjoy delegated authority to investigate and discipline itself. If the Judiciary will not act, Congress will—consistent with its Constitutional responsibilities. Congress will begin assessing whether the disciplinary authority delegated to the judiciary has been responsibly exercised and ought to continue.

Before I conclude, I wish to touch briefly on a point that has generated significant scholarly debate and renewed urgency in light of recent Supreme Court decisions: the Court's increased reliance on foreign laws or judicial proceedings in the interpretation of American constitutional and statutory law. Article VI of the Constitution unambiguously states that the Constitution and federal statutes are the supreme law of the land. America's sovereignty may be imperiled by a jurisprudence predicated upon laws and judicial decisions unfound in our Constitution and unincorporated by the Congress. Inappropriate judicial adherence to foreign laws or legal tribunals threatens American sovereignty, unsettles the separation of powers carefully crafted by our Founders, and threatens to undermine the legitimacy of the American judicial process. I anticipate Congressional examination of this issue in the coming months.

Thanks again for the opportunity to speak before the conference today.

HONORING BOROUGH OF STANHOPE IN SUSSEX COUNTY, NEW JERSEY

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to honor the Borough of Stanhope, in Sussex County, New Jersey, a vibrant community I am proud to represent. On March 24, 2004 the good citizens of Stanhope are celebrating the Borough's Centennial Anniversary with a special re-enactment of the Incorporation Ceremony that took place over 100 years ago.

Stanhope is an old "iron town," and as the industry grew, so did Stanhope, which until 1904 was part of neighboring Byram Township. The earliest records indicate that the first iron production at Stanhope occurred about 1794. Silas Dickerson, brother of the future state governor and U.S. Senator Mahlon Dickerson, erected a forge and nail factory on the Musconetcong River in Stanhope—one of the first such forges in New Jersey.

By the 19th century, Stanhope was a substantial iron-manufacturing community. The proximity of the Borough to the Morris Canal, which flows through its center, was pivotal to the early development of this rural town. In fact, the completion of the Morris Canal in the mid 1800s saved the iron industry and consequently the town. By 1830, the wood supply needed for charcoal to fire the forges was depleted and the industry shut down. But when the Morris Canal opened up a link to a new fuel, anthracite coal from northeastern Pennsylvania, the iron economy of New Jersey and Stanhope was revitalized. Stanhope also became a well-deserved rest stop along the 102–mile canal from Phillipsburg to Jersey City, with a busy General Store and hotel and a large coal transfer station.

The iron industry in Stanhope thrived for another 100 years, and by 1930, people discovered Stanhope for what it remains today: a beautiful, rural community in the New Jersey Highlands, bordered by the Musconetcong River and Lake. Between 1930 and 1980, Stanhope's population tripled in size and today the quaint community boasts more than 3,500 proud residents. In recent times, citizens have become more and more aware of the importance of protecting Stanhope's natural resources and efforts to balance development with the preservation of open space, clean water and air have been a commendable priority for its municipal leaders.

Mr. Speaker, I urge you and my colleagues to join me in congratulating the residents of Stanhope on the celebration of 100 years of a rich history and the building of one of New Jersey's finest municipalities.

RECOGNIZING THE NOMINEES FOR THE REGIONAL ACADEMIC ALL-STAR TEAM

HON. ED WHITFIELD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. WHITFIELD. Mr. Speaker, I rise today to recognize nominees for the Regional Academic All-Star Team from the Pennyroyal region in western Kentucky.

The regional Academic All-Star program's purpose is to recognize top academic scholars and performers. Students from Caldwell, Christian, Trigg and Todd Counties of Kentucky were nominated based upon their academic performance in seven disciplines: English, foreign language, journalism, mathematics, science social studies and the creative and performing arts. The students are judged on their core academic score, the curriculum of the student, their grade point average, academic honors earned, unique accomplishments and achievements, extracurricular activities both school related and outside school activities, employment history, and an autobiographical essay.

Mr. Speaker, education is the foundation upon which we reach our human potential. Students in my district are developing their talents, furthering their education and pursuing their aspirations In life through programs like the Academic All-Star program. Encouragement and recognition develop confidence and achievement among young Americans—the future leaders of our country.

The following students have been nominated for their academic excellence:

Adam Christopher Denison, Bethany Sue East, Caitlin Jo Hill, Carla Rae Cunningham, Daniel Sean McBride, James William Benson, Stephen Patrick Russell, Amber Mae Cooper, Joshua Gregory Berkley, and Layton Ashley Noel.

Michelle Denise Graham, Stephanie Dawn Hedgepath, Chaz Ganster, Elizabeth Woodward Starling, Jenna Anne Foltz, Jennifer Elaine Martin, Jessica Leigh Monroe, Jessica Renae Durbin, Rosa Ramsey Groves, and Andrew Bryan McGregor.

Christine Caylin Mudrick (Caylin), Elizabeth Marie Silva Collier, Justin Bennet Sedlak, Jr., Lauren Melissa McCormick, Sarah Jane Bodell, Signe Jordan McCullagh, Adam Christopher Denison, Evan Lee Allen, Joquela S. Quarles, and Lacey Dyan McGinnis.

Meagan Kay Bush, Stacy Watkins, Evan Turner Roberts, Justin Bennet Sedlak, Jr., Leigh Ellen West, Lindsey Bell Bostick, Sara Elizabeth Downs, Sarah Savannah Hughes (Savannah), Ashley Lauren Russell, and Benton Russell Avery Farmer.

Holly Marie Sisk, Stephen Wesley Boren, Thabbet Hassan Abukuppeh (Tad), Aaron Lewis Nelson, Clifton Ross Martin, John Christian Cooke Mahre (Chris), Julianna Leigh Staples, Rebekah Elizabeth Logan, and Savannah Rose Galloway.

Mr. Speaker, these students embody the spirit, commitment and sacrifice that we all should strive for in our daily lives. I am proud to represent them in my District. I extend my thanks to these students for their efforts, and I am proud to bring their accomplishments to the attention of this House.

HONORING THE 4TH ANNUAL UDALL YOUTH TASK FORCE

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. UDALL of Colorado. Mr. Speaker, I rise today to recognize an outstanding group of young people in my district, the 4th Annual Udall Youth Task Force.

Every year, I invite high school students throughout the Second Congressional District of Colorado to participate in the Udall Youth Task Force. The Task Force is set up for the purpose of helping young people in the district to become more engaged with their government. Each fall, Task Force members convene to set an agenda of topics they wish to tackle throughout the school year. This year's Task Force has proven to be exceptionally insightful about the issues facing our country. From the war in Iraq, to the environment, to concerns about the erosion of civil liberties, these students show clear understanding about the goings on in Washington, DC, and around the world.

I am aware of the fact that the Task Force members have very busy schedules between jobs, sports and other extracurricular activities. That is why I am so heartened and honored by the fact that these young people have taken the time to be a part of this program. It is inspiring to watch these future leaders of America take interest and pride in their government.

I ask my colleagues to join me in recognizing this exceptional group of young people. We all benefit from their contributions to this great system, and it is my greatest hope that their participation in the Udall Youth Task Force has sparked an interest in public service that will continue throughout their lives.

HONORING THE STATE CHAMP SHELBYVILLE GOLDEN EAGLETTES

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. GORDON. Mr. Speaker, I rise today to recognize the Shelbyville Golden Eaglettes for winning this year's Tennessee Class AAA girls high school basketball championship. The March 13 win earned the Golden Eaglettes a record 12th state title.

Such a feat deserves much respect. The team of highly motivated players went 31–5 this year, capping a championship season with a resounding 57–43 win over a tough Memphis Craigmont team. This is the third year out of the last four that Shelbyville has captured the Class AAA state championship.

Shelbyville residents can be proud of the accomplishments of the Golden Eaglettes, who are a recognized powerhouse in high school girls basketball. I commend the team and its coach, Rick Insell, for an outstanding season and a remarkable achievement.

The following are the members of the 2003–04 state champion Golden Eaglettes: Samantha Houston, Tabatha Almader, Alex Muckle, Latoya Stone, Amy Beech, Kayla Bryant, Brittany Smith, Andria Johnson, Abby Canon, April Snipes, Ashleigh Newman, Katrina Kelly, Alex Fuller, Nisha Buchanan and team mangers Sarah Riddle and Anna Sneed. LaBora McCroskey, Chad Spencer, Mark Potts and Jennifer Gray serve as assistant coaches for the team.

CONGRATULATING CITIZENS BANK OF NASHVILLE, TENNESSEE ON ITS 100TH ANNIVERSARY

HON. JIM COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. COOPER. Mr. Speaker, today I introduced a resolution honoring one of the foremost institutions in my district—Citizens Savings Bank & Trust of Nashville, Tennessee. Citizens Bank enjoys the distinction of being the nation's oldest continuously-operating minority-owned bank and is celebrating a truly significant milestone this year—its 100th anniversary.

Minority-owned banks have played a crucial role in the economic development and revitalization of minority communities across the country. Through dedicated investment in the neighborhoods they serve, minority-owned banks have provided a vital source of economic opportunity and entrepreneurial capital for countless individuals and small businesses, especially those who had historically been underserved by other financial institutions. With combined assets of more than $48 billion and more than 3 million depositors nationwide, minority-owned banks continue to serve as pillars of economic stability and trust.

Citizens Bank stands as a model example of a minority-owned bank that has made significant and lasting contributions to its community. Founded in 1904 as the One Cent Savings Bank, Citizens Bank has provided funding and economic assistance to entrepreneurs, civic and social groups, educational programs and public schools and universities.

The bank has been especially notable for its service to African-American churches in the Nashville area. Citizens Bank has served as a principal source of financing for the construction and operation of church-based day care centers, assisted living facilities, and other community-based centers that promote the social and economic well-being of Nashville residents. The bank has also donated a great deal of its resources to the economic empowerment of Nashville residents by offering free home-buying and consumer education seminars.

I am proud to be the lead sponsor of a Congressional resolution that recognizes the achievements of Citizens Bank and the achievements of all minority banks across the country. It is my hope that this Congress will acknowledge the many contributions that minority-owned banks have provided to individuals, businesses and communities for generations. I also extend my sincerest congratulations to Citizens Bank for its 100 years of service to the people of my district and offer my best wishes for another prosperous century of service.

AN INSULT TO OUR SOLDIERS

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. UDALL of Colorado. Mr. Speaker, earlier this month the New York Times published an opinion piece on payroll system problems in the military—specifically in our National Guard. The piece quoted a letter from a soldier in my district, SGT Daniel Romero, who was killed in an explosion in Kandahar, Afghanistan, nearly two years ago.

In a letter to a fellow sergeant, Sergeant Romero wrote, "Are they really fixing pay issues [or] are they putting them off until we return? If they are waiting, then what happens to those who (God forbid) don't make it back?"

Sergeant Romero was referring to payment problems that he and his fellow soldiers had experienced. In a November 2003 report that studied the payroll processes of six Army National Guard units called up to active duty, GAO found—among other things—that some soldiers did not receive payments for up to six months after mobilization. Payment problems are not limited to the Guard, but as my colleague Representative SHAYS pointed out, the payroll process is antiquated, designed for a time when members of the Guard were not often called up to active duty.

The following piece asks an important question: "As we mobilize troops from around the country and send them off to fight and possibly die in that crucible of terror known as combat, is it too much to ask that they be paid in a timely way?"

SGT Daniel Romero died for our country. He was a brave and dedicated soldier who proudly served when his nation called on him to fight in the war against terrorism in Afghanistan.

It is the very least we can do to ensure we work as hard for soldiers like SGT Romero as they work for us. That's why I believe that fixing these payment problems should be an immediate priority for the Department of Defense.

[From the New York Times, Mar. 15, 2004]

AN INSULT TO OUR SOLDIERS

(By Bob Herbert)

Tom Davis, a Virginia Republican, is chairman of the House Committee on Government Reform. He tells a story about Sergeant Daniel Romero of the Colorado Army National Guard, who was sent to fight in Afghanistan.

In a letter dated March 23, 2002, Sergeant Romero asked a fellow sergeant: "Are they really fixing pay issues [or] are they putting them off until we return? If they are waiting, then what happens to those who (God forbid) don't make it back?"

As Mr. Davis said at a hearing this past January, "Sergeant Romero was killed in action in Afghanistan in April 2002." The congressman added, "I would really like to hear today that his family isn't wasting their time and energy fixing errors in his pay."

As we mobilize troops from around the country and send them off to fight and possibly die in that crucible of terror known as combat, is it too much to ask that they be paid in a timely way?

Researchers from the General Accounting Office, a nonpartisan investigative arm of Congress, studied the payroll processes of six Army National Guard units that were called up to active duty. What they found wasn't pretty.

There were significant pay problems in all six units. A report released last November said, "Some soldiers did not receive payments for up to six months after mobilization and others still had not received certain payments by the conclusion of our audit work."

This is exactly the kind of thing that servicemen and women, especially those dealing with the heightened anxiety of life in a war zone, do not need. Maj. Kenneth Chavez of the Colorado National Guard told a Congressional committee of the problems faced by the unit he commanded:

"All 62 soldiers encountered pay problems. . . . During extremely limited phone contact, soldiers called home only to find families in chaos because of the inability to pay bills due to erroneous military pay."

These problems are not limited to the National Guard. But one of the reasons the Guard has been especially hard hit is that, in the words of another congressman, Christopher Shays, its payroll system is "old and leaky and antiquated," designed for an era when the members of the Guard were seen as little more than weekend warriors.

That system has been unable to cope with widespread call-ups to extended periods of active duty and deployment to places in which personnel qualify for a variety of special pay and allowances, particularly in combat zones.

The G.A.O. report said, "Four Virginia Special Forces soldiers who were injured in Afghanistan and unable to resume their civilian jobs experienced problems in receiving entitled active duty pay and related health care."

The country is asking for extraordinary—in some cases, supreme—sacrifices from the military, and then failing to meet its own responsibility to provide such basic necessities as pay and health care.

"The military knows that it's really blown it," said Mr. Shays, who heads a subcommittee of the Government Reform Committee. He noted that National Guard and military reserve units were given enhanced roles in the aftermath of the cold war. But the payroll systems (and some other basic functions) were not upgraded accordingly.

"This is a huge problem," he said.

And it is not likely to be solved soon.

"Anything that could be done in the short term is kind of like Band-Aids, things that will hopefully result in fewer errors but will not fix the problem," said Gregory Kutz, who supervised the G.A.O. report.

A lasting solution to the pay problems, he said, will require a completely new system.

Defense Department officials insist they are working simultaneously on short-term fixes and the creation of a brand new system. Patrick Shine, acting director of the Defense Finance and Accounting Service, told me that a 49-step "plan of action" has been developed in response to the G.A.O. report.

He said he hoped that a completely new payroll system could be unveiled in the spring of 2005.

I asked how confident he was about the deadline. "Well," he said, "I'll be very honest with you. I don't think we're all that different from private companies, seeing sometimes slippages in schedules."

But he was optimistic, he said.

HONORING THE STATE CHAMPION LIVINGSTON ACADEMY LADY WILDCATS

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

G1Tuesday, March 23, 2004

Mr. GORDON. Mr. Speaker, I rise today to recognize the Livingston Academy Lady Wildcats for winning this year's Tennessee Class AA girls high school basketball championship. The March 13 win earned the Lady Wildcats their fourth state championship.

Such a feat deserves recognition. The team of highly motivated players went 37–3 this year, capping a championship season with a strong 50–38 win over a tough McMinn Central team. This is the fourth state championship in the past 14 years for the Lady Wildcats.

Livingston residents can be proud of the accomplishments of the Lady Wildcats, who won their first championship in 1990 when current head coach Lesley Smith was a player. Assistant coach Elizabeth Woodard was also a member of that first championship team. I commend the team for an outstanding season and a remarkable achievement.

The following are the members of the 2003–04 state champion Lady Wildcats: Katrina Beechboard, Krista Clinard, Ashley Matthews, Megan Thompson, Jada Ledbetter, Megan Brown, Mallie Stephens, Kristin Hoover, Kasey Baltimore, April Handy, Whitney Sells, Brittany McCain, Haley Mullins, Kellie Thurman and team mangers Samantha Sidwell, Tiffany Livingston, Blair Hill and Amber Peek.

REMEMBERING MR. ATHAN GIBBS, INNOVATOR AND COMMITTED ADVOCATE OF DEMOCRACY, ON THE OCCASION OF HIS DEATH

HON. JIM COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. COOPER. Mr. Speaker, I rise today to celebrate the life of Mr. Athan Gibbs, of Nashville, Tennessee. Mr. Gibbs was a patriot, a pastor, and a visionary entrepreneur who took it upon himself to restore Americans' faith in the democratic process after the disheartening controversy we experienced in November of 2000. Democracy lost one of its chief champions with Mr. Gibbs' unexpected death on the morning of Sunday, March 14, and on behalf of Congressman RUSH HOLT and other colleagues, I send his family our heartfelt sympathy for their loss and deepest gratitude for his life.

A Memphis native who came of age in the 1950s and 1960s, Mr. Gibbs experienced first hand the struggle for equality at the voting booth. Four decades later, these seminal experiences informed his observations of the 2000 Florida election controversy, and drove him to invent a technology that would ensure the fair exercise of democracy—the first electronic voting system with a "paper trail" to allow voters to verify that their votes were appropriately logged and counted.

Athan Gibbs' TruVote system was a timely invention, and the product of a unique career. As a student of both business and theology, Mr. Gibbs entered public service in 1970 as a financial analyst with the Tennessee Public Service Commission. But while he pursued this public service career and later his own tax business, he served double duty as a pastor, most recently at the Mount Zion Baptist Church. In the words of a friend, The Reverend Enoch Fuzz, "Athan was consumed by a desire for justice, equality and freedom for all people."

Mr. Gibbs' desire for justice and equality was matched only by his tenacious drive to realize these goals. After reading studies quantifying the unequal treatment of African-American votes in the 2000 Florida election, he saw an opportunity to put his accounting skills to work in pursuing his overall democratic goals. In 2001, he founded TruVote in order to prevent disenfranchisement and restore faith in the democratic system. His invention caught on quickly and earned the backing of state and local officials, the World Conference of Mayors, and Microsoft. Last spring, my colleague Mr. HOLT introduced H.R. 2239, a bill requiring that voting systems provide a verifiable paper receipt, just as Mr. Gibbs had envisioned and invented two years previously. This bill now has bipartisan backing from 128 cosponsors.

While the nation and the democratic world lost a dedicated patriot and talented innovator when it prematurely lost Athan Gibbs, his vision and mission live on through his family and colleagues who pledge to carry on his work. On behalf of the fifth district of Tennessee as well as my colleagues in Congress, I send my deepest condolences to Athan Gibbs' family and loved ones, and celebrate the life of this remarkable American.

REMOVING NAME AS H.R. 1673 COSPONSOR

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. UDALL of Colorado. Mr. Speaker, I want to explain why I sought and obtained unanimous consent to have my name removed as a cosponsor of H.R. 1673, the bill to establish a Department of Peace.

I joined as a cosponsor of a similar bill in the 107th Congress. That bill was introduced in July 2001, a year after the observance of UNESCO's International Year for the Culture of Peace in 2000 and in the context of a UNESCO resolution declaring an International Decade for a Culture of Peace and Non-Violence for the Children 2001–2010.

I cosponsored H.R. 2459 in the spirit of these events and at the urging of a very persuasive group of young high school students from my district because I wanted to underline the symbolic importance of promoting justice and democratic principles to expand human rights and developing policies that promote the peaceful resolution of conflict. I do not believe these ideas require the establishment of a new bureaucracy.

After careful review, I have determined that while the bill's goals are idealistic and worthy, its specific provisions and practical application are problematic. In particular, I think that endorsing the establishment of a new bureaucracy—even if only symbolically—would not be appropriate at a time when the federal budget is in deep deficit. The recent recession and the urgent need to spend more for national defense and homeland security, combined with excessively large and unbalanced tax cuts have brought us to the point where both the entire Social Security surplus and massive borrowing—which will have to be repaid with interest—are required to cover the shortfall.

Under these circumstances, I think proposals for further expansion of the federal government must be subject to even more strict scrutiny. In that light, I have reviewed the legislation that I have supported and have concluded that it is no longer appropriate for me to remain as a cosponsor of H.R. 1673.

RECOGNIZING THE LIFE OF SAMUEL AMASA PEER

HON. PAUL RYAN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. RYAN of Wisconsin. Mr. Speaker, it is with profound sadness that I rise today to recognize the life of Samuel Amasa Peer of Beloit, Wisconsin, who passed away on March 7, 2004, at 79 years of age. Sam was a courageous veteran of the Second World War, and his hard work, diligence and willingness to face the most difficult of problems have inspired those who knew him. He will be greatly missed by his family and loved ones, and I ask my colleagues to join me in sharing my thoughts and prayers with them during this difficult time.

I am honored to pay tribute to this outstanding individual and would like to read before the Congress the eloquent eulogy given by his grandson, Adam Peer.

EULOGY OF SAMUEL AMASA PEER, MARCH 13, 2004

My grandfather like all of us was complex, understood only by his Creator. Early on he learned that there was little he could expect from his own parents. Born during the midst of the Great Depression, he was thrust into manhood when duty called him to care for and protect his younger siblings.

It is hard for me to imagine the world he came into. When he answered his second call to duty aboard the USS West Virginia, a question of whether a free world would survive was very real and very unknown. The hardship that was born into and the war that tempered him during his youth is what exemplified him as a self-made American in the very truest sense of the term. And he took great pride in that.

Much of what he did to do his part in making the world safe for democracy will be lost to antiquity. He always kept the most essential parts of himself so private and well-guarded that it put limits on the things he could talk about, even to those that most desperately needing his acknowledgment and love.

But, the unspoken gifts he leaves all of us are very real.

I have never met someone more diligent and hard-working than my grandfather, and that lives on in my father. My grandfather was so proud of the man you became.

I have never met someone who expresses what they feel so passionately and with greater conviction, and that lives on in my sister. The same passion for right over wrong and freedom over oppression burns in her heart.

And I hope I never lose his optimism for the future; he never met a problem that couldn't be solved.

Today, as another member of the "greatest generation" passes from this life to the next, we inherit what they have instilled in us and the unfinished tasks now left to younger hands.

It is now our charge to leave this world a better place than we found it, and like my grandfather and his generation, inspire another generation to great things.

TRIBUTE TO GRANT MITCHELL ARMSTRONG

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Ms. LOFGREN. Mr. Speaker, I rise to acknowledge and commend Grant Mitchell Armstrong on his retirement that celebrates a career spanning 34 years of steadfastly guarding the ideals of criminal justice at the County of Santa Clara's Office of the Public Defender.

With Mr. Armstrong's assistance, the Santa Clara County Office of the Public Defender was awarded the National Defender Leadership Institute's prestigious Gideon Award of Excellence for 2003. The Office was specifically recognized in areas of accountability, cost-efficiency, innovation and effective representation of clients, and was cited as a "Best Practices" model for public defender offices nationwide.

Mr. Armstrong played a key role in the recruitment and training of a multi-ethnic, multicultural cadre of attorneys within the Office. In May of 2000, the Office of the Public Defender was awarded the County Executive's Unity in Diversity Achievement Award for the significant staff diversity the Office achieved. While less than 15 percent of the lawyers in California are Black, Hispanic or Asian, 35 percent of the lawyers in the Office are minority group members and 45 percent are women.

Mr. Armstrong also played a vital role in the Juvenile Drug Treatment Court through his leadership roles with the Mentoring Program that pairs young participants with adults committed to the development of healthy, drug-free lifestyles.

I am proud and grateful to thank Grant Mitchell Armstrong for his significant contributions to our criminal justice system.

PERSONAL EXPLANATION

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. UDALL of Colorado. Mr. Speaker, earlier this month I was not present for several recorded votes because pressing business required me to remain in Colorado. If I had been present, I would have voted as follows:

Rollcall No. 42—H. Res. 519—Expressing the sense of the House of Representatives with respect to the earthquake that occurred in San Luis Obispo County, California, on December 22, 2003, I would have voted "yes."

Rollcall No. 43—H. Res. 392—Congratulating the Detroit Shock for winning the 2003 Women's National Basketball Association championship, I would have voted "yes."

Rollcall No. 44—H. Res. 475—Congratulating the San Jose Earthquake for winning the 2003 Major League Soccer Cup, I would have voted "yes."

Rollcall No. 45—On approving the Journal, I would have voted "no."

Rollcall No. 46—S. 1881: to amend the Federal Food, Drug, and Cosmetic Act to make technical corrections relating to the amendments by the Medical Device User Fee and Modernization Act of 2002, and for other purposes, I would have voted "yes."

Rollcall No. 47—H. Con. Res. 373: expressing the sense of Congress that Kids Love a Mystery is a program that promotes literacy and should be encouraged, I would have voted "yes."

Rollcall No. 48—Amendment to H.R. 339 offered by Mr. SCOTT (VA) to add a new section which provides that the bill does not apply to an action brought by a State agency to enforce a State consumer protection law concerning mislabeling or other unfair and deceptive trade practices, I would have voted "yes."

Rollcall No. 49—Amendment to H.R. 339 offered by Mr. WATT to limit the provisions of the bill only to cases brought in Federal court, I would have voted "yes."

Rollcall No. 50—Amendment to H.R. 339 offered by Mr. ANDREWS to permit civil liability suits to be brought in cases related to a food that contains a genetically engineered material unless the labeling for such food bears a statement providing that the food contains such material and the labeling indicates which of the ingredients of the food are or contain such material, I would have voted "no."

Rollcall No. 51—Amendment to H.R. 339 offered by Mr. ACKERMAN to expand the definitions in the act to exclude any establishment that manufactures or sells meat from downed animals for human consumption from the protections of the bill, I would have voted "no."

Rollcall No. 52—Amendment to H.R. 339 offered by Ms. JACKSON-LEE (TX) to provide that the bill would not apply to civil actions that allege a product claiming to assist in weight loss caused heart disease, heart damage, primary pulmonary hypertension, neuropsychological damage, or any other complication which may be generally associated with a person's weight gain or obesity, I would have voted "yes."

Rollcall No. 53—Amendment to H.R. 339 offered by Mr. WATT to strike section 3(b) of the bill which provides that a qualified civil liability action that is pending on the date of the enactment of the bill shall be dismissed immediately by the court in which the action was brought or is currently pending, I would have voted "yes."

Rollcall No. 54—Final passage of H.R. 339, to prevent legislative and regulatory functions from being usurped by civil liability actions brought or continued against food manufacturers, marketers, distributors, advertisers, sellers, and trade associations for claims of injury relating to a person's weight gain, obesity, or any health condition associated with weight gain or obesity, I would have voted "no."

Rollcall No. 55—Final passage of H.R. 3717, to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmissions of obscene, indecent, and profane material, and for other purposes, I would have voted "yes."

Rollcall No. 56—Motion to Suspend the Rules and Agree to H. Con. Res. 15, Commending India on its celebration of Republic Day, I would have voted "yes."

Rollcall No. 57—Motion to Suspend the Rules and Agree to H. Res. 540, as amended, expressing the condolences and deepest sympathies of the House of Representatives for the untimely death of Macedonian President Boris Trajkovski, I would have voted "yes."

TRIBUTE TO MARK HAWKINS, PRESIDENT, GREATER RIVERSIDE CHAMBER OF COMMERCE

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. CALVERT. Mr. Speaker, I rise today to honor and pay tribute to an individual whose dedication and contributions to the community of Riverside, California are exceptional. Riverside has been fortunate to have dynamic and dedicated community leaders who willingly and unselfishly give their time and talent and make their communities a better place to live and work. Mark Hawkins is one of these individuals. On Thursday, March 25, 2004, he will be honored at the Chamber's Inaugural Dinner.

Mark began his career in business in 1974 when he obtained his bachelors degree. After completing his Masters of Business Administration from Florida Southern College in 1987, he assumed to the post of Chief Executive Office of Riverside County's Credit Union. He also attended continuing education at Stanford in 2000.

Mark serves on the board of each of the four Riverside County Credit Union's subsidiary companies as well as the board of the credit union's scholarship foundation. In addition to his leadership within the business community, Mark is also very active in community organizations. He serves on the board of the Kiwanis Club of Riverside; the Raincross Club; the Riverside Orange Blossom Festival Association; the United Way of the Inland Valleys; and the Mayor's Youth Action Plan. Mark has also been involved with the Riverside Art Museum, the Parkview Community Hospital

Foundation, the Kiwanis Club of Riverside's Endowment, the Riverside Educational Enrichment Foundation, and the City Manager's office for the City of Riverside.

In recognition of Mark's tremendous contributions to our community and the business climate in the Inland Empire, he has been a recipient of several awards including the California Award for Performance Excellence; being named "Top Company to Work for in the Inland Empire" in 2001, 2002, and 2003; Business of the Year in 2002; voted best financial institution by the Press Enterprise in 2003; and voted best employer by the Press Enterprise in 2003.

Mark's tireless passion for community service has contributed immensely to the betterment of the community and business environment of Riverside, California. He has been instrumental in many community organizations and events and I am proud to call him a fellow community member, American and friend. I know that many community members are grateful for his service as President of the Greater Riverside Chamber of Commerce and salute him.

RECOGNIZING THE WORK OF MR. MARVIN H. FELDMAN

HON. TED STRICKLAND

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. STRICKLAND. Mr. Speaker, I rise today to commend Mr. Marvin H. Feldman, the 2004 recipient of the Circle of Life Award of the Million Dollar Roundtable.

Mr. Feldman is a native of East Liverpool, Ohio and a nationally recognized leader in the financial services industry. As an agent for New York Life, Marvin is well known in the world of insurance and financial planning as a global leader in sales. His hard work and record of accomplishment earned him a place in the prestigious Million Dollar Roundtable Foundation. Not only has Marvin been a member of this exclusive organization, he also served as past president. Membership in this Foundation requires agreement to a stringent code of ethics and conduct and exceptional professional knowledge and client service.

Mr. Feldman is a member of the National Association of Insurance and Financial Advisors, the Mahoning Valley Association of Insurance and Financial Advisors, the Ohio Association of Insurance and Financial Advisors, the Society of Financial Service Professionals, the Association for Advanced Life Underwriting and the Financial Planning Association. His previous industry experience includes serving as a member of New York Life's Strategic Planning Committee and the Universal Life Product Committee, as well as secretary of New York Life's Agents Advisory Council.

Marvin has not only been a leader in his profession, but has also been a civic and philanthropic leader in his hometown of East Liverpool, Ohio. He has contributed to East Liverpool through his work on the Economic Development Committee, the Megafund Committee and the East Liverpool City Hospital Fund Raising Committee. He has also served as chair of the East Liverpool United Jewish Appeal, co-chair of the Kent State University local branch, and Advanced Gifts Capital Campaign Program. Mr. Feldman was a founder and is currently a director of the First National Community Bank in East Liverpool. In addition, he has served as a trustee and chairman of the East Liverpool City Hospital.

Before beginning his career with New York Life, Marvin attended Ohio State University in Columbus. He and his wife Vicki are the proud parents of two daughters, Terri and Barbi.

Appropriately, Mr. Feldman's outstanding leadership, commitment, and dedication will be honored later this month at a ceremony in Pittsburgh, when he will be named a "Circle of Life Award Honoree" by the Million Dollar Roundtable Foundation.

INTRODUCTION OF THE WESTERN WATERS AND FARM LANDS PROTECTION ACT

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. UDALL of Colorado. Mr. Speaker, today I am introducing the Western Waters and Farm Lands Protection Act.

The bill's purpose is to make it more likely that the energy resources in our Western states will be developed in ways that are protective of vital water supplies and respectful of the rights and interests of the agricultural community.

Toward that end, it addresses three aspects of oil and gas development.

First, it establishes clear requirements for proper management of ground water that is extracted in the course of oil and gas development.

Second, it provides for greater involvement of surface owners in plans for oil and gas development and requires the Interior Department to give surface owners advance notice of lease sales that would affect their lands and to notify them of subsequent events related to proposed or ongoing energy development.

Finally, the bill would amend the Mineral Leasing Act to require developers to draft reclamation plans and post reclamation bonds for the restoration of lands affected by oil and gas drilling.

This bill is based on H.R. 3698, which I introduced last December. Since then, I have consulted with people interested in this subject, to see whether further refinements of the legislation would be appropriate. The bill I am introducing today reflects those conversations, and in particular incorporates a change in the wording of section 102 proposed by the Colorado Farm Bureau.

That section deals with application of the Clean Water Act to waters extracted from an underground formation in connection with development of oil and gas, including coalbed methane. The Colorado Farm Bureau was concerned that the wording of the corresponding section in H.R. 3698 might be read as applying to other activities in addition to oil and gas development. That was not my intention, but to remove any doubt on that point, I agreed to the proposed revision, which is included in the bill I am introducing today.

Mr. Speaker, the western United States is blessed with significant energy resources. In appropriate places, and under appropriate conditions, they can and should be developed for the benefit of our country. But it's important to recognize the importance of other resources—particularly water—and other uses of the lands involved—and this bill responds to this need.

Its primary purposes are—(1) to assure that the development of those energy resources in the West will not mean destruction of precious water resources; (2) to reduce potential conflicts between development of energy resources and the interests and concerns of those who own the surface estate in affected lands; and (3) to provide for appropriate reclamation of affected lands.

WATER QUALITY PROTECTION

One new energy resource is receiving great attention—gas associated with coal deposits, often referred to as coalbed methane. An October 2000 United States Geological Survey report estimated that the U.S. may contain more than 700 trillion cubic feet (tcf) of coalbed methane and that more than 100 tcf of this may be recoverable using existing technology. In part because of the availability of these reserves and because of tax incentives to exploit them, the West has seen a significant increase in its development.

Development of coalbed methane usually involves the extraction of water from underground strata. Some of this extracted water is reinjected into the ground, while some is retained in surface holding ponds or released and allowed to flow into streams or other water bodies, including irrigation ditches.

The quality of the extracted waters varies from one location to another. Some are of good quality, but often they contain dissolved minerals (such as sodium, magnesium, arsenic, or selenium) that can contaminate other waters—something that can happen because of leaks or leaching from holding ponds or because the extracted waters are simply discharged into a stream or other body of water. In addition, extracted waters often have other characteristics, such as high acidity and temperature, which can adversely affect agricultural uses of land or the quality of the environment.

In Colorado and other states in the arid West, water is scarce and precious. So, as we work to develop our domestic energy resources, it is vital that we safeguard our water—and I believe that clear requirements for proper disposal of these extracted waters are necessary in order to avoid some of these adverse effects. That is the purpose of the first part of the bill.

The bill (in Title I) includes two requirements regarding extracted water.

First, it would make clear that water extracted from oil and gas development must comply with relevant and applicable discharge permits under the Clean Water Act. Lawsuits have been filed in some western states regarding whether or not these discharge permits are required for coalbed methane development. The bill would require oil and gas development to secure permits if necessary and required, like any other entity that may discharge contaminates into the waters of the United States.

Second, the bill would require those who develop federal oil or gas—including coalbed methane—under the Mineral Leasing Act to do what is necessary to make sure their activities do not harm water resources. Under this legislation, oil or gas operations that damage a water resource—by contaminating it, reducing it, or interrupting it—would be required to provide replacement water. For water produced in connection with oil or gas drilling that is injected back into the ground, the bill requires that this must be done in a way that will not reduce the quality of any aquifer. For water that is not reinjected, the bill requires that it must be dealt with in ways that comply with all Federal and State requirements.

And, because water is so important, the bill requires oil and gas operators to make the protection of water part of their plans from the very beginning, requiring applications for oil or gas leases to include details of ways in which operators will protect water quality and quantity and the rights of water users.

These are not onerous requirements, but they are very important—particularly with the great increase in drilling for coalbed methane and other energy resources in Colorado, Wyoming, Montana, and other western states.

SURFACE OWNER PROTECTION

In many parts of the country, the party that owns the surface of some land does not necessarily own the minerals beneath those lands. In the West, mineral estates often belong to the federal government while the surface estates are owned by private interests, who typically use the land for fanning and ranching.

This split-estate situation can lead to conflicts. And while I support development of energy resources where appropriate, I also believe that this must be done responsibly and in a way that demonstrates respect for the environment and overlying landowners.

The second part of the bill (Title II) is intended to promote that approach, by establishing a system for development of federal oil and gas in split-estate situations that resembles—but is not identical to—the system for development of federally-owned coal in similar situations.

Under federal law, the leasing of federally owned coal resources on lands where the surface estate is not owned by the United States is subject to the consent of the surface estate owners. But neither this consent requirement nor the operating and bonding requirements applicable to development of federally owned locatable minerals applies to the leasing or development of oil or gas in similar split-estate situations.

I believe that that there should be similar respect for the rights and interests of surface estate owners affected by development of oil and gas and that this should be done by providing clear and adequate standards and increasing the involvement of these owners in plans for oil and gas development.

Accordingly, the bill requires the Interior Department to give surface owners advance notice of lease sales that would affect their lands and to notify them of subsequent events related to proposed or ongoing developments related to such leases.

In addition, the bill requires that anyone proposing the drill for federal minerals in a split-estate situation must first try to reach an agreement with the surface owner that spells out what will be done to minimize interference with the surface owner's use and enjoyment and to provide for reclamation of affected lands and compensation for any damages.

I am convinced that most energy companies want to avoid harming the surface owners, so I expect that it will usually be possible for them to reach such agreements. However, I recognize that this may not always be the case—and the bill includes two provisions that address this possibility: (1) if no agreement is reached within 90 days, the bill requires that the matter be referred to neutral arbitration; and (2) the bill provides that if even arbitration fails to resolve differences, the energy development can go forward, subject to Interior Department regulations that will balance the energy development with the interests of the surface owner or owners.

As I mentioned, these provisions are patterned on the current law dealing with development of federally-owned coal in split-estate situations. However, it is important to note one major difference—namely, while current law allows a surface owner to effectively veto development of coal resources, under the bill a surface owner ultimately could not block development of oil or gas underlying his or her lands. This difference reflects the fact that appropriate development of oil and natural gas is needed.

RECLAMATION REQUIREMENTS

The bill's third part (Titles III and IV) addresses reclamation of affected lands.

Title III would amend the Mineral Leasing Act by adding an explicit requirement that parties that produced oil or gas (including coalbed methane) under a federal lease must restore the affected land so it will be able to support the uses it could support before the energy development. Toward that end, this part of the bill requires development of reclamation plans and posting of reclamation bonds. In addition, so Congress can consider whether changes are needed, the bill requires the General Accounting Office to review how these requirements are being implemented and how well they are working.

And, finally, Title IV would require the Interior Department to—(1) establish, in cooperation with the Agriculture Department, a program for reclamation and closure of abandoned oil or gas wells located on lands managed by an Interior Department agency or the Forest Service or drilled for development of federal oil or gas in split-estate situations; and (2) establish, in consultation with the Energy Department, a program to provide technical assistance to state an tribal governments that are working to correct environmental problems cased by abandoned wells on other lands. The bill would authorize annual appropriations of $5 million in fiscal 2005 and 2006 for the federal program and annual appropriations of $5 million in fiscal 2005, 2006, and 2007 for the program of assistance to the states and tribes.

Mr. Speaker, our country is overly dependent on a single energy source—fossil fuels—to the detriment of our environment, our national security, and our economy. To lessen this dependence and to protect our environment, we need to diversity our energy portfolio and increase the contributions of alternative energy sources to our energy mix. However, for the foreseeable future, petroleum and natural gas (including coalbed methane) will remain important parts of a diversified energy portfolio—and I support their development in appropriate areas and in responsible ways. I believe this legislation can move us closer toward this goal by establishing some clear, reasonable rules that will provide greater assurance and certainty for all concerned, including the energy industry and the residents of Colorado, New Mexico, and other Western states. Here is a brief outline of its major provisions:

OUTLINE OF BILL

Section One—This section provides a short title ("Western Waters and Farm Lands Protection Act"), makes several findings about the need for the legislation, and states the bill's purpose, which is "to provide for the protection of water resources and surface estate owners in the development of oil and gas resources, including coalbed methane."

Title I—This title deals with the protection of water resources. It includes three sections:

Section 101 amends current law to specify that an operator producing oil or gas under a federal lease must—(1) replace a water supply that is contaminated or interrupted by drilling operations; (2) assure any reinjected water goes only to the same aquifer from which it was extracted or an aquifer of no better water quality; and (3) to develop a proposed water management plan before obtaining a lease.

Section 102 amends current law to make clear that extraction of water in connection with development of oil or gas (including coalbed methane) is subject to an appropriate permit and the requirement to minimize adverse effects on affected lands or waters.

Section 103 provides that nothing in the bill will—(1) affect any State's right or jurisdiction with respect to water; or (2) limit, alter, modify, or amend any interstate compact or judicial rulings that apportion water among and between different States.

Title II—This title deals with the protection of surface owners. It includes four sections:

Section 201 provides definitions for several terms used in Title II.

Section 202 requires a party seeking to develop federal oil or gas in a split-estate situation to first seek to reach an agreement with the surface owner or owners that spells out how the energy development will be carried out, how the affected lands will be reclaimed, and that compensation will be made for damages. It provides that if no such agreement is reached within 90 days after the start of negotiations the matter will be referred to arbitration by a neutral party identified by the Interior Department.

Section 203 provides that if no agreement under section 202 is reached within 90 days after going to arbitration, the Interior Department can permit energy development to proceed under an approved plan of operations and posting of an adequate bond. This section also requires the Interior Department to provide surface owners with an opportunity to comment on proposed plans of operations, participate in decisions regarding the amount of the bonds that will be required, and to participate in on-site inspections if the surface owners have reason to believe that plans of operations are not being followed. In addition, this section allows surface owners to petition the Interior Department for payments under bonds to compensate for damages and authorizes the Interior Department to release bonds after the energy development is completed and any damages have been compensated.

Section 204 requires the Interior Department to notify surface owners about lease sales and subsequent decisions involving federal oil or gas resources in their lands.

Title III—This title amends current law to require parties producing oil or gas under a federal lease to restore affected lands and to post bonds to cover reclamation costs. It also requires the GAO to review Interior Department implementation of this part of the bill and to report to Congress about the results of that review and any recommendations for legislative or administrative changes that would improve matters.

Title IV—This title deals with abandoned oil or gas wells. It includes three sections:

Section 401 defines the wells that would be covered by the title.

Section 402 requires the Interior Department, in cooperation with the Department of Agriculture, to establish a program for reclamation and closure of abandoned wells on federal lands or that were drilled for development of federally-owned minerals in split-estate situations. It authorizes appropriations of $5 million in fiscal years 2005 and 2006.

Section 403 requires the Interior Department, in consultation with the Energy Department, to establish a program to assist states and tribes to remedy environmental problems caused by abandoned oil or gas wells on non-federal and Indian lands. It authorizes appropriations of $5 million in fiscal years 2005, 2006, and 2007.

IN HONOR OF THE INSTALLATION OF RABBI HOWARD A. STECKER AT TEMPLE ISRAEL OF GREAT NECK

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. ACKERMAN. Mr. Speaker, I rise today to call to the House's attention a wonderful event which reflects the vibrancy and dynamism of the Jewish community in my district. On Sunday, March 28, Temple Israel of Great Neck will celebrate the installation of Rabbi Howard A. Stecker as Spiritual Leader.

Originally from Fair Lawn, New Jersey, Rabbi Stecker received a Bachelors Degree in English literature from Columbia University before going on to The Jewish Theological Seminary, where he was ordained in 1992. While in Seminary, he served as a student chaplain at Lenox Hill Hospital, counseling patients of all faiths.

Rabbi Stecker served for 4 years as Assistant Rabbi of the Shelter Rock Jewish Center in Roslyn, New York, under the leadership of Rabbi Myron Fenster before serving for 7 years as Rabbi of the Jewish Community Center of West Hempstead. In December of 2003, Rabbi Stecker became Rabbi of Temple Israel of Great Neck.

Rabbi Stecker served on the Board of Directors of the Solomon Schecter Day School, in Nassau County. He also played an important role in the formation of its high school and spent 5 years as co-chairman of its education committee. Rabbi Stecker currently serves as President of the Rabbinical Assembly of Nassau and Suffolk Counties, an organization that provides educational and social opportunities for local Rabbis. Despite his many responsibilities in the community, Rabbi Stecker makes plenty of time to spend with his wife, Deanna, and their three sons, Joshua, Daniel and Zachary.

I commend Rabbi Howard A. Stecker for his continued dedication to Jewish community on Long Island. I ask my colleagues in the House of Representatives to please join me in congratulating Rabbi Stecker on his appointment as Spiritual Leader of Temple Israel of Great Neck.

RECOGNIZING DEVIN HARRIS

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Ms. BALDWIN. Mr. Speaker, I rise today to recognize Devin Harris of the University of Wisconsin men's basketball team, who was recently named the 2004 Big Ten Conference player of the year. Devin is only the fifth Badger player in history and the first since 1950 to receive the honor. He led his team to a twenty-four and six record entering the NCAA tournament and a second-place finish in the Big Ten while scoring over twenty points a game. He was also among the Big Ten leaders in assists, steals, assist-to-turnover ratio, and three-point field goal percentage. In addition to being the player of the year, Devin was the only unanimous first team all-conference selection, and was also named the Most Outstanding Player of the Big Ten Tournament after leading the Badgers to the tournament championship, the first in school history.

Beyond statistics and awards, Devin has continually amazed the Badger faithful with his effervescent style of play and penchant for playing even better when it mattered most. His silky smooth ballhandling and signature stepback jump shot contribute to his astounding ability to break down a half-court defense and find a way to score, while his speed and leaping ability have led to some spectacular dunks in transition. His versatile game makes it difficult for one defender to stay with him, which opens up opportunities for his teammates, and he consistently gets them the ball when those opportunities arise. Everyone plays better when Devin is on the court, and that is what makes him a truly special player.

If Badger fans needed any other reason to love Devin, he is also a homegrown talent, coming to UW from Wauwatosa, Wisconsin, where he was the state high school player of the year at East High. Even with that, however, it would have been difficult for anyone to predict that he would develop into the player that he has. This past fall, when the Big Ten coaches named him the pre-season conference player of the year, Devin was as surprised as anyone. But there is no surprise left in awards for Devin Harris. No one who saw him play this year could doubt that he deserves this honor, and our recognition.

SONGS OF CUBA, SILENCED IN AMERICA

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. McGOVERN. Mr. Speaker, I would like to bring to the attention of my colleagues an article by singer-songwriter Jackson Browne, which appeared in yesterday's March 22, 2004, edition of the New York Times. As my colleagues are aware, for nearly three decades, Mr. Browne has been a popular and valuable contributor to American music and culture. Cementing his role and contributions to American culture, last week, on March 15th, Mr. Browne was inducted into the Rock and Roll Hall of Fame.

In his article, "Songs of Cuba, Silenced in America," he laments and challenges the current U.S. policy of denying visas to Cuban artists who wish to perform and share their musical art with the U.S. public or who are being honored for their work by their American peers. I couldn't agree more with Mr. Browne when he describes these artists' work as a way for Americans to hear in song a reflection of the hopes, dreams and aspirations of the Cuban people—a cultural communication that is frustrated by a U.S. policy which aspires itself to suffocate all such contact and communication.

Mr. Speaker, I strongly believe that when change does come to Cuba we will deeply regret the lack of contact, communication, and genuine understanding between the United States and the people of Cuba. I believe the United States would better prepare for change by encouraging now the free exchange of ideas, the freedom of travel, the rich exchange of culture and heritage between our two peoples, including our artists and ordinary Americans.

I want to thank Mr. Browne for sharing his views and insights, and I commend his article to my colleagues on both sides of the aisle.

[From the New York Times, March 22, 2004]

SONGS OF CUBA, SILENCED IN AMERICA

(By Jackson Browne)

LOS ANGELES.—Carlos Varela, the great Cuban singer-songwriter, applied for a visa to come to the United States to sing his powerful, amazing songs. He had concerts planned in Miami, New York and Los Angeles. Our government turned him down.

Visas have been denied to other Cuban artists because their visits are "detrimental to the interests" of our country. In essence, the government says that if Carlos Varela plays concerts in the United States, the money he makes would go to Fidel Castro. This is untrue. In Cuba, renowned artists keep much of what they earn, because the government does not want them to leave the country and live somewhere else. Yet, the Bush administration used the same reasoning to keep Ibrahim Ferrer, of the Buena Vista Social Club, and Manuel Galbán from attending the Grammy award ceremony in Los Angeles last month. (Both men won awards.)

It also forced the postponement of concerts by the Spanish flamenco master Paco de Lucía because he plays with Alain Pérez Rodríguez, a Cuban-born bassist. I congratulate the State Department on finally determining that Mr. Pérez is not "detrimental to the interests" of our country, although those of us who were able to reschedule and hear him play this month know that he is a truly dangerous man.

In a profound way, our government takes on the role of oppressor when it tries to control which artists will be allowed access to our minds and our hearts. We may think we are isolating Cuba with our embargo and our travel restrictions, but it is we Americans who are becoming isolated. People travel to Cuba from Australia, Britain, Canada, Italy and Spain—countries we consider staunch allies.

United States foreign policy toward Cuba is unpopular in America, and for good reason. It stops Americans from traveling to Cuba and Cubans from coming into the States. It stops us from sharing medicine with the ill and restricts our ability to sell food to the hungry. This policy is an outdated relic of the cold war and exists only as a political payoff to Republican-leaning Cuban-American voters in Miami.

The policy of punishing Cuba works only when Americans see the angry face of Cuban repression. But in the face of Carlos Varela, and the language of his music, Americans would not find the mask of a demon, but hear the aspirations of people just like themselves.

Perhaps the most prominent paradox here is that Carlos Varela is known not only for his talent, but also for his courage to speak out through his songs, many of which have been interpreted as critical of the Cuban government.

While these young Cubans respect the accomplishments of their leaders, they are ready, indeed impatient, to run their own affairs. They want freedom for themselves and independence for their country. They want the new Cuba to be created by the Cuban people, not by the United States.

I believe in justice and human rights in the United States and abroad. I am saddened by the treatment by the Cuban government of the political dissidents in their country. I long for the day when there is freedom for both Cubans and Americans to travel in both directions across the Straits of Florida without undue interference by their governments.

I want this freedom not just for artists but for all people, American and Cuban, who live each day in the hope for a just and prosperous future. Giving Carlos Varela a visa to sing in America would be a good way to begin.

PERSONAL EXPLANATION

HON. CHRISTOPHER JOHN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. JOHN. Mr. Speaker, I unavoidably was absent last Thursday. Had I been present, I would have voted on Roll Call 66—"no"; on Roll Call 67—"no"; on Roll Call 68—"yes"; on Roll Call 69—"yes"; on Roll Call 70—"yes"; on Roll Call 71—"yes."

INTRODUCTION OF A BILL TO END PENALTY FOR CITIZENSHIP

HON. ED CASE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. CASE. Mr. Speaker, I rise today to introduce a bill to ensure that family members who have petitioned to immigrate into the United States are not penalized as a result of an award of citizenship to a sponsoring parent or spouse.

My office has been involved in many cases in which my constituents are caught in a contradictory situation. If a legal resident sponsor of immigration applicants becomes a U.S. citizen, the petition he or she filed as a legal permanent resident is essentially moved from the second preference category to the first preference category with accompanying alteration of the category priority date.

While this is not a problem for most, as the wait list for the first preference category is generally shorter, it has become a problem for some, primarily our families from the Philippines. It is here that, unfortunately, the quota for unmarried sons or daughters of American citizens is longer than that for unmarried sons and daughters of legal permanent residents. As a result, the wait time for some petitions is in fact lengthened, even though their preference status is improved.

My bill will end this unwitting penalty of citizenship and allow the approved petition, originally filed by a legal permanent resident, to keep that given priority date or place in line should a reclassification of a sponsor occur. This will ensure that a family member will not have to wait for a longer period just because his or her petitioner became a U.S. citizen.

We should not continue to penalize both those who we welcome to the responsibility of citizenship and their families. I urge the bill's passage.

HONORING REV. DR. AND MRS. F.O. HOCKENHULL

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. KILDEE. Mr. Speaker, I rise before you today on behalf of the First Trinity Missionary Baptist Church of Flint, Michigan to honor their Pastor the Rev. Dr. F.O. Hockenhull and First Lady Marion J. Hockenhull for 35 years of dedicated service to the Church community. On Friday, March 26, 2004 the congregation of First Trinity Missionary Baptist Church will gather to honor their Pastor and First Lady during a special dinner to be held at the Holiday Inn located in my hometown of Flint, Michigan.

1 Cor. 4:1–2 reads: "Let a man consider us, as servants of Christ and stewards of the mysteries of God. Moreover it is required in stewards that one be found faithful." Rev. and Mrs. Hockenhull have exhibited the character of true Christians. They have dedicated their lives to spreading the word of God to all of mankind. They are leaders who lead by example. They set high standards for themselves and the First Trinity Missionary Baptist Church. Their serious stance on education and the teaching of Christ have helped their church to blossom into one of the most influential church families in the city of Flint. Rev. and Mrs. Hockenhull have worked as a team for 35 years of build a strong ministry at First Trinity Missionary Baptist Church. Rev. Hockenhull beyond his duties as Pastor is the President of the Great Lakes Baptist District Leadership and Educational Congress-Flint, Michigan, Associate Director General, National Baptist Congress of Education, and Co-Chair of the Stewardship Commission, National Baptist Convention, USA, to name a few. Proverbs 31:29 reads: "Many daughters have done well, but you excel them all." Mrs. Hockenhull is a virtuous wife, mother, and child of God. Her commitment to spreading the gospel of Christ is unwavering. She is an impressive role model for young women. Rev. and Mrs. Hockenhull have made sufficient contributions to both the City of Flint and the State of Michigan. The First Trinity Missionary Baptist church family thanks their Pastor and First Lady and so do the citizens of the communities they have inspired. I pray that God will continue to bestow his blessings upon Rev. and Mrs. Hockenhull and the First Trinity Missionary Baptist Church as they continue their march onward as Christian soldiers.

Mr. Speaker, as a Member of Congress, I ask my colleagues of the 108th Congress to please join me in honoring two of my dearest friends, Rev. and Mrs. F.O. Hockenhull for 35 years of commendable service to community.

SENATE—*Wednesday, March 24, 2004*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. STEVENS].

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Spirit, who provided humanity with Heaven's best gift, thank You for loving us even when we don't deserve it. Forgive us when we take Your gifts for granted and fail to bless others from the overflow of Your bounty.

Slow us down, Lord. Help us to find the time to experience life's wonders. Teach us to pause and consider the starry heavens or to pluck a rose or to say I love You.

Strengthen Your Senators for today's issues. May they labor for You. Give them an awareness of their accountability to You for the decisions they make. Quiet the tempest within and give them Your peace.

We pray this in Your serene Name. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning the Senate will conduct a period of morning business until 10:30 a.m., with the first half of the time under the control of Senator DASCHLE or his designee, and the second half under the control of the majority leader or his designee. Following morning business, the Senate will resume consideration of S. 1637, the JOBS bill. At 11:30 a.m., the Senate will vote on the motion to invoke cloture on the motion to recommit. It is my hope that cloture will be invoked and we can finish the bill this week.

I encourage my colleagues on the other side of the aisle to vote for cloture so we can expedite consideration of this bill. I reiterate that we are prepared to consider amendments relating to the underlying legislation. Given the time-sensitive nature of this bill, I ask my colleagues to rethink their desire to hold up the bill with unrelated issues. It is time to pass this bill, and I hope the Senate will act accordingly.

The first rollcall vote will therefore occur at 11:30 a.m., and that vote will be on the motion to invoke cloture on the motion to recommit the bill.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The Democratic whip is recognized.

ORDER OF PROCEDURE

Mr. REID. Mr. President, I know the Democratic leader is going to make a statement, and I don't know if the majority leader is going to make one. I am wondering if I could ask unanimous consent that the majority and minority have a full half hour on each side today, irrespective of the statements of the two leaders.

Mr. FRIST. Without objection, and I will not be making a statement this morning and would recommend that we go straight to morning business at the appropriate time.

The PRESIDENT pro tempore. It is the Chair's understanding that there be a full hour equally divided, following the comments of the leadership; is that correct?

Mr. REID. That is right.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business for a full hour until 10:30 a.m. or such time that may expire, with the Democratic leader or his designee in control of the first half of the time, and the majority leader or his designee in control of the remaining time.

Who yields time?

The Democratic leader is recognized. Does the Senator use his leadership time at this time?

Mr. DASCHLE. Mr. President, that is my intention.

The PRESIDENT pro tempore. The Senator is recognized.

WAR ON TERRORISM

Mr. DASCHLE. Mr. President, I come to the floor today to discuss our Nation's effort in the war on terrorism.

Tens of thousands of American soldiers have placed their lives on the line to fight this war, and its outcome affects the security of every American. No one doubts our troops have performed courageously and effectively in this war. The entire world saw how quickly they were able to topple the Taliban in Afghanistan. Less visible, yet certainly no less significant, is the fact that they are taking the fight to terrorists in scores of other countries around the world.

While there is no question about how our troops have performed in the war on terror, there are a growing number of questions about our Government's policies in this critical struggle against al-Qaida and other terrorists. These questions are being raised by the families of the nearly 3,000 victims of the heinous terrorist acts on September 11. These questions are being raised by the bipartisan 9/11 Commission which is currently holding public hearings to understand the events surrounding that terrible day. And most recently, questions are being raised by former Bush administration officials with firsthand knowledge of the administration's counterterrorism efforts.

The responsibility for getting answers to questions surrounding the tragic events of September 11 rests with the 9/11 Commission. Therefore, the importance of cooperating with the Commission simply cannot be overstated. Only with complete cooperation will the Commission be able to produce a report that explains how these attacks occurred in the first place, and what can be done to reduce the likelihood of future attacks. Only with complete cooperation can the Commission produce the kind of report that our families, our troops, and the American people deserve.

While the former Clinton administration officials have cooperated fully with the Commission, for some reason, the Bush administration's record on access to officials and documents is, in a word, unsatisfactory. As a result, I am confident the Commission and the American people will get a full picture of the Clinton administration's activities against al-Qaida. All Americans will have an opportunity to evaluate both the things the Clinton administration did right and the things it may have done wrong.

Unfortunately, unless senior Bush administration officials have an immediate change of heart, I am much less confident the same can be said about their activities. If the Bush administration is truly serious about allowing the Commission to examine its actions against al-Qaida before September 11, it must provide answers to the following questions: Was defeating al-Qaida the Bush administration's top national security priority before September 11?

Although both Clinton administration officials and the intelligence community repeatedly warned the Bush administration that al-Qaida posed an immediate threat to America, accounts indicate defeating al-Qaida was not, in fact, the administration's top priority. The President's most senior advisers did not meet to discuss terrorism until September of 2001, 9 months after the administration took office. In fact, some senior Bush officials reportedly believed the Clinton administration was obsessed with al-Qaida. According to both former Treasury Secretary O'Neill and Richard Clarke, the President's top counterterrorism expert, President Bush and senior administration officials viewed Iraq as a greater threat to our security.

Did the Bush administration have a strategy for defeating al-Qaida prior to September 11? Reportedly, the Bush administration was unsatisfied with the Clinton administration's approach for dealing with al-Qaida, and the President requested a new strategy.

Dr. Rice recently wrote in the Washington Post that "the President wanted more than occasional retaliatory cruise missile strikes. He was . . . tired of swatting flies."

However, even as the administration was being told that the threat posed by al-Qaida was growing, press accounts indicated President Bush did not see, let alone approve or implement, the new strategy until after the terrible attacks on September 11.

The American people need to know what really happened. What did the Bush administration do before September 11 to defeat al-Qaida? During the nearly 9 months it took the administration to develop and sign off on a terrorism strategy, it does not appear the Bush administration took any decisive or effective action to cripple al-Qaida.

Perhaps the most potentially significant action the administration took prior to September 11 was in May of 2001.

At that time, reportedly in response to an increase in "chatter" about a potential al-Qaida attack, President Bush appointed Vice President CHENEY to head a task force "to combat terrorist attacks on the United States."

But, according to The Washington Post and Newsweek, the Cheney Terrorism Task Force never met. The American people need to know whether this is true.

Did the Bush administration commit adequate resources necessary to defeat al-Qaida prior to September 11?

In the months before September 11, Attorney General Ashcroft listed the Justice Department's top objectives. According to this document, the Attorney General listed at least a dozen objectives that were more important than fighting al-Qaida and terrorism.

And in his September 10, 2001, submission to OMB, Attorney General Ashcroft did not endorse FBI requests for $58 million for 149 new counter-terrorism agents, 200 intelligence analysts, and 54 translators even while he approved spending increases for 68 programs not related to counterterrorism.

Even in the immediate aftermath of September 11, press reports indicate the White House budget office cut the Department of Justice's funding requests by nearly two-thirds.

It might be that the Attorney General has a good explanation for why the other items on his list where higher priorities than terrorism. There might be a good explanation why the Attorney General did not support the FBI request for these funds. The American people need to know why this happened.

Finally, did the Bush administration's apparent focus on Saddam Hussein detract from efforts to defeat al-Qaida and leave America less secure?

Paul O'Neill and Richard Clarke are very different people with different backgrounds and experiences. Yet both have spent the majority of their public lives serving Republican Presidents and both had an insider's vantage point on the current administration's security policies and priorities.

And both agree that from the very beginning of this administration through the terrible events of September 11 and beyond, President bush and his senior advisors were fixated on Iraq.

O'Neill revealed that at the very first meeting in January 2001 of the President and his senior national security advisors, these officials discussed what to do about Iraq—not terrorism.

Mr. Clarke's observations confirm Secretary O'Neill's assessment.

According to Clarke, after failing to get a Cabinet level meeting to discuss terrorism, administration officials relented and permitted a deputies meeting in April 2001.

At this meeting, Deputy Defense Secretary Wolfowitz argued that Iraq posed a terrorist threat at least as grave as al-Qaida.

Even after September 11, both Defense Secretary Rumsfeld and Deputy Secretary Wolfowitz reportedly made the case that the administration should use the attacks of September 11 as a reason to invade Iraq.

In Secretary Rumsfeld's case, the reason was that there were no good targets in Afghanistan.

If the administration's focus on Iraq appears to be coming clearer, so too are the consequences—for our troops, their families, and our security.

In the debate leading up to the authorization of the use of force against Iraq, a number of us sought administration assurances that action against Iraq would not harm our efforts to capture bin Laden and destroy al-Qaida; would not shift the focus from those responsible for September 11 to a less immediate threat; would not drain away much-needed intelligence analysts, translators, and certain military assets in short supply; would not inflame the Arab world and alienate our allies and others whose cooperation was essential if we were to prevail in the war on terrorism.

Even at the time, we were amazed at the swiftness and certainty of the administration's response. Far from harming our efforts in the war on terrorism, the administration repeatedly insisted that attacking Iraq would help them.

Unfortunately, like so many other predictions advanced by the administration as it made the case for invading Iraq, these assertions have not been borne out.

Osama bin Laden is still at large.

No one can deny that vital intelligence collection, intelligence analysts and special forces were shifted away from Afghanistan and directed to Iraq.

And no one can deny that our credibility and standing in the Arab world and with our allies and others have suffered greatly as a result of the decision to attack Iraq based on an apparently false claim that it possessed weapons of mass destruction.

As a result, even the administration has been forced to back off just a bit from some of the bolder claims it made before the start of the war in Iraq.

In a much discussed memo released late last year, Secretary Rumsfeld wondered whether we were winning or losing the war on terror:

> Are we capturing, killing or deterring and dissuading more terrorists every day than the madrassas and the radical clerics are recruiting, training and deploying against us?

At a minimum, the administration's missteps in Iraq have greatly complicated the answer to this question, and attacking Iraq, at least in the short to medium term, may have made Americans less secure, not more, against terrorist threat.

The American people need to know whether attacking Iraq has helped our efforts against al-Qaida and made them more secure.

These are the critical questions currently confronting this administration.

Unfortunately, while the administration has chosen to make its accomplishments in the war on terror a centerpiece of its re-election campaign, it has resisted telling the American people precisely what it did and did not do to win this war.

It has resisted allowing the 9/11 Commission access to the policymakers and documents that can provide some answers.

It has refused to provide the families of the victims of September 11 and the American people with the information they deserve so they can judge for themselves the administration's record.

Rather than attacking those who raise questions about the administration's policies, President Bush and senior administration officials should do all they can to clear up these troubling questions.

The first step is to make themselves and any supporting documents immediately available to the 9/11 Commission, which is running up against a deadline for its important work of ensuring the American people that we do everything possible to prevent another September 11.

This includes having National Security Advisor Condoleezza Rice testify publicly. It also includes having the President and Vice President appear privately before the full commission for as long as needed to clear up these critical issues.

America's soldiers have performed heroically in the defense of their Nation. All America stands united in our pride and gratitude for their service.

In order to be certain our Government has done and is doing all it can to defend us, Americans have a right to know more about our Government's priorities and actions in the months leading up to the attacks of September 11.

Americans have placed the security of this Nation in the hands of this administration.

That trust is a privilege, and alongside it comes the obligation to answer the questions and concerns of the American people.

To continue to refuse the 9/11 Commission's requests and to criticize those who raise legitimate questions about its actions merely adds to the doubt felt by an increasing number of Americans.

It is time for the administration to honor our citizens' right to know.

The PRESIDENT pro tempore. The Senator from Nevada is recognized.

ORDER OF PROCEDURE

Mr. REID. Mr. President, we have three who wish to speak in morning business on our side: Senator STABENOW, Senator CORZINE, and Senator CANTWELL. I ask unanimous consent that on our side they be allotted 10 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator is permitted to allocate his time.

The Senator from Michigan is recognized for 10 minutes.

MEDICARE SOLVENCY

Ms. STABENOW. Mr. President, I rise today to express tremendous concern about the latest news regarding the Medicare trust fund and the solvency of the trust fund. We are now hearing that Medicare, in fact, will become insolvent 7 years sooner than we had been told last year.

During the time between last year and this year, there has been a Medicare bill passed by the Senate. I believe there is a direct correlation between what was passed, which I have deep concerns about, and the new number we are hearing about Medicare being jeopardized and becoming insolvent 7 years sooner.

We know that in the bill that was passed last year, there were payments for the first time to private plans so they could compete with traditional Medicare. We know that, according to the Congressional Budget Office, it in fact has cost 13.2 percent more for the private sector through Medicare+Choice to provide the very same services as traditional Medicare. Rather than saying we should go, then, with the most cost-effective way to provide health care services for seniors and use traditional Medicare, the response, unfortunately, from the Congress and the President was to subsidize private insurance companies and HMOs so they could compete more favorably.

Originally, it was $14 billion taken away from providing prescription drug coverage for seniors, helping to pay for their medicine, taking those dollars away from other preventive services that could be paid for, other direct services that could be given to our seniors, and it was put into providing subsidies for the private sector.

Now we see in the new numbers how all of this has changed with the revelation of the tremendous increase in the cost of the Medicare bill which we were told after it passed. We are now told the first estimate of $14 billion being diverted is now really $46 billion being diverted—$46 billion not going to pay for our seniors receiving help with their medicine, to afford their medicine through Medicare, but being diverted to essentially privatize or help private plans be able to compete because it costs more to provide Medicare coverage and prescription drug coverage under private plans. We see greater costs there.

Then right at the time we need to be doing everything possible to leverage and lower our costs, we know this Medicare prescription drug bill actually says in the middle of the bill that Medicare is not allowed to group purchase, to get bulk discounts, which is astounding. Every time I say that to a group of people at home in Michigan, they look at me in bewilderment: What in the world were you thinking that you would not try to get the best possible price through a bulk discount? Yet we know that one of the reasons there is increased costs in this bill is because they are not doing bulk purchasing.

Why are they not doing bulk purchasing? Because the pharmaceutical industry does not want that to be done. They do not want us to get lower prices. They want us to pay the highest possible prices. So, unfortunately, this bill says that, which is another reason why I opposed the passage of the Medicare bill.

Over and over we are seeing situations unravel that cause me great concern, not only about the new dollar amount, the new substance in this bill, but also about the process that brought us to the passage of the Medicare bill. I will speak now to some of what we have been hearing and reading in recent days and weeks.

The Government's top expert on Medicare costs was warned he would be fired if he told key lawmakers about a series of Bush administration cost estimates that could have torpedoed congressional passage of the White House-backed Medicare prescription drug plan. This was written on March 12 of this year, just last week, in the Miami Herald. We know there were new estimates, new actual costs that were identified, and we were not told about them before the passage of this bill.

We know that between November 20 and 24 of last year, administration officials repeatedly stated without qualification that the prescription drug bill "will not cost more than $400 billion over 10 years." In making these representations, administration officials relied on CBO estimates without citing the conflicting estimates from their own analysts. This comes from a special report Health and Human Services Secretary Tommy Thompson gave at the time, as well as other news reports.

We then found out after the new year on January 29—not November, now we move up to January 29—the administration announced the Medicare drug bill would cost at least $534 billion over 10 years—$139 billion more, just as we find the new subsidies for private plans, insurance companies, and HMOs have gone up, and certainly there is no cost containment in this bill.

On January 30, the President indicated he learned of the new estimates only 2 weeks earlier, but yet we find on February 12 Secretary Thompson testified to the House Ways and Means Committee that they were given the final higher drug cost on Christmas Eve of 2003, which contradicts the President's earlier statements.

Then on top of having conflicting information about the cost and when the administration knew about the cost, we also hear from a colleague of mine in Michigan, Representative NICK SMITH, who said last fall unknown GOP colleagues had tried to bribe him into voting for the contentious prescription drug bill on November 22 by promising campaign help to his son who is running to replace his retiring father. This was reported in the Washington Post on March 15 of this year.

We now know there is an ethics investigation going on in the House of Representatives regarding this process. We know when this bill first came up in the House, they did not have the votes for it and kept the board open an unprecedented 3 hours plus to change votes, to get the votes for this Medicare bill.

Republican colleagues have said that if they had known the true cost at that time, they would not have voted for it. The cost was hidden. We did not find out what the true costs are, and then we see tremendous pressure on colleagues to vote for this bill, and now the Ethics Committee is looking into what happened in at least one circumstance.

Then we move to another area of great concern to me, and that is the advertising of this particular legislation, this new Medicare bill. According to the New York Times on March 16:

> The administration then attempted to rally support and take political credit for the prescription drug plan with Government-produced TV ads masquerading as news reports. Actors were hired by the Department of Health and Human Services to pose as television journalists purveying facts, upbeat "news" segments about the expanded Medicare coverage.

I also have concerns because in that particular taxpayer-funded advertising, we have found, as a result of a GAO report and a request for investigation that we asked to have done on March 10, the GAO concluded that the Bush administration's Medicare advertisements contain notable omissions and other weaknesses. While they indicate they are not unlawful, they have notable omissions and other weaknesses.

One of my concerns about all of this is that we are seeing a lack of truthfulness regarding the cost of this bill. Many of us had great concerns about this bill in the beginning. We had colleagues being told one thing and then finding out another, saying if they had known, they would not have supported the bill; high pressure tactics going on and an ethics investigation now related to what was done in the House; and then we see taxpayers' dollars being used to put forward less than accurate information.

The PRESIDENT pro tempore. The Senator's time has expired.

Ms. STABENOW. I ask for an additional 1 minute.

The PRESIDENT pro tempore. The Chair has no authority to allocate additional time. It has already been allocated.

Ms. STABENOW. Without objection, I ask for an additional 1 minute.

The PRESIDENT pro tempore. The Chair is compelled to object. The time has been allocated.

Ms. STABENOW. I will simply indicate then I have deep concerns about this whole process, and now we find it affects the bottom line.

The PRESIDENT pro tempore. The Senator's time has expired.

Ms. STABENOW. I urge colleagues to relook at this Medicare bill and what is in the best interest of seniors.

The PRESIDENT pro tempore. The Senator from New Jersey is recognized for 10 minutes.

Mr. CORZINE. Will the Chair inform me when I have 1 minute remaining of the 10 minutes?

The PRESIDENT pro tempore. Yes.

Mr. CORZINE. I thank the Chair.

THE JOBS BILL

Mr. CORZINE. Mr. President, today we are talking on a series of issues where credibility is at stake. Frankly, I think the credibility of the Senate is at stake with regard to this jobs initiative we are debating on the floor of the Senate today.

I understand it is very possible we will not be able to move this most important legislation that is about creating jobs in an economy where Americans are not getting access to available opportunities to protect their families, help their families, or improve their quality of life.

We have seen far too little job creation. For us to back away from this initiative today would be extremely disappointing and, in fact, lead to a roughly $4 billion tax hike for American business and for job creation.

I think it fits a pattern of failure and unfortunate emphasis with regard to the state of our economic affairs in this country. Apparently, we do not want to take a vote on providing overtime for 8 million Americans. That is what is keeping us from dealing with a fundamental jobs program.

We already overwhelmingly voted in this body to pull back from regulations that would strip overtime pay for 8 million working Americans. Because we do not want to go on record about that, we are going to allow a $4 billion tax hike that is going to end up undermining jobs. It is just the latest in steps of failed economic policy.

I think the administration, the President, ought to be demanding that we get this JOBS bill passed so we have the capacity to keep pushing forward on economic growth and, most importantly, job growth for individuals. This failure, in my view, comes against a backdrop that is remarkable for its, frankly, inanity and distorted perspectives with regard to economic policies that Senator JOHN KERRY has proposed in his current campaign for the Presidency.

I say "remarkable" because it is incredible to me that anyone with the economic record that this administration has, which has basically failed, would have the temerity to try to attack the policies that are very consistent with ones that produced 22.5 million jobs and created the greatest economic boon in the 20th century that this country had. There was growth in productivity, growth in real wealth, and growth in average median income for all Americans. It is hard for me to understand how, when we have gone from that kind of success to the failed policies we have today, that we are trying to attack some return to that effort.

I will review the record in specific. Since President Bush came to office, we have lost about 3 million private sector jobs—I think it is about 2.2 million overall jobs because the Government was actually increased. So, literally, it is the worst jobs record since the Great Depression. Currently, the situation is not exactly getting better. In the month of February we created 21,000 new jobs in this economy. That is against a projection that was in the President's economic report to the country of presuming that we would produce 368,000 jobs per month. It was 21,000 in reality against a projection of 368,000; none in the private sector, by the way.

What 21,000 were created were created in the governmental sector. I again contrast that with the fact that under the policies of the previous administration, we created 236,000 jobs a month on average. Right now, on average, we have negative creation under the current economic policies, and before we have done any kind of analysis, we want to attack the kinds of proposals that actually lead us back to fiscal sanity and responsible funding of our Government. We would get on with job creation.

If we had the right leadership, we would pass this jobs bill that is on the Senate floor right now and get forward momentum building in our economy.

By the way, if we were to continue that pace of 21,000 jobs, just to replace the jobs we have already lost under this administration, it would take us to 2013, a remarkably slow pace. This is not what President Bush promised when we saw these large tax breaks, particularly for those affluent in this society. We were told this was going to be a job creator. It has not worked. I think it is time for people to focus on the realities as opposed to trying to hyperventilate about what they would like to think is going to happen. The differences between projections and reality just continue over and over. So when it comes to jobs, this administration's record, in my view, is a complete failure.

Sadly, though, that is just the beginning on economic policy. The President has not only produced the worst jobs record in several generations, in fact, he has created the worst fiscal situation we have seen in the history of the country. Frankly, it is shifting the tax burdens and the financial burdens of paying for Government from one generation to the next. The reality is that we are putting on the backs of our kids and their kids the responsibility to pay for the actions of the Government both today and obviously future responsibilities as we go forward, but particularly creating debt. There is $530 billion worth of debt being created this year. Actually, it is about $630 billion because we are using the Social Security trust fund which is going to have to get paid back to be able to fund Social Security as we go forward.

Over the long term, in my view, this failure on fiscal policy is a more serious problem than even the job creation issue because it is going to undermine the capacity of our economy to be able to grow and be strong in future years, and we are going to get even greater resistance to job growth over a long period of time because the Federal Government is going to be out there competing for every dime in the private capital markets. That competition is going to end up dampening growth and creating a situation where we have very little opportunity to see job creation as we go forward.

To put it in perspective, when this administration came into office there were projections that we would have $5.6 trillion worth of budget surpluses over the succeeding 10 years. Today, the budget projections are $5 trillion worth of deficits. That is a negative cash flow swing—that is an old term I remember from business—of over $10 trillion. It is mind-boggling that we could see a flip of the switch in policies that would take us from $5.6 trillion surpluses that would allow us to pay down the debt.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). The Senator has 1 minute remaining.

Mr. CORZINE. It is absolutely essential that we get focused on reality. I hear people suggest that Senator KERRY, because he wants to propose a health care plan that over 10 years will cost $900 billion, is going to impose a tax increase on the American people just to fund that. That is flat out wrong. It would be like saying the Bush administration is proposing a $10 trillion tax increase because they have run up budget deficits of these kinds.

There is a lot more to say about the economy—failure on jobs, failure on the deficit, and we ought to be passing this JOBS bill in this Senate today so that we put America back to work. I will come back at a later point and finish up with some of the other remarks.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Washington is recognized for 10 minutes.

EXTENSION OF UNEMPLOYMENT BENEFITS

Ms. CANTWELL. Mr. President, I join my colleague from New Jersey in discussing jobs, job creation and whether we will have the opportunity to vote on two key amendments that will help stimulate our economy—one amendment addresses overtime pay and the other would reinstate the federal unemployment insurance program.

Many of my colleagues know that when we took a vote on reinstating the unemployment program on February 26, we actually had a majority of Members of this body supporting the program. On February 4, a majority of Members of the House of Representatives supported a similar provision.

Congress supports this program, and supports an extension. The reason we created the State and Federal unemployment programs was to provide temporary and partial wage replacement to people who are involuntarily unemployed and to help stabilize the economy during recession. That is why we created the program.

Yet, for some reason, we have put that notion aside and somehow think the economy is getting better and unemployed workers who have lost their jobs, through no fault of their own, somehow should not be able to participate in this Federal program.

My own newspaper, the Spokesman-Review, had an editorial this week that basically said: Let us put money in the pockets of those who are not to blame for being out of work. Such a move will help businesses that rely on consumer spending, help them stay afloat, and was one of the chief reasons for creating unemployment benefits in the first place.

What we are doing this morning is continuing to ignore the plight of the American workers who have lost their jobs through no fault of their own. We are being irresponsible, not allowing Americans to participate in a Federal program that was designed to create opportunity for people and to allow them to sustain themselves in an economic downturn when there are no jobs being created.

So much has been bandied back and forth about whether we are actually recovering from this recession and whether and how many jobs will be created. I think it is important to look at the facts to see what economic projections have been made in comparison to what has really happened.

My point is not to place blame for what has happened. At this point my concern is with the unemployed workers who are struggling to make mortgage payments, pay insurance bills, put food on the table.

Any economist will tell you that sometimes projections are wrong. In the case of job creation in the past several years, we have been dead wrong about what was going to happen to the U.S. economy. In 2002, the Bush's Council of Economic Advisers said: We are going to have job loss, but it is not going to be that severe: We are going to lose about 100,000 jobs. But, in fact, in that year we actually lost 1.5 million jobs.

As a result, the President proposed his policies that were based on that projection. I didn't support his policies, but I am not going to spend a lot of time this morning critiquing whether or not they were sound. Instead, I am asking my colleagues on the other side of the aisle to not make this a partisan issue. I am asking them to make this about the American worker who needs our help utilizing a Federal program designed to help out in times just like this.

So, then in 2003, the President's economic forecast projected that the economy would create 1.7 million new jobs. But in reality, there was no job growth. In fact, we lost jobs. Instead of growing the economy, we lost 406,000 jobs.

This year, some of my colleagues on the other side of the aisle are saying we don't have to keep the Federal unemployment benefits program going because the President has projected that we are going to have a record year—that we are going to create 2.6 million jobs. That was the actual forecast from the Council of Economic Advisors. I can provide to my colleagues the specific page, the specific citation.

When several members of the President's Cabinet traveled to my state of Washington in February, they backed away from the projections. They said: We don't think that 2.6 million really is the number of jobs that are going to be created this year. We don't really think the forecast means what we thought it meant. I can tell you, the unemployed worker is not a rounding error; they are real people with real needs they have to meet on a day-to-day basis.

To reach this 2.6 million jobs by the end of the year, the economy would need to create between 200,000 to 300,000 jobs per month. That is not what is happening at all. That is not what happened in January and it is not what happened in February. It is probably not what is going to happen in March.

The real issue is that, while some people are saying the economy is better, and gee, things are rosy since the unemployment rate is only 5.6 percent, they are hiding the fact that the unemployment rate held steady last month largely because 392,000 people are no longer counted as unemployed. Many economists and many newspapers around the country have said the national average would be more like above 7 percent if you actually included those people who aren't getting counted.

Some people question whether the Federal program helps or hurts in the end. They say, don't we want these people out looking for jobs? Well, I can guarantee they are out looking for jobs. I have had so many constituents who have come to my Web site and told me their personal stories about how they are trying to find a job, often competing with 20 or 30 other people for a job for which they are all overqualified because there are not jobs being created. Consequently, they are without the opportunity we all would like to see in their communities. They have lost a job through no fault of their own, they are working hard to find a new opportunity, but jobs are not being created.

What do you do when jobs are not being created? You utilize this Federal program that could provide opportunity to people for 13 weeks beyond the State program. And this program creates an economic stimulus. Even Alan Greenspan recently said he believed we should have programs like this one in times of economic downturn. In fact, he testified before the House Education and the Workforce Committee before we adjourned for our last recess and he said:

> In times like this, I have supported the issue of extension of unemployment insurance.

He said that is because it is important to stimulate the economy.

The program we are talking about right now would generate billions of dollars of stimulus that would go directly into the economy over the next 6 months. In fact, for every dollar spent on unemployment insurance, those individuals turn around and spend that money, $2, in our local economies. They pay their mortgage payments, their health care bills, their tuition for education, for their children to go to college. It helps sustain them until economic growth actually returns.

When the first Bush administration was faced with this dilemma, when they had a recession in the 1990s, the first Bush administration said: Let's extend the Federal unemployment insurance program. Actually, the economy had been creating substantial numbers of new jobs for several months when the first Bush administration extended the program. Why? Because they knew that it would take time for the economy to recover. They knew all of those people were not going to find jobs immediately. Even though jobs had been created, the Bush administration extended the unemployment benefit program for another 9 months. As we all know, that was the right policy decision and many people went back to work over a period of time and they had the wherewithal to sustain their families in the meantime.

I say to my colleagues on the other side of the aisle, it is time to get past the obstructionists who are holding this up. A majority of Members in both the House and the Senate want this legislation passed. They want to help the American worker. 5.6 is not the real number of unemployed people in America. It is not a fair representation.

Even Business Week did a fabulous story presenting the issue of jobs in America, "Where Are The Jobs?" I urge all my colleagues to read through it in detail and see where exactly the jobs are in America. In reading it, you will find there has been an increase in productivity. There has been an increase in productivity and consequently there have been fewer new hires. While corporate CEOs have made more money and the stock market has benefited from the efficiencies of business, the person who has not benefited is the American worker who has not found a job. Unlike the 1990s when there were millions of jobs created at the same time that we achieved gains in productivity, now we have productivity gains and no jobs are being created. It is going to take us longer to recover.

This Senator believes very much in the economy of the future. I believe there are some very strong sectors. As my colleague said yesterday, I believe we have to have the right fiscal plan, we have to have the right sectors—sectors like biotechnology and nanotechnology, software, and aerospace will continue to grow with the American economy. I think if we make this investment in unemployment now, we can give the American workers the help and the assistance they need during this time of job loss.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. ENSIGN. Mr. President, I am going to speak on the JOBS bill and the importance of passing the JOBS bill. In particular, a portion of the JOBS bill called Invest In The USA Act, which I authored with Senator BOXER last year. I just want to take a couple of minutes to respond to the comments of the Senator from Washington about unemployment and extending the temporary extension of unemployment benefits.

We have had this debate many times on the Senate floor and it has been shown that when the Democrats were in control of the House, the Senate, and the White House, the extension of unemployment benefits was terminated when the unemployment rate in the country was 6.4 percent, almost a full percentage point higher than it is today. Historically, the termination criteria remains true.

In the past, both President Clinton and the Democrat leader of the Senate, TOM DASCHLE, talked about a 5.6 percent unemployment rate and what a strong economy the US had at that time. Today, people's mindsets are different. People think that our current rate is actually a high unemployment rate.

I believe we need to continue to look for things that will create jobs in America. We need to have job training, in fact we have passed a bill in the Senate that would improve job training. But we need to stop the filibuster of the Workforce Investment Act and allow it to move into conference, in order for the benefits to be seen. That bill will help train almost 1 million new workers and help them find new jobs in United States. The Workforce Investment Act is an important piece of legislation.

There is a large number of jobs going overseas, and on the other side there are a lot of jobs that have moved to the United States. That is what makes up a global economy. It is a constantly changing global economy. Lower paying jobs usually move overseas, while higher paying jobs are created in this country. But there is a problem. In the last few years, as our economy has changed, not as many jobs have been created in this country as there could have been.

We have a provision called the Invest in USA Act, which recognizes that over $500 billion has been accumulated in bank accounts for U.S. companies overseas because of the tax rates that would be charged on that money if it was brought back to the United States. U.S. companies pay up to a 35-percent corporate tax rate to bring that money home.

This is a list of some of the various developed countries around the world. This is their normal corporate tax rate. The United States has the highest corporate tax rate when compared to countries in the world. This is just one fact that represents the stark contrast of what the United States does to its companies compared to what other countries do when companies invest in countries outside their own market.

If a U.S. company goes to China and earns income over there, when it brings that money back, it has to pay up to a 35-percent tax rate on the money it brings returns to the U.S. If a company from France goes to China and makes money over there, and they bring the money back to France, it is zero percent. France charges them zero percent; Germany, zero percent; Canada, zero percent; Australia, zero percent; and, Great Britain, zero percent. These countries have recognized that it is a positive thing for the money to come back into their country.

The Invest in USA Act, which I introduced with Senator BOXER last year, passed 75 to 25. Every Republican voted in favor of it and half of the Democrat Senators voted in favor of the Invest in USA Act. Unfortunately, it was dropped out in the tax debate in what is called a conference committee. It is now part of the bigger JOBS bill we have before us today. I might add—because of the tariffs the European Union will be putting on American companies—it is important to have this JOBS bill passed. I believe, of everything in this JOBS bill which is important, this is the most important piece.

First, I talked about the $500 billion in the overseas markets. Of the $500 billion or so in American companies' bank accounts overseas, $400 billion conservatively—I think the lowest estimate of any of the studies I have seen is that $300 billion comes back—will come from the four corners of the world back into to the United States.

To put this $400 billion number in perspective, from 1996–2002, it was clear that the United States was experiencing pretty good economic times. There are IPOs—initial public offerings—on the stock market. With IPOs, people raise money to be able to invest and pay down debt. There are all kinds of various uses for IPOs. During 1996–2002, all of the money raised with those IPOs does not equal this $400 billion number. With this one simple Act, Congress can bring back more money to the United States and create jobs than in all of the initial public offerings that were done for the stock market from 1996–2002.

It is critically important we enact this legislation in order to bring jobs back to America. Some critics say it is unfair for the companies that are here in America which have paid their 35-percent corporate taxes. I am supportive of lowering the corporate tax rates, as often companies pass their taxes on to the consumer and are not directly responsible for them.

We need to make American businesses more competitive. One of the ways we can do that is to lower the corporate tax rate. But given the fact that the rate is where it is, companies have no incentive to bring the money back here to the United States.

For all of those companies that are paying that higher tax rate, if they want to share in a better economy, let us bring $400 billion back to the United States to invest, pay down the debt, invest in new capital improvements, do research and development in the United States, and create jobs right here in the United States.

Various studies have been done regarding this important issue. Alan Sinai is probably one of the most respected economists in the United States. He certainly is not considered a conservative. Many would say he is maybe a little more liberal than conservative. I do not know that you can really paint him one way or the other, however he is well respected by both sides of the aisle. His estimate is that 660,000 jobs would be created by this one Act alone.

The Joint Tax Committee says that over a 10-year period of time, if we enact the Invest in USA Act, it will help reduce the deficit by around $4 billion over 10 years. That in and of itself is a very small number compared to the over $2 trillion budget we have on an annual basis. But the Joint Tax Committee does not count any jobs that are produced. They do not count any of the taxes that are paid by those jobs that are being produced. Alan Sinai, on the other hand, looked at what kind of total impact this bill would have on the U.S. Government. In other words, would there be a loss of taxes or a gain of tax revenues because of the health in the economy. He has estimated that $75 billion in deficit reduction would be possible because of this one provision in the JOBS bill.

The Invest in the USA provision will create 660,000 jobs, and I believe that is a conservative estimate. It will bring back $400 billion in cash for all kinds of positive things for U.S. companies and U.S. workers. It will help the taxpayer and help pay down the debt, and everybody around here talks about how important it is to ensure the deficit is reduced.

Of all the good things in the JOBS bill that we are talking about today, for those who are truly interested in creating jobs in America, we need to pass this incredibly important piece of legislation.

Of the few objections I have heard to this legislation, one is that it is not fair to American companies. I believe that issue has been addressed. The second is you should not implement a temporary fix, that companies and people are content to wait. Instead of paying 35-percent corporate tax rate, they are only charged 5¼ percent. Critics say you should not do that just for 1 year because then companies will wait for the next tax holiday. I agree, doing temporary tax holidays is not necessarily a good idea, however, I want to use this as a model to show that if we encourage United States companies that have invested overseas to bring their money back—if the tax laws in America are changed—we can, indeed, create more jobs on American soil in this growing global economy.

There is an clear imbalance. Most of which is not the fault of the companies. Lou Dobbs constantly talks about job outsourcing and paints United States companies as evil companies. The bottom line is the companies are doing what is in their best financial interest. It is the Congress that has set up these incentives to go overseas and to keep the money overseas.

What the Invest In The USA Act does, is allow a temporary fix to bring the money back in the next 12 months, stimulate the economy, and then show the model of how a permanent fix can make America more competitive in the global marketplace.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

TERRORISTS

Mr. BOND. Mr. President, this morning I heard the minority leader talking about a couple of books that have been written, one by Mr. O'Neill and one by Mr. Clarke. It appears there is an effort in the Senate to use the September 11 Commission and its work as an effort to point fingers, to say—in this instance, by the minority leader—somehow President Bush and his administration were responsible for the September 11 attack.

I took a post on the Senate Intelligence Committee this past year because I believe the most important thing we can do to safeguard the United States and our citizens from further terrorist attacks is to figure out how to improve the intelligence-gathering system. There is no question there were flaws, there were holes in the intelligence system, that we did not get as good intelligence as we should have.

Some of those were legislatively mandated. We had walls between the CIA and the FBI that prevented them from sharing information. We took those down in the PATRIOT Act. We had problems with inadequate funding for intelligence, particularly human intelligence. We found a lot of areas with sophisticated electronic surveillance and aerial surveillance. While they could tell us the movements on the ground and pick up conversations, they were not good at knowing what was going on. We did not have the sources we needed inside of the countries and even inside of the terrorist organizations themselves to find out what should be done.

I hope the focus of this body when we talk about intelligence is not on what political advantage we can gain. I have seen some of Senator KERRY's political advisers say we are going to carry the battle for the White House to the floor of the Senate. When we start talking about intelligence and trying to bring that in as part of the political campaign, we are not serving the needs of this country and its intelligence service well.

There is much we need to do and there are lots of votes in Congress we ought to debate. The joint inquiry into September 11 has identified a number of systemic problems which contributed to the intelligence community's failure to prevent the September 11 attacks. There was a lack of comprehensive counterterrorist strategy, a lack of information sharing among intelligence agencies, and even a lack of military response to al-Qaida and others.

There have been problems for a number of years, predating the Bush administration, I might add. When Mr. Clarke points to the Bush administration in his book and claims there were all kinds of failures and faults on behalf of the Bush administration, those people who look at his previous statements, read his testimony, and listen to the other testimony, tend to believe there was a lot of fiction going into the writing he put into that book. He has made unfounded statements that are contradicted in a number of other places where he has made comments.

The article that appeared in the New Yorker on March 24, by Jane Mayer, in an interview at Mr. Clarke's home in Arlington, VA, July 28, 2003:

> Richard Clarke, the country's first counterterrorism czar told me—the writer, in an interview at his home in Arlington, Virginia—that he wasn't particularly surprised that the Bush Administration's efforts to find Osama bin Laden had been stymied by political problems. He has seen such efforts fail before. Clarke, who retired from public service in February . . . served every President since Ronald Reagan. . . . Clarke emphasized that the C.I.A. director, George Tenet, President Bush and, before him, President Clinton were all deeply committed to stopping bin Laden. Nonetheless, Clarke said their best efforts were doomed by bureaucratic clashes, caution, and incessant problems with Pakistan.

Those efforts were clear if you listen to some of the testimony. I will try to refer only to the testimony that is being made in public before the joint terrorism, joint September 11 inquiry. There were grave concerns raised. There were concerns raised about whether it was appropriate for the United States, as has been suggested by some, perhaps in 2001, to launch an attack on Afghanistan. Given the reluctance some seem to have about launching an attack on Iraq, to think we could muster votes or muster international support for launching an attack on Afghanistan to disband the Taliban is a stretch beyond reason.

Furthermore, we know by June of 2001, 16 of the 19 terrorists who carried out the tragic airplane bombings on September 11 were already in the United States. Even had we been able to take out bin Laden, which is no easy task, we would not have stopped the terrorist cells already in the United States planning the attacks.

There is a very good article in today's Washington Times by Jack Kelly, national security writer for the Pittsburgh, PA Post-Gazette, a former marine, Green Beret, and deputy assistant secretary for the Air Force in the Reagan administration. He notes Mr. Clarke's charge that worries about al-Qaida took a back seat to concerns about Iraq and ballistic missile defense have been effectively countered by Dr. Condoleezza Rice, security adviser. He notes the very first foreign policy strategy adopted by the Bush administration in early September prior to the attack was a plan to compel the Taliban in Afghanistan to stop providing sanctuary to al-Qaida, but that was a program that would take a long time to carry out.

Mr. Kelly goes on to say:

> The thrust of Mr. Clarke's complaint is that Mr. Bush failed to do in eight months what President Clinton failed to do in eight years. But all he has to offer is a continuation of the "law enforcement" approach to terrorism that failed to deter the first World Trade Center bombing in 1993; the bombing of the Khobar Tower barracks in Saudi Arabia in 1996; the attacks on the U.S. Embassies in Kenya and Tanzania in 1998, and the attack on the USS *Cole* in 2000.

He goes on to say, it is no wonder that Mr. Bush wanted a new approach, a different approach. As President Bush told Dr. Rice, it was time to stop swatting flies and to go after al-Qaida and its support.

Mr. President, I ask unanimous consent that this article from Cal Thomas and Jack Kelly be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BOND. There are those who say the President was totally focused on Iraq and he was unaware of the dangers of al-Qaida. Well, that is just totally false. Was he focused on a regime change in Iraq? Did Mr. O'Neill say he was focused on a regime change in Iraq? Perhaps. If so, it was because this Congress in 1998 passed a very strong resolution warning about the dangers of Iraq and saying its weapons of mass destruction—which had not been accounted for, and particularly after the U.N. had been moved out—posed a great danger and that we should pursue a policy of regime change.

This was stated. This was the policy of the Clinton administration, clearly stated by President Clinton; Secretary Albright; Secretary Cohen; his National Security Adviser, Sandy Berger. Well, when you go beyond that, it is not unusual the new administration would have that as a top concern. But to say they did not have a plan, they were not concerned about al-Qaida, has absolutely nothing to do with reality.

I think you are going to find out as you look at the testimony before the Joint Commission—and I hope we will have a report that will be declassified coming out of the Intelligence Committee which will also deal with these and other questions, not, as I emphasized before, in an effort to point fingers, but as an effort to find out what we need to do to get the kind of intelligence system we need.

If one is interested in pointing fingers and reading books, the minority leader has talked about Mr. O'Neill's book, talked about Mr. Clarke's book. I would urge my colleagues to also read a book written by Richard Miniter called "Losing bin Laden." Mr. Miniter, in that book, talks a great deal about Mr. Clarke's role and the frustrations apparently Mr. Clarke and others had because the Clinton administration was either unwilling or did not have the will to take strong action to deal with Osama bin Laden and al-Qaida.

Now, I do not think that is a necessary basis for our actions in this body. I do not think that is a constructive matter for us to be totally consumed in debating. Certainly, we did not have the intelligence we needed, and there were extenuating circumstances why the Clinton administration did not take action, did not accept the offer of Sudan, did not move against suspected locations of al-Qaida. Those can be debated by historians.

But for some people to come to the floor and say after 9/11 President Bush was focused solely on Iraq is absolute nonsense. When you listen to the testimony, it is clear when the attack occurred, the questions were raised. Everybody thought it was probably al-Qaida. They asked questions. Was it Hamas? Was it Hezbollah? Was it Iraq? Within a day or so, the conclusion the intelligence community came to was it was, in fact, al-Qaida. So when the President and his staff retired for the planning conference, they had one map on the wall. It was a map of Afghanistan. It was a map of the Taliban-controlled country of Afghanistan, which was harboring the terrorist Osama bin Laden and his al-Qaida.

They developed a plan. They formulated the plan, and they attacked. They attacked and they disbanded the Taliban forces, and they drove Osama bin Laden away from his training camps. We are still pursuing him.

I think you will hear in testimony, if people are asked, that all of the available resources have been focused on capturing Osama bin Laden. It think it is clear when you look at the mountainous regions between Afghanistan and Pakistan, this is not an easy area to track someone down, particularly when that person has the support of a terrorist organization in a very hostile country.

We note that it took 5 years to find the bomber of the Atlanta Olympics in North Carolina. That should have been friendly territory.

But now the good news is, the Pakistanis are working with us, and we are continuing the effort to capture al-Qaida and al-Zawahiri, who is the mastermind behind it. We have captured Khalid Sheikh Mohammed. We are slowly but surely taking down the leadership of al-Qaida, as we have taken down the leadership of Saddam Hussein's regime.

I think it is clear when you look at what Dr. Rice has done—and I do not need to apologize for Dr. Rice. I think if you listen to her testimony, read the comments she has written, you will see she, through her work, has earned the high reputation and distinction she has received as a valued National Security Adviser.

As a matter of fact, Dr. Rice requested in January of 2001 that Mr. Clarke present her with ideas to address the al-Qaida threat. The administration acted on the ideas it made since: weaponization of the Predator; increased funding to Uzbekistan, a front-line state opposed to al-Qaida.

Yet to say we did not go forward with an attack on Afghanistan at the time was clear because there was not the sufficient foundation readily developed by that time.

The President has never ignored al-Qaida. But the President and the administration were legitimately concerned about the threat posed by Iraq, which we know Iraq had sponsored terrorism, attacked its neighbors, used chemical weapons, violated 16 U.N. Security Council resolutions, kicked out U.N. weapons inspectors, circumvented sanctions to acquire billions of dollars to fund its illegal activities, and continued to try to shoot down over 1,000 times United States and United Kingdom aircraft that were patrolling the no-fly zone.

Based on all that information and the intelligence provided to those of us in Congress, 78 Senators—and I was one of them—voted to use force for a regime change in 1998.

When senior advisers and the President met at Camp David on September 15, 2001, the Director of Central Intelligence said there was no evidence Iraq was responsible. That is when the President focused, in that time, on al-Qaida.

There is so much to be done to improve our intelligence. I would hope we could leave our political battles for the campaign trail. I have lots to say about some of the votes of our colleague who is running for President. That is not going to help us with this battle on terrorism. We need to use the 9/11 Commission and the work of the Intelligence Committee to develop a sound policy for combating terrorism with good intelligence.

I yield the floor.

EXHIBIT 1

[From the Washington Times, Mar. 24, 2004]

THE BLAME GAME . . . WITH MISFIRES

(By Cal Thomas)

At least two things should raise suspicions about the motive of Richard Clarke, the former antiterrorism adviser to four presidents, whose name, face and book were all over the newspapers last weekend and on "60 Minutes" Sunday night.

One is that Mr. Clarke's book, in which he accuses the Bush administration of not heeding "warnings" from the Clinton administration about possible terrorist attacks by al Qaeda, was available only to journalists and not to those in the administration on the receiving end of Mr. Clarke's criticism. So says an administration spokesman with whom I spoke.

The other red flag that should make us cautious about Mr. Clarke's assertions is that his former deputy, Rand Beers, is now an adviser to the presidential campaign of John F. Kerry. Part of Mr. Kerry's campaign strategy is to persuade the public President Bush has failed to effectively fight the war on terror.

Mr. Clarke is right about one thing. He admits "there's a lot of blame to go around [for September 11, 2001], and I probably deserve some blame, too." Yes, he does, and he can begin with the first World Trade Center bombing and continue with the bombing of the USS Cole and the attack on the American Embassy in Tanzania, all of which occurred on the watch of President Bill Clinton, whom Mr. Clarke was advising.

Was Mr. Clinton not listening to Mr. Clarke's advice? Did Mr. Clinton "do a terrible job on the war against terrorism," the charge he levels against President Bush, who was in office less than nine months prior to September 11, 2001?

Responding to Mr. Clarke's allegations, senior administration official told me Mr. Clarke is engaged in a "flagrant effort to avoid responsibility for his own failures."

He added, "The Clinton administration never gave the Bush administration a plan that included the possibility of hijacked airplanes used as missiles to be flown into buildings. Most of their advice was general in nature." Even if it had specifically warned the Bush people, he said, it probably would not have prevented September 11, which was well on its way to execution by the time the Bush administration took office.

The official confirmed press reports that al Qaeda suspects at Guantanamo Bay are providing "good stuff that's reliable" and are helping locate wanted suspects still in Iraq and Afghanistan.

Does he think there is a possibility Osama bin Laden will be captured or killed this year? "There are a lot of military and CIA people who are surprisingly optimistic he will be found this year," he said. Even so, he noted, capturing or killing Osama, while gratifying will be mostly "symbolic," because others among "the death worshippers" will take his place.

The senior official thinks press reports of nuclear suitcase bombs are exaggerated but he cannot rule out the possibility.

Where was Mr. Clarke while all these threats were developing? He was the chief adviser to President Clinton on terror. The Clinton administration approached terror as a law enforcement problem, not a national threat, which is precisely the strategy Democratic presidential candidate John F. Kerry would pursue were he to become president. At least that is the strategy he says he will employ today. Who knows what he'll propose tomorrow or next week?

The ineffective response to terrorism by the Clinton administration encouraged the terrorists to go for broke with such high-profile targets as the World Trade Center, the Pentagon and the Capitol or White House. We know it was only because of the bravery of passengers on the fourth plane, which crashed into a field in Pennsylvania, that the horror was not greater.

If Mr. Clarke wants to cast blame for September 11, he should look in a mirror. It was he, not the Bush administration, who controlled the power, strategy and direction of U.S. policy toward terrorism for the last decade. That we were hit hard on September 11, 2001, was not the fault of George W. Bush, but William Jefferson Clinton and his chief adviser on terrorism, Richard Clarke.

(By Jack Kelly)

If the Clinton administration had a plan to capture or kill Osama bin Laden and to dismantle the al Qaeda terrorist network, as his former counterterrorism chief claims, how come the Clinton administration didn't implement it?

Lesley Stahl of CBS did not ask this question of Richard Clarke in her fawning interview on "60 Minutes," but somebody should.

Mr. Clarke claimed in the "60 Minutes" interview and in his just-published book, "Against All Enemies," that Bush administration officials weren't much concerned about international terrorism until the September 11, 2001, attacks.

"I find it outrageous that the president is running for re-election on the grounds that he's done such great things about terrorism," Mr. Clarke told Miss Stahl. "He ignored terrorism for months, when maybe we could have done something to stop September 11."

Mr. Clarke and other Democrats want to blame Mr. Bush for his predecessor's failings, but it won't wash. The Bush national security team did listen to the recommendations of Mr. Clarke and other Clinton holdovers, but found them wanting, National Security Adviser Condoleezza Rice wrote in The Washington Post Mar. 22. "We judged that the collection of ideas presented to us were insufficient for the strategy President Bush sought," Miss Rice said. "The president wanted more than occasional, retaliatory cruise missile strikes. He told me he was 'tired of swatting flies.'"

Mr. Clarke's charge that worries about al Qaeda took a back seat to concerns about Iraq and ballistic missile defense is false, Miss Rice said. The first foreign policy strategy document adopted by the administration was a plan to compel the Taliban in Afghanistan to stop providing sanctuary to al Qaeda, or to oust the regime if it failed to comply, she said.

The thrust of Mr. Clarke's complaint is that Mr. Bush failed to do in eight months what President Clinton failed to do in eight years. But all he has to offer is a continuation of the "law enforcement" approach to terrorism that failed to deter the first World Trade Center bombing in 1993; the bombing of the Khobar Towers barracks in Saudi Arabia in 1996; the attacks on the U.S. Embassies in Kenya and Tanzania in 1998; and the attack on the USS Cole in 2000.

No wonder Mr. Bush wanted a different approach. But a new strategy takes time to devise and put into effect. The speed with which Mr. Bush acted against the Taliban after September 11 indicates considerable planning had been done in the preceding months.

The September 11 plot had been hatched well before Mr. Bush became president. Most of the conspirators were in this country before he took the oath of office. It would be unfair to blame Mr. Clinton for the parlous state of intelligence and counterintelligence in the CIA and FBI at the time. But it is fair to note he did nothing to improve the situation during his two terms of office.

President Bush has.

Though there is no evidence Mr. Bush lacked concern about al Qaeda, there is considerable evidence Mr. Clinton didn't worry about the terror group as much as hindsight suggests he should have. Britain's Sunday Times reported Jan. 6, 2002, that Mr. Clinton turned down at least three offers from foreign governments to help seize Osama bin Laden.

"The main reasons were legal," the Sunday Times said. "There was no evidence that could be brought against bin Laden in an American court." Mr. Clinton's legalistic approach to terror may explain why his administration also passed up an opportunity to kill bin Laden in the fall of 2000.

NBC news obtained a surveillance videoshot by a Predator drone of bin Laden at the Tarnak Farms training camp in Afghanistan. An air strike could have taken him out. But Gary Schroen, former CIA station chief in Pakistan, told NBC's Lisa Meyers the White House instructed the CIA to try to capture bin Laden alive, not kill him.

Can terrorism be defeated with subpoenas, dialogue and nuance, or are bombs and bullets required? The key issue in this election is whether we will continue waging war on terror, as Mr. Bush plans, or retreat to the failed legalistic approach of the Clinton years, as advocated by Mr. Clarke and Sen. John Kerry of Massachusetts.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BOND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICARE AND PRESCRIPTION DRUGS

Mr. GRASSLEY. Mr. President, I rise to speak about the new prescription drug bill, a bill that is going to benefit senior citizens starting June 1 of this year on a temporary basis, and then in a permanent program to benefit senior citizens starting November 15, 2005. If somebody wonders why a temporary program, why a permanent program, when we passed the first changes in Medicare in 38 years, very dramatic changes, by adding prescription drugs to the Medicare bill, we asked the people in the Department of Health and Human Services administering this new law how long it would take to put this new expansion and modernization and strengthening of Medicare into operation. They said they needed about 18 months to 2 years, probably about 6 months longer than it took to get the original Medicare bill in place after its passage in 1965. We didn't want seniors to have to wait 18 months to 2 years to get some money from it, so there is a temporary program of the drug card that will save seniors 25 percent on drugs, and also the subsidy for low-income American seniors and disabled who are under $12,000-a-year income—a $600 subsidy for that. So we have a new prescription drug program.

This was a relatively close vote on the floor of the Senate. I think about 10 or 12 votes separated those of us for it and those of us against it. We have had colleagues who have opposed this bill continuing several attacks, and some of those as recently as today, on this bipartisan legislation that was passed into law and signed by the President on December 10, last year.

This law represents years of hard work by Republicans and Democrats alike. We had the chance to fulfill a commitment to our seniors last year. We took that opportunity and we have delivered. I am glad we did. For the first time in the history of Medicare, seniors will have a voluntary prescription drug benefit. For the first time seniors will receive, in addition to a drug benefit, a coordinated disease management program, better coverage of preventive screenings, and protection against catastrophic drug costs.

In regard to the coordinated disease management program, what we are trying to do is zero in on the 5 percent of the seniors who are responsible for 50 percent of the costs from Medicare. By zeroing in on them, we can enhance our quality of life during retirement and we can also save taxpayers some money by keeping people out of the hospital who otherwise might go immediately to the hospital if you were only concerned about getting sick people well. If you are concerned about keeping sick people from getting sicker, or keeping people from getting sick in the first place, it is always cheaper. It is always cheaper to prevent a sickness than it is to cure one. That is why we zero in on that 5 percent with coordinated disease management.

The plan we passed helps to reduce drug costs by harnessing the buying power of 40 million Medicare beneficiaries to negotiate lower prices, and by speeding up the entry of lower cost generic drugs into the market. I remind my colleagues who insinuated that the bill was some fly-by-night idea cooked up in some back room and passed in the dark of night that over 350 outside groups supported this law, and that includes the AARP, the Alzheimer's Association, the National Council On Aging, and 347 other organizations. Do you think that 350 organizations in America that are concerned about the welfare of our seniors and the welfare of the disabled are going to put their reputations on the line for something that was hastily put together and passed at the midnight hour? That sort of statement does not do justice to Members of this body and some who are not even Members of this body now because it started 4 or 5 years ago. People then were working on a prescription drug program for seniors.

This is something that was well thought out, well considered, compromised as necessary under the way we do business in the U.S. Congress, particularly in the Senate to accommodate bipartisanship because nothing gets done in the U.S. Senate that is not bipartisan.

Now I would like to speak directly to some of the criticisms from my colleagues about this new prescription drug program, the strengthening and improvement of Medicare that prescription drugs bring to it.

The first criticism is toward the administration because they are advertising on radio and television to the 44 million seniors and disabled of America. Probably a large percentage of them do not even know this program exists. The advertising is to tell them about the opportunities they will have under this new legislation. It is to alert them to the legislation and encourage them to get information about the legislation.

Once a senior sees this sort of advertisement, then as I am talking to the seniors, I think of them having at least four areas where they can get help, at least four areas in the State of Iowa. One is the 1–800 Medicare number. No. 2 is the AARP and the very good booklets they put out describing this. No. 3 in my State is the Department of Insurance that administers the federally funded SHIPP program where they can get one-on-one counseling from that program. Number 4, they can go to any congressional office and get help.

What is this criticism about the administration advertising on TV? It is exactly what the law requires. Wouldn't you expect the President of the United States and the Secretary of HHS to carry out the law if we in this Congress said take X number of dollars and educate people about this legislation? I am surprised some of my colleagues would oppose providing seniors with timely and accurate and clear information about changes made in this law.

Do you know why seniors need to know? Because this is not a program Congress and the President is shoving down anybody's throat. There are three words about this program that seniors ought to remember. One is it is voluntary. Second, it is universal; anybody who wants to participate can participate. Third, it is targeted because of the limited resources we have. It is targeted toward heavy subsidy to people with incomes under 150 percent of poverty, and targeted with a heavy subsidy to those who have catastrophic drug costs. But everybody benefits. On average, seniors are going to benefit to the tune of 50-percent reduction in drug costs.

In January of this year several Democratic Members of Congress accused the administration of robbing the Medicare Program. Those are their words. Then they asked the General Accounting Office to investigate whether the ads constitute a misuse of Federal funds.

I use the General Accounting Office quite often to do investigations for me, so I don't have any problems with anybody asking the General Accounting Office to investigate anything. That is their job. They do a good job of it. But the General Accounting Office confirmed for these Democratic Members of Congress that the law mandates the Department of Health and Human Services to educate seniors, and that the ads are not political, as they were accused of being political. The General Accounting Office report makes clear that the Department has a responsibility, in fact, to inform seniors and to make sure they understand the new benefits and how they might help the seniors and disabled of America.

What information is currently available to seniors may be coming from unscrupulous sources as well, because in the February 17, 2004, New York Times there was a feature story about people going door-to-door offering what they called Medicare-approved cards though none at that point, nor maybe even at this point, have, in fact, been approved. And enrollment doesn't even begin until May. Don't you think, for consumer protection, people ought to know something about this legislation?

Again, in regard to scam artists, one Federal official said these artists are fraudulently impersonating or misrepresenting Medicare by telephone and by door-to-door visits to beneficiaries' homes. In some cases, a caller obtained personal information about beneficiaries before even visiting their homes.

These ads are not propaganda as confirmed by the GAO. They fill an important void that not only educates American seniors but will also prevent criminals and scammers from taking advantage of and potentially harming America's seniors and disabled.

Educating our seniors on the new Medicare Drug Modernization Act is not only required by law, it is the right thing to do.

If I could refer to another criticism of this legislation or maybe something that happened since the legislation, these accusations we have heard, that the so-called true cost of the Medicare bill was somehow hidden from Congress before the final vote, is simply political election year hyperbole.

The opponents of the drug benefit are making this claim because the final cost estimate from the Center for Medicare Services, Office of the Actuary, was not completed before the vote took place.

Let us be very clear. The cost estimate was not withheld from Congress because there was not any final cost estimate from the Center for Medicare Services to withhold in the first place. Their cost estimate wasn't even completed until December 23. That was 2 weeks after the President signed the bill, and a month after Congress passed it.

So let us again be clear. We did not have from the Center for Medicare Services the official cost estimate on the Medicare bill before the vote because the bill had to be passed before they were going to come to a final figure. But we did have what Congress uses and the only figure we use in official estimates of anything. We had Medicare bill estimates from the Congressional Budget Office before we voted. And that is what Congress goes by.

Even if we had had the Center for Medicare Services with some figure out there, that may have meant something to some people but there could not have been a point of order made on some estimate of the Center for Medicare Services because the only point of order is if it is contrary to the Budget Act. The Congressional Budget Office makes that determination.

Around Congress, the Congressional Budget Office is God. Even if they are wrong, they are still God. They are the basis for determining whether a supermajority has to be required to move to legislation. If you violate the Budget Act and exceed the estimate of the cost, then you have to have a supermajority. We only go by the Congressional Budget Office.

I happen to believe, as some people have criticized, maybe some Government official was muzzled not to communicate with Congress on something they believed. I happen to believe that no Government official should ever be muzzled from providing critical information to Congress. If that happened last year, that was wrong.

These accusations about whether the information was withheld have raised questions as to whether Congress had access to a valid and thorough cost estimate for the prescription drug bill before the final vote. It should also be made clear that, while the cost analysis by the Office of the Actuary is perhaps helpful, it is not the cost analysis that Congress relies on, and it is not the one that Members make points of order against because we rely exclusively upon cost estimates of the Congressional Budget Office. It is CBO's cost estimate that we use to determine whether legislation is within authorized budget limits. For Congress, if there is a true cost estimate, it happens to be from the Congressional Budget Office. We had a true cost estimate from them. It is the only one that matters.

When Congress approved a $400 billion reserve fund to create a Medicare prescription drug program, this meant $400 billion according to the Congressional Budget Office, not $400 billion according to the Center for Medicare Services.

With all due respect to the dedicated staff who work at the Center for Medicare Services, Office of the Actuary, their cost estimates are irrelevant to our process of legislating, except to the extent to which a Member might want to have that as a factor. But it surely isn't going to govern what a majority of this body does.

The Congressional Budget Office worked closely with the conferees, and the staff, on the prescription drug bill to ensure that a full analysis of projected costs was completed. The conferees and staff regularly and constantly consulted with the Congressional Budget Office throughout the development of the Senate bill, and also through the 3 months of arriving at a conference committee compromise between the House and the Senate. The Congressional Budget Office had to work nearly around the clock and on weekends for a month to do a complete, thorough, and rigorous cost analysis on the prescription drug bill. That official cost estimate was available to every Member of Congress before the measure was presented to the House or the Senate for a vote.

It is also pretty disingenuous for the opponents of the Medicare bill on the other side of the aisle to suggest that the pricetag for the Medicare bill causes them concern. The fact is, they have supported proposals that cost hundreds of billions of dollars more. Don't complain to me about a bill costing $359 billion, or maybe it was CMS coming up with a larger number when in the first place those individuals are supporting bills that cost $600 billion or $800 billion—or in the other body.

Last year, the Democratic proposal over there would have cost nearly $1 trillion, $605 billion more than our bill. In fact, as to the Senate Democratic proposal in 2002, when we had the debate on the tripartisan bill, when we had the debate on bills on that side of the aisle, we didn't pass them. But we had a long debate that summer. That Senate Democrat proposal was $200 billion more than the bill we enacted into law this year. Further, there were more than 50 amendments offered on the floor of the Senate during the debate on this Senate bill that would have increased the cost of the bill by tens of billions of dollars. Then people are complaining about $395 billion, or people are complaining about the cost estimate by the Center for Medicare Services, which is higher.

The bottom line is there should be no doubt in anyone's mind that we had a true cost estimate for the prescription drug bill last year, and everyone had access to it before the vote. That source was our congressional God, the Congressional Budget Office.

The impact on the Medicare trust fund is something also that needs to be addressed. I will speak about that a little bit. The trustees' report revealed yesterday the Medicare trust fund insolvency date has been moved up 7 years, to the year 2019. Most of the change is due to higher health care costs, changes in the economy, better data analysis and projection, and improved data on the health of beneficiaries.

In the Medicare bill we just passed, we put money in there for enhanced quality care, particularly in rural America. Thirty States are below the national average of reimbursement. We gathered together in this Senate to pass overwhelmingly a bill to give equal treatment to rural areas that we give to urban areas on reimbursement for doctors and hospitals. That is responsible for 2 of the 7 years that Medicare is closer to insolvency than last year based upon the trustees' estimate.

We all have to admit we have concern about the future solvency of Medicare.

We have to stay focused on improving and protecting Medicare for future generations. We have to do this while not jeopardizing access to care.

Another topic discussed this morning was the prohibition on negotiating. There is a paragraph in the bill that says the Federal Government cannot be involved in the negotiation for drugs. That was put there for a specific purpose. We want to keep the Federal bureaucrat out of the medicine cabinet. We learned our lesson from the VA. I will give a personal experience I had in the last month. I have been holding several town meetings since the first of the year in my State to help seniors understand this prescription drug program they have to make some choices on. Since the first of the year, I have held meetings in 32 different counties. In Des Moines, IA, the first question I had after my presentation was from a woman who said her doctor said she ought to have such and such a pill, but the Veterans' Administration was not going to pay for it. Why? Because it probably cost more than some other drug VA thinks is just as good. But the doctor does not think it is just as good.

We could have the same thing happening if the Federal Government is going to negotiate for all seniors. We do not need to have that. Our bill provides every therapeutic class have one of a kind available of every drug that is known to meet that need. We want the doctor and the patient to have access. We want to keep the Federal Government out of the senior citizen's medicine cabinet.

Let me go into detail why we have it this way. First of all, the accusation is this legislation prohibits negotiation with drug companies. We have learned from 40 years of Federal employee health benefit plan about plans negotiating with drug companies and other health care providers to bring down costs. It has worked very well. We have different plans seniors can join to decide what kind of service they want. Then the plans are going to negotiate the drugs down. It has worked before. It can work now. It will work now. In fact, this is the only thing in the bill the Congressional Budget Office said was going to bring down the costs of the program. If the Government did it directly, it was going to cost more. That is what the Congressional Budget Office said.

We are going to have negotiation with drug companies. This accusation could not be further from the truth. The truth is the Medicare prescription drug plans will be negotiating directly with drug makers. These negotiations are at the heart of the new Medicare drug benefit. The absurd claim the Government will not be negotiating with drug makers comes from the noninterference clause in the Medicare bill. This clause did not prohibit Medicare from negotiating with drug makers. It prohibits the Center for Medicare Services from interfering in those negotiations.

Let me be clear. The noninterference clause is at the heart of the bill's structure for delivering prescription drug coverage to seniors and disabled. This clause ensures those savings will result from market competition rather than through price fixing by the Center for Medicare Services bureaucracy.

This same noninterference clause was in the Daschle-Kennedy-Rockefeller bill and the Gephardt-Dingell-Stark bill in 2000. It is almost identical to the noninterference clause in the Gephardt-Dingell-Stark bill and the Medicare Modernization Act which was signed into law.

The Congressional Budget Office has concluded the market-based approach in the new Medicare bill will result in higher prescription drug costs management factor for Medicare than any other approach being considered last year by the Congress.

Here is what the Congressional Budget Office said about eliminating the noninterference clause in a letter earlier this year:

> The Secretary would not be able to negotiate prices that further reduce federal spending to a significant degree.

The Congressional Budget Office said in the letter:

> CBO estimates substantial savings will be obtained by private plans.

Let me be clear. Direct government negotiation is not the answer. We ran into that with the VA, the VA bureaucrats getting in the medicine cabinet of the veterans of America. The Government does not negotiate drug prices. The Government sets prices. The bill's entire approach is to get seniors the best deal through vigorous market competition, not through price controls.

Even the Washington Post editorial page wrote on February 17:

> Governments are notoriously bad at setting prices, and the U.S. government is notoriously bad at setting prices in the medical realm.

Price controls won't work, whether we are talking about all drugs or just so-called single-source drugs, as one of our colleagues from Oregon has proposed.

The Congressional Budget Office said such a proposal would "generate no savings or even increase Federal costs."

It would seem, then, the devil is in the details.

We did not rely on the Center for Medicare Services for price fixing but instead created a new drug benefit that relies on strong market competition and creates consumer choices. This approach has been analyzed by experts as getting the best deal for seniors on lower drug prices.

To sum up, it is an election year and plenty of people are using Medicare to play politics. The new Medicare law is a bipartisan proposal that resulted from years of work by both Republicans and Democrats. The new law creates a volunteer benefit that is targeted to low-income seniors and those with high drug costs. The new law lowers drug costs by speeding the delivery of new generic drugs to the marketplace, lowering costs to all Americans, not just those on Medicare. The new law also revitalizes the rural health care safety net with the biggest package of rural payment improvements in the history of the program. The AARP has made that clear when providing its strong endorsement that the Medicare bill "helps millions of older Americans and their families" and is "an important milestone in the Nation's commitment to strengthen and expand health security for its citizens . . ."

I yield the floor.

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will resume consideration of S. 1637 which the clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 1637) to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

Pending:

> Harkin amendment No. 2881, to amend the Fair Labor Standards Act of 1938 to clarify provisions relating to overtime pay.
>
> McConnell motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith with the following amendment:
>
> McConnell (for Frist) amendment No. 2886, in the nature of a substitute.
>
> Grassley amendment No. 2898 (to the instructions (amendment No. 2886) of the motion to recommit (listed above)), relative to the effective date following enactment of the Act.
>
> Grassley amendment No. 2899 (to amendment No. 2898), relative to the effective date following enactment of the Act.

The PRESIDING OFFICER. Under the previous order, the time until 11:30 a.m. shall be equally divided between the two leaders or their designees.

Mr. GRASSLEY. How much time do I have?

The PRESIDING OFFICER. Nineteen and a half minutes.

AMENDMENT NO. 2899, WITHDRAWN

Mr. GRASSLEY. Mr. President, as the first order of business, I withdraw the pending amendment No. 2899.

The PRESIDING OFFICER. The Senator has that right.

AMENDMENT NO. 2888 TO AMENDMENT NO. 2898

Mr. GRASSLEY. On behalf of Senator HUTCHISON, I call up amendment No. 2888.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mrs. HUTCHISON, for herself, Mr. FRIST, Ms. CANTWELL, and Mr. ALEXANDER, proposes an amendment numbered 2888 to amendment No. 2898.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. REID. Reserving the right to object, Mr. President, will the distinguished Senator tell us the subject matter of the proposed amendment?

Mr. GRASSLEY. I ask the Senator from Texas to answer the question of the Senator from Nevada, if she would, please.

Mrs. HUTCHISON. Mr. President, I thank the chairman for allowing me to offer this amendment. It deals with sales tax equity for States.

Mr. REID. I withdraw my reservation of objection.

The amendment is as follows:

(Purpose: To allow a deduction for State and local sales taxes in lieu of State and local income taxes)

At the appropriate place, insert the following:

SEC. ____. DEDUCTION OF STATE AND LOCAL GENERAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.

(a) IN GENERAL.—Subsection (b) of section 164 (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(5) GENERAL SALES TAXES.—For purposes of subsection (a)—

"(A) ELECTION TO DEDUCT STATE AND LOCAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.—

"(i) IN GENERAL.—At the election of the taxpayer for the taxable year, subsection (a) shall be applied—

"(I) without regard to the reference to State and local income taxes.

"(II) as if State and local general sales taxes were referred to in a paragraph thereof, and

"(III) without regard to the last sentence.

"(B) DEFINITION OF GENERAL SALES TAX.—The term 'general sales tax' means a tax imposed at one rate with respect to the sale at retail of a broad range of classes of items.

"(C) SPECIAL RULES FOR FOOD, ETC.—In the case of items of food, clothing, medical supplies, and motor vehicles—

"(i) the fact that the tax does not apply with respect to some or all of such items shall not be taken into account in determining whether the tax applies with respect to a broad range of classes of items, and

"(ii) the fact that the rate of tax applicable with respect to some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

"(D) ITEMS TAXED AT DIFFERENT RATES.—Except in the case of a lower rate of tax applicable with respect to an item described in subparagraph (C), no deduction shall be allowed under this paragraph for any general sales tax imposed with respect to an item at a rate other than the general rate of tax.

"(E) COMPENSATING USE TAXES.—A compensating use tax with respect to an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term 'compensating use tax' means, with respect to any item, a tax which—

"(i) is imposed on the use, storage, or consumption of such item, and

"(ii) is complementary to a general sales tax, but only if a deduction is allowable under this paragraph with respect to items sold at retail in the taxing jurisdiction which are similar to such item.

"(F) SPECIAL RULE FOR MOTOR VEHICLES.—In the case of motor vehicles, if the rate of tax exceeds the general rate, such excess shall be disregarded and the general rate shall be treated as the rate of tax.

"(G) SEPARATELY STATED GENERAL SALES TAXES.—If the amount of any general sales tax is separately stated, then, to the extent that the amount so stated is paid by the consumer (other than in connection with the consumer's trade or business) to the seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.

"(H) AMOUNT OF DEDUCTION TO BE DETERMINED UNDER TABLES.—

"(i) IN GENERAL.—The amount of the deduction allowed under this paragraph shall be determined under tables prescribed by the Secretary.

"(ii) REQUIREMENTS FOR TABLES.—The tables prescribed under clause (i) shall reflect the provisions of this paragraph and shall be based on the average consumption by taxpayers on a State-by-State basis, as determined by the Secretary, taking into account filing status, number of dependents, adjusted gross income, and rates of State and local general sales taxation.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

Mr. GRASSLEY. Mr. President, I yield 3 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mrs. HUTCHISON. Mr. President, we have a huge inequity in the Tax Code today. There are seven States that have a sales tax but no income tax. The States that don't have an income tax generally have a higher sales tax. That is the case with my State of Texas and six other States.

Fifty-five million taxpayers who have only sales taxes for their State and a local major tax revenue base do not get to deduct from their Federal income taxes what they pay in local and State sales taxes. On the other hand, income tax State taxpayers do get that deduction. So if you have a high sales tax and that is the basis of your revenue for your State and local government, you are paying taxes on your taxes. This is not equitable. Fifty-five million taxpayers have this inequity.

My amendment would treat everyone the same. It would give you the opportunity to either deduct sales taxes or income taxes on your Federal income tax return. This discrepancy has a huge impact on my State of Texas. According to the Texas Comptroller, if taxpayers could deduct their sales taxes, more than $700 million would be kept in Texans' pocketbooks. This could lead to 16,000 new jobs and add $900 million in economic activity.

Many States are facing financial crises. Our State certainly is, and many other States are. What we want is not an advantage. What we want is equity.

I realize this bill is very important to end punitive tariffs the European Union has begun to impose on U.S. products. I do not want to impede this bill. It is so important for American manufacturers not to have this punitive tariff on our products going into European commerce. I am willing to work with the managers of the bill. I am willing to withdraw the amendment. But I am serving notice that we have had this inequity since 1986. Since 1986, seven States have had this discrimination. When there was a reform of taxation in 1986, they took away the deduction for sales taxes, and no one stood up and said there is an inequity in that there are seven States that have no income taxes and we are leaving the income tax deduction, but we are discriminating against States such as Florida, Tennessee, Texas, Washington, and Nevada.

We need to correct this inequity. I ask that the chairman withdraw the amendment at this time. I certainly support the underlying bill, but I am serving notice this inequity must be corrected soon.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 2888, WITHDRAWN

Mr. GRASSLEY. Mr. President, the Senator has asked to withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. FRIST. Mr. President, I thank my colleague from Texas, Senator HUTCHISON, for proposing an amendment to change the Federal Tax Code to permit those citizens that live in States without State income taxes to deduct State and local sales tax payments. The current law allows deductions from Federal income tax for State and local income and property taxes, but not for local and State sales tax. That is unfair. Tennesseans should not be unfairly penalized at tax time simply because the State decided to have a sales tax, not an income tax.

Prior to 1986, individuals were permitted to deduct all State and local taxes on their Federal tax returns. But, when Congress enacted the 1986 Tax Reform Act, the deduction for State sales taxes was eliminated. My colleague introduced this amendment, which I cosponsored, because she and I both want to draw attention to this injustice. I also appeal to my colleagues' sense of fairness and ask that, in the future, my colleagues work with me to try to fix this problem.

Again, citizens should not be penalized simply because their State does not have an income tax. Tennesseans could save more than $470 million on their Federal tax bills if they could deduct sales taxes. This retained income could provide an important economic stimulus to Tennessee. Changing the Code to permit deduction of sales tax is also consistent with the principle of fundamental fairness to all taxpayers. When deductibility for State sales taxes was eliminated in 1986, but deductibility for State income taxes was retained, it was a political compromise with no foundation in policy. It is long past time to rectify this fundamentally unfair and counter-productive result.

I thank my colleague from Texas for submitting her amendment and drawing attention to this fundamentally unfair provision of the Federal Tax Code. I look forward to working with her on this issue in the future.

AMENDMENT NO. 2926 TO AMENDMENT NO. 2898

Mr. GRASSLEY. Mr. President, I send a further amendment to the desk. This amendment is the same as what I previously had withdrawn.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 2926 to amendment No. 2898.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> In the pending amendment strike "one day" and insert "two days."

Mr. GRASSLEY. Mr. President, I yield myself such time as I may consume.

I want to make very clear that the vote that is coming up, that we call cloture, is an effort to reach finality on this legislation. We won't be able to do it otherwise. So I think it is a very important vote, particularly considering the fact that Europe has put a 5-percent tariff on a lot of agricultural and manufacturing and timber products. We need to think in terms of a 5-percent tariff making a very uneven playing field for American manufacturing and agriculture, if we are going to do business with Europe.

I hope each person in the Senate will think of the products they might export to Europe, the extent to which those products now have, already, a 5-percent tariff. Then there is going to be a 1-percent tariff added each succeeding month, up to 17 percent. Think in terms of our inability to export to Europe those products.

I have in front of me several pages of items that they have already legally put these tariffs on because we lost the World Trade Organization decision. And pretty soon, when you keep getting a percent added every month, there is going to be a lot of layoffs in these industries because they can't compete.

I already met with a group at 9 o'clock this morning that told me with the 5-percent tariff on their products, they are unable to make sales in Europe. That happened to come from the timber and paper industry. I can say that.

This legislation, if we pass it, will not only take care of the problem of the tariffs being put on, they will go away when we pass this legislation. So there is no more sanctions, no more penalizing tariffs against American products. Not only that, but we are going to reduce the taxation of manufacturing that is done in the United States by American workers. We are going to reduce the corporate tax on manufacturing here. American corporations that manufacture overseas will not get the benefit from it. Foreign corporations that come to America to set up plants hiring American workers will get the benefit of the lower rate of taxation. So this is tilted very much toward the preservation of jobs.

I remind people on the other side of the aisle who have been legitimately wondering when jobs are going to start being created in a very healthy economic climate of 5-percent growth and only .5- and .6-percent unemployment, we are all concerned about that—very healthy recovery, but particularly in manufacturing, not jobs being created the way they would normally happen. This is the opportunity for any Members of the Senate who are concerned about that to help us get cloture and pass this bill so we preserve jobs in manufacturing and we create jobs in manufacturing by emphasizing made in America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I yield myself such time as I might consume.

I oppose cloture at this point, and let me explain why. This is an important bill—a bill that would help to create and keep good manufacturing jobs in America. We need to move on this bill.

Senator HARKIN has offered an amendment about the quality of jobs in America and he deserves to get a vote. On a major bill like this, Senators deserve a full and fair opportunity to offer and get votes on amendments. We should allow that process to continue.

The effect of the cloture motion is simple: It would block a vote on the Harkin amendment—at least for now. I do not believe the Senate should prevent such a vote. For one thing, blocking a vote on the Harkin amendment would be only a temporary measure. The Senator from Iowa has made it abundantly clear that he will be back. The majority cannot avoid this vote forever. When something will happen sooner or later, sometimes the better course of action is to address it straight on, not sweep it under the rug.

So I will oppose cloture and vote against cloture to allow the Senate to get to a vote on the Harkin amendment. If, as I expect, the Senate fails to invoke cloture, I urge the majority leader to stay on the bill. If the Senate fails to invoke cloture, I will work with other Senators to reach an agreement limiting amendments to a reasonable number. I believe, for example, that Senator HARKIN is amenable to a short time agreement himself. We have been in discussions with a number of Senators attempting to schedule consideration of their amendments. Many Senators would be willing to enter into very reasonable time agreements.

For example, Senators DORGAN and MIKULSKI have an amendment on runaway plants; Senators BREAUX and FEINSTEIN have an amendment to modify the repatriation agreement; Senator KENNEDY has an amendment to strike an international provision and use the money to expand the manufacturing deduction; Senator HOLLINGS has an amendment on the international provisions. I believe each of these Senators would enter into workable time agreements. We will have other amendments than these, but not many.

The number of amendments to this bill is not vast. We have accommodated many Senators in the managers' substitute. If the Senate can work through the Harkin overtime amendment, we could handle the remaining amendments expeditiously.

I urge the majority leader to join in pursuing that course I have outlined and working with us to bring this bill to completion by the end of the week. Once again, it is important that we do so. We need to respond to the European Union's sanctions. And we need to do what we can to help create and keep jobs in America. We need to pass this bill.

Mr. President, I reserve the remainder of my time. I suggest the absence of a quorum and ask unanimous consent that the time be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I yield myself such time as I may consume.

There are over 500 products on this list. There are 500 products on this list on which we know there are sanctions and tariffs from Europe, which will make our products uncompetitive. I thought I would list a few of these and the States these products come from so Senators will know they are voting against jobs in their own States by this process of European sanctions:

Precious stones and metals would be affected in New York, New Jersey, Utah; nuclear reactors and boilers, California, Texas, Ohio, Michigan; toys, games, and sports equipment, California, New York, and Wisconsin; electric machinery, California, Massachusetts, Texas; wood products, Minnesota, California, Georgia, Pennsylvania; wood industry residues and animal feed, Louisiana, Florida, Illinois; aluminum, New York, Ohio, Georgia, California; iron and steel, Pennsylvania, Ohio, California; glass and glassware, Ohio, Pennsylvania, New Jersey; leather art, saddlery, handbags, California, New York, Texas; tools, New York, Ohio, Pennsylvania; paper, paperboard, and articles, Georgia, South Carolina, Massachusetts; articles of iron and steel, California, Illinois, Pennsylvania; apparel that is not knit, California, New York, New Jersey; meat and edible meat, Texas, Florida, Illinois, Minnesota; copper, Illinois, Pennsylvania, California; animal or vegetable fats, New York, Texas, California, Louisiana; edible vegetables, California, Washington, Oregon; apparel, knit or crochet, California, New York, North Carolina; oilseeds and grain, California, New York, Oregon; textile art and needlecraft, New York, Illinois, and California; ceramic products, California, Pennsylvania, Illinois; footwear, gaiters, California, Massachusetts, New York; carpets, Georgia, New York, South Carolina; cereal, flour, starch, or milk, California, New York, Illinois; soap, waxes, polish, candles, Ohio, Massachusetts, California; edible fruit and nuts, California, Florida, Washington; products of animal origin, New York, California, Pennsylvania.

We can go on and on because there are more that I could give. For one, I hope that every Senator realizes this 5-percent tariff is going to go up 1 percent a month for the next 12 months, adding up to a 17-percent tariff. The extent to which these products are hurt by that 5-percent tariff each month we wait to get this legislation passed, it is going to place more of a burden on American industry, lose more American jobs, and lose an opportunity to create jobs, which this legislation does.

I also remind some Members that have asked us to put provisions in this bill, if they vote against cloture, they are voting against these provisions. There is a new homestead provision for rural development providing special assistance for businesses in counties losing population. There is a provision that allows payment under the National Health Service Corps loan repayment program to exempt that payment from taxation.

We have provisions in this bill to clean up brownfields.

We have provisions in this bill for mortgage revenue bonds.

There are 70 Senate cosponsors of this bill.

We allow deductions for private mortgage insurance for people struggling to afford a new home.

We have extended and enhanced the Liberty Zone bonds for the rebuilding of New York City.

We also included $100 million in tax credits to be used on rail infrastructure projects within the New York Liberty Zone.

We have bonds for rebuilding school infrastructure.

We have some provisions in this bill for Native Americans.

These are provisions Members have asked us to accommodate them on in this legislation. Is it worth killing off these important priorities by voting against cloture, not letting us get to finality, not letting us make American industry more competitive, which obviously is going to create jobs, about which we heard so much concern on the part of Members of this body, that we have a healthy recovery of 5-percent growth, only 5.6-percent unemployment, which, historically, is very low unemployment, but still not enough jobs being created?

The situation is going to get worse if we do not pass this legislation.

I yield the floor and suggest the absence of a quorum.

I withhold that request. I yield 5 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator has 3 minutes 20 seconds remaining.

Mr. GRASSLEY. OK. I yield it all to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for the remaining time.

Mr. McCONNELL. Mr. President, I thank my friend from Iowa for yielding what time he has remaining.

Rarely does the Senate have a simple decision on whether to create jobs or destroy jobs. That is a decision we are going to make shortly. Today we have that clear choice. We can create jobs or we can destroy jobs. We can destroy jobs by letting a 17-percent tariff on American businesses kick in, as has already begun, at 5 percent on March 4, or we can create jobs by stopping that tariff and instead giving manufacturing business a tax deduction of 9 percent from U.S. income taxes. We can, as I said, destroy jobs or we can create jobs.

It has been over 2 years since the WTO ruled the FSC/ETI tax break was illegal. It has been a year and a half since WTO decided $4 billion of EU tariffs could be charged against U.S. exporters. It has been almost 1 year since final approval was granted by the WTO to impose these tariffs. And now it is almost a month since the 5-percent tariff was imposed. Next month that rises to 6 percent and another percent each month until it gets up to 17 percent next March.

We have known for years we need to protect manufacturing businesses. That is what this bill is about—protecting manufacturing businesses. We have known for months the sword of Damocles was about to fall, and now it has fallen and we are still talking.

No one can claim to be surprised about our need to act. Over 6 weeks ago, we were told this by our minority leader. Six weeks ago, our good friend from South Dakota said we need to act. He said 6 weeks ago this legislation was urgent. He said 6 weeks ago we need to begin addressing the American manufacturing crisis. That was the Democratic leader of the Senate.

I could not agree more. He was exactly right 6 weeks ago, and he is exactly right today. It is time to pass this bill if we are concerned about manufacturing jobs in the United States. But here we are, 6 weeks later, and the EU has begun taxing, but we have not stopped talking. They have begun taxing, and we have not stopped talking.

This is a jobs bill we have before us. It is a manufacturing jobs bill. This is a manufacturing jobs bill reported out of the Finance Committee by a bipartisan vote of 19 to 2. Usually when a bill comes out of a committee with that kind of bipartisan support, we take it up and we pass it in short order.

The way to do that is to invoke cloture in a few moments. We have this 19-to-2 committee vote—Republicans for it, Democrats for it—tariffs kicking in, and jobs being lost as a result of our failure to act. It is time to act, and we ought to act now.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCAIN. Mr. President, reluctantly, I will vote for cloture on the motion to recommit S. 1637 to the Finance Committee. I support the underlying bill because I fully appreciate the need to resolve the controversy between the United States and the European Union over the extraterritorial income—ETI—exemption tax benefit for exports. As my colleagues know, the World Trade Organization—WTO—has ruled that ETI is essentially an export subsidy and is prohibited under international trade agreements. Subsequently, on March 1, the EU began to impose retaliatory tariffs on imports from United States manufacturers. Therefore, it is critical that we pass this legislation to bring the United States back into compliance with WTO agreements and stop the burdensome tariffs now imposed on our manufacturers.

It is unfortunate that this important bill is becoming a vehicle for wasteful spending and tax breaks for special interests and the super rich. With the Nation facing a half-trillion dollar deficit, now is not the time for Congress to be enacting new tax credits. The proponents of this bill are fond of pointing out that it is "revenue neutral" and that all of the tax cuts in the bill are paid for with offsets. I firmly believe that, due to our current fiscal crisis, any proposed offsets should simply be used to reduce the deficit. It is incomprehensible to me, at this time of record deficits and debt, that we would consider risking the future of our manufacturing base and our standing in the international community by wasting time and jeopardizing corrective action while carving out sweet deals for special interests.

Let me outline just a few of the most egregious provisions contained in the proposal before us today:

The bill includes an extension of the tax credit for the creation of electricity from "renewable resources." This provision would extend for a year the tax credit for facilities that produce electricity from wind, poultry waste or closed-loop biomass. While I know wind is the favored renewable technology and various tax credits have made it competitive with conventional energy production in some locations, renewable solar technology has greater potential in my State and does not receive this favored tax status to make it more affordable. Turning poultry waste into electricity may be an efficient way to generate electricity at particular facilities, but again, with our fiscal future so bleak, I cannot understand the urgency in extending such a questionable tax credit at the expense of the American taxpayers.

Another provision would allow for a "bonus depreciation" of an additional 50 percent for noncommercial aircraft in the first year of ownership. In order to qualify for this incentive, the aircraft must be purchased and placed in service before January 1, 2005. I assure my colleagues—we will see many of America's wealthiest citizens running off to buy new private airplanes—while the American taxpayer effectively foots half the bill.

Included in the manager's amendment to this bill is $1 billion in tax credits for railroads—a 4-year $500 million subsidy for shortline and regional railroads, and a 3-year, $500 million subsidy for intercity passenger rail service.

The proposed tax credit for small freight railroads makes all maintenance eligible for a tax credit, whether or not the maintenance is a capital project under generally accepted accounting principles. It is totally inappropriate to provide a tax credit for routine maintenance items like snow removal and routine equipment servicing, which do nothing to enhance the value or life of railroad assets. Nor does it make sense to provide a tax credit for maintenance that the railroads will perform anyway, without the tax credit. The purpose of a tax credit is to provide an incentive to perform capital projects that a company would not otherwise undertake.

Further, the shortlines intend to sell tax credits they cannot use to their shippers and suppliers. There is no requirement, however, that the shortlines use the proceeds to fund additional capital investments. The proceeds from selling tax credits could be used for anything—profit-sharing for the owners, a vacation to the Bahamas, or even to fund lobbyists on Capitol Hill.

The Department of the Treasury, in preliminary, informal comments on this proposal, has indicated that the tax credit for intercity passenger rail projects would be quote "problematic". Business credits are typically in the 10- to 20-percent range, far less than the 50 percent credit proposed by the substitute. Treasury also commented that:

> It provides for a national cap and allocation among states but has no provision for allocation within states. Also, it is transferable and we generally oppose transferable tax benefits because they are difficult to administer.

This proposal also is another scheme to provide money to expand intercity passenger rail service without dealing with the failure of Amtrak. I oppose providing any funding above the President's request of $900 million for fiscal year 2005 without Amtrak reform and restructuring. The American taxpayers have invested nearly $27 billion in Amtrak over the past 34 years, yet Amtrak still carries less than 1 percent of intercity travelers. Every 2 days, our transit system carries as many passengers as Amtrak handles in a year. How can my colleagues seriously consider expanding Amtrak, when it carries so few passengers and still manages to lose over $1 billion annually?

Additionally, Section 646 of this bill would amend the Internal Revenue Code to permit a taxpayer who owns and operates a shipyard to elect to use the completed contract accounting method with respect to a qualified construction contract. This means that large shipyards, owned by even larger defense contractors, would be allowed to defer paying taxes on U.S. Navy ship construction contracts until the ship is completed. In some cases this could be as long as 7 years. This benefit results in these contractors getting an interest-free loan from the American taxpayer. These shipyards should pay taxes on an annual basis on income earned that year.

Some of the more interesting—and indefensible—proposals in the managers' amendment include capital gains relief for horse owners, special tax breaks for car dealers and favorable treatment of track facilities.

Again, I will vote for cloture because passage of this legislation is imperative, not only to our reputation in the world community, but also to the continued health of the American manufacturing industry and to the creation of desperately-needed new jobs. However, I continue to be amazed about this body's lack of fiscal discipline. We are setting ourselves up for a very rude awakening. We simply cannot continue this endless wasteful spending spree while carving out tax breaks and good deals for the special interests. It's about time we realize that our actions have consequences. Unfortunately, it will most likely be our children and our grandchildren who will have to deal with those consequences.

Mr. GRASSLEY. Mr. President, earlier today in my floor speech concerning the products on the European Union sanction list, I offered to put this sanction list in the CONGRESSIONAL RECORD. However, the complete list is over 300 pages and would be too costly to reproduce fully. Nevertheless, the complete list and description can be found on the Senate Finance Committee's website, at www.finance.senate.gov.

Mr. DASCHLE. Mr. President, I will use a couple of minutes we have allocated to our side simply to say I agree with the last statement made by the distinguished Senator from Kentucky: The time to act is now. He and I may be talking about two different things.

I share with him the view we ought to act on this legislation, but I also believe strongly now is the time to act with regard to the Labor Department regulations. If we do not act, 8 million people, including police officers, firefighters, service providers in a lot of different ways will lose their overtime.

I do not know how we can sit here and accept that fact. Why some on the other side of the aisle would put the loss of overtime ahead of this legislation is something I do not understand. But I must say, there is no more important protection we can make than to allow the opportunity for the Senate, once again, to do what it did on an overwhelmingly bipartisan basis just last year. The Senate said unequivocally we want to repeal the overtime regulations; we do not think they are fair. Telling 8 million Americans they are going to lose their overtime is not right.

All we are suggesting today is to give us a vote because in the dark of night, even though both Houses have acted and spoken out, that legislation was taken out of the conference report. We have to go back and repair what was done last year. That is all we are asking. We are asking for one vote, no time.

Don't tell me we cannot act on that now. That is what this cloture vote is all about. I am hopeful on a bipartisan basis we can defeat cloture, get the vote on the amendment, and move this legislation through in time to do both things: provide the protection for overtime and pass this legislation as we know we should.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield the remainder of our time to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank the Senator from Montana for giving me this time. I thank the leader for his comments and those who have fought so valiantly on behalf of American workers and their jobs.

A Senator on the other side said this is about creating jobs or losing jobs. That is what overtime is about. It is about creating jobs or losing jobs, and it does not take a genius to figure it out. Common sense dictates if an employer can work you longer hours per week and not have to pay you overtime, that is exactly what they will do, and they will not hire new workers.

In fact, when the Fair Labor Standards Act was passed in 1938, establishing the 40-hour workweek, President Roosevelt said at the time this was for creating jobs so people would not be working 50, 60 hours a week; they would be working 40 hours a week and spending more time with their families, and we would create more jobs. That is exactly what happened.

I agree with the Senator on the other side when he said this bill is about creating jobs and losing jobs and, yes, that is exactly what this amendment on overtime is about—creating jobs or losing jobs.

Last evening, the majority leader complained about extraneous amendments blocking progress on the bill. I don't know, but I assume he may have been talking about my amendment on overtime. He did not say so directly. But how can any Senator stand here on the floor and say with a straight face an amendment aimed at protecting overtime pay for millions of American workers is extraneous to a jobs bill?

Then I heard someone else on the other side say something about we have to have cloture. That is the vote coming up in about 10 minutes. We have to have cloture so we do not have these nongermane amendments on this bill.

The chairman of the committee and others have already added a whole package of nongermane amendments. So I guess what they are saying is we want to add our nongermane amendments but they do not want us to even attempt to add any of our nongermane amendments. It is sort of, my way or the highway. Well, that is not what this Senate floor is about. The Senate floor ought to be about open debate, discussion, and voting on important issues that matter to our constituents.

Right now there is nothing more important in front of the Senate than the issue of overtime. There is a lot of good in this FSC bill, much of which I will support. I would like to see the bill get through. But this bill, without a protection for American workers to protect their overtime, is not a bill worthy of passing, nor is it worthy of being called a jobs bill.

People say we are slowing this down somehow, that we are making it impossible to pass this bill. I have been on this floor day after day saying I will agree to a time limit. I say to my friend and colleague from Iowa, if he wants a time limit, we will have a time limit and then we will have an up-or-down vote. Plus, there are other amendments people want to offer. That is, again, why the other side wants cloture. They have their package of nongermane amendments but they do not want us to offer any.

I do not know if they will win but at least we ought to have the right to offer them and to have a vote on them. All we are asking for is fairness and openness on the Senate floor. I know that may sound kind of odd to people but all we are asking is just the right to offer an amendment, have it debated within a reasonable amount of time, and have a vote. I do not think that sounds too un-American to me.

Yet the other side, the Republican side, is saying they do not want to vote on my overtime amendment. They are going to go through all of these parliamentary maneuvers. But we will vote on this amendment. All of this parliamentary maneuvering that we are going through right now on the motion to recommit and filing cloture just puts off the inevitable. If the other side was really interested in getting this bill through, we could have had a vote on my amendment 2 days—well, at least yesterday, and been halfway through the bill, probably have the bill done today or tomorrow. So it is not our side that is slowing this bill down at all.

As I have said before, our friends in the majority leadership have tried to stymie and stop a vote on overtime. We voted on it last summer, with a strong bipartisan vote, to say no to the proposed regulations of this administration to take away overtime rights of people. The House of Representatives followed suit, but in conference the administration came in and got it taken out.

The American people spoke, and I can say with no uncertainty that the vast majority of American people want their overtime pay protected. In fact, a poll taken last fall, when this question was put to a representative sample of the American people, overwhelmingly showed they wanted their overtime pay protected. This goes back to a kind of taking of the right of people to earn a fair wage, a fair salary.

This is from the Wall Street Journal, and this says it all:

> While employees like overtime pay, a lot of employers do not.

That is not surprising.

> Violations are so common that the Employer Policy Foundation, an employer supported think-tank in Washington, estimates that workers would get an additional $19 billion a year if the rules were observed. That estimate is considered conservative by many researchers.

Think about that. Because the rules are not being enforced, American workers are being cheated out of $19 billion a year in income. What has happened is employers in various parts of the country are trying to go around these rules and some of them have gotten caught redhanded.

We had a case on the west coast where people were clocking out and then coming back to work, working overtime but it was not showing up on the pay stubs. That case went to court and the jury found the company guilty. So what did the companies do? They said, well, if we are getting caught and hauled into court, we better get the rules changed.

Last year, the administration proposed the most fundamental sweeping changes ever in the Fair Labor Standards Act that would deny the right of up to 8 million Americans to get overtime pay. So now they can go ahead and work them longer than 40 hours a week and they will not have to be worried about being taken to court. That is the core of what we are talking about.

Quite frankly, there was a case in Oregon where a Federal jury, on December 19, found Wal-Mart Stores, Inc., guilty of off-the-clock violations of the Fair Labor Standards Act. It was Wal-Mart—people checking out, coming back to work and not getting paid overtime. That is not fair. It is not right to the American worker, and that is why the American people, by an overwhelming margin, want us to vote on this amendment.

Here was the poll taken last fall. The question was:

> There is now a proposal to change the Federal law that determines which employees have the legal right to overtime pay. This proposal would eliminate the right to overtime pay for several million employees who now have that right. Do you favor or oppose this proposal?

I am sure it comes as no surprise; overwhelmingly 74 percent said they opposed it, while 14 percent said they would favor it.

This goes to the gut of what we are talking about for the American worker in this country. We are already shipping jobs overseas. There is a small provision in this bill before us, subpart F—I will not get into all of that—that will actually make it easier for companies to ship jobs overseas. Now we are telling our American workers they have to work longer and not get any pay for it.

Already American workers are working longer hours than anyone else in the industrialized world and now we are asking them to work even longer.

The motion before us is a cloture motion. I say to my fellow Senators, defeat the cloture motion, because if the cloture motion is invoked, we will be prohibited from offering our amendment on overtime. That is not fair. That is not right.

Two weeks ago we had a unanimous consent agreement on the Senate floor that I would be allowed to offer this amendment. They knew that. But after a week's break, we came back and they decided to go through all of this parliamentary maneuvering to prevent me from offering my amendment and to prevent us from having a vote on it.

I ask my fellow Senators to think of their constituents, think of that man and woman out there who have a family, they want to be with their kids in the evenings or on the weekend, and they are being asked to work overtime. As one woman, who I quoted yesterday, said: My time with my family is premium time. My time at home is premium time. If I am asked to give up my premium time with my family, I ought to get premium time, which is time and a half over 40.

So when my colleagues think about voting on this cloture motion, do not think about the President of the United States, do not think about whether we can go against the administration. I do not see it in those terms. I only see it in the terms protecting the legitimate right of our American workers to get time and a half when they work over 40 hours a week. That is what this is all about, make no mistake.

I am hopeful when Senators come to vote that we will have a resounding "no" vote on the cloture motion. Then maybe we can get to this amendment and we can have a time agreement. We have already talked about it enough. We could have half an hour for closing arguments and then vote up or down on this overtime amendment.

I think the other side may be afraid it might pass. Well, it passed last year. I think it would probably pass big time now because more and more American people are aware of what the administration is trying to do to take away their overtime.

I think we have had our say. The American people are going to watch. People in the United States are working longer hours than their counterparts in any other country. They are working longer hours now than ever and they are now being told, well, guess what, we are going to work you longer but we are not going to pay you any more.

Last, the people who will be hurt the most will be women. Annual hours worked by middle-income wives with children went from 895 in 1979 to 1,388 in 2000. Women with these kinds of jobs are the ones who will be hit first because they have the type of clerical jobs that will be reclassified. They are the very people who are being asked to give up their premium time with their kids and their families—their second jobs at home. As one woman said: I have a second job, at home.

They will not be paid overtime. That is grossly unfair.

I ask for a resounding "no" vote on the cloture motion.

Mr. GRASSLEY. Mr. President, I wish to correct the record with respect to some comments made by my friend and colleague, Senator HARKIN.

Senator HARKIN said that the managers' package was non-germane amendments. All of the amendments were tax relief measures that were requested by Members on both sides of the aisle.

The bill before us is a tax relief bill. It deals with a tax incentive designed to help our exporters. This bill deals with tax relief for domestic manufacturers and international tax reform.

The sum and substance of this bill is about tax relief. The managers' package is about bipartisan tax relief. It is germane to this bill.

The amendment of my friend from Iowa is a labor law matter. It is not in the jurisdiction of the Finance Committee.

The PRESIDING OFFICER. The time of the Senator has expired.

The majority leader.

Mr. FRIST. Mr. President, I know we will be starting to vote shortly, but I did want to make a few comments on behalf of myself and leadership because today we do have a chance to help U.S. manufacturers. The legislation was developed in an admirable, bipartisan way, with the two managers participating equally. Chairman GRASSLEY and Ranking Member BAUCUS have worked very closely to develop this bill. I spent time with both of them yesterday, and the leadership on the other side of the aisle. We are working very hard. I would have liked not to have to have this cloture vote today, but it is clear it is the only way to get people moving along in a direction so we can work toward completion.

This bill came out of the Finance Committee 19 to 2. It was cosponsored by the distinguished minority leader. It is a good bill. Every day we delay action has implications. European tariffs have already been imposed. In truth, these European tariffs are a European tax on U.S. manufacturers. The Europeans could be imposing right now a full $4 billion in sanctions that they have approved. So far they have not done so. They have chosen to begin with a 5-percent tariff which increases 1 percent each month. They have acted with restraint because they believed we would act quickly and that we would act responsibly. I believe this vote, indeed, will be a test of that faith.

As has been discussed, we compete in a global economy. Some have suggested that we close our borders to the world. Some think we can retreat into economic isolationism. But we can't. We all, deep inside, know that. We should not. It would be a declaration of defeat. We are the most innovative society in the world. Our workers lead in productivity. We lead the world. If we are allowed to compete on a fair playing field, U.S. manufacturers will, indeed, lead the world.

I think back to my home State of Tennessee. We compete well in the world economy. Exports increased 26 percent since 1997. Those exports support 232,000 jobs in Tennessee, and that is about 10 percent of the Tennessee workforce.

We all know—again, this has been discussed over the last several days—U.S. manufacturers are increasingly burdened by unnecessary costs. A study by the National Association of Manufacturers on the effect of rising costs to the United States found that the costs imposed by Government have done the most damage to our U.S. manufacturing base. That study concluded that, while U.S. manufacturers have many challenges in today's global business environment, domestically imposed Government costs are damaging U.S. manufacturers and harming workers more than any foreign competitor.

So now, when we can least afford it, we have this new Euro tax on U.S. manufacturers. Survey after survey of U.S. businesses confirms the same thing: The incentive to move jobs overseas is the direct result of the escalating cost of doing business right here at home. If we want to reverse the trend toward outsourcing, we have to address the issues that are motivating American companies to go offshore.

Like all of my other colleagues, I know this is an election year. Like everyone else in this Chamber and most within the sound of my voice, I know in an election year there is this temptation to view everything through a political lens. There is a time and a place for politics. This is simply not that time and not that place. I urge my colleagues to come together and to do the right thing for American manufacturers, for American jobs, and for the American spirit. Every one of us should vote for cloture and be proud of that vote to repeal this Euro tax. We must move forward quickly on this critical legislation. We cannot afford to wait and risk having the world pass us by.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture on the pending motion to Calendar No. 381, S. 1637.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending motion to recommit to the Committee on Finance, Calendar No. 381, S. 1637:

Bill Frist, Charles E. Grassley, Jon Kyl, Jim Bunning, Linsdsey O. Graham, Mike Enzi, Trent Lott, Mitch McConnell, Craig Thomas, Orrin G. Hatch, Gordon Smith, Rick Santorum, Robert F. Bennett, John Ensign, Olympia J. Snowe, Kay Bailey Hutchison, Don Nickles.

The PRESIDING OFFICER. By unanimous consent the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to recommit S. 1637, Jumpstart Our Business Strength (JOBS) Act, shall be brought to a close.

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from North Carolina (Mr. EDWARDS) and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote "nay".

The PRESIDING OFFICER (Ms. MURKOWSKI). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 47, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—51

Alexander
Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NAYS—47

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Feingold
Feinstein
Frist
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Pryor
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NOT VOTING—2

Edwards
Kerry

The PRESIDING OFFICER. On this vote, the yeas are 51, the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. FRIST. Madam President, I enter a motion to reconsider the vote by which cloture was not invoked.

The PRESIDING OFFICER. The motion is entered.

Mr. FRIST. Madam President, I will have more to say later, but I do want to express my disappointment by the vote today, especially the actions of my colleagues on the other side of the aisle. This legislation is essential if we are to accelerate the rate of job creation. The JOBS bill will bring our trade and tax laws into compliance with our trade agreements. It will also provide badly needed reforms to further stimulate manufacturing growth.

As I mentioned prior to the vote, the bill was developed in a strong bipartisan fashion under the superb leadership of Chairman GRASSLEY and Senator BAUCUS. It was voted out of the Finance Committee 19 to 2. Every single Democrat on the committee voted in favor of the bill. That is why I am very concerned that the Democrats have now decided to filibuster yet another bill for what may be election year partisan purposes. It is a terrible mistake and one that will have a detrimental impact on the recovery of U.S. manufacturing jobs. Every day we delay action on this bill is another day American jobs are at risk, and every day of delay is inexcusable.

As I mentioned, the European tariffs have already been imposed. The tariffs, in effect, are a European tax on U.S. manufacturers. By voting against cloture, our Democratic colleagues have voted, in effect, in support of the Euro tax on U.S. manufacturing. I had hoped our colleagues on the other side of the aisle would have been able to find the wherewithal to do the right thing. The Senate would pass this legislation by a wide margin if we could get through this election year posturing.

I look forward to working with the leadership on this particular bill to see exactly where we should go from here and plan on doing that over the next couple of hours as we go forward.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, we agree with the majority leader that this is an important piece of legislation. Cloture was not invoked on it. It came out of committee in a bipartisan fashion. However, the Senate has been this way for more than 200 years. People have the right to offer amendments.

There was an extremely important amendment dealing with overtime. Senator HARKIN agreed to take 15 minutes and vote on it. If there is anything to be said about bringing down the bill, it is not us. We want the bill to pass. We also want a vote to recognize the plight of 8 million Americans, men and women who are in the process of being denied overtime, something they have had for more than a half century.

So we can give all the speeches we want about political posturing. The fact is, the majority didn't want to vote on overtime. We voted on it before; the amendment carried then. The House instructed its conferees that they wanted the Senate's position. So it is a simple matter where we have now wasted 2 days, and this is the third day. We could have been covering the few amendments Senator BAUCUS has lined up. He has pared it down from 75 amendments to probably 10. On every one of those, there would be short time agreements.

This bill could be finished. I think it is a sad day for the country that we have not been able to move forward on this legislation.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Madam President, I reinforce the words of Senator REID. We want this bill passed. This is a jobs bill. This bill provides a tax break for the domestic manufacturing industry. An overwhelming majority of Senators on both sides support this bill.

Actually, this bill is being held up at this point because the other side of the aisle doesn't want to vote on the Harkin amendment. That amendment is a very simple amendment. It is to maintain a current overtime provision, which clearly is related to jobs in America. Senator HARKIN will agree to a time agreement.

At the same time, Senator GRASSLEY and I have worked with other Senators to bring the list down to a manageable number. I have talked to Senators during the vote and we have all agreed to time limitations on their amendments.

I call upon the majority to let us proceed with the bill, with a vote on the Harkin amendment, and let us proceed with votes on the legitimate amendments we have pared it down to, which is very manageable. We can proceed. That is what is happening.

Our side would like to continue to work on the bill and get votes on important amendments. I hope the other side agrees to let us vote on that amendment. I think we can get the bill passed this week. We can show the European Union we are taking action on the WTO ruling. Also, we can show the other body we are moving quickly. The other body is not moving as fast as I believe it should be.

For those reasons, I urge us to reach an agreement and let's get on with the usual way the Senate operates—with amendments we can deal with very expeditiously.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Madam President, I know the Senator from Wyoming wants to speak. I will not give a long speech at this point on the vote that just occurred. I wish to take a second to respond to the partisanship aspect of this debate. I cannot speak for anybody but this Senator.

It would be one thing if the overtime amendment were the only one that we had to deal with, but we have seen lists, I think, of up to maybe 10 nongermane amendments that may have been potentially part of this debate. So you can understand, there may be 10 legitimate issues that are nongermane to this debate which ought to be discussed on the Senate floor, as per the right of every Senator, as expressed by the Senator from Nevada; but they don't all have to be discussed on this very important bill before the Senate.

This is a very important bipartisan bill before the Senate. It is one thing to deal with an overtime amendment; it is quite another thing to deal with an environment in which the minority may be expecting us to deal with vast numbers of nongermane amendments. That is very difficult and it is that sort of environment which brings about a cloture vote.

As my friend from Montana has stated, I hope we do get this behind us. The germane amendments will take very little time and we can then move past this bill. This bill will pass overwhelmingly when we get it up for a vote.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Madam President, I was going to speak on something else related to the bill, but I feel compelled to speak a little bit about the cloture vote and the smokescreen that is being put up there.

We have American manufacturing businesses being penalized by the World Trade Organization, and the bill before us would eliminate that. It would solve the problem and would create jobs in America, not outsourced, and it would allow the companies to have the competitive possibility in other countries. We are not able to pass that bill.

So when people talk about jobs, they need to be clear that those who are putting up the smokescreen amendments are not really interested in increasing jobs. They would prefer that none of that happened until after November. I think the American people will see through that and they will see through all of the motions and amendments that will be done between now and November and all of the delays done between now and November.

The overtime bill is one of those smokescreens. What we are talking about is a rule that has been written and published for public comment. It is not in place; it is not finalized; it is not finished. It is for comment, and 80,000 people commented on it.

What this amendment does is stop them from looking at the public comments. That is not American. We want the public to be able to comment. We want the comments from the public on any rule we are writing. We want the Department to have to take a look at those comments, and then we want to see what they are going to do with the comments. That is when the rule becomes important.

I can tell you, any Department that has made substantial changes based on the comments, I have applauded the Department and I have asked them to republish it for more comments, because it is a different rule after it has been changed. I am certain I would be doing that on this one as well. But there is a process.

The reason the Department of Labor looked at the rule is because they were told they had to look at the rule. They were doing their job. They wrote a rule, published the rule. Everybody doesn't agree with the rule. I expect any rule that is done, everybody would not agree with it. If they did, it would probably have some pretty big flaws in it or be worthless. So there are going to be some comments and changes. We need to let those happen.

We will never have a rule that is clear so that small business can operate, so that they can understand what is going on. That rule was written so long ago that jobs mentioned in there don't even exist anymore. But they still have to evaluate the jobs and see if they match up with that kind of description, to see if it falls under overtime.

What it has turned into is a bonanza for lawyers who want to sue. Anytime they think there is one of those little gray areas, they see dollar signs and they go after the business that has those gray areas.

You would also get the impression from the overtime discussion that no business pays overtime unless it is clearly required to pay. That is not the fact, either.

You would also get the impression that businesses force people to do this overtime all the time. I have a son in the housing business and this is a good time of year to sell houses. They give all kinds of incentives to try to get the houses finished up. There is not only overtime but bonuses, and people still don't want to do overtime. So there has been a lot of rhetoric on this, and I will go through that one point at a time. If we are going to actually get to that debate, I would be happy to do that.

But the reason this cloture vote was killed was so it would still stay a part of the debate. Now, why would it not be a part of the debate? Because it is not germane. We are not talking about overtime in this bill. The word "overtime" isn't mentioned in the bill at all. It is about penalties that our companies have to pay because of the World Trade Organization decision. We need to solve that problem and make sure America keeps working. Yes, we need to work on these other problems; yes, they ought to be brought up. But we should not do it at the expense of industry in America and then say, oh, you are outsourcing. We are forcing companies to go overseas and build things; we are forcing them to do that because we don't want to make a decision on this bill because we want to bring in peripheral items.

Yes, it sounds like just one peripheral item. No, it is not; it is ad infinitum. You can keep drafting these amendments until the final vote. We have to vote on all of them until the final vote. So it is a filibuster by amendment. If you can make an amendment that is as unpleasant as possible, politically, I guess that is good.

What I prefer we do is work on the 80 percent of the legislation that we agree on, get it done, and keep America working, which brings me to the main point I wanted to talk about because we keep talking about this loss of American jobs due to increasing globalization.

We have talked about the loss of American jobs because of increasing productivity. Yes, the workers in the United States are the best at what they do. I have heard a lot of talk about job loss, but our actions do not match up with our words.

I want to point out one very important program we have that helps American workers who want to improve their skills and get a better job, to make a better life for themselves and their families. It is called the Workforce Investment Act. That act has been around. This is a reauthorization of the Workforce Investment Act, bringing it up to date so that it matches the job problems of the country at the present time.

This workforce investment legislation will help over 900,000 unemployed workers a year get back to work. We keep talking about workers, but we cannot get this important bill into conference. The other side of the aisle blocks appointing conferees so that Republicans and Democrats—House and Senate—can get it all together so we can come up with an agreement.

Should this be a tougher agreement? This bill passed the committee unanimously. It does not happen very often in the Health, Education, Labor, and Pensions Committee. It also passed the Senate unanimously. That means we thought it was good enough that we did not need to put a single amendment on it. We are talking about 900,000 jobs, and we cannot meet to work out the differences with the House when this legislation passes a unified Senate.

For generations, the skills and ingenuity of the American workforce have fueled the greatest economy in the world. Today our challenge is to equip our workforce with the skills needed for jobs in the new global economy. Our prosperity rests with our ability to create and fill the high-skilled jobs of the 21st century, filling those 21st century economy demands.

There is a growing skills gap in this country that threatens our ability to compete and succeed in a more complex, knowledge-based economy. Many high-skilled jobs in this country remain unfilled because employers cannot find qualified workers. According to the 2003 survey conducted by the Center for Workforce Preparation, which is an affiliate of the U.S. Chamber of Commerce, half of the employers reported difficulty in finding qualified workers. The gap between the demand for high-skilled workers and the supply will only widen in the future unless we do something about it.

Looking ahead 2 years, only 30 percent of the employers surveyed believed that the skills of their workforce will keep pace with the demand. The current workforce development system is not effectively equipping American workers with the skills American businesses need. We need to match them up. Only a systematic reform of our Nation's job training system will enable American workers and businesses to compete and succeed in this global economy.

Our job training and employment system created under the Workforce Investment Act is intended to prepare our workforce for the good jobs that the evolving economy demands.

We need to improve our job training and employment system created under the Workforce Investment Act to better prepare American workers for the good jobs of today and tomorrow.

We need to link workforce development with economic development, recognizing that job training and job creation go hand in hand.

We need to partner the public workforce system with private sector employers, including, especially, small businesses, and with training providers to prepare American workers for jobs in high-growth industries.

We must improve access to job training and employment services in all parts of the country.

There is good news. As I have mentioned, we have a bill that does all of that. It is called the Workforce Investment Act Amendments of 2003. It is a bipartisan bill that passed out of the Health, Education, Labor, and Pensions Committee unanimously. Check the record. See how often that happens. It passed unanimously last November. Unanimous is as bipartisan as you can get. It passed the Senate unanimously as well. Again, that is as bipartisan as you can get.

Where is that bill now? As I have mentioned—here is the bad news—we cannot appoint a conference committee; that is, a committee made up of Republicans and Democrats from the Senate and we would meet with the House and we would work out the differences. If we can work out the differences in the Health, Education, Labor, and Pensions Committee, and if we can work out the differences on the floor of the Senate, we certainly ought to be able to work them out between the Senate and the House. There is no reason not to have a conference committee except, in case you haven't noticed, we are not doing any conference committees. They said: We are not going to conference on anything, unless that side of the aisle gets to write the bill. It has never happened in the history of the United States. It is not going to happen now.

If we really want to take care of jobs in this country and make sure jobs stay in this country, we would appoint a conference committee for the Workforce Investment Act and enact this vital legislation.

How long do we want to wait to get those 900,000 people trained and into the workforce? Obviously, after the November elections. If we really want to keep high-paying jobs and American factories and American businesses on American shores, particularly in small businesses, we would appoint the conferees to that legislation reauthorizing and improving the Workforce Investment Act. We would modernize that legislation, get it on the road, and get people employed.

I think it is a crime that we cannot appoint a conference committee. American workers deserve a conference committee on workforce investment. They should be demanding it, and we should be doing it because it is doable.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Madam President, I thank the Senator from Wyoming for his excellent comments as usual. He is a senior member of the Health, Education, Labor, and Pensions Committee. He is a small businessman and has a talent, more than most people in this body, of understanding how this economy works and what we need to do to create more jobs.

I think the job situation has shown some real improvement. We were at 6.3-percent unemployment last June. It has dropped consistently, and we are now at 5.6-percent unemployment. The numbers show that is about the average rate of unemployment over the last 20 years.

Growth in the third quarter of last year was over 8 percent, the highest growth of GDP in 20 years, and the first time jobless claims have dropped to the lowest since 2001; that is, people who file for unemployment compensation. That is a good hard number that tells us something about the economy. Every day people who lose jobs in this volatile economy can claim their unemployment compensation. Those claims are dropping and continue to drop, and jobs have been added for the last 6 months, consecutively.

So this is some good news, but we are not satisfied. We would like to see record lows of unemployment. We would like to see the economy growing at such a rate that people will have choices among higher paying jobs, they can make more money, have an opportunity to work overtime if they choose, bank that money, make bonuses, and have good health care.

So what is it that is occurring? This jumpstart bill dealing with the FSC/ETI program that has us in a confrontation with Europe is not going to go away. I was confident everybody in this body understood the WTO ruling and how it could adversely affect jobs in America and that we need to pass some legislation to fix it and get on with life.

The committees worked on it, the House and the Senate worked on it, and they came up with this jumpstart bill and now we find it blocked. We cannot get it up for an up-or-down vote. It was blocked by filibuster, led by Senator DASCHLE, the Democratic leader. If they do not filibuster the bill, they filibuster going to conference, which also in effect kills legislation. So we have obstruction, obstruction, obstruction.

This is not good. We should do this bill. If we cannot agree on this bill, it is going to be part of the partisan obstruction agenda, then we really have to go to the American people and we need to talk to them about what is happening in their Senate. We need to ask the American people, when they are selecting Senators to come to this body—and they will be doing that soon—do they want Senators who are going to participate in obstructing needed legislation that is important for jobs? Maybe we are not at that point.

Maybe this Senate can get itself back together, but the trends are really disturbing to me. The trends indicate a concerted effort to block, through one method or another, important legislation that is good for this country.

There was a lot of effort on the asbestos legislation we passed out of the Judiciary Committee. Senator HATCH, the chairman of the committee, put his heart into it. It was a bipartisan vote to come out of committee. It is being blocked. As many as 60 asbestos companies are in bankruptcy or on the verge of bankruptcy. The unions at those companies are beginning to realize the litigation over asbestos is killing off our industry, which represents thousands and thousands of jobs. We need to move that to final passage, but it looks like it is going to be blocked, too, perhaps. I hope not.

Something is wrong in the American legal system when defendant companies are willing to pay out billions of dollars in benefits to people who have ingested asbestos and only 40 percent of what they pay out gets to the victims. Sixty percent of it goes to lawyers. Sixty percent of it is eaten up in court costs and expenses.

This bill would fix that. Most people could simply make a claim and get a check if they are entitled to it, just like that. People who are not sick do not get paid until they do get sick, if they do. They will be monitored, be given health monitoring and all that makes for a good and rational way to compensate people who may become ill from asbestos. As many as 60 companies could be in trouble that could actually go bankrupt.

Is this going to create jobs in America to allow that to occur? We reached an agreement that had bipartisan support in the Judiciary Committee that could make this happen. It will get more money to the people who are sick. They will not have to pay 60 percent of it in legal fees, and other costs will not come out of it. That is what we ought to be doing to create jobs.

A lot of these companies dealt with asbestos 20 years ago and have not dealt with it since. Yet their whole company is being put into bankruptcy because of it. It is one more example of what we need to do.

Class action suits are a part of our noncompetitiveness in the world. There are such high insurance costs so many of our companies are paying because of litigation. It is unprecedented. We have that in medical liability, which is driving up the costs of medicine in America.

We can do those things that do not cost the taxpayer a dime. We can create a fairer, more rational system of law in the country, reduce the costs of the American economy so more money can go to jobs.

I know the President deeply believed in and supported the production of oil and gas in ANWR. I have heard people complain recently they are upset that the price of gasoline has gone up. They have said, oh, they are so surprised and hurt, and it must be President Bush's fault.

For years in this body we have been debating the production of this huge amount of oil and gas from the ANWR region of Alaska. It can be done scientifically. It can be done without damage to the environment. It can produce billions of dollars in oil and gas, keeping that money here. If I recall the numbers, it was 600,000 jobs that might be created by that pipeline and that production. That is what the unions who supported this told us, 600,000 jobs, keeping American money at home.

Who do we want to pay for oil and gas, the people in Alaska and keep it in the United States, or do we want to send the money to Saudi Arabia, Venezuela, or some other foreign country? We can do that. We are driving up the cost of energy as a result of unwise practices. In fact, I think the failure to drill in ANWR is one of the most absurd decisions this Congress has ever made. Frankly, we need to produce more natural gas off the coasts. If we do not, we are going to see a surge in natural gas prices that is also going to cost us jobs in the long run.

We can do that. We can do it safely, just as we are doing it safely today. Twenty percent of our electricity comes from nuclear power, yet we have had in this body, from Members on the left, a blocking of efforts to allow nuclear power to expand. Twenty-four hours a day, 7 days a week, nuclear power generates electricity with no carbon emissions into the environment, no pollution into the air. We ought to do that. France is going that way. Japan is going that way. We are sitting around shutting off natural gas production, attacking coal generation of power, not allowing production in ANWR and off our coasts.

We are doing all that and then we moan and groan when the economy has to sustain a higher cost for energy. I think it is not good. The American people need to ask, who is at fault here? Who is blocking this?

We are in an unprecedented period of obstruction, it seems to me. I have never seen anything like it. I thought we could at least pass this jumpstart bill to deal with our world trade problem. Surely we can agree on that. If we cannot agree on that, it indicates to me there is a systematic period of obstruction going on in this body, and it is not healthy for America. It is going to cost American jobs. It is irresponsible and wrong. We need to be strengthening this economy.

The economy is growing right now. A lot of good things are happening. For heaven's sake, why would we want to demonstrate to the financial community and to world investors the United States cannot get its act together on this trade problem? That would be a very bad signal.

We somehow have to come together on this. I hope we can respect majority leader BILL FRIST. I know he is working tirelessly to do what he can to get support for this legislation. It was 51 votes to 47, but that is not enough. A majority supports it, as they support so many other things in this body, but if we do not get that 60 when a determined leadership on the other side obstructs the legislation, then we still cannot get it up for a final vote.

I am frustrated. I think a lot of us are. Hopefully something will happen. Maybe Senator DASCHLE will meet and talk with Senator FRIST and that can help us move beyond the blocking of this important legislation. I certainly hope so. I think the ball is in his court. We have a responsibility to the American people to pass this Jumpstart bill and get out of this fix with international trade rules that can hurt us. We need to do it. I hope that can happen but, frankly, from what we have been seeing, I don't think it is likely.

I appreciate the opportunity to share these remarks and I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Madam President, I believe under the procedure we are in now I can speak on the pending legislation? There is no time limit?

The PRESIDING OFFICER. The Senator is correct.

Mr. LOTT. Madam President, I am very much concerned about the vote that just occurred in the Senate. We had a cloture vote so we could get beyond irrelevant amendments on this very important legislation. You could still have relevant amendments offered postcloture. We could still have debate and we could move to conclusion on this very important legislation. But we did not get the necessary 60 votes. This is a very irresponsible act by the U.S. Senate because we cannot afford to set this legislation aside and not get it completed.

Just for those who may have just tuned in, this is the Jumpstart Our Business Strength (JOBS) Act. It is very critical for two important reasons.

First, this is legislation we are going to have to pass in order to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities. This is a tax activity. The World Trade Organization has ruled the U.S. policies, our laws, do not comply with the World Trade Organization's rules in areas of tax incentives or subsidies for our companies in this world trade area, and if we do not comply with them we are going to be hit with fines from the World Trade Organization, from the European Union. It is going to go up 1 percent a month until—I think these duties could reach as much as 17 percent.

This is a very negative impact. It is a case where we have said to the World Trade Organization, Give us fair rulings. Yet when there is a ruling against us and we are given not weeks but months—years to comply with the WTO ruling and have not done so, now we are faced with these penalties against our products all over the country. These are critical products we need to export into this world market. In order to avoid that, we have to pass this legislation. I don't think any Senator wants to be on record voting in such a way that would block legislation to put us in compliance with the WTO ruling.

The second part of this is, because of the tax policy changes in this legislation, it will create jobs in the manufacturing sector. We need that. There are not many things we can do this year that will have an immediate effect on job creation, but this is one of those bills that will. A highway bill, an energy bill, and this Jumpstart Our Business Strength would make a huge difference.

If we do not pass this legislation, we get hit two ways. No. 1, if we don't comply with WTO, it means our goods will be hit with additional import duties, whether it is citrus in Florida or textiles in North Carolina, and it will spread all across the country; and No. 2, we don't get the benefit of the jobs that come from this.

I say to my colleagues, it is one thing to argue over some amendments you want voted on. I assume our leadership will work this out, but they need to do it quickly because this is already in overtime. We are already being penalized because we have not acted as a result of this World Trade Organization ruling. The very idea we would have to vote on 5, 10, 15, 20—who knows how many irrelevant amendments also because somebody wants to make their political statement in this election year I think is going to be pretty hard to defend. The American people may not understand all the nuances of this very complicated legislation, but they will understand when our products wind up being hit with what are basically fines from the World Trade Organization.

This is very serious legislation. We should not be playing political games. I am not accusing anybody of doing that, but the fact is if we don't find a way to get an agreement to bring it to a conclusion, somebody is going to get the blame for not doing so.

I still believe the best way to win an election is governance, not politics. If you produce results, the people know it. If you don't, they know it. And they know right now this Senate is not producing very much.

Again, I don't want to presume to blame one side or the other, but I can tell you in this case if we don't pass this legislation, if our colleagues on the Democrat side of the aisle don't come to some reasonable agreement to have some limited number of amendments and get to final passage, the country is going to pay a price. I think that is a huge mistake.

I don't usually come to the floor and make this kind of a statement, but the very idea that we would not complete action on this legislation is totally unacceptable. I urge our colleagues on the other side of the Capitol to get going, get it out of the Ways and Means Committee, bring it to a vote, let's get this into conference, and let's get this legislation completed. If we don't do any other bill this year, this is one we must do because we are going to be penalized if we don't and we don't get the benefit of the jobs it would create.

I wanted to come to the floor and say if we don't get an agreement pretty quickly on limiting amendments, I think we should get another cloture vote. If we don't get cloture to cut off irrelevant amendments and get to completion of this amendment, we are going to have to move on and the blame will fall somewhere. Unfortunately, the American people will pay the price. We need to find a way to get it done and it needs to get done quickly. This legislation has to be completed within the next week and we should just find a way to get it done.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. STABENOW. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. STABENOW. Madam President, I ask unanimous consent to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILDRED MCWILLIAMS "MILLIE" JEFFREY

Ms. STABENOW. Madam President, today I have lost a very dear friend, as have the people of Michigan and hundreds of thousands of people across the country. Millie Jeffery is an icon in the State of Michigan and in our country for civil rights, women's rights, and workers' rights. Her life has epitomized the principles by which we all strive to live our lives—justice, equality, and compassion.

Although small in stature, Millie has been a giant among all of us who have known her. Words cannot express the depth of affection and respect in which Millie is held, nor can words quantify the lives that she has touched.

Mildred McWilliams Jeffrey, social justice activist, retired UAW Director of the Consumer Affairs Department and a Governor Emerita of Wayne State University, died peacefully surrounded by her family early this morning in the Metro Detroit area. She was 93. In 2000, President William Clinton awarded her the Medal of Freedom, the highest civilian award bestowed by the United States Government.

In seeking world peace by ensuring equality for all, Millie spent a lifetime working on labor, civil rights, education, health care, youth employment, and recreation issues. She brought inspiration and humor to the many people she touched—and did so with optimism and undaunted spirit.

Millie's list of accomplishments and awards is long but what she is most remembered for is her zest for organizing. She mentored legions of women and men in the labor, civil rights, women's rights, and peace movements. As President Clinton noted: "Her impact will be felt for generations, and her example never forgotten."

Millie was one of the most important mentors in my life and I will always be very, very grateful to her.

Born in Alton, IA, on December 29, 1910, Millie was the oldest of seven children. She graduated from the University of Minnesota in 1932 with a bachelor's degree in psychology and received a master's degree in social economy and social research in 1934 from Bryn Mawr College. In graduate school, she realized that to improve the lives of working women and men she would have to change the system. In the 1930s, that meant joining the labor movement.

Millie became an organizer for the Amalgamated Clothing Workers of America in Philadelphia and then Educational Director of the Pennsylvania Joint Board of Shirt Workers. In 1936, she married fellow Amalgamated organizer Homer Newman Jeffrey, and they traveled throughout the South and East organizing textile workers. During World War II, the Jeffreys worked in Washington, DC, as consultants to the War Labor Board, where they became close friends with Walter, Victor, and Roy Reuther.

Mildred and Newman Jeffrey moved to Detroit in 1944 when Victor Reuther offered Millie a job as director of the newly formed UAW Women's Bureau. Millie's commitment to equal rights fueled her career at the UAW. She organized the first UAW women's conference in response to the massive postwar layoffs of women production workers replaced by returning veterans. From 1949 until 1954, Millie ran the union's radio station. She moved on to direct the Community Relations Department. She was director of the Consumer Affairs Department from 1968 until her retirement in 1976.

Millie joined the NAACP in the 1940s and marched in the south with Dr. Martin Luther King Jr. in the 1960s. Former executive secretary of the Detroit Branch of the NAACP, Arthur Johnson, said that "in the civil rights movement, she knew how to fight without being disagreeable."

Mildred Jeffrey also was very active in the Democratic Party, preferring to work behind the scenes organizing, canvassing, consulting, and fundraising. She was the consummate strategist. Millie provided savvy advice to Democratic officeholders and presidents from JFK to Bill Clinton. Senator EDWARD KENNEDY—D-MA—observed "whether it was a worker in a plant or whether it was a Congressman or Senator or President, Millie inspired people."

As a founding member and chair of the National Women's Political Caucus, Millie supported female candidates for public office. Twenty years ago she led the effort to nominate Geraldine Ferraro as Walter Mondale's running mate. Most recently Millie delighted in being represented by Michigan women she supported, Governor Jennifer Granholm, and myself. Millie is the "political godmother" for many of us, and we are extremely grateful for her love and support.

Millie ran for public office in 1974 and was elected by the people of the State of Michigan to the Wayne State University Board of Governors, an office she held for 16 years—1974–1990. She was so proud of her role in supporting this wonderful university. She served three terms as board chair. Millie loved Wayne State University and was a long-time resident on campus. She never tired of showing visitors around her "neighborhood"—the Adamany Undergraduate Library, the Hilberry Theatre, and the Walter P. Reuther Library. Millie thrived in the academic environment enriched by Wayne State University students.

Her friendships extended worldwide across all ages and nationalities. Whether discussing math with teenagers in Wayne State's Math Corps or strategizing at the UN Conference on Women about the plight of sweatshop workers, Millie's capacity for connecting with people was unmatched.

Millie's capacity for connecting with people was unmatched. As one who traveled with her to the Fourth World Conference on Women in Beijing, it was amazing to see people from all over the world, hearing we were from Michigan, asking if we knew Millie Jeffrey and if we could tell them where she was; or that their grandmother, their aunt, suggested they meet Millie Jeffrey.

I often said the way to world peace was to let Millie loose; sooner or later we would all know Millie Jeffrey and come to understand each other.

Millie was inducted into the Michigan Women's Hall of Fame and was an original board member of the Michigan Women's Foundation. She served in various leadership roles in a wide variety of national and State organizations such as the Michigan Women's Political Caucus, the Coalition for Labor Union Women, Americans for Democratic Action, National Abortion Rights Action League, Voters for Choice, EMILY's List, and the American Civil Liberties Union. She served on the peer review board of Blue Cross and was an active member of the First Unitarian Universalist Church in Detroit.

She was also an adoring mother of a son and a daughter and adoring grandmother who developed and nourished creativity and curiosity in her two grandchildren who she loved dearly, Erica Jeffrey and Thomas Jeffrey. She encouraged Erica's love of ballet. She urged Thomas to travel to learn about the world and was so proud of his AmeriCorps Service.

All of these lists of awards, duties, responsibilities, and committees do not say what Millie is all about: Millie Jeffrey was a one-of-a-kind woman of great passion, of great commitment, of great interest in knowing about each one of us and what we were doing and what we cared about and how she could help. Millie is no longer with us, but she will be with us forever because her spirit will continue in all of us.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I thank my colleague, Senator STABENOW, for those wonderful words about a fantastic woman who always supported other women in their endeavors. You are right, her spirit will live on.

I heard a little bit of Senator LOTT's comments about Democrats playing politics with the bill before the Senate. No one should pay politics with a bill in the Senate, but no one should play with people's overtime. The reason it is so important to insist on a vote is I have millions of people in my State who will be adversely impacted because the administration wants to repeal the overtime laws. This group that is very concerned includes the first responders, my police, my fire, my emergency personnel. Say all you want; no one will play with their overtime. I will fight for their overtime pay.

There is no point getting a bill through here—by the way, the bill is very important—if on the one hand you say we are helping with job creation and on the other hand you take away people's overtime. The debate will continue.

HONORING OUR ARMED FORCES

I come to the Senate to show my colleagues a tribute to the men and women who are dying in Iraq every single day. I want to also thank the San Francisco Chronicle, Insight section, dated March 14, 2004. They turned their entire magazine into a tribute to the fallen in Iraq, page after page, so they will not be forgotten. This is well over 500 people.

It is so touching because it has the feel and look of a yearbook, of a high school yearbook or a college yearbook. You recognize these beautiful faces belong to some of the best and the brightest, cut down so early in their lives.

We tend not to pay enough attention around here so I will take some time. I took this very important magazine and turned it into charts, portraits of sacrifice. It says:

> This special section commemorates the 556 members of the U.S. Armed Forces, as of Thursday, who have lost their lives in Iraq. While views on the wisdom of the war vary, there's no doubt about the commitment and valor of these Americans. The portraits can also be viewed online.

I have chart after chart of the fallen. This shows exactly how the war proceeded and how many war deaths, month by month. This shows the home States of those who have died. In Nebraska, six have died; in South Dakota, four; in California, 61. We are the No. 1 state, unfortunately, in losses of these beautiful people.

The charts go on. This shows how they died. How many in helicopter crashes, vehicle accidents, illness, weapons discharges, drownings, hostile fire, combat, noncombat. Bombs are not the only risk of war. I know the Presiding Officer understands that very well.

This chart shows an incredibly somber photograph of a burial and the folding of the American flag on the casket.

This is an editorial of the paper. I will read a few things from it.

> The Iraq war won't quit. Since Baghdad's fall, there are no battle lines. Fighting takes on a new lethal form in ambushes, bombings or plane crashes. Injury and death come almost daily.
>
> On May 2, after a lightning-quick sweep through Iraq, President Bush declared that major combat was over. This country's vaunted armed forces had made short work of the Iraqi military.
>
> But the president's proclamation didn't stop the fatalities, which as of Thursday included 556 American troops. More than 415 of them lost their lives after Bush declared that the major fighting was finished.

It goes on.

> Many parents of the fallen describe their children as enormously proud of military service and the chance to serve in Iraq. Among the thousands from Northern California who went to Iraq, consider the stories of several who died.

And they go through them.

> Gunnery Sgt. Joseph Menusa from San Jose joined the Marines after high school. Born in the Philippines, he became a proud Marine recruiter, snappy in dress blues, before taking on more active duty in Japan, the Persian Gulf, Cuba and Hawaii. He died in an ambush near Nasiriya in the early days of active fighting.

It talks about Karina Lau, and Genaro Acosta, and Joseph Norquist, how he played football before earning a degree at Diablo Valley College in Pleasant Hill.

His parents said:

> Joe believed in the job he was doing in Iraq.

The article continues:

> Iraqis families have suffered, too. Thousands of their sons and daughters, mothers and fathers, friends and acquaintances have died in the conflict. We should recognize their losses.
>
> Before the war is wrapped up and American troops depart, there will be more fatalities. Only then can the full human cost of the war be measured. But as the first anniversary of the war approaches, it is time to stop and think about those who have given their lives and why.

And there are more charts. We have these soldiers' faces. Then there is this cartoon drawing of an American eagle—a big bird with a little baby bird on a branch and an olive branch. It says, "Abstractions are just abstract until they have an ache in them."

Then we have: "The rifle and helmet of Marine Jason D. Mileo stand as a memorial after he was killed by friendly fire in Baghdad."

This concludes this particular tribute.

Since the day this tribute ran—which was on Sunday, March 14—the following have been killed:

Fern L. Holland, 33, of Oklahoma, died on March 9; Robert J. Zangas, 44, of Prince William County, VA, died March 9; SGT Joe L. Dunigan Jr., 37, of Belton, TX, died March 11; SP Christopher K. Hill, 26, of Ventura, CA, died

March 11; CPT John F. Kurth, 31, of Wisconsin, died March 13; SP Jason C. Ford, 21, of Bowie, MD, died March 13; SP Jocelyn L. Carrasquillo, 28, of Wrightsville Beach, NC, died March 13; SSG Clint D. Ferrin, 31, of Picayune, MS, died March 13; SGT Daniel J. Londono, 22, of Boston, MA, died March 13; PFC Joel K. Brattain, 21, of Santa Anna, CA, died March 13; 1LT Michael R. Adams, 24, of Seattle, WA, died March 16; SGT William J. Normandy, 42, of Augusta, GA, died March 15; MSG Thomas R. Thigpen Sr., 52, of Augusta, GA, died March 16; SGT Ivory L. Phipps, 44, of Chicago, IL, died March 17; SP Tracy L. Laramore, 30, of Okaloosa, FL, died March 17; PFC Brandon C. Smith, of Washington, AR, died March 18; PFC Ricky A. Morris Jr., 20, of Lubbock, TX, died March 18; PFC Ernest Harold Sutphin, 21, of Parkersburg, WV, died March 18; SSG Anthony S. Lagman, 26, of Yonkers, NY, died March 18; SGT Michael J. Esposito Jr., 22, of Brentwood, NY, died March 18; CPL Andrew D. Brownfield, 24, of Summit, OH, died March 18; SP Doron Chan, 20, of Highland, NY, died March 18; CPL David M. Vicente, 25, of Methuen, MA, died March 19; PFC Jason C. Ludlam, 22, of Arlington, TX, died March 19; 1LT Michael W. Vega, 41, of Lathrop, CA, died March 20; MAJ Mark D. Taylor, 41, of Stockton, CA, died March 20; SP Matthew J. Sandri, 24, of Shamokin, PA, died on March 20; PVT Dustin L. Kreider, 19, of Riverton, KS, died March 21; PFC Christopher E. Hudson, 21, of Carmel, IN, died March 21; and LCpl Andrew S. Dang, 20, of Foster City, CA, died March 22.

That is the last I have. I hope it stops and I do not have to come back to this floor. I have done this from time to time.

We pray so much the Iraq war will end and the people there will have freedom and democracy, that they will respect each other, and our troops can come home; and, in the meantime, that the burden can be shared by the world rather than falling on their shoulders.

As I read this, and I read the ages, we saw ages from 19 to over 50 years old. Imagine what these people are leaving behind. I wish to say how my heart goes out to their families and how I will do everything I can to see this killing ends.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, prior to our cloture vote on the FSC/ETI bill, I read a list of some products that, if they are going to be shipped out of the United States and exported to Europe, are going to have, right now, a 5-percent tariff added to them because of European retaliation against the United States because we have not passed this legislation yet. That is going to cause jobs to be lost. That tariff is going to go up, over the course of the next 12 months, 1 percent every month, to 17 percent.

I will be a little bit more specific in how some of those products and the manufacturers of those products, or the producers of those products, will be affected.

In jewelry manufacturing, we would have $2 billion in annual exports being jeopardized. Ninety-five percent of jewelry manufacturers are small businesses, so obviously it would have a huge potential impact on jobs. Folks such as Stamper Black Hills Gold in South Dakota are targeted, as one example of jewelry manufacturing.

Racehorses: The average value of U.S. exports of racehorses is about $100,000. At 5 percent, that is an extra $5,000 cost to our exports. By the end of the year, it will be an extra $14,000 on average. For high-value horses, it will be several times more. These sanctions would impact States such as New York, California, Florida, and Maryland. In the area of dairy, we will have sanctions on cheese exports impacting States such as Wisconsin, Vermont; fruits and vegetables, California; citrus fruits, peppers, Florida, and tomatoes, as an example.

I could go on and on, but I will include for the RECORD a list beyond what I have just referred to. We have over 500 items that have been targeted already with sanctions on them. I ask unanimous consent to print that information in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 1.—SUMMARY OF EU RETALIATION ON U.S. EXPORTS

HS Chapter	Description	Number of products on list	EU imports from the U.S. ($)	EU imports from the World ($)	U.S. share of total EU imports (percent)	U.S. States impacted
	Total targeted products	1608	$2,987,104,667	$105,286,944,000	2.84	
71	Precious stones and metals	30	1,185,122,333	21,852,215,667	5.42	NY, NJ, UT
84	Nuclear reactors, boilers	219	465,831,333	6,927,934,667	6.72	CA, TX, OH, MI
95	Toys, games & sport equipment	52	154,130,333	5,738,339,333	2.69	CA, NY, WI
85	Electric machinery	104	126,726,000	6,843,973,333	1.85	CA, MA, TX
44	Wood products	93	107,296,000	5,133,694,333	2.09	MN, CA, GA, PA
23	Food industry residues; animal feed	13	87,018,667	4,130,567,333	2.11	LA, FL, IL
76	Aluminum	26	86,458,333	4,033,831,667	2.14	NY, OH, GA, CA
72	Iron and steel	132	78,567,000	6,240,722,000	1.26	PA, OH, CA
70	Glass and glassware	63	77,357,000	1,246,199,667	6.21	OH, PA, NJ
42	Leather art; saddlery; handbags	28	76,479,333	4,646,829,667	1.65	CA, NY, TX
82	Tools	33	56,315,333	1,114,187,333	5.05	NY, OH, PA
48	Paper & paperboard & articles	76	50,747,000	1,251,969,000	4.05	GA, SC, MA
73	Articles of iron or steel	81	48,480,667	1,954,293,667	2.48	CA, IL, PA
62	Apparel, not knit	100	34,673,333	6,525,718,333	0.53	CA, NY, NJ
2	Meat and edible meat	13	27,447,333	511,399,333	5.37	TX, FL, IL, MN
74	Copper	25	26,951,000	3,981,795,000	0.68	IL, PA, CA
15	Animal or vegetable fats	30	25,274,667	786,072,000	3.22	NY, TX, CA, LA
7	Edible vegetables	35	24,813,667	1,450,609,333	1.71	CA, WA, OR
61	Apparel, knit or crochet	78	23,586,000	3,657,707,000	0.64	CA, NY, NC
12	Oil seeds; grain	26	23,236,333	422,128,000	5.50	CA, NY, OR
63	Textile art; needlecraft	49	22,449,667	2,718,420,000	0.83	NY, IL, CA
69	Ceramic products	19	17,550,000	1,039,120,333	1.69	CA, PA, IL
64	Footwear, gaiters	31	16,633,333	3,575,020,000	0.47	CA, MA, NY
57	Carpets	25	16,071,000	1,041,442,000	1.54	GA, NY, SC
19	Cereal, flour, starch or milk	27	16,031,000	275,112,333	5.83	CA, NY, IL
17	Sugars	11	15,114,333	339,012,000	4.46	IL, NY, LA
34	Soap; waxes, polish; candles;	4	14,766,000	266,420,333	5.54	OH, MA, CA
8	Edible fruit & nuts	32	12,285,000	3,604,658,333	0.34	CA, FL, WA
5	Products of animal origin	12	11,518,333	612,095,333	1.88	NY, CA, PA
21	Misc edible preparations	11	9,772,667	203,058,667	4.81	NY, CA, IL
83	Articles of base metal	11	9,460,000	226,026,000	4.19	CA, OH, TN
20	Prep vegetables, fruit, nuts	33	8,354,000	682,048,333	1.22	FL, CA, IL
1	Live animals	9	7,830,667	44,861,333	17.46	NY, FL, MA, KY
16	Meat, fish, crustaceans	11	6,878,667	983,657,333	0.70	CA, NY, FL
41	Raw hides & skins	28	4,518,333	323,585,000	1.40	NY, CA, NC
4	Dairy products	16	3,586,000	546,773,333	0.66	WI, TX, CA
10	Cereals	3	2,225,333	47,227,000	4.71	MN, IL, SD
49	Printed books, newspapers	2	1,560,000	57,755,333	2.70	NY, CA, FL
35	Starch; glue; enzymes	5	1,349,00	189,676,667	0.71	WI, IL, NY
33	Essential oils; perfumery	3	1,287,333	20,695,000	6.22	NY, NY, MA
11	Milling products	6	745,333	8,339,000	8.94	IN, MN, CA

TABLE I.—SUMMARY OF EU RETALIATION ON U.S. EXPORTS—Continued

HS Chapter	Description	Number of products on list	EU imports from the U.S. ($)	EU imports from the World ($)	U.S. share of total EU imports (percent)	U.S. States impacted
43	Furskins and artificial fur	1	271,667	25,200,333	1.08	NY, CA, FL
54	Manmade filaments	1	248,667	4,072,667	6.11	GA, NY, TX
52	Cotton	1	86,667	2,480,667	3.49	CA, NC, NJ

Mr. GRASSLEY. We just had a cloture vote on the bill. I have spoken before about that not being my preferred route for moving a strongly bipartisan bill, but leadership decided to do it. Obviously, I want to get to finality, so I voted to close debate and move on.

The JOBS bill is a bill to create manufacturing jobs. It should not have required a cloture vote to get it passed. But politics have stepped in the way, and that seems to be the rule of the day.

I wanted to act on this bill last year because I was fearful that elections this year and the politics connected thereto would get in the way of the Senate's ability to do its job. It looks as though I may have been right after all. The procedural shenanigans when we first brought up the bill confirmed my worst fears. Senator BAUCUS and I had an agreed order of amendments that would have improved the bill and brought important relevant issues forward. Many of those issues included in this amendment by Senator BAUCUS and I were at the request of a lot of people who voted against cloture.

The agreement we had was undermined by the Democratic leadership. They would prefer to turn a bipartisan bill into a political football. That is inexcusable because we have worked hard throughout this process to make sure everyone's concerns, Republican and Democrat, were incorporated in the bill.

You should not play political games with a bipartisan bill that preserves the jobs of manufacturing workers across the land, and probably greatly increases the number of manufacturing jobs.

I would like to repeat points I made yesterday about the bipartisan aspects of this legislation. The construction of the JOBS bill began when Senator BAUCUS was chairman of the Finance Committee. He held a hearing in July 2002 to address the FSC/ETI controversy within the World Trade Organization. We heard vital testimony from a cross-section of the industries that would be adversely affected by repeal of the Extraterritorial Income Act. We also heard from U.S. companies that were clamoring for international tax reform because our tax rules were hurting their competitiveness in foreign markets. Their foreign competitors were running circles around them because of our international tax rules. That is what we were told during the hearing.

Also during the hearing, Senator BOB GRAHAM of Florida and Senator HATCH expressed concerns about how our international tax laws were impairing the competitiveness of U.S. industry.

In response, at that particular time, still in 2002, Senator BAUCUS formed an international tax working group with Senator GRAHAM, Senator HATCH, and this Senator. It was open also to any other member of the Finance Committee who wanted to serve and had an interest in this issue. This bipartisan Finance Committee working group formed the basis for the bill that is now before us. We directed our staff to engage in an exhaustive analysis of international reform proposals to glean the very best ideas from many different sources, and as many as possible. Senator BAUCUS and I also formed a bipartisan, bicameral working group with the chairman and ranking member of the Ways and Means Committee in an effort to find some common ground on dealing with repeal of the Foreign Sales Corporation extraterritorial income language in our law that had been declared contrary to our international treaty obligations.

After that effort failed, working with the Ways and Means Committee, Senator BAUCUS and I continued to work with our Finance Committee colleagues on bipartisan development of the repeal of that language and also to expand and improve the international tax reform package. We continued our bipartisan efforts when I became chairman last year.

In July 2003, following on the impetus of the Baucus hearings, we held two additional hearings on FSC/ETI and the international reform issue. These two hearings concluded our final bipartisan effort in reviewing all of the policy options for creating the bill now pending before the Senate. Let me emphasize that there is not one provision in this JOBS bill that was not agreed to by both Republicans and Democrats. We have acted in the best faith to produce a bill that protects American manufacturing jobs and makes our companies globally competitive. And we did this in a fully bipartisan manner, which is what the American people expect us to do on such an important issue as manufacturing jobs and our Nation's economic health and also because, quite frankly, nothing gets done in the Senate that does not have a bipartisan approach.

But these efforts toward bipartisanship and all the other efforts that went into it do not seem to be enough for some. I believe some people don't want this bill to pass. I will bet those very same people will end up voting for it anyway, if we ever get to that point, because I don't think they can openly oppose it. That would be bad form, considering all the talk there has been in this body about outsourcing and offshore manufacturing. Instead, these people who might not want to see this bill pass would try to destroy the bipartisan product with amendments on controversial issues that are what we call "not germane" but are also totally unrelated to the JOBS bill.

That is why we found ourselves facing the cloture vote today. The cloture motion did not get the 60-percent supermajority. Consequently, we are in a position of limbo on this legislation.

I am speaking because I want people to reconsider their position, particularly in light of all of the products that I have read that are going to have a 5-percent tariff on them, making our manufacturing less competitive and consequently losing jobs to a greater extent. When I think about efforts, for political reasons, to destroy this bill, I can quote, at least, from a Washington Post article that quoted a Democratic tax aide as saying—and this person is not named in the article—

> There's not a lot of incentive for us to figure out this problem—

Meaning the FSC/ETI problem. This Democratic aide went on to say:

> Allowing the extra-territorial income controversy to fester would yield increased sanctions that could benefit the Democrats in November.

Well, that is exactly what is accomplished by not getting the supermajority of 60 to stop debate and to move on. This is, in fact, festering. Now, all of this, to me, is an appalling statement, whether it comes from a Member or whether it comes from a top staffer of a Democratic Member, because this debate should be about policy, not about petty politics.

Today, Democrats said no to cloture; Republicans said yes to cloture. The Democrats are on record opposing the provisions in this bill. Some of those provisions, if we don't get beyond where we are now, will be killed because of this morning's vote. This bill will end $4 billion a year of European Union tariffs against U.S. exports. These sanctions are already being imposed against many U.S. products. I named over 500 of them. They fall into the category of grain, timber, paper, and various manufactured goods.

Those sanctions started on May 1. They increase 1 percent each month we fail to act, adding up over 12 months to

17 percent. They will be 13 percent by the end of this year. That is too politically tempting for some to let pass.

We could have ended the $4 billion in sanctions with this bill, but the Democrats said no. The Congressional Budget Office says we have lost 3 million manufacturing jobs since the middle of the year 2000—6 months before President Bush became President—when a depression in manufacturing set in. The JOBS bill provides $75 billion of tax relief to our manufacturing sector to promote rehiring in U.S.-based manufacturing. But the Democrats said no.

The Democrats claim they are worried about the scope of proposed overtime regulations—regulations that are not even out yet, not final. But how can you worry about overtime if you don't have a job in the first place? You have to have a job to earn overtime. We need to address the manufacturing job loss right now by voting for the bipartisan JOBS bill.

The JOBS bill gives a 3 percentage point tax rate cut on all income derived from manufacturing in the United States. This will not benefit manufacturing offshore. So you can see this is tilted toward encouraging manufacturing in the United States, creating jobs in the United States. This reduction in taxes starts as soon as the President signs this bill. This manufacturing rate cut applies not only to big corporations but to sole proprietors, partnerships, farmers, individuals, family businesses, multinational corporations, and foreign companies that set up manufacturing plants in the United States and hire workers here. This should keep the Government out of their pocket while they try to recover from the economic downturn by lowering this tax and also because it is an incentive to expand production here rather than overseas. But on that vote we had about 2 hours ago, the Democrats said no.

The JOBS bill extends the research and development tax credit through the end of 2005. This credit is a domestic tax benefit that incentives research and development, translating to good, high-paying jobs for Americans here in America, not overseas. But the Democrats said no today.

There are other important provisions in this bill. The bill extends for 2 years tax provisions that expired in 2003 and 2004. This includes items such as the work opportunity tax credit and the welfare-to-work tax credit. Why did the Democrats say no to these measures that are meant to help lower income people and young people get into the workforce to work their way up the economic ladder—particularly to move people off welfare into the world of work, because in the world of welfare, you are going to be in a life of poverty. If you move people over here and give them an opportunity to move up, quite frankly, they are going to be able to improve themselves, enhance their opportunities, enhance their livelihoods.

There are also in the bill enhanced depreciation provisions to help the ailing airline industry. There are new homestead provisions for rural development. These provide special assistance for businesses in counties that are losing population. It provides incentives for newly constructed rural investment buildings, for starting or expanding a rural business in a rural high outmigration county. But the Democrats said no when they voted to continue the debate rather than reach finality on this bill.

We have a provision that allows payments under the National Health Service Corps loan repayment program to be exempt from tax. This is also for rural development—again, responding to a lot of Senators who support that because they are concerned about having high quality health care in rural America.

The JOBS bill includes brownfields revitalization. The bill waives taxes for tax-exempt investors who invest in the cleanup and remediation of qualified brownfield sites.

It includes a mortgage revenue bonds provision. That proposal would repeal the current rule that mortgage revenue bond payments received after the bond has been outstanding for 10 years must be used to pay off the bond rather than issue new mortgages. There are 70 Senate cosponsors of that bill. But the Democrats said no today on the cloture vote.

We allow deductions from private mortgage insurance for people struggling to afford a home. The no vote on today's cloture motion was a vote against homeowners.

We have extended and enhanced the Liberty Zone bonds for the rebuilding of New York City because of September 11. We included $100 million in tax credits to be used on rail infrastructure projects in the New York Liberty Zone. The Democrats actually tied up funding for the Liberty Zone to prove a political point on a Labor Department overtime regulation that isn't even finalized. Well, we tried to help some Senators with that provision. Yet they voted no.

There is a lot here to help economic development. We have increased industrial development bond levels to spur economic development. We have bonds for rebuilding school infrastructure. We have included tribal bonds, which allow Native Americans to obtain bond financing for reservation projects in the same manner as State and local governments.

We have a new tribal new markets tax credit. This would add $50 million annually in new markets tax credits dedicated to community entities serving Native Americans.

The JOBS bill provided $500 million over 3 years in the Federal tax credits to States for intercity passenger rail capital projects, and for so-called short-line rail service.

Was it worth killing off these important priorities by voting against an unfinished regulation? But that is what the Democrats did with this cloture vote.

We also have a special dividend allocation rule for the benefit of farm cooperatives. We have provisions that help cattlemen when drought, flood, and other weather-related conditions—all beyond the control of the individual farmer—might wipe out their livestock.

We have a provision to benefit rural letter carriers.

The JOBS bill enhances a broadband expense so people in rural America can have a quality of life through IT, the same as those people in urban America.

We have included the Civil Rights Tax Fairness Act so people who win lawsuits actually get benefits from them because we have some people winning lawsuits and by the time they pay their taxes and pay the lawyers, they do not have anything left. So what good does it do to win a civil rights lawsuit?

Our bill includes a tax credit for employers for wages paid to reservists who have been called to active duty. There is a lot of that now because of the war.

The Democrats voted against cloture and killed all these measures. All these benefits are being held hostage because the other side is pushing for a vote on a nongermane amendment.

When we are faced with 5-percent sanctions, and next month it is going to be 6 percent and the following month 7 percent and eventually 17 percent after a year, I think in that environment it is fair to call this obstruction and maybe, in the case of this divided vote, political obstruction, partisan obstruction, particularly when this bill was developed in complete cooperation with the Democrats, not only on the underlying bill, but a lot of these amendments that were added by Senator BAUCUS and me were a direct result of trying to satisfy Democrats as well as Republicans.

That sort of obstruction did not work in 2002, and I do not think it is going to work today. When it was tried in 2002, Mr. President, do you know what happened? That sort of obstruction was supposed to win the Democrats continued majority in the Senate, and it cost them the majority. Do you know why? Because politics is not good policy, but good policy is good politics.

It is inexcusable to hold up a bill that will benefit millions of manufacturing jobs to score political points. We have worked hard throughout this process to make sure everyone's concerns—both Republicans and Democrats—were in this bill. In the committee, we did more to satisfy the

Democrats. There were two votes against this bill and those two votes were from Republicans. How is that for a Republican chairman working with the Democratic leader of that committee to get a bipartisan bill to satisfy the Democrats, and in the process I irritate two Republicans? But it is still a bipartisan bill.

We tried to make sure everyone's concerns were taken care of in this bill. We see that concern reflected in the amendments I just listed. Anyone who voted against cloture voted against all those items I just listed because a few on the other side—or maybe I should say all on the other side—wanted to vote on another amendment, an amendment that was not germane. Then we had some people on the other side who were involved in that amendment saying all these amendments I listed are nongermane as well. Every one of them is in the jurisdiction of the Finance Committee, and every one of them is a tax-related item. So tell me tax-related items are nongermane and use that as an excuse to bring up a nongermane amendment that is in the jurisdiction of the Labor Committee. It just does not make sense. It is not true.

I hope somehow there can be some accommodation and get serious about the manufacturing job crisis that is facing America. We need to move this JOBS bill forward. Sooner or later, it is going to move forward because the more we tack on 1 percentage point a month for the next 12 months and get up to 17 percent, there are going to be enough businesses, as well as working people, complaining, and I hope they forward their complaints to the Democratic Party in the Senate because those are the people who voted against cloture.

Mr. ENSIGN. Mr. President, will the Senator yield for a question?

Mr. GRASSLEY. Yes, I will yield for a question.

Mr. ENSIGN. Mr. President, is the Senator aware that within the JOBS package, not only does it stop the tariffs from going into effect and being raised by 1 percent a month, but within this JOBS package, the provision known as the Invest in the USA Act would bring over $300 billion back into the United States to be reinvested to create American jobs? One estimate from a very well-respected economist, Alan Sinai, has said 660,000 jobs would be created by that one provision alone. Is the Senator aware that by killing this bill, at least 660,000 jobs just in that one small provision will be killed along with it?

Mr. GRASSLEY. Mr. President, I am aware of that, and it gives me an opportunity, because I did not highlight it in my remarks, to compliment the Senator from Nevada because he is the brains behind that amendment. That amendment probably will do as much good—or at least almost as much good—as the underlying legislation. It is a part of this bill. It ought to be passed, and I am sure the Senator from Nevada will be constantly reminding people on the other side of the aisle that their voting against cloture has also, at least temporarily, killed this provision as well.

Mr. ENSIGN. If the Senator will further yield for another question, is the fear of the chairman, who has done such great work on this bill—it is my fear and I wonder if the chairman has the same fear—that in the mix of an election cycle, some of these other issues that are being brought up are being brought up to confuse the issue, where they really do not like the underlying bill but they do not want to vote against the underlying bill because they know they are voting against jobs in America; that if they would vote for cloture, we could have a clean bill with only germane amendments and we could actually start creating jobs in America?

Mr. GRASSLEY. Mr. President, the Senator from Nevada is entirely right, 100 percent right. He may have not heard me say this, but I keep referring during this debate to a statement made by the Washington Post describing a Democratic tax aide as saying there was not a whole lot of incentive for the other side to move this bill along because as sanctions come on and people get laid off, that is going to benefit them in the next election. I said to my colleagues and I say to the Senator from Nevada that is politics getting in the way of good policy. I hope the other side realizes that the best politics is good policy.

Mr. ENSIGN. I thank the Senator.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, in response to the Senator from Iowa, who has worked very hard on this bill, it is a bill that should be voted on and it is a bill that will be voted on before the session is ended. It is an important bill for business, for America, and for jobs. But the reason this bill has not been voted on is because we on this side of the aisle believe that Senators from both parties should stand up and cast their votes and take a position on the Bush administration's proposal to take the right to overtime pay away from 8 million working Americans.

When we look at the people who will be disadvantaged by this Bush administration change, they include policemen, firefighters, nurses, veterans, and scores of other occupations in America that will lose the right to overtime pay because of the Bush administration policy.

All we have asked for on the Democratic side of the aisle is a simple up-or-down, yes-or-no vote. Let those who agree with the Bush administration—for the first time since 1938 we have a President who is going to remove the right to overtime pay—vote with their President. Let them vote to take away overtime pay from 8 million Americans.

Let those of us who think this is a bad thing to do, taking away overtime pay from nurses at a time when hospitals are desperate to keep them working, taking away overtime pay from veterans who picked up training when they were in the military and will now be penalized by this Bush administration overtime change, let those of us who think these are horrible outcomes vote no. That is all we have asked for, and because the Republican leadership does not want to go on record again against the Bush administration on overtime pay, they have chosen instead to pull the bill off the calendar.

All the things the Senator from Iowa said notwithstanding, if they would give us a vote on that amendment, we could move forward on this bill, and we should. This is one of the few chances we are going to have to address meaningful issues that relate to jobs and the economy. We cannot in any way squander this opportunity.

I thank the Senator from Iowa for his hard work. The Senator from Montana, Mr. BAUCUS, has joined him in this effort. For goodness' sake, give us an up-or-down vote on this overtime pay issue and let us move forward and pass this bill. Unless and until that occurs, we are going to continue to have this standoff.

MORNING EDITION AND BOB EDWARDS

Mr. DURBIN. Mr. President, this morning when I left my apartment on Capitol Hill, I bought a Washington Post. The first thing that caught my eye was a front page story that will be repeated in newspapers across America and probably other sources. The headline says: "NPR Yanks Top-Rated Show Host." I stopped what I was doing and read it. It turns out National Public Radio has decided to remove Bob Edwards from Morning Edition after 25 years in front of the microphone.

Morning Edition is one of the most popular radio shows in America. It has 13 million listeners. Whether I am in Springfield, IL, listing to WUIS or I am in Chicago listening to WEBZ, when the clock radio goes on in the morning, the first voice I hear is Bob Edwards.

They decided at NPR it is time to tell Bob Edwards he can no longer serve as the host of Morning Edition. What was Bob's reaction to that? The newspaper says:

> I would have loved to have stayed with "Morning Edition." But it's not my candy store.

Well, the article goes on to really analyze why in the world NPR, after 25 years, would remove from the Morning Edition show a person with such a reputation as Bob Edwards'. Well, it cannot be because of the audience, because from the time Bob Edwards has been on Morning Edition the audience has more than doubled for NPR in the last 10 years. As he says, who else can say that?

Bob Edwards is running rings around other radio talk show hosts. Bob Edwards came to the show in 1979. They asked him to take over Morning Edition for 30 days until they found a permanent host. Twenty-five years later, he is still at the microphone. So they went to some of the leaders at National Public Radio and asked: Why are you removing Bob Edwards from the Morning Edition?

Well, they think the decision was made primarily by Jay Kernis, an NPR senior vice president. They explained it as such. They said the idea behind it was:

> . . . to make sure we were in the best position to serve the changing needs of our listeners.

They went on to say:

> In today's news environment, people demand both immediacy and depth.

That is the reason why they want to remove Bob Edwards from Morning Edition? Frankly, that is not good enough. I went to the NPR Web site, NPR.org. On that Web site is an explanation of Bob Edwards leaving the show. They do not say they forced him out, just that he is leaving the show.

Here is the kind of response one would expect from Bob Edwards:

> . . . Morning Edition will continue to be my first source of news.

He is still loyal to that program.

On the NPR Web site they list his achievements. Bob Edwards has received two Gabriel Awards; the 1984 Edward R. Murrow Award from the Corporation for Public Broadcasting for "outstanding contributions to public radio;" an Alfred I. duPont-Columbia University Award for Excellence; and the prestigious 1999 George Foster Peabody Award for hosting Morning Edition.

There is a letter from Bob Edwards on the NPR.org Web site. He says:

> I am leaving a post that I have loved and have given my heart to.

It is pretty clear that Bob Edwards does not want to leave Morning Edition. For many of us, mornings in America will not be the same without the voice of Bob Edwards to greet us. I have never met him, but I really consider him a friend. He is a reliable source of information, has a voice that calms me when terrible things are happening around the world. He is an American institution.

So here is what I am asking those who are following this debate to consider: If you believe, as I do, that Bob Edwards should continue as the host of Morning Edition, that America's Mr. Morning should stay in front of that NPR microphone, let us do something about it. If you are one of the thousands who contribute to National Public Radio, frankly we have a vested interest in what is going on on National Public Radio. Bob said, and I think he is right, "It's not my candy store," but let me say this: National Public Radio is a candy store that belongs to a lot of us, those of us who listen and those of us who contribute. Listeners who donate are actually the shareholders of National Public Radio. I think it is time for a shareholders revolt, and what I am asking friends of Bob Edwards to do at this point is to log on to NPR.org and send an e-mail to them. Let them know what you think about the removal of Bob Edwards from Morning Edition. Share that with the management who believes we need a new voice, a new style. I frankly think Bob Edwards is as good as it gets.

We have listened to a lot of Bob Edwards' Morning Edition lying down in our beds but we should not take this dismissal from Morning Edition lying down. If people have followed this debate and they believe Bob Edwards is worth an e-mail to NPR.org, please do so. Possibly you may want to share that with some friends on your e-mail list. Let's see if we can tell some of our friends at National Public Radio we have a national treasure we cannot afford to lose.

The PRESIDING OFFICER (Mr. COLEMAN). The Senator from New Mexico.

ENERGY

Mr. BINGAMAN. Mr. President, I rise to speak about high gas prices and high natural gas prices and what we could be doing about it and what I would urge the administration to do about it. I would like to outline 13 concrete steps I believe the President can take to address and to lessen the impact these high prices are having on the U.S. economy and on American families.

Several others in the Senate have talked in recent days to suggest that the cure-all for the current high energy prices would be to take up and pass either the Energy bill conference report that was blocked last fall or a new comprehensive Energy bill that is now on the Senate calendar. Clearly there are some specific legislative provisions related to energy that we in the Congress should be passing this year, and I strongly support getting to those.

The truth is, though, that neither last year's nor this year's bill does much to address the high prices we now face, either in the area of natural gas or in the area of gasoline one gets at the pump. That was a conclusion the Energy Information Administration, EIA, reached after a thorough analysis of last year's conference report that they carried out at the request of Senator SUNUNU.

The EIA conclusion on that conference report, which applies equally to the Energy bill that is currently on the Senate calendar, is: On a fuel-specific basis, changes to production, consumption, imports, and prices are negligible. As the Wall Street Journal stated so succinctly yesterday in an editorial on the NRC legislation:

> No energy bill has the ability to ease the crunch in oil and natural gas prices before this fall's election.

Even though there is not a legislative fix, or an immediate fix to this set of problems, nevertheless there are a number of effective steps the President can take under current law using existing statutory authority. These steps would actually do more to address current high energy prices, as well as the root causes, than anything we have in the 1,200-page Energy bill that is still awaiting action.

Let me first talk about the high price of natural gas and what could be done to deal with that. The first set of specific steps the administration could take to address current high prices involves increasing the domestic supply of natural gas. Those steps would allow the President to reprogram additional funds in fiscal year 2004, the current year—reprogram those to Federal oil and gas programs—and request supplemental funds to reverse the cuts to Federal oil and gas programs that the administration has requested in next year's budget.

Federal programs to support increased domestic oil and gas production have fared very poorly in the President's most recent budget request to Congress. This is in spite of the many public statements of support for increased domestic production by administration officials. The rhetoric, unfortunately, has not been matched by actual requests for investment in these activities.

Here is a chart that tries to summarize a couple of points. This is entitled "Bush Administration Budget Cuts for Oil and Natural Gas Production—Fiscal Year 2005." It is broken into, first, the budget cuts related to the Interior Department and, second, the budget cuts related to the Energy Department. Let me go through this.

A case in point is the oil and gas management program in the BLM, the Bureau of Land Management of the Department of Interior. This is the program that governs onshore oil and gas production on Federal lands such as the oil and gas production on the Federal lands in New Mexico. The 94,000 Federal onshore oil and gas wells currently account for 11 percent of U.S. natural gas production and 5 percent of our oil production. The administration's own figures show there is a backlog of oil and gas lease applications and drilling permits on Federal lands of about 2,100 for the current fiscal year.

That is a remarkable statistic. It means we are foregoing additional oil and gas production and essentially preventing it, not because of some environmental restriction, not because we have closed off some promising new area to development, but because the administration will not hire the people to process the paperwork needed to approve the drilling applications that companies are willing and anxious to undertake.

You would think getting adequate Federal resources to support oil and gas exploration in the field in areas that are not controversial would be fairly easy to accomplish. I can assure my colleagues it is not. My home State of New Mexico is a State that produces a substantial quantity of oil and natural gas. I had to go back to the Bureau of Land Management again and again over the last couple of years to get them to hire additional personnel in the Farmington field office to process natural gas drilling permits. Farmington is not alone in this respect. This is a problem all throughout the Intermountain West.

Instead of taking aggressive action in this year's budget to reduce the backlog to zero over the next year, the President's latest budget request cuts $3 million from the budget of the oil and gas management program with the difference being made up by raising fees on independent oil and gas producers for each lease application or drilling permit for which they apply.

Think about that a moment. In the face of very high natural gas prices, the administration says we should cut Federal expenditures for the very people needed to approve more drilling, and we should make up the difference by bumping up the cost of a drilling permit. Not only do we not get more supply, but the additional costs that are levied on producers most likely get passed along to consumers and get reflected in natural gas prices.

As a result of this so-called status quo effort in the BLM, the administration's own figures estimate the bureaucratic backlog in BLM will only decline by 200 in fiscal year 2005. The net backlog of 2,100 would be reduced to 1,900 during that fiscal year, so 18 months from now we would have approximately 1,900 lease applications awaiting some kind of action. This is an inadequate response in light of the current high prices we face. Instead of making it more costly for domestic producers to look for oil and gas on Federal lands and doing little or nothing to make the necessary resources available in the field to speed the processing of leases and permits, the administration should be asking Congress for an increase in this budget.

To address the problem, I recommend the administration take the following three actions to boost domestic natural gas production: First, the Department of Interior should request that fiscal year 2004 funds be immediately reprogrammed to start reducing the drilling backlog at the BLM.

Second, the President should submit a supplemental request for an additional $8 million for fiscal year 2005, to get that backlog down to zero.

And, third, the President should direct the BLM to abandon the notion of a rulemaking that would erect greater fiscal barriers to the exploration and production of oil and gas on Federal lands.

A second set of deep budget cuts affecting natural gas production can be found in the administration's budget requests for the administration's oil and gas R&D programs. These programs are focused on helping independent producers with access to new technologies that make domestic production of oil and gas more efficient and more effective. They fund efforts such as the Petroleum Technology Transfer Council, which has demonstrated a strong track record in boosting the productivity for independent oil and gas producers. They account for much of our domestic oil and gas production. The President's budget request for 2005 cuts these programs by nearly half.

One particularly important program, the Department of Energy's Petroleum Exploration and Production Research Program, proposes an 84-percent cut under the administration's budget request. Again, given the need to sustain domestic production and the strong support for these programs that has been repeatedly shown in Congress on a bipartisan basis, it is difficult to justify these funding requests.

So my fourth recommendation to the President is that at a minimum the administration submit a supplemental request for $37.1 million for fiscal year 2005 for the Department of Energy oil and gas R&D programs. All we are asking for is that we maintain these programs at current funding levels. Frankly, these programs should be increased, but at the very least we should not be phasing them out as the President is currently proposing.

That is natural gas. Let me move to the issue of the high price of gasoline at the pump. Let me make some recommendations as to how that could be relieved.

My first recommendation in this regard would be for the administration to temporarily suspend using royalty-in-kind oil to fill the Strategic Petroleum Reserve.

The Senate voted in favor of such a suspension while we were considering the budget resolution 2 weeks ago. I supported that action. It was proposed on a bipartisan basis by Senators Levin, Collins, and Clinton. I recognize the Senate vote was not binding on the administration. But, the idea of not diverting oil from the market to fill the Strategic Petroleum Reserve at a time of exceptional tightness in oil markets makes sense at least as a signal to the market that the administration recognizes the depth of economic hardship being caused by current high prices.

The President has the authority and discretion to either put the Government's royalty share of oil in the SPR, or to let it be sold on the market, where it will help provide more supply. I believe that the President should direct the Department of Energy to suspend this policy temporarily, to be reinstated when oil prices return to more normal levels. Some have argued that putting the Government's royalty share of oil on the market is some sort of attack on the SPR. That is not true. The practice was started during the Clinton administration, at my urging—and at the urging of others in the industry—because oil prices then were very low, and the extra Government oil being placed on the market was threatening the long-term financial viability of small producers. It was started as a counter-cyclical measure; we should stop it as a counter-cyclical measure in the same way, in my view.

My second recommendation to help reduce high gasoline prices would be for the President to press the Organization of Petroleum Exporting Countries—OPEC—to increase world oil supply.

OPEC has successfully managed the global oil market with an increasing degree of precision since its announcement in March 1998 of a pact to lower output and keep oil prices within a $22 to $28 per barrel price band. Supply has been tight and prices have remained high in particular over the past 12 months.

On February 10, 2004, OPEC announced a surprise agreement to cut its output quotas by 1 million barrels a day, or 4 percent, starting in March, because of concern that prices may fall once winter ends in the northern hemisphere. Meanwhile, crude oil prices in New York reached a 13-year high of $38.18 a barrel on March 17, 2 weeks before OPEC's next meeting.

Given the economic impact that high energy prices are having on American families and businesses, I believe that the administration needs to act more aggressively to combat the mounting economic crisis. With a decrease in supply, the demand for oil could send prices at the gasoline pump well above $2 a gallon this summer.

It is time that this administration uses every means at its disposal to bring down high energy prices. OPEC has limited its production of oil to drive prices higher and collect additional profits. This is not acceptable. I recommend that the administration exert diplomatic pressure on OPEC to abandon its agreement of February 10 and to increase oil supplies instead of decreasing. Doing so would not set some new precedent. The Clinton administration used its international leverage to encourage OPEC to keep oil prices stable and affordable during its two terms in office. If President Clinton and his top officials could act in the interest of consumers and the American economy, then I think President Bush can, as well.

My third and fourth recommendations to help moderate gasoline price pressures on consumers would be for the administration to fine-tune the current gasoline sulfur regulation to ease price pressures resulting from the transition to low-sulfur gasoline.

EPA is in the process of implementing a new rule on sulfur in gasoline. This rule sets the acceptable level of sulfur in gasoline at 120 ppm as of January 1, 2004. Over the next two years, this level will drop to only 30 ppm. The move to cleaner, more sulfur-free transportation fuels is necessary and should continue. The rule rewards companies that achieve early reductions in their operations' baseline level of sulfur to generate sulfur credits for use in 2005.

An additional level of special credits called "allotments" was developed to reward companies which made significant capital investment. The rule, however, does not have a reliable mechanism for independent fuel importers to participate in the system if markets are tight and the number of allotments they need to buy—to stay in compliance—are not available. I recommend that the administration revise this rule to allow independent importers to carry a small deficit balance in case they are unable to buy enough allotments. By doing so, we will facilitate the ability to move more gasoline that is currently on the world market to U.S. consumers this summer, without compromising environmental protections.

If unexpected significant refinery or pipeline disruptions occur, or if gasoline prices rise to levels that cause significant economic harm, I recommend that the administration be prepared to issue an emergency rule allowing the use of the sulfur credits for 2005 in this year. This additional flexibility in the use of sulfur credits would not result in any greater emission of sulfur dioxide over the 2-year period of 2004–2005, but would add to the ability to bring more gasoline into the United States so that consumer are not paying more than they should.

While some of the preceding actions show how fuel prices can be temporarily moderated by lowering barriers to fuels already on world markets this summer, we need to get our national fuels systems in order for the longer term. Although the administration published a general report on national energy policy in 2001, our country still lacks a focused national fuels strategy. Current policies on issues such as the operation of the Strategic Petroleum Reserve—SPR—are simply outdated. The administration has made no progress towards stopping and reversing the increasing balkanization of U.S. fuel markets—a balkanization that hits every consumer right in the pocketbook with higher fuel prices than necessary. And there has been no attempt over the past few years to build consensus around a balanced approach to both increase the supply of refined fuels and increase the efficiency of our oil use economy-wide.

These changed circumstances and new needs call out for a number of policy initiatives that should be undertaken as part of a broader national fuels strategy.

First, such a strategy should look at how conservation in transportation fuel use can be enhanced. Instead of debating on the merits of any single approach to the problem, it would be more productive if the administration were to set a policy target for itself of oil savings it would like to achieve economy-wide over the next 10 years. This would give the administration and the public a yardstick to evaluate the effectiveness of various policy proposals. Such a target would likely be broadly supported across the political spectrum. In the Senate, one such proposal for an oil savings target was supported last year by a vote of 99 to 1. I recommend that the administration set such a policy target, after public consultation.

Second, the Department of Energy and the Environmental Protection Agency should start addressing the need for further refining capacity in areas, such as the east coast, that are now importing gasoline to keep pace with demand. States, localities, consumer groups, environmental groups, and industry should all be invited to participate in a process to identify measures to facilitate capacity expansion. For such a process to succeed, there would have to be credible actions ongoing at the same time to spur increased conservation. But that is if that is possible. I believe that such a process would identify the current barriers to building additional refining capacity, such as permitting and financial disincentives. I would recommend that the administration immediately set such a process in motion, and that it issue a report to the Congress and the public within 6 months, identifying specific options for improving regulatory practices or streamlining permitting processes in order to increase U.S. refining capacity.

Third, the administration needs to review its policies regarding the operation and use of the SPR. Right now, we lack "rules of the road" for tapping the SPR that are clearly defined and clearly understood. As I have pointed out in previous letters to the Department of Energy, a clearer understanding of how SPR oil will be managed in a new environment of volatile markets and increasingly higher prices would provide more certainty to the market.

Fourth, when fuel pries are tight, product flexibility is crucial. If a region needs more gasoline than its refineries can produce, or if a refinery or pipeline shuts down unexpectedly, flexibility becomes the key factor in determining the speed at which motor fuels can be supplied from other regions to meet the shortfall and to dampen the price spikes to consumers.

The proliferation of boutique fuel specifications across the country has greatly reduced the overall flexibility and efficiency of our fuel system. It is a major factor in the increasing fragility of our fuel system to price spikes.

The Clean Air Act authorized States to regulate fuels through federally approved State implementation plans in order to attain a national air quality standard. That was the right policy, but the implementation of the policy has been flawed. There are now dozens of different kinds of fuels being required by different States, all with Federal approval, leading to more than 110 different formulations of these boutique fuels throughout the United States. These 110-plus different fuel types make the use of existing transportation infrastructure for fuels much less efficient, and, correspondingly, more expensive to run. Those costs get passed directly on to consumers. The large number of types also limits flexibility in product distribution, particularly if a disruption occurs. Consumers pay for that lack of flexibility whenever there is a price spike.

The President's 2001 energy policy report directed the EPA to study "opportunities to maintain or improve the environmental benefits of State and local boutique clean fuel programs while exploring ways to increase the flexibility of the fuel distribution infrastructure, improve fungibility, and provide added gasoline market liquidity."

There have been 3 years since that directive was given to the EPA, and as far as I know the administration has not taken any significant steps to reduce the growth of these boutique fuels. This is a major failing which we need to address at this time.

I believe it is time to take real action. The administration can do that. It has the authority under current law in each of these areas I have cited.

The President should direct the Administrator of the EPA, with technical assistance as needed from the Secretary of Energy, to require revisions of State implementation plans to reduce the overall number of fuel specifications by at least a factor of 5 and, preferably, closer to a factor of 10.

Finally, a recommendation aimed at preventing fuel shock prices in gasoline or other fuels would be for the administration to encourage the IEA, the International Energy Agency, to direct the strategic stock modeling methods.

The IEA monthly oil market reports are critically important to the global oil market. The supply, demand, and stock figures that the IEA projects each month literally turn markets. Energy experts tell us that the method the IEA uses to calculate monthly demand and supply figures is flawed, that it encourages OPEC to undershoot the market in terms of the amount of crude oil it supplies to the world. A revision of the strategic stock calculation methodology could fix this.

The root of the flaw lies in the fact that the current IEA market report treats stocks of oil in the major consuming countries as a fixed and variable amount. This treatment of stocks is not realistic. Its effect on IEA models is to bias toward understating the amount of oil OPEC needs to produce for the world market, the so-called "Call on OPEC." Recently it appears that OPEC has given great credence to the "Call on OPEC," in determining what it would supply to the market.

Further, key OPEC nations, such as Saudi Arabia, have at times interpreted IEA data to mean the IEA will not punish certain behavior by the cartel to maintain high prices so long as they meet these "Call on OPEC" levels.

Given the importance of this IEA forecast methodology, it is crucial it be based on the best possible real-world data and not on a static and unrealistic treatment of stock levels. A more real-world treatment of stocks in IEA oil forecast methodology would alleviate some of the tensions which many analysts believe is keeping crude prices higher than they otherwise might have been.

For this reason, I recommend the administration engage vigorously with the IEA to improve the realism of the models underlying its monthly oil market report. That change, though seemingly esoteric, could make a real difference, for instance, at the pump to Americans. The United States is a leading member of IEA, so our ability to influence and improve this key market driver is very great.

Carrying out the 13 recommendations I have outlined today will help to relieve some of the pressure on our fuel markets that are affecting consumers, adversely affecting them and perhaps will continue to adversely affect them in the coming days and weeks. These recommendations could set the stage for a long-term improvement in our fuels security.

My colleagues should know that none of the 13 recommendations require new legislative authority from Congress. The President already has the power to implement these recommendations. I urge him do so.

I put these recommendations in a letter to the President, a copy to the Secretary of Energy, and a letter I have sent today. I hope he will consider these commonsense and effective recommendations and take action on them. I will come back to the Senate floor once we receive a response to that letter and hopefully report on the progress being made to help bring down both the cost of natural gas and the cost of gasoline at the pump before this summer is on us.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from the great State of New Mexico.

Mr. DOMENICI. While Senator BINGAMAN is still on the floor, might I say, Senator, we have an energy bill pending that has received 58 votes in a cloture situation. Some like it. Some don't like it. You are somewhere in the middle and you want to change it.

I wonder, in light of your talking today, at least what I heard, positive about the problems and solutions, and I also heard a couple of comments that made me feel good—you think we ought to produce more from our public lands which is very good and I am very proud of that—I wonder why the Senator would not agree to a number of amendments so we can get the energy bill passed? Even if you were to say you need 13, you got 13 proposals, even if you agreed to 13—I don't know how many of those are legislative—but it would be helpful.

I wonder if the Senator has any thoughts about that.

Mr. BINGAMAN. Mr. President, in response to the question, first, let me say these are 13 recommendations that do not require legislation. These are all recommendations that I believe the President has full authority to implement and enact under current law.

The purpose of my letter to him and this statement today in the Senate was to urge he do right now what can be done under existing law to help deal with these problems.

As far as the energy bill is concerned, it is my view that if the majority leader wishes to bring the energy bill to the Senate floor and is willing to allow Senators to offer amendments, then we should certainly proceed in that way.

I don't think it is realistic, and I certainly told my colleague from New Mexico and others this repeatedly, I don't think it is realistic to be requiring Democratic Senators to limit amendments at this stage since the bill that will be coming to the floor was written without the input of Democrat Senators.

Mr. DOMENICI. Might I say, Senator, your concern about the impact has gone on so long that one wonders how much impact you really need. We did expose this entire proposal, put it online so everyone could see it. Maybe your staff or you did not see it, but we did that as a new way to expose it. Then we had a meeting and you had every opportunity to offer amendments. And you did.

You and your staff somehow got in your craw here that because you were not sitting around the table when it was drafted, that is justification for you to remain against this bill.

Let me state, it is not BILL FRIST's problem that we do not have this bill. Has the Senator seen what happens to bills that have an open end on amendments? I think the Senator has. The Senator is a very good Senator. They get nowhere because all kinds of amendments are offered. That is what will happen to this bill.

I say to the Senator and his staff, you can offer 25 amendments around to people so they can offer them. They are not very important, but they can offer them. I say to the Senator, I did not mean you would, but that can happen, and they would not be important. They would make us vote on them, and we would get no bill.

Now, the minority leader has been urging we move ahead. I am very proud of him. He has been urging that you limit the amendments, and it is on deaf ears.

So I say to the Senator, I want to tell you, in all honesty, for you to come down here, having had your people research and blame the President of the United States for these problems—which is essentially what you have done—you have found everything that somebody thinks the President could do, and you listed them. I am going to go look at them—because it is not the President's responsibility—and I am going to come down here and answer them.

I believe what we are going to find is that this country is dependent, and we will stay dependent if we do those 13 things you have listed that do not require any legislative assistance.

I thank the Senator.

Now, having said that, I would start with a chart, if I had one, saying what the Senate can do, in cooperation with the House, instead of what the President can do. Then I would say, the Senate does not want to do anything, and then I would say, some Senators want to do things; and I would name them. Then I would say, but some do not; and I do not know if I would name them, but you could conclude who does not want to.

Now, I want to tell you, you can give all the speeches you want about the crude oil dependency of the United States. That is what makes gasoline. I do not think anybody, sorry to say, including my good friend from New Mexico, has a real solution to that problem.

We are 70-percent dependent, and it is growing. If anybody thinks they have a solution to that problem—I understand some people say, why, the President, he ought to get these countries around the world to produce more. Well, the President is not a miracle man. They do not want to produce more, because if they produce less they make more money. What are you going to do about that?

The only one that maybe would is Iraq. If they get over this problem, maybe they will say: Boy, we need a lot of money. We will put more crude oil on the market. But I will bet you, if they do, somebody will cut production. What can the United States do about it? This is not America doing it; it is some foreign country.

So we hear more and more people say we ought to stay out of foreigners' business; right? They are against anything that would be involved. I am not suggesting that we be involved in any fisticuffs-type way, but I do not see how somebody, including the President, can fix that problem for the time being.

I am very hopeful some of the price spikes that have come with new regulations—and I am not saying it is the entire add-on, but it is significant—will kindly stabilize and will not be adding to it.

I do not have it with me today, but if I speak again I will put it in: How much of the cost increase is ours because of new additive requirements to gasoline, especially in certain huge States? I am not opposed to that, if that is what they want. That is what we voted on. But if that causes a 10- or 15-cent increase, then we ought to know about it. It is big. It is not the whole thing.

Let me repeat, there is nobody who has come up with a solution—whether we bring the Democrats into the hearing or whether we did not or we bring them in the way we have—we do not have any proposals of any significance that show us how to get more crude oil of any substance. That is why it is most important and almost ludicrous when people write editorials about this Energy bill and they start off by saying it does not do anything about gasoline.

Well, the only thing we can do about gasoline is, one, have less cars in America. Wouldn't that be nice? You try to do that. How many votes are you going to get? Ration cars in America; it is a new bill. It would not get one vote.

The other way is to mandate that we use littler cars. We tried. I am not saying I did. But we voted on it.

What am I supposed to do as chairman of the Energy Committee? The Senate does not want to do it. They say what we are doing now is moving in the right direction and we are not going to do anything else.

So the President says, well, at least get started with a hydrogen engine. We did that in this Energy bill. We put in a lot of authorization money, and we are probably going to spend a bunch of it telling the major car companies: Produce, produce hydrogen cars or the next generation of cars, and we will be your partner. Now, that is not bad.

Having said that, let me say what I would like the Senate to be part of. What the Senator from New Mexico would like the Senate to be part of is to produce a bill that says to the American people: We got in trouble once by depending more and more and more on crude oil, until today it is gone. We are never going to get this back down to the 50-percent figure that the occupant of the chair used to talk about. It is gone.

But do you know what? Our people are getting burdened by something else called natural gas. If they do not use natural gas in their house and have seen the increase, let me tell you, it just so happens that natural gas is a tremendous product. Do you know what I mean? It has tremendous uses. We are sitting around waiting for 13 new powerplants in America.

I see present on the floor a Senator who used to come down and talk in favor of coal and the coal miners. Well, any growth in that is gone, except if this Energy bill passes it is not gone because there are tremendous resources put into developing new technology so we can use some of that.

But, in the meantime, every single powerplant is waiting around to guzzle up natural gas. What do you think that is going to do? Bring the price down? Of course not.

That is electricity. What else do we use? Has anybody bought fertilizers? Are there any farmers in the Senate? There is one sitting here to my right. What has happened to fertilizer prices?

Mr. GRASSLEY. Doubled.

Mr. DOMENICI. Doubled in 1 year. Is that right? Doubled.

Now, there is nobody asking for an antitrust evaluation, that somebody gypped them. These companies just put out the reality. A big portion of fertilizer is natural gas or the products therefrom.

We can do something about natural gas. We do not have to sit around saying the President ought to do it. We ought to do it. Shame on us. It is right there in this Energy bill.

One, do you know where a lot of natural gas is? It is ours. Alaska. This is not ANWR. This not an anti-environmentalist issue. We ought to produce it. But it does not do any good to produce it because you have to use it. So you have to bring it all the way from Alaska down here and use it.

What does the Energy bill say? It says we are going to help make that happen. In fact, the contracts to start the drilling and start the pipeline to bring it down here will start within a very short period of time after we get an Energy bill.

What will that be? It will be that three major companies will begin the exploration and development of natural gas, and a pipeline to bring it into America and right into Chicago, IL.

We sit here with each day passing and we cannot do that because we cannot pass an Energy bill. My friend says: Well, we want to let everybody vote. Everybody has had votes, it would seem to me, on something as important as this. We could ask the Senators, how many votes do you have? Then at least we could tell our leader it is not going to take forever. We have a limited amount of time.

He doesn't want to bring it up and take 3 weeks on it. The minority leader has been telling this Senator we are going to get it done. He has heard me be rather questionable, not of him but of the reality.

In addition, on natural gas, there sits off our coast a huge repository of natural gas. It doesn't belong to Saudi Arabia, Kuwait. It belongs to us. We know it is there. But it is super deep. It is not like the other wells we have drilled on the coast. It is super deep. Guess what. It has a huge royalty on it they have to pay America when they produce a barrel or whatever the unit is of natural gas.

This Energy bill says that is too much. What would they do if we cut it? Do you know what we would do? The energy companies say they would start drilling because they would be rather assured that with the risks that are there, they will come out pretty good.

We sit around and complain. There it is, sitting in the Energy bill, nobody does it. That is two.

A third one was alluded to by my friend Senator BINGAMAN, although I think I would disagree as to the scope, but he says we ought to produce more off our Federal lands. Let me tell you, the Federal lands belong to all our people. We go out there and find oil or natural gas, and guess what happens. Big complaints. We should not be touching America's great property. We should not touch that surface. It should be there forever because it has been there forever. They don't let us do it, so we are stuck with pretty much the inventory we have had.

At least the bill expedites the drilling, expedites the permitting, expedites the production. And why wouldn't we pass that? Because we don't want an Energy bill. Because we have something stuck in our head somebody didn't get a full opportunity to participate in it. Maybe we ought to call another meeting of the Energy Committee and bring them all in and let them all participate and then report out the bill. Then they at least wouldn't have that constant drumbeating which they even take to their conference to tell everybody, the committee Democrats got shafted.

I have told you all more than one time that is not true. Besides, if we had done what they say, which we didn't, I ask Senator GRASSLEY, how many times have bills been produced when Democrats were in power and Republicans—where the conferees produced it unilaterally? Does the Senator know of any? Many times. Many times Republicans produced a bill and then called in the Democrats and there is an argument and maybe they make a change or the Democrats when they were in control produced a bill in conference.

Isn't that right?

Mr. GRASSLEY. Yes.

Mr. DOMENICI. Or they issue it. They go to the press and say, we are finished. And sometimes nobody even knows what they did. That is not the case with this bill. They knew what we did. If they didn't, they weren't paying attention. We told them where it was, and it was all on the Internet. We tried something new. We put it on the Internet.

The third thing we ought to do is take a real look, although this Senator hates this, that we are going to end up dependent more and more upon foreign countries for natural gas. I tell my friend, we are now dependent on crude oil. We will be here, if we don't do something, saying we are now over 50 percent dependent upon natural gas. That is generally called LNG, liquefied natural gas. It is hard to do. It causes accidents. It wouldn't be done unless the price is very high. But in recent months, imports of this have popped up into terminals in Eureka, CA; Harpswell, ME; La Jolla, Baja, CA, Mexico; Mobile, AL; Vallejo, CA; Searsport, ME; Falls River, MA. Every single one has been blocked by local opposition.

I think local participation is terrific. But I also think having enough energy to run the country is terrific. And I don't like the idea we are going to have LNG, but we are going to have lots of it. How many natural gas powerplants will be built, I ask my staff, when we finish this bill? Almost every future one, whatever the number, will be built from natural gas. We have already built a number of them, so it is the number built and all the future ones. That is a monster gobbling up of natural gas.

This bill says, we can't do much about that. We can't stop it. But we can produce alternative sources of electricity, the source that runs electrical powerplants. We can have a clean coal program that for the first time does it right, and clean coal can be used some places in our country that won't have to use natural gas.

Before we are finished, we might get to the point where under certain circumstances we could try a nuclear powerplant to see if we are not ready, after years of delay and years of ridiculous objections, to get one.

There are many more things to say. But I want to say that to come down here and have charts saying the President of the United States isn't acting and if he would, he is the one who ought to fix these problems is belied by the fact we can't vote on an Energy bill in the Senate. If it isn't good, amend it. The problem is, most of the things in this bill people want. They want them sufficiently to have a majority vote. I know that because I didn't put this bill together in a vacuum. We asked people.

I forgot to mention by coincidence a great big spectrum of the American economy gets helped by this bill. There are probably 40 Senators who don't like it, 42; 58 love it. That is, the production of ethanol from corn and related products. Here sits Senator GRASSLEY, one of the leaders in that cause. He isn't leading that cause just because he is selfish about corn growers. He is leading that because it is a good policy to produce a substitute for imported crude oil. But we have a farming industry we are constantly having to bail out. We do a bill, and if 3 years pass without two emergency bills in the billions, then I haven't been here. I have been hiding under a seat.

If this happens, it would add a third leg to the production of these kinds of products and the stabilizing of the price. Why don't we do it? There are plenty of votes. But we don't want to vote on this Energy bill. Why don't we want to vote on it? We hear the same old thing, Democrats weren't in the markup on the conference, and they should not be burdened with having to vote for it.

It has been on the floor. It has been voted on. It was put on the Internet. I don't know how much more we can do. That no longer ought to be an excuse.

I want to beg, I want to beg Senators on the other side, I want to beg Senator DASCHLE to get Democrats to agree, and Senator BINGAMAN, to a reasonable number of amendments. A reasonable number of amendments will get all the issues they want, that you want, if you want to offer amendments, get all the issues you want. I don't think you have any. But if you can't get it up, what good does it do; right?

We don't know if there are 20 amendments or 50, but we think a reasonable number will address the controversial issues in this bill. In fact, you let me go out of here, tell me, Senator, bring back the controversial issues, and I will bet you we will come so close to what they really will be it will shock you. We know where the concern is. We know why people in their interests don't want this bill. That is the way it is. If you come from a part of the country this doesn't help enormously, you have been trying to do an amendment and you don't win. Is that new? How many times have you had that, Senator GRASSLEY?

Mr. GRASSLEY. Very frequently.

Mr. DOMENICI. You have a bill and you work on it, and Senators quickly run down and say, my gosh, this isn't going to help my State. But you cannot fix them all. So you proceed. They lose most of the time, but they never give up. On and on. That is all right. But it ends.

I would like the bill to get called up. I would like us to vote on it. I would like the American people to know the contents of the bill. I have given you some today, and I hope what we will do each day this week and next week will bring down six or eight of the major policies, big ones.

In this country, you cannot build new electric lines in certain places. You end up with what is called gridlock. You come this far and you run into a State on the other side that says you cannot get any right-of-way under any circumstance unless the people agree. They are not agreeing. Why should they? They don't want a pipeline, but America needs it—or an electric line.

You know what we did in this bill, what I did as chairman? I got the majority, including Republicans, to agree you go about your business trying to get that done. But after a period of time, if you cannot, and it is found to be in the best interest of America, FERC will condemn you on it. We haven't gotten too much guff on it. A lot of people say, don't get the Federal Government involved. Who is going to do that? If we come up to that line, OK, if you want more electricity, where are you going to get it? That is a lot of places. It is fixed in this bill. I cannot do any more. There are a lot more and they are pretty good. Yes, some are not so good.

Senator GRASSLEY has made a big push for wind energy. One would wonder why CHUCK GRASSLEY, chairman of the Finance Committee of the Senate, would do that. But his State has made a push for it. This bill has a major new emphasis on wind energy. It is terrific. It continues the subsidy we have had that has brought this industry into motion. But do you know what? It is going to stop because what is needed to keep it going is in this bill.

It is the same for geothermal and solar. I don't know what else to do. I have left it alone for a couple of months, thinking maybe somebody would do something. All I can do is, sooner or later, come down and say it is just not right—not right for our country, not right to blame other people when it is right smack in our lap. So I think we ought to get it done.

I yield the floor.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The pending bill is S. 1637.

Mr. BYRD. Mr. President, I note the presence on the floor of the distinguished Senator from Iowa, Mr. GRASSLEY. May I inquire through the Chair, is the Senator here to speak on the bill?

Mr. GRASSLEY. No. Right now I am not going to.

Mr. BYRD. I would be happy for him to proceed if he wishes.

Mr. GRASSLEY. I am going to wait a while, because I have spoken so many times, I ought to give other Members an opportunity.

Mr. BYRD. Mr. President, has the Pastore rule run its course?

The PRESIDING OFFICER. Yes, it has.

SPRINGTIME IN WASHINGTON

Mr. BYRD. Mr. President, it was not long ago—just a few short weeks, in fact—that Washington was cloaked in the somber palette of winter, a chiaroscuro of black, charcoal, burnt umber, and paler shades from snow white to icy slush.

In the bleak mid-winter
Frosty wind made moan,
Earth stood hard as iron,
Water like a stone;
Snow had fallen, snow on snow,
Snow on snow,
In the bleak mid-winter,
Long ago.

Thus wrote the nineteenth century poet Christina Rossetti.

Despite the threat of a last snowstorm here, and large snowstorms in the Northeast, today presents a very different picture. It is as if an old black-and-white photograph has been gently tinted by a master's hand. A soft, green mist has crept over barren fields and dormant lawns. A rosy blush, tenderly applied, warms the tree tops with the buds of new leaves. Spangles of color, royal crocus and cheerful daffodil, sparkle among the decaying leaves. Iron-hard earth, now pliable, exudes the lush scent of fertile earth, and water, released from its frozen prison, gushes merrily over the stones. The stark infrastructure of life, the bare branches and simple undulations of the earth, are transformed each day by the miracle of the awakening season that even a temporary return to colder temperatures cannot stay.

As Robert Burns wrote:

Again rejoicing Nature sees
Her robe assume its vernal hues,
Her leafy locks wave in the breeze,
All freshly steep'd in morning dews.

On this past Saturday, March 20, Spring began. I am always glad to welcome it. Erma welcomed it, too. As the Earth fills with life, we can each share in that sense of renewal. Like the plants around us, we can take in the energy of the Sun and transform it into energy and enthusiasm for life.

It feels so good to take a few minutes to take a walk with my little dog, Trouble, or Baby, as I have nicknamed her—to take a walk or just stand and bask in the warmth of a sunny window and feel miles away from the pressures of work. To see a flock of robins busy on the lawn, keenly listening for the subterranean noises of an earthworm, takes me back to boyhood dreams of sunny afternoons long ago spent rediscovering the outdoors after a winter spent inside. The soft song of the whippoorwill recalls those first nights sleeping with the windows opened wide, cool breezes fanning the curtains, and the smell of sheets that had been dried on a line with clothes pins—remember the clothes pins? I can smell the earth of a newly tilled garden on a hillside, a lovely scent in the early days before the weeds come on strong.

As Mary Howitt wrote:

Buttercups and daisies,
Oh, the pretty flowers;
Coming ere the spring time,
To tell of sunny hours
When the trees are leafless;
When the fields are bare;
Buttercups and daisies
Spring up here and there.

This year there is so much to distract us from the simple pleasures of a springtime afternoon. The omnipresent undercurrent of terror threats, the ongoing military operations in Iraq and Afghanistan, the difficult budget and trade issues, and the building election battle—all of these vie for our attention, and all of these deserve our attention. But spring does put all of these great issues into a larger context, reminding us of the permanence and the adaptability of the Earth and the even-paced cadence of life. For all that men do to each other and to the Earth, the seasons continue to roll onward, inexorable.

We, too, would do well to take a longer view and spend our effort against the long term, like a gardener planting perennial flowers or carefully siting a young tree, mindful that it will still be growing many decades hence. We must not be deterred by short-term setbacks or be daunted by the size of our problems. With discipline and consistent effort, we have beaten large deficits before. We have survived greater wars before. We must focus on our Nation like a good gardener focuses on his plot, improving the soil, pruning the weeds and deadwood, adjusting our seeding as conditions change, always mindful that a good effort this year builds toward a good harvest and a better year next year. The Nation we want our children and grandchildren and great-grandchildren to grow up in is like a well-tended garden—rich and productive, vibrant with life and opportunity, a place of beauty for all to admire and emulate.

Who loves a garden
Finds within his soul
Life's whole;
He hears the anthem of the soil
While ingrates toil;
And sees beyond his little sphere
The waving fronds of heaven, clear.

Thus wrote Louise Seymour Jones. She captured well the closeness to the Creator that being in nature brings. Even within the fortresses of stone, concrete, steel, and glass that surround us in Washington, spring finds ways to lighten our hearts. The pansies that smile at us from flower beds outside, the dandelions that invade even the smallest cracks in the pavement, bring nature's message home—take heart, spring is here at last. And to those facing the deep drifts of late season snowstorms farther north, be patient. Spring is coming.

Surely as cometh the Winter I know
There are Spring violets under the snow.

So observed R.H. Newell. In the Northeast, then, there must be a sea of violets waiting for the melt.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Hampshire.

Mr. GREGG. Mr. President, first, I appreciate the Senator from West Virginia reminding us that spring is going to come, soon we hope. It is always a pleasure to have his spring speech. It causes us to spring forward with enthusiasm.

The reason I rise today, however, is to address this issue of FSC, which is the tax bill that recently was not allowed to go forward because of failure to get cloture. Cloture, of course, is a weapon that can be used by the minority in the Senate for the purposes of avoiding acting on legislation. It is a very legitimate tool, and it is something that has historically served the Senate well. But its purpose should not be to stop legislation which is critical to American workers.

The FSC bill, if it is not approved, will lead directly to the loss of jobs in the United States. We have, regrettably, found ourselves in a situation where the World Trade Organization, to which we are a signator and in which we participate, has ruled that we, as a nation, are in violation of the rules of international commerce.

We fought this case aggressively. We used our legal rights. We lost in a court of jurisdiction, which we acknowledge and which we respect.

As a result of losing that case, it is very clear the European Community, specifically, has the right to assess tariffs, duties, or penalties against our products as they move into Europe. The practical effect of those duties is that our products will be less competitive. The practical effect of them being less competitive is fewer of them will be sold. The effect of fewer of them being sold is that fewer Americans will be employed to produce them. The bill before us today is a jobs bill.

So why was the weapon of the filibuster used against it? Why would the Democratic membership of this body, many Members who have come to this floor on innumerable occasions, lament the state of the economy, lament the actions of this administration relative to the issue of the creation of jobs, expressing at least formal concern, if not substantive concern, about the fact that the economic recovery that we are participating in has not created as many jobs as historic economic recoveries usually create? Why would the Democratic Party in this Congress, in this Senate, bar our ability to pass a bill which would correct a problem which, if not corrected, will lead directly to the loss of American jobs? It makes no sense at all.

The only reason they appear to have done it is because they wish to make a political point on an issue which is tangential to and not related at all to the issue of the jobs which will be lost as a result of failure to pass this bill which corrects tax policies and gives relief to the workers who will lose their jobs if this bill is not passed.

It is purely a political decision on their part to try and highlight their concern about a regulation which is being issued in the Labor Department, which has not yet been finalized but which they believe is an inappropriate action. This regulation deals with overtime pay and the attempt by the Labor Department to straighten out what is a morass of regulations on the issue of overtime pay, which has led to a litigation frenzy and has also created significant costs in overhead to the community of entrepreneurs in this country who are trying to create jobs for Americans.

Independent of that, this regulation has no bearing at all on the WTO case, on the duty issue, and on the jobs which will be lost if this tax bill is not passed.

This regulation is not even in place yet, has not even been formally written yet. We do not even know what is in it in its final form. Yet the Democratic membership of this Senate is willing to hold up this bill over a regulation which is not yet finalized, the language of which we have not yet seen, in order to try to make a political point, which political point is costing Americans jobs because we cannot respond to the ruling of the WTO and create an atmosphere which will allow our people to sell overseas without being subject to a punitive duty.

I think this action is callous on the part of the minority in the Senate. This action of using the filibuster to stop this bill, which would allow more jobs in America to be created, is callous because it is so politically motivated. Its only purpose appears to be to make a point on a regulation which is not yet even finalized. So we find ourselves in a position where for literally months Members of the other party have claimed that this administration's economic policies have led to a jobless recovery. Some of them do not even admit that we are in a recovery, but to those who are honest enough to say we are at least in a recovery, they say it is a jobless recovery, and they come to the floor and claim that this administration has no sensitivity to the needs of American workers because of this jobless recovery. Yet at the same time they filibuster a bill which, if it is not passed, will absolutely lead to the loss of jobs in America, manufacturing jobs specifically.

So one has to question whether all the presentations on this floor which have occurred before now, which have claimed concern that the jobless recovery is affecting America and is inappropriate and that this administration is not doing enough in the area of creating jobs—one has to wonder if all of those claims were not crocodile tears because if they were legitimate, if they were real, if there was a real concern about the creation of jobs on the other side of the aisle in this Senate, this bill would not be blocked today.

It is incomprehensible that a bill that should have gone through this Senate with no opposition, a bill that should have passed almost perfunctorily to address the adverse decision of the WTO against us, but in order to correct that problem so that the duties which are going to be levied against our manufacturers would not occur, that that type of bill would have been stopped and would have been stopped over such a political exercise. We have already voted on this issue relative to the Labor Department regulation once, and the regulation still is not final. Are we to continue to vote on it with all legislation that comes before the Senate or should we not take the proper approach, which is let the Labor Department make their finding, let them issue their regulation, the final regulation, and then once we have had a chance to actually read the regulation—I know that might come as a shock that some people would like to read the regulation once it comes forward—then if the other side of the aisle still has concerns about it, there are a number of courses of action they can take, including an expedited procedure to repeal the regulation which we have as a matter of process in this Senate.

To hold up this bill over a regulation which is not final, the language of which this Senate has not had a chance to look at because it has not even been printed—this is a bill that will directly impact the ability of Americans to hold and keep their jobs—is a callous and inappropriate action by the other side of the aisle, purely politics.

Yes, we are in a Presidential season and, yes, we all are sophisticated enough to understand that much of what happens on the Senate floor and the Congress for the next 8 months will have huge political overtures and tinges to it, but on this issue, where there is no legitimate difference of opinion as to the need to pass this bill, or there should not be, on this issue which is going to have an immediate present impact on people whose jobs would be lost as a result of these duties being levied on this bill, we ought to set the politics aside and pass the legislation.

The filibuster ought to be stopped. We ought to move forward. It is time to move on with this legislation.

I yield the floor.

The PRESIDING OFFICER (Mr. CORNYN). The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I thank my colleague from Iowa for the bill he has put forward, the JOBS bill. I want to take a few minutes to talk to my colleagues about the impact of this bill, if we can get it through. I am very disappointed we were not successful on the cloture motion.

In relation to the impact on jobs, particularly in rural areas, such as in some of the areas of my State of Kansas, the chairman has done a masterful job of crafting a jobs bill that is a true jobs bill. It is going to create jobs.

Let me give you a couple examples that will have a direct impact in a State such as mine in the manufacturing sector. That is the area in which we are trying to create jobs. One of them is in the aircraft industry. He extends the service rules on bonus depreciation for 1 year. That is to say, if the product is put in service a year later, we are going to still be able to use the bonus depreciation.

You may say: Well, big deal that you can do that. In the business of aircraft manufacturing you need some time. It takes some time to build the aircraft. It takes time to order up all the subparts. My aircraft industry people—which fan out from Wichita to several surrounding States—say by putting in a bonus depreciation last year, they tripled the level of sales they had prior to that. And by extending the bonus depreciation time period of putting the airplane actually into service, we are going to extend that life expectancy for us to get increasing aircraft sales. They say this is a must thing for them to increase and to continue the trajectory back into job creation in aircraft manufacturing.

The chairman put this in. There is a zero cost associated with it in the bill. Absolutely, without this we lose manufacturing jobs in Wichita and the surrounding communities that reach out to several surrounding States. It is in the bill. We have to have this or we lose jobs.

The other thing the chairman did that was magnificent that affects about 12 States in particular—this is going to be a key job creator in an area of the country where it has been tough to create jobs—has to do with counties that have been losing population. While the overall country has grown in population, and while my State of Kansas has grown in population, half of the counties in my State have lost population over the last 20 years.

As we have mechanized in agriculture, as agriculture has concentrated in larger farms, larger agribusiness enterprises, we have lost job opportunity, we have lost people in agriculture—the field I came up in, the field my parents and one of my brothers still farm in. But we have lost jobs in half of the counties, lost population in half of the counties in Kansas.

The chairman included in this JOBS amendment for the first time in recent history, if not the first time ever, some opportunities to be able to create jobs and economic incentives for counties that have been losing population. Key States that benefit are North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Colorado, Iowa, Missouri, Minnesota, Montana, States that sweep throughout the Middle West. The Great Plains area has many counties that have lost population.

What did the chairman do? He kindly put in a provision we have started and put forward. We have a bipartisan bill called the New Homestead Act, creating economic incentives for people to move into areas that have been depopulated, and saying that a county, if it qualifies, gets this economic incentive.

To qualify, you had to have lost 10 percent of your population over the last 20 years. The New Homestead Act is a bipartisan bill we have been pushing for some period of time.

The chairman included the initial provision of a rural investment tax credit in the managers' amendment, as well as a qualified rural small business investment credit.

What would this do? These sections provide a credit with a present value of 70 percent of qualified expenditures on newly constructed rural investment buildings, and a 30-percent tax credit for expenditures on starting or expanding a business. These are in counties that have lost 10 percent of their population over the last 20 years.

I can tell you, as I have traveled across Kansas, as I have gone into those counties that have seen, year after year, population decline; that have seen, year after year, declines in their K through 12 public education schools; that have seen, year after year, younger people moving out saying: I would love to live here but there are no jobs; that have seen, year after year, people saying: Well, I guess that is the trend we are in—when they look at these economic opportunities to locate in a place that has been depopulating, they are saying now that is something that will work, that is something that is going to create some opportunity, some hope, jobs, and, yes, people moving back into these counties that have lost so much population throughout the High Plains.

This is a first step. It is not everything I wanted, but the chairman put it in the managers' amendment. This will create jobs and opportunities in some of the toughest areas in the country to create those jobs and opportunities—places that have been losing population, in highly rural areas, far away from urban areas, in places where we have not been able to put forward a decent set of proposals of something that is going to work.

We have for years put in place employees to try to create rural opportunities, to encourage people to move back to rural areas. We have tried to do a lot of different things. When I was secretary of agriculture in Kansas, I even worked with a group just to document and to list all of the rural development programs that are available to people in Kansas. We had a book that was a half inch thick of State and Federal programs that are targeted at rural development and creating rural jobs. As we created all of those programs, we have still continued to see the population decline and the job opportunities decline and communities decline. People say: What are we going to do?

What we put forward was a bipartisan bill to create economic incentives such as we used in urban areas. When we were seeing the urban cores of our country losing population, losing economic vitality, we said, let's create economic opportunity. We did it in Washington, DC. We put forward a list: OK, we will have an enterprise zone, a tax credit situation in Washington, DC. We put in a $5,000 tax credit for first-time home buyers to get people to move back into the area. We put together a series of economic incentives, and these have worked.

So for all those years we created these rural development programs, the thing we were not listening to was: How did people locate in the High Plains in the first place? The Homestead Act. Why did they go there? Economic opportunity. If I go out to this region, and I settle on 160 acres, and I stay there for 5 years, it is mine. We had millions of people move out to do that.

The New Homestead Act is trying to model that same issue saying, what is the answer? It is not a Government recruitment program. It is creating a series of economic incentives. And that has worked in our urban cores. It has worked in the rural areas before. It will work here again.

The chairman has it in his mark. Unfortunately, we are not getting this bill to the floor. We are not being able to vote on the JOBS bill. This has the starting edge of the opportunity to create jobs and economic vitality in a region of the country where we have had the most difficulty doing this.

I applaud the chairman for putting this in the bill in the managers' amendment. It is a start. We want more economic incentives in this area. It will create jobs and opportunities. We have to get this up to vote on it, to create these opportunities.

I am most disappointed we were not able to get cloture through so we could get a chance to propel this issue forward. I say to my colleagues who voted against cloture, at some point in time we are going to have to deal with this issue, with this tax bill. We are being hit by a trade case—everybody knows about this—from Europe that we have lost. We have to make these changes. At some point in time either the tariff against our goods is going to rise, rise, rise, and we are going to lose market, market, market in the process, or we are going to pass this bill.

So we are going to have to pass this bill. Why not do it now when we can create the incentives, we can create the jobs and the opportunities, do things such as a portion of the New Homestead Act that helps create these opportunities in some of the most difficult areas to create jobs and economic vitality and do it now and early when we can get some advantage out of moving this forward? I don't understand why we would want to hurt that.

I want to back up to an earlier point I made. I want to press this further. Going into 9/11, the aircraft production industry, the construction industry, the people who make aircraft—Cessna, Bombardier, Learjet, Raytheon, Boeing, the large commercial airliners—they were going into a soft marketplace because the recession was starting in the country prior to 9/11. Their orders were tailing down at that point. They are frequently a leading economic indicator of what is happening. As corporate profits were going down, a lot of their orders were going down. As the airline industry was not making money, the aircraft purchases, the orders that were coming to Boeing were going down. Then we had 9/11, and it was a brick wall. It fell. Business in aircraft plummeted at that point in time.

What we saw in the aircraft manufacturing industry was a precipitous fall off of employment of 30 percent across the board. Not quite everybody, but virtually across the board had big layoffs. I was meeting with the industry and asking what can we do. And they were saying: We have to get the economy moving forward again. We need to make sure these jobs don't move overseas because when we have a difficult situation, there are always people around the world trying to get aircraft manufacturing jobs. They are the highest wage, highest skilled manufacturing jobs in the country. A lot of places want them.

They were saying: We need to work to make sure we have enough research dollars getting out the next wave of products so when the industry turns back up, we will be there with the new products that are better, that fit the needs of our customers more. So we put more money in research. And we did that this past year. It was an important thing to do so we don't get somebody else technologically jumping ahead of us and taking the industry over.

This last year they said to me that an absolute thing we just have to have now to get the industry to take off is bonus depreciation. With that, we will be able to make airplanes sales. Without it, we will not. We were able to get bonus depreciation on business equipment, which included aircraft used in business and business purposes. True to their point—they have shown me the sales numbers—their sales numbers tripled from the point in time when we put in a bonus depreciation. As people looked at the bottom line of the cost of the aircraft and they figured in that bonus depreciation and it dropped the total expenditure they were going to have to pay, sales soared. It kept them from laying off more people, and it gave some spunk to the industry. That is a great manufacturing industry. That was working and working well.

But then they started running into a problem that they were getting the sales, but they had to put the aircraft into service by the end of this year. By the time you place an order and are able to make the aircraft and deliver it, they were hitting timelines they could not make. This is a very complicated piece of machinery. It has to be done exactly right. It takes time. They would get the order, but their production schedule was such that they were not going to be able to get this into service by the end of this year, December 31, 2004. They were pleading with me and Members of this body saying: You have to extend that date of service in a year so we can continue to get these orders in and then be able to manufacture them in time to be able to get them placed and used.

They were saying: This is a killer. If you stop this, if you don't extend this bonus depreciation a year for putting the aircraft into service, we are done. We can't take any more orders at this point in time. We cannot get the craft made by the time it has to be in service to qualify for the bonus depreciation. We have to have it or else you are going to kill the recovery taking place in the aircraft manufacturing industry.

I talked with the chairman a number of times. We got it in the managers' amendment. As I noted to my colleagues, it was scored at a zero for its fiscal impact on tax receipts, which is a great score. It doesn't have an impact on our budgetary situation or on our budget deficit. It only has a positive impact on employment. This is critical for manufacturing jobs in America.

Let me give you one example of this creation of jobs. Consider the example of Cessna, a great aircraft manufacturing company. It employs a significant number of Kansans in Wichita and the surrounding region. For each plane that Cessna builds, they create 21 manufacturing jobs. Using the Department of Labor aerospace workforce multiplier of three, each aerospace job creates three indirect supplier support jobs. That means for every aircraft that Cessna sells and builds, 63 jobs outside of Cessna are created on top of the 21 inside. This is all associated directly with bonus depreciation that is extended in this bill.

You have a series of direct high-wage, high-skilled manufacturing jobs you are going to lose if we don't pass this bill. Extending this placed-in-service date for bonus depreciation, which is what the substitute amendment does, means that equipment that has a longer placed-in-service period will continue to thrive and help provide and maintain jobs. We are just at springtime. We are just at the phase where this is starting to take off. And if you don't extend that period of time when it can be placed into service, you kill it before it can really do the good it needs to.

Everybody in this body and in this country is concerned about jobs, outsourcing or, rather, overseas migration of jobs. Here is a classic manufacturing job that overseas countries are seeking to take from us. And we have the direct opportunity to create and keep those jobs here, but we have to pass this bill. We have to get it through. It will have a direct impact on this. We have the numbers of what it has done. If we don't pass the bill, it doesn't happen. We don't get these sales of aircraft. We don't create these manufacturing jobs. They end up moving, if other places get established in this aircraft manufacturing business and they seek to do that, to Japan, Taiwan, China, Brazil. Other competitors seek to get these high-wage, high-skilled manufacturing jobs out of America and into their countries.

We have the bill at hand to help us stop that at zero cost. We have to do this. It is ridiculous for us not to do it. And the sooner, the better, so that more of those sales can be made.

If you put this bill off 3 months, and we still have to operate—this aircraft has to be placed into service by the end of this year, anybody trying to sell a business aircraft has to go out to people and say: You can order it and we will sell it to you now, and we hope bonus depreciation will apply to you. But we can't guarantee that today because the Senate has not acted. If the Senate acts, yes, we can get the aircraft manufactured. And you will have it in time with bonus depreciation. But unless the Senate acts, we can't sell this based upon bonus depreciation because we can't get the craft made.

If you do this now and make this change in this tax provision, they can start selling aircraft again. If you don't do it now, they have to go out to people and say: We think we will get this done. We hope we will get it done. But you can't bank on it. This aircraft, if you have bonus depreciation, it is at X price, but if you don't, it is much higher. What is it going to do to sales? You are going to freeze a lot of sales. If you freeze sales, you freeze jobs. You have to make the sale to be able to manufacture this aircraft.

Bonus depreciation will allow companies to depreciate an additional 50 percent of their new equipment in the first year of ownership. That was a key economic jobs growth component of the Jobs and Growth Tax Relief Reconciliation Act of last year. However, to qualify for bonus depreciation, the equipment must be purchased and placed in service before the end of this year. This is problematic for expensive equipment that takes a long time to manufacture, such as general aviation aircraft.

We have to get this done. This is a direct jobs issue in my State, in this region. Here is a classic example of what it does. I urge my colleagues who voted against cloture, for whatever reason, to reconsider it based on what is happening in their States and also based on these specific manufacturing jobs in the aircraft industry, or if they are one of the 19 States that have a substantial area of their State that has lost population in the rural areas over the last 20 years.

My State has lost 50 percent. Some States in the country have lost up to 80 to 90 percent of their counties. If you are a State in that area, you would look at the provision that is the starting edge of this new Homestead Act—initial tax benefits—and try to attract capital, rural investment tax credit, into these declining population areas and say: I am going to have to pass this bill anyway because of the tariff issue with the European Union. Here is a provision that helps my region—and the sooner the better—on both the tariff issue dealing with Europe and the rural development issue.

Let's do it now, get it passed. I know we are in a political season and people jockey politically. But we should not mess with this bill. It meets the need everybody has been citing—the need for jobs and job creation. We should not mess around with this bill. There are plenty of other bills that one could hold up, for whatever political issue, and there are legitimate differences between the parties. This is not one that we can afford to do it on. It has a penalty dealing with Europeans, and it has a bonus dealing with us. We need to get this through now.

Mr. President, with that, I appreciate the opportunity to address these items as it affects my State.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, during the day, there have been a number of statements given about the importance of the bill upon which the Senate is now acting. I agree. We agree on this side that the bill that Senator BAUCUS and Senator GRASSLEY worked to bring to the floor is very important for our country. We think it is so important that we are willing to basically say, on the overtime amendment, Senator HARKIN would take only 10 minutes. The majority can take 10 minutes, and we will vote on it. There are a couple of other amendments, as we have discussed before. We did have 75 amendments. That list has been cut down to approximately 10, and there will be short time agreements on each amendment.

We can complete this bill very quickly. It is, as has been said on a number of occasions by various Senators, a bill that is important. I acknowledge that. This overtime issue is also important. I refer to the Wednesday—today—Congressional Quarterly. In this, the chairman of the Finance Committee indicates that he would prefer a vote. This is a direct quote:

> I prefer to vote things up or down and move on.

He said:

> My feeling is that sometime we have got to face this issue. So we might as well face it now.

Senator GRASSLEY is absolutely right. This issue is not going to go away. It is an issue that affects 8 million Americans. It is whether or not they are going to be paid overtime, whether or not the overtime is going to be taken away from them. We recognize the importance of this bill, but we recognize that we have an obligation to 8 million working men and women in this country, and we are going to do everything we can to make sure that we have the ability to vote on it.

In September of last year, there was a vote on whether the President should be able to move forward on this overtime proposal. The Senate said no. The House of Representatives voted, also by a large margin, approximately 225 votes, saying we agree with the Senate. They instructed their conferees to follow the Senate's lead. This is a matter stricken in the middle of the night without a single Democrat present, and that is not the right way to legislate.

Senator GRASSLEY is right. My feeling is that somehow we have to face this issue, so we might as well face it now.

There have been statements on the floor today that this overtime issue is not important; how could this issue hold up what we are trying to do on this overall legislation? I said it last night and I say again, if the majority thinks this is not a very important issue, then they have made their case; we have made ours; let's vote on it. I am convinced the vote would turn out just as it did last time. We would send a message to the President that what he is doing on overtime is wrong.

Also, there have been a number of statements on the Senate floor that are simply not based on fact. I guess this is an effort to separate myth from reality.

One myth that is floated here is that the Harkin overtime protection amendment would prevent the Department of Labor from issuing any new overtime regulations.

That is false. The facts are that the overtime protection amendment would allow the Department of Labor to issue any new overtime regulation as long as it did not restrict the eligibility for overtime pay. Overtime pay in this country has been the rule for more than half a century. Why suddenly do we want to take it away? That would be wrong.

Another myth that has been propounded on the Senate floor over the last few days is the amendment is not necessary because the administration has no intention of taking away workers' overtime.

Reality: The administration has been fiercely opposing this amendment since last summer, even pressuring the omnibus conferees to disregard the rules of both the Senate and the House. If the proposed rules do not cut overtime pay, why would the administration be opposing this amendment so strongly?

Another myth: The administration's proposed rules do not cut overtime.

That is false. The Department of Labor's economic analysis shows these regulations do cut overtime. That is a fact. That is reality.

Another one of the myths floating around here that has been stated on a number of occasions: The Department of Labor's plan would not cut overtime for police officers.

That statement is false. In reality, the true facts are, if you talk to anyone outside the Department of Labor who has studied this issue, you will find a consensus that these regulations will hit police officers in their pockets. Police sergeants and low-level supervisors will lose their overtime pay under these proposed rules. The fact that a sergeant spends 90 percent of his time walking a beat will not matter if he performs any office or nonmanual work. This could mean supervising officers or filling out a shift schedule causes you to lose your overtime.

To confirm this, the International Union of Police Associations and the National Organization of Police Organizations agree this proposal will hurt their members. The Fraternal Order of Police submitted comments to the Department of Labor last year arguing that many public safety officers currently considered as nonexempt would be reclassified as exempt employees. This is under the proposed regulations. Secretary Chao has assured the Fraternal Order of Police that the Department does not intend to cut overtime pay for police officers. One thing we know for sure, the Department of Labor will keep that promise if the Harkin amendment is adopted.

Another myth: The Department of Labor has not proposed any changes that would harm nurses or medical technicians.

This statement is categorically false. In reality, the fact is, registered nurses and limited practical nurses who do not have 4-year college degrees cannot be denied overtime protection under a professional exemption. However, the Department of Labor has proposed changes in the criteria for a professional exemption. The Department of Labor's own analysis said, and I quote directly from the Department of Labor:

> The proposed rule allows work to be substituted for all or part of the educational requirement for exemption of learned professionals.

In other words, a nurse with a few years on the job would be reclassified as an exempt professional, in effect saying you do not have a degree but we will consider you having a degree. The nurse—he or she—would lose their overtime pay.

Another myth: This administration is not trying to take away the overtime of blue-collar workers.

That is false. In reality, the fact is, if a worker earns $65,000 a year, that worker could be considered a highly compensated employee. In fact, $65,000 is still a lot of money, but today it is the mean annual income of a white male worker in this country. So it is not really highly compensated in the true sense of the word. It is the person who makes an average living. Should not that person making an average living be able to be compensated for his hard work? Should he not be able to be rewarded for hard work?

If that highly compensated employee has any say-so whatsoever in the employment status of coworkers or has any supervisory duties, that worker could be exempt, that highly compensated employee who is also an administrator or an executive. So it does not matter if you do not wear a suit or pack your dinner in a lunch pail; if you earn the mean annual income and have any kind of supervisory responsibilities, you lose your overtime pay. That is a fact.

Another myth promulgated: The regulations would not affect carpenters, electricians, mechanics, plumbers, iron workers, operating engineers, longshoremen, or construction workers because section 541 301(f) specifically protects them.

Wrong again. In reality, the fact is the proposed section 541 301(f) states the obvious—that these occupations are not recognized professionals, but these workers could still be exempt as highly compensated employees or an executive or an administrator.

The fact is, this regulation does apply to carpenters, electricians, mechanics, plumbers, iron workers, operating engineers, longshoremen, and construction workers.

Another myth: The Department of Labor has nothing to hide.

In fact, no public hearings were held on these proposed new regulations. When Members of Congress found out about them, we immediately began fighting to block these regulations to protect the rights of 8 million workers to be fairly compensated for working overtime.

If there is a reason this most important legislation that we, the minority, think should pass doesn't pass, it is all in the hands of those people who, for reasons I do not understand fully—although partially—are unwilling to vote on overtime. They are unwilling to vote because they know the vote will show that the administration is doing something that is harmful, hurtful, and really bad for 8 million people who work in America. It is wrong. We need to send a message to this White House that what they are doing is wrong.

Mr. President, we know the administration has said they do not want to cut anyone's overtime. If that is the case, then we should adopt the Harkin amendment because that certainly would put into law what the administration is talking about doing.

As I said earlier, police are concerned about losing their right to overtime, and we are told the Department of Labor, through Secretary Chao, has assured the Fraternal Order of Police that the Department does not intend to cut overtime for police officers. I repeat, the one thing we know for sure is the Department of Labor will keep that promise made by the Secretary of Labor if the Harkin amendment is adopted. I hope it is adopted. I hope we have an opportunity to vote on it.

If this bill is pulled down, it is not our fault. We have indicated that this legislation could have been finished easily by today. We have wasted 3 days on this legislation. Three days have been wasted. We have voted on one amendment, and that is all.

I hope reality, in the sense of what we need to accomplish, will be the focus of the majority leader in the next 24 hours, and we can work something out and move forward on this most important legislation.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I admire my dear friend from Nevada, but I have to take issue with him with regard to if this bill is pulled down it is not their fault. Let's be honest about it; the overtime regulations have been put out for comment. They are not in place. They are not regulations that are going to bind anybody.

They are put out for comment so people can write in and say what is wrong with them. I am sure every word that has been said by my friends on the other side is going to be taken into consideration by not only the Secretary of Labor but the whole Department of Labor.

Correct me if I am wrong, but as I understand some 81,000 comments have already come in either for or against this proposed set of regulations. Now, what our friends on the other side want to do is amend the FSC/ETI bill, which is a jobs bill, parts of which we have worked on for years in the Senate Finance Committee. I, in particular, have worked on the international provisions for years. It is being worked on in the House, led by Chairman THOMAS. We know if this overtime provision is added to this bill there is no way the House is going to take it. The House will refuse to take it for very good reasons, the best being the rules are not even put in place at this point. What they want to do is rigidify and tell the Department of Labor, which is the expert in this area, what rules to put in place and to do it all on a one-sided basis without taking into consideration jobs, the economy, other people's jobs, and the unfairness of aspects of the system, all of which are being considered during this comment period.

So by trying to add this provision to this bill, they basically are killing a bill that would, over the years, amount to hundreds of thousands, if not millions, of jobs. So it will be their fault if the jobs bill fails, and anybody who does not understand that is in grave error.

This is a cheap vote for those on that side because they do not care what the Department of Labor does as long as it is more and more regulatory in favor of the trade union movement. I do not want the trade union movement hurt. There has to be a delicate balance, but they are consistently working to try to upset that balance. This is a perfect illustration of how that works. If this amendment is added to this bill, assuming we pass this bill, the House will not take it. That means the House will pass its FSC/ETI bill and not take ours. If the House passes its FSC/ETI bill and they do not take our bill, then there is another game being played by the other side, and that is they are being very selective as to which bills they will allow conferees to be appointed by the Senate so they can work with conferees from the House and come up with a conference report on which both Houses can vote.

So if we want to talk about fault, it is easily laid at the feet of those on the other side, and I think rightly laid there.

All this holy war on jobs that they have been raising, which is nothing but Presidential politics—and I think I can make that case in just a few seconds—they are basically undermining jobs in this country by not allowing this jobs bill that not only would save us $4 billion in unnecessary tariffs by the European Union—$4 billion that we can save for our benefit, which would create jobs, by the way—but also is preventing a bill that would create jobs, especially manufacturing jobs, which we are gradually losing because we are not competitive because we have not passed this bill.

Now they can make all the arguments they want about how important overtime pay is. I think sometimes those are good arguments. I think sometimes we ought to give consideration to the good arguments that are made, but we ought to do it after the regulatory process is completed and see what the Department of Labor does with the comments they are receiving, which is the way the real system works. The other side understands that.

So this is a political game during a political year, scoring what I think are ridiculous points on jobs, against a jobs bill that will make a real difference. They know that if they put this provision on this bill, it is going nowhere, and over time it is going to cost the American taxpayers at least 4 billion unnecessary dollars and a loss of hundreds of thousands, if not millions, of jobs.

So do not give me this business that we must do something about these overtime regulations right now because those regulations are not permanent or final, as far as I can see.

Right now we have one of the lowest unemployment rates that we have had in many years. I remember during the Clinton administration when unemployment was 5.6 percent, which is what it is today. They on the other side controlled the floor of the Senate, and they knocked out unemployment compensation benefits. They took them away because they knew 5.6 percent is close to full employment because when we count those who cannot work, those who will not work, and those who would not take a job if you offered it to them, we have a lot of the American people who make up the unemployment rolls.

Having said that, let me be fair to my friends on the other side. There are pockets of high unemployment in this country where people are suffering. There is no question about it. There are some of our bigger industrial States where people are suffering, where there is a job problem, where manufacturing jobs have been leaving. I would like to suggest a few reasons why.

No. 1, we have not passed this bill because the other side keeps playing around with it and would not even let it go to cloture today, filibustering even the motion to recommit. We have learned this on judges. We have learned this on innumerable pieces of legislation. Once they decide to go ahead and be obstructive, unless we can make some sort of deal with them, then they will try to add amendments to the bill they know the House will not take. They know if we want to go to conference because the House passes a different bill, then we cannot get Senate conferees appointed under the guise that they are not being consulted when it comes to conferences.

They should have gone back to those years when there were 62 Democrats and only 38 Republicans and we were never consulted unless we were the liberal Republican Senators. Yes, then they would not ignore the Jacob Javits of this world or some of the others who were extremely liberal, who were as liberal if not more so than they were, but discount any conservative being considered for any ideas or any conferences. It was run lock, stock, and barrel with an iron-handed rule. I was here. I lived through that.

We did not mouth off and whine and moan and groan every step of the way like we are getting on this particular important bill. Nor did we always come up with phony amendments that basically should not be considered until the rule comes into being.

If there are, in fact, 81,000 comments about the rule, the Department of Labor is going to take those comments into consideration, modify the rule, and hopefully make it work for the benefit of mankind, for the benefit of this country, and for the benefit of jobs.

So to stand here and say we will not give them a vote on this very premature amendment, which we know would kill this bill, is disingenuous at best. I get tired of this. I have been here 28 years, and I have never seen it worse than it is right now. These are little stupid games that are being played. I have seen it played by both sides, and I think it is despicable. But that is what is going on. Frankly, we have had nothing but that since we have taken over. There is a feeling on the other side that President Bush was not even legitimately elected, even though he was. I can make the best case for why we need the electoral college and did make it back when others thought they were going to pass the so-called election reform constitutional amendment. It lost overwhelmingly because when people understand the great nature of our system, they are not going to take some of these two-bit solutions that would change our Constitution in ways that literally undermine everything for which it stands.

This JOBS Act is an essential component in the agenda to accelerate job creation. American exports are being jeopardized by European tariffs. I have mentioned that. In January of 2002, the World Trade Organization authorized the European Union to impose tariffs on nearly 100 types of U.S. exports if a tax provision known as FSC/ETI was not repealed.

That is what this is all about. We have worked our guts out on the Finance Committee to repeal FSC/ETI so it is acceptable to the EU and to the WTO, so we don't suffer trade sanctions and all the jobs losses that go with that. People wonder why we are losing our manufacturing establishment. It is because of high taxes. It is because of more Government regulation. It is because of ridiculous arguments we hear from the other side on elements like this, where this amendment is so premature.

The punitive tariffs started at 5 percent on March 1 of this year, and they are scheduled to go up 1 percent each month until reaching 17 percent in March of 2005. The net effect of the new tariff would be to raise taxes on exports by 3.8 percent, jeopardizing $4 billion of U.S. exports and, I might add, job after job after job, which the other side claims they are for—jobs, that is. They are undermining one of the most important jobs bills in the last 15 years.

Among the U.S. sectors facing retaliation if we do not repeal the offensive FSC/ETI tax provisions are agriculture and food, wood and paper, textiles and apparel, glass and precious metals, iron and steel and manufacturing.

The Joint Committee on Taxation says 89 percent of FSC benefits go to manufacturing companies. You wonder why some of these bigger States are having problems? It is because of ridiculous approaches to legislation such as we are going through right now. That is what you have committees for, to work their guts out and try to get these problems solved in a bipartisan way. The JOBS bill is a bipartisan solution. I know; I helped to write the bill, as have, of course, the distinguished chairman and so many others, including the ranking member on the committee and others on the Finance Committee whose names deserve to be stated.

The remedy is Jumpstart Our Business Strength, or the JOBS Act. This act brings U.S. exports in line with the WTO, saving American businesses the European Union tariff of $4 billion over time. It creates a new phased-in deduction that would allow corporations, primarily those involved in manufacturing, to permanently deduct as much as 9 percent of their U.S. income from their taxable profits. That is equivalent to lowering their top tax rate from 35 percent to 32 percent. That will help keep our manufacturing jobs here.

It makes the deduction available to all businesses that manufacture in the United States, regardless of size or type. It targets tax shelters, and punishes the relocation of corporate headquarters to Bermuda and other offshore tax havens—something we have heard a lot of discussion about in these last couple of months from people on the other side of the floor. This helps accomplish what they have said must be accomplished. It imposes an excise tax on wealthy individuals who renounce their U.S. citizenship. It is about time we did that. This bill does it.

I have heard nothing but mouthing off from the other side. Here they have a chance of getting some of the things they would like to have. It is not in the wordage they want, which is more and more pro-union and less and less pro-jobs.

The JOBS bill is an important part of the jobs agenda, but Senate Republicans are looking into creating more jobs with a number of tools. The Senate Republicans' accomplishments are helping to put our people to work. I have to say in supporting this bill it is not just Senate Republicans, it is also a number of Democrats, Senators from the other side, who have been willing to open up and do what is right here, led by the distinguished ranking member on the Senate Finance Committee, Senator BAUCUS, who I hope will stand strong on this bill.

What we are trying to do is encourage entrepreneurship. We have done it by passing a strong small business administration bill. We are trying to improve infrastructure and create jobs through the highway bill. We are introducing new worker training incentives with the workforce investment bill. We have initiated a blueprint for responsible spending by passing a budget in the Senate, the earliest passed budget in history. We have extended unemployment benefits for the jobless and we have kept taxes low, created jobs, and we have grown savings and investment by enacting the jobs and growth bill.

On the "to do" list we are working on, we are working to prevent future tax increases on the marriage penalty, the per-child tax deduction, and the 10-percent low-income tax bracket. We want to stop those increases that would occur if these provisions expire. We want to create and protect American jobs by passing an energy bill which has been stymied by filibuster—again, another one. We want to create jobs and defend against junk lawsuits by passing class action reform. We have 62 votes for that, and we had 3 Democrats agree to support that bill—which means against all amendments, unless those who made the deal agree otherwise. Now we are finding they are not living up to that.

We have always had around 58 or 59. The last time we voted, we had 59 votes in the Senate—again, another filibuster stopping a jobs bill.

One of the most important ones is class action reform. We want to protect jobs, pensions, and shareholders, by passing an asbestos reform bill, but we have been told that will be filibustered as well because the unions don't want it, even though they are going to be the major beneficiaries of that bill the way it is outlined. We have written it that way, giving their workers the benefit of the doubt.

We are trying to create jobs by passing the Homeland Investment Act to encourage foreign reinvestment in the United States, and we are trying to create jobs by passing a strong economic development agency bill.

I can go on and on, but let me tell you, this filibuster of the JOBS bill is mind-boggling to me. We worked so hard. We worked in a bipartisan way. There is no reason any Democrat should say we haven't been fair to them. They may disagree with certain provisions, as some of them undoubtedly will, but overall it is a bipartisan bill.

I am very unhappy we were unable to get cloture today. When this bill first came to the floor it appeared to me the Senate leadership on both sides recognized the urgency and the importance of addressing this matter as soon as possible. Unfortunately, we quickly became mired in unrelated and partisan amendments. As many of our colleagues know, the European Union this month, as I said, began assessing 5-percent trade sanctions on certain U.S. exports because we have not yet been able to repeal the Foreign Sales Corporation, or FSC, and Extraterritorial Income Exclusion, or ETI, provisions that are in the Internal Revenue Code. So we are dealing with a matter of real urgency here.

This bill was reported by the Finance Committee last October. I believe it is important to note the strong bipartisan support this bill received in the Finance Committee. I congratulate Senator GRASSLEY, the chairman of that committee, along with Senator BAUCUS, its ranking Democrat, for their bold leadership in insisting this bill be bipartisan from its inception. This is a key attribute, because it is clear to me anything less than a bipartisan approach in the Senate will not result in success in passing this bill during this election year.

This bill represents the solution to a very difficult situation in which the United States finds itself. By successfully challenging the U.S. in the World Trade Organization, first on the Foreign Sales Corporation provision, and subsequently winning another victory on its replacement, the Extraterritorial Income Exclusion, the European Union has put us in a very tight spot. I think most, if not all, of us believe we must honor our obligations under the World Trade Organization. After all, we were present at drafting of the WTO rules. WTO rules overwhelmingly manifest principles of commerce and trade we have advanced, and embody a system that benefits us. As a result, most rulings in response to appeals before the WTO have been decided in our favor.

Yet few of us, if any, are eager to raise taxes on our exporting companies. Because any kind of solution that merely replicates the tax benefits of the FSC and ETI provisions will be ruled as another impermissible trade subsidy by the WTO, we are in the uncomfortable position of having to create winners and losers among U.S. companies.

However, because of the trade sanctions that are already upon us, which are scheduled to increase by 1 percentage point each month that these provisions remain in our Tax Code, we have little choice but to repeal them. The choice we do have, I believe, is to choose to repeal them in a way that leads to the greatest potential for future growth in our economy—future growth in jobs, if you will, which is what this bill is all about.

One might say that in this situation, the Europeans have handed the U.S. and its economy a bushel of lemons. However, I am pleased to say that the bill before us does a pretty good job of turning those lemons into lemonade.

It does so by taking this opportunity to put forward provisions that would improve tax incentives for manufacturing activities in the United States. And it does so by putting forth provisions to reform and improve the tax rules that govern international trade.

Is this bill perfect? No. It isn't. Anytime you make lemonade, something has to get squeezed. In this case, there is unfortunately not enough revenue raised by repealing the FSC/ETI provisions to make everyone who loses those benefits whole. This is because we are forced to spread the benefits of the tax provisions we improve in this bill over a wider group of companies than those who have been benefitting from the export provisions.

There are several ways this difficult situation could have been addressed. The easiest way would have been to merely repeal the FSC and ETI provisions and not tried to replace them. Of course, this would have resulted in a $56 billion tax increase on our economy, and one specifically targeted to American companies that are selling U.S.-made goods overseas.

I don't think anybody in their right mind would want to do that but that is what is going to happen if our friends keep playing games on the other side of the aisle.

Just as the tax cuts of 2001, 2002, and 2003 have been greatly beneficial to our economic growth, this tax increase would have been greatly detrimental to economic growth. I am happy to say that this bad idea was simply not an option considered in the Finance Committee.

Another approach might have been to repeal the export provisions and replace them with an across-the-board corporate income tax rate cut. This was an option brought up in the Finance Committee and we shall likely be seeing a floor amendment to do the same, if we can ever get back to this bill. While this idea has some merit and enjoys the virtue of being simpler to compute and administer, I believe it diffuses the tax benefits over too many businesses.

Such an idea, in my view, would create an undue hardship for many of the users of the export tax benefits in the current law. At a time when our U.S. manufacturers, who are, of course, our main exporters, are just recovering from a most difficult downturn, I do not think it is wise to hit them any harder than we have to with a net tax increase. Therefore, I will vote against any amendments to convert the tax benefits of this bill into a net corporate tax rate cut.

The situation handed to us by the Europeans also presents us with a rare opportunity to reform, in a limited way, some of the worst of the broken provisions that make up our international tax rules. These rules are badly outdated and are often harmful to U.S. companies engaged in an ever-increasingly global economy.

By enacting even a limited amount of reform, we can improve the rules and help all U.S. companies that face unfair tax competition with firms from other nations. Increasingly, even many small U.S. companies can and even must export their products. Therefore, many of the same companies that will be losing the FSC and ETI benefits under this bill will be gaining an increased ability to better compete internationally under the international tax reforms included in the bill.

I recognize that there are some Members of this body who do not readily recognize the need for this bill to improve the international tax rules. I have even heard some people intimate that improving these rules could encourage companies to move jobs offshore. I believe this is a phony argument based on a lack of understanding of the business world today.

In reality, business is done on a worldwide basis. Our firms are in competition with companies headquartered all around the world. We cannot close our eyes to this fact. To limit the ability of our U.S. businesses to compete fairly in the global marketplace might, at first glance, seem to some to add security for domestic jobs.

In the same sense, an ostrich sticking its head into sand might seem to think it has found security from danger. But, like that ostrich, a U.S. company that is effectively kept from competing in the global market will find itself far more vulnerable to danger, and could lose everything, including 100 percent of its jobs.

Our job is to do everything we can to help our U.S. companies succeed. We cannot change the fact that more and more of them compete in a worldwide market. So we should recognize it and help them deal with it. This means we must bring our tax rules up to date. Those who are unwilling to do so in the name of protecting U.S. jobs are just fooling themselves and failing to deal with the real world.

In conclusion, it is a tragedy that progress on this bill has been stopped. This is important legislation. It is too important for these political games that are being played on it. While there are many legitimate amendments that could and should be brought forward, we cannot afford to bog this issue down and stop progress on it. This bill is important for U.S. jobs. This bill is important for eliminating those trade sanctions that are even now pinching some U.S. industries and costing us sales and production. And, this bill is important for our long-term economic growth. I hope my colleagues on the other side will re-think their obstructionism and let us go forward with this important bill.

Let us be understanding. If the Department of Labor issues regulations and allows for a period of comment, we ought to at least allow that period of comment to finish and allow them to make the necessary changes the comments suggest—at least the good changes the comments suggest. We should not be playing political games here on the floor of the Senate on a bill we simply must pass because it will cost jobs not to pass this bill. In the end, it would be detrimental to our economy and our society at a time when we need help, at a time when we need jobs, and at a time when we are losing manufacturing jobs. This particular bill will help. It will help greatly, and it will help keep the United States of America at the forefront as the premier nation in the world on jobs and economic growth.

To have our colleagues refuse to even allow debate to end on the floor by not invoking cloture just shows how far they will go to use the filibuster rule as they have on countless bills and judges through the years to stymie what really should be done in this very important body.

I think we ought to get rid of political games and start working on this bill in a way that will improve it, if we can, but not muff it so the House won't take it; and then we have to worry about whether we are going to even be able to get to conference, assuming we have two different bills from the House and the Senate.

I hope our colleagues on the other side of the aisle will not do that in this case, but we have seen it done in other cases, and I suspect it could be done here, too, if the politics are right. I think that is what is driving an awful lot of the crap that goes on in this body. I hate to use that kind of language, but I don't know what else to call it other than crap.

Mr. ALLEN. Mr. President, I rise in support of an amendment submitted by Senator BINGAMAN and me to address a tax problem that makes the United States a less attractive location for international companies to build new operations here in the United States and thereby hire American workers.

As the U.S. economy emerges from a prolonged period of weak recovery, I believe it is important that the Congress seize the opportunity to enhance and improve the competitiveness of the United States as a location for new investment and job creation.

Investment in the U.S. from companies from Europe, Asia and Australia make a vital contribution to the American economy. In Virginia, we have investment from Europe such as Siemens, Framatome, Holtzbrink Publishing, BluePrint Automation, Drake Extrusion, Stihl, Porcher BGF Industries, Infilco Degremont, Maersk Container Services, DCS America, Volvo Trucks and BI Chemicals.

From Japan, we have investment in Virginia from Canon, Toray, Oji-Yuka Synthetic Paper, Yokohama Tire, NWB, "K" Line, Yupo, Dynax, and Sumitomo. From Canada, we have investment in Virginia from Maple Leaf Bakeries. From Australia, we have investment in Virginia from RGC Minerals and Industrial Galvanizers.

According to the most recent government data, U.S. subsidiaries of foreign-parented companies provide jobs to 6.4 million Americans and support $350 billion in annual payroll. It is worth noting that 34 percent of these jobs are in the manufacturing sector—more than double the proportion of manufacturing jobs at all U.S. companies. U.S. subsidiaries pay significant taxes here—new IRS data shows that federal tax receipts from these companies totaled $28 billion in 2000, 14 percent of all corporate tax payments.

This international investment coming into the U.S has declined over the last few years, as the net inflow of foreign direct investment into the United States recently dropped from $322 billion in 2000 to $40 billion in 2002.

Unfortunately, our U.S. tax code raises the costs of financing for international companies who want to expand existing operations in the U.S. or build new operations to serve the North American or western hemisphere markets. The United States competes against other nations for locating such manufacturing operations. The cost of financing is part of the complex decision that these companies confront when considering where to locate a new operation. Our amendment would make building or expanding U.S. operations more attractive, while still keeping in place the strong safe-guards against potential abuses.

Section 163(j) of our U.S. Tax Code is intended to ensure that companies don't engage in the practice of "earnings stripping" when borrowing from a foreign related party, e.g. a parent and an affiliate. And yet the law also limits the ability to borrow from an unrelated third party with regard to a loan that is guaranteed by the foreign parent company, even though there can be no "earnings stripping" if an unrelated third party receives the interest payment.

The Bingaman-Allen amendment addresses this barrier to job creation in two ways.

First, it removes borrowing from a U.S. taxpayer or public markets, such as commercial paper, from the calculation of disqualified interest and ensures that the borrowing relates to public debt or is truly with an unrelated third party who is subject to U.S. tax on such interest income.

This provision has the added benefit of encouraging international companies to borrow from financial institutions that are subject to U.S. taxation or the commercial paper market strengthening the U.S. financial markets and bringing tax revenue into the U.S. Treasury.

Second, our amendment removes from the calculation of disqualified interest guaranteed third-party borrowing to the extent the taxpayer can demonstrate it could have borrowed without such guarantee. This improved provision is sound tax policy because it requires companies to prove that they could have borrowed without the guarantee, while permitting them to access a lower interest rate by reason of a parent company guarantee. The revenue impact of this provision is potentially small given that when a company receives a lower interest rate, they also have a smaller interest deduction.

Our amendment is necessary because current law on the ability to deduct interest creates a disincentive for Virginia companies like Infineon Technologies, a global semiconductor manufacturer to make additional investments in the United States. Without our amendment it will be more difficult for Infineon to invest in its 300 millimeter wafer semiconductor fabrication plant near Richmond, Virginia. At full build out, this facility could create more than 1,000 good paying technology jobs in the Commonwealth of Virginia.

Another Virginia company that is affected by the ability to deduct interest is Alcatel, the U.S. subsidiary of Alcatel, SA, a global 500 corporation organized in France. Alcatel manufactures communications equipment for business and carrier customers, and it currently employs over 4,500 Americans with manufacturing facilities in California, Texas, North Carolina, and Massachusetts and approximately 100 employees in Virginia. The broadband network equipment manufactured by Alcatel is deployed in the networks of AT&T, SBC, BellSouth, Verizon, and Qwest, among others.

Alcatel has maintained a commitment to Northern Virginia's local economy through its operations in Reston, VA. As a multinational leader in telecommunications and Internet technology, it is important that Alcatel maintain this point of presence at the seat of our Nation's capital. Alcatel Virginia includes employees dedicated to providing administrative support, sales, human resources services, and senior personnel involved in Alcatel North America's Mobile Networks and Space Solutions Divisions.

Current laws on the ability to deduct interest could disallow the tax deduction of over $50 million that Alcatel's U.S. subsidiary is contractually obligated to pay to its foreign parent corporation each year. Unless the current law is changed, we will dampen potential growth by Alcatel in Virginia and across the country by effectively increasing the taxation of a corporation, which has chosen to create jobs in the U.S. through investment.

I have three more examples of what this amendment will mean to Virginia:

Winchester, VA—M&H Plastics, a British company, plans to locate its first U.S. facility in Frederick County. The manufacturer of plastic bottles, caps and tubes for the personal care market will create 57 new jobs through a $12 million capital investment. Virginia successfully competed with Georgia, North Carolina, Maryland and Canada for the project.

Leesburg, VA—WaveLight Laser Technologie AG of Erlangen, Germany has selected Loudoun County for its U.S. headquarters. Through a $5 million investment, the company will create 30 new jobs. Virginia successfully competed with Illinois and Maryland for the project. WaveLight Laser Technologie AG, listed on the Prime Standard since January 2003, develops, produces and markets laser systems in the fields of ophthalmology, aesthetic surgery, urology and industrial applications. WaveLight's market success is based on its innovative laser systems that are technology leaders in their areas of application.

Virginia Beach, VA—STIHL Inc. plans to expand its operations in Virginia Beach. Through an investment of $60.8 million, the company will create 200 new jobs. STIHL's investment includes the construction of a 228,000-square foot addition to its U.S. headquarters in the Oceana West Corporate Park. Virginia successfully competed with Brazil, China, and Germany for the project. STIHL manufactures the world's largest selling brand of chain saws and portable, hand-held, cut-off machines, as well as a complete line of outdoor power equipment for homeowners and professional users. STIHL Inc. is a subsidiary of German-based STIHL Holding AG & Co and one of seven manufacturing facilities in the STIHL Group.

Without the passage of the amendment sponsored by Senator BINGAMAN and me, it will be much more difficult for any of these three job creation opportunities in Virginia to occur. The bottom line is that we need to remove barriers to international investment in our United States. This Bingaman-Allen amendment will surely help achieve this goal. I urge my colleagues to join Senator BINGAMAN and me in supporting this common sense provision that will increase investment and jobs in Virginia and throughout our Nation.

Mr. President, I wish to speak in support of my Homestead Preservation Act that I have filed as an amendment to the underlying legislation to repeal the FSC/ETI tax regime. I do support this JOBS bill, which should be focused on helping U.S. manufacturers compete or increase American jobs.

This amendment would provide displaced workers access to short-term, low-interest loans to help meet monthly home mortgage payments while training for or seeking new employment.

This is commonsense, compassionate legislation designed to help working families, who through no fault of their own, are adversely affected by international competition.

Unfortunately, our economy has witnessed the loss of far too many manufacturing jobs over the last five years. It is important to note that these are the jobs that traditionally allowed working Americans to provide for their families, own a home, send their children to college and plan for retirement. All regions of our country have been touched in many manufacturing sectors. I share the concern my colleagues have expressed and share their commitment to stem this negative trend.

And while these are uneasy times for everyone, regions such as the southeast, midwest, northeast, and in southside and southwest Virginia, with heavy concentrations in manufacturing—especially the textile and apparel industries—have been especially hard hit. The textile and apparel industries have experienced a decrease in employment of 160,000 and 400,000 jobs respectively over the last decade.

While a portion of these losses can be attributed to expected contraction of the industry, experts have attributed much of the trend to increased international competition.

Fair and free trade is necessary if American businesses are to have the opportunity to promote their goods and services and continue to expand through growth abroad—NAFTA and recent trade agreements have created a net increase in U.S. employment.

But while trade is helping our economy as a whole, there are many good, hard working families, who have been adversely affected by international competition—especially in the textile and apparel industries, furniture and other manufacturing industries.

Anytime a factory closes, it is a devastating blow to all of the families and businesses in the community and region. While I was proud of the outstanding way the close-knit southside and southwest communities in Virginia came together to help those who lost their jobs, when companies like Pluma, Tultex and Pillowtex close their doors, the families of these communities should not be forced to go through these times alone.

I was so pleased to learn that after the Tultex plant closed in Martinsville in early December of 1999, people donated toys to the Salvation Army to make sure that Christmas came to the homes of the thousands of laid off workers.

With this amendment I am proposing that the Federal Government do its part to help Americans through these tough times.

Understanding no government program or assistance can substitute for a secure, well-paying job, I believe the U.S. government can reasonably assist families as they transition from one career to another. Presently, there are useful assistance programs that aid American workers seeking new employment, but unfortunately, there is nothing currently in place to protect what is usually a family's most valuable financial and emotional asset their home.

Two of the programs in place, the Trade Adjustment Assistance, TAA, program and the NAFTA Transitional Adjustment Assistance, NAFTA-TAA, program help workers get additional job skills training and employment assistance and provide extended unemployment benefits during job training.

In fact, once the doors were closed at the Pillowtex plant, the community and local government acted quickly to secure these benefits. Thankfully, Secretary Chao and the Department of Labor promptly responded to this request. Such quick action was much appreciated by these Virginians and North and South Carolinians, as it provided health insurance for their families, as well as resources for education and retraining to assist in finding a new job.

These programs are the result of the commonsense, logical conclusion that good, working people can lose their jobs because of trade—not because they did anything wrong or because they don't want to work. We ought to find a way to ease the stress and turmoil for people whose lives are unexpectedly thrown into transition after years of steady employment with a company that suddenly disappears.

While these hard-working folks are searching for appropriate employment, they should not fear losing their homes. For most people and families, their home is the largest investment they make in life. Many have considerable equity built up in their homes.

Government agencies already have low-interest loan programs in place to help families who have met with unexpected natural disaster like a hurricane, a flood or a tornado. When a factory closes, it is an economic disaster to these families and their communities. The effects are just as far reaching and certainly as economically devastating.

Like a natural disaster, families displaced by international competition are not responsible for the events leading to the factory closings. In fact, after natural disasters families and communities rebuild with the assistance of the federal government. The economic disasters of plant closings do not share hope and revitalization.

The point is the Federal Government ought to make the same disaster loan assistance programs available to our temporarily displaced workers. This is my rationale for introducing the Homestead Preservation Act.

This legislation will provide temporary mortgage assistance to displaced workers, helping them make ends meet during their search for a new job. Specifically, the Homestead Preservation Act: authorizes the Department of Labor to administer a low-interest loan program—4 percent—for workers displaced due to international competition; the loan is for up to the amount of 12 monthly home mortgage payments; the program is authorized at $10 million, per year, for 5 years; and distributes the loan through an account, providing monthly allocations to cover the amount of the worker's home mortgage payment.

The loans would be paid off or repaid over a period of 5 years. No payments would be required until 6 months after the borrower has returned to work full-time.

Additionally, the loan is available only for the cost of a monthly home mortgage payment and covers only those workers displaced due to international competition and who would qualify for benefits under the NAFTA-TAAP and TAA benefits programs, and participate in these programs.

Finally, my amendment would require that individuals seeking to avail themselves of the loan program be enrolled in a job training or job assistance program.

Like the NAFTA-TAAP and TAA benefits programs, the Homestead Preservation Act recognizes that some temporary assistance is needed as workers take the time to become retrained and further their education, expand upon their skills and search for new employment.

The current economic situation of our country has made it even more vital that the Federal Government do what is right by our workers in the manufacturing industries suffering high rates of job losses due to international competition. When these workers are displaced, meager savings and temporary unemployment benefits are frequently not enough to cover expenses that had previously fit within the family budget.

Without immediate help, these families, at the minimum, risk ruining their credit ratings and, in the worst-case scenario, could lose their home or their car, or both.

The Homestead Preservation Act would provide families a vital temporary financial assistance that would enable them to keep their homes and protect their credit ratings as they work toward strengthening and updating their skills and continue their search for a new job.

Hard-working Americans, facing such a harrowing and uncertain situation, ought to have a remedy available to help them. People need transitional help now.

The Homestead Preservation Act provides the temporary financial tools necessary for displaced workers to get back on their feet and succeed—it is a logical and responsible response.

This measure garnered strong bipartisan support the last time it was considered by the Senate. I respectfully urge my colleagues to recognize the value Americans place on owning a home and support this caring and needed initiative.

MORNING BUSINESS

Mr. HATCH. Madam President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

EUROPEAN UNION TRADE DECISION RE: MICROSOFT

Mr. FRIST. Mr. President, for some time now, the U.S. Congress has expressed its frustration over the European Union's intransigence on international trade issues that are vitally important to the U.S. economy. From overreaching attempts to regulate e-commerce, to trade barriers against American beef and other agricultural products, the EU has relentlessly pursued protectionist policies that disproportionately harm American businesses and workers. I now fear that the United States and EU are heading toward a new trade war—and that the Commission's ruling against Microsoft is the first shot.

For the most part, economic growth across the European Union has been meager during this decade. No doubt this is a by-product of the global economic slow down that began in the last year of the Clinton Presidency. But as the U.S. economy achieves record-setting levels of economic growth, Europe remains stagnant. Why? Because European economies are buried by public sector debt; European economies are drained of their vitality by excessive taxation; and European economies are strangled by excessive regulation from bureaucrats sitting in Brussels. Now, as if destroying Europe's economy were not enough, the European Commission has taken aim at Microsoft, a company whose products and technology have been engines of global economic growth.

The Commission's ruling imposes the largest fine ever levied by the Commission against a company—over $610 million. This fine was imposed despite the Commission's tacit admission that European law in this area is unclear, and even though Microsoft is already subject to legal obligations, under the U.S. settlement, for essentially the same conduct that was at issue in the EU proceedings. As a result, money that rightfully belongs to Microsoft shareholders will instead be filling the coffers administered by Commission bureaucrats.

The Commission's ruling also requires Microsoft to sell a version of Windows without multimedia functionality—i.e., one that cannot play audio or video. Thus, the ruling forces Microsoft to spend its energies not on developing new, innovative products, but on designing a degraded version of Windows—in short, a product that no one wants or needs. This preposterous demand, by a foreign government, will hurt one of America's most successful companies and harm the hundreds of American IT companies that rely on the multimedia functionality in Windows to offer their own innovative products and services—companies that are responsible for thousands of high-paying American jobs. As the New York Times noted in an editorial last Saturday (March 20), the Commission's demands "would threaten Microsoft's business model and, more important, harm consumers. The very definition of a computer operating system would essentially be frozen where it is today."

In imposing this anti-consumer, anti-innovation penalty, the Commission has blatantly undercut the settlement that was so carefully and painstakingly crafted with Microsoft by the U.S. Department of Justice and several State antitrust authorities. There can be no question that the U.S. Government was entitled to take the lead in this matter—Microsoft is a U.S. company, many if not all of the complaining companies in the EU case are American, and all of the relevant design decisions took place here. Had the

Commission been cognizant of America's legitimate interests in this matter, it would have acted in a manner that complemented the U.S. settlement. Needless to say, the Commission instead selected a path that places its resolution of this case in direct conflict with ours—and threatens the vitality of America's IT industry in the process.

The Commission's complete indifference to the negative impact of its ruling on American jobs, American consumers, and the U.S. economy—and its total disregard of the Department of Justice—are intolerable.

The European Commission has, of course, on many occasions paid lip service to the importance of international coordination in the area of competition, and on the need for other countries to be sensitive to extraterritorial effects of their antitrust rulings. But actions speak louder than words, and with the Microsoft ruling the Commission appears intent on saying that it considers the Department of Justice, the U.S. courts, and principles of open and fair international trade largely irrelevant.

It is critical that the Departments of State and Justice stand up not only for an important American company, but also for U.S. industry, U.S. shareholders, and American workers. If the U.S. Government does not make a clear and strong statement objecting to the EU actions, we will lose influence and credibility for years to come to the detriment of the U.S. economy and U.S. consumers.

GARDNERVILLE, NEVADA, 125TH BIRTHDAY

Mr. REID. Mr. President, I rise today to wish the town of Gardnerville, NV, a happy 125th birthday.

Gardnerville was founded by Lawrence Gilman in 1879. Mr. Gilman had found a nice 7-acre tract of land on the East Fork of the Carson River, and he thought it would make a beautiful location for a town. So he decided to move his hotel, then named the Kent House, from Genoa, NV, to the new spot. John M. Gardner sold the 7 acres to Mr. Gil man for $1,250. In gratitude, Mr. Gilman named the town after Mr. Gardner.

The Kent House was later named the Gardnerville Hotel and became a symbol for the town of Gardnerville—a new endeavor in an ever-changing world. Although the hotel no longer stands, you can still visit the humble beginnings of Gardnerville near the J & T Bar.

Mr. Gilman recognized that if he wanted to create a real town around his hotel, he needed to offer business amenities and leisure activities that would attract the ranchers in the area. So he added a blacksmith shop and saloon to his hotel. It wasn't long before local ranchers started coming into town, relaxing and visiting in the saloon while their horses were shod next door. Thus did Gardnerville begin its voyage down the path to prosperity.

By 1899, Gardnerville had blossomed into a thriving city. Almost everything a person might need could be found right on Main Street—two livery stables, a boarding house, three general merchandising stores, four saloons, one meat market, and two hotels, including the original Gardnerville Hotel that had started it all.

Gardnerville's emergence as an important social and commercial center was aided by the formation of the Valhalla Society in 1885. The purpose of the Valhalla Society was to provide information to immigrants, mainly those of Dutch descent. Gardnerville also served as a feed stop for the 24-horse freight teams that regularly traveled between Carson City and Bodie—in other words, it was the 19th century equivalent of a filling station.

Today Gardnerville remains an active town. With five parks, three schools and an enviable location just minutes from Lake Tahoe, Gardnerville offers a wonderful quality of life. It has kept pace with progress, but it maintains the feel of a one-stop town, where a person feels at home even if they are just passing through.

As the people of Gardnerville prepare to celebrate their town's 125th birthday, in between baking cakes, decorating Main Street and organizing the numerous events that are planned, I hope they pause for a moment to remember that their beautiful city was started on just 7 acres of land. Today Gardnerville has outgrown that original tract, and it continues to fulfill Mr. Gilman's dream.

SARAH WINNEMUCCA

Mr. REID. Mr. President, today I rise to celebrate a remarkable woman and the exceptional life she led.

The great Nevadan I wish to honor is Sarah Winnemucca. Born in 1844 as the granddaughter of the great Chief Truckee and the daughter of Chief Winnemucca, Sarah lived during a time of enormous change for the United States, the American West, and especially for the Paiute Nation.

Originally known as Thocmetony, meaning "shell flower," Sarah lived her life as an advocate for the Paiute people. She was also a committed educator. Today one of the most important artifacts we have of Sarah's life is her autobiography, "Life Among the Piutes." The first book published by a Native American woman, Sarah's writings convey a powerful account of life in the West from the perspective of Native Americans.

For many years Sarah lived with her tribe and witnessed the displacement that was forced on the Nevada Paiute. While some were confined to the Pyramid Lake Reservation in western Nevada, others were moved to the Malheur Reservation in Oregon, and still others were exiled to a reservation near Yakima, WA.

Seeking redress for the many hardships that her people suffered, in 1880 Sarah made the long trip to Washington, DC, where she was given an audience with Secretary of the Interior Carl Schurz and President Rutherford B. Hayes.

While that meeting and subsequent negotiations brought no substantive improvements for the Paiutes, Sarah remained committed to her work. Over the next decade she gave more than 300 public speeches to highlight the plight of the Paiute Nation. Sarah eventually returned to Nevada where she established a school for Native Americans near Lovelock.

Through all the challenges she faced, Sarah Winnemucca remained stubbornly committed to the promotion of equality for all Americans. She demanded respect for Native Americans in a time when that idea was nothing short of revolutionary.

For these reasons, I am honored to announce that in 2005 the State of Nevada will dedicate a statue of Sarah Winnemucca here in the U.S. Capitol. More than 100 years after her passing, Sarah Winnemucca will join 99 other great Americans whose likenesses stand proudly in the Old Chamber of the House of Representatives, or as we call it today, Statuary Hall.

As a pioneer and a tremendous leader in her own right, it is fitting that Sarah Winnemucca take her place next to the likes of George Washington, Dwight Eisenhower, John Winthrop, Sacajawea and Nevada Senator Patrick McCarran.

In addition to commemorating the life of Sarah Winnemucca, I would like to acknowledge Sara Jones, the administrator of the Nevada State Library and Archives, for her enthusiasm and commitment to this effort. Additionally, I extend my sincere thanks to former assemblywoman Marcia de Braga, Nevada First Lady Dema Guinn, Carrie Townley Porter, Debbie Allen, Richard Hooker, Mary Lee Fulkerson, Steven High, Mary Anne Convis, and Sally Zanjani, who all have worked hard to bring this project to fruition. The support of the Nevada Women's History Project and the Nevada Department of Cultural Affairs was also essential to this effort.

CBO ESTIMATE ON S. 1879

Mr. GREGG. Mr. President, on December 9, 2003, I filed Report 108–220 to accompany S. 1879, a bill to amend the Public Health Service Act to revise and extend provisions relating to mammography quality standards. At the time the report was filed, the estimates by the Congressional Budget Office were not available. I ask unanimous consent that a complete copy of the CBO estimate be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 9, 2004.

Hon. JUDD GREGG,
Chairman, Committee on Health, Education, Labor, and Pensions, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1879, the Mammography Quality Standards Reauthorization Act of 2003.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Julia Christensen, who can be reached at 226-9010.

Sincerely,

ELIZABETH ROBINSON
(For Douglas Holtz-Eakin, Director).

Enclosure.

S. 1879—Mammography Quality Standards Reauthorization Act of 2003

Summary: S. 1879 would reauthorize funding for programs carried out under the Mammography Quality Standards Act (MQSA) of 1992. (The program was last reauthorized in 1998.) Authorizations for the program expired at the end of fiscal year 2002 for activities not supported by user fees. The act would authorize the appropriation of such sums as necessary through fiscal year 2005. Assuming the appropriation of the necessary amounts, CBO estimates that implementing S. 1879 would have no effect on costs in 2004 and would cost $17 million over the 2005–2009 period. The act would not affect direct spending or receipts.

S. 1879 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 1879 is shown in the following table. The costs fall within budget function 550 (health).

	By fiscal year, in millions of dollars—					
	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION						
MQSA Spending Under Current Law:						
Estimated Authorization Level [1]	16	0	0	0	0	0
Estimated Outlays	16	7	2	1	*	0
Proposed Changes:						
Estimated Authorization Level	0	17	0	0	0	0
Estimated Outlays	0	10	5	1	*	*
MQSA Spending Under S. 1879:						
Estimated Authorization Level [1]	16	17	0	0	0	0
Estimated Outlays	16	17	7	2	1	*

[1] The 2004 level is the amount appropriated in that year for activities under the Mammography Quality Standards Act but not supported by user fees.

* = Less than $500,000.

Basis of Estimate: For the estimate, CBO assumes that the act will be enacted in fiscal year 2004, that the necessary appropriations will be provided near the start of fiscal year 2005, and that outlays will follow historical spending patterns for the MQSA program.

S. 1879 would authorize the appropriation of such sums as necessary through 2005 for the Food and Drug Administration to carry out MQSA activities that are not supported by user fees. Those activities include: establishing and enforcing standards for mammography facilities, accreditation bodies, equipment, personnel, and quality assurance; inspecting facilities run by governmental entities; and providing consumer education. The act also would allow the Secretary of Health and Human Services to issue a temporary renewal certificate and a limited provisional certificate to facilities seeking reaccreditation under certain circumstances. CBO estimates that these activities could be carrier out with the 2004 appropriation levels adjusted for inflation. We estimate that these activities would have no effect on costs in 2004 and would cost $11 million over the 2005–2009 period.

In addition, S. 1879 would reauthorize the breast cancer screening surveillance research grant program, administered by the National Cancer Institute. The act would authorize such sums as necessary for that program, at an estimated cost of $6 million over the 2005–2009 period.

The program funds research to determine the effectiveness of screening programs in reducing breast cancer mortality. CBO's estimate assumes continued funding at the 2004 level adjusted for inflation.

Intergovernmental and private-sector impact: S. 1879 contains no intergovernmental or private-sector impact as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Costs: Julia Christenson (226-9010); Impact on State, Local, and Tribal Governments: Leo Lex (225-3220); and Impact on the Private Sector: Meena Fernandes (225-2593).

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CBO ESTIMATE ON S. 1172

Mr. GREGG. Mr. President, on March 18, 2004, I filed Report 108-245 to accompany S. 1172, a bill to establish grants to provide health services for improved nutrition, increased physical activity, obesity prevention, and for other purposes. At the time the report was filed, the estimates by the Congressional Budget Office were not available. I ask unanimous consent that a complete copy of the CBO estimate be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 23, 2004.

Hon. JUDD GREGG,
Chairman, Committee on Health, Education, Labor, and Pensions, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1172, the Improved Nutrition and Physical Activity Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jeanne De Sa, who can be reached at 226-9010.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

S. 1172—Improved Nutrition and Physical Activity Act (IMPACT)

Summary: S. 1172 would amend the Public Health Service Act (PHSA) to reauthorize and expand a Centers for Disease Control and Prevention (CDC) grant program that provides funding to state and local governments to plan and implement programs that would increase childhood physical activity and improve nutrition. The act would authorize the appropriation of $60 million in fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008 for that purpose. The act also would reauthorize a CDC training program for health professionals to treat obesity and eating disorders and would permit the agency to make extramural training grants. The act would authorize the appropriation of such sums as may be necessary for fiscal years 2006 and 2007 for that purpose.

S. 1172 also would allow the Department of Health and Human Services (HHS) to give special consideration to obesity-related conditions in an existing grant program for health profession students and require the department to submit reports to the Congress about children and obesity. Other provisions of the act would permit CDC's National Center for Health Statistics to collect and analyze data on children's fitness levels and specify that allotments under CDC's Preventive Health Services Block Grant may be used for activities and education programs to prevent obesity and eating disorders and promote healthy eating behaviors.

CBO estimates that implementing the physical activity and nutrition grant provision of S. 1172 would cost $3 million in 2004 and a total of $199 million from 2004 through 2009, if inflation adjustments are included and assuming appropriations of authorized amounts. CBO estimates that the report-writing requirements would require $1 million to implement in 2005, assuming appropriations of the necessary amount. CBO estimates that other provision of the bill would not have a significant effect on spending. Enacting S. 1172 would not affect direct spending or receipts.

S. 1172 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State, local, and tribal governments may benefit from the grant provisions of the bill, and none of the bill's provisions wold compel them to take any action.

Estimated cost to the Federal Government: The estimated cost to implement S. 1172 is shown in the following table and assumes entactment of the bill by July 1, 2003. The costs of this legislation fall within budget function 550 (health).

	By fiscal year, in millions of dollars—					
	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law:						
Estimated Authorization Level [1]	45	46	0	0	0	0
Estimated Outlays	14	34	28	10	3	1
Proposed Changes for Grant Program:						
Estimated Authorization Level	15	15	62	63	64	0
Estimated Outlays [2]	3	13	30	51	60	42
Proposed Changes for Other Activities:						
Estimated Authorization Level	0	1	0	0	0	0
Estimated Outlays [2]	0	1	0	0	0	0
Spending Under S. 1172:						
Estimated Authorization Level	60	62	62	63	64	0
Estimated Outlays	17	48	58	61	63	43

[1] The 2004 level is the amount appropriated for that year for Centers for Disease Control and Prevention for activities related to prevention and treatment of obesity and promotion of physical activity and nutrition. The 2005 amount reflects adjustments for anticipated inflation.

[2] Including adjustments for anticipated inflation, the estimated outlay changes would total $200 million over the 2004–2008 period. Without such adjustmentss, the five-year totla would be $190 million.

Basis for estimate: The PHSA currently authorizes such sums as may be necessary through 2005 for CDC to administer grant programs to promote childhood nutrition and physical activity and to educate and train health professionals in dealing with obesity or eating disorders. CDC also conducts prevention research and collects data on obesity and levels of physical activity. In 2004, $45 million was appropriated for those activities, an increase of $11 million over the 2003 level. Almost all of the funding is directed toward the childhood nutrition and physical activity grant program, which currently is limited to state and local governments. Under current law, CBO estimates that spending from the authorized funding for 2004 and 2005 for obesity-related activities at CDC will be $91 million over the 2004–2009 period.

S. 1172 would authorize the appropriation of $60 million in fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008 for CDC to administer grant programs for the promotion of nutrition and fitness for children, and for the expansion of the types of entities eligible to receive grants. Under the act, entities such as community-based organizations, educational institutions, and other groups deemed appropriate by the Secretary also would be eligible to receive grants. As specified in the act, grant funds could be used for a range of activities, such as increasing opportunities for biking, promotion of healthy eating in the workplace, and establishing incentives for groceries to offer nutritional foods. Based on historical spending patterns for similar activities at CDC and assuming enactment by July 1, 2003, CBO estimates that implementing the act would cost $17 million in 2004 and $290 million over the 2004–2009 period, assuming appropriation of the authorized amounts. The proposed changes would add $199 million (relative to authorized spending under current law) over the 2004–2009 period.

Requirements for HHS to submit reports to Congress would require about $1 million in additional resources to implement in 2005, CBO estimates.

The act also would reauthorize a CDC training program for health professionals to treat obesity and would authorize such sums as may be necessary for fiscal years 2006–2007 for that purpose. Based on discussions with the agency about the cost of training activities in this area, CBO estimates that this provision would not have a significant budgetary effect.

The other provisions of S. 1172 would allow HHS to give special consideration to obesity-related conditions in certain grants and research and would not require additional resources. CBO estimates that those provisions would not have a budgetary effect.

Intergovernmental and private-sector impact: S. 1172 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments may benefit from the grant provisions of the bill, and none of the bill's provisions would compel them to take any action.

Estimate prepared by: Federal Cost: Jeanne De Sa (226–9010); Impact on State and Local Governments: Leo Lex (225–3220); and Impact on the Private Sector: Samuel Kina (226–2666).

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

In Muncie, IN, Brian Worden attacked another man viciously with a tire iron because he believed the man was gay.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

MESSAGE FROM THE HOUSE

At 5:46 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 958. An act to authorize certain hydrographic services programs, to name a cove in Alaska in honor of the late Able Bodied Seaman Eric Steiner Koss, and for other purposes.

H.R. 2408. An act to amend the Fish and Wildlife Act of 1956 to reauthorize volunteer programs and community partnerships for national wildlife refuges, and for other purposes.

The message also announced that pursuant to section 211 of the Older Americans Act Amendments of 2000 (42 U.S.C. 3001 note), and the order of the House of December 8, 2003, the Speaker appoints the following Members on the part of the House of Representatives to the policy committee of the White House Conference on Aging: Mr. E. CLAY SHAW, Jr. of Fort Lauderdale, Florida. Mr. HOWARD P. (BUCK) MCKEON of Santa Clarita, California.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 958. An act to authorize certain hydrographic services programs, to name a cove in Alaska in honor of the late Able Bodied Seaman Eric Steiner Koss, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 2408. An act to amend the Fish and Wildlife Act of 1956 to reauthorize volunteer programs and community partnerships for national wildlife refuges and for other purposes; to the Committee on Environment and Public Works.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6727. A communication from the Chief, Regulations Unit, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Exclusion of Qualified Automobile Demonstration Use; Taxation of Nonqualified Demonstration Automobile Use" (Rev. Proc. 2001-56) received on March 16, 2004; to the Committee on Finance.

EC–6728. A communication from the Chief, Regulations Unit, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Clarification of the Conformity Election" (Rev. Rul. 2001-59) received on March 16, 2004; to the Committee on Finance.

EC–6729. A communication from the Chief, Regulations Unit, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "New Markets Tax Credit Amendments" (TD9116) received on March 16, 2004; to the Committee on Finance.

EC–6730. A communication from the Chief, Regulations Unit, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "2004 Census Count" (Notice 2004-21) received on March 16, 2004; to the Committee on Finance.

EC–6731. A communication from the Chief, Regulations Unit, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Bureau of Labor Statistics Price Indexes for Department Stores — January 2004" (Rev. Rul. 2004-35) received on March 16, 2004; to the Committee on Finance.

EC–6732. A communication from the Chief, Regulations Unit, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Guidance Under Section 1502; Application of Section 108 to Members of a Consolidated Group" (RIN1545-BC96) received on March 16, 2004; to the Committee on Finance.

EC–6733. A communication from the Chairman, Medicare Payment Advisory Commission, transmitting, pursuant to law, the Commission's March 2004 Report to Congress; to the Committee on Finance.

EC–6734. A communication from the Director, Office of National Drug Control Policy, Executive Office of the President, transmitting, pursuant to law, the Plan Colombia/Andean Ridge Counterdrug Initiative Semi-Annual Obligation Report; to the Committee on Foreign Relations.

EC–6735. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to various conditions in Bosnia-Herzegovina; to the Committee on Foreign Relations.

EC–6736. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, texts and background statements of international agreements, other than treaties; to the Committee on Foreign Relations.

EC–6737. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report relative to payments made to Cuba as a result of the provision of telecommunications services pursuant to Department of the Treasury specific licenses; to the Committee on Foreign Relations.

EC–6738. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled "Amendment to the International Traffic in Arms Regulations: United States Munitions List" (RIN1400-ZA06) received on March 16, 2004; to the Committee on Foreign Relations.

EC–6739. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the Country Reports on Human Rights Practices for 2003; to the Committee on Foreign Relations.

EC–6740. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report of texts and background statements of international agreements other than treaties; to the Committee on Foreign Relations.

EC–6741. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report of texts and background statements of international agreements other than treaties; to the Committee on Foreign Relations.

EC–6742. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to the export of small arms to Iraq for use of private security; to the Committee on Foreign Relations.

EC–6743. A communication from the Chairman, Securities and Exchange Commission, transmitting, pursuant to law, the Commission's report under the Government in Sunshine Act for calendar year 2003; to the Committee on Governmental Affairs.

EC–6744. A communication from the Director, Office of Employment Policy, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Recruitment and Selection Through Competitive Examination" (RIN3206-AJ52) received on March 16, 2004; to the Committee on Governmental Affairs.

EC–6745. A communication from the Administrator, Environmental Protection Agency, transmitting, pursuant to law, the Agency's Annual Report for fiscal year 2001; to the Committee on Governmental Affairs.

EC–6746. A communication from the Chairman, National Credit Union Administration, transmitting, pursuant to law, the report of the Office of Inspector General for the period ending March 31, 2002; to the Committee on Governmental Affairs.

EC–6747. A communication from the Secretary of Energy, transmitting, pursuant to law, the report of the Office of Inspector General for the Department of Energy for the period ending March 31, 2002; to the Committee on Governmental Affairs.

EC–6748. A communication from the Special Counsel, United States Office of Special Counsel, transmitting, a draft of proposed legislation to extend the authorization of appropriations for the Office for fiscal years 2003 through 2007; to the Committee on Governmental Affairs.

EC–6749. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report relative to unvouchered expenditures; to the Committee on Governmental Affairs.

EC–6750. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the Family Violence Prevention and Services Act Program; to the Committee on Health, Education, Labor, and Pensions.

EC–6751. A communication from the Personnel Management Specialist, Office of the Assistant Secretary for Administration and Management, Department of Labor, transmitting, pursuant to law, the report of a designation of acting officer, nomination, and nomination confirmed for the position of Assistant Secretary for Public Affairs, Department of Labor, received on March 16, 2004; to the Committee on Health, Education, Labor, and Pensions.

EC–6752. A communication from the Personnel Management Specialist, Office of the Assistant Secretary for Administration and Management, Department of Labor, transmitting, pursuant to law, the report of a nomination for the position of Assistant Secretary for Disability Employment Policy, Department of Labor, received on March 16, 2004; to the Committee on Health, Education, Labor, and Pensions.

EC–6753. A communication from the Personnel Management Specialist, Office of the Assistant Secretary for Administration and Management, Department of Labor, transmitting, pursuant to law, the report of a designation of acting officer, nomination, and nomination confirmed for the position of Assistant Secretary for Employment Standards, Department of Labor, received on March 16, 2004; to the Committee on Health, Education, Labor, and Pensions.

EC–6754. A communication from the Personnel Management Specialist, Office of the Assistant Secretary for Administration and Management, Department of Labor, transmitting, pursuant to law, the report of a nomination confirmed for the position of Chief Financial Officer, Department of Labor, received on March 16, 2004; to the Committee on Health, Education, Labor, and Pensions.

EC–6755. A communication from the Personnel Management Specialist, Office of the Assistant Secretary for Administration and Management, Department of Labor, transmitting, pursuant to law, the report of a nomination for the position of Commissioner of Labor Statistics, Department of Labor, received on March 16, 2004; to the Committee on Health, Education, Labor, and Pensions.

EC–6756. A communication from the Director, Department of Health and Human Services, transmitting, pursuant to law, the National Healthcare Disparities Report; to the Committee on Health, Education, Labor, and Pensions.

EC–6757. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the Centers for Medicare and Medicaid Services' success in reducing the costs and burden of encounter data to Medicare+Choice organizations; to the Committee on Health, Education, Labor, and Pensions.

EC–6758. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to clinical preventive services for older Americans; to the Committee on Health, Education, Labor, and Pensions.

EC–6759. A communication from the Director, Regulations and Forms Services, Citizenship and Immigration Services, transmitting, pursuant to law, the report of a rule entitled "Eliminating the Numerical Cap on Mexican TN Nonimmigrants" (RIN1651-AA96) received on March 15, 2004; to the Committee on the Judiciary.

EC–6760. A communication from the Assistant Secretary of Defense for Reserve Affairs, Department of Defense, transmitting, pursuant to law, the National Guard Challenge Program Annual Report for Fiscal Year 2003; to the Committee on Armed Services.

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted:

By Mr. DOMENICI for the Committee on Energy and Natural Resources.

*Sue Ellen Wooldridge, of Virginia, to be Solicitor of the Department of the Interior.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. WARNER (for himself and Mr. LEVIN):

S. 2229. A bill to authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2004, and for other purposes; to the Committee on Armed Services.

By Ms. SNOWE:

S. 2230. A bill to amend the Trade Act of 1974 to include shifts in production, for purposes of trade adjustment assistance, to countries to which the United States has extended permanent normal trade relations; to the Committee on Finance.

ADDITIONAL COSPONSORS

S. 491

At the request of Mr. REID, the names of the Senator from Arkansas (Mrs. LINCOLN) and the Senator from Oregon (Mr. SMITH) were added as cosponsors of S. 491, a bill to expand research regarding inflammatory bowel disease, and for other purposes.

S. 527

At the request of Mrs. DOLE, her name was added as a cosponsor of S. 527, a bill to establish the Southern Regional Commission for the purpose of breaking the cycle of persistent poverty among the southeastern States.

S. 846

At the request of Mr. SMITH, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 846, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for premiums on mortgage insurance, and for other purposes.

S. 976

At the request of Mr. WARNER, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 976, a bill to provide for the issuance of a coin to commemorate the 400th anniversary of the Jamestown settlement.

S. 1129

At the request of Mrs. FEINSTEIN, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1129, a bill to provide for the protection of unaccompanied alien children, and for other purposes.

S. 1398

At the request of Mr. DEWINE, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 1398, a bill to provide for the environmental restoration of the Great Lakes.

S. 1411

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of S. 1411, a bill to establish a National Housing Trust Fund in the Treasury of the United States to provide for the development of decent, safe, and affordable housing for low-income families, and for other purposes.

S. 1422

At the request of Mr. CORZINE, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 1422, a bill to provide assistance to train teachers of children with autism spectrum disorders, and for other purposes.

S. 1822

At the request of Mr. AKAKA, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1822, a bill to require disclosure of financial relationships between brokers and mutual fund companies and of certain brokerage commissions paid by mutual fund companies.

S. 1834

At the request of Ms. STABENOW, the name of the Senator from North Carolina (Mr. EDWARDS) was added as a cosponsor of S. 1834, a bill to waive time limitations in order to allow the Medal of Honor to be awarded to Gary Lee McKiddy, of Miamisburg, Ohio, for acts of valor while a helicopter crew chief and door gunner with the 1st Cavalry Division during the Vietnam War.

S. 1902

At the request of Mr. REED, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 1902, a bill to establish a National Commission on Digestive Diseases.

S. 1907

At the request of Mr. DASCHLE, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1907, a bill to promote rural safety and improve rural law enforcement.

S. 1909

At the request of Mr. COCHRAN, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1909, a bill to amend the Public Health Service Act to improve stroke prevention, diagnosis, treatment, and rehabilitation.

S. 2088

At the request of Mr. KENNEDY, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2088, a bill to restore, reaffirm, and reconcile legal rights and remedies under civil rights statutes.

S. 2158

At the request of Ms. COLLINS, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from South Dakota (Mr. DASCHLE), and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of S. 2158, a bill to amend the Public Health Service Act to increase the supply of pancreatic islet cells for research, and to provide for better coordination of Federal efforts and information on islet cell transplantation.

S. 2186

At the request of Mr. LIEBERMAN, his name was added as a cosponsor of S. 2186, a bill to temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958, through May 15, 2004, and for other purposes.

S. 2193

At the request of Mr. LIEBERMAN, his name was added as a cosponsor of S. 2193, a bill to improve small business loan programs, and for other purposes.

At the request of Mr. PRYOR, his name was added as a cosponsor of S. 2193, supra.

At the request of Ms. SNOWE, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 2193, supra.

S. 2212

At the request of Ms. COLLINS, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2212, a bill to amend title VII of the Tariff Act of 1930 to provide that the provisions relating to countervailing duties apply to nonmarket economy countries.

S.J. RES. 30

At the request of Mr. ALLARD, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S.J. Res. 30, a joint resolution proposing an amendment to the Constitution of the United States relating to marriage.

S. CON. RES. 81

At the request of Mrs. FEINSTEIN, the names of the Senator from Florida (Mr. NELSON) and the Senator from Nebraska (Mr. NELSON) were added as cosponsors of S. Con. Res. 81, a concurrent resolution expressing the deep concern of Congress regarding the failure of the Islamic Republic of Iran to adhere to its obligations under a safeguards agreement with the International Atomic Energy Agency and the engagement by Iran in activities that appear to be designed to develop nuclear weapons.

S. CON. RES. 88

At the request of Mr. SARBANES, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. Con. Res. 88, a concurrent resolution expressing the sense of Congress that there should continue to be parity between the adjustments in the pay of members of the uniformed services and the adjustments in the pay of civilian employees of the United States.

AMENDMENT NO. 2690

At the request of Mrs. FEINSTEIN, the names of the Senator from New Hampshire (Mr. GREGG) and the Senator from New Hampshire (Mr. SUNUNU) were added as cosponsors of amendment No. 2690 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2925. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

SA 2926. Mr. GRASSLEY proposed an amendment to amendment SA 2898 proposed by Mr. GRASSLEY to the amendment SA 2886 submitted by Mr. MCCONNELL (for Mr. FRIST) to the bill S. 1637, supra.

SA 2927. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2928. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2929. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2930. Mr. HARKIN (for himself, Mr. WYDEN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2931. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2932. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2933. Mr. FRIST (for Mr. HOLLINGS (for himself, Mr. STEVENS, and Mr. KENNEDY)) proposed an amendment to the bill S. 1218, to provide for Presidential support and coordination of interagency ocean science programs and development and coordination of a comprehensive and integrated United States research and monitoring program.

SA 2934. Mr. FRIST (for Ms. COLLINS) proposed an amendment to the bill H.R. 2584, to provide for the conveyance to the Utrok Atoll local government of a decommissioned National Oceanic and Atmospheric Administration ship, and for other purposes.

SA 2935. Mr. FRIST (for Mr. MCCAIN (for himself, Mr. KERRY, Mr. INOUYE, Mr. WYDEN, and Mrs. BOXER)) proposed an amendment to the bill H.R. 2584, supra.

TEXT OF AMENDMENTS

SA 2925. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table: as follows:

At the end add the following:

SEC. ___. UNPENALIZED INDIVIDUAL RETIREMENT PLAN DISTRIBUTIONS TO UNEMPLOYED INDIVIDUALS FOR MORTGAGE, RENT, AND UNREIMBURSED RESIDENTIAL UTILITY COSTS.

(a) IN GENERAL.—Paragraph (2) of section 72(t) (relating to subsection not to apply to certain distributions) is amended by adding at the end the following new subparagraph:

"(G) DISTRIBUTIONS TO CERTAIN UNEMPLOYED INDIVIDUALS FOR HOUSING COSTS.—

"(i) IN GENERAL.—Distributions to an individual after separation from employment if—

"(I) such individual has exhausted unemployment compensation under any Federal or State unemployment compensation law by reason of such separation,

"(II) such distribution is made during any taxable year during which such unemployment compensation is paid or any succeeding taxable year, and

"(III) to the extent such distributions do not exceed the lesser of the amount paid for acquisition indebtedness or home equity indebtedness (as defined in subparagraphs (B) and (C) of section 163(h)(3), respectively), gross rent (within the meaning of section 42(g)(2)(B)), and unreimbursed residential utility costs with respect to the individual and the individual's spouse and dependents (as defined in section 152), or $10,000.

"(ii) REEMPLOYMENT AND SELF-EMPLOYMENT.—Rules similar to the rules of clauses (ii) and (iii) of subparagraph (D) shall apply for purposes of this subparagraph.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments and distributions beginning after the date of the enactment of this Act.

SA 2926. Mr. GRASSLEY proposed an amendment to amendment SA 2898 proposed by Mr. GRASSLEY to the amendment SA 2886 submitted by Mr. MCCONNELL (for Mr. FRIST) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes, as follows:

In the pending amendment strike "one day" and insert "two days."

SA 2927. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SECTION 1. EXPANSION OF CHILD TAX CREDIT.

(a) IN GENERAL.—Clause (i) of section 24(d)(1)(B) of the Internal Revenue Code of 1986 (relating to portion of credit refundable) is amended to read as follows:

"(i) 15 percent of so much of the taxpayer's earned income (within the meaning of section 32) which is taken into account in computing taxable income for the taxable year as exceeds $10,000 or".

(b) EARNED INCOME INCLUDES COMBAT PAY.—Section 24(d)(1) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: "For purposes of subparagraph (B), any amount excluded from gross income by reason of section 112 shall be treated as earned income which is taken into account in computing taxable income for the taxable year.".

(c) CONFORMING AMENDMENT.—Section 24(d) of such Code is amended by striking paragraph (3).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 2. INTEREST EXPENSE ALLOCATION RULES

(a) DELAY IN EFFECTIVE DATE.—Section 205(c) of the bill (relating to the effective date of the interest expense allocation rules) is amended to read as follows:

"(c) The amendments made by this section shall apply to taxable years beginning after December 31, 2012."

SA 2928. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. MODIFICATION OF TARGETED AREAS DESIGNATED FOR NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 45D(e) is amended to read as follows:

"(2) TARGETED POPULATIONS.—The Secretary shall prescribe regulations under which 1 or more targeted populations (within the meaning of section 3(20) of the Riegle Community Development and Regulatory Improvement Act of 1974 (12 U.S.C. 4702(20))) may be treated as low-income communities. Such regulations shall include procedures for determining which entities are qualified active low-income community businesses with respect to such populations.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to designations made by the Secretary of the Treasury after the date of the enactment of this Act.

SA 2929. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LOW-COST QUALIFIED HEALTH INSURANCE OPTION FOR ELIGIBLE TAA RECIPIENTS AND OTHER QUALIFIED INDIVIDUALS.

(a) IN GENERAL.—Section 35(e)(2)(A)(iv) of the Internal Revenue Code of 1986 (relating to requirements for State-based coverage) is amended to read as follows:

"(iv) LOW COST OPTION.—

"(I) IN GENERAL.—The coverage includes a low cost option for qualifying individuals under which catastrophic coverage and primary preventive care benefits are provided.

"(II) COORDINATION.—Prior to electing such coverage, the State shall consult with representatives of the qualifying individuals to which the low cost option for the coverage is to be offered with respect to the benefits provided under such option in order to ensure that the coverage provided under the low cost option meets the minimum coverage requirements for such individuals.".

(b) CONFORMING AMENDMENT.—Section 173(f)(2)(B)(i)(IV) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(2)(B)(i)(IV)) is amended to read as follows:

"(IV) LOW COST OPTION.—

"(aa) IN GENERAL.—The coverage includes a low cost option for qualifying individuals under which catastrophic coverage and primary preventive care benefits are provided.

"(bb) COORDINATION.—Prior to electing such coverage, the State shall consult with representatives of the qualifying individuals to which the low cost option for the coverage is to be offered with respect to the benefits provided under such option in order to ensure that the coverage provided under the low cost option meets the minimum coverage requirements for such individuals.".

(c) OUTREACH AND EDUCATION.—The Secretary of the Treasury and the Secretary of Labor jointly shall establish a program to conduct outreach and education regarding low cost options for qualified health insurance for purposes of the credit for health insurance costs of eligible individuals under section 35 of the Internal Revenue Code of 1986 and health insurance coverage assistance for eligible individuals under section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)). Such program shall, to the extent practicable, conduct such outreach and education through arrangements entered into with State agencies having responsibility for labor issues.

SA 2930. Mr. HARKIN (for himself, Mr. WYDEN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert:

SEC. ___. ELIMINATION OF TAX SUBSIDIES FOR OUTSOURCING OF AMERICAN JOBS.

(a) DENIAL OF DEDUCTIONS AND CREDITS.—

(1) IN GENERAL.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end the following new section:

"SEC. 280I. ELIMINATION OF TAX SUBSIDIES FOR OUTSOURCING OF AMERICAN JOBS.

"(a) IN GENERAL.—No deduction or credit shall be allowed under this chapter with respect to any applicable outsourcing item.

"(b) Applicable Outsourcing Item.—For purposes of this section—

"(1) In general.—The term 'applicable outsourcing item' means any item of expense (including any allowance for depreciation or amortization) or loss arising in connection with 1 or more transactions which—

"(A) transfer the production of goods (or the performance of services) from within the United States to outside the United States, and

"(B) result in the replacement of workers who reside in the United States with other workers who reside outside of the United States.

"(2) Certain items included.—The term 'applicable outsourcing item' shall include with respect to any transaction described in paragraph (1)—

"(A) any amount paid or incurred in training the replacement workers described in paragraph (1)(B),

"(B) any amount paid or incurred in transporting tangible property outside the United States in connection with the transfer described in paragraph (1)(A),

"(C) any expense or loss incurred in connection with the sale, abandonment, or other disposition of any property or facility located within the United States and used in the production of goods (or the performance of services) before such transfer,

"(D) expenses paid or incurred for travel in connection with the planning and carrying out of any such transaction,

"(E) any general or administrative expenses properly allocable to any such transaction,

"(F) any amount paid or incurred in connection with any such transaction for the acquisition of any property or facility located outside the United States, and

"(G) any other item specified by the Secretary.

"(3) Certain items not included.—The term 'applicable outsourcing item' shall not include any expenses directly allocable to the sale of goods and services outside the United States.

"(c) Regulations.—The Secretary shall prescribe such regulations as are necessary or appropriate to carry out the provisions of this section. The Secretary shall prescribe initial regulations not later than 180 days after the date of enactment of this section."

(2) Conforming amendment.—The table of sections for part IX of subchapter B of chapter 1 is amended by adding at the end the following new item:

"Sec. 480I. Elimination of tax subsidies for outsourcing of American jobs."

(b) Denial of Deferral.—Section 952(a) (defining subpart F income) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by inserting after paragraph (5) the following new paragraph:

"(6) any income properly allocable to the production of goods (or the performance of services) in a foreign country if such production or performance were transferred in 1 or more transactions which are described in section 280I(b) and to which section 280I applies."

(c) Effective Date.—The amendments made by this section shall apply to transactions occurring on or after the date of enactment of this Act.

SA 2931. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 356, strike lines 4 through 7 and insert the following:

SEC. 482. IRS USER FEES MADE PERMANENT.

(a) In General.—Section 7528 (relating to Internal Revenue Service user fees) is amended by striking subsection (c).

SA 2932. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows;

On page 179, after line 25, add the following:

SEC. ___. CREDIT FOR INVESTMENT IN TECHNOLOGY TO MAKE MOTION PICTURES MORE ACCESSIBLE TO THE HEARING IMPAIRED.

(a) In General.—

(1) Allowance of credit.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45G. EXPENDITURES TO PROVIDE ACCESS TO MOTION PICTURES FOR HEARING IMPAIRED INDIVIDUALS.

"(a) General Rule.—For purposes of section 38, in the case of an eligible taxpayer, the motion picture accessibility credit for any taxable year shall be an amount equal to 90 percent of the qualified expenditures made by the eligible taxpayer during the taxable year.

"(b) Eligible Taxpayer.—For purposes of this section, the term 'eligible taxpayer' means a taxpayer who is in the business of—

"(1) showing motion pictures to the public, or

"(2) producing such motion pictures.

"(c) Qualified Expenditures.—For purposes of this section, the term 'qualified expenditures' means amounts paid or incurred by the taxpayer for the purpose of making motion pictures accessible to hearing impaired individuals.

"(d) Basis Adjustment.—For purposes of this subtitle, if a credit is allowed under this section with respect to any property, the basis of such property shall be reduced by the amount of the credit so allowed.

"(e) No Double Benefit.—In the case of the credit determined under this section, no deduction or credit shall be allowed for such amount under any other provision of this chapter.".

(2) Conforming amendments.—

(A) Section 38(b) (relating to general business credit) is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following new paragraph:

"(16) the motion picture accessibility credit determined under section 45G(a).".

(B) Subsection (a) of section 1016, as amended by this Act, is amended by striking "and" at the end of paragraph (28), by striking the period at the end of paragraph (29) and inserting ", and", and by adding at the end the following new paragraph:

"(30) in the case of property with respect to which a credit was allowed under section 45G, to the extent provided in section 45G(d).".

(b) Limitation on Carryback.—Section 39(d) (relating to transition rules) is amended by adding at the end the following new paragraph:

"(14) No carryback of motion picture accessibility credit before effective date.—No portion of the unused business credit for any taxable year which is attributable to the motion picture accessibility credit determined under section 45G may be carried to a taxable year beginning before January 1, 2004.".

(c) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 45F the following new item:

"Sec. 45G. Expenditures to provide access to motion pictures for hearing impaired individuals.".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SA 2933. Mr. FRIST (for Mr. Hollings (for himself, Mr. Stevens, and Mr. Kennedy)) proposed an amendment to the bill S. 1218, to provide for Presidential support and coordination of interagency ocean science programs and development and coordination of a comprehensive and integrated United States research and monitoring program; as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Oceans and Human Health Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) Findings.—The Congress makes the following findings:

(1) The rich biodiversity of marine organisms provides society with an essential biomedical resource, a promising source of novel compounds with therapeutic potential, and a potentially important contribution to the national economy.

(2) The diversity of ocean life and research on the health of marine organisms, including marine mammals and other sentinel species, helps scientists in their efforts to investigate and understand human physiology and biochemical processes, as well as providing a means for monitoring the health of marine ecosystems.

(3) The oceans drive climate and weather factors causing severe weather events and shifts in temperature and rainfall patterns that affect the density and distribution of disease-causing organisms and the ability of public health systems to address them.

(4) The oceans act as a route of exposure for human disease and illnesses through ingestion of contaminated seafood and direct contact with seawater containing toxins and disease-causing organisms.

(5) During the past two decades, the incidence of harmful blooms of algae and hypoxia has increased in United States coastal waters, including the Great Lakes, and around the world, contaminating shellfish, causing widespread fish kills, threatening marine environmental quality and resulting in substantial economic losses to coastal communities.

(6) Existing Federal programs and resources support research in a number of these areas, but gaps in funding, coordination, and outreach have impeded national progress in addressing ocean health issues.

(7) National investment in a coordinated program of research and monitoring would improve understanding of marine ecosystems, allow prediction and prevention of marine public health problems and assist in realizing the potential of the oceans to contribute to the development of effective new treatments of human diseases and a greater understanding of human biology.

(b) PURPOSES.—The purposes of this Act are to provide for—

(1) Presidential support and coordination of interagency ocean science programs; and

(2) development and coordination of a comprehensive and integrated United States ocean, coastal, and Great Lakes research and monitoring program that will assist this Nation and the world to understand, use and respond to the role of the oceans in human health.

SEC. 3. INTERAGENCY OCEANS AND HUMAN HEALTH RESEARCH PROGRAM.

(a) COORDINATION.—

(1) The President, through the National Science and Technology Council, shall coordinate and support a national research program to improve understanding of the role of the oceans in human health.

(b) IMPLEMENTATION PLAN.—Within 1 year after the date of enactment of this Act, the National Science and Technology Council, through the Director of the Office of Science and Technology Policy shall develop and submit to the Congress a plan for coordinated Federal activities under the program. Nothing in this subsection is intended to duplicate or supersede the activities of the Inter-Agency Task Force on Harmful Algal Blooms and Hypoxia established under section 603 of the Harmful Algal Bloom and Hypoxia Research and Control Act of 1998 (16 U.S.C. 1451 note). In developing the plan, the Committee will consult with the Inter-Agency Task Force on Harmful Algal Blooms and Hypoxia. Such plan will build on and complement the ongoing activities of the National Oceanic and Atmospheric Administration, the National Science Foundation, and other departments and agencies and shall—

(1) establish, for the 10-year period beginning in the year it is submitted, the goals and priorities for Federal research which most effectively advance scientific understanding of the connections between the oceans and human health, provide usable information for the prediction of marine-related public health problems and use the biological potential of the oceans for development of new treatments of human diseases and a greater understanding of human biology;

(2) describe specific activities required to achieve such goals and priorities, including the funding of competitive research grants, ocean and coastal observations, training and support for scientists, and participation in international research efforts;

(3) identify and address, as appropriate, relevant programs and activities of the Federal agencies and departments that would contribute to the program;

(4) consider and use, as appropriate, reports and studies conducted by Federal agencies and departments, the National Research Council, the Ocean Research Advisory Panel, the Commission on Ocean Policy and other expert scientific bodies;

(5) make recommendations for the coordination of program activities with ocean and human health-related activities of other national and international organizations; and

(6) estimate Federal funding for research activities to be conducted under the program.

(c) PROGRAM SCOPE.—The program may include the following activities related to the role of oceans in human health:

(1) Interdisciplinary research among the ocean and medical sciences, and coordinated research and activities to improve understanding of processes within the ocean that may affect human health and to explore the potential contribution of marine organisms to medicine and research, including—

(A) vector- and water-borne diseases of humans and marine organisms, including marine mammals and fish;

(B) harmful algal blooms and hypoxia (through the Inter-Agency Task Force on Harmful Algal Blooms and Hypoxia);

(C) marine-derived pharmaceuticals;

(D) marine organisms as models for biomedical research and as indicators of marine environmental health;

(E) marine environmental microbiology;

(F) bioaccumulative and endocrine-disrupting chemical contaminants; and

(G) predictive models based on indicators of marine environmental health or public health threats.

(2) Coordination with the National Ocean Research Leadership Council (10 U.S.C. 7902(a)) to ensure that any integrated ocean and coastal observing system provides information necessary to monitor and reduce marine public health problems including health-related data on biological populations and detection of contaminants in marine waters and seafood.

(3) Development through partnerships among Federal agencies, States, or academic institutions of new technologies and approaches for detecting and reducing hazards to human health from ocean sources and to strengthen understanding of the value of marine biodiversity to biomedicine, including—

(A) genomics and proteomics to develop genetic and immunological detection approaches and predictive tools and to discover new biomedical resources;

(B) biomaterials and bioengineering;

(C) in situ and remote sensors used to detect, quantify, and predict the presence and spread of contaminants in marine waters and organisms and to identify new genetic resources for biomedical purposes;

(D) techniques for supplying marine resources, including chemical synthesis, culturing and aquaculturing marine organisms, new fermentation methods and recombinant techniques; and

(E) adaptation of equipment and technologies from human health fields.

(4) Support for scholars, trainees and education opportunities that encourage an interdisciplinary and international approach to exploring the diversity of life in the oceans.

(d) ANNUAL REPORT.—Beginning with the first year occurring more than 24 months after the date of enactment of this Act, the National Science and Technology Council, through the Director of the Office of Science and Technology Policy shall prepare and submit to the President and the Congress not later than January 31st of each year an annual report on the activities conducted pursuant to this Act during the preceding fiscal year, including—

(1) a summary of the achievements of Federal oceans and human health research, including Federally supported external research, during the preceding fiscal year;

(2) an analysis of the progress made toward achieving the goals and objectives of the plan developed under subsection (b), including identification of trends and emerging trends;

(3) a copy or summary of the plan and any changes made in the plan;

(4) a summary of agency budgets for oceans and human health activities for that preceding fiscal year; and

(5) any recommendations regarding additional action or legislation that may be required to assist in achieving the purposes of this title.

SEC. 4. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OCEANS AND HUMAN HEALTH INITIATIVE.

(a) ESTABLISHMENT.—As part of the interagency program planned and coordinated under section 3, the Secretary of Commerce is authorized to establish an Oceans and Human Health Initiative to coordinate and implement research and activities of the National Oceanic and Atmospheric Administration related to the role of the oceans, the coasts, and the Great Lakes in human health. In carrying out this section, the Secretary shall consult with other Federal agencies conducting integrated oceans and human health research and research in related areas, including the National Science Foundation. The Oceans and Human Health Initiative is authorized to provide support for—

(1) centralized program and research coordination;

(2) an advisory panel;

(3) one or more National Oceanic and Atmospheric Administration national centers of excellence;

(4) research grants; and

(5) distinguished scholars and traineeships.

(b) ADVISORY PANEL.—The Secretary is authorized to establish an oceans and human health advisory panel to assist in the development and implementation of the Oceans and Human Health Initiative. Membership of the advisory group shall provide for balanced representation of individuals with multi-disciplinary expertise in the marine and biomedical sciences. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the oceans and human health advisory panel.

(c) NATIONAL CENTERS.—

(1) The Secretary is authorized to identify and provide financial support through a competitive process to develop, within the National Oceanic and Atmospheric Administration, for one or more centers of excellence that strengthen the capabilities of the National Oceanic and Atmospheric Administration to carry out its programs and activities related to the oceans' role in human health.

(2) The centers shall focus on areas related to agency missions, including use of marine organisms as indicators for marine environmental health, ocean pollutants, marine toxins and pathogens, harmful algal blooms, hypoxia, seafood testing, drug discovery, and biology and pathobiology of marine mammals, and on disciplines including marine genomics, marine environmental microbiology, ecological chemistry and conservation medicine.

(3) In selecting centers for funding, the Secretary will give priority to proposals with strong interdisciplinary scientific merit that encourage educational opportunities and provide for effective partnerships among the Administration, other Federal entities, State, academic, medical, and industry participants.

(d) EXTRAMURAL RESEARCH GRANTS.—

(1) The Secretary is authorized to provide grants of financial assistance to the scientific community for critical research and

projects that explore the relationship between the oceans and human health and that complement or strengthen programs and activities of the National Oceanic and Atmospheric Administration related to the ocean's role in human health. Officers and employees of Federal agencies may collaborate with, and participate in, such research and projects to the extent requested by the grant recipient. The Secretary shall consult with the oceans and human health advisory panel established under subsection (b) and may work cooperatively with other agencies participating in the interagency program under section 3 to establish joint criteria for such research and projects.

(2) Grants under this subsection shall be awarded through a competitive peer-reviewed, merit-based process that may be conducted jointly with other agencies participating in the interagency program established in section 3 or under the National Oceanographic Partnership Program under section 7901 of title 10, United States Code.

(e) DISTINGUISHED SCHOLARS AND TRAINEESHIPS.—

(1) The Secretary is authorized to designate and provide financial assistance to support distinguished scholars from academic institutions, industry, State governments, or other Federal agencies for collaborative work with National Oceanic and Atmospheric Administration scientists and facilities.

(2) The Secretary of Commerce is authorized to establish a program to provide traineeships, training, and experience to predoctoral and post-doctoral students and to scientists at the beginning of their careers who are interested in the oceans in human health research conducted under the NOAA initiative.

SEC. 5. PUBLIC INFORMATION AND OUTREACH.

(a) ESTABLISHMENT.—The Secretary of Commerce, in consultation with other appropriate Federal agencies shall design, and implement a national information and outreach program on potential ocean-related human health risks, including health hazards associated with the human consumption of seafood. Under such program, the Secretary shall—

(1) collect information on the incidence and locations of ocean-related health hazards and illnesses;

(2) disseminate such information to any appropriate Federal or State agency, involved industries, and other interested persons; and

(3) assess and make recommendations for observing systems to support the program.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) NOAA OCEANS AND HUMAN HEALTH INITIATIVE.—There are authorized to be appropriated to the Secretary of Commerce to carry out the National Oceanic and Atmospheric Administration Oceans and Human Health Initiative established under section 4, $12,000,000 for fiscal year 2005, $15,000,000 for fiscal year 2006, and $20,000,000 for each of fiscal years 2007 and 2008. Not less than 50 percent of the amounts appropriated to carry out the initiative for each fiscal year shall be utilized to support the programs described in subsections (d) and (c) of section 4.

(b) PUBLIC INFORMATION.—There are authorized to be appropriated to the Secretary to carry out the public information and outreach program established under section 5, $3,000,000 for each of fiscal years 2005 through 2007.

SA 2934. Mr. FRIST (for Ms. COLLINS) proposed an amendment to the bill H.R. 2584, to provide for the conveyance to the Utrok Atoll local government of a decommissioned National Oceanic and Atmospheric Administration ship, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. 305. REBUILDING FISH STOCKS.

Section 105 of division H of the Consolidated Appropriations Act, 2004, is repealed.

SA 2935. Mr. FRIST (for Mr. MCCAIN (for himself, Mr. KERRY, Mr. INOUYE, Mr. WYDEN, and Mrs. BOXER)) submitted an amendment intended to be proposed by Mr. FRIST to the bill H.R. 2584, to provide for the conveyance to the Utrok Atoll local government of a decommissioned National Oceanic and Atmospheric Administration ship, and for other purposes; which was ordered to lie on the table; as follows:

On page 2, between lines 17 and 18, insert the following:

(c) Within 120 days after the date of enactment of this Act, the Utrok Atoll local government, in consultation with the Government of the Republic of the Marshall Islands, shall submit a plan for the use of the vessel to be conveyed under subsection (a) to the House of Representatives Committee on Resources, the House of Representatives Committee on Science, the Senate Committee on Energy and Natural Resources, and the Senate Committee on Commerce, Science, and Transportation.

On page 4, after line 6, add the following:

TITLE IV—PACIFIC ALBACORE TUNA TREATY

SEC. 401. IMPLEMENTATION.

(a) IN GENERAL.—Notwithstanding anything to the contrary in section 201, 204, or 307(2) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1821, 1824, and 1857(2)), foreign fishing may be conducted pursuant to the Treaty between the Government of the United States of America and the Government of Canada on Pacific Coast Albacore Tuna Vessels and Port Privileges, signed at Washington May 26, 1981, including its Annexes and any amendments thereto.

(b) REGULATIONS.—The Secretary of Commerce, with the concurrence of the Secretary of State, may—

(1) promulgate regulations necessary to discharge the obligations of the United States under the Treaty and its Annexes; and

(2) provide for the application of any such regulation to any person or vessel subject to the jurisdiction of the United States, wherever that person or vessel may be located.

(c) ENFORCEMENT.—

(1) IN GENERAL.—The Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) shall be enforced as if subsection (a) were a provision of that Act. Any reference in the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) to "this Act" or to any provision of that Act, shall be considered to be a reference to that Act as it would be in effect if subsection (a) were a provision of that Act.

(2) REGULATIONS.—The regulations promulgated under subsection (b), shall be enforced as if—

(A) subsection (a) were a provision of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.); and

(B) the regulations were promulgated under that Act.

SEC. 402. SOUTH PACIFIC TUNA TREATY ACT AMENDMENT.

Section 6 of the South Pacific Tuna Act of 1988 (16 U.S.C. 973d(a)) is amended by striking "outside of the 200 nautical mile fisheries zones of the Pacific Island Parties." and inserting "or to fishing by vessels using the longline method in the high seas areas of the Treaty area.".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, March 24, 2004, at 9:30 a.m., on Port Security.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, on Wednesday, March 24, at 11:30 a.m., to consider pending calendar business.

Agenda Item 1: To consider the nomination of Sue Ellen Wooldridge, to be Solicitor at the Department of the Interior.

Agenda Item 10: S. 1910—A bill to direct the Secretary of Agriculture to carry out an inventory and management program for forests derived from public domain land.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet on Wednesday, March 24, at 10 a.m., to conduct a hearing to examine the environmental impacts on the U.S. natural gas supply. The meeting will be held in SD–406.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, March 24, 2004, at 11 a.m., in room 485 of the Russell Senate Office Building to conduct a hearing on S. 1529, the Indian Gaming Regulatory Act Amendments of 2003.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Wednesday, March 24, 2004, at 9:00 a.m. on "Judicial Nominations" in the Dirksen Senate Office Building Room 226.

Witness list

Panel I: Senators.

Panel II: Paul S. Diamond to be U.S. District Judge for the Eastern District of Pennsylvania.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. ENZI. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet on Wednesday, March 24, 2004, at 9:00 a.m., for a hearing entitled "Profiteering in a Non-Profit Industry: Abusive Practices in Credit Counseling."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AIRLAND

Mr. ENZI. Mr. President, I ask unanimous consent that the Subcommittee on Airland of the Committee on Armed Services be authorized to meet during the session of the Senate on March 24, 2004, at 2:00 p.m., in open session to receive testimony on Navy and Air Force aviation programs, in review of the defense authorization request for fiscal year 2005 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND TRANSPORTATION

Mr. ENZI. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Transportation of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, March 24, 2004, at 2:30 p.m., to conduct a hearing on "The Real Estate Appraisal Industry."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS

Mr. ENZI. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, March 24, 2004, at 2:30 p.m.

The Purpose of the hearing is to receive testimony on the following bills: S. 433, A bill to provide for enhanced collaborative forest stewardship management within the Clearwater and Nez Perce National Forests in Idaho, and for other purposes; S. 2180, a bill to direct the Secretary of Agriculture to exchange certain lands in the Arapaho and Roosevelt National Forests in the State of Colorado; and H.R. 1964, a bill to assist the States of Connecticut, New Jersey, New York, and Pennsylvania in conserving priority lands and natural resources in the highlands region, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES

Mr. ENZI. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces of the Committee on Armed Services be authorized to meet during the session of the Senate on March 24, 2004, at 9:30 a.m., in open session to receive testimony on strategic forces and capabilities, in review of the defense authorization request for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that Shane Lowenberg of my staff be granted the privilege of the floor for the duration of today's debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2005

On Thursday, March 11, 2004, the Senate passed S. Con. Res. 95, as follows:

S. CON. RES. 95

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

(a) DECLARATION.—Congress declares that this resolution is the concurrent resolution on the budget for fiscal year 2005 including the appropriate budgetary levels for fiscal years 2006 through 2009 as authorized by section 301 of the Congressional Budget Act of 1974 (2 U.S.C. 632).

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 2005.

TITLE I—LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.
Sec. 102. Social security.
Sec. 103. Major functional categories.

TITLE II—RECONCILIATION

Sec. 201. Reconciliation in the Senate.

TITLE III—RESERVE FUNDS AND ADJUSTMENTS

Subtitle A—Reserve Funds

Sec. 301. Reserve fund for health insurance for the uninsured.
Sec. 302. Reserve fund for higher education.
Sec. 303. Reserve for energy legislation.
Sec. 304. Reserve fund for guard and reserve health care.
Sec. 305. Reserve fund for Montgomery GI bill benefits.
Sec. 306. Reserve for funding of Hope Credit.
Sec. 307. Reserve fund for expansion of pediatric vaccine distribution program.
Sec. 308. Reserve fund for addressing minority health disparities.
Sec. 309. Reserve for postal service reform.

Subtitle B—Adjustments With Respect to Discretionary Spending

Sec. 311. Adjustment for surface transportation.
Sec. 312. Supplemental appropriations for Iraq and related activities for fiscal year 2005.
Sec. 313. Adjustment for wildland fire suppression.
Sec. 314. Reserve fund for eliminating survivor benefit plan-social security offset.

TITLE IV—BUDGET ENFORCEMENT

Sec. 401. Restrictions on advance appropriations.
Sec. 402. Extension of emergency rule in the Senate.
Sec. 403. Discretionary spending limits in the Senate.
Sec. 404. Scoring rules.
Sec. 405. Adjustments to reflect changes in concepts and definitions.
Sec. 406. Application and effect of changes in allocations and aggregates.
Sec. 407. Exercise of rulemaking powers.
Sec. 408. Pay-as-you-go point of order in the Senate.

TITLE V—SENSE OF THE SENATE

Sec. 501. Sense of the Senate on budget process reform.
Sec. 502. Sense of the Senate on budget process reform with regard to the creation of bipartisan commissions to combat waste, fraud, and abuse and to promote spending efficiency.
Sec. 503. Sense of the Senate on the relationship between annual deficit spending and increases in debt service costs.
Sec. 504. Sense of the Senate regarding the costs of the medicare prescription drug program.
Sec. 505. Sense of the Senate regarding pay parity.
Sec. 506. Sense of the Senate on returning stability to payments under medicare physician fee schedule.
Sec. 507. Sense of the Senate regarding the use of Federal funds to support American companies and American workers.
Sec. 508. Sense of the Senate regarding closing the "tax gap".
Sec. 509. Sense of the Senate amendment on drug comparativeness studies.
Sec. 510. Sense of the Senate regarding funding for port security.
Sec. 511. Sense of the Senate regarding tribal colleges and universities.
Sec. 512. Findings and sense of the Senate.
Sec. 513. Sense of the Senate supporting funding restoration for agriculture research and extension.
Sec. 514. Reserve fund for Homeland Security Grant Program, assistance to firefighter grants, and port security grants.
Sec. 515. State Homeland Security Grant Program.
Sec. 516. Strategic Petroleum Reserve.
Sec. 517. Sense of the Senate concerning a National Animal Identification Program.
Sec. 518. Sense of the Senate regarding contributions to The Global Fund to Fight AIDS, Tuberculosis, and Malaria.
Sec. 519. Sense of the Senate concerning child nutrition funding.
Sec. 520. Sense of the Senate regarding compensation for exposure to toxic substances at the Department of Energy.
Sec. 521. Sense of the Senate regarding tax incentives for certain rural communities.
Sec. 522. Sense of the Senate concerning summer food pilot projects.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 2005 through 2009:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution—

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2005: $1,453,714,000,000.

Fiscal year 2006: $1,615,655,000,000.

Fiscal year 2007: $1,730,119,000,000.

Fiscal year 2008: $1,822,516,000,000.

Fiscal year 2009: $1,925,154,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 2005: −$23,420,000,000.

Fiscal year 2006: −$38,526,000,000.

Fiscal year 2007: −$24,825,000,000.

Fiscal year 2008: −$23,274,000,000.

Fiscal year 2009: −$27,906,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2005: $1,958,150,000,000.

Fiscal year 2006: $2,072,497,000,000.

Fiscal year 2007: $2,187,109,000,000.

Fiscal year 2008: $2,294,017,000,000.

Fiscal year 2009: $2,397,359,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2005: $1,968,807,000,000.

Fiscal year 2006: $2,061,467,000,000.

Fiscal year 2007: $2,161,380,000,000.

Fiscal year 2008: $2,263,755,000,000.

Fiscal year 2009: $2,363,932,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 2005: −$515,093,000,000.

Fiscal year 2006: −$445,812,000,000.

Fiscal year 2007: −$431,261,000,000.

Fiscal year 2008: −$441,239,000,000.

Fiscal year 2009: −$438,778,000,000.

(5) DEBT SUBJECT TO LIMIT.—The appropriate levels of the public debt are as follows:

Fiscal year 2005: $8,052,710,000,000.

Fiscal year 2006: $8,624,516,000,000.

Fiscal year 2007: $9,178,616,000,000.

Fiscal year 2008: $9,742,730,000,000.

Fiscal year 2009: $10,308,215,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of the debt held by the public are as follows:

Fiscal year 2005: $4,741,120,000,000.

Fiscal year 2006: $5,009,410,000,000.

Fiscal year 2007: $5,247,139,000,000.

Fiscal year 2008: $5,479,268,000,000.

Fiscal year 2009: $5,696,111,000,000.

SEC. 102. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 2005: $572,314,000,000.

Fiscal year 2006: $600,902,000,000.

Fiscal year 2007: $629,333,000,000.

Fiscal year 2008: $658,731,000,000.

Fiscal year 2009: $689,620,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 2005: $396,159,000,000.

Fiscal year 2006: $406,390,000,000.

Fiscal year 2007: $419,424,000,000.

Fiscal year 2008: $433,487,000,000.

Fiscal year 2009: $450,288,000,000.

(c) SOCIAL SECURITY ADMINISTRATIVE EXPENSES.—In the Senate, the amounts of new budget authority and budget outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for administrative expenses are as follows:

Fiscal year 2005:

(A) New budget authority, $4,249,000,000.

(B) Outlays, $4,264,000,000.

Fiscal year 2006:

(A) New budget authority, $4,352,000,000.

(B) Outlays, $4,335,000,000.

Fiscal year 2007:

(A) New budget authority, $4,477,000,000.

(B) Outlays, $4,457,000,000.

Fiscal year 2008:

(A) New budget authority, $4,617,000,000.

(B) Outlays, $4,594,000,000.

Fiscal year 2009:

(A) New budget authority, $4,762,000,000.

(B) Outlays, $4,738,000,000.

SEC. 103. MAJOR FUNCTIONAL CATEGORIES.

Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 2005 through 2009 for each major functional category are:

(1) National Defense (050):

Fiscal year 2005:

(A) New budget authority, $422,157,000,000.

(B) Outlays, $449,442,000,000.

Fiscal year 2006:

(A) New budget authority, $445,708,000,000.

(B) Outlays, $442,157,000,000.

Fiscal year 2007:

(A) New budget authority, $456,148,000,000.

(B) Outlays, $441,732,000,000.

Fiscal year 2008:

(A) New budget authority, $467,482,000,000.

(B) Outlays, $451,564,000,000.

Fiscal year 2009:

(A) New budget authority, $479,494,000,000.

(B) Outlays, $463,106,000,000.

(2) International Affairs (150):

Fiscal year 2005:

(A) New budget authority, $31,970,000,000.

(B) Outlays, $34,032,000,000.

Fiscal year 2006:

(A) New budget authority, $34,855,000,000.

(B) Outlays, $33,192,000,000.

Fiscal year 2007:

(A) New budget authority, $35,499,000,000.

(B) Outlays, $31,746,000,000.

Fiscal year 2008:

(A) New budget authority, $35,856,000,000.

(B) Outlays, $31,640,000,000.

Fiscal year 2009:

(A) New budget authority, $35,912,000,000.

(B) Outlays, $32,059,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 2005:

(A) New budget authority, $24,278,000,000.

(B) Outlays, $23,752,000,000.

Fiscal year 2006:

(A) New budget authority, $25,412,000,000.

(B) Outlays, $24,863,000,000.

Fiscal year 2007:

(A) New budget authority, $26,269,000,000.

(B) Outlays, $25,613,000,000.

Fiscal year 2008:

(A) New budget authority, $26,499,000,000.

(B) Outlays, $25,914,000,000.

Fiscal year 2009:

(A) New budget authority, $26,547,000,000.

(B) Outlays, $26,095,000,000.

(4) Energy (270):

Fiscal year 2005:

(A) New budget authority, $1,093,000,000.

(B) Outlays, −$546,000,000.

Fiscal year 2006:

(A) New budget authority, $2,762,000,000.

(B) Outlays, $1,653,000,000.

Fiscal year 2007:

(A) New budget authority, $2,781,000,000.

(B) Outlays, $1,214,000,000.

Fiscal year 2008:

(A) New budget authority, $2,501,000,000.

(B) Outlays, $601,000,000.

Fiscal year 2009:

(A) New budget authority, $2,082,000,000.

(B) Outlays, $718,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 2005:

(A) New budget authority, $36,160,000,000.

(B) Outlays, $31,191,000,000.

Fiscal year 2006:

(A) New budget authority, $32,909,000,000.

(B) Outlays, $33,529,000,000.

Fiscal year 2007:

(A) New budget authority, $32,895,000,000.

(B) Outlays, $34,099,000,000.

Fiscal year 2008:

(A) New budget authority, $32,825,000,000.

(B) Outlays, $33,879,000,000.

Fiscal year 2009:

(A) New budget authority, $33,523,000,000.

(B) Outlays, $33,974,000,000.

(6) Agriculture (350):

Fiscal year 2005:

(A) New budget authority, $21,746,000,000.

(B) Outlays, $20,976,000,000.

Fiscal year 2006:

(A) New budget authority, $23,806,000,000.

(B) Outlays, $22,574,000,000.

Fiscal year 2007:

(A) New budget authority, $24,698,000,000.

(B) Outlays, $23,509,000,000.

Fiscal year 2008:

(A) New budget authority, $24,604,000,000.

(B) Outlays, $23,483,000,000.

Fiscal year 2009:

(A) New budget authority, $25,563,000,000.

(B) Outlays, $24,623,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 2005:

(A) New budget authority, $7,864,000,000.

(B) Outlays, $2,935,000,000.

Fiscal year 2006:

(A) New budget authority, $8,041,000,000.

(B) Outlays, $2,593,000,000.

Fiscal year 2007:

(A) New budget authority, $9,141,000,000.

(B) Outlays, $3,406,000,000.

Fiscal year 2008:

(A) New budget authority, $9,336,000,000.

(B) Outlays, $2,550,000,000.

Fiscal year 2009:

(A) New budget authority, $9,826,000,000.

(B) Outlays, $2,766,000,000.

(8) Transportation (400):

Fiscal year 2005:

(A) New budget authority, $69,985,000,000.

(B) Outlays, $68,390,000,000.

Fiscal year 2006:

(A) New budget authority, $70,923,000,000.

(B) Outlays, $70,998,000,000.

Fiscal year 2007:

(A) New budget authority, $71,428,000,000.

(B) Outlays, $72,207,000,000.

Fiscal year 2008:

(A) New budget authority, $71,760,000,000.

(B) Outlays, $72,571,000,000.

Fiscal year 2009:

(A) New budget authority, $72,241,000,000.

(B) Outlays, $72,597,000,000.

(9) Community and Regional Development (450):

Fiscal year 2005:

(A) New budget authority, $13,897,000,000.

(B) Outlays, $14,986,000,000.

Fiscal year 2006:

(A) New budget authority, $13,682,000,000.

(B) Outlays, $15,220,000,000.

Fiscal year 2007:

(A) New budget authority, $13,851,000,000.

(B) Outlays, $14,321,000,000.

Fiscal year 2008:

(A) New budget authority, $13,979,000,000.

(B) Outlays, $13,818,000,000.

Fiscal year 2009:

(A) New budget authority, $14,150,000,000.

(B) Outlays, $13,913,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 2005:

(A) New budget authority, $100,414,000,000.

(B) Outlays, $89,304,000,000.

Fiscal year 2006:

(A) New budget authority, $95,314,000,000.

(B) Outlays, $94,577,000,000.

Fiscal year 2007:

(A) New budget authority, $95,628,000,000.

(B) Outlays, $93,799,000,000.

Fiscal year 2008:

(A) New budget authority, $95,858,000,000.

(B) Outlays, $94,262,000,000.

Fiscal year 2009:

(A) New budget authority, $96,168,000,000.

(B) Outlays, $94,684,000,000.

(11) Health (550):

Fiscal year 2005:

(A) New budget authority, $252,299,000,000.

(B) Outlays, $247,712,000,000.

Fiscal year 2006:

(A) New budget authority, $254,677,000,000.

(B) Outlays, $255,618,000,000.

Fiscal year 2007:

(A) New budget authority, $267,998,000,000.

(B) Outlays, $27,754,000,000.

Fiscal year 2008:

(A) New budget authority, $286,815,000,000.

(B) Outlays, $286,525,000,000.

Fiscal year 2009:

(A) New budget authority, $307,860,000,000.

(B) Outlays, $305,533,000,000.

(12) Medicare (570):

Fiscal year 2005:

(A) New budget authority, $287,513,000,000.

(B) Outlays, $288,654,000,000.

Fiscal year 2006:

(A) New budget authority, $322,517,000,000.

(B) Outlays, $322,035,000,000.

Fiscal year 2007:

(A) New budget authority, $361,999,000,000.

(B) Outlays, $362,277,000,000.

Fiscal year 2008:

(A) New budget authority, $386,753,000,000.

(B) Outlays, $386,795,000,000.

Fiscal year 2009:

(A) New budget authority, $412,922,000,000.

(B) Outlays, $412,515,000,000.

(13) Income Security (600):

Fiscal year 2005:

(A) New budget authority, $337,868,000,000.

(B) Outlays, $342,111,000,000.

Fiscal year 2006:

(A) New budget authority, $343,354,000,000.

(B) Outlays, $346,782,000,000.

Fiscal year 2007:

(A) New budget authority, $348,271,000,000.

(B) Outlays, $350,920,000,000.

Fiscal year 2008:

(A) New budget authority, $361,670,000,000.

(B) Outlays, $363,674,000,000.

Fiscal year 2009:

(A) New budget authority, $371,602,000,000.

(B) Outlays, $373,123,000,000.

(14) Social Security (650):

Fiscal year 2005:

(A) New budget authority, $15,214,000,000.

(B) Outlays, $15,214,000,000.

Fiscal year 2006:

(A) New budget authority, $16,779,000,000.

(B) Outlays, $16,779,000,000.

Fiscal year 2007:

(A) New budget authority, $18,269,000,000.

(B) Outlays, $18,269,000,000.

Fiscal year 2008:

(A) New budget authority, $20,218,000,000.

(B) Outlays, $20,218,000,000.

Fiscal year 2009:

(A) New budget authority, $22,229,000,000.

(B) Outlays, $22,229,000,000.

(15) Veterans Benefits and Services (700):

Fiscal year 2005:

(A) New budget authority, $71,546,000,000.

(B) Outlays, $70,159,000,000.

Fiscal year 2006:

(A) New budget authority, $68,196,000,000.

(B) Outlays, $67,731,000,000.

Fiscal year 2007:

(A) New budget authority, $66,209,000,000.

(B) Outlays, $65,834,000,000.

Fiscal year 2008:

(A) New budget authority, $69,326,000,000.

(B) Outlays, $69,132,000,000.

Fiscal year 2009:

(A) New budget authority, $69,888,000,000.

(B) Outlays, $69,660,000,000.

(16) Administration of Justice (750):

Fiscal year 2005:

(A) New budget authority, $41,841,000,000.

(B) Outlays, $40,727,000,000.

Fiscal year 2006:

(A) New budget authority, $39,490,000,000.

(B) Outlays, $40,336,000,000.

Fiscal year 2007:

(A) New budget authority, $40,099,000,000.

(B) Outlays, $40,462,000,000.

Fiscal year 2008:

(A) New budget authority, $40,870,000,000.

(B) Outlays, $40,873,000,000.

Fiscal year 2009:

(A) New budget authority, $41,206,000,000.

(B) Outlays, $41,228,000,000.

(17) General Government (800):

Fiscal year 2005:

(A) New budget authority, $16,182,000,000.

(B) Outlays, $16,742,000,000.

Fiscal year 2006:

(A) New budget authority, $17,503,000,000.

(B) Outlays, $17,110,000,000.

Fiscal year 2007:

(A) New budget authority, $17,611,000,000.

(B) Outlays, $17,245,000,000.

Fiscal year 2008:

(A) New budget authority, $17,190,000,000.

(B) Outlays, $16,878,000,000.

Fiscal year 2009:

(A) New budget authority, $17,256,000,000.

(B) Outlays, $16,763,000,000.

(18) Net Interest (900):

Fiscal year 2005:

(A) New budget authority, $270,115,000,000.

(B) Outlays, $270,115,000,000.

Fiscal year 2006:

(A) New budget authority, $317,196,000,000.

(B) Outlays, $317,196,000,000.

Fiscal year 2007:

(A) New budget authority, $361,739,000,000.

(B) Outlays, $361,739,000,000.

Fiscal year 2008:

(A) New budget authority, $394,951,000,000.

(B) Outlays, $394,951,000,000.

Fiscal year 2009:

(A) New budget authority, $422,613,000,000.

(B) Outlays, $422,613,000,000.

(19) Allowances (920):

Fiscal year 2005:

(A) New budget authority, −$11,486,000,000.

(B) Outlays, −$4,584,000,000.

Fiscal year 2006:

(A) New budget authority, −$779,000,000.

(B) Outlays, −$3,627,000,000.

Fiscal year 2007:

(A) New budget authority, −$987,000,000.

(B) Outlays, −$2,329,000,000.

Fiscal year 2008:

(A) New budget authority, −$993,000,000.

(B) Outlays, −$2,091,000,000.

Fiscal year 2009:

(A) New budget authority, −$998,000,000.

(B) Outlays, −$1,542,000,000.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 2005:

(A) New budget authority, −$52,505,000,000.

(B) Outlays, −$52,505,000,000.

Fiscal year 2006:

(A) New budget authority, −$59,848,000,000.

(B) Outlays, −$59,848,000,000.

Fiscal year 2007:

(A) New budget authority, −$62,437,000,000.

(B) Outlays, −$62,437,000,000.

Fiscal year 2008:

(A) New budget authority, −$63,482,000,000.

(B) Outlays, −$63,482,000,000.

Fiscal year 2009:

(A) New budget authority, −$62,725,000,000.

(B) Outlays, −$62,725,000,000.

TITLE II—RECONCILIATION

SEC. 201. RECONCILIATION IN THE SENATE.

(a) TAX RELIEF.—The Senate Committee on Finance shall report a reconciliation bill not later than September 30, 2004, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than $12,311,000,000 for fiscal year 2005 and $80,642,000,000 for the period of fiscal years 2005 through 2009, and to increase outlays by not more than $2,000,000,000 for the period of fiscal years 2005 through 2009.

(b) INCREASE IN STATUTORY DEBT LIMIT.—The Committee on Finance shall report a reconciliation bill not later than September 30, 2004, that consists solely of changes in laws within its jurisdiction to increase the statutory debt limit by $664,028,000,000.

TITLE III—RESERVE FUNDS AND ADJUSTMENTS

Subtitle A—Reserve Funds

SEC. 301. RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.

If the Committee on Finance or the Committee on Health, Education, Labor, and Pensions of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that provides health insurance or expands access to care for the uninsured (including a measure providing for tax deductions for the purchase of health insurance or other measures) and including legislation to reallocate and maintain expiring SCHIP funds rather than allowing such funds to revert to the Treasury, increases access to health insurance through lowering costs, and does not increase the costs of current health insurance coverage, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 302. RESERVE FUND FOR HIGHER EDUCATION.

If the Committee on Health, Education, Labor, and Pensions of the Senate reports a bill or joint resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that provides, funding for—

(1) the reauthorization of the Higher Education Act of 1965, the chairman of the Committee on the Budget may revise committee allocations for that committee and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, but not to exceed $1,000,000,000 in new budget authority and $1,000,000,000 in outlays for fiscal year 2005, $5,000,000,000 in new budget authority and $5,000,000,000 in outlays for the period of fiscal years 2005 through 2009; and

(2) a measure that eliminates the accumulated shortfall of budget authority resulting from insufficient appropriations of discretionary new budget authority previously enacted for the Federal Pell Grant Program for awards made through award year 2004–2005, the chairman of the Committee on the Budget may revise the committee allocation and other appropriate budgetary aggregates by the amount provided by that measure for that purpose, but not to exceed $3,700,000,000 in new budget authority only for fiscal year 2005.

SEC. 303. RESERVE FOR ENERGY LEGISLATION.

If a measure, predominately within the jurisdiction of the Committee on Energy and Natural Resources of the Senate (including a bill or joint resolution, an amendment or a conference report), is considered in the Senate that provides for a national energy policy and does not reduce revenues by more than $1,785,000,000 in 2005 and $15,092,000,000 for the period of fiscal years 2005 through 2009, the chairman of the Committee on the Budget may revise committee allocations for that committee and other appropriate budgetary aggregates and allocation of new budget authority and outlays by the amount provided by that measure for that purpose, but not to exceed $261,000,000 in new budget authority and $221,000,000 in outlays for fiscal year 2005 and $1,465,000,000 in new budget authority and $1,465,000,000 in outlays for the period of fiscal years 2005 through 2009.

SEC. 304. RESERVE FUND FOR GUARD AND RESERVE HEALTH CARE.

If the Committee on Armed Services or the Committee on Appropriations reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted that expands access to health care for members of the reserve component, the Chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, other appropriate aggregates, and the discretionary spending limits to reflect such legislation, providing that such legislation—

(1) would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009, or would offset such deficit increases through reduction of unobligated balances from Iraqi reconstruction; and

(2) does not exceed $5,600,000,000 for the period of fiscal years 2005 through 2009.

SEC. 305. RESERVE FUND FOR MONTGOMERY GI BILL BENEFITS.

If the Committee on Armed Services or the Committee on Appropriations reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that increases benefit levels under the Montgomery GI Bill for members of the Selected Reserves, the Chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, other appropriate aggregates, and the discretionary spending limits to reflect such legislation, providing that such legislation—

(1) would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009; and

(2) does not exceed $1,200,000,000 for the period of fiscal years 2005 through 2009.

SEC. 306. RESERVE FOR FUNDING OF HOPE CREDIT.

If the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that increases the Hope credit to $4,000, makes the credit available for 4 years, and makes the credit refundable, the chairman of the Committee on the Budget may revise committee allocations for the Committee on Finance and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, if it would not increase the deficit for fiscal year 2005 or for the total of fiscal years 2005 though 2009.

SEC. 307. RESERVE FUND FOR EXPANSION OF PEDIATRIC VACCINE DISTRIBUTION PROGRAM.

If the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that expands the pediatric vaccine distribution program established under section 1928 of the Social Security Act (42 U.S.C. 1396s) to include coverage for children administered a vaccine at a public health clinic or Indian clinic and repeals the price cap for pre-1993 vaccines, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 308. RESERVE FUND FOR ADDRESSING MINORITY HEALTH DISPARITIES.

If the Committee on Appropriations of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that addresses minority health disparities through activities including those at the HHS Office of Minority Health, the Office of Civil Rights, the National Center on Minority Health and Health Disparities, the Minority HIV/AIDS initiative, health professions training, and through the Racial and Ethnic Approaches to Community Health at the Centers for Disease Control and provides not to exceed $400,000,000 in new budget authority for fiscal year 2005, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 309. RESERVE FOR POSTAL SERVICE REFORM.

If the Committee on Governmental Affairs of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that reforms the United States Postal Service to improve its economic viability, the Chairman of the Committee on the Budget may revise committee allocations for the Committee on Governmental Affairs and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, if that measure would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 though 2009.

Subtitle B—Adjustments With Respect to Discretionary Spending

SEC. 311. ADJUSTMENT FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House or the Committee on Environment and Public Works, the Committee on Banking, Housing, and Urban Affairs, or the Committee on Commerce, Science, and Transportation of the Senate reports a bill or joint resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of—

(1) for fiscal year 2005, $41,772,000,000; or

(2) for fiscal years 2005 through 2009, $207,293,000,000;

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2005 and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by an increase in net new user-fee receipts related to the purposes of the highway trust fund that are appropriated to such fund for the applicable fiscal year caused by such legislation. In the Senate, any increase in receipts shall be reported from the Committee on Finance.

(b) ADJUSTMENT FOR OUTLAYS.—(1) For fiscal year 2005, in the Senate, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $40,600,000,000 for fiscal year 2005, for programs, projects, and activities within the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the appropriate chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset in 2005 pursuant to subsection (a).

(2) For fiscal year 2006, in the Senate, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $40,621,000,000 for fiscal year 2005, for programs, projects, and activities within the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset in 2006 pursuant to subsection (a).

SEC. 312. SUPPLEMENTAL APPROPRIATIONS FOR IRAQ AND RELATED ACTIVITIES FOR FISCAL YEAR 2005.

If the President transmits a budget request for additional resources for activities in Iraq and Afghanistan and if the Committee on Appropriations of the Senate reports legislation providing additional discretionary appropriations in excess of the levels assumed in this resolution for defense-related activities for fiscal year 2005, the chairman of the Committee on the Budget may revise the allocation (and all other appropriate levels and aggregates set out in this resolution) for that committee for such purpose but not to exceed: $30,000,000,000 in new budget authority for fiscal year 2005 and the outlays that flow therefrom.

SEC. 313. ADJUSTMENT FOR WILDLAND FIRE SUPPRESSION.

(a) FINDINGS.—The Senate makes the following findings:

(1) Due to the expansion of the wildland urban interface, severe drought conditions in many regions of the country, and the poor health of the Nation's forests and rangelands, the Forest Service and Department of the Interior regularly spend more than the amount appropriated for fire suppression, and then borrow from other accounts to pay for fire suppression.

(2) This borrowing has a negative effect on many Forest Service and Department of the Interior programs.

(3) This resolution provides an amount equal to the 10-year average for fire suppression in fiscal year 2005.

(4) The Senate recommends that the Forest Service and the Department of the Interior address cost containment within the fire suppression account, and report to Congress regarding how funds appropriated pursuant to this section are used.

(b) CAP ADJUSTMENT.—

(1) DEFINITION.—For this subsection, the term "base amount" refers to the average of the obligations of the preceding 10 years for wildfire suppression in the Forest Service and the Department of the Interior, calculated as of the date of the applicable year's budget request is submitted by the President to Congress.

(2) ADJUSTMENTS FOR FISCAL YEARS 2005 AND 2006.—If the amount appropriated for Wildland Fire Suppression in a fiscal year is not less than the base amount, then the chairman of the Committee on the Budget may adjust the appropriate allocations and other budgetary levels in the most recently agreed to concurrent resolution on the budget for any bill, joint resolution, amendment, motion, or conference report that provides additional funding for wildland fire suppression, but not to exceed—

(A) for the Forest Service—

(i) for fiscal year 2005, $400,000,000; and

(ii) for fiscal year 2006, $400,000,000; and

(B) for the Department of the Interior—

(i) for fiscal year 2005, $100,000,000; and

(ii) for fiscal year 2006, $100,000,000.

(3) SPECIAL RULE FOR FISCAL YEAR 2004.—If additional funding for wildland fire suppression for fiscal year 2004 is provided in a bill, joint resolution, amendment, motion, or conference report, then the chairman of the Committee on the Budget may determine that such amounts shall not be counted for the purposes of the Congressional Budget Act of 1974 and this resolution, provided that such amounts do not exceed—

(A) for the Forest Service, for fiscal year 2004, $400,000,000; and

(B) for the Department of the Interior, for fiscal year 2004, $100,000,000.

SEC. 314. RESERVE FUND FOR ELIMINATING SURVIVOR BENEFIT PLAN-SOCIAL SECURITY OFFSET.

If the Committee on Armed Services or the Committee on Appropriations reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that provides for an increase to the minimum Survivor Benefit Plan basic annuity for surviving spouses age 62 and older, the Chairman of the Committee on the Budget shall revise the aggregates, functional totals, allocations, discretionary caps, and other appropriate levels and limits in this resolution by up to $2,757,000,000 in budget authority and $2,757,000,000 in outlays over the total of fiscal years 2005 through 2009.

TITLE IV—BUDGET ENFORCEMENT

SEC. 401. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), it shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, or conference report that would provide an advance appropriation.

(b) ACCOUNTS.—An advance appropriation may be provided for fiscal years 2006 and 2007 for programs, projects, activities, or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading "Accounts Identified for Advance Appropriations" in an aggregate amount not to exceed $23,158,000,000 in new budget authority in each year.

(c) POINT OF ORDER.—

(1) WAIVER.—In the Senate, subsection (a) may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

(2) PROCEDURE.—A point of order under subsection (a) may be raised by a Senator as provided in section 313(e) of Congressional Budget Act of 1974.

(3) CONFERENCE REPORT.—If a point of order is sustained under subsection (a) against a conference report in the Senate, the report shall be disposed of as provided in section 313(d) of the Congressional Budget Act of 1974.

(d) ADVANCE APPROPRIATION.—In this section, the term "advance appropriation" means any discretionary new budget authority in a bill or joint resolution—

(1) making general appropriations or continuing appropriations for fiscal year 2005 that first becomes available for any fiscal year after 2005; or

(2) making general appropriations or continuing appropriations for fiscal year 2006 that first becomes available for any fiscal year after 2006.

SEC. 402. EXTENSION OF EMERGENCY RULE IN THE SENATE.

Section 502(c) of H. Con. Res. 95 (108th Cong., 1st. Sess.) is amended to read as follows:

"(c) IN THE SENATE.—

"(1) AUTHORITY TO DESIGNATE.—In the Senate, with respect to a provision of direct spending or receipts legislation or appropriations for discretionary accounts that the President designates as an emergency requirement and that Congress so designates in such measure, the amounts of new budget authority, outlays, and receipts in all fiscal years resulting from that provision shall be treated as an emergency requirement for the purpose of this section.

"(2) EXEMPTION OF EMERGENCY PROVISIONS.—In the Senate, any new budget authority, outlays, and receipts resulting from any provision designated as an emergency requirement, pursuant to this section, in any bill, joint resolution, amendment, or conference report shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974 and any concurrent resolution on the budget.

"(3) DESIGNATIONS.—

"(A) GUIDANCE.—In the Senate, if a provision of legislation is designated as an emergency requirement under this section, the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in subparagraph (B).

"(B) CRITERIA.—

"(i) IN GENERAL.—Any such provision is an emergency requirement if the situation addressed by such provision is—

"(I) necessary, essential, or vital (not merely useful or beneficial);

"(II) sudden, quickly coming into being, and not building up over time;

"(III) an urgent, pressing, and compelling need requiring immediate action;

"(IV) subject to clause (ii), unforeseen, unpredictable, and unanticipated; and

"(V) not permanent, temporary in nature.

"(ii) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

"(4) DEFINITIONS.—In this subsection, the terms 'direct spending', 'receipts', and 'appropriations for discretionary accounts' means any provision of a bill, joint resolution, amendment, motion, or conference report that affects direct spending, receipts, or appropriations as those terms have been defined and interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

"(5) POINT OF ORDER.—When the Senate is considering a bill, resolution, amendment, motion, or conference report, if a point of order is made by a Senator against an emergency designation in that measure, that provision making such a designation shall be stricken from the measure and may not be offered as an amendment from the floor.

"(6) WAIVER AND APPEAL.—Paragraph (5) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

"(7) DEFINITION OF AN EMERGENCY DESIGNATION.—For purposes of paragraph (5), a provision shall be considered an emergency designation if it designates any item as an emergency requirement pursuant to this section.

"(8) FORM OF THE POINT OF ORDER.—A point of order under paragraph (5) may be raised by a Senator as provided in section 313(e) of the Congressional Budget Act of 1974.

"(9) CONFERENCE REPORTS.—If a point of order is sustained under paragraph (5) against a conference report, the report shall be disposed of as provided in section 313(d) of the Congressional Budget Act of 1974.

"(10) EXCEPTION FOR DEFENSE SPENDING.—Paragraph (5) shall not apply against an emergency designation for a provision making discretionary appropriations in the defense category.".

SEC. 403. DISCRETIONARY SPENDING LIMITS IN THE SENATE.

(a) DISCRETIONARY SPENDING LIMITS.—In the Senate and as used in this section, the term "discretionary spending limit" means—

(1) for fiscal year 2005—

(A) $819,673,000,000 in new budget authority and $823,694,000,000 in outlays for the discretionary category;

(B) for the highway category, $33,393,000,000 in outlays; and

(C) for the mass transit category, $1,488,000,000 in new budget authority, and $6,726,000,000 in outlays; and

(2) for fiscal year 2006 $852,257,000,000 in new budget authority, and $885,860,000,000 in outlays for the discretionary category.

(b) DISCRETIONARY SPENDING POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, it shall not be in order in the Senate to consider any bill or resolution (including a concurrent resolution on the budget) or amendment, motion, or conference report thereon that would exceed any of the discretionary spending limits in this section.

(2) WAIVER.—This subsection may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(3) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this subsection shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this subsection.

(c) ADJUSTMENTS.—

(1) IN GENERAL.—

(A) CHAIRMAN.—After the reporting of a bill or joint resolution, or the offering of an amendment thereto or the submission of a conference report thereon, the chairman of the Committee on the Budget may make the adjustments set forth in subparagraph (B) for the amount of new budget authority in that measure (if that measure meets the requirements set forth in paragraph (2)) and the outlays flowing from that budget authority.

(B) MATTERS TO BE ADJUSTED.—The adjustments referred to in subparagraph (A) are to be made to—

(i) the discretionary spending limits, if any, set forth in the appropriate concurrent resolution on the budget;

(ii) the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a) of the Congressional Budget Act of 1974; and

(iii) the budgetary aggregates as set forth in the appropriate concurrent resolution on the budget.

(2) AMOUNTS OF ADJUSTMENTS.—The adjustment referred to in paragraph (1) shall be—

(A) an amount provided for transportation under section 311;

(B) an amount provided for the fiscal year 2005 supplemental appropriation pursuant to section 312; and

(C) an amount provided for fire suppression pursuant to section 313.

(3) REPORTING REVISED SUBALLOCATIONS.—Following any adjustment made under paragraph (1), the Committee on Appropriations of the Senate shall report appropriately revised suballocations under section 302(b) to carry out this subsection.

SEC. 404. SCORING RULES.

(a) FUNDING FOR BIOSHIELD.—The chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, and allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by $2,528,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in fiscal year 2005 and subsequent years for Project Bioshield, for a bill, joint resolution, amendment, or conference report that makes appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2005.

(b) ENERGY SAVINGS PERFORMANCE CONTRACT PROGRAM.—In recognition that the energy savings performance contract program recoups its costs through guaranteed savings without increasing budgetary outlays, the Congressional Budget Office shall score the energy savings performance contract program under title VIII of the National Energy Conservation Policy Act (42 U.S.C. 801 et seq.) as zero. For the purposes of any point of order under any concurrent resolution on the budget and the Congressional Budget Act of 1974, the cost of the energy savings performance contract program under title VIII of the National Energy Conservation Policy Act (42 U.S.C. 801 et seq.) shall be zero.

SEC. 405. ADJUSTMENTS TO REFLECT CHANGES IN CONCEPTS AND DEFINITIONS.

(a) In the Senate, upon the enactment of a bill or joint resolution providing for a change in concepts or definitions, the chairman of the Committee on the Budget shall make adjustments to the levels and allocations in this resolution in accordance with section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002).

(b) If the Committee on Appropriations reports a bill or resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that changes the nature of offsetting receipts collected from the Power Marketing Administration from mandatory to discretionary, the chairman of the Committee on the Budget may revise the appropriate allocations for such committee and other appropriate levels in this resolution.

SEC. 406. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

(1) apply while that measure is under consideration;

(2) take effect upon the enactment of that measure; and

(3) be published in the Congressional Record as soon as practicable.

(b) EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the appropriate Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

SEC. 407. EXERCISE OF RULEMAKING POWERS.

Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules (so far as they relate to that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 408. PAY-AS-YOU-GO POINT OF ORDER IN THE SENATE.

(a) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the on-budget deficit or cause an on-budget deficit for any one of the three applicable time periods as measured in paragraphs (5) and (6).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term "applicable time period" means any 1 of the 3 following periods:

(A) The first year covered by the most recently adopted concurrent resolution on the budget.

(B) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(C) The period of the 5 fiscal years following the first 5 fiscal years covered in the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING LEGISLATION.—For purposes of this subsection and except as provided in paragraph (4), the term "direct-spending legislation" means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) EXCLUSION.—For purposes of this subsection, the terms "direct-spending legislation" and "revenue legislation" do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(5) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline surplus or deficit used for the most recently adopted concurrent resolution on the budget; and

(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

(6) PRIOR SURPLUS.—If direct spending or revenue legislation increases the on-budget deficit or causes an on-budget deficit when taken individually, it must also increase the on-budget deficit or cause an on-budget deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that direct spending or revenue effects resulting in net deficit reduction enacted pursuant to reconciliation instructions since the beginning of that same calendar year shall not be available.

(b) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(e) SUNSET.—This section shall expire on September 30, 2009.

TITLE V—SENSE OF THE SENATE

SEC. 501. SENSE OF THE SENATE ON BUDGET PROCESS REFORM.

It is the sense of the Senate that Congress and the President should work together to enact budget process reform legislation that would include mechanisms to restrain Government spending. Such legislation may include—

(1) deficit targets that, when exceeded, would result in across-the-board reductions in Federal spending except Social Security, Medicare, and Veterans' benefits;

(2) revision of the content of budget resolutions to increase their focus on aggregate levels, and to include easily understood enforcement tools such as—

(A) discretionary spending limits;

(B) pay-as-you-go; and

(C) explicit committee allocations;

(3) emergency spending procedures which budget for emergency needs;

(4) pay-as-you-go limitations which apply to non-budget expenditures;

(5) limitations on unauthorized appropriations; and

(6) enhanced rescission or constitutional line-item veto authority for the President.

SEC. 502. SENSE OF THE SENATE ON BUDGET PROCESS REFORM WITH REGARD TO THE CREATION OF BIPARTISAN COMMISSIONS TO COMBAT WASTE, FRAUD, AND ABUSE AND TO PROMOTE SPENDING EFFICIENCY.

(a) WASTE, FRAUD, AND ABUSE.—It is the sense of the Senate that legislation should be enacted that would create a bipartisan commission for the purpose of—

(1) submitting recommendations on ways to eliminate waste, fraud, and abuse; and

(2) to provide recommendations on ways in which to achieve cost savings through enhancing program efficiencies in all discretionary and entitlement programs.

The findings of the commission should be made on an annual basis, and should be presented in conjunction with the submission of the President's budget request to Congress.

(b) EFFICIENCY.—It is the sense of the Senate that a bipartisan commission should be established to—

(1) audit Federal domestic agencies, and programs within such agencies, with the express purpose of providing Congress with recommendations, and legislation;

(2) implement those recommendations; and

(3) realign or eliminate government agencies and programs that are duplicative, inefficient, outdated, irrelevant, or have failed to accomplish their intended purpose.

The findings of the commission should be made on an annual basis, and should be presented in conjunction with the submission of the President's budget request to Congress.

SEC. 503. SENSE OF THE SENATE ON THE RELATIONSHIP BETWEEN ANNUAL DEFICIT SPENDING AND INCREASES IN DEBT SERVICE COSTS.

It is the sense of the Senate that the Congressional Budget Office shall consult with the Committee on the Budget of the Senate in order to prepare a report containing a discussion of—

(1) the relationship between annual deficit spending and increases in debt service costs;

(2) the relationship between incremental increases in discretionary spending and debt service costs; and

(3) the feasibility of providing estimates of debt service costs in the cost estimates prepared pursuant to section 308 of the Congressional Budget Act of 1974.

SEC. 504. SENSE OF THE SENATE REGARDING THE COSTS OF THE MEDICARE PRESCRIPTION DRUG PROGRAM.

It is the sense of the Senate that the Committee on Finance of the Senate should report a bill that consists of changes in laws within its jurisdiction sufficient to ensure that spending within part D of the Medicare Prescription Drug Benefit program in fiscal years 2005 through 2013 does not exceed the total of $409,000,000,000 as estimated by the Congressional Budget Office.

SEC. 505. SENSE OF THE SENATE REGARDING PAY PARITY.

It is the sense of the Senate that—

(1) compensation for civilian and military employees of the United States, without whom we cannot successfully serve and protect our citizens and taxpayers, must be sufficient to support our critical efforts to recruit, retain, and reward quality people effectively and responsibly; and

(2) to achieve this objective, the rate of increase in the compensation of civilian employees should be equal to that proposed for the military in the President's Fiscal Year 2005 Budget.

SEC. 506. SENSE OF THE SENATE ON RETURNING STABILITY TO PAYMENTS UNDER MEDICARE PHYSICIAN FEE SCHEDULE.

(a) FINDINGS.—The Senate finds that—

(1) the fees Medicare pays physicians and other health professionals were reduced by 5.4 percent across-the-board in 2002.

(2) action by Congress in early 2003 narrowly averted a 4.4-percent across-the-board reduction in such fees that year;

(3) in the fall of 2003, congressional action was once again needed to prevent an across-the-board reduction of 4.5 percent in such fees for 2004, as well as an anticipated further reduction in 2005;

(4) based on current projections, estimates suggest that, absent any action, fees will be significantly reduced across-the-board in 2006 and each year thereafter until at least 2010;

(5) the prospect of continued payment reductions under the Medicare physician fee schedule for the foreseeable future threatens to destabilize an important element of the program, namely physician participation and willingness to accept Medicare patients;

(6) there are major flaws in the formula Medicare uses to reimburse physicians which result in steep cuts that adversely impact Medicare beneficiaries' access to care; and

(7) CMS should use its authority to exclude Medicare-covered drugs and biologics from the physician formula and accurately reflect in the formula the direct and indirect cost of increases due to coverage decisions, administrative actions, and rules and regulations.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, while recent actions by Congress have helped address the immediate reductions in reimbursement, further action by Congress is urgently needed to put in place a new formula or mechanism for updating Medicare physician fees in 2006 and thereafter, in order to ensure—

(1) the long-term stability of the Medicare payment system for physicians and other health care professionals, such that payment rates keep pace with practice cost increases; and

(2) future access to physicians' services for Medicare beneficiaries.

SEC. 507. SENSE OF THE SENATE REGARDING THE USE OF FEDERAL FUNDS TO SUPPORT AMERICAN COMPANIES AND AMERICAN WORKERS.

(a) FINDINGS.—The Senate finds that—

(1) the United States has lost more than 2,200,000 manufacturing jobs since 2000;

(2) the Bureau of Labor Statistics reported that 239,454 workers in a variety of sectors of the United States economy lost their jobs as a result of mass layoffs in January 2004;

(3) there are millions of long-term unemployed Americans who have been unable to find work; and

(4) the Buy American Act requires the Federal Government to support American companies and American workers by buying American-made goods.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals in this resolution assume that—

(1) Federal departments and agencies will, to the maximum extent possible, purchase goods and services from American companies; and

(2) Federal departments and agencies will ensure that, to the maximum extent possible, the work required by Federal contracts for goods and services will be performed in the United States.

SEC. 508. SENSE OF THE SENATE REGARDING CLOSING THE "TAX GAP".

(a) FINDINGS.—The Senate finds that—

(1) the Internal Revenue Service estimates that the gross tax gap (the difference between the amount of taxes owed by taxpayers and the amount actually collected) is now estimated to be in excess of $300,000,000,000 annually;

(2) the Internal Revenue Service reports that the rate of voluntary and timely compliance from taxpayers in paying what they owe is approximately 85 percent;

(3) this overwhelming majority of honest and hardworking taxpayers are forced to make up the shortfall that results from taxpayers who fail to pay what they owe voluntarily;

(4) a former Commissioner of Internal Revenue has estimated that honest taxpayers are paying "15 percent more" than necessary if the tax gap were closed;

(5) the current Commissioner of Internal Revenue is concerned that increasing numbers of taxpayers believe that people are less likely to report their income taxes accurately and more inclined to take a chance that they will not be audited; and

(6) that an increase in enforcement efforts on taxes already due and owing can generate significant additional revenues without raising taxes.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Internal Revenue Service should be provided the resources necessary to increase enforcement activities that would be concentrated on efforts to reduce the tax gap substantially by the end of fiscal year 2009.

SEC. 509. SENSE OF THE SENATE AMENDMENT ON DRUG COMPARATIVENESS STUDIES.

It is the sense of the Senate that the overall discretionary levels set in this resolution assume $75,000,000 in new budget authority in fiscal year 2005 and new outlays that flow from this budget authority in fiscal year 2005 and subsequent years, to fund new research and ongoing literature surveys in the Agency for Health Care Research and Quality. These activities will be designed to improve scientific evidence related to the comparative effectiveness and safety of prescription drugs and other treatments and to disseminate the findings and underlying data from such research to health care practitioners, consumers, and health care purchasers.

SEC. 510. SENSE OF THE SENATE REGARDING FUNDING FOR PORT SECURITY.

(a) FINDINGS.—The Senate makes the following findings:

(1) In the United States, the system of maritime commerce, including seaports and other ports, is a critical element of the United States economic, social, and environmental infrastructure.

(2) In 2001, ports in the United States handled approximately 5,400 ships, the majority of which were owned by foreign persons and crewed by nationals of foreign countries, that made a total of more than 60,000 calls at such ports.

(3) In a typical year, more than 17,000,000 cargo containers are handled at ports in the United States.

(4) Maritime commerce is the primary mode of transportation for international trade, with ships carrying more than 80 percent of such trade, by volume.

(5) Disruption of trade flowing through United States ports could have a catastrophic impact on both the United States and the world economies.

(6) In addition to the economic importance of United States ports, such ports form a critical link in the United States national security structure, and are necessary to ensure that United States military material can be effectively and quickly shipped to any location where such material is needed.

(7) Terrorist groups, including extremist groups such as al Qaeda, are likely to consider, formulate, and execute plans to conduct a terrorist strike against one or more of the ports in the United States.

(8) Terrorists have conducted attacks against maritime commerce in the past, including the October 2002 attack on the French oil tanker LIMBERG and the October 2000 attack on the USS COLE in Yemen.

(9) It is critical that port security be enhanced and improved through the adoption of better formulated security procedures, the adoption of new regulations and law, and investment in long-term capital improvements to the structure of the United States most critical ports.

(10) Effective funding to provide adequate security at United States ports requires a commitment to provide Federal funds over multiple years to fund long-term capital improvement projects.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the budget of the United States should provide adequate funding for port security projects and not less than the amount of such funding that is adequate to implement an effective port security plan;

(2) the implementation of the budget of the United States should permit the provision of Federal funds over multiple years to fund long-term security improvement projects at ports in the United States; and

(3) the Secretary of Homeland Security should, as soon as practicable, develop a funding plan for port security that permits funding over multiple years for such projects.

SEC. 511. SENSE OF THE SENATE REGARDING TRIBAL COLLEGES AND UNIVERSITIES.

(a) FINDINGS.—The Senate finds the following:

(1) American Indians from 250 federally recognized tribes nationwide attend tribal colleges and universities, a majority of whom are first-generation college students.

(2) Tribal colleges and universities are located in some of the most isolated and impoverished areas in the Nation, yet they are the Nation's most poorly funded institutions of higher education. While the Tribally Controlled College or University Assistance Act, or "Tribal College Act" provides funding based solely on Indian students, the colleges have open enrollment policies providing access to postsecondary education opportunities to all interested students, about 20 percent of whom are non-Indian. With rare exception, tribal colleges and universities do not receive operating funds from the States for these non-Indian State resident students. Yet, if these same students attended any other public institutions in their States, the State would provide basic operating funds to the institution.

(3) While Congress has been increasing annual appropriations for tribal colleges in recent years, the President's fiscal year 2005 budget recommends a $5,500,000 decrease in institutional operating funds. This represents the third consecutive year that the President's budget proposed decreases that Congress must restore.

(4) Because of congressional budget restorations, the tribal colleges funded through titles I and II of the Tribally Controlled College or University Assistance Act are within $19,000,000 of full funding at their authorized level.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) this resolution recognizes the funding challenges faced by tribal colleges and universities and assumes that priority consideration will be provided to them through funding of the Tribally Controlled College or University Assistance Act, the Equity in Educational Land Grant Status Act, title III of the Higher Education Act, and the National Science Foundation Tribal College Program; and

(2) such priority consideration reflects the intent of Congress to continue to work toward statutory Federal funding authorization goals for tribal colleges and universities.

SEC. 512. FINDINGS AND SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the United States is in the grip of pervasively higher home energy prices;

(2) high natural gas, heating oil, and propane prices are, in general, having an effect that is rippling through the United States economy and are, in particular, impacting home energy bills;

(3) while persons in many sectors can adapt to natural gas, heating oil, and propane price increases, persons in some sectors simply cannot;

(4) elderly and disabled citizens who are living on fixed incomes, the working poor, and other low-income individuals face hardships wrought by high home energy prices;

(5) the energy burden for persons among the working poor often exceeds 20 percent of those persons' incomes under normal conditions;

(6) under current circumstances, home energy prices are unnaturally high, and these are not normal circumstances;

(7) while critically important and encouraged, State energy assistance and charitable assistance funds have been overwhelmed by the crisis caused by the high home energy prices;

(8) the Federal Low-Income Home Energy Assistance Program (referred to in this section as "LIHEAP") and the companion weatherization assistance program (referred to in this section as "WAP"), are the Federal Government's primary means to assist eligible low-income individuals in the United States to shoulder the burdens caused by their home cooling and heating needs;

(9) in 2003, LIHEAP reached only 15 percent of the persons in the United States who were eligible for assistance under the program;

(10) since LIHEAP's inception, its inflation-adjusted buying power has eroded by 58 percent; and

(11) current Federal funding for LIHEAP is not sufficient to meet the cooling and heating needs of low-income families.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume—

(1) an adequate increase in funding for each of fiscal years 2005 and 2006 to carry out the LIHEAP program;

(2) an adequate increase in funding for fiscal year 2005 and an adequate increase in funding for fiscal year 2006 to carry out the WAP program;

(3) appropriations, for these programs, of sufficient additional funds to realistically address the cooling and heating needs of low-income families; and

(4) advance appropriations of the necessary funds to ensure the smooth operation of the programs during times of peak demand.

SEC. 513. SENSE OF THE SENATE SUPPORTING FUNDING RESTORATION FOR AGRICULTURE RESEARCH AND EXTENSION.

(a) FINDINGS.—Congress finds that—

(1) funding for 33 programs administered by the Cooperative State Research, Education, and Extension Service of the Department of Agriculture were each reduced by 10 percent in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2004 (118 Stat. 9);

(2) those cuts are already hurting a wide range of proven programs that help people, communities, and businesses;

(3) the cuts have put at risk important advances made in all 50 States and United States territories, including—

(A) combating obesity through programs such as the Expanded Food and Nutrition Education Program;

(B) expanding environmentally-minded pest management programs;

(C) ensuring food safety; and

(D) educating farmers and ranchers about new sustainable agricultural practices;

(4) the National Research Initiative is the flagship competitive grants program funded through the Cooperative State Research, Education, and Extension Service;

(5) because of limited funding the Service is able to fund only a small fraction of the meritorious research proposals that the Service receives under the National Research Initiative program; and

(6) base funding at the Service that supports the research infrastructure has fallen steadily over the past decade.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports—

(1) the restoration of the 33 accounts of the Cooperative State Research, Education, and Extension Service;

(2) the fiscal year 2005 funding of the National Research Initiative; and

(3) the fiscal year 2005 funding of competitive research programs of the Cooperative State Research, Education, and Extension Service in an amount that is adequate to—

(A) fight obesity and stave off chronic diseases;

(B) combat insects and animal and plant diseases;

(C) establish new crops, improved livestock, and economic opportunities for producers; and

(D) keep pathogens and other dangers out of the air, water, soil, plants, and animals.

SEC. 514. RESERVE FUND FOR HOMELAND SECURITY GRANT PROGRAM, ASSISTANCE TO FIREFIGHTER GRANTS, AND PORT SECURITY GRANTS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $1,545,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, amendment, motion, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of the levels provided in this resolution, for the programs at the Department of Homeland Security.

SEC. 515. STATE HOMELAND SECURITY GRANT PROGRAM.

It is the sense of the Senate that, of the funds for the Department of Homeland Security, $800,000,000 shall be allocated for the State Homeland Security Grant program; $250,000,000 for the Assistance to Firefighters Grant program; and $275,000,000 for Port Security Grants. It is further the sense of the Senate that the State Homeland Security Grant Program shall be increased by $220,000,000 in order to provide for a more equitable formula for distributing funds.

SEC. 516. STRATEGIC PETROLEUM RESERVE.

It is the sense of the Senate that the increased funding for the Homeland Security Department programs shall come from the cancellation of planned future deliveries of oil to the Strategic Petroleum Reserve.

SEC. 517. SENSE OF THE SENATE CONCERNING A NATIONAL ANIMAL IDENTIFICATION PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) animal identification is important for operational management, herd health, and increased trade opportunities;

(2) animal identification is a critical component of the animal health infrastructure of the United States;

(3) it is vital to the well-being of all people in the United States to protect animal agriculture in the United States by safeguarding animal health;

(4) the ability to collect information in a timely manner is critical to an effective response to an imminent threat to animal health or food safety.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports—

(1) the development and implementation of a national animal identification program recognizing the need for resources to carry out the implementation of the plan;

(2) the provision by the Secretary of Agriculture of a time-line for the development and implementation of the program as soon as practicable after the date of approval of this concurrent resolution;

(3) the provision by the Secretary of Agriculture to ensure the Animal and Plant Health Inspection Service, State animal health agencies, and agricultural producers are provided funds necessary to implement a national animal identification program; and

(4) the establishment of a program that is not overly burdensome to agricultural producers and ensures the privacy of information of agricultural producers.

SEC. 518. SENSE OF THE SENATE REGARDING CONTRIBUTIONS TO THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS, AND MALARIA.

(a) FINDINGS.—The Senate finds that—

(1) the United States—

(A) helped establish The Global Fund to Fight AIDS, Tuberculosis, and Malaria (referred to in this section as the "Fund");

(B) provided its first donation; and

(C) provides leadership to the Fund under Fund Board Chairman Tommy Thompson, Secretary of the Department of Health and Human Services;

(2) as a complement to the President's historic 15-country AIDS initiative, the Fund provides resources to fight AIDS, tuberculosis, malaria, and related diseases around the world;

(3) section 202 of the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2004 (22 U.S.C. 7622) authorizes contributions to the Fund to the extent that United States contributions do not exceed 33 percent of all contributions to the Fund, allowing the United States to contribute $1 for every $2 contributed by other sources.

(4) during fiscal years 2001 through 2003, the United States provided $623,000,000 of the total contributions of $1,900,000,000 to the Fund, which represents approximately ⅓ of total contributions to the Fund;

(5) Congress has appropriated $547,000,000 to the Fund for fiscal year 2004, which has been matched by confirmed pledges of $994,000,000, and is slightly more than ⅓ of total pledges, with additional pledges expected;

(6) over the life of the Fund, Congress has appropriated sufficient amounts to match contributions from other sources to The Global Fund to Fight AIDS, Tuberculosis, and Malaria on a 1-to-2 basis; and

(7) transparency and accountability are critical to fund grant-making and the United States should work with foreign governments and international organizations to support the Fund's efforts to use its contributions most effectively.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that this concurrent resolution and subsequent appropriations Acts should provide sufficient funds to continue matching contributions from other sources to The Global Fund to Fight AIDS, Tuberculosis, and Malaria on a 1-to-2 basis.

SEC. 519. SENSE OF THE SENATE CONCERNING CHILD NUTRITION FUNDING.

(a) FINDINGS.—The Senate finds that—

(1) Federal child nutrition programs have long played a critical role in providing children in the United States with quality nutrition from birth through secondary school;

(2) recognizing the value of these benefits to children in the United States, Congress has an enduring tradition of bipartisan support for these programs;

(3) children in the United States are increasingly at nutritional risk due to poor dietary habits, lack of access to nutritious foods, and obesity and diet-related diseases associated with poor dietary intake;

(4) many children in the United States who would benefit from Federal child nutrition programs do not receive benefits due to financial or administrative barriers; and

(5) Federal child nutrition programs are expected to be reauthorized in the One Hundred Eighth Congress.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports the retention in the conference report for this concurrent resolution of the additional funds provided in this concurrent resolution for the reauthorization of Federal child nutrition programs.

SEC. 520. SENSE OF THE SENATE REGARDING COMPENSATION FOR EXPOSURE TO TOXIC SUBSTANCES AT THE DEPARTMENT OF ENERGY.

(a) FINDINGS.—The Senate finds the following:

(1) The Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7384 et seq.) (referred to in this section as the "EEOICPA") is intended to ensure the timely payment of uniform and adequate compensation to covered employees suffering from occupational illnesses incurred during their work for the Department of Energy.

(2) The Department of Labor is responsible for implementing the provisions under subtitle B of the EEOICPA, relating to claims for radiation related cancers, beryllium disease, and silicosis. The Department of Labor has, within its area of responsibility, processed over 95 percent of the 52,000 claims it has received, and is processing these claims in an average of 73 days.

(3) As of the date of enactment of this resolution, the Department of Health and Human Services has not promulgated the regulations required under section 3626 of the EEOICPA for allowing claimants to petition to be members of the Special Exposure Cohort. Special Exposure Cohorts provide a presumption in favor of the claimant for radiation related cancers if—

(A) it is not feasible to estimate radiation dose with sufficient accuracy; and

(B) there is a reasonable likelihood that the health of the class of workers may have been endangered.

(4) The Department of Energy, which is responsible for implementing subtitle D of the EEOICPA, relating to occupational illness caused by exposure to toxic substances at Department of Energy facilities, finalized its regulations on August 14, 2002. The Department of Energy has processed 1 percent of the 22,000 claims received through the Department of Energy physicians panels since its regulations were made final.

(5) The Department of Energy has no willing payor for up to 50 percent of the claims that its physicians panels determine to be related to exposure to a toxic substance at the Department of Energy. As a consequence, many claimants with a positive determination from the physicians panel will be denied benefits. Many States, including Alaska, Colorado, Iowa, Kentucky, Missouri, Ohio, New Mexico, Idaho, and Nevada, may not have a willing payor.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) claims for occupational illness, which are determined to be caused by exposure to toxic substances at Department of Energy facilities under subtitle D of the EEOICPA, should be promptly, equitably, and efficiently compensated;

(2) administrative and technical changes should be made to the EEOICPA to—

(A) improve claims processing and review by physicians panels to ensure cost-effective and efficient consideration and determination of workers' claims;

(B) provide for membership in additional special exposure cohorts; and

(C) address eligibility issues at facilities with residual radiation; and

(3) the President and Congress should work together at the earliest opportunity to develop a plan that effectively resolves the

issue of a lack of a willing payor for many claims that are determined under subtitle D of the EEOICPA to be related to exposure to a toxic substance at Department of Energy facilities.

SEC. 521. SENSE OF THE SENATE REGARDING TAX INCENTIVES FOR CERTAIN RURAL COMMUNITIES.

It is the sense of the Senate that if tax relief measures are passed in accordance with the assumptions in this resolution in this session of Congress, such legislation should include—

(1) tax and other financial incentives, similar to those included in the New Homestead Act (S. 602), to help rural communities fight the economic decimation caused by chronic out-migration by giving such communities the tools they need to attract individuals to live and work, or to start and grow a business, in such rural areas, and

(2) revenue provisions which fully offset the cost of such tax and other financial incentives.

SEC. 522. SENSE OF THE SENATE CONCERNING SUMMER FOOD PILOT PROJECTS.

It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions in Function 600 (Income Security), the Senate supports the provision, to the Food and Nutrition Service and other appropriate agencies within the Department of Agriculture, of $15,000,000 for fiscal year 2005, and $127,000,000 for the period of fiscal years 2005 through 2009, to enable those agencies to expand the summer food pilot projects established under section 18(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)) to all States of the United States and to all service institutions (including service institutions described in section 13(a)(7) of that Act).

CONGRESSIONAL GOLD MEDAL TO DR. DOROTHY HEIGHT

Mr. FRIST. Mr. President, before we close tonight, I wanted to make a couple of comments. One has to do with a wonderful ceremony that we had today in the Rotunda where the Congressional Gold Medal ceremony honoring Dr. Dorothy Height was conducted.

These ceremonies are a wonderful time in the sense that it allows each of us to go back as individuals and really celebrate, whether it is points in history, great leaders, icons, or pioneers, and indeed today in recognizing Dr. Dorothy Height we had all of those—a true icon, a pioneer, a leader, a hero, a woman who has had an indelible impact on not only one generation but multiple generations. In addition, today was her 92nd birthday.

It had a special meaning for me in that just about a month ago I had the opportunity to lead a delegation of 10 Senators, including the distinguished Senator who occupies the chair at this juncture, on a civil rights pilgrimage through Alabama, and it continued on up into Tennessee.

Over that period of several days, we had the opportunity to walk in the steps of true giants. I had the opportunity to spend some time today with, indeed, one of those giants of an era of which we are true beneficiaries, and that was Dr. Dorothy Height. She was the only woman among the big six who planned and led the civil rights movement, an extraordinary American, a woman who was truly fearless in a time of fear, a woman who was an optimist when the future was bleak, a woman who brought people together when others were fighting to keep society apart.

As we sat in that wonderful Rotunda today, thinking about the great history and great patriots who are portrayed in the Rotunda, with the large dome above, you could not help but think how appropriate it was for her to join those patriots in the struggle she led, in large part the struggle for equality and that endowment of that right of life and liberty and pursuit of happiness.

It was wonderful to be able to participate in that ceremony. I wanted, as we wait to close here shortly, to once again honor Dr. Dorothy Height for her tremendous leadership over many years.

She said, right before the end of that ceremony, in her closing remarks, until the Good Lord is done with her, she has a lot more to do and people can expect her to continue to do a lot along the way.

OCEANS AND HUMAN HEALTH ACT

Mr. FRIST. Mr. President, at this juncture I ask unanimous consent that the Senate now proceed to consideration of calendar No. 403, S. 1218.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1218) to provide for Presidential support and coordination of interagency ocean science programs and development and coordination of a comprehensive and integrated United States research and monitoring program.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

(Strike the part shown in black brackets and insert the part shown in italic.)

S. 1218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "Oceans and Human Health Act".

[SEC. 2. FINDINGS AND PURPOSES.

[(a) FINDINGS.—The Congress makes the following findings:

[(1) The rich biodiversity of marine organisms provides society with an essential biomedical resource, a promising source of novel compounds with therapeutic potential, and a potentially important contribution to the national economy.

[(2) The diversity of ocean life and research on the health of marine organisms, including marine mammals and other sentinel species, helps scientists in their efforts to investigate and understand human physiology and biochemical processes, as well as providing a means for monitoring the health of marine ecosystems.

[(3) The oceans drive climate and weather factors causing severe weather events and shifts in temperature and rainfall patterns that affect the density and distribution of disease-causing organisms and the ability of public health systems to address them.

[(4) The oceans act as a route of exposure for human disease and illnesses through ingestion of contaminated seafood and direct contact with seawater containing toxins and disease-causing organisms.

[(5) During the past two decades, the incidence of harmful blooms of algae has increased around the world, contaminating shellfish, causing widespread fish kills, threatening marine environmental quality and resulting in substantial economic losses to coastal communities.

[(6) Existing Federal programs and resources support research in a number of these areas, but gaps in funding, coordination, and outreach have impeded national progress in addressing ocean health issues.

[(7) National investment in a coordinated program of research and monitoring would improve understanding of marine ecosystems, allow prediction and prevention of marine public health problems and assist in realizing the potential of the oceans to contribute to the development of effective new treatments of human diseases and a greater understanding of human biology.

[(b) PURPOSES.—The purposes of this Act are to provide for—

[(1) Presidential support and coordination of interagency ocean science programs; and

[(2) development and coordination of a comprehensive and integrated United States research and monitoring program that will assist this Nation and the world to understand, use and respond to the role of the oceans in human health.

[SEC. 3. NATIONAL SCIENCE AND TECHNOLOGY COUNCIL.

[(a) DIRECTOR OF OFFICE OF SCIENCE AND TECHNOLOGY POLICY TO CHAIR COUNCIL.—Section 207(a) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6616(a)) is amended—

[(1) by striking "CHAIRMAN OF FEDERAL COORDINATING COUNCIL FOR SCIENCE, ENGINEERING, AND TECHNOLOGY" in the subsection heading and inserting "CHAIR OF THE NATIONAL SCIENCE AND TECHNOLOGY COUNCIL"; and

[(2) by striking paragraph (1) and inserting the following:

["(1) serve as Chair of the National Science and Technology Council; and".

[(b) FUNCTIONS.—Section 401 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651) is amended to read as follows:

["SEC. 401. FUNCTIONS OF COUNCIL.

["(a) IN GENERAL.—The National Science and Technology Council (hereinafter referred to as the 'Council') shall consider problems and developments in the fields of science, engineering, and technology and related activities affecting more than one Federal agency, and shall recommend policies and other measures designed to—

["(1) provide more effective planning and administration of Federal scientific, engineering, and technology programs;

["(2) identify research needs, including areas requiring additional emphasis;

[“(3) achieve more effective use of the scientific, engineering, and technological resources and facilities of Federal agencies, including elimination of unwarranted duplication; and

[“(4) further international cooperation in science, engineering and technology.

[“(b) Coordination.—The Council may be assigned responsibility for developing long-range and coordinated plans for scientific and technical research which involve the participation of more than 2 agencies. Such plans shall—

[“(1) identify research approaches and priorities which most effectively advance scientific understanding and provide a basis for policy decisions;

[“(2) provide for effective cooperation and coordination of research among Federal agencies; and

[“(3) encourage domestic and, as appropriate, international cooperation among government, industry and university scientists.

[“(c) Other Duties.—The Council shall perform such other related advisory duties as shall be assigned by the President or by the Chair of the Council.

[“(d) Assistance of Other Agencies.—For the purpose of carrying out the provisions of this section, each Federal agency represented on the Council shall furnish necessary assistance to the Council. Such assistance may include—

[“(1) detailing employees to the Council to perform such functions, consistent with the purposes of this section, as the Chairman of the Council may assign to them; and

[“(2) undertaking upon the request of the Chair, such special studies for the Council as come within the scope of authority of the Council.

[“(e) Standing Committees; Working Groups.—For the purpose of developing interagency plans, conducting studies, and making reports as directed by the Chairman, standing committees and working groups of the Council may be established.”.

[SEC. 4. INTERAGENCY OCEANS AND HUMAN HEALTH RESEARCH PROGRAM.

[(a) Establishment of Committee.—

[(1) The National Science and Technology Council shall coordinate and support a national research program to improve understanding of the role of the oceans in human health. In planning the program, the Council shall establish a Committee on Oceans and Human Health that shall consist of representatives from those agencies with programs or missions that could contribute to or benefit from the program. The Committee shall consist of at least one representative from—

[(A) the National Oceanic and Atmospheric Administration;

[(B) the National Science Foundation;

[(C) the National Institute of Environmental Health Sciences and other institutes within the National Institutes of Health;

[(D) the Centers for Disease Control;

[(E) the Environmental Protection Agency;

[(F) the Food and Drug Administration;

[(G) the Department of Homeland Security; and

[(H) such other agencies and departments as the Council deems appropriate.

[(2) The members of the Committee biennially shall select one of its members to serve as Chair. The Chair shall be knowledgeable and experienced with regard to the administration of scientific research programs, and shall be a representative of an agency that contributes substantially, in terms of scientific research capability and budget, to the interagency program.

[(b) Implementation Plan.—Within one year after the date of enactment of this Act, the Chair of the National Science and Technology Council, through the Committee on the Oceans and Human Health, shall develop and submit to the Congress a plan for coordinated Federal activities under the program. In developing the plan, the Committee will consult with the Inter-Agency Task Force on Harmful Algal Blooms and Hypoxia. Such plan will build on and complement the ongoing activities of the National Oceanic and Atmospheric Administration, the National Science Foundation, the National Institute of Environmental Health Sciences, and other departments and agencies and shall—

[(1) establish, for the 10-year period beginning in the year it is submitted, the goals and priorities for Federal research which most effectively advance scientific understanding of the connections between the oceans and human health, provide usable information for the prediction and prevention of marine public health problems and use the biological potential of the oceans for development of new treatments of human diseases and a greater understanding of human biology;

[(2) describe specific activities required to achieve such goals and priorities, including establishment of national centers of excellence, the funding of competitive research grants, ocean and coastal observations, training and support for scientists, and participation in international research efforts;

[(3) identify and address, as appropriate, relevant programs and activities of the Federal agencies and departments that would contribute to the program;

[(4) consider and use, as appropriate, reports and studies conducted by Federal agencies and departments, the National Research Council, the Ocean Research Advisory Panel, the Commission on Ocean Policy and other entities;

[(5) make recommendations for the coordination of program activities with ocean and human health-related activities of other national and international organizations; and

[(6) estimate Federal funding for research activities to be conducted under the program.

[(c) Program Scope.—The program shall include the following activities related to the role of oceans in human health:

[(1) Interdisciplinary research among the ocean and medical sciences, and coordinated research and activities to improve understanding of processes within the ocean that may affect human health and to explore the potential contribution of marine organisms to medicine and research, including—

[(A) vector- and water-borne diseases of humans and marine organisms, including marine mammals and fish;

[(B) harmful algal blooms;

[(C) marine-derived pharmaceuticals;

[(D) marine organisms as models for biomedical research and as indicators of marine environmental health;

[(E) marine environmental microbiology;

[(F) bioaccumulative and endocrine-disrupting chemical contaminants; and

[(G) predictive models based on indicators of marine environmental health.

[(2) Coordination with the National Ocean Research Leadership Council (10 U.S.C. 7902(a)) to ensure that any integrated ocean and coastal observing system provides information necessary to monitor, predict and reduce marine public health problems including—

[(A) baseline observations of physical ocean properties to monitor climate variation;

[(B) measurement of oceanic and atmospheric variables to improve prediction of severe weather events;

[(C) compilation of global health statistics for analysis of the effects of oceanic events on human health;

[(D) documentation of harmful algal blooms; and

[(E) development and implementation of sensors to measure biological processes, acquire health-related data on biological populations and detect contaminants in marine waters and seafood.

[(3) Development through partnerships among Federal agencies, States, or academic institutions of new technologies and approaches for detecting and reducing hazards to human health from ocean sources and to strengthen understanding of the value of marine biodiversity to biomedicine, including—

[(A) genomics and proteomics to develop genetic and immunological detection approaches and predictive tools and to discover new biomedical resources;

[(B) biomaterials and bioengineering;

[(C) in situ and remote sensors to detect and quantify contaminants in marine waters and organisms and to identify new genetic resources;

[(D) techniques for supplying marine resources, including chemical synthesis, culturing and aquaculturing marine organisms, new fermentation methods and recombinant techniques; and

[(E) adaptation of equipment and technologies from human health fields.

[(4) Support for scholars, trainees and education opportunities that encourage an interdisciplinary and international approach to exploring the diversity of life in the oceans.

[SEC. 5. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OCEANS AND HUMAN HEALTH PROGRAM.

[(a) Establishment.—As part of the interagency program planned and coordinated under section 4, the Secretary of Commerce shall establish an Oceans and Human Health Program to coordinate and implement research and activities of the National Oceanic and Atmospheric Administration related to the role of the oceans in human health. In establishing the program, the Secretary shall consult with other Federal agencies conducting integrated oceans and human health research and research in related areas, including the Centers for Disease Control, the National Science Foundation, and the National Institute of Environmental Health Sciences. The Oceans and Human Health Program shall provide support for—

[(1) a program and research coordination office;

[(2) an advisory panel;

[(3) one or more National Oceanic and Atmospheric Administration national centers of excellence;

[(4) research grants; and

[(5) distinguished scholars and traineeships.

[(b) Program Office.—The Secretary shall establish a program office to identify and coordinate oceans and human health-related research and activities within the National Oceanic and Atmospheric Administration and carry out the elements of the program. The program office will provide support for administration of the program and, in cooperation with the oceans and human health advisory panel, will serve as liaison with academic institutions and other agencies participating in the interagency oceans and human health research program planned and coordinated under section 3.

[(c) Advisory Panel.—The Secretary shall establish an oceans and human health advisory panel to assist in the development and implementation of the Oceans and Human Health Program. Membership of the advisory group shall provide for balanced representation of individuals with multi-disciplinary expertise in the marine and biomedical sciences. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the oceans and human health advisory panel.

[(d) National Centers.—

[(1) The Secretary shall identify and provide financial support through a competitive process to develop, within the National Oceanic and Atmospheric Administration, for one or more centers of excellence that strengthen the capabilities of the Administration to carry out programs and activities related to the oceans' role in human health. Such centers shall complement and be in addition to the centers established by the National Science Foundation and the National Institute of Environmental Health Sciences.

[(2) The centers shall focus on areas related to agency missions, including use of marine organisms as indicators for marine environmental health, ocean pollutants, marine toxins and pathogens, harmful algal blooms, seafood testing, drug discovery, and biology and pathobiology of marine mammals, and on disciplines including marine genomics, marine environmental microbiology, ecological chemistry and conservation medicine.

[(3) In selecting centers for funding, the Secretary will consider the need for geographic representation and give priority to proposals with strong interdisciplinary scientific merit that encourage educational opportunities and provide for effective partnerships among the Administration, other Federal entities, State, academic, medical, and industry participants.

[(e) Research Grants.—

[(1) The Secretary is authorized to provide grants of financial assistance for critical research and projects that explore the relationship between the oceans and human health and that complement or strengthen Administration programs and activities related to the ocean's role in human health. The Secretary shall consult with the oceans and human health advisory panel established under subsection (c) and the National Sea Grant College Program and may work cooperatively with other agencies participating in the interagency program under section 3 to establish joint criteria for such research and projects.

[(2) Grants under this subsection shall be awarded through a peer-review process that may be conducted jointly with other agencies participating in the interagency program established in section 3 or under the National Oceanographic Partnership Program under section 7901 of title 10, United States Code.

[(f) Distinguished Scholars and Traineeships.—

[(1) The Secretary shall designate and provide financial assistance to support distinguished scholars from academic institutions, industry or State governments for collaborative work with scientists and facilities of the Administration.

[(2) In consultation with the Directors of the National Institutes of Health and the National Science Foundation, the Secretary of Commerce may establish a program to provide training and experience to scientists at the beginning of their careers who are interested in the role of the oceans in human health.

[SEC. 6. PUBLIC INFORMATION AND OUTREACH.

[(a) Establishment.—The Secretary of Commerce, in consultation with the Centers for Disease Control, the Food and Drug Administration, the Environmental Protection Agency and the States, shall design and implement a national public information and outreach program on potential ocean-related human health risks, including health hazards associated with the human consumption of seafood. Under such program, the Secretary shall—

[(1) collect and analyze information on ocean-related health hazards and illnesses, including information on the number of individuals affected, causes and geographic location of the hazard or illness;

[(2) disseminate the results of the analysis to any appropriate Federal or State agency, the public, involved industries, and other interested persons;

[(3) provide advice regarding precautions that may be taken to safeguard against the hazard or illness; and

[(4) assess and make recommendations for observing systems to support the program.

[(b) Seafood Safety.—To address health hazards associated with human consumption of seafood, the Secretary, in consultation with the Centers for Disease Control, the Food and Drug Administration, the Environmental Protection Agency and the States, shall assess risks related to—

[(1) seafood that is domestically harvested and processed as compared with imported seafood that is harvested and processed outside the United States;

[(2) seafood that is commercially harvested and processed as compared with that harvested for recreational or subsistence purposes and not prepared commercially; and

[(3) contamination originating from certain practices that occur both prior to and after sale of seafood to consumers, especially those connected to the manner in which consumers handle and prepare seafood.

[SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

[(a) NOAA Oceans and Human Health Program.—There are authorized to be appropriated to the Secretary of Commerce to carry out the NOAA Oceans and Human Health program established under section 5, $8,000,000 for fiscal year 2004, $15,000,000 for fiscal year 2005, and $20,000,000 annually for fiscal year 2006 through fiscal year 2008.

[(b) Public Information.—There are authorized to be appropriated to the Secretary to carry out the public information and outreach program established under section 6, $5,000,000 for each of fiscal years 2004 through 2007.]

SECTION 1. SHORT TITLE.

This Act may be cited as the "Oceans and Human Health Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) Findings.—The Congress makes the following findings:

(1) The rich biodiversity of marine organisms provides society with an essential biomedical resource, a promising source of novel compounds with therapeutic potential, and a potentially important contribution to the national economy.

(2) The diversity of ocean life and research on the health of marine organisms, including marine mammals and other sentinel species, helps scientists in their efforts to investigate and understand human physiology and biochemical processes, as well as providing a means for monitoring the health of marine ecosystems.

(3) The oceans drive climate and weather factors causing severe weather events and shifts in temperature and rainfall patterns that affect the density and distribution of disease-causing organisms and the ability of public health systems to address them.

(4) The oceans act as a route of exposure for human disease and illnesses through ingestion of contaminated seafood and direct contact with seawater containing toxins and disease-causing organisms.

(5) During the past two decades, the incidence of harmful blooms of algae and hypoxia has increased in United States coastal waters, including the Great Lakes, and around the world, contaminating shellfish, causing widespread fish kills, threatening marine environmental quality and resulting in substantial economic losses to coastal communities.

(6) Existing Federal programs and resources support research in a number of these areas, but gaps in funding, coordination, and outreach have impeded national progress in addressing ocean health issues.

(7) National investment in a coordinated program of research and monitoring would improve understanding of marine ecosystems, allow prediction and prevention of marine public health problems and assist in realizing the potential of the oceans to contribute to the development of effective new treatments of human diseases and a greater understanding of human biology.

(b) Purposes.—The purposes of this Act are to provide for—

(1) Presidential support and coordination of interagency ocean science programs; and

(2) development and coordination of a comprehensive and integrated United States ocean, coastal, and Great Lakes research and monitoring program that will assist this Nation and the world to understand, use and respond to the role of the oceans in human health.

SEC. 3. INTERAGENCY OCEANS AND HUMAN HEALTH RESEARCH PROGRAM.

(a) Establishment of Committee.—

(1) The President, through the National Science and Technology Council, shall coordinate and support a national research program to improve understanding of the role of the oceans in human health. In planning the program, the Council shall establish or designate a Committee on Oceans and Human Health that shall consist of representatives from those agencies with programs or missions that could contribute to or benefit from the program. The Committee shall consist of at least one representative from—

(A) the National Oceanic and Atmospheric Administration;

(B) the National Science Foundation;

(C) the National Institute of Environmental Health Sciences and other institutes within the National Institutes of Health;

(D) the Centers for Disease Control;

(E) the Environmental Protection Agency;

(F) the Food and Drug Administration;

(G) the Department of Defense;

(H) the Department of Homeland Security; and

(I) such other agencies and departments as the Council deems appropriate.

(2) The members of the Committee biennially shall select one of its members to serve as Chair. The Chair shall be knowledgeable and experienced with regard to the administration of scientific research programs, and shall be a representative of an agency that contributes, in terms of scientific research capability and budget, to the interagency program.

(b) Implementation Plan.—Within 1 year after the date of enactment of this Act, the Chair of the National Science and Technology Council, through the Committee on the Oceans and Human Health, shall develop and submit to the Congress a plan for coordinated Federal activities under the program. Nothing in this subsection is intended to duplicate or supersede the activities of the Inter-Agency Task Force on Harmful Algal Blooms and Hypoxia established under section 603 of the Harmful Algal Bloom

and Hypoxia Research and Control Act of 1998 (16 U.S.C. 1451 note). In developing the plan, the Committee will consult with the Inter-Agency Task Force on Harmful Algal Blooms and Hypoxia. Such plan will build on and complement the ongoing activities of the National Oceanic and Atmospheric Administration, the National Science Foundation, the National Institute of Environmental Health Sciences, and other departments and agencies and shall—

(1) establish, for the 10-year period beginning in the year it is submitted, the goals and priorities for Federal research which most effectively advance scientific understanding of the connections between the oceans and human health, provide usable information for the prediction and prevention of marine-related public health problems and use the biological potential of the oceans for development of new treatments of human diseases and a greater understanding of human biology;

(2) describe specific activities required to achieve such goals and priorities, including establishment of national centers of excellence, the funding of competitive research grants, ocean and coastal observations, training and support for scientists, and participation in international research efforts;

(3) identify and address, as appropriate, relevant programs and activities of the Federal agencies and departments that would contribute to the program;

(4) consider and use, as appropriate, reports and studies conducted by Federal agencies and departments, the National Research Council, the Ocean Research Advisory Panel, the Commission on Ocean Policy and other expert scientific bodies;

(5) make recommendations for the coordination of program activities with ocean and human health-related activities of other national and international organizations; and

(6) estimate Federal funding for research activities to be conducted under the program.

(c) PROGRAM SCOPE.—The program shall include the following activities related to the role of oceans in human health:

(1) Interdisciplinary research among the ocean and medical sciences, and coordinated research and activities to improve understanding of processes within the ocean that may affect human health and to explore the potential contribution of marine organisms to medicine and research, including—

(A) vector- and water-borne diseases of humans and marine organisms, including marine mammals and fish;

(B) harmful algal blooms and hypoxia;

(C) marine-derived pharmaceuticals;

(D) marine organisms as models for biomedical research and as indicators of marine environmental health;

(E) marine environmental microbiology;

(F) bioaccumulative and endocrine-disrupting chemical contaminants; and

(G) predictive models based on indicators of marine environmental health or public health threats.

(2) Coordination with the National Ocean Research Leadership Council (10 U.S.C. 7902(a)) to ensure that any integrated ocean and coastal observing system provides information necessary to monitor, predict and reduce marine public health problems including—

(A) baseline observations of physical ocean properties to monitor climate variation;

(B) measurement of oceanic and atmospheric variables to improve prediction of severe weather events;

(C) compilation of global health statistics for analysis of the effects of oceanic events on human health;

(D) documentation of harmful algal blooms and hypoxia; and

(E) development and implementation of sensors to measure biological processes, acquire health-related data on biological populations and detect contaminants in marine waters and seafood.

(3) Development through partnerships among Federal agencies, States, or academic institutions of new technologies and approaches for detecting and reducing hazards to human health from ocean sources and to strengthen understanding of the value of marine biodiversity to biomedicine, including—

(A) genomics and proteomics to develop genetic and immunological detection approaches and predictive tools and to discover new biomedical resources;

(B) biomaterials and bioengineering;

(C) in situ and remote sensors to detect and quantify contaminants in marine waters and organisms and to identify new genetic resources;

(D) techniques for supplying marine resources, including chemical synthesis, culturing and aquaculturing marine organisms, new fermentation methods and recombinant techniques; and

(E) adaptation of equipment and technologies from human health fields.

(4) Support for scholars, trainees and education opportunities that encourage an interdisciplinary and international approach to exploring the diversity of life in the oceans.

SEC. 4. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OCEANS AND HUMAN HEALTH INITIATIVE.

(a) ESTABLISHMENT.—As part of the interagency program planned and coordinated under section 3, the Secretary of Commerce shall establish an Oceans and Human Health Initiative to coordinate and implement research and activities of the National Oceanic and Atmospheric Administration related to the role of the oceans in human health. In carrying out this section, the Secretary shall consult with other Federal agencies conducting integrated oceans and human health research and research in related areas, including the Centers for Disease Control, the National Science Foundation, and the National Institute of Environmental Health Sciences. The Oceans and Human Health Initiative shall provide support for—

(1) program and research coordination;

(2) an advisory panel;

(3) one or more National Oceanic and Atmospheric Administration national centers of excellence;

(4) research grants; and

(5) distinguished scholars and traineeships.

(b) ADVISORY PANEL.—The Secretary shall establish an oceans and human health advisory panel to assist in the development and implementation of the Oceans and Human Health Initiative. Membership of the advisory group shall provide for balanced representation of individuals with multi-disciplinary expertise in the marine and biomedical sciences. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the oceans and human health advisory panel.

(c) NATIONAL CENTERS.—

(1) The Secretary shall identify and provide financial support through a competitive process to develop, within the National Oceanic and Atmospheric Administration, for one or more centers of excellence that strengthen the capabilities of the Administration to carry out programs and activities related to the oceans' role in human health. Such centers shall complement and be in addition to the centers established by the National Science Foundation and the National Institute of Environmental Health Sciences.

(2) The centers shall focus on areas related to agency missions, including use of marine organisms as indicators for marine environmental health, ocean pollutants, marine toxins and pathogens, harmful algal blooms, hypoxia, seafood testing, drug discovery, and biology and pathobiology of marine mammals, and on disciplines including marine genomics, marine environmental microbiology, ecological chemistry and conservation medicine.

(3) In selecting centers for funding, the Secretary will consider the need for geographic representation and give priority to proposals with strong interdisciplinary scientific merit that encourage educational opportunities and provide for effective partnerships among the Administration, other Federal entities, State, academic, medical, and industry participants.

(d) RESEARCH GRANTS.—

(1) The Secretary is authorized to provide grants of financial assistance for critical research and projects that explore the relationship between the oceans and human health and that complement or strengthen Administration programs and activities related to the ocean's role in human health. The Secretary shall consult with the oceans and human health advisory panel established under subsection (b) and the National Sea Grant College Program and may work cooperatively with other agencies participating in the interagency program under section 3 to establish joint criteria for such research and projects.

(2) Grants under this subsection shall be awarded through a peer-review process that may be conducted jointly with other agencies participating in the interagency program established in section 3 or under the National Oceanographic Partnership Program under section 7901 of title 10, United States Code.

(e) DISTINGUISHED SCHOLARS AND TRAINEESHIPS.—

(1) The Secretary shall designate and provide financial assistance to support distinguished scholars from academic institutions, industry or State governments for collaborative work with scientists and facilities of the Administration.

(2) In consultation with the Directors of the National Institutes of Health and the National Science Foundation, the Secretary of Commerce may establish a program to provide training and experience to scientists at the beginning of their careers who are interested in the role of the oceans in human health.

SEC. 5. PUBLIC INFORMATION AND OUTREACH.

(a) ESTABLISHMENT.—The Secretary of Commerce, in consultation with the Centers for Disease Control, the Food and Drug Administration, the Environmental Protection Agency and the States, shall design and implement a national public information and outreach program on potential ocean-related human health risks, including health hazards associated with the human consumption of seafood. Under such program, the Secretary shall—

(1) collect and analyze information on ocean-related health hazards and illnesses, including information on the number of individuals affected, causes and geographic location of the hazard or illness;

(2) disseminate the results of the analysis to any appropriate Federal or State agency, the public, involved industries, and other interested persons;

(3) provide advice regarding precautions that may be taken to safeguard against the hazard or illness; and

(4) assess and make recommendations for observing systems to support the program.

(b) SEAFOOD SAFETY.—To address health hazards associated with human consumption of seafood, the Secretary, in consultation with the Centers for Disease Control, the Food and Drug Administration, the Environmental Protection Agency and the States, shall perform a coordinated assessment of risks and benefits associated with seafood handling and consumption.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) NOAA OCEANS AND HUMAN HEALTH INITIATIVE.—There are authorized to be appropriated to the Secretary of Commerce to carry out the NOAA Oceans and Human Health Initiative established under section 4, $10,000,000 for fiscal year 2004, $12,000,000 for fiscal year 2005, $15,000,000 for fiscal year 2006, and $20,000,000 for each of fiscal years 2007 and 2008.

(b) PUBLIC INFORMATION.—There are authorized to be appropriated to the Secretary to carry out the public information and outreach program established under section 5, $3,000,000 for each of fiscal years 2004 through 2007.

Mr. HOLLINGS. Mr. President, I rise in support of S. 1218, the Oceans and Human Health Act, legislation being considered by the Senate today. This bill, which Senator STEVENS and I introduced last year, was reported unanimously from the Commerce Committee, will spur the development of an exciting new field of research, one that explores the role of the oceans in human health. Senators INOUYE, BREAUX, KERRY, CANTWELL, BILL NELSON, LAUTENBERG, DEWINE, LEVIN, and KENNEDY have all lent their considerable support to the bill as cosponsors. I am also pleased to have worked closely with the distinguished chairman and ranking member of the Senate Health, Education, Labor, and Pensions, HELP, Committee, Senators JUDD GREGG and TED KENNEDY, in crafting the final manager's amendment to the bill.

The U.S. Commission on Ocean Policy, established pursuant to the Oceans Act of 2000, is poised to issue its draft report with recommendations for a new national ocean policy. The draft report is likely to recommend increased Federal support for integrated and innovative ocean research initiatives such as in oceans and human health in order to focus attention on the increasingly complex interaction between humans and the sea. The Cceans and Human Health Act would establish a national interagency program that will coordinate research into oceans and human health and ensure the availability of an adequate Federal investment in this critical area. It also would authorize such a program at the National Oceanic and Atmospheric Administration, NOAA, to strengthen its work in this important field of study.

Throughout history, society has turned to the oceans for food, transport, commerce and recreation. This tremendous resource has enriched and sustained our existence. It is no coincidence that today, over 50 percent of the U.S. population lives in the coastal zone, and this number is increasing. In addition, over 95 percent of U.S. overseas trade moves through our Nation's ports and this volume is expected to more than double by 2020. Our oceans are inextricably linked to our personal and economic well-being.

In recent years, the rich biodiversity of the world's seas has generated considerable interest. Scientists believe the oceans represent a promising source of novel compounds with therapeutic and/or disease-fighting capabilities. A 1999 National Research Council report, "From Monsoons to Microbes," noted that nature has been the traditional source of new pharmaceuticals and found that over half of marketed drugs are extracted or produced from natural sources. Our oceans account for over 80 percent of the planet's biological productivity, yet little of it has been catalogued or studied. At present, there are only three marine compounds in clinical use—and these were developed in the 1950s. While there are some new compounds in the pipeline, we need to speed research efforts to ensure we get more products approved.

I am encouraged by research suggesting that sea sponges contain compounds which show promise in treating pancreatic cancer. And recently, a scientist analyzing a water sample from the Sargasso Sea, off Bermuda, discovered at least 1,800 new microbial species and more than 1.2 million genes in that sample. Imagine what new drug discoveries await researchers and the medical community.

Pioneering scientists are also needed to tackle marine environmental issues that affect human and marine life alike, such as ocean pollution and marine pathogens. Our marine resources are under growing environmental stresses. Signs of these stresses include "dead zones," loss of coastal wetlands, changes in ocean salinity, contamination of fish and marine life, and increases in extreme weather events associated with global climate change. Over the past 2 weeks, over 60 dolphin carcasses have been found along Florida's panhandle beaches and bays. Preliminary test results point to one or more biotoxins that are associated with red tides. Certain biotoxins have been known to produce eye and respiratory irritation in humans. Dolphins are an important indicator species of environmental pollution and their unusually high mortality rates in Florida raise the issue of potential risks to human health.

Because oceans act as a route of exposure for human disease through ingestion of contaminated seafood or direct contact with saltwater containing toxins and disease-causing organisms, it is vital that we learn more about how public health is affected by the marine environment. We must ensure that the sea maintains its capacity to sustain itself without becoming a "dead zone." We must find ways to monitor and reduce the occurrence of ocean toxins that kill marine mammals and taint seafood. As with cancer, our goal must be understanding and prevention, rather than relying exclusively on treatment.

Many research programs and laboratories perform research and related activities that could contribute significantly to a national research effort, but such efforts have not always realized their potential. To be successful, research into oceans and human health must integrate disciplines, bringing together oceanographers and biomedical researchers to better understand marine processes, reduce public health risks and enhance our biomedical capabilities.

The Oceans and Human Health initiative recently established at NOAA, and a joint program between the National Science Foundation, NSF, and the National Institute for Environmental Health Sciences, NIEHS, already show tremendous promise, and this legislation provides further support for a coordinated Federal effort. The NIEHS and NSF initiative provides $6 million annually to establish centers of excellence focusing on harmful algal blooms, water and vectorborne diseases, and marine pharmaceuticls and probes. In addition, we provided NOAA with appropriations of $8 million in Fiscal Year 2003 and $10 million in Fiscal Year 2004 for an oceans and human health initiative focused on strengthening important oceans and human health research within NOAA's areas of focus, including health coasts and marine life.

Within NOAA, an interdisciplinary and medically oriented approach to ocean research can be found at two marine laboratories in Charleston, SC. The NOAA labs have partnered with the National Institute for Standards and Technology, the State of South Carolina, the Medical University of South Carolina, and the College of Charleston and are on the front lines of discovery and prevention, particularly in the emerging field of marine genomics. They are hard at work on todays' important public and marine environmental health issues. For instance, they are conducting research into dolphin health that will for the first time utilize a traditional medical approach to help us learn more about the health of dolphins in the wild.

This NOAA research collaboration epitomizes the variety of important disciplines that must work side by side if we are to make progress in understanding the connections between oceans and human health. It is home to cutting-edge research involving algal toxins, natural products with potential pharmaceutical applications, and viral and bacterial pathogens that cause disease in marine animals, with potential links to human illness, disease processes and natural product chemistry. The scientists use unique medical tools such as nuclear magnetic resonators to help map the cellular and genetic structure of marine organisms and have developed methods for detecting pesticides in water, sediments, fish, and marine mammals that may potentially affect both the health of the marine environment and human health. The scientists are also developing exposure, toxicology and disease models to assess pollution's effects on a variety of marine organisms. Their work will better define ocean health and bridge the gap with existing human health models.

Taken together, the NIEHS–NSF and NOAA research initiatives offer an excellent basis for building a comprehensive national program. In addition, a number of other Federal agencies are poised to make significant contributions.

The Oceans and Human Health Act provides the legislative framework for coordinated, national investment to improve understanding of marine ecosystems, address marine public health problems and tap into the ocean's potential contribution to new biomedical treatments and advances. At the heart of this legislation—and key to its success—is our commitment to building new partnerships among Federal health, science and ocean agencies, diverse scientific disciplines, and academic researchers.

Mr. President, I ask unanimous consent to have a more detailed summary of the legislation printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION BY SECTION ANALYSIS OF OCEANS AND HUMAN HEALTH ACT

The Oceans and Human Health Act would authorize the establishment of a coordinated Federal research program to aid in understanding and responding to the role of oceans in human health. The bill would establish a Federal interagency Oceans and Human Health initiative coordinated through the National Science and Technology Council (NSTC) as well as establish an Oceans and Human Health initiative at the National Oceanic and Atmospheric Administration (NOAA). The bill also directs the Secretary of Commerce to establish a coordinated public information and outreach program with the Food and Drug Administration (FDA), the Environmental Protection Agency (EPA), the Centers for Disease Control (CDC) and the States to provide information on potential ocean-related human health risks.

Section 1. Short Title

Section 1 provides the short title of the Act, which is to be cited as the "Oceans and Human health Act."

Section 2. Findings and Purposes

Section 2 sets forth findings and purposes for the Act.

Section 3. Interagency Oceans and Human Health Research Program

Section 3 provides for the coordination of Federal national research activities to improve the understanding of the role of the oceans in human health. Subsection (a) directs the President to coordinate this research program through the National Science and Technology Council (NSTC).

10-Year Implementation Plan. Subsection (b) directs the NSTC, through the Director of the Office of Science and Technology Policy, to submit to Congress within one year of enactment a 10-year implementation plan for coordinated Federal activities under the program. In developing the plan, the Committee is required to consult with the Inter-Agency Task Force on Harmful Algal Blooms and Hypoxia. The implementation plan will complement the ongoing activities of NOAA, NSF, and other departments and agencies, and: (1) Establish the goals and priorities for Federal research related to oceans and human health; (2) describe specific activities required to achieve such goals; (3) identify relevant Federal programs and activities that would contribute to the program; (4) consider and use reports and studies conducted by Federal agencies and departments, the National Research Council, the Ocean Research Advisory Panel, the U.S. Commission on Ocean Policy and other entities; (5) make recommendations for the coordination of national and international programs; and (6) estimate Federal funding for research activities to be conducted under the program.

Program Scope. Subsection (c) outlines the scope of the coordinated research program, as follows:

(1) Interdisciplinary and coordinated research and activities to improve our understanding of how ocean processes and marine organisms can relate to human health and contribute to medicine and research;

(2) Coordination with the National Ocean Leadership Council (established under 10 U.S.C. 7902(a)) to ensure any ocean and coastal observing system provides information necessary to monitor, predict and reduce marine public health problems;

(3) Development of new technologies and approaches for detecting and reducing hazards to human health from ocean sources and to strengthen understanding of the value of marine biodiversity to biomedicine; and

(4) Support for scholars, trainees and education opportunities that encourage a multidisciplinary approach to exploring the diversity of life in the oceans.

Annual Report. Subsection (d) stipulates that beginning with the first year occurring more than 24 months after enactment of the Act, the National Science and Technology Council will submit an annual report to the President and Congress on the previous year's activities conducted pursuant to the Act.

Section 4. NOAA Oceans and Human Health Initiative

Establishment. Section 4 would establish a NOAA Oceans and Human Health Initiative.

Subsection (a) directs the Secretary of Commerce to develop an Oceans and Human Health initiative that will coordinate and implement NOAA research and activities related to the role of the oceans in human health. In establishing the program, the Secretary is required to consult with other Federal agencies conducting integrated ocean health research or research in related areas, including NSF. The NOAA Oceans and Human Health Initiative will provide support for the following components:

(1) centralized program and research coordination;

(2) an Advisory Panel;

(3) National Center(s) of Excellence;

(4) Research grants; and

(5) Distinguished scholars and traineeships.

Advisory Panel. Under subsection (b), the Secretary will establish an Oceans and Human Health Advisory Panel to assist in the development and implementation of the NOAA Oceans and Human Health Initiative. Membership of the Advisory Group will include a balanced representation of individuals with multi-disciplinary expertise in the marine and biomedical sciences. The subsection provides that Federal Advisory Committee Act (5 U.S.C. App. 1) shall not apply to the Panel.

National Centers of Excellence. Subsection (c) provides that the Secretary shall, through a competitive process, establish and support NOAA Centers of Excellence that strengthen NOAA's capabilities to carry out programs and activities related to the ocean's role in human health. Centers selected for funding and support under Section 4 would focus on areas related to NOAA missions, including: (1) use of marine organisms as indicators for marine environmental health; (2) ocean pollutants; (3) marine toxins and pathogens, harmful algal blooms, seafood testing, drug discovery, biology and pathobiology of marine mammals; and (4) such disciplines as marine geomics, marine environmental microbiology, ecological chemistry and conservation medicine. The Secretary will encourage proposals that have strong scientific and interdisciplinary merit.

Extramural Research Grants. Subsection (d) authorizes the Secretary of Commerce to provide grants for research and projects that explore the relationship between the oceans and human health, and that complement or strengthen NOAA-related programs and activities. In implementing this subsection, the Secretary is directed to consult with the Oceans and Human Health Advisory Panel and may work cooperatively with other agencies to establish joint criteria for such research projects. This subsection specifies that the grants shall be awarded through a competitive peer-reviewed, merit-based process and that such a process may be conducted jointly with other agencies participating in the program or under the National Oceanographic Partnership Program (10 U.S.C. 7901).

Distinguished Scholars. Subsection (e) directs the Secretary to provide financial assistance to support distinguished scholars working in collaboration with NOAA scientists and facilities. The Secretary is also authorized to establish a training program for scientists early in their careers who are interested in oceans and human health.

Section 5. Public Information and Outreach

This section directs the Secretary of Commerce, in consultation with other Federal agencies, to design and implement a national public information and outreach program on potential ocean-related human health risks. The outreach program will collect and analyze information, disseminate the results (to appropriate Federal, State, public, industry or other interested parties), and make recommendations on observing systems that would support the program.

Section 6. Authorization of Appropriations

Section 6 provides the authorization of appropriations for the NOAA Oceans and Human Health Initiative established under Section 4, and the public information and risk assessment program established under Section 5.

Subsection (a) provides that there are authorized to be appropriated to the Secretary of Commerce to carry out the program under Section 5, $12,000,000 for fiscal year 2005, $15,000,000 for fiscal year 2006, and $20,000,000 for fiscal years 2007–2008.

Subsection (b) provides authorizations of appropriations of $3,000,000 for each of fiscal years 2005 through 2007 for the public information and outreach program established under Section 5.

Mr. HOLLINGS. Mr. President, I am extremely proud to sponsor this legislation, and hope that this will mark the beginning of a new century of ocean research that will reveal how integral and important the oceans are to our daily lives and our health, whether we live by the edge of the sea or in the heartland.

Mr. FRIST. Mr. President, I ask unanimous consent the Hollings amendment at the desk be agreed to, the committee substitute, as amended, be agreed to, the bill, as amended, be read the third time and passed, the motions to reconsider be laid on the table en bloc, and any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2933) was agreed to.

(The amendment is printed in today's RECORD under "Text of Amendments.")

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 1218), as amended, was read the third time and passed.

TO PROVIDE FOR THE CONVEYANCE TO THE UTROK ATOLL LOCAL GOVERNMENT OF A DECOMMISSIONED NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION SHIP

Mr. FRIST. Mr. President, I ask unanimous consent the Commerce Committee be discharged from further consideration of H.R. 2584, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2584) to provide for the conveyance to the Utrok Atoll local government of a decommissioned National Oceanic and Atmospheric Administration ship, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. I ask unanimous consent the Collins and McCain amendments at the desk be agreed to en bloc, the bill as amended be read a third time and passed, and the motions to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2934) was agreed to as follows:

AMENDMENT NO. 2934

(Purpose: To repeal section 105 of the Consolidated Appropriations Act, 2004)

At the appropriate place, insert the following;

SEC. 305. REBUILDING FISH STOCKS.

Section 105 of division H of the Consolidated Appropriations Act, 2004, is repealed.

The amendment (No. 2935) was agreed to as follows:

AMENDMENT NO. 2935

(Purpose: To provide for implementation of the Pacific Albacore Tuna Treaty, and for other purposes)

On page 2, between lines 17 and 18, insert the following:

(c) Within 120 days after the date of enactment of this Act, the Utrok Atoll local government, in consultation with the Government of the Republic of the Marshall Islands, shall submit a plan for the use of the vessel to be conveyed under subsection (a) to the House of Representatives Committee on Resources, the House of Representatives Committee on Science, the Senate Committee on Energy and Natural Resources, and the Senate Committee on Commerce, Science, and Transportation.

On page 4, after line 6, add the following:

TITLE IV—PACIFIC ALBACORE TUNA TREATY

SEC. 401. IMPLEMENTATION.

(a) IN GENERAL.—Notwithstanding anything to the contrary in section 201, 204, or 307(2) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1821, 1824, and 1857(2)), foreign fishing may be conducted pursuant to the Treaty between the Government of the United States of America and the Government of Canada on Pacific Coast Albacore Tuna Vessels and Port Privileges, signed at Washington May 28, 1981, including its Annexes and any amendments thereto.

(b) REGULATIONS.—The Secretary of Commerce, with the concurrence of the Secretary of State, may—

(1) promulgate regulations necessary to discharge the obligations of the United States under the Treaty and its Annexes; and

(2) provide for the application of any such regulation to any person or vessel subject to the jurisdiction of the United States, wherever that person or vessel may be located.

(c) ENFORCEMENT.—

(1) IN GENERAL.—The Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) shall be enforced as if subsection (a) were a provision of that Act. Any reference in the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) to "this Act" or to any provision of that Act, shall be considered to be a reference to that Act as it would be in effect if subsection (a) were a provision of that Act.

(2) REGULATIONS.—The regulations promulgated under subsection (b), shall be enforced as if—

(A) subsection (a) were a provision of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.); and

(B) the regulations were promulgated under that Act.

SEC. 402. SOUTH PACIFIC TUNA TREATY ACT AMENDMENT.

Section 6 of the South Pacific Tuna Act of 1988 (16 U.S.C. 973d(a)) is amended by striking "outside of the 200 nautical mile fisheries zones of the Pacific Island Parties." and inserting "or to fishing by vessels using the longline method in the high seas areas of the Treaty area.".

Mr. BINGAMAN. Mr. President, I rise today in support of an amendment included in the package of amendments offered by the managers of H.R. 2584, a bill to provide for the conveyance to the Utrok Atoll local government of a decommissioned National Oceanic and Atmospheric Administration ship, and for other purposes.

The Committee on Energy and Natural Resources, by virtue of its jurisdiction for the U.S. territories, has a long history in dealing with the islands of the former Trust Territory of the Pacific Islands. Utrok Atoll is one such group of islands located in the northern Marshall Islands, about 2500 miles southwest of Hawaii. One distinction of these islands is that they were affected by fallout from our Nation's first thermonuclear bomb test—the "Bravo" test held at Bikini Atoll in 1954. Since that time, the U.S. Government has been monitoring the health of the individuals affected, providing healthcare, and monitoring the radiation levels on the islands. All Americans should recognize the impact that the development of our nation's nuclear deterrent had on Utrok and the other affected communities at Enewetak, Bikini, and Rongelap. We have a continuing interest in their welfare.

This legislation, H.R. 2584, serves that continuing interest by authorizing the transfer of a decommissioned NOAA vessel to the Utrok local government to assist the community by improving transportation to the capital at Majuro. One reason to visit Majuro is to use the U.S. Department of Energy's whole-body counting facility located there. Members of the affected communities can get whole-body counts and reassure themselves about the efficacy of their radiation clean-up and remediation efforts.

One concern regarding the transfer of this vessel, however, is whether the community has properly planned for its use and operation. Over the years, the Energy Committee has been involved in several vessel transfers. Two common problems with these projects are that the vessels are found to be ill-suited to the needs of the community or the community lacks the resources to operate and maintain them.

I commend the managers of this bill for including an amendment that would require the Utrok government to submit a plan for the use of the vessel, including the identification of sources of funding for operations and maintenance. I understand that NOAA had an annual operating budget for this vessel of $2.9 million. While there would be economies available to reduce these costs, such as hiring a non-U.S. citizen crew, operation and maintenance costs will certainly be beyond the capacity of the Utrok local government. It is my hope that the Utrok local government will work with the Marshall Islands government and with other communities in the area to find the resources needed to make this project a success. If, in the end, the resources are not found, it may be necessary, as it has been in other cases, to sell the vessel in order to purchase a more suitable one, or to use the proceeds to meet the community's needs in other ways.

I thank the managers of this bill for including this amendment, and I look forward to reviewing with them, and with the Utrok community, the plan for this vessel's use.

The bill (H.R. 2584), as amended, was read the third time and passed.

ORDERS FOR THURSDAY, MARCH 25, 2004

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. on Thursday, March 25. I further ask that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business until 10:30 a.m., with the first half of the time under the control of the majority leader or his designee and the second half of the time under the control of the Democratic leader or his designee; provided that at 10:30 a.m. the Senate begin consideration of H.R. 1997, the Unborn Victims of Violence bill, as provided under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FRIST. Mr. President, tomorrow, following morning business as just outlined, the Senate will begin consideration of the Unborn Victims of Violence bill. We had previously worked out a unanimous consent agreement and under that agreement there will only be two amendments in order, one by Senator FEINSTEIN and one by Senator MURRAY. In addition, there will be a total of 6½ hours of debate on the amendments and underlying bill. Senators should expect several rollcall votes during tomorrow's session as the Senate completes action on the Unborn Victims of Violence bill.

Mr. President, I will turn to the assistant leader if he has any comments to make.

Before we close, I do want to say I was disappointed in the earlier cloture vote today. As has been outlined, the sanctions have begun. They began on March 1 and will continue with each passing day, just underscoring the urgency that we must address this JOBS bill, the FSC/ETI bill, the bill we know now will jumpstart jobs.

I did enter a motion to reconsider that vote. I hope Members will all rethink their desire to offer unrelated amendments and bring unrelated issues to the floor which have stalled the measure. If we are unable to come to some resolution, we will do what we are doing now and proceed to other Senate business with the Unborn Victims of Violence Act. If we are able to refocus—and I pledge to work with the Democratic leadership over the ensuing hours and days—our attention on the underlying measure, then we will return to that bill and finish it as expeditiously as possible.

Mr. REID. Mr. President, if the distinguished majority leader will yield for a brief comment, we recognize, as has been stated by this Senator and other Senators on this side of the aisle, this is a bill which we have been on for 3 days. As the distinguished majority leader has stated, he wants Members to reconsider having cast their vote against cloture. We would also ask that the majority through the distinguished majority leader reconsider allowing us to have a vote on the overtime matter. As I have stated, we can dispose of that with 10 minutes of debate on our side. There are some other amendments. We had 75. But we have told managers of the bill if we can work that down significantly, we would do that with each amendment; we could have a short time agreement. And we think we can dispose of this bill very quickly, which I hope through the intercession of the distinguished majority leader we can do.

I would simply refer to the chairman of the committee, Senator GRASSLEY. This is a quote from him where he said:

> I prefer to vote on things up or down and move on. My feeling is sometime we have to face this issue. So we might as well face it now.

Added GRASSLEY:

> If Senate Majority Leader Bill Frist had his druthers, it might be to give Democrats a straight vote on the amendment to allow the corporate tax bill to proceed.

I think Senator GRASSLEY, who is the sage farmer of the Senate, speaks as always with a lot of wisdom. I think those two sentences speak volumes. We need to vote on overtime and move on to this most important tax bill.

Mr. FRIST. Mr. President, let me very briefly respond.

The implication is one amendment is holding this bill up. It is not. Reference has been made to overtime over the course of the day. As I said in yesterday's opening statement and closing statement, we are willing to consider other amendments on the bill that are really germane to the bill. It is not just one amendment. These are message amendments, and we have voted on overtime in the past. There are other amendments which the other side of the aisle wants to bring to make messages and to score political points. I notice it did start at 75, and maybe it is down to 15 or 12 or 10. It is not down to just one amendment.

I pledge to keep working both sides of the aisle to get it down to a manageable number. Nobody is locked down on what we will do or what we will not do. I want to be able to complete this bill by staying on the bill itself. There is going to be a lot of legislation coming through.

I believe we have a good agreement for tomorrow to proceed and finish that bill. I think next week we may be going to the welfare bill, if we can't come back to the JOBS bill.

There is going to be plenty of opportunity to offer these messages, politically driven amendments. This FSC/ETI Jumpstart JOBS bill is not the bill to do it on. It is an important bill. We need to finish it expeditiously. We have Members on record today who want to finish this bill as written. It came out of committee 19 to 2 under the excellent leadership of Chairman GRASSLEY and Senator BAUCUS, who wants to continue to offer a whole number of message amendments—not just one, and not just two, and not just overtime.

I say all of that so there is no misunderstanding. I will continue to fight to get this bill through. I am disappointed by the vote today and by actions which have held that up. As majority leader, I need to keep the body moving along.

We are going to address, beginning tomorrow morning, a fresh issue on the floor of the Senate. I think we will have a very good debate, and we will complete action on that bill. If we can work through this, hopefully we can come back and address the JOBS bill in an orderly way. Then we can really have the end in sight and try to get it down to a manageable number of amendments that relate to the bill.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:20 p.m., adjourned until Thursday, March 25, 2004, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, March 24, 2004*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. LAHOOD).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 24, 2004.

I hereby appoint the Honorable RAY LAHOOD to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

Don Aldo Brunacci, Casa Papa Giovanni, Assisi, Italy, offered the following prayer:

"May the Lord give you peace," St. Francis of Assisi.

Lord, merciful, almighty, Creator of heaven and Earth, we praise You for Your glory and thank You for Your love and protection. We are gathered here today in Your name. You have entrusted us with the gift of leadership of a great Nation. Give us the wisdom and the strength we need to fulfill our mission according to Your will. Help us never to betray our mission but to do Your will in respect and obedience to our own conscience. Give us the gift of discernment never to falter in our decision-making.

Lord God, You have treated our Nation with great generosity. Help us to treat others with kindness, generosity, and justice.

Give us peace of mind and heart, that peace which comes from You. Grant peace to our families, to our Nation, and to the whole world.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BOOZMAN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BOOZMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from California (Mr. OSE) come forward and lead the House in the Pledge of Allegiance.

Mr. OSE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WELCOMING DON ALDO BRUNACCI

(Mr. FERGUSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FERGUSON. Mr. Speaker, I rise today to honor our guest chaplain, Don Aldo Brunacci. A canon of the Cathedral of San Rufino in Assisi, Italy, Don Aldo Brunacci is being honored with the National Gaudete Medal. It is presented to a community leader who represents the life and teaching of St. Francis of Assisi.

Don Aldo embodies the spirit of service and joy that St. Francis taught. His life has exhibited the words engraved in the medal: "For service to God and humanity in the Franciscan spirit of compassion and sacrifice, faith and humility, hope and joy."

In January 2003, he was presented with the Order for Merit of the Italian Republic, awarded by President Carlo Azeglio Ciampi of Italy, for his service in assisting hundreds of Jewish refugees during World War II. Currently, Don Aldo operates the Casa Papa Giovanni, a major retreat house in Assisi.

St. Bonaventure's College is here in Washington today to honor Don Aldo with this prestigious award. He is not only a proud example to his community and his family, but also to his country and his faith.

INSIGHTFUL EDITORIAL CENSORED

(Ms. LOFGREN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. LOFGREN. Mr. Speaker, "Catering to the Religious Right," that is the tagline the editors at the San Jose Mercury News used to introduce its March 15 editorial and cartoon regarding President Bush's science policy.

The editorial outlined the Bush administration's distortion and censorship of scientific research. On global warming, stem cell research, drinking water and air, women's health, the Bush administration has overlooked proven scientific data to placate big business or the religious right.

The Mercury News serves the largest media market in Northern California and is read by millions of people around the world, and I thought that the Members of the House should also see this editorial which was to become part of my "Dear Colleague" letter last week. Unbelievably, the Republican staff of the Committee on House Administration vetoed the letter as too political. They came to this conclusion without consulting the Democratic staff.

Readers of a newspaper of general circulation can read the truth, but not the elected Members of the House of Representatives. Should we be surprised? Republicans in the White House are censoring scientists; apparently the Republican majority in this House is following that pattern. Republicans may be able to stop me from sending a letter, but they cannot stop me from speaking on the floor.

SUPREME COURT CONSIDERS PLEDGE

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, today the Supreme Court will hear arguments on whether children should be allowed to say the words "under God" in the Pledge of Allegiance.

In 2002, the 9th Circuit ruled that the Pledge of Allegiance is unconstitutional. The question raised was whether the Pledge forces an establishment of religion on the American people. Ninety percent of the American public answers this question "no." Yet it never ceases to amaze me that the radical activist minority in this country can use the courts and the first amendment on the one hand to permit targeting of children with pornography; and on the other hand they manipulate

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☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

it to ban any reference to faith, God, or religion in public life.

There is no way around it. That is an extremist agenda contrary to the letter and spirit of the Constitution, and it is contrary to the will of the people. The fact that this case even made it so far in the courts is a travesty. Our Founders believed, as the American people do, that there is an acceptable beneficial role for public faith and private convictions in the public life of this country. Those who say otherwise are mistaken.

TRUTH AND CONSEQUENCES IN BUSH ADMINISTRATION

(Mr. EMANUEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMANUEL. Mr. Speaker, telling the truth and facing the consequences in the Bush White House has become truth and consequences.

General Shinseki, retired Army Chief of Staff, said occupying Iraq would require several hundred thousand troops, and was forced to resign.

Marine Commander General Zinni said there were greater priorities than Iraq; Zinni was not reappointed as Middle East adviser.

Larry Lindsey, the President's chief economic adviser, said the war in Iraq would cost $200 billion; he was fired.

John DiIulio, former director of Faith-Based Initiatives, said there was no policy apparatus in the White House and was forced to quit.

Our chief Medicare actuary knew the real cost of the Medicare bill and was told there would be extreme consequences for insubordination.

Paul O'Neill, the former Secretary of the Treasury, criticized the tax cuts as stated in "The Price of Loyalty" and what they would do to the fiscal order in the United States; he was fired.

Joe Wilson challenged the claim that Iraq tried to buy uranium from Africa; his wife, an undercover CIA agent, was outed.

And now Dick Clarke joins a list of officials whose character was assassinated for telling the truth, truth and consequences in the Bush administration.

REDUCE UNNECESSARY REGULATIONS

(Mr. FORBES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORBES. Mr. Speaker, despite the negative chants we hear from those refusing to take off their partisan uniforms, there is good news when it comes to the economy: 6 consecutive months of job growth; 364,000 new jobs in the last 6 months; and the largest 8-month decline in unemployment since 1995. But there are more challenges ahead.

Perhaps our biggest opportunity is the chance to reduce unnecessary government regulations on small businesses. Every single year, the cost of complying with government regulation adds up to $843 billion. For firms employing fewer than 20 employees, the annual regulatory burden is $6,975 per employee. We put these costly regulations on small businesses, which provide approximately 75 percent of the net new jobs added to the economy, represent 99.7 percent of all employers, employ 50.1 percent of the private workforce, and represent 97 percent of all U.S. exporters.

Instead of trying to raise taxes on small businesses, we need to reduce unnecessary regulations.

REMEMBERING THE "EXXON VALDEZ"

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, 15 years ago today the *Exxon Valdez* ran aground and gushed 11 million barrels of oil into Alaska's pristine Prince William Sound. It is pristine no more.

Fifteen years later, Exxon still has not paid the $7 billion in damages a jury awarded to thousands of Alaskans whose livelihoods were devastated. The *Exxon Valdez* ruined 1,300 miles of Alaskan coastline, decimated wildlife, and devastated fisheries. What have we learned?

Fifteen years later, single-hull tankers continue to be the common method of oil transportation. Fifteen years later, America continues to consume fossil fuels with a blatant disregard for global climate change. Fifteen years later, we are still just as vulnerable.

Mr. Speaker, I wonder if Vice President CHENEY invited Exxon into his oil policy meetings that he says should be kept secret from the American people. Perhaps if we knew who had been sitting at the table, we would be able to figure out why 15 years later we are looking at this. Tomorrow it is the budget wreck.

MEDICARE MODERNIZATION ACT HELPS RURAL HOSPITALS

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, I want to thank today's guest chaplain who talked about the blessings of leadership on this great Nation, which is our task at hand. One of those tasks was the Medicare Modernization Act, which provided great help to this country at large.

I want to focus primarily on one part of the Medicare prescription drug plan and the representation of the most generous package ever to rural health care providers. The Medicare law equalizes payments so that rural and suburban hospitals receive billions in much-needed relief over the next decade. They will receive continued standardized amounts of assistance without pause, increased help for DSH rural and small urban hospitals, adjusted payments to low volume hospitals to provide more equitable reimbursements for health care costs, and greater flexibility for rural and small urban hospitals to have more graduate medical residents providing better care.

We should not have a discrepancy between the care in urban and suburban areas and rural health care. The Medicare Modernization Act is the best health care package that rural America has ever seen. I am glad it was passed, and I look forward to the implementation of the law.

□ 1015

THE BUDGET

(Mr. BLUMENAUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUMENAUER. Mr. Speaker, history shows in the last 10 years that we are increasingly taking the budget process here less and less seriously. This week's alternative from the Republican Party will be no exception. It is an alternative that will actually increase our deficit more than if we simply did nothing.

But it is not that the budget resolutions should not be taken seriously. The environment is one key area. We Democrats will be providing an alternative that actually lowers the deficit while protecting the environment, funding Superfund cleanup, which creates jobs, funding the Land and Water Conservation Fund without drilling in the Arctic Wildlife Refuge.

There was a time when fiscal restraint and protecting the environment were bipartisan objectives. I hope I am in this Chamber long enough where that comes back to be the priority again.

IN HONOR OF PFC BRANDON SMITH

(Mr. BOOZMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOOZMAN. Mr. Speaker, I rise today to honor one of America's bravest, Private First Class Brandon Smith, who grew up in Fayetteville, Arkansas. Brandon was killed in action in Al Qaim, Iraq, late last week. His Humvee ran over a land mine as he rushed to assist his fellow soldiers who were under enemy fire.

When Brandon joined the Marines, he told his friends that he had found his life's calling. However, for Brandon to fulfill his lifelong dream, it was no simple task. Every morning he had to run laps around Asbell Park, lift weights and literally lose 80 pounds to be in shape for Marine boot camp.

Brandon selflessly put himself in harm's way, serving his country so that future generations can live in a world free of terror. His father, Gordon Smith, put it best when he said Brandon "was taking a stand and making a difference."

Mr. Speaker, Private First Class Brandon Smith made the ultimate sacrifice for his country. He is a true American hero. I ask my colleagues to keep Brandon's family and friends in their thoughts and prayers during this very difficult time.

SUPPORTING ISRAEL

(Ms. BERKLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. BERKLEY. Mr. Speaker, I rise today in strong and unwavering support of Israel, this Nation's strongest ally and the only democracy in the Middle East. The first duty of any Nation is to protect its citizens. Israel is in a fight for its very survival. It longs for peace. It has no partner for peace.

Out of desperation, Israel has been forced to identify those who are planning and coordinating terrorist attacks against its citizens, against innocent women and children. And because Arafat will not end the terrorism, will not rein in the terrorists, Israel has been forced to act.

Over the past three decades, Sheik Yassin has led the terrorist group Hamas as it launched one bloody attack after another. Hundreds of Israelis are dead, over three dozen Americans are dead, and over 2,000 innocent people have sustained wounds that they will never recover from. These facts are not in dispute.

It is time for the double standard to end. Israel's action against Yassin is no different from America's hunt to destroy Osama bin Laden. We are halfway around the world searching for the man who masterminded the 9/11 attack on our Nation. The world will rejoice when Osama bin Laden is gone. Israel suffers the same on almost a daily basis.

Let us not confuse the perpetrators of terrorism with the victims. Israel's actions are appropriate, justifiable and their duty, safeguarding innocent lives, has been done.

SOCIAL SECURITY

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, today's report on the Social Security trust fund says that in 2018, current taxes will no longer pay for benefits. That means digging into our Federal Treasury. This is just another wakeup call. We ought to use it to provide momentum to reform and improve Social Security. The best way to do that is to increase the rate of return by creating personal accounts for young people.

Let us be clear. Social Security will be there for current and near retirees. It is the younger generations who need the most help when it comes to saving for retirement. Personal accounts definitely represent the best option.

An election year is the perfect time to showcase the differences between parties and ideas. Democrats want to demagogue and tax and spend their way to a Social Security solution. Republicans want to increase the rate of return through personal responsibility and conservative values. The choice is clear.

It is my hope we can move forward next year on real reform when politics will not stifle the debate.

TYCO SHAREHOLDER VOTE

(Mr. NEAL of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, while the House today takes up a budget resolution to fund important programs for education, national defense, health care, homeland security, environment and veterans, let me point out that there is another vote taking place today. That is the vote of the shareholders of the Tyco corporation. They are going to continue to shirk their responsibilities, apparently.

In 1997, New Hampshire-based Tyco, International renounced its corporate citizenship and changed its mailing address to Bermuda to avoid paying $400 million in U.S. taxes. Today, shareholders will be asked to vote on a resolution that will change that. My hunch—it is going to fail.

This is unfortunate for all Americans because they are being asked to make sacrifices during a wartime economy. We have 134,000 troops in Afghanistan and Iraq while Tyco, International and the Bermuda-based companies, all for the price of a $27,000 post office box they do not want to contribute, and the other side does not want to do anything about it.

I am the sponsor of the Corporate Patriot Enforcement Act which would deny tax benefits to former American companies that reincorporate offshore simply to avoid paying the same taxes the rest of us do. According to the Joint Committee on Taxation, we could save $4 billion just asking these folks to pay their fair share.

RICHARD CLARKE'S ALLEGATIONS ARE FALSE AND MISLEADING

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, it is clear why misleading allegations have been made by Richard Clarke, a former adviser of Presidents Clinton and Bush. His motivations have become evident over the last few days to the American people as his comments have been timed to the release for sales of his book. And we learned he was passed over for promotion and that he is a close friend of Rand Beers, an adviser to the current Democratic nominee for President.

Mr. Clarke's strange accusations about Security Adviser Condoleezza Rice and President Bush's handling of the war on terrorism are false as the facts refute the rhetoric. President George W. Bush and his team, with our troops, have shown bold leadership to successfully fight the war on terrorism, have encouraged Libya to disarm, inspired Pakistan to deploy 70,000 troops to fight al Qaeda terrorists, and have led to the liberation of millions from terrorist-sponsoring regimes. President Bush has taken the battle to the terrorists so that we can reduce further attacks on American families.

In conclusion, may God bless our troops and we will never forget September 11.

MICROSOFT AND THE EUROPEAN UNION

(Mr. INSLEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INSLEE. Mr. Speaker, I come to the floor to express concern about the European Union's first step in a decision against Microsoft, one of the most creative engines of economic growth in American history. The reason we all ought to be concerned about this European Union decision is it essentially breaches and disturbs, if not destroys, a carefully wrought-out resolution of antitrust issues in the American judicial system.

Whatever one thinks of our judicial system, we ought to know one thing, that it is better that these matters be resolved in the American system than internationally when the international groups now could turn into a feeding frenzy, if you will, of upsetting this apple cart after we have worked for years and millions of dollars of effort to have a very carefully calibrated resolution of these antitrust issues.

We hope that our government expresses and does not acquiesce in this issue since we need to have comity and a consistent application of antitrust rules across borders. We hope that our government will take that position.

MEDICARE

(Mr. BLUNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUNT. Mr. Speaker, like many other Members who voted for the addition of prescription drugs to Medicare and Medicare reform on both sides of the aisle, I have been out in my district talking to people about this first significant change in Medicare in 38 years. What I am finding is a tremendous reception to the changes we have made:

The prescription drug card that will be available in June where people can call in and find out, based on the medicines they take, which card is best for them; the significant assistance to low-income seniors who not only get that card for free but also get $600 of credit on that card; and as we move into the full Medicare program in 2006, get their premiums paid if they choose to get their premiums paid. But, of course, as you are dealing with seniors and many of us who are not all that comfortable with change, the most important thing you can say is, You don't have to do anything if you don't want to, but you can look at these new options and see if these options are better for you than what you've got. If they aren't better for you than what you've got or you just don't want to change, you don't have to.

The addition of prescription drugs to Medicare brings Medicare in line with medicine. It is about time, Mr. Speaker. I am glad we did it.

SUPREME COURT TO RULE ON PLEDGE OF ALLEGIANCE CASE

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, Thomas Jefferson wrote those transcendent words in the Declaration of Independence, that our founders believed that we were endowed by our Creator with certain unalienable rights. Abraham Lincoln, in establishing the first National Day of Prayer, quoted scripture as he affirmed that which had been truth throughout the ages, that only those nations are blessed whose God is the Lord.

Nevertheless, at this hour across the street the Supreme Court of the United States of America is hearing a case about whether the American people may acknowledge that we are one Nation under God in our Pledge of Allegiance. This case today I offer, Mr. Speaker, is less about the facts than it is about who we are as a Nation, a Nation with a Congress that opened this day in prayer, and a court, a Supreme Court, that actually opened their work today with the words "God save the United States and this honorable court," about a government that displays the name of God throughout its buildings and in its best traditions, telling the American people that they cannot do likewise.

Let us hope and pray that those nine jurists on the Supreme Court see the freedom of religion and not the freedom from religion in the first amendment of our Constitution.

MEDICARE TRUSTEES REPORT

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, the Medicare trustees have reported that the Medicare trust fund is in trouble. Imagine what would happen if the Democrat minority had successfully passed their bill. The reforms that we passed to preserve the life of the Medicare system would have disappeared and the trillion-dollar-plus price tag of the Democratic bill would have ended Medicare as we know it. We would have no choice but to make painful cuts or increase taxes to pay for the Democrats' Medicare bill.

The irony is that now that we are so close to finally implementing the law and finally getting cheaper prescription drug benefits for seniors, the Democrats want to repeal it. What we should do, Mr. Speaker, is not take away the prescription drug coverage for American seniors, but rather we should try to improve upon it, modify it and eventually make it fiscally responsible and highly workable.

MEDICARE REFORM

(Mr. PORTMAN asked and was given permission to address the House for 1 minute.)

Mr. PORTMAN. Mr. Speaker, following on the comments of my colleague from Florida, I will say that this Medicare bill that the House passed last year, which adds a prescription drug benefit, is good medicine. It comes after years and years of this Congress talking about adding a prescription drug benefit for our seniors. Lots of rhetoric, no action. Finally, late last year, this House got together on a bipartisan basis and passed a benefit that truly helps seniors.

It is a good bill because it adds prescription drugs, but it is even better than that because it adds another great, exciting new tool for our seniors, but also for all Americans, to be able to save tax free for their health care: health savings accounts. You make a contribution tax free, it builds up tax free, and when you pay for your health care needs, it is tax free.

This will help in a few different ways. One, it will encourage preventive health care, people taking care of themselves, reducing costs in Medicare as a result. Second, it will add more competition to the health care system. It is your own dollar now that you are spending. That also will reduce costs in Medicare. Finally, it will help with the uninsured.

Many small businesses who do not now provide coverage for the uninsured will now be able to provide that coverage and individuals will be able to make contributions to an account like this to be able to cover their own health care needs.

Mr. Speaker, it is a good part of a good bill.

MEDICARE

(Mr. GERLACH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GERLACH. Mr. Speaker, I rise today to speak about the importance of the new Medicare-endorsed prescription drug discount card. Starting in May, seniors across America will have the choice to enroll in a drug discount card plan. At this time, over 100 companies have applied to offer a prescription drug discount card. In June, older Americans can begin using those cards to save anywhere from 10 to 25 percent on their prescription drugs. Low-income seniors who choose to enroll in a drug discount plan will receive $600 of Federal assistance in 2004 and 2005 to further defray the costs of their medications.

The discount cards enable seniors to save money on their prescription drugs now while work is being done to implement the new Medicare Part D benefit. For those older Americans with no prescription drug coverage, waiting is not an option.

It is vital that we communicate to seniors their options regarding prescription drug assistance. I encourage all of my colleagues to reach out to seniors in their districts to explain the choices and benefits that older Americans now have.

I encourage seniors to visit Medicare on the Web at www.medicare.gov or to call Medicare's 24-hour toll-free information line at 1-800-MEDICARE to get the answers to any questions they may have about their benefits.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

☐ 1030

MULTIDISTRICT LITIGATION RESTORATION ACT OF 2004

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1768) to amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1768

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Multidistrict Litigation Restoration Act of 2004".

SEC. 2. MULTIDISTRICT LITIGATION.

Section 1407 of title 28, United States Code, is amended—

(1) in the third sentence of subsection (a), by inserting "or ordered transferred to the transferee or other district under subsection (i)" after "terminated"; and

(2) by adding at the end the following new subsection:

"(i)(1) Subject to paragraph (2) and except as provided in subsection (j), any action transferred under this section by the panel may be transferred for trial purposes, by the judge or judges of the transferee district to whom the action was assigned, to the transferee or other district in the interest of justice and for the convenience of the parties and witnesses.

"(2) Any action transferred for trial purposes under paragraph (1) shall be remanded by the panel for the determination of compensatory damages to the district court from which it was transferred, unless the court to which the action has been transferred for trial purposes also finds, for the convenience of the parties and witnesses and in the interests of justice, that the action should be retained for the determination of compensatory damages.".

SEC. 3. TECHNICAL AMENDMENT TO MULTIPARTY, MULTIFORM TRIAL JURISDICTION ACT OF 2002.

Section 1407 of title 28, United States Code, as amended by section 2 of this Act, is further amended by adding at the end the following:

"(j)(1) In actions transferred under this section when jurisdiction is or could have been based, in whole or in part, on section 1369 of this title, the transferee district court may, notwithstanding any other provision of this section, retain actions so transferred for the determination of liability and punitive damages. An action retained for the determination of liability shall be remanded to the district court from which the action was transferred, or to the State court from which the action was removed, for the determination of damages, other than punitive damages, unless the court finds, for the convenience of parties and witnesses and in the interest of justice, that the action should be retained for the determination of damages.

"(2) Any remand under paragraph (1) shall not be effective until 60 days after the transferee court has issued an order determining liability and has certified its intention to remand some or all of the transferred actions for the determination of damages. An appeal with respect to the liability determination and the choice of law determination of the transferee court may be taken during that 60-day period to the court of appeals with appellate jurisdiction over the transferee court. In the event a party files such an appeal, the remand shall not be effective until the appeal has been finally disposed of. Once the remand has become effective, the liability determination and the choice of law determination shall not be subject to further review by appeal or otherwise.

"(3) An appeal with respect to determination of punitive damages by the transferee court may be taken, during the 60-day period beginning on the date the order making the determination is issued, to the court of appeals with jurisdiction over the transferee court.

"(4) Any decision under this subsection concerning remand for the determination of damages shall not be reviewable by appeal or otherwise.

"(5) Nothing in this subsection shall restrict the authority of the transferee court to transfer or dismiss an action on the ground of inconvenient forum.".

SEC. 4. EFFECTIVE DATE.

(a) SECTION 2.—The amendments made by section 2 shall apply to any civil action pending on or brought on or after the date of the enactment of this Act.

(b) SECTION 3.—The amendment made by section 3 shall be effective as if enacted in section 11020(b) of the Multiparty, Multiforum Trial Jurisdiction Act of 2002 (Public Law 107–273; 116 Stat. 1826 et seq.).

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1768, the bill, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation addresses two important issues in the world of complex multidistrict litigation. First, the bill reverses the effect of the 1998 Supreme Court decision in the so-called "Lexecon" case. For 30 years prior to the Lexecon decision, a Federal judicial entity, the Multidistrict Litigation Panel, selected the one U.S. district court that was best suited to handle pretrial matters in complex multidistrict cases filed in State and Federal district courts around the country. The district courts selected, called the "transferee" court, would then invoke a separate general venue statute to retain all the cases for trial matters. This situation promoted judicial administrative efficiency, then produced results that were more uniformly fair to the litigants.

In the 1998 Lexecon decision, the Supreme Court ruled that the statute empowering the MDLP to operate did not authorize a transferee court to retain cases after the pretrial matters were concluded. The bill amends the Federal multidistrict litigation statute by explicitly allowing a transferee court to retain jurisdiction over referred cases for trial, for the purposes of determining liability and punitive damages, or to refer them to other districts as it sees fit. It simply responds to the Court's admonition that Congress amend the statute to allow the MDLP and the affected transferee courts to act as they had done without incident for 30 years prior to Lexecon.

Second, the passage of H.R. 1768 ensures that a special "disaster" litigation statute enacted last term will operate as Congress intended. Among other prescribed conditions, this new law creates original jurisdiction for U.S. district courts to adjudicate cases in which the accident has led to 75 deaths. This provision, now codified as a part of the Department of Justice authorization act from the 107th Congress, contemplates that the Lexecon problem is solved.

In other words, the new disaster litigation law only creates original jurisdiction for a U.S. district court to accept these cases and qualify as a transferee court under the multidistrict litigation statute. But the transferee court still cannot retain consolidated cases for the determination of liability and punitive damages which effectively guts the statute. In this sense, the Lexecon fix set forth in H.R. 1768, its freestanding merits aside, also functions as a technical correction to the recently enacted disaster litigation statute.

In sum, this legislation speaks to process, fairness, and judicial efficiency. It will not interfere with jury verdicts or compensation rates for litigators.

I urge my colleagues to join me in a bipartisan effort to support this bill.

Mr. Speaker, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Let me first of all, Mr. Speaker, say that there is good news for those victims who had been victimized by catastrophic injuries and catastrophic accidents such as airplane crashes, terrorist actions, and others because we have been able to provide for an opportunity for those cases to remain in their jurisdiction of the incident or the jurisdiction that is accommodating to those plaintiffs; and I applaud that relief that was given by the exclusion from this language to require cases to be moved at random, if you will, out of the State court system.

So I rise in support of H.R. 1768, and I ask my colleagues to support it. The House of Representatives has approved legislation containing the provisions of H.R. 1768 in each of the past two Congresses. In the 107th Congress, the House passed such legislation by unanimous consent and in the 106th Congress, the House passed by voice vote on suspension. Thus I believe it is fair to say that the House has several times found this legislation to be unobjectionable and noncontroversial.

As to its substance, H.R. 1768 has a very narrow purpose and effect. It is to overturn the 1998 decision of the Supreme Court in Lexecon v. Milberg, Weiss. The Lexecon decision held that a multidistrict litigation transferred to a Federal court for pretrial proceedings cannot be retained by that court for trial purposes. In so holding, the Lexecon decision upsets decades of practice by the Multidistrict Litigation Panel and Federal district courts. The Lexecon decision also increases the cost and complexity of such multidistrict litigation by requiring courts other than the transferee court, which has overseen discovery and other pretrial proceedings, to conduct the trial. Again, major burdens on our petitioners or plaintiffs.

H.R. 1768 overturns the Lexecon decision. Its enactment will once again allow a transferee court to retain the trial on liability issues and when appropriate on punitive damages, and it protects those jurisdictional cases that can rightly belong in the State courts that happen to be class actions. H.R. 1768 is carefully crafted to overturn the Lexecon decision without expanding the power previously exercised by transferee courts. It creates a presumption for trial that compensatory damages will be remanded to the transferor court. This presumption is important because it ensures that plaintiffs will not be unduly burdened in pursuit of their claims.

I also note that H.R. 1768 as reported by the Committee on the Judiciary is substantially different than the introduced version. These differences represent a significant improvement.

Explaining those relevant differences requires a brief recount of recent history. As part of the DOJ reauthorization legislation enacted in 2002, Congress created minimal diversity jurisdiction in Federal court for certain actions involving large-scale, single accidents. Among other things that legislation, which had been a part of the predecessor to H.R. 1768, created Federal diversity jurisdiction for such accidents only where at least 75 people had been killed or injured. The agreement between House and Senate conferees to set the bar at 75 people represented a significant departure from the House-passed legislation which had only required a 25-person threshold. Again, a negative impact on plaintiffs.

As introduced, H.R. 1768 would have, among other things, upset this agreement by instituting a 25-person threshold. Upsetting this agreement would have also upset many members of the Committee on the Judiciary, as well as those Senators who had insisted on a 75-people threshold as the price for supporting enactment of a single accident provision and also, might I say, providing equity in the courts of justice and allowing those individuals to have access to the courts of their choice. Thus, during the Committee on the Judiciary markup, the chairman wisely decided to offer an amendment that leaves the current 75-person threshold in place. By doing so, he has rendered the bill unobjectionable.

This bill's narrow breadth should be contrasted with broader and more troubling legislation to expand Federal court jurisdiction, such as supposed class action reform. Support for H.R. 1768 in no way implies support for any of the various class action bills. Unlike H.R. 1768, the class action bills represent a radical rewrite of class action rules, would ban most forms of State class actions, would burden the Federal courts and unreasonably limit plaintiffs' access to the courts, and require in-depth, thorough analysis and long, long study of that matter.

In sum, because the bills are so vastly different in scope and effect, support for H.R. 1768 should in no way be read as support for class action legislation. I ask my colleagues to support this bill, H.R. 1768.

Mr. Speaker, I rise in support of this legislation only insofar as it does not preclude classes of individuals from bringing most actions into State Court to obtain relief in the form of a class action. On January 21, 2004, my colleagues and I of the Judiciary Committee marked this bill up, and I supported it with caveat. The Multidistrict Litigation Restoration act of 2003 was introduced on April 11, 2003. This bill was introduced, largely, in order to improve the ability of federal courts to handle complex multidistrict litigation arising from a common set of facts.

H.R. 1768 contains two operative sections. Section 2 allows a transferee court in multidistrict litigation to retain jurisdiction over all of the consolidated cases with the presumption that compensatory damages will be remanded to the transferor court. Section 2 seeks to overturn the decision of the United States Supreme Court in Lexecon v. Milberg Weiss Bershad Hynes & Lerach, interpreting 28 U.S.C. Section 1407, the federal multidistrict litigation statute. In Lexecon, the Supreme Court held that a transferee court (a district court assigned to hear pretrial matters by a multidistrict litigation panel in multidistrict litigation cases) must remand all cases back for trial to the districts in which they were originally filed, regardless of the views of the parties.

Section 3 amends the Multiparty, Multiforum Trial Jurisdiction Act (MMTJA) of 2002 (Section 11020 of H.R. 2215, the Department of Justice appropriations authorization), which expanded federal court jurisdiction by requiring only minimal diversity (as opposed to complete diversity) for mass torts arising from a single incident, and established new federal procedures in these narrowly defined cases for the selection of venue, service of process and issuance of subpoenas. Section 3 would provide for the consolidation of these mass tort cases into a single district, and would reduce from 75 to 25 the number of individuals that must have suffered injury in such cases.

In the past, I have voted for legislation containing substance nearly identical to the bill we have before us today, and I will continue to support it so long as its provisions maintain a narrowly-tailored expansion of federal jurisdiction to hear consolidated cases with carefully placed caveats to allow for remand to the district of original jurisdiction. One of the most important concerns with this type of legislation is the answer to the questions of whether it will truly serve the interest of justice and whether it will not preclude parties from receiving a fair opportunity to present their case and have it considered.

On a related matter, class actions are an important and efficient legal tool for minority consumers to use in order to obtain redress and to deter wrongful conduct—which is critical given the portion of the domestic market that is occupied by minorities.

Class actions lawsuits are the only effective remedy when a large number of people are harmed but sustain small amounts of damages for which individual litigation would be inefficient. Class actions have resulted in refunds to consumers for fraudulent HMO, credit card, and telecommunications billing methods; free medical check-ups for persons exposed to toxic substances; and most importantly, changes to business practices that have in some way cheated or threatened the health of consumers.

The Class Action Fairness Act would move most state court class actions into federal courts, posing a threat to basic civil rights and unfairly blocking the disadvantaged members of society, including women and racial minorities, from obtaining relief from discrimination and unlawful practices. Class action litigation is one of the most important tools that women and other minorities can use to bring about equality. Therefore, I support H.R. 1768 with the understanding that I do not in the same vein support the Class Action Fairness Act.

Mr. Speaker, for the above reasons and with the limitations set forth, I support this legislation.

Mr. SMITH of Texas. Mr. Speaker, this legislation makes it easier for federal judges to retain jurisdiction of a lawsuit when questions regarding the facts are not in dispute, such as the facts in lawsuits stemming from a plane crash.

For example, a plane crash with 100 fatalities from 25 states can result in 25 different plaintiffs. This legislation allows those 25 cases to be transferred to one court, which reduces the burden on our federal courts.

Thirty years ago federal judges were authorized by circuit and district court case law to transfer cases to their own district or another district for trial. This provided them the ability to consolidate cases in their jurisdiction or refer cases to the appropriated jurisdiction as they saw fit.

Unfortunately, in 1998, the Supreme Court reversed that practice in the Lexecon case because of the language in the statute. The opinion said that Congress could resolve the issue. Mr. Speaker, that is why we are here today.

The Lexecon decision has prevented the federal court system from adjudicating complex cases even when all parties to a case have agreed on the wisdom of a transfer. That is not the most efficient and effective way for the management of our federal courts.

Our transferee judges are federal judicial experts. We must provide them with the freedom they need so they can supervise day-to-day pretrial proceedings, which include the underlying facts, laws and the possibility of a settlement.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 1768, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

COMMUNITY RECOGNITION ACT OF 2004

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3095) to amend title 4, United States Code, to make sure the rules of etiquette for flying the flag of the United States do not preclude the flying of flags at half mast when ordered by city and local officials, as amended.

The Clerk read as follows:

H.R. 3095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Recognition Act of 2004".

SEC. 2. FLAG CODE AMENDMENT.

Section 7(m) of title 4, United States Code, is amended by inserting after the sentence beginning "In the event of the death of a present or former official of the government of any State" the following: "In the event of the death of a present or former official of any city or other locality, the chief elected official of that locality may proclaim that the National flag shall be flown at half staff.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill, H.R. 3095, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3095 simply clarifies title 4 of the United States Code to permit the chief elected officer of a city or locality to order the United States flag flown at half mast to honor the death of a present or former official of that locality. Though current law does not expressly prohibit a local official from executing this decision, it does not specifically grant this authority either. In the unfortunate event of a death of a local official, the law's lack of clarity regarding this authority has forced local officials to seek permission from either the President of the United States or the Governor of their respective State, both of whom have explicit authority under current law to order the flag lowered.

As we all recognize, an individual's death often cannot be anticipated, and when a community is faced with such a loss, the President or Governor may not be able to be give immediate consideration to the request to lower the flag. Recognizing this problem, I believe that it is important that we vest our local officials with this authority rather than run the risk of missing an opportunity to honor and recognize the service of the deceased local official.

I would note that similar legislation was passed by the House in the 107th Congress by a vote of 420 to nothing, but unfortunately no action was ever taken by the other body.

I urge my colleagues to once again support this legislation.

Mr. Speaker, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Let me, first of all, thank the chairman and say that we have an expression of recognition bill that all of us can support and is protected by the first amendment, and that is H.R. 3095, the Community Recognition Act, in which the question is not one of free speech but of recognition.

Mr. Speaker, I rise in support of H.R. 3095, the Community Recognition Act of 2003. This legislation is identical to H.R. 1022, which passed the House by a vote of 420 to zero. I am aware of no opposition to this bill. The chairman has clearly explained the bill, and I urge my colleagues enthusiastically to support H.R. 3095.

Mr. Speaker, I rise in support of this legislation, H.R. 3095, the Community Recognition Act. In January of this year, my colleagues and I of the Committee on the Judiciary held a markup hearing to consider this bill, and I supported it at that time. This legislation is identical to H.R. 1022, which was reported by the Judiciary Committee in the 107th Congress by voice vote with no debate and which passed the House by a vote of 420–0. However, it did not receive consideration by the Senate.

H.R. 3095 would amend the "Flag Code" to allow local officials to order the flag of the United States in that jurisdiction flown at half-staff in the event of the death of a present or former official of that locality. Current law specifies instances in which the flag should be flown at half-staff, who is authorized to order it, the manner in which it should be displayed, and how long it should be so flown in honor of different individuals. It grants this authority to the President and to the governors to order that the flag be flown at half-staff, but does not mention local officials. This bill would include local officials.

Current law, including the Flag Code, does not prohibit anyone flying the flag at half-staff for any reason at any time. Moreover, the Constitution allows anyone to do anything they wish with a flag, including burn it as an act of protest. Let us not forget about the case of Texas v. Johnson in 1989 where during the 1984 Republican National Convention in Dallas, Texas, Gregory Johnson accepted a United States flag taken from a flagpole outside the convention center, doused the flag with kerosene, and set the flag on fire. Arrested by police officers on the scene, Johnson was prosecuted and convicted under a Texas law which prohibited desecration of the Texas and United States flags. The law defined desecration as "physical mistreatment of such objects in a way which the [accused] knows will offend one or more persons likely to observe or discover the act." Several witnesses testified that they had been seriously offended by the flag burning.

The use of the American flag in this instance does not present strong challenges to rights under the First Amendment. Instead, it would make clear that local officials also have the authority to order the flag flown at half-staff under certain circumstances.

The flag of the United States serves as a symbol of the nation. In the case of West Virginia v. Barnett, 1943, the Court struck down a West Virginia law requiring a salute to the flag, commenting: "Those who begin coercive limitation of dissent soon find themselves exterminating dissenters." The Court went on to say, "There is no mysticism in the American concept of the State or of the nature or origin of its authority. We set up government by consent of the governed, and the Bill of Rights denies those in power any legal opportunity to coerce the consent. Authority here is to be controlled by public opinion, not public opinion by authority. . . ."

In Texas, the Government Code, Section 3100.072 sets forth the Governor's authority regarding the flag and limitations on governmental subdivisions or agencies. However, some states and jurisdictions do not have similar state legislation in place to grant this authority. Therefore, H.R. 3095 will add much needed uniformity to the United States Code.

Mr. Speaker, I support this legislation for the above reasons.

Mr. Speaker, I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 3095, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECOGNIZING AND HONORING UNITED STATES ARMED FORCES AND SUPPORTING NATIONAL MILITARY APPRECIATION MONTH

Mrs. MILLER of Michigan. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 328) recognizing and honoring the United States Armed Forces and supporting the designation of a National Military Appreciation Month, as amended.

The Clerk read as follows:

H. CON. RES. 328

Whereas the vigilance of the members of the Armed Forces has been instrumental to the preservation of the freedom, security, and prosperity enjoyed by the people of the United States;

Whereas the success of the Armed Forces depends on the dedicated service of its members, their families, and the civilian employees of the Department of Defense and the Coast Guard;

Whereas the role of the United States as a world leader requires a military force that is well-trained, well-equipped, and appropriately sized;

Whereas to maintain such a force, the youth of the United States must possess a commitment to military service sufficient to achieve the levels of recruitment and retention necessary to sustain the strength, vitality, and character of the Armed Forces;

Whereas to foster and sustain such a commitment it is vital for the youth of the United States to understand that the service provided by members of the Armed Forces is an honorable legacy that protects the freedoms enjoyed by citizens of the United States as well as citizens of many other nations;

Whereas the Federal Government has a responsibility to raise awareness of and respect for this aspect of the heritage of the United States and to encourage the people of the United States to dedicate themselves to the values and principles for which Americans have served and sacrificed throughout the history of the Nation;

Whereas service in the Armed Forces entails special hazards and demands extraordinary sacrifices from service members and their families;

Whereas the support of the families of service members enhances the effectiveness and capabilities of the Armed Forces;

Whereas the observance of events recognizing the contributions of the Armed Forces is a tangible and highly effective way of sustaining morale and improving quality of life for service members and their families;

Whereas on April 30, 1999, the Senate passed S. Res. 33 (106th Congress), entitled "Designating May 1999 as 'National Military Appreciation Month' ", calling on the people of the United States, in a symbolic act of unity, to observe a National Military Appreciation Month in May 1999, to honor the current and former members of the Armed Forces, including those who have died in the pursuit of freedom and peace; and

Whereas it is important to emphasize to the people of the United States the relevance of the history and activities of the Armed Forces through an annual National Military Appreciation Month that includes associated local and national observances and activities: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) supports the goals and objectives of a National Military Appreciation Month;

(2) urges the President to issue a proclamation calling on the people of the United States, all Federal departments and agencies, States, localities, organizations and media to annually observe a National Military Appreciation Month with appropriate ceremonies and activities; and

(3) urges the White House Commission on Remembrance, established by Congress to honor those who died in service to the United States and those who continue to serve the Nation, to work to support the goals and objectives of a National Military Appreciation Month.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Michigan (Mrs. MILLER) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Michigan (Mrs. MILLER).

□ 1045

GENERAL LEAVE

Mrs. MILLER of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Con. Res. 328, as amended.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. MILLER of Michigan. Mr. Speaker, I yield myself such time as may consume.

Mr. Speaker, on behalf of the Committee on Government Reform, I am very pleased that the House is considering House Concurrent Resolution 328. During the 106th Congress, on April 30, 1999, the United States Senate passed Senate Resolution 99 that called for May of 1999 to be signified as National Military Appreciation Month. Today's resolution, House Concurrent Resolution 328, supports the goals and ideals of National Military Appreciation Month. As the war on terror continues, this is an appropriate piece of legislation for the House to pass today.

The Members of our Armed Forces have fought to preserve freedom for the American people for over 200 years. Recently, new challenges have confronted our brave military men and women since the horrific attacks on our Nation of September 11, 2001. Our soldiers have courageously and effectively carried out remarkable missions in Afghanistan and Iraq that respectively intended to disrupt the terrorist networks and to end the regime of dictator Saddam Hussein.

In addition, Mr. Speaker, the United States Armed Forces have dramatically expanded their presence in the Middle East and Central Asia into once unthinkable locations, such as former Soviet republics. These new bases seek to strengthen American alliances with friendly countries and to protect the citizens of countless nations across the globe.

Indeed, the war on terror has tested our armed services, and I am proud to reported that our servicemen and women have responded very honorably.

In addition to the war on terror, nearly 1,800 United States soldiers have defended the Haitian capital Port-au-Prince in recent weeks as well. Unquestionably, our great Nation and, indeed, the entire world is a safer place because of their commitment and their sacrifice.

Mr. Speaker, I know that the sponsor of this resolution, the distinguished chairman of the Committee on Government Reform, wanted to be here for consideration of this legislation. Consistent with my earlier request for general leave, I will submit his statement on House Concurrent Resolution 328 in writing. I commend the gentleman from Virginia (Chairman TOM DAVIS) for this important resolution, and I urge every Member of this House to support its adoption.

I salute all of our Nation's gallant servicemen and women.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is no greater gift a person can give to his or her country than to serve in the Armed Forces. Today, we honor the thousands of soldiers, men and women, serving our country at home in the United States and around the world, as well as the millions of Americans who have served in years past.

While our reasons for going to Iraq, or any other war, for that matter, can be questioned and scrutinized, one issue that should remain above the political fray is the profound courage that has always been exhibited by our troops. They have always honored America by protecting our Nation both at home and abroad in a manner befitting a great nation. Today our Nation turns to them and says, "Thank you."

Over 500 Americans have lost their lives thus far in Iraq, and it is crucial to the future of both our Nation and other nations that Americans, both young and old, understand that without these soldiers and the countless others who have died in wars past, making this ultimate sacrifice, there would be no America as we know it today.

The tremendous freedoms we all enjoy, including freedom of speech, the right to representation in government and the right to assemble were all earned because tremendous human beings were willing to fight for those freedoms. Although no gesture can ever do justice to the work done by our men and women of the Armed Forces, with the designation of a National Military Appreciation Month, our Nation can do no more to thank these brave Americans for the unbelievable service they have provided to all of us.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today in strong support of House Concurrent Resolution 328 and urge my colleagues to do so as well.

Throughout the course of American history, nearly 48 million men and women have dedicated their lives to the defense of our land, our people and our principles as members of the Armed Forces. The strength of the United States is a direct result of their courageous, patriotic and dedicated service.

Last year, I introduced this important resolution to recognize and honor both those who have served throughout our history and those serving around the world today, and to support the goals and objectives of National Military Appreciation Month. This resolution is a follow-on effort to Senate Resolution 33, introduced by Senator MCCAIN in the 106th Congress and unanimously passed by the Senate on April 30, 1999.

While we always appreciate the men and women of the military, it is fitting that we set aside time to do so publicly. National Military Appreciation Month seeks to coordinate and provide a framework to do so by capitalizing on the various observations throughout the month of May, including Loyalty Day, the National day of Prayer, Military Spouses Day, Victory in Europe Day, Armed Forces Day, and Memorial Day.

Many groups are already supporting these efforts through various means, and they should be applauded. With passage of this resolution we call on federal, state and local entities, civic and fraternal organizations, places of worship, schools, businesses, the media and all Americans to commemorate and celebrate the men and women of our Armed Forces. It is exactly what a grateful nation should do.

I urge my colleagues to vote in favor of this important resolution.

Mr. DAVIS of Illinois. Mr. Speaker, I yield back the balance of my time.

Mrs. MILLER of Michigan. Mr. Speaker, I simply would urge all Members to support the adoption of House Concurrent Resolution 328, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 328, as amended

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. MILLER of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

LLOYD L. BURKE POST OFFICE

Mrs. MILLER of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3059) to designate the facility of the United States Postal Service located at 304 West Michigan Street in Stuttgart, Arkansas, as the "Lloyd L. Burke Post Office".

The Clerk read as follows:

H.R. 3059

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LLOYD L. BURKE POST OFFICE.

(a) DESIGNATION.—The facility of the United States Postal Service located at 304 West Michigan Street in Stuttgart, Arkansas, shall be known and designated as the "Lloyd L. Burke Post Office".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Lloyd L. Burke Post Office.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Michigan (Mrs. MILLER) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Michigan (Mrs. MILLER).

GENERAL LEAVE

Mrs. MILLER of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3059.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

Mrs. MILLER of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3059 designates the Stuttgart, Arkansas, postal facility as the Lloyd L. Burke Post Office. All members of the Arkansas congressional delegation have signed on as cosponsors to this legislation.

Mr. Speaker, through this point in the 108th Congress, the House has passed 43 meaningful bills that name post offices after physicians, after political leaders, athletes, military servicemen and certainly other worthy individuals as well, but we may never consider a commemorative piece of legislation that honors a braver person than Lloyd Burke.

Colonel Lloyd Burke served in the Army during World War II, the Korean and Vietnam wars. Most notably, he was a legitimate hero of the Korean War. Facing a battle over a strategic hill outside of Seoul, then Lieutenant Burke led a group of only 35 battle-weary American soldiers toward a brigade of over 300 Korean fighters in December of 1951. On this day, Lloyd Burke practically defeated this overwhelming enemy force with only his bare hands.

Lloyd Burke led the charge against the Korean brigade by firing his rifle and throwing grenades. He attacked enemy trenches all by himself, clearing out enemy machine gun positions. During his attack, his rifle jammed, and then he was forced to catch three grenades thrown at him and hurled them back at the enemy soldiers. He ultimately manipulated his rifle and returned it to working order, firing it until he ran out of ammunition. At that point, he used only his pistol to attack the heavily armed Korean soldiers.

Burke's bravery inspired his fellow troops. When the dust settled, most of the 300 enemy soldiers had been killed and the remaining Army troops had captured the hill. It was estimated that Lloyd Burke had killed 100 of the enemy himself. It was an unbelievable scene, and an important strategic victory for the 5th Cavalry Regiment that day.

Mr. Speaker, when Lloyd Burke returned home the following spring, President Harry S. Truman awarded him the Medal of Honor at the White House on April 11, 1952. Many years later, Colonel Burke was a guest of another President here in Washington, President Bill Clinton, at the dedication of the Korean War Memorial in July of 1995. These were two highly deserved honors for a serviceman to whom all Americans owe a debt of gratitude.

Mr. Speaker, Lloyd Burke passed away in his sleep at the age of 74 at his home in Hot Springs, Arkansas, on June 1, 1999. Therefore, I want to commend the gentleman from Arkansas (Mr. BERRY) for working to permanently honor Colonel Lloyd L. Burke with this post office dedication. Colonel Burke's bravery and commitment to his country was above and beyond the call of duty, and therefore I am pleased today that the House remembers his service today.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when I lived in Arkansas, we used to call Stuttgart the "rice, duck and mosquito capital of the world."

Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Arkansas (Mr. BERRY), the author of this resolution.

Mr. BERRY. Mr. Speaker, I am honored today to rise to ask for support of H.R. 3059, a bill to designate the Stuttgart, Arkansas, post office, as the Lloyd L. Burke Post Office.

Mr. Burke was born in Tichnor, Arkansas, a small community in the south end of Arkansas County. He later graduated from Stuttgart High School in 1942 and served his country during World War II and the Korean War.

Mr. Burke was a hero to this great Nation. His unselfish acts during times of conflict have already been recognized with the Congressional Medal of Honor for his outstanding courage while serving as a First Lieutenant in the United States Army during the Korean War.

Over the past year, I have received numerous letters from citizens of Stuttgart citing undeniable reasons why they would be honored to name their postal facility after Mr. Burke. I would like to read to you a description of the incidents for which Mr. Burke received the Medal of Honor, as I feel this account best displays his courageous and selfless nature during his service in the Korean War.

"On October 28, 1951, intense enemy fire had pinned down leading elements of Mr. Burke's company committed to securing commanding ground when the First Lieutenant left the command post to rally and urge the men to follow him toward three bunkers, impeding the advance.

"Dashing to an exposed vantage point, he threw several grenades at the bunkers, returned for an M-1 rifle and adaptor, and made a lone assault, wiping out the position and killing the crew. Closing on the center bunker, he lobbed grenades through the opening, and with his pistol, killed three of its occupants attempting to surround him.

"Ordering his men forward, he charged the third emplacement, catching several grenades in midair and hurling them back at the enemy. Inspired by his display of valor, his men stormed forward and overran the hostile position, but were again pinned down by increased fire.

"Securing a light machine gun and three boxes of ammunition, First Lieutenant Burke dashed through the impacted area to an open knoll, set up his gun and poured crippling fire into the ranks of the enemy, killing at least 75. Although wounded, he ordered more ammunition, reloaded and destroyed two mortar emplacements and a machine gun position with his accurate fire. Cradling the weapon in his arms, he then led his men forward, killing some 25 more of the retreating enemy and securing the objective.

"First Lieutenant Burke's heroic action and daring exploits inspired a small force of 35 troops, resulting in victory over the enemy. His unflinching courage and outstanding leadership reflect the highest credit upon himself, the infantry, and the United States Army."

Mr. Speaker, I can think of no better tribute to Mr. Burke than to allow his name to live on in the City of Stuttgart. The heroism displayed on October 28, 1951, was an invaluable contribution to his city, the State of Arkansas, and this great Nation for which he served so admirably.

I ask that Members please support H.R. 3059 in honor of Mr. Burke's patriotic achievements.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will close by just simply saying that as we celebrate Military Appreciation Month, I can think of no better way to do that than by naming a post office in honor of Lloyd Burke, whose display of courage is an indication of all that has made this Nation the great Nation that it is. I strongly support this resolution.

Mr. Speaker, I yield back the balance of my time.

Mrs. MILLER of Michigan. Mr. Speaker, I urge all Members to support the passage of H.R. 3059.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and pass the bill, H.R. 3059.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. MILLER of Michigan. Mr. Speaker; on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

BUREAU OF ENGRAVING AND PRINTING SECURITY PRINTING ACT OF 2004

Mr. CASTLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3786) to authorize the Secretary of the Treasury to produce currency, postage stamps, and other security documents at the request of foreign governments on a reimbursable basis.

The Clerk read as follows:

H.R. 3786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bureau of Engraving and Printing Security Printing Act of 2004".

SEC. 2. PRODUCTION OF DOCUMENTS.

Section 5114(a) of title 31, United States Code (relating to engraving and printing currency and security documents), is amended—

(1) by striking "(a) The Secretary of the Treasury" and inserting:

"(a) AUTHORITY TO ENGRAVE AND PRINT.—

"(1) IN GENERAL.—The Secretary of the Treasury"; and

(2) by adding at the end the following new paragraphs:

"(2) ENGRAVING AND PRINTING FOR OTHER GOVERNMENTS.—The Secretary of the Treasury may produce currency, postage stamps, and other security documents for foreign governments if—

"(A) the Secretary of the Treasury determines that such production will not interfere with engraving and printing needs of the United States; and

"(B) the Secretary of State determines that such production would be consistent with the foreign policy of the United States.

"(3) PROCUREMENT GUIDELINES.—Articles, material, and supplies procured for use in the production of currency, postage stamps, and other security documents for foreign governments pursuant to paragraph (2) shall be treated in the same manner as articles, material, and supplies procured for public use within the United States for purposes of title III of the Act of March 3, 1933 (41 U.S.C. 10a et seq.; commonly referred to as the Buy American Act).".

SEC. 3. REIMBURSEMENT.

Section 5143 of title 31, United States Code (relating to payment for services of the Bureau of Engraving and Printing), is amended—

(1) in the first sentence, by inserting "or to a foreign government under section 5114" after "agency";

(2) in the second sentence, by inserting "and other" after "including administrative"; and

(3) in the last sentence, by inserting ", and the Secretary shall take such action, in coordination with the Secretary of State, as may be appropriate to ensure prompt payment by a foreign government of any invoice or statement of account submitted by the Secretary with respect to services rendered under section 5114" before the period at the end.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Delaware (Mr. CASTLE) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from Delaware (Mr. CASTLE).

□ 1100

GENERAL LEAVE

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, and to insert extraneous material thereon.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. CASTLE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise to voice my strong support for H.R. 3786, the Bureau of Engraving and Printing Security Printing Act of 2004, introduced by the gentleman from New York (Mr. KING). The bill authorizes the Secretary of the Treasury to print, under certain conditions, currency and security documents for foreign governments if it is consistent with our foreign policy objectives.

Mr. Speaker, while the United States Mint is allowed in law to produce coins for other countries, the Bureau of Engraving and Printing, or BEP, as we know it, is not. This prohibition has prevented the BEP from responding to a number of requests or opportunities to help smaller countries strengthen their economies by producing currency or security documents such as stamps or deeds or passports that are difficult to counterfeit. Simply put, Mr. Speaker, if the opportunity is there to impede counterfeiting of this sort and the BEP is prevented by law from taking it, we are all the losers.

The bill is essentially in the same language as that which has passed the House by both voice and recorded vote in the past several Congresses after being introduced at the request of both this and the prior administration, Mr. Speaker.

Because of the current prohibition in law, we have turned away currency-printing requests from friends such as Kuwait after the first Gulf War and Mexico a couple of years ago when they were redesigning their currency, and we were unable to bid on reprinting the currency of Iraq to remove the image of Saddam after last year's war.

Mr. Speaker, many countries lack the resources to produce secure currency or secure passports. Nothing in this legislation prevents a country from choosing a U.S.-based private sector printer; but the history of this sort of printing is that while a private sector printer is bound to be less expensive, the business is not price-sensitive. Typically, when countries turn to a printer outside their own borders, it is to another government printer: the bank of Australia, the Bank of England, or the European Central Bank printers. In my view, the United States Treasury should be on that list as well.

Mr. Speaker, this legislation specifies that the BEP could not bid on any printing contract for another government unless it could do the work without interrupting the printing and delivery of U.S. currency and security documents, and unless the Secretary of State certified that the work would be consistent with U.S. foreign policy.

Additionally, the BEP must be reimbursed by the client country, so that the work does not cost the U.S. taxpayer and it is not just another form of foreign aid. All costs, including administrative costs, will be passed to the foreign governments and no rogue state or unfriendly nation will receive the benefit of our knowledge and expertise.

Mr. Speaker, I urge my colleagues to support this long overdue legislation and permit BEP to print currency, postage, and other security documents for foreign governments.

Mr. Speaker, today I rise in support of H.R. 2993, the "District of Columbia and United States Territories Circulating Quarter Dollar Program Act," introduced February 10 by the gentleman from New York, Mr. KING.

This legislation will enhance the popular 50-State Quarter program I am proud to have authored, with the addition of a one-year program that will include designs reminiscent of the District of Columbia, American Samoa, Guam, Puerto Rico, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands on the reverse of our circulating quarters in the year following the end of the State quarter program in 2008. With passage of this legislation, the District of Columbia and the U.S. territories will rightly be included in the historical depictions on the quarter. I support these inclusions for both the historical importance and financial benefit for the United States Treasury.

Mr. Speaker, the State quarter program—which reached the halfway mark at the end of December—has dramatically increased general knowledge of the historical contributions of our fifty States. I believe the legislation under consideration today would do the same for the District and the territories. These areas have some of the highest enlistment rates in our armed forces—their commitment continues through today's conflicts and includes the tragic sacrifice of the lives of among others Lance Cpl. Gregory E. MacDonald of the District of Columbia, and Army Pvt. Jonathan I. Falaniko, of Pago Pago, American Samoa.

As well, Mr. Speaker, the District and the territories have made many historical, cultural and athletic contributions to our Nation, and this bill we consider today is a great opportunity to recognize them, in artwork on the reverse of the quarters.

The one-year program provides more than intangible benefits to the United States. It provides an economic boon to our Nation's Treasury. The success of the State quarter program has been overwhelming. The quarters have become one of the most popular collector's items in the United States and abroad. As of December, the halfway point of the program, Federal revenues had grown by over four billion dollars, representing coins that have been taken out of circulation by collectors. As a result, it is estimated that if the popularity of quarters produced under this legislation follow similar trends, as much as one billion dollars worth of the quarters may be taken out of circulation.

Mr. Speaker, I applaud the gentleman from New York, Mr. KING, for introducing this bill, and the gentlewomen from the District of Columbia, Ms. NORTON, for her tireless campaign towards its passage. I also commend many others who have urged passage over the past, including the gentleman from Alabama, Mr. BACHUS, who sponsored a previous version of the legislation, and the gentlewomen from California, Ms. WATERS. Of course, I would also like to thank the ranking member of the Subcommittee, the gentlewomen from New York, Mrs. MALONEY and the Chairman and Ranking Member of the full committee, Mr. OXLEY and Mr. FRANK, for their assistance in making this legislation possible.

Mr. Speaker, I urge swift passage of H.R. 2993 to recognize the invaluable contributions of the District and the territories.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

This is a perfectly reasonable bill, and I support it. However, I do want to comment on what seems to me the poignancy that this great House of Representatives, this Chamber that represents the American people, in the middle of the week, in the middle of what will be a short session because it is an election year, cannot find anything more important to do with its time.

Actually, there is one interesting thing about this law. We will get to see some foreign money. We will get to see it only when we print it for them, and then we will send it right back. Unfortunately, our economic policies and our approach to trade and globalization mean that we do not see much other foreign money. We have not been very diligent about trying to promote other ways in which we could get something from globalization for the people here, but at least we will get to wave at the money as we send it overseas.

I did want to, though, particularly join in one sentiment expressed by the gentleman from Delaware. I very much agree with him: This is an example of where the public sector can do the job better than the private sector. Now, that is not usually the case. We have a private sector economy and we depend, for the creation of wealth, of goods, and services, primarily on the private sector. But it ought to be underlined that there are some things important to our society that can only be done by the public sector. This is an example.

When another country is asking us to print their money for them, the question of security becomes very important; and this is something, security, which is particularly appropriate for the public sector to do. This will mean some work for the public sector, but not enough, because we are in an unusual situation now with our economy.

Because of a set of technological factors, public policy choices, the nature of globalization, we have the odd situation in which something which is a very good thing in the abstract, increased productivity, has sadly some negative consequences in reality. We are in a situation in which we are able, through productivity, significantly to increase wealth. An example here today is America's superiority in the printing of money over many others. We do that in a very productive way. But because of retrograde public policies, as well as the inherent nature of much of what happens, that wealth is not nearly as well-shared as it should be. We are in an odd situation in which, as wealth is created, too little goes to the people who work for others and are compensated for that work through a living. We have unemployment not dropping; we have real wages dropping. We have health care being eroded because employers no longer want to pay for it. And while public policy has not been the major cause of these trends, we have had public policies recently, the weakening of labor unions, unfair tax policies, one-sided trade policy, which asks nothing of those with whom we trade so that this redounds the disadvantage of workers here when we try to maintain standards. We have exacerbated that situation, and that we ought to change.

So I am pleased to join in reaffirming the importance of the American Government as the superior way for foreign countries to get their currency printed. I am glad to affirm that. I regret only, Mr. Speaker, the narrowness with which that principle is now being affirmed and the fact that on a prime day in the middle of the legislative week, in the middle of the legislative session, this is all the leadership of this House can find to ask us to do. There are issues involving the extension of unemployment benefits, and there are other important questions that we should be dealing with. Unfortunately, we do not.

So I do not mean to blame this nice little bill for not being what it is not. This bill deserves to be passed. But this country deserves a chance for this House of Representatives to deal with much more substantive legislation addressing the economic distress that so many of our fellow citizens now encounter.

Mr. Speaker, I yield back the balance of my time.

Mr. CASTLE. Mr. Speaker, I yield myself such time as I may consume.

I am very pleased that this bill at least addresses in some very small part some of the concerns which the gentleman from Massachusetts holds, and I understand all that. But I think he is correct about this bill. I do not think there is any argument that what we are doing is essentially positive for the environment and for a government agency which can provide these services.

Mr. OXLEY. Mr. Speaker, I rise in support of H.R. 3786, the "Bureau of Engraving and Printing Security Printing Act of 2004."

Mr. Speaker, it is rare when the Members of this body can do something that is good for the country, good for the world, bad for nobody except crooks and terrorists and cost U.S. taxpayers nothing. This is one of those occasions.

Mr. Speaker, by approving this legislation, which would allow the Treasury Department to print currency and security documents such as passports or stock certificates for foreign governments, Members of the House will be voting to help strengthen the economies of friendly smaller nations and cutting the opportunities fraud and identity theft worldwide. Further, should the Treasury Department print any such documents, the work would be done on a fully reimbursable basis while allowing our expert engravers and printers at Treasury to refine their craft by working on anti-counterfeiting techniques that are not yet ready for the high-volume production necessary for U.S. documents but which with refinement someday may find their way to U.S. security documents or currency.

Mr. Speaker, this legislation is similar to bills introduced at the request of both this and the previous Administration, which was broadly and bipartisanly approved in this chamber in several recent Congresses. That it never has been considered in the other body is a shame—the Treasury was unable to participate in producing new currency for Iraq that removed the face of the dictator, Saddam Hussein.

No work authorized under this legislation could be performed if doing so would interfere with the Treasury's job of providing currency and other security documents for the U.S. or if such work would not be in full harmony with U.S. foreign-policy objectives. Further, the bill does not prevent foreign nations from sending such printing to a U.S.-based private-sector printer, although such printing is usually done by government printers in larger nations.

Mr. Speaker, this is good legislation. It deserves our full support, and I recommend its immediate passage.

Mr. CASTLE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Delaware (Mr. Castle) that the House suspend the rules and pass the bill, H.R. 3786.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. CASTLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

DISTRICT OF COLUMBIA AND UNITED STATES TERRITORIES CIRCULATING QUARTER DOLLAR PROGRAM ACT

Mr. CASTLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2993) to provide for a circulating quarter dollar coin program to honor the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for other purposes.

The Clerk read as follows:

H.R. 2993

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "District of Columbia and United States Territories Circulating Quarter Dollar Program Act".

SEC. 2. ISSUANCE OF REDESIGNED QUARTER DOLLARS HONORING THE DISTRICT OF COLUMBIA AND EACH OF THE TERRITORIES.

Section 5112 of title 31, United States Code, is amended by inserting after subsection (m) the following new subsection:

"(n) Redesign and Issuance of Circulating Quarter Dollar Honoring the District of Columbia and Each of the Territories.—

"(1) Redesign in 2009.—

"(A) In general.—Notwithstanding the fourth sentence of subsection (d)(1) and subsection (d)(2) and subject to paragraph (6)(B), quarter dollar coins issued during 2009, shall have designs on the reverse side selected in accordance with this subsection which are emblematic of the District of Columbia and the territories.

"(B) Flexibility with regard to placement of inscriptions.—Notwithstanding subsection (d)(1), the Secretary may select a design for quarter dollars issued during 2009 in which—

(i) the inscription described in the second sentence of subsection (d)(1) appears on the reverse side of any such quarter dollars; and

(ii) any inscription described in the third sentence of subsection (d)(1) or the designation of the value of the coin appears on the obverse side of any such quarter dollars.

"(2) Single district or territory design.—The design on the reverse side of each quarter dollar issued during 2009 shall be emblematic of one of the following: The District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

"(3) Selection of design.—

"(A) In general.—Each of the 6 designs required under this subsection for quarter dollars shall be—

"(i) selected by the Secretary after consultation with—

"(I) the chief executive of the District of Columbia or the territory being honored, or such other officials or group as the chief executive officer of the District of Columbia or the territory may designate for such purpose; and

"(II) the Commission of Fine Arts; and

"(ii) reviewed by the Citizens Coinage Advisory Committee.

"(B) Selection and approval process.—Designs for quarter dollars may be submitted in accordance with the design selection and approval process developed by the Secretary in the sole discretion of the Secretary.

"(C) Participation.—The Secretary may include participation by District or territorial officials, artists from the District of Columbia or the territory, engravers of the United States Mint, and members of the general public.

"(D) Standards.—Because it is important that the Nation's coinage and currency bear dignified designs of which the citizens of the United States can be proud, the Secretary shall not select any frivolous or inappropriate design for any quarter dollar minted under this subsection.

"(E) PROHIBITION ON CERTAIN REPRESENTATIONS.—No head and shoulders portrait or bust of any person, living or dead, and no portrait of a living person may be included in the design of any quarter dollar under this subsection.

"(4) TREATMENT AS NUMISMATIC ITEMS.—For purposes of sections 5134 and 5136, all coins minted under this subsection shall be considered to be numismatic items.

"(5) ISSUANCE.—

"(A) QUALITY OF COINS.—The Secretary may mint and issue such number of quarter dollars of each design selected under paragraph (4) in uncirculated and proof qualities as the Secretary determines to be appropriate.

"(B) SILVER COINS.—Notwithstanding subsection (b), the Secretary may mint and issue such number of quarter dollars of each design selected under paragraph (4) as the Secretary determines to be appropriate, with a content of 90 percent silver and 10 percent copper.

"(C) TIMING AND ORDER OF ISSUANCE.—Coins minted under this subsection honoring the District of Columbia and each of the territories shall be issued in equal sequential intervals during 2009 in the following order: the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

"(6) OTHER PROVISIONS.—

"(A) APPLICATION IN EVENT OF ADMISSION AS A STATE.—If the District of Columbia or any territory becomes a State before the end of the 10-year period referred to in subsection (l)(1), subsection (l)(7) shall apply, and this subsection shall not apply, with respect to such State.

"(B) APPLICATION IN EVENT OF INDEPENDENCE.—If any territory becomes independent or otherwise ceases to be a territory or possession of the United States before quarter dollars bearing designs which are emblematic of such territory are minted pursuant to this subsection, this subsection shall cease to apply with respect to such territory.

"(7) TERRITORY DEFINED.—For purposes of this subsection, the term 'territory' means the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Delaware (Mr. CASTLE) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from Delaware (Mr. CASTLE).

GENERAL LEAVE

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation, and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. CASTLE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, today I rise in support of H.R. 2993, the District of Columbia and United States Territories Circulating Quarter Dollar Program Act, introduced on February 10 by the gentleman from New York (Mr. KING).

Similar to the popular 50-State Quarter program I am proud to have authored, the legislation would create a 1-year program to use designs reminiscent of the District of Columbia, American Samoa, Guam, Puerto Rico, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands on the reverse of our circulating quarters in the year following the end of the State quarter program in 2008. Passage of this legislation would foster respect for and enhance historical knowledge of the District of Columbia and the territories that are an indispensable part of the United States and also would be an economic windfall for the United States Treasury.

Mr. Speaker, the State quarter program, which reached the halfway mark at the end of December of this past year, has dramatically increased general knowledge of the historical contributions of our 50 States. I believe the legislation under consideration today would do the same for the District and the territories. These areas have some of the highest enlistment rates in our Armed Forces. Their commitment continues through today's conflicts, through the tragic sacrifice of the lives of, among others, Lance Corporal Gregory E. MacDonald of the District of Columbia, and Army Private Jonathan I. Falaniko of Pago Pago, American Samoa.

As well, Mr. Speaker, the District and the territories have many historical, cultural, and athletic contributions to our Nation; and the bill we consider today would allow a great opportunity to recognize them in artwork on the reverse of the quarters.

The 1-year program provides more than intangible benefits to the United States. It provides an economic boon to our Nation's Treasury. The success of the State quarter program has been overwhelming. The quarters have become one of the most popular collector's items in the United States and abroad; and by the halfway point of the program, the government had already benefited by over $4 billion, representing coins that have been taken out of circulation by collectors. As a result, it is estimated that if the popularity of quarters produced under this legislation follows similar trends, as much as $1 billion worth of the quarters may be taken out of circulation.

Mr. Speaker, I applaud the gentleman from New York (Mr. KING) for introducing the bill, and the gentlewoman from the District of Columbia (Ms. NORTON) for her tireless campaign towards its passage. I also commend many others who have urged passage in the past, including the gentleman from Alabama (Mr. BACHUS), who sponsored a previous version of the legislation, and the gentlewoman from California (Ms. WATERS). Of course, I would also like to thank the ranking member of the subcommittee, the gentlewoman from New York (Mrs. MALONEY) and the chairman and ranking member of the full committee, the gentleman from Ohio (Mr. OXLEY), and the gentleman from Massachusetts (Mr. FRANK) for their assistance in making this legislation possible.

I urge swift passage of H.R. 2993 to recognize the invaluable contributions of the District and territories.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

My attention was first drawn to this bill by the gentlewoman from the District of Columbia, who has been a very strong advocate for the District of Columbia in this and in other matters. In recognition of her leadership role on this legislation, I yield such time as she may consume to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding me this time, and I am grateful to the gentleman from Massachusetts for his strong support and advocacy of this bill. May I offer my thanks as well to the gentleman from Delaware (Mr. CASTLE), who has been with this bill since 1998 and was, from the moment that the territories and the District were not included, helpful throughout and insistent that we be included. Of course, the exclusion of the territories and the District was entirely inadvertent; and he comes once again full circle, because he was chairman at that time.

Indeed, twice before, the House has passed a bill to afford the five insular areas and the District of Columbia a quarter coin bearing a design of their choice on the reverse side. Inadvertently, these Americans were excluded from the 50-State bill affording this same right to the States in 1998. We owe very special thanks to three successive committee chairs and ranking members of the Committee on Financial Services. It is one thing to ask a committee to come to the floor once with a bill; it is a burden to come three times, even on suspension. I would like to thank the gentleman from Delaware (Mr. CASTLE), who has chaired the Subcommittee on Domestic Monetary Policy, Trade, and Technology during the 105th Congress, and worked with me and introduced legislation to allow the District and the insular areas to participate in this program.

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In the 106th Congress, the gentleman from Alabama (Mr. BACHUS), as chair of the same subcommittee, introduced this bill and the gentlewoman from California (Ms. WATERS), as ranking member of the subcommittee, cosponsored the legislation.

Today, I would especially thank the gentleman from New York (Mr. KING), who is chair of the subcommittee during the 107th and 108th Congress who introduced the bill and the gentlewoman from New York (Mrs. MALONEY), the ranking member, who sponsored the bill the last two sessions.

May I also give special thanks to the chair of the full committee, the gentleman from Ohio (Mr. OXLEY) and the gentleman from Massachusetts (Mr. FRANK) for their support. I want to particularly thank the majority leader, the gentleman from Texas (Mr. DELAY), with whom I recently spoke concerning the bill and who kindly agreed to move it to suspension.

To date, there have been over 21 billion State quarter coins minted; 26 States have had their State design on the reverse side of the quarter with four more States to be added before the end of this year. Five are added each year. All the coins are minted according to the year each State ratified the Constitution of the United States or were admitted into the Union.

Although the States have appropriate latitude, there are limitations as to what can be used as a design. According to Public Law 105–124, the Secretary of the Treasury has the final approval of each design. The law gives clear guidance as to what is an acceptable design concept. Such suitable design concepts include State landmarks, landscapes, historically significant buildings, symbols of State resources or industries, official State flora and fauna, State icons and outlines of the States themselves. State flags and seals are not considered suitable.

Among the examples of suitable coins already in circulation are New York's Statue of Liberty, Missouri's depiction of Lewis and Clark as they paddle down the Missouri River with the Gateway Arch in the background, and North Carolina's design depicting the first successful airplane flight.

We look forward to the day when the residents of the District of Columbia and the insular areas can see similar symbols of their jurisdictions and of their American citizenship appear, as well.

This bill points up the importance of including all Americans in the symbols of American citizenship. The residents of the District and the insular areas are full and equal American citizens. To leave them out of mere expressions of citizenship is to deny the citizenship they revere and share with other Americans. The Americans who live in these areas have fought and died in our country's wars and have extraordinary records of service in the Armed Forces in considerably larger numbers than other States. The District of Columbia alone has lost more service members in Afghanistan and Iraq than many States and lost more in Vietnam than 10 separate States.

We in the Congress are proud to represent all Americans.

There are, of course, significant differences between the States and the jurisdictions covered by this bill. However, qualification to be a part of a program of quarter coins to commemorate congressional districts is not one of them. Under the Constitution, all Americans are equal notwithstanding important differences in form, structure and other significant distinctions. Today, by including all Americans, Congress avoids any appearance of differential or discriminatory treatment and any implication that these areas are colonies as, of course, was never the intention when the five jurisdictions were not included in the original bill as the House has made clear by repeatedly bringing this bill to the floor.

Today, when our country is at war and faces unparalleled dangers, this bill is yet another example of our unity as Americans and our indivisibility in honoring all of our country's citizens. By passing this measure, the House will make it abundantly clear that we are one country and that our hope is that the Senate will join us.

Mr. CASTLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to start by thanking the gentlewoman from District of Columbia (Ms. NORTON) for her tenaciousness on this. I always favored this concept as soon as I heard about it. But if it was not for her, frankly, pushing everybody, I do not think we would be where we are today. And I say that because we have been there a couple of times before, and she has had to do it again and again.

I doubt if there will be a Rose Garden ceremony for the signing of this if it passes, but I intend to come over there and shake your hand if it happens, because you deserve a lot of credit for it. We just have to get the Senate to cooperate.

Apropos of comments made earlier by the distinguished gentleman from Massachusetts (Mr. FRANK) on another bill, this is a pretty good day here on the floor, at least this portion of it, as far as the Federal Government is concerned. The BEP hopefully will be able to enter into the business that they can do specifically that the private sector really cannot do as well and perhaps have a chance to add some revenues to the Federal Government as has indicated. This quarter program has already produced $4 billion in money to the Treasury as a result of the keeping of these coins and collecting.

The chances are that the young people here are all collecting them. When you go to a classroom, you find that they are all collecting these coins.

We still have 5 years to run, hopefully a 6th year to run on this. We hope it will produce, as I indicated earlier, another billion dollars. It is not many programs that actually produce real money, real revenue for the Federal Government.

Pursuant to that, without advocating anything, I would say as an extension of this that I have introduced legislation, as you may know, for a Presidential program on the dollar coins, which is also, according to the studies that have been done, has the ability to produce revenue for the Federal Government as a collector's item, with the spouses to be on a gold coin sold at the price of gold which would be about $380 right now as a collector's item.

All of these also have the ability to do what this coin has been done and, most importantly, inform not just young people but all of us about our States, as the gentlewoman from the District of Columbia (Ms. NORTON) has pointed out, and about our territories, and about our Presidents hopefully.

So I think this has all been a very win-win-win situation. We are very appreciative of what this has done. I would encourage all of us to support this legislation, and hopefully this is something that we will get done this year.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I did want to say that the gentleman from Delaware (Mr. CASTLE) deserves credit not simply for his advocacy here, but for being the main proponent of the whole program, which he correctly points out has been very successful, the State quarter program, the gentleman from Delaware (Mr. CASTLE) is the legislative author of that and is entitled to take all the credit for it.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Guam (Mr. BORDALLO).

Ms. BORDALLO. Mr. Speaker, I want to thank the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Delaware (Mr. CASTLE) for managing this bill today.

Mr. Speaker, I rise today in strong support of H.R. 2993, a bill that will authorize the United States Mint to circulate quarter dollar coins depicting an important design representative of the District of Columbia and each respective United States territory.

Guam has long sought to be represented on the back of the quarter dollar coin in the same manner as the States do. And I guess I will say, Mr. Speaker, that perseverance does pay off eventually. It has been many years, and I thank the gentlewoman from District of Columbia (Ms. NORTON), as well as the subcommittee chairman, the gentleman from New York (Mr. KING), and the ranking member, the gentlewoman from New York (Mrs. MALONEY), for their leadership in guiding this legislation to the floor today.

This legislation was championed by the gentleman from Delaware (Mr. CASTLE). The Commemorative Coin Act was passed in 1997 authorizing the minting of 50 commemorative coin designs representing the unique culture and history of each respective State. The intention was to foster pride amongst citizens of each State, greater appreciation for the diversity of our Nation, and instill a sense of national unity. While this program has been a true success, I am pleased that we now come together to ensure that the District of Columbia, Guam, American Samoa, the Virgin Islands and the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands are equally recognized.

H.R. 2993 will help educate the public that the territories are recognized as being part of the United States, in addition to guaranteeing that our Nation's own capital city is honored. Many people are confused as to the relationship of Guam and the territories to the United States of America. By authorizing United States currency representative of the territories, we can educate our country and the world about the vast reach of our Nation and foster a better understanding about its culture and ethnic diversity.

Guam has a rich and patriotic history, and I support any effort that generates more interest in learning about our islands. Guam is an island approximately 3,500 miles southwest of Hawaii and is the southernmost island of the Marianas chain. With a population of 160,000, the island of Guam is home to two of the Nation's most important and strategic military bases, the Navy's COMNAVMAR base and Andersen Air Force Base. Natives of Guam, or Chamorros, are proud of their unique cultural heritage.

Guam has always been a true melting pot since it was first traversed by Europeans upon the arrival of Magellan in the early 16th century. After serving for centuries as a major stop-off point along the Spanish galleon trade route, Guam was ceded to the United States in 1898 after the defeat of Spain in the Spanish-American War. Since that time, Guam has served as an important gateway to the Pacific and an important center for commerce and cultural exchange between the United States and Asia.

During World War II, Guam was occupied by Japanese imperial forces from 1941 to 1944. However, citizens of Guam proudly and defiantly affirmed their patriotism to the United States. When American forces arrived in 1944 in its push to win the war in the Pacific, patriots of Guam boarded small boats and paddled out to Navy warships volunteering to join forces to defeat the Japanese. Our island was liberated by the United States Marines and soldiers on July 21, 1944; and soon after, Congress granted United States citizenship to the people of Guam.

It is important to the people on Guam to gain greater recognition as being part of the United States of America. Guamanians have fought valiantly in every American conflict since being incorporated into the United States. Guam had the highest per capita number of deaths in the Vietnam conflict. Guamanians are proud and patriotic, and H.R. 2993 honors their contribution to American valor and culture.

So I do, Mr. Speaker, encourage my colleagues to support H.R. 2993.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield such time as he may consume to the gentleman from American Samoa (Mr. FALEOMAVAEGA), another able advocate for one of the territories.

Mr. FALEOMAVAEGA. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I would not be standing here if it had not been for the able leadership and certainly the sensitivity and the commitment from the gentleman from Delaware (Mr. CASTLE) for all these years that we have worked tirelessly in providing for this legislation that we now come to this most historic occasion in presenting this proposed legislation before our colleagues and hopefully in my desire that we pass it.

Mr. Speaker, this is not a Republican or a Democratic issue. This is an American issue. We are talking about the lives of some 5 million of our fellow Americans who live in the Commonwealth of Puerto Rico, the District of Columbia and the insular areas.

I want to thank the gentleman from New York (Mr. KING) for his sponsorship of this legislation and our colleague, also from New York (Mrs. MALONEY), for her support as the ranking member of the subcommittee. And certainly I would be remiss if I did not thank the gentleman from Massachusetts (Mr. FRANK) for his support.

It saddens me, Mr. Speaker, for all these years that we have tried earnestly to provide passage of this legislation, that there is still some misunderstanding or misinformation among some of our colleagues to the point it saddens me that even some may have this idea that we are not worthy enough, we are not worthy enough as those of us fellow Americans coming from the District of Columbia, from the Commonwealth of Puerto Rico, where some 3.8 million Americans, U.S. citizens, live, that we do not deserve the privilege of circulating just a quarter dollar in honor of the contributions that we have also made for all these years to the greatness of our Nation.

□ 1130

I am reminded of a fellow Chamorro who is a retired Marine brigadier general, a former Member and colleague of ours, Mr. Ben Blaz, and he made this statement I have never forgotten over the years. He said to his colleagues here in this Chamber, we are equal in times of war, but we are not equal in times of peace.

Mr. Speaker, this legislation would amend the popular 50 States Commemorative Coin Program Act to include six new designs emblematic of the District of Columbia, American Samoa, Guam, Puerto Rico, the Virgin Islands and the Northern Mariana Islands. Designs on the reverse side of each quarter dollar issued during 2009 will be selected by the Secretary of the Treasury in consultation with the chief executive officers of these areas.

All five congressional delegates are and were original cosponsors of this bipartisan measure. This measure was first introduced in the 106th Congress and passed overwhelmingly in the House by a vote of 377 to 6. Unfortunately, the 106th Congress ended before the Senate was able to consider our bill.

Again, in the 107th Congress, we introduced H.R. 4005, identical legislation which also passed the House and was received in the Senate in October of 2002. Once again, the Senate was unable to consider this matter before the 107th Congress adjourned. Now we have introduced H.R. 2993; and we are hopeful, Mr. Speaker, that the House and Senate will pass this legislation before the 108th Congress adjourns.

At this time, I also want to thank the gentlewoman from the District of Columbia (Ms. NORTON) for her leadership, and I also want to thank our delegates who have worked tirelessly to ensure that this legislation is considered.

Speaking on behalf of my own district in American Samoa, I believe it is only fitting for Congress to acknowledge our relationship with the United States, which has now been in place for other 104 years. Many fellow Americans have never heard of American Samoa. American Samoa has had a long and proud history of supporting the United States. The traditional leaders of the islands of Tutuila and Aunu'u ceded our islands to the United States in 1900. Four years later, the King of Manu'a and his chiefs ceded the Manu'a Islands.

In the early part of the century, the harbor of Pago Pago, which was much sought after, was used as a coaling station for U.S. naval ships; and during World War II, these islands became a staging area for some 30,000 soldiers and Marines before they were sent to Tarawa and Guadalcanal and other parts of the Pacific during World War II. To this day, American Samoa serves as a refueling point for U.S. naval ships and military aircraft.

American Samoa also has a per capita enlistment rate in the U.S. military which is as high as any State or territory. I have had to personally carry two of my soldiers who recently died from Iraq in that terrible conflict. Our sons and daughters have served in record numbers in every U.S. military engagement since World War II to the present operations in Iraq. We have stood by the United States in good times and bad times, and I believe this relationship should be acknowledged with the issuance of a commemorative coin.

Mr. Speaker, H.R. 2993 affords us an opportunity to recognize the special contributions of the insular areas. I urge my colleagues to vote in favor of the legislation.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield such time as she may consume to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), another of the able delegates who has been working for this on behalf of her territory.

Mrs. CHRISTENSEN. Mr. Speaker, I thank the gentleman for yielding me the time.

I rise in strong support of H.R. 2993, the District of Columbia and U.S. Territories Circulating Quarter Dollar Program Act.

It is a pleasure for me to be here as we again move closer toward rectifying the omission of the District of Columbia and the insular areas from the original 50 State Commemorative Coin Program Act. It has been more than 3 years; but with the vote today on H.R. 2993, my constituents as well as those of my colleagues from the Nation's capital and the other territories will finally get the opportunity to have our Nation commemorate and celebrate a significant event or fact about our respective homes.

My district, the U.S. Virgin Islands, also known as America's Paradise, has many ecological, historical and cultural treasures which are worthy of commemoration. We also boast of having been the place where the first Secretary of the Treasury, Alexander Hamilton, grew up and honed the skills which served our fledgling nation so well.

For the benefit of those who might not know this, the Virgin Islands have been a member of the American family since 1917 when Denmark sold the islands of the former Danish West Indies, St. Thomas, St. Croix and St. John, to the United States for just $25 million.

We are located 1,000 miles southeast of Miami in the Caribbean Sea and are four main islands with numerous keys, with beaches that have consistently ranked among the best in the world. We also boast the only site where the members of Christopher Columbus' party are known to have set foot on what is today the U.S. The Salt River National Historical and Ecological Park was established in 1992 to, among other things, commemorate this important historical event.

Mr. Speaker, the people of the Virgin Islands see it as only fitting that we, along with the residents and citizens of Guam, American Samoa, the Northern Mariana Islands, Puerto Rico and the District of Columbia should also have the opportunity to educate our fellow Americans on whose side we have fought to defend and protect our Nation in every conflict from the Revolutionary War to the present day about our unique qualities, as well as promote our pride at being Americans.

Mr. Speaker, I also want to thank the gentleman from Delaware (Mr. CASTLE), the champion of the original bill, and our ranking member, the gentleman from Massachusetts (Mr. FRANK), for including the District of Columbia and our territories, and I particularly want to also extend our gratitude to the gentlewoman from the District of Columbia because it was her leadership and dogged determination that made this day possible, and I ask my colleagues to support her in our effort and vote "yes" on H.R. 2993.

Mr. FRANK of Massachusetts. Mr. Speaker, with renewed appreciation of the gentleman from Delaware and the gentleman from Ohio, the chairman of the full committee, for allowing this measure, so important to so many of our colleagues, to come forward, I yield back the balance of my time.

Mr. CASTLE. Mr. Speaker, I yield myself such time as I may consume. I will be very brief. I just want to thank the representatives from the various territories and from the District of Columbia for actual historical lessons here on the floor. I think it behooves all of us, I recall those comments of the gentleman from Nebraska next to me, that perhaps putting the territories and District of Columbia on the quarter is more important than the States in some ways as this is such a good educational tool for our young people. So, hopefully, we will get that done this year.

Based on all I have heard, I think the problem is in the Senate, not the House. So we all need to go to work over in the Senate and get this done.

Mr. OXLEY. Mr. Speaker, I rise in support of H.R. 2993, the "District of Columbia and United States Territories Circulating Quarter Dollar Program Act," and urge its immediate passage.

Mr. Speaker, we all know how fond the American people are of the 50-State quarter program that began in 1999. It has proved popular with collectors, of course, and it has caused all Americans to look at the change in their pockets or their purses in a new light. It has been an invaluable aid in teaching about the unique nature of each state.

All Members salute the gentleman from Delaware, Mr. CASTLE, for his foresight in authoring that legislation. Today we consider a completely separate program, one that is modeled on, but is not part of the State quarter program. Instead of honoring five States a year for a decade, this program will issue six different quarters, for the District of Columbia and the five territories, all in a single year.

Surely, the District of Columbia and the five territories will benefit in similar fashion as the states have. I think this program will be of particular benefit regarding the territories, which are not as well-known, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, of Guam and the United States Virgin Islands and American Samoa.

I have learned a lot about the territories from previous debates on similar legislation in previous Congresses, Mr. Speaker, and I think this legislation will be educational as well.

Mr. Speaker, the legislation before us has passed the House in a number of Congresses, passing by both recorded and voice votes. I know of no objection to it, and I urge all Members to support its immediate passage.

Mr. CASTLE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Delaware (Mr. CASTLE) that the House suspend the rules and pass the bill, H.R. 2993.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. CASTLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT COOPERATION AGREEMENT

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 254) to authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION. 1. AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT COOPERATION AGREEMENT; GRANT AUTHORITY.

(a) AMENDMENT AUTHORITY.—Part 2 of subtitle D of title V of Public Law 103–182 (22 U.S.C. 290m–290m-3) is amended by adding at the end the following:

"SEC. 545. AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT COOPERATION AGREEMENT.

"The President may agree to amendments to the Cooperation Agreement that—

"(1) enable the Bank to make grants and nonmarket rate loans out of its paid-in capital resources with the approval of its Board; and

"(2) amend the definition of 'border region' to include the area in the United States that is within 100 kilometers of the international boundary between the United States and Mexico, and the area in Mexico that is within 300

kilometers of the international boundary between the United States and Mexico.''.

(b) GRANT AUTHORITY.—Part 2 of subtitle D of title V of Public Law 103–182 (22 U.S.C. 290m–290m–3), as amended by subsection (a), is amended by adding at the end the following:

"SEC. 546. GRANTS OUT OF PAID-IN CAPITAL RESOURCES.

''(a) IN GENERAL.—The President shall instruct the United States Federal Government representatives on the Board of Directors of the North American Development Bank to oppose any proposal where grants out of the Bank's paid-in capital resources, except for grants from paid-in capital authorized for the community adjustment and investment program under the Bank's charter of 1993, would—

''(1) be made to a project that is not being financed, in part, by loans; or

''(2) account for more than 50 percent of the financing of any individual project.

''(b) EXCEPTION.—

''(1) GENERAL RULE.—The requirements of subsection (a) shall not apply in cases where—

''(A) the President determines there are exceptional economic circumstances for making the grant and consults with the Committee on Foreign Relations of the Senate and the Committee on Financial Services of the House of Representatives; or

''(B)(i) the grant is being made for a project that is so small that obtaining a loan is impractical; and

''(ii) the grant does not exceed $250,000.

''(2) LIMITATION.—Not more than an aggregate of $5,000,000 in grants may be made under this subsection.''.

(c) CLERICAL AMENDMENT.—Section 1(b) of such public law is amended in the table of contents by inserting after the item relating to section 544 the following:

''Sec. 545. Authority to agree to certain amendments to the Border Environment Cooperation Agreement.

''Sec. 546. Grants out of paid-in capital resources.''.

SEC. 2. ANNUAL REPORT.

The Secretary of the Treasury shall submit annually to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate a written report on the North American Development Bank, which addresses the following issues:

(1) The number and description of the projects that the North American Development Bank has approved. The description shall include the level of market-rate loans, non-market-rate loans, and grants used in an approved project, and a description of whether an approved project is located within 100 kilometers of the international boundary between the United States and Mexico or within 300 kilometers of the international boundary between the United States and Mexico.

(2) The number and description of the approved projects in which money has been dispersed.

(3) The number and description of the projects which have been certified by the Border Environment Cooperation Commission, but yet not financed by the North American Development Bank, and the reasons that the projects have not yet been financed.

(4) The total of the paid-in capital, callable capital, and retained earnings of the North American Development Bank, and the uses of such amounts.

(5) A description of any efforts and discussions between the United States and Mexican governments to expand the type of projects which the North American Development Bank finances beyond environmental projects.

(6) A description of any efforts and discussions between the United States and Mexican governments to improve the effectiveness of the North American Development Bank.

(7) The number and description of projects authorized under the Water Conservation Investment Fund of the North American Development Bank.

SEC. 3. SENSE OF THE CONGRESS RELATING TO UNITED STATES SUPPORT FOR NADBANK PROJECTS WHICH FINANCE WATER CONSERVATION FOR TEXAS IRRIGATORS AND AGRICULTURAL PRODUCERS IN THE LOWER RIO GRANDE RIVER VALLEY.

(a) FINDINGS.—The Congress finds that—

(1) Texas irrigators and agricultural producers are suffering enormous hardships in the lower Rio Grande River valley because of Mexico's failure to abide by the 1944 Water Treaty entered into by the United States and Mexico;

(2) over the last 10 years, Mexico has accumulated a 1,500,000-acre fee water debt to the United States which has resulted in a very minimal and inadequate irrigation water supply in Texas;

(3) recent studies by Texas A&M University show that water savings of 30 percent or more can be achieved by improvements in irrigation system infrastructure such as canal lining and metering;

(4) on August 20, 2002, the Board of the North American Development Bank agreed to the creation in the Bank of a Water Conservation Investment Fund, as required by Minute 308 to the 1944 Water Treaty, which was an agreement signed by the United States and Mexico on June 28, 2002; and

(5) the Water Conservation Investment Fund of the North American Development Bank stated that up to $80,000,000 would be available for grant financing of water conservation projects, which grant funds would be divided equally between the United States and Mexico.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) water conservation projects are eligible for funding from the North American Development Bank under the Agreement Between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Cooperation Commission and a North American Development Bank; and

(2) the Board of the North American Development Bank should support qualified water conservation projects which can assist Texas irrigators and agricultural producers in the lower Rio Grande River Valley.

SEC. 4. SENSE OF THE CONGRESS RELATING TO UNITED STATES SUPPORT FOR NADBANK PROJECTS WHICH FINANCE WATER CONSERVATION IN THE SOUTHERN CALIFORNIA AREA.

It is the sense of the Congress that the Board of the North American Development Bank should support—

(1) the development of qualified water conservation projects in southern California and other eligible areas in the 4 United States border States, including the conjunctive use and storage of surface and ground water, delivery system conservation, the re-regulation of reservoirs, improved irrigation practices, wastewater reclamation, regional water management modeling, operational and optimization studies to improve water conservation, and cross-border water exchanges consistent with treaties; and

(2) new water supply research and projects along the Mexico border in southern California and other eligible areas in the 4 United States border States to desalinate ocean seawater and brackish surface and groundwater, and dispose of or manage the brines resulting from desalination.

SEC. 5. SENSE OF THE CONGRESS RELATING TO UNITED STATES SUPPORT FOR NADBANK PROJECTS FOR WHICH FINANCE WATER CONSERVATION FOR IRRIGATORS AND AGRICULTURAL PRODUCERS IN THE SOUTHWEST UNITED STATES.

(a) FINDINGS.—The Congress finds as follows:

(1) Irrigators and agricultural producers are suffering enormous hardships in the southwest United States. The border States of California, Arizona, New Mexico, and Texas are suffering from one of the worst droughts in history. In Arizona, this is the second driest period in recorded history and the worst since 1904.

(2) In spite of decades of water conservation in the southwest United States, irrigated agriculture uses more than 60 percent of surface and ground water.

(3) The most inadequate water supplies in the United States are in the Southwest, including the lower Colorado River basin and the Great Plains River basins south of the Platte River. In these areas, 70 percent of the water taken from the stream is not returned.

(4) The amount of water being pumped out of groundwater sources in many areas is greater than the amount being replenished, thus depleting the groundwater supply.

(5) On August 20, 2002, the Board of the North American Development Bank agreed to the creation in the bank of a Water Conservation Investment Fund.

(6) The Water Conservation Investment Fund of the North American Development Bank stated that up to $80,000,000 would be available for grant financing of water conservation projects, which grant funds would be divided equally between the United States and Mexico.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) water conservation projects are eligible for funding from the North American Development Bank under the Agreement Between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Cooperation Commission and a North American Development Bank;

(2) the Board of the North American Development Bank should support qualified water conservation projects that can assist irrigators and agricultural producers; and

(3) the Board of the North American Development Bank should take into consideration the needs of all of the border states before approving funding for water projects, and strive to fund water conservation projects in each of the border states.

SEC. 6. SENSE OF THE CONGRESS REGARDING FINANCING OF PROJECTS.

(a) IN GENERAL.—It is the sense of the Congress that the Board of the North American Development Bank should support the financing of projects, on both sides of the international boundary between the United States and Mexico, that address coastal issues and the problem of pollution in both countries having an environmental impact along the Pacific Ocean and Gulf of Mexico shores of the United States and Mexico.

(b) AIR POLLUTION.—It is the sense of the Congress that the Board of the North American Development Bank should support the financing of projects, on both sides of the international boundary between the United States and Mexico, which address air pollution.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Texas (Mr. HINOJOSA) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

GENERAL LEAVE

Mr. BEREUTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and include extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this Member rises today to express his support for H.R. 254, as amended by the Senate. This bill makes necessary changes to the charter agreement of the North American Development Bank, or NADBank. This bill, which this Member reintroduced on January 8, 2003, contains legislative changes requested by the administration. This legislation passed the House on February 26, 2003. Over a year later, the Senate did pass H.R. 254, with an amendment, on March 12 of this year.

First, this Member would like to thank both the distinguished gentleman from Ohio (Mr. OXLEY), the chairman of the Committee on Financial Services, and the distinguished gentleman from Massachusetts (Mr. FRANK) for their efforts in bringing this measure to the House floor.

I would also like to thank the following four members of the House Committee on Financial Services who are original cosponsors of this legislation: two distinguished gentlemen from California (Mr. OSE) and (Mr. ROYCE) and two distinguished gentlemen from Texas (Mr. GONZALEZ) and (Mr. HINOJOSA). All four of these Members, who provided valuable input into H.R. 254, have a distinct interest in this subject, as they come from a State, either California or Texas, where the NADBank is commissioned to work along the international U.S.-Mexican boundary.

In addition to these Members, the following Members are seven additional bipartisan cosponsors of H.R. 254: the gentleman from Massachusetts (Mr. FRANK); the gentleman from Texas (Mr. BONILLA; the gentleman from Arizona (Mr. GRIJALVA); the gentleman from Arizona (Mr. KOLBE); the gentleman from Texas (Mr. ORTIZ); the gentleman from Texas (Mr. REYES); and the gentleman from Texas (Mr. RODRIGUEZ). All of these Members, with the exception of the gentleman from Massachusetts (Mr. FRANK), represent a portion of the U.S.-Mexican border.

In this Member's opening statement on H.R. 254, he would like to briefly discuss the following three items: the background on the NADBank; the contents of H.R. 254; and the description of the Senate amendment to H.R. 254.

First, as to background, during the 1993 debate on the North American Free Trade Agreement, or NAFTA, environmental issues emerged. A particular concern was that NAFTA could result in the industrialization and population growth in the U.S.-Mexico border region, which could further exacerbate pollution problems in the area. In addition, during the NAFTA debate, some Members of Congress were concerned that the perceived lax enforcement of environmental laws by the Republic of Mexico would not be sufficient.

As a result of these factors, which were raised in the NAFTA debate, the U.S. and Mexico agreed to create the NADBank which was charged with financing environmental infrastructure projects on both sides of the U.S.-Mexico international boundary. The NADBank currently assists communities within 100 kilometers of the U.S.-Mexico border by financing environmental infrastructure projects that address the need for waste water treatment, drinking water, and disposal of municipal solid waste.

As the administration has testified, the NADBank's overall performance thus far has been inadequate and unsatisfactory. As of March 10, for example, of this year, the NADBank had approved only approximately $96.4 million in loans to projects and disbursed only $20.8 million in loans, despite having $450 million in scheduled paid-in capital and a total lending capacity of $3 billion.

In order to address the inadequacies of the NADBank, U.S. President Bush and Mexican President Fox came forth with a joint agreement which was announced in Monterrey, Mexico, in March of 2002. Two of the provisions in this joint agreement require U.S. congressional approval as they are amendments to the Border Environment Cooperation Agreement which established the NADBank.

Of the second thing, the legislation before us today includes the following changes agreed to by Presidents Bush and Fox. These provisions are as follows:

Number one, NADBank would be able to make grants and nonmarket rate loans out of its paid-in capital resources with the approval of the board of directors. Currently, NADBank can only finance market rate loans.

Two, the region that the NADBank serves will be expanded on only the Mexican side from 100 kilometers of the international boundary to within 300 kilometers of that boundary.

With respect to the first legislative change, the administration believes that NADBank's current financial framework is having a limited impact in regions with high poverty rates. Communities in the border regions in many instances have been unable to afford market rate financing for environmental infrastructure projects. An element of the financing which involves grants and nonmarket rate loans will make the NADBank more affordable for the eligible communities.

With respect to the second legislative change, the administration believes that the geographic expansion on the Mexican side of the international boundary will give the NADBank more opportunities to address a greater scope of environmental issues that affect communities along the U.S. and Mexican border. For example, with this change the NADBank will be better able to undertake projects that improve water use over a broader geographic area.

Furthermore, H.R. 254 would also enhance congressional oversight through an annual reporting requirement on the subject of the NADBank by the Secretary of the Treasury to both the House Committee on Financial Services and the Senate Committee on Foreign Relations. Currently, there is no such reporting requirement. In addition to this report, H.R. 254 also includes four different senses of the Congress resolutions which address either water pollution or water conservation.

Third and finally, the Senate amendment, which was authored by the distinguished senior Senator from Texas, would limit the amount of grants which can be given for any one project.

□ 1145

The rationale behind this argument was to help ensure that NADBank does not run out of money by using grants exclusively for just a few projects.

Specifically, the Senate amendment requires the U.S. representatives to the NADBank to oppose any proposal which would either: (1) Be for a project that is not being financed, in part, by loans from any source; or (2) for a NADBank grant to account for more than 50 percent of the financing for an individual project.

The Senate amendment also includes an exception to this above rule, however. The U.S. representative to the NADBank cannot oppose a proposal if the President determines there are exceptional economic circumstances for making a NADBank grant, which does not exceed $250,000, and the grant is made for a project for which finding a loan is impractical. If the President would make this determination, the President must consult with the Senate Committee on Foreign Relations and the House Committee on Financial Services.

In conclusion, for the reasons stated and many others, this Member urges his colleagues to support H.R. 254, as amended by the Senate. We have been told that the President is eager to sign this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HINOJOSA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 254, the North American Development Bank Reauthorization bill. I want to thank the gentleman from Nebraska (Mr. BEREUTER) for his hard work in shepherding this bill through the legislative process. I also want to thank the gentleman from Ohio (Chairman OXLEY) and the ranking member, the gentleman from Massachusetts (Mr. FRANK), for their assistance in again bringing this bill to the floor for consideration. Hopefully, this third time will be a charm.

As the representative from the 15th district of Texas which includes the U.S.-Mexico region, my constituents are directly affected by the work of the North American Development Bank and are vitally interested in reforms that will improve it.

The NADBank was originally created to gain passage of the North American Free Trade Agreement. The NADBank was to be a partner in helping border communities deal with water and environmental problems that would result from increased trade. For example, adequate waste water treatment facilities were supposed to be built on the U.S.-Mexico border after passage of NAFTA 10 years ago.

Unfortunately, despite large amounts of available capital, the NADBank has funded only a small number of projects along the border because it was only allowed to offer market rate loans. Most communities in this impoverished region are unable to repay market rate loans. The environmental need for projects along the southwest border is too great for the bank to have money sitting idle. Many border communities still lack water and waste water infrastructure. Residents on both sides of the border remain at risk from the diseases caused by untreated water and pollution.

H.R. 254 fixes the problem by allowing NADBank to offer low-interest loans and grants to border communities to fund critical infrastructure projects. While I would have preferred that the bank have more flexibility in using grant funding, when appropriate, to assist the most distressed communities, the compromise which has been reached with the Senate will allow the bank to give up to $50 million for grant assistance.

The gentleman from Nebraska (Mr. BEREUTER) has given many of the details, so I will not repeat them; but that compromise certainly is acceptable. The reforms in this bill will finally allow the NADBank to live up to its promise and bring real assistance to border residents. I urge my colleagues to support H.R. 254.

Mr. Speaker, I reserve the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank the gentleman from Nebraska (Mr. BEREUTER), the very able subcommittee chairman, for yielding me this time; and I congratulate him as well as the gentleman from Texas (Mr. HINOJOSA) for their work on this very important legislation.

We know that President Fox and President Bush both talked about the importance of pursuing this legislation. This has been a priority. Why? Because we have an extremely critical relationship in the area of commerce between our two countries.

It is with great regularity that some of my colleagues will come down and talk about the ills of trade between Mexico and the United States, and it is very rare that we focus on the important benefits. It would come as a shock to many people to realize that we have a quarter of a trillion dollars in cross-border trade between the United States and Mexico. In fact, Mexico has emerged beyond Japan to become the United States of America's number two trading partner. Doing whatever we can to facilitate an expansion of that will benefit both sides of the border.

Mr. Speaker, I have long argued that it is absolutely ridiculous for the United States to be tolerant of having a poor southern neighbor. There is no benefit to the United States of America having a poor southern neighbor. As we look at the many problems about which we regularly commiserate, whether it is illegal immigration, the problem of drug trafficking, which I am happy to say has improved dramatically over the past several years; but as we look at these challenges, we have to understand that enhancing the economy of Mexico is the best way for us to provide a disincentive for people to illegally flee across the border into the United States.

That is why I think this legislation can go a long way in helping us expand what is already a very important and very positive trade relationship between our two countries.

I have had the opportunity, as I know most of my colleagues have, to visit Mexico and I regularly have people who say please make sure we have an opportunity to have access to more U.S. goods and services. This legislation will go a long way towards helping that, and I think we need to realize we are in this together.

There are some people who would like to make a change to the fact that we share 2,000 miles with Mexico. I know this will sadden some, but there is no way we will ever change the fact that we share a 2,000-mile border with Mexico, and it seems to me that in light of that reality, which I happen to personally think is a great one, we should do everything that we possibly can to improve it and make lives on both sides of the border even better.

Mr. HINOJOSA. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. GONZALEZ), home to the NADBank. The gentleman from Texas (Mr. GONZALEZ) has served more than three terms on the Committee on Financial Services and has spent a lot of time on this legislation and is very knowledgeable about the benefits to the communities on the U.S.-Mexico border that would benefit by the passage of H.R. 254.

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman from Texas (Mr. HINOJOSA) for yielding me this time, and I rise in strong support of H.R. 254.

As previous speakers have already expressed their gratitude, I do not want to be remiss. I want to thank the gentleman from Ohio (Chairman OXLEY); the gentleman from Massachusetts (Mr. FRANK), the ranking member; the gentleman from New York (Mr. KING); and the gentleman from Nebraska (Mr. BEREUTER), our subcommittee chairman, who has been the driving force behind this and has given us an opportunity as Democrats to participate in this particular piece of legislation. We do thank the gentleman most sincerely, who will be sorely missed upon his retirement, although we are still trying to convince the gentleman to reconsider his decision.

The thing I wish to point out is maybe the third time will be a charm. We have passed this a couple of times. This is a piece of legislation that actually has been endorsed by the Congressional Hispanic Caucus. I think it is important to make some distinctions because I think it can be misinterpreted, and then we get into controversies that are truly not necessary.

I am gratified by the remarks of the gentleman from California (Mr. DREIER), but I want to make sure Members do not misunderstand the import of this legislation. So I guess I need to spend a couple of seconds on that. This is not a piece of legislation about NAFTA. This will not define you as to whether you opposed NAFTA when it was passed, you still oppose it, or you favor it. It is not of that dimension. It is not about trade dimension programs or immigration. Does it have some impact? Yes, it could increase the quality of life for residents on both sides of the border, and so that might have some indirect consequences on these other problems that we face and we try to grapple with in a cooperative fashion with our neighbor Mexico.

But this is a very simple bill. We know what it is not. But what is it? It is a bill that seeks congressional authorization to allow the United States and Mexico to finalize their agreement concerning improving the functioning of NADBank and the Border Environmental Cooperation Commission. That is all it is. It is no more than that.

In summary, this agreement streamlines the organization of these two institutions, expands the low-interest loan capacity of the bank, and expands NADBank's grant-making capacity to make it more efficient and effective.

Mr. Speaker, some of the communities that benefit from NADBank financing have average per capita income in the range of $5,000, and that is on the United States side of the border. Conventional financing alone is simply not an option for communities this economically disadvantaged, and I am sure the gentleman from Texas (Mr. HINOJOSA) can speak to that point.

NADBank gives border communities the financial tools to modernize their water supply and protect their air quality. It is quickly becoming a critical link in efforts to protect the public health of the United States-Mexican border citizens. I recognize and, in fact, agree with some of the concerns raised by others concerning the challenges in our relationship with Mexico. Fortunately, the NADBank was created to address some of those challenges.

Regardless of Members' opinions regarding the United States and Mexican relations, it is hard to disagree with the mission of NADBank: to improve the quality of life of some of the most disadvantaged communities in America.

Mr. BEREUTER. Mr. Speaker, I reserve the balance of my time.

Mr. HINOJOSA. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. ORTIZ), who represents the border between Texas and Mexico starting in Brownsville, a gentleman who is very knowledgeable about trade and commerce and the importance of this bill.

Mr. ORTIZ. Mr. Speaker, I rise today in support of H.R. 254, which improves elements of the North American Development Bank, the mission of which is to leverage Federal funding to borrowing entities to improve the infrastructure for water conservation and irrigation.

Most importantly, this bill says the board of the North American Development Bank should support qualified water conservation projects in the lower Rio Grande Valley, a show of the importance of the injury to south Texas regarding Mexico's noncompliance with the 1944 water treaty.

This bill enables the North American Development Bank to make grants and nonmarket rate loans out of its paid-in capital resources with the approval of its board of directors for qualified water conservation projects.

I am so grateful to the gentleman from south Texas (Mr. HINOJOSA) for carrying the water for us on this bill and trying to help educate the Members of this House about the travesty that we have lived through in south Texas in the Rio Grande Valley as a result of Mexico's noncompliance with our international treaty.

□ 1200

In this bill we formalize the following findings:

That Texas irrigators and agricultural producers are suffering enormous hardships in the lower Rio Grande River Valley because of Mexico's failure to abide by the 1944 water treaty entered into by the United States and Mexico;

That over the last 10 years, Mexico has accumulated a 1.5 million acre-feet water debt to the United States which has resulted in a very minimal and inadequate irrigation water supply in Texas;

That recent studies by Texas A&M University show that water savings of 30 percent or more can be achieved by improvements in irrigation system infrastructure such as canal lining and metering;

That the North American Development Bank's Water Conservation Investment Fund offered up to $80 million for grant financing of water conservation projects which grant funds, the money divided equally between the United States and Mexico.

While South Texas farmers were disappointed, to say it mildly, that farmers in Mexico were granted equal status with Mexico in the division of these funds, the money is certainly better than nothing.

We appreciate the gentleman from Nebraska and the rest of the Members who realize that we have a very, very serious business to do in South Texas with this bill. I hope that all the Members will support this bill.

Mr. HINOJOSA. Mr. Speaker, I yield myself such time as I may consume.

I am delighted that the gentleman from Texas (Mr. ORTIZ) has given a good explanation of the benefits that we will receive along the Texas border region where we have had a drought of over 7 years. Senator KAY BAILEY HUTCHISON and the Members from the border region who represent Texas are delighted that we are going to be able to help so many farmers and ranchers in improving the water distribution that is coming down the Rio Grande River all the way down from El Paso to Brownsville.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. RODRIGUEZ), chairman of the Congressional Hispanic Caucus, who also represents some of the Texas border area.

Mr. RODRIGUEZ. Mr. Speaker, I would also like to thank the gentleman from Texas (Mr. HINOJOSA) for his leadership on this issue.

The NADBank was created to improve water and wastewater infrastructure in communities along the border, on both sides of the border. This legislation will give NADBank the tools to do its job more effectively. I want to thank the leadership on both sides for making this happen.

The bill will allow NADBank to provide the low-interest loans and grants that are needed and create new ways to assist disadvantaged communities in water supply and other environmental infrastructure projects.

Since the NADBank's inception in 1995, it has provided vital assistance for infrastructure improvements along the U.S.-Mexico border. The NADBank to date has provided some $643 million in loans and grants in order to make over $2.1 billion worth of projects possible.

I would also like to provide one example of how the NADBank has worked in local communities in my district. Last year alone, the NADBank provided some $5.5 million for colonia water and wastewater improvements in the city of Roma. This project will provide first-time sewer service for some 3,688 households. Without the NADBank's assistance, this poor community would never have had the opportunity to make this possible.

The city of Roma, by the way, is located in Starr County. For those of my colleagues that do not know, this has the unfortunate distinction of being the poorest county in the entire United States. These are the types of communities that the NADBank was created to help. These communities are willing to move forward, willing to participate, willing to make a difference, but they find themselves without the opportunity to be able to obtain the loans.

The NADBank also should be empowered to help disadvantaged communities to the fullest extent possible. They currently have projects all along the border from Texas to California, including Laredo and Mission, Texas, as well as in the areas all along. These are critical issues.

I wanted to touch quickly on the discussion of the gentleman from Texas (Mr. ORTIZ) on the water issue. This water issue is not going to be going away anytime soon. The bottom line is that the Mexican Government owes over 1 million acre-feet of water. It is not just to the U.S. side; it is also to the Mexican side. It is almost an upstream versus downstream battle with the state of Chihuahua because the state of Tamaulipas on the other side would also benefit tremendously. It is an issue that is not going to go away because as time gets difficult and as people continue to move to the region, the need for water is going to be there.

There is a real need for us to continue to engage in that issue. The NADBank has been helping to make sure that we do that. In addition to that, we know that water is key for any growth and development. We need to continue work on that.

Mr. OXLEY. Mr. Speaker, I rise today in support of H.R. 254, a bill to make certain changes to the agreement between the United States and Mexico concerning the North American Development Bank (NAD Bank).

I would like to express my appreciation to the distinguished gentleman from Nebraska (Mr. BEREUTER) for his leadership and commitment to this important legislation. The legislation is important because it requires the U.S. representatives to the NAD Bank to agree to changes which will make the institution more effective in financing environmental infrastructure projects along the U.S./Mexico border. The legislation passed the House once already and it is my pleasure to support it again.

This legislation is needed in order to make two changes to the charter agreement before the NAD Bank can commence operations. First, the NAD Bank would be able to make grants and non-market rate loans for environmental infrastructure projects along the border out of its paid-in capital resources with the approval of its Board. Currently, the NAD Bank can only finance market rate loans.

Second, the legislation limits the amount of grants that can be provided to support any one project. This limitation is important in order to ensure that the NAD Bank does not run out of money by using exclusively grants for a small number of projects. It is a reasonable limitation that should protect the Bank's ability to support a wide range of projects through grants as well as concessional and market-rate lending.

I am confident that the congressional oversight authority established in this legislation will provide Congress with an on-going opportunity to review the NAD Bank's work. H.R. 254 includes an annual reporting requirement on the subject of the NAD Bank by the Secretary of the Treasury to both the House Committee on Financial Services and the Senate Committee on Foreign Relations. It also includes different sense of the Congress provisions regarding the water conservation needs of the U.S. border regions.

Establishment of the NAD Bank reflects the United States' continued commitment to its partner in the first regional free trade agreement of the modern era. The economies of Mexico and the United States are increasingly integrated. As our two economies grow together, the growing number of people living in the border areas between Mexico and the United States will increasingly share similar priorities regarding development of that border in an environmentally sensitive manner. Establishment of the NAD Bank will help ensure that projects consistent with the goals will have an opportunity to receive funding, benefiting both the United States and Mexico.

Mr. Speaker, this is straightforward legislation that enjoys broad bipartisan support. I urge my colleagues to support this bill.

Mr. PAUL. Mr. Speaker, H.R. 254 expands the authority of the North American Development Bank (NAD), which was created in the allegedly free-trade NAFTA agreement, to make below-market loans. H.R. 254 also expands the geographic area in which the NAD bank operates. This bill is economically unsound and blatantly unconstitutional and I hope my colleagues will reject it.

Supporters of the NAD claim that the bank facilitates economic development and thus improves the quality of life for those living in regions where NAD finances projects. In fact, the NAD bank hinders economic development.

When Congress funds institutions like NAD, it transfers resources from the private sector to the government. When resources are left in the private sector, they are put to the use most highly valued by individual consumers. In contrast, the use of resources transferred to the public sector by agencies like NAD is determined by bureaucrats and politically powerful special interests, thus assuring that the resources cannot be put to their highest-valued use. Therefore, determining the allocation of resources through the political process decreases economic efficiency. Thus, NAD will actually cost jobs and reduce the standard of living of the very workers NAD's supporters claim to benefit!

I would also like to remind my colleagues that there is no constitutional authorization for Congress to fund organizations like the NAD. If my colleagues are not convinced by the constitutional argument, I would hope they would consider the wisdom of expanding the scope of taxpayer support of programs like the NAD at a time when the government is facing massive deficits and Congress is scrambling to find the money to pay for national priorities.

In conclusion, Mr. Speaker, I urge my colleagues to stand up for sound economics and constitutional principles by rejecting H.R. 254, legislation expanding the North American Development Bank.

Mr. HINOJOSA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FOSSELLA). The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 254.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. BEREUTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on the Journal and on motions to suspend the rules previously postponed. Votes will be taken in the following order:

H.R. 3926, by the yeas and nays;

H. Res. 522, by the yeas and nays;

approving the Journal, de novo;

H.R. 1768, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

ORGAN DONATION AND RECOVERY IMPROVEMENT ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3926.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. ROGERS) that the House suspend the rules and pass the bill, H.R. 3926, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 414, nays 2, not voting 17, as follows:

[Roll No. 76]

YEAS—414

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty

Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—2

Flake
Paul

NOT VOTING—17

Bonilla
Brown-Waite, Ginny
Cannon
Clyburn
Conyers
DeMint
Gibbons
Gillmor
Hunter
Istook
Jones (OH)
Kolbe
Radanovich
Simmons
Simpson
Tancredo
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOSSELLA) (during the vote). Members are advised there are 2 minutes left in this vote.

□ 1229

Mr. AKIN and Mr. HOBSON changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. KOLBE. Mr. Speaker, today, I missed the vote on H.R. 3926, the Organ Donation and Recovery Improvement Act (No. 76). I intended to vote "aye."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the remainder of this series will be conducted as 5-minute votes.

SENSE OF HOUSE REGARDING HEART DISEASE AMONG WOMEN

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 522.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. ROGERS) that the House suspend the rules and agree to the resolution, H. Res. 522, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 420, nays 0, not voting 13, as follows:

[Roll No. 77]

YEAS—420

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—13

Barton (TX)
Boehner
Brown-Waite, Ginny
Cannon
Clyburn
DeMint
Gibbons
Gillmor
Norwood
Radanovich
Simmons
Tancredo
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOSSELLA) (during the vote). Two minutes are remaining in this vote.

☐ 1236

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, the pending business is the question of the Chair's approval of the Journal of the last day's proceeding.

The question is on the Speaker's approval of the Journal.

Mr. FOLEY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FOLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 377, noes 35, answered "present" 1, not voting 20, as follows:

[Roll No. 78]

AYES—377

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cantor
Capito
Capps
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Foley
Forbes
Ford
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larson (CT)
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Mollohan
Moore
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Nunes
Nussle
Obey
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shuster
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Sullivan
Tancredo
Tanner
Tauscher
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Upton
Van Hollen
Velázquez
Vitter
Walden (OR)
Walsh
Wamp
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)
Oberstar
Olver
Otter
Peterson (MN)
Ramstad
Sabo
Schakowsky
Strickland
Stupak
Sweeney
Taylor (MS)
Thompson (CA)
Thompson (MS)
Udall (CO)
Udall (NM)
Visclosky
Weller

NOES—35

Baldwin
Brady (PA)
Capuano
Crane
English
Filner
Fossella
Hart
Hastings (FL)
Hefley
Larsen (WA)
Latham
Lewis (GA)
LoBiondo
McDermott
McNulty
Miller, George
Moran (KS)

ANSWERED "PRESENT"—1

Majette

NOT VOTING—20

Blackburn
Bono
Brady (TX)
Brown-Waite, Ginny
Cannon
Clyburn
DeMint
Feeney
Gibbons
Gillmor
Goss
Houghton
Neugebauer
Norwood
Radanovich
Shimkus
Simmons
Tauzin
Taylor (NC)
Waters

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

☐ 1244

Mr. LOBIONDO changed his vote from "aye" to "no."

So the Journal was approved.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GIBBONS. Mr. Speaker, on rollcall Vote Nos. 76, 77, and 78, I was unavoidably detained in the Senate. Had I been present, I would have voted "yes."

MULTIDISTRICT LITIGATION RESTORATION ACT OF 2004

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1768, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 1678, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 418, nays 0, not voting 15, as follows:

[Roll No. 79]

YEAS—418

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Coble
Cole
Collins
Conyers

Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—15

Barrett (SC)
Blackburn
Brown-Waite, Ginny
Cannon
Clyburn
DeMint
Diaz-Balart, M.
Gillmor
Houghton
Miller (FL)
Norwood
Simmons
Smith (MI)
Tauzin
Taylor (NC)

☐ 1252

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GOSS. Mr. Speaker, this afternoon I was called away from the floor to conduct official business. As a result, I was not able to be present for rollcall votes 78 and 79. Had I been present, I would have voted "yea" on both.

PERSONAL EXPLANATION

Mr. DEMINT. Mr. Speaker, I was absent during rollcall votes 76, 77, 78, and 79. Had I been present, I would have voted "yea" on each of those votes.

CHILD NUTRITION IMPROVEMENT AND INTEGRITY ACT

Mr. BOEHNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3873) to amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with access to food and nutrition assistance, to simplify program operations, to improve children's nutritional health, and to restore the integrity of child nutrition programs, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3873

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Nutrition Improvement and Integrity Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—ENSURING ACCESS TO CHILD NUTRITION PROGRAMS

Sec. 101. Exclusion of military housing allowances.
Sec. 102. Homeless children and runaway youth eligibility.
Sec. 103. Eligibility for severe need assistance.
Sec. 104. Reauthorization of summer food programs.
Sec. 105. Child and adult care food program.
Sec. 106. Review of best practices in the breakfast program.
Sec. 107. Area eligibility demonstration.
Sec. 108. Seamless Summer administration.
Sec. 109. Year round services for eligible entities.

TITLE II—IMPROVING PROGRAM QUALITY AND INTEGRITY

Sec. 201. Eligibility and certification for free and reduced price lunches.
Sec. 202. Duration of eligibility for free and reduced price lunches.
Sec. 203. Certification by local educational agencies.
Sec. 204. Compliance and accountability.
Sec. 205. Technology Improvement.
Sec. 206. Minimum State administrative expense grants.
Sec. 207. District-wide eligibility for special assistance.
Sec. 208. Administrative error reduction.

TITLE III—PROMOTING NUTRITION QUALITY AND PREVENTING CHILDHOOD OBESITY

Sec. 301. Local school wellness policy.
Sec. 302. Supporting nutrition education, improving meal quality, and access to local foods.
Sec. 303. Fruits and vegetable commodities.
Sec. 304. Fluid milk.
Sec. 305. Waiver of requirements for weighted averages for nutrient analysis.
Sec. 306. Whole grains.
Sec. 307. Fruit and vegetable pilot programs.

TITLE IV—IMPROVING THE WOMEN, INFANTS, AND CHILDREN PROGRAM

Sec. 401. Definition of nutrition education.
Sec. 402. Definition of supplemental foods.
Sec. 403. Improving certification.
Sec. 404. Reviews of available supplemental foods.
Sec. 405. Notification of violations and infant formula benefits.
Sec. 406. Healthy People 2010 initiative.
Sec. 407. Competitive bidding.
Sec. 408. Fruit and vegetable projects.
Sec. 409. Price levels of retail stores.
Sec. 410. Management information systems.
Sec. 411. Infant formula fraud prevention.
Sec. 412. State alliances.
Sec. 413. Limits on expenditures.
Sec. 414. Migrant and community health centers initiative.
Sec. 415. Demonstration projects.
Sec. 416. Authorization of appropriations.

TITLE V—REAUTHORIZATION, MISCELLANEOUS PROVISIONS, AND EFFECTIVE DATE

Sec. 501. Training, technical, and other assistance.
Sec. 502. Notice of irradiated food.
Sec. 503. Sense of Congress.
Sec. 504. Reauthorization of programs.
Sec. 505. Effective dates.

TITLE I—ENSURING ACCESS TO CHILD NUTRITION PROGRAMS

SEC. 101. EXCLUSION OF MILITARY HOUSING ALLOWANCES.

Section 9(b)(7) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by striking "For each of fiscal years 2002" and all that follows through "the amount" and inserting "The amount".

SEC. 102. HOMELESS CHILDREN, RUNAWAY YOUTH, AND MIGRATORY CHILD ELIGIBILITY.

(a) In General.—Section 9(b)(6)(A) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(6)(A)) is amended—

(1) in clause (ii), by striking "or";

(2) in clause (iii), by striking the period and inserting a semicolon; and

(3) by inserting after clause (iii) the following:

"(iv) a homeless child or youth (as defined in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a));

"(v) a youth served by programs under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.); or

"(vi) a migratory child, as such term is defined in section 1309(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399(2)).".

(b) Documentation.—Section 9(d)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(d)(2)) is amended—

(1) in subparagraph (B), by striking "or";

(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(3) by inserting after subparagraph (C) the following:

"(D) documentation has been provided to the appropriate local educational agency showing that the child meets the criteria specified in clauses (iv) or (v) of subsection (b)(6)(A); or

"(E) documentation has been provided to the appropriate local educational agency showing the child's status as a migratory child, as such term is defined in section 1309(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399(2)).".

SEC. 103. ELIGIBILITY FOR SEVERE NEED ASSISTANCE.

Section 4(d) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(d)) is amended—

(1) by striking the heading and all that follows through paragraph (1), and inserting:

"(d) Severe Need Assistance.—

"(1) In general.—Each State educational agency shall provide additional assistance to schools in severe need, which shall include only those schools (having a breakfast program or desiring to initiate a breakfast program) in which, during the most recent second preceding school year for which lunches were served, 40 percent or more of the lunches served to students at the school were served free or at a reduced price (or those new schools drawing the majority of their attendance from schools receiving severe need assistance)."; and

(2) in paragraph (2)—

(A) by striking "100 percent" and all that follows through "food, or"; and

(B) by striking ", whichever is less".

SEC. 104. REAUTHORIZATION OF SUMMER FOOD PROGRAMS.

(a) Summer Food Pilot Projects.—Section 18(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)) is amended—

(1) by redesignating paragraphs (2) through (6) as paragraphs (3) through (7), respectively;

(2) by inserting after paragraph (1) the following:

"(2) Additional states eligible.—In addition to the States meeting the criteria set forth in paragraph (1), the term 'eligible State' means a State in which (based on data available in June 2003)—

"(A) the percentage obtained by dividing—

"(i) the sum of—

"(I) the average daily number of children attending the summer food service program in the State in July 2002; and

"(II) the average daily number of children receiving free or reduced price meals under the school lunch program in the State in July 2002; by

"(ii) the average daily number of children receiving free or reduced price meals under the school lunch program in the State during the 2001–2002 school year; is less than 57 percent of

"(B) the percentage obtained by dividing—

"(i) the sum of—

"(I) the average daily number of children attending the summer food service program in all States in July 2002; and

"(II) the average daily number of children receiving free or reduced price meals under the school lunch program in all States in July 2002; by

"(ii) the average daily number of children receiving free or reduced price meals under the school lunch program in all States during the 2001–2002 school year.";

(3) in paragraph (3) (as so redesignated), by striking "March 31, 2004" and inserting "September 30, 2008";

(4) in paragraph (4) (as so redesignated), by striking "(other than a service institution described in section 13(a)(7))" both places it appears; and

(5) in paragraph (7)(B)(i) (as redesignated by this section), by striking "paragraph (5)" and inserting "paragraph (6)".

(b) Summer Food Service Program for Children.—Section 13(q) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(q)) is amended by striking "March 31, 2004" and inserting "September 30, 2008".

SEC. 105. CHILD AND ADULT CARE FOOD PROGRAM.

(a) Eligibility of Private Child Care Centers.—Section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766) is amended—

(1) in subsection (a)(2)(B)(i), by striking "during the period" and all that follows through "March 31, 2004"; and

(2) by striking subsection (p).

(b) Duration of Determination as Tier 1 Family or Group Day Care Home.—Section 17(f)(3)(E)(iii) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(f)(3)(E)(iii)) is amended by striking "3 years" and inserting "5 years".

(c) Duration of Agreements.—Section 17(j) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(j)) is amended to read as follows:

"(j) Agreements.—

"(1) In general.—The Secretary may issue regulations directing States to develop and provide for the use of a standard form of agreement between each family or group day care sponsoring organization and the family or group day care homes participating in the program under such organization, for the purpose of specifying the rights and responsibilities of each party.

"(2) Duration.—An agreement under paragraph (1) shall remain in effect until terminated by either party to the agreement.".

(d) Management Improvement Initiative.—Section 17(q)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(q)(3)) is amended by striking "1999 through 2003" and inserting "2005 and 2006".

(e) Audits.—Section 17(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(i)) is amended to read as follows:

"(i) Audits.—

"(1) Funds for audits.—The Secretary shall make available for each fiscal year to a State administering the child and adult care food program, for the purpose of conducting audits of participating institutions, an amount up to 1.5 percent (except in the case of fiscal years 2005 through 2007, 1 percent) of the funds used by the State in the program under this section during the second preceding fiscal year.

"(2) Audit procedures.—

"(A) In general.—Subject to subparagraph (B), in conducting management evaluations, reviews, or audits of the program under this subsection, the Secretary or a State agency may disregard any overpayment to an institution if the total overpayment for any fiscal year does not exceed an amount, consistent with the disregards allowed in other programs under this Act, which recognizes the cost of collecting small claims.

"(B) Criminal or fraud violations.—In carrying out this subsection, the Secretary and a State agency shall not disregard any overpayment for which there is evidence of a violation of a criminal law or civil fraud law.".

(f) Emergency Shelters.—Section 17(t)(5)(A)(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(t)(5)(A)(i) is amended—

(1) in subclause (I)—

(A) by striking "12" and inserting "18"; and

(B) by inserting "or" after the semicolon; and

(2) by striking subclause (II) and redesignating subclause (III) as subclause (II).

(g) Paperwork Reduction.—The Secretary of Agriculture, in conjunction with States and participating institutions, shall examine the feasibility of reducing paper work resulting from regulations and record-keeping requirements for State agencies, family child care homes, child care centers, and sponsoring organizations participating in the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766).

SEC. 106. REVIEW OF BEST PRACTICES IN THE BREAKFAST PROGRAM.

(a) Review.—Subject to the availability of funds, the Secretary of Agriculture shall enter into an agreement with a research organization to collect and disseminate a review of best practices to assist schools in addressing existing impediments at the State and local level that hinder the growth of the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773). The review shall describe model breakfast programs and offer recommendations for schools to overcome obstacles, such as:

(1) the length of the school day;

(2) bus schedules; and

(3) potential increases in costs at the State and local level.

(b) Dissemination.—Not later than 12 months after the date of enactment of this Act, the Secretary shall make the review required under subsection (a) available to local educational agencies via the Internet, including recommendations to improve participation in the school breakfast program. Not later than 12 months after the date of enactment of this Act, the review shall also be transmitted to the Committee on Education of the House of Representatives and the Committee on Agriculture of the Senate.

SEC. 107. AREA ELIGIBILITY DEMONSTRATION.

Section 13 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761) is amended by adding at the end the following:

"(r) DEMONSTRATION.—For fiscal years 2004 through 2008, in rural areas of the State of Pennsylvania, the threshold for determining 'areas in which poor economic conditions exist' under subsection (a)(1)(C) for the program authorized by this section shall be 40 percent of children enrolled are eligible for free or reduced price school meals and the State agency shall report to the Secretary on the effect of the demonstration on program participation in rural areas.".

SEC. 108. SEAMLESS SUMMER ADMINISTRATION.

(a) SEAMLESS SUMMER WAIVER.—Section 13(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(a)) is amended by inserting after paragraph (7) the following:

"(8) Service institutions that are public or private nonprofit school food authorities may administer summer or school vacation food service under the provisions of the school lunch program established under this Act and the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except as determined by the Secretary.".

(b) PAYMENTS.—Section 13(b)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(b)(1)) is amended by inserting after subparagraph (C) the following:

"(D) Service institutions described in paragraph (a)(8) of this section shall be reimbursed for meals and meal supplements in accordance with the applicable provisions under this Act (other than subparagraphs (A), (B), and (C) of this paragraph) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), as determined by the Secretary.".

SEC. 109. YEAR ROUND SERVICES FOR ELIGIBLE ENTITIES.

Section 18 of the Richard B. Russell National School Lunch Act is amended by adding at the end the following:

"(h) YEAR ROUND SERVICES FOR ELIGIBLE ENTITIES.—

"(1) IN GENERAL.—A service institution (as defined in section 13(a)(6) or 13(a)(7) of this Act) located in California may be reimbursed for up to 3 meals and 2 supplements for any day for which services are being offered at such institution. Such service institution shall be reimbursed for costs consistent with section 13(b)(1) of this Act.

"(2) EXEMPTIONS.—A service institution that receives assistance under this subsection shall comply with all provisions of section 13 of this Act other than subsections 13(b)(2) and 13(c)(1).

"(3) FUNDING.—The Secretary shall provide to the State of California an amount not to exceed $1,000,000 for fiscal years 2004 through 2008, for the additional reimbursement costs for meals and supplements authorized by this subsection.".

TITLE II—IMPROVING PROGRAM QUALITY AND INTEGRITY

SEC. 201. ELIGIBILITY AND CERTIFICATION FOR FREE AND REDUCED PRICE LUNCHES.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758) is amended by striking "(b)(1)(A) Not later" and all that follows through paragraph (2) and inserting the following:

"(b) ELIGIBILITY FOR FREE AND REDUCED PRICE LUNCHES.—

"(1) INCOME GUIDELINES.—

"(A) IN GENERAL.—Not later than June 1 of each fiscal year, the Secretary shall prescribe income guidelines for determining eligibility for free and reduced price lunches during the 12-month period beginning July 1 of such fiscal year and ending June 30 of the following fiscal year. The income guidelines for determining eligibility for free lunches shall be 130 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines issued by the Secretary of Health and Human Services, as adjusted annually in accordance with subparagraph (B). The income guidelines for determining eligibility for reduced price lunches for any school year shall be 185 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines issued by the Secretary of Health and Human Services, as adjusted annually in accordance with subparagraph (B). Such guidelines shall be revised at annual intervals, or at any shorter interval deemed feasible and desirable.

"(B) FORMULA FOR REVISION.—The revision required by subparagraph (A) of this paragraph shall be made by multiplying—

"(i) the official poverty line (as defined by the Secretary of Health and Human Services); by

"(ii) the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the adjustment is made.

Revisions under this subparagraph shall be made not more than 30 days after the date on which the Consumer Price Index data required to compute the adjustment becomes available.

"(2) CERTIFICATION OF ELIGIBILITY.—

"(A) ANNOUNCEMENT BY STATE EDUCATIONAL AGENCY.—Following the determination by the Secretary under paragraph (1) of this subsection of the income eligibility guidelines for each school year, each State educational agency shall announce the income eligibility guidelines, by family size, to be used by schools in the State in making determinations of eligibility for free and reduced price lunches. Local educational agencies shall, each year, publicly announce the income eligibility guidelines for free and reduced price lunches on or before the opening of school.

"(B) APPLICATIONS.—

"(i) IN GENERAL.—Applications for free and reduced price lunches, in such form as the Secretary may prescribe or approve, and any descriptive material, in an understandable and uniform format, and to the extent practicable, in a language that parents can understand, shall be distributed at least annually to the parents or guardians of children in attendance at the school.

"(ii) INCOME LEVELS.—Applications and descriptive material shall contain only the family size income eligibility guidelines for reduced price meal eligibility, with the explanation that households with incomes less than or equal to these values would be eligible for free or reduced price lunches. Such applications and descriptive material may not contain the income eligibility guidelines for free lunches.

"(iii) NOTIFICATION.—Descriptive materials shall contain a notification that participants in the Special Supplemental Nutrition Program for Women, Infants, and Children authorized under Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the Food Distribution Program on Indian Reservations (FDPIR) authorized under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)), or a State program funded under part A of title IV of the Social Security Act (if the Secretary determines the State program complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995) may be eligible for free or reduced price lunches. Such descriptive materials shall also contain a notice to parents that documentation may be requested for verification.

"(iv) ELECTRONIC AVAILABILITY.—In addition to the distribution of such applications and descriptive material in paper form as provided for in this paragraph, such applications and material may be made available electronically via the Internet.

"(C) ELIGIBILITY.—

"(i) HOUSEHOLD APPLICATIONS.—

"(I) IN GENERAL.—If an eligibility determination for a child is not made under clause (ii) or (iii), an eligibility determination shall be made on the basis of a complete household application executed by an adult member of the household, or in accordance with other guidance issued by the Secretary.

"(II) ADDITIONAL BASES.—Eligibility may be determined by the local educational agency on the basis of a complete application executed by an adult member of the household, or in accordance with other guidance issued by the Secretary, including an electronic signature when the application is submitted electronically, and if the application filing system meets confidentiality standards established by the Secretary.

"(III) CHILDREN IN HOUSEHOLD.—

"(aa) IN GENERAL.—The application shall identify the names of each child in the household for whom meal benefits are requested, as well as the total number of members of the household.

"(bb) SEPARATE APPLICATIONS.—A State educational agency or local educational agency may not request a separate application for each child in the household, if the children in the household attend schools in the same local educational agency.

"(IV) VERIFICATION.—The Secretary, State, or local educational agency may verify any data contained in such application. In accordance with guidance issued by the Secretary, each local educational agency shall verify a sample of approved free and reduced price applications and shall make appropriate changes in the eligibility determination with respect to such applications on the basis of such verification. The sample selected for verification shall be as follows:

"(aa) For local educational agencies unable to obtain verification information for no more than 25 percent of all applications selected for verification in the prior year, or local educational agencies receiving more than 20,000 applications and that in the prior year had a verification non-response rate that was 10 percent below the verification non-response rate of the second prior year, the sample selected shall be either—

"(AA) the lesser of 3,000 or 3 percent of approved applications selected at random by the local educational agencies from all approved applications; or

"(BB) the lesser of 1,000 or 1 percent of all approved applications selected from applications that indicate monthly income that is within $100, or annual income that is within $1,200, of the income eligibility limits for free or reduced price meals, plus the lesser of 500 or ½ of 1 percent of approved applications that provided a case number in lieu of income information showing participation in the food stamp program, the Temporary Assistance for Needy Families program, or the Food Distribution Program on Indian Reservations (FDPIR) selected from those approved applications that provided a case number in lieu of income information verifying such participation. If, for any local educational agency, the total number of applications that indicate monthly income that is within $100, or annual income that is within $1,200, of the income eligibility limits for free or reduced price meals is less than 1,500 or 1 and ½ percent of all approved applications, the local educational agency shall select additional applications at random from all approved applications in order to obtain a total sample for verification of 1,500 or 1 and ½ percent of all approved applications.

“(bb) For all other local educational agencies, the sample selected shall be the lesser of 3,000 or 3 percent of all approved applications selected from applications that indicate monthly income that is within $100, or annual income that is within $1,200, of the income eligibility limits for free or reduced price meals. If, for any local educational agency, the total number of such applications is less than 3,000 or 3 percent of all approved applications, the local educational agency shall select additional applications at random from all approved applications in order to obtain a total sample for verification of 3,000 or 3 percent of all approved applications.

“(V) SUBSTITUTIONS.—

“(aa) IN GENERAL.—In accordance with the regulations prescribed by the Secretary, the local educational agency may, upon individual review, decline to verify any application selected under subclause (IV) and replace it with another application to be verified. Such agency may decline to verify no more than 2 percent of the applications selected for verification under this subclause.

“(bb) SUBSTITUTE CRITERIA IN CASES OF EMERGENCIES.—The Secretary may substitute alternative criteria for the sample size and sample selection criteria in subclause (IV) to address a natural disaster, civil disorder, strike, or other local condition.

“(VI) DIRECT VERIFICATION.—

“(aa) IN GENERAL.—In accordance with regulations promulgated by the Secretary, in verifying the sample selected in accordance with subclause (IV), the local educational agency may first obtain from certain public agencies administering the programs identified in item (bb) of this subclause, and similar income-tested programs, information to verify eligibility for free or reduced price meals.

“(bb) PUBLIC AGENCY RECORDS.—Public agency records that may be used to verify eligibility for free meals shall include income information relied upon within 12 months prior to verification under subclause (IV) in the administration of the following programs: the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); the State program funded under part A of title IV of the Social Security Act; the Food Distribution Program on Indian Reservations (FDPIR) authorized under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)); and the State Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in a State in which the income eligibility limit described in section 1902(*l*)(2)(C) of the Social Security Act is no higher than 133 percent of the income official poverty line as specified in section 1902(*l*)(2)(A) of such Act, in the case of eligibility for free meals, and 185 percent of the income official poverty line as specified in such section in the case of reduced price meals.

“(VII) PLAIN, UNDERSTANDABLE LANGUAGE.—Any and all communications to parents regarding verification under subclause (IV) shall be in an understandable and uniform format, and, to the extent practicable, in a language that parents can understand.

“(ii) DIRECT CERTIFICATION FOR CHILDREN IN FOOD STAMP HOUSEHOLDS.—

“(I) IN GENERAL.—Each State agency shall, to the extent practicable, enter into an agreement with the State agency conducting eligibility determinations for the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

“(II) PROCEDURES.—Subject to clause (iv), the agreement shall establish procedures under which a child who is a member of a household receiving assistance under the program referred to in subclause (I) shall be certified as eligible for free meals under this Act, without further application.

“(III) DIRECT CERTIFICATION.—Subject to clause (iv), under the agreement, the local educational agency conducting eligibility determinations for a school meal program conducted under this Act shall certify a child who is a member of a household receiving assistance under the program referred to in subclause (I) as eligible for free meals under this Act without further application.

“(IV) NOTICE.—The appropriate local educational agency shall provide annually to the parents or guardians of all students who are members of a household receiving assistance under the program referred to in subclause (I), notification, in an understandable and uniform format, and, to the extent practicable, in a language that parents can understand, that any school-aged child in that household is eligible for free lunches or breakfasts.

“(iii) DIRECT CERTIFICATION OF CHILDREN IN OTHER HOUSEHOLDS.—Subject to clause (iv), any local educational agency may certify any child as eligible for free lunches or breakfasts, without further application, by directly communicating with the appropriate State or local agency to obtain documentation of such child's status as a migratory child, as such term is defined in section 1309(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399(2)), or a member of a family that is receiving assistance under a State program funded under part A of title IV of the Social Security Act if the Secretary determines the State program complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995.

“(iv) DISCLOSURE OF INFORMATION.—The use or disclosure of any information obtained from an application for free or reduced price meals, or from a State or local agency referred to in clauses (ii) and (iii), shall be limited to—

“(I) a person directly connected with the administration or enforcement of this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), or a regulation issued pursuant to either Act;

“(II) a person directly connected with the administration or enforcement of—

“(aa) a Federal education program;

“(bb) a State health or education program administered by the State or local educational agency (other than a program carried out under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.); or

“(cc) a Federal, State, or local means-tested nutrition program with eligibility standards comparable to the program under this section;

“(III)(aa) the Comptroller General of the United States for audit and examination authorized by any other provision of law; and

“(bb) notwithstanding any other provision of law, a Federal, State, or local law enforcement official for the purpose of investigating an alleged violation of any program requirements under paragraph (1) or this paragraph; and

“(IV) a person directly connected with the administration of the State Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or the State children's health insurance program under title XXI of that Act (42 U.S.C. 1397aa et seq.) solely for the purpose of identifying children eligible for benefits under, and enrolling children in, such programs, except that this subclause shall apply only to the extent that the State and the local educational agency so elect.

“(v) LIMITATION.—Information provided under clause (iv)(II) shall be limited to the income eligibility status of the child for whom application for free or reduced price meal benefits was made or for whom eligibility information was provided under clause (ii) or (iii), unless the consent of the parent or guardian of the child for whom application for benefits was made is obtained.

“(vi) PENALTY FOR UNAUTHORIZED DISCLOSURE.—A person described in clause (iv) who publishes, divulges, discloses, or makes known in any manner, or to any extent not authorized by Federal law (including a regulation), any information obtained under this subsection shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

“(vii) REQUIREMENTS FOR WAIVER OF CONFIDENTIALITY.—A State that elects to exercise the option described in clause (iv)(IV) shall ensure that any local educational agency acting in accordance with that option—

“(I) has a written agreement with the State or local agency or agencies administering health insurance programs for children under titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.) that requires the health agencies to use the information obtained under clause (iv) to seek to enroll children in those health insurance programs; and

“(II)(aa) notifies each household, the information of which shall be disclosed under clause (iv), that the information disclosed will be used only to enroll children in health programs referred to in clause (iv)(IV); and

“(bb) provides each parent or guardian of a child in the household with an opportunity to elect not to have the information disclosed.

“(viii) USE OF DISCLOSED INFORMATION.—A person to which information is disclosed under clause (iv)(IV) shall use or disclose the information only as necessary for the purpose of enrolling children in health programs referred to in clause (iv)(IV).

“(D) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a local educational agency shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the local educational agency. A routine change in the policy of a local educational agency, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the local educational agency to submit a policy statement.”.

(b) CONFORMING AMENDMENT.—Section 9(b)(6)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(6)(B) is amended by inserting “, or documentation showing the child's status as a migratory child, as such term is defined in section 1309(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399(2))” after “subparagraph (A)(iii)”.

SEC. 202. DURATION OF ELIGIBILITY FOR FREE AND REDUCED PRICE LUNCHES.

Section 9(b)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(3)) is amended to read as follows:

“(3) Eligibility for free and reduced price lunches.—

“(A) Free lunches.—Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate which does not exceed the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), shall be served a free lunch.

“(B) Reduced price lunches.—

“(i) In general.—Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate greater than the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), but less than or equal to the applicable family size income level of the income eligibility guidelines for reduced price lunches, as determined under paragraph (1), shall be served a reduced price lunch.

“(ii) Maximum price.—The price charged for a reduced price lunch shall not exceed 40 cents.

“(C) Duration.—Except as otherwise specified in section 11(a) or section 9(b)(2)(C)(i)(IV), eligibility for free or reduced price meals for any school year shall remain in effect—

“(i) beginning on the date of eligibility approval for the current school year; and

“(ii) ending on the date of the beginning of school in the subsequent school year or as otherwise specified by the Secretary.”.

SEC. 203. CERTIFICATION BY LOCAL EDUCATIONAL AGENCIES.

(a) Certification by Local Educational Agency.—Section 9 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758) is further amended—

(1) in subsection (b)(5), by striking “Local school authorities” and inserting “Local educational agencies”; and

(2) in subsection (d)(2)—

(A) by striking “local school food authority” each place it appears and inserting “local educational agency”; and

(B) in subparagraph (A), by striking “such authority” and inserting “the local educational agency”.

(b) Definition of Local Educational Agency.—Section 12(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760(d)) is amended—

(1) by redesignating paragraphs (3) through (8) as paragraphs (4) through (9), respectively; and

(2) by inserting after paragraph (2) the following:

“(3) Local educational agency.—

“(A) In general.—The term ‘local educational agency’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

“(B) Inclusion.—The term ‘local educational agency’ includes, in the case of a private nonprofit school food authority, an appropriate entity determined by the Secretary.”.

(c) School Breakfast Program.—Section 4(b)(1)(E)) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)(E)) is amended by striking “school food authority” each place it appears and inserting “local educational agency”.

SEC. 204. COMPLIANCE AND ACCOUNTABILITY.

Section 22 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c) is amended by inserting “and local educational agencies” after “food service authorities” each place it appears.

SEC. 205. TECHNOLOGY IMPROVEMENT.

(a) Priority for Reallocated Funds.—Section 7(a)(5)(B)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)(B)(ii)) is amended by inserting the following new sentence at the end: “The Secretary shall give special consideration to States that will use the funds for improvements in technology and information management systems described in subsection (e)(2).”.

(b) Conforming Amendment.—Section 7(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(b)) is amended by striking “and for staff development” and inserting “for staff development; and technology and information management systems”.

SEC. 206. MINIMUM STATE ADMINISTRATIVE EXPENSE GRANTS.

Section 7(a) of the Child Nutrition Act (42 U.S.C. 1776(a)(1)) is further amended—

(1) by striking the heading and all that follows through paragraph (1), and inserting the following:

“SEC. 7. STATE ADMINISTRATIVE EXPENSES.

“(a) Amount and Allocation of Funds.—

“(1) Amount available.—

“(A) In general.—Except as provided in subparagraph (B), each fiscal year the Secretary shall make available to the States for their Administrative costs an amount equal to not less than 1½ percent of the Federal funds expended under sections 4, 11, 17, and 17A of the Richard B. Russell National School Lunch Act (42 U.S.C. 1753, 1759*a*) 1766, and 1766*a*)) and sections 3 and 4 of this Act during the second preceding fiscal year.

“(B) Minimum amount.—In the case of each of fiscal years 2005 through 2007, the Secretary shall make available to each State for their administrative costs not less than the initial allocation made to the State under this subsection for fiscal year 2004.

“(C) Allocation.—The Secretary shall allocate the funds so provided in accordance with paragraphs (2), (3), and (4) of this subsection.

“(D) Authorization of appropriations.—There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.”; and

(2) in paragraph (2), by striking “$100,000” and inserting “$200,000”.

SEC. 207. DISTRICT-WIDE ELIGIBILITY FOR SPECIAL ASSISTANCE.

Section 11(a)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1759a(a)(1)) is amended—

(1) in subparagraph (C)—

(A) in clause (i)—

(i) by inserting “or school district” after “in the case of any school”;

(ii) by inserting “or school district” after “in the school” both times it appears;

(iii) by inserting “or school district” after “in the case of a school”; and

(iv) by inserting “or school district” after “with respect to the school”;

(B) in clause (ii)—

(i) by inserting “or school district” after “served by a school”; and

(ii) by inserting “or school district” after “served by the school”; and

(C) in clause (iii) by inserting “or school district” after “a school”;

(2) in subparagraph (D)—

(A) in clause (i)—

(i) by inserting “or school district” after “any school”; and

(ii) by inserting “or school district” after “the school”;

(B) in clause (ii)—

(i) by inserting “or school district” after “A school”; and

(ii) by inserting “or school district” after “the school”;

(C) in clause (iii)—

(i) by inserting “or school district” after “a school”; and

(ii) by inserting “or school district” after “the school”; and

(D) in clause (iv) by inserting “or school district” after “levels, a school”; and

(3) in subparagraph (E)—

(A) in clause (i)—

(i) by inserting “or school district” after “In the case of any school”;

(ii) by inserting “or school district” after “in the school” both times it appears;

(iii) by inserting “or school district” after “in the case of a school”;

(iv) by inserting “or school district” after “with respect to the school”;

(v) by inserting “or school district” after “received by the school”; and

(vi) by inserting “or school district” after “for which the school”; and

(B) in clause (ii)—

(i) by inserting “or school district” after “A school”;

(ii) by inserting “or school district” after “for which the school” both times it appears; and

(iii) by inserting “or school district” after “population of the school” both times it appears.

SEC. 208. ADMINISTRATIVE ERROR REDUCTION.

(a) Federal Support for Training and Technical Assistance.—Section 21 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b-1) is amended—

(1) by redesignating subsection (e) as subsection (g); and

(2) by inserting after subsection (d) the following:

“(e) Administrative Training and Technical Assistance Materials.—In collaboration with State educational agencies, school food authorities, and local educational agencies of varying sizes, the Secretary shall develop and distribute training and technical assistance materials relating to the administration of school meal programs that are—

“(1) prepared by the Secretary (based on research or other sources), a State educational agency, a school food authority, or a local educational agency; and

“(2) representative of the best management and administrative practices of State agencies, school food authorities, and local educational agencies as determined by the Secretary.

“(f) Federal Administrative Support.—

“(1) Funding.—

“(A) In general.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subsection—

“(i) on October 1, 2004 and October 1, 2005, $3,000,000; and

“(ii) on October 1, 2006, and October 1, 2007, $2,000,000.

“(B) Receipt and acceptance.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subsection the funds transferred under subparagraph (A), without further appropriation.

"(C) AVAILABILITY OF FUNDS.—Funds transferred under subparagraph (A) shall remain available until expended.

"(2) USE OF FUNDS.—The Secretary may use funds provided under this subsection—

"(A) to provide training and technical assistance related to administrative practices designed to improve program integrity and administrative accuracy in school meals programs (including administrative requirements established by the Child Nutrition Improvement and Integrity Act and amendments made by that Act) to State educational agencies and, to the extent determined by the Secretary, to school food authorities and local educational agencies;

"(B) to assist State educational agencies in reviewing the administrative practices of school food authorities, to the extent determined by the Secretary; and

"(C) to carry out the activities described in subsection (e).".

(b) SELECTED ADMINISTRATIVE REVIEWS.—Section 22(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c(b)) is amended by adding at the end the following:

"(3) ADDITIONAL REVIEW REQUIREMENT FOR SELECTED LOCAL EDUCATIONAL AGENCIES.—

"(A) DEFINITION OF SELECTED LOCAL EDUCATIONAL AGENCY.—In this paragraph, the term 'selected local educational agency' means a local educational agency that has a demonstrated a high level of, or a high risk for, administrative error, as determined by the Secretary.

"(B) ADDITIONAL ADMINISTRATIVE REVIEW.—In addition to any review required by subsection (a) or paragraph (1), each State educational agency shall conduct an administrative review of each selected local educational agency during the review cycle established under subsection (a).

"(C) SCOPE OF REVIEW.—In carrying out a review under subparagraph (B), a State educational agency shall only review the administrative processes of a selected local educational agency, including application, certification, verification, meal counting, and meal claiming procedures.

"(D) RESULTS OF REVIEW.—If the State educational agency determines (on the basis of a review conducted under subparagraph (B)) that a selected local educational agency fails to meet performance criteria established by the Secretary, the State educational agency shall—

"(i) require the selected local educational agency to develop and carry out an approved plan of corrective action;

"(ii) except to the extent technical assistance is provided directly by the Secretary, provide technical assistance to assist the selected local educational agency in carrying out the corrective action plan; and

"(iii) conduct a follow-up review of the selected local educational agency under standards established by the Secretary.

"(4) RECOVERING FUNDS AFTER ADMINISTRATIVE REVIEWS.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), if the local educational agency fails to meet administrative performance criteria established by the Secretary in both an initial review and a follow-up review under paragraph (1) or (3) or subsection (a), the Secretary may require the State educational agency to recover funds from the local educational agency that would otherwise be paid to the school food authority or local educational agency for school meals programs under procedures prescribed by the Secretary.

"(B) AMOUNT.—The amount of funds recovered under subparagraph (A) shall equal the value of any overpayments made to the school food authority or local educational agency as a result of an erroneous claim during the time period described in subparagraph (C).

"(C) TIME PERIOD.—The period for determining the value of any such overpayments under subparagraph (B) shall be the period—

"(i) beginning on the date the erroneous claim was made; and

"(ii) ending on the earlier of the date the erroneous claim is corrected or—

"(I) in the case of the first review conducted by the State educational agency of the local educational agency under this section after July 1, 2005, the date that is 60 days after the beginning of the period under clause (i); or

"(II) in the case of any subsequent review conducted by the State educational agency of the local educational agency under this section, the date that is 90 days after the beginning of the period under clause (i).

"(5) USE OF RECOVERED FUNDS.—

"(A) IN GENERAL.—Subject to subparagraph (B), funds recovered under paragraph (4) shall—

"(i) be returned to the Secretary under procedures established by the Secretary, and may be used—

"(I) to provide training and technical assistance related to administrative practices designed to improve program integrity and administrative accuracy in school meals programs (including administrative requirements established by the Child Nutrition Improvement and Integrity Act and amendments made by that Act) to State educational agencies and, to the extent determined by the Secretary, to school food authorities and local educational agencies;

"(II) to assist State educational agencies in reviewing the administrative practices of school food authorities, to the extent determined by the Secretary; and

"(III) to carry out section 21(e); or

"(ii) be credited to the child nutrition programs appropriation account.

"(B) STATE SHARE.—Subject to subparagraph (C), a State educational agency may retain not more than 25 percent of an amount recovered under paragraph (4), to carry out school meals program integrity initiatives to assist school food authorities and local educational agencies that have repeatedly failed (as determined by the Secretary) to meet administrative performance criteria.

"(C) REQUIREMENT.—To be eligible to retain funds under subparagraph (B), a State educational agency shall—

"(i) submit to the Secretary a plan describing how the State educational agency will use the funds to improve school meals program integrity, including measures to give priority to school food authorities and local educational agencies from which funds were retained under paragraph (4); and

"(ii) obtain the approval of the Secretary for the plan.".

(c) TRAINING AND TECHNICAL ASSISTANCE.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) in subsection (e)—

(A) by striking "(e) Each" and inserting the following:

"(e) PLANS FOR USE OF ADMINISTRATIVE EXPENSE FUNDS.—

"(1) IN GENERAL.—Each"; and

(B) by striking "After submitting" and all that follows through "change in the plan.", and inserting the following:

"(2) UPDATES AND INFORMATION MANAGEMENT SYSTEMS.—After submitting the initial plan, a State shall be required to submit to the Secretary for approval only a substantive change in the plan. Each State plan shall at a minimum include a description of how technology and information management systems will be used to improve program integrity by—

"(A) monitoring the nutrient content of meals served;

"(B) training schools and school food authorities how to utilize technology and information management systems for activities such as menu planning, collecting point of sale data, processing applications for free and reduced price meals and verifying eligibility for free and reduced price meals using existing databases to access program participation or income data collected by State or local educational agencies; and

"(C) using electronic data to establish benchmarks to compare and monitor program integrity, program participation, and financial data across schools and school food authorities.

"(3) TRAINING AND TECHNICAL ASSISTANCE.—Each State shall submit to the Secretary for approval a plan describing the manner in which the State intends to implement subsection (g) and section 22(b)(3) of the Richard B. Russell National School Lunch Act (as added by section 208 of the Child Nutrition Improvement and Integrity Act).";

(2) by redesignating subsection (g) as subsection (i); and

(3) by inserting after subsection (f) the following:

"(g) STATE TRAINING.—

"(1) IN GENERAL.—At least annually, each State shall provide training in administrative practices (including training in application, certification, verification, meal counting, and meal claiming procedures) to school food authority administrative personnel and other appropriate personnel, with emphasis on the requirements established by the Child Nutrition Improvement and Integrity Act and the amendments made by that Act.

"(2) FEDERAL ROLE.—The Secretary shall—

"(A) provide training and technical assistance (including training materials and information developed under subsections (e) and (f) of section 21 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b-1)) to a State to assist the State in carrying out paragraph (1); or

"(B) at the option of the Secretary, directly provide training and technical assistance described in paragraph (1).

"(3) THIRD-PARTY CONTRACTING.—In carrying out this subsection, the Secretary or a State may contract with a third party under procedures established by the Secretary.

"(4) REQUIRED PARTICIPATION.—Under procedures established by the Secretary that consider the various needs and circumstances of school food authorities, each school food authority or local educational agency shall ensure that an individual conducting or overseeing administrative procedures described in paragraph (1) receives training at least annually, unless determined otherwise by the Secretary.

"(h) FUNDING FOR TRAINING AND ADMINISTRATIVE REVIEWS.—

"(1) FUNDING.—

"(A) IN GENERAL.—On October 1, 2004, and on each October 1 thereafter, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subsection $4,000,000, to remain available until expended.

"(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subsection the funds transferred under subparagraph (A), without further appropriation.

"(2) USE OF FUNDS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall use funds provided under this subsection to assist States in carrying out subsection (g) and administrative reviews of selected school food authorities and local educational agencies under section 22(b)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c(b)(3)).

"(B) EXCEPTION.—The Secretary may retain a portion of the amount provided to cover costs of activities carried out by the Secretary in lieu of the State.

"(3) ALLOCATION.—The Secretary shall allocate funds provided in this subsection to States based on the number of local educational agencies that have demonstrated a high level of or a high risk for administrative error, as determined by the Secretary, taking into account the requirements established by the Child Nutrition Improvement and Integrity Act and the amendments made by that Act.

"(4) REALLOCATION.—The Secretary may reallocate, to carry out this section, any amounts made available to carry out this subsection that are not obligated or expended, as determined by the Secretary.".

TITLE III—PROMOTING NUTRITION QUALITY AND PREVENTING CHILDHOOD OBESITY

SEC. 301. LOCAL SCHOOL WELLNESS POLICY.

Not later than the first day of the school year beginning after June 30, 2006, local educational agencies participating in the programs authorized by the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall establish a local school wellness policy for such local agency that at a minimum—

(1) includes goals for nutrition education, physical activity and other school-based activities designed to promote student wellness that the local educational agency determines are appropriate;

(2) includes nutrition guidelines selected by the local educational agencies for all foods available on school campus during the school day with the objective of promoting student health and reducing childhood obesity;

(3) provides an assurance that guidelines for reimbursable school meals shall not be less restrictive than regulations and guidance issued by the Secretary pursuant to section 10(a) and (b) of the Child Nutrition Act (42 U.S.C. 1779(a) and (b)) and section 9(f)(1) and section 17(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(f)(1) and 1766(a)), as those regulations and guidance apply to schools;

(4) establishes a plan for ensuring implementation of the local wellness policy, including designation of a person or persons within the local educational agency, or at each school as appropriate, charged with operational responsibility for ensuring that such school meets the local wellness policy; and

(5) involves parents, students, representatives of the school food authority, the school board, school administrators, and public in the development of the school wellness policy.

SEC. 302. SUPPORTING NUTRITION EDUCATION, IMPROVING MEAL QUALITY, AND ACCESS TO LOCAL FOODS.

Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended—

(1) by amending subsection (b) to read as follows:

"(b) PURPOSE.—It is the purpose of this section to support effective nutrition education through assistance to State agencies, schools, and nonprofit entities for Team Nutrition and other nutrition education projects that improve student understanding of healthful eating patterns, including an awareness and understanding of the Dietary Guidelines for Americans, the quality of school meals and access to local foods in schools and institutions operating programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and section 4 of this Act.";

(2) by striking subsections (c) through (h) and inserting after subsection (b) the following:

"(c) TEAM NUTRITION NETWORK.—

"(1) PURPOSE.—The purpose of the Team Nutrition Network is to—

"(A) promote the nutritional health of the Nation's school children through nutrition education, physical activity and other activities that support healthy lifestyles for children based on the Dietary Guidelines for Americans, issued jointly by the Secretary of Agriculture and the Secretary of Health and Human Services, and the physical fitness guidelines issued by the Secretary of Health and Human Services;

"(B) provide assistance to States for the development of State-wide, comprehensive, and integrated nutrition education and physical fitness programs; and

"(C) provide training and technical assistance to States, school and community nutrition programs, and child nutrition food service professionals.

"(2) STATE COORDINATOR.—The State Team Nutrition Network Coordinator shall—

"(A) administer and coordinate a comprehensive integrated statewide nutrition education program; and

"(B) coordinate efforts with the Food and Nutrition Service and State agencies responsible for children's health programs.

"(3) TEAM NUTRITION NETWORK.—Subject to the availability or appropriations to carry out this subsection, the Secretary, in consultation with the Secretary of Education, shall, on a competitive basis, provide assistance to States for the purpose of creating model nutrition education and physical activity programs, consistent with current dietary and fitness guidelines, for students in elementary schools and secondary schools.

"(4) REQUIREMENTS FOR STATE PARTICIPATION.—To be eligible to receive assistance under this subsection, a State Coordinator shall submit an application to the Secretary at such time, an in such manner, and containing such information as the Secretary may require, including—

"(A) a description of how the proposed nutrition and physical activity program will promote healthy eating and physical activity and fitness and address the health and social consequences of children who are at risk of becoming overweight or obese;

"(B) information describing how nutrition activities are to be coordinated at the State level with other health activities conducted by education, health and agriculture agencies;

"(C) information describing how initiatives to promote physical activity are to be coordinated at the State level with other initiatives to promote physical activity conducted by education, health, and parks and recreation agencies;

"(D) a description of the consultative process that the State Coordinator employed in the development of the model nutrition and physical activity programs, including consultations with individuals and organizations with expertise in promoting public health, nutrition, or physical activity, and organizations representing the agriculture, food and beverage, fitness, and sports and recreation industries;

"(E) a description of how the State Coordinator will evaluate the effectiveness of its program; and

"(F) a description of how any and all communications to parents and guardians of all students who are members of a household receiving or applying for assistance under the program shall be in an understandable and uniform format, and, to the extent practicable, in a language that parents can understand.

"(5) DURATION.—Subject to the availability of funds made available to carry out this subsection, a State Coordinator shall conduct the project for a period of 3 successive school years.

"(6) AUTHORIZED ACTIVITIES.—An eligible applicant that receives assistance under this subsection may use funds to carry out one or more of the following activities—

"(A) collecting, analyzing, and disseminating data regarding the extent to which children and youth in the State are overweight or physically inactive and the programs and services available to meet those needs;

"(B) developing and implementing model elementary and secondary education curricula to create a comprehensive, coordinated nutrition and physical fitness awareness and obesity prevention program;

"(C) developing and implementing pilot programs in schools to increase physical activity and to enhance the nutritional status of students, including through the increased consumption of fruits and vegetables, whole grains, and lowfat dairy products;

"(D) developing and implementing State guidelines in health, which include nutrition education, and physical education and emphasize regular physical activity during school hours;

"(E) collaborating with community based organizations, volunteer organizations, State medical associations, and public health groups to develop and implement nutrition and physical education programs targeting lower income children, ethnic minorities, and youth at a greater risk for obesity;

"(F) collaborating with public or private organizations that have as a mission the raising of public awareness of the importance of a balanced diet and an active lifestyle; and

"(G) providing training and technical assistance to teachers and school food service professionals consistent with the purpose of this section.

"(7) LIMITATION.—Materials prepared under this subsection regarding agricultural commodities, food, or beverages must be factual and without bias.

"(8) REPORT.—Within 18 months of completion of the projects and the evaluations, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Agriculture, Nutrition and Forestry of the Senate a report describing the results of the evaluation of the demonstration programs and shall make such reports available to the public, including through the Internet.

"(9) INDEPENDENT EVALUATION.—

"(A) IN GENERAL.—The Secretary shall enter into an agreement with an independent, non-partisan science-based research organization to conduct a comprehensive independent evaluation of the effectiveness of the Team Nutrition initiative and the Team Nutrition Network authorized by this subsection and to identify best practices in—

"(i) improving student understanding of healthful eating patterns;

"(ii) engaging students in regular physical activity and improving physical fitness;

"(iii) reducing diabetes and obesity rates in school children;

"(iv) improving student nutrition behaviors on the school campus including healthier meal choices evidenced by greater inclusion of fruits, vegetables, whole grains, and lean dairy and protein in meal and snack selections;

"(v) providing training and technical assistance for food service professionals resulting in the availability of healthy meals that appeal to ethnic and cultural taste preferences;

"(vi) linking meals programs to nutrition education activities; and

"(vii) successfully involving school administrators, the private sector, public health agencies, non-profit organizations, and other community partners.

"(B) REPORT.—Not later than October 1, 2007, the Secretary shall transmit the findings of the independent evaluation to the Committee on Education and the Workforce of the House of Representatives, the Committee on Health, Education, Labor, and Pensions and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(d) LOCAL NUTRITION AND PHYSICAL ACTIVITY PROJECT.—

"(1) IN GENERAL.—Subject to the availability of appropriations to carry out this subsection, the Secretary, in consultation with the Secretary of Education, shall provide assistance to not more than 100 local educational agencies, at least one per State, for the establishment of pilot projects for purposes of promoting healthy eating habits and increasing physical activity, consistent with the Dietary Guidelines for Americans issued jointly by the Secretary of Agriculture and the Secretary of Health and Human Services, among elementary and secondary education students.

"(2) REQUIREMENT FOR PARTICIPATION IN PILOT PROJECT.—To be eligible to receive assistance under this subsection, a local educational agency shall, in consultation with individuals who possess education or experience appropriate for representing the general field of public health, including nutrition and fitness professionals, submit to the Secretary an application that shall include—

"(A) a description of the local educational agency's need for nutrition and physical activity programs;

"(B) a description of how the proposed project will improve health and nutrition through education and increased access to physical activity;

"(C) a description of how funds under this subsection will be coordinated with other programs under this Act, the Richard B. Russell National School Lunch Act, or other Acts, as appropriate, to improve student health and nutrition;

"(D) a statement of the local educational agency's measurable goals for nutrition and physical education programs and promotion;

"(E) a description of how the proposed project will be aligned with the local wellness policy required under the Act;

"(F) a description of the procedures the agency will use for assessing and publicly reporting progress toward meeting those goals; and

"(G) a description of how communications to parents and guardians of participating students regarding the activities under this subsection shall be in an understandable and uniform format, and, to the extent practicable, in a language that parents can understand.

"(3) DURATION.—Subject to the availability of funds made available to carry out this subsection, a local educational agency receiving assistance under this subsection shall conduct the project during a period of 3 successive school years.

"(4) AUTHORIZED ACTIVITIES.—An eligible applicant that receives assistance under this subsection—

"(A) shall use funds provided to—

"(i) promote healthy eating through the development and implementation of nutrition education programs and curricula based on the Dietary Guidelines for Americans; and

"(ii) increase opportunities for physical activity through after school programs, athletics, intramural activities, and recess; and

"(B) may use funds provided to—

"(i) educate parents and students about the relationship of a poor diet and inactivity to obesity and other health problems;

"(ii) develop and implement physical education programs that promote fitness and lifelong activity;

"(iii) provide training and technical assistance to food service professionals to develop nutritious, more appealing menus and recipes;

"(iv) incorporate nutrition education into physical education, health education, and after school programs, including athletics;

"(v) involve parents, nutrition professionals, food service staff, educators, community leaders, and other interested parties in assessing the food options in the school environment and developing and implementing an action plan to promote a balanced and healthy diet;

"(vi) provide nutrient content or nutrition information on meals served through the school lunch or school breakfast programs and items sold a la carte during meal times;

"(vii) encourage the increased consumption of a variety of healthy foods through new initiatives such as salad bars and fruit bars; and

"(viii) provide nutrition education, including sports nutrition education, for teachers, coaches, food service staff, athletic trainers, and school nurses.

"(5) LIMITATION.—Materials prepared under this subsection regarding agricultural commodities, food, or beverages must be factual and without bias.

"(6) REPORT.—Within 18 months of completion of the projects and evaluations, the Secretary shall transmit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Agriculture, Nutrition and Forestry of the Senate a report describing the results of the evaluation of the pilot projects and shall make such reports available to the public, including through the Internet.

"(e) NUTRITION EDUCATION SUPPORT.—

"(1) IN GENERAL.—In carrying out the purpose of this section to support nutrition education, the Secretary may provide for technical assistance and grants to improve the quality of school meals and access to local foods in schools and institutions.

"(2) SCHOOL MEALS INITIATIVE.—The Secretary may provide assistance to enable State educational agencies to—

"(A) implement the recommendations of the Secretary's School Meals Initiative for Healthy Children;

"(B) increase the consumption of fruits, vegetables, low-fat dairy products, and whole grains;

"(C) reduce saturated fat and sodium in school meals;

"(D) improve school nutritional environments; and

"(E) conduct other activities that aid schools in carrying out the Secretary's School Meals Initiative for Healthy Children.

"(3) ACCESS TO LOCAL FOODS.—The Secretary may provide assistance, through competitive matching grants and technical assistance, to schools and nonprofit entities for projects that—

"(A) improve access to local foods in schools and institutions participating in programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and Section 4 of this Act through farm-to-cafeteria activities that may include the acquisition of food and appropriate equipment and the provision of training and education;

"(B) are, at a minimum, designed to procure local foods from small- and medium-sized farms for school meals;

"(C) support nutrition education activities or curriculum planning that incorporates the participation of schoolchildren in farm and agriculture education activities;

"(D) develop a sustained commitment to farm-to-cafeteria projects in the community by linking schools, agricultural producers, parents, and other community stakeholders;

"(E) require $100,000 or less in Federal contributions;

"(F) require a Federal share of costs not to exceed 75 percent;

"(G) provide matching support in the form of cash or in kind contributions (including facilities, equipment, or services provided by State and local governments and private sources); and

"(H) cooperate in an evaluation to be carried out by the Secretary."; and

(3) by redesignating subsection (i) as subsection (f), and amending paragraph (1) of such subsection to read as follows:

"(1) IN GENERAL.—There is authorized to be appropriated such sums as may be necessary for carrying out this section for fiscal years 2004 through 2008.".

SEC. 303. FRUITS AND VEGETABLE COMMODITIES.

Section 6(c)(1)(D) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(c)(1)(D)) is amended by inserting ", and fruits and vegetables" before the period.

SEC. 304. FLUID MILK.

Section 9(a)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(a)(2)) is amended to read as follows:

"(2) FLUID MILK.—

"(A) IN GENERAL.—Lunches served by schools participating in the school lunch program under this Act—

"(i) shall offer students fluid milk in a variety of fat contents;

"(ii) may offer students flavored and unflavored fluid milk and lactose-free fluid milk; and

"(iii) shall provide a substitute for fluid milk for students whose disability restricts their diet, upon receipt of a written statement from a licensed physician that identifies the disability that restricts the student's diet and that specifies the substitute for fluid milk.

“(B) Substitutes.—

“(i) Standards for substitution.—Schools may substitute for the fluid milk provided under subparagraph (A), a nondairy beverage that is nutritionally equivalent to fluid milk and meets nutritional standards as established by the Secretary (which shall, among other requirements to be determined by the Secretary, include fortification of calcium, protein, vitamin A, and vitamin D to levels found in cow's milk) for students who cannot consume fluid milk because of a medical or other special dietary need other than a disability described in subparagraph (A)(iii).

“(ii) Notice.—Such substitutions may be made if the school notifies the State agency that it is implementing a variation allowed under this subparagraph, and if such substitution is requested by written statement of a medical authority or by a student's parent or legal guardian that identifies the medical or other special dietary need that restricts the student's diet, provided that the school shall not be required to provide beverages other than those it has identified as acceptable substitutes.

“(iii) Excess expenses borne by the school district.—Expenses incurred in providing substitutions pursuant to this subparagraph that are in excess of those covered by reimbursements under this Act shall be paid by the school district.

“(C) Restrictions on sale of milk prohibited.—A school or institution that participates in the school lunch program under this Act shall not directly or indirectly restrict the sale or marketing of fluid milk products by the school (or by a person approved by the school) at any time or any place—

“(i) on the school premises; or

“(ii) at any school-sponsored event.”.

SEC. 305. WAIVER OF REQUIREMENTS FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS.

Section 9(f)(5) of the Richard B. Russell National School Lunch Act (42 U.S.C 1758(f)(5)) is amended to read as follows:

“(5) Waiver of requirements for weighted averages for nutrient analysis.—State educational agencies may grant waivers to school food authorities to the requirement for weighted averages for nutrient analysis of menu items and foods offered or served as part of a meal offered or served under the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) if—

“(A) the school food authority has an equivalent system for conducting a nutrient analysis, subject to State agency approval; and

“(B) the equivalent system adequately documents the extent to which the school food authority is meeting the Dietary Guidelines for Americans and other nutrition standards. In addition, the Secretary may waive, on a case by case basis, the requirement for a State agency to use weighted averages when conducting a nutrient analysis as part of a review (of compliance with the Dietary Guidelines and other nutrition standards) of a school food authority not using nutrient standard menu planning, when, in the Secretary's determination, an alternative analysis would yield results that would adequately measure a school food authority's compliance with current nutrition standards for school meals.”.

SEC. 306. WHOLE GRAINS.

Not later than 18 months after the date of enactment of this Act, the Secretary shall promulgate rules, based on Federal nutrition guidelines, to increase the presence of whole grains in foods offered in school nutrition programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

SEC. 307. FRUIT AND VEGETABLE PILOT PROGRAM.

Section 18(g) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) is amended—

(1) in paragraph (1), by striking “In the school year beginning” and inserting “Beginning”;

(2) by striking paragraph (3) and redesignating paragraphs (2) and (4) as paragraphs (5) and (6), respectively, and inserting after paragraph (1) the following:

“(2) Additional states.—In addition to the States participating under subsection (1), the Secretary shall make available free fresh and dried fruits and fresh vegetables to students in 25 elementary or secondary schools in each State or Indian reservation selected for participation.

“(3) Selection of schools.—In selecting additional schools to participate in the pilot program under paragraph (2) of this subsection, the Secretary shall—

“(A) to the maximum extent practicable, ensure that the majority of schools selected are those in which not less than 50 percent of students are eligible for free or reduced price meals under this Act;

“(B) solicit applications from interested schools that include—

“(i) information pertaining to the percentage of students enrolled in the school submitting the application who are eligible for free or reduced price school lunches under this Act;

“(ii) a certification of support for participation in the pilot program signed by the school food manager, the school principal, and the district superintendent (or their equivalent positions, as determined by the school); and

“(iii) a plan for implementation of the pilot program that includes a partnership with an entity or entities of the fruit and vegetable industry, which shall contribute not less than 15 percent, in cash or in kind, for the acquisition, handling, promotion, and distribution of fresh and dried fruits and fresh vegetables provided under this program; and

“(iv) such other information as may be requested by the Secretary; and

“(C) for each application received, determine whether the application is from a school in which not less than 50 percent of students are eligible for free or reduced price meals under this Act.

“(4) Special rule.—Schools participating in the program described in paragraph (1) shall receive a priority in the receipt of assistance under this subsection and shall not be subject to the requirements of paragraph (3).”; and

(3) by amending paragraph (6) (as redesignated by this section) to read as follows:

“(6) Authorization of appropriations.—There is authorized to be appropriated $11,000,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008, to carry out this subsection.”.

TITLE IV—IMPROVING THE WOMEN, INFANTS, AND CHILDREN PROGRAM

SEC. 401. DEFINITION OF NUTRITION EDUCATION.

Section 17(b)(7) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(7)) is amended—

(1) by inserting “and physical activity” after “dietary habits”; and

(2) by striking “nutrition and health” and inserting “nutrition, health, and child development”.

SEC. 402. DEFINITION OF SUPPLEMENTAL FOODS.

Section 17(b)(14) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(14)) is amended by inserting after “children” the following: “and foods that promote the health of the population served by the program authorized by this section, as indicated by relevant nutrition science, public health concerns, and cultural eating patterns”.

SEC. 403. IMPROVING CERTIFICATION.

(a) Certification of Women Who Are Breastfeeding.—Section 17(d)(3)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)(A)) is amended by adding at the end the following: “A State may certify breast-feeding women for up to 1 year, or until women stop breast-feeding, whichever is earlier.”

(b) Physical Presence Requirement.—Section 17(d)(3)(C)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)(C)(ii)) is amended—

(1) in subclause (I)(bb), by striking “from a provider other than the local agency; or” and inserting a semicolon;

(2) in subclause (II)(cc), by striking the period at the end and inserting “; and”; and

(3) by inserting after subclause (II) the following:

“(III) an infant under 8 weeks of age—

“(aa) who cannot be present at certification for a reason determined appropriate by the local agency; and

“(bb) for whom all necessary certification information is provided.”.

(c) Processing Applications Under Special Circumstances.—Section 17(f)(1)(C) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)) is amended by—

(1) redesignating clauses (ix) and (x) as clauses (x) and (xi), respectively; and

(2) inserting after clause (viii) the following:

“(ix) procedures whereby a State agency may accept and process vendor applications outside of the established time-frames, such as in situations in which a previously authorized vendor changes ownership under circumstances that do not permit timely notification to the State agency of such change in ownership;”.

(d) Rescheduling Policies.—Section 17(f)(19) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(19)) is amended—

(1) in subparagraph (A), by striking “; and” and inserting a semicolon;

(2) in subparagraph (B), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(C) require local agencies that schedule certification appointments to permit an applicant or participant to reschedule an appointment to apply or be recertified for the program.”.

SEC. 404. REVIEWS OF AVAILABLE SUPPLEMENTAL FOODS.

(a) Scientific Review.—Section 17(f)(11) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(11)) is amended to read as follows:

“(11)(A) The Secretary shall prescribe by regulations the supplemental foods to be made available in the program under this section. To the degree possible the Secretary shall assure that the fat, sugar, and salt content of the prescribed foods is appropriate.

"(B) Beginning in 2013 and every 10 years thereafter, or more frequently if determined by the Secretary to be necessary to reflect current scientific knowledge, the Secretary shall conduct a scientific review of the supplemental foods available in the program and recommend, as necessary, changes to reflect nutrition science, current public health concerns, and cultural eating patterns.".

(b) Rulemaking.—The Secretary shall promulgate a final rule updating the prescribed supplemental foods available through the program authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) within 18 months of receiving the review of the food package for such program undertaken by the National Academy of Sciences, Institute of Medicine in September 2003.

SEC. 405. NOTIFICATION OF VIOLATIONS AND INFANT FORMULA BENEFITS.

Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end the following:

"(25) Notification of violations.—If a State agency finds that a vendor has committed a violation that requires a pattern of occurrences in order to impose a sanction, the State agency shall notify the vendor of the initial violation in writing prior to documentation of another violation, unless the State agency determines that notifying the vendor would compromise an investigation.

"(26) Infant formula benefits.—

"(A) In general.—The State agency may round up to the next whole can of formula to ensure that all participants receive the full-authorized nutritional benefit specified by regulation.

"(B) Limitation.—For formula covered by infant formula contracts, subparagraph (A) shall take effect as contracts are awarded under bid solicitations made on or after October 1, 2004.".

SEC. 406. HEALTHY PEOPLE 2010 INITIATIVE.

Section 17(h)(4) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(4)) is amended—

(1) in subparagraph (D), by striking "; and" and inserting a semicolon;

(2) in subparagraph (E), by striking the period at the end and inserting "; and"; and

(3) by inserting after subparagraph (E) the following:

"(F) partner with communities, State and local agencies, employers, health care professionals, and the private sector to build a supportive breastfeeding environment for women participating in the program under this section to support the breastfeeding goals of the Healthy People 2010 initiative.".

SEC. 407. COMPETITIVE BIDDING.

Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) is amended by adding at the end the following:

"(iv) Rebate invoices.—Each State agency shall have a system to ensure that infant formula rebate invoices, under competitive bidding, provide a reasonable estimate or an actual count of the number of units sold to participants in the program under this section.

"(v) Cent-for-cent adjustments.—A bid solicitation for infant formula under the program made on or after October 1, 2004 shall require the manufacturer to adjust for price changes subsequent to the opening of the bidding process in a manner that requires—

"(I) a cent-for-cent increase in the rebate amounts if there is an increase in the lowest national wholesale price for a full truckload of the particular infant formula; or

"(II) a cent-for-cent decrease in the rebate amounts if there is a decrease in the lowest national wholesale price for a full truckload of the particular infant formula.".

SEC. 408. FRUIT AND VEGETABLE PROJECTS.

Section 17(h)(10)(B)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)(B)(ii)) is amended by inserting after "under this section" the following: ", which may include demonstration projects in up to 10 local sites, determined to be geographically and culturally representative of local States and Indian agencies, to evaluate the inclusion of fresh, frozen, or canned fruits and vegetables (to be made available through private funds) as an addition to the supplemental food provided under this section".

SEC. 409. PRICE LEVELS OF RETAIL STORES.

Section 17(h)(11) of the Child Nutrition Act of 1966 is amended by adding at the end the following:

"(C) Additional requirements.—

"(i) The State agency shall evaluate a vendor applicant based on its shelf prices or on the prices it bids for supplemental foods, which may not exceed its shelf prices.

"(ii) The State agency shall establish price limitations on the amount that it will pay vendors for supplemental foods. The State agency shall ensure that price limitations do not result in inadequate participant access by geographic area.

"(iii) In establishing competitive price and price limitation requirements, the State agency may exclude pharmacy vendors that supply only exempt infant formula or medical foods that are eligible under the program.

"(iv) The State agency shall establish competitive price requirements and price limitations for vendor peer groups, as necessary to ensure that prices paid to vendors are competitive. Vendor peer group competitive price requirements and price limitations may reflect reasonable estimates of varying costs of acquisition of supplemental foods.

"(D) Incentive items.—The State agency shall not authorize a retail food store that provides incentive items or other free merchandise to program participants if funds available under this program were used to purchase such items or merchandise.

"(E) Rules of construction.—Nothing in this section may be construed to authorize violation of the Sherman Antitrust Act (15 U.S.C. 1 et seq.) or the Robinson-Patman Act (15 U.S.C. 13 et seq.).".

SEC. 410. MANAGEMENT INFORMATION SYSTEMS.

Section 17(h)(12) of the Child Nutrition Act of 1996 (42 U.S.C. 1786(h)(12)) is amended—

(1) by amending subparagraph (B) to read as follows:

"(B) Electronic benefit transfer systems.—

"(i) In general.—All States that receive Federal funds for design or implementation of electronic benefit transfer (EBT) systems for the program under this section shall use technical specifications or standards, as applicable, as determined by the Secretary, except as provided in clause (ii).

"(ii) Existing systems.—EBT systems for the program under this section that are in development or are issuing benefits as of the date of enactment shall be required to submit within 6 months after the date of enactment of this subparagraph a plan for compliance.

"(iii) Waiver.—The Secretary may waive compliance with this subparagraph for State EBT systems for the program under this section that are issuing benefits as of the date of enactment of this subparagraph until such time that compliance is feasible."; and

(2) by amended subparagraph (C) to read as follows:

"(C) Universal product codes database.—The Secretary shall implement a national Universal Product Code Database for use by all State agencies in carrying out the program and shall make available from appropriated funds such sums as may be required for hosting, hardware, and software configuration, and support.".

SEC. 411. INFANT FORMULA FRAUD PREVENTION.

Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is further amended by adding at the end the following:

"(13) Approved providers of infant formula.—

"(A) In general.—The State agency shall maintain a list of infant formula manufacturers, wholesalers, distributors, and retailers approved to provide infant formula to vendors.

"(B) List.—The list required under subparagraph (A) shall include food manufacturers, wholesalers, distributors, and retailers licensed in the State in accordance with State law and regulations to distribute infant formula and food manufacturers registered with the U.S. Food and Drug Administration that provide infant formula.

"(C) Purchase requirement.—Vendors authorized to participate in the program under this section shall purchase infant formula from the list required under subparagraph (A).".

SEC. 412. STATE ALLIANCES.

Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is further amended—

(1) in subsection (b) by adding at the end the following:

"(22) 'State alliance' means 2 or more State agencies that join together for the purpose of procuring infant formula by soliciting competitive bids."; and

(2) in subsection (h)(8)(A) by adding at the end the following:

"(vi) Size of state alliances.—No State alliance may form among States whose infant participation exceeds 200,000 based on program participation as of October 2003, except that—

"(I) an alliance among States with a combined 200,000 infant participants as of October 2003 may continue, and may expand to include more than 200,000 infants, but may not expand to include any additional State agencies that were not included in the alliance as of October 1, 2003, other than as provided in subclause (II); and

"(II) any State agency serving fewer than 5,000 infant participants as of October 2003, or any Indian Tribal Organization, may request to join any State alliance.".

SEC. 413. LIMITS ON EXPENDITURES.

Section 17(i)(3)(A)(ii)(I) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3)(A)(ii)(I)) is amended by striking "1 percent" and inserting "3 percent".

SEC. 414. MIGRANT AND COMMUNITY HEALTH CENTERS INITIATIVE.

Section 17(j) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(j)) is amended by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

SEC. 415. DEMONSTRATION PROJECTS.

(a) Child Nutrition Act of 1966.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by striking subsection (r).

(b) National School Lunch Act.—Section 12 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) is amended by striking subsection (p).

SEC. 416. AUTHORIZATION OF APPROPRIATIONS.

(a) Reauthorization of Program.—Section 17(g) of the Child Nutrition Act of 1966

(42 U.S.C. 1786(g)) is amended by striking "(g)(1) There are authorized" and all that follows through "through 2003." in paragraph (1) and inserting the following:

"(g) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2004 through 2008.".

(b) NUTRITION SERVICES AND ADMINISTRATION FUNDS.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended—

(1) in paragraph (2)(A), by striking "1995 through 2003" and inserting "2004 through 2008"; and

(2) in paragraph (10)(A), by striking "1995 through 2003" and inserting "2004 through 2008".

(c) FARMERS' MARKET NUTRITION PROGRAM.—Section 17(m)(9)(A)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(9)) is amended to read as follows:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 2004 through 2008.".

TITLE V—REAUTHORIZATION, MISCELLANEOUS PROVISIONS, AND EFFECTIVE DATE

SEC. 501. TRAINING, TECHNICAL, AND OTHER ASSISTANCE.

Section 21(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1(a)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) subject to the availability of and from amounts appropriated pursuant to subsection (g)(1), shall provide—

"(A) training and technical assistance to improve the skills of individuals employed in food service programs carried out under this Act, section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), and, as appropriate, other federally assisted feeding programs;

"(B) training and technical assistance to States, State agencies, schools, and school food authorities in the procurement of goods and services for programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), including training and technical assistance to ensure compliance with section 12(n) of this Act (42 U.S.C. 1760(n));

"(C) assistance, on a competitive basis, to State agencies for the purpose of aiding schools and school food authorities with at least 50 percent of enrolled children certified to receive free or reduced price meals, and, if there are any remaining funds, other schools and school food authorities in meeting the cost of acquiring or upgrading technology and information management systems for use in food service programs carried out under this Act and section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) if the school or school food authority submits to the State agency an infrastructure development plan that addresses the cost savings and improvements in program integrity and operations that would result from the use of new or upgraded technology in—

"(i) methods to ensure that there shall not be any overt identification of any such child by special tokens or tickets, announced or published list of names, or by any other means;

"(ii) processing and verifying applications for free and reduced price school meals;

"(iii) integrating menu planning, production, and serving data to monitor compliance with section 9(f)(1); and

"(iv) establishing compatibility with statewide reporting systems;

"(D) assistance, on a competitive basis, to State agencies with low proportions of schools or students that participate in the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) and that demonstrate the greatest need, for the purpose of aiding schools in meeting costs associated with initiating or expanding a school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), including outreach and informational activities; and"; and

(2) in paragraph (2), by striking "subsection (e)(2)" and inserting "subsection (g)(2)."

SEC. 502. NOTICE OF IRRADIATED FOOD.

Section 14 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762a) is amended by adding at the end the following:

"(h) NOTICE OF IRRADIATED FOOD.—The Secretary shall develop policy and establish procedures for the purchase and distribution of irradiated food products in Federal school meals programs. The policies and procedures shall ensure at a minimum that—

"(1) irradiated food products are made available only at the request of States and school food authorities;

"(2) reimbursements to schools for irradiated food products are equal to reimbursements to schools for non-irradiated products;

"(3) States and school food service authorities are provided factual information on the science and evidence regarding irradiation technology, including notice that irradiation is not a substitute for safe food handling techniques and any such other information necessary to promote food safety in school meal programs;

"(4) States and school food service authorities are provided model procedures for providing factual information on the science and evidence regarding irradiation technology and any such other information necessary to promote food safety in school meals to school food service authorities, parents, and students regarding irradiation technology;

"(5) irradiated food products distributed to the Federal school meals program are labeled with a symbol or other printed notice indicating that the product was treated with irradiation and is prominently displayed in a clear and understandable format on the container;

"(6) irradiated products are not commingled with non-irradiated products in containers; and

"(7) encourages schools that offer irradiated foods to offer alternatives to irradiated food products as part of the meal plan used by schools.".

SEC. 503. SENSE OF CONGRESS.

Section 12 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760) is further amended by adding at the end the following:

"(p) SENSE OF CONGRESS.—It is the sense of Congress that Federal resources provided under this Act and the Child Nutrition Act of 1966 dedicated to child nutrition should support the most effective programs within the Federal agency that is most capable of assisting children in nutritional need. Congress encourages the elimination of initiatives that are duplicative of other Federal efforts, particularly those that are duplicative of programs conducted under this Act and the Child Nutrition Act of 1966.".

SEC. 504. REAUTHORIZATION OF PROGRAMS.

(a) STATE ADMINISTRATIVE EXPENSES.—Section 7(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(g)) (as amended by this Act) is amended by striking "2003" and inserting "2008".

(b) COMMODITY DISTRIBUTION PROGRAM.—

(1) Section 14(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762a(a)) is amended by striking "March 31, 2004" and inserting "September 30, 2008".

(2) Section 15(e) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended by striking "April 1, 2004" and inserting "October 1, 2008".

(c) PURCHASES OF LOCALLY PRODUCED FOODS.—Section 9(j)(2)(A) of the Richard B. Russell National School Lunch Act (42 U.S.C. 758(j)(2)(A)) is amended by striking "2007" and inserting "2008".

(d) TRAINING, TECHNICAL ASSISTANCE, AND FOOD SERVICE MANAGEMENT INSTITUTE.—Section 21(g)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1(e)(1)) (as amended by this Act) is further amended by striking "for each of fiscal years 1992 through 2003" and inserting "for fiscal year 2004, and such sums as may be necessary for fiscal years 2005 through 2008".

(e) COMPLIANCE AND ACCOUNTABILITY.—Section 22(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769c(d)) is amended by striking "2003" and inserting "2008".

SEC. 505. EFFECTIVE DATES.

The amendments made by sections 101, 104, 105(a), 202, 410, 416, and 504 shall take effect on the date of enactment of this Act. The amendments made by sections 201 and 208(c) shall take effect on July 1, 2005. All other amendments made by this Act shall take effect October 1, 2004.

The SPEAKER pro tempore (Mr. FOSSELLA). Pursuant to the rule, the gentleman from Ohio (Mr. BOEHNER) and the gentlewoman from California (Ms. WOOLSEY) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3873.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOEHNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this measure, which represents months of hard work and commitment to bipartisan cooperation. In that spirit, we have before us a bill that will extend the life of the Federal child nutrition programs while strengthening program integrity, ensuring effective use of Federal resources, and providing continued nutrition services for millions of American children.

First and foremost, I would like to thank the author of this bill and those who have worked closely with him to reach our shared goal of strengthening Federal child nutrition programs. The chairman and ranking member of the Subcommittee on Education Reform, the gentleman from Delaware (Mr. CASTLE) and the gentlewoman from California (Ms. WOOLSEY), deserve a great deal of credit for their hard work and cooperation that have brought this bill before us today. I would also like to thank the gentleman from California (Mr. GEORGE MILLER), the ranking member of the committee, for his continued commitment to a bipartisan, cooperative process.

The Federal child nutrition programs ensure millions of needy children have access to healthy and nutritious meals. The investment in these programs is considerable, and so is our obligation to ensure our Federal resources are being used effectively and efficiently. Children and families depend on the Federal child nutrition programs, and they depend on us to ensure that these programs are being administered with integrity.

The Child Nutrition Improvement and Integrity Act reauthorizes the National School Lunch and Breakfast programs, Child and Adult Care Food program, After-School Snack program, the Summer Food Service program, the Special Supplemental Nutrition Program for Women, Infants and Children. Taken together, the reforms in this bill will help ensure we are making the most of Federal child nutrition resources, while being mindful of program quality and integrity.

The bill before us strikes, I think, an important balance between our desire to promote healthy nutritional choices and physical activity among children, and the need to preserve local control for schools, communities, and States. The gentleman from Delaware (Mr. CASTLE), the author of this bill, has been a leader in our efforts to reduce the epidemic of child obesity by promoting a comprehensive approach that includes nutrition education and physical activity. In particular, the establishment of local wellness policies, written at the local level to reflect local needs, marks significant progress that will promote nutrition education and increase physical activity in schools while maintaining local control.

To improve program integrity within the Federal child nutrition programs and ensure access for eligible children, the legislation makes a number of positive reforms. The bill allows children whose parents are in the Armed Forces and living in privatized military housing to continue to receive free or reduced-price meals in school if they meet the eligibility requirements. It also helps the parents by allowing them to submit a single application for multiple children and ensures enrollment of eligible children through the use of direct certification of school lunch eligibility for those children in families receiving food stamps.

Importantly, the Child Nutrition Improvement and Integrity Act also takes steps to reduce paperwork by allowing school lunch certifications to be valid for one full year, preventing situations in which schools are forced to repeatedly certify children within a single school year. The bill also includes a provision originally proposed by the gentleman from Florida (Mr. KELLER) to help reduce the stigma amongst children receiving free and reduced-price lunches by helping schools make technological improvements such as automated meal card systems that keep students' financial status confidential. That, in fact, will also increase the efficiency of program operations.

These are just a few of the numerous reforms that will ensure eligible children and families access to services and Federal resources that are being effectively leveraged to serve children in need.

I would also like to recognize the gentleman from Michigan (Mr. UPTON) and the gentleman from Wisconsin (Mr. KIND) for their commitment to encouraging partnerships that allow fresh and local produce to go from farms to schools. In recognizing the success and popularity of the fruit and vegetable pilot program, which provides free fresh and dried fruits and fresh vegetables to children in 25 schools in each of four States and on one Indian reservation, I am pleased that the bill before us authorizes the continuation and expansion of this valuable program.

The act before us will prevent important nutritional programs from expiring, while ensuring that they continue to operate effectively and efficiently. I am pleased to support this measure and encourage my colleagues to join me in voting "yes" and ensuring the availability of nutritional services for millions of vulnerable children and their families.

Mr. Speaker, I reserve the balance of my time.

Ms. WOOLSEY. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. GEORGE MILLER), the ranking member of the Committee on Education and the Workforce.

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentlewoman for yielding me such time as I may consume, as long as I do not go on and on.

Mr. Speaker, I want to thank the majority for working with us and for bringing this bill to the floor today. I want to thank the chairman, the gentleman from Ohio (Mr. BOEHNER), and the gentleman from Delaware (Mr. CASTLE), the chairman of the subcommittee, for their efforts, as well as the ranking member of the subcommittee, the gentlewoman from California (Ms. WOOLSEY), for her participation and effort in arriving at this compromise, which I think is a very good bill on child nutrition. I also want to thank the American School Food Service Association for all of their years of effort to improve the quality of this program, to expand its coverage of this program, and for continuously looking after the nutritional state of our schoolchildren, especially since we now so clearly understand the link between nutrition and school performance among children.

Over 27 million schoolchildren take advantage of the school meals program every day. More than 2 million children receive meals during the summer, and the Child and Adult Care Food program provides over 1.5 million meals to children in child care programs. The Women, Infants and Children program provides information on healthy eating and nutritious foods for nearly 7.5 million poor women and their children. Clearly, families still struggle to provide their children with healthy meals, and the need for quality nutrition continues to exist in this country.

Mr. Speaker, H.R. 3873 acknowledges these needs, and it contains significant program improvements to allow more and more low-income children to access these programs in schools, after-school programs, child care centers, and through the Women, Infants and Children program. These policies reflect common sense in these programs. If a child is deemed to be eligible for both the Federal assistance programs, they should be eligible for free and reduced-price meals. The bill removes barriers for migrant children and homeless and runaway youth by making them automatically eligible for school meal programs. It continues a provision to allow children in low-income and military families to participate in these programs.

While many of us would have liked to go further to eliminate the reduced-price category of meals so that more children could eat for free, this bill makes headway in assuring that children who are eligible for these programs are, in fact, receiving the meals. These program improvements are laudable, and I support the bill for all of these reasons.

I am, however, disappointed that at a time when the trends in childhood obesity rates reveal a disturbing health crisis, we did not take the opportunity presented to us to improve the quality of foods available to children in the school meals program.

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Obesity rates have doubled for children and tripled for adolescents in just for over the last two decades. More children are experiencing adults' health problems such as high blood cholesterol, high blood pressure, Type II diabetes, all of which is contributed to the threefold increase in annual hospital costs for obesity-related diseases in children over the past 20 years. This Nation can no longer ignore the cost of this problem to our children and to the health care system in this country.

We can all agree that there are no simple solutions to the issue of childhood obesity. The local wellness policy that will now be required of schools is a good start, as is a new emphasis on physical activity. However, this is not an adequate response to the health problems facing millions of children and youth.

The Federal Government can and should address the nutritional quality of food available in schools. Without Federal guidelines on this issue, the overall quality of the school meal programs is significantly undermined and children will continue to be surrounded by unhealthy food choices in schools. I will continue to press for action on this area, and I hope that the chairman will join me, as will the members of the committee.

This is a significant reauthorization. It is a substantial improvement in the existing programs and I urge all of my colleagues to support this legislation.

Mr. BOEHNER. Mr. Speaker, I yield 4 minutes to the gentleman from Delaware (Mr. CASTLE), the author of the bill and the chairman of the Subcommittee on Education Reform.

Mr. CASTLE. Mr. Speaker, I thank the gentleman for yielding me time.

The bill before us today represents several months of hard work, cooperation and dedication to strengthening nutritional services for vulnerable children. I am pleased to have this bill before us and to have the support of so many members of committee, including the gentleman from California (Mr. GEORGE MILLER) and gentlewoman of California (Ms. WOOLSEY) and obviously the great help of the gentleman from Ohio (Mr. BOEHNER) and all the work that he did.

The fact that this is on a 40-minute calendar situation does not show the kind of work that went into getting it ready for the floor here today. I thank all those people.

The Child Nutrition Improvement and Integrity Act makes a number of positive reforms focusing on reaching three main goals: ensuring eligible children have access to services, promoting comprehensive solutions to the health and nutrition of children, and strengthening program integrity to ensure Federal resources are being effectively leveraged to serve children who qualify.

The bill reauthorizes the National School Lunch and Breakfast programs, Child and Adult Care Food program, After-School Snack program, Summer Food Service program, and the Special Supplemental Nutrition Program For Women, Infants and Children, which we know as WIC, and I think it goes a long way in strengthening these programs on behalf of disadvantaged children and their families.

While the bill includes a variety of important reforms, there are a few I would like to mention specifically. With little money to work with, we were able to increase access to child nutrition programs for eligible children. For example, the bill extends participation for eligible children whose parents are in the Armed Forces and living in privatized military housing so these children may continue receiving free or reduced-price meals. This provision alone would benefit 250 children in my home State of Delaware and up to 100,000 children nationwide.

The Federal Government invests roughly $16 billion annually in child nutrition programs. Ensuring the effective use of these resources by enhancing program integrity has been a top priority for me during the reauthorization process to ensure that children who deserve these services are receiving them and those who do not are not. To this end, we have taken steps to reduce administrative error, improve accuracy; and enhance accountability for program administration.

Finally, I would like to highlight an issue of particular concern to me, childhood obesity. During visits to schools over the past several years, I have noticed a growing number of obese children. We all recognize the fact that obesity has reached epidemic proportions in our Nation. Defeating this crisis will require the work of many, including schools, parents, government, the health community, and industry.

The bill before us today also includes important steps to promote comprehensive solutions to child health and nutrition, including provisions to promote nutritional education and physical activity at the State and local level.

H.R. 3873 also asks that local educational agencies have a local wellness policy. The policy will include goals for nutrition education and physical activity and include nutrition guidelines for foods sold in schools. Developed in consultation with parents, students, school food service professionals, school boards and administrators, and the public, the wellness policies will serve as a catalyst for encouraging a larger dialogue on how to combat obesity.

The Child Nutrition Improvement and Integrity Act is the result of cooperative efforts to strengthen nutritional services provided to needy children and families through the various child nutrition programs. I would like to thank my colleagues for their cooperation in bringing this bill forward, and I urge its passage.

Ms. WOOLSEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3873, the Child Nutrition Improvement and Integrity Act, which reauthorizes the Federal Child Nutrition programs. This is a bipartisan bill. It was unanimously reported out of the Committee on Education and the Workforce, and I thank the chairman of the full committee and the gentleman from Delaware (Mr. CASTLE), chairman of the Subcommittee on Education Reform, for working in good faith with the ranking member, the gentleman from California (Mr. GEORGE MILLER) and myself in getting to this point.

But I want to say that we would not be here without the great staffs on both sides of the aisle. I thank the staffs so much.

While there is more that I would have liked to do in this reauthorization such as a full expansion of the free breakfast program for all kids, no matter their economic status, and tighter restrictions on the junk food that is sold in schools, the Child Nutrition and Improvement and Integrity Act does improve the Federal Child Nutrition programs in many important ways.

H.R. 3873 improves accuracy in school meals programs without dropping eligible children; makes it easier for eligible students to get free and reduced-price meals by making the application process easier; makes homeless and migrant youth and children, whose families receive food stamps, automatically eligible for free meals; allows youth up to age 18 to participate in meal programs if they are living in domestic violence or homeless shelters; increases start-up and expansion grants for school breakfast programs; and includes a study for the best ways to overcome common barriers to offering breakfast at schools; helps students make better food choices, and fight obesity with Team Nutrition which provides nutrition education to students and training and support to improve the nutrition of foods sold in school; requires school districts to develop a local "wellness policy" which addresses both what students eat at school and the role that physical activity plays in good health.

This bill creates greater opportunities for schools to include fresh and dried fruits and fresh vegetables in school meals, gets our very youngest children off to a healthy start with the new WIC Fruit and Vegetable pilot program that will study the benefits of including fruits and vegetables in the WIC food package.

In conclusion, Mr. Speaker, the Child Nutrition Improvement and Integrity Act improves the nutritional well-being of low-income children by improving the Federal child nutrition programs. H.R. 3873 proves that child nutrition truly is bipartisan and it is a priority of this Congress. I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. CASTLE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. CARTER).

Mr. CARTER. Mr. Speaker, I rise in support of H.R. 3873, the Child Nutrition Improvement and Integrity Act, which includes language which I offered to stop infant formula theft.

Stolen infant formula is a major problem throughout the country, including Texas. In 2003, an international crime ring stole and sold as much as $2.5 million worth of baby formula a month in Texas. Testimony before the Congress revealed that some of the proceeds may go to terrorism. Undercover work also shows that this extends across the United States.

After being stolen, the formula is stored and sometimes repackaged with phony expiration dates and then it is sold to small convenience stores in the United States. The stolen formula is often resold to customers using vouchers from federally funded Women, Infants and Children programs. Undercover agents say WIC is unwittingly the number one fence for this operation in the country.

Section 409 of this legislation requires the State agencies to license and maintain a list of infant formula manufacturers, wholesalers, distributors and retailers approved to provide infant formula to the vendors. This section closes the loopholes that would allow crime rings to steal infant formula and resell this formula to the retailer, who often is unaware that the formula is stolen.

I want to thank the gentleman from Ohio (Mr. BOEHNER), along with his staff, including Kate Howston and Stephanie Milburn for the important work they have done on this legislation.

Ms. WOOLSEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE), who has very effectively added the irradiation part of this bill.

Ms. LEE. Mr. Speaker, let me thank the chairman of the committee and subcommittee and the gentlewoman from California (Ms. WOOLSEY) and the gentleman from California (Mr. GEORGE MILLER) for their incredibly hard work on this very important program.

Let me talk about the provision of the bill dealing with irradiated food in the National School Lunch program. Today, over 27 million low-income children throughout the Nation have come to rely on the National School Lunch program and also the breakfast program for a healthy and nutritious meal. In many cases, these programs provide the only source of information and nutrition that these children receive all day. So really it is very important that we provide healthy, nutritious meals to these students and information to their parents so that they know what they are eating.

Basically when it comes to irradiated food, food of course that is really bombarded with gamma rays or electrons, there is no requirement in law that schools must notify parents or students about what they are eating or even that irradiated food is being served in schools. So that is why I introduced the Right To Know School Nutrition Act, which was intended to do just that.

I want to thank the gentlewoman from California (Ms. WOOLSEY) and the gentleman from California (Mr. GEORGE MILLER) for making sure that the provisions of that bill are included in this bill.

Mr. CASTLE. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. KELLER).

Mr. KELLER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise today to support H.R. 3873, the Child Nutrition Improvement and Integrity Act. I support this legislation not only because it strengthens the current school lunch program, but more specifically, it included language in the bill that I introduced called the Pride in the Lunch Line Act, H.R. 3869. The Pride in the Lunch Line Act amends the National School Lunch Act to allow schools access to existing Federal funds to purchase technology. This technology would allow low-income children to go through the lunch line without being identified as recipients of the free or reduced-price lunch program.

I support this legislation because it addresses an issue many low-income children face every day as they go through the lunch line, and that is embarrassment, embarrassed that their parents cannot afford to pay for daily meals so they are singled out in the lunch line in front of their peers as participants in the free or reduced lunch program.

I have modeled my legislation after a program in one of my local school districts, Lake County, Florida, that uses technology to enable every child to go through the school lunch line without being identified as a free or reduced lunch recipient. Regardless of family income, every child has the exact same debit card which either their parents deposit money into or is funded by the program.

This legislation will expand existing Federal funds to allow more schools across the Nation to implement similar technology programs. It will reduce the stigma for students and reduce the paperwork for schools. For these reasons, I encourage my colleagues to vote "yes" on the Child Nutrition Improvement and Integrity Act.

Ms. WOOLSEY. Mr. Speaker, how much time remains on both sides?

The SPEAKER pro tempore (Mr. FOSSELLA). The gentlewoman from California (Ms. WOOLSEY) has 12 minutes remaining. The gentleman from Delaware (Mr. CASTLE) has 8 minutes remaining.

Ms. WOOLSEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. RYAN), a member of the committee.

Mr. RYAN of Ohio. Mr. Speaker, I thank the gentlewoman for yielding me time.

Obesity will soon take over smoking as the number one cause of death in America; and in 2020, one of every five health care dollars will be spent fighting obesity. This is a good bill, but we can do much more.

We teach our kids in our schools to eat healthy, but then we have vending machines full of junk food all over the schools. And I think one of the issues we need to address is to give the Secretary of the Agriculture the ability to regulate food in the food service areas and outside.

If we tell our kids that they have to eat at a certain standard, a certain level in the food service area, we should also be able to regulate that outside. We feed our kids, basically, garbage.

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We wonder why they misbehave in class and we wonder why they cannot sit still, and then we put them on Ritalin to get them back under control.

This is a fiscally responsible way to go about it. It will save us money in the long run. It will save our health care system money, and quite frankly, our kids deserve better. We cannot be sending them mixed signals saying, Eat well, but only during lunchtime, and after lunchtime they can drink as much Coke and eat as much junk food as they possibly want.

Mr. CASTLE. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. OSBORNE).

Mr. OSBORNE. Mr. Speaker, I would like to thank the gentleman from Ohio (Chairman BOEHNER), the gentleman from Delaware (Chairman CASTLE), the gentleman from California (Mr. GEORGE MILLER), the gentlewoman from California (Ms. WOOLSEY) and, of course, their staffs.

I think this is a good bill. I am certainly in full support of it. It is a bipartisan bill and makes several needed changes to child nutrition. I would like to mention two of those that have particularly caught my attention.

Number one, it creates a grant program to educate students about wellness through a teen nutrition program. I guess it has been my experience that so few young people really understand what a balanced diet looks like, and so I think the educational component is very important.

Number two, it requires nutrition and physical education programs to be based on dietary and physical fitness guidelines issued by the Secretary of Health and Human Services. So we need some science-based standards because there are so many fad diets, fad exercises out there. Unless we have some uniform system, some uniform science-based standard, we are not going to do very well, and that bill does address that issue.

As has been mentioned over and over again, childhood obesity has doubled over the last 2 decades. This is due to two factors, one, poor nutrition, and number two, lack of exercise. The average child spends 6 hours a day watching television, playing with the computer or doing video games. So we see arteriosclerosis, we see diabetes occurring at earlier and earlier ages.

Obesity currently costs the United States $117 billion annually, and this figure is only going to continue to escalate, as has been pointed out previously, unless we curb childhood obesity. The best way to combat child obesity, the epidemic, is through education at an early age and promotion of physical activity. This bill takes steps to do that.

I certainly support it. I urge support of H.R. 3873.

Ms. WOOLSEY. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, while I support the passage of H.R. 3873 today, I cannot support the budget that constrained, limited and ultimately stunted its final form.

In the Committee on Education and the Workforce, we were told that funding was not available to eliminate the reduced-price category to allow more low-income children to receive school meals, often their only meals, for free. We were also told that the budget resolution did not allow for any expansion of school breakfasts and other programs.

H.R. 3873 now comes before this House on a suspension calendar, perhaps to ensure that Members cannot offer amendments that might add additional costs to this bill. I had planned to offer an amendment that would have allowed schools to offer free breakfasts to students on the mornings they are scheduled to take a No Child Left Behind assessment.

The NEA, the Ohio PTA, the National Farm Organization, the National Family Farm Coalition, the Community Food Security Coalition and others supported this amendment. Millions of parents, teachers, students and school administrators would have also supported it, along with other positive changes, but all further improvements and expansions are blocked in this bill.

In contrast, later today we will debate a budget bill that allocates $10.2 billion, a 13 percent increase from last year, on a missile defense system that does not work, while this morning we restrict to $16 billion a nutrition bill we all know does work but could work even better.

There is money to improve and expand education and nutrition, but situations like this force us to recognize lost opportunities that come about from tax cuts for the wealthiest and from unacccountable defense spending

I urge my colleagues to vote for H.R. 3873, but I also urge them to remember those left behind and left hungry by the administration's misguided agenda.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Texas (Ms. GRANGER).

Ms. GRANGER. Mr. Speaker, today we are talking about a bill that requires schools to develop nutritional guidelines for all foods sold in schools. I support this bill, and I believe it is very important for schools to have specific nutritional guidelines in place so healthy food is served in our school cafeterias, but I also want to make sure that everyone realizes that nutritional guidelines are only one piece of the childhood obesity puzzle.

What we could overlook in this debate is that government-imposed guidelines can only do so much to prevent childhood obesity. If we really want to make a difference, we must focus on educating youth and their parents about the need to eat right and be physically active. Parents and their children must be acutely aware of the dangers of being overweight or obese.

We now know that being overweight can lead to diabetes, heart disease, stroke, hypertension, uterine cancer, breast cancer, kidney cancer, gall bladder cancer, pregnancy complications, psychological disorders, and that is not the entire list.

I say to parents and the Members today, do they know that people who are obese have a three times greater chance of dying in surgery due to complications? Did my colleagues know that obesity is costing this Nation almost as much as cigarette smoking? Did my colleagues know that over 40 million workdays are being lost each year to obesity?

Do I have all the answers to the problem? No, but I do know that educating our youth and their parents is the necessary first step. Education is knowledge and knowledge is empowerment.

This pamphlet, Healthy Habits for Healthy Kids, developed by experts from the American Dietetic Association is being passed out to 500,000 elementary age children in Texas, free of charge, in the coming weeks. It gives easy-to-understand hints and suggestions that help youth and their parents make better choices in their diets, like one appropriate serving of meat is about the size of a deck of cards and one appropriate serving of pasta or rice looks like a tennis ball. It also lays out a physical activity game plan that an entire plan can adhere to.

Efforts like these are going to make a dint in childhood obesity, one child and one parent at a time. As Members of Congress, we owe it to our constituents to educate them about the dangers of obesity.

School nutritional guidelines are only one piece of this puzzle. Americans have to make the right choices.

Ms. WOOLSEY. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS), a very important member of the committee.

Mr. ANDREWS. Mr. Speaker, I thank my good friend for yielding me the time.

I want to thank the gentleman from Ohio (Mr. BOEHNER), the gentleman from Delaware (Mr. CASTLE), the gentleman from California (Mr. GEORGE MILLER) and the gentlewoman from California (Ms. WOOLSEY) for their terrific leadership on this very important bill that helps a lot of children. I am honored to have had the chance to work with the committee on this bill and on four areas in particular that I think are a great step forward.

The first is children who are in WIC-eligible families that are eligible for the Women, Infants and Children Program. Some of these children were not enrolled in the school lunch program, even though they were legally entitled to, because the right forms were not filed. This bill gives States the option of automatically enrolling children who are in the WIC program in the school lunch program, which is an excellent idea.

The second thing we had the chance to work on was to make sure that children who attend for-profit schools and preschool centers will have a fair opportunity on a continuing basis to receive the benefits of this program. We think that every child, irrespective of the educational setting, ought to have that opportunity.

The third group of children that this helps are children in summer schools. We are learning through our research in education that many children benefit from year-round schooling, summer school in particular. This bill extends more school nutrition to more summer school students, and I was proud to help make that a reality.

Finally, there are a lot of children who for health or cultural or religious reasons prefer soy milk. The chairman deserves great credit for brokering a very good compromise on this issue, a very contentious issue, where under this bill if a parent sends a note to school with the child, expressing the desire that the child wishes to have soy milk, then the child gets it. That is a significant improvement over present law which requires a doctor's note, and I thank the chairman and the ranking member and the leaders of the subcommittee for making that very fine compromise a reality.

A lot of children will be helped by this bill. I am proud to support it. I congratulate its authors.

Ms. WOOLSEY. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. THOMPSON).

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise in support of H.R. 3873, the Child Nutrition Improvement and Integrity Act.

I would like to compliment the chairman and ranking member of the committee. They have brought a good bill to this House, and I urge my colleagues to vote for it.

Among its many important provisions, this legislation will promote the consumption of milk in our Nation's schools. I, along with a few other colleagues, introduced H.R. 3250, a bipartisan bill to promote school milk. The Child Nutrition Improvement and Integrity Act before us includes several provisions of H.R. 3250, and I appreciate the committee's efforts.

Under the child nutrition bill before us, milk will continue to be offered with every school meal. Schools will be able to offer a variety of fat levels. Schools will also be encouraged to offer a variety of flavors, as well as lactose-free milk for children who may be lactose intolerant, and regardless of any so-called exclusive sales contracts, schools will be able to sell milk anytime, anywhere on school property or at school events.

This bill is a fair, reasonable compromise on substitutes for milk. Schools will be able to offer substitute beverages at their option where a child has a medical or a special dietary need. Parents will be able to certify their special dietary need. They will not have to obtain a physician's statement.

Mr. Speaker, child nutrition programs are vital to all Americans. Our schools, our WIC clinics need the support of everyone in Congress. This bill renews and strengthens nutrition assistance and education and should pass unanimously. Please vote for this bill.

Ms. WOOLSEY. Mr. Speaker, I yield myself as much time as I may consume.

Again, I thank the staff for a bipartisan bill that was unanimously reported out of the Committee on Education and the Workforce.

I also thank ASFSA, FRAC, NEA, AFT, the Hispanic Education Coalition, the Food Policy Working Group, the National Association of State WIC Directors, who all played a major role. And to name the staff, Kate Houston, Stephanie Milburn, Krisann Pearce, Julian Baer and Sara Rittling on our side of the aisle; Lynda Theil, Denise Forte and Joe Novotny, on the other side of the aisle. They worked really hard to represent us well, and I thank them so very much.

There is something missing in this bill. We all know that if a child enters the classroom having had a nourishing breakfast, that child learns better, has better attendance and better discipline and tests better. But we have not ensured in this bill that every child will enter the classroom having had a nutritious breakfast. We have expanded the breakfast program by making it easier for those who are eligible or who want to participate in the program, making it easier for them to do that.

But, Mr. Speaker, some day this country's going to have to step up to the plate, understand children are 25 percent of our population. They are 100 percent of the future of this country, and unless they learn to the best of their ability, we are not going to have the country we want in the future.

So, in the future, and my colleagues can count on me, I am going to continue to talk about a universal school breakfast program for every single child in this Nation.

Mr. Speaker, I yield back my time.

Mr. BOEHNER. Mr. Speaker, I yield myself the balance of our time.

As we have seen during the debate today, this has been a very cooperative process, very bipartisan process, both sides of the aisle coming together to do what we can do to improve the nutrition services and nutrition programs that the Federal Government operates for millions of American children.

There is a lot more that a lot of people would want to do in the bill that we have before us, many things, unfortunately, that we cannot afford under the current budget to do, but I think it has been demonstrated that there is broad-bipartisan support for this bill, and I would encourage Members to not let the perfect become the enemy of the good.

We have a good, sound bill before us that will, in fact, ensure that millions of needy children are served either through the school lunch program, the WIC program or the breakfast program. For many of these children, it may be the only meal that they get all day.

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Mr. Speaker, I would ask Members to support the bill. I also thank all of the staff, including Kate Houston on my staff, Stephanie Milburn, Krisann Pearce, Cindy Herrle, Julian Baer, Tyson Redpath who works in my personal office, and Sarah Rittling who works with the gentleman from Delaware (Mr. CASTLE), and all of our staff, Denise and others on the Democrat side for all of their hard work because they went through months and months of discussions and negotiations.

I also thank all of the groups, the outside groups from the food service administrators to all of those involved in helping us forge this bipartisan agreement. This was not a very easy bill, but it did become easy because there was good cooperation between both sides of the aisle, good understanding of the issues of what we could and could not do. And in the end, bipartisanship does work when Members put their minds together and try to come up with a product that is in the best interest of American children. I would encourage Members to vote for the bill.

Mr. RENZI. Mr. Speaker, I would like to thank Chairman JOHN BOEHNER of the Education and Workforce Committee for his leadership in the effort to reauthorize and improve Federal nutrition programs. Since our Nation's youth are facing increased problems of obesity, high cholesterol, diabetes, and malnutrition, these programs are vital. H.R. 3783, the Child Nutrition Improvement and Integrity Act, includes provisions to promote healthy choices among children, strengthen nutrition service programs, and ensure eligible children have access to services.

Of particular interest to my State of Arizona are the important provisions that will increase the availability of fruits and vegetables in Federal child nutrition programs. Most notably, section 307 expands the Fruit and Vegetable Pilot Program to additional States and Native American reservations. I strongly favor efforts to expand this program. In just a short span of time, the results of the original pilot program appear overwhelmingly positive, as reports from the original participating schools indicate increased consumption and demand for healthy fruits and vegetables.

I urge Secretary of Agriculture Ann M. Veneman to strongly consider expanding the Fruit and Vegetable Pilot Program to Arizona and its Native American reservations.

Arizona, and Indian reservations within the State, are perfect candidates for the program's expansion for a number of reasons. Arizona has great diversity in its student profile, both in race and national origin, that span from the rural areas to its inner city sections, to its Native American reservations. Having the State of Arizona as a participant would enable the United States Department of Agriculture to better determine how such a program would perform on a national basis.

Also, the need for fresh fruits and vegetables, and better overall nutrition, is especially acute in rural areas of Arizona, including Native American reservations. In general, these areas suffer from an aging transportation system, making it difficult and costly for distributors to deliver fruits and vegetables. If these items are available, they are often too expensive for many low income residents.

I have seen how a lack of proper nutrition impacts children in these areas, most notably on tribal lands. It is not uncommon for children in these areas to suffer from dysentery and other illnesses either complicated or caused by poor diets.

In addition, including Arizona and Native American reservations as participants would be money well spent. I have met with child nutrition advocates from Arizona and they are dedicated to providing school age children nutritious meals and are enthusiastic about the possibility of participating in this most important program. I will work to foster cooperation among school administrators, food service directors, and private sector participants to ensure that this program would be administered efficiently.

Arizona and its tribal lands are also prime candidates because the State boasts a thriving produce industry that specializes in a wide range of specialty crops. Because of strong agricultural industry within the state, Arizona schools will be able to secure private/public partnerships with the produce industry. This is a key factor in that section 307 of H.R. 3873 requires participating schools to secure at least 15 percent of operation funding from private industry, either through in-kind donations or monies. Arizona growers and farmers are willing participants and economically viable partners who are eager to form a partnership with Arizona's schools to provide the benefits of healthy fruits and vegetables to school age children.

Again, I thank you, as well as the bill's sponsor, Representative CASTLE, for your efforts in writing this legislation and promoting expansion of the Fresh Fruit and Vegetable Pilot Program. I hope that Arizona and its Native American reservations will be selected by the USDA as a participant under this most important program.

Mr. KIND. Mr. Speaker, I rise today in strong support of H.R. 3873, the Child Nutritional Improvement and Integrity Act. As a member of the Education and the Workforce Committee, I am pleased with the process in which this bill moved through the Committee; it is a critical bill that will greatly benefit our nation's children as well as family farmers.

Specifically, I am pleased that several provisions were included in the base bill, which I coauthored in previous legislation, H.R. 3250, the Child Nutrition Improvement Act of 2003, with Representatives BENNIE THOMPSON, GIL GUTKNECHT, and TOM PETRI, that will combat the increasing problem of child obesity through increased child milk consumption by preventing commercial beverage companies from pressuring schools to remove milk vending machines.

With 90 percent of teenage girls and 70 percent of teenage boys currently not getting enough calcium, it is imperative to provide increased availability of milk products in schools. This provision is necessary in light of recent stories about school districts being pressured to remove milk vending machines at a time when kids need milk more than ever. This amendment will ensure milk vending has a chance and that machines are not ripped out of schools; yet at the same time it does not force soda companies to sell milk. Wise choices can only be made when choice is provided and real milk vending is a logical part of a healthy school environment.

Another provision included in the base bill, from H.R. 3250, will improve child nutrition by making it easier for schools to offer milk in a variety of flavors and fat contents to better meet students' varying tastes and needs, thereby increasing milk consumption by children. It is important to maintain milk's unique role in the reimbursable school milk programs. Since 1946, schools have offered milk with each school meal. The natural calcium found in milk plays a vital role in minimizing the risk of students developing calcium deficiency—which is already a serious problem, especially for our teenage girls, as I mentioned earlier.

During Committee consideration, I also offered an amendment that would have augmented the reimbursement rate for school meals in schools implementing a plan to increase milk consumption. Under this amendment schools would have been allowed to use various measures to enhance milk products sold in schools. The National Dairy Council and the American School Food Service Association conducted a school milk pilot test to specifically measure the impact of an enhanced milk product on milk consumption and student attitudes towards milk in schools.

The milk enhancements included: Plastic packaging and various sizes; a third flavor; improved storage and refrigeration; and better milk product merchandising.

The results of this pilot were significant in that they showed milk sales increased 18 percent in all participating schools and milk consumption increased 28 percent in elementary schools. I withdrew this amendment, however, with the Chairman's agreement to continue working on it between now and conference. I hope we will be able to work out a compromise and include it in reauthorization.

Numerous studies have proven how important milk is in young people's diets. A study published in 2002 in the Journal of the American Dietetic Association showed that teens who drink flavored milk drink fewer soft drinks and juice drinks, and have an overall better nutritional profile. Another study released recently found that children with the lowest intakes of dairy products gained much more body fat over an 8-year period and that a diet low in calcium may increase the levels of certain circulating hormones that in turn promote the storage of energy in fat cells.

Additionally, H.R. 3873 includes legislation that I sponsored with Representative UPTON, H.R. 2626, the Farm-to-Cafeteria Projects Act of 2003. This provision focuses on connecting local agriculture to schools in every State, through a competitive, one-time matching grant directly to local communities. This allows each locality to design a farm-to-cafeteria project tailored to specific farm and school community needs. Experience has shown that kids' food choices can be improved by connecting farms to the lunchroom. This program directly benefits the food and health needs of our Nation's children. At the same time, the program will help family farms, and provide markets and community support for agriculture.

A final amendment I offered in Committee authorized a 3-year pilot project in elementary schools that links the school breakfast program with morning educational activities, similar to those authorized in the 21st Century Community Learning Centers. The goal is to increase participation by removing the stigma that accompanies the current school breakfast program. If the school breakfast program is perceived as an enrichment program that will benefit all students, it is suggested that more students will participate.

Mr. Speaker, again, I am pleased to support this bill on the floor today and I look forward to continuing to working on it as we move towards conference. Our goal in the 21st century should be to ensure that every child receives proper nutrition needed to succeed in school. It is a simple fact: good nutrition is an educational tool that improves children's performances in school.

Mr. CARDOZA. Mr. Speaker, I rise today as Congress considers the H.R. 3873 Child Nutrition Improvement and Integrity Act to continue to advocate for achieving greater nutritional benefits for the children and needy of the United States.

However, first I must commend the Committee on Education and the Workforce for making important structural improvements in federal child nutrition programs in the bill we are considering on the floor today. H.R. 3873 will eliminate barriers to participation for low-income children and families in Federal feeding programs and will ensure greater access to critical nutrition programs. This bill also provides for an important pilot program to be implemented within the Women, Infant, and Children's (WIC) program to allow participants greater access to nutritionally valuable fruits and vegetables.

Unfortunately, I believe that the Committee has missed an important opportunity to address a national health epidemic facing our nation's children: the dramatic rise in childhood obesity. Obesity has recently become the leading cause of death among Americans. Furthermore, commitment to a healthy lifestyle begins at a young age and particularly among disadvantaged Americans. School feeding and other nutrition programs, often provide the only opportunities for the consumption of healthy foods. Quite simply, our Federal feeding programs have failed to keep pace with modern nutritional standards and have not provided full access to healthy choices critical to combating chronic diseases and obesity.

The are many bills currently pending before Congress, including one authored by myself and my colleague Representative ADAM PUTNAM from Florida, which mandates the use of scientifically proven nutritional guidelines such as the 5-A-Day program in school breakfast and lunch programs. As only 15 percent of elementary school students are currently consuming the required 5 servings a day of fruits and vegetables, stronger language in H.R. 3873 could have ensured that the foods available to children are nutritious, healthy and provide children with choices necessary to achieve a healthy lifestyle.

Additionally I believe that all WIC participants, not just those participating in the pilot program outlined in H.R. 3873, should have complete access to fruits and vegetables. It is unfortunate that since its inception almost 30 years ago, the WIC program has changed little in its dietary science. Consuming nutritionally rich foods has been proven time and again to combat disease and obesity we should be encouraging not discouraging WIC mothers to purchase these items for their families.

Again, I commend the legislation under consideration today for reducing barriers to accessing Federal nutrition programs, but I also strongly urge my Colleagues and the U.S. Department of Agriculture to remain vigilant in the challenge we face in providing America's children and needy individuals healthy nutritional choices.

Mr. GRIJALVA. Mr. Speaker, I would like to thank Mr. BOEHNER, Mr. CASTLE, Mr. MILLER, and Ms. WOOLSEY for working on this reauthorization in a bipartisan fashion. I am very pleased to see a number of provisions in this bill that will help the Hispanic community, and specifically the migrant and seasonal farm working community to access the services they are entitled to.

The average farm worker earns just $7,500 a year—leaving most of their families well below poverty level. The hardships that the children in these families face are only amplified by their migratory lifestyle. Their parents, who are poor, uneducated, and often with limited literacy in their native language, face many barriers in helping their children apply for services every time they move. These are the families that put food on our tables and these barriers are leaving their own children hungry. It is our responsibility to help them overcome these barriers because all children suffering from poverty deserve a nutritious lunch through this program.

This bill includes a number of provisions that will help these eligible children gain access to free or reduced price lunches. It requires that materials sent to the parents be in an understandable and uniform format, and to the extent practicable, in a language that the parents can understand. By dismantling literacy and language barriers many more eligible families will be able to access information and be empowered to better make sound choices regarding healthful diet and lifestyle.

Significant improvements have been made to the certification and verification process. Children will now be certified for one full year—helping migrant children in maintaining access through the school year, wherever they are. It will extend automatic eligibility to children who qualify for migrant educational services under the Elementary and Secondary Education Act. It allows for the direct certification of such children if they are identified by the district's migrant education coordinator. Schools will have the option to verify income data through Medicaid and the Food Distribution Program on Indian Reservations, FDPIR, in addition to TNF and Food Stamps. Schools will have the option of substituting applications under criteria established by the Secretary when they have independent knowledge that the household selected for verification is eligible, and they know that certain barriers will prevent them from responding.

In addition to improvements to the certification and verification process, the bill encourages schools to consider the needs of ethnic minorities, who are at higher risk for obesity and diabetes, in the development of their nutrition education programs.

These program improvements are significant, and as indicated in the bill title, they will certainly improve the program as well as increase the program's integrity. I recently decided to become a cosponsor of this bill, and I urge my colleagues to support its passage.

Again, I would like to thank the leaders of the Committee on Education and the Workforce for considering these provisions a priority and for moving forward in a cooperative and bipartisan fashion during this reauthorization. Additionally, I would like to thank Mr. EHLERS for his commitment to migrant children during this reauthorization. I would also like to thank the staff on both sides of the aisle for their persistence and dedication to working cooperatively during this reauthorization. I urge my colleagues to support this reauthorization bill.

Mr. HOLT. Mr. Speaker, I rise in support of this Child Nutrition Act and I ask permission to revise and extend my remarks. This bill is a step in the right direction of important reforms in federal child nutrition programs. I would like to thank Chairman BOEHNER, MR. CASTLE and Ranking Member Mr. MILLER and Ms. WOOLSEY for their hard work on the bill. I would also like to take this opportunity to thank the Chairman for taking my amendment eliminating the cost-accounting requirement for severe need breakfast programs in the manager amendment in the committee markup.

This paperwork problem was brought to my attention by the director of the New Jersey Child Nutrition Programs, Kathy Kuser. Many States, including New Jersey as well as Wisconsin and Illinois, are making significant efforts to improve their school breakfast participation rate, and reducing the paperwork requirements would help these efforts.

Under current law, schools in which at least 40 percent of the lunches served during the second preceding school year were free or reduced price qualify for severe need breakfast assistance. They have to calculate their costs per breakfast by prorating their labor costs, and figuring out their food, supplies and other costs associated with the school breakfast program. They have to save their receipts and calculations and submit them in order to get the severe need reimbursement. Removing the cost-accounting requirement would be a significant paperwork reduction for the schools without significantly increasing cost for the government.

I also want to commend the committee for including direct certification for children from food stamp households for free school meals. Many schools are not aware of this method to determine eligibility for free meals. Direct certification improves access to eligible children for free school lunch meals and improves program integrity according to a study done by Mathematica.

I am also pleased to see the bill authorizes grants for "farm-to-cafeteria" projects that include nutrition education activities that incorporate the participation of school children in farm and agricultural education projects and that procure local foods from small- and medium-sized farms for school meals.

Finally, the expansion of eligibility for Child and Adult Care Food Program (CACFP) for children in shelters from age 13 to 18 who live in domestic violence shelters and homeless shelters is a wonderful improvement to the previous child nutrition legislation. My constituents who participate in Mercer Street Friends, Anchor House, Triad House, Family Preservation Center (Homefront) and the Family Preservation House would benefit from this change to CACFP eligibility. These organizations depend on food donations to feed their clients who are nutritionally at risk and should be eligible for this important nutrition support program.

I do want to point out two provisions of the bill I wish had been improved. While there are federal dietary guidelines for meals served that are reimbursed through the Federal meals program, Federal nutrition standards for foods that are not offered through the Federal meals program are lacking. As a result, children are faced with numerous food choices during the school day with little nutritional value. Our colleague, Representative TIM RYAN (D–OH) offered an amendment in Committee that would have resulted in enormous improvements in the school nutrition environment for children for foods sold on campus.

We also should have eliminated the reduced price school meals category. Such action would make the school meal programs more accessible to low-income families; better prepare students to learn; and make the programs easier to administer.

Mr. Speaker, once again I want to thank my colleagues and their staffs for their hard work and I ask my colleague to support this bill that will eliminate barriers to participation for low-income children and families and ensure greater access to these critical nutrition programs.

Mr. EHLERS. Mr. Speaker, I rise today in support of H.R. 3873. I thank Chairman BOEHNER and Mr. CASTLE for their work on this legislation. I particularly thank them for their willingness to include direct certification of migrant children under the Richard B. Russell National School Lunch Act. I also commend Mr. HINOJOSA and Mr. GRIJALVA for their persistent efforts to assist migrant children.

Migrant families are among the poorest of the working poor, and are largely eligible for the child nutrition programs. Unfortunately, the mobility of migrant children often complicates their access to the child nutrition programs. Migrant families face significant barriers in accessing federal, state, and local resources due to issues associated with mobility, language and literacy. Currently, migrant children are forced to reapply each time they enroll in a new school district. In addition, literacy and language are a problem at the application phase of the child nutrition program.

I am pleased that this legislation provides direct certification for migrant children. This legislation works to protect eligible children's access to the child nutrition programs by extending automatic eligibility to children who qualify for migrant educational services under Title 1, part C of the No Child Left Behind Act. It allows for direct certification of migrant children if they are identified by the district's migrant education coordinator. Such a change makes it easier for migrant children to receive school meals as soon as they enter a new school.

In addition to migrant provisions, I support promoting nutritional education and physical activity. I am very pleased that this legislation promotes such education and physical activity at the state and local levels to prevent childhood obesity. I am hopeful that local school wellness policies will be established by schools participating in the school nutrition programs will promote health and prevent childhood obesity throughout schools in Michigan.

Finally, I support strengthening partnerships between local agriculture and schools. I cosponsored Representative UPTON and Representative KIND'S Farm-To-Cafeteria Projects Act, and I am pleased to see these provisions included. This legislation will promote partnerships between local Michigan farms and the child nutrition programs to ensure that children receive fresh and local produce.

In closing, I urge my colleagues to vote in favor of the Child Nutrition Improvement and Integrity Act.

Mr. HINOJOSA. Mr. Speaker, I rise today in strong support of the Child Nutrition Improvement and Integrity Act. I would like to commend the committee and subcommittee chairs, Mr. BOEHNER and Mr. CASTLE and our ranking members, Mr. MILLER and Ms. WOOLSEY, for bringing this bipartisan bill forward. It is a bill that strengthens the child nutrition programs for our most vulnerable families.

Measures to allow for the direct certification of migrant students and the direct verification of eligibility will protect our most at risk students from being dropped from the program, not for lack of eligibility but for lack of understanding or fear. The provisions to ensure that school lunch information—throughout the entire process—is in a language and form that the parents can understand will go a long way to building understanding and trust. These are significant improvements to the program.

Additionally, the bill strengthens nutrition education. Childhood obesity and diabetes are reaching epidemic proportions in South Texas and across the nation. We must do more to help young people develop healthy lifestyles. This legislation is a step in the right direction.

In conclusion, I would like to concur with my colleagues that we should make a commitment to replace the reduced lunch program with free lunches for all low-income children.

America is the wealthiest nation in the world. We can afford to feed our children. This investment is the right thing to do.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am pleased to be here today to talk about the Child Nutrition Improvement and Integrity Act, as passed by the Committee on Education and the Workforce. Periodically in Congress, we are able to see true bipartisan legislation that addressed the needs of our constituents. While it is disappointing that we were not able to amend the bill to more fully support the school breakfast program, I am pleased that its overall intent to help children and families is apparent and effective.

The Child Nutrition Improvement and Integrity Act streamlines the application and verification process. It allows schools to certify children for participation for one full school year. It also eliminates individual applications and allows a household to use one application, rather than one for each child. Children in families who are recipients of Food Stamps and migrant children will be directly certified for eligibility in the school meals programs.

This bill also addresses the growing issue of childhood obesity. Childhood obesity rates have tripled over the past twenty years resulting in children suffering from early onset of traditionally adult diseases such as hypertension, diabetes, and heart disease. Meal programs offered in schools, childcare settings, after-school and summer programs, and through WIC offer an ideal way to address these child health issues head-on.

This bill includes "Nutrition Quality Promotion." It requires Local Education Authorities to establish a school nutrition policy by July 31, 2006 that provides nutrition guidelines for all foods sold on campus. It must include goals for nutrition education, physical activity and other school based efforts to promote student wellness.

This bill provides grants to states and schools to develop and implement a coordinated nutrition education and physical fitness program, as well as to improve nutritional quality and school nutritional environment.

As Chair of the Congressional Children's Caucus, I know how important it is to invest in our children. I have met with Houston representatives from the American School Food Service Association, all of who stress the importance and value of well fed, healthy children and the positive effects it has in the classroom. Unfortunately, there are children in America who go hungry during the school day as well as children with illnesses caused by poor nutrition. Healthy children are an investment in the future of our country's economic well being. I am pleased to support this legislation, and encourage all my colleagues to do so.

Mr. BOEHNER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Ohio (Mr. BOEHNER) that the House suspend the rules and pass the bill, H.R. 3873, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. BOEHNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

CELEBRATING 50TH ANNIVERSARY OF INTERNATIONAL GEOPHYSICAL YEAR (IGY) AND SUPPORTING AN INTERNATIONAL GEOPHYSICAL YEAR-2 (IGY-2) IN 2007-08

Mr. BONNER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 189) celebrating the 50th anniversary of the International Geophysical Year (IGY) and supporting an International Geophysical Year-2 (IGY-2) in 2007-08, as amended.

The Clerk read as follows:

H. CON. RES. 189

Whereas the year 2007 is the 50th anniversary of the IGY of 1957-58;

Whereas the IGY, conceived in and promoted by the United States, was the largest cooperative international scientific endeavor undertaken to that date, involving more than 60,000 scientists from 66 nations;

Whereas the IGY legacy includes the dedication of an entire continent to cooperative scientific study through the Antarctica Treaty and the inauguration of the global space age through the launching of Sputnik and Vanguard;

Whereas IGY cooperation continues as the model and inspiration for contemporary world science and also, in this strife-torn era, for the human species as a whole;

Whereas the IGY was conceived as a follow-on to the International Polar Year of 1932 that would reflect new and more globally comprehensive research and measurement techniques in geophysics; and whereas in like-minded spirit it would be appropriate for an IGY-2 to reflect global developments in biology, genetics, the neurosciences, and other areas of scientific research;

Whereas it also would be appropriate for an IGY-2 to recognize interdisciplinary research that incorporates the physical and social sciences and the humanities in enriching understanding of diverse life on Earth;

Whereas the 35th anniversary of the IGY was commemorated by the International Space Year, a globally implemented congressional initiative conceived by the late Senator Spark Matsunaga of Hawaii, that was highlighted by globally coordinated environmental monitoring and research whose ongoing legacy continues to benefit humanity; and

Whereas it is entirely fitting that Congress takes the lead again, in the same spirit, in promoting global cooperation through worldwide commemoration of the IGY with activities reflecting the unity and diversity of life on Earth: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring),

That it is the sense of Congress that the President should—

(1) endorse the concept of a worldwide IGY-2 for the 2007-2008 timeframe;

(2) direct the Director of the National Science Foundation and the Administrator of the National Aeronautics and Space Administration, in association with the National Academy of Sciences and other relevant governmental and nongovernmental organizations, to initiate interagency and international inquiries and discussions that explore the opportunities for a worldwide IGY-2 in the 2007-2008 timeframe, emphasizing activities dedicated to global environmental research, education, and protection; and

(3) submit to Congress at the earliest practical date, but no later than 6 months after the date of adoption of this resolution, a report detailing the steps taken in carrying out paragraphs (1) and (2), including descriptions of possible activities and organizational structures for an IGY-2 in 2007-2008.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alabama (Mr. BONNER) and the gentleman from Colorado (Mr. UDALL) each will control 20 minutes.

The Chair recognizes the gentleman from Alabama (Mr. BONNER).

GENERAL LEAVE

Mr. BONNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H. Con. Res. 189, the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BONNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering H. Con. Res. 189 which recognizes the 50th anniversary of the International Geophysical Year (IGY). I thank the gentleman from Colorado (Mr. UDALL) as well as the gentleman from Michigan (Mr. EHLERS) for leading Congress in the celebration of this important anniversary and milestone.

The IGY, spanning 1957 through 1958, was an internationally coordinated effort to observe and collect data about Earth science. More than 60,000 scientists from 67 countries participated in IGY. Their efforts had a far-reaching effect on a variety of scientific disciplines. IGY scientists paid particular attention to Antarctica, representing the first and only time an entire continent was set aside for cooperative research. That designation continues to this day and was formalized with the Antarctic Treaty in 1959, which currently has 45 signatory countries.

Also, research to develop rockets and satellites for IGY, atmospheric studies laid the technical foundations for the U.S. space program. Modern-day weather and natural-disaster forecasting, including El Niño forecasting and volcanic eruption predictions, are a direct result of IGY research.

Yet many questions remain about the complex interactions of the ocean, land and atmosphere; and today there are more advanced tools scientists can use as they search for answers to these questions. H. Con. Res. 189 calls on the National Science Foundation and the National Aeronautics and Space Administration to pursue plans for a second International Geophysical Year in 2007 and 2008. This will provide an opportunity for today's Earth scientists to focus their efforts and to inspire the next generation of scientists.

This resolution does not authorize any new money. It simply expresses the sense of Congress about celebrating the anniversary of the first IGY and endorsing the idea of a second IGY. I urge my colleagues to support this timely and important resolution and thank my colleagues on the Committee on Science for bringing this matter before us today.

Mr. Speaker, I reserve the balance of my time.

Mr. UDALL of Colorado. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as its author, I obviously support passage of this concurrent resolution. I am pleased to be here today with the gentleman from Alabama (Mr. BONNER) to discuss what the gentleman has just acknowledged is an important resolution. I also want to extend my thanks to the gentleman from New York (Chairman BOEHLERT) and the ranking member, the gentleman from Tennessee (Mr. GORDON), for making it possible for the House to consider H. Con. Res. 189 today. I am also grateful to the gentleman from Michigan (Mr. EHLERS), the chairman of the Subcommittee on Environment, Technology, and Standards, for his support of the resolution.

Last year, I introduced this resolution calling for a worldwide program of activities to commemorate the 50th anniversary for the most successful global scientific endeavor in human history, the International Geophysical Year of 1957 and 1958. It is hard to imagine not commemorating the historic global undertaking that was the historic International Geophysical Year, popularly remembered as the IGY.

The 60 nations and 60,000 scientists who participated in the IGY left an ongoing legacy that is beyond measure. Satellite communications, modern weather forecasting, modern natural-disaster prediction and management, from volcanic eruptions to El Niño, they are legacies of IGY scientific activities that spanned the globe and breached the space frontier.

In a broader context, the IGY marked the coming of age of international science. Globally coordinated activities which save millions of lives today, such as the campaigns to contain and find cures for SARS and AIDS, owe their working model to the scientists from throughout the world who banded together to implement the IGY.

My resolution calls for an IGY-2 that would be even more extensive in its global reach and more comprehensive in its research and applications. After all, the frontiers of science are continually expanding. The biological sciences, genetics, computer sciences, and the neurosciences, among others, have made tremendous advances worldwide during the half century since the IGY.

IGY-2 would not only promote research, but it would also provide a stage for showcasing the new scientific developments and a forum for presentation and discussion of their continually unfolding significance. It is entirely fitting that the United States take the lead in launching an IGY-2 and that Congress, and particularly the House, provide the impetus.

In 1985, to mark the 35th anniversary of the IGY, Congress passed a resolution authored by Senator Spark Matsunaga calling for a year of globally coordinated space activity. At President Reagan's direction, the U.S. led a worldwide planning effort that culminated in the implementation of an International Space Year in 1992, which made major scientific contributions, notably in the field of global environmental monitoring.

So we have both scientific and congressional precedent for the U.S. to take the lead internationally in calling for an IGY-2. I join my colleagues along with the gentleman from Alabama (Mr. BONNER) to join me in promoting this initiative in support of modern science and international scientific cooperation. I urge adoption of this resolution.

Mr. HOLT. Mr. Speaker, I rise today in support of H. Con. Res. 189.

The first International Geophysical was held from July 1957 to December 1958. It was modeled after the successful International Polar Year of 1882 and its 50th anniversary in 1932. The International Geophysical Year allowed over 60,000 scientists from 67 countries around the world to take part in a series of coordinated observations of various geophysical phenomena.

I remember it well because I was reading about the IGY that sparked my interest in science and set me toward a career in physics that I pursued before coming to Congress.

The scientific activities spanned the globe from the North to the South Poles. In particular, the research in the Antarctic yielded new estimates of the Earth's total ice content—a number of extreme importance given today's melting of major glaciers due to global warming. In addition, instruments to record cosmic rays, spectroscopes to analyze the signals, and balloons were put to use to explore the upper reaches of the atmosphere. Finally, post-World War II developments in rocketry made possible the exploration of space employing what was then the exciting new technology of artificial scientific satellites with the launching of Sputnik and Vanguard.

Because 2007 will be the 50th anniversary of this most exciting worldwide scientific undertaking, I wholeheartedly support H. Con. Res 189 for celebrating 2007 as the International Geophysical Year—2 and recommend that Congress, as in 1957, promote world-wide cooperation in the commemoration of the International Geophysical Year—2 with scientific activities so that we humans can better understand our environment and our place in the universe.

Mr. EHLERS. Mr. Speaker, today I am pleased that we are considering this resolution celebrating the 50th anniversary of the International Geophysical Year (IGY), and I thank my colleague from Colorado, Mr. UDALL, for his work in recognizing this important anniversary. I distinctly remember the first IGY. I was a graduate student in physics at that time. There was much excitement around this coordinated research effort, which led to discoveries with far-reaching impacts on every field of earth sciences. For example, research on making rockets and satellites to better understand weather was a factor in building the technological foundation for the U.S. space program.

As often happens with scientific research, the more we learn, the more questions we develop. Much of the first IGY research focused on Antarctica, setting aside an entire continent for cooperative scientific research. In 1959, the Antarctic Treaty formalized this arrangement by designating Antarctica for scientific investigation "as applied during the International Geophysical Year." I am pleased that this resolution continues that spirit of scientific discovery by directing the National Science Foundation and the National Aeronautics and Space Administration to pursue plans for a second International Geophysical Year in 2007–08. A second IGY will inspire the next generation of earth scientists to work collaboratively and across international borders to study the most pressing Earth science questions.

I urge my colleagues to support this timely and important resolution.

Mr. GORDON. Mr. Speaker, I want to congratulate Mr. UDALL for once again showing leadership on an important environmental issue. Additionally, I want to thank Chairman BOEHLERT for moving this resolution to the floor so quickly.

The resolution properly commemorates the magnificent achievements of the International Geophysical Year. A new IGY will be good for the environment. It will also be very healthy for our standing as a nation to take the leadership role in developing a new IGY for the 21st century.

The IGY was conceived and promoted by the United States and has been one of the largest cooperative international scientific endeavors undertaken. IGY cooperation continues to be a model and inspiration for contemporary world science.

In a similar spirit, it is appropriate for an IGY–2 to reflect global developments in biology, genetics, the neurosciences, and other areas of scientific research and recognize the interdisciplinary research that incorporates the physical and social sciences and the humanities in enriching an understanding of diverse life on earth. Therefore, it is entirely fitting that Congress take the lead again, in the same spirit, in promoting global cooperation through the worldwide commemoration of the IGY.

Mr. UDALL of Colorado. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BONNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. BONNER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 189, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. BONNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1345

GENERAL LEAVE

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on H. Con. Res. 393.

The SPEAKER pro tempore (Mr. BONNER). Is there objection to the request of the gentlewoman from New York?

There was no objection.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, March 23, 2004, and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, House Concurrent Resolution 393.

The Chair designates the gentleman from Idaho (Mr. SIMPSON) as Chairman of the Committee of the Whole, and requests the gentleman from Florida (Mr. MILLER) to assume the chair temporarily.

□ 1348

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, with Mr. MILLER of Florida (Chairman pro tempore) in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN pro tempore. Pursuant to the order of the House of Tuesday, March 23, 2004, the concurrent resolution is considered as having been read the first time.

General debate shall not exceed 6 hours, with 5 hours confined to the congressional budget, equally divided and controlled by the chairman and ranking member of the Committee on the Budget, and 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from New Jersey (Mr. SAXTON) and the gentleman from California (Mr. STARK).

The gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 2½ hours of debate on the congressional budget.

The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the chance to come before the body to debate yet again the budget for this next fiscal year. Before I start with that debate, let me compliment my ranking member and friend, the gentleman from South Carolina (Mr. SPRATT), on the way that we have moved this budget through committee and moved it to the floor. The gentleman from South Carolina will be offering a substitute budget tomorrow as part of this debate.

While people who are watching this are going to see us argue today, we are going to argue about priorities, we are going to argue about deficits, we are going to argue about taxes, we are going to argue about just about everything, it seems, but one thing we do not argue about is the importance of this process.

Those who are watching may wonder why it is we are going to be spending 6 hours of general debate over the budget. Let me tell you why. If you have ever built a house with your wife or your husband and you had to go visit the architect, you will discover very quickly why it is important you have a blueprint that you can agree on before the carpenters show up or the plumber or the heating and air conditioning people or the roofer or anybody else, because if the blueprint does not work, if it does not fit, if there is not agreement on that basic foundation, the rest of the process is not going to work very well. The carpenters show up to do their work, they do not have a blueprint, and what you have on your hands is a mess.

The reason that we have gone through this process since 1974, every year, is because we believe in the fundamental decision that is made as part of this budget for spending, for taxes, making so many decisions that flow from this process.

We are going to have some good-natured debate today. Democrats will be arguing with Republicans and Republicans will be arguing back. But when it comes right down to it, we believe in our country, but we believe that we need a blueprint, we believe in this process and as I said to start with, I thank the gentleman from South Carolina for his partnership in working through the process even though we have not come to a bipartisan agreement.

I would also like to thank our staff. When you are going from the beginning of the Federal budget and $2.4 trillion line items here and there, you have got to count on some good people. I want to thank them for the work they do in getting us to this point because, just like any good architect, they need the engineers behind them to make sure that the structure is sound. I want to thank our staff on both sides for the work that they do.

Even before the end of last year, we kind of had an idea of what the must-do list would be in writing this year's budget. It was already becoming very clear that this budget has got to get spending under control, and it had to begin the work of reducing our deficit. I heard that message from every Member, from our President and from just about every constituent that I visited with back home in Iowa.

It really did not matter where you went. People said, out in Washington, you're spending way too much money. Even worse than that, you're wasting a lot of money. It did not matter, almost regardless of the topic, regardless of the department, regardless of the program, people said you have to control spending.

Even the administration was clearly hearing the exact same thing. As far back as last July, the President of the United States was proposing that cutting the deficit in half within the next 5 years would be one of the most important cornerstones of the budget that he presented to Congress this year.

We all know and we take pause at a time like this to remember the extraordinary circumstances of the past few years. Our country has hardly ever seen the kind of difficulty that we have had to face during these past few years. We had a growth deficit in the economy that produced a slowdown, a recession, of 2000 and 2001. The economy was not growing. We had a growth deficit.

We learned painfully, as well, that we had extensive deficits in our defense and our homeland security. We knew that we were not protected as well as we could be or should be as a Nation, and we made immediate plans to improve that.

We also had a Medicare deficit. A 40-year program that our Nation's seniors had depended on had really failed to keep up with the times, and as a result, we had a deficit in the way that that program was providing help to seniors across the country, particularly with regard to prescription drugs.

All of these were large and important problems and challenges, and I doubt that anyone on either side would have recommended that we ignore them. In fact, no one did. We all decided the economy was important. We all decided Medicare was important. We all decided that security and homeland security and national defense were important. But in addressing them, we took large initiatives and the result was a budget deficit. We made deliberate decisions that drove us to borrow money in order to meet these short-term challenges.

Correcting that budget deficit and getting us back on a path to balance is our next major challenge, and it is one that this budget tackles. We had a growth deficit, a security deficit and a health care deficit that we have dealt with. Now we have to deal with the Federal budget deficit.

At the same time, however, this was not a green-eye-shade exercise. It is not just a matter of getting a bunch of numbers to add up. The budget also has to support an agenda that reflects our principles of governing, which is to advance our Nation's strength, growth and opportunity. I will briefly review each of these principles and then turn it over to colleagues from my committee who will discuss these even further.

First is strength. Our country has to be strong. America is free and will remain free as long as we are strong. We have got to be strong enough to defend that freedom. We have got to be strong enough to defend it here at home and we have got to be able to take that fight to the people who want to ruin that freedom wherever they may be. That is what we are doing around the world right now. America is free and will remain free as long as we are strong enough to defend freedom at home and around the world.

Second is growth. To remain the world's most prosperous superpower nation, America's economy must continue to grow and create jobs. If the budget that is being debated around the kitchen tables of America today, right now as we speak, families are trying to balance their checkbook, they are trying to figure out how to make ends meet, send their kids to college, pay their bills on time, pay a Visa bill that seems to get bigger and larger all the time. If their budgets do not add up, it really does not matter what the rest of the country looks like. We are the sum of our parts and our parts have got to be strong. That is why growth in the economy is so vital.

Finally, opportunity. Strength, growth and opportunity, the third one. America's continued greatness comes from what I believe are the unlimited opportunities that our American freedom provides all of us. We must continue to encourage opportunities for a better life for every citizen in our country. Those are the guiding principles of this budget. The fundamentals for furthering those principles with this year's budget include the following. Let me just outline a few of them.

First is on taxes, and let me be very clear because this is one delineation between the parties and between all of the budgets that you are going to see today. This budget does not raise taxes, period. Our country does not need a tax increase today or tomorrow to meet the needs of our budget.

Our tax relief policies are working, finally. We are starting to see some of these have their effect on the economy. The last 6 months of our economy were the fastest growing 6 months in 20 years. It has been 20 years since we have seen that kind of growth.

Have the jobs been there? Not yet. They are coming, though, because that is the last indicator in economic development. It is what they call a lagging indicator. Economists call it lagging because it is one of the last things you see develop within the economic development, are the jobs being created.

And at exactly the time when small businesses in Manchester, Iowa, or across Iowa or wherever you might be, at the very time when they are starting to think, you know, the economy's starting to turn around, it might be time to add on another product line or maybe to hire another waiter or waitress or two or maybe to figure out another sales clerk that could maybe fill in during some of the times so that somebody can be off a little bit more of the time. At the very moment when they are ready to think about adding jobs, we cannot have a snapback, automatic, come-from-behind, hit-them-in-the-back-of-the-head tax increase that says, oh, by the way, we need that money, you shouldn't be able to spend it back home. That to me does not make any sense.

The tax relief packages are working and we will not allow a snapback of the tax, the 10 percent tax rate, the marriage penalty relief. We do not want to penalize married people in this country.

□ 1400

And we also believe that the tax credit should remain at its current level. So that is taxes.

The next is spending. We cannot begin to address reducing the current budget deficit without getting ahold of our current rate of spending growth. I am going to show the Members a chart because I think this illustrates the spending issue probably better than any others. I want to show the Members what we have been spending the last number of years. Did most of this go to necessary demands? Absolutely. I am not suggesting that the amount of money we have been spending in Washington has gone for naught. Of course it has been for many necessary demands. Can we suspend that rate of growth? I do not think we can suspend it, but we should not sustain that rate of growth over a long period of time.

Let me just show the Members this chart because I think this is important. This is our recent spending history. In the last 3 years, total spending growth has averaged 6 percent. The growth in the economy has not been that strong. I mean, we have not seen that kind of inflation. Why is it that we ask families to only grow possibly at the rate of inflation if they are lucky to even get that kind of a pay increase, but we ask them for more money so that we can increase government spending? Some of this growth has been necessary, as I said. Homeland security, war on terrorism, education, veterans spending. A lot of good spending has been in here, but we need to start going through this with a fine tooth comb so that we can start holding the line on spending, not wasting it and respecting the taxpayers who, I believe, use it much more wisely oftentimes than we do.

I have said many times before that everything in this budget should be on the table for consideration when it comes to controlling spending, and we have looked for ways to control spending throughout the entire budget. And we thought it was fair to start right here at home, right here in this House, by freezing our own congressional budgets. Before we look outside this Chamber and say to anyone else they have got to tighten their belt, it is time we do it right here first. And that is not only an issue of credibility, but it does save us some money. It does give us, I think, the standing to go to Departments and say they can live with just a little bit less, they can live with the amount that they had last year.

We have also called for holding the line on all nondefense discretionary spending and called for a reduction of ½ of 1 percent from the President's requested increase of 9.7 percent of homeland security. What we are basically saying is that the President deserves to be able to continue to manage homeland security in a positive way to keep us safe at home, but remember too that when we formed the new Homeland Security Department, it was advertised both by Congress as well as the Department of Homeland Security that eventually they could help us save money by coordinating those services, and we have pumped a lot of money into homeland security. But I cannot name one constituent who has come up to me and told me that they have had an experience in the airport where they thought all that money was being spent wisely.

In fact, I get more letters and more conversations of people saying, You know what? I could tell you how the government could save some money. There is a lot of waste in the way that we manage this whole transportation security. Those are the things they see. There are many things that we do not see that we should constantly be looking at, and I know people will come down here saying we must not care about homeland security if we even want to look for any waste or any savings, and that is not fair. That is not fair because we should respect every dollar that is used in every Department for the intended purpose, but we should not waste one penny, and where we can even find a penny or a dollar or a hundred or even into the billions in some instances, we should work to do that.

We also called for a program of savings and elimination based on rooting out waste, fraud, and abuse in what we call our mandatory programs or entitlements. The reason we do that is because we have a lot of spending here in Congress and throughout the Federal Government that is automatic, that happens regardless of what we decide here today, unless we start to work to improve those programs and start rooting out waste within many of those programs. And there are so many examples. I mean, we work hard, and so does the bureaucracy of our government work hard to make sure that when we provide a benefit to somebody who needs help from the government, and so many of us believe that that is what government is for, to help people who cannot help themselves in many instances, every penny of that should make sure it gets to the people whom we intend to help, no one else. No one else should be taking advantage of those programs.

States should not be allowed to just maneuver those moneys around like a shell game in order to make their budgets look good and then blame the Federal Government for not sending back the money. We have got to make sure that every penny is getting to the people it is intended to get to. Over all the confusion over what Chairman Allen Greenspan said last month to my committee concerning Social Security, there was a much bigger point that got lost, and that was the problem that he talked about in mandatory spending. Most entitlement spending is on auto pilot, and in other words, it just keeps growing year after year in most cases without ever undergoing oversight.

And what we do in this budget is we ask people, we ask our committees of jurisdiction, to begin going into the garden and pulling out the weeds, the places where we can find savings and make sure it is plowed back in to helping people who cannot help themselves. Truly, just about the only time we look at these programs is like last year with Medicare when we wanted to expand it, and we did find savings within that program. We need to do this every year.

This is a problem, and it is getting worse every year. In 1974, the year the Budget Act was adopted, mandatory spending accounted for only 41 percent of the total budget. This year, 30 years later, already over half of our spending is automatic that we cannot affect unless we change the law.

So let me be clear. I am not saying that mandatory programs in and of themselves are bad. No one is saying that. Many of them provide critical services, but I am saying that we had better get ahold of the growing wave of entitlement spending that we have created over the years before it crashes down around all of us, all of us here in Congress as well as all the families across our Nation that we ask to pay for these programs. To continue with our games of political rhetoric with regard to these programs, I believe, is foolish.

This is where I have got to give the little asterisks in attention for those who might be watching. This is where many people will run to the Chamber and say, oh, they are going to hurt the poor; oh, they are going to throw seniors out into the street; oh, they are going to kick a dog, or something like that.

I mean, my goodness, that is not what we are talking about. We had a hearing here where, believe it or not, the Department of Agriculture was proud of the fact that they had a 9 percent error rate in the food stamp program. There is not a business in our country that could survive with an error rate of 9 percent. In fact, CEOs and small businessmen and -women across our country would scour their books for days to find 1 percent if they thought that was in their budgets. We allow 9 percent to go on and say, well, gosh, that is an improvement because the year before it was 18 percent. That is ridiculous. So we are not saying that we should go in and be indiscriminate.

We want food stamps to go to people who are hungry. We do not want it to go in waste, fraud, and abuse to fund an underground economy where food stamps have been used as a currency. And that is wrong. We have got to get our arms around it. We are not suggesting it has to be done immediately today, but let us start the work. Let us not waste one penny that should go to people who are hungry around our country.

We proved last year that there are huge amounts of indefensible waste, fraud, and abuse within our mandatory programs. So in this budget we have begun the process of actually reducing or eliminating some of those most outrageous examples of waste.

Let me turn to spending control. We are calling for a few other spending controls or restraints, whatever the Members would like to call them, for Members of Congress. They are including, for instance, holding the line on our budget. We are calling for no increase in the legislative branch appropriations for Congress. We do not want any new entitlement spending until we go through the process of looking at our current entitlements and no nonwar emergency supplementals without spending offsets. From 1995 until about, I believe it was, 1998, we started a practice here that we should get back to and that is saying if we have an emergency come into our country, let us look to offset the costs of those emergencies by reducing or eliminating other lower priority items that can be put on the back burner for a period of time while we deal with that emergency. Obviously, that cannot happen in a war. That is obvious. I mean, when we are in a war, we are going to do what it takes. The President said that from right here at this podium, and just about every Member agrees with that as well; but we are talking about that with regard to nonwar.

We are also asking that we stop the practice of waiving the Budget Act or waiving the rules for the budget. A lot of people will come down here beating their chest about the budget or how we ought to change the budget process, and then they will vote for or encourage the adoption of waivers for the budget throughout the rest of the year. That has to stop if we want to continue to enforce the budget.

We should also freeze spending on programs that are unauthorized; and for the people who might be listening to this who are not familiar with this process, what Congress does is through some of our committees we determine that a program is needed and then we turn it over to the other side of the building where the appropriators sit, and we ask them to find the money to fund it. But oftentimes the appropriators are asked to fund programs that have never gone through the regular process. And so what we are saying here is if they have not gone through the regular order, if they not had their program authorized, they should be eligible to have their funding frozen for a period of time until we can make sure that their program is eligible, working correctly, not wasting any money, and continues to be a priority. There are too many things that have continued to receive funding throughout the years that have not been authorized.

One of my favorite examples is that we actually only recently ended the practice of funding the National Helium Reserve. That was an unauthorized program from the time of the dirigibles during World War I when we actually came up with this program. It made sense then. I mean, they have got to make sure the blimps are flying. That was national security back in World War I. But because that program had never been authorized and the appropriators continued to fund it, it was only recently that we were able to dig through the books and find out it was still being funded, and we were able to eliminate that funding.

Finally, with regard to war costs, the budget takes into account the funding for the ongoing war in Iraq. We know without question that there will be costs for the war while this budget that we are voting on today is in effect. Do we know the exact dollar amount? No. But we know it is not zero. And that was well said by colleagues on both sides of the aisle. We support our troops. We want to make sure they know that money is going to be on the way. We want our partners to know that we are making this a priority, and we also want to know that it is included in the bottom line as part of getting to a balanced budget, respecting the need to identify all of our costs.

So we had a choice. We could either sit here and wait for an emergency supplemental for the war, or we could do what I believe is the responsible thing, factor in those costs as we know them without question because we know that they are coming. So we have included $50 billion for funding the war in Iraq. It is a tough choice, certainly one that we would rather not face, I suppose; but one that we felt was the right thing to do and a budgeting priority.

Finally, with regard to fiscal responsibility, we get results with this budget, and it is results that matter. Now, this is clearly not the budget that I would write ideally if it were left to my own choices. But we have to come up with a compromise. And what we have tried to do is we have tried to meld all of the different needs of all of the different Members of Congress as part of this. Taking the initiative to root out waste, fraud, and abuse, doing a little more with a little less, actually restraining spending is a whole lot tougher than just signing off on some huge spending increase. We all know that families, businesses, States, local governments have had to actually go into their budget and cut it. We are not even doing that. We are not saying we have to cut the budget. There may be some who claim that that is what it does, but we are not cutting the budget. We are just holding the line. There are some people who have actually had to make tougher choices than that. Do we have a list of wants that may go unfulfilled for a while? Sure. We are just asking them to go on the back burner.

□ 1415

We have to follow suit if we are going to get back on the right track.

So we are just asking to hold the line. If we can do that, if we adhere to those principles, this is what we expect to gain:

First, not to increase the deficit in the current year, which I believe is a reasonable goal;

Second, to cut the deficit in half as early as 4 years by both the factor of our economy as well as actual dollars;

Third, we get the ball rolling toward an effort of reigniting our oversight responsibilities to root out massive amounts of wasteful spending here in Washington;

Finally, we win the war, we balance the budget, and we can double the economy if we follow this kind of blueprint. I think that is a huge payoff for just a little bit of fiscal responsibility and restraint in this year. I think it is the least we can do.

This is a good budget. It is a good blueprint. It has come together over a lot of difficult conversations, because if you went to visit your architect to build a home, that would be a difficult conversation, too. They always are when you are making choices. But these choices are necessary at this crucial time in our history to get us on the right track.

I would urge Members to come speak about the budget, learn more about the budget, and vote for the budget when we have the chance.

Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. DELAY), our majority leader.

Mr. DELAY. Mr. Chairman, I thank the chairman of the Committee on the Budget for yielding me time.

Mr. Chairman, I just want to associate myself with the eloquent speech that the chairman of the Committee on the Budget has just delivered to this House. I also want to congratulate him on bringing to this floor one of the best budgets that I have seen in the 20 years that I have been in Congress.

This is a very well thought out budget, understanding exactly what it should do and exactly what the American people need it to do; and I congratulate the chairman and everyone on his committee that supported this budget and worked hard for this budget for bringing it to the floor. Now is the time to do something just as this, and I really appreciate the chairman for doing all this hard work.

Mr. Chairman, this budget's priorities are quite simple. First and foremost, it increases funding for our national security and homeland security agencies, so that the United States can reaffirm our commitment to winning the war on terror and protecting our citizens from attack.

Second, it freezes nonsecurity discretionary spending at current levels, so that while we meet our current needs, our economy will have room to grow, create jobs and cut the deficit.

Third, it provides for necessary measures to protect the national economy from snap-back tax hikes on parents, married couples and working families.

Strength, growth and opportunity, three simple principles vital to America and embodied in this budget, are the reasons everyone on both sides of the aisle should support this budget. However, I understand that unanimous support is probably not realistic, especially in an election year. But no less realistic, Mr. Chairman, are the Democrats' tax-hiking budget alternatives.

Let us just get this straight: The Democrat budgets do not "freeze," "roll back," "defer," or "stop to review" anything. They raise taxes on at least 6 million Americans; on 1.8 million married couples, on 740,000 small businesses, on 535,000 schedule C sole proprietorships, and on 52,000 family farmers.

How exactly will this massive, reckless, job-killing tax hike on families and small businesses, $28 billion worth supported by Democrats during the Committee on the Budget markup, possibly create the kind of growth that our economy needs to meet the demands of the war on terror and the looming entitlement crises, balance the budget and keep America competitive in the global economy?

Along the same lines, how exactly will $28 billion in new spending, voted on again by Committee on the Budget Democrats during markup, possibly address the Democrats' supposed concerns about the deficit? They will not. Of course they will not, Mr. Chairman.

Which brings us to the fundamental choice that we have today. On one side of this debate will be a transparent and honest budget supported by clear and simple arguments. On the other side will be confusing rhetoric, dismissive of small businesses and the jobs that they create, hysterical in its advocacy of massive new taxes as an economic stimulus and new spending as a means of cutting the deficit, and belligerent towards anyone who seeks to trim waste, fraud and abuse.

I know what side I am on, Mr. Chairman, and given the current stakes in our Nation and around the world, I urge everyone listening to this debate and contemplating their vote to stand with me on the side of strength, growth and opportunity, and support this budget.

Mr. SPRATT. Mr. Chairman, I yield myself 14 minutes.

Mr. Chairman, let me address the last remark made by my good friend, the Majority Leader, the gentleman from Texas (Mr. DELAY), by saying that the budget resolution we will bring to the floor as a substitute for the House Republican resolution will generate a lower deficit, that is right, a lower deficit every year from 2005 through 2014. As a result, the resolution that we offer will accumulate $1.24 trillion less debt over a 10-year period of time, 2005 through 2014, than the President's budget.

Finally, and most importantly, our budget will go to balance, our budget will be in balance, in 8 years, in the year 2012. Lower deficits, less debt, a balanced budget by the year 2012. That is what we set out to do.

Because, you see, Mr. Chairman, we can remember where we were just 3 short years ago. We can remember that 3 short years ago we were in surplus in fiscal year 2001 by $127 billion. We were in surplus the year before, the last full fiscal year of the Clinton administration, by $236 billion, an unprecedented fiscal performance.

President Clinton inherited a deficit of over $290 billion, and every year over 8 years the bottom line of the budget got better, better and better, due to two different budget plans we adopted and imposed during the 1990s; and by the year 2000, we had an unprecedented surplus of $236 billion. We want to go back to where we were when we were running the budget in the black.

Three years have seen the budget decline from a surplus of $236 billion in 2000 to a deficit this year in 2004 equal to $521 billion. That is not my number, that is not my creation. Bush's Office of Management and Budget says that the deficit this year will be $521 billion. That means that last year, this year and next year, we will accumulate $1.2 trillion in national debt.

Just 3 years ago, with Washington surpluses, we had an uncommon task before us. We were so accustomed to dealing with deficits, we had to ask ourselves afresh, what do we do now that we have surpluses?

We had several choices: We could do what we said we could do seven, eight, nine times on the House floor, set up what is called a "lockbox," a corny name for a substantive idea, namely that we would quit borrowing from the Social Security trust fund and henceforth only use the trust fund to buy up outstanding Treasury debt.

If we did that, we could pay off most of the Treasury debt held by the public over a period of 8 years, add $3.5 trillion to net national saving, drive down the cost of capital, make Treasury more solvent because it would have less debt to third parties to pay forever, and take the first stride toward making Social Security solvent, which is the most critical problem we face fiscally and domestically, because the baby boomers are on the doorstep of retirement in 2008, and when they retire, they will have a dramatic impact on our economy and on our budget.

Or we could take some of the surplus and fund priorities like education and defense, infrastructure and health care, that we had slighted during the 1990s as we bore down on spending in an effort to balance the budget.

Thirdly, we could take the surpluses that were projected, not proven, it was not money in the bank, we could take these projected surpluses and pass trillions of dollars in tax cuts.

As we pondered that decision, Mr. Chairman, President Bush took office, and he came to office with this big advantage that no President in modern history has enjoyed, a budget in surplus, big-time surplus. And his Office of Management and Budget looked out over 10 years and they said, We foresee $5.6 trillion in surpluses between 2002 and 2010.

The President paid little heed to these other options. He forsook the whole idea of the lockbox and saving Social Security. Oh, he paid lip service to it, but his primary, driving, compelling motive was to have the biggest tax cuts possible, and in effect, the Bush administration, as they passed those tax cuts, told us we could have it all, with surpluses this size, we could have it all. We could have tax reduction and debt reduction too. We could have more tax cuts and bigger defense as well.

Let me make the record clear. We were for tax cuts on this side, but we wanted more moderate tax cuts. We wanted to be cautious about over-relying on this forecasted surplus, we wanted to be careful not to make the tax cuts so big that they left no room for other priorities, and in particular, we wanted to stay out of Social Security, because we had sworn never again to dig into the Social Security trust fund now that we were out of deficit.

Those concerns were dismissed in the passage of a huge tax cut, and here you see the consequences. The $5.6 trillion surplus today, in accordance with the President's 2005 budget, is now a deficit of $2.928 trillion. That is a swing in the wrong direction of $8.5 trillion over the last 3 years, a phenomenally incredible fiscal performance over the last 3 years.

We warned that the forecast upon which the President's tax cuts were predicated could be off, could be wide of the mark, and sure enough, it was. The economists now tell us it was 55 percent overstated, misestimated.

As a consequence, there never really was a surplus sufficient to fund or offset the tax cuts that the President was proposing. Therefore, as a result of the tax cuts, the additional spending that we have had during this period of time, mainly for defense, homeland security and response to terrorism, that additional spending has driven the budget deeper into deficit than would have otherwise been the case.

The next chart will show you where we are right now and where we think we are headed if you take the President's budget 2005, if today or tomorrow the House votes for the President's budget.

This is where the Clinton administration started out with a deficit of $290 billion, this is where they took the budget, to a surplus of $237 billion, and this is what has happened under the auspices of the Bush administration on their watch. We have descended from $236 billion surplus to a $521 billion deficit.

Now, that deficit is bad enough. The administration would have you believe that they are going to cut that deficit in half over the next several years, over the next 5 years. We do not believe that forecast. When we make what we regard as realistic adjustments to their spending curve, this is what happens on this chart here over the next 10 years.

We get a bounce from the economy. The economy does help the deficit, no question about it. So we get a bounce in the early years. We go from a deficit of about $478 billion, and it bottoms out $200 billion to $300 billion for the rest of the time. As a consequence, we do not ever see this budget going into balance.

Now, we had to do this by what economists call extrapolation. Neither the Republicans in the House nor the Republicans in the Senate nor the Republicans in the White House have given us a 10-year extension of the budget so we can see the real implications over time of what they are proposing in the way of additional tax cuts and additional spending.

But we know, because the Congressional Budget Office takes what the President proposes, applies his policy to their baseline, we know where they are likely to end up. And what you see here is in time, over time, the deficit bottoms out close to $300 billion and goes nowhere.

□ 1430

To the contrary, look what happens on this blue line. All of a sudden, this blue line, which is the CBO baseline that does not factor in the President's policies, it assumes that the tax cuts, when they reach their expiration date, the sunset date that was written into them when they passed, this line assumes that beginning in the year 2008, the current services bottom line suddenly shoots upwards so that it goes from a deficit in 1 year of $153 billion to a surplus 2 years later of $98 billion.

Now, what happens, one might ask, to propel the budget out of deficit into surplus over that period of time. The tax cuts expire. And this chart says volumes about what the source of the deficit problem is. The expiration of the tax cuts passed in 2001 and in 2003, that alone is sufficient to move the budget out of a $153 billion deficit per CBO's projection to a surplus of $98 billion in 2 years.

So looking at this kind of study, we have tried to put together a balanced budget, balanced in the sense that the bottom line is black, that revenues are sufficient to cover expenditures; balanced in the sense that we are covering priorities that are essential and vital to the American people, including national defense.

Let me begin with that, just to tell my colleagues what we are presenting in our budget today. We have the same number for national defense as the gentleman from Iowa (Mr. NUSSLE) has in his resolution; but in fact we have more, because we are adding $6 billion more than he provides for homeland defense, which many of us regard as the next and most dangerous battlefield for most Americans. We have middle-income tax cuts. Our resolution assumes that, for example, the marital tax penalty provisions will be extended and renewed. It assumes that the 10 percent bracket will be renewed and extended. It assumes that the welfare-to-work credits will be extended. In addition, we have extended the alternative minimum tax for a year. We have extended the research and experimentation tax for a year. We are not against all tax cuts. We want to see and we state explicitly in this budget resolution that our policy is to balance tax fairness and tax moderation for middle-income Americans with a balanced budget.

Now, having met the opposition in defense, what do we do in other areas that are priorities to the American people? In education, because we think it is a critical priority, we provide over 5 years $9.8 billion more than the House Republican resolution. We provide over 10 years for education $50 billion more than President Bush's budget calls for. We increase Pell grants. We provide more for the environment. By that I mean the Clean Water Act, the Safe Drinking Water Act, and the Land and Conservation Fund is fully funded. We provide veterans health care at the level that the chairman of the Committee on Veterans' Affairs said he would require, that the veterans health care system would require if we are going to meet our obligations and our promises.

We provide in the defense budget that the survivor benefit provisions be carried out. We provide needed budget authority so that family housing for military families can proceed apace. For science; for health; for the NSF, the National Science Foundation; and the NIH, the National Institutes of Health, we provide a budget that will at least protect them against inflation. We have gotten their funding level up; we do not want to see it whittled away due to inflation.

If my colleagues go down the list like this, they will see in good, solid categories where the need is clear and compelling, we have provided more than they. We have dealt with America's needs and will outline this more explicitly with different groups of Members as the day goes on. But we have done it within the framework where we bring the budget to balance by the year 2012, accumulate less debt, and move out of the mire that we are now in towards the days that we enjoyed just 3 years ago when this budget was in surplus.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. SHAYS), the very distinguished vice-chair of the Committee on the Budget.

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding me this time.

We heard from the Democratic presentation more spending and more taxes. Once again, our budget is based on three key principles, strength, growth and opportunity, which we will discuss in greater detail during the course of this 6-hour debate. Before handing this off, I would like to make a few observations.

From 1997 until 2001, the books of the Federal budget showed that we were running a surplus. For the 40 years prior to that, the country was running deficits. I was proud to play a role in crafting the budgets in the 1990s that not only got us to balance, but got us there ahead of time. We did it by cutting taxes, controlling the growth of spending, and growing the economy. But beneath the positive balance sheet of the government, there were many other deficits that we would soon have to address.

Many have suggested the projected surplus was squandered as if it simply disappeared into thin air, but we intentionally acted to shore up the areas in which we had serious deficits. As a result, we have a budget deficit today. To suggest that we should not have recognized and dealt with the economic downturn and recession, the needs of protecting the homeland, or providing the resources to our military is extraordinarily shortsighted. Now that we have begun to address these areas, however, it is appropriate that we focus attention on the need to control the deficits, and this budget does just that.

There are only three ways to balance: one, raise taxes; two, grow the economy; or, three, control spending. While some have argued for raising taxes, we think that is completely the wrong approach and not the approach that was successful when we balanced the budget in the 1990s.

We think the right thing to do is the same thing we did last time we set out to balance the budget: control spending and keep growing the economy. For all of the talk we have heard about the deficits, we can just about guarantee that during this debate, most of the rhetoric on the other side will be either direct or thinly veiled calls for higher spending across the board and higher taxes. That is exactly what they did in the Committee last week. In one year alone, they would raise taxes $28 billion and raise spending $28 billion or more.

Mr. EDWARDS. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. SKELTON), the ranking member of the Committee on Armed Services.

Mr. SKELTON. Mr. Chairman, I rise today to voice my strong support for the budget resolution offered by my colleague and friend, the gentleman from South Carolina (Mr. SPRATT).

Let me take this opportunity to commend him as well as the other members of his group that put together this resolution. It is far better on defense. Let me repeat that: this is far better, the Spratt resolution is far better on defense than that offered by the majority. The Spratt alternative matches the President's overall request dollar for dollar. The majority resolution, however, falls $189 million short. Now, that may not be much in the grand scheme of the budget; but when our troops are on the frontline in Iraq, Afghanistan, Haiti and around the world, I do not think we should cut defense one single dime.

The majority resolution also does not do as good a job for the troops or for the families. The Spratt alternative lifts the privatized housing cap by $1.1 billion for 5 years, allowing this critical program to move forward. This is very important for those soldiers, sailors, airmen, and Marines, and their families. The majority resolution assumes no raise in this cap, so almost 50,000 military families that are supposed to get new privatized housing in the year 2005 and the following year will have to keep on waiting for adequate housing. That is shameful.

Now, I know there is talk about changing this, but I have seen no paper or amendment offered, to my knowledge, whatsoever in the budget that is offered by the majority; that stays in the shameful fashion that it is.

The Spratt alternative also continues TRICARE for Reservists, helping to ensure that all Reservists have health insurance. At a time when we are leaning on our Reservists more than ever, we must fund this program. The majority resolution, like the President's budget, lets the program lapse, leaving the families of Reservists without health insurance to just fend for themselves.

The Spratt alternative also remembers the widows of those who served our Nation. It eliminates the Social Security offset to the Survivors Benefit Program, consistent with a bill known as H.R. 3763, a bill that enjoys broad bipartisan support. The majority alternative sets up a hollow reserve fund, so eliminating the Social Security offset to the survivors benefit program will require cuts to other military retiree entitlements. That is an insult, Mr. Chairman, to our military retirees and to their survivors.

So, Mr. Chairman, the Spratt alternative is much better on defense than the majority resolution.

Mr. NUSSLE. Mr. Chairman, as I said before, strength, growth, and opportunity are the hallmarks of our budget. To speak about the strength portion of our budget, I yield 5 minutes to the gentleman from Texas (Mr. THORNBERRY), a member of the committee.

Mr. THORNBERRY. Mr. Chairman, I thank my chairman of the Committee on the Budget for yielding me this time.

Mr. Chairman, the first priority of the Federal Government is to defend the country, and there is no greater priority in this budget than protecting America. I think all of us realize that the world in which we live and the world in which our children will live is, in many ways, a more dangerous place than the world of our parents and our grandparents. It is certainly more difficult to predict. It certainly changes more rapidly. And the number and diversity of threats to our citizens has never been higher. Yet the fundamental fact remains that our freedom and our individual safety depends upon our strength.

This budget allocates the resources needed to fight the global war on terrorism; secondly, to prepare for future security challenges; and, third, to protect our homeland. In national defense, this budget provides $419.6 billion. As the chairman noted, over the past few years, we have had to address both a defense deficit and a homeland security deficit. After the Cold War, defense spending declined, eventually reaching the lowest percentage of GDP since World War II. Infrastructure was deteriorating. We were not taking good care of our people. We had what some people described as a hollow force, as we had to cannibalize airplanes and other systems just to keep others operating.

But we have provided significant increases in defense over the last few years. Personnel funding is up 59 percent, operations and maintenance is up 55 percent, procurement is up 43 percent, and R&D is up 76 percent. This budget provides an additional 7 percent increase for fiscal year 2005 to meet the security challenges of our time and to be better prepared for the security challenges that the future may hold. And may I clarify, Mr. Chairman, that this budget funds dollar for dollar exactly what the President requested for the Department of Defense. Any change in the defense function is for the Nuclear Regulatory Commission and some others that are under that old 5-0 function, but it fully funds the Department of Defense.

The other thing, I think, that needs to be clarified in response partly to the distinguished gentleman from Missouri is that a budget cannot do all of the things that he advertises that it can do. That is up to the committee he and I serve on, the Committee on Armed Services, as well as up to the Committee on Appropriations to determine how much we are going to fund individual personnel programs or how much we are going to fund housing and other vital needs for our military.

□ 1445

What the budget can do is set an overall target for Federal spending. And this budget does a good job of fully meeting what the President has told us and what most of our Members believe our security needs are.

But the chairman's mark also stands for the proposition that no part of the Federal budget, even those agencies assigned to the first priority, is beyond scrutiny, to ensure that each dollar that the Federal Government takes out of some taxpayer's pocket is used as efficiently and productively as possible.

The military has made some tough decisions recently. It canceled a major weapons system, it is restructuring the Army, and it has more tough decisions ahead even with this increase. But we want to be clear in this budget that we will do whatever it takes to defend America. Our Nation will not just sit back and let the terrorists hit us again.

We have taken the fight to them in Afghanistan and Iraq, and in this budget we allocated $50 billion for those ongoing operations in Afghanistan and Iraq. We assume that they are going to continue, and we put money in there to make sure that they will be provided for.

We are also committed to defending America here at home. Earlier this month we marked the 1 year anniversary of the Department of Homeland Security, the result of the biggest reorganization of the Federal Government in more than 50 years.

Now, we have heard arguments and I am sure we will hear other arguments about whether the glass is half full or half empty with regard to homeland security. And both can be true at the same time. There are those who think we are spending too much, others who think we are not spending enough; and I suspect both are right, and we will find out exactly where the next time that there is an attack. But, again, if you look at where we have been over the last 3 years, you see tremendous increases for homeland security, appropriately so.

This budget allocates $34 billion for homeland security, which is up from last year's $29.5 billion. The President has suggested significantly more funding for biological surveillance programs, as well as continuing to push ahead on things like port security, infrastructure protection, emergency preparedness and response.

Mr. Chairman, I am convinced that we could spend the whole Federal budget on things that have the label of homeland security and still we would not be perfectly safe. So the challenge before us in the Committee on the Budget, as well as the other committees, is to move ahead in a commonsense way that makes the country safer. That is what this budget tries to do, and I think it does a good job.

Mr. EDWARDS. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking member of the Committee on Appropriations in the House.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman if this resolution is fiscally responsible, then the town drunk ought to be named the permanent president of the temperance union.

The fact is, this resolution is the greatest demonstration of fiscal and social irresponsibility in the 35 years I have served in this institution.

In the last 3 years, this Congress has followed this President off the fiscal cliff. Three years ago we had a surplus of $200 billion; today we have a deficit of over $500 billion. One-quarter of American workers live on less than $8.70 an hour, poverty level for a family of four.

The number of Americans without health insurance has grown from 40 to 44 million.

In one generation we have gone from the industrialized country with the smallest gap between rich and poor in the world to the country with the largest. The most-well-off 1 percent of our families control 33 percent of the Nation's wealth. The bottom 50 percent control less than 3 percent of the Nation's wealth.

In the teeth of all of that, this President's and this Congress' idea of how to deal with these problems is to pass this silly budget resolution which guarantees, when it is fully effective, that a person making a million dollars a year will have an annual tax cut of $155,000.

I absolutely, totally disagree with that trickle-down approach to economics, and I will vote against this resolution. Instead, I have asked the Committee on Rules to allow me to offer an amendment, a 1-year amendment, which would cap the super-size tax cuts for people making over 200,000 bucks a year so that they will receive a tax cut no larger than the folks who are below them on the economic totem pole.

That will save $19 billion. We would use 6 billion of that for deficit reduction. We would use the remaining $13 billion for high-priority investments such as homeland security, additional veterans' health care, strengthening education, helping kids who are being dumped off Medicaid rolls by States, helping the long-term unemployed, and strengthening our clean water activities.

Last year, I offered a number of similar amendments such as this in the appropriations process, and our friends on the Republican side of the aisle said, "Oh, OBEY, you should not be doing that on the appropriations bills. You should be doing it on the budget resolution". So here I am at the suggestion of the Republican majority, and I would hope that the Committee on Rules would make that amendment in order so that this House can face the true tradeoffs that we have to face if we are to be mature legislators dealing in a very difficult time.

The purpose of the budget process is to force this House to confront specific tradeoffs such as that. Instead, this process is being manipulated to shield Members of Congress from having to vote on those specific tradeoffs. It is a gutless way to govern, and it hurts the country.

I think we ought to end the binge. You ought to sober up. You ought to join AA, Alcoholics Anonymous, and you ought to vote "no" on this ridiculous and pitifully nonserious budget resolution.

Mr. NUSSLE. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio (Mr. PORTMAN), to talk about the second important pillar of our budget. Strength. The second is growth.

Mr. PORTMAN. Mr. Chairman, I appreciate my colleague yielding me time.

I would like to talk about that second pillar of our budget which is growth of the economy. Let me briefly address the comments from my friend from Wisconsin who just spoke in terms of the spending.

The gentleman from South Carolina (Mr. SPRATT) has told us, as the ranking member of the Committee on Budget, there is more spending in their budget. So if anybody is out of control on spending, the gentleman just outlined he has more spending for education, more spending for the environment, more spending for defense, more spending for veterans, more spending for science, more spending for health care, more spending, more spending, more spending.

How is it paid for? Tax increases.

We have got a deficit problem, but we will not get our hands around it unless we get spending under control as well as grow the economy. That is what I wanted to talk about today.

Back in 1997, I stood down here on this floor, as did many of my colleagues, and talked about our great balanced budget agreement of 1997, which was a wonderful, bipartisan exercise in trying to get some spending discipline. We said we would balance the budget in 5 or 6 years. We were very proud of that.

Within 2 years, the budget was balanced. Within 3, we were in surplus. Why? Yes, because we restrained spending, which was very important; but much more importantly, the economy grew and the economy grew rapidly because we had pro-growth policies in place including tax relief, which some people forget about at that time. And we learned as a Congress, I hope, a very important lesson which is, the way to get back to balance is to grow the economy and restrain spending. It is really pretty simple.

Now, the next couple of years forward when we got into a deficit, how did we get into a deficit? Well, same thing. We did not restrain spending. We allowed spending to grow too fast and the economy took a nose dive. George Bush, when he was sworn in as President of the United States, inherited a failing economy. Within 60 days after he was sworn in, something like that, the economy actually went into a recession, negative economic growth. That is one of the main reasons we are here.

Then we were hit with 9/11, costing the Federal Government billions and billions of dollars and, of course, a bigger hit on our economy. The corporate scandals then hit us, the biggest we have had in our Nation's history. All of this hurts our economy which decreased the revenues to the Federal Government and we are trying to get back on our feet.

And what I love about this budget, and I commend the gentleman from Iowa (Mr. NUSSLE) for it, is it does those two very simple things. It restrains spending and it grows the economy.

The remarkable changes we have seen in the last year we need to continue. Since last March, a year ago from this time, when we were in the early stages recovering from that 2001 recession, the terrorist attacks and their aftermath, we have had incredible growth in this economy. In fact, the past two quarters, which is the last two quarters of 2003, we had the fastest growth in our economy in 20 years.

We had 8.2 percent growth in the third quarter, and in the fourth quarter, 4.1 percent. Chart 8 shows the GDP growth we have had. This is over the last couple of quarters. That big line there is the third quarter; 4.1 percent, the fourth quarter.

The blue chip forecasts are for continued growth. In fact, the new forecasts are even more optimistic than that. They show a 4.7 percent growth last year; if we continue these policies that are in place, including the tax relief we just passed in 2001, 2002, 2003.

The Democrat budget again increases spending. It also increases taxes, throws balance off, but the fact is, they are going to hurt the economic growth and that is the key, growing the economy, restraining spending.

We have got some more good news. Over the past year, housing starts are running at their highest levels in 20 years. Mortgage interest rates continue to run at their lowest levels in over 3 decades. The prime rate is at its lowest level in 45 years. Inflation is at its lowest rate in four decades. Exports of goods and services rose in the fourth quarter rose at 20 percent, the fastest pace they have been at in 7 years. And we have seen significant increases in the stock market since a year ago as well.

Chart 10: Very importantly, labor markets are beginning to improve. For the past 20 straight weeks unemployment insurance claims have remained below the benchmark that is established by economists as a sign of an improving labor market. Jobs are beginning to come back. This is key. We do not want to change course now that we are finally making progress.

As chart 11 shows, the unemployment rate is now down to 5.6 percent from 6.3 percent last June. That is lower unemployment than the average in the 1960s, 1970s, 1980s, 1990s. Maybe not the 1960s, 1970s, 1980s, 1990s; it is lower than the average unemployment in those decades.

We are making progress. We are going in the right direction. We are getting this under control both on the economy side and with regard to jobs. And jobs are incredibly important. This budget will help us to be sure that every person that wants a job can get a job by continuing to grow that economy.

Over 300,000 new jobs in the past 6 months, we are on the right track. We have a clearly improved economic picture. There is more to do, of course, there is. But the absolute wrong thing to do is to get off that track and to get back on the track where the economy is going down, where we are losing jobs.

The speed and strength of the economic recovery has been, in large measure, due to the tax relief we put in place in 2001, 2002 and 2003. What this budget does is, it continues that tax relief.

Again, my friends on the other side of the aisle choose to increase the taxes, $146 billion over the next 5 years. That is what is in the budget. That is what the gentleman from South Carolina (Mr. SPRATT) talked about, more spending, more taxes.

So one of the guiding principles of this budget is that the economy must grow and we must continue to create jobs if we are to remain the world's strongest economy and get the budget under control.

The second way we do it is, we make sure that we keep spending under control.

Mr. Chairman, I would just like to say that in order to get this economy to continue to grow as it has, we need to continue the policies that are in place. We do not want to snap back. We do not want to have taxes increase that we have just decreased, which is what would happen under the Democratic alternative. Second, we need to control spending.

Let me list a couple of things we do on the spending side. We hold the line on our own spending, no increase in the legislative branch at all; no new appropriation earmarks without justification; no new mandatory or entitlement programs without new discipline on them; no nonwar emergency supplementals without spending offsets on those supplementals; no budget waivers, and freezing funding for unauthorized programs. That is in this budget; it is extremely important.

The directives are in addition, of course, to holding the line on spending. All the nonsecurity spending is held at a freeze. And, yes, we provide for priorities, but at the same time we recognize we have got to get this spending under control.

None of this is going to be easy. A lot of us here, certainly many in the Senate, have gotten pretty comfortable signing off on spending increases, on free-flowing spending. We cannot keep that up. We need to get this economy to continue to grow. That is what this budget does and we need to keep spending under control. Success at keeping taxes and spending down will mean a stronger economy, will mean more hope and more opportunity for all the people we represent.

Mr. EDWARDS. Mr. Chairman, I yield myself 15 seconds to respond to the previous speaker.

I certainly hope we will get off the economic track we have been on that has led to the largest deficits in American history and the worst job loss record since the Herbert Hoover administration.

Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Chairman, I thank the gentleman from Texas (Mr. EDWARDS) for yielding me time.

Let me correct my good friend, the gentleman from Ohio (Mr. PORTMAN) in that in 1997 we exercised discipline on the tax side also and instituted the pay-as-you-go rules, so that we could not just do unlimited tax cuts, which is in the Republican budget.

Mr. Chairman, let me suggest there are many reasons to oppose the Republican budget and support the substitute that will be offered by the gentleman from South Carolina (Mr. SPRATT). The main reason is one of fiscal responsibility. It is important that we bring this deficit down. It is important that we do not add to the national debts.

The Spratt alternative budget does a much better job and brings us into balance, whereas the Republican budget just adds trillions of dollars to the national debt. But let me give you one more reason, if I might, and there are many reasons.

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I am the ranking Democrat on the Subcommittee on Human Resources. I just attended a conference on the well-being of children; and for the sake of our children, I hope that my colleagues will vote for the Spratt substitute, which is a balanced approach.

There are 760,000 people in this country that have exhausted their State unemployment compensation benefits since December when we allowed that program to expire. My friend from Ohio is incorrect in that we do have record numbers of unemployed. Many have just given up. They cannot find employment. There are three people seeking a job for every job that is available.

The Spratt Democratic substitute budget provides compensation for these people who have exhausted their State unemployment benefits. The Republican budget provides zero, not a penny.

In the area of child care, the welfare work requirements estimated will cost our States an additional $7 billion over the next 5 years. The Republican budget provides hardly any increase in child care to make it easier for American families to afford child care. The Spratt budget provides $11 billion so that a State like Maryland, the only way a person can get on child care today is to go on welfare. What message does that send?

Let us provide help for American families who need safe, affordable child care. This is in the Spratt budget, but the bottom line is we do a better job because we have a more balanced budget on the national debt.

I urge my colleagues to reject this budget and support the Spratt substitute.

Mr. NUSSLE. Mr. Chairman, I yield myself 2 minutes to engage my colleague from California, the chairman of the Committee on Armed Services, in a colloquy.

The gentleman from California is certainly one of Congress' most steadfast supporters of American's servicemen and -women. I understand he has a concern related to military housing and the privatization program.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. NUSSLE. I yield to the gentleman from California to engage in that colloquy.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding, and I am concerned that the budget resolution before the House does not address the statutory ceiling on the military housing privatization program. That is a program that was spoken to by my good colleague, the gentleman from Missouri (Mr. SKELTON). Would the gentleman from Iowa clarify the Committee on the Budget's intentions regarding this important program?

Mr. NUSSLE. Mr. Chairman, reclaiming my time, I would just say I appreciate my colleague's concerns. I strongly support the objectives of the DOD's military housing privatization initiatives. As we all know, the program, in existence since 1995, has leveraged the entrepreneurship of the private sector to build housing for our men and women in uniform much more efficiently than the government could do it itself.

As Members will recall, last year the Committee on the Budget, as well as the Committee on Armed Services, achieved consensus on this matter and raised the statutory cap on housing projects in the House legislation. As it happened, the potential cap increase did not occur. The other body opted not to move this program. I repeat, both the House Committee on the Budget and the House Committee on Armed Services were already engaged in housing privatization. It was the other body that chose not to engage.

We are all confronted again this year with the potential cap increase; and regrettably, DOD did not make a formal request on privatization when it submitted its budget in February. The Office of Management and Budget only cleared the privatization request for submission to Congress less than 2 weeks ago. DOD now believes that the cap limit will be reached by November of 2004.

As we move forward, the Committee on Armed Services will be examining the request, and drafting its own legislative provisions I am sure; and when the chairman of the Committee on Armed Services moves his bill, I commit to work through the Committee on the Budget aggressively with OMB and CBO to come to a consensus to appropriately score this privatization initiative. The committee will also engage the Committee on the Budget, as well in the other body as we move into conference, so that the program can move forward; and, again, I want to stress my support for the program and my commitment to seeing this important quality-of-life initiative for our men and women in uniform move forward.

Mr. HUNTER. Mr. Chairman, I thank the gentleman.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from California (Mr. HUNTER), from the Committee on Armed Services, in order to talk briefly about our budget.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding me the time; and as we speak, we are undertaking the largest redeployment of troops since World War II right now.

We have the 101st Airborne now moving out of theater in Iraq, and they are being replaced by the 1st Striker Division up in the north part of Iraq. We have the 1st Armored Division being replaced by the 1st Cav in the Suni Triangle in the Baghdad area. We have the 4th Infantry Division moving out in the northern part of that triangle and being replaced by the Big Red One, 1st Infantry Division, and we have the 1st Marine Division replacing the All American Division, the 82nd Airborne to the west of Baghdad.

A massive redeployment is just now coming into place or is set for the new soldiers coming in and replacing those who are rotating out, and with that rotation comes the need to continue to supply armor and ammunition and all the technical support and the technological support that is necessary to not only defeat the enemy but also to provide for our men and women in uniform.

We have a similar situation in the Afghanistan theater, and this budget meets the Commander in Chief's request to give him the tools to get the job done, to supply our military forces. It does what it has to do, and I would simply thank the chairman of the Committee on the Budget for putting together a budget that does just that.

Let me just say about the budget on the other side of the aisle, and if I am wrong, I want to be corrected on this, but my understanding is that dollars are moved from what one would call the discretionary side of the defense budget, this means the operational military, money that is spent on weapons systems, on personnel, on readiness, and some of the money is moved over to the mandatory side to go into programs, good programs but nonetheless programs that are not available to the operational military. If it does that, then it provides less to the operational military that is now engaged in a shooting war than the budget that has been put together by the chairman of the Committee on the Budget.

So I wanted to thank my colleagues and all the Members who worked together to put together this budget that gives the fighting forces of the United States the tools to get the job done, and I thank the gentleman for yielding me the time.

Mr. EDWARDS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. EVANS) for the purpose of discussing the underfunding of veterans benefits in this budget, a Vietnam veteran and also the ranking Democrat on the House Committee on Veterans' Affairs.

Mr. EVANS. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, we are very disappointed, those of us who are veterans, and all of our veterans throughout the country, by this budget submitted by the administration and are equally disappointed and angered by the Republican budget resolution that was reported to this body.

On February 26, the Committee on Veterans' Affairs reported its views and estimates to the Committee on the Budget, which they largely ignored. We called for an increase of $2.5 billion over the administration's inadequate proposal. This was not an unreasonable request. We only asked for a current services-level budget for the VA and sought to correct some of the most glaring deficiencies in the administration's budget.

Instead, the Republican majority has presented us with a budget resolution that underfunds VA by at least the tune of $1.3 billion next year and endangers the delivery of services to our veterans and fails to even keep pace with inflation over 5 years.

A coalition of four of the Nation's largest veterans service organizations has written to each one of us in the past 24 hours calling on us to "reject this half-hearted attempt to fund veterans health care." In their words, "Passage of the budget resolution, as presented, would be a disservice to those men and women who served this country and who are currently serving in Iraq, Afghanistan and around the world in our fight against terrorism."

In contrast, the Democratic budget provides the levels needed to maintain services and improve health care access, and it rejects the fees and copayment increases sought by the administration.

This is a matter of priorities, Mr. Chairman. We believe that veterans deserve adequately funded benefits and services. A vote against the Republican budget resolution and for the Democratic proposal says we support veterans. It is just that simple.

Mr. NUSSLE. Mr. Chairman, I yield 12 minutes to the gentleman from Mississippi (Mr. WICKER), a member of the committee, to speak to our third most important pillar, growth, strength, and, now, opportunity.

Mr. WICKER. Mr. Chairman, I thank the gentleman from Iowa (Chairman NUSSLE) for yielding me the time.

As the gentleman from Iowa (Mr. NUSSLE) noted in his statement, America's continued greatness comes from the unlimited opportunities that our freedom provides us. America is still the land of opportunity, and we must continue to remain the land of opportunity.

We have placed opportunity as the third tenet of this budget because without the first two, strength, ensuring that America is free and remains free; and without growth to remain the world's most prosperous nation with an ever-expanding economy and job market, America's opportunities would quickly diminish.

The opportunity for all citizens of this country to work their way up, to have a better life, to take advantage of all the chances and choices this Nation provides is why we are here. It is why our ancestors came here. It is also why so many from around the world continue to flock to this Nation, often risking their own lives to get here.

This budget continues our commitment to strengthen the very foundations that have provided us with this wealth of opportunity. We have also enhanced and strengthened our commitment to a host of domestic programs, including those that educate us, help our people when they are sick, help those who are unable to care for themselves or their children, and provide for those who fought for us.

First, let's take a look at Medicare. This budget fully funds for the next 5 years, by congressionally certified numbers, historic Medicare reform. Last year, this Congress and President Bush accomplished a feat that policymakers have been struggling with for years. We have enacted legislation to strengthen Medicare and include a prescription drug benefit. It was a truly historic first step in strengthening a program which has lagged behind private health insurance since its enactment in 1965.

As a result of this action, just a few months from now, all beneficiaries will have access to a Medicare discount card that will result in 10 to 15 percent savings for the average beneficiary and up to 25 percent savings on some prescription drug costs. Low-income seniors will receive a $600 subsidy in conjunction with their prescription drug discount card.

As part of the improvements in benefits and in the way the Medicare program does business, this Congress and President Bush have also acted to expand opportunities for people to save for their own health care through health savings accounts. These accounts will allow for two very important changes: first, they will restore to consumers the ability to plan for and make their own choices about their own medical coverage; and, second, they will help to address the long-term demographic and financial problems facing the Medicare program.

With regard to Medicaid, this budget continues our commitment to preserve and strengthen both Medicaid and the State Children's Health Insurance Program, or S-CHIP, which assists individuals and families who cannot afford health care coverage.

Since 1995, Medicaid spending has grown 95.2 percent, including an 8.2 percent growth last year. Last year, we added additional funds to allow for Medicaid S-CHIP reform, to extend the availability of expiring fiscal year 2000 S-CHIP funds, and to give States the option of extending Medicaid coverage to children with special needs.

Over the next 5 years, CBO estimates that Federal outlays for Medicaid will exceed $1 trillion. With this budget, we have continued our commitment to provide for this critical program, which provides to those most in need of necessary medical care.

On the subject of welfare reform, we have further continued our commitment to assisting lower-income Americans, by funding such programs as the TANF block grants, (Temporary Assistance to Needy Families), also child care funding, food stamps and child nutrition programs as well as Head Start.

The successful TANF program is reauthorized at the President's level, $16.9 billion annually for the next 5 years. Since the program was enacted in 1996, welfare rolls have declined by 56 percent, and the vast majority of those who have left welfare since 1996 have done so for work. In fact, since that time more than 3 million single mothers who have gotten off welfare have been lifted out of poverty, mostly because of increased earnings. This is the kind of opportunity that we are providing. Since 1996, funding for child care assistance and assistance to mothers leaving welfare for child care expenses has been increased by nearly 50 percent.

This budget also continues to fund HUD's three major rental assistance programs and accommodates the Low Income Home Energy Assistance Program or LIHEAP, providing $1.9 billion to assist low-income families in meeting heating and cooling expenses.

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Mr. Chairman, I would like to direct the attention of Members to this chart with regard to education. It indicates that since Republicans took control of Congress in fiscal year 1996, the budget for the Department of Education has more than doubled. In fact, education has received an annual average increase of 12 percent sustained over 8 years. No other cabinet-level agency has grown as fast as education over this period.

Mr. Chairman, to take a look at the three large programs that now absorb about two-thirds of the agency's funds: title I funds to low-income schools have nearly doubled, Pell grant funding has more than doubled since 1996, and special education funding has more than quadrupled since 1996. In addition to increased funding, Congress also passed education reform, the No Child Left Behind Act of 2001. This act demands results from schools in exchange for Federal dollars and works to forge a real link between education spending and classroom achievement, while focusing resources more sharply on underperforming schools.

Many on both sides of the aisle believe that accountability standards in this No Child Left Behind law represent the greatest accomplishment in a generation in terms of K–12 education, and an even more important stride than the funding increases that I have talked about. This budget also continues our commitment to provide for and strengthen those principles.

Concerning veterans, this budget increases veteran funding by $1.2 billion over the President's budget—funds that can be used for veterans medical care and medical and prosthetic research. I am pleased to say that over the past several years, we have shown a level of gratitude befitting the service of our Nation's 25 million veterans through hefty increases in funding and substantial increases in benefits and services. Since Republicans took control of Congress in 1995, great strides have been made in improving benefits for our Nation's veterans.

Now, Mr. Chairman, sometimes we come down to the floor and we get a little carried away with our rhetoric. I have heard some of my good friends from the other side of the aisle talk today about the accomplishments that we have made with regard to veteran funding and calling them shameful, saying that they constitute glaring deficiencies and that they endanger services to veterans. Nothing could be further from the truth.

Let's look at some of the most important improvements to our veterans programs. These are the facts: the Republican Congress expanded eligibility for veterans medical care in 1996 and in 1999. As a result, as Members can see by this chart, the number of veterans using VA medical care has increased from 2.5 million in 1995 to 4.7 million veterans today, a tremendous accomplishment for which this entire Congress can take pride.

My next chart, this chart indicates that since 1995, total spending on veterans has increased from $38 billion to $60 billion. That is a 58 percent increase compared with a 36 percent increase during the previous 10 years of Democrat control of this Congress. Is this a shameful record, I ask my colleagues? And payments per veteran have risen by 79 percent.

With regard to my final chart, this indicates that since 1995, monthly education payments under the Montgomery GI bill, named after former congressman G.B. "Sonny" Montgomery, these benefits have increased from $405 to $985, an increase of 143 percent. Is this a shameful accomplishment? Under the 40 years of Democrat control of Congress prior to the Republicans taking over, there was no progress whatsoever on the concurrent receipt issue. But as a result of action taken by this Congress last year, military retirees injured in combat, while training for combat, or who are more than 50 percent service disabled are able for the first time in over a century to receive retirement benefits concurrently with veterans disability compensation.

I submit this is a proud accomplishment and far from the accusations we have received from some of our friends on the other side.

With this budget, we have continued our commitment to ensuring that those who have served our Nation with pride, valor, and dignity receive the best of America's appreciation.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Chairman, our veterans have made great personal sacrifices, and we have a responsibility to serve them just as they served our country. At a time when men and women are once again at war, what better way to honor their service than by treating their predecessors with respect and dignity. But the needs of our veterans are not being met. Funding for medical care per veteran has actually declined in constant dollars over the past decade while the number of veterans seeking health care has increased.

We must ensure that our promises to provide health care for our veterans is kept. I want to read an excerpt from a letter from Alan Bowers, national commander for the Disabled American Veterans. He says, "Shortchanging veterans is all the more objectionable because it in no way is necessitated by our fiscal situation, but rather is part of a larger objective to make deep cuts in spending on veterans and other domestic programs at the same time far more costly cuts are made in taxes. The House budget resolution is all the more objectionable because it is part of a greater plan to impose cuts in discretionary spending and impose a freeze on any improvements or adjustments in benefit programs such as veterans disability compensation in fiscal year 2006 through 2009. To the veterans of this Nation, it is incomprehensible that our government cannot afford to fund their medical care and benefit program at a time it can afford generous tax cuts costing hundreds of billions more."

I know in Oregon our VA has over a thousand veterans waiting. Seven hundred to 800 new veterans enroll each month requesting medical care. I have heard people are waiting over a year to see a primary care physician. No person, especially a veteran who has served this country, deserves to be treated this way.

If Members can look at this chart, this is both by the chairman and the ranking member from the Committee on Veterans Affairs, of which I am a member. They said, we have concluded that an additional $2.5 billion in budget authority would be needed to ensure a current services budget. So this is a bipartisan issue.

The Democratic budget provides $1.3 billion more than the Republican budget for veterans and $6.6 billion more over 5 years. The House Republicans may tout the fact that their budget contains more veterans appropriations than the President's budget, but the Republican budget still provides $1.3 billion less than the Committee on Veterans' Affairs has recommended.

The Democratic budget will improve access and reduce waiting time for all veterans. This is real simple. We have more veterans coming into the system every day. Health care costs are going up. They are skyrocketing past inflation. This budget does not meet veterans' needs. Not one soldier who puts his life on the line should have to worry about getting health care when he returns from battle. I urge my colleagues to vote against the Republican budget and join me in supporting our veterans.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, "Passage of the budget resolution as presented would be a disservice to those men and women who have served this country and who are currently serving in Iraq, Afghanistan, and around the world in the fight against terrorism."

Those are not my words; those are not the words of some Democrat. They are the words written in a letter yesterday to all House Members signed by the legislative directors of the Disabled American Veterans, the Veterans of Foreign Wars, AMVETS, and the Paralyzed Veterans of America.

Why is it these nonpartisan, respected national veterans organizations are strongly opposing this budget resolution? The answer is simple: they believe, as I do, that it is wrong and unfair to reduce veterans health care services during a time of war.

Now, my Republican colleagues will tell Members that this bill increases veterans health care spending. It is what they do not tell Members that will harm veterans all across America. The truth is this budget for veterans health care does not even keep track with inflation. The truth is this budget will reduce veterans health care services by $1.3 billion this year and by as much as $21 billion over 5 years even though our Nation is at war.

Do not trust my word for it. Let us look at a letter written by the Republican chairman of the Committee on Veterans' Affairs, an expert on veterans health care and also cosigned by the gentleman from Illinois (Mr. EVANS), the ranking member, dated February 26, 2004. They say, as the gentlewoman from Oregon (Ms. HOOLEY) pointed out, that they concluded that an additional $2.54 billion in budget authority, the VA's discretionary programs, would be needed to ensure a current services budget.

Well, it looks like the Republican budget comes up about $1.3 billion short, and that means cuts in real health care services to real veterans.

Mr. Chairman, the bottom line is that House Republicans continue to pass resolutions on this floor honoring our troops in Iraq while at the same time cutting our future veterans, those Iraqi troops today, cutting their health care veterans benefits. Let me be specific. Last year on March 28 at 2:54 a.m. in this House, Republicans voted to cut veterans benefits by $28 billion over 10 years. At 3:02 a.m. on that same day last year, the same Republicans voted, along with all Democrats, to salute the service of our troops in Iraq.

Can Members imagine that, voting to salute our troops in Iraq 8 minutes after just voting to cut their future veterans benefits, including education, health care, compensation and disability benefits by $28 billion?

After Americans expressed their outrage last year at that say-one-thing-do-another technique regarding veterans, I thought we would never see that again visited in this House or on this floor, but I was mistaken. Last Wednesday, the House Budget Committee Republicans voted for an effective $1.3 billion cut in veterans health care services on the same day that we here on the floor of this House passed a bipartisan resolution saying, We want to express our gratitude for the valiant service of our troops in Iraq.

Mr. Chairman, cutting veterans health care services by billions of dollars is an odd way to express gratitude to our troops or to our veterans.

I used to think March Madness was a reference to collegiate basketball playoffs; but it appears March Madness has another meaning, because for 2 years in a row in the month of March, Republicans have voted to cut veterans health care services at the same time they voted for resolutions honoring our veterans and our troops.

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Mr. Chairman, I believe veterans understand what is going on. They find it insulting that Congress would cut veterans' health care services during a time of war. It is insulting to America's veterans to have Members on the other side of the aisle voting to cut veterans' health care services 2 years in a row in the budget resolution while passing at the same time resolutions thanking our veterans and our troops for their great service to our country.

Mr. Chairman, it is time we honored our veterans and our troops with our deeds, not just our words. We should honor them with our budget votes, not just with our rhetoric and floor speeches. Maybe that is why DAV National Commander Alan Bowers said very recently, "To the veterans of this Nation it is incomprehensible that our government cannot afford to fund their medical care and benefit programs at a time it can afford generous tax cuts costing hundreds of billions of dollars more."

The Democratic alternative increases veterans' health care spending by $1.3 billion, so we do not cut veterans' health care during a time of war in Iraq and Afghanistan and the war on terrorism. We increase veterans' health care spending in the Republican alternative by $6.6 billion over the next 5 years. I say once again, we should honor our troops in Iraq today and tomorrow's veterans, which they are, with our budget votes here on the floor of the House, not just with our rhetoric in speeches in Washington and in speeches back home.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds to respond briefly and say that, using the exact same standard that the gentleman just used, he voted at 7:03 p.m. last Thursday against a $1.2 billion increase in veterans' spending. A $1.2 billion increase in veterans' spending the gentleman voted against in committee last week.

Mr. Chairman, I yield 1½ minutes to the gentleman from Kansas (Mr. RYUN), a member of the committee.

Mr. RYUN of Kansas. Mr. Chairman, I want to thank the gentleman from Iowa for his hard work in putting together this very, very good budget.

This budget includes initiatives to allow the Department of Defense to continue to recruit, train and retain the highest quality personnel in the world by including additional funding for military personnel pay and benefits. This additional amount helps protect the most important defense investment in the budget, our people who choose to stand in harm's way so that we might experience the freedoms that we so much expect.

Since 2001, funding for military personnel has been increased by 59 percent. This is in striking contrast to the 1990s, which could be considered a decade of neglect. In the mid-1990s, an estimated 12,000 service personnel were receiving food stamps. But since 2001, basic pay alone has been increased by more than 21 percent. When benefits for food and housing are added, service members' take-home pay has been increased by almost 29 percent.

In the mid-1990s, military personnel were expected to absorb, or pay out of pocket, 15 percent of their housing expenses. In this budget, out-of-pocket costs for service personnel are scheduled to drop to zero in fiscal year 2005.

Additionally, the budget provides for full funding of health benefits for active duty troops, retirees and dependents. The Republican budget also sets aside $50 billion to pay for the cost of Iraq and Afghanistan operations in 2005. It is from these funds that we can accommodate additional wartime-related benefits like Tricare for uninsured reservists, the increase in imminent-danger pay that we legislated last year, and family separation allowances.

In conclusion, this budget puts us on track to continue the work of the previous 3 years to reverse the neglect of the 1990s and support those who are supporting us with their daily sacrifices.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, in response to the gentleman from Iowa, let me say that I proudly voted against this budget resolution in the Committee on the Budget last week because it woefully underfunds veterans' health care. I am certainly in good company with the Disabled American Veterans, the Paralyzed Veterans of America, the Veterans of Foreign Wars and AMVETS. I will proudly stand up with these veterans in opposing in committee and on the floor an inadequate bill that will cut health care services for veterans.

Mr. SPRATT. Mr. Chairman, I yield myself 15 seconds. I would add to what the gentleman just said that we all voted by voice vote to increase veterans' health care by $1.2 billion in committee. It passed on a voice vote.

Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I prepared a statement to come to the floor, but I am not going to use a statement. I am going to simply read from a letter that has been sent to the Members of Congress from the Disabled American Veterans:

"For veterans' discretionary programs, primarily veterans' medical care, H. Con. Res. 393 would provide $1.1 billion below the minimum amount of funding determined necessary by the House Veterans' Affairs Committee, and $2.7 billion below the amount of funding recommended by "The Independent Budget" prepared by the Disabled American Veterans, AMVETS, the Paralyzed Veterans of America and the Veterans of Foreign Wars.

"The inadequate appropriations provided in H. Con. Res. 393 will support medical treatment for 170,000 fewer veterans than the Department of Veterans Affairs could treat with the funding recommended by the House Veterans' Affairs Committee and will support 13,000 fewer full-time employees for veterans' medical care. With the level of appropriations in the House budget resolution, VA will be required to delay medical care for some veterans, and deny it altogether for other sick and disabled veterans, just to enable it to meet inflationary costs, including increases in employee wages."

I could go on and on and on with this. I have served on the Committee on Veterans' Affairs. When I was first elected to Congress, I served on that committee for about 4 years. I have never seen the level of lobbying, the letter-writing from veterans that I am seeing today. And this letter comes from one of the most vulnerable veterans' populations. It is shameful.

We cannot support this. Listen to what the veterans are saying.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, yesterday on this House floor, the Republican majority leader, the gentleman from Texas, remarked that this budget debate frames the Democratic and Republican Parties' competing visions of America. On that, we are in complete agreement. The Federal budget is indeed a statement of our national priorities. It is a statement of our values. And today, through its budget resolution, the Republican Party tells all of America that it lacks the will and it lacks the courage to address the fiscal crisis that its failed economic policies have created over the last 3 years.

Last week, the chairman of the Committee on the Budget, the gentleman from Iowa, said this: "We don't believe you should have to pay for tax cuts." Well, my Republican friends, you do not. But our children and grandchildren will pay for them.

With a projected record budget deficit of more than $500 billion this year alone, this budget resolution would dig an even deeper deficit hole. It would increase the deficit by nearly $250 billion over the next 5 years, and over the next 10 years increase the deficit already projected by the Congressional Budget Office to be $2 trillion, an additional $1.6 trillion of deficit, that young people will have to pay off.

Democrats believe that it is irresponsible, indeed immoral, to adopt such a policy and to plunge our Nation even deeper into debt and to force future generations to pay our bills. Republicans apparently are not bothered by that.

This budget resolution would spend the entire $1 trillion Social Security surplus, all of it, every nickel of Social Security surplus over the next 5 years and in subsequent years. Democrats believe that it is irresponsible, indeed, as I have said, immoral, to rob Social Security and Medicare to pay for tax cuts. Republicans apparently do not.

And this budget resolution would freeze funding for domestic appropriations outside of homeland security to make room for tax cuts. Even a respected Member of your own party, Mr. Chairman, the chairman of the Committee on Appropriations, the gentleman from Florida, has recognized the folly of trying to balance the budget on the backs of children, veterans, the elderly and the uninsured.

In February, Chairman YOUNG, one of the most respected Members of the Republican Party, a leader in this House, said: "No one should expect significant deficit reduction as a result of austere nondefense discretionary spending limits. The numbers simply do not add up."

Why do the numbers not add up? Because nondefense discretionary spending represents only 17 percent of the entire Federal budget.

And then we are told, my friends, that we will eliminate waste, fraud and abuse. I am for that, and I am shocked that the Republican administration has been in office for 3½ years, controlled this House and the Senate, and we still have significant waste, fraud and abuse in Washington. What is wrong with this administration? Do they not care about waste, fraud and abuse? Why have they not gotten rid of it?

The truth is, we could wipe out all nondefense discretionary spending and we would still be running a deficit of more than $100 billion. In other words, we would shut down all of government. Maybe some would like to do that. But the people who ride on roads, the people who want the FBI on the job, the people who want the CIA on the job, the people who want NIH researchers trying to find out how to cure cancer would want them on the job.

Mr. Chairman, Democrats fought for pay-as-you-go budget rules that require both spending increases and revenue decreases to be offset. That is what Alan Greenspan said was responsible. That is what the other body voted for. A bipartisan majority of the other Chamber voted for that. And all of us know that our bipartisan agreement on such rules in 1990 led to steadily decreasing deficits, four consecutive surpluses and the strongest economy in our lifetimes.

But House Republicans have refused. Instead, they want to pretend that they are committed to fiscal discipline. They say they want to apply PAYGO rules to spending increases, but not tax cuts. In fact, they will not bring it to the floor. The majority leader says it has got to "ripen." I am not sure what ripening means, but that is what, apparently, it has got to do.

But, of course, it is doubtful whether their budget enforcement bill will ever see the light of day.

For years, Mr. Chairman, House Republicans preened as "deficit hawks." Some even recognized that tax cuts are not, in fact, sacrosanct or freebies. That is what the gentleman from Texas (Mr. DELAY) said.

We ought to reject this Republican budget resolution and adopt the responsible, effective Spratt alternative. The Blue Dog alternative does the same.

Mr. NUSSLE. Mr. Chairman, I yield myself 20 seconds to respond briefly and say that the gentleman from Maryland may want to read his substitute. It is interesting what you find out when you read the substitute. He said that it would be immoral to use one penny of the Social Security trust fund over the next 5 years. Well, guess what? Your substitute spends it all.

Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. BONNER), a distinguished member of the committee.

Mr. BONNER. Mr. Chairman, our Nation recently marked the 1-year anniversary of the day when the United

States, Great Britain and a coalition of our allied troops from around the world began the campaign known today as Operation Iraqi Freedom. Within just 4 short weeks of that day, the Iraqi military was defeated, the brutal regime of Saddam Hussein was brought to an end, and a people was, for the first time in a generation, able to live free from oppression and cruelty. As significant as this victory was for the people of Iraq, it was also the latest in a growing series of successes in the larger global war against terrorism. This war began on our own shores on that tragic Tuesday morning in September of 2001 and it gave us and indeed the entire world a sudden reminder that the enemies of freedom and peace are still active in the world today.

□ 1545

Since that time, terrorist activities in Spain, the Philippines, Israel, and many other nations around the world have once again reminded us that these same enemies must be dealt with and dealt with quickly. The conflict in Iraq, indeed the global war against terrorism, is still not finished. In order to finish the job, we and our coalition partners must provide the funding that meets the needs of training, equipping, and protecting our men and women in uniform.

In his opening remarks during the recent markup of the fiscal year 2005 budget resolution, the gentleman from Iowa (Mr. NUSSLE), our distinguished chairman, stated that in our budget we were going to do the responsible thing and plan for the costs associated with the ongoing conflict in Iraq and the global war against terrorism. As he said, we do not know the dollar amount necessary for these operations, but we know it will not be zero.

The funding included in the budget resolution for ongoing military operations was indeed a difficult choice, but I submit it was the responsible choice; and I commend the chairman for his principled leadership in this regard.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Chairman, I thank the gentleman from South Carolina for yielding me this time.

I rise this afternoon on behalf of military families. I am particularly concerned today that the current statutory cap on the housing privatization will hurt our military families because this cap will be reached by November of this year, and it stands to affect nearly 50,000 military families from all services, families like the one that is pictured here, families that are currently living in substandard housing in all of these military facilities.

Mr. Chairman, this past Monday my wife and I were visiting my son, daughter-in-law, and granddaughter in Fredericksburg, Virginia; and coming back on the train, we saw two young mothers with two toddlers and a baby struggling to get on that train. We helped them and we found out subsequently that their husbands are serving this country proudly in Iraq. In talking to them, they mentioned to us that one of the biggest challenges that they face is substandard housing, substandard housing for our military families while our brave men and women in uniform are fighting and dying in Iraq, Afghanistan and other parts of the world. Unconscionable. We need to lift this cap and allow these 50,000 families to have decent housing.

In fact, just to end with this, Mr. Chairman, in my district there is a segment of military housing that is known as Bedrock. When I asked why is it called Bedrock, they said because the housing is akin to that that was found in the "Flintstones." That is shameful. We need to change it. We need to think about our families.

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise to speak about the NASA component in the budget. The NASA money is not specifically spelled out; but within the overall context of science and technology, there is level funding in this budget.

I would just like my colleagues to get a good understanding of a couple of simple facts as it relates to NASA, particularly as we move through the appropriations process. Aerospace products lead on our positive balance of payments. The investment that we have made for decades in aerospace technology is resulting in a tremendous amount of jobs and a positive balance of payments.

In 2004 dollars, here is where NASA's budget was in 1991, and this is what happened during the previous administration. We actually saw a 30 percent decline in NASA's budget. What this current administration is proposing, and some people have been ridiculing the President's initiative, is to just try to get some slight growth out of NASA, recognizing the tremendous importance of this as well not only for our balance of payments but our national security. And I just want my colleagues to know in this House that if we reduce NASA below the President's budget request, it is going to come out of the shuttle returning to flight and getting the Space Station program back on track. This is not money to go to Mars. There was never money in this project to go to Mars. This is to get the shuttle flying again, and this is to get the program through its construction phase to completion.

I am a conservative. I feel very strongly that we should have a balanced budget. It was one of the things I fought when I came here, and I am going to work to try to get our country back on track for a balanced budget. But NASA already paid. When we were dramatically increasing education spending and many other Departments, the NASA budget was going down and down.

I think this President correctly recognizes the tremendous value of the investment in aerospace research, and we need to continue the President's initiative on space.

Mr. SPRATT. Mr. Chairman, I yield myself 45 seconds.

To complete what the gentleman from Texas (Mr. REYES) was saying, it is significant and Members should understand that we have made special provision in our budget resolution to see to it that the contracting officers of the full military services have the budget authority backup needed to continue the privatization plan for expanding and improving military housing. Without the action we take, without the additional budget authority we provide these contracting officers, military housing will come to a trickle, if not a screeching halt. We provide that in our budget resolution.

In addition, I would say to the gentleman in the well just now talking about NASA that we provide $4.875 billion over 5 years more than the House budget resolution for the projects that he was just praising.

Mr. Chairman, I yield 16 minutes to the gentleman from Virginia (Mr. MORAN), and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN pro tempore (Mr. LINDER). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume, and I thank my colleague, friend, and leader on the Committee on the Budget for yielding me the time.

We are going to focus on homeland security; but before we do that, I have to expose an issue of hypocrisy that, as much as anything, is a compelling reason to vote for the Democratic budget rather than the Republican budget.

Let me explain what I mean. Most military retirees die before their spouses; and to deal with this situation, they pay extra money in for what is called spousal benefits. With the Federal civilian retiree system, retirees' spouses get 55 percent of their pay. For military retirees as long as they live, they are going to get their full annuity. But there is an anomaly, an injustice in the current system for military retirees' spouses, and that is as soon as they turn 62 years of age, their benefit drops from 55 percent to 35 percent of their breadwinner's benefits. And thus for all that money that a spouse paid into the system survivors get very little out of it because Social Security offsets it. This Democratic budget fixes that injustice.

Let me tell the Members why it is such a hypocrisy in this Republican budget. 272 Members of this House have signed this bill, cosponsored this bill, including 12 Republicans on the Committee on the Budget; and when they were given an opportunity to rectify this injustice, they voted "no." They get the credit for cosponsoring the bill, and yet they vote not to provide any money. That is as compelling a reason as any to vote for this responsible budget, rather than the Republican alternative that is before us today.

Mr. Chairman, now let me move on to homeland security. We have heard a whole lot of rhetoric about homeland security. We are listening to it on television in both cloak rooms; the American public is thinking about what did we do before 9–11 that could have been done better. What preparations might we have made that we did not? And there is a whole lot of blaming, a whole lot of finger pointing as to who was responsible. People are pointing to people in the Clinton administration and the Bush administration. But one of the things that most of them agree upon is that there probably is going to be another terrorist attack leveled at Americans within our borders, and so there is probably going to be another commission looking back on what did the Congress and the executive branch do to protect American citizens.

We are not going to be able to ensure everyone's safety, but there are certain things we need to do. Port security is one of them. What do we do with our port security? We cut the money. And, in fact, this budget, the Republican budget, cuts it even below the President's budget, cuts out 63 percent of port security grants. We are going to hear from the gentleman from Virginia (Mr. SCOTT) in a few minutes on port security because he represents the largest port on the east coast. But we know we are vulnerable.

When we were attacked in New York City, at the Pentagon, who responded? They were not homeland security Federal employees. They were what we call first responders. They were the local police, firefighters, emergency medical personnel, all of the people that our communities count upon every day; but in a terrorist attack, they are the first line of response. So what does this budget do? It cuts $2.3 billion from those first responders. And then we have the gall to say that this budget responds to our homeland security needs. It does not. The Democratic alternative does. It restores that essential funding.

We are going to hear from the gentleman from Texas (Mr. TURNER), who is the ranking Democrat on the Select Committee on Homeland Security. We are going to hear from the gentleman from Virginia (Mr. SCOTT) on port security. We are going to hear from the gentleman from North Carolina (Mr. PRICE), and the gentleman from New Jersey (Mr. PASCRELL) on first responders. We are going to tell the Members what this country needs to do to protect its citizens. We are going to start with the gentleman from Virginia (Mr. SCOTT), who represents the largest port on the east coast.

Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Chairman, I thank the gentleman for yielding me this time and for his leadership on domestic security.

We have to put this in perspective. We have heard a lot about strength, growth, and opportunity. This is a budget deficit that we are in right now. This is the Clinton administration, the Bush administration. When we run up those deficits, we have the opportunity to pay interest on the national debt. By 2010 we will be paying almost $350 billion a year in additional interest on the national debt over what we were going to pay, and we will have that opportunity to pay it year after year.

We have suffered this kind of growth. This is the number of jobs created every 4 years since this administration, a loss of jobs, the worst in 50 years. This chart includes the Korean War, the Vietnam War, the Persian Gulf War. That is the kind of growth that we have had. When we have that kind of squeeze on the government, there are things we cannot do and one is port security. I represent the port of Hampton Roads in Virginia; 2,700 container ships come in every year. We passed a bill last year that required the Coast Guard to look at what we needed to protect our ports. We have vulnerabilities. These ships can contain anything. They can be used as weapons. And we need more personnel; we need more equipment to protect our ports. They estimated $1.1 billion was needed by now to protect our ports. We have appropriated about half of that. This budget, as the gentleman from Virginia has indicated, does not have money, in fact, has less money for homeland security. So we are not going to be able to meet those needs for equipment and personnel to secure our ports. Alternative budgets do that. The gentleman from South Carolina's (Mr. SPRATT) budget, the Democratic alternative, the Congressional Black Caucus budget have funds for port security to make sure that we can meet these needs. The Republican budget does not, and therefore we ought to reject the Republican budget.

□ 1600

Mr. MORAN of Virginia. Mr. Chairman, I yield 2½ minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, this budget represents the worst of both worlds. It sends our national debt spiraling out of control, yet, in the process, it provides very little stimulus for an economy that is still struggling to create jobs, and it cuts services for those most in need of government support and for those charged with keeping our Nation safe.

That is what I want to concentrate in the few minutes I have here, the Republican budget's significant underfunding for our Nation's first responders.

The administration's homeland security budget cuts the State Homeland Security Grant program by almost 60 percent. It does increase the Urban Area Security Initiative, but overall there is a $150 million reduction in funding. Moreover, there is a shift in funding toward some higher-risk urban areas at the expense of smaller cities and more rural areas.

Then, if you go over to the Department of Justice budget, you see the problem is compounded. The COPS program that has furnished support for personnel and equipment for our local police departments is cut 87 percent. The Byrne Grant program and the Local Law Enforcement Block Grant program are both zeroed out in the President's budget and are replaced with a Justice Assistance program, but at a net cut of 40 percent.

So when you combine all of this, the homeland security cuts and the Justice Department cuts, the administration is proposing a 33 percent decrease in homeland security-related funding for local police overall, and if you are looking at small- and medium-sized cities, the cuts are more like 50 percent.

But the attack on first responders does not stop there. The President's budget reduces funding for FIRE Act grants by one-third, $250 million. It provides no funding at all for the SAFER program that was enacted by Congress last year to help our chronically understaffed fire departments.

A recent FEMA study showed that over two-thirds of fire departments in this country operate at staffing levels that do not meet the minimums required by OSHA and the National Fire Protection Association. Our fire departments are understaffed, and underequipped, and this budget actually compounds that problem too.

There is a dangerous trend at the Homeland Security Department to move funds that had been used for an all-hazards approach toward a terrorism-only approach. Of course, we need to do new things to prepare for terrorist threats, but we also need to make certain that we are not doing worse than we did before in terms of the support we offer to our police, fire and other first responder agencies.

The 9/11 attacks reminded us that our first responders are hometown heroes. The President and the Republican leaders are giving them lip service, but they are asking that our first responders actually do more and more with less than they had before 9/11..

That is hypocritical, and it is dangerous: one of many good reasons to reject this Republican budget.

Mr. MORAN of Virginia. Mr. Chairman, I yield 2¼ minutes to the gentleman from Texas (Mr. TURNER), the distinguished ranking member of the Committee on Homeland Security.

Mr. TURNER of Texas. Mr. Chairman, I thank the gentleman from Virginia for yielding me time and thank him for his leadership on this portion of the effort on the budget resolution.

I am glad to be here today with my colleague on the Committee on Homeland Security, the gentleman from New Jersey (Mr. PASCRELL), who has worked tirelessly on behalf of first responders.

We heard this morning the Director and Deputy Director of the Central Intelligence Agency testify before the 9/11 Commission that we are at war every day against al Qaeda. All of us know that terrorists have attacked our homeland and that they are going to seek to do it again, and it may be soon. We should need no reminders after witnessing the deadly attacks in Spain. That is why we must do all we can as fast as we can to protect our Nation against those who seek to do us harm.

It is shocking to me that in time of war against al Qaeda, that the Republican budget resolution proposes cutting funding for homeland security by a total of $857 million over 5 years. Instead of correcting the shortfalls in the President's budget request, the Republicans in the House have further cut their President's own budget request on homeland security.

We cannot reduce funding for homeland security in time of war. We must ensure that the needed resources are available to close the security gaps that we have.

The President's budget and the Republican budget fail to provide any improved security for rail and public transit systems. It fails to provide the Coast Guard the things that the Coast Guard itself says it needs. We fail to provide in a rapid fashion the radiation portal monitors that should be installed at all of our ports of entry. The Republican budget does not provide any new funding for security of the cargo that travels on the same passenger planes that we fly on every week. And it cuts resources for our Nation's first responders in their effort to protect us against terrorists.

Mr. Chairman, there are ways to improve this Republican budget. I suggested one just a few moments ago to the Committee on Rules, to suspend the deposits to the Strategic Petroleum Reserve, as was done by the Senate in a bipartisan manner, generating $1.7 billion for deficit reduction and homeland security.

Mr. Chairman, a budget resolution is an expression of national priorities, and I have no need of reminding anyone in this House that we are at war and that we must provide for the homeland security needs of this country.

Mr. MORAN of Virginia. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I want to congratulate not only the gentleman from Texas (Mr. TURNER) from my own side, but the gentleman from California (Mr. COX). They have done a great job in homeland security.

We can be fiscally responsible and still protect the country. That is possible if we are smart, if we put our house in order, if we understand what our priorities are.

I want everybody in these Chambers to go home this weekend, regardless of where they sit, and go to your fire chief and go to your police chief, and you explain how you cut their budget and you expect them to protect the people in their cities and their towns and in the rural areas.

How dare you pat them on the back and then pull the rug right out from under them?

The most successful program, 285 cosponsors, was the FIRE Act. They cut it one-third. They say that this is fiscally responsible. The most successful part of the public safety equation, the COPS program, that put more cops on the streets in the cities, in the small and large towns of this great Nation, brought the crime rate down.

How dare they cut that program? They zeroed it out.

The most important problem with fire departments is interoperability, one department cannot communicate with another department. They have got zero in the budget. Yet they stand and tell the American people and tell their firefighters and they tell their police officers and they tell the people in their towns that they are protecting them.

It does not jive. It does not jive. And those are the numbers, Mr. Chairman. You know it, I know it, everybody knows it.

So I want you to go home this weekend and I want you to go to your local police department and I want you to go to your local fire department, I want you to go to your EMTs; and you explain what you are trying to do in this budget.

Mr. MORAN of Virginia. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. MEEK).

Mr. MEEK of Florida. Mr. Chairman, I must say that we cannot speak enough about what this budget does to first responders, and I will tell you it is definitely a travesty when we have a budget in this time of the homeland being at threat as it relates to the Secretary of Defense stating yesterday before the 9/11 Commission, cutting by 32 percent, $959 million, away from the COPS program. I must say that it is something we should really look closely at.

Those are the frontline responders, and for us to cut those dollars is a travesty in the light of making sure that people that make over $1 million annually are able to get their tax cut so it can be permanent.

I will tell you it is a sad day if this Congress allows this budget, handed from the President, to come to fruition and become a part of the template we use to be able to fund the necessary means toward protecting the homeland. Every police officer, every sheriff, should call the Members of Congress to let them know these dollars are important to protecting the homeland and local communities and making sure we are prepared to prevent terrorist attacks from happening in the future.

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, our point is that this is a deficient budget. We know this country is a target of terrorists. We do not know when we are going to be attacked, but most of the experts say we will be. They are telling us, protect your ports.

So what have we done? We cut 63 percent of the budget for port security. Port security are the things that provide fencing, surveillance technologies, efforts to prevent access to docks and other port facilities. That is where we need to be putting our money. And to save $79 million, take it out of port security for tax cuts, is that an American priority? I do not think so.

To cut firefighters assistance by one-third? You are going to tell the firefighters around this country, who know they are going to be the first responders if there is an attack, we are going to pull the rug out from under you, cut your funding by one-third? Unbelievable.

And then to eliminate the COPS program, take 100,000 police officers from our local public safety agencies? All over the country jurisdictions are going to suffer by eliminating the COPS program. And then we are going to virtually eliminate the Byrne Grants for local law enforcement?

What kind of a budget is this? We are supposed to be listening to our constituents, putting in the money that addresses their priorities. These are their priorities. And you refuse to fund them so that you can pay for your tax cuts for the wealthiest, least needy Americans.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume, and just wonder, why all the yelling?

I would like to understand. We are cutting homeland security? The other side has had more than enough time to yell. I would like to have a little time just to set the record straight.

My goodness, all the yelling about cutting homeland security. Let me just tell you, folks, think about this. If you are listening to this debate, I want you to understand what a cut in Washington is. Here is a cut.

Here we go. Since September 11 of 2001, homeland security spending has more than doubled. Let us start with that. During the same period, nearly 61,000 staff people have been added to the Federal Government to protect the country. See, I can yell too. Sixty-one thousand people have been added, doubling the budget. But we are cutting?

Let us go on. The budget increases the 2005 discretionary spending 14 percent above the 2004 levels. A 14 percent increase, but we are cutting?

Let us go on. Significant one-time costs involving starting the Department of Health and Human Services were met during fiscal year 2003 and we funded those start-up costs. But we are cutting?

A $474 million increase, or an increase of 76 percent, for intelligence and warning; a $17 billion increase for transportation security; a 13 percent increase for domestic counterterrorism; a $14 billion increase for protection of critical infrastructure; a $3.4 billion increase for defense against catastrophic threats; and a 24 percent increase for emergency preparedness and response.

On top of all that, the President has asked us for a 9.6 percent increase, and we are funding it. And you say to us we are cutting it?

Now, just let me tell you something. I am a fireman. You can yell and scream about your firemen. I am a fireman. I was a volunteer fireman in my hometown. I know about local response, I know about EMS, I know about first responders, because I did it. I did not just come to the floor and yell about it.

And I have got to tell you something, they are prepared. They are going to be even more prepared. We are sending them the money. In fact, we are sending it so fast and it is stuck in the pipeline so well that they are not even getting the funds because the States cannot spend it fast enough. That is what we are saying.

So you can come and yell, we can yell, increases, decreases, cutting, gouging, all sorts of things. You want a political insurance policy, that is what you are buying, a political insurance policy for homeland security. We are governing. We are making sure it is getting to the people who need it, and we are going to pass a budget that accomplishes that.

Mr. Chairman, I yield 3 minutes calmly to the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) to talk about education, and get away from all of this bombastic discussion about cutting homeland security when we are increasing.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I thank the gentleman for yielding me time. Having worked with the gentleman from Iowa (Chairman NUSSLE), I can tell you he is a very calm person, but a very effective person, and somebody who fights very hard for homeland security and also for education.

□ 1615

I would like to speak about the opportunity that we have in this budget for the No Child Left Behind program. Before I got to Congress, this House voted on a bipartisan basis for the No Child Left Behind law because it creates testing and accountability measures intended to improve academic achievement of all of the Nation's children. The law mandates testing similar to what we did in Florida for all of the students in grades 3 through 8 in reading and math.

This first chart shows how, since No Child Left Behind began, how much more funding we have added; and this year we are adding over $1 billion to the No Child Left Behind Act. That bar is not on there; but in the 2005 budget, we will be adding additional funding for the No Child Left Behind Act by restructuring some funds within the existing Education Department.

I am an educator and I teach college. Let me tell my colleagues, I have had to apologize to so many students who came to me who could not write a complete sentence, who had very little ability to read a paragraph and understand exactly what that paragraph said. They got a piece of paper okay; they got a diploma. But that diploma was virtually useless.

Many States have remedial reading programs that students who enter into community college need in order just to keep up with community college level work, which means that we have been giving students a diploma, they have this piece of paper, and they really believe they graduated and that they have a high school diploma. Well, guess what, folks? It was a bogus diploma until we actually had accountability, until we said, you are going to be tested in these grades; and that is one of the reasons why the chairman and the members of the committee fought to add an additional $1 billion to No Child Left Behind.

Mr. Chairman, there are those who argue that even with this additional $1 billion in funding that that is insufficient; yet the Secretary of Education recently cited the results of a study that found that schools are, in fact, currently receiving sufficient Federal funds under the No Child Left Behind Act to successfully implement the law, including its testing and accountability requirements. Are some people afraid that we actually are having testing and accountability?

This law is a very good law; it needs to be funded. The Secretary of Education is saying that this is adequate as well as many of the States, State education departments that I have been in touch with.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Virginia (Mr. MORAN) to respond.

Mr. MORAN of Virginia. Mr. Chairman, I respond because the chairman of the committee suggested that this is about a political insurance policy. Political insurance policy? We are trying to find the money for an insurance policy to protect the lives of American citizens.

Let me remind the gentleman that in his budget, as to interoperable communication grants for local law enforcement, $85 million last year, zero this year. Metropolitan medical response teams, $50 million last year, zero this year. Urban search and rescue grants, $60 million last year, zero this year. The COPS program was cut by $600 million.

Go down the list. We are talking about taking money away from insuring the lives of our citizens. Put this money back where it belongs.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished ranking member for yielding me this time. He is extremely kind.

I came to the floor on several very brief points. One, I would like to associate myself with the outstanding work of the Democratic Caucus and the substitute budget that is going to be offered by the gentleman from South Carolina (Mr. SPRATT) and our caucus. Let me also associate myself with the Congressional Black Caucus budget resolution, because it embraces, if you will, the understanding that we are all our brothers' and sisters' keeper.

Let me just say to my colleagues, Mr. Chairman, that in listening to the 9–11 testimony, one of the key elements that Mr. Tenet said, and I disagree with him more than I agree, is that our law enforcement have to be a part of the war on terrorism. I am disappointed that the budget offered by the President and the Republicans has faltered in protecting the home front. It has faltered in giving opportunity educationally to those who are most in need by depleting the Pell grants.

I am disappointed in its work on health care and the providing of opportunities for a guaranteed Medicare prescription drug benefit. I am disappointed in its lack of support for veterans in the United States, and I am disappointed in its overemphasis on defense by not allowing us to be able to support the needs of this Nation. I ask my colleagues to vote for the Democratic substitute.

I rise today being very disturbed with the direction that the Republican Party and this administration is taking our great Nation. The prime reason for my concern is the national budget which will come before this body tomorrow. The Nussle budget clearly does not improve upon the severely flawed Bush administration budget. The needs of average Americans are still ignored. The interests of a wealthy few outweigh the needs of an entire Nation in this budget. I say this not out of partisanship, but from a statement of the facts. I want to highlight a few areas in this budget that are particularly egregious.

This President and the majority party in this body have spent so much time talking about their record on education and as hard as I try I can not see what they have to be proud of. It is one thing to address areas of critical need with rhetoric, but to advocate a policy and then not fund it sufficiently is plain irresponsible. At the top of the list of my concerns is the No Child Left Behind Act (NCLB) and the fact that it has become an unfunded mandate. The House Republican resolution provides at least $8.8 billion less than the $34.3 billion authorized for education programs under the "No Child Left Behind" Act for 2005. This low funding leaves millions of elementary and secondary school students without the services Congress and the President promised just two years ago. For example, the Republican budget denies Title I services to 2.4 million students who qualify under the Act.

But the irresponsibility does not end with No Child Left Behind. For the third straight year the Republican Party has frozen the funding level for Pell Grants. Both the Republicans and the President freeze the maximum Pell Grant award at the 2003 level of $4,050, with an average grant of $2,399. Such small Pell Grants make college unaffordable for millions of students: the College Board reports that tuition and fees at 4-year public colleges today average $4,694. In any market this gap would be hard to swallow, but with the current state of joblessness that the Republican Party's agenda has created it is near impossible for so many American families to send their children to college. I fear that this agenda if allowed to continue will cause a perpetual state where our American families aren't able to succeed.

Our brave American veterans are another group who were outraged by the President's budget and will unfortunately be disappointed with the Republican House Budget. I hear so much in this body from the majority party about the greatness of our Armed Forces, and they're right, but again it's just empty rhetoric on their part. Those brave men and women fighting on the front lines in our War Against Terror will come back home and find that the Republican Party looks at them differently once they become veterans. Almost all veterans need some form of health care, some will need drastic care for the rest of their lives because of the sacrifice they made in war, but the Republican Party continues to turn a blind eye to their needs. On a bipartisan basis, the Committee on Veterans Affairs recommended that $2.5 billion more than the President's budget was needed to maintain vital health care programs for veterans. Nevertheless, the House Republican budget provides $1.3 billion less than what the Committee recommended for 2005.

The entire Department of Veteran's Affairs is going to suffer because of the Republican agenda. Over the next five years the money allocated to the Department of Veteran's Affairs will not even be able to maintain these programs at their current levels. In 2007, the budget is $227 million less than what the Department of Veterans' Affairs needs to keep pace within inflation. Over five years, the Republican budget cuts $1.6 billion from the total needed to maintain services at the 2004 level. I've heard from veterans groups throughout my district in Houston and I'm sure each Member of this body has heard from groups in their own district because veterans are one group that come from all parts of this nation. These brave veterans have told me their stories of how they are suffering now with the current state of Veterans Affairs, I am going to have trouble telling them that not only will things continue to stay bad but if this budget passes this body things will only continue to get worse. That is not what our returning soldiers from Iraq and Afghanistan should have to look forward to, a future where their needs are not only not provided for, but are in fact ignored.

Education and Veterans Affairs make up only two areas where Republican budget fails Americans. The truth is there are many other programs and services vital to our nation that are at risk because of the Republican agenda. At this point, an average American may be asking why the Republican Party finds it necessary to cut so many fundamental programs. The answer is simple, yet disturbing; the majority party is cutting important programs in order to finance all their irresponsible tax cuts. They will continue to make the argument that tax cuts provide stimulus for our economy, but millions of unemployed Americans will tell you otherwise. In fact the Congressional Budget Office itself said "tax legislation will probably have a net negative effect on saving, investment, and capital accumulation over the next 10 years."

While the Republican Party continues its offensive for irresponsible tax policies they allow our national deficit to grow increasingly larger. The deficits are so large and their policies are so irresponsible that they won't even make deficit projections past 2009. It's clear that the Republican Party is hiding from the American people. This President and this majority in Congress have yet to advocate a fiscal policy that helps average Americans. Special interests have become king in this budget at the price of sound fiscal policies.

The truth about the budget is that a sound fiscal policy that funds needed programs is possible. The Democratic Alternative Budget and the CBC Alternative Budget are both examples of how we can get out of the quagmire that the Republican agenda has put this nation in.

The Democratic budget achieves balance within eight years through realistic policy choices that protect funding for key services. The Democratic budget also has a better bottom line than the Republican budget every year, meaning a smaller national debt and fewer resources wasted paying interest on the national debt. Chronic deficits crowd out private borrowing, run up interest rates, and slow down economic growth. In addition, the Democratic budget provides $1.3 billion more than the Republican budget for veterans programs for 2005 and $6.6 billion more over five years. The Democratic budget provides $2.1 billion more for appropriated education and training programs than the Republican budget for 2005 and $9.8 billion more over the next five years. The Democratic budget also provides $3.7 billion in mandatory funding to make up the current shortfall in funding for Pell grants and additional funding to make college loans cheaper for students. These programs are all funded while maintaining a sound fiscal policy. The Democratic budget achieves balance within eight years through realistic policy choices that protect funding for key services. The Democratic budget also has a better bottom line than the Republican budget every year, meaning a smaller national debt and fewer resources wasted paying interest on the national debt. Republicans will surely try to counter this by touting the benefits of tax cuts. However, most Americans are waking up to the fact that mass tax cuts targeted toward the wealthiest Americans will only bog down our national economy. The Democratic budget accommodates the extension of marriage-penalty relief, the child tax credit, and the ten percent individual income tax bracket. These tax cuts provide relief to middle-class families whose incomes have stagnated under the current administration's economic policies. This is what a sound fiscal policy really stands for.

This body was made to stand for the will of all Americans; if we allow this budget proposal to take effect we will have failed our mandate. I for one will not stand by silently; I have a duty to my constituents and indeed to all Americans to work for their well-being and I will continue to honor that duty.

I feel it is a sad day when the issue of our national security is compromised by a lack of proper funding. I was deeply concerned when I saw the amount of funding allocated to Homeland Security under the President's budget, but I am appalled at the further cuts taken from Homeland Security in this Republican budget resolution. This Republican budget cuts a further $857 million from non-defense Homeland Security budget that the President proposed. That statement in itself is the height of fiscal irresponsibility. Somehow the programs the Republican leadership sought to cut were the same ones that all Americans are looking towards protecting their security. As a Member of the Homeland Security Committee I know the shortfalls in our national security system and I am prudent enough to know that under funding these programs will not resolve our vulnerabilities.

First Responder programs are under funded by $900 million and represent a critical element in our national security apparatus. First Responders make up the local presence that are our first line of defense against possible terrorist attacks. In a way every American is a First Responder because we all must stay vigilant to truly avert future attacks. However, there are groups of people who go beyond vigilance and act as a professional presence to keep America safe. Among the First Responder programs that I believe are so critical is the Community Orientated Policing Services (COPS) Program. The COPS Program has helped nearly 12,950 jurisdictions through 277 different grant programs since 1994. In September 2002, COPS had provided funding for 116,573 community policing professionals across the country. Another critical First Responder program is Citizen Corp. which provides citizens with volunteer opportunities to help their communities prepare for and respond to emergencies. First Responders are not just used to prevent terrorist attacks; they fulfill the security needs of so many Americans dealing with local emergencies. For example, Citizen Corps, is now playing a critical role here in the District of Columbia helping communities deal with the lead contamination that currently affects their water supply. Clearly, First Responder programs like the COPS Program and Citizen Corp. are vital, unfortunately they require funds that are not being provided for in the Republican Budget Resolution.

Port Security Grants are under funded by $566 million and may be our greatest vulnerability in our efforts to prevent future terrorist attacks. As the Representative of a Congressional district in Houston, Texas I know personally the importance of proper Port Security. The Port of Houston is one of the largest in America; the workers on those docks have an incredibly difficult job managing thousands of ships a year, which is aside from any additional security concerns. I fear that if we do not provide the proper funding for Port Security we leave ourselves open to another catastrophic event. The numbers attributed to the traffic on our seas is staggering. There are 361 public ports in the United States that handle over 95 percent of U.S. overseas trade. Approximately 7,500 foreign ships, manned by 200,000 foreign sailors, enter U.S. ports every year to offload approximately six million truck-size cargo containers onto U.S. docks. This means that our ports are extremely valuable to our national economy, but with so much ship traffic coming through they are also extremely vulnerable. As a Member of the Homeland Security Committee I have been briefed on how few of those six million truck-size cargo containers are actually inspected. In an age where we are told that nuclear components can be launched from a suitcase, I am loathe to think about the damage that could be caused by a cargo container that has been compromised by a terrorist.

It must be clear to every Member of this body the importance of Homeland Security, but we can not pay mere lip service to the needs necessary to maintain our national security, the risks are too high and the lives of Americans are too important. It is imperative that we fully fund Homeland Security in all its facets. We can not just allocate all our money towards fighting terrorists broad, we must use the necessary funds to truly make our homeland secure.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia (Mr. SCHROCK), a member of the committee.

Mr. SCHROCK. Mr. Chairman, let me set the record straight. I heard the gentleman from Virginia a few minutes ago who said he represented the port of Hampton Roads. Until that time, I thought I did, and my constituents think I do, and the fact is, I do. So let me set the record straight on port security. I served in the Navy for 24 years; I think I know a little bit about this.

As part of our commitment to homeland defense and security, this Republican budget reflects our serious commitment to port security. It provides $1.9 billion for the Department of Homeland Security-wide port security efforts, an increase of 13 percent, or $224 million over 2004, and 628 percent or $1.6 billion over 2001; and they call that a cut.

These funds include $102 million for the Coast Guard to implement the Maritime Transportation Security Act of 2002, which sets security standards for certain vessels, port facilities, and critical offshore platforms.

This budget also funds $6.6 billion to maintain and enhance border security activities, a 7 percent or $447 million increase over 2004, and a 70 percent or $2.7 billion increase over 2001, and they call that a cut. This budget funds a number of programs specifically tailored to improve port security.

We provide $102 million for implementation of the Maritime Transportation Security Act of 2002. This initiative will enable the Coast Guard to develop, review, and approve vessel and facility security plans, ensure foreign vessels are meeting security standards, enhance its intelligence capability, and provide underwater detection capability to maritime safety and security teams.

This budget provides for the upgrading of Coast Guard ships and technology, including support for the Coast Guard's integrated deepwater system acquisition program, which is systematically replacing the Coast Guard's aging fleet of vessels, aircraft, and command and control systems, and they call that a cut. We fund Deepwater at $678 million, an increase of $10 million over 2004 levels, and they call that a cut.

This budget also provides funds to improve information and intelligence. We fund the Coast Guard's maritime domain awareness programs, which will help us better understand what transits through or near our Nation's waters, and they call that a cut.

Regulations require certain commercial vessels to install automatic identification systems by the end of 2004. These devices will broadcast certain vessel information that helps identify and locate vessels in the maritime domain.

The Coast Guard established COASTWATCH, a process through which the intelligence community analyzes all-source information and intelligence on ships, crew, and cargo to identify threats. We also fund the container security initiative that allows the Department of Homeland Security to prescreen cargo before it reaches U.S. shores, and they call that a cut.

This budget allows an increase of $25 million over 2004 funding levels. These funds will support CSI expansion into additional high-volume ports. This they call a cut.

Finally, the Republican budget provides $50 million for the next generation of radiation screening devices used to screen passengers and cargo coming into the U.S.

Mr. Chairman, we need to continue to secure our ports. We can only do this by approving this budget.

Mr. SPRATT. Mr. Chairman, I yield myself 30 seconds to respond to the gentleman. In each of those items where the gentleman said, "and they call that a cut," we do not call that a cut. We acknowledge that there is a substantial sum of money being put forth. But, in fact, this budget resolution reduces the President's request in nondefense homeland security items by $857 million. It is a matter of plain fact in the formulation of this budget resolution, and that is a cut. We provide $6 billion more than the budget resolution presented by the majority.

Mr. Chairman, I yield 1 minute to the gentlewoman from California (Mrs. DAVIS).

Mrs. DAVIS of California. Mr. Chairman, I participated in a number of homeland security simulations with the National Defense University, and I learned that one of the most significant issues in homeland security is the importance of the local response. This local response falls squarely on the shoulders of our first responders, which is why I am concerned that this budget fails to provide them with the support that they need.

By cutting homeland security funding below the President's request, this budget provides no remedy to address the President's cuts in first responder spending.

People often forget how much we rely on our local first responders to protect our homeland security. Although we have adopted new systems, new technologies, and meaningful homeland security, it requires dedicated people to work the front lines. I believe that we can play a much stronger role in supporting our first responders. In fact, we have played that role in the past by providing them with the funding and the resources they need. Is now really the time, Mr. Chairman, to cut back?

Mr. SPRATT. Mr. Chairman, I yield for a unanimous consent request to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Chairman, I place into the RECORD a statement concerning the majority's defense budget and also an article from The Washington Post that discusses the lack of armor for our troops in Iraq.

Mr. Chairman, I rise today with concerns about the Department of Defense budget proposal.

Last fall before my colleagues and I voted on the Iraq Supplemental, we were told that there was money included in the bill to provide all our troops with necessary life-saving equipment.

Several months after passing the supplemental, however, reports started coming back from Iraq that there were still troops serving in Iraq that did not have Kevlar vests, and there were still humvees that did not have armor to protect the troops riding in them from bullets or shrapnel.

Last week, one year after the war started, Houston's CBS affiliate KHOU reported that there are still a number humvees without bulletproof armor.

Then on Sunday, The Washington Post printed this article about Virginia Guard Units serving in Iraq that were wearing make-shift body armor their friends and family had sent them from home up until January of this year, 10 months after the start of the war.

I would like to submit this article for the RECORD.

Even more startling is the fact that these same troops are still driving around in humvees that have armor only because they were fortunate enough to have extra supplies at a machine shop on their base.

The safety of our troops should not depend on whether or not they have extra supplies on their base.

The Pentagon recently asked Congress to shift $190 million in FY04 money to pay for kits to armor humvees being used in Iraq, however this will not equip all the vehicles in Iraq and there is no money for this in the FY05 budget request.

I am troubled when I look over the Defense budget.

According to the 2005 Defense budget request there is money to double our investment in a missile defense system, but no money to armor the vehicles our troops drive in Iraq.

The defense budget states that a key part of the military's ability to meet its strategic goals is providing the best possible equipment to accompany any mission.

If this is the case, why did it take so long to provide body armor for our troops, and why are there still unarmored humvees driving around Iraq?

This administration says that there is no immediate need for a supplemental to fund operations in Iraq, but the budget leaves shortfalls in protecting our troops serving there.

Our troops are in a dangerous place, doing a dangerous job, and I hope the administration will correct these problems.

[From the Washington Post, Mar. 21, 2004]

2 MILLION MILES, MAKESHIFT ARMOR AND NO FATALITIES; A VIRGINIA GUARD UNIT SURVIVES IRAQ'S DANGERS

(By Karl Vick)

Of the many perilous things an American can do in Iraq, the most perilous of all is driving a U.S. military vehicle in a line of other U.S. military vehicles, up and down a highway, day after day.

The men and women of the 1032nd Transportation Company, a unit of the Virginia National Guard, have been doing just that for almost a year, logging more miles than any other unit in Iraq—about 2.3 million so far, almost all of them on the potholed asphalt of the region north and west of Baghdad known as the Sunni Triangle.

That the 1032nd came through the past 12 months without a fatality is regarded as exceptional good fortune by its members, a motley, good-natured group that includes truckers, students and at least one police officer, one iron worker, one cell biologist and one bartender.

"We get outside the gate, we keep it to the floor," said Spec. Jeff Combs of Jonesville, in far southwest Virginia, near the Kentucky and Tennessee lines. "So far we've been really, really fortunate."

The absence of fatalities is all the more remarkable, the truckers say, because for the first three-quarters of their tour, the drivers, gunners and mechanics routinely traversed the deadliest sections of Iraq without bulletproof vests.

When a gunman in a speeding black BMW fired an AK–47 assault rifle into the chest of Spec. Nathan Williams, the slug was stopped by a steel plate Williams had purchased with his own money and then fitted into a Kevlar vest designed to stop only shrapnel. Otherwise, the high-velocity slug would have entered his heart.

"They were $3 apiece," said Capt. Joe Breeding, hefting one of the crudely cut, quarter-inch-thick steel plates a colleague had sent from a workshop in Virginia.

The shortage of body armor for U.S. troops recently emerged as an issue in the presidential campaign. Sen. John F. Kerry of Massachusetts, the presumptive Democratic nominee, has cited the shortage as evidence that President Bush cares too little about the welfare of the troops. Bush TV ads, in turn, have accused Kerry of casting a vote that would have deprived combat troops of body armor.

But it has been a matter of lively discussion for almost a year in Iraq, especially among the Guard and Reserve units that were called up to play support roles but found themselves in the thick of a guerrilla war.

"It was disappointing to me to see units that just got here had vest, and we had been here six months doing without proper protection," said Spec. Rodney Pilson from Stewart. "Something like that makes you feel kind of segregated."

Breeding, the unit's commanding officer, said the 1032nd arrived in Kuwait last year largely ignorant of the state of the art in personal protection. The Kevlar vests they carried from Virginia were designed to stop shrapnel or a low-velocity slug from a handgun. But they lacked the specially designed boron carbide ceramic plates that can absorb a bullet from an assault rifle.

Too few had been ordered before the war, senior commanders told congress last fall, and first priority was given to dismounted infantry, the foot soldiers most vulnerable in a battlefield setting.

But within weeks, war turned to occupation, and the most basic assumptions were flipped upside down. "When we got here, it wasn't as bad. The war was still going on," said Spec. Cliff Vance, the bartender, from Wise.

An enemy that seldom chose to stand and fight preyed mostly on military vehicles, employing booby traps and ambushes using small arms. Transportation outfits such as the 1032nd, which made two runs a day through Baghdad to and from Nasiriyah, found themselves on the new front line with equipment designed for the rear.

"We realize they had a limited number" of ceramic-equipped vests, Breeding said. "One thing I didn't think they realized is how the transporters are on the front line, too."

Some things the truckers could change themselves. Makeshift armor was cut from steel plates at the machine shops in the sprawling base set up on a former Iraqi airfield outside Balad, about 40 miles north of Baghdad. Driver-side doors got steel plating, later replaced by sheets of an alloy called Armox. Kevlar-coated ballistic blankets were laid on cab floors. Cargo Humvees became battle wagons, their back ends enclosed in steel that protected the soldier manning the .50-caliber machine gun mounted in the rear.

"You came here and basically you took care of yourself," said Spec. David Howard.

The improvised armor made the company, which is due to leave Iraq this month, the envy of incoming units.

Sgt. 1st Class Kelvin Davenport, who will return to work as a sniper on the police SWAT team in Bristol, said the newcomers ask, "When are you leaving? Can we get your vehicles?"

There was a limit, however, to how much the truckers could do to armor their own bodies. The Kevlar vests had no ceramic plates, and there was no space between layers of Kevlar to slip in an improvised plate.

Vests with slots to accommodate plates arrived in June, but the boron carbide ceramic plates did not begin making their way to the unit until November. The entire company was finally outfitted in January.

"We got that stuff after we got off the road," said Sam Stone, a mechanic and part-time driver, shaking her head.

The unit was in fact still driving in January, but by then much of the military transport was being handled by a civilian firm, Kellogg Brown & Root Inc., a subsidiary of Halliburton. The 1032nd provided the armed escort, sending its makeshift battle wagons ahead to scout for roadside bombs—Davenport spotted more than 30 himself—and bringing up the rear, still the most dangerous position.

"KBR was better equipped than we were," said Stone, a student from Chatham. "We used to joke about that. All their drivers had actual bulletproof vests."

Many of the unit's 105 drivers recount close calls. More than a dozen of their trucks were damaged by roadside explosives. But only five people were wounded, and all five returned to duty.

Two of the wounded were hit not by roadside bombs but by mortar attacks around the 1032nd's original quarters at the corner of Texas and David Letterman Drive on the Balad base. "I think that was scarier than driving," said Pilson, idling with his fellow drivers in the shade of a eucalyptus the other day. "You wake up in the night to a boom, your heart stops, man. You're supposed to feel safe here."

The men beside him nodded and chuckled. National Guard units grapple with a reputation as the military's second-class citizens, frequently accorded less respect than reservists. But the sense of family so often found in shared adversity has a more familiar feeling in a unit where the youngest member is 19 and the oldest 59. The only death in the 1032nd this year was from cancer. It killed a man who had survived Vietnam.

"We've been lucky," said Spec. Michael Bauman, 40, a construction worker from Hillsville. "I mean, you consider over 2 million miles in this area, we've been lucky.

"It's the heat that kills you."

Mr. SPRATT. Mr. Chairman, for purposes of debate, I yield 15 minutes to the gentleman from Georgia (Mr. LEWIS).

The CHAIRMAN pro tempore (Mr. LINDER). Without objection, the gentleman from Georgia (Mr. LEWIS) will control 15 minutes.

There was no objection.

Mr. LEWIS of Georgia. Mr. Chairman, I thank the ranking member for yielding me this time, and I yield myself such time as I may consume.

Mr. Chairman, the Republican budget before us fails the American people. It ignores the very real problems of working families. It will force deeper and deeper cuts to nearly every domestic program that supports our citizens and our way of life.

This Republican budget fails to create jobs. It shortchanges education. It robs Social Security. It cheats seniors out of secure, affordable health benefits at a time in their lives when they need it most. It fails to provide adequate health benefits for the wounded and disabled veterans who have fought so hard to protect our freedom.

This budget is without compassion. In my estimation, this budget is cruel and inhumane. It fails to meet the basic human needs of our citizens. It would slash nearly every domestic program in order to cut the taxes of a few wealthy Americans.

Mr. Chairman, this budget would dig our economy into a deeper, ever-expanding hole that our children and our children's children will have to work long and hard to pay for. This is not fair, it is not right, and it is not just.

As a Nation and as a people, we could do much better. We should be using our wealth to benefit the whole Nation, all of our citizens, all of the people, not just a few.

Mr. Chairman, I reserve the balance of my time.

Mr. SHAYS. Mr. Chairman, I yield 3½ minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, I want to thank the gentleman from Georgia (Mr. LEWIS) for not yelling. The chairman of the Committee on the Budget asked a few minutes ago why our Democratic colleagues keep yelling, and I think they hope that all their yelling will drown out how wrong they are on the facts. But let us talk about what those facts actually are.

This Republican budget is a fiscally responsible budget. It has no tax increases over the next 5 years. It makes the current tax cuts permanent on the American working people, and it cuts the deficit in half over the next 4 years.

□ 1630

But what we hear from the Democrat side is double-talk, talking from both sides of their mouths. And sometimes you even hear talking from both sides of the mouth from the same individual on the same issue. Let me give you some examples of that.

The very talented Democratic whip, the gentleman from Maryland (Mr. HOYER) said, "The Republicans are spending like there's no tomorrow." But then he also, same person, mind you, again, the distinguished, talented Democratic whip then says as a reaction to the gentleman from Iowa's (Mr. NUSSLE) alternative proposal to cut 1 percent in waste, fraud and abuse, he says, again, I repeat, cutting 1 percent of waste, fraud and abuse would be "senseless and irresponsible." Same human being, same issue.

Let us look at what the Democrats have proposed, and I think it is important, the facts. Again, that is why I am not screaming, because we have the facts on our side of the issue.

Last year Democrats proposed alternatives to major pieces of legislation that would have added almost a trillion dollars to the deficit, and yet America just heard the other side, the Democrats complaining about too much spending in some areas. But they propose almost a trillion dollars to the deficit, increase to the deficit.

They then this year, now the facts are that in the Committee on the Budget they proposed increased spending. These are actual amendments, these are facts. Look it up; it is easy to find, increased spending of $28.6 billion in just fiscal year 2005.

And here is the kicker: They proposed raising taxes on the hard-working American people by $28.9 billion. That is more than half the entire budget of the State of Florida. That is this year in committee alone, and yet then they say that we are spending too much money or the deficit is too large. That is why they scream, because the facts are what they are trying to drown out.

Democrats' amendments would have increased spending by almost $36 billion and increased taxes by $53.6 billion over the next 5 years. These are the facts that when you cut through all the loud yelling and screaming of the Democrats, good rhetoric, the facts are, the bottom line is, that they are trying to increase taxes massively on the American people. They are drastically trying to increase the taxes on every single American person in this country, hard-working people.

The budget that we have in front of us has tax cuts, does not increase taxes, makes them permanent. Those are the facts.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL), my colleague on the Committee on Ways and Means and the Committee on the Budget.

Mr. NEAL of Massachusetts. Mr. Chairman, let me give the gentleman a fact since he raised it today, and that is that the chairman's budget does nothing about the Alternative Minimum Tax. That is a fact that we ought to be concerned about here. You can yell about it, you can speak softly about it, but it is a fact.

The President's budget calls for a 1-year patch fix to the AMT. They at the White House prefer to study the issue once again. We ought to take a test around here on issues that we are asked to study and then find out if we will ever bring them up again.

The Bush tax cut of the past 3 years have exacerbated, emphasis on the word "exacerbated," the Alternative Minimum Tax problem, where many middle-income taxpayers are going to see their tax cuts go back to the Treasury by round trip, courtesy of Alternative Minimum Tax. Alternative Minimum Tax no longer affects the highest-income taxpayers; it falls mainly on middle-income taxpayers. If the Bush tax cuts are made permanent, 97 percent of the taxpayers, and listen to this, with two or more children with income between $75- and $100,000 will be affected by Alternative Minimum Tax.

Let me give a quote from Forbes magazine that is an item that Democrats always like to bring up, "Largely as a result of tax cuts in 2001 and 2003, the Alternative Minimum Tax is now poised to devour the middle class in America." Our inability to fund important programs in education, health care, homeland security, veterans and environment, which most citizens, by the way, support, is the result of reckless tax policy which favors the most wealthy Americans while burdening our children and grandchildren with debt. We borrowed the money to pay for tax cuts for high-income Americans.

If the President and Congress saw the need to create a Department of Homeland Security, why are we cutting first responder funding by $648 million? Cuts to port security? Did my Republican colleagues already forget the sacrifices and courage of firefighters, police and other first responders on 9/11?

The President and the Republican leadership in this institution helped to create our current fiscal difficulties, and I might emphasize, nonexistent job growth. What are they going to do to fix it? It takes a bit more creativity than tax cuts for the rich to address this problem.

Let us put the best thoughts of Democrats and Republicans in this institution together and fix the Alternative Minimum Tax. It is threatening tens of thousands, if not millions, of Americans in coming years. And when people after April 15 find out about Alternative Minimum Tax and the inability, or I should say, the attitude of this institution in not dealing with it, there is going to be seething anger across the country.

Mr. SHAYS. Mr. Chairman, I yield myself 1 minute. Just to respond to my colleague and say when the Alternative Minimum Tax was passed by Democrats. Republicans warned that it would be not just a tax on the rich but it would be a tax on all income producers.

Mr. NEAL of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the gentleman from Massachusetts.

Mr. NEAL of Massachusetts. That may well be. I do not dispute the inception. I do not dispute the philosophy of Alternative Minimum Tax as proposed. What I do dispute is, you have been in charge for 10 years, opportunity to do something about it rather than talk about it.

Mr. SHAYS. When we tried to eliminate it in the past, we were told we were eliminating it for the wealthy. And, in fact, we were saying, it is not a tax on the wealthy, it is a tax on the middle class.

This tax does need to be eliminated. It was passed, regrettably, by our Democratic colleagues, and it is a heck of a problem to get rid of now, but we need to.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentlewoman from Wisconsin (Ms. BALDWIN), a member of the Committee on the Budget.

Ms. BALDWIN. Mr. Chairman, budgets are about priorities and America's budget ought to reflect America's priorities.

Once again, Republicans have presented a budget that makes spending billions of dollars on tax cuts for the wealthy a higher priority than confronting the issues my constituents worry about, such as fixing our broken health care system and putting America back to work, educating our children, and keeping our promises to our seniors and veterans.

In short, people who make over a million dollars a year come first, while millions of hard-working Americans foot the bill. Those who need it the very least get the most, and those who need the help the most get the very least.

Perhaps some of you have heard of a popular TV reality show called "The Simple Life." It introduces two young wealthy heiresses onto an Arkansas farm where they are exposed to hard work and a set of struggles they have not witnessed firsthand before.

Under this budget resolution, hotel heiress Paris Hilton would make out big. Given her family's $300 million fortune and her earnings from filming the show, she belongs to an elite group of Americans who make over $1 million per year. She would save over $150,000 in taxes per year under the policies that are embraced in this Republican budget resolution.

So what about the family she stayed with? Well, I confess I do not know the annual income of the farm family that hosted them, but I can tell you that the average farm family in my home State would save roughly $600 from the tax cut policies in this budget. But at what cost to maintain these tax cuts?

First, the Republican budget resolution pays for them by borrowing from future generations, so we can all pay a little bit of the interest on the debt incurred to pay for Paris Hilton's tax cut.

Second, the Republican budget resolution pays for these tax cuts by ignoring pressing American problems like our health care crisis and job losses.

Lastly, this resolution pays for these tax cuts by cutting or freezing vital investments in our future like education and keeping our promises to seniors and veterans.

Now, I have had a little fun with "The Simple Life," but the bottom line is very serious. I can tell you that putting tax cuts for the wealthy before the needs of hard-working Americans will have serious impacts on their lives and our future.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee (Mr. COOPER), a member of the Committee on the Budget.

Mr. COOPER. Mr. Chairman, I thank the gentleman from Georgia (Mr. LEWIS) for yielding me time.

Do not take my word for it. Listen to some of the most distinguished advocacy groups in this country, one, the veterans groups, DAV, VFW, American Legion. They have said that "The Republican budget is a disservice to those men and women who have served this country and who are currently serving in Iraq, Afghanistan, and around the world in our fight against terrorism."

We are proud to have the help of these distinguished veterans groups in this battle. We are also proud to have the help of the AARP that says that the Republican budget is unfair, flawed and should be rejected by the House.

Now, some people watching this debate may think that, well, the Democrats have outspent the Republicans again. Some people may be cynical and say that they may or may not benefit from some of the spending programs involved. They might not be veterans or seniors or some of the other groups that we clearly have a better budget for. But everyone feels they pay taxes. And some people feel, well, there the Democrats go, they are taxing us again.

Look at the facts of this budget. Democrats and all Americans should be proud of our tax relief in this bill because we have exactly the same tax relief for the middle class and our budget as our friends on the other side of the aisle do. And we are proud of that. That is a good thing. So average Americans, 99.5 percent of the population, that is the same tax situation. They do not need to worry that the Democrats secretly have a plan to tax them.

Now, there is a small group, a very small group of people, who make annually over $500,000 a year in income. So if you report gross income on your tax return every year of over $500,000, we do not take away your tax relief. We take away about half of it. The folks I know, and I used to be in this category for a while, make over $500,000 a year, they are still patriotic Americans.

They know we are still at war. They are happy to make their contribution, and only accepting part of the tax relief they are being offered, I think is something most folks in that elite income category would be delighted to do. These are good people. It is the American dream for all of us to make that much money.

So for 99.5 percent of the American people it is the same tax relief as in the Republican bill. But in the that top, top category, folks who make over $500,000 a year, we would reduce their tax relief a little bit. Is that too much to ask?

So I would ask the Members who are tuning in to this debate, think who would you prefer helping, our veterans who made the ultimate sacrifice for this country, our senior citizens, or are you so anxious to give 100 percent tax relief to the folks who make over $500,000 a year in income?

How many Americans have ever reported $500,000 a year in income? I am not talking capital gains here. I am talking in income on their tax return.

That is an amazing situation, and we can fund this budget with that tax provision.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. DAVIS), a member of the Committee on the Budget.

Mr. DAVIS of Alabama. Mr. Chairman, sometimes I know a lot of the people listening to these debates hear us talking about a lot of sound and fury, and you would almost have the impression, when we hear the words "tax cuts" over and over again, you would almost have the impression that we are talking about real money for some people.

The reality is that for 53 percent of the families who are listening right now around this country, the tax cut they will receive is $100 or less a year, not $100 or less a paycheck but $100 or less a year.

The middle-income Americans in this country will receive a tax cut on average of $217 a year, which by my math is around $20-some a month.

□ 1645

So when we hear our colleagues and friends on the other side of the aisle talk so boldly about these tax cuts and what these tax cuts have done for our economy, I hope that our economy is not so fragile that it rests on $100 a year, and I want to introduce one other word that we have not heard today, and it is a word called "sacrifice."

When the gentleman from Georgia (Mr. LEWIS) came to this city in 1963 and he demonstrated so valiantly for the cause of civil rights, we had a President who talked about sacrifice, but he meant sacrifice for all Americans, not just the least of us.

So many people have come in my office as recently as 1 hour ago, and they asked me why funds for Head Start are being reduced under this program. They asked me why No Child Left Behind is not fully funded. They asked me why $1 billion is being cut from Medicaid.

One lady asked me a very simple question today, "Mr. Davis, what are the Congress' priorities, if not these?" I will tell my colleagues what I said to her, "The priorities are $1 trillion worth of tax cuts that amount to nothing for most Americans."

We are asking so many people to sacrifice in this country. We are asking our servicemen and -women to sacrifice. We are asking the people who receive these programs and who rest on these programs for their comfort to sacrifice. Why can we not be big enough and humane enough and decent enough to make sacrifice apply to the wealthiest and most powerful among us? That is not populism. That is not demagoguery. That is a sense of the value system that makes us Americans. So we ought to understand choice today.

Our colleagues on the other side of the aisle have a theology and a theory of tax cuts that will favor the wealthiest among us, whereas this will always be the side of the aisle that believes in our values as Americans, and we will never just ask sacrifice from the weakest among us.

Mr. LEWIS of Georgia. Mr. Chairman, I want to thank the gentleman from Alabama (Mr. DAVIS) and the gentleman from Tennessee (Mr. COOPER) and all of the Members for participating.

Mr. Chairman, I have no other speaker at that time, and therefore, I yield back my time to the gentleman from South Carolina (Mr. SPRATT), the ranking member.

Mr. SHAYS. Mr. Chairman, I yield myself 15 seconds before yielding to the gentleman from South Carolina (Mr. BARRETT).

I want to say, this is an important debate, but only in Washington when we spend nearly $2 million more for veterans do people call it a "cut." And when my colleagues talk about tax cuts, 5 percent of the American people pay 50 percent of the taxes, and 50 percent of the American people pay 96.3 percent of the taxes.

Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. BARRETT).

Mr. BARRETT of South Carolina. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, several of my colleagues today have just discussed the policies that would be put in place to support economic growth, and they are working. But in addition to getting and keeping the economy going, we must control spending. It does matter.

If we are going to say that deficits matter, my colleagues better believe spending matters. All spending must be paid for either through taxes or through borrowing, and both are burdens on the economy. For that simple reason alone, controlling spending in and of itself is a policy for sustaining stronger economic growth.

The budget calls for several measures to help Congress help itself control spending, including holding the line on our own congressional budgets, as well as other nondefense, nonhomeland security spending. No new mandatory or entitlement programs. No nonwar emergency supplementals without spending offsets.

We have also called for savings initiatives through the reduction of waste, fraud and abuse in several mandatory programs. None of these are going to be easy. A lot of us here and certainly many in the Senate have gotten pretty comfortable signing off on huge spending increases and free-flowing new spending. But success at keeping taxes and spending down will mean a stronger economy and better standards of living for our Nation. If we do not control spending, the result will be higher borrowing and higher taxes.

Federal Reserve Chairman Alan Greenspan has agreed that we need to control spending and not raise taxes, especially if we want to ensure that we do not harm our economy and our standard of living. Here is a direct quote from Mr. Greenspan:

"Tax rate increases of sufficient dimension to deal with our looming fiscal problems arguably pose significant risks to economic growth and the revenue base. The exact magnitude of such risks are very difficult to estimate, but they are of enough concern, in my judgment, to warrant aiming to close the fiscal gap primarily, if not wholly, from outlay restraint."

The simple translation of what he said, Mr. Chairman, is that we need to restrain spending because the economy would be hurt by higher taxes.

Our budget resolution does exactly that. It restrains spending and keeps taxes from increasing. That is not only good for our economy, it is good for our Nation.

Mr. SPRATT. Mr. Chairman, I yield myself 3 minutes before yielding to others to talk about debt and Social Security because the two, believe it or not, are critically linked.

Every year when the President sends us his budget, the Congressional Budget Office does an analysis of the President's budget and applies the President's budget to its baseline for the economy and extends it over a 10-year period of time. I have a copy here in my hands of the CBO estimate of the President's budget for fiscal year 2005.

If there is nothing else my colleagues read in this rather laboriously written report, I recommend to my colleagues table 1, chapter 1, and I recommend to them the very last column because in the very last column, at the top of it, we have a CBO estimate of how much will be added to the national debt, the statutory debt, if the President's budget, which is basically the same as the Republican budget on the floor now, is implemented and carried out.

The number is $5.132 trillion. That is the estimate of the statutory debt increase that will result from the adoption of the President's budget, $5.132 trillion in additional debt.

What is the consequence of that? We can have tax cuts, but when we have tax cuts and do not have a surplus, the amount of the tax cut goes straight to the bottom line, adds to the deficit, and the deficit adds to the national debt, and sooner or later, the debt has to be paid. The principal has to be paid, and periodically, interest on the debt has to be paid. There is nothing more obligatory than the interest we owe and the principal we owe on the debt backed by the full faith and credit of the United States Government.

So, basically, what my colleagues are electing with these tax cuts is not to pay it, but to shift the cost onto our children.

So the subject we are debating really is a moral subject: How much should we shift onto our children in the way of additional debt? They are going to have to carry Social Security, which is underfunded; Medicare, which is underfunded; and now with this vote, we are shifting off onto them $5.132 trillion in additional debt. If my colleagues do not believe it, come over here and look at this CBO report.

What is the early toll of that debt service? We had worked debt service down from $250 billion a year, interest on the national debt, to $153 billion this year, last year. Within 10 years, debt service will double. It will go up to $374 billion. That is called a debt tax. We get a tax cut today, but in 10 years, the cost of having the tax cuts today, adding to the national debt, will be $374 billion, doubling of the debt service.

Mr. Chairman, I reserve the balance of my time.

Mr. SHAYS. Mr. Chairman, I yield myself 15 seconds to say we cut taxes to generate economic activity. In this budget, we are looking to have no tax increase for the next 5 years.

Mr. Chairman, I yield 1½ minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, I had a point to make, but I just heard the distinguished gentleman right now complain about the size of the debt, and this is what I was saying a little while ago.

Just last week he voted, along with his colleagues, to increase the debt that he is complaining about by billions and billions and billions of dollars. Hey, which one is it? They cannot have it both ways.

Mr. Chairman, what I wanted to bring up was that we just heard a little while ago a Member from the Democratic Party talk about, I guess my colleagues pretty much heard on the floor, he agreed that the Alternative Minimum Tax increase the Democrats gave us years ago was a mistake because they said it was a tax on the rich. Now we know that it is not, and yet they continue to do the same thing. They complain. They are saying that they only want to raise taxes on the rich.

Let me give my colleagues an idea. The facts are that they want to raise taxes on 52,000 farms. Those are not rich, 230,000 partnerships under S Corporations, which are small businesses, by the way, the job creators in this country; those are not the rich. Seven hundred thirteen thousand who pay self-employment tax and then from that they pay salaries because they have the business; they are sole proprietors of their business.

Just like they were wrong when they said the Alternative Minimum Tax was for the rich, now when they say that they only want to increase taxes on the rich. It is not true. They once again want to increase taxes on every single living American.

Mr. SPRATT. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas (Mr. MOORE) for the purposes of controlling the time.

The SPEAKER pro tempore (Mr. LINDER). Without objection, the gentleman from Kansas (Mr. MOORE) will control 15 minutes.

There was no objection.

Mr. MOORE. Mr. Chairman, I yield myself such time as I may consume.

My colleagues have heard the numbers, $7 trillion plus in national debt, $521 billion projected this year by OMB for the deficit, the highest numbers in our Nation's history in terms of debt and deficit. We heard at the first of the administration, deficits do matter, and now we do hear as a percentage of GDP the deficits are not that big. Well, my colleagues cannot have it both ways.

This should not be about Democrats and Republicans. This should be about taking care of our country, our children, our grandchildren, the future of our children and our grandchildren, and our own well-being in terms of our economic well-being in the future. We need to change our course.

I just heard my good friend, the gentleman from Connecticut, say that there are no tax increases for the next 5 years. I understand what the gentleman means when he says there will be no tax increases for the next 5 years, but the truth is this, Mr. Chairman. The truth is that there is a tax increase that is being passed in this budget this year and next year and the next year, and the tax increase that is being passed is the debt tax.

The third largest category of expenditures in our Federal budget, after defense and Social Security and Medicare, is interest on our national debt, the third largest category of expenditures, almost $1 billion a day. It is the debt tax, and we are going to be paying it, but more importantly, our children and grandchildren in the future will be paying it; and as the interest obligation increases, which it is doing as our debt and deficits get bigger, the debt tax is increasing.

So when they say there are no tax increases, I know they intend there not to be a tax increase, but the fact is there are very real tax increases for our children and grandchildren to pay.

We need to get together again. This should not be about Republicans and Democrats, and I know for a fact there is a skirmish going on on the other side because there are people on the Republican side of the aisle who care very, very desperately about our financial posture right now and want to correct it. But the skirmish is going on, can we get this resolved, and I think we can come together as Democrats and Republicans on a strictly bipartisan basis and address this issue in the future because it needs to be addressed for our children and grandchildren.

I saw one other disturbing thing I want to mention, and then I am going to yield time to my friend from Tennessee. This morning they reported on television, and I have seen some news reports since then, that by 2019 the Medicare trust fund may be in a serious, serious adverse position. By 2042, the same is true of Social Security. This course of action that we are talking about right now is simply not sustainable.

□ 1700

Mr. Chairman, I yield 3½ minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding me this time. I have served in this body for 25 years, and I said last year it was just amazing the budget debate that occurred in this body. I said the same in 2001 when so-called conservatives on this side of the aisle continued to bring budgets to this floor that proposed deficits as far as the eye can see.

Here again in 2004, with the baby boom generation on the horizon reaching age 65, once again my friends on the majority side bring a budget to the floor that does not balance and make no pretense of balancing the budget. We will hear a lot of rhetoric about it, but it does not balance. It does not have a chance of balancing.

The Blue Dog budget, we put our money where our mouth is. We say pay as you go. If you are going to cut taxes, cut spending to pay for those taxes or raise some other taxes to pay for it; do not increase the deficit. That is the budget we submit, and we will balance in 8 years.

We have borrowed $1 trillion in the last 2.5 years, added it to our children's tax. There is a lot of rhetoric; I keep hearing do not vote for the Blue Dog budget because it is going to raise taxes. Yes, it will raise taxes on the people who will pay it today, but what about our grandchildren? How long can we continue to ignore the fact that once we put a tax in place, we cannot repeal that debt tax? The interest must be paid. I do not understand those economics.

Not only have we borrowed $1 trillion, and spent it, borrow and spend in the last 2.5 years; we are going to borrow another $1 trillion and spend it in less than a year and a half. No one on this side of the aisle seems to worry about that because they have a philosophical bent that says cut taxes, cut taxes, raise spending and do not worry about the deficit because they are only worried about the people that can vote November 2.

I am worried about my three grandsons that cannot vote on November 2. I am worried about the baby boom generation. We ought to be debating what are we going to do about the future of Social Security. That is what we should have been doing last year and the year before. I am prepared to work in a bipartisan way with those on the other side of the aisle. The gentleman from Arizona (Mr. KOLBE) and I have a bill that we have proposed. It is not perfect, but at least it is something that is in the right direction.

As a member of the House Committee on Agriculture, I can take the $2.3 billion in cuts and reopen the farm bill, which you are going to force us to do. If you pass the Republican budget, it will reopen the farm bill. With this budget, $2.3 billion in cuts from the House agriculture bill, we could do that, and I would do that working bipartisanly if at the end of those 5 years the deficit would be going down and not up.

But we are going to cut agriculture; we are going to reduce conservation spending, rural development spending, crop insurance spending. We are going to reduce all those, for what, so we can borrow another $260 billion while we are making those kinds of budget decisions. It makes no sense to me.

Mr. SHAYS. Mr. Chairman, I yield myself 15 seconds. I would say to my colleague who was speaking that he had me until he started to remind me of all the new spending that the gentleman advocated in the farm bill. The two most tragic things that happened, in my judgment, is we broke the budget with the farm bill, and then we saw the steel quotas.

Mr. Chairman, I yield 5½ minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I paid very special attention to the gentleman from Texas (Mr. STENHOLM) when he spoke about the budget deficits. I too am very concerned about budget deficits. I have a 2-year-old daughter and 6-month-old son. I do not want to leave them a legacy of debt. I want to leave them a legacy of freedom and opportunity.

Mr. Chairman, the American people are not undertaxed. We have a spending problem, not a taxing problem. If Members pay very careful attention to the budget, what they will see in the Republican budget is over 5 years almost $13 trillion of spending contrasted to $150 billion of tax relief. In doing the math, you figure out the tax relief is roughly 1 percent of the spending; so I do not understand why, if 99 percent of the deficit problem is on the spending side, 99 percent of the Democrats' rhetoric is on the taxing side. It does not add up.

We have a spending problem. Spending is out of control. For only the fourth time in the history of the United States, the Federal Government is now spending over $20,000 per American household. This is the highest figure since World War II. This figure is up from approximately $16,000 per household just 5 years ago, representing the largest expansion of government in 50 years.

Last year, what we termed mandatory spending is now 11 percent of our economy for the first time ever. Nondefense discretionary spending is now almost 4 percent of our economy for the first time in 20 years. Almost every major Department of the government has grown precipitously, way beyond inflation. In the past 6 years, spending has grown 71.6 percent for Labor, HHS and Education appropriations. In the past 6 years, spending has grown 42.1 percent for Interior appropriations. The Commerce, State and Justice appropriations has grown by 24.3 percent over the same time period, and the list goes on and on and on.

The Republican budget controls government spending. The Democrat budget expands government spending. But besides spending being out of control, much of this Federal spending, unfortunately, is pure waste, fraud, abuse, and duplication. Until recently, Medicare routinely paid as much as five times as much for a wheelchair as the VA did simply because one would competitively bid and the other would not. In the last year of the Clinton administration, HUD wasted over 10 percent of their budget, making improper payments to people who do not qualify. It was almost $3 billion lost.

Now let us talk about duplication. The Federal Government has 75 different programs funding international education, 90 different programs aimed at early childhood development, 342 different economic development programs.

Now let us return to waste. Twenty-three percent of the students who have had their student loans forgiven for disability actually hold full-time jobs. Hundreds of thousands of dollars have been spent of taxpayer money to study the sexual habits of older men and the nature of two-spirited individuals. I do not know what we are supposed to do with the results of these studies, and I do not even know what a two-spirited individual is.

We spent almost $800,000 for a toilet in a national park, and the toilet does not even flush. For decades, for decades, for decades, example after example shows that many Federal programs routinely waste 5, 10, 20, even 25 percent of their taxpayer-funded budgets. Yet every Democrat budget offered raises taxes and raises government spending, which ends up paying for even more duplication, more waste, more fraud, and more abuse.

This has to stop. Government is inherently wasteful. It does almost nothing as well as we the people, and government must be limited. Until we do limit it, we will never prioritize, much less root out the waste, the fraud, the duplication that permeates our Federal budget. The Republican budget actually limits government and thus begins the process of protecting the family budget from the Federal budget.

Our effort to limit government and expand freedom is being criticized by many on the other side of the aisle. Last year, our Budget Committee passed out a budget asking for authorizing committees to find just 1 percent of waste, fraud and abuse, just 1 percent. Yet Democrat leaders ridiculed and reviled our efforts. One termed it a "senseless and irresponsible exercise." But they were wrong last year, and they are wrong today.

Some may say you control government now, wave your magic wand and make it all disappear. Permit me to make an observation from my past which I think applies today. My first job as an adolescent was to clean out chicken houses on my father's poultry farm. What I learned there was that one does not clean up overnight what took many years to accumulate.

What has accumulated in government over many decades is now 10,000 different Federal programs spread out over almost 600 agencies with little oversight, little accountability or even little knowledge of what these programs do, if they achieve their goals or even if they are still relevant today. The question is, who wants to help clean up this mess and who wants to leave it alone? Only a Republican budget actually limits government. The Democrat budget expands government; and as government grows, freedom contracts. Let us expand freedom and protect the family budget from the Federal budget. Let us pass the Republican budget resolution.

Mr. MOORE. Mr. Chairman, I yield myself 15 seconds. I want to respond to the gentleman from Texas (Mr. HENSARLING) who talked at least four times about spending is out of control; and I want to remind my young friend from Texas, who is in control here in the House, in the Senate and the White House, and that is his party. His party has the majority in the House and the Senate and the White House. So if spending is out of control, I suggest you look to yourself, sir.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I want to respond to the gentleman from Connecticut (Mr. SHAYS), who brought up the farm bill.

I want to remind my colleagues that we passed the farm bill within the budget that was set by the majority party. I am often reminded, particularly with my Texas colleague just speaking, of the words of Will Rogers when he said, It ain't people's ignorance that bothers me so much; it's them knowing so much that ain't so is the problem.

Members talk about what the Committee on Agriculture was instructed to do under the budget: 1 percent. We have a 7 percent cut from that bloated agricultural budget this year because it is working. We are not spending $5 billion that we would have spent had we not changed the policy that a two-thirds majority on both sides of the aisle voted for.

I want to make it clear to my colleagues, if you pass the Republican budget, you are going to reopen that farm bill, which the gentleman from Connecticut honestly wants to do, and I think probably my friend from Texas wants to do, reopen the farm bill, go back in and take another chunk of cuts out of it; and you heard me say I will do that with a budget that goes back to balance.

But with a budget that increases the deficit as far as the eye can see, I do not see the percentage in that considering the harm we are going to do to the food production factories of this country, the family farms around this country. Where are we going to cut? Where are you going to tell us to cut? Are we going to cut out of crop insurance, or cut out of conservation, like we did last year, as the appropriators were instructed to find $647 billion in cuts? This year it will be that $647 billion plus another $1.1 billion.

Are you going to cut the Farm Service Agency, agricultural research, Cooperative State Research, Education Extension Service, animal plants? Are you going to get into the farm bill, into the dairy direct payments?

It is easy to stand up here and make these speeches, but when you have a budget that continues to borrow at the rate you are borrowing and stand here and say I am doing something, and then you have the guts to stand up and say to the Committee on Agriculture, you are the ones causing the problem, well, one-third of that side of the aisle and one-third of this side of the aisle agree on that, but two-thirds said, no, we have a food policy that is working for us.

It is not a free shot. We are playing with real bullets now. This deficit is not anybody's imagination. When we propose the cuts, as you propose in your budget, and you propose to continuing borrowing at the rate you are doing, as you propose to increase the debt ceiling to over $8 trillion so we can continue to borrow and spend, which, as the gentleman from Kansas reminded Members, the Republicans are in control. For 20-something years of my career here, it has always been the Democrats' fault; but today the Republican Party is in charge, and if you want to pass the budget and enforce that budget and continue to borrow and spend, be my guest, but not with my vote.

Mr. SHAYS. Mr. Chairman, I yield myself 1 minute.

I would like to read a quote of the gentleman from Texas (Mr. STENHOLM). He said, "I promise on this floor and again tonight, I will to the best of my ability and knowledge not vote for one penny more spending than President Bush asked us to spend, period. But let us stop blaming spending unless my colleagues are willing to control spending, and that means all spending. We cannot just pick out that which we like because in the economy it is all spending."

□ 1715

My only point to my colleague is, he is against deficits but he finds ways to spend more on the farm bill. And I understand it; he is sensitive to the farmer.

I just want to make the point that I understand where my colleague is coming from. We all have programs we like, but when we had the farm bill, which we are not opening up, I had a problem as an easterner because I knew it was breaking the budget. But it was a program he liked and he had passion for it, and I understand it. That is the problem with this place. We all have the programs we like.

Mr. Chairman, I yield 30 seconds to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, there is a huge difference. It is true that we are in control, but the difference is that when the Republicans bring up ways to cut waste, fraud and abuse, leaders of your party say that that is irresponsible.

I mentioned that quote a little while ago. The difference is that when we see waste, fraud and abuse, we try eliminate it, we try to cut it. That is what this budget does.

The difference is that when you see waste, fraud and abuse, you want to stack on top, you want to pile on, and you want to increase taxes on every single hardworking American. That is the difference.

Mr. MOORE. Mr. Chairman, I yield 3½ minutes to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. I thank the gentleman for yielding me this time.

Mr. Chairman, I want to talk about something that is very unpleasant here, and that is what is going on in this town. Since 2001, when the Republicans have had everything, I want the young people particularly to listen to me, this country has borrowed over $1.2 trillion. With the budget that is presented today, they are going to borrow another $1 trillion in the next 5 years.

Two trillion dollars at 5 percent interest is $100 billion a year every year in increased taxes just to pay the interest on what they have done in the last 3 years. This administration and this Congress are raising taxes on the American people more than has ever been done in history under the guise of cutting taxes, because they are not telling you part two, and that is the interest that you and I are going to have to pay beginning tomorrow for all of this borrowing that they are doing.

I wish that was as bad as it was, but it is worse. Since 2001, foreigners, people who do not share the view of the world, of the United States, have increased their holdings of our debt from about 33 percent to 37 percent.

Let me say that again. Over 4 percent of $4 trillion hard debt has been financed by foreigners. What does this mean? It means that we are not only writing checks to interest, the most wasteful spending imaginable because we get nothing for it, but 37 percent of the interest checks we are writing are going to foreigners who may not have our view of the world.

My grandfather told me one time that it is easier to foreclose one's house than it is to shoot your way into the front door. This is nothing short of a national security matter.

I was speaking yesterday at lunch about some things that are going on in Asia. The Asians hold so much of our paper, over $800 billion worth of debt, and they are buying it at a rapid rate now, that I am not sure we can enforce what we may need to do in the interest of our own citizens because of the leverage that foreigners are gaining over this country.

We are going to be talking about that more and more, and this budget, if you pass it, is going to borrow another $1 trillion.

They are proud of the fact they have got a $500 billion deficit this year and they say the best we can do is to cut it in half in 5 years. The best you can do is cut that in half and that is borrowing another $1 trillion with interest at 5 percent, it is another $50 billion a year.

Mr. KIND. Mr. Chairman, will the gentleman yield?

Mr. TANNER. I yield to the gentleman from Wisconsin.

Mr. KIND. Mr. Chairman, I would just like to ask my friend if he would confirm for me, it is my understanding that the largest purchaser of our government debt right now is Japan and that is followed shortly behind by China. Is it in our country's best long-term national interest to be so dependent on China to finance the national debt that is being accumulated by this great Nation?

Mr. TANNER. Last year, of the $370 billion that we borrowed, foreigners financed 70 percent of it. The Red China central bank has increased their holdings of our debt by 70 percent in the last 26 months.

Mr. SHAYS. Mr. Chairman, I yield 5½ minutes to the gentleman from New Jersey (Mr. FERGUSON).

Mr. FERGUSON. Mr. Chairman, I rise today to congratulate the gentleman from Iowa on putting together a budget that cuts taxes and cuts the deficit in half while increasing funding for our military and strengthening our homeland security.

The minority has come before this House and tried to portray this budget as inadequate. Our friends in the minority talk about alleged cuts to programs. Let me set the record straight right now. This budget does not cut funding for any program. Actually, that is only half true. What this budget does do is cut taxes and cut the tax burden on working families, on seniors and on job-creating small businesses. This budget cuts taxes for every American who pays taxes. By allowing every American to keep more of what they earn, they have more to save and spend and invest.

This budget locks in the $1,000-per-child tax credit, it protects marriage penalty relief, and it maintains the low 10 percent tax bracket. This budget also increases homeland security funding by $4.1 billion. That is on top of the tens of billions of dollars that we have spent since September 11 to strengthen our homeland security.

Specifically, homeland security funding includes the Urban Area Security Initiative. This program provides homeland security funding to cities considered to be at high risk of terrorist attack. Because of this initiative, States like New Jersey, my home

State, will receive more funding for our first responders.

This budget also provides our troops at home and abroad with the resources to keep America safe. Defense spending is funded at the President's requested level of $402 billion. Building on our earlier, approved appropriations, we will continue providing key funding for our troops, including body armor for our soldiers in Iraq. This budget resolution continues the Republican commitment to fund education, increasing budget authority by $2.9 billion in fiscal year 2005. Special education funding is increased, Title I funding is increased, funding for Pell Grants is increased.

Our friends in the minority will promote a series of alternative budgets. Some of these alternatives will reflect different priorities even amongst the various Democrats themselves. But there is one issue that our friends in the minority all agree on. They speak in unison. They all want to raise our taxes.

There is more than a philosophical difference at stake here. There are real-world consequences to the Democrats' consistent and unified call for higher taxes. America's economy is coming back, but the Democrats want to raise our taxes. Employment is growing, but the Democrats want to raise our taxes. Manufacturing production is increasing, but the Democrats want to raise our taxes. Productivity is high, but you guessed it, the Democrats want to raise our taxes. Interest rates are low, but Democrats want to raise taxes. Homeownership is at an all-time high, but you've got it, the Democrats want to raise taxes.

To each and every ailment that our economy suffers, the Democrats have one solution, they want to raise our taxes. To each and every new success that the economy achieves, the Democrats have one response, they want to raise our taxes.

Never in our history have tax increases promoted economic growth. Never in our history have tax increases created jobs for the American people. In fact, the Democrats' tax increases would stall the economic recovery and cost Americans jobs.

This really is more than a philosophical difference in economic policy. There really are real-world consequences to the Democrats' policies of wanting to tax us again and again. It is telling to me that not one of the Democrats' proposals that they have put forward reflects their own presidential nominee's budget-busting spending. They know it is a political loser. And, even more, it is even more irresponsible than some of the crazy proposals that we have heard already.

Imagine right now for a moment that the likely presidential nominee of the Democratic Party today is sitting 1 year from now in the Oval Office. Instead of just talking about raising our taxes, my friends, they will actually be doing it. They will be raising our taxes. That is why the debate on this budget matters.

Our budget cuts taxes, makes the right investments in our troops, the right investments in the war on terror, in homeland security and in job creation. While the Democrats want to take us backward with higher taxes and runaway government, the Republican plan provides the services we need at a price we can afford.

Mr. MOORE. Mr. Chairman, I yield myself 15 seconds just to respond that my friend, the last speaker, wants to cut taxes and have veterans' health care pay for it. My friend, the last speaker, wants to cut taxes and have money come out of the Social Security trust fund.

Mr. Chairman, I yield the balance of my time to the gentleman from Wisconsin (Mr. KIND).

The CHAIRMAN pro tempore (Mr. SWEENEY). The gentleman from Wisconsin is recognized for 1½ minutes.

Mr. KIND. I thank my friend for yielding me the time.

Mr. Chairman, just to wrap up this debate, I would love to have a national referendum asking the American people what economy they would more likely adopt today, the economy of the 1990s or the current economy that this majority party and the administration have given them because, to set the record straight, it was in the first Bush administration in 1990 when, in fact, some tax increases were had on the wealthiest Americans. And then the budget that passed in 1993 by just one vote had a slight increase on the wealthiest 1 percent in this Nation. With all the doom and gloom and procrastination and the prediction of recession and great depression, it led to 28 million new jobs being created in the 1990s, 4 consecutive years of deficit reduction followed by 4 consecutive years of budget surpluses, where the Social Security and Medicare trust fund was not even being touched.

That is what is so disturbing about the vision that they offer in their budget today. It is a status quo budget based on a failed economic policy that is not working for working families in this country, and especially is not going to be working for the future of our Nation, our children and grandchildren with historically large budget deficits that are due to explode in future years.

That is the only reason they are offering a 5-year budget resolution, to mask the true size of these budget deficits that occur in the second 5 years with the permanent extension of their tax cuts; and they have no plan to turn that around.

Our party brings balance to the budget within 8 years. We believe balanced budgets are a good economic dynamic that does help job creation, and at the end of the day, that is the big difference between our plan and their plan.

Mr. SHAYS. Mr. Chairman, I yield myself 10 seconds just to point out to the gentleman, we are not cutting veterans, we are increasing it nearly $2 billion. Only in Washington when you spend $2 billion more do people still keep calling it a "cut."

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SHIMKUS) having assumed the chair, Mr. SWEENEY, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed. Votes will be taken in the following order:

House Concurrent Resolution 328, by the yeas and nays;

H.R. 3059, by the yeas and nays;

H.R. 3873, by the yeas and nays;

House Concurrent Resolution 189, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

□ 1730

RECOGNIZING AND HONORING UNITED STATES ARMED FORCES AND SUPPORTING NATIONAL MILITARY APPRECIATION MONTH

The SPEAKER pro tempore (Mr. SHIMKUS). The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 328, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 328, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 424, nays 0, answered "present" 1, not voting 8, as follows:

[Roll No. 80]

YEAS—424

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)

ANSWERED "PRESENT"—1

Kucinich

NOT VOTING—8

Dingell
Dooley (CA)
Hoeffel
Simmons
Smith (MI)
Tauzin
Woolsey
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY) (during the vote). Members are advised 2 minutes remain in this vote.

□ 1753

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

The title of the concurrent resolution was amended so as to read: "Recognizing and honoring the United States Armed Forces and supporting the goals and objectives of a National Military Appreciation Month.".

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, the remainder of this series will be conducted as 5-minute votes.

LLOYD L. BURKE POST OFFICE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3059.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan (Mrs. MILLER) that the House suspend the rules and pass the bill, H.R. 3059, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 425, nays 0, not voting 8, as follows:

[Roll No. 81]

YEAS—425

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Kirk
Kleczka

Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—8

Dingell
Dooley (CA)
Gilchrest
Hoeffel
King (IA)
Simmons
Tauzin
Young (FL)

□ 1801

Mr. CULBERSON and Mr. BOOZMAN changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. KING of Iowa. Mr. Speaker, on rollcall No. 81 I was unavoidably detained. Had I been present, I would have voted "yea."

CHILD NUTRITION IMPROVEMENT AND INTEGRITY ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3873, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. BOEHNER) that the House suspend the rules and pass the bill, H.R. 3873, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 419, nays 5, not voting 9, as follows:

[Roll No. 82]

YEAS—419

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
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Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NAYS—5

Akin
Flake
Hensarling
Paul
Shadegg

NOT VOTING—9

Carson (OK)
Carter
Dingell
Dooley (CA)
Hefley
Hoeffel
Miller (MI)
Tauzin
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY) (during the vote). Members are advised there are 2 minutes remaining in this vote.

☐ 1809

So (two-thirds of those having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CELEBRATING THE 50TH ANNIVERSARY OF THE INTERNATIONAL GEOPHYSICAL YEAR (IGY) AND SUPPORTING AN INTERNATIONAL GEOPHYSICAL YEAR–2 (IGY–2) IN 2007–08

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 189, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. BONNER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 189, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 420, nays 3, not voting 10, as follows:

[Roll No. 83]

YEAS—420

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
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Davis (FL)
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Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Everett
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Iştook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NAYS—3

Flake
Otter
Paul

NOT VOTING—10

Dingell
Dooley (CA)
Doyle
Evans
Farr
Hoeffel
Murtha
Pickering
Tauzin
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY) (during the vote). Members are advised there are 2 minutes remaining in this vote.

☐ 1819

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1820

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY). Pursuant to clause 8 of rule XX, further proceedings on the following questions will resume tomorrow: H.R. 3786, H.R. 2993, H.R. 254, H.R. 3095.

APPOINTMENT AS MEMBER TO VETERANS' DISABILITY BENEFITS COMMISSION

The SPEAKER pro tempore. Pursuant to section 1501(b) of the National Defense Authorization Act for fiscal year 2004 (38 U.S.C. 1101 NOTE), and the order of the House of December 8, 2003, the Chair announces the Speaker's appointment of the following members on the part of the House to the Veterans' Disability Benefits Commission:

Mr. Nick B. Bacon, Rosebud, Arkansas.

Mr. Donald M. Cassiday, Aurora, Illinois.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, March 23, 2004 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, H. Con. Res. 393.

☐ 1820

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years

2004 and 2006 through 2009, with Mr. SIMPSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the following time remained for general debate confined to the congressional budget: The gentleman from Iowa (Mr. NUSSLE) had 53½ minutes remaining, the gentleman from South Carolina (Mr. SPRATT) had 57½ minutes remaining.

In addition, 1 hour remains on the subject of economic goals and policies, equally divided and controlled by the gentleman from New Jersey (Mr. SAXTON), and the gentleman from California (Mr. STARK).

The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Georgia (Mr. NORWOOD)

Mr. NORWOOD. Mr. Chairman, first, I thank the chairman for the time and commend him on the job that he has done on the budget process. It is very difficult to please 435 people and nobody is ever happy in the end. It was not exactly like they thought it would be. So I think the gentleman from Iowa (Mr. NUSSLE) has done yeoman's work on this.

Mr. Chairman, I rise on the floor today to strongly urge my colleagues to consider the path of fiscal responsibility and debt reduction at this critical juncture for our Nation. I rise to offer my support for the fiscal year 2005 budget resolution to get this Congress and our Nation on the right path.

Mr. Chairman, we are all too painfully aware of the tragic events of September 11, 2001, and our Nation's and the free world's war on terrorism that has ensued. It has been a war that the American people did not ask for. It has been a challenge to the people of this country, the greatest and most free nation on Earth. But the costs, Mr. Chairman, the costs have been great in virtually every single way.

On the fiscal side of the ledger, the cost that this Nation has incurred could never have been foreseen. This body has agreed and enacted, rightfully so in my opinion, to pay that price and fight this war.

But, Mr. Chairman, the time to address the growing debt is also at hand, and this resolution, the fiscal year 2005 budget resolution, gets us on that path of fiscal responsibility and beginning to pay down our debt without compromising our effort in the war on terrorism or any other of our Nation's critical priorities, without raising the taxes of hardworking Americans.

The numbers tell the story. Under this budget, the deficit falls to $377 billion in the 2005 fiscal year and it is cut in half in 4 years.

Mr. Chairman, the hardworking folks I represent in northeast Georgia have to make a tough decision around their kitchen tables every day to live within their fiscal means. It is time this Congress followed the lead of Georgians and all Americans, hardworking taxpayers, in getting our financial house in order. But, Mr. Chairman, it is absolutely not time and it never will be time to saddle those same taxpayers in Georgia and all over this great Nation with higher Federal taxes in the name of government-knows-best budgeting.

Mr. Chairman, as the folks in Georgia also know, we can slap some lipstick on a hog and dress it up, but at the end of the day it is still a hog. And any budget proposal that sticks it to the working man through higher taxes, funds government pet projects, and pretends to be something that it is not, well, that certainly smells a little bit like a hog to me.

I urge my colleagues to do the right thing, get this Congress and America on the path of fiscal responsibility. Reject the notion that raising taxes is the answer to everything and vote in favor of this budget resolution.

Mr. SPRATT. Mr. Chairman, I yield for the purposes of a unanimous consent request to the gentlewoman from New York (Ms. SLAUGHTER).

Ms. SLAUGHTER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks against the Republican budget because it cuts funding for Violence Against Women programs and in 10 years has cut Family Violence programs 10 percent.

Mr. NUSSLE. Mr. Chairman, reserving the right to object, I do not intend to object, but I hope that if speeches are going to be made during the time of a unanimous consent request, that that time be taken out of the opposition's time.

The CHAIRMAN. The Chair is prepared to address that issue.

Mr. NUSSLE. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Chairman, I rise against the Republican budget because it cuts women's education programs.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Chairman, I rise against the Republican budget because it cuts funding for women's business centers, among many other essential and effective programs.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Ms. SOLIS).

Ms. SOLIS. Mr. Chairman, I rise against the Republican budget because it cuts funds for Violence Against Women by $22 million, which is a 5.7 percentage cut below the 2004 budget.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Missouri (Ms. MCCARTHY).

Ms. MCCARTHY of Missouri. Mr. Chairman, I rise against the Republican budget because it cuts women's education acts and programs.

Mr. Chairman, I rise today in strong support of the Democratic budget substitute and in opposition to the Republican plan which fails to address the needs and fiscal challenges America faces today. Instead of creating jobs, it creates record deficits. It shortchanges education, healthcare, veterans and does little to aid the sagging economy. Further, it makes drastic cuts to programs that provide educational and business opportunities to women across the country.

This budget eliminates Women's Educational Equity Act Programs, which fund activities promoting educational equity for girls and women. Over 10 percent of young women drop out of high school, yet the President's budget eliminates funding for dropout prevention programs. As a former teacher, I understand the importance of education in providing young men and women with the background they need to lead successful lives. This budget cuts many vital programs such as Head Start and Even Start and freezes funding for Pell Grants.

More than 3.8 million women are looking for work, yet the Administration cuts $79 million in funding for the Small Business Administration, which helps women and minority owned small businesses grow. There are more than 7 million small businesses owned by women. The need for SBA assistance continues to be vital to my community.

This budget freezes funding for The Child Care and Development Block Grant program, which provides child care assistance for low income families and early education services to disadvantaged children and is essential to working women nationwide.

Further, violence against women prevention programs and SBA Women's Business Centers are underfunded, and no increase is requested by the Administration for the National Women's Business Council, which conducts invaluable research on issues of importance to women business owners and their organizations.

Mr. Chairman, this budget fails to meet the fiscal challenges America faces today and slashes programs that are the lifeline to working families, especially women heads of households. I urge my colleagues to support the Democratic substitute as a much more realistic budgetary solution that restores funding to vital programs and achieves balance in the budget and assistance to those who seek the American dream.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Ms. LINDA T. SÁNCHEZ).

Ms. LINDA T. SÁNCHEZ of California. Mr. Chairman, I rise in opposition to the Republican budget because it provides virtually no hope for the 20 million women without health insurance in this country.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Indiana (Ms. CARSON).

Ms. CARSON of Indiana. Mr. Chairman, I rise against the Republican budget because it shamelessly undercuts the funding for Violence Against Women programs.

Mr. Chairman, I rise against the Republican budget because it cuts funding for Violence Against Women Programs.

The budget presented before us today provides only $362 million for the Violence Against Women Act programs—a cut of $22 million below this year's level.

Historicaly, domestic violence has been a silent epidemic. According to the Commonwealth Fund, almost 4 million women are physically abused each year in the United States.

Further statistics reveal that, in our country, battering is the single major injury to women exceeding muggings, rapes, and auto accidents combined.

Domestic violence is the leading cause of injury to women in this country, where they are more likely to be assaulted, injured, raped or killed by a male partner than by any other type of assailant.

Each year, in my home-state of Indiana, thousands of women and children flee to emergency shelters to escape violence within their home. Approximately 90 percent of these abusers were a spouse, family member, boyfriend, or separated spouse.

Ensuring that victims of domestic violence receive the necessary services to protect themselves and their children is one of the most important things this legislative body can do.

However, violence against women is not only a national issue. Internationally, at least one in every three women has been beaten, coerced into sex or abused during her lifetime.

Domestic violence encompasses all socioeconomic, racial, ethnic and religious groups worldwide. We can tackle the undignified treatment of women before it matures into violence, by conducting early prevention programs to teach young people the importance of supporting and respecting one another.

I will continue to support initiatives to obtain gender equality, women's rights and put an end to violence against women here, in our nation, and abroad. In order to do this we must make sure that VAWA is fully funded within the budget.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. Mr. Chairman, I rise against the Republican budget because it is fiscally irresponsible, bad for the economy, and it underfunds homeland security, education, veterans and women.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise against the Republican budget because it cuts most programs for women, most especially for Violence Against Women programs.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks about the Republican budget because it cuts funding for the Violence Against Women Programs.

The funding for violence against women supports most of the programs created by the Violence Against Women Act of 1994. The programs impact the lives of women and children by bolstering prosecution of domestic violence, sexual assault, increasing services for victims by funding shelters and increasing resources for law enforcement personnel. The President's budget proposes to cut funding for these programs to $362 million, a reduction of $22 million.

Since the Violence Against Women Act was implemented, there has been a 25 percent decrease in violence against women. This 25 percent decrease demonstrates, the effectiveness of the policing and prosecutions that these programs fund.

Violence against women is a global epidemic. It is not a woman's issue and it is not a "private" issue. We need to restore the $22 million to the Violence Against Women Programs to show the women, children and families across the country that we are committed to creating a safer and more peaceful world for them.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Chairman, I rise against the President's budget and the Republican budget because of their lack of attention to the need of the uninsured with no health care.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Chairman, I rise against the Republican budget because the Republican budget virtually guarantees cuts in women's programs as the President's budget already does.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Mrs. DAVIS).

Mrs. DAVIS of California. Mr. Chairman, I rise against the Republican budget because it jeopardizes Even Start for children and families.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I oppose the Republican and Presidential budget because it opposes the veterans' budget, civil rights budget, women's support, children's support and homeland security.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Ms. WATSON).

Ms. WATSON. Mr. Chairman, I rise against the Republican budget because it would place my USC girls' number one volleyball team, who were here at the White House yesterday, at risk.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Florida (Ms. CORRINE BROWN).

Ms. CORRINE BROWN of Florida. Mr. Chairman, I rise against the Republican budget because it continues a practice of reverse Robin Hood, robbing from the poor and working people to give tax breaks to the rich.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Chairman, I rise against the Republican budget because it does not accelerate the child tax credit for 250,000 men and women who are fighting and dying in Iraq and Afghanistan.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I rise against the Republican budget because it reduces the number of Section 8 housing vouchers which provides subsidized housing for women, children and families.

Mr. SPRATT. Mr. Chairman, I yield for the purpose of making a unanimous consent request to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Chairman, I rise against this budget because while this administration is proposing to spend billions of dollars to build schools in Iraq, there is zero in this budget for school construction for the public schools in America.

☐ 1830

Mr. NUSSLE. Mr. Chairman, I yield myself half a minute just to say I certainly have enormous respect for people's opinions, but I have to say I do not see a volleyball team anywhere in the budget that was mentioned, that we cut a volleyball team; and I am looking through here, and I just do not see it.

I am amazed by the conversation we are hearing here today. My guess is that there is not a volleyball team funded in any of the other alternative budgets either, and if there is, I hope to God that it does not pass.

We need to make sure that we control spending, and I do not think volleyball spending should be part of the Federal budget.

Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. BROWN), a very distinguished member of the committee.

Mr. BROWN of South Carolina. Mr. Chairman, I appreciate all the effort that the chairman has done to bring this document to the House floor, and

I rise in support of this resolution; and I have got a few charts that we wanted to show to support the reason we are supporting this budget resolution.

Since we met here to consider our budget last year at this time, our economy, then struggling to gain traction, has made a tremendous, remarkable comeback. The policies we have put in place to deal with the extraordinary circumstances of the past few years have worked and continue to work.

Today, our economy is showing robust growth. The strong growth is expected to continue. In the third quarter of 2003, we saw the GDP growth at 8.2 percent, the highest surge in 20 years; and that was followed in the fourth quarter with a growth rate of 4.1 percent, still strong by historical standards.

It is interesting to note that last year at this time, private forecasters were expecting real GDP growth of 3.6 percent for 2004. Now they are expecting 4.7 percent for 2004.

Housing starts are running at their highest levels in 20 years. Mortgage rates continue to run at their lowest levels in over 3 decades, and the bank prime rate is at its lowest level in 45 years. Inflation has been running at its lowest level in nearly 4 decades. U.S. real exports of goods and services rose in the fourth quarter at a 20 percent rate, the fastest pace in 7 years.

We have seen a significant increase in the stock market. The Dow Jones Industrial Average is up 25 percent since March of last year.

Most important, labor markets are improving. The unemployment rate is down 5.6 percent from 6.3 percent just last June.

We must keep this momentum. We cannot afford to cut this recovery off at the knees just as we are getting back on track.

This budget will keep taxes from increasing. If we do not act, Americans will face a tax increase next year. This budget helps to make sure that a family of four earning $40,000 will not have to face a tax increase of nearly $1,000 next year. Make no mistake, a tax increase would hurt our economy and destroy jobs.

This budget places economic growth and job creation at the highest priority by supporting those policies that are fueling the economic recovery. We need to keep the economy and jobs growing, and this budget supports those goals.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentlewoman from California (Ms. WATSON) so that she can respond.

Ms. WATSON. Mr. Chairman, what I did say is it would have placed my number one USC volleyball team at risk because this bill eliminates the Women's Educational Equity Act.

Mr. NUSSLE. Mr. Chairman, will the gentlewoman yield?

Ms. WATSON. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Chairman, I would even provide the gentlewoman with some time if she can find that in the budget. I have got the budget here. If she can find volleyball or the Women's Athletic Act or anything in this budget, I would be glad to yield 30 seconds to the gentlewoman if she can find that for me in my budget.

The CHAIRMAN. The gentlewoman's time has expired.

Mr. NUSSLE. Mr. Chairman, I yield myself 30 seconds.

If the gentlewoman can either find it in my budget or someone else's budget, the word "volleyball" does not appear and that act does not appear in this budget or in the gentlewoman's alternative budget.

So I guess I would just suggest that this is where the rhetoric starts getting a little bit, we have got to be a little careful here when we start running to the floor, on the one hand, while concerning ourselves with deficit spending and, on the other hand, coming to the floor, which I would suggest is somewhat shrill, suggesting that we are cutting volleyball teams in a budget like this.

Mr. Chairman, I yield 4 minutes to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Chairman, Federal spending in recent years has been growing, particularly in the wake of our national emergency on September 11, at a record-breaking pace. The Congressional Budget Office projects that current policies could produce a cumulative deficit of nearly $2 trillion for the 10 years that lie immediately ahead of us.

Federal spending breaks down today to a burden of more than $20,000 per household, the highest since World War II, and yesterday's report by the Social Security and Medicare board of trustees was disconcerting, to say the least, about the long-term obligations that this government faces.

Many of my colleagues on both sides of the aisle know that I have taken some strong stands in recent days to confront my concern for runaway Federal spending, but it is with equal conviction that I rise today to endorse and support the concurrent resolution on the budget for fiscal year 2005.

The good news today in this budget is that Republicans in Congress are taking an important first step under the leadership of the gentleman from Iowa (Mr. NUSSLE) and under the leadership of our Speaker, our majority leader, and the balance of the majority of this Congress to right the fiscal ship that has been listing in the direction of government spending. We are truly taking an important first step in this budget to put our fiscal house in order; and I, as a conservative Member of this Congress, rise to extol its virtues.

This budget holds the line on spending. It makes permanent the tax cuts of 2001 and 2003, and it funds our vital defense during a time of war.

Mr. Chairman, during World War II, President Roosevelt signed a budget that actually reduced nondefense spending. President Truman did the same thing during the Korean War, and this budget resolution follows the same ethic by freezing nondefense, nonhomeland security spending at current levels for the first time in a generation.

Mr. Chairman, this budget is a tough solution to a tough problem. The easy solution, on the other hand, would be to listen to many who propose that simply some day in the not-too-distant future that we will raise taxes, but one of the undeniable truths of the modern era is that when we raise taxes on the American family, the Congress simply raises the amount of money it spends in Washington, D.C.

Mr. Chairman, budgets are all about priorities, and there are those in this body who claim that we are not spending enough in this budget; but in the very same breath, we will hear on this floor tonight and tomorrow a lament about deficits and about debt. Well, they cannot have it both ways.

This budget sends a clear message to the American people that we are truly committed to cutting the deficit and to winning the war on terrorism and to growing this economy through tax cuts.

Again, I commend the gentleman from Iowa (Mr. NUSSLE) for his yeoman's work on this budget, as evidence of the fiscal conservative principles for which this Republican majority is endorsed and celebrated by millions. As a conservative, I support these priorities. As a conservative, I support this budget and urge all of my colleagues, Republicans and Democrats alike, who lament the deficits and the fiscal, spendthrift ways of the past and urge their support in passage of this 2005 budget.

Mr. SPRATT. Mr. Chairman, I yield for one more unanimous consent request to the gentlewoman from Guam (Ms. BORDALLO).

Ms. BORDALLO. Mr. Chairman, I ask unanimous consent to revise and extend my remarks about this budget because it needlessly underfunds the Violence Against Women's Act and cuts so many programs important to women.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Chairman, I am speaking out of order here, and I thank the gentleman from South Carolina (Mr. SPRATT).

Mr. Chairman, I ask unanimous consent that the gentleman from South Carolina (Mr. SPRATT) be yielded 10 minutes of the Joint Economic Committee time for purposes of control.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. STARK. Mr. Chairman, as the senior Democrat on the Joint Economic Committee, I am honored to be here today to continue the tradition begun by Senator Humphrey and Congressman Hawkins.

I came here last year and accused President Bush of being a liar. A year later, I feel no reason to apologize or change my opinion. Events have proved that point.

It has been proven that there was no evidence of weapons of mass destruction. In the economic report that the President signed, he tried to spin a recovery on jobs but the fact is——

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would advise the gentleman to refrain from personally offensive references against the President.

Mr. STARK. Mr. Chairman, I will take that under consideration.

This is the first President since Herbert Hoover to lose jobs during his Presidency. In the same report, the President tried to reinvent history of our current recession and blame it on the Clinton administration; but the National Bureau of Economic Research, the only body that can date a recession, continues to say it began March 2001, under the watch of George W. Bush.

More recently, there was subterfuge to hide an analysis done by the administration experts on the cost of their Medicare prescription drug bill, which narrowly passed the House, with assurance that it would cost no more than $400 billion. The chairman of the Committee on the Budget, the chairman of the Committee on Ways and Means and others assured us that, in fact, it would cost perhaps less than $400 billion, when the administration knew that the costs would be higher than their own analysis says, $535 billion.

They could not have passed the bill if their own Members had known about this price tag. So what did they do? The administration suppressed the information and told the actuary who had done the work if he released that data he would be fired so fast his head would spin.

This is not an administration that can be trusted. They lie, they bury facts, they threaten people to make sure that their side of the story is presented, and it is reason enough alone to vote "no" on this budget presented to us today.

The Republicans are playing games with numbers. The Americans deserve to have an honest budget, and I do not think that the Republican budget lives up to that standard. It has got an eternity time frame for Social Security and Medicare; but if they used the same time frame for their own budget, we would see deficits beyond our discovery of life on Mars. Regardless of how we measure it, this budget is one more step to privatize Social Security and Medicare.

For jobs and unemployment, we have got 12.6 million people under- or unemployed and there are no unemployment insurance benefits to fulfill those that expired at the end of last year.

In health care, 1.6 million more Americans, mostly children and pregnant women, will lose their access to health care because of the $13 billion cut from Medicaid and children's health program; 500,000 children will be dropped from their child care by 2009; and in education $9.4 billion less for the No Child Left Behind Act than was promised by the Republican administration.

The Republican budget shortcomings shortchange college students by freezing the Pell grant awards, and it reduces other student aid. Any way we look at it, this budget shortchanges American families. It causes more people to join the ranks of those without health insurance. It endangers the education of our children, and it fails to honestly address the costs of the President's war with Iraq.

Like my friend, Princeton economist Uwe Reinhardt, points out, and I agree, this is a faith-based budget. It is a memo to God. It is our Nation, the Republicans in it, telling God what our highest priorities are, and in this Republican budget, we are telling God that making the rich richer is much more important than educating our children, providing quality health care for all our citizens and helping those between jobs.

It is a sad commentary when we have to rely on distorted facts, made-up figures, I am not allowed to suggest prevarication; but when we do not have the numbers and make them up, the country should not have to rely on falsehoods.

□ 1845

Mr. Chairman, I urge a "no" vote on the Republican budget.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma (Mr. SULLIVAN).

Mr. SULLIVAN. Mr. Chairman, I thank the gentleman from Iowa (Mr. NUSSLE) for the gentleman's hard work on this fiscally sound budget.

I would like to bring to Members' attention a very valuable programs which pays for itself, saves the government money and energy, and creates jobs in local communities. It is called the Energy Performance Savings Performance Contracting, or ESPC.

It has been documented over time that many government facilities have energy inefficient equipment and buildings that need to be modernized so that they operate at peak efficiency. However, Federal agencies do not have the funds, nor in some cases the expertise, to perform this kind of work. The ESPC program allows the government to modernize facilities without spending upfront funds. Additionally, the program saves the government and taxpayers money and creates precious jobs across the Nation.

Under ESPC, the private sector installs new energy efficient equipment in Federal facilities at no upfront cost to the government. Federal agencies then pay off this investment over time with the funds saved on utility costs. It is important to note that the private sector contractor guarantees these savings and, by law, the government does not pay more for projects than it pays for in utilities.

Energy analysts estimate that more than 50 federally approved projects worth close to $300 million are stalled at military bases and Federal agency offices nationwide. Additionally, this lapse has cost over 2,000 jobs nationwide.

The reauthorization of this valuable program has been stymied because the Office of Management and Budget and the Congressional Budget Office disagree on whether or not to score the program. The OMB and the CBO have not scored the ESPC as a cost to the government since its inception. However, this year while the OMB still does not score the program, the CBO scores it at a significant cost over the next 10 years.

There is no doubt that energy efficiency is essential to meeting our Nation's goals. As the single largest consumer of energy, the Federal Government can do a great deal to help the Nation meet this goal, especially through this program. Thus, it is my hope that the scoring discrepancies between the OMB and the CBO can be resolved when the budget resolution goes to conference.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Chairman, I want to start off by thanking the gentleman from South Carolina (Mr. SPRATT) for his incredible work on this budget and for helping the American people understand what is at stake here. And as far as I have heard, it has been scored so it seems to me we are talking about different things here.

Here are the top 10 reasons we Democrats oppose the Republican budget resolution. First, it makes the ballooning deficit even worse.

It fails to protect Social Security. It spends every penny of the Social Security surplus over the next 5 years, $1 trillion.

It offers more of the same failed economic policies that have already caused the loss of 3 million private sector jobs during this administration.

It underfunds education and, specifically, the No Child Left Behind Act by over $9 billion less than was promised.

It provides for $1.3 billion less than the Veterans' Affairs Committee on a bipartisan basis recommended for our country's veterans.

It cuts homeland security at a time of national insecurity below even the President's request by nearly $857 million.

It fails to protect the Nation's environment.

It cuts funding for the National Institutes of Health, Maternal and Child Health.

It creates long-term deficits that will undermine economic growth and fails to extend unemployment insurance to those who have lost their jobs.

And during the war on terror, it actually cuts benefits to widows of military retirees, limits improvements to military housing, and discontinues last year's TRICARE for Reservists.

And the President's tax cut proposal is a gift that keeps on taking, taking from our children, our families, and our seniors. His tax cut takes from the next generation and replaces with that taking a mountain of debt on the backs of our children. America simply cannot be red, white and broke and meet its challenges at home and abroad; but that is exactly where the Republican budget takes us.

Therefore, it is the duty of Democrats to bring these wrong priorities for America to the light of day, and to offer an alternative that reflects the priorities of America's working families by stimulating the economy, by creating jobs, by expanding educational opportunity, by improving health care, by strengthening homeland security, those first responders we see the President take the pictures with, but then he goes ahead and cuts their funding dramatically. It is outrageous. Tell him to go see the firefighters now that he cut a quarter of a billion dollars, and after he basically zeroed out the Safer Act to help communities hire more firefighters, or the interoperable communications equipment that is necessary. Tell the firefighters how you are their friend and how you are their heroes with this budget.

We do all of our things, however, in a positive way by creating opportunities, and, yes, helping the firefighters and all those who provide emergency management for homeland security while bringing our budget into balance in 8 years.

In fact, over the next 5 years the Democratic budget is going to provide over $9 billion more for education and training than the Republican budget, $11 billion more for health care programs than the Republican budget, $17 billion more for environmental protection than the Republican budget, nearly $6 billion more for first responders for port security, for aviation security, and for border security than the Republican budget.

And the Democratic budget also targets $2 billion in fiscal year 2005 to support our troops and includes the full $2.5 billion increase that the Committee on Veterans' Affairs says is critically needed for our Nation's veterans.

It is time for Republicans to stop lamenting the deficit they recklessly created and join us in balancing the budget just like American families have to do every day of their lives, and give us an opportunity for a future of hope, growth and opportunity, not a future of debt and despair.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Chairman, I rise in strong opposition to this budget that continues the same failed economic policies that have moved our record surpluses to record deficits in record time. Its single-minded focus is on tax policies that benefit the wealthy at the expense of everyone else.

Let me give one example of the misguided tax priorities that guide this budget. More than 25 million families received a $400-per-child increase in the child tax credit last year. However, during final negotiations of the tax legislation passed by this Congress, the families of approximately 12 million children were excluded from this increased credit. Among the families who did not receive the acceleration of the tax credit are 250,000 men and women who today continue to fight and die in Iraq and in Afghanistan. The 20 million children who did not receive the full increase, including 12 million who did not receive any increase at all, did not because their families, they were told, do not pay enough in income taxes to receive the credit. But yet these families pay taxes: payroll taxes, State and local taxes, sale taxes, all of which place a far heavier burden on those with the lowest income.

Unlike the Republican budget, the Democratic substitute would right this injustice. In addition to being the right thing to do for families, this cut would stimulate our economy. Only about a quarter of the $300 rebate from the last tax cut was put back into the economy. Giving tax cuts to families who would spend the money immediately would be the best stimulus we could give our economy right now.

Mr. Chairman, it does come down to priorities. By supporting the Republican budget, we continue down the same path of failed economic policy developed with misguided values and priorities; and by supporting the Spratt substitute and extending the child tax credit to these 6.5 million families, we draw upon our Nation's shared values. We act with a shared sense of purpose and responsibility that helps us to address the most important tasks before this country. That should be the goal in this budget. That is what this institution should aspire to do.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, I want to concentrate on an area of this budget that could have devastating effects on Medicaid coverage and safety net institutions that serve the uninsured.

This budget requires cuts of $2.2 billion in the Medicaid and S-CHIP programs, stripping away critically needed Federal funds from already beleaguered and underfunded State Medicaid programs that serve the poorest among us.

We know States are in budgetary crisis. We know we would have millions more uninsured if we had not provided a temporary increase in the Federal matching rate for Medicaid. But instead of providing funds to extend this higher matching rate, there are no funds allocated for that; and it will expire. Instead, we are compounding the problem by requiring cuts in Federal funding for Medicaid and S-CHIP. Assuring that these cuts do not occur is not and should not be a partisan issue.

I want to read from a letter Governor Schwarzenegger sent earlier this week to the entire California delegation. He said, "I am writing to urge your opposition to proposed reductions in Medicaid funding that could significantly jeopardize support for services to low-income, underserved Californians. Given California's budget challenges, the rising number of uninsured and the financially precarious position of many of the State's safety net providers, California can ill-afford reductions in Federal Medicaid spending.

"I am particularly concerned by any proposals that would reduce the critical funding California uses to support its hospital safety net. Clearly, reductions of this magnitude will place tremendous stress on the State's already financially fragile health care safety net, compelling hospitals to cut back on emergency and trauma care throughout California and, quite possibly, put entire hospitals at risk of closure."

Mr. Chairman, surely anyone concerned about the 43 million Americans who are already uninsured in this country must see the folly of adopting cuts in this budget which would add to that number and simultaneously cripple the safety net institutions which are their only source of care. This is reason enough to vote against this budget.

Mr. Chairman, I include for the RECORD the full text of Governor Schwarzenegger's letter.

MARCH 22, 2004.

DEAR CALIFORNIA DELEGATION MEMBER: I am writing to urge your opposition to proposed reductions in Medicaid funding that could significantly jeopardize support for services to low-income, underserved Californians. Given California's budget challenges, the rising number of uninsured, and the financially precarious position of many of the state's safety net providers, California can ill afford reductions in federal Medicaid spending.

California opposes reductions in Medicaid funding and changes in current policy that would erode federal support of the state's fragile health care delivery system. I am particularly concerned by any proposals that would reduce the critical funding California uses to support its hospital safety net. Cuts in Medicaid funding for intergovernmental transfers, for example, could put $900 million in federal funds to California per year at risk; Los Angeles County alone would lose $500 million in funding for its hospitals. Clearly, reductions of this magnitude will place tremendous stress on the state's already financially fragile health care safety net, compelling hospitals to cut back on emergency and trauma care throughout California and, quite possibly, put entire hospitals at risk of closure.

I share Congress' commitment to further controlling Medicaid spending in California and eliminating waste, fraud and abuse in the program. Consistent with that commitment, I have proposed a comprehensive redesign of our state's Medicaid program to preserve health care coverage while managing costs in a more effective manner. Additionally we have a number of proposals to further the state's efforts to crack down on fraud and abuse in the program. These efforts will result in cost savings to both the State and federal governments.

Moreover, California already operates one of the most cost-effective Medicaid programs in the country. The state's low per capita spending coupled with its low federal Medicaid matching rate combine to make the federal per capita contribution the lowest in the nation. As a result, California cannot afford reductions in federal Medicaid funding.

Over 6.5 million Californians rely on the state's Medicaid program to access essential health care services. As the budget process moves forward, I urge you to oppose proposed cuts to Medicaid spending that will undermine the system of health care low-income Californians rely upon for their medical needs. I ask that you not cut funds for reimbursing states for their Medicaid costs or funds used by California to ensure that critical hospitals in the State are able to provide emergency room and trauma care.

Sincerely,

ARNOLD SCHWARZENEGGER.

Mr. SPRATT. Mr. Chairman, I ask unanimous consent to yield 15 minutes to the gentleman from Wisconsin (Mr. KIND) for purposes of control.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. KIND. Mr. Chairman, I yield myself 2 minutes, and thank the gentleman from South Carolina (Mr. SPRATT) for yielding me this time.

Mr. Chairman, unfortunately what we have before us today by the majority party is a status quo budget. It is a budget that continues the failed economic policies which have not been working for American families. It has been failing our seniors, failing working families, and certainly is failing our veterans. We have heard debate about that today.

But most importantly, I believe, it is going to fail the future of our country, our children, by the underinvestment that is being made in crucial education programs, by not fully funding the No Child Left Behind law, by not reaching that guidepath to full funding of special education.

□ 1900

It undercuts vocational and technical education programs, the Perkins loans, it underinvests in community colleges. We will pay a heavy price in the future if this underinvestment continues.

As this chart demonstrates, Mr. Chairman, the history of the Republican Congress when it comes to living up to the promise of fully funding No Child Left Behind, over the last couple of fiscal years, they have fallen way short of the promise to fully fund. This has been the track record. Make no mistake, these are new Federal mandates, requirements on local school districts, requiring them to do certain things with our children; but they are not providing the resources and tools they need to succeed.

Just a couple of weeks ago, we had Chairman Greenspan testify before the Committee on Education and the Workforce. In his opinion, he felt one of the most important priorities of investment we need to make in the Federal budget is in education and job training programs so that our children, our workers, are as competitive as they can be in this new global marketplace. This Republican budget falls short of that investment.

The Democratic substitute that we will be offering tomorrow has substantial increases in investments in No Child Left Behind, special education, vocational education, Perkins loans and investment in our community colleges.

There is a clear difference in the vision of the future of this Nation, where our priorities as a party lie, where our values are shared throughout the Nation. Unfortunately, this majority budget falls short of that.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, I yield myself 2 minutes.

I am trying understand here, when we talk about the other side where it is just talking about the fact that we are not living up to our commitments. Just so everybody knows, there are some other charts here that we want you to see.

Total education: Annual growth over the last 5 years in the education accounts averaged 11 percent per year in those 5 years. So when we hear this lament that we are not spending enough on education, here are the facts. Eleven percent. There is no other part of government that has been growing at that kind of rate. In fact, it is growing faster than national defense.

Let me show you another one. Special education, over the last 5 years, the average growth was 19 percent. While they are complaining about special education, we have not seen the final total, but I will bet they do not fully fund special education in their budget. I bet they do not reach that, do they? They just complain about it.

Yes, they say they give a little bit more, but we have been providing 19 percent per year. Spending has more than doubled over the last 5 years for special education.

Last but not least is No Child Left Behind. The No Child Left Behind program funding has grown 40 percent under this President. Annual growth over the last 4 years, my colleagues can see before them right here. In fact, it has happened so fast, there are States, Iowa is one of them, where Iowa actually had to turn back money that we are looking to investigate, we want to find out exactly why it is that money that went to Iowa and to other States under No Child Left Behind has now been sent back. That is unconscionable at a time when our classrooms and our teachers are talking to us, telling us that they need more money.

We are increasing. We are meeting the totals. If the States had grown at the level we have been growing at the Federal level, we would not be in the predicament we are in. We are meeting our obligations. The States are not. We are growing our budget. We will continue that commitment.

So as the lament continues, just remember, the increases are in here and the increases are coming.

Mr. KIND. Mr. Chairman, I am obviously referring to the broken promise the President made in fully funding No Child Left Behind when he signed it into law.

Mr. Chairman, I yield 2½ minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, in the 2000 campaign, President Bush declared that he opposed nation-building. Who knew it was America he was talking about? When we look at this higher education agenda, the President can run for reelection saying he kept his promise against nation-building.

Everybody understands the importance of higher education, opening doors of economic opportunity in a time of changing economic conditions. Pell Grants, the single largest educational opportunity we provide at the Federal level, is frozen. In fact, as tuition has been going up by 14 percent a year for the last 3 years, we have kept constant the Pell Grant and have not allowed it to increase with the cost of college education.

Today, at the University of Illinois, the average graduate from the University of Illinois graduates on graduation day, gets a diploma plus $18,000 in debt. They get their first Visa bill when they graduate from college. We have frozen higher education assistance to middle-class families.

During the campaign, President Bush promised to increase the Pell Grant to $5,100. Despite an average tuition increase of 14 percent, the Pell Grant today sits at $4,050. To me, that is a fascinating way to invest in America's future. We make available all these types of assistance to corporations. That child is as important to America's future as a corporation, yet we have frozen and closed the doors of economic opportunity.

And all while we were freezing our assistance to college education, in Iraq we have opened up 2,300 schools and distributed 1.5 million secondary and 800,000 primary school kits to the children of Iraq.

We need to have a budget that reflects our values here at home with the same type of commitment we have held for the people of Iraq and for their children. Here in America we are limiting the educational options available to students and limiting the ability of Americans to compete in the world marketplace.

I am glad to see the President kept his commitment, that is, to be opposed to nation-building. Unfortunately, he has chosen America as his model. This budget returns us and, in fact, you could label this budget as a back-to-the-future budget. What has it resulted in in the last 3 years? Two-and-a-half million Americans have lost their jobs, 43 million Americans are without health care, 2 million American children went from the middle class to poverty, and the most important fact is, we have had a wage recession in America, a 3 percent decline in wage income in America under this administration.

This budget consistently follows the path of the last 3 years, the last three budgets of the President, and takes us back to the future to an economic time in which we have seen the job decline and the health care decline in this country. Unfortunately, in the area of higher education, they have frozen and kept the doors closed to middle-class families at a time when it is essential for them to go forward.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds again just to point out that the Democratic alternative, while they come to the floor and lament that we do not fully fund No Child Left Behind, guess what? The alternative budget presented by the Democrats does not fully fund No Child Left Behind. Is that not interesting? In fact, the chairman of the Committee on Education and the Workforce has called it somewhat hypocritical that you would complain on one side and not propose a budget that funds it on the other.

Mr. Chairman, I reserve the balance of my time.

Mr. KIND. Mr. Chairman, in response to that, I yield 4 minutes to the gentleman from California (Mr. GEORGE MILLER), the ranking member on the Committee on Education and the Workforce.

Mr. GEORGE MILLER of California. I thank the gentleman for yielding me this time.

Mr. Chairman, Americans have always known that education is about more than education. They have always understood that education was about their dreams, about their families, that education was about their children and their communities, that it was about the health of our economy and the future of our country. That is why we are so terribly disappointed when we see the broken promises by the President of these United States in this budget and the Republican Budget Committee, when we see that special education is not fully funded.

And the gentleman is quite correct, it is not fully funded in our budget because you gave away all the money. You made a conscious decision 2 years ago in the Committee on the Budget not to fully fund education. It is a dead letter, except for the parents and the children who suffer from those disabilities and their families and looking for that educational opportunity. That was a campaign promise of this President, but it is broken in this budget, it was broken in last year's budget, and it was broken in the budget before.

We argued about it in the committee, we had votes on the Senate floor, we had votes on it here; and the Republicans killed it each and every time we brought it up. Of course, then there was a promise of this President that he was going to raise the Pell Grant. But again he gave away all of the money, so he had to break his promise. He kept his promise to the wealthy, but he could not keep his promise to kids who were struggling to pay for their education. So the Pell Grant is worth less now than it was in 1976, but the cost of a college education is not what it was in 1976.

And then, of course, there is the granddaddy of all broken promises, and that is, if we gave him real reforms in elementary and secondary education, real reforms, he promised us in the Oval Office of the White House that he would provide the real money to go along with that.

He got the most significant reforms in Federal education policy in 40 years. Those are his words. I agree with him. These are real. These are important. They are starting to make a difference. But we did not get the real resources to go with those real reforms. The President owes us about $9 billion in various parts of this program; $7.2 billion alone in Title I.

Yes, we can come up with a budget, but the fact of the matter is, the President had other priorities. He simply chose to give tax cuts, and then after he gave the tax cuts we had a war, we had 9/11, we had another war, we had a recession.

It did not bother the President. It did not faze him. He kept his promise to those wealthy people, those people making more than $4- or $500,000 a year, but he could not keep his promise to the school children. He just could not keep that promise. So he chose not to fully fund No Child Left Behind.

I do not know what a Presidential promise is worth anymore. Apparently not much to school children, not much to the disabled community, it is not much to young people trying to finance their education. They cannot take that Presidential promise to the bank. They cannot take that Presidential promise to get service for their disabled children. They cannot take that Presidential promise to get supplementary services for their children in school who are having trouble. As No Child Left Behind provides, they will not have that qualified teacher in their classroom as the bill mandates the States to do. No. And they will not have that restructuring of the local education system as the bill mandates because the President did not keep his promise.

The tragedy of this is Americans and their families understand the value and importance of education, but this Republican budget does not. It devalues education. Why does it do that? They are forced to do that, because they made a decision about the tax cuts and to loot the country. They looted the Treasury on behalf of the wealthy the first day that they came to office, and there is nothing left in that Treasury for the children of America, for their schools, for their higher education, for their disabilities.

What a sad, sad portrait of the country. This portrait was intentionally painted by this Republican administration, this President and their friends at the Republican Budget Committee. It is a tragedy for this Nation.

The Republican Budget Resolution provides for only a $2.8 billion increase over a frozen FY 2004 education funding level. This provides for meager increases in Title I, the Individuals with Disabilities Education Act (IDEA), and Pell grant funding—leaving these programs billions of dollars short of levels promised by the Bush Administration and House Republicans:

The Republican Resolution would leave the No Child Left Behind Act (NCLB) $9.4 billion short of promised levels. This leaves our schools with a nearly $27 billion deficit in NCLB funding compared to what was promised when the law was enacted.

The House Republican Budget resolution shortchanges education and job training programs at the time when American children, students and workers need the assistance the most.

This year's House Republican Budget Resolution comes after yet another paltry budget submission by President Bush. The Bush budget represents the smallest increase in education spending in 9 years, cutting $1.4 billion in critical education programs, including those that improve family literacy, and provide school counselors to elementary school children. The budget resolution also continues the

Administration's unprecedented level of proposed cuts to job training and related programs—totaling $1.8 billion since he took office.

The House Republican Budget Resolution shortchanges Title I funding by $7.2 billion. This Budget will deny nearly 5 million disadvantaged children critical education services, such as extra help to become proficient in reading and math.

The Republican Budget Resolution freezes the maximum Pell grant for the third year in a row at $4,050 just as college tuition continues to rise faster than family income.

The maximum Pell grant is worth $500 less (in real terms) than the maximum grant in 1975–76. Not only do the Republicans fail to stop tuition hikes, but they actually make college even more expensive by freezing or cutting student aid and increasing taxes on students.

The Republican budget breaks President Bush's campaign promise to provide a $5,100 Pell grant.

The House Republican Budget Resolution also calls for a freeze on teacher quality, after school, and technology programs. This means fewer professional development opportunities for teachers, fewer safe learning environments before and after school and less technologically advanced classrooms.

The Republican Resolution would leave us over $11 billion short of fully funding special education. This budget calls for yet another $1 billion increase for special education. At this rate of increase America's children with disabilities will never benefit from full funding of IDEA.

The House Republican Budget Resolution would leave no room for any increase in Head Start funding. This means zero dollars to expand the program to serve more children and no added resources to improve program quality.

During the Bush Administration, 2.2 million jobs have been lost—the worst job creation record in 70 years. To keep pace with the number of jobs available for working adults when President Bush took office, we would need to create 7.1 million new jobs today. In addition, there are over 2.8 million workers who would be engaged in the labor force, but they have either dropped out entirely or failed to enter the labor market because of the lack of jobs.

Over 760,000 people have exhausted their unemployment benefits between the end of December and the end of February, and two million are projected to lose their benefits by June without an extension of these benefits. To make matters worse, President Bush has proposed to cut nearly $1.8 billion in job training and vocational education funding since he took office, eliminating training opportunities for thousands of workers. Now House Republicans answer these dire economic conditions by proposing a Budget Resolution without any meaningful help for American workers:

The Republican Budget Resolution would freeze job training and vocational education funding. The Budget resolution utilizes its paltry increase for programs other than job training, leaving no room for an increase for these critical initiatives.

The Republican Budget Resolution contains no funding for an extension of unemployment benefits. The Bush Administration and Congressional Republicans have failed to extend unemployment benefits despite continued high unemployment and lack of job growth, and despite the fact that $20 billion will be sitting, untapped, in the Unemployment Insurance Trust funds at the end of March.

President Bush's budget severely cuts available child care assistance and the Republican budget resolution does nothing to rectify this situation. Despite the importance of quality child care on later academic achievement and despite research demonstrating how child care is the most important work support keeping low income workers employed, the Republican budgets significantly decrease the number of children served by the federal child care assistance program.

According to the President's own budget documents, his decision to freeze child care funding will lead to more than a 10 percent decrease in child care assistance for low income workers. Despite serving only 15 percent of eligible children to begin with, the Administration chose to cut the number of children served by child care assistance, from 2.5 million in 2003 to 2.2 million by 2009.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds just to say, yes, but you did not, either. You had the choice to put an alternative budget on the floor to fully fund the promises that you are complaining about here today and you chose not to. So be careful what you promise on the campaign trail.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. GILCHREST) having assumed the chair, Mr. SIMPSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 393, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 108–446) on the resolution (H. Res. 574) providing for further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT OF MEMBER TO SELECT COMMITTEE ON HOMELAND SECURITY

The SPEAKER pro tempore. Pursuant to section 4 of House Resolution 5, 108th Congress, and the order of the House of December 8, 2003, the Chair announces the Speaker's appointment of the following Member of the House to the Select Committee on Homeland Security to fill the existing vacancy thereon:

Mr. CHANDLER, Kentucky.

□ 1915

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore (Mr. GILCHREST). Pursuant to the order of the House of Tuesday, March 23, 2004, and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, H. Con. Res. 393.

□ 1915

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, with Mr. SIMPSON in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the following time remained for general debate confined to the congressional budget:

The gentleman from Iowa (Mr. NUSSLE) has 37½ minutes remaining, the gentleman from South Carolina (Mr. SPRATT) has 37 minutes remaining, and the gentleman from Wisconsin (Mr. KIND) has 5¾ minutes remaining.

Mr. KIND. Mr. Chairman, I yield myself such time as I may consume.

Just a quick response to my good friend from Iowa. Just to be clear, the Democratic substitute is offering close to 10 billion more in additional funds over the next 5 years to fund No Child Left Behind and special education; over the next 10 years, $50 billion more than the President's baseline budget that he submitted in regards to education programs. Yet we still achieve balance, a balanced budget within 8 years, given the limitations that we face with these historically large budget deficits that we have the majority party to thank for.

Mr. Chairman, I yield 3½ minutes to the distinguished gentlewoman from Oregon (Ms. HOOLEY), from the Committee on the Budget.

Ms. HOOLEY of Oregon. Mr. Chairman, I thank the gentleman from Wisconsin for yielding me this time, and I applaud his leadership on this issue.

I do not know about anybody else, but I grew up in a family where if we gave our word, we kept our word. We did not break our promise. And this budget is full of broken promises.

I want to talk about just one of those today. There are many, including for veterans, No Child Left Behind, IDEA; but one of the things we do is we fill niches in education, and education is the one piece that gives everybody equal opportunity in this country. Education is incredibly important. Twenty-nine years ago, this Congress pledged it would fully fund IDEA, which is Individuals with Disabilities Education Act. We would fully fund it at 40 percent of the excess cost. And for 29 years Congress has failed to keep that promise, leaving States to shoulder the brunt of this unfunded mandate. Many of us have voted here. We said we will not have any unfunded mandates; yet this has been going on for 29 years.

This budget continues to fail our students, our schools. It costs on average twice as much to educate children with disabilities than a nondisabled child. With the Federal Government failing to live up to its end of the bargain, the State and local school districts are forced to divert already-meager resources from other students in order to ensure that special needs students also receive instruction.

This year, the appropriations for IDEA was $10.1 billion, or at 18.65 percent of excess cost, leaving States and local districts with an unfunded Federal mandate of $12 billion. That is 12 billion that our States and our school districts could be spending to alleviate the school crisis, reduce class size, modernize our schools. The failure to adequately fund IDEA is affecting every student in every classroom across America.

Last year I was very pleased. The Republicans and Democrats got together and said we are going to get to fully funding by the year 2010. I said hooray, at least we know where we are going. But this budget in front of us in the year 2005 increases special education by half a percent. At this rate we will never reach our obligation of 40 percent funding. In fact, we will continue to fall further behind. In committee, I offered an amendment to increase funding for IDEA, and this amendment was voted down on a straight party-line vote. I thought we were willing to work together to all get there.

The Democratic substitute, which we will consider tomorrow, is better than the Republican budget on IDEA in every single year, putting us on a path to full funding by 2012, finally keeping our promise.

States across this Nation are dealing with an economic crisis facing large State budget deficits and making deep cuts to services. In my home State of Oregon, school districts are facing tough decisions, including shutting down early. In Oregon, fully funding IDEA would mean another $60 million. That is really important, another $60 million that our Federal Government is obligated to pay for. This would make a huge difference to our schools in Oregon.

I encourage my colleagues to vote for our students, our schools, and vote against the Republican resolution.

Mr. KIND. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, what we have been doing here all day, and what we will resume doing tomorrow, is talking about the priorities of our Nation, the values that we hold dear; and that is the essence of budgeting, making tough decisions with the allocation of the limited resources that we do have available. And it is true that during times of budget deficits, those who typically suffer the most are those who are most in need and especially our children; and we are seeing that now with the Republican budget proposal before us where they are shortchanging crucial education programs, even though I would think that if we sit down and work through this in a bipartisan fashion, we could reach some common ground in regards to the priority of investing in the future, in education, in job-training programs.

It is the only chance we really have to hold out the opportunity and the hope to the next generation that there will be a place for them in the 21st-century economy. But when they pass Federal mandates requiring certain things of local schools, it is fundamental fairness to require that they be given the tools and the resources to do it, and they are not. We are shortchanging No Child Left Behind. We are shortchanging special education. And that financial burden falls back on local property tax rolls. It affects the local school boards and the ability for them to be able to allocate the resources that they need to make sure that the children are succeeding in their classrooms. And I think it is a disservice that we are doing to the wonderful school districts that we have throughout the Nation, but especially to our children.

If the majority wants to come and talk about fiscal responsibility, there would be wide bipartisan support on this side to embrace new budget tools that worked well in the 1990s, the pay-as-you-go rules that basically said that if we propose an increase in spending in one area or tax cuts, we have to find offsets to pay for it. They worked remarkably well in the 1990s: four consecutive years of deficit reduction, 4 years of budget surpluses. But they do not want to go there for obvious reasons, and unfortunately it is the next generation that will be paying a very high price due to the fiscal management of this Nation.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New Jersey (Mr. GARRETT), a member of the committee.

Mr. GARRETT of New Jersey. Mr. Chairman, I rise to join in the discussion on a matter of grave concern I think to every American taxpayer, every American worker, every American that relies on a Federal program that is essential to them, to every American that relies on the Federal Government for our safety and security, and that is the issue of fiscal responsibility by our Federal Government, an issue that is really long overdue as we look back. And I stand here and I commend the efforts of the gentleman from Iowa (Chairman NUSSLE) for the work he has done on this committee to bring us a budget that is now responsible.

Right now we are spending $521 billion in deficit spending. That, very simply put, means we are spending every year $521 billion more than we are taking in on the other side. I may be relatively new to Washington, being a freshman as I am, but I can tell the Members back in my State of New Jersey, there is not one business that could operate that way. There is not a State government that could operate that way. As a matter of fact, most States have to have a balanced budget at the end of the year.

And yet when I come here to the House, it seems that Members on the other side of the aisle just barely take notice to the problem. And I say that because I serve on the committee, and it was just a week ago when we were in that committee discussing these very same issues and amendment after amendment after amendment was proposed by the other side of the aisle. A total of $28 billion was proposed in additional spending. I do not know whether those amendments, when they were doing that, whether they were simply playing politics at the time or whether they simply do not care about all this excessive deficit spending. Either way it is not a good example for this House to be setting for the American public. At the end of the day, what all that means is that we are adding to the fiscal drag on the American family budget. We are already looking at some $20,000 per household, $20,000 that the average household would say that they would love to be able to spend as they see fit, whether it is on their kids' education, on their kids' health care, or other such priorities as they deem fit instead of Congress deciding how they are going to be spending their money.

We are stuck under their proposal of spending additional funds even though in the past we have been spending more in Washington at a rate greater than inflation. Opponents on the other side of the aisle agree, I would assume, that deficits are caused by spending more than we are taking in. But they will argue that it is not because we are spending too much money; it is because we are taking in too little revenues. So their answer to the problem, as it has been all day and repeatedly during the committee as well, is that we do not cut spending, we increase taxes.

Mr. Chairman, I strongly disagree. I believe that the American public is already taxed far too much. We are just learning now that there is a correlation between cutting taxes and job growth and an expansion of the economy. Now would be the absolute wrong time to go in the opposite direction and raise taxes. When more people are working because we have cut taxes over this past year in the budget this committee put out last year, when more people are working, when there is more job creation, when consumer confidence is increased, when there is more consumer spending, there is more economic growth. That relates and that causes more revenue to come in. And that also causes people to be less dependent on the Federal Government, which means on the other side of the ledger, we can spend less, all those good things.

But however we look at the issue of making the economy grow, I think that one thing we can agree on is we are in the midst right now of a war on terrorism. We have potential daily threats on every side of us. We have deficit spending in the past years that we have to reconcile. Now is not the time, as the other side of the aisle suggests, that we should be raising taxes. Now is the time that we should move forward with a fiscally responsible budget, as has been proposed by our chairman, to put this House back in order.

Mr. SPRATT. Mr. Chairman, I yield myself 15 seconds.

I say to the gentleman a fiscally responsible budget is our budget because every year, if that is the measure, our budget accumulates, generates a smaller deficit. Over 10 years, our budget accumulates $1.2 trillion less debt than the Republicans' and ours goes to balance in 2012, a claim they cannot make.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Georgia (Ms. MAJETTE).

Ms. MAJETTE. Mr. Chairman, I thank the gentleman for yielding me this time and for his strong leadership on this very complex issue.

Mr. Chairman, I grew up understanding that it is more blessed to give than to receive and that to whom much is given of whom much is required.

But this 2005 Republican budget hurts unemployed people, hurts job creation, and it hurts small business owners. This is deeply troubling. In fact, I find it unacceptable.

The Democratic alternative, on the other hand, will restore cuts to the Small Business Administration and the Manufacturing Extension Partnership, and it will fund adult training and dislocated worker programs to retrain those who have lost their jobs. And, finally, it will extend Federal unemployment compensation through June. And that is a necessary change for the more than 750,000 workers who have exhausted their regular benefits.

The President's policies, despite his promises, simply have not created enough jobs for those workers. In fact, it has not even replenished the over 2½ million jobs that have been lost.

Small businesses are the backbone of our economy. They create three out of every four jobs. Many small businesses need loans to begin or to continue their operations. But this Republican budget eliminates funding for business loan programs. And that means no money to open a business, no money to expand a business, and no money to put more people back to work.

The Democratic alternative, on the other hand, is $150 million higher than the President's budget, and it includes restoring funding to the SBA's signature 7(a) loan program, with $100 million for SBA loans, $30 million for small business assistance, and for microloan direct loans.

□ 1930

Amazingly, the Bush budget did not give the 7(a) program one dime. Instead, the administration would hike fees to pay for the program. This flies in the face of the assertion of no tax increases. A fee hike is the same as a tax hike to a small business owner. So the tax cut is no more than a flim-flam, a sham.

This body still refuses to acknowledge the mistake that it made in squandering the surpluses that once existed for tax cuts for the wealthy, and the party that prides itself on fiscal responsibility has produced a budget that manages to increase our deficit, leave our children with a crippling debt and still does not fund a critical need, support for small businesses. This budget does not fund a critical need, support for small businesses.

So I urge my colleagues to vote against the budget and to support the Democratic alternative, which really does meet the needs of our small business community and unemployed workers across America.

Mr. NUSSLE. Mr. Chairman, I yield 8 minutes to the distinguished gentlewoman from Florida (Ms. GINNY BROWN-WAITE), a member of our committee.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, when I could go home on the weekends and get away from Washington, D.C., where the lobbyists have all the Gucci loafers and the couple of thousand-dollar suits and get home with the real people, what the people back home are saying is, "Ginny, work on cutting the deficit, protect our homeland, and be sure that our military, our brave young men and women who are fighting the war against terrorism, are adequately funded." And then they add a p.s, and the p.s. says, "And don't forget to adequately fund veterans' health care."

In Florida, we have a huge number of veterans. I have a great debate going whether I have the second or third largest number of veterans in my district. But I can just tell you that it is a huge number of veterans, approaching about 300,000. Taking care of the veterans and veterans' health care while meeting all of the other needs that the constituents tell me back home are important to them is something that we were able to accomplish in this budget.

I actually think that the gentleman from Iowa (Chairman NUSSLE) deserves like nine stars up there, or ten stars. He and the Committee on the Budget have done a great job. We have increased funding for the Department of Defense, we have increased funding for homeland security, and in the committee we actually increased veterans' health care funding. The chairman raised his mark by $1 billion, and I added in another $200 million, which meets the amount that the Secretary says that he needs.

When I was in the Florida senate, we cut department budgets left and right. We told them, go back and cut your request. We are adequately meeting the needs of veterans, according to Secretary Principi.

When we had a vote on the budget that increased veterans' health care funding by the amount that the Secretary said he needed, because I grilled him in a previous committee, when we had that vote, guess what? The other side voted against the budget.

I was not here when Congress increased eligibility for veterans' health care. As a result, as this chart shows, the number of veterans using VA medical care has increased from 2.5 million in 1995 to 4.7 million today, and is certainly growing.

The next chart shows that also since 1995, total spending on veterans' medical care has increased from $16.2 billion to $28.3 billion.

Mr. Chairman, let me remind you that this has been since the Republicans have been in control. You can see the large increases as shown in the yellow bars. This is a 75.2 percent increase, where the Republicans have made sure that veterans' health care and the mandatory programs are adequately funded.

This chart just shows the veterans' medical care increases. When the Secretary took over, he had long waiting lines in many of the community-based outpatient clinics. He worked to whittle them down. He worked to reduce the amount of time that it takes for a VA disability claim. He made that a priority. They put additional people on. There is still a waiting list, but we funded them to the point where they have reduced the waiting list by more than 50 percent, and we are continuing to work very, very hard to make sure that veterans funding is there for the VA.

Mr. NUSSLE. Mr. Chairman, will the gentlewoman yield?

Ms. GINNY BROWN-WAITE of Florida. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Chairman, has the gentlewoman heard, and I have been hearing some confusion over our numbers, the Senate numbers, the Principi numbers, the Secretary of Veterans Affairs, and I commend the gentlewoman for her work in offering that amendment to increase my committee mark so that we go to a level that the Secretary had requested. But has the gentlewoman heard the same confusion over the numbers that the Senate finally passed off the floor in their budget?

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, reclaiming my time, absolutely. When you look at the Senate budget and you look at the potential that they have there for an offset, an unknown offset, I do not know what that is. I cannot go home and tell my veterans that in the Senate budget that offset would not increase fees, because I do not know, when that is a budgetary process that they have in the other body which makes it appear, I believe, as if they have more funding. We do not have that required offset in our budget in the House; and I commend the gentleman for the transparency of the budget.

In both the Senate and the House budget, we removed the President's proposal to establish a $250 user fee for Priority levels 7 and 8 veterans, or to increase prescription drug plans. That language is included in there, and that is a commitment we made.

I have, as we used to say in New York, now I am from Florida, "agada" over the unknown. I wanted to make sure that the figures that are being portrayed in the Senate as being higher is not a process where they could actually be perhaps in the future including some fees in there, which would be totally unacceptable to us.

Mr. NUSSLE. Mr. Chairman, if the gentlewoman would yield further, this would make their number, a net number, actually lower than what we are considering here today by about $550 million. They put in this plug that says unspecified fees or unspecified receipts or offsets, which, as the gentlewoman said, could be from fees, it could be from copayments, it could be from means testing.

So our net number in this budget, in the House of Representatives, is higher than the Senate budget by about $550 million. I think we not only should be proud of that, but I think we should work with the Senate in order to make sure that as we work through this process, that we work together with the Secretary of Veterans Affairs to come to a common number.

I would hope they would consider the number, because it is so much higher in the House, to be this $1.2 billion over what the President requested, that we work to get to the higher number rather than the lower Senate number.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, reclaiming my time, obviously Secretary Principi has in a Committee on the Budget hearing that I questioned him extensively on, said this is what he needs to meet the needs of every veteran seeking services, and this should be the number that we honor. Ours is a clear $1.2 billion, without some offsets, which I am still trying to pursue, definitions of "those offsets."

Mr. NUSSLE. Mr. Chairman, if the gentlewoman will yield further, I commend the gentlewoman for her work on this issue and appreciate her work and service on our committee.

Mr. SPRATT. Mr. Chairman, I yield 15 minutes to the gentleman from Washington (Mr. BAIRD), and ask unanimous consent that he have the right to allocate the time allotted to him.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BAIRD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, would the gentlewoman from Florida be so kind as to join us for just one moment for a colloquy?

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I cannot at this moment.

Mr. BAIRD. I appreciate that. What I just wanted to clarify was, we both participated in the same budget hearing, and my recollection in that budget hearing was that in the outyears, the veterans budget increases at a mere 0.5 percent per year. So while it is a fine thing to speak about what we are doing for our veterans, no one seriously believes that 0.5 percent per year in the outyears will keep up with inflation, let alone medical inflation, and, further, let alone the inflation in medical costs of the young men and women who are returning from Iraq.

Mr. Chairman, that illustrates I think one of the fundamental problems with the budget we are considering today. I believe it makes false promises.

Now we are going to shift the topic to the environment and we are going to discuss not only the environment, but the false promises that underlay the President's promises and the majority promises on the environment.

My colleagues from the other side often say people know how to spend their money better than the government. There is some truth to that. But I will tell you this, people want to protect their environment, people want to invest in their national parks, people want clean air and clean water and are they willing to invest in that.

Unfortunately, President Bush has a string of unending, almost, broken promises on the environment. Under the President's budget, discretionary spending on environmental programs is slated for a $1.9 billion reduction, 6 percent below fiscal year 2004, falling $30.3 billion to $28.4 billion.

But the cuts do not stop there. The environment takes another whack in the President's long-term budget plan, dropping another $500 million in fiscal year 2006, with significant cuts falling on the land and water conservation efforts. Funding for the EPA would shrink by more than $600 million.

The administration has broken their pledge to fully fund the Land and Water Conservation Fund. Large cuts have been made in water quality infrastructure funding for reducing sources of pollution. This includes a broad range of activities, including sewage plants, water purification facilities and targeted pollution prevention interventions.

And I would say, by the way, that many of our local and especially our rural communities depend on this funding to follow Federal mandates to clean up their water. And with that cut, we are going to shift that cost onto our local communities, onto our grandchildren and onto the environment.

In his budget projection, the President includes $2.4 billion in revenues not yet achieved that would only be realized if we drill in the pristine Arctic National Wildlife Refuge.

The Superfund program is funded under the President, but the funds no longer come from the polluters, they come from the general public in this case.

Finally, and I think most egregiously, this President promised the American public in his campaign that he would fund the backlog in our national parks. My friends, people love their national parks, and this President has broken yet another promise.

If you listened to reports that there were memos from the administration suggesting that Park Service employees deceive the public about whether or not they had real cuts and mislead them about the impacts of these budgetary cuts, it is very disheartening. Yet again we are seeing the administration telling well-meaning and honest people, do not tell the public the truth. We have seen it time and time again. Now we are seeing it on the environment.

I have a number of distinguished colleagues here who have been waiting to talk about this issue because they know well of its importance.

Mr. Chairman, I yield 3 minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Chairman, I thank my colleague for yielding me time.

Mr. Chairman, the Republican budget does ignore critical environmental and public health needs. For example, the budget for the Environmental Protection Agency would reduce actual spending by hundreds of millions of dollars from the fiscal year 2004 enacted level.

For one thing, this means less money will be available for ensuring safe drinking water. EPA has documented a huge unmet need for improvements to our Nation's water infrastructure. As our population grows, our existing water infrastructure will reach the end of its lifespan, and each year we fall further behind. The response to these documented huge unmet needs is to cut funding by $822 million.

The Republican budget also fails to reinstate the expired Superfund tax levied on corporations. As a result, the polluter-pays principle is abandoned and the corporate polluters will not be held accountable for their actions, leaving taxpayers to foot the entire bill for the cleanup of many hazardous waste sites. It sounds like a tax levy to me.

□ 1945

The Republican budget also leaves thousands of communities on the hook to clean up leaking underground storage tanks. Never mind that the leaking underground storage tank program, the LUST fund, is paid for at the pump by all of us. It has $2.4 billion in it, yet this budget asks for only $73 million to clean up leaking tanks, even though there are 136,000 confirmed releases where leaking tanks and MTBE are contaminating the ground water and drinking supplies. It is a pathetic response.

Finally, the budget calls for fewer brownfields grants than authorized by the new law signed 2 years ago. Contamination is hampering redevelopment efforts in thousands of our communities. And while States have begun addressing the brownfields problem, the Republican budget fails to provide Federal assistance to jump-start these efforts.

We can no longer shortchange the American people when it comes to protecting our health and environment. So the Democratic budget fully funds the Drinking Water State Revolving Fund, restores funding for cleanup of leaking tanks and brownfields, and we make polluters pay for cleaning up toxic sites, not the taxpayer.

Mr. Chairman, good environmental policy is also good for the economy. The Democratic budget recognizes that the public has a right to clean air, safe drinking water, and a well-preserved environment. So I urge a "no" vote on the Republican budget and a "yes" vote on the Democratic budget.

Mr. BAIRD. Mr. Chairman, I thank the gentlewoman from California for her insightful words.

Mr. Chairman, I yield 3½ minutes to the gentleman from Oregon (Mr. BLUMENAUER), my dear friend who is a leader in the Nation on liveable communities and environmental issues.

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in permitting me to speak on this.

Mr. Chairman, the budget is an important statement of our values, and I am proud to support the Democratic budget crafted by the gentleman from South Carolina (Mr. SPRATT) because our values are a lower deficit, more direct services to Americans, more Americans put to work in jobs that will not be outsourced; and Democrats maintain the Federal commitment to clean air, clean water, and our Nation's natural places.

How are we able to do so much better a job than our Republican counterparts? Well, the Republicans have placed the highest priority in their budget on meeting the needs of a few Americans, less than 1 percent. They will receive more benefit under the Republican budget than all of the funding that will be spent on our veterans and, bringing it down to the conversation on the environment, their tax cuts for the people who have been already well taken care of, those tax cuts will be over the next 10 years and will be 1½ times all the spending on the environment combined.

Now, I was proud to support the compromise that came forward in 2001. I see our colleague, the gentleman from California (Mr. GEORGE MILLER), here with then-chairman, the gentleman from Alaska (Mr. YOUNG), to bring together dedicated funding for conservation funding. We passed overwhelmingly on this floor CARA, and there was a delicate compromise worked out with our friends on the Committee on Appropriations to do a better job of dealing with the land and water conservation fund. Every year since then, sadly, our Republican friends have turned their back on that commitment.

I am proud that the Democratic alternative budget would provide the entire $2.2 billion authorized for conservation, preservation, and recreation programs. It keeps faith with this body; and most important, it keeps faith with the Americans who expect us to do so.

The Republican budget cuts and undermines the Conservation Trust Fund's ability to promote smart growth in livable communities, something near and dear to my heart. These funds are for open space programs to assist people who are trying to cope with the forces of growth and change. These programs curb sprawl by protecting lands outside the borders of a city and making efficient and attractive use of open space within it. The Republican budget turns their back on it.

The Land and Water Conservation Fund is one of the most important programs within the Conservation Trust Fund. Historical funding of less than one-third of the LWCF's authorized level of $900 million has left us with a backlog of $10 billion of unmet needs. This program has been underfunded again by my Republican colleagues; but under the Democratic alternative, that is not the case. I could go into greater detail, and I invite people to look at my Web site or the CONGRESSIONAL RECORD, all inserted.

But the point is that we have worked very hard to keep the faith with the American voters to provide the funding for these critical areas that will enrich people in every congressional district in the country, vital funding for a better community, more jobs to help promote it, and a cleaner environment. I would strongly encourage a vote for the Spratt alternative to keep faith with each other and with the environment.

These cuts will undermine the CTF's ability to encourage and promote healthy lifestyles—which was ignored in the "No Child Left Behind Act." Five chronic diseases—heart disease, cancers, stroke, chronic obstructive pulmonary diseases, and diabetes—account for more than two-thirds of all deaths and three-fourths of the $1 trillion spent on health care annually. Research is clear that aggressive health promotion, especially with regard to daily physical activity, can substantially reduce these chronic diseases. The CTF provides Americans with outdoor places to hike, bike, swim, fish, and camp.

These cuts will also undermine the Conservation Trust Fund's ability to provide critical resources to America's kids through places for recreation and education. Again, the Republicans' budget zeroes out the Urban Park and Recreation Recovery Program (UPARR). Last year I worked with over 110 members of Congress, both Republicans and Democrats to encourage the Committee to include funding for this program that's important for so many districts around the country.

The Republican budget represents missed opportunities and misdirected priorities for the environment. That alone is reason enough to reject it.

The Spratt alternative keeps faith with each other and the people who rely on us. It will result in a cleaner environment, stronger communities, and will keep our families safe, healthy, and economically secure.

Mr. BAIRD. Mr. Chairman, I would like to ask my dear friend a question, if I may. Does the gentleman from Oregon consider the actions of this administration a breach of a promise when it comes to the Land and Water Conservation Fund?

Mr. BLUMENAUER. Mr. Chairman, if the gentleman will yield, there is no question about it. We came to the floor of this Chamber when we had the Presidential election in 2000, and we were very, very concerned, because we had seen in the State of Texas when it was then-Governor Bush sounding positive and not following up when it came time to put money on the table and meet those commitments.

Mr. BAIRD. Mr. Chairman, if I may ask another question related to that. Our friends all day have been saying the Democrats want to raise our taxes, presuming that everyone over there must be a millionaire, because the only tax increase we have talked about are on people who make $1 million a year or more. But this Land and Water Conservation Fund, is that an income tax? I do not believe it is. That is funding coming from oil and gas revenues from offshore drilling, is it not?

Mr. BLUMENAUER. Mr. Chairman, if the gentleman will again yield to me, the gentleman from Washington is 200 percent correct, if I may use Republican mathematics in this budget context. This is money that is owed to the American public. It is in a trust fund. It is available today. It will not affect any taxes, other than the royalties that have already been paid. This is not going to require a change in taxation, other than the fact that my friends on the other side of the aisle want to add over $1 trillion of additional tax benefits to Americans who need it the least.

Mr. BAIRD. Yet another broken promise; yet another trust fund raiding.

Mr. BLUMENAUER. Mr. Chairman, I could not have said it better myself.

Mr. BAIRD. Mr. Chairman, I yield myself such time as I may consume to just close with this. We have talked a lot about, I think, deception and broken promises. Let me read to my colleagues the comments of a memo from the Park Service administration to Park Service employees. They were talking, trying to prepare the employees in case someone asks, has our budget been cut, and here is what they said in their memo:

"If you think that some of your plans could cause public or political controversy, we need to know which ones are likely to end up in the media or result in a congressional inquiry."

They then suggested to the administrators of the parks, the local parks, that "you state what the park's plans are and not directly indicate that this is a cut in comparison to last year's operation. If you are personally pressed by the media in interview, use the terminology of 'service level adjustments due to fiscal constraints' as a means of describing what actions we are taking."

Mr. Chairman, the American people want us to support our parks. The American people want clean air. They want clean water. This budget fails to meet those goals. It fails to live up to the promises made by the administration and our colleagues on the other side. We need to reject this budget and put the priorities where the American people want them, and I guarantee that one of those priorities is environmental conservation and protection of our national parks.

Mr. Chairman, I yield back my time to the gentleman from South Carolina (Mr. SPRATT).

Mr. NUSSLE. Mr. Chairman, at this time I yield 4 minutes to the gentleman from South Carolina (Mr. BROWN), a distinguished member of our committee).

Mr. BROWN of South Carolina. Mr. Chairman, I thank the gentleman for allowing me this second opportunity to address this body.

As chairman of the Subcommittee on Benefits of the Committee on Veterans' Affairs, serving under our esteemed chairman, the gentleman from New Jersey (Mr. SMITH), I want to assure my colleagues that veterans and their benefits has been our number one priority. I want to share some facts to support that.

In fact, just today, we had a press conference with the chamber, a roundtable, and a lot of the star corporate citizens around this Nation, encouraging them to hire veterans, and they all came up with outstanding results of what has been happening recently to hire the veterans who are coming back. But the goal that I want to speak on tonight is to help prepare those veterans when they do return under the Montgomery GI Bill.

Mr. Chairman, since Republicans took control of Congress in 1995, we have fought to increase funding for the educational benefits veterans have earned through their service to this Nation.

We have this chart before us. Since 1995, total spending on veterans has increased from $38 billion to $60 billion. That is a 58 percent increase, compared with a 36 percent increase during the previous 10 years. Payments for veterans has risen by some 79 percent.

Our next chart. One way that these increases have been utilized is as an investment to veterans educational benefits. Since 1995, educational benefit payment levels under the Montgomery GI Bill increased from $405 to $985, an increase of 143 percent. This compares with only a 35 percent increase under the previous administration. This year, a veteran who served on active duty for 3 years or more will receive $985 a month for 36 months.

These educational benefits can be used for, number one, courses at colleges and universities leading to associate, bachelor, or graduate degrees; number two, courses leading to certificates or diplomas from business, technical, or vocational schools; number three, apprenticeships; number four, correspondence courses; and, number five, flight training and other training.

This budget provides for the October 1, 2004, scheduled COLA increase in veterans education benefits.

With this budget, Mr. Chairman, we have continued our commitment to ensuring that those who have served their country with pride, valor, and dignity receive the best of America's appreciation; and we are grateful for the veterans.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Chairman, I thank the ranking member for yielding me this time.

Mr. Chairman, the budget before us does not reflect the values of this country, particularly in the area of health care. More than 40 million Americans are uninsured, according to Kaiser. Children, including unborn children, and pregnant mothers are particularly hard hit by this crisis.

But instead of trying to do something to help hard-working people, instead of acting to shore up what little health care low-income, working Americans have, this budget wastes resources and cuts important funding.

We can all agree that when budget deficits are soaring, we cannot afford to throw money down the drain on inefficient proposals, but this President's proposal to offer $70 billion in tax credits to working poor people is a waste of taxpayer dollars. According to experts, it is going to help only 5 percent of the uninsured.

We could spend this money more efficiently to help far more of the uninsured. Instead of squandering the taxpayers' money on an inefficient tax credit, we should direct Federal resources to expanding already existing public programs that have proven effective.

The Republican budget, however, cuts $2.2 billion from just such a program: Medicaid. Medicaid currently provides health care to 52 million Americans, including 39 million low-income children and their parents. This is nearly one in four children in this country. It is a critical source of acute and long-term care for 13 million elderly and disabled. Without Medicaid, the ranks of the uninsured would be almost double what they are today.

Now, with the economy on life support and the ranks of the uninsured growing, sustaining Medicaid makes even more sense. Last year we provided, in a bipartisan fashion, an extra $10 billion to States facing fiscal crises to preserve Medicaid coverage. And today, States are still in financial crisis. The National Conference of State Legislatures projects that States are going to face a $35 billion shortfall as they face 2005. Many have already made severe cuts in Medicaid, and many others are preparing to do so.

But instead of acting to shore up Medicaid and protect health care for a quarter of our Nation's children, this budget cuts billions from those efforts. These cuts are opposed by the bipartisan National Governors Association, the American Hospital Association, American Medical Association, Nurses Association, Cancer Society and many other groups and organizations. In fact, AARP's letter to Congress says, "AARP has serious concerns about proposals to reduce Federal Medicaid funding. Arbitrary reductions in Medicaid would be particularly harmful at this time, as those who rely on this program are already losing access to care just as States continue to wrestle with budget shortfalls and adjust to the loss of temporary assistance provided last year."

Twenty-nine of our colleagues from the other side of the aisle wrote to the gentleman from Iowa (Chairman NUSSLE) on March 9 asking that these cuts be removed, but they were not. We cannot afford to cut Medicaid now. Such cuts would hurt low-income children, parents, pregnant women, the elderly, and disabled.

□ 2000

What do we stand for in this place? The budget of the Democratic Party is superior by comparison. Instead of cutting $2 billion for Medicaid, our budget would provide $8 billion over 10 years to expand Medicaid and to fund the bipartisan Family Opportunity Act, allowing families with disabled children to buy into Medicaid to get critical health coverage.

I urge our colleagues to show their support for health care for hard-working Americans. Vote against this resolution and support the Democratic alternative.

Mr. NUSSLE. Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Chairman, I thank the gentleman for yielding me time.

The history of the Bush administration when it is written will be a story of three grand obsessions: Iraq, missile defense, and tax cuts for the wealthy. Those who are obsessed with the cause often cannot absorb enough information or focus on new emerging challenges.

This Republican budget is the price inflicted on the American people by the Republican obsession with tax cuts for the wealthy. One enormous emerging challenge is the bleeding of the American manufacturing jobs overseas. This administration has no plan to save American jobs. We have lost 3 million private sector jobs in 3 years. Business investment is down. Long-term unemployment is up.

So how do the Republicans respond to this emerging crisis of job loss in this country? This budget will follow President Bush's proposed cuts in job training, the President's proposed cuts in vocational education, the President's proposed cuts in SBA programs, including a microloan program that has been very important and effective in my State.

We will force a 60 percent reduction in the Manufacturing Extension Partnership which is there to try to help manufacturers, start-up manufacturers, get a foothold in this economy. And this Republican budget at a time of economic crisis in this country will pull the rug out from under small businesses who are trying once again to start up and compete globally in manufacturing. All of this to protect tax cuts for people in this country who earn $1 million a year. It is unbelievable and outrageous that they would do this.

Back in my home State of Maine, my State legislature, my governor are struggling with the impact of Medicaid. Medicaid is very tough to maintain, and this Republican budget will lead to Medicaid reductions. This Republican budget will make the economic plight of our State much worse than it is today. And why are we going down this path? Because we cannot possibly even consider, according to the Republican majority, a refusal to continue these tax cuts for the wealthiest people in America.

This is the most distorted sense of priorities that I can imagine. And as I said before, this is the price inflicted on the American people by the failure of this Congress to be honest with the numbers that were proposed and put forward in its tax cut last year. This Republican budget will do no good for the American people.

By contrast, the Democratic budget will restore investments in manufacturing, health care, and the environment and be a better deal for the American people.

Mr. NUSSLE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, first, let me speak to Medicaid since the subject has come up a couple of different times.

Since 1995, let us be very clear about this, since 1995 Medicaid spending has grown 95 percent, a 95 percent increase. The average increase was 7.7 percent per year. Federal Medicaid outlays increased from $108 billion in 1999, as an example, to $173 billion this year, an average of 10 percent a year just since 1999 alone.

Federal SCHIP, that is the program for kids that has been mentioned here, spending grew from $1.4 billion in 1999 to an estimated $4.8 billion this year, an average annual increase, listen to this now because we are hearing from the other side that Medicaid is being cut, and I want you to listen to this number for kids, an average annual increase of 27 percent, 27 percent.

It is mind-boggling to me how we can be talking about cuts at a time when we are increasing at 27 percent for SCHIP and 95 percent over the last 10 years for Medicaid.

Let me also bring up another subject that we just had a colloquy on on the floor with regard to veterans spending, and I want to be clear because I know that there are many colleagues out there that are listening to this debate, particularly with regards to veterans' health care.

In our committee, we increased veterans spending to meet the request that Secretary Principi put forth in our committee in a hearing that he said, when he made his request to the Office of Management and Budget, his request was $1.2 billion higher than the President finally acquiesced and gave his department. Included in that were fees and were copayments, things such as that.

We decided to do something in our committee in order to achieve not only a $1.2 billion increase, but to do so without any offsetting receipts. The Senate did something similar on their floor. They increased veterans spending as well, but when they did it, they offset some of that spending, so that while the gross number does look higher, they have offsetting receipts there that could be accomplished either through mandating copayments or mandating a means test of some sort.

So when you look at the House versus the Senate budget on veterans spending, the House is higher in the net effect of spending for veterans than the Senate. We will work out the differences in conference, and we will arrive at a number, I believe, that will be $1.2 billion over the President's budget, the budget that the Secretary of Veterans Affairs requested in the first place, and that is an agreement I believe we can achieve.

But just so we are clear for those Members that have been listening, that have been hearing from some veterans that the Senate number is higher, it is wrong. Be careful. They have hidden costs, hidden fees, the possibilities of means testing in their budget. We do not have that. Our number is higher and we ought to stick with that number.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I wanted to take a moment to talk about this budget. What we really have seen here now, as the Republicans have taken over the House, is a complete and total loss of any sense of fiscal discipline. What they have done, and certainly since they have been joined with the Bush administration, its takeover of the White House, is they have simply done nothing more than add trillions of dollars to the debt of this country and run annual deficits of about $500 billion a year over and over and over again.

Why is that so? Because they could not stand to have to engage in any kind of fiscal discipline. They want to blame it on President Clinton. They want to blame it on the economic cycles. They want to blame it on war. They want to blame it on terrorism. They want to blame it on the vernal equinox. But the fact of the matter is, the problem resides at home. It resides within the Republican philosophy of government. And that is simply to run deficits. It is what they did all during the 1980s when they were in control.

Back 22 years ago I came to this Congress and I asked that the Congress adopt pay-as-you-go rules. The Congress argued about it for a decade. The Republicans did not like it because they said they could not do tax cuts. And the Democrats did not like it because they could not spend on some of their programs. The conservatives were nervous and the liberals were nervous.

But a decade later, George Bush, Sr., signed pay-as-you-go into law, and that became the means by which we engaged in fiscal discipline. After a decade of arguing, we adopted it and what happened? The deficit shrank, the economy soared, the budget, dare we speak, was balanced for the first time in 40 years, because people had to make choices and choose priorities, something you do not have to do any longer in Congress.

You can just charge it to the deficit. You can just run crazy. You can just romp through the halls of government, run across the country and charge it all to the deficit.

You want to engage in a war? You do not have to ask anybody to sacrifice. You can have a tax cut. You can do whatever you want. But when you do that, you end up where we are today, with trillions of dollars in Republican-created debt. Trillions of dollars will be sent to the next generation. We all know the arguments.

But why did that happen?

I remember when I lost one of the votes on pay-as-you-go by one vote. Senator Gramm, at that time a Democrat, would not vote for it. He said it was too weak. Just before he left the Senate, he asked for its repeal because it was too strong. He could not live within the fiscal discipline any longer. I guess he could not stand the surpluses that we were running, the money we were sending back to Social Security, the paying down of the deficit, Alan Greenspan talking about that we would not have 30-year bonds anymore. The government had no debt to sell.

We could not stand those halcyon days of fiscal responsibility, of balanced budgets and a roaring economy. So the Republicans jumped in the car. They got their good friend George Bush with them and they drove right over the cliff. Not a bad idea if it is just Republicans in the car; it is kind of like that joke about lawyers.

But they took the Nation with them. They took the Nation with them into trillions of dollars of debt that was not here before.

I do not think we need any lectures from the Republicans about fiscal responsibility, because when you took over the government, we handed you a surplus. We handed you a healthy economy. Gentlemen, you have run it into the ground. A little pay-as-you-go, but you could not do it. You just could not bring yourselves to do it in this budget.

The Senate did it. I am sure you can negotiate it away from them so you can keep spending your money and you can keep having your tax cuts and you can have your war on credit and you can hide the costs of veterans.

I appreciate your tortured discussion of veterans. If it is so good, how come the Disabled American Veterans are asking people to vote against it? Maybe on the Beltway it sounds good. It is bigger. It is more. It is larger. But it just will not supply enough health care to the veterans who need it. That is what the disabled vets say.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. Mr. Chairman, I appreciate the gentleman yielding me time.

When I go to the district, I get the very reasoned question, why would we give tax cuts in a time of deficit? I think there are important reasons to understand.

First of all, the governor of New Mexico said it best, tax cuts create jobs. He said that to the Democrat legislature last year just before they passed the tax cuts in New Mexico that had been sought for over 8 years under the Republican governor. They passed those tax cuts. We passed the tax cuts here nationally and jobs began to create. In July, New Mexico was number two in the Nation in job growth because tax cuts do create jobs.

One of the ways they do it is small business. The tax cuts we gave, the small business expensing created tremendous jobs in our local district.

Good friends of mine at Watson Truck & Supply reported to me just before we gave the tax cuts that they were out of back orders. There were no more units to be built. They have a manufacturing facility that builds equipment for the oil fields. They were out of back orders, no more orders for their equipment.

The day after we passed the tax cuts, they got more orders than they had had in their entire history. They have 2 years of back orders now. People were hired, jobs were created, and for each new piece of equipment they put out, four to five new jobs were created additionally.

The accelerated depreciation as one of the most dramatic things that we did for small business in the tax cuts last year. Small businesses began to buy equipment.

My wife is the chairman of our board. She called me the day we passed the tax cuts, especially the one with accelerated depreciation and said, we should buy new equipment. So we ordered a large new pump that we had been waiting on to order. That is the way that tax cuts create jobs.

If we want to stop the outflow of jobs in America, we will continue to cut the taxes for American business, but also, Mr. Chairman, we will have a continued action on the part of the other house to pass the tort reform that we passed out of this House.

☐ 2015

Frivolous lawsuits will drive all major corporations out of America if we do not do something about them.

We have heard a lot about what we should do as far as the deficits. My friend from New Jersey (Mr. GARRETT) said it best, we do not have a problem with the amount of money that Washington collects from its people. We tax enough. The problem that we have is that we spend too much.

Much has been made out of the deficits that we are facing right now, but very little response is made that actually tells the beginning of those deficits. If we think back to the end of 1999 and 2000, in the last years of President Clinton's term, we remember that the dot-com industry collapsed. We were seeing tremendous capital gains from that industry where stocks escalated to a tremendous height without any product, without any revenue, without any net profit. Those stocks were emotionally driven to a high rate. They were not driven by practicality.

It was a necessity that the dot-com boom would collapse to a certain extent, and when it did, it took all of the capital gains and thrust that surplus that extended as far as the eye could see into a nonsurplus. It was an imaginary ramp up in the economy that could not and would not be sustained.

That was the beginning of a recession that was followed on by 9/11, shocking the economy into a deeper recession and followed still by Global Crossing, Enron, WorldCom and others who drove investor confidence to new lows.

Our economy has had several deep shocks to it. We felt that the tax cuts would create a rate of growth that should create new tax revenues from a higher economy. Those expectations were met in the third quarter of last year with an 8.2 percent rate of growth and 4 percent in the fourth quarter. That is exactly what the tax cuts were intended to do, and I thank the gentleman for yielding me the time.

Mr. SPRATT. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from South Carolina (Mr. SPRATT) has 11½ minutes remaining. The gentleman from Iowa (Mr. NUSSLE) has 15½ minutes remaining.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me put a few things about this debate in perspective. There has been a lot of talk on the floor today about tax increases, tax cuts and spending increases. Let me try to put the tax cuts, in particular, in perspective.

In 2001, with what seemed to be a substantial surplus, there was a case to be made for tax reduction. I disagreed with the distribution that was proposed and particularly with the size, and I said right here in the well of the House, if my colleagues pass a tax cut of this size and if the surplus does not pan out and it could disappear in the blink of an economist's eye, I said, we are going to find the budget right back in the red again, borrowing and spending the Social Security trust fund. And, unfortunately, that is exactly what has happened.

So a person could have made a case in 2001, but today, that case no longer applies because there is no surplus today. It is gone. It vanished. We only have deficits as far out as the forecasters project their forecast.

CBO, in their analysis of the President's budget, projects the deficits over the next 10 years. If we adopt this resolution and effectively implement the President's budget request, and by their calculation, not mine, their reckoning, that will cause us to accumulate $5.132 trillion in additional debt over the next 10 years, $5.132 trillion of additional debt added to the existing debt of nearly $4 trillion, we will bequeath to our children, the next generation, a debt of nearly $10 trillion in addition to Social Security, which is underfunded, and Medicare, which is underfunded. That is some legacy to leave our children.

Debt service, as I pointed out earlier, under that same projection will increase from $153 billion this year to $374 billion 10 years from now in 2014.

So what happens? I get a tax cut, and I like a tax cut as much as anybody. On the other hand, my grandchildren, Lily and Jack, pick up the tab. They have to pay the debt tax. That is not my idea of the kind of legacy I want to leave my children and my grandchildren, but that is exactly what my colleagues are doing if they vote for this budget today which does not diminish the deficit over time and does not give us a way out of these unending deficits that lead to debt stacked on debt stacked on debt. That is what will happen.

Now, what my colleagues are doing, therefore, if they vote for this resolution and vote to implement the President's budget, they are effectively saying, let us add dollar for dollar every additional tax cut proposed here into the deficit because there is nothing to offset it. There is no surplus to absorb part of it. There are no spending cuts that will offset it. This will go straight to the bottom line and add to the deficit and the accumulation of debt that has already been reckoned, calculated by the CBO, as I said, it was $5.132 trillion over the next 10 years.

So my colleagues are making a deliberate policy choice that these additional tax cuts are making permanent, the 2001, 2002 and 2003 tax cuts, is more important than deficit reduction.

There is another aspect of this, also. In making this choice for additional tax cuts, my colleagues are effectively saying tax cuts trump Social Security, tax cuts are more important than putting money away to make Social Security, our most important safety net program, and Medicare solvent over the next 75 years. I have a chart right here which is very simple. Anybody can understand it. It is very graphic.

It shows the present value of the tax cuts enacted in 2001 and 2003 extended over 75 years, the amount of tax revenues forgone or forgiven are not claimed or captured if these tax cuts become a permanent part of the code for 75 years. That is the red bar, $14 trillion.

On this side, we see what it would cost, in blue, to make Social Security solvent in present-value terms over the next 75 years. It is $3.75 trillion and the amount to make Medicare solvent $8.2 trillion. Those two sums add up to less than the present value of the tax cuts that will be made permanent if my colleagues vote for this resolution and implement the President's budget as he sent it up here.

So vote for this resolution and my colleagues are saying these tax cuts, which we enacted back in 2001 and 2002, when we thought we had a huge surplus and, therefore, we could afford them, these tax cuts are much more important than saving Social Security and Medicare. My colleagues are making a choice, a deliberate policy choice. There is an opportunity cost here. There is no way around here.

There has also been talk on the floor about big spending, about the rate at which spending has been increasing in the Federal budget over the last several years, and we have noted the irony of it. Because I am a Democrat, we do not control this place. We do not control the spending that is passed here. We do not control the White House or the Senate or the House. Nevertheless, our colleagues are saying spending, in this institution they control, is just growing at too rapid a rate. Well, let me show my colleagues where the spending increases have actually come.

If we look at the budget, where the spending increases have actually occurred, and look at the current services which just maintain things at an existing rate, and then look at the things that spike up way above the current services level in terms of spending increases, we will find that for the last 4 fiscal years, 90 and 95 percent of all the spending and increases over and above current services have occurred in order to pay for national defense, in order to pay for homeland defense in a category that did not even exist in the budget a few years ago, and in order to pay for the post-9/11 bailout of New York City and the airlines. That is where 90 to 95 percent of the spending has come, if my colleagues look at the budget carefully.

Now, why is that important? Because the President says we have got to rein in spending, but he is not reining in this spending. He does not propose to rein in spending in these categories, and indeed, it is going to be very difficult to do.

The gentleman from Iowa (Mr. NUSSLE) set out to decrease defense spending by just a bit, one-half of 1 percent off the 7 percent that the President was requesting as an increase. Thirty-four members of his party told him they would not vote for the resolution if he did it. Mr. NICKLES took a nick out of defense in the Senate. It was reversed by a vote of 96 to 4. So the likelihood that Democrats and Republicans are going to vote for big decreases here, given the world situation we find ourselves in, at least in the near term, is not very great at all.

Instead, what we have is concentration on this sector here, this blue sector called domestic nonhomeland discretionary. In other words, this is domestic discretionary spending, the money that we appropriate every year in 13 different appropriations bills, excluding homeland security because it is growing at a pretty fast clip for good reason.

There is that wedge, 15 percent of the budget, and that is basically where all the pressure is being borne. The President's budget would cut discretionary spending in this category by $303 billion below current services over the next 10 years, but there is only so much blood we can squeeze out of such a small turnip, and so when we do not get the budget to balance in 10 years, we are actually going off into the stratosphere because of the renewal and extension of the big tax cuts in 2001 and 2002 and 2003. They will be renewed and extended in 2011, and therefore, the budget deficit gets bigger and bigger. This will not do. This is not enough.

So what is happening here is, ironically, everyone is decrying this enormous increase in spending, and yet they are not doing anything or proposing anything to do about the categories of discretionary spending where the increases are really occurring, and where they are applying pressure is on a wedge of the budget that is not that large, not that fast growing and not sufficient, not sufficient by any means to wipe out the deficit.

Alan Greenspan was before our committee, and he was a big advocate of using spending cuts predominantly in order to subdue the deficit. So I asked him, Mr. Greenspan, Mr. Chairman, tell me, if we wiped out all of the domestic discretionary spending, we would still have a deficit of $100-odd billion. Obviously we cannot wipe out the FBI, we cannot wipe out the Federal court system, we cannot wipe out the Federal penitentiary system. These are essential functions of the government. Where are you going?

Then he said, you have got to go to Social Security, you have got to cut Social Security, effectively acknowledging that that is right, that wedge is too small, particularly if you insist upon not doing anything on the revenue side.

What we have brought to the floor is a budget that will have a lower deficit than the Republican main bill. Our alternative will have a lower deficit every year for 10 straight years, lower than the President's bill, lower than the Republican's main bill. In fact, over a period of 10 years, we will accumulate in debt additional to the national debt today $1.240 trillion less than the Republicans, and we will move our budget to balance in the year 2012.

Less deficits, balanced budget in 2012 and less debt accumulation, that is what the choice is tonight and tomorrow, a budget that is responsible, that makes some bold decisions, in a measured way moves us towards a balanced budget, protects priorities that are important to the American people, that moves us back into the black, as opposed to a budget that effectively makes a choice to trump the salvation and solvency of Social Security with the primacy of tax reduction.

That is the choice before us today. It is that simple. It is that basic. That is what is at stake, and basically the moral issue at stake, which in my opinion overarches everything, is more important than the fiscal implications, more important than the accounting aspects is, are we going to take this enormous debt, these huge deficits that are accumulating, about which we are doing next to nothing if we adopt the Republican bill, and shift them off on our children and our grandchildren? Not on my watch, not on my preference.

I would vote for this resolution. I think every responsible Member should.

□ 2030

Mr. NUSSLE. Mr. Chairman, I yield myself the balance of my time.

First, I would like to thank the gentleman from South Carolina (Mr. SPRATT) for the tone of the debate. I think it has been a good debate, a healthy debate, and a discussion, as I said to begin with, about the blueprint for fiscal responsibility as we move into the future and exactly what the priorities would be. I suggested that it is probably very similar to the conversation that a couple might have with their architect as they go in and try and design a new home.

Certainly there are going to be things that they agree on, and there are going to be a few arguments as they come up with that final design. But the long and short of it is we need a blueprint in order to move forward, and I commend the gentleman from South Carolina (Mr. SPRATT) for putting together a budget. We disagree with the plan that he has put forth; we have our own plan that we hope passes. It is one that builds on the principles of strength, growth, opportunity, and fiscal responsibility; and we believe it is the right blueprint at this time to manage the needs as well as manage the economic concerns of our country at this important juncture.

We have heard a lot tonight about the fact that tax cuts caused every problem in the world, that somehow everything would be better without tax cuts, and we wring our hands all day long about the fact that we have such a big deficit, and what we forget is at this exact same moment there are people sitting around kitchen tables across America with their checkbooks and bills in front of them, probably as well as their tax return they just got back from their accountant or their tax preparer, or maybe they actually tried to scratch one out on their own, and it is becoming more and more complicated every year to do that; and it is becoming more and more difficult to pay bills and make ends meet, particularly with the kind of economic challenges that people face.

So at this particular point in time, we believe it is not in order to raise taxes on those people who are having that discussion around their table. What they would say to us if they had the opportunity is the exact same thing they would say to each other, and that is, Can we do with just a little bit less, honey? Can we figure a way to turn the lights off maybe a little more often? Can we buy maybe a cheaper pair of gym shoes than the expensive pair of sneakers Johnnie wants. We still love Johnnie, of course, but maybe we can make ends meet by asking him to do with maybe a little less than the big powerful set of gym shoes that they sell at some stores.

They look at all of their bills and say, Can we do a little bit less? It is not because they do not love each other or they do not care enough about their own situation; but they know, as we know, that at all times we should look for ways to save money and tighten our belt, particularly when times are tough.

But one thing they do not say is let us do with a little bit less when it comes to income. That is one thing we are mindful of in this budget. We want to respect the income of Americans, we want them to be able to spend it, we believe they spend it more wisely; and that is the reason we continue the tax relief within this budget which has been a hallmark of our economic development plans.

Let me be even more specific. When we talk about tax cuts, tax cuts did not cause the deficit. There has been a lot of discussion here tonight that somehow tax cuts are causing all of the problems in our country. Let me show Members the chart, because what we have done is we made that same chart which has been discussed here tonight, and we put it all in there.

The white area here are the tax cuts. The green area here is that new discretionary spending that was just referred to by the gentleman from South Carolina (Mr. SPRATT). The red area is what we call new mandatory. Most of that is the Medicare bill. But the blue area that Members see here is the economic gut-punch that we have gotten as a result of a number of things, the dot-com bubble bursting, corporate scandals, 9/11, and the ongoing challenges as a result of a number of issues within our economy, some natural, some not, within that business cycle.

If we look at this, the tax cuts do not dive us into a deficit; the spending, the economy is what has driven us into deficits. In case Members believe we are just putting the tax cuts on top because it does not work, let us put them on the bottom and see how that works. Let us put the economy on top. The economy alone drives us to a deficit. The economic changes that our economy has had since September 11, in particular, have driven us down into a small deficit; but the new spending for the war on terrorism, the war in Iraq, the war with Afghanistan, homeland security, protecting our country and a lot of other additional spending for education, for veterans, has driven us even further.

So before we blame the tax cuts, be careful how this is looked at. If you put the tax cuts on top, they do not get us to a deficit. If we put the tax cuts on the bottom, they do not even take us out of the deficit. In fact, the proposals that are put here today are just wishful thinking if you believe you can take away tax relief from Americans, tax relief away from small businesses and assume they are going to continue to be able to drive the economy and make sure we have the kind of economic changes that create jobs far into the future.

One other point with regard to this which is important, the tax relief package is working. It is working. All Members have to do is look at the real gross domestic product over the last number of years and you can see exactly what happened. Here is the recession. That was that recession that President Bush inherited. That is the reason why back in this particular time here we said let us reduce taxes slightly in order to get that economy back on its feet. Then 9/11 hit, and we decided to boost the economy even more; and we not only had a bipartisan tax relief package, we decided to make those tax cuts permanent. What has happened?

As Members can see, the last 2 years now we have seen staggering economic growing. The last 6 months alone have been the fastest growing period for our economy in 20 years. As every single economist will tell you on both sides of the political spectrum, the lagging indicator that always is the last to develop is jobs, and that is because people are tight with their money. They are not going to make an investment decision until they know the coast is clear. And the coast is clear. We are going to continue to make sure that these tax relief packages within this budget are not only extended but are made permanent. We do not want there to be an automatic tax increase, and that is the reason our budget adopts that.

Last but not least, let me talk about spending. We have heard today all sorts of things with regard to spending. We have heard that Republicans have been spending too much, and we have heard that Republicans are not spending enough. In fact, we have even heard that we are not spending enough on volleyball teams. That was even part of the debate here today.

Regardless of that debate, here are the facts. This is the total budget for the last 10 years. This is a chart that many of my Republican colleagues do not want me to show, and I can understand why because it shows that during our period of time we have increased spending; but, there are two parts to this ledger that I want Members to understand. First and foremost, I think it rebuts very clearly the arguments that have been made that somehow we are being Draconian in our cuts, that we are cutting too far, cutting too deep, that it is going to throw people out on the street and seniors are not going to get the resources they need, and veterans are not going to get the resources they need. That is simply not the case.

Our increase in spending growth has averaged 5 percent each year since our first budget. Now, some of those changes have not been all that positive. Unfortunately, within all this spending there is some waste. There is more waste than we care to admit, and that is the reason within our instructions this year the gentleman from South Carolina (Mr. SPRATT) was suggesting that we only are looking at a very small portion of the budget. We are looking at that portion of the budget, but we have expended the view of the budget. We believe there are weeds within the entire garden of the Federal budget, and we need to look in every corner of that garden to pull weeds.

That is the reason we are going to continue the effort to look for wasteful Washington spending, not only on the discretionary side of the ledger, but also on the mandatory spending.

We know that the Democrats have not been in control during that period of time, and it would be easy to blame the Republicans for some of the spending that the gentleman from South Carolina (Mr. SPRATT) talked about with regard to homeland security and the war in Iraq; and it is true that with regard to that area I was showing Members on the chart where increases in discretionary spending have been large, Democrats voted for it, too. Yes, we were in charge, but most of it was done in a bipartisan way, and I think Democrats are proud of that. I think Democrats are proud of the fact they voted to increase spending for homeland security, I think Democrats are proud of the fact they voted to increase spending for defense, I think they are proud they voted for increases for special education and for a number of those programs that you have come to the floor here today and suggested that you want even more increases. Most of those increases in discretionary spending, in particular, have been bipartisan.

Last, let me say with regard to other spending, yes, there were many amendments in our committee to increase spending far beyond what our budget calls for, but there have been examples of this throughout our history. For example, the Medicare account, there has been a lot of complaints within the media that for some reason we are not taking into consideration the full amount of the costs of Medicare.

First and foremost, the Democratic substitute last year would have spent about $1 trillion, more than double the amount we had for Medicare. Secondly, if you notice the alternative presented by the Democrats, they adopt the CBO baseline for Medicare spending, meaning they do not believe the actuaries from OMB or from HHS any more than we do. Nobody is quite clear exactly where Medicare spending is going to go. It is our job here in Congress to control it. Right now the Congressional Budget Office is controlling with regard to that spending, and we both put it into our baseline as the Medicare line item. If they would adopt their rhetoric as part of their budget, they would not balance anytime in the near future.

Let me say in closing that when we come up with a budget like this, or a blueprint like this, there are going to be a lot of people who have to give. There are many people within our conference who wanted to increase spending in some areas; they wanted to go further with decreases in spending in others. What we have tried to come up with is a common-sense solution to a problem that is going to take a number of years to resolve. All of the budgets that Members will see on the floor today, none of those budgets balance it this year or even next year or even within the next 5 years. All of them recognize that we need a path to get back to responsible budgets and balanced budgets.

And so which path are Members going to choose? Are Members going to choose one that respects the family budget and does not increase taxes? Are Members going to choose one that holds the line where we can hold the line on spending? Are you going to choose one that allows us to begin to weed the garden of mandatory spending where we can find waste, fraud and abuse; and are you going to choose one that does what I believe is so important, and that is to make sure that our country is protected first and foremost so our freedom is protected?

I believe that budget provides that strength for our country, that growth for our economy, and that opportunity for our constituents' future; and it does it in a fiscally responsible way. I believe our budget is the kind of budget that can help get us back on the track that we need in order to get back towards fiscal responsibility, and I ask for Members' support and vote on the budget resolution for 2005.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from New Jersey (Mr. SAXTON) will now control 30 minutes and the gentlewoman from New York (Mrs. MALONEY), the designee of the gentleman from California (Mr. STARK), will control 20 minutes on the subject of economic goals and policies.

The Chair recognizes the gentleman from New Jersey (Mr. SAXTON).

Mr. SAXTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, much has been said here today with regard to the subject of our budget and fiscal policy and its effect on economic growth.

I would like to show as clearly as I can as the vice chairman of the Joint Economic Committee, which of course is made up of Members of the House and Members of the Senate, the actual effect of budgetary policy over the last few years, monetary policy as carried out by the Fed, and tax policy implemented at the request of the administration and carried out by this House and the Senate.

□ 2045

Actually we have found that there are some very positive effects that have accumulated over the past several years in terms of a variety of good economic trends.

For example, lower inflation that has resulted from various policies actually has improved economic growth through the appearance of lower interest rates directly as a result of lower inflation which can be primarily attributed to the policy of the Federal Reserve. It reduces unnecessary uncertainty and volatility in financial markets, it causes the price system to work better, it acts like a tax cut to have lower interest rates, especially for those portions of the Tax Code that are not indexed for inflation. The Fed's policy of inflation targeting has worked.

I can remember many years ago when the Fed's policies of today were not in place, when we felt good when inflation was at 6 percent or at 5 percent. Today, inflation is at historic lows, probably today under 2 percent. As a result of that, these lower interest rates have worked, as I said before, as tax cuts to help rally economic growth.

Lower marginal tax rates as well as lower interest rates remain in place today, and we are reaping the long-run effects of lower tax rates despite two increases, one in 1990 and one in 1993. Marginal tax rates remain lower today than they were in the 1950s or the 1960s or the 1970s. This is very important.

It is also important not to revise the tax rates that are already in place. We have seen the results of these as demonstrated on this chart, for example. Here, in 2001, when the tax rates were put into place, we see that real economic growth, of course, was bad during the three quarters of 2001, but then the economy started to grow. Real gross domestic product in the fourth quarter of 2001 began to grow, and we had seven straight quarters of economic growth, culminating, as the chairman of the Committee on the Budget said, in the last two quarters that we have just experienced where we saw 8.2 percent economic growth in one quarter and 4.1 percent in the next quarter.

There has been good reason for optimism and, of course, the stock market has rebounded during this period of time, but there have been other factors that have been holding the economy back.

National security and homeland security are two general areas that are essential for securing our peace and security and stable, sustained economic growth. This economic growth is not possible without both security from foreign adversaries and security from adversaries who threaten the homeland. And so spending on our national security and on homeland security is absolutely essential. Investment spending will not occur without stable property rights or security for investment and investors as well as lenders.

While national security and domestic security are essential, they also depend on what weapons the adversaries employ. In a sense, they depend on the adversary and not entirely on some absolute standard of security.

Investment, on the other hand, is essential to fostering economic growth. Increases in investment improve both supply and demand so it fosters growth without causing inflation. Investment is needed to improve productivity, raise real wages and increase living standards. Productivity-enhancing investment increases economic growth without inflation.

Let me just turn to the next chart we have here which shows fixed private nonresidential investment. Again, beginning in the third and fourth quarter of the year 2000, which coincidentally was before President Bush took office, we see that fixed private nonresidential investments fell sharply. And then as the recession ensued in 2001 and through the first two quarters of 2002, fixed private nonresidential investment was actually in the negative.

But then as the effect of the tax cuts kicked in and as the effects of low interest rates brought about by the control of inflation kicked in, we see that fixed private nonresidential investment begins to improve. This was a very positive thing for the economy.

. The U.S. economy currently is expanding at a healthy clip. A wide spectrum of sectors of the economy are contributing to this advance. Consumption, housing, investment, and production among others have all made notable contributions. Fourth-quarter real GDP was up by a brisk 4.1 percent and, as I said before, the third quarter of last year was up 8.2 percent, which certainly again is demonstrated here on the chart that we have.

For the future, the consensus view of economists is that the economy will continue to expand at a robust pace over the next several quarters. Specifically, the consensus is for better than 4 percent growth in the near term. This current and prospective performance of the U.S. economy is superior to most other world economies, including both Europe and Japan.

Business investment, as well, has been a leading sector fueling these healthy economic gains. Real business investment has been up sharply in the last three quarters. A key reason for this strength was the progrowth tax policies adopted by this Congress and by the administration.

Further, gains in profits, the stock market as well as capital goods orders all point to additional advances in investment. Although the stock market has had its ups and downs, particularly as measured by the Dow Industrials, the stock market has regained much of the ground it lost in recent years. The stock market gains not only encourage investment activity, but because of widespread ownership in stocks, mutual funds, IRAs and other savings vehicles, we have fostered household wealth gains as well. The latest figures indicate that about 50 percent of American households own stock shares in some form, and stock market capitalization was up significantly last year. The tax cuts and expectations of continued economic advance have propelled stock prices to continue to rise until just a couple of weeks ago.

Manufacturing activity, as well, as measured by the Institute for Supply Management, ISM, the ISM index, is also making significant gains. The index shows that manufacturing gains have been quite widespread. Manufacturing production as measured by the Federal Reserve's Industrial Product Index is up sharply as well. We have another chart here which shows that the ISM index fell during the recession, and it shows how we have grown today to the point where 61.4 percent of our businesses are actually expanding.

Employment is one area, however, that has lagged behind output growth. It is quite clear that manufacturing employment softness began in July of 2000. The impacts of investment and stock market weakness were concentrated in manufacturing. Nonetheless, recent payroll employment is up 364,000 jobs since August and payrolls have advanced the last 6 months in a row. During a comparable time period, household employment was up 604,000 jobs.

Let me turn to the unemployment rate which we hear so much about in regard to our economy. The unemployment rate has fallen from a high this year of 6.3 percent to 5.6 percent in recent months. The 5.6 percent rate is lower than the average rate in the 1970s, lower than the average rate in the 1980s, and lower than the average rate in the robust 1990s. It has not been characterized as such, however.

Further, the recent peak in the unemployment rate is considerably lower than the peaks of earlier business cycles. Let me show my colleagues what I mean. In the 1970s during a recession, the unemployment rate peaked at around 9 percent. In the 1980s during a deeper recession, the unemployment rate peaked at just under 11 percent. In the 1990s during a recession, the last quarter of 1990 and the first quarter of 1991, we had an 8-month recession, and the unemployment rate peaked at just under 8 percent. In this recession, the unemployment rate peaked at 6.3 percent and is now at 5.6 percent, as I said, lower than the average rates of unemployment in the 1970s, the 1980s or the 1990s.

Inflation has also remained low during this period. As can be seen on this chart, core CPI inflation has continued to trend down for the past several years. This is good news for all income earners and all consumers. This is the result of the Fed's persistent anti-inflation policy. Currently there are few, if any, signs of inflationary expectations re-emerging in any significant way. This line speaks for itself. Inflation is historically low today as a result of Fed policy.

Likewise, the Misery Index, we all remember the Misery Index that we got so accustomed to hearing about in the 1970s, the Misery Index measures the sum of the unemployment rate and the core CPI inflation rate. It is premised on the notion that both a higher rate of unemployment and a worsening of inflation create economic costs for a country. The index is used unofficially to assess a nation's economic health.

Currently the Misery Index is relatively low, lower than it has been for most of the past 35 years. Once again, the red line here speaks for itself, the Misery Index is very low today.

Long-term interest rates have continued to trend down as well and remain at near 40-year lows. What is particularly relevant is that long-term rates remain low or even declined in the face of increases in the budget deficit. These low long-term rates are more importantly determined by the rate of inflation than by budget deficits. Again, we have a chart here that has a line on it that shows the 10-year Treasury bond yield at consistent maturity, and once again we see that we have historically low interest rates.

In sum, the economy is currently advancing at a healthy pace. Most key sectors of the economy have contributed to this healthy growth. The consensus of economic forecasters project continued healthy economic growth for the foreseeable future. The policies that have supported this growth, namely, tax relief and accommodative monetary policy as carried out by the Fed, appear to have been quite appropriate. Accordingly, so long as inflation remains subdued, a continuation of these policies and making certain that tax cuts are permanent seems quite appropriate.

Mr. Chairman, I reserve the balance of my time.

Mrs. MALONEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the purpose of a budget resolution is to make the tough choices that will put the budget and the economy on the right track for the future. We do not need budget choices that create tough times for the economy, that are tough for working families, tough for people who cannot find jobs and tough for our children's future.

□ 2100

Once again, the President and his Republican colleagues in the House have presented a budget that is fiscally irresponsible and wrong for the economy. When President Bush took office, the Congressional Budget Office was projecting a $400 billion surplus for this fiscal year 2004. Now they are projecting a deficit of nearly $500 billion, a swing of $900 billion for just this one year. We can see from this chart how projected surpluses have turned into actual deficits so far in this administration.

And the future does not look any better. Three years ago, President Bush told us we were in danger of paying off the national debt too fast. Well, the President and the Republican Congress have certainly taken care of that problem. In 2001, the President said that even if we enacted his tax cuts, we could pay the debt down to $1.2 trillion by 2008. But now they say the debt will rise to $5.6 trillion, a swing of $4.4 trillion as depicted in this chart, 4.4 trillion more debt in 2008.

Mr. Chairman, what has changed in 3 years to cause such a hemorrhage in the budget and such an explosion in the national debt? The administration and its supporters have been quick to blame events beyond their control like 9–11 and the bursting of a high-tech bubble. They have even tried to overrule the experts at the National Bureau of Economic Research about when the recession began. But what they will not admit is that their relentless drive to cut taxes has also played an important role.

We made the same mistakes once before in the 1980s, but at least then we had time to correct our mistakes. We had time to restore the fiscal discipline needed to prepare for the tremendous budget pressures we would face with the retirement of the baby boom generation, but now it may be too late. The retirement of the baby boom generation is upon us, but demographically blind budget policies have left us unprepared for the consequences.

Mr. Chairman, the President keeps telling us that his policies are working to improve the economy; but in the area that matters most to American families, jobs, the facts tell us otherwise. As this chart shows, President Bush is on track to be the first President since Herbert Hoover to lose jobs over the course of his time in office, the only administration in 70 years with a decline in private sector jobs. Three million private sector jobs have been lost on President Bush's watch. When we include public sector jobs, it is a total of 2.2 million jobs lost since President Bush took office.

And what is it that we have to show for 3 years of Bush policies? Just 21,000 jobs were created last month, when we know that we need at least 125,000 jobs created a month just to keep up with the expanding workforce entering the job market. Overall there are 8.2 million unemployed Americans and about 4.6 million additional workers who want a job but are not counted among the unemployed. An additional 4.4 million people work part time because of the weak economy. What is more, this chart shows that a large portion of people who have become unemployed remain unemployed for over 26 weeks, almost triple the number when this administration took office.

Each week, 80,000 people's unemployment benefits expire, leaving them with no income and no job prospects. Many of them drop out of the labor force and are not counted in the official unemployment rates.

Once again tonight the other side is making optimistic projections about the future. Tonight the majority says their budget will cut the deficit and create jobs. Unfortunately, we know the record of the last 3 years, and that is a record of rosy projections that never come true. As an example, a year ago the administration predicted that its policies would contribute to the creation of almost 2 million new jobs in the second half of 2003. As the chart shows, they fell short by 1.8 million jobs below their forecast. Meanwhile, as this additional chart shows, the typical worker's earnings are barely keeping up with inflation in sharp contrast to the strong growth from 1996 through 2000.

This administration has presided over the greatest average annual decline in household income since the government began keeping those statistics in the 1960s, doubling his father's bad record. The income of the typical household has fallen by about $1,400 during this Bush administration. Also, 3.8 million Americans lost health insurance under this administration, as this final chart illustrates.

Mr. Chairman, this budget is short on solutions, but long on preserving a failed policy that has led to a loss of 2.2 million jobs and a $500 billion deficit, the largest deficit in history. This is a policy we cannot afford. Vote "no" on the Republican budget.

Mr. Chairman, I reserve the balance of my time.

Mr. SAXTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am not surprised, but I am somewhat troubled that the previous speaker did not recognize that the economic downturn was well under way well before President Bush took office. The administration's critics blame President Bush for his policies for the loss of about 2 million jobs since January of 2001. However, all of this employment decline is accounted for by falling manufacturing employment, and manufacturing employment started declining well before President Bush or his policies were in place. Manufacturing employment has been falling since March of 1998. From this point through January of 2001, over half a million manufacturing jobs had already been lost. It is hard to blame that on President Bush. Thus the trend was well under way before the President ever took office. And it was the policies that were in place during the 1990s that caused that decline.

Manufacturing employment has been falling steadily, well before President

Bush took office. The respected Institute for Supply Management employment index plunged in 2000. By January of 2001 most firms surveyed indicated that manufacturing jobs were falling or stagnating, according to these indices. That was the year President Bush took office. So according to your theories, President Bush's policies that had not even gone into effect yet caused all that unemployment. It is just not true. It cannot be true. President Bush was not here.

After the bursting of the stock market in the first quarter of 2000, there was a sharp fall-off in investment. Because much of this investment is comprised of machinery and equipment produced in the manufacturing sector, manufacturing employment began declining every month since July of 2000.

We know President Bush was not the President before July of 2000 when the policies of the previous administration caused these declines.

In the last month of the previous administration, manufacturing employment declined by 82,000 jobs. That was President Clinton, not President Bush. However, with a strong rebound in investment in the last half of 2003, manufacturing output is growing today at a healthy pace, and monthly manufacturing employment declines have been slowed dramatically because since President Bush took office, he has made it a priority to institute policies that provide for economic growth.

Since last August, payroll employment has gained 364,000 jobs, not declined. We all want to see more job growth, but strong productivity gains have made this harder. Strong productivity growth is good for the majority of the workers who have jobs because it enhances their job security and earnings potential. However, in the short run, it does slow job growth. We had a technological advance during the 1980s and 1990s that was good. It made our workers more productive. The use of computer technology, the use of communications technology, and many other increases in technology across the board made our workforce the most productive workforce in the history of our country. But it had a negative side as well because when the recession hit and the decline started, while President Clinton was President, when the decline started and people lost their jobs, the inclusion of more technology continued to go forward. And when the economy began to grow and people went back to seek their jobs, they had been replaced by technology, adding to the productive nature of our workforce.

The upward productivity trend started in the second half of the 1990s and has been under way for at least 8 years. By the second half of the 1990s, investments in new technology and equipment changed the economy and its relationship to employment. The cumulative effect of these investments was that the economy could grow quite quickly without greatly increased employment. Productivity growth, not outsourcing, is the primary cause of slow employment growth in the short run. With healthy economic growth now under way, most economists expect employment growth to continue in the future.

Mr. Chairman, I reserve the balance of my time.

Mrs. MALONEY. Mr. Chairman, I yield myself such time as I may consume.

The gentleman referred to the Clinton administration. Under the Clinton-Gore administration, this country created 22 million new jobs. Under the Clinton administration, the deficit was eliminated; and he left office with a substantial surplus and a projected surplus that would continue to grow. And under the Bush policies, this country has lost 2.2 million jobs. We would have to create 200,000 new jobs each month for the next 10 months just to bring this country back to the place it was when President Bush walked into office.

And President Bush has given this country a $500 billion deficit, a burden for our children and our grandchildren.

Mr. Chairman, I yield the balance of my time to the gentleman from Washington (Mr. McDERMOTT).

□ 2115

Mr. McDERMOTT. Mr. Chairman, I thank the gentlewoman for yielding me time.

Mr. Chairman, it is really wonderful. This is the time of year when we have the big tent put up out in front of the Capitol and we invite the county fair in from Iowa. We always have the county fair come.

I am sure as you look around this hall tonight, there are three of us left, so that means 421 people have gone home. They figure, "It is all baloney, so I am not staying around to hear this." But I know that the people in the Speaker's district and my district are just sitting down to dinner out there on the West Coast, and I think maybe they might be interested in what some of our colleagues do not want to really deal with on this budget.

Now, if I was going to do this the right way, I would put on a top hat and I would tell you about the shell game that we find at the county fair. It is a wonderful game. You know, the guy has a box out there, and he puts one walnut on it, and then he puts another walnut on it, and then he puts a third walnut on it, and then he puts a pea under one of them and then moves them around.

The job of the American people is to figure out, well, where is the pea? I mean, that is what the game is out at the county fair.

That is the same job you have here. You hear numbers, you see charts. I brought a couple just for fun. But you see them moving these around and moving them around, and they say, well, we do not have enough money for Social Security; well, we are taking care of Social Security and Medicare.

You lift up the walnut. Oh, no pea there. Wonder where the money is? Oh, dear. Well, the money must be somewhere here.

Education. That is right. Oh, there is no money for education. They are going to have to call this "Some Children Left Behind" by the time we get to the election. The President has been telling us, "We are not going to leave any child behind." But he does not put any money under the pea for education for kids. He underfunds what he says is the amount he has to put there.

How about veterans? Oh, the veterans. You know, they are over bravely serving us in Iraq: Dying; being wounded; coming back here with amputations; coming back, as recently we read in the newspaper, coming back and finding that the job they had when they were in the Reserves is not there.

So the veterans who are out defending us and doing all of this for us, they say, well, but Uncle Sam promised us. So we will look under here. Oh, they are cutting the veterans benefits too? They are going to ask us to pay more at the veterans hospital?

Oh, well, there must be something wrong. I mean, health care. Health care in this country is a problem. We have 44 million people without health care. Is there anything in this budget for health care? Nothing.

But the President said, "We are going to guarantee universal health care for the people in Iraq." In Iraq. Not in Tennessee, not in North Dakota, not in New York State, not in Washington State, not in California. Iraq. That is what the President said.

Then, his secretary went on to say, "Well, in this country everybody gets taken care of some way, do they not? So that is universal care."

But you do not get preventive care. We will take care of you when the catastrophe strikes, but there is no money in here for prevention, there is no money making it so we take care of all the kids, that we take care of all of the problems up front, because, well, I do not know. I just cannot seem to find the money.

Now, let us see. Oh, yes, the tax cuts. Ha, that is where the money went. You do not have to be a rocket scientist or have a Ph.D. in economics or have gone to MIT.

A Senator from my State used to say that he wished that we had a one-armed economist. Every time he listened to an economist, he said, "On the one hand this, and, on the other hand, that." You have heard a lot of that, "On the one hand this, on the other hand that" tonight.

But the fact is that if you have money in the tax accounts and you give it back to the people, now, that means you do not have money to put under the shells. That is why there is no money for Social Security, that is why there is no money for veterans.

Oh, we have wonderful things to spend it on. Homeland security. I look out here under every seat in the House of Representatives, and I meant to grab one, and I will grab it for you. Every Member of the House of Representatives is sitting on a gas mask.

Now, all that protection they are putting out there for us, all those policemen and all of what is going on in all the buildings and everything else, and they give us a gas mask. How many people in America have got a gas mask? How many of you think that the American Congress is going to be gassed in the House of Representatives? If you do, then you have got to ask yourself, what is the President doing about that?

I mean, Osama Bin Laden. You remember that guy? How much money did he waste on that whole business? Why is there no money out here for health, education, Medicare, a real pharmaceutical benefit? Well, because we have to spend $150 billion in Iraq, a war that we did not have to go to, that we went to under fraudulent circumstances. The President did not tell us the truth. He scared us into, "Oh, we got to go get Osama Bin Laden."

Well, they are over there looking for the weapons of mass destruction under the same shells. They say we are going to find it over here; no, we are going to find it over there. Just give me some more money, he says.

Folks, you are sitting there eating dinner. Mr. Chairman, from my point of view, the American public must be just scratching their head and saying, what are these people talking about? A budget is the priorities you set.

Now, in a family you take care of the necessities, food, health care, housing. Our housing situation in this country is awful. In Seattle you cannot find a starter house for under $250,000. Somebody who takes a job at six or seven or eight dollars an hour cannot buy a house in Seattle, and I know that that is not the only place. Oh, you can do it, if you want to go out 40 miles into the countryside, and then there is no rapid transit to bring you in to get to work. I mean, you are caught coming and going. That is where the average American is in this country.

Now, we have two realities that we have to deal with in this budget, and the President of the United States has failed on both of them. One of them is to provide jobs, and the other is fairness in taxation.

Nobody likes to pay taxes. I do not like to pay them. I am right now in the middle figuring out my income tax, like everybody else in this country. I do not want to pay taxes, but I know that I have to pay some so we can have a civil society, and it ought to be done as fairly as possible.

Let us take the jobs issue. I put this up here just so you understand. Since it is Iowa night at the state fair, you all remember a guy named Herbert Hoover? He was from Iowa. He was a great guy from Iowa. He is the last guy that did to our economy what George Bush is doing.

He sat up there and said, "Well, you know, the rich people, the stock market should just go up and up and up." And it was going up and up and up in 1928 and 1929. When it crashed, everybody said, "Oh, my God. I do not have anything." We had no Social Security, we had no unemployment insurance, we had no construction projects, we had nothing.

Franklin Delano Roosevelt came in, and you know the first thing he said when he became the President of the United States? Was it, "The problem with this country is our taxes are too high. We have to reduce taxes in this country. We have to give back all the money we have, and in some magical way it will get better."

Do you think that is what happened? Do you think that is where the WPA came from, and unemployment and Social Security and all these other things, by the President of the United States saying, "My answer is cut the taxes. Give the money back to the people. It is their money. Let them spend it any old way they want."

Of course not. The whole country knows. Everybody in this country over the age of 50 knows that the proposals made by the President of the United States are absolute and total nonsense. He said, "Well, you know, I got that terrible problem from that Bill Clinton. Golly, he was just such an awful guy, created those 22 million jobs, and then he left me a mess, left me a mess when I came in here."

So he said, "Cut taxes." He came out here and said to the Members, stood right here in this well and said, "If you cut taxes, why, everything will be better."

Well, folks, this is zero jobs created. If it was up here it would mean there was something going good. But in fact it has been going down. We have lost 2.8 million manufacturing jobs since George Bush has been here.

Now, you can blame maybe how much you want to blame on Bill Clinton. Do you want to blame two-thirds? Or three-quarters? Would you not think after 3½ years he would have figured out some way to get it turned around? Franklin Delano Roosevelt did. He put us to building bridges and highways and buildings and all kinds of things, and, lo and behold, if you spend the money you have, not giving it back to the rich, but spend it on things investing in the country, you create jobs. That is what Franklin Delano Roosevelt did.

The private non-farm payroll in this country has gone down by 3 million people, and in the non-farm payroll employment, that is only by 2.2 million. Now, that is in addition to these two.

Do you know what I heard from my colleague just a few minutes ago? "Things are really getting better." Do you know how many jobs were created in February? 21,000. Now, let us see, 50 into that, that would be 400 jobs per state. That is really pretty good. I mean, I bet they will have a lottery for those jobs. And they were all government jobs. There was not a single private sector job created.

That is why we ought to vote no on this budget.

Mr. SAXTON. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the facts bear out that the economy is growing. Like the previous speaker, I wish that jobs were growing faster, and I believe they will. But the previous speaker's examples were not exactly examples that I would have used.

For example, to compare this recession to the Great Depression I find, I guess I would say amusing to a certain extent, because while we know that the unemployment rate today is at 5.6 percent and topped out at 6.3 percent in this recession, the unemployment rate during the Great Depression was 25 percent. So I think that is a rather poor example, and I think goes to show the extent and the lengths to which the minority will try to bend things to make their story look like the one that they would like the American people to believe.

A lot has been said about tax rates. One of the charges that has been made about our tax policy and our tax cut, and the last speaker repeated it again for the last of many times today, is that when we reduced taxes for the American people, when we did away with the marriage tax penalty, when we created the child tax credit, when we passed the other tax cuts that provided for economic growth, we created the deficit.

Well, I would like to show one final chart which demonstrates that that is not true either. This chart to my left shows, and the Congressional Budget Office, which works on a bipartisan basis, came up with these numbers, it shows that the projected surplus in 2001 was $281 billion, and shows in the first year that the tax cuts went into effect the static cost. "Static" is a word we use around here to mean as exactly as we can the amount of money that will not flow into the Treasury if you assume no economic growth at the same time because of the tax cuts.

□ 2130

We assume that there is a static loss of revenue to the Federal Government, and it is shown here in blue. This is what the tax cut cost. Out of the $281 billion surplus that was projected to exist, only $70.2 billion went for tax cuts, and we actually would have had a surplus of $210 billion, after the tax cuts. The actual surplus turned out to be $127 billion because, as I pointed out before, during the last year of Bill Clinton's administration, the economy began to decline. So less growth in the economy, less people working, less people paying taxes, less revenue.

And then, if I move on to the next year, the projected CBO surplus was $313 billion, and the actual cost of the tax cuts that year, $73.7 billion; and for the first time in 4 years, we went into a deficit situation of $158 billion. We had a $158 billion deficit. So if we go from a $313 billion projected surplus to a $158 billion deficit, it is a swing of $471 billion, from surplus to deficit. The cost of tax cuts: $73.7 billion.

I will not bore everybody with the third year, but the same trend continues: the cost of the tax cut, $172 billion out of a $359 billion projected surplus, and we ended up with a deficit of $375 billion, a big swing from a $359 billion surplus to a $375 billion deficit.

The fourth year is the most dramatic. We went from a projected surplus of $397 billion to a deficit of $477 billion, a swing of $874 billion, and the actual cost of the tax cuts: $264.8 billion, which would have left us with a surplus of $132 billion if it were the fault of the tax cuts. Other factors mitigated to have that tremendous swing. The war was taking place, the economy fell, and other factors played into it, such as the loss in the stock market.

So as is evident from this chart and the CBO numbers, and the numbers from the Joint Tax Committee, all of which are bipartisan, the tax cut did not cause the deficits at all, unlike what our minority opponents would like America to believe.

One of the most important accomplishments of our budget policy, and this budget reflects this, in this year, in the past few years, is the enactment of this tax package for families all along the income spectrum. The budget before us today continues and preserves the key elements of this tax relief, allowing families to keep more of their hard-earned money.

Over the 4-year period, from 2002 to 2004, just three key tax reductions out of the dozens enacted have produced savings for American taxpayers. These three provisions are a new 10 percent tax bracket. Previously, low-income people paid 15 percent in the bottom tax bracket. Pursuant to these tax cuts, that 15 percent dropped to 10 percent. We enacted a child tax credit worth $1,000 in 2003 and $1,000 in 2004; and we enacted a marriage penalty relief through an increased standard deduction for couples filing joint returns. For married couples with two children and who use the standard deduction, the savings from these tax reductions total approximately $5,500 over these 4 years, according to the Joint Economic Committee report that was published recently.

If one is interested in that report, click on our Web page. It is there for everyone to see.

Consider these figures for 2004 from the JEC report. First, the child tax credit, now $1,000 per child, double what it was back in 2000. For a two-child household, the increases translate to $1,000 in tax savings. Second, thanks to the 2001 and 2003 tax relief cuts, there is now a new 10 percent tax bracket, which applies to the first $14,300 of income this year for joint tax returns. Without this new bracket, that income would otherwise be taxed at 15 percent. These are for the lowest wage-earners. This tax cut is for the lowest wage-earners. In 2004, this 10 percent tax bracket will save taxpayers $715.

Third, married couples have finally received some tax relief on the marriage tax penalty. A quirk in the law required married couples to pay more taxes than the same individuals paid if they were single. Tax legislation enacted in 2001 now provides new tax relief such as a standard deduction for married couples that is double the standard deduction for single couples. Families taking advantage of this increased standard deduction will save $233 this year. Total tax savings from these three provisions alone amount to $1,948 in 2004. Over the 4-year period, 2001 to 2004, combined savings total $5,480 for low-income and middle-income American families.

Mr. Chairman, these tax cuts are not for the rich. These tax reductions benefit everyone who pays income taxes. In fact, the threshold to receive all the dollar savings described here is just $36,400 for a married couple with two children claiming a standard deduction.

Mr. Chairman, this budget, while all of us would have written it differently, is a budget that deserves to pass; and the tax cuts and the economic growth provisions provided by this budget are important for the future of America's families and for America's economy.

Mrs. JO ANN DAVIS of Virginia. Mr. Chairman, I rise today in support of an amendment to the Fiscal Year 2005 Budget Resolution, offered by my colleague from Virginia, VIRGIL GOODE. His amendment was offered in the Rules Committee today, but unfortunately, the Rules Committee did not allow it to be offered on the floor of the House.

Nonetheless, I want to clear my support for his amendment, had it been offered. The Goode Amendment would cut foreign aid funds by $8 billion, and use that money to pay down the deficit and take care of our veterans. From the $8 billion cut from foreign aid spending, $5 billion would be put towards the deficit and $3 billion would be put towards veterans' health care. I would have voted for this amendment, with the clarification that the $8 billion cut from foreign aid spending would not be taken from U.S. aid for Israel. Israel is our most-valued ally, and we need to do everything we can to support her.

Mr. Chairman, this amendment is commensense. It takes away money from foreign aid, and gives it back to the hard-working Americans who earned the money in the first place.

$5 billion would be used to put down the deficit, something we have got to start doing more. We cannot spend taxpayer dollars recklessly without thinking about our national debt, which is now up to $7.1 trillion. We owe it to our future generations to spend taxpayer money wisely so that the important programs our government provides are still around for our children and grandchildren.

Also, $3 billion would be used towards veterans" health care. Mr. Chairman, since I was elected to Congress, I have done everything I possibly could for our Nation's veterans. They have done more for our country than most people will ever be asked to do, and it is important to make sure they have adequate health care. This additional $3 billion for veterans' health care funding is a step in the right direction.

Again, I commend Mr. GOODE for offering this worthy amendment, and I wish it could have been offered on the House floor.

Mr. ENGLISH. Mr. Chairman, I rise today to express my support for the fiscal year 2005 budget resolution, which I believe strikes an appropriate balance between funding our national priorities and cutting the budget deficit in half over the next four years.

America stands at a pivotal point in history where we are leading a global war against the scourge of terrorism and driving the world's economic growth. We have already laid the groundwork for economic growth through the President's tax program. As a result, growth averaged 6.1 percent in the second half of 2003, the fastest growth in consecutive quarters since 1984.

The Budget Committee has presented to us a framework which allows us to build upon this foundation. This resolution allows us to make permanent the expiring tax relief while upholding our commitment to national priorities at home and abroad. The House Republican budget proposal offers a very different blueprint than what would have been offered by our colleagues from the other side of the aisle. It solidifies a pro-growth policy while assuring there will be no tax increase over the next five years. It takes into account the needs of our troops as well as the veterans who have already fought for our country.

I'd also like to call attention to the fact that we've included an increase in total veterans spending of $1.2 billion in fiscal year 2005 and removed some of the fees that the President's budget had included for veterans services—fees which veterans communities have opposed.

This is a strong budget that reflects strong priorities and moves us in the direction of fiscal balance.

Mr. DINGELL. Mr. Chairman, I stand here once again watching my Republican colleagues add billions of dollars to the deficit and public debt. I watch them take money out of the pockets of working families so that they may line the pockets of their fat cat friends. This budget is a betrayal to working families across America, to seniors, veterans and especially to our children and grandchildren, who will be left to clean up this Administration's fiscal disaster. I am amazed that my colleagues on the other side of the aisle have managed to turn record surpluses into record deficits in a mere three years. This budget does nothing to remedy the situation and continues further down the same road.

By using a 5-year budget instead of a traditional 10-year budget, my Republican colleagues are attempting to hid the real costs of their outrageous plan. After five years, the cost of making the tax giveaways permanent will grow drastically. Over the next ten years, the tax giveaways in this plan will cost $1.2 trillion. My Republican colleagues will not even apply the "pay-as-you-go" method to their tax giveaways because they know we cannot afford them. These budget gimmicks and rascality cannot be tolerated. The American people deserve to know the outrageous credit card bills the Bush Administration is racking up in their name and with their credit.

In addition, this budget does nothing to protect the Social Security trust fund, five years from when the first of the baby boomer generation reach retirement age. These Republicans' fiscal mismanagement will squander the entire $1 trillion Social Security surplus, adding to the ballooning deficit and throwing the long term economic security of millions of Americans into doubt.

The Republican budget doesn't provide any money this year to protect Medicaid—in fact it cuts the program. As a result, States are going to be forced to cut benefits and coverage for the more than 50 million of our most vulnerable seniors, children, pregnant women, working families and disabled Americans who rely on Medicaid for vital healthcare services. More than 3.7 million have already lost coverage under Bush's watch. We should be shoring up the programs that provide health insurance coverage—not cutting them.

On the Medicare side, Republicans offer no proposals to improve the inadequate and disingenuous Medicare drug benefit enacted last year. Just yesterday, a new stud concluded that the Medicare hospital fund will be bankrupt in 2019, seven years sooner than predicted a year ago, partly due to the new benefit which funnels money into private health plans. Also absent from this budget are other proposals that could improve the Medicare program, such as funding for increase nursing home staffing and quality improvement or fixing the flawed payment system for doctors. Nor are there any proposals to protect the Medicare program from being overcharged and defrauded by private insurance companies and Health Maintenance Organizations. And of course, there is the similarly outrageous effort of this White House to hide from both Democratic and Republicans the true cost of their Medicare privatization bill, which truly makes me wonder whether any of their budget numbers can be trusted.

In education, No Child Left Behind is already dramatically underfunded and this budget will continue this indignity. We cannot leave the States to pick up the tab for this federally mandated program. Special education, after school programs, teacher training, Pell grants, Perkins loans, and vocational education are all either frozen or cut under this dreadful budget. I wonder if my colleagues on the other side of the aisle are trying to ensure that public schools fail so they can privatize the entire system?

This budget continues the Republican war on the environment. The President and Republicans will try to sound like they are environmentalists, but the truth is in this budget which contains drastic cuts to major environmental protection programs. Budget cuts will be felt in a variety of areas including enforcement inspections; less money available than needed for safe drinking water; inadequate funding for cleanups of Superfund sites and leaking underground storage tanks; and fewer brownfields grants than authorized by the new law signed two years ago. My colleagues would rather give tax cuts to their buddies than invest in clean air, clean water and cleaning up toxic waste sites. For the next five years, the Republican budget provides 10.5 percent less than what is needed just to maintain services at the current level. More noteworthy, their funding levels in 2009 will still be $901 million below the 2004 enacted level. My Republican colleagues obviously fail to keep our Nation's commitment to a healthy environment.

Our troops and veterans are also betrayed by this draconian budget. Mr. Chairman, we made a promise to our service men and women: Serve your country and we will take care of you. This budget is yet another promise broken by this Administration and Republican Congress. These men and women are willing to risk their lives for this country and this Congress and President will not even guarantee basic benefits for healthcare and housing. We cannot treat our men and women in uniform with such disregard and disrespect. Particularly during this time of war, we must treat our veterans and soldiers with the utmost honor and dignity. Thirty thousand veterans are waiting six months or longer for an appointment at a VA hospital. This is a total outrage, and this budget does nothing to help. In fact, this budget raises healthcare costs for up to 1 million veterans. In addition, my Republican colleagues refuse to eliminate the disabled veteran's tax, which forces disabled military retirees to give up one dollar of their pension for every dollar of disability pay they receive. The Republican budget continues to require nearly 400,000 military retirees with service-connected disabilities to continue to pay the disabled veterans' tax.

Mr. Chairman, I strongly support the Democratic budget and urge my colleagues to do the same because it will keep the promise we made to the American people—unlike the budget being served up by our Republican colleagues. The Democratic alternative will cut the deficit in half by 2007 and balance the budget by 2012. The Democratic alternative matches the Administration request for defense spending and adds funding for homeland security. We need to get back to fiscal responsibility and get the Nation's economy back on track. We need to take care of our veterans, and our children and our environment. We need to make sure our citizens have healthcare and education opportunities. the Democratic budget is responsible and sensible and I urge my colleagues, regardless of party, to support it. The Republican budget is not worthy of support by any responsible American.

Mr. SAXTON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, March 23, 2004, all time for general debate has expired.

Under that order, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BURGESS) having assumed the chair, Mr. SIMPSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, had come to no resolution thereon.

COMMUNICATION FROM CHIEF OF STAFF OF HON. ZOE LOFGREN, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from David R. Thomas, Chief of Staff of the Honorable ZOE LOFGREN, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, March 23, 2004.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a grand jury subpoena for documents issued by the U.S. District Court for the Southern District of New York.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,

DAVID R. THOMAS,
Chief of Staff.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

EXCHANGE OF SPECIAL ORDER TIME

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, I ask unanimous consent to take the time of the gentleman from Florida (Mr. BILIRAKIS).

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

WOMEN'S PROGRESS IN IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. GINNY BROWN-WAITE of Florida) is recognized for 5 minutes.

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, I wanted to take a moment to report on the progress of women in Iraq. I am the vice-chair of the Congressional Women's Caucus, and it gives me great pleasure to tell about the progress that we have made.

Iraqi women greeted the capture of Saddam Hussein on December 13 with joyful relief. As one woman reported from an Iraqi women's conference taking place in Jordan, Almost all broke into tears and sobs that the man who had managed to reach into every individual's personal life and rip it apart by killing their husbands, sons, and fathers, and raping and maiming their daughters, their mothers, and very often themselves, was brought to justice.

The United States is working with women in Iraq on programs that will broaden their political and economic opportunities and increase women's and young girls' access to education and health care.

In early 2003, the United States Government committed approximately $2.5 billion in humanitarian and reconstruction aid to Iraq, and women were and still are full partners in this process. However, women's involvement in politics in Iraq actually is nothing new. Women have a long history of being involved in their country's development.

Prior to the Baathist regime, Iraqi women were the vanguard of women in Islam. I would note that the first woman's organization in Iraq was actually formed in 1924. The signing of an Iraqi interim Constitution on March 8 marks the beginning of a new role for women in the country. The Coalition Provisional Authority, or CPA, and the Iraqi Governing Council agreed to a process to restore Iraqis' sovereignty beginning with a fundamental law leading to a permanent Constitution. They agreed that a Bill of Rights would ensure equal rights for all Iraqis, regardless of gender, sect, or ethnicity.

Let us talk about the women's role in the new government. Three Iraqi women who are members of the new Governing Council are fully engaged in promoting the involvement of women in Iraq's future. An esteemed former female Iraqi judge in the Ministry of Justice is undertaking a review of all laws, legal practices, and the legal profession in Iraq for ways to increase equality and participation of women. The Ministry of Labor and Social Affairs has adopted a policy of equal access to services and benefits for all of those who are eligible. And this policy will ultimately expand services as well for a larger quantity of Iraqi women.

Quotas restricting the entry of women into certain university courses have been raised or lifted altogether. Iraqi women's organizations are being created to expand opportunity for women to improve their lives and those of their families.

Let me talk more specifically about what kinds of activities are taking place and what kind of progress is actually being made.

After the fall of Saddam Hussein in 2003, Iraqi women were among the first demonstrators and have steadfastly sought equal rights. On a very brief trip that I took to Iraq, I spoke to many women and they are indeed very, very happy with American action.

EXCHANGE OF SPECIAL ORDER TIME

Mr. PEARCE. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Florida (Mr. MARIO DIAZ-BALART).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

APPEASEMENT DOES NOT WORK AGAINST TERRORISTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. PEARCE) is recognized for 5 minutes.

Mr. PEARCE. Mr. Speaker, the images of 9–11 are very vivid in my mind. That unsolicited, unprovoked attack on the American population is one of the most heinous things that this generation will see.

Mr. Speaker, we are given two choices when we are struck like that. We can choose appeasement. That was the policy of the preceding 10 years.

□ 2145

Appeasement where we do not respond or we can respond to try to stop the threat. Under President Bush we have responded. President Clinton chose appeasement. If you watch the graduation of the attacks under the appeasement policy of President Clinton, you will see that the attacks began to escalate. The severity of the attacks began to take a greater toll.

The terrorists have one thing in mind when they attack innocent civilians and countries that have not provoked them. They desire to create instability, understanding that if they create economic instability, they will create political instability.

That was the mode of operation for the terrorists as they graduated through the 1990s. We recall that the World Trade Center was struck previous to 9/11. It was struck 10 years previous. On 9/11 we lost over 2,000 lives and it cost our economy $2 trillion, and it is still costing today as businesses face increased insurance premiums to cover the losses of that 1 day.

When I hear critics talk about the war and the cost on the war, and it is an expensive war, make no doubt about it, the costs are up around $200 billion now. $200 billion though is not yet 10 percent of the cost of that 1-day strike.

The President has boldly fought back. Dramatic things have been done since 9/11. The President has caused Saudi Arabia to dismantle the funding mechanism for the terrorists, the funding network that was established in Saudi Arabia, a worldwide network marketing nuclear components for nuclear weapons that was created by A.Q. Khan, a Pakistani. That network in a marketed nuclear armament has been dismantled. We are now in the process of collecting back the things, Mr. Speaker, that he sold to nations.

In Afghanistan the Taliban has been uprooted. They are out. Al Qaeda is on the run. That training camp where they trained 20,000 terrorists during the 1990s no longer exists, Mr. Speaker. And it is because of the bold action under this President. Libya has admitted to their participation in the weapons of mass destruction and they voluntarily have given up their weapons after the President took his bold action in Iraq.

Mr. Speaker, Iran is acknowledging their problems and their willingness to create weapons of mass destruction. Pakistan now is helping us fight the war on terror and just days ago was involved in a tremendous fire fight along the Afghanistan-Pakistani border.

Mr. Speaker, those are the responses of strength. And I will tell you that we are going to fight the war on terror; 9/11 declared it to be that way. If we are going to fight the war on terror, I choose to fight it in their country rather than in this country.

I traveled to Iraq at the end of October and the first of November. I visited our troops there, wanting to express my appreciation for what they were doing. As a soldier in Vietnam, I never received one communication from my Congressman, but I did want to communicate to these young men and women how much I valued what they do because they are changing the tide of world history.

If we were to sit and always choose appeasement, if we were to sit and not respond, I would guarantee you that our economy would not survive another 9/11. On 9/11 I was in Paris, France, on a vacation. We were delayed 10 days in getting home. When we arrived, we arrived at Dallas-Ft. Worth Regional Airport, an airport that today when I travel through it has thousands of people every day. That airport was essentially shut down. There were no taxis. The hotels were empty.

We will see our economy completely collapse if we continue to let strikes like 9/11 happen without response.

The President has given bold response. Our soldiers are acting responsibly. They understand the value of what they are doing. They tell me they have pride in their accomplishments. I see the reconstruction is having dramatic effects. The Iraqis themselves believe they can create liberty.

Mr. Speaker, the President's responses of strength are a tribute to the great leadership that he is bringing to this time of great stress; and I would like to support him in that.

TIME WILL PROVE WAR TO BE RIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. BISHOP) is recognized for 5 minutes.

Mr. BISHOP of Utah. Mr. Speaker, it is still an honor to stand in this body and speak to those Members of the House who are assembled.

Historians and politicians, political scientists, play parlor games, one of which is to rank the Presidents from best to worst. In that group almost always Washington, Roosevelt and Abraham Lincoln are put as the top three; usually Lincoln is listed as number one. They are able to do that because of the 20/20 hindsight of history, because of the dogged tenacity which prohibited him from taking a shattered country that was mired in what some people have called the "19th century Vietnam" and extracting themselves from the war even though he would have received critical acclaim from liberals at that time.

That same tenacity that we respect today was the element of criticism that was intense and unfair to him while he lived. The New York riot that took place in 1863, lasting 4 days, killing 105 people, when even the New York Times put three Gatling guns on the roof and in their windows to protect them, was blamed on him.

Horace Greeley in 1864 of Lincoln wrote, "Our bleeding, bankrupt and almost dying country longs for peace." The Democratic platform that same year said that after "four years of failure to restore the Union by the experiment of war, we demand immediate efforts for cessation of hostilities."

A leading newspaper wrote that there is a "cowardly imbecile at the head of the government." And a Congressman said, "I am heartsick at the mismanagement of the Army and disgust with our government is universal, probably even amongst some of our European friends."

Sound familiar? I am sure, because those same feeble criticisms have been thrown at the U.S. policy in Iraq. Lincoln was great, just no one told his critics that he was. But that same mold of critics tells us the Iraqi policy has failed. Unfortunately, no one has told the Iraqis of that fate.

They still recognize that they have more power generated now than they ever had in their country. Two-thirds of all the water projects have been restored. There is a 6,000 percent increase in health funding in the country. All the hospitals, all the colleges, all the technical schools are now open again. Five-and-a-half million students go to school every day without having to say, "Long live Saddam Hussein" every morning. Seventy percent of the Iraqis see their future as better and brighter with a spirit, a new form of government and new policemen and soldiers who are enlisting every day. The impact has been significant in that particular area.

This is an area of the world where some people, of which the Baathist Party in Iraq is an example, have viewed the Byzantine Empire as the time when everything was right and the Mideast was the center of the world; and that, today, is an aberration. And many of those people have tried to find in the history of the 20th century quick-fix solutions to change that and rewrite the world as they see it.

Before World War II, and the Baathist Party is an example of this, they attempted Fascism while they supported the Axis powers until they realized that was not the access that they needed. They flirted briefly with Communism in the 1950s before they found that was not an access that was needed. They tried the Pan-Arabism of Nasser in the 1950s and 1960s and they found that was not the access. And, today, many of these elements have used terror as, hopefully, the access to right the world.

If this country is ever going to have a future, it must ensure that terrorism is never viewed as a successful policy by any state or any subgroup of a state to try and change the world.

Historians have praised Lincoln for the same qualities that his contemporary critics blamed him for. Historians, I am convinced, will pass praise on America's policies in Iraq which have ended a dictatorship of 30 years, mired in blood and horror and terror that destabilized his region with the ultimate goal of destabilizing the entire world.

It is right what we have done to try to restore the balance in the world.

PROTECTING OUR FUTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. MCCOTTER) is recognized for 5 minutes.

Mr. MCCOTTER. Mr. Speaker, I rise for the purpose to speak on Iraq and maybe address a couple of myths or omissions that may have been missed in this.

First, many of my constituents are Iraqi-Americans and much of what we hear today in some quarters is oddly reminiscent of what we heard in this country for about 140 years. There are those people who have claimed that the Iraqi people know nothing but an oppressive dictatorial government and that they will never take to democracy. They will never be able to take control of their lives and form a better future.

In the past, within this country, we heard those same remarks made by slave owners trying to justify that African Americans should not be free. I think this is doing a horrible disservice to the Iraqi people whenever they hear from this country, from whatever corridor, that they will not take to democracy.

The United States is an experiment in democracy based on the thought that through our revolution all people would see that liberty is to be enjoyed, defended and savored. The Iraqi people will do no less than we did at our own inception.

Secondly, I think that in the fallout over Spain's decision in the wake of the terrorist attack to leave the Coalition, many people have been led to believe that the terrorists will only attack those whose foreign policy is a problem for the terrorists. And yet little noted is that the French Government has decided that Muslims cannot wear traditional headdresses in their public schools have now become also a potential target for terrorist attack.

Let us be clear here, it is not simply a matter of foreign policy as to whether the terrorists attack you or not, whether you are American or whether you are European. The whole goal is to affect lives, be it the foreign policy decisions or your internal decisions of your own government.

Which I think gets to a third myth, which is that some people believe that we through our actions will determine what the terrorists will do or not do to us.

Having seen al Qaeda's motto, for wont of a better word, I do not see any exception to their belief that it is a Muslim duty to kill American soldiers and civilians. There is no codicil. There is no caveat. And I would encourage Americans to do what many in Europe did not do upon initially reading Mein Kampf, that you are best to take a lunatic at his word, especially when he talks about killing you, killing your children and destroying your way of life.

In the overarching context of the situation in Iraq, the stakes could not be higher, and I believe that many people in both parties agree with that. If we fail in Iraq, the success we have had in helping to eradicate terrorism there and throughout the world will be dealt a major blow.

If we choose to retreat from that commitment, if we choose to pull back to our own borders and try to rely upon intelligence and law enforcement, as we did prior to September 11, we are going to be faced with a terrible situation of prolonging the war on terror. Because if we do not take the war to the terrorists, as we have done in Iraq, as we have done in Afghanistan, then the terrorists will bring their attacks to us and we will prolong the war on terror well into the lives of our grandchildren. And I do not think that that is a situation anyone in this country, in this Chamber would like to see.

□ 2200

It is easy sometimes when we look back, we were told after we defeated European communism that it was the end of history, that liberal democracy would face no external threat capable of destroying it. It was tempting to believe it; but as we found out, it turned out not to be the case.

As a revolutionary country, as I stated before, we are always going to be a target for terrorists, tyrants and other despots bent on world domination. It is unfair to us, we who seek to live in liberty and seek to have amity with our neighbors and our international community; but liberty is our blessing. It is also our burden, and it is a burden generations of Americans before us have shouldered and is a burden our brave men and women in Iraq and the military are shouldering now and one we cannot turn our back on. For if we do, we will not only be inviting more terrorist attacks here, we will be renouncing our birth right as Americans to live in freedom and renouncing our duty to defend it.

WE ARE MAKING PROGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. HOEKSTRA) is recognized for 60 minutes as the designee of the majority leader.

Mr. HOEKSTRA. Mr. Speaker, there has been a lot of discussion about the progress, and I applaud my colleagues for talking about the issues, with Iraq and the war on terrorism.

I have got to tell you when I flew out here on Tuesday afternoon, and you have a question as to whether of not we are winning the war on terrorism, but the question is whether we are making progress. Just a small note in USA Today, on Tuesday, on page 8, "Inspectors complete the Libya arms inventory."

It was only about 4 or 5 weeks ago that I had the opportunity to travel to Libya and to meet with Colonel Qaddafi. We had planned the trip to Iraq and Afghanistan in December, never expecting that 6 short weeks later we would be invited to go to Libya and to meet with Colonel Qaddafi to talk about the change in the attitude that has been highlighted for the last 6 or 8 weeks.

Qaddafi's mea culpa on terror. Libya explains reversal, sees new era with the United States. What does that mean? What does that mean for the war on terrorism? Here is a real benefit that I think is an indication that we are making progress.

The inspectors complete Libya arms inventory. International inspectors completed their inventory of Libya's chemical weapons stockpiles and confirmed that the country's only chemical weapons factory had been disabled, a watchdog organization said Monday. The inspectors said Libya had more than 20 tons of mustard gas and the materials to make thousands of tons of saren nerve gas.

The Organization For the Prohibition of Chemical Weapons said it had inventoried materials at two storage facilities. Libya announced in December that it was scrapping its nuclear and chemical weapons programs in hopes of ending international sanctions. Washington has already lifted most sanctions.

Libya is also working with inspectors from the International Atomic Energy Agency of the United Nations to dismantle its nuclear weapons programs.

Who would have thought that a few short months ago, who would have thought a few short months ago that we would have made that type of progress with Libya?

For more than a decade, probably closer to 2 decades, Libya had been identified and characterized as a state sponsor of terrorism. It is obvious that with what the experts have found in Libya, the tons of mustard and saren gas, that they had an active chemical weapons program. Also, through the negotiations and through the relations that they have made, we have got much better insights into their nuclear program, not only the status of how far their nuclear program had advanced, but perhaps more importantly, how they had gained access to the nuclear materials, the nuclear technology and the equipment to get into the nuclear business.

By learning how they gained access to these materials, we have a better sense of what other countries might have been able to acquire, when they might have been able to acquire it, and how far they might have progressed in their own nuclear weapons programs, countries like Iran and countries like North Korea.

Once we have identified the distribution network, the marketing network, the group of individuals, the organizations that made these materials available, it has given us an insight into the nuclear proliferation program that we never had before. There is no doubt that we are making progress in the war on terrorism that has been identified through much of the 1990s.

Some say that this President, President Bush, was the one that after September 11 identified this new threat. Some say he pulled it out of the air; but when you take a look at the evidence, you see that a war on terrorism and the threat of terrorism had been identified through much of the 1990s.

President Bill Clinton, February 17, 1998, here he is talking about Iraq. They have harassed the inspectors, lied to them, disabled monitoring cameras, literally spirited evidence out of the back doors. Continuing, and they will be all the more lethal if we allow them to build arsenals of nuclear, chemical and biological weapons and the missiles to deliver them. We simply cannot allow that to happen. There should be no doubt, Saddam's ability to produce and deliver weapons of mass destruction poses a grave threat to the peace of that region and the security of the world. There is no more clear example of this threat than Saddam Hussein's Iraq. His regime threatens the safety of his people, the stability of his region and the security of all the rest of us. A rogue state with weapons of mass destruction, ready to use them or provide them to terrorists who travel the world if we fail to respond today, Saddam will be emboldened tomorrow by the knowledge that they can act with impunity. I have no doubt he would use them again if permitted to develop them.

So during much of the 1990s, President Clinton identified not only the threat of Iraq but the threat of terrorist organizations coming from rogue states or coming from safe havens who would threaten the lives of American citizens and the security of the United States. What did others say?

Some of our Senators have said, Iraq possesses a chemical weapons program and a biological weapons program. Name another leader on the face of this Earth who has decided not once but on numerous occasions to use weapons of mass destruction against his own people and his neighbors. Name one other country. Only Iraq, only Saddam Hussein.

Another Senator has stated, Saddam Hussein's weapons of mass destruction programs and the means to deliver them are a menace to international peace and security. They pose a threat to Iraq's neighbors, to U.S. forces and the Gulf region, to the world's energy supplies and to the integrity and credibility of the United Nations Security Council.

Now, because of the customs of the House and the rules of the House, I cannot identify the specific individuals who have made those statements; but the interesting thing to me, and I can share the names with my colleagues off-line, not here on the floor of the House, but I can share the names with my colleagues, and now it is some of these same individuals who are saying it was all made up. Excuse me. These individuals were saying the same thing and identifying the same issue that President Bush identified when he took action after September 11; but more importantly, almost immediately after taking office, President Bush identified that terrorism was a threat and that maybe the United States should consider alternative strategies.

During much of the 1990s, we treated terrorist attacks as criminal acts. We waited for the attacks to occur. We put in place our policing authorities and our police resources, and then we prosecuted them as crimes, tried to find the bad guys and to prosecute them as crimes.

In 2001, after watching what happened during the 1990s, the successful attacks on the World Trade Center in 1993, the attacks on our barracks in Saudi Arabia, the attacks on our embassies in Africa, the attacks on the USS *Cole*, all together creating a devastating loss of life, this President said, you know, maybe it is time that we should at least consider alternative strategies rather than treating these as criminal activities, recognizing them for what they are.

Mr. PEARCE. Mr. Speaker, will the gentleman yield?

Mr. HOEKSTRA. I yield to the gentleman from New Mexico.

Mr. PEARCE. Mr. Speaker, I thank the gentleman for yielding, and I would note that even when President Clinton was making the allegations about the strength of the effort in Iraq and about the threat that Iraq posed to the world, he was systematically dismantling the information-gathering network that the United States had in place. He began to pull the operatives out of our spy networks so that we had no information on the ground. The Clinton administration was saying that we will gather that information electronically, we will use satellites and we will use monitoring of phones.

The truth is you cannot know actions until you understand the heart of the individuals who are planning actions, until you can assess the threat by listening to the rhetoric; but President Clinton dismantled that at the same time he was acknowledging the threat, and President Bush was faced with a situation in the world where we did not have information and we were struck without warning, without provocation.

I think that before we consider all the ramifications, if we are to listen to the left, talk to America today, about retreating away from the war, about coming back home, about the mistakes they are claiming that we made, we have to understand the risk of retreat.

We have now Pakistan who is engaged with us, but it would guarantee instability and overwhelm the President of Pakistan if we were to retreat. The fundamentalists, the extremists in Iraq would overwhelm the growing government process there. Our friends who have helped us get there, Saudi Arabia and Kuwait, would face certain instability if we were not there to offer the moral support and the troop strength which we are offering today.

It was well-known through the 1990s the threat that Iraq and many of the terrorist states, the risks that they posed to the United States; but in treating these not as acts of war but as a crime, like my colleague has said, we have to understand that the person who perpetrated the 1993 attack on the World Trade Center was actually in prison. He was only a criminal. It was his uncle who conducted and led the 2001 attacks with the certainty that they had communicated frequently.

The failed policies of appeasement simply are not going to work in this war on terror; and if we understand that the instability of the world is the goal of the terrorists, that through the instability they represent a very small percent of the population but they will gain tremendous power in instability, we begin to understand why they are doing what they are doing.

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague for yielding back, and when my colleague is talking about what was happening during the 1990s, I am on the Permanent Select Committee on Intelligence, and I have had opportunity to go back through and look at what happened during the 1990s.

What he was talking about and describing was what we described as the Deutch Doctrine. The Deutch Doctrine or the director of the CIA who in 1995, 1996 decided that they would kind of cleanse and purge our intelligence network, believing that, yes, we could rely on satellites and electronic eavesdropping to get all of the information that we needed, that with the collapse of the former Soviet Union, the end of the Cold War, the need for spies was gone, and in reality what happened after the collapse of the Wall, a very new threat was emerging. There are statements from President Clinton, from his administration, that clearly identified that this threat was emerging.

☐ 2215

They all saw terrorism as something that was coming, but they put in place a series of policies. One of the things that I give President Bush a tremendous amount of credit for, after September 11, he never went back and said, you know, I wish that this had happened during the Clinton administration; or, boy, they really left me with the cupboard bare, no spies, no intelligence capabilities, no human intelligence collection capabilities. He recognized that fighting the war on terrorism is a very, very difficult process with a lot of different strategies that should be employed.

That is why shortly after he took office he brought together his team and said we need to explore other alternatives. We will continue moving full speed ahead on some of the more aggressive policies the Clinton administration had put in place, but we are not going to back and publicly critique the Clinton administration for what they did or did not do. That is not the issue. We are fighting a war on terrorism, and it is time to put in place a strategy and a program that we believe will be effective. So we started rebuilding human intelligence.

What happened under the Deutch Doctrine in 1995–1996, what happened is we said, number one, we are not going to recruit people who have human rights violations or who have criminal records. When you look around the room of Saddam Hussein's cabinet and you see who is sitting at the table, you say I wonder how many of those folks do not have criminal violations or human rights violations. Obviously, none of the folks inside the room are going to qualify to give us the information that we need. These are individuals who systematically have executed at least 400,000 of their countrymen. The estimates range from 1.2 to 1.5 million of their countrymen are buried in mass graves around Iraq.

These are people who used weapons of mass destruction. Yes, they used chemical weapons. It is not a question whether they had them. They used them against the Iranians and they used them against their own people. Obviously, none of the people who had some insight into what Saddam Hussein was thinking were going to qualify to work for our Central Intelligence Agency. The people sitting in a cave with bin Laden planning and training terrorists in Afghanistan and the remote regions of Pakistan, would they qualify to work for our Central Intelligence Agency in 1995 and 1996? Absolutely not. So we knew we could not recruit any more individuals.

But then the Deutch Doctrine went one step further. They said we are going to scrub the assets that we currently have. What does that mean? That means that for those folks already spying for the United States and trying to tip us off and give us the information we need to stay secure, if we have people on the payroll of the Central Intelligence Agency who have human rights records or criminal violations, we are going to scrub them. They are gone.

These are individuals who had made the decision and obviously they did things that were pretty damaging and ugly in the past, maybe were still involved with regimes that were doing that, but had committed and said we are willing to give information to the United States, for whatever their motivations, whatever they may be, whether it is money, whether it is sanctuary, whether it is a promise that they are not going to be prosecuted for their crimes. Whatever their motivations or agreements that they had, they were now being told, sorry, thanks for helping us for the last 3 years, 5 years; you are no longer part of the program.

They are sitting there and saying, let us see. We made this commitment to the United States, we have been feeding them information for such number of years. They have now sold us out. I wonder how long before they tell people who we are.

What happened during the mid-1990s, our intelligence community was gutted from exactly the resources that we needed to fight a war on terrorism, which is human intelligence. Not a satellite that tells us there is a building and a suspicious truck going in and out that has some materials on it that if you put it together, X, Y, Z, it is a legitimate material; but if you put it together differently, it becomes a weapon of mass destruction or a toxic gas.

We did not understand the plans and intelligence of the terrorist organizations that we were fighting and that posed a threat to us. So we end up getting into, just prior to 2001, as the planning for the attacks were going on, understanding very little about our enemies other than knowing they are out there and consistently highlighting them, whether it is from President Clinton, whether it is from our colleagues in the other body, or whether it is from other members of the Clinton administration.

Mr. Speaker, I yield to the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. Mr. Speaker, the gentleman brought up a personality trait of the President. When he inherited a bad problem, the President did not whine about it, did not take it to the American public, did not point fingers. He just set to work to solve the problem. There are many things that the President could have talked about that existed in the military at the point that he took over. Raises had been ignored for the 8 years under President Clinton; the inventory of our weapons were depleted seriously through many actions taken under President Clinton. Spare parts for vehicles and tanks were depleted, and the maintenance readiness status of our equipment was sadly lacking; but the President has not said one word about that during this war. He simply went to work, asked for the money to take care of the problems, and began to take care of the problems.

Today, I heard a speaker who described leadership as seeing a need, then taking a personal responsibility to take care of that need. As I look back on the President's performance since 9/11 in a situation that was tremendously challenging for any person, I see a person who saw a need and took a personal responsibility to begin to address the problems. He has addressed them well. If we look at the changes since 9/11, we see the dramatic changes in the situation in the world today. He talked to our friends in Saudi Arabia and said there were networks financing terrorism there, and that has changed. He compelled them to make a change in that.

Today Saddam Hussein is not in power, but instead is in prison. Who can forget the image of that leader who had killed a half a million people, his own people, and here was that leader, that vicious, violent leader crawling out of a hole in the ground where he had been hiding, whipped and beaten by the steadfast determination of American forces to rid the world of that evil and to keep him from doing more destruction, either in the world or to his own people.

Afghanistan this summer has already had elections. They are looking at a Constitution that is offering new freedoms in that country. Iraq has approved the temporary Constitution, the one that for the first time gives women rights in that Middle Eastern country, one that recognizes private property rights.

Children are back in school in Iraq today because of the President's actions. As my colleague has mentioned, Libya has given up their chemical and nuclear weapons. Iran is acknowledging their participation in this dramatic build up of weapons of mass destruction. The Pakistani President has vowed to fight terrorism in his country with his troops and is doing a dramatic job of that.

These are significant changes in the history of the world. And make no mistake about it, if the changes were not made to the better, toward the more stable governments, the changes will be made in the world to more unstable governments. That is the choice in the world today, stability versus instability. It is not so much a question of those countries that are democrat or not democrat. The question is stability and the protection of humans and human rights in those countries.

So the President inherited a military that was depleted, one that seemed to be on its heels. I would point out that when I went to Iraq in October and early November, I talked with many of the soldiers there. For 3 days we had lunch and dinner with American soldiers, both men and women fighting the fight. Every day I would walk through the large dining halls of 800 or 900 people, and I had a chance to visit with a lot of young men and women. In unison and one by one they said please tell the President we love him. That was prior to when the President went there on Thanksgiving morning. When I saw him about to come around that curtain, I realized what the American troops would say to him because they had said the same thing to me a month earlier.

Mr. HOEKSTRA. Mr. Speaker, I think the gentleman probably agrees with me that one of the most rewarding things to do during a trip to Iraq is to meet with the troops, especially those troops patrolling the streets of Baghdad, especially those troops rebuilding the schools and health clinics, doing the different construction projects around Iraq, because they are the ones that are interacting on a daily basis with the people of Iraq. They are the ones who are experiencing firsthand the sincere expressions of gratitude and thanks for the work that the United States and our coalition partners have done.

People ask, Is Iraq better off today than what they were before? Before they were under a dictator that was killing them. We have heard the stories of what his sons would do. One of the troops that I met with this week indicated he had an opportunity to talk to someone who told him a story about the excitement that the Iraqis are expressing about fielding an Olympic team. There is a young boxer who is looking forward to making the Olympic team. His brother was a boxer for the Iraqi team before, but his brother lost an international match. He got back to Iraq, was picked up and was never seen again. His brother figures somewhere in a mass grave is his brother killed and buried for the simple fact that Uday or Qusay said you did not do a good enough job, and you are dead. There are many stories of what Uday and Qusay would do in the streets of towns where they had palaces. It was an unbelievable, brutal regime.

Mr. PEARCE. Mr. Speaker, as the gentleman was talking about the soldiers in the streets, there were three young men from New Mexico, and they brought me a picture from their patrol that morning. These young men were in their early 20s. They graduated from New Mexico high schools. I had watched one play in the State championship ball game. We talked about that game, but their greatest pride came from the recognition that was given to them by the Iraqis in the streets over a period of time. They said when they got there, people were peeking out of the curtains. They were unsure because they had been told for 35 years that the Americans had only one intent, and that was to kill when they came.

□ 2230

Yet through the weeks families became familiar with them being in the same streets and in the same alleyways, and protecting and guarding, and gradually they began to open their doors. On that morning, the morning they took the picture in the street, they brought it to me to put into my office here. One of the families brought out their young kids and held them up to see them eye to eye. He said it brought tears to his eyes to see the changes in the Iraqi people in just a few short weeks.

The greatest question that our solders ask us is, why don't Americans hear this in the American press? Why don't my mom and dad hear about the good things that we're doing on the streets? I could not give them an answer but when I was there in my 3 days I took 5½ hours of video. I have consolidated that onto a CD that I take into the schools in my districts and I talk over and over and over about the good things that American soldiers are doing there in the reconstruction, not only in the reconstruction of the facilities in Iraq, but in the reconstruction of the hope and the dreams and the human spirit that we see taking place right now.

Our young men and women are recognizing the very valuable thing they are creating in the human spirit in Iraqis, and both the young men and women got tears in their eyes when they were telling me about it.

I thank the gentleman for yielding for that brief story.

Mr. HOEKSTRA. I thank my colleague. I think we also want our colleagues to recognize in the times that we have been to Iraq, we recognize that Iraq is still a very dangerous place. Our troops will tell us that. There are Iraqis who clearly were part of the brutal regime of Saddam Hussein who received and reaped all the benefits of the Oil for Food program, the health care system and all of those types of things. Obviously, Iraq for them will not be a better place because now instead of the few benefiting from the riches of Iraq, all 26 million people will benefit.

Obviously, the terrorist organizations have made Iraq a battleground, the point of intersection with those who are fighting terrorism.

We recognize that Iraq continues to be a very dangerous place for our troops, for the Coalition troops and for the Iraqis that are working for us. The Iraqis that are now working for us are the targets frequently rather than Coalition forces.

My last trip 4 weeks ago to Iraq, we went to the police academy. The police academy is one of the first institutions of building a civil government after 30 years of a brutal regime, a lawless regime. We want to get a constitution in place, we want to get a set of laws in place as well, we want a police force in place, we want a judiciary in place, we want representative government in place, we want a free press. All of this stuff takes time, but one of the first building blocks is putting in place a functioning police organization.

The terrorists, recognizing that this is one of the first blocks that needs to be put in place, have now targeted the new recruits. In the week before we were there, over 100 recruits had been killed in two different bombings.

We went to the police academy where over 600 young men and women, young men and women, the new Iraq now creates opportunities for women. We went there to lay a wreath, to show our solidarity with the Iraqi police officers and the police recruits. As we got done laying the wreath, we then had the opportunity to go around and shake hands with probably 300 of the 600 Iraqi police recruits. You could see it in their eyes.

I think this is the experience that our troops go through. They see it in the eyes, in the faces of the Iraqi people, they feel it in the handshake that you get, a firm handshake, you hear it in the words that they tell you, the sincerity of saying "thank you," and I am sure that our soldiers have experienced the same thing that we did.

After they looked us in the face, after they shook our hands and after they said "thank you," they put their hand over their heart and brought it back to their side, demonstrating the sincerity and the earnestness with which they were expressing their thoughts and feelings to us for having American troops there, for liberating them from Saddam Hussein and providing them the opportunity. They recognize, these are young kids, they are 18 to 24, and they know that the day that they leave that academy, they have got a price on their head because the terrorist groups do not want the beginning of a civil society, and the police force is one of those first building blocks. So they leave that academy knowing that they are going to go out.

I think I just read this week again that in the last 7 or 10 days, another 20 Iraqi police have been killed. I am sure that some of those that have been killed, I would tend to believe that some of those that were killed were in that group of 600 that we met 4 weeks ago. But they were there, there is a new class there now, they are committed to building a new Iraq.

I yield to the gentleman from New Mexico. We have been joined by our colleague from Arizona.

Mr. PEARCE. I thank the gentleman for yielding. He is bringing up a very compelling story that occurred when I was in Iraq. We went to Kirkuk. At that town, we visited the police station. I am understanding that it is the same police station that was bombed several weeks ago in Iraq causing great damage.

But when we were there the police captain began to address this concept of liberty. He likened it to growing a garden. He said in his words that for the roses to grow in Iraq, the roses would have to be watered with Iraqi blood. He said, We're willing to do that. We're willing to shed Iraqi blood for Iraqi freedom. When I heard those words, I knew that Iraq, no matter what the trials, no matter what the troubles, would be in good shape as long as we are there to help, as long as we are there to help until they get their strength.

The only thing that can cause Iraq to suffer worse is for America to lose its resolve, because the Iraqi police at that station in Kirkuk said two things, Don't leave Iraq too early and do not leave Saddam Hussein loose. That was before we captured Saddam Hussein. We have taken care of the second piece but America cannot lose its resolve. Otherwise, the Iraqi people will pay dearly for the terrorists and the extremists who would go in and punish anyone who has cooperated with the United States or with the Coalition forces.

Again, I thank the gentleman for yielding.

Mr. HOEKSTRA. I thank my colleague. I thank him for being here tonight. There is no doubt that we are making progress in Iraq and not only do Americans continue to pay the price, and our Coalition forces, but the Iraqis who are standing with us right now are probably the ones that are really on the front lines that scare the terrorists most, because they are demonstrating to the rest of the Iraqis that they are willing, as my colleague said, to pay the price with their blood to grow the flower of freedom in Iraq.

I yield to my colleague from Arizona.

Mr. SHADEGG. I thank the gentleman very much for yielding. I want to compliment both my colleague from Michigan and my colleague from New Mexico for their leadership on this issue and for helping carry the message to the American people that what we have done in Iraq is working and that it has been a struggle that has been well worthwhile.

As my colleague from Michigan well knows, I went with him to Iraq in August, and we were there largely before any Members got in. We spent 3 days. As my colleague from New Mexico mentioned, he went to Kirkuk. We also went to Kirkuk and Tikrit and Mozul in addition, of course, to going to Baghdad. For anyone who has been there, it is a tremendous education to go and to meet the people and to see the progress that is being made. We were there early on.

It was interesting to me, you were discussing the threat that is posed to anyone who goes to Iraq right now. When we went, we were freely allowed to travel by helicopter and did indeed travel by helicopter from the Baghdad International Airport to downtown Baghdad and around downtown Baghdad and then to each of the other places that we visited. We spent a lot of time in helicopters.

My colleague from New Mexico mentioned having taken about 5 hours of video. I think I took about 20 hours of video, in part because that is what we were allowed to do. We had a fair amount of time in helicopters. It does show you a great deal about the country.

My first and probably most striking recollection of it, and this was in August, so the climate was different than it is now, was of taking off from Baghdad International Airport, and I had a TV news camera with me, and of shooting the neighborhoods surrounding the outskirts of Baghdad as we flew into downtown, and the young kids rushing out into the streets and out into the parks and waving up to us and giving us the thumbs-up and expressing their joy and their appreciation for what we as Americans have done for them.

Mr. HOEKSTRA. We were there in August and I think even then we also flew over the city and we saw the tremendous amount of commerce, the cars on the roads. Baghdad looked much like a functioning city until you got to some of the compounds where we had built the protected barricades. I can tell you that having been back there 4 weeks ago, the commerce has even expanded much more significantly.

There are more cars on the road. We drove by the gas stations. The lines are gone. The kids are still out there on the streets. It is still a dangerous place, but this is a place that is making progress.

Mr. SHADEGG. It seems to me as I listened to you each speak about this, it has got to be hard for the average American citizen to appreciate all that we have done, because we in America take our freedoms so much for granted. We cannot even imagine the kind of repression that they suffered.

The gentleman refers to commerce in the streets. One day, I believe when you were getting a classified briefing, I was up in a helicopter in our trip not eligible to get that classified briefing and we flew over a market. This bustling market with hundreds of people there buying and engaging in commerce was just a tremendous display.

Also, thinking about the perspective of the average American out there, it seems to me that we have heard so much about this issue of weapons of mass destruction and I think we are as a nation kind of second-guessing, well, was it appropriate to go, did we do the right thing given that David Kay and the others that we sent were not able to document huge stockpiles of WMDs?

Mr. HOEKSTRA. The gentleman is right. There has been so much focus on weapons of mass destruction. Let me read a quote for you:

> "There is no doubt in my mind that Saddam Hussein still seeks to amass weapons of mass destruction. You know as well as I do that as long as Saddam Hussein stays in power, there can be no comprehensive peace for the people of Israel or the people of the Middle East. We have made it clear that it is our policy to see Saddam Hussein gone."

Mr. SHADEGG. Bill Clinton?

Mr. HOEKSTRA. Everybody would say, of course, that is George Bush, January 2002. No.

We have made it clear that it is our policy to see Saddam Hussein gone. "If entrusted with the presidency, my resolve will never waver." Al Gore, May 23, 2000.

These people are now revealing these secrets that the President had this secret plan to get rid of Saddam when he came into power. Excuse me. This was the policy of Bill Clinton in 2000, forcefully articulated by then-Vice President Al Gore saying, "We have made it clear that it is our policy to see Saddam Hussein gone."

Mr. SHADEGG. I think that is a great transition for a point I wanted to make about the whole issue of WMD. Some now, in hindsight, would say, Well, the entire rationale for going to war was WMD. They try to make the argument that only now are we justifying our effort in part on liberating Iraq from the awesome and repressive rule of Saddam Hussein. What they forget is that the technical, legal reason for going to war in Iraq was, in fact, fully satisfied. They do not want people to think about that anymore. Even some people on this floor do not want you to think about that.

But David Kay, the weapons inspector with whom you and I met in Iraq, who in fact was not able to demonstrate or establish beyond a question of a doubt now that there are stockpiles of weapons of mass destruction, told me a week ago here in this Capitol building pointblank that there was absolutely no doubt but that Saddam Hussein was in violation of U.N. resolution 1441 and of the earlier U.N. resolution, I believe the number is 468, maybe you can recall the number, but, and this is David Kay, said there is absolutely no question but that Saddam Hussein was in clear violation as of when the war started of both U.N. resolutions. That was the legal premise for going to war in Iraq.

Mr. HOEKSTRA. Going back to the speech by then-Vice President Al Gore in May of 2000:

> "As Senator I voted for the use of force, as Vice President I supported the use of force. If entrusted with the presidency, my resolve will never waver."

And then, going on, talking about this time in the case of Iran, but it is also true for Iraq:

> It is still a major sponsor of terrorism, a seeker of weapons of mass destruction. That is a deadly and an unacceptable combination.

There is no doubt that the Clinton administration and, at that point in time, Vice President Al Gore got it right. Iraq was a threat to the United States, Saddam Hussein had to go and that was a policy and a vision that was carried through under President Bush and his new administration with one big difference. Saddam Hussein, al Qaeda, bin Laden, the war on terrorism were seen through a very different lens. They were seen through the lens of 9/11. And so what we had to do is we had to take a look at the broad expanse of terrorism and the threats that were out there, recognizing that terrorists do not take a break. They do not take a vacation. 24/7 they are looking at how they are going to attack the United States, when, how and where.

There is only one way you can respond to that kind of a threat with people who are, I believe, fully committed. If they got their hands on weapons of mass destruction, the technology, they would manufacture them, they would use them against us, they would use them against the West and against our allies.

□ 2245

And the only way to stop them is not to negotiate with them, but is to put the pressure on them 24–7, 365 days a year.

Mr. SHADEGG. Mr. Speaker, I think the point is precisely made. I think it is exactly right. It shows that this administration was willing to take action. The kind of fine point I want to put on it was in addition to all of those things, the legal rationale for the war was their violation of the U.N. resolutions. And in point of fact, those resolutions said that if Saddam Hussein and Iraq did not comply with the U.N. resolutions, then the United Nations and the world would be justified in taking whatever steps were necessary, including force, to enforce the resolutions. And that was the legal basis for the war, and I think that is an important point to understand.

But the gentleman has raised a wider issue, and that is the war on terror. And it seems to me that today of all days we ought to talk a little bit about the war on terror

Mr. HOEKSTRA. Mr. Speaker, I think that is a key word that we need to spend time on, maybe not tonight, but that the American people and our colleagues need to think about. Are we really at war? It was not that long ago that we had the opportunity to be at an event where one of the deputy Secretaries of the Defense Department, Steve Cambone, spoke and was very definitive. And he said we are a Nation at war, that we do not know exactly how long it will last, but it will not be short, recognizing that we are at war in that the situation that we face is very different, and we should realize it is different than how we treated it during the 1990s which was what my colleague and I talked about earlier, saying that these are just random criminal activities. This is much more serious.

Mr. SHADEGG. Mr. Speaker, I just wanted to take the conversation forward to some of the events of today. We are at war, and it is a war against terror. And of course the news of the day is the investigative work of the 9–11 commission and the question of whether or not either the Clinton administration or the Bush administration appropriately has responded to the war on terror, that the kind of overarching news on that is the criticism which has surfaced in the last few days by this Richard Clarke of the Bush administration, a rather scathing book that he has written saying that the Bush administration did not take the war on terror seriously enough before 9–11. And he testified today before the 9–11 commission.

I happened to be in a position to watch his testimony, at least a substantial part of it, and I thought it absolutely fascinating because it was brought out in his testimony today that while he was accusing and is accusing the Bush administration of not having been sufficiently aggressive in the war on terror before 9–11 and in his testimony he detailed his frustration in not being able to get the Bush administration to do as much as he wanted, one of the members of the commission brought forward the text of a briefing that he, Richard Clarke, had given to the press in February of 2000 and again, I believe, in June of 2000. And the text of this briefing by Mr. Clarke said the exact opposite of what he is saying today. The text said, and this was a briefing by Mr. Clarke to the American press on the Bush administration's efforts on the war on terror, and he said the Bush administration is going far beyond what the Clinton administration had done. And at one point, he said, for example, in this particular aspect of the war on terror, the Bush administration has increased funding fivefold. That is a direct quote from Richard Clarke to the American media in a briefing he presented at the White House to our media about the efforts of the Bush administration.

In the course of the questioning, the questioner said, Mr. Clarke, that statement that the Bush administration was being much more aggressive in its efforts to go after the war on terror seems to stand at odds with the premise of your current book. And he went on and said, Specifically you told the press that there was a fivefold increase in the amount of money dedicated by the Bush administration to the war on terror than had been dedicated by the Clinton administration. Mr. Clarke was then asked, How do you justify that, how do you rationalize that, how do you explain that in the light of your book?

And Clarke made an interesting statement. He said, Number one, with regard to the statement that the Bush administration was being far more aggressive, it turns out that I was wrong; that is just what I believed they were going to do, and they did not do it.

And then the questioner said, What about this claim that they had increased funding by fivefold? If they increased funding by fivefold over what the Clinton administration had been doing, certainly that is inconsistent with your claim that they did not take the war on terror seriously.

And I thought Mr. Clarke's response was fascinating. His response was, Well, I was then a spokesman for the White House and my job was to put the best face on it I could, and so I highlighted the strong things or the positive things, not the negative things.

The questioner said, This is not a matter of opinion. This is a matter of fact. Did the Bush administration increase spending fivefold?

Clarke said, Well, they did in authorization. They did not in actual spending or in actual appropriations.

The questioner said, Wait a minute. Appropriations are done by the Congress.

Clarke said, No. There is also a twofold process in the administration. They initially propose a number, and then they actually spend the number or put a number in their budget. And Clarke said, In point of fact, the fivefold increase that I was talking about is what they wanted to spend. They ultimately did not actually put that number in their budget.

The questioner did not follow up with the question I would have followed up with, which is I think the $64,000 or in this case maybe the $3 million or $3 billion question, which is, Let me understand this, Mr. Clarke. You told the press that they had increased funding fivefold. You did not clarify this detail; so you were misleading the press back then.

And I think that begs the question of if he was willing to mislead the press back then, is he willing to mislead the press today.

Mr. HOEKSTRA. Mr. Speaker, I was not prepared to talk about Clarke because I am not sure that the whole debate can be dignified by a debate or discussion on the floor of the House. It, from my point of view, is one of the more disappointing things that I have seen. People who are coming out of positions where they have been entrusted by more than one administration with the security of the United States, the lives of American citizens, the lives of American service people, the lives in the CIA, and they very well know that they can go out and they can make whatever claims they want because the information that could thoroughly embarrass them and discredit them, and I believe it exists, is classified.

I can tell the gentleman there are few documents that I would just kind of like to take and put in Richard's face or give to the media and say, Now, just like this memo. It is not a memo. Here is what you briefed, not to the Bush administration in an internal memo, here is what you briefed to the press a year ago. Here is the letter of resignation that you sent, I believe, into the White House that praises this President for some of the work that he has done; and now that it comes to be an election time and it is time to sell a book, all of a sudden you are rewriting history. You can go out and make whatever accusations you want, knowing that most of the information that would rebut what you are saying is classified and so, hey, you are basically entitled to a free shot to do whatever you want.

And 2 years ago this person was holding the secrets and the strategy of the United States in place to some of the most dangerous elements that were challenging us. It is disappointing to see this kind of behavior. We deserve better.

I yield to my colleague.

Mr. SHADEGG. Mr. Speaker, as a member of the Permanent Select Committee on Intelligence, I am sure the gentleman has a fascinating perspective on these issues which many of us do not, and I think he makes an excellent point with regard to the ability of someone who has had access to that information and knows what can and cannot be used to refute or rebut any arguments they make now. And I certainly empathize with and would share the gentleman from Michigan's concern about somebody who speaks out under those circumstances knowing that the information that might set the record straight is classified and cannot be brought out.

Mr. HOEKSTRA. Mr. Speaker, we have had a wide variety of people come in and testify, and I can tell the Members that one of the things that I really appreciate on the Permanent Select Committee on Intelligence is the seriousness with which individuals on both sides of the aisle take the job that they have got on the Permanent Select Committee on Intelligence. We do not find the Permanent Select Committee on Intelligence members participating in this gotcha type of game. We recognize that the responsibilities of the committee are too serious. We also recognize that we have had Richard Clarke testify in front of us, we have had a lot of folks who were in various capacities testify in front of us in secret session, and not everybody agrees. There is a variety of opinions, and it is our job on the Permanent Select Committee on Intelligence to put the package together that tries to make sure that something like this never happens again.

Mr. SHADEGG. Mr. Speaker, I do want to conclude with this point, and I want to get it across. As a nonmember of the Permanent Select Committee on Intelligence, as someone not privy to that information, I certainly would agree with the gentleman that perhaps this whole episode does not merit acknowledgment and debate here on the floor of the House except that I have long believed and indeed kind of grew up with the notion that the unrefuted lie becomes the truth. And in this case, I want to make this point very clear. Today in sworn testimony before the 9–11 Committee, Richard Clarke said, "The briefing I gave actively misled the press because I told the press there was a fivefold increase in funding, and now I am telling you some 2 years later that that was not correct."

If Mr. Clarke was willing to actively mislead the press 2 years ago and lead the press to believe that there had been a fivefold increase in funding when he knew darn good and well that no such fivefold increase existed, then I would suggest that his willingness to mislead the press then and admit it today, acknowledge "I made this claim, I was trying to explain the Bush administration's position," it absolutely was not true because it was only in discussion or in, as he called it, authorization, not spending, an acknowledgment that he was willing to actively and aggressively mislead the American press and the American people 2 years ago, and what does that say about the validity of the claims he is making today? And I think that is a question that the American people unfortunately in this kind of tawdry discussion that is going on deserves to know about, be aware of. And unfortunately buried in that hearing today, not many people might have picked up the fact that what Richard Clarke said was, yes, I said to the press and the American people we had increased funding fivefold, but technically I was really lying because I needed to to keep my job. And I think that is shocking conduct on his part. I hope the press will comment on it in tomorrow's papers, and I certainly think the American people need to be aware that Mr. Clarke made a pretty startling admission today when he acknowledged, if his claim today is in fact true, that what he was saying 2 years ago or in February of 2000, now 4 years ago, was misleading the American people about what was going on.

Mr. HOEKSTRA. Mr. Speaker, I yield to the gentleman from New Mexico.

Mr. PEARCE. Mr. Speaker, I thank the gentleman from Arizona (Mr. SHADEGG) for bringing this important subject up because I have asked the President because many people asked me, Why does the President not fight back? Why does he not explain? And his simple answer to me was he cannot take the Presidency down into those baseless claims of people that are coming from everywhere. He stays focused on the job of fighting the war on terror. He has made tremendous accomplishments in the war on terror as we look across the history of the changes in just the last 3 years and even the recent incident along the Pakistani-Afghanistan border where U.S. troops are on the Afghanistan side and Pakistani troops were pinching in together al Qaeda troops in the middle. I think that indicates some of the most dramatic changes going on in the region, and this President, in spurning a policy of appeasement but choosing instead to respond in strength and remaining dignified and not dipping the Presidency into the baseless accusations that have been hurled from every direction during the last 8 or 9 months, indicates a steadfastness, a commitment to duty that this President brings that makes me proud.

I thank both of the gentlemen for bringing these conversations in front of the American people.

□ 2300

I think this is the right place to refute the lies that are being thrown about.

I thank both gentlemen for allowing me to participate this evening.

Mr. HOEKSTRA. Mr. Speaker, I thank both my colleagues for joining me tonight. As we began, there is no doubt that we are making progress. There is no doubt that there is still a tremendous amount of work to do, both in Iraq and Afghanistan, but there is also no doubt that these countries have a long way to go, whether it was 12 years under the Russians and Taliban government in Afghanistan, those governments and those regimes which destroyed what little that country had, or whether it was 30 years of a brutal regime in Iraq. These countries both now are experiencing for the first time in a long time the taste of freedom, of building a civil society, of building a country that is based on a Constitution, that is providing opportunities to all of their citizens.

There are potholes on the way to success, but there is no doubt in my mind that we need to keep moving forward; that these countries have a tremendous potential to set an example for that part of the world, especially Iraq, to set an example for the rest of the world as to the types of things that can happen. They are good people, they are moving in the right direction, and they are taking ownership for their country, the future of their country. What we need to do is we need to stand alongside them and to help guide them in the right direction.

SEARCHING FOR THE VICE PRESIDENT

The SPEAKER pro tempore (Mr. BURGESS). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I come to the floor this evening basically to ask one question, and that is, where is Vice President CHENEY these days? Every once in a while he pops up at a reelection fund-raiser. In fact, he was just up in my home State of New Jersey on Monday. And last week he appeared at the Ronald Reagan Library in California, which is always a tough place for Republicans. CHENEYs went there to attack Senator KERRY's record on defense and national security issues.

Finally, this Monday, presumably on his way to New Jersey for his fundraiser, the Vice President made time to go on Rush Limbaugh's show to attack his administration's former top counterterrorism official. Rush Limbaugh allowed the Vice President to get out his main message that Richard Clarke, the Bush administration's top counterterrorism expert, "Wasn't in the loop, frankly, on a lot of this stuff."

Mr. Vice President, I think that says a lot. When your top counterterrorism expert supposedly is not in the loop on what your administration is doing, how can you honestly say that you are giving terrorism the kind of attention that it warrants?

So, over the last week the Vice President has hung out with some Republican donors in New Jersey, Republican loyalists at the Ronald Reagan Library, and Republican talk show host Rush Limbaugh. But for the better part of last year, the Vice President has been keeping a low profile. Why is he so afraid to step out of his Republican comfort zone?

I would suggest that the reason is that the Vice President does not want to have to answer more questions about his continued relationship with Halliburton. I have mentioned the Halliburton issue many times on this floor, along with a lot of my democratic colleagues. Back in the year 2002, Vice President DICK CHENEY said these words: "Halliburton is a fine company, and I am pleased that I was associated with the company."

But, you know, Mr. Speaker, the facts show otherwise. Halliburton, a fine company? Well, let me give you some facts, Mr. Speaker.

First, Halliburton has acknowledged that it accepted up to $6 million in kickbacks for its contract work in Iraq.

Another fact: Halliburton is now being investigated by the Pentagon for overcharging the American government for its work in Iraq.

A third fact: Halliburton faces criminal charges in a $180 million international bribery scandal during the time CHENEY was CEO of the company.

A fourth fact: Halliburton has been repeatedly warned by the Pentagon that the food it was serving 110,000 U.S. troops in Iraq was dirty, and the Pentagon audit found blood all over the floor of the kitchens Halliburton supplied over in Iraq.

A fifth fact: Halliburton is getting around an American law that forbids doing business with rogue nations. Thanks to a giant loophole, Halliburton is able to do business in Iran, of all nations, through a subsidiary in the Cayman Islands.

Mr. Speaker, how can the Vice President characterize Halliburton as a fine company? Things are getting so bad with the company in Iraq that the Army is now considering other companies to compete against Halliburton for more than $4 billion worth of additional contracts. But the Vice President continues to condone the actions of his former company.

From a purely financial perspective, it probably makes sense for Vice President CHENEY to lay low. After all, it is also financially beneficial for the Vice President to continue to praise Halliburton and duck questions about his continued connection with the company.

The Vice President tried to squash such a story when he appeared on Meet the Press last year. Vice President CHENEY stated then, "And since I left Halliburton to become George Bush's Vice President, I have severed all my ties with the company, gotten rid of all my financial interests. I have no financial interests in Halliburton of any kind, and haven't had now for over 3 years."

But, Mr. Speaker, despite the Vice President's claims, the Congressional Research Service issued a report several weeks later concluding that because CHENEY receives a deferred salary and continues to hold stock interests, he still has a financial interest in Halliburton. In fact, if the company were to go under, the Vice President could lose the deferred salary, a salary he is expected to continue to receive this year and next year.

Now, while the loss of more than $200,000 over 1 year would not put a big dent in the Vice President's wallet, he clearly still has a stake in the success of Halliburton.

Vice President CHENEY also neglects to mention that he continues to hold more than 433,000 stock options with Halliburton. The Congressional Research Service report that states that these stock ties "represented a continued financial interest in those employers which makes them potential conflicts of interest."

Again, this was not the first time that Vice President CHENEY has misrepresented his role in Halliburton. Earlier this year, the Vice President stated in reference to government manipulation by Halliburton during his tenure, "I wouldn't know how to manipulate the process if I wanted to."

What the Vice President neglects to say is that Halliburton cashed in after CHENEY took over. Under CHENEY's leadership, Halliburton doubled the value of its government contracts. According to a report by the Washington-based Center for Public Integrity, the company took in revenue of $2.3 billion on government contracts, which was up $1.2 billion from the 5-year period before the Vice President arrived.

Now, I am not saying it is not possible that Halliburton is the right company to do this work, but then how does the Bush administration and the Republican Congress explain why there is so much secrecy surrounding the whole deal? Could it be that the Republican Congress and the Bush administration are concerned that the more light that is shed on Halliburton's use of taxpayer money, the more examples of waste and mismanagement are likely to be exposed?

Under the circumstances, it is no wonder that the Vice President continues to hide.

I want to talk this evening a little bit about the Vice President's Energy Task Force and the relationship with the Supreme Court Justice Scalia and the case that is now before the Supreme Court relative to the Energy Task Force.

Vice President CHENEY might also be staying out of the limelight these days because he does not want to answer tough questions about how he continues to abuse his power as Vice President by refusing to release documents that could significantly impact our Nation's future energy policy.

For 3 years now, the Vice President has done everything he can to keep the records of his Energy Task Force secret. This secret task force developed President Bush's energy policy, a policy that was then made into legislation here in Congress. That legislation passed the House, but it is now stalled in the other body. Nevertheless, the end result was bad energy policy.

There is no doubt that the energy industry succeeded with its influence during these secret closed-door meetings in crafting a policy that benefited them, rather than benefiting Americans who at the time desperately needed relief from high energy prices.

For 3 years, the Vice President has refused to let the American people know who made up this Energy Task Force. For 3 years now, the Vice President has refused to let the American people now how and why the task force came to the conclusions that it did.

Finally, after 3 years of hiding the information, it appeared that we would finally get some of the information the Vice President was fighting so hard to keep secret.

□ 2310

Thanks to the Sierra Club and the conservative group called Judicial Watch who sued Vice President CHENEY seeking an accounting of energy industry participation in crafting the Bush administration's destructive energy policy, a district court ordered the Bush administration to provide information about participation from these industries, which the Bush administration refused to do. The administration's reason was they claimed constitutional immunity from such inquiries.

The district court rejected that contention, pointing out that the Bush administration was attempting, and I quote from the case, "to cloak what is tantamount to an aggrandizement of executive power with a legitimacy of precedent where none exists."

Refusing to give in to the Federal court's decision, Vice President CHENEY then appealed the decision, asking the D.C. district court to make a new law that would effectively shield the Bush administration from any scrutiny.

Now, imagine the arrogance, and I really think it is arrogance. The Bush administration actually went to a court and asked the court to shield President Bush, Vice President CHENEY, and the rest of the administration from any scrutiny. Fortunately, Mr. Speaker, the court denied the request.

But now, Vice President CHENEY has appealed the decision of the court to the U.S. Supreme Court, and on December 15, the Supreme Court agreed to take the case and will hear arguments next month in April.

Three weeks later, Justice Scalia and one of his children accompanied Vice President CHENEY on an Air Force 2 flight from Washington, D.C. to Morgan City, Louisiana. There, according to news reports, Justice Scalia and the Vice President were guests of Wallace Carline, president of an energy services company, on a duck hunting vacation. Neither the Vice President nor Justice Scalia made this duck hunting vacation public. Had it not been for the investigative work of the L.A. Times, we might still not know that these two spent several days together hunting duck in Louisiana.

Now, Mr. Speaker, there is no doubt in my mind that this vacation serves as a conflict of interest and, because of that, Justice Scalia should recuse himself from hearing CHENEY's case involving the Energy Task Force. The Sierra Club asked Justice Scalia to do just that. But last week, Justice Scalia refused to recuse himself and attempted to defend his decision not to recuse himself in a 21-page memo that was released to the public. In that memo, Scalia describes how he enjoyed going hunting every year with his friend, Wallace Carline. And Scalia writes that "during my December 2002 visit, I learned that Mr. Carline was an admirer of Vice President CHENEY. Knowing that the Vice President with whom I am well acquainted is an enthusiastic duck hunter, I asked whether Mr. Carline would like to invite him to our next year's hunt." Scalia continued in this memo, and I quote, Mr. Speaker, "The answer was yes. I conveyed the invitation with my own warm recommendation in the spring of 2003 and received an acceptance subject, of course, to any superseding demands on the Vice President's time. The Vice President said that if he did go, I would be welcome to fly down to Louisiana with him."

Now, Mr. Speaker, just think about that explanation by Justice Scalia for a minute or so. Think about the apparent relationship these two men have, a relationship between two men who have worked in Washington for so many years and even worked in the Ford administration together, but now try and look at it the way that E.J. Dionne did in his Washington Post column yesterday. He did an op-ed in The Washington Post yesterday commenting on the relationship between Scalia and CHENEY and this duck hunt vacation, and that is what E.J. Dionne says in The Washington Post column yesterday: "Imagine you were in a bitter court fight with a former business partner. Would you want the judge in your case to be someone who went duck hunting with your opponent and flew to the hunt on your opponent's plane?" Dionne continues, "And now consider that you as a citizen have a right to know with whom CHENEY consulted in writing an energy bill that was overwhelmingly tilted towards the interests of an industry in which the Vice President was once a central player. Scalia admits that the recusal might be in order where the personal fortune or the personal freedom of the friend is at issue but," Dionne writes, "you shouldn't worry. What's at stake here are only CHENEY's political fortunes, the interests of the industry that CHENEY once worked for, and the public's right to know. No big deal."

Well, Mr. Speaker, it is a big deal. Vice President CHENEY should have realized the conflict of interest and declined to join the Supreme Court Justice once he knew that the Supreme Court would be hearing the case, I should say should have declined to join the Supreme Court as a Justice in hearing this case because of the conflict of interest.

But, again, I go back, Mr. Speaker, to what I said in the beginning. What is it that the Vice President is trying to hide? I do not know that it would be embarrassing for Mr. CHENEY or to the Bush administration to have to admit that every member of the task force was an oil or gas executive. I mean, that is not going to be anything new. If that was what they were trying to hide, who would be surprised? I think it has to be something else. What is it that is so damaging in these documents? Now, could it be that somewhere within these documents there is proof that the Bush administration was looking at taking out Iraqi leader Saddam Hussein in order to take control of that nation's oil reserves?

Former Treasury Secretary Paul O'Neill stated in his book that Vice President CHENEY strongly suggested U.S. intervention in Iraq well before the terrorist attacks of September 11. Earlier this week, President Bush's former top antiterrorism advisor, again, that is Richard Clarke, also talked about how almost from day one the Bush administration was consumed with taking out Saddam Hussein. It began back in 2001, months after the new administration came to power. Richard Clarke says that he had been trying to schedule a cabinet-level priority meeting on terrorism. His first opportunity was a meeting with Deputy Secretary of Defense Paul Wolfowitz, and Clarke said that he started the meeting by saying that we needed to deal with bin Laden. Wolfowitz's response was, "No, no, no, we do not have to deal with al Qaeda. Why are we talking about that little guy? We have to talk about Iraqi terrorism against the United States."

Now, Clarke then responded to Wolfowitz by saying, "Paul, there hasn't been any Iraqi terrorism against the United States in 8 years." Clarke turned to the Deputy Director of the CIA who agreed with his assessment with regard to Iraq.

The amazing thing, though, Mr. Speaker, is that this conversation took place 3 months after Bush and CHENEY took over control of the White House. Clarke's assessment, of course, seems to support that of former Treasury Secretary Paul O'Neill, and Clarke goes on to detail conversations with both President Bush and Defense Secretary Rumsfeld after 9-11 when both wanted to go after Iraq and Saddam Hussein.

Mr. Speaker, additional evidence exists that CHENEY played an early planning role in the war in a National Security Council document dated 3/2001, months before September 11. According to a report in the New Yorker magazine, the top-secret document written by a high National Security Council staffer "directed the NSC staff to cooperate fully with the Energy Task Force as it considered the melding of two seemingly unrelated areas of policy: the review of operational policies towards rogue nations such as Iraq and actions regarding the capture of new and existing oil and gas fields."

Now, the melding of two seemingly unrelated areas of policy. Think of that, Mr. Speaker: the Bush administration's obsession with taking out Saddam Hussein and a document that discusses the administration's idea to capture new and existing oil and gas fields.

My question is, Does Vice President CHENEY want to keep his energy task force secret because perhaps he does not want to admit that the administration was exploring ways of taking out Saddam Hussein before 9-11, strictly for the purpose of taking control of their rich oil fields?

Now, I do not know the answer to that question, and obviously neither do the American people, because we are not allowed access to the documents that talk about the energy task force and what they did and who served on it. We do not know it because the Vice President refuses to allow the American public to see these documents. I only can hope that when the Supreme Court hears this case next month that there are enough Justices that will do the right thing and say that these documents should be made public. But I certainly hope that we do not have a 5-4 decision, Mr. Speaker, with Mr. Scalia casting the fifth vote, because there is no question in my mind that he should have recused himself and that there is a conflict of interest. I just hope, and it would certainly be nice, Mr. Speaker, if the Vice President would finally come out of his hole, be straightforward with the American people about Halliburton, about the energy task force and other things that I have not mentioned here tonight.

□ 2320

I know that he is not necessarily going to listen to me, but I hope that if we continue to raise this issue about what he is hiding with regards to Halliburton, what he is hiding with regard to the Energy Task Force, that maybe there will be an opportunity to see what the documents are in the Energy Task Force and why they have been hidden this long.

I see that my colleague, the gentleman from Ohio (Mr. STRICKLAND), is here and I know he also wanted to address the issue of Iraq as well.

I yield to the gentleman.

Mr. STRICKLAND. I want to thank my colleague from New Jersey (Mr. PALLONE). I just wanted to share for a few moments a letter that has been sent to each of us regarding the budget, because I think it is timely. We are likely to vote on the budget tomorrow afternoon, and it is a budget that is woefully inadequate.

And I know sometimes we stand up here as Democrats and people who may be watching think, well, they are just partisan or what they are saying is simply based upon their political preferences rather than on what is best for public policy.

I have a letter here from the Disabled American Veterans and it was sent to every Member of the House of Representatives and I would like to share with my colleague some of the things that are in this letter. It was written and signed by Alan Bower, the National Commander of the Disabled American Veterans.

"Dear Representative, As the National Commander of the Disabled American Veterans, I write to urge you to oppose and vote against H. Con. Res. 393, the House budget resolution for fiscal year 2005." And then the letter goes on and talks about how we are shortchanging VA health care.

We are at war and yet the President actually sent us a veterans' budget this year that was woefully inadequate. It called for an increase in the costs of prescription drugs for many of our seniors and our veterans. It called for an annual enrollment fee of $250 for many of our veterans. It continues to shut out many of our Priority 7 and 8 veterans, and literally prevents those that are referred to as Priority 8 veterans from even enrolling in the VA health care system.

We continue to have a situation where the VA has literally formulated a policy that prohibits many of their health care providers from actively marketing VA services to veterans.

But I think this letter is rather devastating because the DAV is not a partisan group. It is just simply a group that was developed to advocate for the needs of the disabled veterans who have served our Nation. And so this letter that we have received says, "The inadequate appropriations provided for in this budget resolution will support medical treatments for 170,000 fewer veterans than the Department of Veterans Affairs could treat with the funding which was recommended by the House Veterans' Affairs Committee," a committee that I serve on. "It will support 13,000 fewer full-time employees for veterans' medical care. With the level of appropriations in the House budget resolution, VA will be required to delay medical care for some veterans and deny it altogether for other sick and disabled veterans, just to enable it to meet inflationary costs, including increases in employee wages."

And then the National Commander of the DAV writes this paragraph. He says, "Short-changing veterans in this budget resolution is all the more objectionable because it in no way is necessitated by our fiscal situation, but rather is part of a larger objective to make deep cuts in spending on veterans' and other domestic programs at the same time far more costly cuts are being made in taxes.

"The House budget resolution is also the more objectionable because it is part of a greater plan to impose these cuts on discretionary programs such as veterans' medical care, and to impose a freeze on any improvements or adjustments in benefits programs such as veterans' disability compensation in fiscal years 2006 through 2009.

"To the veterans of this Nation," he writes, "it is incomprehensible that our government cannot afford to fund their medical care and benefit programs at a time it can afford generous tax cuts costing hundreds of billions of dollars."

Now, this letter was written not by a Democrat partisan, but by the National Commander of the Disabled American Veterans. And basically what he says is, we are giving tax cuts to the wealthiest among us, at the same time that we are limiting the funding we are providing to our VA, so that medical care will not be available in a timely manner to those who have served this Nation.

And then the letter says, in conclusion, the DAV must ask that Congress restore some sense of reason, responsibility and justice to the budget process. There must be some balance between the goal of reducing taxes and the government responsibility of meeting our national obligations to veterans whose contributions and sacrifices have made us the most secure and prosperous nation on Earth. Then they ask that we vote against this budget that is going to be brought to this floor tomorrow afternoon.

So my friend from New Jersey is talking about the Vice President and the fact that he tends to remain hidden much of the time. He does come out occasionally for a fundraiser. But I would like the Vice President to explain to us how he and the President can support a budget that wants to make tax cuts permanent for the wealthiest and yet is short-changing the medical care that our veterans need.

The fact is that we are creating disabled veterans on a daily basis. We all know that. Sadly, we have seen the loss of really hundreds of lives in Iraq, but what many people do not understand is that for every soldier whose life is lost in Iraq, we are having six soldiers seriously injured. And they are coming back to this country, many of them without their arms or legs. Some have been blinded. Others terribly disfigured, and yet we are not providing adequate resources.

I do not understand the President in this regard. I simply do not understand how a President who calls himself a wartime President and who apparently enjoys spending time with our military, we see him standing in front of soldiers with flags waving, having his picture taken, how can this President not fully fund the medical care that is necessary to adequately treat those who have fought for our Nation in the past?

It really puzzles me. I do not understand why the administration does not say, here is the money you need, and simply provide the needed funding.

Now, tomorrow we are going to have the AMVETS, the American Veterans here in Washington. They are going to be testifying before the Committee on Veterans' Affairs and we are going to be having this vote. And I just urge, I would hope that the President, the Vice President, the members of his Cabinet would rethink their priorities and would provide the kind of resources that are needed so that we can have timely health care provided, high-quality health care provided, affordable health care provided to those who have served our country.

I thank my friend from New Jersey for allowing me to speak about this subject this evening.

Mr. PALLONE. I just wanted to commend my colleague from Ohio (Mr. STRICKLAND). I know that not only is he a member of the Subcommittee on Health of the Committee on Veterans' Affairs with myself, but he has often spoken out on concerns about veterans.

□ 2330

As you pointed out, I think you made references to the fact that the Democrats have a substitute tomorrow on the budget, or an alternative budget is I guess the best way to describe it, which would make sure that veterans health care receive significant funding so that we do have some significant improvements over what the President has requested in terms of the amount of money that goes to veterans health care.

I just wanted to make two remarks. First of all, I have to tell you that I get calls every day in my District offices, people complaining about veterans not having access to health care either because it is difficult to get services or they have to wait a long time or whatever. We just opened a new clinic at Fort Monmouth, an outpatient clinic, but there is just the constant need for more services, and I do not understand it either.

I am not saying that you and I disagree, but certainly Democrats and Republicans can disagree over the justification for the war in Iraq. We know there were not any weapons of mass destruction, and many of us who voted against the war feel somewhat vindicated in the sense that we realize now that the justification that was put forward by the President for the war, which was the weapons of mass destruction, clearly is not there. I mean, we know it is not.

Regardless of how you felt about the war, whether we should have gone, we should not have gone, there is just no way to justify that when people come back that they are not adequately cared for, and again, the problems that you point out are not just with regard to Iraq, although that is certainly important, but also World War II veterans, Korean, all veterans.

It just seems to me that it is totally unacceptable to say that after people fight and are seriously injured, that they come back and are not adequately cared for, but we know that is often the case.

Mr. STRICKLAND. Mr. Speaker, if my friend will yield for one more moment, I read the letter that was signed by the national commander of the Disabled American Veterans, but I have another letter here that has been signed by the national legislative director of AMVETS, the national legislative director of the Paralyzed Veterans of America, the national legislative director of the Disabled American Veterans and the national legislative director of the Veterans of Foreign

Wars, and in their letter, which was sent to each Member of this House. We all received one. There is not a Member, not a Democrat or Republican in this chamber or who serves in this chamber, that did not receive this letter from these four veterans organizations, and I would just like to share with you one paragraph from that letter.

It says, Passage of the budget resolution, and what they are talking about is the Republican budget resolution that is going to be brought to this floor tomorrow, passage of the budget resolution, as presented, would be a disservice to those men and women who have served this country and who are serving in Iraq, Afghanistan and around the world in our fight against terrorism.

Now, the President cannot have it both ways. He cannot, on the one hand, claim to be the wartime President and say we are going to do everything we can to win the war against terror and, on the other hand, fail to fully fund those medical services which will provide care for the wounded who are returning to this country in significant numbers.

As I said to my friend from New Jersey, this is not a partisan argument. This is a letter that came to every Member of this House from these four veterans organizations. These are not Democrat or Republican organizations. These are organizations which have been established specifically to advocate for the needs of veterans, the Paralyzed Veterans of America, the Disabled Veterans of America, the Veterans of Foreign Wars and the National AMVETS, and it is a pretty strongly worded letter, I will say that, and it lays it out real clearly to say that this budget will be a disservice, not only to those who have served but to those who are currently serving.

We have got men and women, as you and I stand here in the safety of this Chamber, thousands of miles from us who are facing danger every moment of every day that they are there in that country, and the least we can do is say to them we care enough about you and we honor your service to this country sufficiently to provide the kind of health care that you are entitled to receive once you return to this country, especially if you have been terribly wounded or injured in the battle.

That is why we have been called upon by these various veterans organizations to reject this budget tomorrow, to vote "no," to force this House to go back and to do the right thing, to restore an adequate level of funding for our veterans health care.

Mr. PALLONE. Mr. Speaker, I appreciate your comments, and I kind of wanted to go back. As you were reading that second letter, I was thinking in the back of my mind about your question that you originally posed, which is how is it possible that President Bush and Vice-President CHENEY and the Bush administration, the Republican colleagues that we have here in the House can, on the one hand vote, for the war, spend money to conduct the war, advocate that we continue to be there for certainly in the foreseeable future and, at the same time, not pay for the health care benefits or adequate health care for the veterans.

I was thinking about your question, and I really think that I do not believe that anybody's cold-hearted or bad. I think the President is a good person. The vice president is well motivated. Republican leadership is well motivated. I am sure they want to help the average American if they can, but I think it is really ideology, and I have found that so many times with the Bush administration and with the Republican leadership here in the House, they are so determined to follow that certain ideology or maybe they are liked trapped by the ideology, that they cannot look at the facts.

In other words, their ideology tells them that Congress or Washington, whatever, should get out of the business of government; that the government is somehow a bad thing; that government should not administer social programs; that government should not provide health care; that that is not a role somehow of the government. The ideology says that health care, for example, is not something that the government should be doing. It should be done by the private sector.

So maybe what they say to themselves is, okay, well, these veterans fought in the war, but it is really not a good idea for the government to provide them with health care because we do not think that the government should perform that function. It is sort of an ideologic conviction on their part. So, as a result, they do not feel the necessity to help the veterans because their ideology stands in the way of the facts. The facts are these people are maimed, people need health care, they served their country so you provide them health care. It is like a commitment, but if your ideology tells you the government should not be providing health care, that that is not a function of government, then you justify not providing health care.

I do not know how else to explain it because I cannot believe that they are cold-hearted. I do not believe that. I yield back to the gentleman.

Mr. STRICKLAND. Mr. Speaker, I mentioned the fact that we have so many wounded coming back from Iraq. I would just like to share with my friend that recently it was reported that during World War II we had three soldiers seriously wounded for every soldier that was killed. That was World War II. During the Vietnam conflict, we had four soldiers wounded for every soldier that was killed. In this war, we are having six soldiers seriously wounded for every soldier whose life is lost.

□ 2340

Now, there is some good news, and the good news is this: we are now able to save the lives of many of our soldiers who are seriously injured because of advances in medical technology, and that is good. But consequently, we are having more seriously wounded soldiers coming out of this war who are desperately in need of high-quality, adequate medical care. I was thinking, and I have shared this with the gentleman before, the young man from my district in Ohio who joined the service at 17 years of age and as he was standing guard duty in Baghdad on his 19th birthday, the morning of his birthday a truck bomb exploded, and one whole side of his face was seriously damaged. I visited him at Walter Reed Medical Center near where we are tonight.

He is going to be going through several surgeries. They are going to have to take bone from his hip and refashion his jawbone, and he is going to have to go through skin grafts. He is just one of hundreds and hundreds of soldiers who are newly wounded. This is happening in part, and I share this because we want to believe that the administration and those responsible for pursuing this war have the best of intentions. But the fact is that we sent our soldiers into battle when this war began last March without protective body armor.

I had a series of communications with Secretary Rumsfeld and General Myers, the chairman of the Joint Chiefs of Staff, over a several month period of time; and I kept asking when are our soldiers going to be protected with this body armor. It took them an entire year before they were able to give me in writing an assurance that all of our soldiers in Iraq were protected. An entire year.

I have asked Secretary Rumsfeld how many of our soldiers have lost their lives because they were in danger in battle without protective equipment.

Now, I hope that when the Pentagon tells us that all of the soldiers in Iraq have this body armor, they are being accurate. But there is another problem that is every bit as serious, and that is the fact that we have vehicles over there without proper armor. We have Humvees over there that are not armored, and so many of the wounds that are taking place over there are the result of our vehicles passing over bombs that have been placed in the roadway and exploding. We have Humvees that are not armored, and I can tell Members that the company that provides armored Humvees and the kits that can be used to armor the Humvees that are already there without proper armor is an Ohio-based company. It is in Fairfield, Ohio. That company tells me they are capable of producing 500 armored vehicles a month, and yet the Pentagon is only asking for 220 of these vehicles a month, and the Pentagon is saying that it will be the end of 2005 before the vehicles that are being used by our soldiers in Iraq are properly armored. Think about that.

We have put about $150 billion into this war effort, and it took this administration a full year to adequately provide body armor for our soldiers, and they still have not provided armored vehicles. So many of our soldiers are being maimed and killed because they are in vehicles that are not properly armored, and we cannot produce those vehicles more rapidly and deploy them in Iraq more rapidly. Why are we not doing it? We simply have an administration that is not willing to spend the money to get it done as quickly as it is possible to get it done.

That is something that the American people need to know about. That is something that the families in this country who have loved ones in Iraq need to be aware of. And the Members who serve in this Chamber and the Senators who serve in the other Chamber need to be hearing from the American people about this. There should be no hesitancy to spend whatever is necessary to make sure that our soldiers have the best equipment, and everything that can be done to keep them safe should be done to keep them safe.

Mr. PALLONE. Mr. Speaker, I am so glad the gentleman is bringing this up. The gentleman spoke about the budget at the beginning, and it goes back to the fact that this administration continues to try to hide the cost or reduce or suggest that the cost of the war is less than it is. I am sure that has something to do with it.

The President's budget did not even include the funding for the war in Iraq. I know the Democratic budget, the alternative, certainly does; and I am not sure what the Republican budget that we will vote on tomorrow has, but when President Bush presented his budget in February, he did not include the cost of the war.

What we see is this administration constantly tries to downplay the cost, cut corners in terms of paying for what is necessary for the war in the same way that they are not paying for the veterans health care. It is an effort again to try to hide what is really going on, not only in terms of how we got there, but also the costs, and what the long-term costs are going to be.

Mr. STRICKLAND. Mr. Speaker, I would just like to conclude my remarks by saying this, that there is an effort to hide the cost of this war. I think that effort is seen in the fact that when the bodies of the soldiers who have lost their lives in Iraq are brought to Dover Air Force Base, there is a prohibition against having cameras there and pictures being taken of the flag-draped coffins being unloaded. I was just told today that even the families of those soldiers are being prohibited from being there and being present when their loved one is brought back and brought off those planes, and I think that is unconscionable if that is taking place. I want to verify that, but a colleague told me that this afternoon in this Chamber that families are literally being prohibited from being present when their loved ones are brought back.

There is an effort to hide that cost and keep that away from the American people. I also think there is an effort to de-emphasize the horrendous wounds and disabilities that are being experienced by those who are coming back; and certainly there is an effort to minimize the financial costs of this war, the fact that we have spent, the estimates are somewhere around $150 billion already, about $1 billion or more a week, and the President is going to come back later this year, probably after the election, and ask for an additional $50 billion or $80 billion.

So the gentleman is right, there is an effort to hide the true cost of this war, both in the loss of human life, the serious injuries that are being experienced by our men and women, and the financial burden that is being placed upon this country at a time when we are not meeting our needs right here at home, and we are not fully equipping our troops.

To think that someone could be terribly injured unnecessarily or could lose their life simply because they are not well equipped as they are fighting this war is simply unacceptable.

Mr. PALLONE. Mr. Speaker, I thank the gentleman. I yield to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) and the gentleman from Ohio (Mr. STRICKLAND) for sharing this time with our colleagues.

It is important that what we hear tonight is really the question of choices and judgment. The gentleman from Ohio was speaking about the judgment of not providing for our troops, but also not providing for our veterans. Having a veterans hospital in my district, I think one of the issues not yet included in the war cost is the long-term cost to not only the injured and maimed victims, the veterans, but also their families.

□ 2350

I was with the American Association of Psychiatric Professionals. We were discussing the impact of war, the high numbers of suicide that are occurring in Iraq. That is not taken into account, if you will, in the cost of war. My colleague spoke about not having flak jackets or bulletproof vests and humvees that were reinforced. That is not taken into account, making the right judgment on the cost of war. We still do not know prospectively how much this war will cost as it continues because we realize that even with the alleged transfer of power that is supposed to take place in June, any of us who have been to Iraq have been told by the soldiers on the ground that there is no structure for us to leave at this time. There is no, if you will, government or law enforcement or legal structure in place to secure Iraq.

And so it is a question whether this administration has made the right choices. First of all, the choice to go into Iraq and then the choice now to go it alone without our allies because we have so much intimidated them or maybe not so much intimidated them, maybe even offended them. It is a question of right choices.

In the remaining moments that I have, I wanted to join the distinguished gentleman from New Jersey to sort of emphasize this whole question of choices. I believe that what the American people want most of all is good government. If they have good government, they feel that the leaders in Washington will make the right choices on their behalf. I want to bring up just a point that was made from the distinguished gentleman from Ohio. I think it is a travesty that loved ones and others are not able to welcome home our fallen heroes. This ban on Dover Air Force Base, which I believe exists, I do not know if the families are forbidden from coming, but I recall the tribute that has been given to our fallen soldiers as far back as I can recall, the Vietnam War when they would come in to Dover Air Force Base or other Air Force bases. I know that they were welcomed in ceremonies. It is noticeable that we have not been able to welcome our fallen heroes. They are buried, of course, in their respective communities but the Nation has not seen both the price of war but the ultimate sacrifice that they have been willing to give. I wonder why that occurs? It is the judgment. It is wondering why this administration is making these kinds of judgments on behalf of the American people. Is this good for the American people not to know those who have given their life on behalf of this country?

Then I would say that as we think about this, I sat in today very briefly on the 9/11 commission hearings. Let me make it very clear, these are outstanding Americans who have offered themselves to serve on the 9/11 commission. I noted while I was in the hearing room several family members who were there. One very potent message came through those hearings and those persons who were speaking, is that we can speak in generalities and we can speak about the conflict between administrations or even partisan tones but we have got to realize that 3,000 plus lost their life in 9/11 and this is no time to be hiding the ball. This is no time to be asking Dick Clarke is he a staff member of JOHN KERRY. This is a time to listen to Richard Clarke as to whether or not this administration did not put its fullest muscle, mind and heart against the war against terrorism before 9/11. I noted just an undertone of some of those questions in that hearing room were more interested in getting one-upsmanship on Richard Clarke than listening and trying to find out what is the future of this Nation in finding out the ways to secure the homeland and to provide for us the opportunity to discover the truth. Was this administration asleep at the wheel as relates to the war against terrorism? Did Mr. Clarke offer a report in January of 2001 speaking about the threat of al Qaeda? Did he make a report that 35 Americans had died during the Clinton administration and then trying to reinforce the importance of looking to al Qaeda during 2001? This is the question of judgment and choices. And so I am concerned as we look at the future of this Nation that we have not been making the right choices.

I held a Medicare hearing against this atrocity that was passed in the last session when the vote was held open for 4 hours. My seniors get it. My seniors understand that we cannot negotiate for the cheapest price in terms of prescription drug benefits. My seniors understand that they may be pushed into an HMO and not have the ability to choose their own physician. My seniors get it. In fact, they were asking me who should we call. I called one of our local chain pharmacies, and I am going to call the name, CVS. I am told that now CVS has a memo out saying, do not give to Congresswoman SHEILA JACKSON-LEE the information she requested on the cost of prescription drugs in our respective stores. I understand there is a memorandum that I am going to secure from CVS. But that shows that we must have a conspiracy, if you will, from the ground up and from the top down to block seniors from getting the lowest price, from not giving truth to those of us who have the responsibility of oversight, and to protect the hide-and-go-seek Medicare bill that was passed in the last session that will do nothing but bust the budget, not knowing the actual cost of it, $536 billion and growing. At least with the Democratic proposal we were guaranteeing a Medicare prescription drug benefit under Medicare. This has no guarantee.

Let me tell you about those prescription cards, which I welcome. I told my community, please use them. But there must be one for each of the pharmaceuticals and they can choose and put on that list the drugs that they want any day of the week within a 7-day period and so the actual prescriptions that you need may not be listed and may not be covered. This is a question of judgment.

As I go back to the 9/11 hearings, Mr. Clarke made it very clear that the distraction of the war in Iraq has given a death blow, if you will, to the war on terrorism. It has been a distraction but literally it has taken us off course. I am only hoping that the 9/11 hearings will find themselves back on track and get away from partisan politics and be able to give at least a limited focus on what we should be doing to secure the homeland. I am concerned. That is why there was a very deep exchange, if you will, with some Members, including the chairman of the Intelligence Committee, not in undermining my colleagues who are investigating 9/11 and the war in Iraq but to say that this is so serious, so serious that it is important for the full Congress to investigate but as well it is important for us to know as much as we can, not to suggest that anyone is not being effective in their job or the Permanent Select Committee on Intelligence, the Committee on the Judiciary or Homeland Security but we cannot stand on protocol. We have lost lives in 9/11 and we have lost lives in Iraq.

Let me just close by saying this as we talk about the question of judgment. We have looked over the past couple of weeks about some of the abuses unfortunately that we have seen in this administration and I must say, my respect for the Supreme Court as a lawyer is maintained but the election in 2000 was evidence that sometimes partisan politics raises its ugly head. A decision in the Bush v. Gore case is still one that one wonders how that framework and that ultimate decision was made. How do you choose between candidates for President of the United States? How do you determine whose equal rights were denied? Al Gore, who was denied his rights in the Supreme Court of Florida, denied his rights to have a full recount, or George Bush.

But in the instance of Justice Scalia on this question of recusing oneself on the ultimate decisions dealing with the energy task force that precipitated the energy bill, let me say that I voted for the energy bill and I believe that we need a real, if you will, energy policy here in the United States. But I think this is a question of judgment. This is a question of good government. I have tried to give examples of the need for good government. We cannot have good government if we do not adhere to the Constitution which says there are free separate branches, executive, legislature and the Supreme Court. And if there is any suggestion of taint, any suggestion of conflict of interest, any suggestion of abuse, then we have lost the highroad of which government should stand.

And so I believe that it is important that if a justice has any reason to believe that there may be some suggestion of conflict, then it is their obligation to recuse themselves from any decision. I think it is the obligation of Justice Scalia and any other judge to recuse themselves in any decisions on this question of the energy task force and who should be exposed or announced and who should not. I believe in executive privilege, but I believe that there should be an ultimate review of the courts so that we in government can do our jobs. And if we do our jobs, that is all the American people can ask of us.

We have had some bad judgments. I hope that we can get back on track. I hope the American people will not perceive this to be a question of partisanship. My heart was very heavy in that hearing room today. It was heavy because I was looking for some sense that the truth would be determined and I was hoping for those families that we would step aside from who had a book or who did not have a book or who was working for President Bush and who was not working for President Bush and find out the truth for the American people and those families that lost their life and find out the truth about weapons of mass destruction and why we went into Iraq.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material):

Mr. CONYERS, for 5 minutes, today.

Mrs. MALONEY, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. MCGOVERN, for 5 minutes, today.

Mr. CASE, for 5 minutes, today.

Mr. HINCHEY, for 5 minutes, today.

Ms. CORRINE BROWN of Florida, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. WYNN, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. MEEKS of New York, for 5 minutes, today.

(The following Members (at the request of Mr. HOEKSTRA) to revise and extend their remarks and include extraneous material):

Ms. GINNY BROWN-WAITE of Florida, for 5 minutes, today.

Mrs. BLACKBURN, for 5 minutes, today.

Mr. BISHOP of Utah, for 5 minutes, today.

Mr. BONNER, for 5 minutes, today.

Mr. FEENEY, for 5 minutes, today.

Mr. CANTOR, for 5 minutes, March 30.

Mr. MCCOTTER, for 5 minutes, today.

Mr. PEARCE, for 5 minutes, today.

BILL PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on March 23, 2004 he presented to the President of the United States, for his approval, the following bill.

H.R. 3724. To amend section 220 of the National Housing Act to make a technical correction to restore allowable increases in the maximum mortgage limits for FHA-insured mortgages for multifamily housing projects to cover increased costs of installing a solar energy system or residential energy conservation measures.

ADJOURNMENT

Mr. PALLONE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at midnight), the House adjourned until tomorrow, Thursday, March 25, 2004, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7237. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations [Docket No. FEMA-P-7632] received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7238. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations [Docket No. FEMA-D-7551] received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7239. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations — received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7240. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Final Flood Elevation Determinations — received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7241. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Final Flood Elevation Determinations — received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7242. A letter from the Acting General Counsel/FEMA, Department of Homeland Security, transmitting the Department's final rule — Suspension of Community Eligibility [Docket No. FEMA-7825] received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7243. A letter from the Secretary, Department of Health and Human Services, transmitting the first annual financial report to Congress required by the Medical Device User Fee and Modernization Act of 2002 (MDUFMA), covering FY 2003; to the Committee on Energy and Commerce.

7244. A letter from the Secretary, Department of Transportation, transmitting The Department's Fiscal Year 2003 annual report as required by the Superfund Amendments and Reauthorization Act (SARA) of 1986, as amended, pursuant to 42 U.S.C. 9620; to the Committee on Energy and Commerce.

7245. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

7246. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on the activities of the United States Government departments and agencies relating to the prevention of nuclear proliferation from January 1 to December 31, 2003, pursuant to 22 U.S.C. 3281; to the Committee on International Relations.

7247. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting pursuant to Section 620C(c) of the Foreign Assistance Act of 1961, as amended, and in accordance with section 1(a)(6) of Executive Order 13313, areport prepared by the Department of State and the National Security Council on the progress toward a negotiated solution of the Cyprus question covering the period December 1, 2003 through January 30, 2004; to the Committee on International Relations.

7248. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled, "Certification of the Fiscal Year 2004 Revenue Estimate in Support of the District's $173,995,000 General Obligation Bonds (Series 2003B) and $140,325,000 Multimodal General Obligation Bonds (Series 2003C and 2003D)," pursuant to D.C. Code section 47—117(d); to the Committee on Government Reform.

7249. A letter from the President, African Development Foundation, transmitting the Foundation's annual fiscal year management report for fiscal years ending September 30, 2003 and 2002, pursuant to the Chief Financial Officers Act of 1990, Pub. L. 101-576, and the Federal Managers Financial Integrity Act (FMFIA); to the Committee on Government Reform.

7250. A letter from the Chairman, Federal Maritime Commission, transmitting in accordance with OMB Circular No. A-11, Part 2, the Final Annual Performance Plan for FY 2005; to the Committee on Government Reform.

7251. A letter from the Secretary, Department of the Interior, transmitting a draft bill "To direct the Secretary of the Interior to establish a rural water supply program in the Reclamation States for the purpose of providing a clean, safe, affordable and reliable water supply to rural residents and for other purposes"; to the Committee on Resources.

7252. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Groundfish Observer Program [Docket No. 030818203-3328-02; I.D. 071503D] (RIN: 0648-AR32) received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7253. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Zone (EEZ) Off Alaska; Provisions of the American Fisheries Act (AFA) [Docket No. 030808196-4036-03; I.D. 062403C] (RIN: 0648-AR13) received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7254. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries Off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Amendment 16-1 [Docket No. 030821210-4052-02; I.D. 081103A] (RIN: 0648-AR36) received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7255. A letter from the Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Reef Fish Fishery of the Gulf of Mexico; Referendum Procedures for a Potential Gulf of Mexico Red Snapper Individual Fishing Quota Program [Docket No. 0310107264-4034-03; I.D. 100103C] (RIN: 0648-AR48) received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7256. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Magnuson-Stevens Act Provisions; Fisheries off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Annual Specifications and Management Measures [Docket No. 031216314-4068-02; I.D. 112803A] (RIN: 0648-AR54) received March 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7257. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Mount Pleasant, IA. [Docket No. FAA-2003-16498; Airspace Docket No. 03-ACE-82] received February 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7258. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model DC-10-10, DC-10-10F, DC-10-15, DC-10-30, DC-10-30F (KC-10A and KDC-10), DC-10-40, DC-10-40F, MD-10-10F, and MD-10-30F Airplanes; and Model MD-11 and MD-11F Airplanes [Docket No. 2003-NM-07-AD; Amendment 39-13500; AD 2004-05-06] (RIN: 2120-AA64) received March 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7259. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model DC-9-31 and DC-9-32 Airplanes [Docket No. 2003-NM-32-AD; Amendment 39-13502; AD 2004-05-08] (RIN: 2120-AA64) received March 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7260. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 767 Series Airplanes [Docket No. 2001-NM-259-AD; Amendment 39-13501; AD 2004-05-07] (RIN: 2120-AA64) received March 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7261. A letter from the Secretaries, Departments of Energy and the Interior, transmitting in compliance with the requirements of Subtitle F, section 3182 of the National Defense Authorization Act for Fiscal Year 2002 (Pub. L. 107-107), a joint report on the costs to the Department of Energy and the Department of the Interior for implementation of the Rocky Flats National Wildlife Refuge Act of 2001; jointly to the Committees on Resources and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 574. Resolution providing for further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009 (Rept. 108-446). Referred to the House Calendar.

DISCHARGE OF COMMITTEE

[Omitted from the Record of March 23, 2004]

Pursuant to clause 2 of rule XII the Committee on Armed Services discharged from further consideration. H.R. 3966 referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

[Omitted from the Record of March 23, 2004]

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

H.R. 3966. Referral to the Committee on Education and the Workforce extended for a period ending not later than March 23, 2004.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. CHABOT (for himself, Mr. Brown of Ohio, Mr. Wexler, and Mr. Rohrabacher):

H.R. 4019. A bill to address the participation of Taiwan in the World Health Organization; to the Committee on International Relations.

By Mr. SMITH of New Jersey (for himself and Mr. Evans):

H.R. 4020. A bill to amend title 38, United States Code, to establish within the Department of Veterans Affairs a program to assist the States in hiring and retaining nurses at State veterans homes; to the Committee on Veterans' Affairs.

By Mr. ACKERMAN:

H.R. 4021. A bill to amend the Foreign Assistance Act of 1961 to require that only countries that have a democratic form of government and that support United States nonproliferation objectives may be designated as major non-NATO allies for purposes of that Act and the Arms Export Control Act; to the Committee on International Relations.

By Mr. ANDREWS (for himself and Mr. Saxton):

H.R. 4022. A bill to strengthen the Nation's ability to protect its key assets and the life, health, and property of its populace by granting providers of private security services access to the criminal history records available through the National Crime Information Center in connection with their employees and prospective employees, requiring such providers to employ only those employees who pass criminal history records checks, to protect against unauthorized use of such records, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ORTIZ (for himself, Mr. Taylor of Mississippi, Ms. Corrine Brown of Florida, Mr. Evans, Mr. Jones of North Carolina, Mr. Cardoza, Mr. Rodriguez, Mr. Sandlin, Mr. Green of Texas, Ms. Jackson-Lee of Texas, Mr. Miller of Florida, Mrs. Jo Ann Davis of Virginia, Mr. Kanjorski, Mr. Holt, and Mr. Allen):

H.R. 4023. A bill to amend the Defense Base Closure and Realignment Act of 1990 to postpone the 2005 round of base closures and realignments until 2007; to the Committee on Armed Services.

By Mr. PAUL:

H.R. 4024. A bill to amend the Communications Act of 1934 with respect to retransmission consent and must-carry for cable operators and satellite carriers; to the Committee on Energy and Commerce.

By Mr. PAUL:

H.R. 4025. A bill to amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for medical expenses for dependents; to the Committee on Ways and Means.

By Mr. PICKERING (for himself and Mr. Green of Texas):

H.R. 4026. A bill to preserve local radio broadcast emergency and other services and to require the Federal Communications Commission to conduct a rulemaking for that purpose; to the Committee on Energy and Commerce.

By Ms. ROS-LEHTINEN (for herself, Mr. Lincoln Diaz-Balart of Florida, Mr. Meek of Florida, and Mr. Mario Diaz-Balart of Florida):

H.R. 4027. A bill to authorize the Secretary of Commerce to make available to the University of Miami property under the administrative jurisdiction of the National Oceanic and Atmospheric Administration on Virginia Key, Florida, for use by the University for a Marine Life Science Center; to the Committee on Resources.

By Mr. WYNN:

H.R. 4028. A bill to prohibit the award of a Federal contract unless the contractor agrees to offer their employees certain health insurance benefits; to the Committee on Government Reform.

By Mr. WYNN:

H.R. 4029. A bill to amend the Internal Revenue Code of 1986 to establish a 15-year recovery period for depreciation of designated low-income buildings and to allow passive losses and credits attributable to qualified low-income buildings; to the Committee on Ways and Means.

By Ms. KILPATRICK:

H. Res. 573. A resolution honoring the life of Mildred McWilliams "Millie" Jeffrey (1910-2004) and her contributions to her community and to the nation; to the Committee on Government Reform.

By Mr. HASTINGS of Washington:

H. Res. 574. A resolution providing for further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009.

By Mr. OSBORNE (for himself, Mr. Wolf, and Ms. Roybal-Allard):

H. Res. 575. A resolution expressing the sense of the House of Representatives that the National Collegiate Athletic Association (NCAA) should affirm its commitment to a policy of discouraging alcohol use among underage students by ending all alcohol advertising during radio and television broadcasts of collegiate sporting events; to the Committee on Education and the Workforce.

By Ms. WATSON (for herself, Mr. Lantos, and Mr. Hyde):

H. Res. 576. A resolution urging the Government of the People's Republic of China to improve its protection of intellectual property rights, and for other purposes; to the Committee on International Relations.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

259. The SPEAKER presented a memorial of the House of Representatives of the State of Michigan, relative to House Resolution No. 184 memorializing the United States Congress to enact S. 659, the Protection of Lawful Commerce in Arms Act; to the Committee on the Judiciary.

260. Also, a memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to House Resolution No. 560 memorializing the Senate of the United States Congress to adopt the Snowe Amendment to H.R. 4, the Personal Responsibility and Individual Development for Everyone (PRIDE) Act; jointly to the Committees on Education and the Workforce and Ways and Means.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 97: Mr. Clay, Mr. Keller, and Mr. McCotter.

H.R. 110: Mr. Istook.

H.R. 284: Mr. Rush.

H.R. 348: Mr. Cooper.

H.R. 369: Ms. Schakowsky.

H.R. 391: Mr. Bonner and Mr. Nethercutt.

H.R. 401: Mr. Green of Wisconsin.

H.R. 442: Mr. Peterson of Minnesota.

H.R. 568: Mr. Ney, Mr. Doolittle, and Mr. Gallegly.

H.R. 785: Mr. Schiff and Mr. Peterson of Minnesota.

H.R. 850: Mr. Baker.

H.R. 876: Mr. Ortiz.

H.R. 977: Mr. Walden of Oregon.

H.R. 995: Mr. LaHood.

H.R. 1101: Mr. Filner, Mr. Larsen of Washington, Mr. Grijalva, Mr. McDermott, Mr. Boehlert, and Mr. Wexler.

H.R. 1120: Mr. Everett.

H.R. 1155: Mr. Doggett and Mr. Gonzalez.

H.R. 1160: Mr. Ryun of Kansas.

H.R. 1214: Ms. Corrine Brown of Florida, Mr. Lucas of Kentucky, Mr. McHugh, Mr. Brady of Pennsylvania, and Mr. Baird.

H.R. 1236: Mr. Cunningham and Mr. Gerlach.

H.R. 1285: Mr. Baird, Mr. Boswell, Mr. Costello, Mr. Holden, Mr. Lampson, Mr. Larsen of Washington, Mr. Michaud, and Mr. Weiner.

H.R. 1345: Mr. Costello, Mr. Peterson of Minnesota, and Mr. Clay.

H.R. 1348: Mr. Hinchey.

H.R. 1406: Mr. Renzi, Mr. Upton, and Mr. Goode.

H.R. 1508: Mr. Matsui.

H.R. 1643: Mr. Price of North Carolina.

H.R. 1741: Mr. Snyder and Mrs. Davis of California.

H.R. 1746: Mrs. Bono.

H.R. 1824: Ms. Lofgren, Ms. Pryce of Ohio, and Mr. Green of Wisconsin.

H.R. 1916: Mr. Waxman, Mr. Turner of Texas, and Mr. Frost.

H.R. 1959: Mr. Shays.

H.R. 2011: Mr. Smith of Washington.

H.R. 2106: Mr. Brady of Pennsylvania.

H.R. 2173: Mr. Cummings, Mr. Lucas of Kentucky, and Mr. Nadler.

H.R. 2201: Mr. Wexler, Mr. Hostettler, Mr. Hastings of Florida, and Mrs. Christensen.

H.R. 2316: Mr. Lincoln Diaz-Balart of Florida.

H.R. 2318: Mr. Allen.

H.R. 2482: Mr. Olver.

H.R. 2735: Mr. Foley and Mr. Peterson of Pennsylvania.

H.R. 2787: Mr. Norwood and Mrs. McCarthy of New York.

H.R. 2823: Ms. Berkley.

H.R. 2824: Mr. LoBiondo.

H.R. 2890: Mr. Hayes.

H.R. 2905: Mr. Udall of New Mexico.

H.R. 2944: Mr. LaHood.

H.R. 3066: Mr. Barrett of South Carolina and Mr. Smith of Texas.

H.R. 3090: Mr. Kildee.

H.R. 3092: Mr. Gordon.

H.R. 3134: Mr. Thompson of Mississippi and Mr. Ehlers.

H.R. 3194: Mr. Hinchey.

H.R. 3204: Mr. Andrews and Mr. Lynch.

H.R. 3213: Mr. Garrett of New Jersey.

H.R. 3242: Mr. McIntyre and Mr. Blumenauer.

H.R. 3352: Mr. Honda, Mr. Matsui, Mrs. Maloney, and Mr. Rothman.

H.R. 3426: Mr. Andrews, Ms. Solis, Mr. Tierney, Mr. McDermott, Mr. Kildee, Mr. Bishop of Georgia, and Ms. Woolsey.

H.R. 3429: Mr. Fossella.

H.R. 3441: Mr. Udall of Colorado, Mr. Hinojosa, Mr. Frank of Massachusetts, Mr. Bell, and Mr. Scott of Virginia.

H.R. 3460: Mr. Kingston.

H.R. 3539: Mr. Waxman and Mr. Frank of Massachusetts.

H.R. 3550: Mr. Becerra.

H.R. 3579: Mr. Tancredo, Mr. Allen, Mr. Cramer, and Mr. Payne.

H.R. 3619: Mr. Scott of Virginia, Mr. Watt, Mr. Fattah, and Mr. Ortiz.

H.R. 3643: Mr. Hoeffel.

H.R. 3678: Mr. Rogers of Kentucky.

H.R. 3684: Mr. Larsen of Washington, Mr. Bradley of New Hampshire, and Mr. Olver.

H.R. 3716: Mr. Brown of South Carolina, Mr. Green of Texas, and Mr. Strickland.

H.R. 3739: Mr. Ryun of Kansas.

H.R. 3755: Mr. Feeney.

H.R. 3778: Mr. Weldon of Pennsylvania.

H.R. 3798: Mr. Frank of Massachusetts.

H.R. 3801: Mr. Weldon of Florida, Mr. Baker, Mr. Simpson, Mr. Carter, Mr. Kennedy of Minnesota, Mr. Everett, Mr. Jones of North Carolina, Mr. Toomey, Mr. Smith of Michigan, Mr. Hostettler, Mr. Chabot, and Mr. Garrett of New Jersey.

H.R. 3802: Mr. Johnson of Illinois, Mr. Cummings, Mr. McHugh, Mr. Rush, Mr. Gordon, Mr. Owens, and Mrs. Linda T. Sánchez of California.

H.R. 3818: Mr. Saxton and Mr. Meek of Florida.

H.R. 3824: Mr. Franks of Arizona.

H.R. 3837: Mr. Ryun of Kansas.

H.R. 3847: Mr. Crowley and Mr. Cardin.

H.R. 3860: Mr. Boehlert.

H.R. 3866: Mr. Meehan.

H.R. 3874: Mr. Baca.

H.R. 3881: Mr. Etheridge, Mr. Frost, Mr. Dooley of California, Mr. Price of North Carolina, Mr. Van Hollen, Mr. Grijalva, Mr. Case, Mr. Serrano, Mr. Menendez, Ms. McCarthy of Missouri, Mr. Lynch, and Mr. Hoeffel.

H.R. 3889: Mr. Gillmor, Mr. Manzullo, and Mr. Rohrabacher.

H.R. 3916: Mr. Pitts, Mr. Bereuter, and Mr. Shimkus.

H.R. 3919: Ms. Eddie Bernice Johnson of Texas, Mr. Jackson of Illinois, Mr. McDermott, Ms. Watson, Ms. Millender-McDonald, and Mr. Rush.

H.R. 3949: Mr. Green of Wisconsin, Mr. Burr, and Mr. Walsh.

H.R. 3950: Mr. Hostettler and Mr. Tancredo.

H.R. 3951: Mr. Bradley of New Hampshire, Mr. Wilson of South Carolina, Mr. LoBiondo, Mr. McNulty, Mr. Burr, and Mr. Miller of Florida.

H.R. 3981: Mr. Norwood.

H.R. 3989: Mr. Frost, Ms. Carson of Indiana, Mr. Jackson of Illinois, Mr. Brown of Ohio, Mr. Bishop of Georgia, and Ms. Lofgren.

H.R. 3991: Mr. Obey, Mr. Serrano, Mr. Oberstar, Mr. Frost, Mr. Grijalva, Mr. Markey, and Mr. DeFazio.

H.R. 3995: Mr. DeFazio.

H.R. 4011: Mr. Gallegly and Ms. Ros-Lehtinen.

H. Con. Res. 304: Mr. Payne.

H. Con. Res. 328: Mrs. Jo Ann Davis of Virginia, Mr. Skelton, Mr. Frost, Mr. Miller of Florida, Mr. Hayes, Mr. Simmons, Mrs. Maloney, Mr. Gibbons, Mr. Calvert, Mr. Brady of Pennsylvania, Mr. Bishop of Utah, Mr. Wilson of South Carolina, Mr. Forbes, Mr. Brown of South Carolina, Mr. Bartlett of Maryland, and Mr. Hunter.

H. Con. Res. 330: Mr. Kennedy of Rhode Island.

H. Con. Res. 332: Ms. Eshoo, Mr. LaTourette, Mr. Portman, Mr. Culberson, Ms. Norton, and Mr. Sensenbrenner.

H. Con. Res. 371: Mr. Cox, Mr. Carson of Oklahoma, Mr. Kline, Mr. Lincoln Diaz-Balart of Florida, Mr. LaTourette, and Mr. Kingston.

H. Con. Res. 374: Mr. Forbes, Mr. Ryan of Ohio, and Mr. Moore.

H. Con. Res. 378: Mr. Wolf, Mr. Souder, Mr. Leach, Mr. Payne, Mr. Weldon of Pennsylvania, Mr. Bell, Mr. Ford, and Mr. Olver.

H. Con. Res. 386: Mr. Taylor of Mississippi and Mr. Spratt.

H. Con. Res. 395: Mr. Waxman, Mr. Sherman, and Ms. Roybal-Allard.

H. 541: Mr. Weldon of Pennsylvania and Mr. Kucinich.

PETITIONS, ETC.

Under clause 3 of rule XII, petitions and papers were laid on the clerk's desk and referred as follows:

59. The SPEAKER presented a petition of H.R.M. de Buonaparte, a Citizen of Turtle Island, North Pangaea, relative to an amendment to previously submitted petitions of redress of grievances; to the Committee on the Judiciary.

60. Also, a petition of the Village President, Village of North Barrington, Illinois, relative to Resolution Number 2291, a resolution supporting the U.S. House of Representatives Transportation and Infrastructure Committee's Federal Transportation Funding Proposal; to the Committee on Transportation and Infrastructure.

61. Also, a petition of the Director, California Bay-Delta Authority, relative to the California Bay-Delta Authority's 2003 Annual Report, in accordance with the reporting requirements of the California Bay-Delta Authority Act (Ch. 812, Stats. 2002); jointly to the Committees on Resources and Transportation and Infrastructure.

EXTENSIONS REMARKS

IN HONOR OF MICHAEL O'KENNEDY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. KUCINICH. Mr. Speaker, I rise today in honor and celebration of Michael O'Kennedy—distinguished barrister and public servant of Ireland, and former prominent member of the Dail Eireann, representing North Tipperary—as we welcome him to Cleveland, Ohio, on St. Patrick's Day.

For the past 25 years, Tim Collins and Thomas Scanlon have organized the St. Patrick's Day Party, a joyous event that brings people together for an enchanted evening of renewing old friendships and discovering new ones. Moreover, this event serves as a living bridge that extends across the blue Atlantic—from the north coast of Cleveland to the shores of the Emerald Isle.

Mr. O'Kennedy has dedicated his life to public service, social leadership and activism. Though retired from the political stage, Mr. O'Kennedy continues to volunteer his time to the people and causes of Ireland. Similarly, Mr. Collins and Mr. Scanlon, distinguished attorneys, continue to preserve and promote the history and culture of their beloved Irish homeland.

Mr. Speaker and colleagues, please join me in honor and recognition of the Honorable Michael O'Kennedy, for joining us in Cleveland as we celebrate St. Patrick's Day. Please also join me in recognition of Tim Collins and Thomas Scanlon for organizing this wondrous St. Patrick's Day Party each year for the past 25 years. "Ni dheanfaidh smaoineamh an treabhadh duit—You'll never plough a field by turning it over in your mind"—Old Irish Proverb.

HONORING THE WILLIAMSVILLE NORTH SPARTANS HOCKEY TEAM

HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. REYNOLDS. Mr. Speaker, it is with great pleasure that I rise to congratulate the Williamsville North High School Spartans of Amherst, New York. On March 21, 2004, the Spartans brought home the school's second Division I State Hockey Championship.

Williamsville North, playing in their record fourth-straight Division I championship game, defeated Seton Catholic 5–2. The Spartans displayed dedication, teamwork, and sportsmanship throughout the entire season, and the Championship is a testament to the hours of hard work they put in during practice and the effort and desire to win they brought to the rink each game. The State Title was achieved by a team of 27 devoted young men. They are: Vincent Amigone Jr, Eric Bennett, Tim Burow, Jason Burzik, Jason Dodson, Ryan Geary, Steven Jacobs, Kenny Joseph, Robert Klein, Ryan Kovel, Ryan Lydon, Ryan Moskal, Matt Nigro, Tyler Walser, Kurt Ziemann, John Cavagnaro, Ryan Clifford, Kevin Dunn, Dan Hartman, Alex Morrison, Alex Ponitowski, Matt Ruckdaschel, Nathan Ruckdaschel, Shane Sims, Kevin Fitzpatrick, Chris Keller, and Ben Sawicki.

I would like to offer this Congress' congratulations to the team, including the Head Coach, Bob Rosen; his Assistant Coaches, Dan Mancuso, Tim Digiulio, David Smith, and John Burns; the Williamsville North Athletic Director Steve Ferenczy; and the Principal, Dr. William Krone.

The entire Western New York community is proud of all that they have accomplished.

Mr. Speaker, I ask that this Congress join me in honoring and recognizing the Williamsville North Spartans Hockey team for bringing home the school's second Division I State Championship.

HONORING COACH CEAL BARRY

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. UDALL of Colorado. Mr. Speaker, I rise today to honor Coach Ceal Barry of the University of Colorado Women's Basketball Team. On February 24, 2004, in a decisive 75–56 victory over Kansas, Coach Ceal Barry distinguished herself and her team as one of the highest placed coaches in Division I history—winning her 500th game.

This is Coach Barry's 21st season with the University of Colorado. The mainstream popularity of women's basketball has certainly grown over the past couple of decades. But those of us who are fans of women's basketball have long known that when folks talk about the game, they are more often than not talking about Ceal Barry's Lady Buffs.

A generation of female athletes has grown up admiring the CU women's basketball team. The success of the Lady Buffs has served as an inspiration and a source of pride for athletes throughout Colorado. With Coach Barry at the helm, the Buffs have secured four league titles and five conference tournament wins. Her Lady Buffs have made 10 appearances in the NCAA tournament, five trips to the Sweet 16 and three journeys to the Elite Eight.

Coach Barry demands that her players develop strength of character both on and off the court. She certainly walks her talk in this regard. Her players consistently meet high academic standards that can be held up against any program in college sports. It is a testament to this expectation that in all of the years that Barry has coached at CU, all but one player who stayed until her senior year has graduated. She builds her players up by setting high expectations and tolerating nothing less. She has said that she holds the belief that "people build confidence through results," meaning you not only get strong to prepare for success, but that it is only through success that you ultimately believe in your strength.

I have had the opportunity to know Coach Barry through the years and certainly consider Ceal to be a friend. Not long ago, I was partnered with Ceal against another twosome in a round of golf. I can honestly say that I have first hand knowledge of the motivating power that this fierce competitor inspires. Suffice it to say, I quickly fell in line with the obvious if not stated expectation that I bring my best possible game. And this was a "friendly" round of golf.

So I congratulate you, Ceal, on your 500th win, but I cannot say that I am surprised. Your talent, vision and leadership are undeniable. You and your Lady Buffs are a source of pride for women's basketball, for CU and for all of Colorado. Colorado salutes you. Well done, coach. I ask my colleagues to join me in congratulating Coach Ceal Barry on this laudable achievement. I wish you continued success in the future.

A PROCLAMATION HONORING LEONE MANTZ ON HER 100TH BIRTHDAY

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. NEY. Mr. Speaker:

Whereas, Leone Mantz was born in Hocking Hills, Ohio on March 24, 1904; and

Whereas, Leone Mantz is celebrating her 100th birthday today; and

Whereas, Leone Mantz, a devoted wife to Howard Mantz, was a nurse for 58 years, and is a longtime active participant in the social and civic life of the community; and

Whereas, Leone Mantz has exemplified a love for her family and friends and must be commended for her lifelong dedication to helping others in Barnesville, Ohio.

Therefore, I join with the residents of the entire 18th Congressional District of Ohio in wishing Leone Mantz a very happy 100th birthday.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

IN HONOR OF MARY H. MURPHY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. KUCINICH. Mr. Speaker, I rise today in tribute and recognition of Mary Murphy of Brooklyn, Ohio, as she is honored as the City of Brooklyn's "Democrat of the Year."

With family central to her life, Mrs. Murphy and her late husband, Thomas Murphy, Sr., raised eight children. Mrs. Murphy is the proud grandmother of eight, and she is also the proud greatgrandmother of eight.

Beyond caring for her family, Mrs. Murphy has been an involved member of the City of Brooklyn Democratic Party for nearly 50 years. In 1955, Mrs. Murphy volunteered her time to work on election day, and by the late fifties, she was elected to serve as precinct committee person—a position she holds to this day. With a quick and agile mind and an equally energized spirit, Mrs. Murphy continues to volunteer her time and talents in service to her community. Moreover, Mrs. Murphy continues to energize the Democratic Party of Brooklyn with her dedication, integrity, loyalty, and hopeful outlook.

Mr. Speaker and colleagues, please join me in tribute and recognition of Mary H. Murphy, as she is being honored by the City of Brooklyn as the "Democrat of the Year." Mrs. Murphy continues to be an inspiration to everyone in her life—especially to her family and friends. Her friendship, convictions, boundless energy, joy, and good works are invaluable gifts, and her spirit of volunteerism continues to uplift the City of Brooklyn, and our entire community. We wish her continued health and happiness today, and all days to come.

HONORING WILLIAMSVILLE EAST FLAMES HOCKEY TEAM

HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. REYNOLDS. Mr. Speaker, it is with great pleasure that I rise to congratulate the Williamsville East High School Flames of Amherst New York. On March 21, 2004, the Flames brought home the school's first ever Division II State Hockey Championship. It was also the first state championship in any sport for the school.

Williamsville East triumphed 3–2 in an exciting overtime Division II title game. The Flames displayed dedication, teamwork, and sportsmanship throughout the entire season, and the Championship is a testament to the hours of hard work they put in during practice and the effort and desire to win they brought to the rink each game. The State Title was achieved by a team of 21 devoted young men. They are: Graham Townsend, Mike Ross, Kyle Lucey, Matt Gelia, Joe Ash, Paul Clair, Mike Calzi, Alex Durinka, Mike Kaminska, Justin Rusek, Sean Sheeran, Matt McGlone, Jason Tartick, Lyle Rocker, Phil Bermel, Jarrod Etengoff, Andrew Ross, Jamie Tuchiarelli, Richard Calzi, Anthony Clair, and Jonathan Toole.

I would like to offer this Congress' congratulations to the team, including the Head Coach, Mike Torrillo; his Assistant Coaches, Derek Gilham, Dan Hartman, and Manager Joe Guadagnino; Williamsville East Athletic Director Scott Taylor; and Principal Neal Miller.

The entire Western New York community is proud of all that they have accomplished.

Mr. Speaker, I ask that this Congress join me in honoring and recognizing the Williamsville East Flames Hockey team for bringing home the school's first ever Division II State Championship.

RECOGNIZING NATIONAL PEACE CORPS DAY

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. UDALL of Colorado. Mr. Speaker, during March, we celebrate National Peace Corps Day, honoring the 168,000 Americans who have served as volunteers since the creation of the Peace Corps in 1961. These amazing men and women have served our Nation in 136 countries. Peace Corps volunteers have made enormous contributions in the areas of agriculture, business development, education, health, and the environment, and in so doing have improved the lives of individuals and communities around the world. The Peace Corps has become an enduring symbol of our Nation's commitment to encourage progress and create opportunity in the developing world.

My own background as an educator and director at Outward Bound for 20 years taught me about the importance of national and community service. But I also have strong connections to the Peace Corps—through my great State of Colorado and through my family. Colorado has one of the highest levels of recruitment of Peace Corps volunteers nationwide, and returned Peace Corps Volunteers in the 2nd Congressional District alone number over 500. Of course, the most important Peace Corps connection for me is my mother, who served as a volunteer in Nepal decades ago.

Because of these connections I have a special interest in advancing the ability of the Peace Corps to play an important role in these new times. I believe we must work to continue to promote world peace and friendship through the people-to-people approach of the Peace Corps. That's why I worked with my colleague Representative SAM FARR last year to introduce legislation known as the Peace Corps Charter for the 21st Century Act that would strengthen and expand the Peace Corps. The bill passed the House as part of H.R. 1950, a bill authorizing programs at the Department of State. I am hopeful that the Senate will pass the bill before the end of the 108th Congress.

The Peace Corps is one of the most admired and successful initiatives ever put in place. I'm proud that the following young people from the 2nd Congressional District are presently serving in countries all over the world: Vanessa Adams, Ben Armitage, Molly E. Boynoff, Ryan G. Burgess, Millicent S. Butterworth, Yun Chang, Shaun P. Cosgrove, Brian P. Cox, Shaun P. Cronin, Gene F. Defosse, Nicholas J. Detsch, Aryn M. Fleegler, Brooke S. Franke, David Gelvin, Marion C. Hackman, Jessica E. Hanson, Bret G. Harry, Dustin A. Hinrichs, Anna D. Jankowski, Betty J. Kelly, Joseph R. Kelly, Rebecca J. Knerl, Wendy L. Maxwell, Kerith (Kay) M. Miller, Stephanie A. Ogden, Sarah K. Oltmans, Johanna S. Patrick, Benjamin J. Ploeger, Matthew N. Rice, Paul J. Robyn, Trent W. Ruder, Kate A. Rudkin, Kathleen M. Shannon, Melinda E. Simonson, David W. Sparkman, Robert B. Sweetman, Amanda R. Tennant, Michelle L. Tinkler, Ryan P. Van Duzer, Gabrielle Varani, Michael J. Walzak, Anthony R. White, Barry M. Wick.

A pebble tossed into a still pond creates ripples that begin small and grow larger. Peace Corps volunteers have had this same effect on the people they have touched. The Peace Corps experience exemplifies how individuals can make a tremendous difference in the lives and perceptions of people in developing countries as well as people right here at home.

National Peace Corps Day honors the volunteers, past and present, and reaffirms our country's commitment to helping people help themselves throughout the world. Today I honor all of the men and women who have selflessly and generously served our country in the Peace Corps.

A PROCLAMATION IN MEMORY OF STAFF SERGEANT LESTER O. KINNEY II

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. NEY. Mr. Speaker, I hereby offer my heartfelt condolences to the family, friends, and community of Staff Sgt. Lester O. Kinney II upon the death of this outstanding soldier.

Staff Sgt. Kinney was a member of the 82nd Airborne Division's 2nd Battalion, 505th Parachute Infantry, Fort Bragg, North Carolina. He served his great Nation in the country of Iraq as a leader in his unit. A loving husband to his wife Marisa, and loving son to his parents Jack and Barb Lloyd, Sgt. Kinney served courageously for 8 years in the United States Army.

Sgt. Kinney will be remembered for his unsurpassed sacrifice of self while protecting others. His example of strength and fortitude will be remembered by all those who knew him.

While words cannot express our grief during the loss of such a courageous soldier, I offer this token of profound sympathy to the family, friends, and colleagues of Staff Sgt. Lester O. Kinney II.

IN HONOR AND RECOGNITION OF TIMOTHY HORGAN

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of Timothy F. Horgan, Health Commissioner of Cuyahoga County, upon the occasion of his retirement following nearly 35 years of service and dedication to Ohio residents in the areas of public health, recreation and safety.

Throughout his tenure, Mr. Horgan focused on protecting and enhancing the health of Ohio residents of all ages. With the support of Ohio's recreation industry, he wrote the legislation for Ohio's first recreational licensing program that monitored swimming pools, campgrounds and marinas.

While serving as the Director of Environmental Health at the Cuyahoga County Board of Health, Mr. Horgan was instrumental in the development and passage of legislation that significantly updated food protection laws. He also took the lead in investigating an outbreak of infant pulmonary hemorrhaging cases, and facilitated the investigation of an outbreak of Legionnaires' disease.

Moreover, it was Mr. Horgan's diligence, vision and persistence that initiated the construction of a new health center for the Cuyahoga County Board of Health. The new center opened its doors in December, 2003. Additionally, Mr. Horgan energized the entire Board by enhancing the scope of services and increasing staff members from 40 in 1987, to 215 employees today.

Mr. Speaker and Colleagues, please join me in honor and recognition of Timothy E. Horgan, whose exemplary professional life has been dedicated to the health and well-being of Ohio residents. I wish Mr. Horgan many blessings of health and happiness in all of his future endeavors.

105TH BIRTHDAY OF CAPT DOROTHY STRATTON, USCGR

HON. STEVE BUYER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. BUYER. Mr. Speaker, I'd like to send best wishes to CAPT Dorothy Stratton today on her 105th birthday. CAPT Stratton is a visionary leader and patriot whose service to the United States cannot be measured.

CAPT Dorothy Stratton, USCG Reserve, Retired, was born on March 24th, 1899 in Brookfield, MO. She earned her Bachelor's Degree from Ottawa University in 1924 and continued her education at the University of Chicago and at Columbia University, where, in 1932, she earned her PhD. In 1933 she was appointed Dean of Women and associate professor of psychology at Purdue University. Dr. Stratton remained at Purdue until June 1942, when she decided to join the global war effort and took a leave of absence to join the Naval Women's Reserve.

On November 23, 1942, when President Roosevelt established the Coast Guard's Women's Reserve, LT Stratton transferred from the Navy and was sworn in as its first director. She became the first woman accepted for service as a commissioned officer in the history of the Coast Guard.

Almost immediately after being sworn in, LT Stratton set about the task of finding an appropriate name for the Coast Guard Women's Reserve, and so the SPARs got their name. Not only an acronym of the Coast Guard's motto—Semper Paratus, Always Ready, the word spar is often used to describe support structures and, in LT Stratton's words to the Commandant of the Coast Guard, "that is what each member of the Women's Reserve will be."

LT Stratton quickly ascended the Coast Guard ranks and within 2 years was promoted to the rank of CAPT. During her 4 years as director of the SPARs, CAPT Stratton recruited and led 10,000 enlisted women and 1,000 commissioned officers. She led the service throughout World War II, until the SPAR demobilization was complete on June 30th, 1946.

Following her service in the Coast Guard, CAPT Stratton continued to serve her country as Director of Personnel for the International Monetary Fund, and then as National Executive Director of the Girl Scouts of America.

On this, her 105th birthday, I honor CAPT Dorothy Stratton for her service to the United States, the Coast Guard and its Reserve, and for the inspiration and legacy she created, not only for the women of this great nation, but all our citizens.

TRIBUTE TO MR. THOMAS P. CALDWELL

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. PAYNE. Mr. Speaker, I rise today to recognize a distinguished member of my community, Grand Master Thomas P. Caldwell. An admirable citizen and resident of Newark, Mr. Caldwell will be honored on Saturday, April 3, 2004, and I wish to acknowledge his contributions to my district.

Mr. Caldwell was born in Charlotte, North Carolina to Mattie and Melvin Caldwell and is one of eight children. He is married to Glenda Dodd, and they have one daughter, Melody. He graduated from Shaw University with a B.S. in Political Science and continued his educational experience at Rutgers University in New Brunswick, New Jersey and Fairleigh Dickerson University in East Rutherford, New Jersey.

He has been a faithful employee of the New Jersey Department of Labor since 1972, and has held several positions of increasing responsibility there, now serving as Assistant Director of Programs and Services. He is a member of the International Association of Personnel in Employment Security, where he has served on the International Board of Directors and led a Labor exchange to the Republic of China and Japan. He also received the Association's highest award, "The President's Award" in 1989.

Mr. Caldwell is dedicated to community service, assisting in the development of the Vailsburg Block Association, and serving as the President of the PTA of St. Mary's Elementary School, Louise A. Spenser High School, and University High School. He has been an active supporter of the Juvenile Diabetes Foundation, participating in many Walk-a-Thons to—help raise money to increase awareness for the fight against this disease.

He is a member of the NAACP, the Second Ward High School National Foundation, the George E. Cannon Lodge #858 I.B.P.O.E. in Vaux Hall, New Jersey, and the Vailsburg Block Association Council. He has also been very active in the Prince Hall Masonic Organization, enjoying their fellowship and providing for them an excellent and well-respected leader.

Mr. Speaker, please join me in extending my thanks to Mr. Caldwell for his service to my community, and I invite my colleagues to join me in sending our sincere congratulations and best wishes.

RECOGNIZING MR. DAVID WARTOFSKY'S CONTRIBUTIONS TO NATIONAL TRANSPORTATION WEEK

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. HOYER. Mr. Speaker, I rise to recognize Mr. David Wartofsky's contributions to National Transportation Week. For the past five years, Mr. Wartofsky has closed Potomac Airfield, his private airport in Ft. Washington, Maryland, so that 1,000 school children can participate in National Transportation Week events.

This year, on May 20, Potomac Airfield will host nearly 1,000 students from Washington D.C. area elementary, middle and high schools. These children will have an opportunity to view 22 different aircraft and 18 transportation-related exhibits. In addition, the winners of several contests will be recognized. Winners of Odyssey of the Mind Aircraft Flyer Contest will demonstrate their aircraft on the runway. Winners of the Music of the Mind will perform on stage, celebrating, "One Nation on the Move." Winners of the poster contest will see their work on display.

All of this would not be possible without the cooperation and support of Mr. David Wartofsky. Fondly nicknamed the "Big Cheese," Mr. Wartofsky is a pilot and self proclaimed gadget freak. As the owner of Potomac Airfield, he prides himself on being at the "heart" of our nation's airspace, and that statement has come to mean so much more than geography. His passion for aviation is more than the business he operates; he's transformed it into an investment in our community. I applaud Mr. Wartofsky for his contributions to National Transportation Week. Mr. Speaker, I ask my colleagues to join me in recognizing Mr. David Wartofsky and Potomac Airfield which reflects the personality of the

“Big Cheese” and is often described as a “fun airport and a good bunch of interesting friends.”

PERSONAL EXPLANATION

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. ROGERS of Michigan. Mr. Speaker, on the legislative day of Thursday, March 18, 2004, the House had a vote on H. Con. Res. 364, a resolution that would express Congress' recognition of more than 50 years of strategic partnership between the United States and the Marshall Islands. On House rollcall vote No. 71, I was unavoidably detained. Had I been present, I would have voted “yea.”

CAMBRIA COUNTY'S 200TH BIRTHDAY

HON. BILL SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. SHUSTER. Mr. Speaker, I rise today to commemorate Cambria County, Pennsylvania, as it celebrates its 200th Birthday. Having adopted the ancient name for Wales, Cambria is a county rich with culture, beauty, and natural resources. This picturesque region was designated on March 26, 1804, as Cambria County, when parts of Huntingdon, Somerset and Bedford counties merged together.

In the last 200 years industrialization has dictated the progression of this land. The vast opportunities for employment in coal mining, iron production, and railroad construction throughout the nineteenth century attracted an eclectic group of workers. With origins primarily in Wales, Ireland, and Germany, the newly settled immigrants bore the cuts, bruises, fatigue and pain necessary to plant the seeds for a prosperous new county.

In 1825, coal mining became the largest industry in the region, not only illuminating countless homes, but contributing greatly to the bustling Pennsylvania steel industry. From the production of steel and iron came the construction of the Allegheny Portage Railroad, and only 20 years later, the invaluable Pennsylvania Railroad. Despite having to endure several natural catastrophes, including severe flooding and multiple mine disasters, the region continued to flourish and provide the necessary resources for this young nation so that it was able to grow.

For 200 years the citizens of Cambria County have remained loyal and committed to industry—the very roots upon which this community was founded. The rich history that has been told through the sweat and tears of Cambria's past inhabitants parallels the history of our Nation. As you immerse yourselves in this celebration of Cambria County's 200th Birthday, you are learning about the people and the events that formed the very foundation of the United States of America.

Today, the people of Cambria County have every reason to be proud of the progress that has been made. Your efforts have and will continue to benefit your children, the very heart of this celebration, who will guide this county and this nation into a successful future.

Happy Birthday Cambria County!

GREEK INDEPENDENCE DAY

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. SCHIFF. Mr. Speaker, this Thursday, March 25th, the people of Greece will mark the 183rd anniversary of their independence from the Ottoman Empire.

The modern state of Greece was born from a protracted, bloody war against the Ottoman Empire between the years 1821 and 1832. The significance of the Greek War of Independence transcends the bounds of Greece and its history. It was the first major war of liberation after our own revolution, and it marked the end of four centuries of often brutal rule by Istanbul. The struggle for Greek independence drew in Europe's great powers and inspired thousands of non-Greeks to join the cause, including Goethe, Schiller, Victor Hugo, Mary Shelley, Alfred de Musset and Lord Byron.

Today, more than one million of our fellow citizens trace their origins to this ruggedly beautiful land that gave birth to western civilization, and I am honored to join them in this celebration of Greek independence. As the brilliant Romantic poet Percy Bysshe Shelley wrote in the preface to Hellas in 1821, “We are all Greeks. Our laws, our literature, our religion, our arts, have their root in Greece.”

Twenty-four centuries after the construction of the Parthenon, the buildings that house all three branches of our government draw heavily on the architecture of ancient Greece. This is more than mere homage to the graceful beauty of ancient Greek buildings; it is an acknowledgment that our democracy, the core of American nationhood, is a gift to us from Greece. In 332 B.C. Aristotle said, “If liberty and equality, as is thought by some are chiefly to be found in democracy, they will be best attained when all persons alike share in the government to the utmost.” More than two thousands years later his words still inspire us to struggle to perfect our democracy here at home, as we work to foster it around the globe. We are deeply grateful for the support of Greece in the Global War on Terrorism and Greece's participation is enhanced by its status as the cradle of democracy.

Even while we fight together to end the scourge of international terrorism in a world that seems far more unpredictable and dangerous than it did 4 years ago, people around the world look forward to the celebration of another of Greece's gifts to humanity, the Olympic Games. At a time of some uncertainty for the Olympic Movement, I welcome the return of the Olympics to Athens for the first time since the inaugural games of the modern era in 1896. I am looking forward to a spectacular Games that will reconnect the modern Olympics with its roots in antiquity and recapture the world's imagination. As an honor to the Games and its hosts, I urge the British Government to commit, before the start of the Olympics, to return the Parthenon Marbles to the people of Greece. Returning the marbles would be a noble act, in keeping with the spirit of the ekecheiria, the Olympic Truce.

Greeks and Greek-Americans have another reason to celebrate this year. After three decades of division, Cyprus is poised on the brink of reunification, its accession to the European Union now only weeks away. Cypriots on both sides of the Green Line hope that the island's reunification can be finalized before Cyprus joins the EU on May 1. I recently joined 45 of my colleagues in asking Secretary of State Powell and U.N. Secretary-General Kofi Annan to make some modifications to the Annan plan for reunification. As drafted, there are some provisions of the Annan plan that could render it unworkable. The changes we proposed would improve the chances for Cypriot unity and peace, and I hope that they are incorporated in the final phases of the negotiations.

If a solution to Cyprus can be finalized it would reshape the eastern Mediterranean and could lead to an improvement in relations between Greece and Turkey. I am saddened by the tense relations between these two neighbors, both of which are strong friends of the United States and vital members of NATO. To quote Aesop: “A crust eaten in peace is better than a banquet partaken in anxiety.”

Since the Greek War of Independence, when Congress sent money and supplies to the Greeks in their struggle for freedom, common values, shared goals, and mutual respect have been the foundation of the friendship between Greece and the United States. Those ties endure to this day, and they have enriched both peoples.

Mr. Speaker, it is with great joy and admiration that I wish the people of Greece a happy Independence Day and continued freedom and prosperity.

HONORING THE 50TH ANNIVERSARY OF THE CENTRAL SPRINGFIELD LITTLE LEAGUE

HON. TOM DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today to commemorate the 50th Anniversary of the Central Springfield Little League.

In 1954, a small group of fathers headed by Harry Wood, Vic Aldridge, Bill Abrams, Jim Owens, Kent Browning, Ray Ramsey, and Frank Ralston first introduced little league baseball to the boys of Springfield, Virginia. These fathers organized and equipped 60 boys to play in a nearby league in Annandale, Virginia.

The following year, franchised Little League granted Springfield its own league which gained tremendous popularity throughout what now is considered Springfield proper. As program popularity and area population rapidly increased, the program was divided into several leagues first in 1962, then in 1971, and again in 1972, creating the North Springfield Little League, the West Springfield Little League, and the Central Springfield Little League (CSLL).

Since 1972, the CSLL has made every effort to maximize baseball development, participation, and enjoyment in Central Springfield. CSLL improvements include measures such as offering baseball clinics, using pitching machines, and creating a T–Ball program to introduce baseball to five and six year old children. The CSLL has also successfully implemented an "Adopt-A-Field" program that allows them to perform all necessary maintenance and repairs on the fields provided to the CSLL by the Fairfax County Park Authority and Franconia Park.

Since 1975, with the lifting of the "boys only" policy by Little League, Baseball, Inc. girls have become an integral part of CSLL at all levels. Later in 1993 in conjunction with the West Springfield Little League, the CSLL first fielded a Challenger Team for children with physical and mental challenges, which since has grown to the largest in the world.

For the past 50 years, CSLL has provided an invaluable service to the Springfield community. Thanks to the support of countless individuals and businesses in the greater Springfield community, the CSLL has grown into a thriving baseball league, one of the best youth baseball programs in the area.

Mr. Speaker, in closing, I would like to congratulate the CSLL on 50 years of success. I call upon my colleagues to join me in applauding the league's efforts on behalf of Springfield and in wishing the CSLL the best of luck in the many years to come.

TRIBUTE TO SANDRÉ R. SWANSON

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Ms. LEE. Mr. Speaker, I rise today to honor a man who has set the bar for public service, working for over thirty years for the Congress of the United States, Sandré Swanson. On March 1, 2004, Sandré retired from congressional service. The 9th Congressional District salutes and thanks him for his three decades of tireless and spirited service.

Sandré R. Swanson met Congressman Ronald V. Dellums, my predecessor, over thirty-three years ago. Ron, at that time, was a candidate for Congress, and Sandré was the Student Body President at Laney College in Oakland, California. Their first meeting was at an Oakland peace march protesting the May 4, 1970 shooting of four Kent State University students. This shooting ignited a national student strike that was unprecedented in the history of our country. Ron and other Civil Rights leaders were leading the march while Sandré was leading the Laney Student Body protest. Sandré, who was not acquainted with Ron at the time, was part of a group carrying a mock casket for the fallen students. He was so impressed by Ron's speech that day that he organized scores of students for the Dellums campaign.

In 1971, Sandré was elected, via neighborhood balloting, as the East Oakland representative for the Oakland Anti-Poverty Board. He became one of the Board's most vocal Vice-Chairmen.

In 1972, Wilson Riles Jr., who was the Northern California Coordinator for the historic presidential campaign for Congresswoman Shirley Chisholm, recruited Sandré to run the campaign's Advance Team. That was when I first met Sandré. I also recommended to Congressman Dellums that he hire Sandré as part of his congressional staff.

On May 1, 1973, when Sandré was 24, Congressman Dellums asked Sandré to join the district office staff. During his tenure for the Dellums office, Sandré served as Aide, Staff Assistant, Press Secretary, and District Director.

In the fall of 1976, judge Lionel Wilson, another significant mentor, asked Congressman Dellums to borrow Sandré to manage his campaign for mayor. With the assistance of Sandré as his Campaign Manager, Judge Wilson became Oakland's first African-American Mayor on May 17, 1977.

On October 25, 1977, Mayor Wilson appointed Sandré to the Oakland Civil Service Commission, where he served with distinction as Chairman and Commissioner for two terms. The Commission's employee and union appeals caseload doubled under Chairman Swanson's leadership.

In 1990, Congressman Dellums invited Nelson Mandela to Oakland, California following his release from a South African prison after twenty-seven years. A coalition of labor, community and church groups asked Congressman Dellums to grant Sandré leave so that he could serve as the Northern California Coordinator for the Nelson Mandela Freedom Tour. Working with the legendary Bill Graham and hundreds of community organizations, Sandré brought 60,000 people to the Oakland Coliseum in support of this celebration. To complete this historic event, he organized a fundraising dinner in Oakland for 3,000 people. The committee gave the Free South Africa movement the largest contribution of the tour.

In 1993, as a result of military base closures, Congressman Dellums asked Sandré to spearhead the congressional district's military base conversion effort. Sandré was the architect of the cross jurisdictional memberships on local reuse authorities in charge of military base conversion in Alameda County. He served as Vice-Chair of the Alameda Reuse and Redevelopment Authority and Commissioner on the Oakland Base Authority for five years.

In 1998, when I took office, I hired Sandré as my District Director. On May 1, 1999, twenty-six years after I recommended that Congressman Dellums hire him, I appointed Sandré as my own Chief of Staff. As my most trusted advisor, he managed my Washington and Oakland offices.

Sandré has served on countless boards and commissions. He has been the Chair and is currently a trustee for the Alameda County Employees' Retirement Association (ACERA). ACERA manages benefits for its retirees and makes the investment decisions for a 3.5 billion dollar pension fund. Sandré is also the Vice-Chair of the Alameda Golf Commission.

After such distinguished and prestigious service to his community, Sandré retired from congressional service on March 1, 2004. I wish him continued success long into the future, and I also thank him for his outstanding contributions to this congressional district. I take great pride in joining Sandré's wife, Anita, and his children, friends and colleagues to recognize and celebrate the accomplishments and contributions of Sandré R. Swanson.

ORGAN DONATION AND RECOVERY IMPROVEMENT ACT

SPEECH OF

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. BILIRAKIS. Mr. Speaker, I rise today in strong support of H.R. 3926, the Organ Donation and Recovery Improvement Act. I recently introduced this legislation, which reflects a bipartisan, bicameral agreement that was reached with the Senate late last year. I am urging all of my colleagues to join me in supporting this timely legislation.

Most of us are well aware of the great need for donated organs and tissue. According to the United Network for Organ Sharing, there are 84,138 people currently waiting for a transplant. Only 23,387 individuals had received a transplant between January and November of 2003. Additionally, 12,133 individuals had donated their organs within that same timeframe. Tragically, 6,187 individuals died in 2002 while on the waiting list.

It is our duty to do everything in our power to prevent these oftentimes needless deaths from occurring. That's why H.R. 3926 is so important. This legislation targets federal dollars into areas that we feel will have a substantial impact in increasing organ donation rates in this country. For example, living donors represented over half of all donors in the first nine months of 2003. That is why H.R. 3926 authorizes the Secretary of Health and Human Services to award grants for the purpose of covering travel and subsistence expenses incurred by living organ donors. While the decision to become a living organ donor is an intensely personal one, I feel that it is our responsibility to remove any financial barriers that might prevent someone from making the "gift of life."

H.R. 3926 also provides the Secretary with $15 million in new grant authority to assist state governments and public and nonprofit private entities in developing innovative initiatives designed to increase organ donation rates, including living donation. I am hopeful we will learn some valuable lessons from these demonstration projects that we will be able to apply on a national scale.

I also want to point out for my colleagues that this bill contains important evaluation mechanisms, so we can ensure that our targeted federal assistance makes a demonstrable impact on increasing organ and tissue donation rates. I think these provisions are critically important and will help us monitor the effectiveness of these new programs.

I would like to take a moment to note that section 4 of this legislation is modeled after the Floyd D. Spence Organ Coordination Improvement Act, which Congressman JOE WILSON introduced in the 107th Congress. I know he's worked very hard with Congressman JAY INSLEE in this area, and I'm pleased we were able to include this important provision in our broader bill.

H.R. 3926 is widely supported by the transplant community and takes a positive step forward in our effort to ensure that every American has access to a donated organ or tissue when they need it.

TRIBUTE TO MR. HARRY THOMAS

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. McDERMOTT. Mr. Speaker, I rise today to say that one person can make a difference. One person in Seattle who made a big difference is—Mr. Harry Thomas—an unsung hero who has bettered the lives of thousands of people by advocating for safe and affordable housing.

Mr. Thomas is about to retire from the Seattle Housing Authority, and his career of distinguished public service is worthy of special note by the Congress.

Mr. Thomas served as executive director of the Seattle Housing Authority for 14 of the last 17 years. Under Thomas' leadership, the Authority won $136 million in federal grants which leveraged a total investment of $750 million to transform three World-War II era public housing developments—New Holly, Rainier Vista, and High Point—into vibrant new mixed-income communities.

Prior to his work with the Seattle Housing Authority, Harry served as Deputy County Executive for King County, and as the Executive Director of Neighborhood House, a non-profit in Seattle. He also served as the Washington governor's staff director and special assistant for housing.

In the Seattle area, Mr. Thomas served as a member of the Board for the Federal Home Loan Bank of Seattle, which he also chaired from 1995–1998. He also serves as a member of the Seattle-King County Workforce Development Board.

Harry's commitment to public service does not stop with his service to the Seattle area. In 2002, he served on the Commission on Affordable Housing and Health Care Facility Needs of Senior Citizens in the 21st Century, a Congressional Commission charged with evaluating the need for senior housing in the twenty-first century. He also serves as Secretary of the Executive Board for the Council of Large Public Housing Authorities and as President of the Housing Research Foundation Board, both organizations based in Washington, D.C. that focus on federal funding and policy for low-income housing.

In recognition of his dedication and service, Mr. Thomas received the 1999 National Council on the Aging Sidney Spector Award and the 1995 Distinguished Alumnus Award from the University of Washington School of Social Work and Alumni Association.

Harry, thank you for your life-time of public service to the greater Seattle community, and your tireless work to provide decent, safe housing for the area's low-income households.

GREEK INDEPENDENCE DAY

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. CROWLEY. Mr. Speaker, Greek Independence Day is not only an opportunity won by the Greeks after 400 years of oppression, but also an opportunity to remind ourselves of the freedom we are able to exercise today. Americans like the rest of the world's democracies, truly appreciate the Hellenic ideals of liberty, freedom, and democracy. The ancient Greeks fashioned the notion of democracy, and our Founding Fathers drew heavily from their philosophy and political experience in forming our own representative government.

The excellence of mankind has often been symbolized by Hellenic ideals. The works of Homer, Plato, and Aristotle, have been studied by countless numbers of students over hundreds of years. The Olympics, a tournament of sports watched and enjoyed by millions, experienced its birth among the ancient Greeks. Seeking to promote friendship and peace among nations the Olympics now boast almost 200 participating countries. This summer, the 2004 Summer Olympics will return to their birthplace and now more than ever, we should be reminded of these values and strive to meet them with other nations of the world.

On Greek Independence Day we should also seek to celebrate the living history of Greek heritage. During the occupation by the Ottoman Turks, they risked harsh penalties, some extreme as death, to teach their children the culture, history, and language of their glorious ancestors. These "Secret Schools" kept alive the heritage and spirit demonstrated today. It is this dedication to Greek culture and ideals that led them to revolt against the Ottomans in 1821.

During the Greek's 8-year revolution for freedom, many Americans fought alongside them in battle. The United States Congress sent funds along with supplies to aid the fight for independence. That friendship is still strong today as Greece and its people join us in combating terrorism that seeks to destroy the ideals of liberty, freedom and democracy which we value.

STEM CELLS, WOMEN'S HEALTH, WEAPONS, WATER, AGRICULTURE—THE LIST GOES ON AND ON

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Ms. LOFGREN. Mr. Speaker, I would like to submit for the CONGRESSIONAL RECORD the attached editorial by the San Jose Mercury News dated March 15, 2004 as an extension of my remarks earlier today.

[From the San Jose Mercury News, Mar. 15, 2004]

BUSH MANIPULATES SCIENCE DATA TO PURSUE HIS IDEOLOGICAL GOALS

STEM CELLS, WOMEN'S HEALTH, WEAPONS, WATER, AGRICULTURE—THE LIST GOES ON

The Bush administration has the manipulation of scientific data down to a science.

When it comes to imposing his ideology on the work of world-renowned scientists, the president is an equal opportunity meddler. Global warming. Stem cell research. The quality of our drinking water. Health issues (particularly those related to women's health). Nuclear weapons. Agricultural practices. Those are just a few of the areas in which Bush routinely uses politics to cater to big business or the religious right.

Congress last fall asked the General Accounting Office to investigate. If the GAO's report, due in April, confirms a similar investigation conducted by the Union of Concerned Scientists, Congress should immediately begin holding hearings aimed at ending future presidents' ability to distort and suppress science for political gain. And the scientific community's outrage over the administration's actions should be raised when judging the presidential candidates' credibility.

Consider the array of scientists and federal officials opposed to the administration's actions. Twenty Nobel laureates. Dozens of prominent scientists who cover the political spectrum. Even a collection of federal officials who served in Republican administrations, including President Nixon's Environmental Protection Agency administrator, William Ruckelshaus. It's also significant that no prominent scientists are surfacing to defend the Bush administration.

But it's difficult to defend distortions such as the National Cancer Institute's suggestion on its Web site that there is a link between abortion and breast cancer. The Institute posted that information despite the objections of Centers for Disease Control staff. Numerous examples of suppression or distortion of scientific data are contained in the Union of Concerned Scientists' report.

Bush has been quoted as saying, "Science and technology have never been more essential to the defense of the nation and the health of our economy."

Too bad his actions don't live up to his words.

PAYING TRIBUTE TO DAWN MATHEWS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to congratulate Dawn Mathews of Hot Sulphur Springs, Colorado, on receiving the "Power of One" award at the Sixth Annual Colorado Woman Conference for her work with the Roadside Memorial Project. The conference recognizes individual women, selected by Colorado newswomen, who have made an extraordinary difference in their community. It is my privilege to recognize Dawn and her achievements before this body of Congress and this nation today.

As founder and executive director of the Roadside Memorial Project, Dawn strives to document and preserve the roadside memorials for victims of car accidents and raise traffic safety awareness. She believes that these memorials are an important way for families of the victims to deal with their loss, and that they send a valuable message to motorists about the hazards of driving. Dawn photographs the memorials and then uses computer graphics to create images that she puts on public display. While her goal is to get people to slow down on the road, she finds her personal involvement with the families of the victims as one of the most rewarding aspects of her work.

Mr. Speaker, it is my privilege to recognize Dawn Mathews here today before this body of Congress and this nation and congratulate her on receiving the "Power of One" award. KUSA–TV's Amanda Martin selected Dawn for this honor, and it is a well-deserved testament to her dedication to her community and the State of Colorado. I wish her all the best in her future endeavors.

CONGRATULATING INDIANA STATE SENATOR KENT ADAMS ON THE OCCASION OF HIS RETIREMENT

HON. CHRIS CHOCOLA

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. CHOCOLA. Mr. Speaker, I rise today to honor a fellow Hoosier legislator, Senator Kent Adams, for his many years of dedicated service to the citizens of Indiana and to congratulate him upon the occasion of his retirement.

Senator Adams obtained his Bachelor of Science Degree from Manchester College. He then continued his education, earning his Masters of Arts from Ball State University and a Degree in Education from Walden University; Senator Adams also attended the State Police Academy at Indiana University.

Senator Adams has dedicated himself to public service throughout his life. Upon completing his degrees, he pursued a career in education as a teacher and a school administrator. In addition, Senator Adams also served as an Indiana State Trooper.

Senator Adams was first elected to the Indiana General Assembly in 1988. He served two terms in the House of Representatives and was named Outstanding Freshman Legislator in 1989.

Then, in 1992, Senator Adams was elected to the Indiana Senate, and currently serves as Chair of the Governmental Affairs & Interstate Cooperation Subcommittee and is a ranking member of the Environmental Affairs and Natural Resources committees. He also serves on the Pensions and Labor committee.

Senator Adams was recognized for achieving a one hundred percent voting attendance record, having been present for all 570 roll-call votes recorded during the 16 week long 2003 legislative session.

In addition to his duties at the Senate, Senator Adams has also been actively involved in his local community as a member of the Kosciusko County Historical Society and the Kosciusko County Retired Teachers Association. He has also served as a board member for the Bowen Center for Human Services and the Warsaw Community Development Corporation.

After 16 years in the Indiana General Assembly, Senator Adams recently announced that he would not seek re-election to Indiana Senate District 9 in 2004.

Upon the completion of his third term, Senator Adams looks forward to spending more time with his wife, Nancy, and their five children and fifteen grandchildren.

Mr. Speaker, I know his constituents will be sorry to see him leave. But both they and his family can take comfort in the knowledge that he has both capably and honorably represented District Nine for the past 16 years.

I know that all of Senator Adams' colleagues agree with me in saying that they are proud to have served with him during his long and distinguished career.

I wish him and his family well.

BOY SCOUTS HONOR STEPHEN BARROUK WITH DISTINGUISHED CITIZENS AWARD

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. KANJORSKI. Mr. Speaker, I rise today to honor my friend and colleague, Mr. Stephen Barrouk, native of Wilkes-Barre, in Luzerne County, in my district, who is being honored by the Boy Scout Council of Northeastern Pennsylvania.

I ask that my colleagues pay tribute to him as he is awarded the Distinguished Citizens Award at a dinner tonight at Genetti's in Wilkes-Barre, Pennsylvania.

Steve has served as President and CEO of the Wilkes-Barre Chamber of Business and Industry since 1989. In this capacity, he manages three organizations including the Chamber of Commerce, Committee for Economic Growth and the Greater Wilkes-Barre Industrial Fund, Inc.

Steve attended E.L. Meyers High School in Wilkes-Barre, Pennsylvania. Upon graduation, he went on to the University of Pittsburgh, where he received his bachelor of arts degree in urban studies and economics and his master's degree in public administration.

Prior to his appointment in Wilkes-Barre, Steve worked in the Pittsburgh Department of City Development in Pittsburgh, Pennsylvania. He later worked as Deputy Director of the Allegheny County Department of Development and Executive Director of the Allegheny County Industrial, Hospital and Higher Education Authorities. On behalf of all of Northeastern Pennsylvania, I offer my gratitude to our colleagues in the western part of the state for educating Steve on economic development. At our first opportunity, we stole him back.

Steve is a current Board member and past Chairman of the Pennsylvania Economic Development Association. He serves on the Boards of the Northeastern Pennsylvania Alliance, the United Way of the Wyoming Valley, the Ethics Institute and Blue Cross of Northeastern Pennsylvania.

I am especially proud of the leadership Steve has shown as an original member of the Board of the Earth Conservancy; non-profit, charitable organization that I helped to establish to restore, preserve, and develop more than 17,000 acres of land throughout Luzerne County previously owned by a bankrupt coal company. We worked very closely together on this project, which I believe will have a profound impact on present and future generations of Northeastern Pennsylvanians. Especially in the earliest days of the organization, we endured a great deal of criticism and controversy.

Like the Earth Conservancy, the Luzerne County Convention Center Authority generated a great deal of controversy in its early days and has since been recognized as an overwhelming success for the entire region. Steve Barrouk served as chairman of this authority and continues to serve on the board. It is for his willingness to step forward and lead efforts that may be controversial but serve the long-term interests of the community that Steve deserves the greatest commendations.

Steve is also a member of the American Chamber of Commerce Executives, Northeast Economic Development Association and the International Research Council. He has also served on the Board of the Northeast Pennsylvania Philharmonic Society and was a member of the Osterhout Free Library Long-Term Planning Committee and Downtown Task Force.

Mr. Speaker, it is my pleasure to represent a man who has tirelessly served our community. Northeastern Pennsylvania is a stronger community because of the service of Steve Barrouk, and I can think of no higher compliment for a man. I am pleased to join the Boy Scouts in honoring this man who has worked so earnestly to improve the quality of life in Northeastern Pennsylvania.

PAYING TRIBUTE TO EDNA WILSON MOSLEY

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. McINNIS. Mr. Speaker, it is a privilege to rise today to pay tribute to Edna Mosley for her selfless dedication to the community of Jefferson County, Colorado, and congratulate her on receiving the "Power of One" award at the 2004 Colorado Woman Conference. The conference recognizes individual women, selected by Colorado newswomen, who have made an extraordinary difference in their community, and it is my privilege to acknowledge Edna before this body of Congress and this nation today.

As an active member in her community, Edna dedicates her efforts to a vast array of civic functions. Tamara Banks of KWGN-TV selected Edna for this award in recognition of her hard work and dedication toward the redevelopment of Lowry Air Force Base and Fitzsimons Army Base. When Lowry was decommissioned, Edna helped transform Lowry into a popular home development and community with shops and stores, and Fitzsimons now houses the prestigious Colorado University Health Science Center. Her extensive involvement in Aurora includes serving on the Aurora City Council for three terms, serving as co-founder of the Denver-Nairobi Sister Cities Committee, and serving as president and chair of Denver Sister Cities International.

Mr. Speaker, it is my privilege to recognize Edna Mosley today before this body of Congress and this nation and congratulate her on receiving the "Power of One" award. Her exceptional civic service has done much for the betterment of the City of Aurora and the State of Colorado. I thank her for her service and wish her all the best in her future endeavors.

COMMEMORATING THE 183RD ANNIVERSARY OF GREEK INDEPENDENCE.

HON. JAMES R. LANGEVIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. LANGEVIN. Mr. Speaker, I rise today in proud recognition of the 183rd anniversary of Greek Independence. This special day for Greece commemorates the strength and determination of its people to restore their democratic roots and identity.

The political philosophies of both the United States and Greece have been challenged by oppressive powers, and both nations have proudly defended their right to self-government and individual freedoms. After showing a desire to be free from the Ottoman Empire in 1821, Greece endured eleven long years of war to succeed in gaining independence. American and Hellenic cultures greatly respect their tradition of independence and recognize the importance of democratic principles.

The United States and Greece have always enjoyed a friendship and alliance in international and cultural endeavors. Hellenic principles resonate in our culture and politics, since the United States was founded on the principles of democracy developed thousands of years ago in the city-states of ancient Greece. The beauty of Greek architecture can even be found while taking a walk through our beloved Capitol building. Likewise, our country's influence on Greece can be seen in their first Constitution, which was based on our Declaration of Independence and the principles behind the American Revolution.

On a cultural level, I am looking forward to this summer and the homecoming of the Olympic Games to Athens. Since Greece resurrected the Olympics in 1896, they have symbolized peace and excellence for people around the world. The Olympics show that great athletic skill and spirited competition can bring nations together despite their differences. Greece will undoubtedly serve as a gracious host of the Games, and the 25th Summer Olympics will prove again to the world how Hellenic ideals such as equality and friendship have stood the test of time and continue to flourish at a global level. Hellenic culture, whether through its development of democratic government or its espousal of friendly competition, encourages people to come together amicably even during the most difficult of times.

Mr. Speaker, it would be hard to imagine a United States of America, or even the world, without the great contributions from Greece. I will continue to work in Congress to support Hellenic causes and our strong and important alliance. I would like to join my colleagues in congratulating Greece on the anniversary of its independence.

Thank you, Mr. Speaker, and I urge my colleagues to join me in celebrating this anniversary.

THE TELEVISION CONSUMER FREEDOM ACT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. PAUL. Mr. Speaker, I rise to introduce the Television Consumer Freedom Act, legislation repealing regulations that interfere with a consumer's ability to obtain desired television programming. The Television Consumer Freedom Act also repeals federal regulations that would increase the cost of a television.

My office has received numerous calls from rural satellite and cable TV customers who are upset because their satellite or cable service providers have informed them that they will lose access to certain network and cable programming. The reason my constituents cannot obtain their desired satellite and cable services is that the satellite and cable "marketplace" is fraught with government interventionism at every level. Local governments have historically granted cable companies franchises of monopoly privilege. Government has previously intervened to invalidate "exclusive dealings" contracts between private parties, namely cable service providers and program creators, and has most recently imposed price controls. The Library of Congress has even been delegated the power to determine prices at which program suppliers must make their programs available to cable and satellite programming service providers.

It is, of course, within the constitutionally enumerated powers of Congress to "promote the progress of Science and Useful Arts by securing for limited Times to Authors and Inventors the Exclusive Right to their respective Writings and Discoveries." However, operating a clearing-house for the subsequent transfer of such property rights in the name of setting a just price or "instilling competition" via "central planning" seems to be neither economically prudent nor justifiable under this enumerated power. This process is one best reserved to the competitive marketplace.

It is impossible for the government to set the just price for satellite programming. Over regulation of the cable industry has resulted in competition among service providers for government privilege rather than free market competition among providers to offer a better product at a lower price. While federal regulation does leave satellite programming service providers free to bypass the governmental royalty distribution scheme and negotiate directly with owners of programming for program rights, there is a federal prohibition on satellite service providers making local network affiliates' programs available to nearby satellite subscribers. This bill repeals that federal prohibition so satellite service providers may freely negotiate with program owners for programming desired by satellite service subscribers. Technology is now available by which viewers could view network programs via satellite as presented by their nearest network affiliate. This market-generated technology will remove a major stumbling block to negotiations that should currently be taking place between network program owners and satellite service providers.

This bill also repeals federal laws that force cable companies to carry certain programs. These federal "must carry" mandates deny cable companies the ability to provide the programming their customers' desire. Decisions about what programming to carry on a cable system should be made by consumers, not federal bureaucrats.

The Television Consumer Freedom Act also repeals federal regulations that mandate that all TVs sold in the United States contain "digital technology." In complete disregard of all free market and constitutional principles, the FCC actually plans to forbid consumers from buying TVs, after 2006 that are not equipped to carry digital broadcasts. According to Stephen Moore of the CATO Institute, this could raise the price of a TV by as much as $250 dollars. While some television manufactures and broadcasters may believe they will benefit from this government-imposed price increase, they will actually lose business as consumers refrain from purchasing new TVs because of the government mandated price increase.

Mr. Speaker, the federal government should not interfere with a consumer's ability to purchase services such as satellite or cable television in the free market. I therefore urge my colleagues to take a step toward restoring freedom by cosponsoring my Television Consumer Freedom Act.

INTRODUCTION OF H.R. 4020, STATE VETERANS HOME NURSE RECRUITMENT ACT OF 2004

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. SMITH of New Jersey. Mr. Speaker, today I am introducing H.R. 4020, the State Veterans Home Nurse Recruitment Act of 2004, a bill to assist state veterans' homes in hiring and retaining nurses. Mr. Evans, the gentleman from Illinois and Ranking Member of the Committee on Veterans' Affairs, joins me as an original cosponsor of this important legislation.

H.R. 4020 would allow states which already receive per diem payments and have an established employee incentive programs to apply to receive up to 50 percent of the annual cost of such incentive programs, but no more than 2 percent of the annual amount of per diem payments per fiscal year. These funds would be paid from VA's health care budget, just as the per diem payments are now being paid.

State veterans' homes first began serving veterans in the wake of the Civil War. In 1888, Congress authorized the first Federal aid to states which maintained homes for disabled

American soldiers and sailors in need of long term care. At the time, the payments amounted to about 30 cents per resident per day. In the years since, Congress has made several major revisions to the program to expand the base of payments to include specialized hospital, nursing home, domiciliary, and adult day health care.

Now the largest provider of long-term care to our nation's veterans, the state veterans' home system plays a vital role in caring for the growing number of aging veterans. The veteran population most in need of nursing home care, those veterans 85 years or older, grew from about 387,000 in FY 1998 to 870,000 in FY 2003, more than a 100 percent increase over the past five years. This veteran population is expected to continue to rise to about 1.3 million by mid-decade.

The Department of Health and Human Services (HHS) in 2002 surveyed the 50 states and Puerto Rico to learn how states are responding to needs for health care workers. Ninety percent reported a shortage of nursing staff as a major concern in their responses. In efforts to respond to these nursing and other health work force shortages, 44 of 50 states reported establishing task forces and commissions to study and seek solutions. The focus of the task forces or commissions in 25 states was to study shortages in the long-term care work force.

While the HHS study documented the extent of the problems nationally, I am aware of difficulties that the three New Jersey state veterans' homes in Vineland, Paramus and Menlo Park, have faced over the past several years in recruiting and retaining quality nursing staff. The nursing shortage in my state of New Jersey was reported by HHS to be among the three highest in the nation.

Mr. Speaker, we have an obligation to ensure that our veterans receive the benefits that they have earned through their service, including long-term care of high quality. I urge my colleagues to cosponsor H.R. 4020.

PAYING TRIBUTE TO BETTY PROCTOR

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. McINNIS. Mr. Speaker, it is a privilege to rise today to pay tribute to Betty Proctor for her selfless dedication to the community of Jefferson County, Colorado, and congratulate her on receiving the "Power of One" award at the 2004 Colorado Woman Conference. This award is bestowed upon women who have made a remarkable impact on their community, and Betty could not be a more worthy recipient.

Betty's life has always revolved around public service, having established more than thirty non-profit organizations over the years. After retiring from the Jefferson County Social Services six years ago, Betty has dedicated her time to an organization she founded, called Helping Hearts & Hands. The organization raises money for people who need emergency funds and cannot get finances elsewhere, and uses these funds for emergencies such as paying for car repairs so a single mother can keep her job. Betsy's enthusiasm and commitment to her community have been the driving force behind Helping Hearts & Hands, and her efforts recently secured a grant of $12,000 from a Colorado foundation.

Mr. Speaker, it is my privilege to recognize Betty Proctor here today before this body of Congress and this nation and congratulate her on receiving the "Power of One" award. Cynthia Hessin of KRMA-TV selected Betty for this honor, and it is a well-deserved testament to her dedication to public service in Jefferson County and the State of Colorado. I wish her all the best in her future endeavors.

CONGRATULATING INDIANA STATE REPRESENTATIVE RICHARD W. MANGUS ON THE OCCASION OF HIS RETIREMENT

HON. CHRIS CHOCOLA

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. CHOCOLA. Mr. Speaker, I rise today to pay tribute to Indiana State Representative Richard W. Mangus. He will be retiring from the Indiana House of Representatives this year after a long and distinguished career.

Representative Mangus was first elected to the Indiana House of Representatives in November, 1972. Since that time he has served the people of St. Joseph and Elkhart counties honorably; always seeking to improve the legislative process while representing the needs and sentiments of his constituents.

During his sixteen terms in office, Representative Mangus has served as the Ranking Member on the Environmental Affairs Committee; Ranking Member on the Constitutional Law Committee; Ranking Minority Member on the Natural Resources Committee; Chairman of the Elections and Reappointment Committee; Chairman of the House Environmental Affairs Committee; a Member of the House Human Affairs Committee; and a member of the House Public Policy Committee. He is currently serving as the Ranking Minority Member on the House Committee on Agriculture, Natural Resources, and Rural Development.

He has been honored and recognized by many organizations and fellow legislators throughout his sixteen term career. Some of these distinguished awards have been: Fraternal Order of Police Legislator of the Year; Professional Firefighters Legislator of the Year; District Soil and Water Conservation Special Recognition Award for Support of District Programming; 4–H Leadership 20 Year Service Award; Izaak Walton League Environmental Achievement Award; State of Indiana Sagamore of the Wabash Award; and the Jr. Chamber of Commerce Outstanding Citizen of the Year Award.

Representative Mangus was born in Lakeville, Indiana, in 1930. He and his wife Mary still remain in Lakeville where their five children were raised. Representative Mangus is a member of the Lakeville Lions Club, Lakeville Lodge of Free and Accepted Masons, Scottish Rite, Order of the Eastern Star, Lakeville Commerce Association, County Line Brethren Church, and Toastmasters.

Mr. Speaker, I know the citizens of St. Joseph and Elkhart counties join me in congratulating Representative Mangus and wish him continued success in the future.

BOY SCOUTS PRESENT SEN. BOB MELLOW WITH DISTINGUISHED CITIZENS AWARD

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. KANJORSKI. Mr. Speaker, I rise today to recognize my very good friend, the Democratic Leader of the Pennsylvania Senate, Bob Mellow, as he receives the Distinguished Citizens Award from the Boy Scout Council of Northeastern Pennsylvania.

I ask that my colleagues pay tribute to him as he is honored at a dinner tonight at Genetti's in Wilkes-Barre, Pennsylvania. Sen. Mellow is a lifelong resident of Peckville, in Lackawanna County and he has dedicated more than two decades of his life to public service. Thanks to his fine leadership in the redistricting process, I am now proud to be Sen. Mellow's Congressman.

Sen. Mellow was first elected as senator from the 22nd district in 1970, and is now serving a district-record ninth term. He was twice elected as Senate president protempore, the third highest constitutional office in the Commonwealth.

Sen. Mellow attended Lackawanna Junior College, the University of Scranton and Bethel College in Tennessee, where he received his bachelor of science degree in accounting. He also attended graduate school at Marywood University and served in the Pennsylvania National Guard from 1962 to 1968.

One of Sen. Mellow's hallmark moves as Senate president protempore was opening the Senate to television coverage. This has become a permanent part of Senate proceedings and is an important mechanism that encourages public interest in our government.

Sen. Mellow was an early advocate of measures to protect the environment, an issue that he and I both hold close to our hearts. Sen. Mellow was instrumental in passage of the Hazardous Waste Act of 1980. When Northeastern and Central Pennsylvania fell victim to giardiasis in the water supply in 1984, Sen. Mellow introduced legislation to respond to the outbreak of the waterborne disease. Even as he worked on statewide legislation to improve the lives of all Pennsylvanians, he also dedicated himself to improving the environment of Northeastern Pennsylvania, including a park in Peckville named in his honor.

Sen. Mellow sponsored a bill that provided early retirement for public school and state employees in 1991. He co-sponsored workers' compensation legislation in 1993 that lowered insurance costs while eliminating abuses in the system and maintaining legitimate injury claims. Sen. Mellow and I have worked closely on a number of economic development issues important to Northeastern Pennsylvania.

Sen. Mellow is president of the Chic Feldman Foundation and a member of the Pennsylvania Interscholastic Association, the Greater Scranton Chamber of Commerce, the state and national societies of public accountants, Knights of Columbus and the Italian-American Democratic League.

Sen. Mellow serves on the board of directors of the Old Forge Bank, the Lourdesmont School and the advisory board of the Worthington-Scranton Campus of Penn State. He is also a steering committee member of the Colleen Giblin Endowment Fund for Child Neurology Research and was honored in 1999 as co-chairperson of the Lupus Foundation of America.

There is no finer or harder-working public servant in Pennsylvania than Bob Mellow. Prior to the most recent redistricting, I admired from afar his tremendous skill and political acumen he displayed in leading the Democrats of the Pennsylvania Senate. Now that our districts overlap and I have become more familiar with his activities in his home district, I am even more impressed by the degree to which he is devoted to the people of Northeastern Pennsylvania and the effort he exerts to improve the quality of their lives. He understands above all that government must be responsive to the needs of the people and he never loses sight of the very real needs of individual constituents.

In the Mellow household, public service is a family affair. I am sure that Bob would be the first to admit that much of his success can be attributed to the unwavering support of his lovely wife, Diane. She and their daughters Melissa and Tressa are often by Bob's side during public events, sometimes even accompanied by Tressa's daughter Hali. The entire Mellow family is an asset to Northeastern Pennsylvania, and I am proud to have them as constituents and friends.

Mr. Speaker, as elected officials, our time in public service is extremely limited. We can only hope to have an impact as lasting as the legacy Sen. Bob Mellow has already attained in Northeastern Pennsylvania and throughout the entire state.

PAYING TRIBUTE TO TERRI KLEMENTS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. MCINNIS. Mr. Speaker, it is a privilege to rise today to pay tribute to Terri Klements, and congratulate her on receiving the "Power of One" award at the 2004 Colorado Woman Conference for her tremendous work with youth in Mesa County, Colorado. Every year, a local newswoman selects an honoree for making a positive impact in their community, and Terri could not be a worthier recipient.

For twenty-two years, Terri worked in hospital administration before she felt a calling to dedicate her efforts to the youth in her community. In 1999, she established the Tree House, a safe haven for youths who felt they had no place else to go. The center is open unconditionally to all youths, providing them a place to go when they need to talk to someone. Terri also serves as a member of the Mesa County Suicide Prevention Coalition, as Chair of the Homeless Youth Task Force, and is a registered director for RAINBOWS, an international peer support program for grieving teens.

Mr. Speaker, it is my privilege to recognize Terri Klements today before this body of Congress and this nation, and congratulate her on receiving the "Power of One" award. Keira Bresnahan of KREX-TV selected Terri for this honor, and it is a well-deserved testament to her dedication to the youth in Mesa County and the State of Colorado. I wish her all the best in her future endeavors.

COMMENDING KRISTIN KLENK

HON. JAMES R. LANGEVIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. LANGEVIN. Mr. Speaker, proudly rise today to congratulate Kristin Klenk, a science teacher from South Kingstown High School in the second Congressional District of Rhode Island. Ms. Klenk, a resident of Hope Valley, has been awarded the 2003 Presidential Award for Excellence in Mathematics and Science Teaching.

Since 1983, the National Science Foundation has administered this award to exemplary math and science teachers, nominated from all 50 states and four U.S. jurisdictions. Recipients are selected and recognized for leadership in the field of mathematics and science and serve as role models for their colleagues. Ms. Klenk, known for her hands-on teaching of science and active engagement of her South Kingstown High School students, has now been recognized as one of the best teachers in this country. For her dedication to teaching science to America's children and her service to Rhode Island, I thank Kristin Klenk and congratulate her on receiving this prestigious award.

THE CHILD HEALTH CARE AFFORDABILITY ACT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. PAUL. Mr. Speaker, I am pleased to help working Americans provide for their children's health care needs by introducing the Child Health Care Affordability Act. The Child Health Care Affordability Act provides parents with a tax credit of up to $500 for health care expenses of dependent children. Parents caring for a child with a disability, terminal disease, cancer, or any other health condition requiring specialized care would receive a tax credit of up to $3,000 to help cover their child's health care expenses.

The tax credit would be available to all citizens, regardless of whether or not they itemize their deductions. The credit applies against both income and payroll tax liability. The tax credits provided in this bill will be especially helpful to those Americans whose employers cannot afford to provide health insurance for their employees. These workers must struggle to meet the medical bills of themselves and their families. This burden is especially heavy on parents whose children have a medical condition; such as cancer or a physical disability that requires long-term or specialized health care.

As an OB–GYN who has had the privilege of delivering more than four thousand babies, I know how important it is that parents have the resources to provide adequate health care for their children. The inability of many working Americans to provide health care for their children is rooted in one of the great inequities of the tax code—Congress' failure to allow individuals the same ability to deduct health care costs that it grants to businesses. As a direct result of Congress' refusal to provide individuals with health care related tax credits, parents whose employers do not provide health insurance have to struggle to provide health care for their children. Many of these parents work in low-income jobs; oftentimes, their only recourse for health care is the local emergency room.

Sometimes parents are forced to delay seeking care for their children until minor health concerns that could have been easily treated become serious problems requiring expensive treatment! If these parents had access to the type of tax credits provided in the Child Health Care Affordability Act, they would be better able to provide care for their children, and our nation's already overcrowded emergency rooms would be relieved of the burden of having to provide routine care for people who otherwise cannot afford it.

According to research on the effects of this bill done by my staff and legislative counsel, the benefit of these tax credits would begin to be felt by joint filers with incomes slightly above $18,000 per year, or single income filers with incomes slightly above $15,000 per year. Clearly, this bill will be of the most benefit to low-income Americans balancing the demands of taxation with the needs of their children.

Under the Child Health Care Affordability Act, a struggling singling mother with an asthmatic child would at last be able to provide for her child's needs, while a working-class family will not have to worry about how they will pay the bills if one of their children requires lengthy hospitalization or some other form of specialized care.

Mr. Speaker, this Congress has a moral responsibility to provide tax relief so that low-income parents struggling to care for a sick child can better meet their child's medical expenses. Some may say that we cannot enact the Child Health Care Affordability Act because it would cause the government to lose revenue. But, who is more deserving of this money, Congress or the working parents of a sick child?

The Child Health Care Affordability Act takes a major step toward helping working Americans meet their health care needs by providing them with generous health care related tax cuts and tax credits. I urge my colleagues to support the pro-family, pro-health care tax cuts contained in the Child Health Care Affordability Act.

PAYING TRIBUTE TO KIM TUCKER PFENNIGS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity and congratulate Kim Pfennigs of Colorado Springs, Colorado on receiving the "Power of One" award at the 2004 Colorado Woman Conference for raising awareness for childhood cancer. The conference recognizes individual women, selected by Colorado newswomen, who have made an extraordinary difference in their community. It is my privilege to acknowledge Kim and her efforts before this body of Congress and this nation today.

When her son Jonah was diagnosed with cancer, it became Kim's mission to raise awareness for childhood cancer throughout Colorado. Whether she raised awareness on radio, television, or even the local grocery store, Kim wanted to let as many people as possible know about childhood cancer, and the organizations that help families fight this disease. For Kim, helping with organizations like Make A Wish, Ronald McDonald, Starlight Foundation, and the National Childhood Cancer Foundation is a modest way to give back to the people who diligently work to get her son healthy.

Mr. Speaker, I am honored to recognize Kim Pfennigs before this body of Congress and this nation and congratulate her on receiving the "Power of One" award. KOAA-TV's Jennifer Baker selected Kim for this award, and I am happy to say Jonah's cancer is now in remission. I would like to thank Kim for her efforts in raising awareness for childhood cancer, and wish her and her family all the best.

RESOLUTION ON THE RECENT VIOLENCE IN KOSOVO

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. SMITH of New Jersey. Mr. Speaker, today I am introducing a resolution which expresses the sense of the House regarding the recent violence in Kosovo. Supporting the resolution as original co-sponsors are my colleagues on the Helsinki Commission: Mr. CARDIN, Mr. PITTS and Mr. HASTINGS.

Last week, close to 30 people were killed, hundreds were wounded and over 3,000 persons were displaced by renewed ethnic violence in Kosovo. In addition, considerable property was damaged or destroyed, in particular Orthodox Churches. In retaliation, protesters in Serbia damaged or destroyed several mosques.

This violence was noteworthy mostly in its scale. As a practical matter, the situation for minority communities in Kosovo, including Serbs and Roma, has not been good since the United Nations, backed by a NATO-led peace operation, took control in 1999. A few weeks ago, I met with Serbian Orthodox Bishop Artemije, who presented documentation of attacks on churches and monasteries in Kosovo.

As Chairman of the Helsinki Commission, I recall the horrors which Slobodan Milosevic and his regime inflicted on the Albanian population of Kosovo. Attacks on places of worship and the lack of measures to stop these obviously vulnerable sites from being attacked again and again are inexcusable, as are the attacks on innocent people, be they Serbs, Albanians, Roma or anybody else.

This resolution says that the violence must stop. It supports Kosovo achieving benchmarks which, if met, would effectively mean the protection of human rights and democratic development as well. It support the international community taking greater action, including providing more security, in order to achieve this progress.

I believe this resolution should be able to garner wide support. This House should be on record as condemning the violence and saying that the human rights situation for the people who live there, regardless of their ethnicity, must improve.

RESOLUTION

Whereas the North Atlantic Treaty Organization (NATO) successfully intervened in 1999 to stop the continued, brutal repression of the Albanian population of Kosovo by the regime of Slobodan Milosevic;

Whereas NATO has subsequently led a multinational peace operation in Kosovo, known as KFOR, while the United Nations has deployed an international civilian police force to enhance peace and security;

Whereas the Organization for Security and Cooperation in Europe (OSCE) has deployed a mission to help develop democratic institutions, including a professional and multiethnic Kosovo Police Service, and encourage respect for human rights;

Whereas the United States and the international community as a whole have called for all parties to respect the terms of United Nations Security Council Resolution 1244 (June 10, 1999) as the basis for progress in Kosovo;

Whereas the United Nations has developed benchmarks in Kosovo, progress in the achievement of which would include increased respect for human rights and adherence to the rule of law;

Whereas ethnic communities comprising the population of Kosovo, including an Albanian majority and Serb, Romani, and several other minority communities, have yet to reconcile their differences despite efforts by the international community and several nongovernmental organizations;

Whereas the OSCE has issued several reports critical of the respect shown in Kosovo for the rights of persons belonging to minorities;

Whereas ethnic tensions remain high in Kosovo due to the lack of freedom of movement, the inability of displaced persons to return to their homes, and sporadic and recurring attacks on individuals, their property, and particularly their places of worship;

Whereas separate and tragic incidents in Kosovo led to a massive outbreak of violence on March 17, 2004, which has left dozens dead, hundreds wounded, and thousands more displaced;

Whereas Orthodox churches and monasteries in Kosovo have often been targeted for attack, and in recent days several additional churches and monasteries have been severely damaged or destroyed;

Whereas mosques in Serbia have also been attacked, damaged, or destroyed, in apparent retaliation for the violence taking place against minority populations in Kosovo;

Whereas this violence in Kosovo threatens the dialogue which has just been established on issues of common concern, such as resolving the cases of missing persons from the earlier conflict; and

Whereas it should be beneath the dignity of any individual who was persecuted or otherwise suffered under the repressive regime of Slobodan Milosevic to violate the human rights of others, to support the persecution or repression of those belonging to other ethnic groups, or to encourage or participate in their ethnic cleansing: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the outbreak of violence in Kosovo deserves the strongest condemnation by the United States and the international community, and all sides should refrain from encouraging or engaging in any further violence;

(2) the attacks on places of worship in Kosovo and in various Serbian cities should be viewed as especially reprehensible;

(3) those who can be identified as responsible for acts of violence should be brought to justice;

(4) the elected leaders of Kosovo have a primary responsibility to take action to stop any continuing violence, to prevent future violence, and to encourage ethnic reconciliation and respect for the rights of persons belonging to minorities in Kosovo;

(5) the presence of additional military forces in the NATO-led multinational peace operation in Kosovo, known as KPOR, as decided by NATO with the support of the United States on March 18, 2004, is warranted and welcomed;

(6) the international community should take necessary measures to protect people and property facing the threat of violence in Kosovo;

(7) dialogue on issues of common concern in Kosovo, including the resolution of missing persons cases, should continue;

(8) the benchmarks established by the United Nations parallel the democratic standards established and encouraged by participating states of the Organization for Security and Cooperation in Europe (OSCE);

(9) the United States and the international community as a whole should maintain an active and effective presence in Kosovo not only until violence subsides but until there is significant progress in meeting the benchmarks established by the United Nations, including the return of displaced persons and greater freedom of movement for all persons throughout Kosovo; and

(10) authorities in Serbia should maintain efforts to protect people and property vulnerable to retaliatory violence.

PERSONAL EXPLANATION

HON. GEORGE R. NETHERCUTT, JR.

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. NETHERCUTT. Mr. Speaker, on Tuesday, March 23, I was unavoidably detained due to a prior obligation. Had I been present, I would have voted "yes" on the following: Rollcall vote No. 72 on Approving of the Journal; Rollcall vote No. 73 on H.R. 958, the Hydrographic Services Amendments of 2003;

Rollcall vote No. 74 on H.R. 2408, the National Wildlife Refuge Volunteer Act of 2003; and Rollcall vote No. 75 on H.R. 2489, the Cowlitz Indian Tribe Distribution of Judgment Funds Act.

PAYING TRIBUTE TO HARRY TUCKER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Harry Tucker, who has been a central figure in Buford, Colorado for nearly fifty years. He fell in love with Buford while on a hunting trip in 1936, but seventeen years of service in the Air Force delayed his plans to settle there. When he finally moved to Buford and bought the Buford store, he became a local fixture, running the store for nearly half of its over a century of existence.

Harry grew up in North Denver and earned a teaching degree from the University of Northern Colorado in Greeley, which he attended on a football scholarship. Following his graduation, Harry joined the Armed Forces and served his country in both World War II and Korea. Upon returning from Korea, he settled in Buford, and in 1956 he bought the historic Buford Store, and began teaching and coaching wrestling in nearby Meeker. After teaching for three years, Harry started an outfitting business, and subsequently helped found the Colorado Outfitters Association. In 1995, his son Tom took over the outfitting business, while Harry concentrated his efforts on the Buford store.

Mr. Speaker, I am honored to recognize Harry Tucker before this body of Congress and this nation, and to commend him for his outstanding service and dedication to his country, his family, and his community. I wish him all the best in his future endeavors.

COMMEMORATING GREEK INDEPENDENCE

HON. JOHN F. TIERNEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. TIERNEY. Mr. Speaker, as a proud member of the Congressional Caucus on Hellenic issues, I rise and join my colleagues in honoring the 183rd anniversary of Greek independence. This is an important occasion to pay special tribute to the Greek nation and its people.

More than marking the independence achieved by the Greeks in 1821, today the House of Representatives celebrates the special relationship between Greece and the United States.

We Americans owe a special debt of gratitude to the country upon which our democratic process is founded. Greece was the cradle of democracy, the birthplace of the civic engagement so inherent in our country's social fabric. Whenever we promote freedom, civil liberties, and self-determination, we pay testament to our shared values and common heritage.

This year is particularly significant as the time when the Olympics return home. The 2004 Olympic Games in Athens will showcase both the prowess of the world's best athletes and the historical and cultural significance of a world-renowned city. Now more than ever, we look forward to seeing people from all over the globe come together in the spirit of peaceful competition, pursuing personal excellence, national pride and international cooperation.

Today, in my district in Massachusetts, thousands of Greek American families will commemorate this occasion and partake in festivities that pay tribute to their heritage. I extend congratulations to them, to all the people of Greek descent in the United States, and to the people of Greece on this important holiday.

TRIBUTE TO ARNOLD PALMER'S 50TH MASTERS TOURNAMENT

HON. CHARLIE NORWOOD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. NORWOOD. Mr. Speaker, I rise today to pay tribute to Arnold Palmer for his service to our Nation, the game of golf and the Masters Tournament. In the world of sports there are few events that epitomize the beauty and grace of sport more than the Masters Tournament in Augusta, GA. And there are no other individuals who have done more for the game of golf and the Masters Tournament than Arnold Palmer.

Quite frankly, Arnold Palmer has forever changed the complexion of sport and golf. Golf was considered to be the sport of the privileged few until 1955 when Arnold Palmer won his first PGA tournament. But, Arnold Palmer showed the world that golf truly is a sport for the masses. Today, golf is played and enjoyed by millions of people.

Not only did Arnold Palmer inspire millions to play the game of golf, he also excelled at it. He has gone on to amass a record that would be the envy of any man alive. Arnold's victory total stands at 92 World Wide, 61 PGA Tour, and 10 Senior PGA Tour events. He was the first to ever win four Masters titles. He did this in 1958, 1960, 1962, and 1964. This April 8, 2004, Arnold Palmer will tee the ball up in his 50th Masters Tournament.

But Arnold Palmer's achievements and contributions to the game remain greater than his victory total. Arnold Palmer's magnetic personality and unwavering kindness have created a legion of loyal followers. He has never failed to acknowledge his "army" while waiting on the tee, fairway, or green. Be it an autograph, smile, nod, or eye-to-eye contact, he never fails to make the effort to let everyone know: I am here because of you.

Arnold Palmer has also given a great deal back to the community. Arnold helped create The Arnold Palmer Hospital for Children & Women in Orlando, FL, and the Latrobe Area Hospital Charitable Foundation. Even today, he often visits the hospital where he takes the time to talk with the children, take pictures and encourage them.

As Arnold Palmer once said to "Iron Man," his Augusta caddie, "the game is on." Mr. Speaker, let's hope it will forever be. I rise today to thank Mr. Palmer on behalf of all American citizens, the residents of Augusta and fans of golf worldwide. He has meant a great deal to more people than he will ever know.

PAYING TRIBUTE TO RAY COCA

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Ray Coca and the 1963 and 1964 Western State College wrestling teams, and congratulate them upon their induction into the Rocky Mountain Athletic Conference Hall of Fame. Ray Coca, a Grand Junction, Colorado native and leader of both championship teams, has done much for the youth in his community since his championship days at Western. It is my privilege to recognize Ray and his team before this body of Congress and this nation today.

Ray Coca's rise to become one of the nation's top wrestlers is a testament to his hard work and drive for success. Even before winning championships in college, he had the honor of being named to the first U.S. national wrestling team, known as the Oklahoma-Colorado team as all the members were from these breading grounds for wrestling talent. Following his brilliant collegiate career, Coca returned home to Grand Junction and immediately began serving the youth of the community by founding a Pee-Wee wrestling program and later as recreation Superintendent for Grand Junction. Currently semi-retired, he spends as much time as possible working with Partners, an organization which helps at-risk children.

Mr. Speaker, I am honored to bring the service of Ray Coca to the attention of this body of Congress and this nation to congratulate him along with his Western State teammates upon induction into the Rocky Mountain Athletic Conference Hall of Fame. He has truly given back to both his sport and his community, helping to ensure that at risk children have the opportunities he was afforded through wrestling. I sincerely thank him for his service.

HONORING MILLIE JEFFERY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. DINGELL. Mr. Speaker, it is with a heavy heart that I rise to let my colleagues know that we lost a national hero today. Mildred Jeffrey was a great soul who was the very embodiment of American values. I want her family to know that Millie was an inspiration to us all and that she will be very sorely missed.

Millie was a leader. She began her work in the 1930s as an organizer for the Amalgamated Clothing Workers of America, traveling throughout the South and the East organizing textile workers. In the 1940s she joined the United Auto Workers, where she served as the Director of the Women's Bureau. Millie organized the first UAW women's conference to respond to the massive post World War II layoffs of women. Millie then ran the union's radio station, served as the Director of the Community Relations Department, and until her retirement in 1976, as the Director of the Consumer Affairs Department.

Never one to stand around when there were injustices, Millie marched with Dr. Martin Luther King, Jr. in the South in the 1960s. Born before women even had the right to vote, Millie spent her life fighting for women's equality. She was the founder of the Women's Political Caucus, a member of the Coalition for Labor Union Women, and was inducted into the Michigan Women's Hall of Fame.

The list of Millie's accomplishments is long. Chief among those accomplishments though is the relationships Millie established along the way. Millie has served as friend, inspiration, mentor and advisor to many of us in public service.

As President Clinton said when he awarded her the Presidential Medal of Freedom in 2000, "Her impact will be felt for generations, and her example never forgotten."

Mr. Speaker, I would ask that all my colleagues rise to pay tribute to a great American hero, Mildred McWilliams Jeffrey.

PERSONAL EXPLANATION

HON. JIM GIBBONS

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. GIBBONS. Mr. Speaker, I rise today to explain how I would have voted on November 22, 2003, during Roll Call votes #670 and #671 in the first session of the 108th. The first vote was to table the motion to reconsider on H.R. 1, the Medicare Prescription Drug, Improvement, and Modernization Act and the second vote was on a motion to suspend the rules and pass S. 877, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003.

I respectfully request that it be entered into the CONGRESSIONAL RECORD that if present, I would have voted yes on both these roll call votes.

PAYING TRIBUTE TO JAMES HOLSTON

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. McINNIS. Mr. Speaker, it is with a heavy heart that I rise before you today to pay tribute to the life of James "Jim" Edmund Holston of Mancos, Colorado who recently passed away at the age of eighty-two. Jim was an extraordinary American, and led a life that exemplified service to his country, community, and dedication to his family.

After graduating from Mancos High School in 1941, Jim volunteered for the Marine Corps and served in the Pacific arena during the Second World War. Upon returning to Mancos, Jim married his childhood sweetheart, Ellen Garlinghouse and went to work for Mountain Bell where he helped string hundreds of miles of telephone lines in rural parts of Colorado. This important role in the history of my state was one of Jim's proudest achievements.

When Jim retired in 1978, he did not slow down, and selflessly dedicated his time to his community. He served as post commander at the American Legion, was a 4–H leader, served on the Mancos town board for twelve years, and was a member of the Mancos fire department for over twenty years. Above all, however, Jim loved spending time with his devoted family and friends.

Mr. Speaker, it is an honor to rise before this body of Congress and this nation to pay tribute to the life of James Edmund Holston. He dedicated his life toward the betterment of his community, state and nation, and he will be greatly missed. My thoughts are with his loved ones during this difficult time of bereavement.

PERSONAL EXPLANATION

HON. BEN CHANDLER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. CHANDLER. Mr. Speaker, on rollcall Vote No. 75, on the motion to suspend the rules and pass, as amended, the Cowlitz Indian Tribe Distribution of Judgment Funds Act, I placed my card in the machine and for some reason my vote was not registered. Had my vote been recorded, I would have voted "yes."

ORGAN DONATION AND RECOVERY IMPROVEMENT ACT

SPEECH OF

HON. ERIC CANTOR

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 2004

Mr. CANTOR. Mr. Speaker, I rise today in support of the Organ Donation and Recovery Improvement Act (H.R. 3926).

With the number of individuals who need organ donations far exceeding the number of available donors, it is imperative that we address this situation. This bill will help increase organ donations and recovery rates by providing grants for organ donation projects. This bill also improves and strengthens the organ procurement process. In addition, it supports individuals who make living donations by reimbursing expenses incurred when making their donation.

The United Network of Organ Sharing (UNOS) is based in Richmond, Virginia and serves as the clearinghouse for organ donations. On a daily basis, those who work at UNOS perform crucial work that helps save lives. They help give the gift of life. I am grateful to them and all they do.

This bill gives hope to those who desperately need new organs. I believe that hope goes a long way when you are facing tough situations. I admire the courage of those patiently waiting for organ donations. They are an inspiration to us all.

I thank my friend MICHAEL BILIRAKIS for his leadership on this important legislation, and I urge its passage.

EXPRESSING SUPPORT FOR OUR FILIPINO-AMERICAN COMMUNITY AND FOR FILIPINO VETERANS ON FILIPINO VETERANS ACTION DAY

HON. ED CASE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. CASE. Mr. Speaker, and colleagues, good evening, aloha and mabuhay! I rise tonight, on this occasion of national Filipino Veterans Action Day, to express my strong and affectionate support for our great Filipino-American community, as well as for our honored Filipino veterans, both here and in the Philippines, who are so well represented by the American Council on Filipino Veterans, and to highlight just some of the challenges these communities still face and the opportunities we have to address them.

First let us remember that the relationship between the Philippines and our United States has never been stronger. Our modern-day bond began after the 1898 Spanish American War, continued through the commonwealth period into 1946, and strengthened when the independent Republic of the Philippines came into existence on July 4th of that year. For nearly 40 years, from 1907 to 1946, the Philippines in fact was represented in the U.S. Congress through nearly 15 different resident commissioners. Currently, we have a Filipino-American, Congressman BOBBY SCOTT, representing the 3rd District of Virginia. And one year ago, I was proud to be a charter member of the Congressional Philippines Caucus, which today boasts over seventy members.

Apart from the Philippines' continuing vital role in U.S. national security and economic interests in the Asia-Pacific region, our country also has a special relationship with the people of the Philippines. Many have migrated to the United States, in particular my home state of Hawaii, which commemorates the 100th anniversary of our first Filipino immigrants in 2006.

In fact, there are now nearly 2.5 million Filipino-Americans, with significant populations in California, Hawaii, Illinois, New York, New Jersey, Washington, Texas, and Florida. In Hawaii alone there are nearly 300,000 Filipino-Americans, including roughly 140,000 in my Second Congressional District, the largest number of any congressional district in our country.

This community's contributions just in Hawaii are notable, in all facets of our society, from politics to business, from teaching to sports and movie stars, you name it. Former Hawaii Governor Ben Cayetano was the first Filipino-American governor ever elected in the United States; our state legislature today has 12 members: 6 senators and 6 representatives. Angela Baraquio became Miss America in 2001. We had Ben Agbayani in professional baseball and Tia Carrera in Hollywood. And let us not forget native daughters Jasmine Trias and Camile Velasco, two of just twelve of 2004's American Idol final contestants.

But perhaps the most vital and painful contribution of Filipinos to our country was the service, and sacrifice, of our Filipino veterans, who fought alongside our troops in World War II. Their heroic efforts were indispensable to the liberation of the Philippines led by General MacArthur and thus to Allied success in that great conflagration, and earned them a place in legend at the same table as, for example, our Japanese-Americans' 100th Infantry Battalion/442nd Regimental Combat Team.

Therefore, the contribution of the American Coalition for Filipino Veterans to designate today as Filipino Veterans Action Day is invaluable to assuring that we never forget. There have been similar efforts in Hawaii from community leaders like Hawaii State Representative Jun Abinsay, Joe Gonzales and Artemio Caleda, former and new presidents, respectively, of the World War II Fil-Am Vets and Ladies Auxilliary Hawaii Chapter, and Domingo Los Banos, a Sergeant with the 1st Filipino Infantry Regiment, U.S. Army, who later worked collaboratively with many others in Hawaii and the mainland in molding that great documentary on the Filipino veterans: "An Untold Triumph."

Let me turn now from what has been to what needs to be. Specifically, there are two issues which I believe Congress must address for both Filipino veterans and our Filipino-American community at large. One is veterans' benefits and the other is immigration.

VETERANS BENEFITS

We know that in 1941, President Franklin Delano Roosevelt made a promise to the members of the Philippine Army and the Philippine Scouts who had fought and would fight for the Allies in World War II. Because they had made and would make the same sacrifices as U.S. servicemembers, President Roosevelt promised that they would receive the same veteran's benefits as those received by American veterans.

However, in the spring of 1946, just one year after the death of our 32nd President, the United States Congress went back on its promise. And that injustice stands uncorrected from that day to this, as these veterans pass increasingly from this earth along with their comrades-in-arms.

Last year, we did make some measure of progress by enacting into law H.R. 2297, legislation increasing VA benefits for U.S. resident Filipino veterans and making New Philippine Scouts living in the U.S. eligible for burial in VA national cemeteries. The House also passed H.R. 2357, which would provide VA nursing home and medical services to Commonwealth Army veterans and New Philippine Scouts residing in the U.S., assuming they meet the same eligibility requirements as U.S. veterans.

But this is clearly not enough. That is why I am a cosponsor of H.R. 677, the Filipino Veterans Equity Act, which will deem all members of the Philippine Scouts and Philippine Army as qualified to receive the full benefits denied them nearly six decades ago.

As Secretary of Veterans' Affairs Anthony J. Principi wrote: "The United States is indebted to Filipino veterans, whose heroism and self-sacrifice helped allies emerge victorious from World War II." As we all know, our Filipino World War II veterans are entering the sunset years of their lives. I implore my colleagues to get this bill out of committee and bring it to the floor for a vote this year.

IMMIGRATION

Our country has benefited from the fruits of a century-plus influx of Filipinos as new and productive citizens, and we can and should continue this rich heritage. However, our overall immigration policy has fallen particularly harshly and unfairly on legitimate Filipino immigration of late.

For example, in 1990, we provided a waiver from certain naturalization requirements for Filipino veterans, and many thereafter became proud citizens our country. But a huge gap was created when we did not also permit naturalization of the sons and daughters of these same veterans.

These are real-life issues, for the stories of families who have waited years to be reunited are heartbreaking. For example, a veteran and his wife living in Hawaii filed immigration petitions for two of their six adult children; they have waited over ten years for a visa to be issued to either. Another veteran petitioned successfully for his wife's immigration visa, but has not been as successful with the applications for their five adult children. Again, this family has been holding on for ten years with the hope that they will one day live in the U.S. as a complete family.

H.R. 3587, a bill I introduced in November of last year, would provide these sons and daughters with priority in their respective immigration categories. I urge its passage.

Two other bills I have introduced also would correct deficiencies in our immigration system which impact Filipino-Americans disproportionately. H.R. 3306, The Compassionate Visitor Visa Act, would facilitate the temporary admission of nonimmigrant aliens in circumstances of family emergency of U.S. citizens or permanent residents. H.R. 4018, introduced yesterday, would ensure that family members who have petitioned to immigrate into the United States are not penalized as a result of an award of citizenship to a sponsoring parent or spouse.

Both bills recognize the basic concept that our country can ensure our national security, while providing flexibility for immigrants from certain countries that have longstanding close relationships with our country. The Philippines is certainly very high on that list.

In summary, Mr. Speaker, both Filipino veterans and our larger Filipino-American community have contributed immensely to our country, and I believe that the best is yet to come. On this Filipino Veterans Action Day, let us recognize that we do what is right for both the past and the future by acknowledging their contributions and committing ourselves to the unfinished business at hand.

Mahalo!

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, March 25, 2004 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 29

3 p.m.
Armed Services
Emerging Threats and Capabilities Subcommittee
To hold a closed briefing on defense science and technology programs and capabilities.
S–407, Capitol

MARCH 30

9 a.m.
Indian Affairs
To hold oversight hearings to examine Inter-Tribal Timber Council's Indian Forest Management Assessment Team report.
SR–485

9:30 a.m.
Armed Services
To hold closed hearings to examine the second interim report of the Iraq Survey Group.
S–407, Capitol

Commerce, Science, and Transportation
Aviation Subcommittee
To hold closed hearings to examine aviation security.
SR–253

Appropriations
District of Columbia Subcommittee
To hold hearings to examine the deficiencies at the District of Columbia's Youth Services Administration.
SD–192

10 a.m.
Energy and Natural Resources
To hold hearings to examine the implementation of the Energy Employees Occupational Illness Compensation Program Act of 2000.
SD–366

Foreign Relations
To hold hearings to examine the nominations of John J. Danilovich, of California, to be Ambassador to Brazil, and Craig A. Kelly, of California, to be Ambassador to Chile.
SD–419

Appropriations
Homeland Security Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for border security and enforcement and immigration services.
SD–124

Indian Affairs
To hold hearings to examine S. 868, to amend the Coos, Lower Umpqua, and Siuslaw Restoration Act to provide for the cultural restoration and economic self-sufficiency of the Confederation Tribes of Coos, Lower Umpqua, and Siuslaw Indians of Oregon.
SR–485

Appropriations
Military Construction Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for Defense-wide and Air Force military construction programs.
SD–138

2 p.m.
Armed Services
Airland Subcommittee
To hold hearings to examine the proposed Defense Authorization Request for fiscal year 2005 and the Future Years Defense Program, focusing on Army aviation programs.
SR–232A

2:30 p.m.
Commerce, Science, and Transportation
To hold hearings to examine the nominations of Theodore William Kassinger, of Maryland, to be Deputy Secretary of Commerce, Deborah Hersman, of Virginia, to be a Member of the National Transportation Safety Board, Thomas Hill Moore, of Florida, to be a Commissioner of the Consumer Product Safety Commission, A. Paul Anderson, of Florida, and Joseph E. Brennan, of Maine, both to be a Federal Maritime Commissioner, and Jack Edwin McGregor, of Connecticut, to be a Member of the Advisory Board of the Saint Lawrence Seaway Development Corporation.
SR–253

Governmental Affairs
Financial Management, the Budget, and International Security Subcommittee
To hold hearings to examine the Federal government's role in empowering Americans to make informed financial decisions.
SD–342

Energy and Natural Resources
National Parks Subcommittee
To hold oversight hearings to examine National Heritage Areas, including findings and recommendations of the General Accounting Office, the definition of a National Heritage Area, the definition of national significance as it relates to National Heritage Areas, recommendations for establishing National Heritage Areas as units of the National Park System, recommendations for prioritizing proposed studies and designations, and options for developing a National Heritage Area Program within the National Park Service.
SD–366

4:30 p.m.
Armed Services
To receive a closed briefing on operations and intelligence.
SR–222

MARCH 31

9:30 a.m.
Environment and Public Works
To hold hearings to examine the nominations of Stephen L. Johnson, of Maryland, to be Deputy Administrator of the Environmental Protection Agency, Ann R. Klee, of Virginia, to be an Assistant Administrator, Charles Johnson, of Utah, to be Chief Financial Officer, Benjamin Grumbles, of Virginia, to be an Assistant Administrator,all of the Environmental Protection Agency, and Gary Lee Visscher, of Maryland, to be a Member of the Chemical Safety and Hazard Investigation Board.
SD–406

Foreign Relations
To hold hearings to examine the nomination of Paul V. Applegarth, of Connecticut, to be Chief Executive Officer, Millennium Challenge Corporation, Department of State.
SD–419

Armed Services
Personnel Subcommittee
To hold hearings to examine the Defense authorization request for fiscal year 2005, focusing on active and Reserve military and civilian personnel programs.
SR–232A

10 a.m.
Banking, Housing, and Urban Affairs
To resume hearings to examine the current investigations and regulatory actions regarding the mutual fund industry focusing on soft-dollar practices.
SD–538

Appropriations
Defense Subcommittee
To hold a closed hearing to examine proposed budget estimates for fiscal year 2005 for intelligence and world wide threat assessment.
S–407, Capitol

Appropriations
Energy and Water Development Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Department of Energy's Office of Environmental Management, Office of Civilian Radioactive Waste Management, and Office of Environment, Safety and Health.
SD–138

Health, Education, Labor, and Pensions
Business meeting to consider pending calendar business.
SD–430

Health, Education, Labor, and Pensions
Business meeting to consider pending nominations.
SD–430

1:30 p.m.
Environment and Public Works
Transportation and Infrastructure Subcommittee
To hold hearings to examine the role of the U.S. Army Corps of Engineers in meeting the nation's water resource needs in the 21st century.
SD–406

2 p.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Senate Sergeant at Arms and the United States Capitol Police.
SD–138

2:30 p.m.
Banking, Housing, and Urban Affairs
To continue hearings to examine the current investigations and regulatory actions regarding the mutual fund industry focusing on fund costs and distribution practices.
SD–538

Foreign Relations
European Affairs Subcommittee
To hold hearings to examine the effects of the Madrid Terrorist Attacks on U.S. European cooperation in the war on terrorism.
SD–419

Appropriations
Foreign Operations Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for HIV/AIDS treatment and prevention programs.
SD–124

APRIL 1

9:30 a.m.
Armed Services
To hold hearings to examine the proposed Defense Authorization Request for fiscal year 2005, focusing on the military strategy and operational requirements of the unified and regional commands; to be followed by a possible closed session in SR–222.
SD–106

Foreign Relations
To hold hearings to examine Convention on International Interests in Mobile Equipment and Protocol to Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, concluded at Cape Town, South Africa, on November 16, 2001 (Treaty Doc. 108–10), Additional Protocol Between the Government of the United States of America and the Government of Romania Concerning the Reciprocal Encouragement and Protection of Investment of May 28, 1992, signed at Brussels on September 22, 2003 (Treaty Doc. 108–13), Additional Protocol Between the United States of America and the Republic of Bulgaria Amending the Treaty Between the United States of America and the Republic of Bulgaria Concerning the Encouragement and Reciprocal Protection of Investment of September 23, 1992, signed at Brussels on September 22, 2003 (Treaty Doc. 108–15), Protocol Between the Government of the United States of America and the Government of the Republic of Estonia to the Treaty for the Encouragement and Reciprocal Protection of Investment of April 19, 1994, signed at Brussels on October 24, 2003 (Treaty Doc. 108–17), Additional Protocol Between the United States of America and the Czech Republic to the Treaty Between the United States of America and the Czech and Slovak Federal Republic Concerning the Reciprocal Encouragement and Protection of Investment of October 22, 1991, signed at Brussels on December 10, 2003 (Treaty Doc. 108–18), Additional Protocol Between the United States of America and the Slovak Republic to the Treaty Between the United States of America and the Czech and Slovak Federal Republic Concerning the Reciprocal Encouragement and Protection of Investment of October 22, 1991, signed at Brussels on September 22, 2003 (Treaty Doc. 108–19), Additional

Protocol Between the Government of the United States of America and the Government of the Republic of Latvia to the Treaty for the Encouragement and Reciprocal Protection of Investment of January 13, 1995, signed at Brussels on September 22, 2003 (Treaty Doc. 108-20), Additional Protocol Between the Government of the United States of America and the Government of the Republic of Lithuania to the Treaty for the Encouragement and Reciprocal Protection of Investment of January 14, 1998, signed at Brussels on September 22, 2003 (Treaty Doc. 108-21), and Additional Protocol Between the United States of America and the Republic of Poland to the Treaty Between the United States of America and the Republic of Poland Concerning Business and Economic Relations of March 21, 1990, signed at Brussels on January 12, 2004 (Treaty Doc. 108-22).

SD-419

2:30 p.m.

Armed Services

Readiness and Management Support Subcommittee

To hold hearings to examine the proposed Defense Authorization Request for fiscal year 2005, focusing on military installation programs.

SR-232A

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings to examine NASA fiscal year 2005 budget request.

SR-253

APRIL 7

10 a.m.

Indian Affairs

Business meeting to consider pending calendar business.

SR-485

APRIL 8

2:30 p.m.

Foreign Relations

European Affairs Subcommittee

To hold hearings to examine anti-Semitism.

SD-419

Appropriations

Foreign Operations Subcommittee

To hold hearings to examine proposed budget estimates for fiscal year 2005 for foreign operations.

SD-138

APRIL 27

10 a.m.

Energy and Natural Resources

To hold an oversight hearing to examine sustainable, low emission, electricity generation.

SD-366

SEPTEMBER 21

10 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to examine the legislative presentation of the American Legion.

345 CHOB

SENATE—*Thursday, March 25, 2004*

The Senate met at 9:30 a.m. and was called to order by the Honorable JOHN E. SUNUNU, a Senator from the State of New Hampshire.

The PRESIDING OFFICER. The Senate will be led in prayer this morning by our guest Chaplain, Rev. Fredricka A. Steenstra of Christ Episcopal Church, Elizabeth City, NC.

PRAYER

The guest Chaplain offered the following prayer:

Gracious God, accept our thanks and praise for all that You have done for us. We thank You for the splendor of creation, for the beauty of this world, and for the wonder of life. We thank You for the blessing of living in this Nation and for the freedoms we enjoy. We thank You for the men and women of the Senate, both the Senators and their staffs. We are grateful for the sacrifices they make in order to serve the people of this Nation faithfully and in accordance with Your will.

We thank You also, Lord, for setting the people of our Nation and our Senators at tasks which demand our best efforts, and for leading us to accomplishments which satisfy and delight us. We thank You also for those disappointments and failures that lead us to acknowledge our dependence on You alone.

Bless our Senators this day and in all the days ahead, that they may enact such laws as shall please You, O God, and further the welfare of Your people. Give all who labor in this great institution a zeal for justice and the strength of forbearance that they may help the people of this Nation to use our liberty rightly, in accordance with Your gracious will. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JOHN E. SUNUNU led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 25, 2004.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN E. SUNUNU, a Senator from the State of New Hampshire, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. SUNUNU thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The assistant majority leader is recognized.

SCHEDULE

Mr. McCONNELL. Mr. President, this morning the Senate will conduct a period of morning business until the hour of 10:30, with the first half of that time under the control of the majority leader or his designee and the second half under the control of Senator DASCHLE or his designee.

Following morning business, the Senate will begin consideration of the Unborn Victims of Violence Act. That bill will be considered under a consent agreement which allows for two amendments to be offered. The debate is limited on the amendments and the underlying bill. Therefore, we will vote throughout the day and complete action today on the Unborn Victims bill. Senator DEWINE will be here to manage the bill on this side of the aisle. I understand Senator FEINSTEIN may offer her substitute amendment first. There will be up to four hours of debate in relation to the Feinstein amendment.

Senators should expect the first vote to occur sometime just after the lunch hour. As always, we will notify all Senators when votes are about to occur.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

THE BUSH ADMINISTRATION'S MISTREATMENT OF RICHARD CLARKE AND OTHERS

Mr. DASCHLE. Mr. President, I have a simple request for the President today: Please ask the people around you to stop the character attacks they are waging against Richard Clarke. Ask them to stop their attempts to conceal information and confuse facts. Ask them to stop the long effort that has made the 9/11 Commission's work more difficult than it should be.

Regardless of whether one agrees or disagrees with Mr. Clarke's facts, he set an eloquent example for all of us yesterday. He acknowledged to the families of the victims of September 11 that their Government had failed them. He accepted responsibility for September 11. He made himself accountable and he tried, in my view, to help us understand what happened in the months and years before September 11. I could not be more disappointed in the White House response. They have known for months what Mr. Clarke was going to say. Instead of dealing with it factually, they have launched a shrill attack to destroy Mr. Clarke's credibility.

I know something about those attacks.

On several occasions, I have been on the receiving end of the White House broadsides. I saw the White House ferocity firsthand. I saw the people around the President attack JOHN MCCAIN when he ran for President in 2000. I will never forget the distortions, the recklessness, and the viciousness of those attacks. They were wrong and they impugned one of our great patriots.

I saw the same viciousness 2 years ago when Senator Max Cleland, a man who served when called during the Vietnam war, had his reputation and patriotism smeared in his reelection campaign. The idea that a man who gave so much to his country could be smeared by those who are willing to give so little haunted me then as it haunts me now. There are some things that simply ought not to be done in politics, and that line was crossed by attacks on both Senator MCCAIN and Senator Cleland.

Last year, I watched the people around the President set their sights on Ambassador Joe Wilson when he stepped forward to tell the truth about the President's claims on Iraq, Niger, and uranium. The White House did not battle Ambassador Wilson on the facts. Instead, they put his wife's life in danger by disclosing publicly that she was a deep cover agent for the CIA. That was a grossly irresponsible act done for the worst of reasons—to avoid accountability and unwelcome political consequences. It ought never have happened. It was shameful, and it crossed a line that had never been crossed before.

Now when I watch what the people around the President are trying to do to Richard Clarke, I think it is past time to say enough is enough.

The President came to Washington 4 years ago promising to change the

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

tone. The people around him have done that. They have changed it for the worse. They are doing things that should never be done and have never been done before. What they need to do, what we all need to do, is to put politics aside and put the American people and their security first.

I know how difficult that is in an election year, but we all, every one of us needs to do exactly that. Some things are more important than politics, and September 11 ought to be at the top of the list. We need the facts on September 11, not spin and not character assassination. We need this administration and everyone involved to follow Mr. Clarke's example and accept responsibility and accountability.

We need Condoleezza Rice, who seems to have time to appear on every television show, to make time to appear publicly before the 9/11 Commission. She is not constrained by precedent from doing that, as the White House has argued. As the Congressional Research Service documented, two of her predecessors have given testimony in open session on matters much less important than September 11.

I have reluctantly reached the conclusion that what really constrains Ms. Rice's full cooperation is political consideration. The September 11 families deserve better than that and, just as importantly, our country deserves better.

There is only one person who can change what is going on at the White House, and that is the President. So I appeal to President Bush to change it. He deserves better than the tactics his staff are using and, as I have said, the September 11 families and our country deserve better, too.

I yield the floor.

Mr. REID. Would the Senator allow me to ask him a question through the Chair?

Mr. DASCHLE. Yes.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I have listened to the statement of the Democratic leader. I acknowledge what happened to Senator McCAIN and the tragedy with Max Cleland, but one thing I did not hear the leader mention was what was done to Paul O'Neill when he published his book, "The Price of Loyalty," a man who is a certified, card-carrying conservative Republican, one of the great businessmen in the history of our country, who in effect was trashed for what he thought was good for the country.

I heard the Senator describe Joe Wilson and what was done to his wife and Richard Clarke, but the one thing the leader undersold—in keeping with the modesty of the minority leader and I want the record to reflect—is what has happened to the leader. By virtue of the fact that 48 other Democrats, in a period of over 10 years, have selected the Senator from South Dakota as our leader, as a result of that the Senator does things for the caucus. I am sure the caucus is not 100-percent headed in the right direction, but we do our best to try to, and when there is ever anything that is done that is not in keeping with what this White House wants, the leader is attacked, his family is attacked, his religion is attacked, his ethics are attacked. For those of us who serve with the Senator from South Dakota, we know what a wonderful family he has, what a loving family he has, what a moral person he is, and what a good leader he is.

I want the record to reflect that the Senator from South Dakota has tremendously undersold—all of these people we have mentioned who have been brutally assaulted, in my opinion, do not compare with what has happened to TOM DASCHLE himself.

I want the Senator to know that the entire caucus stands behind him for the great leader he has been, and we apologize for what has happened to him by virtue of the fact that he is our leader. If he were not our leader, someone else would be attacked; their religion would be attacked; their families would be attacked. Speaking for 48 other Democrats, we all admire and respect the work the Senator from South Dakota has done and are sorry that he has had to take the blows he has by being one of the great leaders in the history of our country.

Mr. DASCHLE. I thank the Senator from Nevada for his very kind words, and I thank my colleagues for yielding the floor to accommodate my leader time this morning.

I yield the floor.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business until 10:30 a.m. The majority leader or his designee will control the first half of this time and the minority leader or his designee will control the remaining time.

Mr. REID. I suggest the absence of a quorum, and have the time run equally on both sides.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—H.R. 4

Mr. McCONNELL. Mr. President, I ask unanimous consent that at a time to be determined by the majority leader in consultation with the Democratic leader on Monday, March 29, the Senate proceed to consideration of H.R. 4, the welfare reauthorization bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WELFARE REFORM EXTENSION ACT OF 2004

Mr. McCONNELL. I ask unanimous consent the Senate proceed to the immediate consideration of S. 2231, which was introduced earlier today by Senators GRASSLEY and BAUCUS.

The ACTING PRESIDENT pro tempore. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2231) to reauthorize the Temporary Assistance for Needy Families block grant program through June 30th, 2004, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. REID. Mr. President, it is my understanding the majority leader has indicated there will be no votes on Monday. Is that true?

Mr. McCONNELL. I say to my friend from Nevada, that is true.

Mr. REID. No objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements regarding this matter appear in the RECORD at this point.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (S. 2231) was read the third time and passed, as follows:

S. 2231

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Welfare Reform Extension Act of 2004".

SEC. 2. EXTENSION OF THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT PROGRAM THROUGH JUNE 30, 2004.

(a) IN GENERAL.—Activities authorized by part A of title IV of the Social Security Act, and by sections 510, 1108(b), and 1925 of such Act, shall continue through June 30, 2004, in the manner authorized for fiscal year 2002, notwithstanding section 1902(e)(1)(A) of such Act, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority through the third quarter of fiscal year 2004 at the level provided for such activities through the third quarter of fiscal year 2002.

(b) CONFORMING AMENDMENT.—Section 403(a)(3)(H)(ii) of the Social Security Act (42 U.S.C. 603(a)(3)(H)(ii)) is amended by striking "March 31" and inserting "June 30".

SEC. 3. EXTENSION OF THE NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE AND CHILD WELFARE WAIVER AUTHORITY THROUGH JUNE 30, 2004.

Activities authorized by sections 429A and 1130(a) of the Social Security Act shall continue through June 30, 2004, in the manner authorized for fiscal year 2002, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority through the third quarter of fiscal year 2004 at the level provided for such activities through the third quarter of fiscal year 2002.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

THE MARINES

Mr. THOMAS. Mr. President, I will make some comments in morning business. First of all, I had the privilege this morning of attending a meeting of Marines, which we have periodically, and I was very pleased to listen to a report from the commandant about the current situation in Iraq and Afghanistan. Certainly, he is very pleased with what is happening there with regard to our military, what they are able to do and accomplish there. We do not hear much about the good stuff that is going on. We hear, of course, the news on bad things. It was an excellent report. Certainly we are very proud of our Marines and all of our service personnel there.

HEALTH INSURANCE COSTS

Mr. THOMAS. Mr. President, I take a few minutes today to talk about an issue I am sure we are all concerned about and interested in. As I go about Wyoming and talk to people, particularly in town meetings, the issue that arises most often and with the most passion is the high cost of health insurance. The cost of health insurance is directly related to the cost of health care. What we hear the most about is from people who are in private business, farmers and ranchers, who provide all of their own health care costs, which have become increasingly prohibitive. It seems to me we are going to have to focus properly on Medicare, Medicaid, veterans, those government programs for which we are responsible. I suggest we need to focus now and begin to take a look at the broader picture of health care. We have a system that has available certainly some of the best health care in the world, but the key is to have access. If the cost limits access, we have a problem.

We have some unique features in Wyoming. Because of a small population, we cannot have all the various professional services in every small town. There has to be a system. We have worked at that. There are several hospitals with the different kinds of specialties that help serve communities. We have had more and more critical access facilities which make it easier for small communities to work.

I visited Dubois, WY, this week, a new clinic to a small town. I also met with a group of physicians and hospital operators in Cheyenne. We talked about some of these issues. Before it was over, these professionals, these providers, indicated they agree this system is broken and there needs to be some kind of change made in the future. I don't know the answer. I don't know that anyone yet knows the answer. I suggest to my fellow Members of the Senate and the House, we need to begin to take a look.

If I can start out by saying I am not one who favors a Federal socialized medicine program, we need to find some ways to do something with what we have now.

National health expenditures grew $1.6 trillion in 2002, a 9.3-percent increase over the previous year. The costs of health care generally have gone up 15 percent a year for several years.

It is hard to sustain 15-percent growth, particularly when, increasingly, health care for families is a relatively large portion of expenditures.

Health care as a share of GDP in 2002 was 14.9 percent, up from 14.1 percent in 2001. So we are seeing substantial increases. And over the years those increases have continued.

So one has to ask, if the costs are going up 15 percent a year, how long can you sustain that? What do we need to do? Folks are seeing double-digit premium increases each year, including Federal employees. So it is quite obvious to me that we cannot continue to grow rates at that level.

I indicated I had talked to some folks who certainly agree we need to deal with that. We face more challenges in the health care system than just reforming the public programs or addressing the nearly 42 million people—15 percent—who do not have health insurance.

There are some things, of course, we need to consider. We need to improve the underlying health care infrastructure. Its rising costs affect all of us. I think we have to take some of the responsibility for fixing that system.

We have a health care system today where, for instance, hospital charges do not reflect the actual costs because of public and private insurance reimbursements. I recently met with a hospital CEO in my hometown. At that hospital they had some very interesting topics they talked about. Their gross charges, for example, were $202 million; $80 million was written off; $120.7 million reflects actual costs; $1.4 million was income from insurance, and they had $3.3 million in other income. This is not a large profit margin.

What does that mean? No. 1, Medicare does not pay to the level of actual costs. Now, you may say, well, we need to keep the cost of Medicare down. That is true. On the other hand, if their payment is not equal to the cost, then someone else has to bear the cost; Medicaid even more so.

Medicaid pays even a smaller percentage of the actual cost than does Medicare. This is a combination, of course, of State and Federal programs. So we find that situation.

Charity—for those who are uninsured, for those who come in and are not able to pay, we still take them, of course. Trauma care, sometimes, is reimbursed by the county or the State. But if someone has an accident and arrives at the hospital, they are given care, of course, whether they have the ability to pay, whether they have insurance. And guess who pays the principal cost of that. Those who have insurance.

People who are insured represent about 35 percent of the people in a hospital, but they pay 98 percent of the cost. So what we are doing basically is taking the costs that are there, and those who have commercial insurance are paying a very large percentage of that cost. Therefore, we are shifting costs from the broad user base to a relatively small group who buy insurance, which causes the private insurance to be higher.

So there are some weaknesses there. Certainly, we have to do something about it. Health providers must shift this cost to private insurance or they do not make it up.

Emergency room costs, of course, are extremely expensive. They are used a great deal, particularly with Medicaid where there is no first-dollar payment by anyone. When anything goes wrong for someone who is under Medicaid, they can go to the emergency room because it does not cost anything.

Of course, we pay the highest prices for prescription drugs and shoulder the research and development costs for much of the rest of the world. I think most of us are working on that issue. I think we are going to have a hearing next week in the Finance Committee to see if there is any relationship in terms of the trade aspect of it—with Canada, for example, where you can send goods from this country that cost a certain amount, and the Government up there says they will cost less. Is that part of a trade problem? I think it is something we ought to talk about.

Also, of course, one of the things we have tried to fix—and I hope we continue to try to do something about it—is putting a limit on noneconomic damages for liability in health care. We have tried to pass that. We tried to pass it in the Wyoming Legislature. I think, hopefully, they will continue to do that.

But what it has done in our State—and I think in a number of other States—is it certainly has raised the costs because the cost for malpractice insurance for practioners has gone up a great deal. It has also caused some practitioners, particularly OB/GYNs, to not serve any longer. Again, in a State such as ours, where there may be just one provider in a community, if that person does not provide services, then there is no one there and people have to go miles and miles to find care.

So it has a great impact. Not only is it the impact of increased costs to the provider, which he or she passes on to his or her patients, but it also has caused practices to be quite different and to be overly general about care. A number of years ago, if you hurt your arm, you would go to a general practitioner, he would fix it, put a cast on it, and you would go home. Now you would go in and: Oh, my gosh, you hurt your arm? You better see an arm specialist. We need to take some tests. We need to have an MRI and a few other things—all of which make care more expensive than it used to be. Some of that cost is simply for protection against malpractice lawsuits. So that is one of the things we can do.

We are seeing more and more small businesses being unable and unwilling to help provide health care for their employees. So there are all kinds of different problems that have arisen.

I think people, also, are probably less responsible for their own health. This idea that we should take care of ourselves a little better to avoid sickness—everyone agrees with that idea, but not everyone participates in that. So, again, we have some things that could be changed.

I met a gentleman who is promoting a new program, running a new program called Be-well. It is a program for employers who create health contracts with their employees under the proposition that the employer says to the employee: I am willing and able to cover your health care expense, your insurance expense. However, you must agree to do some things for your own health. You need to agree to exercise. You need to agree to do some things. You need to agree to this Be-Well program.

Most everyone agrees with that idea, but often there is not any real incentive to do that. This program provides an incentive to people to be more responsible for themselves.

So we face some real challenges. Physicians and providers are retiring earlier because of some of these pressures. Hospital vacancy rates for registered nurses, radiology technicians, and pharmacists have reached more than 10 percent. There are a number of hospitals that face rather severe shortages. We are also facing dental shortages. Again, in low population States, we are seeing the dental providers becoming an older group. Many are soon to retire. Frankly, there are not enough people standing in line waiting to replace them. We are working on trying to get a multistate dental training arrangement and also urging some assistance for underserved areas in this area as well.

So what I am interested in seeing is if we can start a little dialog on the broader issues that affect health care and health care costs and the ability to have access to health care for people in this country.

I will continue to work on this issue. We have been very involved in our office on rural health care. We are very pleased with some of the things that were done in the bill that we passed last year for Medicare.

I was very pleased that we passed that bill. To be sure, it is not finalized, but it is a first step in 30-some years to begin making changes. So we have had changes taking place with people but not a lot of changes in terms of how we provide health care.

Last year we had a forum on rural health care which is a little unique, but some of the problems are the same. We began to discuss those problems and to look to the future. That is what we have to ask, what is health care going to look like 5 or 10 years from now, if we can make that sort of projection, and then begin to look at what we can do to get where we want it to be rather than where we think it will be if we do nothing.

There are some ideas out there. I don't suggest they are all the best, but some are being talked about—tax credits to have a medical setaside for payments that you could keep tax free and then use it. In many cases you could use it for the first dollar cost, and then all you have to buy is a higher level insurance, which is much cheaper, catastrophic insurance, rather than the first low dollar, which is much more expensive. We are going to be working on a better medical savings program.

Association health plans have been talked about. The idea of insurance is to get enough people into the package so you can level out the cost between those who are less healthy and those who are more healthy. But if you do not have large numbers, that doesn't happen. There is some objection to that in terms of the States. I am not necessarily supporting all these ideas. But, for example, if you were a service station operator, you could be part of a national service station operators insurance program.

Some have talked about the idea that everyone, even if they had to be helped, should have insurance. We require insurance on your car. We don't require it, but somebody else has to pay for it. So that is something we should talk about.

Better education efforts for consumers to make healthier choices, certainly that is something we ought to take seriously.

As I mentioned, medical malpractice reform is clearly something we ought to do. We, obviously, have been blocked in the Senate from doing that.

There are a lot of issues we need to look at, and they deal with where we are going to be in a few years and where we are now. But we will be worse off in a few years unless we begin to deal with some of those issues.

I appreciate the time and look forward to continuing to have the debate.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I say to my good friend from Wyoming, before he leaves the floor, I share his frustration over our failure to act on any kind of medical malpractice reform. We have tried a broad approach. We have tried a narrow approach. We will be back again to try another narrow approach. We can't even seem to get cloture on the motion to proceed. That is how dug in the Senate seems to be against any effort to lower those liability insurance premiums for doctors. The Senator from Wyoming brings up a very important issue. I thank him.

RICHARD CLARKE

Mr. McCONNELL. Mr. President, I come to the Chamber this morning to talk about Richard Clarke's testimony yesterday.

We all now know who Richard Clarke is. He has sort of burst on the national scene with his effort to defeat President Bush. Richard Clarke was the man in charge of counterterrorism under the previous administration for 8 years. During those 8 years, we had three terrorist attacks against America: In 1993, the first attack against the World Trade Center in New York; against the U.S. Embassies in Africa in 1998; and against the USS *Cole* in 2000.

The most aggressive action, apparently, Mr. Clarke was able to convince his superiors to take during those years was to launch a few cruise missiles at a single terrorist camp in Afghanistan and take out a pharmaceutical factory in Sudan—not a really robust response to multiple terrorist acts against American interests both in the United States and overseas.

Now Mr. Clarke has the gall to come forward and suggest that President Bush was not particularly interested in the war on terrorism or in going after al-Qaida. But interestingly enough, back in an August 2002 interview with the news media, Mr. Clarke himself said the Bush administration, in the spring of 2001, sought to increase CIA resources for covert action fivefold to go after al-Qaida. Back in 2002, he was singing an entirely different tune than he was portraying either in his testimony yesterday before the 9/11 Commission or in his new book, which I am sure he hopes will be a best seller and help defeat President Bush.

But before he had some epiphany and went in a different direction, in August

2002, he said the Bush administration plan was actually more aggressive than Clinton's, and that the Bush administration changed the strategy from one of rollback by al-Qaida over the course of 5 years, which it had been under the Clinton years, to a new strategy that called for the rapid elimination of the al-Qaida terrorist network.

That is what Mr. Clarke was saying in August of 2002—quite different from what he said yesterday before the 9/11 Commission or in his new book.

Also in this August 2002 interview, Clarke noted the Bush administration, in mid-January of 2001—before the 9/11 attack—decided to do two things to respond to the threat of terrorism: "One, to vigorously pursue the existing policy, including all the lethal covert action finds which we have now made public, to some extent; the second thing the administration decided to do was to initiate a process to look at these issues which had been on the table for a couple of years and get them decided."

In other words, what Clarke was saying in 2002 to members of the press was that the Bush administration's response to the war on terror was much more aggressive than it was under the Clinton years.

Now he is singing an entirely different tune. This is a man who lacks credibility. He may be an intelligent man, he may be a dedicated public servant, but clearly he has a grudge of some sort against the Bush administration. If he was unable to develop a more robust response during the Clinton years, he would only be able to blame himself. He was in charge of counterterrorism during those 8 years. How could the Bush administration be to blame in 8 months for the previous administration's failure over 8 years to truly declare war on al-Qaida?

Let me be clear, I do not believe the Clinton administration is responsible for September 11. Rather, I believe Osama bin Laden and his al-Qaida terrorist network are responsible. I also believe there exist other terrorists organizations that share al-Qaida's goal of murdering innocent civilians who oppose their violent and extremist ideology. These terrorists don't hate us because of our policies. They hate us because of who we are. And if we don't work together to bring the fight to the terrorists, they will almost certainly bring it to us.

Bringing the fight to the terrorists is, of course, exactly what President Bush has been doing.

Instead of partisan finger-pointing, we should instead be working to bolster our intelligence infrastructure, continue our aggressive efforts to monitor, apprehend and bring to justice terrorists around the world, and improve our ability to defend America and its ideals from attack.

Although work remains to be done, I believe the Bush administration has made truly admirable progress in the war on terrorism. Who could argue with a straight face that America is not safer today than it was on September 10, 2001? The Taliban is gone. Saddam Hussein is gone.

We have destroyed all—not just one—all of al-Qaida's training camps in Afghanistan. All of them are gone from that country.

We have apprehended or killed two-thirds of al-Qaida's leaders.

We have launched international efforts to make it difficult for terrorists to raise or transfer their funds to fund their deadly activities.

We have worked with allies across the world to break up al-Qaida cells and other terrorist networks.

We passed the PATRIOT Act, which provides U.S. law enforcement better capabilities to monitor, apprehend, and bring to justice terrorists plotting in the United States.

We have won new allies in Pakistan and Uzbekistan. And by engaging these countries we have scored further victories against terrorists.

As I said earlier, there has been the end of the regime of Saddam Hussein who provided direct material support to Palestinian terrorists and who offered safe haven to other Islamic terrorists.

We have rounded up and continue to kill foreign terrorists in Iraq. These terrorists would rather be blowing up buses in midtown Manhattan. Believe me, that is where the terrorists would rather be on the attack. Instead they are in Iraq. That is where the war on terror is going on, right in Iraq.

While we mourn the loss of every American soldier and innocent Iraqi citizen, we are glad we are dealing with al-Qaida over in the Middle East and not on American soil.

Finally, I think it is important to remember what is happening in Libya. Prime Minister Blair is meeting with the Libyan leader today. He has been somewhat born again. He is now denouncing terrorism. His weapons of mass destruction are now being eliminated.

It is noteworthy that Qadhafi seemed to have gotten religion in March 2003, the same month we launched the invasion of Iraq, and seemed to have fully converted shortly after Saddam Hussein was found hiding in a hole. Clearly, our Iraq policy is helping reduce or eliminate rogue regimes with weapons of mass destruction.

Let me conclude by saying by any objective standard, the war on terrorism is going well. I think Mr. Clarke's efforts to convince the American public somehow President Bush was inattentive to the war on terror or obsessed with Iraq are simply foolish and erroneous and will not be believed by the American people.

I yield the floor.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from Hawaii.

WAR ON TERRORISM

Mr. AKAKA. Madam President, I rise today to discuss the war on terrorism and the situation in Iraq on the 1-year anniversary of Operation Iraqi Freedom.

I had the honor and privilege of traveling to Iraq and Afghanistan over the recent recess to visit our troops. I had the similar honor of visiting them in the medical center at Ramstein, Germany.

I report to my colleagues the troops with whom I met were in good spirits. They are, of course, eager to return home to their loved ones, but they are also proud of the work they are doing to stabilize Iraq and assist the Iraqi people in building a democratic state. I was proud of them, proud of the leadership of our military, and proud of all the troops there.

As a veteran of World War II, I was proud to see in the troops the same dedication to duty, mission, and country I remember so well from my own comrades in arms. In Ramstein, I was impressed with the wonderful support our wounded were receiving from the medical staff, and I was equally impressed with the eagerness our wounded expressed to return to the sides of their comrades. In that eagerness to rejoin their units, they shared a bond with all their past brothers in uniform.

In Iraq, I visited the newly deployed Stryker brigade in Mosul. This unit is demonstrating in the field for the first time a powerful new capability. But it has also been given the difficult objective of patrolling a large area. They are still waiting for Iraqi forces to be trained and adequately equipped to supplement their effort. Clearly, one reason why the security situation still remains so tenuous is the failure to train and field sufficient Iraqi security forces. But the apparent ambush of two American civilians recently by Iraqi police indicates even some of the newly deployed security forces cannot be trusted.

According to the Coalition Provisional Authority, or CPA, we are only about 30,000 short of the approximately 236,000 security forces planned for Iraq. This may be so in terms of absolute numbers, but it is not a reflection of how well equipped they are, how well trained they are, and how well led they are.

For example, the CPA carries about 60,000 police on payroll, but only 2,300 of those have been fully qualified. Prior to the war, the Iraqi police had a well-deserved reputation for being corrupt. Reports continue to indicate this remains a problem and, as I mentioned, there are indications the security forces have been infiltrated by terrorists. At the same time, many of the honest policemen are being targeted by terrorists. On Tuesday, 11 were killed in an ambush. So one should view numbers with a healthy skepticism and focus on quality.

I also had the opportunity to visit Balad, about 25 miles north of Baghdad. This will become the future center of air operations in Iraq, and we are now preparing a major airbase to service American troops for the next 3 to 5 years.

Elsewhere, there is the intent to move American troops out of Baghdad and consolidate forces in fewer installations on the periphery, thus reducing the visibility of the American footprint. This is going to be a very delicate maneuver. Reducing the American presence in Baghdad has to be balanced by an increase in the effectiveness of Iraqi security forces inside the city. We could run the risk of having that city of about 6 million become an even safer haven for terrorists while we hunker down in bases on the outskirts.

It also means we are planning for an extended stay in Iraq. While the administration indicates 33 countries are now contributing troops to Iraq, the bulk of the troops is American, and unless there is a change in strategy by the administration or a change in attitude by the international community, those troops for the foreseeable future will remain largely American.

Will there be American troops in Iraq by the time of the next Presidential election in 2008? Right now the answer is yes.

I was able to visit Kabul as well. So much attention and money have been focused on Iraq that I believe Afghanistan has been neglected to the detriment of our goal of defeating the terrorists who attacked us on 9/11.

One example: in Iraq we hope to field an army of 27 battalions in 12 months at a cost of $1.8 billion, while in Afghanistan we hope to field an army of 15 battalions in 26 months at a cost of $569 million. Yet, in Iraq, there is a military infrastructure of garrisons, facilities, and a history of a national army that Afghanistan lacks. There are huge cultural barriers to overcome in linguistics and ethnicity that make Iraq look homogenous in comparison. Our military is doing a great job in trying to stand up an army in Afghanistan, but it is an enormous job, and so far the international community is not providing sufficient resources either to rebuild the country or create a sustainable and professional security force.

Afghanistan has an even greater problem in the lack of a civic administrative infrastructure. Without the creation of a strong local and central government, we run the risk of creating a well trained army that the government cannot pay for or sustain, further increasing the risk that the Taliban and al-Qaida terrorists could return to power.

We need to give more attention and make a greater commitment to Afghanistan. In Kosovo, for example, 25 times more money was pledged on a per capita basis than to Afghanistan and 50 times more troops per capita were sent. Afghanistan needs an estimated $20 billion in assistance over the next 5 years but so far only $7 billion has been pledged and even less received. I worry that, 2 years after the fall of the Taliban, Afghanistan has become the forgotten war even as al-Qaida terrorists and Taliban remnants continue to make it their sanctuary and regroup their forces.

I opposed going to war in Iraq when we did. I did not think that the threat posed by weapons of mass destruction was imminent, nor did I think we had taken sufficient time to prepare for the consequences of a prolonged occupation of Iraq. I was concerned that starting another conflict before we had squashed the al-Qaida terrorist threat in Afghanistan would disperse our forces and expose us to even more terrorist problems. To be successful in both, with the least cost to the United States in terms of lives and resources, required an international coalition and consensus along the lines of the one created in the first gulf war. We have yet to achieve that either in Afghanistan, where there is international support but insufficient resources, or in Iraq where the bulk of resources and personnel are being provided by the United States.

We need to rebuild support for American foreign policy both abroad and at home. A recent Pew Foundation poll indicates that the U.S. image abroad remains negative in most nations. This cannot be good. For Americans to be secure, we need to be respected, and, as both Iraq and Afghanistan demonstrate, we cannot go it alone unless American citizens want to bear the full burden of sacrifice. We need international support. This does not mean sacrificing American interests to foreign interests, but it means working with other nations to gain a consensus in support of our objectives. In many we are one.

At home, too, we need to rebuild bipartisan support for American foreign policy. This has been lost in the last few years. Healthy debate requires a willingness to listen to arguments and to accept those that are valid in order to develop a consensus on American foreign policy. This ability has been lost.

Earlier this week, our former colleague, Bill Cohen, spoke before the 9/11 Commission. He talked about "the kind of poisonous atmosphere that existed then that continues today," referring to the questioning of President Clinton's motives when he launched attacks against al-Qaida in Afghanistan and Sudan. Constructive criticism of strategy and oversight of its implementation are essential tools in sharpening the tip of our policy weapons. But they need to take place in an atmosphere where such debate is not just another arrow in the quiver of partisan politics.

I pray that one of the successes of the 9/11 Commission and other discussions in this very political year will be a determination to restore comity in foreign policy.

My recent travels in Iraq and Afghanistan have convinced me that, if we are to succeed in either country, we need to be prepared to remain in both countries for a long time, and we need to be prepared for additional sacrifices in terms of lives and financial resources. To accept that burden, there has to be a consensus in foreign policy. To bear that burden will require a determination to establish international support for our policies.

I thank the Chair. I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DEWINE. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

UNBORN VICTIMS OF VIOLENCE ACT OF 2004

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 having arrived, the Senate will proceed to the consideration of H.R. 1997, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1997) to amend title 18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Madam President, I come to the floor this morning to begin the debate on the Unborn Victims of Violence Act. I would like first to thank our 40 cosponsors for their leadership and support on this issue.

Let me also thank specifically Senator LINDSEY GRAHAM, who championed this issue on the House side for a number of years before he joined us here in the U.S. Senate. He has worked tirelessly to see to it that the most vulnerable members of our society are, in fact, protected.

Let me also thank our lead House sponsors, Congresswoman MELISSA HART from Pennsylvania, and my friend and colleague from the State of Ohio, Congressman STEVE CHABOT. They have both been great champions of this great cause. They worked tirelessly to help get this important bill passed in the House of Representatives.

Our bill is very simple. I will take just a couple of minutes to explain it.

It is a bill about simple justice. It is a bill about doing what is right. I was asked yesterday by one of my colleagues, Why do we need this bill? Why is this bill on the floor?

This is what I responded yesterday and this is what I would say to my colleagues here in the Senate this morning. Imagine a pregnant woman in a national park or a pregnant woman on an Air Force base and she is violently assaulted. As a result of that assault, she loses her child; that child dies. Today, there is no Unborn Victims of Violence Act. Today, unless that Federal park or Air Force base is located in a State that has a similar law, a Federal prosecutor would search the Federal statute books in vain to find anything to charge that assailant for the death of that child, for the death of that unborn infant, the fetus. The only thing that Federal prosecutor would be able to charge that defendant with is the assault of the woman. The death of that child would not be able to be charged as what we would think would be a separate offense. Justice would not be done for that, what we would think would be a separate offense.

This bill corrects that. This bill recognizes there are two victims. There is the victim, the mother, who was assaulted; and there is the victim, the unborn child, who was either injured or killed. It is that simple.

This bill recognizes when someone attacks and harms a mother and her unborn child that attack does in fact result in two separate victims: the mother and her child. That is what this bill does.

I will have more to say about this bill later. I will reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 2858

Mrs. FEINSTEIN. Madam President, I would like to call up amendment 2858.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN] for herself and Mr. LAUTENBERG, Mr. BINGAMAN, Mrs. BOXER, Mr. KENNEDY, and Mr. CORZINE, proposes an amendment numbered 2858.

Mrs. FEINSTEIN. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: Entitled the Motherhood Protection Act)

Strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Motherhood Protection Act".

SEC. 2. PROTECTION OF PREGNANT WOMEN.

(a) IN GENERAL.—Title 18, United States Code, is amended by inserting after chapter 90 the following:

"CHAPTER 90A—PROTECTION OF PREGNANT WOMEN

"CHAPTER 90A—PROTECTION OF PREGNANT WOMEN

"Sec.
"1841. Causing termination of pregnancy or interruption of the normal course of pregnancy.

"§ 1841. Causing termination of pregnancy or interruption of the normal course of pregnancy

"(a)(1) Any person who engages in conduct that violates any of the provisions of law listed in subsection (b) and thereby causes the termination of a pregnancy or the interruption of the normal course of pregnancy, including termination of the pregnancy other than by live birth is guilty of a separate offense under this section.

"(2)(A) Except as otherwise provided in this paragraph, the punishment for that separate offense is the same as the punishment provided for that conduct under Federal law had that injury or death occurred to the pregnant woman.

"(B) An offense under this section does not require proof that—

"(i) the person engaging in the conduct had knowledge or should have had knowledge that the victim of the underlying offense was pregnant; or

"(ii) the defendant intended to cause the termination or interruption of the normal course of pregnancy.

"(C) If the person engaging in the conduct thereby intentionally causes or attempts to cause the termination of or the interruption of the pregnancy, that person shall be punished as provided under section 1111, 1112, or 1113, as applicable, for intentionally terminating or interrupting the pregnancy or attempting to do so, instead of the penalties that would otherwise apply under subparagraph (A).

"(D) Notwithstanding any other provision of law, the death penalty shall not be imposed for an offense under this section.

"(b) The provisions referred to in subsection (a) are the following:

"(1) Sections 36, 37, 43, 111, 112, 113, 114, 115, 229, 242, 245, 247, 248, 351, 831, 844(d), 844(f), 844(h)(1), 844(i), 924(j), 930, 1111, 1112, 1113, 1114, 1116, 1118, 1119, 1120, 1121, 1153(a), 1201(a), 1203, 1365(a), 1501, 1503, 1505, 1512, 1513, 1751, 1864, 1951, 1952(a)(1)(B), 1952(a)(2)(B), 1952(a)(3)(B), 1958, 1959, 1992, 2113, 2114, 2116, 2118, 2119, 2191, 2231, 2241(a), 2245, 2261, 2261A, 2280, 2281, 2332, 2332a, 2332b, 2340A, and 2441 of this title.

"(2) Section 408(e) of the Controlled Substances Act of 1970 (21 U.S.C. 848(e)).

"(3) Section 202 of the Atomic Energy Act of 1954 (42 U.S.C. 2283).

"(c) Subsection (a) does not permit prosecution—

"(1) for conduct relating to an abortion for which the consent of the pregnant woman has been obtained or for which such consent is implied by law in a medical emergency;

"(2) for conduct relating to any medical treatment of the pregnant woman, or matters related to the pregnancy; or

"(3) of any woman with respect to her pregnancy.".

(b) CLERICAL AMENDMENT.—The table of chapters for part 1 of title 18, United States Code, is amended by inserting after the item relating to chapter 90 the following:

"90A. Protection of pregnant women 1841".

SEC. 3. MILITARY JUSTICE SYSTEM.

(a) PROTECTION OF PREGNANT WOMEN.—Subchapter X of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after section 919 (article 119) the following:

"§ 919a. Art. 119a. Causing termination of pregnancy or interruption of normal course of pregnancy

"(a)(1) Any person subject to this chapter who engages in conduct that violates any of the provisions of law listed in subsection (b) and thereby causes the termination of a pregnancy or the interruption of the normal course of pregnancy, including termination of the pregnancy other than by live birth, is guilty of a separate offense under this section.

"(2)(A) Except as otherwise provided in this paragraph, the punishment for that separate offense is the same as the punishment for that conduct under this chapter had that injury or death occurred to the pregnant woman.

"(B) An offense under this section does not require proof that—

"(i) the person engaging in the conduct had knowledge or should have had knowledge that the victim of the underlying offense was pregnant; or

"(ii) the defendant intended to cause the termination or interruption of the normal course of pregnancy.

"(C) If the person engaging in the conduct thereby intentionally causes or attempts to cause the termination of or the interruption of the pregnancy, that persons shall be punished as provided under section 918, 919, or 880 of this title (article 118, 119, or 80), as applicable, for intentionally causing the termination of or interruption of the pregnancy or attempting to do so, instead of the penalties that would otherwise apply under subparagraph (A).

"(D) Notwithstanding any other provision of law, the death penalty shall not be imposed for an offense under this section.

"(b) The provisions referred to in subsection (a) are sections 918, 919(a), 919(b)(2), 920(a), 922, 924, 926, and 928 of this title (articles 111, 118, 119(a), 119(b)(2), 120(a), 122, 124, 126, and 128).

"(c) Subsection (a) does not permit prosecution—

"(1) for conduct relating to an abortion for which the consent of the pregnant woman has been obtained or for which such consent is implied by law in a medical emergency;

"(2) for conduct relating to any medical treatment of the pregnant woman or matters relating to her pregnancy; or

"(3) of any woman with respect to her pregnancy.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter X of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after the item relating to section 919 the following:

"919a. Causing termination of pregnancy and termination of normal course of pregnancy.".

Mrs. FEINSTEIN. Madam President, I agree with virtually everything the Senator from Ohio has said. Although there are many State laws which do take into consideration a fetus, it is true that the Federal laws, which would impact only those on Federal property, are silent. I am in complete concurrence with everything the Senator has said. I have had the privilege of working with him, so it is a delight for me to be able to discuss and debate this issue with him.

The substitute amendment I have called up is on behalf of Senators

BINGAMAN, BOXER, CORZINE, KENNEDY and LAUTENBERG. I would like to make clearer a couple of places in that amendment.

I ask unanimous consent to send a modification to the desk.

Mr. DEWINE. I object.

The PRESIDING OFFICER. Objection is heard.

Mrs. FEINSTEIN. I hear the objection. I am rather surprised by the objection. It is generally common courtesy to allow a Senator to amend his or her amendment. However, I believe our amendment is clear on its face.

I would like to point out that since 2000, in the Senate, there has been no hearing on this amendment and no opportunity for the Judiciary Committee to make corrections. This amendment is on the floor as a rule XIV.

I am very disappointed the Senator will not allow me to make a modification. For the record, let me simply state that I was proposing a minor change designed to further clarify what I believe to be the clear intent and application of our amendment. The bottom line is this: Even without the technical changes, our amendment is clear. We include the same structure, the same crimes, and the exact same penalties as the DeWine bill.

The only real difference between our amendment and the DeWine bill is that we do not attempt to place into law language defining life as beginning at conception—beginning with an embryo.

Just to clarify for the purpose of giving judges more legislative history with which to interpret our amendment, let me be clear about the two provisions at issue.

The first modification concerns section (c)(2) of our amendment which reads "For medical treatment of the woman or matters relating to the pregnancy." This language simply tracks the DeWine language and the House bill language. I believe it is quite clear what we meant by this was to exempt medical treatment of the woman or any other medical treatment related to the pregnancy.

The second criticism or modification was that section (c)(2) which applies to intentional crimes against the pregnant woman is awkwardly worded and thus vague. The intent of the section is also clear. Our amendment and the House and the DeWine bill would punish an individual who intentionally ends a pregnancy in accordance with the murder, manslaughter, or intent statutes already on the books. The level of penalty would be determined by a judge and would be based on the level of intent. For instance, punishment under the murder statute would require malice. Punishment under the manslaughter statute would not. But either way the intent is clear.

I believe the only real reason to raise these issues is to try to defeat our amendment without addressing the underlying fact that our amendment contains the same law enforcement goals as the DeWine and the House bill, but without injecting a debate over a woman's right to choose into the equation.

This issue is not as simple as it seems at first glance. Everyone in the Senate wants to accomplish the same goal—punishing those who, by attacking or killing a pregnant woman, deprive families not only of the mother but also of the joy to help raise the child yet to be born. Punishing those who end a pregnancy and thus end the potential life experience, all of the hopes and dreams embodied by that pregnancy and the child to come, is an important advance in Federal criminal law.

But here is where it gets more complicated. The House bill before us, the DeWine bill, now takes the position in law that life begins at conception. This, then, involves this bill directly into a woman's right to choose—an issue that need not be raised and should not be raised in this debate.

Although the text of the amendment itself technically provides an exception for abortion, experts on both sides of this issue agree the language in the bill will clearly place into Federal law a definition of life that will chip away at the right to choose as outlined in Roe v. Wade. I hope to make that crystal clear as I go on.

The Philadelphia Inquirer in its editorial yesterday put it succinctly by saying:

> If passed and signed, as promised by President Bush, the Federal law would be the first to recognize unborn children at any stage of development as victims with legal rights separate from those of their mothers. . . . It's so easy to see how a Federal unborn victims law, coupled with unborn victims laws in 29 States, will form the basis of a new legal challenge to Roe v. Wade, the landmark case that gives women the right to terminate certain pregnancies. If a fetus who dies during a crime is a murder victim, then isn't abortion murder?

That is the Philadelphia Inquirer editorial of yesterday.

That is why I offered this substitute amendment. I think when I am finished describing the differences between our amendment and the underlying legislation, it will become crystal clear that these two measures accomplish the same goal in terms of criminal justice and the same goal in terms of deterrence.

The difference between the two measures—the only difference—is our substitute does not include a new unprecedented definition of when life begins.

The bottom line is this: It is unnecessary to include a definition of when life begins in this legislation, and including such language could, and I believe will, make it much more difficult to obtain convictions in these cases.

The substitute amendment I offer today essentially provides that if a perpetrator of an attack on a woman commits certain violent Federal crimes against that woman and harms or ends her pregnancy, a prosecutor can charge the perpetrator with the underlying Federal crime first but can also charge the perpetrator with harming or ending her pregnancy and effectively harming or killing another potential life.

How is this different from the DeWine bill? It is not different at all. The DeWine bill provides exactly the same provisions. A prosecutor can charge two crimes—one for the underlying attack on the woman and one for the termination of the pregnancy. The penalties in the DeWine bill are identical to the penalties in our amendment.

For instance, the DeWine bill provides that if the separate offense results in the ending of the pregnancy, the penalty is identical to the penalty for taking an adult's life. The Feinstein substitute is the same. The DeWine bill says the maximum penalty for ending a pregnancy is a life sentence, and the maximum penalty for harming that pregnancy is a 20-year sentence. The Feinstein substitute is the same.

Neither bill allows for the death penalty and neither bill applies to conduct to which the pregnant woman has consented.

The simple truth is this: Whichever bill passes in the end, a prosecutor will be given exactly the same ability to charge a defendant. The crimes are the same. The penalties are the same. Everything will be the same except a few simple words that inject the abortion debate into this issue by clearly establishing in criminal law for the first time in history that life begins at the moment of conception. I contend that if this result is incorporated in law, it will be the first step in removing a woman's right to choice, particularly in the early months of a pregnancy before viability.

As we all know, the question of when life begins is a profound and a deeply divisive one. So I don't believe we should be addressing that issue here today—without a hearing since the year 2000, without expert testimony, and without need to do so. But, more importantly than that, this language unnecessarily turns a simple law into a controversial one and, most importantly, this language could make it more difficult for prosecutors to obtain a conviction for the second defense of harming or ending a pregnancy. I will describe why later.

It is possible that some pro-choice jurors might refuse to convict simply because the language of the law refers to an unborn "child in utero"—that is a quote, "child in utero," that is bill language—when the victim may have only been 1 week or even 1 day pregnant.

An embryo in this bill becomes a person for the purpose of Federal criminal sanctions for the first time in America's history. That is the significance of this bill. This substitute allows jurors to look at evidence and the law and it doesn't force jurors to grapple with the complicated and controversial issue of when life begins.

Including language defining the beginning of life is not in any way necessary to the criminal law but, rather, it is only relevant to the abortion debate.

Let me show you a statement that I believe reveals the clear intent of this bill. That statement is made by Samuel Casey, executive director and CEO of the Christian Legal Society. This is the intent:

> In as many areas as we can, we want to put on the books that the embryo is a person . . . that sets the stage for a jurist to acknowledge that human beings at any stage of development deserve protection—even protection that would trump a woman's interest in terminating a pregnancy.

This will be the first strike against all abortion in the United States of America. This will draw back the veil and, I believe, makes crystal clear what this legislation actually is. This is the key to much of the support for this legislation: Not just adding a new criminal law on the books, but also defining life as beginning at conception in statute here and then in the future, wherever else and however else possible. This is a concerted effort to insert the definition of when life begins into the law wherever possible.

Let me give some examples of quotes that again make this very clear. The intention of the antichoice community has been clearly revealed by a Republican strategist by the name of Jeffrey Bell. Here is how he put it:

> Parental notification rules don't really prohibit anything. They don't ban the act of abortion. But a cloning ban—this is saying that something should be illegal. And if taking [unborn] human life became illegal, that would be a breakthrough. Since Roe, no one has been able to do that.

So this, Members of the Senate, is clearly the agenda, freezing the law, any law, in this case criminal law, that life begins at conception. Then, once declared legally, that law becomes the stepping-stone to refuse embryonic stem cell research and to ban abortion. Once the law defines human life as beginning at conception, stem cell research could become murder, abortion becomes murder, even in the first days of a pregnancy.

That is where this is going. Please see it. Understand it. Know it. Everyone in this body who believes embryonic stem cell research holds a promise for cures to Parkinson's, for cures to Alzheimer's, for cures to juvenile diabetes, for perhaps spinal cord rupture repair, will have to contend with a statute that has said life begins at conception. So embryonic stem cell research may become murder and abortion in the first trimester becomes murder. That is where this debate is taking us. That is the reason for this bill.

The supporters of this bill will say they do not want to undermine Roe, but that is precisely what Nebraska State senator Mike Foley said when he proposed legislation to allow wrongful death suits involving the termination of a pregnancy. Let me quote him. Let me pull back the veil again:

> We said specifically in our bill that we did not want to challenge Roe v. Wade, and that would not affect abortion in the legal sense. But philosophically, sure, these laws are a challenge . . . If a state can put someone in jail for life because they took the life of an unborn child, then we're clearly saying there is something very valuable there.

Why is he saying that? He is saying that because a fetus, even at conception, becomes a person, becomes a human being.

Professor R. Alta Charo of the University of Wisconsin further points out how these efforts are aimed at changing the law and how the Supreme Court might rule in future abortion cases. Charo said recently:

> If you can get enough of these bricks in place, draw enough examples from different parts of life and law where embryos are treated as babies, then how can the Supreme Court say they're not? This is, without question, conscious strategy.

This is a professor of law at the University of Wisconsin, pulling the veil back further and exposing this exactly for what it is, a "conscious strategy" to say life begins at conception and enshrine it in this Federal law, and then other laws, and then other laws, and then go to the Supreme Court and Roe vs. Wade is struck down.

In a CNN interview last May, the distinguished chairman of the Senate Judiciary Committee—and I have had the pleasure of serving on that committee for 12 years—made the following comment:

> They say it undermines abortion rights. It does undermine it. But that's irrelevant. We're concerned here about a woman and her child . . . The partisan arguments over abortion should not stop at a bill that protects women and children.

If that is true, then the Senator from Utah should vote for our amendment because our amendment does exactly the same thing, the same penalties for the same crimes as the House bill.

When Justice Harry Blackmun wrote in 1973 the Roe decision, he said:

> . . . the unborn have never been recognized in law as persons in the whole sense . . .

Let me repeat that: "the unborn have never been recognized in the law as persons in the whole sense."

What he did by saying that was actually, inadvertently provide a roadmap for the anti-choice people and those who want to undermine Roe and eventually to reverse it. This bill, the underlying bill, is following that roadmap by changing a criminal law in a way which clearly says an embryo can be an individual as a person for the purposes of criminal prosecution.

Clearly, this is a concerted effort to codify in law the legal recognition life begins at conception. If we allow that to happen today in this bill or in any bill, we put the right to choose squarely at risk. Roe v. Wade allowed States to claim a legitimate interest in preventing abortion postviability. Many states—and we both know that—have laws on the books with respect to the third trimester and even the second trimester.

If the concept of viability, which means when a fetus can live outside of the womb, gives way to a definition that provides life begins at conception, we could soon see abortion in this country outlawed entirely. Our amendment avoids that problem and focuses only on the need to increase penalties for those who attack pregnant women.

There has been a lot of discussion about the tragic Laci Peterson case in my State of California. I have had the pleasure of meeting with Laci's mother, Sharon Rocha, a very fine woman and a woman who I can understand is decimated by what happened to her daughter. Some in the Senate have suggested that this tragedy is evidence of a loophole in Federal law that needs to be closed.

However, the House bill and the DeWine bill will have no impact in any way, shape, or form on the Laci Peterson case. The perpetrator of that crime will be prosecuted and punished under current California law and the perpetrators of almost all similar crimes through the country will, in fact, be prosecuted under State laws, not a Federal law, unless the crime takes place on Federal property.

In my State of California, the legislature amended California's existing murder statute in 1970—that is 34 years ago—to read as follows:

> Murder is the unlawful killing of a human being, or a fetus, with malice aforethought.

Now, if this were the case, if this were written in Federal law, easy, I would support it in a minute because it draws a distinction, it permits the "double charge" that both Senator DEWINE and I agree is necessary. But the use of the words "or fetus" makes a distinction between a human being and a fetus for purposes of the application of the homicide statute. That is important. And that is the law under which Laci Peterson's alleged murderer is going to be prosecuted.

If you look at it, you will see it is completely adequate. The complexity of that case, which continues today, is one that relates to evidence and proof, not a problem with statutes or penalties. The California statute is wholly adequate. So the bill we discuss today would have absolutely no impact on the Laci Peterson case, none.

Now, I would like to bring to the Senate's attention a July 10 letter from a Stanford law professor. He goes into the problems of what this law, if passed, could actually do in the courtroom to actual prosecutions and to juries. His name is George Fisher. He is a criminal law expert. He is a former prosecutor. He served as an assistant DA, an assistant attorney general. He has taught criminal law at Stanford Law School since 1995, and he has founded Stanford's criminal prosecution unit.

He makes three points. Let me quote him:

> The Bill's apparent purpose of influencing the course of abortion politics will discourage prosecutions under any future Act. I do not know what motives gave rise to the Bill's use of the expressions "child in utero" and "child, who is in utero," but I do know that any vaguely savvy reader will conclude that these terms and the Bill's definition of them were intended by the Bill's authors to influence the course of abortion politics.
>
> If the authors of the Bill truly seek to protect unborn life from criminal violence, they will better accomplish this purpose by avoiding such expressions as "child in utero." Better alternatives would refer to injury or death to a fetus or damage to or termination of a pregnancy.

Dr. Fisher goes on to say:

> The Bill's apparent purpose of influencing the course of abortion politics will motivate prosecutors to exclude those prospective jurors who otherwise would be most sympathetic to the prosecution's case.
>
> I predict that many or most judges will bar prosecutors and defense counsel from questioning prospective jurors about their views on abortion or about related matters such as their religion, religious practices, or political affiliations. Forced to act largely on instinct, prosecutors may be inclined to exercise peremptory challenges against those prospective jurors who appear to be most sympathetic to the rights of pregnant women. This result clearly would frustrate the Bill's stated purpose of protecting unborn life from criminal violence.

He concludes:

> The Bill's apparent purpose of influencing the course of abortion politics offends the integrity of the criminal law. To anyone who cares deeply about the integrity of the criminal law, this Bill's apparent attempt to insert an abortion broadside into the criminal code is greatly offensive.

Now, that is a former prosecutor, a former assistant DA, assistant AG, a professor of law at Stanford Law School—one of the great law schools of our country—and head of the criminal prosecution unit at Stanford Law School.

I ask unanimous consent to have the entire letter printed in the RECORD following my remarks.

The PRESIDING OFFICER (Mr. ENSIGN). Without objection, it is so ordered.

(See exhibit 1.)

Mrs. FEINSTEIN. Mr. President, the substitute amendment, which I have offered, has been crafted to avoid these problems.

Our amendment, the Motherhood Protection Act, will accomplish the same goal as the Unborn Victims of Violence Act, but will do so in a way that does not involve us in the debate about abortion or when life begins. In my view, there is no reason to vote against this substitute unless the intention is to establish legally that human life, for the purposes of Federal criminal law, begins at the moment of conception because, ladies and gentlemen, that is exactly what this bill does.

To emphasize the point, let me again turn to the comments of Samuel Casey, executive director and CEO of the Christian Legal Society, who clearly states the intention behind the bill in this quote:

> In as many areas as we can, we want to put on the books that the embryo is a person. . . .That sets the stage for a jurist to acknowledge that human beings at any stage of development deserve protection—even protection that would trump a woman's interest in terminating a pregnancy.

Let there be no doubt about the intent. Anyone who is pro-choice cannot vote for this bill without the expectation that they are creating the first legal bridge to destroy Roe v. Wade.

Now, there is a time and a place to discuss the morality and philosophy of when life begins. This is not that time. Now is the time to change our Federal law to punish criminals who would inflict grievous injuries or death upon pregnant women on Federal lands. So I urge my colleagues to support the substitute amendment.

EXHIBIT 1

STANFORD LAW SCHOOL,
Stanford, CA, July 10, 2003.

Senator DIANNE FEINSTEIN,
U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: I wish to express my concern about the current formulation of S. 1019, the Unborn Victims of Violence Act of 2003. Although I fully endorse the Bill's ultimate aim of protecting pregnant women from the physical and psychological trauma of an endangered or lost pregnancy, I believe that the Bill's current formulation will frustrate rather than forward this goal.

I write both as a former prosecutor and as a law professor specializing in criminal law and criminal prosecution. At the outset of my career, I served as an assistant district attorney in Middlesex County, Mass., and as an assistant attorney general in the Massachusetts Attorney General's office. I then went to Boston College Law School, where I administered and taught in the criminal prosecution clinic. I have been at Stanford since 1995 and a tenured professor of law since 1999; during the next academic year, I will serve as Academic Associate Dean. In 1996 I founded Stanford's criminal prosecution clinic and have administered and taught in the clinic ever since. I have also created a course in prosecutorial ethics, which I taught at Boston College Law School and, as a visitor, at Harvard Law School.

My background and interest in criminal prosecution prompt me to raise three objections to this Bill. All of them focus on the Bill's use of the expressions "child in utero" and "child, who is in utero," and on its definition of these terms as "a member of the species homo sapiens, at any stage of development, who is carried in the womb."

First: The Bill's apparent purpose of influencing the course of abortion politics will discourage prosecutions under any future Act.

I do not know what motives gave rise to the Bill's use of the expressions "child in utero" and "child, who is in utero," but I do know that any vaguely savvy reader will conclude that these terms and the Bill's definition of them were intended by the Bill's authors to influence the course of abortion politics. It is a fair prediction that when a pro-life President is in office, prosecutions under this Bill will be more frequent than when a pro-choice President is in office. That is because the public will interpret this Bill as suggesting that abortion is a potentially criminal act and will interpret prosecutions under the Bill as endorsing this sentiment.

If the authors of the Bill truly seek to protect unborn life from criminal violence, they will better accomplish this purpose by avoiding such expressions as "child in utero." Better alternatives would refer to injury or death to a fetus or damage to or termination of a pregnancy.

Second: The Bill's apparent purpose of influencing the course of abortion politics will motivate prosecutors to exclude those prospective jurors who otherwise would be most sympathetic to the prosecution's case.

If I were prosecuting a case under this Bill, I would hope to have a jury that includes persons deeply sensitive to the rights and interests of pregnant women. Such jurors would regard an attack on a pregnant woman as being a twofold crime, comprising both the injury directly inflicted on the mother and the stark emotional and physical trauma resulting from injury to or loss of her pregnancy.

But such jurors also will be more likely than others to believe that pregnant women have the right to exercise autonomy over their bodies and to choose whether to abort a pregnancy. I predict that many or most judges will bar prosecutors and defense counsel from questioning prospective jurors about their views on abortion or about related matters such as their religion, religious practices, or political affiliations. Forced to act largely on instinct, prosecutors may be inclined to exercise peremptory challenges against those prospective jurors who appear to be most sympathetic to the rights of pregnant women. This result clearly would frustrate the Bill's stated purpose of protecting unborn life from criminal violence.

Third: The Bill's apparent purpose of influencing the course of abortion politics offends the integrity of the criminal law.

To anyone who cares deeply about the integrity of the criminal law, this Bill's apparent attempt to insert an abortion broadside into the criminal code is greatly offensive. The power to inflict criminal penalties is, second only to the power to wage war, the highest trust invested in our institutions of government. Because the power to make and enforce criminal laws inherently carries enormous potential for abuse, those who exercise that power must always do so with a spirit free of any ulterior political motive. The American Bar Association's Standards Relating to the Administration of Criminal Justice provide that "[i]n making the decision to prosecute, the prosecutor should give no weight to the personal or political advantages or disadvantages which might be involved. . . ." (Standard 3-3.9(d).) Not all prosecutors conduct themselves with fidelity to this principle, but we may readily condemn those who do not. We may likewise condemn other public actors who abuse the sacred public trust of the criminal sanction for political ends.

For these reasons, I object to the current formulation of the Unborn Victims of Violence Bill. As I am confident that an alternative version of the Bill can fully accomplish its stated purpose of protecting unborn life from criminal violence while avoiding each of the difficulties I have outlined above, I strongly encourage the Senate to modify the Bill in the ways I have suggested above or in some other manner that avoids the freighted and frankly politicized terms, "child in utero" and "child, who is in utero."

My thanks to you for your consideration of my views.

Sincerely,

GEORGE FISHER,
Professor of Law.

Mrs. FEINSTEIN. Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator has 89 minutes left.

Mrs. FEINSTEIN. I have 89 minutes remaining?

The PRESIDING OFFICER. Yes.

Mrs. FEINSTEIN. I thank the Chair.

I know the Senator from New Jersey is on the floor wishing time.

Mr. DEWINE. He can take it now.

Mrs. FEINSTEIN. Good. May I ask the Senator how much time he would like?

Mr. LAUTENBERG. I would like to have about 10 minutes.

Mrs. FEINSTEIN. Mr. President, I yield 10 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I thank my colleague from California and also our distinguished colleague from Ohio.

I rise to express my strong opposition to the underlying bill and support for the amendment by the Senator from California.

I have long supported legislation that combats domestic violence. I was the author of the domestic violence gun ban because abusers should not have access to weapons, to guns. Whether an abuser is terrorizing his wife or his children, let's take away their means to inflict further terror and abuse. So far, my law has prevented nearly 30,000 abusers from obtaining guns.

Because of my long-term commitment to stopping violence against women and children, I take offense at the fact that the backers of this bill are exploiting this issue in order to advance another anti-choice agenda.

We see this regularly around this place. I saw it in a commerce subcommittee meeting that was supposed to discuss science, space, and technology. The witnesses who were at the table were there to talk about their opposition to abortion and their experience after they themselves had abortions. They made their decisions after an action that they took that placed them in that position. Now they wanted to block everybody else from having a chance to make their personal choices.

We have to understand what underlies this issue. Yes, it is worthwhile to protect people and those who are not yet born against violence, but to make it a crime of this magnitude, when there is so much else at stake in the matter of choice, decided many years ago by the Supreme Court—supporters of this bill will tell you this legislation protects women, protects children, and this is a bill about punishing crime. But if you want to know what this bill is really about, you only need listen to what a leading supporter of this bill told CNN when asked about the legislation. I quote him:

> They say it undermines abortion rights. It does . . . But that's irrelevant.

That is the prevailing attitude of those who want to impose yet another restriction on a woman's choice, on the protection of a woman's health. This bill is intended, plainly and simply, to undermine Roe v. Wade. But rather than being direct about the goal, anti-choice advocates want to use tragedies like violence against women as a red herring to move their agenda.

Over and over, we see this body taking up legislation that I believe is part of an attempt to establish what I call a "male-ogarchy" in our society. A male-ogarchy is a society in which men are making decisions for and about women. Anti-choice advocates simply don't trust women and their doctors to know what is best for their bodies and their lives. We even encountered this male-ogarchy last year when this body told doctors and their patients that it is Congress, rather than the medical experts, who know best about their health. And when the so-called partial-birth abortion bill was signed, there were all men on the stage with the President of the United States, smiling and gloating as they took away the right of a woman, in consultation with her doctor and her conscience, to make a decision that, though painful, is appropriate for her well-being.

Do we want to decide here whether or not a woman has a right to make a decision about her choice for an abortion? Perhaps she has two, three, four other children at home and her health is in jeopardy. We are saying: It doesn't matter what you think, Madam. We are going to make the decision for you.

That is why there wasn't one woman standing with the President at the White House the day that so-called partial-birth abortion prohibition passed the Senate, when the President signed the bill.

President Bush and his supporters in the Senate say they care about domestic violence and protecting women. But if that is the case, how, then, do we explain the fact that the President's budget cuts funding for the Violence Against Women Act programs by $116 million next year? Is that going to help women? Is that going to make life better for them? No. It is going to make life worse. Those are living people. Those are people who were here. Those are people for whom this male group wants to decide, make decisions.

If Congress wants to get serious about violence against women and children, let's do something real about it. Let's fund programs that provide money to law enforcement to prevent domestic violence and sexual assault. Let's fund battered women's programs and rape crisis centers instead of cutting funding for these often lifesaving services. Let's improve access to shelters, making it easier for abused women and their children to flee that abuse.

If this so-called Unborn Victims of Violence Act were actually about violent crime, then the domestic violence community would be in support of it. But they oppose the bill. The National Network to End Domestic Violence, the National Coalition Against Domestic Violence, and the Family Violence Prevention Fund, all oppose this legislation.

Many backers of this bill also support giving a $1 trillion tax break to the wealthiest among us, rather than giving it to the struggling working families who need it to help pay for everyday goods and services, programs such as Head Start for children who don't have a comfortable home life that permits them to engage in the process of learning or of expecting to learn, who often get their only nutritional meal from the program. Three hundred thousand of those children are denied access to these programs because we have taken away the funding to give tax breaks to those who have been fortunate enough to live in this country, to make a lot of money, to succeed.

I am one of those. I had a good business career, as did many here. We don't need this kind of thing. We don't want it. We want our country to be strong. We want the strength to be built in a harmonious society and to lend a hand to those who don't have the ability to help themselves. But now that can't happen. We are focused on giving tax breaks to the wealthy and making them permanent, as we dig ourselves deeper into debt.

Many of my colleagues who support this bill also reject expending health insurance coverage for poor and lower middle-class children and their families. Many who support this bill will tell you they want to simply protect children. I find it ironic that they only want to protect children before they are born, but they don't want to do what they have to after they are born. I see it as hypocrisy.

I challenge supporters of this bill to get serious about protecting women and children and pass meaningful legislation that improves the lives of these women and children, not this undercover move to restrict choice for women.

The PRESIDING OFFICER. Who yields time?

Mrs. FEINSTEIN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I have a great deal of respect for my colleagues from New Jersey and California. My colleague from New Jersey knows I care about what happens after children are born. I care about their health. I believe I have demonstrated that in the Senate. In fact, he and I have worked on these issues together. I have worked with my colleague from California on many issues having to do with children. We just happen to disagree on this issue.

I have a great deal of respect for both of them. We have worked together on a bipartisan basis on a wide range of issues. I would hope that as we debate this bill, we would focus on the legislation. I say that with all due respect. I don't understand—again, with all due respect to my colleagues—what debate about the motives of people has to do with what the facts are.

I am going to try to confine my debate to what I think are the essential facts. I think they are fairly simple. Let me talk for a few moments about what I believe are the essential facts.

I ask my colleagues who are listening to this debate to remember a couple of things about the Feinstein amendment. I am going to keep coming back to these central facts about the Feinstein amendment.

No. 1, the Feinstein amendment does not recognize a second victim. Our bill does. The Feinstein amendment creates a legal fiction. It is contorted, it twists the law in a sense—maybe a better way of saying it is not that it twists the law; it doesn't do that, but it twists the reality of the common sense of people when they look at this. When they see a pregnant woman who is assaulted and her child dies, they intuitively know there is a victim besides the mother. They know the mother is a victim, but they also know there is a second victim.

The vast majority of the American people, if you ask them was there another victim, will say of course there are two victims. Our bill recognizes the second victim. The Feinstein amendment refuses to recognize the second victim. Now we can talk about punishment and all kinds of things, but it refuses to recognize good common sense.

This bill in front of us has nothing to do with abortion. It has absolutely nothing to do with abortion. We have explicitly exempted abortion in this bill. Yet opponents still try to argue this point.

Our statute could be no more clear on this point. Senator FEINSTEIN uses identical language to exempt abortion or any related activity in her amendment. This bill simply doesn't affect abortion rights whatsoever. The language could not be clearer. I invite my colleagues to pick up the bill and look at the section. It exempts any reference to abortion, anything a mother would do to her own child, anything a doctor would do is exempted. It has nothing to do with abortion, not at all. That is not what this is about.

Point No. 1, this bill recognizes a second victim; the Feinstein amendment does not. If you believe there is a second victim, you cannot vote for the Feinstein amendment. It denies there is a second victim.

The second point I want to make will come as a surprise, I think, to the Members of the Senate. It will come as a surprise to you until you pick up the Feinstein amendment and read it carefully. I invite you to do that. Pick up the amendment and read it carefully.

First, the Feinstein amendment does not punish the criminal for harming or injuring the baby. Let me read it. It only punishes the criminal for "interrupting or terminating a pregnancy." That is the language, "interrupting or terminating a pregnancy." But not for injuring. So if a child is injured, not killed, the pregnancy not terminated, the Feinstein amendment will not cover it. That, to me, is a problem. That is a fatal fallacy, fatal problem.

Here is the language:

> Any person who engages in conduct that violates any of the provisions of law listed in subsection (b) and thereby causes the termination of a pregnancy or the interruption of the normal course of pregnancy, including termination of the pregnancy other than by live birth is guilty of a separate offense under this section.

It does not cover the injury of a fetus. That is a problem.

Let's turn to the penalty section. The penalty section is fatally flawed. The penalty section won't work. The Justice Department has sent a letter and, in their opinion, the penalty section provides no penalty, under the Feinstein amendment, for the killing of the fetus. It is vague; it is unclear at best. It defines additional crimes as the interruption or termination of a pregnancy. When it describes the punishment, it refers to injury or death. Whose injury or death are we talking about here? Is it the unborn child? Whose injury?

The Feinstein amendment doesn't recognize that the interruption and termination of the pregnancy means the injury or death of the fetus because it won't acknowledge the fetus, of course, as a separate being.

The amendment is circular and really without meaning. Put simply, there is no additional punishment because under this amendment there is no additional victim. The Feinstein amendment goes out of its way not to recognize another victim. What is the reference to? Let me read this section and, again, this is a technical reading, but that is how you have to read a criminal section. This is how judges have to do it. The bottom line is—I am going to say it again and again—if you vote for Feinstein, there will be no penalty at all for the killing of a second victim, the child. There clearly is none for the injury of that child. Let me read the penalty section, 2(a), under the Feinstein amendment:

> Except as otherwise provided in this paragraph, the punishment for that separate offense is the same as the punishment provided for that conduct under Federal law had that injury or death occurred to the pregnant woman.

What injury or death are we talking about? To whom?

The language doesn't acknowledge injury or death to the fetus. Who is it referencing in the previous paragraph? It clearly is fatally flawed. It is difficult for me to read this and for people to understand it. But to get the section out, it clearly doesn't work and is fatally flawed. So this does not recognize the death, does not recognize any punishment. It would not provide punishment and it clearly presents a problem.

My friend from California has said the DeWine bill would have no effect on the Laci Peterson case. That is true; it would not. Fortunately, California has a similar law that provides for a second victim, the punishment for the death of that child. While it is true the DeWine bill would have no effect on the Laci Peterson case, the fact is if the Feinstein amendment, or a similar amendment to the Feinstein amendment, had been approved by the California legislature at the time their law was being considered, there would be no punishment for the death of baby Conner Peterson. There would have been in California no recognition for that second victim. There would have been no recognition of the death of that second victim.

If the Feinstein amendment would have passed, or a version of it, in California, if the California legislature would have done what Senator FEINSTEIN is asking us to do today in this Federal legislation, they would not have been able to prosecute for the death of Conner Peterson. They would not have been able to recognize that death as a second victim death. That is the fundamental fact, and that is the fundamental difference between the DeWine bill and the Feinstein amendment.

We have heard a lot of talk about motives and agendas. I think we should stop doing that, and I think we should look to the victims and hear from the victims. There are three victims. The families of the victims were here yesterday. When one talks with the victims, it is clear the victims believe there are two victims. Let me talk about several cases. They are tragic cases and are difficult to listen to, but I think it brings home what we are really talking about.

Let me talk about the example of Airman Gregory Robbins. This is a case about which I have talked many times on the Senate floor, but I think is worth repeating today because it illustrates the injustice that exists today in our Federal law.

In 1996, Airman Robbins and his family were stationed in my home State of Ohio at Wright-Patterson Air Force Base in Dayton. At that time, Mrs. Robbins was more than 8 months pregnant with their daughter they named Jasmine. On September 12, 1996, in a fit of rage, Airman Robbins wrapped his fist in a T-shirt and savagely beat his wife by striking her repeatedly about the head and stomach. Fortunately, Mrs. Robbins survived this violent assault, but tragically, her uterus ruptured during the attack, expelling the baby into her abdominal cavity, causing Jasmine's death.

Does anyone truly think Jasmine was not a victim? I think we know she was. Not only was her mom a victim, but she was as well.

Let me give another example. In August 1999, Shiwona Pace of Little Rock, AR, was days away from giving birth. She was understandably thrilled about her pregnancy. Her boyfriend, Eric Bullock, however, did not share her joy and enthusiasm. In fact, Eric wanted the baby to die. So he hired three thugs to beat his girlfriend so badly that she lost the unborn baby whom she named Heaven. I might add, she lost that baby 1 day shy of her predicted delivery date. Shiwona testified at a Senate judiciary hearing we held in Washington on February 23, 2000. This is what she said:

> I begged and pleaded for the life of my unborn child, but they showed me no mercy. In fact, one of them told me, "Your baby is dying tonight." I was choked, hit in the face with a gun, slapped, punched, and kicked repeatedly in the stomach. One of them even put a gun in my mouth and threatened to shoot.

Do we really believe Shiwona was the only victim here? Do we really think we should adopt an amendment that says she was the only victim? I don't think so. How can we suggest to Shiwona that her child was not murdered? Should we twist the law so we don't recognize that? I don't think we should. And Federal law, quite frankly, must recognize this wrong for what it is. It is a wrong against two separate and distinct victims.

Another example: I can think of no better way to tell the story of Baby Zachariah and his mother Tracy Marciniak than by simply reading from her testimony before the House Judiciary Subcommittee on the Constitution which occurred on July 8, 2003. Let me read it:

> I carried Zachariah in my womb for almost nine full months. He was killed in my womb, only 5 days from his delivery date. The first time I ever held him in my arms, he was already dead.
>
> There is no way that I can really tell you about the pain I feel when I visit my son's grave site in Milwaukee, and at other times, thinking of all that we missed together. But that pain was greater because the man who killed Zachariah got away with murder.
>
> Zachariah's delivery date was to be February 13, 1992. But on the night of February 8, my own husband brutally attacked me at my home in Milwaukee. He held me against a couch by my hair. He knew that I very much wanted my son. He punched me very hard twice in the abdomen. Then he refused to call for help, and prevented me from calling.
>
> After about 15 minutes of my screaming in pain that I needed help, he finally went to a bar and from there called for help. Zachariah and I were rushed by ambulance to the hospital, where Zachariah was delivered by emergency Caesarean section. My son was dead. The physicians said he had bled to death inside me because of blunt force trauma.
>
> My own injuries were life-threatening. I nearly died. I spent 3 weeks in the hospital. During the time I was struggling to survive, the legal authorities came and they spoke to my sister. They told her something that she found incredible. They told her that in the eyes of Wisconsin law, nobody had died on the night of February 8. Later, this information was passed on to me. I was told in the eyes of the law, no murder had occurred. I was devastated.
>
> We surviving family members of unborn victims of violence are not asking for revenge. We are begging for justice—justice like we were brought up to believe in and trust in. Justice means that the penalty must fit the crime, but that is only part of it—justice also requires that the law must recognize the true nature of a crime.

The true nature of a crime, Mr. President.

> I know that some lawmakers and some groups insist there is no such thing as an unborn victim, and that crimes like this only have a single victim—but that is callous and that is wrong. Please don't tell me that my son was not a real victim of a real crime. We were both victims, but only I survived.

I will have more to say about this in a few minutes. At this point, I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, may I briefly suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. I thank the Chair.

Mr. President, I wish to respond to some of the concerns and complaints of the distinguished Senator from Ohio about our substitute amendment. Let me take on his allegation that this substitute does not provide a punishment for harming a child. In fact, it does. It clearly states that the interruption of the normal course of the pregnancy relates to injury to the fetus. So there is a penalty for harm.

Secondly, he stated my amendment would not provide any penalty for ending a pregnancy; that it was a legal fiction in that sense.

I think this is clearly a misunderstanding of the plain text of our amendment. We explicitly create a separate offense for interrupting or ending a pregnancy, and we explicitly state the penalty for that offense is the same as if the crime had resulted in the injury or death of a mother. That is explicit.

So the intent is clear. I think quibbling about whether the language is perfect, the amendment does exactly what the underlying bill does. I could have cleared that up with a modification, but the Senator would not let me send a modification to the desk, which in terms of just sheer congeniality is rather surprising because that could have been made crystal clear to everyone.

So, I firmly believe our amendment does exactly the same thing as the DeWine amendment, but it does not do something his amendment does, and that is create life at the point of conception. His use of the words "child in utero" as opposed to the California statute's use of the words "or fetus" make a huge difference in the law legally. Once again, I think that is clear.

The bottom line is we believe the intent and the crafting of this bill is very clear. We do not create a child in utero. We try to avoid getting to the point where life is defined.

We say that if the pregnancy is intentionally terminated and specific damages are done to the fetus, it is punished either through manslaughter in a second charge or murder in a second charge. I think the language is very clear. I think it is nitpicking to say it is not.

I can change it, but I am not allowed to change it. We have the modification, but we are not allowed to send the modification to the desk. I believe Members can vote on this amendment and know clearly they are assessing the same penalties for the same crimes as the underlying bill does. The only difference is we do not decide in our bill when life begins.

Let me read a couple of editorials and statements that have come out in recent days. There is one editorial this morning in the Los Angeles Times. I would like just quickly to read one paragraph:

> The Senate is likely to vote today on a bill intended largely to score points in the endless, wearying abortion debate. The proposed Unborn Victims of Violence Act defines a child in utero as a member of the species homo sapiens, at any stage of development, who is carried in the womb. In other words, the child exists at the moment of conception. The House passed similar legislation last month. As with nearly every aspect of the abortion debate, Americans are deeply divided over when human life begins. However courts in most States generally accord more rights to a fetus considered viable outside the womb. DeWine's bill, S. 1019, offers a sweeping declaration that ignores prevailing scientific views and the national legal consensus. True, his bill specifically

bars prosecution for abortion, but its effect, as DeWine intends, would be to give one side a new legal bullet in the broader abortion wars.

That is clear. I will go on. The Los Angeles Times is not the only editorial page that believes that. I indicated earlier this is true of an editorial in the Philadelphia Inquirer:

> It is so easy to see how a federal unborn victims law, coupled with unborn victims' laws in 29 States, will form the basis of a new legal challenge to Roe v. Wade, a landmark case that gives women the right to terminate certain pregnancies. If a fetus who dies during a crime is a murder victim, why, then, isn't abortion murder?

From the Buffalo News:

> Passage by House Republicans of a bill that treats an attack on a pregnant woman as separate crimes against her and her unborn child is at heart an attempt to erode abortion rights. It's a disingenuous and misguided bill and the Senate should make sure it goes no further.

That is the Buffalo News.

The New York Times, April 25. This is 2001.

> Packaged as a crime fighting measure unrelated to abortion, the bill is actually aimed at fulfilling a long-time goal of the right-to-life movement. The goal is to enshrine in law the concept of fetal rights equal to but separate and distinct from the rights of pregnant women.

Another editorial of the New York Times:

> The bill would add to the Federal Criminal Code a separate new offense to punish individuals who injure or cause death to a child who is in utero.

The Washington Post, October 2, 1999,

> What makes this bill a bad idea is the very aspect of it that makes it attractive to its supporters, that it treats the fetus as a person separate from the mother though that same mother has a constitutional right to terminate her pregnancy. This is useful rhetorically for the pro-life world, but it is analytically incoherent.

The Blethen, ME, newspaper:

> First considered in 1999, the bill purports to create new Federal crimes for the intentional harm or death of a fetus or unborn child. But, no matter how much supporters deny it, the bill's real intent is to undermine women's reproductive choices. If the bill is passed and signed into law, it would weaken the prudent and pragmatic decision handed down in Roe v. Wade.

In my remarks, I have tried to show that this is a concerted effort. It need not be so. You can attach the same penalties for the same crimes, as our substitute does, without getting into the debate of where life begins. This bill chooses to get into the debate of where life begins and it defines life beginning at conception. It does so in a Federal criminal statute. It is one step in the building blocks of statutes that will constitute the ability to demolish Roe v. Wade.

I think every Member of this body who is pro-choice should vote against the underlying bill and for this amendment because in this amendment, without creating the separate person at conception, we establish the penalties for interruption or termination of a pregnancy. Those penalties are the same—same for murder, same for manslaughter, same for attempted murder, same for attempted manslaughter.

Again, I point out that in California what the State did 34 years ago was essentially amend the murder statute. By amending the definition in the Penal Code section 187, they provided a new definition of murder which said:

> Murder is the unlawful killing of a human being, or a fetus with malice aforethought.

That is the bill under which the Laci Peterson case will be brought to court. It is a different idea because it clearly says that it is a fetus.

Additionally, there is information from those who wish to continue this pursuit to make a fetus a human life, to make an embryo a human life, that this is a concerted strategy aimed at weakening Roe v. Wade.

What we have tried to do is mimic the House bill with respect to the penalties but connect it to the termination of a pregnancy and thereby avoid the distinction of exactly when life begins for the purposes of statute law, in this case criminal statute law, and therefore avoid the problem.

I have indicated, from legal scholars, where they believe this will undermine prosecutions in this situation because they will encourage peremptory challenges of individuals who may have strong beliefs in choice and, therefore, not one likely to recognize that an embryo, or a day pregnancy, or a week pregnancy, or a month pregnancy is, in fact, a living being subject to criminal sanctions if their rights are violated.

It is a complicated issue. But it is a significant issue. It is an important issue.

The more I look at it and see the strategy of the anti-choice movement, the more I see that if you can establish a beachhead of rights in Federal criminal law here, and another statute there, and in a third statute somewhere else, you then begin the march to the Supreme Court in an attack on Roe. Roe sets up a trimester system giving the woman total rights in the first trimester, and then the State the right in the second and third trimester to intervene in certain cases, which has been the case in many State laws that have been passed. You now give the Supreme Court the ability to begin to say: "It is in law that the embryo has certain rights" and, therefore, forms the bulwark of the attack on Roe.

You also do something else insidious. I think you very much intervene in stem cell research. Stem cell research, and a good deal of the most auspicious of that research, deals with embryonic stem cells. If you have a law that says an embryo or a zygote is, in fact, a human life, then it is murder if you use that embryo for stem cell research, just as it becomes murder if that embryo is harmed or rejected in the course of an attack on a woman. We avoid all of that.

We simply say termination of a pregnancy, and termination of a pregnancy in the course of a criminal attack creates a second charge, and that second charge carries with it the same penalty as the original charge against the woman herself would carry.

That is the clear intent.

I regret that the Senator would not allow me to modify my amendment. I can never in 12 years remember any Senator being refused the right to modify an amendment, but perhaps we are playing by new rules these days. I know what goes around comes around in this body. I regret that.

But I believe on its face our substitute amendment is clear, it is definitive, it will stand the test of time, and it will prevent what we hope to prevent, which is the first major law which decides when life begins.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from Ohio.

Mr. DEWINE. Madam President, once again, I want to bring this debate back to its essence. I am afraid so much of the debate from the other side has been about motives—by quoting, with all due respect, the L.A. Times about peripheral issues.

Our intent, if you want to go by intent, is very simple. Our intent is to bring about justice for the victims of crime. Our intent is to bring about justice for the mother and for the child—for the unborn child as well as the mother. It is to conform with what the vast majority of the American people believe; that is, when a pregnant woman is assaulted and she either loses that child or that child is injured, there are, in fact, two victims. It is as simple as that.

On the abortion issue, let us be done with this once and for all. This bill has nothing to do with abortion. The language could not be simpler.

Let me read to the Members of the Senate and invite anybody to read it.

> Nothing in this section shall be construed to permit the prosecution of any person with conduct relating to abortion for which consent of the pregnant woman or a person authorized by law to act on her behalf has been obtained or for which such consent is implied by law.
>
> Two, of any person for medical treatment of the pregnant woman or her unborn child, or of any woman with respect to her unborn child.

It is very clear. My colleague argues that this language is going to somehow roll back abortion rights. That is a debate for another day. It is not a debate for today. That language in this bill is very clear.

If this language was a threat to abortion rights, then the language in 29 other States would have been a threat.

We have 29 States that recognize fetal homicide law. The language in 16 of those States is virtually identical to the language in this bill.

If the language in this bill was a problem for abortion rights, then it would have been a problem with these other States.

Also, there are some States that have had this language on the books for 30 years, and it has not been a problem for abortion rights.

That is just a bogus issue. Let us stop talking about it, and let us talk about what the issues are.

Let me get back to the two points that I made before. I want everyone to understand the Feinstein amendment. One is not in debate, and one my colleague and I do debate. One I think is not in debate at all; that is, the Feinstein amendment does not recognize a second victim. It goes against good common sense.

Ask someone back in your home State, if a pregnant woman is assaulted and she loses her child, how many victims are there? There are two. If you ask the average person in your State—whether your State is Ohio, California, wherever it is—the average person on the street is going to say: Senator, there are two victims.

That is all we are saying with this bill. We are trying to close a loophole so that if a pregnant woman who is hiking in a national park or is out walking in a national park or a pregnant woman on an Air Force Base—we are not making these stories up. This happens. Pregnant women are attacked all the time. I saw it as a county prosecutor. You ask any county prosecutor—yes, any police officer, anybody who is a victims rights advocate—how often pregnant women are attacked, a pregnant woman who is in a national park, a pregnant woman who is on Federal property and is attacked. What we are simply saying is that it is wrong if a national park or Federal property is in a State that does not have a similar law to this. It is wrong for that Federal prosecutor searching in vain the Federal statutes to find a law for which he can charge that person with the death of a fetus, a child—whatever word you want to use. It is wrong. That happens today. We are closing that loophole.

When this law passes, that won't happen anymore. A Federal prosecutor will be able to say, when law enforcement people come in and they have that case where a woman has been violently attacked, she has been injured but the child has been killed, they will be able to charge for death of that child. That is the right thing to do. They will be able to file two charges, recognize two victims, and recognize that reality. That is what this does.

Let me state the second thing about the Feinstein amendment. Look at the amendment.

We have to go to the penalty section. This is the Feinstein amendment.

> Except as otherwise provided in this paragraph, the punishment for that separate offense is the same as the punishment provided for that conduct under Federal law had that injury or death occurred to the pregnant woman.

Remember, this is a criminal law. I go back to my days as a prosecutor: You have to construe a law strictly. When it is a criminal law, you construe it in favor of the defendant. You give every benefit of the doubt to the defendant. If this is vague, there is a problem for the prosecutor. We have a problem with this one. A serious problem.

We have a letter from the Justice Department that says there is no penalty under the Feinstein amendment. Let's look at this carefully and see why: "Except as otherwise provided in this paragraph, the punishment for that separate offense is the same as that punishment provided for that conduct under Federal law had that injury or death occurred to the pregnant woman."

What injury or death? The problem under the Feinstein amendment is it does not recognize the baby or fetus. Who are we talking about? Read this section above. It talks about "termination of a pregnancy or the interruption of the normal course of pregnancy." It does not recognize two assaults, two injuries, two people. There is nothing for it to reference to. With all due respect, it is not drafted right. If we pass the Feinstein amendment, with all due respect, not only are you not recognizing a separate victim—which we all agree on—but, worse than that, there is no penalty for killing the unborn; there is no penalty for injury.

I have already pointed out, and we looked at the language, why there is no penalty at all for injury. That is clear when we look at this: "causes the termination of a pregnancy or the interruption of the normal course of pregnancy, including termination of the pregnancy other than by live birth," et cetera.

Clearly, that is no reference to the injury. What word here has to do with injury? Nothing. Clearly, this has nothing to do with injury. Any child who is injured, not killed, would not be covered. And in the paragraph below, there is no penalty at all.

If we get by that, which we cannot, but even if you get by all of that, you have the problem of the lesser included offense. We cannot get by that. But take one more problem, assuming you could get by that. There is another reason the Feinstein amendment fails to create a separate punishable offense to terminating pregnancy. All it does is recognize attacks on an unborn child under the label of "interruption or termination of pregnancy," then tacks that label on as an element to any one of the 68 Federal crimes specified. The result is a new series of offenses identical to the previous 68, except for the addition of that one element.

For example, now a criminal could face a Federal charge of assault with the result of termination of pregnancy as well as the original charge of assault. This is important. But because he could be charged with both does not mean he could be convicted and punished for both. Instead, he would be protected by a legal principle known to lawyers as lesser included offenses. That principle protects a defendant from being convicted in and punished for a whole series of crimes that are all a subset of a lesser crime.

We know, for example, the crime of manslaughter and murder. We know one defendant cannot be convicted of both charges for the death of only one victim. If someone is guilty of murder, then he or she must have been guilty of all the components of murder, including the components that made him guilty of manslaughter, but that person, of course, is not convicted of both. You cannot be convicted of both manslaughter and murder. If a man is convicted of a felony for stealing $10,000, he is not also found guilty of the misdemeanor of having stolen $500.

Of course, we can convict one criminal of the murder and manslaughter of two separate people because the laws of these crimes differ on one critical point: They have different victims. That is the difference between our bill and Senator FEINSTEIN's amendment. Ours does not have that problem because we recognize two victims. Her amendment does not. Therefore, it is fatally flawed under this principle. Therein lies another problem.

The bottom line is the Feinstein amendment is fatally flawed. It has no penalty section, as well as not recognizing there is a separate and distinct victim.

The Justice Department analyzed and came to the same conclusion. Again, it is a vague amendment. They come at it a little differently, but here is what they say in a letter of March 24:

> Additionally, by omitting any reference to the unborn child but retaining language contained in H.R. 1997 as introduced, the substitute appears to create an ambiguity that likely leaves an offense, could one be found, without a corresponding penalty. The substitute provides that punishment for an offense prescribed by the legislation is the same as the punishment provided under Federal law had the "injury or deaths occurred," to the pregnant woman.
>
> In H.R. 1997, the object of the "injury or death" was the unborn child. However, in the substitute the injury or death provision has no object because the only victim under the substitute is the woman herself. Because there are currently no penalties in federal law for the offenses of "termination of a pregnancy," or "the interruption of the normal course of pregnancy," there would be no penalty even assuming that a successful prosecution could be brought.

They have analyzed it a little differently than I did, but they come to the identical conclusion for the same reason. Again, it goes back to this sentence in their letter, "However, in the substitute, the injury or death provision has no object because the only victim under the substitute is the woman herself."

That is the problem. That is what we have.

Members who come to the Senate and vote on this Feinstein amendment, which is the key vote, need to understand three things: One, abortion has nothing to do with this debate. We have covered that in the language of the bill. But more important is the precedent in the States has already been set. States have bills like this. They have not interrupted people's rights under the Supreme Court in regard to Roe v. Wade and all the other court decisions. It has not interrupted rights having to do with abortion. It has nothing to do with abortion. That is No. 1.

No. 2, the Feinstein amendment fails to recognize what everybody in this country knows: When a woman is attacked, there are two victims.

And No. 3, the thing to remember is the Feinstein amendment carries no penalty. So we will be saying if the Feinstein amendment is passed, we are turning our backs on these victims. We are turning our backs on the unborn, these kids who are, in fact, injured or killed.

I yield the floor.

Mr. TALENT addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DEWINE. Madam President, I yield to my colleague.

Mr. TALENT. Two or three minutes?

Mr. DEWINE. Yes.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. TALENT. Madam President, I very much appreciate the Senator yielding and also the courtesy of the Senator from South Carolina who, I know, was expecting to go next. For that reason, I am going to be very brief.

I want to say a few words about what I understand us to be doing today and the importance of it. As I understand it, what we are doing today is conforming Federal law to the common understanding of people around the country, and certainly in the heartland where Missouri is and, indeed, the practice of most of the States.

If a man takes a woman across State lines—let's say she is his girlfriend, and she has gotten pregnant, and he does not like that fact—and he assaults her, hits her in the stomach or something, with the intention of getting rid of the baby, and his act of violence has the intended effect and the baby dies, what we are saying is he has claimed two victims. He has hurt mom, or maybe done worse to her, and he has killed the baby, which is what his intention was to do.

I think all of us recognize the seriousness of that kind of offense and acknowledge that an offense like that against a pregnant woman, and directed at the baby, is more serious because of the status of pregnancy and because of the existence of that child than it would otherwise be.

So far I think we are agreed. My friend, the Senator from California, wants to call that second offense the "interruption" of a pregnancy rather than the claiming of the life of a child.

I appeal to the Senate, and to the country, through the Chair, and ask what our understanding is, what our instinctual reaction is to that kind of a crime.

When a woman loses a child in that kind of instance, she has not lost a pregnancy, she has lost a child.

Earlier in our marriage, my wife had several miscarriages. She did not think of it as losing a pregnancy. She lost children. That is why people have memorial services sometimes—often—in cases like that. That is why they go through a grieving process. That is why they may get counseling.

I do not see why, with the greatest respect to the substitute amendment and to the Senator from California, why we cannot conform Federal law to that common understanding. I think we should.

I understand the sensitivity on the issue of abortion. I really do. I think the Senator from Ohio and the Senator from South Carolina have tried to structure this bill to avoid those sensitivities. It is hard to do.

But just because—for overriding reasons of public policy that some here adhere to very strongly—we cannot recognize the status of this child when mom, for reasons that she thinks are justified, believes she must end the pregnancy, it seems to me, it does not mean we cannot accord the child the dignity of the status of a human being when the child has been the victim of a vicious act of violence against both mom and the child.

I thank my friend again for allowing me to intervene for a moment. I yield the floor.

Mr. DEWINE. Madam President, I yield to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM of South Carolina. Madam President, I thank the Senator for yielding. I may take a few minutes, I say to the Senator from Kansas, to explain my relationship to this bill and why I am here today.

No. 1, I want to thank the leadership for allowing the bill to come to the floor. Senator FRIST and Senator MCCONNELL and our leadership team has worked hard with Senator DASCHLE to get an agreement so we could come to the floor and debate what I think is an important issue, and to allow Senator FEINSTEIN to have her say about how we should craft this bill.

In July 1999, this bill was first introduced in the House. I was the author of the bill. Before I came to Congress, I spent some time in the Air Force. Senator DEWINE has taken the cause up in the Senate since it was first introduced. I really appreciate all that Mike has done. He has been very sympathetic to what we are trying to do. He was leading the charge in the Senate as this bill was being debated and voted on in the House.

But prior to getting into politics, from 1982 to 1988, I served as a prosecutor and a defense attorney in the U.S. Air Force domestically and overseas. During that experience, I realized at the Federal level there was a gap in law.

We had a case involving a pregnant woman who was beaten up, and her child was lost, and she was almost killed. I looked into the idea of charging the offender with the damage done to the unborn child, and under the Uniform Code of Military Justice there was no way to do that. So I was sensitive to it from a prosecutor's point of view early on in my legal career.

When I got to Congress, there was an effort in some States to create unborn victims statutes, and I associated myself with that effort federally. A lot of pro-life people came over and were very supportive of what we are doing. That is true. Pro-life people generally like the idea of protecting unborn children whenever they can.

Pro-choice people are very sensitive to the fact that a woman should decide what to do with her body in an intimate situation like a pregnancy. I understand that debate clearly.

I am a pro-life person, so I have biased there. But having said that, there are pro-life people who hate this bill. It surprised me, but it is true, because in the bill, we wrote it in a way that abortion is not covered at all. As a matter of fact, we preserve, under the current law—under this bill—the right to have a legal abortion, and you cannot prosecute the mother under any circumstances.

There are cases out there where mothers are being prosecuted who abuse drugs and alcohol and do damage to their children. What I wanted to do was to focus on what I thought we all could agree on, to a large extent. The law in abortion and the politics of abortion really do not play well here because we are talking about criminal activity of a third party. I do not know why you would want to give a criminal any more breaks than you had to if they go around beating on pregnant women.

And people say: Well, don't they have to know if the woman is pregnant? No.

Why? The law is really common sense. If you attack a woman of childbearing years, you do so at your own peril. If you push somebody, you do not know if they have a severe medical condition. You are liable for the consequences of your actions.

There are plenty of cases that say, if you attack a woman of childbearing years, you do not have to have actual knowledge. You are responsible for the consequences of your illegal act.

In a poll, when people were asked, if a violent, physical attack on a pregnant woman leads to the death of her unborn child, do you think prosecutors should be able to charge the attacker with murder for killing the fetus, 79 percent said yes; 69 percent of pro-choice people, in that poll, said yes.

Why would a pro-choice person support this legislation? It passed three times in the House. The first time we had it up for a vote was September 30, 1999, I believe. Madam President, 254 folks voted for the bill in the House, as I recall. I assure everyone listening to my voice today, there are not 254 pro-life people in the House. Madam President, 52 Democrats have voted for this bill.

The parties tend to split on the issue of abortion, with the Democratic Party being more pro-choice and the Republican Party being more pro-life. But we had Democratic support, and we had pro-choice people supporting this idea that when it comes to criminal activity, we are going to define the unborn in terms that make it hard on the criminal—not hard on the mother.

You can never prosecute a woman for anything she does to her child, no matter how much you would like to, under this bill. I did not want to get into that debate. You can never ever prosecute anybody for receiving medical treatment related to their pregnancy or lawful abortion.

For over 30 years, in the State of California, two things have coexisted: the Roe v. Wade rights of a woman and a statute that will allow you to do what is happening in California today—prosecute a person for doing damage to the mother and the unborn child, such as the Laci Peterson case.

This has been a long journey. This July will be the fifth anniversary of the time that I introduced this bill. Back in 1999, I remember saying on the floor of the House there will be a case where a pregnant woman is brutalized and she loses her child and it will be front-page news.

The reason I said that then is, having been a prosecutor and a defense attorney, I understand the following: There are a lot of good people in this world, but there are some mean people, too. This happens more than you would ever want to believe. The No. 1 cause of death among pregnant women in the District of Columbia is murder. As much as we would like to believe otherwise, pregnant women have things come their way because of their pregnancy that shocks the conscience.

In Arkansas, there are three people sitting on death row today because they were hired by the boyfriend, who didn't want to pay child support, to kidnap his girlfriend, who wanted to have the child, took her off to a remote area and beat her within an inch of her life with the express purpose of killing the child. And when she was on the floor, she begged for two things: Her own life and her baby's life. Those people under Arkansas law were charged with two crimes, making them eligible for the death penalty. They deserve to be.

Under this bill, you cannot get the death penalty. The reason I chose not to include the death penalty is, I did not want to get into the death penalty debate because people of goodwill and good reasoning may disagree with the State imposing that punishment. The Senator from California cares as much about pregnant women as anybody here. This is not about who cares about women and who is trying to do this or that. Her amendment may not be written the way she would like. I would oppose it, if it was changed.

It happens in America more times than you would ever believe that pregnant women are the victim of violent assault and their children get killed or severely injured.

That concept can and does exist with the idea that a woman, early on in the pregnancy, can choose whether to carry that child. These are two concepts the law recognizes that exist side by side.

Why do 84 percent of the people believe a criminal should be prosecuted twice, not once? Because it really does violate common decency. If a woman chooses to have a baby and she loses her baby because of a violent act, most of us, a large percentage of us, want to whack the person who did it as hard as we can. And we don't want to get into the debate about abortion. We want to make sure the prosecutor has the tools to bring about the most severe and just verdict possible.

This bill excludes abortion. It excludes the death penalty for political reasons and legal reasons. Pro-life people have criticized me because in this bill, in their opinion, I am legalizing abortion. This bill doesn't legalize abortion. This bill doesn't ban abortion. This bill says: If you are a criminal and you attack a pregnant woman and you hurt her kid, you will get the full force of the law.

What is going on in California? In 1999, when I said there will be a woman out there who suffers brutally and loses her child and we will all know about it because it will be front page news, I never dreamed it would happen so quickly. I never dreamed it would be so vicious. The authorities investigating the Laci Peterson crime have two pieces of evidence to offer the jury: The decomposed body of the mother and the decomposed unborn child late in the pregnancy. It is important the jury know about both. It is important the criminal be held accountable for both. We will debate abortion another day.

Sixteen States define life under the same legal terms I chose when we wrote this bill. That is as to the criminal world, if the pregnancy comes to an end and the unborn child's right to develop comes to an end because of third-party criminal activity, we are going to hold you legally responsible at the earliest onset of pregnancy. The Roe v. Wade standard makes no sense. Why give a criminal a benefit of the legitimate debate of abortion?

Thirteen States define it in stages. California, I think by law, defines the unborn victim statute at the sixth week of pregnancy. Some States, one or two, have the term "viability." There is a sliding scale. But the dominant way to define this in State law is the way we have chosen to define it in this bill. This chart illustrates how the States break out.

There is another situation I would ask you to think about. Let's say there is a woman on death row. She is pregnant for whatever reason. How many people would let the execution go forward knowing the woman is pregnant? Think about that. What good would it do to allow the execution to go forward if you knew the woman was pregnant? Would you wait?

Here is what I suggest to you, if any State or the Federal Government decided to impose the death penalty on a woman who was pregnant during any stage of the pregnancy, there would be a riot in the street—among pro-choice people, too, because what good would it do at any stage of the pregnancy to have the State kill the kid? You are not enhancing Roe v. Wade. You are not advancing the abortion debate. You are doing something you don't need to do.

The definition that was used in the Innocent Child Protection Act of 2000, which I was involved in drafting, is the same definition that is in this bill about the unborn child. It passed 417 to nothing. To me, that makes perfect sense. Four hundred seventeen pro-life people do not exist in the House of Representatives. But when faced with the question, should the State wait if a woman is pregnant, even at the earliest stages of pregnancy, 417 people said yes.

The reason I mention this to you is, when it comes time to prosecute people who unlawfully attack a woman at the earliest stage of pregnancy, why should they get a pass? What good have you done? It does not change the abortion debate. Roe v. Wade rights still exist. All you have done is allow someone to interrupt another person's life, take something of value, and they get a pass because you are mixing concepts that don't need to be mixed. That is why over 50 pro-choice people voted for this bill in the House.

That is why if we ever get to final passage, we are going to have a bipartisan coming together of pro-life and pro-choice people to say one thing loud and clear: If you attack a woman of childbearing years where Federal law applies, you do so at your peril, and you are going to suffer the full consequences of your action. And the full consequences of that action could be the loss of the child and the loss of the mother or a combination thereof.

Why not sentence enhancement? I think there is a reason under the law that no State has gone down this road. Sentence enhancement would say the following: You get a stiffer penalty if the woman is pregnant, but you don't talk about the consequences in terms of the victim's life. That is an artificial distinction that I think denies justice.

This was a statement by Kent Willis, executive director of ACLU, and I disagree with this statement:

> That baby was not a murder victim.

He was talking about the Laci Peterson case, the son Connor. I think Connor was a murder victim. The point I guess I am trying to make is that when people talk about what happens to them, the law, wherever it can, should address the full range of what really happened to them.

There is another case you don't know about because it didn't get nearly the publicity, but it is just as real. It is a good example of why we need this statute.

Michael Lenz and his wife were expecting their first child. She worked in the Federal Building in Oklahoma City. She was in the midstages of her pregnancy. She went to work early the day of the bombing to show an ultrasound to her colleagues of their baby. That was going on at the moment the bomb goes off. She was killed. Michael Lenz III was killed. They had already named their little baby boy.

The father came before my committee when I was in the House to testify for this bill. He said: I am no expert on abortion, but here is what happened to my family. My wife was killed, and at the same moment I lost my son, Michael Lenz III.

The reason they lost their son is not because of Roe v. Wade rights; it was because of a third party crazy man, a criminal, who destroyed many lives that day. When you look at the victims of the Oklahoma City bombing case, when it came time in Federal court, you don't find a place for Michael Lenz III. If this bill had been law, there would have been 22 people, not 21 people, that would have been before the court. I cannot say it any better than that.

In terms of Michael Lenz and all the other victims who testified in support of this legislation, sentence enhancement doesn't speak to what happened to them. From a prosecutor's point of view, it makes all the difference in the world to have two charges facing the accused versus one. It gives you more leverage than you could ever dream of. Ladies and gentlemen, in cases like this, it is the right thing to do.

I yield the floor.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Madam President, I yield as much time as she requires to the Senator from California, Mrs. BOXER. She was here a moment ago.

Mr. DeWINE. Madam President, I inquire of the Chair, how much time does each side have remaining?

The PRESIDING OFFICER. The Senator from Ohio has 58 minutes. The Senator from California has 62 minutes.

Mr. DeWINE. Sixty-two?

The PRESIDING OFFICER. Right.

Mr. DeWINE. Thank you. Madam President, I yield to the Senator from Pennsylvania 5 minutes.

Mr. SANTORUM. Madam President, I thank the Senator from Ohio. If Senator FEINSTEIN's speaker arrives, I will be happy to abbreviate my remarks to accommodate the other side of the aisle.

I wanted to congratulate Senator DEWINE and Senator GRAHAM, who have really worked hard not just on this legislation, but getting this legislation to a point where we can have an up-or-down vote, have a vote on the amendments, and let the Senate work its will. That is one of the things we have not seen done in recent weeks. We have had an opportunity here on a very important issue to have the Senate's will be done. I also congratulate Senator FRIST and Senator MCCONNELL and the Democratic leaders for allowing us to debate this issue. This is an important debate.

I think Senator GRAHAM, who I had the privilege of listening to for a few moments, summarized it very well. The issue is, how many victims are there? Do we recognize the loss of a child in the womb, a child who is anticipated, is wanted, and whose life is very real to the mother and father and the family? When that life is taken away by a third party, do we recognize that child's existence in the law?

I don't think anyone would doubt that when a woman who has a child in the womb is attacked and injury comes to that child, another person is affected. If the child dies, that child is affected. There is something that goes on to another human being. The issue here is whether we are going to recognize that in the law. I agree with the Senator from South Carolina that it has nothing to do with abortion. It is specifically excluded from this legislation. So why do all of the abortion rights activists have a problem with this legislation?

It comes down to the very issue, do we recognize the humanity of a child in womb? How far would we go to protect this right to an abortion? Do we go so far as to even deny the existence of a child who is not subject to abortion? How far do we go to protect this right, the supreme right above all, the right to an abortion, a right that can have no restriction on it? In fact, it cannot even have a restriction that is not at all applicable to it. So, in other words, we cannot even talk about this, or some way, through some logic, attack the issue. We have to deny under every circumstance that the child in the womb is a human life. That is what this is about.

This is all about denying the humanity of the child. We just cannot contemplate that in our laws. We cannot have any admission anywhere in law that says what is inside the woman's womb is a child—when, of course, we all know that is exactly what it is. But we cannot express that legally. If we do, somehow or another, this right to abortion may be threatened down the road. Who cares about what harm we may bring? Who cares about what harm we may bring to a mother whose child is injured or what harm we may bring to the family who may lose or have an injury to a child in womb? Who cares that we cannot bring somebody who has done violence to a child in the womb to justice? All of those things are worth ignoring to protect this right that is not even at stake today.

This issue, as I have said many times, is a cancer. I thought at first it was a cancer that ate away at us in how we view the relationship between the mother and the child, but it is worse. It is a cancer that reaches in and infects even areas that have nothing to do with abortion.

We need to let common sense reign in the Senate today. The common sense is, this is a child who is loved and wanted by the mother. This is a child who, in many cases, has been given a name, such as Conner Peterson, and this is a child who deserves the dignity of recognition by our society.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. SANTORUM. Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DeWINE. I yield to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, I appreciate my colleague from California permitting me to go before her.

I rise today to urge my colleagues to vote in favor of the Unborn Victims of Violence Act. The importance of this issue has been made tragically clear by the grisly murders of Laci Peterson and her unborn son Conner. I met with her mother again yesterday and was very impressed with her and how she is handling this situation.

This bill will ensure Federal law appropriately protects unborn children from assault and murder. It has passed the House of Representatives by a strong bipartisan vote of 254 to 163. I believe the Senate should give similar overwhelming approval.

Before I begin the substance of my remarks, I commend Senators DEWINE and LINDSEY GRAHAM for their longstanding and essential leadership on this most important issue and for drafting the legislation that is before us today. This issue has already been addressed in many States across the country. In fact, in my home State of Utah, if a criminal assaults or kills a woman who is pregnant and thereby causes death or injury to the unborn child, the criminal faces the possibility of being prosecuted for having taken or injured that unborn life. Twenty-eight additional States have similar laws on the books. Sixteen of those States recognize the unborn child as a victim throughout the entire period of prenatal development. This is only proper and, it seems to me, only just.

However, there is a gap in the law under existing Federal criminal statutes. Current Federal law provides for no additional criminal penalty when a criminal assaults or kills a woman who is pregnant and thereby causes death or injury to that unborn child. It is time Congress eliminates this unjustified gap in the law.

This bill bridges this existing gap, and it does so in a way that protects the rights of the States. It creates a separate Federal offense to kill or injure an unborn child during the commission of certain already defined Federal crimes committed against the unborn child's mother.

Importantly, because this bill only applies to Federal crimes, it does not usurp jurisdiction over State law. If someone commits a crime that violates State law, but does not violate any Federal law, then State law will prevail, regardless of whether that State has laws that protect unborn victims of violence.

I cannot imagine why anyone would oppose this bill.

Some have mistakenly characterized this bill as anti-abortion. It is not, and I am not saying that because I am pro-life.

Let me take this opportunity to clarify a remark I made on May 7 of last year. I am quoted as saying the bill undermines abortion rights, but that this effect is irrelevant. The point I was trying to make, and I guess I did not make it well and it has been quoted out of context many times, is there is no conflict between the bill language and Roe v. Wade. Some are prepared to bring the abortion issue into anything, any time, for any reason, even when it does not fit, such as in this case.

I do not believe this bill in any way undermines abortion rights. It certainly does not.

The bill explicitly says the Federal Government cannot prosecute a pregnant woman for having an abortion. In fact, the bill goes even further. The bill does not permit prosecution against any woman with respect to her unborn child regardless of whether the mother acted legally or illegally. If a woman chooses not to have her baby, the bill says she can have an abortion without Federal prosecution. That is how far the authors of this bill have gone. But importantly, for those women who have chosen to keep their baby, this bill says no coldblooded murderer can take that choice away from her by killing her baby and going unpunished.

Those who oppose this bill are, in effect, saying the murderer, not the mother, has the choice to take the baby away from his or her mother against the mother's will and against the individual's will. Since the murderer will not be punished for this terrible offense, it exonerates his or her actions. That is simply not right.

I understand my dear friend Senator FEINSTEIN says this bill somehow threatens stem cell research. It does no such thing. I have been a supporter of embryonic stem cell research, and everyone in this body knows it and I guess most scientists throughout the world know that. I have been proud to stand shoulder to shoulder with Senator FEINSTEIN, Senator SPECTER, Senator KENNEDY, and Senator HARKIN on stem cell research. I believe we are right on that issue. But this bill in no way impedes stem cell research. This bill is about stopping and punishing heinous crimes.

Why would I support Laci and Conner's law if it jeopardized that research? The words "stem cell research" are nowhere in the bill. This is a criminal law, not an abortion law.

As I have said on many occasions, it is my view life begins in a mother's womb. What this bill does is penalize those who act to viciously end that life in the womb or any life in the womb.

Senator FEINSTEIN, the distinguished Senator from California, suggested this bill somehow may result in assigning legal status to the term "embryo." But I cannot find the term "embryo" anywhere in the bill. Nor for that matter can I find the term "embryo" in the amendment put forth by the distinguished Senator from California, Mrs. FEINSTEIN.

In short, this bill does not affect abortion, embryos, or, for that matter, stem cell research. There is no legislative intent here to prosecute researchers working on stem cell research—none whatsoever.

I have the utmost respect for my dear friend from California, and she knows that. We have worked together on many issues during her 12 years on the Judiciary Committee. I admire her and appreciate working with her on so many of these issues. I admire her judicious way in fighting for the issues in which she believes, even when we disagree. If her bill truly considered the same crime, I would give strong consideration to supporting it. But it does not. It tries to do it, but it does not.

The phrase "interrupt a pregnancy" is overly vague and will probably be struck down by the courts on that ground. Because of this vagueness, the courts may well interpret the Feinstein amendment as providing no additional penalty for a crime committed against a fetus.

Some will try to claim this weakens domestic violence laws by averting attention to the unborn. That is simply not true. I am a strong supporter of domestic violence laws and, along with Senator BIDEN, was the main writer of those bills. I believe domestic violence is an evil plague that needs to be stopped.

My commitment to this issue has been longstanding. As many of my colleagues are aware, I was an original cosponsor of the Violence Against Women Act over a decade ago, and I have tirelessly fought in countless venues to protect the rights of women. This bill furthers that cause.

For many years, I have worked hard on the issue of domestic violence and violence against women, and when I stand here today before the entire Senate and offer my support for a bill, I certainly make sure that bill does not diminish in any way our capacity to curb domestic violence and protect women.

The bill before us strengthens the rights of women and provides those who fight against domestic violence with another tool in their arsenal to go after abusers. This bill focuses attention on both a pregnant woman and her child. Before the Government could prosecute someone for hurting the unborn child, it would first need to prove the pregnant woman was hurt. In other words, the Government needs to prove 1 of 68 enumerated predicate Federal crimes against the mother before it could obtain a conviction under this provision of this bill.

Moreover, this provision empowers abused women because it gives the Government a greater arsenal of prosecutorial tools to put the abusive spouse behind bars for a longer period of time. Many today will talk about the Peterson case. Suffice it to say that the public reaction to that case underscores the widespread support for the changes that we are making with H.R. 1997.

A news poll taken last April consisting of an almost even split of pro-life and pro-choice individuals indicated that 84 percent—let me repeat that, 84 percent—believed that Scott Peterson, who is currently on trial for the murder of his wife, should be charged with two counts of homicide for murdering his wife and unborn son.

California law permits criminals to be charged with murder for killing an unborn child when that child has developed past the embryonic stage. The tragic murder of an innocent unborn child is so shocking and so disturbing that regardless of any stance on abortion, the vast majority of all Americans strongly believe an unborn life taken in murder should result in murder charges brought against the perpetrator.

It is only fair and just to ask for our Federal judicial system to incorporate this strong desire of the vast majority of the American people on this issue.

I urge my colleagues to vote for H.R. 1997. I urge my colleagues to vote against amendments to H.R. 1997. Do it for Laci and Conner Peterson and for thousands of others in similar situations who have been abused. Do it for all women who have chosen to have their baby and are having that choice taken away from them by a cold-blooded murderer. Most of all, do it because it is the right thing to do.

I yield the floor.

The PRESIDING OFFICER (Mr. TALENT). The Senator from California.

Mrs. BOXER. Mr. President, I thank the Senator from Utah because he promised me he would keep within the 15 minutes so that I could get the floor at this time, and I appreciate his cooperation.

I also thank my colleague, the senior Senator from California, Mrs. FEINSTEIN, for her great leadership on this issue. I also have to express a little bit of dismay that she was not able to modify her amendment. It kind of gives one a clue that the people on the other side have a different agenda when they say they are not going to allow a colleague they respect and admire to send a modification to the desk.

So I thought I would want to place that on the record because we remember. These things we will remember because it is not right to not allow a colleague to modify an amendment that she has written. So the next time the other side wants to do it, we will have to think a bit. It is just sad. It is not the way the Senate should work.

Senator FEINSTEIN has yielded me 10 minutes of her time, so if the Chair would tell me when I have used 9 minutes, I would appreciate it.

The PRESIDING OFFICER. The Chair will so notify the Senator.

Mrs. BOXER. I am very much in favor of enhanced penalties for those offenders, those criminals, who harm pregnant women. I think Senator FEINSTEIN's substitute amendment is one that does exactly that. What I do not support are the efforts of some Members of this body who clearly are the leaders of the anti-choice movement in the Senate. We have heard from them seriatim. They have just come right down and spoken. I do not support what they are trying to do, which is to undermine pro-choice laws, particularly Roe v. Wade.

Now, one can dress up a bill to make it look like anything one wants, but the so-called Unborn Victims of Violence Act, although they try to dress it up as a criminal statute designed to deter violence, I think has tremendous weakness in the way it is written and in the way it would prosecute a violent criminal who harms a pregnant woman. It is another effort to undermine Roe v. Wade, which as we know, has given women in this country the right to choose, and it is a very important right of privacy.

How do I know this is the supporters' motivation? It is easy for me because if they wanted to create a law that says we believe that a pregnant woman should be protected and we want to punish someone who harms a pregnant woman, it is a pretty easy thing to just support Senator FEINSTEIN's amendment. It is clean; it is clear; she doubles the penalties just as they do in their bill. She avoids the issue, however, of a woman's right to choose, which this is not about. There is nothing about that in this bill.

The substitute that Senator FEINSTEIN has offered to us, which is like H.R. 1997, creates a separate offense when someone harms a pregnancy or terminates a pregnancy while in the commission of a violent Federal crime. That is very important to do because these crimes are heinous and all the more heinous if a woman is pregnant. As the author of the Violence Against Women Act in the House and working with Senator BIDEN for 10 years to get it through the Senate and the House and get it signed into law, Senator FEINSTEIN's bill is in tune with that point that we will not stand by and allow violence against women. Particularly if a woman is pregnant, it makes the crime more vicious and it doubles the penalty for such a crime. It creates the same separate penalty for this separate crime, a maximum of 20 years for harm and a maximum of life in the event a pregnancy is terminated. It does not require proof that the offender had knowledge of the woman's pregnancy.

The sole difference between the substitute that Senator FEINSTEIN is offering and the Unborn Victims of Violence Act is that they want to bring in the issue of a woman's right to choose, and they want to make this bill about a woman's right to choose.

What on Earth does this have to do with a woman's right to choose? Nothing, not a thing. Senator FEINSTEIN's substitute focuses on the pregnant woman. That is the issue, the pregnant woman. So one wonders why the other side cannot accept it. The answer is simple. Again, they are trying to make this about abortion, not about convicting a criminal.

I want to correct something. When I referenced the House bill, I meant to reference the Zoe Lofgren bill—and I am not sure of that number—not the House bill that is identical to Senator DEWINE's bill. ZOE LOFGREN in the House had a similar bill to Senator FEINSTEIN's bill. That bill got a lot of support but not enough support.

Again, it is very simple why people over there who are anti-choice did not support the Lofgren bill, and they do not support the Feinstein bill, because they want to make this about abortion and they want to undermine Roe v. Wade and a woman's right to choose.

I am a little bit shocked because the experts who have written to us have told us that the bill that the anti-choice Senators are supporting would make it harder to convict a criminal.

For example, Peter Rubin, visiting associate professor at Georgetown Law Center, when he testified before the House Judiciary Committee, said:

> The phrase "child in utero" is ambiguous and would actually aid an offender in avoiding prosecution.

Imagine. It seems to me the other side is so anxious to undermine Roe and to confuse the subject and to make this bill about abortion, they are willing to pass an ambiguous bill which would actually aid the offender, the criminal, and would actually allow some heinous criminal to go free.

I ask unanimous consent that Peter Rubin's letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GEORGETOWN UNIVERSITY
LAW CENTER,
Washington, DC, July 21, 1999.

Re H.R. 2436, The Proposed "Unborn Victims of Violence Act of 1999"—written testimony of Peter J. Rubin, Visiting Associate Professor of Law, Georgetown University Law Center, before the Subcommittee on the Constitution of the House Committee on the Judiciary.

I have been asked by this subcommittee to review and comment upon H.R. 2436, which would create a separate federal criminal offense where criminal conduct prohibited under a list of over sixty federal statutes, in the words of the proposed law "causes the death of, or bodily injury . . . to a child, who is in utero." I am honored to have the opportunity to convey my views to the subcommittee.

Where an act of violence against a pregnant woman results in a miscarriage, that act of violence has wrought a distinct and unique harm in addition to the harm it would have done had the woman not been pregnant. Similarly, injury to a baby that may result from unlawful violence perpetrated upon its mother when it was a fetus in utero is something from which government may properly seek to protect the woman and the child.

Consequently, although many states adhere to the traditional rule that the criminal law reaches only conduct against a person already born alive, some states have enacted laws that penalize conduct that may kill or, in some cases, injure, a fetus in utero. One example is North Carolina's state statute which provides that "A person who in the commission of a felony causes injury to a woman, knowing the woman to be pregnant, which injury results in a miscarriage or stillbirth by the woman is guilty of a felony that is one class higher than the felony committed." (N.C. Gen. State. §14–18.2.)

If the members of Congress conclude that causing injury in this way during the commission of a federal crime warrants additional punishment, it, too, could adopt such a provision. Indeed, it seems as though this is one area on which both sides of the debate about abortion might be able to find common ground in supporting a properly worded statute that might give additional protection to women and their families from this unique class of injury.

As currently drafted, however, the proposed statute differs from some state laws on this issue in two critical respects. First is its use of the phrase "child, who is in utero" to describe the fetus. This is not the ordinary way statutes refer to fetuses in utero. Indeed, the proposed law appears to be unique in its use of this formulation. The use of this language will likely subject H.R. 2436 to legal challenge, and will likely render the proposed law ineffective in preventing and punishing acts that harm or kill fetuses being carried by pregnant women.

Second is the bill's treatment of the fetus solely as a separate victim of certain federal crimes. This approach is different from that taken by some states that have enacted criminal laws addressing fetal injury or death in that it fails to focus at all on the woman who is the victim of the violence that may injure or kill the fetus. It would be far easier to reach common ground with an approach that takes account of the place of the pregnant woman when acts of violence against her lead to fetal injury or death. Indeed, the approach taken by the current statute may lead to some unintended results, and is not consistent with the treatment of the fetus in the American legal tradition.

To begin with, the proposed law refers to "a child, who is in utero at the time the conduct takes place." Because it uses these words, the proposed law would likely result more in useless litigation about the statute's meaning than in the prevention and punishment of conduct that results in fetal injury or death. Its use of the phrase "child, who is in utero" may give a defendant an argument that the statute is ambiguous, and that he lacked the notice of what acts are criminal that is required by the Due Process Clause of the Fifth Amendment. Does it mean the statute applies only to the injury or death of a "child," that is one who is subsequently born, but who was injured in utero? Does it refer to a fetus past the point of viability? Does it refer to a single-cell fertilized ova that has not yet implanted in the uterine wall? The statute does not tell us.

Even if the law is not held inapplicable because of unconstitutional vagueness, the Supreme Court has articulated a doctrine known as the doctrine of "lenity." Rooted in part in separation of powers concerns, this doctrine means that an ambiguous federal criminal statute must be construed in the way most favorable to the defendant, lest an individual be criminally punished for conduct that Congress did not intend to criminalize. At best, the phrase "child, who is in utero" is ambiguous here, and a defendant is likely to be able to avoid prosecution for whatever conduct it is that the drafters of this law intend to criminalize.

In addition, this statute operates in a very unusual manner. It does not just increase the penalty for unlawful violence against a pregnant woman that results in the death of or injury to a fetus, nor does it criminalize injuring or killing a fetus if one has the requisite mental state and is aware of the woman's pregnancy. Rather it includes fetuses within the universe of persons who may be protected from injury or death resulting from violations of other federal criminal laws.

Many state laws address fetal injury and death only in certain circumstances, and, reflecting the unique nature of the developing fetus, many provide some penalty that is different from the penalty that would have applied had the defendant killed or injured a person who was already born. They tend also to take account of the fetus's stage of development. State feticide laws often do not treat even the intentional killing of a fetus through violence perpetrated upon the pregnant woman as murder equivalent to the murder of a person who has been born. Some, like North Carolina, enhance the penalty for the underlying criminal conduct. Others treat even intentional feticide only as manslaughter. Thus, in Mississippi, for example, the law provides that "The wilful killing of an unborn quick child, by an injury to the mother of such child, which would be murder if it resulted in the death of the mother, shall be manslaughter." (Miss. Code. Ann. §97–3–37.)

The proposed law by contrast says that whenever causing death or injury to a person in violation of a listed law would subject an individual to a particular punishment, he shall be subject to the same punishment if he causes death or injury to a fetus. This is true regardless of the stage of fetal development. Whatever its rhetorical force, the proposed law would lead to some unusual, and probably unintended, results. To give just one example, under the Freedom of Access to Clinic Entrances Act ("FACE"), 18 U.S.C. §248, one of the statues listed in H.R. 2436, if an individual who is engaged in obstructing access to an abortion clinic knocks a pregnant woman to the ground during a demonstration, he is liable to imprisonment for up to one year. If he causes her "bodily injury" when he knocks her down, he would be subject under FACE to a ten-year term of imprisonment. Under the proposed law, however, if she miscarried as a result of being knocked down, he would be subject to life imprisonment, the same as if his action had caused the death of the woman herself.

In addition to being far more practical, it would be fare easier to reach common ground on this issue with adoption of a statute similar to those state statutes, providing for enhanced punishments that I have described. For in addition to the practical consequences, the use of a statutory framework, that seeks to achieve its result through treating all fetuses at all stages of development as persons distinct from the women who carry them unnecessarily places federal statutory law on the path toward turning the pregnant women into the adversary rather than the protector of this fetus she carries. For although this law contains exceptions for abortion, for medical treatment of the woman or the fetus and for the woman's own conduct—exceptions that are both wise and constitutionally required—if the fetus were truly a "person," there would be no principled reason to include such exceptions. Yet of course a law that did not contain them would be shocking to most Americans and both obviously and facially unconstitutional.

Finally, then, in failing to take account of the women, the proposed statute also sets federal law apart from the American legal and constitutional tradition with respect to the treatment of the fetus. As the Supreme Court has, described, "the unborn have never been recognized in the law as persons in the whole sense." At common law, the destruction of a fetus in utero was not recognized as homicide unless the victim was born alive. And, of course, the Supreme Court has held that fetuses are not persons within the meaning of the Fourteenth Amendment. This is a position with which even as staunch an opponent of Roe v. Wade as Justice Antonin Scalia agrees.

In addition, therefore, to the practical and political considerations that counsel in favor of an alternative approach, the proposed law would also unnecessarily set federal statutory law on a conceptual collision course with the Supreme Court's abortion decisions. Whatever one may think of those decisions, an unnecessary conflict about them would not contribute to the important work of healing where possible the country's division over abortion.

Mrs. BOXER. Then you have Jon Jennings who in 1999 was the Acting Assistant Attorney General. He submitted a letter to Representative HENRY HYDE on behalf of the Justice Department. He also wrote the law would be hard to prosecute because of the difficulty in gathering evidence.

I ask unanimous consent to have Jon Jennings' letter printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, September 9, 1999.

Hon. HENRY HYDE,
Chairman, Committee on the Judiciary, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This letter presents the views of the Department of Justice on H.R. 2436, the "Unborn Victims of Violence Act of 1999."

Section 2 of H.R. 2436 would make it a separate federal offense to cause "death or bodily injury" to "a child in utero" in the course of committing any one of 68 enumerated federal crimes. The punishment for the new crime under H.R. 2436 is the same as if the harm had been inflicted upon the "unborn child's mother," except that the death penalty is not permitted. Section 3 of H.R. 2436 would make substantively identical amendments to the Uniform Code of Military Justice.

The Justice Department strongly objects to H.R. 2436 as a matter of public policy and also believes that in specific circumstances, illustrated below, the bill may raise a constitutional concern. The Administration has made the fight against domestic violence and other violence against women a top priority. The Violence Against Women Act (VAWA), which passed with the bipartisan support of Congress in 1994, has been a critical turning point in our national effort to address domestic violence and sexual assault. VAWA, for the first time, created federal domestic violence offenses with strong penalties to hold violent offenders accountable. While most domestic violence crimes are appropriately prosecuted at the state and local level, the Department of Justice has brought 179 VAWA and VAWA-related federal indictments to date, and this number continues to grow. In addition, the Department of Justice alone has awarded well over $700 million through VAWA grant programs since 1994, directing critical resources to communities' efforts to respond to domestic violence and sexual assault. These funds have made a difference in women's lives, and in how communities respond to violence against women. Indeed, these funds have helped save the lives of many victims of domestic violence.

If the Committee wants to make a difference in the lives of women victims of violence, it should reauthorize the Violence Against Women Act. We hope that Congress will work with us on this common goal. H.R. 2436, however, is not an adequate response to violence against women. Our three main objections to H.R. 2436 are described below.

First, H.R. 2436 provides that the punishment for a violation shall be the same as the punishment that would have been imposed had the pregnant woman herself suffered the injury inflicted upon her fetus. The Department agrees that some additional punishment may be warranted for injury to pregnant women. H.R. 2436, however, would trigger a substantial increase in sentence as compared with the sentence that could otherwise be imposed for injury to a woman who is not pregnant.

Second, H.R. 2436 expressly provides that the defendant need not know or have reason to know that the victim is pregnant. The bill thus makes a potentially dramatic increase in penalty turn on an element for which liability is strict. As a consequence, for example, if a police officer uses a slight amount of excessive force to subdue a female suspect—without knowing or having any reason to believe that she was pregnant—and she later miscarries, the officer could be subject to mandatory life imprisonment without possibility of parole, even though the maximum sentence for such use of force on a non-pregnant woman would be 10 years. This approach is an unwarranted departure from the ordinary rule that punishment should correspond to culpability, as evinced by the defendant's mental state.

Third, H.R. 2436's identification of a fetus as a separate and distinct victim of crime is unprecedented as a matter of federal statute. Such an approach is unnecessary for legislation that would augment punishment of violence against pregnant women. Additionally, such an approach is unwise to the extent that it may be perceived as gratuitously plunging the federal government into one of the most—if not the most—difficult and complex issues of religious and scientific consideration and into the midst of a variety of State approaches to handling these issues.

Our policy concerns with H.R. 2436 are exacerbated by the likelihood that the bill will yield little practical benefit. Because the criminal conduct that would be addressed by H.R. 2436 is already the subject of federal law (since any assault on an "unborn child" cannot occur without an assault on the pregnant woman), H.R. 2436 would not provide for the prosecution of any additional criminals. At the same time, prosecutors proceeding under H.R. 2436 would be likely to encounter difficulty collecting evidence to support their prosecutions. For instance, the prosecutor would have to establish that the defendant's conduct "cause[d]" the injury—given the inherent risk of miscarriage and birth defects that occur absent any human intervention, causation may be very difficult to establish.

Finally and critically, the drafters of H.R. 2436 are careful to recognize that abortion-related conduct is constitutionally protected. The bill accordingly prohibits prosecution for conduct relating to a consensual abortion or an abortion where consent "is implied by law in a medical emergency." Without this exception, the bill would be plainly unconstitutional. Including the exception does not, however, remove all doubt about the bill's constitutionality. The bill's exception for abortion-related conduct does not, on its face, encompass situations in which consent to an abortion may be implied by law (if, for example, the pregnant woman is incapacitated) even though there is no medical emergency. In this situation, the bill may unduly infringe on constitutionally protected conduct.

For these reasons, we strongly oppose H.R. 2436. The Administration, however, would work with Congress to develop alternative legislation that would strengthen punishment for intentional violence against women whom the perpetrator knows or should know is pregnant, strengthen the criminal provisions of VAWA, and reauthorize the grant programs established by this historic legislation.

Thank you for this opportunity to present our views. The Office of Management and Budget has advised us that from the standpoint of the Administration, there is no objection to submission of this letter. Please do not hesitate to call upon us if we may be of further assistance.

Sincerely,

JON P. JENNINGS,
Acting Assistant Attorney General.

Mrs. BOXER. Then there is a recent letter of George Fisher, a tenured professor at Stanford, former prosecutor and expert on the criminal justice system. He, too, believes it makes things worse in terms of convicting a criminal.

The PRESIDING OFFICER. The Senator has now used 9 minutes of time.

Mrs. BOXER. I ask unanimous consent for 2 more minutes from my colleague.

The PRESIDING OFFICER. Does the Senator from California yield an additional 2 minutes?

Mrs. FEINSTEIN. I yield as much time as she may require.

Mrs. BOXER. I thank my colleague.

I ask unanimous consent the letter from George Fisher be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STANFORD LAW SCHOOL,
Stanford, CA, July 10, 2003.

Senator DIANNE FEINSTEIN,
U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN, I wish to express my concern about the current formulation of S. 1019, the Unborn Victims of Violence Act of 2003. Although I fully endorse the Bill's ultimate aim of protecting pregnant women from the physical and psychological trauma of an endangered or lost pregnancy, I believe that the Bill's current formulation will frustrate rather than forward this goal.

I write both as a former persecutor and as a law professor specializing in criminal law and criminal prosecution. At the outset of my career, I served as an assistant district attorney in Middlesex County, Mass., and as an assistant attorney general in the Massachusetts Attorney General's office. I then went to Boston College Law School, where I administered and taught in the criminal prosecution clinic. I have been at Stanford since 1995 and a tenured professor of law since 1999; during the next academic year, I will serve as Academic Associate Dean. In 1996 I founded Stanford's criminal prosecution clinic and have administered and taught in the clinic ever sine. I have also created a course in prosecutorial ethics, which I taught at Boston College Law School and, as a visitor, at Harvard Law School.

My background and interest in criminal prosecution prompt me to raise three objections to this Bill. All of them focus on the Bill's use of the expressions "child in utero" and "child, who is in utero," and on its definition of these terms as "a member of the species homo sapiens, at any stage of development, who is carried in the womb."

First: The Bill's apparent purpose of influencing the course of abortion politics will discourage prosecutions under any future Act.

I do not know what motives gave rise to the Bill's use of the expressions "child in utero" and "child, who is in utero," but I do know that any vaguely savvy reader will conclude that these terms and the Bill's definition of them were intended by the Bill's authors to influence the course of abortion politics. It is a fair prediction that when a pro-life President is in office, prosecutions under this Bill will be more frequent than when a pro-choice President is in office. That is because the public will interpret this Bill as suggesting that abortion is a potentially criminal act and will interpret prosecutions under the Bill as endorsing this sentiment.

If the authors of the Bill truly seek to protect unborn life from criminal violence, they will better accomplish this purpose by avoiding such expressions as "child in utero." Better alternatives would refer to injury or death to a fetus or damage to or termination of a pregnancy.

Second: The Bill's apparent purpose of influencing the course of abortion politics will motivate prosecutors to exclude those prospective jurors who otherwise would be most sympathetic to the prosecution's case.

If I were prosecuting a case under this Bill, I would hope to have a jury that includes persons deeply sensitive to the rights and interests of pregnant women. Such jurors would regard an attack on a pregnant woman as being a twofold crime, comprising both the injury directly inflicted on the mother and the stark emotional and physical trauma resulting from injury to or loss of her pregnancy.

But such jurors also will be more likely than others to believe that pregnant women have the right to exercise autonomy over their bodies and to choose whether to abort a pregnancy. I predict that many or most judges will bar prosecutors and defense counsel from questioning prospective jurors about their views on abortion or about related matters such as their religion, religious practices, or political affiliations. Forced to act largely on instinct, prosecutors may be inclined to exercise peremptory challenges against those prospective jurors who appear to be most sympathetic to the rights of pregnant women. This result clearly would frustrate the Bill's stated purpose of protecting unborn life from criminal violence.

Third: The Bill's apparent purpose of influencing the course of abortion politics offends the integrity of the criminal law.

To anyone who cares deeply about the integrity of the criminal law, this Bill's apparent attempt to insert an abortion broadside into the criminal code is greatly offensive. The power to inflict criminal penalties is, second only to the power to wage war, the highest trust invested in our institutions of government. Because the power to make and enforce criminal laws inherently carries enormous potential for abuse, those who exercise that power must always do so with a spirit free of any ulterior political motive. The American Bar Association's Standards Relating to the Administration of Criminal Justice provide that "[i]n making the decision to prosecute, the prosecutor should give no weight to the personal or political advantages or disadvantages which might be involved. . . ." (Standard 3-3.9(d).) Not all prosecutors conduct themselves with fidelity to this principle, but we may readily condemn those who do not. We may likewise condemn other public actors who abuse the sacred public trust of the criminal sanction for political ends.

For these reasons, I object to the current formulation of the Unborn Victims of Violence Bill. As I am confident that an alternative version of the Bill can fully accomplish its stated purpose of protecting unborn life from criminal violence while avoiding each of the difficulties I have outlined above, I strongly encourage the Senate to modify the Bill in the ways I have suggested above or in some other manner that avoids the freighted and frankly politicized terms, "child in utero" and "child, who is in utero."

My thanks to you for your consideration of my views.

Sincerely,

George Fisher,
Professor of Law.

Mrs. BOXER. Mr. President, according to the experts, creating a separate offense for a child in utero would make it less likely that someone who harms or terminates a pregnancy would be convicted of a separate offense. So I find it stunning that, rather than back Senator Feinstein's substitute, which is very clear—you harm a pregnant woman, you are going to do double the time, you are going to get double the punishment, and it avoids all question of Roe v. Wade—it shocks me my colleagues on the other side would rather have a weaker bill, soft on the criminal, soft on crime, in order to undermine Roe v. Wade. It is an injection of a political agenda into the criminal justice system which I think harms the integrity of the system.

Again, I am at a loss for words. That is hard for me to believe. But if you look at domestic violence groups, they will tell you how they feel about it. They say they don't support the legislation. They feel it would actually be harmful to battered women.

Again, as someone who coauthored the Violence Against Women Act with Senator Biden, here we have a piece of legislation that is going to be harmful to battered women. Yet the other side will not support Senator Feinstein's amendment, which absolutely avoids this problem.

Juley Fulcher, public policy director of the National Coalition Against Domestic Violence, who testified before the House subcommittee in July 2003, said in her written statement:

> The bill is not designed to protect women and does not help victims of domestic violence. Instead, the focus often will be shifted to the impact of the crime on the unborn embryo or fetus, once again diverting the attention of the legal system away from domestic violence or other forms of violence against women.

I commend to my colleagues the July 8, 2003 testimony of Juley Fulcher before the Subcommittee on the Constitution of the House Committee on the Judiciary.

We also have a letter from Lynn Rosenthal, the executive director of the National Network to End Domestic Violence, and the letter of Esta Soler, president of the Family Violence Prevention Fund. I ask unanimous consent to have them printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

National Network to End
Domestic Violence,
Washington, DC, February 18, 2004.

Dear Member of Congress: The National Network to End Domestic Violence (NNEDV), a social change organization representing state domestic violence coalitions, is dedicated to creating a social, political and economic environment where violence against women no longer exists. We are writing because we know that you will soon be considering the Unborn Victims of Violence Act (UVVA). We know that this is a difficult and emotional issue, and that you are carefully considering your position.

After very careful consideration and study on our part, we have concluded that the UVVA is not the appropriate remedy for addressing violence against pregnant women. We certainly share the concerns of the sponsors of the legislation about tragic crimes such as the murder of Laci Peterson and other pregnant women. We know that Congress is seeking tools and remedies to address such violence, and appreciate your ongoing support for the Violence Against Women Act. Our concerns about the UVVA are mainly focused on its potential impact on the safety and status of women who are victims of domestic violence.

Our first concern is that the legislation could potentially remove the focus on the women as the victim of violence. It would be possible under the UVVA that a violent crime specifically targeted at a woman could be prosecuted with the fetus presented as the primary victim. Yet, it is the violent act against the woman that is at the root of the devastating injuries to the women and the pregnancy. In our view, legislation and policy should be focused on recognizing violence against women as the serious crime it is, and need not rely on loss of a pregnancy to vigorously prosecute these crimes.

Our second concern is that while the UVVA on its face seems to protect women from prosecution of the violence causes her to lose the pregnancy, it may lead to a slippery slope that erodes women's rights and holds them responsible for this loss. This slippery slope has already formed in South Carolina and California, two states with unborn victims legislation. For example, in Whitner v. State, the court found that South Carolina's child endangerment statute could be used to punish a pregnant woman who engaged in any behavior that might endanger her fetus.

Legislation regarding violence against women must be carefully considered in order to prevent unintended effects from hurting the very women it is supposed to help. Battered women cannot control the violence against them, and should not face the possibility of prosecution simply because they are victims of domestic violence. The landmark case of Nicholson v. Williams, decided in the Eastern District of New York, represents an enormous step in clarifying this position. The federal district court in Nicholson found that mothers' due process rights had been violated when their children were taken away from them merely because they were victims of abuse. That decision correctly puts the emphasis on the abused woman, and stands for the proposition that an abused woman should not be punished, or prosecuted, for occurrences beyond her control.

Because of our work with battered women, we do know that violence often occurs during pregnancy, and that pregnant women may be both physically and psychologically more vulnerable to such abuse. We believe that by supporting sentencing enhancements, Congress can advance both its goals of protecting victims of domestic violence and providing a legal sanction for loss of pregnancy as a result of battering. Sentencing enhancements appropriately punish the additional injuries that such acts cause without causing the unnecessary complications, and potentially dangerous consequences, for the women we serve.

There are also a number of other steps Congress can take to more effectively address the problem of violence against women. First, Congress can fully fund the Violence against Women Act. Unfortunately, the 2004 budget includes $16.1 million in cuts to the STOP grant program, which provides funding to states, tribes and territories to enhance the law enforcement response to domestic violence and sexual assault, improve prosecution and support victim services. These cuts will have a detrimental impact on communities all across the country that are struggling to maintain core interventions for victims. In addition, the Battered Women's Shelter and Services funding was also cut in 2004, and remains at $48 million below the authorized level. Funds to battered women's programs and rape crisis centers have also received cuts at the local and state level over the past several years. These losses are devastating to providers facing bruised and bleeding women every day. Congress can work to address the problem of violence against women by fully funding these lifesaving services.

Thank you for considering our perspective on the UVVA. While the bill is noble in its intentions, we are concerned that it may not fulfill its purpose of creating a legal atmosphere in which women feel protected from violence. Please feel free to call me if you need any additional information. We appreciate for your commitment to ending violence against women, and look forward to continuing to work with you to address this most urgent social problem.

Sincerely,

Lynn Rosenthal,
Executive Director.

End Abuse,
Washington, DC, March 23, 2004.

Hon. Jerrold Nadler,
2334 RHOB,
Washington, DC.

Dear Representative Nadler: On behalf of the Family Violence Prevention Fund, I am writing to express concern about the Unborn Victims of Violence Act, H.R. 1997, passed by the House Judiciary Committee on January 21. We are deeply disappointed that some are promoting this bill as a way to end domestic violence, when better and more direct measures to stop family violence languish in Congress year after year. Members of Congress who want to stop abuse will put their energy into passing the prevention and intervention measures that offer great promise to stop violence before it starts.

The murder of Laci Peterson was an unspeakable tragedy, but many laws designed as quick fixes have caused great harm. For example, mandatory domestic violence health reporting laws deter women from seeking the medical help they need. We need to stop back and consider what actually works. Our goal must be to stop violence against all women, regardless of whether they are pregnant.

If Congress is serious about stopping domestic violence against pregnant women and helping women and children who are victims, Members will quickly pass the Domestic Violence Screening, Treatment and Prevention Act, H.R. 1267. This essential bill would train health care providers to routinely screen female patients for a lifetime history of abuse and give women access to critical domestic violence services when abuse is identified. Introduced in the House in March of 2003 by Representatives Lois Capps (D–CA) and Steven LaTourette (R–OH), this bill has the potential to prevent tragedies by helping victims before violence escalates.

We also urge Congress to fully fund all Violence Against Women Act programs and support legislation that would actually prevent domestic violence before it begins. Domestic violence prevention legislation should include services for children who are exposed to abuse, programs that support young families at risk of violence, and efforts to each young men and boys how to develop healthy, non-violent relationships. Such legislation would do much more to stem the tide of domestic violence than the Unborn Victims of Violence Act.

Finally, we wish to thank you for your continued leadership and support on this issue. As an advocate in Congress and as one of our Founding Fathers, you truly make a difference in the movement to end violence against women and children. If we can be of assistance, please do not hesitate to contact Kiersten Steward in our Washington, D.C. office at 202–682–1212.

Sincerely,

ESTA SOLER,
President, Family Violence Prevention Fund.

Mrs. BOXER. Here we have it. I am going to finish with this. We have a bill before us Senator FEINSTEIN has improved greatly. We have a bill before us that, instead of concentrating on punishing the violent criminal, concentrates instead on trying to set the stage to reverse Roe v. Wade, which the vast majority of people in this country think is a good law that balances the rights of the woman and the rights of the fetus. Yet they are so interested in doing this that they have a bill that is going to make it difficult to convict the criminal who commits the heinous crime against the pregnant woman. It shows you how far the other side will go.

When we reach out our hand, as we have done many times with them, they will not take our hand. They push it away, because they are much more interested in the political agenda of taking away a woman's right to choose.

My heart goes out to Laci Peterson's family and to all the other families that have experienced the tragedy of losing a loved one to a violent crime and, on top of that, losing the joy I and Senator FEINSTEIN have of having grandchildren.

But we need to pass laws here that will make matters better, not make matters worse. We need to pass laws here that are clean, that will make the law clear and not murky. I think Senator FEINSTEIN's substitute—she wrote it with the Laci Peterson family in her heart. She wants to make sure criminals who would attack a pregnant woman are brought to justice and we don't get diverted to some other issues.

I am proud to stand with my colleague on this one. I know how hard this is. I know how hard she has worked. I will support her substitute very proudly, knowing it is the right thing to do, to crack down against these heinous crimes and to protect pregnant women.

I thank her very much, and I yield the floor and reserve the remainder of Senator FEINSTEIN's time.

The PRESIDING OFFICER. Who yields time? The Senator from Kansas is recognized.

Mr. BROWNBACK. Mr. President, on behalf of the Senator from Ohio, I yield myself such time as I might consume on his side.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized.

Mr. BROWNBACK. Mr. President, I inquire first how much time is remaining for the Senator from Ohio.

The PRESIDING OFFICER. There are 41 minutes remaining on the Senator's side.

Mr. BROWNBACK. Thank you, Mr. President.

I thank my colleagues for being here to participate in a difficult debate. I have a difficult set of stories I want to tell. If any of the individuals here in this body, or watching, are interested in talking to the individuals involved, they are actually outside in the lobby. I invite anybody to come out. There are grandparents, mothers of victims—there are the women who themselves were assaulted and lost a child. They are here. For those individuals here would care to visit with them, they would love to have a chance to tell their story.

The question is simple: do we have one victim or two involved in violent crimes such as these? That is the simple question. I will present a series of case studies to my colleagues and then I will ask my question again—colleagues, do we have here one victim, or two?

We start with the story of Christina and Ashley Nicole Alberts. We have a chart which presents a heartbreaking picture. I think it needs to be shown to better tell the story. This is a gut-wrenching picture of Christina and Ashley Nicole Alberts (you can see them there in the coffin). It is a difficult picture. This body needs to know what the Unborn Victims of Violence Act is about—the victim.

I ask my colleagues to bear in mind that the Unborn Victims of Violence Act states there are two victims—there are two victims in this picture. The amendment we are considering right now, the Feinstein amendment, says there is only one victim—one victim in this picture. I simply ask my colleagues to make that determination. Is there one victim or are there two in this picture? Here is the story.

In December 1998, Christina was nearly 9 months pregnant.

Ashley was looking forward to life with her soon-to-be-born daughter whom she could definitely feel moving, alive and well, and growing in her womb. When she found out she was going to have a girl, she decided to name her Ashley Nicole.

However, this earthly life—which all of us living and breathing here today enjoy—tragically came to a screeching halt for Christina and Nicole on December 12, 1998. On that day, some thugs were going around robbing homes for money. The thugs entered the house where Christina was. Christina recognized one of them, and because she recognized one of them, it cost her and her baby Ashley Nicole their lives.

Christina was beaten. Can you imagine someone beating a woman in the ninth month of her pregnancy? Yet they did. I think of my own family and my own wife if she were in that type of situation.

Christina was then forced to kneel, and she was executed—shot in the head. Once the trigger had been pulled, releasing the bullet that abruptly ended her life, one might think at least the physical pain from the crime was over for Ashley Nicole. It was not. When her mother's heart stopped, her inutero child does not die instantly. Instead, the inutero baby dies slower. When the mother's heart stops beating, the baby begins to suffocate for lack of oxygen. The baby can feel. The baby is in pain. At 4 minutes, the baby begins to suffer severe neurological damage. The process gets worse. Ashley Nicole would have finally died 15 minutes after her mother Christina had been shot and killed.

Look at this photo again of Christina and Ashley in the coffin. Is there one victim? Or are there two? Who will say there is only one victim in this coffin? Yet this substitute amendment we are considering will say there is only one victim.

What about the family? What about Ashley Nicole's grandparents? What happened to them after the murders? Christina and Ashley Nicole lived in Kanawah County, West Virginia.

Her grandmother is here today.

In addition to the horrific news of their daughter and granddaughter's murder, they were further traumatized to learn the West Virginia murder statute does not allow the prosecution of an individual for the murder of an unborn child.

Do you know what happened in the murder trial for Christina and Ashley's killer? Christina's pregnancy could not even be discussed in court. Any recent photos of Christina shown during the trial could only show facial shots. Why? Because the court said any pictures of Christina in which it would have been obvious she was pregnant would have been prejudiced.

I ask my friends from West Virginia to support their constituents, the Alberts, by opposing the Feinstein substitute and voting for passage of unamended Unborn Victims of Violence Act.

I have another story to tell—Heather Fliegelman Sargent.

In this picture with her mother, as you can see, 20-year-old Heather was well into her pregnancy. Heather was 8 months pregnant with her son Jonah.

I also point out that her mother and the grandmother of Jonah are here with us today in the lobby, if people should care to visit with her.

Sadly, both the lives of Heather and Jonah were taken in January 2003, over a year ago. Heather was found dead with multiple stab wounds in her home in Bangor, ME. Her husband Roscoe Sargent was tried on one—only one—count of murder.

The Bangor Daily News reported on January 10, 2003: "That Heather Sargent was pregnant did not affect the charges brought against her husband . . . No matter how advanced the pregnancy, Maine's homicide law does not apply to unborn fetuses."

But listen to this. Another news story on that same day, January 2, 2003, tells us that "Police also reportedly found several dead cats at home. Whoever killed the cats faces charges under the State's animal welfare act, while no charges will stem from the death of the unborn baby."

Is it even remotely rational to charge someone with the death of these cats and yet not charge them with the death of a viable 8-month-old baby?

As we move to the next chart in the same case, I want to pause for a moment and urge caution for any parents who may be watching with young children present. They may not want to view this. It is a serious matter, and these are real life stories that people need to hear. But, nonetheless, they are difficult.

I would simply ask as we move to the next chart, are we looking at one victim or two? On the left in the chart is Heather before she was stabbed to death, and on the right is Jonah who also died in the attack.

The grandmother of Jonah is here with us today.

I hope Senators will hear the pleas of their constituents—the family of Heather and Jonah who are here in the Senate today watching, as I noted. Please, in their behalf, on behalf of Heather and Jonah, oppose this substitute that says there is only one victim.

The Feinstein substitute would increase penalties for Federal crimes in which a pregnant woman is a victim, but it would also write into Federal law the doctrine that such a crime has only a single victim. If we pass this Feinstein amendment, and a mother survives such an attack, she will be told, "We can prosecute your attacker for assault but not for murder—the law says nobody died."

This cannot and should not be. On behalf of Heather and Jonah, I urge my colleagues to oppose the Feinstein substitute and support the underlying bill un-amended.

I have another story to tell. This picture shows the late Ashley Lyons of Kentucky. Ashley was killed when she was 21 weeks pregnant with her son Landon, in January of this year—just 3 months ago.

Her parents and Landon's grandparents are here today. They are in the lobby, if anybody would care to meet with them. I have met personally with them. They are very passionate about this case and about what took place. If Ashley and her son Landon were with us today, they would be planning for Landon's birth in just a little over a month. I have a staff member who is expecting a child in a little over a month, so this really hits home.

Rather than telling the story of Ashley and Landon myself,I would like to read their story as it was written by the mother and grandmother, Mrs. Carol Lyons. As I noted, Mrs. Carol Lyons is with us here today, along with her husband Buford. It was their efforts that helped get an unborn victims law passed in Kentucky—too late for their daughter and grandson, but not too late for other victims.

I will read you this story which actually quotes Ashley, as written by her mother, the grandmother of Landon. It was written February 25, 2004.

I note parenthetically that if this crime had happened on a military base where only Federal law applies, there would be only one victim—not two—unlike California law, which acknowledges two victims of violence.

Ashley's mother writes:

> On January 7, I was seeing my grandson, Landon, for the first time. Landon was moving around in an ultrasound image on the TV screen in our home in Stomping Ground, Kentucky. We could clearly see Landon's little heart beating. We could see his little face. Just a few hours later, Ashley and Landon were both dead. They were found murdered—shot to death in a local park.

Later, I found a journal that Ashley had been writing to her baby. Right at the beginning, when she was only two months pregnant, she wrote how she had rejected advice to get an abortion.

Clearly Ashley made a choice to have a child. She wrote in her journal: "I couldn't do that. I already loved you."

Ashley also wrote: "You are the child I have always dreamed about. I know that it will be a long time before I meet you, but I can't wait to hold you for the first time. I love you more everyday. Always, Mommy."

> Yes, the killer took two lives—each with a long, bright future ahead. It is heartless and cruel to say that the law must pretend this is not so, in order to preserve "choice" on abortion. Ashley had made her choice—and she chose life.

This, again, is her mother Carol speaking.

> Our case has been widely reported in Kentucky. In response, both houses of the legislature passed a strong fetal homicide bill, and on January 20th, Governor Ernie Fletcher signed it into law.
>
> I pray that Congress, too, will soon pass the Unborn Victims of Violence Act, which will allow a criminal to be charged for any harm he does to an unborn child during commission of a Federal or military crime.
>
> Of course, laws are not retroactive, so no laws enacted now will allow full justice to be done on Landon's behalf.
>
> But they will ensure in the future no mother, grandmother, or other family member will ever again be told that the law is blind to the loss of a child who is unborn but already living and loved.

I ask my colleagues to listen again to Ashley's words to her child Landon—both victims, both were murdered:

> You are the child I have always dreamed about. I know it will be a long time before I meet you, but I can't wait to hold you for the first time. I love you more every day. Always, Mommy.

I ask my colleagues, is there one victim, or are there two? Is it one victim or two when Ashley and Landon were murdered?

I have another case—unfortunately, there are too many of these cases—that demonstrates why this law needs to be dealt with. Here is a picture of Tracy Marciniak holding her son Zachariah 12 years ago. This is a case from Wisconsin.

We all have precious baby photos. I have five children, and I love each of them and have precious photos. This should be a happy baby photo, but if you look closely, you will see it is not. You can see it by the look on Tracy's case, by the coffin behind her, and by the funeral flowers. Tracy's son Zachariah is dead and she, Tracy, survived, and is here today. If people would like to visit with her, she is in the lobby.

In 1992, in Wisconsin, Tracy was terribly beaten. She lived and her son Zachariah died. I have spoken with Tracy, and I have heard how the loss of Zachariah hurts her to this very day.

Regrettably, justice was not served. Was Tracy and Zachariah's assailant charged with the murder of Zachariah? No. In Wisconsin, law enforcement authorities told Tracy's family they could only charge the attacker with assault; in the eyes of the law, no one died.

What is more, Tracy's attacker says he would not have attacked her if he could have been charged with murder. Let me state that again: If Tracy's attacker had known he could have been charged with murder, he would not have attacked her.

I would like to read a portion of Tracy's July 8, 2003, testimony in front of the House Judiciary subcommittee, where she has spoken about this case before. This is Tracy Marciniak's statement:

> I respectfully ask that the members of the subcommittee examine the photograph that you see before you. In this photo, I am holding the body of my son, Zachariah Nathaniel.
>
> Often, when people see the photo for the first time, it takes a moment for them to realize that Zachariah is not peacefully sleeping. Zachariah was dead in this photograph. This photo was taken at Zachariah's funeral.
>
> I carried Zachariah in my womb for almost nine full months. He was killed in my womb only five days from his delivery date. The first time I ever held him in my arms, he was already dead. This photo shows the second time I held him—it was the last time.
>
> There is no way I could really tell you about the pain I feel when I visit my son's grave site in Milwaukee, and at other times, thinking of all we missed together. But that pain was greater because the man who killed Zachariah got away with murder.
>
> I know that some lawmakers in some groups insist there is no such thing as an unborn victim, and that crimes like this have only a single victim—but that is callous and it is wrong. Please don't tell me that my son was not a real victim of a real crime. We were both victims, but only I survived.
>
> Zachariah's delivery date was to be February 13, 1992. But on the night of February 8, my own husband brutally attacked me in my home in Milwaukee. He held me against a couch by my hair. He knew that I very much wanted my son. He punched me very hard, twice, in the abdomen. Then he refused to call for help, and prevented me from calling.
>
> After about 15 minutes of my screaming in pain that I needed help, he finally went to a bar and from there called for help. I and Zachariah were rushed by ambulance to the hospital, where Zachariah was delivered by emergency Caesarean section. My son was dead. The physicians said he had bled to death inside me because of blunt-force trauma.
>
> My own injuries were life-threatening. I nearly died. I spent three weeks in the hospital. During the time I was struggling to survive, the legal authorities came and they spoke to my sister. They told her something that she found incredible. They told her that in the eyes of Wisconsin law, nobody had died on the night of February 8.
>
> Later this information was passed on to me. I was told that in the eyes of the law, no murder had occurred. I was devastated.
>
> My life already seemed destroyed by the loss of my son. But there was so much additional pain because the law was blind to what had really happened. The law, which I had been raised to believe was based on justice, was telling me that Zachariah had not really been murdered.
>
> Before his trial, my attacker said on a TV program that he would never have hit me if he had thought he could be charged with killing an unborn baby.
>
> My family and I looked for somebody who would help us reform the law so that no such injustice would occur in our state in the future. We found only one group that was willing to help, Wisconsin Right to Life. They never asked me my opinion on abortion or on any other issue. They simply worked with me, and other surviving family members of unborn victims, to reform the law.
>
> It took years. Again and again I told my story to state lawmakers and pleaded with them, as I now plead with you, to correct this injustice in our criminal justice system.
>
> Finally, on June 16, 1998, Governor Tommy Thompson signed the fetal homicide law. This means it will never again be necessary for state authorities in Wisconsin to tell a grieving mother, who has lost her baby, that nobody really died. Under this law, an unborn child is recognized as a legal crime victim, just like any other member of the human race.
>
> Of course, the state still has to prove anything beyond a reasonable doubt to a jury, which is as it should be. But when this bill was under consideration in the legislature, it was actually shown to some of the former jury members in our case, and they said if that had been the law at the time I was attacked, they would have had no problem convicting my attacker under it.

Next, I present a statement from Ms. Shiwona Pace of Arkansas. Ms. Pace suffered a horrible tragedy. She was severely beaten by several attackers, and as a direct result, her baby, whom she had named Heaven, died. Fortunately, Arkansas passed an unborn victims of violence law prior to the crime committed by Ms. Pace's assailants. Under the Feinstein amendment, Ms. Pace's assailants would not have even committed a crime, other than assault. Please listen to her plea to legislators.

> My name is Shiwona Pace. On August 26, 1999, I was a 23-year-old college student in Little Rock. I was the mother of two—my five-year-old son, and an unborn baby girl named Heaven Lashay.
>
> August 26 was one day before my predicted full-term delivery date. But that night, three men brutally murdered my unborn baby daughter. I curled up face down on the floor, crying, begging for them to stop beating me. But they did not stop. One shouted, "F*** you! Your baby is dying tonight!"
>
> They choked me, punched me, hit me in the face with a gun. They kicked me again and again in the abdomen. After about thirty minutes, they left me sobbing there on the floor. At the hospital, they found that Heaven had died in my womb. She was a perfect baby, almost seven pounds.
>
> The assailants were arrested. They had been hired by Erik Bullock, my former boyfriend. He paid them $400 to kill little Heaven Lashay.
>
> Only a month before, a new state law took effect that recognized unborn children as crime victims. If that law had not been enacted, Erik Bullock would have been prosecuted only for the assault on me, but not for the death of my baby.
>
> But thanks to the state law, Bullock was also convicted for his role in killing my baby. The men who attacked me are also being prosecuted for what they did to Heaven.
>
> I tell my story now for one reason: If this same attack occurred today within a federal jurisdiction, the men who killed my baby would be prosecuted only for assault. That is why I urge members of Congress to support the Unborn Victims of Violence Act, which would recognize unborn children as victims under 68 federal laws dealing with crimes of violence.
>
> I was dismayed to learn that some members of Congress oppose this bill, and insist on adoption of a radically different [version] that says that such crimes only have one victim—the pregnant women.
>
> This is not the same as what would happen under the Feinstein amendment. They are wrong. On the night of August 26, 1999, there were two victims. I lived—but my daughter died. I lost a child, and my son lost the baby sister he had always wanted—but little Heaven lost her life.
>
> It seems to me that any congressman who votes for the "one-victim" amendment is really saying that nobody died that night. And that is a lie.

Then we have the well-known case of Laci and Conner Peterson in California that has been spoken of previously. This is a statement from Sharon Rocha, Laci Peterson's mother, and Conner Peterson's grandmother. She has spoken out often on this issue. This is a California case that is well known and has probably done as much to bring this up today on this floor as anything else we have examined.

This is from Sharon Rocha's statement. I will read a portion of it:

> As you know, Laci and Conner were cruelly murdered. In this difficult time, my family is grateful that under California law the murders of Laci and Conner can both be prosecuted. But for the families of many other murder victims across the country, there can be no such comfort. Federal law does not recognize that these crimes have two victims.

So California law does recognize it.

> When I became aware that Congresswoman Melissa Hart was working on a bill to correct this problem, I contacted her to express my support. I asked her to name it "Laci and Conner's Law" in memory of my daughter and grandson. I am grateful to Congresswoman HART, the House leadership, and the many congressmen, both Republicans and Democrats, who have agreed to support this common-sense legislation. I thank President Bush for his willingness to sign it into law.
>
> The House of Representatives has shown their support for this law by approving it twice thus far, but the Senate has consistently failed to act. I call on every Senator to vote for this bill, so that the law will do justice for families of murder victims—families like mine. It is time for the Senate to stand up for innocent victims like Conner.

These are real stories. They are tough stories. But they speak to the situation in this country today. This type of crime happens all too frequently. Unfortunately, there are more cases that we could mention.

I wanted to put a real face on this issue for my colleagues, and to ask them this simple question when they vote on the Feinstein substitute: How many victims are there? Is it one victim, or are there two? That is the real decision in regard to this amendment.

I urge a vote against the Feinstein amendment.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Kansas yields the floor.

Who yields time?

The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, it is extraordinarily difficult to respond to the litany of atrocities the Senator from Kansas has just enumerated. I cannot help but wonder: What kind of animal can do this to a woman who is 7 or 8 or 9 months pregnant? I cannot help but wonder how our society produces men who would do this kind of thing to a woman. I cannot help, as a mother and a grandmother, to share with those for whom this is a life scar that will never, never heal.

And I understand it. I understand the need to want to punish, and understand the need to want to say this child—who is so close to birth, who would be capable of life outside of the womb at that moment—is a victim because, in fact, that child is a victim. I appreciate that and I understand it.

One of the reasons at the beginning of my remarks I said this bill is so controversial is because definitions have different meanings in law. The controversial part in the underlying bill is the definition of "child in utero" and "child, who is in utero" because the bill language is: "means a member of the species homo sapiens," in other words, a person, "at any stage of development"—"any stage of development," not when the fetus is what they call "quick," which means it is capable of movement; not when it is viable, which means it is capable of life outside the womb; but at "any stage of development."

This is what causes the problem in the law once you set it in the law. That is what is so distressing about this bill. Because every Member of this Senate wants to vote yes. Every Member of this Senate wants to say: Throw the book at that animal. Who could be so callous? Who could be without any morality? Who could be so cruel? Who could practice such a heinous crime? Who could punch a 9-month pregnant woman in the stomach to the extent that it causes the killing of her unborn child?

So I am there. I am there entirely. I am there completely. But, again, it is complicated because the definition we are working from gives rights at the point of conception. It does not differentiate. It does not say the 8-month-old baby or the 7-month-old baby, who is capable of life today, is what we are talking about. It says the recently fertilized egg is what we are talking about. That is the difference.

It is so hard, because you stand here and you listen and your heart goes out, and you think of these beautiful women and their beautiful children, and some animal comes at them, and in some cases kills them both, in some cases kills one, and in some cases kills the other. Sure, throw the book at him.

I will go a step further. I would give them a death penalty because they have taken two lives, and I do believe a child at that period of gestation is a life.

The problem is the bill language, which begins this at the point of conception.

Now, every single case presented on this Senate floor this morning is of a child who is viable outside of the womb. But the bill covers children that are not children; that are a day old in the womb, that are at conception. That is the problem we have with this bill. Because once you give an embryo, at the point of conception, all of the legal rights of a human being, and you have said that embryo, then, if it is lost to humankind, is murdered, you have created the legal case to go against Roe v. Wade in Federal law for the first time in history.

Now, California and the Laci Peterson case was mentioned a great deal. The prosecution of Scott Peterson will be conducted under California law, which has amended the definition of the penal code section 187—which is first degree murder—to refer to a fetus. But then other parts of law in California only imposes criminal liability starting at 7 to 8 weeks of gestation. So where the California law effectively covers exactly the situation that the Senator from Kansas is mentioning—all of those situations—it takes into consideration the period prior to 7 to 8 weeks of gestation.

And, in fact, many other State laws do as well.

The problem is this is a much more comprehensive definition that doesn't make any of the distinctions that are made by many of the States with respect to these criminal statutes. Many of them cover when the fetus has quickened, which means the fetus or the child is capable of movement, and many of them cover after viability.

This creates the situation where the embryo has the rights of a person. That is the problem for many of us.

The Senator from Ohio—and I think he knows I respect him; we have worked on so many things—says don't bring in the abortion debate. But I can't help but bring in the abortion debate because the proponents—not the Senator from Ohio, but other proponents—have said "this is part of our strategy—this is what we want to achieve."

Then you get somebody like me and Senator BOXER and other cosponsors who want to protect a woman's right to control her own reproductive system, particularly in those early months, who read this bill and see the definition and say: "There is the ball game—here we lose big time."

It is like you say to me, "gotcha," because I want to punish that guy who beat that woman to death, who killed her unborn child, because I know that child is capable of life. You know that child is capable of life. But to give that right to a fertilized egg or an embryo is a different thing. Your bill gives that right to a fertilized egg or an embryo or a zygote.

Then, when I go out and I look at what people have said about the bill, I see these statements, such as the statement of Mr. Casey:

> In as many areas as we can, we want to put on the books that the embryo is a person.

This bill puts on the books that an embryo is a person, a member of the species Homo sapiens, in bill language. This bill establishes exactly what the right-to-life movement wants to establish, that an embryo is a person. That sets the stage for a jurist to acknowledge that human beings at any stage of development deserve protection. Once you have the embryo being a human being, then that human being at any stage of development deserves protection—meaning deserves rights under the law, which this establishes because it makes that embryo a victim—even protection that would trump a woman's interest in terminating a pregnancy. Think of that, that would trump a woman's interest in terminating a pregnancy.

Now, I am one who believes there should not be abortion if the baby is viable. I agree with Roe because it provides the woman choice in the first 3 months of a pregnancy where there is not viability. I lived and grew up at a time when abortion was illegal in California. I saw a good friend commit suicide because she was pregnant and in college. I saw women pass the plate so someone could go to Tijuana for an illegal abortion. You would say that is not relevant to this debate—"don't discuss it; don't bring it up in the Senate—just think about the mothers and the babies who were killed."

I want to do that, too. And I think about the mothers and the babies. I want to throw the book at those guys. And the death penalty, too. I don't have a problem with that because I believe by your actions, you can vitiate your own right to live. That has been true for me since 1971, as well. That has been my consistent position.

But once in a statute you create a fertilized egg as a human being with specific rights, the march to eliminate Roe v. Wade is on its way in statute. That is what is happening with this bill. That is what I object to. There is no reference to viability.

I have the list of what all the States do. They all do different things. Many of them recognize it. For example, seven States impose criminal liability starting when a fetus is quick, in other words, capable of movement: Florida, Georgia, Mississippi, Nevada, Oklahoma, Rhode Island, Washington. Seven States impose criminal liability starting at the point of viability: Florida, Indiana, Massachusetts, Missouri, Oklahoma, South Carolina, Tennessee. So there are many differences. Different States do different things, even when they have this law.

But what this does, what this underlying bill does, is say from the moment of conception there is a baby and that baby is a human being and that baby has rights.

That is a problem in the criminal law. As the Stanford law professor pointed out, if a case comes before the court where, let's say, a woman was assaulted and she was 3 days pregnant, and the forensics could establish that she was 3 days pregnant, and you are voir-diring people for a jury and you are telling them that there is a second victim, and it is a fertilized egg that is 3 days old and there is a 20-year charge pending or life imprisonment pending for that 3- or 5-day-old fertilized egg, then this is what the law professor meant when he said: "You are going to get the very people who are the most interested in protecting the woman being reluctant to go on that jury."

Not every case under this law is going to be post-viability, going to be like the cases that the Senator from Kansas brought forward, where I would say: "Give the guy the death penalty." I wouldn't have a problem with that. They did terrible things, the acts of an animal. But that is not what this law says. That is the difference.

What we have tried to do is say: If you end a pregnancy, if you harm a pregnancy, the same penalties would apply that apply in the House bill and Senator DEWINE's bill.

I wish this could have gone to the Judiciary. I wish it wasn't rule XIV. I wish I had an opportunity in committee, in markup, to make these points.

Let me go over once again, so that everybody is crystal clear on the point of the creation of a separate offense, where a defendant violates any of the enumerated Federal crimes, our bills are identical. On the provision that the separate offense is punished the same as the violation of the enumerated Federal crimes, our bill is identical. On the provision that if the separate offense harms or ends the pregnancy, the punishment is the same as a violation would be for the underlying crime: murder, manslaughter, or assault, as appropriate. Our bills are identical.

With respect to the provision of penalty for death of a fetus is a maximum life sentence, our bills are identical. With respect to the provision of penalty for harm to the fetus is a maximum 20-year sentence, our bills are identical. And both bills do not impose the death penalty. Where our bills are different—and this is important—is the definition of when life begins.

The underlying bill defines life as beginning at conception.

(Mr. ALEXANDER assumed the Chair.)

Mrs. FEINSTEIN. Mr. President, we do not address when life begins. I just read Justice Blackmun's opinion in Roe v. Wade. It is interesting, because he goes back to the Stoics, the Catholic Church, to the Middle Ages, and discusses the difference of opinion of when life begins, the difference of opinions in science. Then he reaches his conclusion that because these differences are so vast, the law generally does not directly enjoin that point of when life begins.

That is the problem we have here. That is the dilemma the Senate faces. This bill is on a fast track. This bill has passed the House. This bill has been subject to a Rule XIV, without a hearing, from the year 2000. You have heard the most poignant, disturbing, heartrending stories on this floor. I respond to them like everybody else does. But I also know if you give a fertilized egg rights in the Federal law, it is going to have repercussions downline. If you declare in this bill you can prove a 1-day-old fertilized egg was a victim and therefore murdered, how do you turn around and say in another law you can proceed with embryonic stem cell research? You have the same 1-day-old fertilized egg. If it is murder here, is it not murder there? What are the repercussions of doing that? They are enormous.

The other side doesn't talk about this. They talk about women who are 7 or 8 or 9 months pregnant. They talk about the most heinous and brutal assaults. But the bill does much more. The bill says a 1-day-old fertilized egg is a member of the species Homo sapiens. Translation: It is a person. Translation: It is a human being.

That is the problem, and this Senate, before it passes out this bill, should understand it and should understand there is an alternative, and the alternative aims to impose the same penalties, but doesn't create that victim fertilized egg, 1 day old—by nobody's stretch a human being—possible of becoming a human being, but not a human being. I have live cells, but they are not capable of producing life.

But once the child, the fetus in the womb, is capable of living, that is a different story. I am the first one to admit that is a different story. But everything in this bill, the underlying bill, goes back to the basic definition of what is being done here, and that is that personhood, life, is being given to a 1-day-old fertilized egg.

Now I have one child biologically, I have three stepdaughters, and I have five grandchildren. I have seen close friends—I know the glory of motherhood. I know the catastrophe that takes place when you lose a child. I have had miscarriages, so I understand that. But then there is the march to turn back the clock to when I was in college and abortion was illegal. Then after college, when I went out into the world, I actually sentenced women convicted of abortion in the State of California in the State prison. I saw the terrible morbidity and the terrible things they did illegally in back-alley abortions. At that point, I said this is so terrible. Then Roe v. Wade passed in 1973, and a woman could control her own reproductive system, particularly in that first trimester. I thought to myself, we should never go back to the way it was.

My concern about the underlying bill is it is the first bridge to take us back to the way it was because of the definition that is in this bill, which gives human rights to a 1-day-old fertilized egg in utero. That is the problem for me. That is the problem for a lot of us in the Senate. Whether it will be enough, I don't know.

I tried to perfect the bill. Remember, this was a rule XIV. We didn't have a chance to mark it up. I tried to perfect it. Unfortunately, I was not granted the usual privilege of being able to send a modified amendment to the desk. But the intent is clear. I have made it crystal clear in my remarks. We will have the same penalties for the same crimes as the underlying bill. We will avoid one thing, and that is determining when life, for the purpose of law, actually begins.

I yield the floor. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 23 minutes 40 seconds.

Mrs. FEINSTEIN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. In a moment, I will yield to my colleague from South Carolina.

Mr. President, before I yield to my colleague, I want to respond very briefly to my colleague and friend from California in regard, again, to the question of abortion. My colleague is concerned—I understand her sincerity because she has expressed it many times on the Senate floor. I don't doubt that sincerity at all—that somehow this bill sets a precedent regarding abortion.

First of all, we all know statutes cannot overcome the Supreme Court decisions, constitutional law. We should not be concerned about what the statute will do. We particularly should not be concerned when we know many of the States have statutes very similar to what we propose to enact today. In fact, several of the States have had these statutes in place for up to 30 years. They have not in any way changed or infringed on abortion rights. Whatever one might think of abortion rights, these have not affected them and this bill will not affect them. To make sure of that, we put provisions in this statute, which I have read on the floor today, which make it crystal clear they will not in any way affect that. So we have precedent.

We have the fact that statutes cannot interfere with constitutional law, plus we have precedent of many years of experience of State laws not interfering with abortion rights. So there is just no reason for anybody, when they come to the floor to vote on this, to think this is in any way going to affect abortion rights at all.

My friend has talked about the fact that we follow what I believe 16 States have done when we begin to protect the unborn. Some States define it differently. My colleague has cited what California and some States do. They are defined differently. But we follow in this statute what some others States have done.

In our proposed statute, we use this language, and I would say it is not what my colleague, with all respect, has said. This is what the language is:

> . . . who is carried in the womb.

"Who is carried in the womb," that is the language, the precise term that is used, "carried in the womb."

As a practical matter, since this is a criminal statute, we all know that to prosecute under this statute, a prosecutor would have to prove beyond a reasonable doubt, to prosecute under this law, that there was this unborn child. They would have to prove the existence of the child. And then they would have to prove there was death or injury to the child beyond a reasonable doubt. They have to prove the existence, first of all, beyond a reasonable doubt, and then they have to prove the death or injury beyond a reasonable doubt.

It is not, with all due respect, a question of at the moment of conception that this protection, as a practical matter, would kick in. First, it has to be carried in the womb; second, you would have to be able to prove the existence and then prove there was injury or prove there was death. That is the practical application of the statute we propose to pass.

I yield to my friend and colleague from South Carolina.

Mr. GRAHAM of South Carolina. Mr. President, how much time remains?

The PRESIDING OFFICER. Eleven minutes.

Mr. GRAHAM of South Carolina. Will the Chair notify me when I have used 4 minutes?

The PRESIDING OFFICER. Yes.

Mr. GRAHAM of South Carolina. Mr. President, I wish to speak to how the bill was drafted and why.

Senator DEWINE articulated it well. You have to prove the pregnancy, and we defined the pregnancy like 16 other States. That is the dominant way of defining the child for the purpose of this statute. Thirteen States have a different view of it. In California, I think the law is at 6 weeks. If you can prove the child is beyond 6 weeks—not viable but beyond 6 weeks—the law kicks in.

In 1999, when we first drafted this statute—Senator DEWINE was carrying it in the Senate, I carried it in the House, and we are finally coming together to have a vote—it never made sense to me, if you believe this is not about abortion—because it is not; we wrote it so it is not—why would you give a criminal a break who destroyed a family's life in two ways, not one?

You are not going to prosecute medical researchers under this statute. You have to hurt the mother. This is not about medical research. It is not about abortion. It is about criminals who attack pregnant women.

Why would you give the criminal a break at 3 weeks? You could prove the baby has been around for 3 weeks. The criminal just totally gets away with it.

The Feinstein amendment—as much as I like Senator FEINSTEIN, and she is truly one of my favorites—nobody goes this way because this is not the way you would want to go if you are prosecuting criminals. You do not want to ignore the reality of what happened to this family and to these victims. This is not about abortion. If it was abortion law, you would not have any prosecutions except until the late terms of the abortion. Why would you let a criminal do that? This is not about a mother's right to choose. Under the statute, you cannot prosecute the woman at any time. You cannot do anything about abortion rights because the statute protects lawful abortions.

For 30-something years in California, they had the ability to prosecute criminals who attacked pregnant women and have Roe v. Wade rights. Look in the phonebook anyplace in California and you will find people who will provide a lawful abortion. Look at the criminal law and you will find a statute that allows people to be put in jail who attack a pregnant woman and do damage to her unborn child at the 6-week period.

My point is, when criminals attack pregnant women, don't play this game of the abortion debate. Don't bring it over here. The reason we voted 417 to 0 in the House was to prevent an execution of a pregnant woman at the earliest stages of pregnancy. It does no good to kill the chance of that child to grow to render justice to the mother.

With a vote of 417 to 0, the House adopted the same definition as this statute because the purpose of that statute was to prevent the State from executing a woman who we know to be pregnant at the early stages of a pregnancy. The reason being, it does no good. It does not advance Roe v. Wade. It just does something you do not need to do to render justice. You do need the ability to bring two prosecutions at the earliest stages of pregnancy to render justice for those who choose to violently assault pregnant women. No medical researcher is going to be harmed. We will have the stem cell debate. The Roe v. Wade rights that exist today are not going to be eroded. They have existed in conjunction with these statutes for years and years, and that debate will go on for years and years. But here is what is likely to happen.

The PRESIDING OFFICER. The Senator has used 4 minutes.

Mr. GRAHAM of South Carolina. There will be, unfortunately, human nature being what it is, another assault against a pregnant woman where Federal jurisdiction would exist if we have this statute. It is going to happen because people are mean, people are cruel, and they need to be dealt with when they are mean and cruel.

The Senate enhancement option has been rejected by everybody who looked at this because it does not render justice. It creates a legal fiction that is not necessary and destroys the whole purpose of this statute.

I mentioned the Arkansas case. Three teenagers were prosecuted for beating up a pregnant woman for the purpose of making sure one of them did not have to pay child support. They are not on death row. I misspoke. One of them received 40 years, one received life imprisonment. It was a capital statute, but it was not a death penalty case. I was wrong. I apologize.

The PRESIDING OFFICER. The Senator used 5 minutes.

Mr. GRAHAM of South Carolina. Five more seconds.

The Laci Peterson case is a death penalty case because there are two victims.

All we are saying is Federal law should address reality. When Michael Lenz lost his wife in the Oklahoma City bombing incident, he also lost his son, Michael Lenz III. All I am asking for is that justice be rendered in cases such as that. When somebody chooses to destroy a family—the mother and the unborn child—let them pay a severe price, and let's debate abortion another day, another time, and not interject it into a statute where it should not be interjected.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, could you give us the time remaining on both sides, please?

The PRESIDING OFFICER. Yes. The Senator from California has 23 minutes remaining. The other side has 5 minutes remaining.

Mrs. FEINSTEIN. I thank the Chair. Mr. President, this is a difficult discussion because I am very fond of both the Senators with whom I am debating. However, I certainly do not agree with the statement the Senator from Ohio just made with respect to the definition that is in the bill.

I will read the definition that is in the bill. The term "a child who is in utero" means:

> A member of the species Homo sapiens at any stage of development who is carried in the womb.

The one thing neither Senator DEWINE nor I know is how fast the egg gets to the womb, but I think it is pretty fast.

I just had a note passed to me by someone more erudite than I. I think we can all put this in our lexicon.

It takes about 7 days for a fertilized egg to get to the womb, but there is also the belief the underlying bill applies at the moment of conception. Let us say the egg gets to the womb in 7 days. The problem those of us on this side of the aisle have with the bill is it gives the status of a human being to that egg as soon as it is in the womb, and that creates for the first time in Federal criminal law a scenario whereby if that egg is hurt, criminal assault charges, criminal manslaughter charges, criminal murder charges can be brought because that egg, at any stage of development—they do not use trimesters, they do not use any way of deciding the development—at any stage of development, that egg in utero is a member of the species Homo sapiens, and that is where this, for criminal purposes, becomes so difficult.

That is why the letter from the professor from Stanford, who runs the criminal prosecution unit at Stanford Law School, becomes so relevant, because let's say I am in a jury pool and a woman has been beaten up and she was 7 days pregnant—at that moment it is a fertilized egg—and she lost the fertilized egg, and I was told the penalty would be an additional 10 years in prison because she lost that egg. Well, I would have to make a decision as to whether I want to be on that jury. So what the professor says is this can actually work contrary to our intent, particularly in these early cases.

He also said he suspects it is dependent on the administration as to whether early cases will be brought to a court or not, but the point is we cannot make that decision. We cannot say this is only going to be used when a mother is 7 months, 8 months, or 9 months, pregnant. In the horrific circumstances described by the Senator from Kansas, which got all of our hearts beating faster, we cannot assume that all cases will be of that type. The legislation clearly says for the purposes of definition the child is defined from the point it is in the womb at any stage of development as a child, as a person, with rights. That is the dilemma and that is why we have tried to craft a bill that does not do that, that says if someone harms or ends a pregnancy, they are subject to the same penalties.

This body is going to have to decide—and it is a very hard question. I think this is one of the most controversial bills we have had. This is probably why this bill has been around for 5 years now. I think it had a hearing in Judiciary in 2000. It has not had a hearing since. It has been rule XIVed to the floor.

Again, I wanted to make some small changes—I was not permitted to do so—by modifying my amendment. I believe, and my chief counsel believes, this bill provides the same penalties. The one difference is the definition is different. We use harm or end pregnancy, rather than that the unborn child becomes a child—well, that a child in utero and child who is in utero means a member of the species Homo sapiens, at any stage of development, who is carried in the womb. That is the problem and that is where for those of us who want to protect a woman's right to choose and who read the statements that are put out by the far right, we take them at their word that this is where they are going.

I did not make this up. This is a rather well-known statement. It clearly says, "In as many areas as we can, we went to put on the books,"—this statute on the books—"that the embryo is a person . . ."

For me, I am also very interested in being able to see that there are prudent regulations and Federal controls that will allow embryonic stem cell research. Well, if it is murder of a 7-day-old fertilized egg, then it is murder if it is used in stem cell research as well. That is where I think this is going.

There are also statements by people who want to ban embryonic stem cell research that also say this is the strategy. So I say, why get into it at all? Why not just say, if someone ends or terminates a pregnancy, the same penalties will apply. That is what we have tried to do. That is the intent of what we are doing.

I think the votes are very close. At this point, I will yield the floor, but I reserve the remainder of my time.

Mr. DEWINE. Mr. President, how much time is remaining?

The PRESIDING OFFICER. Five minutes.

Mr. DEWINE. And the Senator from California?

The PRESIDING OFFICER. Fifteen minutes.

Mr. DEWINE. I suggest the absence of a quorum, with the time to run equally on both sides.

Mrs. FEINSTEIN. Equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. We are getting close to the end of this debate. I think there are just a few points about this amendment I would again like to stress. One is this whole debate today has nothing at all to do with abortion. I talked about that. I will not belabor the point. We have made that clear in the language we have written. It is set down in the precedent of States that have passed similar legislation. It has not had anything to do with abortion.

If Members of the Senate truly believe what the vast majority of the American people believe, and that is there are two victims, then they have to turn down the well-intended Feinstein amendment. The Feinstein amendment tries to provide for enhanced penalties. I believe it is clear, from what I have spelled out a few moments ago, she has failed to do that, that there are no enhanced penalties. Even if there were, it is a contortion of the law and logic to deny the fact that when a pregnant woman is violently attacked and she loses her child, for the law to say we refuse to recognize there is a second victim, and that is what the Feinstein amendment, unfortunately, says. The Feinstein amendment denies the fact there is a second victim.

We have heard on the Senate floor today, time and time again, these horrible stories that Senator FEINSTEIN and I—our hearts go out to these victims. Everyone's heart does. But how can we say to these families that these children who were lost, sometimes the grandchildren who were lost, were really not, in the eyes of the law, victims?

In the eyes of everyone else in society they are victims. Shouldn't the law also recognize them as victims? That is what we are saying with our bill. Unfortunately, the Feinstein amendment denies them that.

I reserve the remainder of my time.

Mr. KYL. Mr. President, I am pleased that the Senate is debating this sensible measure, and I certainly hope that the outcome will be the rejection of the two amendments and passage of the underlying bill. Such an outcome will lead immediately to the enactment of the Unborn Victims of Violence Act, as the legislation has already passed the House and the President has stated that he will sign it.

The Unborn Victims of Violence Act would recognize an unborn child as a victim when he or she is killed or injured during the commission of a Federal or military crime. The gist of this debate is the question of whether there are one victim or two in such instances. Polling suggests that upwards of 80 percent of the American people believe that there are two victims, a view no doubt reinforced by the well-known case of Laci and Connor Peterson. It has been noted that when definitive evidence of foul play in that case came to light, two bodies washed up on the shore, not one. The Unborn Victims of Violence Act would codify that common sense observation in Federal law.

Opponents of the bill contend that the bill's "two victims" premise is "unprecedented," but 29 State laws—including the law in California, where Laci and Connor Peterson were killed—relfect that exact understanding of what merits punishment when a violent crime is committed against a woman and her unborn child. It is the "one victim" idea the Feinstein amendment would inscribe in law that would depart form the understanding embedded in the State laws addressing this question.

Finally, I sincerely hope that my colleagues—whatever their views on the question of one victim versus two victims—will firmly reject the amendment offered by the senior Senator from Washington State. I am very proud of my record of support for victims of domestic violence, and I believe that some of the ideas contained in the Murray amendment merit our consideration.

But passing the amendment we are presented with today would be a serious mistake. First, I must note that the Murray amendment was obviously drafted in haste because it contains serious technical flaws—not the least of which is a provision that would—as I understand it—give an abusive family member the same rights as a victim!

The Murray amendment would create an unpaid leave provision that is distinct from the provisions contained in the Family Medical Leave Act, FMLA, and State laws. This new leave provision would apply to employers with as few as 15 employees—compared to 50 for FMLA. FMLA applies to workers who have been employed for at least a year, but the proposed Murray leave program has no minimum requirements for length of service. Moreover, under this amendment, domestic violence leave could be taken without advance notice, and without corroborating evidence beyond the employee's own sworn statement. Given the extraordinary degree of uncertainty such a regime could create for employers, Congress must proceed cautiously here. To pass the Murray amendment today would be to flout that imperative.

I strongly support the unamended version of this bill.

Mr. LEAHY. Mr. President, acts of violence against women are always abhorrent, but they are especially disturbing when committed against pregnant women. When a violent crime causes injury to a pregnant woman that results in a miscarriage or other damage to the fetus, we all share the desire to ensure that our criminal justice system responds decisively and firmly to exact appropriate punishment. This is not an issue on which you will find any disagreement among Members of Congress, no matter their party affiliation or whether they are pro-choice or anti-abortion. Protecting pregnant women and their families from violence is a serious and compelling problem that deserves to be elevated above political agendas and partisan politics.

Today we consider a bill that proposes a new Federal crime to punish conduct that violates a list of over 60 existing federal crimes and "causes the death of, or bodily injury to, a child, who is in utero." The terms "a child, who is in utero" and "unborn child" are defined in this proposal to be "a member of the species homo sapiens, at any stage of development." Through this proposal, we will be forced to revisit the divisive political debate about when human life begins and what is meant by these terms—whether, for example, the term "any stage of development" is intended to cover an unfertilized human egg or a zygote, and how far away from viability the proposal is designed to move the federal definition of a "person."

Generally, our Federal and State criminal laws only penalize conduct that affects a person who was born alive. That does not mean we cannot or should not go further. I support additional punishment if a violent crime against a pregnant woman causes her to miscarry or otherwise injures the fetus. Senator FEINSTEIN will offer an amendment on this point, which I support, and which I will discuss in a moment.

While no other Federal criminal statute identifies a fetus as a distinct victim of crime, this does not mean that a fetus is left unprotected under our criminal laws. The Justice Department pointed out the obvious, in a letter dated September 9, 1999, to then-Chairman of the House Judiciary Committee, Representative HYDE. That letter states that "[b]ecause the criminal conduct that would be addressed . . . is already the subject of federal law (since any assault on an 'unborn child' cannot occur without an assault on the pregnant woman), [the bill] would not provide for the prosecution of any additional criminals." As Ronald Weich, a former prosecutor and former Special Counsel to the Sentencing Commission, noted in his February 2000 testimony, defendants whose violent attacks against pregnant women resulted in harm to a fetus have been prosecuted, and thus "it is very clear that criminal liability may be imposed under current federal law."

Moreover, the Federal Sentencing Guidelines already provide a sentencing enhancement of two levels where the defendant knew or should have known that the victim was a "vulnerable victim," a term that is defined as someone who is unusually vulnerable due to age, or physical or mental condition. Guidelines Manual, §3A1.1(b)(1). This provision has been used to cover violent crimes against pregnant women. Mr. Weich described several cases in which a pregnant woman was treated as a vulnerable victim, resulting in enhancements and upward departures in the applicable guideline sentencing ranges for the defendants. Nevertheless, if there is any question about the application of these enhancements in violent crimes against pregnant women, we should clarify that matter promptly.

Respectfully, it seems to me that this bill has not been crafted to find that common ground, nor designed to provide an effective means to prosecute or prevent violence against pregnant women.

First, this bill unnecessarily injects the abortion debate into our national struggle against violence towards women. The Supreme Court in Roe v. Wade held that "the word 'person', as used in the Fourteenth Amendment, does not include the unborn." This bill purposely employs terms designed to undermine a woman's right to choose by recognizing for the first time in Federal law the legal rights of a person as applied to the earliest stages of development of a fetus, an embryo or an egg.

Second, the National Coalition Against Domestic Violence has warned that a consequence of the bill is that battered women who are financially or emotionally reliant on the batterer may be less likely to seek appropriate medical attention if doing so could result in the prosecution of the batterer for an offense as serious as murder. We should pay attention to the experts about the consequences of legislative proposals such as this one, particularly when the experts say this bill could have devastating effects for victims of domestic violence.

Finally, the bill ignores the problems of domestic violence, sexual assault and other forms of violence against women; in fact, the UVVA does not even mention the woman. In short, this bill ignores the reality that an attack that harms a pregnancy is inherently an attack on a woman.

The senior Senator from California will offer a substitute amendment to S. 1019 that does what the Unborn Victims of Violence Act purports to do without wading into the political waters of the abortion debate. This amendment, commonly referred to as the Motherhood Protection Act, creates a separate, additional Federal criminal offense for harm to a pregnant woman. Under this legislation, the prosecutor may (1) charge the defendant with an offense against the woman, and (2) subsequently charge the defendant with the separate offense of interrupting—e.g., causing brain damage to the child—or terminating the normal course of her pregnancy. A defendant would face a maximum of 20 years in prison for interrupting the pregnancy and a maximum of life imprisonment for terminating the pregnancy. Such sentences would be in addition to any penalties for the underlying federal crime. These terms of imprisonment reflect the same sentences included in the UVVA.

Senator FEINSTEIN's amendment addresses harm to a pregnant woman, while recognizing the loss she suffers through injury to the fetus. By excluding the language in the UVVA that defines a human to include a fetus, the Feinstein amendment accomplishes the stated goal of the UVVA without undermining reproductive rights or ignoring violence against women.

The senior Senator from Washington will offer an amendment in support of domestic violence victims, which I am proud to cosponsor. The Murray amendment would authorize HHS grants to nonprofit agencies to help service providers design and implement intervention programs for children who witness domestic violence. The grants would encourage domestic violence agencies and schools to work together to address the needs of affected children. The amendment would also establish entitlement standards and guidelines for employees to use emergency leave to address domestic and sexual violence.

Unlike UVVA, these two amendments address the issue of violence against women. If we are serious about addressing this problem and trying to end the violence, then we should put a stop to the partisan politics surrounding UVVA and vote for these amendments.

When it has focused on the real issue of violence against women, Congress has taken aggressive action to address the problem of violence against women. Congress made great strides in the fight against domestic violence by passing the bipartisan Violence Against Women Act as a part of the 1994 Violent Crime Control and Law Enforcement Act. Senator BIDEN and Senator HATCH contributed considerable time and leadership to achieve the enactment of VAWA, which marked a turning point in our Nation's effort to address domestic violence and sexual assault.

This landmark legislation created federal domestic violence offenses with severe penalties to hold offenders accountable for their destructive and criminal acts of violence. Since the end of 1994, the Department of Justice has brought over 1000 VAWA and VAWA-related indictments and awarded over one billion dollars in VAWA grants to communities working hard to combat violence against women and to help cure the pain and suffering that results from it.

I am proud to say that Vermont was the first State in the country to apply for and receive funding under VAWA, and I have seen the way in which groups such as the Vermont Network Against Domestic Violence and Sexual Assault have worked effectively to stem violence against women and children and to assist those who have suffered from it.

I am also pleased that the conference report on the AMBER Alert and PROTECT Acts included Leahy-Kennedy-Biden legislation to establish a transitional housing grant program within the Department of Justice to provide victims of domestic violence, stalking, or sexual assault the necessary means to escape the cycle of violence. It amends the Violence Against Women Act of 1994 to authorize $30 million for each of fiscal years 2004–2008 for the Attorney General to award grants to organizations, States, units of local government, and Indian tribes. The grants will help victims of domestic violence, stalking, or sexual assault who need transitional housing or related assistance as a result of fleeing their abusers, and for whom emergency shelter services or other crisis intervention services are unavailable or insufficient. President Bush signed the conference report into law on May 7, 2003.

We know that violence against women pervades all areas of our country. It makes no difference if you are from a big city or a rural town; domestic violence and other violence against women can be found anywhere. This is a serious issue. We owe this country a serious response, not a debate on ideological proposals that ignore effective programs designed to help women crime victims. I urge my colleagues to join me in supporting the Feinstein and Murray amendments, and in voting against the Unborn Victims of Violence Act.

Mr. FEINGOLD. Mr. President, I will oppose H.R. 1997, the Unborn Victims of Violence Act, and instead support an alternative offered by Senator FEINSTEIN, and I would like to take a moment to explain why.

I join with Senator DEWINE and the supporters of this bill in condemning acts of violence against women, including pregnant women. The Unborn Victims of Violence Act would make it a Federal crime to injure or kill a fetus during the commission of a Federal crime against a pregnant woman. This separate offense would be punished as if injury or death had occurred to the pregnant woman. I believe that acts of violence against pregnant women are deplorable and should be punished severely. Congress has taken and should continue to take steps to protect women from violence and prosecute those who attack them. But I am concerned that by recognizing the fetus as an entity against which a separate crime can be committed, the Unborn Victims of Violence Act may undermine women's reproductive rights as set forth by the Supreme Court in Roe v. Wade.

That is why I plan to support a sound alternative, the Motherhood Protection Act, offered by my colleague Senator FEINSTEIN. the Motherhood Protection Act would accomplish the same stated goal as the Unborn Victims of Violence Act: establishing an additional, separate Federal offense for harm to a pregnant woman. It carries the same penalties as H.R. 1997: a maximum 20-year sentence for harm to a pregnancy and a maximum life sentence for termination of a pregnancy.

I believe that the Feinstein substitute is the better approach because it accomplishes the same goal that H.R. 1997 seeks to address without delving into the controversial issue of defining when human life begins. Regardless of our views on that highly charged question, we can agree that violence against pregnant women is a heinous crime and should be punished to the fullest extent of the law. That is why I will oppose H.R. 1997 and instead support the Feinstein substitute.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, how much time does the other side have remaining?

The PRESIDING OFFICER. They have 1 minute 58 seconds.

Mrs. FEINSTEIN. Mr. President, I agree that the debate is concluding, and I thank the Senator from Ohio. This is a serious subject and it is a difficult subject and it is a controversial subject. I appreciate the manner in which the debate has been conducted, because I think it has been conducted in the best tradition of the Senate, with the exception of your not letting me modify my amendment. But I will only interpret that as caused by the fact that the other side is worried and doesn't want my amendment to get any better, so they refuse to let me modify it.

We have two different bills here. I think we have expressed the differences. The underlying bill does recognize the unborn at any stage of development, as long as they are in the womb, as a human being, as a victim and with rights.

My bill, rather than enter into where life begins, at what point in this gestation period life actually begins enough to say this is a person with rights—it doesn't get into that. It takes the penalties and does a double charge and says if the predicate crime is present, and you carry out the crime to harm or end the pregnancy, it is a double charge so you are charged accordingly.

The hard part of this is that we all know there has been a march to turn back Roe v. Wade. Every Member of this Senate knows it. We have had vote after vote after vote. Since 1994, the pro-choice side has lost most of the votes. That is irrevocable fact. We know the march is on.

So those of us who are pro-choice naturally are going to look at laws to see if those laws can constitute, in addition to what they are supposed to do, any kind of bulwark from which to attack Roe.

Because of the definition of a child in utero being, at any stage of development, a member of the species Homo sapiens, we come to a conclusion. We asked the question, first, why do they use that definition? So many States have passed laws and many of them have used different definitions, why do they select that definition?

Answer, because it accomplishes the purpose of determining that once a fertilized egg is in the womb, it becomes a human being. That, then, buttresses statements such as this one on the easel.

This isn't the only statement. I can give another statement by another professor which I used in my opening remarks. It is a statement of a Republican strategist. Professor Charo is at the University of Wisconsin. She made the statement recently:

> If you can get enough of these bricks in place, [meaning laws] draw enough examples from different parts of life and law where embryos are treated as babies, then how can the Supreme Court say they are not? This is, without question, a conscious strategy.

So if you believe it is without question a conscious strategy—and I, based on the history of how the erosion against Roe is being waged, piece by piece, bit by bit, law by law, action by action, I believe it is a conscious strategy. The hard part about it for me is that you feel this terrible empathy for women who have been the victims and who are 7, 8, 9 months pregnant. That has been every case that has been before us today, it has reached that stage of gestation, where you know your child can exist outside of the womb and some animal has taken the child away from you by beating you to the point where they have killed the child and in many of the same cases—the Senator from Kansas illustrated today—killed the mother as well. We want to throw the book at that perpetrator. And we do. We believe our bill is clear, and we believe our bill will stand the test of time.

So we ask the Senate to support the substitute amendment and turn down the underlying bill. I reserve the remainder of my time. I yield.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I will again point out for those who are worried about some great precedent being set here in regard to abortion that over half the States have similar laws and many of them are absolutely identical to what we are writing. So people should not be concerned about this.

The PRESIDING OFFICER. Who yields time?

Mrs. FEINSTEIN. I yield but I am reserving the remainder of my time. I may have something to say in a minute or so, and I may not.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I think I have just a short time left. How much time do I have?

The PRESIDING OFFICER. Five minutes.

Mrs. FEINSTEIN. Mr. President, for those who might have gotten involved in this late, I would like to use the 5 minutes to say a few things.

The first is that this is one of the most difficult areas in which to legislate because it is filled with so much emotion and so much difference of opinion. It is one of those great cultural problems that exists out there in our real world, as opposed to this world, where human lives are very much affected.

On the one hand, you have the situation the Senator from Kansas, the Senator from Ohio, and the Senator from South Carolina pointed out—situations where you have women who have terrible things done to them. It is just so hard for us to realize how that can happen, that any man can be that callous to beat to death a woman who is 7, 8, or 9 months pregnant; can use a knife; can cut her fetus when you know that child is capable of life.

I understand what drives this desire. What drives the desire is to see that there is equal punishment for the taking of that life, which I believe is a life because it can sustain life. Its pulmonary functions have cleared out in the last few weeks of pregnancy and those kinds of things. But basically it is a baby, and basically it is viable. I understand all of that.

When you get down to definitions, and when you look at the statute itself, what concerns many of us and makes us understand we are dealing with something much more than just what I have said is the definition of a child in utero who is made by this bill a person, a member of the species Homo sapiens at any stage of development as long as it is in the womb—that could be 3 days, I am now told, from conception—you are not only creating criminal law for the woman who can produce a child who can live and whose life is taken away but we are creating a sanction for an egg that is fertilized that may be 3 days old. That sanction can be murder and carry with it the full weight of murdering another human being. It is a very heavy sanction. You are giving rights to that newly conceived egg of a full person.

There are many of us who say this is another way of doing this. That is just saying if you harm or end a pregnancy, these full charges will revert.

The reason we do it that way is because it exists all around us. The fact that there is a reason for how this child in utero is defined and the reason is, as I have tried to elucidate—and there are many other cases—"In as many areas as we can, we want to put on the books that the embryo is a person."

Why do they want to do that? It is simple. They want to do it because if we legislate, and the Federal crime is that if a 3-day-old egg is a person and has rights, then abortion under this same context is murder or manslaughter or assault. Full rights of a person are given.

I think that is a problem when you codify it in statute. This body is then saying: Yes, we agree. Therefore, a case can be brought against abortion of any kind at any time and also against embryonic stem-cell research that some of us believe is the new horizon of medicine, which is capable of finding cures for Parkinson's and Alzheimer's, and juvenile diabetes.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. FEINSTEIN. Just to sum up, I hope Members of the Senate will vote for the substitute amendment and against the underlying bill.

I thank the Chair. I thank the distinguished Senator from Ohio. It has been a very interesting morning.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I thank my colleague from California. This has been a very good debate. No one in the Senate Chamber cares more about the victims we have been talking about than my colleague. I salute her for her compassion. I salute her for all the great work she does in this Chamber.

Three points: This bill has nothing to do with abortion. We shouldn't fear it. People who are on either side of abortion should not fear this bill. The States have already passed laws similar to this. They have not affected abortion. That is point No. 1.

Point No. 2: The Feinstein amendment denies that there is a second victim. If you care that there is a second victim, if you care about justice, don't vote for the Feinstein amendment.

Point No. 3: The Feinstein amendment is drafted, unfortunately, so there is no penalty for the killing or the injuring of the child.

That is a problem. I don't think anyone intends for that to be the case in the sense of voting that way. If you vote for the Feinstein amendment, you are denying that there is a second victim. You are also denying that there will be any penalty for the killing or the injuring of that victim. That is what a vote for the Feinstein amendment would do. I ask my colleagues to vote no on the Feinstein amendment.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment.

Mr. DEWINE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Delaware (Mr. BIDEN) is absent attending the funeral of his wife's grandmother.

The PRESIDING OFFICER (Mr. CRAPO). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 50, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—49

Akaka
Baucus
Bayh
Bingaman
Boxer
Byrd
Cantwell
Carper
Chafee
Clinton
Collins
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Reid
Rockefeller
Sarbanes
Schumer
Snowe
Specter
Stabenow
Wyden

NAYS—50

Alexander
Allard
Allen
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Chambliss
Cochran
Coleman
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Hutchison
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—1

Biden

The amendment (No. 2858) was rejected.

Mr. FRIST. Mr. President, I move to reconsider the vote.

Mr. BROWNBACK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2859

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I have an amendment No. 2859 at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mrs. MURRAY] proposes an amendment numbered 2859.

Mrs. MURRAY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under "Text of Amendments.")

The PRESIDING OFFICER. There are 2 hours equally divided on the amendment. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, today I am offering an amendment to help prevent violence against women and children. We have heard a lot of talk today about punishing abusers. Now it is time to see who is serious about preventing abuse in the first place.

As someone who has spent my entire public life talking with victims, visiting shelters, working with advocates in law enforcement, and funding the programs victims rely on, I am here this afternoon to offer an amendment that will help women and children get the help they need to be safe and, most importantly, to save their lives.

Mr. President, the amendment I am offering this afternoon is built on what victims and experts have told me they need. That is why this amendment has been endorsed by the National Coalition Against Domestic Violence and the Family Violence Prevention Fund. These organizations know what victims need, and they say the Murray amendment will really help victims of violence.

Mr. President, I am honored to say that my amendment is named for Paul and Sheila Wellstone, who were such champions for victims of domestic violence. Senator Wellstone and I introduced legislation which is today included in this amendment. Paul's desk was just behind me here on the Senate floor. I can still see him behind me waving his arms and making the case for people who have no voice.

This amendment is a real tribute to Paul and Sheila and the fight we carry on for the millions of people who need a voice in the U.S. Senate. Whenever Paul debated an issue, you could always tell who was really standing up for families and who was just talking. The vote on my amendment will reveal who is truly concerned about giving women and children the tools they need to escape violent relationships, and who is more interested in playing politics and attempting to undermine women's constitutional rights. Any Senator who is truly concerned about the safety of women and children will join me and give battered women the support they need to escape violent relationships before it is too late.

Now, I have a feeling that during this debate we are going to hear a lot of excuses. Some Senators are going to stand up here and claim that preventing violence against women is somehow not relevant. Senators will stand up here with the talking points that have been prepared for them by the Chamber of Commerce and say that protecting women from deadly abuse is somehow bad for business.

We are going to hear a lot of excuses. But I have something stronger. I have the actual stories of dozens of women who are being abused, who have escaped abuse, or who have been killed by their abusers. Those are the voices that need to be heard on the Senate floor, not talking points from lobbyists, not the same old excuses from the very people who are cutting Violence Against Women Act programs by $10 million. We have had enough of that. We know where it has gotten us: 2 million women assaulted every year.

Nearly 1 in 3 adult women are assaulted. There are 4.9 million intimate partner rapes and physical assaults, and thousands of women every year are killed by a spouse or a boyfriend. We know what all those excuses have produced: Women who are beaten, raped, and murdered.

Some lobbyists and Members of Congress want to bury my amendment. You know what. We have had to bury enough people already. Let's see who is serious about helping to prevent violence and who is just playing politics with the lives of battered women.

Let me read a note I received from an advocate for victims of abuse. She writes:

> I have had many many clients over the years who have come to me after they have been fired from work because they missed a day of work to go to court to get a civil protection order. In some of these instances, the women had sick days, but they were still fired. Several of these women were forced to return to their batterers after they lost their jobs because they lost their income and they and their children would have been homeless if they did not return.

These are some of the women who are trapped today and who desperately need our help. Mr. President, my amendment is especially important because the Bush administration is cutting or freezing funding for critical domestic violence programs. Every year, 2 million American women are sexually assaulted, stalked, or physically assaulted—2 million women every year. You would think that the White House would recognize the need to fund domestic violence programs, but the President's latest budget offers more bad news to victims of violence.

Let me give you some examples. The President's budget cuts Violence Against Women Act programs by $10 million. It cuts a Justice Department rape prevention program by $29 million. It freezes funding for the domestic violence hotline, and it freezes funding for grants for battered women shelters, precisely at a time when we need increases because evidence shows us that domestic violence increases during tough economic times just as we are having today.

So I find it pretty ironic to be here today with a bill before the Senate that purports to help victims of domestic violence while it ignores all we know about preventing it. Anyone who has talked with victims' advocates and law enforcement knows that domestic violence prevention requires more support, not less—not less. It is clear that we need to help victims escape violent relationships, and the Paul and Sheila Wellstone domestic violence prevention amendment will help.

Mr. President, my amendment does several things. It gives victims of abuse access to unemployment insurance if they have been forced to leave their job because of violence. It gives victims of violence access to expanded emergency leave so they can go to court or to the police to stop the abuse. It protects victims from employment and insurance discrimination. It provides services for children who witness domestic violence so we can end that cycle of abuse. It helps health professionals screen for abuse and respond appropriately. It gives victims better access to critical health services. Those are the steps we need to take today to protect the more than 2 million women who are sexually assaulted, stalked, or physically assaulted every single year.

Mr. President, let me say a word about the relevance of my amendment. I expect some Senators will come here and claim that preventing violence against women is somehow not relevant to the bill we are debating today. To them, it never seems to be the right time. There is always an excuse. In fact, these Senators are sending a message that victims are not relevant until they are dead. If any Senator wants to come down here and tell women across America that the abuse they face is not relevant, then they will have to make that insulting claim alone because I am going to keep fighting to get victims the help they need, to prosecute abusers and break the cycle of violence. You tell a woman who is being abused she doesn't deserve more help; you tell a child who is witnessing abuse every night that my amendment is unnecessary. I am not going to tell victims that. My amendment gives them the real help they need.

Mr. President, victims of violence have heard a lot of excuses over the years. Claiming that their daily abuse is not relevant to this Senate debate is just another of the excuses that have trapped women every year in this country. That claim is as insulting as it is false.

Just look at the recent debate in the House of Representatives on this underlying bill. During that debate, every single anti-choice Member who spoke referred to criminal acts of violence against women. Violence against women is a central part of this debate. Preventing violence against women and helping women and children who are being abused is central to this discussion.

Opponents cannot have it both ways. They cannot claim that their bill is needed to address the violence against women and then claim we should not debate ways to prevent violence against women. This amendment is clearly relevant and will truly help women and children.

Anyone who wants to claim it is not relevant will have to answer to the victims to whom they are denying help. Either you are serious about helping women and victims or you are playing politics and making excuses.

Women and children who are being violently abused every day deserve to know where their Senators stand, and Members of Congress are certainly hearing from outside groups on this, from groups that are not known—not known—for their advocacy on fighting domestic violence.

Yesterday, Senators received a letter from the U.S. Chamber of Commerce urging them to oppose my amendment. Bruce Josten, the Chamber's Executive Vice President for Government Affairs, makes the Chamber's case rather forcefully in his letter. He writes:

> It is important to note as a preliminary matter that H.R. 1997 is clearly an inappropriate vehicle for this amendment as the issues involved are completely unrelated.

"Unrelated." We are dealing with a bill that claims to address the crime of violence against women, but an amendment that would actually prevent violence is "unrelated," according to the Chamber of Commerce.

Mr. Josten goes on to write:

> The ill-designed programs promise to impose significant costs on business, particularly small business.

So the Chamber argues that the cost of preventing further violence against women is too high to pay. In other words, preventing domestic violence and giving women the tools to escape from abusive relationships is bad for the bottom line.

Let's, for a minute, examine the economics of domestic violence. There are costs associated with allowing domestic violence to continue, not just for women but for businesses.

In 2002, economists Amy Farmer of the University of Arkansas and Jill Tiefenthaler of Colgate University published a report on the economic impact of domestic violence. They examined publicly available studies performed in the United States, including the annual National Crime Victimization Surveys, two Physical Violence in American Families studies, and seven studies in the national violence against women survey.

As Ms. Farmer explained:

> Each study was intended to answer different questions, so the data sets have different strengths and weaknesses. When we incorporated these data into a single model of domestic violence, a different picture emerged that can be seen from any one study.

They found that absenteeism, tardiness, and turnover rates are all high among domestic abuse victims. Farmer's research also concludes that domestic abuse may result in almost 7 million lost work days annually—7 million—reduced workplace productivity, increased insurance costs, and lower profits.

The researchers also cited a 1995 Roper report that found that 49 percent of the Fortune 100 executives surveyed believed that domestic violence hurt their company's productivity, and 33 percent said it lowered their profits. So this is a problem that is real, and it has real costs for businesses.

If you go to the Corporate Alliance to End Partner Violence, you can learn some other interesting facts about domestic violence and how it affects the bottom line. On their site, you will find medical expenses from domestic violence costs $3 billion to $5 billion a year. Businesses are paying $3 billion to $5 billion a year in health care for victims of domestic violence.

You also learn that 94 percent of corporate security directors rank partner violence as a high security problem. They estimate that 75 percent of victims of domestic violence are harassed at work by their abuser.

Here is a startling fact they have on their Web site: Homicide is the No. 1 leading cause of death on the job, and 20 percent of those murders were committed by their intimate partner at the workplace.

What should we conclude from this data? Domestic violence is bad for business. It has real and it has painful costs on employers. So for those Members who want to weigh this measure against its economic merits, as the Chamber does, the facts are clear. Providing the tools that will allow abused women to escape abusive relationships can help offset billions of dollars in costs that domestic violence imposes on businesses.

But I hope my colleagues will consider more than the economics as they cast their vote. I hope my colleagues will consider the cost to the women and children who are the victims of domestic violence—the cost in pain, the cost in lives—and the pain and the lives we can protect by giving women the tools they need to escape abusive relationships.

I would like to share with my colleagues this afternoon some of the stories of the women we are trying to help with this amendment. These stories were shared with me by a nationally recognized advocate for domestic violence victims.

Let me tell my colleagues a story about a woman who had worked at a medium-sized organization for over a year as an administrative assistant. Her husband had been beating her on and off for over 15 years of their relationship. When things escalated, she missed work due to a severe beating. She called in to work and was honest about what happened to her. She came in to work the next day and was told she was fired. Her company told her they were afraid that her husband would come to the workplace and hurt her coworkers, although that had never happened before.

She did not qualify for job guaranteed leave under the Family and Medical Leave Act because the company employed less than 50 employees and, arguably, her injuries from the beating did not qualify as a serious health condition. So it made her firing legal.

If VESSA—the act we are talking about—had been in effect, she would have had access to job guaranteed leave or perhaps a provision prohibiting employers from discriminating against victims of domestic violence. She applied for and was denied unemployment insurance.

This is a real woman. This is what happened to her. It could be your next-door neighbor. It could be your daughter.

There is another woman who worked as a hospital nurse. She just left her batterer and was concerned that he might follow her to her workplace. She told her employer of her fears, and they fired her. She applied for unemployment insurance. She was denied.

Another story: Abusers often contact employers themselves to get the women they are abusing fired. One batterer called up the workplace and told them his victim was HIV positive. He then told the employer that the woman was a liar and was missing work so she could file a frivolous restraining order against him. The woman took an earned sick day off from work, but when she returned to work, she was told she was fired because she was a victim of domestic violence. If VESSA had been in place, that would have been illegal.

Another story: A woman was assaulted by her batterer in the parking lot at her workplace. She was then fired for "being in a fight."

Let me tell you about a woman who was strangled by her batterer. Her doctor told her to stay home from work for 5 days after being strangled. She called in sick to work, and she was fired because she did not have enough vacation days and she did not qualify for family and medical leave because her employer was too small.

These are real people, Mr. President. These are our next-door neighbors. These are women who live in our communities. These are real stories.

Another example: One morning a woman was getting ready to go to work and her abuser came to her home with a gun. He told her that if she left the house, he would kill her. She was able to call the police, and the police came to her home and arrested the batterer. She got a police report. She called her workplace and explained why she was unable to come to work that day. The next day she returned to work and was fired for missing work and was denied unemployment insurance.

Let me tell you another story: One woman got a call at work from her abuser. Her coworker overheard the conversation, and then her employer took her aside and said since she was dealing with so much, she couldn't possibly continue to work for him and fired her.

Here is an example of what happens when a woman tried to go to court to get help. A woman told her employer that she was in a violent relationship and that she would need to take a day off from work to go to court to get a protection order.

The employer seemed supportive and agreed, so she took the day off and went to the court. The next day when she arrived at work, her supervisor called her into his office and she was fired for missing work, even though she had obtained permission the day before.

These are just some of the people who desperately need our help. These are real stories. These are real women. They need this amendment to break out of these abusive relationships.

Let me take a minute to put this amendment in context because it is the next logical step in the progress that we have been making in fighting domestic violence. We have come a long way over the past few years in dealing with domestic violence. Not long ago domestic violence was considered a family problem. It was something people did not talk about. That climate made it very difficult for victims to seek help. It prevented friends or neighbors from getting involved in what was considered someone else's business.

Today stopping domestic violence is everyone's business, thanks to the Violence Against Women Act, which I was proud to work on and help pass. For the first time, the Violence Against Women Act recognized domestic violence as a violent crime and a national public health crisis. It laid out a coordinated strategy to bring advocates, shelters, prosecutors, and law enforcement professionals together to fight domestic violence. I was proud to help reauthorize the Violence Against Women Act in 2000.

Over the years, I have been proud to work with advocates from Washington State and across the country to strengthen these violence against women programs, to increase the funding, and to help raise awareness. So the Violence Against Women Act was the first step and it helped us respond to the immediate threat of abuse. Now it is time for us to address the long-term problems that victims face. We need to break down the economic barriers that trap these women in abusive relationships, and we need to reach out to the children who witness this violence, help health care professionals stop the cycle of violence and truly protect women and children.

Let me take a few moments to walk through the parts of my amendment and show how it will help prevent and stop abuse. My amendment gives victims of violence access to unemployment compensation. Specifically, it provides victims of domestic violence, dating violence, sexual assault, or stalking with unemployment insurance if they have been separated from their employment as a result of the violence.

Many abusers trap their victims financially, limiting their ability to work and forcing them out of a job. I will share some statistics that have been compiled by the National Coalition Against Domestic Violence. Many victims of domestic violence have current or former partners who interfere with their efforts to work by harassing them on the job, threatening them and their children, withholding transportation, or beating them so severely they cannot work. In addition, more than 25 percent of domestic violence victims surveyed in three national studies reported they lost a job due at least in part to domestic violence.

We know that a job is often the only way for a victim to build up resources for themselves to eventually leave a violent relationship, but abuse and stalking can make it impossible for a victim to keep a job. We know of cases where abusers will deliberately sabotage a victim's ability to work, placing harassing phone calls, cutting off their transportation, showing up at the workplace and threatening employees. When a victim loses her job because of violence, she should have access to unemployment insurance compensation benefits.

During this debate some may claim this is some big, onerous expansion. I have seen the talking points from the groups that want to kill this genuine effort to protect women from violence, and they have it wrong. This is not some dramatic expansion. In fact, today 25 States already provide some type of unemployment insurance assistance for victims of domestic violence. We can offer that same protection to victims in every State, and we have an obligation to do it.

My amendment will also protect victims by allowing them unpaid time to get the help they need. Today a woman can use family and medical leave to care for a sick or injured spouse, but many women cannot use that act to go to court to stop the abuse. My amendment fixes that. We know that taking a day off of work to go to court or to go to the police can save a woman's life. My amendment ensures women will not be punished for taking those steps that they need to take to protect themselves from abuse.

Let me turn to another part of my amendment which deals with the children who witness domestic violence.

Batterers often harm children as well as their intimate partners, and witnessing violence can have a serious impact on young children and all children. Let me offer some statistics about abuse and children to put this in perspective.

Between 3.3 million and 10 million American children annually witness assaults by one parent against another. In 43 percent of households where intimate violence occurs, at least one child under the age of 12 lives in that home. Children are caught in the crossfire of abuse, and while we know all children are affected differently, we do know that children who witness violence at home may display emotional and behavioral differences as diverse as withdrawal, low self-esteem, nightmares, or aggression against their peers, family members or property.

We know that witnessing abuse by a child can contribute to the cycle of violence. The Office of Juvenile Justice and Delinquency Prevention at the U.S. Department of Justice finds that as many as 40 percent of violent juvenile offenders come from homes where there is domestic violence. In my home State of Washington, we are now all too aware of the price children pay in cases of domestic violence.

In April of 2003, the Tacoma police chief, David Brame, shot and killed his wife Crystal. Then he took his own life, all while their two young children watched. The final tragic act was the last in a long history of abusive events that often played out in front of their two small children.

According to the police report, David Brame had been driving around in a shopping center parking lot in Gig Harbor that day when he spotted his wife Crystal and the couple's children as she was parking the car. Brame shot her and then turned the gun on himself.

According to a witness, 7-year-old Haley told her:

> My daddy is a policeman and he is very mean to my mommy. I think my daddy has killed her.

Then Haley told officers she had seen her dad point a gun at her mom's head in the past.

Detectives talked to the son, David, 5 years old, at the hospital a few hours later as the mother was fighting for her life. They asked the little boy, 5 years old, "Did you see the gun?"

He answered:

> Yeah. And, it shooted my mom into flat dead.

The children talked about past anger between their mother and their father and what led to that terrible day. That is just one terrible example of the trauma that children who live with domestic violence have to live with. It should be our collective goal to help them overcome it.

This is how this amendment would help children who witness domestic violence. It establishes grants to children who have been exposed to domestic violence such as I just described. It supports direct counseling and advocacy, early childhood and mental health services, legal advocacy and specialized services. It provides training for school personnel to develop effective prevention and intervention strategies. It helps child welfare agencies, domestic violence, and sexual assault service providers work together to protect the children.

Finally, it supports multisystem intervention models and crisis nurseries for children who are exposed to violence in their home.

Children who witness domestic violence have special needs. They are not being addressed today. We have an obligation to change that.

Let me turn to the next part of my amendment, which increases health screening so more victims can get assistance. More than one in three women who seek care in emergency rooms for violence-related injuries were injured by their intimate partner. Unfortunately, most victims who seek health care leave the doctor's office without addressing the underlying cause of their injuries. They leave that untreated, and that is the violence they suffered. The cost of intimate partner violence exceeds $5.8 billion every year; $4.1 billion of that is for direct medical and mental health care services.

Health care providers can do a great deal to stem the tide of domestic violence before it becomes life threatening. A 1999 study published in the Journal of the American Medical Association found only 10 percent of primary care physicians routinely screen for intimate partner abuse during new patient visits, and 9 percent routinely screen during periodic checkups.

Emerging research shows us hospital-based domestic violence interventions could reduce health care costs by 20 percent. My amendment will help ensure health care providers are trained in how to identify and serve victims of domestic violence, and provide grants to strengthen health care systems' responses to domestic violence.

My amendment will promote public health programs that integrate family violence assessment and intervention into basic care. It encourages collaboration between health care providers, public health programs, and domestic violence programs.

My amendment will lead to more effective interventions, more coordinated systems of care, greater resources to educate health care providers about domestic violence, and ultimately what we all want, more women receiving help.

In December of 1999, the New England Journal of Medicine published a major study on the risk factors for injury to women from domestic violence. Here is what one of the researchers, Dr. Robert Muelleman, had to say.

> A lot of women who have died from domestic violence had been seen in their local emergency rooms at least 2 years before their deaths. In America, 2 to 4 million women are injured each year, and 1 to 2 million of those show up in emergency rooms. Of these, 2,000 to 3,000 a year end up as homicides.
>
> It's clear that medical professionals in the emergency room can be a great help in identifying at-risk women and directing many of them to supportive resources before it's too late.

That is from Dr. Robert Muelleman of the University of Nebraska Medical Center.

Let me turn to another part of my amendment, which expands the services available to victims of abuse. My amendment gives the States the option to use Medicaid to help victims, it ensures domestic violence screening and treatment is covered by the Federal Employees Health Benefit Program, and finally my amendment ensures States use some of the maternal and child health block grant on domestic violence screening and treatment.

Those are the main provisions of my amendment. Extending unemployment insurance benefits for victims of abuse, offering family and medical leave so a victim can go to court or the police station to get help, ending insurance and employment discrimination, providing help for those children who witness abuse, offering access to health care for victims, and improving the way our health care providers screen for domestic violence.

My amendment combines the protections and services victims, law enforcement, and advocates tell us are needed, based on their real world experiences every day on the front lines of domestic violence. We have an opportunity today finally to make a real difference for millions of women who are being assaulted. We can save lives and we can eliminate all the costs domestic violence imposes on our businesses, on our families, and on our communities. The question is whether we are serious about helping to prevent violence against women.

The underlying bill before the Senate today focuses only on penalties after a woman has been abused. My amendment aims to prevent that abuse in the first place. After a woman has been killed, it is too late. We have to stop this abuse before it ends up killing some woman. My amendment gives women today the tools to escape deadly abuse.

Are the Senators in the Chamber serious about helping victims of abuse? That is the question before us.

Frankly, I don't care what the lobbyists say out there. The Chamber of Commerce has lobbyists lined up and down the hall, and they have plenty of people making their case. But I tell you, the women whose stories I shared with you today don't have lobbyists lined up in the hall.

I have been to the shelters. I talked to the women who have been beaten. I have looked in their eyes and I know the odds they are up against. I know what I would say next time I am looking into the eyes of the victim of abuse.

My colleagues will have to decide for themselves if they are going to give her excuses or throw a lifeline to help her escape the violence that may kill her. I say to my colleagues, what are you going to say to the victims of abuse? Your vote will speak volumes.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I want to take a moment to address my concerns about the amendment my friend and colleague from Washington, Senator MURRAY, has offered to the underlying bill.

First, let me commend my colleague for her passion, for her dedication to promoting public awareness about domestic violence, and for her dedication to this cause. She certainly is a tireless advocate in these efforts to help end domestic abuse. She is steadfast and unwavering in her commitment to these issues, and I applaud her for offering this amendment today.

But, reluctantly, I come to the floor this afternoon to oppose this amendment. I say this not because I am opposed to all the provisions of her amendment, but because the reality is this is not the time or the place for this amendment. Her amendment being offered to this bill, as a practical matter, does not have any chance of becoming law. We understand how not only this body but the other body operates. The truth is, what the agreement to this amendment would do is stop the underlying bill. When we look at the calendar, when we look at the reality of the other body, when we look at what is going on in this body, the agreement to this amendment to this bill will stop this bill. It will kill this bill.

So when Members come to the floor, I implore them to think about this, however tempting it might be to agree to this amendment. It is a very big amendment. It is a very complex amendment. Some of my other colleagues in just a moment will talk about the merits of this amendment. I am not going to get into that.

I have a long history in the House, when I was in the House and later when I was Lieutenant Governor of Ohio, and now in the Senate, of supporting the cause of dealing with the problem of domestic violence. So many other Members of the Senate have done that as well. I don't say I am the only one. Other Members have had a great record. My colleague has a great record.

But the reality is this amendment, however well intended, cannot become law this way. It will not become law this way, and it will have the effect of killing this underlying bill. So, therefore, I must oppose this amendment. This amendment would kill this bill.

We are so close to seeing the underlying bill, a bill we have worked so hard to pass, actually go to the President.

The House has passed it. We are very close to passing it here in the Senate and sending it on to the President for his signature. The only thing, frankly, that now stands between this bill becoming law and going to the President for his signature is the Murray amendment.

At this point, I will yield time to my colleague from the State of Utah for his comments about this amendment.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I couldn't agree more with the comments the distinguished Senator from Ohio just made. This is a very important piece of legislation. It should not be killed on by this last-minute, 158-page amendment, which has not had a single hearing.

I have long been a supporter of ensuring that our Nation's laws extend all the protections available to women who are victimized by domestic and other violence.

Along with Senator BIDEN, I have taken the lead in addressing this issue through national legislation with the passage of Violence Against Women Act.

I commend Senator BIDEN for the work he has done on that. But it took a bipartisan effort to get that through. Of course, I worked very hard side by side with him to get that bill passed, and have stood up for it ever since.

Because of the passage of the Violence Against Women Act, the Department of Justice is now authorized to coordinate with Federal and State governments, as well as international governments, on matters concerning violence against women.

In fact, the Bush administration will allocate almost $400 million this year alone for these worthy programs.

I note with a sense of pride that a former adviser to my Woman's Advisory Council from Utah is now the director of the Office on Violence Against Women in the Department of Justice. She is doing a terrific job.

Violent crimes against women continue to be among the most under-reported. Even so, the statistics that are reported do not convey the feeling of fear and vulnerability millions of women across this country must face in our streets and all too often in their own homes.

To address this problem, effective intervention in the area of domestic violence requires coordinated efforts by police, prosecutors, counselors, and courts. It demands a major commitment by Government at all levels, Federal, State, and local. I am proud to help in coordinating the response to this important issue and have been very proud to have done so in the past. I intend to continue addressing these concerns in the future.

I say all of this to set the backdrop for why I urge my colleagues to vote against the Murray amendment.

Let me say at the outset I appreciate my colleague, Senator MURRAY, for attempting to advance the discussion on this issue. As someone who has been working on this matter my whole political career—and even before I officially began my political career—I know how difficult it is to craft effective legislation which truly makes a difference in this area of the law. It takes countless hours of hearings, meetings with interested and affected constituents, as well as committee markups to ensure what is ultimately passed is well formulated and well vetted so you accomplish the goals you set for yourself without causing unintended consequences.

This is a complex area of law. I am sorry to say, however, this amendment has not been adequately scrutinized. In fact, I am told no committee has examined this proposal, leaving it with far too many troubling provisions.

This is not a simple amendment. It is 158 pages long. Let me take a moment to point out just a few of the more troubling provisions contained within the Murray amendment. I am only talking about a few of them. There are plenty more.

In this Congress we have taken on a number of civil justice reforms. From class action to medical malpractice reform to asbestos reform, which I am hopeful we will consider in the next week or so, we have substantively addressed many of the more troubling aspects of civil lawsuit abuse. This amendment, however, takes us exactly in the wrong direction after all of that work.

For instance, section 112 allows plaintiffs to recover liquidated damages in addition to other damages under this amendment. This is a technical area of the law. But it is a very important area. What this amendment does makes absolutely no sense. It doesn't have a chance in the world of going through the whole Congress, but will in essence destroy this very worthy and important bill.

Liquidated damage provisions are appropriate when the actual damages are too difficult to ascertain. Accordingly, in lieu of actual damages, parties agree upon a reasonable estimate of liquidated damages. Thus, liquidated damages are used as a substitute for actual damages and not as a supplement to them. Courts simply do not enforce liquidated damages that are merely intended to serve as a penalty.

In this litigation-prone country we have right now, this would go completely awry, and it would undermine, it seems to me, what we are trying to do to prevent violence against women in the end.

What it seems the Murray amendment is trying to do is codify a set formula for determining punitive damages by automatically doubling the amount for compensatory damages with the possibility of a reduction if good faith is shown. But if that is the intent, the bill is not drafted properly to carry out that intent.

This glaring error is just one example of what occurs when a bill does not undergo the scrutiny required to pass sound legislation.

It took us years to pass the Violence Against Women Act—not because we were stupid and not because we didn't want to do it faster, but because we had to listen to experts and make the appropriate changes that have made it the great law it is today.

What will happen if this amendment is adopted? First of all, this amendment isn't going to go anywhere, anyway. But if it is adopted, it will destroy this bill. Basically it will undermine what all of us—a vast majority in this body—are trying to do.

The one reason we created the committee system, of course, is to correct and vet legislation rather than wasting valuable floor debate time.

An additional provision found in the Murray amendment pertaining to class action—section 112(g)—appears to fly in the face of the efforts of a vast majority of Senators. It makes no effort to take into consideration issues that trouble the majority of Senators. This amendment codifies in the United States Code a right to bring class actions.

I have helped lead the fight in this Congress to reform the substantial abuses that have occurred by some unscrupulous trial lawyers, personal injury lawyers primarily, who have brought unjustified class actions in an attempt to extort settlements from companies across this country. That is right. Extort settlements. In fact, well over 50 of my colleagues—truth be known, over 60 of my colleagues have joined with me to take a stand against these abuses. In light of this clear expression of sentiment, it makes no sense to codify in the United States Code this class action authorization. It flies in the face of everything we are doing around here.

Obviously, there has been no serious effort to address the legitimate concerns of the bipartisan majority of the Senators working on the class action issue, and we have worked on it for years. We are still working on it. We have come a long way. We now have a supermajority of Senators who will support class action reform as it should be supported. But it took years for us to get there. Unlike some 158-page amendment that has not been well thought through but brought up on the floor suddenly. However well intentioned the efforts are, in the end, the result will be to destroy the underlying bill that the vast majority of us would like to pass.

I am sure Senators GRASSLEY, KOHL, CARPER, and I will work with the distinguished Senator from Washington in good faith, if she will work with us in good faith with regard to her concerns as exemplified in this 158-page amendment.

Finally, let me point out another provision of the Murray amendment that opens the door to further lawsuit abuse.

In a country that has long been known for its litigation abuse, and we all know this is true, these ill-thought-out litigation matters are running us into bankruptcy—ruining businesses throughout the country, not getting money to those who deserve them, and driving a set of unscrupulous trial lawyers who basically know better but who are more interested in making money than they are in doing what is right.

Section 134 of this 158-page amendment itemizes what can be recovered in a lawsuit brought under this amendment.

In addition to the ordinary recoveries already permitted in the civil justice system, this amendment proposed by the distinguished Senator from Washington would permit a money recovery when the plaintiff suffers "inconvenience," "loss of enjoyment," and other non-pecuniary losses. Recovery for inconvenience? Recovery for loss of enjoyment? My gosh, what does that mean in the law? Anyone who takes the metro during rush hour suffers from inconvenience. And, I might add, loss of enjoyment. This type of language is absurd. It should not even be considered by this right-thinking body.

I am just mentioning a few of the problems. I don't want to take much longer because there is only an hour on each side in this debate. These are just a few of the problems caused by this amendment as it relates to civil justice judiciary issues, important issues that should not be dealt with frivolously.

I have not touched on other problems caused by the amendment such as the increase in taxes on small business that will inevitably follow if it is passed, the wholesale restructuring of state unemployment insurance rules and regulations, as well as the substantial 11th amendment concerns raised by this poorly drafted but well-intentioned amendment.

I understand others will come to the floor to discuss these issues so I don't intend to repeat them now. They are important issues. This is not an itty-bitty amendment. This is a major amendment that literally has not had a day of hearings.

I take a backseat to no one, not anyone, in ensuring that Congress does everything it can to provide protections, support, and resources to combat domestic violence. But this amendment is not well written. Or perhaps I should say, not only is it not well written, it is overwritten in many respects.

Because of the problems replete in the Murray amendment, I cannot vote in favor of it. I recommend Senators on both sides of the aisle vote against this amendment. We will certainly sit down with the distinguished Senator and look at her goals and her aims, try to help her fashion this amendment so that it can pass the Senate in a form that literally makes sense in the law, makes sense in reality, and makes sense in practicality.

I yield the floor.

The PRESIDING OFFICER (Mr. CHAMBLISS). Who yields time?

Mr. HATCH. I yield such time as he needs to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. I rise in opposition to the amendment offered by the Senator from Washington. This amendment is a sweeping expansion of Federal employment law without a hearing, without committee debate, without committee amendments, and without any potential for floor amendments. We never legislate like that. This bill does not just have one concept in it; it has many concepts in it. It is 158 pages. That makes it evermore unworkable to do in the Senate. This just is not how we legislate.

As chairman of the Subcommittee on Employment, Safety, and Training, I am compelled to discuss the implications of such an unprecedented and misguided expansion of current law.

Let me begin by saying I share Senator MURRAY's concern about domestic violence. Domestic violence shatters families and with it the very foundation of our society. My opposition to the amendment is not based on a lack of concern for victims of domestic violence. A good title does not make a good amendment. I am opposing this amendment because it is an unprecedented expansion of workplace laws without any consideration for the committee of jurisdiction.

This amendment greatly expands workplace laws without any hearings or Committee consideration. The amendment creates a new set of laws requiring businesses—including small businesses—to provide employees with additional leave and special accommodation. However, the amendment has not been reviewed by the Committee of jurisdiction. It creates new workplace requirements without considering the impact of its implementation or its relation with existing laws. The process is flawed and irresponsible.

The amendment creates broad, vague workplace requirements that conflict with existing law and invite litigation.

It creates new rights to leave and prohibitions against employment discrimination against domestic violence victims that are inconsistent with current employment laws, including the Family and Medical Leave Act (the FMLA), the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, and the Civil Rights Act of 1991. The nondiscrimination provisions extend to "perceived" victims of domestic violence who have never been subjected to domestic violence. The Murray amendment defines a victim of domestic or sexual violence to include family members of domestic or sexual violence victims. Under this definition, abusers such as parents who molested their own children would be protected under the Murray Amendment.

This amendment creates unprecedented Federal workplace regulation on small business. Congress has recognized the burden of workplace regulation on small businesses with limited resources. The FMLA exempts businesses with fewer than 50 employees from coverage. The Murray amendment would cover all employers with 15 or more employees.

The lack of administrative alternatives increases litigation and burdens courts. Unlike existing federal anti-discrimination laws, the Murray amendment allows claimants to bypass the Equal Employment Opportunity Commission, EEOC, and file a private suit directly in court. This undermines the efficacy of the EEOC and this amendment.

These are unlimited damages for employment discrimination caused by someone else. Unlike existing Federal laws which cap damages for employment discrimination, the Murray Amendment allows unlimited compensatory damages, and punitive damages of up to 300 percent of actual damages. Why should a victim of domestic violence discrimination be able to recover greater damages than a victim of race or disability discrimination?

The amendment imposes an unfunded Federal mandate on State unemployment compensation. The Murray Amendment imposes a Federal Mandate to cover domestic violence under state unemployment compensation programs. This requires states to pay the tab, but gives them no voice in whether or now to do so. Employers in States that fail to comply must pay huge penalties in the form of higher Federal Unemployment tax. Unemployment compensation is—and should remain—a state issue.

With vague, broad language that conflicts with current employment law, lawyers—not domestic violence victims—will be the biggest winners under the Murray amendment.

The Senator from Washington is the ranking Member of the Subcommittee on Employment, Safety, and Training. Many of the provisions in this amendment fall within that subcommittee's jurisdiction. The rest of them fall under the jurisdiction of the Senator from Utah, who chairs the Judiciary Committee, who just spoke from that perspective.

The first time we are considering this major expansion of Federal employment law is on the Senate floor on a bill totally unrelated to employment and, I have to add, unamendable. There is an agreement between the two sides there would be two amendments today, and those amendments would not be amendable, nor would there be allowed any intervening action. What we have is what we get. I have to say, no one is going to want to get that.

The overly broad and vague provisions of this amendment conflict with and undermine existing employment laws. The committee process is so important because that is where we carefully evaluate in a much less formal situation the impact of pending legislation and its relation with current law.

Let me explain a little bit more how that committee process works. Besides the hearing part where we get to bring panels of experts before us and ask them extensive questions so we have a better understanding of what is going on and to give them an opportunity to speak on the provisions that are before us, we also have what we call a committee markup.

The committee markup is where most of the work for this Chamber is done. It is a much smaller group; it is a much more informal group. People turn in their amendments ahead of time so that they can be reviewed by all. Even on the day of the markup people can get together and work on amendments to get agreement. It is fairly successful. The amendment process usually results in a bill coming from committee with about 80-percent agreement.

The unfortunate thing for this country is that the bill comes to the floor, and what we usually debate is the 20 percent we do not agree on. That is not the case on this particular item. This has not even been discussed in committee, so the 80-percent agreement is not there. The ability to work out issues with some flexibility is not there. I am sure there are provisions in this bill that are written in a way that the author probably wishes were different. I certainly wish they were different.

The first bill I ever did in the Wyoming legislature was only a three-sentence bill when I took it to the legislature. In committee, it got two amendments. On the floor, it got three amendments. When it went to the Senate side, it did not get any in committee but it got one on the floor. What I learned through that process was that every step of that made an important difference. It turned out to be a far better bill because all of the opinions of all of the people serving in that body were injected and they could see a lot more different directions than any one member of that body.

That is how we work it here. We work it so that the 100 Senators have an opportunity to take something as complicated as this and make changes to it. Then the House looks at the same thing. Again, there are a lot more opinions that get into the bill.

The committee process is so important because that is when we carefully evaluate the impact of pending legislation and its relationship to current law. We did not do that here. What we have here is a 158-page proposal which is not related to the underlying bill, and that proposal rewrites employment law without the benefit of hearings or committee consideration. That process is flawed and irresponsible.

So, more specifically, what will this amendment do? It creates a new Federal law that mandates employers, including small employers, to give up to 30 days of leave to an employee to address domestic or sexual violence. However, this proposal ignores important requirements that Congress applied to leave taken under the Family and Medical Leave Act, FMLA.

Let me highlight a few of the differences between FMLA and the Murray amendment.

The Family and Medical Leave Act applies to employers with 50 or more employees. The Murray amendment applies to employers with 15—that is 15, instead of 50—employees. Most small businesses do not have the processes or personnel necessary to begin complying with this new leave requirement.

In the past, Congress has recognized the burden of workplace regulations on small businesses. However, this amendment would impose workplace regulations on small businesses never before covered by Federal employment laws. This amendment would undermine the small business exemption Congress included in the Family and Medical Leave Act.

The Family and Medical Leave Act imposes a length-of-service requirement for employees to be eligible for leave. The Murray amendment has no service requirement for an employee to be eligible. Under this amendment, a worker is presumably eligible for leave on the first day of work.

Under the Family and Medical Leave Act, employers can require a health provider to certify the need for leave. This amendment invites misuse and abuse because there is no third-party verification—no third-party verification—for the leave to be required. So if a person says they were abused, that is good enough to take time off.

The Murray amendment does not amend the Family and Medical Leave Act itself; instead, it gives more capability to someone, under this amendment, than they would get under the regular law. It is a backdoor effort to expand Federal leave law at the expense of equity and clarity.

This amendment prohibits employers from discriminating against an individual who is "perceived" to be a victim—that is interesting wording, "perceived" to be a victim—of domestic or sexual violence. Individuals with absolutely no legitimate claims of domestic or sexual violence would have a cause of action under this vague and broad standard.

How are employers and courts to determine who a "perceived" victim is? Whatever the intent of this legislation, the result will be excessive confusion and, worse yet, excessive litigation. The amendment defines a "victim of domestic or sexual violence" to include—and I am sure the Senator from Alabama, who is on this committee that has not had a hearing on it yet, who is on the floor, will make some comments on this—an "individual whose family or household member has been a victim of domestic or sexual violence."

Under this definition, family-member abusers—such as parents who molested their own children—would be protected under this poorly drafted legislation. People could get time off for bad behavior.

There is a good reason for this process we have of hearings, committee markup, debate on the floor, with amendments, and then the discussion between the two bodies.

The problems with the amendment extend beyond poor drafting. This amendment is inconsistent with the remedy and enforcement provisions of existing employment discrimination laws. Under title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, and the Age Discrimination in Employment Act, Congress gave the Equal Employment Opportunity Commission the role of investigating and enforcing complaints of employment discrimination. These existing laws require a claimant to first file a complaint with the Equal Employment Opportunity Commission before being able to file a private suit in court.

The Equal Employment Opportunity Commission plays a vital role in employment nondiscrimination laws. The Commission's mediation activities expedite resolution of cases and reduce the backlog of employment cases in our courts. This amendment would allow victims of domestic violence discrimination to bypass the administrative process and file suit in court. Allowing claimants to bypass the Equal Employment Opportunity Commission undermines the efficiency of the agency and the legislation.

This amendment disregards the remedy structure of other Federal employment discrimination laws. Existing laws limit available damages. For example, consequential and punitive damages for claims under title VII of the Americans with Disabilities Act are progressive with the size of the employer and capped at $300,000. This amendment provides unlimited compensatory damages and punitive damages up to three times the amount of the actual damages.

Why should a victim of domestic violence discrimination be able to circumvent the complaint process that victims of race or disability discrimination must follow? Why should a victim of domestic violence discrimination be able to recover greater damages than victims of race or disability discrimination? There is no justification for this unequal treatment. We must guard against enacting legislation that, in an effort to protect individuals from one type of discrimination, creates inequities for those who have been subjected to another type of discrimination.

I find the leave and discrimination provisions of this amendment very troubling. I find the unemployment compensation provisions to be misguided as well. The amendment requires States to provide unemployment compensation benefits to individuals who are separated from employment as a result of domestic violence. That has always been and is a State decision. Under the amendment, that is taken away from the States. States can decide and, in many instances, have decided. Individuals would receive unemployment compensation if they leave employment because of a reasonable fear of domestic violence, a desire to relocate to avoid domestic violence, or to obtain physical or psychological treatment.

Eligibility for unemployment compensation is and should continue to be a State—not a Federal—decision. The terms of unemployment compensation are decided on a State-by-State basis. States have the authority to extend unemployment compensation to victims of domestic violence. A number of States have already done so. This amendment imposes a Federal mandate and higher costs on State unemployment compensation programs. The Federal mandate will impose huge penalties on employers in States that fail to comply. It is estimated that the Federal unemployment tax on all employers in the State will be increased from $56 per worker to $434 per worker. How many jobs will that cost?

A Federal mandate to cover domestic violence under State unemployment compensation programs requires States to pay the tab. However, we give the States no voice in whether or how to do so. It is unfair and irresponsible for Washington to impose this burden—and, in fact, against the law—on already burdened State unemployment programs and employers.

Domestic violence is a serious problem that devastates lives and shatters families. However, we cannot allow a misguided attempt—with no hearings—to address this problem and create new problems that will impose unfair burdens on States and employers, particularly small businesses.

When I am back in Wyoming, I like to hold town meetings so I can find out what is on the minds of my constituents. At each town meeting, there is usually someone in attendance who is quite concerned about Government regulations. I am often told to rein big government in, keep the rules and regulations simple and responsive, and make sure they make sense.

This amendment takes the opposite approach. It is a classic example of one size fits all that doesn't fit outside the beltway.

The amendment ignores the careful consideration Congress has given to existing employment laws with vague and broad language that conflicts with current Federal employment law. Lawyers, not domestic violence victims, will be the big winners in this one.

I will close by sharing a letter from a survivor of domestic violence who divorced her first husband in 1978 because of abuse and, in addition, is an employment attorney with 23 years of experience specializing in employment law.

I ask unanimous consent to print the letter in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OVERLAND PARK, KS,
March 22, 2204.

Re Murray amendment S.A. 2859 (Domestic Violence Prevention Act) to H.R. 1997 (Unborn Victims of Violence Act of 2004).

Senator SAM BROWNBACK,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR BROWNBACK: I am writing to ask that you oppose S.A. 2859 (Domestic Violence Prevention Act), proposed by Senator Murray as an amendment to H.R. 1997.

I have reviewed the Murray Amendment from what I believe is a rather unique perspective. I am a survivor of domestic violence and divorced my first husband in 1978 because of the abuse. I have also served on the Board of Directors for two organizations devoted to the prevention of domestic violence (see attached Exhibit "A" for more information). In addition, I am an employment attorney with almost 23 years of experience specializing in employment law.

As a result of my background and experiences, I am sensitive to the victims' perspective, but also sensitive to the employers' perspective. To say the least, the path from victim status to survivor status is not easy, and it is beneficial for victims to have resources available to help them. At the same time, I am aware of the challenges faced by employers in complying with new employment laws, especially laws with good intent but which are poorly written and which have not been given proper thought.

Although I very much appreciate the intent of the Murray Amendment, I cannot support it, particularly Subtitle A (Entitlement to Emergency Leave for Addressing Domestic and Sexual Violence). Its intent may be laudable, but it will have unintended consequences that could easily be avoided if a more thoughtful approach to such a law were to be taken.

I have a number of concerns about Subtitle A of the Murray Amendment. I have summarized my primary concerns below (with a more detailed explanation attached as Exhibit "B"):

1. Potential for Misuse and Manipulation. Subtitle A has many loopholes that will allow it to be misused and manipulated by employees and their abusers. I have identified five different ways that Subtitle A can be easily misused or manipulated (see Exhibit "B"). The potential for misuse and manipulation is directly related to the fact that an employee merely has to sign a self-serving certification stating that he/she is a victim of domestic violence. No verification is required, nor are any mechanisms included in Subtitle A to enable an employer to question the veracity of the certification or to prevent fraud.

2. Perpetuation of Domestic Violence. One of the outcomes of Subtitle A will be the perpetuation of domestic violence in some situations. This can occur in two ways. First, an abuser will be able to force a victim, under threat of violence, to take domestic violence leave from work whenever the abuser wants the victim to take time off from work for reasons unrelated to the proposed law's stated purposes. Second, a victim who is not making any effort to remove himself/herself from a domestic violence situation can simply take time off work after suffering abuse to "recover" from injuries, even if he/she seeks no medical or other help. In either situation, domestic violence leave will become a method of merely "managing" or "tolerating" abuse and threats of abuse. It will enable abuse instead of helping a victim become a survivor.

3. Adequate Time Off From Work Already Available. I seriously question the necessity of this law. I believe that most employees already have adequate time off work programs available to them in the event they need domestic violence leave. Those time off programs include family and medical leave under the Family and Medical Leave Act (FMLA) and its state counterparts, leave of absence or other accommodations under the Americans with Disabilities Act (ADA) and its state counterparts, employers' existing vacation and sick day policies, and employers' existing attendance policies. The proponents of Subtitle A have not provided any data to verify that employers' existing time off programs are inadequate.

4. Lack of Due Process for Employers. Considering that Subtitle A requires employers to provide a new benefit to employees, I find it appalling that employers have had no opportunity to provide input or be heard on this proposed law. Basic principles of fairness would seem to suggest that employers be given due process (rather than be dictated to) on an issue of this importance. I have no doubt that employers could provide very useful comments and suggestions.

Subtitle A of the Murray Amendment raises many questions that obviously have not been given much, if any, thought. This letter is by no means to be read as including all of my concerns about Subtitle A. I have others, but have tried to focus on the major ones in this letter.

For the sake of sound policy for victims of domestic violence like myself, for other employees who will have to absorb their workload when they are absent due to domestic violence issues, and for employers who will have to comply with this proposed law, I urge you to oppose Senator Murray's Amendment S.A. 2859. Thank you for your thoughtful consideration of my comments.

Sincerely,

SUE KENNEDY WILLMAN.

Mr. ENZI. She writes:

> Although I very much appreciate the intent of the Murray amendment, I cannot support it.

She gives an explanation and lists four very specific reasons: One, the potential for misuse and manipulation; two, the perpetuation of domestic violence; three, adequate time off from work already available; and four, the lack of due process for employers.

This is a person who has been there. This is a person who has been abused. She did find a way out. And incidentally, in her credentials, she has devoted most of her life to helping battered women in the Kansas City metro area and has an astounding record of doing that and is very concerned about us going this way.

Again, without a hearing, I am concerned, too. I urge my colleagues to oppose this amendment, and I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I listened carefully to the Senators from Ohio and Utah and Wyoming express their concerns about the amendment as we have written it. I know the underlying bill was not marked up in committee either, so I find that argument hard to believe.

I hear their argument. I understand they are going to defeat this amendment. I want to move forward on the issue of domestic violence. It is extremely important that when we are talking about the abuse of women, that we do something to prevent it. I want to make sure we do take a step forward.

Therefore, I ask unanimous consent to send a modified amendment to the desk.

Mr. DEWINE. I object.

The PRESIDING OFFICER. Objection is heard.

Mrs. MURRAY. Mr. President, that is frustrating. I listened to the Senators from the other side say they want to do something about prevention. I hear them saying they have objection to specific concerns. I am willing to make a modification to my amendment to move it forward. It is fairly clear the Republican leadership simply doesn't want to engage in a serious debate to address the cycle of violence. That is unfortunate. We could take steps forward to change lives for women who have been victims of abuse.

I yield 15 minutes to the Senator from Louisiana, and I ask unanimous consent that she be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana is recognized for 15 minutes.

Ms. LANDRIEU. Mr. President, I come to the floor to support my colleague from the State of Washington and her comprehensive amendment on this important bill and discussion this afternoon. I thank her for the extraordinary work she has done in the area of domestic violence, not just this year but in every year she has been a Member of this body, over a long period of time, her intense interest and advocacy for women and for children and for families and for communities which her effort shows today.

I have a great deal of respect for the Senator from Ohio. He and I usually don't find ourselves on opposite sides, so it is unusual that I would be here supporting an amendment and the Senator from Ohio, Mr. DEWINE, would be opposing it. I understand there are a few—not many—good reasons that people could raise today against this amendment. But I will tell you what one of the reasons is not that I have heard in this Chamber and I have seen sent out by such groups as the U.S. Chamber of Commerce and the U.S. Right to Life organization, two organizations that oppose Senator MURRAY's amendment. They have some legitimate arguments in this document about some of the details of the amendment, but they also go so far as to say that one of the reasons we should not support this amendment is because it is irrelevant to the underlying subject.

Irrelevant? Domestic violence is irrelevant to the deaths of pregnant women, when experts across the board, Republican and Democratic, people who have been prosecutors before—go look at any study—will tell you the majority of women who are killed in the latter terms of their pregnancies are killed not by strangers, not by people who just happen on to their house, but they are killed by the hands of their husbands or the fathers of their children?

I have to sit here and read a vote alert from the Chamber of Commerce, supposedly representing women who own businesses, supposedly representing women, many of whom are business owners, who perhaps have been victims of domestic violence, and not a word in this memo about "so sorry that you were beaten so badly that you and your unborn died," nothing. They go on to say this is an inappropriate vehicle for this amendment because the issues involved are "completely unrelated."

I hope my Chamber of Commerce in Louisiana did not approve this document because I don't believe businesses in Louisiana think these subjects are unrelated, since one of the recent things that just happened in my State was a woman shows up to go to work about 2 years ago in Jefferson Parish, gets out of her car, and in front of about 50 people, going through the revolving doors to get into her place of business, her husband comes up to her, takes out a revolver, sticks it in her face and blows her head off. Whether she was pregnant or not, I can't recall. But to say that it is irrelevant to the subject that we are debating is an insult to many people.

Let me clarify one other point. People come to this floor and act like the Senator from Washington and the cosponsor, who was Senator Wellstone, before his death—he did a magnificent job on this subject the years he represented his State in the Senate. In his memory, I will say this: He worked like a Trojan on this subject. This bill was introduced in the 106th Congress, the 107th Congress, and the 108th Congress. But this bill, although there has been one hearing, pushed mostly by Democrats, has never received a markup, not in the 106th, 107th, and not in the 108th. Evidently, there is not enough Republican leadership thought that this is an important subject to discuss.

Those of us who came to the floor today to debate this issue to try to protect people from murder—women and, yes, their unborn children—wonder what we have actually accomplished today because with the underlying bill, the only way you can prosecute people is if the murder actually occurs on Federal property.

The bill we are going to pass today is not nearly as good as the 21 or 31 statutes that are already on the books that are legitimate and genuine efforts. When we asked to have some help for the victims of domestic violence, who are women and their children, we get all kinds of "can't do it," "too complicated," "too expensive." Then I have to read the Chamber of Commerce business alert that says the whole subject is not relevant.

I want to read from ABCNEWS.com for the RECORD, "Expectant Victim," April 25.

> On Monday, police found the remains of 20-year-old April Renee Greer, whose dismembered body was found in a trash can that had washed into a farmer's field. She was 8½ months pregnant when she was reported missing on March 8.
>
> Experts and women's advocates are not surprised to find that pregnant women are especially prone to violent deaths. In many cases, pregnant women are killed by their husbands or significant others.
>
> "Most pregnant women are killed by people they know, like husbands or boy friends". . . .

Think of that. It is one thing to get attacked in a dark alley by somebody you don't know; you are coming home later than you should be. It is another thing to be beaten to death by someone who is supposed to love you. It is very terrible for a child to sit there and watch their father, in many cases, beat up their mother in front of them. It breaks more than their spirit. It crushes their heart and destroys their life.

You would think that somebody on the other side of the aisle would think this was significant and relevant and would want to do something about it and put some money in this bill to do something about it. But, no, we don't have time for it, we can't have a hearing on it, and it is too complicated for anybody to understand.

I don't think this is complicated. Let me go on to read this:

> "Sometimes it depends on how far along the woman is in the pregnancy," she said.

This is Pat Brown, a criminal profiler and CEO of the Sexual Homicide Exchange. I am sorry, I don't know what State.

> "Sometimes it depends on how far along the woman is in the pregnancy," she said. "If it's a serial killer, they normally go after women who may be three months pregnant and are not showing very much. With serial killers, the women are tiny, easy to handle, not too big—someone they can easily overcome. They go after a 'neat package,' something that is desirable where they could get something big.
>
> "With husbands or boyfriends, women tend to be eight months pregnant—they're there and the baby is coming," Brown continued. "They can see the woman and unborn child as something that is in the way, keeps them from living the lifestyle they want."

And we come to the floor and ask for a little help for domestic or sexual violence, maybe a little time off of work to get her situation in order because her husband is working and he also happens to be the one beating her. She needs 30 days to get a job. They say: No, we cannot give you 30 days. We ask for 30 days of unpaid leave, and the Chamber of Commerce goes wild saying they can't afford it—and they don't have to pay for it.

We talk about increasing grants to local communities to help them provide shelters, since we have not seen a significant increase in shelters, but that is too complicated.

So I ask, What have we done today? Are we going to save any lives, whether it is the life of the unborn, or whether it is the life of a woman? No, because there is no money in this for prevention. We, obviously, want to just prosecute people in a very small place, on Federal land, maybe just to make a point. I came to the Senate to do more than just make a point, and I think the Senator from Washington came here to make more than a point. We came here to make a difference. This afternoon, there is no difference being made and it is a shame.

In conclusion, I want to say something about the Right to Life Association. I have worked with them on cloning. I don't support human cloning. Some people do; I don't. I have worked with them. When they came to my office yesterday to tell me they were sorry that they could not support the Murray amendment because it would "mess up the bill"—and they need a clean bill—I would like to think they need an effective bill. But they just need a clean bill. For what, I am not sure. Maybe for television commercials.

I think we need an effective bill. I would like to prevent these deaths of unborn children, of women, give prevention on the front end, and then go ahead and prosecute people. In my State, that is what we do because we already have a law on the books. So I am happy that Louisiana is already there. The Right to Life Association said they could not support help for domestic violence victims because they, again, agreed with the Chamber of Commerce that it is not relevant.

I hope people who support the Right to Life Association might write them an e-mail or something today and explain to them that regardless of how you feel, whether you are pro-choice or pro-life, clearly, this is relevant to the underlying bill.

With that, I yield the floor. I support the Murray amendment.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. DEWINE. Mr. President, before I yield to my friend and colleague from Alabama, let me say that I understand what my colleague from Louisiana has said and what my colleague from Washington State has said. I will reiterate what I said a few minutes ago.

The reality of the way this place works, the way the House works, is that whatever the merits of this amendment, the passage of this amendment will effectively mean, that the underlying bill will simply die. The only thing to prevent the underlying bill from going to the White House and being signed by the President of the United States is the Murray amendment. That is what the facts are.

If the Murray amendment is attached to this bill, we can kiss this bill goodbye. That is a fact. I yield to my colleague from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I thank the Senator from Ohio for his leadership on this issue. He has taken the issue and considered it thoughtfully and prepared a seven-page piece of legislation that I believe, as a former prosecutor, stands the test of careful draftsmanship and is worthy of passage. I believe we have a majority in the Senate prepared to pass this legislation. But it is threatened by this amendment. The Senator is correct that if this amendment passes, this bill will not become law. So a vote for this amendment is a vote against the underlying legislation.

I further say the amendment—the 158-page amendment—is not so carefully drafted, has quite a number of problems, and does not deal effectively with the issue that the Senator seeks to promote.

The day before yesterday, in my office, I met with a group of people from one of America's great corporations, an international corporation. I asked the human resources officer—and I asked them all—how things were going out there and what can we do to help, what problems do they have. The human resources officer said: The one thing causing us the most grief is the Family Leave Act. For a lot of different reasons, complex reasons, this act is subject to abuse. We certainly believe and support a mother being home with a young child. We support the purposes of the act, but there are problems with it. We would like for you to look at it and see.

That was shared with me the other day. It was totally unrelated to this 158-page amendment that has not undergone careful scrutiny, and I believe goes much further and provides benefits that far exceed what is under the current Family Leave Act, which has problems with it.

We need to, as Members, be careful what we pass, what we mandate on private entities, and what we tell them they must do. We should do so in a way that furthers the public policy we want to further, which is to help families who need leave for family emergencies. We want to do that, and the act does it in many different ways. But it is not perfect. This amendment is even less perfect.

Let me show you a couple things we discovered in a brief reading of the Murray amendment. It says:

> The term "victim of domestic or sexual violence" includes an individual whose family or household member has been a victim of domestic or sexual violence.

Clearly, I think I can say, as a former prosecutor, that would include the perpetrator. That would include the wrongdoer. So now is the wrongdoer going to be able to ask for time off? The law would mandate it, I suspect. Some say that would not happen. But I am telling you, people use the law as it is written to further their agendas when they want to. Maybe he had to go to court to defend himself, and he is going to claim time off for that. I bet you his lawyer would say he is entitled to time off.

Here is another one:

> The term "employee" means any person employed by an employer on a full or part-time basis, for a fixed time period, on a temporary basis, pursuant to a detail, or as an independent contractor.

That is not even in the current Federal Leave Act. So we have added this statement. So the businessperson has to take care and provide leave or suffer. I think that is a step to which we ought to give a lot of thought before we put it into law.

Another thing that hit me in talking with this lady the day before yesterday, and talking about problems with the act, is the difficulty of a business in having any proof to ascertain that the person really does need leave. Under the act, after you get one approval, say, for a child's asthma, you never have to present proof again, or even just make a statement that it is so and the businesses are bound by it.

A lot of businesses on a manufacturing basis try to do things well. They have a team that produces a product. When one member of that team unexpectedly or routinely misses, it makes it difficult for them. If they have a legitimate excuse, OK. This says:

> An employee may satisfy the certification requirement of paragraph (1) by providing to the employer . . . a sworn statement of the employee.

That automatically takes care of it—no proof of a doctor's certificate, a lawyer's statement, or anything else. I just point that out.

The hour is late. As a member of the Health, Education, Labor, and Pensions Committee, as Senator ENZI said so eloquently and in detail, these issues need to be given careful thought. Let's don't kill this underlying bill Senator DEWINE worked so hard on and has dealt with so many Members of this body to refine language so everybody can agree to it and it will have a majority vote.

Let's don't kill this legislation that is important to protecting those unborn victims of violence in America by tacking on an amendment that is not ready, that has problems with it, on which we have not had hearings and should not be added to this bill, anyway. If it is added to the bill, the bill will be in trouble.

I thank the Chair. I thank Senator DEWINE for his leadership. I yield the floor.

Mr. DEWINE. Mr. President, I yield time to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. COLEMAN. Mr. President, I had a chance to hear my colleague from Ohio speak in humble terms about the work he did, the commitment he made when he was working in Ohio at the State level and now in the Senate regarding issues of domestic abuse and sexual violence.

I don't know if there is a stronger champion in the Senate than my colleague from Ohio, Senator DEWINE, on these issues. I know where his heart is. I know where his passion is.

When I look at the Murray amendment, there are provisions in this amendment I would like to support. There are principles in this amendment on which I would like to work with her and I would like to see happen. I believe—I know my colleague from Ohio feels the same way, and we have to be very candid, we have to be very blunt—that the reality is that the effect of the Murray amendment, if it were to pass, would simply kill the underlying bill.

We have an opportunity to do something today for unborn victims of violence. We have an opportunity to do something. Or we can do what I see going on far too often in this Chamber, and that is to—I don't know whether it is political gamesmanship, I don't know if it is "gotcha" policy, I don't know what it is, but it is not about getting something done. We can get something done today. We can pass a clean Unborn Victims of Violence Act. For those of us who would like to work with my colleague from Washington on some of these important principles, who really want to get something done, let's be honest and let's do it in a form and manner in which we know something will happen.

If this amendment is attached to this bill, this bill dies. Some of the principles I may believe in and want to work on that are in the Murray amendment will go nowhere, and we all know that.

I did not come here to play a game, to participate in endless debates for the sake of debating, to cast votes to be measured on "you are for sexual violence or you are against." That is not what this is about. I got elected on a belief that we could get some things done, and that is hard in this body because it is so easy to kill a bill. It is so easy to tack on an amendment that is so hard to vote against because we are afraid of being accused of being against domestic violence.

I am passionate about dealing with domestic violence. I was a prosecutor in the State of Minnesota and prosecuted some of the early child abuse cases. I was mayor of the city of St. Paul. I thought we did cutting edge things to deal with domestic and sexual violence. I want to do more about domestic and sexual violence while I am here in the Senate, but we are not going to do more about it by voting for the Murray amendment today.

I am going to cast my vote against the Murray amendment, even though I share a belief in some of the principles the good Senator from Washington is trying to raise. I am going to vote against it because I want to get something done, and the one opportunity we have today, I say to my colleagues, to get something done is to pass out of this body a clean Unborn Victims of Violence Act. If we pass this bill and it is signed into law, we have provided protection on the Federal level—by the way, it is similar to what many States do and what we do in the State of Minnesota—for a mom and an unborn baby, such as the Laci and Conner Peterson case. We all know many cases like that.

Again, I appreciate the principles my colleague from Washington is attempting to raise, but I think it is time to be very blunt and very honest. If you want to do something about that issue, this bill is not the place to do it. It will not go forward. It will not further the ends about which we are talking.

We have an opportunity to do something today, and that is to pass the Unborn Victims of Violence Act. I support this bill in a clean manner. Tomorrow I will work with my colleague from Washington and my colleague from Ohio and do what needs to be done to further some of the very laudable goals she desires.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I yield to my colleague from Oklahoma. How much time do I have?

The PRESIDING OFFICER. Eleven minutes 50 seconds.

Mr. DEWINE. I yield to my colleague from South Carolina first.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM of South Carolina. Mr. President, I thank Senator DEWINE for yielding. I will be brief.

We just rejected the idea Roe v. Wade rights should be used by criminals to avoid prosecution for their criminal activity that results in the mother being denied to have a child. Roe v. Wade is an honest, genuine debate that exists in this land. Eighty percent of Americans, when polled, believe if a criminal takes the right to have a child away from a mother, they ought to be prosecuted to the fullest extent of the law for what has happened to that family—damage to the mother and damage to the unborn baby.

Professor Walter Dellinger, a former adviser to President Clinton, said:

> . . . although he is a strong advocate for a woman's right to choose abortion, he sees no major problem with fetal-homicide laws. "I don't think they undermine Roe v. Wade," he said. "The legislatures can decide that fetuses are deserving of protection without having to make any judgment that the entity being protected has freestanding constitutional rights. I just think that proposals like this ought to be considered on their own merit."

That is all we are asking. Senator MURRAY has a very long and complicated amendment that deals with domestic violence, family leave, and other issues. South Carolina, to its shame, for lack of a better word, has one of the leading number of domestic violence cases against women. Our legislature is dealing with that. We can do more here. But this should stand on its own.

Just as we said no to Roe v. Wade being an impediment to prosecuting a criminal who attacks a mother who chooses to have a child, we will not let the criminal benefit from Roe v. Wade, nor should we allow an amendment to destroy a bill whose purpose is to put people in jail who attack pregnant women and do damage to the mother and the child.

No good purpose is served by destroying this bill, even though the underlying problem is very real. This bill should stand on its merits. There are more cases such as this than we would all like to admit. We have a chance to do something about it today. Please vote against Senator MURRAY's amendment.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I yield to my colleague from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, to inform my colleague from Washington, at the appropriate time, when she concludes her statement, I plan on making a budget point of order.

First, I compliment my colleague, Senator GRAHAM from South Carolina, for his leadership on this issue for years. I believe today we are going to pass a bill that is long overdue.

I also compliment my colleague, Senator DEWINE from Ohio, for his leadership.

I complimented him in private. I have observed his very high quality of debate. We have had some excellent debate today, and I compliment Members on all sides. I think it has been very important and we are going to pass a good bill today, largely due to the leadership of the Senator from Ohio, Mr. DEWINE, and also Senator GRAHAM of South Carolina. I compliment both of our colleagues for their effort. This is an important bill, one that deserves to be passed and sent to the President.

I rise today to speak against the amendment of our colleague from Washington. I have great respect for our colleague from Washington, especially for the title of the amendment. The Wellstone Domestic Violence Act is very well named, but when looking at the substance of the bill I find it leaves a lot to be desired.

I happen to believe in the legislative process. This bill has not had a hearing. I happen to be on the Finance Committee. There are two or three things that deal with Finance Committee issues that we have not touched. It did not go through the Labor Committee. It addresses family leave, not the Family Medical Leave Act. It is basically a whole new act. It is not consistent with the Family Medical Leave Act. To qualify for the Family Medical Leave Act, we exempt employers with 50 employees or less. This says employers of 15 or less. That does not make sense to me.

I look at the unemployment section of it, and a lot of people are not even aware of this—I have not heard very much debate about this—but if a State does not comply with the unemployment dictates given by this bill we tell the States they must have unemployment compensation for people who are victims of abuse as defined by this. The tax to the State goes from $56 a year to $434 a year. That is a 675-percent increase. That is a heavy penalty on the States.

One could say, well, they give States time to amend their law. They are given 25 days if they are in session and 180 days if they are not in session. Oklahoma is shortly going to be out of session and we do not go back into session for the rest of the year, so 180 days would not be adequate. I guess there would have to be a special session. I used to serve in the Oklahoma Legislature. Most legislatures are kind of like Congress, they do not move that fast. If they do not move that fast, they have a very heavy penalty increase in their unemployment compensation taxes.

The main thing I guess I am objecting to, as I look at it, there is a new tax credit in this bill. It is a 40-percent tax credit for a provision that is very expensive. It applies to a lot of things. It applies to a long definition that would qualify expenses that an employer might incur to implement workplace safety.

I used to be an employer in the private sector, and I know all employers are interested in safety. Almost all of those expenses related to safety are expensed. None of them, to my knowledge, get a tax credit. This amendment would say, for some safety provisions employers are going to get a 40-percent tax credit.

Then I started looking at the definition. It applies to basically any new security personnel, purchase, or installation of new security equipment and so on. That is wide open. In this day and age of terrorist threats, there are a lot of people who are going to be hiring more security personnel and they are going to say: Thank you very much, Government, because you just gave us a 40-percent tax credit.

If a company is profitable, that is worth a lot. If they are not profitable, it is not worth much.

I asked the Joint Tax Committee to give an estimate on how much this would cost. I just received it. I ask unanimous consent that a letter I received from Dr. George Yin, that gives the revenue estimate, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT COMMITTEE ON TAXATION,
Washington, DC, March 23, 2004.

Hon. DON NICKLES,
U.S. Senate, Committee on the Budget,
Washington, DC.

DEAR SENATOR NICKLES: This letter is in response to your request dated March 17, 2004, for a revenue estimate for Senate amendment 2859, which according to your request may come up for a vote on March 24, 2004, under a unanimous consent agreement for H.R. 1997.

In general, the amendment would establish a new general business tax credit equal to 40 percent of the domestic and sexual violence safety and education cost paid or incurred by an employer during the taxable year. Any amount taken into account for purposes of determining the credit would not be eligible for any other credit or deduction. Under the amendment, the types of cost that may be included for purposes of determining the amount of the credit include, among other things, the hiring of new security personnel and the purchase or installation of new security equipment, the purpose of which is to address domestic or sexual violence. Because the hiring of all new security personnel and the purchase or installation of all new security equipment is, in part, for the safety of employees, we have assumed that all such expenditures would be eligible for the tax credit.

The amendment would apply to taxable years beginning after December 31, 2003. Estimated changes in Federal fiscal year budget receipts are as follows:

[By fiscal years in billions of dollars]

2004	−0.6
2005	−1.3
2006	−1.5
2007	−1.7
2008	−1.8
2009	−1.8
2010	−1.9
2011	−1.9
2012	−1.9
2013	−2.0
2014	−2.0
2004–09	−8.7
2004–14	−18.4

I hope this information is helpful to you. If we can be of further assistance in this matter, please let me know.

Sincerely,

GEORGE K. YIN.

Mr. NICKLES. He says the cost of this provision in 5 years is estimated at $8.7 billion, and over 10 years, $18.4 billion.

That is a lot of money. We are going to say companies get a 40-percent tax credit if they do something in the realm of safety, which one could almost drive a truck through anything and call it safety.

I am not a big fan of tax credits anyway, but that is beside the point. This is a very expensive provision, one, in my opinion, that has not been well thought out, one that is enormously expensive, one that is not paid for.

A week before last, we had votes saying we should be paying for these new spending proposals and tax cuts. Well, this is a big tax cut that is not paid for. Frankly, it is a big loophole that is not paid for. It also causes other little constitutional problems.

We have a Constitution that says all revenue measures have to originate in the House. We do not have a tax bill before us. This did not originate in the House of Representatives. I know my colleagues very well in the House. I respect them and I know they will blueslip this if this amendment is passed because this would turn this into a tax bill. So this amendment would kill this bill.

Our colleagues in the House want to pass the bill as it is. I hope that a majority in the Senate want to pass the bill as it is.

As it is, this amendment does a couple of things. It increases spending and it increases taxes, both of which violate the budget, both of which I can make a budget point of order against, and at the appropriate time I will make a budget point of order against this amendment, certainly for the tax provision, and I will leave it at that.

I yield the floor.

MURRAY AMENDMENT TO THE UNBORN VICTIMS OF VIOLENCE ACT

Mr. KENNEDY. Mr. President, I support Senator MURRAY's amendment, and I want my colleagues to support it too. Violence against women—especially those who are pregnant—is a tragic example of violence in our society, and we need to do all we can to prevent it. Congress is right to address this issue and do more to protect women. But if the administration and Congress are serious about addressing the issue of domestic violence, let us do it effectively, and not turn it into yet another battleground in the debate over abortion.

As domestic violence experts and advocates make clear, the Unborn Victims of Violence Act will do nothing to provide the protection that battered women need to be safe. Instead of protecting women, the bill focuses solely on the fetus and what happens after the crime.

It does nothing to prevent domestic violence, and it punishes only one of the many possible consequences of such violence.

The harm to women at the hands of their abusers and attackers is not addressed anywhere in this bill. The support and services they need to avoid violence in their homes or escape from it are not addressed. It offers no financial safety net for women who move away from their homes to escape from abusers. It does not address children affected by the abuse. It offers no health care assistance for abused women.

The real purpose of this bill is obviously not to protect and support women who are victims of abuse. Its real purpose is to give new legal rights to the fetus, in a blatant effort to undermine women's rights under the Constitution and Roe v. Wade. In other words, this bill is a threat to women, not a protection for them.

Proponents of this measure also call it the Laci Peterson Act, but this bill would have done nothing to prevent that tragedy. Federal criminal jurisdiction over violent crimes is very limited. The bill would apply only to federal and military crimes. It would have no bearing on the law of California or any other State. Today, 95 percent of all criminal prosecutions, like the prosecution of Laci Peterson's murderer, take place at the State or local level.

A majority of States already have laws that enable prosecutors to file fetal homicide charges. In Massachusetts, the courts have treated the fetus as a separate victim of crime if the developing fetus has reached the stage of viability. That view is consistent with the careful balance between women's rights and fetal rights established by the Supreme Court in Roe v. Wade and reaffirmed in Planned Parenthood v. Casey. This bill completely ignores the Supreme Court's viability standard.

In cases where federal law or military law applies, prosecutors and judges already have ample discretion to impose longer sentences for flagrant crimes committed against vulnerable victims. Courts have regularly held that the Federal Sentencing Guidelines provide for a sentencing enhancement based on the victim's pregnancy or injury to a fetus. The military also makes clear that the pregnancy of the victim can lead to a harsher sentence.

The administration says it wants to prevent violence against women and children. But that priority is not reflected in the budget. The President's budget is cutting or starving key violence-prevention programs.

If Congress genuinely intends to do more to prevent such tragedies, we should be discussing ways to strengthen the Violence Against Women Act and its funding.

Since its enactment in 1994, violence against women has been reduced by 21 percent, so we are clearly making progress. We are on the right track, and there's no excuse for making a u-turn.

The most urgent priority is the need for additional funds. The services available today to victims of domestic violence come nowhere close to meeting the obvious need. The New England Learning Center for Women in Transition in Greenfield, MA, has to turn away ten families from its shelter for each family it is able to serve. Lifesaving services such as hotlines and emergency shelters for battered women are funded $48 million below the level authorized by Congress. Women across the country are not obtaining the help they need when they face these dangers or suffer from them. We can do far more than we are doing to see that women do not suffer from domestic violence.

Senator MURRAY's amendment will do that. Unlike the underlying bill, her proposal will genuinely help to combat the serious problem of domestic violence in our country.

Incredible as it seems, nearly one-third of all American women report being physically or sexually abused by their husbands or boyfriends at some time in their lives. A shocking 25 percent to 40 percent of all women who are battered are battered when they are pregnant. One study found that 37 percent of all women who visited a hospital emergency room for violence-related injuries were injured by a current or former husband or boyfriend. According to a study published in the Journal of the American Medical Association, murder is actually the leading cause of death among pregnant women.

Over 3 million children are exposed to parental violence in the United

States every year. According to a report of the American Psychological Association, a young boy who sees his father abusing his mother is the strongest risk factor for future violent behavior by that child.

Far from preventing such violence, the so-called Unborn Victims of Violence Act will actually prevent victims of abuse from seeking help. Juley Fulcher, Public Policy Director of the National Coalition Against Domestic Violence, testified before the House Subcommittee on the Constitution last July. She said that if a battered woman is financially or emotionally dependent on her batterer, she is less likely to seek medical assistance if she thinks it may result in the criminal prosecution of her batterer.

The underlying bill contains none of these urgently needed protections for battered women. The Murray amendment will give them the security and support they need to leave an abusive relationship before it's too late.

According to a GAO report in 1998, between a quarter and a half of domestic violence victims report that they lost their job at least partly because of domestic violence. A victim who was forced to change her name and Social Security number in order to escape her abuser testified before the Massachusetts Commission on Domestic Violence. She said that when she met with the human resources officers at her workplace to explain why she needed help, she lost her job because they thought her abuser might attack her in the office and be a safety threat to her co-workers too. Victims of domestic violence need job stability. They need economic independence in order to leave their abuser.

Without a viable source of income, victims to often have no way to escape from their abusive relationship.

Senator MURRAY's amendment helps these victims by guaranteeing them access to emergency leave to obtain medical attention, counseling or other services without fear of losing their job. It provides unemployment compensation. It supports the specific training for medical providers to recognize the signs of abuse, so that frightened women who arrive in the emergency room with tell-tale bruises will know that help is available and will be more likely to reveal and seek the further support they recall is available.

It will ensure that children who witness violence in the home will receive the help they need in order to break the tragic cycle of violence before it consumes the next generation in their families too.

We need laws that genuinely protect women in all of these ways, as Senator MURRAY's amendment will do. And it does so without undermining a woman's fundamental right to choose.

The Murray amendment provides long and overdue support to victims, employers, public health professionals and families to combat violence against women, and I urge my colleagues to support it.

The PRESIDING OFFICER (Mr. CORNYN). The Senator from Ohio.

Mr. DEWINE. I think we are about ready to close this out.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, if my colleagues on the other side are going to yield back, I will take a couple of minutes to wrap up. I know my colleagues want to get to the vote and final passage, so I will take only a few minutes to end the debate on this amendment.

I have listened carefully to the other side. They raised concerns about the tax credit side of it, and the budget point of order. I asked unanimous consent to send an amendment to the desk to at least move the other parts of the bill forward without the objectionable part and they refused. That says to me that, despite the rhetoric we have heard from the other side, they are not very willing to do something truly about preventing domestic violence.

I have heard my colleagues on the other side of the aisle say the reality of this place is that if this amendment gets added that it will kill the bill. I have been in the Senate almost 12 years and I know the reality of this place is when Members believe in something and want to solve a problem we can move mountains to get it done.

To the millions of women across this country who have been victims of domestic violence, what they are going to see on the Senate floor today is Senators being allowed the opportunity to say whether they are actually going to do something to prevent domestic violence or if Senators are only willing to deal with domestic violence after the woman has died.

I believe we have the responsibility to do everything we can to prevent domestic violence. I hope the bill Senators are putting forward today never has to be used because we have prevented violence, but the fact is they are going to prevent us today from offering an amendment that would preclude the underlying bill from ever having to be used. I think that is a tragedy. I think it is a tragedy for the Senate. I think it is a tragedy for the country. I certainly think it is a tragedy for women who face abuse every single day.

Two million women are assaulted every year. I introduced this bill with my colleague Senator Paul Wellstone 3 years ago. We introduced it in three consecutive Congresses and the other side has not allowed us to bring it forward. I keep hearing that we have not had hearings on it. Well, we would love to have hearings on it. We would love to move forward, but it is always said that the time is never right. That is certainly something victims of abuse hear far too often.

This bill simply allows women the time to be able to go to court to get a court order to prevent their abuser from tracking them down and killing them. It allows them the ability to make sure that children who have seen domestic violence get the kind of help they need so they do not create a cycle of violence in their lives, which we know happens too often. It makes sure we offer health care to victims of domestic violence. These are victims who are still alive and need help. It makes sure our health care providers screen for domestic violence so we do not end up with murdered victims every single day. Not relevant? The Chamber of Commerce says this is unrelated? How can anyone look in the eye a woman who has been abused by a batterer and tell her we are not going to help you until you are gone, until you die? I think that is a real tragedy. I am sorry my colleagues on the other side see it that way. I don't.

I have heard rhetoric out here from some of my colleagues—and I do want to commend the Senator from Ohio. He has worked on this issue. I do want to work with you. But I find it a tragedy today that, again, the time is not right. That is what women who are victims of domestic violence hear every single day: The time is not right. We can't help you today. That is what we are doing today. I find that a tragedy.

I am going to continue to work on this issue. I know my colleagues on the other side are going to defeat it today. I know they are going to move on. They have other issues they are going to deal with. But this issue is critical. I have been to the shelters; I have looked the women in the eyes; I have promised them I will not forget, and I will not.

This amendment is named after Senator Paul Wellstone. Every one of us here know he and Sheila cared and were adamant that we provide victims of abuse with the ability to get out of their abusive situation. I hope my colleagues will continue to work with us and that the rhetoric we have heard on the other side about working with us is not forgotten when this bill is gone.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. I commend my colleague again for her dedication to this issue, and her passion. But the fact is, as I have said, this bill cannot pass through this method. It will have the unintended effect of killing the underlying bill. That is why I must come to the floor and oppose it.

Let me yield the remainder of my time to my colleague from Oklahoma.

Mr. NICKLES. Mr. President, is all time yielded back from our colleague from Washington?

Mrs. MURRAY. Yes.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, this bill has a big tax provision that is estimated to cost $18.4 billion. Therefore, a budget point of order does lie against this amendment.

Mr. President, I yield the remainder of our time.

The PRESIDING OFFICER. All time is yielded back.

Mr. NICKLES. Mr. President, the pending amendment offered by our colleague from Washington, Mrs. MURRAY, decreases revenues and if adopted would cause an increase in the deficit in excess of the levels permitted in the most recent budget resolution. Therefore, I raise a point of order against the amendment pursuant to section 505 of House current resolution on the budget for fiscal year 2004.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, pursuant to section 505(b) of H. Con. Res. 95 of the 108th Congress, I move to waive the Budget Act.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY) is necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 46, nays 53, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—46

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carper
Clinton
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feinstein
Graham (FL)
Harkin
Hollings
Hutchison
Inouye
Jeffords
Johnson
Kennedy
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Pryor
Reed
Reid
Rockefeller
Sarbanes
Schumer
Stabenow
Wyden

NAYS—53

Alexander
Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeWine
Dole
Domenici
Ensign
Enzi
Feingold
Fitzgerald
Frist
Graham (SC)
Grassley
Gregg
Hagel
Hatch
Inhofe
Kyl
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith
Snowe
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NOT VOTING—1

Kerry

The PRESIDING OFFICER. On this question, the yeas are 46, the nays are 53. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

Mr. NICKLES. I move to reconsider the vote.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RIGHT TO CHOOSE

Ms. COLLINS. Mr. President, I rise to engage the distinguished Senator from South Carolina, Senator GRAHAM, in a brief colloquy in order to make clear the intent behind the language in this bill. It is my understanding that there is nothing in the language of this bill that would, in any way, undermine the constitutional right of a woman to choose to terminate a pregnancy, as expressed by the Supreme Court in Roe v. Wade, and subsequent decisions.

I inquire of the Senator, who is one of the coauthors of the bill, if my understanding of the intent behind the language in the bill is correct.

Mr. GRAHAM of South Carolina. The Senator from Maine is correct. Nothing in the language of this bill is intended in any way to undermine the legal basis for abortion rights, as expressed by the Supreme Court in Roe v. Wade, and subsequent decisions.

Based on my extensive experience as a prosecutor in the U.S. Air Force, this legislation would, however, fill a gap in our Federal laws.

Ms. COLLINS. Mr. President, it is also my understanding that at least 27 States have statutes that criminalize the killing of a fetus or an "unborn child." Am I correct in understanding that there is no legal precedent where a court has held that any of these State statues in any way undermine abortion rights of a woman, as expressed by the Supreme Court in Roe v. Wade, and subsequent decisions?

Mr. GRAHAM of South Carolina. The Senator from Maine is correct. There is no legal precedent where a court has concluded that any of these State statutes undermines the legal basis for abortion rights.

Ms. COLLINS. Mr. President, I have one final inquiry I would like to make of my colleague. It is my understanding that the intent behind the language of this bill, H.R. 1997, is that this bill, like those State laws, not be construed to undermine the legal basis for abortion rights.

Mr. GRAHAM of South Carolina. The Senator from Maine is correct.

Ms. COLLINS. I thank my colleague for making the intent in this respect clear.

Mr. VOINOVICH. Mr. President, I rise today in strong support of the Unborn Victims of Violence Act. I firmly believe that we need this legislation to correct the loophole in federal law that currently does nothing to criminalize violent acts against unborn children. Sadly, we live in a violent world where unborn babies are the victims, intended or otherwise, of violent acts. I find this horrifying, and believe that all children, born or unborn, are a precious gift and responsibility.

This is something we have already recognized in Ohio. I am proud to say that we got this done on my watch when I was Governor of Ohio. In June 1996, I signed legislation making it a crime to injure or kill a prenatal child who could survive on his or her own outside the mother's womb. We passed this legislation in record time due to public outcry over a case in Indian Hill, a suburb of Cincinnati in 1995. Joseph Daly's wife and her unborn baby were killed in a car accident when a drunk driver hit her car. People were outraged that action could be brought on behalf of Mrs. Daly, but not their unborn daughter, who was 2 weeks away from being born. And people will be outraged.

Under current Federal law, an individual who commits a Federal crime of violence and kills or injures an unborn child cannot be prosecuted separately for those violent acts against the unborn child because Federal criminal law does not recognize the unborn child as a crime victim. Can you imagine? A baby that could be viable outside of its mother's womb would not be considered a crime victim? This bill will close that gap.

Under this bill, if an unborn child is injured or killed during the commission of a Federal crime of violence, the assailant could be charged with a separate offense on behalf of the unborn child. In 29 States, including Ohio, if a person commits a crime of violence against a pregnant woman under State law and kills or injures her unborn child, that person can be punished for the violence against both the mother and the unborn child. But if a person commits a Federal crime of violence against a pregnant woman and injures or kills her unborn baby, the death or injury of the unborn child would not be punished as a crime.

This bill extends the protections currently available in 29 States to the unborn victims of violent acts committed in violation of Federal law. Thus, where a Federal crime of violence has been committed and the injury or death of an unborn child results, the perpetrator will be held to account for the crime of violence against the unborn child.

I know some of my colleagues will want to paint this as an abortion issue. But, it is important to note that this bill has been drafted narrowly to apply only where the death or injury to the unborn baby occurs as a result of an existing Federal crime. The bill expressly excludes any death or injury to an unborn baby caused by abortion, any medical treatment of the mother, or an act of the mother herself.

As I stated before, we live in a violent world where unborn babies are the victims, intended or otherwise, of violent acts. And these babies, the smallest and most helpless victims, deserve justice, too. We must pass this legislation and take a stand against crimes committed against women and children. I therefore ask my colleagues to support this very important legislation.

Mr. BOND. Mr. President, I rise today to express my support for the Unborn Victims of Violence Act.

Any pregnant woman will tell you that all she wants is for her baby to be born healthy. A pregnant mother can take her vitamins, follow the instructions of her doctor, and do everything in her power to deliver a healthy baby. But, no amount of prenatal care can protect her unborn child from the hands of a violent criminal.

This question before us is simply—when a violent crime is committed against a pregnant woman—is there one victim or two? Pregnant women who have been harmed by criminal violence and their families know that there are two victims.

In a letter to the sponsors of this bill, the family of Laci and Conner Peterson, whose lives were brutally ended, requested that the bill before us today be referred to as "Laci and Conner's Law in their memory." The Peterson family can, better than any of us, express the impact of this terrible loss. They wrote, "As the family of Laci Peterson and her unborn son, Conner, this bill is very close to our hearts. We have not only lost our future with our daughter and sister, but with our grandson and nephew as well." No one can tell the Peterson family that there was only one victim. The Peterson family mourns for two lives that were brutally ended. There is no question that the criminal responsible should be accountable for the loss of both lives.

When pregnant women suffer at the hands of violent criminals I urge my colleagues to protect both victims under Federal law.

Mr. ALLEN. Mr. President, I rise today in support of the Unborn Victims of Violence Act, or what many individuals refer to as "Laci and Conner's Law."

We have all heard the tragic story of Laci and Conner Peterson; Laci, 8 months pregnant with her unborn son Conner, were viciously murdered at the hands of a killer. Regrettably, Laci and Conner's story is only one of many instances where a woman is harmed and may not only lose her life but the life of her unborn child.

In my Commonwealth of Virginia, we had a similar tragic situation occur in April of 2002. Ronda Robinson was maliciously gunned down in her Lynchburg home, while her two daughters watched in terror. Like Laci, Ronda was in her third trimester when she and her unborn child had their lives taken.

At that time, Virginia did not have a fetal homicide law on the books, and the Commonwealth was unable to bring a homicide charge against the murderer for the killing of Ronda's unborn child.

Unfortunately, the situation in Virginia and many other States remains the same. If a mother survives an assault, but loses her unborn child, the law currently does not recognize any loss of any human life at all.

However, I am pleased that the Virginia General Assembly has taken steps to correct this wrong. This year, the Virginia General Assembly overwhelmingly passed legislation that would hold an individual accountable who, "unlawfully, willfully, deliberately, maliciously, and with premeditation kills the fetus of another." Twenty-Nine senators or 72 percent of the senate and 77 members of the house of delegates or 77 percent of the house supported this legislation.

While this legislation has not yet been signed into law, I am hopeful that Virginia will follow the lead of the 29 other States that have passed this important and meaningful legislation.

I have the same optimism for the Unborn Victims of Violence Act. We have a chance to hear the voice of the voiceless and bring fairness to a system that has essentially told hundreds of women and their families, their unborn child never existed.

I have been blessed with four great gifts, my loving wife and my three wonderful children. I have witnessed my children grow and live healthy and happy lives. I see what my children have accomplished so far in their lives and I am eager to see what other great accomplishments will follow. But many individuals are unable to witness the birth and growth of their child because of a violent criminal act.

Throughout my tenure in public service, whether it was in the Virginia House of Delegates, U.S. House of Representatives, Governor's office, or now in the U.S. Senate, I have always tried to be tough on criminals. I have always believed in the principle that if you commit a crime, you should be punished.

The Unborn Victims of Violence Act closely upholds my beliefs by making criminals accountable for their actions. Under current Federal law, an individual who commits a Federal crime of violence and kills or injures an unborn child cannot be prosecuted for those violent acts against the unborn child. The Unborn Victims of Violence Act seeks to rectify this situation and close that loophole.

Under this bill, if an unborn child is injured or killed during the commission of an already-defined Federal crime of violence, then the assailant could be charged with a separate offense for the second, enhanced crime upon the unborn child.

Opponents of the Unborn Victims of Violence Act contend that this will hamper a woman's right to choose and constitute an attack on Roe v. Wade. This is simply false. In fact, this legislation explicitly provides that it does not apply to any abortion to which a woman has consented, to any act of the mother herself, legal or illegal, or to any form of medical treatment.

In addition, opponents have brought numerous challenges against State unborn victims laws, based on Roe and other constitutional arguments, and all of these challenges have been rejected by State and Federal courts.

I have always been a strong supporter of rights of the people in the States to determine their laws so long as it does not harm interstate commerce or our Constitution. This bill safeguards those States' laws. This legislation does not supersede State unborn victims laws, nor does it impose such a law in a State that does not have one on the books. The Unborn Victims of Violence Act merely applies to an already defined set of Federal crimes.

The bottom line is that criminals must be held accountable for their actions. The Unborn Victims of Violence Act ensures that justice is sought and available for the totality of the violent murderous act. This is good, solid legislation that is tough on crime, appropriately punishes criminals, and meets the ends of justice desired by law-abiding citizens.

I urge my colleagues to support this bill so that we can send it to President Bush for his signature and ensure that justice will be served.

Mr. DODD. Mr. President, I share the outrage of every other Member in this Senate over the heinous and violent crimes that are committed against over 300,000 women a year. These crimes are especially horrific when the perpetrator knows his victim and knows her to be pregnant.

Today, a significant number of States already allow stricter penalties for crimes of violence committed against pregnant women. At the Federal level, I believe that it is appropriate and necessary to conform our Federal laws to the statutes of these States.

Particularly heinous crimes ought to receive particularly harsh penalties. And for that reason, I strongly supported the Feinstein amendment during today's debate. Like the underlying legislation, the Feinstein amendment would have allowed Federal prosecutors to "double-charge" those individuals convicted of crimes against pregnant women, and would have set forth severe and just punishments for those crimes. Unfortunately, this amendment was defeated.

I also realize that punishing individuals for crimes against women, both pregnant and not, is only one step toward reducing domestic violence. We must do more as a society not only to punish but to prevent domestic violence. For this reason, I strongly supported the Murray amendment today. This amendment would have protected the economic security of women who are victims of domestic violence by allowing them to keep their jobs if and when they needed to take time off to attend court and receive medical care related to acts of domestic violence committed against them. It would have also authorized important new initiatives for the establishment of family violence research and education centers to develop, implement, disseminate, and evaluate family violence prevention and early intervention services and strategies. Again, I was disappointed when this amendment failed.

We have come a long way from the days when domestic violence was considered a private matter. Major initiatives like the Violence Against Women Act have offered protection for women while treating domestic violence for what it is—crimes committed by cowards. However, as the continued prevalence of domestic violence cases show, we have a long way to go.

Regrettably, the underlying bill that was before us today is not principally focused on curbing violence and punishing those individuals found guilty of committing these heinous crimes. Rather, the legislation is focused on advocating a cause about which its proponents feel very deeply, but a cause that a majority of Americans do not share—the cause of eroding and ultimately ending women's right to choose.

I happen to support a woman's right to choose as set forth in the Roe vs. Wade decision. And I find it regrettable and inappropriate that legislation that ought to be focused on eroding the number of heinous crimes committed against all women focuses instead on eroding a woman's right to choose. For this reason, while I supported both the Feinstein and Murray amendments, I am unable to support the underlying bill.

For those who wish to advocate a cause not related to the issue of domestic violence, I urge them to advocate it in the open and not by stealth. But for those who want to reduce further the number and severity of crimes against women, I urge them to continue working with people like Senators FEINSTEIN and MURRAY. Working together, I am confident we can make a substantial difference in the lives of hundreds of thousands of women across the country.

Mr. SMITH. Mr. President, I rise today to speak about the Unborn Victims of Violence Act and our duty to protect the most innocent among us.

A woman becomes a mother the moment she hears she is with child. From that time forward, her primary concern is providing for and protecting the new life within. Our concerns should be no different.

It is horrifying that an expectant mother could be the target of violence—yet it happens. And when such a crime is committed, there is not one victim, but two. Recognizing this fact in Federal law not only fulfills our commitment to mothers and the unborn, it also serves as a deterrent to crimes against the innocent.

Under the laws of 29 States, if a person commits a violent crime against a pregnant woman and seriously injures or kills her unborn child, that assailant can be punished for both the violence against the mother and the unborn child. This is not the case in federal law. A perpetrator who commits a violent crime under Federal jurisdiction and kills an unborn child cannot be prosecuted for that death. This is wrong.

Today, I am proud to join my colleagues in voting in favor of the Unborn Victims of Violence Act. Under this legislation, an assailant who commits a Federal crime and kills or injures an unborn child can be charged with a separate offense on behalf of the child. Passage of this bill sends an immediate message to criminals that they will be punished for violence against women and their unborn children.

This legislation and the ban on partial-birth abortion enacted last year further protect the sanctity of life. Like the ban on partial-birth abortions, this bill is supported by the vast majority of Americans who recognize it as a reasonable stop we can take to protect women and children.

I look forward to President Bush signing this legislation into law. It will show criminals that they can no longer act with impunity and it will tell expectant parents what they already know—that their unborn children have value, too.

Mr. DEWINE. I am prepared to yield back our time on the general debate.

The PRESIDING OFFICER. There is still time on the underlying bill.

The minority leader.

Mr. DASCHLE. We yield back on the minority side.

The PRESIDING OFFICER. The clerk will read the bill for the third time.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The majority leader.

Mr. FRIST. Mr. President, for the information of our colleagues, the next vote is the last vote of the week. We will begin consideration of welfare reauthorization on Monday. There will be no rollcall votes on Monday. Any votes ordered will be stacked on Tuesday of next week.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The PRESIDING OFFICER. Both sides having yielded back their time and the bill having been read the third time, the question is, Shall the bill pass?

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from New Hampshire (Mr. GREGG) is necessarily absent.

The PRESIDING OFFICER (Mr. COLEMAN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 61, nays 38, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—61

Alexander
Allard
Allen
Bennett
Bingaman
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carper
Chambliss
Cochran
Coleman
Collins
Conrad
Cornyn
Craig
Crapo
Daschle
Dayton
DeWine
Dole
Domenici
Dorgan
Ensign
Enzi
Fitzgerald
Frist
Graham (SC)
Grassley
Hagel
Hatch
Hutchison
Inhofe
Kyl
Landrieu
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Pryor
Reid (NV)
Roberts
Rockefeller
Santorum
Sessions
Shelby
Smith
Specter
Stevens
Sununu
Talent
Thomas
Voinovich
Warner

NAYS—38

Akaka
Baucus
Bayh
Biden
Boxer
Byrd
Cantwell
Chafee
Clinton
Corzine
Dodd
Durbin
Edwards
Feingold
Feinstein
Graham (FL)
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murray
Nelson (FL)
Reed (RI)
Sarbanes
Schumer
Snowe
Stabenow
Wyden

NOT VOTING—1

Gregg

The bill (H.R. 1997) was passed.

Mr. SPECTER. Mr. President, I support enhanced penalties for criminal acts of violence against pregnant women.

My concern with the DeWine bill is that it unnecessarily seeks to weigh in on the abortion controversy with the definition of "unborn child" and "child in utero."

I voted for the Feinstein amendment because it accomplishes the substantive criminal law objectives of the DeWine bill without raising a potential issue on a possible challenge to Roe v. Wade.

When the Feinstein Amendment lost, I voted for final passage of the DeWine Bill in order to impose appropriate double sanctions for the murder or assault of a pregnant woman that interferes with a pregnancy.

MORNING BUSINESS

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, am I right that we are in morning business?

The PRESIDING OFFICER. The Senator is correct.

DRUG TRAFFICKING AND TERRORISM

Mr. GRASSLEY. Mr. President, since the tragic events of September 11, we have all strived mightily to ensure that our great homeland is never subjected to a terrorist attack by the evildoers again. But everyday those very evildoers weaken the fabric of our country, their enemy, by flooding our great society with addictive and deadly drugs. While the link between terrorists and drugs has been made countless times publically, we, as a Nation, have yet to attack the problem with an approach that is consistent and successful.

On March 13, 2002, Rand Beers, Assistant Secretary for International Narcotics and Law Enforcement Affairs, and Francis Taylor, Ambassador-at-large for Counterterrorism, made the points in joint testimony prepared for a hearing on "Narco-Terror: The Worldwide Connection Between Drugs and Terror" held by the Judiciary Committee Subcommittee on Technology, Terrorism and Government Information. Taylor, who delivered the opening testimony, told us that "relations between drug traffickers and terrorists benefit both."

"Drug traffickers benefit from the terrorists' military skills, weapons supply, and access to clandestine organizations. Terrorists gain a source of revenue and expertise in illicit transfer and laundering of proceeds from illicit transactions," he said.

Taylor listed terrorist groups with known links to drug trafficking around the world—from the South American nations of Colombia, Peru, Bolivia and Paraguay to Afghanistan, which, he said, accounts for more than 70 percent of the world's supply of opiates.

Mr. President, we know that 12 of the 25 major terror organizations identified by the State Department in 2002 have ties to drug traffickers and we know that drugs are a major source of funding for these terrorist groups. We know these groups sometimes work as conspirators to carry out their evil purposes.

The Lebanese Hezbollah group is increasingly involved in drug trafficking and terrorist organizations in Europe and Southeast Asia also are tied to illicit drugs.

The Revolutionary Armed Forces of Colombia, commonly known as the FARC, protects cocaine laboratories and clandestine airstrips in southern Colombia and some FARC units directly control local cocaine base markets.

As evidence that terrorist groups cooperate and work together, the Colombian National Police arrested three members of the IRA in July, 2001, who are believed to have used the demilitarized zone to train the FARC in the use of explosives.

While we know these connections, we have not taken full advantage of the vast resources and knowledge available to exploit this connection. The link between terrorism and drug trafficking that may take many forms, ranging from facilitation—protection, transportation, and taxation—to direct trafficking by the terrorist organization itself in order to finance its activities. Traffickers and terrorists have many of the same needs in terms of the secret movement of goods, people and money.

There are no swans in the sewer, and the relationships between drug traffickers and terrorists benefit both. As Mr. Beers stated, "Drug traffickers benefit from the terrorists' military skills, weapons supply, and access to clandestine organizations. Terrorists gain a source of revenue and expertise [from drug traffickers] in illicit transfer and laundering of proceeds from illicit transactions." Corrupt officials who are influenced by the dirty money of the narco-terrorists make it easier for the groups to get access to fraudulent documents, including passports and travel documents. This allows the terrorists to travel abroad under the stealth and protection of a shadowy network that is virtually undetectable.

Terrorists and drug traffickers also use the same methods to hide their illegal profits and conduct fundraising to feed their evil plans. The schemes used by the terrorists for the transferring and laundering of drug money for general criminal purposes are similar to those used to move money to support terrorist activities. The use of "charities" and informal networks such as "hawalas" are easy and efficient ways to launder money.

Yet these are the only methods we know about. Congress is in the process of crafting a budget for the 2005 fiscal year. We have some tough choices ahead of us. But as we move forward, I would urge my colleagues to keep in mind the lessons we have learned in our efforts to go after drug trafficking organizations.

First, to be successful, we need the assistance of other nations. Though many countries have been quick to update their regulations, few have the law enforcement structure in place to carry out interdiction. Law enforcement capabilities must improve globally. In addition, communication between law enforcement agencies nationally and internationally, must become seamless in order to rapidly and effectively identify, target and eradicate terrorists and their drug trafficking brothers before they eradicate us.

Second, our various law enforcement efforts within the United States must be coordinated. As our efforts to catch drug traffickers have taught us, no one agency has all of the tools, information, resources or skills to get the job done alone. Encouraging interagency cooperation, then, must be a priority.

And third, the efforts made at the State and local level to go after drug traffickers are also an important piece of our war on terror. We cannot, should not, and must not, overlook the efforts and expertise of our State and local law enforcement officers. They know best what's going on in their communities and often have the best, most effective approach to stem the flow of crime within their borders.

I will say more about the links between drug trafficking and terrorism in the future. But the connection is there and should not be ignored. Whether we discuss the financing or smuggling by terrorists, document fraud or corruption by drug traffickers, the sewer where the individuals bent on these activities dwell needs to be cleaned up. Let's not overlook the other filth in the water just because the sewer rat floats by.

A STEW POT OF TROUBLE

Mr. GRASSLEY. Mr. President, I think we have a bubbling stew pot of trouble brewing in Afghanistan, and we need to take stronger action action requested by President Karzai, by the way—soon, or much of our effort to root out lawlessness in Afghanistan may be undercut.

What am I talking about? Narcotics—particularly about the significant increase in opium production and trafficking in Afghanistan. I am not challenging the significant progress which has been made in the past 2 years. Removing the Taliban and preparing the groundwork for a democratically elected government is no small feat. Working with our allies, we have gathered all of the right ingredients together to build a new Afghanistan that will benefit everyone—particularly the people of Afghanistan. But the outcome is far from certain, and it doesn't seem as if we are paying enough attention to the danger signs.

According to the latest International Narcotics Control Strategy Report, released by the State Department at the beginning of this month, Afghanistan had the potential to produce 2,865 metric tons of opium in 2003. This represents almost two-thirds of the total potential opium production in the world. We know the havoc that drug use creates in a society. We know the corruption that drug trafficking encourages whereever it occurs. Experience has shown us that ignoring drug production and trafficking has only made things worse. These factors alone should be a reason for concern.

We should also be concerned about who is profiting from this resurgence. The difference between what the Afghan farmer is getting and what an eightball of heroin is worth on the streets of Paris is astronomical. And I am certain those reaping this enormous profit are not the same individuals who support the Karzai government, or who are happy to see coalition troops there.

The profits and instability that follow drug production wherever it occurs should be raising alarms for everyone involved. What is most worrisome, however, is we have seen these ingredients thrown together before, in Colombia. We can go down that same road, or we can take action now, before events boil over into chaos.

Earlier this week I spoke on this floor about the connections between drug trafficking and terrorism. The clearest nexus between drug trafficking and terrorism is in Colombia, where there are three major terrorist organizations using drugs to fund their efforts to overthrow the government.

The State Department has designated these three groups, the Revolutionary Armed Forces of Colombia, FARC, the National Liberation Army, ELN, and the United Self-Defense Groups of Colombia, AUC, as Foreign Terrorist Organizations. But these terrorist organizations began with more ideological roots, and more localized objectives.

Together, these three terrorist organizations have killed thousands of innocents. Three American civilians are currently being held hostage by the FARC, and have not been allowed any contact with the outside world for over a year.

For nearly 40 years the FARC have been pressing a pro-Marxist ideology. Similarly, the ELN held a more Maoist philosophy, but also strove for the same revolutionary objective. Initially these efforts were supported by donations from both the Soviet Union and Cuba. But that support ended with the fall of the Soviet Union.

While not as old, the AUC began as a series of para-military groups initially funded by the wealthy landlords in Colombia. These groups, initially endorsed by the government, were created because the government was unable to protect these rural landlords from attacks by the guerrillas.

But the end of the cold war did not mean an end to the guerrilla activities in Colombia. Instead, all three of these organizations were able to turn to the narcotics trade for funding. Because of this, their membership and the violence associated with each of these organizations has increased dramatically. It is now estimated that these groups receive a significant portion of their operating revenues from narcotics.

With that move, much of the ideology and even the pretense of being a guerrilla group disappeared as well. At first, they just provided security and other support to the drug lords and were paid for their services. But that was not enough.

Today we know that both the AUC and the FARC fight each other for access to the best smuggling routes into and out of Colombia. They fight the government to protect their drug production and transportation networks. They have also begun reaching out to foreign terrorist organizations as well, using narcotics as currency in exchange for guns and training.

Until recently, these terrorist organizations were able to move freely throughout a significant portion of rural Colombia, forcing the displacement of millions of Colombians as they battled the government and each other over drugs and politics. Only after coming to the conclusion that both drug trafficking and terrorism must be addressed equally has there been progress in restoring the control of Colombia to the legitimate government.

Fast forward to Afghanistan. Like the FARC, there are groups within Afghanistan, primarily operating in the remote areas of the country, who for ideological reasons would like to overthrow the government. The Taliban is perhaps the best known, but there are others as well. Numerous warlords also operate throughout the countryside, some whom have even had the blessing of the government.

The Taliban, like the FARC after the fall of the Soviet Union, need to secure an alternative means of financing their operations if they are to survive. Our success in choking off their traditional funding sources has created this necessity. Opium—like coca for the FARC—is an easy, local, and available opportunity to do exactly that, and will not be a new source of revenue for the Taliban. While the Taliban banned opium production for a period of time when they controlled Afghanistan, they also taxed the trafficking and resulting profits from the sale of stored opium after the ban.

Add to this equation some of the many warlords that control various areas of Afghanistan. Some of these warlords even worked with coalition forces to oust the Taliban. But most have no intention of surrendering any of their power or authority to the central government in Kabul, preferring to fight for their own fiefdoms.

They have no interest in enforcing edicts from Kabul, or in taking any action that might give the central government additional legitimacy. Profits from opium production and trafficking are a key method for continuing to fund their war clan.

These efforts are not as blatant or as well organized as what we have in Colombia today, but the ingredients are there. It is time we start connecting the dots.

Today, several thousand U.S. and coalition soldiers are hunting down terrorists. These terrorists are receiving physical and financial support from somewhere. Meanwhile, the Karzai government is working furiously to establish the police, judicial, and military systems necessary to ensure that the people of Afghanistan can equitably govern themselves. But they must overcome the chaos created by 20 years of occupation and civil war. The last thing that they need is a well funded rebellion in their backyard.

The Karzai government recognizes the dangers posed by bumper crops of opium. They know the profits being generated by this drug production go not to the Afghani people, but to the few powerful enough to move the opium out of Afghanistan. These drug traffickers flourish in the same kind of lawless environment where terrorists train.

We need to start connecting the dots. We cannot continue to separate terrorism and narco-trafficking. I fear that if the United States narcotics policy in Afghanistan does not catch up to that of the Karzai government, we will be facing the same mess that we are working to clean up in Colombia. We have watched this pot before. We need to begin looking at our options now, before it boils over and we have a real mess.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I ask unanimous consent to speak as in morning business for up to 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEWIS AND CLARK MOUNT HOOD WILDERNESS ACT OF 2004 DRAFT LEGISLATIVE PROPOSAL

Mr. WYDEN. Mr. President, I rise today to discuss a draft legislative proposal I have developed and am soliciting comment from people in my State to add 160,000 acres of new wilderness in the Mount Hood National Forest.

The year 2004 is momentous for wilderness in Oregon. It marks the 40th anniversary of the 1964 Wilderness Act and the 20th anniversary of the last Oregon wilderness bill. Perhaps most importantly, 2004 marks the bicentennial of the single most important exploratory committee ever launched by the Federal Government and that is the Lewis and Clark Expedition.

One way to mark this very special time would be to enact a new Oregon wilderness bill, which I could conceive of as the Lewis and Clark Mount Hood Wilderness Act of 2004. In tribute to the great river-dependent journey of Lewis and Clark, I believe it would also be appropriate to add four free-flowing stretches of rivers to the National Wild and Scenic River System.

In the last few years, Congress has protected some of my home State's most important treasures: Steens Mountain is now home to 170,000 acres of wilderness. The Little Sandy watershed is now part of the Bull Run Management unit and will help provide drinking water for over 700,000 Oregonians. Soda Mountain has been designated a national monument. Fort Clatsop National Memorial has been expanded, and this year it may be designated as Oregon's second national park.

The draft I have been discussing with my constituents would take a fresh look at protecting the lower elevation forests surrounding Mount Hood and the Columbia River Gorge. These forests symbolize the natural beauty of my home State. They provide the clean water for the biological survival of threatened steelhead, Coho, and Chinook salmon. These forests provide critical habitat and diverse ecosystems for elk, deer, and of course the majestic bald eagle. These are the forests that provide unparalleled recreational opportunities for millions of Oregonians and all of our visitors.

Mount Hood is the highest mountain in my home State. Captain Clark described it as "a mountain of immense height, covered with snow," while John Muir described Mount Hood a bit more poetically as "one glorious manifestation of divine power."

"Wy'East" is the American Indian name for Mount Hood. Before Lewis and Clark came to what we now know as my home State, these forests and species they supported in turn supported native Indians for thousands of years. These are the forests that connect the high elevation snowfields with the rich, diverse lower valleys that produce our famous salmon which were described as so plentiful one could walk across the river on their backs.

Although the history of Mount Hood and her environs are fascinating, the need to designate these areas as protected wilderness and wild and scenic rivers is best expressed by the very modern stories of increased pressures from development and recreational use that are at the heart of our State's future.

The need to protect and build on Oregon's wilderness system that is as important now as it was in 1804, 1964, or 1984. There are currently 189,200 acres of designated wilderness on the Mount Hood National Forest. I believe it would be appropriate this year, 2004, to discuss a draft bill which would almost double that amount by designating approximately 160,000 new acres of wilderness thereby lessening the pressures of overuse while also staving off the threat of development.

Today, the economic role of these important public lands has shifted. Communities on the highway to Mount Hood often market themselves as the "Gateway to Mount Hood," and see this as a special opportunity to improve their tourism.

They should. On weekends, crowds of Oregonians come out of the cities seeking a natural and often wild experience. In the 20 years that has elapsed since any new wilderness has been designated in the Mount Hood area, the population in the local counties has increased significantly—20 percent in my home county of Multnomah, 24 percent in Hood River County, and 41 percent in Clackamas County.

With increasing emphasis on wild scenery, unspoiled wildlife habitats, free flowing rivers, wilderness, and the need for opportunities for diverse outdoor recreation, it seems to me that very often we are in jeopardy of loving our wild places to death. A few years ago, the Forest Service made a proposal to limit the number of people who could hike the south side of Mount Hood. I can tell you the public outcry was staggering.

So it seems to me, rather than to tell people they are going to be restricted from using our public lands, the solution lies in providing more opportunities for them to enjoy our great places. I have heard from community after community that they fear a threat to their local drinking water or the need for further protections from development. Congressional statutory designation as wilderness provides the only real protection of the historic, scientific, cultural, environmental, scenic, and recreational values that contribute to the quality of life of which the people of my State are so proud.

The protection of the special Oregon places is going to depend on the hard work and dedication of all Oregonians, and especially my colleagues in the Congress.

I have had a chance already to discuss this with Senator SMITH. He and I always work in a bipartisan way. As always, he has been very gracious with respect to saying he would work with me and will join me in listening to the people of Oregon.

I have also been pleased today to be able to talk to Congressman WALDEN, who is the new chair of an important subcommittee who will be in a position to listen to the people of our State, take their ideas, and take their input on this draft. I also have talked to Congressman BLUMENAUER today, who represents the congressional district that I was so proud to represent for 15 years in the House of Representatives.

I believe the four of us in particular will take the time now to listen to the people of our State, the county commissioners, the environmentalists, the entrepreneurs, the chambers of commerce, the Governor, various State-elected officials who have an interest in this issue, and other interested parties and work to try to get this important work done in the right fashion.

I have been very proud to have been involved in two natural resource efforts in the last few years where people thought the polarization was so great that you could not get anything done. With respect to the county payments legislation Senator CRAIG and I teamed up on a matter that was absolutely critical to funding schools and roads. We worked in a bipartisan way, listened to people, and got an important piece of legislation passed.

We did the same thing with respect to forest health legislation earlier in this Congress. People said we couldn't get a bill out of the Senate. A lot of people of good will, including the Presiding Officer tonight, came together and we got 80 votes for it in the Senate.

When you listen to people, it is possible to get important natural resources legislation passed. I think it would be very appropriate to take the draft I am now circulating to the people of Oregon, spend the necessary time listening to people of our State, and turn it into legislation that could be considered formally by the Congress and perfect it in the coming weeks and days ahead. Congress ought to try to pass this legislation after listening to the people of my home State. The grandeur of Mount Hood and other Oregon treasures can be assured for future generations if we can come together and approach this in a bipartisan way.

That is what I am committed to doing based on my conversations today with Congressman WALDEN and Congressman BLUMENAUER, the Members who are most affected by the legislation, and Senator SMITH who has joined me so often. I am convinced our delegation is committed to doing this job right, recognizing that 2004 is a momentous year for wilderness in our State.

I would very much like to see the people of our State, working with our congressional delegation, coming together and passing a Lewis and Clark Mount Hood Wilderness Act of 2004. We have a lot of work ahead of us in the days ahead, but we are committed to approaching this in a responsible and bipartisan fashion. I want to tell the people of my State I think it would be exciting to make sure that we could take steps in this session to ensure that, for the millions who will come to visit Mount Hood in the days ahead, we have acted to preserve the grandeur of this spectacular treasure.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRIST. Mr. President, in a few minutes we will be closing for the evening, but over the next several minutes I would like to comment on a couple of events from today, and then, in closing, we will talk a bit about what to expect over the next several days and next week.

CONGRESS BUILDING AMERICA NATIONAL BUILD

Mr. FRIST. Mr. President, I, first, would like to comment on the way my day began. It happened to begin with the distinguished Presiding officer, the Senator from Minnesota, early this morning, as we engaged in a project that many people around the country have participated in. For those who have not, I hope they do participate in it; and that is, to build—I was not going to say a house—but, indeed, a home as part of Habitat for Humanity.

Not too far from here—about 15 minutes from our Nation's Capitol—there is a plot of land. We have been blessed in many ways because, right now, we have been part of a group of people who put up several houses. We did not put them all up today, but eventually that whole site—and it is probably a couple-acre site; actually, it must be larger than that—will have 50 different houses with individual homeowners, families who will call those houses their homes.

Many of those people have no homes today, but they have devoted a fair amount of planning, with their sweat and their equity and their spirit, in helping to construct these houses through Habitat for Humanity.

We were there with a number of House Members and Senate Members. It was bipartisan, bicameral. It was part of what is called "Congress Building America." Today was called: "Congress Building America National Build."

It was a great celebration this morning. Millard Fuller was there. Millard Fuller is the man who had the vision and the heart to first think of and then lay out and then implement Habitat for Humanity International. His commitment reflects a merging, a coming together of faith, a call to service. He has professional training. He has been a very successful attorney. We had an opportunity to congratulate him, but also to spend most of the morning working side by side with him.

Millard is a fascinating individual. He travels around the world both promoting and educating people about Habitat for Humanity. I talked to him a bit this morning about recent trips I have had the opportunity to make, again, one with the Presiding Officer to Africa, where, to me, we have a great opportunity, but also there is great hope, as we look at that continent today.

This morning there were teams of five or six people who worked together, with a leader in that team. I was not the leader for those 3 to 4 hours. We had a young woman by the name of Dawn, who is part of the AmeriCorps affiliation with Habitat for Humanity, who walked us through the construction of this house that was nothing but a slab of concrete, but by the time we left, it had the walls up around it.

But part of my team was also Charlissa Tomlinson. Charlissa is the owner of the home, who began, about 2 years ago, with this dream, and now, with her three children there today, participated in the construction of that very house.

As we put up that last wall, and there was a window there, and we looked out the window, I asked: Whose bedroom is this going to be? She very quickly told me which child's bedroom it was going to be.

She has been very active in her church, very active in her community. The realization of her family's dream shows us how powerful volunteers can be, how the very best of the public sector, Government, which funds, in part, Habitat for Humanity, and the 10 or 15 sponsors, organizations, companies that invest, and invest heavily, in support of Habitat for Humanity can come together.

I thank my colleagues because this is the first year we have had broad bipartisan, bicameral participation. A number of Senators have gone out and participated before, but today we broke all records in terms of Senate participation in this wonderful, wonderful project.

We were there to demonstrate our commitment, as elected leaders. I should also add that the spouses of the Senators were there as well throughout the morning. They even stayed into the afternoon. But we really were there to demonstrate our commitment, our deep, personal commitment to affordable home ownership for low-income American families.

We were also there to show our appreciation for faith-based groups and other nonprofits such as Habitat for Humanity that do provide these critical services to individuals and families in need across America.

Home ownership is such an essential part of our lives, of our social investments, of our economic investments. It is empowering to families. It is empowering to communities. It contributes economic vitality to areas and regions in communities where these beautiful new homes arise. So it was an exciting project this morning. We have done a lot.

As we were there and looking around, we saw the AmeriCorps volunteers. There was a group of college students from Cornell who, instead of going where 99.9 percent of the college students go—to vacation, which I guess is Florida or the west coast or to warmer weather—dedicated their spring vacation to being there and hammering nails, and spending their 8 days away from Cornell—again, colleges all over the country are doing this, but they were with us today, and the volunteers from the community, working with the corporate executives, working with the Members of the Senate. It was really, really gratifying.

The Congress participates and works with the administration. We provided $27 million this year for the Self-Help Homeownership Opportunity Program, SHOP. Under this grant program, homeowners contribute significant amounts of their own volunteer labor to the construction or to the rehabilitation of a property. President Bush requested $67 million next year for this particular program, SHOP, Self-Help Homeownership Opportunity Program.

The 108th Congress passed and President Bush signed the American Dream Downpayment Act of 2003. That is going to help over 40,000 families a year with their downpayment and closing costs and further strengthen our housing market all over the country. Seeing the Senate in action, as we hammered and nailed and put the siding up, made me realize how much this body does do and cares in terms of eliminating poverty housing in America. I hope that demonstrates our commitment to that goal and our continued commitment for affordable housing throughout America but in particular for low-income American families.

UNBORN VICTIMS OF VIOLENCE

Mr. FRIST. Mr. President, the rest of today was spent on a very important initiative that was really long overdue.

That was addressing the issue of the Unborn Victims of Violence Act.

I very much appreciate the Democratic leadership working with us to have a unanimous consent agreement today where we could begin this morning and continue straight through in a very orderly way, have very good debate, very good amendments on the floor of the Senate, and then, 8 hours after we began, to come to a conclusion with a vote that will have a huge impact, an impact on victims of violence that were protected in some States but in many States were not.

The issue at hand really boiled down to that single question, that when a pregnant woman is murdered along with her unborn baby, is there one victim or are there two? All of this is very simple. It is simple to me in terms of understanding it, but also simple in that it applies so directly to humanity.

There is a case that I never talked about on the floor today. It came to mind this afternoon in a press conference later where there were four families that were victims of violence, and they told their stories. It was very powerful. I am not sure if it was captured by the news cameras there or not, or if many people will see it—very powerful stories.

But it did remind me of a story, a recent case in my own State of Tennessee. It was an early morning in January, and two young men gunned down Tracey Owens on an empty street in south Nashville. Tracey was between 38 and 40 weeks pregnant, just about ready to deliver, could have delivered any day. The perpetrators said they believed they had hit the pregnant woman with their truck and they were afraid they would get in trouble. So they stopped and they got out, and as Tracey was laying there crying out for help, one of the assailants just looked at her and said: Here is your help. And with that, he shot her in the abdomen, actually shot her five times with a .22-caliber pistol. One of those bullets actually hit the baby and she was about ready to deliver.

After murdering Tracey and her unborn baby, the two men went back to an ex-girlfriend's apartment. They cleaned the weapon off, and then they fell asleep. They were picked up after a motorist found Tracey's body and a witness at the scene told investigators they had seen the two men shooting at parked cars. Investigators quickly found the culprits, and they quickly confessed. The perpetrators now sit in jail awaiting the grand jury.

A police detective in the case said: In my 22 years on the job, I have never seen anyone executed—and I mean executed—because someone thought they had hit the person with a vehicle.

Tennessee is one of 29 States with a fetal homicide law on the books. So then the question arises, was Tracey's baby, who was only days away from delivery, also slain? That is what this bill was about today. That is what this act was about. That is why it is so important that this body responded and responded so positively with the final vote, now just an hour or an hour and a half ago. The answer to that question to me is simple. I think it is simple. Ultimately, no matter how you voted today, the answer is straightforward.

The reason why I use this example is because it is so obvious. You only have to look at the autopsy results themselves. The medical examiner did not examine just Tracey alone; she examined the baby as well. Indeed, that is how we know that the baby was shot by one of those five shots. That little baby was hit. And common sense tells us that in examining the murder victims, the coroner was faced not just with one dead body but with two dead bodies.

We have groups such as the American Civil Liberties Union which opposed the bill, the Unborn Victims of Violence Act. They said that counting two victims is a "dangerous attempt to separate a woman from her fetus in the eyes of the law." In other words, they tried to cast this as an abortion issue.

One of the wonderful things about the discussion today is that everytime someone tried to cast it as an abortion issue, that was debunked and was made very clear that this is not an abortion issue.

When a husband intentionally punches his expectant wife in the abdomen with the express purpose of causing a miscarriage, it is he who is separating the woman from the fetus.

I would argue that when a boyfriend tires of his pregnant girlfriend and hires an assassin to dispose of the girlfriend and the baby, he is killing two human beings. One may even argue that the baby is in fact—and many times is—the primary target.

But we don't need to examine the motives of the perpetrators in these real life cases to reach those conclusions. Even if an assailant is unaware of his victim's pregnancy, should he, the perpetrator, decide whether or not the baby exists? Should we accept that because he didn't know when he was killing one person he was snuffing out the life of a second, there is no second crime?

The Unborn Victims of Violence Act does. And now we know it is going to go to the President. This was the exact same act that passed in the House of Representatives and, thus, we know there is no stopping this one. It is going to go to the President. This act protects the rights of the baby to come into this world as the mother intends, and it holds the criminal responsible for endangering the life and the health of the child.

We did have an amendment today from the senior Senator from California that was offered that said it was sufficient to add special penalties for attacking a woman who is pregnant. Indeed, it really pushed aside the intent of the underlying bill and said it is sufficient to add special penalties for attacking a woman who is pregnant. And tougher laws will assuage the feelings of the devastated family and compensate the mother for her sense of loss. All of that misses the point, the heart and soul of this underlying legislation. The harmed child is not notional. The harmed child is not a sense. The harmed child is not an emotion. The baby is real and the loss is real.

Again, I wish my colleagues could have heard today the four families who suffered such real and tragic losses. The second life has been harmed, whether intentional or not. Verbal evasions and euphemisms simply cannot hide this plain fact. I think about an expectant mother, her excitement about her family, her future family, how she starts to show, and even strangers, when she walks by, begin to smile and ask, "When is the baby due?" You cannot help but think of friends who are throwing showers or the metro rider who stands up and offers his seat for that expectant mother.

Our natural reaction is to celebrate the miracle of life and offer our love and compassion, not for a theory, or a theoretical baby, but for an actual baby—a baby we hope will be born and will be healthy.

Well, this act, the Unborn Victims of Violence Act, which now is going to be the law of the land, recognizes the simple reality. It is not about abortion, as its opponents took great pains to argue but which was debunked today. It doesn't undermine the 1973 Roe v. Wade Supreme Court decision, as even pro-choice legal scholars admit. The Unborn Victims of Violence Act is about simple humanity, simple reality.

A child in the womb, whether you call it a baby or a fetus, is alive, it is real, and it deserves our best efforts to protect it from criminal harm, and with the action of this body today, and with the action of the House of Representatives in the past, this act will become the law of the land, soon to be signed by the President of the United States.

ORGAN DONATION

Mr. FRIST. Mr. President, it has been a satisfying day. Shortly, I will finish the day with a third issue which means a great deal to me. I will be asking unanimous consent for action on a bill that promotes organ donation, and for other purposes. I would like to close on that third topic.

The bill is called the Organ Donation and Recovery Improvement Act. For the 10, 12, to 15 years before I came to the Senate, that is what I had the privilege of doing, transplanting hearts and lungs together, for end stage disease, for people who would otherwise die but had the opportunity and blessing to be able to have taken out those diseased organs—out of somebody who otherwise would die usually within 3 to 6 months, and replace those with organs that would allow them to live 10, 15, 20, or 40 years.

It is marvelous what American medicine and science can do generally, but also that the good Lord allows that miraculous procedure to happen today. It was only imagined not too long ago.

This particular bill, which we will be passing shortly, represents the most significant reforms to organ donation in over a decade. It improves research, improves public awareness, and helps us improve the process, which makes organ transplantation possible. It is not hard to take the diseased organs out. The real challenge we have is finding the available, appropriate organs to transplant, actually implant into that chest. That is the shortage. People are dying every day, waiting for a heart, waiting for a lung, waiting for kidneys, a liver, or a pancreas, and the problem is the shortage of donors. But in truth, there are plenty of donors out there. It is how you get this potential supply to meet this huge demand. Right now, the supply is too small. When the demand is high, all these people are dying. If we increase the supply, these people begin to live. It is as simple as that. This legislation moves us in that direction.

I want to applaud the work of Senator **CHRIS DODD**, our colleague from Connecticut, who helped lead the fight to pass this legislation in the Senate, and also our colleague from New Hampshire, **JUDD GREGG**, chairman of the Health, Education, Labor, Pensions Committee, for his support. This particular bill that will pass tonight was passed by the House of Representatives yesterday. I recognize the leadership of Representative **BILIRAKIS** and **BILLY TAUZIN**, who have been instrumental in leading this initiative in the House.

Organ donation is one of the most challenging issues we face today because of this supply-demand issue. The real supply is bigger than the realized supply, and that is what this bill sets out to achieve. About 82,000 to 84,000 people are waiting today for an organ to become available. Many will become available tonight—hopefully, a lot—tomorrow, and every day. But it is not enough. You have people dying.

I will be speaking principally, using figures on America, the U.S. While organ donations increased by 7.5 percent since 2002, it is a small increase. The 84,000 people waiting have far outstripped that in terms of the number of people added to the waiting list. By improving public awareness to encourage organ donation, we literally save lives, hundreds and thousands of lives.

This legislation takes a comprehensive approach. It will not solve the problem, but it is a comprehensive approach to increase organ donation and, at the same time, improving the overall efficiency of the organ donation process. I believe patients and families will soon benefit from this very important legislation tonight.

AMENDING THE PUBLIC HEALTH SERVICE ACT TO PROMOTE ORGAN DONATION

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3926, which is at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3926) to amend the Public Health Service Act to promote organ donation, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements related to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3926) was read the third time and passed.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator **KENNEDY** and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

On October 21, 2000, in Fort Worth, TX, a 17-year old high school student was hospitalized after two peers allegedly attacked him in a parking lot. The young assailants beat the victim and scratched anti-gay slurs into his car. The victim suffered a broken nose and numerous other injuries, including blood clots on his brain.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

HONORING OUR ARMED FORCES

SPECIALIST CHRISTOPHER E. HUDSON

Mr. BAYH. Mr. President, I rise today with a heavy heart and deep sense of gratitude to honor the life of a brave young man from Carmel, IN. Specialist Christopher Hudson, 21 years old, died in Abu Ghraib, just west of Baghdad, on March 21, 2004, during an attack when the Humvee he was riding in was struck by an improvised explosive device.

After joining the Army in November of 2002, Chris was assigned to the 2nd Battalion, 12th Cavalry Regiment, 1st Cavalry Division based in Fort Hood, TX. Chris served as a gunner during his deployment, which began when his unit joined the efforts in Iraq one year ago. With his entire life before him, Chris chose to risk everything to fight for the values Americans hold close to our hearts, In a land halfway around the world.

Chris was the twenty-fifth Hoosier soldier to be killed while serving his country in Operation Iraqi Freedom. This brave young soldier leaves behind his father; his mother, Sally; his wife, Michelle; his 1-year-old son, Gavon; and 3-year-old daughter, Veronika. May Chris' children grow up knowing that their father gave his life so that young Iraqis will some day know the freedom they enjoy.

Today, I join Chris' family, his friends, and the entire Carmel community in mourning his death. While we struggle to bear our sorrow over his death, we can also take pride in the example he set, bravely fighting to make the world a safer place. It is his courage and strength of character that people will remember when they think of Chris, a memory that will burn brightly during these continuing days of conflict and grief.

When looking back on the life of her late husband, Chris' wife Michelle told the Indianapolis Star that he "was proud to defend his country . . . His family loves him, misses him and is very proud of him." Today and always, Chris will be remembered by family members, friends and fellow Hoosiers as a true American hero, and we honor the sacrifice he made while serving his country.

As I search for words to do justice in honoring Chris' sacrifice, I am reminded of President Lincoln's remarks as he addressed the families of the fallen soldiers in Gettysburg: "We cannot dedicate, we cannot consecrate, we cannot hallow this ground. The brave men, living and dead, who struggled here, have consecrated it, far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here." This statement is just as true today as it was nearly 150 years ago, as I am certain that the impact of Chris' actions will live on far longer than any record of these words.

It is my sad duty to enter the name of Christopher E. Hudson in the Official Record of the United States Senate for his service to this country and for his profound commitment to freedom, democracy and peace. When I think about this just cause in which we are engaged, and the unfortunate pain that comes with the loss of our heroes, I hope that families like Chris' can find comfort in the words of the prophet Isaiah who said, "He will swallow up death in victory; and the Lord God will wipe away tears from off all faces."

May God grant strength and peace to those who mourn, and may Gold bless America.

OPPOSITION UNDER ATTACK IN BELARUS

Mr. CAMPBELL. Mr. President, in recent days the Belarusian Prosecutor General's office opened criminal proceedings against one of the leaders of the embattled Belarusian democratic opposition, Anatoly Lebedka. Anatoly, who is chairman of the United Civic Party, has been accused of defaming Belarusian dictator Alexander Lukashenko during an interview with Russian television last month where he linked the recent Belarusian-Russian dispute over gas deliveries with the Belarusian authorities' failure to build an efficient economy. Anatoly also mentioned a shadow budget replenished through illegal arms sales and the cover-up of the truth about political disappearances in Belarus.

Given the pattern of behavior of the Lukashenko regime, it is crystal clear that this case is politically motivated and designed to suppress dissent. Lebedka's United Civic Party is a member of the Popular Coalition Five Plus, an opposition bloc which is planning to field candidates in this fall's parliamentary elections.

The action against Anatoly Lebedka and on the opposition fits squarely within a pattern of the suppression of independent thought and action in Belarus. Lukashenko's repression of those who would dare to challenge him has only intensified over the past year. Just last week, a criminal case was opened against the Belarusian Helsinki Committee chairperson Tatiana Protska and accountant Tatiana Rudkevich. This comes after politically-motivated economic sanctions were imposed on the Committee recently. Also within the last few days, a court seized property of Iryna Makavetskaya, a correspondent for one of Belarus' leading independent newspapers, Beloruskaya Delovaya Gazeta.

Lukashenko has a choice—he can continue to act as a pariah, suppressing the voices of democracy in Belarus, or he can realize that the only way to reverse his self-imposed isolation from the international community and increasingly, from his own people is to end his offensive against democracy and civil society.

Meanwhile, it is essential that the United States back up its rhetorical support for democratic forces in Belarus through concrete assistance. Earlier this Congress, I introduced the Belarus Democracy Act, a measure with bipartisan support designed to promote democracy, human rights and the rule of law in Belarus. In light of the campaign of repression against democratic forces in Belarus, timely consideration of the Belarus Democracy Act is warranted. I urge colleagues to support this important legislation.

CLOSING THE GUN SHOW LOOPHOLE

Mr. LEVIN. Mr. President, three weeks ago the Senate passed an amendment during consideration of the gun immunity bill which would close the gun show loophole. I supported this amendment because I believe it is common sense gun safety legislation.

Under current law, when an individual buys a handgun from a licensed dealer, there are federal requirements for a background check to insure that the purchaser is not a person prohibited from purchasing or possessing a firearm. However, this is not the case for all gun purchases. For example, when an individual wants to buy a handgun from another private citizen who is not a licensed gun dealer, there is no requirement to ensure that the purchaser is not in a prohibited category. This creates a loophole in the law, which makes it easy for criminals, terrorists, and other prohibited buyers to evade background checks and buy guns. This loophole is the gateway to the illegal market because criminals know they are not subject to a background check and no record is made of the sale.

I cosponsored the amendment offered by Senators JACK REED and JOHN MCCAIN, which would close the gun show loophole, because I believe it is a critical tool in preventing guns from getting into the hands of criminals and other ineligible buyers. This amendment would have simply applied existing law governing background checks to individuals buying firearms at gun shows. Preventing easy and unchecked access to guns is critical in preventing gun violence.

This amendment also had the support of major law enforcement organizations including the International Association of Chiefs of Police, the National Troopers Coalition, the International Brotherhood of Police Officers, the Police Executive Research Forum, the Major Cities Chiefs, the National Association of School Resource Officers, the National Black Police Association, the National Organization of Black Law Enforcement Executives, and the Hispanic American Police Command Officers Association.

The gun industry immunity legislation would have provided unprecedented protection from liability to gun manufacturers and dealers, even in cases where their own gross negligence or recklessness led to someone being injured or killed. I opposed the bill and it was defeated in the Senate. However, before the bill was defeated, the gun show loophole amendment passed with bipartisan support. Given that, I hope the Senate will take up and pass gun show loophole legislation this year.

CBO REPORT

Mr. DOMENICI. Mr. President, at the time Senate Report No. 108–233 was filed, the Congressional Budget Office report was not available. I ask unanimous consent that the report, which is now available, be printed in the RECORD for the information of the Senate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 22, 2004.

Hon. PETE V. DOMENICI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1107, the Recreational Fee Authority Act of 2004.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis, who can be reached at 226–2860.

Sincerely,
DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

S. 1107—RECREATIONAL FEE AUTHORITY ACT OF 2004

Summary: S. 1107 would authorize the National Park Service (NPS) to establish, charge, and modify admission and user fees at units of the National Park System. Section 3 of the bill would allow the NPS to retain and spend all offsetting receipts collected under this authority without further appropriation. Both the authority to collect and to spend NPS recreation receipts would become effective on January 1, 2006, the day after the existing recreation fee demonstration program expires. (Created in 1996, the demonstration program authorizes the NPS and other federal land management agencies to charge higher recreation fees than would otherwise be permitted and to spend the proceeds.)

The effect of S. 1107 on total recreation fee receipts and spending would partly depend on how the NPS would use the bill's authorities in conjunction with current law following the expiration of the current demonstration program. For this estimate, CBO assumes that the NPS would use the authorities provided under S. 1107 to continue the recreation fee demonstration program permanently. We estimate that direct spending would increase under the bill by $592 million over the 2006–2014 period because the bill would authorize the spending of fee collections that would not otherwise be available.

This legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated net budgetary impact of S. 1107 is summarized in the table below. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
DIRECT SPENDING											
NPS Recreation Fee Program Net Spending Under Current Law:											
Budget Authority [1]	0	0	−63	−79	−81	−82	−84	−86	−88	−89	−91
Estimated Outlays	6	30	76	5	−59	−79	−84	−86	−88	−89	−91
Proposed Changes:											
Authorization Level	0	0	63	79	81	82	84	86	88	89	91
Estimated Outlays	0	0	−4	33	62	77	82	83	85	86	88
NPS Recreation Fee Program Net Spending Under S. 1107:											
Authorization Level	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	6	30	72	38	3	0	−2	−3	−3	−3	−3

[1] The current law amounts represent net direct spending of the NPS under the existing recreation fee demonstration program (which expires on December 31, 2005) and under the Land and Water Conservation Fund Act (LWCFA), which will govern the collection and spending of NPS recreation fees after December 31, 2005.

Basis of Estimate: For this estimate, CBO assumes that the NPS would collect and spend recreation fees at all park units under the authority provided by S. 1107, at rates similar to those it now charges under the recreation demonstration program. S. 1107 would provide broad, permanent authority to collect and spend recreation fees at NPS sites similar to that contained in the temporary recreation fee demonstration program. Unlike that program, however, the bill would not specifically repeal or override the fee-related provisions in the Land and Water Conservation Fund Act (LWCFA). The LWCFA will govern the collection and spending of recreation fees after December 31, 2005. Moreover, the bill would not apply to other federal land management agencies that offer similar, often competing, recreation opportunities. This estimate is based on information provided by NPS and assumes that the NPS determines that the fee caps, fee prohibitions, and other fee limitations contained in the LWCFA would not apply to fees that would be established under S. 1107.

CBO estimates that enacting S. 1107 would essentially continue the current recreation demonstration program. The bill—like the demonstration program—would allow the NPS to spend 100 percent of all receipts. Starting in 2006, the LWCFA would otherwise authorize the spending of 15 percent of recreation receipts.

The net effect of these changes would be an increase in direct spending authority of $63 million for fiscal year 2006, $79 million in 2007 (the first full year after the new authority would become effective), and $745 million through fiscal year 2014. CBO estimates that outlays from this new spending authority would total $592 million over the 2006–2014 period.

Under the bill, recreation fees could also increase by as much as $32 million in 2006 and between $41 million and $47 million a year thereafter, but any new receipts would be offset by an identical increase in new spending. If the NPS were to determine that it must abide by specific restrictions in the LWCFA when establishing fees under S. 1107, the agency would probably not implement any significant increase in offsetting receipts. In the event that no new receipts could be collected under S. 1107, the NPS would be authorized to spend recreation fees under the bill, and the net budget impact would be similar.

In addition, because fees charged by other land-management agencies would not be increased under S. 1107, it is possible that the NPS might not be able to charge higher fees at some parks without putting itself at a competitive disadvantage with other federal recreation providers. In that event, the NPS may not be able to increase rates to the level estimated here; however, the net budget impact would be the same because spending would fall by the same amount.

Intergovernmental and private-sector impact: S. 1107 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Costs: Deborah Reis (226–2860); Impact on State, Local, and Tribal Governments: Marjorie Miller (225–3220); and Impact on the Private Sector: Selena Caldera (226–2966).

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

STAND-ALONE RELIABILITY

Ms. CANTWELL. Mr. President, I rise today to begin the process of placing directly on the Senate calendar stand-alone electric reliability legislation.

As all my colleagues in this body are well aware, devising a comprehensive policy that will help this nation achieve its energy independence is a task that has divided the Energy and Natural Resources Committee on which I serve, the United States Senate and the Congress as a whole for three years now. Regardless, I believe that there is at least one thing on which every Senator can agree—and that is the need to pass legislation giving the Federal Energy Regulatory Commission, working closely with regional entities, the statutory authority to put in place mandatory and enforceable reliability standards.

The call for legislation of the kind we are introducing today dates back to at least 1997, when both a Task Force established by the Clinton Administration's Department of Energy and a North American Electric Reliability Council, or NERC, blue ribbon panel independently determined that reliability rules for our nation's electric system needed to be mandatory and enforceable.

In response, the Senate passed stand-alone legislation on this matter, authored by my predecessor Senator Gorton, in June 2000. Since then, under the leadership of both parties, the Senate has twice passed consensus-based electric reliability provisions—most recently, last July.

There is no doubt that this nation's consumers and businesses cannot afford further delay in improving the reliability of the electricity grid. Last August's Northeast/Midwest blackout, which affected 50 million consumers from New York to Michigan, again sounded the wake up call for federal electric reliability legislation.

I would like to quote from a January 1, 2004 letter published in the New York Times from North American Electric Reliability Council President and CEO Michehl R. Gent. Mr. Gent wrote that interim steps NERC has taken to improve grid reliability since last August's blackout does "not reduce the need for federal legislation that would provide authority to impose and enforce mandatory reliability standards. Whether legislation is adopted on a stand-alone basis or as part of a comprehensive energy bill, passage is essential. If reliability legislation had been enacted when first proposed [in 1999], I believe that the blackout would not have occurred."

Mr. Gent reiterated this position in February 24, 2004 testimony before the Senate Energy and Natural Resources Committee. I asked Mr. Gent whether in fact it wouldn't be irresponsible of this body not to pass reliability legislation this year, even if we are to pass it on a stand-alone basis. Quite simply, Mr. Gent replied, "I agree."

We are beginning the process of putting this legislation directly on the Senate calendar because we believe American consumers have waited long enough for Congress to take this simple step, putting in place mandatory and enforceable reliability standards to govern operation of the electric transmission grid—the backbone of our nation's economy.

There are those who will argue that we are ill-advised to take this step. They ill argue in favor of taking up and passing last year's failed energy bill conference report (H.R. 6), or S. 2095—the so-called "slimmed down" energy bill introduced this year, which happens to be 100 pages longer than the original. However, I am of the firm belief that we cannot allow these crucial reliability provisions to be held hostage to a flawed comprehensive energy bill.

Now, I know that the distinguished Chairman of the Senate Energy and Natural Resources Committee has worked to strip one of the most outrageous provisions of the H.R. 6 conference report—the MTBE liability protection, which many Senators simply cannot abide—from the new version of his energy bill. But I am one of the many who believe that the bill that remains requires very, very substantial revision and thorough debate. With its origins in last year's conference report, there are far too many provisions in the new bill that the Senate Energy Committee has simply never considered. Moreover, if one of our primary policy goals is to improve the reliability of our nation's electricity grid, I am hard-pressed to see how many of the provisions in that bill are relevant.

How will weakening the Safe Drinking Water Act help keep the lights on?

Will providing MTBE producers with $2 billion in taxpayer-funded "transition" assistance in any way reduce the likelihood of outages?

How would delaying Clean Air Act implementation in our nation's most polluted cities ensure reliable operation of our electricity grid?

Can anyone really argue that exempting oil companies form Clean Water Act requirements will make our high-voltage transmission lines more reliable?

S. 2095 might not subsidize Hooters, but there remain plenty of handouts to the polluters and corporate looters—none of which have anything to do with bolstering the reliability of our transmission infrastructure. And that's before a non-existent conference with the House, the Leadership of which has publicly expressed its complete disinterest in revisiting the provisions of H.R. 6 most objectionable to the Senate. In fact, I ask my colleagues to consider the following passage, published in the February 14, 2004 edition of CQ Today.

"You can't start carving out pieces of a deal you already made," said Frank Maisano, a lobbyist who represents several MTBE producers. 'What the Senate does at this point is irrelevant. This is just a vehicle to get to conference.'" MTBE lobbyists—and perhaps our colleagues on the other side of the Capitol—believe that whatever the Senate does within the context of a debate on the new energy bill is "irrelevant." As the saying goes, "fool us once, shame on you. Fool us twice, shame on us."

So Mr. President, in view of the existing gridlock on comprehensive energy legislation, I believe the only responsible course is for this body to bring up and pass stand-alone electric reliability legislation. I reject the notion that passing comprehensive energy legislation—such as it is—is the sole path to improving the reliability of our nation's electricity grid. We can pass stand-alone reliability legislation. We've done it before. We can—and must—do it again. Good energy policy must not be held hostage to the bad, and I am pleased to begin the process of placing the bill directly on the Senate calendar.

RULING AGAINST MICROSOFT

Mrs. LINCOLN. Mr. President, I rise today to voice my strong opposition to yesterday's ruling by the European Commission against the Microsoft Corporation.

While Arkansas is not the headquarters of the Microsoft Corp., we are keenly aware of the negative impact that the European Union's protectionist trade actions have on American business and our Nation's economic growth and job creation.

Time and time again, farmers and agribusiness in my state have been denied the opportunity to compete in the European market.

As a member of the Senate Finance Committee, I am dedicated to ensuring a level playing field with our trading partners.

This goal cannot be accomplished alone. It will require a multinational cooperative effort which developed countries like the United States and Europe must lead.

The EU's actions, specifically the one taken yesterday, are a significant step in the wrong direction.

I encourage the administration to continue to engage their European counterparts and demand a more cooperative effort.

I yield the floor.

GREEK INDEPENDENCE DAY

Mr. SARBANES. Mr. President, March 25 has very special meaning in Greek history. On this date 183 years ago, a small but resolute band of Greek patriots began the struggle to end the foreign domination that for nearly four centuries had oppressed and impoverished Greek lands. For 8 difficult years, resolute and courageous Greek patriots fought against tremendous odds to secure the liberty of their homeland. On this same date 30 years ago the military junta, which had seized power in 1967 and for 7 long years suppressed democratic institutions and civil rights, was brought down, and democracy was restored to the land of its invention. These two events, distant in time and nature as they are from one another, both mark milestones on the road to the vigorous and prosperous democracy that is Greece today.

Nearly 200 years ago, the United States and Greece were two young republics for whom the future was still uncertain. Inspired by democratic ideas in a world that was largely uncomprehending and hostile, both took on the formidable challenge of building viable democratic institutions. That shared commitment has endured. The United States and Greece have stood together in every major struggle for freedom and democracy: through two devastating World Wars, and through the long decades of the Cold War.

The Hellenic Republic was established in 1974. Since that time, Greece has built itself into a strong democracy, a vibrant economy, a regional leader and an ever more solid partner of the United States. Greece has reclaimed its leading role in the region, joining the European Community in 1981. In April 2003, the European Union, under the Greek presidency, signed the Accession Treaty to accept 10 new members in the ancient agora marketplace of Athens, that city serving once again as a cradle for democratic expansion.

Greece's democracy has flourished and prospered over the past 30 years. Recent elections have again demonstrated the stability and openness of the nation's political institutions. With the transfer of power from one party to another, a new generation of Greek leaders is emerging, a generation that promises to build on the strength of the existing relationship with the United States to develop new avenues of cooperation.

Today Greece is preparing for the 2004 Olympics. It is a matter of profound satisfaction for those of us of Greek ancestry that the Games this year are returning to their birthplace, and that Greece will play host to more than two million athletes and visitors from every corner of the world. In connection with the Olympic Games, Greece has undertaken structural improvements that are transforming Athens into a thoroughly cosmopolitan and modern city, and building facilities and infrastructure throughout the country. The investment Greece has made in connection with the Olympics holds out the prospect of a new era, for the people of Greece and visitors to Greece alike. The Games offer a splendid opportunity to present Greek achievements to the international community not only in sports but also in cultural, economic and political terms.

The founders of the American republic were ardent students of the classics, and they looked to the wisdom and experience of ancient Greece as they shaped our nascent political order. In turn, Greek patriots struggling to win independence in 1821 turned to the principles of the new American democracy as they sought to build their own new order. In today's turbulent world, the strong and enduring ties between the two countries are momentous achievements. They give us cause for reflection and celebration on this independence day.

Mr. REED. Mr. President, I rise today to recognize the 183rd anniversary of Greek Independence and pay tribute to the contributions of Greece and our Greek-American community. It was on this day in 1821, that Greek patriots rose up against the Ottoman empire and began an 8-year struggle that culminated in a new Greek Republic.

It is fitting that we take this day to reflect on the enormous contributions the Greek people have made to the modern world. Our own democratic principles have their very foundation in the practices of the ancient Greek republic. Indeed, the ancient Greeks developed the concept of democracy, in which the supreme power to govern was vested in the people. Our own Founding Fathers modeled the American government on the principles of Greek democracy. Thomas Jefferson studied the Greek classics in his youth and was inspired by their philosophy throughout his life, most dramatically when he crafted the Declaration of Independence. When formulating his vision for this country, Jefferson specifically referred to the integrated assertions, theories, and aims of the classic Greek world.

Today, our admiration for Greece continues. Greece and the United States, partners in NATO, are at the forefront of the effort for freedom, democracy, peace, stability, and human rights, forging a close bond between the two nations. We look forward to working closely with Greece in the coming years as we examine ways to bring full peace, stability, and prosperity to all the nations of Europe and the world.

As we celebrate Greek independence, we must also remember the history of those who sacrificed their lives to preserve American freedom and democracy. Greek Americans have served proudly and honorably in every U.S. engagement and war. It is through their efforts and others that we maintain a Nation committed to fighting and winning this war or terrorism.

Today, we join the world in anticipating the momentous 2004 Summer Olympic Games, which will be held in Athens, the birthplace of the Olympic tradition. This event not only highlights the achievements of thousands of world athletes, but signifies the importance of working together to provide greater opportunity and freedom for the citizens of the world.

I am proud to join many of my colleagues as a cosponsor of S. Res. 308 designating March 25, 2004 as Greek Independence Day: A National Day of Celebration of Greek and American Democracy. We value our friendship and continuing partnership with the government and people of Greece. I would especially like to offer all Greek Americans my best wishes as they celebrate this day of independence. Finally, I ask all citizens to reflect on the many important contributions to freedom, democracy, peace, and stability Greece and Greek Americans have made to this country and our world.

THE OCEANS AND HUMAN HEALTH ACT

Mr. DEWINE. Mr. President, I thank Senators MCCAIN and HOLLINGS and the members of the Commerce Committee for their leadership in moving the Oceans and Human Health Act, S. 1218. I also express my appreciation for their willingness to include Senator LEVIN's request and my request to ensure that this bill addresses the needs of the Great Lakes.

The Great Lakes are the largest freshwater bodies on earth, holding approximately 20 percent of the world's freshwater. While we all know that water is essential for our survival, scientists are only just beginning to appreciate the connection between human health and our waters. It takes approximately 198 years for the lakes to flush themselves. So a pollutant dropped into Lake Superior in Duluth-Superior Harbor in 1805—during the time of the Lewis and Clark expedition, Thomas Jefferson's presidency, and the organization of the Michigan Territory—would just now be exiting the water system this year. That means that these large bodies of water are holding much of what we have put into them following the Industrial Revolution.

Industrial development in the Great Lakes region resulted in bacterial contamination and floating debris, as well as the release of persistent organic pollutants, such as PCBs. By the 1950s, Lake Erie showed signs that there was a great imbalance in the Lake with massive algal blooms and depleted oxygen. These problems resulted in contaminated drinking water and polluted beaches, which contributed to epidemics of waterborne diseases, such as typhoid fever. More serious health problems were discovered years later when scientists began to understand that some of the nonbiodegradable chemicals would bio-accumulate in wildlife and in humans.

During the 1970s, Lake Erie was declared dead. It was at that time that significant legislative measures were put in place to control the pollution entering the Lakes, and for the last several years, the region has benefited from the great improvements to the quality of our water.

Until recently, many of us thought that the Great Lakes were well on their way to becoming drinkable, fishable, and swimable—goals of the United States/Canadian Great Lakes Water Quality Agreement. However, today, we face new challenges. We now understand that our environmental problems are more than single-issue, cause and effect problems. Scientists must consider the entire ecosystem.

Over this past year, there are reports of unexplained botulism outbreaks on the Lakes, a rise in beach closures and swimming bans, and a new "dead zone" in Lake Erie. Additionally, the Lakes are being threatened by extremely challenging invasive species. People from the Great Lakes region are quite familiar with the more infamous invaders like the zebra mussel, sea lamprey, and Eurasian milfoil, but there are now over 160 nonindigenous aquatic species in the Great lakes with many others on their way. Invasive species are drastically changing the ecosystem and imperiling the health of the Great Lakes and the wildlife.

Though changes to the Great Lakes are not seen immediately, we know we can impact the Lakes, for better or for worse, through our management policies. As the Director of the Great Lakes Environmental Research Lab said, "The one thing that we can predict with near certainty is that the Great Lakes ecosystem will continue to change and the challenges for effective use and management will only increase."

Because of the many challenges threatening the health of the Great Lakes and the health of the people who use the Lakes for their drinking water, fishing, or swimming, it is important to understand the link between our waters and human health. That is why we introduced the Oceans and Human Health Act. It would authorize the establishment of a coordinated Federal research program to aid in understanding and responding to the role of oceans in human health. The bill would establish a Federal interagency Oceans and Human Health initiative and create an Oceans and Human Health program at the Department of Commerce National Oceanic and Atmospheric Administration, NOAA. The bill also would direct the Secretary of Commerce to establish a coordinated public information and outreach program to provide information on potential ocean-related human health risks.

So, again, I thank Senator HOLLINGS and Senator MCCAIN for their efforts on this legislation and for accommodating my request and the request of my colleague, Senator LEVIN, to ensure that this legislation includes the Great Lakes. It is a good bill and will help us improve the quality of the Lakes and protect them for future generations.

IN HONOR OF DR. DOROTHY IRENE HEIGHT—A NATIONAL TREASURE

Mr. DURBIN. Mr. President, I rise today to honor Dr. Dorothy Irene Height, a great leader in the struggle for equality, social justice, and human rights for all people, and a true American hero.

A recognized leader in the cause of civil and human rights, Dr. Height has shown her strength and vision through her efforts to promote school desegregation, educate others regarding the status of women in our society, and close our Nation's racial divide.

As a tireless advocate for women's rights, Dr. Height was a valued friend of First Lady Eleanor Roosevelt. She later encouraged President Eisenhower to desegregate the Nation's schools and promoted the appointment of African-American women to sub-Cabinet posts under President Johnson.

Dr. Height served as the tenth national president of Delta Sigma Theta Sorority, Inc. from 1947 to 1956 and was responsible for advancing the organization's political and social activism, both nationally and internationally.

Subsequently, as president of the National Council of Negro Women, NCNW, Dr. Height worked ceaselessly to bring attention to the struggle of African-American women. Some of these innovative programs include: Operation Woman Power, a project to expand business ownership by women; the Women's Center for Education and Career Advancement, a facility established to empower minority women in nontraditional careers; and the Bethune Museum and Archives, a museum devoted to the history of African-American women.

Among her other roles, Dr. Height was the only female member of the "Big Six" civil rights leaders, alongside James Farmer, Roy Wilkins, Whitney Young, A. Philip Randolph, and Rev. Dr. Martin Luther King, Jr. She was a mainstay at countless civil and human rights events in the 1960s and organized "Wednesdays in Mississippi," a program that brought together Black and White women from the North and South to create a dialogue of understanding.

Throughout her years of public service, Dr. Height has received numerous awards for her pursuit of equality including: the Spingarn Award, the highest honor given by the National Association for the Advancement of Colored People, NAACP; the Presidential Medal of Freedom, awarded by President Clinton; the William L. Dawson Award, given by the Congressional Black Caucus for decades of service to people of color and women; the Citizens Medal Award for distinguished service, presented by President Reagan; and her most recent honor, the Congressional Gold Medal, presented by the 108th Congress of the United States.

Dr. Dorothy Height has been a clear voice in expressing the needs of not only African-American women, but of all women. She is a living legend, a catalyst for growth and positive change in our great country.

I proudly congratulate Dr. Dorothy Irene Height on the awarding of the Congressional Gold Medal and for her commitment to equality and civil rights in America.

ADDITIONAL STATEMENTS

THE GREEN STREET BAPTIST CHURCH

• Mr. BUNNING. Mr. President, today I would like to take the opportunity to honor the 160th birthday of the Green Street Baptist Church in Louisville, KY.

The Green Street Baptist Church is one of the oldest and most established African-American churches in Kentucky. It has served as a spiritual focal point for Louisville since it was founded as the Second African Baptist Church by nine slaves. On September 29, 1844 it was opened as the Green Street Baptist Church by pastor Brother George Wells.

The Green Street Baptist Church is a historic place that has played a significant role for African-Americans in Louisville. The present church was built in 1930 by the noted African-American architect Samuel Plato. In August of 1967, with H.W. Jones as pastor, the church hosted a rally for voter registration led by Dr. Martin Luther King.

As one of the U.S. Senators from Kentucky, I know how important a wonderful center like the Green Street Baptist Church can be to a community. One of the more prominent trustees and a treasurer of the church was a man named Ben Duke, who lived to be 100 years old. I have no doubt that his rewarding involvement with such a great organization like the Green Street Baptist Church contributed to his longevity.

I congratulate the Green Street Baptist Church on this momentous occasion of its 160th anniversary. I hoe the church will continue to serve the Louisville community another 160 years and beyond.●

LEAGUE OF UNITED LATIN AMERICAN CITIZENS

• Mr. HARKIN. Mr. President, this year marks the 75th Anniversary of the League of United Latino American Citizens, commonly known as LULAC. This national organization was founded in 1929 to fight for the civil rights of all Hispanic Americans. The LULAC founders saw a need for an organization that would strive for equality, fight discrimination and injustice, help Hispanics to claim their rights as United States Citizens and to have access to the American Dream.

Due to their success in the southwest, LULAC continued to open up chapters all over the United States. LULAC's first council was formed in Iowa in 1959 and continues to have a strong presence today. They have prospered over the past 45 years and continue to be a leader in Iowa, fighting for the rights of Latino Iowans.

LULAC has worked to affect national policy so that it better reflects the different cultures living in the United States. They continue to work tirelessly to reduce discrimination, close the achievement gap and improve the immigration laws and system.

LULAC seeks to reduce disparities in political representation. They work to develop leaders among the young Latino men and women in Iowa. Rita Vargas, a previous member of my staff, was nominated as "LULAC's Woman of the Year" in 2001, and has since been elected to the position of Scott County Recorder.

The Latino community is a vital, growing part of today's Iowa. In this great country, we find strength in our diversity. Iowa is stronger economically and richer culturally thanks to the many contributions of our Latino friends, neighbors and colleagues.

I would like to say thank you to LULAC for all their hard work in Iowa and throughout the country. I wish them the best as they continue their community activism.●

TRIBUTE TO COLONEL JOELLEN DE BERG, UNITED STATES AIR FORCE NURSE CORPS

• Mr. INOUYE. Mr. President, I wish to recognize a great American and true military heroine who has honorably served our country for over 31 years in the United States Air Force Nurse Corps: COL Joellen de Berg. Colonel de Berg began her military career as a reservist with assignments in Arizona, Pennsylvania, and Ohio. After serving as flight nurse, instructor, and evaluator in C–123 and C–130 aircraft, she entered active duty in July, 1978, at Malcolm Grow Medical Center, Andrews Air Force Base, MD. She quickly rose through the ranks and served throughout the world, including in the Philippines, Ohio, California, Oklahoma, Maryland, Illinois, Texas, Washington, District of Columbia, and Japan.

In each assignment, Colonel de Berg excelled and was rewarded with greater responsibilities. In 1983, her performances led to a below-the-zone promotion to the rank of major 3 years ahead of her peers. After serving as manager of emergency services at Wright-Patterson AFB, she transitioned from the clinical arena to medical readiness inspector, Air Force Inspector General, Norton AFB, CA. Once again, her exemplary performance led to a second below-the-zone promotion to lieutenant colonel. After serving as the associate director of nursing at Malcolm Grow Medical Center, she went on to serve as congressional fellow, U.S. Senate, Defense Appropriations Subcommittee. Her service in this capacity lead to her appointment as chief of strategic plans, U.S. Air Force Surgeon General's Office, Bolling AFB, Washington, DC.

With her path to executive leadership clearly set, Colonel de Berg served as chief nurse at Tinker AFB and Andrews AFB. At Andrews, she assumed command of the Eighty-ninth Medical Operations Squadron. Her remarkable leadership earned her selection as group commander, Thirty-fifth Medical Group, Misawa, Japan. Colonel de Berg then assumed responsibilities as command nurse and chief, Primary Care Optimization, Office of the Command

Surgeon, Air Mobility Command, Scott AFB, IL.

Colonel de Berg's last assignment was in the State she considers home. She returned to Texas, as chief, Nurse Utilization and Education Branch, Air Force Personnel Center, Randolph AFB. In this position, she was responsible for managing assignments, career progression, and sponsored educational opportunities for 4,000 Air Force nurses.

Colonel de Berg is a meritorious leader, administrator, clinician, educator, and mentor. Throughout her career she has served with valor and profoundly impacted the entire Air Force Medical Service. Her performance reflects exceptionally on herself, the United States Air Force, the Department of Defense, and the United States of America. I extend my deepest appreciation to COL Joellen de Berg on behalf of a grateful Nation for more than 31 years of dedicated military service.•

NAVY AIRMAN JUSTIN TEAGUE

• Mr. BUNNING. Mr. President, today I would like to take the opportunity to honor U.S. Navy Airman Justin Teague of Benton, KY. Eighteen-year-old Justin Teague shipped out aboard the USS *Enterprise* in October of 2003 as a teenager newly graduated from high school and returned March 28, 2004, as an American soldier.

The USS *Enterprise* was deployed October 1, 2003 and visited the northern Arabian Gulf, Afghanistan, Italy, Spain, as well as a few other countries. Teague's job on the flight deck, where he secured planes that had landed and towed them into position, is vital for the function of the carrier. Justin admits his position was stressful but the hardest thing he had to endure was losing his best friend from home in a car accident while at sea. Despite missing the funeral, he remained positive throughout his journey and hopes to make a career out of the military.

Justin Teague's parents are exceedingly proud of their son, and I am proud to have him as a fellow Kentuckian. In this time of conflict, it is important to remember the young people who risk their lives to ensure our freedom. Men like Justin should be commended for their dedication and hard work in the military. We need to remember to thank our soldiers whenever the opportunity arises.•

100TH ANNIVERSARY OF THE AMERICAN LUNG ASSOCIATION

• Mr. SARBANES. Mr. President, I would like to take a moment to extend my congratulations to the American Lung Association as it celebrates its 100th anniversary.

One of our Nation's foremost health advocacy groups, the American Lung Association was established in 1904 as the National Association for the Study and Prevention of Tuberculosis, a cause to which it remains very much devoted. From its early years during which it focused on promoting basic sanitation measures, the ALA has grown into a leader in the fields of health education and biomedical research, contributing over $11 million in 2003 alone to the study of lung disease.

The American Lung Association has long been at the forefront of efforts to warn the American public of the dangers of smoking. In fact, the ALA predated the Surgeon General by 4 years in establishing a link between tobacco use and chronic lung disease, issuing a public health statement on the risks of tobacco use as early as 1960. Subsequent public information campaigns, especially those targeting America's youth, have helped cut smoking rates drastically over the past two decades.

In the hope of addressing a root cause of lung disease, the American Lung Association has worked tirelessly to improve the quality of the air we breathe. This organization played a crucial role in the development and implementation of the 1970 Clean Air Act, and since then has provided a strong voice for improving emissions standards and reducing children's exposure to poor air quality in schools.

Over the years, the American Lung Association has risen time after time to the task of combating new health challenges. Recognizing the growing problem of asthma, the ALA has initiated a number of programs to help local officials, parents, and their children combat and manage this disease. And in 1996, the ALA established their Asthma Clinical Research Center network, a program with an annual budget of $3.5 million, consisting of 19 university and hospital centers and a coordinating center at the Johns Hopkins University.

I commend the ALA for its outstanding achievements over the past century, and I offer my best wishes for a successful future.•

OREGON VETERAN HERO

• Mr. SMITH. Mr. President, today I rise to honor an Oregon veteran who went above and beyond the call of duty in service to his country. On February 19, 1941, 16-year-old Mike Ryan left high school and voluntarily enlisted in the United States Army to serve in World War II.

Private Ryan underwent basic training at Fort Mills on Corregidor in Manila Bay. Japanese bombing attacks on the island intensified and ultimately led to the fall of Corregidor. U.S. forces surrendered on May 6, 1942. Pvt. Mike Ryan and other troops in the southern part of the Philippines became Japanese prisoners of war.

Ryan and hundreds of other prisoners were taken to Manila, were paraded through the streets and taken to prison, and transported to a prison camp in Cabanatuan, Philippines.

For the next 3 years, Mike Ryan suffered immensely, enduring hunger, fatigue, and sickness in a Japanese forced labor camp. The conditions were dismal; food and clothing were scarce and the heat was intense. After spending time in a holding area, which was nothing more than a cow pasture with no sanitary facilities, Ryan was sent out on work details and later transferred to prison.

Thirty-seven percent of the prisoners did not survive. Mike says he never gave up hope, saying he always knew he would come back someday. On September 13, 1945, Ryan and his fellow prisoners were released from captivity. Mike Ryan had spent a total of 3 years, 4 months, and 6 days as a prisoner of war.

After spending a short time in a military hospital in Denver, CO, Ryan was honorably discharged from the service on June 20, 1946.

On March 30, 1948, he married and moved to Oregon. Mike worked at a plywood mill in Lebanon for more than 40 years until it shut down in 1985. Ryan served as the department commander of American Ex-prisoners of War. Now retired, Ryan enjoys spending his time with his wife of 56 years and his family. He has two sons, four grandchildren, and four great-grandchildren.

Mike Ryan made many sacrifices by entering the military at such a young age. He never had the opportunity to finish high school and receive his diploma. Last session, the Oregon Legislative Assembly passed S. 374 allowing World War II veterans who left school to serve in the war to receive their high school diploma. Ryan is hoping he will graduate this year with the Lebanon, OR class of 2004.

Now 79 years old, Ryan looks back on his life and gratitude, thankful for the opportunity to serve his country.

For his selfless service to others, and to the United States in time of war, I salute Mike Ryan as an Oregon veteran hero.•

NOTIFICATION OF THE PRESIDENT'S INTENT TO ENTER INTO A FREE TRADE AGREEMENT WITH THE GOVERNMENT OF THE DOMINICAN REPUBLIC—PM 74

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance:

To the Congress of the United States:

Consistent with section 2105(a)(1)(A) of the Trade Act of 2002 (Public Law 107–210; the "Trade Act"), I am pleased to notify the Congress of my intent to enter into a free trade agreement

(FTA) with the Government of the Dominican Republic.

This agreement will create new opportunities for America's workers, farmers, businesses, and consumers by eliminating barriers to trade with the Dominican Republic, the largest economy in the Caribbean Basin. At the same time, it will help bring to the Dominican Republic expanded economic freedom and opportunity, and it will provide an opportunity for regional stability, democracy, and economic development through closer ties of commerce, investment, and friendship.

Consistent with the Trade Act, I am sending this notification at least 90 days in advance of entering into an agreement with the Dominican Republic. My administration looks forward to working with the Congress in developing appropriate legislation to approve and implement this free trade agreement.

GEORGE W. BUSH
THE WHITE HOUSE, *March 24, 2004*.

MESSAGE FROM THE HOUSE

At 12:24 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1768. An act to amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and for other purposes.

H.R. 3059. An act to designate the facility of the United States Postal Service located at 304 West Michigan Street in Stuttgart, Arkansas, as the "Lloyd L. Burke Post Office".

H.R. 3873. An act to amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with access to food and nutrition assistance, to simplify program operations, to improve children's nutritional health, and to restore the integrity of child nutrition programs, and for other purposes.

H.R. 3926. An act to amend the Public Health Service Act to promote organ donation, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 189. Concurrent resolution celebrating the 50th anniversary of the International Geophysical Year (IGY) and supporting an International Geophysical Year-2 (IGY-2) in 2007–08.

H. Con. Res. 328. Concurrent resolution recognizing and honoring the United States Armed Forces and supporting the goals and objectives of a National Military Appreciation Month.

The message further announced that the House agree to the amendment of the Senate to the bill (H.R. 254) to authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

The message also announced that pursuant to section 1501(b) of the National Defense Authorization Act for Fiscal Year 2004 (38 U.S.C. 1101 note), and the order of the House of December 8, 2003, the Speaker appoints the following members on the part of the House of Representatives to the Veterans' Disability Benefits Commission: Mr. Nick B. Bacon of Rosebud, Arkansas and Mr. Donald M. Cassiday of Aurora, Illinois.

MEASURES REFERRED

The following joint resolution previously received from the House of Representatives on February 4, 2004, for concurrence was read the first and second times by unanimous consent and referred as indicated:

H.J. Res. 84. Joint Resolution recognizing the 93d birthday of Ronald Reagan; to the Committee on the Judiciary.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 1768. An act to amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and for other purposes; to the Committee on the Judiciary.

H.R. 3059. An act to designate the facility of the United States Postal Service located at 304 West Michigan Street in Stuttgart, Arkansas, as the "Lloyd L. Burke Post Office"; to the Committee on Governmental Affairs.

H.R. 3873. An act to amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with access to food and nutrition assistance, to simplify program operations, to improve children's nutritional health, and to restore the integrity of child nutrition programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 189. Concurrent resolution celebrating the 50th anniversary of the International Geophysical Year (IGY) and supporting an International Geophysical Year-2 (IGY-2) in 2007–08; to the Committee on Commerce, Science, and Transportation.

H. Con. Res. 328. Concurrent resolution recognizing and honoring the United States Armed Forces and supporting the goals and objectives of a National Military Appreciation Month.

MEASURES READ THE FIRST TIME

The following bills were read the first time:

H.R. 339. To prevent legislative and regulatory functions from being usurped by civil liability actions brought or continued against food manufacturers, marketers, distributors, advertisers, sellers, and trade associations for claims of injury relating to a person's weight gain, obesity, or any health condition associated with weight gain or obesity.

H.R. 3717. To increase the penalties for violations by television and radio broadcasters of the prohibitions against transmissions of obscene, indecent, and profane material, and for other purposes.

S. 2236. A bill to enhance the reliability of the electric system.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6761. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Tuberculosis in Cattle and Bison; State and Zone Designations; Delay of Compliance Date" (Doc. No. 03–072–2) received on March 25, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6762. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Ammonium Bicarbonate; Exemption from the Requirement of a Tolerance" (FRL#7341–3) received on March 25, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6763. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Bacillus Thuringiensis Cry3Bb1; Exemption from the Requirement of a Tolerance" (FRL#7350–5) received on March 25, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6764. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Rhamnolipid Biosurfactant; Exemption from the Requirement of a Tolerance" (FRL#7347–7) received on March 25, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6765. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Time-Limited Exemption from Requirement of a Tolerance; Exemption from the Requirement of a Tolerance" (FRL#7350–8) received on March 25, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6766. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Zoxamide; Pesticide Tolerance for Emergency Exemptions" (FRL#7349–3) received on March 25, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6767. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Japanese Beetle; Domestic Quarantine and Regulations" (Doc. No. 03–057–2) received on March 25, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6768. A communication from the Congressional Review Coordinator, Animal and

Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Plant Protection Act; Revisions to Authority Citations; Technical Amendment" (Doc. No. 00–063–3) received on March 25, 2004; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6769. A communication from the Principal Deputy Under Secretary of Defense for Policy, Department of Defense, transmitting, pursuant to law, a report relative to progress towards achieving militarily significant benchmarks in Kosovo during the period of July 1 to December 31, 2003; to the Committee on Armed Services.

EC–6770. A communication from the Acting Under Secretary of Defense for Acquisition, Technology, and Logistics, Department of Defense, transmitting, pursuant to law, a report relative to the Defense Federal Acquisition Regulation Supplement; to the Committee on Armed Services.

EC–6771. A communication from the Director, Defense Procurement and Acquisition Policy, transmitting, pursuant to law, the report of a rule entitled "Memorandum of Understanding—Sweden" (DFARS Case 2003–D089) received on March 23, 2004; to the Committee on Armed Services.

EC–6772. A communication from the Deputy Chief of Naval Operations for Manpower and Personnel, Department of the Navy, transmitting, pursuant to law, a report relative to the conversion to contractor performance a function of the Department of Defense performed by 176 civilian employees; to the Committee on Armed Services.

EC–6773. A communication from the Assistant Secretary, Division of Corporation Finance, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled "Additional Form 80K Disclosure Requirements and Acceleration of Filing Date" (RIN3235–AI47) received on March 23, 2004; to the Committee on Banking, Housing, and Urban Affairs.

EC–6774. A communication from the Administrator and Chief Executive Officer, Bonneville Power Administration, Department of Energy, transmitting, pursuant to law, the Administration's Annual Report for Fiscal Year 2003; to the Committee on Energy and Natural Resources.

EC–6775. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, the Administration's Annual Energy Outlook 2004; to the Committee on Energy and Natural Resources.

EC–6776. A communication from the Assistant General Counsel for Regulatory Law, Office of Procurement and Assistance Policy, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "Financial Assistance Rules" (RIN1991–AB66) received on March 23, 2004; to the Committee on Energy and Natural Resources.

EC–6777. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Illinois; Definition of Volatile Organic Material and Volatile Organic Compound" (FRL#7635–5) received on March 25, 2004; to the Committee on Environment and Public Works.

EC–6778. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; Texas; Control Emission of Oxides of Nitrogen (NOx) from Cement Kilns" (FRL#7638–5) received on March 25, 2004; to the Committee on Environment and Public Works.

EC–6779. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Implementation Plans; Illinois" (FRL#7632–7) received on March 25, 2004; to the Committee on Environment and Public Works.

EC–6780. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Implementation Plans; Ohio; Approval and Revision to Oxides of Nitrogen Regulations" (FRL#7632–4) received on March 25, 2004; to the Committee on Environment and Public Works.

EC–6781. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Maryland; Nitrogen Oxides Allowance Allocations for 2006–2007 and Revisions to Set-Aside Requirements" (FRL#7634–6) received on March 25, 2004; to the Committee on Environment and Public Works.

EC–6782. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants; Delegation of Authority to Louisiana" (FRL#7638–7) received on March 25, 2004; to the Committee on Environment and Public Works.

EC–6783. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Research, Development, and Demonstration Permits for Municipal Solid Waste Landfills" (FRL#7637–9) received on March 25, 2004; to the Committee on Environment and Public Works.

EC–6784. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Revisions to the California State Implementation Plan; Yolo-Solano Air Quality Management District" (FRL#7636–7) received on March 25, 2004; to the Committee on Environment and Public Works.

EC–6785. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report relative to the Administration's Fiscal Year 2004 Capital Investment and Leasing Program; to the Committee on Environment and Public Works.

EC–6786. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, a report relative to the Commission's licensing and regulatory duties; to the Committee on Environment and Public Works.

EC–6787. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, seven Uniform Resource Locators (URLs) issued related to the Agency's regulatory programs; to the Committee on Environment and Public Works.

EC–6788. A communication from the Director, California Bay-Delta Authority, transmitting, pursuant to law, the Authority's 2003 Annual Report; to the Committee on Environment and Public Works.

EC–6789. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Delaware; Amendments to Regulation 23, Section 10-Aerospace Coatings" (FRL#7639–4) received on March 25, 2004; to the Committee on Environment and Public Works.

EC–6790. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; Florida: Tampa Bay Area Maintenance Plan Update" (FRL#7640–6) received on March 25, 2004; to the Committee on Environment and Public Works.

EC–6791. A communication from the Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Determination of Nonattainment as of November 15, 1996 and Reclassification of the Beaumont/Port Arthur Ozone Nonattainment Area; State of Texas; Final Rule" (FRL#7641–2) received on March 25, 2004; to the Committee on Environment and Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. GRASSLEY (for himself and Mr. Baucus):

S. 2231. A bill to reauthorize the Temporary Assistance for Needy Families block grant program through June 30, 2004, and for other purposes; considered and passed.

By Mr. CAMPBELL (by request):

S. 2232. A bill to amend the Indian Gaming Regulatory Act of 1988 to revise the fee cap on National Indian Gaming Commission funding and make certain technical amendments; to the Committee on Indian Affairs.

By Mr. VOINOVICH (for himself and Mr. Carper):

S. 2233. A bill to amend the Environmental Research, Development, and Demonstration Authorization Act of 1979 to establish in the Environmental Protection Agency the position of Deputy Administrator for Science and Technology; to the Committee on Environment and Public Works.

By Mr. DASCHLE (for himself, Mr. Kennedy, Mr. Reed, Mr. Feingold, Mr. Kohl, Mr. Durbin, Mr. Bingaman, Mr. Graham of Florida, Mr. Reid, and Mr. Dodd):

S. 2234. A bill to amend title XVIII of the Social Security Act to ensure that prescription drug card sponsors pass along discounts to beneficiaries under the medicare prescription drug discount card and transitional assistance program; to the Committee on Finance.

By Mr. HOLLINGS:

S. 2235. A bill to rename the Department of Commerce as the Department of Trade and Commerce and transfer the Office of the United States Trade Representative into the Department, to consolidate and enhance statutory authority to protect American jobs from unfair international competition, and for other purposes; to the Committee on Finance.

By Ms. CANTWELL (for herself and Mr. Bingaman):

S. 2236. A bill to enhance the reliability of the electric system; read the first time.

By Mr. LEAHY (for himself and Mr. HATCH):

S. 2237. A bill to amend chapter 5 of title 17, United States Code, to authorize civil copyright enforcement by the Attorney General, and for other purposes; to the Committee on the Judiciary.

By Mr. BUNNING (for himself, Mr. SHELBY, Mr. SARBANES, Mr. SCHUMER, Mrs. DOLE, and Mr. HAGEL):

S. 2238. A bill to amend the National Flood Insurance Act of 1968 to reduce loses to properties for which repetitive flood insurance claim payments have been made; to the Committee on Banking, Housing, and Urban Affairs.

By Mrs. BOXER:

S. 2239. A bill to establish a first responder and terrorism preparedness grant information hotline, and for other purposes; to the Committee on Governmental Affairs.

By Mrs. BOXER:

S. 2240. A bill to improve seaport security; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. MIKULSKI (for herself and Mr. BROWNBACK):

S. Res. 324. A resolution expressing the sense of the Senate relating to the extraordinary contributions resulting from the Hubble Space Telescope to scientific research and education, and to the need to reconsider future service missions to the Hubble Space Telescope; to the Committee on Commerce, Science, and Transportation.

ADDITIONAL COSPONSORS

S. 333

At the request of Mr. BREAUX, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 333, a bill to promote elder justice, and for other purposes.

S. 478

At the request of Mr. SARBANES, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 478, a bill to grant a Federal charter Korean War Veterans Association, Incorporated, and for other purposes.

S. 486

At the request of Mr. DOMENICI, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 486, a bill to provide for equal coverage of mental health benefits with respect to health insurance coverage unless comparable limitations are imposed on medical and surgical benefits.

S. 525

At the request of Mr. LEVIN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 525, a bill to amend the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 to reauthorize and improve that Act.

S. 693

At the request of Mr. ALLARD, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 693, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to make volunteer members of the Civil Air Patrol eligible for Public Safety Officer death benefits.

S. 875

At the request of Mr. KERRY, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 875, a bill to amend the Internal Revenue Code of 1986 to allow an income tax credit for the provision of homeownership and community development, and for other purposes.

S. 884

At the request of Ms. LANDRIEU, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 884, a bill to amend the Consumer Credit Protection Act to assure meaningful disclosures of the terms of rental-purchase agreements, including disclosures of all costs to consumers under such agreements, to provide certain substantive rights to consumers under such agreements, and for other purposes.

S. 976

At the request of Mr. WARNER, the names of the Senator from Pennsylvania (Mr. SPECTER) and the Senator from Texas (Mr. CORNYN) were added as cosponsors of S. 976, a bill to provide for the issuance of a coin to commemorate the 400th anniversary of the Jamestown settlement.

S. 1081

At the request of Mr. DOMENICI, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 1081, a bill to amend section 504(a) of the Higher Education Act of 1965 to eliminate the 2-year wait out period for grant recipients.

S. 1085

At the request of Mr. BINGAMAN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1085, a bill to provide for a Bureau of Reclamation program to assist states and local communities in evaluating and developing rural and small community water supply systems, and for other purposes.

S. 1217

At the request of Mr. ENZI, the names of the Senator from Mississippi (Mr. COCHRAN) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 1217, a bill to direct the Secretary of Health and Human Services to expand and intensify programs with respect to research and related activities concerning elder falls.

S. 1287

At the request of Mr. DOMENICI, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 1287, a bill to amend section 502(a)(5) of the Higher Education Act of 1965 regarding the definition of a Hispanic-serving institution.

S. 1344

At the request of Mr. CORZINE, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 1344, a bill to amend the Electronic Fund Transfer Act to require additional disclosures relating to exchange rates in transfers involving international transactions, and for other purposes.

S. 1549

At the request of Mrs. DOLE, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1549, a bill to amend the Richard B. Russell National School Lunch Act to phase out reduced price lunches and breakfasts by phasing in an increase in the income eligibility guidelines for free lunches and breakfasts.

S. 1684

At the request of Ms. LANDRIEU, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1684, a bill to amend the Public Health Service Act and Employee Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissections performed for the treatment of breast cancer.

S. 1755

At the request of Mr. LEAHY, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1755, a bill to amend the Richard B. Russell National School Lunch Act to provide grants to support farm-to-cafeteria projects.

S. 1792

At the request of Mr. DOMENICI, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. 1792, a bill to amend the Internal Revenue Code of 1986 to provide the same capital gains treatment for art and collectibles as for other investment property and to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor.

S. 1934

At the request of Mr. NICKLES, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 1934, a bill to establish an Office of Intercountry Adoptions within the Department of State, and to reform United States laws governing intercountry adoptions.

S. 1946

At the request of Mr. CORZINE, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 1946, a bill to establish an independent national commission to examine and evaluate the collection, analysis, reporting, use, and dissemination of intelligence related to Iraq and Operation Iraqi Freedom.

S. 1980

At the request of Mr. GRAHAM of Florida, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 1980, a bill to amend the Help America Vote Act of 2002 to require a voter-verified permanent record or hardcopy under title III of such Act, and for other purposes.

S. 1992

At the request of Mr. KENNEDY, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1992, a bill to amend the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to eliminate privatization of the medicare program, to improve the medicare prescription drug benefit, to repeal health savings accounts, and for other purposes.

S. 2002

At the request of Mr. BAUCUS, the names of the Senator from Wyoming (Mr. ENZI), the Senator from New Mexico (Mr. BINGAMAN) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 2002, a bill to improve and promote compliance with international intellectual property obligations relating to the Republic of Cuba, and for other purposes.

S. 2054

At the request of Mr. JOHNSON, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 2054, a bill to require the Federal forfeiture funds be used, in part, to clean up methamphetamine laboratories.

S. 2059

At the request of Mr. FITZGERALD, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 2059, a bill to improve the governance and regulation of mutual funds under the securities laws, and for other purposes.

S. 2065

At the request of Mr. JOHNSON, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 2065, a bill to restore health care coverage to retired members of the uniformed services, and for other purposes.

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of S. 2065, supra.

S. 2076

At the request of Mr. BAUCUS, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 2076, a bill to amend title XI of the Social Security Act to provide direct congressional access to the office of the Chief Actuary in the Centers for Medicare & Medicaid Services.

S. 2089

At the request of Mr. CHAMBLISS, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 2089, a bill to allow aliens who are eligible for diversity visas to be eligible beyond the fiscal year in which they applied.

S. 2099

At the request of Mr. MILLER, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2099, a bill to amend title 38, United States Code, to provide entitlement to educational assistance under the Montgomery GI Bill for members of the Selected Reserve who aggregate more than 2 years of active duty service in any five year period, and for other purposes.

S. 2100

At the request of Mr. MILLER, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2100, a bill to amend title 10 United States Code, to increase the amounts of educational assistance for members of the Selected Reserve, and for other purposes.

S. 2158

At the request of Ms. COLLINS, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2158, a bill to amend the Public Health Service Act to increase the supply of pancreatic islet cells for research, and to provide for better coordination of Federal efforts and information on islet cell transplantation.

S. 2183

At the request of Mr. BINGAMAN, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 2183, a bill to amend the Child Nutrition Act of 1966 to create team nutrition networks to promote the nutritional health of school children.

S. 2186

At the request of Mr. HARKIN, his name was added as a cosponsor of S. 2186, a bill to temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958, through May 15, 2004, and for other purposes.

At the request of Mr. EDWARDS, his name was added as a cosponsor of S. 2186, supra.

At the request of Mr. KERRY, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 2186, supra.

S. 2193

At the request of Mr. EDWARDS, his name was added as a cosponsor of S. 2193, a bill to improve small business loan programs, and for other purposes.

At the request of Ms. SNOWE, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 2193, supra.

At the request of Mr. BAYH, his name was added as a cosponsor of S. 2193, supra.

S.J. RES. 28

At the request of Mr. CAMPBELL, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S.J. Res. 28, a joint resolution recognizing the 60th anniversary of the Allied landing at Normandy during World War II.

S. CON. RES. 90

At the request of Mr. LEVIN, the names of the Senator from Maryland (Ms. MIKULSKI) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. Con. Res. 90, a concurrent resolution expressing the Sense of the Congress regarding negotiating, in the United States-Thailand Free Trade Agreement, access to the United States automobile industry.

S. RES. 313

At the request of Mr. FEINGOLD, the names of the Senator from Minnesota (Mr. DAYTON), the Senator from Connecticut (Mr. DODD) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. Res. 313, a resolution expressing the sense of the Senate encouraging the active engagement of Americans in world affairs and urging the Secretary of State to coordinate with implementing partners in creating an online database of international exchange programs and related opportunities.

AMENDMENT NO. 2690

At the request of Mrs. FEINSTEIN, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of amendment No. 2690 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2698

At the request of Mrs. FEINSTEIN, the names of the Senator from Maine (Ms. COLLINS), the Senator from Maine (Ms. SNOWE) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of amendment No. 2698 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2858

At the request of Mrs. FEINSTEIN, the names of the Senator from New Jersey (Mr. LAUTENBERG), the Senator from New Mexico (Mr. BINGAMAN), the Senator from California (Mrs. BOXER), the Senator from Massachusetts (Mr. KENNEDY) and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of amendment No. 2858 proposed to H.R. 1997, a bill to amend title

18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes.

AMENDMENT NO. 2859

At the request of Mrs. MURRAY, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of amendment No. 2859 proposed to H.R. 1997, a bill to amend title 18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL (by request):

S. 2232. A bill to amend the Indian Gaming Regulatory Act of 1988 to revise the fee cap on National Indian Gaming Commission funding and make certain technical amendments; to the Committee on Indian Affairs.

Mr. CAMPBELL. Mr. President, at the request of the administration, today I am introducing the Indian Gaming Regulatory Act Amendments of 2004 to amend and update the act.

These amendments are proposed by the administration to update the Indian Gaming Regulatory Act by: clarifying how vacancies in the National Indian Gaming Commission (NIGC) are filled; expanding the NIGC's regulatory responsibilities; revising the NIGC statutory rates of pay to correspond with other current Federal rates of pay; and expanding the NIGC's reporting requirements to Congress.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2232

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Indian Gaming Regulatory Act Amendments of 2004".

SEC. 2. DEFINITIONS.

Section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703) is amended—

(1) by redesignating paragraphs (3), (4), (5), (6), (7), (8), and (10), as paragraphs (6), (7), (8), (3), (4), (5), and (11), respectively; and

(2) by inserting after paragraph (9) the following:

"(10) REGULATED PERSON OR ENTITY.—The term 'regulated person or entity' means—

"(A) an Indian tribe;

"(B) a tribal operator of an Indian gaming operation;

"(C) a management contractor engaged in Indian gaming;

"(D) any person that is associated with—

"(i) a gaming operation, or any part of a gaming operation, of an Indian tribe; or

"(ii) a gaming-related contractor of an Indian tribe; and

"(E) any person that—

"(i) agrees, by contract or otherwise, to provide a tribal gaming operation with supplies, a service, or a concession with an estimated value in excess of $25,000 annually (not including a contract for a legal or accounting service, commercial banking service, or public utility service); or

"(ii) requests a suitability determination by the Commission, or by an Indian tribe or State, as part of an effort—

"(I) to acquire a direct financial interest in, or management responsibility for, a management contract for operation of a tribal gaming facility; or

"(II) to participate in a gaming-related activity that requires a licensing decision by an Indian tribe or State.".

SEC. 3. NATIONAL INDIAN GAMING COMMISSION.

Section 5 of the Indian Gaming Regulatory Act (25 U.S.C. 2704) is amended—

(1) in subsection (b)(2)—

(A) in subparagraph (A), by striking "(A)"; and

(B) by striking subparagraph (B);

(2) by striking subsection (c) and inserting the following:

"(c) VACANCIES.—

"(1) IN GENERAL.—A vacancy on the Commission shall be filled in the same manner as the original appointment.

"(2) SERVICE AFTER EXPIRATION OF TERM.—A member may serve after the expiration of the member's term at the pleasure of the officer of the United States who appointed the member."; and

(3) in the second sentence of subsection (e), by striking "during meetings of the Commission in the absence of the Chairman" and inserting "in the absence of, or during any period of disability of, the Chairman".

SEC. 4. POWERS OF CHAIRMAN.

Section 6 of the Indian Gaming Regulatory Act (25 U.S.C. 2705) is amended—

(1) in subsection (a)—

(A) by striking ", on behalf of the Commission,";

(B) in paragraph (3), by striking "and" at the end;

(C) in paragraph (4), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(5) to issue to a regulated person or entity an order that—

"(A) requires an accounting and disgorgement, with interest;

"(B) reprimands or censures; or

"(C) places a limitation on a gaming activity or gaming function."; and

(2) by adding at the end the following:

"(c) DELEGATION.—The Chairman may delegate to any member of the Commission, on such terms and conditions as the Chairman may determine, any power of the Chairman under subsection (a).

"(d) MANNER OF EXERCISE.—Authority under subsection (a) shall be exercised in a manner that is consistent with—

"(1) due process of law;

"(2) this Act; and

"(3) the rules, findings, and determinations made by the Commission in accordance with applicable law.".

SEC. 5. POWERS OF THE COMMISSION.

Section 7 of the Indian Gaming Regulatory Act (25 U.S.C. 2706) is amended—

(1) in subsection (a)(5), by striking "permanent" and inserting "final";

(2) in subsection (b)—

(A) in paragraphs (1), (2), and (4), by inserting "and class III gaming" after "class II gaming";

(B) in paragraph (9), by striking "and" at the end;

(C) in paragraph (10), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(11) may, in case of contumacy by, or refusal to obey any subpoena issued to, any person, request the Attorney General to invoke the jurisdiction of any court of the United States, within the geographical jurisdiction of which a person to whom the subpoena was directed is an inhabitant, is domiciled, is organized, has appointed an agent for service of process, transacts business, or is found, to compel compliance with the subpoena to require the attendance and testimony of witnesses and the production of records; and

"(12) subject to subsection (c), may accept gifts on behalf of the Commission."; and

(3) by striking subsection (c) and inserting the following:

"(c) GIFTS.—

"(1) IN GENERAL.—The Commission shall not accept a gift—

"(A) that attaches a condition that is inconsistent with any applicable law (including a regulation); or

"(B) that is conditioned on, or will require, the expenditure of appropriated funds that are not available to the Commission.

"(2) REGULATIONS.—The Commission shall promulgate regulations specifying the criteria to be used to determine whether the acceptance of a gift would—

"(A) adversely affect the ability of the Commission or any employee of the Commission to carry out the duties of the Commission in a fair and objective manner; or

"(B) compromise the integrity or the appearance of the integrity of any official involved in a program of the Commission.

"(d) REGULATORY PLAN.—

"(1) IN GENERAL.—The Commission shall develop a nonbinding regulatory plan for use in carrying out activities of the Commission.

"(2) TREATMENT.—In developing the regulatory plan, the Commission shall not be bound by chapter 6 of title 5, United States Code.

"(3) CONTENTS.—The regulatory plan shall include—

"(A) a comprehensive mission statement describing the major functions and operations of the Commission;

"(B) a description of the goals and objectives of the Commission;

"(C) a description of the general means by which those goals and objectives are to be achieved, including a description of the operational processes, skills, and technology and the human resources, capital, information, and other resources required to achieve those goals and objectives;

"(D) a performance plan for achievement of those goals and objectives, including provision for a report on the actual performance of the Commission as measured against the goals and objectives;

"(E) an identification of the key factors that are external to, or beyond the control of, the Commission that could significantly affect the achievement of those goals and objectives; and

"(F) a description of the program evaluations used in establishing or revising those goals and objectives, including a schedule for future program evaluations.

"(4) DURATION.—The regulatory plan shall cover a period of not less than 5 fiscal years, beginning with the fiscal year in which the plan is developed.

"(5) REVISION.—The regulatory plan shall be revised biennially.".

SEC. 6. COMMISSION STAFFING.

Section 8 of the Indian Gaming Regulatory Act (25 U.S.C. 2707) is amended—

(1) in subsection (a), by striking "basic pay payable for GS–18 of the General Schedule

under section 5332 of title 5" and inserting "pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, as adjusted under section 5318 of that title";

(2) in the second sentence of subsection (b), by striking "basic pay payable for GS–17 of the General Schedule under section 5332 of that title" and inserting "pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, as adjusted under section 5318 of that title"; and

(3) in subsection (c), by striking "basic pay payable for GS–18 of the General Schedule" and inserting "pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, as adjusted under section 5318 of that title".

SEC. 7. TRIBAL GAMING ORDINANCES.

Section 11 of the Indian Gaming Regulatory Act (25 U.S.C. 2710) is amended—

(1) in subsection (b)(2)(F)(i)—

(A) by inserting "tribal gaming commissioners, key tribal gaming commission employees, and" after "conducted on";

(B) by inserting "primary management officials and key employees" after "oversight of"; and

(C) by striking "such officials and their management"; and

(2) in subsection (d)(9), by striking "the provisions of subsections (b), (c), (d), (f), (g), and (h) of".

SEC. 8. MANAGEMENT CONTRACTS.

Section 12(a)(1) of the Indian Gaming Regulatory Act (25 U.S.C. 2711(a)(1)) is amended by inserting "or a class III gaming activity that the Indian tribe may engage in under section 11(d)" after "section 11(b)(1)".

SEC. 9. CIVIL PENALTIES.

Section 14 of the Indian Gaming Regulatory Act (25 U.S.C. 2713) is amended—

(1) by striking the section heading and all that follows through "provide such tribal operator or management contractor" in subsection (a)(3) and inserting the following:

"SEC. 14. CIVIL PENALTIES.

"(a) IN GENERAL.—

"(1) LEVY AND COLLECTION.—Subject to such regulations as the Commission may promulgate, the Chairman shall have authority to—

"(A) levy and collect appropriate civil fines, not to exceed $25,000 per violation, per day;

"(B) issue orders requiring accounting and disgorgement, including interest; and

"(C) issue orders of reprimand, censure, or the placement of limitations on gaming activities and functions of any regulated person or entity for any violation of any provision of this Act, Commission regulations, or tribal regulations, ordinances, or resolutions approved under section 11 or 13.

"(2) APPEAL.—The Commission shall by regulation provide an opportunity for an appeal and hearing before the Commission of an action taken under paragraph (1).

"(3) COMPLAINT.—If the Commission has reason to believe that a regulated person or entity is engaged in activities regulated by this Act (including regulations promulgated under this Act), or by tribal regulations, ordinances, or resolutions approved under section 11 or 13, that may result in the imposition of a fine under subsection (a)(1), the permanent closure of a game, or the modification or termination of a management contract, the Commission shall provide the regulated person or entity.";

(2) in subsection (b)—

(A) in paragraph (1), by striking "game" and inserting "gaming operation, or any part of a gaming operation,"; and

(B) in paragraph (2)—

(i) in the first sentence, by striking "permanent" and inserting "final"; and

(ii) in the second sentence, by striking "order a permanent closure of the gaming operation" and inserting "make final the order of closure"; and

(3) in subsection (c), by striking "permanent closure" and inserting "closure, accounting, disgorgement, reprimand, or censure or placement of a limitation on a gaming activity or function".

SEC. 10. SUBPOENA AND DEPOSITION AUTHORITY.

Section 16 of the Indian Gaming Regulatory Act (25 U.S.C. 2715) is amended—

(1) by striking subsection (c) and inserting the following:

"(c) JUDICIAL ENFORCEMENT.—On application of the Attorney General, a district court of the United States shall have jurisdiction to issue a writ of mandamus, injunction, or order commanding any person to comply with this Act.";

(2) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively, and inserting after subsection (c) the following:

"(d) FAILURE TO OBEY SUBPOENA.—

"(1) IN GENERAL.—In case of a failure to obey a subpoena issued by the Commission or the Chairman and on request of the Commission or Chairman, the Attorney General may apply to the United States District Court for the District of Columbia or any United States district court within the geographical jurisdiction of which a person to whom the subpoena was directed is an inhabitant, is domiciled, is organized, has appointed an agent for service of process, transacts business or is found, to compel compliance with the subpoena.

"(2) REMEDIES.—On application under paragraph (1), the court shall have jurisdiction to—

"(A) issue a writ commanding the person to comply with the subpoena; or

"(B) punish a failure to obey the writ as a contempt of court.

"(3) PROCESS.—Process to a person in any proceeding under this subsection may be served wherever the person may be found in the United States or as otherwise authorized by law or by rule or order of the court.".

SEC. 11. COMMISSION FUNDING.

Section 18(a)(2) of the Indian Gaming Regulatory Act (25 U.S.C. 2717(a)(2)) is amended by striking subparagraph (B) and inserting the following:

"(B) LIMITATION.—The total amount of all fees imposed during any fiscal year under the schedule established under paragraph (1) shall not exceed 0.080 percent of the gaming revenues of all gaming operations subject to regulation by the Commission.".

SEC. 12. PRESERVATION OF EXISTING STATUS.

Nothing in this Act or any amendment made by this Act expands, limits, or otherwise affects any immunity that an Indian tribe may have under applicable law.

By Mr. VOINOVICH (for himself and Mr. CARPER):

S. 2233. A bill to amend the Environmental Research, Development, and Demonstration Authorization Act of 1979 to establish in the Environmental Protection Agency the position of Deputy Administrator for Science and Technology; to the Committee on Environment and Public Works.

Mr. VOINOVICH. Mr. President, I rise today to introduce legislation with my friend and colleague, Senator CARPER, which will strengthen the use of science at the Environmental Protection Agency. By improving science at the Agency, we will be improving the framework of our regulatory decisions. It is important that these regulations be effective, not onerous and inefficient. To make government regulations efficient, they must be based on a solid foundation of scientific understanding and data.

In 2000, the Nation Research Council released a report, "Strengthening Science at the U.S. Environmental Protection Agency: Research Management and Peer Review Practices" which outlined current practices at the EPA and made recommendations for improving science within the agency. The bill we are introducing today, the "Environmental Research Enhancement Act," builds on the NRC report.

When the Environmental Protection Agency was created in 1970 by President Nixon, its mission was set to protect human health and safeguard the environment. In the 1960s, it had become increasingly clear that "we needed to know more about the total environment—land, water, and air." The EPA was part of President Nixon's reorganizational efforts to effectively ensure the protection, development and enhancement of the total environment.

For the EPA to reach this mission, establishing rules and priorities for clean land, air and water require a fundamental understanding of the science behind the real and potential threats to public health and the environment. Unfortunately, many institutions, citizens and groups believe that science has not always played a significant role in the decision-making process at the EPA.

In NRC's 2002 report, it was concluded that, while the use of sound science is one of the Environmental Protection Agency's goals, the EPA needs to change its current structure to allow science to play a more significant role in decisions made by the Administrator.

The legislation we are introducing today looks to address those shortcomings at the EPA by implementing portions of the report that require congressional authorization.

Under our bill, a new position, Deputy Administrator for Science and Technology will be established at the EPA. This individual will oversee the Office of Research and Development; the Environmental Information Agency; the Science Advisory board; the Science Policy Council; and the scientific and technical activities in the regulatory program at the EPA. This new position is equal in rank to the current Deputy Administrator and would report directly to the Administrator. The new Deputy would be responsible for coordinating scientific research and application between the scientific and regulatory arms of the

Agency. This will ensure that sound science is the basis for regulatory decisions. The new Deputy's focus on science could also change how environmental decisions are made.

Assistant Administrator for Research and Development, currently the top science job at the EPA, will be appointed for 6 years versus the current 4 years political appointment. Historically, this position is recognized to be one of the EPA's weakest and most transient administrator positions according to NRC's report, even though in my view, the position addresses some of the Agency's more important topics. By lengthening the term of this Assistant Administrator position and removing it from the realm of politics, I believe there will be more continuity in the scientific work of the Agency across administrations and allow the Assistant Administrator to focus on science conducted at the Agency.

In 1997, we learned the problems that can arise when sound science is not used in making regulatory decisions. Following EPA's ozone and particulate matter regulations there was great uncertainty on the scientific side.

When intitally releasing the Ozone/PM regulations, the EPA greatly over estimated the impacts for both ozone and PM, and they had to publicly change their figures later on. Additionally, they selectively applied some study results while ignoring others in their calculations. For example, the majority of the health benefits for ozone are based on one PM study by a Dr. Moogarkar, even though the Agency ignored the PM results of that study because it contradicted their position on PM.

The legislation that Senator CARPER and I are introducing will ensure that science no longer takes a "back seat" at the Environmental Protection Agency in terms of policy making. I call on my colleagues to join us in cosponsoring this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Environmental Research Enhancement Act".

SEC. 2. ENVIRONMENTAL PROTECTION AGENCY RESEARCH ACTIVITIES.

(a) IN GENERAL.—Section 6 of the Environmental Research, Development, and Demonstration Authorization Act of 1979 (42 U.S.C. 4361c) is amended by adding at the end the following:

"(e) DEPUTY ADMINISTRATOR FOR SCIENCE AND TECHNOLOGY.—

"(1) ESTABLISHMENT.—There is established in the Environmental Protection Agency (referred to in this section as the 'Agency') the position of Deputy Administrator for Science and Technology.

"(2) APPOINTMENT.—

"(A) IN GENERAL.—The Deputy Administrator for Science and Technology shall be appointed by the President, by and with the advice and consent of the Senate.

"(B) CONSIDERATION OF RECOMMENDATIONS.—In making an appointment under subparagraph (A), the President shall consider recommendations submitted by—

"(i) the National Academy of Sciences;

"(ii) the National Academy of Engineering; and

"(iii) the Science Advisory Board established by section 8 of the Environmental Research, Development, and Demonstration Authorization Act of 1978 (42 U.S.C. 4365).

"(3) RESPONSIBILITIES.—

"(A) OVERSIGHT.—The Deputy Administrator for Science and Technology shall coordinate and oversee—

"(i) the Office of Research and Development of the Agency (referred to in this section as the 'Office');

"(ii) the Office of Environmental Information of the Agency;

"(iii) the Science Advisory Board;

"(iv) the Science Policy Council of the Agency; and

"(v) scientific and technical activities in the regulatory program and regional offices of the Agency.

"(B) OTHER RESPONSIBILITIES.—The Deputy Administrator for Science and Technology shall—

"(i) ensure that the most important scientific issues facing the Agency are identified and defined, including those issues embedded in major policy or regulatory proposals;

"(ii) develop and oversee an Agency-wide strategy to acquire and disseminate necessary scientific information through intramural efforts or through extramural programs involving academia, other government agencies, and the private sector in the United States and in foreign countries;

"(iii) ensure that the complex scientific outreach and communication needs of the Agency are met, including the needs—

"(I) to reach throughout the Agency for credible science in support of regulatory office, regional office, and Agency-wide policy deliberations; and

"(II) to reach out to the broader United States and international scientific community for scientific knowledge that is relevant to Agency policy or regulatory issues;

"(iv) coordinate and oversee scientific quality-assurance and peer-review activities throughout the Agency, including activities in support of the regulatory and regional offices;

"(v) develop processes to ensure that appropriate scientific information is used in decisionmaking at all levels in the Agency; and

"(vi) ensure, and certify to the Administrator of the Agency, that the scientific and technical information used in each Agency regulatory decision and policy is—

"(I) valid;

"(II) appropriately characterized in terms of scientific uncertainty and cross-media issues; and

"(III) appropriately applied.

"(f) ASSISTANT ADMINISTRATOR FOR RESEARCH AND DEVELOPMENT.—

"(1) TERM OF APPOINTMENT.—Notwithstanding any other provision of law, the Assistant Administrator for Research and Development of the Agency shall be appointed for a term of 6 years.

"(2) APPLICABILITY.—Paragraph (1) applies to each appointment that is made on or after the date of enactment of this subsection.

"(g) SENIOR RESEARCH APPOINTMENTS IN OFFICE OF RESEARCH AND DEVELOPMENT LABORATORIES.—

"(1) ESTABLISHMENT.—The head of the Office, in consultation with the Science Advisory Board and the Board of Scientific Counselors of the Office, shall establish a program to recruit and appoint to the laboratories of the Office senior researchers who have made distinguished achievements in environmental research.

"(2) AWARDS.—

"(A) IN GENERAL.—The head of the Office shall make awards to the senior researchers appointed under paragraph (1)—

"(i) to support research in areas that are rapidly advancing and are related to the mission of the Agency; and

"(ii) to train junior researchers who demonstrate exceptional promise to conduct research in such areas.

"(B) SELECTION PROCEDURES.—The head of the Office shall establish procedures for the selection of the recipients of awards under this paragraph, including procedures for consultation with the Science Advisory Board and the Board of Scientific Counselors of the Office.

"(C) DURATION OF AWARDS.—Awards under this paragraph shall be made for a 5-year period and may be renewed.

"(3) PLACEMENT OF RESEARCHERS.—Each laboratory of the Office shall have not fewer than 1 senior researcher appointed under the program established under paragraph (1).

"(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

"(h) OTHER ACTIVITIES OF OFFICE OF RESEARCH AND DEVELOPMENT.—

"(1) ACTIVITIES OF THE OFFICE.—The Office shall—

"(A) make a concerted effort to give research managers of the Office a high degree of flexibility and accountability, including empowering the research managers to make decisions at the lowest appropriate management level consistent with the policy of the Agency and the strategic goals and budget priorities of the Office;

"(B) maintain, to the maximum extent practicable, an even balance between core research and problem-driven research;

"(C) develop and implement a structured strategy for encouraging, and acquiring and applying the results of, research conducted or sponsored by other Federal and State agencies, universities, and industry, both in the United States and in foreign countries; and

"(D) substantially improve the documentation and transparency of the decisionmaking processes of the Office for—

"(i) establishing research and technical-assistance priorities;

"(ii) making intramural and extramural assignments; and

"(iii) allocating funds.

"(2) ACTIVITIES OF THE ADMINISTRATOR.—The Administrator of the Agency shall—

"(A) substantially increase the efforts of the Agency—

"(i) to disseminate actively the research products and ongoing projects of the Office;

"(ii) to explain the significance of the research products and projects; and

"(iii) to assist other persons and entities inside and outside the Agency in applying the results of the research products and projects;

"(B)(i) direct the Deputy Administrator for Science and Technology to expand the science inventory of the Agency by conducting, documenting, and publishing a more comprehensive and detailed inventory of all scientific activities conducted by Agency units outside the Office, which inventory should include information such as—

"(I) project goals, milestones, and schedules;

"(II) principal investigators and project managers; and

"(III) allocations of staff and financial resources; and

"(ii) use the results of the inventory to ensure that activities described in clause (i) are properly coordinated through the Agency-wide science planning and budgeting process and are appropriately peer reviewed; and

"(C) change the peer-review policy of the Agency to more strictly separate the management of the development of a work product from the management of the peer review of that work product, thereby ensuring greater independence of peer reviews from the control of program managers, or the potential appearance of control by program managers, throughout the Agency.".

(b) DEPUTY ADMINISTRATOR FOR POLICY AND MANAGEMENT.—

(1) IN GENERAL.—The position of Deputy Administrator of the Environmental Protection Agency is redesignated as the position of "Deputy Administrator for Policy and Management of the Environmental Protection Agency".

(2) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Deputy Administrator of the Environmental Protection Agency shall be deemed to be a reference to the Deputy Administrator for Policy and Management of the Environmental Protection Agency.

(c) EXECUTIVE SCHEDULE LEVEL III.—Section 5314 of title 5, United States Code, is amended by striking the item relating to the Deputy Administrator of the Environmental Protection Agency and inserting the following:

"Deputy Administrator for Policy and Management of the Environmental Protection Agency.

"Deputy Administrator for Science and Technology of the Environmental Protection Agency.".

By Mr. DASCHLE (for himself, Mr. KENNEDY, Mr. REED, Mr. FEINGOLD, Mr. KOHL, Mr. DURBIN, Mr. BINGAMAN, Mr. GRAHAM of Florida, Mr. REID, and Mr. DODD):

S. 2234. A bill to amend title XVIII of the Social Security Act to ensure that prescription drug card sponsors pass along discounts to beneficiaries under the medicare prescription drug discount card and transitional assistance program; to the Committee on Finance.

Mr. DASCHLE. Mr. President, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 created a temporary drug discount card program. We expect that program to go into effect this summer. Under the new law, it is the only prescription drug assistance seniors will see until 2006. And it isn't much. This program has a lot of problems and I am very skeptical that it will provide meaningful assistance to most beneficiaries.

Today, the administration announced which private companies have been selected to receive beneficiary enrollment fees and provide the cards to beneficiaries. The applicants included big pharmaceutical companies, pharmaceutical benefit managers, and HMOs. And the list of approved companies is a who's who of the insurance industry.

One of the most glaring problems with the program is that the Medicare legislation fails to ensure that these private companies pass along the discounts they negotiate to beneficiaries. Today, I am introducing legislation to remedy that failure. My bill would require card sponsors to pass at least 90 percent of the discounts along to beneficiaries. It seems like common sense, but, true to form, the Republican Medicare bill allows the private companies to keep the discounts as profits. And the administration's regulations only require that they pass along a "share" of the discounts they negotiate. Well, I think that's giving them too much leeway.

The administration is promising seniors discounts in order to convince them to pay private companies a $30 fee. My bill would ensure that these private companies pass the discounts along to those seniors. It's only fair. The sponsors will still have plenty of room for benefitting from participating in the program—they get the $30 enrollment fee and they will be able to retain up to 10 percent of the negotiated price concessions.

Despite all the hoopla, the cards themselves are nothing new. Some low-income beneficiaries will see $600 in assistance on their cards, and that is real help. Unfortunately, the process for gaining access to that money is so cumbersome, I worry that many will not get it. And I have serious doubts about whether the cards will add any other meaningful assistance. The General Accounting Office has found that similar cards now available on the market offer discounts on average of less than 10 percent—that's about what seniors could save by comparison shopping at local pharmacies.

Worse, under the Medicare drug program, seniors will only be able to use one Medicare-endorsed card. Before the program, people could use as many cards as they wanted and compare discounts. And the real kicker is that once seniors pay a fee to participate, they're locked into that card for a year. But the card sponsor isn't locked into anything. It can change everything whenever it wants—even the amount of the discount or whether a discount is offered on a particular drug.

And here's the worst part, this drug card program may already be harming all American drug consumers. As the Wall Street Journal noted just yesterday, recent drug price increases are eroding even the meager savings the administration predicts. What's more, all Americans are already paying higher drug prices. According to the Wall Street Journal, since the Bush administration proposed a Medicare drug card in 2001, the prices of many drugs the elderly use have "surged." For example, the article notes that since that time, the price of Lescol, a cholesterol drug, has increased by more than a third. Similarly, the price for Celebrex, a popular drug for arthritis pain, has risen 23 percent since the administration proposed the cards.

The administration is claiming the discount cards will result in beneficiary savings of between 10 and 25 percent. But the pharmaceutical industry's price hikes negate what little savings the administration optimistically predicts. Unfortunately, the discount cards are just one example of the new law's failure to address drug prices. The Boston University School of Public Health recently found that the new Medicare law could lead to an additional $139 billion in profits for the drug companies. The new law actually prohibits Medicare from using its negotiating power to obtain lower drug prices for seniors. And the reimportation provisions are meaningless. We know from experience that seniors can save much more than 10 to 25 percent by getting their drugs from Canada.

As Families USA points out on its website, the drug cards actually create an incentive for the drug companies to raise their prices: "Neither the new law nor the regulations specify the 'base prices' to which discounts will be applied. Any discount will be meaningless if the base price is undefined—especially if the base price continues to rise very substantially. It would be like a department store marking up prices on products so that it can later offer them 'on sale' at tremendous 'savings.' "

The bill I am introducing addresses only one flaw in a program riddled with problems. I feel that it is a critical step. At the very least, we should ensure that if this program does offer some sort of price concession, that Medicare beneficiaries—not private companies like HMOs—are the ones to profit from the results.

I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2234

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Drug Discount Card Improvement Act of 2004".

SEC. 2. ENSURING THAT PRESCRIPTION DRUG CARD SPONSORS PASS ALONG DISCOUNTS TO BENEFICIARIES.

(a) In General.—Section 1860D-31(e)(1)(A)(ii) of the Social Security Act (42 U.S.C. 1395w-141(e)(1)(A)(ii)), as added by section 101 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2071), is amended by striking "take into account" and inserting "reflect at least 90 percent of all".

(b) Effective Date.—The amendment made by this section shall take effect as if included in the enactment of section 101 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2066).

By Mr. HOLLINGS:

S. 2235. A bill to rename the Department of Commerce as the Department of Trade and Commerce and transfer the Office of the United States Trade Representative into the Department, to consolidate and enhance statutory authority to protect American jobs from unfair international competition, and for other purposes; to the Committee on Finance.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that a copy of an article I wrote for the Washington Post Outlook section be printed and that the text of the bill be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Domestic Workforce Protection Act".

SEC. 2. COMMERCE DEPARTMENT RENAMED AS DEPARTMENT OF TRADE AND COMMERCE.

(a) In General.—The Department of Commerce is hereby redesignated the Department of Trade and Commerce, and the Secretary of Commerce or any other official of the Department of Commerce is hereby redesignated the Secretary or official, as appropriate, of Trade and Commerce.

(b) Reference to Department, Secretary, etc. of Commerce Deemed Reference to Department, Secretary, etc. of Trade and Commerce.—Any reference to the Department of Commerce, the Secretary of Commerce, or any other official of the Department of Commerce in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the effective date of this Act shall be deemed to refer and apply to the Department of Trade and Commerce or the Secretary of Trade and Commerce, respectively.

SEC. 3. TRANSFER OF THE OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE TO WITHIN THE DEPARTMENT OF COMMERCE AND TRADE.

Section 141(a) of the Trade Act of 1974 (19 U.S.C. 2171(a)) is amended by striking "Executive Office of the President" and inserting "Department of Trade and Commerce".

SEC. 4. TERMINATION OF DEFERRAL TO ELIMINATE TAX BENEFITS FOR OFFSHORE PRODUCTION.

(a) General Rule.—Paragraph (1) of section 951(a) of the Internal Revenue Code of 1986 (relating to amounts included in gross income of United States shareholders) is amended—

(1) by striking "and" after the semicolon in subparagraph (A)(iii);

(2) by striking "959(a)(2)." in subparagraph (B) and inserting "959(a)(2); and"; and

(3) by adding at the end thereof the following:

"(C) the amount determined under section 956A with respect to such shareholder for such year (but only to the extent not excluded from gross income under section 959(a)(3)).".

(b) Amount of Inclusion.—Subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 956 the following new section:

"SEC. 956A. EARNINGS OF CONTROLLED FOREIGN CORPORATIONS.

"(a) General Rule.—In the case of any controlled foreign corporation, the amount determined under this section with respect to any United States shareholder for any taxable year is the lesser of—

"(1) the excess (if any) of—

"(A) such shareholder's pro rata share of the amount of the controlled foreign corporation's assets for such taxable year, over

"(B) the amount of earnings and profits described in section 959(c)(1)(B) with respect to such shareholder, or

"(2) such shareholder's pro rata share of the applicable earnings of such controlled foreign corporation determined after the application of section 951(a)(1)(B).

"(b) Applicable Earnings.—For purposes of this section, the term 'applicable earnings' means, with respect to any controlled foreign corporation, the sum of—

"(1) the amount referred to in section 316(a)(1) to the extent such amount was accumulated in taxable years beginning after February 29, 2004, and

"(2) the amount referred to in section 316(a)(2),

reduced by distributions made during the taxable year and reduced by the earnings and profits described in section 959(c)(1) to the extent that the earnings and profits so described were accumulated in taxable years beginning after February 29, 2004.

"(c) Special Rule Where Corporation Ceases To Be Controlled Foreign Corporation During Taxable Year-.—If any foreign corporation ceases to be a controlled foreign corporation during any taxable year—

"(1) the determination of any United States shareholder's pro rata share shall be made on the basis of stock owned (within the meaning of section 958(a)) by such shareholder on the last day during the taxable year on which the foreign corporation is a controlled foreign corporation,

"(2) the amount of such corporation's assets for such taxable year shall be determined by only taking into account quarters ending on or before such last day, and

"(3) in determining applicable earnings, the amount taken into account by reason of being described in paragraph (2) of section 316(a) shall be the portion of the amount so described which is allocable (on a pro rata basis) to the part of such year during which the corporation is a controlled foreign corporation.

"(d) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section, including regulations to prevent the avoidance of the provisions of this section through reorganizations or otherwise.".

(c) Previously Taxed Income Rules.—

(1) In general.—Subsection (a) of section 959 of the Internal Revenue Code of 1986 (relating to exclusion from gross income of previously taxed earnings and profits) is amended by striking "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following:

"(3) such amounts would, but for this subsection, be included under section 951(a)(1)(C) in the gross income of,".

(2) Allocation rules.—

(A) Subsection (a) of section 959 of the Internal Revenue Code of 1986 is amended by striking "paragraph (2)" in the last sentence and inserting "paragraphs (2) and (3)".

(B) Section 959(f) of the Internal Revenue Code of 1986 is amended—

(i) by striking paragraph (1) and inserting the following:

"(1) In general.—For purposes of this section—

"(A) amounts that would be included under subparagraph (B) of section 951(a)(1) (determined without regard to this section) shall be treated as attributable first to earnings described in subsection (c)(2), and then to earnings described in subsection (c)(3), and

"(B) amounts that would be included under subparagraph (C) of section 951(a)(1) (determined without regard to this section) shall be treated as attributable first to earnings described in subsection (c)(2) to the extent the earnings so described were accumulated in taxable years beginning after February 29, 2004, and then to earnings described in subsection (c)(3)."; and

(ii) by striking "section 951(a)(1)(B)" in paragraph (2) and inserting "subparagraphs (B) and (C) of section 951(a)(1)".

(3) Conforming amendment.—Subsection (b) of section 989 of the Internal Revenue Code of 1986 is amended by striking "section 951(a)(1)(B)" and inserting "subparagraph (B) or (C) of section 951(a)(1)".

(d) Effective Date.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after February 29, 2004, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

(e) Technical and Conforming Changes.—The Secretary of the Treasury shall, within 90 days after the date of enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate, a draft of any technical and conforming changes in the Internal Revenue Code of 1986 that are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this section.

SEC. 5. DISALLOWANCE OF DEDUCTIONS FOR CERTAIN OFFSHORE ROYALTY PAYMENTS.

(a) In General.—Part IX of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"SEC. 280I. CERTAIN OFFSHORE ROYALTY PAYMENTS.

"(a) In General.—In the case of a corporation, no deduction shall be allowed for the payment of a royalty to an affiliated entity organized and operated outside the United States in exchange for the use of rights to a copyrighted or trademarked product if those rights were transferred by the corporation or a related party to that entity.

"(b) Exception.—Subsection (a) does not apply to the payment of a royalty if the taxpayer establishes, to the satisfaction of the Secretary, that—

"(1) the transfer of the rights to the entity was for a sound business reason (other than the reduction of liability for tax under this chapter); and

"(2) the amounts paid or incurred for such royalty payments are reasonable under the circumstances.".

(b) CLERICAL AMENDMENT.—The part analysis for such part is amended by adding at the end the following:

"280I. Certain offshore royalty payments.".

(c) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2003.

SEC. 6. INCREASE IN AUTHORITY OF THE INTERNAL REVENUE SERVICE TO THWART USE OF TAX HAVENS BY CORPORATIONS.

(a) IN GENERAL.—Subchapter B of chapter 78 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"SEC. 7625. AUTHORITY TO FRUSTRATE USE OF CORPORATE TAX HAVENS.

"(a) IN GENERAL.—The Secretary is authorized—

"(1) to deny any otherwise allowable deduction or credit under chapter 1,

"(2) to recharacterize, reallocate, and resource income,

"(3) to recharacterize transactions, and

"(4) to disregard any transaction, trust, or other legal entity,

determined by the Secretary to be necessary to prevent the use by a corporation of a tax haven to avoid liability for tax under this chapter.

"(b) TAX HAVEN DEFINED.—In this section, the term 'tax haven' means any country that meets the tax haven criteria established by the Organization for Economic Co-operation and Development.".

(b) CONFORMING AMENDMENT.—The subchapter analysis for subchapter B of chapter 78 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"6725. Authority to frustrate use of corporate tax havens".

SEC. 7. ASSISTANT ATTORNEY GENERAL FOR TRADE.

(a) POSITION ESTABLISHED.—The Attorney General shall appoint an Assistant Attorney General for Trade.

(b) DUTIES.—The Assistant Attorney General for Trade shall—

(1) investigate anticompetitive conduct by foreign companies that has an adverse impact on the economy of the United States (including manufacturing, agriculture, and employment) or the global competitiveness of United States companies;

(2) investigate violations of international trade agreements to which the United States is a party that have an adverse impact on the economy of the United States (including manufacturing, agriculture, and employment) or the global competitiveness of United States companies and take appropriate action to seek redress or punishment for those violations; and

(3) investigate and initiate appropriate action against other activities throughout the world that have an adverse impact on the economy of the United States (including manufacturing, agriculture, and employment) or the global competitiveness of United States companies.

(c) AUTHORITY IS IN ADDITION TO OTHER AUTHORITIES.—The authority granted to the Assistant Attorney General for Trade by this section is in addition to, and not in derogation or in lieu of, any authority provided by law to any other officer or agency of the United States charged with enforcement of the trade laws of the United States or of international agreements to which the United States is a party.

(d) COMPENSATION.—Section 5315 of title 5, United States Code, is amended by striking "(10)" in the item relating to Assistant Attorney General and inserting "(11)".

SEC. 8. EMPLOYMENT OF ADDITIONAL CUSTOMS INSPECTORS FOR ILLEGAL TRANSSHIPMENTS OF TEXTILES.

The Secretary of Homeland Security shall hire, train, and deploy 1,000 customs agents in addition to the number of customs agents otherwise authorized by law or otherwise employed by the Department of Homeland Security for the purpose of detecting and preventing illegal transshipments of textiles to avoid textile import quotas and in violation of trade agreements to which the United States is a party.

SEC. 9. INCREASED DOMESTIC PRODUCTION OF NATIONAL DEFENSE CRITICAL GOODS.

(a) IN GENERAL.—The Secretary of Commerce, in consultation with the Secretary of Defense, the Director of the Central Intelligence Agency, the Secretary of State, the Secretary of Homeland Security, and the Administrator of the Small Business Administration shall develop a program to encourage and support increased domestic production of goods and products that are essential or critical to national security in order to decrease the United States' dependence upon imports of such goods and products.

(b) SUPPORT PROGRAM.—The Secretary of Commerce shall implement the program developed under subsection (a) to the maximum extent feasible through existing programs, including programs administered by the Small Business Administration. The Secretary shall transmit to the Congress a report, within 18 months after the date of enactment of this Act, describing the program and making such recommendations, including legislative recommendations, as the Secretary deems necessary for expanding the scope or improving the efficacy of the program. The Secretary may submit the report in both classified and redacted form.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Commerce such sums as may be necessary to carry out the program.

SEC. 10. SENSE OF THE SENATE CONCERNING APPROPRIATIONS FOR CERTAIN PROGRAMS.

It is the sense of the Senate that the Congress should appropriate the full amount authorized by law to carry out the Regional Centers for the Transfer of Manufacturing Technology program under section 25 of the National Institute of Standards and Technology Act (15 U.S. C. 278k) and the Advanced Technology Program authorized by section 28 of that Act (15 U.S. C. 278n).

SEC. 11. TRANSFER OF INTERNATIONAL TRADE COMMISSION FUNCTIONS.

(a) ABOLISHMENT OF ITC.—Effective on the first day of the seventh month beginning after the date of enactment of this Act, the United States International Trade Commission established by section 330 of the Tariff Act of 1930 (19 U.S.C. 1330) as in effect on the last day of the sixth month beginning after the date of enactment of this Act is abolished.

(b) TRANSFER OF FUNCTIONS.—Except as otherwise provided in this Act, all functions that on the last day of the sixth month beginning after the date of enactment of this Act are authorized to be performed by the United States International Trade Commission are transferred to the Department of Commerce effective on the first day of the seventh month beginning after the date of enactment of this Act and shall be performed by the Assistant Secretary of Commerce for Import Administration.

(c) DETERMINATION OF CERTAIN FUNCTIONS.—If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under this section.

SEC. 12. INCIDENTAL TRANSFERS.

The Director of the Office of Management and Budget, in consultation with the Secretary of Commerce, shall make such determinations as may be necessary with regard to the functions, offices, or portions thereof transferred by this Act, and make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, offices, or portions thereof, as may be necessary to carry out this Act. The Director shall provide for the termination of the affairs of all entities terminated by this Act and, in consultation with the Administrator, for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

[From the Washington Post, March 21, 2004]

PROTECTIONISM HAPPENS TO BE CONGRESS'S JOB

(By Ernest F. Hollings)

Free trade is like world peace—you can't get there by whining about it. You must be willing to fight for it. And the entity to fight for free trade is the U.S. Congress.

Instead, Congress—whose members are shouting "fair trade" and "level the playing field"—is the very group tilting the playing field when it comes to trade.

By piling items onto the cost of doing business here, Congress has helped end the positive trade balance that the United States ran right up until the early 1980s. Over the past 40 years, the minimum wage went up, the Environmental Protection Agency was established, and the Occupational Safety and Health Administration was set up. Lawmakers added the Equal Pay Act, the Age Discrimination in Employment Act and the Employment Retirement Income Security Act. Then came the sharp increase in payroll taxes for Social Security in 1983, measures requiring plant closing notice and parental leave, and the Americans With Disabilities Act. Health costs increased, too, making it $500 a car cheaper in health costs alone for General Motors to make Pontiacs in Canada. All this helped give us a trade deficit that hit a record $43.1 billion in January alone.

Even if wages were equalized, it would still pay for U.S. companies to move operations to places such as China, which requires none of these aspects of America's high standard of living. Recently, columnist George Will wrote: "The export of jobs frees U.S. workers for tasks where America has a comparative advantage." But in global competition, what matters is not the comparative advantage of our ability so much as the comparative disadvantage of our living standard.

To really level the playing field in trade would require lowering our living standard, which is not going to happen. We value our clean air and water, our safe factories and machinery, and our rights and benefits. Both Republicans and Democrats overwhelmingly support this living standard and many are prepared to raise its. The only course possible, then, is to protect the standard.

To talk in these terms raises cries of "protectionism." But the business of government is protection. The oath of the public servant is "to preserve, protect and defend." We have the Army to protect us from enemies without and the FBI to protect us from enemies within. We have Medicare and Medicaid to protect us from ill health, and Social Security to protect us from poverty in old age. We have the Securities and Exchange Commission to protect us from stock fraud; banking laws to protect us from usurpers; truth in lending laws to protect us from charlatans.

When it comes to trade, however, multinational corporations contend that we do not need to protect, but to educate and to improve skills; productivity is the problem, they say. But the United States is the most productive industrial nation in the world, with skills galore. BMW is producing better-quality cars in South Carolina than in Munich. There are other obstacles that need addressing. For 50 years we have tried to penetrate the Japanese market, but have barely done so. To sell textiles in Korea, U.S. firms must first obtain permission from the private Korean textile industry. If you want to sell in China, it's a lot easier if you produce in China.

"But we will start a trade war," is the cry. Wake up! We have been in a trade for more than 200 years. And it's the United States that started it! Just after the colonies won their freedom, the mother country suggested that the United States trade what we produced best and, in exchange, Britain would trade back with what it produced best—as economist David Ricardo later described in this theory of "comparative advantage." Alexander Hamilton, in his famous "Report on Manufactures," told the Brits, in so many words, to bug off. He said, we are not going to remain your colony shipping you our natural resources—rice, cotton, indigo, timber, iron or—and importing your manufactured products. We are going to build our own manufacturing capacity.

The second bill ever adopted by Congress, on July 4, 1789, was a 50 percent tariff on numerous articles. This policy of protectionism, endorsed by James Madison and Thomas Jefferson, continued under President Lincoln when he launched America's steel industry by refusing to import from England the steel for the Transcontinental Railroad. President Franklin Roosevelt protected agriculture, President Eisenhower protected oil and President Kennedy protected textiles. This economic and industrial giant, the United States, was built on protectionism and, for more than a century, financed it with tariffs. And it worked.

The Washington mantra of "retrain, retrain" comes up short. For example, Oneita Industries closed its T-shirt plant in Andrews, SC, back in 1999. The plant had 487 employees averaging 47 years of age. Let's assume they were "retrained" and became 487 skilled computer operators. Who is going to hire a 47-year-old operator over a 21-year-old operator? No one is going to take on the retirement and health costs of the 47-year-old. Moreover, that computer job probably just left for Bangalore, India.

In global competition there is a clash between standards of living. I supported free trade with Canada because we have relatively the same standard of living. But I opposed free trade with Mexico, and therefore voted against the North American Free Trade Agreement (NAFTA), preferring to raise the standards in Mexico, as Europe did with Portugal, Spain and Greece before admitting them to Europe's common market. To be eligible for a tree trade agreement you should first have a free market, labor rights, ownership of property, contract rights of appeal and a respected judiciary. Mexico lacked these, and after NAFTA there was an immediate flow of jobs out of the United States because of Mexico's lesser standards. Australia, on the other hand, has labor rights, environmental rights and an open market, so the trade agreement reached with Australia this month should be approved.

We must engage in competitive trade. To eliminate a barrier, raise a barrier. Then eliminate them both.

Our trouble is that we have treated trade as aid. After World War II, we were the only country with industry, and in order to prosper we needed to spread prosperity. Through the Marshall Plan, we sent money, equipment and expertise to Europe and the Pacific Rim. And it worked. Capitalism defeated communism in the Cold War. Our hope in crying "free trade" was that markets would remain open for our exports. But our cries went unheeded, and now our Nation's security is in jeopardy.

National security is like a three-legged stool. The first leg—values—is solid. Our stand for freedom and democracy is respected around the world. The second leg of military strength is unquestioned. But the third leg, economic leg, is fractured and needs repair. We are losing jobs faster than we can create them. Some time ago the late Akio Morita, founder of Sony Corp., was lecturing leaders of third-world countries, admonishing them to develop their manufacturing capacity to become nation states. Then, pointing at me in the audience, he stated, "That world power that loses its manufacturing capacity will cease to be a world power."

What should we do? First, we need to stop financing the elimination of jobs. Tax benefits for offshore production must end. Royalty deductions allowed for offshore activities must be eliminated, and tax havens for corporations must be closed down.

Next, we need an assistant attorney general to enforce our trade laws and agreements. At present, enforcement is largely left to an injured party. It can take years to jump over legal hurdles. Then at the end, based on national security, the president can refuse to implement a court order. Rather than waste time and money, corporate America has moved offshore.

We need to organize government to produce and protect jobs, rather than export them. The Commerce Department recently co-sponsored a New York seminar, part of which advised companies on how to move jobs offshore. This aid for exporting jobs must stop. The Department of Commerce should be reconstituted as a Department of Trade and Commerce, with the secretary as czar over the U.S. trade representative. The department's International Trade Administration should determine not only whether goods have been dumped on the U.S. market, but how big the "injury" is to U.S. industry. The International Trade Commission should be eliminated.

While it is illegal to sell foreign-made goods below cost in the U.S. market (a practice called dumping), we refuse to enforce such violations. The Treasury Department reports $2 billion worth of illegal transshipments of textiles into the United States each year. Customs agents charged with drug enforcement and homeland security are hard-pressed to stop these transshipments. We need at lead at 1,000 additional Customs agents.

It won't be easy. A culture of free trade has developed. The big banks that make most of their money outside the country, as well as the Business Roundtable, the Conference Board, the National Association of Manufacturers, the U.S. Chamber of Commerce, the National Retail Federation (whose members make bigger profits on imported articles) and the editorial writers of newspapers that make most of their profits from retail ads—all these descend on Washington promoting "free trade" to members of Congress. Members looking for contributions shout the loudest.

Not just jobs, but also the middle class and the strength of our very democracy are in jeopardy. As Lincoln said, "The dogmas of the quiet past, are inadequate to the stormy present. . . . As our case is new, so we must think anew, and act anew. We must disenthrall ourselves, and then we shall save our country."

Today's dogma is the belief that protectionism will mean trade war and economic stagnation. But we are already in a trade war, one from which the president and the Congress are AWOL.

By Mr. LEAHY (for himself and Mr. HATCH):

S. 2237. A bill to amend chapter 5 of title 17, United States Code, to authorize civil copyright enforcement by the Attorney General, and for other purposes; to the Committee on the Judiciary.

Mr. LEAHY. Mr. President, the advent of the digital age promises the efficient distribution of music, films, books, and software on the Internet, and an easily-accessed, unprecedented variety of content online. Unfortunately, to see this promise realized, we must overcome some of the challenges presented by digital content distribution. Today I am pleased that Senator HATCH is joining me in sponsoring the "Protecting Intellectual Rights Against Theft and Expropriation (PIRATE) Act of 2004," which will respond to one such challenge. It will bring the resources and expertise of the United States Attorneys' Offices to bear on wholesale copyright infringers.

The very ease of duplication and distribution that is the hallmark of digital content has meant that piracy of that content is just as easy. The very real—and often realized—threat that creative works will simply be duplicated and distributed freely online has restricted, rather than enhanced, the amount and variety of creative works one can receive over the Internet. Part of combating piracy includes offering a legal alternative to it. Another important part is enforcing the rights of copyright owners. Senator HATCH and I have been working with artists, authors, and software developers to create an environment in which copyright is protected, so that we can all enjoy American creativity, and so that copyright owners can be paid for their work.

For too long, Federal prosecutors have been hindered in their pursuit of pirates, by the fact that they were limited to bringing criminal charges with high burdens of proof. In the world of copyright, a criminal charge is unusually difficult to prove because the defendant must have known that his conduct was illegal and he must have willfully engaged in the conduct anyway. For this reason prosecutors can rarely justify bringing criminal charges, and copyright owners have been left alone to fend for themselves, defending their rights only where they can afford to do so. In a world in which a computer and an Internet connection are all the tools you need to engage in massive piracy, this is an intolerable predicament.

Some steps have already been taken. The Allen-Leahy Amendment to the Foreign Operations Appropriations Bill, on Combating Piracy of U.S. Intellectual Property in Foreign Countries, provided $2.5 million for the Department of State to assist foreign countries in combating piracy of U.S. copyright works. By providing equipment and training to law enforcement officers, it will help those countries that are not members of OECD (Organization for Economic Cooperation & Development) to enforce intellectual property protections.

The PIRATE Act will give the Attorney General civil enforcement authority for copyright infringement. It also calls on the Justice Department to initiate training and pilot programs to ensure that Federal prosecutors across the country are aware of the many difficult technical and strategic problems posed by enforcing copyright law in the digital age.

This new authority does not supplant either the criminal provisions of the Copyright Act, or the remedies available to the copyright owner in a private suit. Rather, it allows the government to bring its resources to bear on this immense problem, and to ensure that more creative works are made available online, that those works are more affordable, and that the people who work to bring them to us are paid for their efforts.

The challenges presented by digital content are multifaceted, and no single response will resolve all of them. We must, and we will, offer a broad array of solutions that taken together will help ensure the protection of intellectual property, encourage the deployment of digital content, and allow technology to develop unimpeded. This bill is just one step in this process. I am working with colleagues, members of the private sector, and officials from the Executive Branch, to craft careful and effective responses to other such challenges in the intellectual property arenas.

I hope that my colleagues support the "Protecting Intellectual Rights Against Theft and Expropriation (PIRATE) Act of 2004," and I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Protecting Intellectual Rights Against Theft and Expropriation Act of 2004".

SEC. 2. AUTHORIZATION OF CIVIL COPYRIGHT ENFORCEMENT BY ATTORNEY GENERAL.

(a) IN GENERAL.—Chapter 5 of title 17, United States Code, is amended by inserting after section 506 the following:

"§ 506a. Civil penalties for violations of section 506

"(a) IN GENERAL.—The Attorney General may commence a civil action in the appropriate United States district court against any person who engages in conduct constituting an offense under section 506. Upon proof of such conduct by a preponderance of the evidence, such person shall be subject to a civil penalty under section 504 which shall be in an amount equal to the amount which would be awarded under section 3663(a)(1)(B) of title 18 and restitution to the copyright owner aggrieved by the conduct.

"(b) OTHER REMEDIES.—

"(1) IN GENERAL.—Imposition of a civil penalty under this section does not preclude any other criminal or civil statutory, injunctive, common law or administrative remedy, which is available by law to the United States or any other person;

"(2) OFFSET.—Any restitution received by a copyright owner as a result of a civil action brought under this section shall be offset against any award of damages in a subsequent copyright infringement civil action by that copyright owner for the conduct that gave rise to the civil action brought under this section.".

(b) DAMAGES AND PROFITS.—Section 504 of title 17, United States Code, is amended—

(1) in subsection (b)—

(A) in the first sentence—

(i) by inserting ", or the Attorney General in a civil action," after "The copyright owner"; and

(ii) by striking "him or her" and inserting "the copyright owner"; and

(B) in the second sentence by inserting ", or the Attorney General in a civil action," after "the copyright owner"; and

(2) in subsection (c)—

(A) in paragraph (1), by inserting ", or the Attorney General in a civil action," after "the copyright owner"; and

(B) in paragraph (2), by inserting ", or the Attorney General in a civil action," after "the copyright owner".

(c) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 17, United States Code, is amended by inserting after the item relating to section 506 the following:

"506a. Civil penalties for violation of section 506.".

SEC. 3. AUTHORIZATION OF FUNDING FOR TRAINING AND PILOT PROGRAM.

(a) TRAINING AND PILOT PROGRAM.—Not later than 180 days after enactment of this Act, the Attorney General shall develop a program to ensure effective implementation and use of the authority for civil enforcement of the copyright laws by—

(1) establishing training programs, including practical training and written materials, for qualified personnel from the Department of Justice and United States Attorneys Offices to educate and inform such personnel about—

(A) resource information on intellectual property and the legal framework established both to protect and encourage creative works as well as legitimate uses of information and rights under the first amendment of the United States Constitution;

(B) the technological challenges to protecting digital copyrighted works from online piracy;

(C) guidance on and support for bringing copyright enforcement actions against persons engaging in infringing conduct, including model charging documents and related litigation materials;

(D) strategic issues in copyright enforcement actions, including whether to proceed in a criminal or a civil action;

(E) how to employ and leverage the expertise of technical experts in computer forensics;

(F) the collection and preservation of electronic data in a forensically sound manner for use in court proceedings;

(G) the role of the victim copyright owner in providing relevant information for enforcement actions and in the computation of damages; and

(H) the appropriate use of injunctions, impoundment, forfeiture, and related authorities in copyright law;

(2) designating personnel from at least 4 United States Attorneys Offices to participate in a pilot program designed to implement the civil enforcement authority of the Attorney General under section 506a of title 17, United States Code, as added by this Act; and

(3) reporting to Congress annually on—

(A) the use of the civil enforcement authority of the Attorney General under section 506a of title 17, United States Code, as added by this Act; and

(B) the progress made in implementing the training and pilot programs described under paragraphs (1) and (2) of this subsection.

(b) ANNUAL REPORT.—The report under subsection (a)(3) may be included in the annual performance report of the Department of Justice and shall include—

(1) with respect to civil actions filed under section 506a of title 17, United States Code, as added by this Act—

(A) the number of investigative matters received by the Department of Justice and United States Attorneys Offices;

(B) the number of defendants involved in those matters;

(C) the number of civil actions filed and the number of defendants involved;

(D) the number of civil actions resolved or terminated;

(E) the number of defendants involved in those civil actions;

(F) the disposition of those civil actions, including whether the civil actions were settled, dismissed, or resolved after a trial;

(G) the dollar value of any civil penalty imposed and the amount remitted to any copyright owner; and

(H) other information that the Attorney General may consider relevant to inform Congress on the effective use of the civil enforcement authority;

(2) a description of the training program and the number of personnel who participated in the program; and

(3) the locations of the United States Attorneys Offices designated to participate in the pilot program.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for fiscal year 2005 to carry out this section.

Mr. HATCH. Mr. President, I rise to join Senator LEAHY in sponsoring the Protecting Intellectual Rights Against Theft and Expropriation Act—the "PIRATE Act"—a measure that will provide the Department of Justice with tools to combat the rampant copyright piracy facilitated by peer-to-peer file sharing software.

Let me underscore at the outset that our bill does not expand the scope of the existing powers of the Department of Justice to prosecute persons who infringe copyrights. Instead, our proposal will assist the Department in exercising existing enforcement powers through a civil enforcement mechanism. After considerable study, we have concluded that this is the most appropriate mechanism.

Peer-to-peer file sharing software has created a dilemma for law-enforcement agencies. Millions of otherwise law-abiding American citizens are using this software to create and redistribute infringing copies of popular music, movies, computer games and software.

Some who copy these works do not fully understand the illegality, or perhaps the serious consequences, of their infringing activities. This group of filesharers should not be the focus of federal law-enforcement efforts. Quite frankly, the distributors of most filesharing software have failed to adequately educate the children and young people who use their software about its legal and illegal uses.

A second group of filesharers consists of those who copy and redistribute copyrighted works even though they do know that doing so violates federal law. In many cases, these are college students or young people who think that they will not get caught. Many of these filesharers are engaging in acts that could now subject them to federal criminal prosecution for copyright piracy.

It is critical that we bring the moral force of the government to bear against those who knowingly violate the federal copyrights enshrined in our Constitution. But many of us remain concerned that using criminal law enforcement remedies to act against these infringers could have an overly-harsh effect, perhaps, for example, putting thousands of otherwise law-abiding teenagers and college students in jail and branding them with the lifelong stigma of a felony criminal conviction.

The bill I join Senator LEAHY in sponsoring today will allow the Department of Justice to supplement its existing criminal-enforcement powers through the new civil-enforcement mechanism. As a result, the Department will be able to impose stiff penalties for violating copyrights, but can avoid criminal action when warranted.

In advancing this measure, I must note that I view this civil-enforcement authority as another tool, hopefully a transitional tool at that. In the long run, I believe that we must find better mechanisms to ensure that our most vulnerable citizens—our children—are not being constantly tempted to infringe the copyrights that have made America a world leader in the production of creative works.

Only recently has America faced the specter of widespread copyright-enforcement actions against individual users of copyrighted works. For nearly 200 years, copyright enforcement was rarely directed against the millions of ordinary American citizens who use and enjoy copyrighted works. Instead, creators and distributors of copyrighted content worked together to negotiate the complex licensing agreements and technological protections needed to distribute copyrighted works in ways that accommodated both the expectations of users and the copyrights of artists.

But recently, some unscrupulous corporations may have exploited new technologies and discovered that the narrow scope of civil contributory liability for copyright infringement can be utilized so that ordinary consumers and children become, in effect, "human shields" against copyright owners and law enforcement agencies. Unscrupulous corporations could distribute to children and students a "piracy machine" designed to tempt them to engage in copyright piracy or pornography distribution.

Unfortuantely, piracy and pornography could then become the cornerstones of a "business model." At first, children and students would be tempted to infringe copyrights or redistribute pornography. Their illicit activities then generate huge advertising revenues for the architects of piracy. Those children and students then become "human shields" against enforcement efforts that would disrupt the flow of those revenues. Later, large user-bases and the threat of more piracy would become levers to force American artists to enter licensing agreements in which they pay the architects of piracy to distribute and protect their works on the Internet.

Federal enforcement action is surely warranted if such "business models" are driving the increasing ease of piracy on peer-to-peer filesharing networks. Such business models exploit children, cheat artists, and threaten the future development of commerce on the Internet.

Indeed, our government recognizes that its enforcement powers are appropriate when protecting intellectual property and public safety. Recently, in a speech to the United States Chamber of Commerce, Deputy Attorney General James B. Comey, Jr. asserted that the Department of Justice should assist private enforcement of intellectual property rights if any of three criteria are met: (1) the level of piracy becomes particularly egregious; (2) public health and safety are put at risk; or (3) private civil remedies fail to adequately deter illegal conduct.

In the case of peer-to-peer filesharing, all three criteria may be met. The level of piracy on these networks is not merely egregious, it is unprecedented. Public health and safety are also directly threatened by business models that tempt children toward piracy and pornography and then use them as "human shields" against law enforcement.

Finally, the recording industry and other affected rights holders have tried—so far largely unsuccessfully—to use civil remedies to halt the operations of those who would profit by turning teenagers and college students into copyright pirates or pornography distributors.

As a result, our creative industries' only remaining option to deter piracy is to bring enough civil enforcement actions against users of filesharing software. Tens of thousands of continuing civil enforcement actions might be needed to generate the necessary deterrence. I doubt that any nongovernmental organization has the resources or moral authority to pursue such a campaign.

If enforcement actions against end-users were really the best or only way to enforce copyrights on the Internet, then civil enforcement authority would be necessary. But there may be other ways to combat this piracy at the root, not at the branch. I thus invite the Department of Justice and other federal law enforcement agencies to work with me, Senator LEAHY and other members of the Judiciary Committee to determine how the enforcement powers of the federal government can best be deployed to solve the problems arising from piracy and pornography on peer-to-peer filesharing networks.

I also understand that others may be developing proposals to increase criminal enforcement authority against piracy, and I hope to work with them on such proposals. Today, I stand with Senator LEAHY to buttress the enforcement of copyrights by enabling the Department of Justice to proceed with a robust program of civil enforcement.

For the reasons I have just delineated, I urge my colleagues to join us in supporting the Protecting Intellectual Rights Against Theft and Expropriation Act.

By Mrs. BOXER:

S. 2240. A bill to improve seaport security; to the Committee on Commerce, Science, and Transportation.

Mrs. BOXER. Mr. President, at the end of 2002, the Maritime Transportation Security Act became law.

I was a member of the conference committee on that bill, and I think it was a good first step in improving security at our nation's ports.

It had many good provisions, such as the creation of national and regional maritime transportation/port security plans to be approved by the Coast Guard; better coordination of federal, state, local, and private enforcement agencies; and the establishment of a grant program for port authorities, waterfront facilities operators, and state and local agencies to provide security infrastructure improvements.

The problem was that the bill had no guaranteed funding mechanism. As a result, we are underfunding port security. Since the passage of the Maritime Transportation Security Act, the Department of Homeland Security has released $517 million in port security grants. This is not enough. According to the Coast Guard, it is estimated that the ports directly need $1.4 billion this year and $6 billion over the next ten years. Yet, the Administration only requested $46 million in its fiscal year 2005 budget.

Last year, I visited many of California's ports including Crescent City in the north down through Stockton to Los Angeles/Long Beach in the south. I have seen what the ports are confronting. They need more funding for homeland security.

And, with over 40 percent of the nation's goods imported through California's ports, freight rail is extremely important to the nation's commerce. A terrorist attack at a California port would not only be tragic but would be devastating for our nation's economy.

So, today, I am introducing the Senate version of a bill introduced by Representative MILLENDER-MCDONALD. This legislation will provide more funding to the ports. Specifically, it will: create a Port Security Grant Program in the Department of Homeland Security; provide $800 million per year for five years in grant funding; and—this is very important to California's ports—allow the federal government to make multiyear grants to help finance larger projects similar to what is done with many of our airports for aviation security.

I hope that the Senate will act on this bill. Now is not the time to slow down or delay our efforts to increase and improve transportation security. The job is not done, and it must be done.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 324—EXPRESSING THE SENSE OF THE SENATE RELATING TO THE EXTRAORDINARY CONTRIBUTIONS RESULTING FROM THE HUBBLE SPACE TELESCOPE TO SCIENTIFIC RESEARCH AND EDUCATION, AND TO THE NEED TO RECONSIDER FUTURE SERVICE MISSIONS TO THE HUBBLE SPACE TELESCOPE

Ms. MIKULSKI (for herself and Mr. BROWNBACK) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 324

Whereas discoveries from the Hubble Space Telescope have dominated space science news over the last 10 years;

Whereas the Hubble Space Telescope has provided proof of black holes, insights into the birth and death of stars, spectacular views of Comet Shoemaker-Levy 9's collision with Jupiter, the age of the Universe, and evidence that the expansion of the Universe is accelerating;

Whereas the inspiring scientific discoveries from the Hubble Space Telescope reach millions of students each year and have been important in encouraging students to study the sciences;

Whereas the inspiring scientific discoveries from the Hubble Space Telescope reach millions of students each year and have been important in encouraging students to study the sciences;

Whereas the 2000 National Academy of Sciences Decadal Survey endorsed a plan to maintain the Hubble Space Telescope until 2010;

Whereas the Hubble Space Telescope has been the National Aeronautics and Space Administration's most scientifically productive mission, accounting for 35 percent of all National Aeronautics and Space Administration discoveries in the last 20 years;

Whereas the demand for research time on the Hubble Space Telescope in 2003 was approximately 8 times that available;

Whereas approximately $200,000,000 worth of instruments have largely been built, including scientific instruments that would provide significant improvements in Hubble's scientific power and including replacement gyroscopes and batteries, which could keep the telescope in operation until 2011 or 2012 and make the Hubble Space Telescope's final years its most scientifically capable and productive;

Whereas the distinguished panel that studied scientific priorities for ultraviolet and optical astronomy in 2003 considered the continued operation of the Hubble Space Telescope by means of the SM–4 servicing mission to be its highest priority; and

Whereas the American Astronomical Society, the largest professional scientific association for astronomers and astrophysicists, believes a panel of experts should review the decision to limit prematurely the lifespan of the Hubble Space Telescope: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the extraordinary contributions resulting from the Hubble Space Telescope to scientific research and education;

(2) strongly recommends that the Administrator of the National Aeronautics and Space Administration appoint an independent panel of expert scientists and engineers inside and outside of the National Aeronautics and Space Administration to examine all possible options for safely carrying out the planned servicing mission to the Hubble Space Telescope and assess alternative servicing methods; and

(3) expresses its strong sentiment that the National Aeronautics and Space Administration should continue all planning, preparation, and astronaut training activities for the SM–4 servicing mission without interruption until the expert panel issues its report and until the National Aeronautics and Space Administration provides a timetable of compliance with recommendation R6.4–1 of the Columbia Accident Investigation Board report, which calls for "a fully autonomous capability for all missions to address the possibility that an International Space Station mission fails to achieve the correct orbit, fails to dock successfully, or is damaged during or after undocking", since National Aeronautics and Space Administration compliance with the recommendation will allow both a Hubble servicing mission and missions to the International Space Station to be carried out safely.

Ms. MIKULSKI. Mr. President, I rise to submit a Senate Resolution with my distinguished colleague from Kansas, Senator BROWNBACK. This Resolution expresses the desire of the Senate for NASA to undertake a comprehensive independent review of the decision to terminate the final servicing mission for the Hubble Space Telescope and that all planning and preparation activities continue during this period.

On January 14, 2004, the NASA Administrator announced that he was terminating the final servicing mission for the Hubble Telescope that was scheduled to be launched in 2007.

When the NASA Administrator announced his decision, I was shocked. Hubble has been the most successful NASA program since Apollo. In fact, it is arguably the greatest scientific instrument since Galileo's telescope.

Pictures from Hubble have helped scientists prove that the universe is expanding, that black holes exist, and how stars are born and how stars die.

Earlier this month, the Space Telescope Science Institute released what may be considered the greatest photograph ever taken of the universe. It is a picture showing what the universe was like almost 12 billion years ago. Galaxies and stars never seen before are shown in extraordinary detail that will usher in a new era of discovery for years to come.

With the scientific value of Hubble undisputed, I was shocked that there was no report, analysis or study that supported the Administrator's decision.

It is imperative that we have a full understanding of all the issues, including the potential risks, scientific benefits and alternative servicing methods for a Hubble servicing mission. This decision is too important to be left to just one person. We need the best advice from the best minds to determine Hubble's future.

Let me be clear. I want to stand up for Hubble. I will always stand up for the safety of our astronauts. We must do everything possible to ensure the safety of our astronauts, whether they are traveling to the Space Station or fixing Hubble. Putting safety first means that NASA must fully implement all of the recommendations of the Columbia Accident Investigation Board as soon as possible. As the Ranking Member of the Appropriations Subcommittee that funds NASA, working on a bi-partisan basis with my distinguished colleague from Missouri, Senator BOND, we are committed to providing whatever resources are needed to ensure that safety of our astronauts and the safety of the Space Shuttle.

Before an irrevocable decision is made about Hubble's future, I want the best minds in science and engineering to tell us what are the risks and how can we reduce them.

I know many of my colleagues share these concerns. That's why Senator BROWNBACK and I are submitting this resolution today. The decision to terminate the Hubble servicing mission represents a major change in our science and space policies. Congress, the American people and the world deserve nothing less than a rigorous and independent review so we can fully understand all of the issues surrounding a servicing mission.

Finally, I want to thank the outstanding employees of the Goddard Space Flight Center and Space Telescope Science Institute. Without their hard work and dedication to the cause of science, exploration and discovery, Hubble would not be what it is today, the greatest scientific instrument mankind has ever created.

Mr. BROWNBACK. Mr. President, I recognize the significant scientific accomplishments of the Hubble Space Telescope. Space telescopes such as Hubble are an important part of our future space program and the President's vision for revitalized human exploration of space.

Several months ago NASA made a decision to forego planned Space Shuttle servicing missions for the Hubble Space Telescope. This is a difficult and complicated issue and technical experts reasonably differ on the best approach. I believe that NASA might benefit from the counsel of the best experts the nation can muster inside and outside of the Government. Correspondingly, I've joined my colleague Senator MIKULSKI in urging NASA to sponsor a comprehensive study on the full range of options and risks associated with various approaches for maintaining the Hubble Space Telescope and its capabilities. I would also hope that this study would include imaginative new concepts for robotic servicing.

As we fulfill the promise of space exploration the President has outlined, the enormous success of the Hubble Space Telescope and other NASA successes such as the recent Mars Rover Program provide us with a sound basis upon which to build. NASA can count on my continued support of their endeavors to provide unlimited opportunity to future generations of Americans.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2936. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2936. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title IV add the following:

Subtitle G—Provisions Designed To Restrict Use of Abusive Tax Shelters and Offshore Tax Havens

SEC. 499. PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.

(a) PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.—Section 6700 (relating to promoting abusive tax shelters, etc.) is amended—

(1) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively,

(2) by striking "a penalty" and all that follows through the period in the first sentence of subsection (a) and inserting "a penalty determined under subsection (b)", and

(3) by inserting after subsection (a) the following new subsections:

"(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

"(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed 150 percent of the gross income derived (or to be derived) from such activity by the person or persons subject to such penalty.

"(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of an activity described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who participated in such an activity.

"(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to such activity, all such persons shall be jointly and severally liable for the penalty under such subsection.

"(c) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

(c) PRIOR SECTION TO HAVE NO EFFECT.—Notwithstanding section 415(b) of this Act, such section, and the amendment made by such section, shall not take effect.

SEC. 499A. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) IN GENERAL.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by inserting "the tax liability or" after "respect to," in paragraph (1),

(2) by inserting "aid, assistance, procurement, or advice with respect to such" before "portion" both places it appears in paragraphs (2) and (3), and

(3) by inserting "instance of aid, assistance, procurement, or advice or each such" before "document" in the matter following paragraph (3).

(b) AMOUNT OF PENALTY.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting understatement of tax liability) is amended to read as follows:

"(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

"(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed 150 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the person or persons subject to such penalty.

"(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of aid, assistance, procurement, or advice described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who made such an understatement of the liability for tax.

"(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.".

(c) PENALTY NOT DEDUCTIBLE.—Section 6701 is amended by adding at the end the following new subsection:

"(g) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 499B. PENALTY FOR FAILURE TO REGISTER TAX SHELTER.

(a) IN GENERAL.—Section 6707 (relating to failure to furnish information regarding tax shelters) is amended to read as follows:

"SEC. 6707. FAILURE TO FURNISH INFORMATION ON POTENTIALLY ABUSIVE TAX SHELTER OR LISTED TRANSACTION.

"(a) IN GENERAL.—If a person who is required to file a return under section 6111 with respect to any potentially abusive tax shelter—

"(1) fails to file such return on or before the date prescribed therefor, or

"(2) files false or incomplete information with the Secretary with respect to such shelter,

such person shall pay a penalty with respect to such return in the amount determined under subsection (b).

"(b) AMOUNT OF PENALTY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the penalty imposed under subsection (a) with respect to any failure shall be not less than $50,000 and not more than $100,000.

"(2) LISTED TRANSACTIONS.—The penalty imposed under subsection (a) with respect to any listed transaction shall be an amount equal to the greater of—

"(A) $200,000, or

"(B) 100 percent of the gross income derived by such person for providing aid, assistance, procurement, advice, or other services with respect to the listed transaction before the date the return including the transaction is filed under section 6111.

Subparagraph (B) shall be applied by substituting '150 percent' for '100 percent' in the case of an intentional failure or act described in subsection (a).

"(c) CERTAIN RULES TO APPLY.—The provisions of section 6707A(d) allowing the Commissioner of Internal Revenue to rescind a penalty under certain circumstances shall apply to any penalty imposed under this section.

"(d) POTENTIALLY ABUSIVE TAX SHELTERS AND LISTED TRANSACTIONS.—The terms 'potentially abusive tax shelter' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).

"(e) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.".

(b) CLERICAL AMENDMENT.—The item relating to section 6707 in the table of sections for part I of subchapter B of chapter 68 is amended by striking "regarding tax shelters" and inserting "on potentially abusive tax shelter or listed transaction".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns the due date for which is after the date of the enactment of this Act.

(d) PRIOR SECTION TO HAVE NO EFFECT.—Notwithstanding section 408(c) of this Act, such section, and the amendments made by such section, shall not take effect.

SEC. 499C. PENALTY FOR FAILING TO MAINTAIN CLIENT LIST.

(a) IN GENERAL.—Subsection (a) of section 6708 (relating to failure to maintain lists of investors in potentially abusive tax shelters) is amended to read as follows:

"(a) IMPOSITION OF PENALTY.—

"(1) IN GENERAL.—If any person who is required to maintain a list under section 6112(a) fails to make such list available upon written request to the Secretary in accordance with section 6112(b)(1)(A) within 20 business days after the date of the Secretary's request, such person shall pay a penalty of $10,000 for each day of such failure after such 20th day. If such person makes available an incomplete list upon such request, such person shall pay a penalty of $100 per each omitted name for each day of such omission after such 20th day.

"(2) GOOD CAUSE EXCEPTION.—No penalty shall be imposed by paragraph (1) with respect to the failure on any day if, in the judgment of the Secretary, such failure is due to good cause.".

(b) PENALTY NOT DEDUCTIBLE.—Section 6708 is amended by adding at the end the following new subsection:

"(c) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to requests made by the Secretary of the Treasury after the date of the enactment of this Act.

(d) PRIOR SECTION TO HAVE NO EFFECT.—Notwithstanding section 409(b) of this Act, such section, and the amendment made by such section, shall not take effect.

SEC. 499D. PENALTY FOR FAILING TO DISCLOSE POTENTIALLY ABUSIVE TAX SHELTER.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6707 the following new section:

"SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE POTENTIALLY ABUSIVE TAX SHELTER INFORMATION WITH RETURN OR STATEMENT.

"(a) IMPOSITION OF PENALTY.—Any person who fails to include on any return or statement any information with respect to a potentially abusive tax shelter which is required under section 6011 to be included with such return or statement shall pay a penalty in the amount determined under subsection (b).

"(b) AMOUNT OF PENALTY.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amount of the penalty under subsection (a) shall be $50,000.

"(2) LISTED TRANSACTION.—Except as provided in paragraph 3, the amount of the penalty under subsection (a) with respect to a listed transaction shall be $100,000.

"(3) INCREASE IN PENALTY FOR INTENTIONAL NONDISCLOSURE.—In the case of an intentional failure by any person under subsection (a), the penalty under paragraph (1) shall be $100,000 and the penalty under paragraph (2) shall be $200,000.

"(c) DEFINITIONS.—For purposes of this section—

"(1) POTENTIALLY ABUSIVE TAX SHELTER.—The term 'potentially abusive tax shelter' means any transaction with respect to which information is required to be included with a return or statement, because the Secretary has determined by regulation or otherwise that such transaction has a potential for tax avoidance or evasion.

"(2) LISTED TRANSACTION.—Except as provided in regulations, the term 'listed transaction' means a potentially abusive tax shelter which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011.

"(d) AUTHORITY TO RESCIND PENALTY.—

"(1) IN GENERAL.—The Commissioner of Internal Revenue may rescind all or any portion of a penalty imposed by this section with respect to any violation if—

"(A) the violation is with respect to a potentially abusive tax shelter other than a listed transaction,

"(B) the person on whom the penalty is imposed has a history of complying with the requirements of this title,

"(C) it is shown that the violation is due to an unintentional mistake of fact,

"(D) imposing the penalty would be against equity and good conscience, and

"(E) rescinding the penalty would promote compliance with the requirements of this title and effective tax administration.

"(2) DISCRETION.—The exercise of authority under paragraph (1) shall be at the sole discretion of the Commissioner and may be delegated only to the head of the Office of Tax Shelter Analysis. The Commissioner, in the Commissioner's sole discretion, may establish a procedure to determine if a penalty should be referred to the Commissioner or the head of such Office for a determination under paragraph (1).

"(3) NO APPEAL.—Notwithstanding any other provision of law, any determination under this subsection may not be reviewed in any administrative or judicial proceeding.

"(4) RECORDS.—If a penalty is rescinded under paragraph (1), the Commissioner shall place in the file in the Office of the Commissioner the opinion of the Commissioner or the head of the Office of Tax Shelter Analysis with respect to the determination, including—

"(A) the facts and circumstances of the transaction,

"(B) the reasons for the rescission, and

"(C) the amount of the penalty rescinded.

A copy of such opinion shall be provided upon written request to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Joint Committee on Taxation, or the General Accounting Office.

"(5) REPORT.—The Commissioner shall each year report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

"(A) a summary of the total number and aggregate amount of penalties imposed, and rescinded, under this section, and

"(B) a description of each penalty rescinded under this subsection and the reasons therefor.

"(e) PENALTY REPORTED TO SEC.—In the case of a person—

"(1) which is required to file periodic reports under section 13 or 15(d) of the Securities Exchange Act of 1934 or is required to be consolidated with another person for purposes of such reports, and

"(2) which—

"(A) is required to pay a penalty under this section with respect to a listed transaction,

"(B) is required to pay a penalty under section 6662A with respect to any potentially abusive tax shelter at a rate prescribed under section 6662A(c), or

"(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction,

the requirement to pay such penalty shall be disclosed in such reports filed by such person for such periods as the Secretary shall specify. Failure to make a disclosure in accordance with the preceding sentence shall be treated as a failure to which the penalty under subsection (b)(2) applies.

"(f) PENALTY IN ADDITION TO OTHER PENALTIES.—The penalty imposed by this section shall be in addition to any other penalty provided by law.

"(g) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.".

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6707 the following:

"Sec. 6707A. Penalty for failure to include potentially abusive tax shelter information with return or statement.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns and statements the due date for which is after the date of the enactment of this Act.

(d) PRIOR SECTION TO HAVE NO EFFECT.—Notwithstanding section 402(c) of this Act, such section, and the amendments made by such section, shall not take effect.

SEC. 499E. IMPROVED DISCLOSURE OF POTENTIALLY ABUSIVE TAX SHELTERS.

(a) In General.—Section 6111 (relating to registration of tax shelters) is amended to read as follows:

"SEC. 6111. DISCLOSURE OF POTENTIALLY ABUSIVE TAX SHELTERS.

"(a) In General.—Each material advisor with respect to any potentially abusive tax shelter shall make a return (in such form as the Secretary may prescribe) setting forth—

"(1) information identifying and describing such shelter,

"(2) information describing any potential tax benefits expected to result from the shelter, and

"(3) such other information as the Secretary may prescribe.

Such return shall be filed not later than the date which is 30 days before the date on which the first sale of such shelter occurs or on any other date specified by the Secretary.

"(b) Definitions.—For purposes of this section—

"(1) Material advisor.—

"(A) In general.—The term 'material advisor' means any person—

"(i) who provides any material aid, assistance, or advice with respect to designing, organizing, managing, promoting, selling, implementing, or carrying out any potentially abusive tax shelter, and

"(ii) who directly or indirectly derives gross income in excess of the threshold amount for such aid, assistance, or advice.

"(B) Threshold amount.—For purposes of subparagraph (A), the threshold amount is—

"(i) $50,000 in the case of a potentially abusive tax shelter substantially all of the tax benefits from which are provided to natural persons, and

"(ii) $100,000 in any other case.

"(2) Potentially abusive tax shelter.—The term 'potentially abusive tax shelter' has the meaning given to such term by section 6707A(c).

"(c) Regulations.—The Secretary may prescribe regulations which provide—

"(1) that only 1 person shall be required to meet the requirements of subsection (a) in cases in which 2 or more persons would otherwise be required to meet such requirements,

"(2) exemptions from the requirements of this section, and

"(3) such rules as may be necessary or appropriate to carry out the purposes of this section.".

(b) Conforming Amendments.—

(1) The item relating to section 6111 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

"Sec. 6111. Disclosure of potentially abusive tax shelters.".

(2)(A) So much of section 6112 as precedes subsection (c) thereof is amended to read as follows:

"SEC. 6112. MATERIAL ADVISORS OF POTENTIALLY ABUSIVE TAX SHELTERS MUST KEEP CLIENT LISTS.

"(a) In General.—Each material advisor (as defined in section 6111) with respect to any potentially abusive tax shelter (as defined in section 6707A(c)) shall maintain, in such manner as the Secretary may by regulations prescribe, a list—

"(1) identifying each person with respect to whom such advisor acted as such a material advisor with respect to such shelter, and

"(2) containing such other information as the Secretary may by regulations require.

This section shall apply without regard to whether a material advisor is required to file a return under section 6111 with respect to such transaction.".

(B) Section 6112 is amended by redesignating subsection (c) as subsection (b).

(C) Section 6112(b), as redesignated by subparagraph (B), is amended—

(i) by inserting "written" before "request" in paragraph (1)(A), and

(ii) by striking "shall prescribe" in paragraph (2) and inserting "may prescribe".

(D) The item relating to section 6112 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

"Sec. 6112. Material advisors of potentially abusive tax shelters must keep client lists.".

(3)(A) The heading for section 6708 is amended to read as follows:

"SEC. 6708. FAILURE TO MAINTAIN CLIENT LISTS WITH RESPECT TO POTENTIALLY ABUSIVE TAX SHELTERS.".

(B) The item relating to section 6708 in the table of sections for part I of subchapter B of chapter 68 is amended to read as follows:

"Sec. 6708. Failure to maintain client lists with respect to potentially abusive tax shelters.".

(c) Required Disclosure Not Subject to Claim of Confidentiality.—Section 6112(b)(1), as redesignated by subsection (b)(2)(B), is amended by adding at the end the following new flush sentence:

"For purposes of this section, the identity of any person on such list shall not be privileged.".

(d) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to transactions with respect to which material aid, assistance, or advice referred to in section 6111(b)(1)(A)(i) of the Internal Revenue Code of 1986 (as added by this section) is provided after the date of the enactment of this Act.

(2) No claim of confidentiality against disclosure.—The amendment made by subsection (c) shall take effect as if included in the amendments made by section 142 of the Deficit Reduction Act of 1984.

(e) Prior Section To Have No Effect.—Notwithstanding section 407(d) of this Act, such section, and the amendments made by such section, shall not take effect.

SEC. 499F. EXTENSION OF STATUTE OF LIMITATIONS FOR UNDISCLOSED TAX SHELTER.

(a) In General.—Section 6501(c) (relating to exceptions) is amended by adding at the end the following new paragraph:

"(10) Potentially abusive tax shelters.—If a taxpayer fails to include on any return or statement for any taxable year any information with respect to a potentially abusive tax shelter (as defined in section 6707A(c)) which is required under section 6011 to be included with such return or statement, the time for assessment of any tax imposed by this title with respect to such transaction shall not expire before the date which is 2 years after the earlier of—

"(A) the date on which the Secretary is furnished the information so required; or

"(B) the date that a material advisor (as defined in section 6111) meets the requirements of section 6112 with respect to a request by the Secretary under section 6112(b) relating to such transaction with respect to such taxpayer.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years with respect to which the period for assessing a deficiency did not expire before the date of the enactment of this Act.

(c) Prior Section To Have No Effect.—Notwithstanding section 416(b) of this Act, such section, and the amendment made by such section, shall not take effect.

SEC. 499G. PENALTY FOR FAILING TO REPORT INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

(a) In General.—Section 5321(a)(5) of title 31, United States Code, is amended to read as follows:

"(5) Foreign financial agency transaction violation.—

"(A) Penalty authorized.—The Secretary of the Treasury may impose a civil money penalty on any person who violates, or causes any violation of, any provision of section 5314.

"(B) Amount of penalty.—

"(i) In general.—Except as provided in subparagraph (C), the amount of any civil penalty imposed under subparagraph (A) shall not exceed $10,000.

"(ii) Reasonable cause exception.—No penalty shall be imposed under subparagraph (A) with respect to any violation if—

"(I) such violation was due to reasonable cause, and

"(II) the amount of the transaction or the balance in the account at the time of the transaction was properly reported.

"(C) Willful violations.—In the case of any person willfully violating, or willfully causing any violation of, any provision of section 5314, the amount of the civil penalty imposed under subparagraph (A) shall be—

"(i) not less than $5,000,

"(ii) not more than 50 percent of the amount determined under subparagraph (D), and

"(iii) subparagraph (B)(ii) shall not apply.

"(D) Amount.—The amount determined under this subparagraph is—

"(i) in the case of a violation involving a transaction, the amount of the transaction, or

"(ii) in the case of a violation involving a failure to report the existence of an account or any identifying information required to be provided with respect to an account, the balance in the account at the time of the violation.".

(b) Effective Date.—The amendment made by this section shall apply to violations occurring after the date of the enactment of this Act.

(c) Prior Section To Have No Effect.—Notwithstanding section 412(b) of this Act, such section, and the amendment made by such section, shall not take effect.

SEC. 499H. CENSURE, CIVIL FINES, AND TAX OPINION STANDARDS FOR TAX PRACTITIONERS.

(a) Censure; Imposition of Monetary Penalty.—

(1) In general.—Section 330(b) of title 31, United States Code, is amended—

(A) by inserting ", or censure," after "Department", and

(B) by adding at the end the following new flush sentence:

"The Secretary may impose a monetary penalty on any representative described in the preceding sentence. If the representative was acting on behalf of an employer or any firm or other entity in connection with the conduct giving rise to such penalty, the Secretary may impose a monetary penalty on such employer, firm, or entity if it knew, or reasonably should have known, of such conduct. Such penalty may be in addition to, or in lieu of, any suspension, disbarment, or censure of the representative.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to actions taken after the date of the enactment of this Act.

(b) TAX OPINION STANDARDS.—Section 330 of such title 31 is amended by adding at the end the following new subsection:

“(d) The Secretary of the Treasury shall impose standards applicable to the rendering of written advice with respect to any potentially abusive tax shelter or any entity, plan, arrangement, or transaction which has a potential for tax avoidance or evasion. Such standards shall address, but not be limited to, the following issues:

“(1) Independence of the practitioner issuing such written advice from persons promoting, marketing, or recommending the subject of the advice.

“(2) Collaboration among practitioners, or between a practitioner and other party, which could result in such collaborating parties having a joint financial interest in the subject of the advice.

“(3) Avoidance of conflicts of interest which would impair auditor independence.

“(4) For written advice issued by a firm, standards for reviewing the advice and ensuring the consensus support of the firm for positions taken.

“(5) Reliance on reasonable factual representations by the taxpayer and other parties.

“(6) Appropriateness of the fees charged by the practitioner for the written advice.”.

(c) PRIOR SECTION TO HAVE NO EFFECT.—Notwithstanding section 414(a)(2) of this Act, such section, and the amendments made by such section, shall not take effect.

SEC. 499I. INFORMATION SHARING FOR ENFORCEMENT PURPOSES.

(a) PROMOTION OF PROHIBITED TAX SHELTERS OR TAX AVOIDANCE SCHEMES.—Section 6103(h) (relating to disclosure to certain Federal officers and employees for purposes of tax administration, etc.) is amended by adding at the end the following new paragraph:

“(7) DISCLOSURE OF RETURNS AND RETURN INFORMATION RELATED TO PROMOTION OF PROHIBITED TAX SHELTERS OR TAX AVOIDANCE SCHEMES.—

“(A) WRITTEN REQUEST.—Upon receipt by the Secretary of a written request which meets the requirements of subparagraph (B) from the head of the United States Securities and Exchange Commission, an appropriate Federal banking agency as defined under section 1813(q) of title 12, United States Code, or the Public Company Accounting Oversight Board, a return or return information shall be disclosed to such requestor's officers and employees who are personally and directly engaged in an investigation, examination, or proceeding by such requestor to evaluate, determine, penalize, or deter conduct by a financial institution, issuer, or public accounting firm, or associated person, in connection with a potential or actual violation of section 6700 (promotion of abusive tax shelters), 6701 (aiding and abetting understatement of tax liability), or activities related to promoting or facilitating inappropriate tax avoidance or tax evasion. Such disclosure shall be solely for use by such officers and employees in such investigation, examination, or proceeding.

“(B) REQUIREMENTS.—A request meets the requirements of this subparagraph if it sets forth—

“(i) the nature of the investigation, examination, or proceeding,

“(ii) the statutory authority under which such investigation, examination, or proceeding is being conducted,

“(iii) the name or names of the financial institution, issuer, or public accounting firm to which such return information relates,

“(iv) the taxable period or periods to which such return information relates, and

“(v) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination or proceeding.

“(C) FINANCIAL INSTITUTION.—For the purposes of this paragraph, the term ‘financial institution’ means a depository institution, foreign bank, insured institution, industrial loan company, broker, dealer, investment company, investment advisor, or other entity subject to regulation or oversight by the United States Securities and Exchange Commission or an appropriate Federal banking agency.”.

(b) FINANCIAL AND ACCOUNTING FRAUD INVESTIGATIONS.—Section 6103(i) (relating to disclosure to Federal officers or employees for administration of Federal laws not relating to tax administration) is amended by adding at the end the following new paragraph:

“(9) DISCLOSURE OF RETURNS AND RETURN INFORMATION FOR USE IN FINANCIAL AND ACCOUNTING FRAUD INVESTIGATIONS.—

“(A) WRITTEN REQUEST.—Upon receipt by the Secretary of a written request which meets the requirements of subparagraph (B) from the head of the United States Securities and Exchange Commission or the Public Company Accounting Oversight Board, a return or return information shall be disclosed to such requestor's officers and employees who are personally and directly engaged in an investigation, examination, or proceeding by such requester to evaluate the accuracy of a financial statement or report or to determine, require a restatement, penalize, or deter conduct by an issuer, investment company, or public accounting firm, or associated person, in connection with a potential or actual violation of auditing standards or prohibitions against false or misleading statements or omissions in financial statements or reports. Such disclosure shall be solely for use by such officers and employees in such investigation, examination or proceeding.

“(B) REQUIREMENTS.—A request meets the requirements of this subparagraph if it sets forth—

“(i) the nature of the investigation, examination, or proceeding,

“(ii) the statutory authority under which such investigation, examination, or proceeding is being conducted,

“(iii) the name or names of the issuer, investment company, or public accounting firm to which such return information relates,

“(iv) the taxable period or periods to which such return information relates, and

“(v) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination or proceeding.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures and to information and document requests made after the date of the enactment of this Act.

SEC. 499J. CERTAIN DISCLOSURES BY SUBPOENA NOT SUBJECT TO PENALTY.

(a) IN GENERAL.—Section 7216(b)(1) (relating to disclosure) is amended by striking “or”at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, or”, and by adding at the end the following new subparagraph:

“(C) pursuant to a subpoena which is issued in the performance of its duties by any Federal agency or Congress (including any committee or subcommittee thereof).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures made after the date of the enactment of this Act.

SEC. 499K. CONTINGENT FEE PROHIBITION.

(a) IN GENERAL.—Section 6701, as amended by this Act, is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively,

(2) by striking “subsection (a).” in paragraphs (2) and (3) of subsection (g) (as redesignated by paragraph (1)) and inserting “subsection (a) or (f).”, and

(3) by inserting after subsection (e) the following new subsection:

“(f) CONTINGENT FEE PROHIBITION.—

“(1) IN GENERAL.—Any person who makes an agreement for, charges, or collects a fee which is for services provided in connection with the internal revenue laws, and which is contingent upon the actual or projected achievement of—

“(A) Federal tax savings or benefits, or

“(B) losses which can be used to offset other taxable income,

shall pay a penalty with respect to each such fee activity in the amount determined under subsection (b).

“(2) REGULATIONS.—The Secretary may issue rules to carry out the purposes of this subsection and may provide for exceptions for fee arrangements that are in the public interest.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fee agreements, charges, and collections made after the date of the enactment of this Act.

SEC. 499L. DISCLOSING PAYMENTS TO PERSONS IN UNCOOPERATIVE TAX HAVENS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6038C the following new section:

“SEC. 6038D. DETERRING UNCOOPERATIVE TAX HAVENS THROUGH LISTING AND REPORTING REQUIREMENTS.

“(a) IN GENERAL.—Each United States person who transfers money or other property directly or indirectly to any uncooperative tax haven, to any financial institution licensed by or operating in any uncooperative tax haven, or to any person who is a resident of any uncooperative tax haven shall furnish to the Secretary, at such time and in such manner as the Secretary shall by regulation prescribe, such information with respect to such transfer as the Secretary may require.

“(b) EXCEPTIONS.—Subsection (a) shall not apply to a transfer by a United States person if the amount of money (and the fair market value of property) transferred is less than $10,000. Related transfers shall be treated as 1 transfer for purposes of this subsection.

“(c) UNCOOPERATIVE TAX HAVEN.—For purposes of this section—

“(1) IN GENERAL.—The term ‘uncooperative tax haven’ means any foreign jurisdiction which is identified on a list maintained by the Secretary under paragraph (2) as being a jurisdiction—

“(A) which imposes no or nominal taxation either generally or on specified classes of income, and

“(B) has corporate, business, bank, or tax secrecy or confidentiality rules and practices, or has ineffective information exchange practices which, in the judgment of the Secretary, effectively limit or restrict the ability of the United States to obtain information relevant to the enforcement of this title.

"(2) MAINTENANCE OF LIST.—Not later than November 1 of each calendar year, the Secretary shall issue a list of foreign jurisdictions which the Secretary determines qualify as uncooperative tax havens under paragraph (1).

"(3) INEFFECTIVE INFORMATION EXCHANGE PRACTICES.—For purposes of paragraph (1), a jurisdiction shall be deemed to have ineffective information exchange practices if the Secretary determines that during any taxable year ending in the 12-month period preceding the issuance of the list under paragraph (2)—

"(A) the exchange of information between the United States and such jurisdiction was inadequate to prevent evasion or avoidance of United States income tax by United States persons or to enable the United States effectively to enforce this title, or

"(B) such jurisdiction was identified by an intergovernmental group or organization of which the United States is a member as uncooperative with international tax enforcement or information exchange and the United States concurs in the determination.

"(d) PENALTY FOR FAILURE TO FILE INFORMATION.—If a United States person fails to furnish the information required by subsection (a) with respect to any transfer within the time prescribed therefor (including extensions), such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 20 percent of the amount of such transfer.

"(e) SIMPLIFIED REPORTING.—The Secretary may by regulations provide for simplified reporting under this section for United States persons making large volumes of similar payments.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 6038C the following new item:

"Sec. 6038D. Deterring uncooperative tax havens through listing and reporting requirements.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date which is 180 days after the date of the enactment of this Act.

SEC. 499M. DETERRING UNCOOPERATIVE TAX HAVENS BY RESTRICTING ALLOWABLE TAX BENEFITS.

(a) LIMITATION ON DEFERRAL.—

(1) IN GENERAL.—Subsection (a) of section 952 (defining subpart F income) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by inserting after paragraph (5) the following new paragraph:

"(6) an amount equal to the applicable fraction (as defined in subsection (e)) of the income of such corporation other than income which—

"(A) is attributable to earnings and profits of the foreign corporation included in the gross income of a United States person under section 951 (other than by reason of this paragraph or paragraph (3)(A)(i)), or

"(B) is described in subsection (b).".

(2) APPLICABLE FRACTION.—Section 952 is amended by adding at the end the following new subsection:

"(e) IDENTIFIED TAX HAVEN INCOME WHICH IS SUBPART F INCOME.—

"(1) IN GENERAL.—For purposes of subsection (a)(6), the term 'applicable fraction' means the fraction—

"(A) the numerator of which is the aggregate identified tax haven income for the taxable year, and

"(B) the denominator of which is the aggregate income for the taxable year which is from sources outside the United States.

"(2) IDENTIFIED TAX HAVEN INCOME.—For purposes of paragraph (1), the term 'identified tax haven income' means income for the taxable year which is attributable to a foreign jurisdiction for any period during which such jurisdiction has been identified as an uncooperative tax haven under section 6038D(c).

"(3) REGULATIONS.—The Secretary shall prescribe regulations similar to the regulations issued under section 999(c) to carry out the purposes of this subsection.".

(b) DENIAL OF FOREIGN TAX CREDIT.—Section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

"(l) REDUCTION OF FOREIGN TAX CREDIT, ETC., FOR IDENTIFIED TAX HAVEN INCOME.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) to any foreign jurisdiction if such taxes are with respect to income attributable to a period during which such jurisdiction has been identified as an uncooperative tax haven under section 6038D(c), and

"(B) subsections (a), (b), (c), and (d) of section 904 and sections 902 and 960 shall be applied separately with respect to all income of a taxpayer attributable to periods described in subparagraph (A) with respect to all such jurisdictions.

"(2) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not allowable as a credit under subsection (a) by reason of this subsection.

"(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations which treat income paid through 1 or more entities as derived from a foreign jurisdiction to which this subsection applies if such income was, without regard to such entities, derived from such jurisdiction.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the following hearing has been scheduled before the Committee on Energy and Natural Resources:

The hearing will be held on Tuesday, April 27, at 10 a.m. in Room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony regarding sustainable, low emission, electricity generation.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, SD–364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Dr. Pete Lyons at 202–224–5861 or Shane Perkins at 202–224–7555.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. DEWINE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on March 25, 2004, at 9:30 a.m., in open and closed session to receive testimony on the role of U.S. Northern Command and U.S. Special Operations Command in defending the homeland and in the global war on terrorism, in review of the defense authorization request for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. DEWINE. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on March 25, 2004, at 2 p.m., to conduct a hearing on "The Administration's Proposed Fiscal Year 2005 Budget for the Federal Transit Administration."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DEWINE. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, March 25, 2004, at 9:30 a.m., on Cable Rates.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. DEWINE. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Employment, Safety, and Training be authorized to meet for a hearing on Hazard Communication in the Workplace during the session of the Senate on Thursday, March 25, 2004 at 10 a.m. in SD–430.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DEWINE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 25, 2003 at 9:30 a.m. to hold a hearing on AGOA III: the United States Africa Partnership Act of 2003.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DEWINE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 25, 2004 at 2:30 p.m. to hold a hearing on Nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. DEWINE. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Thursday, March 25, 2004, for a joint hearing with the House of Representatives' Committee on Veterans' Affairs, to hear the legislative presentations of the National Association of State Directors of Veterans Affairs, AMVETS, American Ex-Prisoners of War, the Vietnam Veterans of America, and the Military Officers Association of America.

The hearing will take place in room 345 of the Cannon House Office Building at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. DEWINE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on March 25, 2004 at 2:30 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ECONOMIC POLICY

Mr. DEWINE. Mr. President, I ask unanimous consent that the Subcommittee on Economic Policy of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, March 25, 2004, at 10 a.m. to conduct a hearing on "National Flood Insurance Repetitive Losses."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON STRATEGIC FORCES

Mr. DEWINE. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces of the Committee on Armed Services be authorized to meet during the session of the Senate on March 25, 2004, at 2:30 p.m., in open session to receive testimony on National security space programs, and management, in review of the defense authorization request for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER AND POWER

Mr. DEWINE. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, March 25 at 2:30 p.m. to receive testimony regarding the following bills: S. 1085, a bill to provide for a bureau of reclamation program to assist states and local communities in evaluating and developing rural and small community water supply systems, and for other purposes; S. 1732, a bill to direct the Secretary of the Interior to establish a rural water supply program in the reclamation states to provide a clean, safe, affordable, and reliable water supply to rural residents: S. 2218, a bill to direct the Secretary of the Interior to establish a rural water supply program in the reclamation states to provide a clean, safe, affordable, and reliable water supply to rural residents and establish guidelines for projects and for other purposes; S. 1727, a bill to authorize additional appropriations for the Reclamation Safety of Dams Act of 1978; and S. 1791, a bill to amend the Lease Lot Conveyance Act of 2002 to provide that the amounts received by the United States under that act shall be deposited in the reclamation fund, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 2201

Mr. FRIST. Mr. President, I ask unanimous consent that S. 2201 be star printed with the change which is at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURES READ THE FIRST TIME—H.R. 339, H.R. 3717, AND S. 2236, EN BLOC

Mr. FRIST. Mr. President, I understand there are three bills at the desk, and I ask that they be read for the first time en bloc.

The PRESIDING OFFICER. Without objection, the clerk will read the titles of the bills for the first time.

The assistant legislative clerk read as follows:

A bill (H.R. 339) to prevent legislative and regulatory functions from being usurped by civil liability actions brought or continued against food manufacturers, marketers, distributors, advertisers, sellers, and trade associations for claims of injury relating to a person's weight gain, obesity, or any health condition associated with weight gain or obesity.

A bill (H.R. 3717) to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmissions of obscene, indecent, and profane material, and for other purposes.

A bill (S. 2236) to enhance the reliability of the electric system.

Mr. FRIST. Mr. President, I now ask for their second reading, and in order to place the bills on the calendar under rule XIV, I object to further proceedings on these matters en bloc.

The PRESIDING OFFICER. Objection is heard. The bills will be read a second time on the next legislative day.

EXECUTIVE SESSION

PROTOCOL AMENDING TAX CONVENTION WITH SRI LANKA—TREATY DOCUMENT NO. 108-9

INCOME TAX CONVENTION WITH SRI LANKA—TREATY DOCUMENT NO. 99-10

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following treaties on today's Executive Calendar: Nos. 14 and 15. I further ask unanimous consent that the treaties be considered as having passed through their various parliamentary stages, up to and including the presentation of the resolutions of ratification; that any statements relating to the treaties be printed in the CONGRESSIONAL RECORD as if read; and that the Senate take one vote on the resolutions of ratification, to be considered as separate votes; further, that when the resolutions of ratification are voted on, the motion to reconsider be laid upon the table, the President be notified of the Senate's action, and that following the disposition of the treaties, the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered. The treaties will be considered to have passed through their various parliamentary stages, up to and including the presentation of the resolutions of ratification.

The resolutions of ratification are as follows:

[Protocol Amending Tax Convention with Sri Lanka (Treaty Doc. 108-9) and Income Tax Convention with Sri Lanka (Treaty Doc. 99-10)]

Resolved (two-thirds of the Senators present concurring therein) That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America, and the Government of the Democratic Socialist Republic of Sri Lanka for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Colombo on March 14, 1985 (Treaty Doc. 99-10), and the Protocol amending the Convention, together with an Exchange of Notes, signed at Washington on September 20, 2002 (Treaty Doc. 180-9), subject to the understanding that the authorities to which information may be disclosed under Article 27 include appropriate congressional committees and the General Accounting Office.

Mr. FRIST. Mr. President, I ask for a division vote on the resolutions of ratification.

The PRESIDING OFFICER. A division vote is requested. Senators in favor of the resolutions of ratification will rise and stand until counted.

Those opposed will rise and stand until counted.

On a division vote, two-thirds of the Senators present and voting having voted in the affirmative, the resolutions of ratification are agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

ORDERS FOR FRIDAY, MARCH 26, 2004

Mr. FRIST. I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. on Friday, March 26. I further ask that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and that there then be a period for morning business with Senators to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FRIST. The Senate will be in session tomorrow. However, no rollcall votes will occur. On Monday, the Senate will begin consideration of the welfare authorization bill. The chairman and ranking member of the Finance Committee will be here on Monday to begin the amendment process on the bill. I do encourage all Senators who have amendments to contact the bill managers as soon as possible.

As announced earlier, there will be no rollcall votes on Monday, but Senators are encouraged to come to the floor on Monday in order to make progress on the bill.

I again want to congratulate Senators DEWINE and GRAHAM of South Carolina and all of the Members who participated in today's debate on the Unborn Victims of Violence bill. I congratulate all of them on the passage of the bill which will go to the President's desk for his signature.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. FRIST. If there is no further business to come before the Senate, I ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:31 p.m., adjourned until Friday, March 26, 2004, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, March 25, 2004*

The House met at 10 a.m.

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord, You have told us: "The greatest among you is the one who serves the rest."

Your glory, O God, stands in contrast to the glory people seek from other people.

People seek glory by moving upward, some ladder of success, fame or fortune.

You, Lord God, always reveal Your glory by moving downward as in creation or in revealing Your name or love to others.

This downward spiral must then become the deepest reason for living in solidarity with the poor, the alienated, the oppressed, children and the handicapped.

They are the ones in whom Your glory can be best manifested. Show us the way, O Lord, the way to salvation, now and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Wisconsin (Mr. KIND) come forward and lead the House in the Pledge of Allegiance.

Mr. KIND led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER. The Chair will entertain 10 1-minute speeches on each side.

HOW MUCH WOULD AMERICANS PAY WITHOUT TAX RELIEF?

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, in the year 2001, 2002, and 2003, we gave the American people tax breaks. How much more would American families pay without this tax relief? If none of this tax relief had become law, in 2004, 111 million Americans would be paying an average of $1,586 more in taxes; 81 million women would be paying an average of $1,878 more in taxes; 49 million married couples would pay, on average, $2,602 more in taxes.

Mr. Speaker, 43 million families with children would be paying an average of $2,000 more in taxes; 11 million single women with children would be paying an average of $921 more in taxes; 14 million elderly individuals would be paying an average of $1,883 more in taxes; 25 million small businesses would be paying an average of $3,000 more in taxes; and nearly 5 million individuals and families who currently have no income tax liability would become subject to the income tax. The numbers speak for themselves.

FUNDRAISING FOR GALLAUDET UNIVERSITY

(Mr. KIND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KIND. Mr. Speaker, we had our own form of March madness last night, and I am here to gloat, I mean to report, that the Democratic Slamming Dunking Donkeys defeated the Fighting Elephants by a one point blowout margin. It came down to a last-minute shot by our rookie and MVP, the gentleman from Ohio (Mr. RYAN), and it was all for a good cause, Gallaudet University, to raise funds for a wonderful university for the deaf and hearing impaired.

Mr. Speaker, I want to commend my Republican counterparts under the leadership of the gentleman from Ohio (Coach OXLEY). It was 1991 when the Democrats last won the game. The Republicans have learned to be very gracious winners, and now they are learning to be very gracious losers, and the Democrats appreciate that.

There were, however, 7 seconds remaining in the game, and some of us feared the gentleman from Ohio (Coach OXLEY) would figure out a way to keep the clock running for another 3 hours until he determined he agreed with the final outcome.

Mr. Speaker, it was a lot of fun, and it was good to see in the midst of a heated budget debate we could come together for some fun and camaraderie, and raise money for a good cause.

BUDGET RESPONSIBILITY

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, I urge my colleagues to support the Republican budget carefully crafted by the gentleman from Iowa (Mr. NUSSLE) for fiscal year 2005, because it is a responsible plan that sets clear priorities.

As we fight the war on terrorism, we will make sure we have the tools that we need to fight the enemy abroad and protect our homeland. Defense spending has increased 7.1 percent, and homeland security has increased 9.5 percent.

Additionally, we are committed to continuing the policies of economic recovery through job creation. The budget allows for making tax cuts, like the marriage penalty and child deduction, permanent so American families can keep more of their own hard-earned money.

Finally, we are going to cut the deficit in half in 4 years by holding the line on nondefense and nonhomeland security, and by eliminating waste, fraud and abuse. We must be better managers of the taxpayers' money, and this budget will be a positive step in the right direction.

In conclusion, may God bless our troops, and we will never forget September 11.

EUROPEAN COMMISSION DECISION UNDERMINES SETTLEMENT

(Mr. BAIRD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAIRD. Mr. Speaker, the European Commission's antitrust investigation of Microsoft offered an opportunity to complement the recent U.S. settlement reached with the software corporation. Unfortunately, the Commission's ruling undermines the U.S. settlement and signals potential danger for the technology sector and for consumers at home and abroad.

The Commission's ruling will impose drastic anticompetitive penalties on Microsoft, including a requirement that Microsoft sell a degraded version of its Windows software without a media player. Microsoft is already subject to a tough regulatory framework that promotes competition and innovation, and European consumers and companies continue to enjoy the benefits of this framework.

The Commission's ruling, however, will now subject Microsoft to a new

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☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

and contradictory set of regulations. The negative impact of this ruling will also extend far beyond the U.S. information technology industry as a whole. Competition authorities in other countries may now decide to follow the Commission's lead and reject long-standing principles of international comity, beginning a chain of second-guesses and doubts surrounding the U.S. in matters involving U.S. companies.

For all these reasons, I strongly urge our administration to use every available resource to ensure that the European Commission reconsider its current strategy and redouble its efforts to resolve this dispute in a manner that complements rather than undermines the U.S. settlement and which offers improved computer software, not dismembered operating systems with less efficient platforms for consumers and businesses worldwide.

UNFUNDED LIABILITIES

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, today is going to be a good debate on the budget. We are going to hear suggestions, maybe from both sides of the aisle, certainly from the Democrats, that we do not spend enough in this budget.

The reason I am supporting this budget is because it is probably the most frugal budget spending increase we have had since 1996. There is a weakness in this budget that some day we are going to have to face up to, and that is unfunded liabilities. The day before yesterday, the Medicare and Social Security trustees estimated that the unfunded liabilities for those programs are $71 trillion. What that means is, in 15 years, we are going to have to use 28 percent of the general fund revenue to make up the difference between our promises and the tax funds coming in for Social Security and Medicare.

Mr. Speaker, we have got to deal with the entitlement programs if we are not going to leave our kids and our grandkids with a huge debt.

SUPPORT DEMOCRATIC SUBSTITUTE ON BUDGET RESOLUTION

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, today this Congress will debate a budget resolution which I believe captures the hopes and aspirations and dreams of America. However, it is a tragedy that my friends on the other side of the aisle would seek to put a spear in the hearts of those who seek an opportunity.

The AMVETS, the Disabled American Veterans, Paralyzed Veterans, and Veterans of Foreign Wars of the United States said the passage of the Republican budget resolution as presented would be a disservice to these men and women who have served this country and are currently serving in Iraq, Afghanistan and around the world in our fight against terrorism.

I support the Democratic substitute which realizes that we must have full funding of homeland security, and I support the Congressional Black Caucus' budget resolution that recognizes we must have full funding of Leave No Child Behind. Anyone who listened to the testimony in the 9/11 hearing knows that the war against terrorism has not yet even been started sufficiently.

Mr. Speaker, I want hopes and dreams and aspirations of Americans to be vested in a budget resolution that respects them and not disrespects them.

AMERICAN JUDGES SHOULD ENFORCE AMERICAN LAWS

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, the Supreme Court's recent use of foreign law as a precedent in several cases is disturbing. This judicial activism threatens our Nation's sovereignty. For example, in a capital punishment case, a justice cited the Supreme Court of Zimbabwe as precedent.

Zimbabwe is led by a brutal dictator, Robert Mugabe. According to a State Department official, "He has succeeded in reducing a once-promising nation with a bright future to a state of ruin, desolation, and isolation."

I hope the Supreme Court in the future will not seek guidance from the Supreme Court of Zimbabwe anytime again. Our judges should enforce American laws and the United States Constitution, not the laws and legal precedents of other countries.

Mr. Speaker, also, the Subcommittee on Constitutional Law is holding a hearing on this very subject right now.

BIPARTISAN EFFORTS NEEDED TO REDUCE FEDERAL DEFICIT

(Mr. INSLEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INSLEE. Mr. Speaker, we need to be in a bipartisan fight against the Federal deficit. One of the tools we have in fighting the Federal deficit is called the pay-as-you-go rule, and it is a tool that works very, very well because when the pay-as-you-go rule is in effect, any Member of Congress, Democrat or Republican, if they are going to propose a new spending or a new tax cut, they are required to show how they are going to pay for it. This is common sense.

Unfortunately, my colleagues on the Republican side of the aisle refuse to apply this common-sense rule that was effective during the 1990s in reducing the Federal deficit.

Now, there is one thing we ought to be able to agree on, when you are in a fight, it does not make sense to tie one hand behind yourself. And the Republicans are tying one hand behind us, and the pay-as-you-go rule is going to be the pay-as-you-gone rule. I am disappointed that my Republican colleagues are taking a dive against the Federal deficit.

□ 1015

MEDICAL LIABILITY CAPS NEEDED

(Mr. BURGESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURGESS. Mr. Speaker, a year ago this House passed some meaningful legislation, H.R. 5, which would limit medical liability. Unfortunately, Mr. Speaker, that good legislation has languished on the other side of the Capitol. The reason this is important is because it continues to affect States throughout the country. My State of Texas actually enacted caps on non-economic damages last September. That was a good thing down in Texas, but the reality is there are places in the country that are still adversely affected.

I went through Nome, Alaska, last summer coming back from ANWR. One of the OB doctors there said, boy, I hope you get that done because we need an anesthesiologist here and we cannot afford the liability premiums. I said, How do you do obstetrics without an anesthesiologist? He said, If someone needs a C-section, we put them on a plane to Anchorage. Anchorage is an hour and a half away, and I am given to understand there is bad weather from time to time in Nome, Alaska. I fail to see how we are furthering the cause of patients' safety by allowing this situation to continue.

Mr. Speaker, fortunately we have a President right now who will sign medical liability if we will get that bill passed. I am not supposed to mention the name of his opponent, but I do not believe his opponent will do that because he has either been absent or voted "no" when that has come up in the Senate.

HOW PHYSICIANS WILL BENEFIT FROM NEW PRESCRIPTION DRUG LEGISLATION

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, I rise today to talk about the Medicare prescription drug bill and one of the other great benefits that has come to our Nation, and that has been in the physician payment arena.

First, this law will block the impending physician payment cuts that were scheduled for 2004 and 2005, as well as give physicians increases of 1.5 percent for the next 2 years. In Illinois where we are losing physicians because of medical malpractice issues, having a provision that keeps doctors in Illinois is very, very critical. As a result of overturning the cuts and increasing the payments, Illinois stands to keep 400 million for Illinois physicians and the patients they serve. The geographic payment adjuster has been set at 1.0 in 2004 through 2006, which affects how physicians are paid in different regions of the country. The agreement also provides for physician scarcity bonus payments from 2005 to 2007. These grants go to those who practice in areas where there is a shortage of physicians.

Mr. Speaker, there is a shortage of physicians in Illinois because of medical malpractice, and physicians are leaving the State. At least in the Medicare prescription drug bill, there is help for keeping some of those.

TAX RELIEF FOR FAMILIES AND SMALL BUSINESSES

(Mr. REHBERG asked and was given permission to address the House for 1 minute.)

Mr. REHBERG. Mr. Speaker, this spring as we complete another tax season, families and small businesses have reason to celebrate. Thanks to our $350 billion tax relief bill which the President signed into law last year, working taxpayers are getting back more of their hard-earned money. Families now have more money to put food on the table, pay their mortgages, and pick up school supplies for their kids. These families know the truth about taxes, that it is their money, not Washington's money. Letting them keep their money has helped put the economy back on track. This relief has given families and working taxpayers a smaller tax bite, an increase in the child credit to $1,000, and yet another reduction in the marriage penalty. No wonder families this year have reason to celebrate.

I am happy to report for the first time in a long while unemployment is down in my home State of Montana. Montana's jobless rate is now just 4.6 percent. Why? Because government does not create an economy, businesses do, one job at a time.

BUDGET RESOLUTION

(Mr. PORTMAN asked and was given permission to address the House for 1 minute.)

Mr. PORTMAN. Mr. Speaker, I rise today to say I am looking forward to voting on the budget later today. This budget is a good document because it does what we know works to get the deficit under control. First, it restrains spending, extremely important. Second, it allows the economy to continue to grow, as my friend from Montana just talked about, by not raising taxes on the American people. Significantly, the budget also provides for the prescription drug benefit this Congress passed late last year. After spending 5 years talking about it, a lot of rhetoric, a real political football, we finally on a bipartisan basis provided prescription drug benefits in a meaningful way.

What numbers will we be relying on in the budget? We will rely on the Congressional Budget Office, as under the rules of the House we are required to do. There has been a lot of discussion about what numbers we should use. Of course we are going to use the Congressional Budget Office as we must. There are other estimates out there. Some may be right, some may be wrong; but this Congress is doing the right thing by providing a prescription drug benefit and providing under the rules of the House for the right estimate of those costs.

HEALTH SAVINGS ACCOUNTS

(Mr. CHOCOLA asked and was given permission to address the House for 1 minute.)

Mr. CHOCOLA. Mr. Speaker, one of the most important issues that we face as a Nation today domestically is the rising cost of health care. The most effective way to address that issue is to return more ownership and control of health care coverage. That is exactly what the health savings accounts created under the bipartisan Medicare bill do. HSAs are portable accounts that allow individuals to save and withdraw tax-free dollars for their health care needs and medical expenses not covered by their insurance. Individuals own the accounts and the savings can be carried over year after year and from job to job, and people can build wealth into their retirement.

By offering individuals ownership and control of their health care coverage, we return control to the patients; and that is exactly where it should be. Mr. Speaker, I applaud my colleagues who have voted to support the bipartisan Medicare bill which will help reduce medical expenses and improve the health care system in America.

BUDGET RESOLUTION FOR FISCAL YEAR 2005

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, as we consider the budget today, my colleagues on the other side of the aisle will talk about their budget for America, which includes repealing tax cuts we fought so hard for. But their quote-unquote repeal is nothing more than job-killing tax increases on American workers. Period. Their alleged "plan" would blow America's economic engine. It would be like hitching a heavy trailer to the back of a motor scooter. I cannot think of a better way to turn it into a dead weight, a useless vehicle that would take us nowhere. Job-destroying tax increases are like a trailer full of bricks that will stop this economy dead in its tracks.

Mr. Speaker, let us pass a budget that strengthens our national defense, a budget that grows our economy, a budget that creates jobs, a budget that will get rid of Washington waste and excessive spending. We have that opportunity today, Mr. Speaker. Let us take advantage of it.

PROVIDING FOR FURTHER CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 393, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 574 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 574

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009. No further general debate shall be in order. The concurrent resolution shall be considered for amendment under the five-minute rule. The concurrent resolution shall be considered as read. No amendment shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considererd as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the amendments are waived except that the adoption of an amendment in the nature of a substitute shall constitute the conclusion of consideration of the concurrent resolution for amendment. After the conclusion of consideration of the concurrent resolution for amendment and a final period of general debate, which shall not exceed 10 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, the Committee shall rise and report the concurrent resolution to the House with such amendment as may have been adopted. The previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final adoption without intervening motion except amendments offered by the chairman of the Committee on the Budget pursuant to section 305(a)(5) of the Congressional Budget Act of 1974 to achieve mathematical consistency. The concurrent resolution shall not be subject to a demand for division of the question of its adoption.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), ranking minority member of the committee, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, H. Res. 574 is a structured rule providing for the consideration of the Concurrent Resolution on the Budget for fiscal year 2005. The rule makes in order only those amendments printed in the Rules Committee report accompanying the resolution which may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by a proponent and an opponent, and shall not be subject to amendment. The rule waives all points of order against the amendments printed in the report, except that the adoption of an amendment in the nature of a substitute shall constitute the conclusion of consideration of the concurrent resolution for amendment.

The rule further provides, upon the conclusion of consideration of the concurrent resolution for amendment, for a final period of general debate not to exceed 10 minutes equally divided and controlled by the chairman and the ranking minority member of the Committee on the Budget. Finally, the rule permits the chairman of the Committee on the Budget to offer amendments in the House to achieve mathematical consistency and provides that the concurrent resolution shall not be subject to a demand for division of the question of its adoption.

Mr. Speaker, the Concurrent Budget Resolution for Fiscal Year 2005, H. Con. Res. 393, provides for $2.4 trillion in total Federal spending for the next fiscal year and sets us on course to cut the deficit in half in 4 years. The resolution provides for total discretionary spending of $818.736 billion in fiscal year 2005. Discretionary defense spending is at the President's requested level of $402 billion. The resolution also accommodates the President's requested increase in homeland security, minus a 0.5 percent efficiency savings. Non-defense, non-homeland security spending is held level for fiscal year 2005. The resolution also responsibly provides for up to $50 billion in fiscal year 2005 for additional costs related to operations in Afghanistan and in Iraq. Total veterans spending is increased by $1.2 billion for the next fiscal year, and the resolution does not include any of the fees proposed in the administration's budget.

It should be noted, also, Mr. Speaker, that no new mandatory spending is provided for in this resolution. Reconciliation instructions are included directing the Committee on Ways and Means to report a bill by October 1 that prevents a tax increase over the next 5 years. Without a change in the law, expiring provisions in the 2001 and 2003 tax relief bills would result in a tax increase on Americans beginning next year. The resolution also accommodates changes needed to write permanently into law the $1,000 child tax credit, the marriage penalty relief, and setting the lowest income tax bracket at 10 percent. Additional reconciliation instructions direct five House committees to report bills by July 15 of this year to eliminate $13.2 billion in waste, fraud, and abuse from government programs over the 5 years of this resolution.

Mr. Speaker, as a member of both the Rules and Budget Committees, I would like to congratulate Chairman DREIER on a fair rule allowing for open debate and Chairman NUSSLE for producing a budget that is focused on defense, economic growth, and our Nation's long history as a land of opportunity. Simply put, Mr. Speaker, this budget is about securing America, creating jobs, and responsible planning. American families do not have unlimited bank accounts.

□ 1030

They have budgets, and they prioritize how they spend and save their money. The Federal Government must set budgets and prioritize spending as well.

This budget continues our commitment to defense and homeland security as the Federal Government's number one responsibility, just as our Founding Fathers intended. It provides for increased funding to help secure America's borders, defend against biological attacks, protect our critical infrastructure, and train and equip our first responders. And it takes a comprehensive, responsible approach to protecting our Nation, winning the war on terror and preparing our military for future security threats and challenges.

Mr. Speaker, by avoiding tax increases and protecting the child tax credit and relief from the marriage tax penalty and relief for lower-income workers, our budget continues the policies that are helping our economy to recover.

Our economy is growing, not as fast as I would like, but it is headed in the right direction, and we need to keep it on track that way. Raising taxes would stop this growth dead in its tracks.

I believe in balanced budgets, Mr. Speaker, and I am proud to have served in the House when Republicans produced the first balanced budget in 40 years. But I do not believe in balancing the budget by simply shifting the burden to American workers, families, and business owners in the form of tax increases. Our budget is focused on allowing the Committee on Appropriations to make the responsible spending choices and fund the highest priorities within the overall framework established by this resolution.

We provide for full funding of the Medicare law to provide seniors help in paying for their prescription drugs for the first time ever. We continue the yearly increases in education spending and fund the No Child Left Behind Act so that our children are better prepared for the future, and we provide an additional $1.2 billion for veterans' health care.

Mr. Speaker, I recently returned from Iraq, and that trip served as a close-up reminder of the hard work and sacrifices made by those who serve in the Armed Forces. We made our promises to veterans, and those promises must be kept. Our budget provides for these priorities, strengthens our defense, and puts us on track to cut the deficit in half in the next 4 years, with declining deficits in the future, and is accomplished without raising taxes on the American people.

Accordingly, Mr. Speaker, I urge my colleagues to support both the rule and the underlying resolution.

Mr. Speaker I reserve the balance of my time

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Economics 101 tells us that if we spend more than we make, we quickly find ourselves in a hole. And as the gentleman from Texas (Mr. STENHOLM) often says when asked about the Federal deficit, the first thing we have to do when we find ourselves in a hole is stop digging. Well, Mr. Speaker this country has been digging for 3 straight years, and the result is a very, very deep hole.

Three years ago we projected a surplus of $432 billion for fiscal year 2005. But the Republican budgets of the past 3 years have changed a few things. We now face a deficit of $521 billion this year; a debt accumulation of $1.2 trillion over the last year, this year, and the next; and deficits will continue as far as our forecasts go. That is a dangerous trend, Mr. Speaker, and I will tell the Members why.

Budget deficits and the ensuing debt are bad for the economy. That is a view that almost all economists share. The current chairman of President Bush's Council of Economic Advisers, Harvard Professor Gregory Mankiw, even agrees. As a matter of fact, I have right here his well-known and respected 1998 economics textbook, "Principles of Economics." In it, Professor Mankiw wrote about what he called " . . . the most basic lesson about budget deficits," that when a government runs a budget deficit, investment falls and the economy's growth rate is reduced.

This is a very important point to understand, Mr. Speaker, that the budget deficit can really harm the economy, especially since the jobs outlook for the 8.2 million unemployed is getting worse, not better. The latest Labor Department numbers show the average length of unemployment is now up to 20.3 weeks, the longest duration of unemployment in 20 years. Coupled with the administration's refusal to extend unemployment benefits, the situation for the jobless looks bleak and unlikely to improve.

It did not have to be that way, Mr. Speaker. Our Nation's surpluses were meant to shore up Social Security for the retiring baby boom generation and pay down the national debt. This may sound familiar to anyone who may be listening to the debate today, and it should. Mr. Speaker, for the third year in a row, this House is considering a budget that makes deep funding cuts to our national priorities while at the same time it drives America deeper and deeper into debt.

There is only one way to dig ourselves out of this hole now, Mr. Speaker: by working together, as a national family, to restore fiscal responsibility. That is how families across the country operate. They take an honest look at their expenses, their debts, and their income, and then they sit down at the kitchen table and work it out.

That is what Democrats have tried to do repeatedly with the Federal budget. We have repeatedly urged Republicans to forget politics as usual and join us in a bipartisan budget plan that does not bankrupt our grandchildren.

Last year, Democrats offered a budget that would have saved our Nation and our grandchildren almost $1 trillion in debt over 10 years. I need to repeat that, Mr. Speaker. The budget Democrats proposed last year cost almost $1 trillion less over 10 years than the Republican budget. That is a phenomenal number, but not one Republican Member of this House voted for that bill, not one.

Mr. Speaker, despite their rhetoric, Republicans do not want to deal with the problem of the deficit. They would rather hide behind budget gimmicks and accounting tricks to hide the true cost of their agenda.

The budget that is before us today does not reflect the fiscal reality of our Nation today, Mr. Speaker. That is because it omits a number of large expenditures that are sure to exist, including funding for the war in Iraq after fiscal year 2005 and the cost of making the President's tax cuts permanent, a goal that Republicans have repeatedly advocated, but which is conspicuously missing from their budget. Republicans also assume billions of dollars in unspecified cuts that will never be enacted.

At best, the Republican budget will dig our Nation deeper into debt, leaving us with a $377 billion deficit in 2005, spending the entire $1 trillion Social Security surplus from 2005 to 2009, and leaving America with deeper deficits far into the future. It is an irresponsible proposal brought to us by the leadership of the Republican Party.

Mr. Speaker, I am getting sick and tired of this. The American people deserve better, and they expect that Congress will act in their best interest, not spend the Social Security surplus and burden their grandchildren with debt. I believe that America deserves better than this partisan misleading and divisive resolution. That is why today, Mr. Speaker, I will vote in favor of the Democratic budget alternative.

The Democratic budget resolution will provide real fiscal discipline, with a balanced budget over 10 years, by extending pay-as-you-go rules to both spending and tax cuts and by offsetting the cost of tax cuts through reform measures such as closing costly loopholes and eliminating abusive tax shelters. There are no tricks, no gimmicks, and no hidden costs.

The Republican budgets of the past 3 years have clearly led America in the wrong direction. And what do we have to show for 3 years of fiscal mismanagement, 2.9 million fewer jobs, paltry funding for education, health care, and other national priorities, and a $1.2 trillion debt for our grandchildren to pay. The budget resolution before us today will only compound these problems.

If Members of Congress are really serious about reducing the debt, they would vote today for the Democratic budget alternative. Democrats have put together an honest proposal to reduce the deficit, invest in our Nation, and restore fiscal responsibility in the budget process. It is the right and responsible vote to make for this country, its economy and its people. And that is why I urge my colleagues to join me in voting for the Democratic budget alternative.

The American people deserve no less.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Speaker, I thank my friend from Texas for yielding me this time.

Mr. Speaker, I rise today in opposition to this restrictive rule and to the underlying budget.

Yesterday I offered two amendments in the Committee on Rules. By the way, both of these were job amendments. One of these amendments would have increased funding for the Army Corps of Engineers, which is woefully underfunded in this budget before us. The other amendment would have protected families and communities throughout the West by providing the necessary funding for hazardous fuel reduction programs.

What the hazardous fuel reduction program does is it helps stop all of those horrible forest fires we were having in the West, it protects communities, it protects homes and it protects healthy trees so that they can be logged. And at the same time it also provides jobs.

When we look at cutting the Corps of Engineers' budget, what does that budget do? Why would we increase it? It is the budget, it is the organization that dredges all of my coastal communities that keeps those communities alive. It provides transportation, water transportation for over $1 trillion worth of goods in this country.

Neither of those amendments, or many others, were allowed under this rule.

My home State of Oregon has the highest unemployment in the country, and our coastal communities have been very hard hit by the economic downturn. These communities depend on fishing and tourism, and without dredging and other harbor safety measures undertaken by the Army Corps of Engineers, these industries would be further devastated. This budget sets the wrong priorities for our Nation, and I encourage my colleagues to oppose this rule and the underlying bill.

Mr. HASTINGS of Washington. Mr. Speaker, I advise the gentleman from Texas that I have no further requests for time, and if he is prepared to yield back his time, I am certainly prepared to yield back my time. Perhaps the 6 hours of debate took all the steam out of what we have been talking about here.

Mr. FROST. Mr. Speaker, I advise the gentleman that we do have some speakers and one is here currently.

Mr. HASTINGS of Washington. Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. McGOVERN), a member of the committee.

Mr. McGOVERN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, budgets are about priorities, and I believe that the priorities outlined in the Republican budget plan are not the priorities of the people of this country.

This Republican budget is a blueprint to protect tax cuts for the wealthy at the expense of everything else. I disagree very strongly with the approach being taken by the Republican leadership. This budget plan is bad for America. It is bad for our most vulnerable citizens. It is bad for our economy. It is bad for our war on terrorism, and it is bad for our future. The Republican budget resolution will inflict terrible damage on American families.

This budget cuts $358 million from health programs in the year 2005. It cuts environmental protection programs by $6.4 billion over 5 years. It fails to provide needed funding for veterans' health care. It underfunds homeland security programs. It fails to include the promised funding for No Child Left Behind. It makes college more expensive for our families by freezing the maximum Pell grant and cutting funding for Perkins loans.

I am also dismayed that this budget fails to provide adequate funding for our food aid programs around the world. Winning the war on terrorism will take more than dropping bombs on people. Food aid is one of the best things we can do to boost the image of the United States in other countries. It is a way to win friends and to demonstrate to the world what we are for. This budget goes in exactly the opposite direction, and it is wrong.

And it is outrageous that the Republican leadership refuses to talk straight with the American people about the issue of the budget deficit. For better or worse, the budget resolutions presented in this House have become partisan documents. As I said, perhaps better than anything else, these budgets reflect the priorities of the two parties.

I understand that, for the most part, the Republican leadership believes that every problem can be solved by throwing bigger and bigger tax cuts at the wealthiest Americans and corporations. But it used to be that the Republican Party also stood for fiscal responsibility.

I am a liberal Democrat, but I must say that I learned a lot during the debates of the 1980s and early 1990s. I learned that controlling the deficit is not only important to a strong economy, it is essential. And I give a lot of credit to some of the people on the other side of the aisle and especially to the Blue Dog Democrats, who were among the first to bang the drum of deficit reduction.

What happened to the Republican Party? Where have all those people gone who used to care about the deficit? This Republican budget resolution will increase the deficit by $247 billion over the next 5 years. I have to believe that whether one is a liberal or a moderate or a conservative, they will find this budget fiscally irresponsible.

□ 1045

And it has huge consequences, not only for future generations, but also for the most important task of this generation: winning the global war on terrorism. It becomes harder and harder to take the offensive against terrorism when we are mired in debt, and the Committee on the Budget refuses to include any budget process reform like the so-called pay-as-you-go rules to deal with the problem.

Now we are told that how we pay for things is a separate discussion, and we will have a debate on pay-as-you-go mechanisms next week or the week after or a month later or whenever. Well, that makes no sense. Imagine if you said, I want to buy a $1 million house today, but I will figure out how to pay for it next month; the bank would throw you out on the street. But that is the way the Republican leadership has chosen to operate.

By contrast, the Democratic budget proposal offers real budget enforcement rules. In fact, all of the alternative proposals do so: restoring pay-as-you-go rules to both spending and tax cuts. We provide for a strong defense in homeland security, including putting our troops first. We keep our commitment on No Child Left Behind, fund veterans health programs, health care, environmental protection, and housing; and Democrats target our tax relief to people who need it the most, those in the middle, including extending the child tax credit and marriage penalty relief.

Mr. Speaker, as I said, budgets are about priorities, and the Republican budget proposal before us has the wrong priorities for America. It is that simple. I urge my colleagues to defeat the Republican budget and to support a more thoughtful and realistic approach, and I would also urge my colleagues to vote "no" on the rule.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, last week the Committee on the Budget reported out a budget that failed to address one of the most critical problems facing our Nation, and that is our national debt. I offered an amendment in committee that would have included the pay-go rules in that budget, pay-go on both revenue and spending legislation. It was defeated, sadly, on a straight party-line vote. Not one single Republican supported it, not even those who had previously and publicly said that they supported extending pay-go to both revenue and spending.

Yesterday I brought the same amendment to the Committee on Rules; and, again, the majority voted against the extension of the pay-go rules. And in doing so, they denied this House the opportunity to debate one of the most successful budget enforcement mechanisms that we have at our disposal.

Today we are over $7 trillion in debt. By the chairman's own numbers, we will be over $10.4 trillion in debt by the year 2009. Pay-go would allow us to rein in control over our debt and our deficits. Pay-go would mandate that we actually pay for the legislation that we pass. Pay-go would force the Congress to recognize that there are fiscal consequences to our actions. That is a wake-up call that we desperately need because, lately, Congress has been pretending that there are no consequences. We have been spending more than we have. We have been cutting taxes with abandon. We have squandered a $256 billion surplus like it was monopoly money. Unfortunately, there is no such thing as a get-out-of-debt-free card, we cannot pass go, and we cannot collect $7 trillion.

Now, our surpluses are gone and our deficits are predicted to be $521 billion, a $700 billion reversal in just 3 short years. That is not a surprise. We have been living far beyond our means, and a deficit explosion was the inevitable result.

The surprise is that some folks still do not believe it is a problem, and it is the unwillingness of these few people to acknowledge this problem that is preventing the rest of us from fixing the problem.

Our colleagues in the Senate get it. They see that a $521 billion deficit does matter. They realize that it is not a good idea to finance tax cuts and spending increases by letting places like China, Japan, and the OPEC nations buy almost $800 billion of our debt. They understand that their voters did not send them here to come up with fancy budget tricks that amount to little more than shell games and smoke and mirrors. Our colleagues in the Senate voted by a bipartisan majority to include an amendment identical to mine in their budget resolution: pay-go on both tax and spending legislation. The House needs to do the same.

Mr. Speaker, we need to hold ourselves to the same budgeting standards that we hold every family in this country. Whether we are increasing spending or decreasing revenue, we need to pay for it. We need to pay as we go.

Mr. Speaker, I urge my colleagues to vote "no" on this fiscally irresponsible rule.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on the Budget had a very extensive markup session; I think we had roll call votes on something like 25 particular items to add to the budget in particular areas. So we had a vigorous debate on that. Yesterday, in the Committee on Rules, there was again vigorous debate on the amendments that were offered.

It has always been the tradition when we deal with the budget document, which I might add is the broad blueprint for our appropriation process that is coming up later on, but it has always been the tradition when we do the budget document that the amendments that we make in order are full substitutes.

The gentleman spoke about his concern of the pay-go issue, and one of the substitutes that we made in order, the ranking member of the Committee on the Budget substitute, the gentleman from South Carolina (Mr. SPRATT), has precisely that issue within the substitute. So we will have a vigorous debate on that. The Committee on Rules made in order 40 minutes for each of those substitutes. I might add that three of the substitutes that we made in order come from the other side of the aisle, and one of those substitutes comes from our side of the aisle.

So we will, I think, have a vigorous debate on the issue that the previous speaker just brought up, and I think it will be a healthy debate; and then we will let the will of the House make that determination.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Mr. Speaker, I would just like to point out to the gentleman from Washington, my friend, that, first of all, the Blue Dog budget has the pay-go provision in it. It would just make for a much more vigorous and a much more honest debate if we could, in fact, debate the very simple and basic idea that we pay for our bills; we do not just pass bills, we pay for them.

The fact of the matter is there is not one of us on either side of this aisle that could go back home and make that argument to our constituents where we would not understand that. They are not interested in the political inside-the-beltway mumbo jumbo; they know that we need to pay our bills, pay as we go, and that should be before this House to debate.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge Members to oppose the previous question. If the previous question is defeated, I will offer an amendment to the rule that will allow the House to vote on the Thompson-Moore pay-as-you-go amendment. This amendment would require that any new mandatory spending or tax cuts must be paid for. Mr. Speaker, the amendment was offered in the Committee on Rules last night, but was defeated on a straight party-line vote.

For some reason, the Republican leadership is afraid to allow Members the opportunity to vote on this responsible and reasonable proposal. Three years ago the budget deficit was shrinking and the economy was robust and growing; but, as Members have stated today, the leadership of the Republican Party has turned a balanced budget into record deficit spending. And here they go again, pushing a dangerous budget that will spiral the deficit out of control.

Well, Mr. Speaker, I just do not see how we can continue this reckless, unchecked growth in our national debt. I believe deficit spending is a serious threat to our economy. The numbers are so high and out of control, they have almost lost their full impact. Republicans are throwing trillions of dollars around like it is pocket change. But it is not pocket change, Mr. Speaker; it is a staggering number, and it can crush any chance our Nation has of an economic recovery.

We must put something in place to halt the out-of-control deficit, and I think the Thompson-Moore pay-as-you-go amendment is a step in the right direction. A "no" vote on the previous question will let the American people know once and for all which Members stand in favor of reduced deficits, responsible spending, and fiscal restraint.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment and extraneous materials at this point in the RECORD, and I urge Members to vote "no" on the previous question.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Texas?

There was no objection.

PREVIOUS QUESTION FOR RULE FOR H. RES. 574, H. CON. RES. 393—FY05 CONCURRENT BUDGET RESOLUTION

At the end of the resolution, add the following:

Sec. 2. Notwithstanding any other provision of this resolution the amendment specified in section 3 shall be in order without intervention of any point of order as though printed as the first amendment in the report of the Committee on Rules if offered by Representative Thompson of California or a designee. That amendment shall be debatable for 60 minutes equally divided and controlled by the proponent and an opponent.

Sec. 3. The amendment referred to in section 2 is as follows:

AMENDMENT TO H. CON. RES. 393, AS REPORTED, OFFERED BY MR. THOMPSON OF CALIFORNIA

At the end of title IV, add the following new section:

SEC. ___. PAY-AS-YOU-GO POINT OF ORDER IN THE HOUSE.

(a) POINT OF ORDER.—It shall not be in order in the House to consider any direct spending or revenue legislation that would increase the on-budget deficit or cause an on-budget deficit for any of the following periods:

(1) The first year covered by the most recently adopted concurrent resolution on the budget.

(2) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(3) The period of the 5 fiscal years following the first 5 fiscal years covered in the most recently adopted concurrent resolution on the budget.

(b) DIRECT-SPENDING LEGISLATION.—

(1) DEFINITION.—For purposes of this section and except as provided in paragraph (2), the term "direct-spending legislation" means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) EXCLUSION.—For purposes of this section, the terms "direct-spending legislation" and "revenue legislation" do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(c) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House.

Mr. FROST. Mr. Speaker, I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself such time as I may consume to just remind Members that the Committee on Rules made in order three substitutes, and I erred when I said the Spratt amendment was only for 40 minutes; it is actually for 60 minutes. The other ones are for 40 minutes.

Mr. HASTINGS of Florida. Mr. Speaker, I rise today in opposition to this closed rule and the underlying resolution. Yesterday afternoon, 35 amendments were offered during the Rules Committee hearing. Democrats offered amendments to increase funding for the No Child Left Behind Act, veterans' healthcare, job training programs, environmental cleanups, military survivor benefits, port security, first responders, affordable housing, and many other important domestic priorities.

However, of the 35 amendments offered, only 4 are made in order by this rule. As the current chairman of the Rules Committee once said, "If a rule isn't open, then it's closed." By the definition of the gentleman from California, this rule is closed, and I oppose it.

As my colleagues have already noted, we live in a trying time when fiscal constraints are overwhelming. The ongoing costs associated with an unprovoked war in Iraq have only added to the Bush recession, which the National Bureau for Economic Research has noted first began in March 2001. Our problems were exacerbated when the Bush tax cuts were signed into law. These tax cuts squandered raging surplus and have driven America's economy into the ground.

The Republican budget proposal is a reckless disregard of the obvious. It further increases our deficit and abandons the social contract this body has signed with the American people.

The Republican budget neglects America's children, seniors, and veterans. It underfunds our domestic priorities by billions, including veterans benefits, our education system, and perhaps most importantly during this dangerous time in history, homeland security.

To pay for their tax cuts, Republicans lay the groundwork for $2.2 billion in cuts to the Medicaid program. With these cuts, states will be forced to cover shortfalls in Federal commitments. At the same time, millions of America's poorest will find themselves homeless and uninsured with nobody to turn to.

Making a bad budget worse, the Republican proposal has the audacity to suggest that spending in Iraq will not be necessary beyond the upcoming fiscal year. Nothing could be further from the truth. This budget is as dishonest as the President's claims which got us into Iraq in the first place.

Even though I will oppose their budget, at the least the Republic Study Committee is honest about what it's doing.

Consideration of the budget resolution provides both parties with the opportunity to outline their priorities. Democrats will come to the floor today and offer our priorities to the American people. Our proposal is fiscally and socially responsible, while maintaining all of our international and domestic commitments.

Over the next 5 years, the Democratic budget provides nearly $10 billion more than Republicans for appropriated education programs, $6.6 billion more for veterans' programs, and $5 billion more for homeland security.

We provide a realistic short- and long-term outlook for America's budget, and we ensure that domestic spending remains consistent with the costs of inflation. Democrats do all of this at the same time we balance the budget and cut the deficit.

Additionally, Members of the Congressional Black Caucus will offer our own budget. Our proposal is equally responsible and realistic. With increases in funding for America's schools, veterans, healthcare, and job training programs, the CBC budget reflects the conscious of the American people.

Mr. Speaker, today's debate is far less about politics than it is about priorities. After 6 hours of debate on the majority's budget proposal, it is clearer than ever: Republican priorities are not American priorities.

I urge my colleagues to oppose the rule and the underlying resolution, and vote "yes" on all Democratic substitutes.

Mr. LINDER. Mr. Speaker, I rise in support of this rule. I urge all of my colleagues on both sides of the aisle to join me in supporting House Resolution 574, which provides for the consideration of the fiscal year 2005 budget resolution. H. Res. 574 is a fair, traditional rule for consideration of the annual budget resolution. The Rules Committee listened to hours of testimony yesterday and we have focused on making in order a selection of amendments submitted in the nature of a substitute. The rule before the House today provides for the consideration of four amendments in the nature of a substitute—three of which are Democrat substitutes—including the Blue Dog budget, the Congressional Black Caucus budget, the Democrat Leadership's and the Republican Study Committee budget.

With respect to H. Con. Res. 393, the underlying resolution, I want to commend Mr. NUSSLE, chairman of the Budget Committee, for all of his effort in bringing this very carefully-balanced resolution to the House floor. This budget reflects our commitment to the Nation's principles of strength, growth, and opportunity—to fund our Armed Forces and protect the people of the United States; to create jobs and strengthen the American economy; and to strengthen the foundation of this Nation that provides all Americans with unlimited opportunities, all while ensuring long-term fiscal responsibility.

H. Con. Res. 393 is an important step in the right direction toward balancing the budget. This resolution is designed to cut the deficit in half over the next 4 years. In addition, it protects President Bush's 2001 and 2003 tax relief proposals in order to ensure that the economy will keep moving forward and create more jobs.

The Budget Committee's resolution is in line with President Bush's FY 2005 budget request and seeks to hold the line on higher spending for most domestic discretionary programs, while increasing defense and homeland security spending to protect our citizens.

Once the budget resolution is passed, our next challenge is making sure that the 13 regular FY 2005 appropriations bills are within this budget's limits. It is extremely important for Congress to ensure our fiscal policy is sound in order to allow the Federal Reserve to maintain its current monetary policies, which can collectively serve to encourage job creation and growth in the economy.

Mr. Speaker, I urge my colleagues to support the rule so that we may proceed to debate the four substitute amendments as well as H. Con. Res. 393.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The SPEAKER pro tempore. Pursuant to clauses 8 and 9 of rule XX, this 15-minute vote on ordering the previous question will be followed by 5-minute votes on: adopting House concurrent resolution 574, if ordered; H.R. 3786, H.R. 2993, and H.R. 254.

The vote was taken by electronic device, and there were—yeas 222, nays 201, not voting 10, as follows:

[Roll No. 84]

YEAS—222

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—201

Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Chandler
Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel

Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—10

Abercrombie
Boehner
Clay
Davis (IL)
Hoeffel
McInnis
Pence
Price (NC)
Tauzin
Weldon (PA)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LaHood) (during the vote). The Chair is advised that some of the voting stations may have been reset during this vote. Members should take care to confirm their vote, and the voting machines will be kept open until Members have a chance to vote and to confirm their vote.

☐ 1123

Mr. ROTHMAN, Ms. McCARTHY of Missouri, Mr. WYNN, Ms. WOOLSEY, Mrs. CAPPS, Mr. GEPHARDT, Mr. FATTAH, Mrs. JONES of Ohio, Ms. ESHOO, Ms. CORRINE BROWN of Florida, and Messrs. BERRY, BALLANCE, CONYERS, ENGEL and WEXLER changed their vote from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2584. An act to provide for the conveyance to the Utrok Atoll local government of decommissioned National oceanic and Atmospheric Administration ship, and for other purposes.

The message also announced that the Senate has passed bills of the following titles in which the concurrence of the House is requested:

S. 1218. An act to provide for Presidential support and coordination of interagency ocean science programs and development and coordination of a comprehensive and integrated United States research and monitoring program.

S. 2231. An act to reauthorize the Temporary Assistance for Needy Families block grant program through June 30, 2004, and for other purposes.

The message also announced that pursuant to the provisions of Senate Concurrent Resolution 94 (One Hundred Eighth Congress), the Chair, on behalf of the Vice President, appoints the following Senators to the Joint Congressional Committee on Inaugural Ceremonies—

the Senator from Tennessee (Mr. Frist),

the Senator from Mississippi (Mr. Lott), and

the Senator from Connecticut (Mr. Dodd).

The message also announced that pursuant to section 1501(b)(1)(C), title XV of Public Law 108–136, the Chair, on behalf of the Majority Leader, appoints the following individual to serve on the Veterans' Disability Benefits Commission:

Mr. Charles Joeckel of Washington, DC.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the remainder of this series will be conducted as 5-minute votes.

BUREAU OF ENGRAVING AND PRINTING SECURITY PRINTING ACT OF 2004

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3786.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Delaware (Mr. Castle) that the House suspend the rules and pass the bill, H.R. 3786, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 422, nays 2, not voting 9, as follows:

[Roll No. 85]

YEAS—422

Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano

Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—2

Duncan
Paul

NOT VOTING—9

Abercrombie
Clay
Cox
Davis (IL)
Hoeffel
McInnis
Pence
Price (NC)
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes to vote.

□ 1132

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA AND UNITED STATES TERRITORIES CIRCULATING QUARTER DOLLAR PROGRAM ACT

The SPEAKER pro tempore (Mr. LaHood). The unfinished business is the question of suspending the rules and passing the bill, H.R. 2993.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Delaware (Mr. Castle) that the House suspend the rules and pass the bill, H.R. 2993, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 411, nays 14, not voting 8, as follows:

[Roll No. 86]

YEAS—411

Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—14

Collins
Cubin
Culberson
Deal (GA)
Everett
Goss
Kingston
Miller (FL)
Miller, Gary
Norwood
Putnam
Royce
Taylor (NC)
Thornberry

NOT VOTING—8

Abercrombie
Clay
Hobson
Hoeffel
Johnson (CT)
McInnis
Pence
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

□ 1142

Mr. RAMSTAD changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORITY TO AGREE TO CERTAIN AMENDMENTS TO THE BORDER ENVIRONMENT CO-OPERATION AGREEMENT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and concurring in the Senate amendment to the bill, H.R. 254.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 254, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 377, nays 48, not voting 8, as follows:

[Roll No. 87]

YEAS—377

Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chandler
Chocola
Clyburn
Coble
Cole
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Ferguson
Filner
Foley
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Holden
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (VA)
Murphy
Murtha
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Serrano
Sessions
Shaw
Shays
Sherman
Shimkus
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—48

Bartlett (MD)
Bishop (UT)
Blackburn
Brown-Waite, Ginny
Burgess
Chabot
Collins
Culberson
Davis, Jo Ann
Deal (GA)
Duncan
Everett
Feeney
Flake
Forbes
Franks (AZ)
Goode
Goodlatte
Gutknecht
Hayes
Hayworth
Hoekstra
Hostettler
Isakson
Jenkins
Jones (NC)
King (IA)
Lewis (KY)
Miller (FL)
Moran (KS)
Musgrave
Norwood
Otter
Paul
Pearce
Platts
Ramstad
Rogers (KY)
Sensenbrenner
Shadegg
Sherwood
Shuster
Smith (MI)
Sullivan
Tancredo
Taylor (MS)
Taylor (NC)
Toomey

NOT VOTING—8

Abercrombie
Clay
Gutierrez
Hoeffel
Manzullo
McInnis
Pence
Tauzin

☐ 1150

Mr. DUNCAN changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DOMINICAN REPUBLIC FREE TRADE AGREEMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 108–178)

The SPEAKER pro tempore (Mr. LAHOOD) laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

Consistent with section 2105(a)(1)(A) of the Trade Act of 2002 (Public Law 107–210; the "Trade Act"), I am pleased to notify the Congress of my intent to enter into a free trade agreement (FTA) with the Government of the Dominican Republic.

This agreement will create new opportunities by eliminating barriers to trade with the Dominican Republic, the largest economy in the Caribbean Basin. At the same time, it will help bring to the Dominican Republic expanded economic freedom and opportunity, and it will provide an opportunity for regional stability, democracy, and economic development through closer ties of commerce, investment, and friendship.

Consistent with the Trade Act, I am sending this notification at least 90 days in advance of entering into an agreement with the Dominican Republic. My Administration looks forward to working with the Congress in developing appropriate legislation to approve and implement this free trade agreement.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 24, 2004.*

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore. Pursuant to House Resolution 574 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, H. Con. Res. 393.

☐ 1150

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, with Mr. LATOURETTE (Chairman pro tempore) in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on

Wednesday, March 24, 2004, all time for general debate pursuant to that order had expired.

Pursuant to House Resolution 574, no further general debate is in order and the concurrent resolution is considered read for amendment under the 5-minute rule.

The text of House Concurrent Resolution 393 is as follows:

H. CON. RES. 393

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

(a) DECLARATION.—The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate budgetary levels for fiscal years 2004 and 2006 through 2009 are set forth.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 2005.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.
Sec. 102. Major functional categories.

TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

Sec. 201. Reconciliation in the House of Representatives.
Sec. 202. Submission of report on savings to be used for members of the Armed Forces in Iraq and Afghanistan.

TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE

Subtitle A—Reserve Funds for Legislation Assumed in Budget Aggregates

Sec. 301. Deficit-neutral reserve fund for health insurance for the uninsured.
Sec. 302. Deficit-neutral reserve fund for the Family Opportunity Act.
Sec. 303. Deficit-neutral reserve fund for Military Survivors' Benefit Plan.
Sec. 304. Reserve fund for pending legislation.

Subtitle B—Contingency Procedure

Sec. 311. Contingency procedure for surface transportation.

TITLE IV—BUDGET ENFORCEMENT

Sec. 401. Restrictions on advance appropriations.
Sec. 402. Emergency legislation.
Sec. 403. Compliance with section 13301 of the Budget Enforcement Act of 1990.
Sec. 404. Application and effect of changes in allocations and aggregates.

TITLE V—SENSE OF THE HOUSE

Sec. 501. Sense of the House on spending accountability.
Sec. 502. Sense of the House on entitlement reform.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2004 through 2009:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2004: $1,272,966,000,000.
Fiscal year 2005: $1,457,215,000,000.
Fiscal year 2006: $1,619,835,000,000.
Fiscal year 2007: $1,721,568,000,000.
Fiscal year 2008: $1,818,559,000,000.
Fiscal year 2009: $1,922,133,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

Fiscal year 2004: −$179,000,000.
Fiscal year 2005: $19,919,000,000.
Fiscal year 2006: $34,346,000,000.
Fiscal year 2007: $33,376,000,000.
Fiscal year 2008: $27,231,000,000.
Fiscal year 2009: $30,927,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2004: $1,952,700,000,000.
Fiscal year 2005: $2,010,338,000,000.
Fiscal year 2006: $2,071,186,000,000.
Fiscal year 2007: $2,193,395,000,000.
Fiscal year 2008: $2,311,770,000,000.
Fiscal year 2009: $2,431,782,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2004: $1,911,235,000,000.
Fiscal year 2005: $2,007,926,000,000.
Fiscal year 2006: $2,083,910,000,000.
Fiscal year 2007: $2,169,446,000,000.
Fiscal year 2008: $2,277,071,000,000.
Fiscal year 2009: $2,393,946,000,000.

(4) DEFICITS (ON-BUDGET).—For purposes of the enforcement of this resolution, the amounts of the deficits (on-budget) are as follows:

Fiscal year 2004: $638,269,000,000.
Fiscal year 2005: $550,711,000,000.
Fiscal year 2006: $464,075,000,000.
Fiscal year 2007: $447,878,000,000.
Fiscal year 2008: $458,512,000,000.
Fiscal year 2009: $471,813,000,000.

(5) DEBT SUBJECT TO LIMIT.—Pursuant to section 301(a)(5) of the Congressional Budget Act of 1974, the appropriate levels of the public debt are as follows:

Fiscal year 2004: $7,436,000,000,000.
Fiscal year 2005: $8,087,000,000,000.
Fiscal year 2006: $8,675,000,000,000.
Fiscal year 2007: $9,244,000,000,000.
Fiscal year 2008: $9,823,000,000,000.
Fiscal year 2009: $10,419,000,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of debt held by the public are as follows:

Fiscal year 2004: $4,385,000,000,000.
Fiscal year 2005: $4,775,000,000,000.
Fiscal year 2006: $5,060,000,000,000.
Fiscal year 2007: $5,312,000,000,000.
Fiscal year 2008: $5,560,000,000,000.
Fiscal year 2009: $5,807,000,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2004 through 2009 for each major functional category are:

(1) National Defense (050):

Fiscal year 2004:
(A) New budget authority, $461,544,000,000.
(B) Outlays, $451,125,000,000.
Fiscal year 2005:
(A) New budget authority, $419,634,000,000.
(B) Outlays, $447,114,000,000.
Fiscal year 2006:
(A) New budget authority, $442,400,000,000.
(B) Outlays, $439,098,000,000.
Fiscal year 2007:
(A) New budget authority, $464,000,000,000.
(B) Outlays, $445,927,000,000.
Fiscal year 2008:
(A) New budget authority, $486,149,000,000.
(B) Outlays, $465,542,000,000.
Fiscal year 2009:
(A) New budget authority, $508,369,000,000.
(B) Outlays, $487,186,000,000.

(2) Homeland Security (100):

Fiscal year 2004:
(A) New budget authority, $29,559,000,000.
(B) Outlays, $24,834,000,000.
Fiscal year 2005:
(A) New budget authority, $34,102,000,000.
(B) Outlays, $29,997,000,000.
Fiscal year 2006:
(A) New budget authority, $33,548,000,000.
(B) Outlays, $33,298,000,000.
Fiscal year 2007:
(A) New budget authority, $35,160,000,000.
(B) Outlays, $35,635,000,000.
Fiscal year 2008:
(A) New budget authority, $36,520,000,000.
(B) Outlays, $36,979,000,000.
Fiscal year 2009:
(A) New budget authority, $40,420,000,000.
(B) Outlays, $38,401,000,000.

(3) International Affairs (150):

Fiscal year 2004:
(A) New budget authority, $43,604,000,000.
(B) Outlays, $29,281,000,000.
Fiscal year 2005:
(A) New budget authority, $26,529,000,000.
(B) Outlays, $32,848,000,000.
Fiscal year 2006:
(A) New budget authority, $27,776,000,000.
(B) Outlays, $30,017,000,000.
Fiscal year 2007:
(A) New budget authority, $27,927,000,000.
(B) Outlays, $26,714,000,000.
Fiscal year 2008:
(A) New budget authority, $28,077,000,000.
(B) Outlays, $25,323,000,000.
Fiscal year 2009:
(A) New budget authority, $28,228,000,000.
(B) Outlays, $25,099,000,000.

(4) General Science, Space, and Technology (250):

Fiscal year 2004:
(A) New budget authority, $22,822,000,000.
(B) Outlays, $21,897,000,000.
Fiscal year 2005:
(A) New budget authority, $22,813,000,000.
(B) Outlays, $22,453,000,000.
Fiscal year 2006:
(A) New budget authority, $22,927,000,000.
(B) Outlays, $22,683,000,000.
Fiscal year 2007:
(A) New budget authority, $23,042,000,000.
(B) Outlays, $22,743,000,000.
Fiscal year 2008:
(A) New budget authority, $23,157,000,000.
(B) Outlays, $22,763,000,000.
Fiscal year 2009:
(A) New budget authority, $23,274,000,000.
(B) Outlays, $22,863,000,000.

(5) Energy (270):

Fiscal year 2004:
(A) New budget authority, $2,323,000,000.
(B) Outlays, $59,000,000.
Fiscal year 2005:
(A) New budget authority, $2,863,000,000.
(B) Outlays, $1,201,000,000.
Fiscal year 2006:
(A) New budget authority, $2,604,000,000.
(B) Outlays, $1,397,000,000.
Fiscal year 2007:
(A) New budget authority, $2,583,000,000.
(B) Outlays, $1,040,000,000.
Fiscal year 2008:
(A) New budget authority, $2,629,000,000.
(B) Outlays, $662,000,000.
Fiscal year 2009:
(A) New budget authority, $2,285,000,000.
(B) Outlays, $891,000,000.

(6) Natural Resources and Environment (300):

Fiscal year 2004:

(A) New budget authority, $32,021,000,000.

(B) Outlays, $30,210,000,000.

Fiscal year 2005:

(A) New budget authority, $31,212,000,000.

(B) Outlays, $30,868,000,000.

Fiscal year 2006:

(A) New budget authority, $31,568,000,000.

(B) Outlays, $31,911,000,000.

Fiscal year 2007:

(A) New budget authority, $31,897,000,000.

(B) Outlays, $32,153,000,000.

Fiscal year 2008:

(A) New budget authority, $32,101,000,000.

(B) Outlays, $32,128,000,000.

Fiscal year 2009:

(A) New budget authority, $32,777,000,000.

(B) Outlays, $32,804,000,000.

(7) Agriculture (350):

Fiscal year 2004:

(A) New budget authority, $19,908,000,000.

(B) Outlays, $18,434,000,000.

Fiscal year 2005:

(A) New budget authority, $21,087,000,000.

(B) Outlays, $20,501,000,000.

Fiscal year 2006:

(A) New budget authority, $23,374,000,000.

(B) Outlays, $22,310,000,000.

Fiscal year 2007:

(A) New budget authority, $24,278,000,000.

(B) Outlays, $23,199,000,000.

Fiscal year 2008:

(A) New budget authority, $24,042,000,000.

(B) Outlays, $22,957,000,000.

Fiscal year 2009:

(A) New budget authority, $24,903,000,000.

(B) Outlays, $23,956,000,000.

(8) Commerce and Housing Credit (370):

Fiscal year 2004:

(A) New budget authority, $17,077,000,000.

(B) Outlays, $12.748,000,000.

Fiscal year 2005:

(A) New budget authority, $10,792,000,000.

(B) Outlays, $5,782,000,000.

Fiscal year 2006:

(A) New budget authority, $10,242,000,000.

(B) Outlays, $6,842,000,000.

Fiscal year 2007:

(A) New budget authority, $9,727,000,000.

(B) Outlays, $4,769,000,000.

Fiscal year 2008:

(A) New budget authority, $9,705,000,000.

(B) Outlays, $3,190,000,000.

Fiscal year 2009:

(A) New budget authority, $9,580,000,000.

(B) Outlays, $2,740,000,000.

(9) Transportation (400):

Fiscal year 2004:

(A) New budget authority, $62,937,000,000.

(B) Outlays, $59,280,000,000.

Fiscal year 2005:

(A) New budget authority, $65,021,000,000.

(B) Outlays, $61,988,000,000.

Fiscal year 2006:

(A) New budget authority, $66,075,000,000.

(B) Outlays, $64,204,000,000.

Fiscal year 2007:

(A) New budget authority, $68,263,000,000.

(B) Outlays, $66,131,000,000.

Fiscal year 2008:

(A) New budget authority, $69,578,000,000.

(B) Outlays, $67,545,000,000.

Fiscal year 2009:

(A) New budget authority, $70,445,000,000.

(B) Outlays, $68,452,000,000.

(10) Community and Regional Development (450):

Fiscal year 2004:

(A) New budget authority, $13,758,000,000.

(B) Outlays, $15,443,000,000.

Fiscal year 2005:

(A) New budget authority, $11,867,000,000.

(B) Outlays, $14,233,000,000.

Fiscal year 2006:

(A) New budget authority, $11,655,000,000.

(B) Outlays, $12,484,000,000.

Fiscal year 2007:

(A) New budget authority, $11,715,000,000.

(B) Outlays, $11,616,000,000.

Fiscal year 2008:

(A) New budget authority, $11,692,000,000.

(B) Outlays, $11,392,000,000.

Fiscal year 2009:

(A) New budget authority, $11,752,000,000.

(B) Outlays, $11,510,000,000.

(11) Education, Training, Employment, and Social Services (500):

Fiscal year 2004:

(A) New budget authority, $89,463,000,000.

(B) Outlays, $86,405,000,000.

Fiscal year 2005:

(A) New budget authority, $92,523,000,000.

(B) Outlays, $90,492,000,000.

Fiscal year 2006:

(A) New budget authority, $93,596,000,000.

(B) Outlays, $92,878,000,000.

Fiscal year 2007:

(A) New budget authority, $94,243,000,000.

(B) Outlays, $93,365,000,000.

Fiscal year 2008:

(A) New budget authority, $94,738,000,000.

(B) Outlays, $93,975,000,000.

Fiscal year 2009:

(A) New budget authority, $95,366,000,000.

(B) Outlays, $94,685,000,000.

(12) Health (550):

Fiscal year 2004:

(A) New budget authority, $236,822,000,000.

(B) Outlays, $235,551,000,000.

Fiscal year 2005:

(A) New budget authority, $245,095,000,000.

(B) Outlays, $244,936,000,000.

Fiscal year 2006:

(A) New budget authority, $252,639,000,000.

(B) Outlays, $252,495,000,000.

Fiscal year 2007:

(A) New budget authority, $266,117,000,000.

(B) Outlays, $265,196,000,000.

Fiscal year 2008:

(A) New budget authority, $284,970,000,000.

(B) Outlays, $284,222,000,000.

Fiscal year 2009:

(A) New budget authority, $304,034,000,000.

(B) Outlays, $303,460,000,000.

(13) Medicare (570):

Fiscal year 2004:

(A) New budget authority, $269,567,000,000.

(B) Outlays, $268,759,000,000.

Fiscal year 2005:

(A) New budget authority, $288,166,000,000.

(B) Outlays, $289,126,000,000.

Fiscal year 2006:

(A) New budget authority, $322,974,000,000.

(B) Outlays, $322,549,000,000.

Fiscal year 2007:

(A) New budget authority, $362,759,000,000.

(B) Outlays, $363,016,000,000.

Fiscal year 2008:

(A) New budget authority, $387,838,000,000.

(B) Outlays, $387,858,000,000.

Fiscal year 2009:

(A) New budget authority, $414,278,000,000.

(B) Outlays, $413,853,000,000.

(14) Income Security (600):

Fiscal year 2004:

(A) New budget authority, $329,744,000,000.

(B) Outlays, $336,074,000,000.

Fiscal year 2005:

(A) New budget authority, $337,318,000,000.

(B) Outlays, $341,716,000,000.

Fiscal year 2006:

(A) New budget authority, $335,387,000,000.

(B) Outlays, $339,098,000,000.

Fiscal year 2007:

(A) New budget authority, $340,140,000,000.

(B) Outlays, $342,945,000,000.

Fiscal year 2008:

(A) New budget authority, $352,809,000,000.

(B) Outlays, $355,046,000,000.

Fiscal year 2009:

(A) New budget authority, $361,830,000,000.

(B) Outlays, $363,465,000,000.

(15) Social Security (650):

Fiscal year 2004:

(A) New budget authority, $13,396,000,000.

(B) Outlays, $13,396,000,000.

Fiscal year 2005:

(A) New budget authority, $15,094,000,000.

(B) Outlays, $15,094,000,000.

Fiscal year 2006:

(A) New budget authority, $16,589,000,000.

(B) Outlays, $16,589,000,000.

Fiscal year 2007:

(A) New budget authority, $18,049,000,000.

(B) Outlays, $18,049,000,000.

Fiscal year 2008:

(A) New budget authority, $19,988,000,000.

(B) Outlays, $19,988,000,000.

Fiscal year 2009:

(A) New budget authority, $21,989,000,000.

(B) Outlays, $21,989,000,000.

(16) Veterans Benefits and Services (700):

Fiscal year 2004:

(A) New budget authority, $61,179,000,000.

(B) Outlays, $59,858,000,000.

Fiscal year 2005:

(A) New budget authority, $70,536,000,000.

(B) Outlays, $68,563,000,000.

Fiscal year 2006:

(A) New budget authority, $68,501,000,000.

(B) Outlays, $67,597,000,000.

Fiscal year 2007:

(A) New budget authority, $66,621,000,000.

(B) Outlays, $66,007,000,000.

Fiscal year 2008:

(A) New budget authority, $69,842,000,000.

(B) Outlays, $69,459,000,000.

Fiscal year 2009:

(A) New budget authority, $70,506,000,000.

(B) Outlays, $70,106,000,000.

(17) Administration of Justice (750):

Fiscal year 2004:

(A) New budget authority, $29,932,000,000.

(B) Outlays, $30,103,000,000.

Fiscal year 2005:

(A) New budget authority, $30,139,000,000.

(B) Outlays, $30,025,000,000.

Fiscal year 2006:

(A) New budget authority, $27,430,000,000.

(B) Outlays, $28,036,000,000.

Fiscal year 2007:

(A) New budget authority, $27,480,000,000.

(B) Outlays, $27,744,000,000.

Fiscal year 2008:

(A) New budget authority, $27,616,000,000.

(B) Outlays, $27,540,000,000.

Fiscal year 2009:

(A) New budget authority, $27,755,000,000.

(B) Outlays, $27,621,000,000.

(18) General Government (800):

Fiscal year 2004:

(A) New budget authority, $23,806,000,000.

(B) Outlays, $24,540,000,000.

Fiscal year 2005:

(A) New budget authority, $17,198,000,000.

(B) Outlays, $17,916,000,000.

Fiscal year 2006:

(A) New budget authority, $17,419,000,000.

(B) Outlays, $17,392,000,000.

Fiscal year 2007:

(A) New budget authority, $17,573,000,000.

(B) Outlays, $17,401,000,000.

Fiscal year 2008:

(A) New budget authority, $17,230,000,000.

(B) Outlays, $17,075,000,000.

Fiscal year 2009:

(A) New budget authority, $17,383,000,000.

(B) Outlays, $17,044,000,000.

(19) Net Interest (900):

Fiscal year 2004:

(A) New budget authority, $240,471,000,000.

(B) Outlays, $240,471,000,000.

Fiscal year 2005:

(A) New budget authority, $270,698,000,000.
(B) Outlays, $270,698,000,000.
Fiscal year 2006:
(A) New budget authority, $318,909,000,000.
(B) Outlays, $318,909,000,000.
Fiscal year 2007:
(A) New budget authority, $364,463,000,000.
(B) Outlays, $364,463,000,000.
Fiscal year 2008:
(A) New budget authority, $398,574,000,000.
(B) Outlays, $398,574,000,000.
Fiscal year 2009:
(A) New budget authority, $427,464,000,000.
(B) Outlays, $427,464,000,000.
(20) Allowances (920):
Fiscal year 2004:
(A) New budget authority, $0.
(B) Outlays, $0.
Fiscal year 2005:
(A) New budget authority, $50,000,000,000.
(B) Outlays, $24,850,000,000.
Fiscal year 2006:
(A) New budget authority, $0.
(B) Outlays, $18,600,000,000.
Fiscal year 2007:
(A) New budget authority, $0.
(B) Outlays, $5,100,000,000.
Fiscal year 2008:
(A) New budget authority, $0.
(B) Outlays, $1,000,000,000.
Fiscal year 2009:
(A) New budget authority, $0.
(B) Outlays, $250,000,000.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 2004:
(A) New budget authority, −$47,233,000,000.
(B) Outlays, −$47,233,000,000.
Fiscal year 2005:
(A) New budget authority, −$52,349,000,000.
(B) Outlays, −$52,475,000,000.
Fiscal year 2006:
(A) New budget authority, −$54,427,000,000.
(B) Outlays, −$54,477,000,000.
Fiscal year 2007:
(A) New budget authority, −$62,642,000,000.
(B) Outlays, −$63,767,000,000.
Fiscal year 2008:
(A) New budget authority, −$65,485,000,000.
(B) Outlays, −$66,147,000,000.
Fiscal year 2009:
(A) New budget authority, −$60,856,000,000.
(B) Outlays, −$59,893,000,000.

TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS PROVIDING FOR THE ELIMINATION OF WASTE, FRAUD, AND ABUSE.—(1) Not later than July 15, 2004, the House committees named in paragraph (2) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) INSTRUCTIONS.—

(A) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $110,000,000 in outlays for fiscal year 2005 and $371,000,000 in outlays for the period of fiscal years 2005 through 2009.

(B) COMMITTEE ON EDUCATION AND THE WORKFORCE: INSTRUCTION TO PROVIDE FAIRNESS IN FEDERAL WORKERS COMPENSATION.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $5,000,000 in outlays for fiscal year 2005 and $43,000,000 in outlays for the period of fiscal years 2005 through 2009.

(C) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $410,000,000 in outlays for fiscal year 2005 and $2,185,000,000 in outlays for the period of fiscal years 2005 through 2009.

(D) COMMITTEE ON GOVERNMENT REFORM: INSTRUCTION TO INCREASE RESOURCES TO AUTHORIZE INFORMATION SHARING TO ALLOW FEDERAL BENEFIT PROGRAMS LIMITED ACCESS TO FEDERAL AND STATE ADMINISTRATIVE DATA TO VERIFY ELIGIBILITY.—The House Committee on Government Reform shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $170,000,000 in outlays for fiscal year 2005 and $2,365,000,000 in outlays for the period of fiscal years 2005 through 2009.

(E) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit by $1,126,000,000 for fiscal year 2005 and $8,269,000,000 for the period of fiscal years 2005 through 2009.

(b) SUBMISSION PROVIDING FOR THE EXTENSION OF EXPIRING TAX RELIEF.—(1) The House Committee on Ways and Means shall report a reconciliation bill not later than October 1, 2004, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than $13,182,000,000 for fiscal year 2005 and by not more than $137,580,000,000 for the period of fiscal years 2005 through 2009.

(2) If a reconciliation bill, as reported pursuant to paragraph (1), does not increase the deficit for fiscal year 2005 or for the period of fiscal years 2005 though 2009 above the levels permitted in such paragraph, the chairman of the House Committee on the Budget may revise the reconciliation instructions under this section to permit the Committee on Ways and Means to increase the level of direct spending outlays, make conforming adjustments to the revenue instruction to decrease the reduction in revenues, and make conforming changes in allocations to the Committee on Ways and Means and in budget aggregates.

SEC. 202. SUBMISSION OF REPORT ON DEFENSE SAVINGS.

In the House, not later than May 15, 2004, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify $2,000,000,000 in savings from (1) activities that are determined to be of a low priority to the successful execution of current military operations; or (2) activities that are determined to be wasteful or unnecessary to national defense. Funds identified should be reallocated to programs and activities that directly contribute to enhancing the combat capabilities of the U.S. military forces with an emphasis on force protection, munitions and surveillance capabilities. For purposes of this subsection, the report by the Committee on Armed Services shall be inserted in the Congressional Record by the chairman of the Committee on the Budget not later than May 21, 2004.

TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE

Subtitle A—Reserve Funds for Legislation Assumed in Budget Aggregates

SEC. 301. DEFICIT-NEUTRAL RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.

In the House, if legislation is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that provides health insurance for the uninsured, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 302. DEFICIT-NEUTRAL RESERVE FUND FOR THE FAMILY OPPORTUNITY ACT.

In the House, if the Committee on Energy and Commerce reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides medicaid coverage for children with special needs (the Family Opportunity Act), the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 303. DEFICIT-NEUTRAL RESERVE FUND FOR MILITARY SURVIVORS' BENEFIT PLAN.

In the House, if the Committee on Armed Services reports legislation, or if an amendment is offered or a conference report thereon is submitted, that increases survivors' benefits under the Military Survivors' Benefit Plan, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral resulting from a change other than to discretionary appropriations in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 304. RESERVE FUND FOR PENDING LEGISLATION.

In the House, for any bill, including a bill that provides for the safe importation of FDA-approved prescription drugs or places limits on medical malpractice litigation, that has passed the House in the first session of the 108th Congress and, after the date of adoption of this concurrent resolution, is acted on by the Senate, enacted by the Congress, and presented to the President, the chairman of the Committee on the Budget may make the appropriate adjustments in the allocations and aggregates to reflect any resulting savings from any such measure.

Subtitle B—Contingency Procedure

SEC. 311. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of the following amounts:

(1) for fiscal year 2004: $41,569,000,000,
(2) for fiscal year 2005: $42,657,000,000,
(3) for fiscal year 2006: $43,635,000,000,
(4) for fiscal year 2007: $45,709,000,000,
(5) for fiscal year 2008: $46,945,000,000, or
(6) for fiscal year 2009: $47,732,000,000,

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2004, for fiscal year 2005, and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriated to such fund for the applicable fiscal year caused by such legislation or any previously enacted legislation.

(b) ADJUSTMENT FOR OUTLAYS.—For fiscal year 2004 or 2005, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $40,116,000,000 for fiscal year 2004 or $41,204,000,000 for fiscal year 2005 for programs, projects, and activities within the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985, and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset pursuant to subsection (a).

TITLE IV—BUDGET ENFORCEMENT

SEC. 401. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

(a) IN GENERAL.—(1) In the House, except as provided in subsection (b), an advance appropriation may not be reported in a bill or joint resolution making a general appropriation or continuing appropriation, and may not be in order as an amendment thereto.

(2) Managers on the part of the House may not agree to a Senate amendment that would violate paragraph (1) unless specific authority to agree to the amendment first is given by the House by a separate vote with respect thereto.

(b) LIMITATION.—In the House, an advance appropriation may be provided for fiscal year 2006 or 2007 for programs, projects, activities or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading "Accounts Identified for Advance Appropriations" in an aggregate amount not to exceed $23,568,000,000 in new budget authority.

(c) DEFINITION.—In this subsection, the term "advance appropriation" means any discretionary new budget authority in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2005 that first becomes available for any fiscal year after 2005.

SEC. 402. EMERGENCY LEGISLATION.

(a) EXEMPTION OF OVERSEAS CONTINGENCY OPERATIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that makes supplemental appropriations for fiscal year 2005 for contingency operations related to the global war on terrorism, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, and 401 of the Congressional Budget Act of 1974 for the provisions of such measure that are designated pursuant to this subsection as making appropriations for such contingency operations.

(b) EXEMPTION OF EMERGENCY PROVISIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that designates a provision as an emergency requirement pursuant to this section, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974.

(c) DESIGNATIONS.—

(1) GUIDANCE.—In the House, if a provision of legislation is designated as an emergency requirement under subsection (b), the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in paragraph (2). If such legislation is to be considered by the House without being reported, then the committee shall cause the explanation to be published in the Congressional Record in advance of floor consideration.

(2) CRITERIA.—

(A) IN GENERAL.—Any such provision is an emergency requirement if the underlying situation poses a threat to life, property, or national security and is—

(i) sudden, quickly coming into being, and not building up over time;

(ii) an urgent, pressing, and compelling need requiring immediate action;

(iii) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

(iv) not permanent, temporary in nature.

(B) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

SEC. 403. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.

(a) IN GENERAL.—In the House, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974 and section 13301 of the Budget Enforcement Act of 1990, the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget shall include in its allocation under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations amounts for the discretionary administrative expenses of the Social Security Administration.

(b) SPECIAL RULE.—In the House, for purposes of applying section 302(f) of the Congressional Budget Act of 1974, estimates of the level of total new budget authority and total outlays provided by a measure shall include any discretionary amounts provided for the Social Security Administration.

SEC. 404. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

(1) apply while that measure is under consideration;

(2) take effect upon the enactment of that measure; and

(3) be published in the Congressional Record as soon as practicable.

(b) EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the appropriate Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

TITLE V—SENSE OF THE HOUSE

SEC. 501. SENSE OF THE HOUSE ON SPENDING ACCOUNTABILITY.

It is the sense of the House that—

(1) authorizing committees should actively engage in oversight utilizing—

(A) the plans and goals submitted by executive agencies pursuant to the Government Performance and Results Act of 1993; and

(B) the performance evaluations submitted by such agencies (that are based upon the Program Assessment Rating Tool which is designed to improve agency performance);

in order to enact legislation to eliminate waste, fraud, and abuse to ensure the efficient use of taxpayer dollars;

(2) all Federal programs should be periodically reauthorized and funding for unauthorized programs should be level-funded in fiscal year 2005 unless there is a compelling justification;

(3) committees should submit written justifications for earmarks and should consider not funding those most egregiously inconsistent with national policy;

(4) the fiscal year 2005 budget resolution should be vigorously enforced and legislation should be enacted establishing statutory limits on appropriations and a PAY-AS-YOU-GO rule for new and expanded entitlement programs; and

(5) Congress should make every effort to offset nonwar-related supplemental appropriations.

SEC. 502. SENSE OF THE HOUSE ON ENTITLEMENT REFORM.

(a) FINDINGS.—The House finds that welfare was successfully reformed through the application of work requirements, education and training opportunity, and time limits on eligibility.

(b) SENSE OF THE HOUSE.—It is the sense of the House that authorizing committees should—

(1) systematically review all means-tested entitlement programs and track beneficiary participation across programs and time;

(2) enact legislation to develop common eligibility requirements for means-tested entitlement programs;

(3) enact legislation to accurately rename means-tested entitlement programs;

(4) enact legislation to coordinate program benefits in order to limit to a reasonable period of time the Government dependency of means-tested entitlement program participants;

(5) evaluate the costs of, and justifications for, nonmeans-tested, nonretirement-related entitlement programs; and

(6) identify and utilize resources that have conducted cost-benefit analyses of participants in multiple means- and nonmeans-tested entitlement programs to understand their cumulative costs and collective benefits.

The CHAIRMAN pro tempore. No amendment to the concurrent resolution is in order except the amendments printed in House Report 108–446. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment.

After conclusion of consideration of the concurrent resolution for amendment, there shall be a final period of general debate which shall not exceed 10 minutes, equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

It is now in order to consider amendment No. 1 printed in House Report 108–446.

AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 1 OFFERED BY MR. CUMMINGS

Mr. CUMMINGS. Mr. Chairman, as the designee of the gentleman from Virginia (Mr. SCOTT) and pursuant to the rule, I offer an amendment in the nature of a substitute.

The Chairman pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute No. 1 offered by Mr. CUMMINGS:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate levels for fiscal years 2006 through 2009 are hereby set forth.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2005 through 2009:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2005: $1,492,715,000,000.

Fiscal year 2006: $1,656,735,000,000.

Fiscal year 2007: $1,760,168,000,000.

Fiscal year 2008: $1,857,859,000,000.

Fiscal year 2009: $1,963,833,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 2005: $15,581,000,000.

Fiscal year 2006: $2,554,000,000.

Fiscal year 2007: $5,224,000,000.

Fiscal year 2008: $12,069,000,000.

Fiscal year 2009: $10,773,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2005: $2,040,121,000,000.

Fiscal year 2006: $2,099,869,000,000.

Fiscal year 2007: $2,221,225,000,000.

Fiscal year 2008: $2,338,667,000,000.

Fiscal year 2009: $2,457,855,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2005: $2,022,269,000,000.

Fiscal year 2006: $2,111,755,000,000.

Fiscal year 2007: $2,196,982,000,000.

Fiscal year 2008: $2,303,025,000,000.

Fiscal year 2009: $2,419,950,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits (on-budget) are as follows:

Fiscal year 2005: −$529,554,000,000.

Fiscal year 2006: −$455,020,000,000.

Fiscal year 2007: −$436,814,000,000.

Fiscal year 2008: −$445,166,000,000.

Fiscal year 2009: −$456,117,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 2005: $8,066,000,000,000.

Fiscal year 2006: $8,645,000,000,000.

Fiscal year 2007: $9,204,000,000,000.

Fiscal year 2008: $9,770,000,000,000.

Fiscal year 2009: $10,351,000,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of debt held by the public are as follows:

Fiscal year 2005: $4,754,000,000,000.

Fiscal year 2006: $5,030,000,000,000.

Fiscal year 2007: $5,272,000,000,000.

Fiscal year 2008: $5,507,000,000,000.

Fiscal year 2009: $5,739,000,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2005 through 2009 for each major functional category are:

(1) National Defense (050):

Fiscal year 2005:

(A) New budget authority, $408,486,000,000.

(B) Outlays, $439,979,000,000.

Fiscal year 2006:

(A) New budget authority, $430,694,000,000.

(B) Outlays, $428,774,000,000.

Fiscal year 2007:

(A) New budget authority, $451,728,000,000.

(B) Outlays, $434,219,000,000.

Fiscal year 2008:

(A) New budget authority, $473,293,000,000.

(B) Outlays, $453,061,000,000.

Fiscal year 2009:

(A) New budget authority, $494,923,000,000.

(B) Outlays, $473,956,000,000.

(2) Homeland Security (100):

Fiscal year 2005:

(A) New budget authority, $36,531,000,000.

(B) Outlays, $31,552,000,000.

Fiscal year 2006:

(A) New budget authority, $35,902,000,000.

(B) Outlays, $35,421,000,000.

Fiscal year 2007:

(A) New budget authority, $37,628,000,000.

(B) Outlays, $38,004,000,000.

Fiscal year 2008:

(A) New budget authority, $39,083,000,000.

(B) Outlays, $39,478,000,000.

Fiscal year 2009:

(A) New budget authority, $43,264,000,000.

(B) Outlays, $41,148,000,000.

(3) International Affairs (150):

Fiscal year 2005:

(A) New budget authority, $28,329,000,000.

(B) Outlays, $33,616,000,000.

Fiscal year 2006:

(A) New budget authority, $29,585,000,000.

(B) Outlays, $31,282,000,000.

Fiscal year 2007:

(A) New budget authority, $29,745,000,000.

(B) Outlays, $28,258,000,000.

Fiscal year 2008:

(A) New budget authority, $29,904,000,000.

(B) Outlays, $27,036,000,000.

Fiscal year 2009:

(A) New budget authority, $30,064,000,000.

(B) Outlays, $26,925,000,000.

(4) General Science, Space, and Technology (250):

Fiscal year 2005:

(A) New budget authority, $22,822,000,000.

(B) Outlays, $22,458,000,000.

Fiscal year 2006:

(A) New budget authority, $22,936,000,000.

(B) Outlays, $22,691,000,000.

Fiscal year 2007:

(A) New budget authority, $23,051,000,000.

(B) Outlays, $22,752,000,000.

Fiscal year 2008:

(A) New budget authority, $23,166,000,000.

(B) Outlays, $22,772,000,000.

Fiscal year 2009:

(A) New budget authority, $23,283,000,000.

(B) Outlays, $22,872,000,000.

(5) Energy (270):

Fiscal year 2005:

(A) New budget authority, $2,863,000,000.

(B) Outlays, $1,201,000,000.

Fiscal year 2006:

(A) New budget authority, $2,604,000,000.

(B) Outlays, $1,397,000,000.

Fiscal year 2007:

(A) New budget authority, $2,583,000,000.

(B) Outlays, $1,040,000,000.

Fiscal year 2008:

(A) New budget authority, $2,629,000,000.

(B) Outlays, $662,000,000.

Fiscal year 2009:

(A) New budget authority, $2,285,000,000.

(B) Outlays, $891,000,000.

(6) Natural Resources and Environment (300):

Fiscal year 2005:

(A) New budget authority, $31,460,000,000.

(B) Outlays, $31,032,000,000.

Fiscal year 2006:

(A) New budget authority, $31,817,000,000.

(B) Outlays, $32,120,000,000.

Fiscal year 2007:

(A) New budget authority, $32,147,000,000.

(B) Outlays, $32,385,000,000.

Fiscal year 2008:

(A) New budget authority, $32,353,000,000.

(B) Outlays, $32,368,000,000.

Fiscal year 2009:

(A) New budget authority, $33,030,000,000.

(B) Outlays, $33,056,000,000.

(7) Agriculture (350):

Fiscal year 2005:

(A) New budget authority, $21,246,000,000.

(B) Outlays, $20,632,000,000.

Fiscal year 2006:

(A) New budget authority, $23,534,000,000.

(B) Outlays, $22,461,000,000.

Fiscal year 2007:

(A) New budget authority, $24,439,000,000.

(B) Outlays, $23,354,000,000.

Fiscal year 2008:

(A) New budget authority, $24,203,000,000.

(B) Outlays, $23,113,000,000.

Fiscal year 2009:

(A) New budget authority, $25,065,000,000.

(B) Outlays, $24,112,000,000.

(8) Commerce and Housing Credit (370):

Fiscal year 2005:

(A) New budget authority, $10,792,000,000.

(B) Outlays, $5,782,000,000.

Fiscal year 2006:

(A) New budget authority, $10,242,000,000.

(B) Outlays, $6,842,000,000.

Fiscal year 2007:

(A) New budget authority, $9,727,000,000.

(B) Outlays, $4,769,000,000.

Fiscal year 2008:

(A) New budget authority, $9,705,000,000.

(B) Outlays, $3,190,000,000.

Fiscal year 2009:

(A) New budget authority, $9,580,000,000.

(B) Outlays, $2,740,000,000.

(9) Transportation (400):

Fiscal year 2005:

(A) New budget authority, $65,121,000,000.

(B) Outlays, $62,069,000,000.

Fiscal year 2006:

(A) New budget authority, $66,176,000,000.

(B) Outlays, $64,304,000,000.

Fiscal year 2007:

(A) New budget authority, $68,364,000,000.

(B) Outlays, $66,232,000,000.

Fiscal year 2008:

(A) New budget authority, $69,680,000,000.

(B) Outlays, $67,646,000,000.

Fiscal year 2009:

(A) New budget authority, $70,547,000,000.

(B) Outlays, $68,554,000,000.

(10) Community and Regional Development (450):

Fiscal year 2005:

(A) New budget authority, $12,230,000,000.

(B) Outlays, $14,322,000,000.

Fiscal year 2006:

(A) New budget authority, $12,020,000,000.

(B) Outlays, $12,667,000,000.

Fiscal year 2007:

(A) New budget authority, $12,082,000,000.

(B) Outlays, $11,906,000,000.

Fiscal year 2008:

(A) New budget authority, $12,060,000,000.
(B) Outlays, $11,725,000,000.
Fiscal year 2009:
(A) New budget authority, $12,122,000,000.
(B) Outlays, $11,860,000,000.
(11) Education, Training, Employment, and Social Services (500):
Fiscal year 2005:
(A) New budget authority, $111,283,000,000.
(B) Outlays, $96,270,000,000.
Fiscal year 2006:
(A) New budget authority, $112,450,000,000.
(B) Outlays, $111,918,000,000.
Fiscal year 2007:
(A) New budget authority, $113,191,000,000.
(B) Outlays, $112,380,000,000.
Fiscal year 2008:
(A) New budget authority, $113,781,000,000.
(B) Outlays, $112,103,000,000.
Fiscal year 2009:
(A) New budget authority, $114,504,000,000.
(B) Outlays, $113,755,000,000.
(12) Health (550):
Fiscal year 2005:
(A) New budget authority, $246,371,000,000.
(B) Outlays, $245,453,000,000.
Fiscal year 2006:
(A) New budget authority, $253,921,000,000.
(B) Outlays, $253,550,000,000.
Fiscal year 2007:
(A) New budget authority, $267,406,000,000.
(B) Outlays, $266,377,000,000.
Fiscal year 2008:
(A) New budget authority, $286,265,000,000.
(B) Outlays, $285,496,000,000.
Fiscal year 2009:
(A) New budget authority, $305,336,000,000.
(B) Outlays, $304,756,000,000.
(13) Medicare (570):
Fiscal year 2005:
(A) New budget authority, $288,166,000,000.
(B) Outlays, $289,126,000,000.
Fiscal year 2006:
(A) New budget authority, $322,974,000,000.
(B) Outlays, $322,549,000,000.
Fiscal year 2007:
(A) New budget authority, $362,759,000,000.
(B) Outlays, $363,016,000,000.
Fiscal year 2008:
(A) New budget authority, $387,838,000,000.
(B) Outlays, $387,858,000,000.
Fiscal year 2009:
(A) New budget authority, $414,278,000,000.
(B) Outlays, $413,853,000,000.
(14) Income Security (600):
Fiscal year 2005:
(A) New budget authority, $343,018,000,000.
(B) Outlays, $345,412,000,000.
Fiscal year 2006:
(A) New budget authority, $341,115,000,000.
(B) Outlays, $343,990,000,000.
Fiscal year 2007:
(A) New budget authority, $345,897,000,000.
(B) Outlays, $348,565,000,000.
Fiscal year 2008:
(A) New budget authority, $358,595,000,000.
(B) Outlays, $360,817,000,000.
Fiscal year 2009:
(A) New budget authority, $367,645,000,000.
(B) Outlays, $369,265,000,000.
(15) Social Security (650):
Fiscal year 2005:
(A) New budget authority, $15,094,000,000.
(B) Outlays, $15,094,000,000.
Fiscal year 2006:
(A) New budget authority, $16,589,000,000.
(B) Outlays, $16,589,000,000.
Fiscal year 2007:
(A) New budget authority, $18,049,000,000.
(B) Outlays, $18,049,000,000.
Fiscal year 2008:
(A) New budget authority, $19,988,000,000.
(B) Outlays, $19,988,000,000.
Fiscal year 2009:
(A) New budget authority, $21,989,000,000.
(B) Outlays, $21,989,000,000.
(16) Veterans Benefits and Services (700):
Fiscal year 2005:
(A) New budget authority, $79,255,000,000.
(B) Outlays, $76,205,000,000.
Fiscal year 2006:
(A) New budget authority, $77,264,000,000.
(B) Outlays, $76,140,000,000.
Fiscal year 2007:
(A) New budget authority, $75,427,000,000.
(B) Outlays, $74,678,000,000.
Fiscal year 2008:
(A) New budget authority, $78,692,000,000.
(B) Outlays, $78,211,000,000.
Fiscal year 2009:
(A) New budget authority, $79,401,000,000.
(B) Outlays, $78,942,000,000.
(17) Administration of Justice (750):
Fiscal year 2005:
(A) New budget authority, $31,874,000,000.
(B) Outlays, $31,445,000,000.
Fiscal year 2006:
(A) New budget authority, $29,174,000,000.
(B) Outlays, $29,663,000,000.
Fiscal year 2007:
(A) New budget authority, $29,232,000,000.
(B) Outlays, $29,426,000,000.
Fiscal year 2008:
(A) New budget authority, $29,377,000,000.
(B) Outlays, $29,264,000,000.
Fiscal year 2009:
(A) New budget authority, $29,525,000,000.
(B) Outlays, $29,388,000,000.
(18) General Government (800):
Fiscal year 2005:
(A) New budget authority, $17,198,000,000.
(B) Outlays, $17,916,000,000.
Fiscal year 2006:
(A) New budget authority, $17,419,000,000.
(B) Outlays, $17,392,000,000.
Fiscal year 2007:
(A) New budget authority, $17,573,000,000.
(B) Outlays, $17,401,000,000.
Fiscal year 2008:
(A) New budget authority, $17,230,000,000.
(B) Outlays, $17,075,000,000.
Fiscal year 2009:
(A) New budget authority, $17,383,000,000.
(B) Outlays, $17,044,000,000.
(19) Interest (900):
Fiscal year 2005:
(A) New budget authority, $270,331,000,000.
(B) Outlays, $270,331,000,000.
Fiscal year 2006:
(A) New budget authority, $317,882,000,000.
(B) Outlays, $317,882,000,000.
Fiscal year 2007:
(A) New budget authority, $362,839,000,000.
(B) Outlays, $362,839,000,000.
Fiscal year 2008:
(A) New budget authority, $396,309,000,000.
(B) Outlays, $396,309,000,000.
Fiscal year 2009:
(A) New budget authority, $424,487,000,000.
(B) Outlays, $424,487,000,000.
(20) Allowances (920):
Fiscal year 2005:
(A) New budget authority, $50,000,000,000.
(B) Outlays, $24,850,000,000.
Fiscal year 2006:
(A) New budget authority, $—.
(B) Outlays, $18,600,000,000.
Fiscal year 2007:
(A) New budget authority, $—.
(B) Outlays, $5,100,000,000.
Fiscal year 2008:
(A) New budget authority, $—.
(B) Outlays, $1,000,000,000.
Fiscal year 2009:
(A) New budget authority, $—.
(B) Outlays, $250,000,000.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 2005:
(A) New budget authority, −$52,349,000,000.
(B) Outlays, $−52,475,000,000.
Fiscal year 2006:
(A) New budget authority, −$54,427,000,000.
(B) Outlays, −$54,477,000,000.
Fiscal year 2007:
(A) New budget authority, −$62,642,000,000.
(B) Outlays, −$63,767,000,000.
Fiscal year 2008:
(A) New budget authority, −$65,485,000,000.
(B) Outlays, −$66,147,000,000.
Fiscal year 2009:
(A) New budget authority, −$60,856,000,000.
(B) Outlays, −$59,893,000,000.

The CHAIRMAN pro tempore. Pursuant to House Resolution 574, the gentleman from Maryland (Mr. CUMMINGS) and the gentleman from Iowa (Mr. NUSSLE) each will control 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. CUMMINGS).

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

I am proud to introduce the Congressional Black Caucus 2005 fiscal year budget alternative. Our theme and philosophy for the CBC 2005 budget alternative is "Investing in America's Future, Restoring Fiscal Responsibility and Fulfilling Our Shared Sacrifice."

Before we begin, I want to thank the gentleman from Virginia (Mr. SCOTT), the gentlewoman from Georgia (Ms. MAJETTE), the gentleman from Alabama (Mr. DAVIS), and all the Congressional Black Caucus members on the Committee on the Budget and the entire Congressional Black Caucus for their diligent work in putting this budget together. The Congressional Black Caucus thought it vitally important that we provide a Federal budget that goes to the center of people's lives.

Contrary to the rosy picture painted by the President, the majority of Americans are hurting under the Bush administration's fiscal policies.

Over 40 million Americans are without health insurance. Almost 9 million Americans woke up this morning without a job, and thousands of those individuals have become discouraged by the stagnant economy and have given up looking for work. Most alarming, Mr. Chairman, the American dream of a quality education remains out of reach for millions of children and families. The Congressional Black Caucus budget alternative answers all of these pressing issues and at the same time places our Nation back on the path of fiscal responsibility and accountability.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume.

Just to start off the debate, we are obviously very interested in hearing what the Congressional Black Caucus has to offer. While we may disagree on the specifics, the caucus has almost every year provided its full alternative budget. As the chairman of the Committee on the Budget, I respect the fact that they would do so. I am going to oppose it, I respectfully oppose it; but I certainly appreciate the fact that the caucus would come forth with a full budget proposal. We look forward to hearing the debate as a proponent.

Mr. Chairman, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Chairman, I yield 3½ minutes to the gentleman from Virginia (Mr. SCOTT), distinguished member of the Committee on the Budget.

Mr. SCOTT of Virginia. I thank the gentleman for yielding me this time.

Mr. Chairman, the Congressional Black Caucus alternative budget is committed to making America more secure by investing in our homeland security, equipping our troops, and caring for our veterans. It also adds to our security by funding initiatives such as the COPS program, local law enforcement block grants, and juvenile crime prevention programs. The CBC alternative builds for America's future and addresses domestic challenges our country faces. It fully funds No Child Left Behind, provides funds for school construction, and increases funding for other education and job-training programs. The CBC alternative also provides funding for the minority health initiative, health insurance for the uninsured, supports child nutrition programs, funds job creation programs under the SBA, and extends unemployment insurance benefits.

The funding for these important domestic needs comes from two sources: one, a reduction in the tax cuts from 2001 and 2003 for individuals whose gross income exceeds approximately $200,000; and the closing of tax loopholes, abusive shelters, and methods of tax avoidance. These funds total an estimated $35.5 billion in fiscal year 2005 and are used for the domestic spending and deficit reduction parts of the budget.

The funding for urgent homeland security needs, veterans programs and benefits, and additional support for the troops in Iraq comes from two sources: a $9.2 billion reduction in ballistic missile defense and $3.6 billion from instances of fraud, waste and abuse within the Department of Defense such as defense contractor overcharges. Some of these funds have been reallocated to protect our troops in Iraq by providing them with bulletproof vests, vehicle armor, personal support equipment, night-vision goggles and radio jammers to protect personnel and vehicles from improvised explosive devices.

Another portion of these funds is allocated to address vital homeland security needs, including rail and port security grants, cargo screening equipment, first responders, communications systems for first responders, Federal air marshals, and the Centers for Disease Control. The remainder of these funds are used to restore cuts in veterans health care and provide enhanced benefits to our veterans in survivor benefits, medical and prosthetic research, long-term care, mental health care and GI bill benefits. The alternative budget also eliminates the disabled veterans tax. We believe that the sum of all of these initiatives will make us more secure as a Nation.

At the same time that we invest in America and our future, the CBC alternative recognizes that we cannot place the burden of our choices on our children and grandchildren. A top priority of the CBC is to address the exploding deficit. The CBC alternative budget therefore reduces the deficit by $70 billion compared to the House majority's budget over the next 5 years. This fiscal responsibility is rewarded with a reduction of $8 billion in interest payments over that same period of time compared to the House majority's budget. Members of the CBC have worked tirelessly to create a budget that is fiscally responsible and recognizes the needs of the American people. It is a sound budget that protects and promotes the best interests of America.

Mr. NUSSLE. Mr. Chairman, I continue to reserve the balance of my time.

Mr. CUMMINGS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Georgia (Ms. MAJETTE).

Ms. MAJETTE. I thank the gentleman for yielding me this time.

Mr. Chairman, I am pleased to offer this substitute with my colleagues from the Congressional Black Caucus. In crafting this alternative budget, we were faced with the reality that the President's fiscal policies of the last 4 years have squandered the surplus and pushed the debt sky high. We find ourselves with a pressing need to reduce the deficit now. We owe it to our children and grandchildren. Therefore, what this budget alternative does is to allocate our limited national resources to our shared national priorities. This is a budget that every Member of this body can support. Those programs receiving increased funding in this budget are truly shared priorities that address our Nation's biggest challenges.

□ 1200

The first challenge that our Nation faces is the lack of an available job for every willing worker, and Chairman Greenspan testified that we are graduating too few skilled workers and that our students are languishing at a low skill level. That is why the largest increase in spending in this budget over the Republican bill is in education.

First and foremost, the CBC budget would fully fund No Child Left Behind at the authorized level. In addition, this budget devotes additional resources to Head Start, IDEA, Pell grants, and job training programs. This budget also stimulates our economy by funding vital programs that help small businesses, including the Small Business Administration's 7(a) program, microloans, and the Manufacturing Extension Partnership. It is essential that we assist small businesses in their efforts to create more jobs. The CBC budget offsets this additional funding by repealing the tax cuts for Americans making over $200,000 a year and by closing corporate loopholes.

The second priority realized in the CBC budget is need to provide for a strong national defense and to support our troops and veterans. The CBC budget provides money to better armor the Humvees that carry our troops and to buy body armor for every soldier in the field, and it keeps our promises to our veterans. We will continue to care for them, and this budget allocates almost $9 billion in additional funding above what the Republican majority would devote to our veterans.

These defense, homeland security, and veterans assistance priorities will be paid for simply by redirecting funds from the failed missile defense system and by recouping money that Halliburton has overcharged the American taxpayers.

I urge all of my colleagues to support the passage of the CBC budget as it reduces the deficit today and meets our most pressing needs while protecting us for the future.

Mr. CUMMINGS. Mr. Chairman, I yield 1¾ minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, first let me thank the chairman for his leadership. I thank the gentleman from Virginia (Mr. SCOTT) for his leadership in working to make a budget, presenting to this body a real and progressive alternative for us.

Mr. Chairman, during this debate and also for many weeks now, we have made a clear case for why and how the Republican budget sacrifices our children, our seniors, our security, our environment, our economy. They do this in order to advance special interest, money interest, and to promote tax breaks for the wealthy. The Republican budget does not fulfill our most fundamental requirement of providing for the common defense; the Congressional Black Caucus budget does. $9 billion for ballistic missile defense does not provide for that defense. It diverts terribly scarce resources into a program that really does not meet our own most urgent security needs and probably will not work anyway.

Let us be clear, ballistic missile defense would not have prevented September 11, and the approach taken in the Republican budget will not prevent its recurrence.

The CBC alternative budget more than fulfills our fundamental requirement of providing for the common defense. Instead of continuing to give Halliburton a license to steal, that is about $3 million a year, our budget furthers our commitment to our veterans who are returning home from war, and they deserve the economic security and health care that they were promised. Instead of throwing billions of dollars, billions of good money, on a bad missile defense system, our budget invests in our own security by giving increased homeland security resources, job training, health care, education, housing. We have a budget that provides for housing and education, HIV/AIDS services and prevention, and foreign aid.

So I am very proud to support this budget which invests in our future rather than bankrupting our children. That is the choice really that we have today. So I urge all Members to support this budget.

And, again, I congratulate the Congressional Black Caucus for their fine work.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the distinguished gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Chairman, I support the CBC substitute because it steps up to the needs of key education programs.

The Republican budget includes meager increases for important programs like No Child Left Behind; the Individuals with Disabilities Education Act, IDEA; and Pell grant funding. Without the additional funding provided by the CBC budget, these programs cannot serve eligible students who are relying on them, relying on them for the education they need, the education they deserve to become self-sufficient adults who contribute to America.

The Republican budget proposal shortchanges No Child Left Behind by $9.4 billion. It does not come close to meeting the Federal promise to fund 40 percent of the costs of IDEA, and it shortchanges the 5.3 million low-income college students who rely on Pell grants to access their higher education training. The CBC budget improves funding for all of these programs without increasing the Federal deficit like the Republican budget would.

The CBC budget adds up for all Americans, and I urge my colleagues to adopt it.

The Republican budget includes only meager increases for important programs like No Child Left Behind, the Individuals With Disabilities Education Act (IDEA), and Pell grant funding.

Without the additional funding provided in the CBC budget, these programs cannot serve eligible students who are relying on them for the education they need and deserve to become self-sufficient adults who contribute to America.

The Republican budget proposal shortchanges No Child Left Behind by $9.4 billion; it doesn't come close to meeting the Federal promise to fund 40 percent of the cost of IDEA; and it shortchanges the 5.3 million low-income college students who rely on Pell grants to access higher education.

The CBC budget improves funding for these programs without increasing the Federal deficit like the Republican budget does.

Mr. CUMMINGS. Mr. Chairman, I yield 1¼ minutes to the distinguished gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I want to thank the chairman for yielding me this time. And I also want to commend the Congressional Black Caucus for putting together this budget, a budget which recognizes that reentry of individuals coming out of correctional institutions as one of the great needs and one of the great problems that exist in our society.

Unfortunately, the President's budget takes away from justice programs that would facilitate the reentry of these individuals. The Congressional Black Caucus budget restores those programs to help the 640,000 people who come out of jails and prisons each year to find their way back into meaningful participation in society. And for that reason I strongly support the Congressional Black Caucus budget.

Mr. Chairman, I have always been told that budgets are a way of expressing one's positions and priorities in real dollars and cents; therefore, when we look at the Bush budget, one experiences mixed emotions, emotions that suggest concurrence that we need a strong defense budget, we need serious resources to fight terror and we do indeed need to provide for Homeland Security.

However, as we fight the war against terrorism, we also need to fight against illiteracy, poverty, hunger, malnutrition, poor health, inadequate housing, and environmental protection. We need to try and make sure that there is money to tackle correction reform, money to make education, rehabilitation and training viable in parts of our correctional system. We need money to help re-integrate ex-offenders back into normal life, otherwise, we keep sending them back to prison, thereby, costing the taxpayers money. Monies we should not have to spend especially, when we help them to become self-sufficient.

During the State of the Union Address in January, President Bush said, "600,000 inmates will be released from prison back into society" this year, and these Americans are in need of help. Many of these individuals are never able to find a decent place to live; cannot access various entitlement programs such as public housing, Pell grants, and, in some instances, food stamps; and are oftentimes denied employment because of their past criminal convictions. There is little wonder that 52 percent of these individuals end up back in jail. President Bush articulated the need for education, job training and housing well when he said "America is the land of second chance, and when the gates of the prison open, the path ahead should lead to a better life."

The Republican's budget cuts criminal justice and crime control programs for fiscal year 2005 by $494 million and continues to increase cuts for fiscal years 2006 through 2009 by $4.2 billion. I am concerned about the Republican's budget not adequately addressing certain issues within the criminal justice system that pertain to the Justice Assistance Grant Program which is cut by $468 million, Local Law Enforcement Block Grant Program cut by $219 million, Department of Justice reentry program to help facilitate individuals with felony convictions back into normal community life is cut by $300 million and the Edward Byrne Memorial grant programs used to fight drugs in our communities is cut by $477 million. This budget plan is unfair, unjust and fiscally irresponsible. It shortchanges the domestic needs of our country.

Mr. CUMMINGS. Mr. Chairman, I yield 1¼ minutes to the distinguished gentleman from California (Mr. HONDA) and chair of the Asian-Pacific Caucus.

Mr. HONDA. Mr. Chairman, I thank the chairman of the CBC for yielding me this time.

Mr. Chairman, I rise today to express my strong opposition to the House Republican budget resolution and a hardy support for the Congressional Black Caucus's alternative budget.

As a former teacher and a principal, I understand how important quality education is for all Americans. Unfortunately, the Republican budget fails to fund this national priority of public education. Republicans leave the No Child Left Behind Act $9.4 billion short of promised levels. They shortchange the title I funding by $7.2 billion, denying nearly 5 million disadvantaged children of educational services. The Republican budget freezes the maximum Pell grants for the third year in a row, while college tuitions continue to rise.

However, on the other hand, the CBC budget fully funds the No Child Left Behind Act, fully funding the promise Congress made to our Nation's schools. The CBC alternative also funds school construction to provide safe and quality learning environments.

Mr. Chairman, our national budget should be like our family budget, a reflection of our priorities and values. It should be a budget based on making the right choices. Do we make room for more expensive tax cuts or provide quality education for our Nation's students?

I believe our choice is clear. Please support the CBC's alternative budget.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume.

First and foremost, let me say that obviously we do not agree with some of the facts and figures laid out by my friends on the other side in their criticism of not only the Republican budget, which is the base bill here, but also the President's budget.

Mr. Chairman, be that as it may, in good comity with my colleagues, I ask unanimous consent to yield 10 minutes of my time to the gentleman from Maryland (Mr. CUMMINGS) and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN pro tempore. Under the unanimous consent agreement, the gentleman from Maryland would now have 17¼ minutes.

Mr. CUMMINGS. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. NUSSLE. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. SMITH) for a statement.

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman from Iowa for yielding me this time.

I think we have got to be very careful about increasing taxes. There are so many needs out there that it is easy to suggest that we should spend more money. But reflecting on the actuaries' report that came out the day before yesterday for Social Security and Medicare it is bad news. They are now suggesting that if we do not deal with these unfunded liabilities, where the promises are over and above the revenues coming in, we have a future that is going to be very disastrous and complicated.

Their estimate is that in 15 years, it is going to take 28 percent of our current general fund budget to cover the difference between the taxes coming in for Social Security and Medicare and what is needed to fulfill the promises we have made. In 25 years, it is going to take over 50 percent of the general fund budget, to cover those two programs.

We cannot just continue to increase taxes. We have to start controlling the growth in government and the amount of revenue we are taking out of the pockets of the American people.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE), the first vice chair of the Congressional Black Caucus.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished chairman for yielding me this time.

Let me just say to my good friend that the Congressional Black Caucus budget is based upon shared sacrifice. In fact, we do provide 30.5 billion in additional program dollars, but we also provide nearly $5 billion towards deficit reduction, shared sacrifice, Mr. Chairman.

Let me just say this. We realize that we have to protect the most vulnerable. So we protect the child care tax credit, the elimination of the marriage penalty, and the 10 percent tax bracket, but what we do say is that we rescind the tax cuts in 2001 and 2003 to those making more than $200,000. That is shared sacrifice.

What I am concerned about is, we provide $2.4 billion for homeland security and we give $900 million to first responders and COPS programs. Does anybody realize that we are closing six fire stations in New York City? Does anybody realize the burden that is being placed on police and fire in our local communities who are not being reimbursed when they elevate the threat level?

We are giving to the veterans $8.7 billion so that the veterans hospitals like the ones included in my district can remain open and provide care for those making $30,000 and above. And, yes, having received the National Urban League's Black Progress and the complexity of Black Progress, we are trying to cut into the unequal education system that shows that 52 percent of African Americans are beneath those in the white community.

It is important, Mr. Chairman, that we have shared sacrifice. I rise to support the Congressional Black Caucus budget because it provides a roadmap for America.

FISCAL RESPONSIBILITY

Provides $30.5 billion additional dollars for vital programs.

Provides nearly $5 billion towards deficit reduction.

Extends unemployment benefits through June.

OFFSETS TO CREATE REVENUE

Rescinds tax cuts from 2001 and 2003 for individuals making more than $200,00 in gross income.

Raises further revenue by closing tax loopholes, abusive shelters, and methods of tax avoidance.

CBC Budget protects the child-care tax credit, the elimination of the marriage penalty and the 10 percent tax bracket.

Reduces funding for the Ballistic Missile Defense program.

EDUCATION

CBC Budget adds $18.7 billion in education spending to the budget.

CBC Budget is the only budget being offered that fully funds No Child Left Behind at the full $9.4 billion.

Provides nearly $2 billion for Pell Garnts to raise grant amount to $4,500.

Provides $2 billion for School Construction and an additional $2 billion for Job Training, Vocational Education, Adult Education.

HOMELAND SECURITY

CBC Budget provides an additional $2.4 billion in Homeland Security spending.

Provides $900 million for First Responders including the COPS Program and Citizen Corps.

Provides $566 million for Port Security grants and an additional $250 million for Rail Security.

VETERANS

CBC Budget provides an additional $8.7 billion in Veterans program spending.

Provides $1.25 billion to fund Veterans Health Care.

Provides $3.6 billion to fund the Montgomery GI Bill.

Provides $2.5 billion and $25 billion over ten years to help eliminate the tax on disabled veterans known as concurrent receipts.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the distinguished gentlewoman from the great State of Florida (Ms. CORRINE BROWN), the second vice chair of the Congressional Black Caucus.

Ms. CORRINE BROWN of Florida. Mr. Chairman, President Bush is cutting funds for veterans' medical care in 2005. CBO has stated that the amount the President is providing is 257 million below what is needed to maintain purchasing power at the 2004 levels. The Secretary of Veterans Affairs has testified that he sought $1.2 billion more than what the President provided. The President's 2005 budget is a perfect example of how the Bush administration is failing to treat our veterans with the respect that they have earned.

It is mind-blowing to me that the Bush administration is going to make the trillion dollar deficit they created even worse by keeping the tax cuts it has given to the wealthy.

□ 1215

Americans deserve to have a President who looks out for the interests of the Nation as a whole, not just for the elite few.

In conclusion, Mr. Chairman, the Republican budget is not adequate to meet the needs of 25 million of our Nation's finest individuals. President Bush needs to start walking the walk if he is going to talk the talk. Wearing a flight suit and landing on a carrier does not take care of the needs of former and current members of our Nation's military.

Mr. CUMMINGS. Mr. Chairman, we are supported tremendously by the Hispanic Caucus and certainly the Asian Pacific Caucus, and we are very pleased to yield 1½ minutes to the gentlewoman from California (Ms. SOLIS).

Ms. SOLIS. Mr. Chairman, I would like to thank the distinguished chairperson of the Black Caucus, the gentleman from Maryland (Mr. CUMMINGS), for yielding me this time; and I rise to support the alternative Progressive Caucus and Black Caucus budget that is before us today.

The Republican majority refuses to finance priorities that are most important to working families in America. They lack any support for guaranteed health care, jobs, and a clean environment. The House Republican budget will severely damage our Nation's health care system by cutting $2.2 billion over the next 5 years in Medicaid and SCHIP programs; and in my State of California, 6.5 million people will be affected by those cuts. Mr. Chairman, 51 million Americans currently rely on the Medicaid program.

While President Bush has been in office, in fact, we have lost over 3 million jobs. In my district alone, we lost 20,000. This Republican budget denies an opportunity to provide jobs, 500,000 new jobs in infrastructure development. And on top of that, they cut back on EPA funding 7 percent across the board. That means dirty water, dirty air, and a dirty environment.

This Progressive and Black Caucus budget fully funds Leave No Child Behind, it doubles Federal funding for Historically Black Colleges and Hispanic Serving Institutions, it increases

Pell grants to college students, and it increases funding for the COPS program, community policing grants. The Republican budget ignores the needs of working families.

Mr. Chairman, I urge my colleagues to support the Progressive and Black Caucus alternative budget.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi (Mr. WICKER), a member of the committee.

Mr. WICKER. Mr. Chairman, this is an instructive debate, and the debates that we will have throughout the day and on into the evening will be instructive because they will point up the stark differences in the two philosophies which exist here in this House of Representatives and in this Congress.

I oppose the CBC budget because it increases spending by almost $30 billion in the first year. In the face of this increased spending, it proposes to reduce the deficit. Now, how does it do that? It does so by increasing taxes by over $35.5 billion in the first year.

Now, Mr. Chairman, I have been in this House for 10 years. Previous to that, in the early 1980s, I was a staffer here for the House of Representatives. I am proud to have served here in both capacities. It is okay to have differences in philosophy. That is what makes democracy count, and it is a good thing. This substitute and this debate today does point out the difference that I have seen over time.

If we look down through history and if we look at all of the debates that we will have today, basically, when the Democrats propose a budget, they propose increased spending and increased taxes. When the Republicans propose a budget, we try to hold the line on spending, as this budget does, and to have a lower tax burden on the American people; and this debate today will point that out very, very distinctly.

Now, I would like to draw my colleagues' attention, Mr. Chairman, to a couple of charts. The Republican majority, since fiscal year 1996, has certainly been generous with those Departments that we have tried to invest in: a 156 percent increase in education spending, a 109 percent increase in HHS spending, a 48 percent increase in defense spending. Then, one area that is particularly near and dear to my heart—the NIH—the National Institutes of Health, during this Republican Congress, we have doubled the investment in research and health; and then even after we did that, we increased the investment a little more. So we have, I think, been very generous. But for some people in this House, and some people in this town, there is never enough spending. I submit there is just a point where we have to draw the line, we are going to try to be reasonable in what we have spent, and being generous ought to be enough.

We are coming out of recession, Mr. Chairman. At a time when we are coming out of recession, the last thing we need to do is to do what this substitute asks, and that is to raise taxes on the American people. Please vote "no" on this substitute.

Mr. CUMMINGS. Mr. Chairman, I yield 2½ minutes to the gentleman from Alabama (Mr. DAVIS), a member of the Committee on the Budget.

Mr. DAVIS of Alabama. Mr. Chairman, a lot of us on the Congressional Black Caucus and a lot of us who sit on this side of the aisle are used to being called "tax and spend liberals." It is a mantra that our friends on the other side throw around a lot. I do not know about the gentleman from Maryland, but if it makes you a liberal to stand for full funding for No Child Left Behind, and if it makes you a liberal to stand up for a revitalized Federal commitment to Medicaid, if it makes you a liberal to care about the plight of some of our children and some people who are living in public housing, I know some of us who are willing to wear that tag.

We hear a lot of talk during this debate about the tough choices that the Republican majority want to make. I have heard a lot of speakers come to the well of this House and say, we have to be courageous, we have to make these tough spending cuts.

I do not think it is courageous, I say to the gentleman, to cut $5 billion over the next 5 years in income subsistence programs at a time when so many children are falling back into poverty. I do not think it is courageous to cut $1 billion from Medicaid when States like my State and the gentleman's State are struggling to draw down the limited Federal dollars that are available. I do not think it is courageous to pare back benefits for veterans. I am so tired, as I know the gentleman from Maryland is, of what is cold blooded being passed off as courageous on the floor of this House.

We do need a different set of priorities for America. And all of the Democratic budgets today, the Congressional Black Caucus budget, the Blue Dog budget, and the Democratic Caucus budget, have one thing in common: we make tough fiscal choices. We try to get a handle on this deficit, and we do it on the firmest foundations of our American values.

It may very well be that we are vulnerable to the allegation that we are walking away from tax cuts for some; but some of us on this side of the aisle are willing to walk away from tax cuts for millionaires, because I close on this reality: the middle-income Americans in this country are getting about $217 a year out of this tax cut. The average person in my district is getting between $25 and $40 a month. This tax cut that our friends and our adversaries embrace so wholeheartedly disproportionately favors those who are already powerful.

In conclusion, their budget does not speak to the best of our values. Our budget does, and I encourage all of our Democrats today to support all three of these budgets.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute just to respond.

Mr. Chairman, first of all, as I said in our opening, I respect the fact that we are putting our values on the table. I have enormous respect for that. But let me just at least respond to the gentleman with regard to what he just said about taxes.

Most provisions that they are talking about, that they talk about as being tax cuts for the rich or tax increases on the rich, we have to remember that the bracket they are talking about, 90 percent of small businesses, which are the job creators in my district, in Manchester, Iowa, and it is true for all small businesses; small businesses owned by women, small businesses owned by minorities, small businesses all together, are paying this top rate, and 80 percent of the increase on taxes on this top rate would be borne by small businesses. Two-thirds of the income tax filers in the top income tax bracket have small business income. If we want to create jobs, why would we tax the job creators? That is what we are talking about.

And I respect the fact my Democrat colleagues admit they are taxers and spenders, but do not tax the job creators.

Mr. CUMMINGS. Mr. Chairman, I yield 15 seconds to the gentleman from Alabama (Mr. DAVIS) to respond.

Mr. DAVIS of Alabama. Mr. Chairman, let me say this to the esteemed chair of the committee: 36 percent of small business owners in this country will get virtually no tax relief under this bill. The overwhelming majority of sole proprietors will only get very small relief under this bill. We can talk all we want to about the tax cuts. The reality is that for small business owners, it will have very little impact.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the very distinguished gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to applaud our chairman, the gentleman from Maryland (Chairman CUMMINGS), and also the gentleman from Virginia (Mr. SCOTT) for this budget. I join them and my colleagues in strong opposition to the Republican budget.

On November 6 of last year, we introduced the Health Care Equality and Accountability Act of 2003 with the Democratic leadership in this House and the Senate. Today I am here to assure my colleagues that that was not just a message bill. The CBC budget seeks to meet the needs of people of color in this country, the health care needs, as well as other needs, who have been left behind for so long.

Mr. Chairman, giving taxes breaks to the wealthy cannot be a priority of this country when our people are sick, disabled, and dying and do not have access to healing and lifesaving care. So our budget reauthorizes funds to the Office of Minority Health, the Indian Health Service, Health Professions and other programs that reach out to and bring wellness to our communities. It supports our teaching and safety net hospitals and other facilities, and fully funds Medicaid.

This is not increasing taxes; this is stopping corporate giveaways, giveaways to the wealthy, and investing in the strength of this country: our people.

Dr. Martin Luther King said, "Of all forms of inequality, injustice in health care is the most shocking and inhumane." We agree. And with the CBC budget, we continue our work to correct that injustice, to restore health as a right, and to heal America.

We urge our colleagues to vote "yes" on the Congressional Black Caucus budget.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Chairman, once again the CBC budget makes education the highest priority. We are requesting an increase of $18.5 billion for education funding. The CBC understands that at the heart of our efforts to improve homeland security, at the heart of our efforts for leadership in the world, at the heart of our efforts to improve the economy is education. Everybody always seems to forget that.

The CBC is the only alternative budget, for example, with funds for school construction. This Congress blindly continues to ignore the need for school construction, school modernization, and school repairs.

This administration proposes to spend billions of dollars to build schools in Iraq, while it has placed zero in the budget to build public schools here in America. Nearly every Member of Congress has one outrageous situation in their district, at least, where there is a great obvious need for school repair, school modernization, or school construction; every Member beyond the Congressional Black Caucus members.

There is a lot of hypocrisy in the Republican position on school construction. There is an argument that the Federal Government should not be involved in school construction. On the other hand, there is some money in this budget for the construction of charter schools. Charter schools are an exception because, ideologically, this administration agrees with that.

So I urge my colleagues to vote for the Congressional Black Caucus budget because it is the only budget which understands that for homeland security and for all we want to do in America, education must come first.

Mr. CUMMINGS. Mr. Chairman, I yield 1¾ minutes to the gentleman from Texas (Mr. LAMPSON).

Mr. LAMPSON. Mr. Chairman, I too rise to oppose this Republican budget. My concerns are the tax cuts and the costs that our citizens will face because of them.

This budget ignores the needs of many of the folks that work in the petrochemical industry, particularly of Southeast, but of any manufacturing activity on any waterway in our country.

Cutting taxes and government spending foolishly ignores maintenance of some of our highways of commerce for many industries, and even our military. This budget provides half the amount needed to keep our navigable waterways open.

Recently, one of the channels in my district shoaled up and caused ships to begin to hit bottom and, therefore, having to lighten their loads. The ship traffic increased going to the plants. It began to cost not only the Coast Guard more to protect them, but also the plants themselves were losing significant profits. One company was paying $75,000 a day. That, too, could be considered a tax of us not doing our business in the right way.

□ 1230

This budget lowers the Corps of Engineers' budget from 72 percent of its needs to 50 percent of its needs. And the Corps is now notifying these companies using those ship channels that they are going to be facing even additional operating costs if Congress does not provide the money to keep our water highways open. And that is the same thing that we will be facing as a military as we, through strategic ports including the one I just spoke of with the shoaling, does not have the ability to send the equipment to Iraq for our young men and women who are fighting diligently there on our behalf.

These are some of the reasons why this needs to be reconsidered. What logic can there be behind cutting our ability to grow our economy by cutting our own infrastructure? Let us get our fiscal house in order so that working families and our Nation's security do not become the casualty of this budget debate.

Mr. CUMMINGS. Mr. Chairman, how much time remains?

The CHAIRMAN pro tempore (Mr. LATOURETTE). The gentleman from Maryland (Mr. CUMMINGS) has 5½ minutes remaining.

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to take a moment to simply thank many people who worked on this, including certainly the gentleman from Virginia (Mr. SCOTT) who has spent a phenomenal amount of time on this along with the gentleman from Alabama (Mr. DAVIS), the gentlewoman from Georgia (Ms. MAJETTE), and others who have just for the last month or so spent countless hours.

I also want to take the time out to recognize our staff, certainly Paul Brathwaite, the policy director of the Congressional Black Caucus, Lee Perselay and Alana Fisher, Michael Goodman and Norman Meyer, and so many others who gave so much of their time, their blood, their sweat, and their tears because they want to see a better budget and they want to see America do better.

Therefore, Mr. Chairman, at this juncture, I yield 2½ minutes to the distinguished gentleman from Virginia (Mr. SCOTT), a member of the Committee on the Budget.

Mr. SCOTT of Virginia. Mr. Chairman, I thank the gentleman for yielding me time. I also thank the chairman of the committee for his consideration in yielding us time.

The Congressional Black Caucus alternative is committed to making America more secure. It invests in homeland security, especially for Federal air marshals, CDC, port security grants. It equips our troops with such equipment as reinforced trucks to protect from the landmines, the radio jammers that protect from long distance bombing. It also protects our veterans. The underlying budget includes an increase in veterans health, but unfortunately not enough of an increase in veterans health to maintain present services.

The veterans committee has indicated that $2.5 million is necessary. This, the underlying budget, does not include $2.5 million. Our budget does. It adds to security with COPS, local police on the beat, law enforcement block grants, juvenile crime prevention. It invests in our future. No Child Left Behind is fully funded in the Congressional Black Caucus budget.

We provide school construction funds, health initiative and job creation programs. The economic policy of this administration has failed and lost 3 million jobs. You cannot blame that on 9–11 because you have to go back to Harry Truman, past the Korean War, past the Vietnam War, past the last Persian Gulf War to find an administration with a 3 million job loss.

This budget invests in job creation. I will admit we have to make some tough choices. Those with incomes over $200,000 may not enjoy a continuation of the tax cuts under the original budget. But those are the tough choices made. And we have priorities. Do we fund missile defense, or do we fund port security grants? These are the tough choices that are made.

After we have made those tough choices, we look up and have a deficit

$70 billion lower compared to the Republican budget, $8 billion reduction in interest payments alone.

This is a fiscally responsible budget. It invests in the appropriate values of the Nation, and I would hope that it would be the pleasure of the House to adopt the CBC budget.

The CHAIRMAN pro tempore. The gentleman from Maryland (Mr. CUMMINGS) has 2 minutes remaining. The gentleman from Iowa (Mr. NUSSLE) has 3½ minutes remaining.

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

I too want to thank the chairman of the committee for yielding and giving us the additional 10 minutes. We really appreciate it.

Mr. NUSSLE. Mr. Chairman, will the gentleman yield?

Mr. CUMMINGS. I yield to the gentleman from Iowa.

Mr. NUSSLE. I have no further speakers other than myself and I belive I have the right to close and so I am prepared to close when the gentleman is.

Mr. CUMMINGS. Reclaiming my time, I am closing now.

Mr. Chairman, again, we thank the gentleman.

The gentleman from Virginia (Mr. SCOTT) said it and the members of Congressional Black Caucus said it quite well. What we are addressing here and the reason we called our budget "Investing in America While Ensuring Fiscal Responsibility" is that we believe very strongly in a balanced budget. We believe very strongly that we must address the issues of terrorism. It is very significant and very important to us. But at the same time, we do believe that we need to take care of Americans right here at home.

Many of our members in the Congressional Black Caucus look at our schools, and we are extremely concerned. That is why we spent a phenomenal amount of time and put a lot of emphasis on No Child Left Behind to make sure that it is properly funded, because we want those children to have a future.

I have often said that our children are the living messages we send to a future we will never see. We want to make sure they go into that future well educated, well prepared, and well ready to take on the many opportunities that will be before them. We also make sure that we secure funding for initiatives such as the COPS program because we realize that our neighborhoods have to be safe in order for people to live the best lives that they can.

Again, we look at the budget from the standpoint of this, and it is a very simple thing, Mr. Chairman. It simply is that we have one life to live. This is no dress rehearsal, and this so happens to be that life. It is our belief that the balance that we have provided in our budget is a much better alternative than the budget that the other side has presented and the President's.

Mr. Chairman, I urge Members to vote for the Congressional Black Caucus' "Investing in America While Ensuring Fiscal Responsibility" budget.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The gentleman from Iowa (Mr. NUSSLE) has 3½ minutes remaining.

Mr. NUSSLE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, first, as I did when I opened, I do very much respect the job that has been done by the Congressional Black Caucus in presenting a budget. It is very difficult to do that. I know that just because I have the responsibility of putting together the majority budget, and it is not an easy task. And so I appreciate the job that was done. We simply disagree, and we do so very respectfully.

The title of the budget is "Investing in America," and we just happen to believe that the best investors in America are Americans, not the government. We believe that individuals and families make much better decisions about spending their money than the government can for them. And so the reason why we believe that increasing taxes would be wrong or increasing spending at this time and the dramatic way that you go about that in your budget would just not be the right recipe at this time or the right blueprint as we move forward.

A couple of things that I just want to point out to my colleagues who are coming over and getting ready to vote.

The first is that the substitute offered by the Congressional Black Caucus raises taxes. It raises $35 billion of taxes in 2005 alone and $192 billion over 5 years. And the way that it raises taxes is on small business; and that is, in my estimation, the wrong recipe at the wrong time when our economy is just poised to begin job creation. Ninety percent of small businesses pay taxes at the rate that they want to increase. More than 80 percent of the increase in taxes on the top rate will be borne by small business. Two-thirds of the income tax filers in the top income tax rate have small business income.

Small businesses represent more than 99 percent of all the employers in this country. And at the exact moment when the economy is poised after 6 months of the largest growth in 20 years, we cannot allow a tax increase to occur on those small businesses because they are the risk-takers, the entrepreneurs, the innovators in America. It is not government.

The innovation is happening outside of Washington, D.C., not inside the Beltway. And we need to encourage that.

I also just want to mention that tax cuts are not to blame for everything. We have heard a lot of people come to the floor today claiming that tax cuts cause the deficit, that tax cuts are the bane of our existence. Let me remind you that tax cuts, as you can see here, represent this white area right above here. This white line. And tax cuts would not have gotten us into deficit. It is spending. It is spending. It is spending that gets us into deficit as well as a downturn in the economy.

So two things that we cannot do, kill the economy or continue increases in spending. Second thing is that I believe the substitute spends too much money. Let me tell you what I mean by that.

Even before you ask us to adopt your budget, look at the large increases of spending that we are talking about. So before anyone comes to the floor yet again today and says somehow that we are cutting this, we are cutting that, we are gouging this, we are gouging that, my goodness we are spending a lot of money out here. In fact, if you want to look at this a little different way, this is the bar chart way. In the last 3 years total growth has been 6 percent. That is enough. We have enough spending. We do not need new taxes.

Please reject, respectfully, the Congressional Black Caucus budget.

Ms. KILPATRICK. Mr. Chairman, I rise in opposition to this resolution and in support of the Democratic and Congressional Black Caucus alternatives.

You would think that after 3 years of Bush budgets and Bush tax cuts, there is enough evidence to suggest that the people who benefited from 3 years of tax cuts are not producing jobs for the rest of working America. The sponsors of the Republican budget resolution look at economic growth and ignore stagnant job creation. That is why they try to convince working Americans to stay the course.

In the last 3 years, similar budgets have cost the economy 3 million jobs. Unemployment in my State of Michigan stands at 6.6 percent, the second largest number of unemployed citizens in the country. Unemployment among African-Americans stands at 9.8 percent.

Only 21,000 jobs were created in February, and not one was created by the private sector. If the economy continues to perform at last month's rate, it would take 9 years to recover all the jobs lost in the last three Bush budgets. This record would earn him the distinction of having the worst job creation record since the Great Depression.

The Republican budget resolution does nothing about deficits. It produces deficits each and every year of the life of the resolution and beyond. The Republican budget provides no blueprint to bring the budget into balance, and this document refuses to show how large the deficits will be in the out years beyond 2009.

Three years ago, the President told us we would see a $5.6 trillion surplus. He used that projection to justify $1.3 trillion in tax cuts. Now the surpluses have disappeared and if you project out 10 years to 2014, the deficits generated are estimated at $5.5 trillion. That is a swing of $10 trillion in tax cuts. Now the surplus have disappeared and if you project out 10 years to 2014, the deficits generated are estimated at $5.5 trillion. That is a swing of $10 trillion. If tax cuts are appropriate when we have surpluses, why are they appropriate when we have record deficits?

Three years ago, the Republican majority talked about putting Social Security and Medicare funds in a lock box. Now they are planning to spend the entire trillion dollar Social Security surplus from 2005 to 2009. The price we are paying for the Bush tax cuts is ultimately the dismantling of Social Security and Medicare as we know it.

With respect to education, the Republican budget underfunds No Child Left Behind by $8.8 billion, continuing the pattern of underfunding education programs. With 3.8 million women looking for work, the Republican budget does nothing to create good paying jobs or improve access to health care.

That is the result of 3 years of Bush budgets, and we are promised more of the same.

If the Republicans were serious about the deficit, they would come up with a new economic strategy. This Republican budget promises more of the same. If the administration and its allies in Congress were serious about the deficit, they would follow the 1990 PAYGO model to make it impossible to enact any revenue, mandatory spending, or tax expenditure legislation unless there was an offset. But PAYGO in this Congress would apply only to spending, not to revenues. That is not a serious attempt to cut the deficit.

If you are satisfied with the job creation record of the last 3 years, then vote for the Republican budget resolution. If you are satisfied with the course of the economy, then vote for the Republican budget resolution. If you are satisfied with the lack of wage growth, then vote for the Republican budget resolution. If you want more of the same, then vote for this Republican budget resolution.

But if you want economic growth with job growth, look to the Democratic and CBC alternatives. If you really want to help school districts meet the mandates of No Child Left Behind, vote for the Democratic and CBC alternatives. If you want to protect Social Security and Medicare, vote for the Democratic and CBC alternatives. If you want to do something for veterans health care, vote for the Democratic and CBC alternatives.

Ms. WATSON. Mr. Chairman, I urge my colleagues to support the substitute amendment offered by Mr. SCOTT. This amendment would refocus our budget priorities back to where they should be during this time of war—to defeating terror and making America safer. This resolution would provide an additional $2½ billion for Homeland Security, with close to $1 billion of that amount going directly to our first responders—the fire, police, medical, and other emergency personnel who keep our neighborhoods safe. We've talked a lot over the past couple years about the new Homeland Security Department here in Washington. We need to remember that, in case of another attack on America, Homeland Security employees will not be the ones running into danger to save lives. Just as on September 11, it will be local paramedics, firefighters, police, and others. They deserve—we all deserve—to have Congress provide the resources to make sure they are prepared to protect us.

This substitute also includes increased funding for veterans and for our troops in the field. At a time when American forces are at war, Congress should be focused on providing our soldiers with what they need, rather than focusing attention on what wealthy executives need. This substitute budget closes tax loopholes and uses those funds to pay for body armor for soldiers and armor for their vehicles. I cannot be prouder than to vote for an amendment that would both punish tax dodgers and protect our soldiers.

But we need to focus not only on our current soldiers but also our former soldiers. I am proud to be supporting a substitute budget that provides adequate resources for veterans' health care. As we ask the men and women of the armed services to risk their lives for us, we need to show them that we will be there for them as they deal, in many cases for the rest of their lives, with injuries sustained in defense of the United States. I urge my colleagues to support this substitute budget, to make America's budget priorities match America's wartime needs.

Mr. SERRANO. Mr. Chairman, I rise today in strong opposition to H. Con. Res. 393, the Republican budget resolution. There are so many things wrong with this budget resolution and the President's budget request that I would not know how to even begin listing all of them. But I am especially concerned about how this budget hurts our Nation's low-income minority communities.

Instead of providing adequate funding for job creation, healthcare, education, and housing, House Republicans have instead ignored or cut funding in these areas to finance the President's ill-conceived tax cuts to the wealthy.

At a time when well over 3 million African-Americans and Hispanics are out of work, the President's budget proposes cuts to the Small Business Administration by $78 million, despite SBA's proven effectiveness in helping minority-owned businesses grow.

On education, the President's budget is devastating to programs designed to help minority students gain an even footing. It freezes funding for bilingual education, cuts funding for Head Start, and eliminates Even Start and dropout prevention programs. Only 17 percent of African-Americans and 11 percent of Latinos have their college degrees, but this administration has frozen funding for Pell grants and cut funding for Perkins loans by nearly $100 million.

The misled priorities do not stop there. According to top level officials of the administration, the President's budget underfunds the Department of Veterans Affairs by $1.2 billion and falls short on veterans' health benefits. Furthermore, for nonveterans, the budget does nothing to address skyrocketing healthcare costs of low-income individuals.

Recklessly slashing or neglecting non-Homeland Security domestic discretionary spending, which comprises a mere one-sixth of the total budget, will not make a dent in the astronomical budget deficit that Republicans have proposed. That is why I support the substitute offered by the Congressional Black Caucus, which will not only restore funding to veterans and other domestic priorities, but also including funding for essential priorities such as local law enforcement, schools and job training.

Mr. Chairman, we in this body have an obligation to represent all Americans, not just the wealthiest ones. For that reason, I urge my colleagues to join me in opposing the Republican budget and supporting the CBC substitute, and if that fails, supporting the Democratic substitute, which is still vastly superior to the Republican resolution.

The CHAIRMAN pro tempore. All time for debate on this amendment in the nature of a substitute has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Maryland (Mr. CUMMINGS).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. CUMMINGS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 119, noes 302, not voting 12, as follows:

[Roll No. 88]

AYES—119

Ackerman
Baca
Baldwin
Ballance
Becerra
Berman
Bishop (GA)
Blumenauer
Brady (PA)
Brown (OH)
Brown, Corrine
Capuano
Carson (IN)
Clay
Clyburn
Conyers
Cooper
Crowley
Cummings
Davis (AL)
Davis (IL)
DeFazio
Delahunt
Deutsch
Dingell
Doggett
Dooley (CA)
Doyle
Engel
Eshoo
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Gephardt
Green (TX)
Grijalva
Gutierrez
Hastings (FL)
Hinchey
Hinojosa
Holt
Honda
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy (RI)
Kilpatrick
Kleczka
Kucinich
Lantos
Larson (CT)
Lee
Lewis (GA)
Lofgren
Lowey
Lynch
Majette
Maloney
Markey
Matsui
McCollum
McDermott
McGovern
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Moran (VA)
Nadler
Napolitano
Neal (MA)
Oberstar
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Rahall
Rangel
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Scott (GA)
Scott (VA)
Serrano
Sherman
Solis
Stark
Tauscher
Thompson (MS)
Tierney
Towns
Van Hollen
Velázquez
Waters
Watson
Watt
Waxman
Weiner
Woolsey
Wynn

NOES—302

Aderholt
Akin
Alexander
Allen
Andrews
Bachus
Baird
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bell
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop (NY)
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boswell

Boucher
Boyd
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Cardoza
Carson (OK)
Carter
Case
Castle
Chabot
Chandler
Chocola
Coble
Cole
Collins
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeGette
DeLauro
DeLay
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
English
Etheridge
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harman
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hobson
Hoekstra
Holden
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kildee
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Larsen (WA)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Lipinski
LoBiondo
Lucas (OK)
Manzullo
Marshall
Matheson
McCarthy (MO)
McCarthy (NY)
McCotter
McCrery
McHugh
McIntyre
McKeon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Mollohan
Moore
Moran (KS)
Murphy
Murtha
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Obey
Ortiz
Osborne
Ose
Otter
Oxley
Paul
Pearce
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Royce
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Young (AK)
Young (FL)

NOT VOTING—12

Abercrombie
Bonner
DeMint
Hoeffel
Linder
Lucas (KY)
McInnis
Pence
Price (NC)
Quinn
Tauzin
Wexler

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. LaTourette) (during the vote). Members are advised 2 minutes remain in this vote.

□ 1310

Messrs. BURR, GALLEGLY, GUTKNECHT, McCOTTER, RAMSTAD, and GONZALEZ changed their vote from "aye" to "no."

Mr. KENNEDY of Rhode Island changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. BONNER. Mr. Chairman, I was unavoidably detained in a meeting off the Hill and was not able to vote on the Cummings amendment, rollcall No. 88. Had I been present, I would have voted "no."

The CHAIRMAN pro tempore (Mr. LaTourette). It is now in order to consider amendment No. 2 printed in House Report 108–446.

AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 2 OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, as the designee of the gentleman from Indiana (Mr. Hill), I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the Nature of a Substitute No. 2 offered by Mr. Stenholm:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

(a) Declaration.—The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate levels for fiscal years 2006 through 2014 are hereby set forth.

(b) Table of Contents.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 2004.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.
Sec. 102. Homeland security.
Sec. 103. Major functional categories.

TITLE II—RECONCILIATION

Sec. 201. Reconciliation.
Sec. 202. Submission of report on defense savings.

TITLE III—RESERVE FUNDS AND ENFORCEMENT

Subtitle A—Reserve Funds

Sec. 301. Reserve fund for the costs of military operations in Iraq and Afghanistan.
Sec. 302. Reserve fund for health insurance for the uninsured.
Sec. 303. Adjustment for surface transportation.
Sec. 304. Reserve fund for permanent extension of tax cuts.
Sec. 305. Reserve fund for funding local law enforcement programs.
Sec. 306. Deficit-neutral reserve fund for Military Survivors' Benefit Plan.

Subtitle B—Enforcement

Sec. 311. Point of order against certain legislation reducing the surplus or increasing the deficit after fiscal year 2009.
Sec. 312. Application and effect of changes in allocations and aggregates.
Sec. 313. Discretionary spending limits in the house.
Sec. 314. Emergency legislation.
Sec. 315. Pay-as-you-go point of order in the House.
Sec. 316. Disclosure of effect of legislation on the public debt.
Sec. 317. Disclosure of interest costs.
Sec. 318. Dynamic scoring of tax legislation.
Sec. 319. Restrictions on advance appropriations.

Subtitle C—Increase in Debt Limit Contingent Upon Plan To Restore Balanced Budget

Sec. 321. Increase in debt limit.
Sec. 322. Review of budget outlook.

TITLE IV—SENSE OF CONGRESS AND SENSE OF HOUSE PROVISIONS

Sec. 401. Sense of Congress regarding budget enforcement.
Sec. 402. Sense of Congress on tax reform.
Sec. 403. Sense of the house on spending accountability.
Sec. 404. Sense of Congress regarding previously enacted tax legislation.
Sec. 405. Sense of Congress regarding a trigger mechanism for costs of prescription drug legislation.
Sec. 406. Sense of Congress regarding responsible funding for additional military end strength.
Sec. 407. Sense of the House regarding funding for the manufacturing extension partnership.
Sec. 408. Sense of the House regarding the conservation spending category.
Sec. 409. Sense of the House regarding the ouachita-black navigation project.
Sec. 410. Sense of the House on tax simplification and tax fairness.
Sec. 411. Sense of the House on LIHEAP.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2005 through 2014:

(1) Federal revenues.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2005: $1,466,774,000,000.
Fiscal year 2006: $1,643,201,000,000.
Fiscal year 2007: $1,776,224,000,000.
Fiscal year 2008: $1,867,910,000,000.
Fiscal year 2009: $1,976,900,000,000.
Fiscal year 2010: $2,095,382,000,000.
Fiscal year 2011: $2,293,633,000,000.
Fiscal year 2012: $2,472,923,000,000.
Fiscal year 2013: $2,605,505,000,000.
Fiscal year 2014: $2,747,823,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

Fiscal year 2005: $10,360,000,000.
Fiscal year 2006: $10,980,000,000.
Fiscal year 2007: −$21,280,000,000.

Fiscal year 2008: −$22,120,000,000.
Fiscal year 2009: −$23,840,000,000.
Fiscal year 2010: −$31,800,000,000.
Fiscal year 2011: −$12,040,000,000.
Fiscal year 2012: $11,500,000,000.
Fiscal year 2013: $12,500,000,000.
Fiscal year 2014: $14,000,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2005: $1,962,161,000,000.
Fiscal year 2006: $2,064,882,000,000.
Fiscal year 2007: $2,190,409,000,000.
Fiscal year 2008: $2,294,184,000,000.
Fiscal year 2009: $2,424,272,000,000.
Fiscal year 2010: $2,521,850,000,000.
Fiscal year 2011: $2,645,018,000,000.
Fiscal year 2012: $2,721,044,000,000.
Fiscal year 2013: $2,846,992,000,000.
Fiscal year 2014: $2,972,679,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2005: $1,981,499,000,000.
Fiscal year 2006: $2,075,659,000,000.
Fiscal year 2007: $2,166,368,000,000.
Fiscal year 2008: $2,259,452,000,000.
Fiscal year 2009: $2,386,165,000,000.
Fiscal year 2010: $2,497,928,000,000.
Fiscal year 2011: $2,626,458,000,000.
Fiscal year 2012: $2,695,976,000,000.
Fiscal year 2013: $2,827,312,000,000.
Fiscal year 2014: $2,952,585,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits (on-budget) are as follows:

Fiscal year 2005: −$514,726,000,000.
Fiscal year 2006: −$432,458,000,000.
Fiscal year 2007: −$390,144,000,000.
Fiscal year 2008: −$391,542,000,000.
Fiscal year 2009: −$409,264,000,000.
Fiscal year 2010: −$402,546,000,000.
Fiscal year 2011: −$332,825,000,000.
Fiscal year 2012: −$223,053,000,000.
Fiscal year 2013: −$221,807,000,000.
Fiscal year 2014: −$204,762,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 2005: $8,048,800,000,000.
Fiscal year 2006: $8,605,200,000,000.
Fiscal year 2007: $9,116,400,000,000.
Fiscal year 2008: $9,629,000,000,000.
Fiscal year 2009: $10,162,300,000,000.
Fiscal year 2010: $10,691,800,000,000.
Fiscal year 2011: $11,150,200,000,000.
Fiscal year 2012: $11,514,300,000,000.
Fiscal year 2013: $11,872,500,000,000.
Fiscal year 2014: $12,215,400,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of debt held by the public are as follows:

Fiscal year 2005: $4,737,200,000,000.
Fiscal year 2006: $4,990,100,000,000.
Fiscal year 2007: $5,184,900,000,000.
Fiscal year 2008: $5,365,500,000,000.
Fiscal year 2009: $5,550,200,000,000.
Fiscal year 2010: $5,714,800,000,000.
Fiscal year 2011: $5,796,100,000,000.
Fiscal year 2012: $5,758,600,000,000.
Fiscal year 2013: $5,712,900,000,000.
Fiscal year 2014: $5,643,900,000,000.

SEC. 102. HOMELAND SECURITY.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal year 2005 for Homeland Security are as follows:

(1) New budget authority, $34,102,000,000.
(2) Outlays, $29,997,000,000.

SEC. 103. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2005 through 2014 for each major functional category are:

(1) National Defense (050):
Fiscal year 2005:
(A) New budget authority, $422,157,000,000.
(B) Outlays, $449,442,000,000.
Fiscal year 2006:
(A) New budget authority, $444,807,000,000.
(B) Outlays, $441,451,000,000.
Fiscal year 2007:
(A) New budget authority, $466,423,000,000.
(B) Outlays, $448,337,000,000.
Fiscal year 2008:
(A) New budget authority, $488,691,000,000.
(B) Outlays, $468,010,000,000.
Fiscal year 2009:
(A) New budget authority, $511,074,000,000.
(B) Outlays, $489,757,000,000.
Fiscal year 2010:
(A) New budget authority, $523,701,000,000.
(B) Outlays, $511,202,000,000.
Fiscal year 2011:
(A) New budget authority, $537,177,000,000.
(B) Outlays, $533,024,000,000.
Fiscal year 2012:
(A) New budget authority, $550,124,000,000.
(B) Outlays, $539,798,000,000.
Fiscal year 2013:
(A) New budget authority, $563,075,000,000.
(B) Outlays, $557,979,000,000.
Fiscal year 2014:
(A) New budget authority, $577,498,000,000.
(B) Outlays, $571,363,000,000.

(2) International Affairs (150):
Fiscal year 2005:
(A) New budget authority, $26,586,000,000.
(B) Outlays, $32,878,000,000.
Fiscal year 2006:
(A) New budget authority, $27,836,000,000.
(B) Outlays, $30,066,000,000.
Fiscal year 2007:
(A) New budget authority, $27,990,000,000.
(B) Outlays, $26,768,000,000.
Fiscal year 2008:
(A) New budget authority, $27,540,000,000.
(B) Outlays, $24,269,000,000.
Fiscal year 2009:
(A) New budget authority, $28,298,000,000.
(B) Outlays, $25,162,000,000.
Fiscal year 2010:
(A) New budget authority, $28,888,000,000.
(B) Outlays, $25,637,000,000.
Fiscal year 2011:
(A) New budget authority, $29,505,000,000.
(B) Outlays, $25,850,000,000.
Fiscal year 2012:
(A) New budget authority, $30,119,000,000.
(B) Outlays, $26,124,000,000.
Fiscal year 2013:
(A) New budget authority, $30,752,000,000.
(B) Outlays, $26,654,000,000.
Fiscal year 2014:
(A) New budget authority, $31,438,000,000.
(B) Outlays, $27,216,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 2005:
(A) New budget authority, $23,418,000,000.
(B) Outlays, $22,975,000,000.
Fiscal year 2006:
(A) New budget authority, $23,557,000,000.
(B) Outlays, $23,263,000,000.
Fiscal year 2007:
(A) New budget authority, $23,696,000,000.
(B) Outlays, $23,352,000,000.
Fiscal year 2008:
(A) New budget authority, $23,369,000,000.
(B) Outlays, $23,040,000,000.
Fiscal year 2009:
(A) New budget authority, $23,980,000,000.
(B) Outlays, $23,525,000,000.
Fiscal year 2010:
(A) New budget authority, $24,484,000,000.
(B) Outlays, $23,988,000,000.
Fiscal year 2011:
(A) New budget authority, $25,005,000,000.
(B) Outlays, $24,357,000,000.
Fiscal year 2012:
(A) New budget authority, $25,531,000,000.
(B) Outlays, $24,813,000,000.
Fiscal year 2013:
(A) New budget authority, $26,084,000,000.
(B) Outlays, $25,340,000,000.
Fiscal year 2014:
(A) New budget authority, $26,641,000,000.
(B) Outlays, $25,878,000,000.

(4) Energy (270):
Fiscal year 2005:
(A) New budget authority, $2,344,000,000.
(B) Outlays, $707,000,000.
Fiscal year 2006:
(A) New budget authority, $2,189,000,000.
(B) Outlays, $1,024,000,000.
Fiscal year 2007:
(A) New budget authority, $2,214,000,000.
(B) Outlays, $649,000,000.
Fiscal year 2008:
(A) New budget authority, $2,305,000,000.
(B) Outlays, $373,000,000.
Fiscal year 2009:
(A) New budget authority, $1,903,000,000.
(B) Outlays, $489,000,000.
Fiscal year 2010:
(A) New budget authority, $1,823,000,000.
(B) Outlays, $563,000,000.
Fiscal year 2011:
(A) New budget authority, $1,891,000,000.
(B) Outlays, $609,000,000.
Fiscal year 2012:
(A) New budget authority, $1,963,000,000.
(B) Outlays, $917,000,000.
Fiscal year 2013:
(A) New budget authority, $2,040,000,000.
(B) Outlays, $875,000,000.
Fiscal year 2014:
(A) New budget authority, $2,112,000,000.
(B) Outlays, $1,296,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 2005:
(A) New budget authority, $31,386,000,000.
(B) Outlays, $31,061,000,000.
Fiscal year 2006:
(A) New budget authority, $31,758,000,000.
(B) Outlays, $32,104,000,000.
Fiscal year 2007:
(A) New budget authority, $32,104,000,000.
(B) Outlays, $32,357,000,000.
Fiscal year 2008:
(A) New budget authority, $33,445,000,000.
(B) Outlays, $33,541,000,000.
Fiscal year 2009:
(A) New budget authority, $33,007,000,000.
(B) Outlays, $33,024,000,000.
Fiscal year 2010:
(A) New budget authority, $33,755,000,000.
(B) Outlays, $33,852,000,000.
Fiscal year 2011:
(A) New budget authority, $34,502,000,000.
(B) Outlays, $34,099,000,000.
Fiscal year 2012:
(A) New budget authority, $35,242,000,000.
(B) Outlays, $34,664,000,000.
Fiscal year 2013:
(A) New budget authority, $36,046,000,000.
(B) Outlays, $35,149,000,000.
Fiscal year 2014:
(A) New budget authority, $36,945,000,000.
(B) Outlays, $36,008,000,000.

(6) Agriculture (350):
Fiscal year 2005:
(A) New budget authority, $22,066,000,000.
(B) Outlays, $21,184,000,000.
Fiscal year 2006:
(A) New budget authority, $24,129,000,000.
(B) Outlays, $22,981,000,000.
Fiscal year 2007:
(A) New budget authority, $25,066,000,000.

(B) Outlays, $23,941,000,000.
Fiscal year 2008:
(A) New budget authority, $25,126,000,000.
(B) Outlays, $24,061,000,000.
Fiscal year 2009:
(A) New budget authority, $25,985,000,000.
(B) Outlays, $25,138,000,000.
Fiscal year 2010:
(A) New budget authority, $25,980,000,000.
(B) Outlays, $25,164,000,000.
Fiscal year 2011:
(A) New budget authority, $25,963,000,000.
(B) Outlays, $25,142,000,000.
Fiscal year 2012:
(A) New budget authority, $25,885,000,000.
(B) Outlays, $25,078,000,000.
Fiscal year 2013:
(A) New budget authority, $25,888,000,000.
(B) Outlays, $25,038,000,000.
Fiscal year 2014:
(A) New budget authority, $25,854,000,000.
(B) Outlays, $25,031,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 2005:
(A) New budget authority, $11,000,000,000.
(B) Outlays, $4,677,000,000.
Fiscal year 2006:
(A) New budget authority, $10,457,000,000.
(B) Outlays, $5,749,000,000.
Fiscal year 2007:
(A) New budget authority, $9,944,000,000.
(B) Outlays, $4,380,000,000.
Fiscal year 2008:
(A) New budget authority, $10,206,000,000.
(B) Outlays, $3,485,000,000.
Fiscal year 2009:
(A) New budget authority, $9,878,000,000.
(B) Outlays, $3,106,000,000.
Fiscal year 2010:
(A) New budget authority, $10,084,000,000.
(B) Outlays, $3,279,000,000.
Fiscal year 2011:
(A) New budget authority, $10,191,000,000.
(B) Outlays, $3,317,000,000.
Fiscal year 2012:
(A) New budget authority, $10,375,000,000.
(B) Outlays, $3,631,000,000.
Fiscal year 2013:
(A) New budget authority, $10,547,000,000.
(B) Outlays, $3,659,000,000.
Fiscal year 2014:
(A) New budget authority, $10,727,000,000.
(B) Outlays, $3,693,000,000.
(8) Transportation (400):
Fiscal year 2005:
(A) New budget authority, $71,941,000,000.
(B) Outlays, $68,861,000,000.
Fiscal year 2006:
(A) New budget authority, $73,370,000,000.
(B) Outlays, $71,492,000,000.
Fiscal year 2007:
(A) New budget authority, $75,962,000,000.
(B) Outlays, $73,350,000,000.
Fiscal year 2008:
(A) New budget authority, $75,620,000,000.
(B) Outlays, $70,450,000,000.
Fiscal year 2009:
(A) New budget authority, $78,843,000,000.
(B) Outlays, $78,841,000,000.
Fiscal year 2010:
(A) New budget authority, $72,791,000,000.
(B) Outlays, $75,860,000,000.
Fiscal year 2011:
(A) New budget authority, $73,594,000,000.
(B) Outlays, $77,265,000,000.
Fiscal year 2012:
(A) New budget authority, $74,432,000,000.
(B) Outlays, $78,863,000,000.
Fiscal year 2013:
(A) New budget authority, $75,290,000,000.
(B) Outlays, $80,531,000,000.
Fiscal year 2014:
(A) New budget authority, $76,188,000,000.
(B) Outlays, $82,165,000,000.
(9) Community and Regional Development (450):
Fiscal year 2005:
(A) New budget authority, $14,999,000,000.
(B) Outlays, $16,540,000,000.
Fiscal year 2006:
(A) New budget authority, $14,950,000,000.
(B) Outlays, $15,594,000,000.
Fiscal year 2007:
(A) New budget authority, $15,183,000,000.
(B) Outlays, $15,462,000,000.
Fiscal year 2008:
(A) New budget authority, $15,433,000,000.
(B) Outlays, $15,565,000,000.
Fiscal year 2009:
(A) New budget authority, $15,872,000,000.
(B) Outlays, $15,749,000,000.
Fiscal year 2010:
(A) New budget authority, $16,189,000,000.
(B) Outlays, $16,247,000,000.
Fiscal year 2011:
(A) New budget authority, $16,517,000,000.
(B) Outlays, $15,978,000,000.
Fiscal year 2012:
(A) New budget authority, $16,846,000,000.
(B) Outlays, $16,159,000,000.
Fiscal year 2013:
(A) New budget authority, $17,196,000,000.
(B) Outlays, $16,450,000,000.
Fiscal year 2014:
(A) New budget authority, $17,542,000,000.
(B) Outlays, $16,750,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 2005:
(A) New budget authority, $93,036,000,000.
(B) Outlays, $90,735,000,000.
Fiscal year 2006:
(A) New budget authority, $94,241,000,000.
(B) Outlays, $93,398,000,000.
Fiscal year 2007:
(A) New budget authority, $94,993,000,000.
(B) Outlays, $94,109,000,000.
Fiscal year 2008:
(A) New budget authority, $91,712,000,000.
(B) Outlays, $91,285,000,000.
Fiscal year 2009:
(A) New budget authority, $96,342,000,000.
(B) Outlays, $96,213,000,000.
Fiscal year 2010:
(A) New budget authority, $98,169,000,000.
(B) Outlays, $96,894,000,000.
Fiscal year 2011:
(A) New budget authority, $100,198,000,000.
(B) Outlays, $98,961,000,000.
Fiscal year 2012:
(A) New budget authority, $102,177,000,000.
(B) Outlays, $101,088,000,000.
Fiscal year 2013:
(A) New budget authority, $104,292,000,000.
(B) Outlays, $103,091,000,000.
Fiscal year 2014:
(A) New budget authority, $106,398,000,000.
(B) Outlays, $105,176,000,000.
(11) Health (550):
Fiscal year 2005:
(A) New budget authority, $251,941,000,000.
(B) Outlays, $249,821,000,000.
Fiscal year 2006:
(A) New budget authority, $257,720,000,000.
(B) Outlays, $258,058,000,000.
Fiscal year 2007:
(A) New budget authority, $271,476,000,000.
(B) Outlays, $271,154,000,000.
Fiscal year 2008:
(A) New budget authority, $289,795,000,000.
(B) Outlays, $289,865,000,000.
Fiscal year 2009:
(A) New budget authority, $312,044,000,000.
(B) Outlays, $309,527,000,000.
Fiscal year 2010:
(A) New budget authority, $332,207,000,000.
(B) Outlays, $332,089,000,000.
Fiscal year 2011:
(A) New budget authority, $356,257,000,000.
(B) Outlays, $355,680,000,000.
Fiscal year 2012:
(A) New budget authority, $382,311,000,000.
(B) Outlays, $381,426,000,000.
Fiscal year 2013:
(A) New budget authority, $410,737,000,000.
(B) Outlays, $409,547,000,000.
Fiscal year 2014:
(A) New budget authority, $441,609,000,000.
(B) Outlays, $440,241,000,000.
(12) Medicare (570):
Fiscal year 2005:
(A) New budget authority, $287,855,000,000.
(B) Outlays, $288,862,000,000.
Fiscal year 2006:
(A) New budget authority, $322,663,000,000.
(B) Outlays, $322,245,000,000.
Fiscal year 2007:
(A) New budget authority, $362,525,000,000.
(B) Outlays, $362,784,000,000.
Fiscal year 2008:
(A) New budget authority, $387,258,000,000.
(B) Outlays, $387,295,000,000.
Fiscal year 2009:
(A) New budget authority, $414,018,000,000.
(B) Outlays, $413,870,000,000.
Fiscal year 2010:
(A) New budget authority, $442,208,000,000.
(B) Outlays, $442,496,000,000.
Fiscal year 2011:
(A) New budget authority, $478,799,000,000.
(B) Outlays, $478,801,000,000.
Fiscal year 2012:
(A) New budget authority, $504,733,000,000.
(B) Outlays, $504,241,000,000.
Fiscal year 2013:
(A) New budget authority, $550,143,000,000.
(B) Outlays, $550,427,000,000.
Fiscal year 2014:
(A) New budget authority, $595,866,000,000.
(B) Outlays, $595,863,000,000.
(13) Income Security (600):
Fiscal year 2005:
(A) New budget authority, $338,094,000,000.
(B) Outlays, $342,528,000,000.
Fiscal year 2006:
(A) New budget authority, $336,305,000,000.
(B) Outlays, $340,057,000,000.
Fiscal year 2007:
(A) New budget authority, $341,053,000,000.
(B) Outlays, $343,778,000,000.
Fiscal year 2008:
(A) New budget authority, $352,262,000,000.
(B) Outlays, $354,584,000,000.
Fiscal year 2009:
(A) New budget authority, $363,266,000,000.
(B) Outlays, $364,864,000,000.
Fiscal year 2010:
(A) New budget authority, $375,408,000,000.
(B) Outlays, $377,160,000,000.
Fiscal year 2011:
(A) New budget authority, $392,172,000,000.
(B) Outlays, $392,862,000,000.
Fiscal year 2012:
(A) New budget authority, $382,017,000,000.
(B) Outlays, $382,492,000,000.
Fiscal year 2013:
(A) New budget authority, $396,417,000,000.
(B) Outlays, $396,918,000,000.
Fiscal year 2014:
(A) New budget authority, $407,234,000,000.
(B) Outlays, $408,043,000,000.
(14) Social Security (650):
Fiscal year 2005:
(A) New budget authority, $15,386,000,000.
(B) Outlays, $15,196,000,000.
Fiscal year 2006:
(A) New budget authority, $16,801,000,000.
(B) Outlays, $16,740,000,000.
Fiscal year 2007:
(A) New budget authority, $18,159,000,000.
(B) Outlays, $18,139,000,000.
Fiscal year 2008:

(A) New budget authority, $19,505,000,000.

(B) Outlays, $19,528,000,000.

Fiscal year 2009:

(A) New budget authority, $21,860,000,000.

(B) Outlays, $21,863,000,000.

Fiscal year 2010:

(A) New budget authority, $24,121,000,000.

(B) Outlays, $24,127,000,000.

Fiscal year 2011:

(A) New budget authority, $28,007,000,000.

(B) Outlays, $28,009,000,000.

Fiscal year 2012:

(A) New budget authority, $30,993,000,000.

(B) Outlays, $30,995,000,000.

Fiscal year 2013:

(A) New budget authority, $33,739,000,000.

(B) Outlays, $33,740,000,000.

Fiscal year 2014:

(A) New budget authority, $36,603,000,000.

(B) Outlays, $36,604,000,000.

(15) Veterans Benefits and Services (700):

Fiscal year 2005:

(A) New budget authority, $71,432,000,000.

(B) Outlays, $69,456,000,000.

Fiscal year 2006:

(A) New budget authority, $69,415,000,000.

(B) Outlays, $68,521,000,000.

Fiscal year 2007:

(A) New budget authority, $67,554,000,000.

(B) Outlays, $66,937,000,000.

Fiscal year 2008:

(A) New budget authority, $68,680,000,000.

(B) Outlays, $68,443,000,000.

Fiscal year 2009:

(A) New budget authority, $73,552,000,000.

(B) Outlays, $73,097,000,000.

Fiscal year 2010:

(A) New budget authority, $75,138,000,000.

(B) Outlays, $74,667,000,000.

Fiscal year 2011:

(A) New budget authority, $79,507,000,000.

(B) Outlays, $79,046,000,000.

Fiscal year 2012:

(A) New budget authority, $76,587,000,000.

(B) Outlays, $76,114,000,000.

Fiscal year 2013:

(A) New budget authority, $81,208,000,000.

(B) Outlays, $80,732,000,000.

Fiscal year 2014:

(A) New budget authority, $83,275,000,000.

(B) Outlays, $82,822,000,000.

(16) Administration of Justice (750):

Fiscal year 2005:

(A) New budget authority, $43,835,000,000.

(B) Outlays, $41,255,000,000.

Fiscal year 2006:

(A) New budget authority, $39,933,000,000.

(B) Outlays, $40,269,000,000.

Fiscal year 2007:

(A) New budget authority, $40,601,000,000.

(B) Outlays, $40,637,000,000.

Fiscal year 2008:

(A) New budget authority, $38,497,000,000.

(B) Outlays, $38,501,000,000.

Fiscal year 2009:

(A) New budget authority, $42,172,000,000.

(B) Outlays, $41,444,000,000.

Fiscal year 2010:

(A) New budget authority, $43,335,000,000.

(B) Outlays, $43,022,000,000.

Fiscal year 2011:

(A) New budget authority, $44,531,000,000.

(B) Outlays, $44,174,000,000.

Fiscal year 2012:

(A) New budget authority, $45,776,000,000.

(B) Outlays, $45,378,000,000.

Fiscal year 2013:

(A) New budget authority, $47,052,000,000.

(B) Outlays, $46,617,000,000.

Fiscal year 2014:

(A) New budget authority, $48,375,000,000.

(B) Outlays, $49,939,000,000.

(17) General Government (800):

Fiscal year 2005:

(A) New budget authority, $17,324,000,000.

(B) Outlays, $17,962,000,000.

Fiscal year 2006:

(A) New budget authority, $17,549,000,000.

(B) Outlays, $17,498,000,000.

Fiscal year 2007:

(A) New budget authority, $17,711,000,000.

(B) Outlays, $17,531,000,000.

Fiscal year 2008:

(A) New budget authority, $18,847,000,000.

(B) Outlays, $18,713,000,000.

Fiscal year 2009:

(A) New budget authority, $17,276,000,000.

(B) Outlays, $17,189,000,000.

Fiscal year 2010:

(A) New budget authority, $17,852,000,000.

(B) Outlays, $17,634,000,000.

Fiscal year 2011:

(A) New budget authority, $18,464,000,000.

(B) Outlays, $18,230,000,000.

Fiscal year 2012:

(A) New budget authority, $19,088,000,000.

(B) Outlays, $18,908,000,000.

Fiscal year 2013:

(A) New budget authority, $19,710,000,000.

(B) Outlays, $19,262,000,000.

Fiscal year 2014:

(A) New budget authority, $20,359,000,000.

(B) Outlays, $19,852,000,000.

(18) Interest (900):

Fiscal year 2005:

(A) New budget authority, $270,012,000,000.

(B) Outlays, $270,012,000,000.

Fiscal year 2006:

(A) New budget authority, $316,698,000,000.

(B) Outlays, $316,698,000,000.

Fiscal year 2007:

(A) New budget authority, $359,828,000,000.

(B) Outlays, $359,828,000,000.

Fiscal year 2008:

(A) New budget authority, $390,726,000,000.

(B) Outlays, $390,726,000,000.

Fiscal year 2009:

(A) New budget authority, $416,367,000,000.

(B) Outlays, $416,367,000,000.

Fiscal year 2010:

(A) New budget authority, $439,593,000,000.

(B) Outlays, $439,593,000,000.

Fiscal year 2011:

(A) New budget authority, $459,207,000,000.

(B) Outlays, $459,207,000,000.

Fiscal year 2012:

(A) New budget authority, $475,986,000,000.

(B) Outlays, $475,986,000,000.

Fiscal year 2013:

(A) New budget authority, $488,534,000,000.

(B) Outlays, $488,534,000,000.

Fiscal year 2014:

(A) New budget authority, $502,137,000,000.

(B) Outlays, $502,137,000,000.

(19) Allowances (920):

Fiscal year 2005:

(A) New budget authority, $49,853,000,000.

(B) Outlays, $24,703,000,000.

Fiscal year 2006:

(A) New budget authority, $302,000,000.

(B) Outlays, $18,298,000,000.

Fiscal year 2007:

(A) New budget authority, −$287,000,000.

(B) Outlays, $4,813,000,000.

Fiscal year 2008:

(A) New budget authority, −$301,000,000.

(B) Outlays, $699,000,000.

Fiscal year 2009:

(A) New budget authority, −$316,000,000.

(B) Outlays, −$316,000,000.

Fiscal year 2010:

(A) New budget authority, −$324,000,000.

(B) Outlays, −$324,000,000.

Fiscal year 2011:

(A) New budget authority, −$334,000,000.

(B) Outlays, −$334,000,000.

Fiscal year 2012:

(A) New budget authority, −$342,000,000.

(B) Outlays, −$342,000,000.

Fiscal year 2013:

(A) New budget authority, −$351,000,000.

(B) Outlays, −$351,000,000.

Fiscal year 2014:

(A) New budget authority, −$357,000,000.

(B) Outlays, −$357,000,000.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 2005:

(A) New budget authority, −$52,505,000,000.

(B) Outlays, −$52,505,000,000.

Fiscal year 2006:

(A) New budget authority, −$59,798,000,000.

(B) Outlays, −$59,848,000,000.

Fiscal year 2007:

(A) New budget authority, −$61,787,000,000.

(B) Outlays, −$61,937,000,000.

Fiscal year 2008:

(A) New budget authority, −$64,532,000,000.

(B) Outlays, −$62,982,000,000.

Fiscal year 2009:

(A) New budget authority, −$61,150,000,000.

(B) Outlays, −$62,745,000,000.

Fiscal year 2010:

(A) New budget authority, −$63,552,000,000.

(B) Outlays, −$65,222,000,000.

Fiscal year 2011:

(A) New budget authority, −$66,135,000,000.

(B) Outlays, −$67,820,000,000.

Fiscal year 2012:

(A) New budget authority, −$68,800,000,000.

(B) Outlays, −$70,355,000,000.

Fiscal year 2013:

(A) New budget authority, −$71,406,000,000.

(B) Outlays, −$72,881,000,000.

Fiscal year 2014:

(A) New budget authority, −$73,765,000,000.

(B) Outlays, −$75,135,000,000.

TITLE II—RECONCILIATION

SEC. 201. RECONCILIATION.

(a) RECONCILIATION INSTRUCTION.—Not later than October 1, 2004, the House Committee on Ways and Means shall report a reconciliation bill that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than $10,360,000,000 for fiscal year 2005, by not more than $45,900,000,000 for the period of fiscal years 2005 through 2009, and by not more than $51,740,000,000 for the period of fiscal years 2005 through 2014.

(b) SENSE OF THE HOUSE.—It is the sense of the House that in complying with the instructions set forth in subsection (a), the Committee on Ways and Means should provide middle-class tax relief by extending the provisions regarding the child tax credit, marriage penalty, and ten percent income tax bracket expiring in 2004 for one year, provide permanent estate tax relief for small business and family farms and ranches, and defer a portion of tax reductions for taxpayers within incomes over $200,000 a year until the budget is balanced.

(c) ADDITIONAL RECONCILIATION INSTRUCTION.—Not later than October 1, 2004, the House Committee on Ways and Means shall report a reconciliation bill that consists of changes in laws within its jurisdiction that is revenue neutral by—

(1) raising revenues by closing corporate tax loopholes, improving tax compliance, and making other tax changes; and

(2) utilizing these savings to provide additional tax relief to middle-class families and small businesses or make other tax changes to promote economic growth.

SEC. 202. SUBMISSION OF REPORT ON DEFENSE SAVINGS.

In the House, not later than May 15, 2004, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify $2,000,000,000 in savings from (1) activities that are determined to be of a low priority to the successful execution of current military operations; or (2) activities that are determined to be wasteful or unnecessary to national defense. Funds identified should be reallocated to programs and activities that directly contribute to enhancing the combat capabilities of the U.S. military forces with an emphasis on force protection, munitions and surveillance capabilities. For purposes of this subsection, the report by the Committee on Armed Services shall be inserted in the Congressional Record by the chairman of the Committee on the Budget not later than May 21, 2004.

TITLE III—RESERVE FUNDS AND ENFORCEMENT

Subtitle A—Reserve Funds

SEC. 301. RESERVE FUND FOR THE COSTS OF MILITARY OPERATIONS IN IRAQ AND AFGHANISTAN.

(a) RESERVE FUND.—In the House, if the Committee on Appropriations reports a bill or joint resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority (and outlays flowing therefrom) for the costs of military operations in Iraq and Afghanistan, then the chairman of the Committee on the Budget shall make the appropriate revisions to the allocations and other levels in this resolution by an amount not exceed $50,000,000,000 in new budget authority and the resulting outlays.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should submit a supplemental request for funding necessary for military and civilian operations in Iraq and Afghanistan through the end of the calendar year not later than June 30, 2004.

SEC. 302. RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.

If the Committee on Finance or the Committee on Health, Education, Labor, and Pensions of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that provides health insurance or expands access to care for the uninsured (including a measure providing for tax deductions for the purchase of health insurance or other measures), increases access to health insurance through lowering costs, and does not increase the costs of current health insurance coverage, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 303. ADJUSTMENT FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports a bill or joint resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of—

(1) for fiscal year 2005, $41,772,000,000; or

(2) for fiscal years 2005 through 2009, $207,293,000,000;

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2005 and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriately made available to such Fund for the applicable fiscal year caused by such legislation or previously enacted legislation.

(b) ADJUSTMENT FOR OUTLAYS.—(1) For fiscal year 2005, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $40,600,000,000 for fiscal year 2005, for programs, projects, and activities within the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset in 2005 pursuant to subsection (a).

(2) For fiscal year 2006, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $40,621,000,000 for fiscal year 2005, for programs, projects, and activities within the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset in 2006 pursuant to subsection (a).

SEC. 304. RESERVE FUND FOR PERMANENT EXTENSION OF TAX CUTS.

In the House, notwithstanding section 311 of this resolution, if the Committee on Ways and Means reports a bill or joint resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that makes the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 permanent, and if the chairman on the Committee on the Budget certifies that the enactment of such legislation would not cause or increase a unified budget deficit in 2011 or any succeeding fiscal year covered by this resolution, then the chairman on the Committee on the Budget shall revise allocations to accommodate such legislation and make other necessary adjustments.

SEC. 305. RESERVE FUND FOR FUNDING LOCAL LAW ENFORCEMENT PROGRAMS.

In the House, if the House passes legislation reported by the Committee on Energy and Commerce providing for additional spectrum auctions, the Chairman of the Committee on the Budget may revise allocations for legislation providing increased funding for local law enforcement assistance by an amount that does not exceed the estimated increase in receipts from the spectrum auction legislation reported by the Committee on Energy and Commerce.

SEC. 306. DEFICIT-NEUTRAL RESERVE FUND FOR MILITARY SURVIVORS' BENEFIT PLAN.

In the House, if the Committee on Armed Services reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that increases survivors' benefits under the Military Survivors' Benefit Plan, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral resulting from a change other than to discretionary appropriations in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

Subtitle B—Enforcement

SEC. 311. POINT OF ORDER AGAINST CERTAIN LEGISLATION REDUCING THE SURPLUS OR INCREASING THE DEFICIT AFTER FISCAL YEAR 2009.

It shall not be in order in the House to consider any bill, joint resolution, amendment, or conference report that includes any provision that first provides new budget authority or a decrease in revenues for any fiscal year after fiscal year 2009 through fiscal year 2014 that would decrease the surplus or increase the deficit for any fiscal year.

SEC. 312. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

(1) apply while that measure is under consideration;

(2) take effect upon the enactment of that measure; and

(3) be published in the Congressional Record as soon as practicable.

(b) EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

SEC. 313. DISCRETIONARY SPENDING LIMITS IN THE HOUSE.

(a) POINT OF ORDER.—It shall not be in order in the House to consider any bill or joint resolution, or amendment thereto, that provides new budget authority that would cause the discretionary spending limits to be exceeded for any fiscal year.

(b) DISCRETIONARY SPENDING LIMITS.—In the House and as used in this section, the term "discretionary spending limit" means—

(1) with respect to fiscal year 2005, for the discretionary category: $ in new budget authority and $ in outlays;

(2) with respect to fiscal year 2006, for the discretionary category: $ in new budget authority and $ in outlays;

(3) with respect to fiscal year 2007, for the discretionary category: $ in new budget authority and $ in outlays;

as adjusted in conformance with subsection (c).

(c) ADJUSTMENTS.—

(1) IN GENERAL.—

(A) CHAIRMAN.—After the reporting of a bill or joint resolution, the offering of an amendment thereto, or the submission of a conference report thereon, the chairman of the Committee on the Budget may make the adjustments set forth in subparagraph (B) for the amount of new budget authority in that measure (if that measure meets the requirements set forth in paragraph (2)) and the outlays flowing from that budget authority. The chairman of the Committee on the Budget may also make appropriate adjustments for the reserve funds set forth in sections 201 and 202.

(B) MATTERS TO BE ADJUSTED.—The adjustments referred to in subparagraph (A) are to be made to—

(i) the discretionary spending limits, if any, set forth in the appropriate concurrent resolution on the budget;

(ii) the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a) of the Congressional Budget Act of 1974; and

(iii) the budgetary aggregates as set forth in the appropriate concurrent resolution on the budget.

(2) AMOUNTS OF ADJUSTMENTS.—The adjustment referred to in paragraph (1) shall be—

(A) an amount provided and designated as an emergency requirement pursuant to section 314;

(B) an amount appropriated for military operations in Iraq as provided in section 301; and

(C) an amount provided for transportation under section 303.

(3) APPLICATION OF ADJUSTMENTS.—The adjustments made for legislation pursuant to paragraph (1) shall—

(A) apply while that legislation is under consideration;

(B) take effect upon the enactment of that legislation; and

(C) be published in the Congressional Record as soon as practicable.

(4) APPLICATION OF THIS SECTION.—The provisions of this section shall apply to legislation providing new budget authority for fiscal years 2003 through 2005.

(d) ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.—(1) It shall not be in order in the House of Representatives to consider a rule or order that waives the application of this section.

(2)(A) This subsection shall apply only to the House of Representatives.

(B) In order to be cognizable by the Chair, a point of order under this section must specify the precise language on which it is premised.

(C) As disposition of points of order under this section, the Chair shall put the question of consideration with respect to the proposition that is the subject of the points of order.

(D) A question of consideration under this section shall be debatable for 10 minutes by each Member initiating a point of order and for 10 minutes by an opponent on each point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

(E) The disposition of the question of consideration under this subsection with respect to a bill or joint resolution shall be considered also to determine the question of consideration under this subsection with respect to an amendment made in order as original text.

SEC. 314. EMERGENCY LEGISLATION.

(a) AUTHORITY TO DESIGNATE.—If a provision of direct spending or receipts legislation is enacted or if appropriations for discretionary accounts are enacted that the President designates as an emergency requirement and that the Congress so designates in statute, the amounts of new budget authority, outlays, and receipts in all fiscal years resulting from that provision shall be designated as an emergency requirement for the purpose of this resolution.

(b) DESIGNATIONS.—

(1) GUIDANCE.—If a provision of legislation is designated as an emergency requirement under subsection (a), the committee report and any statement of managers accompanying that legislation shall analyze whether a proposed emergency requirement meets all the criteria in paragraph (2).

(2) CRITERIA.—

(A) IN GENERAL.—The criteria to be considered in determining whether a proposed expenditure or tax change is an emergency requirement are that the expenditure or tax change is—

(i) necessary, essential, or vital (not merely useful or beneficial);

(ii) sudden, quickly coming into being, and not building up over time;

(iii) an urgent, pressing, and compelling need requiring immediate action;

(iv) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

(v) not permanent, temporary in nature.

(B) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

(3) JUSTIFICATION FOR USE OF DESIGNATION.—When an emergency designation is proposed in any bill, joint resolution, or conference report thereon, the committee report and the statement of managers accompanying a conference report, as the case may be, shall provide a written justification of why the provision meets the criteria set forth in paragraph (2).

(c) DEFINITIONS.—In this section, the terms "direct spending", "receipts", and "appropriations for discretionary accounts" means any provision of a bill, joint resolution, amendment, motion or conference report that provides direct spending, receipts, or appropriations as those terms have been defined and interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) SEPARATE HOUSE VOTE ON EMERGENCY DESIGNATION.—(1) In the House, in the consideration of any measure for amendment in the Committee of the Whole containing any emergency spending designation, it shall always be in order unless specifically waived by terms of a rule governing consideration of that measure, to move to strike such emergency spending designation from the portion of the bill then open to amendment.

(2) The Committee on Rules shall include in the report required by clause 1(d) of rule XI (relating to its activities during the Congress) of the Rules of House of Representatives a separate item identifying all waivers of points of order relating to emergency spending designations, listed by bill or joint resolution number and the subject matter of that measure.

(e) COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.—Whenever the Committee on Appropriations or any other committee of either House (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and include a statement of the reasons why such budget authority meets the definition of an emergency pursuant to the guidelines described in subsection (b).

(f) CONFERENCE REPORTS.—If a point of order is sustained under this section against a conference report, the report shall be disposed of as provided in section 313(d) of the Congressional Budget Act of 1974.

(g) EXCEPTION FOR DEFENSE AND HOMELAND SECURITY SPENDING.—Subsection (d) shall not apply against an emergency designation for a provision making discretionary appropriations in the defense category and for homeland security programs.

SEC. 315. PAY-AS-YOU-GO POINT OF ORDER IN THE HOUSE.

(a) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the House to consider any direct spending or revenue legislation that would increase the on-budget deficit or cause an on-budget deficit for any one of the three applicable time periods as measured in paragraphs (5) and (6).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term "applicable time period" means any 1 of the 3 following periods:

(A) The first year covered by the most recently adopted concurrent resolution on the budget.

(B) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(C) The period of the 5 fiscal years following the first 5 fiscal years covered in the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING LEGISLATION.—For purposes of this subsection and except as provided in paragraph (4), the term "direct-spending legislation" means any bill, joint resolution, amendment, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) EXCLUSION.—For purposes of this subsection, the terms "direct-spending legislation" and "revenue legislation" do not include—

(A) any concurrent resolution on the budget;

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990; or

(C) any legislation for which an adjustment is made under section 301.

(5) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline surplus or deficit used for the most recently adopted concurrent resolution on the budget as adjusted for any changes in revenues or direct spending assumed by such resolution; and

(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

(6) PRIOR SURPLUS.—If direct spending or revenue legislation increases the on-budget deficit or causes an on-budget deficit when taken individually, it must also increase the on-budget deficit or cause an on-budget deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not

accounted for in the baseline under paragraph (5)(A), except that direct spending or revenue effects resulting in net deficit reduction enacted pursuant to reconciliation instructions since the beginning of that same calendar year shall not be available.

(b) APPEALS.—Appeals in the House from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be.

(c) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House.

(d) ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.—(1) It shall not be in order in the House of Representatives to consider a rule or order that waives the application of this section.

(2)(A) This subsection shall apply only to the House of Representatives.

(B) In order to be cognizable by the Chair, a point of order under this section must specify the precise language on which it is premised.

(C) As disposition of points of order under this section, the Chair shall put the question of consideration with respect to the proposition that is the subject of the points of order.

(D) A question of consideration under this section shall be debatable for 10 minutes by each Member initiating a point of order and for 10 minutes by an opponent on each point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

(E) The disposition of the question of consideration under this subsection with respect to a bill or joint resolution shall be considered also to determine the question of consideration under this subsection with respect to an amendment made in order as original text.

(e) SUNSET.—This section shall expire on September 30, 2009.

SEC. 316. DISCLOSURE OF EFFECT OF LEGISLATION ON THE PUBLIC DEBT.

Each report of a committee of the House on a public bill or public joint resolution shall contain an estimate by the committee of the amount the public debt would be increased (including related debt service costs) in carrying out the bill or joint resolution in the fiscal year in which it is reported and in the 5-fiscal year period beginning with such fiscal year (or for the authorized duration of any program authorized by the bill or joint resolution if less than five years).

SEC. 317. DISCLOSURE OF INTEREST COSTS.

Whenever a committee of either House of Congress reports to its House legislation providing new budget authority or providing an increase or decrease in revenues or tax expenditures, the report accompanying that bill or joint resolution shall contain a projection by the Congressional Budget Office of the cost of the debt servicing that would be caused by such measure for such fiscal year (or fiscal years) and each of the 4 ensuing fiscal years.

SEC. 318. DYNAMIC SCORING OF TAX LEGISLATION.

Any report of the Committee on Ways and Means of the House of any bill or joint resolution reported by that committee that proposes to amend the Internal Revenue Code of 1986 and which report includes an estimate prepared by the Joint Committee on Internal Revenue Taxation pursuant to clause 2(h)(2) of the Rules of the House of Representatives shall also contain an estimate prepared by the Congressional Budget Office regarding the macroeconomic effect of any increase or decrease in the estimated budget deficit resulting from such bill or joint resolution.

SEC. 319. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

(a) IN GENERAL.—(1) In the House, except as provided in subsection (b), an advance appropriation may not be reported in a bill or joint resolution making a general appropriation or continuing appropriation, and may not be in order as an amendment thereto.

(2) Managers on the part of the House may not agree to a Senate amendment that would violate paragraph (1) unless specific authority to agree to the amendment first is given by the House by a separate vote with respect thereto.

(b) LIMITATION.—In the House, an advance appropriation may be provided for fiscal year 2006 or 2007 for programs, projects, activities or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading "Accounts Identified for Advance Appropriations" in an aggregate amount not to exceed $23,568,000,000 in new budget authority.

(c) DEFINITION.—In this subsection, the term "advance appropriation" means any discretionary new budget authority in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2005 that first becomes available for any fiscal year after 2005.

Subtitle C—Increase in Debt Limit Contingent Upon Plan To Restore Balanced Budget.

SEC. 321. INCREASE IN DEBT LIMIT.

(a) TEMPORARY INCREASE IN STATUTORY DEBT LIMIT.—The Committee on Ways and Means of the House shall report a bill as soon as practicable, but not later than June 30, 2004, that consists solely of changes in laws within its jurisdiction to increase the statutory debt limit by $150,000,000,000.

(b) POINT OF ORDER.—(1) Except as provided by subsection (a) or paragraph (2), it shall not be in order in the House to consider any bill, joint resolution, amendment, or conference report that includes any provision that increases the limit on the public debt by more than $100,000,000,000.

(2) Paragraph (1) shall not apply in the House if—

(A) the chairman of the Committee on the Budget of the House has made the certification described in section 322 that the unified budget will be in balance by fiscal year 2012; or

(B) the President has submitted to Congress a declaration that such increase is necessary to finance costs of a military conflict or address an imminent threat to national security, but which shall not exceed the amount of the adjustment under section 301 for the costs of military operations in Iraq.

SEC. 322. REVIEW OF BUDGET OUTLOOK.

(a) IN GENERAL.—If, in the report released pursuant to section 202 of the Congressional Budget Act of 1974, entitled the Budget and Economic Outlook Update (for fiscal years 2005 through 2014), the Director of the Congressional Budget Office projects that the unified budget of the United States for fiscal year 2012 will be in balance, then the chairman of the Committee on the Budget of the House is authorized to certify that the budget is projected to meet the goals of a balanced budget.

(b) CALCULATING DISCRETIONARY SPENDING BASELINE.—Notwithstanding any other provision of law, the Director of the Congressional Budget Office shall use the discretionary spending levels set forth in this resolution, including any adjustments to such levels as a result of the implementation of any reserve funds set forth in this resolution to calculate the discretionary spending baseline.

TITLE IV—SENSE OF CONGRESS AND SENSE OF HOUSE PROVISIONS

SEC. 401. SENSE OF CONGRESS REGARDING BUDGET ENFORCEMENT.

It is the sense of Congress that legislation should be enacted enforcing this resolution by—

(1) setting discretionary spending limits for budget authority and outlays at the levels set forth in this resolution for each of the next 3 fiscal years;

(2) reinstating the pay-as-you-go rules set forth in section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 for the next 5 fiscal years;

(3) requiring separate votes to exceed such discretionary spending limits or to waive such pay-as-you-go rules;

(4) establishing a definition for emergency spending and requiring a justification for emergency spending requests and legislation; and

(5) establishing expedited rescission authority regarding congressional votes on rescission submitted by the President and reducing discretionary spending limits to reflect savings from any rescissions enacted into law.

SEC. 402. SENSE OF CONGRESS ON TAX REFORM.

It is the sense of Congress that the Committee on Ways and Means should—

(1) work with the Secretary of the Treasury to draft legislation reforming the Internal Revenue Code of 1986 in a revenue-neutral manner to improve savings and investment; and

(2) consider changes that address the treatment of dividends and retirement savings, corporate tax avoidance, and simplification of the tax laws.

SEC. 403. SENSE OF THE HOUSE ON SPENDING ACCOUNTABILITY.

It is the sense of the House that—

(1) authorizing committees should actively engage in oversight utilizing—

(A) the plans and goals submitted by executive agencies pursuant to the Government Performance and Results Act of 1993; and

(B) the performance evaluations submitted by such agencies (that are based upon the Program Assessment Rating Tool which is designed to improve agency performance);

in order to enact legislation to eliminate waste, fraud, and abuse to ensure the efficient use of taxpayer dollars;

(2) all Federal programs should be periodically reauthorized and funding for unauthorized programs should be level-funded in fiscal year 2005 unless there is a compelling justification;

(3) committees should submit written justifications for earmarks and should consider not funding those most egregiously inconsistent with national policy;

(4) the fiscal year 2005 budget resolution should be vigorously enforced; and

(5) Congress should make every effort to offset nonwar-related supplemental appropriations.

SEC. 404. SENSE OF CONGRESS REGARDING PREVIOUSLY ENACTED TAX LEGISLATION.

(a) FINDINGS.—The Congress finds the following:

(1) H. Con. Res. 95, the concurrent resolution on the budget for fiscal year 2004 provided that revenues would be $1.883 trillion in fiscal year 2004 after enactment of the tax cut legislation provided for in the resolution.

(2) Many advocates of the tax cut argued that revenues would actually be much higher because the tax cuts would stimulate growth and produce a surge in revenues.

(3) The Congressional Budget Office estimated in "An Analysis of the President's Budgetary Proposals for Fiscal Year 2005" that revenues would be $1.782 trillion in 2004, $100 billion lower than promised when the tax cuts were enacted.

(b) Sense of Congress.—It is the sense of Congress that—

(1) Congress should enact legislation to review the impact of enacted tax cut legislation on total revenues; and

(2) such legislation should establish revenue targets equal to total revenue levels established in the concurrent resolution on the budget for fiscal year 2004; and that if total revenues fall below the targets, the President would be required to propose legislation to offset the revenue shortfall through spending reductions or increased revenues or explicitly authorize an increase in the debt limit by the amount of the shortfall and that Congress would be required to consider vote on the President's proposal under an expedited process.

SEC. 405. SENSE OF CONGRESS REGARDING A TRIGGER MECHANISM FOR COSTS OF PRESCRIPTION DRUG LEGISLATION.

(a) Findings.—The Congress finds the following:

(1) The cost of the new Medicare law, estimated by the Congressional Budget Office before its passage to be $395,000,000,000 over ten years, has now been estimated by the Department of Health and Human Services to be $534,000,000,000 over ten years.

(2) Without taking steps to control the cost of prescription drugs, the Medicare law will become an unsustainable burden on the the Government and on taxpayers. In addition, rising drug costs could end up shifting additional cost burdens to Medicare beneficiaries.

(3) The Congressional Budget Office ans the Department of Human Services have estimated that the reforms enacted as part of Medicare legislation increasing participation of private plans in the Medicare program would increase the costs of the Medicare program.

(4) Prescription drug costs increased 15.3 percent in 2003. These rising costs are one of the primary drivers of increasing health care costs, which ran at 9.3 percent last year.

(b) Sense of the House.—It is the sense of the House that—

(1) legislation should be adopted which would establish a trigger mechanism to reduce costs of Medicare prescription drug legislation through negotiation of prescription drug prices by the Secretary of Health and Human Services and other changes to Medicare prescription drug legislation recommended by the President;

(2) this legislation would mandate that at any point when the expected ten-year expenditures for fiscal years 2004 through 2013 for Public Law 108–173 exceed the Congressional Budget Office estimate for this legislation, the Secretary of Health and Human Services would be required to immediately enter into direct negotiations with pharmaceutical manufacturers for competitive drug prices; and

(3) this legislation would further provide that if the Secretary is unable to negotiate reductions in prescription drug prices sufficient to reduce estimated ten year expenditures for Public Law 108–174 by the amount these costs exceed the Congressional Budget Office estimates for this legislation when it was enacted the President would be required to submit to Congress legislative changes to eliminate this excess and Congress would be required to consider this proposal under an expedited process.

SEC. 406. SENSE OF CONGRESS REGARDING RESPONSIBLE FUNDING FOR ADDITIONAL MILITARY END STRENGTH.

It is the sense of the Congress that the aggregates and function levels in this resolution for major functional category 050 (Defense), excluding any supplemental appropriations under section 301 for military operations in Iraq and Afghanistan, assumes funding in the Military Personnel accounts for the costs of approximately 10,000 additional military personnel exceeding the normal strength levels either to provide forces deployed for military operations or to sustain the readiness levels of deploying units.

SEC. 407. SENSE OF THE HOUSE REGARDING FUNDING FOR THE MANUFACTURING EXTENSION PARTNERSHIP.

(a) Findings.—The House finds that—

(1) the Manufacturing Extension Partnership, which is jointly funded by Federal and State Governments and private entities, improves small manufacturers' competitiveness, creates jobs, increases economic activity, and generates a $4-to-$1 return on investment to the Treasury by aiding small businesses traditionally underserved by the business consulting market;

(2) in a January 2004 Department of Commerce report titled Manufacturing In America: A Comprehensive Strategy to Address the Challenges to U.S. Manufacturers, the Administration stated that "...the Manufacturing Extension Partnership (MEP) has provided many small U.S. manufacturers with useful business services to become more competitive and productive," a conclusion in which the Congress concurs;

(3) the Congress appropriated $106 million for the Manufacturing Extension Partnership for 2003 but only $39 million for 2004, and the President's 2005 budget maintains this drastically reduced funding level, undermining the ability of the Manufacturing Extension Partnership to fulfill its mission of helping small businesses to adopt advanced manufacturing technologies and practices that will help them compete in a global market; and

(4) Federal funding for the Manufacturing Extension Partnership should be restored to its pre-2004 level, adjusted for inflation.

(b) Sense of the House.—It is the sense of the House that—

(1) this resolution provides a total of $110 million for the Manufacturing Extension Partnership for 2005, $71 million more than the President's request, and supports adequate funding throughout the period covered by this resolution; and

(2) this funding restores the viability of the Manufacturing Extension Partnership and provides the necessary resources for the Manufacturing Extension Partnership to continue helping small manufacturers reach their optimal performance and create jobs.

SEC. 408. SENSE OF THE HOUSE REGARDING THE CONSERVATION SPENDING CATEGORY.

(a) Findings.—The House finds that—

(1) the 2001 Interior Appropriations Act (Public Law 106–291), which established a separate discretionary spending category for land conservation and natural resource protection programs for the fiscal years 2001 through 2006, passed by large margins in both the House and the Senate; and

(2) in establishing a separate conservation spending category, Congress recognized the chronic underfunding of programs that protect and enhance public lands, wildlife habitats, urban parks, historic and cultural landmarks, and coastal ecosystems.

(b) Sense of the House.—It is the sense of the House that the any law establishing new caps on discretionary spending should include a separate conservation spending category and that any caps on conservation spending for fiscal years 2005 or 2006 should be set at the levels established in Public Law 106–291.

SEC. 409. SENSE OF THE HOUSE REGARDING THE OUACHITA-BLACK NAVIGATION PROJECT.

(a) Findings.—The House finds that—

(1) the Ouachita-Black Navigation Project was authorized by the River and Harbor Act of 1950 and modified by the River and Harbor Act of 1960; and

(2) a 382-mile navigation channel on the Red, Black and Ouachita Rivers was created requiring annual dredging to ensure the rivers' channel depth is maintained at the nine feet needed for commercial use; and

(3) if adequate annual funding is not provided to the Corps of Engineers and others, the project will not be able to function, undercutting commerce and revitalization in the area served by the project, and resulting in the loss of hundreds of jobs that are dependent on barge traffic.

(b) Sense of the House.—It is the sense of the House that full funding should be provided for the Ouachita-Black Navigation Project in 2005 and beyond, notwithstanding the ton-mileage of barge traffic using the project.

SEC. 410. SENSE OF THE HOUSE ON TAX SIMPLIFICATION AND TAX FAIRNESS.

It is the sense of the House that—

(1) the current tax system has been made increasingly complex and unfair to the detriment of the vast majority of working Americans;

(2) constant change and manipulation of the tax code have adverse effects on taxpayers' understanding and trust in the Nation's tax laws;

(3) these increases in complexity and clarity have made compliance more challenging for the average taxpayer and small business owner, especially the self-employed; and

(4) this budget resolution contemplates a comprehensive review of recent changes in the tax code, leading to future action to reduce the tax burden and compliance burden for middle-income workers and their families in the context of tax reform that makes the Federal tax code simpler and fairer to all taxpayers.

SEC. 411. SENSE OF THE HOUSE ON LIHEAP.

(a) Findings.—The House finds that—

(1) the United States is in the grip of pervasively higher home energy prices;

(2) high natural gas, heating oil, and propane prices are, in general, having an effect that is rippling through the United States economy and are, in particular, impacting home energy bills;

(3) while persons in many sectors can adapt to natural gas, heating oil, and propane price increases, persons in some sectors simply cannot;

(4) elderly and disabled citizens who are living on fixed incomes, the working poor, and other low-income individuals face hardships wrought by high home energy prices;

(5) the energy burden for persons among the working poor often exceeds percent of

those persons' incomes under normal conditions;

(6) under current circumstances, home energy prices are unnaturally high, and these are not normal circumstances;

(7) while critically important and encouraged, State energy assistance and charitable assistance funds have been overwhelmed by the crisis caused by the high home energy prices;

(8) the Federal Low-Income Home Energy Assistance Program (referred to in this section as "LIHEAP") and the companion weatherization assistance program (referred to in this section as "WAP"), are the Federal Government's primary means to assist eligible low-income individuals in the United States to shoulder the burdens caused by their home cooling and heating needs;

(9) in 2003, LIHEAP reached only 15 percent of the persons in the United States who were eligible for assistance under the program;

(10) since LIHEAP's inception, its inflation-adjusted buying power has eroded by 58 percent; and

(11) current Federal funding for LIHEAP is not sufficient to meet the cooling and heating needs of low-income families.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the levels in this concurrent resolution assume—

(1) an authorization of $3,400,000,000 for each of fiscal years 2005 and 2006 to carry out the LIHEAP program;

(2) an authorization of $400,000,000 for fiscal year 2005 and $500,000,000 for fiscal year 2006 to carry out the WAP program;

(3) appropriations, for these programs, of sufficient additional funds to realistically address the cooling and heating needs of low-income families;

(4) advance appropriations of the necessary funds to ensure the smooth operation of the programs during times of peak demand.

The CHAIRMAN pro tempore. Pursuant to House Resolution 574, the gentleman from Texas (Mr. STENHOLM) and the gentleman from Iowa (Mr. NUSSLE) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

The Blue Dog budget that we offer at this time is designed and based entirely on the simple philosophy that when you find yourself in a hole, the first rule is to quit digging.

Our country has a massive problem with fiscal deficits today. Our budget is built around the simple concept of pay as you go. If we want to pass a tax cut, cut spending to make room for it or raise some other tax to keep it from going to the bottom-line deficit.

In other words, we are suggesting taking the shovels away from Congress and the President. Our plan would cut the deficit in half in 2 years and put the budget on a path back towards budget surpluses in 2012 and balance in 2010. Our budget has $210 billion less debt over the next 5 years than the resolution reported by the Committee on the Budget.

The Blue Dog budget includes the pay-as-you-go rules that were adopted by a bipartisan vote in the Senate, as well as enforceable limits on discretionary spending. The Blue Dog budget adopts the tough spending limits by adopting the President's overall spending levels, but reallocates funding to put more resources into veterans, education, health care, and other priorities, and keeps from reopening the farm bill and also providing assistance to small businesses, manufacturers, firemen and policemen, the first responders in the war on terrorism.

We strongly support the President in the war on terrorism. Our budget provides the President with everything he requested for defense and homeland security and sets aside a reserve fund for additional funding for the military operations in Iraq and Afghanistan, as we did last year.

Our budget provides tax relief for all taxpayers by extending the expansion of the 10 percent bracket, the marriage penalty relief, and the child tax credit. We also provide for immediate and permanent estate tax relief for small businesses, family farms and ranches. We offset the costs of extending tax relief, pay as you go, for middle-income families and pay for the cost of military operations in Iraq and Afghanistan by asking those with incomes over $200,000 to have a little less of a tax cut until the costs of the war are paid and the budget is put back on a path towards balance.

Most importantly, our budget would reduce the debt tax that all American families, as well as our children and grandchildren would have to pay, in order to pay interest on our national debt.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is interesting that the title of this budget is When You Are in a Hole, Stop Digging. Yes, they need to stop digging, stop digging in the pockets of families and small businesses and farmers and ranchers. They are digging and digging for more and more and more taxes. More taxes from farmers, more taxes from ranchers, more taxes from families, more taxes from married couples, more taxes that kill jobs and make it impossible for our economy to get back on its feet. When you are in a hole, stopping digging in the American people's pockets and start reducing spending around Washington which is wasteful.

This budget presented today raises taxes at a time when small businesses can least afford it. Ninety percent of small businesses pay at the individual rates. More than 80 percent in the increase in taxes for the top rate that they speak of will be borne by small businesses. Small businesses represent more than 99 percent of all employers, and they employ more than half of the private workforce.

When you are in a hole, stop digging in my pockets and pass the Republican plan that does not raise taxes.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself 5 seconds.

Mr. Chairman, I would just say to the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget, only 2 percent of the small businesses are affected by the tremendous rhetoric that the gentleman from Iowa just put forward on taxes.

Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Mr. Chairman, I thank the gentleman for yielding me this time.

As we heard the gentleman from Texas say, the Blue Dog budget is not just a responsible budget, it is an honest budget. It matches the President's overall spending levels, it extends tax relief for our middle-class families, and most important, it pays for that tax relief.

The Blue Dog budget includes the strongest budget enforcement mechanisms of any budget being debated here today. It extends the pay-as-you-go rules to both the spending side and the revenue side. To be clear, neither the Republican budget nor their alternative being offered by the Republican Study Committee does that.

Republicans rejected the PAYGO amendment in the Committee on the Budget on a strict party-line vote. They rejected the amendment in the Committee on Rules on a strict party-line vote, and they have refused to put the PAYGO provisions in their budget.

We expect our constituents to pay their bills, and I do not know why some folks here in Congress think we should be exempt from that standard. Our constituents did not send us here to play games with their tax dollars and play games with the budget. They sent us here to balance the budget.

Vote for the Blue Dog budget. It is strong on enforcement and responsible on spending and revenue.

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Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado (Mr. TANCREDO), a member of the committee.

Mr. TANCREDO. Mr. Chairman, there are opportunities sometimes provided for bipartisanship in this House and one looks for them because frankly they do not happen all that often it seems like. And so I looked at the Blue Dog budget with the hope that in fact there would be that opportunity to do something in a bipartisan way here that I could support it, and quite frankly there were things that I liked when I looked into it. I liked the fact that it assumes permanent estate tax relief for families with farms and small businesses, a good idea. I liked the PAYGO provision, a good idea. Establishing a point of order against legislation with costs that begin outside the budget window, a great idea. I went through it thinking this is going to be good, I can support this piece of legislation.

But then, of course, you come to those parts that make all of this simply unsupportable and that is the fact that you get to the part where you see it raises taxes. It raises taxes that were enacted in 2001; it eliminates those tax cuts until 2010. It applies significant hurdles that could prevent us from making the current tax cuts permanent. This could cripple our economy and our economic recovery. It establishes various slush funds in order to increase government spending in education programs, in law enforcement, in health insurance; and it is presented as a truthful budget. But there is no reference to these slush funds that exist in this budget. That is not being truthful with the American public. It increases taxes on small business which is, of course, the engine that drives our economy.

And so I say, Mr. Chairman, it is impossible for me to support this budget although I looked longingly at doing so, the desire to do so; but it all comes to naught when you raise taxes on the American public. That puts us into a different situation entirely, and it stops the engine of recovery that I believe is under way.

Mr. STENHOLM. Mr. Chairman, I yield myself 10 seconds to respond to my friend. I was getting my hopes up because he gave all the reasons why he should support the budget; but the idea of a slush fund, it is the same thing that is in the majority Budget Committee's report that comes before the House. We only say you can spend more if you pay for it.

Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. I thank the gentleman for yielding me this time.

Mr. Chairman, I, too, would like to respond to some of the comments that have been made. I am very appreciative of all the positive attributes the gentleman has recognized in the Blue Dog budget. Particularly of significance is the fact that we would apply PAYGO provisions not only to spending measures but to revenue measures as well. Any budget resolution that fails to do so simply lacks any meaningful enforcement mechanism.

Opposition has been raised that this measure raises taxes. The fact of the matter is that the majority resolution raises taxes. It simply raises taxes on our children, on my 5-year-old and my 1-year-old. They are going to pay more taxes because of the majority resolution. It raises the debt tax that all of us pay. A tax cut that is not paid for, and the majority resolution does not pay for its tax cuts, is no tax cut at all. It is merely a deferral to our children.

Mr. Chairman, just 3 years ago, the state of our economy was very strong. We had seen 20 million new jobs created, we had seen the fastest growth in 30 years, the lowest unemployment in 30 years, the lowest poverty rates in 20 years, and the first back-to-back surpluses in 42 years. But now we are in a very different place. We have lost 2.2 million jobs in the last 3 years and, despite a rise in the stock market and productivity gains, there are no new jobs. This result was not unforeseeable. The members of the Blue Dog Coalition warned we were spending money that we did not have, that the administration lacked an economic plan, and that tax cuts alone were not a substitute for an economic plan. At the same time, Congress voted to increase the national debt. These ill advised economic decisions have led to the largest deficits in the Nation's history with no plan in sight to put our fiscal house in order. It is time for us to put our fiscal house in order.

I rise today to urge my colleagues to support the Blue Dog budget, a package that combines the spending restraint in the administration's budget with strong budget enforcement measures and responsible tax policy to reduce the deficit and balance the budget by 2012.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute just to say there has been some discussion here on the floor about how honest this budget is. Let me just point out, we are having a chance to read this thing and it cuts Medicare. Maybe I am missing something, but we are actually going to ask people to vote to cut Medicare. Not only do you cut Medicare, a $156 billion cut to Medicare, but I have read your budget and there is no reconciliation instruction in here on how to cut Medicare or even if you are going to cut Medicare. No reconciliation, just a plugged number in here of $156 billion.

They are advertising that their budget somehow reduces the deficit more. It does not reduce the deficit more. They have got plugged numbers in this budget. Somebody has rushed this budget to the floor with plugged numbers. If you are in a hole, stop digging, huh? Well, you better have a real shovel and not just try and fill it in with fantasy. $156 billion of Medicare cuts. I want you to go home and explain to your seniors that issue.

Mr. STENHOLM. Mr. Chairman, that is a total misrepresentation of our budget and the gentleman knows it.

Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. TURNER).

Mr. TURNER of Texas. Mr. Chairman, I thank the gentleman for yielding me this time. I think it is pretty clear that when you look at the Blue Dog budget and compare it to the Republican budget, the Blue Dog budget moves us to a balanced budget in 8 years. The Republican budget does not. In fact, the Republican budget makes no effort to move us toward a balanced budget. It is really hard to comprehend that next fiscal year we are projected to have a $521 billion deficit. That means under the Republican game plan, of those 13 appropriations bills that we are going to pass to run the government for the next year, 60 percent is going to be borrowed money. How we can ask this Congress or the American people to accept a Republican budget that does not move us toward balance is hard to comprehend. The Blue Dog budget will balance in 2012. The Blue Dog budget does that by making the difficult choices that this Congress and the American people expect the Congress to make.

When we look at where the Republican budget puts its priorities, we see very clearly that the Republican budget, in an effort to try to present something to the House that will provide some framework for the appropriations process, provides cuts in critical areas of homeland security. The Blue Dog budget does not cut homeland security. The Blue Dog budget maintains what the President has requested. Yet the Republicans' own budget cuts below the President's budget for homeland security at a time when we all know we are under serious threat of another al Qaeda terrorist attack.

When we look at the Blue Dog budget, we have an alternative that I hope will be appealing to the Republicans. I hope that some of them will join with us. It is a responsible plan, it should be a bipartisan plan, and we offer it to them with the best intention of moving away from the terrible deficits that the Republicans have offered us in recent years.

Mr. STENHOLM. Mr. Chairman, I yield myself 15 seconds to respond to the chairman. The cuts in Medicare that he mentioned are the advertising dollars that are being spent to justify the Medicare prescription drug bill that I was told by the same chairman and the Budget Committee was going to cost $400 billion. I was misled as everyone else in this body was misled because the cost was $530 billion. That is the cuts we are proposing. You do not need to advertise false numbers, Mr. Chairman.

Mr. Chairman, I yield 2 minutes to the gentleman from Hawaii (Mr. CASE).

Mr. CASE. Mr. Chairman, this is a message to a group of my colleagues that I cannot find: moderate, fiscally responsible Republicans, colleagues whose views on our national budget, on fiscal integrity, on responsibility to our children are really no different from my own or the formers of this substitute. I know you are here. I have talked to you in the halls, on the floor, out on the road. I know that well over half of the people that we represent in this country think as we do and they are not all Democrats. I know that of the five budget alternatives on the floor today for us to choose from, this one represents your own views going away. I know you are outraged at the fact that this budget that this chair has put forward only goes out 5 years. I know you would never adopt a one-way PAYGO in your home or business. I know you are sick at a budget that strips resources away from veterans, education, health care and piles it with those that do not want for anything in our country.

So here is my message to you: vote for this substitute. Vote for it because you know it is far and away the most responsible, affordable, balanced, fair and sustainable budget that is on the floor. Do not make this a partisan issue. Do not make it that. I would vote for a comparable substitute coming out of you. Yet all you and I are given from your side today are two budgets, one principal one that is nothing more than a lie and the other one that may be a little bit more honest but demonstrates a fundamental hatred of our Federal Government that neither of us shares. So vote for this budget substitute not just because it is the right thing to do but because with your vote, you can change the course of our fiscal future.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute, just continuing to look at this interesting budget. The gentleman from Texas says that he is concerned about the numbers being more expensive for Medicare. How come, then, they adopted the CBO baseline? If they think the actuaries at OMB are so correct, why did they not have the integrity to put that into their baseline? Again, they accept CBO. We accept CBO, but they come to the floor, and they demagogue the issue and they say that OMB is wrong and that the actuary is somehow correct. Then have the guts to put it in here. Do not raise taxes on the American people. Cut Medicare which they do in this instance. And now we find that they also cut national defense, $2 billion this year alone. National defense is cut. Where are they going to come up with $2 billion in national defense this year? Where are they going to find that? There are troops in the field right now who need our support, and they are asking for $2 billion this year. We have got to find some more details before somebody can claim that this has the integrity and the honesty to come before us as a budget.

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. SANDLIN).

Mr. SANDLIN. I thank the gentleman for yielding time.

Mr. Chairman, let us balance our budget. Let us pay as we go. Let us pay off our debt and pay off the deficit. Let us support the Blue Dog budget. Following the plan offered by the House Republican leadership will succeed in balancing the budget by balancing it on our Nation's senior citizens, the veterans, the students, the farmers, the teachers, the economically disadvantaged. How in the world can the majority propose spending cuts in veterans health care during a time of war? And the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, Paralyzed Veterans of America, and virtually every national veterans service group shares my amazement.

The Blue Dog substitute will cut the record deficit in half in 2 years, not the 5 proposed by the Republican leadership and balance the Federal budget by 2012 without relying on the Social Security surplus and without sacrificing our Nation's veterans and seniors. At the same time, the Blue Dogs provide both immediate and long-term tax relief to middle-class American taxpayers, small businesses, and family farmers. This tax relief consists largely of an acceleration of cuts already scheduled under current law.

We need to pay for our war effort. We need to take care of our veterans, and we need to be honest in our budgeting and make sure we budget for the war effort. The Republican budget does not budget one dime for the war. That is the reason it is a trick. Let us pay as we go. Let us balance this budget.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds to just say, put your money where your mouth is. Your budget does not balance. You say balance the budget, but you do not balance the budget. So it is one thing to say balance the budget, and it is another thing to come to the floor without a balanced budget. So you say one thing, and unfortunately the budget says just another.

Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. GARRETT), a member of the committee.

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Mr. GARRETT of New Jersey. Mr. Chairman, the real issue here is who pays and who is hurt? Americans at home are looking for fiscal responsibility from this House. Whether they are taxpayers, workers, whether they are people that are relying on essential services from this government, they are looking for this House to provide them with some degree of fiscal responsibility.

As I said just last night, we come into this budget process knowing that we are in dire financial straits with a $521 billion budget deficit, which simply means, as I said before, we are spending out $521 billion more than we are taking in.

And how does this Blue Dog budget address that? Well, they certainly do not address it by trying to rein in spending because look at the spending side of the equation. They are actually saying that even though they are in a hole, they want to stop digging. They are not stopping digging at all. They are still digging. They are spending more. They are spending upwards of $2 billion more in the 2005 budget.

So where is it on the other side that they want to get to the balanced budget that they speak of? They do it by raising taxes to the tune of $10 billion in the 2005 budget alone. Back in my State of New Jersey, $10 billion when I was in State government, that would pay for almost half of our entire State budget for the year.

They go even further. They want to raise taxes by almost $200 billion over the life of this budget. So it comes back to the question again, who pays, who is hurt?

We have already heard that 90 percent of small business pay taxes at the individual tax rate and that more than 80 percent of an increase in taxes for the top tax rate would be borne by small businesses. What does that mean? That means that the tax increases that they are talking about in the Blue Dog budget will impact upon Main Street USA, on small businesses, on small manufacturers, on farmers. Those same manufacturers that we debate in this House over and over again that are already having a hard time competing overseas with manufacturing and production are now going to have, under the Blue Dog budget, to see their taxes go up.

So who pays? Small businesses, mom and pops, farmers.

And, finally, who is hurt by this budget? Besides those people, who is hurt by this budget are all those people who work for small businesses, mom and pops, farmers. The workers out there in America, lost jobs, the family. Who pays? Small businesses. Who is hurt? The workers of America and families.

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. TURNER).

Mr. TURNER of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to point out to the distinguished chairman of the Budget Committee that the Blue Dog budget does balance, contrary to his comment earlier, and I think he was challenging my colleague from Texas to lay out a balanced budget, I guess, for next year. It must have been what he was referring to.

But here is our chart. We balance in 2012, 8 years from now. Under the chairman's 5-year budget plan, they do not balance and apparently have no plans to balance. So here is the chart.

The Blue Dog budget is in blue, and we balance in 2012. The chairman's plan does not balance, and apparently there is no plan by which it will balance.

And I also want to correct another statement the distinguished chairman made, and that is the allegation that the Blue Dogs cut defense. We do not cut defense. We maintain the President's numbers on defense. And in fact, if there is any criticism due here, it should be on the chairman's budget when they cut homeland security $800 billion below what the President recommended. We happen to think that it is important to pursue the war on terror both at home and abroad, and in our budget we stay with the recommendations of the President on that issue.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds.

I have got the figures right here, and there is a cut in defense of $2 billion in this year. I would suggest you need to read your own budget because there is a cut in defense, and I say that as respectfully as I can. I believe we can find savings in defense, but please do not come here advertising there are no cuts in defense when you put in this first year alone cuts in defense.

So those are the facts, and I believe that again you have got to look at your advertisements meeting the reality of the budget itself.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself 2½ minutes.

I yield to the chairman for a simple request. Does the Blue Dog budget reduce the deficit more than the chairman's budget? Yes or no?

I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Chairman, I do not need the time. I have got my own time.

Mr. STENHOLM. Okay, Mr. Chairman. He does not want to respond. I was just asking him because I really dislike the kind of rejoinders that we are getting into now because it is "he said, you said, I said," and it means nothing.

But since we are into this now, let me talk about the chairman's budget as it affects agriculture, both in mandatory and discretionary spending. And this is not about agriculture not being willing to take our share of the cuts, as the gentleman from Connecticut said yesterday. Agriculture has always been fiscally responsible and will continue to be. However, the Chairman's budget will result in a disproportionate amount of cuts from agriculture.

Keep in mind that in order to keep agriculture at last year's spending level, the appropriators will have to cut $650 million out of the farm bill as they did in the fiscal year 2004 appropriation. If we assume that in the chairman's budget the discretionary cuts will be proportionately divided among the appropriation bills, then this number will rise another $1.6 billion. That is correct. That is the chairman's budget.

And I want to ask my colleagues on the other side of the aisle to read their own budget, what they are being asked to support today and how it is going to affect rural districts in conservation, water issues, rural development, environmental issues, research, because this is real.

And I commend the chairman because he honestly and sincerely is trying to do what his party has asked him to do. And it is real. His budget is real in what he proposes to do, including increasing the deficit $260 billion over the next 5 years. That is real. But he does it openly and honestly as he is defining it.

What I resent is his defining our budget as not being honest. His is honest. His will reopen the farm bill. Reopening the farm bill, which is what we will do under the reconciliation instructions that, if his budget passes, it will occur. And there are some on that side of the aisle and some on this side of the aisle that might want to do that. But I do not think a majority of this body want to go down that path.

So we want to talk about numbers, and we want to go through the little game we have been playing. Let us go through that little game.

This is not a game. In the agriculture function, this is real. The chairman is honest in bringing it to the floor and saying, this is what we will do if we pass their budget. Think about that before voting for this budget on final passage. Vote for the Blue Dog budget. It avoids that kind of a problem.

Mr. NUSSLE. Mr. Chairman, I yield myself 2½ minutes.

First and foremost, let me say to the gentleman who is the ranking member of the Committee on Agriculture, the choice will be the Committee on Agriculture's choice on where to find those savings, and I doubt seriously that the gentleman from Texas is going to be promoting opening up the farm bill. At least I would hope that he does not. That is not what the gentleman from Virginia, the chairman of the Committee on Agriculture, is suggesting.

I would hope that the gentleman from Texas does not believe that we should open up the farm bill. There is certainly no one on this side of the aisle, or I should not say no one, but there is certainly no one who I am aware of who wants to open up the farm bill at this time. That is not where the savings would come from. So I hope the gentleman would allow his own committee to work its will and to work within that committee process.

He asks us to respect the committee process on the one hand, and yet he predisposes that on the other. And I have to tell the Members I do not believe the farm bill is where we ought to be looking.

Second of all, you cannot have your cake and eat it too. You cannot say on the one hand, we are going to raise taxes on the job creators, the small businesses, the farmers, the ranchers, we are going to raise taxes on those people, and accept the economic assumptions that the economy is going to continue to grow.

You are saying on the one hand, we are going to kill jobs, we are going to tax small business, we are going to tax farmers; and on the other hand, do not worry about the economy, it is going to continue to grow at the same baseline amount. So you accept our numbers on the economy, which are derived, in part, from the fact that the tax cuts are working and the economy, the last 6 months at least, has had the strongest growth in 20 years.

You are accepting all the good news. You are accepting all the cake. But you cannot at the same time say, oh, no, but we are going to raise taxes on those same people who are creating the jobs, who are providing all that economic development, who are helping to make sure that the economy is growing, who are spending their money, who are being productive; we are going to tax them, and we are going to accept the economic growth. You cannot have it on the one side and then take it back on the other.

So you need to change your economic factors if you are going to come to the floor with a budget that you are going to at least purport. That answers the question.

The very distinguished gentleman from Texas asked me a question. He said, Are our deficit numbers better or worse? The issue is, we do not know because you accept the good news of the economy that the tax cuts have given us, and yet on the other hand you take away the tax cuts.

So on the one hand you say, oh, yes, our deficits are going to get smaller because the economy is going to improve, because that is the same baseline that you have; and yet on the other hand, you take away the goose that is laying the golden egg, by taxing, by digging deeper into the pockets of the very people who are creating those jobs.

You cannot have it both ways.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself 30 seconds.

The Blue Dog budget assumes that we need a change. The gentleman's budget and economic game plan that he has been so proud of since 2001 has given us the largest deficits in the history of this country. We have borrowed $1 trillion in the last 2½ years. We are going to borrow another $1 trillion in the next 1½ years, and yet he comes and says his numbers are better than our numbers.

We simply propose a change, and it ought to be a bipartisan change and it ought to be one that adopts pay-as-you-go so that we get back on a fiscally responsible direction for this country. We thought we had a bipartisan support for that. It passed the Senate in a bipartisan way. What happened in this body?

Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Chairman, I thank the distinguished gentleman from Texas for yielding me this time, and I appreciate his leadership in this body and throughout the country on this issue.

Mr. Chairman, I was down on the floor the other night. We were talking about this very same thing, the budget, the deficits, the debt, and what we are doing to our children and grandchildren. We had this little fellow down here who looked like Howdy Doody, and he had all the answers. One could just pull the string and get an answer. He knew all about it. We have repeatedly had folks come to the well and talk about how it is the Democrats' fault. I can tell the Members this: If it was not so serious, this would be hysterically funny. I can only imagine what the comedians that make their living that way would do and will do with this situation.

But it is very serious business. We are doing something to our children and grandchildren that they cannot even protect themselves from. We would not consider doing something like this as far as their nutrition or their health care or their well-being would be concerned, but yet we are willing to put this monumental massive debt and this tax that they cannot repeal on them by borrowing money, money, and more money every day in this country and not being responsible.

The Blue Dogs have proposed that if we cut taxes, fine, let us cut taxes, and at the same time let us cut spending to go with it. Let us be honest with the American people. Let us tell the truth. And that is what we are going to have to do when we finally decide to deal with this problem in a responsible way.

Over and over again, we have asked the other side of the aisle, we have asked the administration, please come and let us work together; and we get those answers "We do not need you." Well, they are right. They are having their way. I wonder if things are going so well, if the current plan that we have been under for 3 years is such a huge success, why are we broke? Why are there no jobs? Why are our children going deeper and deeper into debt?

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume.

Let us just get back to this now. We were talking about the economy and, if this is doing so well, how come we are broke? All right. There are a lot of things that contribute to that.

First and foremost, let me say to my friend from Arkansas, you have not heard me blame the Democrats. I blame Osama bin Laden. I blame a lot of the challenges that we had from the natural downturn in the economy. I blame the dot-com bubble bursting. I blame the corporate scandals. I blame a lot of things. You have not heard me blame the Democrats because, no, you are not in charge.

□ 1345

I am not suggesting you are. Yes, you have stopped a few things from going through the other body. Yes, you have stopped a few things from coming through this body. But, no, I am not suggesting you are in charge.

But now we are talking about a plan to move forward. You want to debate history? You can debate history. Let me show you what we are doing moving forward. As I said, the last 6 months of growth in our economy has been at the fastest pace in 20 years, the fastest pace in 20 years. So when you say, if your plan is so good, where are you going, we are going nowhere but up. In fact, the most recent data that came out today said the economy continued to grow at 4 percent. That is the first thing, the economy is growing.

What have the tax cuts meant to jobs? All right, unemployment would have been higher without the tax relief package. It was at this point in time right there that we reduced taxes, and, as a result of reducing taxes, look what happened to unemployment. Unemployment went down as a result of the tax relief package from the line that it was on. In fact, we are at a lower point in unemployment than we were when Bill Clinton had his economic challenges back in 1993. We are reducing unemployment. We are getting people back to work. It is in part because of tax relief.

Last, but not least, let me just mention this: 2 million more jobs would have been lost without the tax relief package. Again, looking here, without tax cuts, we were losing jobs at a record pace. 2.1 million jobs have been created as a result of these new tax relief packages that have been put into place. We are creating jobs. The economy is turning around.

Quit blaming tax cuts for all the problems in the world. My goodness, that is not the case. And when you are in a hole, stop digging in the pockets of the American people for more money, more money, more money. Tax and spend, tax and spend. More spending in Washington, more wasteful Washington spending. My goodness, that is not what we need.

People are telling us they spend their money better than we do here in Washington. Let us allow them to do it by keeping the money in their pockets. Let us keep creating jobs; let us keep the economic growth going strong. This is not the time to raise taxes, as the Blue Dog budget does.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me just say in the function 050 defense, the gentleman was correct in the spreadsheet that he looked at that in the resolution, we do not cut defense. We had an error in the numbers. We could not cut defense. We adopt the President's numbers on defense. That is the way our resolution states.

We also do not cut Medicare benefits for seniors by one dime. We use the CBO numbers for its prescription drug benefit, and all we say is if it turns out that that cuts, we are using the same numbers that the majority is saying. That is all.

It is factual to say, though, that this will reopen the farm bill, because I know that the gentleman from Virginia (Chairman GOODLATTE) and I recognize that if you are instructed to reconcile $2.2 billion out of discretionary spending, that is tough to do. What are you going to cut out? The Farm Service Agency, $1.4 billion? Agricultural research, $1.2 billion? Conservation spending? Where are you going to go? It will reopen the farm bill. If the majority succeeds in passing their budget, then we will do so; and it will not be pretty.

Everybody talks about taxes. We have been talking about the debt tax. In 2004, the average family will pay $4,391 in interest under the game plan that the chairman has just so eloquently defended. I have never heard anyone stand on this floor and defend losing jobs, as he just did. But $4,391 will go to $7,000 per year in a debt tax increase, and you cannot repeal that tax.

We have borrowed $1 trillion in the last 2½ years. We are going to borrow another $1 trillion in the next year and a half following the game plan that the chairman has eloquently defended at the behest of his leadership in this House.

We respectfully differ on this side of the aisle. We think it is time to quit digging. The budget plan that you have before you will not do it. The only one that will do that on the floor of the House today is the Blue Dog plan, and perhaps the Democratic alternative.

Mr. NUSSLE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, first and foremost, let me say to my friend from Texas and all of the members of the caucus that I respect the fact that they put together a plan. I should have opened with that. It maybe would have helped take away some of the sting of the opposition that I have, because, as the gentleman knows, it is not easy to put together a plan. The fact that people are willing to put their plan on paper and let everybody see it and let everybody pick it apart, as I am trying to do and others will probably do to me and have been doing, I respect that. But I strongly oppose what the gentleman is offering, and I also strongly oppose some of the advertisement that the gentleman is offering.

The gentleman says, you know, when you are in a hole, stop digging. He is right. When you are in a hole, you ought to stop digging. Digging to me is spending. That is what is digging our hole deeper.

Unfortunately, what the Blue Dog budget does, it does not throw away the shovels. It keeps spending. It keeps growing. It keeps wasting money in Washington.

The gentleman said that we would have to open up the farm bill. First and foremost, we are not going to open up the farm bill. The gentleman knows that. That is a signal to the farmers out there, I have a few in Iowa, he has a number in Texas, that maybe they ought to start worrying about that. Maybe it is a code word to let them know they ought to start calling in and worrying about the farm bill. We are not looking at the farm bill.

Let me tell you what we are looking at. The Agriculture Department testified before the gentleman's committee, the Committee on Agriculture, as well as my committee, that they were proud of the fact that the error rate in food stamps has gotten down to a fabulous level of 9 percent, meaning 9 cents on the dollar, or almost one dime out of every dollar, is wasted, is abused, goes to the wrong people, is used in an underground market or used as an underground currency, as has been testified. Nine percent is wasted.

All we are asking for is we are saying would you please look around your jurisdiction for some of this waste? It is unconscionable that we have people in this country that are starving, that are going hungry, that are going without food in their belly at a time when we have economic challenges; and the Agriculture Department under President Clinton, and it continues today, was wasting money.

Now, guess what? Do you know why they are proud of the fact it is only 9 percent? Because the error rate is down from 18 percent. They are proud of the fact that we are only wasting now 9 cents on the dollar, instead of 18 cents on the dollar. They are proud of that.

Only in Washington would you be proud of the fact that you are wasting 9 cents on the dollar. That is the only place in the world. There is not a small business in Iowa or anywhere across the country that would be proud of 9 cents of waste on every dollar that they have to deal with in their business. In fact, there is not a small businessman or -woman in this country who would not lock the door at five o'clock and spend the rest of the night, if they had to to figure out where that 9 cents went and why it was being wasted. You could just picture them locking the door and looking through every single one of their books to find that 9 cents.

And yet when it is wasted in Washington, it is defended. They say, well, that is good. We are improving; isn't that nice? And what we are saying in our budget is that it is darn time to look for some of this waste in the budget, and the Blue Dog budget does not do that.

The second thing, I just want to talk about tax cuts real quick. Tax cuts did not cause the deficit. There would be deficits without tax cuts.

As you can see from this chart, the taxes are in this blue area right here. But what is driving the budget into deficit is an economy that has been rocked, that has been hit in its gut by a number of issues, everything from 9/11 to the dot-com bubble bursting to corporate scandal, and we have got to get that economy back on its feet. More importantly, we have to get families earning again and creating jobs, along with small businesses.

It would be the wrong time, at a moment in our history when jobs are about to be created, to gut-punch them again, all those small business people, and say, yes, we need a little bit more for Washington. Before you create those jobs, we are going to fund some more of that waste out in Washington, so we need that money, and to do it and not even accomplish a balanced budget. They raise the taxes, but they do not even get to a balanced budget.

The other thing that I just wanted to say, last, but not least, is on spending. I respect the conservative Democrats, the Blue Dogs. They are probably our last hope when it comes to Members on the other side who have any concern about controlling spending. But they fail to do so in their budget, and it is compounded by such a large history of growth in spending.

This is not a time to increase spending. This is not a time when we need to have growth in government. This is a time to look around the garden and start pulling some weeds, the way every family does across our country, the way every small business person does across our country. They look for ways to tighten their belt. Sometimes it hurts when they tighten their belt.

We are not asking for pain; we are just saying level funding. States across our country are cutting budgets. Families across the country are making ends meet with less. Only the Federal Government, for some reason, believes you can raise taxes for more spending in Washington, D.C. and call that a success story.

That is why we believe the Republican budget is the way to go. It holds the line on spending; it funds our important priorities of strength, growth for the economy, and opportunity for the future. It deserves a vote.

Please vote against the Blue Dog budget.

Mrs. TAUSCHER. Mr. Chairman, I strongly support the Blue Dog Budget offered by my friend Mr. STENHOLM.

Not only does it balance the budget by 2012, it also provides funds to sustain the Army as it transforms to meet a wide array of challenges.

The administration's idea that it's okay to pay for predicted, long-term military operations and plans to increase the size of the Army out of a so-called "emergency supplemental" that will not even be requested until next January is irresponsible.

This has two negative consequences:

By not funding these crucial activities in the regular budget, we risk undermining military readiness between the period when the Army runs out of money and the next supplemental passes.

And, by not funding regular military expenses in the defense bill, the Pentagon is essentially getting a high interest credit card to avoid making responsible budget choices today.

As you know, the Army is undertaking its most significant transformation in fifty years while simultaneously trying to meet the challenges of operations in Iraq and Afghanistan, the war on terror and new threats to the United States and to our allies.

Because of the Pentagon's incorrect initial assessment of the force size needed to stabilize Iraq, Reservists and Guard Members are on duty more often and for longer periods of time and our active duty force is severely strained.

The Blue Dog budget does the right thing and funds the Army's force increase so that we can win the war without breaking the Army, relieve the Guard and Reserve and let us get back to the business of transforming the nation's military.

I encourage my colleagues to support the Blue Dog budget Resolution.

The CHAIRMAN pro tempore (Mr. LINDER). All time for debate has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. STENHOLM).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. STENHOLM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 243, not voting 7, as follows:

[Roll No. 89]

AYES—183

Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Ballance
Bass
Becerra
Bell
Bereuter
Berkley
Berry
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Cramer
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Emerson
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gephardt
Gonzalez
Green (TX)
Grijalva
Gutierrez
Hall
Harman
Hastings (FL)
Hayes
Hill
Hinchey
Hinojosa

Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Kaptur
Kilpatrick
Kind
Kleczka
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Levin
Lewis (GA)
Lipinski
Lofgren
Lynch
Majette
Maloney
Markey
Marshall
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Moore
Moran (KS)
Moran (VA)
Nadler
Napolitano
Neal (MA)
Oberstar
Olver
Ortiz
Osborne
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Petri
Pomeroy
Price (NC)
Rangel
Reyes
Rodriguez
Ross
Roybal-Allard
Ruppersberger
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sandlin
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Shimkus
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Tierney
Towns
Turner (TX)
Udall (CO)
Upton
Van Hollen
Velázquez
Waters
Watson
Watt
Waxman
Weiner
Wexler
Wu
Wynn

NOES—243

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Beauprez
Berman
Biggert
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boucher
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carson (OK)
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Costello
Cox
Crane
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
English
Evans
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Harris
Hart
Hastings (WA)
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kucinich
Latham
LaTourette
Leach
Lee
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lowey
Lucas (OK)
Manzullo
Matheson
McCotter
McCrery
McHugh
McKeon
Meek (FL)
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mollohan
Murphy
Murtha
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Obey
Ose
Otter
Owens
Oxley
Paul
Payne
Pearce
Peterson (PA)
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Rothman
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanders
Saxton
Schakowsky
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Strickland
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Udall (NM)
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Young (AK)
Young (FL)

NOT VOTING—7

Abercrombie
Hoeffel
Lucas (KY)
McInnis
Pence
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ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. LINDER) (during the vote). Members are advised there are 2 minutes remaining in this vote.

☐ 1422

Messrs. ROTHMAN, MURTHA, PUTNAM, MILLER of Florida, PAYNE, RUSH, CROWLEY and Mrs. JO ANN DAVIS of Virginia and Ms. GINNY BROWN-WAITE of Florida changed their vote from "aye" to "no."

Messrs. TIERNEY, GEORGE MILLER of California and SNYDER changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 3 printed in House Report 108–446.

AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 3 OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute No. 3 offered by Mr. HENSARLING:

Strike all after the enacting clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

(a) DECLARATION.—The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate budgetary levels for fiscal years 2004 and 2006 through 2009 are hereby set forth.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent Resolution on the budget for fiscal year 2005.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.
Sec. 102. Major functional categories.

TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

Sec. 201. Reconciliation in the House of Representatives.
Sec. 202. Submission of report on defense savings.

TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE

Subtitle A—Reserve Funds for Legislation Assumed in Budget Aggregates

Sec. 301. Deficit-neutral reserve fund for health insurance for the uninsured.
Sec. 302. Deficit-neutral reserve fund for the Family Opportunity Act.
Sec. 303. Deficit-neutral reserve fund for Military Survivors' Benefit Plan.
Sec. 304. Reserve fund for pending legislation.

Subtitle B—Contingency Procedure

Sec. 311. Contingency procedure for surface transportation.

TITLE IV—BUDGET ENFORCEMENT

Sec. 401. Defense firewall.
Sec. 402. Restrictions on advance appropriations.
Sec. 403. Emergency spending.
Sec. 404. Enforcement of budget aggregates.
Sec. 405. Compliance with section 13301 of the Budget Enforcement Act of 1990.
Sec. 406. Action pursuant to section 302(b)(1) of the Congressional Budget Act.
Sec. 407. Family budget protection accounts-discretionary spending.
Sec. 408. Family budget protection accounts; mandatory spending.
Sec. 409. Changes in allocations and aggregates resulting from realistic scoring of measures affecting revenues.
Sec. 410. Prohibition on using revenue increases to comply with budget allocations and aggregates.
Sec. 411. Application and effect of changes in allocations and aggregates.

TITLE V—SENSE OF THE HOUSE

Sec. 501. Sense of the House on spending accountability.
Sec. 502. Sense of the House on entitlement reform.
Sec. 503. Sense of House regarding the abolishment of obsolete agencies and Federal sunset proposals.
Sec. 504. Sense of the House regarding the goals of this concurrent resolution and the elimination of certain programs.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2004 through 2009:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2004: $1,272,787,000,000.
Fiscal year 2005: $1,456,134,000,000.
Fiscal year 2006: $1,610,181,000,000.
Fiscal year 2007: $1,720,721,000,000.
Fiscal year 2008: $1,809,790,000,000.
Fiscal year 2009: $1,907,703,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

Fiscal year 2004: $0.

Fiscal year 2005: $23,000,000,000.

Fiscal year 2006: $44,000,000,000.

Fiscal year 2007: $34,223,000,000.

Fiscal year 2008: $36,000,000,000.

Fiscal year 2009: $45,357,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2004: $1,952,700,000,000.

Fiscal year 2005: $1,995,627,000,000.

Fiscal year 2006: $2,052,943,000,000.

Fiscal year 2007: $2,171,940,000,000.

Fiscal year 2008: $2,285,426,000,000.

Fiscal year 2009: $2,399,316,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2004: $1,911,235,000,000.

Fiscal year 2005: $1,993,628,000,000.

Fiscal year 2006: $2,066,992,000,000.

Fiscal year 2007: $2,151,234,000,000.

Fiscal year 2008: $2,254,679,000,000.

Fiscal year 2009: $2,365,995,000,000.

(4) DEFICITS (ON-BUDGET).—For purposes of the enforcement of this resolution, the amounts of the deficits (on-budget) are as follows:

Fiscal year 2004: $638,448,000,000.

Fiscal year 2005: $539,494,000,000.

Fiscal year 2006: $456,811,000,000.

Fiscal year 2007: $430,513,000,000.

Fiscal year 2008: $444,889,000,000.

Fiscal year 2009: $458,292,000,000.

(5) DEBT SUBJECT TO LIMIT.—Pursuant to section 301(a)(5) of the Congressional Budget Act of 1974, the appropriate levels of the public debt are as follows:

Fiscal year 2004: $7,436,000,000,000.

Fiscal year 2005: $8,086,000,000,000.

Fiscal year 2006: $8,867,000,000,000.

Fiscal year 2007: $9,227,000,000,000.

Fiscal year 2008: $9,809,000,000,000.

Fiscal year 2009: $10,406,000,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of debt held by the public are as follows:

Fiscal year 2004: $4,385,000,000,000.

Fiscal year 2005: $4,765,000,000,000.

Fiscal year 2006: $5,055,000,000,000.

Fiscal year 2007: $5,300,000,000,000.

Fiscal year 2008: $5,547,000,000,000.

Fiscal year 2009: $5,795,000,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2004 through 2009 for each major functional category are as follows:

(1) National Defense (050):

Fiscal year 2004:

(A) New budget authority, $461,544,000,000.

(B) Outlays, $451,125,000,000.

Fiscal year 2005:

(A) New budget authority, $419,634,000,000.

(B) Outlays, $447,114,000,000.

Fiscal year 2006:

(A) New budget authority, $442,400,000,000.

(B) Outlays, $439,098,000,000.

Fiscal year 2007:

(A) New budget authority, $464,000,000,000.

(B) Outlays, $445,927,000,000.

Fiscal year 2008:

(A) New budget authority, $486,149,000,000.

(B) Outlays, $465,542,000,000.

Fiscal year 2009:

(A) New budget authority, $508,369,000,000.

(B) Outlays, $487,186,000,000.

(2) Homeland Security (100):

Fiscal year 2004:

(A) New budget authority, $29,559,000,000.

(B) Outlays, $24,834,000,000.

Fiscal year 2005:

(A) New budget authority, $34,102,000,000.

(B) Outlays, $29,997,000,000.

Fiscal year 2006:

(A) New budget authority, $33,548,000,000.

(B) Outlays, $33,298,000,000.

Fiscal year 2007:

(A) New budget authority, $35,160,000,000.

(B) Outlays, $35,635,000,000.

Fiscal year 2008:

(A) New budget authority, $36,520,000,000.

(B) Outlays, $36,979,000,000.

Fiscal year 2009:

(A) New budget authority, $40,420,000,000.

(B) Outlays, $38,401,000,000.

(3) International Affairs (150):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(4) General Science, Space, and Technology (250):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(5) Energy (270):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(6) Natural Resources and Environment (300):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(7) Agriculture (350):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(8) Commerce and Housing Credit (370):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(9) Transportation (400):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(10) Community and Regional Development (450):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(11) Education, Training, Employment, and Social Services (500):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(12) Health (550):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(13) Medicare (570):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(14) Income Security (600):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(15) Social Security (650):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(16) Veterans Benefits and Services (700):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(17) Administration of Justice (750):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(18) General Government (800):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(19) Net Interest (900):

Fiscal year 2004:

(A) New budget authority, $240,471,000,000.

(B) Outlays, $240,471,000,000.

Fiscal year 2005:

(A) New budget authority, $270,507,000,000.

(B) Outlays, $270,507,000,000.

Fiscal year 2006:

(A) New budget authority, $318,306,000,000.

(B) Outlays, $318,306,000,000.

Fiscal year 2007:

(A) New budget authority, $363,189,000,000.

(B) Outlays, $363,189,000,000.

Fiscal year 2008:

(A) New budget authority, $396,474,000,000.

(B) Outlays, $396,474,000,000.

Fiscal year 2009:

(A) New budget authority, $424,724,000,000.

(B) Outlays, $424,724,000,000.

(20) Allowances (920):

Fiscal year 2004:

(A) New budget authority, $1,268,359,000,000.

(B) Outlays, $1,242,038,000,000.

Fiscal year 2005:

(A) New budget authority, $1,323,733,000,000.

(B) Outlays, $1,298,485,000,000.

Fiscal year 2006:

(A) New budget authority, $1,313,116,000,000.

(B) Outlays, $1,330,767,000,000.

Fiscal year 2007:

(A) New budget authority, $1,372,233,000,000.

(B) Outlays, $1,370,250,000,000.

Fiscal year 2008:

(A) New budget authority, $1,431,768,000,000.

(B) Outlays, $1,421,831,000.

Fiscal year 2009:

(A) New budget authority, $1,486,659,000.

(B) Outlays, $1,475,577,000,000.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 2004:

(A) New budget authority, −$47,233,000,000.

(B) Outlays, −$47,233,000,000.

Fiscal year 2005:

(A) New budget authority, −$52,349,000,000.

(B) Outlays, −$52,475,000,000.

Fiscal year 2006:

(A) New budget authority, −$54,427,000,000.

(B) Outlays, −$54,477,000,000.

Fiscal year 2007:

(A) New budget authority, −$62,642,000,000.

(B) Outlays, −$63,767,000,000.

Fiscal year 2008:

(A) New budget authority, −$65,485,000,000.

(B) Outlays, −$66,147,000,000.

Fiscal year 2009:

(A) New budget authority, −$60,856,000,000.

(B) Outlays, −$59,893,000,000.

TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS PROVIDING FOR THE ELIMINATION OF WASTE, FRAUD, AND ABUSE IN MANDATORY PROGRAMS.—

(1) Not later than July 15, 2004, the House committees named in paragraph (2) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) INSTRUCTIONS.—

(A) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $220,000,000 in outlays for fiscal year 2005 and $3,100,000,000 in outlays for the period of fiscal years 2005 through 2009.

(B) COMMITTEE ON ARMED SERVICES.—The House Committee on Armed Services shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $50,000,000 in outlays for fiscal year 2005 and $250,000,000 in outlays for the period of fiscal years 2005 through 2009.

(C) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $90,000,000 in outlays for fiscal year 2005 and $750,000,000 in outlays for the period of fiscal years 2005 through 2009.

(D) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $1,530,000,000 in outlays for fiscal year 2005 and $12,750,000,000 in outlays for the period of fiscal years 2005 through 2009.

(E) COMMITTEE ON FINANCIAL SERVICES.—The House Committee on Financial Services shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $50,000,000 in new budget authority for fiscal year 2005 and $190,000,000 in new budget authority for the period of fiscal years 2005 through 2009.

(F) COMMITTEE ON GOVERNMENT REFORM.—The House Committee on Government Reform shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $200,000,000 in outlays for fiscal year 2005 and $2,000,000,000 in outlays for the period of fiscal years 2005 through 2009.

(G) COMMITTEE ON HOUSE ADMINISTRATION.—The House Committee on House Administration shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $500,000 in outlays for fiscal year 2005 and $3,000,000 in outlays for the period of fiscal years 2005 through 2009.

(H) COMMITTEE ON INTERNATIONAL RELATIONS.—The House Committee on International Relations shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $150,000,000 in outlays for fiscal year 2005 and $1,125,000,000 in outlays for the period of fiscal years 2005 through 2009.

(I) COMMITTEE ON THE JUDICIARY.—The House Committee on the Judiciary shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $80,000,000 in outlays for fiscal year 2005 and $550,000,000 in outlays for the period of fiscal years 2005 through 2009.

(J) COMMITTEE ON RESOURCES.—The House Committee on Resources shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $50,000,000 in outlays for fiscal year 2005 and $350,000,000 in outlays for the period of fiscal years 2005 through 2009.

(K) COMMITTEE ON SCIENCE.—The House Committee on Science shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $1,000,000 in outlays for fiscal year 2005 and $6,000,000 in outlays for the period of fiscal years 2005 through 2009.

(L) Committee on Small Business.—The House Committee on Small Business shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $0 in outlays for fiscal year 2005 and $0 in outlays for the period of fiscal years 2005 through 2009.

(M) Committee on Transportation and Infrastructure.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $100,000,000 in outlays for fiscal year 2005 and $1,150,000,000 in outlays for the period of fiscal years 2005 through 2009.

(N) Committee on Veterans' Affairs.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $10,000,000 in outlays for fiscal year 2005 and $125,000,000 in outlays for the period of fiscal years 2005 through 2009.

(O) Committee on Ways and Means.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $4,784,000,000 in outlays for fiscal year 2005 and $38,947,000,000 in outlays for the period of fiscal years 2005 through 2009.

(P) Special rule.—The chairman of the Committee on the Budget may take into account legislation enacted after the adoption of this resolution that is determined to reduce the deficit and may make applicable adjustments in reconciliation instructions, allocations, and budget aggregates and may also make adjustments in reconciliation instructions to protect earned benefit programs.

(b) Submission Providing for the Extension of Expiring Tax Relief.—(1) The House Committee on Ways and Means shall report a reconciliation bill not later than October 1, 2004, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than $13,182,000,000 for fiscal year 2005 and by not more than $137,580,000,000 for the period of fiscal years 2005 through 2009.

(2) If a reconciliation bill, as reported pursuant to paragraph (1), does not increase the deficit for fiscal year 2005 or for the period of fiscal years 2005 through 2009 above the levels permitted in such paragraph, the chairman of the House Committee on the Budget may revise the reconciliation instructions under this section to permit the Committee on Ways and Means to increase the level of direct spending outlays, make conforming adjustments to the revenue instruction to decrease the reduction in revenues, and make conforming changes in allocations to the Committee on Ways and Means and in budget aggregates.

(c) Submission Providing for Additional Tax Relief.—(1) The House Committee on Ways and Means shall report a reconciliation bill not later than October 1, 2004, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than $9,818,000,000 for fiscal year 2005 and by not more than $45,000,000,000 for the period of fiscal years 2005 through 2009.

(2) If a reconciliation bill, as reported pursuant to paragraph (1), does not increase the deficit for fiscal year 2005 or for the period of fiscal years 2005 through 2009 above the levels permitted in such paragraph, the chairman of the House Committee on the Budget may revise the reconciliation instructions under this section to permit the Committee on Ways and Means to increase the level of direct spending outlays, make conforming adjustments to the revenue instruction to decrease the reduction in revenues, and make conforming changes in allocations to the Committee on Ways and Means and in budget aggregates.

SEC. 202. SUBMISSION OF REPORT ON DEFENSE SAVINGS.

In the House, not later than May 15, 2004, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify $2,000,000,000 in savings from—

(1) activities that are determined to be of a low priority to the successful execution of current military operations; or

(2) activities that are determined to be wasteful or unnecessary to national defense. Funds identified should be reallocated to programs and activities that directly contribute to enhancing the combat capabilities of the U.S. military forces with an emphasis on force protection, munitions, and surveillance capabilities. For purposes of this subsection, the report by the Committee on Armed Services shall be inserted in the Congressional Record by the chairman of the Committee on the Budget not later than May 21, 2004.

TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE

Subtitle A—Reserve Funds for Legislation Assumed in Budget Aggregates

SEC. 301. DEFICIT-NEUTRAL RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.

In the House, if legislation is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that provides health insurance for the uninsured, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 302. DEFICIT-NEUTRAL RESERVE FUND FOR THE FAMILY OPPORTUNITY ACT.

In the House, if the Committee on Energy and Commerce reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides medicaid coverage for children with special needs (the Family Opportunity Act), the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 303. DEFICIT-NEUTRAL RESERVE FUND FOR MILITARY SURVIVORS' BENEFIT PLAN.

In the House, if the Committee on Armed Services reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that increases survivors' benefits under the Military Survivors' Benefit Plan, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral resulting from a change other than to discretionary appropriations in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 304. RESERVE FUND FOR PENDING LEGISLATION.

In the House, for any bill, including a bill that provides for the safe importation of FDA-approved prescription drugs or places limits on medical malpractice litigation, that has passed the House in the first session of the 108th Congress and, after the date of adoption of this concurrent resolution, is acted on by the Senate, enacted by the Congress, and presented to the President, the chairman of the Committee on the Budget may make the appropriate adjustments in the allocations and aggregates to reflect any resulting savings from any such measure.

Subtitle B—Contingency Procedure

SEC. 311. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.

(a) In General.—If the Committee on Transportation and Infrastructure of the House reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of the following amounts:

(1) For fiscal year 2004: $41,569,000,000;
(2) For fiscal year 2005: $42,657,000,000;
(3) For fiscal year 2006: $43,635,000,000;
(4) For fiscal year 2007: $45,709,000,000;
(5) For fiscal year 2008: $46,945,000,000; or
(6) For fiscal year 2009: $47,732,000,000;

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2004, for fiscal year 2005, and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriated to such fund for the applicable fiscal year caused by such legislation or any previously enacted legislation.

(b) Adjustment for Outlays.—For fiscal year 2004 or 2005, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $40,116,000,000 for fiscal year 2004 or $41,204,000,000 for fiscal year 2005 for programs, projects, and activities within the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985, and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset pursuant to subsection (a).

TITLE IV—BUDGET ENFORCEMENT

SEC. 401. DEFENSE FIREWALL.

It shall not be in order in the Senate or in the House of Representatives to consider any bill making a general appropriation for fiscal year 2005 if the most recently reported allocations made pursuant to section 302(b)(1) of the Congressional Budget Act of 1974 sets out a level for the Defense Subcommittee and the Military Construction Subcommittee that when added together totals less than $402,000,000,000 in budget authority.

SEC. 402. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

(a) IN GENERAL.—(1) In the House, except as provided in subsection (b), an advance appropriation may not be reported in a bill or joint resolution making a general appropriation or continuing appropriation, and may not be in order as an amendment thereto.

(2) Managers on the part of the House may not agree to a Senate amendment that would violate paragraph (1) unless specific authority to agree to the amendment first is given by the House by a separate vote with respect thereto.

(b) EXCEPTION.—In the House, an advance appropriation may be provided for fiscal year 2006 and fiscal years 2006 and 2007 for programs, projects, activities or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading "Accounts Identified for Advance Appropriations" in an aggregate amount not to exceed $23,568,000,000 in new budget authority.

(c) DEFINITION.—In this section, the term "advance appropriation" means any discretionary new budget authority in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2005 that first becomes available for any fiscal year after 2005.

SEC. 403. EMERGENCY SPENDING.

(a) EXEMPTION OF OVERSEAS CONTINGENCY OPERATIONS.— In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that makes supplemental appropriations for fiscal year 2005 for contingency operations related to the global war on terrorism, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, and 401 of the Congressional Budget Act of 1974 for the provisions of such measure that are designated pursuant to this subsection as making appropriations for such contingency operations.

(b) EXEMPTION OF EMERGENCY PROVISIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that designates a provision as an emergency requirement pursuant to this section, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974.

(c) DESIGNATIONS.—

(1) GUIDANCE.—In the House, if a provision of legislation is designated as an emergency requirement under subsection (b), the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in paragraph (2). If such legislation is to be considered by the House without being reported, then the committee shall cause the explanation to be published in the Congressional Record in advance of floor consideration.

(2) CRITERIA.—

(A) IN GENERAL.—Any such provision is an emergency requirement if the underlying situation poses a threat to life, property, or national security and is—

(i) sudden, quickly coming into being, and not building up over time;

(ii) an urgent, pressing, and compelling need requiring immediate action;

(iii) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

(iv) not permanent, temporary in nature.

(B) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

(d) ENFORCEMENT.—It shall not be in order in the House of Representatives to consider any bill, joint resolution, amendment or conference report that contains an emergency designation unless that designation meets the criteria set out in subsection (c)(2).

(e) ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.—It shall not be in order in the House of Representatives to consider a rule or order that waives the application of subsection (d).

(f) DISPOSITION OF POINTS OF ORDER IN THE HOUSE.—As disposition of a point of order under subsection (d) or subsection (e), the Chair shall put the question of consideration with respect to the proposition that is the subject of the point of order. A question of consideration under this section shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent of the point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

SEC. 404. ENFORCEMENT OF BUDGET AGGREGATES.

(a) IN GENERAL.—Except as provided by subsection (b) of this section, it shall not be in order in the House of Representatives to consider any bill, joint resolution, amendment, motion, or conference report providing new budget authority or providing new entitlement authority, if—

(1) the enactment of that bill or resolution;

(2) the adoption and enactment of that amendment; or

(3) the enactment of that bill or resolution in the form recommended in that conference report;

would cause for any fiscal year covered by this resolution the appropriate allocation made pursuant to section 302(a)(1) of the Congressional Budget Act of 1974 to be exceeded.

(b) EXCEPTION.—Subsection (a) of this section shall not apply to any bill, joint resolution or conference report that only provides continuing appropriations.

(c) ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.—It shall not be in order in the House of Representatives to consider a rule or order that waives the application of subsection (a).

(d) DISPOSITION OF POINTS OF ORDER IN THE HOUSE.—As disposition of a point of order under subsection (a) or subsection (c), the Chair shall put the question of consideration with respect to the proposition that is the subject of the point of order. A question of consideration under this section shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent of the point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

(e) EFFECT ON AMENDMENT IN ORDER AS ORIGINAL TEXT IN THE HOUSE.—The disposition of the question of consideration under this section with respect to a bill or joint resolution shall be considered also to determine the question of consideration under this subsection with respect to an amendment made in order as original text.

SEC. 405. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.

(a) IN GENERAL.—In the House, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974 and section 13301 of the Budget Enforcement Act of 1990, the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget shall include in its allocation under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations amounts for the discretionary administrative expenses of the Social Security Administration.

(b) SPECIAL RULE.—In the House, for purposes of applying section 302(f) of the Congressional Budget Act of 1974, estimates of the level of total new budget authority and total outlays provided by a measure shall include any discretionary amounts provided for the Social Security Administration.

SEC. 406. ACTION PURSUANT TO SECTION 302(b)(1) OF THE CONGRESSIONAL BUDGET ACT.

(a) COMPLIANCE.—When complying with section 302(b)(1) of the Congressional Budget Act of 1974, the Committee on Appropriations of each House shall consult with the Committee on Appropriations of the other House to ensure that the allocation of budget outlays and new budget authority among each Committee's subcommittees are identical.

(b) REPORT.—The Committee on Appropriations of each House shall report to its House when it determines that the report made by the Committee pursuant to section 301(b) of the Congressional Budget Act of 1974 and the report made by the Committee on Appropriations of the other House pursuant to the same provision contain identical allocations of budget outlays and new budget authority among each Committee's subcommittees.

(c) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report providing new discretionary budget authority for Fiscal Year 2004 allocated to the Committee on Appropriations unless and until the Committee on Appropriations of that House has made the report required under paragraph (b) of this section.

SEC. 407. FAMILY BUDGET PROTECTION ACCOUNTS—DISCRETIONARY SPENDING.

(a) The chairman of the Committee on the Budget shall maintain a ledger to be known as the "Discretionary Spending Ledger". The Ledger shall be divided into entries corresponding to the subcommittees of the Committee on Appropriations and each entry shall consist of the "Deficit Reduction Safeguard Balance".

(b) Each entry shall consist only of amounts credited to it under paragraph (c). No entry of a negative amount shall be made.

(c) Whenever a Member offers an amendment to an appropriation bill to reduce new budget authority in any account, that Member may state the portion of such reduction that shall be—

(1) credited to the Deficit Reduction Safeguard Balance;

(2) used to offset an increase in new budget authority in any other account; or

(3) allowed to remain within the applicable section 302(b) suballocation.

If no such statement is made, the amount of reduction in new budget authority resulting from the amendment shall be credited to the Deficit Reduction Safeguard Balance, as applicable, if the amendment is agreed to.

(d) Except as provided by paragraph (e), the chairman of the Committee on the Budget shall, upon the engrossment of any appropriation bill by the House of Representatives, credit to the entry balance amounts of new budget authority and outlays equal to the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the House to that bill.

(e) When computing the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the House to an appropriation bill, the chairman of the Committee on the Budget shall only count those portions of such amendments agreed to that were so designated by the Members offering such amendments as amounts to be credited to the Deficit Reduction Safeguard Balance, or that fall within the last sentence of subparagraph (c).

(f) The chairman of the Committee on the Budget shall maintain a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported. This tally shall be available to Members during consideration of any appropriation bill by the House.

(g) For purposes of enforcing section 302(a) of the Congressional Budget Act of 1974, upon the engrossment of any appropriation bill by the House, the amount of budget authority and outlays calculated pursuant to subparagraph (e) shall be counted against the 302(a) allocation provided to the Committee on Appropriations as if the amount calculated pursuant to such clause was included in the bill just engrossed.

(h) For purposes of enforcing section 302(b) of the Congressional Budget Act of 1974, upon the engrossment of any appropriation bill by the House, the 302(b) allocation provided to the subcommittee for the bill just engrossed shall be deemed to have been reduced by the amount of budget authority and outlays calculated, pursuant to subparagraph (e).

(i) As used in this section, the term "appropriation bill" means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2004 or any subsequent fiscal year, as the case may be.

SEC. 408. FAMILY BUDGET PROTECTION ACCOUNTS; MANDATORY SPENDING.

(a) The chairman of the Committee on the Budget shall maintain a ledger to be known as the "Mandatory Spending Ledger". The Ledger shall be divided into entries corresponding to the House committees that received allocations under section 302(a) of the Congressional Budget Act of 1974 as a result of this concurrent resolution, except that it shall not include the Committee on Appropriations and each entry shall consist of the "First Year Deficit Reduction Safeguard Balance" and the "Five Year Deficit Reduction Safeguard Balance".

(b) Each entry shall consist only of amounts credited to it under paragraph (c). No entry of a negative amount shall be made.

(c) Whenever a Member offers an amendment to a bill that reduces the amount of mandatory budget authority provided either under current law or proposed to be provided by the bill under consideration, that Member may state the portion of such reduction achieved in the first year covered by this concurrent resolution and in addition the portion of such reduction achieved in the first five years covered by this concurrent resolution that shall be—

(1) credited to the First Year Deficit Reduction Safeguard Balance and the Five Year Deficit Reduction Safeguard Balance;

(2) used to offset an increase in other new budget authority; or

(3) allowed to remain within the applicable section 302(a) allocation.

If no such statement is made, the amount of reduction in new budget authority resulting from the amendment shall be credited to the First Year Deficit Reduction Safeguard Balance and the Five Year Deficit Reduction Safeguard Balance, as applicable, if the amendment is agreed to.

(d) Except as provided by subparagraph (e), the chairman of the Committee on the Budget shall, upon the engrossment of any bill, other than an appropriation bill, by the House, credit to the applicable entry balances amounts of new budget authority and outlays equal to the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by the House to that bill.

(e) When computing the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by the House to a bill, the chairman of the Committee on the Budget shall only count those portions of such amendments agreed to that were so designated by the Members offering such amendments as amounts to be credited to the First Year Deficit Reduction Safeguard Balance and the Five Year Deficit Reduction Safeguard Balance, or that fall within the last sentence of subparagraph (c).

(f) The chairman of the Committee on the Budget shall maintain a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported. This tally shall be available to Members during consideration of any bill by the House.

(g) For the purposes of enforcing section 302(a) of the Congressional Budget Act of 1974, upon the engrossment of any bill, other than an appropriation bill, by the House, the amount of budget authority and outlays calculated pursuant to subparagraph (e) shall be counted against the 302(a) allocation provided to the applicable committee or committees which reported the bill as if the amount calculated pursuant to subparagraph (e) was included in the bill just engrossed.

(h) As used in this section, the term "appropriation bill" means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2004 or any subsequent fiscal year, as the case may be.

SEC. 409. CHANGES IN ALLOCATIONS AND AGGREGATES RESULTING FROM REALISTIC SCORING OF MEASURES AFFECTING REVENUES.

(a) Whenever the House considers a bill, joint resolution, amendment, motion or conference report, including measures filed in compliance with section 201(b) or 201(c) of this concurrent resolution, that propose to change Federal revenues, the impact of such measure on Federal revenues shall be calculated by the Joint Committee on Taxation in a manner that takes into account:

(1) the impact of the proposed revenue changes on—

(A) Gross Domestic Product, including the growth rate for the Gross Domestic Product;

(B) Total Domestic Employment;

(C) Gross Private Domestic Investment;

(D) General Price Index;

(E) Interest Rates; and

(F) Other economic variables

(2) the impact on Federal Revenue of the changes in economic variables analyzed under subpart (1) of this paragraph.

(b) The Chairman of the Committee on the Budget may make any necessary changes to allocations and aggregates in order to conform this concurrent resolution with the determinations made by the Joint Committee on Taxation pursuant to paragraph (a) of this section.

SEC. 410. PROHIBITION ON USING REVENUE INCREASES TO COMPLY WITH BUDGET ALLOCATIONS AND AGGREGATES.

(a) For the purpose of enforcing this concurrent resolution in the House, the chairman of the Committee on the Budget shall not take into account the provisions of any piece of legislation which propose to increase revenue or offsetting collections if the net effect of the bill is to increase the level of revenue or offsetting collections beyond the level assumed in this concurrent resolution.

(b) Subsection (a) of this section shall not apply to any provision of a piece of legislation that proposes a new or increased fee for the receipt of a defined benefit or service (including insurance coverage) by the person or entity paying the fee.

SEC. 411. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

(1) apply while that measure is under consideration;

(2) take effect upon the enactment of that measure; and

(3) be published in the Congressional Record as soon as practicable.

(b) EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the appropriate Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

TITLE V—SENSE OF THE HOUSE

SEC. 501. SENSE OF THE HOUSE ON SPENDING ACCOUNTABILITY.

It is the sense of the House that—

(1) authorizing committees should actively engage in oversight utilizing—

(A) the plans and goals submitted by executive agencies pursuant to the Government Performance and Results Act of 1993; and

(B) the performance evaluations submitted by such agencies (that are based upon the Program Assessment Rating Tool which is designed to improve agency performance);

in order to enact legislation to eliminate waste, fraud, and abuse to ensure the efficient use of taxpayer dollars;

(2) all Federal programs should be periodically reauthorized and funding for unauthorized programs should be level-funded in fiscal year 2005 unless there is a compelling justification;

(3) committees should submit written justifications for earmarks and should consider not funding those most egregiously inconsistent with national policy;

(4) the fiscal year 2005 budget resolution should be vigorously enforced and legislation should be enacted establishing statutory limits on appropriations and a PAY-AS-YOU-GO rule for new and expanded entitlement programs; and

(5) Congress should make every effort to offset nonwar-related supplemental appropriations.

SEC. 502. SENSE OF THE HOUSE ON ENTITLEMENT REFORM.

(a) FINDINGS.—The House finds that welfare was successfully reformed through the application of work requirements, education and training opportunity, and time limits on eligibility.

(b) SENSE OF THE HOUSE.—It is the sense of the House that authorizing committees should—

(1) systematically review all means-tested entitlement programs and track beneficiary participation across programs and time;

(2) enact legislation to develop common eligibility requirements for means-tested entitlement programs;

(3) enact legislation to accurately rename means-tested entitlement programs;

(4) enact legislation to coordinate program benefits in order to limit to a reasonable period of time the Government dependency of means-tested entitlement program participants;

(5) evaluate the costs of, and justifications for, nonmeans-tested, nonretirement-related entitlement programs; and

(6) identify and utilize resources that have conducted cost-benefit analyses of participants in multiple means- and nonmeans-tested entitlement programs to understand their cumulative costs and collective benefits.

SEC. 503. SENSE OF HOUSE REGARDING THE ABOLISHMENT OF OBSOLETE AGENCIES AND FEDERAL SUNSET PROPOSALS.

(a) The House finds that—

(1) the National Commission on the Public Service's recent report, "Urgent Business For America: Revitalizing The Federal Government For The 21st Century," states that government missions are so widely dispersed among so many agencies that no coherent management is possible. The report also states that fragmentation leaves many gaps, inconsistencies, and inefficiencies in government oversight and results in an unacceptable level of public health protection;

(2) according to the Commission, there are: more than 35 food safety laws administered by 12 different Federal agencies; 541 clean air, water, and waste programs in 29 Federal agencies; 50 different programs to aid the homeless in eight different Federal agencies; and 27 teen pregnancy programs operated in nine Federal agencies; and 90 early childhood programs scattered among 11 Federal agencies;

(3) according to the General Accounting Office (GAO), there are 163 programs with a job training or employment function, 64 welfare programs of a similar nature, and more than 500 urban aid programs;

(4) GAO also indicates 13 agencies coordinate 342 economic development programs, but there is very little or no coordination between them. This situation has created a bureaucracy so complex that many local communities stop applying for economic assistance. At the same time, the GAO reports that these programs often serve as nothing more than funnels for pork, have "no significant effect" on the economy, and cost as much as $307,000 to create each job;

(5) in 1976, Colorado became the first state to implement a sunset mechanism. Today, about half of the nation's states have some sort of sunset mechanism in effect to monitor their legislative branch agencies. On the Federal level, the United States Senate in 1978 overwhelmingly passed legislation to sunset most of the Federal Government agencies by a vote of 87–1; and

(6) in Texas, "sunsetting" has eliminated 44 agencies and saved the taxpayers $720 million compared with expenditures of $16.94 million for the Sunset Commission. Based on these estimates, for every dollar spent on the Sunset process, the State has received about $42.50 in return.

(b) It is the sense of the House of Representatives that legislation providing for the orderly abolishment of obsolete Agencies and providing a Federal sunset for government programs should be enacted during this Congress.

SEC. 504. SENSE OF THE HOUSE REGARDING THE GOALS OF THIS CONCURRENT RESOLUTION AND THE ELIMINATION OF CERTAIN PROGRAMS.

(a) The House of Representatives finds that—

(1) the concurrent resolution on the budget for Fiscal Year 2005 should achieve the following key goals:

(A) Ensure adequate funding is available for essential government programs, in particular defense and homeland security.

(B) Foster greater economic growth and increased domestic employment by eliminating those provisions in the tax code that discourage economic growth and job creation and by extending existing tax relief provisions so as to prevent an automatic tax increase.

(C) Bring the Federal budget back into balance as soon as possible.

(2) the Federal Government spends billions of dollars each year on programs and projects that are of marginal value to the country as a whole;

(3) funding for these lower priority programs should be viewed in light of the goals of this concurrent resolution and whether or not continued funding of these programs advances or hinders the achievement of these goals; and

(4) this concurrent resolution assumes that funding for many lower priority programs will be reduced or eliminated in order increase funding for defense and homeland security while at the same time controlling overall spending.

(b) It is the sense of the House of Representatives that the following programs should be eliminated:

(1) Title X Family Planning.

(2) Corporation for Public Broadcasting.

(3) National Endowment for the Arts.

(4) Legal Services Corporation.

(5) The Advanced Technology Program.

The CHAIRMAN pro tempore. Pursuant to House Resolution 574, the gentleman from Texas (Mr. HENSARLING) and a Member opposed each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first I want to congratulate the gentleman from Iowa (Mr. NUSSLE) on his great work to produce a truly fiscally responsible budget. It takes a big step in the right direction. But the Republican Study Committee budget takes even more steps in the right direction.

Budgets are so much more than green eyeshade exercises for accountants. They are so much more than esoteric econometric modeling. Beyond the numbers, they are really about values and priorities. The values and priorities of the budget I offer today are simple, less government and more freedom. Of all the budgets introduced in Congress today, none, and I repeat none, contain less government or more freedom than the Republican Study Committee alternative which I have the honor to introduce today.

Permit me to summarize what this budget does. First, for only the second time in a decade, we would actually reduce the size of government. In the aggregate, we reduce nondefense discretionary spending by 1 percent and reduce the rate of growth in mandatory spending by 1 percent. Why is this important? Because it is a fact. It is an eternal truth that as governments expand, liberty contracts. That means fewer opportunities for Americans to choose the best health care for their families, to choose the best educational opportunities for their children, or to find the best job in a competitive market economy.

Secondly, this budget fully funds the Commander in Chief's defense and homeland defense request. This is a Nation at war. For many years this Nation ran a defense deficit with deteriorating infrastructure, outdated equipment, and lagging military pay. We must continue to close this defense deficit because there can be only one outcome to this war, victory for freedom and defeat for terrorism.

Next, Mr. Chairman, this budget cuts the deficit in half in 3 years. As the father of a 2-year-old daughter and a 6-month-old son, I take a back seat to no one regarding my concern about the deficit. But we must all realize that the deficit is a symptom. Spending is the disease. And by any measure, spending is out of control. For only the fourth time in the history of our Nation, the Federal Government is now spending over $20,000 per household. This figure is up from just 5 years ago of $16,000 per household, representing the largest expansion of government in 50 years. Last year, what we call mandatory spending reached 11 percent of our economy for the first time ever. Nondefense discretionary spending is now almost 4 percent of the economy for the first time in 20 years, and almost every major Department of the government has grown precipitously way beyond the rate of inflation.

Besides being out of control, much of this Federal spending, unfortunately, is just pure waste, fraud, and abuse.

Until recently, Medicare had routinely paid as much as five times for a wheelchair as the VA had, simply because one bid competitively and the other did not. In the last year of the Clinton administration, HUD wasted over 10 percent of their budget making improper payments, $3 billion lost. We spent almost $800,000 for a toilet in one national park and the toilet did not even flush. And we are just scratching the surface here.

Example after example shows that many Federal programs routinely waste 5, 10, 15, 20 percent of their taxpayer-funded budgets and have for decades.

Mr. Chairman, this has got to stop. Government is inherently wasteful. It does almost nothing as well as we the people, and it must be limited. And until we do limit it, we will never prioritize, much less root out the waste, the fraud, the abuse that permeates every corner of our Federal budget.

Again, this Republican Study Committee alternative is the only budget that actually reduces government and thus begins the vital process of protecting the family budget from the Federal budget.

Next, Mr. Chairman, the RSC budget promotes economic growth by providing tax relief, $183 billion over 5 years. This will ensure that we do not imperil our economic recovery by raising taxes as all the Democrat alternatives propose to do. This figure accommodates the President's request and will help ensure that tax relief such as the child tax credit and the marriage penalty tax relief will not be canceled.

Now, my friends on the other side of the aisle have said that tax relief represents a huge government expenditure that creates huge deficits. They are wrong. First, it is not the government's money; it is the people's money. Secondly, when it comes to the deficit, the tax relief is miniscule compared to the spending, roughly $180 billion over 5 years compared to over $13 trillion of spending over the same time period. In other words, if you do the math, tax relief is only 1 percent of total spending. One percent.

If the Democrats truly care about budget deficits, they should focus their attention on the spending side of deficit, which represents 99 percent of the problem.

Finally, tax relief has proven to be part of the deficit solution, not part of the deficit problem. Tax relief has helped ignite our historic economic recovery, created jobs, and brought our unemployment rate down. And most importantly with respect to the deficit, Treasury reports show that after cutting tax rates, we increase tax revenues. That is right. Tax revenues are up.

The final thing that the Republican Study Committee budget does is to ensure we live up to our commitments to the American people. In other words, when we pass a budget, we enforce that budget. Too often through advance appropriations, so-called emergency spending and other devices, Congress has ignored its own budget. This too must stop. Through closing loopholes and creating Family Budget Protection Accounts, the Republican Study Committee budget takes a giant step towards ensuring that Congress indeed means what it says when it passes the budget.

In conclusion, Mr. Chairman, budgets are truly about priorities and values as much as they are about numbers. Our budget prioritizes the family budget over the Federal budget. It values less government and more freedom. For the sake of our own children and the future of the Nation, the Republican Study Committee substitute should be adopted by the House.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute, and claim the time in opposition.

Mr. Chairman, I ask unanimous consent that half of the time I have claimed in opposition be yielded to the gentleman from South Carolina (Mr. SPRATT) for purposes of control.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

□ 1430

Mr. NUSSLE. Mr. Chairman, I reserve the balance of our time.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Chairman, I thank the gentleman for yielding me the time.

There have been a lot of numbers used in this debate, thrown around with great abandon. I must give my Republican colleagues credit. They have used numbers and rhetoric very cleverly over these last 2 days, but I would urge my fellow Americans watching this debate to pay very, very close attention to the way the numbers are actually being used and also to what is not being said.

For example, Democrats talked for 20 minutes yesterday about how the Republican budget seriously underfunds our first responders. The Republicans responded by saying our numbers were all wrong because their budget increased funding for homeland security. Then they listed numbers showing increases in transportation and border protection as examples. Yet they were strangely silent about funding for police departments, for firefighters, for other first responders, which was actually what we were discussing; and they were silent for the understandable reason that their budget gives these first responders far less support than they had before 9/11!

We have criticized the Republican budget for creating a spiraling deficit as their spending plans and their tax cuts kick in over the next 10 years. They say we are confused because the Republican plan is going to cut the deficit in half over the next 4 or 5 years. That, in itself, is debatable, but I promise my colleagues that they will hear no Republican talk about the effect of their budget on the deficit over the next 10 years, as their tax cuts for the wealthy and their extra spending kick in, because the result is deficits in the $500 billion range, as far as the eye can see.

We have talked about how the Democratic substitute does not merely reduce the deficit, but actually eliminates the deficit within 10 years, while redirecting more resources toward areas Americans care about, like education, veterans' benefits, first responders, housing and safety net programs.

Our Republican friends say, Aha, you do this by raising taxes on Americans. Well, we do understand that there is no free lunch, and we want to reinstate the real pay-as-you-go rule that served us so well through the 1990s. But rather than raise taxes, we are talking about merely freezing scheduled reductions for those making over $500,000 a year and also closing some egregious corporate loopholes.

It is true that the tax cuts for millionaires in our plan are less than the tax cuts for millionaires in theirs. But I doubt we will hear our Republican friends putting it quite that way.

So, Mr. Chairman, I encourage my colleagues to pay very, very close attention to what numbers are being used by each side and to what is not being said. Budgets are, after all, about priorities, and the Democratic priorities are clear. Fund the programs America needs, balance the budget, and target tax cuts in ways that stimulate the economy and do not merely enrich the most fortunate among us.

Mr. HENSARLING. Mr. Chairman, I yield 2½ minutes to the gentlewoman from North Carolina (Mrs. MYRICK).

Mrs. MYRICK. Mr. Chairman, I rise today to lend my strong support to the Republican Study Committee budget. As chairman of the RSC, I am very proud of this budget and I want the thank the gentleman from Texas (Mr. HENSARLING) for all of his hard work on making this possible.

I also want to commend the gentleman from Iowa (Chairman NUSSLE) for his hard work and dedication to reining in spending. The gentleman from Iowa and the leadership of the House spent a lot of time honestly listening to Members' concerns. The underlying budget is an important first step for our conference, and I am very proud to support it.

However, I had hoped that we could do more. Hardworking Americans have to watch their spending, and so should Congress. Congress has got to get in the mind-set of spending less.

I will continue to remind my colleagues that Americans expect us to be responsible with their tax dollars. It takes them a long time to earn those dollars to send up here for us to spend.

This RSC budget reduces nondefense, nonhomeland security discretionary spending by 1 percent compared to last year's level. It assumes the President's numbers for tax relief over the next 5 years. The Committee on the Budget calls for $152.6 billion in tax relief. We call for $182.6 billion.

Most importantly, it establishes a fire wall, preventing the consideration of appropriations bills until at least $402 billion is provided for defense and military construction. The RSC budget brings true accountability to the Federal budget.

It is time Congress gets serious about reining in wasteful spending and getting our budget under control. This is what we were sent here to do. That is what the American people expect us to do. They want us to stop business as usual and stop the excuses.

Mr. SPRATT. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio (Mr. BROWN) and ask unanimous consent that he be allowed to allocate portions of his time.

The CHAIRMAN pro tempore (Mr. LINDER). Without objection, the gentleman from Ohio (Mr. BROWN) is allowed to yield time.

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, there is a moral dimension to these huge tax cuts the Republicans give to the upper two percentiles. In this budget, they cut research that would cover Alzheimer's, Parkinson's, heart disease, diabetes, by $553 million, the research dollars that will help every American family to avoid the tragedy of these diseases which would ravage their families.

Tax cuts should not come before an increase in the budget for the NIH, but worse than that, they also cut $23.6 billion out of Medicaid, which is the budget which is used for Grandma and Grandpa in nursing homes across our country with Alzheimer's, with Parkinson's, with heart disease and every other illness that afflicts our country.

They cannot have it both ways. They cannot not fund increases in NIH research to cure diseases and not have the funding then when they do not cure it in order to take care of Grandma and Grandpa in nursing homes.

Watch out, Grandma. Watch out, Grandpa. GOP used to stand for Grand Old Party. Now it stands for Get Old People, for Got Our Pensions, and that is exactly what is happening in this Republican budget.

The tax cuts for the wealthiest are sacrosanct, and as a result, programs that will help every American family deal with the ravages of disease has to be cut, whether it be in research or in nursing homes. GOP, get-old-people.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute to observe, get old people? That is kind of interesting.

The one program that seniors in our country depend on is Medicare. Are there any cuts in the Republican budget for Medicare? No. In fact, we funded a new drug benefit last year, and that is included in our budget. But, boy, it is interesting here, as I look at the Democrat substitute, look on the Medicare line, a cut in Medicare, is it possible that you could come to the floor with a cute little sign that says Get Old People and then cut Medicare and yell about it?

I can yell, too, I suppose, but yelling does not make it different. My colleagues get old people with a Medicare cut. Why is it that they would come to the floor with a sign that says one thing and present a budget that does something completely different? At a time when we are trying to modernize Medicare, provide providers with better reimbursements and help provide the first-ever prescription drug benefit under Medicare is not the time to cut Medicare. My colleagues should not have that in their budget.

Mr. Chairman, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 15 seconds.

The gentleman from Iowa (Mr. NUSSLE) knows that the Medicare bill that he is bragging about, in fact, is simply a payoff to the drug companies and to the insurance industries, $46 billion direct taxpayer subsidies to the insurance industry, $200 billion in direct subsidies to the drug companies.

Mr. Chairman, I yield 1½ minutes to my friend, the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Chairman, I rise in absolute astonishment at the disingenuous budget resolution presented by the Republican majority and in opposition to the Republican Study Committee's alternative. But at least the Republican Study Committee, I give them credit, they try to be consistent. They try to bring down the deficit. They try to say that we cannot have these tremendous deficits.

I do not know whether to laugh or cry, to actually carve out protections that allow increases in the deficit by billions. What has happened to the soul of the Republican Party? Is fiscal responsibility no longer their mantra? Make no mistake, guaranteeing that we can have tax cuts without corresponding spending cuts means even bigger increases in the deficit.

The tax cuts for the rich are robbing us of our ability to fund needed programs. How can we look at our children and grandchildren and say we are promoting the general welfare? $7 trillion in debt, every American now carries a burden of $24,326. Just this year alone we are spending $340 billion on interest for this debt. We are leaving our children and grandchildren an economic time bomb.

Just as the baby boom generation begins to retire, this budget spends every penny of the Medicare and Social Security surpluses over the next 10 years, but not on Medicare and Social Security; and the cuts on Medicaid are shameful in this budget when we consider that unemployment is high and people need Medicaid.

Democrats want to balance the budget and pay our bills now, not sometime in the future. Republicans used to stand in this Chamber and scream about balanced budgets. What happened to you?

Reject this budget and support the gentleman from South Carolina's (Mr. SPRATT) alternative.

Mr. HENSARLING. Mr. Chairman, I yield myself 15 seconds.

If the gentleman is concerned about spending, this budget actually does cut spending. I would encourage him to sponsor it. Additionally, 99 percent of our deficit problem is on the spending side. So I do not understand why 99 percent of the rhetoric is on the tax side, on the other side.

Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, I would like to congratulate my colleague, the gentleman from Texas, for introducing an outstanding budget and for his hard work in making a point, in producing a budget that really goes a long way towards achieving the fiscal discipline that we need here.

It seems to me the goal of the Federal budget ought to be primarily to create an environment in which we allow the American people to maximize their prosperity, to maximize their opportunity, to maximize their chance to realize the American dream.

If the American people could actually individually vote on this today, I think this is the budget that would win because the American people know that our taxes are too high to achieve the maximum level of prosperity that our country is capable of, and they know that here in Washington we spend too much money. We have for years, and it has been accelerating in recent years; and so this is the budget that addresses those two issues best.

It cuts spending a little tiny bit. That is all, one small part of the total government spending. We actually propose in this Republican Study Committee budget a 1 percent cut, one penny out of every dollar in the nondefense, nonhomeland security discretionary spending area. We think that there is at least that much waste and fraud and abuse and unnecessary and duplicative programs, and so we are saying, how about one penny out of every dollar in just this category?

What else did this budget do? It says that the existing tax law ought to be permanent, that we should not, at a time when we are just kicking in a strong economic recovery, we should not raise taxes.

This is a budget that shrinks the deficit, holds spending growth to a modest level and lowers taxes. I urge my colleagues to support it.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Chairman, I thank the gentleman for yielding me the time.

My colleague across the aisle from Texas is feeling really proud of himself, because he thinks he found a Medicare cut in the Democratic alternative. Excuse me, we are talking about $800 million more for Medicare over the next 5 years. So he is just flat wrong, but there are a lot of things wrong in this budget.

It is true that when we talk about, well, it is just 1 percent, it is just a little bit here or there, we are talking about a $2 billion cut in Medicaid. What is that about? Medicaid? We are talking about the poorest of Americans, many of whom, by the way, are working 7 days a week or 5 days a week trying to earn a living and still do not have benefits. Their children are doing without.

Yes, it is true, we are talking about senior citizens in nursing homes. Medicaid pays for two out of three residents in nursing homes, one out of ten residents in assisted living facilities in addition to home-based and community-based care. We are talking about 52 million children, disabled persons, persons living with AIDS, parents, senior citizens who rely on Medicaid.

Is this what fiscal discipline is really about? Is this what we want to cut in this budget?

The Blue Dog budget, the Black Caucus budget and our Democratic alternative leave Medicaid intact because that is what government is supposed to do, help people when they need health care.

Mr. HENSARLING. Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. HERGER).

□ 1445

Mr. HERGER. Mr. Chairman, I rise in support of the Hensarling substitute budget. This budget sets priorities by fully funding the President's defense and homeland security requests while calling for a 1 percent reduction in the rest of the discretionary budget.

The budget addresses waste in non-Social Security mandatory spending by reducing it by just 1 cent out of each dollar. This budget protects the recent tax relief from increases for working families, parents and married couples and provides new tax relief that is necessary to strengthen the economic recovery.

Finally, this budget begins fixing the broken Federal budget process by requiring a stand-alone vote to bypass any budget enforcement mechanism and therefore stopping the practice of labeling regular spending as emergencies.

I urge my colleagues to vote for the Hensarling amendment.

Mr. NUSSLE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we just heard an interesting speech about Medicaid cuts. So, on the one hand, it is okay when you put a Medicare cut into your budget, and then come to the floor and say, do not worry about the Medicare cut in the Democratic substitute, do not worry about that, look over here at the Republican budget where they are cutting Medicaid.

Let me tell Members what is happening to Medicaid.

Let us assume for a moment that was coming out of Medicaid, $2 billion was coming out of Medicaid. Sounds like a lot of money; it is a lot of money, particularly if you are a small business back home and people are trying to raise taxes.

Let me show what happens to Medicaid with and without the reform. Instead of spending $1.15 trillion over the next 5 years, we are saying there are States out there that the Department of Health and Human Services has discovered are wasting or transferring approximately $9 billion per year of what the Secretary of Health and Human Services said were suspicious transfers or suspicious spending. Not one penny of that, he is claiming, is going to nursing homes or seniors, not one penny. He is saying it is suspicious because the States are playing games with that money.

So what we say is, we want to look for that money and find out whether or not the States are doing that. We want to see if we can provide some of that savings, and we want to put it back into the program so it actually goes to nursing homes and actually goes to people who are in poverty or people who do not have health care or kids in the SCHIP program.

So what we are saying within our budget is, when we find savings, because maybe some States are abusing this program or maybe others are abusing that program, let us take that waste and put it back into the budget so we have a better health care system for our people who are indigent.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself the balance of my time.

The gentleman from Iowa (Mr. NUSSLE), who specializes every year in this budget, cutting Medicare, cutting Medicaid, cutting SCHIP, cutting programs which protect health in this country, the gentleman from Iowa knows better.

The fact is, our budget has $800 million in Medicare more than their budget. Their budget does a much better job of taking health care, Medicare dollars and shoveling them to insurance company HMOs. The President said it was only $14 billion insurance subsidies, taxpayer subsidies to insurance companies, under the Medicare bill until he signed the bill, then he acknowledged we are shoveling $46 billion in direct subsidies to insurance companies which also happen to be major political contributors to the President and to the Republican majority, not too different from drug company contributions to my friends on the other side of the aisle, the other major beneficiary of the Medicare bill.

The Medicaid bill is not just a question of Republicans not reducing government spending, they are shifting the burden to the States. California loses $226 million in Medicaid funding; Florida loses $90 million; Ohio, $87 million; Michigan, $60 million, and on and on and on.

Medicaid covers 70 percent of the nursing homes in this country. If we pass the Democratic substitute, we are putting America's seniors ahead of HMOs. If we pass the Republican substitute, we are leaving seniors and disabled Americans on their own.

Mr. HENSARLING. Mr. Chairman, I yield myself 15 seconds.

Medicaid spending is up 89 percent since 1995, and if the other side is concerned about the affordability of health care, perhaps they would join us in doing something about tort reform, medical liability reform and excess government regulation.

Mr. Chairman, I yield 1 minute to the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Chairman, I rise to thank the gentleman from Iowa (Mr. NUSSLE) for presenting a budget that cuts spending and continues the tax relief passed by Congress last year, and also to thank the gentleman from Texas (Mr. HENSARLING) for his work on our RSC budget, which is the most ambitious of our efforts.

The RSC budget and the Budget Committee version differ in two areas: First, the deficit is cut in half within 3 years in the RSC budget, 1 year earlier than the committee-reported budget. It is $63 billion lower over the next 5 years as compared to the committee-reported budget; and while the committee budget does include measures to enforce the budget provisions, the RSC substitute includes the budget process reforms that are a critical first step to long-term change in how we spend.

The RSC budget includes elements of the Family Budget Protection Act to make it more difficult for future Congresses to bypass spending ceilings and allows appropriations savings to apply to tax relief or deficit reduction.

I call on my colleagues to vote in favor of the RSC budget amendment to make a major step toward fiscal responsibility.

Mr. HENSARLING. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I want to speak today and rise in support of the Republican Study Committee budget because it is a wonderful budget. I also commend the gentleman from Iowa (Mr. NUSSLE) for doing an excellent job.

There are two things that these budgets have in common that the other budgets that came to the floor do not have in common: Number one, these budgets get us to a balance quickly, and they do so without raising taxes by holding the line on spending.

Specifically, the Study Committee budget cuts the budget in half in 3 years, and it does so by making sure that not only do we never let tax increases occur over the next decade, but also by reducing spending. This is where our priorities need to lie.

The other budgets which have been brought to the floor say they are going to balance the budget in a fairly quick time. How do they do it? They raise taxes. They are trying to make sure that the tax relief that was put out to the American people this year, that is helping encourage this economic recovery that is well under way, goes away.

We cannot afford to pull the rug out from under this economic recovery. These tax relief measures that passed, that help get recovery under way, need to stay in law. The Study Committee budget cuts spending, gets the deficit cut in half in 3 years, and makes sure that every tax cut that the American worker, the American economy, receives stays in place.

I encourage Members to vote for the Study Committee budget, and I thank the Committee on the Budget itself for doing an excellent job of producing a good, lean budget, both of which are leaner than the budget the President brought to Congress.

This is a good day for us because finally we are getting a handle on the spending in Washington. Let us pass these budgets and move on to getting this job done.

Mr. HENSARLING. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona (Mr. SHADEGG).

Mr. SHADEGG. Mr. Chairman, I commend the Budget Committee and the gentleman from Iowa for their work. The Republican budget is, in fact, a very solid step in the right direction, and it deserves the support of our Members.

I rise, however, in support of the RSC budget because I believe it is one step better than the Republican budget, and I urge my colleagues to support it.

I cannot engage in this debate without commenting on how really sad it is that to too many people across our country this looks like a complicated debate with a lot of fighting back and forth about technicalities. Yet in reality it is very simple, but here is how it gets complicated.

A few moments ago the gentleman from Massachusetts (Mr. MARKEY) said these Republicans are cutting, and he said GOP does not stand for Grand Old Party, it stands for Get Old People. But if Members listen carefully to his words, the first time he said "cut," he wanted to induce the belief that the Republican budget, the budget put forward by the gentleman from Iowa (Mr. NUSSLE), was in fact reducing the amount of spending for the research programs he discussed. But the gentleman is a smart Member, and he was very careful in his next comment.

What the gentleman said, and I wrote it down as I listened carefully, he said "by refusing to fund the increases," they are doing this, this and this.

That is the essence of this debate. One side of the aisle says fund the increase, fund the increase, fund the increase. And their fundamental complaint is the rate of growth we have had in this budget, 3.5 percent is not enough.

But let us look at the history. The history is not a 3.5 percent growth, which it might be in the current budget. Let us talk about the real growth.

For the last 3 years in America, notwithstanding the complaints from the other side of the aisle, we have not had a problem with Americans being undertaxed, we have had a problem with Congress overspending, and here are the hard, indisputable numbers. From 2001 to 2002, we increased spending by 10.7 percent, almost 11 percent in that 1 year. In the next year, from 2002 to 2003, we increased it by 15.6 percent; and last year, we said, wait a minute, we said, we had better slow down, and we increased it by just 3 percent. That is almost 30 percent in 3 years.

What the RSC budget says, what the Republican budget says to a slightly less degree is having grown spending by more than 10 percent a year over the last 3 years, it is time to take a break, it is time to slow down. So the RSC budget does not say, let us freeze for 1 year, let us have a small, modest 1 percent cut in nondefense, nondiscretionary spending.

Make no mistake about it, they want to raise taxes. It is not about cutting spending, it is about not increasing spending, which is what their budget does.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would like to build on the comments by the gentleman from Arizona (Mr. SHADEGG) because he made them so well.

In Washington, a cut, the definition of a cut and listen to this, if you ask for one thing and it is an increase and you do not quite get the increase you want, then you are cut.

It is like my son, and I hope he is not listening. If my son came to me and he asked me for a $10-a-month allowance, and I only gave him an $8 allowance, would it be fair for him to scream that he was being cut $2? Of course not, because that is just not the way things work. It does not make sense.

In Washington, however, when you do not get the anticipated increase you ask for, you can scream bloody murder that you have been cut. Unfortunately, time and time again Members come to the well or the floor here and they say we have been cut, we are gouging or we are eliminating spending, when in fact all we are saying is let us not grow as fast.

Mr. HENSARLING. Mr. Chairman, I yield 1½ minutes to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Chairman, I thank the gentleman for putting together such a great budget. I also thank the gentleman from Iowa (Mr. NUSSLE) for working so hard to keep spending under control on the nondefense discretionary side.

The talk about what is a cut and what is not is intriguing. I think my kids if they knew how much a cut meant in terms of extra income, they would ask for a cut in their allowance every day. If we look over the last decade and what the Democrats are calling a cut, we have actually increased spending five- and sixfold at times.

□ 1500

So it is not a cut at all. But I just appreciate this budget, the RSC budget, because we are actually doing what we said we would do when we came to Washington. When we came to Washington, we said that we were going to restrain the growth of spending. This budget actually does that. The Democrat budget, the Democrat alternatives, every one of them does not do that. They actually increase spending and increase taxes. So if we really want to restrain growth in government, we have got to actually see some reductions. That is what the RSC budget does. I appreciate the gentleman for bringing it forward. I encourage all of my colleagues to vote for it.

Mr. NUSSLE. Mr. Chairman, I ask unanimous consent that my remaining time in opposition be allowed to be split, 3 minutes to the gentleman from Texas (Mr. HENSARLING), 3 minutes to the gentleman from South Carolina (Mr. SPRATT), and that they be allowed to control that time.

The CHAIRMAN pro tempore (Mr. LINDER). Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HENSARLING. Mr. Chairman, I yield myself such time as I may consume. Again, budgets are about values. They are about priorities. This is a budget that indeed values less government and more freedom. It prioritizes the family budget over the Federal budget. We have had a lot of talk about the deficit, and the deficit is a very serious problem in our Nation. But the deficit again, Mr. Chairman, is a symptom. Spending is the disease in our society. By any measure, it is spending which is out of control. When we are spending over $20,000 per American household for the first time since World War II and for only the fourth time in our Nation's history, spending is out of control. We hear about all of these massive cuts. But, Mr. Chairman, I do not see them. Since 1995, Medicare spending is up 54.6 percent. Medicaid spending is up 89 percent; Labor-HHS-Education appropriations since 1998 are up 71.6 percent; Interior appropriations in the same time period are up 42.1 percent. And the list goes on, always outstripping the rate of inflation.

But, unfortunately, the same is not true with the family budget. Since I have been on the face of the planet, the Federal budget has grown seven times faster than the family budget. I believe this is an unsustainable and unconscionable growth rate. It is time for us to finally protect the family budget from the Federal budget.

By adopting the Republican Study Committee alternative, we take the first step towards doing that. We have had a lot of debate about tax relief as well, and we certainly have a philosophical debate with our friends on the other side of the aisle. But, Mr. Chairman, once again, we have cut tax rates; and guess what, we have more tax revenues because we have given tax relief to small businesses, we have given tax relief to families. They have gone out, they have rolled up their sleeves, they have created new businesses, they have expanded their businesses. This should not be news. The same was true during the Reagan administration. We cut rates, and we had more tax revenue. The same was true in the Kennedy administration. It is the thing to do when you are facing a recession, put money in the pockets of the people.

Our friends on the other side of the aisle speak about spending priorities. I, too, want to spend more money on housing. I want to spend more money on nutrition. I want to spend more money on health care. I am just not indifferent as to who does the spending. Democrats want the government to do the spending. We want families to do the spending. And we know the difference. The family is who needs to be protected in this budget process, Mr. Chairman. Once again there is only one budget here, one budget that will actually reduce the size of government, and that is the Republican Study Committee alternative.

And so, Mr. Chairman, in conclusion, if budgets are indeed about values and priorities, this is a budget that values less government and more freedom. It is a budget which prioritizes the family budget over the Federal budget. I encourage my colleagues to adopt it.

Mr. Chairman, I yield back the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, the gentleman just said that we have cut taxes and revenues have gone up. In fact, taxes were cut in 2001. Revenues, individual income taxes were $994 billion that year. The next year they went down to $858 billion. The next year down to $793 billion. This year the estimate is $765 billion, well below the $994 billion level when taxes were cut on individuals. The facts simply do not bear out the statement he made.

Let me also straighten out some other facts. First with respect to Medicare. The chairman, in putting together his mark, decided that he would adopt the CBO baseline for Medicare spending as opposed to the OMB baseline, which was $535 billion. CBO is $400 billion. So ignoring the President's actuaries, he put in the lower number. We, in order to have an apples-to-apples comparison with that resolution, have adopted the CBO baseline. Also, there is no difference between us in Medicare benefit spending. However, because the administration of the program can be improved, we provide $805 million more over 5 years for Medicare administration.

Also, on the mandatory side, we provide $8 billion for the Family Opportunity Act, an act that has enjoyed bipartisan support because it provides Medicaid coverage to children with special needs in families who otherwise would not qualify for Medicaid and cannot obtain private insurance. This is compassionate conservatism. We provided $8 billion to fund that program so we can finally get it established, and we added two more provisions in our budget resolution.

First, we said if the price of Medicare, in fact, exceeds $400 billion, then the prohibition against negotiating drug prices included in the Medicare prescription drug law should be suspended and we should negotiate lower prices. Secondly, we said take some of the excessive subsidies provided for the HMOs and redeploy that money. In the Committee on Ways and Means, we have got reconciliation instructions to that effect. Redeploy that money to make the Medicare prescription drug benefit better. We have a manifestly better set of provisions for Medicare and Medicaid in our budget resolution.

Mr. Chairman, I yield the balance of my time to the gentlewoman from Oregon (Ms. HOOLEY).

The CHAIRMAN pro tempore. The gentlewoman from Oregon is recognized for 1½ minutes.

Ms. HOOLEY of Oregon. I thank the ranking member for yielding time and thank him for his leadership throughout this whole process.

Mr. Chairman, a budget resolution is all about priorities. I think few people here would disagree that education has to be one of our top priorities. All we have to do is look around at what is happening today. We have jobs being shipped overseas. We are retooling some of our manufacturing plants. What are our jobs going to be in the future? What do they require? The one thing we know they require is a good education. This underlying budget and the alternative fail our children, fail to provide the investment we need in our future.

Last Congress, we passed sweeping education reforms. We said we want to have the best educated children in the world. We want to make sure that they live up to our expectations. But part of that agreement was funding. This budget leaves children behind. It does not fund Leave No Child Behind. We promised 29 years ago we were going to make sure that children with disabilities, that that was funded so our local schools would not have to pick up the whole piece of that. Last year in our Budget Committee we said, this is a good idea, Republicans and Democrats agreed that we should fully fund IDEA; and we said, we are going to have it done by 2010. This year if you look at the budget starting in 2005, it increases by a half a percent a year, which means we will never get there. We said it is important to make sure that our students have higher education, that that is important. Yet we have not increased Pell grants.

The budget is a reflection of our national priorities. Our alternative does better at meeting those priorities than the Republican budget. I urge my colleagues to oppose the Republican budget and support the Democratic alternative.

The CHAIRMAN pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. HENSARLING).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 116, noes 309, not voting 8, as follows:

[Roll No. 90]

AYES—116

Akin
Bachus
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Beauprez
Biggert
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Boozman
Brady (TX)
Brown-Waite, Ginny
Burgess
Burton (IN)
Cannon
Cantor
Carter
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Cubin
Culberson
Cunningham
Davis, Jo Ann
Deal (GA)
DeLay
DeMint
Diaz-Balart, M.
Doolittle
Dunn
English
Feeney
Flake
Forbes
Franks (AZ)
Gallegly
Garrett (NJ)
Gibbons
Gingrey
Goode
Goodlatte
Gutknecht
Harris
Hart
Hastings (WA)
Hayworth
Hefley
Hensarling
Herger
Hoekstra
Hunter
Isakson
Istook
Johnson, Sam
Jones (NC)
Keller
Kennedy (MN)
King (IA)
Kingston
Kline

Linder
Manzullo
McCrery
McKeon
Miller (FL)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Norwood
Nunes
Ose
Otter
Oxley
Paul
Pitts
Pombo
Putnam
Radanovich
Ramstad
Rehberg
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Schrock
Scott (GA)
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (MI)
Smith (TX)
Stearns
Sullivan
Tancredo
Taylor (NC)
Terry
Thornberry
Tiahrt
Toomey
Vitter
Weller
Wilson (SC)

NOES—309

Ackerman
Aderholt
Alexander
Allen
Andrews
Baca
Baird
Baker
Baldwin
Ballance
Bass
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Boehlert
Bonilla
Bono
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown (SC)
Brown, Corrine
Burns
Burr
Buyer
Calvert
Camp
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Castle
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crenshaw
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart, L.
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Dreier
Duncan
Edwards
Ehlers
Emanuel
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Foley
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gephardt
Gerlach
Gilchrest
Gillmor
Gonzalez
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Hall
Harman
Hastings (FL)
Hayes
Hill
Hinchey
Hinojosa
Hobson
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (OK)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McDermott
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Owens
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Platts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Rahall
Rangel
Regula
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (VA)
Serrano
Shaw
Shays
Sherman
Sherwood
Simmons
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tauscher
Taylor (MS)
Thomas
Thompson (CA)
Thompson (MS)
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wicker
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—8

Abercrombie
Hoeffel
Lucas (KY)
McInnis
Pence
Quinn
Tanner
Tauzin

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised that 2 minutes remain in this vote.

☐ 1532

Mr. BILIRAKIS, Mrs. BONO, and Mr. EVERETT changed their vote from "aye" to "no."

Messrs. MILLER of Florida, CRANE, FORBES, SULLIVAN, McCRERY, and RAMSTAD changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SCOTT of Georgia. Mr. Chairman, during rollcall vote No. 90, on the Hensarling amendment, I mistakenly recorded my vote as "yea" when I should have voted "no."

PERSONAL EXPLANATION

Mr. PENCE. Mr. Chairman, I was detained in my district for a funeral earlier today. Had I been present, I would have voted in the following manner: Rollcall 84 (Previous Question on H. Con. Res. 33)—"aye"; rollcall 85 (Bureau of Engraving and Printing Security Printing Act)—"aye"; rollcall 86 (District of Columbia and United States Territories Circulating Quarter Dollar Program)—"aye"; rollcall 87 (An Act to authorize the President of the United States to agree to certain amendments to the Agreements between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank)—"aye"; rollcall 88 (Congressional Black Caucus)—"no"; rollcall 89 (Blue Dog)—"no"; rollcall 90 (Republican Study Committee)—"aye."

☐ 1530

The CHAIRMAN. It is now in order to consider amendment in the nature of a substitute No. 4 printed in House Report 108–446.

AMENDMENT NO. 4 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SPRATT

Mr. SPRATT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Chairman. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment in the nature of a substitute No. 4 offered by Mr. SPRATT:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate levels for fiscal years 2004 and 2006 through 2014 are hereby set forth.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2004 through 2014:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2004: $1,272,700,000,000.
Fiscal year 2005: $1,468,600,000,000.
Fiscal year 2006: $1,637,300,000,000.
Fiscal year 2007: $1,759,100,000,000.
Fiscal year 2008: $1,854,700,000,000.
Fiscal year 2009: $1,965,800,000,000.
Fiscal year 2010: $2,075,800,000,000.
Fiscal year 2011: $2,290,100,000,000.
Fiscal year 2012: $2,494,600,000,000.
Fiscal year 2013: $2,628,900,000,000.
Fiscal year 2014: $2,773,500,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 2004: −$100,000,000.
Fiscal year 2005: −$8,600,000,000.
Fiscal year 2006: −$16,900,000,000.
Fiscal year 2007: $4,200,000,000.
Fiscal year 2008: $8,900,000,000.
Fiscal year 2009: $12,700,000,000.
Fiscal year 2010: $12,200,000,000.
Fiscal year 2011: $8,500,000,000.
Fiscal year 2012: $10,200,000,000.
Fiscal year 2013: $10,900,000,000.
Fiscal year 2014: $11,600,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2004: $1,958,600,000,000.
Fiscal year 2005: $2,031,900,000,000.
Fiscal year 2006: $2,087,300,000,000.
Fiscal year 2007: $2,220,200,000,000.
Fiscal year 2008: $2,343,600,000,000.
Fiscal year 2009: $2,470,500,000,000.
Fiscal year 2010: $2,576,700,000,000.
Fiscal year 2011: $2,699,400,000,000.
Fiscal year 2012: $2,778,100,000,000.
Fiscal year 2013: $2,905,800,000,000.
Fiscal year 2014: $3,033,300,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2004: $1,917,600,000,000.
Fiscal year 2005: $2,015,800,000,000.
Fiscal year 2006: $2,094,000,000,000.
Fiscal year 2007: $2,194,000,000,000.
Fiscal year 2008: $2,305,700,000,000.
Fiscal year 2009: $2,427,200,000,000.
Fiscal year 2010: $2,542,800,000,000.
Fiscal year 2011: $2,674,000,000,000.
Fiscal year 2012: $2,746,200,000,000.
Fiscal year 2013: $2,879,000,000,000.
Fiscal year 2014: $3,006,300,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits (on-budget) are as follows:

Fiscal year 2004: −$644,900,000,000.
Fiscal year 2005: −$547,300,000,000.
Fiscal year 2006: −$456,700,000,000.
Fiscal year 2007: −$434,900,000,000.
Fiscal year 2008: −$451,100,000,000.
Fiscal year 2009: −$461,400,000,000.
Fiscal year 2010: −$467,000,000,000.
Fiscal year 2011: −$383,900,000,000.
Fiscal year 2012: −$251,600,000,000.
Fiscal year 2013: −$250,100,000,000.
Fiscal year 2014: −$232,900,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 2004: $7,442,400,000,000.
Fiscal year 2005: $8,090,100,000,000.
Fiscal year 2006: $8,671,000,000,000.
Fiscal year 2007: $9,227,000,000,000.
Fiscal year 2008: $9,799,200,000,000.
Fiscal year 2009: $10,384,600,000,000.
Fiscal year 2010: $10,978,600,000,000.
Fiscal year 2011: $11,488,000,000,000.
Fiscal year 2012: $11,880,700,000,000.
Fiscal year 2013: $12,267,100,000,000.
Fiscal year 2014: $12,638,200,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of debt held by the public are as follows:

Fiscal year 2004: $4,392,000,000,000.
Fiscal year 2005: $4,778,500,000,000.
Fiscal year 2006: $5,055,900,000,000.
Fiscal year 2007: $5,295,500,000,000.
Fiscal year 2008: $5,535,700,000,000.
Fiscal year 2009: $5,772,500,000,000.
Fiscal year 2010: $6,001,600,000,000.
Fiscal year 2011: $6,133,900,000,000.
Fiscal year 2012: $6,125,000,000,000.
Fiscal year 2013: $6,107,600,000,000.
Fiscal year 2014: $6,066,700,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2004 through 2014 for each major functional category are:

(1) National Defense (050):
Fiscal year 2004:
(A) New budget authority, $463,600,000,000.
(B) Outlays, $453,000,000,000.
Fiscal year 2005:
(A) New budget authority, $422,200,000,000.
(B) Outlays, $448,300,000,000.
Fiscal year 2006:
(A) New budget authority, $445,700,000,000.
(B) Outlays, $441,500,000,000.
Fiscal year 2007:
(A) New budget authority, $466,700,000,000.
(B) Outlays, $448,400,000,000.
Fiscal year 2008:
(A) New budget authority, $488,000,000,000.
(B) Outlays, $467,500,000,000.
Fiscal year 2009:
(A) New budget authority, $510,400,000,000.
(B) Outlays, $489,300,000,000.
Fiscal year 2010:
(A) New budget authority, $522,600,000,000.
(B) Outlays, $508,900,000,000.
Fiscal year 2011:
(A) New budget authority, $533,600,000,000.
(B) Outlays, $528,900,000,000.
Fiscal year 2012:
(A) New budget authority, $545,900,000,000.
(B) Outlays, $534,200,000,000.
Fiscal year 2013:
(A) New budget authority, $558,200,000,000.
(B) Outlays, $551,000,000,000.
Fiscal year 2014:
(A) New budget authority, $572,000,000,000.
(B) Outlays, $564,000,000,000.

(2) International Affairs (150):
Fiscal year 2004:
(A) New budget authority, $43,700,000,000.
(B) Outlays, $29,300,000,000.
Fiscal year 2005:
(A) New budget authority, $29,100,000,000.
(B) Outlays, $34,000,000,000.
Fiscal year 2006:
(A) New budget authority, $30,700,000,000.
(B) Outlays, $32,000,000,000.
Fiscal year 2007:
(A) New budget authority, $31,300,000,000.
(B) Outlays, $29,400,000,000.
Fiscal year 2008:
(A) New budget authority, $31,900,000,000.
(B) Outlays, $28,600,000,000.
Fiscal year 2009:
(A) New budget authority, $32,600,000,000.
(B) Outlays, $29,000,000,000.
Fiscal year 2010:
(A) New budget authority, $33,300,000,000.
(B) Outlays, $29,400,000,000.
Fiscal year 2011:
(A) New budget authority, $34,000,000,000.
(B) Outlays, $30,000,000,000.
Fiscal year 2012:
(A) New budget authority, $34,700,000,000.
(B) Outlays, $30,500,000,000.
Fiscal year 2013:
(A) New budget authority, $35,400,000,000.
(B) Outlays, $31,200,000,000.
Fiscal year 2014:
(A) New budget authority, $36,200,000,000.
(B) Outlays, $31,900,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 2004:
(A) New budget authority, $23,400,000,000.
(B) Outlays, $22,300,000,000.
Fiscal year 2005:
(A) New budget authority, $23,800,000,000.
(B) Outlays, $23,200,000,000.
Fiscal year 2006:
(A) New budget authority, $24,100,000,000.
(B) Outlays, $23,700,000,000.
Fiscal year 2007:
(A) New budget authority, $24,600,000,000.
(B) Outlays, $24,100,000,000.
Fiscal year 2008:
(A) New budget authority, $25,100,000,000.
(B) Outlays, $24,500,000,000.
Fiscal year 2009:
(A) New budget authority, $25,700,000,000.
(B) Outlays, $25,000,000,000.
Fiscal year 2010:
(A) New budget authority, $26,200,000,000.
(B) Outlays, $25,500,000,000.
Fiscal year 2011:
(A) New budget authority, $26,800,000,000.
(B) Outlays, $26,000,000,000.
Fiscal year 2012:
(A) New budget authority, $27,300,000,000.
(B) Outlays, $26,600,000,000.
Fiscal year 2013:
(A) New budget authority, $27,900,000,000.
(B) Outlays, $27,100,000,000.
Fiscal year 2014:
(A) New budget authority, $28,500,000,000.
(B) Outlays, $27,700,000,000.

(4) Energy (270):
Fiscal year 2004:
(A) New budget authority, $2,400,000,000.
(B) Outlays, $100,000,000.
Fiscal year 2005:
(A) New budget authority, $2,500,000,000.
(B) Outlays, $800,000,000.
Fiscal year 2006:
(A) New budget authority, $2,400,000,000.
(B) Outlays, $1,200,000,000.
Fiscal year 2007:
(A) New budget authority, $2,400,000,000.
(B) Outlays, $800,000,000.
Fiscal year 2008:
(A) New budget authority, $2,400,000,000.
(B) Outlays, $400,000,000.
Fiscal year 2009:
(A) New budget authority, $2,100,000,000.
(B) Outlays, $700,000,000.
Fiscal year 2010:
(A) New budget authority, $2,300,000,000.
(B) Outlays, $800,000,000.
Fiscal year 2011:
(A) New budget authority, $2,400,000,000.
(B) Outlays, $1,000,000,000.
Fiscal year 2012:
(A) New budget authority, $2,500,000,000.
(B) Outlays, $1,400,000,000.
Fiscal year 2013:
(A) New budget authority, $2,500,000,000.
(B) Outlays, $1,400,000,000.
(A) New budget authority,
Fiscal year 2014: $2,600,000,000.
(B) Outlays, $1,800,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 2004:
(A) New budget authority, $32,300,000,000.
(B) Outlays, $30,500,000,000.
Fiscal year 2005:
(A) New budget authority, $33,600,000,000.
(B) Outlays, $32,300,000,000.
Fiscal year 2006:
(A) New budget authority, $34,400,000,000.
(B) Outlays, $34,300,000,000.
Fiscal year 2007:
(A) New budget authority, $35,400,000,000.
(B) Outlays, $35,300,000,000.
Fiscal year 2008:
(A) New budget authority, $36,300,000,000.
(B) Outlays, $36,000,000,000.
Fiscal year 2009:
(A) New budget authority, $37,800,000,000.
(B) Outlays, $37,400,000,000.
Fiscal year 2010:
(A) New budget authority, $38,600,000,000.
(B) Outlays, $37,900,000,000.
Fiscal year 2011:
(A) New budget authority, $39,500,000,000.
(B) Outlays, $38,700,000,000.
Fiscal year 2012:
(A) New budget authority, $40,400,000,000.
(B) Outlays, $39,500,000,000.
Fiscal year 2013:
(A) New budget authority, $41,300,000,000.
(B) Outlays, $40,400,000,000.
Fiscal year 2014:
(A) New budget authority, $42,400,000,000.
(B) Outlays, $41,400,000,000.

(6) Agriculture (350):
Fiscal year 2004:
(A) New budget authority, $20,200,000,000.
(B) Outlays, $18,800,000,000.
Fiscal year 2005:
(A) New budget authority, $21,700,000,000.
(B) Outlays, $21,000,000,000.
Fiscal year 2006:
(A) New budget authority, $24,100,000,000.
(B) Outlays, $22,900,000,000.
Fiscal year 2007:
(A) New budget authority, $25,100,000,000.
(B) Outlays, $23,900,000,000.
Fiscal year 2008:
(A) New budget authority, $25,100,000,000.
(B) Outlays, $24,000,000,000.
Fiscal year 2009:
(A) New budget authority, $26,200,000,000.
(B) Outlays, $25,200,000,000.
Fiscal year 2010:
(A) New budget authority, $26,400,000,000.
(B) Outlays, $25,500,000,000.
Fiscal year 2011:
(A) New budget authority, $26,400,000,000.
(B) Outlays, $25,600,000,000.
Fiscal year 2012:
(A) New budget authority, $26,300,000,000.
(B) Outlays, $25,500,000,000.
Fiscal year 2013:
(A) New budget authority, $26,300,000,000.
(B) Outlays, $25,500,000,000.
Fiscal year 2014:
(A) New budget authority, $26,300,000,000.
(B) Outlays, $25,500,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 2004:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $12,800,000,000.
Fiscal year 2005:
(A) New budget authority, $8,900,000,000.
(B) Outlays, $3,700,000,000.
Fiscal year 2006:
(A) New budget authority, $9,400,000,000.
(B) Outlays, $3,700,000,000.
Fiscal year 2007:
(A) New budget authority, $10,000,000,000.
(B) Outlays, $4,200,000,000.
Fiscal year 2008:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $3,500,000,000.
Fiscal year 2009:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $3,800,000,000.
Fiscal year 2010:
(A) New budget authority, $11,100,000,000.
(B) Outlays, $4,200,000,000.
Fiscal year 2011:
(A) New budget authority, $9,800,000,000.
(B) Outlays, $2,900,000,000.
Fiscal year 2012:
(A) New budget authority, $9,900,000,000.
(B) Outlays, $3,200,000,000.
Fiscal year 2013:
(A) New budget authority, $10,100,000,000.
(B) Outlays, $3,100,000,000.
Fiscal year 2014:
(A) New budget authority, $10,200,000,000.
(B) Outlays, $3,200,000,000.
(8) Transportation (400):
Fiscal year 2004:
(A) New budget authority, $69,200,000,000.
(B) Outlays, $65,700,000,000.
Fiscal year 2005:
(A) New budget authority, $72,100,000,000.
(B) Outlays, $68,900,000,000.
Fiscal year 2006:
(A) New budget authority, $73,500,000,000.
(B) Outlays, $71,500,000,000.
Fiscal year 2007:
(A) New budget authority, $76,100,000,000.
(B) Outlays, $73,700,000,000.
Fiscal year 2008:
(A) New budget authority, $78,100,000,000.
(B) Outlays, $75,500,000,000.
Fiscal year 2009:
(A) New budget authority, $79,600,000,000.
(B) Outlays, $76,800,000,000.
Fiscal year 2010:
(A) New budget authority, $79,400,000,000.
(B) Outlays, $76,600,000,000.
Fiscal year 2011:
(A) New budget authority, $80,300,000,000.
(B) Outlays, $78,100,000,000.
Fiscal year 2012:
(A) New budget authority, $81,100,000,000.
(B) Outlays, $79,700,000,000.
Fiscal year 2013:
(A) New budget authority, $82,000,000,000.
(B) Outlays, $81,400,000,000.
Fiscal year 2014:
(A) New budget authority, $83,000,000,000.
(B) Outlays, $83,000,000,000.
(9) Community and Regional Development (450):
Fiscal year 2004:
(A) New budget authority, $16,700,000,000.
(B) Outlays, $16,700,000,000.
Fiscal year 2005:
(A) New budget authority, $16,000,000,000.
(B) Outlays, $17,000,000,000.
Fiscal year 2006:
(A) New budget authority, $15,900,000,000.
(B) Outlays, $16,300,000,000.
Fiscal year 2007:
(A) New budget authority, $16,200,000,000.
(B) Outlays, $16,300,000,000.
Fiscal year 2008:
(A) New budget authority, $16,400,000,000.
(B) Outlays, $16,200,000,000.
Fiscal year 2009:
(A) New budget authority, $16,800,000,000.
(B) Outlays, $16,500,000,000.
Fiscal year 2010:
(A) New budget authority, $17,100,000,000.
(B) Outlays, $16,600,000,000.
Fiscal year 2011:
(A) New budget authority, $17,500,000,000.
(B) Outlays, $16,700,000,000.
Fiscal year 2012:
(A) New budget authority, $17,800,000,000.
(B) Outlays, $17,000,000,000.
Fiscal year 2013:
(A) New budget authority, $18,200,000,000.
(B) Outlays, $17,400,000,000.
Fiscal year 2014:
(A) New budget authority, $18,600,000,000.
(B) Outlays, $17,700,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 2004:
(A) New budget authority, $89,400,000,000.
(B) Outlays, $86,400,000,000.
Fiscal year 2005:
(A) New budget authority, $98,500,000,000.
(B) Outlays, $90,900,000,000.
Fiscal year 2006:
(A) New budget authority, $95,700,000,000.
(B) Outlays, $95,500,000,000.
Fiscal year 2007:
(A) New budget authority, $96,300,000,000.
(B) Outlays, $95,600,000,000.
Fiscal year 2008:
(A) New budget authority, $96,900,000,000.
(B) Outlays, $95,800,000,000.
Fiscal year 2009:
(A) New budget authority, $98,400,000,000.
(B) Outlays, $97,100,000,000.
Fiscal year 2010:
(A) New budget authority, $99,800,000,000.
(B) Outlays, $98,700,000,000.
Fiscal year 2011:
(A) New budget authority, $101,900,000,000.
(B) Outlays, $100,700,000,000.
Fiscal year 2012:
(A) New budget authority, $103,900,000,000.
(B) Outlays, $102,800,000,000.
Fiscal year 2013:
(A) New budget authority, $106,000,000,000.
(B) Outlays, $104,900,000,000.
Fiscal year 2014:
(A) New budget authority, $108,200,000,000.
(B) Outlays, $107,000,000,000.
(11) Health (550):
Fiscal year 2004:
(A) New budget authority, $241,800,000,000.
(B) Outlays, $239,600,000,000.
Fiscal year 2005:
(A) New budget authority, $254,600,000,000.
(B) Outlays, $250,900,000,000.
Fiscal year 2006:
(A) New budget authority, $259,600,000,000.
(B) Outlays, $259,700,000,000.
Fiscal year 2007:
(A) New budget authority, $274,300,000,000.
(B) Outlays, $273,800,000,000.
Fiscal year 2008:
(A) New budget authority, $294,400,000,000.
(B) Outlays, $293,600,000,000.
Fiscal year 2009:
(A) New budget authority, $316,900,000,000.
(B) Outlays, $313,900,000,000.
Fiscal year 2010:
(A) New budget authority, $337,100,000,000.
(B) Outlays, $336,200,000,000.
Fiscal year 2011:
(A) New budget authority, $360,900,000,000.
(B) Outlays, $359,800,000,000.
Fiscal year 2012:
(A) New budget authority, $387,000,000,000.
(B) Outlays, $386,000,000,000.
Fiscal year 2013:
(A) New budget authority, $415,700,000,000.
(B) Outlays, $414,400,000,000.
Fiscal year 2014:
(A) New budget authority, $446,800,000,000.
(B) Outlays, $445,500,000,000.
(12) Medicare (570):
Fiscal year 2004:
(A) New budget authority, $269,600,000,000.
(B) Outlays, $268,800,000,000.
Fiscal year 2005:
(A) New budget authority, $288,200,000,000.
(B) Outlays, $289,200,000,000.
Fiscal year 2006:
(A) New budget authority, $323,000,000,000.
(B) Outlays, $322,600,000,000.
Fiscal year 2007:
(A) New budget authority, $362,800,000,000.
(B) Outlays, $363,100,000,000.
Fiscal year 2008:
(A) New budget authority, $388,100,000,000.
(B) Outlays, $388,100,000,000.
Fiscal year 2009:
(A) New budget authority, $414,700,000,000.
(B) Outlays, $414,300,000,000.
Fiscal year 2010:
(A) New budget authority, $442,900,000,000.
(B) Outlays, $443,200,000,000.
Fiscal year 2011:
(A) New budget authority, $479,600,000,000.
(B) Outlays, $479,500,000,000.
Fiscal year 2012:
(A) New budget authority, $505,500,000,000.
(B) Outlays, $505,000,000,000.
Fiscal year 2013:
(A) New budget authority, $551,000,000,000.
(B) Outlays, $551,300,000,000.
Fiscal year 2014:
(A) New budget authority, $596,700,000,000.
(B) Outlays, $596,700,000,000.
(13) Income Security (600):
Fiscal year 2004:
(A) New budget authority, $335,800,000,000.
(B) Outlays, $342,600,000,000.
Fiscal year 2005:
(A) New budget authority, $343,300,000,000.
(B) Outlays, $346,200,000,000.
Fiscal year 2006:
(A) New budget authority, $343,000,000,000.
(B) Outlays, $345,400,000,000.
Fiscal year 2007:
(A) New budget authority, $348,900,000,000.
(B) Outlays, $350,900,000,000.
Fiscal year 2008:
(A) New budget authority, $363,200,000,000.
(B) Outlays, $364,800,000,000.
Fiscal year 2009:
(A) New budget authority, $374,000,000,000.
(B) Outlays, $375,100,000,000.
Fiscal year 2010:
(A) New budget authority, $386,000,000,000.
(B) Outlays, $386,800,000,000.
Fiscal year 2011:
(A) New budget authority, $403,000,000,000.
(B) Outlays, $403,600,000,000.
Fiscal year 2012:
(A) New budget authority, $393,500,000,000.
(B) Outlays, $394,000,000,000.
Fiscal year 2013:
(A) New budget authority, $408,100,000,000.
(B) Outlays, $408,500,000,000.
Fiscal year 2014:
(A) New budget authority, $419,100,000,000.
(B) Outlays, $419,800,000,000.
(14) Social Security (650):
Fiscal year 2004:
(A) New budget authority, $13,400,000,000.
(B) Outlays, $13,400,000,000.
Fiscal year 2005:
(A) New budget authority, $15,100,000,000.
(B) Outlays, $15,100,000,000.
Fiscal year 2006:
(A) New budget authority, $16,600,000,000.
(B) Outlays, $16,600,000,000.
Fiscal year 2007:
(A) New budget authority, $18,000,000,000.

(B) Outlays, $18,000,000,000.
Fiscal year 2008:
(A) New budget authority, $20,000,000,000.
(B) Outlays, $20,000,000,000.
Fiscal year 2009:
(A) New budget authority, $22,000,000,000.
(B) Outlays, $22,000,000,000.
Fiscal year 2010:
(A) New budget authority, $24,300,000,000.
(B) Outlays, $24,300,000,000.
Fiscal year 2011:
(A) New budget authority, $28,100,000,000.
(B) Outlays, $28,100,000,000.
Fiscal year 2012:
(A) New budget authority, $31,100,000,000.
(B) Outlays, $31,100,000,000.
Fiscal year 2013:
(A) New budget authority, $33,900,000,000.
(B) Outlays, $33,900,000,000.
Fiscal year 2014:
(A) New budget authority, $36,800,000,000.
(B) Outlays, $36,800,000,000.
(15) Veterans Benefits and Services (700):
Fiscal year 2004:
(A) New budget authority, $61,500,000,000.
(B) Outlays, $60,100,000,000.
Fiscal year 2005:
(A) New budget authority, $72,100,000,000.
(B) Outlays, $70,600,000,000.
Fiscal year 2006:
(A) New budget authority, $70,000,000,000.
(B) Outlays, $69,300,000,000.
Fiscal year 2007:
(A) New budget authority, $68,200,000,000.
(B) Outlays, $67,700,000,000.
Fiscal year 2008:
(A) New budget authority, $71,300,000,000.
(B) Outlays, $71,000,000,000.
Fiscal year 2009:
(A) New budget authority, $72,700,000,000.
(B) Outlays, $72,300,000,000.
Fiscal year 2010:
(A) New budget authority, $74,200,000,000.
(B) Outlays, $73,800,000,000.
Fiscal year 2011:
(A) New budget authority, $78,600,000,000.
(B) Outlays, $78,100,000,000.
Fiscal year 2012:
(A) New budget authority, $75,600,000,000.
(B) Outlays, $75,200,000,000.
Fiscal year 2013:
(A) New budget authority, $80,200,000,000.
(B) Outlays, $79,800,000,000.
Fiscal year 2014:
(A) New budget authority, $82,300,000,000.
(B) Outlays, $81,800,000,000.
(16) Administration of Justice (750):
Fiscal year 2004:
(A) New budget authority, $41,200,000,000.
(B) Outlays, $39,600,000,000.
Fiscal year 2005:
(A) New budget authority, $42,500,000,000.
(B) Outlays, $41,200,000,000.
Fiscal year 2006:
(A) New budget authority, $40,200,000,000.
(B) Outlays, $40,500,000,000.
Fiscal year 2007:
(A) New budget authority, $41,100,000,000.
(B) Outlays, $41,200,000,000.
Fiscal year 2008:
(A) New budget authority, $42,200,000,000.
(B) Outlays, $41,900,000,000.
Fiscal year 2009:
(A) New budget authority, $43,400,000,000.
(B) Outlays, $43,000,000,000.
Fiscal year 2010:
(A) New budget authority, $44,600,000,000.
(B) Outlays, $44,200,000,000.
Fiscal year 2011:
(A) New budget authority, $45,800,000,000.
(B) Outlays, $45,400,000,000.
Fiscal year 2012:
(A) New budget authority, $47,100,000,000.
(B) Outlays, $46,700,000,000.
Fiscal year 2013:
(A) New budget authority, $48,400,000,000.
(B) Outlays, $48,000,000,000.
Fiscal year 2014:
(A) New budget authority, $49,800,000,000.
(B) Outlays, $49,300,000,000.
(17) General Government (800):
Fiscal year 2004:
(A) New budget authority, $24,000,000,000.
(B) Outlays, $24,700,000,000.
Fiscal year 2005:
(A) New budget authority, $19,400,000,000.
(B) Outlays, $19,200,000,000.
Fiscal year 2006:
(A) New budget authority, $19,900,000,000.
(B) Outlays, $19,600,000,000.
Fiscal year 2007:
(A) New budget authority, $20,500,000,000.
(B) Outlays, $20,200,000,000.
Fiscal year 2008:
(A) New budget authority, $20,700,000,000.
(B) Outlays, $20,400,000,000.
Fiscal year 2009:
(A) New budget authority, $21,400,000,000.
(B) Outlays, $20,900,000,000.
Fiscal year 2010:
(A) New budget authority, $22,100,000,000.
(B) Outlays, $21,600,000,000.
Fiscal year 2011:
(A) New budget authority, $22,900,000,000.
(B) Outlays, $22,300,000,000.
Fiscal year 2012:
(A) New budget authority, $23,600,000,000.
(B) Outlays, $23,300,000,000.
Fiscal year 2013:
(A) New budget authority, $24,400,000,000.
(B) Outlays, $23,900,000,000.
Fiscal year 2014:
(A) New budget authority, $25,200,000,000.
(B) Outlays, $24,600,000,000.
(18) Interest (900):
Fiscal year 2004:
(A) New budget authority, $240,500,000,000.
(B) Outlays, $240,500,000,000.
Fiscal year 2005:
(A) New budget authority, $270,800,000,000.
(B) Outlays, $270,800,000,000.
Fiscal year 2006:
(A) New budget authority, $318,900,000,000.
(B) Outlays, $318,900,000,000.
Fiscal year 2007:
(A) New budget authority, $364,000,000,000.
(B) Outlays, $364,000,000,000.
Fiscal year 2008:
(A) New budget authority, $397,600,000,000.
(B) Outlays, $397,600,000,000.
Fiscal year 2009:
(A) New budget authority, $426,000,000,000.
(B) Outlays, $426,000,000,000.
Fiscal year 2010:
(A) New budget authority, $452,200,000,000.
(B) Outlays, $452,200,000,000.
Fiscal year 2011:
(A) New budget authority, $474,700,000,000.
(B) Outlays, $474,700,000,000.
Fiscal year 2012:
(A) New budget authority, $493,400,000,000.
(B) Outlays, $493,400,000,000.
Fiscal year 2013:
(A) New budget authority, $507,400,000,000.
(B) Outlays, $507,400,000,000.
Fiscal year 2014:
(A) New budget authority, $522,400,000,000.
(B) Outlays, $522,400,000,000.
(19) Allowances (920):
Fiscal year 2004:
(A) New budget authority, $0.
(B) Outlays, $0.
Fiscal year 2005:
(A) New budget authority, $50,000,000,000.
(B) Outlays, $24,900,000,000.
Fiscal year 2006:
(A) New budget authority, $0.
(B) Outlays, $18,600,000,000.
Fiscal year 2007:
(A) New budget authority, $0.
(B) Outlays, $5,100,000,000.
Fiscal year 2008:
(A) New budget authority, $0.
(B) Outlays, $1,000,000,000.
Fiscal year 2009:
(A) New budget authority, $0.
(B) Outlays, $300,000,000.
Fiscal year 2010:
(A) New budget authority, $0.
(B) Outlays, $0.
Fiscal year 2011:
(A) New budget authority, $0.
(B) Outlays, $0.
Fiscal year 2012:
(A) New budget authority, $0.
(B) Outlays, $0.
Fiscal year 2013:
(A) New budget authority, $0.
(B) Outlays, $0.
Fiscal year 2014:
(A) New budget authority, $0.
(B) Outlays, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 2004:
(A) New budget authority, −$47,200,000,000.
(B) Outlays, −$47,200,000,000.
Fiscal year 2005:
(A) New budget authority, −$52,500,000,000.
(B) Outlays, −$52,500,000,000.
Fiscal year 2006:
(A) New budget authority, −$59,800,000,000.
(B) Outlays, −$59,800,000,000.
Fiscal year 2007:
(A) New budget authority, −$61,800,000,000.
(B) Outlays, −$61,800,000,000.
Fiscal year 2008:
(A) New budget authority, −$64,500,000,000.
(B) Outlays, −$64,500,000,000.
Fiscal year 2009:
(A) New budget authority, −$61,200,000,000.
(B) Outlays, −$61,200,000,000.
Fiscal year 2010:
(A) New budget authority, −$63,600,000,000.
(B) Outlays, −$63,600,000,000.
Fiscal year 2011:
(A) New budget authority, −$66,100,000,000.
(B) Outlays, −$66,100,000,000.
Fiscal year 2012:
(A) New budget authority, −$68,800,000,000.
(B) Outlays, −$68,800,000,000.
Fiscal year 2013:
(A) New budget authority, −$71,400,000,000.
(B) Outlays, −$71,400,000,000.
Fiscal year 2014:
(A) New budget authority, $−73,800,000,000.
(B) Outlays, $−73,800,000,000.

TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

SEC. 201. SUBMISSIONS BY THE HOUSE COMMITTEE ON WAYS AND MEANS FOR RESPONSIBLE TAX RELIEF.

(a) SUBMISSION.—Not later than October 1, 2004, the House Committee on Ways and Means shall report a reconciliation bill to the House adjusting revenues in such amounts necessary to meet the revenue targets contained in section 2 of this resolution.

(b) POLICY ASSUMPTIONS.—It is the policy of this budget resolution to balance deficit reduction with middle-income tax relief. Such tax policies shall include but not be limited to provisions that—

(1) extend the child tax credit;

(2) extend marriage penalty relief;

(C) extend the 10 percent individual tax bracket;

(4) provide relief from the alternative minimum tax for middle-income taxpayers;

(5) eliminate estate taxes on all but the very largest estates by reforming and substantially increasing the unified credit;

(6) extend the Research and Experimentation Tax Credit and other expiring tax provisions;

(7) accelerate refundability of the child tax credit to fifteen percent in 2004 and include combat pay in determining refundability in 2004 and all years thereafter;

(8) preserve American manufacturing jobs consistent with the objectives delineated in H.R. 3827, the Job Protection Act of 2004;

(9) close corporate tax avoidance devices and eliminate expatriation schemes for individuals and corporations such as, but not limited to, those provisions included in the President's budget;

(10) reduce the tax cuts resulting from provisions contained in 2001 and 2003 tax legislation passed by Congress for taxpayers with annual adjusted gross income (AGI) over $500,000; and

(11) make new or extended tax cuts subject to PAYGO offset requirements.

(c) FLEXIBILITY FOR THE COMMITTEE ON WAYS AND MEANS.—If the reconciliation bill reported by the Committee on Ways and Means alters the Internal Revenue Code of 1986 in ways that are scored by the Joint Committee on Taxation as outlay changes, as through legislation affecting refundable tax credits, the bill shall be considered to meet the revenue requirements of the reconciliation directive if the net cost of the revenue and outlay changes does not exceed the revenue amount indicated for that committee in subsection (a). Upon the reporting of such legislation, the chairman of the House Committee on the Budget shall adjust the budget aggregates in this resolution and allocations made under this resolution accordingly.

SEC. 202. SUBMISSION PROVIDING FOR STRENGTHENED MEDICARE PRESCRIPTION DRUG BENEFIT.

(a) IN GENERAL.—Not later than October 1, 2004, the House committees named in subsection (b) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a bill carrying out all such recommendations without any substantive revision.

(b) INSTRUCTIONS.—

(1) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in law within its jurisdiction to lower Medicare subsidies to private plans under Medicare Advantage and to use such savings to increase the value of the Medicare prescription drug benefit.

(2) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in law within its jurisdiction to lower Medicare subsidies to private plans under Medicare Advantage and to use such savings to increase the value of the Medicare prescription drug benefit.

(c) SPECIAL RULE.—In the House, notwithstanding subsections (a) and (b), no bill under this section may be considered unless the net effect of the legislation submitted by committees under such subparagraphs does not increase the aggregate deficit. The chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005, for the period of fiscal years 2005 through 2009, and for the period of fiscal years 2005 through 2014.

SEC. 203. ELIMINATING THE SOCIAL SECURITY OFFSET TO THE MILITARY SURVIVOR BENEFIT PLAN, SUBMISSION OF REPORT ON DEFENSE SAVINGS, AND OTHER DEFENSE-RELATED MATTERS.

(a) SUBMISSION.—In the House, not later than May 15, 2004, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify $2,000,000,000 in annual discretionary savings from (1) activities that are determined to be of a low priority to the successful execution of current military operations; or (2) activities that are determined to be wasteful or unnecessary to national defense. These should be continuing savings, of a permanent nature, and sufficient to offset the recurring personnel costs in (b).

(b) POLICY ASSUMPTIONS.—Recognizing the importance of the families of uniformed military personnel who have served and are currently serving our Nation, the Committee on the Budget instructs the Armed Services Committee to use the funds provided in the reconciliation directive for the purposes of eliminating the Social Security offset to the Military Survivor Benefits Program and raising the existing cap on the Military Housing Privatization Initiative. The funds identified in the first paragraph are to ensure that these programs will not further increase the deficit and are the basis upon which the Committee on the Budget issues the reconciliation directive to the Armed Services Committee in section 204.

SEC. 204. COMMITTEE ON ARMED SERVICES.

In the House, not later than July 15, 2004, the Armed Services Committee shall report changes in laws within its jurisdiction sufficient to increase budget authority by not more than $2,000,000,000 and outlays by not more than $237,000,000 for fiscal year 2005 and by not more than $10,452,000,000 for budget authority and $7,107,000,000 for outlays for the period of fiscal years 2005 through 2009. The House Armed Services Committee is instructed to use this allocation to eliminate the Social Security offset to the Military Survivor Benefit Program and increase the cap on the Military Housing Privatization Initiative.

TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE

Subtitle A—Reserve Funds

SEC. 301. RESERVE FUND FOR THE FAMILY OPPORTUNITY ACT.

In the House, if the Committee on Energy and Commerce reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides Medicaid coverage for children with special needs (the Family Opportunity Act), the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed $53,000,000 in new budget authority and $52,000,000 in outlays for fiscal year 2005, and $7,952,000,000 in new budget authority and $7,626,000,000 in outlays for the period of fiscal years 2005 through 2014.

SEC. 302. RESERVE FUND FOR THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM.

In the House, if the Committee on Energy and Commerce reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that reallocates and maintains expiring State Children's Health Insurance Program funds within such program rather than allowing such funds to revert to the Treasury, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed $1,115,000,000 in new budget authority and $100,000,000 in outlays for fiscal year 2005, and $1,115,000,000 in new budget authority and $1,115,000,000 in outlays for the period of fiscal years 2005 through 2014.

SEC. 303. RESERVE FUND FOR TRANSITIONAL MEDICAID ASSISTANCE.

In the House, if legislation is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that extends transitional Medicaid assistance, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed $23,000,000 in new budget authority and $23,000,000 in outlays for fiscal year 2004, $427,000,000 in new budget authority and $427,000,000 in outlays for fiscal year 2005, and $3,471,000,000 in new budget authority and $3,471,000,000 in outlays for the period of fiscal years 2005 through 2014.

SEC. 304. DEFICIT-NEUTRAL RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.

In the House, if legislation is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that provides affordable, comprehensive health insurance to the uninsured and builds upon and strengthens public and private coverage, and prevents the erosion of existing coverage under Medicaid, which could include temporary extension of state fiscal relief by increasing the Medicaid match rate, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral (whether by changes in revenues or direct spending) in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

Subtitle B—Contingency Procedure

SEC. 311. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of the following amounts:

(1) for fiscal year 2004: $41,569,000,000,

(2) for fiscal year 2005: $42,657,000,000,

(3) for fiscal year 2006: $43,635,000,000,

(4) for fiscal year 2007: $45,709,000,000,

(5) for fiscal year 2008: $46,945,000,000, or

(6) for fiscal year 2009: $47,732,000,000,

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2004, for fiscal year 2005, and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriated to such fund for the applicable fiscal year caused by such legislation or any previously enacted legislation.

(b) ADJUSTMENT FOR OUTLAYS.—For fiscal year 2004 or 2005, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $40,116,000,000 for fiscal year 2004 or $41,204,000,000 for fiscal year 2005 for programs, projects, and activities within the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985, and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset pursuant to subsection (a).

TITLE IV—BUDGET ENFORCEMENT

SEC. 401. PAY-AS-YOU-GO POINT OF ORDER IN THE HOUSE.

(a) POINT OF ORDER.—It shall not be in order in the House to consider any direct spending or revenue legislation that would increase the budget deficit or reduce the budget surplus for any of the following periods:

(1) The first year covered by the most recently adopted concurrent resolution on the budget.

(2) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(3) The period of the first 10 fiscal years covered in the most recently adopted concurrent resolution on the budget.

(b) DIRECT-SPENDING LEGISLATION.—

(1) DEFINITION.—For purposes of this section and except as provided in paragraph (2), the term "direct-spending legislation" means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) EXCLUSION.—For purposes of this section, the terms "direct-spending legislation" and "revenue legislation" do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(c) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House.

TITLE V—SENSE OF THE HOUSE

SEC. 501. SENSE OF THE HOUSE REGARDING POLICIES AFFECTING JOBLESS WORKERS AND JOB CREATION.

(a) FINDINGS.—The House finds that—

(1) despite the enactment in 2001 and 2003 of significant tax cuts directed toward the Nation's wealthiest individuals, the economy of the United States has lost nearly three million private-sector jobs since President Bush took office in January 2001;

(2) the 2001 and 2003 tax cuts contributed directly to an increase in current and projected future deficits that has reduced national saving and increased net indebtedness to other countries, and is likely to raise interest rates over time, which will make it more expensive for firms to invest, grow, and create jobs;

(3) during the past six months, after almost three years of consistent job losses, the economy has created only about 61,000 jobs per month on average, which is not half the rate of job creation required to keep pace with average growth in the working-age population;

(4) small businesses are the major source of job creation in the United States, accounting for at least two thirds of net new jobs created over the past decade, and the Small Business Administration 7(a) general business guaranteed loan program accounts for 40 to 50 percent of all long-term loans to United States small businesses, serving small start-ups and other borrowers who are unable to obtain conventional financing on affordable terms;

(5) the President's budget for 2005 cuts funding for Small Business Administration business loans and technical assistance programs, and imposes a sharp increase in 7(a) loan fees that will create cost barriers for borrowers seeking to start or expand small businesses and create jobs; and

(6) the President's budget cuts $151 million from adult training and dislocated worker programs, programs that help laid-off workers adapt to a constantly evolving job market.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) this resolution supports funding for an extension through June 2004 of the Temporary Extended Unemployment Compensation program to take account of the continuing minimal rate of job growth in the United States economy; and

(2) this resolution supports continuation of the current discounted fee structure for Small Business Administration 7(a) general business guaranteed loans; provides $100 million in subsidy budget authority for 2005 to support a 7(a) loan volume of at least $10 billion at existing guaranty levels; and provides funding to maintain the Small Business Administration's Microloan 2004 loan volume of $21 million; and

(3) this resolution rejects the President's proposal to cut $151 million in adult training and dislocated worker programs in 2005.

SEC. 502. SENSE OF THE HOUSE REGARDING FUNDING FOR THE MANUFACTURING EXTENSION PARTNERSHIP.

(a) FINDINGS.—The House finds that—

(1) the Manufacturing Extension Partnership, which is jointly funded by Federal and State Governments and private entities, improves small manufacturers' competitiveness, creates jobs, increases economic activity, and generates a $4-to-$1 return on investment to the Treasury by aiding small businesses traditionally underserved by the business consulting market;

(2) in a January 2004 Department of Commerce report titled Manufacturing In America: A Comprehensive Strategy to Address the Challenges to U.S. Manufacturers, the Administration stated that "...the Manufacturing Extension Partnership (MEP) has provided many small U.S. manufacturers with useful business services to become more competitive and productive," a conclusion in which the Congress concurs;

(3) the Congress appropriated $106 million for the Manufacturing Extension Partnership for 2003 but only $39 million for 2004, and the President's 2005 budget maintains this drastically reduced funding level, undermining the ability of the Manufacturing Extension Partnership to fulfill its mission of helping small businesses to adopt advanced manufacturing technologies and practices that will help them compete in a global market; and

(4) Federal funding for the Manufacturing Extension Partnership should be restored to its pre-2004 level, adjusted for inflation.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) this resolution provides a total of $110 million for the Manufacturing Extension Partnership for 2005, $71 million more than the President's request, and supports adequate funding throughout the period covered by this resolution; and

(2) this funding restores the viability of the Manufacturing Extension Partnership and provides the necessary resources for the Manufacturing Extension Partnership to continue helping small manufacturers reach their optimal performance and create jobs.

SEC. 503. SENSE OF THE HOUSE ON EXTENSION OF THE PAY-AS-YOU-GO RULE OF 1997.

(a) FINDINGS.—The House finds that—

(1) the "Pay-As-You-Go" ("PAYGO") rule enacted as part of the Budget Enforcement Act of 1990 required that any increase in benefits funded by mandatory spending be fully offset by an equal increase in tax revenues or by a commensurate reduction in existing benefits. The PAYGO rule also required that any tax cut be deficit-neutral, offset by an increase elsewhere in the tax code or by a reduction in benefits funded by mandatory spending;

(2) the PAYGO rule played a critical role in turning chronic deficits into record surpluses during the 1990s;

(3) the surplus of $5.6 trillion projected for 2002 through 2011 is now projected to be a deficit of $2.9 trillion;

(4) the PAYGO rule proved effective in the past and is even more necessary now to rid the budget of colossal deficits;

(5) the Chairman of the Federal Reserve testified before the Budget Committee and supported renewal of the PAYGO in its original form, applicable to both mandatory spending increases and to tax cuts, and to new tax reduction as well as renewal of expiring tax reduction provisions.

(b) SENSE OF THE HOUSE.—It is the sense of the House that in order to reduce the deficit, Congress should extend PAYGO in its original form in the Budget Enforcement Act of 1990, making the rule apply both to tax decreases and to mandatory spending increases.

SEC. 504. SENSE OF THE HOUSE ON DEFENSE PRIORITIES.

It is the sense of the House that—

(1) continuing the TRICARE for Reservists is a high priority which should not have been omitted from the President's budget request;

(2) continuing targeted pay increases for enlisted personnel for three additional years is also a high priority which should not have been omitted from the President's budget request, because it is consistent with the original proposal of the Department of Defense and critical to the retention of experienced military personnel;

(3) eliminating the Social Security offset to the Military Survivor Benefit Program is also a high priority which should not have been omitted from the President's budget request, and accommodating the discretionary accrual payment that is concomitant to eliminating the offset is consistent with governmental accounting practices;

(4) funding cooperative threat reduction and nuclear nonproliferation programs at a level adequate to the task and the risks posed to our Nation is also a high priority, and the President's budget does not request sufficient funding;

(5) providing for homeland security is also a high priority, and the President's request

is insufficient, reducing funds for high-risk activities like seaport security and under-funding first responders;

(6) funding the Missile Defense Agency at the level enacted for 2004 will provide robust support for ballistic missile defense;

(7) improving financial management at the Department of Defense should help identify billions of dollars of obligations and disbursements which the General Accounting Office has found that the Department of Defense cannot account for, and should result in substantial annual savings;

(8) improving the award, oversight, and administration of nearly $20 billion in contracts for the reconstruction of Iraq with firms such as Halliburton, and recouping overpayments and penalties, by auditing and investigating such contracts, diligently applying the Truth-in-Negotiations Act, should result in substantial savings; and

(9) all savings that accrue from the actions recommended in paragraphs (6) through (9) should be used to fund higher priorities within the national security function of the budget, function 50, and especially those high priorities identified in paragraphs (1) through (5).

SEC. 505. SENSE OF THE HOUSE ON ELIMINATING THE SHORTFALL IN THE PELL GRANT PROGRAM.

(a) FINDINGS.—The House finds that the Pell Grant program has a shortfall of $3.7 billion that threatens the long-term stability of the program.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) the mandatory levels in this resolution provide the $3.7 billion needed to eliminate the current shortfall in the Pell Grant program;

(2) eliminating the shortfall in the Pell Grant program restores the program to a sound financial basis and allows Congress to consider an increase in the maximum award.

SEC. 506. SENSE OF THE HOUSE ON HOMELAND SECURITY.

(a) FINDINGS.—The House finds that additional resources beyond those requested in the President's Fiscal Year 2005 Budget are needed to further strengthen our homeland security.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) this resolution provides $1 billion in additional homeland security funding above the President's requested level for 2005, and $1 billion above the President's requested level in each subsequent fiscal year; and

(2) the homeland security funding provided in this resolution will help to strengthen the security of our Nation's transportation system and other critical infrastructure, including our seaports, secure our borders, increase the preparedness of our public health system, train and equip our first responders, and otherwise strengthen the Nation's homeland security.

SEC. 507. SENSE OF THE HOUSE REGARDING PAY PARITY.

It is the sense of the House that—

(1) compensation for civilian and military employees of the United States, without whom we cannot successfully serve and protect our citizens and taxpayers, must be sufficient to support our critical efforts to recruit, retain, and reward quality people effectively and responsibly; and

(2) to achieve this objective, the rate of increase in the compensation of civilian employees should be equal to that proposed for the military in the President's fiscal year 2005 budget.

SEC. 508. SENSE OF THE HOUSE REGARDING THE CONSERVATION SPENDING CATEGORY.

(a) FINDINGS.—The House finds that—

(1) the 2001 Interior Appropriations Act (Public Law 106–291), which established a separate discretionary spending category for land conservation and natural resource protection programs for the fiscal years 2001 through 2006, passed by large margins in both the House and the Senate; and

(2) in establishing a separate conservation spending category, Congress recognized the chronic underfunding of programs that protect and enhance public lands, wildlife habitats, urban parks, historic and cultural landmarks, and coastal ecosystems.

(b) SENSE OF THE HOUSE.—It is the sense of the House that any law establishing new caps on discretionary spending should include a separate conservation spending category and that any caps on conservation spending for fiscal years 2005 or 2006 should be set at the levels established in Public Law 106–291.

SEC. 509. SENSE OF THE HOUSE REGARDING THE ARCTIC NATIONAL WILDLIFE REFUGE.

(a) FINDINGS.—The House finds that—

(1) President Eisenhower first set aside the original Arctic National Wildlife Refuge in 1960 for the purpose of protecting its wilderness, wildlife, and recreational values; and

(2) while many refuges in America have been set aside to protect wildlife populations and habitats, the Arctic Refuge is the only refuge in which wilderness was recognized as a purpose for establishment; and

(3) in order to protect these unrivaled arctic landscapes and wildlife values, Congress significantly expanded the Arctic National Wildlife Refuge in 1980 with the passage of the Alaska National Interest Lands Conservation Act (Public Law 96–487), and protected the area against additional oil and gas exploration or development; and

(4) the biological, cultural, historic, and scientific attributes of the area are so rich and uniquely entwined, and the ecological integrity of the area is so vulnerable to irreparable damage if oil development is initiated, that the wilderness designation is fully warranted.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the Arctic National Wildlife Refuge should continue to be protected from oil and gas leasing, exploration, and related activities.

SEC. 510. SENSE OF THE HOUSE REGARDING THE HETCH HETCHY RESERVOIR IN YOSEMITE NATIONAL PARK.

(a) FINDINGS.—The House finds that—

(1) the City of San Francisco was authorized by the United States Congress, in the Raker Act of 1913, to construct a dam and reservoir on the Tuolumne River in Hetch Hetchy Valley in Yosemite National Park; and

(2) since its completion in 1923, the City of San Francisco has used water from the Hetch Hetchy Reservoir for its water supply and electrical power generation; and

(3) the City of San Francisco currently provides between $2 million and $3 million annually to Yosemite National Park for use of the Hetch Hetchy Reservoir; and

(4) any additional rental payments for the use of the Hetch Hetchy Reservoir would in all likelihood burden 2.4 million customers in the City and County of San Francisco and the Counties of Santa Clara, San Mateo, and Alameda who rely on its use by raising the cost of drinking water.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the Federal Government has long followed a policy of exempting municipalities from annual licensing fees for power used for municipal purposes or sold without profit and that this long-standing policy should apply to the Hetch Hetchy Reservoir.

SEC. 511. SENSE OF THE HOUSE REGARDING THE OUACHITA-BLACK NAVIGATION PROJECT.

(a) FINDINGS.—The House finds that—

(1) the Ouachita-Black Navigation Project was authorized by the River and Harbor Act of 1950 and modified by the River and Harbor Act of 1960; and

(2) a 382-mile navigation channel on the Red, Black and Ouachita Rivers was created requiring annual dredging to ensure the rivers' channel depth is maintained at the nine feet needed for commercial use; and

(3) if adequate annual funding is not provided to the Corps of Engineers and others, the project will not be able to function, undercutting commerce and revitalization in the area served by the project, and resulting in the loss of hundreds of jobs that are dependent on barge traffic.

(b) SENSE OF THE HOUSE.—It is the sense of the House that full funding should be provided for the Ouachita-Black Navigation Project in 2005 and beyond, notwithstanding the ton-mileage of barge traffic using the project.

SEC. 512. SENSE OF THE HOUSE REGARDING THE NATIONAL RAILROAD PASSENGER CORPORATION.

(a) FINDINGS.—The House finds that—

(1) Amtrak, the National Railroad Passenger Corporation, operates over 22,000 miles, serves over 500 communities, and is responsible for transporting more than 1.4 million commuter passengers daily; and

(2) Amtrak ridership reached a record high in 2003, surpassing the 24 million mark for the first time; and

(3) Amtrak continues to implement business reforms that have improved fiscal controls, more efficiently used resources, and stabilized operations; and

(4) Amtrak has also embarked on a major capital improvement program, outlined in a Five-Year Strategic Plan, that is designed to return the system to a state of good repair so that passengers may continue to depend on safe and reliable service; and

(5) in fiscal year 2005, Amtrak must begin to address its current backlog of necessary capital improvements to avoid significant impairment in operations and reliability.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the Federal Government should provide additional resources sufficient to allow Amtrak to implement the improvements outlined in its Five-Year Strategic Plan and proceed with internal reforms.

SEC. 513. SENSE OF THE HOUSE ON TAX SIMPLIFICATION AND TAX FAIRNESS.

It is the sense of the House that—

(1) the current tax system has been made increasingly complex and unfair to the detriment of the vast majority of working Americans;

(2) constant change and manipulation of the tax code have adverse effects on taxpayers' understanding and trust in the Nation's tax laws;

(3) these increases in complexity and clarity have made compliance more challenging for the average taxpayer and small business owner, especially the self-employed; and

(4) this budget resolution contemplates a comprehensive review of recent changes in the tax code, leading to future action to reduce the tax burden and compliance burden for middle-income workers and their families

in the context of tax reform that makes the Federal tax code simpler and fairer to all taxpayers.

SEC. 514. SENSE OF THE HOUSE ON ACCELERATING INCREASED REFUNDABILITY OF THE CHILD TAX CREDIT FOR LOW-INCOME FAMILIES.

(a) FINDINGS.—The House finds that—

(1) work is essential to promoting self-sufficient families which help children set goals in life and achieve them;

(2) workers of low and modest incomes have seen their ability to provide for their children eroded since 2001;

(3) members of the armed services serving in combat should have all the means necessary for providing for their children; and

(4) 12 million children of American workers (at least 200,000 in military families) will not benefit from the expanded child tax credit in 2004.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the increase in the refundability of the child tax credit from ten to fifteen percent of income between $10,500 and $26,625 should be accelerated by one year and should take effect in 2004; furthermore, other provisions in the tax code notwithstanding, combat pay for members of the Armed Services should be counted as earned income for the purposes of calculating refundability of the child tax credit.

SEC. 515. SENSE OF THE HOUSE REGARDING A TRIGGER MECHANISM FOR PRESCRIPTION DRUG PRICE NEGOTIATION.

(a) FINDINGS.—The House finds the following:

(1) The cost of the new Medicare law, estimated by the Congressional Budget Office before its passage to be $395,000,000,000 over ten years, has now been estimated by the Department of Health and Human Services to be $534,000,000,000 over ten years. Rising drug prices can increase the cost of the drug benefit and could end up shifting additional cost burdens to Medicare beneficiaries.

(2) Prescription drug spending increased 15.6 percent in 2002. These rising costs are one of the primary drivers of increasing health care spending, which grew 9.3 percent in 2002.

(3) The Veterans' Administration as well as every private insurer depends on bulk negotiation to keep drug prices down.

(4) According to a study by the Inspector General of the Department of Health and Human Services, Medicare payments for 24 leading drugs in 2000 were $887,000,000 higher than actual wholesale prices available to physicians and suppliers and $1,900,000,000 higher than prices available through the Federal supply schedule used by the Department of Veterans Affairs and other Federal purchasers.

(5) The private prescription drug plans provided for in the Medicare law do not exist in the marketplace. Therefore, it is impossible to predict whether these private plans will in fact be able to acquire substantial discounts through negotiation. In addition, private plans cannot take advantage of the full purchasing power of 40,000,000 beneficiaries.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) legislation should be adopted which would establish a trigger mechanism for negotiation of prescription drug prices by the Secretary of Health and Human Services; and

(2) this legislation would mandate that at any point when the expected ten-year expenditures for fiscal years 2004 through 2013 for Public Law 108–173 exceed the Congressional Budget Office estimate for this legislation, the Secretary of Health and Human Services would be required to immediately enter into direct negotiations with pharmaceutical manufacturers for competitive drug prices.

The CHAIRMAN. Pursuant to House Resolution 574, the gentleman from South Carolina (Mr. SPRATT) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Chairman, only 3 years ago, our country had created 22 million new jobs and had a projected surplus of $5.6 trillion. But since that time, 3 million private sector jobs have vanished, and we have seen a $9.3 trillion fiscal reversal.

Manufacturing employment, once the foundation of our economy, is now at a 53-year low, with many of those jobs having been sent overseas. Last month, nearly 400,000 Americans simply gave up hope looking for work altogether.

The Republicans tout their tax cuts as a job-creation plan. If ever there was a wake-up call that it is time to change course, this is it. In my State of Connecticut, more than 83,000 citizens are currently out of work because they were laid off by their employer, because their jobs have been outsourced, because their company has gone out of business, or because they were forced into early retirement. And thanks to the Republicans' refusal to extend unemployment benefits, nearly 1,000 Connecticut workers continue to lose their benefits every week. Despite predictions that 125,000 jobs would be created, last month only 21,000 jobs were actually added to the national economy, none in the private sector.

So we ask for our constituents and for the country, What course will the administration and the Republican majority take now? Have they learned from three rounds of unbalanced and unproductive tax cuts for the very wealthiest? Will they continue with policies that shift the tax burden from corporations to their employees? Will they continue with the economic policies and defending the corporate loopholes that encourage jobs to be outsourced and companies to be moved overseas? And will they continue with policies that explode the deficit?

From what I see in the underlying Republican bill, the basic answer is no change in direction.

The Spratt substitute not only extends unemployment insurance for millions of long-term unemployed, it calls for a manufacturing tax credit to create good jobs here at home. It invests in small business loans, job training, and the Manufacturing Extension Partnership program.

By turning aside the Republican budgets and supporting the Spratt substitute, Congress can embrace an idea that our society can act with a shared sense of purpose and responsibility to address the tasks before our country. That is what this budget process should be about, and that is what we should do.

The CHAIRMAN. Who seeks to control the time in opposition?

Mr. NUSSLE. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Iowa (Mr. NUSSLE) is recognized for 30 minutes.

Mr. NUSSLE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the gentlewoman from Connecticut says there is no change in direction. Let me beg to differ. There is a lot of change in direction, a lot of change in direction in our economy.

Our economy has, as many of us know and many people listening know who are out of work, who have had a difficult time with their jobs, small businesses that have not been able to make ends meet, they know that there has been a change in direction.

We were heading in a downward path with our economy, but the last 6 months have been the strongest 6 months of growth within our economy in over 20 years. And why? Because we adopted the best fiscal policy we could at the time, and that was to say let us give the ability to create jobs to small business.

What the Spratt substitute does, what the Democrats are rushing to the floor to claim today, is that right at the moment when we finally have seen a positive change in direction for our economy, let us give it a gut-punch. Let us kill the jobs. Let us kill small business with a tax increase, exactly at the wrong time.

When you propose the tax increases of this budget, what you do is you kill the jobs, because 90 percent of small businesses pay at that rate that they want to increase. They want this automatic tax increase to occur. More than 80 percent of the increase in taxes on this top rate will be borne by small businesses; and in Manchester, Iowa, in South Carolina, in California and across the country, those are the businesses that are creating jobs. We do not want, we do not need, and we will not support a tax increase right at the moment when the country is getting back on its feet.

Why do they propose a tax increase? Because they want more spending. So many of the Members over the last 2 days have come to the floor wringing their hands about the deficit. Oh, the deficit is so terrible; let's increase spending. Oh, the deficit is going to be passed on to our kids; but let us have more wasteful Washington spending. Oh, the deficit is terrible because it is going to promote all sorts of terrible things happening within our economy, but let us continue the spending.

Spending and tax increases, spending and tax increases, on and on it goes.

You would think over time they would come to the floor with a much more original budget than continuing tax increases and continuing big spending.

It is about time that we finally realize in this country that when you are in a hole, you not only stop digging by controlling spending, but you stop digging in the pockets of the American family, the American farmer, the American small businessperson, who does the spending, who does the working, who does the toiling, that needs to be occurring in order to make this country great and continue the freedom and opportunity for our kids into the future.

We have got to control spending. We do not want an automatic tax increase. Let us not support this substitute.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER), the Democratic whip.

Mr. HOYER. Mr. Chairman, perhaps the chairman believes what he says. If so, he is extraordinarily wrong. But those of us who have been here for some period of time have heard this rhetoric before, over and over again.

In 1993, when we offered an economic program, every leader, the chairman of the Committee on the Budget, the ranking member of the Committee on the Budget, Speaker Gingrich, Leader Armey, an economist, came to this floor and said if you adopt the Democratic alternative, the economy is going to go to hell in a handbasket.

They were 180 percent absolutely wrong. In point of fact, we had the best economy, the best economic performance in the next 8 years that we have had in the history of America. They do not know what they are talking about. Maybe they believe it, but they are wrong.

Let us compare the 8 years under George Bush, George Bush the senior, and George Bush "W." They ran deficits of $2.5 trillion. There is one person in America that can stop spending in its tracks, just one, the President of the United States.

Neither George Bush nor his son have ever had a veto overridden stopping spending. Not once.

Let us get real. Under the 8 years of the Clinton budget, which the Republicans said would take us down the road of deficits and unemployment, we had a $61 billion surplus and ran the last 4 years in surplus, the first time that had happened in the lifetime of anybody in this room.

Get real. Stop giving us this stuff. And the reason to stop giving the stuff is what you are doing is back to the same old $2.5 trillion in debt, except this time you take it from a $5.6 trillion surplus. Who said we had that surplus? George W. Bush said we had that surplus. What is it now? A $4 trillion deficit, an almost $10 trillion turnaround.

I say to the gentleman from Iowa (Mr. NUSSLE), that is your performance. That is the result of your budgets. That is the result of your economic program, a $10 trillion turnaround to the worst. And who pays the bill? That is the sad part. The children and grandchildren of America, that is who will pay the bill.

What this budget that the gentleman from South Carolina (Mr. SPRATT) is offering does, unlike that of the gentleman from Iowa (Mr. NUSSLE), it brings the budget to balance within 8 years.

Does it ask some people to pay the bill that those young men and women in Iraq are paying? It does. Is that right to do? It is.

It is exactly what you said in 1993, and you were dead, flat wrong. Vote for the Spratt alternative. Put America on a safe track so that our children will not be put deeply, deeply, deeply in debt. Vote for Spratt. It is right for America.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia (Mr. SCHROCK), a member of the committee.

Mr. SCHROCK. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, today I rise in open opposition to this Democratic substitute, and I promise you I will not scream as I get my message across.

Not only does this budget raise taxes for small businesses and working families, but it also increases overall spending and cuts important funding for homeland security. Raising taxes and increasing the deficit is no way to ensure economic recovery. This substitute budget will raise taxes on small businesses and kill job growth.

This substitute increases taxes overall, and does away with tax relief for middle-income working families. As a result, this substitute can lead to tax increases on families claiming the child tax credit, increases in the marriage tax penalty and also increased taxes for those in the 10 percent, I repeat, 10 percent tax bracket.

I oppose any budget today that will raise the taxes on our working families and small businesses, period. In Hampton Roads, where I live, we are leading Virginia in job growth because of tax relief and because of other policies that help our working families and small businesses. These tax increases are job killers, and that is all it is.

As if increasing taxes is not bad enough, this Democratic budget also raises spending. We heard the gentleman from Iowa (Chairman NUSSLE) say it best: How can you speak out against the Federal deficit one minute, and then vote for irresponsible spending increases the next? This is just plain wrong.

□ 1545

This substitute increases spending by $21.6 billion next year in 2005 and by $135 billion over the next 5 years. In this time of fighting a war on terrorism and stimulating economic recovery, the Democrats not only want to raise taxes on all Americans and increase wasteful spending, but they also want to cut money for national security. This hurts homeland security by cutting money to law enforcement by $2.9 billion over the next 5 years.

Mr. Chairman, we cannot afford this budget. America cannot afford to return to the days of high taxes, irresponsible government spending, and poor funding of national security. We are finally recovering from the consequences of their economic plan, and I strongly urge my colleagues to vote against this irresponsible, politically motivated substitute.

Mr. SPRATT. Mr. Chairman, I yield myself 1½ minutes to respond to the gentleman.

The gentleman may not be aware of it, but this budget resolution which I am now offering as an alternative provides $6 billion more for homeland security than the Republican resolution, the committee resolution; it provides $5 billion more for law enforcement programs under the Justice Department; it provides the very same amount for national defense. So his criticisms are highly off the mark.

Let me also take a minute to respond to my good friend, the gentleman from Iowa (Chairman NUSSLE) with respect to tax cuts.

This resolution in section 201 says very clearly, it is the policy of this budget resolution to balance deficit reduction to middle-income tax relief. In that respect, we call for the Committee on Ways and Means to reconcile and extend the child tax credit, which will expire otherwise; the marriage penalty relief; the 10 percent bracket; to provide relief from the alternative minimum tax; to eliminate estate taxes on all but the very largest estates; to extend the research and experimentation tax credit; to accelerate the refundability of the child tax credit from 15 percent; and to include combat pay in determining refundability; and on down the list with five more illustrations of where we are calling for middle-income tax relief.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from Missouri (Mr. SKELTON), the ranking Democrat on the House Committee on Armed Services.

Mr. SKELTON. Mr. Chairman, I support strongly the Spratt resolution. Quite honestly, it is better on national defense than the resolution offered by the majority. Here are five reasons why.

First, the Spratt alternative matches the President's overall request for defense, dollar for dollar. As a matter of fact, the majority resolution falls $189 million short. When our troops are on the front lines in Iraq and Afghanistan, Haiti and everywhere else in the world, I do not think we should cut a dime.

Second, the Spratt alternative saves the privatized housing initiative by raising the cap on the program by $1.1 billion over 5 years. This is very important for our families. The majority resolution, as written, assumes no raise in the cap, so almost 50,000 military families that are supposed to get new privatized housing in the year 2005 and in the year 2006 will have to wait for adequate housing.

Although there was a discussion on the House Floor in which the gentleman from Iowa (Mr. NUSSLE) promised to work with us to try to resolve the scoring issue, it is not there, and it does not count unless it is in the resolution. It is in the Spratt alternative.

Third, the Spratt alternative continues TRICARE for reservists, helping to ensure that all reservists have health care insurance. At a time when we are leaning more and more on our National Guard and Reserves, we must fund this program. The majority resolution lets the program lapse, leaving the families of our National Guardsmen and reservists without health care insurance.

Fourth, the Spratt resolution continues targeted pay raises for 3 more years. The majority resolution, like the President's budget, has zeroed out the initiative in the 2005 budget. These targeted pay raises for intelligence, for special operations, for computer experts, for those who have those specialized and critical skills that are needed to stay in, those targeted pay raises are out. They are in the Spratt alternative.

Finally, the Spratt alternative also keeps faith with those who have served our Nation in the past. It eliminates the Social Security offset to the Survivors Benefit program consistent with the bill H.R. 3763, a bill that enjoys broad bipartisan support. This offset hurts the widows of those who have served our Nation, and we owe it to those who served us to correct this inequity.

I support strongly the Spratt alternative as a better resolution.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. HUNTER), the very distinguished chairman of the Committee on Armed Services.

Mr. HUNTER. Mr. Chairman, I thank the gentleman, and I appreciate the statement that was just made by my good colleague, the distinguished gentleman from Missouri (Mr. SKELTON). Let me explain why I do not agree that the Spratt budget is the best budget.

It is true that we can take more money out of what I would call the operational military, and that is the side of the military from which ammunition, readiness, present operations in Iraq and Afghanistan are funded; and we can move it over to the non-operational military and give more benefits on that side. The problem with that is that that amounts to a reduction in the operational military.

We have a top line, and that top line is not expanded by the Spratt budget, and that means that the people who are retired, who have great affection for this country and have every right to be treated well by this Nation, also have another interest, and that interest is to see that the people who are in the arena today, in the battlefield today, get every single thing that they can possibly have focused on that battlefield and have those resources focused on that battlefield.

If we take dollars from the operational military from which the theaters are being fought today and move it over to programs that are well-meaning, good programs, but nonetheless programs that are not in the operational military, that means that we have less money to work with while we are in a shooting war.

Mr. Chairman, I wanted to make one second point, though, and that is that we had a good colloquy yesterday, and I thank the gentleman for his concern about housing and about the privatization measures that have been fathered by the gentleman from Colorado (Mr. HEFLEY) and the fact that this cap and the present treatment of those dollars could possibly hinder that construction, continued construction of privatized housing.

I would just say we had a good colloquy with the chairman of the Committee on the Budget and we are taking care of that one. So I want to thank the gentleman for his interest and for his work on this. We are going to take care of that problem.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, my understanding is, and I am sure I am correct, that there will be forthcoming a supplemental request. I am told it will be in the neighborhood of some $50 billion for the ongoing operations. So it would seem to me that we would be able, and much better under the Spratt proposal, to take this money and to make those corrections that we have in his resolution; and the operating will continue because of the upcoming supplemental which we will be voting on sometime this year.

Mr. HUNTER. Mr. Chairman, reclaiming the time to respond to my friend, I would hope also that we would have a good, robust supplemental later in the year, but I would just say to my friend that the moneys that are going to be available at the start of the next fiscal year in the early fall are going to be there. We might not have this supplemental back until February or January or March, and I think a dollar in the hand is more important than a dollar at a later time.

Mr. SPRATT. Mr. Chairman, I yield myself 1 minute to respond to my good friend, the chairman of the committee on which I also serve with the gentleman from California (Mr. HUNTER).

I think he would readily agree, having served in the Army, that morale is an important operational necessity. What we are trying to provide for in our resolution is, we have $422.7 billion next year for national defense, plus a huge supplemental. We are simply saying, can we not give some primacy to personnel benefits and move around just a bit of that money to address a long-standing bone of contention, namely, the fact that widows of deceased service members have drastic reductions in their pensions when they reach the age of 62.

The gentleman knows that amongst reservists there is a big issue about TRICARE. We should be doing something to extend TRICARE to reservists in certain situations. Certainly, I think the gentleman supports the selected pay increases for the senior NCOs and junior officers, critical to keeping that core component of the services intact.

That is what we are trying to provide for, Mr. Chairman. That is all. We are trying to say, out of $422 billion, that kind of money, surely we can give some primacy to these priorities.

Mr. NUSSLE. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. HUNTER) so that he may respond.

Mr. HUNTER. Mr. Chairman, I thank the gentleman and I appreciate the gentleman's point.

Toward that point, we have over the last several years, as the gentleman knows, extended on a bipartisan basis TRICARE for Life, the concurrent receipt program that was put into effect the year before last and then expanded last year.

I would simply say this to my friend: We are, according to CBO, this year, in terms of new equipment for our soldiers, $30 billion underfunded. That means helicopters that are 18.6 years old, that means airplanes that are two-thirds of the Navy's airplanes being over 15 years old. That means that, in my estimation, one of the best ways to build morale for troops in the field is to give them good equipment, so if we have money to spare, I would say—and we are also low on ammunition, as the gentleman knows. We have not met all of our ammunition totals that the Nation is directed to meet by the levels that we have set, with all of our smartest people working on this issue.

So if we are $30 billion behind in terms of giving our young people new equipment, about $10 billion behind on ammunition, that is where we should put the money first, and I think our retired people would agree with that.

Mr. SPRATT. Mr. Chairman, I yield myself 30 seconds just to say to the gentleman, the House Republican resolution calls upon the House Committee on Armed Services, by May 15, to come up with $2 billion a year in permanent savings out of operations that are now deemed to be wasteful or inefficient, and then to allocate those savings to some additional priorities.

We are saying the same thing. We simply picked up on that idea and said, fine, here are three good personnel priorities to which this $2 billion in savings could be committed every year.

Mr. NUSSLE. Mr. Chairman, I yield 30 seconds to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. I thank my chairman and I thank my good friend, the gentleman from South Carolina (Mr. SPRATT) for this conversation.

The gentleman is exactly right. We said, let us take money from lesser priorities because we are in a shooting war. And the Republican majority said this: We must redirect that money into the battlefield for force protection for our troops, for ammunition for our troops, and for surveillance capabilities so that we can see these IEDs and we can see the bad guys when they get close to our troops.

So, no, we did not say, let us take that and put that off the operational military and put that into a retirement plan, as good as that might be; we said, we know our retired folks are worried about the troops. We focus that money on theater.

I would just say to my friend, that is where we have to focus the extra dollars, on the theater in the shooting war, and let us win it.

Mr. SPRATT. Mr. Chairman, I yield myself 15 seconds. Selected pay increases and TRICARE for reservists are for fighters, warfighters, not for nonoperational purposes or retirement purposes.

Mr. Chairman, I yield 2 minutes to the gentleman from Chicago, Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, in the 2000 election, President Bush declared that he was against nation-building. When we look at the Republican budget, who knew it was America he was talking about. They have three wars financed with three tax cuts, resulting in a $550 billion deficit.

This budget by the Republicans continues the same policies that have led to 2.5 million Americans losing their jobs, 43 Americans who work without health insurance, 2 million Americans who used to be in the middle class who now are in poverty, and only a 1.6 percent growth in wages, leading to wage recession in this country.

Now, what we need, and what we have seen today with this budget and the budget in Iraq is the "tale of two budgets." In their budget, Pell grants are frozen for college education. There is a cut, and we do not fully fund the Leave No Child Behind; yet, in Iraq, 2,300 new schools have been opened. In health care, $90 million has been cut for the underinsured, yet we have opened up 150 hospitals in Iraq, spending $800 million in Iraq.

□ 1600

In the United States, $659 million cut from the police. Yet we are rebuilding the police in Iraq to the tune of $500 million. Veterans, we just heard a debate about the priorities in veterans, yet did you know in Iraq we are spending $150 million to help train the Iraqi veterans from their past wars?

That is the tale of two budgets. One priority for Iraq, another priority for the United States.

The Spratt budget lays the right priorities for the United States to begin the job growth, to begin the burden-sharing by all Americans so the future for America's children are as bright and as strong as the one their budget envisions for Iraq.

It is time to not continue the policies as a result of the economic failures here at home that have resulted in a $550 billion deficit, $3 trillion dollars of national debt, 2.5 million Americans unemployed, 43 million Americans without health insurance, 2 million more Americans in poverty, and a wage recession that has led to the lowest economic growth in wages in a period of economic growth.

It is high time we turn around and put this country in the future by dedicating resources to college education, to health care and the environment and reducing the deficit and cutting taxes for the middle class.

Mr. NUSSLE. Mr. Chairman, I yield 1 minute to myself.

Mr. Chairman, the interesting thing about my friends on the other side is that they know the words of deficit reduction and they know the words of fiscal responsibility, but they have not yet learned the music.

They know the words to the song, but they do not know the music because on the one hand they say that we are gouging, we are cutting, we are eliminating, we are making it more difficult on the spending side of the ledger. On the other hand, they say how our economy needs a shot in the arm; how it needs to be growing again; how we need to be creating jobs. And yet in their budget, they do nothing on the spending side because they increase spending or on the growth side because they kill job creation by raising taxes on small business.

So, yes, they know the words to the song. The words to the song are almost always easy to learn, but the music is a little more difficult to learn. So we would invite you to go back and learn the notes to the song before you come back next time. You have got to control spending in Washington. You have got to get the economy growing. That was the recipe of 1997.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, having worked on the 1993 budget that cut taxes for working families and reduced the deficit by $500 billion and having worked on the 1997 budget that balanced the budget and cut taxes for middle-class families so you could both reduce the deficit and cut taxes, I not only know the music, I know how to dance to that music.

Mr. NUSSLE. Mr. Chairman, I yield 1 minute to myself.

What an interesting concept. Let me review the concept the gentleman promoted from 1997.

Mr. EMANUEL. 1993 and 1997.

The CHAIRMAN. The gentleman from Iowa (Mr. NUSSLE) controls the time.

Mr. NUSSLE. You mean to tell me that the words to this song are cut taxes and control spending and the deficit goes down. My goodness, what a novel concept. We should write a budget that says that.

In fact, we have. We have written a budget which is the base bill today that reduces taxes, keeps them level; reduces spending, keeps it level; funds the priorities of national security; grows our economy; controls spending; and gives us deficit reduction. Exactly the words to the song, exactly the right music and the reason why you should support the Republican budget.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, I would like to thank my colleague from South Carolina (Mr. SPRATT).

Both the 1993 and the 1997 budget, of all people, I do not think we need to go through this; but if we have to, we will. The 1993 budget reduced the deficit and cut taxes. And it cut taxes on working families who needed it most and put our priorities and our fiscal house in order.

The 1997 balanced budget built on the shoulders of the 1993 budget, balanced the budget and cut taxes. It was the first time the $500 per-child tax cut was introduced. It was targeted tax cuts to working families.

This budget that you have guarantees and locks in deficits as far as the eye can see, and every budget that has been introduced by the Republicans and President Bush has guaranteed us the largest deficit and national debt ever in the history of this country. And that is the difference. Not every tax cut is good and not every tax cut is bad, but the tax cuts you have chosen have laden the economy with the largest debt and the largest deficit in the history of the economy. That is what Ronald Reagan used to say, "Facts are stubborn things."

Mr. NUSSLE. Mr. Chairman, I yield 30 seconds to myself.

If facts are stubborn things, then why is it that you would increase taxes on those families you have just lamented $1.2 trillion over the course of the Democratic substitute, $1.2 trillion of tax increases. Why would we go through there? I thought, wait a minute, I thought the gentleman knew the song. He was talking the right words. He was saying the right words, but I thought he learned the music too. The music to this is reduce taxes, keep them low, keep spending under control, look for waste. That is what the budget that we have presented does, not increase taxes as the Democrat substitute does.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, not only did we cut the taxes in 1993 and 1997 in our budget this time, it resulted in 22 million jobs, a reduction in poverty, a reduction in those who were without health insurance. And today under your economic stewardship, 2.5 million Americans have lost their jobs, 43 million Americans are without health care, 2 more million Americans are in fact in poverty that used to be in the middle class, and a trillion dollars worth of corporate assets have been foreclosed on.

These are the economic results of your economic plan. It does not set priorities. It assumes all tax cuts are equal. And if you think a tax cut allowing a corporate jet to fly around when children of working families do not get a tax cut, those are the wrong priorities that resulted in the economic losses that you have on your record. The 90s were the best economic period of time; $550 billion of deficit cannot be erased in a 1-minute speech.

Mr. NUSSLE. Mr. Chairman, I yield 15 seconds to myself.

Mr. Chairman, there is not an economist in the country, not one economist who does not say that the economic recession that we had to face began under President Clinton. President George Bush inherited the recession from President Clinton. We worked to reduce it and get it back on a growth path, which we have done.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to myself.

Mr. Chairman, I think the gentleman was off the floor when I read page 87, title II, section 201, outlining the tax cuts that we are calling for and stating the purpose of the resolution, which is to preserve and serve middle-income tax relief.

I would defy the gentleman to take this and in the four corners of this report show me where the $1.2 trillion additional tax increases are coming from. How is that number derived?

Mr. NUSSLE. Mr. Chairman, I yield 1¾ minutes to myself.

The way that is computed, I would say to my friend, the way of course that is computes is we believe that by allowing a tax increase to occur automatically, that that is a tax increase. So we start with that and then above that is over the CBO baseline. So that is where we come up with $1.2 trillion over the 10 years of your budget.

Mr. Chairman, I would say to my friend, the gentleman from South Carolina (Mr. SPRATT), look, part of the reason why we are having this discussion is that there are so many people coming to the floor complaining about tax cuts for the rich. We know what you are up to.

I understand that rhetorically, not the gentleman necessarily, but we believe within the party what you are up to, that is, you want to, what you say, is reduce this tax for the highest income tax bracket. I understand that is not what your budget says, but I am saying that is what the votes say on the floor time and time again as they come to the well, and that is, that when that is targeted at that bracket, what you are targeting, we believe, are small businesses which are creating those jobs.

I understand that nobody wants to kill those jobs, but when people in small business are paying at that tax bracket, we believe that kills jobs. And that is why we do not allow those tax increases to expire. We believe that would be a tax increase.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to myself.

The only bracket we refer to is the bracket that would include those making over, earning, having incomes over $500,000 a year, which is our definition of a wealthy person. So we are saying do not take all the benefits away from those taxpayers that have been provided by the 2001 and 2003 tax cuts, but consider cutting them in half, for example, in order to raise the revenues, to offset the costs of extending middle-income tax provisions like the 10 percent bracket, the child tax credit and the marital penalty provisions.

Mr. Chairman, I yield 2½ minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, what a difference a week makes. A week ago and one day from today this House passed unanimously a resolution saying that we should express our gratitude for the "valiant service of our troops in Iraq." And yet today the House Republican leadership in order to continue its failed status quo policies that led to the highest deficit in American history, the worst job growth since the Hoover administration, has once again gone so far as to honor our troops, our future veterans with their words but cut the budget for veterans health care with their deeds.

That is not the viewpoint of a Democrat or a Republican. That is the view point of the American Legion. Steve Robertson, director of the American Legion, said in a letter, in the last 2 days, the American Legion has activated its grassroots lobbying efforts to defeat H. Con. Res. 393, the budget resolution for FY 05 through fiscal year 09.

Well, let us look at what the Disabled American Veterans said. Their national commander, Alan Bowers, said, "To the veterans of this Nation, it is incomprehensible that our government cannot afford to fund their medical care and benefit programs at a time it can afford generous tax cuts costing hundreds of billions more."

AMVETS, Paralyzed Veterans of America, all of them are saying what the American people believe. It is wrong and it is unfair to cut veterans health care services by $1.3 billion, as this budget does, to pay for a failed economic policy.

We must support our troops in Iraq today who are tomorrow's veterans with our deeds, not just our words.

Once again, as we saw last March, the Republicans have come to the floor of the House and during the same month they vote to salute our troops with resolutions, they vote to cut our troops' future health care benefits with their budget votes.

The reality is while they may argue they are increasing veterans health care, the Republican chairman of the Committee on Veterans' Affairs says this budget resolution will cut veterans health care by $1.3 billion this year.

Whether one is a Republican or a Democrat, liberal, moderate or conservative, north, south, east or west, it does not reflect the values of the American people to be asking for more sacrifice from those troops in Iraq today who are already risking their limbs and lives.

And I know about that because I was in Baghdad. I was in Iraq. I have saw American soldiers who had been wounded in Iraq. I saw them in German hospitals. They have given enough for our country. Republicans in this House have no right to ask them to give more by having their veterans health care services cut by over a billion dollars and by $21 billion over 5 years. That is wrong.

The CHAIRMAN. The Chair would advise the managers the gentleman from South Carolina (Mr. SPRATT) has 11½ minutes remaining. The gentleman from Iowa (Mr. NUSSLE) has 16 minutes remaining.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to myself.

Mr. Chairman, let me start by letting the committee know and the House know that we have a letter from Secretary Principi on the subject that the gentleman from Texas (Mr. EDWARDS) just spoke about.

Let me just read from the letter and I will be glad to make this available as it was just made available to me:

"I write to strongly endorse the House passage of H. Con. Res. 393," this budget. "The President's budgets have provided historic funding levels for America's veterans today. The Veterans Administration provides nearly a million more veterans with better, faster health care than when the President took office."

□ 1615

So just in the last 3 years, 1 million more veterans have been invited into the VA than under former President Clinton.

"The President pledged to reduce the average processing time to 100 days and reduce the inventory of pending claims to 250,000. The Department is on track to meet those goals.

"When the President entered office, VA was providing care to slightly under 4 million veterans. Now, at a time when the overall population of veterans is declining," and that is unfortunate, "nearly 5 million patients are being treated. The President's budget reflects his strong commitment on preserving the core mission of the Department of Veterans Affairs."

He salutes the Congress, he says, and he strongly urges Members to vote for this budget resolution.

A couple of other things I just wanted to mention with regard to veterans spending. The House level for veterans spending is the highest amount between the two bodies that we will have an opportunity to support. The House version is higher than the Senate version because the Senate, when it passed an amendment on the floor, included unspecified receipts, which is an interesting budget code word for copayments, fee increases, means testing. Those are ways that we get those unspecified receipts to be specified.

The result is that, together with Secretary Principi, the House budget we present today is $1.2 billion above the President's request to meet the request that Secretary Principi provided to the Committee on Veterans' Affairs and the Committee on the Budget. If my colleagues want to support a higher veterans spending amount, they need to support the amount that is provided in this bill.

Veterans organizations are getting snookered out there by being told that the Senate number is somehow higher than the House number. That could not be further from the truth. When you hide fees, when you hide means testing, when you hide copayments into an amendment and then pass it, that is not necessarily a higher amount because in our bill, in our budget, we do not accept any fee increases, any copayments, or any means testing to this program. It is a higher amount than the other body, and it needs our support.

Mr. EDWARDS. Mr. Chairman, I ask unanimous consent, at the request of the gentleman from South Carolina (Mr. SPRATT), to manage time until he returns to the floor.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EDWARDS. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I do not think the AMVETS, the Disabled American Veterans, Paralyzed Veterans of America, the Veterans of Foreign Wars, the American Legion, distinguished respected veterans groups who fought in all parts of this world, its millions of members are snookered by this legislation. I think they understand exactly what this legislation is doing. It is not keeping up with health care inflation, and it will require a cut of $1.3 billion in veterans health care services.

If the Republicans in the Congress think veterans get health care that is too good and the lines are too short at our VA hospital, so be it. I think it is the American people that would be snookered by the passage of a resolution such as this, not our veterans.

Mr. Chairman, I yield 1½ minutes to the gentleman from Houston, Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Chairman, I thank my Texas colleague for yielding me the time, and I have a prepared statement I would like to place into the RECORD.

It is interesting, all of our constituents think we talk about funny money here in Washington when it is really their money, but I look at our budget and see there are funny budgets; and I need to remind my colleagues of the prescription drug budget $400 billion last year, that could be as much as $150 billion above that, and the seniors around the country are rejecting it simply because it is not a quality program. So I worry about what we are seeing.

Mr. Chairman, I rise in support of the Democratic alternative and in opposition to the Republican budget resolution. The Republican majority breaks a number of long-standing promises to my Texas community, seniors, students and veterans.

The budget breaks our promise to Texas seniors by spending the entire $1 trillion Social Security surplus. This continual use of Social Security to fund the administration's deficits and tax cuts is not sustainable, and even prompted Alan Greenspan to suggest we cut entitlement programs or raise the age of Social Security.

The budget breaks our promise to Texas students by providing $8.8 billion below the authorized level for No Child Left Behind.

Despite the rising costs of college tuition, this budget fails to provide any increase in the maximum Pell grants which 313,832 students in Texas universities use to help finance their education.

The budget breaks our promise to Texas children by allowing $1 billion in funds for the State Children's Health Initiative Program, SCHIP, to expire. Already, hundreds of thousands of Texas children are dropped from the SCHIP program, and we are going to see it even more.

The budget breaks our promise to veterans, as just discussed, by $1.3 billion, short of what we need for veterans health care. The Vietnam Veterans of America called the Bush budget an insult to veterans.

Mr. Chairman, I rise today in support of the Democratic alternative and in opposition to the Republican budget resolution.

The Republican majority breaks long-standing promises to Texas communities, seniors, students and veterans.

The budget breaks our promise to Texas seniors by spending the entire $1 trillion Social Security surplus from 2005 to 2009.

This continual use of the Social Security to fund the Administration's deficits and tax cuts is not sustainable and has prompted Alan Greenspan to suggest that we cut entitlement programs or raise the Social Security age.

The budget breaks our promise to Texas students by providing $8.8 billion below the authorized level for No Child Left Behind programs.

Despite the rising costs of college tuition, this budget fails to provide any increase in the maximum Pell grant awards, which 313,832 students in Texas universities use to help finance their education.

The budget breaks our promise to Texas children by allowing $1 billion in funds for the State Children's Health Insurance Program (SCHIP) to expire.

Already, hundreds of thousands of Texas children have been dropped from the State's CHIP program, and this budget will only cause more Texas children to lose health insurance during a time when health care costs are rising rapidly.

The budget breaks our promise to Texas veterans by providing $1.3 billion less than what is needed for veterans' health care programs.

The Vietnam Veterans of America have called the Bush budget "an insult to veterans."

The budget breaks our promise to Texas communities by cutting homeland security funding at a time of increased security needs.

Houston is the only city in the U.S. to meet all fifteen Federal threat criteria, yet this budget provides no resources to address a shortage in first responder or port security funding.

I urge my colleagues to reject the Republican budget and support the Democratic alternative, which funds this country's priorities in a fiscally- responsible manner.

Mr. NUSSLE. Mr. Chairman, I yield myself as much time as I may consume.

Let me just give my colleagues this again on veterans health care. Overall spending for veterans medical care has grown significantly in recent years. The Congressional Research Service estimates that it has increased from $17.8 billion in 1999 to $28.3 billion in 2004. That is 9 percent a year of increases, and we will continue that as we move forward into the future.

Since 1999, spending on veterans medical care has increased from $16 billion to $28 billion a year, a 75 percent increase; and over the past 2 years, appropriation for veterans medical care increased rapidly, by 11 percent in last year alone.

To come to the floor and suggest today that we are not meeting our promises to veterans is based on the veterans service organizations and what they call their independent budget. Look, I will tell my colleagues the same thing I tell them and tell my veterans at home. They, of course, have earned the right to request any amount they believe they deserve. That is not the issue. Of course they have the right to make that request.

Our job, though, is to make sure that we fund and we make sure we are meeting the demands of veterans, and veterans under President Bush have gotten not only a promise fulfilled, but we are helping to ensure that the lines are shorter; that the care is better; and that it is delivered to as many veterans as possible under this bill. We continue that promise, and we do it at a faster rate than the other body.

The veterans service organizations have been alerting Members because they thought mistakenly that the Senate had a higher number than the House. That is the reason that they were agitating over this; but when they have read it, when we have read it and when others independently have read it, they discovered that there are these unanticipated fees, unanticipated receipts, possibly means testing, possibly all sorts of things that are hidden in there in order to make that number look just a little bit bigger.

Well, we are not going to do that to our veterans. We have already rejected that proposal; and as a result, the highest number that my colleagues can support is for the House base bill presented by the Republicans.

Mr. Chairman, I reserve the balance of my time.

MODIFICATION TO AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 4

Mr. SPRATT. Mr. Chairman, I ask unanimous consent that the manager's amendment be modified with the modification I have placed at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 4 in the nature of a substitute offered by Mr. SPRATT:

Delete section 509, Sense of the House regarding the Arctic National Wildlife Refuge.

The CHAIRMAN. Is there objection to the modification offered by the gentleman from South Carolina?

Mr. NUSSLE. Mr. Chairman, reserving the right to object, and I will not object, but just for clarification I would yield to my friend from South Carolina (Mr. SPRATT) under my reservation and just ask the question, Is there any bottom line impact on a monetary basis to the budget?

Mr. SPRATT. Mr. Chairman, will the gentleman yield?

Mr. NUSSLE. I yield to the gentleman from South Carolina.

Mr. SPRATT. There is not at all.

Mr. NUSSLE. That is my understanding; and, therefore, I have no objection and believe that can be supported.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Without objection, the modification is agreed to.

There was no objection.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Mr. Chairman, I rise today to express my strong opposition to the Republican budget resolution for fiscal year 2005 and my support for the Democratic substitute.

I would like to thank the gentleman from South Carolina (Mr. SPRATT) for his leadership on developing a realistic budget plan for our Nation. Given the state of our economy and the skyrocketing deficit, now is not the time to engage in more irresponsible tax cuts for the wealthy, but this is what has dominated the Republican leadership agenda from the get-go.

The Democratic alternative that we are debating now instead chooses to invest in our Nation, not cut $2.2 billion from the Medicaid and SCHIP programs. The Democratic alternative that we are debating would create jobs and spur economic growth and not underfund the Small Business Administration.

The Democratic alternative honors our veterans by providing the full committee-recommended levels of $33.2 billion for 2005. This is in stark contrast to the Republican plan which shortchanges our veterans by adding enrollment fees and by increasing copayments.

Our plan invests in the very institutions that make our country great, small businesses, health care and the educational system, and invests appropriate funding into our defense system and homeland security.

I would like to take a moment now and focus on how the Republican budget also impacts the Hispanic community. Hispanic families across the Nation join the millions of other Americans who are growing increasingly concerned and are demanding an actual budget that stabilizes the future of their health care, of their education and financial security. Unfortunately, all we see is cuts, cuts and more cuts of the programs that are vital to our community.

On the economic front, there are 1.4 million Hispanic workers still looking for jobs, without retraining and not able to continue their educational prospects, while the Democratic proposal funds job training and extends unemployment insurance through June 2005. The Republican budget offers empty promises.

I spoke earlier about our Nation's veterans. There are close to 1.1 million veterans in this country, and we need to be there for them.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute.

The Washington Post has something to say about all of this discussion on veterans, and let me just read this to my colleagues because The Washington Post, I do not think anybody would accuse The Washington Post of being somehow shilling for the Republican Party.

It says here, in fact, in an article on March 24, just yesterday, "Veterans Funding Dispute not a Simple Matter," is the headline. And it says, in fact, Bush has never cut the agency's budget: "The President has proposed increasing its discretionary budget, funding for programs not required by law, in each of his annual budget proposals."

In fact, it goes on to say: "The bulk of that money would go to the agency's health care programs. Over the course of his administration, Bush, along with Congress, has increased that portion of the agency's budget by $7 billion."

Now, again, there has been CBO discussion, there has been OMB discussion, there has been veterans discussion. This bill, that bill. Listen to The Washington Post. They even say our budget is not cutting funding for veterans.

Mr. SPRATT. Mr. Chairman, I yield 1 additional minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, if I have to choose with standing with The Washington Post or the Disabled American Veterans, the American Legion, the Paralyzed Veterans of America, the Veterans of Foreign Wars in protecting veterans health care services, I think I will stick with the veterans groups.

Let us look at the bipartisan statement that was made, a letter signed by the Republican chairman of the Committee on Veterans' Affairs in the House in the last several weeks, saying that we need a $2.5 billion increase in veterans health care just to keep from cutting veterans health care services during time of war.

The bottom line is they may not like it or not, but the Republican leadership who have to pay for their failed economic policies that have led to the highest deficits in American history want to ask veterans to balance this budget now on the backs of people who have already sacrificed for our country and people who are sacrificing in Iraq today.

The truth and the facts are stubborn things to fight, and the fact is they can throw out all the quotes from The Washington Post they want, but this budget will cut veterans health care services by over $1 billion during a time of war. That is wrong and it is unfair, and it is why veterans groups are asking for the defeat of this unfair budget resolution.

□ 1630

Mr. NUSSLE. Mr. Speaker, I yield myself 1 minute.

Okay, Members do not believe The Washington Post, we will go back to the numbers from the Congressional Budget Office. The Washington Post may be understandably grumpy that Democrats are not standing with them, but we will get back to that in a minute.

I want to show Members what was going on during the time when President Clinton was in charge of the VA budget. Look at that flat line. Look at that flat line for veterans. Look what happened when President Bush took office, look how we have been increasing it.

It is one thing to come down here and claim what a terrible job Republicans are doing and what a terrible job that has meant for VA health care, but here are the facts: Under Republican control, under Republican Presidents, VA health care has gone up.

But it is not just the number for health care, look at the number of veterans that we are serving. During this period of time, the budget authority for veterans' medical care, look how we are serving more veterans.

Back during that Clinton period, which is the red period, we were not serving as many as we are now. That is why this is a good budget.

Mr. SPRATT. Mr. Chairman, I have no further requests for time, and I am prepared to begin the closing arguments, if I may reserve the time not yet used and add it to the 5 minutes for closure.

The CHAIRMAN. The gentleman from South Carolina (Mr. SPRATT) has 5½ minutes remaining on this amendment, and the gentleman from Iowa (Mr. NUSSLE) has 8½ minutes remaining.

PARLIAMENTARY INQUIRIES

Mr. NUSSLE. Mr. Chairman, parliamentary inquiry. Does the gentleman ask unanimous consent to have this added on?

Mr. SPRATT. Mr. Chairman, we have to bring to conclusion this resolution, and then we move to a final conclusory debate on the surviving resolution, if this resolution does not prevail. Is that the sequence?

The CHAIRMAN. Under the rule, the last 10 minutes of general debate comes after the vote on this amendment.

Mr. NUSSLE. Mr. Chairman, parliamentary inquiry. Is it appropriate to make a request to expand that last minute by unanimous consent?

The CHAIRMAN. The debate on this amendment can be extended by unanimous consent as long as it is congruent, so both sides have the same amount of time; and so debate on the Spratt amendment could be extended by unanimous consent, but the vote has to be taken after the debate has concluded.

Mr. NUSSLE. Mr. Chairman, we have no further requests for time, so if the gentleman from South Carolina would go ahead and close debate on the Spratt amendment, I will close on it as well.

The CHAIRMAN. The gentleman from South Carolina (Mr. SPRATT) is recognized for 5½ minutes.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, here are the facts. In the year 2000, the last year of the Clinton administration, our budget was in surplus by $236 billion. Members can see it right there. Our deficit reduction efforts went from a deficit of $290 billion in 1992 to a surplus of $236 billion in the year 2000.

Today, this year, we are told by the Office of Management and Budget that the budget will be in deficit by $521 billion. That is a swing of $757 billion in the wrong direction.

This budget before us sails into these tidewaters calling for additional tax cuts even though the budget is $521 billion in deficit, mired in deficit as far out as the forecasts go, and even though these additional tax cuts can only have one effect, they will add dollar for dollar to the deficits that are already enormous, $521 billion this year. If Members want to see what happens if we go on this course, if we take the course plotted by the President's budget, which is essentially what this budget is all about, Members can see on the first page of the CBO analysis of the President's budget, it will add $5.132 trillion to our national debt of $7 trillion over the next 10 years. It will raise the national debt to $12 trillion.

We have heard it said on the House floor repeatedly that taxes are not part of the problem. Taxes are not all of the problem. We have had a terrible toll taken on our economy and budget by terrorism, by war, and a recession that was not fully foreseen. But look at the tax cuts on the bottom of this graph. But for the tax cuts in 2008–2009, we would be close to balance again. That is the effect that the tax cuts have on the effort before us.

Part of the problem is that not just the tax cuts have taken a big bite out of the revenue stream of the government, but the surplus of $5.6 trillion, forecast 3 or 4 years ago, has now proved to be wrong. That left about half of the pie to be divided up, and fully 60 percent of that has been allocated to tax cuts, at least over the last 2 years. It has made it extremely difficult to bring this budget to balance, and additional tax cuts that the President proposes in his budget will make the problem even more intractable, more difficult to resolve.

Here is the tax cut agenda. It adds up to $3.7 trillion over the next 10-year period of time. Add up everything that has been done to date, everything that is pending and what we believe to be politically unavoidable, such as a fix to the Alternative Minimum Tax, and the revenues to the government will be reduced by $3.7 trillion over the next 5 years.

Now, the budget before us claims it will halve the deficit in just 5 years' time. It leaves the implication to many people that this reduction in the deficit will be linear. In truth, if Members read deeply into the budget, go into something called the Analytical Perspectives prepared by President Bush's own Office of Management and Budget, here is what happens to the budget deficit after 2009: It gets worse and worse and worse over time.

It does not self-correct. It will not go away with growth. We simply cannot glide to the objective that we all seek and get there without a bold budget plan, and the budget before us, the Republican budget before us, does not do the job.

What we offer as an alternative has great merit to it.

Now, what the Republicans have said repeatedly here on the floor is that spending is the source of the problem, and surely that is part of the problem. That is a significant share of the problem. But if Members look realistically at where the spending has occurred in the budget, they will find that 90 to 95 percent of the increased spending in the budget over the last 5 years has occurred in homeland security, defense, and the response to 9/11.

The administration says we have to have progrowth policies and we have to rein in spending, but it is unlikely that defense and homeland security are going to be reined in much, and if anything, they are likely to grow in the near future. So the spikes in the budget, the ones that Members would go to if they really wanted to get the deficit down and do it by spending, would be defense.

This chart is difficult to understand, but it shows over 10 years, from 2002 to 2011, the cost of defense over and above inflation, over and above inflation, has gone up by at least $1.3 trillion, and this assumes, as this hump shows, that we do not have any cost for Afghanistan and Iraq after 2004.

If those are added in, we have a $1.5 trillion increase in defense. So then we begin to see the problem. We have a $3.8 trillion tax cut agenda, reducing revenues by that amount, and we have a defense bill, a defense program, that is costing $1.3 trillion to $1.5 trillion over and above inflation and over and above what was budgeted just 3 or 4 years ago. When we put those two together, we have in a thumbnail the problem that confronts us right now.

Here are the numbers that correspond to what I was saying, that show that defense was going up by $1.3 trillion. That assumes that the cost of Iraq ends this year; hopefully, it will, but that is doubtful. If it does not this could easily be $1.5 trillion over and above where we were a couple of years ago.

The CHAIRMAN. The time of the gentleman from South Carolina (Mr. SPRATT) has expired.

Mr. SPRATT. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Without objection, the gentleman from South Carolina may proceed for 1 additional minute.

There was no objection.

Mr. SPRATT. Mr. Chairman, we have come up with a budget which takes these difficult facts and, number one, tries to set a target date for bringing the budget to balance. We do that in 2012.

Secondly, we have tried to bring the deficit in at lower and lower rates each year, and lower than our opposition, the Republican budget on the floor. We have succeeded in doing that. We adopt the full PAYGO bill. As a consequence of what we propose in our budget resolution, we bring the budget to balance in 2012.

At the same time, within this fiscal framework, we provide for middle-income tax relief, we provide more for education, more for veterans' health care, more for science under the NSF function of the budget, for example, more for the National Institutes of Health, more for health care.

Usually we are bringing spending back up to baseline. It is not a great deal more, but it is more in almost every respect, proving we can deal with the deficit without pulling up the drawbridge. We can be compassionate conservatives, conservative in the sense that we bring the budget to balance, compassionate in the sense that we deal with the needs of the American people and our country and do not turn our backs on them.

This is a good resolution we are offering as a substitute. It is fiscally and morally responsible, and I urge that every Member vote for it.

The CHAIRMAN. Without objection, the time of the gentleman from Iowa (Mr. NUSSLE) is also extended by 1 minute.

There was no objection.

The CHAIRMAN. The Chair would advise Members that the 10 minutes of debate remaining after the vote is taken on this amendment is general debate time and cannot be extended in the Committee of the Whole.

Mr. NUSSLE. Mr. Chairman, I yield myself the balance of my time.

First of all, I would like to extend my congratulations to the gentleman from South Carolina (Mr. SPRATT), who is my friend and colleague on the Committee on the Budget, for coming up with an alternative, the Democratic leadership substitute. As the gentleman knows and as I know, it is not easy to come up with a budget blueprint.

As I said at the outset of the debate, it is like when that family or couple goes to visit the architect and they have to come to grips with exactly what they can afford and what they want as far as what the home looks like, what the layout looks like. And it is a hard job to set a blueprint, but without a blueprint, it is pretty tough when the carpenters show up to do their work. It is a mess if the budget is not set out ahead of time exactly where the budget needs to go and exactly how you are going to get there.

That is why I compliment all Members who came today with a full budget substitute to the floor.

I would also like to thank our staff which does an awesome job of preparing us for debate, and preparing the budget itself. Tom Kahn and Rich Meade from the minority and majority staffs, they keep us in line and give us good information. We appreciate the job that they do in getting us prepared for this, and they have more work to do getting us to a conference report between ourselves and the other body.

□ 1645

And there is a difference between the sides of this aisle that we talk about that runs up and down the middle of this body; there is a difference in philosophy. That philosophy is going to come to bear today between the competition of these two budgets. One budget believes that we can continue spending at the rate we are spending in Washington, and it does not have the effect that we think on this side that it does. Another side believes that increasing taxes at this time in our economic situation is okay, is an appropriate part of the blueprint. I disagree. And we disagree on our side of the aisle. Raising taxes, increasing spending is not the recipe, is not the blueprint at this time for our Federal budget or for our economy. And why is that?

Unfortunately, over the last 2 days, so many Members have come to the floor and have blamed tax cuts for everything. My goodness. I even heard, believe it or not, there were Members who came to the floor and said we were cutting volleyball teams because of tax cuts for the wealthy and all sorts of things like that. That is not only not in our budget, it is probably not in anyone's budget.

Tax cuts did not cause the deficit. As Members can see from this chart, the tax cuts only took us down a little bit. And why did we cut taxes? We did not just put this white wedge in there for no reason. There is a reason we reduced taxes. Because when President Bush inherited the recession from the previous administration, we had to act. We had to make a decision about what we were going to do with regard to the economy. We made a decision. It was philosophically opposed by the other side; but we can respect that, that people, families, farmers, businesspeople, workers, laborers, men, women, old, young, rich, poor, whatever it is, they spend their money more wisely than the government can for them. And if you let them keep that money and you let them spend that money and you let them work with that money and invest that money, they do a far better job of getting that economy going than anything the government has ever been able to do.

What are the results of reducing taxes that did not cause those deficits? Look what has happened to the economy. The last 6 months have been the fastest growing 6 months that our economy has seen in 20 years, 6 months of sustained, gigantic economic growth. People will say, where are the jobs? There is not an economist in the country that does not tell you that the very last thing that people do with their money is invest in job creation. Most of the other things that happen to start the economy going, it does not have so much to do with job creation. It is what is called a lagging indicator. It is about time for that lagging indicator to start heading in the right direction, and it is.

And just at that moment, just at that moment when the economy is ready to recover and jobs are just now starting to be created is not the time to come in with a gut punch to the economy and say, let us raise taxes on the very people who are increasing those jobs, who are putting on those extra people, who are taking the risk when they open that store in the morning and saying, I want to hire another person to work next to me. That is not the time to increase taxes, particularly because we do not need those taxes out here. We do not need it for extra spending.

Our budget says, Let's level-fund the government. Let's fund security, let's make sure we have got a strong America, let's make sure homeland security and national defense are funded, let's make sure we fund those priorities that keep us strong; but let's not increase spending for all of these wasteful things. It is just like any family, any business, any farmer sitting around their kitchen table right now trying to figure out how to make ends meet. They will say to themselves, Honey, what can we put off till next week, till next month, to next year, maybe even longer? Maybe we can take a vacation a little closer to home. Maybe we can do some things to trim some of the expenses. Maybe we can do some things that make more sense than continuing to add to that spending. That is all we are asking our colleagues to do. It is common sense. But for some reason in

Washington that common sense is often missed.

We define compassion in Washington by how much you are willing to spend. I have even fallen into that trap today. I have to confess that I have even fallen into that trap today, trying to convince veterans that because we are spending more money we must care more. That is not the definition. Or because we are spending more money in education, that somehow we care more. That is not the definition. Or somehow if we spend more money on farmers or spend more money on seniors or spend more money here or spend more money there, somehow that defines compassion. It does not. Oftentimes that money is wasted and wasted in ways that just frustrate the very people we are trying to help.

So let us not kill the jobs at the very moment in time. Spending is out of control. Before we even talk about another year's budget, look where we have come. Every single year, more and more and more spending. Where does that money come from? It comes from the pocketbooks of every American in this country. And so when the Democrats come to the floor and they say, When you're in a hole, stop digging, I say to you, We are stopping the digging. We are holding the line on spending. What I want you to do is stop digging in the pockets of families, farmers, ranchers, small businesspeople, and Americans across the country who are tired of paying more and more for wasteful Washington spending.

They are saying enough is enough, do with what you can, with what we have sent you, do a better job with what you already have. Do not ask us for more. That is why our budget does not increase taxes; it holds the line on spending. It says, let's look through the garden of all the different programs of our country and let's start looking for those weeds, let's start pulling those weeds, let's look for the waste, let's look for ways to trim that spending, just like every family and business across the country. We have had way too much spending that we are building on from the past.

One last thing I want to talk about on spending quickly. Oftentimes Members will hear that we are cutting spending, but in Washington, it is a code word. It is a code word for decreasing an anticipated increase. It is just like when my son comes to me and says, Dad, I want 10 bucks a week for allowance and I only give him 8. Is it fair for him to scream that that is a $2 cut? No, of course it is not. Only in Washington would a decrease in an anticipated increase or a desired increase or a wanted increase be called a cut. All of these accounts that we have been spending money on, many of which have been increasing at astronomical rates, we are building on a huge baseline as we move forward.

Last but not least, let me just say that I believe that this budget that we have put together does not do harm to our Nation's security. The most important issue, job one, is making sure our country's freedom is protected. If we are not free, there is not a word of this discussion that has made any difference at all, on my side or yours. If our country is not free, if we are not protected, if we are not strong, it does not matter what we do here today.

So vote for the underlying Republican budget, vote against the Spratt substitute, and let us make sure that we get to a balanced budget in the very near future.

Mr. RODRIGUEZ. Mr. Chairman, I rise today to express my strong opposition to the Republican Budget Resolution for Fiscal Year 2005 and my support for the Democratic Substitute.

Given the state of our economy and skyrocketing deficit, now is not the time to engage in more irresponsible tax cuts for the wealthy. But this is what has dominated the Bush Administration and the Republican Leadership's agenda from the beginning. They did this in spite of the many competing needs facing our country such as homeland security, healthcare, education, and veteran's issues.

The Democratic alternative that we are debating now instead chooses to invest in our nation. I would like to thank the gentleman from South Carolina, Rep. John Spratt, for his leadership on developing a realistic budget plan for our Nation.

HOMELAND SECURITY

When President Bush announced his budget in late January, he cut first responder funding by $648 million and port security grants by $79 million (63 percent). And the House Republican budget is even worse. The Republican budget includes the cuts outlined by the Administration and cuts homeland security funding by an additional $155 million in 2005 and $857 million over five years.

At a time when our Nation continues to face ongoing threats to our security, it is discouraging that the Republicans would choose to prioritize tax cuts over security. The Democratic budget addresses this misallocation of funds and adds back the Republican's budget cuts to the President's homeland security request, and also provides $5 billion more than the President's budget over the next five years for homeland security.

SMALL BUSINESS

Even though 3 million jobs have been lost since the beginning of the Bush Administration, the Republican budget does nothing to create jobs here at home or end incentives for companies to ship jobs overseas. The President' budget cut Small Business Administration (SBA) funding by 10.4 percent and the Republican budget significantly underfunds the SBA, an agency already experiencing problems, financing the important 7(a) loan program. Key SBA programs provide women, minorities, the disabled, and other small business owners with technical support and government-backed loans. Faced with major cuts in these programs, many of the nation's 23 million small businesses will not have the tools they need to succeed.

The Democratic budget restores the President's cuts to the SBA. During difficult economic times it is important to ensure our small businesses, who create three out of four new jobs, receive the necessary grant funding and support they need to survive.

VETERANS

The budget resolution put forth by the Republican leadership shortchanges America's veterans. Although the budget does include $1.2 billion over the White House request, it is $1.3 billion below the recommendation of the House Veterans Affairs Committee. Additionally, it is $1.8 billion below the level needed to simply carry forward the same level of services from this year into next year.

By not following the lead of the Veterans Affairs Committee, the Republican proposal supports 13,000 fewer full time employees for veterans' medical care and will do nothing to help the thousands of veterans waiting six months or more to see a primary care physician. This is not the homecoming we want to give to our returning troops.

Our Democratic alternative provides the full committee-recommended level of $32.3 billion for 2005. That funding level would eliminate the increased co-payments and enrollment fees proposed by the President's budget, and it would increase funds for medical facility construction and renovation. Additionally, it would provide the resources necessary for more responsive reviews of claims and appeals, improve access to care and reduce waiting time for all veterans.

EDUCATION

Just two years ago Congress authorized No Child Left Behind (NCLB) legislation designed to improve student achievement in our public schools. Unfortunately, the President and the Congressional Leadership continue to appropriate funds below the amount authorized in NCLB. This year, the Republican budget provides more than $8.8 billion less than the amount authorized in NCLB.

How can we expect our teachers to better prepare our children when the federal government does not invest enough funds for education? The Democratic plan would provide $51.4 billion more in appropriations than the President's education budget. These funds would help America's children by funding reading programs and training programs to improve teacher quality.

HIGHER EDUCATION

Despite rising college tuition costs, the Republican budget freezes the maximum award students can receive under the Federal Pell Grant program. The College Board reports that tuition and fees at 4-year public colleges today average $4,694, however, the average student only receives a $2,399 Pell grant award.

The Democratic proposal provides $3.7 billion to the program allowing Congress to increase the maximum award, provides additional benefits to students by forgiving up to $17,500 of student loans for those who teach certain subjects in low-income schools and increases loan limits for first year students.

WORKING FAMILIES

The Republican proposal severely leaves behind America's working families. Two years ago, Congress enacted the Temporary Extended Unemployment Compensation (TEUC) program to provide 13 weeks of benefits for workers who exhaust regular state unemployment benefits before finding a job.

The unemployment insurance program is one of the greatest proposals Congress has ever passed to help workers during this struggling economy. The Democratic proposal would help the more than 760,000 jobless workers who have exhausted their state benefits by extending the program until June. Additionally, it would provide funding to maintain Section 8 housing programs and restore Hope VI funds for much needed public housing restoration.

HEALTHCARE

With 42 million uninsured Americans, we must look to improving our deteriorated public healthcare infrastructure system. It is in everyone's best interest—local governments, health districts, schools, hospitals, and the business community—to focus on healthcare. Because while we often think of healthcare as a deficiency, as something that sucks money away from other projects, we should instead think of it as an investment.

The House Republican budget however contains dangerous a dangerous provision that will cut Medicaid and SCHIP funds by up to $2.2 billion. These cuts are unacceptable given the tremendous strain already facing our nation's health care system. Furthermore, cuts to Medicare will have a disproportionate impact on border residents. Border communities continue to face double-digit poverty rates and most have been classified as medically underserved areas. Any funding decrease for our safety net programs will have a detrimental affect on families and children living in this region.

Mr. Chairman, the Democratic plan invests in the very institutions that make our country great—small business, healthcare, our education system. And it invests appropriate funding into our defense system and homeland security. It is time for us to clean up our House and get our priorities straight—I urge Members to vote in favor of the Spratt substitute.

Mr. CUMMINGS. Mr. Chairman, I rise today in opposition to the Republican budget resolution, H. Con. Res. 393, and in support of the Spratt Democratic Alternative Budget.

Mr. Chairman, to call the Republican budget resolution a budget is really a stretch. As we all understand budgets, basically, they are supposed to reflect meaningful spending priorities, incorporate sound fiscal policy and in the end to balance themselves. The Republican and Bush budgets fail on all these points and needless to say the American people will suffer as a result.

Let me lay out why this is such a travesty. When the Bush Administration took office, the nation was in the proverbial days of milk and honey. The budget was experiencing a third year of record surplus and most of us in Congress were elated with the prospect of putting a permanent lockbox on the Social Security Trust Fund—all while keeping the nation's budget in the black at least until 2011.

Those of us who adhere to budgets, know that you always have to save money for a rainy day, but apparently Republicans skipped this life lesson. In fact, they managed to squander the $521 billion surplus and shepherd through $1.7 trillion in irresponsible tax cuts. We are now facing a deficit of $521 billion this year and debt accumulation of $1.2 trillion over the next two years. I think the American people agree that these numbers do not reflect sound fiscal policy.

First, this 5-year Republican budget as reported, would result in a deficit of $377.7 billion in FY 2005, with a promise to cut the deficit in half in five years to $235.2 billion in FY09—with no prospect of balancing over its life. It is also a short-sighted budget, one that does not take into account many costs, like fixing the AMT. If this were a traditional 10-year budget, the numbers would be different and the outlook even more bleak. The Republican and Bush five year budgets are very disingenuous, since ten-year numbers would show even further deficits, having to account for the retirement of many Baby Boomers starting in 2008. If they were 10 year budgets, they would reflect the CBO estimates, that over the next 10 years, their tax cuts will actually cost our country over $3 trillion.

Second, the Republican budget includes a reconciliation directive to the Ways and Means Committee to approve $138 billion in tax cuts over five years—making nearly all of the 2001 and 2003 tax cuts permanent. We should not consider extending tax cuts, while we are considering the budget reconciliation legislation—especially when extending these tax cuts will not result in a better economy in the foreseeable future.

Third, the Republican budget caps placed in the bill will ensure that the steep cuts in domestic discretionary spending, outside of homeland security, remain permanent. I should mention that this budget also cuts numerous discretionary domestic programs, most of which are in education. The sleight of hand in this budget, is that the budget caps will not be used to restore funding to these programs in the out years, but to pay for the tax cuts for those who don't need them. Also, any subsequent entitlement increases under the Republican budget one-sided pay-go rules, have to be offset in the current year by decreased spending in a domestic spending bill. The tax cuts, however, do not need to be offset. This sounds very unfair to me and leads me to just one conclusion. This budget seems, by design, to hurt those who need our help the most.

Mr. Chairman, the Republican budget is inherently unbalanced. It cuts critical domestic spending by over $120 billion, while increasing defense spending by over $1 trillion. It cuts education, LIHEAP, WIC, child care, Medicaid, veterans' healthcare, and environmental protection, just to name a few. It jeopardizes Social Security by further extending tax cuts and it provides slipshod protection of our troops by not accounting for the current war efforts in Iraq and Afghanistan. It also jeopardizes teacher quality and training and ensures the "No Child Left Behind" Act, will be left behind by billions of dollars from its authorized funding level. How are students expected to meet the stringent accountability standards under the Act on a shoe string budget?

In contrast, the Spratt alternative budget focuses national spending on priorities that benefit all Americans. It does this by funding key domestic priorities which address the needs of middle income and working families, while fully supporting the national defense and protection of our homeland. These priorities include education, health care, our veterans, homeland security, and an extension of middle-class tax cuts—all while achieving a balanced budget in 8 years.

It would immediately repeal tax cuts for the upper income brackets, the top 1 percent of income earners, who own 33 percent of the nation's wealth—and extend middle/low income tax cuts to help the bottom 50 percent, who account for just 3 percent of our nation's wealth.

Mr. Chairman, the Democratic budget alternative is feasible, balanced and fiscally responsible—it will get our country on the road to recovery while funding meaningful national priorities for our children, for our seniors, for our veterans and for our communities. It reflects the guiding principle that as a Nation we must come together and share in the sacrifice that is required to strengthen our economy and put us on better fiscal footing.

Mr. Chairman, in these difficult and troubling times, we have a tremendous responsibility as a Congress to protect and provide for the needs of all Americans. But I, and many of my colleagues, believe that the Republican budget plan callously throws this responsibility aside. The Republican-proposed $1.4 trillion tax cut is a reckless measure to pursue, especially as we face war in Iraq and a continued war on terror—to defend our homeland and hometowns.

The Republicans and the President continue to claim unabashedly, that tax cuts will serve to stimulate our economy, but the evidence does not support this assertion. The 'trickle-down' tax cuts of 20 years ago did not revitalize our economy, and similar tax cuts today will not fare better. In fact, the CBO estimates that the Republican budget will add over a trillion in deficits over the next ten years, after completely depleting the surplus of the Medicare and Social Security trust funds. In the end, one can only conclude that the Republican budget balances itself on the backs of Americans who can least afford it.

Lastly on tax cuts, I must point out that tax cuts of 3 years ago did not prevent the loss of over 3 million private sector jobs—a more drastic tax cut today, as proposed in the Republican budget, likewise will not eliminate the resulting almost 6 percent high unemployment rate. It is completely implausible to think that tax cuts—80 percent of which goes to the top 1 percent—for those earning over $250,000 or more, will revitalize and restore our economy. They cannot and will not. These tax cuts have shown themselves to be a failure and we should not continue with this disingenuous fiscal policy.

Mr. Chairman we have many challenges facing us in this Congress and in our country. We are one year into a war that often and rightfully diverts attention away from important debates. I would be remiss if I did not salute our men and women in the military who are fighting to defend our country—I support them wholeheartedly and pray for their safe return home. I hope we can restore the deep cuts to veterans benefits and health plans found Republican budget before our troops return.

In closing, the American people need to know that the Republican budget plan is an obstacle that keeps us from meeting the human needs challenges of our Nation. The Spratt Democratic Budget alternative is a more fiscally sound, reality-based proposal—with priorities that reflect the needs of all Americans.

I urge my colleagues on both sides of the aisle to support the balanced Democratic Budget Substitute.

Mr. Chairman, today I rise in support of the Spratt budget substitute and strong opposition to the underlying Republican budget resolution.

Rhode Islanders are facing challenges on many fronts. Unfortunately, the budget proposed by House Resolutions does little to ease the burden of those currently facing education, health care, and housing obstacles. Worse yet, the Republicans want to continue to borrow more and more money from future generations to pay for their failed economic policies. Under the Republican budget, the obstacles we face today will only grow in the coming years.

Working within the horrible fiscal confines that the country has been boxed into by the majority, the Spratt substitute manages to balance the budget in 8 years, cut taxes for all taxpayers, and provide realistic funding for education, veterans health care, Medicaid, infrastructure and homeland security, which were all shortchanged by the Republicans. The Spratt substitute has a better bottom line than the Republican budget every year, so there will be lower deficits, smaller interest payments, and a less national debt. In addition, the Spratt substitutes restores PAYGO rules to ensure that spending is not increased or revenue is not decreased without fully offsetting the new costs. Simply put, the Spratt substitute is better than the Republican plan in every way.

As a member of the Select Committee on Homeland Security and the Armed Services Committee, I have been steadfast in my support for a strong national defense and a well-equipped Homeland Security infrastructure. Since September 11th, the government has worked daily to protect the American people from another attack. Unfortunately, this budget does little to provide for our men and women in uniform, or to bolster safety within our borders. The Spratt substitute fully funds our defense requirements and reserves money to ensure our troops in Iraq have the support needed. Veterans are not forgotten, and their health care programs are funded $1.3 billion above the Republican plan. In addition, the Spratt substitute contains more than $5 billion in additional homeland security funding for port security and first responders.

The budget before us does little to strengthen our country or offer Americans an equal opportunity to succeed. These difficult times require shared sacrifice to get our country back on track. We are asking our service members and first responders to sacrifice as they protect us at home and abroad. We are asking our working families to sacrifice as they try to weather the difficult economy and the job. This budget gives millionaires a "No Need to Sacrifice" pass while paying for tax cuts with money borrowed from future generations.

I believe in lower taxes, but I also believe in providing tax cuts for those who are in the greatest need. But under the Republican budget, those earning low to moderate incomes are passed over again in favor of benefits for the wealthy. One key point the majority continues to ignore is that they are increasing the "debt tax." Currently, every man, woman, and child in America owes more than $1,100 in interest alone on the national debt. Under the Republican plan, this increases to nearly $1,750 per person by 2009. These interest payments do not provide security, education, or health care: they are a product of mismanagement of taxpayer funds.

Deficit spending has stymied job growth is plaguing our economy. No Rhode Islander would write a check without sufficient funds to cash that check. Neither should the government.

I urge my colleagues to join me in supporting the Spratt budget substitute and opposing the underlying Republican plan.

Mr. BACA. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

I rise today in opposition to the Republican Budget Resolution and in support of the Democratic substitute.

Mr. Chairman, I have one simple point or better yet one simple question to ask my colleagues on the other side of the aisle.

Where is the money to assure the best possible education for our children? Clearly not in this budget.

The Republican Budget:

Represents the smallest increase in education spending in 9 years.

It cuts $1.4 billion in critical education programs.

It freezes Disabilities Education Act and Pell Grant leaving individuals billions of dollars short in funding.

It drastically cuts funding for Perkins Loans.

It cuts vocational education by 25 percent.

The GOP budget provides $479 million more to education. Even if these funds were devoted entirely to No Child Left Behind, it would still leave the GOP budget almost $9 billion short of the amount promised.

Gentlemen, we are dealing with our children here, our future. You talk about Leaving no child behind . . . well let me tell you: You haven't even picked them up.

Unfortunately we have limited time allotted to discuss this proposal. Because I have only scratched the surface of the failure of a budget designed by the Republicans solely to give tax breaks to those that need it the least.

I'm sorry but this is not the Democratic vision of America, Democrats do not try to balance the budget on the backs of children, veterans, the elderly or the uninsured.

Mr. ETHERIDGE, Mr. Chairman, I rise in strong opposition to the Republican Budget and in support of the Spratt Substitute.

The budget is a statement of our nation's priorities. Unfortunately, the Republican budget represents misplaced priorities and misguided policies that hurt America's working families. In contrast, the Spratt Democratic Substitute offers a fiscally responsible approach that cuts the budget deficit and invests in the American people and our economic growth.

The Republican budget continues this Administration's dangerously reckless fiscal policies that have turned record budget surpluses into record budget deficits in just three years. The Republican budgets have turned a projected ten-year surplus of $5.6 trillion into a projected deficit of $2.9 trillion, a reversal of $8.5 trillion. The massive national debt these deficits produce will be a crushing burden on future generations and hampers economic growth.

Republican economic policies have utterly failed America's working families. Under this current Administration, the economy has lost three million private sector jobs, the worst performance since the Hoover Administration. This Republican budget resolution proposes more of the same failed economic policies and shortchanges important investment priorities.

Our first priority should be to invest more in education. As the former Superintendent of North Carolina's public schools, my top priority is to provide necessary funding for our schools. Unfortunately, this Administration continues to cut the President's own education reform initiative, the No Child Left Behind (NCLB) Act. This budget resolution cuts $8.8 billion from NCLB, and over the first three years of the new law, the Republicans are cutting NCLB by $26 billion.

The Republican budget spends the entire $1.0 trillion Social Security surplus from 2005 to 2009, despite their repeated promises not to spend a dime of it. Federal Reserve Board Chairman Alan Greenspan recently testified to Congress Social Security benefits will have to be cut to make the Republican tax cuts permanent as they are now proposing. I strongly oppose cutting Social Security.

The Republican budget also provides less than is needed for veterans, fails to protect the environment, puts Medicaid and SCHIP at risk, cuts homeland security and underfunds key domestic priorities.

In contrast, the Democratic plan balances the budget within eight years through realistic policy choices that protect funding for key services. The Spratt budget also has a better bottom line than the Republican budget every year, meaning a smaller national debt and fewer resources wasted paying interest on the national debt. Chronic Republican deficits crowd out private borrowing, run up interest rates, and slow economic growth. As a fiscal conservative, I have always supported balanced budgets and responsible fiscal management.

The Spratt Substitute provides $2.1 billion more for education than the Republican budget for 2005 and $9.8 billion over the next five years. The Democratic budget also provides $3.7 billion in mandatory funding to make up the current shortfall in funding for Pell grants and additional funding to make college loans cheaper for students.

The Spratt plan provides meaningful budget enforcement tools (PAYGO) to protect Social Security, provides middle class tax relief and invests in real job creation. The Democratic plan provides more for homeland security, veterans and the environment and protects public health.

In conclusion, I urge my colleagues to join me in voting against the Republican budget resolution and for the Spratt Democratic Substitute.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as modified, offered by the gentleman from South Carolina (Mr. SPRATT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 194, noes 232, not voting 7, as follows:

[Roll No. 91]

AYES—194

Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Frank (MA)
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lynch
Majette
Maloney
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—232

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carson (OK)
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Latham
LaTourette
Leach
Lee
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Marshall
Matheson
McCotter
McCrery
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—7

Abercrombie
Ford
Lucas (KY)
McInnis
Quinn
Tanner
Tauzin

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised 2 minutes remain in this vote.

□ 1724

Mr. GILCHREST, Mr. OTTER and Ms. DUNN changed their vote from "aye" to "no."

So the amendment in the nature of a substitute, as modified, was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order for a period of final general debate on the concurrent resolution. The gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 5 minutes.

The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. My understanding, Mr. Chairman, is that the gentleman from South Carolina (Mr. SPRATT) is going to go first, then myself, then the minority leader and then the Speaker, is I think how we are going to wrap up the debate. So I will allow the distinguished gentleman from South Carolina to begin the closing debate.

Mr. SPRATT. Mr. Chairman, if the gentleman would allow me to do something he did earlier, and that is acknowledge the indefatigable work that our staff did. Tom Kahn, my chief of staff, Joe Minarik, and the staff members in back of the aisle, Sarah Abernathy, Arthur Burris, Linda Bywaters, Dan Ezrow, Jennifer Friedman, Jason Lumia, Sheila McDowell, Diana Meredith, Kimberly Overbeek, Scott Russell, Andy Smullian, Lisa Venus, Andrea Weathers, Jason Venner and Allison Colflesh, they have worked extremely hard over the last several weeks to bring this to fruition, and I am grateful for all of their support. By the same token, I know the chairman feels the same way about his staff.

Mr. NUSSLE. If the gentleman would permit me, I would say the same about the majority staff and all of our staff, and the members of our floor staff that are here that have endured the discussion over the last number of days. I hope they got their "millions" and "billions" all in the right places. We appreciate their help as we moved through this debate

Mr. SPRATT. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, this has been a long debate for which I am grateful because the gravity of this problem calls for it.

I wish all our effort could have been devoted to the search for common ground for a better solution; but I am afraid, as we bring it to a close, we find ourselves diverging more than converging. That is unfortunate, because the longer we put off the resolution of this problem, the more difficult it is going to become.

Here is the situation in a nutshell: the government will run a deficit this year of $521 billion. The President and our Republican colleagues claim that their budget will cut that deficit in half over the next 5 years; but, pardon me, I doubt that.

For one thing, on the spending side, they leave out any supplemental funding beyond 2005 for Iraq and Afghanistan. I wish they were right about that, but I doubt it. On the revenue side, they leave out any fix for the Alternative Minimum Tax, even though the Treasury Department tells us it will soon affect 30 million tax filers. So it is unrealistic to project revenues without it.

Worse still, after 2009, the Republican budget quits; and that is when it really gets tough. That is when I am afraid the budget gets worse. They leave us expecting that the budget is linear and that over time the deficit will be reduced, the half that is supposedly left in, but I do not think it will work out.

Let me just show you a few charts. At the expense of maybe showing you some things you have already seen, the first chart is a roller coaster. What happened when Bill Clinton came to office, President Clinton came to office with a $290 billion deficit. He put it in surplus by the year 2000 by $236 billion. It took really three budget agreements to bring it to resolution like that. Then in the last 4 years, you see this precipitous decline.

Now, I know that recession, terrorists, and war have all taken their toll on the economy and the budget; but there were conscious, deliberate choices made that caused this budget to skyrocket down.

There in another graphic portrayal is what happened. This is the Clinton administration building up surpluses, moving from deficit to surplus. Every year the bottom line of the budget is better. And here is the Bush administration, every year it gets worse and worse.

This chart shows on the far left side where we are today, looking at a deficit this year of $521 billion, a swing in the budget over the last 4 years of $760 billion, a phenomenal reversal of fiscal discipline.

Despite the claims the President makes that he will cut this in half, when we make what we regard as basic, realistic, politically inevitable adjustments to his budget. this is where you end up in 2014, not with a diminished deficit, but about where we started out, $502 billion as opposed to $521 billion. It treads water, at best.

☐ 1730

The problem does not go away. It does not go away with growth; it does not go away with anything but an effort to bring it to healing.

Here is part of the problem. We have heard the Republicans say here that tax cuts have not done all of that. That is true. Part of the problem is that these surpluses were overestimated by 50 percent to start with. Now, when we look at the size of their tax cuts, the wedge taken out of the tax cuts, by the tax cuts out of the remaining surplus, that is about 50 to 55 percent. It is about half the problem that we are looking at today.

Here is another aspect of the problem right here. The tax cut agenda is $3.77 trillion over the next 10 years. This is pending, enacted tax cuts already. On top of that, we are increasing defense over the same period of time by about $1.3 trillion over inflation.

That is why, as this chart right here shows, the big hump is the cost of Iraq and Afghanistan. If we extend it, taper it off, and it concludes up here, we will add about $1.5 trillion over and above inflation to defense between 2002 and 2011, more than we anticipated spending in current services.

I am not saying it is not needed. What I am saying is, when the Republicans say we have to bring spending to heel, we have to bring spending under control, this is where it is occurring, as this next graph shows. As these three bar graphs show, over the last 4 fiscal years, 90 to 95 percent of the increase in spending over and above current services has occurred in these accounts, and they are not likely to be reined in.

Mr. Chairman, we are not coming to grips with the budget today in this resolution. Unfortunately, the resolution avoids bold strokes and it will take bold strokes, believe me, to untie this Gordian knot.

If we want to strike a bold stroke, if we want to do something about the deficit, if we want to do something about saving and making solvent Social Security, vote against this budget resolution. That is the single best thing we can do for deficit reduction and for putting our country back on fiscal track. Vote against it, send us back to the drawing board. Let us come to the House with something worthy of passage, something that will put us back on a path to a balanced budget. This resolution will not do it.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, we need a budget blueprint in order to build for the future. We cannot have the carpenters show up without a blueprint. A mess would ensue, as one might imagine. We cannot have the subcontractors do their work. We cannot have any of the folks who need to construct the house show up for work without a blueprint, and that is what a budget provides. It provides the framework so that all of the rest of the fine-tuning and detail work can be accomplished.

Even before the end of last year, we knew what priorities were going to have to be part of this budget; they were becoming very clear. Spending had to be kept under control, there was no question. When we talked to colleagues, when we talked to constituents, no matter where we went, controlling spending had to be a hallmark of whatever budget plan came together.

We heard, too, that growth of our economy was vital to getting our country back on its feet. So we came together with all of the extraordinary circumstances that our country has been dealt over the last number of years and we knew we had to go to work.

We had a growth deficit in our economy, and we dealt with it by reducing taxes and a progrowth policy which has given us 6 months. The last 6 months were the fastest growing 6 months in over 20 years, because tax relief is working, Americans are being put back into working positions. They are spending their money much more wisely than the government can for them, and America is growing again.

We also learned painfully about the defense deficit, about the homeland security deficit in our country, and we went about the work to make sure that America was protected, and we did it most often in a bipartisan way, but most often led by Republicans to ensure that America was strong once again.

We also had a Medicare deficit, because a program that was invented in the 1960s was not keeping up with the times. Americans were not receiving drug benefits or simple prevention systems under health care programs that were invented to help them. So we changed that Medicare program to provide them the first-ever prescription drug benefit, put in as part of our blueprint that we have here today. So that we filled in that gap, that Medicare deficit.

As a result of much of that work, yes, we have a Federal budget deficit that we also have to go to work on. But we have the ability to accomplish deficit control.

My friends on the other side have learned the words to the song of fiscal responsibility, but they do not know the music. The music is controlling spending. That is what we have to do. The only thing that we pay for in Washington is spending. What is paid for when we pay for taxes is paid for out of the pockets of Americans, out of their hard-earned money that they earn out of small businesses, out of farmers, out of ranchers.

When we talk about paying for tax cuts, the only people who pay for taxes in this country are Americans, and in order to get our budget deficit under control, the way we control it is by growing the economy and controlling spending.

Spending has been out of control, and we can see from this chart that recent spending every year in the last 3 years has grown by 6 percent. We are asking that we begin to hold the line. We are not saying cut. We are not saying eliminate. We are saying hold the line.

Yes, the decisions will be difficult, there is no question. We have carved out items that are important such as increases in veterans' spending, 1.2. We allow for an increase, even over what the President requested for veterans, of $1.2 billion.

We have increases in education. We have increases in here for homeland security and for national defense, and we ask that we hold the line in other accounts in order to get Federal spending under control.

Mr. Chairman, the three hallmarks of our budget are strength, growth, and opportunity. First, because if America is not strong, America is not free, and we have got to protect our country; otherwise, the rest of this discussion on the budget is just a bunch of numbers that do not make any difference.

Second, America has got to continue to grow, because to remain the most prosperous superpower Nation, America's economy has to be able to continue the growth that we have seen and the job creation that we have enjoyed.

But we also know that our greatness comes from the unlimited opportunities that America's freedom provides, which is why opportunity is the third hallmark of our budget.

This is all done within a framework which is fiscally responsible.

Mr. Chairman, we believe that we have a framework to move our country forward to provide strength, growth, and opportunity, and I ask my colleagues today to support it so we can get our country back on a fiscally responsible path.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), our distinguished minority leader.

Ms. PELOSI. Mr. Chairman, I thank the gentleman from South Carolina for yielding me this time and for his tremendous leadership in presenting to this House of Representatives, to this Congress, a budget that is values-based and that is fiscally sound. I join my colleague in commending the members of his committee and his staff for helping to put together this very, very important proposal to this House.

I also want to thank the members of the Black Caucus and Progressive Caucus for their very, very smart work that they did to bring a values-based budget to the floor, and the members of the Blue Dog Caucus for what they have done. Their tremendous leadership on fiscal soundness is something that is important to this Congress, important to our caucus, and important to our country. Thank you to the Blue Dogs for infusing fiscal soundness back into the Congress of the United States. It seems to be a priority of our colleagues on the other side of the aisle, who had been known as deficit hawks, but have become endangered species when it comes to that fact.

Mr. Chairman, this budget that we are talking about today should be a statement of our national values. Every year we say this on the floor. It should be a statement of our coming together to build a budget, a blueprint for the future on how we prepare a better future for our children by way of their education and access to health care, how it grows the economy to create jobs, how it protects our environment and, of course, provides for our national defense. And, today, that includes homeland security. But for the fourth time in 4 years, the Republicans in Congress and President Bush, indeed, have sought to pass a budget that is nothing less than an assault on our national values.

The American people expect and deserve, and the Democrats have proposed, a budget that reflects the urgent priorities of Americans' everyday needs. Good jobs, better access to health care, the best possible education for their children, a safe and clean environment, and a secure America. Instead, because of distorted Republican priorities and their reckless economic policies, we are considering a Republican budget here today that will have serious consequences for the American people. Instead of a blueprint of positive initiatives for the future, it is a blueprint for disaster.

The Republican economic record of the past 3 years is as shameful as it is clear. In 3 years, Republican economic policies have lost nearly 3 million jobs and added more than $3 trillion to the national debt. The gentleman from South Carolina has very eloquently and in a very detailed way talked about what has happened from surplus in the Clinton years to deficit in the Bush years. Unbelievably, this budget continues that misguided course. It does not grow the economy.

The distinguished chairman of the Committee on the Budget talked about growth. It does not grow the economy to create jobs here at home or, in fact, to stop jobs from going overseas. It is a historic budget in that it has the largest budget deficit in history, $521 billion in this year alone. It fails to put our fiscal house in order by failing to reach balance.

And what is the impact of this budget deficit, in addition to mortgaging our children's future?

The National Association for Business Economics said that the main threat to the economy, the main threats to the economy are the soaring budget deficits and the sluggish job market, and the UCLA Andersen Forecast said job growth will not match labor force growth this year because new hiring will be constrained, because of weaker consumer spending and bulging government deficits. This lack of job growth and this deficit are related. Instead of being a statement of our values, as I have said before, this Republican budget is reckless and the consequences are severe.

But you be the judge.

On education, do you consider it a statement of your values to give tax cuts to people making over $1 million a year and cutting over $9 billion from No Child Left Behind? Is that a statement of our values in this Congress?

On health care, this budget takes away more than $1 billion from States' Children's Health Insurance Programs, from the SCHIP program over $1 billion, and cuts $2.2 billion from Medicare. Is it a statement of our values to give tax cuts, bigger tax cuts to people making over $1 million a year and increasing the number of uninsured in America with these cuts to more than 1.6 million in this year alone? I do not think so.

Is it a statement of your values to leave our veterans behind? And the military, the promises to leave no soldier behind on the battlefield, and when they come home we just leave our veterans behind?

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So this is not enough to talk with sacrifice and valor and patriotism of our military and our veterans. We must not fail to meet their needs. So is it a statement of your values to give tax cuts to people making over $1 million a year and cutting $1.6 billion from veterans services, as this budget does?

The gentleman from South Carolina's (Mr. SPRATT) budget does not do that. It rearranges the spending on defense in the budget to meet the needs of the veterans and the needs of their survivors. I thank the gentleman from South Carolina (Mr. SPRATT) for his values-based budget.

On homeland security, I was absolutely, and I am rarely surprised, rarely surprised around here, but it was really astonishing to hear the distinguished chairman talking about the homeland security funding in this budget. This budget cuts $850 million from the already meager proposal that President Bush made in his budget. It cuts President Bush's budget on homeland security. Is that a statement of our values?

I thank the gentleman from South Carolina (Mr. SPRATT) for adding $5 billion over and above what the President had in his budget to reverse some of the cuts in police and fire funding that we need to protect our homeland.

Mr. Chairman, some people were talking about music and words, and we have the words and they have the music and all the rest. There is a song, "America The Beautiful," and there is a sentence that I find haunting and inspiring as a Member of Congress. It says, "O beautiful for patriots' dreams that sees beyond the years."

That is what our responsibility is here. We are supposed to be here to see beyond the years, to prepare a better future for our children; and, indeed, it is our patriotic duty to have a budget that is balanced and not again mortgaging their future, indebting them for generations to come. And it is our patriotic duty to have a budget that reflects our values, that we educate our children; indeed, nothing does more to grow the economy than that. It is our patriotic duty to provide for our children, their education, their health care, the economic security of their families, including the pension security of their grandparents, a safe environment for them to live and a secure America. But this budget does not do that. It is not beautiful for patriots' dreams.

The gentleman from South Carolina's (Mr. SPRATT) budget is.

Led by the gentleman from South Carolina (Mr. SPRATT), House Democrats offered a budget today that spoke to the American people's aspirations for good jobs, better access to health care, the best possible education for our children. The gentleman from South Carolina's (Mr. SPRATT) budget rose to meet the challenge of homeland security, to really meet that challenge. And the Spratt budget would not add one penny to the deficit. It is fiscally sound and patriotic.

Mr. Chairman, the budget that the Republicans have before us does not have a values base. It does not have fiscal soundness, and it should not have your support.

I urge a "no" vote on the Republican budget.

Mr. NUSSLE. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Illinois (Mr. HASTERT), the Speaker of the House.

Mr. HASTERT. Mr. Chairman, I rise today in support of the Nussle budget and in opposition to the various tax and spend alternatives that we have heard from the other side of the aisle.

The Nussle budget is the best alternative if you want to keep the economy growing, if you want to keep the country secure, and if you want to keep spending under control. If you want to keep the government growing, if you want to keep the tax burden rising, if you want to keep jobs flowing overseas, and if you want to make America less secure, you can find a Democratic budget alternative that is more to your liking. But, once again, as we do every year, we have two radically different visions for the future of America presented in the budget debate.

The budget is important because it is in the budget that we make the choices in how we choose to govern in this country. The Nussle budget calls for responsible government. And I guess when you talk about responsible, maybe we do talk about values and we talk about values of not spending beyond our means, and we talk about values of protecting our children's future. It says that we should not raise taxes just as the economy is finally getting its footing. It fully funds the war on terror and our homeland defense; and, incidentally, it raises homeland defense, not cuts homeland defense, 9.5 percent, so that our troops have the equipment and the training and the pay and the ammunition and the support of this Congress to keep this Nation secure.

The 9/11 Commission is now examining what happened in the days leading up to the worst attacks against America in our Nation's history. And one inescapable conclusion is that we did not invest enough money in our intelligence community in the late 1990s so that they could do the job to protect America.

The leaders of the Democrat minority voted consistently to cut intelligence spending throughout the 1990s as they voted to slash defense spending. And that anti-defense, anti-intelligence philosophy lives on in one of the Democratic alternatives that we have before us today. We will not make that mistake again. We should do everything within our power to make certain that what happened on September 11, 2001, never happens in this country again.

The Nussle budget calls for spending restraints in the rest of the budget. I think that is appropriate, and some people may even call that a value. We no longer live in the era of surpluses because of the war, because of terrorism, because of the downturn in the economy; and we do have a big deficit. We need to spend less money and this budget spends less money.

We disagree with our Democratic colleagues who by tradition want to spend more money here in Washington and raise taxes to do it. And when we say we want to cut waste, fraud and abuse, they say that we are gutting the programs that they care about the most. The Democrats do not believe that government wastes any money or that the government can become any more efficient or that higher productivity for government employees is a good thing.

They will defend the bureaucracy with every rhetorical weapon in their arsenal. We challenge the bureaucracy to do more with less. We ask them to weed out waste and fraud and abuse.

We believe that a bloated Federal Government is bad for the economy, bad for the taxpayers, and bad for the fiscal future of this Nation.

Our Democratic friends want you to believe that their tax increases will hit the richest Americans. You heard it 15 times in the last speech. Why should we not tax the million-dollar earners? Well, I will tell you who they are. The million-dollar earners are the small business owners, they are the entrepreneurs, they are the job creators, and they hit the job seekers the hardest.

When you go to my district in the Fox Valley of Illinois, it is the small business people, it is the small entrepreneurs that are creating jobs in this country. They are doing it today. We do not want to handcuff them.

The Democrats like to talk about how they help the jobless, but their budget policies will keep the jobless from getting jobs. Higher taxes kill jobs. In fact, 95 percent of the entrepreneurs who file as Subchapter S Corporations or partnerships will be hit by the Democrats' taxes, while 58 percent of small business owners would also be hit. These higher taxes would make it harder to hire that extra worker or expand that business to keep competitive with the Chinese or the Europeans.

In this economic environment, the last thing we need is a policy that kills jobs.

This is a familiar debate. The Nussle budget promotes a stronger defense, a stronger economy and a smaller and smarter government. The various Democratic alternatives promote bigger government, a bigger tax burden for America's job creators, and a bigger fiscal mess down the road.

In this debate we have heard it time and time again, it is not really a debate of policy. It is really a debate of philosophy. It is a debate that asks the question, can government spend people's money better and can government make better decisions for our children and ourselves or can people spend their money better and can people make better decisions for themselves?

Vote for the Nussle budget and vote to keep America strong and secure.

Ms. SCHAKOWSKY. Mr. Chairman, I rise today against the Republican budget and for the Democratic and CBC alternative budgets.

The members on the other side of the aisle describe their budget as one that "recognizes the fundamental obligations of the Federal Government." It does no such thing. In fact, it is nothing short of a political document that turns a blind eye to our obligations.

The House Republican budget is indefensible. House Republicans followed the lead of President Bush and passed a budget that goes after the poor, the homeless, and the elderly. Republicans value more tax cuts for the rich over meeting the needs of senior citizens, working families, the unemployed and the majority of Americans. Medicaid and Section 8 vouchers are slashed so they can pay for missile defense, subsidies to Halliburton and tax cuts for the wealthy.

The Republican budget cuts and underfunds programs that have been proven to strengthen our country and provide opportunities for the future. The so-called "education President's" own No Child Left Behind is underfunded by $8.8 billion. While college costs have skyrocketed, the GOP budget keeps the Pell Grant maximum at the same level it was three years ago. There is no money for the Family Opportunity Act, which would provide health insurance for disabled children. It tells my committee, Energy and Commerce, to make $2.2 billion in Medicaid cuts over the next five years, jeopardizing health and long term care for 52 million Americans.

Section 8, low-income heating assistance of LIHEAP, child care assistance—programs that help people pay the bills and keep roofs over their head in tough times like these—are cut by $3.7 billion. We could see 250,000 people lose affordable housing this year under the GOP budget. Veterans' health care is underfunded again, this time by $1.3 billion below what the Republican Chairman of the Veterans' Affairs Committee recommended. Over the next five years, the Republican budget will cut these and other domestic programs by $36.9 billion. At a time when so many families are worried about jobs, health care, and education, this budget puts their future on the chopping block.

Parents cannot afford to send their children to college. Seniors cannot afford their housing, heating bills or medicine. Veterans have to wait for months to see a physician at the VA. Teachers still have to buy their own school supplies. Democrats offered a clear alternative to the destructive plan Republicans pushed through Congress. We will continue to fight for a fair budget that will fund America's true priorities.

Mr. GREEN of Wisconsin. Mr. Chairman, the House-passed Fiscal Year 2005 Budget Resolution marks another step forward in our efforts to increase the level of funding reserved for America's brave veterans. The budget will increase VA funding by $9.3 billion over last year, which was preceded by an increase of $9.1 billion for the previous two years. In addition, the budget excludes new increases in prescription drug copayments and VA enrollment fees. Even so, I would have liked to have seen more done for our growing veterans population, and I will do all I can in the coming months to do just that.

As you know, I signed a letter last week requesting the level of funding for veterans be increased to match that of the Senate-passed budget. I have now received a letter from VA Secretary Anthony Principi certifying that the House budget plan provides sufficient funds for the VA to continue providing high quality care in the coming fiscal year. Nonetheless, I pledge to work with the House-Senate conferees to increase the final funding level for veterans in the budget, and will push my colleagues on the appropriations committee to provide additional increases for our nation's retired servicemen and women.

Mr. KIND. Mr. Chairman, the President and majority party in Congress have presented budgets that continue down the path of fiscal recklessness and misplaced priorities. Their plan continues to fail working families, continues to fail seniors, continues to fail veterans, and continues to fail children by expanding already record deficits that will hamper economic growth and burden future generations.

Perhaps most disturbing is that the majority has no plan to return the federal government's books to balance. While they claim that their budget plan will cut in half the current record deficits that their economic policies helped create, realistic projections, including pages in the President's own budget. show deficits as far as the eye can see under their plan.

Their plan continues the downward fiscal spiral of our government at exactly the wrong moment in our nation's history when we have 80 million baby boomers rapidly approaching retirement age and starting to enter the Social Security and Medicare systems. Instead of the irresponsible budget before us, we should be trying to practice fiscal discipline to get the nation on sound fiscal footing in anticipation of that demographic time bomb going off and protect the monies in the Social Security and Medicare trust funds.

This requires making tough choices on spending and revenue, and it requires us to move away from the status quo toward a new plan that helps working families, meets the security needs of our country, protects important programs here at home, and finds balance within a specified time frame.

The alternative budget proposal offered by Mr. SPRATT meets this challenge and sets a new course toward fiscal sanity. It includes more funding for programs important to people in western Wisconsin such as education, veterans' health care, environmental protection, and first responders. It fully funds our national defense, and provides necessary tax relief for working families. By reducing a portion of the individual tax cuts for those making over $500,000 yearly income, the Spratt alternative provides working families relief from the marriage penalty tax and extends the child tax credit.

In addition, the Democratic alternative returns the federal budget to balance in eight years—something the Republican budget never does. It supports important budget enforcement measures that were present in the 1990's and kept government on track to record surpluses. The Republican leadership has continually refused to reinstate these important, common sense enforcement tools that simply require offsets for spending and revenue changes in law that would otherwise increase the budget deficit. These so-called "pay-as-you-go" provisions require government to pay its bills and stop the fiscal bleeding.

Budgets are all about priorities. The alternative budget proposal I support makes education a priority by providing $51.4 billion more than the President's budget over 10 years, helping local school districts meet the requirements of No Child Left Behind and making college more affordable for all students. It makes veterans health care a priority by providing $6.6 billion more than the majority over five years, meeting the request of the Veterans' Affairs Committee and veterans' organizations. And it makes job creation and worker training a priority while proving tax relief for working families.

Let us pass a sensible, fiscally responsible budget that protects important American values so that years from now, we can look back and say, yes, we had to make some tough decisions, but they were the right decisions under the right circumstances, and American families are the primary beneficiaries as a consequence. I urge my colleagues' support of the Democratic alternative.

Mr. JIM DAVIS of Florida. Mr. Chairman, our debate this afternoon is in part over our disagreement about the best way to address the ever growing debt and now record deficit. Despite the many differences enumerated this afternoon there are certain truths which must direct our decisions:

The Federal debt now tops over 7 trillion dollars. This amounts to over $24,000 worth of debt per U.S. resident. That's an awesome burden to place on the backs of our children.

This year, U.S. taxpayers will waste $156 billion on interest payments on the federal debt—money that should have helped support our troops in the field, students in the classroom and seniors relying on Medicare, Medicaid and Social Security. And as this deficit spirals out of control, our government's excessive borrowing will deal a blow to our economy by forcing up interest rates for small businesses, homebuyers and students who rely on loans.

Federal Reserve Board Chairman Alan Greenspan has highlighted the risks of sustained deficits saying, "History suggests that an abandonment of fiscal discipline will eventually push up interest rates, crowd out capital spending, lower productivity growth, and force harder choices upon us in the future."

The U.S. federal deficit is now among the highest in the industrialized world, and our debt level is fast approaching those of other major industrial countries. With the federal debt now close to 40 percent of the Gross Domestic Product, deficits will likely put pressure on the U.S. dollar.

As a member of the New Democrat Coalition I have supported a fiscally responsible deficit reduction plan to balance the budget in 10 years, suspend recent tax cuts for the top two tiers of earners, eliminate corporate tax loopholes, prioritize spending and revive budget enforcement mechanisms, such as the Pay-As-You-Go (PAYGO) provisions which Senate Democrats and Republicans passed to force the government to live within its means.

The Senate plan sent alarms through this chamber last week because the Senate Budget Resolution includes genuine Pay-As-You-Go provisions that can bring fiscal responsibility to the budget. The House Budget Committee's version betrays the budgetary spirit of Pay-As-You-Go because it enforces budgetary constraints on entitlement programs but not tax cuts. Tell me Mr. Chairman how this unbalanced approach to the budget will eventually lead to a balanced budget.

The President visited my district a few weeks ago and during a speech about the economy never once did he mention the $7 trillion dollar debt or the record deficit this country now faces. Never once did he mention the potential for harm and devastation that rising interest rates pose for small businesses and exporters in my district. And not once did he mention any one of the 2.6 million jobs lost throughout the country since 2000. We cannot continue to ignore the implications of our fiscal irresponsibility.

By failing to mention these concerns, the President has forgone all responsibility for addressing them. So in closing, I urge my colleagues to take up the responsibility thrown off by our leadership. Defeat the Republican House Budget Resolution because it fails to implement meaningful budgetary mechanisms that will bring this budget into balance.

Mr. SANDLIN. Mr. Chairman, the House Republicans should be ashamed for once again producing a budget that assaults the health needs of our most vulnerable citizens. In their annual attempt to slash needed programs and funding the end result is clear—the safety net for our Nation's health care will deteriorate and people will surely suffer.

With the economy in shambles and job opportunities plummeting, American families are struggling to stay afloat right now. I can not stand by and allow our Congress to abandon our Nation's families' need for assistance with basic health care. We already are in a crisis situation with over 43.6 million people uninsured nationwide. In my home State of Texas, over 26 percent of our citizens, nearly 5 million people are without health care.

The House Republican budget decimates Medicaid and the State Children's Health Insurance Program SCHIP. It requires a $2.2 billion cut in Medicaid funding, which will compromise the well being of over 500 million children, their parents, seniors, and disabled individuals. This comes at a time when States are already in fiscal crisis, resulting in nearly every State cutting their own Medicaid program by slashing eligibility, cutting benefits, raising copayments and reducing provider payments. Republicans have also tried to quietly allow $1 billion in SCHIP funding to expire on September 30, despite the critical need to allocate that money towards its intended purpose of providing heath care to needy children.

Prior Federal and State cuts to Medicaid and SCHIP have already caused irreparable harm to families in Texas. Since SCHIP cuts in Texas took place last September 1, enrollment for kids has dropped from over 507,000 children to 399,000. For those children fortunate to retain some health coverage, they have had to endure the loss of all dental, vision, and hospice benefits. How can this be considered acceptable? How can our Federal legislators stand by and recommend cuts that will compound this problem? It is a travesty that Republicans believe it is OK to harm children under the guise of fiscal discipline.

Children aren't the only citizens whose healthcare is sacrificed under the Republican budget though—our Nation's veterans are also dishonored with these cuts to their earned benefits. Every major veterans service organization, including the American Legion, Disabled American Veterans, Vietnam Veterans of America, and Paralyzed Veterans of America has decried the now chronic under funding of their health care, stating the Republican Budget is an insult tot heir military service, and the health problems often caused by this service. Veterans need our support now—to offer a budget that doesn't even keep pace with inflation is illogical.

We came to Congress with a commitment to represent the basic needs of American families. Now is the time to exercise fiscal discipline in a common sense way—by rejecting tax cuts for wealthy corporations in favor of sustaining and improving the health care of Americans in need. It is simply a question of priorities—a question of choices. The Democrats' budget answers this call from veterans, seniors and children. The Republican budget doesn't. I know which budget my constituents in East Texas want me to vote for. It is a clear choice—it is the right thing to do.

Mr. BLUMENAUER. Mr. Chairman, the budget process in the House of Representatives is a casualty of the increasingly extreme partisanship of the Republican leadership and their obsession with reducing taxes for those who need it the least. All the deep concern about deficit spending that formerly influenced Republican policy making is of a previous generation.

We now have the specter of the Republican budget causing another $1.3 trillion in national debt, while at the same time spending the entire $1 trillion Social Security surplus, and cutting critical education, environment, and veterans' programs.

The good news is that not even the Republican leadership will take their budget resolution seriously. They will not follow this blueprint.

The bad news is that Republicans in Congress will combine the worst of both worlds, grudgingly increasing the spending for some critical programs, while at the same time continuing to pursue a reckless plan of tax cuts that ignores the greatest needs of middle-class families. The Alternative Minimum Tax, under the Republican plan, will tax tens of millions of American families, penalizing them hundreds of billions of dollars. For the Republicans, it is more important to give the richest few Americans more tax cuts than rescue millions of middle class families from the Alternative Minimum Tax.

This plan means we will have to fight harder to meet the needs of our veterans and they will not be treated as generously as they would have been treated under the Democratic Budget alternative.

It is my hope that with a presidential election looming and activism from groups like the coalition of veterans who have denounced the Republican budget proposal, we can return fiscal sanity to Washington.

Mr. UDALL of Colorado. Mr. Chairman, I cannot support this resolution.

For 3 years, the administration and the Republican leadership have insisted on speeding ahead with misguided fiscal and economic policies. Ignoring all warning lights, they have taken us where we are today—with an economy in the ditch and a budget deep in deficit.

And, despite their claims to the contrary, when you look at the full picture you can see that this budget resolution offers only more of the same.

For example, while they claim that they are putting the budget on track to cut the deficit in half, that claim is based on the fact that this budget covers only 5 years instead of the usual 10 years. When we broaden the picture to cover the full decade, we see that the deficit would be increasing again, meaning that we would be adding more and more debt that would have to be repaid—with interest—by our children and grandchildren. This is not a policy that deserves our support.

We should be changing course, not persisting in error. That is why I supported the Spratt substitute, and why I also voted for the Blue Dog substitute. Neither was perfect—and in particular I thought the Blue Dog substitute would have not allowed for adequate investments in science and research or for environmental protection—but each was preferable to the Republican budget now before us.

In particular, the Democratic alternative proposed by Representative SPRATT would have fully protected Social Security while putting us on the road to balance the budget in 2012, while running up a public-debt burden that would be a full $34 billion less than the Republican budget in the next 5 years.

Mr. Chairman, I recognize that this resolution will pass, because our Republican colleagues have received their marching orders from the White House, and are in moving in lockstep to endorse the Bush administration's insistence that its economic and fiscal policies must continue without change. I admire their discipline, but I am convinced their judgment is faulty. I do not share their view, and I cannot follow them as they take us further into the swamp.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I oppose the Republican budget because it cuts funding for the Violence Against Women Programs.

This funding supports most of the programs created by the Violence Against Women Act of 1994. The programs impact the lives of women and children by bolstering prosecution of domestic violence, sexual assault, increasing services for victims by funding shelters and increasing resources for law enforcement personnel. The President's budget proposes to reduce these programs to $362 million, a cut of $22 million.

Since the Violence Against Women Act was implemented, there has been a 25 percent decrease in violence against women. This 25 percent decrease demonstrates the effectiveness of the policing and prosecutions that these programs fund.

Without full funding, thousands of women and children will not be able to access the services they need to escape from domestic violence. We need full funding for these programs to support this vulnerable section of our population.

Violence against women is a global epidemic. It is not a woman's issue and it is not a "private" issue. We need to restore the $22 million to the Violence Against Women Programs to show the women, children and families across the country that we are committed to creating a safer and more peaceful world for them.

Mr. DEFAZIO. Mr. Chairman, it was just over a year ago that House Budget Committee Chairman JIM NUSSLE said, "I don't like deficits, I don't want deficits, and I won't pretend deficits don't matter." Yet, the budget we're considering today, which he drafted along with the House Republican leadership, would make federal budget deficits worse, not better. Relative to current law, the Republican resolution will increase the deficit by $247 billion over the next 5 years and $1.6 trillion over the next 10 years.

The Republicans claim their budget will cut the deficit in half by 2009. That claim is only accurate if you ignore the fact that they use every penny of the surplus Social Security revenue to mask the true size of the deficit. Two years ago Chairman NUSSLE said, "I don't know how many times we have to say it: We are not going to spend the Social Security and Medicare trust funds." Apparently, he's suffering from amnesia because the reality this year is that the Republican party is proposing to do exactly that, every single penny. If you don't count the Social Security money the Republicans are proposing to borrow, the deficit this year will be $550 billion and will be $471 billion in 2009, which is not exactly cutting the deficit in half.

Under the Republican plan, the debt held by the public, which excludes Social Security, will rise from $4.4 trillion today to $5.9 trillion by 2009. The total federal debt will rise from $7.4 trillion today to $10.5 trillion in 2009. The "debt tax" a family of four owes on this debt will rise from $4,400 this year to $7,000 by

2009. Interest payments on the debt will rise from $154 billion today to $296 billion by 2009, rising from approximately 7 percent of the total federal budget to 11 percent.

This debt load is clearly not sustainable. It unfairly burdens our children, grandchildren and their children with a debt they did not accumulate. And, it puts our country more and more in hock to foreign investors. The top two owners of U.S. government debt are Japan and China. I do not believe it is in the interests of our country to continue to run large budget deficits financed by China or Japan for that matter.

You might think that in the face of these deficits, the House Republican leadership would make a serious attempt to restore some semblance of sanity to the federal budget. You would be wrong. But, please don't think they are in denial about the scope of the problem. They know exactly what they're doing. The debt escalation is a conscious—though disingenuous—policy the Republican party is pursuing in order to force drastic cuts in programs they don't like, but that the American people support.

The House Republicans are willfully digging the budget hole deeper—and are putting the financial stability of our country at risk—by providing $153 billion in tax cuts through 2009, including maintaining the repeal of the estate tax and reductions in capital gains and dividend taxes, which overwhelmingly benefit the wealthiest Americans, those who make more than $300,000 a year. Over 10 years, the cost of the tax cuts in the Republican budget will cost $1.2 trillion.

Now, my colleagues on other side of the aisle will protest that it is spending, not tax cuts, that have driven the sudden appearance of record budget deficits. While their rigid ideology may cause them to believe that, it happens not to be true. Republicans have repeatedly refused to acknowledge the obvious role tax cuts have played in the $9 trillion reversal in the 10-year budget projections since Bush took office.

According to the non-partisan Congressional Budget Office, tax cuts are responsible for 36 percent of the deterioration in the surplus, spending increases are responsible for 28 percent, technical changes—primarily lower revenue assumptions—are responsible for 27 percent, and the recession is responsible for 9 percent.

Looking more in-depth at the aforementioned spending increases, the vast majority of the spending increases were in the areas of defense and homeland security, and were requested by President Bush. From 2001 to 2003, an average of 70 percent of the spending increases went to defense, 14 percent went to homeland security, and 11 percent went to NYC, aviation, and international aid.

When Republicans talk about reducing "government spending," they are generally referring to non-defense discretionary spending. While Republicans act as if non-defense discretionary spending only includes wasteful welfare programs, the reality is that it includes law enforcement programs, education, veterans, environmental protection, health care, Army Corps, energy, etc. Congress could eliminate the entire non-defense, non-homeland security portion of the federal budget—$391 billion—and the budget would still be in deficit by several hundred billion dollars.

I agree there are federal programs that deserve to be eliminated or reduced. I support reducing the space program, agriculture subsidies, weapon systems that are irrelevant to meeting today's threats, and foreign aid, among other areas.

However, spending restraint alone cannot solve the deficit problem. Getting the federal budget under control will require discipline on both spending and taxation. That is why the budgets I am supporting today contain both spending and restraint and reductions in tax relief to the wealthiest one percent of income earners and multinational corporations.

I am also a cosponsor of stand-alone legislation, H.R. 3995, the Aspiring Fiscal Honesty and Accountability Act of 2004, to impose some discipline on the federal budget process. This legislation would cap discretionary spending for the next 3 years at the same level requested by President Bush. The bill would also reinstate the so-called "pay-as-you-go" rules that helped bring the budget into balance in the late 1990s. These rules require that any legislative changes that would increase the deficit—whether spending increases or tax cuts—must be offset by cuts or revenue increases somewhere else in the budget. H.R. 3995 would also reform the "emergency" spending loophole that allows Congress to spend billions of dollars a year outside the normal budget process.

Finally, I disagree with the spending priorities in the Republican budget. For example, the Republican budget provides $8.8 billion less for education programs than the $34.3 billion authorized by the No Child Left Behind Act for 2005. That means local school districts will continue to struggle with the unfunded mandates of the President's key education initiative.

And, inexplicably, the House Republican budget follows the President's lead by cutting programs to assist America's small businesses. There are 23 million small businesses in the United States, representing 99 percent of all employers. The generate three-fourths of all new jobs. They create more than half of our GDP. Small technology companies are the trailblazers, producing 13–14 times more patents per employees than large firms. Small companies employ 40 percent of high-tech workers. Funding for the Small Business Administration has decreased every year since President Bush took office. If the Republicans have their way, the microloan and New Market Venture Capital programs will be eliminated, funding for Women's Business Centers, technical assistance, and technology programs will be cut, and the SBA's largest loan program, the 7(a) programs, will be slashed and fees will be increased. These policies are harmful at any time, but they are particularly detrimental to our Nation's small businesses during a time of economic instability.

The Republican budget provides $1.3 billion less for veterans programs in 2005 than what the House Committee on Veterans Affairs recommended on a bipartisan basis. It provides $2 billion less for veterans programs than what veterans themselves requested in their Independent Budget proposal.

That is why veterans organizations, including Veterans of Foreign Wars, Disabled American Veterans, AMVETS, and the Paralyzed Veterans of America have called the Republican budget "half-hearted" and "ill-advised". They urged a vote against it and said the Republican budget "would be a disservice to those men and women who have served this country and who are currently serving in Iraq, Afghanistan, and around the world in our fight against terrorism."

I am also concerned that the Republican budget cuts homeland security funding by $857 million below even the level requested by President Bush, which includes cuts to port security grants and cuts to grants for our Nation's first responders like police and firefighters.

Because the Republican budget borrows so much money, runs up record budget deficits, and still fails to adequately fund priority programs that Oregonians depend on, I will vote against the Republican budget.

Mr. FORBES. Mr. Chairman, I rise reluctantly to support the budget resolution before us today. While the budget before us makes great strides to control spending and reduce the deficit, I am afraid the Veterans Administration will not have the necessary resources to take care of our nation's veterans. I know that many of my Virginia congressional colleagues share these same concerns as well.

While I fully recognize that no budget is perfect, I hope we can all agree that providing health care to our nation's veterans should be the last place we look to reduce spending. Perhaps it would be more appropriate for us to review our spending on foreign aid before we ask our veterans to sacrifice yet again for their country. At a time when our country has soldiers deployed in Iraq in defense of freedom, it is important that we do not leave behind the men and women who have served our country in the past.

To this end, I want to express my support of an amendment to the Fiscal Year 2005 Budget Resolution, offered by my colleague from Virginia, VIRGIL GOODE. Unfortunately, this amendment will not be offered on the floor today for a vote, but it does, however, deserve our attention. Mr. GOODE's amendment calls for an $8 billion cut from foreign aid spending, using that money instead to further assist our Nation's veterans and decrease the size of our federal deficit.

This important measure would redirect funds used across seas and place it back in the hands of the American people. By paying down our Federal deficit we are investing in the future of America and by providing healthcare for our veterans we are repaying them for the personal investments they have made on our behalf. Mr. Speaker, the time has come when America must pay its debts, and that time as now.

I will vote for this budget, however, because I believe it is vital that we keep the budget process moving. Further delaying the budget could negatively impact defense, homeland security, and other important government functions, as well as cause spending for our veterans to revert to previous levels. As we have seen in the past, failing to pass a budget resolution causes a train wreck in the appropriations process. With America still fighting the war on terror, we cannot allow that to happen again.

It is my hope that the final product will be improved dramatically, so that I will be able to support the final budget conference report. I will have great reservations in supporting this budget again should it be returned to the House in its current form.

Mr. RYUN of Kansas. Mr. Chairman, the U.S. economy has shown truly amazing resilience after the many challenges of the last few years, including: a terrorist attack, war, corporate scandals and recession. In spite of these factors: real GDP growth was 8.2 percent in the 3rd quarter of 2003, the highest pace in two decades, housing starts are at the highest level in 20 years, mortgage rates are the lowest in over 30 years, and payroll employment has increased by 364,000 jobs in the past 6 months.

This is good news for every American family. Economic growth is the key to prosperity for everyone. And the Republican budget is the plan that will ensure that these growth trends continue.

One way this budget encourages sustained economic growth is by not raising taxes. Under the budget drafted by Chairman NUSSLE, there will be no reduction in the child tax credit, no increase in the marriage penalty, and no lowering of the income limit for the 10 percent tax bracket. Raising taxes, as the Democrats have proposed, would be a severe blow to the recovering economy and to young families.

The Democrats believe that taxes should be raised to pay for more government spending. During the Budget Committee markup the Democrats proposed to increase spending by $28.6 billion next year, paid for by raising taxes by $28.9 billion next year.

I ask my colleagues, why do we need more spending and higher taxes? Spending by the Federal Government has reached over $20,000 per household. I find that total staggering. I dare say that most families could do great good for their children with a fraction of that amount back in the family budget.

Some people have blamed the deficit on the tax cuts. In reality, the downturn in the economy is the largest factor in erasing the surplus. And we must keep in mind that the projected surpluses as far as the eye could see were just on paper, they were never guaranteed. The good news is that the economy is recovering faster than expected, and that growth will be a significant factor in reducing future deficits. The key is for Congress to stay out of the way of economic growth.

The runaway spending that followed the rosy surplus projections is the second largest contributing factor that has pushed us into deficit spending. Since 1997, spending has increased 3.6 percent faster than inflation and as revenue began dropping in 2000, spending continued to climb. Spending in time of war or national emergency is warranted, but now spending restraint is necessary or we will never return to a balanced budget.

The Republican budget plan puts us on track to cut the deficit in half in 4 years. We must be faithful to a plan of fiscal responsibility or our children and grandchildren will inherit a debt they can't afford to pay.

This budget blueprint holds the line on spending to keep the government from dragging down the economy. This does not mean that every program will be treated the same by the Appropriations Committee. It does mean that priorities will have to be set and hard choices will have to be made.

Some worthy programs will receive a funding increase and other less effective or unproven programs may receive a cut. These decisions are up to the Appropriations Committee. The Budget Committee is simply setting the aggregate spending numbers. The nondefense, nonhomeland security discretionary number is frozen at last years funding level. This is a responsible decision when spending is driving us toward a deficit that could be nearly impossible to overcome.

I believe the numbers in our budget will have the government operating as a wise steward of taxpayer dollars. Our constituents are demanding accountability for these dollars and this budget plan delivers.

I urge your support for this budget.

Mr. KUCINICH. Mr. Chairman, today, I rise to oppose the budget under consideration today. Some believe they must accept the President's request for higher defense spending. Too many Members of Congress believe that a vote against higher defense budgets is tantamount to being "weak on defense." But what they ignore is the fact that the President's defense number is weak on defense contractors. It gives nearly everything the contractors could want, and as I will show in a minute, it fails to make Americans safer.

How does the V–22 tilt rotor—which has killed 30 Marines in a crash rate of 18 percent—make Americans any safer? Of course it doesn't. But spending $1.75 billion to procure it makes the contractor richer.

How does the so-called National Missile Defense—which has not been shown to work, according to the DOD's own director of testing—make America any safer? It doesn't. But it does make the contractor richer.

How does the F–22 airplane, which suffers from exorbitant cost overruns and offers little improvement over today's more than capable F–15, make America any safer? Again, it doesn't. But at a cost of $4.7 billion in this year's budget, the contractors will see great profits.

Rather than buying a false idea of security by handing billions to defense contractors for hardware that doesn't work, can't work, or won't work to defend against the threats of today, let's buy the defense we do need and invest the rest in economy security.

America needs jobs. The Nation has lost 2.2 million total jobs since President Bush took office. Experts had expected an increase of 125,000 new jobs in February, but in reality companies added just 21,000 new jobs last month. Manufacturing lost 3,000 jobs in February, a 43-month continuous slide. Since July 2000, the manufacturing sector has shed 2.8 million of its jobs. And the construction industry is suffering under a 9.3-percent unemployment rate.

There were 8.2 million unemployed workers in February. Yet this number is low; 1.7 million additional workers were not counted in the unemployment figures, as they hadn't looked for a job in the prior 4 weeks.

Mr. Chairman, my colleagues face a quandary today. Many of them are going to vote for large deficits and reduced domestic spending in order to fund a $26.5 billion increase in defense spending. To do that means Congress will not spend enough money to create jobs. And jobs are the bottom line for Americans.

There is a better approach for a safer and stronger America. First we will reduce defense spending to last year's request, although much more could be cut. That still leaves a defense budget increase of 26 percent since 2001, not accounting for the extra funds for Afghanistan or Iraq, some $186 billion. The $26.5 billion can then be shifted to the Transportation Equity Act—a Legacy for Users (TEA–LU) to create jobs. Over 6 years, this increases the TEA–LU authorization, set by the committee at $275 billion, to $434 billion, a full $59 billion above the initial goal of the chairman and ranking member of the Transportation Committee. More importantly, the large infusion of cash into our nation's transportation infrastructure means hundreds of thousands of jobs and a dependable infrastructure system allowing the economy to continue to grow.

Sensible cuts in defense spending can fund more jobs for Americans who desperately need them. Our country's economic strength, our ability to create jobs and improve business productivity, and our desire to create a safe, efficient transportation system are all-dependent upon increasing investment in our Nation's infrastructure. The Department of Transportation's own studies show that every $1 billion of Federal funds invested in highway infrastructure creates 47,500 jobs and $6.2 billion in economic activity. Authorizing $434 billion over 6 years for our transportation infrastructure will yield tremendous job growth and other economic benefits. In short, defense cuts can create more jobs for Americans.

Mr. HOLT. Mr. Chairman, I rise to oppose the FY2005 Concurrent Budget Resolution that was reported by the House Budget Committee and that we have before this House for final passage. I do so for a variety of reasons that I want to explain.

I am heartened by our country's recent up tick in the index of leading economic indicators. Yet, we are also chastened because we all count among our families, friends, and neighbors, dislocated workers who have fallen victim to corporate down-sizing and dismayed recent college graduates and long-term unemployed Americans who are looking for their first or next jobs. All are seeking to grasp a rung up the ladder of economic opportunity, and this budget will not help them.

This misguided budget resolution frames critical policy choices for our national economy that will shape our lives and the lives of all of our constituents at the regional, State, community, and personal levels for many years to come.

One policy option, that is embodied in this flawed budget resolution, is to keep borrowing against our future and that of our children, and perhaps their children, to keep our economic ship afloat. This is how we have added more to the national debt in the past three years than in the prior two centuries of our Nation's history. A vote in favor of this budget resolution is a vote for more "borrow and spend" policies that are responsible for our country's current fiscal nightmare.

Adding insult to fiscal injury, this budget resolution also clears the way for more tax cuts for those who need them the least, given the predisposition of the Bush Administration, and who have benefited disproportionately from the Bush tax cuts enacted by this Republican-controlled Congress so far. Where is the tidal wave of re-investment in new plants, equipment, and jobs and factories in America that the proponents of this budget have promised us repeatedly in the past three years? At their behest, the American people are required to put our collective faith in the belief that the ladder of economic opportunity will not be pulled up behind the most affluent. If we continue down this ill-advised, self-indulgent path, we run the risk of drowning in a sea of red ink and our children and grandchildren can look forward to lives of indebtedness and growing inequality.

This Congress could make a better choice. In so doing, we could build upon what has worked in the past when our economy was growing by leaps and bounds and creating millions of new jobs, as recently as the 1990s. We could abandon the fraud of supply-side economics, once and for all, step up, and reassert control over shaping our preferred economic future—one that offers more good jobs, a higher standard of living, and real economic opportunity for all of the American people. Sadly, this budget resolution takes us farther down the wrong track.

Over several generations, American economic wealth and power has been built largely on the foundation of unparalleled imagination, research, innovation, productivity, and hard work. Investment and commercial opportunity in our economic system have always followed new discoveries and laboratory breakthroughs, not the other way around. Before prudent investors have risked their capital in new commercial ventures, our scientists, inventors, and pioneer thinkers have been supported in their efforts and rewarded for their successes in achieving what had previously been unthinkable.

If we want to strengthen our economy again, in the future, if we want to create new, good-paying jobs for all of our people, and promote broad-based, sustainable economic development, then I believe we must become more creative and provide more support from the public and private sector for cutting-edge research and development. We have to stop borrowing and spending. We have to stop eating our seed corn. We have to provide increased and more sustained support from the public and private sectors for basic research and development.

Up to now, America has always been a nation of explorers, creators, and inventors. We need to regain that edge and ride a new wave of research and follow-on commercial development into a new age of economic growth and prosperity. But this budget resolution does none of this. The supporters of this budget don't want to keep faith and invest in the American people, increase Federal support for research, development, and entrepreneurial drive, and rebuild American competitiveness in the global economy. If they did, they could not in good conscience vote for the skewed priorities of this budget resolution and the Draconian, counterproductive cuts it will dictate.

Let me cite a few of the most glaring examples:

On Federal support for research and development, the Federal research and development portfolio would mostly decline compared to last year's funding, consistent with the 0.5 percent increase for nondefense, nonhomeland security discretionary spending overall. Even the two favored nondefense research and development agencies in recent years are being forced to accept diminished expectations: The National Institutes of Health (NIH) and the National Science Foundation (NSF).

On education, this budget again shortchanges our students, teachers, and schools. It will provide $8.8 billion less than authorized and promised when the Congress enacted the No Child Left Behind Act at the urging of President Bush. It fails to provide any increase in the maximum Pell grant award at a time of soaring tuition costs in higher education. It also falls way short in funding of the Individuals with Disabilities Education Act (IDEA), providing only half of the 40 percent Federal funding ceiling.

For America's veterans, this budget is another slap in the face and betrayal of what they have earned and been promised. This budget provides $1.3 billion less than what the House Veterans' Affairs Committee has recommended—on a bipartisan basis—to maintain vital veterans health care programs. Over the next five years, this budget cuts $1.6 billion from the total needed just to maintain current service levels. In practical terms, this shortfall will imperil health care for at least 170,000 veterans. Alternatively, it will result in 13,000 fewer doctors, nurses, and other caregivers needed to treat veterans. No wonder the Disabled Veterans, Veterans of Foreign Wars, Paralyzed Veterans of America, and AMVETS are all strongly opposed to this budget.

On the environment, this budget promises more tax cuts, while cutting funding for clean air, safe drinking water, and the cleanup of toxic waste sites. It actually calls for cutting $1.5 billion (5.1 percent) from last year's funding level. That means clean water and drinking water needs, like the elevated lead levels in DC's water supply, will go unmet. Groundwater contamination from leaking MTBE and petroleum will continue. Promised conservation funding will not be provided and American taxpayers will foot the bill for egregious corporate polluters.

On homeland security, this budget provides $648 million (14.6 percent) less than last year for first responders, with firefighter assistance grants in particular being cut by $246 million (33 percent) below last year. It also cuts funding for port security by $79 million (63.2 percent) below last year's funding level. At a time when our Nation continues to face new threats to homeland security, it cuts $857 million from the President's request, applying cuts to all homeland security activities outside of the Pentagon.

On health care, this budget requires $2.2 billion in Medicaid cuts at precisely the time when nearly every State has already been forced to cut their Medicaid programs. It forfeits $1.1 billion for State Children's Health Insurance Program (SCHIP), which means 4,000,000 children will lose coverage over the next four years. NIH will be cut by $553 million below last year's funding level, when adjusted for inflation and over the next five years, public health programs face an $11.4 billion shortfall. With over 887,000 people in the U.S. living with HIV/AIDS, this budget cuts $28 million. Cardiovascular disease research will be cut by $22 million, even though heart disease is the leading cause of death in America.

For American workers, this budget gives them the back of the hand. It fails to extend unemployment benefits and drastically shortchanges child care funding, when work requirements for welfare recipients are being toughened. It calls for $3.1 billion in cuts for safety net programs such as Temporary Assistance for Needy Families, the earned income tax credit, child nutrition programs, and public employee retirement benefits.

For our small business constituents and entrepreneurs, this budget is badly deficient. While funding for the Small Business Administration is not broken out as a separate function in this budget resolution, the Bush Administration has already made clear its intention to slash SBA funding in FY 2005 and beyond. President Bush's FY 2005 budget calls for cutting at least $79 million for the SBA from last year's funding. That would leave total funding for the SBA at nearly half of what was proposed in Former President Clinton's final budget request. It would also remove all Federal subsidies to the 7(a) loan program, the SBA's flagship program, and instead place higher fees on small businesses. The microloan program is targeted for elimination altogether.

I could go on and on with examples of why this budget ought to be rejected. Suffice it to say that it is more of the same policy prescriptions that have caused an $8.5 trillion fiscal slide and the loss of nearly 3 million jobs in the last three years.

We can and should do better. I want to support a budget that reflects fiscal responsibility and that will help all Americans achieve financial security. That means investing more in the American people and in programs to help create good-paying jobs, improve education, lower health care costs, make college affordable, helps small business grow, keeps faith with our veterans and military retirees, protects our homeland, and promote environmental sustainability. This budget resolution fails on all counts.

Mr. MATSUI. Mr. Chairman, the Republican budget being debated today shortchanges California and shortchanges America. It is fiscally irresponsible, fails to address the tremendous challenges facing America today, and fails to invest in America's future.

Rather than ensuring a stable source of income for seniors and the disabled, the Republican budget raids the Social Security trust fund. Rather than investing in health care, education and job creation, Republicans have chosen to spend trillions of dollars on tax cuts. As a result of the Republicans' misguided priorities and fiscal irresponsibility, America is facing record deficits, with no end in sight. These deficits threaten to lead to increased interest rates, uncertainty in financial markets and slower economic growth.

The Republican budget fails to help those Californians who need it most. Republicans refuse to provide funds for the extension of unemployment benefits, despite the fact that an estimated 300,000 Californians will have exhausted their benefits by the end of June. Likewise, the Republican budget cuts funding for important child and family services like Temporary Assistance for Needy Families, the Earned Income Tax Credit, affordable housing and Medicaid.

I am also concerned because I believe our troops and veterans have earned our honor and support. Yet despite their brave service to our country, the Republican budget denies promised benefits to our military personnel and their families here at home—by cutting funding for veterans' programs.

On the other hand, Democrats have a budget that reflects the priorities of the people of California, and of all Americans. It extends unemployment benefits for workers looking for jobs; invests in programs that create good jobs; ensures retirement security; provides for affordable and accessible health care; funds education, including the "No Child Left Behind Act"; and supports our troops and veterans. It is a fiscally sound plan that brings the budget back into balance within eight years. Moreover, to ensure fiscal discipline in the future, it requires that future tax cuts and mandatory spending initiatives be paid for without adding to the deficit.

For those reasons, I will vote for the Democratic alternative. Where the Republicans budget fails, the Democratic budget provides sound economic and fiscal policies that reflect the priorities of people in California and across the country.

Mr PAUL. Mr. Chairman, I once again find myself compelled to vote against the annual budget resolution, H. Con. Res. 393, for a very simple reason: it makes government bigger. Like many of my Republican colleagues who curiously voted for today's enormous budget, I campaign on a simple promise that I will work to make government smaller. This means I cannot vote for any budget that increases spending over previous years. In fact, I would have a hard time voting for any budget that did not slash Federal spending by at least 25 percent, a feat that becomes less unthinkable when we remember that the Federal budget in 1990 was less than half what it is today. Did anyone really think the Federal Government was uncomfortably small just 14 years ago? Hardly. It once took more than 100 years for the Federal budget to double, now it takes less than a decade. We need to end the phony rhetoric about "priorities" and recognize Federal spending as the runaway freight train that it is. A Federal Government that spends $2.4 trillion in 1 year and consumes roughly one-third of the nation's GDP is far too large.

Neither political party wants to address the fundamental yet unspoken issue lurking beneath any budget debate: What is the proper role for government in our society? Are these ever-growing social services and defense expenditures really proper in a free country? We need to understand that the more government spends, the more freedom is lost. Instead of simply debating spending levels, we ought to be debating whether the departments, agencies, and programs funded by the budget should exist at all. My Republican colleagues especially ought to know this. Unfortunately, however, the GOP has decided to abandon principle and pander to the entitlements crowd. But this approach will backfire, because Democrats will always offer to spend even more than Republicans. When Republicans offer to spend $500 billion on Medicare, Democrats will offer $600 billion. Why not? It's all funny money anyway, and it helps them get re-elected.

I object strenuously to the term "baseline budget." In Washington, this means that the previous year's spending levels represent only a baseline starting point. Both parties accept that each new budget will spend more than the last, the only issue being how much more. If Republicans offer a budget that grows Federal spending by 3 percent, while Democrats seek 6 percent growth, Republicans trumpet that they are the party of smaller government. But expanding the government slower than some would like is not the same as reducing it.

Furthermore, today's budget debate further entrenches the phony concept of discretionary versus nondiscretionary spending. An increasing percentage of the annual Federal budget is categorized as "nondiscretionary" entitlement spending, meaning Congress ostensibly has no choice whether to fund certain programs. In fact, roughly two-thirds of the fiscal year 2005 budget is consumed by nondiscretionary spending. When Congress has no say over how two-thirds of the Federal budget is spent, the American people effectively have no say either. Why in the world should the American people be forced to spend 1.5 trillion dollars funding programs that cannot even be reviewed at budget time? The very concept of nondiscretionary spending is a big-government statist's dream, because it assumes that we as a society simply have accepted that most of the Federal leviathan must be funded as a matter of course. No program or agency should be considered sacred, and no funding should be considered inevitable.

The assertion that this budget will reduce taxes is nonsense. Budget bills do not change the tax laws one bit. Congress can pass this budget today and raise taxes tomorrow—budget and tax bills are completely separate and originate from different committees. The budget may make revenue projections based on tax cuts, but the truth is that Congress has no idea what Federal revenues will be in any future year. Similarly, the deficit reduction supposedly contained in the budget is illusory. The Federal government always spends more in future years than originally projected, and always runs single-year deficits when on factors in raids on funds supposedly earmarked for Social Security. The notion that today's budget will impose fiscal restraint on Congress in the future is laughable—Congress will vote for new budgets every year without the slightest regard for what we do today.

Mr. Chairman, my colleagues have discussed the details of this budget ad nauseam. The increases in domestic, foreign, and military spending would not be needed if Congress stopped trying to build an empire abroad and a nanny state at home. Our interventionist foreign policy and growing entitlement society will bankrupt this Nation if we do not change the way we think about the proper role of the Federal government.

Mr. LYNCH. Mr. Chairman, one day history will judge us and our stewardship of this country. Our children and grandchildren will ask whether we led this country soundly, meeting our challenges forthrightly and honestly, taking care of the most vulnerable among us, and preparing the ground for future generations, so that they may know peace and prosperity.

Mr. Chairman, I am afraid that instead of judging us as one of the Greatest Generations, we will be known simply as the Greedy Generation.

Once again the Majority has put forth a budget that would place a greater and greater burden of debt onto the next generation, so that we might take our tax cuts now. It's a budget that short-changes the promises we have made to our children's education, to our veterans' health, and to the safety and security of our communities, so that we may take our tax cuts now. During this time when we face some of the greatest challenges this country has ever known—the challenges of two and a half million jobs lost, of 43 million Americans without health insurance, of terrorists who still plot to do us harm—this Congress can apparently muster no more inspiring response than, "give us our tax cuts now."

Mr. Chairman, it's not hard to identify the many problems with this budget. Instead of ensuring that all our children have equal access to education and opportunity, this budget under-funds the No Child Left Behind Act by $8.8 billion. Instead of securing our nation's harbors and waterways, this budget proposes a 63 percent cut in port security grant funding. Under this budget, more than 250,000 families could lose affordable housing. Veterans will face millions of dollars in new enrollment and access fees for health care. The list goes on and on.

Mr. Chairman, I urge my colleagues to think about how we will be judged in the eyes of history. I urge my colleagues to reject this irresponsible budget resolution and let us work together, from both sides of the aisle, to head this country in a direction that makes us stronger, safer, and more prosperous.

Ms. McCARTHY of Missouri. Mr. Chairman, today I rise in strong support of the Democratic Leadership Substitute and in opposition to the Republican Budget, H. Con. Res. 393, which fails to meet the fiscal and societal challenges Americans face today. While the Republican budget focuses on a tax cut for only a few, slashes important funding for health care, veterans, education and environmental programs, and does little to revive the economy, the Democratic plan is a fiscally responsible solution to balance the budget, reign in the deficit, fund priorities, and promote job creation and economic growth.

The Democratic Leadership Substitute achieves a balanced federal budget within eight years and invests in meaningful job creation, education, veterans benefits, environmental protection, infrastructure and economic development.

Since 2001, the economy has lost more than 3 million private sector jobs. In the Kansas City Metropolitan Area in the past three years, 21,300 jobs have been lost. The Republican proposal we are considering today continues the Administration's same failed economic policies, which the Congressional Budget Office (CBO) has concluded will have, at best, a small impact on the economy over the next five years. Alternatively, the Democratic substitute promotes job creation by restoring funding to small business loan programs, job training and the Manufacturing Extension Partnership Program. Additionally, it extends temporary federal unemployment benefits for workers looking for jobs and extended tax cuts, such as the child tax credit and marriage penalty relief.

The Republican budget does not adequately fund our nation's top priority: homeland security. Of particular concern is its failure to fully fund our first responders including police, firefighters, and emergency medical service technicians. Federal funds for first responders is a top concern in my district and across the country, and the Democratic substitute ensures these needs by providing $5 billion in additional funding over the next five years. As a member of the Select Committee on Homeland Security, I support adequate funding for state and local governments to prevent and prepare for any type of terrorist threat.

The Democratic budget also restores funding to important veterans programs that the Republican resolution cuts. It provides the full funding level, $32.3 billion, requested for 2005 by the Committee on Veterans Affairs. Additionally, it includes $6.6 billion more than the Republican budget over the next five years for critical health needs.

The Republican budget resolution shortchanges authorized education programs by approximately $9 billion just as many costly federal mandates, such as annual testing and highly qualified teacher requirements, will take effect. It is unacceptable to impose federal mandates on the states without the funding necessary to fulfill them. As a formal teacher, I understand how important education is to the future of our children. The Republican budget also proposes the smallest overall increase for education programs in nine years. Additionally, it falls further behind on fully funding special education by proposing only a 0.5 percent increase in funding. Finally, it freezes Pell Grant funding, making college unaffordable for millions of low income students. Alternatively, the Democratic substitute provides $9.8 billion more for education and training programs over the next five years. It also restores $3.7 billion for Pell grants and additional funding to make college loans more affordable.

The federal budget resolution must fulfill the priorities of the American people. It must be fiscally responsible in ensuring our security, providing adequate funding for domestic programs, putting Americans back to work and balancing the budget. With passage of the Democratic Leadership Substitute, we can work together to put the priorities of the American people first.

Mr. Chairman, the Republican budget resolution fails to meet the fiscal challenges Americans face today and slashes programs that are their lifeline. I urge my colleagues to support the Democratic substitute as a more realistic budgetary solution that funds programs essential to those who seek the American dream.

Mr. STUPAK. Mr. Chairman, Michigan has one of the highest unemployment figures in the country, and that figure continues to rise. Michigan's unemployment rate is 7.6 percent, the Upper Peninsula's jobless rate is 8.6 percent, and Northeast Lower Michigan's jobless rate is 12.4 percent.

But the Republican budget does nothing to create jobs here at home or end incentives for companies to ship jobs overseas. It cuts small business investment and fails to extend unemployment insurance for millions of jobless Americans, including 335,868 unemployed residents of Michigan. And it includes new tax cuts—while our nation's checkbook sinks deeper in the red—with a $531 billion deficit.

I offered proposals that were rejected along partisan lines by the Rules Committee that would have put fiscal sanity into our budgeting process. My amendment said, no new tax cuts unless we have a surplus that can pay for it and no tax breaks for companies that ship jobs overseas.

Yes, we have to make hard choices given the record deficits we have today. However, I cannot choose tax cuts over the priorities of the working families and seniors of Michigan. At town hall meetings and in letters, my constituents tell me: protect our jobs and manufacturers, protect our Social Security and Medicare, fund education, provide affordable health care and make our communities safer. This budget shortchanges all of those priorities. Here are just two examples:

Michigan's Medicaid rolls have increased by almost 30 percent in the past four years. But this budget cuts Medicaid by $2.2 billion, while including a $46 billion dollar give-away to HMO's.

In Michigan, 128,900 manufacturing jobs have been lost since the beginning of 2001. The Manufacturing Extension Partnership (MEP) program has been highly successful in helping small Michigan manufacturers to modernize and stay competitive in the global marketplace. MEP has directly helped companies in my district including Horner Flooring of Dollar Bay and Jacquart Fabric Products in Ironwood, Michigan.

Rather than support the Republican blueprint, which makes an expanding deficit worse and under-funds veterans programs, health care, education, and first-responder programs, I support the Democratic and Blue Dog Democrat alternatives. Both combine fiscal responsibility with help for our working families. Unlike the Republican budget, the Democratic and Blue Dog alternatives would get us back on track to a balanced budget and include a "pay as you go" budget enforcement mechanism. Both plans repeal the marriage penalty and provide for a child tax credit that working families depend on during these uncertain economic times. And both make key investments in our job training, small business, health care, education, and veterans.

It is clear to me that these alternatives better reflect the values of Americans and the residents of the First District of Michigan, will create more jobs, and will restore fiscal discipline to Washington that I know the people of Michigan want and expect.

Mrs. DAVIS of California. Mr. Chairman, I request unanimous consent to revise and extend my remarks.

Mr. Chairman, I am here today because I am deeply concerned about the devastating impact House Concurrent Resolution 393 could have on my community of San Diego.

As many of you know, my home state of California is in the midst of its own budget crisis.

To cope with our oversized deficit, the Governor and State Legislature have had to make significant cuts to many of our most vital programs and services.

And as our State struggles to rebuild its economy, I am concerned that we are not taking the right steps here, in Congress, to provide States like California with the resources they need to maintain even the most basic day-to-day functions that our citizens have come to depend upon.

And when I look at the cuts this budget resolution makes to education, housing, the environment, veterans health care, homeland security, local law enforcement, and Social Security—I am concerned that this legislation fails to reflect the needs and priorities of San Diego's families and businesses.

To illustrate this point, I would like to talk about a few key areas that have been left behind by this resolution.

For example, this budget resolution deeply undercuts funding for homeland security, State and local law enforcement, and the community-based COPS Program.

People often forget just how much we rely on our local law enforcement personnel to defend our homeland security.

Short-changing police at the State and local level ultimately weakens our ability to defend our cities, ports, and borders.

With the terrorist bombing in Madrid just a few weeks ago, we are reminded of the need to expand our policing efforts to protect vulnerable targets like mass transportation.

Yet there are simply not enough law enforcement personnel in my district to patrol this critical infrastructure, and without adequate funding, it will remain that way.

San Diego is home to a busy international airport, a major port, Navy installations, Marine bases, and is adjacent to the busiest border crossing in the country.

We cannot afford these massive cuts in State and local law enforcement and homeland security.

Like so many other localities, our dedicated policemen and women want to help. But their hands are tied.

Mr. Chairman, the other issue I want to talk about today is just how destructive cuts to the section 8 program could be for San Diego.

My family and I have lived in San Diego for more than 30 years, and I will be the first to tell you how wonderful it is to call such a beautiful community home.

Unfortunately, with an average median home cost of more than $468,000, it has become unbearably difficult for many hopeful homebuyers to live in our great city.

And it is not just home prices that are increasingly out of range for the average citizen.

The average apartment rent in San Diego is over $1 thousand, and families need to earn more than $22 per hour to afford to rent a two-bedroom apartment.

Our waiting list for section 8 vouchers averages about 25 thousand individuals, many of whom have been on the list for 6 or 7 years before finally receiving a voucher.

I hear all too often stories of individuals or families struggling to make ends meet, yet are still unable to afford San Diego's housing or even rental costs.

I know of a retired minister in his seventies with a serious heart condition, who is constantly faced with the choice of filling his heart medication prescription or paying his rent.

There are residents in my district, who have been displaced and—unable to afford rent anywhere else—have been forced to live in motels or even in their own cars.

A San Diego paramedic with a wife and small children struggled to get by until they finally qualified to live in an affordable housing development funded by our local Housing Commission.

But just imagine—this man was saving lives in our own community and yet he was unable to afford to live there!

Mr. Chairman, it is just not right for our first responders and police officers to be priced out of the very community they put their lives on the line to protect each day.

Section 8 is a vital, successful program, and my community simply cannot afford to withstand the cuts proposed in this measure.

We should be doing more—not less—to help hard-working Americans find safe, affordable places to live, and I ask my colleagues to consider the critical shortfalls included in this budget when we vote on this resolution.

Mr. RUSH. Mr. Chairman, as a member of both the Congressional Black Caucus and the Energy and Commerce Committee, I rise in opposition to H. Con. Res. 393, the first concurrent resolution on the budget, which will set this House's spending and revenue priorities for the next fiscal year.

Mr. Chairman, I am opposing this resolution not only because it freezes the rate of growth in the domestic programs that are so important to my constituents—programs that fund education, health care, community development and affordable housing, but also, because does so while making additional future tax cuts permanent and because it devastates the Medicaid program by reducing it by $2.2 billion over the next 5 years.

Mr. Chairman, unlike the Republican leadership's budget resolution, both the Congressional Black Caucus substitute and the Democratic budget alternative promote necessary domestic investments in homeland security, education, job training, and workforce development. The Congressional Black Caucus substitute invests in education and the workforce by fully funding the No Child Left Behind Act and by extending unemployment benefits for those who have exhausted their regular jobless benefits.

Furthermore, neither the Democratic budget alternative nor the Congressional Black Caucus substitute reduce the Medicaid program.

Mr. Chairman, the Medicaid recipients and their families in my Congressional district want assurances from the leadership in this House that the critical needs that the most vulnerable in my State of Illinois will continue to be met.

Mr. Chairman, I urge my colleagues to join me in supporting the Congressional Black Caucus budget substitute and the Democratic budget alternative so that this Congress can work toward a sane and balanced budget policy which meets the critical needs of the citizens of this Nation.

Mr. EHLERS. Mr. Chairman, I know that the Budget Committee weighed several pressing national priorities as it prepared the FY 2005 Budget Resolution, including the continuing war on terrorism, facilitating economic stimulus, and maintaining fiscal responsibility.

I support the Budget Committee's determination to curb overall spending in this year's budget resolution. While I recognize that the Department of Defense (DOD) and the Department of Homeland Security (DHS) have critical funding needs, I am disappointed that Function 250, which includes basic scientific research and development, did not receive the same level of support. Function 250 was flat funded at $22.8 billion. This clearly does not provide necessary increases in critical basic science programs such as the National Science Foundation (NSF) and the Department of Energy's Office of Science.

I am a strong advocate of these programs, and those at the National Institute of Standards and Technology (NIST) and the National Aeronautics and Space Administration (NASA), because scientific research and development underpins our economic and national security. Scientific research and development forms the foundation of defense and weapons development, increased innovation, and economic vitality. Scientific research is an investment that promises, and has historically delivered, significant returns on that investment.

Basic research is essential to advances in medicine, military applications and continued economic prosperity, including the development of cancer therapies, GPS- or laser-guided missiles, and the Internet.

NSF is also the primary source of Federal funding for nonmedical basic research at colleges and universities. It underwrites the education of the next generation of scientists, engineers, and technical workers.

As a nation, we cannot afford to starve basic science research and education. Continued underfunding of scientific research and education will erode America's technical and scientific preeminence, diminish our ability to compete economically, and undermine our children's economic prosperity and national security.

While I am disappointed that the FY 2005 Budget Resolution does not increase basic research funding in function 250, I, along with many colleagues who also support science funding, will fight for these programs during the appropriations process. Even in a tight budget year, we must remember that we cannot afford to sacrifice the research and education which current and future generations need to ensure their economic prosperity and domestic security.

Mr. LARSON of Connecticut. Mr. Chairman, I rise today in opposition to House Concurrent Resolution 393, the budget resolution for Fiscal Year 2005. One of the main reasons why I oppose this budget resolution is because it appears to parallel the President's budget by also underfunding the Help America Vote Act (HAVA). I have strongly urged Congress to fully fund the Help America Vote Act (HAVA) for Fiscal Year 2005 and I believe that the funding levels incorporated into this resolution fail to do so.

It is disheartening that we are approaching the first presidential election since the 2000 voting irregularities and the President and Congress still appear unwilling to commit the financial resources needed to make HAVA's envisioned success a reality.

Despite overwhelming bipartisan support for HAVA's passage, this budget resolution seems to provide for only $65 million of the $600 million authorized in that landmark law for fiscal 2005.

Under HAVA, the Federal government authorized $3.9 billion to the States to upgrade their voting procedures in the wake of the 2000 election. State and local governments have traditionally borne these costs with virtually no assistance from Congress. By passing and signing HAVA into law, Congress and the President demonstrated that the Federal Government needs to provide States with a minimum of election-related resources and technical guidelines.

We must make this modest investment suggested in HAVA. If fully funded by Congress and the President, HAVA will strengthen confidence in our electoral process by facilitating the replacement of outdated voting equipment, the training of poll workers, and the development of improved election procedures.

Just this week, the new agency created by HAVA, the Election Assistance Commission (EAC), held its first public meeting to discuss election issues. The EAC is now our national resource for Federal election procedures. Thus, the EAC has a very important role in the future of our election process, and an equally important role in ensuring that we do not repeat the frustrations of the past.

Mr. Chairman, Congress should guarantee that the work of the Commission and other components of HAVA are provided for in our budget resolution, which is one of the reasons why I oppose House Concurrent Resolution 393 and would like to urge my colleagues to do the same.

Mr. CLAY. Mr. Chairman, I rise in opposition to House Concurrent Resolution 393—the House Budget Committee's Federal budget. This bill is nothing but fiscal illusion—it is unfair to the average American family and it is irresponsible public policy.

This budget proposal is designed to create record Federal deficits while decimating valuable domestic programs. Public education, transportation, veterans benefits, environmental protection and small business programs would all be drastically cut in order to increase defense spending and maintain tax breaks for a select wealthy few.

Unbelievably, this bill would gut the Social Security surplus in order to ensure that tax cuts for the wealthy are not jeopardized. Social Security is one of the most successful social programs any nation has ever established. It has provided a real and valuable safety net to millions of seniors and yet this budget would diminish it in order to advance a narrow agenda, an agenda that excludes our Nation's seniors, excludes our Nation's children, excludes our Nation's veterans, and offers very little to any citizen who is not part of a small powerful elite.

The House Budget Committee bill offers little for education over the next 5 years, providing $9.4 billion less than is authorized by No Child Left Behind, it also freezes funding for Pell grants, cuts funding for Perkins loans, and cuts vocational education by 25 percent.

And this budget guts $358 million for health programs in 2005, which is even less than the

President requested. And given what we know about the true cost of last year's Medicare Prescription Drug sham bill, it is hard to believe that this budget proposal offers nothing to help seniors with their prescription drug costs while providing $46 billion in special payments to HMOs.

Mr. Chairman, under the former administration the budget was balanced for the first time in a generation. Now the current administration has squandered that legacy, our $5.6 trillion surplus is gone and now this budget bill will help achieve a $3 trillion deficit.

Mr. Chairman, I support the Congressional Black Caucus Alternative Budget. This legislative proposal would invest in America's future without undermining fiscal stability. This budget plan will improve domestic programs that serve American families; it will increase funding for homeland security, environmental protection, rail transportation, health care and health research. It will also increase funding for veterans benefits and for educational programs including Head Start, No Child Left Behind, Safe and Drug Free schools, Perkins loans, Pell grants and job training, vocational education and adult education.

The Congressional Black Caucus raises revenues by rescinding tax cuts for those earning over $200,000 in gross income, it also plugs tax loopholes and eliminates tax avoidance schemes that feed the coffers of the rich and prevent us from paying down the Federal deficit.

Mr. Chairman, I support the CBC alternative budget as it is a fiscally sound budget that makes a real investment in our Nation's future.

Mr. ORTIZ. Mr. Chairman, House Republicans offer a budget today out of touch with reality, with everyday Americans and with basic math. It undermines veterans, working families, States, the southwest border, education, homeland security, military housing—and lays bare the real math beneath Medicare Reform.

This House budget provides $1.3 billion less than what the Veterans' Affairs Committee recommended—on a bipartisan basis—for these vital veterans health care programs. The Democratic budget provides the full committee-recommended level of $32.3 billion for 2005, and includes $6.6 billion more than the Republican budget over the next 5 years.

The Democratic budget will: improve access and reduce waiting time for all veterans; meet statutory requirements for long-term care by increasing the current number of nursing home beds to 1998 levels; reduce or eliminate the increased co-payments and enrollment fees proposed in the President's budget; increase funds for medical facility construction and renovation; and provide the resources necessary for more responsive reviews of claims and appeals.

Lord knows, Mr. Chairman, our veterans desperately need these improvements.

Basic complaints from veterans I have talked to in South Texas have focused on access, waiting times, and a severe lack of inpatient care in close proximity. We must be guided on spending for veterans by this fact: the numbers of soldiers coming home will rapidly increase the population of veterans needing services, from health care to education.

This year, accounting changes at CBO will kill the hugely successful Military Housing Privatization Initiative that leverages defense money to build quality housing for military families. This Budget Resolution effectively cancels adequate family housing for almost 50,000 military families.

I have a personal attachment to the housing privatization initiative—it was conceived in Kingsville, TX, out of a need to leverage Navy dollars for quality housing for military families. With toilets falling through the roofs of housing in South Texas—and no money to build other housing—the need was great—and so was our creativity.

The program was a great success. Defense Secretary Perry became a big fan of the program in its second year and then made it service-wide. This is the very best way to get better housing at our military bases, at the best price to taxpayers. I am disappointed that the budget does not meet the long-term needs of our veterans and our military families.

Mr. LEVIN. Mr. Chairman, I rise in strong opposition to the Republican budget resolution, and urge its rejection by the House.

Either budget deficits matter or they don't. If anyone here believes that deficits don't matter and that the Federal Government can continue to borrow and spend hundreds of billions of dollars each and every year in perpetuity, then you should vote for the Republican budget. Even if one takes the majority's budget resolution at face value, by its own admission the Republican budget adds another $1.35 trillion in red ink to our Nation's already soaring national debt over the next 5 years. In fact, the deficit would be far lower if the Speaker simply adjourned the House and sent it home for the next 5 years.

The reality is that the majority's budget cannot be taken at face value. This plan's deficit projections are understated. For example, the Republican budget provides $50 billion to cover the cost of military operations in Iraq and Afghanistan in 2005, but then includes nothing over the next 4 years. Does anyone here seriously believe that Iraq and Afghanistan will simply drop off the map and out of the budget after 2005?

The Republican budget also largely ignores the growing problem of the Alternative Minimum Tax. Some two and a half million households will get hit by this glitch in the Tax Code as they sit down to do their taxes this year, with the result that they will lose many of their itemized deductions and pay more taxes. The AMT problem gets worse year after year, affecting more and more middle class families. If this Congress does nothing, the number of households affected by the AMT soars to 12 million in 2005 and nearly 15 billion households in 2006. If we do nothing, the AMT will raise the taxes of 30 million taxpayers by 2010, and yet the Republican budget resolution assumes that Congress will do nothing to correct this growing problem in the Tax Code.

All of us know that we will have to address the AMT problem. According to the Congressional Budget Office, keeping the AMT at bay will cost more $600 billion over the next 10 years. Since the majority's plan does not budget for this expense, the funds needed will be put on the national credit card to be paid by our children.

The Republican plan seeks to lock in permanent tax cuts this year whose costs explode outside the 5 years covered by this budget, including the tax cuts for the very wealthy. The majority's budget puts its tax breaks for the very wealthy ahead of everything else: ahead of deficit reduction; ahead of preserving Social Security for the impending retirement of the Baby Boom generation; ahead of Medicare; ahead of veterans programs; ahead of needed investments in education, transportation, environmental protection, and health care. Even worse, the Republican tax cuts are heavily tilted to the very wealthy.

I believe that deficits do matter. Because of the bankrupt policies of the Bush administration and the majority party, the Federal Government will need to borrow half a trillion dollars this year alone. If this House approves the majority's budget resolution, you dig the deficit hole deeper year after year to the tune of several hundred billion dollars each and every year. This is not a sustainable policy, and it is a terrible legacy to leave our children.

I urge the House to reject the Republican budget and vote instead for the budget alternative offered by Representative SPRATT. The Spratt alternative balances the budget, provides middle-class tax relief, and funds national priorities such as education, environmental protection, veterans benefits, and health care.

The CHAIRMAN. All time for debate has expired. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LATOURETTE) having assumed the chair, Mr. SIMPSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting for appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, pursuant to House Resolution 574, he reported the concurrent resolution back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on agreeing to the concurrent resolution.

Under clause 10 of rule XX, the yeas and nays are ordered.

This vote will be followed by a 5-minute vote on H.R. 3095 under suspension of the rules.

The vote was taken by electronic device, and there were—yeas 215, nays 212, not voting 7, as follows:

[Roll No. 92]

YEAS—215

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert

Camp
Cannon
Cantor
Capito
Carter
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Dunn
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger

Hobson
Hoekstra
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Pearce
Pence
Peterson (PA)
Petri
Pickering

Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—212

Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Castle
Chandler
Clay

Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Duncan
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner

Frank (MA)
Frost
Gephardt
Gonzalez
Goode
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hefley
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hostettler
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (NC)
Jones (OH)

Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald

Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Renzi
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin

Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shays
Sherman
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—7

Abercrombie
Ford
Lucas (KY)

McInnis
Quinn
Tanner

Tauzin

☐ 1820

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

COMMUNITY RECOGNITION ACT OF 2004

The SPEAKER pro tempore (Mr. LaTourette). The unfinished business is the question of suspending the rules and passing the bill, H.R. 3095, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. Sensenbrenner) that the House suspend the rules and pass the bill, H.R. 3095, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 374, nays 2, not voting 57, as follows:

[Roll No. 93]

YEAS—374

Aderholt
Akin
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)

Bartlett (MD)
Barton (TX)
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)

Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boswell
Boucher
Bradley (NH)
Brady (PA)

Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
English
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Flake
Foley
Forbes
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)

Green (WI)
Greenwood
Grijalva
Gutierrez
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hobson
Hoeffel
Hoekstra
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Matheson
Matsui
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McIntyre
McKeon
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald

Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Murphy
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)

Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—2

Gutknecht
Kline

NOT VOTING—57

Abercrombie
Ackerman
Alexander
Bass
Berry
Biggert
Bonner
Boyd
Buyer
Carson (OK)
Clay
Cox
Davis (TN)
Deal (GA)
Dooley (CA)
Doyle
Engel
Evans
Everett
Feeney
Ford
Gephardt
Gillmor
Hall
Harris
Hinchey
Hinojosa
Holden
Hulshof
Isakson
Jefferson
Jones (NC)
LaHood
Leach
Lipinski
Lowey
Lucas (KY)
Marshall
McCarthy (MO)
McInnis
Meehan
Moran (VA)
Murtha
Obey
Pelosi
Quinn
Rangel
Reyes
Schrock
Sessions
Smith (MI)
Stark
Sullivan
Tanner
Tauzin
Turner (OH)
Vitter

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

☐ 1829

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. McCARTHY of Missouri. Mr. Speaker, on rollcall No. 93, on H.R. 3095, had I been present, I would have voted "yea."

Mr. HINOJOSA. Mr. Speaker, on rollcall No. 93, had I been present, I would have voted "yea."

FURTHER MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 1997. An act to amend title 18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes.

PERMISSION FOR COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE TO HAVE UNTIL MIDNIGHT, MONDAY, MARCH 29, 2004, TO FILE REPORT ON H.R. 3550, TRANSPORTATION EQUITY ACT: A LEGACY FOR USERS

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that the Committee on Transportation and Infrastructure have until midnight, Monday, March 29, 2004, to file a report to accompany the bill, H.R. 3550, to authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alaska?

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON INTERNATIONAL RELATIONS

The SPEAKER laid before the House the following resignation from the Committee on International Relations:

MARCH 22, 2004.

Hon. DENNIS HASTERT,
Speaker, House of Representatives, H-232 The Capitol, Washington, D.C.

MR. SPEAKER: It has been a privilege and an honor to serve as a member of the Committee on International Relations. I am proud of our achievements on the committee and I will continue to be involved in matters of foreign policy. Unfortunately, I am writing you today to let you know I will be giving up my seat on this committee.

Effective March 26, I hereby resign from the Committee on International Relations.

Sincerely,

CHRIS BELL.

The SPEAKER pro tempore. Without objecton, the resignation is accepted.

There was no objection.

LEGISLATIVE PROGRAM

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, I rise for the purpose of asking the majority leader the schedule for the week to come.

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, next week the House will convene on Monday at 12:30 p.m. for morning hour debates and 2 p.m. for legislative business. We will consider several measures under suspension of the rules, and a final list of those bills will be sent to Members' offices by the end of this week. Any votes called on these measures will be rolled until 6:30 p.m.

On Tuesday, the House will convene at 12 p.m. We plan to consider additional measures under suspension of the rules, as well as H.R. 3966, the ROTC and Military Recruiter Equal Access to Campus Act. Next week we also expect to consider H.R. 3550, the TEA-LU highway bill.

Finally, I would like to remind all Members that next week is a full 5-day work week. We may work some late nights as we work to complete these important pieces of legislation. I am happy to answer any questions.

☐ 1830

Mr. HOYER. I thank the majority leader for the information.

First of all, Mr. Speaker, on the highway reauthorization bill, can the majority leader give us some view? I see the chairman of the Committee on Rules is on the floor. Can the gentleman from Texas give us some view of the rule under which the majority contemplates consideration of the highway bill?

Mr. DELAY. While I would defer to the Committee on Rules who should have an announcement regarding amendments very shortly, I anticipate that they would make in order a variety of amendments and call for a very lengthy debate.

Mr. HOYER. I thank the gentleman. Obviously this is a very important bill. I think most of us believe it is very important to pass this bill.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from California.

Mr. DREIER. The distinguished majority leader is correct that we do hope to have a wide-ranging debate. I would just like to say that the announcement that I will make in just a few moments when the colloquy is completed will be calling for a structured rule, and what I wanted to say is that we have had a tradition in the past for consideration of these transportation authorization bills of a structured rule which has made in order a certain number of amendments. I just wanted to say, under both Democratic and Republican majorities, that has been the pattern. I thank my friend for yielding.

Mr. HOYER. I thank the chairman for his comments. I understand the background. As long, obviously, as we do have, within the structured rule, an opportunity to debate different points of view, that will be, I think, helpful to all the Members.

The gentleman from Texas did not mention in his initial discussion of the schedule whether or not there was any plan, at least on Monday, to do anything with respect to going to conference on the budget or instructions. Can we assume from that that there will be no action on the budget going to conference, at least on Monday night?

Mr. DELAY. I appreciate the gentleman reminding me. The gentleman knows, of course, that the other body has already passed their version of the budget resolution; and in working with the other body, I really anticipate moving to go to conference on the budget as early as Monday afternoon of next week.

Mr. HOYER. I am going to go back. There will be no votes until 6:30 on Monday.

Mr. DELAY. That is correct.

Mr. HOYER. I had asked the gentleman from South Carolina (Mr. SPRATT) whether or not he contemplated any action on Monday. He indicated that he had not. Subsequently, the gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) have talked, but I do not know whether the gentleman from South Carolina knows that at this point in time. Do we know whether they have really made a decision on that? I know the gentleman hopes to do that, but would it be fair to believe that this matter is still under consideration, or is the gentleman positive that there will be action on Monday afternoon?

Mr. DELAY. All I can tell the gentleman is what I know and what I have been advised of. I have been advised that the Budget Committee, at least the House, and the conference committee wanted to start meeting as early as Tuesday morning. In order for that to happen, we would have to go to conference Monday evening.

Mr. HOYER. Mr. Leader, let me correct for the record because I was in error, it is my understanding that Mr. Kahn has been told, who is our chief clerk on the Budget Committee. I am sure that the gentleman from South Carolina now knows. I thank the leader for his comment. I wanted to clarify that, that we have received, apparently, notice.

Is it the majority leader's thought in light of the fact that we will be leaving next Friday for a 2-week break, district work period, that the conference report will be returned to the House next week? Would it be the gentleman's expectation that we might take up the conference report next week?

Mr. DELAY. Certainly we would like to reach an agreement with the Senate prior to our district work period. For that reason, Members really should anticipate a very long workweek next week, because we would want to give the House and Senate negotiators all the time that they need in order to hopefully get this done and passed by both Houses before we leave next week. I know that is asking a lot of Members, but it would be nice if we could get the budget done before we break for the district work period.

Mr. HOYER. I thank the gentleman for his comments. One additional, and I think final, item, the continuity of Congress challenge that we have has been discussed. There are obviously a number of different proposals, including constitutional amendments, as well as legislative action, as well as rules considerations. We have heard on this side there may be something happening next week. The gentleman did not mention it in his announcement. Can he tell us whether or not there is any possibility of having that matter on the floor next week.

Mr. DELAY. I appreciate the gentleman asking about the continuity in Congress bill. We had it sort of waiting in the wings, but it looks like next week is going to be a pretty full week, and we may have to look for another time to bring that bill to the floor.

Mr. HOYER. I thank the gentleman for that information.

Reclaiming my time, I think we still have some work to do on that, hopefully in a bipartisan fashion. This is obviously a critical problem confronting the Congress and the American people. Hopefully, perhaps, we can reach some agreement on that. If we had some extra time, that might be possible.

Mr. DELAY. I want to congratulate the gentleman, because I know he has worked on it and others have. I have been very pleased with the bipartisanship that has been exhibited in working on this continuity of government bill. I am very pleased that it is coming along. I think we can continue to work together and come to some sort of solution to protect this House in case of some calamity.

Mr. HOYER. I thank the leader for his comment.

ADJOURNMENT TO MONDAY, MARCH 29, 2004

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday, March 29, 2004, for morning hour debate.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DELAY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT PROCESS FOR CONSIDERATION OF H.R. 3966, ROTC AND MILITARY RECRUITER EQUAL ACCESS TO CAMPUS ACT OF 2004

Mr. DREIER. Mr. Speaker, the Committee on Rules may meet the week of March 29 to grant a rule which could limit the amendment process for floor consideration of H.R. 3966, the ROTC and Military Recruiter Equal Access to Campus Act of 2004. The Committee on Armed Services ordered the bill reported on March 17 and filed its report in House on March 23.

Any Member wishing to offer an amendment should submit 55 copies of the amendment and one copy of a brief explanation of the amendment to the Rules Committee in room H–312 of the Capitol by 1 p.m. on Monday, March 29. Members should draft their amendments to the text of the bill as reported by the Committee on Armed Services.

Members should use the Office of Legislative Counsel to ensure that their amendments are drafted in the most appropriate format. Members are also advised to check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

AMENDMENT PROCESS FOR CONSIDERATION OF H.R. 3550, TRANSPORTATION EQUITY ACT: A LEGACY FOR USERS

Mr. DREIER. Mr. Speaker, the Committee on Rules may meet the week of March 29 to grant a rule which could limit the amendment process for floor consideration of H.R. 3550, the Transportation Equity Act: A Legacy For Users. The Committee on Transportation and Infrastructure ordered the bill reported on March 24.

Any Member wishing to offer an amendment should submit 55 copies of the amendment and one copy of a brief explanation of the amendment to the Rules Committee in room H–312 of the Capitol by 10 a.m. on Tuesday, March 30. Members should draft their amendments to the text of the bill as reported by Committee on Transportation and Infrastructure which is available for their review on the Web sites of both the Committee on Transportation and Infrastructure as well as the Committee on Rules.

Members should use the Office of Legislative Counsel to ensure that their amendments are drafted in the most appropriate format. Members are also advised to check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House.

MOURNING THE PASSING OF ROBERT N. BROWN, COLUMBUS, INDIANA, NEWSPAPER PUBLISHER

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, today the city of Columbus, Indiana, bid farewell to one of its great sons Robert N.

Brown. Robert N. Brown was born 83 years ago in the city of Columbus. During the course of his lifetime, he was a publisher of newspapers, a founder of newspapers, a World War II veteran who went ashore on Omaha Beach on D-Day Plus 3, the proud father of four and grandfather to many, many more in our community. It was my privilege to offer the eulogy today at First Christian Church in Columbus, Indiana.

I rise today to offer my condolences to the family and to the community at his loss. May he and his family feel the peace of Christ in this time of loss.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

GREEK INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

GENERAL LEAVE

Mrs. MALONEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of my Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. MALONEY of New York. Mr. Speaker, I rise with my colleague and dear friend, the gentleman from Florida (Mr. BILIRAKIS), with whom I founded and cochair the Hellenic Caucus to celebrate the 183rd anniversary of Greece's declaration of independence from the Ottoman Empire. March 25 has the same resonance in Greece that July 4 has in the United States.

Democracy traces its earliest roots back to ancient Greece, but it developed new strength in modern times from American colonists who demanded independence from Great Britain. When the Greeks of 1821 fought for independence from Turkey, they truly drew inspiration from the ideals and institutions of the fledgling United States. After 400 years of Ottoman rule, the Greeks began an 8-year battle that ended with the defeat of the Turkish Army.

Just as our defeat of the British Army was remarkable, so too was the Greeks' ability to defeat the Ottomans, a tremendous achievement. Against impossible odds, the Greeks broke free of one of the most powerful empires in history and gained their independence.

□ 1845

Mirroring our patriotic displays on July 4, Greeks celebrate this day with parades, speeches and parties. As many of my colleagues know, New York City is the home of the largest Hellenic population outside of Greece and Cyprus.

Western Queens, which I have the honor of representing, is often called Little Athens because of the large influence from Greece and Cyprus in that neighborhood. Recognizing the many similarities between our nations, it is a pleasure to take time to pay tribute to the Hellenic American community for their many contributions to America. We also honor the Federation of Hellenic Societies, which will lead the Greek Independence Day Parade in Manhattan.

As the Olympics return to Greece this summer, they have wisely chosen the Olympic spirit as the theme of this year's parade. I am pleased to recognize this year's Grand Marshals, my friends Demetrios and Georgia Kaloidis and John and Margo Katsimatidis and Honorary Marshals Yiannis Skoularikis and George Papageorgopoulos. They will be accompanied by the Federation President, Apostolos Tomopoulos, and I will place in the RECORD the many names of the leaders of the Hellenic community who will be participating this weekend.

In the year 2004, a vibrant Greek democracy once again serves as an inspiration to its neighbors and the free world. As discussions progress toward an end to the 30-year division of Cyprus, we hope that the serious concerns of the Hellenic Cypriot American community will be reflected in the final agreement.

Forty-six members of the Hellenic Caucus joined in a letter to Secretary Colin Powell and Secretary General Kofi Annan to express their hope that any agreement will recognize, among other provisions, property rights, the demilitarization of Cyprus, the establishment of the legal obligations of the guarantor powers, and the presence of United Nations troops throughout the transition.

I also led a delegation of members of the Hellenic Caucus who met with Secretary General Kofi Annan last Friday to discuss the negotiations regarding the reunification of Cyprus before it enters the European Union on May 1. We expressed our support for the Secretary General in bringing the parties to the bargaining table, but expressed concerns regarding some of the issues that remain open: property rights, governance, free movement between Greek and Turkish areas of the island, and the pace of demilitarization of the island.

In particular, we raised questions about the ability of Cypriots to regain property that was seized or to receive fair compensation, how compensation would be funded, the unfairness of asking Greek Cypriots to foot the bill for buying back their own property, the ability of Greek Cypriots to have at least the same rights to acquire property in Turkish neighborhoods as foreigners do.

We stressed the importance of having a central government that has the ability to make decisions, and we expressed concern about limitations on the ability of Cypriots to travel unimpeded to all areas of the island.

While we applauded the plan to reduce the number of troops occupying the island, we expressed the hope that the U.N. troops would remain available to monitor the situation in Cyprus for as long as possible. We are hopeful that as the next round of negotiations take place, Secretary General Annan will do everything possible to ensure that our concerns will be addressed so that the final settlement will be acceptable to all Cypriots and Turks when it goes to the vote on the island.

I congratulate the Federation for honoring the Olympics in a year in which the games will be returning to their birthplace, Greece. The world has truly benefited from the ancient Hellenic tradition of allowing athletic competition to triumph over political differences.

I hope this Greek Independence Day will be a symbol of independence for all enslaved people, and we hope for the reunification of Cyprus and its entrance into the European Union. And, finally, Zeto e eleftheria.

Mr. ROTHMAN. Mr. Speaker, I rise today to pay tribute to Greek Independence Day and to thank our colleagues, Mr. BILIRAKIS and Mrs. MALONEY, who have once again shown great leadership in their efforts to organize this special order for Greek Independence Day.

I would like to honor not only this important day in Greek history, but the strong and unique relationship that exists today between the United States and Greece. The evolution of modern democracy has its roots in ancient Athens, and as such, it is only fitting that we, as representatives of one of the world's great democracies, pay tribute to the Greeks and their historical contribution to democratic governance on this 183rd anniversary of their independence.

Since the people of Greece declared their independence on March 25, 1821, our two nations have enjoyed close relations, and generations of Greek immigrants have helped to strengthen and enrich the relations between our two countries. As the Congressional Representative for thousands of Greek Americans, I salute their motherland's eight-year struggle for independence from the Ottoman Empire. Our countries' shared histories of fighting for our freedom and sovereignty creates a common bond between the United States and Greece.

Today, the United States' relationship with Greece continues to grow stronger. Greece has been a devoted supporter of the U.S. in every major international conflict of this century and plays an important role in both the European Union (EU) and the North Atlantic Treaty Organization (NATO). Greece has been one of our most loyal allies throughout our war against terrorism and has assisted the Coalition in both Iraq and Afghanistan by providing a military presence on land, sea and in the air. In turn, the United States has worked to attain a peaceful settlement to the conflict in Cyprus, the island nation that was brutally invaded by Turkey thirty years ago. I was saddened to see the UN-sponsored negotiations break down recently, so soon before Cyprus's impending accession to the EU on May 1st, but I will continue my efforts to see this important matter through to its successful resolution.

On this celebratory day of freedom and independence, I also want to heartily congratulate the Greek nation on the honor of hosting the Olympic Games in Athens this summer. I cannot think of a more meaningful place to celebrate the spirit of extraordinary achievement than in Athens, nearly 2,780 years after the first Olympics were held in ancient Greece. I look forward to sharing in the pride and celebration of the Olympic Games as they take place this summer and I look forward to continuing to work with leaders from the Greek community as we persist in our fight for a free and united Cyprus.

Ms. HARMAN. Mr. Speaker, as Greece celebrates its 183rd anniversary of freedom and the successful struggle for independence, I join my colleagues in congratulating the people of Greece and in extending heartfelt congratulations to those of Greek descent everywhere.

Greek Independence Day—like America's Fourth of July—is a celebration of a love of freedom and self-government. As the world's first democracy, ancient Greece was a model and a source of inspiration to our Founding Fathers.

In addition to shaping our early beginnings, modern Greece has been a strong friend and ally to the United States. Millions of Greeks have immigrated to the US and the contributions these families and individuals have made to our nation and communities have been immeasurable.

As a member of NATO, Greece has helped ensure the security of Europe's southern flank. But, in addition to a strong relationship that is steeped in common culture and philosophy, the US and Greece are also connected by recent history. On September 11, Greece lost twenty-one citizens at the World Trade Center. We share in their grief and note that, since then, Greece has stepped up its efforts to combat terrorism at home and abroad. And, on the eve of the Olympics, Greek officials are working hard to ensure the safety of the thousands of visitors who will be in Athens celebrating these historic and exciting games.

Mr. Speaker, I am proud to join my colleagues who are also committed to strengthening US-Greek ties and to working on issues of mutual interest. There are many international as well as regional challenges we can only solve through cooperation and mutual respect.

Mr. DOYLE. Mr. Speaker, I rise to honor Greece, one of America's greatest allies and sources of inspiration, on the 183rd anniversary of its independence from the Ottoman Empire.

Greek Independence Day marks the return of independence to the birthplace of democracy. The Ancient Greeks profoundly shaped western culture. Many of the fundamental elements of our modern culture can be traced back to them—logic, mathematics, the empirical method of scientific discovery, and of course many of the political and philosophical ideals embraced by our Founding Fathers, especially that of self-governance—originated with the ancient Greeks.

Today, Greece is one of our staunchest allies. It was one of the first countries to express solidarity with the United States after 9/11, and it has contributed significantly to the global war against terrorism through its military and humanitarian missions.

Greek-Americans in my district of Pittsburgh, Pennsylvania, and throughout the United States can celebrate this day with pride as they continue their rich tradition of philanthropy, civic duty, and education. Indeed, Greek-Americans have contributed greatly to the American way of life. Their commitment to family, community, and this nation are an inspiration to us all.

I hope that my colleagues and the American people will join me today in honoring Greek Independence Day and the continued democratic friendship that exists between our nations.

Mr. SMITH of New Jersey. Mr. Speaker, the 183rd anniversary of Greece's revolt against the Ottoman Empire is an opportune time to congratulate the people of Greece for their ability to prevail against great odds in creating their modern, progressive state. Having just returned from Athens with my colleagues BEN CARDIN, and following the recent elections that resulted in a change in government, I think we should take this opportunity also to review the numerous challenges Greece faces if she is to meet her obligations as a participating State of the Organization for Security and Cooperation in Europe.

Since 1821, the people of Greece have overthrown the Ottoman Empire, survived a war with Turkey which created 1.3 million refugees, turned back an invasion by Italy and suffered through occupation by Nazi Germany. Since World War II they have lived through a full-fledged civil war against communism in which 100,000 Greeks were killed and 700,000 were internally displaced. And, from 1967 through 1974, they were under the control of a right-wing military junta. It is important to remember this tumultuous history of Greece when we acknowledge their success, and when we discuss outstanding issues.

Security for this summer's Athens Olympic Games is a matter of concern among Members of Congress due to our ongoing War against terrorism. The United States has helped Greece by providing funding and manpower to develop as fine a security system as possible, and I hope the American people will take advantage of the joint efforts between our government and the Government of Greece and enjoy the Games.

As Chairman of the U.S. Helsinki Commission, I am concerned also about the efforts Greece must make to fulfill her OSCE human rights obligations, particularly those involving trafficking in persons, freedom of religion and rights of the Greek Roma minority.

Through the assistance of Ambassador Thomas Miller, Rep. CARDIN and I met with officials of the Government of Greece and representatives of various NGOs to discuss Greece's progress in addressing and solving problems involving human trafficking. As the author of the US Trafficking Victims Protection Act, I am concerned that Greece has just barely moved from Tier Three to Tier Two. The police-based Committee on Trafficking, created in November 2001, clarified how their victims of trafficking screening process works and reported that in 2003, 49 criminal organizations had been broken up with 284 arrests, and 93 victims had been liberated with 28 characterized as victims. Others did not get victim status because they either opted to go home or were in Greece legally with passports. They described their two major anti-trafficking units, in Athens and Thessaloniki, and the training in anti-trafficking that is being taught at all levels of the police academies. The Committee has produced, in thirteen languages, "Know Your Rights," a pamphlet explaining to the trafficked steps toward safety. Victims are sent to NGO-supported shelters. After touring a shelter in Athens we were struck by the positive attitudes of the women, and came away with renewed hope for them. While these are all positive steps, the visit made clear that Greece needs to put more effort and funding into curbing human trafficking, especially in supporting the NGOs who are providing critical services in the field. I urge the new government of Prime Minister Karamanlis to focus on this issue.

We sought clarification of the problems non-Orthodox religious believers face in Greece and met with Muslim, Jewish, Protestant and Catholic religious leaders. The Thrace Muslim Association pointed out that although there are more than 11,000 Muslims in Athens, there is no mosque, and yet 22 unofficial houses of prayer with no imam. As there is no Muslim cemetery, Muslim dead must be transported over 800 kilometers to Thrace for proper burial. Ironically, there is a new mosque being constructed in Athens—it is nowhere near where the Muslims live, and it will be funded by Wahabi Saudis, a sect not particularly welcome by the local Moslem community nor by the Greek Government. We heard their complaints about limited military promotions, no work in the judiciary, limited job availability, and a poorly applied immigration law. Non-Orthodox Christian leaders spoke about discrimination as opposed to persecution, emphasizing the need to change society for their acceptance.

Greek Jews—the Jewish community that, at 80 percent, lost a larger portion than any other country under the Nazis—number around 10,000, concentrated in Athens and Thessaloniki. With 3 functioning synagogues, Rabbis must be brought in from other countries for the High Holidays. We were told "anti-Semitism is not widely and visibly expressed, but is expressed in many ways." The press is anti-Semitic under the guise of anti-Zionist or anti-Israeli statements, and is pro-Palestinian Liberation Army. School texts continue to have anti-Semitic materials and lack acknowledgement of the Holocaust, but have improved since the past. Vandalism of Jewish sites occurs, with little to no police follow-up.

Finally, we visited the relocated Roma camp in Spata, near the Athens airport, which is on an abandoned toxic NATO dump. They lack reliable running water or sewers, which is justified by the authorities since this is an illegal settlement on airport land, yet the 24 families, all with legal papers, live in portable homes supplied by the municipality and the children go to public school. They are never visited by local authorities, including doctors, despite promises. Their village is only accessible by terrible mud roads, which become a barrier in wet weather. It became clear that the two most important things needed for this community are permanent homes and a job for everyone that is seeking the opportunity.

These are snapshots of Greece, the invisible Greece that tourists and the outside world, even many Greeks, never see. Trafficked women who are forced to serve as sex slaves. Jews, Muslims and non-Orthodox Christians treated as second-class citizens. And Greek Roma whose basic needs are disregarded.

Yes, we should commemorate the 183rd anniversary of the fight for freedom, but still must wait for all Greeks to equally share that freedom.

The new government under Prime Minister Karamanlis has a great opportunity to step forth and work toward solutions in these matters. In my capacity as OSCE Parliamentary Assembly Special Representative on Human Trafficking Issues, and as Chairman of the U.S. Helsinki Commission, I look forward to working with the Prime Minister and with Greek parliamentarians to help find answers to these problems.

Mr. VAN HOLLEN. Mr. Speaker, on March 25, 1821, after nearly 400 years of Ottoman rule, Greece became an independent state. But, even before there was a state, the influence of the Greek people was well established by their countless contributions to art, sport, culture, literature and government. No Congressional recognition of Greek Independence Day, can be made without an acknowledgment of the profound contribution the Greek people have made to the pursuit of democratic ideals here in the United States and the world over.

Every school-aged child is familiar with the story of how the Founding Fathers modeled the framework for American government on principles first laid down and discussed by the ancient Greeks thousands of years ago. Thomas Jefferson called ancient Greece, "the light which led ourselves out of Gothic darkness." Today, as we meed to celebrate Greek Independence Day, and celebrate the Greek-American heritage that continues to strengthen our communities and enrich our society, let us also recognize the influence the Greek people, past and present, have had on the strength of our democracy.

Greece and the United States are bound by history, mutual respect, and common ideals. In the coming year, the world will converge on Greece to participate in the Olympic Games, the largest pageant of ahtletic skill and competitive spirit on the planet. On Greek Independence Day, as we pause to reflect on the many ways Greece continues to touch our lives, I encourage all Americans to celebrate the contributions the people of Greece and Greek Americans have made to our country.

Mr. LEVIN. Mr. Speaker, I rise today, as a Member of the Hellenic Caucus, to celebrate the 183rd anniversary of Greek Independence Day. Today, the Olympic flame was lit in Olympia, Greece marking the day in the Julian calendar that the Modern Games began in Athens in 1896.

It is fitting that the Olympic torch returns to its homeland, as we mark the independence of a nation Thomas Jefferson called "the light which led ourselves out of Gothic darkness." Ancient Greece sparked many flames of political, social, and artistic innovation—the philosophy of Plato and Socrates, the plays of Sophocles and Aristophanes, and the epic poetry of Homer.

But Ancient Greece's greatest legacy is the establishment of democratic government and the Hellenic belief that the authority to govern derives directly from the people. After 400 years of rule by the Ottoman Empire, independence was especially meaningful to the people who burn with a deep rooted commitment to freedom. Greek ancestors passed on the traditions of liberty and freedom, of hard work and an appreciation of culture to their children and grandchildren, many of whom are proud Greek Americans and continue to provide important contributions to American life.

Today Greece is a true ally of the United States, a valued partner in NATO, and host to the world for the 2004 Olympics in Athens. My district celebrates the Greek heritage as an important part of community providing diversity and culture to our churches, schools, and neighborhoods.

Mr. Speaker, I congratulate Greece for its contributions past and present, as they continue to light flames of freedom.

Ms. BERKLEY. Mr. Speaker, I rise today in recognition of the 183d anniversary of Greek Independence Day. Nearly two centuries ago, a small band of dedicated patriots rose up to end four centuries of oppression and foreign domination of their homeland. The great Greek thinker Herodotus once wrote "Great deeds are usually wrought at great risks." Today, Greeks worldwide join in celebration of this great deed and honor the bravery and self-sacrifice of this small band of heroes.

Twenty-five hundred years ago, the birth of democracy in Greece ushered in one of the golden ages of world history. The ancient Athenians created a civilization unparalleled in its original thinking and in its contributions to Western thought. They created a culture which not only valued human life and dignity, but saw the dawn of a new era in political and social thought and artistic and scientific innovation.

Thomas Jefferson called ancient Greece "the light which led ourselves out of Gothic darkness." In fact, our founding fathers drew heavily on the political experience and thinking of the ancient Greeks. Many of these great philosophers are honored in the House chamber, their faces adorning the walls above the visitors gallery. If ancient Greece's greatest accomplishment is the establishment of democratic government, then its greatest legacy is the enshrining of these principles in American law and the founding of our Constitution.

Barely a generation after our own struggle for independence, Greek patriots turned to the American Revolution for inspiration in their struggle for liberty. They saw in the success of our Republic the hope for their own future. Many Americans fought alongside the Greeks, and this Congress sent supplies to aid the patriots in their quest for freedom.

My grandmother comes from the Greek town of Soliniki. Although her family was forced to flee, they maintained their Greek roots. I was raised in a household that celebrated both our Judaism and our Hellenic background. Last year, I was fortunate enough to return to my family's ancestral home and bring back a small jar of soil. It brightened my mother's final days to finally see and touch the soil of her ancestors.

Last year, when I visited Greece, I was impressed by the graciousness and hospitality of the Greek people, which made me even more proud of my Greek ancestry. America has cultural roots in the classical history of Greece, and I believe our shared heritage can draw us closer together on bridging the boundaries between East and West.

Mr. LANTOS. Mr. Speaker, it is a great honor for me to pay tribute on Greek Independence Day to one of the United States' most important allies—and one that is held in such deep affection by millions and millions of Americans.

Western civilization as we know it today owes a profound debt and, indeed, its very origins, to Greece. Classical Greek philosophy, sculpture, and theater set standards to which today's practitioners still aspire. And, as the cradle of democracy, Athens is the spiritual ancestor of our own Republic. The very word democracy comes from Greek, and so when we speak of the principles most dear to us, we are, in effect, speaking Greek.

The history of Greek independence is one of the inspiring stories of our time. It is the tale of the revival of a great and ancient people through sheer commitment, sacrifice, and love of freedom and heritage. Transmitted through the generations, the ideals of the ancient Greeks inspired their revolutionary descendants in the 19th century, when gallant stalwarts of the War of Independence such as Theodore Kolokotronis and Rigas Velestinlis wrote of their belief in the rights of man.

The histories and fortunes of the United States and Greece have been intimately intertwined ever since the beginning of modern Greek sovereignty. The cause of Greek independence evoked sympathy throughout the Western world. Well known is Lord Byron, whose uncompromising commitment to Greece was epitomized by his declaration "In for a penny, in for a pound." Less renowned but no less committed were the many American Philhellenes, who repaid their debt to Greek culture by crossing the ocean to fight for Greek liberation. I am pleased that these American citizens were honored with a monument in Athens 4 years ago.

Greek citizens also crossed the ocean in the other direction, emigrating to the United States, where they enjoyed great success and shared their prosperity with their kinfolk in their original homeland. They have served as a bridge of understanding between our two nations, and they have refreshed America with their spirit, their patriotism, and their hard work. Today, some 5 million Americans claim Greek ancestry, with understandable pride.

Greece is one of less than a handful of nations which have stood shoulder-to-shoulder with the United States in every major war of the 20th century. Our close relations became even closer after World War II. The Truman

Doctrine helped save Greece from communism, indeed helped save it for the Western world, and the Marshall Plan helped in its economic regeneration. In 1952, Greece joined NATO, formalizing the deep, mutual commitment of Greece and the rest of the Western world to protecting freedom.

In more recent times, Greece has been one of the world's amazing success stories. A full-fledged member of the European Union for two decades, Greece has become increasingly prosperous; it has whipped chronic inflation and qualified to join the "Euro currency zone." This year we celebrate the passage of three decades since modern Greece reclaimed its mantle as a democratic role model for the nations of the world. Its once unsettled domestic politics has long since given way to an incontestably stable, yet colorful, democracy. Just this month, we once again witnessed the peaceful electoral transfer of power from one democratic party to another.

This year we have more reason than ever to celebrate the legacy of Greece, as the Olympics return to their birthplace and real home. Just as Greeks gave the world democracy, so they taught us the Olympic ideals of peace, cooperation, and fair and noble competition. And so it is appropriate that Athens, the city that first lit the torch of Democracy, now plays host to the Olympic flame.

Greece remains our critical strategic partner in today's post-cold-war world. We cooperate closely in promoting peace and stability in the Balkans. Economic ties with Greece are vital to virtually every Balkan state. Athens has been a firm supporter of efforts to settle the Cyprus problem, and it remains committed to a just, lasting, and democratic settlement of the Cyprus issue. And I'm sure everyone in this body applauds Greece's historic and courageous efforts in recent years to resolve differences with its neighbor Turkey.

Mr. Speaker, I congratulate the Greek people on the 183d anniversary of their independence, and I join my colleagues in thanking them for their vast contributions to world civilization and especially to our Nation.

GREEK INDEPENDENCE DAY

The SPEAKER pro tempore (Ms. GINNY BROWN-WAITE of Florida). Under a previous order of the House, the gentleman from Florida (Mr. BILIRAKIS) is recognized for 5 minutes.

Mr. BILIRAKIS. Madam Speaker, first I would say that I am very pleased to be doing this special order in conjunction with the gentlewoman from New York (Mrs. MALONEY), who has been very stellar, a great friend of both republics, Greece and Cyprus, all through the years. And today I too proudly rise to celebrate Greek Independence Day and the strong ties that bind the nation of Greece and the United States.

One hundred and eighty-three years ago, the people of Greece began a journey that would mark a symbolic rebirth of democracy in the land, in the land where those principles of human dignity were first espoused.

They rebelled against more than 400 years of Turkish oppression. The revolution of 1821 brought independence to Greece and emboldened those who still sought freedom across the world.

I commemorate Greek Independence Day each year for the same reasons that we celebrate our July 4. It proved that a united people through sheer will and perseverance, can prevail against tyranny.

Men such as Aristotle, Socrates, Plato, and Euripides developed a then-unique notion that men could, if left to their own devices, lead themselves rather than be subject to the will of a sovereign. It was Aristotle who said, "We make war that we may live in peace." On March 25, 1821, Archbishop Germanos of Patras embodied the spirit of those words when he raised the flag of freedom and was the first to declare Greece free.

Revolutions embody a sense of heroism, bringing forth the greatness of the American spirit. As Thomas Jefferson once said, "To the ancient Greeks we are all indebted for the light which led ourselves," American colonists, "out of gothic darkness." Quoting Jefferson on the anniversary of Greek Independence is particularly appropriate. Jefferson and the rest of the Founding Fathers looked back to the teachings of ancient Greek philosophers for inspiration as they sought to craft a strong democratic state. In 1821, the Greeks looked to our Founding Fathers for inspiration when they began their journey toward freedom.

Although many lives were sacrificed at the altar of freedom, the Greek people rallied around the battle cry, "Eleftheria I Thanatos," "liberty or death," mirroring of course the words of American Patriot Patrick Henry who said "Give me liberty or give me death." These words personified the Greek patriots' unmitigated desire to be free.

We all know that the price of liberty can be very high. History is replete with the names of the millions who have sacrificed for it. Many great scholars throughout history warned that we maintain democracy only at great cost. The freedom we enjoy today is due to a large degree to the sacrifices made by men and women in the past, in Greece, in America, and all over the world.

Freedom is America's heart. It is central to our being, and from the beginning we have recognized that freedom is not just an American right, it is a God-given right to every citizen of the world.

We must never forget that freedom must be constantly guarded. It is a noble but fragile thing that can be stolen or snuffed out if not protected. We cannot take for granted that we are endowed by our Creator with certain inalienable rights. We enjoy our freedom only because we have been willing to fight and die for it just like our forefathers and the valiant Greeks in 1821.

Mr. Speaker, on this 183rd birthday of Greek Independence, when we celebrate the restoration of democracy to its conception, we also celebrate the triumph of the human spirit and the strength of man's will. The goals and values that the people of Greece share with the people of the United States reaffirm our common democratic heritage. This occasion also serves to remind us that we must never take for granted the right to determine our own fate.

Madam Speaker, today I proudly rise to celebrate Greek Independence Day and the strong ties that bind the nation of Greece and the United States.

One hundred and eighty-three years ago, the people of Greece began a journey that would mark the symbolic rebirth of democracy in the land where those principles to human dignity were first espoused.

They rebelled against more than 400 years of Turkish oppression. The revolution of 1821 brought independence to Greece and emboldened those who still sought freedom across the world. I commemorate Greek Independence Day each year for the same reasons we celebrate our Fourth of July. It proved that a united people, through sheer will and perseverance, can prevail against tyranny. The lessons the Greeks and our colonial forefathers taught us provide hope and inspiration to victims of persecution throughout the world today.

Men such as Aristotle, Socrates, Plato, and Euripides developed the then-unique notion that men could, if left to their own devices, lead themselves rather than be subject to the will of a sovereign. It was Aristotle who said: "We make war that we may live in peace." On March 25, 1821, Archbishop Germanos of Patras embodied the spirit of those words when he raised the flag of freedom and was the first to declare Greece free.

Revolutions embody a sense of heroism, bringing forth the greatness of the human spirit. It was Thomas Jefferson who said that, "One man with courage is a majority." Quoting Jefferson on the anniversary of Greek independence is particularly appropriate. Jefferson, and the rest of the Founding Fathers, looked back to the teachings of ancient Greek philosophers for inspiration as they sought to craft a strong democratic state. And in 1821, the Greeks looked to our Founding Fathers for inspiration when they began their journey toward freedom.

The history of Greek independence, like that of the American Revolution, is filled with many stories of courage and heroism. There are many parallels between the American and Greek Revolutions.

Encouraged by the American Revolution, the Greeks began their rebellion after four centuries of Turkish oppression, facing what appeared to be insurmountable odds. Both nations faced the prospect of having to defeat an empire to obtain liberty. And if Samuel Adams, the American revolutionary leader who lit the first spark of rebellion by leading the Boston Tea Party, had a Greek counterpart, that man would be Alexander Ypsilantis.

Ypsilantis was born in Istanbul, and his family was later exiled to Russia. Ypsilantis served in the Russian army, and it was there, during his military service, that he became involved with a secret society called the "Philike Hetairia," which translated means "friendly society." The "friendly society" was made up of merchants and other Greek leaders, but the intent of the society was to seek freedom for Greece and her people.

The group planned a secret uprising for 1821 to be led by Ypsilantis. He and 4,500 volunteers assembled near the Russian border to launch an insurrection against the Turks. The Turkish army massacred the ill-prepared Greek volunteers, and Ypsilantis was caught and placed in prison, where he subsequently died. However, the first bells of liberty had been rung, and Greek independence would not be stopped.

When news of Greek uprisings spread, the Turks killed Greek clergymen, clerics, and laity in a frightening display of force. In a vicious act of vengeance, the Turks invaded the island of Chios and slaughtered 25,000 of the local residents. The invaders enslaved half the island's population of 100,000.

Although many lives were sacrificed at the altar of freedom, the Greek people rallied around the battle cry "Eleftheria I Thanatos" "liberty or death," mirroring the words of American Patriot Patrick Henry who said: "Give me liberty or give me death." These words personified the Greek patriots' unmitigated desire to be free.

Another heroic Greek whom many believe was the most important figure in the revolution was Theodoros Kolokotronis. He was the leader of the Klephts, a group of rebellious and resilient Greeks who refused to submit to Turkish subjugation. Kolokotronis used military strategy he learned while in the service of the English Army to organize a force of over 7,000 men. The Klephts swooped down on the Turks from their mountain strongholds, battering their oppressors into submission.

One battle in particular, where Kolokotronis led his vastly outnumbered forces against the Turks, stands out. The Turks had invaded the Peloponnese with 30,000 men. Kolokotronis led his force, which was outnumbered by a ration of 4 to 1, against the Turkish army. A fierce battle ensued and many lives were lost, but after a few weeks, the Turks were forced to retreat. Kolokotronis is a revered Greek leader, because he embodied the hopes and dreams of the common man, while displaying extraordinary courage and moral fiber in the face of overwhelming odds.

Athanasios Diakos was another legendary hero, a priest, a patriot, and a soldier. He led 500 of his men in a noble stand against 8,000 Ottoman soldiers. Diakos' men were wiped out and he fell into the enemy's hands, where he was severely tortured before his death. He is the image of a Greek who gave all for love of faith and homeland. While individual acts of bravery and leadership are often noted, the Greek Revolution was remarkable for the bravery and fortitude displayed by the typical Greek citizen. This heroic ideal of sacrifice and service is best demonstrated through the story of the Suliotes, villagers who took refuge from Turkish authorities in the mountains of Epiros. The fiercely patriotic Suliotes bravely fought the Turks in several battles. News of their victories spread throughout the region and encouraged other villages to revolt. The Turkish Army acted swiftly and with overwhelming force to quell the Suliote uprising.

The Suliote women were alone as their husbands battled the Turks at the front. When they learned that Turkish troops were fast approaching their village, they began to dance the Syrtos, a patriotic Greek dance. One by one, rather than face torture or enslavement at the hands of the Turks, they committed suicide by throwing themselves and their children off Mount Zalongo. They chose to die rather than surrender their freedom.

The sacrifice of the Suliotes was repeated in the Arkadi Monastery of Crete. Hundreds of noncombatants, mainly the families of the Cretan freedom fighters, had taken refuge in the monastery to escape Turkish reprisals. The Turkish army was informed that the Monastery was used by the Cretan freedom fighters as an arsenal for their war material, and they set out to seize it. As the Turkish troops were closing in, the priest gathered all the refugees in the cellar around him. With their consent, he set fire to the gunpowder kegs stored there, killing all but a few. The ruins of the Arkadi Monastery, like the ruins of our Alamo, still stand as a monument to liberty.

News of the Greek revolution met with widespread feelings of compassion in the United States. The Founding Fathers eagerly expressed sentiments of support for the fledgling uprising. Several American Presidents, including James Monroe and John Quincy Adams, conveyed their support for the revolution through their annual messages to Congress. William Harrison, our ninth president, expressed his belief in freedom for Greece, saying: "We must send our free will offering. 'The Star-spangled Banner' must wave in the Aegean . . . a messenger of fraternity and friendship to Greece."

Various Members of Congress also showed a keen interest in the Greeks' struggle for autonomy. Henry Clay, who in 1825 became Secretary of State, was a champion of Greece's fight for independence. Among the most vocal was Daniel Webster from Massachusetts, who frequently roused the sympathetic interest of his colleagues and other Americans in the Greek revolution.

It should not surprise us that our Founding Fathers would express such keen support for Greek independence, for they themselves had been inspired by the ancient Greeks in their own struggle for freedom. As Thomas Jefferson once said, "To the ancient Greeks . . . we are all indebted for the light which led ourselves . . . American colonists, out of gothic darkness." Our two nations share a brotherhood bonded by the common blood of democracy, birthed by Lady Liberty, and committed to the ideal that each individual deserves the right of self-determination.

We all know that the price of liberty can be very high—history is replete with the names of the millions who have sacrificed for it. Many great scholars throughout history warned that we maintain democracy only at great cost. The freedom we enjoy today is due to a large degree to the sacrifices made by men and women in the past—in Greece, in America, and all over the world.

I recount these stories because they pay homage to Greece's absolute commitment to freedom and liberty and the common bonds which we share. Unfortunately, our devotion to the principle of freedom is not shared by many people whose interests are better served by applying oppression to their own people and spreading terrors elsewhere.

Freedom is America's heart. It is central to our being, and from the beginning we have recognized that freedom is not just an American right. It is a God-given right to every citizen of the world.

We must not overlook those who are still fighting for their independence in other parts of the world, such as in the Republic of Cyprus. Turkey still illegally occupies Cyprus, as it has since its invasion in 1974. Finding a fair resolution for Cyprus will help stabilize a region marked more often by conflict than accord.

As with so many international issues, U.S. leadership is essential to urge Turkish and Turkish Cypriot leaders toward peace. One year after United Nations Secretary General Kofi Annan proposed his plan as a basis for negotiations between the Greek-Cypriots and Turkish-Cypriots, the Turkish Cypriot leadership finally agreed to restart the negotiations. The proposed plan aims at reuniting the island under a government of shared power and having the united island admitted to the European Union on May 1, 2004. This is a vision worthy of our attention and full support because it has the potential to end the illegitimate division of Cyprus, improve the relations between Turkey and Greece and promote stability in the sensitive region of Eastern Mediterranean.

We must never forget that freedom must be constantly guarded. It is a noble but fragile thing that can be stolen or snuffed out if not protected. We cannot take for granted that we are endowed by our Creator with certain inalienable rights. We enjoy our freedom only because we have been willing to fight and die for it, just like our forefathers and the valiant Greeks in 1821.

Mr. Speaker, on this 183rd birthday of Greek Independence, when we celebrate the restoration of democracy to the lands of its conception, we also celebrate the triumph of the human spirit and the strength of man's will. The goals and values that people of Greece share with the people of the United States reaffirm our common democratic heritage. This occasion also serves to remind us that we must never take for granted the right to determine our own fate.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. PALLONE. Madam Speaker, I ask unanimous consent to take the special order time of the gentleman from Ohio (Mr. BROWN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

POLICING REFORMS IN NORTHERN IRELAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Madam Speaker, last week the Helsinki Commission, also known as the Commission on Security and Cooperation in Europe, held a hearing on the issue of policing in Northern Ireland. I want to commend the commission for holding this hearing on this timely issue and to add my voice to a growing list of influential individuals who have called on the British Government to reform the police service of Northern Ireland.

Madam Speaker, 6 years ago this month, the people of Northern Ireland, Great Britain, and the Republic of Ireland entered into a peace agreement, commonly referred to as the Good Friday Agreement. This legendary accord set out a framework that would allow Northern Ireland to govern itself and provide for a rule of law that was responsible to all people in the north of Ireland. Unfortunately, 6 years later, much of the agreement has either been stalled, derailed, or simply never implemented.

Most notably, the one issue that the British Government has refused to address after the signing of the Good Friday Agreement is that of police reform. For a true and lasting peace to exist in Northern Ireland, reforming the police service is a must.

Madam Speaker, the Good Friday Agreement gave the people of Northern Ireland great hope that they would see a change in the way policing is handled. Soon after the agreement was signed, the British Government commissioned Christopher Patten to review the police service in Northern Ireland. The Patten Commission spent months researching past abuses by the Royal Ulster Constabulary. Eventually they recommended several reforms to policing in Northern Ireland, including the end of the "Special Branch" of the Royal Ulster Constabulary and also to begin a program that would recruit ethnic and religious minorities into the police service and create a process of civil review.

While the Patten Commission recommendations did not address all of the policing issues in Northern Ireland, they were a good starting point. Unfortunately, to date, Great Britain has not instituted any of these reforms.

Policing in Northern Ireland is not only an issue of fairness but also of basic human rights. Following the signing of the Good Friday Agreement, the British Government dissolved the Royal Ulster Constabulary and replaced it officially with the Police Service of Northern Ireland. Unfortunately, this new police service is the same old, same old, with a new fancy name. What we really find when we look below the surface of its new name is that the Police Service of Northern Ireland is no more representative or fair than the Royal Ulster Constabulary.

The Police Service of Northern Ireland remains unrepresented of the communities it polices. There are presently over 9,000 members. However, as of October, 2003, only 11.6 percent are Catholic while nearly one-half of all residents of Northern Ireland call themselves Catholic.

And the Police Service has also refused to stop using plastic bullets. Patten recommended research into alternatives to these inhumane policing tools and the rapid withdrawal of their use, and the British Government also gave a commitment to replace plastic bullets by the end of 2003. But today plastic bullets continue to be used by the police service.

The people of Northern Ireland do not feel safe and rarely rely on their public police services. Citizens are not calling the Police Service of Northern Ireland when they need assistance. They are afraid that the police will violate their rights rather than protect them in their time of need.

Madam Speaker, I call on Prime Ministers Blair and Ahern to fully implement the Good Friday Agreement and immediately institute the Patten Commission's recommendations. For a lasting peace to survive in Northern Ireland, the Good Friday Agreement must be given the chance to fully succeed.

Unfortunately, the peace process cannot move forward. A small faction of individuals in Northern Ireland, many who are adamantly opposed to the accords, are holding the future of the peace agreement hostage. They have been successful in influencing the British Government to put the agreement and the power-sharing government on hold and therefore putting the Good Friday Agreement and the fragile peace in a very dangerous position.

Most recently these opponents have convinced Britain not to seek the new Belfast Assembly, even though elections were held 4 months ago. These elections, which saw record turnouts, were finally held this past November. However, to date, Prime Minister Blair has refused to reinstitute the Belfast Assembly.

Madam Speaker, as one can easily observe, the peace in Northern Ireland is hanging by a thread. Prime Minister Blair and Irish Prime Minister Bertie Ahern must bring all sides back to the table and reinstitute the Belfast Assembly.

Peace in Northern Ireland is finally within our grasp. The parties involved, which all signed those historic accords some 6 years ago, must now just live up to the agreement and allow the people of Northern Ireland to govern themselves freely and fairly.

□ 1900

CREATING JOBS FOR AMERICANS

The SPEAKER pro tempore (Ms. GINNY BROWN-WAITE of Florida.) Under a previous order of the House, the gentleman from California (Mr. DREIER) is recognized for 5 minutes.

Mr. DREIER. Madam Speaker, in response to growing concern that many of our good jobs are being sent overseas, a number of our colleagues have offered proposals to restrict the practice of offshoring. The idea, I suppose, is that by restricting the ability of Americans to freely invest and compete in the worldwide markets, we can somehow save jobs here at home.

One of these proposals, offered by the senior Senator from Connecticut, was recently adopted in the other body in the form of an amendment to the international corporate tax reform bill. This proposal would permanently prohibit American companies that off-shore any of their work from ever doing business with the Federal Government. This restriction would also extend State projects that use any Federal dollars.

Another example is the Senate minority leader's Jobs For Americans Act, which is cosponsored by Senator and presumed Democratic Presidential nominee JOHN KERRY.

Before off-shoring any work that was previously done in the United States, this legislation would require companies, big and small, to disclose how many jobs would be affected, where those jobs would be going, and why they were being off-shored. Companies would also be required to give employees 3 months' advance notice, as well as notify all Federal and State agencies responsible for helping laid-off workers.

Now, Madam Speaker, we are all concerned about jobs for Americans. We are very concerned about jobs for Americans. And since these anti-offshoring initiatives are clearly intended to save jobs, I believe we should take a careful, serious look at their potential impact on the health of our economy, an economy that is currently growing, and we just got the news today, at a rate of 4.1 percent, creating hundreds of thousands of new jobs in recent months, and witnessing nearly 1 million new business start-ups every single year.

The good news is that we do not have to try to calculate what would happen if we were to adopt any of these measures. We can benefit from the wisdom of French and German policymakers, who adopted well-meaning job preservation techniques long ago. All we have to do is take a look at their economies and determine if we want similar results.

Let us look at France first. Under French labor law, employers must notify workers of impending layoffs at least 6 weeks in advance. Under certain circumstances, this notification period must be much longer, as much as 9 months in some cases. Other employee rights include a hearing in order to fight the layoff and a substantial severance package.

So with all these regulations and so-called worker protections, France must be a worker's paradise. French jobs must be eminently secure, right?

Well, it is obviously not the case. For years, French unemployment has persistently hung around the 10 percent level. In 2002, it dipped as low as 9.2 percent, but it has since crawled back up to 9.5 percent, and it continues to climb. And the French economy overall is not faring much better than French workers are. Last year, GDP growth was a paltry 1.8 percent, and French Government analysts are predicting even weaker growth for this year, 2004.

Germany has labor laws that are very similar to France's. Employers must give workers notice of layoffs between 1 and 7 months in advance, depending on how long a worker has been with a company. Employees can challenge any layoff in court and obtain preliminary injunctions, allowing them to remain on the job until their cases are decided.

But despite these job preservation regulations, German unemployment, just like in France, is frighteningly high. Since the late 1990s, unemployment in Germany has hovered just above 8 percent and has steadily climbed over the past year. In 2003, it inched up from 9 percent to 9.2 percent and continues to climb. Growth is also very weak, hovering below 2 percent for the past several years.

Madam Speaker, American workers deserve better than this. We owe them more than the empty promise that tried and failed tactics will somehow save jobs.

Rather than go the French and German way of stagnation and stifling regulation, I say let us create good jobs right here the American way, by continuing to innovate and grow and produce new opportunities for workers. That has been our recipe for global economic leadership for years; and if we continue to allow Americans to freely invest at home and abroad, we will continue to create more good jobs right here in the United States of America.

ANOTHER EPISODE IN THE OUTSOURCING OF AMERICAN JOBS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Madam Speaker, I was so interested to hear the prior gentleman's remarks from California about jobs. He has been one of the primary Members of this institution that has helped to outsource our jobs all over the world, China, India, Mexico; so I am sorry he has left the floor.

But I guess I could say, here we go again, another episode in the outsourcing of American jobs. And this one is especially outrageous, because it involves our U.S. taxpayer dollars.

The Richmond Times Dispatch in Virginia reported yesterday that the big bank, J.P. Morgan Chase and Company, which administers the Bush administration food stamp program for Virginia and 37 other States, has been exporting administrative jobs since 2001. Why would the Bush administration select a big bank anyway to administer the U.S. food stamp program, rather than use not-for-profit institutions like credit unions and other financial intermediaries located across this country?

Today now, the Associated Press reports that food stamp beneficiaries in 43 States already get help with problems such as replacing lost cards by calling toll-free numbers, and these toll-free numbers connect them to companies that have contracts with State governments, and those companies have outsourced the calls to foreign countries.

The U.S. Department of Agriculture says it would consider permitting a State government to hire private contractors to sign up people for food stamps, even though the Federal law says U.S. Government workers should handle the job.

Madam Speaker, this policy by our U.S. Department of Agriculture is not only inappropriate; it is outrageous, particularly when you look at growing food stamp rolls because of unemployment in this country and this administration not extending unemployment benefits to people.

It is also outrageous because of the growing ranks of the unemployed, 9 million unemployed workers in this country. Just in Ohio, 347,000 people without work, and many more having quit looking, so they are not even counted anymore. Why not put unemployed Americans at work at these call centers inside our country, instead of shipping out these service calls, outsourcing the work to other countries like India?

Something is haywire when we allow multinational corporations to take our U.S. taxpayer dollars and give them in the form of government contracts to companies that then outsource the work to foreign workers and foreign countries. It is absolutely indefensible, when so many of our taxpayers cannot find jobs.

It is ironic. American workers who lose their jobs to unfair trade practices might have to talk to somebody overseas in order to get their food stamps.

Think about this one: when we asked the Under Secretary, Mr. Bost, yesterday before our committee whether he would consider working with the Department of Labor to go into these pockets of unemployed people in our country and let them do the call center jobs, he never attempted it, and it did not really seem to appeal to him.

This issue came up during our agriculture meeting yesterday, and as the ranking member I asked USDA officials, since they were not willing to hire Americans, would they be willing to support a ban on outsourcing these U.S. jobs to call centers, primarily in India. The USDA, that we pay for, we pay for their salaries, U.S. taxpayers, we pay the salary of the U.S. Secretary of Agriculture, of the gentleman who was testifying before us, they said, no, they would not ban sending the work overseas.

Now, the Republican practice of outsourcing American jobs cannot end one moment too soon.

Madam Speaker, the two articles I wish to place in the RECORD that document what I am saying is an article in the Associated Press by Ira Dreyfuss, and the headline reads: "Private Contractors May Handle Food Stamps," and also an article that was in the Richmond Times-Dispatch. The headline reads: "Food Stamp Calls Routed to India. A Firm That Runs Part of the Virginia Program Outsourced Call Center to India."

Madam Speaker, it would be nice to have some attention in one of the largest programs that this government funds, over $50 billion a year in various food programs, about two-thirds of that in the food stamp program, and try to help some of our own people earn some money in this country so they would not have to be on food stamps and they could have good jobs right here in the good old USA.

[From the Times-Dispatch, Mar. 23, 2004]

FOOD-STAMP CALLS ROUTED TO INDIA

FIRM THAT RUNS PART OF THE VIRGINIA PROGRAM OUTSOURCED CALL CENTER

(By Tyler Whitley)

When food-stamp recipients in Virginia have a question about the program, they get answers from someone in India.

J.P. Morgan Chase & Co., a giant bank-holding company that administers a key part of the program for the social-services departments in Virginia and 37 other states, has outsourced its call center to the Asian nation.

Maurice Jones, commissioner of the Virginia Department of Social Services, estimates that six or seven jobs could be created in Virginia to handle the 10,000 calls a month that are now made to India by Virginia's 195,000 food-stamp recipients.

He said the Warner administration inherited the outsourcing from the Gilmore administration, which signed a contract with another banking giant, Citicorp, in February 2001.

Louis Rossiter, secretary of health and human resources under then-Gov. Jim Gilmore, said the jobs were not being sent abroad when the contract was signed.

Rossiter said Citicorp had a near monopoly on the business at the time the contract was signed.

The decision to send the jobs abroad was not the state's but the contractor's, Citicorp. It subsequently sold the food-stamp electronic-transfer program to J.P. Morgan, Jones said.

Jones said the calls have been going overseas since October 2001. A disgruntled local official complained about the situation recently to The Times-Dispatch.

When the state's five-year contract expires in 2006, Jones said yesterday, he hopes the 38 states can put pressure on the bank to return the call centers to the United States—perferably to Virginia.

Outsourcing, largely ignored until recently, has become a major political target in the 2004 presidential campaign. Although it is not a new phenomenon, Democrats are blaming the shipment of jobs to lower-wage countries abroad for the slow pace of job creation during the economic recovery.

Trevelocity, which provides airfares and travel service over the Internet, recently announced it is closing a call center with about 250 jobs in Diskenson County in Southwest Virginia later this year and sending most of the business to India. It estimated it could save $10 million from the move.

Richmond-based Circuit City Stores Inc. also has begun outsourcing jobs to India. Its customer-service toll-free line now goes to India.

According to the American Legislative Issue Campaign Exchange, a Wisconsin-based organization, 22 states are considering legislation to prevent job loss because of outsourcing by requiring state and local government contracts to purchase only American goods and services.

The U.S. Senate has voted to do the same on federal contracts. "I'm a firm believer that you ought to take care of your own people first," said Del. Clarence E. "Bud" Phillips, a Democrat who represents Dickenson County.

Phillips said he will introduce legislation next year to bar the state from entering into contracts that ship jobs abroad.

If the jobs are returned to the United States, bank officers have told him that Virginia will have to pay a higher fee for the services, Jones said.

Jones said he recognizes the irony that someone in Virginia might be receiving food stamps because he lost a job through outsourcing. "In an ideal world, I wish we could have a call center in Virginia staffed by present or former food-stamp clients," he said.

Food-stamp coupons are not longer given out. The federal government now issues electronic benefit-transfer (EBT) cards, which operate much like debit cards.

A food-stamp recipient gets a card from the state Department of Social Services with a limit on how much the person can draw. J.P. Morgan handles the monetary transfers for a fee paid by the state.

J.P. Morgan has call centers in Bangalore and Pune, India, and a center for automated calls in Delaware, Jones said. He said only about 10,000 of the 400,000 monthly calls made by Virginians go to India, where people handle the inquiries. The rest go to the automated call center.

Repeated calls for comment to J.P. Morgan Chase & Co. in New York City were not returned.

[From the Associated Press]

PRIVATE CONTRACTORS MAY HANDLE FOOD STAMPS

(By Ira Dreyfuss)

WASHINGTON.—The Agriculture Department says it would consider letting a state hire private contractors to sign up people for food stamps, even though federal law says government workers should handle the job.

Eric Bost, undersecretary for food nutrition and consumers, raised the prospect Wednesday after the issue came up at a hearing before the House appropriations subcommittee on agriculture.

If a state has a better way to provide services and save money, "it would be foolhardy on our part not to at least consider it," Bost told reporters. Florida Gov. Jeb Bush has directed his state Department of Children and Families to see if nongovernment workers could handle applications for food stamps, as well as Medicaid and other Welfare benefits.

While the governors's proposal envisions a U.S. contractor with American employees handling Florida's food stamp signups, some states already have contracted to have overseas operators handled complaint and service calls regarding their food stamp programs.

Because the Florida project would be lilmited—a test to see if the concept would work—Bost said he could waive the requirement that food stamp signups be handled by government workers. But allowing all states to do so would require a change in law, he said.

Food stamp beneficiaries in 43 states already get help with problems such as replacing lost cards by calling toll-free numbers of companies that are contracted by states to operate help lines. Some of these contracts "outsource" calls overseas, but it is unclear how many.

Outsourcing of jobs has become a political issue after President Bush's chief economic adviser said it benefits the economy, a position that was challenged by leaders in both parties this election year.

Rep. Marcy Kaptur of Ohio, the senior Democrat on the House subcommittee, said at the hearing that the Agriculture Department should be prohibiting all outsourcing of food stamp calls.

Rep. Allen Boyd, D-Fla., another member of the subcommittee, said he doesn't "understand how you would determine food stamp eligibility without a face-to-face interview."

Easy, responded Bost. "We have got such sophistication in this country that potentially I can get a loan for a couple of hundred thousand dollars and never see anybody face to face," Bost said.

MAKING AMERICA ENERGY INDEPENDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. OTTER) is recognized for 5 minutes.

Mr. OTTER. Madam Speaker, those of us lucky enough to live in Idaho and the Northwest are blessed. Besides the unmatched beauty and the incredible quality of life we enjoy, our rivers provide us with relatively abundant and affordable hydropower that gives us a competitive advantage in the world marketplace.

As residents of an arid State, my Idaho colleagues and I know better than to take it for granted. Yet despite being a Nation that depends too heavily on foreign sources of fossil fuels, America for too long has taken energy for granted. We have gone a dozen years now without a national energy policy. The time to change that is now.

As our economic recovery picks up steam, it is more important than ever that the United States maintain an abundant and reliable energy supply; and, frankly, we are not going to achieve that without the kind of comprehensive national energy policy already passed three times in this House.

While the recent rise in energy costs has caught many consumers by surprise, it is important to remember that the energy supplies and price concerns are nothing new. Many of us in Congress, especially on this side of the aisle, along with energy industry observers and analysts, have long been warning of the energy train wreck that is about to happen.

And it is not just about oil and gas. A national energy policy must address a relicensing process for hydropower dams that has become a cumbersome and inordinately expensive proposition. It must make a sound commitment to alternative energy production and provide reasonable incentives for market-driven conservation, and it must set the stage for a new generation of safe and more efficient nuclear reactors that could further improve our energy independence.

Indeed, I am more optimistic than ever about the potential for nuclear power. One of the ways in which we can reverse the mistakes of the past decade and start down the right track toward a stable domestic energy marketplace is through the expanded use of clean nuclear energy.

Nuclear power stands out as an obvious answer to the many energy-related challenges we now face. Back home, the Idaho National Energy Engineering and Environmental Laboratory and the Argonne National Laboratory-West are working on the next generation of nuclear reactors. Their vision for nuclear energy is one that will provide America's energy consumers with a cheap, reliable, environmentally friendly and inherently safe source of electricity as far into the future as the human mind can envision.

I believe that the Idaho labs are headed in the right direction, and I am committed to helping them achieve their mission to enhance our Nation's nuclear power capabilities. I want to share with Members just a few reasons why I believe in the potential for nuclear power.

First, nothing is burned in a nuclear reactor, so there are no emissions into the atmosphere. In fact, nuclear energy is responsible for over a 90 percent reduction in the greenhouse gas emissions coming from the energy industry since 1973.

Between 1973 and 1996, nuclear power accounted for emissions reductions of 34.6 million tons of nitrogen oxide and 80.2 million tons of sulfur dioxide, and over the past 10 years nuclear plants have produced over 5 trillion kilowatt hours of electricity production, with absolutely zero carbon dioxide, sulfur dioxide or particulate matter emissions. Beyond those benefits, existing and emerging technologies will solve the complexities of storing and recycling spent nuclear fuels.

Second, nuclear power is a safe, reliable abundant source of power. Not only does the world contain plenty of resources for fueling nuclear reactors, but existing and emerging technologies will provide even greater efficiencies in the use of nuclear fuel.

Finally, nuclear energy is a homegrown technology. Thanks to the men and women who have worked in Idaho's labs over the past 5 decades, our Nation has long been the world leader in nuclear technology and continues to be the world's largest consumer of nuclear energy.

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The bottom line is this: Without a comprehensive national energy policy, America is a nation at risk.

Congress must act decisively to send President Bush a blueprint for lowering natural gas prices, creating jobs, and making us more independent and secure. Only then will America be the architects of their own destiny.

INVESTING IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Madam Speaker, I want to follow the chain of thought of the distinguished gentlewoman from Ohio and indicate the importance of focusing on employing America.

I am very proud to be able to salute a businessperson in my community by the name of Anthony Chase, who speaks directly to the comment of the gentlewoman from Ohio (Ms. KAPTUR) about call centers, which really have become the engine of economic opportunity for many citizens here in the United States. There happen to be occasions for banks, credit card companies, and a number of other businesses in America to use these call centers.

I just want to emphasize that we are a world economy, we are an integrated world. But I also think it is important that we look to recruit not only American businesses, but American workers, to be able to do work that is viable for uplifting our own inner city and rural communities. Mr. Chase has a company that hires hundreds of persons who work in a call center and secure business for a number of our companies in the Nation, and he hopes to recruit companies from around the world.

We have to balance the responsibilities of making sure that Americans are at work, of keeping American jobs, of rebuilding a manufacturing economy along with our international economy and international friendship.

In particular, I want to talk about Houston, Texas, because one of the reasons I am concerned about the journey that this Congress is taking of not being concerned about jobs and not being concerned about infusing moneys into the domestic economy is because Americans are growing, and the communities are diverse, but the work is not growing commensurate with the population. The needs of America are growing, one in particular, and I will cite Houston, Texas because we are a microcosm of the struggle of improving the transportation and mobility of this Nation.

For over 20 years, Houston has been fighting to secure the opportunity to have light rail. It is located in a 3-million-to-4-million-person metroplex, and I cannot cite for my colleagues the traffic jams in Houston, Texas. We are trying to get better.

Unfortunately, we have had great opposition fighting against us in getting light rail right in our own community. But I am very proud of Houston because in November 2003 we voted to put in place light rail, first a 22-mile and then a 39-mile light rail track.

Why am I speaking about it? Because just yesterday, the Committee on Transportation and Infrastructure, under the gentleman from Alaska (Chairman YOUNG) and the gentleman from Minnesota (Mr. OBERSTAR), the ranking member, gave Houston one more step toward completion of its light rail.

What does that do for Houston? What does that do for America? It creates jobs and provides the opportunity for people in this Nation to help build trains, to help build tracks, to help build a system, the technology, and to increase mobility.

I hope that in our effort to secure funding for our light rail and the authorization for our light rail, that we will have Members of our congressional delegation, House and Senate, who will pay attention to the vote of the people of Houston. They have voted, they have spoken, and we want to have a unified effort in fighting for light rail in Houston, Texas.

Madam Speaker, I look forward to working with the mayor of the city of Houston, Mayor White, and the chairman of the Metro Board, Mr. Wolffe, who I inquired of the board's commitment to continue our light rail effort. I wanted to thank the previous board and thank the previous or existing Executive Director, Shirley Delibro, who will be passing the mantle on to another director.

But in this climate of lack of jobs, it is imperative that we support the Committee on Transportation and Infrastructure as it looks to rebuild highways and freeways and roads in America in our urban and rural areas. That is where we can insist on jobs in America, with the buses, the trains, the airplanes that are covered by this transportation bill. We can encourage the utilization of American companies in providing for the improvement of our transportation system, putting America back to work, utilizing the backdrop of World War II and the aftermath of the depression, when the phrase was, a chicken in every pot and that was all that you would get.

Franklin Delano Roosevelt came in with a wise vision, putting people back to work and rebuilding America's infrastructure, and it worked. So many of us know those whose children, their economic opportunity was built upon the WPA, sweeping the streets, paving the streets, looking toward the visionary of new visions and roads.

Madam Speaker, it is imperative that we do that today, and I hope this Congress will support TEA 21 and vote to invest in America and create jobs.

INVESTING IN AMERICA'S FUTURE: CONGRESSIONAL BLACK CAUCUS FISCAL YEAR 2005 BUDGET ALTERNATIVE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 60 minutes as the designee of the minority leader.

Mr. CUMMINGS. Madam Speaker, I rise this evening to discuss the Congressional Black Caucus's fiscal year 2005 budget alternative.

Today, the Congressional Black Caucus offered a budget substitute that would invest in America's future while restoring fiscal responsibility in fulfilling our shared sacrifice.

Madam Speaker, when we are in a state of war, finding ourselves, even as we speak, with men and women in our armed forces fighting in Afghanistan and fighting in Iraq, and finding themselves spread out across the globe, the Congressional Black Caucus, which has consistently over and over and over again reiterated that we certainly support our troops and, at the same time, we are very firm on the fact that we must address the issue of terrorism.

But we also say that we must have a budget that is balanced, not only from the standpoint of economics, but also from the standpoint of doing for the people in the United States, people who work hard every day; people who give their blood, sweat, and tears to making this country the best that it can be; people who cannot even watch this on C-SPAN because they left a job at 5 o'clock today and went to another job because ends simply are not meeting.

And not only those people, but 9 million people who are not watching this because they do not have cable, and the reason why they do not have cable is because they do not have a job. Nine million of them, at the end of every 2-week period when they normally would have gotten a check, they are not getting a check anymore, because they are simply unemployed.

Madam Speaker, despite the best efforts of over 100 of my colleagues in the House of Representatives, our budget substitute, that is the budget substitute of the Congressional Black Caucus, did not pass.

But one thing is clear, as I have said to the caucus many, many times, when I borrowed the words from former Representative Bill Clay, when he said to the caucus back in September, he said, you may not win every battle, but you will set the trend. You may not get what you want at that moment, but hopefully, we will be able to plant a seed in the minds of not only Members of this Congress, but in the minds of the country that we can do better. That is why, day after day, Members of the Congressional Black Caucus come forth to address issues that go to the center of people's lives, to the center of Americans' lives and, day after day, we come as a conscience of the Congress.

The Congressional Black Caucus budget alternative fully funded No Child Left Behind to the authorized levels. In comparison, the budget that President Bush sent to the Congress broke its promise to America's children and teachers by short-changing its own education legislation by $7 billion.

Every time we hear about dollars, it is so hard, I think, for many of us to put faces on that short-change of dollars. But the fact is that when we go back to our districts, as I do, and I go to visit schools and I see some children in schools where rain is coming through the roof, and so often classes are overcrowded, and many times children have basically nowhere to go at 3 o'clock or 3:30; and then to look at the provisions of No Child Left Behind where it calls for substantial testing of our children, which a lot of us do not have a major problem with, but the problem is that once you test, and assuming a State can afford to test because there is not enough money in many instances for them to be able to even give all of the tests that are required by the Federal Government, the next thing we know, many school districts do not even have the money to send them to other schools.

So when we put a face on the $7 billion that is left out of the No Child Left Behind legislation and authorization, it gives us great concern.

Not only did the CBC budget provide adequate funding to take care of our troops fighting in the battlefields of Iraq and around the world, but our budget provided over $8 billion for our servicemen and women once they return home.

One of the things that we are seeing over and over again is young people going overseas. Many of them in the National Guard, when they joined, certainly they understood that there might come a time when they might have to go overseas. But so many of them, like the ones in our districts, find that their lives are interrupted. Resources are not there to keep the mortgage paid. Resources are not there for them to make sure that their families can carry on life the way they would normally carry on if they were not in Iraq or Afghanistan. The fact is that they find their lives interrupted.

One of the things that we wanted to do is, when they do come home, to make sure that they would be okay after they had put their lives on the line for us.

Madam Speaker, the CBC budget alternative would have doubled the funding for Historically Black Colleges and Hispanic Serving Institutions. I have often said that if we did not have HBCUs, we would have to invent them, for they are the institutions that provide and account for most of the B.S. degrees and the Master's degrees and Doctorate degrees for the children of African Americans.

Our education increases included over $2 billion for Pell grants, so that deserving students who may not have the financial means to attend college could obtain a college education. There was a time not very long ago when a Pell grant would cover 70 percent of a student's tuition and fees. Today, the average Pell grant probably covers somewhere between 20 and 30 percent.

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The fact is that we educate our children, and then we want them to do better than we did, and we want them to go to college; but at Morgan State University, where I sit as a member of the Board of Trustees, sadly, out of 13,000 students we had to release somewhere between 7 or 800 of them, not because they were not qualified, not because they did not want to go to college, not because they had poor attendance but because they did not have the money.

So I have said it and I will say it again, one of the worst things, if you want to talk about the threats to this society, the most dangerous threat to our society is our failure to properly educate our young. But most importantly, the CBC budget alternative fulfilled the needs of American people while setting aside money to reduce our deficit.

Now, at $521 billion it would have placed our Nation back on the path of fiscal responsibility. Madam Speaker, we have to be honest with the American people. Our Nation is in the midst of a fiscal crisis. Not only is the Federal deficit spiraling out of control, but now we have reports from the Medicare actuary that Medicare will be bankrupt by 2019 and Social Security will soon follow. I did not say that. The Democrats did not say that.

The fact is that the official body, looking at our Medicare and our Social Security situation, said that.

Madam Speaker, I say we must be honest because up to this point the administration has been less than forthcoming with the American people and with this Congress. It has been reported that Medicare's chief actuary was told he would be fired if he reported to Congress the true costs of the Medicare bill. Earlier this year we learned that the administration fudged the conclusions of its health disparity report in order to report a more favorable national condition than what truly exists. That is a very sad commentary.

One thing that we know, and it is just a basic rule of life, that in order to correct a problem you have to, first of all, realize you have it. And if we have institutions that are being paid with taxpayers' dollars that are putting out reports that are then fudged to give a different image, a more favorable image of situations like health care disparities of all things, then that is a very, very, very sad day; and it is a very, very, very sad commentary on anyone who would be about the business of causing that to happen.

Just last month, the President sent a budget to Congress that conveniently neglected to include the costs of extending the tax cuts while claiming that his budget would cut the deficit in half. In my neighborhood they would say, "Please."

While the administration has made a practice of misleading the American public on the true state of our Union and brushing issues under the rug, the Congressional Black Caucus has faced these challenges head on and offered real solutions. If we are to truly resolve this crisis, then we must face the facts.

I have often talked about my little girl when she was 3 years old. She would say, Daddy, let's go play hide and go seek. And she would put her hands up to her face and stand directly in front of me and say, you cannot find me. Well, that is okay for a 3 year old, but we are here in the Congress of the United States of America making policy for over 247 million people and affecting their lives on a daily basis. We have to be honest about what is going on in this body and in this city.

Week after week the members of the Congressional Black Caucus come to this House floor to make the American people aware of the problems and challenges facing our country. Today we offered real and achievable solutions to those problems. Although others in the Congress do not seem to share our budget priorities, I hope that we will share the priorities of ensuring life, liberty and happiness of all Americans.

Madam Speaker, we have one life to live. This is no dress rehearsal, and this so happens to be that life. The real truth, Madam Speaker, is that this is not a spending-driven deficit, as some of my colleagues on the other side of the aisle would have us believe. This deficit crisis was created by fiscal mismanagement.

In the corporate world, CEOs are held accountable to the bottom line. This November I hope all of America follows the corporate example and holds the CEO of this great Nation accountable for this government's bottom line that is now over $500 billion in the red.

Madam Speaker, this Congress can do better. We can do better. We can do better for the American people, and the Congressional Black Caucus will continue to press this Congress to address the issues that go to the center of people's lives.

It gives me great pleasure to yield to my colleague from the great State of California (Ms. LEE), who has been at the forefront of the things that I just talked about: a fair budget process, a budget process that balances our need to protect ourselves from enemies without and enemies within, by the way, and making sure that we do all of those things that are necessary to take care of Americans.

Ms. LEE. Madam Speaker, let me thank the gentleman from Maryland (Mr. CUMMINGS) for not only holding this Special Order tonight to discuss the misplaced priorities and the misallocated resources found in the Republican budget and to discuss our CBC alternative budget, but just for his leadership and his attempts to organize us to wake up America. Quite frankly, I do not think the majority of American people know the damage that is being done in this place each and every day. And thanks to the gentleman's leadership, we have the opportunity to come forward to present a vision of the world, of our country that we know is an American vision, a vision based on our values.

So I want to thank the gentleman for his leadership and just hope that the gentleman's district understands how important you are to our caucus and to this entire Congress for helping us move our agenda forward. Let me also mention and thank my colleague, the gentleman from Virginia (Mr. SCOTT), who is a member of the Committee on the Budget and he is a leader in our caucus on the budget. I want to just thank the gentleman for his very exceptional work in making this budget a very real and very progressive alternative for Members.

I want to thank all of my colleagues who contributed to the process. I think that our work speaks for itself.

As the gentleman from Maryland (Mr. CUMMINGS) indicated earlier, this budget received over 100 votes. That is a record vote, I believe, for the Congressional Black Caucus, and it is under the leadership of the gentleman that we achieved this vote. But this is the budget that really should have passed because it would have put America on the right fiscal track, and it also ensured the economic security for all Americans.

During this debate and for weeks prior to today, we have made a clear case for why and how the Republican budget sacrifices our children, our senior citizens, our security, our environment, and our economy in order, really, to advance monied interests and to promote tax breaks for the wealthy. We have made it clear that we hold the President and this Republican-led House responsible, responsible for the largest deficit in history.

The 5.6 trillion 10-year surplus projected when President Bush took office has been replaced by deficit as far as the eye can see. For 2004 the budget proposes a record deficit of $521 billion. That is the budget they passed tonight. That is $146 billion more than the 2003 deficit, and that was a historic record. It is a greedy budget. That is what this is. It gives to the few while sacrificing the needs of the many, and it gives the bill to our children and to their children. It is irresponsible, and it is unacceptable.

Now, unlike the Republican budget, the Congressional Black Caucus substitute has its priorities really in the right place. It is based on fairness. It is based on fiscal responsibility. And it is based on the values that we hold dear. And it happens to be balanced. Instead of gutting foreign aid programs and woefully underfunding the promised global AIDS initiative, the Congressional Black Caucus alternative includes $800 million towards our commitment and our moral obligation to fight the devastating HIV/AIDS pandemic. And it also includes $1 billion towards the global fund to fight aids, tuberculosis, and malaria.

Instead of ignoring our neighbors in Haiti and the African continent, the Congressional Black Caucus budget adds $1 billion to critical development assistance to meet the critical needs in countries that really need our help the most.

Instead of rolling back our environmental programs, which the Bush budget does, and cutting badly needed enforcement programs at the Environmental Protection Agency, the Congressional Black Caucus's budget enhances them to ensure that our children and families have access to clean water and clean air. The Bush budget ensures that they have less access to clean air and clean water.

Now, California has 97 sites contaminated with toxic waste. These sites are on the national priority Superfund list and 38 sites are likely to be affected by failing to fully fund the Superfund program. The Republican budget also cuts clean water funding by 37 percent nationwide and that is mind boggling; 37 percent which is over a $35 million cut in funding just for my home State of California alone.

Instead of leaving millions of our children behind in education and in training, they cut job training almost out for the most part and turn a blind eye to the millions of unemployed Americans, as the Bush budget does, the Congressional Black Caucus budget increases funding for school construction, for Head Start, for GEAR UP, for Perkins loans, for Pell grants, for job training which we so desperately need in an economy where so many millions of our people are unemployed. Also, funding for historically black universities, it fully up-funds the fiscal year 2005 authorization level for Leave No Child Behind.

Instead of cutting funding for housing, we do have an affordable housing crisis in this country. My home State of California is off the scale. Our budget puts more resources into housing. Affordable housing, or the lack thereof, is really a national disgrace; and it is a national emergency. Housing is, or rather it should be, a basic human right; and, unfortunately, it remains ignored and underfunded in the Republican budget again this year. And we are seeing an increasing number of homeless people out there on the streets of America, the most powerful and wealthiest country in the world.

Currently there are over 2 million households assisted by rental vouchers and turnover in this program is very low. Thirty-seven percent of vouchers are used to house our most vulnerable citizens, namely, senior citizens and persons with disabilities. This budget barely funds the 1.75 million in rental vouchers. The Bush budget for HUD proposes that public housing authorities scramble to cover the $1.7 billion costs needed to fund the remaining 250,000 vouchers and to ensure that housing remains available to special needs populations.

Now, this ultimately means that a quarter of a million section 8 recipients, current section 8 recipients, not those in waiting lines and on the list but current section 8 recipients, they will lose their vouchers or they will be forced by the public housing authorities to increase the amount of rent that they pay. Where in the world are they going to find the money? Where are the jobs? They do not have the jobs. They do not have the resources to afford to pay more rent.

□ 1945

This is just downright cruel. In my district alone, 3,000 families who are currently using section 8 vouchers to pay their rent will lose their homes. This is unacceptable. This is unconscionable.

The Bush administration must fully fund and take responsibility for our most vulnerable families living in the section 8 program; but, of course, the budget that they passed out tonight did not do that. Ours did.

In the area of crime, the Congressional Black Caucus budget keeps our commitments to our local law enforcement agencies by providing real funding programs like the community policing efforts, like the Department of Justice reentry initiatives.

Under the Republican budget, the COPS program would be slashed by 87 percent, 87 percent. Crime rates are going up in certain communities. Of course, we know the reasons, but community policing has been a remedy and a way to really affect in a very positive way the reduction of crime in many of our neighborhoods; but again, the budget that they passed out tonight cut the COPS program by 87 percent.

The Republican budget underfunds homeland security programs. The Bush administration budget cuts first responder funding by $648 million and cuts port security grants by 63 percent, and they talk about homeland security. Yes, homeland security is very important. We must ensure the homeland, but we have got to pay for it. We have got to pay for it, and cutting port security grants by 63 percent does not tell me that this administration is committed to homeland security.

The House Republican budget is even worse. It cuts homeland security funding by an additional $155 million in 2005 and $857 million over 5 years. What a sham. Currently, 95 percent of all North American and U.S. trade moves by sea, concentrated mostly in a handful of ports. Only about 5 percent of the cargo containers that enter the United States are screened, 5 percent. Any one of these containers, the vast majority of which do not have tamper-resistant seals, could hold a deadly threat, a disease hidden in a shipment of foreign fruit, radioactive material hidden in frozen seafood, or an explosive device.

Instead of skimping on homeland security, our budget, the Congressional Black Caucus budget, provides the necessary resources for the Department of Homeland Security to fully begin protecting America's rails and ports, and we provide significant resources for our first responders, the first line of defense in the event of an attack.

Homeland security, dealing with terrorism, we have got to get this administration to understand they have got to support this. They have got to support homeland security and our first line of defenders, our police officers, our firefighters, our emergency workers, our health workers.

What the CBC does not provide for is $9 billion a year for ballistic missile defense. Missile defense merely diverts terribly scarce resources into a program that does not meet our most urgent security needs and probably will not work in any case. Let us be clear, ballistic missile defense, better known as Star Wars, would not have prevented September 11, and the approach taken in the Republican budget will not prevent its recurrence.

One other thing the Congressional Black Caucus does not provide, Halliburton's license to steal, by withholding payments to the company that has overcharged taxpayers. That is what we did in our budget. This amounts to over $300 million. I do not know if the American people understand that the budget that the Bush administration and that Congress reported out tonight pays Halliburton, gives them money for violating the law. Unbelievable to me, unbelievable.

Let me just read my colleague a list of some of the programs being eliminated, not cut. These are some of the programs being eliminated in the Bush budget to feed this military spending. They are eliminating alcohol abuse reduction, arts and education, close-up fellowships, community technology centers, comprehensive school reform, demonstration projects to ensure quality higher education for students with disabilities. They are taking $7 million out of that. They are eliminating that. Dropout prevention programs, they are eliminating. Dropout prevention programs. Dropout prevention programs.

They are eliminating the Eisenhower National Clearinghouse for Math and Science Education, Elementary and Secondary School Counseling, Even Start, the Excellence in Economic Education program. They are eliminating literacy programs for prisoners. My God, what are we going to do? They will be getting out sooner or later and no skills, no job training, no jobs. What do we expect in terms of the recidivism rate, and here they are cutting out the literacy program for prisoners.

They are eliminating the Migrant and Seasonal Farm Workers programs, the National Writing Project, Parental Information and Resource Centers. Recreational programs, eliminate $3 million. They really cut out really all the federally funded recreational programs for kids. Regional Technology in Education.

They eliminate Smaller Learning Communities. They eliminate, here is another one, State Grants for Incarcerated Youth Offenders. They decimate that program. They gut it. It is gone. It is gone.

They eliminate Vocational Education National programs. They eliminate the Women's Educational Equity program. They eliminate the Early Learning Opportunities Fund, the National Youth Sports. They eliminate Community Food and Nutrition Efforts. They close that down. They shut it down. They shut down the Rural Community Facilities.

They shut down Hope VI, which revitalizes many of our communities, our urban communities where the unemployment rates are soaring. They finish, they cut out, they eliminate Empowerment Zones which have provided the opportunity to create jobs and to create economic opportunities for minority- and women-owned businesses and small businesses. The Bush administration just cuts that. They cut it out. It is gone.

The more I look at that, the more upset I get. It is very hard to convey the depth of my anger at this budget.

Brownfields Redevelopment they cut that out. Rural Housing and Economic Development programs they are cutting out.

I mentioned all the COPS programs and law enforcement programs they are just taking away. They are cutting out juvenile accountability block grants. They are taking away migrant and seasonal farm workers programs. I do not know if the American people know about all these programs that, like I said, are not being cut, they are being eliminated. They are gone. They are gone.

The Tech Prep Education State grants, $107 million, that is done. That is finished.

Madam Speaker, I will insert this list into the RECORD tonight at this point.

ZERO FUNDING

The Bush administration proposes to eliminate the following programs in fiscal 2005:

Program	2004 funding (in millions)	Reason for termination
Commerce:		
Advanced Technology Program	$171	Duplicates private-sector efforts.
Technology Opportunities Program	14	Diminished need.
Continued Dumping and Subsidy Offset Act	293	To save money.
Education:		
Alcohol Abuse Reduction	30	Duplicates other programs.
Arts in Education	35	To fund higher priorities.
B.J. Stupak Olympic Scholarships	1	Duplicates other programs.
Close-Up Fellowships	1	Duplicates private-sector efforts.
Community Technology Centers	10	Duplicates other programs.
Comprehensive School Reform	234	Duplicates other programs.
Demonstration Projects To Ensure Quality Higher Education for Students With Disabilities	7	Goals achieved.
Dropout Prevention Programs	5	Duplicates other programs.
Eisenhower National Clearinghouse for Math and Science Education	5	Duplicates other programs.
Eisenhower Regional Math and Science Education Consortia	15	Duplicates other programs.
Elementary and Secondary School Counseling	34	Duplicates other programs.
Even Start	247	Goals not met.

Program	2004 funding (in millions)	Reason for termination
Excellence in Economic Education	1	Duplicates other programs.
Exchanges With Historic Whaling and Trading Partners	9	To fund higher priorities.
Federal Perkins Loans: Capital Contributions	99	Duplicates other programs.
Foreign Language Assistance	17	Duplicates other programs.
Javits Gifted and Talented Education	11	Duplicates other programs.
Leveraging Educational Assistance Partnerships	66	Goals achieved.
Literacy Programs for Prisoners	5	Duplicates other programs.
Migrant and Seasonal Farmworkers	2	Duplicates other programs.
National Writing Project	18	Duplicates other programs.
Occupational and Employment Information	9	To be merged with other programs.
Parental Information and Resource Centers	42	Duplicates other programs.
Projects With Industry	22	Duplicates other programs.
Ready To Teach	14	Duplicates other programs.
Recreational Programs	3	Duplicates other programs.
Regional Educational Laboratories	67	Goals not met.
Regional Technology in Education Consortia	10	Duplicates other programs.
School Leadership	12	Duplicates other programs.
Smaller Learning Communities	174	Duplicates other programs.
Star Schools	20	Duplicates other programs.
State Grants for Incarcerated Youth Offenders	20	Limited impact.
Supported Employment State Grants	38	Goals achieved.
Tech-Prep Demonstration	5	Duplicates other programs.
Tech-Prep Education State Grants	107	Duplicates other programs.
Underground Railroad Program	2	Goals achieved.
Vocational Education National Programs	12	Duplicates other programs.
Women's Educational Equity	3	Duplicates other programs.
Health and Human Services:		
Early Learning Opportunities Fund	34	Duplicates other programs.
National Youth Sports	18	Duplicates other programs.
Community Food and Nutrition	7	Duplicates other programs.
Rural Community Facilities	7	Duplicates other programs.
Homeland Security: Metropolitan Medical Response System	50	Goals achieved.
Housing and Urban Development:		
Community Development Block Grant	334	Congressional add-on.
HOPE VI Revitalization of Severely Distressed Public Housing	149	Goals achieved.
Empowerment Zones	15	Funding not needed.
Community Development Loan Guarantees	7	Accomplishments not measured.
Public Housing Drug Elimination Program	0	Limited results.
Brownfields Redevelopment	25	Accomplishments not reported.
Rural Housing and Economic Development	25	Duplicates other programs.
Environmental Protection Agency: Unrequested Project Funding	511	Congressional add-on.
Interior: National Park Service Statutory Aid	13	Secondary to mission.
Justice:		
Edward Byrne Memorial Grant Program	704	Merged with other programs.
Local Law Enforcement Block Grants	223	Merged with other programs.
COPS Hiring Grants	119	Merged with other programs.
State Criminal Alien Assistance Program	297	Results not demonstrated.
COPS Law Enforcement Technology Grants	157	Duplicates other programs.
COPS Interoperable Communications Technology Grants	84	Responsibility transferred to Homeland Security.
Juvenile Accountability Block Grants	59	Results not demonstrated.
Labor: Migrant Seasonal Farmworkers	77	Ineffective.
Small Business Administration: Microloan Program	17	Expensive; duplicates assistance.
U.S. Postal Service: Foregone Revenue for Reduced Mail Rate	29	Eliminates reduced rates for some nonprofit mailers.

Source: Office of Management and Budget.

Madam Speaker, let me just finally say that this Bush budget embodies values that are quite un-American, if you ask me. It is fiscally irresponsible. It mortgages our children's future, and it decimates the lives of the least of these. It is not compassionate. In fact, it is really downright mean-spirited, and I hope that the American people understand that this administration is bankrupting our children and their future, and they are investing in money interests and privileges for the few.

Mr. CUMMINGS. Madam Speaker, I want to thank the gentlewoman for her statement.

Madam Speaker, as I listened to the gentlewoman speak, I could not help but think about the fact that when I listened to the other side talk, it seems as if they forget sometimes what the American spirit is all about and what makes America great.

One of the things that makes America great is that we view ourselves like the human body, and if there is a part of us, a part of the body that is suffering or a part of the body that needs healing, then it is like the entire body has a problem, and that is one of the things that makes this country so great.

I shall never forget when I went to Bosnia several years ago with President Clinton and we were talking with the leaders over there in Bosnia about how it is that we had quite a few troops over there but not one troop, not one of our personnel was harmed. I asked the question, Why do you think that is? These leaders all agreed, they said because America has a spirit and they know that if one American is harmed, they will pay big time, and that has been our spirit. That was been our strength.

I listened to all of the things that the gentlewoman from California (Ms. LEE) was talking about, the programs being eliminated. You are talking about things that help people be all that they can be. I believe that our children, something as simple as arts and education, that is something where we know that children in so many instances already have the talent within them, and it is up to us as grown-ups to do those things that are responsible for helping to bring it out of them so that they can share with the world.

When I think about Empowerment Zones, many people in these Empowerment Zone areas, because we have one in the city of Baltimore where I represent, and people are trying to climb up, and they have been told in many instances in the past, pull yourself up by your boot straps; but they did have not any boots, let alone straps. So they were pulling themselves up by their fingernails and then the Empowerment Zone comes about and helps them get on their feet. They are able to create businesses, to get people employed, pay back into the State tax coffers and the Federal Government coffers, and then we are in a better situation, but more importantly, we have built a person.

Then I think about the COPS program that you mentioned. It is very important that people feel safe in their environment. That is just crucial, and the COPS program has done so much. We saw all over this country for years the crime rate going down; and now slowly but surely in many of our jurisdictions, slowly we are seeing it rise back up, but when you have cops on the beat, the fact is their presence, just their mere presence is a deterrent to crime.

So we talk about the Hope VI program. This is a program in Baltimore that we have seen, I think we have six or seven Hope VI projects, but as I have said, on many occasions and for those who may not know what it is, it is basically a program that allows many mainly urban areas to tear down high-rise developments and then build more or less low-rise and mixed-income developments. Baltimore has changed the landscape of our city and allowed people to own homes who would not normally own homes. It has revitalized our cities in areas that were decaying. Those areas have not sprouted up, and I said in an opening of one of the IMF Hope VI projects about 2 are 3 months ago that it was like having Andy and Mayberry in the middle of Baltimore City.

So those are the things that go to making people's lives better on a day-to-day basis. Those are the things that we talk about. We hear people say tax-and-spend liberals. Well, that does not apply to this side. The fact is that we are spending a lot of money, the other side is, that is, but what about the human development, so that people will have an opportunity to live the best lives that they can?

So the fact is that we can do better.

Ms. LEE. If the gentleman would yield for just a moment, let me just comment on what you have said in terms of our values, looking out for each other, making sure that all Americans have equal opportunity.

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Madam Speaker, the insidious and the sinister nature of this Bush budget is that so many of these efforts and programs which have been eliminated or cut affect the African American, the Latino and the Asian Pacific Islander communities. They affect low-income individuals, poor people.

Now, what kind of values do we have if we are going to do that? That is not the American way from what I know. I think we need to make sure that the country understands that there are communities that are impacted by this budget, and then there are communities that are severely impacted by this budget and will take us back 50 years if this passes.

Mr. CUMMINGS. We just had a situation in my district where a water taxi capsized in a storm. Unfortunately, there were some deaths, but we also had a well-trained Navy Reserve unit which so happened to be in the vicinity. If it had not been for them, some 20-odd lives would not have been saved. During our discussions about this incident, one of the things that we talked about was homeland security. The Naval reservists were saying when incidents like this happen, if they have the kinds of equipment that they would have to have for homeland security, it would make their jobs so much easier.

A lot of people say what happened on 9/11 will not happen again; I have heard people say it only happens once. Then we had the Madrid train situation, and the fact is, when we talk about homeland security and talk about our port situation, we have the Port of Baltimore; and in talking to the people at our port, they tell us that one drug load could come in and could do so much damage to our city and citizens. And yet we are cutting back on ports?

Ms. LEE. First responder funding, police, firefighters, health care emergency workers, we are cutting $648 million out of that budget. We are cutting port security grants by 63 percent. This totals, in terms of homeland security, an additional $155 million in 2005 and $857 million for 5 years. What kind of real war on terrorism do we have? What kind of commitment do we have to secure America, to secure people in our country?

We will have to look at it in a way that we have not looked at it before if in fact these numbers hold in the Bush budget.

Mr. CUMMINGS. In the Baltimore incident, what they said was, if you have the equipment you need for emergencies, like if there was some type of attack on our port or our city, even if that did not happen, just being prepared for it puts us in a position to be able to address issues that would probably have a higher likelihood of taking place. It is not like the equipment sits in a corner waiting for some terrorist to come along. And they also talked about the training that they have been involved in, and said their training was helpful.

Again, we hear mayors from all over the country, large and small cities, saying, we want to be prepared, we want to protect our people. We are the ones that have to address our firefighters and our police personnel and those who do emergency work. All they want is to make sure that they have the things that are necessary to do their job.

Ms. LEE. Madam Speaker, if the gentleman would yield, that is extremely important because having the resources there to do their job reduces the anxiety level. It reduces the fear factor which people quite naturally have at this point in our time.

I do not believe this administration wants people to feel that level of security. They like to keep them unstable and fearful and worried, and that is just downright wrong.

I think this budget really reflects exactly what the gentleman said. We do not have the equipment. Our first responders, our counties and cities, do not have what they need. People know they do not have what they need, and they are afraid. People need to rise up and tell the Bush administration to fully fund homeland security.

Mr. CUMMINGS. Madam Speaker, the gentlewoman also mentioned job training, which is so very important. The gentlewoman said there are cuts in job training.

Ms. LEE. Big cuts in job training.

Mr. CUMMINGS. There are so many people out of work. I was speaking to a colleague from Ohio, and he was saying hundreds of thousands of jobs are cut, gone. And he talked about how important it is to have job training, so if opportunities come, people will be in a position to take advantage of it. It is one thing to have opportunity, it is another thing to be prepared to take advantage of it.

It just seems to me as we see so many of our relatives and our neighbors out of a job, 9 million of them in our country, it seems to me that, if anything, we would be trying to increase the funds for job training so that people will be prepared for opportunity were it to come along. But yet and still, and the President keeps telling us jobs are coming, we have not seen them yet, but assuming he is right, if they are not prepared, what difference does it really make?

Ms. LEE. Madam Speaker, I think I have the answer to why they cut job training, and that is, they do not know where the jobs are coming from and what to train people for. First, we have lost the service industry. We have lost manufacturing, and we are outsourcing high tech. What is left?

We had a hearing several weeks ago with Alan Greenspan, and we talked to him about the economy and job losses. I asked Chairman Greenspan, What do we tell our young people? How do we tell them to play by the rules, go to school and develop some skills and some know-how because there is a job at the end of the road? And he could not answer that.

We asked where the jobs will be in the future, what industries, what sectors do we train people for? In what regions, and what jobs are going to be available in 2 to 3 years? And there was no answer for that question. I suspect the reason they cut job training is because they do not have a clue what kinds of jobs are out there in the future to train for.

Mr. Greenspan indicated if he did not believe those jobs were going to be out there, he would be as upset as I am, and he believes they are out there, but he never told us where.

Mr. CUMMINGS. When we talk about Pell grants, and we see so many students who work so hard and they finally get to college. I am a graduate of Howard University, and since 1973, I have gone back to every graduation because I want to see the young people emerge and go out into the world. It is a good feeling that I get from seeing that.

But to know there are students today like the ones we saw down at Florida A&M and Prairie View A&M, at Morgan State and Howard, so many of them have gotten there. They have gone through so many difficulties, and they finally get to college. And many of them, although it is recommended that they not work in their first year, they are working and doing whatever they can do to make ends meet to be able to pay the tuition payments. I think it was at Prairie View when they did a survey of income of the parents, it was less than $40,000 combined average. So the parents simply do not have it.

So we have students who are giving it the best they can. They have dreamed of being a doctor or nurse or lawyer or teacher, and finally they get that acceptance letter and they are able to scrape together some money and, maybe their cousin or Aunt Sally gives them money for their graduation present from high school, and they get there and then they find out that the Pell grant that they are getting, even combined with other sources of income, even the money they get from working a part-time job is not enough.

The sad part about it is, I believe such students at Morgan who have to drop out, and we have not done a survey, but we believe many of them never return. What that means is their income is affected for the rest of their lives. They live a totally different life. If they had gotten a college education, they would be able to do better for their children and have more opportunities and be able to open more doors for future generations.

So in this country, that is probably the richest country in the world, we fail to properly make sure that they have that support system that they need. I think that is a shame.

Ms. LEE. Going back to the Congressional Black Caucus' budget, we increased the funding for Pell grants and for our young people so they do not have to deal with the very situation that the gentleman described.

Taking it just a little further, those that somehow make it through start looking for job. There are no jobs out there; but if in fact we created an infrastructure, development initiative, if we invested in our economy by investing in health care, if we invested by establishing the National Affordable Housing Trust Fund to increase the production of affordable housing in this country, we would be able to create jobs by creating an investment in our country and in our communities for areas that people need.

People need health care and housing and transportation. We need schools to be fixed and we need construction projects going on. There are so many millions of jobs that could be created if we just invested our Federal resources into this instead of the military machine for weapons which feed the military industrial complex.

Mr. CUMMINGS. In the State of Maryland, almost every one of our schools that prepare young people for nursing are community colleges and our 4-year colleges have long waiting lists. They cannot accommodate, they do not have the resources to accommodate the students that are qualified. Yet and still, we have a phenomenal nursing shortage. That just boggles the mind: These young people who are prepared to work in a profession where there is a demand, and that is a major problem. Those are the kinds of things that we should be addressing, when we have young people standing in line to do what they have wanted to do for the last 10 years, and do not have the chance to be able to do it.

Ms. LEE. There has to be the political will to do that, and the future has to be a priority in terms of the budget priority. You have to see young people as being our future, those who are going to really take over the world, and we have not invested in our young people. We have not developed an educational system that will allow them to develop, learn and grow and move forward.

Again, Leave No Child Behind is a classic example. It is $9.4 billion underfunded.

Mr. CUMMINGS. The Bible says, Where there is no vision, the people perish. And the question is, and the gentlewoman hit the nail on the head, what is the vision that we have as opposed to what the other side of the aisle and our President have?

I think our vision is for a better America, an America where each person has an opportunity, just as all these Congresspeople have had, to use all of the things that are within them to be the best that they can be. We have tried in our budget to make sure that we did everything that we could to make sure that they had fertile ground to develop and be all they can be.

□ 2015

Ms. LEE. I want to thank again the gentleman from Maryland for his leadership and for insisting that the Congressional Black Caucus put forth this vision, a vision that is based on true American values, a vision that is based on equality and justice, a vision that is based on fiscal responsibility, a vision that is based on not mortgaging our children's future; and it is a vision for the country that I know someday will be seen by those on the other side. It is just a matter of time.

Mr. CUMMINGS. Madam Speaker, on behalf of the Congressional Black Caucus, as I have said before, we may not win every battle, but we certainly will stand up over and over again. It is so amazing to me that at the end of each one of these Special Orders, Madam Speaker, when we go back to our offices, we have calls from Americans. They are not just African Americans. As a matter of fact, most of them are not. These are people calling from various States throughout the country. What they are saying is thank you for informing us and thank you for at least giving us the other side of the story, because we did not get it. We did not hear that anywhere else. We may not win. We may not win today, but at least we plant the seeds in the minds of the American people and hopefully in the minds of this Congress that there is, in fact, a better way.

Ms. LEE. Yes, there is a better way. I think Dr. King, reflecting upon him right now, showed us a better way and told us that there was a better way. He told us how the bombs bursting in Vietnam would explode here in the ghettos of America if in fact our spending priorities were not reordered. Those who care about Dr. King and celebrate his birthday in January need to celebrate his life each and every day by executing his vision. We have the opportunity to do that. What an honor. We have been elected to Congress to be able to create a better world. In fact, when we do not take those opportunities to do that, I worry for us. I worry for our country.

I say, thank God for the Congressional Black Caucus. If it were not for the Congressional Black Caucus, I do not know if, in fact, any of these issues would be crystallized in the way that they are being crystallized as a result of our efforts. I want to thank the gentleman, even though I know it is very difficult sometimes dealing with 39 of us who all have ideas. But the chairman incorporates all of our ideas and comes up with a magnificent document each and every year. I think that sooner or later our budget will be the budget. It will be the budget that is passed by this House and the other body, and it will be in the White House, and we will someday see our vision for America and for the world as being the American Dream realized and in action.

Mr. CUMMINGS. Last but not least, Madam Speaker, it was the songwriter Tracy Chapman who wrote the brilliant words: "Either we change or we live and die this way." And so the Congressional Black Caucus is about the business of changing for the better, changing so that all people may rise up and be all that God meant for them to be, but at the same time we present a budget which is fiscally responsible. That too is very important to us.

Ms. EDDIE BERNICE JOHNSON of Texas. Madam Speaker, I want to thank the Chairman of the Congressional Black Caucus, Mr. CUMMINGS, for his steadfast support of the development of this budget alternate. I also want to thank Ms. MAJETTE and Mr. SCOTT for their leadership. I appreciate and applaud their steady stream of ideas and positions on issues we all care about. I also would like to thank all of the members of the CBC and their staff for their help in completing this very worthwhile project.

The Republican budget proposal clearly ignores the needs of Texas and of all working Americans. The Republican budget borrows from future generations to pay for today's tax cuts and federal spending. It reduces taxes on the wealthiest Americans and slams the door on economic opportunity for working families. Neither of these outcomes is in our nation's best interest.

Madam Speaker, President Bush inherited a federal surplus of $127 billion in 2001. His tax cuts give us a deficit of $521 billion, an all-time record, in 2004. Recently, the non-partisan Congressional Budget Office forecast that rather than cutting the deficit in half over the next five years, as the President pledged, his budget policies will result in increasing it by $2.75 trillion. That's an astounding and mind-boggling amount to add to the national debt over the coming decade.

The CBC budget fights for social justice. It advocates for the poor that are left out and forgotten, and more specifically African Americans and other neglected minorities. The budget of the Congressional Black Caucus fully funds No Child Left Behind, it provides funds for school construction, and it increases funding for other education and job training programs. The CBC alternative also provides funding for the minority health initiative, health insurance for the uninsured, it supports child nutrition programs, it funds job creation programs under the SBA, and it extends unemployment insurance benefits. The alternative budget also eliminates the disabled veteran's tax.

The funding for these important domestic needs comes from two sources: (1) a reduction in the tax cuts from 2001 and 2003 for an individual's adjusted gross income that exceeds $200,000, and (2) the closing of tax loopholes, abusive tax shelters, and methods of tax avoidance. These funds total an estimated $35.5 billion in FY05, and are used for the domestic and deficit reduction portions of the alternative budget.

I ask, Madam Speaker, that Members of this body give serious consideration to both the debate and to the challenge.

Ms. JACKSON-LEE of Texas. Madam Speaker, I rise today with great fear over the direction that the Republican Party and this Administration is taking our great nation. My concern is based primarily on the national budget which was just voted on. The Nussle budget clearly did not improve upon the severely flawed Bush Administration budget. The needs of average Americans were still ignored. The interests of a wealthy few outweighed the needs of an entire nation in this budget. I say this not out of partisanship, but from a statement of the facts. I want to highlight a few areas in this budget that are particularly egregious.

EDUCATION

This President and the majority party in this body have spent so much time talking about their record on education and as hard as I try I cannot see what they have to be proud of. It is one thing to address areas of critical need with rhetoric, but to advocate a policy and then not fund it sufficiently is plain irresponsible. At the top of the list of my concerns is the No Child Left Behind Act (NCLB) and the fact that it has become an unfunded mandate. The House Republican resolution provides at least $8.8 billion less than the $34.3 billion authorized for education programs under the "No Child Left Behind" Act for 2005. The CBC alternative budget is the only one that fully funds the "No Child Left Behind" Act of 2005. Without this program being fully funded low funding millions of elementary and secondary school students are left without the services Congress and the President promised just two years ago. For example, the Republican budget denies Title I services to 2.4 million students who quality under the Act.

But the irresponsibility does not end with No Child Left Behind. For the third straight year the Republican Party has frozen the funding level for Pell Grants. Both the Republicans and the President freeze the maximum Pell Grant award at the 2003 level of $4,050, with an average grant of $2,399. Such small Pell Grants make college unaffordable for millions of students: the College Board reports that tuition and fees at 4-year public colleges today average $4,694. In any market this gap would be hard to swallow, but with the current state of joblessness that the Republican Party's agenda has created it is near impossible for so many American families to send their children to college. I fear that this agenda if allowed to continue will cause a perpetual state where our American families aren't able to succeed. The CBC budget would ease the difficulty on the plethora of American families having problems funding their children's education. It guarantees almost $2 billion more for the Pell Grant, raising the maximum level to $4,500, an 11 percent increase over the maximum under the Republican Budget.

In addition to this the CBC budget provides even more benefits to our education system. It adds a combined total of $18.7 billion to educational spending which will greatly reduce the stress placed on our educational system today.

But education is not limited to elementary and secondary schools and colleges and universities. Education is a lifelong endeavor. And with that in mind the CBC budget proposes an additional $2 billion for Job Training, Vocational Education, and Adult Education. Such funding will provide countless Americans the ability to improve their lives, their families, their communities, and their nation. The Republican budget underfunds our education and our future.

VETERANS

Our brave American veterans are another group who were outraged by the President's budget and will unfortunately be disappointed with the Republican House Budget. The majority party argues continuously about the greatness of our Armed Forces, and their right, but again it's just empty rhetoric on their part. Those brave men and women fighting on the front lines in our War Against Terror will come back home and find that the Republican Party looks at them differently once they become veterans. They are no longer treated as great heroes. Instead they are viewed as a nuisance and a way to cut the budget.

Almost all veterans need some form of health care, some will need drastic care for the rest of their lives because of the sacrifice they made in war, but the Republican Party continues to turn a blind eye to their needs. On a bipartisan basis, the Committee on Veterans' Affairs recommended that $2.5 million more than the President's budget was needed to maintain vital health care programs for veterans. Nevertheless, the House Republican budget provides $1.3 billion less than what the Committee recommended for 2005. The CBC budget provides an extra $1.25 billion to meet the request of the Veterans' Affairs Committee.

The entire Department of Veterans Affairs is going to suffer because of the Republican agenda. Over the next five years the money allocated to the Department of Veterans Affairs will not even be able to maintain these programs at their current levels. In 2007, the budget is $227 million less than what the Department of Veterans Affairs needs to keep pace with inflation. Over five years, the Republican budget cuts $1.6 billion from the total needed to maintain services at the 2004 level. I've heard from veterans groups throughout my district in Houston and I'm sure each Member of this body has heard from groups in their own district because veterans are one group that come from all parts of this nation. These brave veterans have told me their stories of how they are suffering now with the current state of veterans affairs. I am going to have trouble telling them that not only will things continue to stay bad but things will only continue to get worse. That is not what our returing soldiers from Iraq and Afghanistan should have to look forward to, a future where their needs are not only not provided for, but are in fact ignored.

The CBC budget provides an extra $8.7 billion in total veterans spending. An increase that is sure to fix many of the aforementioned problems. Of that extra funding $3.6 billion will be dedicated to fund the Montgomery GI Bill. This program is, and has been, one of the most important veterans programs around, and I for one will not allow it to be underfunded. Finally, the CBC budget will give $2.5 billion and $25 billion over ten years to help eliminate the tax on disabled veterans known as concurrent receipts. While the Administration's tax cuts are doled out to the wealthiest Americans this budget will aid those who really need our help, our veterans.

IRRESPONSIBLE REPUBLICAN POLICIES AND HOMELAND SECURITY

Education and Veterans Affairs make up only two areas where Republican budget fails Americans. The truth is there are many other programs and services vital to our nation that are at risk because of the Republican agenda. At this point, an average American may be asking why the Republican Party finds it necessary to cut so many fundamental programs. The answer is simple, yet disturbing; the majority party is cutting important programs in order to finance all their irresponsible tax cuts. They will continue to make the argument that tax cuts provide stimulus for our economy, but millions of unemployed Americans will tell you otherwise. In fact the Congressional Budget Office itself said "tax legislation will probably have a net negative effect on saving, investment, and capital accumulation over the next 10 years."

While the Republican Party continues its offensive for irresponsible tax policies they allow our national deficit to grow increasingly larger. The deficits are so large and their policies are so irresponsible that they won't even make deficit projections past 2009. It's clear that the Republican Party is hiding from the American people. This President and this majority in Congress have yet to advocate a fiscal policy that helps average Americans. Special interests have become king in this budget at the price of sound fiscal policies.

The CBC budget will go a long way to solving this problem. Our goal is to help the common person not just the CEO. We want to protect the Average American who is struggling every day through these tough times just to get by. And this brings me to another key problem with the Republican Budget. In what direction are they taking Homeland Security? The CBC budget provides an additional $2.4 billion in Homeland Security funding. It provides an extra $900 million for First Responders including the COPS Program and Citizen Corps and provides an extra $566 million for Port Security grants and an additional $250 million for Rail Security. We must keep American citizens out of harm's way and the CBC budget provides us with the resources to do that.

CBC ALTERNATIVE BUDGET

The truth about the budget is that a sound fiscal policy that funds needed programs is possible. The CBC Alternative Budget is an example of how we can get out of the quagmire that the Republican agenda has put this Nation in.

GENERAL LEAVE

Mr. CUMMINGS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my Special Order.

The SPEAKER pro tempore (Ms. GINNY BROWN-WAITE of Florida). Is there objection to the request of the gentleman from Maryland?

There was no objection.

ECONOMIC PRINCIPLES FROM A PRIVATE SECTOR PERSPECTIVE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes as the designee of the majority leader.

Mr. KING of Iowa. Madam Speaker, as I sat here and listened to this debate tonight, a number of things crossed my mind. I would like to pass backwards through the comments that were made by the distinguished members of the Congressional Black Caucus and address some of the subject matter. As you sit in your living rooms this evening and you consider what you have heard, you have heard our President's name used over and over again, never in a complimentary fashion, not particularly derogatory, given some of the evenings I have seen in this Chamber, but we need to keep in mind that the apparent Democrat nominee for President is a Member of the other body. According to the rules of this House, I cannot nor can any Member use the name of that Member of the other body and designate them in the same fashion that the Members we have heard here tonight have the latitude to speak about our President, our Commander in Chief and the leader of the free world.

And so that is a restriction that I have. And when I reference the apparent Democrat nominee for President, you will know who I am speaking of. However, what we have heard here is that the Congressional Black Caucus budget has fiscal responsibility because they offer a balanced budget. But the balanced budget that they offer is balancing the budget by raising taxes, putting a burden on the private sector. By the way, there are two sectors to this economy. There is the private sector where the jobs are created, where the dollars get invested, and where Americans make a decision that they are going to save up their money and invest it and maybe buy some stocks, some mutual funds or start a business or go borrow that money and invest it in a business, which is what creates new wealth and which is what creates jobs.

It is not a zero-sum game. It is a multiplier. We are always seeking to promote the maximum productivity of our citizens. That is directly proportional to the strength of this entire economy, that is, the sum total of the productivity of all of our citizens, all of our citizens working together, the maximum number of them going to work every day, producing the maximum amount of goods, the maximum amount of services multiplies itself through our economy and promotes our export markets and competes with our import markets and provides for the technology and the training and the capital investment and the higher education and all of those components that make our economy grow.

When we raise taxes to balance the budget, there is a huge presumption in the minds of the people that advocate such a thing because they are presuming that the economy is going to move along in the same fashion as it did and that tax increases are not going to provide a disincentive for people that get out of bed and go to work.

I can tell you as a businessman, one who started a highly capital intensive business with a 100 percent loan back in 1975 and went to work every day and operated that business with the checkbook in my shirt pocket and provided a service and collected the money and paid the bills and dealt with the Federal Government and the IRS and the regulations and all of the burdens that are there, and paid the taxes, of course, that there is a limit to how much anyone is willing to risk their capital, risk their sweat equity. At some point if you punish people for their work, if you punish productivity, you will get less productivity. Ronald Reagan said, What you tax, you get less of. What you subsidize, you get more of.

If I just address the tax side of this, if we tax and tax and increase taxes to balance a budget in a time of recession, and we are coming out of that recession today, we will get less productivity. Less productivity equates to less revenue for the Federal Government and what you have done, then, is you have discouraged the goose that lays the golden eggs. And so I would point out that we are coming out of a dip in a recession.

If I can direct your attention to this chart on my left, this is what I am going to describe as the dot-com bubble. Right about in this area here and if you were watching the economy grow as I did and as many of the investors did and they put their money in the information age and in technology, because we had an ability, a growing ability, a dynamically growing ability to store and transfer information more quickly and more efficiently and more cheaply than ever before in history, in fact, beyond the imagination of most of the predictors back in the earlier years in the nineties. So we invested in the ability to store and transfer information. People were investing in dot-com businesses, betting that those businesses would turn over and that this economy would continue to grow.

Well, it grew and a lot of this economy here was speculative economy. It was an economy that grew like a chain letter as people invested more money in more dot-com businesses and in more technology and in more things that did not really reflect the value of information technology. Because, this was the major misconception, just the ability to store and transfer information in and of itself has value. I will point out that that is not the case. The marketable value of being able to store and transfer information is to the extent of two things: Can you take that information and improve productivity? And can you deliver that product more cheaply and more efficiently? And to a much smaller degree, what can you market this information for for recreational purposes?

So information has value for research purposes because that information then allows us to be more effective and more efficient. That is the good thing on the economical side, but the recreation side is when people get on the Internet and they pay their $21.50 a month or their 40, 50, 60, $70 a month, depending on their service because they like to be able to get access to entertaining Internet information. That is a marketable value of information. The others are to be able to produce the good or the service more efficiently than before.

So what we have with the dot-com bubble is this bubble right here was bound to burst. As some of us saw this coming and talked about how long we could sustain this level of this growth, it was a lawsuit that started against Microsoft that popped the bubble. I believe it would have popped of its own just of the sheer stress and tension of the dot-com bubble as it grew and inflated higher and higher. Sooner or later it would have burst because of its own pressure. But what happened was some of the States attorneys general got together with some other interests and entities; and they sued Microsoft and when that happened, this dot-com bubble burst and the money that was invested in this economy came tumbling down, and we lost billions and billions of dollars' worth of wealth all the way through here. That happened through this stretch.

If you look here, you can see what happened when we got to September 11. George W. Bush was sworn in here, and then we had the September 11 attack, which came about right in here. The economy was already racing down; and when our transportation industry came to an immediate and screeching halt within hours of the attacks of September 11, that stopped also a huge sector of our economy. We have had to recover from this bubble being burst and being dropped down into these levels. If you look where we are today, the Bush Jobs and Growth Act, which we passed in this Congress a little over a year ago, has grown us, then, back up to essentially the level where we were before.

We have dealt with this dot-com bubble, made the adjustment to it and the real economy today is the economy of the ability to be able to produce goods and services more efficiently than before and the growth in our gross domestic product. But it is not the time to increase taxes, punish businesses and convince them that they should pull in their capital investment and produce less to avoid the tax liability. It is the time to make the tax cuts permanent, the time to be able to send the message that we are a business-friendly world where jobs are created by the private sector, not by government.

As I listened to the gentlewoman from California and she referenced the Bush administration, and our President in particular, she said with regard to jobs, "They don't have a clue." I would think that statement would be accurate, not with regard to the analysis of our President's statement, but with regard to the person who uttered that statement, not a clue on what creates jobs, if you cannot believe that private sector investment creates jobs and that is where the wealth is.

That is part of the sector of our economy. The other one is the public sector. The public sector of the economy is the anchor that drags our private sector economy. We have people that get out of bed every day and produce a good or a service that has value and they market it in the marketplace and every day they try to figure out how to be more competitive, how to produce more of that good, more of that service for a more competitive price. Surely they are trying to maximize their profit; but when they do, they have got some money left over then to invest in technology, higher education, capital investment so that they can be more competitive and be able to provide that good or service even more competitively yet.

That is going on around this economy millions of time every day. It is part of the equation that is in the minds of our managers and our workers, all in the private sector. The public sector, which now I am a member of, and my lifetime and my career and my training have all been in the private sector where I have competed for those jobs, public sector jobs are often in the regulatory section. Regulators are people that get out of bed in the morning. They go out to look over the shoulder of the people who are producing a good or a service that has a value that is marketable in the marketplace. In essence you have to take from the profit from the private sector to pay your public sector regulator, the watcher of the work, the one who regulates the work and sometimes the one who obstructs the work. So there is always a drain on the private sector to fund the public sector jobs.

What I heard mentioned over here this evening was a whole series of public sector jobs, from police officers, more teachers, on down the line. I did not hear anything that would address a way that we can create more jobs or fix the climate so that the private sector can create more jobs.

□ 2030

It was all public sector requirements, all burdens on the private sector always to wear down this economy, always to make it harder and harder for us to recover from this place that we are in today, which is not too bad a spot and we are moving up.

And another proof of that would be, if I go to chart 2, the unemployment rate that we are dealing with. This would be the early days of the Reagan administration. About the time when Ronald Reagan took office, we had extremely high unemployment, extremely high inflation. And with the Reagan plan, we were able to drop this unemployment level down to under 6 percent for the first time in about a decade.

And then, as the unemployment grew through the 1990s, this would be about a third of the way through the Clinton administration, then it went down, and we were arriving at about a 4 percent unemployment rate. But historically that was an unemployment rate from the year 2000 back to 1970 that we had not seen in that period of time. In 30 years we had not seen unemployment as low as this, corresponding, by the way, with the dot-com bubble that burst at about this point.

And now we saw unemployment go up. These were technology jobs, by the way. And we had import foreign labor, H1Bs, a lot of technology people. And now we are back here at historically about standard level, at about 5.6 for our unemployment rate. But we have made significant progress.

We can expect these things to happen. The growth is on the way. And we should feel comfortable and optimistic about the future of the United States economy.

The reference to No Child Left Behind, I come from the State of Iowa, and we can argue that our K-through-12 education system, in our public schools in particular, ranks at the top or very near the top in education. If we measure our Iowa basic skills test, which, by the way, are taken all over world as far away as China, and if we measure our ACT test scores compared to the students from the schools in the other States in the Union, we can argue that we are either at the top or maybe there are two other States that can argue competitively with the success of the public school system that we have. And yet we are dealing with No Child Left Behind in the same fashion as some of the States that are at or near the bottom in their K-through-12 education.

So I hear a lot from the teachers in Iowa about the burden of having to fill out a lot of paperwork and meet the administrative requirements on No Child Left Behind, and yet we do not want to leave any child behind. There are States like Mississippi and Arkansas and Alabama that need this help, that do not have the commitment to education that I happen to have the privilege to live within and have been the beneficiary of.

We have a tradition in Iowa on education that I believe roots back in about 1878 when the general assembly of the State of Iowa, in a series of about three different pieces of policy, put together a policy that no child would grow up and have to walk more than 2 miles to a school. So it set up the rural school system, our country school system, and my nearest one was a school about 1½ miles down the road from me, which I just missed going to by 5 weeks, the way the transfer of people in schools went. But there in those country schools where if no child was going to be more than 2 miles from a school, then the school districts were often, especially in the flat country, 4 miles wide and 4 miles high. So that would be 16 square miles to a school district with a school sitting right in the middle. Sometimes the farmer could not get out of sight of the school from his tractor, his team of horses, but they sat on the school board.

The property taxes for that 16-square-mile chunk of that school district funded the entire school, and the school board was elected from the property owners that lived and raised their families and farmed within that 16-square-mile section. And so the elected school board then approved the curriculum, hired the teacher, built the school, carried in the coal, carried out the ashes, fixed anything on the playground, and pretty much it was a community center for that area.

But as we watched those young people grow up in the country schools and get that education with a single teacher in grades K through 12, and then later on the high school students would go on to the nearest town to go to school, but as that happened, we established a commitment to education, a tradition for education that I believe is second to none in the country, primarily because it is rooted in that commitment to education to the extent that in our State budget we commit 62 percent of the entire budget to education.

If we did that in this Congress, there would be a lot of thunder to pay, and I would hear a lot from over on this side, but it is important to not let children fall behind. And as the President addressed the "soft bigotry of low expectations," let us push all of them to reach their expectations.

And I will say this: I would not have voted for No Child Left Behind had I been in this Congress when that bill came up, because it was not something that Iowa needed. But we have it, and we are going to meet the regulations on that. And there is funding for No Child Left Behind, but we have it because we want to lift those students up in those States that do not have that kind of support, whose States are not committing 62 percent of their budget to education. And I am committed to reaching out to those students because we want to again maximize the sum total of the productivity of our people. And education equates to prosperity and prosperity equates also to freedom, and I am all about the freedom.

But when we hear that it is underfunded, do not buy into that. There is a difference in this Congress between authorization and appropriation. Authorization is a number that says, all right, we can appropriate up to this number, but there is a cap; do not appropriate beyond that.

So authorization almost always is higher than appropriation, and when we hear over here the criticism that No Child Left Behind is underfunded, that is the measure of, well, it was not appropriated up to the level of the authorization, it was somewhere down here.

And if we look back at the criticism we have seen with the Bush administration, tracked through the previous administration, and I can say his name, President Clinton, in 1994, the last time that there was a Democrat in White House and a majority in this House for the Democrats and also for the other body, I have to say, the authorization for the education bill was higher than the appropriation. They had the chance to do it, and they did not fund it; but they are not willing to accept the criticism that it was underfunded education then. And we did not argue that it was cut. Now I am hearing an argument that would not have fit in 1994. If the shoe did not fit then, it does not fit now.

With regard to Homeland Security, Homeland Security was formed by putting together a number of different agencies into the Department of Homeland Security. And it was done quickly, and it was done in the climate of the beginning of the war on terror and in an effort to find a way to reach out and gather together the information and the data that we needed to quickly establish a way to protect and secure this country from what we anticipated very soon would be another domestic attack.

I want to compliment our FBI and our law enforcement people and Homeland Security to the extent that they were all involved in protecting this Nation; and we have intercepted a number of terrorist attacks on our soil. There has not been a significant one on United States soil since September 11, 2001. We have to call that a success. We have to believe that al Qaeda wants to hit us. In fact, if we look at Spain, it is pretty clear that they are going to be turning their sights on us in a far more aggressive way. Maybe a little more on that later.

But Homeland Security, FBI, to the extent that the CIA has turned out information that has helped us overseas in the war on terror, we have been safe in our homes and on our streets from these attacks, not at a small cost, at a high cost. Those agencies that were put together for Homeland Security were put together with an effort to save money. Merge these agencies, get rid of duplications of services, provide those savings, and then be able to roll those savings into more appropriate ways to spend money.

Looking at 2 years' budget in the Department of Homeland Security, we are looking at nearly double-digit increases each year. And where does it stop? And when we build on a 10 or 12 percent increase, we have got the line in the graph going up dramatically. The next year we are up here, and we build again another 9½ percent on homeland security, I do not believe we have the mechanisms in place to be sure that we are spending that money appropriately.

I believe there is a significant amount of money that is wasted in Homeland Security, and I happen to have information that we have bureaucrats there who are making $150,000 a year, in another department, retired, took their golden parachute, their $100,000 a year, and went on to answer the phones at Homeland Security and started to cash a $150,000 check. That adds up to about a quarter of a million dollars to answer the phone, and I think we can hire people in this city for $25,000 a year to do that, not $250,000 a year.

That just addresses the wage waste that I believe is there; it does not address the inefficiencies that I believe are there. And I do not think that we are able to scrutinize Homeland Security enough because all of us in this Congress, Democrat and Republican alike, live in fear of another attack; and if there is an attack on this country tomorrow, we can bet the fingers will be pointed at me for even uttering criticism.

But I think we have a responsibility in this Congress to hold each department responsible to prudently spend tax dollars, and if they cannot do that, then we cut their budget until they find the savings. We are looking also for waste, fraud, and abuse, but each department will find them if we squeeze their budget down.

And, by the way, I do not get all that motivated about being able to cut the deficit in half in 5 years. That just does not get me to charge the windmills. I want to balance this budget, and I supported the Republican Study Committee budget today because I think it goes closer to what we need to do to put fiscal accountability in.

We need to grow our economy. We need to make the tax cuts permanent. We need to do a lot more to take this burden of the public sector off the backs of the private sector. But we need to move this country towards a balanced budget sooner rather than later.

This budget we approved tonight moves us in that direction. I would have preferred that it had been more dramatically, but I am absolutely opposed to the idea that we can raise taxes, balance the budget, and there are not economic prices to pay. Certainly there are.

So I listened to some of the other debate tonight. The discussion about the Bush administration, again using that outsourcing, because unfair trade practices are costing us jobs within this country. Yes, we are losing jobs in this country. We are losing some of our manufacturing base, our textiles industry. And I am wondering why that should be a mystery to anyone when we look at the tax burden that we have, the regulatory burden that we have.

Over $850 billion is the weight of the regulatory burden from the Federal Government alone, and so when we are paying a tax burden that has a 22 percent embedded cost in anything that we might export overseas and we are competing against foreign countries who have 68 cents an hour with the same kind of equipment on the lathe or the punch press, and they are producing products coming into the United States, it is not just unfair trade practices. It is people working far cheaper than we are willing to do, and we cannot compete with those kinds of wages in perpetuity without improving our productivity for every single worker. I do not know how we can do that, especially in competition with developing nations in the lower-skilled jobs. So we can expect that we are going to be seeing jobs drift overseas.

What I want to do is slow that loss of those jobs and I want to incent the creation of new jobs, high-tech jobs, and I want to hold the industrial base in this country. We have got to hold some industrial base. If we do not, we will not have the facilities to build our military equipment, and that makes us vulnerable to the rest of the world. But outsourcing jobs, it is competition, and there is a reason why those jobs are going. I will come back to that in a moment.

I also want to associate myself with the remarks made by the gentleman from Idaho (Mr. OTTER) tonight with regard to the nuclear power. It is about time somebody stepped down to the floor of this Congress and spoke about clean energy, nuclear energy, the accident-free energy and the environmentally friendly energy. I compliment the gentleman from Idaho (Mr. OTTER) for those remarks, and I think we need to raise this kind of subject matter continually until the public begins to realize the safety and the efficiency and the cleanliness that we get with our nuclear fuel.

But it is not the only kind of environmentally friendly fuel, not the only kind of fuel that is good for our economy. Being from Iowa and being from the number one corn-producing State, I have to raise the issue of ethanol. Ethanol does those things, too, and we produce not quite 3 gallons of ethanol out of every bushel of corn, and we are producing millions and millions of gallons of ethanol in Iowa and across the country.

I have some numbers here that I think will be of interest. In Iowa, we produce ethanol out of an estimated 262 million bushels of corn, and that is a lot of corn. In 1980, we produced 175 million gallons of ethanol. Today, in this country, we have 74 plants, and they have a capacity of 3.1 billion gallons of ethanol production. As we develop and build that production, we believe that that production will go to 3.5 billion gallons of ethanol for the year 2004, which is a 25 percent increase over 2003 in ethanol production.

□ 2045

This ethanol does a whole series of good things for this country. One, it is a value-added ag product and it is multi-pricing its value close to home, close to the corn stalk; and that value added there creates jobs, jobs in a location where we have been losing jobs over the last 20 to 30 years. It puts the dollars back in, keeps them there, there are good paying jobs and we add value to that.

We are able to take the byproduct from the ethanol plants and feed it back to livestock. Whether it is distillers grain or gluten, it has a tremendously high demand for the feed value. I happened to run across a lady just yesterday who has a whole series of recipes to take the distillers grain and turn it into cookies and bars and neat little things like that. You will not know what you might be eating within the Capitol cafeteria here in the next couple years if we can find another way to add value to our corn.

Ethanol is clean, clean burning and environmentally friendly. It replaces MTBEs. MTBEs are declared to some degree to be a likely carcinogen. I would ask you, would you rather drink a glass of ethanol, or would you rather drink some MTBEs? But it is environmentally friendly.

We have an energy crisis in this country. The gentleman from Idaho (Mr. OTTER) and I are addressing the energy situation here tonight. As we look across our entire economy, I will tell you that there is a component, there is an energy component in anything that we do. Whether you are producing a product or a service or delivering it, there is a production cost of energy, and there is a transportation cost of energy.

So I am going to tell you that I think there is an E-tax on everything that we buy, and it is related to the energy cost. But the energy is not what the E stands for in my E-tax; it is the environmental cost, the unnecessary regulatory environmental cost that goes on top of all of our energy in this country.

Natural gas is critically important to us. In our part of the country, we use natural gas for all the traditional things that it gets used for in all the rest of the country with regard to heating our homes and our factories and providing the energy to manufacture those goods that we are marketing.

But also we use natural gas for drying grain in the fall, and we use natural gas for producing nitrogen anhydrous ammonia so we can raise more corn in the spring. Sometimes in the fall we have fall applications too. That makes us more vulnerable to natural gas prices than maybe anyplace else in the country.

In addition, natural gas is used to produce ethanol. So there is a component of that gas price that is a cost of every gallon of ethanol we produce. When natural gas prices are unnaturally high, that puts a burden then on the Midwest, on the corn belt, and really on the rest of the United States, because the ethanol we have goes into 30 percent of the pumps across America, and it is going to get to be more and more as time goes on.

This environment tax is a challenge for us, and it is an unjust burden for the cost of our energy, and I am sensitive to this environmental burden. For example, the transportation bill, we have with Federal user fee on a per gallon of gas, which is 18.3 cents per gallon, out of that 18.3 cents, that money goes then to build our roads.

Well, that is okay with us. When we put the hose in the tank, we expect we are going to pay 18.3 cents for Federal, and whatever your particular State gas user fee is. In Iowa I think our numbers add up to 41 cents or 43 cents a gallon. The 18.3 is Federal.

Of that, and according to a very well-informed chairman in this Congress, 28 percent of that amount goes to pay for environmental costs, what it costs to go around a wetland, what is costs to build a bridge across a river from hill to hill so you do not go down a scenic area, for example, or any of the environmental burdens of going in and doing the archeological study, doing the environmental impact study.

All of these costs that are obstructions along the way of building our roads take 28 percent out of that entire user fee that we think we need to, and we do need to, go out and build more roads, because transportation is an essential component of economic development. It is the very first component of economic development.

Now we have taken 28 percent out of transportation fees to spend it for environmental interests, and nobody knows that. The American people do not know that, that when they put the gas hose in their tank and squeeze down on that nozzle that for every dollar's worth of gas that they buy, or every dollar that goes to the Federal Government for the road fee, 28 cents of that is going to take care of the environmental demands.

The environmentalists have become an obstruction to the economic growth in this country and raised the cost of transportation. They have raised the cost of natural gas.

We have a lot of natural gas in Colorado, but we cannot get it to market because the environmentalists block it. I have yet to see a natural gas well that polluted anything. If you have a leak, the gas dissipates, and if you have a spill it dissipates. From my perspective, maybe they object to the idea of looking at a derrick for 4, 6, or 8 weeks while there is a well drilled that will tap into the natural gas. Then you tear the derrick down and put a little head there and run a line to it, and there is your gas well. There is no logical reason why we cannot develop natural gas wells in Colorado where we have a good supply.

Last year on the energy bill in this Congress, we had an amendment on the energy bill, and this amendment simply would have inventoried the natural gas offshore for Florida, just to go out there and calculate how much is there, and then if we can calculate how much there is, maybe we can also know we have a reserve and start to plan our energy development strategy and not be dependent upon foreign energy. But we could not pass the amendment that simply inventoried natural gas reserves offshore for the State of Florida. That tells you how strong the environmental interests are and how much of a religion it has become.

My life, by the way, has been about soil and water quality and environmental issues. I spent 35 years of my life building terraces and farm ponds and waterways and wetlands and enhancing mother nature and sending the rain drop down through the soil profile, which is what purifies the water. My life has been about soil conservation and water quality, and I would not be supporting a policy that undermined our environment. But I believe it has morphed into a religion rather than logic.

So we need to promote this ethanol market, and we need to move the energy bill, and we need to promote natural gas drilling in the lower 48 States and where we can tap into this gas, up on the North Slope. We have got to move this energy bill that is over in the other body. Remember, I cannot say that, the people over there in the other body. We need to move that bill so that we can get our ethanol production up and going, so that we can get our biodiesel production up and going, and so that we can bring a natural gas pipeline down from the North Slope of Alaska into the lower 48 States to be able to slow this increase in gas prices.

That is part of the energy component. But, in addition, the oil exploration in the United States has diminished significantly within the last year. We have gone from a 10 percent share of the world's investment in exploration down to a 7 percent share. We have the same environmental concerns.

I saw advertisements on television that showed beautiful forests, and it said ANWR. The ANWR up in Alaska stands for Arctic National Wildlife Refuge. But when you see that it says Arctic, when you see an advertisement that shows you pine trees and a beautiful forest and mountain scenery, do not fall for that if it says it is ANWR, because Arctic National Wildlife Refuge, that word Arctic is a key phrase.

If you go back to your 8th grade geography, you have the equator around the middle of the Earth, and you have the Arctic and Antarctic. When you ask the question how did they define the line around the top and bottom of the globe that defined the difference between the temperate zones and the Arctic, that was defined by that line of the Arctic Circle, the point north of which trees could not grow.

So if you see a picture of trees and it is identified as ANWR, you will know that it is not, because trees do not grow up there. I went up to take a look at ANWR to verify this for myself.

By the way, I flew over the North Slope oil fields. As we looked down on those oil fields, and I have worked in the oil fields and know a little bit about that, but I looked down from the air and they said we are flying over the North Slope oil fields.

Well, I do not see any oil pumps down here; I do not see any oil wells, roads or collection systems. How do you know that we are over the oil fields in the North Slope?

The answer was, well, look at those little square white patches down there. We were at about 750 feet in altitude, and you can see them clearly. They are white patches, patches of white rock that are about 2 to 3 feet above the Arctic coastal plain, and those are pads that work over rigs, have a place to pull up and sit on the level, if they have to go into a casing and pull a submersible pump and maybe do some repair work there.

But there is not a pump jack out there that you can see anywhere, the old traditional oil pumps. There is no leakage going on around the rod that some people think is going to drip on the soil and pollute the soil. These are submersible pumps with a collection system that is invisible; and when it gathers that all together and goes off to the terminal and then off to the refinery, the only place you see is the terminal.

Then you see the Alaska pipeline, that large pipeline. You can see that go across the Yukon River. But there are not roads to each one of these wells, because we only go in there in the wintertime on ice roads, and then the ice melts and there is no sign of damage.

Another thing that is a misnomer, a mistake, a misunderstanding and a perpetration of something that is an untruth, is the argument that well, you will never get the tundra back. Once you tear up the tundra it is gone forever.

We met up there at Kaktovik, a small little Eskimo town of 290 people right on the Arctic shore, not a tree in sight, I will remind you; and there the President of the Eskimo Corporation, and his name is Fenton Rexford, pointed ought to us they have reestablished tundra, and it is not that unusual.

But if it should get torn up, and some of that has happened over the years in his lifetime experience, and he was about 56 or 57 years old, they would go in and drag that smooth and seed it over; and in 5 to 6 years, the tundra had grown back again. I saw some of that from the air. The difference that I could tell was that it was a little brighter green. You know how new seeding looks after you plant your grass in the spring before it gets established? Five or 6 years later it all flows in, so we can reestablish tundra. We will not damage tundra. We are going to have ice roads.

There is no logical reason not to drill for oil in the Arctic National Wildlife Refuge. We should be ashamed that this Congress cannot step up and put up a vote that allows that to happen.

This House approved, took a look at an amendment, that would have allowed for the disturbing of only 2,000 acres on 19.5 million acres. That is all they really asked for to go in and start to develop that.

I had people on the floor of this Congress on that night come up and ask me, How much is an acre? How much is 2,000 acres? And my answer was, Well that is not even a good-sized farm where I come from. A tiny little spot on 19.5 million acres. And even that would not be disturbed, but only just a little bit.

Then there is the concern about the environment. What do we do if the caribou herd is decimated by developing the Arctic National Wildlife Refuge? Well, we developed the oil wells on the North Slope of Alaska, not very far from there, in the same type of topography. The caribou herd in 1970 was 7,000 caribou.

As I was up there last August, that caribou herd is 28,000 caribou. So it cannot be argued that we damaged the environment for the caribou; and it can be argued that we improved it, that they come up on the pad where they are not having calves down in the swamp, where the calves might freeze and die, and they get up where the breeze can blow the flies away, and they like to get next to the warm pipeline. All of those things were improvements in the living area, the living room, living space of the caribou.

When I pointed that thought to a reporter sometime back, he said, well, of course the population went from 7,000 to 28,000 caribou, because those pipeliners went up there and shot all the wolves, so they did not have a natural enemy any longer.

I had a little trouble keeping a straight face with that. Of course, that is not the case. If any pipeliners had fired a gun at any animal, they would be gone in a hurry and punished severely.

We need a comprehensive energy policy. We need to develop our natural gas from an inventory off the coast of Florida, access the natural gas in Colorado, build the natural gas pipeline from the North slope of Alaska on down to the lower 48 States, and we need to renew our efforts to drill for oil in ANWR, and we need to promote all of the ethanol we can promote and all of the biodiesel we can promote.

By the way, the wind is a pretty good project too. One day I went up to a groundbreaking ceremony for an ethanol plants in Cherokee County, Iowa. We turned over a couple spades of dirt there and congratulated each other. By the way, that project is moving along very, very well.

As I drove from there across country through about 20 miles as the crow flies from the grand opening of an ethanol plant, I drove through 259 wind chargers that we have on an area called Buffalo Ridge producing electricity, surrealistically spinning in the wind and pumping that electricity down for collection in the feeder line, and from there down to a second ethanol plant, all within about 20 miles.

□ 2100

And the thought occurred to me, the area that I represent, 5 to 6 years earlier had no, no energy production whatsoever, and today we are an energy export center. We are an energy export center that takes some of the burden off of importing foreign oil and enhances our environment, and it multiplies and value-adds to our economy. It does all the things we need to do environmentally and it replaces MTBEs.

Now, those are all good things that come from technology and capital investment. By the way, these are private sector investments, not public sector subsidies.

I have another issue with regard to transportation in my part of the world, the Missouri River. In about 1952 there was a huge flood that flooded the bottoms all the way from north of Sioux City clear down through Missouri. There was a tremendous effort put together and it ended up being a fixed loan program to build six dams on the upper Missouri River to control flooding, to control flooding and to generate hydroelectric power, and to be able to promote some, some irrigation, and to establish barge and transportation traffic along that corridor of the Missouri River from Sioux City, Iowa, all the way to St. Louis.

That project is an amazingly efficient hydrological engineering accomplishment. It has worked very well since 1952. We have not had the flooding damage that we had had in previous years; it solved the flooding, it has given us our barge traffic, it has kept the cost of transportation on the rail lines and on the truck lines down, and it has produced economic hydroelectric energy that comes out of the dam where the turbines are.

Well, we are going through a drought cycle and because of that, there was an unanticipated economic piece up in the Dakotas and in Montana. When they built the reservoirs, they stocked them with walleye, and so folks from all over the country would go up there to fish for walleye. Now, when the drought came, the water table went down, and it went down to 25 feet and maybe a little more below that static water table where they would have liked to have been able to maintain the pool. That, of course, diminished the habitat for the fish, diminished the recreational aspects of it and caused some of the docks to be 1 mile or more from the water.

Well, that is unfortunate and that is a tragedy, but we cannot make it rain. And when it rains, it will fix that problem. There is nothing we can do to enhance the water tables upstream; even if we shut our dams down all winter long, we can only gain about a foot of water a month. But the recreational interest in the Dakotas took a look at how they would build a coalition.

I heard the name of these species for the first time in October of 1993: The least tern, the piping plover, and the pallid sturgeon, three species that I had never heard of before, and they were species that were either threatened or endangered that lived and relied upon the Missouri River for their environmental habitat.

In 1993, we had a massive flood in Iowa. The Missouri River did not flood, but almost everything was under water regardless. I came out here to Washington, D.C. in October of 1993 to a Midwest flood reconstruction and cleanup conference. There, the Director of Fish and Wildlife, who was the lead agency on the flood recovery team, Molly Beatty, and a fine young lady who tragically passed away of a brain aneurysm some years ago, but she came before us and she said, Agriculture looks upon this flood as an economic disaster; frankly, we here at Fish and Wildlife look upon it as habitat rehabilitation.

Madam Speaker, that did not make me happy when I heard that. That put animals ahead of man. We are to have dominion over this Earth. We have a Missouri River master manual plan that denotes how the water flow will be managed, and it was going to be altered and changed in the interests of these three species, and I wrote them down: the least tern, the piping plover, and the pallid sturgeon. In October of 1993 it was in my notes, and I have not forgotten those species since, and we are still battling with them. By my calculation, this came up about 12 years ago. We are still on it. And they are still using the species to try to alter the flow, try to do a spring rise with the idea that if we raise the water table in the river and let it charge down the river long enough and hard enough, it will wash the willows off the sandbars and then, when the river goes down, that is a place for the birds to nest.

The environmentalists will not let the Corps pick up the nests and move them out of the way of the high water that could take them out. That would not be natural. The pallid sturgeons have to be floated out into the Ox Bows so they can lay their eggs out there, and then the river comes back down.

Well, they swim around the Ox Bows all summer long and the ones the pelicans do not get, we have to raise the river again and go out and round them back up again. Surely we have negotiated a little bit and some of this logic does not connect as well as it did 11 years ago when I dealt with it.

But this diminishes the efficiency of the river, and I must stand on the flood control, the hydroelectric, and the transportation side of this, and I will do so. We need to continue to work with the Corps, and this Congress will ultimately, I believe, have to address the situation.

There is another issue before our economy, and it is an issue that the American public speaks very little of, but it is a burden that we all carry. And that is this burden of litigation that is on the backs of this entire economy. Some time back I sat down at a meeting at the boardroom table at Merrill Lynch up in New York City. Their building was the nearest building to Ground Zero of the September 11 attacks, the nearest building to survive. They lost the glass out of that building, something like 32 stories up, and you cannot look over that railing and believe that we are not in a war. That was a war zone.

But that briefing focused on tort reform. And in that briefing, there was a compelling case made that convinces me that 3 percent of our gross domestic product is being consumed by litigation, by the trial lawyers, by lawsuits in this country, 3 percent of our domestic product.

Now, if we want to grow this economy and grow this economy at a reasonable rate so that we can have enhancements in technology and improvements in transportation and improvements in our infrastructure and be able to educate our young people so that they can pick up the balance and they can do the same, if we want to do that, we have to grow this economy an average of about 3.5 percent.

Fortunately, today, we are running on about a 4.1 percent growth, so we are ahead of that curve just a little. But even though we have that 3.5 percent growth, it is not enough, because the trial lawyers get 3 percent right off the top. So we have to grow at 6.5 percent to sustain, to sustain our way of life and to have that extra revenue that it takes to meet a growing population and the demands on our infrastructure. Three percent off the top to the trial lawyers.

There is a series of malpractice pieces that we have dealt with in the House Committee on the Judiciary and brought to the floor of this Congress. One of them is medical malpractice. There are awards that go way beyond anything that is logical. We can go back to the cup of coffee and the fast food chain that was looking at a huge settlement because the lady spilled hot coffee on herself and seemed to be surprised that it burned her. That has been negotiated back some. But we have had to step in, this Congress, and defend those fast food chains, not because of the hot coffee, but because of a calculated nationwide strategy that is driven to us by the class action lawyers that they are going after the large industry of fast food, that large industry that employs 12 million people in this country and is viewed as having very deep pockets, to tap into them. Because why? They super-size our french fries.

Now, what a surrealistic world we live in when we debate on the floor of Congress how we are going to protect people because a group of class action lawyers, and also working sometimes in conjunction with the State attorneys general, are going to file a lawsuit to sue people who serve food in a healthy and efficient fashion. As if it is a surprise to any of us that if we eat greasy foods, it might clog our arteries.

We accept that, but I reject the idea that it should clog our courts. It should not go into our courts whatsoever. It is a frivolous lawsuit, but yet in this Congress, we have to step forward and protect the fast food chains or they will be decimated in the same fashion as the asbestos companies have been decimated.

We have lost 60 companies in the United States due to asbestos litigation, and now they are going into the second phase and they are filing suit against the successor companies.

I am calling upon the people in this other body, those folks over there with 100 people that go to work doing the same thing we do here, let us get the asbestos legislation moved. Let us protect those people. Let us save those Fortune 500 companies that put their capital up and lifted those bankrupted asbestos companies out and put them back into some kind of production.

There is not any kind of responsibility that can be put on our Fortune 500 successor companies with regard to asbestos, and it is essential that we move forward; and it is essential that the other body move forward quickly before this cannot be resolved and the horses are all out of the barn.

So medical malpractice, another one. I will say that we went to California for a model. It is not the first thing I advocate. But in this case, in California, they established a limited medical malpractice of $250,000 for noneconomic damages. We assure, in our medical malpractice limitation that we passed here in this House of Representatives, we assure that anyone who is injured by medical malpractice is made whole. They get their medical bills paid and they get made whole economically.

But when it comes to punitive damages, not just pain and suffering, but punitive damages, we cap those. We cap the noneconomic damages at $250,000. It takes away some of the incentive to go out there and go ambulance chasing, and it still allows the patients who need relief to receive that relief. That bill needs to move from the other body as well.

This economy is being dragged down because we are not able to get the litigation reform, the malpractice, and the asbestos and the fast food chains and all of these reforms, we are not able to get those into place. We have to get that done. If they can move those over in the other body, then we will bring more here in this Congress. We are actually holding back because we do not want to stack up too much work over there.

The same subject matter, a runaway judiciary. In 8th grade civics classes we learn that we have three branches of government. We have the executive branch, which is the President and all of the people that support his endeavors, the Cabinet and their agencies. We have the legislative branch, which is us in this Chamber and the folks in the other body. And then of course we have the judicial branch, and they are all three designed to have a separation of powers, a healthy, static tension between them, and a bright line between the separation of powers.

Today, what I have seen happen in the judiciary branch is an ever-growing activism, an activism that, I would have said a year ago had blurred the line between the legislative branch and the judicial branch of government. But today I will tell my colleagues, the line is no longer blurred. It is literally obliterated. We have an activist court that believes that they can take any responsibility into their hands and they can usurp the authority of the United States Congress or any other legislative body within the United States of America.

That separation of powers is something that threatens our Constitution and our way of life itself. It is essential that we redefine this line of the separation of powers between the judicial and the legislative branch. If we do not, we will have a constitutional crisis, and the government of the people and by the people will perish from this Earth if we fail to redefine this line. I declare that an impending constitutional crisis.

A couple examples would be the affirmative action cases, the University of Michigan, when Michigan was bestowing a certain academic value to being a minority. The case of Grutter v. Bollinger was one of the Michigan cases. The Supreme Court ruled that diversity, as indexed to ethnicity had, if the university believed they had the right critical mass, that that diversity had academic value. The Supreme Court ruled that the diversity had academic value.

Now, I will argue that diversity of human experience may have academic value if it is a good and essential and positive experience that can be shared in a classroom. And it is good to interact with people of all ethnicities from all over the world, and the more of that experience you can get, the better your educational experience is.

But ethnicity does not have academic value. The Supreme Court ruled it did. They concurred with the University of Michigan and said, you reached that critical mass, you can be the sole determiner of that critical mass of diversity. Then, what we will do with this is, we are going to let you continue down this path, although you cannot have just a formula that spits something out of a spreadsheet, you have to have something that deals with each one of these individual students.

Well, okay, so it takes a little more attention to get the same result. But, in the end, the court suspended the 14th amendment, the equal protection clause that is established in our Constitution, suspended equal protection so we could have a critical mass of diversity as defined by the university, because that diversity, as indexed to skin color, had, in the minds of the court, academic value. And then the court, in its majority opinion, ruled that perhaps in 25 years, we can go back and we can revisit this subject matter of preferential treatment and affirmative action, revisit this subject matter and maybe, perhaps, this civilization, this culture, this American populace, will have moved forward into the new world far enough that we can then reestablish the 14th amendment equal protection clause, and maybe we do not need to have critical mass of diversity that we are going to declare to have academic value again.

□ 2115

Where does that come from, Justices? How do you believe that you can suspend the 14th amendment, for academic value on skin color and think we will be able to adhere back to our Constitution again? And if this Constitution does not mean what it says, if it can be suspended as simply myopic as this idea of critical mass of diversity, if that can happen, what meaning does the Constitution have whatsoever? Is it simply a document that happened to fall in our laps that the Founding Fathers stumbled across and stumbled into, and it happened to be a convenient thing that got us through the first 220 or so years of our existence?

Or is it something that means what it says? Is it something that has a provision for amendment for a reason that we are to adhere to the Constitution, the letter of the Constitution and the intent of the Constitution and not deviate from same unless we are willing to step forwards and amend it? That is what our Founding Fathers intended, but it is not what we see happening here in the United States Supreme Court, and it is not what we see happening in the inferior courts that have been established by this Congress.

It is not the only example. And by the way, many of these examples are using foreign courts' opinions. Zimbabwe, Jamaica come to mind as places we can go to be further enlightened on how to better evaluate the original intent of the Constitution and the letter and the intent of our Federal law and our State laws and constitutions and legislation.

Foreign case law imposed upon United States of America? It is impossible to anticipate how the courts will rule given just U.S. court decisions let alone foreign, and some of these countries by the way do not let their people have freedom of speech, freedom of assembly or freedom of religion or they cannot go to the polls and elect a leader. So those decisions in the courts will not reflect the will and the character of the people. We need to redefine this line.

The Congress is also culpable; and I will hold them, in fact, more accountable because I think it is natural if you are a member of the executive branch of government, you are going to wanted to expand the authority of the executive branch. That is where you have got the most leverage, and that is where you have the most faith. And if you are a member of the legislative branch, as I am, I wanted to expand the power we have here because I think it reflects the voice of the people; and that voice of the people should be preeminent. And if you are a member of the judicial branch, I cannot image why human nature would not also apply there. And if you are a member of the judicial branch I would think you would want to then expand the power and leverage that you have in the judicial branch.

I do not blame them for that. But I will ask the courts, please rein it in because if you do not rein it in, sooner or later this Congress will. We do have the authority to do so; and if we exercise that will, that sets up a conflict between us. And I would rather see that be resolved in a peaceful way, a willing way with the best interests of the American people than I would want to have to impose that upon the courts. In fact, I am a little apprehensive that we cannot find the will in this Congress until it becomes a crisis.

Speaking of a crisis, the filibuster rules in the other body have set up another impending constitutional crisis. When we have a justice that is appointed to a Federal court and the Constitution requires that the President when he makes his nomination seek "the advice and consent of," and now I have to save the other body, that advice and consent clause that is in our Constitution is something that is very well established. We do not have any problem with the advice part. We get plenty of advice from those people over there and some of it is down right offensive to the nominees. In fact, some of it is just plain out and out religious bias. It is character attacks. Declaring a nominee to be a Neanderthal is beyond the scope of what someone of that position ought to be in.

Madam Speaker, I appreciate your attention tonight and I will take this issue up at a later date.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Ms. GINNY BROWN-WAITE of Florida). The Chair would remind Members not to make improper references to the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ABERCROMBIE (at the request of Ms. PELOSI) for today on account of a family medical emergency.

Mr. LUCAS of Kentucky (at the request of Ms. PELOSI) for today on account of a funeral in the district.

Mr. TANNER (at the request of Ms. PELOSI) for today after 3:00 p.m. on account of a family emergency.

Mr. PENCE (at the request of Mr. DELAY) for today until 5:00 p.m. on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. JACKSON-LEE of Texas) to revise and extend their remarks and include extraneous material:)

Mrs. MALONEY, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. WYNN, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. OTTER) to revise and extend their remarks and include extraneous material:)

Mr. SHAYS, for 5 minutes, today.

Mr. OSBORNE, for 5 minutes, March 29.

Mr. DREIER, for 5 minutes, today.

Mr. OTTER, for 5 minutes, today.

Mr. PENCE, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes, today.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1218. An act to provide for Presidential support and coordination of interagency ocean science programs and development and coordination of a comprehensive and integrated United States research and monitoring program; to the Committee on Science and in addition to the Committee on Energy and Commerce for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

S. 2231. An act to reauthorize the Temporary Assistance for Needy Families block grant program through June 30, 2004, and for other purposes; to the Committee on Ways and Means and in addition to the Committee on Energy and Commerce for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ENROLLED BILL SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 254. An act to authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

ADJOURNMENT

Mr. KING of Iowa. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until Monday, March 29, 2004, at 12:30 p.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7262. A letter from the Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Foreign Futures and Options Transactions—received March 10, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7263. A letter from the Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—In the Matter of Intermarket Clearing Corporation—Request for Vacation From Designation as Derivatives Clearing Organization—received March 10, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7264. A letter from the Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Investment of Customer Funds (RIN: 3038-AC01) received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7265. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule—Plant Protection Act; Revisions to Authority Citations; Technical Amendment [Docket No. 00-063-3] received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7266. A letter from the Architect of the Capitol, transmitting the report of expenditures of appropriations during the period April 1, 2003 through September 30, 2003, pursuant to 40 U.S.C. 162b; to the Committee on Appropriations.

7267. A letter from the Comptroller, Department of Defense, transmitting notification that the Defense Finance and Accounting Service (DFAS) has completed the assessment of desktop computer management services announced in the letter of June 24, 2002, and that DFAS has decided to procure these services from a commercial source, pursuant to 10 U.S.C. 2461; to the Committee on Armed Services.

7268. A letter from the Alternate OSD Federal Register Liaison Officer, Department of Defense, transmitting the Department's final rule—TRICARE; Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); Appeals and Hearings Procedures, Formal Review (RIN: 0720-AA74) received March 8, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

7269. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule—Defense Fedeal Acquisition Regulation Supplement; Memorandum of Understanding-Sweden [DFARS Case 2003-D089] received March 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

7270. A letter from the Director, Office of Legacy Management, Department of Energy, transmitting notice of the establishment of the Office of Legacy Management within the Department of Energy, effective December 15, 2003; to the Committee on Energy and Commerce.

7271. A letter from the Director, International Cooperation, Department of Defense, transmitting a copy of Transmittal 02-04 informing of an intent to sign an Annex between the United States and the United Kingdom for Research, Development, Test and Evaluation of Ballistic Missile Defense Capabilities and Systems, pursuant to Section 27(f) of the Arms Export Control Act and Section 1(f) of Executive Order 11958, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

7272. A letter from the Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting the Department's final rule—Federal Government Participation in the Automated Clearing House (RIN: 1510-AA93) received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

7273. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Freedom of Information Act; Implementation—received March 10, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

7274. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Prevailing Rate Systems; Change in the Survey Month for the Bureau of Reclamation Mid-Pacific Region Survey (RIN: 3206-AK06) received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

7275. A letter from the Director, Center for Employee and Family Support Policy/Insurance, Office of Personnel Management, transmitting the Office's final rule—Changes in Health Benefits Enrollment (RIN: 3206-AK04) received March 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

7276. A letter from the Acting Staff Director, Office of Regulatory and Management Services, Department of Agriculture, transmitting the Department's final rule—Special Areas; Roadless Area Conservation; Applicability to the Tongass National Forest, Alaska (RIN: 0596-AC04) received December 31, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7277. A letter from the Secretary, Department of Homeland Security, transmitting a report on the extent to which the Coast Guard regulations concerning oils, including animal fats and vegetable oils, carry out the intent of the Edible Oil Regulatory Reform Act (Pub. L. 104–55), pursuant to Public Law 104—324, section 1130; to the Committee on Transportation and Infrastructure.

7278. A letter from the Secretary, Department of Homeland Security, transmitting a report to Congress on the extent to which Coast Guard regulations concerning oils, including animal fats and vegetable oils, carry out the intent of the Edible Oil Regulatory Reform Act (Pub. L. 104–55), pursuant to Public Law 104–324, section 1130(b); to the Committee on Transportation and Infrastructure.

7279. A letter from the Secretary, Department of Homeland Security, transmitting a report to Congress on the extent to which the implementation by the United States Coast Guard of regulations issued or enforced, or interpretations or guidelines established, pursuant to Public Law 104–55, carry out the intent of Congress and recognize and provide for the differences in the physical, chemical, biological, and other properties, and in the environmental effects, of the classes of fats, oils, and greases described under that law, pursuant to Public Law 104–324, section 1130(b); to the Committee on Transportation and Infrastructure.

7280. A letter from the Attorney Advisor, FHWA, Department of Transportation, transmitting the Department's final rule—Commercial Vehicle Width Exclusive Devices [FHWA Docket No. FHWA-2001-10370] (RIN: 2125-AE90) received March 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7281. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Mitsubishi Heavy Industries, Ltd., MU-2B Series Airplanes [Docket No. 2003-CE-22-AD; Amendment 39-13504; AD 2003-22-07 R1] (RIN: 2120-AA64) received March 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7282. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pratt & Whitney Canada JT15D-1, -1A, and -1B Turbofan Engines [Docket No. 2003-NE-41-AD; Amendment 39-13490; AD 2004-04-09] (RIN: 2120-AA64) received March 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7283. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dassault Model Mystere-Falcon 50 Series Airplanes [Docket No. 2003-NM-30-AD; Amendment 39-13492; AD 2004-04-11] (RIN: 2120-AA64) received March 18, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7284. A letter from the Assistant Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Government-Owned Contractor-Operated Vehicle Fleet Management and Reporting—received March 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

7285. A letter from the Assistant Secretary for Health Affairs, Department of Defense, transmitting notice of a delayed delivery date for the final VA/DoD Joint Assessment Study, as required by Section 8147 of the Department of Defense Appropriations Act for FY 2002; jointly to the Committees on Armed Services and Veterans' Affairs.

7286. A letter from the Chairman and Vice Chairman, U.S.-China Commission, transmitting notice of the U.S.-China Economic and Security Review Commission's efforts to travel to the People's Republic of China to conduct business on behalf of the Congress, pursuant to Public Law 108–7; jointly to the Committees on International Relations and Ways and Means.

7287. A letter from the Secretary, Department of Homeland Security, transmitting notification of the consolidation of organizational units within the Department of Homeland Security and the reallocation of their functions among Department officers, pursuant to Public Law 107–296, section 872; jointly to the Committees on the Judiciary, Transportation and Infrastructure, and Homeland Security (Select).

REPORTS OF COMMITTEE ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. H.R. 2523. A bill to designate the United States courthouse located at 125 Bull Street in Savannah, Georgia, as the "Tomochichi United States Courthouse" (Rept. 108–447). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. H.R. 2538. A bill to designate the United States courthouse located at 400 North Miami Avenue in Miami, Florida, as the "Wilkie D. Ferguson, Jr. United States Courthouse" (Rept. 108–448). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. H.R. 3147. A bill to designate the Federal building located at 324 Twenty-Fifth Street in Ogden, Utah, as the "James V. Hansen Federal Building"; with an amendment (Rept. 108–449). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. H.R. 3713. A bill to designate the Federal building located at 250 West Cherry Street in Carbondale, Illinois the "Senator Paul Simon Federal Building" (Rept. 108–450). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. SMITH of Michigan (for himself and Ms. Eddie Bernice Johnson of Texas):

H.R. 4030. A bill to establish the Congressional Medal for Outstanding Contributions in Math and Science Education program to recognize private entities for their outstanding contributions to elementary and secondary science, technology, engineering, and mathematics education; to the Committee on Science.

By Ms. CARSON of Indiana (for herself, Mr. Fattah, Mr. Wexler, Mr. Emanuel, Ms. Millender-McDonald, Mr. Owens, Mr. Filner, Mr. Frost, and Ms. Eddie Bernice Johnson of Texas):

H.R. 4031. A bill to give States the flexibility to reduce bureaucracy by streamlining enrollment processes for the Medicaid and State children's health insurance programs through better linkages with programs providing nutrition and related assistance to low-income families; to the Committee on Energy and Commerce.

By Mrs. DAVIS of California (for herself, Mr. Michaud, Mr. Evans, Mr. Filner, Ms. Corrine Brown of Florida, Mr. Rodriguez, Ms. Hooley of Oregon, Mr. Strickland, Mr. Grijalva, Mr. Frank of Massachusetts, Mr. Bishop of Georgia, Mr. Holden, Mr. Brady of Pennsylvania, Mrs. Napolitano, and Mr. Chandler):

H.R. 4032. A bill to amend title 38, United States Code, to provide additional safeguards for Department of Veterans Affairs benefit recipients who have fiduciaries for receipt and management of benefit payments, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. JENKINS (for himself, Mr. McIntyre, Mr. Ballance, Mr. Ballenger, Mr. Barrett of South Carolina, Mr. Bishop of Georgia, Mrs. Blackburn, Mr. Boucher, Mr. Brown of South Carolina, Mr. Burns, Mr. Burr, Mr. Chandler, Mr. Collins, Mr. Coble, Mr. Cooper, Mr. Davis of Tennessee, Mr. Gingrey, Mr. Goode, Mr. Gordon, Mr. Hayes, Mr. Isakson, Mr. Jones of North Carolina, Mr. Kingston, Mr. Lewis of Kentucky, Mr. Lucas of Kentucky, Mr. Peterson of Minnesota, Mr. Rogers of Kentucky, Mr. Scott of Georgia, Mr. Tanner, Mr. Taylor of North Carolina, Mr. Turner of Ohio, Mr. Wamp, Mr. Whitfield, Mr. Wilson of South Carolina, and Mr. Boyd):

H.R. 4033. A bill to terminate the Federal tobacco quota and price support programs, to require the payment of fair and equitable compensation for tobacco quota holders and active tobacco producers adversely affected by the termination of such programs, and for other purposes; to the Committee on Agriculture.

By Mr. DeMINT (for himself, Mrs. Musgrave, Mr. Barrett of South Carolina, and Mr. Hoekstra):

H.R. 4034. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for teacher classroom supply expenses, for improving elementary and secondary education, and for contributions for scholarships to attend elementary and secondary schools, and for other purposes; to the Committee on Ways and Means.

By Mr. CARDIN (for himself, Mr. Houghton, Mr. Levin, Mr. English, and Mrs. Johnson of Connecticut):

H.R. 4035. A bill to amend section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide a 2-year extension of supplemental security income in fiscal years 2005 through 2007 for refugees, asylees, and certain other humanitarian immigrants; to the Committee on Ways and Means.

By Mr. DAVIS of Illinois:

H.R. 4036. A bill to revive the system of parole for Federal prisoners; to the Committee on the Judiciary.

By Mrs. EMERSON (for herself, Mr. Graves, Mr. Hulshof, Mr. Skelton, Ms. McCarthy of Missouri, Mr. Gephardt, Mr. Akin, Mr. Clay, and Mr. Blunt):

H.R. 4037. A bill to designate the facility of the United States Postal Service located at 475 Kell Farm Drive in Cape Girardeau, Missouri, as the "Richard G. Wilson Processing and Distribution Facility"; to the Committee on Government Reform.

By Mr. ENGLISH (for himself and Mr. Delahunt):

H.R. 4038. A bill to provide training opportunities for Federal, State, and local law enforcement agencies in intelligence analysis and dissemination, and for other purposes; to the Committee on the Judiciary.

By Mr. FLAKE (for himself, Mr. Hefley, Ms. Bordallo, Mr. Hostettler, Mr. Spratt, Mr. Simmons, Mr. Rangel, Mr. Bishop of Utah, Mr. Grijalva, Mr. Rogers of Alabama, Mr. Gillmor, Mr. Frost, Mr. Souder, and Ms. Hart):

H.R. 4039. A bill to amend title 10, United States Code, to revise the requirements for award of the Combat Infantryman Badge and the Combat Medical Badge with respect to service in Korea after July 28, 1953; to the Committee on Armed Services.

By Mr. FOSSELLA:

H.R. 4040. A bill to authorize a national memorial to commemorate the final resting place of those lost at the World Trade Center on September 11, 2001, and for other purposes; to the Committee on Resources.

By Mr. GOODLATTE (for himself, Mr. Jones of North Carolina, Mr. Simmons, Mr. Van Hollen, Ms. Loretta Sanchez of California, Mr. Cannon, and Mrs. Jo Ann Davis of Virginia):

H.R. 4041. A bill to waive, in fiscal year 2004, the numerical limitation applicable to a nonimmigrant described in section 101(a)(15)(H)(ii)(b) of the Immigration and Nationality Act, if the employer petitioning on behalf of the nonimmigrant employed such a nonimmigrant in fiscal year 2003, and for other purposes; to the Committee on the Judiciary.

By Mr. HASTINGS of Florida:

H.R. 4042. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for expenses paid in connection with the donation of an organ; to the Committee on Ways and Means.

By Mr. HOLT (for himself, Mrs. Cubin, Mr. George Miller of California, Ms. Woolsey, and Mr. Hinojosa):

H.R. 4043. A bill to establish a national leadership initiative to promote and coordinate knowledge utilization in education, thereby increasing student achievement consistent with the objectives of the No Child Left Behind Act of 2001, and for other purposes; to the Committee on Education and the Workforce.

By Mr. NUNES:

H.R. 4044. A bill to amend the Intermodal Surface Transportation Efficiency Act of 1991 to designate California State Route 99 as a high priority corridor on the National Highway System; to the Committee on Transportation and Infrastructure.

By Mr. POMBO:

H.R. 4045. A bill to authorize the Secretary of the Interior to prepare a feasibility study with respect to the Mokelumne River, and for other purposes; to the Committee on Resources.

By Mr. RANGEL:

H.R. 4046. A bill to designate the facility of the United States Postal Service located at 555 West 180th Street in New York, New York, as the "Sergeant Riayan A. Tejada Post Office"; to the Committee on Government Reform.

By Mr. WEINER:

H.R. 4047. A bill to require the National Park Service to make necessary safety improvements to the Statue of Liberty and to reopen the Statue to the public; to the Committee on Resources.

By Mr. GINGREY (for himself, Mr. Souder, Mr. Paul, Mr. Doolittle, Mr. Franks of Arizona, Mr. Isakson, Mr. Davis of Tennessee, Mr. Wilson of South Carolina, Mr. Hostettler, Mr. Linder, Mr. Shuster, Mr. Hall, Mr. Ney, Mr. Kingston, and Mr. Rogers of Alabama):

H.R. 4048. A bill to amend chapter 44 of title 18, United States Code, to update certain procedures applicable to commerce in firearms and remove certain Federal restrictions on interstate firearms transactions; to the Committee on the Judiciary.

By Mr. MICHAUD (for himself, Mr. Brown of South Carolina, Mr. Evans, and Mr. Smith of New Jersey):

H.J. Res. 91. A joint resolution recognizing the 60th anniversary of the Servicemen's Readjustment Act of 1944; to the Committee on Veterans' Affairs.

By Mr. ENGEL (for himself, Ms. Baldwin, Mr. Pallone, Ms. DeLauro, Mr. Farr, Mr. Frank of Massachusetts, Mrs. Maloney, Mr. Olver, Mr. Delahunt, Mr. Serrano, Mr. Holt, Mr. Grijalva, Mrs. Lowey, Mr. Towns, and Mr. Andrews):

H. Con. Res. 396. Concurrent resolution supporting the goals and ideals of the Day of Silence and encouraging units of local government, States, and school districts to protect lesbian, gay, bisexual, and transgender students, teachers, and school employees from discrimination and harassment; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GIBBONS (for himself, Ms. Berkley, and Mr. Porter):

H. Con. Res. 397. Concurrent resolution providing for the acceptance of a statue of Sarah Winnemucca, presented by the people of Nevada, for placement in National Statuary Hall, and for other purposes; to the Committee on House Administration.

By Mr. HYDE (for himself, Mr. Lantos, Ms. Ros-Lehtinen, Mr. Ackerman, Mr. Blunt, Mr. Berman, Mr. Sherman, and Mr. Chabot):

H. Con. Res. 398. Concurrent resolution expressing the concern of Congress over Iran's development of the means to produce nuclear weapons; to the Committee on International Relations.

By Ms. MILLENDER-McDONALD (for herself, Mr. Rohrabacher, and Mr. Lantos):

H. Con. Res. 399. Concurrent resolution urging the President to provide encouragement and support for the ratification, establishment, and financing of a tribunal for the prosecution of surviving leaders of the Khmer Rouge regime; to the Committee on International Relations.

By Mr. BEREUTER (for himself, Mr. Wexler, Mrs. Jo Ann Davis of Virginia, Mr. Lantos, Mr. Delahunt, and Ms. Lee):

H. Res. 577. A resolution recognizing 50 years of relations between the United States

Government and the European Union; to the Committee on International Relations.

By Mrs. BIGGERT (for herself, Mr. HINOJOSA, Mr. DREIER, Mr. BAKER, Mr. KANJORSKI, Mr. ROSS, Mr. JONES of North Carolina, Mr. FORD, Mr. LATOURETTE, Ms. CARSON of Indiana, Mr. KENNEDY of Minnesota, Mr. CLAY, Mr. CASTLE, Mr. FROST, Mr. ISAKSON, Mr. SCOTT of Georgia, Mr. INSLEE, Mr. ORTIZ, Mr. ISRAEL, Mr. FRANK of Massachusetts, and Mr. GREENWOOD):

H. Res. 578. A resolution supporting the goals and ideals of Financial Literacy Month, and for other purposes; to the Committee on Government Reform.

By Mr. PALLONE (for himself, Mr. CROWLEY, Mr. WILSON of South Carolina, Mr. LANTOS, Mr. WHITFIELD, Mr. ABERCROMBIE, Mr. MEEKS of New York, Mr. MCDERMOTT, Mr. PAYNE, Mr. LAMPSON, Mr. MCNULTY, Mr. MCINTYRE, Mr. ISRAEL, Ms. JACKSON-LEE of Texas, Mr. LEVIN, Mr. DAVIS of Illinois, Mr. ENGEL, Mr. WEXLER, Mr. HOYER, Mr. GINGREY, Mr. BROWN of Ohio, Mr. ACKERMAN, Mr. BELL, Ms. MAJETTE, Mr. HASTINGS of Florida, Mr. DAVIS of Florida, and Ms. MILLENDER-MCDONALD):

H. Res. 579. A resolution honoring the American Association of Physicians of Indian Origin and expressing the sense of the House of Representatives that an American Association of Physicians of Indian Origin Day should be established; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

261. The SPEAKER presented a memorial of the Senate of the State of Tennessee, relative to Senate Resolution No. 110 urging the United States Congress and the President of the United States to restore funding for the Juvenile Accountability Block Grant; to the Committee on the Judiciary.

262. Also, a memorial of the House of Representatives of the State of New Hampshire, relative to House Resolution 23 memorializing the President of the United States and the United States Congress to amend federal selective service and immigration laws to grant the right of citizenship to all immigrants honorably discharged from the United States military; jointly to the Committees on the Judiciary and Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Ms. JACKSON-LEE of Texas introduced a bill (H.R. 4049) for the relief of Ahmad Khabaz Taghizadeh and Azammolok Taghizadeh Vatani; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 75: Mr. ISAKSON.

H.R. 173: Mrs. MUSGRAVE.

H.R. 348: Mr. GUTIERREZ, and Ms. GINNY BROWN-WAITE of Florida.

H.R. 401: Mr. ROGERS of Michigan.

H.R. 623: Mr. KENNEDY of Rhode Island.

H.R. 677: Mr. WEXLER.

H.R. 713: Mr. GREEN of Texas.

H.R. 732: Mr. BRADY of Pennsylvania, Mr. EHLERS, and Mr. FOLEY.

H.R. 742: Mr. BRADLEY of New Hampshire, and Mr. MCKEON.

H.R. 776: Mr. KUCINICH.

H.R. 792: Mr. BISHOP of Utah.

H.R. 839: Mr. BALLANCE, Mr. PLATTS, Mr. ABERCROMBIE, Mrs. LOWEY and Mr. LEWIS of California.

H.R. 847: Mr. DELAHUNT.

H.R. 857: Mr. HASTINGS of Florida.

H.R. 979: Mr. EMANUEL.

H.R. 1022: Mr. MICHAUD.

H.R. 1057: Mr. POMEROY, Ms. NORTON, Mr. LAMPSON, Mr. SMITH of Texas, Mr. THOMPSON of Mississippi, and Mr. CUNNINGHAM.

H.R. 1173: Mr. PETERSON of Pennsylvania.

H.R. 1267: Mr. SIMMONS.

H.R. 1345: Mr. UDALL of Colorado.

H.R. 1348: Mr. UDALL of Colorado.

H.R. 1359: Mr. LANGEVIN.

H.R. 1426: Mr. ENGLISH.

H.R. 1430: Mr. FATTAH and Mr. BRADY of Pennsylvania.

H.R. 1508: Mr. BRADY of Pennsylvania and Mr. SMITH of Washington.

H.R. 1575: Mr. FROST.

H.R. 1656: Mr. VITTER.

H.R. 1662: Mr. LEWIS of Kentucky.

H.R. 1677: Mr. FATTAH.

H.R. 1742: Mr. REYES.

H.R. 2151: Mr. LUCAS of Kentucky.

H.R. 2269: Mr. VITTER.

H.R. 2318: Mr. RANGEL.

H.R. 2347: Mr. LEWIS of Kentucky.

H.R. 2402: Mr. THOMPSON of Mississippi.

H.R. 2426: Mr. LEVIN.

H.R. 2497: Mr. KIND.

H.R. 2570: Mr. OWENS.

H.R. 2683: Mr. LATOURETTE.

H.R. 2699: Mr. LATHAM, Mr. SAM JOHNSON of Texas, Mr. SWEENEY, Mr. MCINTYRE, Mr. ROYCE, Mr. FERGUSON, Mr. PEARCE, Mr. CHOCOLA, Mr. LEWIS of Kentucky, Ms. JACKSON-LEE of Texas, Mr. NORWOOD, Mr. BONNER, Mr. TIAHRT, Mr. COBLE, Mr. WILSON of South Carolina, Mr. VITTER, Mr. LAHOOD, Mr. LATOURETTE, Ms. GRANGER, and Mr. PORTER.

H.R. 2790: Mr. MCNULTY.

H.R. 2863: Ms. MILLENDER-MCDONALD.

H.R. 2926: Mr. GRIJALVA.

H.R. 2945: Mr. JACKSON of Illinois.

H.R. 2968: Mr. BRADY of Texas and Ms. ESHOO.

H.R. 2987: Ms. LOFGREN.

H.R. 3015: Mr. FERGUSON.

H.R. 3104: Ms. BERKLEY.

H.R. 3178: Mr. SHAYS and Mr. ENGEL.

H.R. 3184: Mr. GREEN of Texas.

H.R. 3192: Mr. CLAY.

H.R. 3203: Mrs. NAPOLITANO, Mr. OWENS, and Mr. FORD.

H.R. 3350: Mrs. LOWEY.

H.R. 3359: Mr. RUPPERSBERGER.

H.R. 3361: Mrs. NAPOLITANO, Ms. MILLENDER-MCDONALD, Mrs. JOHNSON of Connecticut, and Mr. KILDEE.

H.R. 3412: Mr. TIBERI, Mrs. MUSGRAVE, Mr. RYAN of Ohio, and Mr. CLAY.

H.R. 3441: Mr. PRICE of North Carolina, Mr. PALLONE, Mr. CARDIN, and Mr. SANDERS.

H.R. 3446: Mr. KENNEDY of Rhode Island, Mr. JACKSON of Illinois, Ms. MCCARTHY of Missouri, Mr. KUCINICH, Mr. DELAHUNT, and Mr. CARDIN.

H.R. 3458: Mr. STARK, Mrs. MCCARTHY of New York, and Mr. HASTINGS of Florida.

H.R. 3473: Ms. LOFGREN.

H.R. 3474: Mr. MORAN of Virginia.

H.R. 3480: Mr. RANGEL.

H.R. 3572: Mr. BERMAN.

H.R. 3574: Mr. TANCREDO, Mr. MILLER of North Carolina, Mr. GEPHARDT, Mr. SANDLIN, Mr. VITTER, Mr. BONILLA, and Mr. FOSSELLA.

H.R. 3575: Mr. JACKSON of Illinois.

H.R. 3598: Mr. GREENWOOD, Mr. MCHUGH, and Mr. DOYLE.

H.R. 3605: Mr. POMEROY and Mr. GREEN of Wisconsin.

H.R. 3660: Mr. ENGEL, Mr. PALLONE, Mr. CUMMINGS, Ms. KILPATRICK, Mr. TOWNS, Ms. NORTON, Mr. DAVIS of Illinois, Mr. OWENS, Mr. HINOJOSA, Mr. PAYNE, Ms. LINDA T. SÁNCHEZ of California, Mr. FROST, and Mr. LEWIS of Georgia.

H.R. 3695: Mr. FRELINGHUYSEN.

H.R. 3699: Mr. ANDREWS.

H.R. 3716: Mr. SHAW, Mr. ANDREWS, Mr. GOODE, Mr. BILIRAKIS, and Mr. HALL.

H.R. 3757: Mrs. MUSGRAVE.

H.R. 3761: Mr. DAVIS of Florida and Mr. ENGLISH.

H.R. 3762: Mr. DAVIS of Florida and Mr. ENGLISH.

H.R. 3764: Mr. KENNEDY of Rhode Island, Ms. WOOLSEY, Mrs. NAPOLITANO, Mrs. JONES of Ohio, and Ms. JACKSON-LEE of Texas.

H.R. 3773: Mr. MILLER of Florida, Mr. DEAL of Georgia, Mr. WELDON of Florida, Mr. CULBERSON, and Mr. SOUDER.

H.R. 3778: Mr. REGULA and Mr. SHIMKUS.

H.R. 3796: Mr. NEY.

H.R. 3799: Mr. SOUDER.

H.R. 3803: Mr. WEXLER.

H.R. 3807: Mr. PETERSON of Pennsylvania, Mr. DAVIS of Tennessee, Mr. FLAKE, Mr. BRADLEY of New Hampshire, Mr. BLUNT, Mr. VITTER, Mr. PICKERING, Mr. ROSS, Mr. CRAMER, Mr. KINGSTON, Mr. BURGESS, Mr. SOUDER, Mr. DEAL of Georgia, and Mr. BARTON of Texas.

H.R. 3809: Mr. DAVIS of Alabama and Mr. COOPER.

H.R. 3871: Mrs. MALONEY, Mr. ALEXANDER, Ms. BORDALLO, Mr. SAXTON, Mr. LANGEVIN, Mr. WAXMAN, Mr. CARDOZA, Mr. MCNULTY, Ms. BERKLEY, Mr. FROST, Mrs. LOWEY, Mr. SOUDER, and Mr. COOPER.

H.R. 3881: Mr. GREEN of Texas, Ms. LINDA T. SÁNCHEZ of California, Ms. ESHOO, Mr. CONYERS, Ms. WATERS, Mrs. CAPPS, and Ms. DELAURO.

H.R. 3887: Mr. GONZALEZ and Mr. OWENS.

H.R. 3888: Mr. LANGEVIN.

H.R. 3891: Mr. TURNER of Ohio and Mr. SIMMONS.

H.R. 3892: Mr. TURNER of Ohio and Mr. SIMMONS.

H.R. 3896: Mrs. NORTHUP.

H.R. 3901: Mr. WELLER.

H.R. 3940: Ms. SCHAKOWSKY.

H.R. 3951: Mr. TAYLOR of Mississippi, Mrs. MYRICK, Mr. PICKERING, and Mr. WAMP.

H.R. 3953: Mr. ANDREWS and Ms. VELÁZQUEZ.

H.R. 3965: Mr. OWENS.

H.R. 3968: Mr. RUSH.

H.R. 3974: Mr. BALLANCE, Mr. BRADY of Pennsylvania, Ms. CARSON of Indiana, and Mr. OWENS.

H.R. 3981: Mr. PICKERING.

H.R. 3991: Mr. PRICE of North Carolina and Mr. BERRY.

H.R. 3998: Ms. ROS-LEHTINEN, Mr. GORDON, Mr. NEAL of Massachusetts, Mr. WAMP, Mr. CROWLEY, Mr. HASTINGS of Florida, and Mr. HYDE.

H.R. 4016: Ms. KAPTUR and Mr. PICKERING.

H.R. 4023: Mr. PALLONE and Mr. STEARNS.

H.J. Res. 48: Mr. BEAUPREZ.

H. Con. Res. 3: Ms. LEE, Mr. ROTHMAN, and Mr. ORTIZ.

H. Con. Res. 99: Mr. TOWNS, Mr. CROWLEY, and Mr. RYAN of Ohio.

H. Con. Res. 218: Ms. SLAUGHTER.

H. Con. Res. 314: Mrs. NAPOLITANO.

H. Con. Res. 332: Mr. KING of New York, Mr. QUINN, Mr. JEFFERSON, Mr. RUSH, Ms. SLAUGHTER, and Mr. FILNER.

H. Con. Res. 366: Mr. WEXLER, Mr. MURTHA, Mr. LAMPSON, Mr. ALLEN, Mr. PASTOR, Mr. KIND, Mr. GEPHARDT, and Mr. HILL.

H. Con. Res. 371: Mr. ROGERS of Michigan, Mr. DAVIS of Tennessee, Mr. KELLER, Mr. MURPHY, Mr. LOBIONDO, Mr. PICKERING, and Mr. MICHAUD.

H. Con. Res. 375: Mr. DINGELL, Mr. ENGLISH, and Mr. YOUNG of Florida.

H. Con. Res. 378: Mrs. MCCARTHY of New York, Mr. MANZULLO, Mr. CHABOT, and Mr. LINCOLN DIAZ-BALART of Florida.

H. Con. Res. 380: Mr. ACEVEDO-VILÁ, Mr. SCHIFF, and Mr. WEXLER.

H. Con. Res. 390: Mr. CARSON of Oklahoma, Mrs. MILLER of Michigan, Mr. AKIN, Mr. EVANS, Mr. MCNULTY, and Mr. HOEFFEL.

H. Con. Res. 391: Mr. EVANS.

H. Con Res. 394: Mr. LEACH, Mr. OXLEY, Mr. BACHUS, Mr. FRANK of Massachusetts, Mr. GORDON, Mr. BONNER, Mr. DUNCAN, Mr. NEAL of Massachusetts, Mr. WAMP, Mr. CROWLEY, Mr. ROTHMAN, and Mr. HASTINGS of Florida.

H. Res. 485: Mr. WYNN, Mr. FALEOMAVAEGA, and Mr. MEEKS of New York.

H. Res. 501: Mrs. MUSGRAVE.

H. Res. 541: Mr. WEXLER.

H. Res. 542: Mr. ENGEL and Mr. KUCINICH.

H. Res. 543: Mrs. LOWEY.

H. Res. 550: Ms. SCHAKOWSKY and Mr. SNYDER.

H. Res. 565: Mr. BELL, Ms. BERKLEY, Mr. FRANK of Massachusetts, Mr. FROST, Mr. SKELTON, and Mr. MORAN of Virginia.

H. Res. 567: Mr. LUCAS of Kentucky, Mrs. BIGGERT, Mr. KIRK, Mr. MICA, Mr. MORAN of Virginia, Mr. YOUNG of Alaska, Mrs. KELLY, Mr. YOUNG of Florida, Mr. KELLER, Mr. VISCLOSKY, Mr. CHOCOLA, Mr. BLUNT, Mr. LEWIS of Kentucky, Mrs. MILLER of Michigan, Mr. SCHROCK, Mr. SCOTT of Georgia, Mr. PLATTS, Mr. WELDON of Florida, Mr. SANDLIN, Mr. EHLERS, Ms. ESHOO, Ms. DUNN, Mr. WICKER, Mr. FORBES, Mr. EVERETT, Mr. ROSS, Mr. FEENEY, Mr. HYDE, Mr. VAN HOLLEN, Mr. GOODE, Mr. DOGGETT, Mr. MCCOTTER, Mr. LANGEVIN, and Mr. DEAL of Georgia.

H. Res. 570: Mrs. JONES of Ohio and Mr. HASTINGS of Florida.

PETITIONS, ETC.

Under clause 3 of rule XII, petitions and papers were laid on the clerk's desk and referred as follows:

62. The SPEAKER presented a petition of the Association of Pacific Island Legislatures, relative to APIL Resolution No. 44-BOD-01, petitioning the United States Congress to provide for a nonvoting Delegate in the House of Representatives to represent the Commonwealth of the Northern Mariana Islands (CNMI); to the Committee on Resources.

63. Also, a petition of the Association of Pacific Island Legislatures, relative to APIL Resolution No. 44-BOD-09, encouraging the Guam War Claims Review Commission to report to the U.S. Congress its findings and petitioning the Government of the United States to address reparations to the people of Guam; to the Committee on Resources.

64. Also, a petition of the Town of Greenburgh, NY, relative to a resolution petitioning the United States Congress to review and pass amendments to those portions of the Patriot Act which restrict or infringe various civil rights and liberties recognized and guaranteed by the Constitution of the United States and to preserve current measures which provide judicial review and require probable cause for the use of warrants, subpoenas, telepohne monitoring devices and all other methods of collecting confidential information about individuals; to the Committee on the Judiciary.

65. Also, a petition of the Village of Highland Hills, OH, relative to Resolution 2004-18, petitioning the President of the United States and the United States Congress to take emergency actions and enact measures to respond to the adoption of the Breast Cancer Patient Protection Act of 2003 to amend the Public Health Service Act and Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissections performed for treatment of breast cancer; jointly to the Committees on Energy and Commerce and Education and the Workforce.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 5 by Mr. HILL on House Resolution 534: Anna G. Eshoo.

Petition 6 by Mr. TURNER of Texas on House Resolution 532: Christopher John, Louise McIntosh Slaughter, Danny K. Davis, and Martin T. Meehan.

SENATE—*Friday, March 26, 2004*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. STEVENS].

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Sovereign Lord, You are our strong shelter and hiding place. We praise You for Your love and Your wisdom. You are too wise to ever make a mistake, too loving to ever do anything unkind. When we are unfaithful, eternal God, You remain faithful. Our times are in Your hands.

Thank You that though human beings plan, You have the final word about what happens to our world. Forgive us when we lack the patience to wait for the unfolding of Your powerful providence. Help us to comprehend clearly the road You desire us to travel.

Bless our Senators as they lean upon Your wisdom. Give them the courage to choose the harder right and accomplish those things that will unite rather than divide. Keep them from falling and prepare them to stand before You with great joy.

We pray this in Your powerful Name. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning the Senate will be in a period of morning business to allow Senators to make statements. No rollcall votes will occur today. I do not anticipate a lengthy session of the Senate today. As a reminder, we will begin the welfare reauthorization bill on Monday, and I will be laying out Monday's schedule at the close of today's business. But I would also remind Members that any votes ordered on Monday will be delayed to occur on Tuesday.

OBESITY

Mr. FRIST. Mr. President, I will be back a little later this morning, but I do want to take an opportunity, seeing our distinguished President pro tempore in the chair today, to comment on an issue I know he feels strongly about as well as I, and that is the issue of physical activity and nutrition and the growing obesity epidemic in the United States.

It is an issue that has, thank goodness, received increasing attention over the last several weeks and months; that is, obesity, the epidemic now in the United States, and its very direct impact on one's overall health, whether it is quality of life or how long one lives.

Despite tremendous gains in public health in this country and, indeed, around the world, America remains the most overweight country on the globe. Indeed, it is taking its toll in a way that people are only now beginning to realize. But thank goodness they are.

In fact, earlier this year, the CDC, Centers for Disease Control and Prevention, released data showing that lack of physical activity and poor nutrition are the second leading causes of death in the United States of America. That is second only to smoking. In fact, if recent trends continue, obesity can soon overtake smoking as the leading cause of death in the United States. Looking at the recent trends, it is very likely that, indeed, will be the case.

The good news about that, and I would also say about smoking—although smoking is such a powerful addiction, it has been shown to be such a challenge—but the good news about the obesity epidemic we are seeing is, through education and a change in lifestyle alone we can prevent this epidemic from occurring. We can prevent this killing.

The trend has been over the last 30 years. It is one of these problems that has been around. We have always had obesity for whole different reasons. But for new reasons—lack of activity, poor nutrition, promotion of poor nutrition—we have had this trend of obesity skyrocketing over a 30-year period. I am very hopeful that by doing our part in the Senate, as elected representatives, as leaders, through the hearing process, through education, through serving as direct examples, we can help turn this tide and again reverse it over the next several years.

The CDC, the American College of Sports Medicine, and the U.S. Surgeon General have come together to recommend that, for adults, 30 minutes of moderate-intensity activity 5 or more days a week will actually stabilize and reverse the trends we have seen. It is clear that additional physical activity will have even increased benefits on the part of the body that I specialized on, the heart, but also chronic diseases such as diabetes, probably some cancers, clearly lung disease as well. Again, if we can all concentrate on that 30 minutes.

In terms of weight gain, it is not clear yet. We can't accurately predict and say this is how much exercise you need to do to prevent weight gain or reverse weight gain because it is such an individual matter. But we all know physical activity plays a very prominent role in reversing weight gain. It is an important aspect of weight control. It helps promote caloric balance. It helps promote general well-being. In fact, it also helps control appetite.

I mention all this, and I am delighted you will see a lot of Senators and staff members wearing one of these little pedometers. I happen to have one on now. I am a little embarrassed to open up and read how many steps I have taken today. As of 9:30 this morning I have only taken 625 steps. That is too little because by the end of the day I need to have taken a recommended 8,000 or 10,000 steps.

In fact, yesterday I only took about 4,500 steps. So I need to reach my goal of 8,000 to 10,000 over the course of the day. What it does cause me to do is at least think about, instead of taking the elevator right outside the doors, to walk up those two flights of steps, or instead of riding in a car a block or two blocks or three blocks, go ahead and walk on the beautiful day that we have outside. The feedback one gets really helps you think, and then hopefully gives you sort of secondary reinforcement to incorporate that into your lifestyle.

The daily step goals can vary. What I encourage people to do is wear these little inexpensive pedometers. All they do is measure your steps. They do that fairly accurately. People's steps are different lengths, but they give you a way to monitor the activity you do each day, but then also how much you can improve by altering your lifestyle just a little bit. That feedback is very important in terms of changing lifestyle.

During last week—and we will see how long it lasts; I hope it will be for a while—all of my staff have gone out and gotten these little, tiny plastic devices which they are wearing. This week we are going to be measuring our baselines to see where we are, and then we will see in the future how much improvement there is. In fact, later today we will all go out and take a little jog around The Mall. All of us will try

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

bringing our counts up. We try to do a lot within our own Senate community. I encourage my colleagues to do the same. It is really a matter of raising awareness and changing our lifestyles, which will definitely improve health.

I thank the CDC Foundation and the America on the Move organization for supplying us with these devices. I should also mention for those of my colleagues and others who are listening today who wish to find out more about the pedometers and the importance of daily exercise, two Web sites. The one I highly recommend is the CDC Web site. I will give my colleagues both those addresses. The Web site for America on the Move is www.americaonthemove.org. The Web site for the CDC is www.cdc.gov.

You don't have to run. You can walk. You can use a pedometer doing that, and you can make great strides toward a healthier lifestyle.

A couple of key points:

The 30-minute minimum does not have to be done at one time in terms of the official recommendations. You can do it in three 10-minute intervals over the course of the day. You want to be walking at a fast enough intensity where it will make a difference enough to accelerate the heart rate modestly for each of those 10-minute periods.

Finally, I will close with the best part of all of this, which is that it is never too late. No matter what age you are, you can actually change your overall health status, your quality of life, and how long you live if you decide today to change your lifestyle. It will make a difference. It doesn't matter how old you are, how unfit your baseline is, or how inactive you are. Current research shows that starting a more active lifestyle through exercise can make you healthier and improve your quality of life.

That is my health tip for day. It is a little bit about what we do as physicians, as one who exercises regularly, and as one who believes it can make a difference. I know the distinguished occupant of the Chair, the distinguished President pro tempore, is a religious exerciser.

I wanted to make that very brief statement.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

Who seeks recognition?

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

POLITICIZATION OF THE NOMINATION PROCESS

Mr. DASCHLE. Mr. President, our Constitution has vested the Senate with the responsibility of advising and consenting on the President's nominations.

Throughout the full range of administration appointments—from top Cabinet officials, to Federal judges, to boards and commissions—the Senate's role is to speak for the American people and ensure the highest standards of public service are maintained throughout our Government.

We have exercised this oversight authority with extraordinary restraint. Democrats have sought to participate in the nomination process and work together with the administration and the majority in a bipartisan fashion to confirm public servants in the highest traditions of our Nation.

Regrettably, the administration has chosen to reject the course of bipartisanship, even though Democrats have tried to accommodate the President's goal of filling judicial vacancies. The Senate has confirmed a record 173 Federal judges, rejecting only 3.

These three judges were far outside the mainstream and had troubling records of judicial activism in service to extreme ideology. They were rejected for that reason.

In spite of the Senate's judgment, the President has chosen to take the unprecedented step of using recess appointments to bypass the Senate on two occasions. First, in order to appoint Charles Pickering to the Fifth Circuit Court of Appeals. And second, to appoint William Pryor to the Eleventh Circuit Court of Appeals.

At no point has a President ever used a recess appointment to install a rejected nominee on to the Federal bench. And there are intimations that there will be even more recess appointments in the coming months.

These actions not only poison the nomination process, but they strike at the heart of the principle of checks and balances that is one of the pillars of the American democracy.

This cannot continue. What is at stake here is not just a few nominations. What is at stake is the Senate's obligation to represent the American people and check unrestrained executive power.

This White House is insisting on a radical departure from historic and constitutional practices. They have broken the process and we want to fix it.

And we stand ready to fix it. I have spoken to the majority leader about my serious concerns.

Let us be clear: We will continue to cooperate in the confirmation of Federal judges, but only if the White House gives us assurances that it will no longer abuse the process and that it will once again respect our Constitution's essential system of checks and balances.

Sadly, this is not the only area in which the administration has chosen to cast aside traditions of bipartisanship and cooperation.

One of the minority's less visible yet vital responsibilities is the naming of Democratic candidates to sit on government boards and commissions.

These boards span the entire range of government responsibilities, from engaging young people in community and national service, to overseeing financial markets, to supervising the security of America's nuclear facilities, to protecting Americans from illegal energy company price-gouging.

They may not get a lot of headlines, but the public servants who sit on these boards perform an extraordinary service to their Nation and have a direct influence on the security, prosperity, health, and well-being of the American people.

Once again, Democrats have tried to work in a bipartisan fashion. In the 108th congress alone, we have confirmed 419 of the President's nonjudicial nominations.

Because of the importance of these boards, many have a statutory requirement of bipartisanship. Others have bipartisan participation by long-established practice.

Their purpose is not simply to serve one party or another, or the administration in power at the moment, but the entire Nation. In order to provide our Nation with responsible stewardship, these boards must resist political manipulation and partisan divisions.

For decades, the nomination and confirmation process has honored the unique and vital role of these boards and commissions. During the Clinton administration, for instance, Republican nominations were considered and approved, even when the nominees were outspoken opponents of administration policy.

The same was true during the administrations for Ronald Reagan and George H.W. Bush.

During the current administration, however, that standard has been cast aside. And a divisive form of political gamesmanship has been allowed to extend to the nomination process. Talented candidates are being prevented from serving their Nation. The views and communities they represent are not being heard. And the American people are losing out as a result.

Among the candidates rejected by the administration are potential nominees to the Commodity Futures Trading Commission, the Equal Employment Opportunity Commission, the Export-Import Bank, the Federal Energy Regulatory Commission, the Corporation for National and Community Service, and many more.

Let me give you a brief background on just a few of these rejected candidates.

For instance, Warren Stern. Early in 2003, Mr. Stern was recommended to serve in the Democratic position on the Defense Nuclear Facilities Board. Shortly afterward, he was rejected on the grounds that he did not have "enough scientific background."

The charge is absurd on its face. Mr. Stern has degrees in physics, nuclear engineering, and national security studies. He was selected as the State Department's Senior coordinator for Nuclear Safety, and he coordinates the work of the Department of Energy and the Nuclear Regulatory Commission in the field of international nuclear safety policy.

Last July, while his nomination was supposed to be under consideration at the White House, the State Department conferred upon him the Superior Honor Award, for "developing and implementing a diplomatic and technical strategy for the control of dangerous radioactive materials."

At a time when our intelligence community tells us that America's nuclear facilities are being targeted by terrorists, Mr. Stern brings an extraordinary range and depth of experience that will make America safer. But he is being denied the chance to serve for no reason.

Take Dr. Chon Noriega. Dr. Noriega was nominated in March of 2003 to the Corporation for Public Broadcasting. He was recommended because Democrats believe that Public Broadcasting can do much more to reach out to America's growing Hispanic community.

As the Nation's foremost academic authority on Hispanic media, Dr. Noriega is uniquely suited to help the Corporation for Public Broadcasting achieve this goal. Dr. Noriega is the Associate Director of UCLA's Chicano Studies Research Center and the author of eight books on the topic of Hispanic media.

America's Hispanic community could have no more passionate or effective advocate than Dr. Noriega. Yet the administration has once again refused to nominate a superbly qualified candidate, and the Nation's largest minority community has one less advocate as a result.

Finally, and perhaps most absurdly, is the administration's refusal to nominate Judge Patricia Wald to the Legal Services Corporation. Judge Wald served on the U.S. Circuit Court of Appeals for the District of Columbia for 20 years, the last 5 as its chief judge.

After her retirement from the circuit court, she was asked to serve as a judge on the International Criminal Tribunal for the Former Yugoslavia.

Judge Wald is a brilliant jurist, whose probity, integrity, and commitment to the American legal system are unassailable. So respected is she that just last month, President Bush asked her to sit on the commission investigating the collection and use of intelligence leading up to the Iraqi War.

If she can be trusted with the responsibility of restoring confidence in the intelligence system on which America's security depends, surely she is qualified and trustworthy enough to help extend legal representation to Americans who cannot afford it.

Democrats have tried to work together with the administration to continue the bipartisan process of nominations, both for boards and for the Federal bench.

Repeatedly, we have asked the administration to conduct the nomination process in a bipartisan manner, and we have been denied.

The administration has crossed a line and it is time it pulls back. We can no longer stand by and watch this critical aspect of our responsibilities be undermined by the intrusion of partisan politics.

Whether it is a nomination to a board or a lifetime appointment to the Federal bench, we cannot allow the Senate's role to be disregarded.

Once we have confidence that the integrity of this process is restored, Democrats will be accommodating to the White House's nominations.

We hoped for a different result, but the administration has left us no choice. I ask my Republican colleagues to reach out to administration officials and urge them to return this process to its traditions of bipartisanship and cooperation.

I yield the floor.

The PRESIDENT pro tempore. The deputy Democratic leader is recognized.

Mr. REID. Before the Democratic leader leaves the floor, Mr. President, through you to the distinguished Senator from South Dakota, is it true we have approved 173 Federal judges during the time President Bush has been President?

Mr. DASCHLE. As of this day, March 26, I answer the Senator from Nevada, we have approved 173 judges and 419 nonjudicial nominations by this administration. I don't know whether the nontraditional nominations is some kind of record over 3 years, but we now know the judicial record of 173 has not been equaled.

So the answer is yes, we have cooperated as fully as any Congress has in accommodating an administration with regard to appointments it considers to be of value to the country. We are only asking for similar consideration of the nominations and a recognition of the importance of the constitutional process of advise and consent, which is why I expressed the concern this morning about the recess appointments of those judges who have not been confirmed in the Senate.

Mr. REID. I also ask, through the Chair to the distinguished Democratic leader, it is also true, is it not, that 173 judges have been approved; we have been, through your direction, very selective and turned down five, two of whom the President has done an unusual thing of making recess appointments. So right now, there are I believe three who have in effect been turned down.

Mr. DASCHLE. The Senator is correct. There have only been 3 out of 173 now that have not been given the authority to serve on the bench and, as I said, for good reason—either their unwillingness to cooperate with the nominating process or fulfill their obligation to provide information regarding their positions, or the fact that they have clearly demonstrated extreme positions on issues that fall way outside the mainstream of philosophical thinking and prevented their confirmation.

The Senator is correct: 173 is the accurate number today.

Mr. REID. Mr. President, I ask unanimous consent—and if I am out of line, the Chair in his capacity as the Senator from the State of Alaska can object—to speak for up to 15 minutes in morning business rather than 10.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ATTACKING THE MESSENGER

Mr. REID. Mr. President, when you cannot attack a man's ideas, attack the man. Sadly, that is what we have seen over the last few days in the case of Richard Clarke, a dedicated public servant.

Before this week, few Americans knew who Mr. Clarke was. But now, according to this morning's Washington Post, 9 out of 10 people in America know who Richard Clarke is.

Those who did know Mr. Clarke knew him as a person who has devoted his entire adult life to serving his country and keeping our country safe.

As a distinguished Senator, Bob Kerrey said yesterday—and he knows a thing or two about patriotism—Clarke did many things to keep this country safe, that none of us will ever know about. That is the nature of counterterrorism.

Mr. Clarke has served four Presidents—three Republicans and one Democrat. In fact, he called the first President Bush the best national security professional he had ever worked for. That goes to the very basic knowledge that President Bush, among his other assets, was also head of the Central Intelligence Agency.

Mr. Clarke worked in the State Department, and then led the counterterrorism effort in the White House for more than 10 years.

This is how important he was and how much confidence everyone had in his abilities: On the day of the tragedy of September 11, he was put in charge—I repeat, put in charge—of coordinating the White House response. Even today, after he retired from public service, Mr. Clarke continues to make a contribution to our national security.

Mr. Clarke has raised a few questions, important questions, such as: Was fighting terrorism a real priority for the Bush administration prior to September 11, or was it down the list of national security concerns, behind things such as missile defense?

According to an Associated Press story, President Bush's national security team met almost 100 times prior to September 11, but terrorism was the topic of only 2 of these sessions.

The next question: What actions were we taking to knock out Osama bin Laden and his henchmen, who had already successfully attacked several U.S. targets overseas?

Mr. Clarke says President Clinton was obsessed with this.

What were we doing in the first part of 2001, after President Clinton left office and was no longer there, obsessed in some way to get rid of Osama bin Laden? As you know, President Clinton ordered a missile launch in an attempt to get Osama bin Laden.

The next question deals with the Predators, unmanned aerial vehicles. These vehicles were developed 36 miles from Las Vegas in Indian Springs. These vehicles were and are an essential part of the weapons complex that is in Nevada. People do not realize that 40 percent of the airspace of this very large State of Nevada is restricted military airspace. One of the reasons is you can test the Predator, and what it can do and what it cannot do, because of the vast amount of airspace we have in Nevada. So I have a special interest in the Predator because of its basing in Nevada.

Question: Were we following Mr. Clarke's recommendations to utilize this tremendous tool more effectively in the fight against terror?

How much has the war in Iraq helped or hindered our war on terrorism?

Finally, one of the questions Richard Clarke asks: There were at least two of the September 11 hijackers in our country, if terrorism was a top priority, why weren't airport personnel on the lookout for these known terrorists?

These are questions Richard Clarke has asked, reasonable questions.

I refer to today's Washington Post, a front-page story, written by Mike Allen. Among other things, this newspaper article says—similar articles are being run all over America. After Clarke asked these questions, here is what Mike Allen said:

> So this week, his aides—

President Bush's aides—

> turned the full power of the executive branch on Richard A. Clarke, formerly the administration's top counterterrorism official, who charges in his new book that Bush responded lackadaisically in 2001 to repeated warnings on an impending terrorist attack.

When you cannot attack a man's ideas, or even his questions, you attack the man.

Allen goes on further to say:

> They questioned the truthfulness of Clarke's claims, his competence as an employee, the motives behind the book's timing, and even the sincerity of the pleasantries in his resignation letter and [his] farewell photo session with Bush.

Just a few others things out of this long article:

> James A. Thurber, director of the Center for Congressional and Presidential Studies of American University, said he was stunned by the ferocity of the White House campaign [against] Clarke.

Thurber goes on also to say:

> They are vulnerable, which is why they are attacking so hard. You have to go back to Vietnam or Watergate to get the same feel about the structure of argument coming out of the White House against Clarke's statements.

The article states:

> A poll by the Pew Research Center for the People and the Press, conducted Monday through Wednesday, found significant public interest in Clarke's criticisms, with nearly nine in 10 . . . Americans surveyed saying they had heard of them [heard of his ideas]. Of those polled, 42 percent said they had heard "a lot" about his claims and 47 percent said they had heard "a little."

Ninety percent of the people in America are aware of what is going on with these ferocious attacks.

Are these legitimate questions? Is it a legitimate question to find out why the national security team met 100 times and only twice discussed terrorism? It is a legitimate question. It deserves a legitimate answer.

President Clinton was obsessed with taking out Osama bin Laden. Why wasn't the President of the United States, George W. Bush, obsessed with taking out Osama bin Laden? It is a valid question.

Why wasn't the Predator aircraft used to find and destroy Osama bin Laden and his operations? It is a question Richard Clarke raises. It deserves an answer.

Another question he raises—and America understands this; the people in Nevada understand this—how much has the war in Iraq helped or hindered the war on terrorism? That is a question that is running through the fiber of the American people.

Finally, Richard Clarke asks:

> Why weren't we doing something to get rid of the terrorists who we already knew were here?

These are legitimate questions. I think there could be legitimate differences about the answers to these questions. We should be debating these issues and not whether Clarke's meeting with the President, when he left, was sincere, or attacking him personally about his not being a good employee. I do not think that is the right way to answer these questions.

When you cannot attack a man's ideas, you attack the man. That is wrong.

The questions that have been raised are legitimate, and they deserve answers. We should be debating these issues in a way that reflects the gravity and the seriousness of this challenge to our Nation. There is not a single one of these questions that has been asked that is not serious.

I think it is sad that, based on what we have seen in the past from this administration—I guess I should not be surprised. Any time this administration is faced with tough questions they do not want to answer, they respond by making personal attacks.

Here on the floor yesterday I talked about what they have tried to do to demonize and damage Senator TOM DASCHLE. He is the leader of the Democratic Senate. He has been the titular head of the Democratic Party, and there have been very personal attacks directed toward him, questioning his patriotism—a man who served in the U.S. military—attacking his family, attacking his religiosity—whether he is a proper member of his church. These are not proper responses.

Senator DASCHLE, as he did today, came to the floor and said he does not believe the White House is handling the nominations of statutory Democratic nominations; they are rejecting them, and they are rejecting them for no cause.

Why doesn't someone come and defend that, say we are rejecting all these 36 people because they are all bad people and not qualified? No, they are not willing to do that. They go after Senator DASCHLE. They did it to former Senator Max Cleland, one of the most courageous, inspirational, wonderful people I have ever met in my life.

Senator Cleland went to Vietnam, volunteered to go, a strapping man, 6 foot 4. You would never know it now because you never see him stand. He only has one leg. He has no arms. I am sorry. He has no legs, and he has one arm. For him to get dressed every morning is a 2-hour ordeal. A man with always a smile on his face, a man who, prior to his serious injury, was honored with the Silver Star in Vietnam for his gallantry. But that was not enough.

He was attacked personally for not being patriotic because he did not support the President's version of homeland security. With untold amounts of money, he was defeated in his reelection bid in Georgia.

He was the original cosponsor of the bill to create a Department of Homeland Security, long before President Bush supported such an idea. But this was not good enough. They attacked him, not his ideas.

When the President finally came around and agreed we needed a Department of Homeland Security, Mr. Cleland did not agree with him on all the details about how the employees should be classified. Fair enough. Debate the issues and discuss your differences. But this administration condoned campaign TV ads that compared Max Cleland, who lost three limbs, to Osama bin Laden and Saddam Hussein. Can you imagine that?

ZELL MILLER, my friend—I care a great deal about him—doesn't vote with us a lot on issues. He is a Democrat and has been his whole life. He doesn't vote with the Democrats as I think he should, but I respect his voting in a way that he believes is appropriate for his conscience. But ZELL MILLER, being the patriot he is and knowing the sacrifices Max Cleland has made for his country, said:

> My friend Max deserves better than to be slandered like this.

Congratulations to ZELL MILLER. I have read his book, his second book. He has written one on the Marine Corps I have not read. I congratulate him. I have great respect for my friend ZELL MILLER. I appreciate very much his stepping out, doing his very best to protect and defend his friend Max Cleland. Every Member of the Senate agrees on this side of the aisle with what ZELL did.

Senator Cleland was not the only person. I talked about Senator DASCHLE. If you want to read an interesting book, read Paul O'Neill's "The Price of Loyalty." Paul O'Neill is one of America's great businessmen. He was chief executive officer of Alcoa Corporation.

The PRESIDING OFFICER (Mr. CHAFEE). The Senator has used 15 minutes.

Mr. REID. I ask unanimous consent to speak for another 7½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. No one would ever question his business acumen and his Republican Party credentials. He, as Secretary of the Treasury, didn't think the President conducted his office appropriately. He was asked to resign and left and wrote a book about his experiences in the White House as Secretary of the Treasury. Rather than trying to factually discount his book statements, they went after him. He questioned economic policies, foreign policy issues, and was denounced as a person who did not know what he was talking about or doing. It is a lot easier to attack a man personally than it is to defend the economic policies that have controlled our country. It is a lot easier to attack a man personally than it is defend the economic policies that have contributed to the largest deficit in history, the worst record in jobs since Herbert Hoover. It is easier, but that doesn't mean it is right.

It wasn't right to leak the name of an undercover CIA agent because her husband said the President was mistaken about claiming Iraq had purchased uranium from Africa. Can you imagine that? An undercover CIA operative, someone who could be subject to be killed. Not only could that woman be subject to be harmed, but what about all the contacts she had. She was an undercover spy for America, and the White House, in an effort to disparage this man who disagreed with the administration on whether there was uranium that had come to Iraq from Africa, rather than questioning whether that was a fact, went after his wife.

It wasn't right to compare Senator Cleland to a murderer like Osama bin Laden, to attack Senator DASCHLE. These kinds of personal attacks are known as ad hominem arguments. That is Latin for "to the man." As a logical term, it means instead of refuting the point or argument being presented, you attack the person presenting it. In short, if you don't like the message, attack the messenger. Aristotle called ad hominem arguments a fallacy of logic. They are the last recourse of those who can't debate an issue on its merits. The purpose of an ad hominem attack is to either convince your opponent to stop arguing or to convince the audience to stop listening. Sometimes it works, but it hasn't worked here. Nine out of every 10 Americans know of Richard Clarke's story. I don't think Richard Clarke is going to be intimidated.

I don't know him. To my knowledge, I have never spoken to him. I think the American people want an honest discussion of the questions this patriot is raising. This administration is attacking its critics. They are firing them, such as Larry Lindsey, or threatening to fire them, such as Mr. Foster, for telling the truth.

Larry Lindsey tried to tell the truth about how much the war was going to cost. He said it would cost $100 billion. He got fired. But he was way short. Last year alone we appropriated over $150 billion. General Shinseki, when he told the truth about how many troops we would need, got fired. It is a matter of record. Foster wanted last year to tell us how much Medicare would cost. He was told if he said a word, he would be fired, if he told the truth about the cost of Medicare.

This administration does not take questions well. It is too bad. In America we have a right to ask questions about what our Government is doing. Those questions deserve honest answers and debate, not threats and personal attacks.

I thank my colleagues. I am sorry they had to wait. I usually try not to speak very long. No one was here when I started. I certainly apologize for using more than my 10 minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, I ask unanimous consent to be allowed to speak for 15 minutes, and I may yield some time back.

The PRESIDING OFFICER. Without objection, it is so ordered.

MISSTATEMENTS ABOUT THE BUSH ADMINISTRATION

Mr. CORNYN. Mr. President, allow me to respond to some of the comments we have heard this morning, both from the minority leader and the minority whip. While it has been a rather broad attack on the administration on a number of different fronts, there are a couple of things I would like to direct my comments to by way of response.

I only wish that when we had differences of policy, we would confine our disagreements to policy and not make egregious errors of fact. While everybody has a right to their opinion, no one has a right to be wrong about the facts, or to misstate them in such a patently inaccurate way. My intention is to try to correct some of these misstatements that have been made by the minority leader, as well as the minority whip.

Really, they relate to two different areas. As I said, the attack has been rather broad and varied, but I have chosen to talk about the issue of nominations and the minority whip's comments with regard to Mr. Richard Clarke.

Let me first talk about Mr. Richard Clarke. I had the pleasure of meeting Mr. Clarke several years ago when I was attorney general of the State of Texas. We had him come down to the State and consult with us on the issue of cyber-terrorism, an area that most people in this country probably haven't thought a lot about but which is very important to our national security. Indeed, Mr. Clarke brought with him tremendous credentials in terms of his experience in counterterrorism working, as he did, during the Clinton administration, and then for a while under the administration of President George W. Bush.

Mr. President, I think it is blatantly unfair of Mr. Clarke, notwithstanding his credentials in counterterrorism, which I admire, to suggest that this President who was in office roughly 8 months before the attacks of September 11 was responsible for the 9/11 incident, when in fact the administration of President Bill Clinton, in which Mr. Clark worked, stood by and did not respond adequately to ever-escalating attacks against this country by Osama bin Laden and by al-Qaida.

It was in 1993 that Osama bin Laden directed al-Qaida's first successful attack on American soil, blowing up a car bomb in the basement garage of the World Trade Center, killing 6 and wounding 1,000. And then, in 1996, there was another attack against the United States Air Force's Khobar Towers barracks in Saudi Arabia, killing 19 Americans and wounding 515 Americans and Saudis. Then, in 1998, U.S. embassies in Kenya and Tanzania were attacked by al-Qaida suicide bombers who killed 234 people and wounded more than 5,000. And then, in 2000, al-Qaida attacked USS *Cole*, killing 17 American sailors and wounding 39.

Mr. President, I think it is only fair to ask where Mr. Clarke was during these ever-escalating attacks by al-Qaida and Osama bin Laden against Americans. The truth is, he was working in the Clinton White House in counterterrorism. I am confident he was doing everything he thought he could do. But if you have read some of his remarks, apparently he felt he was not getting a good response out of the President and others; indeed, he was prevented from briefing President Clinton on some of these attacks. The Director of the Central Intelligence Agency himself was not allowed to give daily briefings to President Clinton, as he currently does and as he has done since the beginning of the Bush administration.

So I would say Mr. Clarke's motives for making these reckless allegations against President Bush and the Bush administration just don't ring true. Indeed, perhaps they are a diversion from his responsibility and the responsibility of the previous administration when it came to never adequately responding to Osama bin Laden and al-Qaida attacks until, of course, the terrible day of September 11.

Indeed, if you listen to some of President Bush's critics and the comments made by the minority whip and others on this very floor and in the press, you would say they are complaining that the President didn't do enough when it comes to fighting the war on terror. Of course, just a few short days ago, before Mr. Clarke's book came out, these same critics were saying the President had done too much, and that his policy and the Nation's policy of preemptive attack against our enemies—that is, not waiting until we are attacked and more Americans are killed, but going after the sleeper cells and the terrorists where they live before they can attack and thus protecting American citizens and American property in that way.

So really I don't see how they can have it both ways. By saying on one hand, if you believe Mr. Clarke, the administration didn't do enough, but then if you listen to other critics, just a few short days ago they were saying this President, this administration, did too much—you cannot have it both ways. I think the American people understand that. They also understand what is happening in the Senate and elsewhere, when this administration is attacked for leading the war on terror.

The truth is—and I think the American people recognize this—that no one has demonstrated greater leadership and greater commitment to protecting Americans and America's national interests on the war on terror than President George W. Bush—no one. The American people know that. It is just not right to try to suggest otherwise. It certainly contradicts those assertions and contradicts all of the facts I have only spoken about. If necessary, we can revisit this at a later time.

I also want to respond to some of the comments made by the minority leader about the nominations process and his claim that Democrats have extended an open hand of bipartisanship in an attempt to confirm nominees to various boards and commissions and to the Federal bench.

The truth is, again, Mr. President, we are all entitled to our opinions and our policy differences. Indeed, I think the American people expect us to fight on this floor, rhetorically speaking, for those positions we believe in and which we believe are in the best interest of the American people. What they should also expect is that we would not come here and make such inaccurate statements of fact about this supposed bipartisanship when it comes to our Democratic colleagues on the nominations issue.

I have the honor of serving on the Senate Judiciary Committee, where we have seen unprecedented obstruction of President Bush's judicial nominees. Indeed, never before in the history of the United States of America have a handful of Democrats—handful of any party—been able to successfully block a bipartisan majority from confirming President Bush's highly qualified judicial nominees.

I heard the minority leader talk about a highly qualified Hispanic nominee who he believes should be confirmed to a position. I was reminded of the terrible treatment that Miguel Estrada received at the hands of this same leadership on the Democratic side.

This immigrant from Honduras came to the United States when he was 17 years old. He could barely speak English. He taught himself the English language, went on to graduate from two of America's most prestigious institutions of higher learning, and went on to rise to the top of the legal profession. He represented the U.S. Government in 15 arguments before the United States Supreme Court. Arguing a case before the United States Supreme Court is the Super Bowl when it comes to the legal profession.

Notwithstanding the fact that Miguel Estrada was a highly qualified, very successful appellate lawyer, someone enormously qualified to serve on the District of Columbia Court of Appeals, he was denied the courtesy of an up-or-down vote. No one suggests that any Senator who thinks they should vote against a nominee should not do so.

Certainly, we should all vote our own conscience, and we will be held accountable by the voters at the next election, but what has happened is a bipartisan majority was simply obstructed by the gamesmanship and the unprecedented way in which this President's judicial nominees have been treated, such as Miguel Estrada, who represents the manifestation of the American dream.

Miguel Estrada's dream came to a crashing halt when he hit the glass ceiling imposed by the Democratic minority in the Senate. There is no nice way to put it. It is ugly, it is partisan, and it is unworthy of the Members of this body and those of us who are sworn to protect the public interest rather than special interests.

While sitting in my office listening, I was also astonished to hear the minority leader talk about the President's use of recess appointments when it comes to Charles Pickering, whom he appointed to serve on the Fifth Circuit Court of Appeals, and Bill Pryor, who was appointed during a recess by the President to the Eleventh Circuit Court of Appeals. What they did not tell the American people is, the only reason the President had to use the power that is very clearly conferred upon him in the U.S. Constitution is because of this unprecedented obstruction by the Democratic minority in the Senate, which denied these two highly qualified nominees, Charles Pickering, now Judge Pickering of the Fifth Circuit Court of Appeals, and Judge Bill Pryor, an up-or-down vote.

The only reason they resorted again to this unprecedented obstruction, denying them even the courtesy of an up-or-down vote, is because they knew if allowed to vote, a bipartisan majority of the Senate would confirm those appointments.

Here again, we are entitled to have policy differences and, indeed, we will, but the suggestion that somehow President Bush used these recess appointments in some sort of unauthorized or inappropriate way is false. The fact is, during the course of this country's history, recess appointment power has been used more than 300 times. To suggest that President Bush has somehow gone outside the power conferred upon him under the U.S. Constitution is not true.

Sometimes I am amazed that people can say things with a straight face. I expect them to wink or otherwise indicate they know they are trying to pull a fast one, but the fact is the suggestion, the inference that those speakers would ask the American people to draw from their comments are just not true.

President Clinton used recess appointments. Frequently, former Presidents used recess appointments of one kind or another when they were not able to get their nominees confirmed on the timetable they wanted for whatever reason, but that is a power clearly conferred upon the President under the U.S. Constitution.

Can I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator has used his 15 minutes.

Mr. CORNYN. I ask unanimous consent for 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CORNYN. Thank you. I thank my colleague from Minnesota for his courtesy.

Finally, I will say that serving on the Judiciary Committee has been a startling experience for this Senator, a new member of the Senate coming, as I did, to this body expecting that all Senators would want to try to work through our differences in a way that reaches consensus and in a way that allows us to do our job.

Unfortunately, the Judiciary Committee has spiraled down into partisan dysfunction in a way that is, frankly, not very pleasant, and it is not doing the best job we can and should be doing for the American people.

The truth is, what we see happening is a handful of special interest groups that seem to be calling the tune, and Senators, unfortunately, responding to that and blocking President Bush's nominees. We saw during the revelation of a number of memos that came to light that, indeed, some of these interest groups were trying to manipulate the outcome in lawsuits that were pending on the court of appeals.

One very sensitive case affecting our entire Nation was an affirmative action case. That case involved the University of Michigan's affirmative action policies. The memos reveal that nominees were being blocked and slowpeddled in an effort to have an impact on that litigation. It is not right.

Now I know my colleagues, all of us on the Judiciary Committee, have decried the way in which some of these memos came to light. The truth is, an overzealous, misguided staffer accessed computer files of both Republican and Democrat members of the Senate Judiciary Committee and released those publicly. We have had the Sergeant at Arms conduct an investigation. Indeed, a number of us have asked the appropriate prosecutor to investigate it to see if criminal charges should be brought concerning the way in which these memos came to light. But just as the Pentagon Papers, years ago, were accessed unlawfully, they demonstrate a very real public policy concern that I do not think we can ignore.

There are two things that have happened. One is the taking of the memos, and the other is the inappropriateness the conduct revealed.

As I close my remarks, I again thank my colleague from Minnesota for his courtesy by allowing me to speak first.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DAYTON. Mr. President, I ask unanimous consent that I be allowed 20 minutes to make my remarks. I do not believe I will need all that time, but I would ask to have that available.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE REPUBLICAN ADMINISTRATION

Mr. DAYTON. Mr. President, I say to my good friend from Texas, with whom I shared a very instructive tour of Iraq last July—we sweltered together in 115 degrees—I have the greatest regard for him in working with him on these various matters. I do respectfully say in response to his comment about the 9/11 questions that have been raised, and supposedly my colleagues wanting to have things both ways, his words, I cannot for the life of me figure out how he and others on that side of the aisle could suggest that President Clinton is to blame for something that occurred over 8½ months after he left office, but President Bush is not to blame for something that happened 8½ months after he took office and is not blamed for anything related to it since. I don't understand how that is anything other than trying to have it both ways and also not making much sense at all.

I think both of us would be well served to let the Commission make its determinations and recognize that our most important task is to make sure it never happens again. We share that desire here, for all 100 of us are Americans first and partisans second or third or somewhere else. Let's hope the truth all comes forth so that, most importantly, we can understand what we need to do to make sure this country is safe every day and night for the rest of my lifetime and yours and all the rest of our children to follow.

I want to shift to another subject. Yesterday's Washington Post had an article about the famous magician, Henry Houdini, and the dispute whether or not his magic tricks should be disclosed to the public. It made me think, as I was looking back on the events that occurred in the Senate this last week, that we have our own magic tricks. One of them is this disappearing legislation trick. Unfortunately, it is one of too many, too clever sleight of hand tricks that are employed in this body. I think, in fact, we need more of a return to reality if we are going to serve the vital interests of the people I represent in Minnesota, and others around the country.

At the start of the week, for those who may not have been following this moment by moment, we were considering a bill that was entitled a JOBS Act. If ever there was a situation facing America and the over 8 million Americans who do not have jobs right now that needs a serious dose of reality, that is at the top of the list. Senator TOM HARKIN, my colleague from Iowa, was offering an amendment that would either have this body choose to support or oppose the Department of Labor's taking overtime pay, the 1½ times an hourly pay required for those working overtime. In this case, this group would be over 8 million Americans workers—police officers, other law enforcement officials, firefighters, teachers, middle-class working Americans. These are hard-working Americans working overtime to earn extra money to improve their lives or just to try to make ends meet; to raise their families, send their kids to college, or just get them through junior high school; take care of an aging or sick parent, help pay for the prescription drugs for those elderly parents or nursing homes for them, which costs about the same these days.

We had an agreement reached before the bill came to the floor between the Republican and Democratic leaders that there would be a vote on the Harkin amendment. That was the promise that was made to all of us. But suddenly here was this Senate's disappearing act, this sleight-of-hand trick that even the famous Harry Houdini could not have matched. That bill just disappeared from the Senate floor and was replaced by another bill which was voted upon and passed last night.

Monday, now, we are told we will be taking up another bill but not the JOBS Act. Where did it go? When will it come back? Will it come back at all? Actually, that pretty well describes the Republican job record under President Bush. Millions of jobs disappear. No one knows when they are coming back. No one knows if they are coming back. Secretary of Treasury John Snow, testifying before a congressional committee just 2 weeks ago, said the lack of job recovery in this country was "a mystery."

Vice President CHENEY doesn't even seem to know the jobs are leaving. He said earlier this month:

> If the Democratic policies had been pursued over the last 2 or 3 years, we would have not had the kind of job growth we have had.

At the time he offered that compelling insight, the country officially had 2¼ million fewer jobs than when he and President Bush took office just over 3 years ago. So I would have to agree with the Vice President on that point; if the Democratic policies had been pursued over the last 2 or 3 years, we would not have had the kind of job growth we have had. Perhaps he was confused and was referring to the kind of job growth Halliburton has had instead of the United States.

The Vice President, by the way, has shown his own disappearing magic tricks. Just before he became Vice President, in the 5 years preceding that time, he was the chief executive officer of Halliburton Corporation, which is the world's largest oil and gas services company. It is also now the largest contractor for American forces in Iraq having received contracts worth over $11 billion in the last year, most of them without any competitive bidding.

Vice President CHENEY reported earnings of $44 million during his 5 years there. He claims he has "severed all my ties" with that company. Yet he continues to receive deferred compensation worth approximately $150,000 a year, and he has stock options worth more than $18 million. That is the executive version of overtime pay. He gets paid for hours he hasn't worked after he has left the company.

The Vice President has announced he will donate the proceeds from his sale of the stock options at some point in the future to charity, and that is a good disappearing taxes trick because that charitable deduction eliminates taxes on that amount of future income, $18 million, which is presumably why he is waiting to give that money to deserving charities until he can make even more of that money again.

But the even more curious magic trick, according to an article in New Yorker magazine by Jane Mayer last month, on the Vice President's own official biography posted on his White House Web site, he has been a "businessman," but any mention of his 5 years as chief executive officer of Halliburton Corporation just before he became Vice President has disappeared. He got paid over $44 million, he has over $18 million more still to come, and it is not even worth mentioning? I guess that is what "severing all my ties with the company" means with the Vice President. He keeps getting paid but stops mentioning it.

President Bush has his own missing jobs magic tricks. He tries to make more jobs appear than really exist. Last month, he released a report called the Economic Report of the President. It forecast 900,000 more jobs for that month than actually existed. That slight discrepancy was perhaps while the Secretary of Labor, Elaine Chao, whose agency publishes the Economic Report of the President, tried to make President Bush's signature on the report disappear. She said 3 weeks ago, after the report was made public: "He doesn't sign the report."

She is going to have to make a lot of page 4's disappear where the signature, "George W. Bush," or some version of that name, certainly looks to exist. But maybe the signature, like the 900,000 jobs, are just illusions.

Secretary Chao, who has done some very good things on behalf of Minnesota, for which I am very grateful to her, was also reportedly one of the people who wanted the Senate's vote on the Harkin amendment to disappear. After all, it is her rule, by administrative fiat, that is the one revoking those overtime protections for 8 million of her fellow Americans.

There is no magic in that trick, for those are real Americans and their families. It is a mean trick. It is an unfair trick. It is being performed by one unelected Cabinet official, although I suspect there are some elected officials behind her. And we, the elected representatives of those 8 million Americans, are told we will not be allowed to vote on that matter. Who claims to have that right to tell us that we can't vote, after we have been promised that we would have that opportunity to do so? Whoever it is may have the power under Senate rules, but they don't have the right. And they are wrong to do it.

Meanwhile, the President is out looking, himself, for those 900,000 missing jobs that weren't there. Last month, at a carefully staged and scripted meeting with some business owners that was designed to show how the President's big tax cuts for the rich and super rich, which the majority of colleagues here passed—how they are fueling economic recovery and job creation across America, one business owner proudly disclosed that as a result of the President's tax cuts worth an undisclosed amount of money to him personally, he might be able to hire two or three people.

The President, according to the report, seized that comment like a drowning man grabbing a floating leaf. The President said:

> When he [the businessman] says he's going to hire two more, that's really good news. A lot of people are feeling confident and optimistic about our future, so they can say I am going to hire two more.

They can sit here and tell the President in front of all the cameras, I am going to hire two more people. That is confidence. That is pretty confident, inspiring stuff, isn't it? Of course, the President has an undergraduate degree from Yale and an MBA from Harvard, and presumably knows math himself. But I will still point out it takes a lot more than a business owner feeling optimistic about hiring two people to make his job forecast for the last month reality. At two jobs per televised Presidential meeting—bear with me, I only have one Yale undergraduate degree, but it was cum laude—it will take 450,000 televised Presidential meetings to make up for the missing 900,000 jobs. That is the last month. That is only part of the over 2¼ million jobs that have disappeared since the President started his job in January of 2001, which partly explains why he is applying for 4 more years of overtime. It also explains why, in the view of this American, he should not get it.

This part of the act is a little confusing, even for a magic show. Bear with me and follow closely. For all of those lost jobs in our economy, we are not yet able to bring them back. Yet the Senate JOBS bill disappeared without being voted on. So the American people should be concerned. Right? The answer is no, because it is really not a jobs bill. It is called a "jobs" bill, but it is not really about creating jobs. It is about giving tax breaks to the corporations—$114 billion worth of tax breaks which they might or might not use to create jobs which might or might not be in the United States. It was given the title of the JOBS Act even though it was primarily not about restoring those missing American jobs.

In fact, it was given that title probably because it is not a jobs bill, but its sponsors wanted the American people to believe it is a jobs bill. They will think, Wow, that is a good Congress. They just passed a JOBS Act, although we didn't pass the JOBS Act. It disappeared. But not to worry, because again it won't do that much to add jobs, anyway—at least not the way it is drafted.

How is that for a sleight-of-hand trick? Masters of illusion right here in Washington. Houdini and David Copperfield would have to be amazed.

But, unfortunately, all this hocus-pocus—now you see it, now you don't—leads us to believe one thing, but it is really something else. All of those deceptions do not deal with reality. As my colleagues know, each lost job is some American's very real nightmare. Being unemployed for so long they are using up their unemployment compensation, have little or no income and still can't find a decent job is no illusion.

The average length of time for America's 8 million unemployed citizens who have been out of work is now the longest in 20 years. The number of manufacturing jobs and good, decent-paying jobs in this country is the lowest in 53 years.

That is real. The hardships, the pain and suffering of those lost jobs have caused the real Americans, good people in Minnesota—and I am quite sure everywhere else in this country—people who want to work, who do not want a handout, who want jobs. They want the chance to work and earn their American dreams, and to work overtime and get paid for it.

By the way, our colleagues should recall that overtime—the 1½ times or more requirement of additional pay for those additional hours worked—provides an incentive for expanding companies, to add new jobs, to replace old ones they have taken away, rather than paying the 1½ times for that additional work they need. Employers have a choice. They can choose to pay overtime instead of adding additional jobs. Overtime is good pay for those workers who want to earn more money. It is good for the economy because those additional dollars they earn are almost always going immediately right into spending for needed products and services. But it is also a good inducement for creation of new jobs to increase production.

But even my Republican colleagues and evidently the Bush administration don't want us to even have a vote on this amendment on what they are calling a JOBS bill. They are also complaining to my colleagues and me on this side of the aisle that we want to offer some other amendments to change this bill. Yes, we do. They say our amendments are not germane. That is legislative language for not being relevant, not related to the content of the bill we are considering. Overtime pay is certainly relevant to the people in Minnesota I represent—police officers, firefighters, laborers, and nurses.

Another amendment which Republicans say is not germane would extend unemployment benefits. During the last 2 months alone 760,000 Americans have exhausted their unemployment benefits. That is no illusion. That is real-life hardship and pain for real Americans and for their families.

I think the sponsors of this so-called JOBS Act should explain to those 760,000 of their fellow citizens why restoring their unemployment benefits is not germane or is not relevant to their bill. I think those 760,000 Americans would then see clearly this so-called JOBS Act is not relevant to jobs—not to their jobs, not to restoring jobs, not to replacing jobs, not to preventing more jobs from being sent overseas.

In fact, one of my amendments, which I think is highly germane, would eliminate the $36 billion for tax breaks for U.S. corporations for their overseas operations. Why in the world would we want to provide more tax incentives for U.S. corporations to create more jobs in other countries? We can't prevent it, but we certainly shouldn't encourage it. We shouldn't use more American tax incentives to put more Americans out of work and add to budget deficits their children will have to pay for, if they are lucky enough to have jobs.

My amendment would eliminate that lunacy. It will demand every dollar in this $114 billion of corporate tax cuts be justified according to one clear measure: How will it result in more jobs, new jobs, and restore jobs in the United States for our citizens now? Not maybe, not probably, not next month, but definitely and provably and now.

That is the kind of JOBS Act America needs. That is the JOBS Act Americans need, and they need it done now. People losing overtime need this bill now. People who have lost their unemployment benefits need this bill now. People who are losing jobs still at this time in America overseas need this bill now—not the JOBS bill, but the one we want to amend to make a real jobs bill for America.

I am for the majority leader bringing this bill back to the floor next Monday. We are scheduled to bring up welfare reform. That is an important subject. But the experts would tell me the No. 1 key to the successful welfare program is a job at the end of the program.

Let us bring the JOBS Act, so-called, back first and scrutinize every single dollar it proposes to spend for its job effect for Americans now. No more magic tricks. This is the time for honest, truthful reality. Let us get to work starting next Monday in the Senate putting America back to work—all Americans. That would be real bipartisanship.

Thank you, Mr. President. I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OUTRAGEOUS CHARGES BY RICHARD CLARKE

Mr. FRIST. Madam President, in about 30 minutes or so, we will be closing. Before doing that, I want to spend a few minutes talking about an occurrence and a series of events over the course of the past week stemming from comments and testimony by a former State Department civil servant named Richard Clarke.

In a book that is scheduled to be released for sale by the parent company of the CBS network, Mr. Clarke makes the outrageous charge that the Bush administration, in its first 7 months in office, failed to adequately address the threat of Osama bin Laden. There has been a fulminating in the media and by some Senators about this book. I want to take this opportunity to reflect a bit on this, because I am deeply disturbed by the charges that have been made by Mr. Clarke. I am disturbed, in part, by the way it has been handled by some of our colleagues and by the media itself.

I am troubled by the charges. I am equally troubled someone would sell a book that trades on their former service as a Government insider with access to classified information, our Nation's most valuable intelligence, in order to profit from the suffering surrounding what this Nation endured on September 11, 2001.

I am troubled that Senators on the other side of the aisle are so quick to accept such claims. I am troubled that Mr. Clarke has had a hard time keeping his own story straight. I don't personally know Mr. Clarke—I have met him—although I take it from press accounts that he has been involved in the fight against terrorism for the past decade.

As 9/11 demonstrates, that decade was a period of growing peril, a period of unanswered attacks against the United States. It is self-serving, I believe, that Mr. Clarke asserts that the United States could have stopped terrorism if only the three Presidents he served had listened to Mr. Clarke. In fact, when Mr. Clarke was at the height of his influence as the terrorism czar for President Clinton, the United States saw the first attack on the World Trade Center, saw the attack on the U.S. Air Force barracks in Saudi Arabia, the attacks on the two U.S. embassies in Africa, the attack on the USS *Cole*, and the planning and implementation for the 9/11 attacks.

The only common denominator throughout those 10 years of unanswered attacks was Mr. Clarke himself, a consideration that is clearly driving his effort to point fingers and to shift blame. He was the only common denominator throughout that period.

This pointing fingers, this shifting blame I will come back to because if we look at all the data and all the evidence, it becomes the common theme.

While the reasons may be open to debate and discussion, the previous administration's response to these repeated attacks by al-Qaida was clearly inadequate—a few cruise missiles lobbed at some, at best, questionable targets. Al-Qaida could only have been encouraged by their record of success in the absence of a serious and a sustained response by the United States during that period.

After 10 years of policies that failed to decisively confront and to eliminate that threat from al-Qaida, Clarke now suggests that those first 7 months of the Bush administration is where the blame should lie. Again, after 10 years of attack after attack with an inadequate response, with Mr. Clarke being the common denominator, to put the blame almost entirely on the first 7 months of the Bush administration to me is shifting blame and finger-pointing.

What is interesting is that what we heard this week has not always been Mr. Clarke's view of the events leading up to September 11. This week, a transcript was released of a press interview that Mr. Clarke gave in August of 2002, not that long ago. I will submit for the RECORD the full transcript, but I do want to cite a portion of this interview reviewing in glowing terms the policies of the Bush administration in fighting terrorism. I will be quoting exactly from the interview:

Richard Clarke:

> Actually, I've got about seven points. Let me just go through them quickly.

Again, these are Mr. Clarke's words:

> The first point, I think the overall point is, there was no plan on Al Qaeda that was

passed from the Clinton administration to the Bush administration.

No plan.

Mr. Clarke's words:

> Second point is that the Clinton administration had a strategy in place, effectively dating from 1998. And there were a number of issues on the table since 1998. And they remained on the table when that administration went out of office—issues like aiding the Northern Alliance in Afghanistan, changing our Pakistan policy, changing our policy towards Uzbekistan. And in January 2001, the incoming Bush administration was briefed on the existing strategy. They were also briefed on these series of issues that had not been decided on in a couple of years.

Mr. Clarke continues, using his exact words:

> And the third point is the Bush administration decided then, you know, mid-January, to do two things. One, vigorously pursue the existing policy, including all of the lethal covert action findings, which we've now made public to some extent.
>
> And the point is, while this big review was going on, there were still in effect, the lethal findings were still in effect. The second thing the administration decided to do is to initiate a process to look at those issues which had been on the table for a couple of years and get them decided.
>
> So, point five, that process which was initiated in the first week in February, decided in principle, in the spring to add to the existing Clinton strategy and to increase CIA resources, for example, for covert action, five-fold, to go after Al Qaeda.
>
> The sixth point, the newly-appointed deputies—and you had to remember, the deputies didn't get into office until late March, early April. The deputies then tasked the development of the implementation details of these new decisions that they were endorsing, and sending out to the principals.

I am still reading verbatim through the interview. His words:

> Over the course of the summer—last point—they developed implementation details, the principals met at the end of the summer, approved them in their first meeting, changed the strategy by authorizing the increase in funding five-fold, changing the policy on Pakistan, changing the policy on Uzbekistan, changing the policy on the Northern Alliance assistance.
>
> And then changed the strategy from one of rollback with Al Qaeda over the course [of] five years, which it had been, to a new strategy that called for the rapid elimination of Al Qaeda. This is in fact the time line.

Those are the words of Richard Clarke during a series of questions I will make a part of the RECORD. I will take the final question, in the interest of time, to Mr. Clarke. Question:

> You're saying that the Bush administration did not stop anything that the Clinton administration was doing while it was making the decisions, and by the end of the summer had increased money for covert action five-fold. Is that correct?

Mr. Clarke's answer:

> All of that's correct.

Madam President, I went through the interview in detail like that because you can see clearly how out of sync it is. It is almost just the opposite of what he said this week, and it is important for us to understand, if we are going to look at Mr. Clarke's credibility, this juxtaposition, this contrast, how dissimilar to what comes out of his mouth it actually is.

Madam President, I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FRIST. This is not the only account in which Mr. Clarke changes his story. In lengthy testimony before the congressional joint inquiry that reviewed the events surrounding the September 11 attacks, Mr. Clarke is equally effusive in his praise for his actions of the Bush administration. It is my hope we will be able to get that testimony declassified. That request has been made so all Senators may review it and discuss it as well. But it is effusive praise under oath.

I do not know what Mr. Clarke's motive is. I have no earthly idea what his motive for these charges is. Is it personal gain? Is it partisan gain? Is it in some way personal profit? Is it animus because of his failure to win a promotion with the Bush administration? I just do not know. None of us is going to ever know. But one thing is clear, and that is his motive could not possibly be to bring clarity or true understanding of how we avoid future September 11 attacks.

There are five points I would like to make, five points that I find absolutely inexplicable about Mr. Clarke's performance this past week. I have waited to come to the floor until the end of the week because I couldn't really believe what Mr. Clarke was saying, based on what we know of his past performance and his participation in the former administration. I wanted to have time, and I will make these five points in a quick fashion.

Point No. 1: In an e-mail to the National Security Adviser 4 days after the September 11 attacks, Mr. Clarke expressed alarm that "when the era of national unity begins to crack" an effort to assign responsibility for the 9/11 attacks will begin.

Mr. Clarke, in the e-mail, then proceeds to lay out in detail a defense of his own personal actions before the attack and those of the entire administration, all of that spelled out in the e-mail.

Mr. Clarke clearly, when we look at his e-mail, was consumed by the desire to dodge any blame for the 9/11 attacks; while at the very same moment rescuers were still searching the rubble at the site of the World Trade Center looking for survivors, he was looking for some way to dodge blame for himself. In my mind, this offers some insight, maybe even perfect insight, as to what drove him to write his book.

The second point, in August 2002, the interview I read, Mr. Clarke gave a thorough account of the Bush administration's very proactive policy against al-Qaida. When presented with that interview, Mr. Clarke tries to explain away that media performance, the interview itself, by suggesting, well, I just gave the interview in that way as a loyal servant to the administration.

A loyal administration official? Does Mr. Clarke understand the gravity of the issues this body, we in the Congress, the United States, is facing as we review through that 9/11 Commission the gravity of the charges that have been made by him?

If in the summer of 2001 he saw the threat from al-Qaida as grave as he now says it was, and if he found the response of the administration so inadequate, as he now says it was, why did he wait until Sunday, March 21 of 2004 to make his concerns known? It simply does not make sense.

There is not a single public record of Mr. Clarke making any objection whatsoever in the period leading up to or following the 9/11 attacks. There is nothing in the public record. There is no threat from him to resign. There is no public protest. There is no plea to the President, to the Congress, to the public to heed the advice he now says was ignored.

If Mr. Clarke held his tongue because he was loyal, then shame on him for putting policies above principle, but if he is manufacturing these charges for some sort of personal profit or some sort of political gain, he is a shame to this Government. Fortunately, I have not had the opportunity to work with such an individual who would write solicitous and self-defending e-mails to his supervisor, the national security adviser, and then by his own admission lie to the press out of some self-conceived notion of loyalty, to reverse himself on all accounts for the sale of a book, a book which obviously is very popular. It is selling now as I speak.

The third point I would like to make is Mr. Clarke told two entirely different stories under oath. In July 2002, in front of the congressional joint inquiry on the September 11 attacks, Mr. Clarke said under oath the administration actively sought to address the threat posed by al-Qaida during its first 7 months in office.

It is one thing for Mr. Clarke to dissemble in front of the media, in front of the press, but if he lied under oath to the Congress, it is a far more serious matter. As I mentioned, the Intelligence Committee is seeking to have Mr. Clarke's previous testimony declassified so as to permit an examination of Mr. Clarke on the two differing accounts. Loyalty to any administration will be no defense if it is found he has lied before Congress.

Fourth, notwithstanding Mr. Clarke's efforts to use his book first and foremost to redirect, to shift blame, to shift attention from himself, it is also clear Mr. Clarke and his publisher did adjust the release date of his book in order to make maximum gain from the publicity around the 9/11 hearings.

Assuming the controversy around this series of events does, in fact, drive the sales of his book, Mr. Clarke will make a lot of money for exactly what he has done.

I personally find this to be an appalling act of profiteering, of trading on insider access to highly classified information and capitalizing upon the tragedy that befell this Nation on September 11, 2001.

Mr. Clarke must renounce any plan to personally profit from this book.

Finally, it is understandable why some of the families who lost loved ones on that tragic and horrible day, September 11, find Mr. Clarke's performance this week appealing. The simple answers to a terrible tragedy, to the very human desire to find an answer of why, to help explain why on that beautiful fall day 2½ years ago a series of events shattered their lives forever.

In his appearance before the 9/11 Commission, Mr. Clarke's theatrical apology on behalf of the Nation was not his right, was not his privilege, and was not his responsibility. In my view, it was not an act of humility but it was an act of arrogance and manipulation.

Mr. Clarke can and will answer for his own conduct, but that is all. Regardless of Mr. Clarke's motive or what he says or implies in his new book, the fact remains this terrible attack was not caused by the Government of the United States of America. No administration was responsible for the attack. Our Nation did not invite the attack. The attack on 9/11 was the evil design of a determined and hate-filled few who slipped through the defenses of a nation, a nation that treasures its freedoms, that treasures its openness, that treasures its convenience. That our defenses failed is cause enough to review the sequence of events leading up to that awful day, and we must and will understand how to do better, balancing our determination to protect our Nation with that equal resolve to protect our liberties.

The answer to Mr. Clarke's—and I clearly feel they are self-serving—charges is that, in fact, we all bear that responsibility, and we recognize that. Every one of us who served in Government before and at the time of the 9/11 attacks also has the responsibility to do our best to avoid such tragedy in the future. If we are to learn lasting lessons from the examination of the 9/11 attacks, it must be toward this end, not an exercise in finger pointing, not an exercise in blame shifting, not an exercise in political score settling.

EXHIBIT 1

TRANSCRIPT: CLARKE PRAISES BUSH TEAM IN '02

(WASHINGTON.—The following transcript documents a background briefing in early August 2002 by President Bush's former counterterrorism coordinator Richard A. Clarke to a handful of reporters, including Fox News' Jim Angle. In the conversation, cleared by the White House on Wednesday for distribution, Clarke describes the handover of intelligence from the Clinton administration to the Bush administration and the latter's decision to revise the U.S. approach to Al Qaeda. Clarke was named special adviser to the president for cyberspace security in October 2001. He resigned from his post in January 2003.)

RICHARD CLARKE. Actually, I've got about seven points, let me just go through them quickly. Um, the first point, I think the overall point is, there was no plan on Al Qaeda that was passed from the Clinton administration to the Bush Administration.

Second point is that the Clinton administration had a strategy in place, effectively dating from 1998. And there were a number of issues on the table since 1998. And they remained on the table when that administration went out of office—issues like aiding the Northern Alliance in Afghanistan, changing our Pakistan policy—uh, changing our policy toward Uzbekistan. And in January 2001, the incoming Bush administration was briefed on the existing strategy. They were also briefed on these series of issues that had not been decided on in a couple of years.

And the third point is the Bush administration decided then, you know, in late January, to do two things. One, vigorously pursue the existing policy, including all of the lethal covert action findings, which we've now made public to some extent.

And the point is, while this big review was going on, there were still in effect, the lethal findings were still in effect. The second thing the administration decided to do is to initiate a process to look at those issues which had been on the table for a couple of years and get them decided.

So, point five, that process which was initiated in the first week in February, uh, decided in principle, uh in the spring to add to the existing Clinton strategy and to in crease CIA resources, for example, for covert action, five-fold, to go after Al Qaeda.

The sixth point, the newly-appointed deputies—and you had to remember, the deputies didn't get into office until late Mach, early April. The deputies then tasked the development of the implementation details, uh, of these new decisions that they were endorsing, and sending out to the principals.

Over the course of the summer—last point—they developed implementation details, the principals met at the end of the summer, approved them in their first meeting, changed the strategy by authorizing the increase in funding five-fold, changing the policy on Pakistan, changing the policy on Uzbekistan, changing the policy on the Northern Alliance assistance.

And then changed the strategy from one of rollback with Al Qaeda over the course of five years, which it had been, to a new strategy that called for the rapid elimination of Al Qaeda. That is in fact the timeline.

QUESTION. When was that presented to the president?

CLARKE. Well, the president was briefed throughout this process.

QUESTION. But when was the final September 4 document? (Interrupted.) Was that presented to the president?

CLARKE. The document went to the president on September 10, I think.

QUESTION. What is your response to the suggestion in the [Aug. 12, 2002] Time [magazine] article that the Bush administration was unwilling to take on board the suggestion made in the Clinton administration because of animus against the—general animus against the foreign policy?

CLARKE. I think if there was a general animus that clouded their vision, they might not have kept the same guy dealing with terrorism issue. This is the one issue where the National Security Council leadership decided continuity was important and kept the same guy around, the same team in place. That doesn't sound like animus against uh the previous team to me.

JIM ANGLE. You're saying that the Bush administration did not stop anything that the Clinton administration was doing while it was making these decisions, and by the end of the summer had increased money for covert action five-fold. Is that correct?

CLARKE. All of that's correct.

ANGLE. OK.

QUESTION. Are you saying now that there was not only a plan per se, presented by the transition team, but that it was nothing proactive that they had suggested?

CLARKE. Well, what I'm saying is, there are two things presented. One, what the existing strategy had been. And two, a series of issues—like aiding the Northern Alliance, changing Pakistan policy, changing Uzbek policy—that they had been unable to come to um, any new conclusions, um, from '98 on.

QUESTION. Was all of that from '98 on or was some of it——

CLARKE. All of those issues were on the table from '98 on.

ANGLE. When in '98 were those presented?

CLARKE. In October of '98.

QUESTION. In response to the Embassy bombing?

CLARKE. Right, which was in September.

QUESTION. Were all of those issues part of alleged plan that was late December and the Clinton team decided not to pursue because it was too close to——

CLARKE. There was never a plan, Andrea. What there was was these two things: One, a description of the existing strategy, which included a description of the threat. And two, those things which had been looked at over the course of two years, and which were still on the table.

QUESTION. So there was nothing that developed, no documents or new plan of any sort?

CLARKE. There was no new plan.

QUESTION. No new strategy—I mean, I don't want to get into a semantics——

CLARKE. Plan, strategy—there was no, nothing new.

QUESTION. 'Til late December, developing——

CLARKE. What happened at the end of December was that the Clinton administration NSC principles committee met and once again looked at the strategy, and once again looked at the issues that they had brought, decided in the past to add to the strategy. But they did not at that point make any recommendations.

QUESTION. Had those issues evolved at all from October of '98 'til December of 2000?

CLARKE. Had they evolved? Um, not appreciably.

ANGLE. What was the problem? Why was it so difficult for the Clinton administration to make decisions on those issues?

CLARKE. Because they were tough issues. You know, take, for example, aiding the Northern Alliance. Um, people in the Northern Alliance had a, sort of bad track record.

There were questions about the government, there were questions about drug-running, there was questions about whether or not in fact they would use the additional aid to go after Al Qaeda or not. Uh, and how would you stage a major new push in Uzbekistan or somebody else or Pakistan to cooperate?

One of the big problems was that Pakistan at the time was aiding the other side, was aiding the Taliban. And so, this would put, if we started aiding the Northern Alliance against the Taliban, this would have put us directly in opposition to the Pakistani government. These are not easy decisions.

ANGLE. And none of that really changed until we were attacked and then it was——

CLARKE. No, that's not true. In the spring, the Bush administration changed—began to change Pakistani policy, um, by a dialogue that said we would be willing to lift sanctions. So we began to offer carrots, which made it possible for the Pakistanis, I think, to begin to realize that they could go down another path, which was to join us and to break away from the Taliban. So that's really how it started.

QUESTION. Had the Clinton administration in any of its work on this issue, in any of the findings or anything else, prepared for a call for the use of ground forces, special operations forces in any way? What did the Bush administration do with that if they had?

CLARKE. There was never a plan in the Clinton administration to use ground forces. The military was asked at a couple of points in the Clinton administration to think about it. Um, and they always came back and said it was not a good idea. There was never a plan to do that.

(Break in briefing details as reporters and Clarke go back and forth on how to source quotes from this backgrounder.)

ANGLE. So, just to finish up if we could then, so what you're saying is that there was no—one, there was no plan; two, there was no delay; and that actually the first changes since October of '98 were made in the spring months just after the administration came into office?

CLARKE. You got it. That's right.

QUESTION. It was not put into an action plan until September 4, signed off by the principals?

CLARKE. That's right.

QUESTION. I want to add though, that NSPD—the actual work on it began in early April.

CLARKE. There was a lot of in the first three NSPDs that were being worked in parallel.

ANGLE. Now the five-fold increase for the money in covert operations against Al Qaeda—did that actually go into effect when it was decided or was that a decision that happened in the next budget year or something?

CLARKE. Well, it was gonna go into effect in October, which was the next budget year, so it was a month away.

QUESTION. That actually got into the intelligence budget?

CLARKE. Yes it did.

QUESTION. Just to clarify, did that come up in April or later?

CLARKE. No, it came up in April and it was approved in principle and then went through the summer. And you know, the other thing to bear in mind is the shift from the rollback strategy to the elimination strategy. When President Bush told us in March to stop swatting at flies and just solve this problem, then that was the strategic direction that changed the NSPD from one of rollback to one of elimination.

QUESTION. Well can you clarify something? I've been told that he gave that direction at the end of May. Is that not correct?

CLARKE. No, it was March.

QUESTION. The elimination of Al Qaeda, get back to ground troops—now we haven't completely done that even with a substantial number of ground troops in Afghanistan. Was there, was the Bush administration contemplating without the provocation of September 11th moving troops into Afghanistan prior to that to go after Al Qaeda?

CLARKE. I can not try to speculate on that point. I don't know what we would have done.

QUESTION. In you judgment, is it possible to eliminate Al Qaeda without putting troops on the ground?

CLARKE. Uh, yeah, I think it was. If we'd had Pakistani, Uzbek and Northern Alliance assistance.

ADDITIONAL STATEMENTS

TRIBUTE TO HOOSIER ESSAY CONTEST WINNERS

• Mr. LUGAR. Mr. President, today I wish to share with my colleagues the winners of the 2003–2004 Dick Lugar/Indiana Farm Bureau/Farm Bureau Insurance Companies Youth Essay Contest.

In 1985, I joined with the Indiana Farm Bureau to sponsor an essay contest for 8th grade students in my home state. The purpose of this contest was to encourage young Hoosiers to recognize and appreciate the importance of Indiana agriculture in their lives and subsequently, craft an essay responding to the assigned theme. I, along with my friends at the Indiana Farm Bureau and Farm Bureau Insurance Companies, am pleased with the annual response to this contest and the quality of the essays received over the years.

I congratulate Elizabeth A. Mercer, of Boone County, and Eric Webb, of Johnson County, as winners of this year's contest, and I ask that the complete text of their respective essays for the RECORD. Likewise, I ask that the names of all of the district and county winners of the 2003–2004 Dick Lugar/Indiana Farm Bureau/Farm Bureau Insurance Companies Youth Essay Contest.

The material follows:

GROCERY SHOPPING STARTS ON HOOSIER FARMS

(By Elizabeth A. Mercer—Boone County)

Indiana farms have a part in many food items around the world. Without farmers our country, even our world, would be starving. In the past, I knew that farmers were a big part of the "Food Chain." Being a daughter of a farmer, I have learned that farmers begin the "Food Chain."

Starting my journey through the grocery store, I realize Hoosier farms are in all parts of the store. In the produce section, Hoosier farms raise celery, carrots, broccoli, cabbage, green beans, lettuce, peas, squash, cucumbers, zucchini, sweet corn, apples, potatoes, watermelons, cantaloupe, strawberries, tomatoes, and pumpkins. Produce grown by Indiana farmers is a crop, which adds value and income to their farming operation.

Another section of the grocery store is the meat section. Meats produced in Indiana are beef, pork, chicken, turkey, elk, buffalo, sheep, fish, and duck. Indiana is the number one state in the USA for duck production.

In the baking aisle corn syrup, corn meal, and corn oil are produced from corn of Indiana farmers. Half of Indiana's corn is raised for animal feed. A large portion of the remainder is used to produce high fructose corn syrup. Corn syrup is used in soft drinks, fruit juices, sport drinks, and canned fruits.

Indiana soybeans are processed into soybean oil. Soybean oil is used in many baked goods such as breads, cakes, snack cakes, chips, and cookies.

Wheat grown in Indiana is soft red winter wheat. Contrary to popular belief, bread is not made from Indiana wheat. Indiana wheat is used to produce pastas.

From now on, when I walk through the grocery store I will know Hoosier farms have made a difference in the food supply for our country and our world. I am proud to say, "My dad is a Hoosier farmer."

GROCERY SHOPPING STARTS ON HOOSIER FARMS

(By Eric Webb—Johnson County)

Mom was planning the usual week's meals, which meant the dreaded trip to the grocery. I went with mom and we started down the aisles. As we were putting the items in the cart, I noticed that several of the items were from Indiana farms. This surprised me a lot. I thought all of the items that may family got were imported.

You could almost group these items by meal. For breakfast, you could have Walker eggs from the Johnson County area. You can add some Emege ham for an omelette. For lunch, you can enjoy Perdue chicken with homegrown tomatoes on two slices of Wonder bread. You can then wash it down with some Maplehurst milk. For dinner, you can have steak, corn, fresh green beans and wonderful seedless watermelons or cantaloupe. Let us not forget the late night snack of Orville Redenbacher popcorn while watching a movie. These items represent some of Johnson County's, as well as other Indiana county's products.

Other Indiana farm products that can be found in local groceries include Roseacre Farm eggs, the world's largest producer, and Adrian Orchard apples. With Halloween and Thanksgiving approaching, do not forget about Waterman's Market pumpkins and hot apple cider, Brown County apple butter and special fresh turkey from Jasper's Sager Turkey farm.

In conclusion, I have only skimmed the surface of the products available from Indiana farmers. Indiana has more to offer than corn and soybeans. The next time you are shopping, look around and see how easy it is to buy Indiana products and enjoy an old fashion Hoosier meal.

2003–04 DISTRICT ESSAY WINNERS

District 1: Zachariah Surfus (Starke Co.) and Amy Ver Wey (Lake Co.).

District 2: Daniel Peppler (Allen Co.) and Lindsay Shutt (Allen Co.).

District 3: Sean Smith (Cass Co.) and Autumn Cooper (Newton Co.).

District 4: Patrick Ritchie (Wells Co.) and Cindy Muhlenkamp (Jay Co.).

District 5: Keith Trusty (Morgan Co.) and Elizabeth Mercer (Boone Co.)* (State Winner).

District 6: Kyle Jacobs (Hancock Co.) and Aprill Schelle (Henry Co.).

District 7: Bradley Otero (Martin Co.) and Audrey Maddox (Lawrence Co.).

District 8: Eric Webb (Johnson Co.)* (State Winner) and Vanessa Small (Bartholomew Co.).

District 9: Braxton Williams (Posey Co.) and Jamie Frank (Spencer Co.).

District 10: Ethan Wilson (Jackson Co.) and Samantha LaMaster (Scott Co.).

2003–2004 COUNTY ESSAY WINNERS

Allen: Daniel Peppler and Lindsay Shutt.

Bartholomew: Steven Day and Vanessa Small.

Benton: Scott Williams.

Boone: Bailey Keith and Elizabeth Mercer.

Cass: Sean Smith and Kimberly Champ.

Clay: Brandon Blackburn and Kayla Baumgartner.

Clinton: Eric Myers.

Dearborn: Joe Bischoff and Amber Shumate.

Decatur: Cody Sanders.

DeKalb: Stephen Boviall and Shannon O'Rear.

Dubois: Jake Whitsitt and Kelsey Vonderheide.

Fayette: Matt Sterling and Jerica Moore.

Franklin: Tyler Ripperger and Michelle Willhelm.

Floyd: Amanda Hawkins.

Hamilton: Blake Koness and Alexander Robinson.

Hancock: Kyle Jacobs.

Hendricks: Chelseii Reynolds.

Henry: Justin Stevens and Aprill Schelle.

Jackson: Ethan Wilson and Kimmi Miller.

Jasper: Travis Brandenburg and Kayla Culp.

Jay: Dillon Carpenter and Cindy Muhlenkamp.

Jennings: John Paul Hyden and Hannah Biehle.

Johnson: Eric Webb and Katelyn Bird.

LaGrange: Sarah Miller.

Lake: Adam Becerra and Amy VerWey.

Lawrence: Audrey Maddox.

Madison: Kyle Carter and Nika McCloud.

Marion: Grant Feldhake and Alexandra Cooper.

Martin: Bradley Otero and Alysia Potts.

Miami: Devin Zimmerman and Dreana Sparks.

Monroe: Brian Morrison and Kristen Bornhorst.

Morgan: Keith Trusty.

Newton: Trace Myers and Autumn Cooper.

Pike: Trent Barrett and Katie Hill.

Porter: Jennifer Evan.

Posey: Braxton Williams and Kayla Brenton.

Pulaski: Weston Bonczek and Linsey Foerg.

Rush: Scott Moore and Patty Walke.

St. Joseph: Chris Wheeler and Ellen Schoenle.

Scott: Connor Caudill and Samantha LeMaster.

Shelby: Derek Turner and Emily Burgett.

Spencer: Joey Tempel and Jamie Frank.

Starke: Zachariah Surfus and Simona Crisam.

Switzerland: Courtney Cole.

Tipton: Craig Upstill and Natalie White.

Vermillion: Austin Boling and Amber Yoder.

Vigo: Thomas Kinnebrew and Karen Groth.

Wabash: Joshua Dillon and Cami Givens.

Warrick: Samuel Schnur and Erika Katterjohn.

Washington: Brooke Agan.

Wayne: Chris Kolger and Carrie Burkhardt.

Wells: Patrick Ritchie and Lauren Schumm.

White: Luke Evans and Abby Tetzlaff.•

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

MURRAY AMENDMENT ON DOMESTIC VIOLENCE

• Ms. LANDRIEU. Mr. President, let me begin my remarks this afternoon by thanking my friend and colleague, the Senator from Washington, for her leadership in this very important area. Because of her work, and the work of a man whose leadership we all miss dearly, Senator Paul Wellstone, victims of domestic violence have access to programs designed to protect them from what many would agree is the worst type of violence there is. Currently, the Federal Government provides a little under $500 million in domestic violence prevention and treatment programs. The amendment offered by Senator MURRAY proposes to take our commitment to put an end to domestic abuse to the next level by filling in the gaps left by current law and programs.

As you well know, the goal of the underlying bill offered by my friend and colleague, Senator DEWINE, is a simple, but important one, to prevent murder. What it says is that the murder of woman and her unborn, viable child is morally wrong and should be illegal. There is no disagreement on that point. The majority of yesterday's debate has been how best to draft a Federal law narrowly tailored to accomplish that goal. What this amendment attempts to remind us is that there are two ways to prevent the murder of a woman who is pregnant. One, you can put in place laws that recognize the loss of life of the mother and the viable fetus and impose the stiffest of penalties on those found guilty of committing such a murder. But equally important, you can put in place protections and programs that prevent this type of murder before it takes place.

The sponsors and supporters of this underlying bill claim that their objective is to protect the life of a woman and her unborn child, but their actions indicate otherwise. A few Members have come to the floor to raise legitimate concerns about some of the provisions of this bill, but for the most part, the arguments offered by my Republican colleagues are nothing more than excuses. I would like to take a moment to address a few of these so-called reasons to not support this amendment and offer a rebuttal.

The first reason given by groups, such as the U.S. Chamber of Commerce and the National Right to Life, for their opposition to this amendment is that the underlying bill is "clearly an inappropriate vehicle for this amendment as the issues are completely unrelated." If I understand this position correctly, it appears that the opponents of the amendment believe that domestic violence is unrelated to murder of pregnant women. This position is misguided at best. Let me tell you what the facts are:

In the United States, a woman is more likely to be assaulted, injured, raped, or killed by an intimate partner than any other type of assailant.

Every day, 4 women are murdered by boyfriends or husbands.

This year alone, 240,000 pregnant women were physically abused by their intimate partners.

Sixty percent of all battered women are beaten while they are pregnant.

Women are most likely to be killed while attempting to leave their abuser. In fact, women who attempt to escape are at a 75 percent higher risk of being murdered than their peers. The No. 1 reason women leave abusers is to protect their children, born and unborn.

Homicide is the leading cause of death for pregnant women and evidence suggests that a significant portion of all female homicide victims are killed by their intimate partners

Let me read for you a quote from an ABC News article dated April 25, 2003:

> "Most pregnant women are killed by people they know, like husbands or boyfriends," said Pat Brown, a criminal profiler and CEO of the Sexual Homicide Exchange . . . "Sometimes it depends on how far along the woman is in the pregnancy . . . If it's a serial killer, they normally go after women who may be three months pregnant and are not showing very much . . . With husbands and boyfriends, the women tend to be eight months pregnant . . . they can see the woman and the unborn child as something in the way, keeps them from living the lifestyle they want."

In fact, one of the stories told by my colleague from Kansas was of Tracy Marciniak, whose unborn child was murdered by his abusive father a week before he was due to be born. The Senator from Kansas was right, it would be unfair for anyone to say that there was no murder victim in that case. But it is equally unfair for him and others on the other side of the aisle to claim that there was not a victim of domestic violence in that case.

Another argument that has been made is that this amendment cannot be passed because if it did it would kill this bill. That is simply not true. With the Murray amendment attached, there is nothing to prevent the House of Representatives from taking up and passing the amended version as soon as tomorrow. If they did, the bill could be signed by the President sometime next week and could become law within a week. The reason that is "not possible" is not a matter of Senate procedure or rules. It is not possible because the House Republicans' mode of leadership is "our way or the highway." It is not possible because they refuse to fund programs that help stop a murder before it happens. It is not possible because they are more interested in making a political point than making a difference.

Finally, my colleagues on the other side of the aisle have claimed that they cannot support this because it calls for additional resources, and being in a deficit, we cannot afford to bring additional resources to bear on this issue. Senator MURRAY's amendment calls for an additional $400 million over 5 years to help fill in the gaps left by current domestic violence programs. With less than $100 million a year, we can make a difference in the lives of the 4 million who have been or will be abused by an intimate partner this year alone, save the fact that domestic violence results in a net loss of $18.4 billion a year for business owners and taxpayers.

Here is what the truth is. When something is a priority for this administration, we have the resources, and when it is not, we are broke. The recently passed budget included $27 billion in tax cuts for people whose income is over $1 million a year. How is it we can find money for this and then claim the deficit as an excuse for opposing an amendment that uses less than one-tenth of 1 percent of that funding to save lives? President Bush claims that the purpose of this bill is to protect women, but at the same time his budget cuts funding for violence against women programs by $10 million, rape prevention funding by $29 million, and freezes funding for the domestic violence hot line and domestic abuse shelters. I think that is out of line with what the American people thinks, and it is certainly out of line with what I think.

As I said earlier, if my colleagues have legitimate reasons to oppose this amendment, we are happy to listen. In fact, we are willing to do what is necessary to get past any partisan difference and to move this issue forward. Unfortunately, our colleagues are not. I think you have to ask yourselves, then, what is this debate really all about?●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Foreign Relations.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time, and placed on the calendar:

H.R. 3717. To increase the penalties for violations by television and radio broadcasters of the prohibitions against transmissions of obscene, indecent, and profane material, and for other purposes.

H.R. 339. To prevent legislative and regulatory functions from being usurped by civil liability actions brought or continued against food manufacturers, marketers, distributors, advertisers, sellers, and trade associations for claims of injury relating to a person's weight gain, obesity, or any health condition associated with weight gain or obesity.

S. 2236. A bill to enhance the reliability of the electric system.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6792. A communication from the Acting General Counsel, Federal Housing Finance Board, transmitting, pursuant to law, the report of a rule entitled "Amendments to the Privacy Act and Freedom of Information Act; Implementation" (RIN3069–AB07) received on March 25, 2004; to the Committee on Banking, Housing, and Urban Affairs.

EC–6793. A communication from the Director, Office of Federal Housing Enterprise Oversight, transmitting, pursuant to law, a report relative to the Office's standard of reasonable assurance pertaining to the effectiveness of its internal management controls during Fiscal Year 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–6794. A communication from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting, the Administration's proposed budget for Fiscal Year 2005; to the Committee on Banking, Housing, and Urban Affairs.

EC–6795. A communication from the Secretary, Federal Trade Commission, transmitting, pursuant to law, the Commission's Report relative to the Fair Debt Collection Practices Act; to the Committee on Commerce, Science, and Transportation.

EC–6796. A communication from the Administrator, National Aeronautics and Space Administration (NASA), transmitting, pursuant to law, a report relative to NASA's annual inventory of commercial activities performed by federal government sources; to the Committee on Commerce, Science, and Transportation.

EC–6797. A communication from the Secretary of Commerce, transmitting the Department of Commerce's Annual Report for Fiscal Year 2003 of the Department's Bureau of Industry and Security; to the Committee on Commerce, Science, and Transportation.

EC–6798. A communication from the Director, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, a report relative to actions taken in respect to the New England fishing capacity reduction initiative; to the Committee on Commerce, Science, and Transportation.

EC–6799. A communication from the Associate Chief, Competition Policy Division, Wireline Competition Division, transmitting, pursuant to law, the report of a rule entitled "Section 272(b)'s 'Operate Independently' Requirement for Section 272 Affiliates; WC Docket No. 03–228; FCC 04–54" (WC Doc. 03–228) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6800. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Brazil and Spencer, Indiana" (MB Doc. No. 03–192) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6801. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Florence, Quinby, Greeleyville, and Wedgefield, SC and Savannah GA)" (MB Doc. No. 03–35) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6802. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.622(b), Table of Allotments, DTV Broadcast Stations; Albany, NY" (MB Doc. No. 02–92) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6803. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.606(b), Table of Allotments, DTV Broadcast Stations, Saranac Lake, NY" (MB Doc. No. 03–213) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6804. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.606(b), Table of Allotments, TV Broadcast Stations, Bend, OR" (MM Doc. No. 01–82) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6805. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.606(b), Table of Allotments, TV Broadcast Stations; Osage Beach, MO" (MB Doc. No. 03–207) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6806. A communication from the Senior Legal Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Caledonia and Upper Sandusky, Ohio)" (MB Doc. No. 03–7) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6807. A communication from the Attorney Advisor, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Review of Part 87 of the Commission's Rules Concerning the Aviation Radio Services" (FCC03–238) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6808. A communication from the Attorney Advisor, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Suspension of Effective Date in 47 CFR 90.209(b)(6)" (FCC03–306) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6809. A communication from the Attorney Advisor, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Parts 13 and 80 of the Commission's Rules Concerning Maritime Communications. Petition for Rule Making Filed by Globe Wireless. Amendment of the Commission's Rules Concerning Maritime Communications" (FCC04–3) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6810. A communication from the Attorney Advisor, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of the Commission's Rules Concerning Maritime Communications. Petition for Rule Making Filed by Regionet Wireless License, LLC" (FCC03–270) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6811. A communication from the Attorney Advisor, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Compatibility With Enhanced 911 Emergency Calling Systems; PSAP E911 Service Readiness" (FCC02–318) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6812. A communication from the Attorney Advisor, Policy and Rules Division, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Part 2 of the Commission's Rules to Realign the 76–81 GHz Band and the Frequency Range Above 95 GHz Consistent with International Allocation Changes (Report and Order)" (FCC04–20) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6813. A communication from the Division Chief, Wireline Competition Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "In the Matter of Multi-Association Group Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers; Federal-State Joint Board on Universal Service" (FCC04–31) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6814. A communication from the Chief, Regulations and Administrative Law, Coast Guard, transmitting, pursuant to law, the report of a rule entitled "Allowing Alternatives to Incandescent Lights, and Establishing Standards for New Lights, in Private Aids to Navigation [USCG–2000–7466]" (RIN1625–AA66) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6815. A communication from the Chief, Regulations and Administrative Law, Coast Guard, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations: New Tacoma Narrows Bridge Construction [CGD 13–03–025]" (RIN1625–AA00) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6816. A communication from the Chief, Regulations and Administrative Law, Coast Guard, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations (Including 3 Regulations): [CGD05–04–040], [CGD01–04–020], [CGD01–04–016]" (RIN1625–AA09) received on March 25, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6817. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Prohibiting Directed Fishing for Pacific Cod by Vessels Catching Pacific Cod for Processing by the Offshore Component in the Central Regulatory Area of the Gulf of Alaska" received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6818. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Modification of Closure Date for Atka Mackerel in the First HLA Fishery in Statistical Area 543" received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6819. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Prohibiting Directed Fishing for Pacific Cod by Vessels Catching Pacific Cod for Processing by the Inshore Component in the Central Regulatory Area of the Gulf of Alaska" received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6820. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Trip Limit Increase in the Commercial Hook-and-Line Fishery for King Mackerel in the Florida East Coast Subzone from 50–75 Fish per day or From the Exclusive Economic Zone (EEZ)" received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted:

By Mr. LUGAR, from the Committee on Foreign Relations:

[Treaty Doc. 107–7 The Protocol to the Agreement of the International Atomic Energy Agency Regarding Safeguards in the United States (Exec. Rept. No. 108–12)]

Resolved (two-thirds of the Senators present concurring therein),

SECTION 1. SENATE ADVICE AND CONSENT SUBJECT TO CONDITIONS AND UNDERSTANDINGS.

The Senate advises and consents to the ratification of the Protocol Additional to the Agreement between the United States of America and the International Atomic Energy Agency for the Application of Safeguards in the United States of America, with Annexes, signed at Vienna June 12, 1998 (T. Doc. 107–7) subject to the conditions in section 2 and the understandings in section 3.

SEC. 2. CONDITIONS.

The advice and consent of the Senate under section 1 is subject to the following conditions, which shall be binding upon the President:

(1) CERTIFICATIONS REGARDING THE NATIONAL SECURITY EXCLUSION, MANAGED ACCESS, AND DECLARED LOCATIONS.—Prior to the deposit of the United States instrument of ratification, the President shall certify to the appropriate congressional Committees that, not later than 180 days after the deposit of the United States instrument of ratification—

(A) all necessary regulations will be promulgated and will be in force regarding the use of the National Security Exclusion under Article 1.b of the Additional Protocol, and that such regulations shall be made in accordance with the principles developed for the application of the National Security Exclusion;

(B) the managed access provisions of Articles 7 and 1.c of the Additional Protocol shall be implemented in accordance with the appropriate and necessary inter-agency guidance and regulation regarding such access; and

(C) the necessary security and counter-intelligence training and preparation will have been completed for any declared locations of direct national security significance.

(2) CERTIFICATION REGARDING SITE VULNERABILITY ASSESSMENTS. Prior to the deposit of the United States instrument of ratification, the President shall certify to the appropriate congressional Committees that the necessary site vulnerability assessments regarding activities, locations, and information of direct national security significance to the United States will be completed not later than 180 days after the deposit of the United States instrument of ratification for the initial United States declaration to the International Atomic Energy Agency (in this resolution referred to as the "Agency") under the Additional Protocol.

SEC. 3. UNDERSTANDINGS.

The advice and consent of the Senate under section 1 is subject to the following understandings:

(1) IMPLEMENTATION OF ADDITIONAL PROTOCOL. Implementation of the Additional Protocol will conform to the principles set forth in the letter of April 30, 2002, from the United States Permanent Representative to the International Atomic Energy Agency and the Vienna Office of the United Nations to the Director General of the International Atomic Energy Agency.

(2) NOTIFICATION TO CONGRESS OF ADDED AND DELETED LOCATIONS.—

(A) ADDED LOCATIONS. The President shall notify the appropriate congressional Committees in advance of declaring to the Agency any addition to the lists of locations within the United States pursuant to Article 2.a.(i), Article 2.a.(iv), Article 2.a.(v), Article 2.a.(vi)(a), Article 2.a.(vii), Article 2.a.(viii), and Article 2.b.(i) of the Additional Protocol, together with a certification that such addition will not adversely affect the national security of the United States. During the ensuing 60 days, Congress may disapprove an addition to the lists by joint resolution for reasons of direct national security significance, under procedures identical to those provided for the consideration of resolutions under section 130 of the Atomic Energy Act of 1954 (42 U.S.C. 2159).

(B) DELETED LOCATIONS. The President shall notify the appropriate congressional Committees of any deletion from the lists of locations within the United States previously declared to the Agency pursuant to Article 2.a.(i), Article 2.a.(iv), Article 2.a.(v), Article 2.a.(vi)(a), Article 2.a.(vii), Article 2.a.(viii), and Article 2.b.(i) of the Additional Protocol that is due to such location having a direct national security significance, together with an explanation of such deletion, as soon as possible prior to providing the Agency information regarding such deletion.

(3) PROTECTION OF CLASSIFIED INFORMATION.—The Additional Protocol will not be construed to require the provision, in any

manner, to the Agency of "Restricted Data" controlled by the provisions of the Atomic Energy Act of 1954.

(4) PROTECTION OF CONFIDENTIAL INFORMATION.—Should the President make a determination that persuasive information is available indicating that—

(A) an officer or employee of the Agency has willfully published, divulged, disclosed, or made known in any manner or to any extent contrary to the Agreement between the United States of America and the International Atomic Energy Agency for the Application of Safeguards in the United States of America and the Additional Protocol, any United States confidential business information coming to him or her in the course of his or her official duties relating to the implementation of the Additional Protocol, or by reason of any examination or investigation of any return, report, or record made to or filed with the Agency, or any officer or employee thereof, in relation to the Additional Protocol; and

(B) such practice or disclosure has resulted in financial losses or damages to a United States person;

the President shall, not later than 30 days after the receipt of such information by the executive branch of the United States Government, notify the appropriate congressional Committees in writing of such determination.

(5) REPORT ON CONSULTATIONS ON ADOPTION OF ADDITIONAL PROTOCOLS IN NON-NUCLEAR WEAPON STATES.—Not later than 180 days after entry into force of the Additional Protocol, and annually thereafter, the President shall submit to the appropriate congressional Committees a report on measures that have been taken or ought to be taken to achieve the adoption of additional protocols to existing safeguards agreements signed by non-nuclear weapon states party to the Nuclear Non-Proliferation Treaty.

(6) REPORT ON UNITED STATES ASSISTANCE TO THE AGENCY FOR THE PURPOSE OF ADDITIONAL PROTOCOL IMPLEMENTATION AND VERIFICATION OF THE OBLIGATIONS OF NON-NUCLEAR WEAPON STATES.—Not later than 180 days after the entry into force of the Additional Protocol, and annually thereafter, the President shall submit to the appropriate congressional Committees a report detailing the assistance provided by the United States to the Agency in order to promote the effective implementation of additional protocols to safeguards agreements signed by non-nuclear weapon states party to the Nuclear Non-Proliferation Treaty and the verification of the compliance of such parties with Agency obligations.

(7) SUBSIDIARY ARRANGEMENTS AND AMENDMENTS.—

(A) THE SUBSIDIARY ARRANGEMENT.—The Subsidiary Arrangement to the Additional Protocol between the United States and the Agency, signed at Vienna on June 12, 1998 contains an illustrative, rather than exhaustive, list of accepted United States managed access measures.

(B) NOTIFICATION OF ADDITIONAL SUBSIDIARY ARRANGEMENTS AND AMENDMENTS.—The President shall notify the appropriate congressional Committees not later than 30 days after—

(i) agreeing to any subsidiary arrangement with the Agency under Article 13 of the Additional Protocol; and

(ii) the adoption by the Agency Board of Governors of any amendment to its Annexes under Article 16.b.

(8) AMENDMENTS.—Amendments to the Additional Protocol will take effect for the United States in accordance with the requirements of the United States Constitution as the United States determines them.

SEC. 4. DEFINITIONS.

In this resolution:

(1) ADDITIONAL PROTOCOL.—The term "Additional Protocol" means the Protocol Additional to the Agreement between the United States of America and the International Atomic Energy Agency for the Application of Safeguards in the United States of America, with Annexes and a Subsidiary Agreement, signed at Vienna June 12, 1998 (T. Doc. 107–7).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Foreign Relations and the Committee on Armed Services of the Senate and the Committee on International Relations and the Committee on Armed Services of the House of Representatives.

(3) NUCLEAR NON-PROLIFERATION TREATY.—The term "Nuclear Non-Proliferation Treaty" means the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force March 5, 1970.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. COCHRAN (for himself and Mr. HARKIN):

S. 2241. A bill to reauthorize certain school lunch and child nutrition programs through June 30, 2004; considered and passed.

By Mr. BIDEN (for himself and Mr. NELSON of Nebraska):

S. 2242. A bill to prevent and punish counterfeiting and copyright piracy, and for other purposes; to the Committee on the Judiciary.

By Ms. MURKOWSKI:

S. 2243. A bill to extend the deadline for commencement of construction of a hydroelectric project in the State of Alaska; to the Committee on Energy and Natural Resources.

By Mrs. HUTCHISON (for herself and Mr. BREAUX):

S. 2244. A bill to protect the public's ability to fish for sport, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DASCHLE:

S. 2245. A bill to amend the Internal Revenue Code of 1986 to provide a small business health tax credit; to the Committee on Finance.

ADDITIONAL COSPONSORS

S. 529

At the request of Ms. CANTWELL, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 529, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income loan payments received under the National Health Service Corps Loan Repayment Program established in the Public Health Service Act.

S. 1703

At the request of Mr. SMITH, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1703, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax for expenditures for the maintenance of railroad tracks of Class II and Class III railroads.

S. 1709

At the request of Mr. CRAIG, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 1709, a bill to amend the USA PATRIOT ACT to place reasonable limitations on the use of surveillance and the issuance of search warrants, and for other purposes.

S. 2056

At the request of Mr. BROWNBACK, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 2056, a bill to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmission of obscene, indecent, and profane language.

S. 2236

At the request of Ms. CANTWELL, the names of the Senator from New York (Mrs. CLINTON), the Senator from New York (Mr. SCHUMER) and the Senator from Nevada (Mr. REID) were added as cosponsors of S. 2236, a bill to enhance the reliability of the electric system.

At the request of Mr. JEFFORDS, his name was added as a cosponsor of S. 2236, supra.

AMENDMENT NO. 2663

At the request of Ms. CANTWELL, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of amendment No. 2663 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. HUTCHISON (for herself and Mr. BREAUX):

S. 2244. A bill to protect the public's ability to fish for sport, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mrs. HUTCHISON. Mr. President, I rise today to introduce the Freedom to Fish Act. This legislation, cosponsored by Senator BREAUX, addresses an unsettling situation arising over access to our Nation's public coastal resources. There is a growing movement to limit the use and enjoyment of America's coastal and ocean waters. This restriction of public access is occurring under the guise of the establishment of marine protected areas. The bill I am introducing today aims to correct a system that would unfairly penalize our Nation's marine recreational anglers. I support the goal of healthy marine fisheries, but I disagree strongly with any method that unnecessarily limits our citizens' access to public waters.

I believe that my record clearly indicates my dedication to defending and improving the health of our oceans and coasts. Recreational anglers are among America's most proactive conservationists and their contributions need to be recognized.

The Act would establish guidelines and safeguards by which the public's right to use and enjoy these resources are preserved in all but the most serious cases. It provides assurances that the public who enjoy recreational fishing will have a place at the table when decisions are made regarding their use of the resource. Secondly, the Freedom to Fish Act will ensure that measurable scientific criteria is used to determine the cause and impact of damage to fishery resources.

Restricting public access to our coastal waters should not be our first course of action, but rather our last resort. Open access to fishing is the single most important element of recreational fishing. We must defend public access against those that would try to restrict it under the cloak of marine resource protection.

I am proud to offer this legislation to bring attention to this important issue and I urge my colleagues to support the Freedom to Fish Act. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This bill may be cited as the "Freedom to Fish Act".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Recreational fishing is traditionally the most popular outdoor sport with more than 50,000,000 participants of all ages, in all regions of the country.

(2) Recreational anglers makes a substantial contribution to local, State, and national economies and infuse $116,000,000,000 annually into the national economy.

(3) In the United States, more than 1,200,000 jobs are related to recreational fishing, a number that is approximately 1 percent of the entire civilian workforce in the United States. In communities that rely on seasonal tourism, the expenditures of recreational anglers result in substantial benefits to the local economies and small businesses in those communities.

(4) Recreational anglers have long demonstrated a conservation ethic. In addition to payment of Federal excise taxes on fishing equipment, motorboats and fuel, as well as license fees, recreational anglers contribute more than $500,000,000 annually to State fisheries conservation management programs and projects.

(5) It is a long standing policy of the Federal Government to allow public access to public lands and waters for recreational purposes in a manner that is consistent with principals of sound conservation. This policy is reflected in the National Forest Management Act of 1976, the Wilderness Act, the Wild and Scenic Rivers Act, and the National Parks and Recreation Act of 1978.

(6) In most instances, recreational fishery resources can be maintained without restricting public access to fishing areas through a variety of management measures including take limits, minimum size requirements, catch and release requirements, gear adaptations, and closed seasons.

(7) A clear policy is required to demonstrate to recreational anglers that recreational fishing can be managed without unnecessarily prohibiting such fishing.

(8) A comprehensive policy on the implementation, use, and monitoring of marine protected areas is required to maintain the optimum balance between recreational fishing and sustaining recreational fishery resources.

SEC. 3. POLICY.

It is the policy of the United States to promote sound conservation of fishery resources by ensuring that—

(1) Federal regulations promote access to fishing areas by recreational anglers to the maximum extent practicable;

(2) recreational anglers are actively involved in the formulation of any regulatory procedure that contemplates imposing restrictions on access to a fishing area; and

(3) limitations on access to fishing areas by recreational anglers are not imposed unless such limitations are scientifically necessary to provide for the conservation of a fishery resource.

SEC. 4. MAGNUSON-STEVENS FISHERY CONSERVATION AND MANAGEMENT ACT AMENDMENTS.

(a) LIMITATION ON CLOSURES.—Section 303(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1853(a)) is amended by adding at the end the following:

"(15) not establish geographic areas where recreational fishing is prohibited unless—

"(A) clear indication exists that recreational fishing in such area is the cause of a specific conservation problem in the fishery;

"(B) no alternative conservation measures related to recreational fishing, such as gear restrictions, quotas, or closed seasons will adequately provide for conservation and management of the fishery;

"(C) the management plan—

"(i) provides for specific measurable criteria to assess whether the prohibition provides conservation benefits to the fishery; and

"(ii) requires a periodic review to assess the continued need for the prohibition not less than once every 3 years;

"(D) the best available scientific information supports the need to close the area to recreational fishing; and

"(E) the prohibition is terminated as soon as the condition in subparagraph (A) that was the basis of the prohibition no longer exists.".

(b) TECHNICAL AMENDMENTS.—Such section is further amended—

(1) in paragraph (13), by striking "and" after the semicolon; and

(2) in paragraph (14), by striking "fishery." and inserting "fishery; and".

SEC. 5. NATIONAL MARINE SANCTUARIES ACT AMENDMENT.

Section 304(a)(5) of the National Marine Sanctuaries Act (16 U.S.C. 1434(a)(5)) is amended to read as follows:

"(5) FISHING REGULATIONS.—

"(A) IN GENERAL.—The Secretary shall provide the appropriate Regional Fishery Management Council with the opportunity to prepare, and to revise from time to time, draft regulations for fishing within the exclusive economic zone as the Council may deem necessary to implement the proposed designation.

"(B) RELATIONSHIP TO MAGNUSON.—Draft regulations prepared by the Council under subparagraph (A) shall be made in accordance with the standards and procedures of the Magnuson Act.

"(C) REGULATION WITHIN A STATE.—Such regulations may regulate a fishery within the boundaries of a State (other than the State's internal waters) if—

"(i) the Governor of the State approves such regulation; or

"(ii) the Secretary determines, after notice and an opportunity for a hearing in accordance with section 554 of title 5, United States Code, that the State has taken any action, or omitted to take any action, the results of which will substantially and adversely affect the fulfillment of the purposes and policies of this Act and the goals and objectives of the proposed designation.

"(D) NOTIFICATION AND HEARING.—If the Secretary makes a determination under subparagraph (C)(ii) to regulate a fishery within the boundaries of such State (other than State's internal waters)—

"(i) the Secretary shall promptly notify the State and the appropriate Council of such determination;

"(ii) the State may request that a hearing be held pursuant to section 554 of title 5, United States Code; and

"(iii) the Secretary shall conduct a hearing requested under clause (ii) prior to taking any action to regulate a fishery within the boundaries of such State (other than the State's internal waters) under subparagraph (C)(ii).

"(E) TERMINATION OF REGULATION WITHIN A STATE.—If the Secretary, pursuant to a determination under subparagraph (C)(ii), assumes responsibility for the regulation of any fishery, the State involved may at any time thereafter apply to the Secretary for reinstatement of its authority over such fishery. If the Secretary finds that the reasons for which the Secretary assumed such regulation no longer prevail, the Secretary shall promptly terminate such regulation.".

By Mr. DASCHLE:

S. 2245. A bill to amend the Internal Revenue Code of 1986 to provide a small business health tax credit; to the Committee on Finance.

Mr. DASCHLE. Mr. President, today I am introducing legislation to provide relief to small businesses struggling with the high cost of health care.

Rising health care costs are a serious problem for most Americans. The average premium offered by an employer rose last year by 13.9 percent, 4 times faster than wages. This was the third straight year of double-digit increases.

The cost of health care for small businesses is even higher. Health care costs for businesses with 25 to 50 employees rose by 14.3 percent. For firms with 10 to 24 employees, premiums rose by 15.2 percent, and for firms with 3 to 9 workers, they increased by 16.6 percent. In many cases, the increases faced by individual small businesses is significantly larger. I've heard from businesses in my State about premium increases as high as 40 percent in one year.

For many small business owners, increases of this size force them to make tough decisions regarding whether to continue offering coverage, whether to scale back coverage, and whether they can improve wages and make other improvements to their business. At a time when the number of uninsured Americans is growing, our economy is struggling, jobs are scarce, and financial uncertainty affects many too many Americans, the cost of health care is a tremendous problem. Skyrocketing health care costs could pose the single greatest obstacle to entrepreneurship and growth in our economy today.

And many small businesses don't offer coverage at all, not because they don't want to, but because they simply cannot afford it. Both nationally and in South Dakota, only about 55 percent of businesses with 3 to 9 employees offer coverage to their employees, as compared to almost all large businesses—those with over 50 employees.

Why don't small businesses offer coverage? The number one reason they cite is cost. A study by the Kaiser Family Foundation found that about 72 percent of small businesses cite the high cost of insurance premiums as a major reason they don't offer coverage. And a study of South Dakota business owners found that 79 percent said they would be more likely to offer coverage if the costs weren't so high.

Clearly small business owners are desperate for relief. The stories I hear from South Dakota business owners underscore the need.

Last summer, Kathleen Perkins, the owner of Great Plains Coffee Roasting Company in Sioux Falls, wrote to me about the cost of health insurance. In her letter, she wrote, "I recently lost two great employees because as a small business, I cannot afford to offer comprehensive health care to my full time employees."

Earlier this year, I heard from the owner of South Dakota Magazine, in Yankton. He shared with me the notification from his insurer informing him that premiums would rise 27 percent. The owner expressed his frustration that he faces these increases, even after experiencing past double-digit increases and benefit reductions.

Yet another small business owner in Mitchell wrote to me about yearly rate increases of 10 to 30 percent. She used to pay 100 percent of her employees' cost, but she has had to shift more of the cost onto her employees. And still she struggles. She said, "I'm not sure how many more increases we can tolerate before we will discontinue this company benefit."

Small employers need relief. That's why the bill I'm introducing today would provide up to a 50-percent tax credit to help small employers pay for insurance for their employees. The legislation would provide a 50-percent credit for businesses with 25 or fewer employees, a 40-percent credit for businesses with between 26 and 35 employees, and a 30-percent credit for businesses with between 36 and 50 employees.

We must take additional steps to address the high cost of health care, the administrative waste in the system, and the growing number of uninsured. This tax credit is a first, important step in that process.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2245

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Health Tax Credit Act".

SEC. 2. SMALL BUSINESS TAX CREDIT FOR 50 PERCENT OF HEALTH PREMIUMS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business-related credits) is amended by adding at the end the following:

"SEC. 45G. EMPLOYEE HEALTH INSURANCE EXPENSES.

"(a) GENERAL RULE.—For purposes of section 38, in the case of a qualified small employer, the employee health insurance expenses credit determined under this section is an amount equal to the applicable percentage of the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses.

"(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage is equal to—

"(1) 50 percent in the case of an employer with less than 26 qualified employees,

"(2) 40 percent in the case of an employer with more than 25 but less than 36 qualified employees, and

"(3) 30 percent in the case of an employer with more than 35 but less than 51 qualified employees.

"(c) PER EMPLOYEE DOLLAR LIMITATION.—The amount of qualified employee health insurance expenses taken into account under subsection (a) with respect to any qualified employee for any taxable year shall not exceed the maximum employer contribution for self-only coverage or family coverage (as applicable) determined under section 8906(a) of title 5, United States Code, for the calendar year in which such taxable year begins.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED SMALL EMPLOYER.—

"(A) IN GENERAL.—The term 'qualified small employer' means any small employer which provides eligibility for health insurance coverage (after any waiting period (as defined in section 9801(b)(4)) to all qualified employees of the employer.

"(B) SMALL EMPLOYER.—

"(i) IN GENERAL.—For purposes of this paragraph, the term 'small employer' means, with respect to any calendar year, any employer if such employer employed an average of not less than 2 and not more than 50 qualified employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

"(ii) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under clause (i) shall be based on the average number of qualified employees that it is reasonably expected such employer will employ on business days in the current calendar year.

"(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

"(A) IN GENERAL.—The term 'qualified employee health insurance expenses' means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

"(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

"(C) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term by paragraph (1) of section 9832(b) (determined by disregarding the last sentence of paragraph (2) of such section).

"(3) QUALIFIED EMPLOYEE.—The term 'qualified employee' means an employee of an employer who, with respect to any period, is not provided health insurance coverage under—

"(A) a health plan of the employee's spouse,

"(B) title XVIII, XIX, or XXI of the Social Security Act,

"(C) chapter 17 of title 38, United States Code,

"(D) chapter 55 of title 10, United States Code,

"(E) chapter 89 of title 5, United States Code, or

"(F) any other provision of law.

"(4) EMPLOYEE—The term 'employee'—

"(A) means any individual, with respect to any calendar year, who is reasonably expected to receive at least $5,000 of compensation from the employer during such year,

"(B) does not include an employee within the meaning of section 401(c)(1), and

"(C) includes a leased employee within the meaning of section 414(n).

"(5) COMPENSATION.—The term 'compensation' means amounts described in section 6051(a)(3).

"(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

"(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).".

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit) is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following:

"(16) the employee health insurance expenses credit determined under section 45G.".

(c) CREDIT ALLOWED AGAINST MINIMUM TAX.—

(1) IN GENERAL.—Subsection (c) of section 38 of the Internal Revenue Code of 1986 (relating to limitation based on amount of tax) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) SPECIAL RULES FOR EMPLOYEE HEALTH INSURANCE CREDIT.—

"(A) IN GENERAL.—In the case of the employee health insurance credit—

"(i) this section and section 39 shall be applied separately with respect to the credit, and

"(ii) in applying paragraph (1) to the credit—

"(I) the amounts in subparagraphs (A) and (B) thereof shall be treated as being zero, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the employee health insurance credit).

"(B) EMPLOYEE HEALTH INSURANCE CREDIT.—For purposes of this subsection, the term 'employee health insurance credit' means the credit allowable under subsection (a) by reason of section 45G(a).".

(2) CONFORMING AMENDMENTS.—

(A) Subclause (II) of section 38(c)(2)(A)(ii) of such Code is amended by inserting "or the employee health insurance credit" after "employee credit".

(B) Subclause (II) of section 38(c)(3)(A)(ii) of such Code is amended by inserting "or the employee health insurance credit" after "employee credit".

(d) NO CARRYBACKS.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

"(11) NO CARRYBACK OF SECTION 45G CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the employee health insurance expenses credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.".

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"Sec. 45G. Employee health insurance expenses.".

(f) EMPLOYER OUTREACH.—The Internal Revenue Service shall, in conjunction with the Small Business Administration, develop materials and implement an educational program to ensure that business personnel are aware of—

(1) the eligibility criteria for the tax credit provided under section 45G of the Internal Revenue Code of 1986 (as added by this section),

(2) the methods to be used in calculating such credit,

(3) the documentation needed in order to claim such credit, and

(4) any available health plan purchasing alliances established under title II,

so that the maximum number of eligible businesses may claim the tax credit.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT AMENDMENTS

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2241, which was introduced earlier today by Senators COCHRAN and HARKIN.

The PRESIDING OFFICER (Mr. SMITH). The clerk will report the bill by title.

The senior assistant bill clerk read as follows:

A bill (S. 2241) to reauthorize certain school lunch and child nutrition programs through June 30, 2004.

There being no objection, the Senate proceeded to the consideration of the bill.

Mr. FRIST. I ask unanimous consent that the bill be read a third time and passed, that the motion to reconsider be laid upon the table, and that any statements relating to this matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2241) was read the third time and passed, as follows:

S. 2241

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.

Section 9(b)(7) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(7)) is amended by striking "March 31, 2004" and inserting "June 30, 2004".

SEC. 2. CHILD AND ADULT CARE FOOD PROGRAM.

Section 17(a)(2)(B)(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(a)(2)(B)(i)) is amended by striking "March 31, 2004" and inserting "June 30, 2004".

SEC. 3. REIMBURSEMENT TO STATES UNDER COMMODITY DISTRIBUTION PROGRAMS.

Section 15(e) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended by striking "April 1, 2004" and inserting "July 1, 2004".

SEC. 4. FUNDING MAINTENANCE OF COMMODITY DISTRIBUTION PROGRAMS.

Section 14(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762a(a)) is amended by striking "March 31, 2004" and inserting "June 30, 2004".

SEC. 5. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) IN GENERAL.—Section 13(q) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(q)) is amended by striking "March 31, 2004" and inserting "June 30, 2004".

(b) PILOT PROJECTS.—Section 18(f)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)(2)) is amended by striking "March 31, 2004" and inserting "June 30, 2004".

SENATE ACCOMPLISHMENTS

Mr. FRIST. Mr. President, we had a very busy week. The Senate continued consideration of S. 1637, the FSC/ETI bill earlier in the week. Unfortunately, our colleagues on the other side of the aisle insisted on offering nongermane amendments to this very important manufacturing bill, this JOBS bill. In an effort to move the bill forward, we did file cloture with respect to the bill earlier in the week. Despite the importance and critical nature of this legislation to our economy, addressing those sanctions imposed by the European Union on us that are in effect now, we were unable to invoke cloture to finish this bill.

We turned yesterday to the Unborn Victims of Violence Act of 2004. In an overwhelming vote of 61 to 38, the Senate passed S. 1637, the Unborn Victims of Violence Act of 2004. I thank all my colleagues for their handling of the bill. Senator DEWINE did a superb job managing the bill, supported by Senator LINDSEY GRAHAM. Again, they did a tremendous job ushering this bill through.

This legislation does so much to help protect women and their unborn children by establishing, for the first time at the Federal level, a separate crime for the injury or death of a fetus resulting from an attack on the mother. The concept is very simple. If someone attacks a woman who is pregnant, there are two victims and not one. Senator DEWINE was able to hold off any amendments which would have changed the underlying legislation. That was important to do. We accomplished that and the bill will be sent shortly to the President for his signature.

This week we also passed welfare reform extension. It was S. 2231. It is a 3-month extension of welfare reform programs.

We will begin consideration of H.R. 4, the welfare reform reauthorization bill, on Monday. I hope we can consider important and relevant amendments to this bill. I know Members on both sides of the aisle do have amendments to improve the bill. We look forward to addressing those that are germane, that are important to the bill. However, once again, I urge Members to allow us to stay focused on the measure before us and not to slow down the process with political posturing or, what now we have begun to see a lot of, so-called message amendments on the floor of the Senate unrelated to the bill itself.

I do respect all Members' rights to amend the bills, but with that we also have a responsibility, and the responsibility is to legislate.

Last night I had the privilege of obtaining unanimous consent by which we passed the Organ Donation and Recovery Improvement Act, H.R. 3926. The bill promotes organ donation, promotes organ procurement, recovery, preservation, and transportation, all of which is critically vital if we are to address the fact we have 83,000 people right now as I speak waiting for an organ transplant, yet we have too few organs. The supply is too small, it is too few, because we are not capturing all the potential organs. This addresses that disconnect and that disparity.

We also passed the Oceans and Human Health Act this week, S. 1218, reported by Chairman MCCAIN and the Commerce Committee. This particular bill provides for the coordination and support of Federal interagency ocean science programs, including research on the role of oceans in human health.

We passed H.R. 2584, the international fisheries reauthorization under Chairman MCCAIN.

We also addressed treaties. We ratified two treaties this week, the protocol amending the tax convention with Sri Lanka under Chairman LUGAR, the income tax convention with Sri Lanka with Chairman LUGAR, and moments ago we passed the Child Nutrition Act extension, introduced today by Chairman COCHRAN and the ranking member.

MEASURES PLACED ON THE CALENDAR—S. 2236, H.R. 3717, H.R. 339

Mr. FRIST. Mr. President, I understand there are three bills at the desk due a second reading. I ask unanimous consent that the clerk read the titles of the bills for a second time en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will read the titles of the bills en bloc.

The assistant legislative clerk read as follows:

A bill (H.R. 339) to prevent legislative and regulatory functions from being usurped by civil liability actions brought or continued against food manufacturers, marketers, distributors, advertisers, sellers, and trade associations for claims of injury relating to a person's weight gain, obesity, or any health condition associated with weight gain or obesity.

A bill (H.R. 3717) to increase the penalties for violations by television and radio broadcasters of the prohibitions against transmissions of obscene, indecent, and profane material, and for other purposes.

A bill (S. 2236) to enhance the liability of the electric system.

Mr. FRIST. I object to further proceeding, en bloc.

The PRESIDING OFFICER. Objection having been heard, the bills will be placed on the calendar.

ORDERS FOR MONDAY, MARCH 29, 2004

Mr. FRIST. I ask unanimous consent that when the Senate completes its business today, it adjourn until 1 p.m. on Monday, March 29. I further ask, following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin consideration of H.R. 4, the welfare reform reauthorization bill as provided under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FRIST. On Monday, the Senate will begin consideration of the welfare reauthorization bill. It is my expectation that amendments will be offered and debated on Monday, and the chairman and ranking member will be here to begin working through any of those amendments.

As I mentioned yesterday, we will not be having rollcall votes on Monday. Thus, any votes that are ordered on Monday will be stacked for Tuesday.

With—that said, I inform my colleagues we have a lot of work to do over the next 2 weeks prior to the Easter recess, and I encourage Senators who want to speak on the bill or to offer an amendment to come to the floor during Monday's session.

ADJOURNMENT UNTIL MONDAY, MARCH 29, 2004, AT 1 P.M.

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 12:07 p.m., adjourned until Monday, March 29, 2004, at 1 p.m.

NOMINATIONS

Executive nominations received by the Senate March 26, 2004:

DEPARTMENT OF STATE

MICHELE J. SISON, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE UNITED ARAB EMIRATES.

THOMAS CHARLES KRAJESKI, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF YEMEN.

EXTENSIONS OF REMARKS

THE NATION JOINS FOSTER CITY IN MOURNING THE LOSS OF ANDREW DANG

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. LANTOS. Mr. Speaker, a favorite son of Foster City, California is being mourned today after losing his life in Iraq. Andrew Dang, a bright and capable and enthusiastic young man, was a U.S. Marine who had served two weeks overseas when tragedy struck. Our hearts go out to his family and friends, former teachers and classmates, and all who remember him in sorrow today. I ask unanimous consent to enter into the RECORD an editorial from the San Mateo Daily Journal.

THE HORROR OF WAR COMES HOME

[From the San Mateo Daily Journal]

For many, the war in Iraq is dealt with in abstract terms. Car bombs and fire fights are on the same level as images in a historical text. Here in the Bay Area, the war in Iraq and the war on terror mean there is longer lines at the airport and more training for local police. We see it as a level on the color-coded Homeland Security Advisory System.

It is removed from our reality despite its presence in current events. Often, our only connection is a daily dispatch from across the world.

Even the names and faces of the casualties of war have yet to be solidified in our collective consciousness. So far, there have been 582 U.S. casualties since major conflict began just over a year ago. Sixty-five of those deaths have been Californians. The Peninsula has been spared—until now.

Today, a Foster City family, the student body of Aragon High School and the community at large mourns the loss of Andrew Dang, a 20-year-old lance corporal for the U.S. Marine Corps whose life was cut short in a gun battle during a patrol near Ar Ramady, Iraq.

The horror of war is now suddenly more real. Those that knew Dang describe the Foster City resident as someone with passion for science and technology who spent his free time building robots and rockets. He was one of the founding members of Aragon's renowned robotics team and by his senior year, Dang was taking multiple advanced placement classes in physics and chemistry.

Dang was a bright, enthusiastic and popular young man who sought out a career in the military to get technical experience. It was his way of getting a college degree and obtaining a career path.

In doing so, he also made a decision to defend the United States in its war on terror. His friends say he believed in the cause he was fighting for. He was proud of his job.

Whether you believe the war is justified or not, its local impact can now be felt on very real terms. Too often, war is politicized and processed into sound bites. But war—and its casualties—is more than politics and candidates.

Politics falls by the wayside when comprehending the loss of such a promising young life. Dang put his life on the line to protect what he believed in. In his heart he sought to protect the United States from terror and he fought to give the Iraqi people a taste of freedom. And he paid the ultimate price for that belief.

Our thoughts are with his family, friends and the community that knew and loved him. Today, there is a hole in the heart of the Peninsula.

A TRIBUTE TO TRACY DOHERTY, ESQ.

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. KANJORSKI. Mr. Speaker, I rise today to honor Mrs. Tracy Doherty, native of Scranton, in Lackawanna County, in my district, who is being named Woman of the Year by the Lackawanna County Federation of Democratic Women.

I ask that my colleagues pay tribute to her achievements as she is honored at a brunch this Saturday at Patsel's in Glenburn, Pennsylvania.

Mrs. Doherty is a true patriot who loves our country. She has been involved in the Democratic Party for more than 20 years. She has spent countless hours volunteering for the Democratic Party in Scranton, in Lackawanna County, and throughout the entire Commonwealth.

Mrs. Doherty was particularly active in the successful elections of her brother-in-law Scranton Mayor Chris Doherty, Lackawanna County Commissioners Randy Castellani and Joe Corcoran, Clerk of Judicial Records Mary Rinaldi and many others.

Mrs. Doherty currently serves as second vice president of the Lackawanna County Federation of Democratic Women.

A graduate of Scranton Preparatory High School, the young Tracy Diskin went on to attend the University of Pittsburgh, where she earned degrees in journalism and political science. She then went on to receive her law degree at Widener School of Law.

She married Tom Doherty nearly seven years ago. The couple have three beautiful children, 4-year-old Tommy, 2-year-old Lucy and 1-year-old Frances. The couple is now expecting their fourth child.

Mrs. Doherty worked in the Lackawanna County's public defenders' office for four years. Now a full-time mom, she finds time to maintain a fine balance between her family and her desire to volunteer.

Mrs. Doherty founded the Society of Irish Women six years ago. She is a member of the Board of Governors of her alma mater, Scranton Prep.

Mrs. Doherty also feels strongly about the fight against cancer and has been a long-time volunteer for the American Cancer Society.

Mrs. Doherty is the Auxiliary Membership Chair of St. Joseph's Center. She volunteers her time to work with handicapped children at the facility.

Mr. Speaker, it is an honor and a privilege to represent a woman who has taken such a leadership role in the community. I ask you to please join me in congratulating Mrs. Doherty for her volunteer work, service and dedication.

TRIBUTE TO SGT. LARRY GIBSON OF MADISON HEIGHTS, MICHIGAN

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. LEVIN. Mr. Speaker, I rise to pay tribute to Sgt. Larry Gibson, who is leaving the Madison Heights Police Department after 25 years of dedicated service.

During Sgt. Gibson's service, he devoted a good portion of his time to the young people in the community. Specifically, he created the Madison Heights, "Say No To Drugs" rally, and he started the D.A.R.E. and G.R.E.A.T. programs in the city's schools designed to help our students resist drugs and reduce violence.

He was a specialized training instructor in a myriad of areas ranging from accident investigation to gang resistance education.

Sgt. Gibson is the recipient of many well-deserved awards and commendations, beginning in 1984 until the present. The people of Madison Heights, and especially the young people, have been well-served by his commitment to making their city a safer and better place.

Mr. Speaker, I ask my colleagues to join me in wishing good health, happiness and success to a dedicated police officer, Sgt. Larry Gibson.

TRIBUTE TO JACKSON T. STEPHENS

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. BERRY. Mr. Speaker, I rise today to pay tribute to a great Arkansan, an outstanding citizen, a graduate of the U.S. Naval Academy and an accomplished businessman; I am proud to recognize Jackson T. Stephens in the Congress.

Mr. Stephens, known as Jack to his many friends, created one of the most successful corporate finance practices in the country based on the principles his father passed

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

down to him. At a young age, Mr. Stephens learned in order to do well, "we must share opportunities for making money with other people." And as his firm grew, so did the hopes, dreams and nest-eggs of many Americans. Today, Stephens Inc. has become one of the Nation's largest investment banking firms.

While many investors focus strictly on making money for their clients, Mr. Stephens focused on earning their trust—and repaying those who have helped him with incomparable altruism.

Stephens graduated from the Naval Academy in 1947 and has continued to make a major impact on the Naval Academy community and in Annapolis. Mr. Stephens has contributed $10 million, the largest single donation in service academy history, toward the $175 million Naval Academy Foundation's Campaign: Leaders to Serve the Nation.

He has held positions on the board of directors of several major corporations, including the Missouri Pacific Railroad, Burlington Northern, Inc., Wal-Mart Stores, Inc., and Dillards, Inc. In 1989, Jack was awarded the first J. William Fulbright Award for International Trade Development. He received a Distinguished Alumnus Citation in 1965 and was awarded an honorary Doctor of Law Degree from the University of Arkansas in 1985. In 1999, Stephens was inducted into the Arkansas Business Hall of Fame.

Mr. Stephens' business acumen is only bettered by his generosity. He is a man who serves as an example of hard work, the success resulting from it and the appropriate way to thank the community from which you came. On behalf of the Congress, I extend my deepest regards for his efforts and gratitude for all he has done to make the world a better place.

HONORING THE GERMAN-AMERICAN NATIONAL CONGRESS, INC. (D.A.N.K. #13)

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. UPTON. Mr. Speaker, I rise today to honor the inspiring achievement of the German-American National Congress, Inc. (D.A.N.K. No. 13) in the Benton Harbor and St. Joseph community. This great nonprofit organization celebrates its 40th anniversary on March 27, 2004. Over the past four decades Americans of German descent, through the work of this organization, have been preserving the traditions and culture of their heritage throughout southwest Michigan.

The German American National Congress (Deutsch Amerikanischer National Kongress), seeks to bring together Americans of German descent in the pursuit of cultivating and presenting their heritage and interests on local, regional, and national levels. These were the primary reasons why this organization was founded in 1959, and they are still among the organization's primary objectives today. The German-American National Congress is the largest organization of Americans of German ancestry. It has some 30 chapters and over 100 associated member societies from coast to coast. I am very proud to have Chapter 13 in the Sixth District of Michigan, and I greatly appreciate all the benefits that the members have provided this community.

It truly pleases me to honor the achievement of Chapter 13, and I hold the members in the highest of esteem. I would like to wish this organization all the best for the future and thank its members for promoting goodwill through southwest Michigan. I'm a frequent visitor to the chapter and there's not been a time that I haven't felt welcome like so many others in southwest Michigan.

IN HONOR OF SERGEANT FIRST CLASS GARY COLLINS

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. BRADY of Texas. Mr. Speaker, I rise today to honor and pay tribute to the life and memory of Sergeant First Class Gary Collins, a brave soldier, a devoted husband, and loving father who sacrificed his life in the defense of freedom on November 8, 2003, in Fallujah, Iraq.

Sergeant First Class Collins was respected and loved by all who knew him, especially the friends and neighbors that watched him go from an outstanding leader and student athlete at Magnolia High School to decorated career Army veteran of unit A Co 1–16th Infantry (Mechanized), of the 1 Brigade Combat Team at Ft. Riley, KS.

Born, May 18, 1971, in Beaumont, TX, Gary Collins entered the Army shortly after graduating from Magnolia High School in 1990. Two short years later, he married his high school sweetheart, Kassie Kennedy. Together they have two beautiful daughters, Taylor age 9 and Landry age 7. Our thoughts and prayers go out to his family and friends during this time.

True to the Army motto, "This we'll defend," Sergeant Collins defended the soil of the United States and protected the liberty of her citizens in Bosnia from 1999–2000, in Korea from 2001–2002, and ultimately with his life in Iraq late last year.

Sergeant Collins career is marked by numerous commendations among them, the Bronze Star, the Purple Heart, and a Meritorious Service Medal. Through the course of his career he was awarded five Army Commendation Medals, seven Army Achievement Medals, three Good Conduct medals, and two National Defense Service Medals, the list continues totaling thirty-six commendations, ribbons, and medals.

Mr. Speaker, please join me today in honoring the life and service of Sergeant First Class Gary Collins, an American hero. All of the residents of Montgomery County, TX, and the eighth Congressional Distract are grateful for his service and dedication to this Nation.

CONDEMNING 200 YEARS OF OPPRESSION OF HAITI

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. OWENS. Mr. Speaker, the execution of democracy in Haiti exposes the warped character of the White House on a scale that the public can find intellectually palatable. The "shock and awe" employed in Haiti is easy for ordinary Americans to understand. Haiti is a tiny and violent pre-emptive strike which has a significance far beyond its size. The administration's racist and open contempt for the democratic government of Haiti is the first and most visible atrocity. While the United States is spending billions to establish democracy in Iraq, it refused to deploy a few platoons of troops to protect the government headquarters in Haiti. On the contrary the terrorists who attacked the democratically elected president of Haiti were obviously equipped with modern combat weapons that could have come only from the United States. Further complicity of the administration can be documented through the identification of criminals in charge who have served in the past as CIA assets. The intimidation and pressure employed to eject President Aristide and the blanket denial of Haitian refugees any chance to plead their cases for political asylum are two additional outrages which further illuminate the savagery of the selective and racist foreign policy initiatives applied to Haiti. Members who find the size, scope, and complexity of the United States invasion of Iraq to be too overwhelming to comprehend should review the simple diplomatic and war crimes involved in the United States sponsored coup in Haiti. Since Haiti has no oil to seize and control the obvious difference in the case of this hemisphere tragedy versus the case in Iraq is that the occupation will be as short and cheap as possible.

The 200-year chronology of Haiti is scarred with the pock marks of intervention: First, Napoleon was defeated by a slave revolt in Haiti. For almost a decade none of the world's nations would recognize the new Black Republic. Several plots were developed to overthrow the Haitian government by slave holding interests in America; however, none were implemented. In the 20th century the United States has occupied Haiti several times to protect an oligarchy of rich families with current close ties to the Republican Party. Despite continuous interference Haiti in the last 10 years has managed to enact a constitution and conduct democratic elections. The Clinton administration's support for Aristide returned Haiti to a path of democracy after the reign of a 3 year military regime. Former Senator Jesse Helms, a close friend of the ruling rich families of Haiti blocked any economic assistance to Haiti thus defeating efforts to restart the economy. An economically strangled Haiti became the victim of mass discontent exploited by the ruling families and their White House allies. With 2 years left to serve in his term Aristide was ousted by a U.S.-sponsored terrorist rebellion. Napoleon's revenge has again prevailed. The following Rap poem summarizes this chronicle of injustice.

NAPOLEON'S REVENGE

Blacks made him a military jerk
And Napoleon went berserk;
The dictator's disease rained down
Sprouting in confederate ground;
Harassment of Haiti
Became the white rulers' duty:
Black ambassadors speaking French
Was out-of-place and snooty.
The final revenge by Senator Jesse
Has now turned criminally messy:
Terrorist at Haiti's gate
Financed by camouflaged hate,
And the U.S. refuses to debate
This murder of a tiny State.
White House credibility blood
Is now desperately low,
Spin doctors fail to stem the flow.
Napoleon lost the war
When Haiti captured liberty;
On the moral battlefield of eternity
Colon and Condi
Now confront Aristide,
For 200 years
Napoleon's heirs have made Haiti bleed.
The White House refusal to debate
The murder of this tiny state
May seal our President's fate.

HONORING LTC ROBERT ZANGAS, USMC

HON. TIM MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. MURPHY. Mr. Speaker, on behalf of a grateful nation, we honor a man today who lost his life serving our country. Bob Zangas of Level Green, Pennsylvania first went to Iraq as a marine and returned later as a civilian to help rebuild that country.

His job was in public affairs, helping Iraqi journalists and media spread good news about their country. But his work transcended this simple description. He was also a teacher. One of his proudest moments was teaching Iraqi women his craft so they could open women's centers around the country. He was fully aware that he was one of the few western men who had the opportunity to interact with Iraqi women as they began to enjoy the freedom of pursuing careers of their own.

Bob was moved by his time in Iraq. He described a land that "is in desperate need of everything, where he felt he, "was pouring a cup of water out into a dry desert"—but believing some day it would make flowers grow. He lived on a hope that he made a difference and he most certainly did. He believed that our mission in Iraq was right and just. He saw firsthand the gratitude of the Iraqi people, and their gratitude to the Americans who were there to help.

Bob Zangas was proud to represent his country and dedicated to helping his fellow man. Americans and Iraqis alike mourn his passing, but celebrate his accomplishments. His wife Brenda described him as, "a true, patriotic American, humanitarian and Marine and foremost a father and husband." His brother described him as an "American's American" and talked of his "supreme sacrifice in selfless service." Bob Zangas closed one of his last letters with the challenge to, "hang on to your dreams." That is just what he did—to the very end. It is a dream of compassion, a dream of freedom, and for that the whole world is grateful. Thank you, Lt. Col. Bob Zangas. Thanks to you we shall hold on to our dreams.

INTRODUCTION OF THE KNOWLEDGE UTILIZATION IN EDUCATION ACT OF 2004

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. HOLT. Mr. Speaker, I wish to briefly announce the introduction of the Knowledge Utilization in Education Act of 2004.

This act, which I will introduce today in the House of Representatives with bipartisan support, aims to increase the use of research-based knowledge to boost student performance and close the achievement gap.

There is a clear need for this legislation. Research shows that student achievement increases when teachers use practices based on scientifically valid research. While the No Child Left Behind Act requires educators to use instructional practices based on research, such practices are not widely used. Given that students in 25,000 public schools may not be making adequate yearly progress, steps must be taken now to meet the demand for research-based instruction.

Overall, the act would help schools by providing new resources so educators can link education knowledge to classroom practice. The bill would also launch a national leadership initiative to bolster education knowledge.

Mr. Speaker, I urge my colleagues to support this act. Congress should act now to give classroom teachers the research-based tools they need to help our Nation's children succeed. Thank you.

HONORING WARREN CENTRAL RAIDERS FOR BASKETBALL CHAMPIONSHIP

HON. RON LEWIS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. LEWIS of Kentucky. Mr. Speaker, I rise today to recognize the Warren Central Raiders for winning this year's Kentucky Men's High School Basketball Championship.

The hours of extra practice under the leadership of Head Coach Tim Riley brought this impressive distinction to Warren County. I want my colleagues in the House of Representatives to know of the pride that I have in representing these students and their families.

Everyone knows about Kentucky's love of basketball and the commitment many make every season to win. The Raiders remarkable 29–7 record reflects the great winning tradition of Kentucky basketball. I would like to commend the Raiders for their team work and determination. Third time's the charm!

OUTSTANDING YOUNG PEOPLE

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. SAM JOHNSON of Texas. Mr. Speaker, it is my privilege to bring before this Congress the following outstanding young people who have voluntarily served orphans, public school children, college students, juvenile delinquents, and needy families under the official invitation and authority of government agencies in Russia, Romania, Mongolia, Mexico, Australia, New Zealand, and Taiwan. The excellent character demonstrated by these young people, as well as their commitment to the principles upon which our Nation was founded, have not only attracted the attention of leaders, parents, the media, and students, but it has also brought honor to the United States of America and to the Lord Jesus Christ whom they serve.

Adams, Grant (OK), Adams, Julianna (OK), Adams, Starla (OK), Adler, Robert (IN), Adler, Sally (IN), Aiken, Molly (TN), Allen, Rebekah (KS), Altman, Rachel (OH), Anders, Erin (MI), Anderson, Alice (CA), Anderson, Daniel (CA), Anderson, Donald (CA), Anderson, Julie (CA), Arevalo, David (CA).

Baggott, Jessica (NY), Bair, Aileen (OH), Bair, Robert (OH), Baker, Jordan (OK), Baldridge, Jana (WI), Bartlow, Jeremy (TX), Bass, Chase (LA), Bean, Amy (CA), Bell, Lauren (TX), Bell, Mike (TX), Bell, Rachel (TX), Bender, Anthony (CA), Bender, Patty (CA), Bender, Steven (CA), Berge, Melanie (MN), Bernhardt, Jacob (IL), Bogner, Melanie (TX), Bolger, Ann (NY), Bolger, Jim (NY), Bolger, Lauren (NY), Bolger, Maeve (NY), Bolger, Meghan (NY), Bourne, Daniel (PA), Bourne, William T. (PA), Brock, Jarrod (WA), Books, Joy (WA), Browder, Haley (TX), Brown, James (NY), Brown, Sarah (NY), Brown, Summer (GA), Brubaker, David (PA), Brubaker, Emily (PA), Brubaker, Jeni (PA), Brubaker, Leon (PA), Brubaker, Luke (PA), Brubaker, Mary (PA), Brubaker, Nathan (PA), Buckingham, Elisabeth (OK), Busse, Nathan (OK), Busse, Jenece (MO), Butler, Isaiah (MD), Butler, Kathryn (MD), Butler, Linda (MD), Butler, Lisa (MD), Butler, Luke (MD), Butler, Rachael (MD), Butler, Tol (MD), Bye, Angela (CAN).

Carlisle, Jeshua (MO), Carpenter, Daniel (LA), Cato, David (LA), Cato, Timothy (LA), Cavender, Ben (MI), Chen, Anna (NY), Chen, Faith (NY), Chen, Grace (NY), Chen, Karen (NY), Chen, Stephen (NY), Chen, Timothy (NY), Cheney, Bailey (GA), Cheney, Erin (GA), Cheney, Linda (GA), Cheney, Ted (GA), Christensen, Joshua (MO), Coffia, Jonathan (MI), Coggin, Joshua (VA), Comaris, Shawn (WI), Comstock, Carol (IN), Comstock, Gordon (IN), Conner, Elizabeth (TN), Cook, Kristi (SC), Cook, Timothy (SC), Copu, Beny Bill (IL), Copu, Carmen (IL), Copu, George (IL), Copu, Joy (IL), Copu, Paul (IL), Copu, Paula (IL), Copu, Peter (IL), Copu, Rebecca (IL), Copu, Robert (IL), Copu, Stefana (IL), Copu, Valen (IL), Cover, Michelle (CA).

Dagarin, Ruth (MA), Davidson, Nathan (FL), David, Daniel (VA), Davis, Elizabeth (VA), Dawson, Melody (CA), DeBoer, Stephen, (IL), DeMaise, Laura (IN), Dettwyler, Brad (OR), Diel, Jonathan (WI), Dillon, Kirsten (CA), Dingwall, Robert (FL), Donnenworth, Kimberly (KS), Dowden, Corey (TX), Drinkall, Craig (IL), Dudley, Crystal (TX), Dudley, Wes (MI), Dunnam, Rebecca (GA), Dzimianski, Sara (GA).

Elgard, Briana (MN), Elliott, Paul (OK), Emhof, Kalen (FL), Ewing, Crystal (MN).

Fagala, Jessica (OK), Fear, Andrew (FL), Feig, Nathaniel (WI), Fellers, Susana (MN), Ferguson, Sarah (TX), Fite, Joshua (AR), Furlong, Michael (TX).

Gaffney, Camille (MI), Garabedian, Krikor (CAN), Garner, Lisa (TX), Gentz, Benjamin (IA), Gergeni, Judy (IN), Gergeni, Rodger (IN), Gillson, Kirsten (MN), Gillson, Micale (MN), Gillson, Rowan (MN), Glasgow, Anneliese (OH), Glasgow, Kirsten (OH), Gothard, William, Goodwin, Joshua (CT), Gray, Charissa (OR), Gwin, Jennifer (SC).

Hagemeier, Leah (CA), Hall, Parys (PA), Hargrove, Sarah (OH), Hausner, Zachary (MO), Havlik, Timothy (MN), Hawkins, Donald (OR), Hawkins, Jonathan (OR), Hawkins, Sally (OR), Hawkins, Susan (OR), Haynes, Esther (OK), Haynes, Harriet (OK), Haynes, Hurbert (OK), Haynes, Mary (OK), Heisey, Joel (PA), Henderson, Johanna (FL), Hill, John (IA), Holley, Melanie (MI), Hoppe, Jonathan (MN), Hordyk, Jaclyn (CAN), Horneman, Hosea (FL), Houser, Galen (CA), Huber, Monica (PA), Hutson, Kristin (MO), Hullinger, Jennifer (IL).

Jefferies, Megan (MI), Jensen, Joy (IL), Jernigan, Ginger (FL), Johnson, Alanna (MI), Johnson, Benjamin (PA), Johnson, Katie (IN), Johnson, James (MI), Johnson, Juliana (PA), Josephsen, John (MT), Joyner, Sarah (NC).

Kaessner, Jennifer (CO), Karram, Rebecca (FL), Kjos, Stephen (MN), Klassen, Jonathan (TX), Koby, Keith (MI), Koby, Penny (MI).

Lafaurie, Majorie (NY), Leigh, Daniel (MS), Leigh, Sarah Catherine (MS), Levendusky, Tim (OK), Liljenberg, Zachary (WA), Lindemann, Ingrid (WA), Linhardt, David (KS), Lipp, Christopher (CAN), Ludden, Naomi (IN), Lundmark, Samuel (PA), Lyons, Naomi (IL), Lyons, Rachel (IL).

Mancillas, Gonzalo (MEX), Mancillas, Yolando (MEX), Marsh, Jeremy (NC), Martens, Brooke (MI), Martens, Timothy (MI), Martin, Brooke (MT), Martin, Gabrielle (IL), Martin, Jonathan (PA), Martin, Samuel (IL), Martin, Stephen (IL), Matchak, Joel (CA), Mattix, George (IL), Mays, Isaiah, (CA), McCloy, Mike (TX), McCray, Elizabeth (AR), McCray, Ellianna (AR), McCray, Emily (AR), McCray, James (AR), McCray, Jason (AR), McCray, Jo (AR), McCray, Kevin (AR), McCray, Melissa (AR), McCray, Mitchell (AR), McCray, Virginia (AR), McCurdy, Terry (MI), McDonald, Brandon (WI), McDonald, Jessica (WI), McEndarfer, Andrew (OK), McGregor, Benjamin (MI), McGregor, Megan (MI), McNab, Jill (CO), McOlin, Erin (TX), Means, Mary Ann (MI), Melvin, Bryce (FL), Melvin, David (FL), Messick, Rebekah (TX), Millard, Hannah (OR), Millard, Sarah (OR), Miller, Amber (TX), Miller, Debra (IL), Miller, Heidi (IL), Miller, Jeanne (PA), Miller, Katie (IL), Miller, Rachael (MT), Minner, Aaron (MO), Moody, Christina (IL), Moon, Bethany (MO), Morgan, Bert (IN), Morgan, Dorothy (IN), Morgera, John (CT), Murray, Kristin (PA)).

Neu, Daniel (KS), Neu, Michelle (WI), Nisly, Vincent (CAN), Noland, Margaret (MA), Norvell, Joseph (AR), Norvell, Robert (AR), Novotny, Dewey (TX), Novotny, Gina (TX), Nunez, Jeremy (MI).

Osbourne, Heather, Oathout, Floyd (IL), Ouatu, Andrew (CA), Ouatu, Cristian (CA), Ouatu, Gabriela (CA), Ouatu, Jonathan (CA), Ouatu, Joshua (CA), Ouatu, Katherine (CA), Owens, Charis (MO).

Pallock, Christina (IL), Pallock, Dawn (IL), Pallock, Vanessa (IL), Paul, Kristin (IL), Payne, Nikolai (IA), Payne, Tara (IA), Payne, Tosha (IA), Pellascio, Megan (IL), Pellascio, Mike (IL), Pellascio, Susan (IL), Pellascio, Veronica (IL), Perez, Beverly (TX), Perez, Kimberly (TX), Perez, John (TX), Perkins, Glory Lauren (GA), Peterson, Amber (WA), Pintilie, David (CO), Plaiasu, Alina (CA), Plaiasu, Ana-Maria (CA), Plaiasu, Simona (CA), Pleus, Ruthann (FL), Policastro, Lauren (WI), Pollett, Kelly (CA), Powell, Kelsie (OK), Prentice, Valerie (OK).

Rândall, Erin (TX), Ralya, Lindsey (FL), Rawson, Ben (NM), Reed, Aimee (NJ), Reed, Charity (TX), Reed, Michelle (TX), Rees, Rebecca (IL), Reimer, Beth (CAN), Reimer, Brian (TX), Reirmer, Kate (CAN), Reimer, John (CAN), Reimer, Randall (CAN), Reimer, Timothy (TX), Reitz, Amber (NY), Richmond, Kezia (OR), Richmond, Pricilla (OR), Riness, Jeanna (MI), Risma, Jordan (CO), Risner, James (OH), Robertson, Aaron (AL), Robertson, Adam (AL), Robertson, Alan (AL), Robertson, Amy (AL), Robertson, Andrew (AL), Robertson, Anthony (AL), Robertson, Ashley (AL), Robertson, Autumn (AL), Robertson, Avery (AL), Robertson, Linda (AL), Robertson, Michael (AL), Ross, Charles (IN), Ross, Mary (IN), Ross, Rebecca (IN), Roth, Hannah (NE), Roth, Janell (CA), Roth, Lydia (OK), Roth, Rebecca (OK).

Sanborn, Diane (FL), Schaus, David (BC), Schwartz, Kyle (FL), Sellers, Susanna (FL), Sellin, Dexter (KS), Shafer, Laura (AR), Sherwin, Todd (CO), Silverman, Nathaniel (FL), Skwarek, Gary (CO), Smillie, John (CO), Snyder, Thomas (CA), Sobie, Nathan (POH), Sondergaard, Ron (CA), Southards, Matt (IL), Spillers, Daniel (LA), Staddon III, Don (WV), Stallings, Brandon (CO), Stallings, Grayson (CO), Steed, Bethany (CO), Stein, Naomi (WI), Stewart, Samuel (OH), Stewart, Timothy (OH), Stutzman, Julie (OH), Sullivan, Andrei (NC), Sullivan, John (NC), Sullivan, Roslyn (NC), Sullivan, Sarah (NC), Sullivan, Tom (NC).

Tanner, Justin (TX), Thompson, Ginny (GA), Thomson, Grace (NM), Thomson, Margaret (NM), Thornton, Lauren (GA), Thornton, Paul (GA), Thornton, William (GA), Tiemann, David (MN), Tiemann, Ryan (MN), Tillotson, Vanessa (NE), Tranberg, Catherine (OK), Treahy, Rachelle (AZ), Truhlar, Timothy (IL), Tsui, Nathan (TX).

Vanderhorst, Amy (KS), Vanderhorst, Daniel (KS), Vincent, Ethan (MI), Vinson, Micaela (KS), Visser, Ronald (IN). Wagley, Amy (LA), Wagley, Elizabeth (LA), Waller, Adam (WI), Walklin, Elisa (TX), Walley, Jennifer (NC), Walley, Joanna (NC) Warfield, Charles (CA), Weis, David (OH), Weldon, Sandi (TX), Wenstrom, Angie (FL), Wenstrom, Brittany (FL), Wenstrom, Chris (FL), Wenstrom, Heather (FL), Wenstrom, Jim (FL), Wenstrom, Kimberly (FL), Wenstrom, Matthew (FL), Wenstrom, Michelle (FL), Weston, Jennifer (CA), Weston, Kevin (CA), Williams, Cheri (CA), Williams, Elizabeth (AUS), Williams, Jamie (IN), Williams, Nathaniel (TX), Williams, Randahl (PA), Williams, Richard (AUS), Wold, Amy (MD), Wolfley, Audra (OK), Wright, Charissa (AZ).

Ziesemer, Ben (IL), Ziesemer, Daniel (IL), Ziesemer, Penny (IL), Zrinski-Myers, Brenda (TX).

RECOGNITION OF PAT RICHTER

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Ms. BALDWIN. Mr. Speaker, I rise today to recognize Pat Richter and his incredible career as Athletic Director for the University of Wisconsin. After over fourteen years in that position, he is retiring on April 1, 2004.

Pat Richter played basketball, football, and baseball during his college days at the University of Wisconsin, lettering three times in each. He also went on to a professional career in football, but it is his legacy as Athletic Director that will carry on for years to come. Badger fans will always be grateful for his successful efforts in turning around an athletic department that faced financial difficulties, out of date stadiums, and waning fan support. Today, the University of Wisconsin boasts an athletic program that has attained nationwide acclaim for success and innovation both in athletics and academics.

Under Pat Richter's watch, the University of Wisconsin has built modern athletic facilities, including the Kohl Center, University Ridge Golf Course, the Fetzer Academic Learning Center, and the Goodman Softball Diamond. The University has also renovated the McClimon Track/Soccer Complex, and recently began renovation of Camp Randall Stadium. Badger fans will be able to enjoy these facilities for generations to come.

I am most proud of Pat Richter's efforts toward equality in the athletic department. In his fourteen year tenure, the University of Wisconsin has added three women's sports—softball, lightweight crew, and hockey. The University of Wisconsin now has a policy that strives to have a percentage of female athletes proportionate to the overall female population of students on campus.

The success of Wisconsin athletics under Pat Richter has been phenomenal. The Badgers have won three national championships—men's hockey in 1989–90, men's rowing in 1989–90 and men's soccer in 1995—and a remarkable 49 Big Ten Championships. The football team has won three Rose Bowl games. The women's basketball teams have played in six NCAA tournaments, while the men's basketball team recently played in their seventh NCAA tournament in eight years, a remarkable run that also includes a trip to the Final Four by the 2000 team.

Mr. Speaker, I join all of Wisconsin in recognizing Pat Richter's achievements as Athletic Director and we wish him much success.

THE UNITED STATES, ROMANIA, AND . . . MOLDOVA

HON. JIM GIBBONS

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. GIBBONS. Mr. Speaker, I respectfully request that the following document be entered into the CONGRESSIONAL RECORD. As you may know, many of my constituents and friends in the state of Nevada are of Romanian descent, and it is with those individuals in mind that I make this request.

(The Romanian-American Community greeted with joy the fall of communist dictatorships and the dissolution of the former Soviet Union. They also greeted with optimism the declaration of independence of the newly created Republic of Moldova . Their paramount hope was that the people of this republic, of whom the majority are ethnic Romanians, would develop along democratic lines and would become part of the enlarged European family. Their joy was short-lived. Russia soon launched a new geopolitical policy aimed at bringing back to its fold Moldova and other parts of the former Soviet Union. As of March 2004, Belarus is well under Moscow's control, Ukraine is barely capable of claiming its independence, and Moldova has virtually collapsed as a result of new Russian political pressure and economic strangulation. The communist government of Moldova has recently withdrawn the parliamentary immunity of the last members of the democratic opposition and is ready to imprison them. Due to these humanitarian, political, and geopolitical reasons, the Romanian communities of the United States have changed their views and have suggested a new policy toward Moldova. Here is their new stand as prepared by Dr. Nicholas Dima.)

THE UNITED STATES, ROMANIA, AND . . . MOLDOVA

This essay represents the position of a large number of responsible and loyal American citizens of Romanian descent with regard to the current status of the Republic of Moldova. Heretofore, we present the facts.

Since times immemorial, the current Republic of Moldova (better known as Bessarabia) has been populated by Romanians. During medieval times, this land was the eastern half of the Principality of Moldova, one of the three principalities that made up modern Romania. Tsarist Russia occupied it for the first time in 1812 and used it to further expand into southeast Europe. Russian interference in the Danube and the Black Sea navigation caused the West to side with Turkey during the Crimean War of 1856. At the end of the war, Russia was forced to retreat from the Danube and southern Bessarabia. Nevertheless, the tsars occupied the whole province again following the new war of 1877. Then, after the Bolshevik Revolution of 1917, the province voted to reunite once and for all with Romania. Unfortunately, the new Soviet Union did not accept the union and somewhat puzzling for us, the United States did not ratify the union of Bessarabia with Romania either.

Between WWI and WWII Moscow promoted a policy of territorial expansion and global communism. In this part of Europe, Moscow pursued the goal of re-annexing Bessarabia and further intruding in the Balkans. This policy was implemented after Nazi Germany and communist Soviet Union signed the Ribbentrop-Molotov Pact to divide Eastern Europe. The Soviet republic of Moldova was thus set up in 1940 after the Red Army invaded the province. Actually, in anticipation of the annexation, as early as 1924 Moscow had set up an autonomous Moldavian republic on the left bank of the Dnestr in the Ukraine. Its sole purpose was to prepare the future annexation. When the occupation of the province was accomplished in June 1940, Moscow disbanded the autonomous republic and returned to Ukraine part of it together with the northern and southern parts of Bessarabia. The old name that recalled the Romanian origin of the province was banned from the Soviet vocabulary. To further complicate the issue, Moscow incorporated into the new Moldavian SSR a slice of land on the left bank of Dnestr with the city of Tiraspol as its center. Ever since, this highly Russified industrial area has remained a cauldron of communism and expansionism.

The ethnic Romanian majority of the occupied territory was never asked if they wanted to be part of the USSR. Neither were the other ethnic groups asked if they wanted to be annexed or arbitrarily divided between the newly created republic and the Ukraine. Furthermore, well-informed international circles as well as local survivors have revealed that during and after WWII up to a million inhabitants of Soviet Moldova, mostly Romanians, were arrested, deported or killed by the Soviet authorities. At the same time, Moscow sent hundreds of thousands of Russians to replace the local Romanians and to secure the allegiance of the new republic. Yet, to this day two thirds of the population of this land is still ethnic Romanian although they have been forced to call themselves Moldavan.

Perestroika of the 1980's brought new hopes of freedom to the peoples of the USSR, and by the early 1990's every Soviet republic including Moldova had declared its independence. However, to prevent Moldova's reunification with Romania, the Russians from Tiraspol declared the independence of their region and named it the Dnestr Moldavian republic. Soon after, a war between Moldovan authorities and this territorial entity erupted with disastrous consequences. Ever since the Trans Dnestr region has remained a communist stronghold and a hub of arms trafficking, smuggling, and other illegal activities. It should be stressed that most of the Tiraspol leaders are Russian citizens who were planted there by Moscow in the 1980's. It should also be underlined that most of them are involved in illicit activities and many have been banned from traveling in West Europe.

After the dismemberment of the Soviet Union, Russia continued to keep military units and huge quantities of equipment and ammunitions in the Trans Dnestr region. As recently as December 7, 2003, for example, "The Washington Post" wrote that this enclave has been led by mafia-style leaders and has remained, an extremely dangerous place for black marketing in weapons. According to The Washington Post", "this area has 50,000 tons of shells, mines and rockets, enough to fill 2,500 boxcars". The same paper also points out that the Trans Dnestr region has a sizeable quantity of dirty bomb warheads and possibly other weapons of mass destruction ready to be sold to whoever has the cash to acquire them. Nonetheless, the new Russian authorities under President Putin continue to back this separatist region and its leaders. It is obvious that Moscow has not relinquished its expansionist aspirations toward the Balkans and the Black Sea. Actually, several Russian political leaders have stated openly that Moldova, as well as Georgia in the Caucasian region, are areas of traditional Russian interests and that they should be kept under Moscow's control. While the population of the Russian Federation is ailing and suffers grave misfortunes, Moscow is wasting its resources pursuing 19th century geopolitics.

Ever since the overthrow of Ceausescu's dictatorship in 1989, the Romanians looked to the West for guidance and to the East hoping to reunite Bessarabia with the country. Romania, however, has been economically ruined and politically disoriented and does not have the means to resolve by itself this old geopolitical wound. At the same time, the Romanians expected some Western support to redress the situation, but they did not get any. No wonder some Romanians question whether there is a new agreement signed at Malta, similar to the Yalta accords, that leaves the eastern part of Moldova in a new Russian sphere?

At the beginning of the new millennium the European Union is looking toward unifying the old continent. Concomitantly, NATO and the United States are integrating new friends and allies in Eastern Europe. The Balkans, however, is still a dangerous place and is very close to the Middle East and south Asia. Romania has an important geopolitical and geo-strategic location and the Romanians are overwhelmingly pro-Western and pro-American. They have already welcomed American troops and military bases on their soil. Yet, they are questioning the soundness of the official U.S. policy with regard to Moldova.

Indeed, loyal American citizens of Romanian origin are surprised to see that the U.S. is still taking for granted this new state entity that has no merits, no adequate means of survival, and no raison d'etre. While the world has condemned the Ribbentr-Molotov Pact, Washington continues to accept its legacy. For the time being and given the drive to join NATO and the European Union, the Romanian officials are not willing to challenge the U.S. stand, but the time will come when the issue will be raised again, and the people are waiting. The United States should be proactive rather than reactive and be prepared to deal with this matter in a manner that would not offend the Romanians and would not hurt American interests.

The decade of the 1990's was extremely difficult for the Republic of Moldova. From an economic standpoint, Russia strangled the small republic. From a politic point of view, Moscow spent huge amounts of money to keep it in its sphere. From an ethnic point of view, the local Russians did everything to prevent the Romanian majority from cultivating their culture and pursuing their roots. At the same time, the democratic opposition of Moldova was almost annihilated and by 2000 the Communist Party was brought back to power. Once again in charge, the communists launched a policy of gradual return to the old system. The process of privatization began to be reversed, the free media began to be harassed, and the new authorities started to persecute the pro-Western democratic opposition

It is worth noting that during the 1990's Moscow approached Romania alluding to the possibility of allowing the reunification of Moldova with Romania. But Moscow warned the government in Bucharest to avoid membership in the NATO and not to trust the Americans because they would betray Romania. Given their historic experience, few Romanians paid any attention. The country opted clearly and firmly for Euro-Atlantic integration. While joining NATO and siding with the United States in Afghanistan and Iraq, Romania has also tried to promote good relations with Russia. This policy has not pleased Moscow.

It appears that the disintegration of Moldova has been one of the Kremlin's responses to the enlargement of NATO. Thus, acting in collusion with the leaders of Tiraspol and in agreement with the new communist government in Chisinau, Moscow endorsed the idea of reorganizing Moldova as a federation. Allegedly, the purpose is to solve the Trans Dnestr conflict and to secure the territorial integrity of the republic. Consequently, the plan of federalization is being advanced in spite of violating the provisions of the very constitution of the state. Accordingly, the new federal organs are supposed to be in place by early 2005. Strangely, the Organization for Security and Cooperation in Europe (OSCE) chaired in 2003 by an American ambassador, concurred initially with this dubious project. The project only advances the geopolitical goals of expansionist circles in Moscow and the murky interests of the leaders in Tiraspol. Moscow has not only tolerated those leaders, it is actually helping them to hold the area as a Russian bridgehead against the West.

A December 4, 2003 editorial of "The Washington Post" reveals that the United States has understood the true nature of Russia's policies in Moldova and Georgia. And for the first time an American administration has taken a firm stand. The editorial emphasizes that Moscow has never fully accepted the independence of Moldova, "a desperately poor country that for more than a decade has lived with a separatist splinter, Trans-Dnestr, that is controlled by an ethnic Russian criminal mafia backed by Russian troops and arms." What Mr. Putin wants, the editorial continues, is "to make Moldova a neutral state, to disband its armed forces, and to give Moscow a veto over its government." The editorial adds: "the American administration is taking steps to thwart Moscow's neo-imperialism."

The situation is somewhat similar in Georgia. The United States is firmly against the disintegration of the two republics. Nevertheless, while the Caucasian Republic of Georgia needs every form of support to strengthen its independence, we strongly believe that the only sound resolution for Moldova is to return it to Romania.

In summary:

The Republic of Moldova is a Romanian land transformed arbitrarily by Moscow into an artificial independent entity. It has never been a separate state throughout its entire history and its very existence is an open invitation to geopolitical instability. It only promotes Russia's expansionism, even to the detriment of democracy and the welfare of the very Russian people. It is by design directed against the stability of Europe and it represents an insult to the Romanian nation. And, last but not least, in the future, its continuous existence will mar the good relations between the United States and Romania, thus hurting America's interests.

We, responsible and loyal American citizens of Romanian descent, are aware of the risky consequences of modifying borders. We are aware of America's limitations and of Russia's reluctance. But we also believe in America, we believe injustice, and we believe in redress. With good will, wisdom, and an open mind, the problem could be properly addressed. Thus, we recommend that the United States start considering the reunification of this land with Romania where it belongs. Such an approach would avoid further complications and undesirable consequences. To this end we are ready to lend our full and unconditional support.

Nicholas Dima, PhD
Retired professor
JF Kennedy Special Warfare Center and School, Fort Bragg, NC
US Naval War College, Newport, RI

IN MEMORY OF FERN HOLLAND

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mrs. MYRICK. Mr. Speaker, two weeks ago, in a tragedy personified by the killing of a young woman from middle America, we were reminded of the unsung goodness and bravery of so many Americans serving their country overseas.

On March 9, 2004, Fern Holland, of Miami, Oklahoma, was the first American civilian killed in the Iraq war. Her death has sparked over 200 national news reports, and an outpouring of grief from around the globe. Fern's story has touched people like me who never knew her, but who can now never forget her.

It's rare these days to know someone who is willing to sacrifice the comforts America offers to serve others who are less fortunate. It is even more rare to know a person who is willing to sacrifice their own life in order to improve the lives of others around the world. Fern Holland was an American hero who sacrificed both the comforts of home, and indeed even her life, to make the world a better place. People who exemplify such compassion and courage should be honored, and by telling her story I hope that she will be remembered.

Fern was a successful attorney, first in Tulsa, Oklahoma, and later in Washington, DC. She walked away from a lucrative career to carry out human rights work in violence plagued Guinea, Liberia, and later Iraq.

In her first effort to help others overseas, Fern lived in a remote village in Namibia as a Peace Corps volunteer. She helped the villagers there learn English, and built a computer laboratory to access the internet. Later, Fern worked for the American Refugee Committee where she investigated sexual assaults in a violence-plagued refugee camp in Guinea. There, she established the first sex violence legal clinic that to date has processed more than 100 cases.

Last year, after major combat operations in Iraq concluded, Fern traveled to Iraq and worked for the Coalition Provisional Authority as a women's rights specialist. She helped establish women's rights, she established service centers throughout Iraq, and she helped found an Iraqi women's political party. The day before her death, Iraqi leaders signed an interim constitution that includes a controversial provision Fern helped draft. It establishes a goal for 25 percent female membership in the national assembly. Knowing of the dangers in Iraq, especially in working to extend women's rights, Fern wrote to friends only weeks before her death, "I love the work and if I die, know that I'm doing precisely what I want to be doing—working to organize and educate human rights activists and women's groups".

These are but a few of Fern Holland's contributions to the world, a world which is a better place because of her. In this day and time, when the world seems dark and dreary, we look to people like Fern Holland who's bright light gives us hope. Fern displayed a compassion and commitment to people that Jesus spoke about when he said, "Greater love has no one than this, that he lay down his life for his friends." Her sacrifice is an example and inspiration to all who strive for a better world, and she will be missed.

RECOGNITION OF TIARA PURIFOY

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Ms. BALDWIN. Mr. Speaker, I rise today to recognize Tiara Purifoy of Beloit, WI, who recently appeared on the popular reality television show "American Idol." After being named a semifinalist with her powerful rendition of Whitney Houston's song "I Wanna Dance with Somebody," she was surprisingly eliminated before the singing even started on the wild card show on Tuesday, March 9, 2003. The show, which first aired in 2002, draws a nationwide audience in the millions, two nights a week. "American Idol" brings aspiring singers from across the nation to Hollywood, and awards the winner a recording contract and celebrity status. Tiara was selected at an audition in Hawaii.

While her dream of being the next "American Idol" has not yet come to pass, Tiara is still a star in the hearts of Wisconsinites. Tiara began singing as a small girl at age four in her church choir. She will continue to sing and perform with her traveling family group the Gospel Belles, where she sings lead. Her appearance on "American Idol" was not her first brush with fame, however. She describes her greatest accomplishment thus far as being named Miss Beloit in 1999 because she was able to be a positive example for young people.

Indeed, Purifoy proved to be a positive example to both young and old across the nation when she stood up to judge Simon Cowell, who is known for his hurtful and critical remarks to budding stars' performances. Despite praise from the other judges, celebrated performer Paula Abdul and Grammy Award winning producer Randy Jackson, Cowell told Purifoy she was capable of much more. With her absolute confidence and positive attitude, Purifoy retorted, saying she would let America decide. Indeed, America responded, and Purifoy moved on to the next round.

Even though Tiara is not the nation's new "American Idol," she will continue to share her sweet voice with her friends and family who continue to cheer for her back home in Beloit. Please share this opportunity with me, Mr. Speaker, to honor Beloit and Wisconsin's own American Idol.

BILL TO ALLOW A DEDUCTION FOR EXPENSES PAID IN CONNECTION WITH THE DONATION OF AN ORGAN

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. HASTINGS of Florida. Mr. Speaker, today I am proud to introduce a bill to allow a tax deduction for expenses paid in connection with the donation of an organ.

Mr. Speaker, each year approximately 6,500 people die waiting to receive an organ transplant. However, 25,000 lives are saved due to the generosity of organ donors. While we have made significant strides to promote and encourage organ donation, we still fall short of our goal.

In response to this need, the legislation I now introduce will allow organ donors a tax deduction for up to $15,000 per donation. Specifically, this bill amends the Internal Revenue Code to allow individuals to deduct qualified organ expenses such as travel and lost wages for donating all or part of a liver, lung, pancreas, kidney, intestine, or bone marrow for human organ transplantation.

Unlike previous bills that have been introduced in the House, this bill does not require donors to wait on what is often a long and tedious grant process to approve reimbursement. The donors will automatically be able to deduct up to $15,000 in related expenses.

Mr. Speaker, I am proud of this bill because I believe organ donors should not have to pay any price or expense for an act of kindness. I look forward to working with my colleagues to pass this important legislation.

DISABILITIES ADVOCATES FIGHT BUSH SECTION 8 PROPOSAL

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. FRANK of Massachusetts. Mr. Speaker, the Administration proposal for a drastic reduction in the ability of the Section 8 program to help people in need has caused a great deal of dismay, especially among those organizations that exist to provide services to the most vulnerable in our society. On March 22, a broad and inclusive coalition of people concerned with people with disabilities, people with low incomes, and others who have legitimate need for assistance sent a very thoughtful letter to the Chairman of the House Committee on Appropriations, expressing their strong disagreement with this proposal. As the coalition notes, the funding level proposed by the Administration would mean that "approximately 250,000 low income families with children, senior citizens, and people with disabilities could lose their vouchers."

Mr. Speaker, this will be one of the most important issues on which this House will vote this year, and I ask that this very thoughtful letter by this broad range of groups be printed here for the benefit of the Members who will have to vote on this.

March 22, 2004.

Hon. C. W. BILL YOUNG,
Chairman, Committee on Appropriations, Washington, DC.

DEAR CHAIRMAN YOUNG: The undersigned groups are writing to express our strong opposition to the severe cut to the Section 8 voucher program in the HUD Fiscal Year 2005 budget. The President's request for the voucher program is more than $1.6 billion short of fully funding all vouchers in use. At this funding level, approximately 250,000 low income families with children, senior citizens, and people with disabilities could lose their vouchers.

This shortfall comes at a time when a recent analysis of the American Housing Survey reveals 31 percent of all households had housing problems in 2001. Now is not the time to cut the funding for a housing program that has served as the "linchpin" of our federal housing policy for the last two decades.

We also urge you to oppose the proposed Flexible Voucher Program that would make significant changes in the program's structure. The proposed changes would create a block grant program and eliminate many of the long-standing rules that benefit low income families. Under the proposed block grant, PHAs would receive a lump sum that would not be adequate to serve all current voucher holders. The elimination of statutory requirements including targeting the program to the lowest income families and ending the requirement that tenants pay no more than 30 percent of their income for their rent could have a devastating effect on families across the nation.

The Administration has expressed concern about the growth in costs of the voucher program. This increase was largely the result of rising utilization rates, expansion of the voucher program by Congress, and the widening gap between rental housing costs and family incomes in recent years. However, a recent study by CBO projects that the growth rate of Section 8 expenditures will slow to 1.8 percent in fiscal year 2005. They also project the costs to continue to level off because of the cooling of the housing market as well as increases in wages as the economy recovers.

The Section 8 voucher program is an effective and critical resource. Housing assistance is needed by the many low income families with children, elderly, people with disabilities, and victims of domestic violence who would not have safe, decent, and affordable housing without it. Housing authorities cannot be expected to do more with inadequate resources. We respectfully urge you to provide the necessary funding for all existing vouchers and reject HUD's plan to dismantle the housing voucher program.

Sincerely,

ACORN
Alliance for Children and Families
Alliance for Healthy Homes
Alliance for Retired Americans
American Association of Homes and Services for the Aging
American Association of People with Disabilities
American Association on Mental Retardation
American Baptist Churches USA
American Friends Service Committee
American Network of Community Options and Resources
American Society on Aging
Association for Gerentology and Human Development in Historical Black Colleges and Universities
Association of University Centers on Disabilities
Bazelon Center for Mental Health Law
Brain Injury Association of America
Catholic Health Association
Child Welfare League of America
Children's Defense Fund
Church Women United
Corporation for Supportive Housing
Evangelical Lutheran Church in America
Families USA
Generation United
Gray Panthers
International Union, UAW
Jewish Council for Public Affairs
Local Initiatives Support Corporation
Lutheran Services in America
National Advocacy Center of The Sisters of the Good Shepherd
National Affordable Housing Management Association
National AIDS Housing Coalition
National Alliance for The Mentally Ill
National Alliance to End Homelessness
National Association for the Education of Homeless Children and Youth
National Association of Housing Cooperatives
National Association of Long-Term Care Ombudsman Programs
National Association of Professional Geriatric Care Managers
National Association of Protection and Advocacy Systems
National Coalition for Homeless Veterans
National Coalition for the Homeless
National Council for Community Behavioral Healthcare
National Council of Jewish Women
National Council on Independent Living
National Council on the Aging
National Health Care for the Homeless Council
National Housing Conference
National Housing Trust
National Low Income Housing Coalition
National Mental Health Association
National Network to End Domestic Violence
National Policy and Advocacy Council on Homelessness
National Rural Housing Coalition
National Student Campaign Against Hunger and Homelessness
Network, A National Catholic Social Justice Lobby
Presbyterian Church (U.S.A.) Washington Office
Sargent Shriver National Center on Poverty And Law
The Arc of the United States
The Coalition on Human Needs
The Consortium for Citizens with Disabilities Housing Task Force
The Enterprise Foundation
The Leadership Conference on Civil Rights
Union For Reform Judaism
United Cerebral Palsy
United Spinal Association (formerly Eastern Paralyzed Veterans Association)
United Way of America
U.S. Jesuit Conference
Volunteers of America

FREEDOM FOR VICTOR ROLANDO ARROYO CARMONA

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I rise today to speak about Victor

Rolando Arroyo Carmona, a prisoner of conscience in totalitarian Cuba.

Mr. Arroyo is vice-president of the group Forum for Reform as well as a member of the Union of Independent Cuban Journalists and Writers. Mr. Arroyo is a leading pro-democracy activist and has been a constant target of the totalitarian regime. Because of his peaceful activism for freedom and democracy, Mr. Arroyo has been harassed, beaten, and imprisoned in Castro's abhorrent gulag.

According to Human Rights Watch, in January 1995, Mr. Arroyo was beaten and thrown in prison for nine days after organizing a ceremony to commemorate the birth of José Marti. In 1996, he was sentenced to eighteen months in the totalitarian gulag and held in a "tapiada" cell—a narrow, dark and extremely humid cell—for "disrespecting" the government. In January 2000, Mr. Arroyo was charged with "hoarding" and sentenced to eighteen months in the gulag for organizing a toy drive and distributing toys to needy Cuban children. In October 2000, he was beaten by the dictatorship's goons on three separate occasions. In October 2001, rocks and bottles containing flammable chemicals were thrown at the home where Mr. Arroyo lives with his wife and children.

Despite these horrifically repressive intimidation tactics, despite being locked in the totalitarian gulag for distributing toys to needy children, Mr. Arroyo has never stopped demanding freedom and democracy for the Cuban people. Even with first hand knowledge of the brutal, inhumane, consequences of depicting the true reality of the totalitarian regime, Mr. Arroyo has bravely continued to write the truth about Castro's nightmarish oppression.

In 2002, Human Rights Watch awarded Mr. Arroyo a Hellman-Hammet grant in recognition of his courage in the face of political persecution. This prestigious grant is awarded annually to writers around the world who have been targets of political persecution.

On March 18, 2003, as part of the tyrant's brutal March 2003 crackdown on peaceful prodemocracy activists, Mr. Arroyo was arrested by Castro's agents of repression. After a sham trial, Mr. Arroyo was sentenced to 26 years in the totalitarian gulag.

Mr. Speaker, Mr. Arroyo supports basic human rights for all Cubans. Despite being beaten, harassed, and now, once again, languishing in the grotesque, totalitarian, squalor of Castro's gulag, he is fervently committed to the cause of freedom. My Colleagues, we must demand the immediate release of Victor Rolando Arroyo Carmona and every prisoner of conscience suffering in the totalitarian gulags of the nightmare called the Castro regime.

INTRODUCTION OF H.R. 4032, THE VETERANS FIDUCIARY ACT OF 2004

HON. SUSAN A. DAVIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mrs. DAVIS of California. Mr. Speaker, during the first session of this Congress, the Subcommittee on Benefits of the House Committee on Veterans Affairs held a hearing concerning the Department of Veterans Affairs (VA) fiduciary program. When a veteran has difficulty managing his own finances, the VA appoints a guardian or a "fiduciary" to oversee his benefits. During the hearing, I was surprised to learn that there is no mechanism in place to provide replacement of benefits for VA beneficiaries whose benefits have been misused by a VA recognized fiduciary.

Unfortunately, some of our veterans have lost out on their VA benefits because of fiduciary misuse. According to an investigation by the Inspector General, one woman embezzled over $60,000 in VA payments from 1997 to 2001 from a disabled veteran under her care. In another case, a fiduciary defrauded his uncle out of nearly $55,000 in VA payments.

A good number of our veterans must live on limited budgets and rely primarily on their VA payments. When they lose even a portion of their benefits, the impact on the quality of their lives can be significant.

I was also surprised to learn that Congress has not improved on the safeguards for veterans who depend on fiduciaries in over 25 years. It is time we do something to prevent fraud against our veterans and to provide remedies when benefits are misused.

Today, I am introducing legislation, the "Veterans Fiduciary Act of 2004," which would provide veterans and their families new protections and new avenues to recoup their losses. This bill would require the replacement of benefits in cases when the VA has been negligent in failing to investigate or monitor a fiduciary and in certain other circumstances. It will also require the VA to conduct background checks before recognizing a fiduciary and will give the VA new mechanisms to deter misuse, including civil monetary fines.

Again, I strongly believe we should be doing more to protect the VA benefits our veterans rely upon. I am proud to introduce legislation to give our most vulnerable veterans the protection they deserve.

TRIBUTE TO YEOMAN SECOND CLASS MONTELL L. GWINN

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. YOUNG of Florida. Mr. Speaker, I rise today to recognize and pay tribute to an outstanding enlisted sailor, Yeoman Second Class, Montell L. Gwinn, as he prepares to complete his service to our Nation in the United States Navy. It is a great honor for me to take this opportunity to thank YN2 Gwinn and his family for his 7 years of distinguished and dedicated service to our Nation for which he has proudly and selflessly served in the defense of freedom.

I came to know this sailor while he was assigned to the Navy's Appropriations Liaison Office. In this capacity, he served as a liaison for me, for the members of my staff, and for the professional staff of the Appropriations Committee I chair to the Secretary of the Navy and the Chief of Naval Operations. He also accompanied me on several trips as I investigated the health and welfare of our troops stationed here and throughout the world. In all cases, YN2 Gwinn performed his duties in the most professional manner. He was particularly invaluable in providing great personal insight as an enlisted sailor, giving tremendous input on issues affecting the sailors and their families. His candor, intelligence, and steadfast devotion to duty, was a tremendous asset to me in my deliberations regarding our most prized commodity within our Armed Forces, the men and women of our all-volunteer force.

Mr. Speaker, it is my honor to recognize YN2 Gwinn for his distinguished service to our Nation. Montell is symbolic of the spirit of our Nation's all volunteer force. My wife Beverly and I have the highest respect for him and all those who serve in uniform in defense of freedom. Without their dedicated service, we would not be "the land of the free" were we not also the "home of the brave." My colleagues and I want to express our thanks and appreciation for the special contribution YN2 Gwinn has made to the United States Navy and the special insight he has provided me and the members of my Committee. We also wish Montell and his family continued success and the traditional naval wish of "fair winds and following seas" as he closes out his distinguished military career.

RELATING TO THE LIBERATION OF THE IRAQI PEOPLE AND THE VALIANT SERVICE OF THE UNITED STATES ARMED FORCES AND COALITION FORCES

SPEECH OF

HON. DIANA DeGETTE

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 2004

Ms. DEGETTE. Mr. Speaker, war does not discriminate on the basis of race, gender, ethnicity or religion—it is indifferent to background or boundaries, social standing or political affiliation. War impacts all of those involved with an impartial voracity. Honoring our men and women for the sacrifice, strength and courage they have demonstrated while in Iraq should be as unbiased—it should not be mired in partisanship or petty politics.

With a unified voice, the House of Representatives should approve a resolution that acknowledges the bravery of the American men and women in Iraq and the sacrifices they and their families have made for the sake of our nation. It should recognize the 575 American soldiers who have lost their lives in Iraq, soldiers who have made the ultimate sacrifice for our country, as well as the more than 3,000 wounded troops who are struggling to recover from their injuries. We are deeply indebted to these men and women and grateful for the hardships they have endured. We should vote on, and unanimously pass, a resolution that unequivocally communicates this.

However, the Republican majority has presented a resolution that specifically and intentionally prevents unanimous support from this body. The divisive language alleging that the world is a safer place after the Iraqi invasion, is not only a point of great contention, it is a distraction from what should be the sole focus of the resolution: to commend our tireless troops in Iraq. Indeed, the Republican majority has squandered the opportunity to send a message of unwavering support to the American men and women in the field, instead opting to politicize the issue in order to advance its own political agenda.

In good faith, I cannot vote for a resolution that asserts that the world is safer since the U.S. invasion of Iraq when by every account, the world is glaringly even more vulnerable, as partly evidenced by the horrific bombing in Madrid last week. When our country chooses to unilaterally use force before exhausting all diplomatic avenues, we risk alienating ourselves from our allies and emboldening our enemies. Unfortunately, I believe our go-it-alone strategy in Iraq has done just that.

While I cannot vote for this resolution, I am steadfast in my support for the American men and women fighting in Iraq and believe we must support them both by word and action. We must fight to get our troops home quickly and safely while upholding the commitment we have made to the Iraqi people. The best possible way to achieve this is by working with the international community to rebuild Iraq. Additionally, we must ensure that our troops, in the field and once they have returned home, have the benefits they rightfully deserve, including increased access to medical care and deserved increases in the family separation allowance and imminent danger pay.

CHILD NUTRITION IMPROVEMENT AND INTEGRITY ACT

SPEECH OF

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. LEVIN. Mr. Speaker, I rise to voice my strong support for the Child Nutrition Reauthorization bill, H.R. 3873, which the House approved yesterday. This reauthorization, which only happens every 5 years, provides Congress the opportunity to examine the program, fix problems, and build on past successes. I am greatly disappointed that this year, my colleagues needed to waste valuable energy protecting existing programs from damaging Administration proposals, rather than using what our schools have learned to move forward.

When we started this debate a year ago, President Bush declared that the problem with the nutrition programs was too many children getting lunch. The President imposed burdensome new eligibility verification rules on our local school districts, despite research from his own Department of Agriculture showing his proposal would likely result in a reduction of eligible children participating in the program. I commend my colleagues on the Committee for ensuring that H.R. 3873 does not harm the School Lunch & Breakfast Program, or take food away from children who need it.

I am also pleased that the bill expands pilot programs such as the Lugar Summer Food Pilot Program and the Fruit and Vegetable Pilot Program. In the State of Michigan, 11 percent of our children are considered overweight. Children participating in the Fruit and Vegetable Pilot Program not only ate more fruits and vegetables, but actually purchased less high fat vending machine options, had better attention spans in class, and experienced fewer disciplinary problems. This pilot program has shown that, given the resources, schools can create an environment where healthy snack options can be a reality without limiting choice, and I am pleased that more children will be able to participate.

While H.R. 3873 does not damage the very successful National School Lunch & Breakfast Program, WIC, the Summer Food Service Program, and the Child and Adult Food Program, I believe we missed an important opportunity to help our schools expand their efforts to fight child obesity, which leads to adult diabetes and heart disease. We call on our schools to provide a model of healthy eating habits, but often do not give them the full resources necessary to meet this challenge. Right now, the federal government reimburses schools $2.14 per free lunch served, $1.17 per reduced priced lunch, and $.20 per paid lunch. Our schools struggle to create any meal for only $2.14, let alone a nutritious one with more expensive fruits and vegetables. If we are to ask our schools to provide healthier lunches, we must provide them with the money to match such a request.

We also missed an opportunity to reduce paperwork and administrative burdens for schools already laden with burdens from No Child Left Behind, by eliminating the reduced price lunch category, and providing all children 185 percent of the poverty line with a free lunch. We should listen to school administrators when they describe the cost of this extra category in staff hours, and children not fed because they can't afford even the low cost of a reduced lunch.

Again, I commend the members of the Committee for protecting the successful child nutrition programs, and I am hopeful that in the future we can listen to our schools needs as they implement these important programs.

INTRODUCTION OF "FINANCIAL LITERACY MONTH"

HON. JUDY BIGGERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mrs. BIGGERT. Mr. Speaker, I rise today to introduce a resolution to designate April as "Financial Literacy Month". It is important that we raise public awareness about the importance of financial education in the United States and the serious consequences that may be associated with a lack of understanding about personal finances and economics.

The financial world has dramatically changed over the last 20 years. The passage of complex laws—like Gramm-Leach-Bliley—has created a new world of integrated financial service products and possibilities.

Mr. Speaker, with all these new choices, there is a new responsibility on our part to educate our youth. Why? Because teaching them about personal finance and economics is the best way to prepare them for a financially rewarding adulthood as contributing members of society.

They need to know how to manage money, credit, and debt, and become responsible workers, heads of households, investors, entrepreneurs, business leaders, and citizens. It is through financial education that these young consumers will learn to capitalize on the choices and flexibility that this new world has created.

The most effective time to impart basic financial and economic knowledge is during students' formative years, through the K–12 education system. In introducing this resolution it is my hope that public officials and educators will focus on this critical learning area.

A survey released in 2003 by the National Council on Economic Education (NCEE) illustrates accomplishments and challenges in the areas of economics and personal finance education. NCEE's 2002 "Survey of the States" found that 48 states and the District of Columbia had economic education standards in place, up from 38 states in NCEE's first "Survey" in 1998. Testing for economics increased from 25 states in 1998 to 27 states in 2002.

However, in the area of personal finance, less progress has been evident. While 40 states had set standards for personal finance education in 2000, only 31 states renewed such standards in 2002. Of those 31 states, only 14 require the standards to be implemented.

As a Member of both the Financial Services Committee and the Education and Workforce Committee, I have come to recognize the importance of integrating financial literacy and basic economics into the K–12 curricula, and the positive impact this can have on millions of future investors. I believe that April should be used to educate all age levels on the importance of financial literacy but most importantly, our youth.

More than 42,000,000 people in the United States currently participate in qualified cash or deferred arrangements known as 401(k) plans. A Retirement Confidence Survey conducted in 2002 found that only 32 percent of workers surveyed have calculated how much money they will need to save for retirement, and 25 percent of workers have done no specific planning for retirement.

Make no mistake—personal finance and economics are the key to helping our youth avoid in later years, as adults, the pitfalls of foreclosure, predatory lending and credit counseling and better prepare them for retirement.

Mr. Speaker, the state of financial illiteracy among our children may not garner much in the way of headlines, but it nonetheless is an issue that should command our attention. It is a problem that is serious and urgent, but it is one that can be solved through education. I would like to call special attention to that need during the month of April. It is our duty to help our youth succeed in today's increasingly sophisticated world of finance.

I want to thank my distinguished colleague and friend from Texas, Mr. HINOJOSA, for his strong support and cosponsorship of this resolution, and I urge my colleagues to join us in supporting this bill.

RECOGNIZING SERGEANT DONALD WALTERS

HON. DARLENE HOOLEY

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Ms. HOOLEY of Oregon. Mr. Speaker, I rise today to recognize an American hero.

One year ago today, Sergeant Donald Walters bravely offered the ultimate sacrifice in hand-to-hand combat during the now famous ambush of the 507th Army Ordnance Maintenance Company, the same attack in which Pvt. Jessica Lynch was captured.

Sgt. Walters served our nation courageously and honorably long before September 11. He served during the first Gulf War, and returned to raise a family. So if, after the Gulf War, Sgt. Walters decided to never again leave his home and family to defend freedom in a faraway place, he could rest easy because he had already given more than most.

However, after September 11, Sgt. Walters volunteered to rejoin the U.S. Army in order to serve America yet again. He was selfless. He was courageous. He knew what every soldier knows: that great sacrifices would be required in order to serve our nation in its time of need, and he made those sacrifices. I am deeply saddened that, one year ago today, he made the ultimate sacrifice.

Yet his sacrifice, his courage, and his heroism has not and will not be forgotten. Sgt. Donald Walters fought bravely in the ambush on the 507th, and his courage in the face of fire both inflicted damage on the enemy and helped others in his unit to escape the ambush. His gallantry in action has earned him a Silver Star from the Army, a reward much deserved.

The exact chain of events on that fateful day may never be fully revealed. But the family of Sgt. Donald Walters should be assured that the Army, this Congress, and this Nation consider him a hero, and he will never be forgotten.

TRIBUTE TO THE HUNTSVILLE ALUMNAE CHAPTER OF DELTA SIGMA THETA SORORITY

HON. ROBERT E. (BUD) CRAMER, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. CRAMER. Mr. Speaker, I rise today to recognize the Huntsville Alumnae Chapter of Delta Sigma Theta Sorority, Inc. for fifty years of service in the North Alabama community.

Since its founding on April 24, 1954, the sisters of the Huntsville Alumnae Chapter of Delta Sigma Theta Sorority, Inc. have been an inspiration for young women in our area providing college scholarships and volunteering numerous hours helping others throughout North Alabama.

Mr. Speaker, the Huntsville Alumnae Chapter of Delta Sigma Theta, Inc. is most well known for its annual reception that recognizes and honors outstanding high school teachers and students. In addition, the chapter sponsors an educational and motivational program for young girls called "Girls Empowered to Maximize Self-esteem," or GEMS.

On March 28th, the Huntsville Alumnae Chapter of Delta Sigma Theta Sorority, Inc. will hold its annual Founders' Day program. This year's celebration will be especially memorable and I rise today to join them in their fiftieth commemoration.

IN RECOGNITION OF HANK CARTER ON THE OCCASION OF THE COLER-GOLDWATER SPECIALTY HOSPITAL AND NURSING FACILITY'S NAMING OF THE HANK CARTER REHABILITATION CENTER IN HIS HONOR

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mrs. MALONEY. Mr. Speaker, I rise to pay tribute to Hank Carter, who has single-handedly transformed the Coler-Goldwater Specialty Hospital and Nursing Facility's Rehabilitative Medicine Department into one of the best-equipped in the nation. In honor of his remarkable achievements, the hospital has decided to rename the department the "Hank Carter Rehabilitation Center."

New Yorkers are truly fortunate that Henry "Hank" Carter chose to devote his life to raising money for wheelchairs and other equipment for the disabled, but it was a tragedy that led him to that decision. In 1968, his best friend Al Fogle was shot and left paralyzed from the waist down. Mr. Carter stayed with his friend through his recovery and rehabilitation. When he discovered how difficult it was for him to obtain a wheelchair, Mr. Carter raised the money to pay for it. For some, the effort would have ended there. Hank Carter looked around the hospital and saw dozens of other individuals whose lives had been struck by tragedy, and he made it his life's mission to help them.

To the surprise of the hospital administrators and doctors, he asked if the hospital could provide him with a space for his fundraising efforts. Asking nothing in return, he has selflessly raised millions of dollars to help the hospital and its residents. A large portion of the funding comes from the Wheelchair All-Star Basketball Classic he organizes at Madison Square Garden each year featuring top NBA basketball players.

Over the last 30 years, he has made the difference for thousands of people—helping them to become independent, and providing the means for them to connect with the world.

He has helped make Coler-Goldwater Hospital one of the premier centers for rehabilitation. Thanks to Hank Carter, Coler-Goldwater gives more wheelchairs to patients than any other facility in the country.

Realizing that rehabilitation requires more than wheelchairs, Mr. Carter branched out, raising funds for exercise and physical therapy equipment, computers that can be used by the severely handicapped, technology that enables machines to speak for those who have lost the capacity to communicate, four wheelchair accessible buses and a rehabilitative greenhouse. His enthusiasm and hands-on attitude toward philanthropy make him a beloved fixture at Coler-Goldwater, recognized by every patient and staff member in the hospital. Best of all, he has spent time with them and knows most of them.

It is truly an astonishing record—one all Americans should be very proud of. For the disabled, a wheelchair means independence, selfreliance and the freedom to explore the world. There is nothing more important than giving someone the gift of mobility or giving them back their voice.

Mr. Speaker, I ask my colleagues to rise to pay tribute to Hank Carter. He is truly an American treasure.

VAISAKHI DAY: GREETINGS TO THE SIKH NATION—COUNCIL OF KHALISTAN ISSUES VAISAKHI MESSAGE TO SIKH NATION

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. TOWNS. Mr. Speaker, next month the Sikhs will celebrate one of their most important holidays, Vaisakhi Day. On this day in 1699, Guru Gobind Singh constituted the Sikh Nation. He issued a blessing of sovereignty to the Sikhs, a blessing they are looking to reclaim.

Vaisakhi Day is one of the most important Sikh holidays and there are over 500,000 Sikhs in this country, so I would like to take this opportunity to wish them all a happy Vaisakhi Day. Hopefully, they will use the occasion to work for freedom for their people.

It is an interesting coincidence that Vaisakhi Day happens to fall on the birthday of Thomas Jefferson, author of our Declaration of Independence, who wrote: "We hold these truths to be self-evident: that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness; that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it and to institute new government, laying its foundations on such principles and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness."

Mr. Speaker, the Indian government has done everything it can to destroy the safety and happiness of Sikhs, Christians, Muslims, and other minorities living within the country. Is it any wonder that all these groups are seeking their freedom from India's brutal rule?

India has murdered over a quarter of a million Sikhs in the past 20 years. It holds over 52,000 of them as political prisoners. More than 300,000 Christians in Nagaland have been murdered by the Indian government, and Christians seem to be targets everywhere else in India too. India has killed over 85,000 Kashmiri Muslims since 1988, and that doesn't count the thousands who have been killed in places like Gujarat.

Yet India continues to proclaim loudly that it is a democracy. As Jefferson noted, the central principle of a democratic state is "the consent of the governed." How can India claim to have the consent of the minorities it governs so brutally while killing tens of thousands of them? It doesn't make sense to me. The essence of democracy is the right to self-determination.

We must do what we can, Mr. Speaker, as a country dedicated to the principle of liberty. We should stop U.S. aid to India until it respects human rights and we should use whatever influence we can to get India to hold a free and fair plebiscite on the question of independence, under international observation.

The Council of Khalistan has issued a very informative letter in honor of Vaisakhi Day, which contains a lot of useful information about the occasion and the atrocities that have been committed by India against the Sikhs and others. Therefore, I would like to put it in the RECORD now, Mr. Speaker. Thank you.

VAISAKHI DAY MESSAGE TO THE SIKH NATION:

(By Dr. Gurmit Sigh Aulakh)

In 1699 on Vaisakhi Day, 305 years ago, Guru Gobind Singh established the Khalsa Panth. The Guru granted sovereignty to the Sikh Nation, saying "In Grieb Sikhin Ko Deon Patshahi." It is this spirit instilled in the Sikh Nation by Guru Gobind Singh that led them to fight tyrants like lions until they defeated them. We always remember it by reciting every morning and evening, "Raj Kare Ga Khalsa." Now is the time to act on it. Do we mean what we say every morning and evening?

Punjab is the gateway to India. Many invaders have come from the West—the Moguls, the Afghans, and others—to conquer and established their rule in Delhi. Sikhs saw this unprecedented persecution at the hands of invaders and rulers. Banda Singh Bahadur established the first Khalsa Raj in Punjab in 1710, lasting until 1716. Then the Sikh missals again established their rule in the various regions of Punjab in 1765. Maharajah Ranjit Singh established Sikh Raj with Lahore as its capital in 1799, 100 years after the initiation of the Khalsa Panth. Sikhs ruled Punjab under Maharajah Ranjit Singh in the true Sikh tradition, the well being of everybody (Sarbat Da Bhalah). Hindus, Muslims, and Christians were all part of the Sikh government. The Sikh army included Hindus, Muslims, and Christians. A Christian, General Ventura, was in charge of the infantry. The period from 1799 to 1839, when Maharajah Ranjit Singh died, was the Golden Age of Punjab. The sovereign Sikh state of Punjab was recognized by China, Russia, and the European countries. It was the dominant power in South Asia at that time. Sikhs conquered Kashmir from Afghanistan in 1819, making it part of Punjab.

The British conquered us in 1849 with the help of their planted agents the Hindu Dogra brothers, Pahara Singh, etc., who connived with the British and betrayed the Sikh Nation. As a reward to the Dogra brothers for their betrayal, the British sold them Kashmir for Rs400,000. At the time of independence in 1947, the Sikh leadership was fooled into taking their share with India by the dishonest Hindu leaders Nehru and Gandhi, while the Muslims got their own sovereign country, Pakistan. Nehru and Gandhi promised that Sikhs would have the glow of freedom in Punjab, but instead we got unprecedented persecution at the hands of the Indian government. In June 1984 they attacked the Golden Temple and 127 other Gurdwaras throughout Punjab. Over 20,000 Sikhs were murdered in those attacks, known as Operation Bluestar, including Sant Jarnail Singh Bhindranwale, General Shabeg Singh, Bhai Amrik Singh, and over 100 Sikh religious students ages 8–13 who were taken out into the courtyard and shot. If Sikhs cannot protect the sanctity of the Golden Temple, then the Sikh Nation cannot survive as a nation.

The Golden Temple attacks set off a wave of repression and genocide that resulted in the murder of over 250,000 Sikhs at the hands of the Indian government. Over 50,000 Sikh youth were picked up from their houses, tortured, murdered in police custody, then cremated by being declared "unidentified bodies." Their remains were never even given to their families! Over 52,000 Sikhs sit in Indian jails as political prisoners without charge or trial, many since 1984.

Repression and genocide of this magnitude at the hands of the Indian government is unparalleled in the late part of the 20th century. India should be ashamed of the genocide it has committed against Sikhs, Christians, Muslims, and other minorities. Khalsa Ji, at this time of Vaisakhi, the whole Khalsa Panth must be energized to reestablish a sovereign, independent Khalsa Raj by freeing our homeland, Khalistan.

India is not one nation. It is a polyglot empire thrown together under one roof for the administrative convenience of the British colonialists. It has 18 official languages. History shows that such countries are doomed to fall apart. India will collapse just like the Austro-Hungarian Empire, the Soviet Union, and other multinational states such as Yugoslavia and Czechoslovakia. The cracks are appearing and India is crumbling. The clock is ticking. The Kashmir issue has been internationalized. The United States is now involved in the issue. On December 5, President Bush told me "I am aware of the Sikh and Kashmiri problem." There will be a referendum in Kashmir under international supervision. Kashmir will either be independent or become part of Pakistan. It will not remain within India. As L.K. Advani predicted, "When Kashmir goes, India goes." This time we agree with Mr. Advani. Kashmir will go and India will disintegrate.

Khalsa Ji, bring back your Khalsa spirit. Look at Advani having a yatra of India and coming to Amritsar. Punjab belongs to the Khalsa Panth, not to India. He has no right to show Hindu dominance in Punjab. Shame on the Akali leaders like Badal, Tohra, and others who have joined hands with the BJP, which is the political arm of the RSS. We need a new Sikh political party which has a dedication to the interests of the Sikh Nation as its sole objective, to establish Khalsa Raj by liberating Khalistan, severing all political ties with India. If the BJP wants Hindu Raj, it cannot object to Khalsa Raj.

The Sikhs in Punjab have suffered enormous repression at the hands of the Indian regime in the last 20 years. The Indian government wants to break the will of the Sikh Nation and enslave them forever, making Sikhism a part of Hinduism. This can only be stopped if we free Punjab from Delhi's control and reestablish a sovereign, independent country, as declared on October 7, 1957. Then Punjab will be a member of the United Nations and we will have Ambassadors in almost 200 countries.

Khalsa Ji, remember that a free Khalistan will bring economic prosperity to Punjab farmers. They will be able to sell their produce internationally which will fetch them much higher prices than they are getting now from the Indian government. The Indian government fixes prices of produce so low that farmers get deeper and deeper in debt while they sell fertilizer, seeds, and insecticides to the farmers at artificially high prices. The Indian government has diverted Punjab river water to neighboring states without any compensation to Punjab. Punjab farmers are forced to pump subsoil water for irrigation. This is expensive and brings salinity to soil, which lowers the crop production.

Remember, 3 million (30 lakh) Sikhs live outside India. The outside Sikhs are free, prosperous, well educated, professional, and committed to establishing an independent, sovereign Khalistan. The Indian government does not have any control over the Sikh diaspora. Outside Sikhs have exposed the atrocities committed on the Sikhs by the Indian government. Outside Sikhs have also preserved the true history of the Sikhs since 1984 by documenting every incident in the U.S. Congressional Record while the Indian government tries to alter Sikh history. Outside Sikhs are committed to a continuing effort to free Khalistan. Remember the words of Professor Darshan Singh, former Jathedar of the Akal Takht, during the celebration of Guru Nanak's birthday: "If a Sikh is not a Khalistani, he is not a Sikh." He was only reiterating the Guru's blessing, "In Grieb Sikhin Ko Deon Patshahi." The time to achieve our independence is now.

Khalsa Ji, remain in Charhdi Kala. Always remember our heritage: Raj Kare Ga Khalsa; Khalsa Bagi Yan Badshah. Freedom for Khalistan is very close.

RECOGNIZING LIEUTENANT FRANCIS R. BASON

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. GERLACH. Mr. Speaker, I rise today to recognize Lieutenant Francis R. Bason for his 14 years of service with the Montgomery County, Pennsylvania District Attorney's Detective Bureau.

Lieutenant Francis Bason has been employed by Montgomery County since July 9, 1990 as Supervisor of the Narcotics Enforcement Team. He has served a total of 42 years in law enforcement; 14 with Montgomery County and 28 years with the Pennsylvania State Police.

In 1958, Francis Bason began his proud service in the United States Army Dental Corps before being honorably discharged in 1961. He returned to Pennsylvania and started his career in law enforcement as a traffic officer. In 1965, he became part of the State Police's Criminal Intelligence Unit, Youth Aid Division, headquartered in Philadelphia, Pennsylvania. In 1971, Frank was promoted to Corporal and assigned to the Patrol Division that he ultimately supervised. That same year, he became the Pennsylvania State Police's, Drug Law Enforcement Division Regional Supervisor where he was the director of undercover operations for a six-county area in Southeastern Pennsylvania.

During his years with the Pennsylvania State Police, Francis Bason continued his education and, in 1977, graduated magna cum laude from West Chester State University with a bachelor of science degree. Two years later, he received his master in science degree from West Chester as well.

In 1990, Frank became a Narcotics Enforcement Detective for the Montgomery County District Attorney's office, in March of 1993, he was promoted to Detective-In-Charge of the Narcotics Enforcement Team. One year later, he was promoted to Lieutenant.

Over the years, Lieutenant Francis Bason has been recognized by his peers, both locally and nationally, for his tremendous achievements in law enforcement. In 1982, he received the Award for Exceptional Service from the Federal Drug Enforcement Administration. In 1988, he was recognized as the Outstanding Police Officer of the Year by the Pennsylvania State Police and, one year later, received the Pennsylvania State Police Commendation Medal. His tremendous knowledge and experience was also recognized by the United States Congress in 1980 when he was asked to testify before the Select Committee on Narcotics Abuse and Control on various drug-trafficking and law enforcement issues.

Mr. Speaker, I ask that my colleagues join me today in recognizing Lieutenant Francis R. Bason for his many years of exemplary service to his community, the Commonwealth of Pennsylvania and our nation.

CONGRATULATING WILMINGTON COLLEGE LADY QUAKERS BASKETBALL TEAM

HON. MICHAEL R. TURNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. TURNER of Ohio. Mr. Speaker, today congratulations are in order for the Wilmington (OH) College Lady Quakers Basketball team. Last Saturday, March 20, 2004, the Lady Quakers won the NCAA Division III national championship by defeating the previously unbeaten, and top-ranked, Bowdoin College Lady Polar Bears, 59–53.

Special congratulations to the Lady Quakers' Tara Rausch who was selected Final Four MVP as well as first team All-American; Amy Kincer who was named to the all-tournament team; and Wilmington head coach, Jerry Scheve, on the team's 27–6, championship season.

The Wilmington College Lady Quakers' NCAA Division III 2004 national basketball championship is a testament to the team's commitment to excellence, upholding the best traditions of this country's true scholar-athletes.

I ask my colleagues as well as all citizens of the Ohio Valley to join me in congratulating the faculty, staff, parents and friends of Wilmington College on completing an exciting and memorable championship season.

TRIBUTE TO DR. JOHNNETTA COLE

HON. ROBERT E. (BUD) CRAMER, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. CRAMER. Mr. Speaker, I rise today to honor Dr. Johnnetta Cole for her many accomplishments in higher education and leadership in her community.

Dr. Johnnetta Cole is the President of Bennett College, a Historically Black Women's College in Greensboro, North Carolina. She is also a Professor Emerita at Emory University in Atlanta, Georgia, and was the first female President of Spelman College, also in Atlanta, Georgia.

In addition, Dr. Cole served her Nation proudly in 1992 when President-elect Bill Clinton appointed her as his transition coordinator for education, arts, labor, and humanities.

Mr. Speaker, on March 28th, Dr. Cole will be the Keynote Speaker at the Founders' Day program for the Huntsville Alumnae Chapter of Delta Sigma Theta Sorority, Inc. I rise today to welcome her to North Alabama and to honor her achievements in advancing higher education throughout our country.

THE JEWISH MUSEUM CELEBRATES 100 YEARS OF CULTURAL EDUCATION

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mrs. MALONEY. Mr. Speaker, I rise to pay tribute to The Jewish Museum on the occasion of its centennial celebration. The Museum, located in the heart of New York City's Museum Mile, is the foremost American institution devoted to the exploration of Jewish art and culture. For one hundred years this museum has been a source of inspiration and education to New Yorkers and visitors from around the world.

The Jewish Museum—the first institution of its kind in the United States—began in 1904, when Judge Mayer Sulzberger donated 26 Jewish ceremonial art objects to the Jewish Theological Seminary of America. Since then, the Museum's collection has grown to encompass more than 28,000 artifacts, including paintings, sculpture, photographs, archaeological finds, ceremonial objects, audiovisual materials and broadcast media. The museum sponsors a variety of special exhibitions, such as the recent Entertaining America: Jews, Movies and Broadcasting. Its permanent collection, Culture and Continuity: The Jewish Journey, has received international acclaim.

Piecing together an accurate representation of Jewish cultural history is a daunting task. In the last four thousand years, Jews have created communities in nearly every part of the world—and each of these communities has made a unique contribution to the Jewish experience. Through its exhibitions and collection, the Jewish Museum presents a narrative that spans millennia. That the Museum manages to tell this story in such a compelling and informative way is testament to the vision of the Museum's stewards, from Judge Sulzberger one hundred years ago to the institution's current Director, Ms. Joan Rosenbaum.

In addition to presenting the cultural history of the Jewish people, the Museum also sponsors groundbreaking exhibitions that greatly influence both the art world and our community as a whole. In 1966, the Museum's Primary Structures show defined the Minimalist art movement and introduced to a wide audience the works of Dan Flavin, Donald Judd and other major exemplars of the style. In 1970, the Museum reaffirmed its position on the leading edge of the art community when it presented Software, a pioneering exhibition of interactive, information technology-related art. Additionally, the Museum was among the first to exhibit the works of Jasper Johns and Robert Rauschenberg; other prominent artists, such as Marc Chagall, Wassily Kandinsky, and Camille Pissarro have also been featured by the Museum. The upcoming Modigliani show is expected to draw crowds to the first major exhibition of his work in New York since 1951.

The Jewish Museum strikes a perfect balance between beliefs that, in our world, too often compete with one another. Indeed, while the Museum celebrates Jewish culture and encourages the appreciation of the past, it also promotes tolerance for alternative points of view and seeks to nurture emerging trends. America, at its best, is likewise a harmony of different people and ideas; in fact, it is precisely this quality that makes our nation the greatest in the world.

Mr. Speaker, I request that my colleagues join me in paying tribute to The Jewish Museum, whose century of incomparable, pathbreaking achievements are truly worthy of celebration.

400TH ANNIVERSARY OF GURU GRANTH SAHIB, SIKH HOLY SCRIPTURES

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. TOWNS. Mr. Speaker, on August 14, there will be a parade in Washington, DC to celebrate the 400th anniversary of the compilation of the Guru Granth Sahib, the holy scripture of the Sikh religion. It was the revelation of the Sikh Gurus and it is the basis for the Sikh religion and way of life.

In June 1984, during India's military assault on the Sikhs at their most sacred shrine, the Golden Temple in Amritsar, and 125 other Gurdwaras throughout Punjab, an original of the Guru Granth Sahib was riddled with bullet holes by Indian forces. This was a gratuitous insult to the Sikh people and a coordinated denigration of their religion. It made it clear to them that there is no place for them in supposedly democratic, supposedly secular India.

This will be a major celebration for the Sikh people, over half a million of whom live here in America. They are productive, committed citizens who contribute to every walk of American life and who share a commitment to bring the freedom they enjoy to their brothers and sisters back home in Punjab, Khalistan.

There was even a Sikh who served in Congress, Dalip Singh Saund.

In addition to the August 14 parade, there will also be a seminar here in Washington on June 5 to commemorate this momentous occasion.

Mr. Speaker, we are a diverse country. Our strength has always been the ability to preserve our individuality and diversity while creating a unified society. In that spirit, I would like to take this opportunity to honor the Sikhs of America and worldwide on the 400th anniversary of the Guru Granth Sahib.

Mr. Speaker, the Council of Khalistan published an excellent press release about the events that are coming up to celebrate this event, which I would like to place in the RECORD at this time.

400TH ANNIVERSARY OF GURU GRANTH SAHIB—REMEMBER BULLETS PIERCED THROUGH GURU GRANTH SAHIB IN 1984

RESERVE SATURDAY, AUGUST 14, 2004 FOR A MEMORABLE CELEBRATION, PARADE IN WASHINGTON, D.C.

WASHINGTON, D.C., March 24, 2004.—On August 14, Sikh from around the East Coast will observe the 400th anniversary of the compilation of the Guru Granth Sahib, the Sikh holy scriptures. There will be a parade in Washington, D.C. to mark the occasion. The Guru Granth Sahib was dictated by the Sikh Gurus as revealed to them by God. It was written at the time in which they lived. It also includes the writing of other saints of that time which fit the philosophy of the Sikh Gurus.

In addition, there will be a seminar on Saturday, June 5 to celebrate the 400th anniversary of the Guru Granth Sahib sponsored by the International Conference on Sikh Studies along with Sikh Gurdwara and institutions of North America. Sikhs remember that bullets pierced through the Guru Granth Sahib during Operation Bluestar, the Indian government's military attack on the Golden Temple in Amritsar, in 1984.

"This parade and this anniversary will be a joyous occasion for the Sikh Nation as we celebrate the Sikh way of life as given to us by the Gurus," said Dr. Gurmit Singh Aulakh, President of the Council of Khalistan. Sikhism is an independent, monotheistic religion that believes in the equality of the whole human race. The tenth and last Sikh Guru, Guru Gobind Singh, declared the blessing "In Grieb Sikhin Ko Deon Patshahi," conferring sovereignty on the Sikh Nation, which is culturally, linguistically, and religiously distinct from any other people in the world, including Hindu India. "We must honor the Guru by reclaiming our lost sovereignty," Dr. Aulakh said

The Indian government has murdered over 250,000 Sikhs since 1984, more than 300,000 Christians since 1948, over 85,000 Muslims in Kashmir since 1988, and tens of thousands of Tamils, Assamese, Manipuris, Dalits, and others. The Indian Supreme Court called the Indian government's murders of Sikhs "worse than a genocide." According to a study by the Movement Against State Repression, 52,268 Sikhs are being held in illegal detention as political prisoners without charge or trial. Some of them have been held since 1984!

Christian missionary Joseph Cooper was expelled from India after a mob of militant Hindu nationalists allied with the Rashtriya Swayamsewak Sangh (RSS), a pro-Fascist organization that is the parent organization of the ruling BJP, beat him so severely he had to spend a week in the hospital. In 2002, 2,000 to 5,000 Muslims were murdered in Gujarat while police were ordered to stand aside, reminiscent of the 1984 Delhi massacres of Sikhs. Indian newspapers reported that the government planned the Gujarat massacre in advance.

India is not one country; it is a polyglot thrown together by the British for their administrative convenience. Sikhs ruled Punjab until 1849 when the British conquered the subcontinent. Sikhs were equal partners during the transfer of power from the British. The Muslim leader Jinnah got Pakistan, the Hindu leaders got India, but the Sikh leadership was fooled by the Hindu leadership promising that Sikhs would have "the glow of freedom" in Northwest India. The Sikhs took their share with India on that promise. For that mistake, Sikhs are suffering now. "As Professor Darshan Singh, a former Jathedar of the Akal Takht, said, "If a Sikh is not for Khalistan, he is not a Sikh'," Dr. Aulakh noted.

"Democracies don't commit genocide," Dr. Aulakh said. "Only in a free and sovereign Khalistan will the Sikh Nation prosper. In a democracy, the right to self-determination is the sine qua non and India should allow a plebiscite for the freedom of the Sikh Nation," he said. "The Guru Granth Sahtb is the reigning Guru of the Sikh Nation and reminds us of our heritage and we must offer a fitting celebration," he said.

MICROSOFT EU DECISION

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. MCDERMOTT. Mr. Speaker, I'm from Seattle and I have a good neighbor named Microsoft.

A while back, they got out of line. The European Union said so. Microsoft said so.

Both sides have been negotiating to reach a just and fair settlement. It looked like good faith negotiations would lead to a common good solution. But, the decision issued by the EU falls short in my judgment.

At best, the EU leaves the matter unresolved with more legal action a certainty. At worst, consumers across Europe face confusion, and perhaps even fewer choices than anyone intended in a settlement. We can do better. The EU should find a way to re-visit its decision.

On the horizon are extraordinary new ideas and they will have their own challenges. We have to confront and settle the past. Fairly, yes. Fully, yes. Finally, yes. This is an opportunity to do just that. I hope the EU takes it.

Thank you.

THE UNITED MEN OF PIKE FOR PROGRESS

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

Mr. COLLINS. Mr. Speaker, it is my pleasure to recognize a very special organization in Pike County, Georgia. The United Men of Pike for Progress was founded in Zebulon, Georgia by six men who had a vision for Pike County—a vision of a better community. Today, this non-profit organization is bringing that vision to reality through its dedication to promoting education, leadership, and strong values.

The United Men of Pike for Progress has made its mark in Pike County. They have provided over 600 food baskets and other funds for seniors and needy families throughout the community. Each year they sponsor programs in honor of Dr. Martin Luther King Day that bring the entire community together. For students, they have provided more than eighteen collegiate scholarships to high school seniors, they continually support Junior High School students by donating funds for field trips, and they have raised critical funds for numerous sports oriented High School Clubs.

The United Men of Pike for Progress plays an important role in advancing the quality of life for so many Georgians through its programs, services and outreach and will have a great impact upon the community for many years to come. I honor them for all that they do.

SENATE—*Monday, March 29, 2004*

The Senate met at 1 p.m. and was called to order by the Honorable PAT ROBERTS, a Senator from the State of Kansas.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Sovereign Lord, You are the shepherd of our souls. Because of You, blessings overtake us. Thank You for this Nation, a beacon of freedom dispelling the darkness of tyranny. Thank You also for inscribing each of us on the palms of Your hands.

Lord, guide our lawmakers today and those who labor with them. Give them strength to meet temptations and the peace of heaven for life's storms. Remind them that the way to find life is to lose it in service for others. Surround us all with Your favor and complete the work You have started in each of us. We pray this in Your holy Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable PAT ROBERTS led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 29, 2004.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAT ROBERTS, a Senator from the State of Kansas, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. ROBERTS assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, today we will be in consideration of H.R. 4, the welfare reauthorization bill. Chairman GRASSLEY will be here shortly and is prepared for Senators to come forward with their amendments to the bill. I previously announced there will be no rollcall votes today and any votes offered today will be delayed until tomorrow, Tuesday.

As we begin this important bill, once again I ask Members to refrain from offering unrelated issues to the underlying welfare reauthorization. There are a number of Senators who have welfare-related amendments they will want to have debated and discussed and disposed of. It is my hope we can work through those amendments and not allow extraneous items to delay us and postpone us from making progress on this bill.

I thank Members for their consideration as we begin this important bill, a bill that affects millions of Americans today and indeed in the future.

Mr. President, I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

PERSONAL RESPONSIBILITY AND INDIVIDUAL DEVELOPMENT FOR EVERYONE ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to consideration of H.R. 4, which the clerk will report.

The legislative clerk read as follows:

> A bill (H.R. 4) to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Finance, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

(Strike the part shown in black brackets and insert the part shown in italic.)

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "Personal Responsibility, Work, and Family Promotion Act of 2003".

[SEC. 2. TABLE OF CONTENTS.

[The table of contents of this Act is as follows:

[Sec. 1. Short title.
[Sec. 2. Table of contents.
[Sec. 3. References.
[Sec. 4. Findings.

[TITLE I—TANF

[Sec. 101. Purposes.
[Sec. 102. Family assistance grants.
[Sec. 103. Promotion of family formation and healthy marriage.
[Sec. 104. Supplemental grant for population increases in certain States.
[Sec. 105. Bonus to reward employment achievement.
[Sec. 106. Contingency fund.
[Sec. 107. Use of funds.
[Sec. 108. Repeal of Federal loan for State welfare programs.
[Sec. 109. Universal engagement and family self-sufficiency plan requirements.
[Sec. 110. Work participation requirements.
[Sec. 111. Maintenance of effort.
[Sec. 112. Performance improvement.
[Sec. 113. Data collection and reporting.
[Sec. 114. Direct funding and administration by Indian tribes.
[Sec. 115. Research, evaluations, and national studies.
[Sec. 116. Studies by the Census Bureau and the General Accounting Office.
[Sec. 117. Definition of assistance.
[Sec. 118. Technical corrections.
[Sec. 119. Fatherhood program.
[Sec. 120. State option to make TANF programs mandatory partners with one-stop employment training centers.
[Sec. 121. Sense of the Congress.
[Sec. 122. Extension through fiscal year 2003.

[TITLE II—CHILD CARE

[Sec. 201. Short title.
[Sec. 202. Goals.
[Sec. 203. Authorization of appropriations.
[Sec. 204. Application and plan.
[Sec. 205. Activities to improve the quality of child care.
[Sec. 206. Report by secretary.
[Sec. 207. Definitions.
[Sec. 208. Entitlement funding.

[TITLE III—CHILD SUPPORT

[Sec. 301. Federal matching funds for limited pass through of child support payments to families receiving TANF.
[Sec. 302. State option to pass through all child support payments to families that formerly received TANF.
[Sec. 303. Mandatory review and adjustment of child support orders for families receiving TANF.
[Sec. 304. Mandatory fee for successful child support collection for family that has never received TANF.
[Sec. 305. Report on undistributed child support payments.
[Sec. 306. Use of new hire information to assist in administration of unemployment compensation programs.
[Sec. 307. Decrease in amount of child support arrearage triggering passport denial.
[Sec. 308. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
[Sec. 309. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

[Sec. 310. Improving Federal debt collection practices.
[Sec. 311. Maintenance of technical assistance funding.
[Sec. 312. Maintenance of Federal Parent Locator Service funding.

[TITLE IV—CHILD WELFARE

[Sec. 401. Extension of authority to approve demonstration projects.
[Sec. 402. Elimination of limitation on number of waivers.
[Sec. 403. Elimination of limitation on number of States that may be granted waivers to conduct demonstration projects on same topic.
[Sec. 404. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.
[Sec. 405. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.
[Sec. 406. Availability of reports.
[Sec. 407. Technical correction.

[TITLE V—SUPPLEMENTAL SECURITY INCOME

[Sec. 501. Review of State agency blindness and disability determinations.

[TITLE VI—STATE AND LOCAL FLEXIBILITY

[Sec. 601. Program coordination demonstration projects.
[Sec. 602. State food assistance block grant demonstration project.

[TITLE VII—ABSTINENCE EDUCATION

[Sec. 701. Extension of abstinence education program.

[TITLE VIII—TRANSITIONAL MEDICAL ASSISTANCE

[Sec. 801. Extension of medicaid transitional medical assistance program through fiscal year 2004.
[Sec. 802. Adjustment to payments for medicaid administrative costs to prevent duplicative payments and to fund extension of transitional medical assistance.

[TITLE IX—EFFECTIVE DATE

[Sec. 901. Effective date.

[SEC. 3. REFERENCES.

[Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

[SEC. 4. FINDINGS.

[The Congress makes the following findings:

[(1) The Temporary Assistance for Needy Families (TANF) Program established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) has succeeded in moving families from welfare to work and reducing child poverty.

[(A) There has been a dramatic increase in the employment of current and former welfare recipients. The percentage of working recipients reached an all-time high in fiscal year 1999 and continued steady in fiscal years 2000 and 2001. In fiscal year 2001, 33 percent of adult recipients were working, compared to less than 7 percent in fiscal year 1992, and 11 percent in fiscal year 1996. All States met the overall participation rate standard in fiscal year 2001, as did the District of Columbia and Puerto Rico.

[(B) Earnings for welfare recipients remaining on the rolls have also increased significantly, as have earnings for female-headed households. The increases have been particularly large for the bottom 2 income quintiles, that is, those women who are most likely to be former or present welfare recipients.

[(C) Welfare dependency has plummeted. As of June 2002, 2,025,000 families and 5,008,000 individuals were receiving assistance. Accordingly, the number of families in the welfare caseload and the number of individuals receiving cash assistance declined 54 percent and 58 percent, respectively, since the enactment of TANF. These declines have persisted even as unemployment rates have increased: unemployment rates nationwide rose 50 percent, from 3.9 percent in September 2000 to 6 percent in November 2002, while welfare caseloads continued to decline.

[(D) The child poverty rate continued to decline between 1996 and 2001, falling 20 percent from 20.5 to 16.3 percent. The 2001 child poverty rate remains at the lowest level since 1979. Child poverty rates for African-American and Hispanic children have also fallen dramatically during the past 6 years. African-American child poverty is at the lowest rate on record and Hispanic child poverty is at the lowest level reported in over 20 years.

[(E) Despite these gains, States have had mixed success in fully engaging welfare recipients in work activities. While all States have met the overall work participation rates required by law, in 2001, in an average month, only just over ⅓ of all families with an adult participated in work activities that were countable toward the State's participation rate. Five jurisdictions failed to meet the more rigorous 2-parent work requirements, and 19 jurisdictions (States and territories) are not subject to the 2-parent requirements, most because they moved their 2-parent cases to separate State programs where they are not subject to a penalty for failing the 2-parent rates.

[(2) As a Nation, we have made substantial progress in reducing teen pregnancies and births, slowing increases in nonmarital childbearing, and improving child support collections and paternity establishment.

[(A) The teen birth rate has fallen continuously since 1991, down a dramatic 22 percent by 2000. During the period of 1991–2000, teenage birth rates fell in all States and the District of Columbia, Puerto Rico, and the Virgin Islands. Declines also have spanned age, racial, and ethnic groups. There has been success in lowering the birth rate for both younger and older teens. The birth rate for those 15–17 years of age is down 29 percent since 1991, and the rate for those 18 and 19 is down 16 percent. Between 1991 and 2000, teen birth rates declined for all women ages 15–19—white, African American, American Indian, Asian or Pacific Islander, and Hispanic women ages 15–19. The rate for African American teens—until recently the highest—experienced the largest decline, down 31 percent from 1991 to 2000, to reach the lowest rate ever reported for this group. Most births to teens are nonmarital; in 2000, about 73 percent of the births to teens aged 15–19 occurred outside of marriage.

[(B) Nonmarital childbearing continued to increase slightly in 2001, however not at the sharp rates of increase seen in recent decades. The birth rate among unmarried women in 2001 was 4 percent lower than its peak reached in 1994, while the proportion of births occurring outside of marriage has remained at approximately 33 percent since 1998.

[(C) The negative consequences of out-of-wedlock birth on the mother, the child, the family, and society are well documented. These include increased likelihood of welfare dependency, increased risks of low birth weight, poor cognitive development, child abuse and neglect, and teen parenthood, and decreased likelihood of having an intact marriage during adulthood.

[(D) An estimated 24,500,000 children do not live with their biological fathers, and 7,100,000 children do not live with their biological mothers. These facts are attributable largely to declining marriage rates, increasing divorce rates, and increasing rates of nonmarital births during the latter part of the 20th century.

[(E) There has been a dramatic rise in cohabitation as marriages have declined. Only 40 percent of children of cohabiting couples will see their parents marry. Those who do marry experience a 50 percent higher divorce rate. Children in single-parent households and cohabiting households are at much higher risk of child abuse than children in intact married and stepparent families.

[(F) Children who live apart from their biological fathers, on average, are more likely to be poor, experience educational, health, emotional, and psychological problems, be victims of child abuse, engage in criminal behavior, and become involved with the juvenile justice system than their peers who live with their married, biological mother and father. A child living in a single-parent family is nearly 5 times as likely to be poor as a child living in a married-couple family. In 2001, in married-couple families, the child poverty rate was 8 percent, and in households headed by a single mother, the poverty rate was 39.3 percent.

[(G) Since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, child support collections within the child support enforcement system have grown every year, increasing from $12,000,000,000 in fiscal year 1996 to nearly $19,000,000,000 in fiscal year 2001. The number of paternities established or acknowledged in fiscal year 2002 reached an historic high of over 1,500,000—which includes more than a 100 percent increase through in-hospital acknowledgement programs to 790,595 in 2001 from 324,652 in 1996. Child support collections were made in well over 7,000,000 cases in fiscal year 2000, significantly more than the almost 4,000,000 cases having a collection in 1996.

[(3) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 gave States great flexibility in the use of Federal funds to develop innovative programs to help families leave welfare and begin employment and to encourage the formation of 2-parent families.

[(A) Total Federal and State TANF expenditures in fiscal year 2001 were $25,500,000,000, up from $24,000,000,000 in fiscal year 2000 and $22,600,000,000 in fiscal year 1999. This increased spending is attributable to significant new investments in supportive services in the TANF program, such as child care and activities to support work.

[(B) Since the welfare reform effort began there has been a dramatic increase in work participation (including employment, community service, and work experience) among welfare recipients, as well as an unprecedented reduction in the caseload because recipients have left welfare for work.

[(C) States are making policy choices and investment decisions best suited to the needs of their citizens.

[(i) To expand aid to working families, all States disregard a portion of a family's earned income when determining benefit levels.

[(ii) Most States increased the limits on countable assets above the former Aid to Families with Dependent Children (AFDC) program. Every State has increased the vehicle asset level above the prior AFDC limit for a family's primary automobile.

[(iii) States are experimenting with programs to promote marriage and father involvement. Over half the States have eliminated restrictions on 2-parent families. Many States use TANF, child support, or State funds to support community-based activities to help fathers become more involved in their children's lives or strengthen relationships between mothers and fathers.

[(4) Therefore, it is the sense of the Congress that increasing success in moving families from welfare to work, as well as in promoting healthy marriage and other means of improving child well-being, are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by this Act) is intended to serve these ends.

[TITLE I—TANF

[SEC. 101. PURPOSES.

[Section 401(a) (42 U.S.C. 601(a)) is amended—

[(1) in the matter preceding paragraph (1), by striking "increase" and inserting "improve child well-being by increasing";

[(2) in paragraph (1), by inserting "and services" after "assistance";

[(3) in paragraph (2), by striking "parents on government benefits" and inserting "families on government benefits and reduce poverty"; and

[(4) in paragraph (4), by striking "two-parent families" and inserting "healthy, 2-parent married families, and encourage responsible fatherhood".

[SEC. 102. FAMILY ASSISTANCE GRANTS.

[(a) Extension of Authority.—Section 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended—

[(1) by striking "1996, 1997, 1998, 1999, 2000, 2001, and 2002" and inserting "2004 through 2008"; and

[(2) by inserting "payable to the State for the fiscal year" before the period.

[(b) State Family Assistance Grant.—Section 403(a)(1) (42 U.S.C. 603(a)(1)) is amended by striking subparagraphs (B) through (E) and inserting the following:

["(B) State family assistance grant.—The State family assistance grant payable to a State for a fiscal year shall be the amount that bears the same ratio to the amount specified in subparagraph (C) of this paragraph as the amount required to be paid to the State under this paragraph for fiscal year 2002 (determined without regard to any reduction pursuant to section 409 or 412(a)(1)) bears to the total amount required to be paid under this paragraph for fiscal year 2002 (as so determined).

["(C) Appropriation.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2004 through 2008 $16,566,542,000 for grants under this paragraph.".

[(c) Matching Grants for the Territories.—Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking "1997 through 2002" and inserting "2004 through 2008".

[SEC. 103. PROMOTION OF FAMILY FORMATION AND HEALTHY MARRIAGE.

[(a) State Plans.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by adding at the end the following:

["(vii) Encourage equitable treatment of married, 2-parent families under the program referred to in clause (i).".

[(b) Healthy Marriage Promotion Grants; Repeal of Bonus for Reduction of Illegitimacy Ratio.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:

["(2) Healthy marriage promotion grants.—

["(A) Authority.—The Secretary shall award competitive grants to States, territories, and tribal organizations for not more than 50 percent of the cost of developing and implementing innovative programs to promote and support healthy, married, 2-parent families.

["(B) Healthy marriage promotion activities.—Funds provided under subparagraph (A) shall be used to support any of the following programs or activities:

["(i) Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health.

["(ii) Education in high schools on the value of marriage, relationship skills, and budgeting.

["(iii) Marriage education, marriage skills, and relationship skills programs, that may include parenting skills, financial management, conflict resolution, and job and career advancement, for non-married pregnant women and non-married expectant fathers.

["(iv) Pre-marital education and marriage skills training for engaged couples and for couples or individuals interested in marriage.

["(v) Marriage enhancement and marriage skills training programs for married couples.

["(vi) Divorce reduction programs that teach relationship skills.

["(vii) Marriage mentoring programs which use married couples as role models and mentors in at-risk communities.

["(viii) Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with any activity described in this subparagraph.

["(C) Appropriation.—

["(i) In general.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2003 through 2008 $100,000,000 for grants under this paragraph.

["(ii) Extended availability of FY2003 funds.—Funds appropriated under clause (i) for fiscal year 2003 shall remain available to the Secretary through fiscal year 2004, for grants under this paragraph for fiscal year 2003.".

[(c) Counting of Spending on Non-Eligible Families to Prevent and Reduce Incidence of Out-of-Wedlock Births, Encourage Formation and Maintenance of Healthy, 2-Parent Married Families, or Encourage Responsible Fatherhood.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the end the following:

["(V) Counting of spending on non-eligible families to prevent and reduce incidence of out-of-wedlock births, encourage formation and maintenance of healthy, 2-parent married families, or encourage responsible fatherhood.—The term 'qualified State expenditures' includes the total expenditures by the State during the fiscal year under all State programs for a purpose described in paragraph (3) or (4) of section 401(a).".

[SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.

[Section 403(a)(3)(H) (42 U.S.C. 603(a)(3)(H)) is amended—

[(1) in the subparagraph heading, by striking "OF GRANTS FOR FISCAL YEAR 2002";

[(2) in clause (i), by striking "fiscal year 2002" and inserting "each of fiscal years 2004 through 2007";

[(3) in clause (ii), by striking "2002" and inserting "2007"; and

[(4) in clause (iii), by striking "fiscal year 2002" and inserting "each of fiscal years 2004 through 2007".

[SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVEMENT.

[(a) Reallocation of Funding.—

[(1) In general.—Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended—

[(A) in the paragraph heading, by striking "HIGH PERFORMANCE STATES" and inserting "EMPLOYMENT ACHIEVEMENT";

[(B) in subparagraph (D)(ii)—

[(i) in subclause (I), by striking "equals $200,000,000" and inserting "(other than 2003) equals $200,000,000, and for bonus year 2003 equals $100,000,000"; and

[(ii) in subclause (II), by striking "$1,000,000,000" and inserting "$900,000,000"; and

[(C) in subparagraph (F), by striking "$1,000,000,000" and inserting "$900,000,000".

[(2) Effective date.—The amendments made by paragraph (1) shall take effect on the date of the enactment of this Act, or September 30, 2003, whichever is earlier.

[(b) Bonus to Reward Employment Achievement.—

[(1) In general.—Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended by striking subparagraphs (A) through (F) and inserting the following:

["(A) In general.—The Secretary shall make a grant pursuant to this paragraph to each State for each bonus year for which the State is an employment achievement State.

["(B) Amount of grant.—

["(i) In general.—Subject to clause (ii) of this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to an employment achievement State for a bonus year, which shall be based on the performance of the State as determined under subparagraph (D)(i) for the fiscal year that immediately precedes the bonus year.

["(ii) Limitation.—The amount payable to a State under this paragraph for a bonus year shall not exceed 5 percent of the State family assistance grant.

["(C) Formula for measuring state performance.—

["(i) In general.—Subject to clause (ii), not later than October 1, 2003, the Secretary, in consultation with the States, shall develop a formula for measuring State performance in operating the State program funded under this part so as to achieve the goals of employment entry, job retention, and increased earnings from employment for families receiving assistance under the program, as measured on an absolute basis and on the basis of improvement in State performance.

["(ii) Special rule for bonus year 2004.—For the purposes of awarding a bonus under this paragraph for bonus year 2004, the Secretary may measure the performance of a State in fiscal year 2003 using the job entry rate, job retention rate, and earnings gain rate components of the formula developed under section 403(a)(4)(C) as in effect immediately before the effective date of this paragraph.

["(D) Determination of state performance.—For each bonus year, the Secretary shall—

["(i) use the formula developed under subparagraph (C) to determine the performance of each eligible State for the fiscal year that precedes the bonus year; and

[''(ii) prescribe performance standards in such a manner so as to ensure that—

[''(I) the average annual total amount of grants to be made under this paragraph for each bonus year equals $100,000,000; and

[''(II) the total amount of grants to be made under this paragraph for all bonus years equals $600,000,000.

[''(E) Definitions.—In this paragraph:

[''(i) Bonus year.—The term 'bonus year' means each of fiscal years 2004 through 2009.

[''(ii) Employment achievement state.—The term 'employment achievement State' means, with respect to a bonus year, an eligible State whose performance determined pursuant to subparagraph (D)(i) for the fiscal year preceding the bonus year equals or exceeds the performance standards prescribed under subparagraph (D)(ii) for such preceding fiscal year.

[''(F) Appropriation.—

[''(i) In general.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 2004 through 2009 $600,000,000 for grants under this paragraph.

[''(ii) Extended availability of prior appropriation.—Amounts appropriated under section 403(a)(4)(F) of the Social Security Act (as in effect before the date of the enactment of this clause) that have not been expended as of such date of enactment shall remain available through fiscal year 2004 for grants under section 403(a)(4) of such Act (as in effect before such date of enactment) for bonus year 2003.

[''(G) Grants for tribal organizations.—This paragraph shall apply with respect to tribal organizations in the same manner in which this paragraph applies with respect to States. In determining the criteria under which to make grants to tribal organizations under this paragraph, the Secretary shall consult with tribal organizations.''.

[(2) Effective date.—The amendment made by paragraph (1), except for section 403(a)(4)(F)(ii) of the Social Security Act as inserted by the amendment, shall take effect on October 1, 2003.

[SEC. 106. CONTINGENCY FUND.

[(a) Deposits Into Fund.—Section 403(b)(2) (42 U.S.C. 603(b)(2)) is amended—

[(1) by striking ''1997, 1998, 1999, 2000, 2001, and 2002'' and inserting ''2004 through 2008''; and

[(2) by striking all that follows ''$2,000,000,000'' and inserting a period.

[(b) Grants.—Section 403(b)(3)(C)(ii) (42 U.S.C. 603(b)(3)(C)(ii)) is amended by striking ''fiscal years 1997 through 2002'' and inserting ''fiscal years 2004 through 2008''.

[(c) Definition of Needy State.—Clauses (i) and (ii) of section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) are amended by inserting after ''1996'' the following: '', and the Food Stamp Act of 1977 as in effect during the corresponding 3-month period in the fiscal year preceding such most recently concluded 3-month period,''.

[(d) Annual Reconciliation: Federal Matching of State Expenditures Above ''Maintenance of Effort'' Level.—Section 403(b)(6) (42 U.S.C. 603(b)(6)) is amended—

[(1) in subparagraph (A)(ii)—

[(A) by adding ''and'' at the end of subclause (I);

[(B) by striking ''; and'' at the end of subclause (II) and inserting a period; and

[(C) by striking subclause (III);

[(2) in subparagraph (B)(i)(II), by striking all that follows ''section 409(a)(7)(B)(iii))'' and inserting a period;

[(3) by amending subparagraph (B)(ii)(I) to read as follows:

[''(I) the qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for the fiscal year; plus''; and

[(4) by striking subparagraph (C).

[(e) Consideration of Certain Child Care Expenditures in Determining State Compliance With Contingency Fund Maintenance of Effort Requirement.—Section 409(a)(10) (42 U.S.C. 609(a)(10)) is amended—

[(1) by striking ''(other than the expenditures described in subclause (I)(bb) of that paragraph)) under the State program funded under this part'' and inserting a close parenthesis; and

[(2) by striking ''excluding any amount expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994) for fiscal year 1994,''.

[(f) Effective Date.—The amendments made by this section shall take effect on October 1, 2003.

[SEC. 107. USE OF FUNDS.

[(a) General Rules.—Section 404(a)(2) (42 U.S.C. 604(a)(2)) is amended by striking ''in any manner that'' and inserting ''for any purposes or activities for which''.

[(b) Treatment of Interstate Immigrants.—

[(1) State plan provision.—Section 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by striking clause (i) and redesignating clauses (ii) through (iv) as clauses (i) through (iii), respectively.

[(2) Use of funds.—Section 404 (42 U.S.C. 604) is amended by striking subsection (c).

[(c) Increase in Amount Transferable to Child Care.—Section 404(d)(1) (42 U.S.C. 604(d)(1)) is amended by striking ''30'' and inserting ''50''.

[(d) Increase in Amount Transferable to Title XX Programs.—Section 404(d)(2)(B) (42 U.S.C. 604(d)(2)(B)) is amended to read as follows:

[''(B) Applicable percent.—For purposes of subparagraph (A), the applicable percent is 10 percent for fiscal year 2004 and each succeeding fiscal year.''.

[(e) Clarification of Authority of States To Use TANF Funds Carried Over From Prior Years To Provide TANF Benefits and Services.—Section 404(e) (42 U.S.C. 604(e)) is amended to read as follows:

[''(e) Authority To Carryover or Reserve Certain Amounts for Benefits or Services or for Future Contingencies.—

[''(1) Carryover.—A State or tribe may use a grant made to the State or tribe under this part for any fiscal year to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part.

[''(2) Contingency reserve.—A State or tribe may designate any portion of a grant made to the State or tribe under this part as a contingency reserve for future needs, and may use any amount so designated to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part. If a State or tribe so designates a portion of such a grant, the State shall, on an annual basis, include in its report under section 411(a) the amount so designated.''.

[SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE PROGRAMS.

[(a) Repeal.—Section 406 (42 U.S.C. 606) is repealed.

[(b) Conforming Amendments.—

[(1) Section 409(a) (42 U.S.C. 609(a)) is amended by striking paragraph (6).

[(2) Section 412 (42 U.S.C. 612) is amended by striking subsection (f) and redesignating subsections (g) through (i) as subsections (f) through (h), respectively.

[(3) Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by striking ''406,''.

[SEC. 109. UNIVERSAL ENGAGEMENT AND FAMILY SELF-SUFFICIENCY PLAN REQUIREMENTS.

[(a) Modification of State Plan Requirements.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following:

[''(ii) Require a parent or caretaker receiving assistance under the program to engage in work or alternative self-sufficiency activities (as defined by the State), consistent with section 407(e)(2).

[''(iii) Require families receiving assistance under the program to engage in activities in accordance with family self-sufficiency plans developed pursuant to section 408(b).''.

[(b) Establishment of Family Self-Sufficiency Plans.—

[(1) In general.—Section 408(b) (42 U.S.C. 608(b)) is amended to read as follows:

[''(b) Family Self-Sufficiency Plans.—

[''(1) In general.—A State to which a grant is made under section 403 shall—

[''(A) assess, in the manner deemed appropriate by the State, the skills, prior work experience, and employability of each work-eligible individual (as defined in section 407(b)(2)(C)) receiving assistance under the State program funded under this part;

[''(B) establish for each family that includes such an individual, in consultation as the State deems appropriate with the individual, a self-sufficiency plan that specifies appropriate activities described in the State plan submitted pursuant to section 402, including direct work activities as appropriate designed to assist the family in achieving their maximum degree of self-sufficiency, and that provides for the ongoing participation of the individual in the activities;

[''(C) require, at a minimum, each such individual to participate in activities in accordance with the self-sufficiency plan;

[''(D) monitor the participation of each such individual in the activities specified in the self sufficiency plan, and regularly review the progress of the family toward self-sufficiency;

[''(E) upon such a review, revise the self-sufficiency plan and activities as the State deems appropriate.

[''(2) Timing.—The State shall comply with paragraph (1) with respect to a family—

[''(A) in the case of a family that, as of October 1, 2003, is not receiving assistance from the State program funded under this part, not later than 60 days after the family first receives assistance on the basis of the most recent application for the assistance; or

[''(B) in the case of a family that, as of such date, is receiving the assistance, not later than 12 months after the date of enactment of this subsection.

[''(3) State discretion.—A State shall have sole discretion, consistent with section 407, to define and design activities for families for purposes of this subsection, to develop methods for monitoring and reviewing progress pursuant to this subsection, and to make modifications to the plan as the State deems appropriate to assist the individual in increasing their degree of self-sufficiency.

[''(4) Rule of interpretation.—Nothing in this part shall preclude a State from requiring participation in work and any other activities the State deems appropriate for helping families achieve self-sufficiency and improving child well-being.''.

[(2) PENALTY FOR FAILURE TO ESTABLISH FAMILY SELF-SUFFICIENCY PLAN.—Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

[(A) in the paragraph heading, by inserting "OR ESTABLISH FAMILY SELF-SUFFICIENCY PLAN" after "RATES"; and

[(B) in subparagraph (A), by inserting "or 408(b)" after "407(a)".

[SEC. 110. WORK PARTICIPATION REQUIREMENTS.

[(a) ELIMINATION OF SEPARATE PARTICIPATION RATE REQUIREMENTS FOR 2-PARENT FAMILIES.—

[(1) IN GENERAL.—

[(A) Section 407 (42 U.S.C. 607) is amended in each of subsections (a) and (b) by striking paragraph (2).

[(B) Section 407(b)(4) (42 U.S.C. 607(b)(4)) is amended by striking "paragraphs (1)(B) and (2)(B)" and inserting "paragraph (1)(B)".

[(C) Section 407(c)(1) (42 U.S.C. 607(c)(1)) is amended by striking subparagraph (B).

[(D) Section 407(c)(2)(D) (42 U.S.C. 607(c)(2)(D)) is amended by striking "paragraphs (1)(B)(i) and (2)(B) of subsection (b)" and inserting "subsection (b)(1)(B)(i)".

[(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on October 1, 2002.

[(b) WORK PARTICIPATION REQUIREMENTS.—Section 407 (42 U.S.C. 607) is amended by striking all that precedes subsection (b)(3) and inserting the following:

["SEC. 407. WORK PARTICIPATION REQUIREMENTS.

["(a) PARTICIPATION RATE REQUIREMENTS.—A State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate equal to not less than—

["(1) 50 percent for fiscal year 2004;

["(2) 55 percent for fiscal year 2005;

["(3) 60 percent for fiscal year 2006;

["(4) 65 percent for fiscal year 2007; and

["(5) 70 percent for fiscal year 2008 and each succeeding fiscal year.

["(b) CALCULATION OF PARTICIPATION RATES.—

["(1) AVERAGE MONTHLY RATE.—For purposes of subsection (a), the participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

["(2) MONTHLY PARTICIPATION RATES; INCORPORATION OF 40-HOUR WORK WEEK STANDARD.—

["(A) IN GENERAL.—For purposes of paragraph (1), the participation rate of a State for a month is—

["(i) the total number of countable hours (as defined in subsection (c)) with respect to the counted families for the State for the month; divided by

["(ii) 160 multiplied by the number of counted families for the State for the month.

["(B) COUNTED FAMILIES DEFINED.—

["(i) IN GENERAL.—In subparagraph (A), the term 'counted family' means, with respect to a State and a month, a family that includes a work-eligible individual and that receives assistance in the month under the State program funded under this part, subject to clause (ii).

["(ii) STATE OPTION TO EXCLUDE CERTAIN FAMILIES.—At the option of a State, the term 'counted family' shall not include—

["(I) a family in the first month for which the family receives assistance from a State program funded under this part on the basis of the most recent application for such assistance; or

["(II) on a case-by-case basis, a family in which the youngest child has not attained 12 months of age.

["(iii) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN OR TRIBAL WORK PROGRAM.—At the option of a State, the term 'counted family' may include families in the State that are receiving assistance under a tribal family assistance plan approved under section 412 or under a tribal work program to which funds are provided under this part.

["(C) WORK-ELIGIBLE INDIVIDUAL DEFINED.—In this section, the term 'work-eligible individual' means an individual—

["(i) who is married or a single head of household; and

["(ii) whose needs are (or, but for sanctions under this part that have been in effect for more than 3 months (whether or not consecutive) in the preceding 12 months or under part D, would be) included in determining the amount of cash assistance to be provided to the family under the State program funded under this part.".

[(c) RECALIBRATION OF CASELOAD REDUCTION CREDIT.—

[(1) IN GENERAL.—Section 407(b)(3)(A)(ii) (42 U.S.C. 607(b)(3)(A)(ii)) is amended to read as follows:

["(ii) the average monthly number of families that received assistance under the State program funded under this part during the base year.".

[(2) CONFORMING AMENDMENT.—Section 407(b)(3)(B) (42 U.S.C. 607(b)(3)(B)) is amended by striking "and eligibility criteria" and all that follows through the close parenthesis and inserting "and the eligibility criteria in effect during the then applicable base year".

[(3) BASE YEAR DEFINED.—Section 407(b)(3) (42 U.S.C. 607(b)(3)) is amended by adding at the end the following:

["(C) BASE YEAR DEFINED.—In this paragraph, the term 'base year' means, with respect to a fiscal year—

["(I) if the fiscal year is fiscal year 2004, fiscal year 1996;

["(II) if the fiscal year is fiscal year 2005, fiscal year 1998;

["(III) if the fiscal year is fiscal year 2006, fiscal year 2001; or

["(IV) if the fiscal year is fiscal year 2007 or any succeeding fiscal year, the then 4th preceding fiscal year.".

[(d) SUPERACHIEVER CREDIT.—Section 407(b) (42 U.S.C. 607(b)) is amended by striking paragraphs (4) and (5) and inserting the following:

["(4) SUPERACHIEVER CREDIT.—

["(A) IN GENERAL.—The participation rate, determined under paragraphs (1) and (2) of this subsection, of a superachiever State for a fiscal year shall be increased by the lesser of—

["(i) the amount (if any) of the superachiever credit applicable to the State; or

["(ii) the number of percentage points (if any) by which the minimum participation rate required by subsection (a) for the fiscal year exceeds 50 percent.

["(B) SUPERACHIEVER STATE.—For purposes of subparagraph (A), a State is a superachiever State if the State caseload for fiscal year 2001 has declined by at least 60 percent from the State caseload for fiscal year 1995.

["(C) AMOUNT OF CREDIT.—The superachiever credit applicable to a State is the number of percentage points (if any) by which the decline referred to in subparagraph (B) exceeds 60 percent.

["(D) DEFINITIONS.—In this paragraph:

["(i) STATE CASELOAD FOR FISCAL YEAR 2001.—The term 'State caseload for fiscal year 2001' means the average monthly number of families that received assistance during fiscal year 2001 under the State program funded under this part.

["(ii) STATE CASELOAD FOR FISCAL YEAR 1995.—The term 'State caseload for fiscal year 1995' means the average monthly number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.".

[(e) COUNTABLE HOURS.—Section 407 of such Act (42 U.S.C. 607) is amended by striking subsections (c) and (d) and inserting the following:

["(c) COUNTABLE HOURS.—

["(1) DEFINITION.—In subsection (b)(2), the term 'countable hours' means, with respect to a family for a month, the total number of hours in the month in which any member of the family who is a work-eligible individual is engaged in a direct work activity or other activities specified by the State (excluding an activity that does not address a purpose specified in section 401(a)), subject to the other provisions of this subsection.

["(2) LIMITATIONS.—Subject to such regulations as the Secretary may prescribe:

["(A) MINIMUM WEEKLY AVERAGE OF 24 HOURS OF DIRECT WORK ACTIVITIES REQUIRED.—If the work-eligible individuals in a family are engaged in a direct work activity for an average total of fewer than 24 hours per week in a month, then the number of countable hours with respect to the family for the month shall be zero.

["(B) MAXIMUM WEEKLY AVERAGE OF 16 HOURS OF OTHER ACTIVITIES.—An average of not more than 16 hours per week of activities specified by the State (subject to the exclusion described in paragraph (1)) may be considered countable hours in a month with respect to a family.

["(3) SPECIAL RULES.—For purposes of paragraph (1):

["(A) PARTICIPATION IN QUALIFIED ACTIVITIES.—

["(i) IN GENERAL.—If, with the approval of the State, the work-eligible individuals in a family are engaged in 1 or more qualified activities for an average total of at least 24 hours per week in a month, then all such engagement in the month shall be considered engagement in a direct work activity, subject to clause (iii).

["(ii) QUALIFIED ACTIVITY DEFINED.—The term 'qualified activity' means an activity specified by the State (subject to the exclusion described in paragraph (1)) that meets such standards and criteria as the State may specify, including—

["(I) substance abuse counseling or treatment;

["(II) rehabilitation treatment and services;

["(III) work-related education or training directed at enabling the family member to work;

["(IV) job search or job readiness assistance; and

["(V) any other activity that addresses a purpose specified in section 401(a).

["(iii) LIMITATION.—

["(I) IN GENERAL.—Except as provided in subclause (II), clause (i) shall not apply to a family for more than 3 months in any period of 24 consecutive months.

["(II) SPECIAL RULE APPLICABLE TO EDUCATION AND TRAINING.—A State may, on a case-by-case basis, apply clause (i) to a work-eligible individual so that participation by the individual in education or training, if needed to permit the individual to complete a certificate program or other work-related education or training directed at enabling the individual to fill a known job need in a local area, may be considered countable hours with respect to the family of the individual for not more than 4 months in any period of 24 consecutive months.

["(B) SCHOOL ATTENDANCE BY TEEN HEAD OF HOUSEHOLD.—The work-eligible members of a family shall be considered to be engaged in a direct work activity for an average of 40 hours per week in a month if the family includes an individual who is married, or is a single head of household, who has not attained 20 years of age, and the individual—

["(i) maintains satisfactory attendance at secondary school or the equivalent in the month; or

["(ii) participates in education directly related to employment for an average of at least 20 hours per week in the month.

["(d) Direct Work Activity.—In this section, the term 'direct work activity' means—

["(1) unsubsidized employment;

["(2) subsidized private sector employment;

["(3) subsidized public sector employment;

["(4) on-the-job training;

["(5) supervised work experience; or

["(6) supervised community service.".

[(f) Penalties Against Individuals.—Section 407(e)(1) (42 U.S.C. 607(e)(1)) is amended to read as follows:

["(1) Reduction or termination of assistance.—

["(A) In general.—Except as provided in paragraph (2), if an individual in a family receiving assistance under a State program funded under this part fails to engage in activities required in accordance with this section, or other activities required by the State under the program, and the family does not otherwise engage in activities in accordance with the self-sufficiency plan established for the family pursuant to section 408(b), the State shall—

["(i) if the failure is partial or persists for not more than 1 month—

["(I) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the failure occurs; or

["(II) terminate all assistance to the family, subject to such good cause exceptions as the State may establish; or

["(ii) if the failure is total and persists for at least 2 consecutive months, terminate all cash payments to the family including qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for at least 1 month and thereafter until the State determines that the individual has resumed full participation in the activities, subject to such good cause exceptions as the State may establish.

["(B) Special rule.—

["(i) In general.—In the event of a conflict between a requirement of clause (i)(II) or (ii) of subparagraph (A) and a requirement of a State constitution, or of a State statute that, before 1966, obligated local government to provide assistance to needy parents and children, the State constitutional or statutory requirement shall control.

["(ii) Limitation.—Clause (i) of this subparagraph shall not apply after the 1-year period that begins with the date of the enactment of this subparagraph.".

[(g) Conforming Amendments.—

[(1) Section 407(f) (42 U.S.C. 607(f)) is amended in each of paragraphs (1) and (2) by striking "work activity described in subsection (d)" and inserting "direct work activity".

[(2) The heading of section 409(a)(14) (42 U.S.C. 609(a)(14)) is amended by inserting "OR REFUSING TO ENGAGE IN ACTIVITIES UNDER A FAMILY SELF-SUFFICIENCY PLAN" after "WORK".

[(h) Effective Date.—The amendments made by this section (other than subsection (a)) shall take effect on October 1, 2003.

[SEC. 111. MAINTENANCE OF EFFORT.

[(a) In General.—Section 409(a)(7) (42 U.S.C. 609(a)(7)) is amended—

[(1) in subparagraph (A) by striking "fiscal year 1998, 1999, 2000, 2001, 2002, or 2003" and inserting "fiscal year 2003, 2004, 2005, 2006, 2007, 2008, or 2009"; and

[(2) in subparagraph (B)(ii)—

[(A) by inserting "preceding" before "fiscal year"; and

[(B) by striking "for fiscal years 1997 through 2002,".

[(b) State Spending on Promoting Healthy Marriage.—

[(1) In general.—Section 404 (42 U.S.C. 604) is amended by adding at the end the following:

["(l) Marriage Promotion.—A State, territory, or tribal organization to which a grant is made under section 403(a)(2) may use a grant made to the State, territory, or tribal organization under any other provision of section 403 for marriage promotion activities, and the amount of any such grant so used shall be considered State funds for purposes of section 403(a)(2).".

[(2) Federal tanf funds used for marriage promotion disregarded for purposes of maintenance of effort requirement.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)), as amended by section 103(c) of this Act, is amended by adding at the end the following:

["(VI) Exclusion of federal tanf funds used for marriage promotion activities.—Such term does not include the amount of any grant made to the State under section 403 that is expended for a marriage promotion activity.".

[SEC. 112. PERFORMANCE IMPROVEMENT.

[(a) State Plans.—Section 402(a) (42 U.S.C. 602(a)) is amended—

[(1) in paragraph (1)—

[(A) in subparagraph (A)—

[(i) by redesignating clause (vi) and clause (vii) (as added by section 103(a) of this Act) as clauses (vii) and (viii), respectively; and

[(ii) by striking clause (v) and inserting the following:

["(v) The document shall—

["(I) describe how the State will pursue ending dependence of needy families on government benefits and reducing poverty by promoting job preparation and work;

["(II) describe how the State will encourage the formation and maintenance of healthy 2-parent married families, encourage responsible fatherhood, and prevent and reduce the incidence of out-of-wedlock pregnancies;

["(III) include specific, numerical, and measurable performance objectives for accomplishing subclauses (I) and (II), and with respect to subclause (I), include objectives consistent with the criteria used by the Secretary in establishing performance targets under section 403(a)(4)(B) if available; and

["(IV) describe the methodology that the State will use to measure State performance in relation to each such objective.

["(vi) Describe any strategies and programs the State may be undertaking to address—

["(I) employment retention and advancement for recipients of assistance under the program, including placement into high-demand jobs, and whether the jobs are identified using labor market information;

["(II) efforts to reduce teen pregnancy;

["(III) services for struggling and noncompliant families, and for clients with special problems; and

["(IV) program integration, including the extent to which employment and training services under the program are provided through the One-Stop delivery system created under the Workforce Investment Act of 1998, and the extent to which former recipients of such assistance have access to additional core, intensive, or training services funded through such Act."; and

[(B) in subparagraph (B), by striking clause (iii) (as so redesignated by section 107(b)(1) of this Act) and inserting the following:

["(iii) The document shall describe strategies and programs the State is undertaking to engage religious organizations in the provision of services funded under this part and efforts related to section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

["(iv) The document shall describe strategies to improve program management and performance."; and

[(2) in paragraph (4), by inserting "and tribal" after "that local".

[(b) Consultation With State Regarding Plan and Design of Tribal Programs.—Section 412(b)(1) (42 U.S.C. 612(b)(1)) is amended—

[(1) by striking "and" at the end of subparagraph (E);

[(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

[(3) by adding at the end the following:

["(G) provides an assurance that the State in which the tribe is located has been consulted regarding the plan and its design.".

[(c) Performance Measures.—Section 413 (42 U.S.C. 613) is amended by adding at the end the following:

["(k) Performance Improvement.—The Secretary, in consultation with the States, shall develop uniform performance measures designed to assess the degree of effectiveness, and the degree of improvement, of State programs funded under this part in accomplishing the purposes of this part.".

[(d) Annual Ranking of States.—Section 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking "long-term private sector jobs" and inserting "private sector jobs, the success of the recipients in retaining employment, the ability of the recipients to increase their wages".

[SEC. 113. DATA COLLECTION AND REPORTING.

[(a) Contents of Report.—Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended—

[(1) in the matter preceding clause (i), by inserting "and on families receiving assistance under State programs funded with other qualified State expenditures (as defined in section 409(a)(7)(B))" before the colon;

[(2) in clause (vii), by inserting "and minor parent" after "of each adult";

[(3) in clause (viii), by striking "and educational level";

[(4) in clause (ix), by striking ", and if the latter 2, the amount received";

[(5) in clause (x)—

[(A) by striking "each type of"; and

[(B) by inserting before the period "and, if applicable, the reason for receipt of the assistance for a total of more than 60 months";

[(6) in clause (xi), by striking the subclauses and inserting the following:

["(I) Subsidized private sector employment.

["(II) Unsubsidized employment.

["(III) Public sector employment, supervised work experience, or supervised community service.

["(IV) On-the-job training.

["(V) Job search and placement.

["(VI) Training.

["(VII) Education.

["(VIII) Other activities directed at the purposes of this part, as specified in the State plan submitted pursuant to section 402.";

[(7) in clause (xii), by inserting "and progress toward universal engagement" after "participation rates";

[(8) in clause (xiii), by striking "type and" before "amount of assistance";

[(9) in clause (xvi), by striking subclause (II) and redesignating subclauses (III) through (V) as subclauses (II) through (IV), respectively; and

[(10) by adding at the end the following:

["(xviii) The date the family first received assistance from the State program on the basis of the most recent application for such assistance.

["(xix) Whether a self-sufficiency plan is established for the family in accordance with section 408(b).

["(xx) With respect to any child in the family, the marital status of the parents at the birth of the child, and if the parents were not then married, whether the paternity of the child has been established.".

[(b) Use of Samples.—Section 411(a)(1)(B) (42 U.S.C. 611(a)(1)(B)) is amended—

[(1) in clause (i)—

[(A) by striking "a sample" and inserting "samples"; and

[(B) by inserting before the period ", except that the Secretary may designate core data elements that must be reported on all families"; and

[(2) in clause (ii), by striking "funded under this part" and inserting "described in subparagraph (A)".

[(c) Report on Families That Become Ineligible To Receive Assistance.—Section 411(a) (42 U.S.C. 611(a)) is amended—

[(1) by striking paragraph (5);

[(2) by redesignating paragraph (6) as paragraph (5); and

[(3) by inserting after paragraph (5) (as so redesignated) the following:

["(6) Report on families that become ineligible to receive assistance.—The report required by paragraph (1) for a fiscal quarter shall include for each month in the quarter the number of families and total number of individuals that, during the month, became ineligible to receive assistance under the State program funded under this part (broken down by the number of families that become so ineligible due to earnings, changes in family composition that result in increased earnings, sanctions, time limits, or other specified reasons).".

[(d) Regulations.—Section 411(a)(7) (42 U.S.C. 611(a)(7)) is amended—

[(1) by inserting "and to collect the necessary data" before "with respect to which reports";

[(2) by striking "subsection" and inserting "section"; and

[(3) by striking "in defining the data elements" and all that follows and inserting ", the National Governors' Association, the American Public Human Services Association, the National Conference of State Legislatures, and others in defining the data elements.".

[(e) Additional Reports by States.—Section 411 (42 U.S.C. 611) is amended—

[(1) by redesignating subsection (b) as subsection (e); and

[(2) by inserting after subsection (a) the following:

["(b) Annual Reports on Program Characteristics.—Not later than 90 days after the end of fiscal year 2004 and each succeeding fiscal year, each eligible State shall submit to the Secretary a report on the characteristics of the State program funded under this part and other State programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)). The report shall include, with respect to each such program, the program name, a description of program activities, the program purpose, the program eligibility criteria, the sources of program funding, the number of program beneficiaries, sanction policies, and any program work requirements.

["(c) Monthly Reports on Caseload.—Not later than 3 months after the end of a calendar month that begins 1 year or more after the enactment of this subsection, each eligible State shall submit to the Secretary a report on the number of families and total number of individuals receiving assistance in the calendar month under the State program funded under this part.

["(d) Annual Report on Performance Improvement.—Beginning with fiscal year 2005, not later than January 1 of each fiscal year, each eligible State shall submit to the Secretary a report on achievement and improvement during the preceding fiscal year under the numerical performance goals and measures under the State program funded under this part with respect to each of the matters described in section 402(a)(1)(A)(v).".

[(f) Annual Reports to Congress by the Secretary.—Section 411(e), as so redesignated by subsection (e) of this section, is amended—

[(1) in the matter preceding paragraph (1), by striking "and each fiscal year thereafter" and inserting "and by July 1 of each fiscal year thereafter";

[(2) in paragraph (2), by striking "families applying for assistance," and by striking the last comma; and

[(3) in paragraph (3), by inserting "and other programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))" before the semicolon.

[(g) Increased Analysis of State Single Audit Reports.—Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

["(f) Increased Analysis of State Single Audit Reports.—

["(1) In general.—Within 3 months after a State submits to the Secretary a report pursuant to section 7502(a)(1)(A) of title 31, United States Code, the Secretary shall analyze the report for the purpose of identifying the extent and nature of problems related to the oversight by the State of nongovernmental entities with respect to contracts entered into by such entities with the State program funded under this part, and determining what additional actions may be appropriate to help prevent and correct the problems.

["(2) Inclusion of program oversight section in annual report to the Congress.—The Secretary shall include in each report under subsection (e) a section on oversight of State programs funded under this part, including findings on the extent and nature of the problems referred to in paragraph (1), actions taken to resolve the problems, and to the extent the Secretary deems appropriate make recommendations on changes needed to resolve the problems.".

[SEC. 114. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

[(a) Tribal Family Assistance Grant.—Section 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)) is amended by striking "1997, 1998, 1999, 2000, 2001, and 2002" and inserting "2004 through 2008".

[(b) Grants for Indian Tribes That Received JOBS Funds.—Section 412(a)(2)(A) (42 U.S.C. 612(a)(2)(A)) is amended by striking "1997, 1998, 1999, 2000, 2001, and 2002" and inserting "2004 through 2008".

[SEC. 115. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

[(a) Secretary's Fund for Research, Demonstrations, and Technical Assistance.—Section 413 (42 U.S.C. 613), as amended by section 112(c) of this Act, is further amended by adding at the end the following:

["(l) Funding for Research, Demonstrations, and Technical Assistance.—

["(1) Appropriation.—

["(A) In general.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $102,000,000 for each of fiscal years 2003 through 2008, which shall be available to the Secretary for the purpose of conducting and supporting research and demonstration projects by public or private entities, and providing technical assistance to States, Indian tribal organizations, and such other entities as the Secretary may specify that are receiving a grant under this part, which shall be expended primarily on activities described in section 403(a)(2)(B), and which shall be in addition to any other funds made available under this part.

["(B) Extended availability of FY 2003 funds.—Funds appropriated under this paragraph for fiscal year 2003 shall remain available to the Secretary through fiscal year 2004, for use in accordance with this paragraph for fiscal year 2003.

["(2) Set aside for demonstration projects for coordination of provision of child welfare and TANF services to tribal families at risk of child abuse or neglect.—

["(A) In general.—Of the amounts made available under paragraph (1) for a fiscal year, $2,000,000 shall be awarded on a competitive basis to fund demonstration projects designed to test the effectiveness of tribal governments or tribal consortia in coordinating the provision to tribal families at risk of child abuse or neglect of child welfare services and services under tribal programs funded under this part.

["(B) Use of funds.—A grant made to such a project shall be used—

["(i) to improve case management for families eligible for assistance from such a tribal program;

["(ii) for supportive services and assistance to tribal children in out-of-home placements and the tribal families caring for such children, including families who adopt such children; and

["(iii) for prevention services and assistance to tribal families at risk of child abuse and neglect.

["(C) Reports.—The Secretary may require a recipient of funds awarded under this paragraph to provide the Secretary with such information as the Secretary deems relevant to enable the Secretary to facilitate and oversee the administration of any project for which funds are provided under this paragraph.".

[(b) Funding of Studies and Demonstrations.—Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended in the matter preceding subparagraph (A) by striking "1997 through 2002" and inserting "2004 through 2008".

[(c) Report on Enforcement of Certain Affidavits of Support and Sponsor Deeming.—Not later than March 31, 2004, the Secretary of Health and Human Services, in consultation with the Attorney General, shall submit to the Congress a report on the enforcement of affidavits of support and sponsor deeming as required by section 421, 422, and 432 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

[(d) Report on Coordination.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services and the Secretary of Labor shall jointly submit a report to the Congress describing common or conflicting data elements, definitions, performance measures, and reporting requirements in the Workforce Investment Act of 1998 and part A of title IV of the Social Security Act, and, to the degree each Secretary deems appropriate, at the discretion of either Secretary, any other program administered by the respective Secretary, to allow greater coordination between the welfare and workforce development systems.

[SEC. 116. STUDIES BY THE CENSUS BUREAU AND THE GENERAL ACCOUNTING OFFICE.

[(a) Census Bureau Study.—

[(1) In general.—Section 414(a) (42 U.S.C. 614(a)) is amended to read as follows:

["(a) In General.—The Bureau of the Census shall implement or enhance a longitudinal survey of program participation, developed in consultation with the Secretary and made available to interested parties, to allow for the assessment of the outcomes of continued welfare reform on the economic and child well-being of low-income families with children, including those who received assistance or services from a State program funded under this part, and, to the extent possible, shall provide State representative samples. The content of the survey should include such information as may be necessary to examine the issues of out-of-wedlock childbearing, marriage, welfare dependency and compliance with work requirements, the beginning and ending of spells of assistance, work, earnings and employment stability, and the well-being of children.".

[(2) Appropriation.—Section 414(b) (42 U.S.C. 614(b)) is amended—

[(A) by striking "1996," and all that follows through "2002" and inserting "2004 through 2008"; and

[(B) by adding at the end the following: "Funds appropriated under this subsection shall remain available through fiscal year 2008 to carry out subsection (a).".

[(b) GAO Study.—

[(1) In general.—The Comptroller General of the United States shall conduct a study to determine the combined effect of the phase-out rates for Federal programs and policies which provide support to low-income families and individuals as they move from welfare to work, at all earning levels up to $35,000 per year, for at least 5 States including Wisconsin and California, and any potential disincentives the combined phase-out rates create for families to achieve independence or to marry.

[(2) Report.—Not later than 1 year after the date of the enactment of this subsection, the Comptroller General shall submit a report to Congress containing the results of the study conducted under this section and, as appropriate, any recommendations consistent with the results.

[SEC. 117. DEFINITION OF ASSISTANCE.

[(a) In General.—Section 419 (42 U.S.C. 619) is amended by adding at the end the following:

["(6) Assistance.—

["(A) In general.—The term 'assistance' means payment, by cash, voucher, or other means, to or for an individual or family for the purpose of meeting a subsistence need of the individual or family (including food, clothing, shelter, and related items, but not including costs of transportation or child care).

["(B) Exception.—The term 'assistance' does not include a payment described in subparagraph (A) to or for an individual or family on a short-term, nonrecurring basis (as defined by the State in accordance with regulations prescribed by the Secretary).".

[(b) Conforming Amendments.—

[(1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is amended by striking "assistance" and inserting "aid".

[(2) Section 404(f) (42 U.S.C. 604(f)) is amended by striking "assistance" and inserting "benefits or services".

[(3) Section 408(a)(5)(B)(i) (42 U.S.C. 608(a)(5)(B)(i)) is amended in the heading by striking "ASSISTANCE" and inserting "AID".

[(4) Section 413(d)(2) (42 U.S.C. 613(d)(2)) is amended by striking "assistance" and inserting "aid".

[SEC. 118. TECHNICAL CORRECTIONS.

[(a) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is amended by inserting a comma after "appropriate".

[(b) Section 411(a)(1)(A)(ii)(III) (42 U.S.C. 611(a)(1)(A)(ii)(III)) is amended by striking the last close parenthesis.

[(c) Section 413(j)(2)(A) (42 U.S.C. 613(j)(2)(A)) is amended by striking "section" and inserting "sections".

[(d)(1) Section 413 (42 U.S.C. 613) is amended by striking subsection (g) and redesignating subsections (h) through (j) and subsections (k) and (l) (as added by sections 112(c) and 115(a) of this Act, respectively) as subsections (g) through (k), respectively.

[(2) Each of the following provisions is amended by striking "413(j)" and inserting "413(i)":

[(A) Section 403(a)(5)(A)(ii)(III) (42 U.S.C. 603(a)(5)(A)(ii)(III)).

[(B) Section 403(a)(5)(F) (42 U.S.C. 603(a)(5)(F)).

[(C) Section 403(a)(5)(G)(ii) (42 U.S.C. 603(a)(5)(G)(ii)).

[(D) Section 412(a)(3)(B)(iv) (42 U.S.C. 612(a)(3)(B)(iv)).

[SEC. 119. FATHERHOOD PROGRAM.

[(a) Short Title.—This section may be cited as the "Promotion and Support of Responsible Fatherhood and Healthy Marriage Act of 2003".

[(b) Fatherhood Program.—

[(1) In general.—Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) is amended by adding at the end the following:

["SEC. 117. FATHERHOOD PROGRAM.

["(a) In General.—Title IV (42 U.S.C. 601–679b) is amended by inserting after part B the following:

["'PART C—FATHERHOOD PROGRAM

["'SEC. 441. FINDINGS AND PURPOSES.

["'(a) Findings.—The Congress finds that there is substantial evidence strongly indicating the urgent need to promote and support involved, committed, and responsible fatherhood, and to encourage and support healthy marriages between parents raising children, including data demonstrating the following:

["'(1) In approximately 90 percent of cases where a parent is absent, that parent is the father.

["'(2) By some estimates, 60 percent of children born in the 1990's will spend a significant portion of their childhood in a home without a father.

["'(3) Nearly 75 percent of children in single-parent homes will experience poverty before they are 11 years old, compared with only 20 percent of children in 2-parent families.

["'(4) Low income is positively correlated with children's difficulties with education, social adjustment, and delinquency, and single-parent households constitute a disproportionate share of low-income households.

["'(5) Where families (whether intact or with a parent absent) are living in poverty, a significant factor is the father's lack of job skills.

["'(6) Children raised in 2-parent married families, on average, fare better as a group in key areas, including better school performance, reduced rates of substance abuse, crime, and delinquency, fewer health, emotional, and behavioral problems, lower rates of teenage sexual activity, less risk of abuse or neglect, and lower risk of teen suicide.

["'(7) Committed and responsible fathering during infancy and early childhood contributes to the development of emotional security, curiosity, and math and verbal skills.

["'(8) An estimated 24,000,000 children (33.5 percent) live apart from their biological father.

["'(9) A recent national survey indicates that of children under age 18 not living with their biological father, 37 percent had not seen their father even once in the last 12 months.

["'(b) Purposes.—The purposes of this part are:

["'(1) To provide for projects and activities by public entities and by nonprofit community entities, including religious organizations, designed to test promising approaches to accomplishing the following objectives:

["'(A) Promoting responsible, caring, and effective parenting through counseling, mentoring, and parenting education, dissemination of educational materials and information on parenting skills, encouragement of positive father involvement, including the positive involvement of nonresident fathers, and other methods.

["'(B) Enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take full advantage of education, job training, and job search programs, to improve work habits and work skills, to secure career advancement by activities such as outreach and information dissemination, coordination, as appropriate, with employment services and job training programs, including the One-Stop delivery system established under title I of the Workforce Investment Act of 1998, encouragement and support of timely payment of current child support and regular payment toward past due child support obligations in appropriate cases, and other methods.

["'(C) Improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in matters including household management, budgeting, banking, and handling of financial transactions, time management, and home maintenance.

["'(D) Encouraging and supporting healthy marriages and married fatherhood through such activities as premarital education, including the use of premarital inventories, marriage preparation programs, skills-based marriage education programs, marital therapy, couples counseling, divorce education and reduction programs, divorce mediation and counseling, relationship skills enhancement programs, including those designed to reduce child abuse and domestic violence, and dissemination of information about the benefits of marriage for both parents and children.

[‘‘‘(2) Through the projects and activities described in paragraph (1), to improve outcomes for children with respect to measures such as increased family income and economic security, improved school performance, better health, improved emotional and behavioral stability and social adjustment, and reduced risk of delinquency, crime, substance abuse, child abuse and neglect, teen sexual activity, and teen suicide.

[‘‘‘(3) To evaluate the effectiveness of various approaches and to disseminate findings concerning outcomes and other information in order to encourage and facilitate the replication of effective approaches to accomplishing these objectives.

[‘‘SEC. 442. DEFINITIONS.

[‘‘‘In this part, the terms ‘‘Indian tribe’’ and ‘‘tribal organization’’ have the meanings given them in subsections (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act.

[‘‘SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.

[‘‘‘(a) In General.—The Secretary may make grants for fiscal years 2004 through 2008 to public and nonprofit community entities, including religious organizations, and to Indian tribes and tribal organizations, for demonstration service projects and activities designed to test the effectiveness of various approaches to accomplish the objectives specified in section 441(b)(1).

[‘‘‘(b) Eligibility Criteria for Full Service Grants.—In order to be eligible for a grant under this section, except as specified in subsection (c), an entity shall submit an application to the Secretary containing the following:

[‘‘‘(1) Project description.—A statement including—

[‘‘‘(A) a description of the project and how it will be carried out, including the geographical area to be covered and the number and characteristics of clients to be served, and how it will address each of the 4 objectives specified in section 441(b)(1); and

[‘‘‘(B) a description of the methods to be used by the entity or its contractor to assess the extent to which the project was successful in accomplishing its specific objectives and the general objectives specified in section 441(b)(1).

[‘‘‘(2) Experience and qualifications.—A demonstration of ability to carry out the project, by means such as demonstration of experience in successfully carrying out projects of similar design and scope, and such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project, including the entity's ability to provide the non-Federal share of project resources.

[‘‘‘(3) Addressing child abuse and neglect and domestic violence.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

[‘‘‘(4) Addressing concerns relating to substance abuse and sexual activity.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

[‘‘‘(5) Coordination with specified programs.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs under parts A, B, and D of this title, including programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

[‘‘‘(6) Records, reports, and audits.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

[‘‘‘(7) Self-initiated evaluation.—If the entity elects to contract for independent evaluation of the project (part or all of the cost of which may be paid for using grant funds), a commitment to submit to the Secretary a copy of the evaluation report within 30 days after completion of the report and not more than 1 year after completion of the project.

[‘‘‘(8) Cooperation with Secretary's oversight and evaluation.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including random assignment of clients to service recipient and control groups, if determined by the Secretary to be appropriate, and affording the Secretary access to the project and to project-related records and documents, staff, and clients.

[‘‘‘(c) Eligibility Criteria for Limited Purpose Grants.—In order to be eligible for a grant under this section in an amount under $25,000 per fiscal year, an entity shall submit an application to the Secretary containing the following:

[‘‘‘(1) Project description.—A description of the project and how it will be carried out, including the number and characteristics of clients to be served, the proposed duration of the project, and how it will address at least 1 of the 4 objectives specified in section 441(b)(1).

[‘‘‘(2) Qualifications.—Such information as the Secretary may require as to the capacity of the entity to carry out the project, including any previous experience with similar activities.

[‘‘‘(3) Coordination with related programs.—As required by the Secretary in appropriate cases, an undertaking to coordinate and cooperate with State and local entities responsible for specific programs relating to the objectives of the project including, as appropriate, jobs programs and programs serving children and families.

[‘‘‘(4) Records, reports, and audits.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

[‘‘‘(5) Cooperation with Secretary's oversight and evaluation.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

[‘‘‘(d) Considerations in Awarding Grants.—

[‘‘‘(1) Diversity of projects.—In awarding grants under this section, the Secretary shall seek to achieve a balance among entities of differing sizes, entities in differing geographic areas, entities in urban and in rural areas, and entities employing differing methods of achieving the purposes of this section, including working with the State agency responsible for the administration of part D to help fathers satisfy child support arrearage obligations.

[‘‘‘(2) Preference for projects serving low-income fathers.—In awarding grants under this section, the Secretary may give preference to applications for projects in which a majority of the clients to be served are low-income fathers.

[‘‘‘(e) Federal Share.—

[‘‘‘(1) In general.—Grants for a project under this section for a fiscal year shall be available for a share of the cost of such project in such fiscal year equal to—

[‘‘‘(A) up to 80 percent (or up to 90 percent, if the entity demonstrates to the Secretary's satisfaction circumstances limiting the entity's ability to secure non-Federal resources) in the case of a project under subsection (b); and

[‘‘‘(B) up to 100 percent, in the case of a project under subsection (c).

[‘‘‘(2) Non-federal share.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

[‘‘SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION PROJECTS.

[‘‘‘(a) In General.—The Secretary may make grants under this section for fiscal years 2004 through 2008 to eligible entities (as specified in subsection (b)) for 2 multicity, multistate projects demonstrating approaches to achieving the objectives specified in section 441(b)(1). One of the projects shall test the use of married couples to deliver program services.

[‘‘‘(b) Eligible Entities.—An entity eligible for a grant under this section must be a national nonprofit fatherhood promotion organization that meets the following requirements:

[‘‘‘(1) Experience with fatherhood programs.—The organization must have substantial experience in designing and successfully conducting programs that meet the purposes described in section 441.

[‘‘‘(2) Experience with multicity, multistate programs and government coordination.—The organization must have experience in simultaneously conducting such programs in more than 1 major metropolitan area in more than 1 State and in coordinating such programs, where appropriate, with State and local government agencies and private, nonprofit agencies (including community-based and religious organizations), including State or local agencies responsible for child support enforcement and workforce development.

[‘‘‘(c) Application Requirements.—In order to be eligible for a grant under this section, an entity must submit to the Secretary an application that includes the following:

[‘‘‘(1) Qualifications.—

[‘‘‘(A) Eligible entity.—A demonstration that the entity meets the requirements of subsection (b).

[‘‘‘(B) Other.—Such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project, including the entity's ability to provide the non-Federal share of project resources.

[‘‘‘(2) Project description.—A description of and commitments concerning the project design, including the following:

[‘‘‘(A) In general.—A detailed description of the proposed project design and how it will be carried out, which shall—

[‘‘‘(i) provide for the project to be conducted in at least 3 major metropolitan areas;

[‘‘‘(ii) state how it will address each of the 4 objectives specified in section 441(b)(1);

[“‘(iii) demonstrate that there is a sufficient number of potential clients to allow for the random selection of individuals to participate in the project and for comparisons with appropriate control groups composed of individuals who have not participated in such projects; and

[“‘(iv) demonstrate that the project is designed to direct a majority of project resources to activities serving low-income fathers (but the project need not make services available on a means-tested basis).

[“‘(B) OVERSIGHT, EVALUATION, AND ADJUSTMENT COMPONENT.—An agreement that the entity—

[“‘(i) in consultation with the evaluator selected pursuant to section 445, and as required by the Secretary, will modify the project design, initially and (if necessary) subsequently throughout the duration of the project, in order to facilitate ongoing and final oversight and evaluation of project operation and outcomes (by means including, to the maximum extent feasible, random assignment of clients to service recipient and control groups), and to provide for midcourse adjustments in project design indicated by interim evaluations;

[“‘(ii) will submit to the Secretary revised descriptions of the project design as modified in accordance with clause (i); and

[“‘(iii) will cooperate fully with the Secretary's ongoing oversight and ongoing and final evaluation of the project, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

[“‘(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

[“‘(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

[“‘(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs funded under parts A, B, and D of this title, programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

[“‘(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits (in addition to those required under the preceding provisions of paragraph (2)) as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

[“‘(d) FEDERAL SHARE.—

[“‘(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be available for up to 80 percent of the cost of such project in such fiscal year.

[“‘(2) NON-FEDERAL SHARE.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

[“‘SEC. 445. EVALUATION.

[“‘(a) IN GENERAL.—The Secretary, directly or by contract or cooperative agreement, shall evaluate the effectiveness of service projects funded under sections 443 and 444 from the standpoint of the purposes specified in section 441(b)(1).

[“‘(b) EVALUATION METHODOLOGY.—Evaluations under this section shall—

[“‘(1) include, to the maximum extent feasible, random assignment of clients to service delivery and control groups and other appropriate comparisons of groups of individuals receiving and not receiving services;

[“‘(2) describe and measure the effectiveness of the projects in achieving their specific project goals; and

[“‘(3) describe and assess, as appropriate, the impact of such projects on marriage, parenting, domestic violence, child abuse and neglect, money management, employment and earnings, payment of child support, and child well-being, health, and education.

[“‘(c) EVALUATION REPORTS.—The Secretary shall publish the following reports on the results of the evaluation:

[“‘(1) An implementation evaluation report covering the first 24 months of the activities under this part to be completed by 36 months after initiation of such activities.

[“‘(2) A final report on the evaluation to be completed by September 30, 2011.

[“‘SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.

[“‘The Secretary is authorized, by grant, contract, or cooperative agreement, to carry out projects and activities of national significance relating to fatherhood promotion, including—

[“‘(1) COLLECTION AND DISSEMINATION OF INFORMATION.—Assisting States, communities, and private entities, including religious organizations, in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, developing, and making available (through the Internet and by other means) to all interested parties information regarding approaches to accomplishing the objectives specified in section 441(b)(1).

[“‘(2) MEDIA CAMPAIGN.—Developing, promoting, and distributing to interested States, local governments, public agencies, and private nonprofit organizations, including charitable and religious organizations, a media campaign that promotes and encourages involved, committed, and responsible fatherhood and married fatherhood.

[“‘(3) TECHNICAL ASSISTANCE.—Providing technical assistance, including consultation and training, to public and private entities, including community organizations and faith-based organizations, in the implementation of local fatherhood promotion programs.

[“‘(4) RESEARCH.—Conducting research related to the purposes of this part.

[“‘SEC. 447. NONDISCRIMINATION.

[“‘The projects and activities assisted under this part shall be available on the same basis to all fathers and expectant fathers able to benefit from such projects and activities, including married and unmarried fathers and custodial and noncustodial fathers, with particular attention to low-income fathers, and to mothers and expectant mothers on the same basis as to fathers.

[“‘SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RESERVATION FOR CERTAIN PURPOSE.

[“‘(a) AUTHORIZATION.—There are authorized to be appropriated $20,000,000 for each of fiscal years 2004 through 2008 to carry out the provisions of this part.

[“‘(b) RESERVATION.—Of the amount appropriated under this section for each fiscal year, not more than 15 percent shall be available for the costs of the multicity, multicounty, multistate demonstration projects under section 444, evaluations under section 445, and projects of national significance under section 446.’.

[“(b) INAPPLICABILITY OF EFFECTIVE DATE PROVISIONS.—Section 116 shall not apply to the amendment made by subsection (a) of this section.”.

[(2) CLERICAL AMENDMENT.—Section 2 of such Act is amended in the table of contents by inserting after the item relating to section 116 the following new item:

[“Sec. 117. Fatherhood program.”.

[SEC. 120. STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.

[Section 408 of the Social Security Act (42 U.S.C. 608) is amended by adding at the end the following:

[“(h) STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.—For purposes of section 121(b) of the Workforce Investment Act of 1998, a State program funded under part A of title IV of the Social Security Act shall be considered a program referred to in paragraph (1)(B) of such section, unless, after the date of the enactment of this subsection, the Governor of the State notifies the Secretaries of Health and Human Services and Labor in writing of the decision of the Governor not to make the State program a mandatory partner.”.

[SEC. 121. SENSE OF THE CONGRESS.

[It is the sense of the Congress that a State welfare-to-work program should include a mentoring program.

[SEC. 122. EXTENSION THROUGH FISCAL YEAR 2003.

[Except as otherwise provided in this Act and the amendments made by this Act, activities authorized by part A of title IV of the Social Security Act, and by section 1108(b) of the Social Security Act, shall continue through September 30, 2003, in the manner authorized, and at the level provided, for fiscal year 2002.

[TITLE II—CHILD CARE

[SEC. 201. SHORT TITLE.

[This title may be cited as the “Caring for Children Act of 2003”.

[SEC. 202. GOALS.

[(a) GOALS.—Section 658A(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended—

[(1) in paragraph (3) by striking “encourage” and inserting “assist”,

[(2) by amending paragraph (4) to read as follows:

[“(4) to assist States to provide child care to low-income parents;”,

[(3) by redesignating paragraph (5) as paragraph (7), and

[(4) by inserting after paragraph (4) the following:

[“(5) to encourage States to improve the quality of child care available to families;

[“(6) to promote school readiness by encouraging the exposure of young children in child care to nurturing environments and developmentally-appropriate activities, including activities to foster early cognitive and literacy development; and”.

[(b) CONFORMING AMENDMENT.—Section 658E(c)(3)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3)(B)) is amended by striking “through (5)” and inserting “through (7)”.

[SEC. 203. AUTHORIZATION OF APPROPRIATIONS.

[Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended—

[(1) by striking "is" and inserting "are", and

[(2) by striking "$1,000,000,000 for each of the fiscal years 1996 through 2002" and inserting "$2,100,000,000 for fiscal year 2003, $2,300,000,000 for fiscal year 2004, $2,500,000,000 for fiscal year 2005, $2,700,000,000 for fiscal year 2006, $2,900,000,000 for fiscal year 2007, and $3,100,000,000 for fiscal year 2008".

[SEC. 204. APPLICATION AND PLAN.

[Section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858C(c)(2)) is amended—

[(1) by amending subparagraph (D) to read as follows:

["(D) Consumer and child care provider education information.—Certify that the State will collect and disseminate, through resource and referral services and other means as determined by the State, to parents of eligible children, child care providers, and the general public, information regarding—

["(i) the promotion of informed child care choices, including information about the quality and availability of child care services;

["(ii) research and best practices on children's development, including early cognitive development;

["(iii) the availability of assistance to obtain child care services; and

["(iv) other programs for which families that receive child care services for which financial assistance is provided under this subchapter may be eligible, including the food stamp program, the WIC program under section 17 of the Child Nutrition Act of 1966, the child and adult care food program under section 17 of the Richard B. Russell National School Lunch Act, and the medicaid and SCHIP programs under titles XIX and XXI of the Social Security Act.", and

[(2) by inserting after subparagraph (H) the following:

["(I) Coordination with other early child care services and early childhood education programs.—Demonstrate how the State is coordinating child care services provided under this subchapter with Head Start, Early Reading First, Even Start, Ready-To-Learn Television, State pre-kindergarten programs, and other early childhood education programs to expand accessibility to and continuity of care and early education without displacing services provided by the current early care and education delivery system.

["(J) Public-private partnerships.—Demonstrate how the State encourages partnerships with private and other public entities to leverage existing service delivery systems of early childhood education and increase the supply and quality of child care services.

["(K) Child care service quality.—

["(i) Certification.—For each fiscal year after fiscal year 2004, certify that during the then preceding fiscal year the State was in compliance with section 658G and describe how funds were used to comply with such section during such preceding fiscal year.

["(ii) Strategy.—For each fiscal year after fiscal year 2004, contain an outline of the strategy the State will implement during such fiscal year for which the State plan is submitted, to address the quality of child care services in the State available to low-income parents from eligible child care providers, and include in such strategy—

["(I) a statement specifying how the State will address the activities described in paragraphs (1), (2), and (3) of section 658G;

["(II) a description of quantifiable, objective measures for evaluating the quality of child care services separately with respect to the activities listed in each of such paragraphs that the State will use to evaluate its progress in improving the quality of such child care services;

["(III) a list of State-developed child care service quality targets for such fiscal year quantified on the basis of such measures; and

["(IV) for each fiscal year after fiscal year 2004, a report on the progress made to achieve such targets during the then preceding fiscal year.

["(iii) Rule of construction.—Nothing in this subparagraph shall be construed to require that the State apply measures for evaluating quality to specific types of child care providers.

["(L) Access to care for certain populations.—Demonstrate how the State is addressing the child care needs of parents eligible for child care services for which financial assistance is provided under this subchapter who have children with special needs, work nontraditional hours, or require child care services for infants or toddlers.".

[SEC. 205. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

[Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended to read as follows:

["SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE SERVICES.

["A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 6 percent of the amount of such funds for activities provided through resource and referral services or other means, that are designed to improve the quality of child care services in the State available to low-income parents from eligible child care providers. Such activities include—

["(1) programs that provide training, education, and other professional development activities to enhance the skills of the child care workforce, including training opportunities for caregivers in informal care settings;

["(2) activities within child care settings to enhance early learning for young children, to promote early literacy, and to foster school readiness;

["(3) initiatives to increase the retention and compensation of child care providers, including tiered reimbursement rates for providers that meet quality standards as defined by the State; or

["(4) other activities deemed by the State to improve the quality of child care services provided in such State.".

[SEC. 206. REPORT BY SECRETARY.

[Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended to read as follows:

["SEC. 658L. REPORT BY SECRETARY.

["(a) Report Required.—Not later than October 1, 2005, and biennially thereafter, the Secretary shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate a report that contains the following:

["(1) A summary and analysis of the data and information provided to the Secretary in the State reports submitted under section 658K.

["(2) Aggregated statistics on the supply of, demand for, and quality of child care, early education, and non-school-hours programs.

["(3) An assessment, and where appropriate, recommendations for the Congress concerning efforts that should be undertaken to improve the access of the public to quality and affordable child care in the United States.

["(b) Collection of Information.—The Secretary may utilize the national child care data system available through resource and referral organizations at the local, State, and national level to collect the information required by subsection (a)(2).

[SEC. 207. DEFINITIONS.

[Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858N(4)(B)) is amended by striking "85 percent of the State median income" and inserting "income levels as established by the State, prioritized by need,".

[SEC. 208. ENTITLEMENT FUNDING.

[Section 418(a)(3) (42 U.S.C. 618(a)(3)) is amended—

[(1) by striking "and" at the end of subparagraph (E);

[(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

[(3) by adding at the end the following:

["(G) $2,917,000,000 for each of fiscal years 2004 through 2008.".

[TITLE III—CHILD SUPPORT

[SEC. 301. FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.

[(a) In General.—Section 457(a) (42 U.S.C. 657(a)) is amended—

[(1) in paragraph (1)(A), by inserting "subject to paragraph (7)" before the semicolon; and

[(2) by adding at the end the following:

["(7) Federal matching funds for limited pass through of child support payments to families receiving TANF.—Notwithstanding paragraph (1), a State shall not be required to pay to the Federal Government the Federal share of an amount collected during a month on behalf of a family that is a recipient of assistance under the State program funded under part A, to the extent that—

["(A) the State distributes the amount to the family;

["(B) the total of the amounts so distributed to the family during the month—

["(i) exceeds the amount (if any) that, as of December 31, 2001, was required under State law to be distributed to a family under paragraph (1)(B); and

["(ii) does not exceed the greater of—

["(I) $100; or

["(II) $50 plus the amount described in clause (i); and

["(C) the amount is disregarded in determining the amount and type of assistance provided to the family under the State program funded under part A.".

[(b) Effective Date.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2005.

[SEC. 302. STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.

[(a) In General.—Section 457(a) (42 U.S.C. 657(a)), as amended by section 301(a) of this Act, is amended—

[(1) in paragraph (2)(B), in the matter preceding clause (i), by inserting ", except as provided in paragraph (8)," after "shall"; and

[(2) by adding at the end the following:

["(8) State option to pass through all child support payments to families that formerly received TANF.—In lieu of applying paragraph (2) to any family described in paragraph (2), a State may distribute to the family any amount collected during a month on behalf of the family.".

[(b) Effective Date.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2005.

[SEC. 303. MANDATORY REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS FOR FAMILIES RECEIVING TANF.

[(a) In General.—Section 466(a)(10)(A)(i) (42 U.S.C. 666(a)(10)(A)(i)) is amended—

[(1) by striking "parent, or," and inserting "parent or"; and

[(2) by striking "upon the request of the State agency under the State plan or of either parent,".

[(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 2005.

[SEC. 304. MANDATORY FEE FOR SUCCESSFUL CHILD SUPPORT COLLECTION FOR FAMILY THAT HAS NEVER RECEIVED TANF.

[(a) In General.—Section 454(6)(B) (42 U.S.C. 654(6)(B)) is amended—

[(1) by inserting "(i)" after "(B)";

[(2) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

[(3) by adding "and" after the semicolon; and

[(4) by adding after and below the end the following new clause:

["(ii) in the case of an individual who has never received assistance under a State program funded under part A and for whom the State has collected at least $500 of support, the State shall impose an annual fee of $25 for each case in which services are furnished, which shall be retained by the State from support collected on behalf of the individual (but not from the 1st $500 so collected), paid by the individual applying for the services, recovered from the absent parent, or paid by the State out of its own funds (the payment of which from State funds shall not be considered as an administrative cost of the State for the operation of the plan, and such fees shall be considered income to the program);".

[(b) Conforming Amendment.—Section 457(a)(3) (42 U.S.C. 657(a)(3)) is amended to read as follows:

["(3) Families that never received assistance.—In the case of any other family, the State shall distribute to the family the portion of the amount so collected that remains after withholding any fee pursuant to section 454(6)(B)(ii).".

[(c) Effective Date.—The amendments made by this section shall take effect on October 1, 2004.

[SEC. 305. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.

[Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the procedures that the States use generally to locate custodial parents for whom child support has been collected but not yet distributed. The report shall include an estimate of the total amount of undistributed child support and the average length of time it takes undistributed child support to be distributed. To the extent the Secretary deems appropriate, the Secretary shall include in the report recommendations as to whether additional procedures should be established at the State or Federal level to expedite the payment of undistributed child support.

[SEC. 306. USE OF NEW HIRE INFORMATION TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.

[(a) In General.—Section 453(j) (42 U.S.C. 653(j)) is amended by adding at the end the following:

["(7) Information comparisons and disclosure to assist in administration of unemployment compensation programs.—

["(A) In general.—If a State agency responsible for the administration of an unemployment compensation program under Federal or State law transmits to the Secretary the name and social security account number of an individual, the Secretary shall, if the information in the National Directory of New Hires indicates that the individual may be employed, disclose to the State agency the name, address, and employer identification number of any putative employer of the individual, subject to this paragraph.

["(B) Condition on disclosure.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

["(C) Use of information.—A State agency may use information provided under this paragraph only for purposes of administering a program referred to in subparagraph (A).".

[(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 2004.

[SEC. 307. DECREASE IN AMOUNT OF CHILD SUPPORT ARREARAGE TRIGGERING PASSPORT DENIAL.

[(a) In General.—Section 452(k)(1) (42 U.S.C. 652(k)(1)) is amended by striking "$5,000" and inserting "$2,500".

[(b) Conforming Amendment.—Section 454(31) (42 U.S.C. 654(31)) is amended by striking "$5,000" and inserting "$2,500".

[(c) Effective Date.—The amendments made by this section shall take effect on October 1, 2004.

[SEC. 308. USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.

[(a) In General.—Section 464 (42 U.S.C. 664) is amended—

[(1) in subsection (a)(2)(A), by striking "(as that term is defined for purposes of this paragraph under subsection (c))"; and

[(2) in subsection (c)—

[(A) in paragraph (1)—

[(i) by striking "(1) Except as provided in paragraph (2), as used in" and inserting "In"; and

[(ii) by inserting "(whether or not a minor)" after "a child" each place it appears; and

[(B) by striking paragraphs (2) and (3).

[(b) Effective Date.—The amendments made by subsection (a) shall take effect on October 1, 2005.

[SEC. 309. GARNISHMENT OF COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES IN ORDER TO ENFORCE CHILD SUPPORT OBLIGATIONS.

[(a) In General.—Section 459(h) (42 U.S.C. 659(h)) is amended—

[(1) in paragraph (1)(A)(ii)(V), by striking all that follows "Armed Forces" and inserting a semicolon; and

[(2) by adding at the end the following:

["(3) Limitations with respect to compensation paid to veterans for service-connected disabilities.—Notwithstanding any other provision of this section:

["(A) Compensation described in paragraph (1)(A)(ii)(V) shall not be subject to withholding pursuant to this section—

["(i) for payment of alimony; or

["(ii) for payment of child support if the individual is fewer than 60 days in arrears in payment of the support.

["(B) Not more than 50 percent of any payment of compensation described in paragraph (1)(A)(ii)(V) may be withheld pursuant to this section.".

[(b) Effective Date.—The amendments made by subsection (a) shall take effect on October 1, 2005.

[SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRACTICES.

[(a) In General.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows:

["(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (c)(3)(A) shall not apply. Subsection (c)(3)(A) shall apply with respect to past due support being enforced by the State notwithstanding any other provision of law, including sections 207 and 1631(d)(1) of the Social Security Act (42 U.S.C. 407 and 1383(d)(1)), section 413(b) of Public law 91–173 (30 U.S.C. 923(b)), and section 14 of the Act of August 29, 1935 (45 U.S.C. 231m).".

[(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 2004.

[SEC. 311. MAINTENANCE OF TECHNICAL ASSISTANCE FUNDING.

[Section 452(j) (42 U.S.C. 652(j)) is amended by inserting "or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater," before "which shall be available".

[SEC. 312. MAINTENANCE OF FEDERAL PARENT LOCATOR SERVICE FUNDING.

[Section 453(o) (42 U.S.C. 653(o)) is amended—

[(1) in the 1st sentence, by inserting "or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater," before "which shall be available"; and

[(2) in the 2nd sentence, by striking "for each of fiscal years 1997 through 2001".

[TITLE IV—CHILD WELFARE

[SEC. 401. EXTENSION OF AUTHORITY TO APPROVE DEMONSTRATION PROJECTS.

[Section 1130(a)(2) (42 U.S.C. 1320a–9(a)(2)) is amended by striking "2002" and inserting "2008".

[SEC. 402. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS.

[Section 1130(a)(2) (42 U.S.C. 1320a–9(a)(2)) is amended by striking "not more than 10".

[SEC. 403. ELIMINATION OF LIMITATION ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT DEMONSTRATION PROJECTS ON SAME TOPIC.

[Section 1130 (42 U.S.C. 1320a–9) is amended by adding at the end the following:

["(h) No Limit on Number of States That May Be Granted Waivers To Conduct Same or Similar Demonstration Projects.—The Secretary shall not refuse to grant a waiver to a State under this section on the grounds that a purpose of the waiver or of the demonstration project for which the waiver is necessary would be the same as or similar to a purpose of another waiver or project that is or may be conducted under this section.".

[SEC. 404. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS THAT MAY BE GRANTED TO A SINGLE STATE FOR DEMONSTRATION PROJECTS.

[Section 1130 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

["(i) No Limit on Number of Waivers Granted to, or Demonstration Projects That May Be Conducted by, a Single

State.—The Secretary shall not impose any limit on the number of waivers that may be granted to a State, or the number of demonstration projects that a State may be authorized to conduct, under this section.''.

[SEC. 405. STREAMLINED PROCESS FOR CONSIDERATION OF AMENDMENTS TO AND EXTENSIONS OF DEMONSTRATION PROJECTS REQUIRING WAIVERS.

[Section 1130 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

[''(j) Streamlined Process for Consideration of Amendments and Extensions.—The Secretary shall develop a streamlined process for consideration of amendments and extensions proposed by States to demonstration projects conducted under this section.''.

[SEC. 406. AVAILABILITY OF REPORTS.

[Section 1130 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

[''(k) Availability of Reports.—The Secretary shall make available to any State or other interested party any report provided to the Secretary under subsection (f)(2), and any evaluation or report made by the Secretary with respect to a demonstration project conducted under this section, with a focus on information that may promote best practices and program improvements.''.

[SEC. 407. TECHNICAL CORRECTION.

[Section 1130(b)(1) (42 U.S.C. 1320a–9(b)(1)) is amended by striking ''422(b)(9)'' and inserting ''422(b)(10)''.

[TITLE V—SUPPLEMENTAL SECURITY INCOME

[SEC. 501. REVIEW OF STATE AGENCY BLINDNESS AND DISABILITY DETERMINATIONS.

[Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following:

[''(e)(1) The Commissioner of Social Security shall review determinations, made by State agencies pursuant to subsection (a) in connection with applications for benefits under this title on the basis of blindness or disability, that individuals who have attained 18 years of age are blind or disabled as of a specified onset date. The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination.

[''(2)(A) In carrying out paragraph (1), the Commissioner of Social Security shall review—

[''(i) at least 20 percent of all determinations referred to in paragraph (1) that are made in fiscal year 2004;

[''(ii) at least 40 percent of all such determinations that are made in fiscal year 2005; and

[''(iii) at least 50 percent of all such determinations that are made in fiscal year 2006 or thereafter.

[''(B) In carrying out subparagraph (A), the Commissioner of Social Security shall, to the extent feasible, select for review the determinations which the Commissioner of Social Security identifies as being the most likely to be incorrect.''.

[TITLE VI—STATE AND LOCAL FLEXIBILITY

[SEC. 601. PROGRAM COORDINATION DEMONSTRATION PROJECTS.

[(a) Purpose.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families, using innovative approaches to strengthen service systems and provide more coordinated and effective service delivery.

[(b) Definitions.—In this section:

[(1) Administering secretary.—The term ''administering Secretary'' means, with respect to a qualified program, the head of the Federal agency responsible for administering the program.

[(2) Qualified program.—The term ''qualified program'' means—

[(A) a program under part A of title IV of the Social Security Act;

[(B) the program under title XX of such Act;

[(C) activities funded under title I of the Workforce Investment Act of 1998, except subtitle C of such title;

[(D) a demonstration project authorized under section 505 of the Family Support Act of 1988;

[(E) activities funded under the Wagner-Peyser Act;

[(F) activities funded under the Adult Education and Family Literacy Act;

[(G) activities funded under the Child Care and Development Block Grant Act of 1990;

[(H) activities funded under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), except that such term shall not include—

[(i) any program for rental assistance under section 8 of such Act (42 U.S.C. 1437f); and

[(ii) the program under section 7 of such Act (42 U.S.C. 1437e) for designating public housing for occupancy by certain populations;

[(I) activities funded under title I, II, III, or IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11301 et seq.); or

[(J) the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)).

[(c) Application Requirements.—The head of a State entity or of a sub-State entity administering 2 or more qualified programs proposed to be included in a demonstration project under this section shall (or, if the project is proposed to include qualified programs administered by 2 or more such entities, the heads of the administering entities (each of whom shall be considered an applicant for purposes of this section) shall jointly) submit to the administering Secretary of each such program an application that contains the following:

[(1) Programs included.—A statement identifying each qualified program to be included in the project, and describing how the purposes of each such program will be achieved by the project.

[(2) Population served.—A statement identifying the population to be served by the project and specifying the eligibility criteria to be used.

[(3) Description and justification.—A detailed description of the project, including—

[(A) a description of how the project is expected to improve or enhance achievement of the purposes of the programs to be included in the project, from the standpoint of quality, of cost-effectiveness, or of both; and

[(B) a description of the performance objectives for the project, including any proposed modifications to the performance measures and reporting requirements used in the programs.

[(4) Waivers requested.—A description of the statutory and regulatory requirements with respect to which a waiver is requested in order to carry out the project, and a justification of the need for each such waiver.

[(5) Cost neutrality.—Such information and assurances as necessary to establish to the satisfaction of the administering Secretary, in consultation with the Director of the Office of Management and Budget, that the proposed project is reasonably expected to meet the applicable cost neutrality requirements of subsection (d)(4).

[(6) Evaluation and reports.—An assurance that the applicant will conduct ongoing and final evaluations of the project, and make interim and final reports to the administering Secretary, at such times and in such manner as the administering Secretary may require.

[(7) Public housing agency plan.—In the case of an application proposing a demonstration project that includes activities referred to in subsection (b)(2)(H) of this section—

[(A) a certification that the applicable annual public housing agency plan of any agency affected by the project that is approved under section 5A of the United States Housing Act of 1937 (42 U.S.C. 1437c–1) by the Secretary includes the information specified in paragraphs (1) through (4) of this subsection; and

[(B) any resident advisory board recommendations, and other information, relating to the project that, pursuant to section 5A(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437c–1(e)(2), is required to be included in the public housing agency plan of any public housing agency affected by the project.

[(8) Other information and assurances.—Such other information and assurances as the administering Secretary may require.

[(d) Approval of Applications.—

[(1) In general.—The administering Secretary with respect to a qualified program that is identified in an application submitted pursuant to subsection (c) may approve the application and, except as provided in paragraph (2), waive any requirement applicable to the program, to the extent consistent with this section and necessary and appropriate for the conduct of the demonstration project proposed in the application, if the administering Secretary determines that the project—

[(A) has a reasonable likelihood of achieving the objectives of the programs to be included in the project;

[(B) may reasonably be expected to meet the applicable cost neutrality requirements of paragraph (4), as determined by the Director of the Office of Management and Budget; and

[(C) includes the coordination of 2 or more qualified programs.

[(2) Provisions excluded from waiver authority.—A waiver shall not be granted under paragraph (1)—

[(A) with respect to any provision of law relating to—

[(i) civil rights or prohibition of discrimination;

[(ii) purposes or goals of any program;

[(iii) maintenance of effort requirements;

[(iv) health or safety;

[(v) labor standards under the Fair Labor Standards Act of 1938; or

[(vi) environmental protection;

[(B) with respect to section 241(a) of the Adult Education and Family Literacy Act;

[(C) in the case of a program under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), with respect to any requirement under section 5A of such Act (42 U.S.C. 1437c–1; relating to public housing agency plans and resident advisory boards);

[(D) in the case of a program under the Workforce Investment Act, with respect to any requirement the waiver of which would violate section 189(i)(4)(A)(i) of such Act;

[(E) in the case of the food stamp program (as defined in section 3(h) of the Food Stamp

Act of 1977 (7 U.S.C. 2012(h)), with respect to any requirement under—

[(i) section 6 (if waiving a requirement under such section would have the effect of expanding eligibility for the program), 7(b) or 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

[(ii) title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1601 et seq.);

[(F) with respect to any requirement that a State pass through to a sub-State entity part or all of an amount paid to the State;

[(G) if the waiver would waive any funding restriction or limitation provided in an appropriations Act, or would have the effect of transferring appropriated funds from 1 appropriations account to another; or

[(H) except as otherwise provided by statute, if the waiver would waive any funding restriction applicable to a program authorized under an Act which is not an appropriations Act (but not including program requirements such as application procedures, performance standards, reporting requirements, or eligibility standards), or would have the effect of transferring funds from a program for which there is direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to another program.

[(3) AGREEMENT OF EACH ADMINISTERING SECRETARY REQUIRED.—

[(A) IN GENERAL.—An applicant may not conduct a demonstration project under this section unless each administering Secretary with respect to any program proposed to be included in the project has approved the application to conduct the project.

[(B) AGREEMENT WITH RESPECT TO FUNDING AND IMPLEMENTATION.—Before approving an application to conduct a demonstration project under this section, an administering Secretary shall have in place an agreement with the applicant with respect to the payment of funds and responsibilities required of the administering Secretary with respect to the project.

[(4) COST-NEUTRALITY REQUIREMENT.—

[(A) GENERAL RULE.—Notwithstanding any other provision of law (except subparagraph (B)), the total of the amounts that may be paid by the Federal Government for a fiscal year with respect to the programs in the State in which an entity conducting a demonstration project under this section is located that are affected by the project shall not exceed the estimated total amount that the Federal Government would have paid for the fiscal year with respect to the programs if the project had not been conducted, as determined by the Director of the Office of Management and Budget.

[(B) SPECIAL RULE.—If an applicant submits to the Director of the Office of Management and Budget a request to apply the rules of this subparagraph to the programs in the State in which the applicant is located that are affected by a demonstration project proposed in an application submitted by the applicant pursuant to this section, during such period of not more than 5 consecutive fiscal years in which the project is in effect, and the Director determines, on the basis of supporting information provided by the applicant, to grant the request, then, notwithstanding any other provision of law, the total of the amounts that may be paid by the Federal Government for the period with respect to the programs shall not exceed the estimated total amount that the Federal Government would have paid for the period with respect to the programs if the project had not been conducted.

[(5) 90-DAY APPROVAL DEADLINE.—

[(A) IN GENERAL.—If an administering Secretary receives an application to conduct a demonstration project under this section and does not disapprove the application within 90 days after the receipt, then—

[(i) the administering Secretary is deemed to have approved the application for such period as is requested in the application, except to the extent inconsistent with subsection (e); and

[(ii) any waiver requested in the application which applies to a qualified program that is identified in the application and is administered by the administering Secretary is deemed to be granted, except to the extent inconsistent with paragraph (2) or (4) of this subsection.

[(B) DEADLINE EXTENDED IF ADDITIONAL INFORMATION IS SOUGHT.—The 90-day period referred to in subparagraph (A) shall not include any period that begins with the date the Secretary requests the applicant to provide additional information with respect to the application and ends with the date the additional information is provided.

[(e) DURATION OF PROJECTS.—A demonstration project under this section may be approved for a term of not more than 5 years.

[(f) REPORTS TO CONGRESS.—

[(1) REPORT ON DISPOSITION OF APPLICATIONS.—Within 90 days after an administering Secretary receives an application submitted pursuant to this section, the administering Secretary shall submit to each Committee of the Congress which has jurisdiction over a qualified program identified in the application notice of the receipt, a description of the decision of the administering Secretary with respect to the application, and the reasons for approving or disapproving the application.

[(2) REPORTS ON PROJECTS.—Each administering Secretary shall provide annually to the Congress a report concerning demonstration projects approved under this section, including—

[(A) the projects approved for each applicant;

[(B) the number of waivers granted under this section, and the specific statutory provisions waived;

[(C) how well each project for which a waiver is granted is improving or enhancing program achievement from the standpoint of quality, cost-effectiveness, or both;

[(D) how well each project for which a waiver is granted is meeting the performance objectives specified in subsection (c)(3)(B);

[(E) how each project for which a waiver is granted is conforming with the cost-neutrality requirements of subsection (d)(4); and

[(F) to the extent the administering Secretary deems appropriate, recommendations for modification of programs based on outcomes of the projects.

[(g) AMENDMENT TO UNITED STATES HOUSING ACT OF 1937.—Section 5A(d) of the United States Housing Act of 1937 (42 U.S.C. 1437c–1(d)) is amended—

[(1) by redesignating paragraph (18) as paragraph (19); and

[(2) by inserting after paragraph (17) the following new paragraph:

["(18) PROGRAM COORDINATION DEMONSTRATION PROJECTS.—In the case of an agency that administers an activity referred to in section 701(b)(2)(H) of the Personal Responsibility, Work, and Family Promotion Act of 2003 that, during such fiscal year, will be included in a demonstration project under section 701 of such Act, the information that is required to be included in the application for the project pursuant to paragraphs (1) through (4) of section 701(b) of such Act.".

[SEC. 602. STATE FOOD ASSISTANCE BLOCK GRANT DEMONSTRATION PROJECT.

[The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

["SEC. 28. STATE FOOD ASSISTANCE BLOCK GRANT DEMONSTRATION PROJECT.

["(a) ESTABLISHMENT.—The Secretary shall establish a program to make grants to States in accordance with this section to provide—

["(1) food assistance to needy individuals and families residing in the State;

["(2) funds to operate an employment and training program under subsection (g) for needy individuals under the program; and

["(3) funds for administrative costs incurred in providing the assistance.

["(b) ELECTION.—

["(1) IN GENERAL.—A State may elect to participate in the program established under subsection (a).

["(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently reverse the election of the State only once thereafter. Following the reversal, the State shall only be eligible to participate in the food stamp program in accordance with the other sections of this Act and shall not receive a block grant under this section.

["(3) PROGRAM EXCLUSIVE.—A State that is participating in the program established under subsection (a) shall not be subject to, or receive any benefit under, this Act except as provided in this section.

["(c) LEAD AGENCY.—

["(1) DESIGNATION.—A State desiring to participate in the program established under subsection (a) shall designate, in an application submitted to the Secretary under subsection (d)(1), an appropriate State agency that complies with paragraph (2) to act as the lead agency for the State.

["(2) DUTIES.—The lead agency shall—

["(A) administer, either directly, through other State agencies, or through local agencies, the assistance received under this section by the State;

["(B) develop the State plan to be submitted to the Secretary under subsection (d)(1); and

["(C) coordinate the provision of food assistance under this section with other Federal, State, and local programs.

["(d) APPLICATION AND PLAN.—

["(1) APPLICATION.—To be eligible to receive assistance under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall by regulation require, including—

["(A) an assurance that the State will comply with the requirements of this section;

["(B) a State plan that meets the requirements of paragraph (2); and

["(C) an assurance that the State will comply with the requirements of the State plan under paragraph (2).

["(2) REQUIREMENTS OF PLAN.—

["(A) LEAD AGENCY.—The State plan shall identify the lead agency.

["(B) USE OF BLOCK GRANT FUNDS.—The State plan shall provide that the State shall use the amounts provided to the State for each fiscal year under this section—

["(i) to provide food assistance to needy individuals and families residing in the State, other than residents of institutions who are ineligible for food stamps under section 3(i);

["(ii) to administer an employment and training program under subsection (g) for needy individuals under the program and to provide reimbursements to needy individuals and families as would be allowed under section 16(h)(3); and

[''(iii) to pay administrative costs incurred in providing the assistance.

[''(C) ASSISTANCE FOR ENTIRE STATE.—The State plan shall provide that benefits under this section shall be available throughout the entire State.

[''(D) NOTICE AND HEARINGS.—The State plan shall provide that an individual or family who applies for, or receives, assistance under this section shall be provided with notice of, and an opportunity for a hearing on, any action under this section that adversely affects the individual or family.

[''(E) OTHER ASSISTANCE.—

[''(i) COORDINATION.—The State plan may coordinate assistance received under this section with assistance provided under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

[''(ii) PENALTIES.—If an individual or family is penalized for violating part A of title IV of the Act, the State plan may reduce the amount of assistance provided under this section or otherwise penalize the individual or family.

[''(F) ELIGIBILITY LIMITATIONS.—The State plan shall describe the income and resource eligibility limitations that are established for the receipt of assistance under this section.

[''(G) RECEIVING BENEFITS IN MORE THAN 1 JURISDICTION.—The State plan shall establish a system to verify and otherwise ensure that no individual or family shall receive benefits under this section in more than 1 jurisdiction within the State.

[''(H) PRIVACY.—The State plan shall provide for safeguarding and restricting the use and disclosure of information about any individual or family receiving assistance under this section.

[''(I) OTHER INFORMATION.—The State plan shall contain such other information as may be required by the Secretary.

[''(3) APPROVAL OF APPLICATION AND PLAN.—During fiscal years 2004 through 2008, the Secretary may approve the applications and State plans that satisfy the requirements of this section of not more than 5 States for a term of not more than 5 years.

[''(e) CONSTRUCTION OF FACILITIES.—No funds made available under this section shall be expended for the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building or facility.

[''(f) BENEFITS FOR ALIENS.—No individual shall be eligible to receive benefits under a State plan approved under subsection (d)(3) if the individual is not eligible to participate in the food stamp program under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1601 et seq.).

[''(g) EMPLOYMENT AND TRAINING.—Each State shall implement an employment and training program for needy individuals under the program.

[''(h) ENFORCEMENT.—

[''(1) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this section and the State plan approved under subsection (d)(3).

[''(2) NONCOMPLIANCE.—

[''(A) IN GENERAL.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds that—

[''(i) there has been a failure by the State to comply substantially with any provision or requirement set forth in the State plan approved under subsection (d)(3); or

[''(ii) in the operation of any program or activity for which assistance is provided under this section, there is a failure by the State to comply substantially with any provision of this section, the Secretary shall notify the State of the finding and that no further payments will be made to the State under this section (or, in the case of noncompliance in the operation of a program or activity, that no further payments to the State will be made with respect to the program or activity) until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

[''(B) OTHER SANCTIONS.—In the case of a finding of noncompliance made pursuant to subparagraph (A), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (A), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

[''(C) NOTICE.—The notice required under subparagraph (A) shall include a specific identification of any additional sanction being imposed under subparagraph (B).

[''(3) ISSUANCE OF REGULATIONS.—The Secretary shall establish by regulation procedures for—

[''(A) receiving, processing, and determining the validity of complaints concerning any failure of a State to comply with the State plan or any requirement of this section; and

[''(B) imposing sanctions under this section.

[''(i) PAYMENTS.—

[''(1) IN GENERAL.—For each fiscal year, the Secretary shall pay to a State that has an application approved by the Secretary under subsection (d)(3) an amount that is equal to the allotment of the State under subsection (l)(2) for the fiscal year.

[''(2) METHOD OF PAYMENT.—The Secretary shall make payments to a State for a fiscal year under this section by issuing 1 or more letters of credit for the fiscal year, with necessary adjustments on account of overpayments or underpayments, as determined by the Secretary.

[''(3) SPENDING OF FUNDS BY STATE.—

[''(A) IN GENERAL.—Except as provided in subparagraph (B), payments to a State from an allotment under subsection (l)(2) for a fiscal year may be expended by the State only in the fiscal year.

[''(B) CARRYOVER.—The State may reserve up to 10 percent of an allotment under subsection (l)(2) for a fiscal year to provide assistance under this section in subsequent fiscal years, except that the reserved funds may not exceed 30 percent of the total allotment received under this section for a fiscal year.

[''(4) PROVISION OF FOOD ASSISTANCE.—A State may provide food assistance under this section in any manner determined appropriate by the State to provide food assistance to needy individuals and families in the State, such as electronic benefits transfer limited to food purchases, coupons limited to food purchases, or direct provision of commodities.

[''(5) DEFINITION OF FOOD ASSISTANCE.—In this section, the term 'food assistance' means assistance that may be used only to obtain food, as defined in section 3(g).

[''(j) AUDITS.—

[''(1) REQUIREMENT.—After the close of each fiscal year, a State shall arrange for an audit of the expenditures of the State during the program period from amounts received under this section.

[''(2) INDEPENDENT AUDITOR.—An audit under this section shall be conducted by an entity that is independent of any agency administering activities that receive assistance under this section and be in accordance with generally accepted auditing principles.

[''(3) PAYMENT ACCURACY.—Each annual audit under this section shall include an audit of payment accuracy under this section that shall be based on a statistically valid sample of the caseload in the State.

[''(4) SUBMISSION.—Not later than 30 days after the completion of an audit under this section, the State shall submit a copy of the audit to the legislature of the State and to the Secretary.

[''(5) REPAYMENT OF AMOUNTS.—Each State shall repay to the United States any amounts determined through an audit under this section to have not been expended in accordance with this section or to have not been expended in accordance with the State plan, or the Secretary may offset the amounts against any other amount paid to the State under this section.

[''(k) NONDISCRIMINATION.—

[''(1) IN GENERAL.—The Secretary shall not provide financial assistance for any program, project, or activity under this section if any person with responsibilities for the operation of the program, project, or activity discriminates with respect to the program, project, or activity because of race, religion, color, national origin, sex, or disability.

[''(2) ENFORCEMENT.—The powers, remedies, and procedures set forth in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) may be used by the Secretary to enforce paragraph (1).

[''(l) ALLOTMENTS.—

[''(1) DEFINITION OF STATE.—In this section, the term 'State' means each of the 50 States, the District of Columbia, Guam, and the Virgin Islands of the United States.

[''(2) STATE ALLOTMENT.—

[''(A) IN GENERAL.—Except as provided in subparagraph (B), from the amounts made available under section 18 of this Act for each fiscal year, the Secretary shall allot to each State participating in the program established under subsection (a) an amount that is equal to the sum of—

[''(i) the greater of, as determined by the Secretary—

[''(I) the total dollar value of all benefits issued under the food stamp program established under this Act by the State during fiscal year 2003; or

[''(II) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during each of fiscal years 2001 through 2003; and

[''(ii) the greater of, as determined by the Secretary—

[''(I) the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for fiscal year 2003; or

[''(II) the average per fiscal year of the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for each of fiscal years 2001 through 2003.

[''(B) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph

(A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.".

[TITLE VII—ABSTINENCE EDUCATION

[SEC. 701. EXTENSION OF ABSTINENCE EDUCATION PROGRAM.

[(a) EXTENSION OF APPROPRIATIONS.—Section 510(d) (42 U.S.C. 710(d)) is amended by striking "2002" and inserting "2008".

[(b) ALLOTMENT OF FUNDS.—Section 510(a) (42 U.S.C. 710(a)) is amended—

[(1) in the matter preceding paragraph (1), by striking "an application for the fiscal year under section 505(a)" and inserting ", for the fiscal year, an application under section 505(a), and an application under this section (in such form and meeting such terms and conditions as determined appropriate by the Secretary),"; and

[(2) in paragraph (2), to read as follows:

["(2) the percentage that would be determined for the State under section 502(c)(1)(B)(ii) if the calculation under such section took into consideration only those States that transmitted both such applications for such fiscal year.".

[(c) REALLOTMENT OF FUNDS.—Section 510 (42 U.S.C. 710(a)) is amended by adding at the end the following new subsection:

["(e)(1) With respect to allotments under subsection (a) for fiscal year 2004 and subsequent fiscal years, the amount of any allotment to a State for a fiscal year that the Secretary determines will not be required to carry out a program under this section during such fiscal year or the succeeding fiscal year shall be available for reallotment from time to time during such fiscal years on such dates as the Secretary may fix, to other States that the Secretary determines—

["(A) require amounts in excess of amounts previously allotted under subsection (a) to carry out a program under this section; and

["(B) will use such excess amounts during such fiscal years.

["(2) Reallotments under paragraph (1) shall be made on the basis of such States' applications under this section, after taking into consideration the population of low-income children in each such State as compared with the population of low-income children in all such States with respect to which a determination under paragraph (1) has been made by the Secretary.

["(3) Any amount reallotted under paragraph (1) to a State is deemed to be part of its allotment under subsection (a).".

[(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to the program under section 510 for fiscal years 2004 and succeeding fiscal years.

[TITLE VIII—TRANSITIONAL MEDICAL ASSISTANCE

[SEC. 801. EXTENSION OF MEDICAID TRANSITIONAL MEDICAL ASSISTANCE PROGRAM THROUGH FISCAL YEAR 2004.

[(a) IN GENERAL.—Section 1925(f) (42 U.S.C. 1396r–6(f)) is amended by striking "2002" and inserting "2004".

[(b) CONFORMING AMENDMENT.—Section 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)) is amended by striking "September 30, 2002" and inserting "the last date (if any) on which section 1925 applies under subsection (f) of that section".

[(c) EFFECTIVE DATE.—The amendments made by this section shall take effect October 1, 2003.

[SEC. 802. ADJUSTMENT TO PAYMENTS FOR MEDICAID ADMINISTRATIVE COSTS TO PREVENT DUPLICATIVE PAYMENTS AND TO FUND EXTENSION OF TRANSITIONAL MEDICAL ASSISTANCE.

[Section 1903 (42 U.S.C. 1396b) is amended—

[(1) in subsection (a)(7), by striking "section 1919(g)(3)(B)" and inserting "subsection (x) and section 1919(g)(3)(C)"; and

[(2) by adding at the end the following:

["(x) ADJUSTMENTS TO PAYMENTS FOR ADMINISTRATIVE COSTS TO FUND EXTENSION OF TRANSITIONAL MEDICAL ASSISTANCE.—

["(1) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Effective for each calendar quarter in fiscal year 2004 and fiscal year 2005, the Secretary shall reduce the amount paid under subsection (a)(7) to each State by an amount equal to 45 percent for fiscal year 2004, and 80 percent for fiscal year 2005, of one-quarter of the annualized amount determined for the medicaid program under section 16(k)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(2)(B)).

["(2) ALLOCATION OF ADMINISTRATIVE COSTS.—None of the funds or expenditures described in section 16(k)(5)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(5)(B)) may be used to pay for costs—

["(A) eligible for reimbursement under subsection (a)(7) (or costs that would have been eligible for reimbursement but for this subsection); and

["(B) allocated for reimbursement to the program under this title under a plan submitted by a State to the Secretary to allocate administrative costs for public assistance programs;

except that, for purposes of subparagraph (A), the reference in clause (iii) of that section to 'subsection (a)' is deemed a reference to subsection (a)(7) and clause (iv)(II) of that section shall be applied as if 'medicaid program' were substituted for 'food stamp program'.".

[TITLE IX—EFFECTIVE DATE

[SEC. 901. EFFECTIVE DATE.

[(a) IN GENERAL.—Except as otherwise provided, the amendments made by this Act shall take effect on the date of the enactment of this Act.

[(b) EXCEPTION.—In the case of a State plan under part A or D of title IV of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the effective date of the amendments imposing the additional requirements shall be 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.]

SECTION 1. SHORT TITLE.

This Act may be cited as the "Personal Responsibility and Individual Development for Everyone Act" or the "PRIDE Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.

TITLE I—TANF

Sec. 101. State plan.
Sec. 102. Family assistance grants.
Sec. 103. Promotion of family formation and healthy marriage.
Sec. 104. Supplemental grant for population increases in certain States.
Sec. 105. Bonus to reward employment achievement.
Sec. 106. Contingency fund.
Sec. 107. Use of funds.
Sec. 108. Repeal of Federal loan for State welfare programs.
Sec. 109. Work participation requirements.
Sec. 110. Universal engagement and family self-sufficiency plan requirements; other prohibitions and requirements.
Sec. 111. Penalties.
Sec. 112. Data collection and reporting.
Sec. 113. Direct funding and administration by Indian tribes.
Sec. 114. Research, evaluations, and national studies.
Sec. 115. Study by the Census Bureau.
Sec. 116. Funding for child care.
Sec. 117. Definitions.
Sec. 118. Responsible fatherhood program.
Sec. 119. Additional grants.
Sec. 120. Technical corrections.

TITLE II—ABSTINENCE EDUCATION

Sec. 201. Extension of abstinence education program.

TITLE III—CHILD SUPPORT

Sec. 301. Distribution of child support collected by States on behalf of children receiving certain welfare benefits.
Sec. 302. Mandatory review and adjustment of child support orders for families receiving TANF.
Sec. 303. Report on undistributed child support payments.
Sec. 304. Use of new hire information to assist in administration of unemployment compensation programs.
Sec. 305. Decrease in amount of child support arrearage triggering passport denial.
Sec. 306. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
Sec. 307. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce obligations.
Sec. 308. Improving Federal debt collection practices.
Sec. 309. Maintenance of technical assistance funding.
Sec. 310. Maintenance of Federal parent locator service funding.
Sec. 311. Identification and seizure of assets held by multistate financial institutions.
Sec. 312. Information comparisons with insurance data.
Sec. 313. Tribal access to the Federal parent locator service.
Sec. 314. Reimbursement of Secretary's costs of information comparisons and disclosure for enforcement of obligations on Higher Education Act loans and grants.
Sec. 315. Technical amendment relating to cooperative agreements between States and Indian tribes.
Sec. 316. Claims upon longshore and harbor workers' compensation for child support.
Sec. 317. State option to use statewide automated data processing and information retrieval system for interstate cases.
Sec. 318. Interception of gambling winnings for child support.
Sec. 319. State law requirement concerning the Uniform Interstate Family Support Act (UIFSA).
Sec. 320. Grants to States for access and visitation programs.

Sec. 321. Timing of corrective action year for State noncompliance with child support enforcement program requirements.

TITLE IV—CHILD WELFARE

Sec. 401. Extension of authority to approve demonstration projects.
Sec. 402. Removal of Commonwealth of Puerto Rico foster care funds from limitation on payments.
Sec. 403. Technical correction.

TITLE V—SUPPLEMENTAL SECURITY INCOME

Sec. 501. Review of State agency blindness and disability determinations.

TITLE VI—TRANSITIONAL MEDICAL ASSISTANCE

Sec. 601. Extension and simplification of the transitional medical assistance program (TMA).
Sec. 602. Prohibition against covering childless adults with SCHIP funds.

TITLE VII—EFFECTIVE DATE

Sec. 701. Effective date.

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

TITLE I—TANF

SEC. 101. STATE PLAN.

(a) PERFORMANCE IMPROVEMENT.—Section 402(a) (42 U.S.C. 602(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by redesignating clause (vi) as clause (vii); and

(ii) by striking clause (v) and inserting the following:

"(v) Establish specific measurable performance objectives for pursuing the purposes of the program under this part as described in section 401(a), including by—

"(I) establishing objectives consistent (as determined by the State) with the criteria used by the Secretary in establishing performance targets under section 403(a)(4)(C) (including with respect to workplace attachment and advancement), and with such additional criteria related to other purposes of the program under this part as described in section 401(a) as the Secretary, in consultation with the National Governors' Association and the American Public Human Services Association, shall establish; and

"(II) describing the methodology that the State will use to measure State performance in relation to each such objective.

"(vi) Describe any strategies and programs the State plans to use to address—

"(I) employment retention and advancement for recipients of assistance under the program, including placement into high-demand jobs, and whether the jobs are identified using labor market information;

"(II) efforts to reduce teen pregnancy;

"(III) services for struggling and noncompliant families, and for clients with special problems; and

"(IV) program integration, including the extent to which employment and training services under the program are provided through the One-Stop delivery system created under the Workforce Investment Act of 1998, and the extent to which former recipients of such assistance have access to additional core, intensive, or training services funded through such Act."; and

(B) in subparagraph (B)—

(i) by striking clauses (i) and (iv);

(ii) by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively; and

(iii) by inserting after clause (ii) (as so redesignated by clause (ii)) the following:

"(iii) If the State is undertaking any strategies or programs to engage faith-based organizations in the provision of services funded under this part, or that otherwise relate to section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the document shall describe such strategies and programs.

"(iv) The document shall describe strategies to improve program management and performance.

"(v) The document shall include a performance report which details State progress toward full engagement for all adult or minor child head of household recipients of assistance.";

(2) in paragraph (4), by inserting "and tribal" after "that local"; and

(3) by adding at the end the following:

"(8) CERTIFICATION OF CONSULTATION ON PROVISION OF TRANSPORTATION AID.—In the case of a State that provides transportation aid under the State program, a certification by the chief executive officer of the State that State and local transportation agencies and planning bodies have been consulted in the development of the plan.".

(b) PROCEDURES FOR SUBMITTING AND AMENDING STATE PLANS.—

(1) IN GENERAL.—Subsection (b) of section 402 (42 U.S.C. 602(b)) is amended to read as follows:

"(b) PROCEDURES FOR SUBMITTING AND AMENDING STATE PLANS.—

"(1) STANDARD STATE PLAN FORMAT.—The Secretary shall, after notice and public comment, develop a proposed Standard State Plan Form to be used by States under subsection (a). Such form shall be finalized by the Secretary for use by States not later than 9 months after the date of enactment of the Personal Responsibility and Individual Development for Everyone Act.

"(2) REQUIREMENT FOR COMPLETED PLAN USING STANDARD STATE PLAN FORMAT BY FISCAL YEAR 2005.—Notwithstanding any other provision of law, each State shall submit a complete State plan, using the Standard State Plan Form developed under paragraph (1), not later than October 1, 2004.

"(3) PUBLIC NOTICE AND COMMENT.—Prior to submitting a State plan to the Secretary under this section, the State shall—

"(A) make the proposed State plan available to the public through an appropriate State maintained Internet website and through other means as the State determines appropriate;

"(B) allow for a reasonable public comment period of not less than 45 days; and

"(C) make comments received concerning such plan or, at the discretion of the State, a summary of the comments received available to the public through such website and through other means as the State determines appropriate.

"(4) PUBLIC AVAILABILITY OF STATE PLAN.—A State shall ensure that the State plan that is in effect for any fiscal year is available to the public through an appropriate State maintained Internet website and through other means as the State determines appropriate.

"(5) AMENDING THE STATE PLAN.—A State shall file an amendment to the State plan with the Secretary if the State determines that there has been a material change in any information required to be included in the State plan or any other information that the State has included in the plan, including substantial changes in the use of funding. Prior to submitting an amendment to the State plan to the Secretary, the State shall—

"(A) make the proposed amendment available to the public as provided for in paragraph (3)(A);

"(B) allow for a reasonable public comment period of not less than 45 days; and

"(C) make the comments available as provided for in paragraph (3)(C).".

(2) CONFORMING AMENDMENT.—Section 402 (42 U.S.C. 602) is amended by striking subsection (c).

(c) CONSULTATION WITH STATE REGARDING PLAN AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1) (42 U.S.C. 612(b)(1)) is amended—

(1) in subparagraph (E), by striking "and" at the end;

(2) in subparagraph (F), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(G) provides an assurance that the State in which the tribe is located has been consulted regarding the plan and its design.".

(d) PERFORMANCE MEASURES.—Section 413 (42 U.S.C. 613) is amended by adding at the end the following:

"(k) PERFORMANCE IMPROVEMENT.—The Secretary, in consultation with the States, shall develop uniform performance measures designed to assess the degree of effectiveness, and the degree of improvement, of State programs funded under this part in accomplishing the purposes of this part.".

(e) ANNUAL RANKING OF STATES.—Section 413(d)(1) (42 U.S.C. 613(d)(1)) is amended to read as follows:

"(1) ANNUAL RANKING OF STATES.—

"(A) IN GENERAL.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in—

"(i) placing recipients of assistance under the State program funded under this part into private sector jobs;

"(ii) the success of the recipients in retaining employment;

"(iii) the ability of the recipients to increase their wages;

"(iv) the degree to which recipients have workplace attachment and advancement;

"(v) reducing the overall welfare caseload; and

"(vi) when a practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance.

"(B) CONSIDERATION OF OTHER FACTORS.—In ranking States under this paragraph, the Secretary shall take into account the average number of minor children living at home in families in the State that have incomes below the poverty line and the amount of funding provided each State under this part for such families.".

SEC. 102. FAMILY ASSISTANCE GRANTS.

(a) EXTENSION OF AUTHORITY.—Section 403(a)(1) (42 U.S.C. 603(a)(1)(A)), as amended by section 3(a) of the Welfare Reform Extension Act of 2003 (Public Law 108–040, 117 Stat. 836), is amended—

(1) in subparagraph (A)—

(A) by striking "1996, 1997, 1998, 1999, 2000, 2001, 2002, and 2003" and inserting "2004 through 2008"; and

(B) by inserting "payable to the State for the fiscal year" before the period; and

(2) in subparagraph (C), by striking "for fiscal year 2003" and all that follows through the period, and inserting "for each of fiscal years 2004 through 2008, $16,566,542,000 for grants under this paragraph.".

(b) MATCHING GRANTS FOR THE TERRITORIES.—Section 1108(b)(2) (42 U.S.C. 1308(b)(2)), as amended by section 3(b) of the Welfare Reform Extension Act of 2003 (Public Law 108–040, 117 Stat. 836), is amended by striking "1997 through 2003" and inserting "2004 through 2008".

SEC. 103. PROMOTION OF FAMILY FORMATION AND HEALTHY MARRIAGE.

(a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)), as amended by section

101(a), is amended by adding at the end the following:

"(viii) Encourage equitable treatment of healthy 2-parent married families under the program referred to in clause (i).".

(b) HEALTHY MARRIAGE PROMOTION GRANTS; REPEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY RATIO.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:

"(2) HEALTHY MARRIAGE PROMOTION GRANTS.—

"(A) AUTHORITY.—

"(i) IN GENERAL.—The Secretary shall award competitive grants to States, territories, and Indian tribes and tribal organizations for not more than 50 percent of the cost of developing and implementing innovative programs to promote and support healthy 2-parent married families.

"(ii) USE OF OTHER TANF FUNDS.—A State or Indian tribe with an approved tribal family assistance plan may use funds provided under other grants made under this part for all or part of the expenditures incurred for the remainder of the costs described in clause (i). In the case of a State, any such funds expended shall not be considered qualified State expenditures for purposes of section 409(a)(7).

"(B) HEALTHY MARRIAGE PROMOTION ACTIVITIES.—Funds provided under subparagraph (A) shall be used to support any of the following programs or activities:

"(i) Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health.

"(ii) Education in high schools on the value of marriage, relationship skills, and budgeting.

"(iii) Marriage education, marriage skills, and relationship skills programs, that may include parenting skills, financial management, conflict resolution, and job and career advancement, for non-married pregnant women, non-married expectant fathers, and non-married recent parents.

"(iv) Pre-marital education and marriage skills training for engaged couples and for couples or individuals interested in marriage.

"(v) Marriage enhancement and marriage skills training programs for married couples.

"(vi) Divorce reduction programs that teach relationship skills.

"(vii) Marriage mentoring programs which use married couples as role models and mentors.

"(viii) Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with any activity described in this subparagraph.

"(C) VOLUNTARY PARTICIPATION.—Participation in programs or activities described in any of clauses (iii) through (vii) shall be voluntary.

"(D) GENERAL RULES GOVERNING USE OF FUNDS.—The rules of section 404, other than subsection (b) of that section, shall not apply to a grant made under this paragraph.

"(E) REQUIREMENTS FOR RECEIPT OF FUNDS.—A State, territory, or Indian tribe or tribal organization may not be awarded a grant under this paragraph unless the State, territory, Indian tribe or tribal organization, as a condition of receiving funds under such a grant—

"(i) consults with experts in domestic violence or with relevant community domestic violence coalitions in developing such programs or activities; and

"(ii) describes in the application for a grant under this paragraph—

"(I) how the programs or activities proposed to be conducted will address, as appropriate, issues of domestic violence; and

"(II) what the State, territory, or Indian tribe or tribal organization, will do, to the extent relevant, to ensure that participation in such programs or activities is voluntary, and to inform potential participants that their involvement is voluntary.

"(F) APPROPRIATION.—

"(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2004 through 2008, $100,000,000 for grants under this paragraph.

"(ii) EXTENDED AVAILABILITY OF FUNDS.—

"(I) IN GENERAL.—Funds appropriated under clause (i) for each of fiscal years 2004 through 2008 shall remain available to the Secretary until expended.

"(II) AUTHORITY FOR GRANT RECIPIENTS.—A State, territory, or Indian tribe or tribal organization may use funds made available under a grant awarded under this paragraph without fiscal year limitation pursuant to the terms of the grant.".

(c) COUNTING OF SPENDING ON NON-ELIGIBLE FAMILIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION AND MAINTENANCE OF HEALTHY 2-PARENT MARRIED FAMILIES, OR ENCOURAGE RESPONSIBLE FATHERHOOD.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the end the following:

"(V) COUNTING OF SPENDING ON NON-ELIGIBLE FAMILIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION AND MAINTENANCE OF HEALTHY 2-PARENT MARRIED FAMILIES, OR ENCOURAGE RESPONSIBLE FATHERHOOD.—Subject to subclauses (II) and (III), the term 'qualified State expenditures' includes the total expenditures by the State during the fiscal year under all State programs for a purpose described in paragraph (3) or (4) of section 401(a).".

(d) PURPOSES.—Section 401(a)(4) (42 U.S.C. 601(a)(4)) is amended by striking "two-parent families" and inserting "healthy 2-parent married families, and encourage responsible fatherhood".

SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.

Section 403(a)(3)(H) (42 U.S.C. 603(a)(3)(H)), as amended by section 3(d) of the Welfare Reform Extension Act of 2003 (Public Law 108–040), 117 Stat. 837), is amended—

(1) in clause (i), by striking "2002 and 2003" and inserting "2004 through 2007";

(2) in clause (ii), by striking "2003" and inserting "2007"; and

(3) in clause (iii), by striking "2002 and 2003" and inserting "2004 through 2007".

SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVEMENT.

(a) BONUS TO REWARD EMPLOYMENT ACHIEVEMENT.—Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended to read as follows:

"(4) BONUS TO REWARD EMPLOYMENT ACHIEVEMENT.—

"(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State for each bonus year for which the State is an employment achievement State.

"(B) AMOUNT OF GRANT.—

"(i) IN GENERAL.—Subject to clause (ii), the Secretary shall determine the amount of the grant payable under this paragraph to an employment achievement State for a bonus year, which shall be based on the performance of the State as determined under subparagraph (D)(i) for the fiscal year that immediately precedes the bonus year.

"(ii) LIMITATION.—The amount payable to a State under this paragraph for a bonus year shall not exceed 5 percent of the State family assistance grant.

"(C) FORMULA FOR MEASURING STATE PERFORMANCE.—

"(i) IN GENERAL.—Subject to clause (ii), not later than October 1, 2004, the Secretary, in consultation with the States, shall develop a formula for measuring State performance in operating the State program funded under this part so as to achieve the goals of employment entry, job retention, increased earnings from employment, and workplace attachment and advancement for families receiving assistance under the program, as measured on an absolute basis and on the basis of improvement in State performance.

"(ii) SPECIAL RULE FOR BONUS YEARS 2004 AND 2005.—For the purposes of awarding a bonus under this paragraph for bonus year 2004 or 2005, the Secretary may measure the performance of a State in fiscal year 2003 or 2004 (as the case may be) using the job entry rate, job retention rate, and earnings gain rate components of the formula developed under section 403(a)(4)(C) as in effect immediately before the effective date of this paragraph.

"(D) DETERMINATION OF STATE PERFORMANCE.—For each bonus year, the Secretary shall—

"(i) use the formula developed under subparagraph (C) to determine the performance of each eligible State for the fiscal year that precedes the bonus year; and

"(ii) prescribe performance standards in such a manner so as to ensure that—

"(I) the average annual total amount of grants to be made under this paragraph for each bonus year equals $100,000,000; and

"(II) the total amount of grants to be made under this paragraph for all bonus years equals $600,000,000.

"(E) DEFINITIONS.—In this paragraph:

"(i) BONUS YEAR.—The term 'bonus year' means each of fiscal years 2004 through 2009.

"(ii) EMPLOYMENT ACHIEVEMENT STATE.—The term 'employment achievement State' means, with respect to a bonus year, an eligible State whose performance determined pursuant to subparagraph (D)(i) for the fiscal year preceding the bonus year equals or exceeds the performance standards prescribed under subparagraph (D)(ii) for such preceding fiscal year.

"(F) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for the period of fiscal years 2004 through 2009, $600,000,000 for grants under this paragraph.

"(G) GRANTS FOR TRIBAL ORGANIZATIONS.—This paragraph shall apply with respect to tribal organizations in the same manner in which this paragraph applies with respect to States. In determining the criteria under which to make grants to tribal organizations under this paragraph, the Secretary shall consult with tribal organizations.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2003.

SEC. 106. CONTINGENCY FUND.

(a) CONTINGENCY FUNDING AVAILABLE TO NEEDY STATES.—Section 403(b) (42 U.S.C. 603(b)) is amended—

(1) by striking paragraphs (1) through (3) and inserting the following:

"(1) CONTINGENCY FUND GRANTS.—

"(A) PAYMENTS.—Subject to subparagraph (C), and out of funds appropriated under subparagraph (E), each State shall receive a contingency fund grant for each eligible month in which the State is a needy State under paragraph (3).

"(B) MONTHLY CONTINGENCY FUND GRANT AMOUNT.—For each eligible month in which a State is a needy State, the State shall receive a contingency fund grant equal to the product of—

"(i) the applicable percentage (as defined under subparagraph (D)(i)) of the applicable benefit level (as defined in subparagraph (D)(ii)); and

"(ii) the amount by which the total number of families that received assistance under the State

program funded under this part in the most recently concluded 3-month period for which data are available from the State exceeds a 5-percent increase in the number of such families in the corresponding 3-month period in either of the 2 most recent preceding fiscal years and that was due, in large measure, to economic conditions rather than State policy changes.

"(C) LIMITATION.—The total amount paid to a single State under subparagraph (A) during a fiscal year shall not exceed the amount equal to 10 percent of the State family assistance grant (as defined under subparagraph (B) of subsection (a)(1)).

"(D) DEFINITIONS.—In this paragraph:

"(i) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means the Federal medical assistance percentage for the State (as defined in section 1905(b)).

"(ii) APPLICABLE BENEFIT LEVEL.—

"(I) IN GENERAL.—Subject to subclause (II), the term 'applicable benefit level' means the amount equal to the maximum cash assistance grant for a family consisting of 3 individuals under the State program funded under this part.

"(II) RULE FOR STATES WITH MORE THAN 1 MAXIMUM LEVEL.—In the case of a State that has more than 1 maximum cash assistance grant level for families consisting of 3 individuals, the basic assistance cost shall be the amount equal to the maximum cash assistance grant level applicable to the largest number of families consisting of 3 individuals receiving assistance under the State program funded under this part.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there is appropriated for the period of fiscal years 2004 through 2008, such sums as are necessary for making contingency fund grants under this subsection in a total amount not to exceed $2,000,000,000.";

(2) by redesignating paragraph (4) as paragraph (2); and

(3) in paragraph (2), as so redesignated—

(A) by striking "(3)(A)" and inserting "(1)"; and

(B) by striking "2-month period that begins with any" and inserting "fiscal year quarter that includes a".

(b) MODIFICATION OF DEFINITION OF NEEDY STATE.—Section 403(b), as amended by subsection (a), (42 U.S.C. 603(b)) is further amended—

(1) by striking paragraphs (5) and (6);

(2) by redesignating paragraphs (7) and (8) as paragraphs (5) and (6), respectively; and

(3) by inserting after paragraph (2) (as redesignated by subsection (a)(2)) the following:

"(3) INITIAL DETERMINATION OF WHETHER A STATE QUALIFIES AS A NEEDY STATE.—

"(A) IN GENERAL.—For purposes of paragraph (1), subject to paragraph (4), a State will be initially determined to be a needy State for a month if, as determined by the Secretary—

"(i) the monthly average of the unduplicated number of families that received assistance under the State program funded under this part in the most recently concluded 3-month period for which data are available from the State increased by at least 5 percent over the number of such families that received such benefits in the corresponding 3-month period in either of the 2 most recent preceding fiscal years;

"(ii) the increase in the number of such families for the State was due, in large measure, to economic conditions rather than State policy changes; and

"(iii) the State satisfies any of the following criteria:

"(I) The average rate of total unemployment in the State (seasonally adjusted) for the period consisting of the most recent 3 months for which data are available has increased by the lesser of 1.5 percentage points or by 50 percent over the corresponding 3-month period in either of the 2 most recent preceding fiscal years.

"(II) The average insured unemployment rate for the most recent 13 weeks for which data are available has increased by 1 percentage point over the corresponding 13-week period in either of the 2 most recent preceding fiscal years.

"(III) As determined by the Secretary of Agriculture, the monthly average number of households (as of the last day of each month) that participated in the food stamp program in the State in the then most recently concluded 3-month period for which data are available exceeds by at least 15 percent the monthly average number of households (as of the last day of each month) in the State that participated in the food stamp program in the corresponding 3-month period in either of the 2 most recent preceding fiscal years, but only if the Secretary and the Secretary of Agriculture concur in the determination that the State's increased caseload was due, in large measure, to economic conditions rather than changes in Federal or State policies related to the food stamp program.

"(B) DURATION.—A State that qualifies as a needy State—

"(i) under subclause (I) or (II) of subparagraph (A)(iii), shall be considered a needy State until the State's average rate of total unemployment or the State's insured unemployment rate, respectively, falls below the level attained in the applicable period that was first used to determine that the State qualified as a needy State under that subparagraph (and in the case of the insured unemployment rate, without regard to any declines in the rate that are the result of seasonal variation); and

"(ii) under subclause (III) of subparagraph (A)(iii), shall be considered a needy State so long as the State meets the criteria for being considered a needy State under that subparagraph.

"(4) EXCEPTIONS.—

"(A) UNEXPENDED BALANCES.—

"(i) IN GENERAL.—Notwithstanding paragraph (3), a State that has unexpended TANF balances in an amount that exceeds 30 percent of the total amount of grants received by the State under subsection (a) for the most recently completed fiscal year (other than welfare-to-work grants made under paragraph (5) of that subsection prior to fiscal year 2000), shall not be a needy State under this subsection.

"(ii) DEFINITION OF UNEXPENDED TANF BALANCES.—In clause (i), the term 'unexpended TANF balances' means the lessor of—

"(I) the total amount of grants made to the State (regardless of the fiscal year in which such funds were awarded) under subsection (a) (other than welfare-to-work grants made under paragraph (5) of that subsection prior to fiscal year 2000) but not yet expended as of the end of the fiscal year preceding the fiscal year for which the State would, in the absence of this subparagraph, be considered a needy State under this subsection; and

"(II) the total amount of grants made to the State under subsection (a) (other than welfare-to-work grants made under paragraph (5) of that subsection prior to fiscal year 2000) but not yet expended as of the end of such preceding fiscal year, plus the difference between—

"(aa) the pro rata share of the current fiscal year grant to be made under subsection (a) to the State; and

"(bb) current year expenditures of the total amount of grants made to the State under subsection (a) (regardless of the fiscal year in which such funds were awarded) (other than such welfare-to-work grants) through the end of the most recent calendar quarter.

"(B) FAILURE TO SATISFY MAINTENANCE OF EFFORT REQUIREMENT.—Notwithstanding paragraph (3), a State that fails to satisfy the requirement of section 409(a)(7) with respect to a fiscal year shall not be a needy State under this subsection for that fiscal year.".

(c) CLARIFICATION OF REPORTING REQUIREMENTS.—Paragraph (6) of section 403(b) (42 U.S.C. 603(b)), as redesignated by subsection (b)(2), is amended by striking "on the status of the Fund" and inserting "on the States that qualified for contingency funds and the amount of funding awarded under this subsection".

(d) ELIMINATION OF PENALTY FOR FAILURE TO MAINTAIN 100 PERCENT MAINTENANCE OF EFFORT.—

(1) IN GENERAL.—Section 409(a) (42 U.S.C. 609(a)) is amended—

(A) by striking paragraph (10); and

(B) by redesignating paragraphs (11) through (14) as paragraphs (10) through (13), respectively.

(2) CONFORMING AMENDMENTS.—Section 409 (42 U.S.C. 609) is amended—

(A) in subsection (a)(7)(B)(i)(III), by striking "(12)" and inserting "(11)";

(B) in subsection (b)(2), by striking "(10), (12), or (13)" and inserting "(11), or (12)"; and

(C) in subsection (c)(4), by striking "(10), (12), or (13)" and inserting "(11), or (12)".

SEC. 107. USE OF FUNDS.

(a) TREATMENT OF INTERSTATE IMMIGRANTS.—Section 404 (42 U.S.C. 604) is amended by striking subsection (c).

(b) RESTORATION OF AUTHORITY TO TRANSFER UP TO 10 PERCENT OF TANF FUNDS TO THE SOCIAL SERVICES BLOCK GRANT.—Section 404(d)(2) (42 U.S.C. 604(d)(2)) is amended to read as follows:

"(2) LIMITATION ON AMOUNT TRANSFERABLE TO TITLE XX PROGRAMS.—A State may use not more than 10 percent of the amount of any grant made to the State under section 403(a) for a fiscal year to carry out State programs pursuant to title XX.".

(c) CLARIFICATION OF AUTHORITY OF STATES TO USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS TO PROVIDE TANF BENEFITS AND SERVICES.—Section 404(e) (42 U.S.C. 604(e)) is amended to read as follows:

"(e) AUTHORITY TO CARRYOVER OR RESERVE CERTAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FUTURE CONTINGENCIES.—

"(1) CARRYOVER.—A State or tribe may use a grant made to the State or tribe under this part for any fiscal year to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part.

"(2) CONTINGENCY RESERVE.—A State or tribe may designate any portion of a grant made to the State or tribe under this part as a contingency reserve for future needs, and may use any amount so designated to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part. If a State or tribe so designates a portion of such a grant, the State or tribe shall include in its report under section 411(a) the amount so designated.".

(d) STATE OPTION TO ESTABLISH UNDERGRADUATE POSTSECONDARY OR VOCATIONAL EDUCATIONAL PROGRAM.—

(1) IN GENERAL.—Section 404 (42 U.S.C. 604) is amended by adding at the end the following:

"(l) AUTHORITY TO ESTABLISH UNDERGRADUATE POSTSECONDARY OR VOCATIONAL EDUCATIONAL PROGRAM.—

"(1) IN GENERAL.—Subject to the succeeding paragraphs of this subsection, a State to which a grant is made under section 403 may use the grant to establish a program under which an eligible participant (as defined in paragraph (5)) may be provided support services described in paragraph (7) and, subject to paragraph (8), may have hours of participation in such program counted as being engaged in work for purposes of determining monthly participation rates under section 407(b)(1)(B)(i).

"(2) STATE PLAN REQUIREMENT.—In order to establish a program under this subsection, a State shall describe (in an addendum to the State plan submitted under section 402) the applicable eligibility criteria that is designed to limit participation in the program to only those individuals—

"(A) whose past earnings indicate that the individuals cannot qualify for employment that pays enough to allow them to obtain self-sufficiency (as determined by the State); and

"(B) for whom enrollment in the program will prepare the individuals for higher-paying occupations in demand in the State.

"(3) LIMITATION ON ENROLLMENT.—The number of eligible participants in a program established under this subsection may not exceed 10 percent of the total number of families receiving assistance under the State program funded under this part.

"(4) NO FEDERAL FUNDS FOR TUITION.—A State may not use Federal funds provided under a grant made under section 403 to pay tuition for an eligible participant.

"(5) DEFINITION OF ELIGIBLE PARTICIPANT.—In this subsection, the term 'eligible participant' means an individual who receives assistance under the State program funded under this part and satisfies the following requirements:

"(i) The individual is enrolled in a postsecondary 2- or 4-year degree program or in a vocational educational training program.

"(ii) During the period the individual participates in the program, the individual maintains satisfactory academic progress, as defined by the institution operating the undergraduate postsecondary or vocational educational program in which the individual is enrolled.

"(6) REQUIRED TIME PERIODS FOR COMPLETION OF DEGREE OR VOCATIONAL EDUCATIONAL TRAINING PROGRAM.—

"(A) IN GENERAL.—Subject to subparagraph (B), an eligible participant participating in a program established under this subsection shall be required to complete the requirements of a degree or vocational educational training program within the normal timeframe for full-time students seeking the particular degree or completing the vocational educational training program.

"(B) EXCEPTION.—For good cause, the State may allow an eligible participant to complete their degree requirements or vocational educational training program within a period not to exceed 1½ times the normal timeframe established under subparagraph (A) (unless further modification is required by the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), or section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794)) and may modify the requirements applicable to an individual participating in the program. For purposes of the preceding sentence, good cause includes the case of an eligible participant with 1 or more significant barriers to normal participation, as determined by the State, such as the need to care for a family member with special needs.

"(7) SUPPORT SERVICES DESCRIBED.—For purposes of paragraph (1), the support services described in this paragraph include any or all of the following during the period the eligible participant is in the program established under this subsection:

"(A) Child care.

"(B) Transportation services.

"(C) Payment for books and supplies.

"(D) Other services provided under policies determined by the State to ensure coordination and lack of duplication with other programs available to provide support services.

"(8) RULES FOR INCLUSION IN MONTHLY WORK PARTICIPATION RATES.—

"(A) FAMILIES COUNTED AS PARTICIPATING IF THEY MEET THE REQUIREMENTS OF SUBPARAGRAPHS (B) OR (C).—For each eligible participant, a State may elect, for purposes of determining monthly participation rates under section 407(b)(1)(B)(i), to include such participant in the determination of such rates in accordance with subparagraph (B) or (C).

"(B) FULL OR PARTIAL CREDIT FOR HOURS OF PARTICIPATION IN EDUCATIONAL OR RELATED ACTIVITIES.—

"(i) IN GENERAL.—Subject to clause (iv), an eligible participant who participates in educational or related activities (as determined by the State) under a program established under this subsection shall be given credit for the number of hours of such participation to the extent that an adult recipient or minor child head of household would be given credit under section 407(c) for being engaged in the same number of hours of work activities described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of section 407(d).

"(ii) RELATED ACTIVITIES.—For purposes of clause (i), related activities shall include—

"(I) work activities described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of section 407(d);

"(II) work study, practicums, internships, clinical placements, laboratory or field work, or such other activities as will enhance the eligible participant's employability in the participant's field of study, as determined by the State; or

"(III) subject to clause (iii), study time.

"(iii) LIMITATION ON INCLUSION OF STUDY TIME.—For purposes of determining hours per week of participation by an eligible participant under a program established under this subsection, a State may not count study time of less than 1 hour for every hour of class time or more than 2 hours for every hour of class time.

"(iv) TOTAL NUMBER OF HOURS LIMITED TO BEING COUNTED AS 1 FAMILY.—In no event may hours per week of participation by an eligible participant under a program established under this subsection be counted as more than 1 family for purposes of determining monthly participation rates under section 407(b)(1)(B)(i).

"(C) FULL CREDIT FOR BEING ENGAGED IN DIRECT WORK ACTIVITIES FOR CERTAIN HOURS PER WEEK.—

"(i) IN GENERAL.—A family that includes an eligible participant who, in addition to complying with the full-time educational participation requirements of the degree or vocational educational training program they are enrolled in, participates in an activity described in subclause (I), (II), or (III) of subparagraph (B)(ii) for not less than the number of hours required per week under clause (ii) shall be counted as 1 family.

"(ii) REQUIRED HOURS PER WEEK.—For purposes of clause (i), subject to clause (iii), the number of hours per week are—

"(I) 6 hours per week during the first 12-month period that an eligible participant participates in a program established under this subsection;

"(II) 8 hours per week during the second 12-month period of such participation;

"(II) 10 hours per week during the third 12-month period of such participation; and

"(II) 12 hours per week during the fourth or any other succeeding 12- month period of such participation.

"(iii) MODIFICATION OF REQUIREMENTS FOR GOOD CAUSE.—A State may modify the number of hours per week required under clause (ii) for good cause. For purposes of the preceding sentence, good cause includes the case of an eligible participant with 1 or more significant barriers to normal participation, as determined by the State, such as the need to care for a family member with special needs.".

(2) CONFORMING AMENDMENT.—Section 407(d)(8) (42 U.S.C. 607(d)(8)) is amended by inserting "other than an individual participating in a program established under section 404(l)" after "individual".

SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE PROGRAMS.

(a) REPEAL.—Section 406 (42 U.S.C. 606) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 409 (42 U.S.C. 609), as amended by section 106(d)(2), is amended—

(A) in subsection (a), by striking paragraph (6);

(B) in subsection (b)(2), by striking "(6),"; and

(C) in subsection (c)(4), by striking "(6),".

(2) Section 412 (42 U.S.C. 612) is amended by striking subsection (f) and redesignating subsections (g) through (i) as subsections (f) through (h), respectively.

(3) Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by striking "406,".

SEC. 109. WORK PARTICIPATION REQUIREMENTS.

(a) ELIMINATION OF SEPARATE WORK PARTICIPATION RATE FOR 2-PARENT FAMILIES BEGINNING WITH FISCAL YEAR 2003.—

(1) IN GENERAL.—Section 407 (42 U.S.C. 607) is amended—

(A) in subsection (a)—

(i) in the heading, by striking "PARTICIPATION RATE REQUIREMENTS" and all that follows through "A State" and inserting "PARTICIPATION RATE REQUIREMENTS.—A State"; and

(ii) by striking paragraph (2);

(B) in subsection (b)—

(i) by striking paragraph (2);

(ii) in paragraph (4), by striking "paragraphs (1)(B) and (2)(B)" and inserting "determining monthly participation rates under paragraph (1)(B)"; and

(iii) in paragraph (5), by striking "rates" and inserting "rate"; and

(C) in subsection (c)—

(i) in paragraph (1)—

(I) by striking "GENERAL RULES.—" and all that follows through "For purposes" in subparagraph (A) and inserting "GENERAL RULE.—For purposes"; and

(II) by striking subparagraph (B); and

(ii) in paragraph (2)(D)—

(I) by striking "paragraphs (1)(B)(i) and (2)(B) of subsection (b)" and inserting "subsection (b)(1)(B)(i)"; and

(II) by striking "and in 2-parent families, respectively,".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if enacted on October 1, 2002.

(b) MINIMUM PARTICIPATION RATES.—Section 407(a) (42 U.S.C. 607(a)), as amended by subsection (a)(1)(A), is amended to read as follows:

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate with respect to all families receiving assistance under the State program funded under this part that is equal to not less than—

"(A) 50 percent for fiscal year 2004;

"(B) 55 percent for fiscal year 2005;

"(C) 60 percent for fiscal year 2006;

"(D) 65 percent for fiscal year 2007; and

"(E) 70 percent for fiscal year 2008 and each succeeding fiscal year.".

(c) LIMITATION ON REDUCTION OF PARTICIPATION RATE THROUGH APPLICATION OF CREDITS.—Section 407(a) (42 U.S.C. 607(b)), as amended by subsection (b), is amended by adding at the end the following:

"(2) LIMITATION ON REDUCTION OF PARTICIPATION RATE THROUGH APPLICATION OF CREDITS.—Notwithstanding any other provision of this part, the net effect of any percentage reduction in the minimum participation rate otherwise required under this section with respect to families

receiving assistance under the State program funded under this part as a result of the application of any employment credit, caseload reduction credit, or other credit against such rate for a fiscal year, shall not exceed—

"(A) 40 percentage points, in the case of fiscal year 2004;

"(B) 35 percentage points, in the case of fiscal year 2005;

"(C) 30 percentage points, in the case of fiscal year 2006;

"(D) 25 percentage points, in the case of fiscal year 2007; or

"(E) 20 percentage points, in the case of fiscal year 2008 or any fiscal year thereafter.".

(d) Replacement of Caseload Reduction Credit With Employment Credit.—

(1) EMPLOYMENT CREDIT TO REWARD STATES IN WHICH FAMILIES LEAVE WELFARE FOR WORK; ADDITIONAL CREDIT FOR FAMILIES WITH HIGHER EARNINGS.—

(A) In general.—Section 407(b) (42 U.S.C. 607(b)), as amended by subsection (a)(1)(B)(i), is amended by inserting after paragraph (1) the following:

"(2) Employment credit.—

"(A) In general.—Subject to subsection (a)(2), the Secretary shall, by regulation, reduce the minimum participation rate otherwise applicable to a State under this subsection for a fiscal year by the number of percentage points in the employment credit for the State for the fiscal year, as determined by the Secretary—

"(i) using information in the National Directory of New Hires;

"(ii) with respect to a recipient of assistance or former recipient of assistance under the State program funded under this part who is placed with an employer whose hiring information is not reported to the National Directory of New Hires, using quarterly wage information submitted by the State to the Secretary not later than such date as the Secretary shall prescribe in regulations; or

"(iii) with respect to families described in subclause (II) or (III) of subparagraph (B)(ii), using such other data as the Secretary may require in order to determine the employment credit for a State under this paragraph.

"(B) Calculation of credit.—

"(i) In general.—The employment credit for a State for a fiscal year is an amount equal to the sum of the amounts determined under clause (ii), divided by the amount determined under clause (iii).

"(ii) Numerator.—For purposes of clause (i), the amounts determined under this clause are the following:

"(I) Twice the quarterly average unduplicated number of families that include an adult or minor child head of household recipient of assistance under the State program funded under this part, that ceased to receive such assistance for at least 2 consecutive months following the date of the case closure for the family during the applicable period (as defined in clause (v)), that did not receive assistance under a separate State-funded program during such 2-month period, and that were employed during the calendar quarter immediately succeeding the quarter in which the assistance under the State program funded under this part ceased.

"(II) At the option of the State, twice the quarterly average number of families that received a nonrecurring short-term benefit under the State program funded under this part during the applicable period (as so defined), that were employed during the calendar quarter immediately succeeding the quarter in which the nonrecurring short-term benefit was so received, and that earned at least $1,000 during the applicable period (as so defined).

"(III) At the option of the State, twice the quarterly average number of families that includes an adult who is receiving substantial child care or transportation assistance (as defined by the Secretary, in consultation with directors of State programs funded under this part, which definition shall specify for each type of assistance a threshold which is a dollar value or a length of time over which the assistance is received, and which takes account of large one-time transition payments)) during the applicable period (as so defined).

"(iii) Denominator.—For purposes of clause (i), the amount determined under this clause is the amount equal to the sum of the following:

"(I) The average monthly number of families that include an adult or minor child head of household who received assistance under the State program funded under this part during the applicable period (as defined under clause (v)).

"(II) If the State elected the option under clause (ii)(II), twice the quarterly average number of families that received a nonrecurring short-term benefit under the State program funded under this part during the applicable period (as so defined).

"(III) If the State elected the option under clause (ii)(III), twice the quarterly average number of families that includes an adult who is receiving substantial child care or transportation assistance during the applicable period (as so defined).

"(iv) SPECIAL RULE FOR FORMER RECIPIENTS WITH HIGHER EARNINGS.—In calculating the employment credit for a State for a fiscal year, in the case of a family that includes an adult or a minor child head of household that is to be included in the amount determined under clause (ii)(I) and that, with respect to the quarter in which the family's earnings was examined during the applicable period, earned at least 33 percent of the average quarterly earnings in the State (determined on the basis of State unemployment data), the family shall be considered to be 1.5 families.

"(v) Definition of applicable period.—For purposes of this paragraph, the term 'applicable period' means, with respect to a fiscal year, the most recent 4 quarters for which data are available to the Secretary providing information on the work status of—

"(I) individuals in the quarter after the individuals ceased receiving assistance under the State program funded under this part;

"(II) at State option, individuals in the quarter after the individuals received a short-term, nonrecurring benefit; and

"(III) at State option, individuals in the quarter after the individuals ceased receiving substantial child care or transportation assistance.

"(C) Notification to state.—Not later than August 30 of each fiscal year, the Secretary shall—

"(i) determine, on the basis of the applicable period, the amount of the employment credit that will be used in determining the minimum participation rate for a State under subsection (a) for the immediately succeeding fiscal year; and

"(ii) notify each State conducting a State program funded under this part of the amount of the employment credit for such program for the succeeding fiscal year.".

(B) AUTHORITY OF SECRETARY TO USE INFORMATION IN NATIONAL DIRECTORY OF NEW HIRES.—Section 453(i) (42 U.S.C. 653(i)) is amended by adding at the end the following:

"(5) Calculation of employment credit for purposes of determining state work participation rates under tanf.—The Secretary may use the information in the National Directory of New Hires for purposes of calculating State employment credits pursuant to section 407(b)(2).".

(2) Elimination of caseload reduction credit.—Section 407(b) (42 U.S.C. 607(b)) is amended by striking paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(3) Effective dates.—

(A) In general.—Except as provided in subparagraphs (B) and (C), the amendments made by this subsection shall take effect on October 1, 2005.

(B) STATE OPTION TO PHASE-IN REPLACEMENT OF CASELOAD REDUCTION CREDIT WITH EMPLOYMENT CREDIT AND DELAY APPLICABILITY OF OTHER PROVISIONS.—A State may elect to have the amendments made by this subsection not apply to the State program funded under part A of title IV of the Social Security Act until October 1, 2006, and if the State makes the election, then, in determining the participation rate of the State for purposes of section 407 of the Social Security Act for fiscal year 2006, the State shall be credited with 1/2 of the reduction in the rate that would otherwise result from applying section 407(b)(2) of the Social Security Act (as added by paragraph (1)(A)) to the State for fiscal year 2006 and 1/2 of the reduction in the rate that would otherwise result from applying section 407(b)(3) of the Social Security Act (as in effect with respect to fiscal year 2003) to the State for fiscal year 2006.

(C) AUTHORITY TO USE INFORMATION IN THE NATIONAL DIRECTORY OF NEW HIRES.—The amendment made by paragraph (1)(B) shall take effect on October 1, 2003.

(e) State Options for Participation Requirement Exemptions.—Section 407(b)(4) (42 U.S.C. 607(b)(4)), as amended by subsection (a)(1)(B)(iii) and redesignated by subsection (d)(2), is amended to read as follows:

"(4) STATE OPTIONS FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—At the option of a State, a State may, on a case-by-case basis—

"(A) not include a family in the determination of the monthly participation rate for the State in the first month for which the family receives assistance from the State program funded under this part on the basis of the most recent application for such assistance; or

"(B) not require a family in which the youngest child has not attained 12 months of age to engage in work, and may disregard that family in determining the minimum participation rate under subsection (a) for the State for not more than 12 months.".

(f) Determination of Countable Hours Engaged in Work.—

(1) In general.—Section 407(c) (42 U.S.C. 607(c)) is amended to read as follows:

"(c) Determination of Countable Hours Engaged in Work.—

"(1) SINGLE PARENT OR RELATIVE WITH A CHILD OVER AGE 6.—

"(A) MINIMUM AVERAGE NUMBER OF HOURS PER WEEK.—Subject to the succeeding paragraphs of this subsection, a family in which an adult recipient or minor child head of household in the family is participating in work activities described in subsection (d) shall be treated as engaged in work for purposes of determining monthly participation rates under subsection (b)(1)(B)(i) as follows:

"(i) In the case of a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 20, but less than 24, hours per week in a month, as 0.675 of a family.

"(ii) In the case of a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 24, but less than 30, hours per week in a month, as 0.75 of a family.

"(iii) In the case of a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an

average of at least 30, but less than 34, hours per week in a month, as 0.875 of a family.

"(iv) In the case of a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 34, but less than 35, hours per week in a month, as 1 family.

"(v) In the case of a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 35, but less than 38, hours per week in a month, as 1.05 families.

"(vi) In the case of a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 38 hours per week in a month, as 1.08 families.

"(B) DIRECT WORK ACTIVITIES REQUIRED FOR AN AVERAGE OF 24 HOURS PER WEEK.—Except as provided in subparagraph (C)(i), a State may not count any hours of participation in work activities specified in paragraph (9), (10), or (11) of subsection (d) of any adult recipient or minor child head of household in a family before the total number of hours of participation by any adult recipient or minor child head of household in the family in work activities described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d) for the family for the month averages at least 24 hours per week.

"(C) STATE FLEXIBILITY TO COUNT PARTICIPATION IN CERTAIN ACTIVITIES.—

"(i) QUALIFIED ACTIVITIES FOR 3-MONTHS IN ANY 24-MONTH PERIOD.—

"(I) 24-HOURS PER WEEK REQUIRED.—Subject to subclauses (III) and (IV), for purposes of determining hours under subparagraph (A), a State may count the total number of hours any adult recipient or minor child head of household in a family engages in qualified activities described in subclause (II) as a work activity described in subsection (d), without regard to whether the recipient has satisfied the requirement of subparagraph (B), but only if—

"(aa) the total number of hours of participation in such qualified activities for the family for the month average at least 24 hours per week; and

"(bb) engaging in such qualified activities is a requirement of the family self-sufficiency plan.

"(II) QUALIFIED ACTIVITIES DESCRIBED.—For purposes of subclause (I), qualified activities described in this subclause are any of the following:

"(aa) Postsecondary education.

"(bb) Adult literacy programs or activities.

"(cc) Substance abuse counseling or treatment.

"(dd) Programs or activities designed to remove barriers to work, as defined by the State.

"(ee) Work activities authorized under any waiver for any State that was continued under section 415 before the date of enactment of the Personal Responsibility and Individual Development for Everyone Act.

"(III) LIMITATION.—Except as provided in clause (ii), subclause (I) shall not apply to a family for more than 3 months in any period of 24 consecutive months.

"(IV) CERTAIN ACTIVITIES.—The Secretary may allow a State to count the total hours of participation in qualified activities described in subclause (II) for an adult recipient or minor child head of household without regard to the minimum 24 hour average per week of participation requirement under subclause (I) if the State has demonstrated conclusively that such activity is part of a substantial and supervised program whose effectiveness in moving families to self-sufficiency is superior to any alternative activity and the effectiveness of the program in moving families to self-sufficiency would be substantially impaired if participating individuals participated in additional, concurrent qualified activities that enabled the individuals to achieve an average of at least 24 hours per week of participation.

"(ii) ADDITIONAL 3-MONTH PERIOD PERMITTED FOR CERTAIN ACTIVITIES.—

"(I) SELF-SUFFICIENCY PLAN REQUIREMENT COMBINED WITH MINIMUM NUMBER OF HOURS.—A State may extend the 3-month period under clause (i) for an additional 3 months in the same period of 24 consecutive months in the case of an adult recipient or minor child head of household who is receiving qualified rehabilitative services described in subclause (II) if—

"(aa) the total number of hours that the adult recipient or minor child head of household engages in such qualified rehabilitative services and, subject to subclause (III), a work activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d) for the month average at least 24 hours per week; and

"(bb) engaging in such qualified rehabilitative services is a requirement of the family self-sufficiency plan.

"(II) QUALIFIED REHABILITATIVE SERVICES DESCRIBED.—For purposes of subclause (I), qualified rehabilitative services described in this subclause are any of the following:

"(aa) Adult literacy programs or activities.

"(bb) Participation in a program designed to increase proficiency in the English language.

"(cc) In the case of an adult recipient or minor child head of household who has been certified by a qualified medical, mental health, or social services professional (as defined by the State) as having a physical or mental disability, substance abuse problem, or other problem that requires a rehabilitative service, substance abuse treatment, or mental health treatment, the service or treatment determined necessary by the professional.

"(III) NONAPPLICATION OF LIMITATIONS ON JOB SEARCH AND VOCATIONAL EDUCATIONAL TRAINING.—An adult recipient or minor child head of household who is receiving qualified rehabilitative services described in subclause (II) may engage in a work activity described in paragraph (6) or (8) of subsection (d) for purposes of satisfying the minimum 24 hour average per week of participation requirement under subclause (I)(aa) without regard to any limit that otherwise applies to the activity (including the 30 percent limitation on participation in vocational educational training under paragraph (6)(C)).

"(iii) HOURS IN EXCESS OF AN AVERAGE OF 24 WORK ACTIVITY HOURS PER WEEK.—If the total number of hours that any adult recipient or minor child head of household in a family has participated in a work activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d) averages at least 24 hours per week in a month, a State, for purposes of determining hours under subparagraph (A), may count any hours an adult recipient or minor child head of household in the family engages in—

"(I) any work activity described in subsection (d), without regard to any limit that otherwise applies to the activity (including the 30 percent limitation on participation in vocational educational training under paragraph (6)(C)); and

"(II) any qualified activity described in clause (i)(II), as a work activity described in subsection (d).

"(2) SINGLE PARENT OR RELATIVE WITH A CHILD UNDER AGE 6.—

"(A) IN GENERAL.—A family in which an adult recipient or minor child head of household in the family is the only parent or caretaker relative in the family of a child who has not attained 6 years of age and who is participating in work activities described in subsection (d) shall be treated as engaged in work for purposes of determining monthly participation rates under subsection (b)(1)(B)(i) as follows:

"(i) In the case of such a family in which the total number of hours in which the adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 20, but less than 24, hours per week in a month, as 0.675 of a family.

"(ii) In the case of such a family in which the total number of hours in which the adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 24, but less than 35, hours per week in a month, as 1 family.

"(iii) In the case of such a family in which the total number of hours in which the adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 35, but less than 38, hours per week in a month, as 1.05 families.

"(iv) In the case of such a family in which the total number of hours in which the adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 38 hours per week in a month, as 1.08 families.

"(B) APPLICATION OF RULES REGARDING DIRECT WORK ACTIVITIES AND STATE FLEXIBILITY TO COUNT PARTICIPATION IN CERTAIN ACTIVITIES.—Subparagraphs (B) and (C) of paragraph (1) apply to a family described in subparagraph (A) in the same manner as such subparagraphs apply to a family described in paragraph (1)(A).

"(3) 2-PARENT FAMILIES.—

"(A) IN GENERAL.—Subject to paragraph (6)(A), a 2-parent family in which an adult recipient or minor child head of household in the family is participating in work activities described in subsection (d) shall be treated as engaged in work for purposes of determining monthly participation rates under subsection (b)(1)(B)(i) as follows:

"(i) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 26, but less than 30, hours per week in a month, as 0.675 of a family.

"(ii) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 30, but less than 35, hours per week in a month, as 0.75 of a family.

"(iii) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 35, but less than 39, hours per week in a month, as 0.875 of a family.

"(iv) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 39, but less than 40, hours per week in a month, as 1 family.

"(v) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 40, but less than 43, hours per week in a month, as 1.05 families.

"(vi) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 43 hours per week in a month, as 1.08 families.

"(B) APPLICATION OF RULES REGARDING DIRECT WORK ACTIVITIES AND STATE FLEXIBILITY TO COUNT PARTICIPATION IN CERTAIN ACTIVITIES.—Subparagraphs (B) and (C) of paragraph

(I) apply to a 2-parent family described in subparagraph (A) in the same manner as such subparagraphs apply to a family described in paragraph (1)(A), except that subparagraph (B) of paragraph (1) shall be applied to a such a 2-parent family by substituting '34' for '24' each place it appears.

"(4) 2-PARENT FAMILIES THAT RECEIVE FEDERALLY FUNDED CHILD CARE.—

"(A) IN GENERAL.—Subject to paragraph (6)(A), if a 2-parent family receives federally funded child care assistance, an adult recipient or minor child head of household in the family participating in work activities described in subsection (d) shall be treated as engaged in work for purposes of determining monthly participation rates under subsection (b)(1)(B)(i) as follows:

"(i) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 40, but less than 45, hours per week in a month, as 0.675 of a family.

"(ii) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 45, but less than 51, hours per week in a month, as 0.75 of a family.

"(iii) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 51, but less than 55, hours per week in a month, as 0.875 of a family.

"(iv) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 55, but less than 56, hours per week in a month, as 1 family.

"(v) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 56, but less than 59, hours per week in a month, as 1.05 families.

"(vi) In the case of such a family in which the total number of hours in which any adult recipient or minor child head of household in the family is participating in such work activities for an average of at least 59 hours per week in a month, as 1.08 families.

"(B) APPLICATION OF RULES REGARDING DIRECT WORK ACTIVITIES AND STATE FLEXIBILITY TO COUNT PARTICIPATION IN CERTAIN ACTIVITIES.—Subparagraphs (B) and (C) of paragraph (1) apply to a 2-parent family described in subparagraph (A) in the same manner as such subparagraphs apply to a family described in paragraph (1)(A), except that subparagraph (B) of paragraph (1) shall be applied to a such a 2-parent family by substituting '50' for '24' each place it appears.

"(5) CALCULATION OF HOURS PER WEEK.—The number of hours per week that a family is engaged in work is the quotient of—

"(A) the total number of hours per month that the family is engaged in work; divided by

"(B) 4.

"(6) SPECIAL RULES.—

"(A) FAMILY WITH A DISABLED PARENT NOT TREATED AS A 2-PARENT FAMILY.—A family that includes a disabled parent shall not be considered a 2-parent family for purposes of paragraph (3) or (4).

"(B) NUMBER OF WEEKS FOR WHICH JOB SEARCH COUNTS AS WORK.—An individual shall not be considered to be engaged in work for a month by virtue of participation in an activity described in subsection (d)(6) of a State program funded under this part, after the individual has participated in such an activity for 6 weeks (or, if the unemployment rate of the State is at least 50 percent greater than the unemployment rate of the United States, or the State meets the criteria of subclause (I), (II), or (III) of section 403(b)(3)(A)(iii) or satisfies the applicable duration requirement of section 403(b)(3)(B)), 12 weeks).

"(C) SINGLE TEEN HEAD OF HOUSEHOLD OR MARRIED TEEN WHO MAINTAINS SATISFACTORY SCHOOL ATTENDANCE DEEMED TO COUNT AS 1 FAMILY.—For purposes of determining hours under the preceding paragraphs of this subsection, with respect to a month, a State shall count a recipient who is married or a head of household and who has not attained 20 years of age as 1 family if the recipient—

"(i) maintains satisfactory attendance at secondary school or the equivalent during the month; or

"(ii) participates in education directly related to employment for an average of at least 20 hours per week during the month.

"(D) LIMITATION ON NUMBER OF PERSONS WHO MAY BE TREATED AS ENGAGED IN WORK BY REASON OF PARTICIPATION IN EDUCATIONAL ACTIVITIES.—Except as provided in paragraph (1)(C)(ii)(I), for purposes of subsection (b)(1)(B)(i), not more than 30 percent of the number of individuals in all families in a State who are treated as engaged in work for a month may consist of individuals who are—

"(i) determined (without regard to individuals participating in a program established under section 404(l)) to be engaged in work for the month by reason of participation in vocational educational training (but only with respect to such training that does not exceed 12 months with respect to any individual); or

"(ii) deemed to be engaged in work for the month by reason of subparagraph (C) of this paragraph.

"(E) STATE OPTION TO DEEM SINGLE PARENT CARING FOR A CHILD OR ADULT DEPENDENT FOR CARE WITH A PHYSICAL OR MENTAL IMPAIRMENT TO BE MEETING ALL OR PART OF A FAMILY'S WORK PARTICIPATION REQUIREMENTS FOR A MONTH.—

"(i) IN GENERAL.—A State may count the number of hours per week that an adult recipient or minor child head of household who is the only parent or caretaker relative for a child or adult dependent for care with a physical or mental impairment engages in providing substantial ongoing care for such child or adult dependent for care if the State determines that—

"(I) the child or adult dependent for care has been verified through a medically acceptable clinical or diagnostic technique as having a significant physical or mental impairment or combination of impairments that require substantial ongoing care;

"(II) the adult recipient or minor child head of household providing such care is the most appropriate means, as determined by the State, by which such care can be provided to the child or adult dependent for care;

"(III) for each month in which this subparagraph applies to the adult recipient or minor child head of household, the adult recipient or minor child head of household is in compliance with the requirements of the family's self-sufficiency plan; and

"(IV) the recipient is unable to participate fully in work activities, after consideration of whether there are supports accessible and available to the family for the care of the child or adult dependent for care.

"(ii) TOTAL NUMBER OF HOURS LIMITED TO BEING COUNTED AS 1 FAMILY.—In no event may a family that includes a recipient to which clause (i) applies be counted as more than 1 family for purposes of determining monthly participation rates under subsection (b)(1)(B)(i).

"(iii) STATE REQUIREMENTS.—In the case of a recipient to which clause (i) applies, the State shall—

"(I) conduct regular, periodic evaluations of the family of the adult recipient or minor child head of household; and

"(II) include as part of the family's self-sufficiency plan, regular updates on what special needs of the child or the adult dependent for care, including substantial ongoing care, could be accommodated either by individuals other than the adult recipient or minor child head of household outside of the home.

"(iv) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed as prohibiting a State from including in a recipient's self-sufficiency plan a requirement to engage in work activities described in subsection (d).

"(F) OPTIONAL MODIFICATION OF WORK REQUIREMENTS FOR RECIPIENTS RESIDING IN AREAS OF INDIAN COUNTRY OR AN ALASKAN NATIVE VILLAGE WITH HIGH JOBLESSNESS.—If a State has included in the State plan a description of the State's policies in areas of Indian country or an Alaskan Native village described in section 408(a)(7)(D), the State may define the activities that the State will treat as being work activities described in subsection (d) that a recipient who resides in such an area and who is participating in such activities in accordance with a self-sufficiency plan under section 408(b) may engage in for purposes of satisfying work requirements under the State program and for purposes of determining monthly participation rates under subsection (b)(1)(B)(i).".

(2) CONFORMING AMENDMENT RELATING TO AUTHORITY TO DEEM SINGLE PARENT OF A CHILD OR ADULT DEPENDENT FOR CARE WITH A PHYSICAL OR MENTAL IMPAIRMENT DEEMED TO BE MEETING ALL OR PART OF A FAMILY'S WORK PARTICIPATION REQUIREMENTS FOR A MONTH.—Section 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)), as amended by section 101(a)(1)(B), is amended by adding at the end the following:

"(vi) The document shall set forth the criteria for applying section 407(c)(6)(E) to an adult recipient or minor child head of household who is the only parent or caretaker relative for a child or adult dependent for care.".

SEC. 110. UNIVERSAL ENGAGEMENT AND FAMILY SELF-SUFFICIENCY PLAN REQUIREMENTS; OTHER PROHIBITIONS AND REQUIREMENTS.

(a) UNIVERSAL ENGAGEMENT AND FAMILY SELF-SUFFICIENCY PLAN REQUIREMENTS.—

(1) MODIFICATION OF STATE PLAN REQUIREMENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following:

"(ii) Require a parent or caretaker receiving assistance under the program to engage in work or alternative self-sufficiency activities (as defined by the State), consistent with section 407(e)(2).

"(iii) Require families receiving assistance under the program to engage in activities in accordance with family self-sufficiency plans developed pursuant to section 408(b).".

(2) ESTABLISHMENT OF FAMILY SELF-SUFFICIENCY PLANS.—

(A) IN GENERAL.—Section 408(b) (42 U.S.C. 608(b)) is amended to read as follows:

"(b) FAMILY SELF-SUFFICIENCY PLANS.—

"(1) IN GENERAL.—A State to which a grant is made under section 403 shall—

"(A) make an initial screening and assessment, in the manner deemed appropriate by the State, of the skills, prior work experience, education obtained, work readiness, barriers to work, and employability of each adult or minor child head of household recipient of assistance in the family who—

"(i) has attained age 18; or

"(ii) has not completed high school or obtained a certificate of high school equivalency and is not attending secondary school;

"(B) assess, in the manner deemed appropriate by the State, the work support and other assistance and family support services for which each family receiving assistance is eligible; and

"(C) assess, in the manner deemed appropriate by the State, the well-being of the children in the family, and, where appropriate, activities or resources to improve the well-being of the children.

"(2) CONTENTS OF PLANS.—The State shall, in the manner deemed appropriate by the State—

"(A) establish for each family that includes an individual described in paragraph (1)(A), in consultation as the State deems appropriate with the individual, a self-sufficiency plan that—

"(i) specifies activities described in the State plan submitted pursuant to section 402, including work activities described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of section 407(d), as appropriate;

"(ii) is designed to assist the family in achieving their maximum degree of self-sufficiency, and

"(iii) provides for the ongoing participation of the individual in the activities specified in the plan;

"(B) requires, at a minimum, each such individual to participate in activities in accordance with the self-sufficiency plan;

"(C) sets forth the appropriate supportive services the State intends to provide for the family;

"(D) establishes for the family a plan that addresses the issue of child well-being and, when appropriate, adolescent well-being, and that may include services such as domestic violence counseling, mental health referrals, and parenting courses; and

"(E) includes a section designed to assist the family by informing the family, in such manner as deemed appropriate by the State, of the work support and other assistance for which the family may be eligible including (but not limited to)—

"(i) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

"(ii) the medicaid program funded under title XIX;

"(iii) the State children's health insurance program funded under title XXI;

"(iv) Federal or State funded child care, including child care funded under the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) and funds made available under this title or title XX;

"(v) the earned income tax credit under section 32 of the Internal Revenue Code of 1986;

"(vi) the low-income home energy assistance program established under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.);

"(vii) the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

"(viii) programs conducted under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.); and

"(ix) low-income housing assistance programs.

"(3) REVIEW.—

"(A) REGULAR REVIEW.—A State to which a grant is made under section 403 shall—

"(i) monitor the participation of each adult recipient or minor child head of household in the activities specified in the self-sufficiency plan, and regularly review the progress of the family toward self-sufficiency; and

"(ii) upon such a review, revise the plan and activities required under the plan as the State deems appropriate in consultation with the family.

"(B) PRIOR TO THE IMPOSITION OF A SANCTION.—Prior to imposing a sanction against an adult recipient, minor child head of household, or a family for failure to comply with a requirement of the self-sufficiency plan or the State program funded under this part, the State shall, to the extent determined appropriate by the State—

"(i) review the self-sufficiency plan; and

"(ii) make a good faith effort (as defined by the State) to consult with the family.

"(4) STATE DISCRETION.—A State shall have sole discretion, consistent with section 407, to define and design activities for families for purposes of this subsection, to develop methods for monitoring and reviewing progress pursuant to this subsection, and to make modifications to the plan as the State deems appropriate to assist the individual in increasing their degree of self-sufficiency.

"(5) APPLICATION TO PARTIALLY-SANCTIONED FAMILIES.—The requirements of this subsection shall apply in the case of a family that includes an adult or minor child head of household recipient of assistance who is subject to a partial sanction.

"(6) TIMING.—The State shall initiate screening and assessment and the establishment of a family self-sufficiency plan in accordance with the requirements of this subsection—

"(A) in the case of a family that, as of the date of enactment of the Personal Responsibility and Individual Development for Everyone Act, is not receiving assistance from the State program funded under this part, not later than the later of—

"(i) 1 year after such date of enactment; or

"(ii) 60 days after the family first receives assistance on the basis of the most recent application for assistance; and

"(B) in the case of a family that, as of such date, is receiving assistance under the State program funded under this part, not later than 1 year after such date of enactment.

"(7) RULE OF INTERPRETATION.—Nothing in this subsection shall preclude a State from—

"(A) requiring participation in work and any other activities the State deems appropriate for helping families achieve self-sufficiency and improving child well-being; or

"(B) using job search or other appropriate job readiness or work activities to assess the employability of individuals and to determine appropriate future engagement activities.".

(B) PENALTY FOR FAILURE TO COMPLY WITH FAMILY SELF-SUFFICIENCY PLAN REQUIREMENTS.—

(i) IN GENERAL.—Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

(I) in the paragraph heading, by inserting "OR COMPLY WITH FAMILY SELF-SUFFICIENCY PLAN REQUIREMENTS" after "RATES";

(II) in subparagraph (A), by inserting "or 408(b)" after "407(a)"; and

(III) by striking subparagraph (C) and inserting the following:

"(C) PENALTY BASED ON SEVERITY OF FAILURE.—

"(i) FAILURE TO SATISFY MINIMUM PARTICIPATION RATE.—If, with respect to fiscal year 2005 or any fiscal year thereafter, the Secretary finds that a State has failed or is failing to substantially comply with the requirements of section 407(a) for that fiscal year, the Secretary shall impose reductions under subparagraph (A) with respect to the immediately succeeding fiscal year based on the degree of substantial noncompliance. In assessing the degree of substantial noncompliance under section 407(a) for a fiscal year, the Secretary shall take into account factors such as—

"(I) the degree to which the State missed the minimum participation rate for that fiscal year;

"(II) the change in the number of individuals who are engaged in work in the State since the prior fiscal year; and

"(III) the number of consecutive fiscal years in which the State failed to reach the minimum participation rate.

"(ii) FAILURE TO COMPLY WITH SELF-SUFFICIENCY PLAN REQUIREMENTS.—If, with respect to fiscal year 2005 or any fiscal year thereafter, the Secretary finds that a State has failed or is failing to substantially comply with the requirements of section 408(b) for that fiscal year, the Secretary shall impose reductions under subparagraph (A) with respect to the immediately succeeding fiscal year based on the degree of substantial noncompliance. In assessing the degree of substantial noncompliance under section 408(b), the Secretary shall take into account factors such as—

"(I) the number or percentage of families for which a self-sufficiency plan is not established in a timely fashion for that fiscal year;

"(II) the duration of the delays in establishing a self-sufficiency plan during that fiscal year;

"(III) whether the failures are isolated and nonrecurring; and

"(IV) the existence of systems designed to ensure that self-sufficiency plans are established for all families in a timely fashion and that families' progress under such plans is monitored.

"(iii) AUTHORITY TO REDUCE THE PENALTY.—The Secretary may reduce the penalty that would otherwise apply under this paragraph if the substantial noncompliance is due to circumstances that caused the State to meet the criteria of subclause (I), (II), or (III) of section 403(b)(3)(A)(iii) or to satisfy the applicable duration requirement of section 403(b)(3)(B) during the fiscal year, or if the noncompliance is due to extraordinary circumstances such as a natural disaster or regional recession. The Secretary shall provide a written report to Congress to justify any waiver or penalty reduction due to such extraordinary circumstances.".

(ii) EFFECTIVE DATE.—The amendments made by this subparagraph take effect on October 1, 2004.

(3) GAO EVALUATION AND REPORT.—Not later than September 30, 2005, the Comptroller General of the United States shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate evaluating the implementation of the universal engagement provisions under the temporary assistance to needy families program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), as added by the amendments made by this subsection.

(4) RULES OF CONSTRUCTION.—Nothing in this subsection or the amendments made by this subsection shall be construed—

(A) as establishing a private right or cause of action against a State for failure to comply with the requirements imposed under this subsection or the amendments made by this subsection; or

(B) as limiting claims that may be available under other Federal or State laws.

(b) TRANSITIONAL COMPLIANCE FOR TEEN PARENTS.—

(1) IN GENERAL.—Section 408(a)(5) (42 U.S.C. 608(a)(5)) is amended—

(A) in subparagraph (A)(i), by striking "subparagraph (B)" and inserting "subparagraphs (B) and (C)"; and

(B) by adding at the end the following:

"(C) AUTHORITY TO PROVIDE TEMPORARY ASSISTANCE.—A State may use any part of a grant made under section 403 to provide assistance to an individual described in clause (ii) of subparagraph (A) who would otherwise be prohibited from receiving such assistance under clause (i) of that subparagraph, subparagraph (B), or section 408(a)(4) for not more than a single 60-day period in order to assist the individual in meeting the requirement of clause (i) of subparagraph (A), subparagraph (B), or section 408(a)(4) for receipt of such assistance.".

(2) INCLUSION OF TRANSITIONAL LIVING YOUTH PROJECTS AS A FORM OF ADULT-SUPERVISED SETTING.—Clause (i) of section 408(a)(5)(A) (42 U.S.C. 608(a)(5)(A)(i)), as amended by paragraph (1), is amended—

(A) by striking "do not reside in a place of" and inserting "do not reside in a—

"(I) place of";

(B) by striking the period and inserting "; or"; and

(C) by adding at the end the following:

"(II) transitional living youth project funded under a grant made under section 321 of the Runaway and Homeless Youth Act (42 U.S.C. 5714–1).".

SEC. 111. PENALTIES.

Section 409(a)(7) (42 U.S.C. 609(a)(7)), as amended by section 3(g) of the Welfare Reform Extension Act of 2003 (Public Law 108–040, 117 Stat. 837) is amended—

(1) in subparagraph (A) by striking "fiscal year 1998, 1999, 2000, 2001, 2002, 2003, or 2004" and inserting "fiscal year 2004, 2005, 2006, 2007, 2008, or 2009"; and

(2) in subparagraph (B)(ii)—

(A) by inserting "preceding" before "fiscal year"; and

(B) by striking "for fiscal years 1997 through 2003,".

SEC. 112. DATA COLLECTION AND REPORTING.

(a) CONTENTS OF REPORT.—Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended—

(1) in the matter preceding clause (i), by inserting "and on families receiving assistance under State programs funded with other qualified State expenditures (as defined in section 409(a)(7)(B)(i))" before the colon;

(2) in clause (vii), by inserting "and minor parent" after "of each adult";

(3) in clause (viii), by striking "and educational level";

(4) in clause (ix), by striking ", and if the latter 2, the amount received";

(5) in clause (x)—

(A) by striking "each type of"; and

(B) by inserting before the period "and, if applicable, the reason for receipt of the assistance for a total of more than 60 months";

(6) in clause (xi), by striking subclauses (I) through (VII) and inserting the following:

"(I) Subsidized private sector employment.

"(II) Unsubsidized employment.

"(III) Public sector employment, supervised work experience, or supervised community service.

"(IV) On-the-job training.

"(V) Job search and placement.

"(VI) Training.

"(VII) Education.

"(VIII) Other activities directed at the purposes of this part, as specified in the State plan submitted pursuant to section 402.";

(7) in clause (xii), by inserting "and progress toward universal engagement" after "participation rates";

(8) in clause (xiii), by striking "type and" before "amount of assistance";

(9) in clause (xvi), by striking subclause (II) and redesignating subclauses (III) through (V) as subclauses (II) through (IV), respectively; and

(10) by adding at the end the following:

"(xviii) The date the family first received assistance from the State program on the basis of the most recent application for such assistance.

"(xix) Whether a self-sufficiency plan is established for the family in accordance with section 408(b).

"(xx) With respect to any child in the family, the marital status of the parents at the birth of the child, and if the parents were not then married, whether the paternity of the child has been established.".

(b) USE OF SAMPLES.—Section 411(a)(1)(B) (42 U.S.C. 611(a)(1)(B)) is amended—

(1) in clause (i)—

(A) by striking "a sample" and inserting "samples"; and

(B) by inserting before the period ", except that the Secretary may designate core data elements that must be reported on all families"; and

(2) in clause (ii), by striking "funded under this part" and inserting "described in subparagraph (A)".

(c) REPORT ON FAMILIES THAT BECOME INELIGIBLE TO RECEIVE ASSISTANCE.—Section 411(a) (42 U.S.C. 611(a)) is amended—

(1) by striking paragraph (5);

(2) by redesignating paragraph (6) as paragraph (5); and

(3) by inserting after paragraph (5) (as so redesignated) the following:

"(6) REPORT ON FAMILIES THAT BECOME INELIGIBLE TO RECEIVE ASSISTANCE.—The report required by paragraph (1) for a fiscal quarter shall include for each month in the quarter the number of families and total number of individuals that, during the month, became ineligible to receive assistance under the State program funded under this part (broken down by the number of families that become so ineligible due to earnings, changes in family composition that result in increased earnings, sanctions, time limits, or other specified reasons).".

(d) REGULATIONS.—Section 411(a)(7) (42 U.S.C. 611(a)(7)) is amended—

(1) by inserting "and to collect the necessary data" before "with respect to which reports";

(2) by striking "subsection" and inserting "section"; and

(3) by striking "in defining the data elements" and all that follows and inserting ", the National Governors' Association, the American Public Human Services Association, the National Conference of State Legislatures, and others in defining the data elements.".

(e) ADDITIONAL REPORTS BY STATES.—Section 411 (42 U.S.C. 611) is amended—

(1) by redesignating subsection (b) as subsection (e); and

(2) by inserting after subsection (a) the following:

"(b) ANNUAL REPORTS ON PROGRAM CHARACTERISTICS.—Not later than 90 days after the end of fiscal year 2004 and each succeeding fiscal year, each eligible State shall submit to the Secretary a report on the characteristics of the State program funded under this part and other State programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)). The report shall include, with respect to each such program, the program name, a description of program activities, the program purpose, the program eligibility criteria, the sources of program funding, the number of program beneficiaries, sanction policies, and any program work requirements.

"(c) MONTHLY REPORTS ON CASELOAD.—Not later than 3 months after the end of each calendar month that begins 1 year or more after the date of enactment of this subsection, each eligible State shall submit to the Secretary a report on the number of families and total number of individuals receiving assistance in the calendar month under the State program funded under this part and under other State programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)).

"(d) ANNUAL REPORT ON PERFORMANCE IMPROVEMENT.—Beginning with fiscal year 2005, not later than January 1 of each fiscal year, each eligible State shall submit to the Secretary a report on achievement and improvement during the preceding fiscal year under the performance goals and measures under the State program funded under this part with respect to each of the matters described in section 402(a)(1)(A)(v).".

(f) ANNUAL REPORTS TO CONGRESS BY THE SECRETARY.—Section 411(e) (42 U.S.C. 611(e)), as so redesignated by subsection (e) of this section, is amended—

(1) in the matter preceding paragraph (1), by striking "and each fiscal year thereafter" and inserting "and not later than July 1 of each fiscal year thereafter";

(2) in paragraph (2), by striking "families applying for assistance," and by striking the last comma; and

(3) in paragraph (3), by inserting "and other programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))" before the semicolon.

SEC. 113. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

(a) FUNDING FOR TRIBAL TANF PROGRAMS.—

(1) REAUTHORIZATION OF TRIBAL FAMILY ASSISTANCE GRANTS.—Section 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)), as amended by section 3(h) of the Welfare Reform Extension Act of 2003, is amended by striking "1997, 1998, 1999, 2000, 2001, 2002, and 2003" and inserting "2004 through 2008".

(2) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—Section 412(a)(2)(A) (42 U.S.C. 612(a)(2)(A)), as so amended, is amended by striking "1997, 1998, 1999, 2000, 2001, 2002, and 2003" and inserting "2004 through 2008".

(b) TRIBAL TANF IMPROVEMENT FUND.—Section 412(a) (42 U.S.C. 612(a)) is amended by adding at the end the following:

"(4) TRIBAL TANF IMPROVEMENT FUND.—

"(A) ESTABLISHMENT.—The Secretary shall establish a fund for purposes of carrying out any of the following activities:

"(i) Providing technical assistance to Indian tribes considering applying to carry out, or that are carrying out, a tribal family assistance plan under this section in order to help such tribes establish and operate strong and effective tribal family assistance plans under this section that will allow families receiving assistance under such plans achieve the highest measure of self-sufficiency.

"(ii) Awarding competitive grants directly to Indian tribes carrying out a tribal family assistance plan under this section for purposes of conducting programs and activities that would substantially improve the operation and effectiveness of such plans and the ability of such tribes to achieve the purposes of the program under this part as described in section 401(a).

"(iii) Awarding competitive grants directly to Indian tribes carrying out a tribal family assistance plan under this section to support tribal economic development activities that would significantly assist families receiving assistance under the State program funded under this part or a tribal family assistance plan obtain employment and achieve self-sufficiency.

"(iv) Conducting, directly or through grants, contracts, or interagency agreements, research and development to improve knowledge about tribal family assistance programs conducted under this section and challenges faced by such programs in order to improve the effectiveness of such programs.

"(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this paragraph, $100,000,000 for each of fiscal years 2004 through 2008.".

SEC. 114. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

(a) SECRETARY'S FUND FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—Section 413 (42 U.S.C. 613), as amended by section 101(d), is further amended by adding at the end the following:

"(l) FUNDING FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—

"(1) APPROPRIATION.—

"(A) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $100,000,000 for each of fiscal years 2004 through 2008, which shall remain available to the Secretary until expended.

"(B) USE OF FUNDS.—

"(i) IN GENERAL.—Funds appropriated under subparagraph (A) shall be used for the purpose of—

"(I) conducting or supporting research and demonstration projects by public or private entities; or

"(II) providing technical assistance in connection with a purpose of the program funded under this part, as described in section 401(a), to States, Indian tribal organizations, sub-State entities, and such other entities as the Secretary may specify.

"(ii) REQUIREMENT.—Not less than 80 percent of the funds appropriated under subparagraph (A) for a fiscal year shall be expended for the purpose of conducting or supporting research and demonstration projects, or for providing technical assistance, in connection with activities described in section 403(a)(2)(B). Funds appropriated under subparagraph (A) and expended in accordance with this clause shall be in addition to any other funds made available under this part for activities described in section 403(a)(2)(B).

"(2) SECRETARY'S AUTHORITY.—The Secretary may conduct activities authorized by this subsection directly or through grants, contracts, or interagency agreements with public or private entities.

"(3) REQUIREMENT FOR USE OF FUNDS.—The Secretary shall not pay any funds appropriated under paragraph (1)(A) to an entity for the purpose of conducting or supporting research and demonstration projects involving activities described in section 403(a)(2)(B) unless the entity complies with the requirements of section 403(a)(2)(E).".

(b) FUNDING OF STUDIES AND DEMONSTRATIONS.—Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended in the matter preceding subparagraph (A) by striking "1997 through 2002" and inserting "2004 through 2008".

(c) PROGRAM COORDINATION DEMONSTRATION PROJECTS.—

(1) PURPOSE.—The purpose of this subsection is to establish a program of demonstration projects in a State or portion of a State to coordinate assistance provided under qualified programs for the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families, using innovative approaches to strengthen service systems and provide more coordinated and effective service delivery.

(2) DEFINITIONS.—In this subsection:

(A) QUALIFIED PROGRAM.—The term "qualified program" means—

(i) a program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(ii) the program under title XX of the Social Security Act (42 U.S.C. 1397 et seq.); and

(iii) child care assistance funded under section 418 of the Social Security Act (42 U.S.C. 618).

(B) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(3) APPLICATION REQUIREMENTS.—The head of a State entity or of a sub-State entity administering 2 or more qualified programs proposed to be included in a demonstration project under this subsection shall (or, if the project is proposed to include qualified programs administered by 2 or more such entities, the heads of the administering entities (each of whom shall be considered an applicant for purposes of this subsection) shall jointly) submit to the Secretary an application that contains the following:

(A) PROGRAMS INCLUDED.—A statement identifying each qualified program to be included in the project, and describing how the purposes of each such program will be achieved by the project.

(B) POPULATION SERVED.—A statement identifying the population to be served by the project and specifying the eligibility criteria to be used.

(C) DESCRIPTION AND JUSTIFICATION.—A detailed description of the project, including—

(i) a description of how the project is expected to improve or enhance achievement of the purposes of the programs to be included in the project, from the standpoint of quality, of cost-effectiveness, or of both; and

(ii) a description of the performance objectives for the project, including any proposed modifications to the performance measures and reporting requirements used in the programs.

(D) WAIVERS REQUESTED.—A description of the statutory and regulatory requirements with respect to which a waiver is requested in order to carry out the project, and a justification of the need for each such waiver.

(E) COST NEUTRALITY.—Such information and assurances as necessary to establish to the satisfaction of the Secretary, in consultation with the Director of the Office of Management and Budget, that the proposed project is reasonably expected to meet the applicable cost neutrality requirements of paragraph (4)(E).

(F) EVALUATION AND REPORTS.—An assurance that the applicant will—

(i) obtain an evaluation by an independent contractor of the effectiveness of the project using an evaluation design that, to the maximum extent feasible, includes random assignment of clients (or entities serving such clients) to service delivery and control groups; and

(ii) make interim and final reports to the Secretary, at such times and in such manner as the Secretary may require.

(G) OTHER INFORMATION AND ASSURANCES.—Such other information and assurances as the Secretary may require.

(4) APPROVAL OF APPLICATIONS.—

(A) IN GENERAL.—The Secretary with respect to a qualified program that is identified in an application submitted pursuant to subsection (c) may approve the application and, except as provided in subparagraph (B), waive any requirement applicable to the program, to the extent consistent with this subsection and necessary and appropriate for the conduct of the demonstration project proposed in the application, if the Secretary determines that the project—

(i) has a reasonable likelihood of achieving the objectives of the programs to be included in the project;

(ii) may reasonably be expected to meet the applicable cost neutrality requirements of subparagraph (E), as determined by the Director of the Office of Management and Budget;

(iii) includes the coordination of 2 or more qualified programs; and

(iv) provides for an independent evaluation that includes random assignment to the maximum extent feasible, as described in paragraph (3)(F), and which the Secretary determines to be appropriate for assessing the effectiveness of the project.

(B) PROVISIONS EXCLUDED FROM WAIVER AUTHORITY.—A waiver shall not be granted under subparagraph (A)—

(i) with respect to any provision of law relating to—

(I) civil rights or prohibition of discrimination;

(II) purposes or goals of any program;

(III) maintenance of effort requirements;

(IV) health or safety;

(V) labor standards under the Fair Labor Standards Act of 1938; or

(VI) environmental protection;

(ii) in the case of child care assistance funded under section 418 of the Social Security Act (42 U.S.C. 618), with respect to the requirement under the first sentence of subsection (b)(1) of that section that funds received by a State under that section shall only be used to provide child care assistance;

(iii) with respect to any requirement that a State pass through to a sub-State entity part or all of an amount paid to the State;

(iv) if the waiver would waive any funding restriction or limitation provided in an appropriations Act, or would have the effect of transferring appropriated funds from 1 appropriations account to another; or

(v) except as otherwise provided by statute, if the waiver would waive any funding restriction applicable to a program authorized under an Act which is not an appropriations Act (but not including program requirements such as application procedures, performance standards, reporting requirements, or eligibility standards), or would have the effect of transferring funds from a program for which there is direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to another program.

(C) 10 STATE LIMITATION.—The Director of the Office of Management and Budget shall establish a procedure for ensuring that not more than 10 States (including any portion of a State) conduct a demonstration project under this subsection.

(D) AGREEMENT OF SECRETARY REQUIRED.—

(i) IN GENERAL.—An applicant may not conduct a demonstration project under this subsection unless the Secretary, with respect to each qualified program proposed to be included in the project, has approved the application to conduct the project.

(ii) AGREEMENT WITH RESPECT TO FUNDING AND IMPLEMENTATION.—Before approving an application to conduct a demonstration project under this subsection, the Secretary shall have in place an agreement with the applicant with respect to the payment of funds and responsibilities required of the Secretary with respect to the project.

(E) COST-NEUTRALITY REQUIREMENT.—

(i) GENERAL RULE.—Notwithstanding any other provision of law (except as provided in clause (ii)), the total of the amounts that may be paid by the Federal Government for a fiscal year with respect to the programs in the State in which an entity conducting a demonstration project under this subsection is located that are affected by the project shall not exceed the estimated total amount that the Federal Government would have paid for the fiscal year with respect to the programs if the project had not been conducted, as determined by the Director of the Office of Management and Budget.

(ii) SPECIAL RULE.—If an applicant submits to the Director of the Office of Management and Budget a request to apply the rules of this clause to the programs in the State in which the applicant is located that are affected by a demonstration project proposed in an application submitted by the applicant pursuant to this section, during such period of not more than 5 consecutive fiscal years in which the project is in effect, and the Director determines, on the basis of supporting information provided by the applicant, to grant the request, then, notwithstanding any other provision of law, the total of the amounts that may be paid by the Federal Government for the period with respect to the programs shall not exceed the estimated total amount that the Federal Government would have paid for the period with respect to the programs if the project had not been conducted.

(F) 90-DAY APPROVAL DEADLINE.—

(i) IN GENERAL.—If the Secretary receives an application to conduct a demonstration project under this subsection and does not disapprove the application within 90 days after the receipt,

then, subject to the 10 State limitation under paragraph (3)—

(I) the Secretary is deemed to have approved the application for such period as is requested in the application, except to the extent inconsistent with paragraph (5); and

(II) any waiver requested in the application which applies to a qualified program that is identified in the application and is administered by the Secretary is deemed to be granted, except to the extent inconsistent with subparagraph (B) or (E) of this paragraph.

(ii) DEADLINE EXTENDED IF ADDITIONAL INFORMATION IS SOUGHT.—The 90-day period referred to in clause (i) shall not include any period that begins with the date the Secretary requests the applicant to provide additional information with respect to the application and ends with the date the additional information is provided.

(5) DURATION OF PROJECTS.—A demonstration project under this subsection may be approved for a term of not more than 5 years.

(6) REPORTS TO CONGRESS.—

(A) REPORT ON DISPOSITION OF APPLICATIONS.—Within 90 days after the date the Secretary receives an application submitted pursuant to this subsection, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives notice of the receipt, a description of the decision of the Secretary with respect to the application, and the reasons for approving or disapproving the application.

(B) REPORTS ON PROJECTS.—The Secretary shall provide annually to Congress a report concerning demonstration projects approved under this subsection, including—

(i) the projects approved for each applicant;

(ii) the number of waivers granted under this subsection, and the specific statutory provisions waived;

(iii) how well each project for which a waiver is granted is improving or enhancing program achievement from the standpoint of quality, cost-effectiveness, or both;

(iv) how well each project for which a waiver is granted is meeting the performance objectives specified in paragraph (3)(C)(ii);

(v) how each project for which a waiver is granted is conforming with the cost-neutrality requirements of paragraph (4)(E); and

(vi) to the extent the Secretary deems appropriate, recommendations for modification of programs based on outcomes of the projects.

SEC. 115. STUDY BY THE CENSUS BUREAU.

(a) IN GENERAL.—Section 414(a) (42 U.S.C. 614(a)) is amended to read as follows:

"(a) IN GENERAL.—The Bureau of the Census shall implement or enhance a longitudinal survey of program participation, developed in consultation with the Secretary and made available to interested parties, to allow for the assessment of the outcomes of continued welfare reform on the economic and child well-being of low-income families with children, including those who received assistance or services from a State program funded under this part, and, to the extent possible, shall provide State representative samples. The content of the survey should include such information as may be necessary to examine the issues of out-of-wedlock childbearing, marriage, welfare dependency and compliance with work requirements, the beginning and ending of spells of assistance, work, earnings and employment stability, and the well-being of children.".

(b) REPORTS ON THE WELL-BEING OF CHILDREN AND FAMILIES.—Section 414 (42 U.S.C. 614), as amended by subsection (a), is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

"(b) REPORTS ON THE WELL-BEING OF CHILDREN AND FAMILIES.—

"(1) IN GENERAL.—Not later than 24 months after the date of enactment of the Personal Responsibility and Individual Development for Everyone Act, the Secretary of Commerce shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the well-being of children and families using data collected under subsection (a).

"(2) SECOND REPORT.—Not later than 60 months after such date of enactment, the Secretary of Commerce shall submit a second report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the well-being of children and families using data collected under subsection (a).

"(3) INCLUSION OF COMPARABLE MEASURES.—Where comparable measures for data collected under subsection (a) exist in surveys previously administered by the Bureau of the Census, appropriate comparisons shall be made and included in each report required under this subsection on the well-being of children and families to assess changes in such measures.".

(c) APPROPRIATION.—Section 414(c) (42 U.S.C. 614(c)), as redesignated by subsection (b)(1) and as amended by section 3(i) of the Welfare Reform Extension Act of 2003 (Public Law 108–040, 117 Stat. 837), is amended by striking "1996," and all that follows through the period and inserting "2004 through 2008 for payment to the Bureau of the Census to carry out this section. Funds appropriated under this subsection for a fiscal year shall remain available through fiscal year 2008 to carry out this section.".

SEC. 116. FUNDING FOR CHILD CARE.

(a) INCREASE IN MANDATORY FUNDING.—Section 418(a)(3) (42 U.S.C. 618(a)(3)), as amended by section 4 of the Welfare Reform Extension Act of 2003 (Public Law 108–040, 117 Stat. 837), is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end the following:

"(G) $2,917,000,000 for each of fiscal years 2004 through 2008.".

(b) INCLUSION OF COMMONWEALTH OF PUERTO RICO IN RESERVATION OF CHILD CARE FUNDS.—

(1) IN GENERAL.—Section 418(a)(4) (42 U.S.C. 618(a)(4)) is amended—

(A) in the paragraph heading, by striking "INDIAN TRIBES" and inserting "AMOUNTS RESERVED";

(B) by striking "The Secretary" and inserting the following:

"(A) INDIAN TRIBES.—The Secretary"; and

(C) by adding at the end the following:

"(B) PUERTO RICO.—The Secretary shall reserve $10,000,000 of the amount appropriated under paragraph (3) for each fiscal year for payments to the Commonwealth of Puerto Rico for each such fiscal year for the purpose of providing child care assistance.".

(2) CONFORMING AMENDMENT.—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)), as amended by section 108(b)(3), is amended by striking "or 413(f)" and inserting "413(f), or 418(a)(4)(B)".

SEC. 117. DEFINITIONS.

(a) IN GENERAL.—Section 419 (42 U.S.C. 619) is amended by adding at the end the following:

"(6) ASSISTANCE.—

"(A) IN GENERAL.—The term 'assistance' means payment, by cash, voucher, or other means, to or for an individual or family for the purpose of meeting a subsistence need of the individual or family (including food, clothing, shelter, and related items, but not including costs of transportation or child care).

"(B) EXCEPTION.—The term 'assistance' does not include a payment described in subparagraph (A) to or for an individual or family on a short-term, nonrecurring basis (as defined by the State in accordance with regulations prescribed by the Secretary).".

(b) CONFORMING AMENDMENTS.—

(1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is amended by striking "assistance" and inserting "aid".

(2) Section 404(f) (42 U.S.C. 604(f)) is amended by striking "assistance" and inserting "benefits or services".

(3) Section 408(a)(5)(B)(i) (42 U.S.C. 608(a)(5)(~~B~~)(i)) is amended in the heading by striking "ASSISTANCE" and inserting "AID".

(4) Section 413(d)(2) (42 U.S.C. 613(d)(2)) is amended by striking "assistance" and inserting "aid".

(5) Section 5(g)(2)(D) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)(D)) is amended—

(A) by striking "If the vehicle allowance" and inserting the following:

"(i) IN GENERAL.—If the vehicle allowance"; and

(B) by adding at the end the following:

"(ii) DEFINITION OF ASSISTANCE.—In clause (i), the term 'assistance' shall have the meaning given such term in section 260.31 of title 45 of the Code of Federal Regulations, as in effect on June 1, 2002.".

SEC. 118. RESPONSIBLE FATHERHOOD PROGRAM.

(a) RESPONSIBLE FATHERHOOD PROGRAM.—

(1) FINDINGS.—Congress makes the following findings:

(A) Nearly 24,000,000 children in the United States, or 34 percent of all such children, live apart from their biological father.

(B) Sixty percent of couples who divorce have at least 1 child.

(C) The number of children living with only a mother increased from just over 5,000,000 in 1960 to 17,000,000 in 1999, and between 1981 and 1991 the percentage of children living with only 1 parent increased from 19 percent to 25 percent.

(D) Forty percent of children who live in households without a father have not seen their father in at least 1 year and 50 percent of such children have never visited their father's home.

(E) The most important factor in a child's upbringing is whether the child is brought up in a loving, healthy, supportive environment.

(F) Children who live without contact with their biological father are, in comparison to children who have such contact—

(i) 5 times more likely to live in poverty;

(ii) more likely to bring weapons and drugs into the classroom;

(iii) twice as likely to commit crime;

(iv) twice as likely to drop out of school;

(v) more likely to commit suicide;

(vi) more than twice as likely to abuse alcohol or drugs; and

(vii) more likely to become pregnant as teenagers.

(G) Violent criminals are overwhelmingly males who grew up without fathers.

(H) Between 20 and 30 percent of families in poverty are headed by women who have suffered domestic violence during the past year, and between 40 and 60 percent of women with children receiving welfare were abused sometime during their life.

(I) Responsible fatherhood includes active participation in financial support and child care, as well as the formation and maintenance of a positive, healthy, and nonviolent relationship between father and child and a cooperative relationship between parents.

(J) States should be encouraged to implement programs that provide support for responsible fatherhood, promote marriage, and increase the incidence of marriage, and should not be restricted from implementing such programs.

(K) Fatherhood programs should promote and provide support services for—

(i) loving and healthy relationships between parents and children; and

(ii) cooperative parenting.

(L) There is a social need to reconnect children and fathers.

(M) The promotion of responsible fatherhood and encouragement of healthy 2-parent married families should not—

(i) denigrate the standing or parenting efforts of single mothers or other caregivers;

(ii) lessen the protection of children from abusive parents; or

(iii) compromise the safety or health of the custodial parent;

but should increase the chance that children will have 2 caring parents to help them grow up healthy and secure.

(N) The promotion of responsible fatherhood must always recognize and promote the values of nonviolence.

(O) For the future of the United States and the future of our children, Congress, States, and local communities should assist parents to become more actively involved in their children's lives.

(P) Child support is an important means by which a parent can take financial responsibility for a child and emotional support is an important means by which a parent can take social responsibility for a child.

(2) FATHERHOOD PROGRAM.—Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) is amended by adding at the end the following:

"SEC. 117. FATHERHOOD PROGRAM.

"(a) IN GENERAL.—Title IV (42 U.S.C. 601–679b) is amended by inserting after part B the following:

"'PART C—RESPONSIBLE FATHERHOOD PROGRAM

"'SEC. 441. RESPONSIBLE FATHERHOOD GRANTS.

"'(a) GRANTS TO STATES TO CONDUCT DEMONSTRATION PROGRAMS.—

"'(1) AUTHORITY TO AWARD GRANTS.—

"'(A) IN GENERAL.—The Secretary shall award grants to up to 10 eligible States to conduct demonstration programs to carry out the purposes described in paragraph (2).

"'(B) ELIGIBLE STATE.—For purposes of this subsection, an eligible State is a State that submits to the Secretary the following:

"'(i) APPLICATION.—An application for a grant under this subsection, at such time, in such manner, and containing such information as the Secretary may require.

"'(ii) STATE PLAN.—A State plan that includes the following:

"'(I) PROJECT DESCRIPTION.—A description of the programs or activities the State will fund under the grant, including a good faith estimate of the number and characteristics of clients to be served under such projects and how the State intends to achieve at least 2 of the purposes described in paragraph (2).

"'(II) COORDINATION EFFORTS.—A description of how the State will coordinate and cooperate with State and local entities responsible for carrying out other programs that relate to the purposes intended to be achieved under the demonstration program, including as appropriate, entities responsible for carrying out jobs programs and programs serving children and families.

"'(III) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, submit such reports, and cooperate with such reviews and audits as the Secretary finds necessary for purposes of oversight of the demonstration program.

"'(iii) CERTIFICATIONS.—The following certifications from the chief executive officer of the State:

"'(I) A certification that the State will use funds provided under the grant to promote at least 2 of the purposes described in paragraph (2).

"'(II) A certification that the State will return any unused funds to the Secretary in accordance with the reconciliation process under paragraph (5).

"'(III) A certification that the funds provided under the grant will be used for programs and activities that target low-income participants and that not less than 50 percent of the participants in each program or activity funded under the grant shall be—

"'(aa) parents of a child who is, or within the past 24 months has been, a recipient of assistance or services under a State program funded under part A, D, or E of this title, title XIX, or the Food Stamp Act of 1977; or

"'(bb) parents, including an expectant parent or a married parent, whose income (after adjustment for court-ordered child support paid or received) does not exceed 150 percent of the poverty line.

"'(IV) A certification that the State has or will comply with the requirements of paragraph (4).

"'(V) A certification that funds provided to a State under this subsection shall not be used to supplement or supplant other Federal, State, or local funds that are used to support programs or activities that are related to the purposes described in paragraph (2).

"'(C) PREFERENCES AND FACTORS OF CONSIDERATION.—In awarding grants under this subsection, the Secretary shall take into consideration the following:

"'(i) DIVERSITY OF ENTITIES USED TO CONDUCT PROGRAMS AND ACTIVITIES.—The Secretary shall, to the extent practicable, achieve a balance among the eligible States awarded grants under this subsection with respect to the size, urban or rural location, and employment of differing or unique methods of the entities that the eligible States intend to use to conduct the programs and activities funded under the grants.

"'(ii) PRIORITY FOR CERTAIN STATES.—The Secretary shall give priority to awarding grants to eligible States that have—

"'(I) demonstrated progress in achieving at least 1 of the purposes described in paragraph (2) through previous State initiatives; or

"'(II) demonstrated need with respect to reducing the incidence of out-of-wedlock births or absent fathers in the State.

"'(2) PURPOSES.—The purposes described in this paragraph are the following:

"'(A) PROMOTING RESPONSIBLE FATHERHOOD THROUGH MARRIAGE PROMOTION.—To promote marriage or sustain marriage through activities such as counseling, mentoring, disseminating information about the benefits of marriage and 2-parent involvement for children, enhancing relationship skills, education regarding how to control aggressive behavior, disseminating information on the causes of domestic violence and child abuse, marriage preparation programs, premarital counseling, marital inventories, skills-based marriage education, financial planning seminars, including improving a family's ability to effectively manage family business affairs by means such as education, counseling, or mentoring on matters related to family finances, including household management, budgeting, banking, and handling of financial transactions and home maintenance, and divorce education and reduction programs, including mediation and counseling.

"'(B) PROMOTING RESPONSIBLE FATHERHOOD THROUGH PARENTING PROMOTION.—To promote responsible parenting through activities such as counseling, mentoring, and mediation, disseminating information about good parenting practices, skills-based parenting education, encouraging child support payments, and other methods.

"'(C) PROMOTING RESPONSIBLE FATHERHOOD THROUGH FOSTERING ECONOMIC STABILITY OF FATHERS.—To foster economic stability by helping fathers improve their economic status by providing activities such as work first services, job search, job training, subsidized employment, job retention, job enhancement, and encouraging education, including career-advancing education, dissemination of employment materials, coordination with existing employment services such as welfare-to-work programs, referrals to local employment training initiatives, and other methods.

"'(3) RESTRICTION ON USE OF FUNDS.—No funds provided under this subsection may be used for costs attributable to court proceedings regarding matters of child visitation or custody, or for legislative advocacy.

"'(4) REQUIREMENTS FOR RECEIPT OF FUNDS.—A State may not be awarded a grant under this section unless the State, as a condition of receiving funds under such a grant—

"'(A) consults with experts in domestic violence or with relevant community domestic violence coalitions in developing such programs or activities; and

"'(B) describes in the application for a grant under this section—

"'(i) how the programs or activities proposed to be conducted will address, as appropriate, issues of domestic violence; and

"'(ii) what the State will do, to the extent relevant, to ensure that participation in such programs or activities is voluntary, and to inform potential participants that their involvement is voluntary.

"'(5) RECONCILIATION PROCESS.—

"'(A) 3-YEAR AVAILABILITY OF AMOUNTS ALLOTTED.—Each eligible State that receives a grant under this subsection for a fiscal year shall return to the Secretary any unused portion of the grant for such fiscal year not later than the last day of the second succeeding fiscal year, together with any earnings on such unused portion.

"'(B) PROCEDURE FOR REDISTRIBUTION.—The Secretary shall establish an appropriate procedure for redistributing to eligible States that have expended the entire amount of a grant made under this subsection for a fiscal year any amount that is returned to the Secretary by eligible States under subparagraph (A).

"'(6) AMOUNT OF GRANTS.—

"'(A) IN GENERAL.—Subject to subparagraph (B), the amount of each grant awarded under this subsection shall be an amount sufficient to implement the State plan submitted under paragraph (1)(B)(ii).

"'(B) MINIMUM AMOUNTS.—No eligible State shall—

"'(i) in the case of the District of Columbia or a State other than the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, receive a grant for a fiscal year in an amount that is less than $1,000,000; and

"'(ii) in the case of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, receive a grant for a fiscal year in an amount that is less than $500,000.

"'(7) DEFINITION OF STATE.—In this subsection the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"'(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $20,000,000 for each of fiscal years 2004 through 2008 for purposes of making grants to eligible States under this subsection.

"'(b) GRANTS TO ELIGIBLE ENTITIES TO CONDUCT DEMONSTRATION PROGRAMS.—

"'(1) AUTHORITY TO AWARD GRANTS.—

"'(A) IN GENERAL.—The Secretary shall award grants to eligible entities to conduct demonstration programs to carry out the purposes described in subsection (a)(2).

"'(B) ELIGIBLE ENTITY.—For purposes of this subsection, an eligible entity is a local government, local public agency, community-based or nonprofit organization, or private entity, including any charitable or faith-based organization, or an Indian tribe (as defined in section 419(4)), that submits to the Secretary the following:

"'(i) APPLICATION.—An application for a grant under this subsection, at such time, in such manner, and containing such information as the Secretary may require.

"'(ii) PROJECT DESCRIPTION.—A description of the programs or activities the entity intends to carry out with funds provided under the grant, including a good faith estimate of the number and characteristics of clients to be served under such programs or activities and how the entity intends to achieve at least 2 of the purposes described in subsection (a)(2).

"'(iii) COORDINATION EFFORTS.—A description of how the entity will coordinate and cooperate with State and local entities responsible for carrying out other programs that relate to the purposes intended to be achieved under the demonstration program, including as appropriate, entities responsible for carrying out jobs programs and programs serving children and families.

"'(iv) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, submit such reports, and cooperate with such reviews and audits as the Secretary finds necessary for purposes of oversight of the demonstration program.

"'(v) CERTIFICATIONS.—The following certifications:

"'(I) A certification that the entity will use funds provided under the grant to promote at least 2 of the purposes described in subsection (a)(2).

"'(II) A certification that the entity will return any unused funds to the Secretary in accordance with the reconciliation process under paragraph (3).

"'(III) A certification that the funds provided under the grant will be used for programs and activities that target low-income participants and that not less than 50 percent of the participants in each program or activity funded under the grant shall be—

"'(aa) parents of a child who is, or within the past 24 months has been, a recipient of assistance or services under a State program funded under part A, D, or E of this title, title XIX, or the Food Stamp Act of 1977; or

"'(bb) parents, including an expectant parent or a married parent, whose income (after adjustment for court-ordered child support paid or received) does not exceed 150 percent of the poverty line.

"'(IV) A certification that the entity has or will comply with the requirements of paragraph (3).

"'(V) A certification that funds provided to an entity under this subsection shall not be used to supplement or supplant other Federal, State, or local funds provided to the entity that are used to support programs or activities that are related to the purposes described in subsection (a)(2).

"'(C) PREFERENCES AND FACTORS OF CONSIDERATION.—In awarding grants under this subsection, the Secretary shall, to the extent practicable, achieve a balance among the eligible entities awarded grants under this subsection with respect to the size, urban or rural location, and employment of differing or unique methods of the entities.

"'(2) RESTRICTION ON USE OF FUNDS.—No funds provided under this subsection may be used for costs attributable to court proceedings regarding matters of child visitation or custody, or for legislative advocacy.

"'(3) REQUIREMENTS FOR USE OF FUNDS.—The Secretary may not award a grant under this subsection to an eligible entity unless the entity, as a condition of receiving funds under such a grant—

"'(A) consults with experts in domestic violence or with relevant community domestic violence coalitions in developing the programs or activities to be conducted with such funds awarded under the grant; and

"'(B) describes in the application for a grant under this section—

"'(i) how the programs or activities proposed to be conducted will address, as appropriate, issues of domestic violence; and

"'(ii) what the entity will do, to the extent relevant, to ensure that participation in such programs or activities is voluntary, and to inform potential participants that their involvement is voluntary.

"'(4) RECONCILIATION PROCESS.—

"'(A) 3-YEAR AVAILABILITY OF AMOUNTS ALLOTTED.—Each eligible entity that receives a grant under this subsection for a fiscal year shall return to the Secretary any unused portion of the grant for such fiscal year not later than the last day of the second succeeding fiscal year, together with any earnings on such unused portion.

"'(B) PROCEDURE FOR REDISTRIBUTION.—The Secretary shall establish an appropriate procedure for redistributing to eligible entities that have expended the entire amount of a grant made under this subsection for a fiscal year any amount that is returned to the Secretary by eligible entities under subparagraph (A).

"'(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $30,000,000 for each of fiscal years 2004 through 2008 for purposes of making grants to eligible entities under this subsection.

"'SEC. 442. NATIONAL CLEARINGHOUSE FOR RESPONSIBLE FATHERHOOD PROGRAMS.

"'(a) MEDIA CAMPAIGN NATIONAL CLEARINGHOUSE FOR RESPONSIBLE FATHERHOOD.—

"'(1) IN GENERAL.—From any funds appropriated under subsection (c), the Secretary shall contract with a nationally recognized, nonprofit fatherhood promotion organization described in subsection (b) to—

"'(A) develop, promote, and distribute to interested States, local governments, public agencies, and private entities a media campaign that encourages the appropriate involvement of parents in the life of any child, with a priority for programs that specifically address the issue of responsible fatherhood; and

"'(B) develop a national clearinghouse to assist States and communities in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, and making available (through the Internet and by other means) to other States information regarding the media campaigns established under section 443.

"'(2) COORDINATION WITH DOMESTIC VIOLENCE PROGRAMS.—The Secretary shall ensure that the nationally recognized nonprofit fatherhood promotion organization with a contract under paragraph (1) coordinates the media campaign developed under subparagraph (A) of such paragraph and the national clearinghouse developed under subparagraph (B) of such paragraph with national, State, or local domestic violence programs.

"'(b) NATIONALLY RECOGNIZED, NONPROFIT FATHERHOOD PROMOTION ORGANIZATION DESCRIBED.—The nationally recognized, nonprofit fatherhood promotion organization described in this subsection is an organization that has at least 4 years of experience in—

"'(1) designing and disseminating a national public education campaign, as evidenced by the production and successful placement of television, radio, and print public service announcements that promote the importance of responsible fatherhood, a track record of service to Spanish-speaking populations and historically underserved or minority populations, the capacity to fulfill requests for information and a proven history of fulfilling such requests, and a mechanism through which the public can request additional information about the campaign; and

"'(2) providing consultation and training to community-based organizations interested in implementing fatherhood outreach, support, or skill development programs with an emphasis on promoting married fatherhood as the ideal.

"'(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $5,000,000 for each of fiscal years 2004 through 2008 to carry out this section.

"'SEC. 443. BLOCK GRANTS TO STATES TO ENCOURAGE MEDIA CAMPAIGNS.

"'(a) DEFINITIONS.—In this section:

"'(1) BROADCAST ADVERTISEMENT.—The term 'broadcast advertisement' means a communication intended to be aired by a television or radio broadcast station, including a communication intended to be transmitted through a cable channel.

"'(2) CHILD AT RISK.—The term 'child at risk' means each young child whose family income does not exceed the poverty line.

"'(3) POVERTY LINE.—The term 'poverty line' has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section, that is applicable to a family of the size involved.

"'(4) PRINTED OR OTHER ADVERTISEMENT.—The term 'printed or other advertisement' includes any communication intended to be distributed through a newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public advertising, but does not include any broadcast advertisement.

"'(5) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"'(6) YOUNG CHILD.—The term 'young child' means an individual under age 5.

"'(b) STATE CERTIFICATIONS.—Not later than October 1 of each of fiscal year for which a State desires to receive an allotment under this section, the chief executive officer of the State shall submit to the Secretary a certification that the State shall—

"'(1) use such funds to promote the formation and maintenance of healthy 2-parent married families, strengthen fragile families, and promote responsible fatherhood through media campaigns conducted in accordance with the requirements of subsection (d);

"'(2) return any unused funds to the Secretary in accordance with the reconciliation process under subsection (e); and

"'(3) comply with the reporting requirements under subsection (f).

"'(c) PAYMENTS TO STATES.—For each of fiscal years 2004 through 2008, the Secretary shall pay to each State that submits a certification under subsection (b), from any funds appropriated under subsection (i), for the fiscal year an amount equal to the amount of the allotment determined for the fiscal year under subsection (g).

"'(d) ESTABLISHMENT OF MEDIA CAMPAIGNS.—Each State receiving an allotment under this

section for a fiscal year shall use the allotment to conduct media campaigns as follows:

“‘(1) CONDUCT OF MEDIA CAMPAIGNS.—

“‘(A) RADIO AND TELEVISION MEDIA CAMPAIGNS.—

“‘(i) PRODUCTION OF BROADCAST ADVERTISEMENTS.—At the option of the State, to produce broadcast advertisements that promote the formation and maintenance of healthy 2-parent married families, strengthen fragile families, and promote responsible fatherhood.

“‘(ii) AIRTIME CHALLENGE PROGRAM.—At the option of the State, to establish an airtime challenge program under which the State may spend amounts allotted under this section to purchase time from a broadcast station to air a broadcast advertisement produced under clause (i), but only if the State obtains an amount of time of the same class and during a comparable period to air the advertisement using non-Federal contributions.

“‘(B) OTHER MEDIA CAMPAIGNS.—At the option of the State, to conduct a media campaign that consists of the production and distribution of printed or other advertisements that promote the formation and maintenance of healthy 2-parent married families, strengthen fragile families, and promote responsible fatherhood.

“‘(2) ADMINISTRATION OF MEDIA CAMPAIGNS.—A State may administer media campaigns funded under this section directly or through grants, contracts, or cooperative agreements with public agencies, local governments, or private entities, including charitable and faith-based organizations.

“‘(3) CONSULTATION WITH DOMESTIC VIOLENCE ASSISTANCE CENTERS.—In developing broadcast and printed advertisements to be used in the media campaigns conducted under paragraph (1), the State or other entity administering the campaign shall consult with representatives of State and local domestic violence centers.

“‘(4) NON-FEDERAL CONTRIBUTIONS.—In this section, the term ‘non-Federal contributions’ includes contributions by the State and by public and private entities. Such contributions may be in cash or in kind. Such term does not include any amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, or any amount expended by a State before October 1, 2003.

“‘(e) RECONCILIATION PROCESS.—

“‘(1) 3-YEAR AVAILABILITY OF AMOUNTS ALLOTTED.—Each State that receives an allotment under this section shall return to the Secretary any unused portion of the amount allotted to a State for a fiscal year not later than the last day of the second succeeding fiscal year together with any earnings on such unused portion.

“‘(2) PROCEDURE FOR REDISTRIBUTION OF UNUSED ALLOTMENTS.—The Secretary shall establish an appropriate procedure for redistributing to States that have expended the entire amount allotted under this section any amount that is—

“‘(A) returned to the Secretary by States under paragraph (1); or

“‘(B) not allotted to a State under this section because the State did not submit a certification under subsection (b) by October 1 of a fiscal year.

“‘(f) REPORTING REQUIREMENTS.—

“‘(1) MONITORING AND EVALUATION.—Each State receiving an allotment under this section for a fiscal year shall monitor and evaluate the media campaigns conducted using funds made available under this section in such manner as the Secretary, in consultation with the States, determines appropriate.

“‘(2) ANNUAL REPORTS.—Not less frequently than annually, each State receiving an allotment under this section for a fiscal year shall submit to the Secretary reports on the media campaigns conducted using funds made available under this section at such time, in such manner, and containing such information as the Secretary may require.

“‘(g) AMOUNT OF ALLOTMENTS.—

“‘(1) IN GENERAL.—Except as provided in paragraph (2), of the amount appropriated for the purpose of making allotments under this section for a fiscal year, the Secretary shall allot to each State that submits a certification under subsection (b) for the fiscal year an amount equal to the sum of—

“‘(A) the amount that bears the same ratio to 50 percent of such funds as the number of young children in the State (as determined by the Secretary based on the most current reliable data available) bears to the number of such children in all States; and

“‘(B) the amount that bears the same ratio to 50 percent of such funds as the number of children at risk in the State (as determined by the Secretary based on the most current reliable data available) bears to the number of such children in all States.

“‘(2) MINIMUM ALLOTMENTS.—No allotment for a fiscal year under this section shall be less than—

“‘(A) in the case of the District of Columbia or a State other than the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, 1 percent of the amount appropriated for the fiscal year under subsection (i); and

“‘(B) in the case of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, 0.5 percent of such amount.

“‘(3) PRO RATA REDUCTIONS.—The Secretary shall make such pro rata reductions to the allotments determined under this subsection as are necessary to comply with the requirements of paragraph (2).

“‘(h) EVALUATION.—

“‘(1) IN GENERAL.—The Secretary shall conduct an evaluation of the impact of the media campaigns funded under this section.

“‘(2) REPORT.—Not later than December 31, 2006, the Secretary shall report to Congress the results of the evaluation under paragraph (1).

“‘(3) FUNDING.—Of the amount appropriated under subsection (i) for fiscal year 2004, $1,000,000 of such amount shall be transferred and made available for purposes of conducting the evaluation required under this subsection, and shall remain available until expended.

“‘(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $20,000,000 for each of fiscal years 2004 through 2008 for purposes of making allotments to States under this section.’.

“(b) INAPPLICABILITY OF EFFECTIVE DATE PROVISIONS.—Section 116 shall not apply to the amendment made by subsection (a) of this section.”.

(b) CLERICAL AMENDMENT.—Section 2 of such Act is amended in the table of contents by inserting after the item relating to section 116 the following new item:

“Sec. 117. Responsible fatherhood program.”.

SEC. 119. ADDITIONAL GRANTS.

(a) GRANTS TO CAPITALIZE AND DEVELOP SUSTAINABLE SOCIAL SERVICES.—Section 403(a) (42 U.S.C. 603(a)) is amended by adding at the end the following:

“(6) GRANTS TO CAPITALIZE AND DEVELOP SUSTAINABLE SOCIAL SERVICES.—

“(A) AUTHORITY TO AWARD GRANTS.—The Secretary may award grants to entities for the purpose of capitalizing and developing the role of sustainable social services that are critical to the success of moving recipients of assistance under a State program funded under this part to work.

“(B) APPLICATION.—

“(i) IN GENERAL.—An entity desiring a grant under this paragraph shall submit an application to the Secretary, at such time, in such manner, and, subject to clause (ii), containing such information as the Secretary may require.

“(ii) STRATEGY FOR GENERATION OF REVENUE.—An application for a grant under this paragraph shall include a description of the capitalization strategy that the entity intends to follow to develop a program that generates its own source of ongoing revenue while assisting recipients of assistance under a State program funded under this part.

“(C) USE OF FUNDS.—

“(i) IN GENERAL.—Funds made available under a grant made under this paragraph may be used for the acquisition, construction, or renovation of facilities or buildings.

“(ii) GENERAL RULES GOVERNING USE OF FUNDS.—The rules of section 404, other than subsection (b) of that section, shall not apply to a grant made under this paragraph.

“(D) EVALUATION AND REPORT.—The Secretary shall, by grant, contract, or interagency agreement, conduct an evaluation of the programs developed with grants awarded under this paragraph and shall submit a report to Congress on the results of such evaluation.

“(E) AUTHORIZATION OF APPROPRIATIONS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is appropriated to the Secretary for the purpose of carrying out this paragraph, $40,000,000 for each of fiscal years 2004 through 2008.”.

(b) GRANTS FOR LOW-INCOME CAR OWNERSHIP PROGRAMS.—Section 403(a) (42 U.S.C. 603(a)), as amended by subsection (a), is further amended by adding at the end the following:

“(7) GRANTS FOR LOW-INCOME CAR OWNERSHIP PROGRAMS.—

“(A) PURPOSES.—The purposes of this paragraph are to—

“(i) assist low-income families with children obtain dependable, affordable automobiles to improve their employment opportunities and access to training; and

“(ii) provide incentives to States, Indian tribes, localities, and nonprofit entities to develop and administer programs that provide assistance with automobile ownership for low-income families.

“(B) DEFINITIONS.—In this paragraph:

“(i) LOCALITY.—The term ‘locality’ means a municipality that does not administer a State program funded under this part.

“(ii) LOW-INCOME FAMILY WITH CHILDREN.—The term ‘low-income family with children’ means a household that is eligible for benefits or services funded under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)).

“(iii) NONPROFIT ENTITY.—The term ‘nonprofit entity’ means a school, local agency, organization, or institution owned and operated by 1 or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

“(C) AUTHORITY TO AWARD GRANTS.—The Secretary may award grants to States, counties, localities, Indian tribes, and nonprofit entities to promote improving access to dependable, affordable automobiles by low-income families with children.

“(D) GRANT APPROVAL CRITERIA.—The Secretary shall establish criteria for approval of an application for a grant under this paragraph that include consideration of—

“(i) the extent to which the proposal, if funded, is likely to improve access to training and employment opportunities and child care services by low-income families with children by means of car ownership;

"(ii) the level of innovation in the applicant's grant proposal; and

"(iii) any partnerships between the public and private sector in the applicant's grant proposal.

"(E) USE OF FUNDS.—

"(i) IN GENERAL.—A grant awarded under this paragraph shall be used to administer programs that assist low-income families with children with dependable automobile ownership, and maintenance of, or insurance for, the purchased automobile.

"(ii) SUPPLEMENT NOT SUPPLANT.—Funds provided to a State, Indian tribe, county, or locality under a grant awarded under this paragraph shall be used to supplement and not supplant other State, county, or local public funds expended for car ownership programs.

"(iii) GENERAL RULES GOVERNING USE OF FUNDS.—The rules of section 404, other than subsection (b) of that section, shall not apply to a grant made under this paragraph.

"(F) APPLICATION.—Each applicant desiring a grant under this paragraph shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(G) REVERSION OF FUNDS.—Any funds not expended by a grantee within 3 years after the date the grant is awarded under this paragraph shall be available for redistribution among other grantees in such manner and amount as the Secretary may determine, unless the Secretary extends by regulation the time period to expend such funds.

"(H) LIMITATION ON ADMINISTRATIVE COSTS OF THE SECRETARY.—Not more than an amount equal to 5 percent of the funds appropriated to make grants under this paragraph for a fiscal year shall be expended for administrative costs of the Secretary in carrying out this paragraph.

"(I) EVALUATION.—The Secretary shall, by grant, contract, or interagency agreement, conduct an evaluation of the programs administered with grants awarded under this paragraph.

"(J) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to make grants under this paragraph, $25,000,000 for each of fiscal years 2004 through 2008.".

SEC. 120. TECHNICAL CORRECTIONS.

(a) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is amended by inserting a comma after "appropriate".

(b) Section 411(a)(1)(A)(ii)(III) (42 U.S.C. 611(a)(1)(A)(ii)(III)) is amended by striking the last close parenthesis.

(c) Section 413(j)(2)(A) (42 U.S.C. 613(j)(2)(A)) is amended by striking "section" and inserting "sections".

(d)(1) Section 413 (42 U.S.C. 613) is amended by striking subsection (g) and redesignating subsections (h) through (j) and subsections (k) and (l) (as added by sections 112(c) and 115(a) of this Act, respectively) as subsections (g) through (k), respectively.

(2) Each of the following provisions is amended by striking "413(j)" and inserting "413(i)":

(A) Section 403(a)(5)(A)(ii)(III) (42 U.S.C. 603(a)(5)(A)(ii)(III)).

(B) Section 403(a)(5)(F) (42 U.S.C. 603(a)(5)(F)).

(C) Section 403(a)(5)(G)(ii) (42 U.S.C. 603(a)(5)(G)(ii)).

(D) Section 412(a)(3)(B)(iv) (42 U.S.C. 612(a)(3)(B)(iv)).

TITLE II—ABSTINENCE EDUCATION

SEC. 201. EXTENSION OF ABSTINENCE EDUCATION PROGRAM.

(a) EXTENSION OF APPROPRIATIONS.—Section 510(d) (42 U.S.C. 710(d)), as amended by section 6 of the Welfare Reform Extension Act of 2003 (Public Law 108–040, 117 Stat. 837), is amended by striking "2003" and inserting "2008".

(b) ALLOTMENT OF FUNDS.—Section 510(a) (42 U.S.C. 710(a)) is amended—

(1) in the matter preceding paragraph (1), by striking "an application for the fiscal year under section 505(a)" and inserting ", for the fiscal year, an application under section 505(a), and an application under this section (in such form and meeting such terms and conditions as determined appropriate by the Secretary),"; and

(2) in paragraph (2), to read as follows:

"(2) the percentage described in section 502(c)(1)(B)(ii) that would be determined for the State under section 502(c) if such determination took into consideration only those States that transmitted both such applications for such fiscal year.".

(c) REALLOTMENT OF FUNDS.—Section 510 (42 U.S.C. 710(a)) is amended by adding at the end the following:

"(e)(1) With respect to allotments under subsection (a) for fiscal year 2004 and subsequent fiscal years, the amount of any allotment to a State for a fiscal year that the Secretary determines will not be required to carry out a program under this section during such fiscal year or the succeeding fiscal year shall be available for reallotment from time to time during such fiscal years on such dates as the Secretary may fix, to other States that the Secretary determines—

"(A) require amounts in excess of amounts previously allotted under subsection (a) to carry out a program under this section; and

"(B) will use such excess amounts during such fiscal years.

"(2) Reallotments under paragraph (1) shall be made on the basis of such States' applications under this section, after taking into consideration the population of low-income children in each such State as compared with the population of low-income children in all such States with respect to which a determination under paragraph (1) has been made by the Secretary.

"(3) Any amount reallotted under paragraph (1) to a State is deemed to be part of its allotment under subsection (a).".

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to the program under section 510 for fiscal years 2004 and succeeding fiscal years.

TITLE III—CHILD SUPPORT

SEC. 301. DISTRIBUTION OF CHILD SUPPORT COLLECTED BY STATES ON BEHALF OF CHILDREN RECEIVING CERTAIN WELFARE BENEFITS.

(a) MODIFICATION OF RULE REQUIRING ASSIGNMENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING TANF.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amended to read as follows:

"(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—A State to which a grant is made under section 403 shall require, as a condition of paying assistance to a family under the State program funded under this part, that a member of the family assign to the State any right the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so paid to the family, which accrues during the period that the family receives assistance under the program.".

(b) INCREASING CHILD SUPPORT PAYMENTS TO FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBUTION RULES.—

(1) DISTRIBUTION RULES.—

(A) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) is amended to read as follows:

"(a) IN GENERAL.—Subject to subsections (d) and (e), the amounts collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

"(A) pay to the Federal Government the Federal share of the amount collected, subject to paragraph (3)(A);

"(B) retain, or pay to the family, the State share of the amount collected, subject to paragraph (3)(B); and

"(C) pay to the family any remaining amount.

"(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

"(A) CURRENT SUPPORT.—To the extent that the amount collected does not exceed the current support amount, the State shall pay the amount to the family.

"(B) ARREARAGES.—Except as otherwise provided in an election made under section 454(34), to the extent that the amount collected exceeds the current support amount, the State—

"(i) shall first pay to the family the excess amount, to the extent necessary to satisfy support arrearages not assigned pursuant to section 408(a)(3);

"(ii) if the amount collected exceeds the amount required to be paid to the family under clause (i), shall—

"(I) pay to the Federal Government the Federal share of the excess amount described in this clause, subject to paragraph (3)(A); and

"(II) retain, or pay to the family, the State share of the excess amount described in this clause, subject to paragraph (3)(B); and

"(iii) shall pay to the family any remaining amount.

"(3) LIMITATIONS.—

"(A) FEDERAL REIMBURSEMENTS.—The total of the amounts paid by the State to the Federal Government under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the Federal share of the amount assigned with respect to the family pursuant to section 408(a)(3).

"(B) STATE REIMBURSEMENTS.—The total of the amounts retained by the State under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the State share of the amount assigned with respect to the family pursuant to section 408(a)(3).

"(4) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall pay the amount collected to the family.

"(5) FAMILIES UNDER CERTAIN AGREEMENTS.—Notwithstanding paragraphs (1) through (3), in the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33), the State shall distribute the amount collected pursuant to the terms of the agreement.

"(6) STATE FINANCING OPTIONS.—To the extent that the State's share of the amount payable to a family pursuant to paragraph (2)(B) of this subsection exceeds the amount that the State estimates (under procedures approved by the Secretary) would have been payable to the family pursuant to former section 457(a)(2)(B) (as in effect for the State immediately before the date this subsection first applies to the State) if such former section had remained in effect, the State may elect to have the payment considered a qualified State expenditure for purposes of section 409(a)(7).

"(7) STATE OPTION TO PASS THROUGH ADDITIONAL SUPPORT WITH FEDERAL FINANCIAL PARTICIPATION.—

"(A) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—Notwithstanding paragraph (2), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that formerly received assistance from the State to the extent that the State pays the amount to the family.

"(B) FAMILIES THAT CURRENTLY RECEIVE ASSISTANCE.—

"(i) IN GENERAL.—Notwithstanding paragraph (1), in the case of a family that receives assistance from the State, a State shall not be required to pay to the Federal Government the Federal share of the excepted portion (as defined in clause (ii)) of any amount collected on behalf of such family during a month to the extent that—

"(I) the State pays the excepted portion to the family; and

"(II) the excepted portion is disregarded in determining the amount and type of assistance provided to the family under such program.

"(ii) EXCEPTED PORTION DEFINED.—For purposes of this subparagraph, the term 'excepted portion' means that portion of the amount collected on behalf of a family during a month that does not exceed $400 per month, or in the case of a family that includes 2 or more children, that does not exceed an amount established by the State that is not more than $600 per month.

"(8) STATES WITH DEMONSTRATION WAIVERS.—Notwithstanding the preceding paragraphs, in the case of a State that, on the date of enactment of this paragraph, has had in effect since October 1, 1997, a waiver under section 1115 permitting passthrough payments of child support collections—

"(A) the State may continue to distribute such payments to families without regard to the expiration date of such waiver; and

"(B) the requirement under paragraph (1) to pay to the Federal Government the Federal share of the amount collected on behalf of a family shall not apply to the extent that—

"(i) the State distributes such amount to the family; and

"(ii) such amount is disregarded in determining the amount and type of assistance paid to the family.".

(B) STATE PLAN TO INCLUDE ELECTION AS TO WHICH RULES TO APPLY IN DISTRIBUTING CHILD SUPPORT ARREARAGES COLLECTED ON BEHALF OF FAMILIES FORMERLY RECEIVING ASSISTANCE.—Section 454 (42 U.S.C. 654) is amended—

(i) by striking "and" at the end of paragraph (32);

(ii) by striking the period at the end of paragraph (33) and inserting "; and"; and

(iii) by inserting after paragraph (33) the following:

"(34) include an election by the State to apply section 457(a)(2)(B) of this Act or former section 457(a)(2)(B) of this Act (as in effect for the State immediately before the date this paragraph first applies to the State) to the distribution of the amounts which are the subject of such sections and, for so long as the State elects to so apply such former section, the amendments made by section 301(d)(1) of the Personal Responsibility and Individual Development for Everyone Act shall not apply with respect to the State, notwithstanding section 301(e) of that Act.".

(C) APPROVAL OF ESTIMATION PROCEDURES.—Not later than the date that is 6 months after the date of enactment of this Act, the Secretary of Health and Human Services, in consultation with the States (as defined for purposes of part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)), shall establish the procedures to be used to make the estimate described in section 457(a)(6) of such Act (42 U.S.C. 657(a)(6)).

(2) CURRENT SUPPORT AMOUNT DEFINED.—Section 457(c) (42 U.S.C. 657(c)) is amended by adding at the end the following:

"(5) CURRENT SUPPORT AMOUNT.—The term 'current support amount' means, with respect to amounts collected as support on behalf of a family, the amount designated as the monthly support obligation of the noncustodial parent in the order requiring the support.".

(c) STATE OPTION TO DISCONTINUE OLDER SUPPORT ASSIGNMENTS.—Section 457(b) (42 U.S.C. 657(b)) is amended to read as follows:

"(b) CONTINUATION OF ASSIGNMENTS.—

"(1) STATE OPTION TO DISCONTINUE PRE-1997 SUPPORT ASSIGNMENTS.—

"(A) IN GENERAL.—Any rights to support obligations assigned to a State as a condition of receiving assistance from the State under part A and in effect on September 30, 1997 (or such earlier date on or after August 22, 1996, as the State may choose), may remain assigned after such date.

"(B) DISTRIBUTION OF AMOUNTS AFTER ASSIGNMENT DISCONTINUATION.—If a State chooses to discontinue the assignment of a support obligation described in subparagraph (A), the State may treat amounts collected pursuant to such assignment as if such amounts had never been assigned and may distribute such amounts to the family in accordance with subsection (a)(4).

"(2) STATE OPTION TO DISCONTINUE POST-1997 ASSIGNMENTS.—

"(A) IN GENERAL.—Any rights to support obligations accruing before the date on which a family first receives assistance under part A that are assigned to a State under that part and in effect before the implementation date of this section may remain assigned after such date.

"(B) DISTRIBUTION OF AMOUNTS AFTER ASSIGNMENT DISCONTINUATION.—If a State chooses to discontinue the assignment of a support obligation described in subparagraph (A), the State may treat amounts collected pursuant to such assignment as if such amounts had never been assigned and may distribute such amounts to the family in accordance with subsection (a)(4).".

(d) CONFORMING AMENDMENTS.—

(1) Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)), as amended by section 103(c), is amended—

(A) in subclause (I)(aa), by striking "457(a)(1)(B)" and inserting "457(a)(1)"; and

(B) by adding at the end the following:

"(VI) PORTIONS OF CERTAIN CHILD SUPPORT PAYMENTS COLLECTED ON BEHALF OF AND DISTRIBUTED TO FAMILIES NO LONGER RECEIVING ASSISTANCE.—Any amount paid by a State pursuant to clause (i) or (ii) of section 457(a)(2)(B), but only to the extent that the State properly elects under section 457(a)(6) to have the payment considered a qualified State expenditure.".

(2) Section 6402(c) of the Internal Revenue Code of 1986 (relating to offset of past-due support against overpayments) is amended—

(A) in the first sentence, by striking "the Social Security Act." and inserting "of such Act."; and

(B) by striking the third sentence and inserting the following: "The Secretary shall apply a reduction under this subsection first to an amount certified by the State as past due support under section 464 of the Social Security Act before any other reductions allowed by law.".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on October 1, 2007, and shall apply to payments under parts A and D of title IV of the Social Security Act for calendar quarters beginning on or after such date, and without regard to whether regulations to implement such amendments (in the case of State programs operated under such part D) are promulgated by such date.

(2) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—In addition, a State may elect to have the amendments made by this section apply to the State and to amounts collected by the State (and such payments under parts A and D), on and after such date as the State may select that is after the date of enactment of this Act and before October 1, 2007.

SEC. 302. MANDATORY REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS FOR FAMILIES RECEIVING TANF.

(a) IN GENERAL.—Section 466(a)(10)(A)(i) (42 U.S.C. 666(a)(10)(A)(i)) is amended—

(1) by striking "parent, or," and inserting "parent or"; and

(2) by striking "upon the request of the State agency under the State plan or of either parent,".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2005.

SEC. 303. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.

Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the procedures that the States use generally to locate custodial parents for whom child support has been collected but not yet distributed. The report shall include an estimate of the total amount of undistributed child support and the average length of time it takes undistributed child support to be distributed. To the extent the Secretary deems appropriate, the Secretary shall include in the report recommendations as to whether additional procedures should be established at the Federal or State level to expedite the payment of undistributed child support.

SEC. 304. USE OF NEW HIRE INFORMATION TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.

(a) IN GENERAL.—Section 453(j) (42 U.S.C. 653(j)) is amended by adding at the end the following:

"(7) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.—

"(A) IN GENERAL.—If, for purposes of administering an unemployment compensation program under Federal or State law, a State agency responsible for the administration of such program transmits to the Secretary the name and social security account number of an individual, the Secretary shall disclose to the State agency information on the individual and the individual's employer that is maintained in the National Directory of New Hires, subject to the succeeding provisions of this paragraph.

"(B) CONDITION ON DISCLOSURE BY THE SECRETARY.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

"(C) USE AND DISCLOSURE OF INFORMATION BY STATE AGENCIES.—

"(i) IN GENERAL.—A State agency may not use or disclose information provided under this paragraph except for purposes of administering a program referred to in subparagraph (A).

"(ii) INFORMATION SECURITY.—A State agency to which information is provided under this paragraph shall have in effect data security and control policies that the Secretary finds adequate to ensure the security of information obtained under this paragraph and to ensure that access to such information is restricted to authorized persons for purposes of authorized uses and disclosures.

"(iii) PENALTY FOR MISUSE OF INFORMATION.—An officer or employee of a State agency who fails to comply with this subparagraph shall be subject to the sanctions under subsection (l)(2) to the same extent as if such officer or employee was an officer or employee of the United States.

"(D) PROCEDURAL REQUIREMENTS.—A State agency requesting information under this paragraph shall adhere to uniform procedures established by the Secretary governing information requests and data matching under this paragraph.

"(E) REIMBURSEMENT OF COSTS.—A State agency shall reimburse the Secretary, in accordance with subsection (k)(3), for the costs incurred by the Secretary in furnishing the information requested under this paragraph.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2004.

SEC. 305. DECREASE IN AMOUNT OF CHILD SUPPORT ARREARAGE TRIGGERING PASSPORT DENIAL.

(a) IN GENERAL.—Section 452(k)(1) (42 U.S.C. 652(k)(1)) is amended by striking "$5,000" and inserting "$2,500".

(b) CONFORMING AMENDMENT.—Section 454(31) (42 U.S.C. 654(31)) is amended by striking "$5,000" and inserting "$2,500".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2004.

SEC. 306. USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.

(a) IN GENERAL.—Section 464 (42 U.S.C. 664) is amended—

(1) in subsection (a)(2)(A), by striking "(as that term is defined for purposes of this paragraph under subsection (c))"; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking "(1) Except as provided in paragraph (2), as used in" and inserting "In"; and

(ii) by inserting "(whether or not a minor)" after "a child" each place it appears; and

(B) by striking paragraphs (2) and (3).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2005.

SEC. 307. GARNISHMENT OF COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES IN ORDER TO ENFORCE OBLIGATIONS.

(a) IN GENERAL.—Section 459(h)(1)(A)(ii)(V)) (42 U.S.C. 659(h)(1)(A)(ii)(V)) is amended by striking all that follows "Armed Forces" and inserting ", except that such compensation shall not be subject to withholding pursuant to this section for payment of alimony unless the former member to whom it is payable is in receipt of retired or retainer pay and has waived a portion of such pay in order to receive such compensation;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2005.

SEC. 308. IMPROVING FEDERAL DEBT COLLECTION PRACTICES.

(a) IN GENERAL.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows:

"(3)(A) Except as provided in subparagraph (B), in applying this subsection with respect to any debt owed to a State, subsection (c)(3)(A) shall not apply.

"(B) Subparagraph (A) shall not apply with respect to payments owed to an individual under title II of the Social Security Act, for purposes of an offset under this section of such payments against past-due support (as defined in section 464(c) of the Social Security Act, without regard to paragraphs (2) and (3) of such section 464(c)) that is being enforced by a State agency administering a program under part D of title IV of that Act.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2004.

SEC. 309. MAINTENANCE OF TECHNICAL ASSISTANCE FUNDING.

Section 452(j) (42 U.S.C. 652(j)) is amended by inserting "or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater" before ", which shall be available".

SEC. 310. MAINTENANCE OF FEDERAL PARENT LOCATOR SERVICE FUNDING.

Section 453(o) (42 U.S.C. 653(o)) is amended—

(1) in the first sentence, by inserting "or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater" before ", which shall be available"; and

(2) in the second sentence, by striking "for each of fiscal years 1997 through 2001".

SEC. 311. IDENTIFICATION AND SEIZURE OF ASSETS HELD BY MULTISTATE FINANCIAL INSTITUTIONS.

(a) DUTIES OF THE SECRETARY.—Section 452(l) (42 U.S.C. 652(l)) is amended to read as follows:

"(l) IDENTIFICATION AND SEIZURE OF ASSETS HELD BY MULTISTATE FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—The Secretary, through the Federal Parent Locator Service, is authorized—

"(A) to assist State agencies operating programs under this part and financial institutions doing business in 2 or more States in reaching agreements regarding the receipt from such institutions, and the transfer to the State agencies, of information that may be provided pursuant to section 466(a)(17)(A)(i) or 469A(a);

"(B) to perform data matches comparing information from such State agencies and financial institutions entering into such Agreements with respect to individuals owing past-due support; and

"(C) to seize assets, held by such financial institutions, of individuals identified through such data matches who owe past-due support, by—

"(i) issuing a notice of lien or levy to such financial institutions requiring them to encumber such assets for 30 calendar days and to subsequently transfer such assets to the Secretary (except that the Secretary shall promptly release such lien or levy within such 30-day period upon request of the State agencies responsible for collecting past-due support from such individuals); and

"(ii) providing notice to such individuals of the lien or levy upon their assets and informing them—

"(I) of their procedural due process rights, including the opportunity to contest such lien or levy to the appropriate State agency; and

"(II) in the case of jointly owned assets, of the process by which other owners may secure their respective share of such assets, according to such policies and procedures as the Secretary may specify with respect to seizure of such assets.

"(2) TRANSFER OF FUNDS TO STATES.—Assets seized from individuals under paragraph (1)(C) shall be promptly transferred by the Secretary to the State agencies responsible for collecting past-due support from such individuals for distribution pursuant to section 457.

"(3) RELATIONSHIP TO STATE LAWS.—Notwithstanding any provision of State law, an individual receiving a notice under paragraph (1)(C) shall have 21 calendar days from the date of such notice to contest the lien or levy imposed under such paragraph by requesting an administrative review by the State agency responsible for collecting past-due support from such individual.

"(4) TREATMENT OF DISCLOSURES.—For purposes of section 1113(d) of the Right to Financial Privacy Act of 1978, a disclosure pursuant to this subsection shall be considered a disclosure pursuant to a Federal statute.".

(b) STATE DUTIES.—

(1) INDIVIDUALS WITH ASSETS SUBJECT TO FEDERAL SEIZURE.—Section 454 (42 U.S.C. 654), as amended by section 301(b)(1)(B)(iii), is amended—

(A) in paragraph (33), by striking "and" at the end;

(B) in paragraph (34), by striking the period and inserting "; and"; and

(C) by inserting after paragraph (34), the following:

"(35) provide that the State shall—

"(A) upon furnishing the Secretary with information under section 452(l) with respect to individuals owing past-due support, provide notice to such individuals that their assets held in financial institutions shall be subject to seizure to pay such past-due support, and shall—

"(i) instruct such individuals of the steps which may be taken to contest the State's determination that past-due support is owed or the amount of the past-due support; and

"(ii) include, in the case of jointly owned assets, a description of the process by which other owners may secure their share of such assets, in accordance with such policies and procedures as the Secretary may specify with respect to seizure of such assets;

"(B) promptly resolve cases in which such individuals contest the State's determination with respect to past-due support, and provide for expedited refund of any assets erroneously seized and transferred to the State under such section 452(l); and

"(C) except as otherwise specified under this paragraph or by the Secretary, ensure that the due process protections afforded under this paragraph to individuals whose assets are subject to seizure under section 452(l) are generally consistent with, and to the extent practicable conform to, the due process protections afforded by the State to individuals subject to offset of tax refunds under section 464.".

(2) REIMBURSEMENT OF FEDERAL COSTS.—Section 453(k)(3) (42 U.S.C. 653(k)(3)) is amended—

(A) in the paragraph heading, by inserting "AND ENFORCEMENT SERVICES" after "INFORMATION"

(B) by inserting "or enforcement services" after "that receives information";

(C) by inserting "or section 452(l)" after "pursuant to this section"; and

(D) by striking "in furnishing the information" and inserting "in furnishing such information or enforcement services".

(c) CONFORMING AMENDMENTS.—

(1) STATE LAW REQUIREMENTS.—Section 466(a)(17) (42 U.S.C. 666(a)(17)) is amended—

(A) in subparagraph (A)—

(i) in clause (i), by inserting "pursuant to section 452(l)" after "and the Federal Parent Locator Service"; and

(ii) in clause (ii), by inserting "issued by the State agency or by the Secretary under section 452(l)" after "in response to a notice of lien or levy"; and

(B) in subparagraph (C)—

(i) in clause (i), by inserting "or to the Federal Parent Locator Service" after "to the State agency"; and

(ii) in clause (ii), by striking "issued by the State agency".

(2) NON LIABILITY FOR FINANCIAL INSTITUTIONS.—Section 469A(a) (42 U.S.C. 669a(a)) is amended by inserting "section 452(l) or" before "section 466(a)(17)(A)".

SEC. 312. INFORMATION COMPARISONS WITH INSURANCE DATA.

(a) DUTIES OF THE SECRETARY.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

"(m) COMPARISONS WITH INSURANCE INFORMATION.—

"(1) IN GENERAL.—The Secretary, through the Federal Parent Locator Service, is authorized—

"(A) to compare information concerning individuals owing past-due support with information maintained by insurers (or their agents) concerning insurance claims, settlements, awards, and payments, and

"(B) to furnish information resulting from such data matches to the State agencies responsible for collecting child support from such individuals.

"(2) LIABILITY.—No insurer (including any agent of an insurer) shall be liable under any Federal or State law to any person for any disclosure provided for under this subsection, or for any other action taken in good faith in accordance with the provisions of this subsection.".

(b) STATE REIMBURSEMENT OF FEDERAL COSTS.—Section 453(k)(3) (42 U.S.C. 653(k)(3)), as amended by section 312(b)(2), is amended by striking "section 452(l)" and inserting "subsection (l) or (m) of section 452".

SEC. 313. TRIBAL ACCESS TO THE FEDERAL PARENT LOCATOR SERVICE.

Section 453(c)(1) (42 U.S.C. 653(c)(1)) is amended by inserting "or Indian tribe or tribal organization" after "any agent or attorney of any State".

SEC. 314. REIMBURSEMENT OF SECRETARY'S COSTS OF INFORMATION COMPARISONS AND DISCLOSURE FOR ENFORCEMENT OF OBLIGATIONS ON HIGHER EDUCATION ACT LOANS AND GRANTS.

Section 453(j)(6)(F) (42 U.S.C. 653(j)(6)(F)) is amended by striking "additional".

SEC. 315. TECHNICAL AMENDMENT RELATING TO COOPERATIVE AGREEMENTS BETWEEN STATES AND INDIAN TRIBES.

Section 454(33) (42 U.S.C. 654(33)) is amended by striking "that receives funding pursuant to section 428 and".

SEC. 316. CLAIMS UPON LONGSHORE AND HARBOR WORKERS' COMPENSATION FOR CHILD SUPPORT.

(a) IN GENERAL.—Section 17 of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 917) is amended to read as follows:

"LIENS ON COMPENSATION; CHILD SUPPORT ENFORCEMENT

"SEC. 17. (a) LIENS.—Where a trust fund which complies with section 302(c) of the Labor Management Relations Act, 1947 (29 U.S.C. 186(c)) established pursuant to a collective-bargaining agreement in effect between an employer and an employee covered under this Act has paid disability benefits to an employee which the employee is legally obligated to repay by reason of the employee's entitlement to compensation under this Act or under a settlement, the Secretary shall authorize a lien on such compensation in favor of the trust fund for the amount of such payments.

"(b) CHILD SUPPORT.—Compensation or benefits due or payable to an individual under this Act (other than medical benefits) shall be subject, in like manner and to the same extent as similar compensation or benefits under a workers' compensation program if established under State law—

"(1) to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 of the Social Security Act and regulations under such subsections; and

"(2) to any other legal process brought, by a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.".

(b) CONFORMING AMENDMENT.—Section 16 of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 916) is amended—

(1) by striking "No" and inserting "Except as provided by this Act, no"; and

(2) by striking ", except as provided by this Act," after "under this Act".

SEC. 317. STATE OPTION TO USE STATEWIDE AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEM FOR INTERSTATE CASES.

Section 466(a)(14)(A)(iii) (42 U.S.C. 666(a)(14)(A)(iii)) is amended by inserting before the semicolon the following: "(but the assisting State may establish a corresponding case based on such other State's request for assistance)".

SEC. 318. INTERCEPTION OF GAMBLING WINNINGS FOR CHILD SUPPORT.

(a) INTERCEPTION OF GAMBLING WINNINGS FOR CHILD SUPPORT.—Section 452 (42 U.S.C. 652), as amended by section 313, is amended by adding at the end the following:

"(n) INTERCEPTION OF GAMBLING WINNINGS FOR PAST-DUE SUPPORT.—

"(1) IN GENERAL.—The Secretary, through the Federal Parent Locator Service, is authorized, in accordance with this subsection, to intercept gambling winnings of an individual owing past-due support being enforced by a State agency with a plan approved under this part, and to transmit such winnings to the State agency for distribution pursuant to section 457.

"(2) REQUIREMENTS FOR GAMBLING ESTABLISHMENTS.—A gambling establishment subject to this subsection shall not pay to any individual gambling winnings (as defined in paragraph (6)) meeting the criteria for reporting to the Internal Revenue Service pursuant to section 6041 of the Internal Revenue Code of 1986 until the establishment—

"(A) has furnished to the Secretary—

"(i) the information required to be so reported with respect to such individual and such winnings; and

"(ii) the net amount of such gambling winnings (hereafter in this subsection referred to as the 'net gambling winnings') after withholding of amounts for Federal taxes as required pursuant to section 3402(q) of the Internal Revenue Code of 1986; and

"(B) has complied with the Secretary's instructions pursuant to paragraph (3).

"(3) DATA MATCH AND WITHHOLDING.—The Secretary shall—

"(A) compare information furnished pursuant to paragraph (2)(A) with information on individuals who owe past-due support;

"(B) direct the gambling establishment to withhold from an individual's net gambling winnings all amounts not exceeding the total past-due support owed by the individual;

"(C) authorize the gambling establishment, in reimbursement of its costs of complying with this subsection, to withhold and retain from such net gambling winnings an amount equal to 2 percent of the amount to be withheld pursuant to subparagraph (B), which amount shall be taken first from any excess of such net winnings above the amount withheld pursuant to subparagraph (B), with any balance to be taken from the amount so withheld; and

"(D) require the gambling establishment to furnish written notice to the individual whose gambling winnings are withheld pursuant to this subsection, that includes—

"(i) the amounts withheld pursuant to subparagraphs (B) and (C);

"(ii) the reason and authority for the withholding; and

"(iii) an explanation of the individual's procedural due process rights, including the right to contest such withholding to the responsible State agency and information necessary to contact such State agency.

"(4) TRANSFER OF WITHHELD AMOUNTS.—Net amounts withheld for past-due support pursuant to subparagraphs (B) and (C) of paragraph (3) shall—

"(A) be transferred by the gambling establishment to the Secretary at the same time and in the same manner as amounts withheld under section 3402(q) of the Internal Revenue Code of 1986 would be transferred to the Internal Revenue Service, together with the information described in paragraph (2)(A)(i) with respect to the individuals whose winnings were withheld under this subsection; and

"(B) be promptly transferred by the Secretary to the appropriate State agency.

"(5) NONLIABILITY OF GAMBLING ESTABLISHMENTS.—A gambling establishment shall not be liable under any Federal or State law to any person—

"(A) for any disclosure of information to the Secretary under this subsection;

"(B) for withholding or surrendering gambling winnings in accordance with this subsection; or

"(C) for any other action taken in good faith to comply with this subsection.

"(6) DEFINITION OF GAMBLING WINNINGS.—In this subsection, the term 'gambling winnings' means the proceeds of a wager that are subject to reporting under section 6041 of the Internal Revenue Code of 1986.".

(b) REQUIREMENT FOR STATE LAWS.—Section 466(a) (42 U.S.C. 666(a)) is amended by inserting after paragraph (19) the following:

"(20) INTERCEPTION OF GAMBLING WINNINGS.—Procedures under which—

"(A) gambling establishments subject to the laws of the State are required to comply with the provisions of section 452(n), and are subject to sanctions for failure to comply, which shall include liability in an amount equal to the amount the establishment would have withheld if it so complied;

"(B) noncustodial parents owing past-due support are provided with written notice that gambling winnings may be subject to withholding for past-due support under section 452(n); and

"(C) cases where such noncustodial parents contest the State's determination with respect to past-due support are promptly resolved, and expedited refund is made of any amounts erroneously seized under such section 452(n).".

(c) STATE REIMBURSEMENT OF FEDERAL COSTS.—Section 453(k)(3) (42 U.S.C.653(k)(3)), as amended by section 313(b), is amended by striking "or (m)" and inserting "(m), or (n)".

(d) REQUIREMENT FOR PARTICIPATING INDIAN TRIBES.—Section 455(f) (42 U.S.C. 655(f)) is amended in the first sentence by striking "and location of absent parents" and inserting "location of absent parents, and interception of gambling winnings consistent with the requirements of sections 452(n) and 466(a)(20)".

SEC. 319. STATE LAW REQUIREMENT CONCERNING THE UNIFORM INTERSTATE FAMILY SUPPORT ACT (UIFSA).

(a) IN GENERAL.—Section 466(f) (42 U.S.C. 666(f)) is amended—

(1) by striking "and as in effect on August 22, 1996,"; and

(2) by striking "adopted as of such date" and inserting "adopted as of August, 2001".

(b) FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.—Section 1738B of title 28, United States Code, is amended—

(1) by striking subsection (d) and inserting the following:

"(d) CONTINUING EXCLUSIVE JURISDICTION.—

"(1) IN GENERAL.—Subject to paragraph (2), a court of a State that has made a child support order consistent with this section has continuing, exclusive jurisdiction to modify its order if the order is the controlling order and—

"(A) the State is the child's State or the residence of any individual contestant; or

"(B) if the State is not the residence of the child or an individual contestant, the contestants consent in a record or in open court that the court may continue to exercise jurisdiction to modify its order.

"(2) REQUIREMENT.—A court may not exercise its continuing, exclusive jurisdiction to modify the order if the court of another State, acting in accordance with subsections (e) and (f), has made a modification of the order.";

(2) in subsection (e)(2)—

(A) in subparagraph (A), by striking "because" and all that follows through the semicolon and inserting "pursuant to paragraph (1) or (2) of subsection (d);" and

(B) in subparagraph (B), by inserting "with jurisdiction over at least 1 of the individual contestants or that is located in the child's State" after "another State";

(3) in subsection (f)—

(A) in the subsection heading, by striking "RECOGNITION OF" and inserting "DETERMINATION OF CONTROLLING";

(B) in the matter preceding paragraph (1), by striking "shall apply" and all that follows through the colon and inserting "having personal jurisdiction over both individual contestants shall apply the following rules and by order shall determine which order controls:"

(C) in paragraph (1), by striking "must be" and inserting "controls and must be so";

(D) in paragraph (2), by striking "must be recognized" and inserting "controls";

(E) in paragraph (3), by striking "must be recognized" each place it appears and inserting "controls";

(F) in paragraph (4)—

(i) by striking "may" and inserting "shall"; and

(ii) by striking "must be recognized" and inserting "controls"; and

(G) by striking paragraph (5);

(4) by striking subsection (g) and inserting the following:

"(g) ENFORCEMENT OF MODIFIED ORDERS.—If a child support order issued by a court of a State is modified by a court of another State which properly assumed jurisdiction, the issuing court—

"(1) may enforce its order that was modified only as to arrears and interest accruing before the modification;

"(2) may provide appropriate relief for violations of its order which occurred before the effective date of the modification; and

"(3) shall recognize the modifying order of the other State for the purpose of enforcement.";

(5) in subsection (h)—

(A) in paragraph (1), by striking "and (3)" and inserting ", (3), and (4)";

(B) in paragraph (2), by inserting "the computation and payment of arrearages, and the accrual of interest on the arrearages," after "obligations of support,"; and

(C) by adding at the end the following:

"(4) PROSPECTIVE APPLICATION.—After a court determines which is the controlling order and issues an order consolidating arrears, if any, a court shall prospectively apply the law of the State issuing the controlling order, including that State's law with respect to interest on arrears, current and future support, and consolidated arrears."; and

(6) in subsection (i), by inserting "and subsection (d)(2) does not apply" after "issuing State".

SEC. 320. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

(a) AUTHORITY TO MAKE GRANTS TO INDIAN TRIBES.—Section 469B (42 U.S.C. 669b) is amended—

(1) in the section heading, by inserting "**AND INDIAN TRIBES**" after "**STATES**"; and

(2) in subsection (a), by inserting "and Indian tribes or tribal organizations" after "to enable States".

(b) AMOUNT OF GRANTS.—Section 469B(b) (42 U.S.C. 669b(b)) is amended to read as follows:

"(b) AMOUNT OF GRANTS.—

"(1) GRANTS TO STATES.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(A) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(B) the allotment of the State under subsection (c) for the fiscal year.

"(2) GRANTS TO INDIAN TRIBES.—An Indian tribe or tribal organization operating a program under section 455 that has operated such program throughout the preceding fiscal year and has an application under this section approved by the Secretary shall receive a grant under this section for a fiscal year in an amount equal to the allotment of such Indian tribe or tribal organization under subsection (c)(2) for the fiscal year.".

(c) ALLOTMENTS.—Section 469B(c) (42 U.S.C. 669b(c)) is amended to read as follows:

"(c) ALLOTMENTS.—

"(1) ALLOTMENTS TO STATES.—

"(A) IN GENERAL.—Subject to the subparagraph (C), the allotment of a State for a fiscal year is the amount that bears the same ratio to the amount specified in subparagraph (B) for such fiscal year as the number of children in the State living with only 1 parent bears to the total number of such children in all States.

"(B) AMOUNT AVAILABLE FOR ALLOTMENT.—For purposes of subparagraph (A), the amount specified in this subparagraph is the following amount, reduced by the total allotments to Indian tribes or tribal organizations in accordance with paragraph (2):

"(i) $12,000,000 for fiscal year 2004.

"(ii) $14,000,000 for fiscal year 2005.

"(iii) $16,000,000 for fiscal year 2006.

"(iv) $20,000,000 for fiscal year 2007 and each succeeding fiscal year.

"(C) MINIMUM STATE ALLOTMENT.—The Secretary shall adjust allotments to States under subparagraph (A) as necessary to ensure that no State is allotted less than—

"(i) $120,000 for fiscal year 2004;

"(ii) $140,000 for fiscal year 2005;

"(iii) $160,000 for fiscal year 2006; and

"(iv) $180,000 for fiscal year 2007 and each succeeding fiscal year.

"(2) ALLOTMENTS TO INDIAN TRIBES.—

"(A) IN GENERAL.—Subject to subparagraph (C), the allotment of an Indian tribe or tribal organization described in subsection (b)(2) for a fiscal year is an amount that bears the same ratio to the amount specified in subparagraph (B) for such fiscal year as the number of children in the Indian tribe or tribal organization living with only 1 parent bears to the total number of such children in all Indian tribes and tribal organizations eligible to receive grants under this section for such year.

"(B) AMOUNT AVAILABLE FOR ALLOTMENT.—For purposes of subparagraph (A), the amount available under this subparagraph is an amount, deducted from the amount specified in paragraph (1)(B), not to exceed—

"(i) $250,000 for fiscal year 2004;

"(ii) $600,000 for fiscal year 2005;

"(iii) $800,000 for fiscal year 2006; and

"(iv) $1,670,000 for fiscal year 2007 and each succeeding year.

"(C) MINIMUM AND MAXIMUM TRIBAL ALLOTMENT.—The Secretary shall adjust allotments to Indian tribes and tribal organizations under subparagraph (A) as necessary to ensure that no Indian tribe or tribal organization is allotted, for a fiscal year, an amount which is less than $10,000 or more than the minimum State allotment for such fiscal year.".

(d) ADMINISTRATION.—Section 469B(e) (42 U.S.C. 669b(e)) is amended to read as follows:

"(e) ADMINISTRATION.—

"(1) GRANTS TO STATES.—Each State to which a grant is made under this section—

"(A) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities; and

"(B) shall not be required to operate such programs on a statewide basis.

"(2) GRANTS TO STATES OR INDIAN TRIBES.—Each State or Indian tribe or tribal organization to which a grant is made under this section shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

SEC. 321. TIMING OF CORRECTIVE ACTION YEAR FOR STATE NONCOMPLIANCE WITH CHILD SUPPORT ENFORCEMENT PROGRAM REQUIREMENTS.

(a) IN GENERAL.—Section 409(a)(8) (42 U.S.C. 609(a)(8)) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i)(I), by striking "in a fiscal year" and inserting "for a fiscal year"; and

(B) in clause (ii)—

(i) in the matter preceding subclause (I), by striking "that, with respect to the succeeding fiscal year—" and inserting "that, with respect to the period described in subparagraph (D)"; and

(ii) in the matter following subclause (II), by striking "the end of such succeeding fiscal year" and inserting "the end of the period described in subparagraph (D)"; and

(2) by adding at the end the following:

"(D) PERIOD DESCRIBED.—Subject to subparagraph (E), for purposes of this paragraph, the period described in this subparagraph is the period that begins with the date on which the Secretary makes a finding described in subparagraph (A)(i) with respect to State performance in a fiscal year and ends on September 30 of the fiscal year following the fiscal year in which the Secretary makes such a finding.

"(E) NO PENALTY IF STATE CORRECTS NONCOMPLIANCE IN FINDING YEAR.—The Secretary shall not take a reduction described in subparagraph (A) with respect to a noncompliance described in clause (i) of that subparagraph if the Secretary determines that the State has corrected the noncompliance in the fiscal year in which the Secretary makes the finding of the noncompliance.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to determinations of State compliance for fiscal year 2002 and succeeding fiscal years.

(c) SPECIAL RULE FOR FISCAL YEAR 2001.—Notwithstanding any other provision of law, the Secretary shall not take against amounts otherwise payable to a State, a reduction described in section 409(a)(8)(A) of the Social Security Act (42 U.S.C. 609(a)(8)(A)) with respect to a noncompliance described in such section occurring in fiscal year 2001 if the Secretary determines that the State has corrected such noncompliance in fiscal year 2002 or 2003.

TITLE IV—CHILD WELFARE

SEC. 401. EXTENSION OF AUTHORITY TO APPROVE DEMONSTRATION PROJECTS.

Section 1130(a)(2) (42 U.S.C. 1320a–9(a)(2)), as amended by section 5 of the Welfare Reform Extension Act of 2003 (Public Law 108–040, 117 Stat. 837) is amended by striking "2003" and inserting "2008".

SEC. 402. REMOVAL OF COMMONWEALTH OF PUERTO RICO FOSTER CARE FUNDS FROM LIMITATION ON PAYMENTS.

Section 1108(a)(2) (42 U.S.C. 1308(a)(2)), as amended by section 116(b)(2), is amended—

(1) by striking "Paragraph (1)" and inserting the following:

"(A) IN GENERAL.—Paragraph (1)";

(2) in subparagraph (A) (as added by paragraph (1)), by striking "or 418(a)(4)(B)" and inserting "418(a)(4)(B), or, subject to clause (ii) of subparagraph (B), payments to Puerto Rico described in clause (i) of that subparagraph" before the period; and

(3) by adding at the end the following:

"(B) CERTAIN PAYMENTS TO PUERTO RICO.—

"(i) PAYMENTS DESCRIBED.—For purposes of subparagraph (A), payments described in this subparagraph are payments made to Puerto Rico under part E of title IV with respect to the portion of foster care payments made to Puerto

Rico for fiscal year 2005 or any fiscal year thereafter that exceed the total amount of such payments for fiscal year 2002.

"(ii) LIMITATION.—The total amount of payments to Puerto Rico described in clause (i) that are disregarded under subparagraph (A) may not exceed $6,250,000 for each of fiscal years 2005 through 2008.".

SEC. 403. TECHNICAL CORRECTION.

Section 1130(b)(1) (42 U.S.C. 1320a–9(b)(1)) is amended by striking "422(b)(9)" and inserting "422(b)(10)".

TITLE V—SUPPLEMENTAL SECURITY INCOME

SEC. 501. REVIEW OF STATE AGENCY BLINDNESS AND DISABILITY DETERMINATIONS.

Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following:

"(e)(1) The Commissioner of Social Security shall review determinations, made by State agencies pursuant to subsection (a) in connection with applications for benefits under this title on the basis of blindness or disability, that individuals who have attained 18 years of age are blind or disabled as of a specified onset date. The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination.

"(2)(A) In carrying out paragraph (1), the Commissioner of Social Security shall review—

"(i) at least 20 percent of all determinations referred to in paragraph (1) that are made in fiscal year 2004;

"(ii) at least 40 percent of all such determinations that are made in fiscal year 2005; and

"(iii) at least 50 percent of all such determinations that are made in fiscal year 2006 or thereafter.

"(B) In carrying out subparagraph (A), the Commissioner of Social Security shall, to the extent feasible, select for review the determinations which the Commissioner of Social Security identifies as being the most likely to be incorrect.".

TITLE VI—TRANSITIONAL MEDICAL ASSISTANCE

SEC. 601. EXTENSION AND SIMPLIFICATION OF THE TRANSITIONAL MEDICAL ASSISTANCE PROGRAM (TMA).

(a) OPTION OF CONTINUOUS ELIGIBILITY FOR 12 MONTHS; OPTION OF CONTINUING COVERAGE FOR UP TO AN ADDITIONAL YEAR.—

(1) OPTION OF CONTINUOUS ELIGIBILITY FOR 12 MONTHS BY MAKING REPORTING REQUIREMENTS OPTIONAL.—Section 1925(b) (42 U.S.C. 1396r–6(b)) is amended—

(A) in paragraph (1), by inserting ", at the option of a State," after "and which";

(B) in paragraph (2)(A), by inserting "Subject to subparagraph (C):" after "(A) NOTICES.—";

(C) in paragraph (2)(B), by inserting "Subject to subparagraph (C):" after "(B) REPORTING REQUIREMENTS.—";

(D) by adding at the end the following:

"(C) STATE OPTION TO WAIVE NOTICE AND REPORTING REQUIREMENTS.—A State may waive some or all of the reporting requirements under clauses (i) and (ii) of subparagraph (B). Insofar as it waives such a reporting requirement, the State need not provide for a notice under subparagraph (A) relating to such requirement."; and

(E) in paragraph (3)(A)(iii), by inserting "the State has not waived under paragraph (2)(C) the reporting requirement with respect to such month under paragraph (2)(B) and if" after "6-month period if".

(2) STATE OPTION TO EXTEND ELIGIBILITY FOR LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDITIONAL MONTHS.—Section 1925 (42 U.S.C. 1396r–6) is further amended—

(A) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

(B) by inserting after subsection (b) the following:

"(c) STATE OPTION OF UP TO 12 MONTHS OF ADDITIONAL ELIGIBILITY.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, each State plan approved under this title may provide, at the option of the State, that the State shall offer to each family which received assistance during the entire 6-month period under subsection (b) and which meets the applicable requirement of paragraph (2), in the last month of the period the option of extending coverage under this subsection for the succeeding period not to exceed 12 months.

"(2) INCOME RESTRICTION.—The option under paragraph (1) shall not be made available to a family for a succeeding period unless the State determines that the family's average gross monthly earnings (less such costs for such child care as is necessary for the employment of the caretaker relative) as of the end of the 6-month period under subsection (b) does not exceed 185 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

"(3) APPLICATION OF EXTENSION RULES.—The provisions of paragraphs (2), (3), (4), and (5) of subsection (b) shall apply to the extension provided under this subsection in the same manner as they apply to the extension provided under subsection (b)(1), except that for purposes of this subsection—

"(A) any reference to a 6-month period under subsection (b)(1) is deemed a reference to the extension period provided under paragraph (1) and any deadlines for any notices or reporting and the premium payment periods shall be modified to correspond to the appropriate calendar quarters of coverage provided under this subsection; and

"(B) any reference to a provision of subsection (a) or (b) is deemed a reference to the corresponding provision of subsection (b) or of this subsection, respectively.".

(b) STATE OPTION TO WAIVE RECEIPT OF MEDICAID FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR TMA.—Section 1925(a)(1) (42 U.S.C. 1396r–6(a)(1)) is amended by adding at the end the following: "A State may, at its option, also apply the previous sentence in the case of a family that was receiving such aid for fewer than 3 months, or that had applied for and was eligible for such aid for fewer than 3 months, during the 6 immediately preceding months described in such sentence.".

(c) EXTENSION OF SUNSET FOR TMA.—

(1) IN GENERAL.—Subsection (g) of section 1925 (42 U.S.C. 1396r–6), as so redesignated under subsection (a)(2)(A), and as amended by section 7 of the Welfare Reform Extension Act of 2003, is further redesignated as subsection (i) and is amended by striking "2003" and inserting "2008".

(2) CONFORMING AMENDMENT.—Section 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)), as so amended, is amended by striking "September 30, 2003" and inserting "the last date (if any) on which section 1925 applies under subsection (f) of that section".

(d) CMS REPORT ON ENROLLMENT AND PARTICIPATION RATES UNDER TMA.—Section 1925 (42 U.S.C. 1396r–6), as amended by subsections (a)(2)(A) and (c)(1), is amended by inserting after subsection (f) the following:

"(g) ADDITIONAL PROVISIONS.—

"(1) COLLECTION AND REPORTING OF PARTICIPATION INFORMATION.—Each State shall—

"(A) collect and submit to the Secretary, in a format specified by the Secretary, information on average monthly enrollment and average monthly participation rates for adults and children under this section; and

"(B) make such information publicly available.

Such information shall be submitted under subparagraph (A) at the same time and frequency in which other enrollment information under this title is submitted to the Secretary. Using such information, the Secretary shall submit to Congress annual reports concerning such rates.".

(e) COORDINATION OF WORK.—Section 1925(g) (42 U.S.C. 1396r–6(g)), as added by subsection (d), is amended by adding at the end the following:

"(2) COORDINATION WITH ADMINISTRATION FOR CHILDREN AND FAMILIES.—The Administrator of the Centers for Medicare & Medicaid Services, in carrying out this section, shall work with the Assistant Secretary for the Administration for Children and Families to develop guidance or other technical assistance for States regarding best practices in guaranteeing access to transitional medical assistance under this section.".

(f) ELIMINATION OF TMA REQUIREMENT FOR STATES THAT EXTEND COVERAGE TO CHILDREN AND PARENTS THROUGH 185 PERCENT OF POVERTY.—

(1) IN GENERAL.—Section 1925 (42 U.S.C. 1396r–6) is amended by inserting after subsection (g), as added by subsection (d), the following:

"(h) PROVISIONS OPTIONAL FOR STATES THAT EXTEND COVERAGE TO CHILDREN AND PARENTS THROUGH 185 PERCENT OF POVERTY.—A State may meet (but is not required to meet) the requirements of subsections (a) and (b) if it provides for medical assistance under section 1931 to families (including both children and caretaker relatives) the average gross monthly earning of which (less such costs for such child care as is necessary for the employment of a caretaker relative) is at or below a level that is at least 185 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.".

(2) CONFORMING AMENDMENTS.—Section 1925 (42 U.S.C. 1396r–6) is amended, in subsections (a)(1) and (b)(1), by inserting ", but subject to subsection (h)," after "Notwithstanding any other provision of this title," each place it appears.

(g) REQUIREMENT OF NOTICE FOR ALL FAMILIES LOSING TANF.—Subsection (a)(2) of section 1925 (42 U.S.C. 1396r–6) is amended by adding at the end the following flush sentences:

"Each State shall provide, to families whose aid under part A or E of title IV has terminated but whose eligibility for medical assistance under this title continues, written notice of their ongoing eligibility for such medical assistance. If a State makes a determination that any member of a family whose aid under part A or E of title IV is being terminated is also no longer eligible for medical assistance under this title, the notice of such determination shall be supplemented by a 1-page notification form describing the different ways in which individuals and families may qualify for such medical assistance and explaining that individuals and families do not have to be receiving aid under part A or E of title IV in order to qualify for such medical assistance. Such notice shall further be supplemented by information on how to apply for child health assistance under the State children's health insurance program under title XXI and how to apply for medical assistance under this title.".

(h) EXTENDING USE OF OUTSTATIONED WORKERS TO ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL ASSISTANCE.—Section 1902(a)(55) (42 U.S.C. 1396a(a)(55)) is amended by inserting "and under section 1931" after "(a)(10)(A)(ii)(IX)".

(i) EFFECTIVE DATES.—

(1) In general.—Except as provided in this subsection, the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 2003, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) Notice.—The amendment made by subsection (g) shall take effect 6 months after the date of enactment of this Act.

(3) Delay permitted for State plan amendment.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 602. PROHIBITION AGAINST COVERING CHILDLESS ADULTS WITH SCHIP FUNDS.

(a) Prohibition on Use of SCHIP Funds.—

(1) In general.—Section 2107 (42 U.S.C. 1397gg) is amended by adding at the end the following:

"(f) Limitation on Waiver Authority.—Notwithstanding subsection (e)(2)(A) and section 1115(a), the Secretary may not approve a waiver, experimental, pilot, or demonstration project, or an amendment to such a project that has been approved as of the date of enactment of this subsection, that would allow funds made available under this title to be used to provide child health assistance or other health benefits coverage to childless adults. For purposes of the preceding sentence, a caretaker relative (as such term is defined for purposes of carrying out section 1931) shall not be considered a childless adult.".

(2) Conforming amendment.—Section 2105(c)(1) (42 U.S.C. 1397ee(c)(1)) is amended by inserting before the period the following: "and may not include coverage of childless adults. For purposes of the preceding sentence, a caretaker relative (as such term is defined for purposes of carrying out section 1931) shall not be considered a childless adult.".

(b) Rule of Construction.—Nothing in this section or the amendments made by this section shall be construed to—

(1) authorize the waiver of any provision of title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.) that is not otherwise authorized to be waived under such titles or under title XI of such Act (42 U.S.C. 1301 et seq.) as of the date of enactment of this Act; or

(2) imply congressional approval of any waiver, experimental, pilot, or demonstration project affecting the medicaid program under title XIX of the Social Security Act or the State children's health insurance program under title XXI of such Act that has been approved as of such date of enactment.

(c) Effective Date.—This section and the amendments made by this section take effect on the date of enactment of this Act and apply to proposals to conduct a waiver, experimental, pilot, or demonstration project affecting the medicaid program under title XIX of the Social Security Act or the State children's health insurance program under title XXI of such Act, and to any proposals to amend such projects, that are approved or extended on or after such date of enactment.

TITLE VII—EFFECTIVE DATE

SEC. 701. EFFECTIVE DATE.

(a) In General.—Subject to subsection (b) and except as otherwise provided, the amendments made by this Act take effect on the date of enactment of this Act.

(b) Exception.—In the case of a State plan under part A or D of title IV of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the effective date of the amendments imposing the additional requirements shall be 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

The ACTING PRESIDENT pro tempore. The distinguished Senator from Nevada is recognized.

MORNING BUSINESS

Mr. REID. Mr. President, the chairman of the Finance Committee will not be here until about 1:30. We should not start the bill until he arrives. I have spoken to Senator BAUCUS. He agrees. I think until then perhaps we should be in a period of morning business until 1:30.

Mr. FRIST. Mr. President, why don't we have morning business. I ask unanimous consent that there be a period of morning business with the time divided accordingly until 1:30 today.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for up to 10 minutes as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DORGAN. Will the Senator from Oregon yield for a question?

Mr. WYDEN. I am happy to.

Mr. DORGAN. Mr. President, I ask unanimous consent that I be recognized for 10 minutes following the Senator from Oregon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RISING GAS PRICES

Mr. WYDEN. Mr. President, I rise to reiterate how important it is that Congress and the administration act to protect the American people from rising gas prices. I call on the Bush administration to stop its campaign of inaction on this critical consumer issue.

This week the Organization of Petroleum Exporting Countries, OPEC, will vote on whether to cut their cartel's production by 1 million barrels a day. This vote comes at a time when the American Automobile Association tells us that the national average price of gasoline is the highest it has ever been. Of course, we know it is not yet the peak driving season. In California, consumers consistently pay over $2 a gallon. In my home State, it is $1.80, and in some towns, $1.85, such as Eugene and Medford. Consumers in Oregon are getting clobbered.

The vote OPEC will be making comes at a time when according to the Associated Press private gasoline inventories are already down by 2.5 million barrels. The vote comes at a time when, in spite of these very low supplies, the Bush administration stubbornly persists in filling the Strategic Petroleum Reserve instead of steps that I and others favor, which are to put more oil on the market.

In my view, it is imperative that the United States push OPEC in every possible way not to cause further harm to our already injured gasoline market and to vote against any further production cuts. The Lundberg Survey tells us that even if OPEC were to agree this week not to cut production, we would still face skyrocketing prices. Here is how I read that: If OPEC doesn't agree not to cut production, the problem will be that much worse.

When oil prices were high in September of 2000, then-candidate George W. Bush blasted former President Clinton for not pushing OPEC to increase production. Prices at that time were not as high as they are today. And at least the administration at that time was making some efforts to wring some relief out of OPEC. But still then Texas Governor Bush said:

> We need to be mindful of the power of strong and consistent diplomacy. We need to start playing with chips we have earned in the past on behalf of American consumers.

If anybody has chips to play now in order to get a fair shake for the consumer, it is this President. Certainly he has chips to play with the domestic oil producers who enjoy the tax breaks he favors and environmental breaks and help when those companies are having difficulty supplying their refineries.

With regard to the OPEC vote, we ought to be clear. I hope the President of the United States will follow the advice he gave years ago. I hope he will do everything possible to push those

OPEC countries now, telling them they should not allow the gas problem in this country to worsen with yet another production cut. Pushing OPEC to stop a planned production cut is the very least this administration could do for the gasoline consumer. It would be the least that could be done, but at least it would be something. At least it would end the weeks' long, months' long campaign of inaction that this administration has waged as gasoline prices have crept higher and higher and clobbered consumers in every part of the United States.

For several weeks now OPEC's per barrel price has been well above their target per barrel price range of $22 to $28. OPEC committed to keeping prices in this range. They long ago discarded that commitment, and yet nobody has heard anything from the administration until just in the last week or so, as I and others started calling for answers.

We sure heard from the White House last week when OPEC prices dropped to $35.51 per barrel. They said: Well, we are making progress. But the fact is, that amount is more than $7 higher than the top of OPEC's target price range. So any pressure this administration has put on OPEC is a day late and more than $7 short. Taking credit after the fact for a pittance of accommodation from OPEC is not going to solve this Nation's gasoline price problems, and it certainly is not going to provide the consumer any real relief.

I will tell you what else is not going to help American consumers. That is for the administration to continue to turn a blind eye to the rampant anticompetitive and anticonsumer practices that are plaguing our country's gasoline markets. Scores of communities, including those in my State, have few if any choices for the gasoline consumer. Nationwide the gas market in Oregon and at least 27 other States is considered tight oligopolies where four companies control more than 60 percent of the gasoline at the pump. In these tightly concentrated markets, numerous studies have found oil company practices have driven the independent wholesalers and detailers completely out of the market. They use red lining and zone pricing. The fact is, with these and other practices, the independent stations can't compete. They go out of business, and the oil companies can widen their net to grab even more cash from the consumers.

The Federal Trade Commission, when they have looked at these practices in the past, have admitted that they are anticompetitive and drive prices higher. They just say they don't have the power to do much about it. I don't think that is true. To be fair, the past administration didn't do a whole lot either when it came to going to bat for the consumer to stop these oil company anticompetitive practices. But this administration has proven that if they want to make something happen administratively, they certainly can do it. They have done that in area after area.

It seems to me that if the administration will end its campaign of inaction to stop the price-pumping shenanigans of private oil companies, they could certainly take steps now to help the American consumer.

In December of 2002, they stepped in to stop filling the Strategic Petroleum Reserve to keep more oil on the market, when the oil companies couldn't keep their refineries full. But now when American consumers are paying $2 a gallon at the pump, we don't see any effort to stop filling the Strategic Petroleum Reserve. So the fact is, what this administration is unwilling do for the driving public, they are willing to do for big oil.

What ought to be done in the face of this campaign of inaction? Certainly, you can make a start by having congressional action. I sponsored S. 1737, which would give the Federal Trade Commission additional tools to promote competition in these very tight markets. They would have the power to issue cease and desist orders to prevent companies from gouging consumers. That is a vehicle that can be used right now to help the American consumer. We are certainly going to have problems in the days ahead. And even the oil companies admit that the market won't solve the problems on its own.

Last August a report by the Rand Corporation revealed that even oil industry officials are predicting more price volatility in the future. Last November the Energy Information Administration also issued a report on the causes of last summer's record high gas prices.

They said—and this is the position of the Federal Government—"There is continuing vulnerability to future gasoline price spikes."

The Congress needs to act now before gasoline rises to $3 per gallon, and we are hearing that from some independent oil industry analysts.

The administration, however, has the power to act now. They need to be on the phone. They need to be pushing OPEC today. They need to get off the dime at the Federal Trade Commission, where action can be taken administratively. Rising gas prices don't just hit families in the pocket during the weekly fill-up; those rising gasoline prices are producing a disturbance and causing ripples throughout our economy. There are huge consequences of this price manipulation.

When gasoline costs more, businesses' transportation costs go up. Their profits go down. So either the price of the goods they sell to consumers has to go up, or the number of people they employ must plummet. So higher gas prices either mean bigger costs for consumer goods, or fewer jobs in an economy that certainly cannot afford to lose any more.

Let me close by saying that I hope my legislation, S. 1737, will pass in the days ahead. Right now, consumers are getting socked at the pumps in person. That is not acceptable to me and should not be acceptable to any Member of the Senate. It is time to stand up to the status quo.

It is time for the Bush administration to take the lead. They ought to do it with OPEC and with the Federal Trade Commission. If the administration doesn't support the proposals I offer today, they ought to end their campaign of inaction and offer their own. I hope we will have a chance to debate this on the floor of the Senate.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

NATIONAL SEX OFFENDER REGISTRY ACT OF 2004

Mr. DORGAN. Mr. President, last December, there were news reports around the country about the disappearance of a young student at the University of North Dakota whose name was Dru Sjodin.

I am sorry to tell you that Dru Sjodin has never been found. It is likely that she has been murdered. The person who allegedly committed that murder is now under lock and key in a North Dakota jail, awaiting a trial. And, as is too often the case, the man that apparently committed this crime had earlier been released from prison for committing similar offenses.

Let me talk for a moment about this case and about some legislation I have introduced in the Senate—bipartisan legislation—to respond to it.

Dru Sjodin was a student at the University of North Dakota. On a December afternoon, she was abducted in a parking lot at the shopping center in Grand Forks, ND.

The suspect who was arrested for that disappearance was a man named Alfonso Rodriguez, Jr. Law enforcement has released some details, saying that a knife with blood of the type of Dru Sjodin's blood was found in the automobile of Mr. Alfonso Rodriguez.

Mr. Rodriguez had only been released 6 months earlier from a 23-year sentence that he served in a prison for a previous rape and sexual assault in Minnesota. In fact, the Minnesota Department of Corrections had rated Mr. Rodriguez a "type 3" sexual offender, meaning that he was at the highest risk for reoffending.

In an evaluation conducted in January 2003, a little over a year ago, a prison psychiatrist wrote that Mr. Rodriguez had demonstrated "a willingness to use substantial force, including the use of a weapon, in order to gain compliance from his victims."

Yet Mr. Rodriguez was released in May of 2003—not yet a year ago—by the Minnesota Department of Corrections. He had served 23 years; he had served his full sentence, and the Department of Corrections released him and imposed no further supervision for his release.

The Minnesota Department of Corrections could have recommended that the State Attorney General seek what is known as a civil commitment. That means a State court would have required Rodriguez to be confined in prison as long as he posed a significant threat to the public, even if he had already served his original sentence. But the Attorney General was not notified of Mr. Rodriguez's release, and so no action was taken there.

Upon his release, Mr. Rodriguez went to live in Crookston, MN, unsupervised, just a short distance from the Grand Forks, ND, shopping mall where Dru Sjodin was abducted. Mr. Rodriguez was listed on a list of sexual predators in Minnesota. But each State has listings of sexual predators. If concerned citizens in Grand Forks, ND, wanted to know whether there was a sexual predator living nearby, they would have accessed the North Dakota sexual predator list and would not have found Mr. Rodriguez's name, despite the fact that he lived just a short distance from that Grand Forks shopping center, across the state line.

In my judgment, we have to do much, much better than that. A recent study found that 72 percent of the highest risk sexual offenders commit another sexual assault within 6 years of being released. And the Bureau of Justice statistics tell us that sex offenders released from prison are over 10 times more likely to be arrested for a sexual crime than individuals who have no record of sexual assault at all.

We just cannot continue to release sexual predators from prison with no supervision whatsoever and let them prey on an unsuspecting public. So I have offered legislation that I hope will deal with some of the breakdowns that have occurred in this case. The legislation I have offered is cosponsored by Senator COLEMAN and Senator DAYTON from Minnesota, and by my colleague, Senator CONRAD, from North Dakota.

I ask unanimous consent to add as a cosponsor Senator JOHNSON from South Dakota.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I will define what the bill does. First, it directs the Department of Justice to create a national registry of sex offenders, which would be accessible to the public. This isn't difficult. You just aggregate the State lists so you have a national list. All Americans who live near State borders will be able to access that list.

Second, this legislation will try to ensure that the highest risk sex offenders are not released at all. The bill requires that States provide automatic and timely notification to the States' attorneys of the planned release of any high-risk sex offender. Before the release, the State's attorney shall be formally notified. That will give them time to pursue civil commitment cases for those who are the most dangerous, in order to continue to keep them in prison. They are able to do that under current law. My bill doesn't change current State laws, but it requires notification of the States' attorneys when somebody who is a type 3 high-risk sexual predator is about to be released from prison.

Third, the bill provides that for those high-risk sexual predators who are released after serving their full sentences, there will be intensive State supervision for a period of not less than one year.

Mr. President, in developing this piece of legislation, we have worked with the National Center for Missing and Exploited Children, the Vanished Children's Alliance, the National Council of Cities, and many others. A companion bill to my legislation has been offered in the House by PAUL GILLMOR from Ohio and EARL POMEROY of North Dakota. That, too, is a bipartisan piece of legislation.

Dru Sjodin, was, by all accounts, a wonderful person. I visited with her family and with her roommate in college. It is a tragedy the likes of which we see very seldom in our part of the country. Dru Sjodin has been missing since December. They have had search parties, the National Guard has searched, and her family is still out searching even after the formal law enforcement search has discontinued.

This young woman walked out of a shopping center in the town of Grand Forks, ND, and was abducted by someone who had just been released after 23 years in prison as a sexual predator.

We have to do a lot better than that to protect the American people. This is a tragedy. It is heartbreaking just to talk about this, but in the name of Dru Sjodin and so many other victims of crime, this Congress needs to do better.

One way to do better is to create and require the creation of a national registry of sexual predators so that we know where they are and where they live, not just by State, but where they are across this country, so one can identify them by sorting ZIP Codes or any other definition one wants. That is important.

And when the highest risk sexual predators are about to be released from American prisons, I believe States' attorneys must be notified so they can properly take action for civil commitment in cases where they believe it is necessary. Mr. Rodriguez, in my judgment, should have been in prison, not walking the streets of Grand Forks, ND.

It is easy, perhaps, to suggest criticism of those who did not do their job. But that is not the point. The point is to try to protect others in the future. I hope in the future, whether it is in Grand Forks, ND, or along the streets of any other American city, that no one—no one—has to confront a sexual predator who was just released from prison, and who we knew was violent. We should anticipate such cases, and make use of civil commitment laws. I hope this legislation moves us in that direction.

Mr. President, I thank the bipartisan cosponsors of this legislation and hope we can take action on this legislation in the Congress soon.

I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

PERSONAL RESPONSIBILITY AND INDIVIDUAL DEVELOPMENT FOR EVERYONE ACT—Continued

The ACTING PRESIDENT pro tempore. The Senate will continue consideration of H.R. 4.

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, today we begin debate on what the public at large would refer to as a welfare reform bill, a bill that would build upon very major changes that were made after 60 years of the previous welfare legislation that did not accomplish its goals to one now where we have had an opportunity since 1996 to move people from welfare to work.

The public at large and sometimes even I refer to this legislation as welfare reform, but our legislation is entitled "The Personal Responsibility and Individual Development for Everyone Act." If you hear us use the acronym P-R-I-D-E, PRIDE, this is the legislation that is before the Senate. I am very happy that we are finally able to consider this legislation.

Going back to 1996, after years of debate and even after two vetoes by President Clinton, we finally had a Republican Congress pass, and a Democratic President sign, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. I emphasize that because the issue of welfare is highly charged politically. When you are going to make major changes, as we did in 1996, it takes bipartisanship to accomplish those changes. That bipartisanship was between Democratic President Clinton and a Republican-controlled Congress.

The enactment of welfare reform ended the entitlement aspect of welfare, the cash assistance part of it. The impetus for welfare reform was generated by a number of factors, including public sentiment that the welfare system needed overhauling. When campaigning for President, President Clinton promised, in his words, "to end welfare as we know it." For the Republicans, during the campaign for Congress in 1994 when the Contract With America was the watch word of Republicans, welfare reform was a key part of that. So we had a President promising to end welfare as we know it, we had Republicans putting it in their Contract With America, and, finally, after 2 years, the legislation was passed at that time.

I would categorize the PRIDE legislation as moving on and fine-tuning that basic underlying legislation which has sunset. The sunset was in the 1996 legislation. When legislation sunsets, it must be reenacted by the Congress of the United States or that part of the code goes off the books.

Quite honestly, there are Americans who have needs. There is still need for assistance, but the goal of that assistance is still as it has always been: to move people from welfare to work.

In the years leading up to the enactment of welfare reform in 1996, the AFDC roles soared and costs increased. From 1988 through 1992, welfare spending increased by billions of dollars. The welfare system was attributed by many to contributing to a culture of isolation and dependence, persisting from one generation to another. Despite dire predictions to the contrary, the reforms in the 1996 act have produced very positive results.

The welfare caseload has dropped dramatically. Between fiscal year 1997 and fiscal year 2002, the average monthly number of welfare recipients fell by 5.8 million or 53 percent of the previous high. Child poverty has also been reduced. Between 1996 and 2001, the national child poverty rate fell by 20 percent. This decline is even more marked for certain groups. We see the African-American children poverty rate dropping from nearly 40 percent to 30 percent, the lowest rate on record.

The Hispanic child poverty rate dropped from just slightly over 40 percent to 28 percent, the largest 5-year drop on record.

Employment rates of adult recipients has increased. In fiscal year 2001, 27 percent of the adult recipients were employed, rising to about 2.4 times the 1996 employment rate of 11 percent.

These reforms all stemmed from a work-first approach that emphasized an adult's attachment to the workforce. I believe we should continue and this legislation does build upon a work-first approach, and yet the need for reform continues.

There are key provisions in the 1996 act which have not yielded the desired results. Additionally, there are further reforms which should be enacted, things that we have learned from the 1996 act, and we are fine-tuning the present legislation through this legislation before us. As an example, the 1996 bill envisions a contingency fund which would provide additional matching grants to needy States during economic downturns.

However, during the recent recession, the first real test of the contingency fund, no State was able to access the contingency fund. This is because States must raise their own spending considerably during a recession to meet the contingency fund State spending requirements.

I am sure it was not the intent of the authors of the 1996 bill to make the contingency fund inaccessible. The PRIDE bill before the Senate includes provisions which would liberalize the contingency fund to make it more accessible to needy States and to help more citizens of their States who have the need.

Another example would be the work participation rate. The 1996 welfare reform bill envisioned a participation rate of 50 percent by 2002. However, because of the way the caseload reduction credit has worked, many States have a marginal or even nonexistent work participation requirement, meaning they are meeting the requirements of existing Federal law without putting one more person from the welfare rolls into the payrolls. The fact that the caseload reduction credit has effectively neutralized the work participation rate requirement is then a fundamental flaw in this 1996 law that PRIDE corrects.

The PRIDE bill does, in fact, correct this by replacing the caseload reduction credit with an employment credit. To ensure that the credit does not undermine the work participation rate, the credit would have a phased-in cap. Many have advocated that there needs to be a stronger message sent to States on the value of education as a means of getting out of poverty. Some have also indicated the need for increased child care funding, as well as needed improvements to child support and enforcement policies.

The PRIDE legislation before the Senate increases opportunities for education, opportunities for training, as well as support for the families by increased funding for child care. Additionally, the PRIDE bill provides child support enhancements with more child support going to families. These reforms are a critical means that help families get off and stay off of welfare.

Two of the four purposes of the 1996 welfare act dealt with strengthening two-parent families. So far, very few States have taken the opportunity to develop and to implement innovative programs and policies to address the issues of healthy two-parent marriages, even though the 1996 law is very flexible on how that is to be done—obviously too flexible from the standpoint of it being a requirement that the State ought to meet.

I strongly support marriage promotion activities as a means of improving child well-being. Let nobody in this body or outside this body say there is anything in this language that has anything to do with forcing people into the institution of marriage. Well short of that, this legislation does and should do things to emphasize the importance of people who are in a married relationship, that they are less apt to be on welfare than families who are single parent.

This legislation provides funding for healthy marriage promotion activities, as well as research, demonstrations and technical assistance to States in developing effective programs. Thus, while the 1996 act made significant reforms, there remains more that should be done to strengthen the current welfare delivery system. Those reforms are included in the PRIDE bill now before the Senate.

Recognizing the improvements that the 1996 reforms made, our Senate Finance Committee began deliberations by working off of current law and improving it with priorities identified by Senators on and off the Finance Committee, as well as ideas that are coming from President Bush's administration.

The Senate Finance Committee deliberations in many ways continued the work done in the 107th Congress on the issues of welfare reform. As Members know, the bill that then-Chairman BAUCUS produced in the second half of the 107th Congress, which went by the acronym WORK bill, was based on the so-called tripartisan agreement at that time. This tripartisan agreement was a series of policy agreements reached by Senators BREAUX, ROCKEFELLER, LINCOLN, and JEFFORDS from the Democratic caucus, and Senators HATCH and SNOWE from the Republican caucus. These Members, along with then-Chairman BAUCUS, continued to play strong and important leadership roles on the Finance Committee relative to welfare reform.

I had a chance to review the work of the last Congress, which was the tripartisan agreement, and I noted similarities between what the tripartisan group proposed, what the PRIDE Act before us has in it, and also the House-passed bill that passed early last year. That House-passed bill is largely based upon President Bush's proposal for welfare reform. I refer my colleagues to the various charts that I am going to put before them now, which highlight the many areas of common ground between last year's WORK bill and the House bill, and the PRIDE bill by which the present title is before the Senate. Admittedly, not all the details are exactly the same, but as my colleagues will see from these charts, there is a great deal of common ground between these three bills. I think it is important to emphasize the similarities because too often on the Senate floor we have emphasis upon disagreements.

This common ground is building upon the bipartisanship that took place in 1996 to move us to the present program.

There is common ground regarding keeping what works from the 1996 reform bill. Going down the chart from top to bottom, all three bills maintain the basic block grant, continue the policy of no individual entitlement to assistance, and retain the lifetime 5-year time limit.

Both the bill of Senator BAUCUS, of last session, and the legislation now before the Senate would maintain current sanction policy. The PRIDE bill continues to allow for 12 months of education and training, while the House bill scales that back to 4 months and the bill of Senator BAUCUS would have increased that to 24 months.

Additionally, both the WORK bill and the PRIDE bill would maintain the current list of core work and work readiness activities, although the WORK bill would allow 8 weeks to be spent in job research.

Now we have a chart that deals with improving State flexibility. Before I describe what is on this chart, we have had a great deal of emphasis upon letting States use this Federal legislation with some degree of flexibility. Frankly, it is very difficult for us to pour a mold in Washington called welfare reform and have it fit all 50 States exactly the same way. What it might take for the State of Iowa to meet the needs of a welfare family in Waterloo, IA, might be entirely different than in New York City. If you try to solve it in exactly the same way, you are probably going to waste money in New York or Waterloo or you might not accomplish as much in one city for that money as opposed to another. So let Albany, as the capital of New York, or let Des Moines, IA, as the capital of my State—let the legislators there and administrators there fit this to meet their various needs.

I want to point, though, to the common ground in terms of improving State flexibility. Again, I am referring to the three proposals: The Senate bill from the last Congress, the Senate bill from this Congress, and the House-passed bill that is now in the Senate for our consideration. All three proposals would allow for adults on assistance, with barriers to work, to engage in activities designed to address those barriers and allow those barrier removal activities to count toward a State work requirement for 3 months, provide for increased access to emergency or contingency funds during an economic downturn, and allow States to use their unobligated balances or carryover funds for any welfare-related purpose. That would include child care, whereas currently States can only use these funds for cash assistance. We give States much more flexibility to meet their needs because they know their needs better than we do.

Both the Senate bill of the 107th Congress as well as the Senate bill of the 108th Congress would allow for an additional 3 months of barrier removal activities if combined with work. Both the WORK bill and the PRIDE bill include a provision allowing States to count longer duration postsecondary education towards their work requirement. This is a provision patterned after the State of Maine's Parents as Scholars Program.

We also have common ground between these three pieces of legislation on strengthening work requirements and leading people into the world of work. For 60 years we put welfare recipients out of sight, out of mind, out to the edges of society, guaranteeing a life of poverty. What we started doing in 1996, and we intend to continue to do through this legislation, is move people from the world of welfare to the world of work. The motivation behind that is you have to be in the world of work to have a chance to move up the economic ladder. You cannot move up the economic ladder in the world of welfare. But where there are 138 million Americans in the world of work, that is where we need to have as many welfare recipients as we can so they can move out of poverty.

No child should be sentenced to a life of poverty, and I think we are showing in the 1996 legislation, which we are now refining, that this helps people move up the economic ladder. At least there is opportunity to move up the economic ladder where there is no opportunity to do that if you are relying on a welfare check.

I want to again emphasize there is common ground relative to strengthening the work requirement. All three bills would increase a State's required participation rate, raise the time spent in core or priority activities, as well as assign partial credit for hours below the standard. The PRIDE bill and the House bill would raise the standard hour. The PRIDE bill and the WORK bill would replace the caseload reduction credit with an employment credit based on legislation introduced by the Senator from Arkansas, Mrs. LINCOLN.

There is common ground on promoting healthy families. All three bills would provide for universal engagement of improved child support provisions, healthy marriage grants, as well as for responsible fatherhood grants. Both the WORK and the PRIDE bills would extend transitional medical assistance for 5 years, with program simplification that was authored by Senator BREAUX of Louisiana.

It would allow for caregiving for a disabled child to count as work, and would require States to develop presanction review policies.

I have worked very hard to make sure that this is a bipartisan product. I have also been continually mindful of concerns raised by Democratic colleagues that they have about this provision. In areas where we differ, I am more than happy to let the Senate work its will, and there are outstanding issues. There are key differences between last year's Senate Finance Committee bill and this year's Senate Finance Committee bill. In my opinion, the most significant ones are the level of child care funding available for States, about which there is going to be an amendment that we are going to be dealing with shortly. Another one would be 24 months versus 12 months of allowable education and training. Another one would be eligibility for legal immigrants, for welfare, Medicaid, and the children's health insurance program. Another one would be continuation of the expired State aid to families of dependent children waiver; and, fifth, the standard hours for calculating a State's work participation rate.

I am also aware there are Members who may wish to consider provisions increasing the work requirement by broadening the family's account toward the participation rate as well as increasing the standard hour.

Additionally, I have had Members tell me they want to consider amendments requiring States to pose a full check sanction on adults who fail to comply with their self-sufficiency plans.

These are all things to which the Senate is entitled, guaranteed, to have a healthy debate on. These are things that will be settled on the floor of the Senate, if people want to pursue these differences of opinion.

However, at this point I want to spend some time discussing the issues surrounding the work requirement in PRIDE, specifically the issue of work hours for individuals receiving assistance. I want to clarify, first of all, something for the record. There is no Federal hour requirement on an adult receiving assistance.

I want to say that another way.

The Federal Government cannot make an individual welfare recipient work 40 hours or 30 hours or 1 hour. Just as there is no longer an individual entitlement to welfare, there is no individual requirement for work hours. As the great baseball leader Casey Stengel used to say, Look it up.

There is a Federal requirement on the States to engage welfare clients in a variety of meaningful activities in order to meet a Federal work participation rate, and there are severe penalties on States for failure to meet the Federal work participation rate.

Currently, in order for a State to count an adult recipient toward the calculation of that State's work requirement, that adult must be engaged in priority work or work-related activities for at least 30 hours.

As you know, the majority of families receiving welfare don't want to be on welfare. A recent study by the Mathematica Policy Research Institute of low-income families in my State revealed that many of those who ask for assistance "felt that it sacrifices their independence and pride to do so."

In hearings as well as in townhall meetings in my State of Iowa, adults receiving assistance told me they desire to work. I took at their word Iowans who spoke to me of their desire to work, and that is why I have worked so hard to bring a bill forward that would encourage States to redouble their efforts to engage adults receiving assistance in meaningful activities and better prepare them to enter the world of work.

Consider the hypothetical case of Sara, a mom with two kids, who finds herself in a crisis. A victim of domestic abuse, Sara is trying to make a better life for herself and her children. To that end, she moves out of her abuser's home and attempts to find a way to support her family. Lacking a number of basic skills as well as needing some counseling to deal with her history of abuse, Sara presents with a number of challenges and needs welfare to help support her family.

Under current law, States have a limited capacity to deal with Sara's issues and have those activities count toward a State work participation rate. Under current law, a State cannot count any domestic violence counseling that may be offered to Sara toward their work participation rate.

Sara knows she must work to support her family, so she begins immediately looking for work. She spends 6 weeks looking for a job and finally finds a part-time job as a waitress working 6 hours a day for 4 days a week. She continues to look for a better paying job for an hour a day as well as spending another hour a day in counseling provided to her by her own State.

I think many of us would agree that Sara is doing everything she can to try to move toward self-sufficiency and that her State by engaging her in counseling is doing its part as well. However, under current law, because she is only part time and because a State cannot count her job search after 6 weeks, and under current law domestic violence counseling can never count, Sara does not count toward that State's participation rate, regardless of how hard she or the State make the effort for her to be in the work force. In other words, you either meet the 30-hour standard and count or you don't.

Currently, the States report that the majority of adults—57 percent—receiving assistance engage in 0 hours of activity. Clearly, it is more difficult for States to work with adults who are not doing anything than to work with an adult working 29 hours and get her engaged in meaningful activities for another 5 hours.

It can be argued as well that it is more meaningful to help an adult move from 0 to 20 hours of activity than to move an adult from 29 hours to 34 hours of activity; but under current law, a State has no incentive to work with that particular individual. It doesn't give them credit, to the Federal Government, for doing the State's part under the welfare-to-work law requirements

The administration's proposal for welfare reform reauthorization—last year's Senate bill called the WORK bill and this year's PRIDE bill—allows States to get partial credit for hours below that standard hour requirement.

As my colleagues know, the standard hour is when an eligible parent or parents count as "one family" for purposes of calculating a State's work participation rate. Partial credit for hours below the standard would give States a very strong incentive to work with adults who may not be ready for full-time employment. I think we can all agree it is better for these adults to be doing something rather than nothing, languishing on welfare rolls until the time limit kicks in and they have to go off assistance, having no skills to go get a job or skills to support their family.

I have another chart I would like to bring to your attention.

Our PRIDE bill is unique, however, insomuch as the legislation would establish a series of "tiers" where partial credit is assigned along with a band of hours.

For work or work-readiness activities in the 20–23 hour range, a State may claim credit for an adult with a child age 6 or older counting as .675 of an entire family. For hours of 24–29 range, a State may claim credit for an adult counting as .75 of a family. And for hours in the 30–33 range, a State may claim credit for an adult counting as .875 of a family.

The PRIDE bill, consistent with last year's tripartisan proposal, establishes a separate lower standard hour for parents with a child under the age of 6 because of the greater need for attention of that child. However, PRIDE sets a standard hour at 24, whereas the tripartisan proposal would have continued to set the standard hour for a parent with a child under age 6 at 20 hours. States can also capture a modest amount of extra credit for hours above this standard.

As a result of these provisions in the PRIDE Act, the Congressional Research Service has calculated that overall, the nationwide work participation rate for States increases from a national average of 29 percent—without waivers—to 41 percent under our PRIDE legislation.

There are some States that have very low participation rates. I have included a number of provisions specifically intended to help those States. Additionally, I am willing to work with Members representing those States on measures we can take to assist those States in making improvements in the way services are delivered and clients being engaged in those States.

When we talk about the work hours as they relate to the PRIDE bill, I think it is important to bear in mind that the significant hour is not whether it is 34 or 40 or 37, but the significant number of hours is 20 because that is where the partial credit begins.

Additionally, when we talk about the hours in the work requirement, the important hour again is not 30 or 40, but the important hour is 24 because that is the threshold for core work activities.

Once a client meets the 24-hour threshold for core work activities, States can count unlimited education, counseling, job search, or other barrier-removal activities toward the State's participation rate.

So then, we go back to Sara, the young mother to whom I previously referred, who, under current law—even though she was working 24 hours, and in counseling, and even looking for another job—did not count at all toward a State's participation rate and, consequently, would not get much attention from that State—the attention that is needed to improve people's economic growth.

Under the legislation before the Senate this year, as opposed to what current law has been since 1996, Sara would have up to 6 months allowed in barrier-removal activities, including domestic violence counseling and substance abuse counseling, that counts toward this State's participation rate, meeting the requirements of Federal law.

Once the 6 months are up, she has an additional 12 months that she can spend in education and training.

Once those 12 months are up, if she works for 24 hours a week, spends an hour a day, 5 days a week, in domestic-abuse counseling, and looks for a better job for an hour a day, 5 days a week, she then has reached the point where she counts as one family, where the State recognizes her as a very significant individual, where the State, by paying attention to her, is going to get some credit. In other words, under the legislation now before the Senate, Sara does count; whereas, under current law, Sara does not count.

During the past 3 years of debate on the issue of welfare reform, I have heard a number of different perspectives on the best approach to take for the next phase of welfare reform.

Some have argued the way to go is to increase the time that adults receiving assistance spend engaged in meaningful work activity. The correlation between full-time work and increased earnings is compelling.

Some have suggested that increasing the amount of time allowed for education and training is more important than increasing the time spent working. The correlation between increased education and increased earnings, of course, is compelling as well.

Others believe that encouraging marriage and reducing out-of-wedlock births would net the best result.

Still others have suggested that increasing State flexibility should be an integral part of any reform effort.

I firmly believe that when it comes to welfare reform, there is, in fact, no such thing as "one size fits all." While education may be the best approach for some, it may not be for others. Encouraging healthy family formation may be just what one family needs, but perhaps that approach would not be in the best interest of another family under different circumstances.

The PRIDE bill takes a blended approach to welfare reform and strives to find balance among all these perspectives.

The legislation before the Senate increases the emphasis on work and work-readiness activities, as well as increasing the flexibility for States to engage adults in education and training activities. The PRIDE legislation also provides resources to encourage States to develop innovative family formation programs, while making it clear that participation in those programs must be voluntary, and the program must be developed with domestic violence professionals.

I have a chart speaking to the factors that influence poverty rates. This approach is consistent with the latest research; in other words, the approach of flexibility—"one size fits all" not working.

We have a recent policy brief that was released by the Brookings Institution, and it was drafted by Ron Haskins and Isabel Sawhill. It is entitled "Work and Marriage: The Way to End Poverty and Welfare." The authors, using Census data and simple modeling, simulate the effects of various factors on the poverty rate for families with children.

The poverty rate for families with children, in 2001, was 13 percent. Now, surely, everyone agrees that a central purpose of welfare reform is the reduction of poverty. As this chart clearly shows, the least effective factor in reducing poverty was to double a family's welfare benefit. The most effective single way to reduce poverty was to work full time. Indeed, according to these authors of the Brookings Institute policy brief:

> [F]ull-time work eliminates almost half of the poverty experienced by families with children.

However, the most effective approach to reducing poverty was a combination of work, marriage, education, and family-size reduction.

As colleagues can see from this chart, when the blended approach is adopted, poverty is reduced a staggering 9.3 percent, going from 13 percent down to 3.7 percent.

I find these numbers to be quite compelling. I am pleased that they reinforce the approach taken in this legislation before the Senate.

I know there are colleagues who have many thoughts on these pieces of legislation, and we are going to have a very lively debate.

AMENDMENT NO. 2937

Mr. President, I send an amendment to the desk for the Senator from Maine, Ms. SNOWE, and ask for its consideration.

The PRESIDING OFFICER (Mr. SUNUNU). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Ms. SNOWE, for herself, Mr. DODD, Mr. HATCH, Mr. ALEXANDER, Mr. CARPER, Mr. BINGAMAN, Mr. ROCKEFELLER, Ms. COLLINS, Ms. LANDRIEU, Mrs. MURRAY, Mr. JEFFORDS, Mrs. BOXER, Mr. CHAFEE, Mrs. LINCOLN, Mrs. CLINTON, Ms. MIKULSKI, Mr. COLEMAN, and Mr. SCHUMER, proposes an amendment numbered 2937.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide additional funding for child care)

Beginning on page 255, strike line 18 and all that follows through page 257, line 2, and insert the following:

SEC. 116. FUNDING FOR CHILD CARE.

(a) INCREASE IN MANDATORY FUNDING.—Section 418(a)(3) (42 U.S.C. 618(a)(3)), as amended by section 4 of the Welfare Reform Extension Act of 2003 (Public Law 108–040, 117 Stat. 837), is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end the following:

"(G) $2,917,000,000 for each of fiscal years 2005 through 2009.".

(b) RESERVATION OF CHILD CARE FUNDS.—

(1) IN GENERAL.—Section 418(a)(4) (42 U.S.C. 618(a)(4)) is amended to read as follows:

"(4) AMOUNTS RESERVED.—

"(A) INDIAN TRIBES.—

"(i) IN GENERAL.—The Secretary shall reserve 2 percent of the aggregate amount appropriated to carry out this section for a fiscal year for payments to Indian tribes and tribal organizations for such fiscal year for the purpose of providing child care assistance.

"(ii) APPLICATION OF CCDBG REQUIREMENTS.—Payments made under this subparagraph shall be subject to the requirements that apply to payments made to Indian tribes and tribal organizations under the Child Care and Development Block Grant Act of 1990.

"(B) TERRITORIES.—

"(i) PUERTO RICO.—The Secretary shall reserve 1.5 percent of the amount appropriated under paragraph (5)(A)(i) for a fiscal year for payments to the Commonwealth of Puerto Rico for such fiscal year for the purpose of providing child care assistance.

"(ii) OTHER TERRITORIES.—The Secretary shall reserve 0.5 percent of the amount appropriated under paragraph (5)(A)(i) for a fiscal year for payments to Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands in amounts which bear the same ratio to such amount as the amounts allotted to such territories under section 658O of the Child Care and Development Block Grant Act of 1990 for the fiscal year bear to the total amount reserved under such section for that fiscal year.

"(iii) APPLICATION OF CCDBG REQUIREMENTS.—Payments made under this subparagraph shall be subject to the requirements that apply to payments made to territories under the Child Care and Development Block Grant Act of 1990.".

(2) CONFORMING AMENDMENT.—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)), as amended by section 108(b)(3), is amended by striking "or 413(f)" and inserting "413(f), or 418(a)(4)(B)".

(c) SUPPLEMENTAL GRANTS.—Section 418(a) (42 U.S.C. 618(a)) is amended—

(1) by redesignating paragraph (5) as paragraph (7); and

(2) by inserting after paragraph (4), the following:

"(5) SUPPLEMENTAL GRANTS.—

"(A) APPROPRIATION.—

"(i) IN GENERAL.—For supplemental grants under this section, there are appropriated—

"(I) $700,000,000 for fiscal year 2005;

"(II) $1,000,000,000 for fiscal year 2006;

"(III) $1,200,000,000 for fiscal year 2007;

"(IV) $1,400,000,000 for fiscal year 2008; and

"(V) $1,700,000,000 for fiscal year 2009.

"(ii) AVAILABILITY.—Amounts appropriated under clause (i) for a fiscal year shall be in addition to amounts appropriated under paragraph (3) for such fiscal year and shall remain available without fiscal year limitation.

"(B) SUPPLEMENTAL GRANT.—In addition to the grants paid to a State under paragraphs (1) and (2) for each of fiscal years 2005 through 2009, the Secretary, after reserving the amounts described in subparagraphs (A) and (B) of paragraph (4) and subject to the requirements described in paragraph (6), shall pay each State an amount which bears the same ratio to the amount specified in subparagraph (A)(i) for the fiscal year (after such reservations), as the amount allotted to the State under paragraph (2)(B) for fiscal year 2003 bears to the amount allotted to all States under that paragraph for such fiscal year.

"(6) REQUIREMENTS.—

"(A) MAINTENANCE OF EFFORT.—A State may not be paid a supplemental grant under paragraph (5) for a fiscal year unless the State ensures that the level of State expenditures for child care for such fiscal year is not less than the sum of—

"(i) the level of State expenditures for child care that were matched under a grant made to the State under paragraph (2) for fiscal year 2003; and "(ii) the level of State expenditures for child care that the State reported as maintenance of effort expenditures for purposes of paragraph (2) for fiscal year 2003.

"(B) MATCHING REQUIREMENT FOR FISCAL YEARS 2008 AND 2009.—With respect to the amount of the supplemental grant made to a State under paragraph (5) for each of fiscal years fiscal year 2008 and 2009 that is in excess of the amount of the grant made to the State under paragraph (5) for fiscal year 2007, subparagraph (C) of paragraph (2) shall apply to such excess amount in the same manner as such subparagraph applies to grants made under subparagraph (A) of paragraph (2) for each of fiscal years 2008 and 2009, respectively.

"(C) REDISTRIBUTION.—In the case of a State that fails to satisfy the requirement of subparagraph (A) for a fiscal year, the supplemental grant determined under paragraph (5) for the State for that fiscal year shall be redistributed in accordance with paragraph (2)(D).".

(d) EXTENSION OF MERCHANDISE PROCESSING CUSTOMS USER FEES.—Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)), as amended by section 201 of the Military Family Tax Relief Act of 2003 (Public Law 108–121; 117 Stat. 1343), is amended—

(1) by striking "Fees" and inserting "(A) Except as provided in subparagraph (B), fees"; and

(2) by adding at the end the following:

"(B) Fees may not be charged under paragraphs (9) and (10) of subsection (a) after September 30, 2009.".

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I begin by thanking the chairman of our committee, Senator GRASSLEY. He has worked very long and hard on this issue, and it has been very good to work with him. He has thought a lot about these issues. He has worked hard to try to find a middle ground. He wants to get things done, and I deeply appreciate that.

We are here today to reauthorize the 1996 welfare reform law. The 1996 law has actually worked pretty well. I think all commentators would agree with that statement. In fact, it has worked much better than people thought it would work. It is not broken. It is not broken at all. And I think we need to guard against "fixing" something that is not broken. You know the old saying: "If it ain't broke, don't fix it." I think that applies to the 1996 welfare statute.

As we go forward, we might ask ourselves whether we might do better simply extending the existing 1996 law. Yes, we could make some modifications. We would increase, for example, funding for child care to help parents get to work. But as the Senate considers proposed changes, we might ask whether it would be better to stick with the 1996 act.

I will spend a little time today talking about the House bill. The House bill does not stick with the 1996 bill. The House of Representatives has made, frankly, some pretty dramatic changes—"fixes" to a program that many of us believe is not broken.

The Senate bill that Chairman GRASSLEY has crafted tries to chart a middle course. Thus, the bill before us presents an opportunity to reflect on the lessons we have learned since 1996, and to incorporate those lessons in the new bill.

We accomplished what we set out to do in 1996, and I am proud to have played a role in passing that law.

The 1996 welfare reform law was a landmark. The old system had failed.

We were spending billions, but we had little to show for it. So we tried something new. We tried, in the words of the introduction to the 1996 act "to end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage."

At the same time, the 1996 act was very controversial. In retrospect, it is clear that by and large we were headed in the right direction. I call attention to the chart next to me. This chart essentially tells the story. It is entitled "Welfare Recipients as a Percentage of Population." Hundreds of thousands of people have left welfare and left welfare for work. The number of folks on welfare, as you can tell, as a percentage of the American population, beginning in 1988, rose up to its peak in about 1994 and 1995. Then we passed the 1996 statute, and it has plummeted dramatically.

The next chart shows the changes in welfare recipient caseloads, from 1996 to 2001. It shows that all States have shared in the success. The caseload reduction has been highest for those States in red, that is greater than a 70-percent reduction. In States represented by orange, the reduction in welfare caseload has been between 50 and 70 percent. And States represented in yellow have a caseload reduction of less than 50 percent but very significant. My State of Montana is an orange State. Montana reduced its welfare caseload by 56 percent between 1996 and 2001.

The New York Times reported last week that even with the weak economy we have experienced lately, welfare rolls have declined in the past 3 years in most States. That is, caseloads have decreased even as unemployment, poverty, and the number of food stamp recipients have increased.

For example, in the State of Illinois, the number of families on welfare fell 45 percent since January 2001. In New York, the number of families on welfare declined about 40 percent since January of 2001. And in Texas, the number of families on welfare has declined 11 percent, again, in the last 3 years.

I would like now to show another chart. This is the child poverty rate. The child poverty rate has also declined since 1996, overall by about 23 percent. As you can see, the child poverty rate in 1988 was roughly 20 percent. It increased during the 1990s, through 1992, and peaked around 1993. It has declined very significantly since that peak in 1993. However, look at the end, 2000 to 2002. It looks as though it is starting to increase slightly.

But despite our success, there is still more to be done. We are not out of the woods. Too many troubled families remain on the rolls. Too many families struggle to raise children in poverty. In 2002, there were 34.6 million Americans below the official poverty level. For a family of two, poverty is $12,490. 34.6 million Americans below that level. Thirty-seven percent of families in poverty are working.

I have another chart. This is the poverty rate. As this chart shows, 1 in 10 Americans still live in poverty. That share has gone up in the last couple years with the recession, and close to 17 percent of our children live in poverty. In Montana, 19 percent of all children live in poverty. Nationwide, 1 in 10 Americans.

Those numbers are simply too high. We must provide better opportunities for poor families to move off welfare, into the workforce, and out of poverty for good. As successful as the 1996 bill has been, these figures show there is more we have to do.

In my view, doing more means focusing more attention on the hardest cases; that is, on families who face complicated and difficult challenges. For example, children with disabilities, adults with little or no education or work skills, people with mental health issues or substance abuse problems. Those are the hardest cases. We also need to focus on the single mother with an autistic son who cannot care for himself after school when she is at work.

We need to focus on families affected by mental health concerns that limit their ability to engage in continuous full-time employment, and families who have been hit by a health crisis and need help. Doing more means building on the partnership we established with the States back in 1996. It means letting States maintain the flexibility they have used to design their current successful welfare-to-work strategies. How does it best work for each State? All States are different, with different populations, different issues. It means giving States new options to address especially troubled families. And at the same time, it means maintaining and increasing help in building the work support system.

We learned, with the major reform in 1996, that getting a job is not always a ticket out of poverty. We helped to get people off the welfare rolls by a dramatic amount, an average of about 50 percent, but still people who leave are having a very tough time finding jobs. They are in very dire straits. People find that the jobs pay too little. In

Montana, we have the highest number of people working more than one job just to make ends meet because we have low wages and a poor economy. Those families who are just off of welfare are struggling. They need access to education, to training. They need the opportunity to address many of the barriers that prevent them from getting a job and keeping a job, and they need access to benefits such as food stamps, health care, and child care.

Child care is a huge concern. If you want to make a lasting difference, we need to provide further help with child care, further help with health care, transportation, and other things that will help parents stay off welfare and thrive in the job market.

The success of the 1996 bill should have meant a quick and simple reauthorization, because we all, both sides, can agree that the law works. But some want to leave the successful 1996 law behind them and make dramatic changes. I call this a cut-and-run approach—leaving the States and, more importantly, low-income families behind. The House-passed welfare reauthorization bill embodies this cut-and-run attitude. The House bill would force States to use expensive workfare—or “make work”—models of welfare reform, where welfare recipients would participate in large-scale, unpaid, make-work programs such as cleaning up trash.

The House bill work requirements would force States to put welfare recipients into make-work jobs. I mentioned trash pickup. There are many other examples. Cleaning the streets is good for the streets, but where does it leave the welfare recipient after the cleanup is over? At the end of a make-work job, welfare recipients have learned no new skills, and they are no closer to having a real job.

The House bill would push recipients into make-work programs instead of real private sector jobs that provide the meaningful work experience necessary to survive in the job market. States mostly rejected this one-size-fits-all workfare model years ago. States don't like it. They know it doesn't work. State and local administrators have told us they need, more than anything else, a full menu of strategies for the different needs of individual parents, families, and communities.

The House bill, however, makes it harder to design services and strategies that meet local needs. And it also fails to provide adequate funding. As welfare rolls have fallen, States have used freed-up TANF funds to support low-income working families—often those who have left welfare to work in recent years. This is common sense and a proven strategy for success. It works.

For a single mother, providing child care assistance can be the single most important factor for workplace success. But the lack of funding in the House-passed bill means States would have little choice but to shift funds away from programs that help keep low-income parents working to much more expensive make-work programs for those still on welfare.

This would be a mistake, as it would force working families to return to the welfare rolls. It would mean cutting and running on those working families whose success we have been celebrating.

It doesn't make sense to abandon work supports to pay for make-work activities, but States report that the approach in the House bill would do just that: it would require States to cut funding for these successful work support services to pay for large, expensive, and unproven make-work programs for those remaining on the rolls.

Education and training clearly are critical factors in getting people into jobs that pay more. In a rural State such as Montana, access to education and training represents a clear path out of poverty. We need to ensure that America's needy families have access to such paths. And States need flexibility so they can provide these programs.

All States are different. In States such as mine, making welfare reform work means making it work for American Indians. More than a quarter of American Indians live in poverty—more than twice the national average. In Montana, American Indians make up a full one-half of our welfare caseload. We needed flexibility to address that.

I appreciate that the chairman has included provisions to help Native Americans. But to make a real difference for welfare reform in Indian country will require real resources.

Tribes need support to operate TANF for themselves and help with economic development. Our work is not done when there are still places in America where most adults don't have jobs. Flexibility must be maintained.

Back in 1996, we asked the States to design a welfare program to address their specific needs. Some States applied for waivers to do just that. Those waivers have been a vital aspect to welfare reform's success. It is important to allow States to continue with their waivers and to ensure States continue to have flexibility to make welfare reform work. Dictating prescriptive requirements and unfunded mandates to States is unnecessary, particularly when so many parents are already participating in work-related activities.

In sum, the House bill is sure to undermine the success of the 1996 law. It would effectively eliminate the ability of States to employ proven welfare-to-work strategies, and it would virtually wipe out the progress made in the last 6 years to use TANF and child care funds to “make work pay.”

The House approach would force States to divert dollars to make-work programs. It would thus divert funds from child care, where funds are needed. Future funding for child care and other work supports would be harder than ever to secure.

It seems to me that the House program is designed to fail. The House approach is difficult for would-be recipients to access. And States will have a hard time making it work. In the prophetic words of one TANF administrator:

> [The House approach] is part of a larger effort . . . to set unattainable goals for States, so that Washington can generate budget savings and say that social programs don't work.

That would be irresponsible. That would be breaking something that is fixed. Whatever we do here, we need to ensure that TANF continues to work.

I applaud Chairman GRASSLEY for trying to do better. Compared with the House-passed bill, chairman's bill has fewer mandates and less need for States to adopt workfare programs, which I find so reprehensible in the House-passed bill.

Yet I remain concerned that the bill before us doesn't provide States with enough new flexibility in areas such as training and education, or in determining welfare-to-work strategies, particularly in States with specific needs like rural States. I am also concerned that it doesn't provide enough child care funding.

During this debate, Senators will offer amendments to address these shortcomings. An amendment will be offered to increase child care funding so that parents can go to work. Senators SNOWE and DODD will offer that amendment today. I believe the chairman already has offered that amendment on behalf of Senators SNOWE and DODD.

An amendment will be offered on this bill that will allow recipients to continue their education to gain job skills. Senators LEVIN and JEFFORDS will offer that amendment.

Amendments will be offered making TANF work for immigrants. Senators GRAHAM and CLINTON will focus their efforts on these initiatives. Also, an amendment will seek to preserve the flexibility that States had under the 1996 law. Senators BINGAMAN and WYDEN will be offering that one.

Of course, we should also protect the civil rights of workers and of children in this law. We should make sure to get the balance right between State incentives and accountability.

Welfare reform is working. Let's build on that success and build on our partnership with States. By continuing to work together, we can achieve a successful bill.

We can strengthen existing programs to address the needs of America's struggling families. We can give further support to those who have successfully moved from welfare to work.

Let us not cut and run. Let us not "fix" what is not broken. Rather, let us build on the success of the 1996 law.

I yield the floor.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I see the prime sponsor of the amendment, the Senator from Maine. I ask unanimous consent to follow her when she completes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Maine is recognized.

Ms. SNOWE. Mr. President, I rise today to talk about an amendment that I know has already been offered to the Senate on the pending legislation, the Personal Responsibility and Individual Development for Everyone Act, known as the PRIDE Act.

I am proud to have authored this amendment along with my friend and colleague, Senator DODD. Without question, Senator DODD has been a fearless and unyielding champion in increasing both the quality of and funding for child care in America. He has been a tremendous friend to families and children. I appreciate his dedication and advocacy to these causes.

It is regrettable that Senator DODD could not be here today in person to offer this amendment. As our colleagues know too well, disasters do occur from time to time in our States, and they understandably take precedent. He is in Connecticut today addressing issues related to a major highway accident that closed Interstate 95 last Thursday. This accident had an enormous impact on the people of Connecticut but also other States that rely on the interstate for travel or commerce. It is a loss of billions of dollars. Senator DODD is working with State and Federal officials to restore travel in this vital transportation artery, and today he is where he should be—working on behalf of the people in his State. I look forward to hearing from him tomorrow on this amendment.

I also want to recognize and thank Senators HATCH, ALEXANDER, and CARPER, who approached me sometime ago on this vital issue regarding child care in the welfare reauthorization and a strong desire to work together to ensure that this issue would be addressed and be given priority consideration in the Senate. I appreciate their efforts as well as the commitment and dedication of other cosponsors: Senators BINGAMAN, ROCKEFELLER, COLLINS, LANDRIEU, MURRAY, JEFFORDS, BOXER, CHAFEE, LINCOLN, CLINTON, and MIKULSKI. I appreciate the fact that they have made it a broad bipartisan amendment.

Before I explain the amendment before us and why it is such a critical component of this debate, I, too, want to recognize the work of the chairman of the Finance Committee, Senator GRASSLEY, who has been tireless in his perseverance, patience, and commitment to ensuring that the reauthorization of this legislation would be completed in this Congress. The fact that we have been able to report this legislation out of the Finance Committee is in no small part due to his efforts to make sure it became a reality. I thank the majority leader, as well, for his commitment to this issue so that we were able to bring up this bill, finally, for consideration.

Also, I want to recognize the Democratic leader, Senator DASCHLE, and the ranking member, Senator BAUCUS, for their work, along with the majority leader and Chairman GRASSLEY, who scheduled this debate so that, hopefully, we can complete the work on this reauthorization.

It goes without saying that this day is long overdue regarding our actions for this reauthorization. We have had six extensions in 18 months after the original expiration of this law.

As we well recall, in 2002, the Finance Committee did pass this legislation, but, regrettably, it was not brought up on the floor for Senate consideration. So we have had to repeatedly extend this legislation, and the States and the caseloads were left without any kind of specific blueprint for action in the future.

Today, hopefully, we begin the last leg of this journey toward giving the States their plan of action for the next 5 years with respect to welfare reform and build upon the successes of the past, as well as addressing some of the remaining issues that certainly have manifest itself in the last 5 years with respect to what my amendment will be addressing.

The bill before us today is predicated on the administration's proposal which not only strengthens work requirements, but also allows States to concentrate on removing barriers to employment, giving TANF recipients up to 6 months during which time they can focus, without interruption, on becoming more employable, to remove those barriers that prevent them from being able to seek employment. So that means they can have the opportunities for adult literacy, substance abuse treatment, or taking advantage of other educational opportunities, such as vocational education or technical training.

Moreover, the bill rightly recognizes that some families have longer term barriers that they must also face and overcome. For example, this legislation includes provisions which ensure that under certain circumstances, caretakers for disabled dependents meet the requirements for obtaining support as well. I thank Senator GRASSLEY for working with me to include these provisions.

Another example of how this bill will improve the employability and likelihood of successful transition from welfare to work, the bill before us today includes provisions based on a widely praised program that happens to be located in my State of Maine, known as the Parents as Scholars Program.

We should be able to agree that increased education is another critical factor in whether a person will transition off welfare, be able to not only maintain a job, but to secure one that provides a decent income. That is why I have championed these provisions repeatedly which will allow a number of qualified, motivated welfare parents to take part in longer duration and postsecondary education while on the caseload.

Parents as Scholars has been extraordinarily successful in my State, with graduates averaging a 50-percent increase in salaries, and with 90 percent of working graduates leaving welfare behind permanently. It is because of this record of success that I am very pleased that during the Finance Committee markup, my amendment giving all TANF parents across the Nation the benefit of accessing this education program was accepted.

This program, as I said, has been not only successful, but I think it also ultimately will be widely available across the country because access to education should not be a question of geography.

This legislation also reflects our desire to afford the States flexibility by providing partial credit toward a State's work participation rate when there is partial compliance with hourly requirements by recipients. I believe this is a commonsense addition to current law that will fuel this program's success for years to come, while laying the groundwork for States to help clients become employed and stay employed, which, after all, was the original goal of the landmark 1996 reform act.

I thank Senator LINCOLN for offering this provision because I do think it goes a long way to addressing some of the issues that were raised in the last welfare reform act.

I am very pleased this legislation before us also builds upon the tripartisan legislation on which many of us on the Finance Committee worked in 2002. Senator HATCH, Senator BREAUX, Senator JEFFORDS, Senator LINCOLN, Senator ROCKEFELLER, and I included provisions that now have also been incorporated in this legislation concerning child support distribution, the employment credit, education and training requirements, and much of our universal engagement provisions and adjustments to the contingency fund.

At the same time, this bill also reflects a considerable good-faith effort to close some of the political and policy gaps that existed within the committee at the time of the markup. I know many of my Republican colleagues would have preferred additional workups similar to what the

President had proposed—40 hours instead of the 34—but we were willing to compromise in order to advance this benchmark legislation.

It was in the spirit of that compromise that I supported the legislation in the Finance Committee, recognizing that, yes, I would have preferred a significantly greater funding for child care, but at the same time I know there has been some disagreement on this side of the aisle as to how much we can even afford or should do with respect to child care funding in the welfare reauthorization. I refrained from offering that amendment in the committee so that we could have the opportunity to bridge these gaps on the floor of the Senate and to move this legislation forward.

The amendment I am offering today will provide $6 billion in new mandatory child care funding which I think represents an attempt to guarantee that there will be no structural weaknesses in the PRIDE Act that may undermine its ultimate effectiveness or success.

I am very pleased that Chairman GRASSLEY gave me the opportunity to have priority recognition to offer this amendment today that was part of the agreement we reached in the Finance Committee because I hope it will set a bipartisan tone for the debate to come.

This reauthorization is critical to almost 5 million people who are on welfare today. I am convinced it is our duty and our obligation to do all that we can to clear the political barriers, the policy barriers, overcome all the obstacles that we ultimately engage in on the floor of the Senate, but, in the final analysis, we ought to be in a position to vote on the welfare reauthorization and extend this law.

This $6 billion increase in new mandatory child care certainly should move us in that direction. I am adding this today because I think this amount is commensurate with the real and current needs. To understand how these needs developed and why this amount of funding is essential is important to understand because as we set out to reauthorize the 1996 law, we have to reexamine some of the decisions and some of the choices that were made at the time that now has led us to this point that I think compels us to offer more money in terms of child care.

One of the decisions that Congress made back in 1996 was to ensure that we would have the necessary support systems to allow welfare recipients, as they transition into the workplace and access full-time employment, to have all of the support that is going to be absolutely vital to make that employment a success, as well as accessible.

These types of assistance to working parents who generally are employed at minimum-wage jobs allow them to make ends meet and to make a permanent transition from welfare to work. One of the most critical types of work support we can offer these families is quality child care. Without good child care, a parent is left with only two choices: to leave a child in an unsafe and often unsupervised situation, or not to work, both of which are lose-lose situations.

If the aim of welfare reform is to move people off the welfare rolls and on to the payrolls, providing support in the form of quality affordable child care is a prerequisite to realizing that goal. Of course, as with anything else, child care comes with a price. In some States, it can cost as much as a year's tuition in a public college. Factor in additional costs of infant care or odd-hour care, such as nights or weekends or care for children with special needs, and the challenge increases significantly. So for a parent working toward financial independence, typically earning minimum wage, it is not hard to see how child care can be the budget buster that compels a family to retreat back into welfare.

This battle was also fought by families who are employed in full-time, lower wage jobs, families not receiving cash welfare assistance, but who only earn $15,000 to $20,000 per year.

Almost 2 years ago, a constituent of mine came to Washington to testify before Senator DODD's Subcommittee on Children and Families. Sheila Merkinson, a resident of Maine, testified her childcare costs absorbed almost 48 percent of her weekly income. Even though she is eligible for aid, she receives no childcare assistance because the need exceeds the income eligibility requirements in our State.

At that time, Sheila stated she had been on the waiting list for childcare subsidies 6 months, four of them while she was working, and sleeping on a couch during that entire time period because she could not afford to pay the rent on her $18,000 yearly income.

I also remember reading several years ago about a mother in Maine whose only choice for a steady job was working the night shift at the local mill. Because she lived in a rural area with no family nearby, she was forced to choose between losing her job or tucking her elementary schoolage children into bed at night, locking the doors behind her, and going to work. Affordable childcare was not a reality for her and so she did what she deemed was best, to go to work and earn the money she required to support her children. In the end, the courts made a third choice for this mother. They took her children away from her.

We have no rhyme or reason to put people who care about their own children in untenable situations where they are compelled to make these unpalatable choices. This amendment will help ensure we can prevent these types of circumstances so many families face in the real world today.

These are but two of the life stories that bring me to the point of offering this amendment and providing the mandatory childcare funds of more than $6 billion for the next 5 years. These are families who really are the essence of what this debate is all about.

Back in 1996, as this chart would illustrate, Congress recognized when we created the TANF program, the Temporary Assistance for Needy Families, formed the childcare and development block grant, because we had a myriad of programs that provided various funding streams for childcare, we had a commitment to serve the families on welfare. That is why we consolidated more than four programs into the childcare and development block grant, so that we had a commitment to serve not only those who are on welfare, those who are transitioning off welfare, those who were not on welfare but were at the risk of falling onto welfare caseloads.

Finally we decided we should coordinate and consolidate these programs to create this block grant with the intent of serving those low-income families that may be employed but still require some kind of assistance because of the high cost of childcare. We have this coordinated development block grant on childcare that is aimed at serving the needs of each of these populations.

While the Federal law sets the ceiling, the States are able to determine their own eligibility requirements. Yet according to most estimates, only one in seven eligible children receives this kind of assistance. It is not surprising when one considers that in 2003 alone, nearly every State reduced childcare spending and 16 States reduced eligibility levels so fewer children would qualify.

Even when our eligibility guidelines are high, most States are unable to attain them. In fact, according to the 2004–2005 State plans in at least five States, a family is not eligible for the childcare development block grant if the family earns more than $20,000 per year. So clearly there remains a pressing need.

While the focus of this debate is the TANF population, as well it should be, it cannot be to the exclusion of all of those lower income families who are not on welfare. I am convinced that access to this critical work support makes all the difference in a successful transition from welfare to work, and to help ensure these families do not retreat back into welfare, and at the same time that we allow them to achieve self-sufficiency. That is the goal of any welfare reform act and that is what it should be. According to a 2002 study, single mothers with young children who receive childcare assistance are 40 percent more likely to be employed after 2 years than mothers who did not receive such assistance.

The study goes on to say former welfare recipients who receive childcare are 82 percent more likely to be employed after 2 years than those who do not receive such support. These findings make sense, as far too often, for many single parents, unaffordable, unavailable, or unreliable childcare is the chief barrier to steady employment.

Over the past few years, States have been experiencing unprecedented fiscal crises which are resulting in cutbacks to crucial services for low-income families and children. Severely limited resources are driving States to make some difficult tradeoffs, when it comes to policies, among equally deserving groups of eligible families. It is not unreasonable for a State to conclude that TANF families subject to work requirements in a maximum 5-year time limit or families transitioning off TANF should get priority over families who have not received welfare.

However, as a result of these decisions many vulnerable low-income working families who require childcare assistance will not be able to support their families and remain off welfare. That is a reality.

The worst-case scenario would be one in which limits on childcare subsidies for lower income working families begin to act as a disincentive. Families transitioning off welfare or low-income families struggling to stay off welfare rolls could easily deduce the effort simply was not worth it.

In May of 2003, GAO issued a report that suggests this possibility may exist. It states that a change in priority status can result in families losing benefits.

For example, in two States, families who leave TANF lose all of their benefits. In seven States, when a family comes to the end of a State's transition period, this can result in their losing assistance altogether.

Considering that childcare for a single child can easily cost between $4,000 and $10,000 yearly, it is not difficult to understand why a family affected in this way might have no other choice but to remain on welfare.

Providing a firm foundation and the tools necessary to make a successful transition to independence was the promise we made and one we must honor. So the amendment we are offering to this pending legislation would fulfill our commitment to the States by increasing the amount of mandatory childcare funding that is authorized under this legislation. We can do that today by passing this bipartisan amendment.

I know some would say there is an abundance of funding and that the estimates of unmet needs are baseless. My response to those critics is this: Ask the more than 605,000 eligible children on waiting lists in 24 States and the District of Columbia if there is sufficient funding. Many have argued since there are waiting lists in only less than half the States, then the rest of the States do not have unmet needs. Well, this is patently untrue.

The truth of the matter is not every State keeps a waiting list. Again, they feel it is a fruitless endeavor, because they are elevating expectations knowing that those expectations simply cannot be fulfilled because they do not have the funding for childcare. Many States cap the number of names allowed to appear on the waiting list, again because they know they will not be able to fulfill their requirements. They do not want to create the kind of hope among people that they will get the support ultimately when they know it simply will not be possible.

Consider that if one is a mother residing in California and she went to the State's welfare office and they told her get in line, she is No. 280,001. How likely is it she will bother to put her name on the waiting list? If a counselor in New York City told a mother her child would be No. 46,001, would she take the time to sign up? And even if she did, would she ultimately get the childcare support she needed? Not likely.

Another question is: How many childcare slots would be generated by the $6 billion included in our amendment? We cannot say for certain, but if we do not provide this funding there will be hundreds of thousands of children without any support under this welfare reauthorization.

We currently have 2 million children receiving child care subsidies. The Congressional Budget Office has estimated it would cost $4.5 billion to ensure that all 2 million children currently—I emphasize currently—receiving subsidies will be able to continue receiving that level of support over the next 5 years, during the course of this reauthorization. The underlying legislation that is before the Senate includes $1 billion in mandatory childcare funding which, according to CBO, may well cover the estimated cost for the new work requirements and the State participation rates of somewhere between $1 billion to $1.5 billion of increased child care as they relate to these expanded requirements under this legislation.

Just to maintain exactly what is in current law for the 2 million children costs $4.5 billion, and the increase, the new increase under this legislation, would require another $1 billion to $1.5 billion.

What we are saying is, just given where we are today, we could have 400,000 children removed from the caseload without this kind of money—400,000 if we do not support the pending amendment.

It is imperative that we pass this amendment to ensure the States will be in a position to provide the level of support they are currently providing to these families—just to maintain the status quo.

The legislation of the chairman provides a strong start by adding the $1 billion to pay for these increased work requirements, but I believe, Senator DODD believes, and all the cosponsors of this amendment believe we should and must do more. The PRIDE Act seeks to build upon our very successful effort in 1996. We transformed the welfare system as we know it. It is landmark legislation that was an unprecedented success. We were able to convert an old entitlement system into a temporary program that helps our most fragile population take those critical first steps toward economic self-sufficiency. I believe our amendment strengthens this effort by ensuring that mothers struggling to move themselves off the welfare rolls will have the kind of assistance they need in order to succeed.

The good news is we will be able to do this with the kind of support that is essential. We have an offset in this amendment that includes the Customs user fees on merchandise that is processed through Customs. It is obviously important so we don't have a budget point of order. Some have said we have used this in the past and most specifically it is on the legislation that is also being currently considered by the Senate on the Foreign Sales Corporation Act for international tax relief for manufacturers. However, that legislation includes up to $130 billion in revenue offsets. We are using $6 billion of the $17 billion that has been incorporated in that legislation regarding Customs fees.

I believe there will be sufficient offsets to address both that legislation and this one as well. The amendment we are offering today builds on the work that has been incorporated in the underlying legislation that was reported out of the Finance Committee. Like many of my colleagues on that committee, Chairman GRASSLEY, Senator DODD, and all of those who support this effort here today, we are trying to build upon the major steps that were taken in the 1996 Act, which I think has made great strides toward helping lower-income families achieving the American dream and ultimately achieving self-determination and self-sufficiency.

There is an important difference between giving someone a handout and offering them a hand up. I believe this amendment to the PRIDE Act builds upon that distinction. That is why I am so pleased to have the kind of bipartisan support that has been given to this amendment. I do believe it is a strong step in the right direction. Granted, it is not going to address all the demands and needs across America, but certainly it will go a long way toward understanding and recognizing the reality that if we don't do this, we leave families and children in an untenable situation.

I happen to believe this amendment will strengthen our ability to pass this welfare reauthorization, that the States need to give guidance and direction for the future. We cannot allow States to live in statutory limbo and we can't allow families to live in limbo as well.

I hope this amendment will receive strong support here in the Senate, reflecting the strong bipartisan cosponsorship of this amendment. I urge my colleagues to support this amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I know the pending amendment is the Snowe-Dodd amendment. I join with the Senator from Maine and the Senator from Connecticut in hoping that the Senate will welcome and support this amendment. I pay tribute to the Senator from Maine for her longstanding work in support of child care, and, of course, I commend my friend and colleague from Connecticut who unfortunately is not here today but wanted very much to be here today. He will be speaking in strong support of this amendment during its consideration tomorrow.

As we know, Senator DODD is the leader on children's issues. A number of those issues go through the Health, Education, Labor and Pensions Committee, and all of us on that committee welcome his leadership on this issue as well many others.

I commend our leaders, and I commend the floor managers.

This will be the first amendment that we will consider. And, hopefully, it will have strong support. I will take the time at another time to outline the extraordinary needs of child care in my own State. But I rise for a different purpose at this time.

I see my friend and colleague from Iowa on his feet. I intend to speak briefly about the minimum wage issue, and then to offer it not as a substitute but to get in the queue for consideration of amendments as we are considering this welfare reform program.

The Senator from North Dakota was here a moment ago and desired the opportunity to be able to speak. I don't know whether there is any reason to object. He wanted to have an opportunity to speak for up to 20 minutes, I believe, following my statement. Generally, I wanted to talk to the floor managers about that, but I didn't have the opportunity to do so. If there is a Republican who wants to speak after I speak, then he could be the one who might be recognized after that.

Mr. GRASSLEY. Mr. President, I don't think we have any objection to that. The only speaker I had on this side who wanted to speak was the Senator from Tennessee, Mr. ALEXANDER. He wanted to speak for a little while on the amendment of the Senator from Maine. Other than that, I don't have any requests on this side.

Mr. KENNEDY. Mr. President, I ask unanimous consent that he be able to follow for up to 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I listened with interest to my friend and colleague from Iowa talking about this legislation. And one of the phrases he expressed was that no one who works in this country ought to live in poverty. I agree with that. I think one of the best ways of doing it is to ensure that work pays.

One of the best ways to make sure work pays is to make sure that those who are on the bottom rung of the economic ladder—those who make the minimum wage—are going to have a livable wage.

What we know is that we have not increased the minimum wage for some 7 years. As a result of the failure of increasing the minimum wage in 7 years, the purchasing power of the minimum wage has decreased dramatically. If we are interested in making work pay, we have to make work pay, and that means an increase in the minimum wage.

At the appropriate time during the course of this debate, we will have the opportunity to vote on an increase in the minimum wage to make the minimum wage go up from $5.15 to $7 an hour for those families working 40 hours a week, 52 weeks of the year.

Let me share with the Members what has happened to the purchasing power of the minimum wage. If we go back to 1968, the minimum wage today would be $8.50 an hour. It is now $5.15. If we look at the consistency, the purchasing value, it will be $4.98 in the next few years if we don't act now.

Look at this chart. The minimum wage no longer lifts a family out of poverty. Look at this red line indicating what a family of three would need in order to be able to rise out of poverty. In 1968, we were able to—and, again, briefly around 1980—get the minimum wage up so families could live outside of poverty.

If you look at the flat line, you will see that the lines are going down. The poverty line is here. People are working longer and harder and have difficulty making ends meet.

Every day that we delay the minimum wage, workers fall farther and farther behind. All of the gains of 1996 in minimum wage increases have already been lost.

This welfare bill is about workers. It is about moving people from welfare into work. It is very interesting. Of those single mothers who moved off welfare into work before the recession began, one-half of those jobs have now been lost due to the recession. I don't know what percentage of those people used up all their benefits, but a good chunk have. I don't know what those individuals are doing, but we do know that the amount of poverty, child poverty and hunger in the families across this country, is continuing to go up.

We lose sight of the fact that over the history of the minimum wage, this has been a bipartisan effort. If you look back over the number of times this has been raised—10 or 11 times—go back to Franklin Roosevelt, Harry Truman, Dwight Eisenhower, President Kennedy, Lyndon Johnson, and President Ford, President Carter, and then it was President Bush, then it was President Clinton, this has been a bipartisan effort. Republicans and Democrats alike understand if people are going to work hard, we ought to be able to make sure they are treated fairly.

The increase in the minimum wage that we are talking about in this amendment would mean $3,800 in additional income once it's fully phased in over the period of the 2½ years. That would be more than 2 years of child care; it would be 2 years of health care. It would be full tuition to a community college for a child who is the son or daughter of a minimum-wage worker. It would be a year and a half of heat or electricity for a family. It would be more than a year of groceries, and more than 9 months of rent. That may not sound like much to many around here, but those are the facts. It would make an enormous difference to people who are working.

What we see is 3 million more Americans today are living in poverty. There were 31 million in the year 2000, and now it is 34.6 million, which means 3 million more people are living in poverty.

We can do something about that by increasing the minimum wage.

One of the saddest comments that I discovered as we looked through the various factual material in preparation for this debate is, according to the Families and Work Institute, three of the top four things children would like to change about their working parents is they wish their parents were less stressed out by work, less tired because of work, and could spend more time with them.

This is a family issue. We hear a great deal in this body about family issues and family values. Increasing the minimum wage is a family issue.

Who are these people? Who are these people who earn the minimum wage?

Well, first of all, they are the men and women who work in buildings all over this country at nighttime from which American commerce has their offices. In large buildings and small, they work in long, difficult, tough jobs, but they are men and women of pride. They are men and women of dignity. They take pride in doing a job well. They are not only cleaners, but they are also assistant teachers in many of the schools across this country.

They also work in nursing homes helping to take care of parents—parents who have served in the Armed Forces, fought in the Korean war, perhaps even in Vietnam, and maybe going back to even World War II—men and women who brought this country out of the Depression, men and women who have suffered and sacrificed to benefit their children. Many minimum-wage workers work in these nursing homes—men and women of dignity.

Sixty-one percent of those who receive the minimum wage are women. This is a women's issue because the great majority of recipients of the minimum wage are women. It is a children's issue because many of those women have children. They are single heads of households, and many of them have children. So it is a women's issue, it is a children's issue, and it is a civil rights issue because so many of those who work at the minimum wage are men and women of color.

And, most of all, it is a fairness issue. The issue that is going to be before the Senate is whether we believe someone who works 40 hours a week, 52 weeks of the year, ought to have a living wage. And if there is one issue Americans understand, it is the issue of fairness.

This is about fairness. This issue is about fairness. That is why we welcome the opportunity to offer this amendment. It should not be a partisan issue. We should not be denied the opportunity to have the vote, and we are going to stay after it until we have the vote.

So I wanted to take a few moments on this issue because it is a matter of such importance. I am going to go over the statistics in greater degree about what has been happening to women and to children in poverty in this country. I am going to do that at a time when I will have the chance to have the full debate for the consideration of this amendment.

I have the amendment. I indicated to the floor managers that I intended to offer it. I ask unanimous consent that after the consideration of the Snowe-Dodd amendment, that the amendment which I send to the desk now, on behalf of myself and Senator DASCHLE, be considered.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. Well, Mr. President, I ask unanimous consent that it be considered within the first four amendments that we have on this bill.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. Well, Mr. President, we are beginning to see what we have seen at other times; that is, on the other side there is objection. We listened to them talk about how they wanted to have workers work in this country, and now, evidently, there is objection. And I do not consider this to be by my friend, the chairman of the Finance Committee, but there is clearly an objection by the Republican leadership to get a consideration.

I ask unanimous consent that before we have final passage, we have a vote, up and down, on this amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. Reserving the right to object, Mr. President—and I will object—I want to take advantage of this opportunity to say that there are a lot of very important pieces of legislation that we have before this body that are bipartisan that need to be passed.

Two weeks ago, we had a bill dealing with outsourcing and the efforts to create manufacturing jobs in America by giving a tax advantage to manufacturers that manufacture here. It is a bipartisan bill, voted out of the Senate Finance Committee with only two dissenting votes, and those were Republican votes. So, overwhelmingly, people on the other side of the aisle know that bill has to pass.

But time after time we deal with nongermane amendments that distract from the efforts of this Senate to do things that create jobs in America and, in this particular instance, move people from welfare to work.

So I do not think it is wrong for some of us to take exception to the efforts to stall important pieces of legislation getting through this body, and that is why I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. Mr. President, since the Senator from Iowa has talked about delaying the legislation, I ask unanimous consent that the debate on the minimum wage amendment be no more than 20 minutes, with 10 minutes to each side, and that we have consent that we vote on this amendment up and down before final passage—that we have 20 minutes on the amendment, since there has been the thought that we are trying to delay this legislation.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. Mr. President, I remind my good friend—and he is my friend—about the report from the Finance Committee. If we go to page 4: "STRENGTHENS WORK"—"STRENGTHENS WORK." This bill is about work. And here we are asking for a minimum wage. To do what? To work.

What is possibly the reason or the justification to object to us even considering increasing the minimum wage? What we have here is objection to even considering an increase in the minimum wage, which is at its lowest level in history, for 7 million Americans.

They are talking about getting Americans out of welfare into work. We are trying to make work pay, and there is objection.

Look what it says on page 21:

> The Committee bill recognizes that the success achieved by TANF and Work First programs are a result of a sustained emphasis on adult attachment to the workforce.

What more could be relevant to the workforce and strengthening work than an increase in the minimum wage?

I do not know what this objection is. Why does the majority even refuse us the opportunity to vote? That is what I am asking. Call the ace an ace. What is the objection to having accountability, to find out if you are for it or against it? We are giving a 20-minute time limit, 10 minutes on each side. I will take 5 minutes. I will take 2 minutes. I will take 1 minute, then call the roll.

What can possibly be the objection to calling the roll when we have increased it 11 times under Republican and Democratic administrations in the past?

Where is the delay tactic? Where is the objection? Where is the fact that this is not relevant to the substance at hand? This, of course, is the substance at hand. Of course it is. It is about making sure that, people who work hard—men and women of dignity—are going to be able to receive a livable wage. And we are denied—at least at the outset—the opportunity to even have this amendment considered.

I say to the Senator, this amendment ought to be voice-voted this afternoon. That is what it should be: It should be voice-voted. Republicans, in the history of the minimum wage, have voted for increases in it, and now we have instructions—evidently, instructions—not to permit even a short time limit on increasing the minimum wage: No, you can't vote on that issue. We are not going to let you. We control the Senate.

We heard from the Senator from Iowa: We want no one who works to have to live in poverty. I remember listening to the Senator from Iowa just about an hour and a half ago: No one who works ought to live in poverty. He gave that speech. Now he will not even let us do something about getting people out of poverty. He objects to us having it within the next four amendments—to even consider it prior to the time of passage, with a 20-minute time limit—refuses.

Talk about arbitrariness and the abuse of power. This is it. This body ought to be able to vote on questions affecting working families. We ought to be able to vote on the minimum wage. We ought to be able to vote on overtime. We ought to be able to vote on unemployment compensation. What in the world is wrong with the other side to try and prohibit this institution from taking positions on these issues and to vote up or down? What were we sent here for?

I say to my friend—and he is my friend—this issue is just not going to go away. He has given his response that he is going to do everything that is parliamentarily possible to deny this institution considering an increase in the minimum wage. He just stated that. He made the point that it was not relevant, that it was somehow going to delay, that it was somehow not pertinent, even though we are talking about jobs and trying to get people to work. That is the thrust of the whole bill. And he would deny us the opportunity to consider this amendment for 15 minutes, 16 minutes, what we offered.

I think we are on notice now. Are we supposed to assume the majority is only going to permit amendments which they approve? Is that going to be the new rule of the U.S. Senate? After 230 years, we are only going to permit votes which we, the Republicans, approve? That is what we are saying. Is that the institution the American people thought they had in the U.S. Senate? Is that what they thought we were doing here? Come on. Come on. That is not the Senate I was elected to or that I believe in and that the American people do.

We can either do this nicely and try to work out some kind of agreement and accommodation or we are going to use all of the other kinds of parliamentary rules that we know how to use and do it in ways which will insist on a vote. But if the Republican leadership thinks that we are going to go on and on and on without an increase in the minimum wage, I want to clear them of that thought because this is coming at you. People have waited too long, worked too hard, and children are being disadvantaged.

I listen to the speeches about children. There are children out there, sons and daughters of minimum wage workers, whose lives would be significantly and dramatically advanced. Maybe that parent would be able to buy a birthday present, take the child to a movie.

But no, no, no, we are the Republicans, and we are not going to let you vote. We are not going to let you vote in the Senate. That is what you are saying. Well, we are going to come back to it.

I am going to speak to one other issue, and then I see others who want to address the Senate. I will then yield the floor.

WHITE HOUSE RESPONSIVENESS TO THE 9/11 COMMISSION

Mr. KENNEDY. Mr. President, in my lifetime, there have been national catastrophes of such magnitude that they are seared in the collective American memory forever. In each case, the Nation was able to draw on the strength of its institutions and its leaders to carry on with the strong support of our citizens. The attack on Pearl Harbor, for example, plunged us into war, but unified us as a people, and brought out the best in our elected leaders.

In Watergate, on the other hand, the integrity of our most basic institutions was threatened by an executive run amok. But the legislative branch, acting on a bipartisan basis, and the judicial branch, led by a unanimous Supreme Court, vindicated the Framers' trust that a nation based on checks and balances and the separation of powers could survive one branch's abuse of power.

Two and a half years ago we suffered another tragedy of historic dimensions. In one brief morning nearly 3,000 of our people were killed by an enemy who had openly declared war against us, had already struck at us in a variety of forms and places at home and abroad, and had put our government, if not our people, on notice that they would strike again.

The families and friends of the dead and injured were not the only victims. We all suffered. Our peace of mind suffered; our trust in our surroundings suffered; our liberty to move freely around the Nation and the world suffered. And our confidence in the public institutions which protect and defend us suffered.

The quality and integrity of our response as a Nation and as individuals will determine how history views us as defenders of America's ideals. Can we restore security without sacrificing liberty? Can we identify and fill the gaps in our defense against known and unknown enemies, without reducing the essential quality of life and freedom in our Nation?

We in Congress have begun to answer those questions, and the 9/11 Commission is a key element of our answer. Over the initial objections of the executive branch, and with the help and support of the victims' families, we have delegated to that distinguished group of Commission members the continuation of the essential fact-finding process begun by our own Intelligence Committees. We have also asked the Commission to suggest solutions for the problems they identify. We have invested extraordinary powers in that Commission to meet the extraordinary demands of their assignment.

This Commission is as eminent and experienced a body as anyone could hope for. Some have complained that it is too "establishment."

It includes two former Republican governors, a former Republican Senator, a former Republican Secretary of the Navy, a former Reagan White House Counsel, a Navy veteran who was both a governor and Senator, a former General Counsel of the Department of Defense and Deputy Attorney General who sits on a CIA advisory Committee, a former chairman of the House Foreign Relations Committee, a former member of the House Intelligence committee, and a former Watergate investigator now at a distinguished law firm. Its executive director served on the National Security Council under former President Bush and on the transition team for the current President Bush.

The Commission is entitled to respect and cooperation from everyone it deals with in all parts of the Government, especially the White House.

The Commission has properly chosen to operate in public to the fullest extent possible. Secrecy will only sow seeds of suspicion and dilute the Nation's confidence in its independence and its conclusions. It has done nothing to suggest to anyone that it will not be fair and just and sensitive to the needs of the individuals and institutions it deals with. On the other hand it is operating on an extremely tight, Congressionally mandated, time schedule.

It does not have the time or the inclination, and should not have the need, to fight in the courts of law or in the court of public opinion to obtain the information it deserves and the public deserves.

Thus the current controversy over the testimony of National Security Adviser Condoleezza Rice can and should be resolved quickly. The public and the Congress should not stand for anything less than full and prompt cooperation from the White House. For a national tragedy of these proportions, the buck stops at the White House. Three thousand people died on our shores and on their watch. There should not be the slightest question that any White House staff member asked by the Commission to testify under oath and in public must do so.

As Colin Powell said yesterday, the presumption must be that everything be done in the open, so that sunshine can infuse the process.

It is not a question of law; the law fully permits members of the White House staff to testify.

It is not a question of precedent. As former Navy Secretary Lehman, a Commission member, said yesterday, many previous Presidents have permitted such testimony on important matters, and the importance of the issue here makes clear that this President should do the same. Surely, 9/11 is more important than Richard

Kleindienst's confirmation, Billy Carter's activities, or who said what to whom about an Arkansas bank.

Yet in those cases, and many others, top White House officials testified in public and under oath.

It is not a question of principle. That line was crossed in this case when the National Security Adviser went before the Commission in secret. If the White House genuinely believes that the Commission is a creation of the legislature, she has already subjected herself to the legislature's inquiries.

As Secretary Lehman has said, it is "self-defeating" for the White House to refuse to allow Condoleezza Rice to testify fully in public. That course leads to suspicion that they have something to hide.

Mr. Lehman says there is no smoking gun in what she has said in secret, so unless the White House is afraid she may say something different in public under oath, why are they holding her back?

It is an insult to Ms. Rice to deny her the chance she says she wants, to testify in public. She has proven herself an articulate spokesperson for the President over the past 3 years. Unless the White House fears that she will disclose some dire secret, she should be free to respond in public to the Commission's questions, as she has responded on numerous occasions in press interviews in recent days. Television interviews are no substitute for answering the Commission's questions under oath.

There need be no compromise of executive privilege if she testifies, If she is asked a question that she thinks the President, rather than she, should answer, she can and will say so, and leave it to him to do. But otherwise, as Colin Powell also said yesterday, the presumption ought to be for sunshine, openness, light.

The Commission has also asked unanimously for an appearance by the President and Vice President in public under oath. They refused and offered in essence to meet in private for a brief conversation with the Chair and Vice Chair of the Commission. The public outcry at that minimal proposal led the White House to suggest some flexibility on the time, but not on anything else.

The President faces a difficult decision about whether to testify in public and under oath. He was our leader when 9/11 occurred. That may well turn out to be a benefit to him in the months to come, but with that benefit goes a heavy burden. It is his responsibility to answer questions that only he can answer, admit failings if there were failings, apologize if apology is called for, and reassure us all that whatever was broken has been fixed. It will take courage and leadership for him to step forward, face the Commission, and risk the consequences.

I urge President Bush, as the Nation focuses on the question of his own appearance, to remember the example of President Gerald Ford.

One of the most difficult decisions he made as President was to pardon President Nixon. President Ford had the courage to defend that decision under oath and in public before a congressional committee. His pardon was not popular at the time, and it may well have cost him the presidency in the 1976 election. But he felt strongly that the public needed to hear from him personally about why he thought the pardon was essential to the national interest. So he made the truly unprecedented decision to come to the Hill to testify under oath himself. As he later said, "The bigger the issue, the greater the need for political courage."

The current White House political staff has chosen a different approach. They have pressed the attack button on their quick-response machine in an attempt to destroy Richard Clarke and destroy his credibility about the events leading up to 9/11 under both the Clinton and Bush administrations, and the President's Republican allies in Congress are aiding and abetting this new and obscene example of the politics of personal destruction.

It is sheer hypocrisy for the White House to encourage Condoleezza Rice to appear on television to dispute Mr. Clarke's testimony to the Commission, and then prevent her from presenting her views to the Commission itself.

Many of us in the Senate will propose a resolution tomorrow urging that Dr. Rice be permitted to testify in public and under oath. There will be ample opportunity after that for the President to decide whether he himself is willing to testify in public and under oath as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. The Senator from North Dakota wants to speak. First, I ask unanimous consent to speak for 5 minutes before the Senator from North Dakota speaks.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object, and I will not object, I would like as part of that request that I be given an additional 10 minutes. I think they reserved 20 minutes for me before. I may not take it all, but I would like to have that amount of time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I want to respond somewhat to the Senator from Massachusetts.

First of all, I hope he understands this is a Monday—not that Monday is not just as important as any other day of the week. But it was announced last week there would be no votes today. His amendment doesn't have anything to do with votes today, but there are a lot of Members not here who ought to have some input when a nongermane amendment comes up. So I object for the reasons of myself as well as others.

Also, you can see from the debate of the Senator from Massachusetts that he feels very strongly about the importance of that amendment which he offers on the minimum wage. There is nothing wrong with the issue of the minimum wage coming up. But for this Senator from Iowa, who is chairman of the Senate Finance Committee, with issues I am trying to respond to in a bipartisan way, and to issues that are raised as much from the other side of the aisle as they are from this side of the aisle—I mentioned the FSC/ETI bill of 2 weeks ago. I mentioned the welfare reform bill this week. There is a bipartisan consensus—maybe I should not say consensus—there is an agreement we ought to have the legislation before the Senate and passed. In the face of FSC/ETI, it was responding as much from the other side as this side that that legislation to encourage manufacturing in the United States, to create jobs in the United States ought to pass. When it comes to a vote, it will probably pass 90–10. But the legislation was held up 2 weeks ago by people on the other side of the aisle with nongermane amendments.

Now we have welfare reform, sunset last October. We have extended it two or three times since then, so we have to continue the welfare reform programs. There is a consensus we ought to deal with this legislation and get some permanency to our welfare-to-work legislation. What happened? Right out of the box, people from the other side of the aisle—legitimate issues or not—are trying to stop legislation immediately in its tracks that will pass this body by a very wide margin. Have they ever thought maybe some of these pieces of legislation ought to stand on their own rather than hooking them onto bills unrelated to theirs?

I don't object to the issue of increasing the minimum wage. What I object to is the constant harassment on the part of people on the other side of the aisle to keeping legislation from moving along very quickly that everybody knows needs to pass. This is just not Republican pieces of legislation dealing with welfare reform. It is just not Republican legislation dealing with encouraging manufacturing and creating jobs in manufacturing in America. These pieces of legislation are doing what the Senate ought to be doing to get things done, working in a bipartisan way.

If you work in a bipartisan way to bring legislation to the floor of the Senate, why is the other side of the aisle always trying to slow down that legislation? It seems to me that is what we are dealing with. There are times to deal with pieces of legislation, but not in this way, harassing all the time.

I yield the floor.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Nevada.

Mr. REID. Will the Senator allow me to ask him a question on the Senator's time?

Mr. CONRAD. Yes.

Mr. REID. Mr. President, is the Senator from North Dakota aware that on the 2 amendments that have been offered on the last 2 pieces of legislation—overtime and now the Kennedy minimum wage amendment—on our side we would be willing to take 10 minutes on each amendment, 10 for us and 10 for the other side, 10 for us and 10 for the other side, for a total of 20 minutes on our side of the aisle for these 2 pieces of legislation. Would the Senator agree the slowdown is not coming from us, but from them? We are asking for an additional 20 minutes on 2 amendments and we can move on to the rest of the legislation. Will the Senator acknowledge that?

Mr. CONRAD. Yes. I will go further than that and say I served on the Finance Committee with our distinguished chairman. I strongly supported the FSC/ETI bill that was previously before the Senate. An amendment was offered on overtime. It is entirely reasonable to offer an amendment. Senators have a right to offer an amendment on any bill at any time, other than on those bills that are privileged. They offered to do it on a short time agreement. Now, today, on the welfare reform bill, the Senator from Massachusetts offered a very short time agreement on an amendment to increase the minimum wage. It is entirely reasonable and appropriate for Senators to offer amendments on pending legislation.

I don't think the Senator from Iowa, who is my friend, and whom I respect and work with closely on many issues, should feel harassed. It is not a matter of harassment. These are important issues that deserve to be voted on. There is no reason not to vote on them, either in the context of the welfare reform bill in the case of minimum wage, or in the context of the FSC/ETI bill, which some have called a jobs bill, with respect to the issue of overtime. Those issues are entirely in order and reasonable to discuss.

THE WAR IN IRAQ

Mr. President, I asked for time today not to speak on this issue, but on the war against terror and the war in Iraq. These issues have come much more to the public attention as a result of the events of the last several weeks. As I have watched those events unfold, I have felt more strongly the need to come to this floor to speak up and to talk about where I believe we have taken a wrong path in the war on terror, where I believe we have gotten the priorities wrong.

When we were attacked on September 11, 2001, we recognized we were at war with a terrorist organization that would stop at nothing, a terrorist organization that would turn civilian airliners into flying bombs that would kill nearly 3,000 innocent Americans. The President and the American people recognized al-Qaida posed an immediate threat to this country. We agreed that defeating al-Qaida was our top national security priority, and we vowed to bring Osama bin Laden and his al-Qaida terrorist organization to justice. As President Bush said in convening his cabinet at Camp David after the 9/11 attacks: "There is no question that this act will not stand. We will find those who did it. We will smoke them out of their holes, we will get them running, and we will bring them to justice."

We had an outpouring of sympathy, good will, and cooperation from all over the world, as we began the war on terrorism. Today, it has now been 930 days since the attacks of 9/11. And Osama bin Laden is still at large.

We have not found him. We have not smoked him out of his holes, and we have not brought this mass murderer of innocent Americans to justice after 930 days. In fact, Osama bin Laden and his al-Qaida organization continue to mount attacks. Just 3 weeks ago, al-Qaida claimed responsibility for the bombings in Madrid, Spain. Spanish authorities have arrested Islamic terrorists in connection with that tragic attack, and al-Qaida continues to threaten further attacks against this country.

When I saw the news footage of the bombings in Spain and when I heard al-Qaida threatening more attacks on America, it deeply angered me. I believe it raises several questions. Most fundamentally, why have we not, to use the President's words, smoked Osama bin Laden out, run him down and brought him to justice? Why is Osama bin Laden still able to threaten our country more than 2 years after we agreed that putting an end to his threats was our top priority? Why, if his organization has been disrupted and Osama bin Laden has been isolated, as some in the administration claim, are Islamic terrorists linked to al-Qaida able to organize and coordinate significant synchronized attacks such as the ones in Madrid? How is he still able to produce and distribute these tapes and messages exhorting others to kill more Americans?

As I asked these questions, it reminded that on April 30, 2001, less than 5 months before the 9/11 attacks, CNN reported that the Bush administration's release of the annual terrorism report contained a serious change from previous reports. Specifically, CNN reported that "there was no extensive mention of alleged terrorist mastermind Osama bin Laden," as there had been in previous years. When asked why the administration had reduced the focus, "a senior Bush Department official told CNN the U.S. Government made a mistake in focusing so much energy on Bin Laden." In retrospect, that was a shocking misjudgment of the priorities in fighting terrorism. But I fear that even after 9/11, the administration has continued its failure to focus on al-Qaida.

A Newsweek article from last fall reported:

> . . . bin Laden appears to be not only alive, but thriving. And with America distracted in Iraq, and Pakistani President Pervez Musharraf leery of stirring up an Islamist backlash, there is no large-scale military force currently pursuing the chief culprit in the 9/11 attacks.

It is not just Newsweek. USA Today reported just this past weekend:

> In 2002, troops from the 5th special forces group who specialize in the Middle East were pulled out of the hunt for Osama bin Laden in Afghanistan to prepare for their next assignment: Iraq. Their replacements were troops with expertise in Spanish cultures.

Mr. President, I want to repeat that because this to me does not add up. It does not make common sense.

> In 2002, troops from the 5th special forces group who specialize in the Middle East were pulled out of the hunt for Osama bin Laden in Afghanistan to prepare for their next assignment: Iraq. Their replacements were troops with expertise in Spanish cultures.
>
> The CIA, meanwhile, was stretched badly in its capacity to collect, translate and analyze information coming from Afghanistan. When the White House raised a new priority, it took specialists away from the Afghanistan effort to ensure Iraq was covered.

I find these reports deeply disturbing. We know who attacked us on 9/11. It was al-Qaida. It was not Iraq. Yet we have top Pentagon and intelligence officials saying that we shifted resources away from al-Qaida to focus on Iraq. We have 130,000 U.S. troops in Iraq, but only 11,000 in Afghanistan. What Earthly sense does this make? Al-Qaida attacked America, not Iraq.

Those 11,000 troops are doing important work in Afghanistan—keeping the peace and recently renewing efforts to mop up Taliban strongholds that have been gathering strength. And the administration now has plans for a spring offensive to go after bin Laden. But according to our own officials, for most of the past 2 years, we had no large-scale military force dedicated to pursuing Osama bin Laden and al-Qaida.

So I have to ask, why not? Why was there no large-scale military force pursuing bin Laden for most of the past 2 years? Why did we allow our post-9/11 focus on bin Laden to be distracted? Why have we let new al-Qaida organizations grow up all around the world to attack us and our allies?

It seems to me the administration's priorities were misplaced. We allowed our attention to be diverted by Saddam Hussein and Iraq.

Many of us did not believe there was sufficient evidence to justify a preemptive attack on Iraq in the first place. We believed it was not in the national security interests of the United States to attack Iraq; that instead, we ought to keep our eye on the ball and keep the pressure on al-Qaida and Osama bin Laden because it was they—al-Qaida and Osama bin Laden—who attacked America on September 11, not Iraq.

We feared attacking Iraq would leave us responsible for occupying and rebuilding a country in a profoundly dangerous and undemocratic region of the world, tying down resources we needed to meet other threats, including Iran, North Korea, and al-Qaida.

We feared that attacking and occupying Iraq would deepen and energize anti-American sentiment in the Islamic world, helping to fuel recruitment by al-Qaida and other radical Islamist terror organizations.

And we feared that a war with Iraq would inevitably slow down our efforts to capture Osama bin Laden.

In my statement on this Senate floor just minutes before the Senate voted to authorize the President to go to war in Iraq, I said:

> I believe defeating the terrorists who launched the attacks on the United States on September 11 must be our first priority before we launch a new war on a new front. Yet today, the President asks us to take action against Iraq as a first priority. Mr. President, I believe that has the priority wrong.

That is what I said moments before the vote authorizing the President to go to Iraq. I believe it was right then. I believe it is even more clearly right now.

I also warned:

> The backlash in the Arab nations could further energize and deepen anti-American sentiment. Al-Qaida and other terrorist groups could gain more willing suicide bombers.

I think we have seen, tragically, that this was true. Our troops in Iraq are constantly under attack. Our allies, including most recently the Spanish people, have been victimized by terrorists.

I warned that the cost of invasion and occupation of Iraq could be extremely high, diverting resources from other national priorities. And that, too, has turned out to be accurate. CBO now estimates that the cost of the war and occupation in Iraq will total more than $300 billion.

In just the last couple of days, the American people have learned that all of these concerns were shared at the very highest level of the White House. But the President ignored those warnings.

The top counter-terrorism adviser to President Bush, Richard Clarke, recently published a book detailing his experiences with the war on terrorism. In it, Clarke writes that President Bush and other top officials urged him to find a link between 9/11 and Iraq, even though he told them that there was no such link. He writes that the shift of focus from al-Qaida to Iraq "launched an unnecessary and costly war in Iraq that strengthened the fundamentalist, radical Islamic terrorist movement worldwide."

As Clarke put it on "60 Minutes" the weekend before last:

> Osama bin Laden had been saying for years, "America wants to invade an Arab country and occupy it, an oil-rich Arab country." He had been saying this as part of his propaganda.
>
> So what did we do after 9/11? We invaded an oil-rich and occupy an oil-rich Arab country which was doing nothing to threaten us. In other words, we stepped right into bin Laden's propaganda. And the result of it is that al-Qaida and organizations like it, offshoots of it, second generation al-Qaida have been greatly strengthened.

These are the words of Mr. Clarke, the former Bush counter-terror official who has just published a book on the subject. I spent part of this weekend reading the book by Mr. Clarke. It is entitled "Against all Enemies." I would urge my colleagues and those who might be listening or watching to get that book and read it. Whether one agrees with his conclusions or not, Mr. Clarke is warning and alerting us, based on a lifetime of experience in four different administrations over 30 years fighting terrorists, of where we may have gone wrong. These are lessons that are absolutely essential for us to learn.

Mr. Clarke was not only an official in this Bush White House. He was also an official, an anti-terror chief, in the Clinton administration. Before that, he was in the previous Bush administration at a high level of responsibility. Before that, he served in the Reagan administration. This is a man of credibility. This is a man of qualifications. This is a man of deep experience who is attempting to warn us of mistakes that are being made.

The charges he is making are serious charges. We know who attacked our country on 9/11. It was not Saddam Hussein or Iraq. It was Osama bin Laden and al-Qaida. But because the administration wanted to go to war in Iraq, Clarke suggests, we not only diverted resources from the hunt for Osama bin Laden and the al-Qaida leadership, we strengthened al-Qaida and gave it time and space to develop offshoots that will continue to threaten this country even if we do eventually capture bin Laden, which I pray we do.

It is not just Mr. Clarke who is making these assertions. Read the book by Secretary of the Treasury O'Neill. I have read that book, "The Price of Loyalty," as well. He makes clear the Bush administration, in its earliest weeks, were focused on attacking Iraq.

So I think we need to ask why we allowed ourselves to be distracted by Saddam Hussein. We need to ask why we took the focus off of finding Osama bin Laden and bringing him to justice? And we need to ask why the President decided that going after Iraq not al-Qaida and Osama bin Laden—was the priority, and see how that judgment has stood the test of time.

The President and his top officials made two main arguments for going to war in Iraq: Iraq was allied with al-Qaida, and Iraq had weapons of mass destruction that it could use to attack this country. That is what he told the American people when he was persuading the Congress and the American people that we should launch a war against Iraq.

In recent days and weeks, the evidence shows we have been pursuing the wrong priorities. Let us look at what we know now.

On the question of a link to al-Qaida, the polling shows that 70 percent of Americans believe Saddam Hussein was behind September 11. Over half believe that Iraqis were the hijackers of the planes. Let me repeat that. The polling shows 70 percent of Americans believe Saddam Hussein was behind September 11. Fifty percent believe it was Iraqis on the planes that attacked the World Trade Center and the Pentagon.

The fact is, of course, not a single Iraqi was among the hijackers of the airliners that were turned into flying bombs. The vast majority of the 19 hijackers were Saudi Arabians, as, of course, is Osama bin Laden. Fifteen of the 19 were Saudis. Two were from the United Arab Emirates, one from Egypt and the other from Lebanon.

Not a single Iraqi was involved in the attack. That is the fact.

However, the American people believe there is a link because again and again the President, the Vice President, the Secretary of Defense, and other top administration officials have done everything they could to link Saddam Hussein and al-Qaida in the minds of the American people.

They offered up two specific assertions to support this allegation: One, the Vice President and others in the administration said repeatedly that there was a link because one of the hijackers, Mohammed Atta, had met with an Iraqi agent in Prague. But what does the most recent evidence show?

The fact is, the CIA and the FBI have concluded this report was simply not true. It was not true because Mohammed Atta was not in Prague; he was in the United States, in Virginia Beach, VA, preparing for the 9/11 attacks.

As The Washington Post reported on September 29:

> In making the case for war against Iraq, Vice President Cheney has continued to suggest that an Iraqi intelligence agent met with a September 11, 2001, hijacker 5 months before the attacks, even as the story was falling apart under scrutiny by the FBI, CIA and the foreign government that first made the allegation.

Second, the President and other top officials said al-Qaida maintained a training camp in Iraq, but what they did not tell the American people was that the training camp was in a part of Iraq controlled by the Kurds, not by Saddam Hussein. The Kurds, by the way, are our allies. Once again, this is a disturbing bit of information used in a way that I believe fundamentally misled people.

Yet Vice President CHENEY, as recently as last fall, said that Iraq was "the geographic base of the terrorists who have had us under assault for many years, but most especially on 9/11."

President Bush himself was forced to correct the record just a few days later, when a reporter asked him about the Vice President's statement. The President was very clear. He said there is no evidence that Saddam Hussein was involved in the 9/11 attacks on this country. Here it is in the New York Times, September 18, 2003, "Bush Reports No Evidence of Hussein Tie to 9/11."

But that did not stop the administration from making statements over and over again linking Iraq with al-Qaida, and with terrorists more generally, to create the impression the war in Iraq was part of our response to the 9/11 attacks and the war on terrorism. As Richard Clarke, the top counter-terrorism official in the White House during 2001 and 2002, puts it:

> The White House carefully manipulated public opinion, never quite lied, but gave the very strong impression that Iraq did it.
>
> They did know better. We told them. The CIA told them. The FBI told them. They did know better. And the tragedy here is that Americans went to their death in Iraq thinking that they were avenging September 11, when Iraq had nothing to do with September 11. I think for a commander in chief and vice president to allow that to happen is unconscionable.

These, again, are the remarks of the top counter-terrorism official in the Bush administration.

In fact, it is unlikely there would be any strong linkage between Iraq and al-Qaida because Saddam Hussein was secular, Osama bin Laden is a fundamentalist. In many ways, they are mortal enemies.

I graduated from an American Air Force base high school in Tripoli, Libya—in North Africa—in 1966. Anybody who has lived in that culture understands very well the deep divisions between those who are secular and those who are fundamentalists. It is a deep division. But it is as though our administration in Washington is unaware of it because, repeatedly, they have suggested the two were tightly linked. In fact, they were sworn enemies. Who do you think it is we are digging up in those graves in Iraq? They are, by and large, fundamentalists whom Saddam Hussein found profoundly threatening to his secular regime.

I think it is time for America to think very carefully about the path we are going down and to think very carefully about whether the strategy this administration has adopted is a strategy to secure our future, or whether there is a better strategy to be pursued.

What we do know is Osama bin Laden and al-Qaida organized the attack on the United States. That is who is responsible. That is who we should be going after. Instead, what we are hearing is that military and intelligence resources were shifted to Iraq, taking resources away from the search for Osama bin Laden. I have to ask again, Why? Why are we spending time and energy trying to prove a link with Saddam instead of spending the same time and energy trying to find Osama bin Laden and defeating al-Qaida?

The other thing that was asserted repeatedly in making the case that Iraq should be the priority, rather than al-Qaida, was that there were weapons of mass destruction in Iraq—nuclear weapons, chemical and biological weapons. The President and top officials repeatedly warned of Saddam's efforts to acquire weapons of mass destruction, and nuclear weapons in particular.

We had rhetoric about nuclear holy wars and mushroom clouds, and the statements were assertions. The administration did not say that Iraq might—or might not—have weapons of mass destruction. It asserted affirmatively that, without a doubt, Iraq had these weapons and that they posed an immediate threat to this country.

This chart lists a few of the many administration statements on Iraq's nuclear weapons. The first one is a quote of the Vice President in a speech to the VFW National Convention. He said:

> Simply stated, there is no doubt that Saddam Hussein has weapons of mass destruction.

We have quote after quote from this administration. The President said:

> The Iraqi regime is seeking nuclear weapons. The evidence indicates that Iraq is reconstituting its nuclear weapons program.

Ari Fleischer, the President's press spokesman said:

> We know for a fact there are weapons there.

It goes on and on. Secretary Powell said:

> He has so determined that he has made repeated covert attempts to acquire high specification aluminum tubes from 11 different countries, even after inspections resumed.

And, again, Vice President CHENEY:

> We know he is out trying once again to produce nuclear weapons. We believe Saddam has in fact reconstituted nuclear weapons.

These were the statements made over and over by this administration. On chemical and biological weapons, the story was the same. The administration repeatedly asserted that Saddam had revived his chemical and biological weapons program and had stockpiles of weapons that posed a grave, immediate danger to the United States.

We all knew that Iraq had possessed and used chemical weapons in the 1980s. And we all knew that intelligence had not conclusively demonstrated that all these weapons had been destroyed. But the administration went well beyond that consensus, suggesting that there was new evidence of renewed chemical and biological weapon production.

This next chart I have lists a few of the many administration statements on Iraq's chemical and biological weapons. Again, the President's chief spokesman said:

> The President of the United States and the Secretary of Defense would not assert as plainly and bluntly as they have that Iraq has weapons of mass destruction if it was not true and if they did not have a solid basis for saying it.

That was Ari Fleischer.

Again, later the next year:

> We know for a fact that there are weapons there.

Secretary Powell:

> We know that Saddam Hussein is determined to keep his weapons of mass destruction, is determined to make more.

President Bush:

> The Iraqi regime has actively and secretly attempted to obtain equipment needed to produce chemical, biological, and nuclear weapons.

Again, President Bush:

> Intelligence gathered by this and other governments leaves no doubt that the Iraqi regime continues to possess and conceal some of the most lethal weapons ever devised.

The President's chief spokesman Ari Fleischer:

> Well, there is no question that we have evidence and information that Iraq has weapons of mass destruction, biological and chemical particularly . . . all this will be made clear in the course of the operation, for whatever duration it takes.

Mr. President, assertion after assertion. These statements, and dozens more like them, painted a frightening picture of the threat posed to this country by Iraq. They created a mood in this country that built support for attacking a country that had not first attacked us or our allies, and to do so for the first time in our history.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CONRAD. I ask for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CONRAD. Again, these statements did not suggest that "maybe" Saddam had weapons of mass destruction. They did not suggest that "probably" Saddam had weapons of mass destruction. They stated clearly and unequivocally that he had them. There was one only problem with these statements. All the evidence that has emerged since the war suggests that they were wrong. All the evidence we have now shows the administration knew at the time the statements were made that its own intelligence undercut the statements it was making.

What we know now is that we have occupied Iraq for 10 months. We have full, unrestricted access to the whole country, more than 1,000 investigators searching for illegal weapons, and they have found none. Saddam did not have nuclear weapons or any serious effort to acquire them in the near term. I think this quote from the January 28 Washington Post sums up the most recent finding:

> "U.S. weapons inspectors in Iraq found new evidence that Saddam Hussein's regime quietly destroyed some stockpiles of biological and chemical weapons in the mid-1990s," former chief inspector David Kay said yesterday.
>
> The discovery means that inspectors have not only failed to find weapons of mass destruction in Iraq but also have found exculpatory information . . . demonstrating that Saddam Hussein did make efforts to disarm well before President Bush began making the case for war . . .
>
> "If weapons programs existed on the scale we anticipated," Kay said, "we would have found something that leads to that conclusion. Instead, we found other evidence that points to something else.

I think the attached graphic from the Washington Post sums up the gap between the statements and what we now know. On biological weapons, evidence since March of 2003? No. No weaponized agents found.

On chemical weapons?

No. No weapons found. Appears none were produced after 1991.

On nuclear weapons?

No. No evidence of any active program.

I do not fault the administration for thinking that there might be weapons of mass destruction in Iraq. I myself thought it probable that Saddam possessed these weapons. But for me the real question was whether these weapons posed such a serious, imminent threat that they justified a preemptive attack on Iraq. Did we have solid evidence of an immediate danger? For me, at the time, the answer was no. Today, with the benefit of hindsight, with the Bush administration's own top weapons inspector acknowledging that the pre-war statements were wrong and that Saddam, in fact, was disarming before the war, the answer is even clearer: No.

I am not the only one who has reached that conclusion. For example, former President Reagan's Secretary of the Navy, James Webb, recently wrote:

> Bush arguably has committed the greatest strategic blunder in modern memory. To put it bluntly, he attacked the wrong target. While he boasts of removing Saddam Hussein from power, he did far more than that. He decapitated the government of a country that was not directly threatening the United States and, in so doing, bogged down a huge percentage of our military in a region that never has known peace. Our military is being forced to trade away its maneuverability in the wider war against terrorism while being placed on the defensive in a single country that never will fully accept its presence.
>
> There is no historical precedent for taking such action when our country was not being directly threatened. The reckless course that Bush and his advisers have set will affect the economic and military energy of our Nation for decades. It is only the tactical competence of our military that, to this point, has protected him from the harsh judgment that he deserves.

In my view, it was a clear alternative to a preemptive attack that had worked for us for more than half a century—aggressive containment and isolation. The Soviet Union had biological and chemical weapons. We never attacked them. China had biological and chemical weapons. We didn't attack them. Cuba had missiles. We didn't attack them. In every one of those cases we used containment, and it worked. But we did not use containment in Iraq. We broke with our history and launched a preemptive attack on a country that had not first attacked us or our allies.

Now we have the responsibility for trying to occupy and rebuild Iraq. Now we have moved resources out of the hunt for Osama bin Laden to deal with the dangers of the occupation of Iraq, and we have not yet succeeded in capturing bin Laden or shutting down al-Qaida.

I again must ask why have we not brought Osama bin Laden to justice? Why do we allow ourselves to be distracted by a war with Iraq when we have other, better options that allow us to keep the focus on al-Qaida?

It has been more than 30 months. It has been 930 days since the 9/11 attacks on this country, but Osama bin Laden is still at large. We all hope he will soon be caught, but every day our attention is diverted is another day America is at risk. That makes me question our policy.

The PRESIDING OFFICER. The Senator's additional 5 minutes have expired.

Mr. CONRAD. Mr. President, I ask unanimous consent for 5 minutes to conclude my remarks.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I thank my colleagues for their patience.

That makes me question our policy. It makes me question why for most of the last two years we have had no large-scale force hunting for bin Laden. It makes me question why our military and intelligence assets that could be hunting down al-Qaida have instead been diverted to Iraq. It makes me concerned when intelligence experts tell us al-Qaida has used that breathing space to decentralize its operations so it will be harder to disrupt and destroy al-Qaida in the future, even if we do capture bin Laden.

In the past few weeks, the administration has announced it has stepped up the hunt for Osama bin Laden. Sending a few thousand troops now is certainly a positive step. But I must ask with all due respect, could we have captured Osama bin Laden months ago had we kept the focus on al-Qaida? Could we have prevented the Madrid attack had we kept the focus on dismantling al-Qaida rather than going to war in Iraq?

Where was the effort to find Osama bin Laden for the past two years? And why do we not have tens of thousands of troops rather than just a few thousand to hunt him down so he does not remain free to plot against this country and our allies?

As Flynt Leverett, former CIA analyst and National Security Council staffer for President Bush, observed in a Washington Post article this past Sunday:

> We took the people out [of Afghanistan] who could have caught them. But even if we got bin Laden or [his top aide Ayman] Zawahiri now, it is two years too late. Al-Qaeda is a very different organization now. It has had time to adapt. The administration should have finished this job.

I can only reach one conclusion. We have been distracted. We have been diverted. We have taken our eye off the ball. We have lost focus on the real war on terrorism—the war on al-Qaida and the terrorists who viciously attacked our country.

To put it bluntly, we have lost time and momentum and initiative in the war on the terrorists who actually attacked us while we went after a dictator—vicious and nasty as he was—who posed little immediate threat to this country.

If we look across the evidence, I believe in many ways the United States simply made a mistake of judgment on what was most important. The President and his advisers believed—and I believe they sincerely believed—the priority was to go after Iraq. But the evidence we now have suggests they were chasing red herrings rather than real evidence of a national security threat.

Don't get me wrong. The world is better off without Saddam Hussein in power in Iraq. But going to war with Iraq at the expense of our credibility and at the expense of our readiness to deal with other threats, at the expense of vigorously hunting down al-Qaida and bin Laden, has been the wrong priority.

That is exactly what concerned this Senator, that a preemptive war against Iraq—a country that had a low-level threat against this country, according to our own intelligence agencies—has distracted us from going after the man and the organization that attacked this country. It was not Iraqis who attacked this country. It was al-Qaida that attacked this country. Saddam

Hussein was not the heart of that operation. Osama bin Laden was the leader of that operation.

It was Osama bin Laden and al-Qaida that engineered the vicious attacks on America on September 11. It is unacceptable that Osama bin Laden is still at large and broadcasting threats against this country 930 days after the attacks of September 11.

So I ask a final time: Why? Why has bin Laden eluded capture for 930 days? Why are we not focusing our efforts on bringing him to justice and defeating his network of terror?

I think the American people deserve an answer to that question. I think Members of this Chamber deserve an answer to that question. Holding Osama bin Laden and al-Qaida to account for this attack should be our top priority. It is time to refocus our priorities and to win the war against al-Qaida. Stopping bin Laden and al-Qaida before they can launch another attack that kills innocent Americans should be our highest national security priority.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, it is my understanding there is a unanimous consent agreement in place as to who might speak. I ask unanimous consent that I be recognized for 5 minutes ahead of those in queue.

The PRESIDING OFFICER. There is no order. The Senator is recognized.

Mr. BENNETT. I thank the Chair.

Mr. President, I listened with interest to my friend Senator CONRAD. And he is my friend. We use that term around here loosely, but he is in fact a good friend. I differ with him very fundamentally.

I have learned in the superheated atmosphere of the Senate that I must make this disclaimer: I do not challenge his patriotism, but I challenge his accuracy and his conclusions.

I think we should also understand that as we differ on this, we are not attacking someone's patriotism. That canard has been thrown across the aisle at those of us who stand to defend the President and differ with our colleagues.

I will return to the floor at a later time for more extensive comments on Senator CONRAD's speech. But I want to make these points which I think get neglected over and over and were neglected in his presentation.

He quoted David Kay, the President's arms inspector, as saying they are admitting now there are no weapons of mass destruction in Iraq. What he failed to quote from David Kay was the statement that after concluding his inspection in Iraq, David Kay came to the conclusion that Saddam Hussein was in fact more dangerous than we thought he was when we launched the war. I think that is the point that keeps being ignored and must be emphasized again.

Senator CONRAD says we didn't invade Russia when they had weapons of mass destruction; that we didn't invade China when they had weapons of mass destruction; and, why, therefore, did we invade Iraq when it turns out they didn't have them? We did it because we thought he had the weapons of mass destruction, and we thought that made him dangerous. It is not the possession of the weapons that is the problem. It is the danger that is the problem.

Great Britain has weapons of mass destruction, but they are in no sense dangerous. We thought Saddam Hussein was.

It is unfair to quote David Kay as saying there were no weapons and then not finish the quotation with his statement that even without weapons Saddam Hussein was more dangerous than we thought when we entered the war.

If you are going to use David Kay as your authority, you must use David Kay's entire conclusion. Saddam Hussein was, according to David Kay, more dangerous than we thought. Yet somehow he is being cited as to the source to say we should not have gone ahead.

This next major thrust of his statement was: Well, because we got distracted with Iraq, we have not dealt with al-Qaida and terrorism. That is the subject which I will address at some length when the Senator from Tennessee is finished.

The fact is, you cannot single out al-Qaida as a terrorist group as if it operates in a vacuum. I remember my high school history teacher saying, over and over to us: You cannot cut a seamless web of history. You cannot divide the threat of terror into neat little sections and say, we can deal with the one and the others do not really matter.

I will be discussing and presenting on the floor here at a relatively close future time the statement that appeared this morning in the Wall Street Journal that is a summary of the Kissinger lecture, given at the Library of Congress, by George Shultz. I had the privilege and honor of hearing George Shultz present that lecture. In it he makes the clear point that the war on terror, the threat from terror, goes all the way back to his experience in the Reagan administration, when he was Secretary of State. And it manifests itself in a variety of places and in a variety of ways.

There is no distraction in the war on terror by virtue of what we are doing in Iraq. Saddam Hussein financed terror. Saddam Hussein countenanced terror. Saddam Hussein provided sanctuary for terrorists. If we were going to launch a war on terror, and said we were going to rule out Iraq as part of that war, we would have been irresponsible.

Yes, the first attack went against al-Qaida and al-Qaida's sanctuary in Afghanistan. But al-Qaida fled and sought sanctuary elsewhere. And one of the main places where terror found sanctuary and finance was in Iraq. And we thought Iraq was dangerous enough to invade, in fulfillment—as George Shultz points out—of the clear United Nations mandate that went back decades. We acted in accordance with that mandate. We enforced the United Nations resolutions in full compliance with United Nations procedure and the vote of both Chambers of this Congress.

It was not a distraction. It was part of the overall recognition on the part of the Bush administration that this was not a law enforcement problem where we needed to identify the criminal, arrest him, and prosecute him. This was, indeed, a true war, across a wide spectrum of challenge, where we had to deal with dangerous problems, the most dangerous of which, again, according to David Kay—who has been quoted by those who are attacking the administration—was Saddam Hussein: more dangerous than we thought when we launched the war.

I think we should keep that in mind as we go forward in this debate.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 2937

Mr. BAUCUS. Mr. President, I ask unanimous consent to be added as a cosponsor to the amendment offered by Senators DODD and SNOWE on childcare.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, is there any limit on time?

The PRESIDING OFFICER. There is not.

Mr. ALEXANDER. Thank you, Mr. President.

Mr. President, I have come to the floor this afternoon to speak on the welfare reform legislation that the Finance Committee has worked on. I compliment Chairman GRASSLEY and the Senator from Montana for their hard work in bringing this important piece of legislation forward.

I am going to comment on two aspects of the bill.

IRAQ

Before I do that, Mr. President, I have been sitting here listening for a while. I think it is important to complete the story of what the Senator from North Dakota was saying.

Let me be specific about this. As I heard his remarks, he was basically saying the President of the United States made a mistake when he decided the United States should use force to change the regime in Iraq.

I suppose one could come to that conclusion. There were some in the Senate who did. But I think it is important, if we are going to begin to read quotations and comments from those who have come to that conclusion today, that we finish the story, as Paul Harvey said.

Here is the rest of the story. Here is what others were saying, others were thinking, at the time President Bush had to look at the whole world and look at this different world that we are in and make a decision.

It is true that it has been against the traditions of the United States to make a preemptive strike. That was a major discussion during the Cuban missile crisis. Bobby Kennedy brought that up in the councils. He was right to do that. And I am sure in President Bush's councils that was discussed.

But, suddenly, we were facing a different kind of enemy. We were facing terrorists. And we had just experienced an unexpected attack. There are some even today who say that someone should have imagined that a handful of men would hijack two airplanes and fly them into the World Trade Center. Maybe someone should have. But I can assure you that during the 1990s, there was no one running for President of the United States who expressed that thought or who had that thought in the remotest back of his mind that such a thing like that could happen. Terrorism, yes. But that kind of attack? No.

So, suddenly, we are in this new environment. And the President of the United States is doing what I would hope any President would do of either party when confronted with radically different circumstances. He asked some questions and he took some action.

Now, it is important for us to remember that at the same time the President was making decisions about whether we should invade Iraq to defend ourselves, to prevent a terrorist attack—because there was a threat there to American lives and American safety—there were others in our Government who also had a chance to consider that information, and to talk about it, and to vote on it.

We voted on it here. I was not here yet, but I remember the overwhelming majority—bipartisan majority—in this Senate that authorized the use of military force against Iraq. And I can remember very well what was said.

So if the issue is whether a prudent President—who is sworn to uphold the oath to defend the United States of America—made a wise judgment to challenge Saddam Hussein, whether he could have done that based upon the facts presented to him, let's take a look at what other people, other well-informed people were saying and thinking at the time.

The distinguished Senator from North Dakota read some quotations. Let me read some more. Here is a member of the Senate's own Intelligence Committee, the Senator from West Virginia, Mr. ROCKEFELLER, one of our most distinguished and wisest Senators, a man who has been a Governor, with whom I have served, a man who is also on the Foreign Relations Committee. Here is what the Senator from West Virginia, speaking on the Senate floor, said on October 10 of the year 2002, about the time the President of the United States was looking at this information. Senator ROCKEFELLER said:

> There is unmistakable evidence that Saddam Hussein is working aggressively to develop nuclear weapons and will likely have nuclear weapons within the next 5 years. He could have it earlier if he is able to obtain fissile missile materials on the outside market, which is possible—difficult but possible.
>
> We should also remember we have always underestimated the progress that Saddam Hussein has been able to make in the development of weapons of mass destruction.

Now, that was not the Vice President of the United States. That was not Secretary Rumsfeld. That was not President Bush. That was the Senator from West Virginia, a member of our Intelligence Committee, a member of the Foreign Relations Committee, who was coming up with his own conclusions.

Here is another quotation made on the Senate floor on October 9, 2002, about the same time. This came from the distinguished junior Senator from Massachusetts, Senator JOHN KERRY:

> I believe the record of Saddam Hussein's ruthless, reckless breach of international values and standards of behavior, which is at the core of the cease-fire agreement, with no reach, no stretch, is cause enough for the world community to hold him accountable by the use of force if necessary.

That was Senator KERRY, at about the time that President Bush was having to make this terrible decision.

I want to move on to other issues. But I don't think it serves our purpose as a country to dredge up comments that show some second-guessing, some second thoughts on one side, but not look back at what other distinguished, fairminded reasonable men and women were saying.

Here is what Senator BIDEN said at about the same time on the Senate floor, October 9, 2002:

> If the world decides it must use force for his failure to abide by the terms of surrender, then it is not preempting, it is enforcing. It is enforcing, it is finishing a war he reignited, because the only reason the war stopped is he sued for peace.

And finally, here is what the Senator from New York, Mrs. CLINTON, said on October 10, 2002:

> In the 4 years since the inspectors left, intelligence reports show that Saddam Hussein has worked to rebuild his chemical and biological weapons stock, his missile delivery capability, and his nuclear program. It is clear, however, that if left unchecked, Saddam Hussein will continue to increase his capability to wage biological and chemical warfare and will keep trying to develop nuclear weapons.

Those are the conclusions of the distinguished Members of the other side who know a lot about this, the same conclusion President Bush had. We don't have to listen to what the administration tells us here. We have our committees. We travel the world. Some of us have been in other administrations. We read. We listen. We talk. We come to our own conclusions. The conclusions of most Senators was the same as the conclusion of the President, that as terrible as it was, this was a time we needed to act.

There is one other quotation I would like to mention before I turn to the Welfare Reform Act. This is a comment of a former President of the United States who has, to his great credit, not backed away insofar as I have heard from this remark. President Bill Clinton said, on February 17, 1998, in an address for the Joint Chiefs of Staff and Pentagon staff:

> Now let us imagine the future. What if he fails to comply and we fail to act or we take some ambiguous third route which gives him yet more opportunities to develop this program of weapons of mass destruction and continue to press for the release of the sanctions and continue to ignore the solemn commitments that he made. Well, Saddam Hussein will conclude that the international community has lost its will. He will then conclude that he can go right on and do more to rebuild an arsenal of devastating destruction. And some day, some way, I guarantee you, he will use the arsenal. And I think every one of you who has really worked on this for any length of time believes that, too.

That was President Clinton in 1998 in an address to the Joint Chiefs of Staff and the Pentagon staff.

The No. 1 issue on all of our minds is the war in Iraq. But I would hope we could look forward and not look backward in recrimination. That is not too much to hope in a Presidential election year. I believe the people of this country want President Bush and Senator KERRY to say where do we go from here, how do we win the peace, how do we secure freedom, how do we get the men and women home from Iraq and Afghanistan, what can we do to help their families. That is what the focus ought to be rather than reading long, incomplete lists of second-guessing quotations to try to pin the blame on a decision that was broadly and widely shared based upon information that had been piled up over 10 or 12 years. That does not serve our process well.

I came to the floor today on another matter. I am glad I had a chance to mention former President Clinton in terms of doing it. I remember well. In my second term as Governor in the mid-1980s, I was privileged to serve as chairman of the National Governors Association and created the first welfare reform task force. I asked then-Governors Pete DuPont and Bill Clinton, who was vice chairman of that association, to be the co-chairs, working with me to figure out something better. And we did, and they did most of that work and that leadership.

The work that the Governors started that year continued. Ten years later, when Bill Clinton was President in 1996 and there was a Republican Congress, Congress passed the landmark welfare reform legislation which today we call TANF, Temporary Assistance for Needy Families.

That 1996 welfare-to-work legislation was very controversial at the time. It was controversial because it got us out of the rut that we had been in for 30 or 40 years of creating a permanent class of welfare and caused us to rethink that. It is possible that it only could have been done with the President of one party who had immersed himself in the subject and who talked about it and believed in it and a Congress of another party. It was that big a change.

It changed the way we think about welfare, from a program that fosters dependence to a program that serves as temporary assistance, a program that restores dignity and encourages people to stand on their own two feet. That welfare-to-work program that President Clinton and the Republican Congress created 10 years ago—many Members of the House who were there at the time are now in the Senate—has been a very successful program and one in which they can take pride.

From a high of 5 million in 1994, welfare caseloads have dropped by over 50 percent. But since 2000, the national caseload has leveled off at slightly above 2 million. In more than half the States, including my own of Tennessee, caseloads are growing. And in every State, the remaining 50 percent on the welfare rolls present a bigger challenge.

There are some other warning signs. The number of families is rising who have exhausted their 60-month or 5-year time limit for Federal aid under TANF. We have a 5-year limit. We don't want permanent welfare. And a number of families have exceeded that 5-year limit so they are off welfare.

Another warning sign is the remaining caseload holds a rising proportion of Black and Hispanic families. Another is that unemployment among single mothers, which declined sharply in the early years of our welfare-to-work program, went back up in 2001 and 2002.

Finally, another warning signal is in response to their own fiscal crises—we can remember we had to send a $20 billion welfare check of our own to the States last year—some States have recently had to restrict cash benefits and support services, spreading limited resources even thinner.

The President and the Congress recognized from the beginning that helping people go from dependence to independence would be expensive in the short run. It would take some money. If you are saying to somebody who is down and out and in the third generation of welfare dependence, we want you to change your lifestyle and we are going to offer in exchange for that childcare, education opportunities, job training, counseling, removal of barriers to work, offering all that, that takes people, that takes work, and that takes money.

We have provided money over a period of time. One of the most successful of those programs has been the childcare voucher. Not everyone likes to call it a voucher because some people don't like vouchers. The Pell grant is a voucher for college students, the Stafford student loans is a voucher for college students, and the childcare grant is a voucher. It is money that goes through the States—I think it is about $8 billion or so—to more than 2 million persons who are getting off welfare. As we say, largely to women who have children: We want you to go to work. They may say: What about our children? And we say: Here is a childcare grant that you may take to any accredited institution that you can. That is what we mean by voucher.

That has been a big success as well. That is the reason why even though the Senate committee, in my judgment, has done an excellent job of bringing to the Senate the reauthorization or renewal of this welfare reform bill and has increased the amount of money available for childcare, I agree with Senator SNOWE of Maine that we need to increase the money for childcare more.

Senator SNOWE spoke about that today at great length, so I don't feel the need to go into great length about it. Basically, the Snowe amendment, which I am glad to cosponsor, adds an additional $6 billion over 5 years for childcare. Both the House and the Senate versions of the welfare reform bills we are considering increase both the hours the parents are required to work each week and the number of welfare parents each week who are required to work.

If we are going to require that the only parent who is at home go to work, and if that person is poor, and if that person is still on welfare after we have been working for 10 years to try to get as many people as possible off, we certainly are going to have to say as part of our deal we will help with childcare if you will go to work. That is the whole idea.

Childcare is the linchpin between welfare and work. Studies show former welfare recipients who receive childcare assistance are 82 percent more likely to be employed after 2 years than those who don't; 65 percent of mothers with children under the age of 6 and 79 percent of mothers with children ages 6 to 13 are in the labor force in our country today. As I mentioned earlier, about 2.5 million children receive our Federal childcare vouchers through the State. Childcare is expensive. It costs as much as a 4-year college—between $4,000 and $10,000 per child annually sometimes.

I got a personal dose of learning about this in 1996 when I was under the mistaken impression the people of the United States wanted me to run for President of the United States. I got the message earlier that year that they preferred Bob Dole, the former majority leader. I went home to Tennessee. I received a call from Major Werthy of the Salvation Army. He said, "I have been hearing what you had to say." I had been saying a lot about personal responsibility. He said, "I am calling to draft you and put your feet where your mouth has been for the last few years." So I went to work for the Salvation Army in Nashville and helped create something called the Red Shield Family Initiative. This basically became Nashville's way of implementing the Federal law.

Congress and the President decided we are going to change things. If you will get off welfare, we will give you help, childcare, job training. We will knock barriers out of the way and counsel you about drugs and work with you. Then somebody has to actually do all that. In Nashville a whole group of people got together, led by the Salvation Army. It included the metropolitan government, the State of Tennessee, all sorts of social services, and it included childcare centers. Down in the area of town where we have the most difficult circumstances, we had almost a mall, such as a shopping mall that exists to create a one-stop place for a mom on welfare who wanted to get off, so they could then be helped. There have been some wonderful stories that have come out of that Red Shield Family Initiative, but I can tell you they came out slowly, one by one.

Tamika Payton was in the ninth grade. This is an example Major Werthy talked to me about. In the ninth grade, she was a ward of the State when she had her first child. She grew up with an abusive mother who was addicted to drugs. She was removed from the care of her mother and placed in the care of her aunt, who was also abusive, so she ran away. This is Tamika's story, but it is a story that occurs all over America. She had two more children before becoming connected to the Family First Program, which is what we call Tennessee's welfare-to-work program. Because of the childcare certificate, the vouchers she receives through the Tennessee Family First Program, the ones we pay for with Federal tax dollars, she now has a full-time job, she is working on her GED, her high school degree, and her children attend the McNealy Child Care Center, a nationally accredited childcare agency in the area where this Red Shield Family Initiative of the Salvation Army exists.

In Tennessee, the State pays $105 a week for Tamika's 1-year-old, $105 a week for her 2-year-old child, and $90 a week for her 4-year old child. In Nashville, the average cost of a quality childcare center ranges between $100 and $150 a week. These vouchers we are voting for come within that range. Tamika's dream is to get her high school degree and then to attend Tennessee State University.

In other words, what is happening with Tamika Payton is exactly what the Republican Congress and President Clinton hoped would happen in 1996 when this started. But as we consider the welfare reform legislation, I think it is very important that we remember in Washington, DC, while we may create large frameworks and set standards and provide money, it is people such as the Red Shield Family Initiative in Nashville, in Portland, in Austin, in New York City, who are doing the work—they have got to work one by one by one. So I will support and vote for Senator SNOWE's amendment to add an additional $6 billion over 5 years for child care, because if in this welfare reform authorization we are going to require the only parent in the house to work away from home—more work than we have required before—then we will have to pay more for more childcare. We cannot require more work without paying more for more childcare.

There is one other concern I have. It will be the subject of an amendment I intend to introduce along with Senators NELSON, CARPER, and VOINOVICH later this week. We are working with the chairman and his staff to try to make certain it is consistent with the objectives of the general legislation, which we believe it is. This amendment would create a 10-State demonstration project designed to test the premise that if States had greater flexibility, States could do a better job getting people off welfare and becoming truly self-sufficient. Senators NELSON, CARPER, VOINOVICH, and I are all former Governors. We know the importance of reducing welfare rolls. We all served as Governors of States in the AFDC days, when we had Aid to Families with Dependent Children. We all strongly support the welfare-to-work concept. But especially with this last group of men and women—mostly women—who are moving from welfare to work, we have the tougher cases. It will be harder for us to decide from here exactly how each of those persons we are trying to help can get from where they are to where we want them to go. We should not presume to have all of the answers.

Here is how our demonstration project would therefore work. The Secretary of Health and Human Services would approve plans for up to 10 States. These plans would include what we call measurable outcome goals. In other words, in plain English, are we helping this person move toward self-sufficiency, toward independence, to get on their own two feet and off welfare? We would, in those 10 demonstration States, enforce the 60-month time limit for TANF benefits and require, as in the Senate bill, the self-sufficiency employment plan for each recipient. In other words, each individual would have a plan for that person's progress.

We agree with the idea of no permanent welfare. While work continues to be at the heart of what we expect States to focus on, States will need to decide how best to meet each person's need, is taking into consideration individual circumstances. As wise as we may hope we are, each one of us is not going to be able to meet each Tamika Payton and make a judgment as to how Tamika can get on her two feet with her three children, succeed in life, and never receive a welfare check again. So in exchange for greater flexibility, we will ask the States to achieve better results and be measured against true outcome goals, a feature neither in the current law nor in the Senate and House bills.

These are the kinds of goals that our legislation will include: One, work, employment, growth in the percent of recipients employed in that State; two, removal of barriers to stable employment. By that I mean drug treatment success. That is a barrier to stable employment. Education level, that is a barrier to stable employment. Attainable marketable skills, that is a barrier to stable employment.

I remember visiting a welfare human services office in my State in 2002. I asked them what worked best. What they told me was: Get them into school. If we get them into school, we never see them again. What the welfare office hopes for from its clients is they do not see them again, at least they do not see them again in terms of assistance and checks. They want them to be on their own.

Job retention is a measurable outcome goal. Earnings is a measurable outcome goal. Child well-being—whether the children of that mom have prenatal care, and for the pregnant mother—immunization rates of the children, the percent of children in child care, overall improvement in the children's education, test results.

Within those specific measurable outcomes—employment, removing barriers to employment, job retention, earnings, and child well-being—a State's plan would say: We believe we know better how to get to the goal of sufficiency; give us a chance to do that. Each State would be required to enter into a performance agreement with the Department of Health and Human Services to meet certain targets to coordinate with other programs, to work with the Secretary to demonstrate that a reasonable workforce participation rate is being maintained, to have an evaluation plan that includes accountability for the benchmarks.

This will test the best way to help those on welfare today get off welfare for good.

It would help some of those we now see in Tennessee who we were able to help because our State has unusual flexibility, but without that flexibility, we believe we would not have been able to serve them as successfully.

Mr. President, there are many examples in my own experience, and I am sure in every State's experience, of how local ingenuity, local caring, working with persons who are in trouble, one by one, has helped them succeed.

I would like to see us take this next step with welfare reform. I believe since it had a bipartisan origin with a Democratic President of the United States who invested years in trying to understand it, and a new Republican Congress that made it a priority, that we owe this important legislation, this welfare reform bill, our full attention for a few days. We can surely put aside some of these other issues long enough to help men and women get on their own two feet in this great country of ours, particularly to continue a program that for 10 years has worked so well.

My goal will be to do what I can as one Senator to make sure we focus on welfare reform; No. 2, to support the Snowe amendment that makes sure that if we require more work, we provide for more child care; and, No. 3, to work with the committee to try to see if we can find a way so that a limited number of States during this 5-year period can have somewhat more flexibility in working with these difficult cases so when this comes back around again in 4, 5, or 6 years, we can see what we have learned.

Too often as programs go on, the restrictions from Washington pile up. I would like to see a countervailing effort, countervailing movement within this legislation that continues to increase flexibility because, after all, it is stated right at the beginning of the 1996 law, giving States more flexibility is key to the success of welfare reform.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER (Mr. CORNYN). The Senator from Idaho.

Mr. CRAIG. Mr. President, I will take a few moments at this time. Certainly the issue of welfare reform is critical. The Senator from Tennessee has outlined the phenomenal successes to date led by Republicans both in the House and the Senate and now, of course, the Finance Committee has come forward with a reauthorization that is critical to our country. But in talking about that issue, one of the things that all welfare reform runs subject to is the ability, as we ask people to leave welfare, to find a job.

Something that frustrates me at this moment is what is occurring while the Congress of the United States refuses to act that will have a very real impact on the economy of our country and the ability to create jobs.

Just this morning, as constituents across this country by all of the Senators pulled up in front of their gas pumps to fill their tanks, they paid the highest price for regular gas ever in the history of this country. Prices in California have skyrocketed out of sight, and it is true across the Nation.

That is a fact. That happened this morning, and gas people are telling us that it will happen morning after morning as gas prices ratchet up across this country.

There is another fact out there. Congress has searched for an agreement and debated what to do about this for well over 3 years. The House and the Senate passed energy bills in the past year and led the American people to believe that they could solve this problem. Those reports came back from the Senate and the House. The Senate passed theirs; the House passed theirs. The Senate could not get there for one reason or another and, as a result, a message was sent out to the American people that the Senate of the United States could not come to an agreement on an energy bill. That is a fact.

Here is another fact. The reason energy prices continue to rise is that the Senate, not the House, failed to get the 60 votes necessary to solve what is becoming a major national crisis in this country. Let me repeat that. The Senate of the United States failed to get cloture, a vote that is critical to moving beyond the 60-vote margin to allow a national energy policy to go forward.

So if you grew a little angry this morning when you paid the highest price you have ever paid for gas at the pump, call your Senator. No, not your State Senator, call your United States Senator and ask he or she how they voted on a national energy bill last year, and ask them if they supported developing a national energy policy for this country.

I do believe Americans are finally getting it. They are finally beginning to understand the crunch of high gas prices not only at the pump but natural gas prices and electricity prices. Americans, like I said, are paying more for all levels of energy ever in this country.

Does that have an impact on job creation and the viability of our economy? You bet it does. Does it have an impact on welfare, people losing their jobs instead of being able to get off welfare from a reform bill and get out into the economy and find jobs? You bet it does. Jobs, all kinds of opportunities in this country, recreational opportunities, all of these kinds of issues are impacted by the cost of energy in our country today.

What about the cost of growing food in our country? I just had an Idaho banker in my office in the last week. He has called all of his bank branch managers together and said: Look at all your fine lines of credit to see whether we can afford to bump them up 25 or 30 percent because the average farmer is going to pay 25 or 30 percent more for input costs in production this year than they did last year, and it is all going to be as a result of the cost of energy, and it is all going to be because this Senate failed to act in a strong bipartisan way to solve this problem.

America's working men and women ought to be growing angry because their home heating bills this winter were the highest they ever paid in a pretty cold and drawn-out winter. They paid more for the gas to heat their home. They paid more for oil than they ever paid.

Why? Let me repeat that. Because the Senate of the United States failed to respond. Many on the other side are now saying we have a jobless recovery, that we are not creating all kinds of jobs we ought to create even though our economy is beginning to grow. Well, if the cost of production is forced to an alltime level and we have to compete with goods and services from all over the world that may be being produced in a climate where energy is half the cost than it is in this country as relates to natural gas, maybe there is a reason why the economy is sluggish and not moving as quickly as it should today.

My State, an agricultural State, a high-tech State, is also a tourism and recreation State. What is going to happen this summer when mom and dad and the four, three, or two kids get in the motor home and fill it up and it is going to cost another $10, $15 or $20 every time they stop to fill up their motor home? Well, they may not be traveling to my State of Idaho this year or other places in the Nation and spending their money and feeding the economy of the States that appreciate a recreational economy.

I mentioned a few moments ago, average working men and women paid historic gas prices to heat their homes this year. Here is a very fascinating and very frustrating figure: Residential, commercial, and industrial consumers have paid $130 billion more over the last 46 months, compared with 4 years before, than ever in the history of our country. That is an 86-percent increase in approximately 4 years in the price of natural gas. Why? The Congress of the United States, the Senate, did not pass a bill that would have allowed greater exploration, that would allow the necessary kind of pipeline development.

The bill we would like to bring to the floor today would allow a gas pipeline to be brought down out of Alaska where we are pumping billions of cubic feet of natural gas back into the ground that could be coming to the Lower 48. That would not have caused this figure.

The increased price of natural gas has cost industrial consumers $66 billion, residential consumers $39 billion, and commercial consumers $25 billion. Every penny of the $130 billion could have been prevented if the Congress of the United States had acted.

We knew this perfect storm was coming. We have looked at it for the last 5 years. We knew that with the Clean Air Act we were going to push people toward natural gas, and yet we closed our public lands, we made it much more difficult to certificate, and we slowly but surely walked away from production at a time when Federal policy was increasing the use of natural gas to all-time highs.

What is the impact on the farmer of my State? Let me give a few figures. Everything from diesel fuel to the cost of fertilizer has gone up. It is skyrocketing. Some fertilizer costs will go up nearly 100 percent this year. It might mean less fertilizer is used. It may mean food production could flatten out or even go down in this country.

What about the profitability of the farmer? If the farmer is not profitable, if he is not making money, my guess is he is going to turn to his Senator or his Congressman and say, I have had a bad year; can you help me a little bit? Maybe the reason he had a bad year is because the Senate of the United States has refused for 5 years to look at a comprehensive energy policy.

Loss of manufacturing jobs, plant shutdowns, corporate bankruptcies—some of these have been tied to the high cost of energy. Residential electric bills and certainly, as a result of that, higher food costs are all a part of it.

We like to get people off welfare. We want them to have self-dignity and worth. We want them to have a job on their own and we are willing to help them get there. But we flatten out our economy through Federal rule and regulation in part because we will not develop a national energy policy.

What is the solution? Well, some of my friends on the other side, an attorney general out in California, said it is time to investigate the big oil companies again; it is their fault. Now I would like to say: It ain't their fault anymore. We are not letting them explore. We are not letting them develop. We are saying, this land is off; this land is off; you cannot go offshore; you cannot do this; you cannot do that. Slowly but surely we have ratcheted up our dependence on foreign providers, now teetering at around 60 percent. The Middle East, oh, well, we can blame OPEC; Venezuela, we can blame the politics of Venezuela. We sure do not want to blame ourselves for having failed to come together in the development of a national energy policy.

The Governor of Rhode Island said this recently: The high cost of natural gas is taking a toll on our economy across New England and across the Nation. In today's competitive world, manufacturers cannot raise prices to compensate for higher energy costs. The only long-term solution is to increase supply.

My guess is that when we talk about increasing supply, the land offshore Rhode Island is off limits to exploration and development.

The vice president of the Oklahoma Farm Bureau put it this way: One of the industry's highest dependence on natural gas as a feedstock and critical to American agriculture is the fertilizer industry. Natural gas is the primary feedstock in the production of virtually all commercial nitrogen fertilizers in the United States, accounting for nearly 90 percent of the farmers' total cost of anhydrous ammonia. Our domestic fertilizer production capacity has already experienced a permanent loss of 25 percent over the last 4 years, and an additional increase in costs, recommending the potential of another 20 percent shutdown of that industry.

Well, I could go on with quote after quote. I know I am not talking about reauthorization of the Welfare Reform Act at this time, but an economy that employs people is in direct relationship to getting people off welfare and getting them into a good-paying job. That is what an economy that grows is all about.

When this Senate refuses to pass a national energy policy and by that failure drives up energy costs, we drive jobs offshore, we drive jobs underground, and most assuredly those who are out looking for a job for the first time in this economy are not going to find that job; they are going to want to come back to their Government and ask for help and assistance.

I thought it was appropriate that we speak about a national energy policy, about a job-creating economy, when we are talking about welfare reform. I thank the chairman of the Finance Committee for the work he has done, the very bipartisan effort once again to do what is right and responsible in the area of welfare reform.

Let me challenge this Senate, Democrat and Republican alike, to do what is right when it comes to a national energy policy. Get this country back into the business of producing oil instead of using excuses that it is somebody else's fault that the price of gas at the pump is now at a national alltime high. I will tell my colleagues whose fault it is: Call your U.S. Senator. It is his fault that gas is now high today. Do not let them duck and hide and blame big oil or blame OPEC or blame someone else. Blame your Senator. Call him today. It is his or her fault we do not have a national energy policy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. I have two unanimous consent requests. The first one deals with tomorrow's business and a vote on the Snowe amendment. I ask unanimous consent that the vote in relation to Snowe amendment No. 2937 regarding childcare occur at 12:15 on Tuesday March 30, provided further that no second degrees be in order to the amendment prior to the vote, with Senator CARPER to be recognized for up to 10 minutes prior to the vote, and that the time be counted against any Democrat-controlled time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MORNING BUSINESS

Mr. GRASSLEY. I ask unanimous consent that the Senate now proceed to a period for morning business with Senators permitted to speak up to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

The Senator from Michigan.

Mr. LEVIN. Reserving the right to object, I wonder if as part of that agreement we could line up speakers as follows: That Senator DURBIN be recognized in morning business for 15 minutes; followed by Senator BENNETT for 20 minutes; followed by myself for 15 minutes; followed by the Senator from Minnesota, Mr. DAYTON, for 15 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ENERGY POLICY

Mr. DURBIN. Mr. President, I thank my colleague from Michigan. He has waited patiently all day. I didn't realize he had left for his office to come back. I thank him. It is generous of him to give me an opportunity to share some moments with reference to this bill and the issues raised on the floor.

As I listened to the previous speaker, my colleague and friend from the State of Idaho, explain the energy problems of America, I certainly concur with his conclusion. The cost of energy is high. That is an input for business as well as for families. As those costs go up, it becomes more difficult for our businesses in America to be competitive. Frankly, families find themselves facing inflation and heightened expenses just to drive a car to work or to use the car in a small business. As energy costs, like the cost of gasoline, go up, this conclusion is inescapable.

But I have to question the premise of the Senator from Idaho; that is, the problem is we are not drilling for enough oil in America. That certainly is one of the problems. Having an adequate supply is essential. Those of us who believe we have to continue to look for environmentally responsible sources for oil and gas think that should be part of a national effort and a national energy policy.

What is missing in the speech from the Senator from Idaho was any reference at all to the conservation of energy. Over the weekend in Chicago I bought a copy of Consumer Reports, the April issue on the 2004 automobiles. I went through it out of curiosity to find how many miles per gallon the most popular cars in America are getting. You will find time and time again that you are lucky to find a fuel-efficient car anywhere in the range of 20 miles per gallon. Very few of them are getting more than 20 miles per gallon.

If you put this in historic context it means that in the last 60 years we have decided, as a nation, in our buying habits and in the production of automobiles, that we want heavier, less fuel-efficient cars, and that we are prepared to be more reliant on foreign sources for fuel.

We are paying the price for it. Now we are seeing shortages because we are not engaged in any discussion or commitment to conservation of energy or the fuel efficiency of our energy-using vehicles and machinery. We are paying the price for it.

We cannot drill enough oil and gas to take care of our profligate habits when it comes to energy. Let me add, as we burn this energy without any concern for conservation, we are undoubtedly adding to global warming, air pollution, and serious environmental problems that we visit on our children.

The Energy bill to which the Senator from Idaho referred must include, I would assume, some provision for greater fuel efficiency for cars and trucks. But, lo and behold, it does not. There is nothing in that bill to deal with fuel efficiency. The original bill wanted to propose drilling for oil in the ANWR. That was defeated on the Senate floor. But, sadly, the bill that finally came to us for a vote had little or nothing in it that would move us toward more fuel-efficient vehicles.

My friend from Utah, who is seeking recognition at this point, is the model for the Senate. If you look at my tall, lanky friend from Utah, he goes out of this building, down the steps, and folds himself into a Prius, if I am not mistaken?

Mr. BENNETT. It is an insight, and the question is whether or not the Senator wanted a ride in a car that throughout its history has a 53.1 miles-per-gallon history.

Mr. DURBIN. What a model Senator. I am happy to give him credit where it is due. I have watched him fold himself in and out of that car, and I have commended him in the past and I will continue to commend him. But isn't it ironic that you have to go to Japan to buy these hybrid vehicles? Finally, Detroit, in a year or so, may be producing them.

My response to the Senator from Idaho is, yes, let's have a policy debate about energy in America. But for goodness' sake, let's not believe the key to

America's energy future is just finding more environmentally sensitive places to drill for oil—offshore, wilderness areas. Let's also commit ourselves to conservation of energy.

Let me address another issue. If we are talking about the competitiveness of American business, it is not just the input of energy costs. You will find many businesses resist hiring new employees because they don't want to pay for their health insurance. Health insurance has become a breaker for businesses large and small.

Those good American companies, patriotic companies, if you will, that provide health insurance for their employees, when they sell the product in competition around the world, have to bring into the cost of that product the cost of health insurance for their employees.

The obvious question is, What are you doing, Senator? What is the Senate or House or Congress or the President doing to deal with these skyrocketing health insurance costs? The answer is: Nothing. For at least 3 years and even longer we have been afraid to even discuss the issue, as this system has fallen apart in front of our eyes.

So if you are talking about businesses being more competitive and jobs being created and making certain that our products have a chance in world commerce, energy cost is important but so is the cost of health insurance. This Congress has done nothing.

I have introduced legislation with Senator BLANCHE LAMBERT LINCOLN of Arkansas and Senator TOM CARPER of Delaware that tries to create a system much like the Federal Employees Health Benefits Program so that small businesses have access to the same private insurance pool as Federal employees across America. It would give them at least an opportunity for enrollment in a competitive atmosphere where prices could come down as a result.

Let me address the bill before us, though, because it relates to this as well. Imagine the situation of the employees still working today—thank goodness many are and have not lost their jobs, or are in low-paying jobs—and they happen to have children. One of the concerns, of course, is what happens to the kids when these employees go to work. This bill before us is welfare reform. I voted for it when it first came out, but a lot of Democrats didn't.

My friend and mentor and one of my best influences in politics was the late Paul Simon of Illinois, and he thought it was a terrible bill. I disagreed with him. I didn't very often, but I did on this bill, and I voted for welfare reform. Thank goodness the Clinton boom occurred right after we voted for welfare reform, and a lot of people came off welfare to find work.

Now we are in the sad state of affairs under the Bush administration where we have lost more than 2.6 million manufacturing jobs since the President took office. We have lost manufacturing jobs for 43 consecutive months. Frankly, as a result of that, the jobs remaining are not paying as well. So now you have a person struggling to get by, they have a low-paying job, and children; they are worried about daycare.

This bill, thank goodness, has a provision that is going to be added by the Senator from Maine in a bipartisan amendment in which Senator SNOWE has suggested that we add $6 billion for daycare. It is long overdue. Some 16 million children under the age of 13 live in low-income families, and they need childcare. Only 1 in 7 are eligible to receive current Federal subsidies for childcare.

The funding in the original Senate bill wouldn't even serve the children served today. So the bill that comes before us is not adequate. In 15 States there are waiting lists of families that cannot afford to pay for childcare, and they are hoping to get a subsidy which is not there.

Let me also tell you it is an expensive proposition. Full-day childcare can cost between $4,000 and $10,000 a year. It is comparable to the cost of college tuition. These are low-income families struggling to deal with the reality of childcare. Twenty-five percent of America's families with young children earn less than $25,000 a year.

We have to make certain we not only take care of the childcare but also afterschool care. A lot of kids today get out of school at 2:30 or 3 in the afternoon and have nowhere to go. They are latchkey children who go home. What happens during that period before a responsible adult is on the scene? For some kids they watch television, they sit around and eat junk food; some do homework; some get in serious trouble—involvement with drugs and gangs and guns and pregnancy. Problems occur. Afterschool programs mean kids are in a healthy environment where they can learn instead of being exposed to the streets or left alone in a circumstance where they might not come out of it in a positive fashion.

Childcare works—not only childcare for smaller children but afterschool care as well. We need to make that commitment. If we are saying to a welfare mother we want her to step forward and change her life, let us accept the reality that if she is going to go, in good conscience, forward to get a job and acquire the skills and move forward, her first concern is her kid. Making sure her kids are taken care of in a safe way during the day and afterschool.

Senator SNOWE of Maine, my Republican colleague, has that bipartisan amendment which I hope is going to be adopted very quickly.

How much time do we have remaining under the unanimous consent?

The PRESIDING OFFICER. Five minutes.

Mr. DURBIN. Thank you very much.

THE 9/11 COMMISSION

Mr. DURBIN. Mr. President, I would like to close on an unrelated topic. I am in the process of reading a book, "Against All Enemies," by Richard Clarke, and as I started reading the book I was struck by the first chapter. You may remember Mr. Clarke served as the terrorism adviser and coordinator under President Clinton and then again under this President Bush. He has been working for some 30 years as a professional in this field. He has made some statements over the last 10 days which have become a source of headlines across America.

The administration has spent more time since he first appeared on "60 Minutes" 7 or 8 days ago discrediting Richard Clarke than I have ever seen spent on any other individual. It is clear what he has said is painful to them. What he said is he believes this administration—the Bush administration, and the Clinton administration for that matter—could have done a better job in anticipating the threat of al-Qaida.

He says in his book, of course, that he thinks they were too focused on Iraq, even though there was no connection between Iraq, Saddam Hussein, and 9/11 and the al-Qaida terrorists responsible for it.

These statements have enraged the White House. They have sent everyone out—from the President on down—stating publicly that Richard Clarke is out to sell books.

If you read the first chapter of this book, you will get a much different impression of this Richard Clarke, who to many is just another faceless bureaucrat working in the White House. You will learn when you read this book—or others will tell you—that on 9/11 after the World Trade Center was struck in New York, it was Richard Clarke in his capacity as coordinator to deal with terrorism in the White House—who had I guess as much as any single person in the Government—who had a particular personal responsibility to deal with the safety of the President and the Vice President and the Cabinet, the continuity of Government, and the whole question of grounding aircraft around this country. He was the man who was at the controls at that point in time as everyone was trying to deal with what was going on.

I say that in a positive fashion because I do not know that I have ever heard many say what I have just said. But it tells me that a man who spent 30 years dealing with the intelligence and domestic security and terrorism who is now being discredited in a matter of 7 or 8 days as a person who can't be trusted to share his insights on what happened raises some important questions.

I honestly believe Richard Clarke has done us a service. He says in this book the Clinton administration could have done a better job. He says the Bush administration could have done a better job. And, frankly, we all could have done a better job, including Members of Congress, the Senate and the House. That is something we ought to face up to.

Let me also add he appeared last week before the 9/11 Commission. The September 11 Commission is a bipartisan commission cochaired by Governor Kean of New Jersey and former Congressman Lee Hamilton of Indiana—two good men, professionals who are trying to get at the bottom of why 9/11 occurred and what we could have done to avoid it.

They have had testimony from Mr. Tenet, who is Director of the CIA, from Secretary of Defense Don Rumsfeld, and his predecessor, Secretary Cohen. They are going to entertain testimony from President Clinton and President Bush. They certainly had Mr. Clarke before them, and I think that is all well and good. I think all of those leaders in Government who were involved in the decisionmaking should sit and meet with this commission to get to the bottom of how America can be safer, which brings us to the story of the day.

I can't understand why Condoleezza Rice, who has served this administration and this country so well, is resisting an invitation to appear before the 9/11 Commission. If the President can find time, if former President Clinton, Secretary of Defense Rumsfeld, and the head of the CIA can find time, certainly it is not a matter of scheduling.

Second, she has made a number of appearances, as you know, on television on "60 Minutes" last night, and many other shows. So she is prepared to entertain questions from reporters. Why is she resisting this opportunity to testify? To say it has never been done, that it is unprecedented, let me say thank goodness 9/11 had never occurred before and it was unprecedented.

Let us gather together in a bipartisan fashion. Ms. Rice should come before the bipartisan commission and answer as many questions as openly and honestly as she can without ever crossing the line in the area of national security. But as she resists this opportunity to share her feelings about the preparation of the defense of America, she shortchanges the process which is simply trying to make America a safer nation.

Let us keep this bipartisan. Let us entertain not only Mr. Clarke but also Ms. Rice in terms of her views and memories of what happened on that fateful day.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

IRAQ DEBATE

Mr. BENNETT. Mr. President, I have listened to the debate that has been swirling around the country with respect to Iraq. The debate comes up again with respect to the commission which is currently meeting.

I cannot respond to all of the specifics that come along. I am tempted to, but I will not because I want to spend the time that is allotted to me by setting the total record before those who might be listening so we can understand that many of the original statements or original positions with respect to Iraq that are being repeated over and over again are, in fact, false.

I remember our colleague across the aisle, the late Senator Moynihan from New York, one of my dear friends and one of the Senators for whom I have the highest regard, quoted something. He probably didn't think of it himself, but it was more or less his mantra, as he said to me: "Everyone is entitled to his own opinion but not to his own facts."

We keep hearing things said over and over again with respect to the war in Iraq as if they were fact. It is time to set the overall record straight.

We heard one statement that there was absolutely no connection between 9/11 and Iraq. The other one we hear over and over again is the reason we went into Iraq is because we thought Saddam Hussein had weapons of mass destruction. Some make it a little more stark than that.

There was a group that marched on the Utah State Legislature wearing T-shirts that said, "Bush Lied To Us. There Were No WMDs," as if the President of the United States George W. Bush himself alone was the only authority for the notion that there were weapons of mass destruction; and, once again repeating the false position that the only reason we went into Iraq is because we believed they had weapons of mass destruction.

To quote another individual not nearly as well known as Pat Moynihan but my high school history teacher, she would always say to us, "You cannot cut the seamless web of history." I want to take this opportunity to lay out the whole seamless web of the history of terrorism and do our best to understand it so we can realize the first statement that there was no connection between Iraq and 9/11 and the second statement that the only reason we went in is because Bush lied to us about weapons there, are not true. And I hope we can get the dialog back to the facts.

I am distressed at what has happened to the dialog on this issue. I must comment. On television was the former Vice President of the United States with his hand with a clenched fist raised, the blood vessels standing out on his neck, screaming at the top of his voice, speaking of the President, "He has betrayed this country."

To say the President has betrayed his country is to accuse him of treason, which is one of the crimes specifically listed in the Constitution as an impeachable offense. We have not heard that kind of rhetoric from a politician as highly placed as Al Gore since the 1950s. And the politician who used to speak like that was a member of this Chamber. His name was Joe McCarthy, and the President whom he accused of treason was Harry Truman.

Let us step away from that kind of rhetoric in this debate and review the facts.

I had the opportunity of attending the Kissinger Lecture at the Library of Congress which was given by George Shultz, former Secretary of State. It was one of the most cogent and lucid statements of where we are with respect to the war on terror I have ever heard. An update of that appeared in today's Wall Street Journal. I would like to quote from that those points which address the issues I have talked about, and ask unanimous consent that the entire piece be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1).

Mr. BENNETT. Mr. President, former Secretary of State George Shultz begins with this comment:

> We have struggled with terrorism for a long time. In the Reagan administration, I was a hawk on the subject. I said terrorism is a big problem, a different problem and we have to take forceful action against it. Fortunately, Ronald Reagan agreed with me but not many others did. [Don Rumsfeld was an outspoken exception.]

Twenty-five years ago, it was on the radar screen of an American administration—in this case one headed by Ronald Reagan—that terrorism was a problem.

Secretary Shultz goes on to discuss this and then makes this comment:

> Today, looking back on the past quarter century of terrorism, we can see that it is the method of choice of an extensive, internationally connected ideological movement dedicated to the destruction of our international system of cooperation and progress. We can see that the 1981 assassination of President Anwar Sadat, the 1993 bombing of the World Trade Center, the 2001 destruction of the Twin Towers, the bombs on the trains in Madrid, and scores of other terrorist attacks in between and in many countries, were carried out by one part or another of this movement. And the movement is connected to states that develop awesome weaponry, with some of it, or with expertise, for sale.

Let me emphasize that last sentence again. Speaking of international terrorism that was involved in all of these things, going back to the assassination of Sadat in 1981, he says:

> And the movement is connected to states that develop awesome weaponry, with some of it, or with expertise, for sale.

All right. Do we have an example of such a state that has developed awesome weaponry that may be for sale? Yes.

Quoting again from Secretary Shultz, he speaks directly of Saddam Hussein and Iraq. He adds to this Kim Jong Il of North Korea, and then says:

> They seize control of state power and use that power to enhance their wealth, consolidate their rule and develop their weaponry. As they do this, and as they violate the laws and principles of the international system, they at the same time claim its privileges and immunities, such as the principle of non-intervention into the internal affairs of a legitimate sovereign state. For decades these thugs have gotten away with it. And the leading nations of the world have let them get away with it.

Yes, we have heard much on this floor about America must not invade another sovereign state. That is precisely what Secretary Shultz is talking about when he says, these states that develop awesome weaponry and cooperate with terrorism for the purpose of upsetting the international order, then claim the immunities of the international order for themselves—as he says: "such as the principle of non-intervention into the internal affairs of a legitimate sovereign state."

He goes on to summarize all that happened in Iraq. And again, those who will read the entire piece as it appears following my statement can get all of those details. But after he recites the details of what Saddam Hussein has done, he turns to David Kay, the man who is quoted again and again as the authority for the statement on the T-shirt that says: "Bush Lied To Us."

Well, let's see what David Kay really said. I said in my previous statement David Kay told this Congress, testifying before the Armed Services Committee, that Saddam Hussein was, in fact, more dangerous than we thought when we started the war. But these are the portions of David Kay's position Secretary Shultz chooses to highlight, and I think they are the right ones to bring out.

Quoting again:

> As Dr. David Kay put it in a Feb. 1 interview with Chris Wallace, "We know there were terrorist groups in state still seeking WMD capability. Iraq, although I found no weapons, had tremendous capabilities in this area. A marketplace phenomena was about to occur, if it did not occur; sellers meeting buyers. And I think that would have been very dangerous if the war had not intervened."

Sellers of what? Buyers of what? Who would the sellers be? Who would the buyers be? The sellers, obviously, would be the Iraqis. The buyers would be the terrorists. And what are we talking about?

Back to Secretary Shultz:

> When asked by Mr. Wallace what the sellers could have sold if they didn't have actual weapons, Mr. Kay said: "The knowledge of how to make them, the knowledge of how to make small amounts, which is, after all, mostly what terrorists want. They don't want battlefield amounts of weapons. No, Iraq remained a very dangerous place in terms of WMD capabilities, even though we found no large stockpiles of weapons."

Just think about that for a second: the knowledge to make them.

If I could give a very homely example, last week my wife and I were celebrity chefs at the March of Dimes gala, and we won a prize, and people all said: Is this an old family recipe? We had to admit, no, we called a chef in Salt Lake City at one of the finest restaurants there, who happens to work as a judge at these kinds of celebrity cook-ins, and he gave us a recipe he thought would win. We have been celebrity chefs four times. We have called him all four times. We have won three out of four.

The capacity to tell somebody how to make something will produce that something just as much as having that something yourself. This chef did not participate, but his recipes participated, and his recipes won. All we had to do was be the willing buyers in the case; and he was the willing seller. I will add, just for the record, no money changed hands with respect to the recipe. But the example is there, and that is what David Kay is talking about.

Going back to Secretary Shultz, he says:

> . . . in the long run, the most important aspect of the Iraq war will be what it means for the integrity of the international system and for the effort to deal effectively with terrorism. The stakes are huge and the terrorists know that as well as we do. That is the reason for their tactic of violence in Iraq. And that is why, for us and for our allies, failure is not an option. The message is that the U.S. and others in the world who recognize the need to sustain our international system will no longer quietly acquiesce in the take-over of states by lawless dictators who then carry on their depredations—including the development of awesome weapons for threats, use, or sale—behind the shield of protection that statehood provides. If you are one of these criminals in charge of a state, you no longer should expect to be allowed to be inside the system at the same time that you are a deadly enemy of it.

Secretary Shultz concludes his piece with this comment:

> If we put this in terms of World War II, we are now sometime around 1937. In the 1930s, the world failed to do what it needed to do to head off a world war. Appeasement never works. Today we are in action. We must not flinch. With a powerful interplay of strength and diplomacy, we can win this war.

Put it in context, put it in the historic pattern, and we realize this is all connected and that the action with respect to Iraq was a very proper, significant, indeed, essential part of the overall war on terrorism. If we had not moved ahead, we would have been irresponsible.

The summary is in the callout that is put in the paper that says:

> The U.S. had no choice: We had to oust Saddam Hussein, or face the gravest threat.

Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator has 4½ minutes.

Mr. BENNETT. If I might use that 4½ minutes, then, to address the fundamental question of the future nobody talks about. We are spending all of this time rehashing the past. Here is the fundamental question of the future: What happened to Saddam Hussein's weapons of mass destruction? The assumption raised by the statement that "Bush lied to us about the weapons" is that the weapons never existed.

Well, the first person to convince me the weapons existed was Madeleine Albright. The first President to tell me the weapons existed was William Jefferson Clinton.

The first group that insisted weapons were there was working for the United Nations. This was not a partisan thing put together by George W. Bush. The weapons were clearly in Iraq, and the question is not why didn't Bush tell us the truth about them; the question is, what happened to them? That is the question we need to address. That is the question of the future we are ignoring in all of this debate about who said what at what point in the past.

As I see it, there are four possibilities of what happened to the weapons Saddam Hussein had. No. 1, we got them all in the bombing in 1998. We must remember, as we try to truncate the history, the war in Iraq began in 1991. The U.N. resolution that called for the war was never suspended. It was renewed with acts of war in 1998. A heavy 4-day period of solid bombing is an act of war. President Clinton carried that out with the approval of this Congress. So the first possibility is that bombing destroyed all of the weapons of mass destruction.

The second possibility, Saddam Hussein himself dismantled his stockpiles of weapons of mass destruction in an effort to convince the U.N. inspectors they were not there so the inspectors would leave him alone and he could go back to building them after the inspectors were gone. There is some suggestion that was in fact what happened, that he did not intend to disarm, as U.N. Resolution 1441 required he do. All he intended to do was deceive, and that is where the weapons went.

Possibility No. 3, they were trucked over the border. Some of them got into Syria or other places and into the hands of others who still have them.

And possibility No. 4, they are still in Iraq and we simply have not found them. When people ask me, which of these four possibilities do you think is the most likely, I say: All of the above. I believe we destroyed a good portion of his weapons in the 1998 bombing. I believe he himself dismantled others in a deliberate attempt to deceive the U.N.

inspectors. I believe some of them did get out of the country and are in the hands of other bad actors somewhere. And I believe there are probably still some hidden away somewhere in the desert in Iraq.

Unless the first answer is the only one that is correct and they were all destroyed in the bombing, they are still around somewhere. The capacity to build them was still around, as David Kay pointed out, before we went in and removed that.

If there are some of them still around, why aren't we looking for them? Why aren't we paying attention to where they might be? I believe the American military is still on the alert for them. I believe the American intelligence community is still looking to where they might be. But in the debate we have here on the Senate floor, this question is never raised. It is never given any attention. Instead we spend all of our time looking backward and trying to assign blame instead of looking forward and trying to solve problems.

I commend Secretary Shultz's presentation to all. It is a clear historic perspective over a quarter century from one of our senior statesmen that makes it clear the rhetoric surrounding this issue has been inappropriate and focused on the wrong thing.

I yield the floor.

EXHIBIT 1

[From the Asian Wall Street Journal, Mar. 29, 2004]

AN ESSENTIAL WAR

(By George P. Shultz)

We have struggled with terrorism for a long time. In the Reagan administration, I was a hawk on the subject. I said terrorism is a big problem, a different problem, and we have to take forceful action against it. Fortunately, Ronald Reagan agreed with me, but not many others did. (Don Rumsfeld was an outspoken exception).

In those days we focused on how to defend against terrorism. We reinforced our embassies and increased out intelligence effort. We thought we made some progress. We established the legal basis for holding states responsible for using terrorists to attack Americans anywhere. Through intelligence, we did abort many potential terrorist acts. But we didn't really understand what motivated the terrorists or what they were out to do.

In the 1990s, the problem began to appear even more menacing. Osama bin Laden and al Qaeda were well known, but the nature of the terror threat was not yet comprehended and our efforts to combat it were ineffective. Diplomacy without much force was tried. Terrorism was regarded as a law enforcement problem and terrorists as criminals. Some were arrested and put on trial. Early last year, a judge finally allowed the verdict to stand for one of those convicted in the 1993 World Trade Center bombing. Ten years! Terrorism is not a matter that can be left to law enforcement, with its deliberative process, built-in delays, and safeguards that may let the prisoner go free on procedural grounds.

Today, looking back on the past quarter century of terrorism, we can see that it is the method of choice of an extensive, internationally connected ideological movement dedicated to the destruction of our international system of cooperation and progress. We can see that the 1981 assassination of President Anwar Sadat, the 1993 bombing of the World Trade Center, the 2001 destruction of the Twin Towers, the bombs on the trains in Madrid, and scores of other terrorist attacks in between and in many countries, were carried out by one part or another of this movement. And the movement is connected to states that develop awesome weaponry, with some of it, or with expertise, for sale.

What should we do? First and foremost, shore up the state system.

The world has worked for three centuries with the sovereign state as the basic operating entity, presumably accountable to its citizens and responsible for their well-being. In this system, states also interact with each other—bilateraly or multilaterally—to accomplish ends that transcend their borders. They create international organizations to serve their ends, not govern them.

Increasingly, the state system has been eroding. Terrorists have exploited this weakness by burrowing into the state system in order to attack it. While the state system weakens, no replacement is in sight that can perform the essential functions of establishing an orderly and lawful society, protecting essential freedoms, providing a framework for fruitful economic activity, contributing to effective international cooperation, and providing for the common defense.

I see our great task as restoring the vitality of the state system within the framework of a world of opportunity, and with aspirations for a world of states that recognize accountability for human freedom and dignity.

All established states should stand up to their responsibilities in the fight against our common enemy, terror; be a helpful partner in economic and political development; and take care that international organizations work for their member states, not the other way around. When they do, they deserve respect and help to make them work successfully.

The civilized world has a common stake in defeating the terrorists. We now call this what it is: a War on Terrorism. In war, you have to act on both offense and defense. You have to hit the enemy before the enemy hits you. The diplomacy of incentives, containment, deterrence and prevention are all made more effective by the demonstrated possibility of forceful preemption. Strength and diplomacy go together. They are not alternatives; they are complements. You work diplomacy and strength together on a grand and strategic scale and on an operational and tactical level. But if you deny yourself the option of forceful preemption, you diminish the effectiveness of your diplomatic moves. And, with the consequences of a terrorist attack as hideous as they are—witness what just happened in Madrid—the U.S. must be ready to preempt identified threats. And not at the last moment, when an attack is imminent and more difficult to stop, but before the terrorist gets in position to do irreparable harm.

Over the last decade we have seen large areas of the world where there is no longer any state authority at all, an ideal environment for terrorists to plan and train. In the early 1990s we came to realize the significance of a "failed state." Earlier, people allowed themselves to think that, for example, an African colony could gain its independence, be admitted to the U.N. as a member state, and thereafter remain a sovereign state. Then came Somalia. All government disappeared. No more sovereignty, no more state. The same was true in Afghanistan. And who took over? Islamic extremists. They soon made it clear that they regarded the concept of the state as an abomination. To them, the very idea of "the state" was un-Islamic. They talked about reviving traditional forms of pan-Islamic rule with no place for the state. They were fundamentally, and violently, opposed to the way the world works, to the international state system.

The United States launched a military campaign to eliminate the Taliban and al Qaeda's rule over Afghanistan. Now we and our allies are trying to help Afghanistan become a real state again and a viable member of the international state system. Yet there are many other parts of the world where state authority has collapsed or, within some states, large areas where the state's authority does not run.

That's one area of danger: places where the state has vanished. A second area of danger is found in places where the state has been taken over by criminals or warlords. Saddam Hussein was one example. Kim Jong Il of North Korea is another.

They seize control of state power and use that power to enhance their wealth, consolidate their rule and develop their weaponry. As they do this, and as they violate the laws and principles of the international system, they at the same time claim its privileges and immunities, such as the principle of nonintervention into the internal affairs of a legitimate sovereign state. For decades these thugs have gotten away with it. And the leading nations of the world have let them get away with it.

This is why the case of Saddam Hussein and Iraq is so significant. After Saddam Hussein consolidated power, he started a war against one of his neighbors, Iran, and in the course of that war he committed war crimes including the use of chemical weapons, even against his own people.

About 10 years later he started another war against another one of his neighbors, Kuwait. In the course of doing so he committed war crimes. He took hostages. He launched missiles against a third and then a fourth country in the region.

That war was unique in modern times because Saddam totally eradicated another state, and turned it into "Province 19" of Iraq. The aggressors in wars might typically seize some territory, or occupy the defeated country, or install a puppet regime; but Saddam sought to wipe out the defeated state, to erase Kuwait from the map of the world.

That got the world's attention. That's why, at the U.N., the votes were wholly in favor of a U.S.-led military operation—Desert Storm—to throw Saddam out of Kuwait and to restore Kuwait to its place as a legitimate state in the international system. There was virtually universal recognition that those responsible for the international system of states could not let a state simply be rubbed out.

When Saddam was defeated, in 1991, a cease-fire was put in place. Then the U.N. Security Council decided that, in order to prevent him from continuing to start wars and commit crimes against his own people, he must give up his arsenal of "weapons of mass destruction."

Recall the way it was to work. If Saddam cooperated with U.N. inspectors and produced and facilitated their destruction, then the cease-fire would be transformed into a peace agreement ending the state of war between the international system and Iraq. But if Saddam did not cooperate, and materially breached his obligations regarding his weapons of mass destruction, then the original U.N. Security Council authorization for the use of "all necessary force" against Iraq—an authorization that at the end of Desert Storm had been suspended but not cancelled—would be reactivated and Saddam would face another round of the U.S.-led military action against him. Saddam agreed to this arrangement.

In the early 1990s, U.N. inspectors found plenty of materials in the category of weapons of mass destruction and they dismantled a lot of it. They kept on finding such weapons, but as the presence of force declined, Saddam's cooperation declined. He began to play games and to obstruct the inspection effort.

By 1998 the situation was untenable. Saddam had made inspections impossible. President Clinton, in February 1998, declared that Saddam would have to comply with the U.N. resolutions or face American military force. Kofi Annan flew to Baghdad and returned with a new promise of cooperation from Saddam. But Saddam did not cooperate. Congress then passed the Iraq Liberation Act by a vote of 360 to 38 in the House of Representatives; the Senate gave its unanimous consent. Signed into law on October 31, it supported the renewed use of force against Saddam with the objective of changing the regime. By this time, he had openly and utterly rejected the inspections and the U.N. resolutions.

In November 1998, the Security Council passed a resolution declaring Saddam to be in "flagrant violation" of all resolutions going back to 1991. That meant that the cease-fire was terminated and the original authorization for the use of force against Saddam was reactivated. President Clinton ordered American forces into action in December 1998.

But the U.S. military operation was called off after only four days—apparently because President Clinton did not feel able to lead the country in war at a time when he was facing impeachment.

So inspections stopped. The U.S. ceased to take the lead. But the inspectors reported that as of the end of 1998 Saddam possessed major quantities of WMDs across a range of categories, and particularly in chemical and biological weapons and the means of delivering them by missiles. All the intelligence services of the world agreed on this.

From that time until late last year, Saddam was left undisturbed to do what he wished with this arsenal of weapons. The international system had given up its ability to monitor and deal with this threat. All through the years between 1998 and 2002 Saddam continued to act and speak and to rule Iraq as a rogue state.

President Bush made it clear by 2002, and against the background of 9/11, that Saddam must be brought into compliance. It was obvious that the world could not leave this situation as it was. The U.S. made the decision to continue to work within the scope of the Security Council resolutions—a long line of them—to deal with Saddam. After an extended and excruciating diplomatic effort, the Security Council late in 2002 passed Resolution 1441, which gave Saddam one final chance to comply or face military force. When on December 8, 2002, Iraq produced its required report, it was clear that Saddam was continuing to play games and to reject his obligations under international law. His report, thousands of pages long, did not in any way account for the remaining weapons of mass destruction that the U.N. inspectors had reported to be in existence as of the end of 1998. That assessment was widely agreed upon.

That should have been that. But the debate at the U.N. went on—and on. And as it went on it deteriorated. Instead of the focus being kept on Iraq and Saddam, France induced others to regard the problem as one of restraining the U.S.—a position that seemed to emerge from France's aspirations for greater influence in Europe and elsewhere. By March of 2003 it was clear that French diplomacy had resulted in splitting NATO, the European Union, and the Security Council . . . and probably convincing Saddam that he would not face the use of force. The French position, in effect, was to say that Saddam had begun to show signs of cooperation with the U.N. resolutions because more than 200,000 American troops were poised on Iraq's borders ready to strike him; so the U.S. should just keep its troops poised there for an indeterminate time to come, until presumably France would instruct us that we could either withdraw or go into action. This of course was impossible militarily, politically, and financially.

Where do we stand now? These key points need to be understood:

There as never been a clearer case of a rogue state using its privileges of statehood to advance its dictator's interest in ways that defy and endanger the international state system.

The international legal case against Saddam—17 resolutions—was unprecedented.

The intelligence services of all involved nations and the U.N. inspectors over more than a decade all agreed that Saddam possessed weapons of mass destruction that posed a threat to international peace and security.

Saddam had four undisturbed years to augment, conceal, disperse, otherwise deal with his arsenal.

He used every means to avoid cooperating or explaining what he has done with them. This refusal in itself was, under the U.N. resolutions, adequate grounds for resuming the military operation against him that had been put in abeyance in 1991 pending his compliance.

President Bush, in ordering U.S. forces into action, stated that we were doing so under U.N. Security Council Resolutions 678 and 687, the original bases for military action against Saddam Hussein in 1991. Those who criticize the U.S. for unilateralism should recognize that no nation in the history of the United Nations has ever engaged in such a sustained and committed multilateral diplomatic effort to adhere to the principles of international law and international organization with the international system. In the end, it was the U.S. that upheld and acted in accordance with the U.N. resolutions on Iraq, not those on the Security Council who tried to stop us.

The question of weapons of mass destruction is just that: a question that remains to be answered, a mystery that must be solved. Just as we also must solve the mystery of how Libya and Iran developed menacing nuclear capability without detection, of how we were caught unaware of a large and flourishing black market in nuclear material, and of how we discovered these developments before they got completely out of hand and have put in place promising corrective processes. The question of Iraq's presumed stockpile of weapons will be answered, but that answer, however it comes out, will not affect the fully justifiable and necessary action that the coalition has undertaken to bring an end to Saddam Hussein's rule over Iraq. As David Kay put it in a February 1 interview with Chris Wallace, "We know there were terrorist groups in state still seeking WMD capability. Iraq, although I found no weapons, had tremendous capabilities in this area. A marketplace phenomena was about to occur, if it did not occur; sellers meeting buyers. And I think that would have been very dangerous if the war had not intervened."

When asked by Mr. Wallace what the sellers could have sold if they didn't have actual weapons, Mr. Kay said: "The knowledge of how to make them, the knowledge of how to make small accounts, which is, after all, mostly what terrorists want. They don't want battlefield amounts of weapons. No, Iraq remained a very dangerous place in terms of WMD capabilities, even though we found no large stockpiles of weapons."

Above all, and in the long run, the most important aspect of the Iraq war will be what it means for the integrity of the international system and for the effort to deal effectively with terrorism. The stakes are huge and the terrorists know that as well as we do. That is the reason for their tactic of violence in Iraq. And that is why, for us and for our allies, failure is not an option. The message is that the U.S. and others in the world who recognize the need to sustain our international system will no longer quietly acquiesce in the take-over of states by lawless dictators who then carry on their depredations—including the development of awesome weapons for threats, use, or sale—behind the shield of protection that statehood provides. If you are one of these criminals in charge of a state, you no longer should expect to be allowed to be inside the system at the same time that you are a deadly enemy of it.

September 11 forced us to comprehend the extent and danger of the challenge. We began to act before our enemy was able to extend and consolidate his network.

If we put this in terms of World War II, we are now sometime around 1937. In the 1930s, the world failed to do what it needed to do to head off a world war. Appeasement never works. Today we are in action. We must not flinch. With a powerful interplay of strength and diplomacy, we can win this war.

OIL SUPPLY

Mr. LEVIN. Mr. President, last Thursday a press release from the Department of Interior came across my desk that at first glance appeared to be the announcement of an April fool's joke. The press release stated beginning April 1, the Interior Department will deliver about 115,000 barrels of oil per day to the Department of Energy for the Strategic Petroleum Reserve. I thought this was an April fool's prank because this is about the worst possible time for the administration to be taking oil off the market for the Strategic Petroleum Reserve.

Crude oil and gasoline prices are historic highs and inventory levels are near historic lows. Consumers are paying record prices at the gas pumps. Manufacturers and farmers and a whole lot of other folks are paying high prices for diesel fuel. Our airlines face soaring fuel costs and so does the trucking industry. Our economy, which has major problems, will be weakened further by high energy prices.

To make the timing even worse, the Department of Interior plans to begin its oil deliveries to the DOE on April 1, the same date the OPEC cartel is scheduled to start cutting its oil production. The purpose and effect of OPEC's cuts are to raise oil prices further. The effect of the administration's stated plans to keep filling the Strategic Petroleum Reserve regardless of the price of oil, if implemented, will be the same, principally because tight supplies and private inventories will become even tighter due to the administration's additional demands for oil for the Strategic Petroleum Reserve.

Regrettably, the Interior Department's announcement is no April fool's joke. To the contrary, it is another misstep in the administration's illogical and counterproductive practice of putting oil into the Strategic Petroleum Reserve, regardless of the price of crude oil.

Over the past 2 years, this practice has pushed up oil prices with minimal improvement to our overall energy or national security and with great detriment to our economic security.

Let's just review what has happened with energy prices. Crude oil prices have been steadily increasing over the past 2½ years. Last week crude oil reached a 13-year high of over $38 per barrel. So far this year, crude oil is averaging about $35 per barrel. In 2003, a barrel of crude oil cost on average over $31. That was a record at that point. Climbing crude oil prices have led to higher prices for refined products, including gasoline, home heating oil, jet fuel, and diesel fuel.

Today, as well as four times in the last 10 days or so, the price of gasoline reached a record high. Nationally the average price of a gallon of gasoline is now $1.75. In Michigan, the average price of a gallon of unleaded is up to $1.78. There are fears prices could go over $2 if there is even a small interruption in supply.

The DOE's Energy Information Administration, the EIA, projects prices will rise on average to $1.83 per gallon this spring, and that prices will remain at high levels throughout the year, averaging nearly $1.70 per gallon over the course of the entire year. These high oil and gasoline prices are hurting consumers and businesses. The EIA recently stated the average consumer paid $200 more for gasoline in 2003 than the previous year. Prices this year are already a dime per gallon more than in 2003. Over the course of a year, each 1-cent increase in the price of a gallon of gasoline takes $1 billion out of the pockets of American consumers.

Following the laws of supply and demand, the principal reason oil prices are so high is the amount of crude oil in private sector inventories in the United States is so low.

In fact, our private sector inventories are hovering around record low levels. In January, crude oil inventories fell to levels lower than at any time in the 28 years the Department of Energy has been tracking those inventories.

Why are supplies so low? This administration's oil policies are partly responsible. Since late 2001, the Department of Energy has taken millions of barrels of oil off the market and put them into the Strategic Petroleum Reserve.

In late 2001, the reserve held about 560 million barrels of oil. Since then, day after day, for over 2 years, the Department of Energy has added an average of about 100,000 barrels of oil per day to the Strategic Petroleum Reserve without regard to the price of oil.

Today, the Strategic Petroleum Reserve holds nearly 650 million barrels, or 93 percent of its capacity of 700 million barrels.

DOE plans to keep on adding oil to the Strategic Petroleum Reserve, no matter what the price, no matter how dangerously low private sector inventories are. In April, the DOE plans to add about 200,000 barrels per day to the Strategic Petroleum Reserve, just as it has been doing this month.

By taking oil off the market and pushing up prices when supplies were tight and prices were high, filling the Strategic Petroleum Reserve has decreased the amount of oil in private inventories. That is because when current prices are high, companies with oil in inventory will draw from those inventories to supply oil to their customers—including the SPR—before they buy expensive new oil.

From April 2002 through the end of last year—a period in which the oil markets were extremely tight, reflecting high prices and low supplies—oil inventories in the private sector decreased by almost as much as the petroleum reserve inventory increased. From April 2002 to December 2003, the Department of Energy deposited about 78 million barrels of oil in the petroleum reserve. During this same period, the United States private sector inventories declined by about 61 million barrels. So the 78 million barrels of oil that were deposited into the petroleum reserve are shown by this red line in the last approximately year and a half, the decline in the private inventories is shown by this white line over the same period. So you can see from the chart that the amount deposited in the reserve is almost the same—slightly more—as the decline in private inventories. That means, despite filling the reserve for almost 2 years, the total oil in inventory, private and public reserve, in the United States during this period increased by only 17 million barrels—under 2 percent.

Several studies have demonstrated that the decrease in U.S. private inventories since April 2002 is directly related to filling of the Strategic Petroleum Reserve. While there are other factors as well, such as OPEC production limits and increased global demand for crude oil, especially in China, the filling of the Strategic Petroleum Reserve has been a major contributor to the decrease in private sector inventories.

Goldman Sachs, one of the largest and most successful crude oil traders in the world, reported the following on January 16th of this year:

> Large speculative positions, builds in Strategic Petroleum Reserves, and low inventory coverage have contributed to current price levels.

Goldman Sachs also stated:

> Past government storage builds [build-ups] will provide persistent support to the market

and that

> current plans for the injection of 130,000 [barrels/day] of royalty-in-kind barrels into the petroleum U.S. Strategic Petroleum Reserve (SPR) between now and the end of September . . . will likely provide even further support.

Here, the word "support" means keeping prices high.

In early 2002, the Department of Energy's own staff warned that filling the Strategic Petroleum Reserve in a tight market would reduce private sector inventories and raise prices and tried to persuade the administration to postpone putting oil into the reserve so oil supplies would be more plentiful.

In the spring of 2002, as prices were rising and inventories falling, the Department of Energy's own petroleum reserve staff warned the following:

> Commercial inventories are low, retail prices are high, and economic growth is slow. The Government should avoid acquiring oil for the Reserve under these circumstances.

The administration chose to ignore those warnings. The reserve deliveries proceeded. As the DOE staff predicted, oil supplies tightened and prices climbed.

Last week, the Secretary of Energy repeated the administration's position that it would not suspend shipments of oil into the Strategic Petroleum Reserve, despite the high prices and low private inventories of oil. The Secretary rejected criticism of the Energy Department's position by claiming that the amount of oil placed in the reserve is too small to make any difference in the price of oil.

But in 2002, the Department of Energy's own staff refuted that very claim. The DOE Strategic Petroleum Reserve staff explained how taking these barrels off the market for an extended period of time would result in a large decrease to the overall supply of oil on the market. This is the DOE staff warning, which was ignored by the DOE and the administration:

> If we look at the Strategic Petroleum Reserve in the perspective of daily supply and

> demand, the SPR fill rates are inconsequential. The fill rate is 100,000 to 170,000 barrels per day compared to world production and consumption of 75 million barrels per day. However, when OPEC countries are determined to maintain discipline in their export quotas, the cumulative impact of filling the SPR becomes more significant when compared to U.S. and Atlantic basin inventories. Essentially, if the SPR inventory grows, and OPEC does not accommodate that growth by exporting more oil, the increase comes at the expense of commercial inventories. Most analysts agree that oil prices are directly correlated with inventories, and a drop of 20 million barrels over a 6-month period can substantially increase prices.

In fact, commercial inventories did fall, on average, by 20 million barrels in each of the 3 successive 6-month periods. So what the DOE expert staff said is exactly what has come to pass.

"Most analysts agree," they said, "that oil prices are directly correlated with inventories, and a drop of 20 million barrels over a 6-month period can substantially increase prices."

The Strategic Petroleum Reserve holds by far the largest strategic oil reserves in the world. In contrast, U.S. private sector oil inventories have fallen well below normal levels. Private sector inventories of gasoline are also well below average.

In an article explaining why oil prices are so high, this week's edition of The Economist reports the following:

> Another fact . . . propping up oil prices may be what [a] trader calls "supply-disruption risk."

And then The Economist goes on as follows:

> These worries have, in part, been fueled by a most unexpected source: the American Government. Despite the high prices, American officials continue to buy oil on the open market to fill their country's Strategic Petroleum Reserve. When prices are high, why buy, you might ask, and thereby keep them up? The Senate has asked that question as well. It passed a non-binding resolution this month calling on the Bush administration to stop SPR purchases; but Spencer Abraham, the Energy Secretary, has refused.

Mr. President, I hope the Energy Secretary and this administration will reconsider that refusal because the day after the Senate adopted our amendment I cosponsored with Senator COLLINS to cancel the planned shipments of 53 million barrels to the SPR, oil prices in New York and London fell by $1 per barrel on the news that this oil might not be placed in the Strategic Petroleum Reserve. But after the Department of Energy and key Members of Congress announced opposition to our amendment, even though it was adopted in the Senate, oil prices went right back up.

This real-world price change shows that the cancellation of the currently planned shipments to the Strategic Petroleum Reserve would provide some immediate relief from high oil and gasoline prices and also provide long-term relief, as the additional oil supplies would enable inventories to be built back up to normal levels.

In his testimony before the Senate Armed Services Committee last week, the Secretary of Energy cited "national security" as the rationale for continuing to fill the SPR despite high oil prices and low supplies. This rationale is unpersuasive for two reasons.

First, the 50 million barrels of oil that the administration plans to put into the SPR over the next year could be more productively used to replenish private sector inventories. Putting this oil into the SPR will raise our governmental inventories from 650 to 700 million barrels, an increase of about 8 percent; whereas keeping it on the market could boost our private inventories from 290 million barrels to 340 million barrels, an increase of about 17 percent. We, therefore, can get more bang for our buck—or, in this instance, bang for our barrel—by keeping this oil on the market.

Typically, a variety of interruptions in oil supplies can occur in the commercial marketplace. These disruptions may be caused by bad weather, political unrest, or mechanical failure in the actual production of oil. Although any particular disruption may not be foreseeable, based on past history it can be predicted, in general, that some such disruption will occur sooner or later. Because our private inventories are so low, those inventories will not be available to cover any such disruptions.

Since the SPR was established over a quarter century ago, we have never needed to release more than 30 million barrels from the SPR at any one time. At the outbreak of the first gulf war, in early 1991, we released 30 million barrels. In the fall of 2000, the last time we released oil from the SPR, we released around 30 million barrels. Even after we lost all oil production in Iraq last year, this administration did not release any oil from the SPR. It, therefore, appears, for the time being, that holding the SPR at the current level of 650 million barrels, which is 93 percent of capacity, would be sufficient security to cover events that are reasonably foreseeable.

Because current inventory levels in the private sector may be inadequate to cover minor supply disruptions, in the event of such a disruption the price of oil would likely spike to well over $40 per barrel, gasoline prices would jump to well over $2 per gallon, and we might even have to tap into the SPR. The way to avoid this painful scenario is to raise private sector inventories by keeping millions of barrels of oil on the market rather than putting them into the SPR. It does not make sense to increase our ability to respond to the most unlikely events at the expense of our ability to respond to the more certain ones.

Adding more oil to the SPR will increase our energy security only slightly while decreasing our economic security significantly. We cannot measure our national security solely by the number of barrels of oil in the SPR. Our economic well-being is also critical to our national security. In deciding whether or not to put oil into the SPR, the administration should adopt a broader view of what is important to our national security.

Affordable gasoline for American consumers is important to our economic and national security. Affordable jet fuel and the health of our airline industry is important to our economic and national security. Affordable diesel fuel and the health of our manufacturing, trucking, chemical, and agricultural industries is important to our economic and national security. When oil, gasoline, jet fuel, and diesel fuel prices are at or near record high levels, we should consider the importance of increasing the supply of oil to these industries as well as to the SPR program.

This real-world price change shows that cancellation of the currently planned shipments to the SPR would provide immediate relief in the oil and gasoline markets, and also provide long-term relief as the additional oil supplies would enable inventories to be built back to normal levels.

It is bad enough that the Department of Energy has refused to suspend SPR deposits. To make matters worse, the Department of the Interior has now announced that it too will take even more barrels off the market starting April 1.

Currently, the administration plans to remove 5.6 million barrels from the market and put them in the SPR during the month of April—about 190,000 barrels per day. The latest announcement means that, beginning April 1, the administration will be taking even more barrels—for a total between 200,000 and 300,000 barrels per day—of oil off the market.

How much oil is 200,000–300,000 barrels per day? A lot. It is as much oil as we import from many countries, or as much as we get domestically from major oil-producing states. In December 2003, for example, we imported 211,000 barrels per day from Kuwait. In the same month, the State of Louisiana produced 244,000 barrels daily. Oklahoma produced about 180,000 barrels a day.

Moreover, by taking more oil off the market for the SPR when prices are high, the administration is needlessly increasing the cost of the SPR program for the taxpayers. In effect, the taxpayers will be paying over $35 per barrel for this oil for the SPR. By canceling these expensive deliveries, we could use the money obtained from the sale of this oil for our urgent homeland security needs. Indeed, this is just what the Levin-Collins amendment would do.

The administration sometimes claims that if we suspend SPR deliveries to increase supplies, OPEC might reduce production to counter our efforts. This is not a very good reason for not doing anything to improve our situation. To begin with, we shouldn't avoid doing something that makes sense for our national interests because we're afraid that OPEC might respond by taking action adverse to those interests. We must determine our own security, and not act in fear of OPEC. If they act negatively to us, we should have a response ready. Second, OPEC has not threatened to take any such action. The administration shouldn't project actions that OPEC hasn't even hinted at.

In fact, an article from last Friday's Oil Daily indicates that the effect of the Senate Budget Resolution amendment to postpone SPR deliveries is having a positive effect on OPEC—that in the wake of the passage of our amendment some OPEC members "are doubly keen to reassure major consumers that they are happy to meet any shortfall [in supply]."

Finally, the same argument could be made against any proposal to increase our domestic oil supplies. If we accepted this argument, there would be no point in us trying to increase supplies in any manner whatsoever. It is always possible that OPEC will counter our measures to increase our energy supplies, but we cannot be paralyzed into inaction by fear of what OPEC might do.

I support filling the SPR, but not at any price. It is time for the administration to consider the effect of filling the SPR on our economic security. It is time for the administration to protect American consumers and businesses rather than just the SPR program. It is time to count jobs and growth, not only barrels of oil. It's time to stop filling the SPR.

I ask unanimous consent that the Department of the Interior press release regarding the reservation of oil for the SPR program, a recent article from The Economist on high oil prices, an article from last Friday's Oil Daily, and a bipartisan letter to the President from 53 House members urging the suspension of shipments to the SPR be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Department of the Interior, Minerals Management Service, Office of Public Affairs, Mar. 24, 2004]

Strategic Petroleum Reserve Exchange Contracts Awarded; MMS, Wyoming Team up on RIK Sale

Three major oil companies have been awarded contracts by the Minerals Management Service (MMS) for the exchange of an estimated 100,405 barrels per day of Gulf of Mexico Royalty-in-kind (RIK) crude oil to support the national Strategic Petroleum Reserve Fill Initiative unveiled by President George W. Bush in November 2001.

With these contracts, MMS will take its oil royalties in-kind (in the form of product), rather than in value (cash), from offshore federal lease operators and deliver it to onshore oil market centers where the Department of Energy (DOE) will take custody of the oil. The DOE, in turn, will exchange the RIK oil for oil of suitable quality that can be delivered to Strategic Petroleum Reserve storage sites located in Texas and Louisiana.

The RIK program provides a deliberate and cost-effective means to continue filling the nation's Strategic Petroleum Reserve in support of national objectives for energy security and to mitigate potential supply disruptions.

Contracts in the latest sale were awarded to ChevronTexaco, Shell Trading and ExxonMobil. Delivery on the six-month contracts is scheduled to begin April 1, 2004. The oil will be delivered from more than 100 facility metering points in the gulf of Mexico.

The MMS RIK Program Office will also ship an additional 12,135 barrels per day of royalty crude oil directly to DOE at onshore market centers, with one producer transporting an additional 2,700 barrels per day directly to the DOE. That translates to a total of approximately 115,000 barrels per day of wellhead oil being committed to the Strategic Petroleum Reserve Fill Initiative. To date, approximately 646 million barrels of oil have been added toward the approximate 700 million barrel capacity of the Strategic Petroleum Reserve.

JOINT WYOMING SALE

The Minerals Management Service also announced that it has again teamed with the State of Wyoming for the sale of royalty crude oil produced in Wyoming. The February sale was the 12th in a series of joint sales dating back to 1998 when the State of Wyoming and the MMS first entered into the Wyoming Oil Pilot Program.

Three firms were awarded contracts for approximately 1,300 barrels per day of both Federal and State sweet and general sour production. Winning bidders were Teppco, Nexen and Tesoro Refining. Delivery is scheduled to begin April 1, 2004, and continue through Sept. 30, 2004.

The Minerals Management Service is the federal bureau in the U.S. Department of the Interior that manages the nation's oil, natural gas and other mineral resources on the Outer Continental Shelf in federal offshore waters. The bureau also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands. MMS disbursed more than $8 billion in 2003 and more than $135 billion since it was created in 1982. Nearly $1 billion from those revenues go into the Land and Water Conservation Fund annually for the acquisition and development of state and federal park and recreation lands.

[From the Economist, Mar. 27, 2004]

A Burning Question; Oil

Why are oil prices so high?

Many people have been wondering why oil has become so costly. Its spot price has been close to $40 a barrel; one year forward, it fetches well over $30; and this week petrol prices hit record highs in the United States. Weekly, analysts have been tweaking their forecasts upwards.

The answer may come as a surprise. The usual culprit is the Organisation of Petroleum Exporting Countries, the cartel that tries to manipulate prices by adjusting agreed output quotas. In February OPEC shocked the markets by announcing that its members were to slash their "cheating" on official quotas by 1.5m barrels per day (bpd); the quotas themselves were to be trimmed by another 1m bpd at the beginning of April.

However, industry experts say that OPEC countries have hardly cut output at all in recent weeks. So freely are they still cheating that only Saudi Arabia, the kingpin of the cartel, has much spare capacity left. What is more, OPEC ministers might not cut their quotas after all. Some are wavering, and the oil might keep gushing. The ministers are due to meet in Vienna on March 31st.

If OPEC is not turning off the spigot, what explains the run-up in prices? One reason is surely demand: the strongly growing economies of America and China are guzzling more oil. If this goes on, OPEC's capacity constraints might bite. However, Algeria's oil minister, Chakib Khelil, thinks speculation is a more likely answer. He wants OPEC to cut output on April 1st for fear that the price might drop suddenly—by at least $7, he thinks.

Such talk is common from OPEC ministers. Usually it is self-serving nonsense, intended to deflect criticism of the cartel. This time there may be more to it. One reason to believe it comes from energy traders. The big trading firms typically deal with both "commercial" transactions—hedging ploys by firms such as airlines—and "non-commercial" ones by financial speculators such as hedge funds. Richard Schaeffer of ABN Amro, a Dutch bank with a big presence on the New York Mercantile Exchange (NYMEX), reports that the amount of speculation in oil is "more than I've seen in a very long time."

What is more, despite some sell-offs early this week, there have clearly been some big bets on high oil prices. Non-commercial net long positions in futures markets are at an unprecedented level (see chart). There is, says one trader, a lot of "paper froth" supporting oil prices. In its latest oil report, the International Energy Agency said that "the funds are having a field day".

But why exactly have speculators piled into the oil market now? One reason may be uncertainty or disappointment with returns on financial assets. John Shapiro of Morgan Stanley believes that hedge funds, endowments and other investors have been drawn to the oil market by the lack of alternatives. He points to low interest rates and, until recently, the relatively poor performance of the stockmarket.

Another factor attracting punters and propping up oil prices may be what Eric Bolling, an independent trader on the NYMEX, calls "supply-disruption risk." Political troubles in Venezuela, Nigeria and Iraq have long worried those who fear an interruption of exports. A bigger and newer aspect of this risk, however, is the fear of terrorism that might be targeted at oil infrastucture.

These worries have, in part, been fuelled by a most unexpected source: the American government. Despite the high prices, American officials continue to buy oil on the open market to fill their country's strategic petroleum reserves (SPRs). Why buy, you might ask, when prices are high, and thereby keep them up? The Senate has asked that question as well. It passed a non-binding resolution this month calling on the Bush administration to stop SPR purchases; but Spencer Abraham, the energy secretary, has refused.

The administration's persistence, coupled with increased strategic purchases by other governments, has fuelled suspicions that officials might have some intelligence about terrorist threats to oil infrastructure. The upshot is that concerns about disruptions to supply, by OPEC or by terrorists, now add up to what Mr. Schaeffer calls an "unprecedented premium" on the price of oil. He observes that in the past, prices have spiked on worries that supply might be interrupted, but have then fallen back quickly. This time the premium seems to be lingering.

Some experts worry that the longer prices stay high because of this speculative frenzy, the harder they will fall. Perhaps all that can be said is that reading the oil market is as difficult today as it has been for a long time: strong demand, political unrest and OPEC discipline could drive the price higher, and encourage still more speculative buying; a slowdown in America or indiscipline in the cartel could remove a lot of froth in a hurry. Even if the price does drop, however, it need not collapse, because thanks to OPEC the oil market is like no other.

If speculators head for the door, Saudi Arabia, which has been called the central bank of the oil world, has one card to play that even the Fed does not. Ali Naimi, the Saudi oil minister, can announce that he will slash his country's output at once. Speculators will surely take notice, for he has a proven record of propping up prices. That is the sort of influence over markets that even Alan Greenspan must envy.

[From the Oil Daily, Mar. 26, 2004]

Price Slide May Help Opec Reach Consensus

(By Karen Matusic, Manimoli Dinesh, and Paul Merolli)

Washington.—The first signs that oil market bears may be emerging from a long hibernation might be a blessing in disguise for Opec ministers meeting Wednesday in Vienna.

After fretting for weeks about their inability to do anything to stem a runaway oil market and disagreeing publicly about whether to implement a lower production ceiling on Apr. 1, Opec ministers may find it a bit easier to reach consensus, ironically because of a sharp decline in prices. Prompt futures on the New York Mercantile Exchange (Nymex) fell from a high of $38.50 per barrel on Mar. 19 to a low of $34.75/bbl on Mar. 26 in reaction to the fifth crude stock build in the US during the past six weeks.

The confusion is evident in public statements from Opec ministers—not to mention oil analysts, who have repeatedly raised their price forecasts. Some ministers insist that Opec will cut the production ceiling to 23.5 million barrels per day on Apr. 1 as planned, even though insiders admit the group has yet to make good on earlier promises to mop up excess supply; others say they may consider a delay.

"The price fall will strengthen the hand of those [Opec] members who want to see a [23.5 million b/d] ceiling come into play," an Opec delegate tells Oil Daily. "Before that, there was some pressure from consumers for us to do something, but we really have been doing all we could. Those prices were really too high. Now it seems as they are falling and will soon be at reasonable levels."

Together, the 11 Opec members are now producing about 28 million b/d. That would leave the 10 quota-bound members, who exclude Iraq, having to remove more than 2 million b/d from markets in the next few days to comply with the new ceiling. Come Mar. 31, one possibility might be to announce that the 23.5 million b/d ceiling is coming into effect while knowing that no member is likely to adhere to the new limits. Already there are signs that Saudi Arabia is increasing supplies to the US based on higher than usual tanker fixtures for April and early May.

"Confusion means they will do nothing," says PFC Energy analyst Roger Diwan. "Prices are coming down, and it makes it easier for them to reinforce quota discipline. Now it is a matter of how long it takes them to trim down."

Oil traders are hedging their bets ahead of the Vienna talks, mainly because they have been caught off-guard twice since September, by surprise announcements that Opec was cutting its production ceiling just minutes after ministers entered their meeting room insisting that a rollover was a done deal.

Though some observers question Opec's credibility after failing to implement promised production cuts, the Saudi-led initiative to convince big market speculators that Opec would do all it could to maximize oil prices was successful in that it seems to have thwarted an expected second quarter price plunge. While prices may continue to fall, they will do so from a much higher base.

"Stocks are tight, and it will take time to build," PFC's Diwan says. "It looks like Opec will bridge the second quarter. I do not think they mind looking as if they lack credibility at $35 [per barrel]."

The political heat on Opec to open the taps has been rising, especially in the U.S. where motorists are paying record-high prices for gasoline, well ahead of peak summer driving season. Slammed by Democrats for record high prices and "failed" energy policies, the Bush administration is prodding Opec to increase production.

President Bush, who in the 2000 election campaign mocked the Clinton administration for what Republicans called "tin-cup diplomacy" in its dealings with oil producers, now seems happy to admit he is prodding Opec to increase production. Bush's Chief of Staff Andrew Card said in a television interview on Thursday that the administration wants Opec to open the taps while Energy Secretary Spencer Abraham confesses he is in regular contact with Opec, something he had downplayed in the past.

"There's been on going discussions with Opec, but we prefer to keep them private," said a Department of Energy spokeswoman, declining to offer further details,

Opec insiders retort privately that the sizzling prices are not being caused by shortages of Opec oil—but by tight U.S. gasoline supplies, geopolitical concerns and big overbought positions built up by speculators. Nonetheless, more moderate Opec members are doubly keen to reassure major consumers that they are happy to meet any shortfall after the Senate voted to divert some 53 million bbl of crude, originally destined for the Strategic Petroleum Reserve (SPR), to the spot market.

That set alarm bells ringing among some Opec members, aware that the release of emergency reserves is the only real leverage that consumers have over producers. Bill Greehey, the outspoken chairman and chief executive of U.S. refiner Valero, said the U.S. government should use the SPR to counterbalance Opec, releasing or buying crude to offset Opec's moves.

"There is no need to release the SPR because there is no shortage of crude—and we will make sure of that," an Opec official tells Oil Daily.

The measure requires support from the House of Representatives to become law, and the Bush administration has made it clear that America's emergency stockpile should only be used in emergencies—not to cool off prices. It underlined that point last week when it awarded new contracts to fill the SPR. In a dig at Abraham, Democrats also released congressional records from 2000 revealing that Abraham, then a senator, urged a release of SPR oil to moderate prices.

House of Representatives,
Washington, DC, March 22, 2004.

Hon. George W. Bush,
The White House, Pennsylvania Avenue, N.W., Washington, D.C.

Dear Mr. President: We are writing to urge that you suspend shipments of oil to the Strategic Petroleum Reserve (SPR) and allow more oil to remain on the market and available to consumers when supplies are tight. We hear from our constituencies daily about the financial strain of increasing gasoline prices.

We are urging you to call upon the Department of Energy (DOE) to review and revert back to its previous policy of filling the SPR when crude oil prices are relatively low and deferring oil deliveries when prices are relatively high. Filling the SPR, without regard to crude oil prices and the availability of supplies, drives oil prices higher and ultimately hurts consumers.

In addition, we are concerned about missed opportunities for saving taxpayers' money. Filling the SPR regardless of oil prices increases taxpayer costs. Prior to 2002, DOE granted oil company requests to defer scheduled oil deliveries to the SPR when oil prices were high, in return for deposits of extra oil at a later date. These deferrals save taxpayers money and add extra barrels of oil to the SPR.

We urge the DOE to study the development of procedures to assure that the SPR is filled consistent with the objective of minimizing acquisition costs—or revenue foregone when the oil is acquired under the royalty-in-kind (RIK) program—and consistent with maximizing domestic supply. We urge the Administration to reevaluate the practice of diversion of RIK and other oil to the SPR so that it will be opportunely timed so as to not exacerbate crude oil price increases.

We recommend you restore market-based criteria for granting deferrals by urging the DOE to restore its SPR business procedures allowing deferrals of oil deliveries to the SPR when crude oil prices are high or commercial crude oil supplies are tight.

Again, we urge you to take these recommendations under consideration and to suspend shipments to the SPR until crude oil supplies increase and prices decrease.

Sincerely,

Robert W. Goodlatte; Walter B. Jones; Gil Gutknecht; Jo Ann Emerson; Jack Kingston; John Shadegg; Spencer Bachus; Mike Rogers; David R. Obey; James P. Moran.

Barbara Cubin; Phil English; C.A. "Dutch" Ruppersberger; Nancy L. Johnson; Bart Gordon; Eliot L. Engel; Kenneth R. "Ken" Lucas; Tom W. Osborne; James C. Greenwood; Eric I. Cantor.

Sue Wilkins Myrick; Dave Camp; John T. Doolittle; James P. McGovern; Lee Terry; John J. Duncan, Jr.; Mike Rogers; Don Sherwood; Bill Shuster; John Boozman.

Howard P. "Buck" McKeon; Steve King; Frederick "Rick" Boucher; Steve Chabot; Mike McIntyre; Roscoe G. Bartlett; Dennis "Denny" Rehberg; Jo Ann S. Davis; Virgil H. Goode, Jr.; Ellen O. Tauscher.

Fred Upton; Howard Coble; Timothy V. Johnson; J. Randy Forbes; Collin C. Peterson; Joe Wilson; Mark A. Foley; Ander Crenshaw; Roy Blunt; Cass Ballenger; Gerald C. "Jerry" Weller.

Mr. LEVIN. Mr. President, the Senate has spoken. The administration should listen to common sense and to what the market says, that when supply in the private sector goes down, prices go up, and the Strategic Petroleum Reserve fills have made a major contribution to high oil and gasoline prices in this country. It adds little to our energy or economic security for the administration to pursue the course it is on. I hope it will reconsider the SPR deposits.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DAYTON. Mr. President, I certainly agree with my colleague, the Senator from Michigan, about the need to deal with our present situation which affects my State, as well as everyone else.

I also want to point out to my colleagues that the ultimate solution to our oil dependency needs is not going to come from more oil, more tax breaks for oil, more searching for oil, or extracting oil from environmentally sensitive areas. It is going to be in developing viable alternatives to oil, one of which is right in front of us, available to us now, and is barely being tapped by this Nation. And that is ethanol.

I have a Ford Explorer I drive all over Minnesota on a fuel called E-85—85-percent ethanol, 15-percent regular gasoline. The engine is produced by the manufacturer with a very slight modification. Last summer in southern Minnesota, E-85 fuel was 22 cents a gallon less than regular unleaded. I have not checked in the last couple of weeks, but given the price of gasoline, I suspect it is even less expensive now.

Just imagine if we were to take half or more of the $115 billion that we spend every year to import foreign oil—over half of all the oil we consume—and instead of spending it overseas, we were to put it in the pockets of American farmers, who then would spend their dollars in their local communities. Those dollars would multiply, and we would fuel an economic resurgence of rural America far greater than any Government program could possibly devise. It is a cleaner burning fuel, so we would improve the quality of our environment. We would reduce our dependency on foreign oil. We would raise the price of commodities such as corn and soybeans for soy diesel and some of the other agricultural products, so farmers could make a profit in the marketplace at those higher prices rather than have to be subsidized by the American taxpayer. It is basically a policy grand slam, and yet in this country right now less than 2 percent of the gasoline supply consumed is ethanol.

In Minnesota, my State, 7 or 8 years ago the legislature passed, with much controversy, a mandate that required that every gallon of gasoline sold in our State contain 10-percent ethanol. Prices have been slightly lower than those States nearby which do not have that requirement. The fuel supplies have been consistent.

As I said earlier, that only touches the surface of what is possible for ethanol as a substitute fuel for gasoline. Yet, Minnesota, despite all those gains and no difficulties, is still the only State in the Nation that has a 10-percent ethanol mandate.

We can fill up reserves, and we can try to bring in more. We can jawbone the Saudis, and we will keep paying through the nose regardless until—and only until—we shift our use of fuels from what we are depending on now to what we can use or must use for the future.

Here for the first time in my public career—and I was commissioner of energy and economic development for Minnesota 20 years ago and served in the Governor's office in Minnesota almost a decade before then and worked on energy policy. In the span of those 30 years, this is the first time I have seen a real opportunity that every American can in their vehicle be consuming a fraction of the gasoline they are using now, and we do not have any interest in pursuing it.

Senator DASCHLE and Senator GRASSLEY, through their efforts, have put and kept some energy measures in the Energy bill which is now stymied. Senator GRASSLEY has done a terrific service to the ethanol-production States wherein the current transportation bill passed by the Senate takes away that penalty for using ethanol that is in the formula for the highway trust fund.

Even with those measures, we are looking at barely doubling the increase of ethanol in consumption nationwide, so it would be less than 4 percent in a decade. Again, Minnesota has been at 10 percent for the last 8 years.

When those prices keep going up and staying up, I want my colleagues to keep in mind we have an alternative. We have an opportunity to make a significant and immediate transition. It will take a few years, but it is right there. But we have to get beyond where we are today.

JOBS ACT

Mr. DAYTON. Mr. President, I also wish to comment on what happened last week to the so-called JOBS Act which disappeared from the Senate floor. One minute last week we were voting on the JOBS bill, and the next minute it was gone—outsourced, I guess. It was replaced by other legislation which we acted upon last week. Today we are on to yet another measure before the Senate.

We have not been told when this JOBS Act might reappear or even if it is coming back at all, which means, I guess, the JOBS Act has suffered the same fate as some 2.25 million jobs during President Bush's term because they, too, have disappeared. No one knows when or even if they are coming back.

It is clear now that the President's previous proposals enacted by Congress—tax cuts for the rich and the super rich and for large, multilarge corporations—have not stopped the loss of American jobs, and they have not brought them back. One out of every six manufacturing jobs in the United States has disappeared in the last 3 years, and the number of manufacturing jobs in this country is now the lowest it has been in 53 years. Over 8 million Americans are unemployed. The average length of unemployment is the longest it has been in 20 years in this country.

So the administration must have a plan, a policy, to stimulate job creation in this urgent situation; right? Wrong. The Secretary of the Treasury Snow testified before Congress just 2 weeks ago that the lack of job recovery is "a mystery" to him. The President has stated that his No. 1 priority is to make his tax changes permanent when they expire in the year 2011.

In the debate over the budget resolution on the Senate floor 2 weeks ago, our colleagues across the aisle said their No. 1 priority was to accelerate the date for eliminating the estate tax from 2010 to 2009. So the No. 1 economic problem facing the Nation today is the loss of jobs and the lack of their recovery, and Republican priorities are more tax treats for the rich and the super rich in the years 2009 and 2010. I guess the rich and the super rich do not really need more money anyway, so they can afford to wait 5 years or more to get it. But the 8 million Americans out of work cannot wait that long.

So there is this cloud of complete unreality surrounding Republican economic policies these days. It is as though all the country is on reality TV and they are still on Fantasy Island. Meanwhile, our Democratic caucus is being blocked from even voting on measures that would provide help and jobs to Americans who need them right now.

No. 1, we need to extend unemployment benefits because 786,000 Americans exhausted their unemployment benefits during January and February alone. In just those 2 months, over three-quarters of a million Americans exhausted their unemployment benefits, meaning they and their families have no source of income right now.

In the name of humanity, how can we do nothing to relieve that kind of human pain and suffering?

Secondly, the House of Representatives must pass the transportation funding bill, and the President must either sign it or veto it so that we can override that veto now. The Senate bill we passed almost a month ago would mean significantly more construction projects, and therefore thousands more jobs all over America, starting now, in this construction season, which does not last very long in northern States such as Minnesota, are just about to get underway.

The President and the House have been tossing that bill back and forth like it is a Sunday Frisbee game. Here is an immediate job-creating opportunity, and they are dawdling and dickering because I guess it is not their jobs, at least not yet.

The third measure we must undertake is to protect the jobs and incomes of those who are now working, especially the 8 million workers the Secretary of Labor has decided all by herself no longer have to be paid overtime. That number includes police officers, nurses, firefighters, and laborers. What do we tell them and their families? Sorry, you did not contribute enough to the necessary reelection committees, but the people who employ you do?

The Congress has already cut their personal taxes, their dividends tax, their capital gains tax, and now they are going to be eliminating their estate tax even earlier than before.

They are a greedy bunch and they want more. This is an election year and campaigns are expensive so, sorry, now in America you will not even be able to earn extra money by working harder. You cannot get ahead because those special friends want to get farther ahead without having to work at all.

Fourth, we need to bring back the JOBS Act, which reportedly was pulled from the Senate floor last week because it would have involved a vote of the Senate on this very protection of overtime measure. The truth is, as that evidences, the sponsors of the so-called JOBS Act do not want votes on that and other amendments because, in fact, the secret is that bill is not about jobs at all.

Only in Washington would something named the JOBS Act have nothing to do with creating jobs, and I mean absolutely nothing. The people who wrote that bill only want the American people to think this is a JOBS Act. They want the 8 million Americans who do not have jobs right now to think this is a JOBS Act so they will think: Oh, what a Congress. Our country needs jobs, so Congress passes a JOBS Act.

Well, as Abraham Lincoln said, you can fool all of the people some of the time, and what better time to try than right around election time.

The truth is, this bill is a tax cut for already profitable businesses, and the largest tax reductions take place, once again, in those years 2009 to 2012. So, obviously, it has nothing to do with providing jobs now.

That is the bill's best part. Other parts increase the tax avoidance schemes for foreign business operations. There are $36 billion in tax breaks for profits made producing goods and providing services in other countries, employing foreigners not Americans. Now that sure makes sense. We are losing American jobs in record numbers to foreign operations so the Senate is going to give more tax advantages to those foreign operations so they can take away more American jobs? Is the JOBS Act intended to add American jobs or eliminate them?

I hope my colleagues will take a look at some of the foreign business favors in this bill before we vote on them. It increases the kind of commodities hedging that is exempt from U.S. taxation. It eliminates rules that are meant to restrict the deferral of foreign income by foreign investment companies and foreign personal holding companies from U.S. taxation. It eliminates withholding taxes on dividends paid by certain foreign corporations. There are many more of those foreign favors in the bill. As I said, $36 billion worth of tax avoidance or tax elimination schemes which benefit wealthy Americans who invest in them, or American companies who own and operate them, which reward foreign business production and sales, not American production; increase jobs outside of our country and decrease jobs or job opportunities for American workers.

The JOBS Act, as it is presently written, is a fraud. It is not an American JOBS Act. It is not even an American business act. It is a special-favors-for-special-friends act.

In the 3 years I have been in the Senate, Congress has tried fooling the American people with some mighty foolish legislation, such as No Child Left Behind, pretending to improve the quality of education for all schoolchildren. Additional testing was to be accompanied by additional Federal funding, especially for those students most in need. Well, Minnesotans will not be fooled anymore, not now that we have learned just this last few weeks that title I funds in Minnesota will be cut by as much as 40 percent in school districts that have an increased number of eligible students.

The prescription drug bill that was passed last year pretended to offer comprehensive coverage and substantial financial assistance to seniors and others on Medicare. That prescription drug bill will not fool the seniors, not in Minnesota for sure, and I do not think in America, when in a few more months the prescription drug discount cards come out and when the shamefully inadequate coverage finally begins in January of 2006. But do not try to fool unemployed Americans that the JOBS Act is a jobs creation bill, and do not try to fool working Americans that it is a jobs protection bill. As President Lincoln said: You cannot fool all the people all the time.

Congress is badly out of touch with the American people. So let's return to reality. Let's return to the reality that Americans need more jobs. Let's pass a JOBS Act that really is a JOBS Act, where every provision is designed to reward American companies for adding American jobs now—not in the year 2009, not in 2012, but now.

I strongly urge the majority leader to bring back the JOBS Act for Senate action now. I urge my colleagues to remove every section that does not add jobs in America right now and replace them with ones that do. We need jobs in America for Americans now. Let us stop trying to fool people and let us help put them back to work.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, I could not help but think, as my colleague from Minnesota was delivering a wonderful and inspiring set of remarks, that is it not interesting, I would say to the Senator from Minnesota, that the old labels of liberal and conservative do not mean anything anymore. The American people are catching on because what they want is performance. They do not want people just pegged into these neat little categories, these labels, because as the Senator has so eloquently stated, the old labels do not perform because it is not business as usual. Whether it be the White House or the Congress or the State legislatures or the Governors, those labels do not mean anything. In fact, those labels are being turned absolutely upside down in this particular year, for we find ourselves voting on things that some critics would want to claim are liberal, but is it liberal to want to lower the annual deficit so the national debt does not increase by half a trillion dollars a year? To the contrary, that is conservative fiscal policy.

As the Senator has said so eloquently, is it liberal or conservative to want to provide jobs for Americans? It is neither. It is good, common sense—performance for our people.

Is it liberal or conservative to want to stop the flight of jobs to other countries, that overworked word of "outsourcing"? I say to the Senator from Minnesota, there is going to be another twist on the question of outsourcing when they start outsourcing the jobs to the point at which they are handling personally identifiable medical and personally identifiable financial information of which our laws in this country protect its privacy, but in India or in China there are no laws that protect that privacy. When our people suddenly find that their very sensitive personal medical records are suddenly made available on the worldwide Web because there is no protection of privacy because those jobs have been outsourced to India or to China, they are going to have another think coming, as we would say in the South.

So the old labels don't mean anything anymore. Is it liberal to support the environment? I would say that is conservative. I would say when you become a good steward of what the good Lord has endowed us with, which is this beautiful planet suspended in the middle of nothing with a thin little film enveloping the planet called an atmosphere, and when you despoil that air, when you despoil the water, and when you rape the land, it is conservative to want to protect that environment, but that is not the label, liberal or conservative.

I am glad the Senator has given his speech about jobs. I am going to continue to give my speeches about what it is not to be liberal or conservative, not to be partisan, but to try to perform for the American people and perform for the States we are privileged to represent.

Mr. DAYTON. If the Senator will yield, I thank him for his encouraging words. I also point out he is, I believe, the only Senator, maybe the only Member of Congress, who has been an astronaut. The Senator's perspective on those resources and the need to conserve is certainly unsurpassed. I thank the Senator for his remarks.

Mr. NELSON of Florida. The Senator is very kind. I must admit I became more of an environmentalist when I went into space because I got to see the entire ecosystem at once. I got to see how beautiful it is, yet how fragile it is. From that perspective, when I looked at the rim of the Earth and saw that thin little film which is the atmosphere, I came home from that space flight absolutely committed that I wanted to do my part to be a better steward of what the good Lord has given us. He has given us this beautiful planet in the middle of nothing. Space is nothing. Space is an airless vacuum that goes on and on for billions and billions of light-years, and there in the midst of it is our home, our planet.

One of the reasons I want to go to Mars—of course I myself won't have that opportunity. That ought to be over the course of the next 30 years. I would like to think that at my age, at that time, I would still be physically fit to go to Mars, but that is for the next generation. But one of the reasons I am so intrigued about going to Mars is what the two Rovers up there right now have been discovering in the last few days, that in fact there was water there. If there were water, then there was likely life. If there were life, how developed was it? And if it were developed, was it civilized? And if it were civilized, what happened? What can we learn from what happened there so that we can become better stewards of our planet?

Is that liberal or conservative? It is neither. It is good common sense. In fact, it is. It is conservative, coming from the word "conserve," the environment. Yet all these groups that come out here and rate you on how you vote and say because you are voting for clean water and clean air, that is somehow a liberal vote?

That is my point. The old labels don't mean anything anymore. I think that is beginning to penetrate in the American public. What they want is performance by their elected officials, all the way from the White House to the courthouse.

IRAQ

Mr. NELSON of Florida. Mr. President, I came here to talk about the future of Iraq. I am just going to make a few comments because we are in Iraq. We better be successful there. The stability of that country, politically and economically, is extremely important to the interests of the United States. If it is destabilized, or if we cut and run, a vacuum is going to be created. That vacuum is going to be filled. It is going to be filled by terrorists, somewhat akin to what happened after the Soviets got whipped in 1989 in Afghanistan. They left and we left also. We were in there clandestinely. Of course, that created a vacuum and that vacuum was eventually filled by the Taliban. And then, of course, the Taliban provided protection for al-Qaida, the beginning of that network. We see the result, the painful, painful result, not only with the beginning of the 1993 attempted destruction of the World Trade Center but the completion of that plan to destroy it in 2001 and then the many other bombings that have occurred around the world.

So we better be successful. We have young men and women—we have old men and women over there, too—doing a fantastic job for us. Not just service men and women wearing the uniform of this country; these are men and women who are not wearing the uniform of this country but are in equally as important positions such as the CIA, the State Department, AID, all of the American companies that are over there in the reconstruction effort—the nongovernment groups that are over there trying to help out the Iraqi people.

As we approach this 1-year anniversary of the fall of Saddam Hussein, it is appropriate to consider what lies ahead for the Iraqi people and what lies ahead for the American people who made some progress now in the reconstruction of Iraq. There is now an Iraqi transitional administrative law which outlines the basic principles upon which a free and Democratic Iraq will be governed. But trying to get democracy across to a community, to a society that has lived under repression for so long—

The PRESIDING OFFICER. The time of the Senator has expired in morning business.

Mr. NELSON of Florida. I ask unanimous consent I have an additional 7 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON of Florida. The responsiveness we have had thus far, I must say, is nothing short of remarkable. But there are still many concerns that I have about the reconstruction of that country.

The first is that we have an administrative law that hands control over to the Iraqis, but it hasn't been spelled out. It seems as though the decisions and the actions in Iraq are being driven by an artificial deadline—June 30.

Why June 30? Are we ready to hand over to these institutions that have no experience in democracy in another 3 months? I don't think so. An expeditious transfer of power to Iraqis certainly may be desirable, but we shouldn't put the cart before the horse and give sovereignty to a governing body that may be less than fully able to handle the political, military, economic, religious, and ethnic strife that may arise from such a premature handover. That would put American lives further at risk and would jeopardize the entirety of our reconstruction efforts today.

I am also concerned about the nature of the United States presence in Iraq after the turnover. Will a government, a new Iraqi government within this short period of time 3 months from now, have sufficient legitimacy among the Shiite, Sunni, and Kurds—all of them—to maintain the presence of our troops who are so desperately needed to maintain the security and stability of that country?

The disagreements over the presence of the troops, not even to think of the disagreements over the number of our troops and other political issues involving a successor government which could give rise to civil, religious and/or ethnic strife—guess who would be right in the middle. It would be our U.S. troops.

The transitional administrative law does not include an agreement for the stationing of U.S. forces. That gives rise to the prospect of U.S. forces fighting well-armed militia groups in addition to the security threats they face every day. What are they facing every day? Improvised devices that are designed to lure our troops to them and then kill or maim our U.S. service men and women.

In addition, the Coalition Provisional Authority now has been working hard to stand up an indigenous Iraq security and defense force.

I went to one of those police training academies outside of Amman, Jordan. It was impressive. But within an 8- or 16-week course, they were only going to be able to train about 1,500 policemen.

I am concerned about whether this force is going to be adequately staffed, resourced, and ready for the tremendous task of law and order in Iraq after the turnover on June 30.

Moreover, if these indigenous security efforts fall short and significant disagreements lead to an unraveling of a unified and sovereign Iraq, guess who is going to be on the ground as Iraq dissolves into many religious and ethnic community conflicts. You got it. The United States service men and women are going to be in the middle of it.

The political dissolution of Iraq is something the United States must take every precaution to avoid. That is another reason not to let the artificial deadlines drive the Iraqi reconstruction.

I am concerned also about the role of religion in the future of Iraq. The transitional administrative law stipulates Islam will be considered a source of legislation. I don't have any problem with Islam. That is their faith. But it seems this provision has satisfied neither those who wish for a secular government nor those who wish for an Islamic state.

The United States must more clearly and urgently demand freedom for all religions and protect against the persecution of any particular religion. We cannot allow religious extremism to permeate Iraqi society in spirit and practice, deed, or law.

I am concerned about the economy of Iraq.

Think about it. We appropriated $18 billion for the reconstruction effort that is starting to enter Iraqi society. For the next 6 to 8 months, $18 billion will be infused to building roads and bridges and restoring wetlands, water systems, and electrical systems. This is going to be a country flush with U.S. dollars.

My worry is the Iraqi economy is going to become heavily dependent on U.S. dollars. This puts an enormous burden on the U.S. taxpayer. What happens after this appropriation dries up?

I urge the administration not only to call on the international community, as we did during the Afghan war and following the fall of the Taliban in Afghanistan, but that we call on other countries and make them follow through on their pledges for financial assistance.

Finally, I am concerned about the distinctly American nature of reconstruction efforts. The President promised Congress he would work closely to build international support for our efforts to disarm Saddam Hussein. While we are grateful for the few nations providing personnel, Operation Iraqi Freedom is predominantly an American program. Some may argue that it may not matter whether other nations participate or how other nations view our efforts in Iraq and the global war on terrorism. But this Senator, and I think a lot of Senators, would beg to differ. This is an important part. This is a very important part of keeping more allies involved. It would so much improve our chances of obtaining critical assistance from other Arab countries, especially the Arab countries in that region, as well as other nations of the world that now are reluctant to participate.

I wanted to get these thoughts off my chest about this looming deadline of June 30. I wanted to, as we say in some corners, look over the horizon at what may be coming and how America needs to prepare for what may be coming in that strife-torn country of Iraq.

I yield the floor.

THE 100TH ANNIVERSARY OF JACK DANIEL'S

Mr. FRIST. Mr. President, 2004 marks the 100th anniversary of the 1904 St. Louis World's Fair—the fair that has come to be recognized as ushering in what today is known as "The American Century." At that fair an unknown gentleman from Lynchburg, TN, rose to world acclaim. That man was Jack Daniel. At the 1904 World's Fair his Old Number 7 Brand Tennessee Whiskey won the Gold Medal as "the world's best whiskey".

Today, Jack Daniel's Tennessee Whiskey can be found in over 135 countries. In fact, no other Tennessee product is exported to more countries. Further, this year it will become the world's No. 1 selling whiskey, displacing products made by our friends in Scotland for the first time in history.

The Tennessee General Assembly recently passed a resolution commemorating Jack Daniel's 1904 Gold Medal. Senator LAMAR ALEXANDER and I would like to share the resolution with our colleagues by including it in today's CONGRESSIONAL RECORD.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Whereas, it is fitting that the members of the General Assembly should honor those Tennessee companies bringing Tennessee's heritage to people around the world; and

Whereas, Jack Daniel's is one such Tennessee company which has proudly and responsibly brought Tennessee's heritage to millions of adult consumers; and

Whereas, since 1863, in the spirit of President George Washington, the father of the American Distilling Industry, the Jack Daniel Distillery has produced the world's most popular Tennessee Whiskey; and

Whereas, 2004 is the 100th Anniversary of Jack Daniel's Old Number 7 Brand Tennessee Wiskey's receipt of the Gold Medal at the 1904 St. Louis World's Fair; and

Whereas, Jack Daniel's Tennessee Whiskey is enjoyed by adult consumers in over 135 countries—more countries than any other Tennessee export; and

Whereas, Jack Daniel's Tennessee Whiskey is the United States' number one exported distilled spirit; and

Whereas, to commemorate its popularity and its Tennessee heritage, Jack Daniel's will be honored in Washington, D.C. on April 1, 2004; and

Whereas, this General Assembly finds it appropriate to pause in its deliberations to acknowledge and applaud the staff of the Jack Daniel Distillery upon their great success; Now, therefore, be it further

Resolved by House of Representatives of the 103rd General Assembly of the State of Tennessee, the Senate concurring, that we congratulate the staff of the Jack Daniel Distillery upon the celebration of its 100th Anniversary of winning the 1904 Saint Louis World's Fair Gold Medal, and saluting their excellent service to this great state, extend to them our wishes for every future success.

Mr. FRIST. Senator ALEXANDER and I join in congratulating the people of Jack Daniel Distillery on this 100th anniversary and look forward to their continued success at bringing a part of Tennessee's heritage to consumers around the world.

On April 1, 2004, in celebration of the 100th anniversary of the 1904 World's Fair Gold Medal, the Tennessee State Society and the Jack Daniel Distillery will hold a celebration of Jack Daniel's Tennessee heritage here in Washington. It will be a very special occasion, so we encourage our colleagues to join us at the celebration.

HAITI

Mr. FEINGOLD. Mr. President, the Haitian people find themselves embroiled in yet another political crisis. Following Jean Bertrand Aristide's departure on February 29, 2004, the Haitian people once again are forced to pick up the pieces of their broken political system. Again, they must renew their search for democracy, a search that has lasted for two hundred years with little progress. Thirty coups after Haiti established its independence in 1804, Haitians continue to live in severe poverty, battling HIV/AIDS, malnutrition, poor sanitation, and a political culture of thuggery and violence.

The United States has played an important role in Haiti's history. From U.S. military intervention in 1915 and the 19-year occupation that followed to the restoration of President Aristide in 1994 by U.S. forces, politics in Haiti have been deeply influenced by its larger and more powerful neighbor. Now, the United States has an obligation to assist in rebuilding Haiti in collaboration with our international partners. However, our assistance must be shaped and implemented with an eye to our previous mistakes. For too long, our approach has been ad-hoc and short-term, and the Haitian people have suffered. It is no wonder that some are suspicious of democracy and the role of the United States today.

This is not to say that the United States must take most of the blame for the political turmoil in Haiti. Haiti's leaders, and especially President Aristide, must also acknowledge their responsibility in Haiti's current political crisis. However, our flawed nation-building attempt in the 1990s, allegations of international support for Haiti's rebels, and the departure of President Aristide suggest a need for introspection by U.S. policymakers, humanitarian and development organizations and others.

Policymakers knew that Haiti's democracy was in trouble for years. Why did the administration fail to take meaningful action until Haiti was on the verge of collapse? As the rebels gained control of Haitian territory from early to mid-February, the U.S. administration largely channeled its diplomatic efforts through the Organization of American States and the Caribbean Community, CARICOM. On February 21st, the United States backed a CARICOM proposal, which called for a power-sharing compromise between Aristide and the opposition. However, as soon as Haiti's political opposition rejected the proposal, rather than defending Haiti's democratic process and institutions, the administration quickly backed down. With rebel forces moving toward the capital of Port-au-Prince on February 28, 2004, the administration increased pressure on Aristide to resign, stating that "His failure to adhere to democratic principles has contributed to the deep polarization and violent unrest that we are witnessing in Haiti today." Aristide resigned the next day and flew into exile on a U.S. aircraft.

President Aristide was no paragon of democratic virtue. He encouraged his supporters in their violent campaign against the opposition, and his regime was a corrupt one. But a world in which legitimately elected officials, found wanting, can be run out of office by gangs of armed thugs is a world in which the thugs, in fact, are in charge. The people of Haiti, like people all over the world, deserve better. U.S. complicity in President Aristide's ouster sent the wrong message to violent rebel leaders, who have committed their own atrocities in Haiti's past. A transition guided by the rule of law, rather than the threat of violence, would surely have been preferable.

In the past weeks, a number of my constituents have raised important questions. What ties exist between rebel leaders and the government of the United States? Did the U.S. government impede efforts by the international community, particularly the Caribbean Community, CARICOM, to prevent President Aristide's resignation? I believe that the American and Haitian people deserve the answers, and a full accounting of the events surrounding Aristide's departure.

Equally important, we must help Haiti move forward and break out of this pattern of instability and underdevelopment. We should continue to assist in establishing security and disarming all parties to the conflict, and I commend the American troops who answered the call to service and are now on the ground in Haiti. However, I believe that the administration's decision to commit troops will require a full vetting by Congress. As long as American troops are in harm's way in Haiti, the Congress has a direct role and responsibility to either ratify or repudiate the use of U.S. military troops.

We must also ensure the timely delivery of humanitarian assistance to communities in need. Haitian Supreme Court Chief Justice Boniface Alexandre should have the full support of the United States in working to make Haiti's constitution the guide for the transition and succession process from this point on. And in the longer term, the United States should work with the rest of the international community to help bolster the institutions that are essential to consolidating Haiti's democracy and stability, and assist the Haitian people in holding people accountable for their flagrant violations of human rights.

The United States cannot ignore Haiti. Not only do we have a moral obligation to help the Haitian people, who are starving in our own backyard, but there are other national security interests at stake for the United States. A country in crisis so close to our borders creates a political vacuum in the region, where international crime and terrorism can flourish. As we saw in Afghanistan, a country in chaos allows for the emergence of dangerous forces, that directly threaten our security. In addition, the refugee flow created by instability and oppression will wash up on our shores, causing hardship for the Haitian people and overwhelming U.S. communities.

I urge Congress to look closely at recent events in Haiti, to ensure that lingering questions are answered forthrightly, and to lend the support that Haiti desperately needs as it moves forward in establishing peace and security.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

On March 1, 2004 Christopher James Barnhart and John Matthew Aravanis left a Morgantown, WV, bar around 3:30 a.m. when they heard, "Get out of the way, faggots." A fist subsequently landed on Barnhart's head and he was knocked to the ground. Barnhart, who sustained two facial fractures in the scuffle, said the men also struck Aravanis in the head as he came to Barnhart's aid. The men left the scene, but returned and kicked and punched them and continued to call them "faggots." City police have obtained arrest warrants for the three men charged with beating Barnhart, Aravanis, and their friend who was with them during the incident.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

HONORING THE ARMY FISHER HOUSES

Mr. AKAKA. Mr. President, Zachary and Elizabeth M. Fisher established the Fisher House Foundation, Inc., a unique public-private partnership that supports America's military in their time of need. The program recognizes the special sacrifices of our men and women in uniform and the hardships of military service by meeting a humanitarian need beyond that provided by the Department of Defense. The Fisher Houses enable family members to be close to loved ones at the most stressful time—during hospitalization for an unexpected illness, disease, or injury.

The homes are built by the Fisher House Foundation, Inc., and given to the military services and the Veterans Administration. The Army is the recipient of 14 of the 32 Fisher Houses located at every major military medical center and at several VA medical centers. The homes are located within walking distance of the medical facility.

I recently had the pleasure of visiting with Fisher family members, friends, and staff of the Fisher House on board the USS *Missouri* to celebrate the opening of the second Fisher House at Tripler Army Medical Center, the largest military medical treatment facility in the Pacific located in Honolulu, HI. The first Tripler Fisher House opened in June 1994. Due to its location, families stay an average of 55 days, compared to an average of 15 days in other locations. Tripler Fisher Houses service families and patients not only from Hawaii but also the Pacific area of Korea, Guam, Japan, and Okinawa.

The Fisher Houses provide temporary lodging in a warm, compassionate, and caring home away from home environment to members of our armed services, veterans, and their families during a medical crisis. They enable families to stay together, cook meals, do laundry, relax, unwind, and provide emotional support to each other during a time of need, and to escape from the tensions of the hospital environment.

Today, when we ask so much of our military in support of freedom, it is important to recognize the generosity of foundations such as The Fisher House, that give back to those who have given so much in defending this great Nation.

ADDITIONAL STATEMENTS

TRIBUTE TO DANIELLE MILLER

• Mr. BUNNING. Mr. President, today I wish to pay tribute to Danielle Miller, of Louisville, KY. Recently, Ms. Miller has been named a State honoree for Prudential Spirit of Community Award program for Kentucky based on her outstanding volunteer services.

Prudential Spirit of Community Awards program names only one high school student and one middle-level student in each State and the District of Columbia. As a junior at Louisville's Sacred Heart Academy, Ms. Miller was selected from more than 20,000 students for this honor. Ms. Miller received this honor because she founded a service organization called the "National Awareness Committee" to provide clothing, books, and other needed items to members of the Lakota Sioux Nation living on reservations in South Dakota.

The citizens of Louisville, KY are fortunate to have Ms. Miller living and learning in their community. Her example of hard work and determination should be followed by all in the Commonwealth of Kentucky.

I congratulate Ms. Miller for her success. But also, I congratulate all her peers, coaches, teachers, administrators, and her parents for their support and sacrifices they've made to help Ms. Miller reach this goal and fulfill her dreams.•

HONORING THE LIFE OF SENATOR CHARLES MEEKS

• Mr. BAYH. Mr. President, I rise today to honor the life of my fellow Hoosier, State Senator Charles "Bud" Meeks, who passed away on March 22. Senator Meeks dedicated his life to serving his country and our home State of Indiana, setting an example of personal conviction and political vigor throughout his 6 years as State senator.

Bud Meeks grew up in Fort Wayne, IN. He graduated from Central High School in 1954 and enlisted in the U.S. Navy. After serving 4 years in the Navy, Senator Meeks returned home to Fort Wayne where he began his career in public service as a deputy at the Allen County jail. Meeks retired from the Sheriff's Department after 28 years of dedicated service, including two terms as Allen County Sheriff. He then moved to Washington, DC, where he was the executive director of the National Sheriff's Association for 8 years. Upon his final return to Indiana, Meeks ran a successful campaign, demonstrating a work ethic on the campaign trail that is remembered by Hoosiers still today. In 1998, Senator Meeks was elected to the Indiana State Senate to represent Indiana's 14th Senate District.

While serving as Senator, Meeks most recently played a crucial role in championing the current proposal to consolidate Allen County government. But among his colleagues, Meeks was known above all else for his love of children. While in the Senate, Meeks would frequently devote a significant amount of time to young students, answering questions and discussing government. His focus on Indiana's youth is a testament to Meeks' kindness of heart and clear understanding of the importance of prioritizing the children who will one day be running our great Nation.

In everything he did, Senator Meeks brought with him an inspiring energy and passion, setting a positive example for his friends, colleagues, and constituents to follow. He was always ready to work diligently for the causes he cared for so deeply, and it was his steadfast belief in community involvement that earned him the unwavering admiration of Hoosiers across Indiana.

Meeks was a committed father and public servant. The sense of loss to all those who knew Senator Meeks is tremendous. He is survived by his wife, Marjorie; son, Brian, brothers Bob and Fred; and three grandchildren. He was preceded in death by his daughter, Brenda Sue and another son, David.

It is my honor to enter the name of Senator Charles "Bud" Meeks into the CONGRESSIONAL RECORD.•

TRIBUTE TO WHITTON MONTGOMERY

• Mr. BUNNING. Mr. President, today I wish to pay tribute to Whitton Montgomery, of Louisville, KY. Recently, Ms. Montgomery has been named a State honoree for Prudential Spirit of Community Award program fro Kentucky based on her outstanding volunteer services.

Prudential Spirit of Community Awards program names only one high school student and one middle-level student in each State and the District of Columbia. As an eight grader at Louisville Collegiate School, Ms. Montgomery was selected from more than 20,000 students for this honor. Ms. Montgomery received this honor because she founded "Kids Acting Against Cancer," a performing arts group that has raised more than $40,000 for research and children with cancer.

The citizens of Louisville, KY are fortunate to have Ms. Montgomery living and learning in their community. Her example of hard work and determination should be followed by all in the Commonwealth of Kentucky.

I congratulate Ms. Montgomery for her success. But also, I congratulate all her peers, coaches, teachers, administrators, and her parents for their support and sacrifices they have made to help Ms. Montgomery reach this goal and fulfill her dreams.•

MESSAGE FROM THE HOUSE

At 1:08 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2993. An act to provide for a circulating quarter dollar coin program to honor the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for other purposes.

H.R. 3095. An act to amend title 4, United States Code, to make sure the rules of etiquette for flying the flag of the United States do not preclude the flying of flags at half mast when ordered by city and local officials.

H.R. 3786. An act to authorize the Secretary of the Treasury to produce currency, postage stamps, and other security documents at the request of foreign governments on a reimbursable basis.

ENROLLED BILL SIGNED

The message also announced that the Speaker of the House of Representatives has signed the following enrolled bill:

H.R. 254. An act to authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. STEVENS).

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicate:

H.R. 2993. An act to provide for a circulating quarter dollar coin program to honor the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 3095. An act to amend title 4, United States Code, to make sure the rules of etiquette for flying the flag of the United States do not preclude the flying of flags at half mast when ordered by city and local officials; to the Committee on the Judiciary.

H.R. 3786. An act to authorize the Secretary of the Treasury to produce currency, postage stamps, and other security documents at the request of foreign governments on a reimbursable basis; to the Committee on Banking, Housing, and Urban Affairs.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

S. 2250. A bill to extend the Temporary Extended Unemployment Compensation Act of 2002, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6821. A communication from the Assistant Secretary of Defense for Reserve Affairs, Department of Defense, transmitting, pursuant to law, a report relative to the STARBASE Program; to the Committee on Armed Services.

EC–6822. A communication from the Chairman, Consumer Product Safety Commission, transmitting, pursuant to law, the Commission's Annual Program Performance Report; to the Committee on Commerce, Science, and Transportation.

EC–6823. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: McDonnell Douglas Model DC–10–10, DC–10–10F, DC–10–15, DC–10–30, DC–10–30F (KC–10A and KDC–10) DC–10–40, DC–10–40F, MD–10–30F Airplanes and Model MD–11 and MD–11F Airplanes Doc. No. 2003–NM–07 [3–3–3–11]" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6824. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: McDonnell Douglas Model DC–9–31 and DC–9–32 Airplanes Doc. No. 2003–NM–32" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6825. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 767 Series Airplanes Doc. No. 2001–NM–259" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6826. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Correction Mitsubishi Heavy Industries Ltd., MU–2B Series Airplanes; Doc. No. 2003–CE–22" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6827. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Pratt and Whitney Canada JT15D–1, 1A, and 1B Turbofan Engines Doc. No. 2003–NE–41" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6828. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Dassault Model Mystere-Falcon 50 Series Airplanes Doc. No. 2003–NM–30" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6829. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Bombardier Model DHC 8 401 and 402 Airplanes; Doc. No. 004–NM–11" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6830. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Bombardier Model Cl 600–2B19 Airplanes; Doc. No. 2004–NM–20" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6831. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 707 and 720 Series Airplanes; Doc. No. 2002–NM–334" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6832. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: BAE Systems Limited Model BAE 146 Series Airplanes; Doc. No. 2001–NM–148" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6833. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Brasileira de Aeronautica Model EMB–135 and 145 Series Airplanes; Doc. No. 2002–NM–178" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6834. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Bombardier Model DHC 8–102, 103, 106, 201, 202, 301, 311 and 315 Airplanes" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6835. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: McDonnell Douglas Model DC 10–10, –10F , 15, 30, 30F, 40, 40F, MD–10–10F, 30F, 11, and 11F Airplanes; Doc. No. 2001–NM–362" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6836. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Rolls Royce plc Trent 700 Series Turbofan Engines; Doc. No. 2003–NE–55" (RIN2120–AA64) received on March 23, 2004; to the Committee on Commerce, Science, and Transportation.

EC–6837. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation to authorize appropriations for the motor vehicle safety and information and cost savings programs of the National Highway Traffic Safety Administration for fiscal years 2005 through 2007, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–6838. A communication from the Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Federal Government Participation in the Automated Clearing House" (RIN1510–AA93) received on March 23, 2004; to the Committee on Finance.

EC–6839. A communication from the Attorney Advisor, Federal Highway Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Commercial Vehicle Width Exclusive Devices" (RIN2125–AE90) received on March 23, 2004; to the Committee on Energy and Natural Resources.

EC–6840. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Loss Limitation Rules" (TD9118) received on March 23, 2004; to the Committee on Finance.

EC–6841. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Applicable Federal Rates—April 2004" (Rev. Rul. 2004–39) received on March 23, 2004; to the Committee on Finance.

EC–6842. A communication from the Acting Chief, Publications and Regulations Branch, Internal Revenue Service, transmitting, pursuant to law, the report of a rule entitled "Amendment to Final Agreement for Withholding Foreign Partnerships and Withholding Foreign Trusts" (Rev. Proc. 2004–21) received on March 23, 2004; to the Committee on Finance.

EC–6843. A communication from the Regulations Officer, Social Security Administration, transmitting, pursuant to law, the report of a rule entitled "Interrelationship of Old Age, Survivors, and Disability Insurance Program With the Railroad Retirement Program" (RIN0960–AF82) received on March 23, 2004; to the Committee on Finance.

EC–6844. A communication from the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, transmitting, pursuant to law, the Boards' 2004 Annual Report; to the Committee on Finance.

EC–6845. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the report of the texts and background statements of international agreements, other than treaties; to the Committee on Foreign Relations.

EC–6846. A communication from the Assistant Administrator, Bureau for Public and Legislative Affairs, U.S. Agency for International Development, transmitting, pursuant to law, the Agency's Fiscal Year 2003

Performance and Accountability Report; to the Committee on Governmental Affairs.

EC–6847. A communication from the Secretary of State, transmitting, pursuant to law, the Department of State's Performance and Accountability Report for Fiscal Year 2003; to the Committee on Governmental Affairs.

EC–6848. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, the Commission's Report under the Government in Sunshine Act for calendar year 2005; to the Committee on Governmental Affairs.

EC–6849. A communication from the Acting Chairman, Merit Systems Protection Board, transmitting, pursuant to law, a report relative to the Board's justification for its Fiscal Year 2005 appropriation request; to the Committee on Governmental Affairs.

EC–6850. A communication from the Acting Chairman, Merit Systems Protection Board, transmitting, pursuant to law, the Board's Strategic Plan for Fiscal Year 2005; to the Committee on Governmental Affairs.

EC–6851. A communication from the Office of Independent Counsel, transmitting, pursuant to law, the Office's 2003 Annual Report; to the Committee on Governmental Affairs.

EC–6852. A communication from the Regulations Coordinator, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Filing Claims Under the Military Personnel and Civilian Employees Claims Act" received on March 25, 2004; to the Committee on Health, Education, Labor, and Pensions.

EC–6853. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the Age Discrimination Act; to the Committee on Health, Education, Labor, and Pensions.

EC–6854. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "National Coverage Determinations"; to the Committee on Health, Education, Labor, and Pensions.

EC–6855. A communication from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting, pursuant to law, a proposed plan for the use and distribution of the Assiniboine and Sioux Tribes of the Fort Peck Reservation (Tribe) judgment fund; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1307. A bill to authorize the Secretary of the Interior, acting through the Bureau of Reclamation, to assist in the implementation of fish passage and screening facilities at non-Federal water projects, and for other purposes (Rept. No. 108–249).

S. 1355. A bill to authorize the Bureau of Reclamation to participate in the rehabilitation of the Wallowa Lake Dam in Oregon, and for other purposes (Rept. No. 108–250).

S. 1421. A bill to authorize the subdivision and dedication of restricted land owned by Alaska Natives (Rept. No. 108–251).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 2696. A bill to establish Institutes to demonstrate and promote the use of adaptive ecosystem management to reduce the risk of wildfires, and restore the health of fire-adapted forest and woodland ecosystems of the interior West (Rept. No. 108–252).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. LAUTENBERG:

S. 2246. A bill to reduce temporarily the duty on certain sorbic acid; to the Committee on Finance.

By Mr. LAUTENBERG:

S. 2247. A bill to reduce temporarily the duty on potassium sorbate; to the Committee on Finance.

By Mr. LAUTENBERG:

S. 2248. A bill to clarify the Harmonized Tariff Schedule classification of certain leather goods; to the Committee on Finance.

By Ms. COLLINS (for herself and Mr. LIEBERMAN):

S. 2249. A bill to amend the Stewart. B. McKinney Homeless Assistance Act to provide for emergency food and shelter; to the Committee on Governmental Affairs.

By Ms. CANTWELL (for herself, Mr. VOINOVICH, and Mr. KENNEDY):

S. 2250. A bill to extend the Temporary Extended Unemployment Compensation Act of 2002, and for other purposes; read the first time.

By Mr. BAUCUS (for himself and Mr. BURNS):

S. 2251. A bill to amend the Farm Security and Rural Investment Act of 2002 to increase the loan rate for safflower; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KENNEDY (for himself, Ms. SNOWE, Mr. LEAHY, Mr. GREGG, Mr. JEFFORDS, Ms. MURKOWSKI, Mr. SARBANES, Ms. COLLINS, Mrs. MURRAY, Mr. STEVENS, Mr. EDWARDS, Mr. MCCAIN, Mr. DASCHLE, Mr. SUNUNU, and Mr. ENZI):

S. 2252. A bill to increase the number aliens who may receive certain non-immigrant status during fiscal year 2004 and to require submissions of information by the Secretary of Homeland Security; to the Committee on the Judiciary.

By Mrs. FEINSTEIN (for herself, Mr. DOMENICI, Mrs. BOXER, and Mr. DAYTON):

S. 2253. A bill to permit young adults to perform projects to prevent fire and suppress fires, and provide disaster relief, on public land through a Healthy Forest Youth Conservation Corps; to the Committee on Energy and Natural Resources.

By Mr. DASCHLE (for Mr. DODD (for himself and Mr. CHAFEE)):

S. 2254. A bill to encourage and ensure the use of safe equestrian helmets, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SANTORUM:

S. Res. 325. A resolution expressing the sense of the Senate regarding the creation of refugee populations in the Middle East, North Africa, and the Persian Gulf region as a result of human rights violations; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 139

At the request of Mr. LIEBERMAN, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 139, a bill to provide for a program of scientific research on abrupt climate change, to accelerate the reduction of greenhouse gas emissions in the United States by establishing a market-driven system of greenhouse gas tradeable allowances that could be used interchangably with passenger vehicle fuel economy standard credits, to limit greenhouse gas emissions in the United States and reduce dependence upon foreign oil, and ensure benefits to consumers from the trading in such allowances.

S. 275

At the request of Mr. REID, his name was added as a cosponsor of S. 275, a bill to amend the Professional Boxing Safety Act of 1996, and to establish the United States Boxing Administration.

S. 622

At the request of Mr. GRASSLEY, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 622, a bill to amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the medicaid program for such children, and for other purposes.

S. 874

At the request of Mr. TALENT, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 874, a bill to amend title XIX of the Social Security Act to include primary and secondary preventative medical strategies for children and adults with Sickle Cell Disease as medical assistance under the medicaid program, and for other purposes.

S. 976

At the request of Mr. WARNER, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 976, a bill to provide for the issuance of a coin to commemorate the 400th anniversary of the Jamestown settlement.

S. 1068

At the request of Mr. DODD, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 1068, a bill to amend the Public Health Service Act to establish grant programs to provide for education and outreach on newborn screening and coordinated followup care once newborn screening has been conducted, and for other purposes.

S. 1115

At the request of Mrs. MURRAY, the names of the Senator from Nevada (Mr. REID) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 1115, a bill to amend the Toxic Substances Control Act to reduce the health risks posed by asbestos-containing products.

S. 1121

At the request of Mr. BAUCUS, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 1121, a bill to extend certain trade benefits to countries of the greater Middle East.

S. 1217

At the request of Mr. ENZI, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1217, a bill to direct the Secretary of Health and Human Services to expand and intensify programs with respect to research and related activities concerning elder falls.

S. 1379

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 1379, a bill to require the Secretary of the Treasury to mint coins in commemoration of veterans who became disabled for life while serving in the Armed Forces of the United States.

S. 1515

At the request of Mr. GREGG, the name of the Senator from Tennessee (Mr. ALEXANDER) was added as a cosponsor of S. 1515, a bill to establish and strengthen postsecondary programs and courses in the subjects of traditional American history, free institutions, and Western civilization, available to students preparing to teach these subjects, and to other students.

S. 1645

At the request of Mr. CRAIG, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 1645, a bill to provide for the adjustment of status of certain foreign agricultural workers, to amend the Immigration and Nationality Act to reform the H–2A worker program under that Act, to provide a stable, legal agricultural workforce, to extend basic legal protections and better working conditions to more workers, and for other purposes.

S. 1700

At the request of Mr. HATCH, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 1700, a bill to eliminate the substantial backlog of DNA samples collected from crime scenes and convicted offenders, to improve and expand the DNA testing capacity of Federal, State, and local crime laboratories, to increase research and development of new DNA testing technologies, to develop new training programs regarding the collection and use of DNA evidence, to provide post-conviction testing of DNA evidence to exonerate the innocent, to improve the performance of counsel in State capital cases, and for other purposes.

S. 1730

At the request of Ms. SNOWE, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1730, a bill to require the health plans provide coverage for a minimum hospital stay for mastectomies, lumpectomies, and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations.

S. 1771

At the request of Ms. SNOWE, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1771, a bill to amend title XIX of the Social Security Act to permit States to obtain reimbursement under the medicaid program for care or services required under the Emergency Medical Treatment and Active Labor Act that are provided in a nonpublicly owned or operated institution for mental diseases.

S. 1934

At the request of Mr. NICKLES, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 1934, a bill to establish an Office of Intercountry Adoptions within the Department of State, and to reform United States laws governing intercountry adoptions.

S. 2065

At the request of Mr. JOHNSON, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 2065, a bill to restore health care coverage to retired members of the uniformed services, and for other purposes.

S. 2141

At the request of Mr. LUGAR, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 2141, a bill to amend the Farm Security and Rural Investment Act of 2002 to enhance the ability to produce fruits and vegetables on soybean base acres.

S. 2165

At the request of Mr. REED, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2165, a bill to specify the end strength for active duty personnel of the Army as of September 30, 2005.

S. 2179

At the request of Mr. BROWNBACK, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 2179, a bill to posthumously award a Congressional Gold Medal to the Reverend Oliver L. Brown.

S. 2193

At the request of Ms. SNOWE, the names of the Senator from Vermont (Mr. JEFFORDS) and the Senator from Montana (Mr. BURNS) were added as cosponsors of S. 2193, a bill to improve small business loan programs, and for other purposes.

At the request of Mr. HARKIN, his name was added as a cosponsor of S. 2193, supra.

S. 2194

At the request of Mr. CORNYN, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 2194, a bill to amend part D of title IV of the Social Security Act to improve the collection of child support, and for other purposes.

S. 2216

At the request of Mr. HOLLINGS, the names of the Senator from New York (Mrs. CLINTON), the Senator from Nevada (Mr. REID) and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. 2216, a bill to provide increased rail transportation security.

S. 2236

At the request of Ms. CANTWELL, the names of the Senator from Hawaii (Mr. AKAKA) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 2236, a bill to enhance the reliability of the electric system.

S. CON. RES. 90

At the request of Mr. LEVIN, the names of the Senator from North Carolina (Mr. EDWARDS) and the Senator from South Dakota (Mr. DASCHLE) were added as cosponsors of S. Con. Res. 90, a concurrent resolution expressing the Sense of the Congress regarding negotiating, in the United States-Thailand Free Trade Agreement, access to the United States automobile industry.

S. RES. 317

At the request of Mr. HAGEL, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. Res. 317, a resolution recognizing the importance of increasing awareness of autism spectrum disorders, supporting programs for increased research and improved treatment of autism, and improving training and support for individuals with autism and those who care for individuals with autism.

AMENDMENT NO. 2698

At the request of Mrs. FEINSTEIN, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of amendment No. 2698 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2890

At the request of Mr. SANTORUM, the name of the Senator from New Hampshire (Mr. SUNUNU) was added as a cosponsor of amendment No. 2890 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2893

At the request of Mr. REID, the names of the Senator from North Dakota (Mr. DORGAN), the Senator from Minnesota (Mr. COLEMAN), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Washington (Ms. CANTWELL) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of amendment No. 2893 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. COLLINS (for herself and Mr. LIEBERMAN):

S. 2249. A bill to amend the Stewart B. McKinney Homeless Assistance Act to provide for emergency food and shelter; to the Committee on Governmental Affairs.

Ms. COLLINS. Mr. President, I rise today to introduce legislation to reauthorize the Department of Homeland Security's Emergency Food and Shelter Program. This vital program enables communities nationwide to provide services to help individuals who are at risk of becoming homeless or going hungry due to an emergency or economic disaster. As a 1999 General Accounting Office report concluded, "in most areas of the United States, the Emergency Food and Shelter Program is the only source of funding for the prevention of homelessness."

I am pleased to have the support of Senator LIEBERMAN, the ranking member of the Governmental Affairs Committee, which oversees this important program as well as the Department of Homeland Security generally. I commend Senator LIEBERMAN for his work on this important issue, including his efforts in the 107th Congress to pass legislation very similar to the bill that we are introducing together today.

Since its creation 21 years ago, the Emergency Food and Shelter Program has provided a helping hand to local social service organizations that assist thousands of people in need of food and shelter. This program is effective because of the way it is structured. A national board, chaired by the Federal Emergency Management Agency, governs the program. The board itself is composed of representatives from organizations who work every day to look out for those who are less fortunate—representatives of the American Red Cross, Catholic Charities, United Jewish Communities, the National Council of the Churches, the Salvation Army, and the United Way.

This program is a model for an effective public-private partnership. The volunteer participation by these charitable organizations has kept administrative costs to less than 3 percent of the total program, making even more funds directly available for communities.

Funds are distributed by the national board to local boards according to a formula that takes into account unemployment and poverty statistics in each community. Once local boards in counties and municipalities across America receive the funding, they decide how to best address the needs of their residents. These local boards are key to this process. That is because they are composed of individuals and organizations who live and work in the communities they serve. Therefore, they can best decide how to meet the needs of those who are at risk of becoming homeless.

In recent years, communities in Maine have put the funding to good use. Communities in Cumberland and Franklin Counties, for example, have used most of these funds to supplement the efforts of local soup kitchens, Meals-on Wheels programs, and food pantries. The Wayside Soup Kitchen in Portland, ME, uses this funding to enhance their efforts to provide three separate food assistance programs to those in need.

Demonstrating the flexibility of this program, communities in northern Maine's Aroostook County used more than 30 percent of their 2003 funding to address emergency shelter and housing needs. This diversity in how communities spent these funds highlights the importance of letting local organizations decide how best to spend these resources, tailored to local needs.

The Emergency Food and Shelter Program helps individuals maintain their dignity during difficult times. It also prevents dependency by providing emergency services to individuals and families on a limited basis so they can remain self-sufficient.

Although Congress has continued to provide funding, the program's authorization expired in 1994. My bill, the Emergency Food and Shelter Act of 2004, seeks to again authorize this program and provide modest increases to reflect an increasing need.

I urge my colleagues to join me in cosponsoring this legislation to help families across America who are at risk of losing their homes or going hungry because of circumstances beyond their control.

By Mr. KENNEDY (for himself, Ms. SNOWE, Mr. LEAHY, Mr. GREGG, Mr. JEFFORDS, Ms. MURKOWSKI, Mr. SARBANES, Ms. COLLINS, Mrs. MURRAY, Mr. STEVENS, Mr. EDWARDS, Mr. MCCAIN, Mr. DASCHLE, Mr. SUNUNU, and Mr. ENZI):

S. 2252. A bill to increase the number of aliens who may receive certain nonimmigrant status during fiscal year 2004 and to require submissions of information by the Secretary of Homeland Security; to the Committee on the Judiciary.

Mr. KENNEDY. It is a privilege to join my colleagues in introducing the Save Summer Act of 2004 to provide an immediate stop-gap solution to the H-2B visa cap problem in our immigration laws. Our colleagues, Representatives DELAHUNT and YOUNG, are introducing an identical bill in the House.

The H-2B program was established by Congress in 1990 to deal with labor shortages in non-agricultural seasonal employment. H-2B workers are employed by hotels, restaurants, resorts, the fishing and timber industries, amusement parks, and other sectors.

U.S. employers seeking to bring in foreign nationals on these visas must demonstrate that they have been unable to find enough U.S. workers to fill the jobs. Before visa applications are approved by the Department of Labor, the U.S. employers must certify that the temporary workers will not displace U.S. workers or adversely affect their wages or working conditions.

The annual statutory cap for H-2B visas is 66,000. Two weeks ago, the Department of Homeland Security suddenly announced that the cap for the current fiscal year had been reached and began rejecting new applications for the visas. The abrupt announcement left many summer employers stranded. This is the first time the Government has announced that the cap has been reached, and the Department of Homeland Security gave no one advance warning.

The H-2B program is vital for seasonal industries that need temporary workers. The lack of H-2B workers may well be devastating to these employers, many of which are small, family-run businesses. Without prompt passage of this bill, many summer employers in Massachusetts and around the country will have no choice but to shut their doors.

The Save the Summer Act offers a straightforward solution to this pressing problem. It will increase the H-2B visa cap by 40,000 for the current fiscal year. It requires the Department of Homeland Security to provide quarterly reports to Congress on the number of H-2B visas issued, and an annual report with a detailed analysis of the program.

Our immigration system is broken and many other reforms are obviously needed. Above all, it is essential to have immigration policies that reflect current economic realities, respect family unity and fundamental fairness, and uphold our proud tradition as a Nation of immigrants.

Enacting these other reforms will take time—time we don't have if we want to save the summer for countless seasonal employers around the country. This legislation will provide immediate and much-needed relief to employers counting on H-2B workers to keep their doors open this summer, and I urge my colleagues to pass it as soon as possible.

By Mrs. FEINSTEIN (for herself, Mr. DOMENICI, Mrs. BOXER, and Mr. DAYTON):

S. 2253. A bill to permit young adults to perform projects to prevent fire and suppress fires, and provide disaster relief, on public land through a Healthy Forest Youth Conservation Corps; to the Committee on Energy and Natural Resources.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce a bill with Senators DOMENICI, BOXER, and DAYTON to allow youth service and conservation corps to partner with public land management agencies to restore and protect public lands threatened by severe fire. I have dubbed this public-private partnership the Healthy Forests Youth Conservation Corps.

Last year, I authored a similar provision that was included in the Senate version of the Healthy Forest legislation. Unfortunately, this provision was stripped out of the bill before it was signed into law.

First, this bill aims to help Federal, State, and local governments implement priority projects using the cost-saving resources of youth corps.

It is estimated that youth corps generate $1.60 in immediate benefits for every dollar in costs. This figure is important given the great need and cost associated with fighting fires.

Every year, land management agencies are charged with conserving, protecting, and maintaining millions of acres of public land. This is a daunting task that requires an incredible amount of human and material resources.

For instance, the Federal Government, alone, is responsible for overseeing 689 million acres of this land. Last year, five Federal agencies reported spending $1.6 billion in 2002 on fire fighting suppression efforts—a whopping $300 million more than the previous record. To fight those fires, 28,000 fire and support personnel were activated—the maximum civilian resources available in the Forest Service on top of the 600 Army troops, and 950 foreign firefighters who joined in the effort.

As an example of what can happen in one State, consider last year's catastrophic wildfires in southern California. Before they were contained, the deadly fires of last fall scorched a total of 738,158 acres, killed 23 people, and destroyed approximately 3,626 homes and thousands of other structures—amounting to the most costly and devastating fire ever to hit California. The insurance payouts alone will cost more than $3 billion, with public expenditures to fight the fires and recover from them running into the hundreds of millions of dollars.

And those statistics make no mention of the resources expended to fight fires in other States.

I want to prevent this type of catastrophe in the future. That is why I was an ardent supporter of the Healthy Forest Restoration Act that was signed into law last year.

I also believe that we must use every resource at our disposal to meet this challenge. In my opinion, youth service and conversation corps can play a significant role in reducing the physical and financial strain that public land management agencies bear and help protect our Nation's public lands from wildfires.

Secondly, this bill allows young people, particularly those youth who are people of color, low income, or are at high risk of dropping out of school, to integrate themselves into their communities and to learn skills that could lead to jobs or a greater interest in higher education in the future.

I have seen firsthand the benefits that youth corps bring to their communities and the difference that the work can make in the lives of at-risk youth.

In 1983, I founded the first urban youth corps as mayor of San Francisco, and during that time I saw a great improvement in the quality of life of the corps members and of the city itself.

When we first began the program, we ran it on a million-dollar budget employing 36 disadvantaged young people ranging in age between 18 and 23 years old who needed some direction, wanted a challenge, and wanted to make themselves socially useful.

That first year, we paid corps members $3.35 an hour to repair bathrooms in affordable housing for senior citizens and ex-offenders, build a park in Hunter's Point, clear scotch broom from the Twin Peaks hillside, and fix up Alcatraz Island. And in the 21 years since the program began, it has grown into a multisite, multifaceted agency that engages more than 500 young adults annually who have completed over 3.5 million hours of community service.

It has given thousands of corps members a sense of personal pride, helped to connect them with their community and see for themselves that hard work pays off.

I started the San Francisco Conservation Corps to help young people break out of the cycle of poverty and crime and improve their job skills by giving them guidance and support through labor-intensive activities.

For this same reason, I am introducing this bill with the hope that the success of the San Francisco Conservation Corps can be duplicated nationwide.

Specifically, this bill does the following: It authorizes the Agriculture and Interior Secretaries to enter into contracts or cooperative agreements with existing State, local, and nonprofit youth conservation corps to carry out land management initiatives on public lands.

It directs the Secretaries to give priority for projects that will reduce hazardous fuels on public land, restore land located in near municipal watersheds and municipal waters supplies, rehabilitate land affected or altered by fire, assess lands afflicted or imminently threatened by disease or insect infestation, work to address windthrown land or at high risk of reburn, provide emergency assistance and disaster relief to communities.

It allows the Secretaries to grant, at their discretion, noncompetitive hiring status for corps alumni for future Federal hiring.

It authorizes $25 million for the alliance for fiscal year 2005–fiscal year 2009.

I know this program will not take all of the burden off public land management agencies as they work to protect and restore public lands, and I know this program will not reach every disadvantaged young person in need of guidance and support. But it is a start and I urge my colleagues to join me in my efforts.

By Mr. DASCHLE (for Mr. DODD (for himself and Mr. CHAFEE):

S. 2254. A bill to encourage and ensure the use of safe equestrian helmets, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. DODD. Mr. President, I ask unanimous consent that the following legislation be introduced and printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2254

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Christen O'Donnell Equestrian Helmet Safety Act of 2004".

SEC. 2. GRANTS REGARDING USE OF SAFE EQUESTRIAN HELMETS.

(a) AUTHORITY TO AWARD GRANTS.—The Secretary of Commerce may award grants to States, political subdivisions of States, Indian tribes, tribal organizations, public organizations, and private nonprofit organizations for activities that encourage individuals to wear approved equestrian helmets.

(b) APPLICATION.—A State, political subdivisions of States, Indian tribes, tribal organizations, public organizations, and private nonprofit organizations seeking a grant under this section shall submit to the Secretary an application for the grant, in such form and containing such information as the Secretary may require.

(c) REVIEW BEFORE AWARD.—

(1) REVIEW.—The Secretary shall review each application for a grant under this section in order to ensure that the applicant for

the grant will use the grant for the purposes described in section 3.

(2) Scope of programs.—In reviewing applications for grants, the Secretary shall permit applicants wide discretion in designing programs that effectively promote increased use of approved equestrian helmets.

SEC. 3. PURPOSES OF GRANTS.

A grant under section 2 may be used by a grantee to—

(1) encourage individuals to wear approved equestrian helmets;

(2) provide assistance to individuals who may not be able to afford approved equestrian helmets to enable such individuals to acquire such helmets;

(3) educate individuals and their families on the importance of wearing approved equestrian helmets in a proper manner in order to improve equestrian safety; or

(4) carry out any combination of activities described in paragraphs (1), (2), and (3).

SEC. 4. REPORT TO CONGRESS.

(a) Requirement.—Not later than 1 year after the date of enactment of this Act, the Secretary of Commerce shall submit to the appropriate committees of Congress a report on the effectiveness of grants awarded under section 2.

(b) Contents of Report.—The report shall include a list of grant recipients, a summary of the types of programs implemented by the grant recipients, and any recommendations that the Secretary considers appropriate regarding modification or extension of the authority under section 2.

(c) Appropriate Committees of Congress Defined.—In this section, the term "appropriate committees of Congress" means—

(1) the Committee on Commerce, Science, and Transportation, and the Committee on Health, Education, Labor, and Pensions of the Senate; and

(2) the Committee on Energy and Commerce of the House of Representatives.

SEC. 5. STANDARDS.

(a) In General.—Every equestrian helmet manufactured on or after the date that is 9 months after the date of enactment of this Act shall meet—

(1) the interim standard specified in subsection (b), pending the establishment of a final standard pursuant to subsection (c); and

(2) the final standard, once that standard has been established under subsection (c).

(b) Interim Standard.—The interim standard for equestrian helmets is the American Society for Testing and Materials (ASTM) standard designated as F 1163.

(c) Final Standard.—

(1) Requirement.—Not later than 60 days after the date of enactment of this Act, the Consumer Product Safety Commission shall begin a proceeding under section 553 of title 5, United States Code, to—

(A) establish a final standard for equestrian helmets that incorporates all the requirements of the interim standard specified in subsection (b);

(B) provide in the final standard a mandate that all approved equestrian helmets be certified to the requirements promulgated under the final standard by an organization that is accredited to certify personal protection equipment in accordance with ISO Guide 65; and

(C) include in the final standard any additional provisions that the Commission considers appropriate.

(2) Inapplicability of certain laws.—Sections 7, 9, and 30(d) of the Consumer Product Safety Act (15 U.S.C. 2056, 2058, and 2079(d)) shall not apply to the proceeding under this subsection, and section 11 of such Act (15 U.S.C. 2060) shall not apply with respect to any standard issued under such proceeding.

(3) Effective date.—The final standard shall take effect not later than 1 year after the date it is issued.

(d) Failure To Meet Standards.—

(1) Failure to meet interim standard.—Until the final standard takes effect, an equestrian helmet that does not meet the interim standard, required under subsection (a)(1), shall be considered in violation of a consumer product safety standard promulgated under the Consumer Product Safety Act.

(2) Status of final standard.—The final standard developed under subsection (c) shall be considered a consumer product safety standard promulgated under the Consumer Product Safety Act.

SEC. 6. AUTHORIZATIONS OF APPROPRIATIONS.

(a) Department of Commerce.—There is authorized to be appropriated to the Department of Commerce to carry out section 2, $100,000 for each of fiscal years 2005, 2006, and 2007.

(b) Consumer Product Safety Commission.—There is authorized to be appropriated to the Consumer Product Safety Commission to carry out activities under section 5, $500,000 for fiscal year 2005, which amount shall remain available until expended.

SEC. 7. DEFINITIONS.

In this Act:

(1) Approved equestrian helmet.—The term "approved equestrian helmet" means an equestrian helmet that meets—

(A) the interim standard specified in section 5(b), pending establishment of a final standard under section 5(c); and

(B) the final standard, once it is effective under section 5(c).

(2) Equestrian helmet.—The term "equestrian helmet" means a hard shell head covering intended to be worn while participating in an equestrian event or activity.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 325—EXPRESSING THE SENSE OF THE SENATE REGARDING THE CREATION OF REFUGEE POPULATIONS IN THE MIDDLE EAST, NORTH AFRICA, AND THE PERSIAN GULF REGION AS A RESULT OF HUMAN RIGHTS VIOLATIONS

Mr. SANTORUM submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. Res. 325

Whereas Jews and other ethnic groups have lived mostly as minorities in the Middle East, North Africa, and the Persian Gulf region for more than 2,500 years, more than 1,000 years before the advent of Islam;

Whereas the United States has long voiced its concern about the mistreatment of minorities and the violation of human rights in the Middle East and elsewhere;

Whereas the United States continues to play a pivotal role in seeking an end to conflict in the Middle East and to promoting a peace that will benefit all the people of the region;

Whereas a comprehensive peace in the region will require the resolution of all outstanding issues through bilateral and multilateral negotiations involving all concerned parties;

Whereas the discussion of refugees in the Middle East generally centers on Palestinian refugees, even though estimates indicate that, as a result of the 1948 war in which numerous Arab armies attacked the newly-founded State of Israel, more Jews (approximately 850,000) were displaced from Arab countries than were Palestinians (approximately 726,000);

Whereas the United States has demonstrated interest and concern about the mistreatment, violation of rights, forced expulsion, and expropriation of assets of minority populations in general, and in particular, former Jewish refugees displaced from Arab countries, as evidenced, inter alia, by the following actions:

(1) A Memorandum of Understanding signed by President Jimmy Carter and Israeli Foreign Minister Moshe Dayan on October 4, 1977, states that "[a] solution of the problem of Arab refugees and Jewish refugees will be discussed in accordance with rules which should be agreed".

(2) After negotiating the Camp David Accords, the Framework for Peace in the Middle East, President Jimmy Carter stated in a press conference on October 27, 1977 that "Palestinians have rights . . . obviously there are Jewish refugees . . . they have the same rights as others do".

(3) In an interview with Israeli television immediately after the issue of the rights of Jews displaced from Arab lands was discussed at Camp David II in July 2000, President Clinton stated clearly that "[t]here will have to be some sort of international fund set up for the refugees. There is, I think, some interest, interestingly enough, on both sides, in also having a fund which compensates the Israelis who were made refugees by the war, which occurred after the birth of the State of Israel. Israel is full of people, Jewish people, who lived in predominantly Arab countries who came to Israel because they were made refugees in their own land.".

(4) In Senate Resolution 76, 85th Congress, agreed to January 29, 1957, the Senate—

(A) notes that individuals in Egypt who are tied by race, religion, or national origin with Israel, France, or the United Kingdom have been subjected to arrest, forced exile, confiscation of property, and other punishments although not charged with any crime; and

(B) requests the President to instruct the chief delegate to the United Nations to urge the prompt dispatch of a United Nations observer team to Egypt with a view to obtain a full factual report concerning this violation of rights.

(5) In House Concurrent Resolution 158, 85th Congress, Congress notes that the Government of Egypt had initiated a series of measures against the Jewish community, that many Jews were arrested as a result of such measures, that, beginning in November 1956, many Jews were expelled from Egypt, and that the Jews of Egypt faced sequestration of their goods and assets and denial or revocation of Egyptian citizenship, and resolves that the treatment of Jews in Egypt constituted "persecution on account of race, religious beliefs, or political opinions", further resolving that these issues should be raised by the United States either in the United Nations or by other appropriate means.

(6) Section 620 of H.R. 3100, 100th Congress, states that Congress finds that "with the notable exceptions of Morocco and Tunisia, those Jews remaining in Arab countries continue to suffer deprivations, degradations,

and hardships, and continue to live in peril" and that Congress calls upon the governments of those Arab countries where Jews still maintain a presence to guarantee their Jewish citizens full civil and human rights, including the right to lead full Jewish lives free of fear and to emigrate if they so choose;

Whereas, the seminal United Nations resolution on the Arab-Israeli conflict and other international initiatives refer generally to the plight of "refugees" and do not make any distinction between Palestinian and Jewish refugees, including the following:

(1) United Nations Security Council Resolution 242 of November 22, 1967, calls for a "just settlement of the refugee problem" without distinction between Palestinian and Jewish refugees. Justice Arthur Goldberg, the United States delegate to the United Nations at that time, has pointed out that "a notable omission in 242 is any reference to Palestinians, a Palestinian state on the West Bank or the PLO. The resolution addresses the objective of 'achieving a just settlement of the refugee problem.' This language presumably refers both to Arab and Jewish refugees, for about an equal number of each abandoned their homes as a result of the several wars".

(2) The Madrid Conference, which was first convened in October 1991 and was co-chaired by United States President George H.W. Bush and President of the U.S.S.R. Mikhail Gorbachev, included delegations from Spain, the European Community, the Netherlands, Egypt, Syria, and Lebanon, as well as a joint Jordanian-Palestinian delegation. In his opening remarks before the January 28, 1992, organizational meeting for multilateral negotiations on the Middle East in Moscow, United States Secretary of State James Baker made no distinction between Palestinian refugees and Jewish refugees in articulating the mission of the Refugee Working Group, stating that "[t]he refugee group will consider practical ways of improving the lot of people throughout the region who have been displaced from their homes".

(3) The Roadmap to a Permanent Two-State Solution to the Israeli-Palestinian Conflict, in referring to an "agreed, just fair, and realistic solution to the refugee issue," uses language that is equally applicable to all persons displaced as a result of the conflict in the Middle East;

Whereas Egypt, Jordan, and the Palestinians have affirmed that a comprehensive solution to the Middle East conflict will require a just solution to the plight of all "refugees" as evidenced by the following:

(1) The 1978 Camp David Accords, the Framework for Peace in the Middle East, includes a commitment by Egypt and Israel to "work with each other and with other interested parties to establish agreed procedures for a prompt, just and permanent resolution of the implementation of the refugee problem." The Treaty of Peace between Israel and Egypt, signed at Washington, D.C. March 26, 1979, in addition to general references to United Nations Security Council Resolution 242 as the basis for comprehensive peace in the region, provides in Article 8 that the "Parties agree to establish a claims commission for the mutual settlement of all financial claims," including those of former Christian and Jewish refugees displaced from Egypt.

(2) Article 8 of the Treaty of Peace Between the State of Israel and the Hashemite Kingdom of Jordan, done at Arava/Araba Crossing Point October 26, 1994, entitled "Refugees and Displaced Persons" recognizes "the massive human problems caused to both Parties by the conflict in the Middle East." The reference to massive human problems in a broad manner suggests that the plight of all refugees of "the conflict in the Middle East" includes Jewish refugees from Arab countries;

Whereas the United States is encouraged by recent statements by Libyan leader Muammar Qadhafi that he is ready to compensate Libyan Jews whose properties were confiscated and that he is prepared to allow Libyans to travel to Israel;

Whereas the Law of Administration for the State of Iraq for the Transitional Period, signed at Baghdad March 8, 2004, is a landmark document that enshrines the "right to freedom of thought, conscience, and religious belief and practice" that had long been denied to Iraqis and states that "the Transitional Government shall take steps to end the vestiges of the oppressive acts arising from," among other things, "forced displacement, deprivation of citizenship, [and] expropriation of financial assets and property"; and

Whereas, while progress is being made, continued emphasis needs to be placed on the rights and redress for Jewish refugees: Now, therefore, be it

Resolved,

SECTION 1. SENSE OF THE SENATE ON HUMAN RIGHTS AND REFUGEES.

It is the sense of the Senate that—

(1) the United States deplores the past and continuing violation of the human rights and religious freedoms of minority populations in Arab countries;

(2) with respect to Jews and Christians displaced from Arab countries, for any comprehensive Middle East peace agreement to be credible, durable, and enduring, constitute an end to conflict in the Middle East, and provide for finality of all claims, the agreement must address and resolve all outstanding issues, including the legitimate rights of all peoples displaced from Arab countries; and

(3) the United States will work to ensure that the provisions of both the Law of Administration for the State of Iraq for the Transitional Period, signed at Baghdad March 8, 2004, and the permanent constitution to be presented to the people of Iraq for approval in a general referendum no later than October 15, 2005—

(A) are universally applied to all groups forced to leave Iraq; and

(B) will rectify the historical injustices and discriminatory measures perpetrated by previous Iraqi regimes.

SEC. 2. UNITED STATES POLICY ON MIDDLE EAST REFUGEES.

The Senate urges the President to—

(1) instruct the United States Representative to the United Nations and all United States representatives in bilateral and multilateral fora that, when the United States considers or addresses resolutions that allude to the issue of Middle East refugees, the United States delegation should ensure that—

(A) the relevant text refers to the fact that multiple refugee populations have been caused by the Arab-Israeli conflict; and

(B) any explicit reference to the required resolution of the Palestinian refugee issue is matched by a similar explicit reference to the resolution of the issue of Jewish refugees from Arab countries; and

(2) make clear that the United States Government supports the position that, as an integral part of any comprehensive peace, the issue of refugees and the mass violations of human rights of minorities in Arab countries must be resolved in a manner that includes—

(A) redress for the legitimate rights of all refugees displaced from Arab countries; and

(B) recognition of the fact that Jewish and Christian property, schools, and community property was lost as a result of the Arab-Israeli conflict.

AMENDMENTS SUBMITTED & PROPOSED

SA 2937. Mr. GRASSLEY (for Ms. Snowe (for herself, Mr. Dodd, Mr. Hatch, Mr. Alexander, Mr. Carper, Mr. Bingaman, Mr. Rockefeller, Ms. Collins, Ms. Landrieu, Mrs. Murray, Mr. Jeffords, Mrs. Boxer, Mr. Chafee, Mrs. Lincoln, Mrs. Clinton, Ms. Mikulski, Mr. Coleman, Mr. Schumer, and Mr. Baucus)) proposed an amendment to the bill H.R. 4, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes.

SA 2938. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

SA 2939. Mr. KENNEDY (for himself and Mr. Daschle) submitted an amendment intended to be proposed by him to the bill H.R. 4, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes; which was ordered to lie on the table.

SA 2940. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 4, supra; which was ordered to lie on the table.

SA 2941. Mr. BAUCUS (for himself and Mr. Thomas) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

SA 2942. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill H.R. 4, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes; which was ordered to lie on the table.

SA 2943. Mr. CORNYN (for himself and Mr. Bingaman) submitted an amendment intended to be proposed by him to the bill H.R. 4, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2937. Mr. GRASSLEY (for Ms. Snowe (for herself, Mr. Dodd, Mr. Hatch, Mr. Alexander, Mr. Carper, Mr. Bingaman, Mr. Rockefeller, Ms. Collins, Ms. Landrieu, Mrs. Murray, Mr. Jeffords, Mrs. Boxer, Mr. Chafee, Mrs. Lincoln, Mrs. Clinton, Ms. Mikulski, Mr. Coleman, Mr. Schumer, and Mr. Baucus)) proposed an amendment to the bill H.R. 4, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes; as follows:

Beginning on page 255, strike line 18 and all that follows through page 257, line 2, and insert the following:

SEC. 116. FUNDING FOR CHILD CARE.

(a) Increase in Mandatory Funding.—Section 418(a)(3) (42 U.S.C. 618(a)(3)), as amended by section 4 of the Welfare Reform Extension Act of 2003 (Public Law 108–040, 117 Stat. 837), is amended—

(1) by striking “and” at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting “; and”; and

(3) by adding at the end the following:

“(G) $2,917,000,000 for each of fiscal years 2005 through 2009.”.

(b) Reservation of Child Care Funds.—

(1) In general.—Section 418(a)(4) (42 U.S.C. 618(a)(4)) is amended to read as follows:

“(4) Amounts reserved.—

“(A) Indian tribes.—

“(i) In general.—The Secretary shall reserve 2 percent of the aggregate amount appropriated to carry out this section for a fiscal year for payments to Indian tribes and tribal organizations for such fiscal year for the purpose of providing child care assistance.

“(ii) Application of CCDBG requirements.—Payments made under this subparagraph shall be subject to the requirements that apply to payments made to Indian tribes and tribal organizations under the Child Care and Development Block Grant Act of 1990.

“(B) Territories.—

“(i) Puerto rico.—The Secretary shall reserve 1.5 percent of the amount appropriated under paragraph (5)(A)(i) for a fiscal year for payments to the Commonwealth of Puerto Rico for such fiscal year for the purpose of providing child care assistance.

“(ii) Other territories.—The Secretary shall reserve 0.5 percent of the amount appropriated under paragraph (5)(A)(i) for a fiscal year for payments to Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands in amounts which bear the same ratio to such amount as the amounts allotted to such territories under section 658O of the Child Care and Development Block Grant Act of 1990 for the fiscal year bear to the total amount reserved under such section for that fiscal year.

“(iii) Application of CCDBG requirements.—Payments made under this subparagraph shall be subject to the requirements that apply to payments made to territories under the Child Care and Development Block Grant Act of 1990.”.

(2) Conforming amendment.—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)), as amended by section 108(b)(3), is amended by striking “or 413(f)” and inserting “413(f), or 418(a)(4)(B)”.

(c) Supplemental Grants.—Section 418(a) (42 U.S.C. 618(a)) is amended—

(1) by redesignating paragraph (5) as paragraph (7); and

(2) by inserting after paragraph (4), the following:

“(5) Supplemental grants.—

“(A) Appropriation.—

“(i) In general.—For supplemental grants under this section, there are appropriated—

“(I) $700,000,000 for fiscal year 2005;

“(II) $1,000,000,000 for fiscal year 2006;

“(III) $1,200,000,000 for fiscal year 2007;

“(IV) $1,400,000,000 for fiscal year 2008; and

“(V) $1,700,000,000 for fiscal year 2009.

“(ii) Availability.—Amounts appropriated under clause (i) for a fiscal year shall be in addition to amounts appropriated under paragraph (3) for such fiscal year and shall remain available without fiscal year limitation.

“(B) Supplemental grant.—In addition to the grants paid to a State under paragraphs (1) and (2) for each of fiscal years 2005 through 2009, the Secretary, after reserving the amounts described in subparagraphs (A) and (B) of paragraph (4) and subject to the requirements described in paragraph (6), shall pay each State an amount which bears the same ratio to the amount specified in subparagraph (A)(i) for the fiscal year (after such reservations), as the amount allotted to the State under paragraph (2)(B) for fiscal year 2003 bears to the amount allotted to all States under that paragraph for such fiscal year.

“(6) Requirements.—

“(A) Maintenance of effort.—A State may not be paid a supplemental grant under paragraph (5) for a fiscal year unless the State ensures that the level of State expenditures for child care for such fiscal year is not less than the sum of—

“(i) the level of State expenditures for child care that were matched under a grant made to the State under paragraph (2) for fiscal year 2003; and

“(ii) the level of State expenditures for child care that the State reported as maintenance of effort expenditures for purposes of paragraph (2) for fiscal year 2003.

“(B) Matching requirement for fiscal years 2008 and 2009.—With respect to the amount of the supplemental grant made to a State under paragraph (5) for each of fiscal years fiscal year 2008 and 2009 that is in excess of the amount of the grant made to the State under paragraph (5) for fiscal year 2007, subparagraph (C) of paragraph (2) shall apply to such excess amount in the same manner as such subparagraph applies to grants made under subparagraph (A) of paragraph (2) for each of fiscal years 2008 and 2009, respectively.

“(C) Redistribution.—In the case of a State that fails to satisfy the requirement of subparagraph (A) for a fiscal year, the supplemental grant determined under paragraph (5) for the State for that fiscal year shall be redistributed in accordance with paragraph (2)(D).”.

(d) Extension of Merchandise Processing Customs User Fees.—Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)), as amended by section 201 of the Military Family Tax Relief Act of 2003 (Public Law 108–121; 117 Stat. 1343), is amended—

(1) by striking “Fees” and inserting “(A) Except as provided in subparagraph (B), fees”; and

(2) by adding at the end the following:

“(B) Fees may not be charged under paragraphs (9) and (10) of subsection (a) after September 30, 2009.”.

SA 2938. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE VIII—ENERGY TAX INCENTIVES

Subtitle A—Conservation and Energy Efficiency Provisions

SEC. 801. CREDIT FOR CONSTRUCTION OF NEW ENERGY EFFICIENT HOME.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by this Act, is amended by adding at the end the following new section:

“SEC. 45K. NEW ENERGY EFFICIENT HOME CREDIT.

“(a) In General.—For purposes of section 38, in the case of an eligible contractor, the credit determined under this section for the taxable year is an amount equal to the aggregate adjusted bases of all energy efficient property installed in a qualifying new home during construction of such home.

“(b) Limitations.—

“(1) Maximum credit.—

“(A) In general.—The credit allowed by this section with respect to a qualifying new home shall not exceed—

“(i) in the case of a 30-percent home, $1,000, and

“(ii) in the case of a 50-percent home, $2,000.

“(B) 30- or 50-percent home.—For purposes of subparagraph (A)—

“(i) 30-percent home.—The term ‘30-percent home’ means—

“(I) a qualifying new home which is certified to have a projected level of annual heating and cooling energy consumption, measured in terms of average annual energy cost to the homeowner, which is at least 30 percent less than the annual level of heating and cooling energy consumption of a qualifying new home constructed in accordance with the latest standards of chapter 4 of the International Energy Conservation Code approved by the Department of Energy before the construction of such qualifying new home and any applicable Federal minimum efficiency standards for equipment, or

“(II) in the case of a qualifying new home which is a manufactured home, a home which meets the applicable standards required by the Administrator of the Environmental Protection Agency under the Energy Star Labeled Homes program.

“(ii) 50-percent home.—The term ‘50-percent home’ means a qualifying new home which would be described in clause (i)(I) if 50 percent were substituted for 30 percent.

“(C) Prior credit amounts on same home taken into account.—The amount of the credit otherwise allowable for the taxable year with respect to a qualifying new home under clause (i) or (ii) of subparagraph (A) shall be reduced by the sum of the credits allowed under subsection (a) to any taxpayer with respect to the home for all preceding taxable years.

“(2) Coordination with certain credits.—For purposes of this section—

“(A) the basis of any property referred to in subsection (a) shall be reduced by that portion of the basis of any property which is attributable to the rehabilitation credit (as determined under section 47(a)) or to the energy credit (as determined under section 48(a)), and

“(B) expenditures taken into account under section 25D, 47, or 48(a) shall not be taken into account under this section.

“(3) Provider limitation.—Any eligible contractor who directly or indirectly provides the guarantee of energy savings under a guarantee-based method of certification described in subsection (d)(1)(D) shall not be eligible to receive the credit allowed by this section.

"(c) Definitions.—For purposes of this section—

"(1) Eligible contractor.—The term 'eligible contractor' means—

"(A) the person who constructed the qualifying new home, or

"(B) in the case of a qualifying new home which is a manufactured home, the manufactured home producer of such home.

If more than 1 person is described in subparagraph (A) or (B) with respect to any qualifying new home, such term means the person designated as such by the owner of such home.

"(2) Energy efficient property.—The term 'energy efficient property' means any energy efficient building envelope component, and any energy efficient heating or cooling equipment or system which can, individually or in combination with other components, meet the requirements of this section.

"(3) Qualifying new home.—

"(A) In general.—The term 'qualifying new home' means a dwelling—

"(i) located in the United States,

"(ii) the construction of which is substantially completed after September 30, 2004, and

"(iii) the first use of which after construction is as a principal residence (within the meaning of section 121).

"(B) Manufactured home included.—The term 'qualifying new home' includes a manufactured home conforming to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

"(4) Construction.—The term 'construction' includes reconstruction and rehabilitation.

"(5) Building envelope component.—The term 'building envelope component' means—

"(A) any insulation material or system which is specifically and primarily designed to reduce the heat loss or gain of a qualifying new home when installed in or on such home,

"(B) exterior windows (including skylights), and

"(C) exterior doors.

"(d) Certification.—

"(1) Method of certification.—

"(A) In general.—A certification described in subsection (b)(1)(B) shall be determined either by a component-based method, a performance-based method, or a guarantee-based method, or, in the case of a qualifying new home which is a manufactured home, by a method prescribed by the Administrator of the Environmental Protection Agency under the Energy Star Labeled Homes program.

"(B) Component-based method.—A component-based method is a method which uses the applicable technical energy efficiency specifications or ratings (including product labeling requirements) for the energy efficient building envelope component or energy efficient heating or cooling equipment. The Secretary shall, in consultation with the Administrator of the Environmental Protection Agency, develop prescriptive component-based packages which are equivalent in energy performance to properties which qualify under subparagraph (C).

"(C) Performance-based method.—

"(i) In general.—A performance-based method is a method which calculates projected energy usage and cost reductions in the qualifying new home in relation to a new home—

"(I) heated by the same fuel type, and

"(II) constructed in accordance with the latest standards of chapter 4 of the International Energy Conservation Code approved by the Department of Energy before the construction of such qualifying new home and any applicable Federal minimum efficiency standards for equipment.

"(ii) Computer software.—Computer software shall be used in support of a performance-based method certification under clause (i). Such software shall meet procedures and methods for calculating energy and cost savings in regulations promulgated by the Secretary of Energy.

"(D) Guarantee-based method.—

"(i) In general.—A guarantee-based method is a method which guarantees in writing to the homeowner energy savings of either 30 percent or 50 percent over the 2000 International Energy Conservation Code for heating and cooling costs. The guarantee shall be provided for a minimum of 2 years and shall fully reimburse the homeowner any heating and cooling costs in excess of the guaranteed amount.

"(ii) Computer software.—Computer software shall be selected by the provider to support the guarantee-based method certification under clause (i). Such software shall meet procedures and methods for calculating energy and cost savings in regulations promulgated by the Secretary of Energy.

"(2) Provider.—A certification described in subsection (b)(1)(B) shall be provided by—

"(A) in the case of a component-based method, a local building regulatory authority, a utility, or a home energy rating organization,

"(B) in the case of a performance-based method or a guarantee-based method, an individual recognized by an organization designated by the Secretary for such purposes, or

"(C) in the case of a qualifying new home which is a manufactured home, a manufactured home primary inspection agency.

"(3) Form.—

"(A) In general.—A certification described in subsection (b)(1)(B) shall be made in writing in a manner which specifies in readily verifiable fashion the energy efficient building envelope components and energy efficient heating or cooling equipment installed and their respective rated energy efficiency performance, and

"(i) in the case of a performance-based method, accompanied by a written analysis documenting the proper application of a permissible energy performance calculation method to the specific circumstances of such qualifying new home, and

"(ii) in the case of a qualifying new home which is a manufactured home, accompanied by such documentation as required by the Administrator of the Environmental Protection Agency under the Energy Star Labeled Homes program.

"(B) Form provided to buyer.—A form documenting the energy efficient building envelope components and energy efficient heating or cooling equipment installed and their rated energy efficiency performance shall be provided to the buyer of the qualifying new home. The form shall include labeled R-value for insulation products, NFRC-labeled U-factor and solar heat gain coefficient for windows, skylights, and doors, labeled annual fuel utilization efficiency (AFUE) ratings for furnaces and boilers, labeled heating seasonal performance factor (HSPF) ratings for electric heat pumps, and labeled seasonal energy efficiency ratio (SEER) ratings for air conditioners.

"(C) Ratings label affixed in dwelling.—A permanent label documenting the ratings in subparagraph (B) shall be affixed to the front of the electrical distribution panel of the qualifying new home, or shall be otherwise permanently displayed in a readily inspectable location in such home.

"(4) Regulations.—

"(A) In general.—In prescribing regulations under this subsection for performance-based and guarantee-based certification methods, the Secretary shall prescribe procedures for calculating annual energy usage and cost reductions for heating and cooling and for the reporting of the results. Such regulations shall—

"(i) provide that any calculation procedures be fuel neutral such that the same energy efficiency measures allow a qualifying new home to be eligible for the credit under this section regardless of whether such home uses a gas or oil furnace or boiler or an electric heat pump, and

"(ii) require that any computer software allow for the printing of the Federal tax forms necessary for the credit under this section and for the printing of forms for disclosure to the homebuyer.

"(B) Providers.—For purposes of paragraph (2)(B), the Secretary shall establish requirements for the designation of individuals based on the requirements for energy consultants and home energy raters specified by the Mortgage Industry National Home Energy Rating Standards.

"(e) Application.—Subsection (a) shall apply to qualifying new homes the construction of which is substantially completed after September 30, 2004, and purchased during the period beginning on such date and ending on—

"(1) in the case of any 30-percent home, December 31, 2005, and

"(2) in the case of any 50-percent home, December 31, 2007.".

(b) Credit Made Part of General Business Credit.—Section 38(b) (relating to current year business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (20), by striking the period at the end of paragraph (21) and inserting ", plus", and by adding at the end the following new paragraph:

"(22) the new energy efficient home credit determined under section 45K(a).".

(c) Denial of Double Benefit.—Section 280C (relating to certain expenses for which credits are allowable) is amended by adding at the end the following new subsection:

"(d) New Energy Efficient Home Expenses.—No deduction shall be allowed for that portion of expenses for a qualifying new home otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45K(a).".

(d) Limitation on Carryback.—Section 39(d) (relating to transition rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(16) No carryback of new energy efficient home credit before effective date.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 45K may be carried back to any taxable year ending before October 1, 2004.".

(e) Deduction for Certain Unused Business Credits.—Section 196(c) (defining qualified business credits) is amended by striking "and" at the end of paragraph (9), by striking the period at the end of paragraph (10) and inserting ", and", and by adding after paragraph (10) the following new paragraph:

"(11) the new energy efficient home credit determined under section 45K(a).".

(f) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45K. New energy efficient home credit.".

(g) Effective Date.—The amendments made by this section shall apply to homes the construction of which is substantially completed after September 30, 2004.

SEC. 802. CREDIT FOR ENERGY EFFICIENT APPLIANCES.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45L. ENERGY EFFICIENT APPLIANCE CREDIT.

"(a) Allowance of Credit.—

"(1) In general.—For purposes of section 38, the energy efficient appliance credit determined under this section for the taxable year is an amount equal to the sum of the amounts determined under paragraph (2) for qualified energy efficient appliances produced by the taxpayer during the calendar year ending with or within the taxable year.

"(2) Amount.—The amount determined under this paragraph for any category described in subsection (b)(2)(B) shall be the product of the applicable amount for appliances in the category and the eligible production for the category.

"(b) Applicable Amount; Eligible Production.—For purposes of subsection (a)—

"(1) Applicable amount.—The applicable amount is—

"(A) $50, in the case of—

"(i) a clothes washer which is manufactured with at least a 1.42 MEF, or

"(ii) a refrigerator which consumes at least 10 percent less kilowatt hours per year than the energy conservation standards for refrigerators promulgated by the Department of Energy and effective on July 1, 2001,

"(B) $100, in the case of—

"(i) a clothes washer which is manufactured with at least a 1.50 MEF, or

"(ii) a refrigerator which consumes at least 15 percent (20 percent in the case of a refrigerator manufactured after 2006) less kilowatt hours per year than such energy conservation standards, and

"(C) $150, in the case of a refrigerator manufactured before 2007 which consumes at least 20 percent less kilowatt hours per year than such energy conservation standards.

"(2) Eligible production.—

"(A) In general.—The eligible production of each category of qualified energy efficient appliances is the excess of—

"(i) the number of appliances in such category which are produced by the taxpayer during such calendar year, over

"(ii) the average number of appliances in such category which were produced by the taxpayer during calendar years 2000, 2001, and 2002.

"(B) Categories.—For purposes of subparagraph (A), the categories are—

"(i) clothes washers described in paragraph (1)(A)(i),

"(ii) clothes washers described in paragraph (1)(B)(i),

"(iii) refrigerators described in paragraph (1)(A)(ii),

"(iv) refrigerators described in paragraph (1)(B)(ii), and

"(v) refrigerators described in paragraph (1)(C).

"(c) Limitation on Maximum Credit.—

"(1) In general.—The amount of credit allowed under subsection (a) with respect to a taxpayer for all taxable years shall not exceed $60,000,000, of which not more than $30,000,000 may be allowed with respect to the credit determined by using the applicable amount under subsection (b)(1)(A).

"(2) Limitation based on gross receipts.—The credit allowed under subsection (a) with respect to a taxpayer for the taxable year shall not exceed an amount equal to 2 percent of the average annual gross receipts of the taxpayer for the 3 taxable years preceding the taxable year in which the credit is determined.

"(3) Gross receipts.—For purposes of this subsection, the rules of paragraphs (2) and (3) of section 448(c) shall apply.

"(d) Definitions.—For purposes of this section—

"(1) Qualified energy efficient appliance.—The term 'qualified energy efficient appliance' means—

"(A) a clothes washer described in subparagraph (A)(i) or (B)(i) of subsection (b)(1), or

"(B) a refrigerator described in subparagraph (A)(ii), (B)(ii), or (C) of subsection (b)(1).

"(2) Clothes washer.—The term 'clothes washer' means a residential clothes washer, including a residential style coin operated washer.

"(3) Refrigerator.—The term 'refrigerator' means an automatic defrost refrigerator-freezer which has an internal volume of at least 16.5 cubic feet.

"(4) MEF.—The term 'MEF' means Modified Energy Factor (as determined by the Secretary of Energy).

"(e) Special Rules.—

"(1) In general.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply for purposes of this section.

"(2) Aggregation rules.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as 1 person for purposes of subsection (a).

"(f) Verification.—The taxpayer shall submit such information or certification as the Secretary, in consultation with the Secretary of Energy, determines necessary to claim the credit amount under subsection (a).

"(g) Termination.—This section shall not apply—

"(1) with respect to refrigerators described in subsection (b)(1)(A)(ii) produced after December 31, 2004, and

"(2) with respect to all other qualified energy efficient appliances produced after December 31, 2007.".

(b) Credit Made Part of General Business Credit.—Section 38(b) (relating to current year business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (21), by striking the period at the end of paragraph (22) and inserting ", plus", and by adding at the end the following new paragraph:

"(23) the energy efficient appliance credit determined under section 45L(a).".

(c) Limitation on Carryback.—Section 39(d) (relating to transition rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(17) No carryback of energy efficient appliance credit before effective date.—No portion of the unused business credit for any taxable year which is attributable to the energy efficient appliance credit determined under section 45L may be carried to a taxable year ending before October 1, 2004.".

(d) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45L. Energy efficient appliance credit.".

(e) Effective Date.—The amendments made by this section shall apply to appliances produced after September 30, 2004, in taxable years ending after such date.

SEC. 803. CREDIT FOR RESIDENTIAL ENERGY EFFICIENT PROPERTY.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following new section:

"SEC. 25C. RESIDENTIAL ENERGY EFFICIENT PROPERTY.

"(a) Allowance of Credit.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 15 percent of the qualified photovoltaic property expenditures made by the taxpayer during such year,

"(2) 15 percent of the qualified solar water heating property expenditures made by the taxpayer during such year,

"(3) 30 percent of the qualified fuel cell property expenditures made by the taxpayer during such year,

"(4) 30 percent of the qualified wind energy property expenditures made by the taxpayer during such year, and

"(5) the sum of the qualified Tier 2 energy efficient building property expenditures made by the taxpayer during such year.

"(b) Limitations.—

"(1) Maximum credit.—The credit allowed under subsection (a) shall not exceed—

"(A) $2,000 for property described in paragraph (1), (2), or (5) of subsection (d),

"(B) $500 for each 0.5 kilowatt of capacity of property described in subsection (d)(4), and

"(C) for property described in subsection (d)(6)—

"(i) $150 for each electric heat pump water heater,

"(ii) $125 for each advanced natural gas, oil, propane furnace, or hot water boiler,

"(iii) $150 for each advanced natural gas, oil, or propane water heater,

"(iv) $50 for each natural gas, oil, or propane water heater,

"(v) $50 for an advanced main air circulating fan,

"(vi) $150 for each advanced combination space and water heating system,

"(vii) $50 for each combination space and water heating system, and

"(viii) $250 for each geothermal heat pump.

"(2) Safety certifications.—No credit shall be allowed under this section for an item of property unless—

"(A) in the case of solar water heating property, such property is certified for performance and safety by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which such property is installed,

"(B) in the case of a photovoltaic property, a fuel cell property, or a wind energy property, such property meets appropriate fire and electric code requirements, and

"(C) in the case of property described in subsection (d)(6), such property meets the performance and quality standards, and the certification requirements (if any), which—

"(i) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy or the Administrator of the Environmental Protection Agency, as appropriate),

"(ii) in the case of the energy efficiency ratio (EER) for property described in subsection (d)(6)(B)(viii)—

"(I) require measurements to be based on published data which is tested by manufacturers at 95 degrees Fahrenheit, and

"(II) do not require ratings to be based on certified data of the Air Conditioning and Refrigeration Institute, and

"(iii) are in effect at the time of the acquisition of the property.

"(c) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and section 25D), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED SOLAR WATER HEATING PROPERTY EXPENDITURE.—The term 'qualified solar water heating property expenditure' means an expenditure for property to heat water for use in a dwelling unit located in the United States and used as a residence by the taxpayer if at least half of the energy used by such property for such purpose is derived from the sun.

"(2) QUALIFIED PHOTOVOLTAIC PROPERTY EXPENDITURE.—The term 'qualified photovoltaic property expenditure' means an expenditure for property which uses solar energy to generate electricity for use in a dwelling unit located in the United States and used as a residence by the taxpayer.

"(3) SOLAR PANELS.—No expenditure relating to a solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as property described in paragraph (1) or (2) solely because it constitutes a structural component of the structure on which it is installed.

"(4) QUALIFIED FUEL CELL PROPERTY EXPENDITURE.—The term 'qualified fuel cell property expenditure' means an expenditure for qualified fuel cell property (as defined in section 48(a)(4)) installed on or in connection with a dwelling unit located in the United States and used as a principal residence (within the meaning of section 121) by the taxpayer.

"(5) QUALIFIED WIND ENERGY PROPERTY EXPENDITURE.—The term 'qualified wind energy property expenditure' means an expenditure for property which uses wind energy to generate electricity for use in a dwelling unit located in the United States and used as a residence by the taxpayer.

"(6) QUALIFIED TIER 2 ENERGY EFFICIENT BUILDING PROPERTY EXPENDITURE.—

"(A) IN GENERAL.—The term 'qualified Tier 2 energy efficient building property expenditure' means an expenditure for any Tier 2 energy efficient building property.

"(B) TIER 2 ENERGY EFFICIENT BUILDING PROPERTY.—The term 'Tier 2 energy efficient building property' means—

"(i) an electric heat pump water heater which yields an energy factor of at least 1.7 in the standard Department of Energy test procedure,

"(ii) an advanced natural gas, oil, propane furnace, or hot water boiler which achieves at least 95 percent annual fuel utilization efficiency (AFUE),

"(iii) an advanced natural gas, oil, or propane water heater which has an energy factor of at least 0.80 in the standard Department of Energy test procedure,

"(iv) a natural gas, oil, or propane water heater which has an energy factor of at least 0.65 but less than 0.80 in the standard Department of Energy test procedure,

"(v) an advanced main air circulating fan used in a new natural gas, propane, or oil-fired furnace, including main air circulating fans that use a brushless permanent magnet motor or another type of motor which achieves similar or higher efficiency at half and full speed, as determined by the Secretary,

"(vi) an advanced combination space and water heating system which has a combined energy factor of at least 0.80 and a combined annual fuel utilization efficiency (AFUE) of at least 78 percent in the standard Department of Energy test procedure,

"(vii) a combination space and water heating system which has a combined energy factor of at least 0.65 but less than 0.80 and a combined annual fuel utilization efficiency (AFUE) of at least 78 percent in the standard Department of Energy test procedure, and

"(viii) a geothermal heat pump which has an energy efficiency ratio (EER) of at least 21.

"(7) LABOR COSTS.—Expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property described in paragraph (1), (2), (4), (5), or (6) and for piping or wiring to interconnect such property to the dwelling unit shall be taken into account for purposes of this section.

"(8) SWIMMING POOLS, ETC., USED AS STORAGE MEDIUM.—Expenditures which are properly allocable to a swimming pool, hot tub, or any other energy storage medium which has a function other than the function of such storage shall not be taken into account for purposes of this section.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following rules shall apply:

"(A) The amount of the credit allowable, under subsection (a) by reason of expenditures (as the case may be) made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable, with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which the individual owns, such individual shall be treated as having made the individual's proportionate share of any expenditures of such association.

"(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term ''condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) ALLOCATION IN CERTAIN CASES.—Except in the case of qualified wind energy property expenditures, if less than 80 percent of the use of an item is for nonbusiness purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness purposes shall be taken into account.

"(5) WHEN EXPENDITURE MADE; AMOUNT OF EXPENDITURE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when the original installation of the item is completed.

"(B) EXPENDITURES PART OF BUILDING CONSTRUCTION.—In the case of an expenditure in connection with the construction or reconstruction of a structure, such expenditure shall be treated as made when the original use of the constructed or reconstructed structure by the taxpayer begins.

"(C) AMOUNT.—The amount of any expenditure shall be the cost thereof.

"(6) PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING.—For purposes of determining the amount of expenditures made by any individual with respect to any dwelling unit, there shall not be taken into account expenditures which are made from subsidized energy financing (as defined in section 48(a)(5)(C)).

"(f) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(g) TERMINATION.—The credit allowed under this section shall not apply to expenditures after December 31, 2007.".

(b) CREDIT ALLOWED AGAINST REGULAR TAX AND ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 25C(b), as added by subsection (a), is amended by adding at the end the following new paragraph:

"(3) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this subpart (other than this section and section 25D) and section 27 for the taxable year.".

(2) CONFORMING AMENDMENTS.—

(A) Section 25C(c), as added by subsection (a), is amended by striking "section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and section 25D)" and inserting "subsection (b)(3)".

(B) Section 23(b)(4)(B) is amended by inserting "and section 25C" after "this section".

(C) Section 24(b)(3)(B) is amended by striking "23 and 25B" and inserting "23, 25B, and 25C".

(D) Section 25(e)(1)(C) is amended by inserting "25C," after "25B,".

(E) Section 25B(g)(2) is amended by striking "section 23" and inserting "sections 23 and 25C".

(F) Section 26(a)(1) is amended by striking "and 25B" and inserting "25B, and 25C".

(G) Section 904(h) is amended by striking "and 25B" and inserting "25B, and 25C".

(H) Section 1400C(d) is amended by striking "and 25B" and inserting "25B, and 25C".

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (30), by striking the period at the end of paragraph (31) and inserting ", and", and by adding at the end the following new paragraph:

"(32) to the extent provided in section 25C(f), in the case of amounts with respect to which a credit has been allowed under section 25C.".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25B the following new item:

"Sec. 25C. Residential energy efficient property.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall apply to expenditures after September 30, 2004, in taxable years ending after such date.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to taxable years beginning after September 30, 2004.

SEC. 804. CREDIT FOR BUSINESS INSTALLATION OF QUALIFIED FUEL CELLS AND STATIONARY MICROTURBINE POWER PLANTS.

(a) IN GENERAL.—Section 48(a)(3)(A) (defining energy property) is amended by striking "or" at the end of clause (i), by adding "or" at the end of clause (ii), and by inserting after clause (ii) the following new clause:

"(iii) qualified fuel cell property or qualified microturbine property,".

(b) QUALIFIED FUEL CELL PROPERTY; QUALIFIED MICROTURBINE PROPERTY.—Section 48(a) (relating to energy credit) is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) QUALIFIED FUEL CELL PROPERTY; QUALIFIED MICROTURBINE PROPERTY.—For purposes of this subsection—

"(A) QUALIFIED FUEL CELL PROPERTY.—

"(i) IN GENERAL.—The term 'qualified fuel cell property' means a fuel cell power plant which—

"(I) generates at least 0.5 kilowatt of electricity using an electrochemical process, and

"(II) has an electricity-only generation efficiency greater than 30 percent.

"(ii) LIMITATION.—In the case of qualified fuel cell property placed in service during the taxable year, the credit otherwise determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal to $500 for each 0.5 kilowatt of capacity of such property.

"(iii) FUEL CELL POWER PLANT.—The term 'fuel cell power plant' means an integrated system comprised of a fuel cell stack assembly and associated balance of plant components which converts a fuel into electricity using electrochemical means.

"(iv) TERMINATION.—The term 'qualified fuel cell property' shall not include any property placed in service after December 31, 2007.

"(B) QUALIFIED MICROTURBINE PROPERTY.—

"(i) IN GENERAL.—The term 'qualified microturbine property' means a stationary microturbine power plant which—

"(I) has a capacity of less than 2,000 kilowatts, and

"(II) has an electricity-only generation efficiency of not less than 26 percent at International Standard Organization conditions.

"(ii) LIMITATION.—In the case of qualified microturbine property placed in service during the taxable year, the credit otherwise determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal $200 for each kilowatt of capacity of such property.

"(iii) STATIONARY MICROTURBINE POWER PLANT.—The term 'stationary microturbine power plant' means an integrated system comprised of a gas turbine engine, a combustor, a recuperator or regenerator, a generator or alternator, and associated balance of plant components which converts a fuel into electricity and thermal energy. Such term also includes all secondary components located between the existing infrastructure for fuel delivery and the existing infrastructure for power distribution, including equipment and controls for meeting relevant power standards, such as voltage, frequency, and power factors.

"(iv) TERMINATION.—The term 'qualified microturbine property' shall not include any property placed in service after December 31, 2006.".

(c) ENERGY PERCENTAGE.—Section 48(a)(2)(A) (relating to energy percentage) is amended to read as follows:

"(A) IN GENERAL.—The energy percentage is—

"(i) in the case of qualified fuel cell property, 30 percent, and

"(ii) in the case of any other energy property, 10 percent.".

(d) CONFORMING AMENDMENTS.—

(A) Section 29(b)(3)(A)(i)(III) is amended by striking "section 48(a)(4)(C)" and inserting "section 48(a)(5)(C)".

(B) Section 48(a)(1) is amended by inserting "except as provided in subparagraph (A)(ii) or (B)(ii) of paragraph (4)," before "the energy".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after September 30, 2004, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 805. ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 179A the following new section:

"SEC. 179B. ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

"(a) IN GENERAL.—There shall be allowed as a deduction for the taxable year in which a building is placed in service by a taxpayer, an amount equal to the energy efficient commercial building property expenditures made by such taxpayer with respect to the construction or reconstruction of such building for the taxable year or any preceding taxable year.

"(b) MAXIMUM AMOUNT OF DEDUCTION.—The amount of energy efficient commercial building property expenditures taken into account under subsection (a) shall not exceed an amount equal to the product of—

"(1) $2.25, and

"(2) the square footage of the building with respect to which the expenditures are made.

"(c) ENERGY EFFICIENT COMMERCIAL BUILDING PROPERTY EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'energy efficient commercial building property expenditures' means amounts paid or incurred for energy efficient property installed on or in connection with the construction or reconstruction of a building—

"(A) for which depreciation is allowable under section 167,

"(B) which is located in the United States, and

"(C) which is the type of structure to which the Standard 90.1-2001 of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering Society of North America is applicable.

Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

"(2) ENERGY EFFICIENT PROPERTY.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The term 'energy efficient property' means any property which reduces total annual energy and power costs with respect to the lighting, heating, cooling, ventilation, and hot water supply systems of the building by 50 percent or more in comparison to a building which meets the minimum requirements of Standard 90.1-2001 of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering Society of North America, using methods of calculation described in subparagraph (B) and certified by qualified individuals as provided under paragraph (5).

"(B) METHODS OF CALCULATION.—The Secretary, in consultation with the Secretary of Energy, shall promulgate regulations which describe in detail methods for calculating and verifying energy and power costs.

"(C) COMPUTER SOFTWARE.—

"(i) IN GENERAL.—Any calculation described in subparagraph (B) shall be prepared by qualified computer software.

"(ii) QUALIFIED COMPUTER SOFTWARE.—For purposes of this subparagraph, the term 'qualified computer software' means software—

"(I) for which the software designer has certified that the software meets all procedures and detailed methods for calculating energy and power costs as required by the Secretary,

"(II) which provides such forms as required to be filed by the Secretary in connection with energy efficiency of property and the deduction allowed under this section, and

"(III) which provides a notice form which summarizes the energy efficiency features of the building and its projected annual energy costs.

"(3) ALLOCATION OF DEDUCTION FOR PUBLIC PROPERTY.—In the case of energy efficient commercial building property expenditures made by a public entity with respect to the construction or reconstruction of a public building, the Secretary shall promulgate regulations under which the value of the deduction with respect to such expenditures which would be allowable to the public entity under this section (determined without regard to the tax-exempt status of such entity) may be allocated to the person primarily responsible for designing the energy efficient property. Such person shall be treated as the taxpayer for purposes of this section.

"(4) Notice to owner.—Any qualified individual providing a certification under paragraph (5) shall provide an explanation to the owner of the building regarding the energy efficiency features of the building and its projected annual energy costs as provided in the notice under paragraph (2)(C)(ii)(III).

"(5) Certification.—

"(A) In general.—The Secretary shall prescribe procedures for the inspection and testing for compliance of buildings by qualified individuals described in subparagraph (B). Such procedures shall be—

"(i) comparable, given the difference between commercial and residential buildings, to the requirements in the Mortgage Industry National Home Energy Rating Standards, and

"(ii) fuel neutral such that the same energy efficiency measures allow a building to be eligible for the credit under this section regardless of whether such building uses a gas or oil furnace or boiler or an electric heat pump.

"(B) Qualified individuals.—Individuals qualified to determine compliance shall be only those individuals who are recognized by an organization certified by the Secretary for such purposes. The Secretary may qualify a home energy ratings organization, a local building regulatory authority, a State or local energy office, a utility, or any other organization which meets the requirements prescribed under this paragraph.

"(C) Proficiency of qualified individuals.—The Secretary shall consult with nonprofit organizations and State agencies with expertise in energy efficiency calculations and inspections to develop proficiency tests and training programs to qualify individuals to determine compliance.

"(d) Basis Reduction.—For purposes of this subtitle, if a deduction is allowed under this section with respect to any energy efficient property, the basis of such property shall be reduced by the amount of the deduction so allowed.

"(e) Regulations.—The Secretary shall promulgate such regulations as necessary to take into account new technologies regarding energy efficiency and renewable energy for purposes of determining energy efficiency and savings under this section.

"(f) Termination.—This section shall not apply with respect to any energy efficient commercial building property expenditures in connection with a building the construction of which is not completed on or before December 31, 2009.".

(b) Conforming Amendments.—

(1) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (31), by striking the period at the end of paragraph (32) and inserting ", and", and by adding at the end the following new paragraph:

"(33) to the extent provided in section 179B(d).".

(2) Section 1245(a) is amended by inserting "179B," after "179A," both places it appears in paragraphs (2)(C) and (3)(C).

(3) Section 1250(b)(3) is amended by inserting before the period at the end of the first sentence "or by section 179B".

(4) Section 263(a)(1) is amended by striking "or" at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting ", or", and by inserting after subparagraph (H) the following new subparagraph:

"(I) expenditures for which a deduction is allowed under section 179B.".

(5) Section 312(k)(3)(B) is amended by striking "or 179A" each place it appears in the heading and text and inserting ", 179A, or 179B".

(c) Clerical Amendment.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after section 179A the following new item:

"Sec. 179B. Energy efficient commercial buildings deduction.".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after September 30, 2004.

SEC. 806. THREE-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF QUALIFIED ENERGY MANAGEMENT DEVICES.

(a) In General.—Section 168(e)(3)(A) (defining 3-year property) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) any qualified energy management device.".

(b) Definition of Qualified Energy Management Device.—Section 168(i) (relating to definitions and special rules) is amended by inserting at the end the following new paragraph:

"(15) Qualified energy management device.—

"(A) In general.—The term 'qualified energy management device' means any energy management device which is placed in service before January 1, 2008, by a taxpayer who is a supplier of electric energy or a provider of electric energy services.

"(B) Energy management device.—For purposes of subparagraph (A), the term 'energy management device' means any meter or metering device which is used by the taxpayer—

"(i) to measure and record electricity usage data on a time-differentiated basis in at least 4 separate time segments per day, and

"(ii) to provide such data on at least a monthly basis to both consumers and the taxpayer.".

(c) Effective Date.—The amendments made by this section shall apply to property placed in service after September 30, 2004, in taxable years ending after such date.

SEC. 807. THREE-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF QUALIFIED WATER SUBMETERING DEVICES.

(a) In General.—Section 168(e)(3)(A) (defining 3-year property), as amended by this Act, is amended by striking "and" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", and", and by adding at the end the following new clause:

"(v) any qualified water submetering device.".

(b) Definition of Qualified Water Submetering Device.—Section 168(i) (relating to definitions and special rules), as amended by this Act, is amended by inserting at the end the following new paragraph:

"(16) Qualified water submetering device.—

"(A) In general.—The term 'qualified water submetering device' means any water submetering device which is placed in service before January 1, 2008, by a taxpayer who is an eligible resupplier with respect to the unit for which the device is placed in service.

"(B) Water submetering device.—For purposes of this paragraph, the term 'water submetering device' means any submetering device which is used by the taxpayer—

"(i) to measure and record water usage data, and

"(ii) to provide such data on at least a monthly basis to both consumers and the taxpayer.

"(C) Eligible resupplier.—For purposes of subparagraph (A), the term 'eligible resupplier' means any taxpayer who purchases and installs qualified water submetering devices in every unit in any multi-unit property.".

(c) Effective Date.—The amendments made by this section shall apply to property placed in service after September 30, 2004, in taxable years ending after such date.

SEC. 808. ENERGY CREDIT FOR COMBINED HEAT AND POWER SYSTEM PROPERTY.

(a) In General.—Section 48(a)(3)(A) (defining energy property), as amended by this Act, is amended by striking "or" at the end of clause (ii), by adding "or" at the end of clause (iii), and by inserting after clause (iii) the following new clause:

"(iv) combined heat and power system property,".

(b) Combined Heat and Power System Property.—Section 48(a) (relating to energy credit), as amended by this Act, is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) Combined heat and power system property.—For purposes of this subsection—

"(A) Combined heat and power system property.—The term 'combined heat and power system property' means property comprising a system—

"(i) which uses the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with the generation of steam or other forms of useful thermal energy (including heating and cooling applications),

"(ii) which has an electrical capacity of more than 50 kilowatts or a mechanical energy capacity of more than 67 horsepower or an equivalent combination of electrical and mechanical energy capacities,

"(iii) which produces—

"(I) at least 20 percent of its total useful energy in the form of thermal energy which is not used to produce electrical or mechanical power (or combination thereof), and

"(II) at least 20 percent of its total useful energy in the form of electrical or mechanical power (or combination thereof),

"(iv) the energy efficiency percentage of which exceeds 60 percent (70 percent in the case of a system with an electrical capacity in excess of 50 megawatts or a mechanical energy capacity in excess of 67,000 horsepower, or an equivalent combination of electrical and mechanical energy capacities), and

"(v) which is placed in service before January 1, 2007.

"(B) Special rules.—

"(i) Energy efficiency percentage.—For purposes of subparagraph (A)(iv), the energy efficiency percentage of a system is the fraction—

"(I) the numerator of which is the total useful electrical, thermal, and mechanical power produced by the system at normal operating rates, and expected to be consumed in its normal application, and

"(II) the denominator of which is the lower heating value of the primary fuel source for the system.

"(ii) Determinations made on Btu basis.—The energy efficiency percentage and the percentages under subparagraph (A)(iii) shall be determined on a Btu basis.

"(iii) INPUT AND OUTPUT PROPERTY NOT INCLUDED.—The term 'combined heat and power system property' does not include property used to transport the energy source to the facility or to distribute energy produced by the facility.

"(iv) PUBLIC UTILITY PROPERTY.—

"(I) ACCOUNTING RULE FOR PUBLIC UTILITY PROPERTY.—If the combined heat and power system property is public utility property (as defined in section 168(i)(10)), the taxpayer may only claim the credit under this subsection if, with respect to such property, the taxpayer uses a normalization method of accounting.

"(II) CERTAIN EXCEPTION NOT TO APPLY.—The matter following paragraph (3)(D) shall not apply to combined heat and power system property.

"(v) NONAPPLICATION OF CERTAIN RULES.—For purposes of determining if the term 'combined heat and power system property' includes technologies which generate electricity or mechanical power using back-pressure steam turbines in place of existing pressure-reducing valves or which make use of waste heat from industrial processes such as by using organic rankin, stirling, or kalina heat engine systems, subparagraph (A) shall be applied without regard to clauses (i), (iii), and (iv) thereof.

"(C) EXTENSION OF DEPRECIATION RECOVERY PERIOD.—If a taxpayer is allowed a credit under this section for a combined heat and power system property which has a class life of 15 years or less under section 168, such property shall be treated as having a 22-year class life for purposes of section 168.".

(c) LIMITATION ON CARRYBACK.—Section 39(d) (relating to transition rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(18) NO CARRYBACK OF ENERGY CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the energy credit with respect to property described in section 48(a)(5) may be carried back to a taxable year ending before October 1, 2004.".

(d) CONFORMING AMENDMENTS.—

(A) Section 25C(e)(6), as added by this Act, is amended by striking "section 48(a)(5)(C)" and inserting "section 48(a)(6)(C)".

(B) Section 29(b)(3)(A)(i)(III), as amended by this Act, is amended by striking "section 48(a)(5)(C)" and inserting "section 48(a)(6)(C)".

(e) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after September 30, 2004, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 809. CREDIT FOR ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by this Act, is amended by inserting after section 25C the following new section:

"SEC. 25D. ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during such taxable year.

"(b) LIMITATION.—The credit allowed by this section with respect to a dwelling for any taxable year shall not exceed $300, reduced (but not below zero) by the sum of the credits allowed under subsection (a) to the taxpayer with respect to the dwelling for all preceding taxable years.

"(c) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

"(d) QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS.—For purposes of this section, the term 'qualified energy efficiency improvements' means any energy efficient building envelope component which is certified to meet or exceed the latest prescriptive criteria for such component in the International Energy Conservation Code approved by the Department of Energy before the installation of such component, or any combination of energy efficiency measures which are certified as achieving at least a 30 percent reduction in heating and cooling energy usage for the dwelling (as measured in terms of energy cost to the taxpayer), if—

"(1) such component or combination of measures is installed in or on a dwelling which—

"(A) is located in the United States,

"(B) has not been treated as a qualifying new home for purposes of any credit allowed under section 45K, and

"(C) is owned and used by the taxpayer as the taxpayer's principal residence (within the meaning of section 121),

"(2) the original use of such component or combination of measures commences with the taxpayer, and

"(3) such component or combination of measures reasonably can be expected to remain in use for at least 5 years.

"(e) CERTIFICATION.—

"(1) METHODS OF CERTIFICATION.—

"(A) COMPONENT-BASED METHOD.—The certification described in subsection (d) for any component described in such subsection shall be determined on the basis of applicable energy efficiency ratings (including product labeling requirements) for affected building envelope components.

"(B) PERFORMANCE-BASED METHOD.—

"(i) IN GENERAL.—The certification described in subsection (d) for any combination of measures described in such subsection shall be—

"(I) determined by comparing the projected heating and cooling energy usage for the dwelling to such usage for such dwelling in its original condition, and

"(II) accompanied by a written analysis documenting the proper application of a permissible energy performance calculation method to the specific circumstances of such dwelling.

"(ii) COMPUTER SOFTWARE.—Computer software shall be used in support of a performance-based method certification under clause (i). Such software shall meet procedures and methods for calculating energy and cost savings in regulations promulgated by the Secretary of Energy.

"(2) PROVIDER.—A certification described in subsection (d) shall be provided by—

"(A) in the case of the method described in paragraph (1)(A), a third party, such as a local building regulatory authority, a utility, a manufactured home primary inspection agency, or a home energy rating organization, or

"(B) in the case of the method described in paragraph (1)(B), an individual recognized by an organization designated by the Secretary for such purposes.

"(3) FORM.—A certification described in subsection (d) shall be made in writing on forms which specify in readily inspectable fashion the energy efficient components and other measures and their respective efficiency ratings, and which include a permanent label affixed to the electrical distribution panel of the dwelling.

"(4) REGULATIONS.—

"(A) IN GENERAL.—In prescribing regulations under this subsection for certification methods described in paragraph (1)(B), the Secretary, after examining the requirements for energy consultants and home energy ratings providers specified by the Mortgage Industry National Home Energy Rating Standards, shall prescribe procedures for calculating annual energy usage and cost reductions for heating and cooling and for the reporting of the results. Such regulations shall—

"(i) provide that any calculation procedures be fuel neutral such that the same energy efficiency measures allow a dwelling to be eligible for the credit under this section regardless of whether such dwelling uses a gas or oil furnace or boiler or an electric heat pump, and

"(ii) require that any computer software allow for the printing of the Federal tax forms necessary for the credit under this section and for the printing of forms for disclosure to the owner of the dwelling.

"(B) PROVIDERS.—For purposes of paragraph (2)(B), the Secretary shall establish requirements for the designation of individuals based on the requirements for energy consultants and home energy raters specified by the Mortgage Industry National Home Energy Rating Standards.

"(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following rules shall apply:

"(A) The amount of the credit allowable under subsection (a) by reason of expenditures for the qualified energy efficiency improvements made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable, with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of the cost of qualified energy efficiency improvements made by such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which the individual owns, such individual shall be treated as having paid the individual's proportionate share of the cost of qualified energy efficiency improvements made by such association.

"(B) Condominium management association.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) Building envelope component.—The term 'building envelope component' means—

"(A) any insulation material or system which is specifically and primarily designed to reduce the heat loss or gain or a dwelling when installed in or on such dwelling,

"(B) exterior windows (including skylights), and

"(C) exterior doors.

"(5) Manufactured homes included.—For purposes of this section, the term 'dwelling' includes a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

"(g) Basis Adjustment.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(h) Termination.—Subsection (a) shall not apply to qualified energy efficiency improvements installed after December 31, 2006.".

(b) Credit Allowed Against Regular Tax and Alternative Minimum Tax.—

(1) In general.—Section 25D(b), as added by subsection (a), is amended—

(A) by striking "The credit" and inserting the following:

"(1) Dollar amount.—The credit", and

(B) by adding at the end the following new paragraph:

"(2) Limitation based on amount of tax.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this subpart (other than this section) and section 27 for the taxable year.".

(2) Conforming amendments.—

(A) Section 25D(c), as added by subsection (a), is amended by striking "section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section)" and inserting "subsection (b)(2)".

(B) Section 23(b)(4)(B), as amended by this Act, is amended by striking "section 25C" and inserting "sections 25C and 25D".

(C) Section 24(b)(3)(B), as amended by this Act, is amended by striking "and 25C" and inserting "25C, and 25D".

(D) Section 25(e)(1)(C), as amended by this Act, is amended by inserting "25D," after "25C,".

(E) Section 25B(g)(2), as amended by this Act, is amended by striking "23 and 25C" and inserting "23, 25C, and 25D".

(F) Section 26(a)(1), as amended by this Act, is amended by striking "and 25C" and inserting "25C, and 25D".

(G) Section 904(h), as amended by this Act, is amended by striking "and 25C" and inserting "25C, and 25D".

(H) Section 1400C(d), as amended by this Act, is amended by striking "and 25C" and inserting "25C, and 25D".

(c) Additional Conforming Amendments.—

(1) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (32), by striking the period at the end of paragraph (33) and inserting "; and", and by adding at the end the following new paragraph:

"(34) to the extent provided in section 25D(g), in the case of amounts with respect to which a credit has been allowed under section 25D.".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 25C the following new item:

"Sec. 25D. Energy efficiency improvements to existing homes.".

(d) Effective Dates.—

(1) In general.—Except as provided by paragraph (2), the amendments made by this section shall apply to property installed after September 30, 2004, in taxable years ending after such date.

(2) Subsection (b).—The amendments made by subsection (b) shall apply to taxable years beginning after September 30, 2004.

Subtitle B—Oil and Gas Provisions

SEC. 811. OIL AND GAS FROM MARGINAL WELLS.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45M. CREDIT FOR PRODUCING OIL AND GAS FROM MARGINAL WELLS.

"(a) General Rule.—For purposes of section 38, the marginal well production credit for any taxable year is an amount equal to the product of—

"(1) the credit amount, and

"(2) the qualified crude oil production and the qualified natural gas production which is attributable to the taxpayer.

"(b) Credit Amount.—For purposes of this section—

"(1) In general.—The credit amount is—

"(A) $3 per barrel of qualified crude oil production, and

"(B) 50 cents per 1,000 cubic feet of qualified natural gas production.

"(2) Reduction as oil and gas prices increase.—

"(A) In general.—The $3 and 50 cents amounts under paragraph (1) shall each be reduced (but not below zero) by an amount which bears the same ratio to such amount (determined without regard to this paragraph) as—

"(i) the excess (if any) of the applicable reference price over $15 ($1.67 for qualified natural gas production), bears to

"(ii) $3 ($0.33 for qualified natural gas production).

The applicable reference price for a taxable year is the reference price of the calendar year preceding the calendar year in which the taxable year begins.

"(B) Inflation adjustment.—

"(i) In general.—In the case of any taxable year beginning in a calendar year after 2004, each of the dollar amounts contained in subparagraph (A) shall be increased to an amount equal to such dollar amount multiplied by the inflation adjustment factor for such calendar year.

"(ii) Inflation adjustment factor.—For purposes of clause (i)—

"(I) In general.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the GDP implicit price deflator for the preceding calendar year and the denominator of which is the GDP implicit price deflator for the calendar year 2003.

"(II) GDP implicit price deflator.—The term 'GDP implicit price deflator' means, for any calendar year, the most recent revision of the implicit price deflator for the gross domestic product as of June 30 of such calendar year as computed by the Department of Commerce before October 1 of such calendar year.

"(C) Reference price.—For purposes of this paragraph, the term 'reference price' means, with respect to any calendar year—

"(i) in the case of qualified crude oil production, the reference price determined under section 29(d)(2)(C), and

"(ii) in the case of qualified natural gas production, the Secretary's estimate of the annual average wellhead price per 1,000 cubic feet for all domestic natural gas.

"(c) Qualified Crude Oil and Natural Gas Production.—For purposes of this section—

"(1) In general.—The terms 'qualified crude oil production' and 'qualified natural gas production' mean domestic crude oil or domestic natural gas which is produced from a qualified marginal well.

"(2) Limitation on amount of production which may qualify.—

"(A) In general.—Crude oil or natural gas produced during any taxable year from any well shall not be treated as qualified crude oil production or qualified natural gas production to the extent production from the well during the taxable year exceeds 1,095 barrels or barrel equivalents.

"(B) Proportionate reductions.—

"(i) Short taxable years.—In the case of a short taxable year, the limitations under this paragraph shall be proportionately reduced to reflect the ratio which the number of days in such taxable year bears to 365.

"(ii) Wells not in production entire year.—In the case of a well which is not capable of production during each day of a taxable year, the limitations under this paragraph applicable to the well shall be proportionately reduced to reflect the ratio which the number of days of production bears to the total number of days in the taxable year.

"(3) Noncompliance with pollution laws.—Production from any well during any period in which such well is not in compliance with applicable Federal pollution prevention, control, and permit requirements shall not be treated as qualified crude oil production or qualified natural gas production.

"(4) Definitions.—

"(A) Qualified marginal well.—The term 'qualified marginal well' means a domestic well—

"(i) the production from which during the taxable year is treated as marginal production under section 613A(c)(6), or

"(ii) which, during the taxable year—

"(I) has average daily production of not more than 25 barrel equivalents, and

"(II) produces water at a rate not less than 95 percent of total well effluent.

"(B) Crude oil, etc.—The terms 'crude oil', 'natural gas', 'domestic', and 'barrel' have the meanings given such terms by section 613A(e).

"(C) Barrel equivalent.—The term 'barrel equivalent' means, with respect to natural gas, a conversation ratio of 6,000 cubic feet of natural gas to 1 barrel of crude oil.

"(d) Other Rules.—

"(1) Production attributable to the taxpayer.—In the case of a qualified marginal well in which there is more than 1 owner of operating interests in the well and the crude oil or natural gas production exceeds the limitation under subsection (c)(2), qualifying crude oil production or qualifying natural gas production attributable to the taxpayer shall be determined on the basis of the ratio which taxpayer's revenue interest in the production bears to the aggregate of the revenue interests of all operating interest owners in the production.

"(2) Operating interest required.—Any credit under this section may be claimed only on production which is attributable to the holder of an operating interest.

"(3) Production from nonconventional sources excluded.—In the case of production from a qualified marginal well which is eligible for the credit allowed under section 29 for the taxable year, no credit shall be allowable under this section unless the taxpayer elects not to claim the credit under section 29 with respect to the well.".

(b) Credit Treated as Business Credit.—Section 38(b) (relating to current year business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (22), by striking the period at the end of paragraph (23) and inserting ", plus", and by adding at the end the following new paragraph:

"(24) the marginal oil and gas well production credit determined under section 45M(a).".

(c) No Carryback of Marginal Oil and Gas Well Production Credit Before Effective Date.—Section 39(d) (relating to transition rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(19) No carryback of marginal oil and gas well production credit before effective date.—No portion of the unused business credit for any taxable year which is attributable to the marginal oil and gas well production credit determined under section 45M may be carried back to a taxable year ending before October 1, 2004.".

(d) Coordination With Section 29.—Section 29(a) (relating to allowance of credit) is amended by striking "There" and inserting "At the election of the taxpayer, there".

(e) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45M. Credit for producing oil and gas from marginal wells.".

(f) Effective Date.—The amendments made by this section shall apply to production in taxable years beginning after September 30, 2004.

SEC. 812. NATURAL GAS GATHERING LINES TREATED AS 7-YEAR PROPERTY.

(a) In General.—Section 168(e)(3)(C) (defining 7-year property) is amended by striking "and" at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

"(ii) any natural gas gathering line, and".

(b) Natural Gas Gathering Line.—Section 168(i) (relating to definitions and special rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(17) Natural gas gathering line.—The term 'natural gas gathering line' means—

"(A) the pipe, equipment, and appurtenances used to deliver natural gas from the wellhead or a commonpoint to the point at which such gas first reaches—

"(i) a gas processing plant,

"(ii) an interconnection with a transmission pipeline certificated by the Federal Energy Regulatory Commission as an interstate transmission pipeline,

"(iii) an interconnection with an intrastate transmission pipeline, or

"(iv) a direct interconnection with a local distribution company, a gas storage facility, or an industrial consumer, or

"(B) any other pipe, equipment, or appurtenances determined to be a gathering line by the Federal Energy Regulatory Commission.

(c) Alternative System.—The table contained in section 168(g)(3)(B) (relating to special rule for certain property assigned to classes) is amended by inserting after the item relating to subparagraph (C)(i) the following new item:

"(C)(ii) .... 14".

(d) Effective Date.—The amendments made by this section shall apply to property placed in service after September 30, 2004, in taxable years ending after such date.

SEC. 813. EXPENSING OF CAPITAL COSTS INCURRED IN COMPLYING WITH ENVIRONMENTAL PROTECTION AGENCY SULFUR REGULATIONS.

(a) In General.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations), as amended by this Act, is amended by inserting after section 179B the following new section:

"SEC. 179C. DEDUCTION FOR CAPITAL COSTS INCURRED IN COMPLYING WITH ENVIRONMENTAL PROTECTION AGENCY SULFUR REGULATIONS.

"(a) Treatment as Expense.—

"(1) In general.—A small business refiner may elect to treat any qualified capital costs as an expense which is not chargeable to capital account. Any qualified cost which is so treated shall be allowed as a deduction for the taxable year in which the cost is paid or incurred.

"(2) Limitation.—

"(A) In general.—The aggregate costs which may be taken into account under this subsection for any taxable year with respect to any facility may not exceed the applicable percentage of the qualified capital costs paid or incurred for the taxable year with respect to such facility.

"(B) Applicable percentage.—For purposes of subparagraph (A)—

"(i) In general.—Except as provided in clause (ii), the applicable percentage is 75 percent.

"(ii) Reduced percentage.—In the case of any facility with average daily refinery runs or average retained production for the period described in subsection (b)(2) in excess of 155,000 barrels, the percentage described in clause (i) shall be reduced (but not below zero) by the product of—

"(I) such percentage (before the application of this clause), and

"(II) the ratio of such excess to 50,000 barrels.

"(b) Definitions.—For purposes of this section—

"(1) Qualified capital costs.—The term 'qualified capital costs' means any costs which—

"(A) are otherwise chargeable to capital account, and

"(B) are paid or incurred for the purpose of complying with the Highway Diesel Fuel Sulfur Control Requirement of the Environmental Protection Agency, as in effect on the date of the enactment of this section, with respect to a facility placed in service by the taxpayer before such date.

"(2) Small business refiner.—The term 'small business refiner' means, with respect to any taxable year, a refiner of crude oil—

"(A) which, within the refinery operations of the business, employs not more than 1,500 employees on any day during such taxable year, and

"(B) the average daily refinery run or average retained production of which for all facilities of the taxpayer for the 1-year period ending on the date of the enactment of this section did not exceed 410,000 barrels.

"(c) Coordination With Other Provisions.—Section 280B shall not apply to amounts which are treated as expenses under this section.

"(d) Basis Reduction.—For purposes of this title, the basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a).

"(e) Controlled Groups.—For purposes of this section, all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.".

(b) Conforming Amendments.—

(1) Section 263(a)(1), as amended by this Act, is amended by striking "or" at the end of subparagraph (H), by striking the period at the end of subparagraph (I) and inserting ", or", and by inserting after subparagraph (I) the following new subparagraph:

"(J) expenditures for which a deduction is allowed under section 179C.".

(2) Section 263A(c)(3) is amended by inserting "179C," after "section".

(3) Section 312(k)(3)(B), as amended by this Act, is amended by striking "or 179B" each place it appears in the heading and text and inserting "179B, or 179C".

(4) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (33), by striking the period at the end of paragraph (34) and inserting ", and", and by adding at the end the following new paragraph:

"(35) to the extent provided in section 179C(d).".

(5) Section 1245(a), as amended by this Act, is amended by inserting "179C," after "179B," both places it appears in paragraphs (2)(C) and (3)(C).

(6) The table of sections for part VI of subchapter B of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 179B the following new item:

"Sec. 179C. Deduction for capital costs incurred in complying with Environmental Protection Agency sulfur regulations.".

(c) Effective Date.—The amendment made by this section shall apply to expenses paid or incurred after December 31, 2002, in taxable years ending after such date.

SEC. 814. ENVIRONMENTAL TAX CREDIT.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45N. ENVIRONMENTAL TAX CREDIT.

"(a) In General.—For purposes of section 38, the amount of the environmental tax credit determined under this section with respect to any small business refiner for any taxable year is an amount equal to 5 cents for every gallon of low-sulfur diesel fuel produced at a facility by such small business refiner during such taxable year.

"(b) Maximum Credit.—

"(1) In general.—For any small business refiner, the aggregate amount determined under subsection (a) for any taxable year with respect to any facility shall not exceed the applicable percentage of the qualified capital costs paid or incurred by such small business refiner with respect to such facility during the applicable period, reduced by the credit allowed under subsection (a) with respect to such facility for any preceding year.

"(2) Applicable percentage.—For purposes of paragraph (1)—

"(A) In general.—Except as provided in subparagraph (B), the applicable percentage is 25 percent.

"(B) Reduced percentage.—The percentage described in subparagraph (A) shall be reduced in the same manner as under section 179C(a)(2)(B)(ii).

"(c) Definitions.—For purposes of this section—

"(1) In general.—The terms 'small business refiner' and 'qualified capital costs' have the same meaning as given in section 179C.

"(2) Low-sulfur diesel fuel.—The term 'low-sulfur diesel fuel' means diesel fuel containing not more than 15 parts per million of sulfur.

"(3) Applicable period.—The term 'applicable period' means, with respect to any facility, the period beginning on the day after the date of the enactment of this section and ending with the date which is 1 year after the date on which the taxpayer must comply with the applicable EPA regulations with respect to such facility.

"(4) Applicable EPA regulations.—The term 'applicable EPA regulations' means the Highway Diesel Fuel Sulfur Control Requirements of the Environmental Protection Agency, as in effect on the date of the enactment of this section.

"(d) Certification.—

"(1) Required.—Not later than the date which is 30 months after the first day of the first taxable year in which a credit is allowed under this section with respect to a facility, the small business refiner shall obtain a certification from the Secretary, in consultation with the Administrator of the Environmental Protection Agency, that the taxpayer's qualified capital costs with respect to such facility will result in compliance with the applicable EPA regulations.

"(2) Contents of application.—An application for certification shall include relevant information regarding unit capacities and operating characteristics sufficient for the Secretary, in consultation with the Administrator of the Environmental Protection Agency, to determine that such qualified capital costs are necessary for compliance with the applicable EPA regulations.

"(3) Review period.—Any application shall be reviewed and notice of certification, if applicable, shall be made within 60 days of receipt of such application. In the event the Secretary does not notify the taxpayer of the results of such certification within such period, the taxpayer may presume the certification to be issued until so notified.

"(4) Statute of limitations.—With respect to the credit allowed under this section—

"(A) the statutory period for the assessment of any deficiency attributable to such credit shall not expire before the end of the 3-year period ending on the date that the period described in paragraph (3) ends with respect to the taxpayer, and

"(B) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

"(e) Controlled Groups.—For purposes of this section, all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.

"(f) Cooperative Organizations.—

"(1) Apportionment of credit.—

"(A) In general.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a) for the taxable year may, at the election of the organization, be apportioned among patrons eligible to share in patronage dividends on the basis of the quantity or value of business done with or for such patrons for the taxable year.

"(B) Form and effect of election.—An election under subparagraph (A) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

"(2) Treatment of organizations and patrons.—

"(A) Organizations.—The amount of the credit not apportioned to patrons pursuant to paragraph (1) shall be included in the amount determined under subsection (a) for the taxable year of the organization.

"(B) Patrons.—The amount of the credit apportioned to patrons pursuant to paragraph (1) shall be included in the amount determined under subsection (a) for the first taxable year of each patron ending on or after the last day of the payment period (as defined in section 1382(d)) for the taxable year of the organization or, if earlier, for the taxable year of each patron ending on or after the date on which the patron receives notice from the cooperative of the apportionment.

"(3) Special rules for decrease in credits for taxable year.—If the amount of the credit of a cooperative organization determined under subsection (a) for a taxable year is less than the amount of such credit shown on the return of the cooperative organization for such year, an amount equal to the excess of—

"(A) such reduction, over

"(B) the amount not apportioned to such patrons under paragraph (1) for the taxable year,

shall be treated as an increase in tax imposed by this chapter on the organization. Such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.".

(b) Credit Made Part of General Business Credit.—Section 38(b) (relating to current year business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (23), by striking the period at the end of paragraph (24) and inserting ", plus", and by adding at the end the following new paragraph:

"(25) in the case of a small business refiner, the environmental tax credit determined under section 45N(a).".

(c) Denial of Double Benefit.—Section 280C (relating to certain expenses for which credits are allowable), as amended by this Act, is amended by adding at the end the following new subsection:

"(e) Environmental Tax Credit.—No deduction shall be allowed for that portion of the expenses otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for the taxable year under section 45N(a).".

(d) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45N. Environmental tax credit.".

(e) Effective Date.—The amendments made by this section shall apply to expenses paid or incurred after December 31, 2002, in taxable years ending after such date.

SEC. 815. DETERMINATION OF SMALL REFINER EXCEPTION TO OIL DEPLETION DEDUCTION.

(a) In General.—Paragraph (4) of section 613A(d) (relating to limitations on application of subsection (c)) is amended to read as follows:

"(4) Certain refiners excluded.—If the taxpayer or 1 or more related persons engages in the refining of crude oil, subsection (c) shall not apply to the taxpayer for a taxable year if the average daily refinery runs of the taxpayer and such persons for the taxable year exceed 60,000 barrels. For purposes of this paragraph, the average daily refinery runs for any taxable year shall be determined by dividing the aggregate refinery runs for the taxable year by the number of days in the taxable year.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years ending after September 30, 2004.

SEC. 816. MARGINAL PRODUCTION INCOME LIMIT EXTENSION.

Section 613A(c)(6)(H) (relating to temporary suspension of taxable income limit with respect to marginal production) is amended by striking "2005" and inserting "2007".

SEC. 817. AMORTIZATION OF DELAY RENTAL PAYMENTS.

(a) In General.—Section 167 (relating to depreciation) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Amortization of Delay Rental Payments for Domestic Oil and Gas Wells.—

"(1) In general.—Any delay rental payment paid or incurred in connection with the development of oil or gas wells within the United States (as defined in section 638) shall be allowed as a deduction ratably over the 24-month period beginning on the date that such payment was paid or incurred.

"(2) Half-year convention.—For purposes of paragraph (1), any payment paid or incurred during the taxable year shall be treated as paid or incurred on the mid-point of such taxable year.

"(3) Exclusive method.—Except as provided in this subsection, no depreciation or amortization deduction shall be allowed with respect to such payments.

"(4) Treatment upon abandonment.—If any property to which a delay rental payment relates is retired or abandoned during the 24-month period described in paragraph (1), no deduction shall be allowed on account of such retirement or abandonment and the amortization deduction under this subsection shall continue with respect to such payment.

"(5) Delay rental payments.—For purposes of this subsection, the term 'delay rental payment' means an amount paid for the privilege of deferring development of an oil or gas well under an oil or gas lease.".

(b) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after September 30, 2004.

SEC. 818. AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPENDITURES.

(a) In General.—Section 167 (relating to depreciation), as amended by this Act, is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Amortization of Geological and Geophysical Expenditures.—

"(1) In general.—Any geological and geophysical expenses paid or incurred in connection with the exploration for, or development of, oil or gas within the United States (as defined in section 638) shall be allowed as a deduction ratably over the 24-month period beginning on the date that such expense was paid or incurred.

"(2) Special rules.—For purposes of this subsection, rules similar to the rules of paragraphs (2), (3), and (4) of subsection (h) shall apply.".

(b) Conforming Amendment.—Section 263A(c)(3) is amended by inserting "167(h), 167(i)," after "under section".

(c) Effective Date.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after September 30, 2004.

SEC. 819. EXTENSION AND MODIFICATION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

(a) In General.—Section 29 (relating to credit for producing fuel from a nonconventional source) is amended by adding at the end the following new subsection:

"(h) Extension for Other Facilities.—

"(1) Oil and gas.—In the case of a well or facility for producing qualified fuels described in subparagraph (A) or (B) of subsection (c)(1) which was drilled or placed in service after September 30, 2004, and before January 1, 2007, notwithstanding subsection (f), this section shall apply with respect to such fuels produced at such well or facility before the close of the 3-year period beginning on the date that such well is drilled or such facility is placed in service.

"(2) Facilities producing fuels from agricultural and animal waste.—

"(A) In general.—In the case of facility for producing liquid, gaseous, or solid fuels from qualified agricultural and animal wastes, including such fuels when used as feedstocks, which was placed in service after September 30, 2004, and before January 1, 2007, this section shall apply with respect to fuel produced at such facility before the close of the 3-year period beginning on the date such facility is placed in service.

"(B) Qualified agricultural and animal waste.—For purposes of this paragraph, the term 'qualified agricultural and animal waste' means agriculture and animal waste, including by-products, packaging, and any materials associated with the processing, feeding, selling, transporting, or disposal of agricultural or animal products or wastes.

"(3) Wells producing viscous oil.—

"(A) In general.—In the case of a well for producing viscous oil which was placed in service after September 30, 2004, and before January 1, 2007, this section shall apply with respect to fuel produced at such well before the close of the 3-year period beginning on the date such well is placed in service.

"(B) Viscous oil.—The term 'viscous oil' means heavy oil, as defined in section 613A(c)(6), except that—

"(i) '22 degrees' shall be substituted for '20 degrees' in applying subparagraph (F) thereof, and

"(ii) in all cases, the oil gravity shall be measured from the initial well-head samples, drill cuttings, or down hole samples.

"(C) Waiver of unrelated person requirement.—In the case of viscous oil, the requirement under subsection (a)(2)(A) of a sale to an unrelated person shall not apply to any sale to the extent that the viscous oil is not consumed in the immediate vicinity of the wellhead.

"(4) Facilities producing refined coal.—

"(A) In general.—In the case of a facility described in subparagraph (C) for producing refined coal which was placed in service after September 30, 2004, and before January 1, 2007, this section shall apply with respect to fuel produced at such facility before the close of the 5-year period beginning on the date such facility is placed in service.

"(B) Refined coal.—For purposes of this paragraph, the term 'refined coal' means a fuel which is a liquid, gaseous, or solid synthetic fuel produced from coal (including lignite) or high carbon fly ash, including such fuel used as a feedstock.

"(C) Covered facilities.—

"(i) In general.—A facility is described in this subparagraph if such facility produces refined coal using a technology which results in—

"(I) a qualified emission reduction, and

"(II) a qualified enhanced value.

"(ii) Qualified emission reduction.—For purposes of this subparagraph, the term 'qualified emission reduction' means a reduction of at least 20 percent of the emissions of nitrogen oxide and either sulfur dioxide or mercury released when burning the refined coal (excluding any dilution caused by materials combined or added during the production process), as compared to the emissions released when burning the feedstock coal or comparable coal predominantly available in the marketplace as of January 1, 2003.

"(iii) Qualified enhanced value.—For purposes of this subparagraph, the term 'qualified enhanced value' means an increase of at least 50 percent in the market value of the refined coal (excluding any increase caused by materials combined or added during the production process), as compared to the value of the feedstock coal.

"(iv) Qualifying advanced clean coal technology units excluded.—A facility described in this subparagraph shall not include a qualifying advanced clean coal technology unit (as defined in section 48A(b)).

"(5) Coalmine gas.—

"(A) In general.—This section shall apply to coalmine gas—

"(i) captured or extracted by the taxpayer during the period beginning after September 30, 2004, and ending before January 1, 2007, and

"(ii) utilized as a fuel source or sold by or on behalf of the taxpayer to an unrelated person during such period.

"(B) Coalmine gas.—For purposes of this paragraph, the term 'coalmine gas' means any methane gas which is—

"(i) liberated during or as a result of coal mining operations, or

"(ii) extracted up to 10 years in advance of coal mining operations as part of a specific plan to mine a coal deposit.

"(C) Special rule for advanced extraction.—In the case of coalmine gas which is captured in advance of coal mining operations, the credit under subsection (a) shall be allowed only after the date the coal extraction occurs in the immediate area where the coalmine gas was removed.

"(D) Noncompliance with pollution laws.—This paragraph shall not apply to the capture or extraction of coalmine gas from coal mining operations with respect to any period in which such coal mining operations are not in compliance with applicable State and Federal pollution prevention, control, and permit requirements.

"(6) Special rules.—In determining the amount of credit allowable under this section solely by reason of this subsection—

"(A) Fuels treated as qualified fuels.—Any fuel described in paragraph (2), (3), (4), or (5) shall be treated as a qualified fuel for purposes of this section.

"(B) Daily limit.—The amount of qualified fuels sold during any taxable year which may be taken into account by reason of this subsection with respect to any project shall not exceed an average barrel-of-oil equivalent of 200,000 cubic feet of natural gas per day. Days before the date the project is placed in service shall not be taken into account in determining such average.

"(C) Credit amount.—The dollar amount applicable under subsection (a)(1) shall be $3 (and the inflation adjustment under subsection (b)(2) shall not apply to such amount).".

(b) Clarification of Placed in Service Date for Certain Landfill Gas Facilities.—Section 29(d) (relating to other definitions and special rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(10) Clarification of placed in service date for certain landfill gas facilities.—

"(A) In general.—In the case of a landfill placed in service on or before the date of the enactment of this paragraph—

"(i) a facility for producing qualified fuel from such landfill shall include all wells, pipes, and related components used to collect landfill gas, and

"(ii) production of landfill gas from such landfill attributable to wells, pipes, and related components placed in service after such date of enactment shall be treated as produced from a facility placed in service on the date such wells, pipes, and related components were placed in service.

"(B) Landfill gas.—The term 'landfill gas' means gas described in subsection (c)(1)(B)(ii) and derived from the biodegradation of municipal solid waste.".

(c) Extension for certain fuel produced at existing facilities.—Section 29(f)(2) (relating to application of section) is amended by inserting "(January 1, 2006, in the case of any coke, coke gas, or natural gas and by-products produced by coal gasification from lignite in a facility described in paragraph (1)(B))" after "January 1, 2003".

(d) Study of Coalbed Methane.—

(1) In general.—The Secretary of the Treasury shall conduct a study regarding the effect of section 29 of the Internal Revenue Code of 1986 on the production of coalbed methane.

(2) Contents of study.—The study under paragraph (1) shall estimate the total amount of credits under section 29 of the Internal Revenue Code of 1986 claimed annually and in the aggregate which are related to the production of coalbed methane since the date of the enactment of such section 29. Such study shall report the annual value of such credits allowable for coalbed methane compared to the average annual wellhead price of natural gas (per thousand cubic feet of natural gas). Such study shall also estimate the incremental increase in production of coalbed methane which has resulted from the enactment of such section 29, and the cost to the Federal Government, in terms of the net tax benefits claimed, per thousand cubic feet of incremental coalbed methane produced annually and in the aggregate since such enactment.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to fuel sold after September 30, 2004, in taxable years ending after such date.

(2) EXISTING FACILITIES.—The amendments made by subsection (c) shall apply to fuel sold after December 31, 2002, in taxable years ending after such date.

SA 2939. Mr. KENNEDY (for himself and Mr. DASCHLE) submitted an amendment intended to be proposed by him to the bill H.R. 4, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. FAIR MINIMUM WAGE.

(a) SHORT TITLE.—This section may be cited as the "Fair Minimum Wage Act of 2004".

(b) INCREASE IN THE MINIMUM WAGE.—

(1) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than—

"(A) $5.85 an hour, beginning on the 60th day after the date of enactment of the Fair Minimum Wage Act of 2004;

"(B) $6.45 an hour, beginning 12 months after that 60th day; and

"(C) $7.00 an hour, beginning 24 months after that 60th day;".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect 60 days after the date of enactment of this Act.

(c) APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—

(1) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

(2) TRANSITION.—Notwithstanding paragraph (1), the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(A) $3.55 an hour, beginning on the 60th day after the date of enactment of this Act; and

(B) increased by $0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 6 months after the date of enactment of this Act and every 6 months thereafter until the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under this subsection is equal to the minimum wage set forth in such section.

SA 2940. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 4, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ___—UNEMPLOYMENT COMPENSATION

SEC. ___01. EXTENSION OF THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 2002.

(a) IN GENERAL.—Section 208 of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 30), as amended by Public Law 108–1 (117 Stat. 3) and the Unemployment Compensation Amendments of 2003 (Public Law 108–26; 117 Stat. 751), is amended—

(1) in subsection (a)(2), by striking "December 31, 2003" and inserting "June 30, 2004";

(2) in subsection (b)(1), by striking "December 31, 2003" and inserting "June 30, 2004";

(3) in subsection (b)(2)—

(A) in the heading, by striking "DECEMBER 31, 2003" and inserting "JUNE 30, 2004"; and

(B) by striking "December 31, 2003" and inserting "June 30, 2004"; and

(4) in subsection (b)(3), by striking "March 31, 2004" and inserting "September 30, 2004".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 21) and shall apply with respect to payments for weeks of unemployment beginning on or after the date of enactment this Act.

SEC. ___02. ADDITIONAL REVISION TO CURRENT TEUC-X TRIGGER.

(a) IN GENERAL.—Section 203(c)(2)(B) of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 30) is amended to read as follows:

"(B) such a period would then be in effect for such State under such Act if—

"(i) section 203(d) of such Act were applied as if it had been amended by striking '5' each place it appears and inserting '4'; and

"(ii) with respect to weeks of unemployment beginning after December 27, 2003—

"(I) paragraph (1)(A) of such section 203(d) did not apply; and

"(II) clause (ii) of section 203(f)(1)(A) of such Act did not apply.".

(b) APPLICATION.—Section 203(c)(2)(B)(ii) of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107–147; 116 Stat. 30), as added by subsection (a), shall apply with respect to payments for weeks of unemployment beginning on or after the date of enactment this Act.

SEC. ___03. TEMPORARY STATE AUTHORITY TO WAIVE APPLICATION OF LOOKBACKS UNDER THE FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1970.

For purposes of conforming with the provisions of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note), a State may, during the period beginning on the date of enactment of this Act and ending on June 30, 2004, waive the application of either subsection (d)(1)(A) of section 203 of such Act or subsection (f)(1)(A)(ii) of such section, or both.

SA 2941. Mr. BAUCUS (for himself and Mr. THOMAS) submitted an amendment intended to be proposed by him to the bill H.R. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—WOOL TRUST FUND

SEC. 501. EXTENSION AND MODIFICATION OF PROVISIONS RELATING TO THE WOOL RESEARCH, DEVELOPMENT, AND PROMOTION TRUST FUND.

(a) EXTENSION OF TEMPORARY DUTY REDUCTIONS.—

(1) HEADING 9902.51.11.—Heading 9902.51.11 of the Harmonized Tariff Schedule of the United States is amended—

(A) by striking "2005" and inserting "2010"; and

(B) by striking "17.5 %" and inserting "10 %".

(2) HEADING 9902.51.12.—Heading 9902.51.12 of the Harmonized Tariff Schedule of the United States is amended by striking "2005" and inserting "2010".

(3) HEADING 9902.51.13.—Heading 9902.51.13 of the Harmonized Tariff Schedule of the United States is amended by striking "2005" and inserting "2010".

(4) HEADING 9902.51.14.—Heading 9902.51.14 of the Harmonized Tariff Schedule of the United States is amended by striking "2005" and inserting "2010".

(b) MODIFICATION OF LIMITATION ON QUANTITY OF IMPORTS.—

(1) NOTE 15.—U.S. Note 15 to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended—

(A) by striking "and" after "2002";

(B) by striking "year 2003" and all that follows through the end period and inserting the following: "years 2003 and 2004, and 5,500,000 square meter equivalents in calendar year 2005 and each calendar year thereafter for the benefit of manufacturers of men's and boys' suits.".

(2) NOTE 16.—U.S. Note 16 to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended—

(A) by striking "and" after "2002"; and

(B) by striking "year 2003" and all that follows through the end period and inserting the following: "years 2003 and 2004, and 5,000,000 square meter equivalents in calendar year 2005 and each calendar year thereafter for the benefit of manufacturers of men's and boys' suits, and 2,000,000 square meter equivalents in calendar year 2005 and each calendar year thereafter for the benefit of manufacturers of worsted wool fabric suitable for use in men's and boys' suits.".

(3) CONFORMING AMENDMENTS.—

(A) SUNSET STAGED REDUCTION REQUIREMENT.—Paragraph (2) of section 501(a) of the Trade and Development Act of 2000 (Public Law 106–200; 114 Stat. 299) is amended by adding before the period "for goods entered, or withdrawn from warehouse for consumption, before January 1, 2005".

(B) ALLOCATION OF TARIFF-RATE QUOTAS.—Subsection (e) of section 501 of the Trade and Development Act of 2000 (Public Law 106–200; 114 Stat. 200) is amended—

(i) by inserting "for manufacturers of men's and boys' suits" after "implementing the limitation"; and

(ii) by inserting at the end the following new sentence: "In implementing the limitation for manufacturers of worsted wool fabric on the quantity of worsted wool fabrics under heading 9902.51.12 of the Harmonized Tariff Schedule of the United States, as required by U.S. Note 16 of subchapter II of chapter 99 of such Schedule, for the entry, or withdrawal from warehouse for consumption, the Secretary of Commerce shall prescribe regulations to allocate fairly the quantity of worsted wool fabrics required under United

States note 16 of such schedule to manufacturers who weave worsted wool fabric in the United States.''.

(C) SUNSET AUTHORITY TO MODIFY LIMITATION ON QUANTITY.—Subsection (b) of section 504 of the Trade and Development Act of 2000 (Public Law 106–200; 114 Stat. 301) is repealed effective January 1, 2005.

(c) EXTENSION OF DUTY REFUNDS AND WOOL RESEARCH TRUST FUND.—

(1) IN GENERAL.—The United States Customs Service shall make 5 additional payments to each manufacturer that receives a payment under section 505 of the Trade and Development Act of 2000 (Public Law 106–200; 114 Stat. 303) during calendar year 2005, and that, not later than March 1 of each year of an additional payment, provides an affidavit that it remains a manufacturer in the United States as of January 1 of the year of that payment. Each payment shall be equal to the amount of the payment received for calendar year 2005 as follows:

(A) The first payment to be made after January 1, 2006, but on or before April 15, 2006.

(B) The second, third, fourth, and fifth payments to be made after January 1, but on or before April 15, of each of the following 4 calendar years.

(2) EXTENSION OF WOOL RESEARCH, DEVELOPMENT, AND PROMOTION TRUST FUND.—Section 506(f) of the Trade and Development Act of 2000 (Public Law 106–200; 114 Stat. 304) is amended by striking ''2006'' and inserting ''2011''.

(3) COMMERCE AUTHORITY TO PROMOTE DOMESTIC EMPLOYMENT.—The Secretary of Commerce shall provide grants through December 31, 2010 to manufacturers of worsted wool fabric in the amount of $2,666,000 annually to manufacturers of worsted wool fabric of the kind described in heading 9902.51.12 of the Harmonized Tariff Schedule of the United States during calendar years 1999, 2000, and 2001, and $2,666,000 annually to manufacturers of worsted wool fabric of the kind described in heading 9902.51.11 of the Harmonized Tariff Schedule of the United States during such calendar years, allocated based on the percentage of each manufacturer's production of the fabric described in such heading for such 3 years compared to the production of such fabric for all such applicants who qualify under this paragraph for such grant category. Any grant awarded by the Secretary under this section shall be final and not subject to appeal or protest.

(4) SPECIAL RULE FOR SUCCESSOR-IN-INTEREST.—

(A) IN GENERAL.—Any person that becomes a successor-in-interest to a manufacturer entitled to payment, under title V of the Trade and Development Act of 2002 (Public Law 106–200; 114 Stat. 299) or this title, shall be eligible to claim payments as if the successor-in-interest was the original claimant without regard to section 3727 of title 31, United States Code. The right to claim payment as a successor-in-interest under the preceding sentence shall be effective as if the right was included in section 505 of the Trade and Development Act of 2000.

(B) STATUS AS SUCCESSOR-IN-INTEREST.—A person may become a successor-in-interest for purposes of subparagraph (A) pursuant to—

(i) an assignment of the claim for payment under title V of the Trade and Development Act of 2002;

(ii) an assignment of the original claimant's right to manufacture under the same trade name as the original claimant;

(iii) a reorganization; or

(iv) some other legally recognized manner.

(5) AUTHORIZATION.—There is authorized to be appropriated and is hereby appropriated out of amounts in the general fund of the Treasury not otherwise appropriated such sums as are necessary to carry out the provisions of this subsection.

(6) EFFECTIVE DATE.—The grants described in paragraph (3) shall commence on or after January 1, 2005, and before December 31, 2010.

(d) EFFECTIVE DATE.—The amendment made by subsection (a)(1)(B) shall apply to goods entered, or withdrawn from warehouse for consumption, on or after January 1, 2005.

SEC. 502. LABELING OF WOOL PRODUCTS TO FACILITATE COMPLIANCE AND PROTECT CONSUMERS.

(a) IN GENERAL.—Section 4 of the Wool Products Labeling Act of 1939 (15 U.S.C. 68b(a)) is amended by adding at the end the following new paragraph:

''(5) In the case of a wool product stamped, tagged, labeled, or otherwise identified in any one of the following subparagraphs, the average fiber diameter may be subject to a variation of 0.25 microns, and may be subject to such other standards or deviations as prescribed by regulation by the Commission:

''(A) 'Super 80's' or '80's' if the average fiber diameter thereof does not average 19.5 microns or finer.

''(B) 'Super 90's' or '90's' if the average fiber diameter thereof does not average 19.0 microns or finer.

''(C) 'Super 100's' or '100's' if the average fiber diameter thereof does not average 18.5 microns or finer.

''(D) 'Super 110's' or '110's' if the average diameter of wool fiber thereof does not average 18.0 microns or finer.

''(E) 'Super 120's' or '120's' if the average diameter of wool fiber thereof does not average 17.5 microns or finer.

''(F) 'Super 130's' or '130's' if the average diameter of wool fiber thereof does not average 17.0 microns or finer.

''(G) 'Super 140's' or '140's' if the average diameter of wool fiber thereof does not average 16.5 microns or finer.

''(H) 'Super 150's' or '150's' if the average diameter of wool fiber thereof does not average 16.0 microns or finer.

''(I) 'Super 160's' or '160's' if the average diameter of wool fiber thereof does not average 15.5 microns or finer.

''(J) 'Super 170's' or '170's' if the average diameter of wool fiber thereof does not average 15.0 microns or finer.

''(K) 'Super 180's' or '180's' if the average diameter of wool fiber thereof does not average 14.5 microns or finer.

''(L) 'Super 190's' or '190's' if the average diameter of wool fiber thereof does not average 14.0 microns or finer.

''(M) 'Super 200's' or '200's' if the average diameter of wool fiber thereof does not average 13.5 microns or finer.

''(N) 'Super 210's' or '210's' if the average diameter of wool fiber thereof does not average 13.0 microns or finer.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to wool products manufactured on or after January 1, 2005.

SA 2942. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill H.R. 4, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes; which was ordered to lie on the table; as follows:

On page 341, between lines 8 and 9, insert the following:

SEC. ____. ELECTRONIC DISBURSEMENT OF CHILD SUPPORT PAYMENTS TO FAMILIES.

Section 454A(g) (42 U.S.C. 654a(g)) is amended by inserting at the end the following:

''(3) ELECTRONIC DISBURSEMENT REQUIREMENT.—

''(A) IN GENERAL.—Not later than October 1, 2008, each State disbursement unit operated under section 454B shall implement a system to electronically disburse, through direct deposit or a widely accessible card-based system, all child support collections disbursed to families under that section.

''(B) STATE OPTION TO REQUIRE CARD-BASED PAYMENT.—A State may require a payment recipient to accept payment through a card-based system if the recipient has declined to accept payment by direct deposit or does not have an account to which payment may be made by direct deposit.

''(C) OPT-OUT.—Notwithstanding subparagraph (A), a State disbursement unit may maintain a nonelectronic system for disbursing child support collections to custodial parents under section 454B after October 1, 2008, if the State notifies the Secretary in writing by October 1, 2008, that the State intends to maintain such a system.''.

SEC. ____. OPTIONAL EXPANSION OF STATE DISBURSEMENT UNIT TO CREATE A CENTRALIZED PAYMENT LOCATION FOR ALL CHILD SUPPORT WAGE WITHHOLDING.

Section 454B(a)(1)(B) (42 U.S.C. 654b(a)(1)(B)) is amended by inserting ''or, at State option, all support orders, regardless of date issued,'' after ''in which the support order is initially issued in the State on or after January 1, 1994,''.

SA 2943. Mr. CORNYN (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill H.R. 4, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes; which was ordered to lie on the table; as follows:

On page 355, between lines 3 and 4, insert the following:

SEC. 603. CLARIFICATION OF AUTHORITY OF STATES AND LOCAL AUTHORITIES TO PROVIDE HEALTH CARE TO IMMIGRANTS.

(a) IN GENERAL.—Section 411 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621) is amended—

(1) in subsection (b)—

(A) by striking paragraphs (1) and (3); and

(B) by redesignating paragraphs (2) and (4) as paragraphs (1) and (2), respectively;

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking ''(2) and (3)'' and inserting ''(2), (3), and (4)''; and

(ii) in subparagraph (B), by striking ''health,''; and

(B) by adding at the end the following new paragraph

''(4) Such term does not include any health benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.''; and

(3) in subsection (d), by inserting "or who otherwise is not a qualified alien (as defined in subsections (b) and (c) of section 431)" after "United States".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to health care furnished before, on, or after the date of enactment of this Act.

NOTICE OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the following hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will be held on May 11, 2004, at 10 a.m. in room SD–366.

The purpose of this hearing is to gain an understanding of the impacts and costs of last year's fires and then look forward to the potential 2004 fire season. The hearing will give all Committee members a solid understanding of the problems faced last year and what problems the agencies and the land they oversee may face this next season, including aerial fire fighting assets and crew, and overhead availability.

Because of the limited time available for the hearings, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, SD–364, Washington, D.C. 20510–6150.

For further information, please contact Frank Gladies (202–224–2878) or Amy Millet (202–224–7556).

PRIVILEGES OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that the privilege of the floor be granted to the following Finance Committee fellows and interns during consideration of H.R. 4, the welfare bill: Shannon Augare, Steve Beasley, Jane Bergeson, Diana Birkett, Simon Chabel, Jodi George, Tyson Hill, Scott Landes, Pascal Niedermann, Jeremy Seidlitz, Matt Stokes, and Trace Thaxton.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, in addition, I ask unanimous consent that the following staff members of Senator GRASSLEY be granted the privilege of the floor for the duration of the debate on H.R. 4: Trenton Norman, Jarret Heil, and Jill Gotts.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask unanimous consent that Abigail Kurland of Senator DODD's staff be granted floor privileges during the consideration of H.R. 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kentucky.

MEASURE READ THE FIRST TIME—S. 2250

Mr. McCONNELL. Mr. President, I understand that S. 2250 is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2250) to extend the Temporary Extended Unemployment Compensation Act of 2002, and for other purposes.

Mr. McCONNELL. Mr. President, I ask for its second reading in order to place the bill on the calendar.

Under the provisions of rule XIV, I object to my own request.

The PRESIDING OFFICER. Objection is heard. The bill will be read a second time on the next legislative day.

ORDERS FOR TUESDAY, MARCH 30, 2004

Mr. McCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:45 a.m. tomorrow, Tuesday, March 30.

I further ask unanimous consent that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day and the Senate then begin a period of morning business for up to 60 minutes, with the first 30 minutes under the control of the Democratic leader or his designee, and the final 30 minutes under the control of the majority leader or his designee; provided that following morning business the Senate resume consideration of H.R. 4, the welfare reform reauthorization bill, and that the time until 12:15 be equally divided between the two leaders or their designees; provided further that at 12:15 p.m. the Senate proceed to a vote in relation to the Snowe amendment as provided under the previous order. I further ask unanimous consent that the Senate recess tomorrow following the conclusion of the vote on the Snowe amendment for the weekly party luncheons.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, either I misheard or my distinguished colleague misspoke. I think he said 9:40, and I think it is 9:45 we come in tomorrow, just so that is clear in the RECORD.

Mr. McCONNELL. I thought I had said 9:45.

The PRESIDING OFFICER. Nine forty-five for the RECORD.

Is there objection?

Without objection, it is so ordered.

PROGRAM

Mr. McCONNELL. Tomorrow, following morning business, the Senate will resume consideration of H.R. 4, the welfare reform reauthorization bill. Under a previous agreement, at 12:15 p.m., the Senate will vote on the pending Snowe amendment on childcare. The vote on the Snowe amendment will be the first vote of tomorrow's session. For the remainder of the day, the Senate will continue debate on the welfare reauthorization bill.

As the majority leader stated earlier today, we hope that Senators will offer relevant amendments to the bill so we can finish this important legislation this week.

Additional rollcall votes are expected tomorrow afternoon as we try to make progress on the underlying welfare reauthorization bill.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, before the Senator calls the Senate to conclusion, we have on our side a significant number of people who wish to speak in the morning. This is just to give notice to all the offices that we have no objection to anyone who wants to speak, but the time will be drastically limited from the time we have been told they want to speak because we will not be able to change the 12:15 time because of our party caucuses.

ADJOURNMENT UNTIL 9:45 A.M. TOMORROW

Mr. McCONNELL. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:02 p.m., adjourned until Tuesday, March 30, 2004, at 9:45 a.m.

HOUSE OF REPRESENTATIVES—*Monday, March 29, 2004*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Ms. HARRIS).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 29, 2004.

I hereby appoint the Honorable KATHERINE HARRIS to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

OTHER PEOPLE'S ELECTIONS

Mr. STEARNS. Madam Speaker, today I reflect on some of the recent elections held in other countries. While citizens of other countries may have different values about the level of government intervention in areas, let us say in economics or labor rights, overwhelmingly, most citizens of the world would prefer to live in a democracy than a totalitarian-run system. This was presented last summer by the Pew Research Center for the People in the Press. Pew Research Center interviewed over 66,000 people in 44 countries over 2 years. The majority demonstrated strong preferences in democratic governments, even in Muslim countries.

Over the past 3 weeks, other people have elected leaders, sometimes new, sometimes the incumbent. I wish for all, of course, to live under the same sunshine of freedom that we in the United States have here.

In Taiwan Saturday, March 20, incumbent President Chen, Taiwan's pro-independence leader, was declared to have won by a slim margin, just a hair over 50 percent. This election was preceded by threats from mainland China and Chen's international detractors, and jittery nerves by many who urged "don't rock the boat." On election eve, President Chen and his Vice President were shot in a craven attack.

The aftermath of the election is a little calmer: there are street protests and a recount is imminent. Also, in a win for China, though, election authorities nullified the results of a controversial referendum championed by the President because too few voters took part in it.

However, I still see some optimism. The apparent reelection of Chen is sending a message both to Beijing and Washington: while not outright declaring independence, China's people are standing up for their status as a sovereign body; they are not completely buying into Beijing's domineering "One China" policy. Further, I find it telling that while an insufficient number voted in the referendum, of those who did, 90 percent pulled the yes lever to the two questions: one, whether to try to set up a framework for direct talks with China; and, two, whether to buy more advanced weapons if China refuses to move missiles aimed at their island. I wish President Chen every success in my support of his leading his people to a democracy.

Now, let us look at Spain. I understand the emotional and political tumult in which Spain found themselves on March 11 and after. However, I am discouraged that circumstances influenced the election the way they did, for the singular reason that the Spaniards appear to think that the Socialist Party will bring them relief from the retributions of extreme Islamic fundamentalists. I sadly believe they are wrong. Gustavo de Aristegui wrote in The Washington Post on Sunday, March 21: "In 1984, I had a long talk with a high-ranking Sunni cleric in a mosque in Damascus. He was very friendly when he learned that I was a Spaniard. After 2 hours of conversation about politics and theology, which are very much intertwined in that part of the world, he said to me: 'Don't worry, we will liberate Spain from Western corruption.'"

The writer emphasized that this was a moderate, respected clergyman. Now, that is a chilling, foreshadowing, looking into the minds of those who would destroy that way of life in Spain.

Yet, what did Spaniards sacrifice in their election of the Socialist Party candidate? Since 1986, the Partido Popular turned from 21 percent unemployment down to 9 percent, foreign debt from 80 percent to less than 50 percent GDP, a deficit of 6.7 percent of GDP in 1996 to a 0.5 percent surplus in 2002, and a growing economy while much of the world experienced a downturn. This is the stuff that democracies are made of: living economically securely, planning futures, and thriving.

Like President Chen, I support our ally Spain and the new leadership that they have openly and fairly chosen. I only ponder that democracies also value economic prosperity, and capitulation to bullies may compromise that for which they have worked.

Heading east, President Putin won reelection in Russia this month. He has promised to translate his landslide reelection into concrete reforms: modernizing the economy, the bureaucracy, the banking system, utilities, health and social services. Last Monday President Bush called him to congratulate him and urge him to follow through on his reforms, to move forward towards his promises of market-based and democratic reform.

Madam Speaker, let us hope so. Like the leader of Taiwan, the leader of Spain, I wish the leader of Russia, President Putin, success; but I will define success as: how free are your people?

HOW FAST WILL THEY RUN?

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Maryland (Mr. HOYER) is recognized during morning hour debates for 5 minutes.

Mr. HOYER. Madam Speaker, this week we are going to see just how committed our Republican friends are to the irresponsible budget that they passed 4 days ago.

Tomorrow, Democrats will offer a motion to instruct House conferees on the fiscal 2005 budget resolution to accept the Senate's bipartisan pay-as-you-go budget enforcement rules. Those rules would require us to find offsets for both new spending as well as tax cuts. As a matter of fact, one of the real authors of pay-as-you-go, the gentleman from California (Mr. GEORGE MILLER), in the 1990s is here, which led to the most fiscally responsible administration's performance, frankly, in history, under Bill Clinton. And with a projected budget deficit of more than a half a trillion dollars this year, it is fair to ask, What could be more reasonable than that?

□This symbol represents the time of day during the House proceedings, e.g., □1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

After all, our bipartisan agreement to pay-as-you-go rules in 1990 led to the steady decrease of our deficits throughout that decade and 4 consecutive years of budget surpluses between fiscal 1998 and 2001, the first time that has happened in 80 years.

But in their budget resolution, our Republican friends pretend that we can get our fiscal house back in order by applying so-called pay-as-you-go rules to spending only. Tax cuts, they believe, are a freebie, even though the Congressional Budget Office has estimated that 40 percent of our deficit is attributable to revenue reductions. Who is going to pay that bill? Our children will pay that bill. Our grandchildren will pay that bill.

And even the respected chairman of the Committee on Appropriations, my friend, the gentleman from Florida (Mr. YOUNG), said in February, "No one should expect significant deficit reduction as a result of austere, nondefense discretionary spending limits. The numbers simply do not add up." So said the gentleman from Florida (Mr. YOUNG), conservative Republican.

So I urge my Republican friends: join us. Join us in this effort to restore fiscal sanity to our Nation's budget. Vote for this important Democratic motion to instruct. That is not so hard. And remember, you have done it before.

Last year, a mere 96 hours after you passed your first 2004 budget resolution, you turned right around, 180 degrees, and voted for the Democratic motion to instruct conferees to reject the deep cuts called for in your budget for education, for veterans, Medicare, Medicaid, and other areas. The chairman of the Committee on the Budget, the gentleman from Iowa (Mr. NUSSLE), even stood on this floor and railed against our motion for half an hour. For half an hour he railed against our motion, before he and most of the Republican leadership flip-flopped and helped pass it by a vote of, listen to this, Madam Speaker, 399 to 22. That was the Democratic motion passing. Why? Because Republicans wanted to pretend that they were actually for the motion to instruct's priorities when their budget clearly denied that, contradicted it, did not provide for those priorities.

So I urge my Republican friends to support the adoption of pay-as-you-go rules which helped Democrats produce a budget for fiscal year 2005 that was both fair and responsible.

Our Democratic substitute would balance the budget within 8 years. The Republican resolution would actually increase our deficits. Our Democratic budget would protect Social Security. Our democratic budget would match the Republican budget on defense spending to ensure our national security and provide nearly $6 billion more over 5 years for homeland security to ensure that our people here at home are safer. Our Democratic budget would provide tax relief for hard-working families; and our budget, the Democratic budget, even as it reins in deficits caused by the Republican Party's failed policies, would provide more resources than the Republican budget for education, veterans, job training, public health, and infrastructure, the last, of course, being extraordinarily effective jobs-producing.

Finally, Madam Speaker, we also will consider this week, as I have said, the transportation reauthorization bill, which will pass, I predict, with wide bipartisan support, but leave both Democrats and some Republicans shaking their heads.

This is not only a bill about infrastructure, critically important to our economy, critically important to the safety of this Nation, critically important to every American; it is also a jobs bill. Democrats and some Republicans, including the chairman of the Committee on Transportation and Infrastructure, the gentleman from Alaska (Mr. YOUNG), himself supported a spending level of $375 billion, which would have created 1.7 million new jobs.

Why is that important? Because for the first time in 75 years since Herbert Hoover, the first time, this is the first administration in three-quarters of a century that will end its 4-year term having lost jobs net in this economy. That is why we have over 8 million people unemployed and 2.5 million jobs lost. Yet, the President, who has the worst record of job creation since Herbert Hoover threatened a veto of that jobs-creating bill, demanding a funding level that would create 1.1 million fewer new jobs.

□ 1245

I urge my Republican friends to stop ignoring the plight of the unemployed who have suffered under your failed policies.

Since December, more than 1 million jobless workers have exhausted their regular State unemployment benefits without receiving temporary Federal assistance. Why? Because Republicans allowed the Federal program to expire. Democrats have been asking for the last 6 months to extend that program, as we did under the Reagan administration, as we did under Bush 1. They have refused to do so.

Before we leave Washington this week for a 2-week recess, we should pass an immediate extension of temporary Federal jobless benefits. It is the right thing to do, it is the moral thing to do, and I would suggest to you it is the right thing to do for our economy as well. There is no excuse for failing to act.

Madam Speaker, I hope that when the motion to instruct on the budget resolution is made to have a responsible, effective, historically effective pay-as-you-go process, to discipline our budget so that America's children and America's grandchildren and America's economy will not be put deeper into debt and that we will have an effective enforcement process, which will, like America's families, make tough decisions so that we will have a better future for our country.

VOTE FOR THE MOTION TO INSTRUCT CONFEREES ON THE BUDGET RESOLUTION

The SPEAKER pro tempore (Ms. HARRIS). Pursuant to the order of the House of January 20, 2004, the gentleman from Texas (Mr. STENHOLM) is recognized during morning hour debates for 5 minutes.

Mr. STENHOLM. Madam Speaker, let me follow in the same footsteps of my colleague from Maryland.

Last week, the House passed a budget, a very bitterly debated and very close decision on the final outcome as to which budget we should pass. A lot of speeches were made, a lot of promises were made, but one of the things that was not a part of the budget resolution last week was pay-as-you-go.

Now, our friends on the other side of the Capitol, the other body, in passing their budget they suggested that pay-as-you-go would be a good policy; and they included everything. In my opinion, unless we have everything on the table, spending and revenue, pay-as-you-go will not work as well in 2004 as it did in the 1990s.

There are those that believe there should be a difference. They are the same ones that have succeeded in passing three budgets now in the last 3 years that have given this country the largest fiscal deficits in the history of our country. They are the same ones that are arguing now that pay-as-you-go should only include spending, not revenue. But they are the ones also that should accept the responsibility for their ideas, having, as I said, given this country the largest amount of fiscal deficits in the history of our country.

We borrowed $1 trillion in the last 2½ years. We are going to borrow another trillion dollars in the next year and a half. And yet they argue, and will argue this afternoon on the motion to recommit, that we should only include spending.

Well, the pay-as-you-go resolution that I supported, and it was in the Blue Dog budget, was in the Democratic party alternative, was put everything on the table. If you want to spend more for any purpose, then you have to cut spending somewhere else. If you want to cut taxes, then you have got to cut spending somewhere to make room for them or raise taxes in some other area that will be more proficient, more efficient, and accomplish what needs to be done for the job creation in this country but also for getting our fiscal house in order.

We are not going to wish deficits away. We can argue about this, and we did last week. We can argue about what trade policy we should have. But one thing we cannot argue about, and no one does argue about, is the baby boom generation reaching age 62 in 2008, 65 in 2011, 67 in 2013. That is when the greatest economic pressure that this country has ever known is going to hit us, and that is why it is so important for this Congress and this administration to get real about fiscal responsibility.

Philosophy alone will not cut it. To those that argue that cutting taxes was going to produce more revenue, it didn't. It did not. It came up over $100 billion short. Those of us that believe in pay-as-you-go say that when you advocate a policy, whether it be spending or revenue, and it does not do what you said it was going to do, then you should step up to the plate and pay for it. But, no, those who argue on the other side say we are not going to ask those fortunate to be alive today to pay for it, we are going to send the bill to our grandchildren. We are going to send the bill to them because they cannot vote in November.

Pay-as-you-go is a pretty simple philosophy. Every family in the United States has to adopt pay-as-you-go. Most families do not have the luxury, in fact, they would not even think about one of the solutions to the family problems is to reduce mom's or dad's paycheck and yet reduce that paycheck and live within that means. One would not think about doing that, but that is what the leadership of this House is suggesting. That is what they did even though a very large, I think plurality, maybe majority on the other side of the aisle agrees with those of us that says pay-as-you-go is something that should be part of the budget resolution, and it should be implemented, and it should be implemented with everything on the table.

That is what the motion to instruct conferees tomorrow will be about, and I would encourage my colleagues, both sides of the aisle, to vote for it and put some muscle into the speechifying on budgets in this body.

NATIONAL SECURITY ADVISOR CONDOLEEZZA RICE SHOULD TESTIFY BEFORE THE 9/11 COMMISSION

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from California (Mr. GEORGE MILLER) is recognized during morning hour debates for 5 minutes.

Mr. GEORGE MILLER of California. Madam Speaker, National Security Advisor Condoleezza Rice should testify before the 9/11 Commission. She can no longer hide behind the right of executive privilege. Both she and the President should waive their rights to executive privilege in this case. The executive privilege can still be preserved for President Bush and for future presidents in other matters.

There are few matters in our Nation's experience as sobering as the tragic terrorist attack of 9/11. It was the worst homeland attack on our security since Pearl Harbor, and we need a full accounting from the administration about what happened prior to 9/11.

The National Security Advisor has tried to have it both ways. She has commented on the proceedings of the Commission to the press, she has questioned the evidence presented to the Commission, and challenged the integrity of the witnesses testifying under oath, but she refuses to testify in public under oath to the Commission and to the families about what she knew about the events leading up to 9/11, about our efforts to stop terrorism, about our efforts to protect our national security.

The families and the Nation need to know and want to know what exactly happened prior to 9/11. We need Mrs. Rice's testimony under oath to reach a full accounting, especially since she is now from the sidelines publicly contradicting evidence and testimony presented to the Commission.

If Condoleezza Rice has another version of the events and facts, she must come forward and present them to the Nation under oath. Congress, the families, and the public deserve no less.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 12 o'clock and 55 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. BOOZMAN) at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God, as soon as we call You "God with us," we realize Your covenant reenacted. You have committed Yourself to be in solidarity, "God with us." You wish to share our joys and pains, defend and protect us. You raise up from within us laments, shouts of praise, and hymns of constancy.

We will never truly know You, Lord God, as a compassionate God until we see You and know Your presence in the midst of our daily grind, at the bottom of our deepest longings, and as the sustaining strength in overwhelming trials.

You have chosen to be with us and love us with all our limitations as a people and as a Nation. So we rejoice in You now and forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Texas (Mr. CARTER) come forward and lead the House in the Pledge of Allegiance.

Mr. CARTER led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

> S. 2241. An act to reauthorize certain school lunch and child nutrition programs through June 30, 2004.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

> OFFICE OF THE CLERK,
> HOUSE OF REPRESENTATIVES,
> *Washington, DC, March 26, 2004.*
>
> Hon. J. DENNIS HASTERT,
> *Speaker, House of Representatives,*
> *Washington, DC.*
>
> DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on March 26, 2004 at 9:10 a.m.:
>
> That the Senate passed without amendment H.R. 3926.
>
> With best wishes, I am
> Sincerely,
> JEFF TRANDAHL,
> *Clerk.*

COMMUNICATION FROM THE HON. NANCY PELOSI, DEMOCRATIC LEADER

The SPEAKER pro tempore laid before the House the following communication from the Honorable Nancy Pelosi, Democratic Leader:

> HOUSE OF REPRESENTATIVES,
> OFFICE OF THE DEMOCRATIC LEADER,
> *March 26, 2004.*
>
> Hon. J. DENNIS HASTERT,
> *Speaker of the House of Representatives,*
> *Washington, DC.*
>
> DEAR MR. SPEAKER: Pursuant to (10 U.S.C. 111 note) I hereby appoint retired Army Lt.

General H.G. (Pete) Taylor, to the Commission On The Review Of The Overseas Military Facility Structure Of The United States.

Best regards,

NANCY PELOSI.

LIBYA RESPECTS AMERICA'S INITIATIVES

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, in the global war on terrorism, it is reassuring that President George W. Bush is keeping focused on winning the war which was forced on America by the murderous attacks of September 11.

In the midst of Monday morning quarterbacking, we should see the facts of success: the Afghan and Iraqi dictatorships which supported terrorism have met regime change. An emboldened Pakistan has 70,000 troops uprooting terrorists on the border of Afghanistan, and Libya has abandoned its banned weapons programs.

Libya has seen the light. It is reassuring to learn from Thursday's Washington Post that the Libyan dictator's son Saif Islam Qaddafi has made the case for peace and freedom clear to other Arab countries: "Instead of shouting and criticizing the American initiative, you have to bring democracy to your countries, and then there will be no need to fear America or your people."

In conclusion, God bless our troops. We will never forget September 11.

MEDICARE PRESCRIPTION DRUGS

(Ms. SOLIS asked and was given permission to address the House for 1 minute.)

Ms. SOLIS. Mr. Speaker, last week I met with the Esperanza Senior Citizen Club in City Terrace in East Los Angeles to discuss the new Medicare prescription drug law enacted last year. The seniors there had many, many questions. They asked me how the law will affect them and will it provide affordable drugs. Unfortunately, I had to tell them that the law does nothing to lower the cost of prescription drugs. In fact, I told them that it prohibits the Secretary of Health and Human Services from negotiating lower prices. They were star struck. They could not believe that that is what we had passed here in the Congress.

In short, the law increases profits for big pharmaceutical companies and fails to protect seniors. The Esperanza Senior Club was shocked when they learned the truth about the new law because they felt that Congress had abandoned them. They told me to go back to Washington and they told me to renegotiate, to open up a discussion on that piece of legislation, because for them and the district that I represent, still they are not able to afford their drugs, their medications; and they want choices. They wanted to know if they were going to have the same physician caring for them in the HMOs.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken after 6:30 p.m. today.

UTROK ATOLL VESSEL CONVEYANCE

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 2584) to provide for the conveyance to the Utrok Atoll local government of a decommissioned National Oceanic and Atmospheric Administration ship, and for other purposes.

The Clerk read as follows:

Senate amendments:

(1)Page 2, after line 17, insert:

(c) Within 120 days after the date of enactment of this Act, the Utrok Atoll local government, in consultation with the Government of the Republic of the Marshall Islands, shall submit a plan for the use of the vessel to be conveyed under subsection (a) to the House of Representatives Committee on Resources, the House of Representatives Committee on Science, the Senate Committee on Energy and Natural Resources, and the Senate Committee on Commerce, Science, and Transportation.

(2)Page 4, after line 6, insert:

SEC. 305. REBUILDING FISH STOCKS.

Section 105 of division H of the Consolidated Appropriations Act, 2004, is repealed.

(3)Page 4, after line 6, insert:

TITLE IV—PACIFIC ALBACORE TUNA TREATY

SEC. 401. IMPLEMENTATION.

(a) IN GENERAL.—Notwithstanding anything to the contrary in section 201, 204, or 307(2) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1821, 1824, and 1857(2)), foreign fishing may be conducted pursuant to the Treaty between the Government of the United States of America and the Government of Canada on Pacific Coast Albacore Tuna Vessels and Port Privileges, signed at Washington May 26, 1981, including its Annexes and any amendments thereto.

(b) REGULATIONS.—The Secretary of Commerce, with the concurrence of the Secretary of State, may—

(1) promulgate regulations necessary to discharge the obligations of the United States under the Treaty and its Annexes; and

(2) provide for the application of any such regulation to any person or vessel subject to the jurisdiction of the United States, wherever that person or vessel may be located.

(c) ENFORCEMENT.—

(1) IN GENERAL.—The Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) shall be enforced as if subsection (a) were a provision of that Act. Any reference in the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) to "this Act" or to any provision of that Act, shall be considered to be a reference to that Act as it would be in effect if subsection (a) were a provision of that Act.

(2) REGULATIONS.—The regulations promulgated under subsection (b), shall be enforced as if—

(A) subsection (a) were a provision of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.); and

(B) the regulations were promulgated under that Act.

SEC. 402. SOUTH PACIFIC TUNA TREATY ACT AMENDMENT.

Section 6 of the South Pacific Tuna Act of 1988 (16 U.S.C. 973d(a)) is amended by striking "outside of the 200 nautical mile fisheries zones of the Pacific Island Parties." and inserting "or to fishing by vessels using the longline method in the high seas areas of the Treaty area.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland (Mr. GILCHREST) and the gentleman from New Mexico (Mr. UDALL) each will control 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

H.R. 2584 passed the House on November 11, 2003, by voice vote. The bill, as passed by the House, included a number of important provisions including the transfer of a decommissioned NOAA vessel to the local government of the Utrok Atoll, the reauthorization of the Yukon River Salmon Act of 2000, the reauthorization of the Fishermen's Protective Act of 1967, and a provision to correct and ratify certain promotions within the National Oceanic and Atmospheric Administration Commissioned Corps.

The Senate has made several additions to the legislation which make it a stronger conservation measure. These additions include language to implement the Pacific Albacore Tuna Treaty, a measure which will help ensure the sustainable conservation and management of the albacore tuna fishery shared by the United States and Canada; and language to allow certain U.S. fishing vessels access to South Pacific tuna stocks consistent with revisions to the 1988 South Pacific Tuna Treaty. The bill was further amended to strike a provision of the Consolidated Appropriations Act of 2004, which would have delayed the implementation of important conservation and management measures in the Northeast multispecies fishery management plan. This provision is important to the continued rebuilding process for New England groundfish stocks and to meet court-ordered timetables.

Finally, the amendments include a requirement that a plan for the use of the decommissioned vessel be submitted to Congress by the local government of the Utrok Atoll in consultation with the government of the Republic of the Marshall Islands.

I urge Members to support these important provisions by voting "aye" on the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. UDALL of New Mexico. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me thank the gentleman from Maryland for his hard work and his leadership on this bill.

H.R. 2584 is a noncontroversial piece of legislation previously passed by the House on November 21, 2003, that would convey a decommissioned National Oceanic and Atmospheric Administration, or NOAA, research vessel, to the local government of Utrok Atoll located in the Republic of the Marshall Islands. The conveyance of this vessel will allow more convenient transportation for the residents of Utrok Atoll who have to make a 265-mile trip to the neighboring island of Majuro to receive testing and critical medical treatments as a result of the U.S. nuclear testing program we conducted in the Northern Marshall Islands between 1946 and 1958.

I commend the Delegate from American Samoa for introducing this legislation to help alleviate the burden shared by the residents of this very remote atoll in the Pacific Ocean.

H.R. 2584 also contains an important provision to address procedural lapses in promotions and appointments within NOAA's commissioned officer corps. It is important not to disrupt the NOAA corps chain of command while our Nation is at war against terrorism. This provision should prevent any future operational or command dysfunctions from arising, and we should act expeditiously to pass it.

This legislation as amended by the other body also contains provisions passed last year by the House in H.R. 2408 to reauthorize the Fishermen's Protective Act and the Yukon River Salmon Act, and two amendments to reauthorize and clarify fisheries management agreements concerning tuna in the Pacific Ocean. None of these are controversial.

I urge Members on both sides to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

I would like to thank the gentleman from American Samoa (Mr. FALEOMAVAEGA), the gentleman from New Mexico (Mr. UDALL), and the staff on both sides of the aisle for helping to bring this measure to the floor. I hope for a unanimous vote later on this afternoon.

Mr. Speaker, I include for the RECORD an exchange of letters between the chairman of the Committee on Science and the chairman of the Committee on Resources regarding this legislation.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SCIENCE,
Washington, DC, March 26, 2004.

Hon. RICHARD W. POMBO,
Chairman, Committee on Resources, House of Representatives, Longworth House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I understand that the House plans to take up H.R. 2584 as amended by the Senate. Thank you for your support in having the Committee on Science added to the list of Committees to which the Utrok Atoll local government must report after receipt and use of the decommissioned National Oceanic and Atmospheric Administration ship.

The Committee on Science supports passage of this bill as amended, but wishes to clarify the Committee's jurisdiction over the NOAA Corps. Based on conversations with the Office of the Parliamentarian, the Committee on Science understands it would receive a sequential referral of legislation involving the NOAA Corps.

Recognizing your wish that the House of Representatives consider this bill as soon as possible, I will not exercise the Committee's right to a sequential referral of H.R. 2584 based on the Committee's jurisdiction over the NOAA Corps. This decision to forgo a sequential referral does not waive the Committee's future jurisdiction over the NOAA Corps.

I ask that you include our exchange of letters on this matter in Congressional Record during floor consideration of H.R. 2584.

Thank you for your consideration regarding this matter.

Sincerely,

SHERWOOD L. BOEHLERT,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Washington, DC, March 26, 2004.

Hon. SHERWOOD BOEHLERT,
Chairman, Committee on Science,
Rayburn HOB, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter regarding H.R. 2584, a bill to provide for the conveyance to the Utrok Atoll local government of a decommissioned National Oceanic and Atmospheric Administration ship, and for other purposes. The Senate has returned the bill to us with additional provisions and I appreciate your cooperation in allowing it to be considered expeditiously by the House of Representatives.

Based on discussions with the Office of the Parliamentarian, the Committee on Science would be entitled to a sequential referral of the portion of the bill containing the text of S. 886, which was added to H.R. 2584 during the original Floor consideration of the bill on November 21, 2003. Because the Committee on Resources plans to consider S. 886 only in the context of H.R. 2584, I appreciate your willingness not to seek a referral of the amended bill. By doing so, I agree that the Committee on Science does not waive jurisdiction over this provision, nor does it serve as precedent for any future referrals. In addition, I will be happy to include our exchange of letters on this issue in the Congressional Record at the appropriate time.

Thank you again for your cooperation on this and many other issues between our committees.

Sincerely,

RICHARD W. POMBO.

Mr. FALEOMAVAEGA. Mr. Speaker, again, I rise in support of H.R. 2584, a bill I introduced to assist our friends from Utrōk Atoll as they continue efforts to resettle and rehabilitate their islands as a result of the effects of the United States nuclear testing in the Republic of the Marshall Islands (RMI).

At this time, I would like to thank Chairman RICHARD POMBO and Ranking Member NICK RAHALL of the Resources Committee for their continued support of Pacific Island issues. I would also like to thank my distinguished colleagues and co-sponsors—Congressmen ANÍBAL ACEVEDO-VILÁ, DAN BURTON, JOHN DOOLITTLE, ELTON GALLEGLY, JEFF FLAKE, and Congresswoman MADELEINE BORDALLO.

I would also like to thank members of the Senate for voting in favor of this legislation. The purpose of this legislation is to authorize the Secretary of Commerce to convey a decommissioned, operable NOAA vessel to the Government of Utrōk. The vessel will be used to provide support for radiological monitoring, rehabilitation and resettlement of Utrōk, an atoll that is part of the Republic of the Marshall Islands.

During the 1940s and 50s, many of the Marshall Island atolls were devastated by the effects of U.S. nuclear testing activities. From 1946 to 1958, the United States detonated 67 nuclear weapons in the Marshall Islands, representing nearly 80 percent of all atmospheric tests ever conducted by the United States. If one were to calculate the net yield of these tests, it would be equivalent to the detonation of 1.7 Hiroshima bombs every day for 12 years.

On March 1, 1954, at 6:45 a.m. at the Bikini Atoll in the Marshall Islands, the United States detonated the Bravo shot, a 15 megaton hydrogen bomb 1,000 times more powerful than the bomb dropped on Hiroshima. Acknowledged as the greatest nuclear explosion ever detonated, the Bravo test vaporized 6 islands and created a mushroom cloud 25 miles in diameter.

Residents of Utrōk atoll were forced to evacuate 72 hours after the miscalculated Bravo shot. Two months later, the U.S. assured the people of Utrōk that it was safe to return home. The U.S. now acknowledges that it was a grave mistake to return the people to Utrōk only 2 months after the detonation of Bravo.

Utrōk residents have since suffered severe health problems and genetic anomalies. Today, the people of Utrōk are seeking to rehabilitate their home island so that it is a safe place to live. Last year, a comprehensive scientific report recommended a potassium fertilizer treatment to accompany the ongoing resettlement process on Utrōk, a treatment which would suppress the remaining radioactive Cesium-137 in the soil and prevent its further uptake in the food supply.

In addition, the U.S. Department of Energy (DOE) concluded a Memorandum of Understanding (MOU) with Utrōk that committed the DOE to build a Whole Body Counting (WBC) facility in order to monitor radioactivity levels in the people of Utrōk. This new facility is located about 265 miles away in Majuro and will be used to ensure that the potassium fertilizer regime is effective and the administration of the fertilizer treatment is done properly.

However, Utrōk residents are responsible for their own transportation to Majuro. Transportation by plane is expensive and available only once per week. Air service is also unreliable as the Utrōk runway is in disrepair and the airline often declines to land. Travel by commercial ships, although less expensive, is infrequent.

One solution to help facilitate transport between Utrõk and Majuro is to transfer a decommissioned NOAA vessel to the Utrõk Atoll Local Government. In addition to transport of Utrõk residents to the WBC facility, the vessel will be used for moving several tons of potassium fertilizer, transporting equipment and materials for radiological remediation, and transporting USDA food supplies. Because of the Cesium-137 contamination in locally grown food, at least 50 percent of the diet of Utrõk residents must be imported to limit the risk of radiological poisoning.

The Utrõk Atoll Local Government fully supports this measure and adopted a resolution (022–03) on July 4th 2003 stating that the NOAA vessel transfer would be "one of the crucial needs that will fully support our future goals to develop, rehabilitate and resettle the atoll after the aftermath of the Bravo fallout." The Utrõk Government also expects the ship to be available for use by other atolls for their respective communities, who will help pay for the ongoing maintenance of the vessel.

As the Ranking Member of the House International Relations Subcommittee on Asia and the Pacific, I am hopeful that this bill will remind Congress of our ongoing responsibility to the people of RMI for the mistakes the United States made regarding its nuclear testing activities in the Asia Pacific region. Once again, I thank my colleagues in the House and Senate for their support and I urge final passage of this important legislation.

Mr. UDALL of New Mexico. Mr. Speaker, I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 2584.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. GILCHREST. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2584, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

VAUGHN GROSS POST OFFICE BUILDING

Mr. CARTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3723) to designate the facility of the United States Postal Service located at 8135 Forest Lane in Dallas, Texas, as the "Vaughn Gross Post Office Building".

The Clerk read as follows:

H.R. 3723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. VAUGHN GROSS POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 8135 Forest Lane in Dallas, Texas, shall be known and designated as the "Vaughn Gross Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Vaughn Gross Post Office Building.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. CARTER) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. CARTER).

□ 1415

GENERAL LEAVE

Mr. CARTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore (Mr. BOOZMAN). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

On behalf of the Committee on Government Reform, I am pleased to rise in support of H.R. 3723. This meaningful legislation designates the Dallas Postal Service facility as the "Vaughn Gross Post Office Building."

Vaughn Gross has spent 35 years educating children in Texas and more than 30 of those years working in the Richardson Independent School District outside of Dallas. She began her career in the district by teaching special education classes at Skyview and Canyon Creek Elementary Schools in the 1970s. She later taught second grade students for 5 years at Northlake Elementary.

Ultimately, Vaughn Gross worked her way up to become Assistant Principal at Aiken Elementary in 1989. In 1992, she held the same position at Brenfield Elementary School. A year later, she was elevated to Principal, a capacity in which she served for 6 years. In 1999, Vaughn Gross moved over to Hamilton Park Magnet School to act as principal there. Today, Ms. Gross is Assistant Superintendent For Curriculum and Instruction in the Richardson School District.

Mr. Speaker, Vaughn Gross is a respected, appreciated leader in the Dallas area. She earned a Teacher of the Year Award from the Richardson Association of Children with Learning Disabilities in 1977 and PTA life membership status in 1999. She is precisely the type of quality individual after whom the Congress ought to name post offices in our great Nation.

I commend the gentleman from Texas (Mr. SESSIONS) for introducing H.R. 3723. I know the gentleman from Texas genuinely wanted to be present, and I will be submitting a statement for the RECORD on behalf of the gentleman from Texas (Mr. SESSIONS).

Mr. Speaker, I strongly urge every Member of the House to support H.R. 3723.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a Member of the House Committee on Government Reform, I am pleased to join with my colleagues in consideration of H.R. 3723, legislation naming a postal facility in Dallas, Texas, after Vaughn Gross. This measure, which was introduced by the gentleman from Texas (Mr. SESSIONS) on January 21, 2004, and unanimously reported by our committee on March 4, 2004, enjoys the support and cosponsorship of the entire Texas delegation.

A graduate of the University of Texas with a degree in special education, Mrs. Gross has dedicated her life to teaching and working with children with learning disabilities. Her vast teaching experience has not gone unnoticed or unappreciated. Mrs. Gross has won the distinguished Teacher of the Year from the Richardson Association of Children with Learning Disabilities and has achieved the Parent Teacher Association life membership status.

Currently, Mrs. Gross is serving as the Assistant Superintendent in the Richardson Independent School District. She is involved in a number of community organizations such as the Psychoanalysis Professional Development and Appraisal System, the District Instructional Strategies Committee, the Central Math Textbook Committee, and the Richardson Independent School District Professional Development Strategic Action Team.

And, finally, Mrs. Gross has received her school district's Silver Cup Award for Community on Campus and has been nominated for the YMCA Women of Achievement Award.

Mr. Speaker, it is obvious that Mrs. Gross has a distinguished record of community service, and although it is oftentimes unusual while people are still available to achieve these kinds of recognitions to see that the people of her community and that the gentleman from Texas (Mr. SESSIONS), her representative in Congress, thinks enough of her dedication to name this postal facility in her honor, I am pleased to join with him and urge swift adoption of this measure.

Mr. SESSIONS. Mr. Speaker, I rise today to pay tribute to an exceptional educator in the 32nd Congressional District of Texas with this legislation H.R. 3723, "To designate the facility of the United States Postal Service located at 8135 Forest Lane in Dallas, Texas, as the 'Vaughn Gross Post Office Building.'"

I am pleased to honor Vaughn Gross with the naming of this post office. It is a fitting tribute to a career educator who has served children with special needs and disabilities with excellence and distinction.

As a father of a child with special needs, I know firsthand that it takes an extraordinary person to educate children with disabilities. It requires both love and passion to be able to accomplish this tough task, and I admire Mrs. Gross for her drive and determination to improve the lives of children with disabilities.

Vaughn Gross began her career in education 36 years ago as an innovative classroom teacher for children with special needs and disabilities at Wooten Elementary School in Austin, Texas. For the past 30 years, she has served with the Richardson Independent School District. From 1993 until 1999, Mrs. Gross held the position of Principal of Brentfield Elementary School. From 1999 until 2003, she was the Principal of Hamilton Park Pacesetter Magnet School. Mrs. Gross currently serves as the Assistant Superintendent for Curriculum and Instruction.

Few in school administrations come from special education backgrounds, so it is notable that Mrs. Gross has been able to continue her commitment to improving special education as she transitioned from the classroom into her current administrative position.

All too often, we as a society do not give the appropriate recognition to dedicated teachers who go above and beyond the call of duty to educate those children with disabilities and special needs. Mrs. Gross has dedicated her life to furthering the education of the countless children who have benefited from her years of experience.

I believe that this legislation not only honors Mrs. Gross, but also pays a fitting tribute to the scores of educators in Texas and throughout the country who specialize in teaching our children with disabilities and special needs.

In addition to teaching her students, Mrs. Gross has made tremendous efforts to share her successful techniques with other educators in Texas to help improve the teaching of students outside of her home school district. I have always been impressed with her abilities, and I sincerely wish her all the best as she continues her career with the Richardson Independent School District.

Mr. DAVIS of Illinois. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CARTER. Mr. Speaker, I urge all Members to support the passage of H.R. 3723. I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. CARTER) that the House suspend the rules and pass the bill, H.R. 3723.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. CARTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

MAXINE S. POSTAL UNITED STATES POST OFFICE

Mr. CARTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3917) to designate the facility of the United States Postal Service located at 695 Marconi Boulevard in Copiague, New York, as the "Maxine S. Postal United States Post Office".

The Clerk read as follows:

H.R. 3917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MAXINE S. POSTAL UNITED STATES POST OFFICE.

(a) DESIGNATION.—The facility of the United States Postal Service located at 695 Marconi Boulevard in Copiague, New York, shall be known and designated as the "Maxine S. Postal United States Post Office".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Maxine S. Postal United States Post Office.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. CARTER) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. CARTER).

GENERAL LEAVE

Mr. CARTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3917, introduced by the distinguished gentleman from New York (Mr. ISRAEL), designates the facility of the United States Postal Service located at 695 Marconi Boulevard in Copiague, New York, as the "Maxine S. Postal United States Post Office Building."

Since first being elected in 1987, Maxine Postal was an esteemed member of the Suffolk County Legislature in New York. There is little question that she was an effective public servant and respected across political party lines. Her hallmarks in the legislature included fighting for tax relief, promoting community recycling programs, and revitalizing area recreation centers for citizens of Suffolk County.

Outside of her work in the legislature, her community contributions included serving as treasurer of the Amityville Board of Education and founding a library and a local soccer league.

Mr. Speaker, one cannot capture the worth of a local leader like Maxine Postal in a mere list of accomplishments. That is why I am pleased that enactment of this legislation will immortalize her legacy by naming a post office after her in the town she represented in the county legislature.

Mr. Speaker, Maxine Postal sadly passed away on New Year's Day, 2004, succumbing to a rare brain disorder known as CJD. She had announced her resignation from the legislature just days before she died. Maxine Postal was a valued public servant who is most deserving of this post office commemoration.

I thank the gentleman from New York for advancing this legislation through the Committee on Government Reform to the House floor for consideration today. I urge all Members to support H.R. 3917 that honors Maxine Postal.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

As a member of the House Committee on Government Reform, I am pleased to join with my colleague in the consideration of H.R. 3917, legislation naming a postal facility in Copiague, New York, after Maxine Postal. This measure, which was introduced by the gentleman from New York (Mr. ISRAEL) on March 9, 2004, and unanimously reported by our committee on March 18, 2004, enjoys the support and cosponsorship of the entire New York delegation.

Maxine Postal was born in Brooklyn, New York, in 1942. She grew up in Brooklyn, was educated in Brooklyn, and taught school in Brooklyn. In 1968, she opened the Busy Bee Nursery School and Kindergarten in Brooklyn, New York. Mrs. Postal used her vast teaching experience and expertise to serve as president of the Hauppauge Library Board and later as president of the Amityville Board of Education.

In the late 1980s, Mrs. Postal was elected to the Suffolk County Legislature where she served for 15 years until her death of Creutzfeldt-Jakob, a rare brain disorder, on New Year's Day at a hospice on West Palm Beach, Florida.

While an active member of the county legislature, Mrs. Postal was a liberal Democrat, I like that, dedicated to improving the lives of those in her community. She was a tireless advocate for the homeless, the downtrodden, and the poor, using her position on the social services committee to better living conditions for those living on the streets. She was a woman of the people who fought for everyone and championed the rights of all to live free from discrimination and oppression.

Mr. Speaker, I am proud to join the sponsor in honoring the life of Maxine Postal and pleased that we are seeking to remember her good works, her good deeds, her advocacy for the poor, the downtrodden, those who are oftentimes forgotten. So it is my pleasure to urge swift passage of this resolution.

I know that the gentleman from New York (Mr. ISRAEL) had wanted to be present but could not make it, and I wanted to indicate that so that, as sponsor of this legislation, his name is listed in the RECORD as individuals pick up the CONGRESSIONAL RECORD and see or read the proceedings.

Mr. ISRAEL. Mr. Speaker, I would like to first begin by thanking the gentleman from Virginia (Mr. DAVIS), the Gentleman from California (Mr. WAXMAN) and all members of the Committee of Government Reform for reporting H.R. 3917 so promptly.

I also thank the gentleman from Texas (Mr. CARTER) and the gentleman from Illinois (Mr. DAVIS) for managing debate on this bill that honors former Suffolk County Presiding Officer Maxine S. Postal, who died so tragically this past January after a courageous battle with the rare brain disorder Creutzfeld-Jakob.

Mr. Speaker, I rise today to ask Members to support H.R. 3917, a bill I introduced that designates the Copiague, New York post office as the Maxine S. Postal United States Post Office.

The speed this legislation moved through the House is a tribute to the great respect and admiration held for Maxine Postal. She was a good friend and wonderful public servant.

Maxine was born in Brooklyn, New York on November 24, 1942. She graduated from Brooklyn College, achieving a master's degree in fine arts.

For the past three decades, Maxine served her Long Island community with distinction and tireless dedication.

I had the honor of first knowing Maxine and working with her in 1987, when she became the first woman to represent the 15th Legislative District in Suffolk County.

Maxine achieved many legislative accomplishments, including efforts to protect the environment through recycling and preserving open space, ease the tax burden, ensure access to better health care and treatment, and work to revitalize and beautify community centers.

She never stopped fighting for the best interests of the people she represented, the working families of Suffolk County.

Maxine died on New Year's Day, a few weeks after being diagnosed with Creutzfeld-Jakob Disease. CJD is an extremely rare brain disorder, affecting only one person in a million.

Maxine was diagnosed with the sporadic form, which is not associated with contaminated beef like the variant form. In most cases, CJD causes the rapid development of neurological and neuro-muscular symptoms and often proves fatal in less than a year after the disorder becomes apparent.

To those of us who knew Maxine, we will remember her bravery and courageous battle against this fatal disease.

We will continue to miss her, but will always be inspired by her leadership. She had an unparalleled ability to stand firmly on principle while bringing diverse views together in bipartisan coalitions that moved Suffolk County forward.

Franky, not just Suffolk Country but New York and our country could use more elected officials like Maxine Postal. She is a model of what a public servant can and should be.

The Maxine S. Postal United States Post Office will serve as a lasting tribute to her many years of public service and her invaluable impact on Suffolk County. So that years from now, a new generation of Long Islanders will cherish her service and honor her memory.

She was an extraordinary New Yorker, a proud American and a vital member of our community.

I ask for my colleagues' unanimous support of H.R. 3917 in honor of Maxine S. Postal's bravery and outstanding accomplishments.

Mr. DAVIS of Illinois. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CARTER. Mr. Speaker, I urge all Members to support the passage of H.R. 3917. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. CARTER) that the House suspend the rules and pass the bill, H.R. 3917.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. CARTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until approximately 6:30 p.m. today.

Accordingly (at 2 o'clock and 29 minutes p.m.), the House stood in recess until approximately 6:30 p.m. today.

□ 1830

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. CULBERSON) at 6 o'clock and 30 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3966, ROTC AND MILITARY RECRUITER EQUAL ACCESS TO CAMPUS ACT OF 2004

Mrs. MYRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 108–451) on the resolution (H. Res. 580) providing for consideration of the bill (H.R. 3966) to amend title 10, United States Code, and the Homeland Security Act of 2002 to improve the ability of the Department of Defense to establish and maintain Senior Reserve Officer Training Corps units at institutions of higher education, to improve the ability of students to participate in Senior ROTC programs, and to ensure that institutions of higher education provide military recruiters entry to campuses and access to students that is at least equal in quality and scope to that provided to any other employer, which was referred to the House Calendar and ordered to be printed.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 95) setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009, and ask for its immediate consideration in the House.

The SPEAKER pro tempore (Mr. CULBERSON.) Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 95

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

(a) DECLARATION.—Congress declares that this resolution is the concurrent resolution on the budget for fiscal year 2005 including the appropriate budgetary levels for fiscal years 2006 through 2009 as authorized by section 301 of the Congressional Budget Act of 1974 (2 U.S.C. 632).

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 2005.

TITLE I—LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.
Sec. 102. Social security.
Sec. 103. Major functional categories.

TITLE II—RECONCILIATION

Sec. 201. Reconciliation in the Senate.

TITLE III—RESERVE FUNDS AND ADJUSTMENTS

Subtitle A—Reserve Funds

Sec. 301. Reserve fund for health insurance for the uninsured.
Sec. 302. Reserve fund for higher education.

Sec. 303. Reserve for energy legislation.
Sec. 304. Reserve fund for guard and reserve health care.
Sec. 305. Reserve fund for Montgomery GI bill benefits.
Sec. 306. Reserve for funding of Hope Credit.
Sec. 307. Reserve fund for expansion of pediatric vaccine distribution program.
Sec. 308. Reserve fund for addressing minority health disparities.
Sec. 309. Reserve for postal service reform.
Subtitle B—Adjustments With Respect to Discretionary Spending
Sec. 311. Adjustment for surface transportation.
Sec. 312. Supplemental appropriations for Iraq and related activities for fiscal year 2005.
Sec. 313. Adjustment for wildland fire suppression.
Sec. 314. Reserve fund for eliminating survivor benefit plan-social security offset.
TITLE IV—BUDGET ENFORCEMENT
Sec. 401. Restrictions on advance appropriations.
Sec. 402. Extension of emergency rule in the Senate.
Sec. 403. Discretionary spending limits in the Senate.
Sec. 404. Scoring rules.
Sec. 405. Adjustments to reflect changes in concepts and definitions.
Sec. 406. Application and effect of changes in allocations and aggregates.
Sec. 407. Exercise of rulemaking powers.
Sec. 408. Pay-as-you-go point of order in the Senate.
TITLE V—SENSE OF THE SENATE
Sec. 501. Sense of the Senate on budget process reform.
Sec. 502. Sense of the Senate on budget process reform with regard to the creation of bipartisan commissions to combat waste, fraud, and abuse and to promote spending efficiency.
Sec. 503. Sense of the Senate on the relationship between annual deficit spending and increases in debt service costs.
Sec. 504. Sense of the Senate regarding the costs of the medicare prescription drug program.
Sec. 505. Sense of the Senate regarding pay parity.
Sec. 506. Sense of the Senate on returning stability to payments under medicare physician fee schedule.
Sec. 507. Sense of the Senate regarding the use of Federal funds to support American companies and American workers.
Sec. 508. Sense of the Senate regarding closing the "tax gap".
Sec. 509. Sense of the Senate amendment on drug comparativeness studies.
Sec. 510. Sense of the Senate regarding funding for port security.
Sec. 511. Sense of the Senate regarding tribal colleges and universities.
Sec. 512. Findings and sense of the Senate.
Sec. 513. Sense of the Senate supporting funding restoration for agriculture research and extension.
Sec. 514. Reserve fund for Homeland Security Grant Program, assistance to firefighter grants, and port security grants.
Sec. 515. State Homeland Security Grant Program.
Sec. 516. Strategic Petroleum Reserve.
Sec. 517. Sense of the Senate concerning a National Animal Identification Program.
Sec. 518. Sense of the Senate regarding contributions to The Global Fund to Fight AIDS, Tuberculosis, and Malaria.
Sec. 519. Sense of the Senate concerning child nutrition funding.
Sec. 520. Sense of the Senate regarding compensation for exposure to toxic substances at the Department of Energy.
Sec. 521. Sense of the Senate regarding tax incentives for certain rural communities.
Sec. 522. Sense of the Senate concerning summer food pilot projects.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 2005 through 2009:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution—

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2005: $1,453,714,000,000.
Fiscal year 2006: $1,615,655,000,000.
Fiscal year 2007: $1,730,119,000,000.
Fiscal year 2008: $1,822,516,000,000.
Fiscal year 2009: $1,925,154,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 2005: −$23,420,000,000.
Fiscal year 2006: −$38,526,000,000.
Fiscal year 2007: −$24,825,000,000.
Fiscal year 2008: −$23,274,000,000.
Fiscal year 2009: −$27,906,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2005: $1,958,150,000,000.
Fiscal year 2006: $2,072,497,000,000.
Fiscal year 2007: $2,187,109,000,000.
Fiscal year 2008: $2,294,017,000,000.
Fiscal year 2009: $2,397,359,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2005: $1,968,807,000,000.
Fiscal year 2006: $2,061,467,000,000.
Fiscal year 2007: $2,161,380,000,000.
Fiscal year 2008: $2,263,755,000,000.
Fiscal year 2009: $2,363,932,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 2005: −$515,093,000,000.
Fiscal year 2006: −$445,812,000,000.
Fiscal year 2007: −$431,261,000,000.
Fiscal year 2008: −$441,239,000,000.
Fiscal year 2009: −$438,778,000,000.

(5) DEBT SUBJECT TO LIMIT.—The appropriate levels of the public debt are as follows:

Fiscal year 2005: $8,052,710,000,000.
Fiscal year 2006: $8,624,516,000,000.
Fiscal year 2007: $9,178,616,000,000.
Fiscal year 2008: $9,742,730,000,000.
Fiscal year 2009: $10,308,215,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of the debt held by the public are as follows:

Fiscal year 2005: $4,741,120,000,000.
Fiscal year 2006: $5,009,410,000,000.
Fiscal year 2007: $5,247,139,000,000.
Fiscal year 2008: $5,479,268,000,000.
Fiscal year 2009: $5,696,111,000,000.

SEC. 102. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 2005: $572,314,000,000.
Fiscal year 2006: $600,902,000,000.
Fiscal year 2007: $629,333,000,000.
Fiscal year 2008: $658,731,000,000.
Fiscal year 2009: $689,620,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 2005: $396,159,000,000.
Fiscal year 2006: $406,390,000,000.
Fiscal year 2007: $419,424,000,000.
Fiscal year 2008: $433,487,000,000.
Fiscal year 2009: $450,288,000,000.

(c) SOCIAL SECURITY ADMINISTRATIVE EXPENSES.—In the Senate, the amounts of new budget authority and budget outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for administrative expenses are as follows:

Fiscal year 2005:
(A) New budget authority, $4,249,000,000.
(B) Outlays, $4,264,000,000.
Fiscal year 2006:
(A) New budget authority, $4,352,000,000.
(B) Outlays, $4,335,000,000.
Fiscal year 2007:
(A) New budget authority, $4,477,000,000.
(B) Outlays, $4,457,000,000.
Fiscal year 2008:
(A) New budget authority, $4,617,000,000.
(B) Outlays, $4,594,000,000.
Fiscal year 2009:
(A) New budget authority, $4,762,000,000.
(B) Outlays, $4,738,000,000.

SEC. 103. MAJOR FUNCTIONAL CATEGORIES.

Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 2005 through 2009 for each major functional category are:

(1) National Defense (050):
Fiscal year 2005:
(A) New budget authority, $422,157,000,000.
(B) Outlays, $449,442,000,000.
Fiscal year 2006:
(A) New budget authority, $445,708,000,000.
(B) Outlays, $442,157,000,000.
Fiscal year 2007:
(A) New budget authority, $456,148,000,000.
(B) Outlays, $441,732,000,000.
Fiscal year 2008:
(A) New budget authority, $467,482,000,000.
(B) Outlays, $451,564,000,000.
Fiscal year 2009:
(A) New budget authority, $479,494,000,000.
(B) Outlays, $463,106,000,000.

(2) International Affairs (150):
Fiscal year 2005:
(A) New budget authority, $31,970,000,000.
(B) Outlays, $34,032,000,000.
Fiscal year 2006:
(A) New budget authority, $34,855,000,000.
(B) Outlays, $33,192,000,000.
Fiscal year 2007:
(A) New budget authority, $35,499,000,000.
(B) Outlays, $31,746,000,000.
Fiscal year 2008:
(A) New budget authority, $35,856,000,000.
(B) Outlays, $31,640,000,000.
Fiscal year 2009:

(A) New budget authority, $35,912,000,000.
(B) Outlays, $32,059,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 2005:
(A) New budget authority, $24,278,000,000.
(B) Outlays, $23,752,000,000.
Fiscal year 2006:
(A) New budget authority, $25,412,000,000.
(B) Outlays, $24,863,000,000.
Fiscal year 2007:
(A) New budget authority, $26,269,000,000.
(B) Outlays, $25,613,000,000.
Fiscal year 2008:
(A) New budget authority, $26,499,000,000.
(B) Outlays, $25,914,000,000.
Fiscal year 2009:
(A) New budget authority, $26,547,000,000.
(B) Outlays, $26,095,000,000.
(4) Energy (270):
Fiscal year 2005:
(A) New budget authority, $1,093,000,000.
(B) Outlays, −$546,000,000.
Fiscal year 2006:
(A) New budget authority, $2,762,000,000.
(B) Outlays, $1,653,000,000.
Fiscal year 2007:
(A) New budget authority, $2,781,000,000.
(B) Outlays, $1,214,000,000.
Fiscal year 2008:
(A) New budget authority, $2,501,000,000.
(B) Outlays, $601,000,000.
Fiscal year 2009:
(A) New budget authority, $2,082,000,000.
(B) Outlays, $718,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 2005:
(A) New budget authority, $36,160,000,000.
(B) Outlays, $31,191,000,000.
Fiscal year 2006:
(A) New budget authority, $32,909,000,000.
(B) Outlays, $33,529,000,000.
Fiscal year 2007:
(A) New budget authority, $32,895,000,000.
(B) Outlays, $34,099,000,000.
Fiscal year 2008:
(A) New budget authority, $32,825,000,000.
(B) Outlays, $33,879,000,000.
Fiscal year 2009:
(A) New budget authority, $33,523,000,000.
(B) Outlays, $33,974,000,000.
(6) Agriculture (350):
Fiscal year 2005:
(A) New budget authority, $21,746,000,000.
(B) Outlays, $20,976,000,000.
Fiscal year 2006:
(A) New budget authority, $23,806,000,000.
(B) Outlays, $22,574,000,000.
Fiscal year 2007:
(A) New budget authority, $24,698,000,000.
(B) Outlays, $23,509,000,000.
Fiscal year 2008:
(A) New budget authority, $24,604,000,000.
(B) Outlays, $23,483,000,000.
Fiscal year 2009:
(A) New budget authority, $25,563,000,000.
(B) Outlays, $24,623,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 2005:
(A) New budget authority, $7,864,000,000.
(B) Outlays, $2,935,000,000.
Fiscal year 2006:
(A) New budget authority, $8,041,000,000.
(B) Outlays, $2,593,000,000.
Fiscal year 2007:
(A) New budget authority, $9,141,000,000.
(B) Outlays, $3,406,000,000.
Fiscal year 2008:
(A) New budget authority, $9,336,000,000.
(B) Outlays, $2,550,000,000.
Fiscal year 2009:
(A) New budget authority, $9,826,000,000.
(B) Outlays, $2,766,000,000.
(8) Transportation (400):
Fiscal year 2005:
(A) New budget authority, $69,985,000,000.
(B) Outlays, $68,390,000,000.
Fiscal year 2006:
(A) New budget authority, $70,923,000,000.
(B) Outlays, $70,998,000,000.
Fiscal year 2007:
(A) New budget authority, $71,428,000,000.
(B) Outlays, $72,207,000,000.
Fiscal year 2008:
(A) New budget authority, $71,760,000,000.
(B) Outlays, $72,571,000,000.
Fiscal year 2009:
(A) New budget authority, $72,241,000,000.
(B) Outlays, $72,597,000,000.
(9) Community and Regional Development (450):
Fiscal year 2005:
(A) New budget authority, $13,897,000,000.
(B) Outlays, $14,986,000,000.
Fiscal year 2006:
(A) New budget authority, $13,682,000,000.
(B) Outlays, $15,220,000,000.
Fiscal year 2007:
(A) New budget authority, $13,851,000,000.
(B) Outlays, $14,321,000,000.
Fiscal year 2008:
(A) New budget authority, $13,979,000,000.
(B) Outlays, $13,818,000,000.
Fiscal year 2009:
(A) New budget authority, $14,150,000,000.
(B) Outlays, $13,913,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 2005:
(A) New budget authority, $100,414,000,000.
(B) Outlays, $89,304,000,000.
Fiscal year 2006:
(A) New budget authority, $95,314,000,000.
(B) Outlays, $94,577,000,000.
Fiscal year 2007:
(A) New budget authority, $95,628,000,000.
(B) Outlays, $93,799,000,000.
Fiscal year 2008:
(A) New budget authority, $95,858,000,000.
(B) Outlays, $94,262,000,000.
Fiscal year 2009:
(A) New budget authority, $96,168,000,000.
(B) Outlays, $94,684,000,000.
(11) Health (550):
Fiscal year 2005:
(A) New budget authority, $252,299,000,000.
(B) Outlays, $247,712,000,000.
Fiscal year 2006:
(A) New budget authority, $254,677,000,000.
(B) Outlays, $255,618,000,000.
Fiscal year 2007:
(A) New budget authority, $267,998,000,000.
(B) Outlays, $27,754,000,000.
Fiscal year 2008:
(A) New budget authority, $286,815,000,000.
(B) Outlays, $286,525,000,000.
Fiscal year 2009:
(A) New budget authority, $307,860,000,000.
(B) Outlays, $305,533,000,000.
(12) Medicare (570):
Fiscal year 2005:
(A) New budget authority, $287,513,000,000.
(B) Outlays, $288,654,000,000.
Fiscal year 2006:
(A) New budget authority, $322,517,000,000.
(B) Outlays, $322,035,000,000.
Fiscal year 2007:
(A) New budget authority, $361,999,000,000.
(B) Outlays, $362,277,000,000.
Fiscal year 2008:
(A) New budget authority, $386,753,000,000.
(B) Outlays, $386,795,000,000.
Fiscal year 2009:
(A) New budget authority, $412,922,000,000.
(B) Outlays, $412,515,000,000.
(13) Income Security (600):
Fiscal year 2005:
(A) New budget authority, $337,868,000,000.
(B) Outlays, $342,111,000,000.
Fiscal year 2006:
(A) New budget authority, $343,354,000,000.
(B) Outlays, $346,782,000,000.
Fiscal year 2007:
(A) New budget authority, $348,271,000,000.
(B) Outlays, $350,920,000,000.
Fiscal year 2008:
(A) New budget authority, $361,670,000,000.
(B) Outlays, $363,674,000,000.
Fiscal year 2009:
(A) New budget authority, $371,602,000,000.
(B) Outlays, $373,123,000,000.
(14) Social Security (650):
Fiscal year 2005:
(A) New budget authority, $15,214,000,000.
(B) Outlays, $15,214,000,000.
Fiscal year 2006:
(A) New budget authority, $16,779,000,000.
(B) Outlays, $16,779,000,000.
Fiscal year 2007:
(A) New budget authority, $18,269,000,000.
(B) Outlays, $18,269,000,000.
Fiscal year 2008:
(A) New budget authority, $20,218,000,000.
(B) Outlays, $20,218,000,000.
Fiscal year 2009:
(A) New budget authority, $22,229,000,000.
(B) Outlays, $22,229,000,000.
(15) Veterans Benefits and Services (700):
Fiscal year 2005:
(A) New budget authority, $71,546,000,000.
(B) Outlays, $70,159,000,000.
Fiscal year 2006:
(A) New budget authority, $68,196,000,000.
(B) Outlays, $67,731,000,000.
Fiscal year 2007:
(A) New budget authority, $66,209,000,000.
(B) Outlays, $65,834,000,000.
Fiscal year 2008:
(A) New budget authority, $69,326,000,000.
(B) Outlays, $69,132,000,000.
Fiscal year 2009:
(A) New budget authority, $69,888,000,000.
(B) Outlays, $69,660,000,000.
(16) Administration of Justice (750):
Fiscal year 2005:
(A) New budget authority, $41,841,000,000.
(B) Outlays, $40,727,000,000.
Fiscal year 2006:
(A) New budget authority, $39,490,000,000.
(B) Outlays, $40,336,000,000.
Fiscal year 2007:
(A) New budget authority, $40,099,000,000.
(B) Outlays, $40,462,000,000.
Fiscal year 2008:
(A) New budget authority, $40,870,000,000.
(B) Outlays, $40,873,000,000.
Fiscal year 2009:
(A) New budget authority, $41,206,000,000.
(B) Outlays, $41,228,000,000.
(17) General Government (800):
Fiscal year 2005:
(A) New budget authority, $16,182,000,000.
(B) Outlays, $16,742,000,000.
Fiscal year 2006:
(A) New budget authority, $17,503,000,000.
(B) Outlays, $17,110,000,000.
Fiscal year 2007:
(A) New budget authority, $17,611,000,000.
(B) Outlays, $17,245,000,000.
Fiscal year 2008:
(A) New budget authority, $17,190,000,000.
(B) Outlays, $16,878,000,000.
Fiscal year 2009:
(A) New budget authority, $17,256,000,000.
(B) Outlays, $16,763,000,000.
(18) Net Interest (900):
Fiscal year 2005:
(A) New budget authority, $270,115,000,000.
(B) Outlays, $270,115,000,000.
Fiscal year 2006:
(A) New budget authority, $317,196,000,000.

(B) Outlays, $317,196,000,000.
Fiscal year 2007:
(A) New budget authority, $361,739,000,000.
(B) Outlays, $361,739,000,000.
Fiscal year 2008:
(A) New budget authority, $394,951,000,000.
(B) Outlays, $394,951,000,000.
Fiscal year 2009:
(A) New budget authority, $422,613,000,000.
(B) Outlays, $422,613,000,000.
(19) Allowances (920):
Fiscal year 2005:
(A) New budget authority, −$11,486,000,000.
(B) Outlays, −$4,584,000,000.
Fiscal year 2006:
(A) New budget authority, −$779,000,000.
(B) Outlays, −$3,627,000,000.
Fiscal year 2007:
(A) New budget authority, −$987,000,000.
(B) Outlays, −$2,329,000,000.
Fiscal year 2008:
(A) New budget authority, −$993,000,000.
(B) Outlays, −$2,091,000,000.
Fiscal year 2009:
(A) New budget authority, −$998,000,000.
(B) Outlays, −$1,542,000,000.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 2005:
(A) New budget authority, −$52,505,000,000.
(B) Outlays, −$52,505,000,000.
Fiscal year 2006:
(A) New budget authority, −$59,848,000,000.
(B) Outlays, −$59,848,000,000.
Fiscal year 2007:
(A) New budget authority, −$62,437,000,000.
(B) Outlays, −$62,437,000,000.
Fiscal year 2008:
(A) New budget authority, −$63,482,000,000.
(B) Outlays, −$63,482,000,000.
Fiscal year 2009:
(A) New budget authority, −$62,725,000,000.
(B) Outlays, −$62,725,000,000.

TITLE II—RECONCILIATION

SEC. 201. RECONCILIATION IN THE SENATE.

(a) TAX RELIEF.—The Senate Committee on Finance shall report a reconciliation bill not later than September 30, 2004, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than $12,311,000,000 for fiscal year 2005 and $80,642,000,000 for the period of fiscal years 2005 through 2009, and to increase outlays by not more than $2,000,000,000 for the period of fiscal years 2005 through 2009.

(b) INCREASE IN STATUTORY DEBT LIMIT.—The Committee on Finance shall report a reconciliation bill not later than September 30, 2004, that consists solely of changes in laws within its jurisdiction to increase the statutory debt limit by $664,028,000,000.

TITLE III—RESERVE FUNDS AND ADJUSTMENTS

Subtitle A—Reserve Funds

SEC. 301. RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.

If the Committee on Finance or the Committee on Health, Education, Labor, and Pensions of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that provides health insurance or expands access to care for the uninsured (including a measure providing for tax deductions for the purchase of health insurance or other measures) and including legislation to reallocate and maintain expiring SCHIP funds rather than allowing such funds to revert to the Treasury, increases access to health insurance through lowering costs, and does not increase the costs of current health insurance coverage, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 302. RESERVE FUND FOR HIGHER EDUCATION.

If the Committee on Health, Education, Labor, and Pensions of the Senate reports a bill or joint resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that provides, funding for—

(1) the reauthorization of the Higher Education Act of 1965, the chairman of the Committee on the Budget may revise committee allocations for that committee and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, but not to exceed $1,000,000,000 in new budget authority and $1,000,000,000 in outlays for fiscal year 2005, $5,000,000,000 in new budget authority and $5,000,000,000 in outlays for the period of fiscal years 2005 through 2009; and

(2) a measure that eliminates the accumulated shortfall of budget authority resulting from insufficient appropriations of discretionary new budget authority previously enacted for the Federal Pell Grant Program for awards made through award year 2004–2005, the chairman of the Committee on the Budget may revise the committee allocation and other appropriate budgetary aggregates by the amount provided by that measure for that purpose, but not to exceed $3,700,000,000 in new budget authority only for fiscal year 2005.

SEC. 303. RESERVE FOR ENERGY LEGISLATION.

If a measure, predominately within the jurisdiction of the Committee on Energy and Natural Resources of the Senate (including a bill or joint resolution, an amendment or a conference report), is considered in the Senate that provides for a national energy policy and does not reduce revenues by more than $1,785,000,000 in 2005 and $15,092,000,000 for the period of fiscal years 2005 through 2009, the chairman of the Committee on the Budget may revise committee allocations for that committee and other appropriate budgetary aggregates and allocation of new budget authority and outlays by the amount provided by that measure for that purpose, but not to exceed $261,000,000 in new budget authority and $221,000,000 in outlays for fiscal year 2005 and $1,465,000,000 in new budget authority and $1,465,000,000 in outlays for the period of fiscal years 2005 through 2009.

SEC. 304. RESERVE FUND FOR GUARD AND RESERVE HEALTH CARE.

If the Committee on Armed Services or the Committee on Appropriations reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted that expands access to health care for members of the reserve component, the Chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, other appropriate aggregates, and the discretionary spending limits to reflect such legislation, providing that such legislation—

(1) would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009, or would offset such deficit increases through reduction of unobligated balances from Iraqi reconstruction; and

(2) does not exceed $5,600,000,000 for the period of fiscal years 2005 through 2009.

SEC. 305. RESERVE FUND FOR MONTGOMERY GI BILL BENEFITS.

If the Committee on Armed Services or the Committee on Appropriations reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that increases benefit levels under the Montgomery GI Bill for members of the Selected Reserves, the Chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, other appropriate aggregates, and the discretionary spending limits to reflect such legislation, providing that such legislation—

(1) would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009; and

(2) does not exceed $1,200,000,000 for the period of fiscal years 2005 through 2009.

SEC. 306. RESERVE FOR FUNDING OF HOPE CREDIT.

If the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that increases the Hope credit to $4,000, makes the credit available for 4 years, and makes the credit refundable, the chairman of the Committee on the Budget may revise committee allocations for the Committee on Finance and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, if it would not increase the deficit for fiscal year 2005 or for the total of fiscal years 2005 though 2009.

SEC. 307. RESERVE FUND FOR EXPANSION OF PEDIATRIC VACCINE DISTRIBUTION PROGRAM.

If the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that expands the pediatric vaccine distribution program established under section 1928 of the Social Security Act (42 U.S.C. 1396s) to include coverage for children administered a vaccine at a public health clinic or Indian clinic and repeals the price cap for pre-1993 vaccines, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 308. RESERVE FUND FOR ADDRESSING MINORITY HEALTH DISPARITIES.

If the Committee on Appropriations of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that addresses minority health disparities through activities including those at the HHS Office of Minority Health, the Office of Civil Rights, the National Center on Minority Health and Health Disparities, the Minority HIV/AIDS initiative, health professions training, and through the Racial and Ethnic Approaches to Community Health at the Centers for Disease Control and provides not to exceed $400,000,000 in new budget authority for fiscal year 2005, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 309. RESERVE FOR POSTAL SERVICE REFORM.

If the Committee on Governmental Affairs of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that reforms the United States Postal Service to improve its economic viability, the Chairman of the Committee on the Budget may revise committee allocations for the Committee on Governmental Affairs and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, if that measure would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 though 2009.

Subtitle B—Adjustments With Respect to Discretionary Spending

SEC. 311. ADJUSTMENT FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House or the Committee on Environment and Public Works, the Committee on Banking, Housing, and Urban Affairs, or the Committee on Commerce, Science, and Transportation of the Senate reports a bill or joint resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of—

(1) for fiscal year 2005, $41,772,000,000; or

(2) for fiscal years 2005 through 2009, $207,293,000,000;

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2005 and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by an increase in net new user-fee receipts related to the purposes of the highway trust fund that are appropriated to such fund for the applicable fiscal year caused by such legislation. In the Senate, any increase in receipts shall be reported from the Committee on Finance.

(b) ADJUSTMENT FOR OUTLAYS.—(1) For fiscal year 2005, in the Senate, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $40,600,000,000 for fiscal year 2005, for programs, projects, and activities within the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the appropriate chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset in 2005 pursuant to subsection (a).

(2) For fiscal year 2006, in the Senate, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $40,621,000,000 for fiscal year 2005, for programs, projects, and activities within the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset in 2006 pursuant to subsection (a).

SEC. 312. SUPPLEMENTAL APPROPRIATIONS FOR IRAQ AND RELATED ACTIVITIES FOR FISCAL YEAR 2005.

If the President transmits a budget request for additional resources for activities in Iraq and Afghanistan and if the Committee on Appropriations of the Senate reports legislation providing additional discretionary appropriations in excess of the levels assumed in this resolution for defense-related activities for fiscal year 2005, the chairman of the Committee on the Budget may revise the allocation (and all other appropriate levels and aggregates set out in this resolution) for that committee for such purpose but not to exceed: $30,000,000,000 in new budget authority for fiscal year 2005 and the outlays that flow therefrom.

SEC. 313. ADJUSTMENT FOR WILDLAND FIRE SUPPRESSION.

(a) FINDINGS.—The Senate makes the following findings:

(1) Due to the expansion of the wildland urban interface, severe drought conditions in many regions of the country, and the poor health of the Nation's forests and rangelands, the Forest Service and Department of the Interior regularly spend more than the amount appropriated for fire suppression, and then borrow from other accounts to pay for fire suppression.

(2) This borrowing has a negative effect on many Forest Service and Department of the Interior programs.

(3) This resolution provides an amount equal to the 10-year average for fire suppression in fiscal year 2005.

(4) The Senate recommends that the Forest Service and the Department of the Interior address cost containment within the fire suppression account, and report to Congress regarding how funds appropriated pursuant to this section are used.

(b) CAP ADJUSTMENT.—

(1) DEFINITION.—For this subsection, the term "base amount" refers to the average of the obligations of the preceding 10 years for wildfire suppression in the Forest Service and the Department of the Interior, calculated as of the date of the applicable year's budget request is submitted by the President to Congress.

(2) ADJUSTMENTS FOR FISCAL YEARS 2005 AND 2006.—If the amount appropriated for Wildland Fire Suppression in a fiscal year is not less than the base amount, then the chairman of the Committee on the Budget may adjust the appropriate allocations and other budgetary levels in the most recently agreed to concurrent resolution on the budget for any bill, joint resolution, amendment, motion, or conference report that provides additional funding for wildland fire suppression, but not to exceed—

(A) for the Forest Service—

(i) for fiscal year 2005, $400,000,000; and

(ii) for fiscal year 2006, $400,000,000; and

(B) for the Department of the Interior—

(i) for fiscal year 2005, $100,000,000; and

(ii) for fiscal year 2006, $100,000,000.

(3) SPECIAL RULE FOR FISCAL YEAR 2004.—If additional funding for wildland fire suppression for fiscal year 2004 is provided in a bill, joint resolution, amendment, motion, or conference report, then the chairman of the Committee on the Budget may determine that such amounts shall not be counted for the purposes of the Congressional Budget Act of 1974 and this resolution, provided that such amounts do not exceed—

(A) for the Forest Service, for fiscal year 2004, $400,000,000; and

(B) for the Department of the Interior, for fiscal year 2004, $100,000,000.

SEC. 314. RESERVE FUND FOR ELIMINATING SURVIVOR BENEFIT PLAN-SOCIAL SECURITY OFFSET.

If the Committee on Armed Services or the Committee on Appropriations reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that provides for an increase to the minimum Survivor Benefit Plan basic annuity for surviving spouses age 62 and older, the Chairman of the Committee on the Budget shall revise the aggregates, functional totals, allocations, discretionary caps, and other appropriate levels and limits in this resolution by up to $2,757,000,000 in budget authority and $2,757,000,000 in outlays over the total of fiscal years 2005 through 2009.

TITLE IV—BUDGET ENFORCEMENT

SEC. 401. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), it shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, or conference report that would provide an advance appropriation.

(b) ACCOUNTS.—An advance appropriation may be provided for fiscal years 2006 and 2007 for programs, projects, activities, or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading "Accounts Identified for Advance Appropriations" in an aggregate amount not to exceed $23,158,000,000 in new budget authority in each year.

(c) POINT OF ORDER.—

(1) WAIVER.—In the Senate, subsection (a) may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

(2) PROCEDURE.—A point of order under subsection (a) may be raised by a Senator as provided in section 313(e) of Congressional Budget Act of 1974.

(3) CONFERENCE REPORT.—If a point of order is sustained under subsection (a) against a conference report in the Senate, the report shall be disposed of as provided in section 313(d) of the Congressional Budget Act of 1974.

(d) ADVANCE APPROPRIATION.—In this section, the term "advance appropriation" means any discretionary new budget authority in a bill or joint resolution—

(1) making general appropriations or continuing appropriations for fiscal year 2005 that first becomes available for any fiscal year after 2005; or

(2) making general appropriations or continuing appropriations for fiscal year 2006 that first becomes available for any fiscal year after 2006.

SEC. 402. EXTENSION OF EMERGENCY RULE IN THE SENATE.

Section 502(c) of H. Con. Res. 95 (108th Cong., 1st Sess.) is amended to read as follows:

"(c) IN THE SENATE.—

"(1) AUTHORITY TO DESIGNATE.—In the Senate, with respect to a provision of direct spending or receipts legislation or appropriations for discretionary accounts that the President designates as an emergency requirement and that Congress so designates in such measure, the amounts of new budget authority, outlays, and receipts in all fiscal years resulting from that provision shall be treated as an emergency requirement for the purpose of this section.

"(2) EXEMPTION OF EMERGENCY PROVISIONS.—In the Senate, any new budget authority, outlays, and receipts resulting from any provision designated as an emergency requirement, pursuant to this section, in any bill, joint resolution, amendment, or conference report shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974 and any concurrent resolution on the budget.

"(3) DESIGNATIONS.—

"(A) GUIDANCE.—In the Senate, if a provision of legislation is designated as an emergency requirement under this section, the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in subparagraph (B).

"(B) CRITERIA.—

"(i) IN GENERAL.—Any such provision is an emergency requirement if the situation addressed by such provision is—

"(I) necessary, essential, or vital (not merely useful or beneficial);

"(II) sudden, quickly coming into being, and not building up over time;

"(III) an urgent, pressing, and compelling need requiring immediate action;

"(IV) subject to clause (ii), unforeseen, unpredictable, and unanticipated; and

"(V) not permanent, temporary in nature.

"(ii) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

"(4) DEFINITIONS.—In this subsection, the terms 'direct spending', 'receipts', and 'appropriations for discretionary accounts' means any provision of a bill, joint resolution, amendment, motion, or conference report that affects direct spending, receipts, or appropriations as those terms have been defined and interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

"(5) POINT OF ORDER.—When the Senate is considering a bill, resolution, amendment, motion, or conference report, if a point of order is made by a Senator against an emergency designation in that measure, that provision making such a designation shall be stricken from the measure and may not be offered as an amendment from the floor.

"(6) WAIVER AND APPEAL.—Paragraph (5) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

"(7) DEFINITION OF AN EMERGENCY DESIGNATION.—For purposes of paragraph (5), a provision shall be considered an emergency designation if it designates any item as an emergency requirement pursuant to this section.

"(8) FORM OF THE POINT OF ORDER.—A point of order under paragraph (5) may be raised by a Senator as provided in section 313(e) of the Congressional Budget Act of 1974.

"(9) CONFERENCE REPORTS.—If a point of order is sustained under paragraph (5) against a conference report, the report shall be disposed of as provided in section 313(d) of the Congressional Budget Act of 1974.

"(10) EXCEPTION FOR DEFENSE SPENDING.—Paragraph (5) shall not apply against an emergency designation for a provision making discretionary appropriations in the defense category.".

SEC. 403. DISCRETIONARY SPENDING LIMITS IN THE SENATE.

(a) DISCRETIONARY SPENDING LIMITS.—In the Senate and as used in this section, the term "discretionary spending limit" means—

(1) for fiscal year 2005—

(A) $819,673,000,000 in new budget authority and $823,694,000,000 in outlays for the discretionary category;

(B) for the highway category, $33,393,000,000 in outlays; and

(C) for the mass transit category, $1,488,000,000 in new budget authority, and $6,726,000,000 in outlays; and

(2) for fiscal year 2006 $852,257,000,000 in new budget authority, and $885,860,000,000 in outlays for the discretionary category.

(b) DISCRETIONARY SPENDING POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, it shall not be in order in the Senate to consider any bill or resolution (including a concurrent resolution on the budget) or amendment, motion, or conference report thereon that would exceed any of the discretionary spending limits in this section.

(2) WAIVER.—This subsection may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(3) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this subsection shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this subsection.

(c) ADJUSTMENTS.—

(1) IN GENERAL.—

(A) CHAIRMAN.—After the reporting of a bill or joint resolution, or the offering of an amendment thereto or the submission of a conference report thereon, the chairman of the Committee on the Budget may make the adjustments set forth in subparagraph (B) for the amount of new budget authority in that measure (if that measure meets the requirements set forth in paragraph (2)) and the outlays flowing from that budget authority.

(B) MATTERS TO BE ADJUSTED.—The adjustments referred to in subparagraph (A) are to be made to—

(i) the discretionary spending limits, if any, set forth in the appropriate concurrent resolution on the budget;

(ii) the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a) of the Congressional Budget Act of 1974; and

(iii) the budgetary aggregates as set forth in the appropriate concurrent resolution on the budget.

(2) AMOUNTS OF ADJUSTMENTS.—The adjustment referred to in paragraph (1) shall be—

(A) an amount provided for transportation under section 311;

(B) an amount provided for the fiscal year 2005 supplemental appropriation pursuant to section 312; and

(C) an amount provided for fire suppression pursuant to section 313.

(3) REPORTING REVISED SUBALLOCATIONS.—Following any adjustment made under paragraph (1), the Committee on Appropriations of the Senate shall report appropriately revised suballocations under section 302(b) to carry out this subsection.

SEC. 404. SCORING RULES.

(a) FUNDING FOR BIOSHIELD.—The chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, and allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by $2,528,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in fiscal year 2005 and subsequent years for Project Bioshield, for a bill, joint resolution, amendment, or conference report that makes appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2005.

(b) ENERGY SAVINGS PERFORMANCE CONTRACT PROGRAM.—In recognition that the energy savings performance contract program recoups its costs through guaranteed savings without increasing budgetary outlays, the Congressional Budget Office shall score the energy savings performance contract program under title VIII of the National Energy Conservation Policy Act (42 U.S.C. 801 et seq.) as zero. For the purposes of any point of order under any concurrent resolution on the budget and the Congressional Budget Act of 1974, the cost of the energy savings performance contract program under title VIII of the National Energy Conservation Policy Act (42 U.S.C. 801 et seq.) shall be zero.

SEC. 405. ADJUSTMENTS TO REFLECT CHANGES IN CONCEPTS AND DEFINITIONS.

(a) In the Senate, upon the enactment of a bill or joint resolution providing for a change in concepts or definitions, the chairman of the Committee on the Budget shall make adjustments to the levels and allocations in this resolution in accordance with section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002).

(b) If the Committee on Appropriations reports a bill or resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that changes the nature of offsetting receipts collected from the Power Marketing Administration from mandatory to discretionary, the chairman of the Committee on the Budget may revise the appropriate allocations for such committee and other appropriate levels in this resolution.

SEC. 406. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

(1) apply while that measure is under consideration;

(2) take effect upon the enactment of that measure; and

(3) be published in the Congressional Record as soon as practicable.

(b) EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for

a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the appropriate Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

SEC. 407. EXERCISE OF RULEMAKING POWERS.

Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules (so far as they relate to that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 408. PAY-AS-YOU-GO POINT OF ORDER IN THE SENATE.

(a) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the on-budget deficit or cause an on-budget deficit for any one of the three applicable time periods as measured in paragraphs (5) and (6).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term "applicable time period" means any 1 of the 3 following periods:

(A) The first year covered by the most recently adopted concurrent resolution on the budget.

(B) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(C) The period of the 5 fiscal years following the first 5 fiscal years covered in the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING LEGISLATION.—For purposes of this subsection and except as provided in paragraph (4), the term "direct-spending legislation" means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) EXCLUSION.—For purposes of this subsection, the terms "direct-spending legislation" and "revenue legislation" do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(5) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline surplus or deficit used for the most recently adopted concurrent resolution on the budget; and

(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

(6) PRIOR SURPLUS.—If direct spending or revenue legislation increases the on-budget deficit or causes an on-budget deficit when taken individually, it must also increase the on-budget deficit or cause an on-budget deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that direct spending or revenue effects resulting in net deficit reduction enacted pursuant to reconciliation instructions since the beginning of that same calendar year shall not be available.

(b) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(e) SUNSET.—This section shall expire on September 30, 2009.

TITLE V—SENSE OF THE SENATE

SEC. 501. SENSE OF THE SENATE ON BUDGET PROCESS REFORM.

It is the sense of the Senate that Congress and the President should work together to enact budget process reform legislation that would include mechanisms to restrain Government spending. Such legislation may include—

(1) deficit targets that, when exceeded, would result in across-the-board reductions in Federal spending except Social Security, Medicare, and Veterans' benefits;

(2) revision of the content of budget resolutions to increase their focus on aggregate levels, and to include easily understood enforcement tools such as—

(A) discretionary spending limits;

(B) pay-as-you-go; and

(C) explicit committee allocations;

(3) emergency spending procedures which budget for emergency needs;

(4) pay-as-you-go limitations which apply to non-budget expenditures;

(5) limitations on unauthorized appropriations; and

(6) enhanced rescission or constitutional line-item veto authority for the President.

SEC. 502. SENSE OF THE SENATE ON BUDGET PROCESS REFORM WITH REGARD TO THE CREATION OF BIPARTISAN COMMISSIONS TO COMBAT WASTE, FRAUD, AND ABUSE AND TO PROMOTE SPENDING EFFICIENCY.

(a) WASTE, FRAUD, AND ABUSE.—It is the sense of the Senate that legislation should be enacted that would create a bipartisan commission for the purpose of—

(1) submitting recommendations on ways to eliminate waste, fraud, and abuse; and

(2) to provide recommendations on ways in which to achieve cost savings through enhancing program efficiencies in all discretionary and entitlement programs.

The findings of the commission should be made on an annual basis, and should be presented in conjunction with the submission of the President's budget request to Congress.

(b) EFFICIENCY.—It is the sense of the Senate that a bipartisan commission should be established to—

(1) audit Federal domestic agencies, and programs within such agencies, with the express purpose of providing Congress with recommendations, and legislation;

(2) implement those recommendations; and

(3) realign or eliminate government agencies and programs that are duplicative, inefficient, outdated, irrelevant, or have failed to accomplish their intended purpose.

The findings of the commission should be made on an annual basis, and should be presented in conjunction with the submission of the President's budget request to Congress.

SEC. 503. SENSE OF THE SENATE ON THE RELATIONSHIP BETWEEN ANNUAL DEFICIT SPENDING AND INCREASES IN DEBT SERVICE COSTS.

It is the sense of the Senate that the Congressional Budget Office shall consult with the Committee on the Budget of the Senate in order to prepare a report containing a discussion of—

(1) the relationship between annual deficit spending and increases in debt service costs;

(2) the relationship between incremental increases in discretionary spending and debt service costs; and

(3) the feasibility of providing estimates of debt service costs in the cost estimates prepared pursuant to section 308 of the Congressional Budget Act of 1974.

SEC. 504. SENSE OF THE SENATE REGARDING THE COSTS OF THE MEDICARE PRESCRIPTION DRUG PROGRAM.

It is the sense of the Senate that the Committee on Finance of the Senate should report a bill that consists of changes in laws within its jurisdiction sufficient to ensure that spending within part D of the Medicare Prescription Drug Benefit program in fiscal years 2005 through 2013 does not exceed the total of $409,000,000,000 as estimated by the Congressional Budget Office.

SEC. 505. SENSE OF THE SENATE REGARDING PAY PARITY.

It is the sense of the Senate that—

(1) compensation for civilian and military employees of the United States, without whom we cannot successfully serve and protect our citizens and taxpayers, must be sufficient to support our critical efforts to recruit, retain, and reward quality people effectively and responsibly; and

(2) to achieve this objective, the rate of increase in the compensation of civilian employees should be equal to that proposed for the military in the President's Fiscal Year 2005 Budget.

SEC. 506. SENSE OF THE SENATE ON RETURNING STABILITY TO PAYMENTS UNDER MEDICARE PHYSICIAN FEE SCHEDULE.

(a) FINDINGS.—The Senate finds that—

(1) the fees Medicare pays physicians and other health professionals were reduced by 5.4 percent across-the-board in 2002.

(2) action by Congress in early 2003 narrowly averted a 4.4-percent across-the-board reduction in such fees that year;

(3) in the fall of 2003, congressional action was once again needed to prevent an across-the-board reduction of 4.5 percent in such fees for 2004, as well as an anticipated further reduction in 2005;

(4) based on current projections, estimates suggest that, absent any action, fees will be significantly reduced across-the-board in 2006 and each year thereafter until at least 2010;

(5) the prospect of continued payment reductions under the Medicare physician fee schedule for the foreseeable future threatens to destabilize an important element of the program, namely physician participation and willingness to accept Medicare patients;

(6) there are major flaws in the formula Medicare uses to reimburse physicians which

result in steep cuts that adversely impact Medicare beneficiaries' access to care; and

(7) CMS should use its authority to exclude Medicare-covered drugs and biologics from the physician formula and accurately reflect in the formula the direct and indirect cost of increases due to coverage decisions, administrative actions, and rules and regulations.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, while recent actions by Congress have helped address the immediate reductions in reimbursement, further action by Congress is urgently needed to put in place a new formula or mechanism for updating Medicare physician fees in 2006 and thereafter, in order to ensure—

(1) the long-term stability of the Medicare payment system for physicians and other health care professionals, such that payment rates keep pace with practice cost increases; and

(2) future access to physicians' services for Medicare beneficiaries.

SEC. 507. SENSE OF THE SENATE REGARDING THE USE OF FEDERAL FUNDS TO SUPPORT AMERICAN COMPANIES AND AMERICAN WORKERS.

(a) FINDINGS.—The Senate finds that—

(1) the United States has lost more than 2,200,000 manufacturing jobs since 2000;

(2) the Bureau of Labor Statistics reported that 239,454 workers in a variety of sectors of the United States economy lost their jobs as a result of mass layoffs in January 2004;

(3) there are millions of long-term unemployed Americans who have been unable to find work; and

(4) the Buy American Act requires the Federal Government to support American companies and American workers by buying American-made goods.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals in this resolution assume that—

(1) Federal departments and agencies will, to the maximum extent possible, purchase goods and services from American companies; and

(2) Federal departments and agencies will ensure that, to the maximum extent possible, the work required by Federal contracts for goods and services will be performed in the United States.

SEC. 508. SENSE OF THE SENATE REGARDING CLOSING THE "TAX GAP".

(a) FINDINGS.—The Senate finds that—

(1) the Internal Revenue Service estimates that the gross tax gap (the difference between the amount of taxes owed by taxpayers and the amount actually collected) is now estimated to be in excess of $300,000,000,000 annually;

(2) the Internal Revenue Service reports that the rate of voluntary and timely compliance from taxpayers in paying what they owe is approximately 85 percent;

(3) this overwhelming majority of honest and hardworking taxpayers are forced to make up the shortfall that results from taxpayers who fail to pay what they owe voluntarily;

(4) a former Commissioner of Internal Revenue has estimated that honest taxpayers are paying "15 percent more" than necessary if the tax gap were closed;

(5) the current Commissioner of Internal Revenue is concerned that increasing numbers of taxpayers believe that people are less likely to report their income taxes accurately and more inclined to take a chance that they will not be audited; and

(6) that an increase in enforcement efforts on taxes already due and owing can generate significant additional revenues without raising taxes.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Internal Revenue Service should be provided the resources necessary to increase enforcement activities that would be concentrated on efforts to reduce the tax gap substantially by the end of fiscal year 2009.

SEC. 509. SENSE OF THE SENATE AMENDMENT ON DRUG COMPARATIVENESS STUDIES.

It is the sense of the Senate that the overall discretionary levels set in this resolution assume $75,000,000 in new budget authority in fiscal year 2005 and new outlays that flow from this budget authority in fiscal year 2005 and subsequent years, to fund new research and ongoing literature surveys in the Agency for Health Care Research and Quality. These activities will be designed to improve scientific evidence related to the comparative effectiveness and safety of prescription drugs and other treatments and to disseminate the findings and underlying data from such research to health care practitioners, consumers, and health care purchasers.

SEC. 510. SENSE OF THE SENATE REGARDING FUNDING FOR PORT SECURITY.

(a) FINDINGS.—The Senate makes the following findings:

(1) In the United States, the system of maritime commerce, including seaports and other ports, is a critical element of the United States economic, social, and environmental infrastructure.

(2) In 2001, ports in the United States handled approximately 5,400 ships, the majority of which were owned by foreign persons and crewed by nationals of foreign countries, that made a total of more than 60,000 calls at such ports.

(3) In a typical year, more than 17,000,000 cargo containers are handled at ports in the United States.

(4) Maritime commerce is the primary mode of transportation for international trade, with ships carrying more than 80 percent of such trade, by volume.

(5) Disruption of trade flowing through United States ports could have a catastrophic impact on both the United States and the world economies.

(6) In addition to the economic importance of United States ports, such ports form a critical link in the United States national security structure, and are necessary to ensure that United States military material can be effectively and quickly shipped to any location where such material is needed.

(7) Terrorist groups, including extremist groups such as al Qaeda, are likely to consider, formulate, and execute plans to conduct a terrorist strike against one or more of the ports in the United States.

(8) Terrorists have conducted attacks against maritime commerce in the past, including the October 2002 attack on the French oil tanker LIMBERG and the October 2000 attack on the USS COLE in Yemen.

(9) It is critical that port security be enhanced and improved through the adoption of better formulated security procedures, the adoption of new regulations and law, and investment in long-term capital improvements to the structure of the United States most critical ports.

(10) Effective funding to provide adequate security at United States ports requires a commitment to provide Federal funds over multiple years to fund long-term capital improvement projects.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the budget of the United States should provide adequate funding for port security projects and not less than the amount of such funding that is adequate to implement an effective port security plan;

(2) the implementation of the budget of the United States should permit the provision of Federal funds over multiple years to fund long-term security improvement projects at ports in the United States; and

(3) the Secretary of Homeland Security should, as soon as practicable, develop a funding plan for port security that permits funding over multiple years for such projects.—

SEC. 511. SENSE OF THE SENATE REGARDING TRIBAL COLLEGES AND UNIVERSITIES.

(a) FINDINGS.—The Senate finds the following:

(1) American Indians from 250 federally recognized tribes nationwide attend tribal colleges and universities, a majority of whom are first-generation college students.

(2) Tribal colleges and universities are located in some of the most isolated and impoverished areas in the Nation, yet they are the Nation's most poorly funded institutions of higher education. While the Tribally Controlled College or University Assistance Act, or "Tribal College Act" provides funding based solely on Indian students, the colleges have open enrollment policies providing access to postsecondary education opportunities to all interested students, about 20 percent of whom are non-Indian. With rare exception, tribal colleges and universities do not receive operating funds from the States for these non-Indian State resident students. Yet, if these same students attended any other public institutions in their States, the State would provide basic operating funds to the institution.

(3) While Congress has been increasing annual appropriations for tribal colleges in recent years, the President's fiscal year 2005 budget recommends a $5,500,000 decrease in institutional operating funds. This represents the third consecutive year that the President's budget proposed decreases that Congress must restore.

(4) Because of congressional budget restorations, the tribal colleges funded through titles I and II of the Tribally Controlled College or University Assistance Act are within $19,000,000 of full funding at their authorized level.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) this resolution recognizes the funding challenges faced by tribal colleges and universities and assumes that priority consideration will be provided to them through funding of the Tribally Controlled College or University Assistance Act, the Equity in Educational Land Grant Status Act, title III of the Higher Education Act, and the National Science Foundation Tribal College Program; and

(2) such priority consideration reflects the intent of Congress to continue to work toward statutory Federal funding authorization goals for tribal colleges and universities.

SEC. 512. FINDINGS AND SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the United States is in the grip of pervasively higher home energy prices;

(2) high natural gas, heating oil, and propane prices are, in general, having an effect that is rippling through the United States economy and are, in particular, impacting home energy bills;

(3) while persons in many sectors can adapt to natural gas, heating oil, and propane price increases, persons in some sectors simply cannot;

(4) elderly and disabled citizens who are living on fixed incomes, the working poor, and other low-income individuals face hardships wrought by high home energy prices;

(5) the energy burden for persons among the working poor often exceeds 20 percent of those persons' incomes under normal conditions;

(6) under current circumstances, home energy prices are unnaturally high, and these are not normal circumstances;

(7) while critically important and encouraged, State energy assistance and charitable assistance funds have been overwhelmed by the crisis caused by the high home energy prices;

(8) the Federal Low-Income Home Energy Assistance Program (referred to in this section as "LIHEAP") and the companion weatherization assistance program (referred to in this section as "WAP"), are the Federal Government's primary means to assist eligible low-income individuals in the United States to shoulder the burdens caused by their home cooling and heating needs;

(9) in 2003, LIHEAP reached only 15 percent of the persons in the United States who were eligible for assistance under the program;

(10) since LIHEAP's inception, its inflation-adjusted buying power has eroded by 58 percent; and

(11) current Federal funding for LIHEAP is not sufficient to meet the cooling and heating needs of low-income families.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume—

(1) an adequate increase in funding for each of fiscal years 2005 and 2006 to carry out the LIHEAP program;

(2) an adequate increase in funding for fiscal year 2005 and an adequate increase in funding for fiscal year 2006 to carry out the WAP program;

(3) appropriations, for these programs, of sufficient additional funds to realistically address the cooling and heating needs of low-income families; and

(4) advance appropriations of the necessary funds to ensure the smooth operation of the programs during times of peak demand.

SEC. 513. SENSE OF THE SENATE SUPPORTING FUNDING RESTORATION FOR AGRICULTURE RESEARCH AND EXTENSION.

(a) FINDINGS.—Congress finds that—

(1) funding for 33 programs administered by the Cooperative State Research, Education, and Extension Service of the Department of Agriculture were each reduced by 10 percent in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2004 (118 Stat. 9);

(2) those cuts are already hurting a wide range of proven programs that help people, communities, and businesses;

(3) the cuts have put at risk important advances made in all 50 States and United States territories, including—

(A) combating obesity through programs such as the Expanded Food and Nutrition Education Program;

(B) expanding environmentally-minded pest management programs;

(C) ensuring food safety; and

(D) educating farmers and ranchers about new sustainable agricultural practices;

(4) the National Research Initiative is the flagship competitive grants program funded through the Cooperative State Research, Education, and Extension Service;

(5) because of limited funding the Service is able to fund only a small fraction of the meritorious research proposals that the Service receives under the National Research Initiative program; and

(6) base funding at the Service that supports the research infrastructure has fallen steadily over the past decade.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports—

(1) the restoration of the 33 accounts of the Cooperative State Research, Education, and Extension Service;

(2) the fiscal year 2005 funding of the National Research Initiative; and

(3) the fiscal year 2005 funding of competitive research programs of the Cooperative State Research, Education, and Extension Service in an amount that is adequate to—

(A) fight obesity and stave off chronic diseases;

(B) combat insects and animal and plant diseases;

(C) establish new crops, improved livestock, and economic opportunities for producers; and

(D) keep pathogens and other dangers out of the air, water, soil, plants, and animals.

SEC. 514. RESERVE FUND FOR HOMELAND SECURITY GRANT PROGRAM, ASSISTANCE TO FIREFIGHTER GRANTS, AND PORT SECURITY GRANTS.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to $1,545,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, amendment, motion,. or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of the levels provided in this resolution, for the programs at the Department of Homeland Security.

SEC. 515. STATE HOMELAND SECURITY GRANT PROGRAM.

It is the sense of the Senate that, of the funds for the Department of Homeland Security, $800,000,000 shall be allocated for the State Homeland Security Grant program; $250,000,000 for the Assistance to Firefighters Grant program; and $275,000,000 for Port Security Grants. It is further the sense of the Senate that the State Homeland Security Grant Program shall be increased by $220,000,000 in order to provide for a more equitable formula for distributing funds.

SEC. 516. STRATEGIC PETROLEUM RESERVE.

It is the sense of the Senate that the increased funding for the Homeland Security Department programs shall come from the cancellation of planned future deliveries of oil to the Strategic Petroleum Reserve.

SEC. 517. SENSE OF THE SENATE CONCERNING A NATIONAL ANIMAL IDENTIFICATION PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) animal identification is important for operational management, herd health, and increased trade opportunities;

(2) animal identification is a critical component of the animal health infrastructure of the United States;

(3) it is vital to the well-being of all people in the United States to protect animal agriculture in the United States by safeguarding animal health;

(4) the ability to collect information in a timely manner is critical to an effective response to an imminent threat to animal health or food safety.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports—

(1) the development and implementation of a national animal identification program recognizing the need for resources to carry out the implementation of the plan;

(2) the provision by the Secretary of Agriculture of a time-line for the development and implementation of the program as soon as practicable after the date of approval of this concurrent resolution;

(3) the provision by the Secretary of Agriculture to ensure the Animal and Plant Health Inspection Service, State animal health agencies, and agricultural producers are provided funds necessary to implement a national animal identification program; and

(4) the establishment of a program that is not overly burdensome to agricultural producers and ensures the privacy of information of agricultural producers.

SEC. 518. SENSE OF THE SENATE REGARDING CONTRIBUTIONS TO THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS, AND MALARIA.

(a) FINDINGS.—The Senate finds that—

(1) the United States—

(A) helped establish The Global Fund to Fight AIDS, Tuberculosis, and Malaria (referred to in this section as the "Fund");

(B) provided its first donation; and

(C) provides leadership to the Fund under Fund Board Chairman Tommy Thompson, Secretary of the Department of Health and Human Services;

(2) as a complement to the President's historic 15-country AIDS initiative, the Fund provides resources to fight AIDS, tuberculosis, malaria, and related diseases around the world;

(3) section 202 of the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2004 (22 U.S.C. 7622) authorizes contributions to the Fund to the extent that United States contributions do not exceed 33 percent of all contributions to the Fund, allowing the United States to contribute $1 for every $2 contributed by other sources.

(4) during fiscal years 2001 through 2003, the United States provided $623,000,000 of the total contributions of $1,900,000,000 to the Fund, which represents approximately ⅓ of total contributions to the Fund;

(5) Congress has appropriated $547,000,000 to the Fund for fiscal year 2004, which has been matched by confirmed pledges of $994,000,000, and is slightly more than ⅓ of total pledges, with additional pledges expected;

(6) over the life of the Fund, Congress has appropriated sufficient amounts to match contributions from other sources to The Global Fund to Fight AIDS, Tuberculosis, and Malaria on a 1-to-2 basis; and

(7) transparency and accountability are critical to fund grant-making and the United States should work with foreign governments and international organizations to support the Fund's efforts to use its contributions most effectively.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that this concurrent resolution and subsequent appropriations Acts should provide sufficient funds to continue matching contributions from other sources to The Global Fund to Fight AIDS, Tuberculosis, and Malaria on a 1-to-2 basis.

SEC. 519. SENSE OF THE SENATE CONCERNING CHILD NUTRITION FUNDING.

(a) FINDINGS.—The Senate finds that—

(1) Federal child nutrition programs have long played a critical role in providing children in the United States with quality nutrition from birth through secondary school;

(2) recognizing the value of these benefits to children in the United States, Congress has an enduring tradition of bipartisan support for these programs;

(3) children in the United States are increasingly at nutritional risk due to poor dietary habits, lack of access to nutritious foods, and obesity and diet-related diseases associated with poor dietary intake;

(4) many children in the United States who would benefit from Federal child nutrition programs do not receive benefits due to financial or administrative barriers; and

(5) Federal child nutrition programs are expected to be reauthorized in the One Hundred Eighth Congress.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions, the Senate supports the retention in the conference report for this concurrent resolution of the additional funds provided in this concurrent resolution for the reauthorization of Federal child nutrition programs.

SEC. 520. SENSE OF THE SENATE REGARDING COMPENSATION FOR EXPOSURE TO TOXIC SUBSTANCES AT THE DEPARTMENT OF ENERGY.

(a) FINDINGS.—The Senate finds the following:

(1) The Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7384 et seq.) (referred to in this section as the "EEOICPA") is intended to ensure the timely payment of uniform and adequate compensation to covered employees suffering from occupational illnesses incurred during their work for the Department of Energy.

(2) The Department of Labor is responsible for implementing the provisions under subtitle B of the EEOICPA, relating to claims for radiation related cancers, beryllium disease, and silicosis. The Department of Labor has, within its area of responsibility, processed over 95 percent of the 52,000 claims it has received, and is processing these claims in an average of 73 days.

(3) As of the date of enactment of this resolution, the Department of Health and Human Services has not promulgated the regulations required under section 3626 of the EEOICPA for allowing claimants to petition to be members of the Special Exposure Cohort. Special Exposure Cohorts provide a presumption in favor of the claimant for radiation related cancers if—

(A) it is not feasible to estimate radiation dose with sufficient accuracy; and

(B) there is a reasonable likelihood that the health of the class of workers may have been endangered.

(4) The Department of Energy, which is responsible for implementing subtitle D of the EEOICPA, relating to occupational illness caused by exposure to toxic substances at Department of Energy facilities, finalized its regulations on August 14, 2002. The Department of Energy has processed 1 percent of the 22,000 claims received through the Department of Energy physicians panels since its regulations were made final.

(5) The Department of Energy has no willing payor for up to 50 percent of the claims that its physicians panels determine to be related to exposure to a toxic substance at the Department of Energy. As a consequence, many claimants with a positive determination from the physicians panel will be denied benefits. Many States, including Alaska, Colorado, Iowa, Kentucky, Missouri, Ohio, New Mexico, Idaho, and Nevada, may not have a willing payor.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) claims for occupational illness, which are determined to be caused by exposure to toxic substances at Department of Energy facilities under subtitle D of the EEOICPA, should be promptly, equitably, and efficiently compensated;

(2) administrative and technical changes should be made to the EEOICPA to—

(A) improve claims processing and review by physicians panels to ensure cost-effective and efficient consideration and determination of workers' claims;

(B) provide for membership in additional special exposure cohorts; and

(C) address eligibility issues at facilities with residual radiation; and

(3) the President and Congress should work together at the earliest opportunity to develop a plan that effectively resolves the issue of a lack of a willing payor for many claims that are determined under subtitle D of the EEOICPA to be related to exposure to a toxic substance at Department of Energy facilities.

SEC. 521. SENSE OF THE SENATE REGARDING TAX INCENTIVES FOR CERTAIN RURAL COMMUNITIES.

It is the sense of the Senate that if tax relief measures are passed in accordance with the assumptions in this resolution in this session of Congress, such legislation should include—

(1) tax and other financial incentives, similar to those included in the New Homestead Act (S. 602), to help rural communities fight the economic decimation caused by chronic out-migration by giving such communities the tools they need to attract individuals to live and work, or to start and grow a business, in such rural areas, and

(2) revenue provisions which fully offset the cost of such tax and other financial incentives.

SEC. 522. SENSE OF THE SENATE CONCERNING SUMMER FOOD PILOT PROJECTS.

It is the sense of the Senate that the levels in this concurrent resolution assume that in making appropriations and revenue decisions in Function 600 (Income Security), the Senate supports the provision, to the Food and Nutrition Service and other appropriate agencies within the Department of Agriculture, of $15,000,000 for fiscal year 2005, and $127,000,000 for the period of fiscal years 2005 through 2009, to enable those agencies to expand the summer food pilot projects established under section 18(f) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(f)) to all States of the United States and to all service institutions (including service institutions described in section 13(a)(7) of that Act).

MOTION OFFERED BY MR. NUSSLE

Mr. NUSSLE. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. NUSSLE moves to strike all after the resolving clause of S. Con. Res. 95 and insert in lieu thereof the text of House Concurrent Resolution 393 as adopted by the House.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. NUSSLE).

The motion was agreed to.

The Senate concurrent resolution was concurred in.

HOUR OF MEETING ON TOMORROW

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9 a.m. tomorrow for morning hour debate as though after May 31, 2004, thereafter to resume its session at 10 a.m.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MAXINE S. POSTAL UNITED STATES POST OFFICE

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent to vacate the ordering of the yeas and nays on the motion to suspend the rules and pass H.R. 3917 to the end that the Chair put the question on the motion de novo.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. CARTER) that the House suspend the rules and pass the bill, H.R. 3917.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed. These votes will be taken in the following order:

Motion to concur in Senate amendments to H.R. 2584, by the yeas and nays;

H.R. 3723, by the yeas and nays.

Both of these will be 15-minute votes.

UTROK ATOLL VESSEL CONVEYANCE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and concurring in the Senate amendments to the bill, H.R. 2584.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 2584, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 379, nays 1, not voting 53, as follows:

[Roll No. 94]

YEAS—379

Abercrombie
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Baird
Baker
Baldwin
Ballance
Ballenger
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Evans
Farr
Feeney
Ferguson
Filner
Flake
Forbes
Ford
Fossella
Franks (AZ)
Frelinghuysen
Frost
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Grijalva
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Pallone
Pascrell
Pastor
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tauscher
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NAYS—1

Paul

NOT VOTING—53

Ackerman
Bachus
Barrett (SC)
Becerra
Bell
Berman
Brown, Corrine
Burr
Carson (OK)
Davis (AL)
DeMint
Doolittle
Etheridge
Everett
Fattah
Foley
Frank (MA)
Gallegly
Gephardt
Greenwood
Gutierrez
Hefley
Hoeffel
Hulshof
Hunter
Jackson-Lee (TX)
John
Kilpatrick
Knollenberg
Kucinich
Lewis (GA)
Lipinski
Maloney
McIntyre
Neal (MA)
Ose
Oxley
Payne
Pomeroy
Portman
Rahall
Ros-Lehtinen
Ryan (OH)
Sanders
Shays
Stark
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Toomey
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. CULBERSON) (during the vote). Members are advised they have 2 minutes in which to cast their vote.

☐ 1857

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

VAUGHN GROSS POST OFFICE BUILDING

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3723.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. CARTER) that the House suspend the rules and pass the bill, H.R. 3723, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 379, nays 0, not voting 54, as follows:

[Roll No. 95]

YEAS—379

Abercrombie
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Baird
Baker
Baldwin
Ballance
Ballenger
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Clyburn
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Evans
Farr
Feeney
Ferguson
Filner
Flake
Forbes
Ford
Fossella
Franks (AZ)
Frelinghuysen
Frost
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Grijalva
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Musgrave
Myrick
Nadler
Napolitano
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Pallone

Pascrell
Pastor
Paul
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sandlin
Saxton
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tauscher
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—54

Ackerman
Bachus
Barrett (SC)
Becerra
Bell
Berman
Brown, Corrine
Burr
Carson (OK)
Davis (AL)
DeMint
Doolittle
Etheridge
Everett
Fattah
Foley
Frank (MA)
Gallegly
Gephardt
Greenwood
Gutierrez
Hefley
Hoeffel
Hulshof
Hunter
Jackson-Lee (TX)
John
Johnson, E. B.
Kilpatrick
Knollenberg
Kucinich
Lewis (GA)
Lipinski
Maloney
McIntyre
Murtha
Neal (MA)
Ose
Oxley
Payne
Portman
Rahall
Ros-Lehtinen
Ryan (OH)
Sanders
Shays
Stark
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Toomey
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. CULBERSON) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1915

So (two thirds having voted in favor therefore) the rules were suspended and the bill was passed.

The result of the was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. OXLEY. Mr. Speaker, I was in constituent meetings in my congressional district on Monday, March 29, 2004. As such, I was absent from the House floor during the rollcall votes on H.R. 2584, providing for the conveyance of a decommissioned National Oceanic and Atmospheric Administration ship to the Utrok Atoll local government, and H.R. 3723, the Vaughn Gross Post Office Building Designation Act. Had I been present, I would have voted "yea" on each of these bills.

PERSONAL EXPLANATION

Ms. KILPATRICK. Mr. Speaker, due to personal business, I was unable to record my vote on the two votes ordered for today. If I had been present I would have voted "yea" on H.R. 2584 regarding the Conveyance of NOAA Ship to the Utrok Atoll (rollcall No. 94), and "yea" on H.R. 3723, the Vaughn Gross Post Office (rollcall No. 95).

CONGRATULATING BAPTIST HOSPITAL ON RECEIVING MALCOLM BALDRIGE NATIONAL QUALITY AWARD

(Mr. MILLER of Florida asked and was given permission to address the House for 1 minute.)

Mr. MILLER of Florida. Mr. Speaker, it is my honor today to recognize and congratulate one of the finest acute care hospitals in the Nation, Baptist Hospital, located in Pensacola, Florida. It is the third hospital in the Nation to receive the prestigious Malcolm Baldrige Quality Award. The Baldrige award, created in 1997 to honor the memory of the former Commerce Secretary Malcolm Baldrige, is the Nation's highest honor for quality achievement by companies, agencies and organizations.

Every day the 2,252 employees at Baptist Hospital bring their unique skills to work with them to serve their patients. When walking into any Baptist Healthcare facility, you will be greeted with a smile and a "how may I help you?" The company should pride itself on its highly efficient and effective working environment, but, more importantly, it should take pleasure in knowing their employees have worked together to give the company a family-like atmosphere.

Mr. Speaker, Baptist Hospital is a world-class hospital striving for excellence every day and achieving extraordinary results in all areas of service. On behalf of the United States Congress, I would like to congratulate Baptist Hospital on their prestigious award and exemplary service to northwest Florida communities.

□ 1916

CELEBRATING GREEK INDEPENDENCE DAY

(Mr. DAVIS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, I rise to celebrate Greek Independence Day with the people of Greece and Greek Americans. March 25, 2004, marked the 183rd anniversary of the beginning of the revolution that freed the Greek people from the Ottoman Empire. It is important for us to not only recognize and celebrate this day with the people of Greece but also to reaffirm the democratic heritage from which the United States and the country of Greece were born.

I am proud to represent Greek Town in the city of Chicago, and I certainly want to extend congratulations to not only my Greek constituents but the people of Greece all over the world and especially those in Greece.

MEDICARE

(Ms. GINNY BROWN-WAITE of Florida asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, I rise this evening because many of my elderly constituents in Florida have been misled about the new Medicare law. They have been misinformed because of the distortions spread by some of the liberal special interest groups and, quite honestly, some bitter Democrat politicians. These insincere groups have even tried to smear the AARP, an organization that seniors have trusted for over 45 years. They have tried to discredit AARP along with 300 other health care organizations. AARP supports the health care law that Democrats quite honestly wish that they could take credit for. Unlike what appears on TV, the biggest supporters of this bill are not the pharmaceutical companies. They are patients rights groups, senior advocacy groups, nurses and other health care professionals who have made quality health care and services their priority.

Mr. Speaker, I ask, are 300 nonpartisan organizations interested only in health care all wrong, while a handful of politically motivated Democrat interest groups are right? The answer is absolutely not.

MEDICARE CREDIBILITY GAP

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, I hear my friends on the other side of the aisle talk about the Medicare bill. This was a bill that the President told us cost $400 billion. Yet people in the department who were not allowed to tell Congress had told the White House it would cost $550 billion. That is the first part of the credibility gap.

The second part of the credibility gap is that the President said this was a bill to help America's seniors, when in fact this bill will mean $139 billion more in drug company profits, $46 billion in direct subsidies from taxpayers, from all of us, directly to the insurance industry.

This bill was written in the Oval Office, this Medicare law, by the drug industry and by the insurance industry while the President and the Vice President stood by and tried to pretend that it was for American seniors. That is the credibility gap this President and this Vice President have.

We should have passed a prescription drug benefit for Medicare beneficiaries, not for the drug companies, not for the insurance companies.

RECOGNIZING FRANKLIN, TENNESSEE, ON ITS SELECTION AS A PRESERVE AMERICA COMMUNITY

(Mrs. BLACKBURN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BLACKBURN. Mr. Speaker, today I rise to recognize Franklin, Tennessee. Franklin and Williamson County, Tennessee, were recognized today and were given a great honor. They received the Preserve America Community distinction. This comes from the White House Advisory Council on Preservation. Franklin deserves this. We were so excited that the Preserve America distinction came to them today. They are one of only 28 towns in America to receive this award. This has come because of a tremendous commitment from the community over the past several decades. We have had thousands of volunteers. It has been a partnership effort between volunteers and also between the local, the State and the Federal elected officials, and the hard work and the dedication to preserve the history and the heritage of Franklin and Williamson County, to educate future generations and to let them see what makes this community unique and special. That was recognized today.

Mr. Speaker, we applaud them, we say congratulations to Franklin, Tennessee. We know the best is yet to come.

QUESTIONS REGARDING 9/11

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. What does the President's national security adviser, Condoleezza Rice, have to hide? It might have been that she told the 9/11 Commission that she misspoke when she said that there was no intelligence that terrorists might use airplanes as weapons and that the administration had no knowledge of that. Of course, she did all that in private. In public she is spinning a very different story. She has appeared everywhere and anywhere on the press, with the press, in public; but she will not go before the 9/11 Commission and give sworn testimony to that commission and the American public. We deserve better. We deserve the truth about 9/11, what the administration knew and when they knew it.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BURGESS). Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

INTRODUCTION OF RESOLUTION EXPRESSING SENSE OF CONGRESS THAT ALCOHOL ADVERTISING DURING BROADCASTS OF COLLEGIATE SPORTING EVENTS SHOULD BE TERMINATED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. OSBORNE) is recognized for 5 minutes.

Mr. OSBORNE. Mr. Speaker, not long ago the National Academy of Science released a report on preventing underage drinking. This week, the Final Four NCAA basketball playoffs will occur. I believe there is a connection. The National Academy of Science report recommended that colleges and universities ban alcohol advertising and promotion on campus. Other important research points to the problem of alcohol consumption on college campuses. For example, the proportion of college students who say they drink to get drunk is rising. It is almost one-half. Underage drinking costs the United States $53 billion annually. There are roughly 3 million teenage alcoholics in our country. Despite these grim statistics concerning underage drinking, alcohol advertising accounts for more than one-half of college sports advertising revenue. The 2002 NCAA basketball tournament had more alcohol ads than the Super Bowl, World Series, college bowl games, and Monday Night Football combined. The basketball tournament has more than 16 times the rate of alcohol advertising as normal programming.

A spokesperson from the NCAA recently said such advertising is "not inconsistent with our mission." I guess I would beg to differ with that statement. The NCAA statement of purpose indicates that part of its mission is to prepare student athletes for lifetime leadership. The NCAA handbook states that NCAA policies should exclude advertisements that do not seem to be in the best interests of higher education.

In view of the fact that nearly one-half of college students are binge drinkers; 1,400 college students die annually from alcohol-related incidents, which is the leading cause of death on the college campus; more than 70,000 students are victims of alcohol-related sexual assaults; 500,000 students are injured each year while drunk; recent recruiting scandals at NCAA schools were often alcohol-related, I would have to say that there is great inconsistency in linking college athletics with the alcohol industry. The 12-, 13-, 14- and 15-year-olds watching the tournament this weekend will witness great athletes display their skills. These young people will identify with those athletes, and they want to be like them. Sandwiched into the telecasts will be many ads promoting alcohol; and most of the ads will contain attractive young people, celebrations and sometimes adolescent humor. The connection between players on the court and the alcohol advertising will be subtle, but it will be very real.

Dean Smith, my friend, the former North Carolina basketball coach, said this: "If aspirin were the leading cause of death on college campuses, do you think chancellors, presidents and trustees would allow aspirin commercials on basketball and football telecasts? They wouldn't, not for a minute."

I spoke today with John Wooden, in my time maybe the greatest coach of all time. He won 10 NCAA basketball championships in 12 years. John said that he wholeheartedly endorses taking alcohol advertising out of college sports. Andy Geiger, the Ohio State athletic director, opposes alcohol advertising. Eighty-four percent of Americans think advertising beer on college games is not in the best interest of higher education. Seventy-one percent of Americans support a total ban of alcohol ads on college games. Seventy-seven percent of parents say it is wrong for colleges to profit from alcohol advertising while trying to combat alcohol abuse on their campuses.

The alcohol industry will counter by indicating how much money they spend to curb underage drinking. However, in 2001 the alcohol industry spent a total of $811 million on product promotion and only 1 percent of the ads promoted responsibility. The placement of their ads and the content of their ads cater to a youthful market. Young people always represent future customers.

I do not advocate Congress legislating NCAA matters. The NCAA is a voluntary organization and such legislation should be left to the schools. And I do not believe that eliminating alcohol ads on college sports will end underage drinking. However, I do urge my colleagues to support House Resolution 575, expressing the sense of the House that the NCAA should affirm its commitment to a policy of discouraging alcohol use among underage students by ending all alcohol advertising during radio and television broadcasts of collegiate sporting events.

Hopefully, this resolution will help college administrators see the untenable position they now occupy and move to end current alcohol advertising.

ASSAULT WEAPONS BAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

Mrs. MCCARTHY of New York. Mr. Speaker, next week the House goes into recess. Yet the House has failed to address the expiration of the assault weapons ban. We in Congress should be looking at this again. September 13 is when it expires. We have 168 days to take care of this. The good news for terrorists, cop killers, and drug dealers is that they will be back on the streets with the assault weapons of their choice.

□ 1930

Since I took the floor last week, over 400 Americans have died from gun violence in this country. By the time the House comes back, we will have lost another 800 Americans in this country. But instead of doing the commonsense thing, instead of having a sense of urgency, the House has stood idly by.

Some seem content to let the assault weapons ban expire on September 13. I am not. The ban has kept us safer for the past 10 years. There is no reason why we should let assault weapons back on the streets. It has also respected the rights of gun owners, protecting the hunters, law-abiding citizens buying the guns that they want. But again do we need assault weapons back on the streets? Only criminals have been kept from their gun of choice. This explains why 66 percent of American gun owners support renewing the ban. The American people support it by even more overwhelming margins.

Once again, our Nation's law enforcement officers are leading the fight to keep the ban in place. The gun industry continues to evade the ban with copycat weapons like these. These are the ones that were banned. These are the ones that are out there on the streets now. They still do the same deadly thing. They take down as many people as possible in the shortest amount of time. This also has to stop.

I came to Congress to reduce gun violence in this country. I fought for commonsense, effective gun measures. That is why I have introduced H.R. 2038, which would renew the ban but also close the loopholes so that these guns cannot be back out on the streets either. We cannot let special interests control this Congress. We have 168 days left to renew it.

Let me say one other thing. Gun violence in this country costs the health care system over $1 billion a year, $1 billion. That is not counting the pain and the suffering that goes to the communities and to the families, those that might never walk again, those that end up never being able to go back to work. And, by the way, the American people pay half of those costs because insurance runs out for those that did have insurance, but, because rehab is so long, they run out of insurance.

Why do we tolerate this? Why are the American people not fighting? Here in Congress many a vote or many a rule, many a measure is won or lost by one vote. The American people have to understand they have a voice in this House. This is the people's House.

I am asking the American people to get involved in this issue. Do they actually want assault weapons back on the street? I think there is enough fear in this country now with the war on terrorism. Do they honestly want possibly the terrorists that are in this country in cells to be able to go to a gun show and pick up an assault weapon? Remember, in D.C., we had two people with a Bushmaster that paralyzed this whole area, cost millions of dollars. By the way, the Bushmaster was supposed to be a banned gun. The deaths that came from that incident can be multiplied throughout our cities and throughout our country. Is that what the American people want?

Common sense. Assault weapons, we see them on TV every single night in the war in Iraq and Afghanistan, Israel. Is that what we want in this country? Open warfare between our police officers, drug dealers, gangs? Wake up, America. We need America's help in the House. They have the right to call their Senators and their congressmen. We can do this, but we only have 168 days left. Please get involved.

VACCINATIONS CONTAINING MERCURY

The SPEAKER pro tempore (Mr. BURGESS). Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I would like to say to my colleagues, if they have children or grandchildren, pay attention to what I am going to say because this is very important.

Recently, there was an article put out by AP that was in the Indianapolis Star which was on the front page that I read, and it said that women and children should eat less fish, and the reason they should eat less fish is because there is a high mercury content in the fish and it can cause neurological problems in the children and in the parents if they eat too much fish.

What the article did not say is that many of the vaccinations that adults get and many of the vaccinations that the children get have mercury in them. So we are not supposed to eat the fish, but it is all right for the pharmaceutical industry to put a preservative called thimerosal into a vaccination and then inject their children with it and then the children get the mercury directly from a needle and it goes into the brain and causes neurological problems.

This is not baloney. My grandson got nine shots in 1 day, seven of which contained thimerosal, mercury; and within about 2 or 3 or 4 days, he became autistic. These are pictures of children from across the country who were normal children who received a number of shots containing mercury, and they became autistic. Many of their parents have testified before my committee as to how their children were before they got the shots and how they were after they got the shots.

We have been raising Cain with the Food and Drug Administration to get mercury out of children's vaccines and we got it out of almost all of them. But it is still in three: the HIB vaccine, the Hepatitis B, and the flu vaccine. I want to get it out of all of them because no child should be subjected to having mercury injected into their body. If it is bad for them to eat fish with mercury in it, then it is sure a heck of a lot worse for them to get a shot from a needle, a vaccination that puts mercury into their bodies.

Children used to get one or two shots. When I was a kid, we did not get many shots. We were kept out of school if we had mumps or measles or any of those things, but now they give them shots for all that. A child, before he starts in the first grade, gets as many as 30 shots. Can the Members imagine 30 shots with mercury in them, the cumulative effect of that on the brains of these children?

For those who are concerned about it as adults, and I see some gray hairs in the room, the flu vaccine, the tetanus vaccine, almost all the vaccines that we get, and our troops get in the field, get as many as 11 in 1 day in the Persian Gulf, most of those contain thimerosal, which is 50 percent mercury.

We need to collectively, as a body, tell the Food and Drug Administration and our health agencies to get mercury out of all vaccines. It is not necessary. If we go to single-shot vials, we do not need to have mercury in there as a preservative to make sure that they are not contaminated. All we have to do is use common sense.

The problem is it is going to cost just a few cents more per shot to make sure that it does not contain mercury. If we really care about the thousands of children who are becoming autistic and the people who are getting Alzheimer's, we need to get mercury out of the vaccines. There is an epidemic of Alzheimer's now. We used to have one out of 10,000 children who were autistic. Now it is one out of about 200.

Anybody who has a parent or grandchild ought to listen to what I am saying, because if their child gets numerous shots with mercury in them, they run the risk of being autistic. I have had hearings for 4 years now, and I am telling the Members that scientists from around the world agree with what I am telling them. Many countries in the world have taken mercury out of the vaccines. We need to do it here.

THE PRESIDENT'S ECONOMIC POLICIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

Mr. EMANUEL. Mr. Speaker, this week the House is on the verge of passing a $2.3 trillion budget with a $521 billion deficit, showing that it is impossible to finance three wars with three tax cuts and expect a different result.

This budget repeats the same mistakes that have resulted in a jobless economy and a wage recession in America, the lowest wage growth in any period of time in a period of economic "growth." The Republican budget continues the status quo policies that have resulted in 2½ million Americans who have lost their jobs, 43 million Americans without health care, 4 more million Americans since the President took office, 2 more million Americans in poverty who walked out of the middle class into poverty, wages frozen, and $1 trillion in corporate and individual bankruptcies. Three years, $3 trillion dollars added to the Nation's debt, and 3 million Americans have lost their jobs. What a record.

During the 2000 presidential campaign, President Bush said he opposed nation-building. Who knew it was America he was talking about?

This budget, the President's economic policy, is really a tale of two budgets: one for America and one for Iraq. We have spent more than $100 billion on Iraq's occupation without promising the same future here at home.

In Iraq they get universal health care and free job training, while in America 44 million Americans go without health care, 10 million children without health care, and 8.2 million Americans without jobs.

In the area of health care, 2,200 Iraqi health professionals and 8,000 volunteers are receiving free training. In America under this budget that the Republicans and the President put together, health training funds are cut by 64 percent.

One hundred and fifty clinics and hospitals have been rebuilt, serving 3 million Iraqis, providing 100 percent prenatal and infant coverage. In America, community health care clinics are cutting funding by 91 percent; Maternal and Child Health Care, Healthy Start, and family planning, all frozen.

In the area of jobs, $60 million is being spent to retrain the Iraqi veterans. Yet we have cut the manufacturing job training program by 67 percent over 3 years.

In the area of education, we built 2,300 schools in Iraq and underfunded Leave No Child Behind in America by $8 billion.

Iraqi universities are getting $21 million for higher ed partnerships. In America, the Perkins loans are cut by $99 million and Pell grants are frozen.

The police in Iraq, $500 million for training. In America, the COPS program is cut by $659 million.

In the area of housing, $470 million is spent on Iraqi public housing, while in America $791 billion is cut from Section 8 housing vouchers.

In the area of environment, we are paying for $3.6 billion in water and sewers in Iraq; and in this budget, the Clean Water State Revolving Fund, which deals with drinking water here in America, is cut by $500 million.

The port of Umm Qasar was completely rebuilt in Iraq. The Army Corps of Engineers cannot afford U.S. port security upgrades since their budget has been cut by 63 percent.

Roads, we have spent $240 million on roads and bridges in Iraq, but mass transit, including highway funding, remains stalled under this administration.

As President Bush seeks reelection and we think about his pledge in 2000 to oppose nation-building, he has the dubious honor of saying he kept his pledge because he is opposed to nation-building here in America.

I am not opposed to what we are planning for Iraq. That is a good thing. But I oppose the notion that we will literally reconstruct Iraq while we deconstruct the United States.

In this budget this administration, this Congress, is telling the American people that they have two priorities, two sets of values, and two sets of books, one for Iraq and one for America. Compared to how Americans view their futures, we cannot deny Americans the same dreams of affordable housing, affordable health care, affordable education that we have promised Iraq and their children. America can no longer afford to be so generous if hope for a prosperous tomorrow and a better tomorrow is diminished here at home for the American people.

Mr. Speaker, the same values we hold for Iraq we must pledge for all Americans. So we cannot allow our economy and our prospects, which this budget will lay out an economic vision, that still results in 2½ million Americans in the last 3 years who have lost their jobs, 43 million Americans without health care, nearly $1 trillion worth of corporate and individual assets have been foreclosed on, and 2 more million Americans have walked out of the middle class into poverty. If we are going to do nation-building, we must do it here at home, not just overseas.

MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. PRYCE) is recognized for 5 minutes.

Ms. PRYCE of Ohio. Mr. Speaker, I come to the floor today to speak on behalf of Ohio's seniors and America's seniors.

Mr. Speaker, about 14 million low-income seniors, 438,000 of them in Ohio alone, will now be receiving their medications for a mere $2 to $5. They understand that this new law, the new law about Medicare reform and prescription drugs, is a step in the right direction. The countless baby boomers who devote portions of their monthly paycheck to help buy grandma and grandpa's medicine, they understand that this expansion of Medicare is important. They know that when they are able to devote a little less money to prescription medicines for their parents, they might be able to devote a little more of that money to their kids' college tuition.

□ 1945

The many older Americans who have experienced a tragic illness that requires a litany of medications, they understand the peace of mind that this law provides to the catastrophic coverage. Because of this law, the cost of their many, many medicines is kept at a minimum, instead of spiraling off into infinity.

The millions of seniors who live in rural areas across America and doctors who serve them, they understand the benefits of this new law, especially the increased financial assistance to rural providers.

The hundreds of patient organizations who endorsed and support this new law, groups like AARP, the American Medical Association and the Alzheimer's Association, they understand that the law represents a good first step in improving the lives of millions and millions of patients.

I could go on and on, showing the countless benefits of this new law. Instead, I will boil it down into the simplest of terms: while this plan may not provide the entire solution for every senior's particular medical and financial problem, it does provide some solutions to the substantial number of seniors who formerly were choosing between food and medicine, gasoline and medicine, heating fuel and medicine. Those choices were untenable.

The law is not 100 percent perfect, but it is 100 percent more than what seniors had before, which was nothing. Unfortunately, there are some who do not share the same mind set. Indeed, there are small group of obstructionists who seek to mislead seniors about this new law, instead of informing them about how to use it to their advantage. Their goal is to scare, instead of to educate; and their tactics aim to thwart instead of to improve. It is really sad.

A prime example is the left-leaning Families USA, who have taken their MediScare campaign across the country. In fact, they are scheduled to be in my home State of Ohio during the coming weeks.

To the seniors in my home State and to the seniors across the country who will be subject to the half-truths that Families USA and their allies will be pushing, I will say, beware of those who peddle fear and distrust. The flashy videos and the shiny brochures that these groups will provide will do nothing but tell you what is wrong with this new law. They will tear it down and trash the very thing that seniors have been pleading Congress to do for years, add prescription drug coverage to Medicare. They will not bat an eyelash nor turn the slightest shade of red while they claim there is absolutely nothing good about this new law.

Mr. Speaker, I have too much faith in Ohio's seniors. I know that they will not be used as pawns in the politicization of a new law of the land. I know that our seniors will take the time to learn more about this law, and they will like what they see. They will understand that Congress acted to improve the quality of their lives. This is a good first step. They will understand that groups who scare them about what a law does not do are not helpful nor productive, and that the people who instruct them about what a law does are actually trying to make a difference in their lives.

Mr. Speaker, I want to be to Ohio seniors one of those who helps them, helps them understand what this law does do for them. I want to be part of that productive group, that group that knows that progress comes in incremental steps and understands that obstructing and thwarting accomplishes nothing, that group that looks for solutions, not partisan points.

Passing a Medicare drug plan and getting it signed into law with President Bush's cooperation is finally a step forward for this Nation's seniors. Let us not ever step back.

ADDRESSING UNEMPLOYMENT IN AMERICA

The SPEAKER pro tempore (Mr. BURGESS). Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, I want to talk for a moment about Vice President CHENEY's trip to Dayton, Ohio. But before that, I just want to mention that the Medicare drug law that my friend from Ohio mentions just happened to be legislation written by the drug and the insurance industries. The drug industry will get $140 billion additional profits under this law. The insurance industry gets a $46 billion direct gift subsidy from taxpayers.

This bill was written for the drug industry, written for the insurance industry. In fact, the word in Washington is that President Bush will receive about $100 million in contributions from the drug industry. I think that is probably all you need to know. And that is why seniors simply do not like this drug bill, do not like the new Medicare law; and that is why the Republican Party, the President, is spending upwards of $80 million in taxpayer dollars to advertise to try to convince America's seniors that this is good legislation, that it is good law. It is clearly not.

As I said, Mr. Speaker, the Vice President came to Dayton, Ohio, last week to try to explain away what has happened to the Ohio economy. One out of six manufacturing jobs has disappeared since President Bush took office; 300,000 in Ohio have been lost. That is 2,000 jobs every single week of the Bush administration. That is 260 jobs have disappeared every single day in Ohio since George Bush took office.

In response to the bad economic news which cascades across my State, bad news almost every week on the economy, 600 people just laid off from a phone center in Trumbull County, near the district of the gentleman from Ohio (Mr. STRICKLAND) and the gentleman from Ohio (Mr. RYAN).

In response to the bad news, the President has got two solutions every time: more tax breaks for the most privileged in our society, with the hope that some of these benefits trickle down to the rest of the people in this country. That has not worked. And the second response, the second solution is more NAFTA-like trade agreements that continue to ship jobs overseas, that continue to hemorrhage jobs. We have lost hundreds of thousands of jobs in this country, manufacturing jobs, because of these trade agreements. They simply are not working.

The question always is, How out of touch can our government's leaders be? The answer to that is I do not know. Something seems to be new every day. The economic report of the President, which came out a couple or 3 or 4 weeks ago, signed by George Bush, signed by the President, the economic report of the President talks about outsourcing jobs, one of the biggest problems in our economy; and the President's Chief Economic Adviser, Gregory Mankiw, said outsourcing jobs is a good thing because it makes the economy more efficient.

Well, let him look in the eye of a computer operator, let him look in the eye of a clerk who has lost her job, let him look in the eye of a steel worker who has lost his job and tell him that outsourcing is a good thing because it makes us more efficient.

Then in the same report, Mr. Mankiw, the President's top economic guru, the top economic adviser, said that we will this year create 200,000 jobs a month. Well, after he said that, even the President's people, including the President, said we did not really mean 200,000 a month, because the first month they fell 199,000 jobs short, and every month they have fallen way, way short of this job creation they promised.

Then the President's economic adviser said, you know, maybe in response to this, and this really shows how out of touch they can get, maybe in response to this we need to reclassify what manufacturing is. Perhaps, because a bottling company is a manufacturing job, you take the syrup in a Pepsi or Coke bottling plant with 200 or 300 employees, and you take the carbonated water and put them together, that is a manufacturing process.

Maybe, they suggest, the President's top economic people, that we should reclassify fast food, I am not making this up, this is in this report, the fast-food restaurants, maybe they should be considered manufacturing. Because you have the hamburger and you chemically treat it, you cook it; you take the cheese and you chemically treat it, you melt it; then you put the bread on, and you create these manufacturing jobs. Then you take the syrup and you push the button so the syrup and the carbonated water mix. This administration actually is thinking about reclassifying those service jobs as manufacturing jobs.

Now, I am not making fun of people working in fast-food restaurants. In fact, if the Bush administration is going to reclassify those as manufacturing jobs, let them pay more than $7 an hour; and let them give these young men and women, or older men and women in these fast-food restaurants, decent wages and decent benefits, if they are going to call them manufacturing jobs.

Then the last point I wanted to make is in terms of how out of touch this government can get. One of the leading Republicans in this institution, the chairman of the Committee on Rules, recently was complaining that Democrats and others are saying that we have lost manufacturing jobs.

He said, the fact is that you Democrats, you critics, you media people, you economists, you workers who are complaining about lost jobs are simply not looking at the economy right.

Here is what he said. He said there are 430,000 Americans who make their full-time living selling on ebay. This is not reflected in the economy.

So are we going to count garage sales as economic growth? Are they going to pay them health benefits? Is that where my friends want to take the U.S. economy?

FREEING IRAQ AND AFGHANISTAN IMPORTANT IN WAR ON TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Tennessee (Mrs.

BLACKBURN) is recognized for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, late last October I traveled to Iraq with several other Members of Congress, and what I saw was a country in tatters, a country that had experienced little or no infrastructure investment in decades.

But I also saw a people who, despite torture, government-sponsored slaughter and oppression on the scale of Lenin, a people who, despite all this, retained a glimmer of hope. And I thought, is it not amazing? Thirty years of torture, and Saddam and his henchmen could not break the spirit of the Iraqi people. They still had that thirst for freedom and that thirst for opportunity.

Today, watch the news that comes from Iraq. Occasionally look past the newscaster, actually take a look at the hustle and bustle behind the newscaster. You will see marketplaces, traffic jams, people on their way to and from work. That is the free market at work.

President Bush is the focus of an enormous amount of partisan political criticism. There are those, mostly on the other side of the aisle, who believe that simply getting bin Laden would end terrorism. They think we were wrong to go to Iraq, that Saddam could be contained. In short, those opposed to our work in Iraq believe Saddam's regime had no role in terrorism and that our effort will not bear any positive results for America and the world.

What a shortsighted, small view of the world and a basic misunderstanding of terrorism. Terrorism will not be stopped by removing a leader or a command structure. Terrorism is not going to be that easy to tackle.

What is going to make a difference could be this: Iraq has an interim Constitution on schedule and they are moving toward freedom. Iraq's electricity levels are exceeding pre-war capacity. They passed that benchmark last fall. The international community has pledged $32 billion to improve schools, health care, roads, water and sanitation. The nation now has a stable currency. A free press is growing. Iraqis have access to more diverse, independent sources of news. Hundreds of democratic meetings are taking place all across Iraq. America has captured 45 of the 55 most-wanted members of Hussein's regime. There are 900,000 telephone subscribers and 225,000 wireless subscribers. All of Iraq's 22 universities and 43 technical institutions and colleges are open. And, this may not sound important, but its value is immeasurable, the Iraqi children no longer have to recite "long live leader Saddam Hussein" each morning.

Some still believe all of this is irrelevant to the war on terrorism. Do you think terrorists are worried about what we are doing in Iraq and Afghanistan? Absolutely. Do you think terrorists fear this President? Do they fear America? You bet they do. The terrorists fear America. I do not mean that figuratively. Those who would destroy America, they literally fear this President and the resolve of the American people and our military, because we have not been afraid to take swift, decisive action.

President Bush said America would not tolerate al Qaeda, that we would not tolerate a Middle East that pumped out hatred and vitriol. Our engagements in Afghanistan and Iraq speak volumes to the terror network.

Does our work in Iraq make hostile nations think twice about supporting terrorism? Yes, indeed, it does. Will our effort to bring the Iraqi people into the modern world, into the free marketplace, the community of free nations, make a difference in the long struggle to destroy what breeds terrorism? Absolutely it will.

RECORD NUMBER OF AMERICANS EXHAUSTING UNEMPLOYMENT BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Well, congratulations to the Bush administration. They have set yet another record. This complements their previous record of the largest job loss and the worst job record since Herbert Hoover was President of the United States in the 1920s. But their latest is notable also: 1.1 million jobless workers by the end of this month will have exhausted their regular unemployment benefits without receiving an extension or additional aid. If we go all the way back, we have been keeping data on extended unemployment since 1971, 33 years ago, there have never been so many people who have exhausted unemployment benefits without successfully finding work.

Now the Bush administration and the Republican leaders in Congress are refusing to extend unemployment benefits. Is that because we are in such a deep economic hole? After all, their tax cuts have dug us into a $650 billion deficit in the coming year, so maybe we just cannot afford unemployment benefits any more. No, actually there is $17 billion in the Unemployment Trust Fund, money paid in by workers and their employers, sitting on deposit, or actually not, they borrowed the money and spent it on something else.

□ 2000

But at least there is a credit for $17 billion; and, in fact, they are expecting that because of the taxes levied for unemployment benefits, that that fund will actually grow in the coming year, as 1.1 million people exhaust their benefits, do not find jobs, and cannot get an extension.

Now, the Republicans have a couple of arguments as to why they think this is a good thing. They think it is a good thing because the unemployment rate is low. Well, yes, actually, the way they keep the books, the unemployment rate is low. All of these workers, these 1.1 million who will have exhausted their benefits will no longer be considered to be in the workforce, and they will not be counted as unemployed. It is sort of a beautiful thing they have created here. If everybody in America lost their job today, a year from today, when they had all exhausted their unemployment benefits and no one had gotten a job back, if they had all been outsourced to India or somewhere else, we would have zero unemployment, according to the Bush administration, the way they keep the books. So that is a pretty phony argument, and you do not have to travel very far in America to find people who want work and cannot find it. Certainly in my State, that is not hard at all.

Then they say, now the Republicans have decided that unemployment benefits are welfare. Yes, that is true: an earned benefit for people who have lost their jobs through no fault of their own, most often through trade policies that exported their jobs or misplaced budget priorities on the part of this administration and tax policies and trickle down economics. Those people, they say, are just a bunch of welfare cheats, because they say that this would discourage people from going out and finding work if we extended unemployment benefits.

Mr. Speaker, that is the most outrageous thing. I mean, I guess a lot of these Republicans and the Bush administration do not know real people and they have not gone out and walked the streets and gone into the malls and talked to people who have lost their jobs through no fault of their own, cannot find work, and just wanted a little bit of help so that they can keep their household together, so they can make the bare minimum payments on their house, their utilities, and put food on their table for their kids. The Bush people think, well, that is welfare. It is an earned benefit. People paid these taxes. There is money sitting in the unemployment trust fund. They should just give us a straight up-or-down vote.

Well, that is sort of the third thing here, is the Republican leadership does not want a straight up-or-down vote on this issue. Why? Because if we had a straight up-or-down vote in the United States House of Representatives and in the United States Senate on an extension of unemployment benefits, to spend some of the money out of the trust fund to help these 1.1 million people who cannot find jobs and their benefits are exhausted, it would pass overwhelmingly. So they will not allow us a vote. We managed to attach an amendment to an unrelated bill and finally did trigger a vote on that, and it was amusing to watch all of the Republicans line up on the other side of the aisle after they had been beat to heck by their leadership to change their votes one after another after another after another, because they did not want to be on the wrong side of the issue.

But then their leader got up at the end of the day and said, do not worry, that will never come out of conference. Why will that not come out of conference? Why will not the will of the people of the elected House of Representatives, who voted 227 to 179 in a tangential way of extending unemployment benefits, and who voted more overwhelmingly to up front extend those unemployment benefits, why will he not let that come out of conference? The money is in the trust fund, the suffering is real, people need some help. Let us have an up-or-down vote and extend unemployment benefits for all Americans.

ALAN BABIN, A TRUE TEXAS WAR HERO

The SPEAKER pro tempore (Mr. BURGESS). Under a previous order of the House, the gentleman from Texas (Mr. CARTER) is recognized for 5 minutes.

Mr. CARTER. Mr. Speaker, tonight I stand here to recognize one of Texas's finest soldiers and a true Texas hero. On March 31, 2003, Alan Babin of the First Battalion, 325th Airborne Infantry Regiment started his second day of war. On that day, the third platoon, a platoon that he had recently joined, was working to secure a bridge on the Euphrates River near Samawah when enemy fire intensified and a soldier took a shot in the head. Alan, who was a paratrooper medic, gave up cover and sprinted the 20 meters to aid the soldier. In that sprint, Alan took a shot in the belly. That single action has warranted Alan the title of war hero; a purple heart, a bronze star medal with V for valor. However, neither Alan's brave action nor the rewards that followed came at a small price.

Alan is a fourth generation military man. Both his mother and father served in the military. Now he is fighting a second battle, and it is a long battle. He is fighting that battle from a hospital room.

Today he has undergone over 70 surgeries. He has battled severe infection, meningitis, and stroke. Alan lay on the battlefield for 3 hours in pain until he was evacuated to the USS *Comfort* where he received excellent medical treatment by the folks there and very loving people that took care of him; but in the process, he suffered a stroke, and this infection grew rampant in his entire abdominal cavity. Most people did not think Alan was going to make it. The doctors said, if you are people of faith, you need to begin to pray.

My colleagues need to understand Alan's family. His mother, Rosy, and his dad, Alan, and his sister Christy, they went to the task. Rosy started e-mailing her friends and relatives and neighbors in Round Rock, Texas, and in the rest of Texas; and this spread throughout the entire country until thousands of people began to pray for this young man and to send encouragement.

When we got Alan finally here at Walter Reed, he was still with an exposed abdominal cavity, which had to be washed every night to fight the infection, and this 23-year-old man was fighting that battle with his mother by his side, and she has vowed not to leave his side until he is well. His little sister came up here to visit him. His dad was here by his side. Now, these folks, along with the folks back in Round Rock, Texas, are helping Alan battle through this terrible tragedy.

Alan continues to persevere daily, and he is overcoming all of the odds and the doctors say, whatever you are doing, keep doing it. These obstacles are being overcome. Just the other day I ran into Rosy in church and she told me, Alan actually picked up his glasses and put them on his own nose. That shows his motor skills are coming back from the stroke. That little victory was a huge thing for his mother. They have closed his wounds; the infection is going away. He has come from months and months in bed to therapy sessions. In the doctors' eyes and in the generals' eyes, this young man has overcome the worst odds that anybody can overcome. Now, each day it is a blessing that he continues to recover.

His service and his sacrifice has not gone unnoticed. The folks back home, knowing that Alan would not be able to climb stairs, the folks in Round Rock, Texas, the builders and contractors went and built a room on their two-story house at ground level so that Alan will be able to negotiate to and from his bedroom when he gets to come home. The whole community is behind this family.

During his stay at Walter Reed Hospital, he was visited by many, many people, including President Bush, Vice President CHENEY, Secretary of State Colin Powell, Governor Arnold Schwarzenegger, Members of Congress, and numerous other military officials. I was there when he was awarded his medals, and one could see what was important in this young man's heart, because every time they called him paratrooper, his eyes sparkled and one could tell that he knew that they were talking about something of which he was proud.

Today is almost the anniversary of that tremendous wound that Alan suffered. He is recovering, through the grace of God and some wonderful medical people across this country. He is now back at least in Texas undergoing therapy, recovering every day, only because he and his family are true heroes who support the effort of this country and are proud of the service of their son. Alan, along with his family, serves as an inspiration for his fellow soldiers, as well as his fellow Texans. We in Texas are very proud of Alan and we say, God bless America and God bless Alan for his sacrifice. Alan Babin is a Texas hero.

CONNECTING THE DOTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MEEKS) is recognized for 5 minutes.

Mr. MEEKS of New York. Mr. Speaker, I believe it was Abraham Lincoln who said, "You can fool some of the people all of the time and all of the people some of the time, but you can't fool all of the people all of the time." Until recently, the Bush administration has fooled some of the people all of the time and all of the people some of the time on Social Security, Medicare, tax cuts for the rich, economic recovery, the No Child Left Behind Act, nation-building, the war against terrorism, and, most especially, the war in Iraq. The President has been able to do this because most Americans simply do not believe that the President of the United States would distort and deceive on such basic issues as war and the well-being of children and the elderly.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind the gentleman not to make personal references to the President.

Mr. MEEKS of New York. Mr. Speaker, during the 2 days of the hearings of the National Commission on Terrorist Attacks upon the United States, it was clear that the time for the fooling of the people may be running out. Of course, there are those Americans inside and outside of Congress who always question the veracity of the President's arguments for going to war. My hope is that the testimony at the hearings, along with a series of widely publicized books and articles published in the last year or so, the latest being Richard Clarke's "Against All Enemies," will enable the broader public to connect the dots to the truth. I believe they will see that the dots of deception lead straight to the Oval Office.

This response of administration officials to Mr. Clarke's charge that the President has done a terrible job on the war against terrorism is typical: throw sand into the public's eyes. Bait and switch. In other words, attack a person's motives while refusing to address the substance of the critique. Hide the facts. Concoct data. Delay. Blame everything on Clinton. Do the opposite of what you say. Claim not to remember a conversation or a meeting. Insist on redacting critical portions of critical congressional reports. Accuse critics of being disgruntled employees. All to cover up arrogant, reckless, and disgraceful conduct of foreign and domestic policy.

We should commend those public servants who, in the aftermath of 9/11-PATRIOT Act hysteria, have put loyalty to country above loyalty to the President, risking their careers to shed light on the dark underside of George W. Bush's Presidency. This lengthening list includes the Minneapolis and Phoenix-based FBI agent who revealed that FBI field operatives tried to get higher-ups to pay attention to individuals on the counterterrorism watch list, including several who later crashed airplanes into the World Trade Center and the Pentagon, were in the United States taking flying lessons; the joint inquiry of the House and Senate Intelligence Committees that revealed serious lapses on the part of the senior administration and intelligence officials during the lead-up to 9/11; John Wilson, a former ambassador, who disputed the claim that Saddam Hussein had sought uranium fuel in Niger, Africa. Wilson rejected the tales of the President and Vice President, Defense Secretary, Secretary of State, and National Security Adviser were telling about Saddam's alleged nuclear weapons program and, as we now know, the White House retaliated by telling a journalist that Wilson's wife was a covert CIA operative.

In a book by Ron Suskind, former Treasury Department Paul O'Neill insists that from the very beginning, the administration and the President were fixated on invading Iraq. Mr. O'Neill, who told the President that a second round of tax cuts would damage the economy, and also reveals that Vice President CHENEY contended that Ronald Reagan had proved that deficits do not matter.

David Kay head of the CIA's Iraq Survey Group, congressional testimony that no weapons of mass destruction had been found, that no weapons of mass destruction were likely to ever be found, and that frankly, the administration and the intelligence community had it all wrong. And now, Richard Clarke, a senior counterterrorism official in the Reagan, Clinton, and both Bush administrations, who says immediately after 9/11, the President and other senior officials were focused more on finding a pretext for attacking Iraq than on finding Osama bin Laden and al Qaeda.

□ 2015

Clarke quotes Defense Secretary Rumsfeld as saying there were not any good targets to bomb in Afghanistan but plenty in Iraq. Mr. Clarke also contends that invading Iraq was a priority even before the President took office.

If what Clarke, Kay, O'Neill and others have said is true, then it is fair to not only say weapons of mass destruction was a hype but also that every new explanation the administration has given since it declared an end to major operations is part of a cover-up of a war of choice, not necessity.

This is the context in which the public can connect the dots of the administration's attempts to obstruct the joint congressional Permanent Select Committee on Intelligence investigation of 9/11 and its belated cooperation and then only under the threat of subpoena with the independent commission investigating intelligence.

SENDING OUR TROOPS INTO BATTLE WITHOUT ADEQUATE PROTECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, I probably will not take my 5 minutes, but I was standing here, sitting here listening to my colleague from Texas talk about the young man who had been wounded and was recovering. And I am reminded that there are some nearly now 600 soldiers who have lost their lives in Iraq and we do not know for sure but somewhere between 3,500 and 4,000 have been seriously injured.

I think it is a sad and a tragic fact that the President, Secretary Rumsfeld, this administration, sent our troops into battle without providing them with adequate protection. As a result, there are those who probably have lost their lives simply because they did not have body armor; and there are those who have lost their limbs simply because this administration has not taken care of the problem of unarmored Humvees in Iraq.

Many, many months ago I wrote Secretary Rumsfeld a letter after I had received a letter from a young soldier in Baghdad, a young soldier who is a West Point graduate and a gung-ho Army guy. In his letter to me he said, "Congressman, I am so proud of the Army. We are doing everything that we can here to help these people." But later on in his letter he said, "My men are wondering why they do not have the protection of this interceptor vest, this high-tech vest that has the capacity because of its construction and the materials used to actually stop an AK-47 round."

I started exploring that problem, and what I found was that we sent soldiers in the initial assault into Iraq without this most basic protection.

Now these vests were used in Afghanistan, and we found out in the Afghanistan conflict that they were effective. It is thought that as many as 19 lives of our soldiers were saved during the Afghanistan conflict because they had this interceptor vest. And yet when we sent our soldiers into battle in Iraq many went into those fights without this body armor.

So I wrote Secretary Rumsfeld; and I got a letter back from Mr. Brownlee, his Chief of Staff, and in that letter I was told that we hoped that we would have all of our soldiers equipped with this body armor by November. That was November of 2003. The war in Iraq started in March.

Then a couple of weeks later I get a second letter from General Myers, the Chair of the Joint Chiefs of Staff. In his letter General Myers informed me that it probably would be December before our soldiers were fully equipped with this body armor. And I remind you that the war started in March.

I asked Mr. Rumsfeld how many soldiers perhaps had lost their lives on the battlefield who were not equipped with this body armor, and he indicated to me he could not answer that question because they do not collect that data.

Well, Secretary Rumsfeld said November. General Myers said December. Before we left this city for our holiday period, Christmas, the Pentagon held a briefing; and one of my staff members went to the briefing and the person holding the briefing said it was likely to be January before our soldiers were equipped with this vest. The war began in March. And, lo and behold, about 3 weeks ago I get a letter indicating that finally, finally, a year after the war began, this administration is willing to say that all of our troops have access to the body armor.

Now, Chris Matthews visited many of the troops at Walter Reed and he had that on his show this weekend. During that show, near the end of the show, he indicated that the body armor could protect the lives but not the limbs of our soldiers.

I end my remarks, Mr. Speaker, by pointing out that we have unarmored Humvees in Iraq tonight. The only company that produces these armored vehicles is in Ohio. They tell me that they can produce 500 a month, and the Pentagon is only asking for 220 a month. How many soldiers will have their arms and legs destroyed because this administration is not providing them with the equipment that could keep them safe?

NATIONAL SECURITY ADVISOR SHOULD TESTIFY BEFORE 9/11 COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

Mr. CONYERS. Mr. Speaker and Members of the House, I rise to review the debate that has been going on between the distinguished National Security Advisor of the President, Condoleezza Rice, and those who believe that she should be called back to testify under oath. The reason that has been put forward that this is not possible is that Ms. Rice claims that it is a matter of constitutional principle that the separation of powers prevents the President's close aides from testifying to Congress.

But, as many have noted, there have been senior aides that have testified before. As a matter of fact, they have held the same position that she holds. Mr. Sandy Berger has testified before Congress and Mr. Zbigniew Brzezinski has, in fact, testified before the Congress. So what we realize now is that there is no problem here. There is no separation of powers argument for her to present.

I happen to serve with the House Committee on the Judiciary, and I can recall when President Gerald Ford came before the committee to try to deal with a very extraordinary national issue in which he explained why he had granted some extraordinary relief or pardon to former President Nixon. It was a national issue. Well, in my view, I believe the death of more than 3,000 Americans is an extraordinarily important issue that should allow Ms. Rice to come before the 9/11 Commission.

But the traditions really do not mean anything and the separations of power argument fails completely because it turns out that Condoleezza Rice has for 4 hours or more already testified before the Commission on February 7. So there is no issue about separation of powers.

This would be the same as allowing a person to testify before the Committee on the Judiciary privately about conversations with their attorney, but then when they come before the Committee on the Judiciary they would certainly not be able to invoke the attorney-client privilege and refuse to testify on the same matters that they have at an earlier meeting.

So what we are concerned about is about whether we can separate from the American people the truth of what has been happening in our White House.

Now the concept of the separation of powers doctrine was conceived by James Madison to prevent any branch of this three-branch system of government from encroaching on the powers of the other two branches. This preserves the dispersal of power so that it is not concentrated in one branch, and it also preserves the constitutional system of checks and balances. But our friend has already testified to the Commission earlier. So that now that she has already given private testimony she cannot be heard to come back and claim that she is prevented from doing that.

The only problem that this raises is whether she wants to testify under oath. And I think that this makes it very important that she listen to one of the members of the panel, former Secretary of the Navy Lehman, appointee of the President, who said that this is very bad political strategy for you to claim that you are prevented from coming before the committee to give formal testimony.

It is not going to work. I think that it is very important that we realize that. The Congressional Research Service has done for me an analysis of the Presidential advisor's testimony before congressional committees.

Now this is made more curious by the fact that more recently, after the statements made by Richard Clarke, that Ms. Rice asked the Commission to again come before it to respond to the allegations of Mr. Clarke.

Mr. Speaker, I will insert into the RECORD the Report for Congress by the Congressional Research Service.

CRS REPORT FOR CONGRESS—PRESIDENTIAL ADVISERS' TESTIMONY BEFORE CONGRESSIONAL COMMITTEES: A BRIEF OVERVIEW, APRIL 5, 2002

(By Harold C. Relyea, Specialist in American National Government, Government and Finance Division, and Jay R. Shampansky, Legislative Attorney, American Law Division)

SUMMARY

Since the beginning of the federal government, Presidents have called upon executive branch officials to provide them with advice regarding matters of policy and administration. While Cabinet members were among the first to play such a role, the creation of the Executive Office of the President (EOP) in 1939 and the various agencies located within that structure resulted in a large increase in the number and variety of presidential advisers. All senior staff members of the White House Office and the leaders of the various EOP agencies and instrumentalities could be said to serve as advisers to the President.

Occasionally, these executive branch officials playing a presidential advisory role have been called upon to testify before congressional committees and subcommittees. Sometimes, such invited appearances have been prompted by allegations of personal misconduct on the part of the official, but they have also included instances when accountability for policymaking and administrative or managerial actions have instigated the request for testimony. Because such appearances before congressional committees or subcommittees seemingly could result in demands for advice proffered to the President, or the disclosure—inadvertent or otherwise—of such advice, there has been resistance, from time to time, by the Chief Executive to allowing such testimony.

Congress has a constitutionally rooted right of access to the information it needs to perform its Article I legislative and oversight functions. Generally, a congressional committee with jurisdiction over the subject matter, which is conducting an authorized investigation for legislative or oversight purposes, has a right to information held by the executive branch in the absence of either a valid claim of constitutional privilege by the executive or a statutory provision whereby Congress has limited its constitutional right to information.

A congressional committee may request (informally, or by a letter from the committee chair, perhaps co-signed by the ranking Member) or demand (pursuant to subpoena) the testimony of a presidential adviser. However, Congress may encounter legal and political problems in attempting to enforce a subpoena to a presidential adviser. Conflicts concerning congressional requests or demands for executive branch testimony or documents often involve extensive negotiations and may be resolved by some form of compromise as to, inter alia, the scope of the testimony or information to be provided to Congress.

Since the beginning of the federal government, Presidents have called upon executive branch officials to provide them with advice regarding matters of policy and administration. The Constitution recognized such relationships when it authorized the President, in Article II, section 2, to "require the Opinion, in writing, of the principal Officer in each of the executive Departments, upon any Subject relating to the Duties of their respective Offices." There were, as well, reasons to expect that such advice, whether offered orally or in writing, would be held in confidence. The advice was for the President's consideration and his decisionmaking. The matters involved were sensitive, perhaps bearing upon the foreign, military, economic, or law enforcement policy of the nation. Also, the provision, discussion, and use of such advice by the executive branch could affect its relationships with the other coequal constitutional branches. President George Washington and his Cabinet had these considerations in mind, as Secretary of State Thomas Jefferson's notes on their deliberations reflect, when they decided upon a response to a 1792 congressional request for information:

"We had all considered, and were of one mind, first, that the House was an inquest, and therefore might institute inquiries. Second that it might call for papers generally. Third, that the Executive ought to communicate such papers as the public good would permit, and ought to refuse those, the disclosure of which would injure the public; consequently were to exercise a discretion. Fourth, that neither the committee nor House had a right to call on the Head of a Department, who and whose papers were under the President alone; but that the committee should instruct their chairman to move the House to address the President. . . ."

The Cabinet, composed of the principal officers in each of the executive departments, failed, for several reasons, to develop as an important source of presidential advice. The department heads constituting the Cabinet were often chosen to satisfy interests that contributed significantly to the President's election. Considerations of partisanship, ideology, geography, public image and stature, and aptitude, among others, figured prominently in their selection. Sometimes the President was not personally well acquainted with these individuals and had only minimal confidence and trust in them. In a few cases, a political rival was included in the Cabinet.

It is also very likely that some activist Presidents were ill suited to the group deliberation of the Cabinet. Similarly, many Cabinet members might have felt unqualified, or were unwilling, to offer counsel to the President on matters outside of their immediate portfolios; their advice was perhaps limited to, and protective of, departmental interests. Finally, personal hostilities between or among department heads could result in such tumult within the Cabinet that little useful advice could be gained.

Consequently, Presidents generally looked to other quarters for advisers. One development in this regard was the creation of circles of advisers composed of both public officials and private citizens. President Andrew Jackson, whose election and White House tenure occurred in an era marked by violent political controversy and party instability, utilized an informal group of advisers which came to be known as the Kitchen Cabinet. The members represented "rising social groups as yet denied the prestige to which they felt their power and energies entitled them"—newspapermen, the President's private secretary, campaign organizers and officials from prior administrations, and long-time personal friends.

When John Tyler succeeded to the presidency upon the death of William Henry Harrison, he revived Jackson's practice. Deserted by Whigs and Democrats alike, Tyler resorted to a select circle of advisers composed of personal and political friends from his native Virginia—a college president, a state supreme court judge, four members of the state's delegation in the House of Representatives, and a Senator. Following this practice, several succeeding Presidents had informal groups of advisers that were given colorful names by the press. For example, for Grover Cleveland, it was a Fishing Cabinet; for Theodore Roosevelt, a Tennis Cabinet; for Warren G. Harding, a Poker Cabinet; and for Herbert Hoover, a Medicine Ball Cabinet.

Jackson's inclusion of his personal secretary in his Kitchen Cabinet reflects another line of development regarding presidential advisers. Beginning with Washington, Presidents sought to meet the demands of their office with the assistance of a single personal secretary, usually a relative, compensated from their own private resources. In 1833, Congress authorized the President to appoint, with the advise and consent of the Senate, a secretary "whose duty it shall be, under the direction of the President, to sign in his name and for him, all patents for lands sold or granted under the authority of the United States." Jackson named Andrew Jackson Donelson, his wife's nephew and current personal secretary, to this position, relieving himself of continued personal compensation of the young man. Ultimately, Congress appropriated funds to the Chief Executive in 1857 for an official household—a personal secretary, a steward to supervise the Executive Mansion, and a messenger.

Many years later, in 1929, Congress was persuaded to authorize an increase in the President's top personnel, adding two more secretaries and an administrative assistant. Appointed to these senior staff positions were presidential lieutenants, if not presidential intimates and advisers. When Franklin D. Roosevelt came to the presidency in 1933, he brought with him, from his New York gubernatorial experience, a new kind of advisory circle, composed of intellectuals, or at least a core group of Columbia University professors who were joined by other ideas people to form the "Brains Trust." Because there were an insufficient number of staff positions at the White House to accommodate them, these advisers were placed elsewhere in the executive branch, but, for the most part, directly served the President.

This staffing situation, coordination problems, and the development of a new administrative management concept prompted Roosevelt to create, by announcement, a study panel—the President's Committee on Administrative Management, under the leadership of Louis Brownlow, a prominent public administration practitioner—in 1936 to examine and make recommendations regarding these matters. Reporting some 10 months later, the Brownlow committee addressed presidential staffing in dramatic and detailed terms:

"The President needs help. His immediate staff assistance is entirely inadequate. He should be given a small number of executive assistants who would be his direct aides in dealing with the managerial agencies and administrative departments of the government. These assistants, probably not exceeding six in number, would be in addition to the present secretaries, who deal with the public, with the Congress, and with the press and radio. These aides would have no power to make decisions or issue instructions in their own right. They would not be interposed between the President and the heads of his departments. They would not be assistant presidents in any sense. Their function would be, when any matter was presented to the President for action affecting any part of the administrative work of the Government, to assist him in obtaining quickly and without delay all pertinent information possessed by any of the executive departments so as to guide him in making his responsible decisions; and then when decisions have been made, to assist him in seeing to it that every administrative department and agency affected is promptly informed. Their effectiveness in assisting the President will, we think, be directly proportional to their ability to discharge their functions with restraint. They would remain in the background, issue no orders, make no decisions, emit no public statements. Men for these positions should be carefully chosen by the President from within and without the Government. They should be men in whom the President has personal confidence and whose character and attitude is [sic] such that they would not attempt to exercise power on their own account. They should be possessed of high competence, great physical vigor, and a passion for anonymity. They should be installed in the White House itself, directly accessible to the President. In the selection of these aides, the President should be free to call on departments from time to time for the assignment of persons who, after a tour of duty as his aides, might be restored to their old positions."

In addition to the proposed addition of six assistants to the President's staff, the committee's report also recommended vesting responsibility in the President for the continuous reorganization of the executive branch Released to Congress on January 12, 1937, the report soon became lost in high politics. Three weeks after submitting the Brownlow committee's report to Congress, Roosevelt announced he wanted to enlarge the membership of the Supreme Court. His "court packing" plan not only fed congressional fears of a presidential power grab, but also so preoccupied Congress that the Brownlow committee's recommendations were ignored.

EXECUTIVE OFFICE OF THE PRESIDENT

Although efforts at gaining legislative approval of the Brownlow committee's recommendations lay in ruin in the spring of 1938, the President had not deserted the cause. By July, Roosevelt was meeting with Brownlow and the other committee members. The panel would not be officially reassembled, but he wanted each man's help with a reorganization authority proposal. The resulting measure empowered the President to propose reorganization plans, subject to a veto by a majority vote of disapproval in both houses of Congress, and to also appoint six administrative assistants.

After three days of discussion and debate, the House adopted the bill on March 8, 1939. Twelve days later, the Senate began considering the proposal. Following two days of sparring over amendments, the Senate adopted the bill. A quick conference cleared the measure for Roosevelt's signature on April 3. Earlier, the President had asked the Brownlow committee members to assist with the preparation of his initial reorganization plans.

Following consultations with Budget Bureau Director Harold D. Smith, the Brownlow group presented two reorganization proposals to Roosevelt on April 23. Plan 1, submitted to Congress on April 25, transferred certain agencies to the Executive Office of the President, but offered no explanation of that entity. In Plan 2, a presidential emergency council was abolished and most of its functions were transferred to the Executive Office. While both plans were acceptable to legislators, their effective dates were troublesome in terms of accommodating fiscal calendar necessities. By joint resolution, Congress provided that both plans would be effective on July 1, 1939. Following this action, the President, on September 8, issued E.O. 8248, formally organizing the Executive Office and, thereby, defining it in terms of its components. Brownlow, who drafted the initial reorganization plan, viewed the Executive Office as the institutional realization of administrative management and "the effective coordination of the tremendously wide-spread federal machinery." He called the initial version "a little thing" compared to its later size. It grew under Roosevelt and "it continued to expand and was further regularized by statute, by appropriation acts, and by more reorganization plans" during the succeeding years.

The Executive Office organized by E.O. 8248 consisted of the White House Office, the Bureau of the Budget, the National Resources Planning Board, the Office of Government Reports, and the Liaison Office for Personnel Management. It also provided that, "in the event of a national emergency," there could be established "such office for emergency management as the President shall determine." The Office for Emergency Management was created by an administrative order on May 25, 1940, and its functions were further specified in an administrative order of January 7, 1941. It subsequently served as a parent unit for a number of subordinate emergency management bodies.

PRESIDENTIAL ADVISER GROWTH

The creation of the Executive Office of the President contributed to an increase in the number of presidential advisers for several reasons. First, it provided an enclave for various agencies that immediately assisted the President. Primary among these was the White House Office, which was no longer merely the President's small office staff, but an agency with hierarchically organized staff positions whose personnel rapidly expanded during the next few decades.

Second, it counted agencies, such as the Liaison Office for Personnel Management and the Office for Emergency Management, that were headed by an administrative assistant—and adviser—to the President on the White House Office payroll. It also included agencies, such as the Bureau of the Budget (and its Office of Management and Budget successor), that were headed by leaders for whom advising the President was a primary responsibility.

Third, senior White House Office staff would come to supervise and direct the staff of other Executive Office entities: the Assistant to the President for National Security Affairs would direct the National Security Council staff and the Assistant to the President for Domestic Policy would direct the Domestic Council staff.

Fourth, in January 1973, President Richard M. Nixon vested his Secretary of the Treasury and his director of the Office of Management and Budget with dual White House Office positions, respectively, of Assistant to the President for Economic Affairs and Assistant to the President for Executive Management. He also vested his Secretary of Agriculture, Secretary of Health, Education, and Welfare, and Secretary of Housing and Urban Development with dual White House Office positions, respectively, of Counselor to the President for Natural Resources, Counselor to the President for Human Resources, and Counselor to the President for Community Development. Having such dual White House Office titles was viewed as giving added emphasis, if not authority, to the role of these officials as presidential advisers.

In the aftermath of World War II, Congress statutorily chartered most of the agencies within the Executive Office of the President. Furthermore, Congress routinely appropriated funds for the operating expenses of these entities. In 1944, Congress had adopted an amendment to an appropriation bill that was designed to restrain the creation of Executive Office agencies by executive order—a frequent occurrence during 1941–1944. The amendment stated:

"After January 1, 1945, no part of any appropriation or fund made available by this or any other Act shall be allotted or made available to, or used to pay the expenses of, any agency or instrumentality including those established by Executive order after such agency or instrumentality has been in existence for more than one year, if the Congress has not appropriated any money specifically for such agency or instrumentality or specifically authorized the expenditure of funds by it."

In 1982, when Title 31 of the United States Code was recodified, the amendment was repealed and replaced with new language at section 1347. The opening sentence of the new section, which remains as operative law, states: "An agency in existence for more than one year may not use amounts otherwise available for obligation to pay its expenses without a specific appropriation or specific authorization by law."

With their growing number and influence, senior staff members of the White House Office and certain other Executive Office agencies began to become of interest to congressional committees when accountability for policymaking and administrative or managerial actions prompted requests for their testimony. Some, like War Production Board chairman Donald M. Nelson, who was popularly known as the "arms czar," appeared before and cooperated with the Senate Special Committee to Investigate the National Defense Program ("Truman Committee") during World War II to report on and discuss war material production and related coordination matters. Others, like Office of War Mobilization director James F. Byrnes, who was sometimes referred to as the "assistant president," apparently avoided appearing before congressional committees during the World War II era, but were in communication with various individual Members of Congress in leadership positions and served as liaisons between the President and Congress on a number of war matters.

PRESIDENTIAL ADVISER TESTIMONY

Beginning with the closing years of World War II, examples are provided below of instances when a presidential adviser—a civilian executive branch official, other than a member of the traditional Cabinet, who, as part of that official's responsibilities and activities, consulted with the President—testified before a congressional committee or subcommittee. Because these consultations with the President by such an official may be considered by the President to be privileged and constitutionally protectable, examples are also provided of instances when invited congressional committee or subcommittee testimony by a presidential adviser was refused. None of the examples involves testimony or refusal to testify by a former presidential adviser:

Jonathan Daniels, Administrative Assistant to the President, White House Office, appeared before the Senate Committee on Agriculture and Forestry on February 28 and March 7 and 8, 1944, to discuss his involvement in the personnel policy of the Rural Electrification Administration.

Wallace H. Graham, Physician to the President, White House Office, appeared before the Senate Committee on Appropriations on January 13, 1948, to discuss information to which he might have been privy with regard to the commodity market.

Harry H. Vaughn, Military Aide to the President, White House Office, appeared before the Senate Committee on Expenditures in Executive Departments (now Governmental Affairs) on August 30 and 31, 1949, to discuss his personal involvement in certain government procurement contracts.

Donald S. Dawson, Administrative Assistant to the President, White House Office, appeared before the Senate Committee on Banking and Currency on May 10 and 11, 1951, to discuss allegations he had attempted to "dominate" the Reconstruction Finance Corporation and influence appointments to that body.

Sherman Adams, Assistant to the President, White House Office, appeared before the House Committee on Interstate and Foreign Commerce Committee on June 17, 1958, to discuss his involvement with certain lobbyists.

Edward E. David, Jr., Science Adviser to the President, White House Office, and director, Office of Science and Technology, appeared before the Senate Committee on Interior and Insular Affairs on June 15, 1971, to discuss the Nixon Administration's position on energy policy matters; he appeared again before the House Committee on Science and Astronautics on June 14, 1972, to discuss science policy matters relating to Soviet-American cooperation agreements.

Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, White House Office, and director, Office of Consumer Affairs, appeared before the House Select Committee on Small Business on June 25, 1971, to discuss consumer protection and advertising standards.

Jerome H. Jaffe, Special Consultant to the President, White House Office, and director, Special Action Office for Drug Abuse Prevention, appeared before the House Committee on Interstate and Foreign Commerce on June 28, August 2, October 27, and November 8, 1971, to discuss various aspects of the operations of the Special Action Office.

Peter Flanigan, Assistant to the President, White House Office, appeared before the Senate Committee on the Judiciary on April 20, 1972, during the course of hearings on the confirmation of Richard Kleindienst as Attorney General to discuss his involvement in apparent lobbying activities by the International Telephone and Telegraph Company.

Bruce A. Kehrli, Special Assistant to the President, White House Office, appeared before the Senate Select Committee on Presidential Campaign Activities on May 17, 1973, to discuss matters related to the Watergate incident.

Patrick J. Buchanan, Special Consultant to the President, White House Office, appeared before the Senate Select Committee on Presidential Campaign Activities on September 26, 1973, to discuss matters related to the Watergate incident.

Richard M. Harden, Special Assistant to the President, White House Office, appeared before the Senate Appropriations Subcommittee on Treasury, Postal Service, and General Government on March 9, 1977, to discuss funds for the White House Office; he appeared again before the House Appropriations Subcommittee on Treasury, Postal Service, and General Government on March 15, 1977, to discuss these same matters.

Rose Mary Woods, Personal Secretary to the President, White House Office, appeared before the Senate Select Committee on Presidential Campaign Activities on March 22, 1974, to discuss matters related to the Watergate incident.

J. Frederick Buzhardt, Special Counsel to the President, White House Office, appeared before the Senate Select Committee on Presidential Campaign Activities on April 10 and May 7, 1974, to discuss matters related to the Watergate incident.

Alexander M. Haig, Jr., Staff Coordinator to the President, White House Office, appeared before the Senate Select Committee on Presidential Campaign Activities on May 2, and 15, 1974, to discuss matters related to the Watergate incident.

Leonard Garment, Assistant to the President, White House Office, appeared before the Senate Select Committee on Presidential Campaign Activities on May 17, 1974, to discuss matters related to the Watergate incident.

Lloyd Cutler, Counsel to the President, White House Office, appeared before the Senate Judiciary Subcommittee to Investigate the Activities of Individuals Representing the Interests of Foreign Governments on September 10, 1980, to discuss efforts by the President's brother, Billy Carter, to influence the federal government on behalf of the government of Libya.

Zbigniew Brzezinski, Assistant to the President for National Security Affairs, White House Office, appeared before the Senate Judiciary Subcommittee to Investigate the Activities of Individuals Representing the Interests of Foreign Governments on September 17, 1980, to discuss efforts by the President's brother, Billy Carter, to influence the federal government on behalf of the government of Libya.

Samuel Berger, Deputy Assistant to the President for National Security Affairs, White House Office, appeared before the Senate Committee on Foreign Relations on May 3, 1994, to provide a briefing on United States policy toward Haiti.

Samuel Berger, Assistant to the President for National Security Affairs, White House Office, appeared before the Senate Committee on Governmental Affairs on September 11, 1997, concerning campaign fund-raising practices in connection with the 1996 federal election campaign.

PRESIDENTIAL ADVISER TESTIMONY REFUSED

Beginning with the years immediately after the conclusion of World War II, examples are provided below of instances when invited congressional committee or subcommittee testimony by a presidential adviser was refused:

John R. Steelman, Assistant to the President, White House Office, declined in March 1948 to appear before a special subcommittee of the House Committee on Education and Labor.

Herbert G. Klein, Director of White House Communications, White House Office, declined on September 21, 1971, to appear before the Senate Judiciary Subcommittee on Constitutional Rights.

Frederick V. Malek, Special Assistant to the President, White House Office, and Charles W. Colson, Special Counsel to the President, White House Office, declined in December 1971 to appear before the Senate Judiciary Subcommittee on Constitutional Rights.

Henry A. Kissinger, Assistant to the President for National Security Affairs, declined on February 28, 1972, to appear before the Senate Committee on Foreign Relations.

David Young, Special Assistant to the National Security Council, declined on April 29, 1972, to appear before the House Government Operations Subcommittee on Foreign Operations and Government Information.

WHY PRESIDENTIAL ADVISERS DO NOT REGULARLY TESTIFY BEFORE COMMITTEES

"Although White House aides do not testify before congressional committees on a regular basis," it has been observed, "under certain conditions they do. First, intense and escalating political embarrassment may convince the White House that it is in the interest of the President to have these aides testify and ventilate the issue fully. Second, initial White House resistance may give way in the face of concerted congressional and public pressure."

Given the comity between the executive and legislative branches, Congress often elects not to request the appearance of presidential aides. When Congress has requested the appearance of such aides, Presidents and their aides have at times resisted, asserting the separation of powers doctrine and/or executive privilege. These two grounds for declining to comply with congressional requests for the appearance of presidential aides overlap, and it is sometimes difficult to determine which argument is being raised.

President Richard M. Nixon contended: "Under the doctrine of separation of powers, the manner in which the President personally exercises his assigned executive powers is not subject to questioning by another branch of Government. If the President is not subject to such questioning, it is equally appropriate that members of his staff not be so questioned, for their roles are in effect an extension of the Presidency."

The separation of powers doctrine was also cited in guidelines for White House staff issued during the Carter Administration as the basis for the "immunity" of the staff from appearing before committees. The guidelines "articulated the traditional arguments against compulsory testimony to Congress by White House advisers (i.e., need for 'frank and candid discussions,' personal advisers are agents of the President)."

Executive privilege was invoked during the Nixon Administration when congressional committees sought the testimony of a White House aide at a Senate confirmation hearing and the testimony of the White House Counsel at Senate committee hearings on the Watergate incident and related matters.

CONGRESS'S RIGHT TO EXECUTIVE BRANCH INFORMATION

Congress has a constitutionally rooted right of access to the information it needs to perform its Article I legislative and oversight functions. Generally, a congressional committee with jurisdiction over the subject matter, which is conducting an authorized investigation for legislative or oversight purposes, has a right to information held by the executive branch in the absence of either a valid claim of constitutional privilege by the executive or a statutory provision whereby Congress has limited its constitutional right to information.

Efforts by congressional committees to obtain information from the executive branch are sometimes met with assertions of executive privilege. No decision of the Supreme Court resolves the question of whether there are any circumstances in which the executive branch can refuse to provide information sought by Congress on the basis of executive privilege, but the caselaw offers some guidance for committees when the privilege is asserted. In upholding a judicial subpoena in United States v. Nixon, the Supreme Court found a constitutional basis for the doctrine of executive privilege, rejected the President's contention that the privilege was absolute, and balanced the President's need for confidentiality and the judiciary's need for the materials in a criminal proceeding.

A distinction has been recognized by the courts between two aspects of executive privilege—the presidential communications privilege and the deliberative process privilege. The former has a constitutional basis in the separation of powers doctrine, relates to "direct decisionmaking by the President," and concerns "quintessential and non-delegable powers," whereas the latter "is primarily a common law privilege" applicable "to decisionmaking of executive officials generally." The former applies to entire documents (including factual material) and "covers final and post-decisional materials as well as pre-deliberative ones." The latter covers predecisional and deliberative materials, not "purely factual [material], unless the material is so inextricably intertwined with the deliberative sections of documents that its disclosure would inevitably reveal the government's deliberations." Both privileges are qualified. When either privilege is asserted, the court will balance the public interests involved and assess the need of the party seeking the privileged information.

The range of executive branch officials who may appropriately assert executive privilege before congressional committees, and the circumstances under which they may do so, remains unresolved by the courts, and is a matter that may be determined by case-by-case accommodation between the political branches. Some guidance in this regard was offered by Chief Justice William Rehnquist, when he was Assistant Attorney General in the Nixon Administration. Rehnquist distinguished between "those few executive branch witnesses whose sole responsibility is that of advising the President," who "should not be required to appear [before Congress] at all, since all of their official responsibilities would be subject to a claim of privilege," and "the executive branch witness . . . whose responsibilities include the administration of departments or agencies established by Congress, and from whom Congress may quite properly require extensive testimony," subject to "appropriate" claims of privilege.

Following a review of Rehnquist's statement, precedents and practice concerning congressional access to executive branch information (particularly, the testimony of presidential advisers), and constitutional issues, it is possible to suggest some key legal factors that together may determine whether a congressional request for the testimony of one who advises the President will be honored. (1) In the view of the executive, the few individuals whose sole duty is to advise the President should never be required to testify because all of their duties are protected by executive privilege. (2) The executive has conceded that an official who has operational functions in a department or agency established by law may be required to testify, although at times such an official may invoke executive privilege. (3) Congress may increase its leverage if the position of the potential witness is subject to Senate confirmation.

PROCEDURE FOR OBTAINING EXECUTIVE BRANCH TESTIMONY

A congressional committee may request (informally, or by a letter from the committee chair, perhaps co-signed by the ranking Member) or demand (pursuant to subpoena) the testimony of a presidential adviser. However, Congress may encounter legal and political problems in attempting to enforce a subpoena to a presidential adviser.

Conflicts concerning congressional requests or demands for executive branch testimony or documents often involve extensive negotiations, and may be resolved by some form of compromise as to, inter alia, the scope of the testimony or information to be provided to Congress. If the executive branch fails to comply with a committee subpoena, and if negotiations do not resolve the matter, the committee may employ Congress's inherent contempt authority (involving a trial at the bar of the Senate or House) or statutory criminal contempt authority in an effort to obtain the needed information. Both of these procedures are somewhat cumbersome, and their use may not result in the production of the information that is sought.

When faced with a refusal by the executive branch to comply with a demand for information, Congress has several alternatives to inherent and statutory contempt, although these alternatives are not without their own limitations. One approach is to seek declaratory or other relief in the courts. Previous attempts to seek judicial resolution of interbranch conflicts over information access issues have encountered procedural obstacles and have demonstrated the reluctance of the courts to resolve sensitive separation of powers issues. Other approaches may include, inter alia, appropriations riders, impeachment, and a delay in the confirmation of presidential appointees.

In addition to the options generally available in the event of a refusal by the executive to provide information sought by Congress, when a presidential adviser who is not serving in a department or agency declines to testify before a committee, Congress might wish to establish the entity in which he serves by law, and subject the head of the entity to Senate confirmation.

CONCLUSION

(1) Legal and policy factors may explain why presidential advisers do not regularly testify before committees. (2) Generally, a congressional committee with jurisdiction over the subject matter, which is conducting an authorized investigation for legislative or oversight purposes, has a right to information held by the executive branch in the absence of either a valid claim of constitutional privilege by the executive or a statutory provision whereby Congress has limited

its constitutional right to information. (3) A committee may request or demand the testimony of a presidential adviser. Legal mechanisms available for enforcing congressional subpoenas to the executive branch may fail to provide the committee with the desired information. (4) Negotiations may result in the production of at least some of the information sought.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would once again remind all Members, even though other debate may have intervened, to refrain from personal references to the President.

THE COST OF PRESCRIPTION DRUGS IN THE UNITED STATES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 60 minutes as the designee of the majority leader.

GENERAL LEAVE

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend and include extraneous material on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GUTKNECHT. Mr. Speaker, I rise and I hope to be joined by some of my colleagues tonight to talk about an issue that I have been coming down to the floor of this House for more than 5 years to talk about.

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That is the price that Americans pay for prescription drugs relative to the rest of the industrialized world, and I have often said that we as Americans are blessed and we should be prepared and willing to subsidize people in developing parts of the world, like sub-Saharan Africa. I do not believe, however, that we should be required to subsidize the starving Swiss, the Germans, the French and other industrialized powers.

In the last 5 years, I remember when we first started doing these Special Orders, and I would come down here, and it was basically just me and my charts and the chorus has been growing around the country and we have been joined by Republicans, by Democrats, by Independents and others.

Another point I always try to make is that this is not an issue of right versus left. It is not conservatives versus liberals. As I say, it is not right versus left. It is right versus wrong, and the issue really is that Americans are being held captive here in the United States; and the net result, very predictable result, is that whenever you have a captive market, particularly for a life-saving product like prescription drugs, it is inevitable that we, the world's best customers, would wind up paying the world's highest price.

I know there are some who believe that the answer is for the United States to have some kind of price controls. I am not one that shares that view.

About 4 years ago or 5 years ago now I guess, and one of the reasons I became very involved in this issue was something that happened that was totally unrelated to the price of prescription drugs. The price of live hogs in the United States dropped from about $37 per hundred weight to about $7, and these were the lowest prices for our hog farmers in 50 years. Many of my pork producers started calling me saying, Congressman, can you not do something about these incredibly low prices for these pigs? I said I do not know what I can do, and they said, well, could you at least stop all these Canadian hogs from coming across our borders, making our supply demand situation worse?

So, as their Congressman, I called the Secretary of Commerce, I called the Secretary of Agriculture, explained the situation that thousands of Canadian hogs were coming into our markets making the price of pigs in the United States even lower and can we not do something to at least stop all of these pigs from coming into American markets. The answer I got from both the Secretary of Agriculture and the Secretary of Commerce was essentially the same answer. They said that is called NAFTA. It is called free trade, and all of the sudden a light bulb went on over my head, and I said is it not ironic that we have open markets when it comes to pork bellies, not when it comes to Prilosec.

Literally, at that point, I moved from what Winston Churchill said the difference between a fan and a fanatic is, that a fanatic cannot change their mind and will not change the subject. I have become almost a fanatic on the issue of opening up markets to allow Americans to have world-class access to world-class drugs at world market prices.

I am joined by my friend from Illinois, and I would be happy to yield him some time; but I have a couple of charts.

Mr. EMANUEL. Mr. Speaker, if the gentleman would yield, why do you not do the charts because I think it is always the most informative for our audience.

Mr. GUTKNECHT. Let me talk a little bit about this particular chart. A year ago right now I was in Munich, Germany, with one of my staffers. We were on our way home and stopped at the Munich airport pharmacy. As a matter of fact, the name of the pharmacy, if you want to check it out, is the Metropolitan Pharmacy at the Munich airport. Those of us that travel a lot know if you want to get a bargain, the last place you go to get that bargain is to buy at the airport, but we were on our way out of town. We bought then some of the most commonly prescribed drugs here in the United States, and these are the prices that we paid in April of 2003 in Munich, Germany.

When we returned, we went and asked here in Washington, D.C., what the price for those same drugs in the same dosages with the same number of tablets would be here in the United States, and let me show you some of the examples.

Coumadin is a drug that my father takes. Here in the United States, 100 tablets in the United States, about $92.66. In Germany, the price was $28.44.

Glucophage, a very effective drug, been around for a long time for diabetes. Over in Germany, 30 tablets, 850 milligrams, back in April, $15.50 American. Here in the United States, $45, three times more expensive?

Pravachol, I do not know much about that particular drug, but a commonly prescribed drug, $91 in Germany; $159 here in the United States, and the list goes on.

One of them we have talked a lot about, and these numbers have changed in part because of the change in the value of the dollar, but Tamoxifen, those numbers now have changed, and I see we have the updated price on the Tamoxifen as of today. Tamoxifen has come down a lot in the United States, but it is still more than twice as expensive in the United States as it is in Germany. Part of the reason the price has come down in the U.S. is because there is now a new drug that is taking the place of Tamoxifen.

Zestril, $39 in Germany; $75 in the United States. Zokor, $48 in Germany; $82 here, and I think is representative and we talk a lot about Canada, but what you will find is generally prices for prescription drugs in places like Germany are even cheaper, and hopefully we will talk about that as well because of parallel trading. And I would be happy to yield to my friend from Illinois.

Mr. EMANUEL. Mr. Speaker, I thank my colleague from Minnesota.

As that chart shows, basically the difference between the United States price for the same drugs, same name-brand products from Germany to Canada to England is in the United States our seniors and our citizens have to pay somewhere between 40 to 60 percent more for the same drugs they would get at their pharmacy than their G–8 or other members of the European Union; and you and I have done this many times, and the fact is we are not talking about some field somewhere in some mythological moment of some dream. There is parallel trading today in Europe.

If you go to a pharmacy in Germany, they will price out that product you need, whether it is Lipitor, for whatever you need Lipitor for, the cholesterol, whether you need another drug for blood pressure, for arthritis, or for your heart. Any of those medications they will look at Spain, look at England, they will find the best price for you, and all we are talking about is having the American consumers, our senior citizens, link into that free market, get the competition on price. So rather than paying 50 to 60 percent more than what people in England pay for Lipitor, we would pay the price that they pay in England or in Canada or in Italy or in the Netherlands or in Germany or in France.

It is ironic because all those folks from those countries come to the United States for our medical care. Yet Americans must go overseas for their medications, and what we are talking about is having a system where you bring real competition to the pricing of pharmaceutical products and allow that competition and that market to bring the prices down and allow that choice to exist, not so people would have to drive up to Canada, not so people would have to go on the Internet to get their pharmaceutical products; but that the prices that the people are now paying in Canada and in Germany and France for Tamoxifen, for Cipro, I am trying to look at the drugs, my eyes are not as good as they used to be, Zokor, those prices would come to their local pharmacy. They would go right down the street and get those prices, go to the pharmacist who would say, well, I think I can get something better in Toronto for you, or, we have the same price right here.

That competition would bring the prices down here; and that is all we are talking about, and every product, whether that is in steel, autos, electronic, software, food, America has the most open markets and the best prices in the world. There is only one product line where we have a closed market, and that is the pharmaceutical products; and it is the only product that Americans pay 30, 40, 50, depending on the product, sometimes 60 percent more than our European allies and Canada.

I would like to give you two other statistics. According to Families USA, of the 50 drugs most commonly used by seniors, the prices have increased 3½ times the rate of inflation over the past year; and between 2000 and 2003, seniors' expenditures on prescription drugs increased by 44 percent. So drug prices are going up.

We have now got a prescription drug bill that offers seniors no benefit as relates to price and affordability of those drugs, and now they are going to continue to go up; and unless we bring something that brings competition and choices to the system, the seniors are going to continue to pay somewhere north of 15 percent increases in prices, and our taxpayers are going to be funding not $400 billion, but close to $600 billion in a prescription drug benefit when we know we can get the prices of these drugs much cheaper.

I see you have the next chart. That is why I wanted to bring these statistics.

Mr. GUTKNECHT. Mr. Speaker, reclaiming my time for a few minutes, this is a chart which appeared last week in newspapers around the country with an Associated Press story talking about how various groups are trying to save money on prescription drugs, including a lot of the big insurance companies and health medical plans of differing kinds. I think this chart tells a rather shocking story; and I do say this and I am sincere when I say this, unfortunately I think as we looked at the problem of prescription drugs, particularly for the elderly, in my opinion, we misdefined the problem. I think if you misdefine the problem, the chances of getting the right solution are not very good.

The problem is affordability, and I think this chart illustrates part of the problem. Since 1997 we have seen drug prices for name-brand prescription drugs in the United States according to the Segal Company, in a report that was published, an article that was published by the Associated Press last week, here is what drug prices have done just in the last 8 years. In 1997, average drug prices went up 12.9 percent; in 1998, 16.8 percent. They slowed down a little in 1999 to only 14.2. Then back up to 16.3, 16.9, 18.4; and the estimates for 2003 are 19.5 percent, and for this year, we are projecting that drug prices will go up 18.1 percent.

If I could just finish this, that means that in the last 8 years, when the core rate of inflation has been less than 24 percent, prescription drugs in the United States have gone up 133 percent. I am not all that good in math, but that is about six times more than the inflation rate. I do not have an MBA. I am not the world's smartest guy, but I know this: this is unsustainable. No matter how you do this, if you have the taxpayers pay for it, if you have our grandchildren pay for it, this is unsustainable. It is eating the United States up and this is the problem.

When people talked about the prescription drug problem, unfortunately too many people here in Washington talked about it as if it was a problem of coverage. Well, if you went to town hall meetings, and you and I have done a lot of town hall meetings with seniors, they will tell you the problem. The problem is not coverage, because they know that right now in any one of these years I believe they could have bought prescription drug coverage from any number of insurance carriers, including the AARP. So they could get coverage. The problem is affordability, and we really only have a couple of choices.

One of them that we use with virtually every other product, including products that we normally think of as being intellectual-property-type products, we have open markets. I mean, it costs a whole lot of money to develop that first chip when Intel brings a chip off the line; but they cannot use this differential pricing for customers in Japan get one price; customers in Germany get another price; oh, and by the way, customers in the United States get stuck with prices that are 40 or 60 percent higher.

I yield back to my friend from Illinois.

Mr. EMANUEL. Mr. Speaker, I am glad you pointed that out. In each of those years pharmaceutical products ran higher in the sense of inflation by the average of 5 to 6 percent more than the core inflation rate.

Mr. GUTKNECHT. Five to six times.

Mr. EMANUEL. Thank you. Five to six times more than the core inflation rate, and it is what drives seniors. I have done town halls, but also I still do office hours at grocery stores and pharmacies where I just meet constituents; and seniors always tell you, I cannot afford the drugs I need. There is an issue of price.

The second issue they said, do not harm the plan I have. I have a good plan from where I work; please do not harm it.

Lastly, and in this order basically, they would then say can we not get a benefit under Medicare, and in the bill that was just passed here and the reason I opposed it is on the fundamental issue of price and affordability.

□ 2045

The legislation on prescription drugs was totally silent on dealing with price. And what we have proposed here, your legislation, deals with the issue of price and affordability and allowing pharmaceutical products and allowing Americans to get the products they need at world-class prices, that is, at 50 percent discount, 40 percent discount, and what people in Germany, France, England, Canada, Italy, the Netherlands, or Ireland is paying. That is what we are trying to do, is address the issue of price and affordability that all of our seniors have talked about.

Then it brings up the other issue. If we are going to have this benefit as part of Medicare, whether our taxpayers today or our children tomorrow pay for it, to me it is mind-boggling why, when you know that you could get prices cheaper for the same brand-name drug, Lipitor or Zocor, why you would get those drugs and pay 40 percent more when you know you can get them 40 percent cheaper. Any CEO who told their board, look, we have checked it out, our supplier, we can get a better price, 40 percent better, but we are going to take a pass on it, that CEO would be fired.

We as the stewards of the taxpayers as well as our senior citizens have an obligation if we know we can get that same drug, that same product for 40 percent less, we have an obligation to do that.

Eventually, we are going to turn our time to the issue of safety, but Health and Human Services is spending $80 million on a commercial to convince people the prescription drug bill they passed was a good bill. For about $80 million we could literally put in place, the Food and Drug Administration, a safety plan so that when people bought their drugs in Canada, Europe, et cetera, they could know for sure that they were safe.

Today, not a single drug, in the last 10 years, has anybody ever gotten sick from buying drugs from Canada. We know that for a fact. But for the same amount of money that they are using to try to persuade people that what we did was good, we could put a safety program in place and allow the free market to operate the way it is supposed to operate.

Mr. GUTKNECHT. Well, Mr. Speaker, one of the arguments we always get, and I want to follow up with something the gentleman just said, because I think it is important. Some people say, well, I do not want my mother-in-law buying her prescription drugs on line. You know what? Neither do we. What we want is parallel trading. What we want is our local pharmacists to be able to buy these drugs at 30 to 300 percent less so that our seniors and others can buy them at their local pharmacy and get those kinds of prices.

The gentleman talked about this, and I do not think most people understand it, I know a lot of our colleagues, still, this is like alchemy or something, but it happens every day in Europe. I wonder if the gentleman would not just share the story of how many drugs we actually import, like Lipitor. Perhaps the gentleman would share that story.

Mr. EMANUEL. Right. First of all, 2 years ago is the last year for which we have data, and the data shows that the United States imports $15 billion, just shy of $15 billion a year of pharmaceutical products into the country. $15 billion. We already do it.

Lipitor used to be manufactured in western Michigan. Today, Lipitor, a drug that some of our colleagues use, we know the Vice President of the United States uses, we know the Secretary of Health and Human Services uses, is now manufactured in Ireland.

Mr. GUTKNECHT. Every tablet.

Mr. EMANUEL. Every tablet is manufactured in a facility not in the United States. It used to be here, but it is manufactured in Ireland. Then it is exported, same packaging, to the pharmacy shops in France, Germany, England, Ireland, United States, Canada, and around the world. Yet that drug, Lipitor, we pay 50 percent more in the United States than they do in Canada for Lipitor. It is the number one selling drug for senior citizens with high cholesterol.

Mr. GUTKNECHT. Reclaiming my time for a moment, Mr. Speaker, when people talk about safety, we need to understand, and I am confident they do everything they can to make certain as they ship these drugs around the countries, from one country to the next, they are as safety conscience as they can be, but do understand they are not shipped in armored cars. These are going in big containers, generally in big barrels with a plastic bag on the inside. And the idea that they cannot sit on a loading dock in New Jersey or in Illinois or Oregon or wherever and somehow that is completely safe, but if a consumer in the northern suburbs of Chicago or in southern Minnesota decides they want to order their drugs from a reputable pharmacy in Canada and the package is delivered by FedEx or UPS, that somehow that is not safe, is laughable.

We have talked about this enough, but it just boggles my mind. And I think the gentleman's point is a good one, that here we are spending lots of money encouraging people to believe that the pharmaceutical drug plan that was passed by the Congress and signed by the President, this is a democracy, it is the law of the land. And I am not here tonight to be overly critical, but the point is, for all the money we are spending promoting this, we could have put in place a system that would be safe for American consumers.

Frankly, if they could buy their Glucophage for 300 percent less or if their pharmacist could buy it for 300 percent less and pass some of the savings along to them, they may not need a benefit from the Federal Government. They may not need our grandchildren to pay for those drugs.

If the drug companies can figure out a way to safely import and export drugs around the countries, then we ought to be able to. More importantly, if we can have parallel trading between Germany and France and England and Ireland and Spain, in other words, if a pharmacist in Germany can order their Coumadin from a pharmaceutical supply house in Spain and save his consumers or her consumers 75 percent, they do that.

Here is the thing about the Europeans. They are not intrinsically smarter than we are. If they can figure out how to do this safely, I have every confidence our pharmacists and our FDA can do this safely. It is a bogus argument. It gets thrown in our face, but here is the interesting thing. No one believes it. Consumers do not believe it, and we have some evidence that there have not even been complaints filed.

There is another article, and I am sending this out to all my colleagues in the next couple of days, again from last week's paper. It says, "Pharmacy complaints slow none on Canadian imports." In fact, in the State of Minnesota over the last 5 years, there have been 473 complaints to State regulators about pharmacies and/or pharmacists. In the last 5 years. Not one alleged an error by a foreign pharmacy, according to a review conducted by the Associated Press.

In other words, if there is a huge problem, and literally in some areas of my home State half of the seniors are now getting their prescription drugs from Canada, so if this was a huge safety hazard, you would think that we would be getting lots of calls, lots of complaints, and yet the answer is zero.

Mr. Speaker, I yield to my colleague.

Mr. EMANUEL. I thank my colleague, Mr. Speaker.

The reason I brought up the $80 million being dedicated towards advertising the prescription drug legislation and that for that same amount of money we could put in place a system at the Food and Drug Administration to ensure that people could buy their drugs safely is because President Kennedy once said, "to govern is to choose;" and that is the choice we have made.

With that system in place, we would have, as the gentleman said, rather than having specifically a benefit that some do not think accomplishes that much, we would bring the discounted prices, the 40 percent retail discount price, right to our pharmacies in the United States and to our consumers, saving billions of dollars throughout the health care system that could be dedicated towards the uninsured, towards whatever we wanted to dedicate it to. It would literally wring out an inefficiency in the health care system by allowing the, irony of ironies, the free market to work.

Secondly, we know from the Wall Street Journal, I think about 3 months ago, that the pharmaceutical industry thought that the best way to defeat this legislation was to scare people by talking about people getting sick, the safety risk of the pharmaceutical drugs imported from Canada. Yet in sworn congressional testimony, the Food and Drug Administration acknowledged not one person they could find has ever gotten sick from buying drugs from Canada and Europe, and yet 2 million Americans do it every year. People have gotten sick from food that has been imported from around the world, but not one person who bought their drugs from Canada has ever gotten sick, according to the Food and Drug Administration, and close to 2 million Americans do it a year.

So that is number one.

Number two, in my State, my governor conducted a study looking at the likelihood if they were to import medications from Canada how much they could save Illinois. We spend close to $350 million a year for retirees and State employees. The State would save its taxpayers $91 million if they bought their drugs competitively. In addition to that, and the New York Times acknowledged this about the study, the study in Illinois found that Canada actually had a safer system than the United States because less people touch the drug from manufacturing to the shelf in the pharmacy.

So this whole notion of fear was literally an embellished story by the pharmaceutical industry as a way to defeat this legislation. And what I am proud of is that not only the American people have not bought it, but 243 Members of our colleagues here in this hall did not buy it, passed this legislation this year not once but twice, and, hopefully, the other body, the other Chamber will follow suit. This whole notion of safety was a red herring by the industry to intimidate people.

I will make one last comment about safety. Six years ago, when the generic industry was just being started, the name-brand pharmaceutical industry said the problem with generics was safety. What did we discover? We discovered that a lot of those generic pills were being manufactured at the same facilities that the brand-named drugs were being manufactured at. Then they walked away from the safety argument, and generics have grown as an industry, saving tens of billions of dollars for our consumers.

They left that argument on the shelf, but when it came to competitive pricing for pharmaceutical products, which allow the market to work, which the gentleman's legislation does, they brought up the safety issue. And, once again, we have shown in sworn testimony where the FDA says not a single person has ever been recorded getting sick, and the American consumers have not bought that argument that the industry has tried to scare them with. They know they can do. They do it every year.

My colleague and I run into seniors every year, I run into them at some of the public housing and some of the other senior housing in my district, where somebody on the haul will get everybody's prescription and will go up to Canada, fill everybody's prescription, and come back. They know it is normal. They do not think anything is wrong with this. They just cannot understand why we cannot do it here.

So on that issue I wanted to address those specific points on safety, and I yield back to my colleague.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman.

As my colleague knows, people are voting with their feet; and the gentleman alluded to how much we are really talking about, ultimately.

Now I am not saying this is a panacea. I do not think this is the silver bullet that will solve all of our problems with seniors being able to afford their medications. Clearly, there will still be seniors that fall through the cracks, and I think there legitimately is a role for government to play to help those people who cannot otherwise afford the health saving products they need. But the bottom line is, if we could at least guarantee them they had fairer prices, fewer and fewer of our seniors would need this.

Let me also say this is not just about seniors. There are a whole lot of working families in my colleague's district and my district that have children that have very serious medical conditions that are now paying thousands of dollars per month for some of these medications where these companies are willing to sell those same drugs for a lot less in some of these other countries.

Let me put a pencil on this, because an estimate done by Dr. Steve Schondelmeir, a professor of pharmacology at the University of Minnesota, his estimate is Americans will spend about $200 billion on prescription drugs this year. That is not just seniors, that is all Americans.

Now I am not saying we are going to be able to take advantage of all of the differences that we see on some of these charts. I think, as time goes forward, we will see if we do open the markets we will see prices come down in the United States, and we will see prices in other industrialized countries start to level off. At least we will not have to subsidize it.

But my estimate is that we will save at least 30 percent, and no one has challenged me on that number. I have had some of the pharmaceutical folks say, oh, no, no, no, it is not nearly that. I have said, okay, what is the number? Well, we do know, and some of it has to do with currency and some of it has to do with other problems. But, my colleagues, 30 percent of $200 billion is $60 billion.

Now that is $60 billion that American consumers could spend on a lot of other things. They could be buying things that might improve our manufacturing sector. They could be taking their kids to baseball games. They could be paying for violin lessons for their grandchildren. $60 billion would amount to the largest single tax cut in the history of the world.

□ 2100

I, as a supply-sider, think that is a good thing. That is money that could be spent on other things. They say, well, if we do that, there will be no more research. I do have to give the pharmaceutical industry credit. They are turning out new products, a lot of them we see advertised every day, and there is some health advantage to all of these that help some of the older men in the United States still enjoy a more vigorous life. Let us say it that way for prime time here. But at the end of the day, many of the things that the drug companies are spending their research dollars on are not necessarily on the miracle cures that they sometimes talk about. They are on new products that are slight improvements over existing products. For example, they changed a couple of molecules in Prilosec which was going off patent and they call it Nexium. Prilosec can now be bought over the counter for about $15, but they wanted to convert all the Prilosec users to Nexium because that sells for about $130 a month. It is not exactly about improving the quality of people's lives as much as it might be about making certain that they can guarantee a profit stream.

Let me just add one more point, because some people say, well, if this happens, it is going to really have a devastating impact on America and American industry and American companies. Let me just point out that some of the largest pharmaceutical companies in the world are not based in the United States. Bayer, the maker of Cipro, is a German company. Glaxo is actually a British company. AstroZeneca and Roche and Novartis, I believe, are all Swiss companies. So many of these pharmaceutical companies not only do business under the European model; they are based in Europe. And so the idea that somehow this is going to devastate America and American industry again is sort of a specious argument.

So we talk about safety. We talk about research. I am proud of the fact that we as Americans, and this is a number that I try to share with people, as the vice chairman of the Committee on Science, this is a number we should all be proud of. Americans represent less than 6 percent of the world's population; but between what the taxpayers pay for, what foundations and voluntary contributions pay for, and what we pay for in the high prices for our prescription drugs in the United States, Americans pay for over half of the basic research that is done in the world. We are 6 percent of the world's population, and over half of the basic research is done by and paid for by Americans.

Mr. EMANUEL. The gentleman and I have talked about this. What galls me a little about this whole subject is that not only are we paying the most expensive prices in the world but all the research that the pharmaceutical industry does is subsidized by the taxpayers. They write it off fully, 100 percent. The taxpayers are literally funding the research. Not only do we fund the research for this new medication, we have the dubious honor to pay the most expensive prices in the world. Second, is through the National Institute of Health, which is an annual budget here in the Federal Government of $27 billion, not all of it going to research for new medications, yet all the primary research that they do, I think it is about half of it, literally is subsidized by the taxpayers. One cannot think of a cancer drug or an AIDS drug, just to name two, that the taxpayers did not do the primary research. The pharmaceutical industry took that research, took it to market, took it through stages one and two, but the primary research was paid for by the taxpayers directly through the National Institutes of Health and then the follow-on research was subsidized through the tax credit research and development.

All the R&D that the companies do is tax free, the taxpayers subsidize it; and then we pay the highest prices at our pharmacies for those same drugs that a lot of these companies sell on the shelf in Canada, in England, in France, in Germany for 40 percent to 60 percent less.

So we paid for the research and then we pay the highest prices in the world. The gentleman noted that. That to me is what is most galling here. I do not fault really the pharmaceutical industry. I fault us here in the political system who have a job to represent our taxpayers, our middle-class families, our seniors, for allowing them to get away with a system that manipulates the patent laws, deals with tax subsidies through the NIH or through the tax credit R&D, and then passes legislation that literally gets away without dealing with the fundamental issue that all of us have constantly heard about at our town halls, at our grocery stores and at our pharmacies and, that is, we cannot afford the medication we need. It is not that they needed a benefit, not that a benefit was a bad thing to do, but they wanted the medications they needed at the prices they can afford.

I give the pharmaceutical industry credit for two things: one, they played the system perfectly, and I do not fault them; second is that they do good work. I was once in the hospital for 7½ weeks. I would not be here if it were not for some of the products that they had developed. I have no problem with that. But the prices I paid at the hospitals were a lot cheaper than what we pay at the pharmacies.

All we are asking for is that same competition to get those prices. We are prevented from doing it. This legislation that was recently passed specifically outlaws it; and I do believe, as I do in free markets, that if you allow that competition and you allow the consumer that freedom, you are going to get choice. Once that choice gets into the market, prices will come down here. Let me say, they will go up in Europe. But you will have an equilibrium, and you will not have a 50 percent disparity where we end up subsidizing those folks in Europe. When I say "we," hardworking middle-class families, taxpayers and the senior citizens.

I say pay for the research, I want us to own that research, but we need not have to pay the highest prices in the world. That is the mistake. The prices on the shelf at the pharmacies, that is the error here. We can do something about it. We have done it here in the House. Hopefully, our colleagues in the other body will also follow suit.

Mr. GUTKNECHT. I want to thank the gentleman for joining me tonight in this Special Order because I think this is an issue that is just simply not going to go away. I think a lot of folks here in Washington and some of the folks who represent the pharmaceutical industry thought, now that we have passed the prescription drug benefit, this issue about affordability and competition and open markets will just go away. We are here tonight to report that the issue is not going to go away and that Americans are still concerned.

As I say, it is not a matter of right versus left. It is right versus wrong. It is simply wrong to hold American consumers captive so that we pay the highest prices in the industrialized world. As the gentleman just said, we subsidize the pharmaceutical industry and the research in three separate ways. First of all in the Tax Code. Not only do they write off every dollar that they spend on research; in some cases they actually get a research and development tax credit. So the costs to the company are very negligible. In addition to that, we subsidize them through the NIH, the CDC, and even through the VA and the Defense Department. So I think the real number that we spend on basic research that ultimately benefits the pharmaceutical companies actually is closer to 27 billion taxpayer dollars per year.

Again, in some respects I am very proud of that. When we talk about some of these miracle drugs like Tamoxifen, that was developed by the NIH, the National Cancer Institute. It was taken through phase-2 trials. Then they licensed it to the pharmaceutical company and our reward, at least until just the last several months, is American consumers were paying six times more for that drug than consumers were paying in Germany and in England and in the industrialized West. And I agree with the gentleman. It is not so much shame on the pharmaceutical industry. Essentially they have been given a market opportunity here in the United States with a captive market, and they have taken advantage of it. I do not say shame on the pharmaceutical industry as much as I say shame on us. Because we create the rules, and the rules here are heavily stacked against American consumers.

We are not asking them to give away their drugs. I would not say to Intel, and they deal in intellectual property, we understand that first chip off an Intel line may cost them $500 million. The next chip may cost 5 cents. We do not tell them what they should sell their chips for, but we do not stand idly by if they want to take advantage of American consumers or American users of their products while they sell them for much lower prices in other parts of the world.

All we are really asking for is basic fairness. I think at the end of the day, the American people understand this. This is an issue the American people get. Part of the reason the gentleman and I have been traveling around the country and speaking to various groups and at least raising the attention and elevating the debate about this issue is because it is such an important issue to so many people. I was in Oklahoma City, and I had a lady come up to me at the end of the meeting there. I spoke at a senior expo down there. A lady came up, she was probably in her thirties. She said, I work for the local bank. I said, really. You could tell she had something more she wanted to tell me. She said, Congressman, what I do is reverse mortgages at the bank. You would not believe the number of seniors who come in and get a reverse mortgage on their house because they cannot afford their prescription drugs.

I say, shame on us. That kind of thing, we could do something about. In fact, I am proud of the fact that we in the House have done something about it. When people call me and say, well, what can we do? What can we do, Congressman, to make certain that something like this happens this year? I always say, the House has done its work. If people would like more information about what they can do to make this a reality, to allow Americans to have access to world-class drugs at world market prices, they can leave me an e-mail, just go to my Web site at gil.house.gov and I can give them more information, we can give them more charts, we can show them what we have learned.

We know, for example, in terms of the safety, and the gentleman alluded to it in his remarks, the CDC and others all keep records, we know that not a single American has died as a result of taking a drug from another country. We also know that, on average, 6,000 Americans die in hospitals in the United States from getting the wrong prescription drug, the wrong dosage, or they get a reaction to a prescription drug. That is happening now. We know, for example, you are much more likely to get sick and die from eating onions from Mexico. In Pittsburgh alone, we had 500 Americans who got seriously ill, three died, from onions from Mexico. Nobody has died from taking Coumadin from Germany.

Mr. EMANUEL. Before I leave, I wanted to add one other point. I think the gentleman explained this, and I had not even known this, but on Tuesday night, the pharmacies across America get the new prices coming in over their fax machines. Going to that other chart, this year we are expecting pharmaceutical products will go up 18 percent. Inflation will be at 2 percent. So if you go to your pharmacy, to all the people who may be watching, and you go to fill your prescription, then you wonder why the same prescription that 3 months ago if you get a 3-month supply or a month ago cost 21 bucks or 50 bucks and this month, the same drug, nothing changed, nothing, but it is up $12, it is all because of that chart.

You can go ask your pharmacist if you have time on your hands on Wednesday how much they priced up all the products. Unfortunately, what the pharmaceutical companies have done, we just talked about it, they game the tax laws. Again, no criticism, but they have gamed the patent laws in this country, they are gaming the legislation on prescription drugs, and what they decided to do was price up the pharmaceutical products right before this discount card is introduced. So what it is going to look like is a sale at Neiman Marcus around America, which is rather than paying and getting, quote-unquote, this 25 percent discount, which I am not really sure will ever materialize, what you are really going to see is a run-up in prices right before this summer, and you are seeing it today at your pharmacy. So if your prices are going up, you know what is going on, and when this big balloon, big announcement is going to happen, you are going to see a big sale at Neiman Marcus right here in America. You are not going to get a sale price. They are just plussing it up before the big discount card. Our American senior citizens are going to be running around in a cul-de-sac chasing themselves, and there is going to be no discount, the taxpayers are going to be saddled with a big bill, they are going to pay $35 a month for this card, and they are going to see no discount.

Yet we literally have in front of us the opportunity, and the gentleman noted a figure, I think it is an accurate figure, at a minimum, to save $60 billion this year if we had competition in the free market. That could go toward other things in our system, a college education, buying things for kids' education, other type of health care needs; but it just could be so much more productive than what we are doing with it. I think it is so important that we pass this legislation so that the legislation we do pass finally deals with the central issue our constituents tell us about, price and affordability, and so we do not have to hear the story about a mortgage consultant doing reverse mortgages for our senior citizens so they can literally take the equity out of their homes so they can buy their medications that they need.

This is the greatest country in the world. We are all fortunate to live here. We can do better than what we have just seen in front of us. I thank the gentleman for taking this time to organize this.

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Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman for joining me tonight. I think it would be fair to say we do not agree on every issue, but we agree on this, and that is Americans should not be held captive. The House has done its work, and I was never prouder than when this bill passed the House Chambers here against a withering attack by the pharmaceutical industry and sometimes by our own FDA. But this is the people's House, and that night the people finally ruled.

I am not asking for the pharmaceutical companies to give away their companies. I am not asking them to change the way they do research. It may well be they have to adjust how much they spend on advertising and marketing, because there is growing evidence they are now spending more money on advertising than they are on research. I do not know if those numbers are true, but I think perhaps we can have some hearings here in the House and find out.

But, at the end of the day, all we are asking for is basic fairness. It is not right versus left. It is simply right versus wrong. It is wrong to hold Americans captive.

We are not going to go away. This issue is not going to go away. I believe that before this Congress adjourns the chances are very good that our friends on the other side of this Capitol will follow the lead of the U.S. House of Representatives. They will pass a bill that will allow Americans to have access to world-class drugs at world-market prices.

Ms. DELAURO. Mr. Speaker, I rise to discuss an issue that touches the lives of every senior in this country and want to thank my colleague from Minnesota, Mr. GUTKNECHT, for his leadership in the fight to lower the cost of prescription drugs.

The single greatest failure in the Medicare prescription drug bill that passed this Congress last fall—and there were many—was its refusal to do anything about the one issue that affects seniors most—price. With the cost of the 50 most frequently used medicines by seniors rising by nearly three-and-a-half times the rate of inflation, how any prescription drug bill could fail to address this concern is, frankly, beyond me. High health care prices are eroding the living standards of our middle-class families.

In the last few weeks, we have learned who the real losers were in this Medicare bill: the American people—current and future retirees. First, we learned that the true cost of the legislation was fully a third higher than Members of Congress and the public had been told—that it would cost the taxpayers $535 billion instead of the $395 bill previously reported.

I say "reported" because we also recently learned that the Medicare actuary Richard Foster, a 31-year career public servant, was threatened with dismissal by his superiors in the Administration last year when he discovered that the cost of the bill far exceeded what had been publicly acknowledged. And this was before the 3-hour vote held here on this floor.

And last week, we learned that the program will be bankrupt sooner than previously estimated. According to the Medicare trustees' report, Medicare's finances have, quote, "taken a major turn for the worse." The report predicted the program will be bankrupt by 2019, instead of 2026, as had been previously estimated. According to last Tuesday's Washington Post, since the program was created in the 1960s, never before has Medicare lurched seven years closer to insolvency in one year.

All this flies in the face of what the Republican leadership and President Bush himself said as the bill was being debated by Congress. The President said that any Medicare prescription drug legislation that came to his desk must, quote, "strengthen the program's long-term financial security." And the Speaker of this body said that the final bill, quote, "made Medicare more sustainable" and would "change the paradigm of health care in this country."

Well, Mr. Speaker, the Medicare law may have changed the paradigm of health care in this country, but it was decidedly not for the better. As a point of fact, the trustees report tells us that the law was the primary reason that Medicare—and the health care of our senior propulation—will be less secure.

Combined with an advertising campaign promoting the law that even the nonpartisan General Accounting Office found to have "notable weaknesses and other omissions," it is fair to say these recent developments have seriously undermined public trust in the Medicare program and its ability to provide care for our seniors.

This Congress has a moral responsibility to honor our contract with the seniors of this country—a contract that says after a lifetime of hard work, raising families, and doing the right thing, that seniors deserve the dignity of a secure retirement. That begins with restoring public confidence in the Medicare program—one of the twin pillars of our retirement security safety net and the embodiment of our country's shared values. That begins with improving the program's financial health for real.

The first step would be a simple one—giving ordinary Americans the opportunity to reimport drugs from some countries, a choice millions are already making on their own, out of desperation. Legalizing reimportation is something Congress ought to have included in the bill last fall. This one provision would save Americans $600 billion in the next decade—savings passed directly onto the consumer.

We know reimportation is a safe and feasible option. In 2001, U.S. drug companies themselves reimported $14.7 billion worth of brand-name medications from their overseas plants. In fact, according to incoming FDA Commissioner Lester Crawford, for less money than the administration is spending on its advertisements to spin the truth about the recently passed Medicare bill, the FDA could set up a program to safely reimport drugs from Canada. With that knowledge, this body overwhelmingly passed legislation by a vote of 243 to 186 that would allow for the safe importation of drugs.

But instead of adopting our legislation, the final bill that passed the House and Senate contained no provisions to hold down the cost of drugs at all. And by tying the premium seniors will pay to cost, seniors' out of pocket costs will continue to rise.

Mr. Speaker, with the baby boom generation set to retire at the end of the decade, it is critical that Congress act now to protect the quality and the solvency of the Medicare system. That starts with bringing down costs, including giving the Secretary of HHS the power to negotiate lower prices with the pharmaceutical industry, just like they do at the VA. But legalizing reimportation and giving seniors access to international markets is something this body supports, and it should be the first step. It should be law.

Again, I want to thank my colleague from Minnesota for this opportunity. Let's do the right thing.

OUTSOURCING OF JOBS

The SPEAKER pro tempore (Mr. CARTER). Under the Speaker's announced policy of January 7, 2003, the gentleman from Washington (Mr. SMITH) is recognized for 60 minutes as the designee of the minority leader.

Mr. SMITH of Washington. Mr. Speaker, I want to talk this evening a little bit about a subject that has been on everyone's mind and certainly being talked about throughout the country, and that is the issue that has come to be known as outsourcing or offshoring, the concern that many Americans have about the number of jobs that used to be done in the United States that are now being done overseas.

The best way to think about this issue is to think about our entire economy. It is not really just about outsourcing or offshoring of jobs. It is about the future of the U.S. economy and, most specifically, where the jobs are going to be. That is the fear that I hear expressed by my constituents and by people throughout the country. They are worried about what jobs are going to be here for them in the future and for their children and for their grandchildren. What should they prepare for? What type of economy are they going to have? Are we going to have enough good jobs across the board so that the people of our country can be employed and employed at a standard of living that we have all come to expect?

I think, when I look at the debate, we have to be very careful about how we approach this issue; and I am pleased in working with the new Democrats and also with other members of the House Democratic Caucus that we are working on a series of proposals and a series of issues to try to address this issue in a serious and intelligent manner that will help us create the type of economy that we all want.

Right now, there are sort of two directions that we see being taken by the majority of folks, and neither one of them is particularly helpful. On the one hand, I do not think it makes sense to take a full-scale protectionist approach, to basically say that we need to stop trading with other countries that do not have the same labor and environmental standards that we do, that we need to cut off immigration and, in essence, we need to adopt a policy that says we are going to do whatever we can to protect every job that currently exists, regardless of the consequences. History has shown us that sort of approach leads to less economic growth in the future, and that is what this is all about, is long-term, sustainable economic growth for the benefit of all of us.

I would point out that the most protectionist economy in the world right now is, arguably, Japan. They have done just about everything they can to protect all of their existing jobs, all of their existing businesses. They subsidize industry. They erect tariff barriers to outside countries coming in and competing with them. They protect bad loans even long after they are no longer obviously going to be paid. They do everything they can to protect that economy, and it has led to a decade-long recession in Japan.

One needs to be able to change. One needs to be able to grow. One needs to be able to not just protect the bulk of the jobs they have but, most importantly, to be prepared to take advantage of the future economic opportunities that are to come.

That is what we do better than any other country in the world. We have a higher capacity for change than any other country in the world. We have consistently seen the next trend, gotten there first, and benefited economically. Most recently, we have seen this in technology, in the Internet, in software and hardware before that. We prepare ourselves for the new trends in the economy, take advantage of it, and get out front and have a leadership role, and we need to do that again.

As much as protectionism is not the best way to go on this, I think it is an equal mistake to take the approach that far too often the current administration has taken, which is to say that there is not a problem, basically outsourcing, offshoring, it is just the natural economic dynamic at work, creative destruction, it will all work itself out, we do not need to do anything. That, I think, is an equally unwise approach. There are policies that we need to adopt in this country to be prepared to deal with globalization, to deal with the economic changes.

They will point to past times when it looked like our economy was challenged throughout the 1980s. People thought that Japan and other countries in Asia would take over and we would never be able to compete with them. That certainly did not happen as we came into the 1990s. With each economic change, there has been this concern that somehow we will not be able to compete, and we have risen above and competed. And that is true, but it is wrong to say that we did that effortlessly, that we did that without adopting policies to confront it.

In the 1950s and 1960s, we adopted policies to deal with the space race that we had going on with the Soviet Union. We set up the National Science Foundation. We did a lot of things to encourage people to study and get education in the areas where we thought the jobs and the economy would be in the future. We built the interstate highway system. We passed the GI Bill to make sure that all the people coming out of the service could have access to education.

We made policy decisions to deal with these changes. We did not just take a step back and say economics will take care of it. We adopted policies that made sense to move us forward. That is what we need to do today, and we have some specific ideas amongst the new Democrats and the Democratic Caucus to do that.

First and foremost, there is nothing more important than education and job skills in competing in the global economy. The more skills we have, the more education we have, the more we will be able to compete, particularly for those high-end jobs that are so important in keeping our economy strong and giving American families the opportunities that they deserve.

There is some despair out there about job training. We can see stories about people who were trained for jobs and then wound up being outsourced and they did not have access to them. But for every one of those stories, there are hundreds, if not thousands, of other stories of people who have used the advanced skills training and the advanced job training and education they have received to be employable, to be employed in many cases in better jobs than they had before.

That is why I and a number of other folks have introduced a bill on trade adjustment assistance to the number of people who are eligible for those benefits because we believe that trade adjustment assistance works. It would work a lot better if we fully funded it so everybody eligible for those benefits got all the benefits, but it works when it is used, and we need to use it more, not less. So our Trade Adjustment Assistance Bill would expand the number of people covered to include service sector workers who now increasingly face the same sort of competition that manufacturing sector workers have faced.

We also expand the bill to expand the number of countries to which, if they lose their job, they are eligible for these benefits. Currently, it is restricted to very few countries that we have specific trade agreements with. We have lost many jobs to countries that do not fall into that category. We need to retrain those workers as well. We need to make that investment.

But when we look at the education and jobs skills issue, it is not just about retraining. It is also about basic education. We hear a lot of scary economic statistics out there, but for me the scariest statistic right now has to do with education and specifically with education in the area of math, science, and engineering. Those are the degrees and skills that are going to most create jobs in the future, that are going to most take advantage of the trends in everywhere from biomedical sciences to energy to the new ideas. It is math, science, and engineering that will grow our economy.

Right now, in China, 70 percent of all undergraduates get degrees in math, science, or engineering. That is what the Chinese are doing. What we are doing here in the U.S. is 5 percent of our undergraduates get degrees in math, science, and engineering; and, furthermore, the real number of degrees that U.S. students are receiving in those three key areas, math, science, and engineering, have gone down every year for the last decade. We are putting out fewer people with the skills that are desperately needed, and there are changes that we can make in our education system from the K–12 system forward that will help us deal with that and compete better. We need to set high standards. We need to place emphasis in the K through 12 level on math and science to get our students interested in it.

Too often right now, and I have visited just about every school district that I represent and many of the schools, when I talk to the students and the teachers there, they cite the same problem. By about the seventh or eighth grade, someplace between the seventh and eighth grade and 11th or 12th, students lose interest in math and science. It is happening to somewhere between 50 and 75 percent of our students. We lose them before they even have the chance to get into a university and get the advanced degrees that they need in these areas. We have to change that, and we have to increase the emphasis in those areas.

I am pleased to say that that is happening in a lot of States in the Union. Certainly in Washington State we have adopted higher standards. We have made math and science priorities. We have made those basic skills fundamental, and we are starting to see some changes. But we need to aggressively approach that. We need to do whatever we can to make sure that we get as many degrees in math, science, and engineering as is possible.

But it is not just about education. There are other issues that are important, and certainly trade is important. I mentioned that protectionism is not the way to go, and I believe that. We need to open overseas markets, get access to those markets so that we can sell our goods. But that does not mean that we need to lay back and do nothing in the trade area. We need to make sure that our trading partners live by the same rules that we do.

One of the biggest mistakes that this country has made certainly in the last 3 years is to not aggressively enforce the trade agreements to our advantage. Certainly other countries are coming after us. Europe sued us over our manufacturing tax credit. Now we have to totally change that, possibly to the detriment of U.S. companies. We have dealt with many different issues where other trading partners have come after us for what they perceive to be trade violations on us. We, on the other hand, stand idly by while other countries do not give us the same access to their markets that they have to ours.

Most specifically, we have a huge problem with other countries, primarily China, stealing our products. And it is not just software and intellectual property like movies and books and recordings. It is everything. It is the basic manufactured product that some small businesses made where the Chinese come over, copy it, take it back, sell it as their own. We should issue trade actions to stop that.

We should also aggressively go after nations that unfairly manipulate their currency to gain a trade advantage. That is against the WTO. We voted, I think correctly, to bring China into the WTO, to make them part of a rules-based economy. That is great. But to bring them into a rules-based economic system and then not make sure that they follow those rules is ridiculous. It is not taking advantage of what we put out there. We have numerous opportunities to make sure that our trading partners' markets are as open to our goods as ours are to theirs. We should be much more aggressive in enforcing that. We cannot afford to lay back and assume that somehow we are always going to win these competitions.

The final issue I want to talk about is investing in research and development, basically making sure that we have the investments made with our companies and with our university system so that we can develop the next best thing first. That is what economic growth is really about, is being at the cutting edge of new inventions, and that is all about investments in research.

One issue of particular concern, when we look at economic growth, a lot of people will tell us that health sciences, biotech, biomedical, that is where the future is. When we look at what is going on with the human genome, with DNA, with a variety of different issues, with the development of pharmaceuticals, there is massive potential for growth in these areas. We have several advantages in being the leader on that.

But one of the ones that we are giving away right now is in the area of stem cell research. It is a critical factor in developing in the area of health sciences. We have limited the funding for stem cell research in the United States, and a lot of those projects have gone to other countries. They are getting ahead of us in that technology.

In numerous other technology issues we have the ability to change our policy to make sure that we are making the investments in research and new technology to be the leaders. We need to make sure that we do that and move forward.

Overall, there is no question in my mind that the United States of America can figure out a way to create long-term economic growth so that we can compete in a global economy and create the kinds of jobs that we want. But we cannot sit idly by and pretend that that is just going to happen naturally. We have to make smart policy choices to help the workers, to help the people of our country in their efforts to compete in an increasingly challenging world. We can do it, no doubt about that whatsoever, but not if we are not smart as public policy makers about helping our workers in their ability to compete and create a strong, long-term, sustainable economic growth in this country.

I am pleased to be joined by one of my colleagues who has been working with me and others on this issue, very knowledgeable in economic policy issues. I yield to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Speaker, I thank the gentleman for yielding to me.

Let me elaborate on some of the points that the gentleman has raised about the outsourcing issue that we are experiencing throughout the country, in Washington State and my home State of Florida. Forrester Research, Inc., has predicted that American employers will move over 3.3 million white collar service jobs amounting to about $136 billion in wages overseas over the next 15 years.

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There are clearly sectors of our economy that are among the most vulnerable. About 14 million jobs, or 11 percent of the U.S. total that have been identified at risk, are jobs that involve telephone call centers, computer operator, data entry operators, business and financial support, parallel and legal assistants, diagnostic support services, and finally, accounting, bookkeeping and payroll.

This is a phenomenon which we are experiencing right now throughout the country, Democrats, Republicans, Independents. There is no nobody who will escape this. The question is, how will we deal with it? We have to be honest. We cannot bring a lot of these jobs back. We can offer the Trade Adjustment Act, which the gentleman from Washington (Mr. SMITH) has introduced with a growing number of Members of Congress, Democrats and hopefully Republicans, that will provide support for people who are displaced by trade or outsourcing. But what we really need to do, as was mentioned earlier, is try to get to this problem at the source.

We cannot promise anybody that having the highest level of education will guarantee them that they will not be competing against somebody from another country, but what we can guarantee to them is the best fighting chance they have of protecting themselves and their family.

We will be debating, hopefully, in this Congress changes in the tax law that assure that the United States taxpayer is not subsidizing companies to go overseas and to compete against the domestic workforce. But at the end of the day, our best weapon is the American worker and his or her job skills and work ethic.

One of the areas that we should be emphasizing as a Congress to deal with the problem of encouraging more students to enter math and science and engineering, as was mentioned earlier, is to attract more teachers into those fields.

There are ideas that abound in congressional districts and communities around the country, and it is the job of Congress and Washington to provide the funds to the community colleges, to the school districts, to the private sector, the not-for-profit sector that will come together for the good of the communities and attract people into the teaching profession and create the kinds of programs that will work in individual communities.

In every community in this country, there is an enormous amount of graduate school education that is occurring in these fields, math, science and engineering; yet the painful fact is that the vast majority of students that are entering these programs now are students who are entering here from other countries and helping us build bridges with those countries that are important; but ultimately many of these students are choosing to return to their homes and to benefit their own economies. We need to be getting more of our students into these graduate courses to become professors, to become inventors, to become some of the best forward-thinking engineers for the next generation of this country.

Ultimately, what we also need to focus on is a way for Congress, Democrats and Republicans, to write a tax credit that will provide an incentive to employers to invest in their workers. Not just to meet the needs of the employer, but to provide a lifetime of learning, to provide trainability for a worker, so that as more competition is experienced from other countries, that worker is able to adapt through additional training, whether they are doing it on their own or going back to a college, university, community college or vocational training, so, again, our workers have a fighting chance, they have the tools they need and the ability they need to sharpen those tools, to broaden their job skills, to compete in this increasingly global economy.

This is a time where Democrats and Republicans in Congress should be coming together trying to find solutions in education and job training to help our workers face this onslaught of competition from overseas. The agenda from the President and from this Congress so far has been to simply provide tax cuts that have gone to the most affluent Americans in this country.

It is time for us to acknowledge as competition heats up in the global economy that is not a solution for most of the people in this country who want to work, who want to succeed, who are prepared to go back to school, who are prepared to do some additional job training, but want us to support them, to help them do that.

So I hope that there will be other Members that will come to the floor here in the days ahead and join us in trying to identify how we write a bill that provides a constructive, positive agenda with confidence in the work ethic and the skills of the American worker, to help us ultimately succeed, as we have done throughout the history of this country.

Mr. SMITH of Washington. I thank the gentleman.

I want to follow up with a couple of the tax policy points. As I mentioned, job training and worker skills, the best way to do that is obviously to have the companies train their workers, because companies know what specific skills they need. Increasingly, in having job skills, it is not just a matter of knowing a certain computer programming skill or a certain scientific skill. It is knowing what a specific company needs, and the only way to do that is to get training from the companies, or I should say the best way to do that.

So tax credits that encourage companies to give training to their workers so that they can improve those skills and stay employable in those companies is an excellent idea, and also just overall developing the Tax Code to make sure it encourages businesses to create jobs here domestically.

We have a situation now in the Tax Code where if you have a plan, let us take a call center as an example, that is one of the ones that has been offshored, and you are here domestically in the U.S. employing workers and making profits on that call center, you pay taxes on it.

Now, if you take those same workers and move them overseas, even if they are still servicing U.S. consumers, U.S. customers, all of a sudden they do not pay taxes anymore in the U.S. on that. There is a proposal by Senator JOHN KERRY to change that, to make sure that if you are performing services here in the U.S., you continue to perform them for U.S. customers in a different country, you still have to pay taxes on that. That would discourage or take away one of the incentives the companies have to move jobs overseas.

The second idea within that area that Senator KERRY has introduced, which is a positive incentive, would be to allow companies that have subsidiaries overseas and subsidiaries that serve overseas markets, not U.S. markets, whether it is in China, India, Vietnam or wherever, if they are doing that and making profits over there, right now if they want to bring those profits back to the U.S. from their subsidiaries, they have to pay taxes on them. If they leave them overseas, they do not.

It makes sense to reduce that tax rate to give them an incentive to bring the money back and invest here in the U.S., and that is another tax idea that Senator KERRY has supported. I think it is a pretty good contrast with the general approach of the Bush administration, which is just give tax cuts to the people who make a lot of money and hope that they invest that money here. We know there is no guarantee of that. They can invest that money any place they want to, and increasingly they are investing it overseas. So our tax policy needs to be smart to help grow jobs here domestically.

I want to now turn it over to the gentleman from Michigan (Mr. STUPAK), another of my colleagues who has worked extensively on this issue and understands the importance of job creation.

Mr. STUPAK. Mr. Speaker, I thank the gentleman for yielding. I am pleased to join the gentleman from Washington (Mr. SMITH) and the gentleman from Florida (Mr. DAVIS) in just talking a little bit about jobs and what needs to be done.

Those of us who have worked in many different aspects within the Democratic Party, we like to see different things done. It is not just simply a free trade issue, or it is not just a tax issue. It is a combination of things that are hurting this economy and hurting our States and the people we represent.

I come from the State of Michigan. We have already lost many, many jobs in Michigan, about 128,900 manufacturing jobs. Michigan is known as a manufacturing State because of the auto industry. But we have a total job loss of about 336,000 jobs, 128,000 in manufacturing alone.

Michigan continues to struggle. We need some help from the Federal Government; and we have to take a look at our fair trade agreements, as we call them. We also have to take a look at the tax structure in this country and what incentives are there to keep jobs staying here in this country.

Michigan, in the last few years, we have offered close to $1 billion to try to retain corporations and jobs in my home State of Michigan. Nationwide, we have lost 2.8 million manufacturing jobs. Some analysts, as I believe the gentleman pointed out, believe we may lose as many as 14 million jobs in the U.S., or be at risk of going overseas.

To stop that hemorrhaging of job loss in this country, for whatever reason, the Committee on Ways and Means really should report out the Job Protection Act of 2004, also known as H.R. 3827, a bill with really strong bipartisan support.

Whether you are a Democrat or a Republican, we are seeing these manufacturing jobs leaving this country, so we have put together a bipartisan bill. There are 182 Members who have signed on to a discharge petition. If the chairman of the Committee on Ways and Means does not allow the bill to come before the House for a vote, the only way we can change that is to have 218 Members sign a discharge petition. We have 182 signatures right now.

We would like to see the Job Protection Act of 2004, a strong bipartisan bill, come before the floor. This bill would amend our tax laws to comply with the recent World Trade Organization rulings on the Foreign Sales Corporation benefit.

The Foreign Sales Corporation, that is a tax break for those corporations who sell their product overseas. When they come back to this country, it is not taxed. The World Trade Organization has said that is an unfair subsidy and should cease and desist. So we take care of that situation with the Foreign Sales Corporation, plus there are other tax benefits in there that do not encourage jobs to leave our shore, but actually keep them here in the United States.

It would revitalize our manufacturing base by lowering tax rates on all domestic producers, including small businesses and farms, by 3.5 percent. So as long as we keep it in the United States, keep them producing jobs here, we can lower some of that tax rate by 3.5 percent.

The proposal is fully paid for. We have enough deficits. We do not want to add to the deficit. We pay for this proposal, and it would not increase the deficit. We need to pass this bill, as millions and millions of Americans are relying upon it. Again, it is H.R. 3827, strong bipartisan support. We would like to see the bill moved.

The gentleman from Washington (Mr. SMITH) mentioned Senator KERRY. He has been on this issue. In fact this past weekend, Friday and Saturday, he was in my home State of Michigan. He has put forth a proposal to create jobs and stop the shipping of our jobs overseas.

He basically said, why do we continue to give tax rates to individuals and big multinational corporations in hopes they will create jobs? Why do we not give the tax break after you create the job? Produce and show results of a job, and we can then look at a tax break for your training, for your research, to put those people to work, give you back something for putting them back to work.

We spent a lot of time on manufacturing. Why is that so important? Recent studies have shown that a manufacturing job in this country pays on an average $44,000 a year. Now, service industry jobs, which we hear a lot about, it is a good profession, but, unfortunately, they are only paying about $24,000 a year for a job. Then, of course, you have the retail industry, that pays about $19,000.

So what happens to these people after they lose their manufacturing job at about $44,000 a year? Well, there is service industry at about $23,000, or $24,000, and then there is the retail industry at about $19,000. How do you ever make up for that lost income?

So Senator KERRY's plan addresses the problem in the tax system and makes sure we do not reward those companies that ship jobs overseas.

You take the Maytag Corporation. I was in Illinois about 2 years ago. Their profits were up 24 percent. Their profits for the year were $360 million. That is their profit after paying everything. But still Maytag, which made refrigeration units for refrigerators and freezers, still thought it was so important to go to Mexico, where you pay about $1.50 an hour; and our Tax Code, which Senator KERRY wants to change, would actually pay them $30 million in tax credits if they shipped or moved to Mexico.

So, first of all, their profits are $360 million; they were up 24 percent from the previous year. It is not that they were hurting. But still they felt it necessary to move out of Illinois, probably paying $15 or $18 an hour, to Mexico, where they are paying about $1.50, and then our government is going to give them another $30 million tax break on top of that. That is just plain wrong.

So Senator KERRY's plan would end these tax breaks that allow these companies to keep their earnings overseas and avoid paying U.S. taxes.

The indefinite deferral of paying taxes amounts to the U.S. taxpayer of about $8 billion a year to these companies investing abroad. That is according to the conservative American Enterprise Institute.

So think about it. We are using taxpayer money and giving them $8 billion to invest overseas, plus we are left with people who lost good-paying jobs with no recourse where to go with it. So the taxpayers are paying for them to go invest overseas, plus we have to take care of the unemployed workers.

The tax system has ability in incentive to ship jobs overseas. That has to change. We need to help out manufacturers and small business. Unfortunately, we have just seen the President's budget. We had debate on it last week.

The Manufacturing Extension Partnership Program, which has been used greatly in my district for Horner Flooring up in Dollar Bay, or Jacquart Fabric Products over at Ironwood, Michigan, that was cut by two-thirds. It went from $111 million to $39 million. That has helped our people to take care of jobs and try to ship their product overseas. Unfortunately, that program has been cut.

So I think the administration just has it backwards. We have to do something differently. It is not just the free trade agreements; it is the tax incentives built into our Tax Code.

It is also what we call HELP. The State of Michigan has been devastated, as we mentioned, about manufacturing, so we actually put together a program called HELP, which we sent to the Secretary of Commerce, Secretary Evans, and said, look at this proposal.

It is a lengthy proposal, but HELP really means, first, let us address health care needs. Every American should have the right to have health care. You take Ironwood Plastics, a small company up in my district. They were going to expand their plant, but they found their health care costs went up so much in the last 2 years, they cannot add on their plant. In fact, for every product they produce, 42 cents of it is just for fringe benefits; and they do not have lucrative fringe benefits. Health care is probably 60 to 70 percent of that 42 cents on every piece they make. It is just to pay for the health care in this country. We have to get a handle on health care prescription drug costs.

□ 2145

That is the first part of "H" in HELP.

Unemployment compensation. Why is it that past years when we have had these downturns in the economy, in my state of Michigan we are at 6.6 unemployment, some parts of my district fall over 12 percent unemployment. Federal Government works the area with the States. The States have a program. We do 26 weeks of unemployment, but we have always extended it another 13 weeks. Unfortunately, we have not done that.

While people are unemployed through no fault of their own, we should be there to help them out to see them through those rough spots and keep them working and keep their health care going.

Level playing field. The third letter in HELP. "L" for level playing field. On these trade barriers, I am always amazed that we see these trade agreements, take the CAFTA plan, which is the Central America Free Trade Agreement, which will devastate the sugar industry in my State of Michigan, which is a half billion dollar industry, if Central America is allowed to bring their sugar into this country. They all do now. But if one takes down all barriers and it can freely flow into this country, it will wipe out the sugar beet industry in Michigan.

The sad part about that is, while we immediately lower our barriers in this country, it takes about 15 years for other countries to lower their barriers. Plus they put up these artificial trade barriers depending on the value of their currency, the environmental standards, their employment standards of their workers. Why can't we have a level playing field?

If it is truly going to be a global economy, and I was here back in 1993 through the NAFTA debates, which I did not support NAFTA because I felt it would hurt this country overall. But when you take a look at it, in NAFTA and all the rest of it, if we are going to have a global economy, and that was the buzzword back in 1993, some 11, 12 years ago, then should not we really have global standards on workers' rights, on the environment, how we treat each other's currency so you do not have these artificial trade barriers for our products from the U.S. going to these other countries? So that is the third letter in our help program.

Last but not least, P for pensions. In this country we are funding pensions. Many people feel we are overfunding them. Some are underfunded. But we have to look at pension reform. There has been a bill that we tried to pass out of the House. It has been stuck in the Senate. We can do some work here and make this pension system fair to the workers, guarantee the benefit, but at the same time allow the companies to use it for research and development. That would free up some money so they can do their research, development, and investment in their countries. It just makes sense.

Training. We have to invest in this country. So there are so many needs, and one can just see what happens and in State after State, whether it is Washington, Florida, or Michigan.

Just one more: Electrolux, which was really a sort of French company that had been in Michigan for many, many years, besides making great vacuum cleaners, they also did refrigeration. They just announced it is closing its doors and going to Mexico also. It will cost Michigan 2,700 jobs.

We are losing about 2,000 jobs in Michigan just in the manufacturing section. Our governor, who is very concerned about it, has put together an aggressive manufacturing agenda to try to help companies. Our governor even offered Electrolux a new $30 million building, $182 million in tax credit, including a Renaissance Zone that would allow the company to operate virtually free of State and local taxes for up to 20 years.

There was even changes from the United Auto Workers that they said, look, we do not want to lose these jobs. It is good-paying jobs. We will change our labor agreement. We will give about $31 million in concessions. But still the company still saw it lucrative to go to Mexico with the tax breaks they would get from the U.S. taxpayers and the low-wage-paying jobs in Mexico.

Electrolux was a very profitable company. It pays $13 to $15 an hour plus benefits, and that included health care to its employees. So why are they moving? Because they can go down to Mexico and pay people $1.57 an hour.

Like I said, Michigan has lost about 128,900 manufacturing jobs since January of 2001. We have a total job loss in our State of 335,868 in Michigan, despite offering almost $1 billion in tax incentives for companies to stay.

So I am pleased to join with the gentleman from Washington (Mr. SMITH) tonight. I think my colleague said it best earlier when he said it is not just trade agreements, there are tax issues, there are employment issues, there are a number of issues we should tackle as a Congress.

I will go back and just repeat that. The Job Protection Act of 2004, H.R. 3827, a bipartisan bill. We have 182 Members who signed a discharge petition. I wish the majority in this Congress would allow to us bring that bill to the floor. If the majority party, the Republican party, want to vote against it, that is certainly their right. But at this critical time in our Nation's history, manufacturing jobs leaving, why cannot we have a good debate on the issue?

Maybe this tax break is not quite right. I am not saying we have all the answers, but let us at least get a debate going. Let us exchange ideas. Because we have to look at trade agreements, Tax Code, and other incentives we have out there that encourage people to leave offshore or go offshore with their corporations.

So I stand with Senator KERRY and my colleagues tonight and we look forward to a day when we invest in companies for keeping jobs here in the United States and not shipping them overseas, providing health care for all our workers so it is not such a burden on just strictly the employer, and reexamine these trade laws and make sure we all play by the same rules.

America can compete with anybody anywhere in this world. We are just looking for a level, fair, playing surface on trade agreements.

I thank the gentleman from Washington (Mr. SMITH) for once again yielding. I thank him again for stepping forth and organizing this special order tonight. It is always a pleasure to join with the gentleman and look forward to working with him on this and other issues in the future.

Mr. SMITH of Washington. Mr. Speaker, I want to thank the gentleman from Michigan (Mr. STUPAK) for his remarks, and I do agree, as I said, that we need to be more aggressive about enforcing our trade agreements.

I will point out I am actually fairly familiar with the CAFTA trade agreement, and it does not have the affect on sugar you describe. It raises the quotas for sugar from Central America by less than 5 percent over what they currently are and it is, in fact, spread out over 15 years.

So if my colleague looks at the details of CAFTA, sugar, corn, a variety of different issues, it is a pretty level playing field on both of those. It does not dramatically increase the quotas on sugar coming from Central America.

So I would urge my colleague to take a closer look at that and assure your folks in the Michigan sugar beet industry that they are going to be just fine with regard to that particular agreement.

Mr. STUPAK. Mr. Speaker, if the gentleman would yield on that one. Our sugar producers and the Michigan Farm Bureau have come out against it because we do not have that big of a sugar industry. It is only a $500 million industry. But they feel with it coming in, and my colleague is right, over 15 years, the barriers would fall down. That would just about do the end of our sugar in Michigan.

Mr. SMITH of Washington. Mr. Speaker, that cannot possibly be true. I would be happy to take a look at it, but it is not just over 15 years. At the end of 15 years the quotas are still there. They are just slightly larger than they are now. It does not even get rid of them.

So sugar was very important to me, and I was actually in conversations with Ambassador Zellick and others while they were negotiating that.

Mr. STUPAK. Mr. Speaker, I hope my colleague is right on that issue because we are concerned about it in Michigan. We look forward to my colleague's leadership on that issue to make sure we preserve our sugar industry in Michigan.

Mr. SMITH of Washington. Mr. Speaker, absolutely. We have a sugar industry throughout the U.S.

Mr. Speaker, I want to now yield to my colleague from my State, our State, I should say, the gentleman from the great State of Washington (Mr. INSLEE) from the first district who is the cosponsor with me on the TAA bill to expand trade adjustment assistance for service sector employees and expand it in other areas as well.

Mr. INSLEE. Mr. Speaker, I thank my colleague for yielding.

I want to make a couple points before I address the specifics of this trade adjustment which I really think is great, not a panacea but certainly one of the things we need to do that address this problem. But I want to make two points about why legislation like this is necessary right now, and that is that two I think interesting facts that demonstrate why Congress needs to act now and the administration needs to follow us in doing so.

That is the unemployment, the job loss that we have suffered in the last 3 years is actually understated. A lot of folks have heard now a familiar number that we have lost about 2.2 million jobs in the last 3 years which is a greater job loss than any other time since Herbert Hoover was President of the United States. But that number is really kind of a fake number, and the reason is that it fails to take into account the jobs that should have been created under any sort of normal rate of economic growth. The truth is we have lost specifically about 2.2 million jobs, but if we had just grown jobs to keep pace with the rate of population increase, we would have actually grown four and a half million jobs if we had only kept pace with the population increase in the United States in the last 3 years.

So it is not that we have lost 2.2 million jobs, sort of behind the curve by 2.2 million Americans that are out of work. It is actually closer to 7 million. So the job deficit, along with the largest Federal deficit in American history, we now have the largest job deficit in the last 50 years.

Mr. SMITH of Washington. Mr. Speaker, if the gentleman would yield, because that is a point I found interesting. When the President has proposed his tax cuts, for 3 years he has talked about the number of jobs he is going to create. The figure that he used for the tax cut that was passed was 1.2 million. He has fallen way short of at this point, I think it is about 400,000. But in making that proposal it is interesting that he assumes that, absent that tax cut, no jobs would be created, which flies in the face of history. Obviously, some jobs were going to be created.

As the gentleman points out, after we did this supply side tax cut for people at the high end of the scale, we actually created less jobs than economists tell us we would have created if we had done nothing. So it is worse than just not doing what he said it was going to do. It seems to be having a negative impact.

Mr. INSLEE. Mr. Speaker, that is another way of basically saying we have had no meaningful job creation for the last 3 years. So we have a $7 million job deficit and we basically had an experiment and that experiment failed. The President basically said these very large tax cuts for the wealthiest among us, those who are over $200,000 a year, we are going to create millions of jobs. It failed even to keep pace with just population growth.

There is four and a half million jobs missing that should have been there just to keep pace with population growth, and then there are 2.2 million jobs lost on top of that. So we are in a deep, deep hole; and whatever we are going to say, if we add one job now, we are still at the bottom of the well. So maybe we are one inch off the bottom of a 7 million foot well, if you will. We have got a long ways to go.

Second point is the reason Congress needs to act now is that these figures belie the severity in the length of this unemployment. Because we have over 2 million people who are unemployed tonight who have been unemployed for more than 6 months. That is the longest period and the largest number of people who have been unemployed over 6 months for over 50 years in America.

So not only are people not even counted in the unemployment insurance statistics because they have given up looking for work, those who are still on there we have the longest period of long-term unemployment in the last 50 years.

So I just want to point out those two points that we need to take into consideration whether we are going to act or not boldly and aggressively. And we think we should.

So one of the ideas, and this is not the only idea that we need to pursue, but we need to bring our trade adjustment assistance for Members up to speed with what is going on in the U.S. economy. We, and I am sure the gentleman has talked about this, have had a program to help people who have lost jobs that are associated with the dynamics of trade in manufacturing now for some period of time.

We have seen in Seattle a great success with that program. We have seen hundreds of folks, if not thousands, in Boeing who several years ago during the downturn availed themselves of the benefit of this program to get retraining. I have talked to any number of those. It is not 100 percent, but any number of these folks have been successful in finding other careers with retraining.

But now we have this phenomenon in the service sector, computer programming, accounting, in radiological services, in call centers. Now the service sector employees are experiencing the dynamics of trade. We simply have to bring this up to speed to this century's challenges that exist.

Our bill will do that. It will simply say that people in the service sector who lose jobs associated with the dynamics of trade are going to have an assistance from Uncle Sam. It is a pretty simple commitment that Uncle Sam ought to fulfill. We hope that the administration will embrace this idea.

And I will share one piece of good news. I serve on the President's Export Council, which is a group appointed essentially to advise the executive branch on export policies and trade policies.

□ 2200

It is a group of a lot of high-level executives of major corporations at General Motors, Intel, Boeing, a couple of Members of Congress; and last week, we met and this group sort of unanimously concluded that this idea of the extension of trade adjustment authority to service personnel should be pursued, and that will go to the President as a formal recommendation of this group here in the near future.

So we are hopeful that the administration and our Republican colleagues will join us in this very commonsense measure to help Americans get back on their feet, and we do not want to hear that we cannot do this for fiscal reasons, for two reasons; and there is a fiscal impact for this obviously, and we should be totally responsible in addressing that fiscal impact, but we believe that in the long term this is fiscally responsible to do because these folks are going to get back to work, they are going to get off the unemployment rolls, and they are going to start creating wealth and profits and wages and taxes themselves. This is a fiscally responsible thing to do, is we get people back to work. Over the long term it does not create the deficit; it helps to ameliorate it.

In addition, we think there are some future tax cuts for those earning over $200,000, which on a scale is not as important as the fact as getting these thousands of people who may have lost these jobs to folks in other countries due to trade. They have a higher claim on America's assistance right now, and they will be much more productive for the U.S. economy as well, and so we think this is a fiscally responsible approach; and we hope our Republican colleagues will join us.

There is one other thing that this bill will do. You may have talked about this already, but I want to allude to it. There are some imperfections in the existing trade adjustment bill, one of which would not kick in assistance for Americans except that they lost their job, at least the presumption is a country that we already had free trade agreement with. That is an artifact of history that we had to cure because if you are out of work, frankly it does not make a difference to your creditors whether you are out of work, losing a job to someone Uncle Sam has a free trade agreement with or not. So we hope to fix that in the long term.

The bottom line is, as the trade world has changed, as the economy has changed, Congress needs to change our provision for Americans to get retrained; and this is a fundamentally sound, fair, fiscal way to do it, and we are hoping that ultimately this becomes a bipartisan effort.

Unfortunately, we have not had our colleagues across the aisle coming in droves to join this, and that frankly is disappointing because anyone ought to understand when you are out of work and your job's been shipped to another country, and your mortgage still needs paying and your child's college education tuition still needs paying, it should not be a Republican or Democrat position the fact that we ought to help you get retrained, and we ought to recognize for those of us who recognize the value of trade, and I count myself among those who come from a very trade-dependent part of the world. The State of Washington is one of the trade-dependent parts of the country. We recognize the value of trade, selling Boeing planes to India, selling Microsoft software to China. We understand the value of trade, but those who care about trade have to recognize that there are dynamics of trade and people are discomfited and there are job losses associated with trade, and we need to create a lifetime learning situation where, as trade creates dynamic changes in the job market, we need to guarantee Americans the ability to get back on their feet and become retrained, and that is one part of that support system that I hope that we will pass.

Mr. SMITH of Washington. I thank the gentleman for his help on this issue. You worked very closely on it, and I thank you for your leadership

I want to close off the debate, and we do not have anymore speakers for our hour, which is almost up, by emphasizing the point the gentleman from Washington (Mr. INSLEE) made about the cost and some of the choices involved. It is interesting, business leaders throughout this country have come together and agreed with a lot of the items we have talked about tonight, agreed with the importance of education, the importance of job training, the importance of investment in research and development, the importance of another item we have not talked about, which is an investment in infrastructure, a building of roads and improving our energy system so that we can have a sustainable strong economy; and they know we need to do those things, and they consistently advocate for them and I appreciate that support.

But it is also tied into the issue of how do we pay for these things, and as the gentleman from Washington (Mr. INSLEE) pointed out, the tax cut choice. We have heard a lot already in this campaign about taxes and tax cuts; and the general approach of the President and his party is that, look, any tax cut there is has to be lower, anyone who is for higher taxes is by definition not worth being elected, but we have to take a step back and look at this in terms of choices, and take a look at those issues that I just talked about, the business leaders and many Republicans say they support, funding for education, funding for job training, funding for infrastructure.

There is the little problem of paying for these things, and we have to look at the choice that is being presented. The President wants to make his tax cut permanent, all of his tax cut, including the portion of that tax cut which is a pretty substantial portion of it that goes to people making over $200,000 a year, also the portions of the tax cut that go to people who are paid dividends; and, yes, I know average Americans earn some dividends, too. If you look at the percentage of where dividend income goes, it goes almost entirely, 75 to 80 to 90 percent, to people again making a great deal of money; and I understand the philosophy behind that, give these people money, they will invest and everything will be fine.

It has not quite worked over the course of the last 3 years at this point, but more importantly it is a matter of choices. If the business community, other folks out there, want us to make that investment in education, job training and research and infrastructure, there has got to be some money left somewhere to do that; and when we are sitting here with an over-$400 billion deficit due this year to pile on top of a $7 trillion debt, to say that we are going to make the tax cuts permanent at the cost of somewhere around 2 to $3 trillion, over the course of the 10-year period, and still make these investments in our workers, an investment in our economy, it does not add up.

It is a matter of choices, what is the best investment of that money. Is it really best to make sure that the top tax rate for people who make, it is about $250,000 before you hit that top tax rate, goes down from 39 to 35 percent? It goes down to 4, I guess, critical percentage points. Or is it best to take some of that money to get us back towards fiscal responsibility and to get us back towards making an investment in our workers that they can fairly compete? Looked at in that context, I think it is a pretty obvious choice; and I hope that we will make those choices.

We absolutely need tax cuts. Senator KERRY supports a number of tax cuts targeted to the middle class, the child tax credit, elimination of the marriage tax penalty, a number of different issues; but, absolutely, we have got to give those tax cuts to hardworking Americans.

When you look at the total package of tax cuts, these are some choices we can make to better invest in our workers and better invest in our country. We hope that we can make those choices so that we can deal with the challenges we face from outsourcing, from offshore, so that American workers can have that level playing field, can have that opportunity to grow our economy and to benefit from that growth.

I thank you very much for the time.

PAKISTAN NAMED MAJOR NON-NATO ALLY

The SPEAKER pro tempore (Mr. CARTER). Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I rise on the House floor this evening to discuss Pakistan's recent designation as a major non-NATO ally.

Last week, Secretary of State Colin Powell visited India and Pakistan to support the efforts that have been made by both nations to seek peace. For the first time in decades, relations between India and Pakistan were easing; and as a result, confidence-building measures were being established, such as transportation across the border and cricket games between the two countries.

Although both countries are on a slow, yet steady, path for improved economic defense and political relations, unfortunately that balance has been damaged, in my opinion, by the Bush administration's favorable treatment of Pakistan in naming it a major non-NATO ally.

Mr. Speaker, although we have advocated for the U.S. to view India and Pakistan as two separate, distinct nations, at the same time we have advocated for fair treatment based on record of democracy, commitment to ending terrorism, and a variety of values important to the United States. India is a strong, vibrant democracy of over 50 years, and Pakistan is a rogue nation under military rule. India's nuclear program is civilian controlled, and Pakistan's nuclear program was sold to nations such as Libya, Iran, and North Korea to assist illegal, covert nuclear weapons programs. India is protecting its citizens from terrorism in Kashmir, and Pakistan has sponsored terrorist activity in its own backyard.

It seems clear that the U.S. and India are natural allies based on our shared values. The reason why the U.S. and Pakistan are now allies is a result of the shared effort to end global terrorism. However, based on all the reasons I just stated above, I am taken aback by the new designation that the U.S. has bestowed upon Pakistan as a major non-NATO ally. Not only was I surprised, but India as a nation was surprised as well. Secretary Powell had just met with India's leaders, but he did not mention the new status of Pakistan that was soon to be announced.

Naming Pakistan a major non-NATO ally is completely inconsistent with U.S. policies. Pakistan is not a democratic nation. Pakistan supports terrorism in Kashmir, and Pakistan has engaged in nuclear activity for which it has recently pardoned a key scientist who aided covert nuclear programs to rogue nations. The result of this new designation, I think, has the potential to be devastating.

Not only was India surprised and disappointed, but further, Pakistan's new role will lead to severe implications in the South Asia region. It is unclear what the title "major non-NATO ally" means and what it means in legal terms, but the most immediate concern is that a rapid and large-scale supply of American military equipment could flow from the United States to Pakistan, including the possibility of F–16s. In accordance with the Pressler amendment of 1990, Pakistan was not afforded major military supplies until post-9/11, in which case specific counterterrorism supplies had been provided.

But this is very concerning because U.S. military supplies given to Pakistan for use against Russia and China have been historically used against India. Given the current climate of the conflict between India and Pakistan over Kashmir, any additional weapons provided to Pakistan will likely be used to escalate this conflict between the two nations and has the potential to build up a full-scale arms war.

In addition, this new designation has the impetus for breaking down negotiations in peace talks between the two nations that have just gotten underway. Pakistan's newly established access to U.S. military supplies could serve as an impediment to any further Indo-Pakistani talks.

Mr. Speaker, I cannot understand why the U.S. has afforded Pakistan this major non-NATO ally status. Pakistan has a history of abusing military and nuclear equipment, and yet we are allowing them to have access to depleted uranium ammunition, special privilege in bidding for certain U.S. Government contracts, radar systems, attack helicopters, and airborne early warning systems.

In exchange for Pakistan's assistance to the U.S. in the war against terrorism, the U.S. has already allocated $3 billion worth of assistance, half of which is directed toward Pakistan to buy military equipment from the United States. The Bush administration must reevaluate their policies towards Pakistan. The new designation of major non-NATO ally is unfair, inappropriate and, most importantly, in my opinion, dangerous given the volatile nature of the South Asia region.

FOREIGN POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 60 minutes.

Mr. WELDON of Pennsylvania. Mr. Speaker, in this country, in this city, sometimes the American media just does not get it. Tonight I rise to lay in the CONGRESSIONAL RECORD and for the American people two stories that have not gotten the attention they deserve regarding foreign policy and regarding the actions of two nations in two regions that are extremely important to the security of America and the world.

The first, Mr. Speaker, involves Serbia. Mr. Speaker, this nation went to war and for the first and only time convinced our NATO allies to use NATO as an offensive military entity to invade a non-NATO country in 1999 to remove a sitting head of state, Milosevic, from office for war crimes for which he is now being tried.

Mr. Speaker, I rise tonight not to question whether or not Milosevic committed war crimes. I am convinced that he did, that he committed ethnic cleansing and that he did unthinkable harm to individual people in the former Yugoslavia.

He is now being held accountable for his actions in a trial that has been going on for several years; but, Mr. Speaker, we cannot have a double standard, and this is what we have today, Mr. Speaker.

□ 2215

Mr. WELDON of Pennsylvania. Mr. Speaker, when we invaded Serbia and we went in with our military and the NATO military, I did not support the President's actions, as did many of our colleagues in this body. Not because I felt support for Milosevic, but because I was convinced we had not allowed Russia to play the role that they could have and should have played in getting Milosevic to agree to the terms that the NATO and other nations wanted after the meetings at Rambouillet, and I said so publicly. It was not that those of us who opposed President Clinton supported Milosevic, but rather that we thought there was a better way that would have avoided the kind of atrocities that were committed by our own bombing in Belgrade and other cities in the former Yugoslavia. But the fact is that we did bomb that country, and we continued it for a matter of weeks.

In fact, Mr. Speaker, I was the one who assembled a delegation of 10 of our colleagues and myself, five Democrats, all supporters of President Clinton, and five Republicans to travel to Vienna after having discussed with Strobe Talbot, the number two person at the State Department, the offer of the Russians to me to help Russia play a role in resolving the crisis in Yugoslavia on the terms that the U.S. and NATO wanted. I also, Mr. Speaker, had access to a memo that had been prepared secretly by Strobe Talbot, which was briefed to both Sandy Berger and Vice President Gore. So I knew what the policy of the U.S. was with regard to Russia's involvement. And I also knew full well that we were not giving Russia the opportunity to play the kind of constructive role that it could have and should have.

Our meetings in Vienna with five Russian leaders and 11 American leaders resulted, over 2 days, in a framework that allowed the Russians and the Americans to come to an agreement and to agree concurrently that Milosevic had committed ethnic cleansing; that the armed Serbs should be withdrawn from Kosovo; that there should be a multinational force brought in. All of those conditions were what basically the Russians, when they were finally brought in several weeks later, were able to bring to the table to help us end that war.

Now, we were told, Mr. Speaker, that the ending of the war would end the ethnic cleansing. And, boy, were we wrong. The media blasted headlines all over the world with Milosevic's actions, and they still blast the actions of this war criminal and his ethnic cleansing. Where is the media today, Mr. Speaker? Where are the front-page stories in our major newspapers about the ethnic cleansing that took place aimed specifically at Serbs in the last week?

On the March 17, Mr. Speaker, a massive campaign of ethnic violence was carried out against Kosovo Serbs and other non-Albanians that continued for several days. These efforts were carefully planned, orchestrated, and coordinated by the leadership structures of the Kosovo Albanians, and they are unacceptable. Mr. Speaker, the estimates are that tens of thousands of Kosovo Albanians participated in the pogrom which resulted in the destruction of 90 percent of Kosovo's remaining predominantly Serb areas.

Mr. Speaker, 800-year-old churches and monasteries were destroyed. In total, 35 Christian holy sites were decimated. And even though they attempted to avoid personal atrocities against individuals, 31 Serbs were killed. Where is the outrage, Mr. Speaker? Where is the outrage that we saw from President Clinton in 1999 and Madeleine Albright? I have not seen former President Clinton or Madeleine Albright giving speeches today about the ethnic cleansing that was conducted against innocent Serbs, that were supposedly going to have their freedom and their own safety protected by the U.N. forces, including Americans working in Kosovo. In fact, Mr. Speaker, this entire incident needs the full attention of this Congress, this government and the United Nations, as well as NATO.

There have been suggestions, Mr. Speaker, that there are ties between what occurred beginning on March 17 with al Qaeda, Hamas, the Albanian National Army, and Abu Bakr Sadik, among others. These ties need to be investigated fully. The campaign of ethnic cleansing that just took place against Serbs was conducted in such a way as to result in a little loss of life, although 31 people is significant, but with maximum material and psychological damage.

Why would that take place, Mr. Speaker? Because at a time when America and the world's attention is focused on Iraq and Afghanistan and other parts of the world, there are those with the ties to the groups I just mentioned who saw an opportunity to ethnically cleanse Kosovo, so that at some point in time down the road the position could be made that this nation no longer really has a significant Serbian population.

Mr. Speaker, where is the outrage from America? Where is the story from the American media about what happened in Serbia or in Kosovo last week? Are not the deaths of 31 innocent civilians, is not the burning of major religious institutions a story that deserves national focus in this country? We went to war, Mr. Speaker, in 1999. We went to war, and in fact we used NATO for the first and only time ever in an offensive military mode to remove Milosevic because of ethnic cleansing. Where is our outrage today with the ethnic cleansing that occurred last week against innocent Serbs? The attacks continued unabated for several days. In fact, in some cases they got worse as the attackers went in to all the Serbian enclaves.

Where was the protection that these people were guaranteed when the war ended and President Clinton told us that we had been able to rid the world of a dictator who had committed ethnic cleansing? Where was the protection for the destruction not just of the churches but of the electrical grid system and the damage to the mobile phone relay stations? Where was the protection for the Serbs, the Kosovo Serbs who attempted to seek shelter in churches and monasteries, but were prevented from being able to do so because those very churches and monasteries were the explicit objects of attack?

The estimates are, Mr. Speaker, that as many as 50,000 Kosovo Albanians were involved in this action. Is the world going to sit by and allow this kind of atrocity to occur? Is America going to pass some modest resolution that calls ethnic cleansing wrong? We did not do that in 1999, Mr. Speaker, when we had evidence there was ethnic cleansing. All of us spoke out against it. When we went to Vienna and met with our Russian counterparts, 11 of us, we had in-depth discussions that resulted in the Russian delegates from the major political factions agreeing with us that ethnic cleansing had occurred.

Where is that same message today, Mr. Speaker? Why are our colleagues and why is the American media not demanding that the world do something about the ethnic cleansing that was perpetrated against innocent Serbs last week? And where are the investigations into the linkages of terrorist organizations that were allegedly involved in this activity?

Mr. Speaker, the reputation of America, the U.N. and NATO are all on the line right now. We talked a good game in 1999. We stood together. Even though we disagreed on the method of removing Milosevic and the ethnic cleansing, we stood together as a Nation, Democrats and Republicans, and we said ethnic cleansing was wrong. Does the silence in this body today mean that ethnic cleansing is okay because it is not being led by one person like Milosevic?

The Kosovo Albanians must be held accountable, Mr. Speaker. We must not let them off the hook. Ethnic cleansing is wrong, whether it is done by Serbs or whether it is done by Kosovo Albanians; and this Nation must stand up and shout out that message loud and clear. And if there was involvement by terrorist groups like Hamas and al Qaeda, then we need to know that.

Mr. Speaker, many people around the world have spoken out on this violence. I want to quote a few, just so that my colleagues will understand that those closest to the situation fully understand what happened. This is not Congressman CURT WELDON alone making this claim.

In fact, let me quote Admiral Gregory Johnson, CINSOUTH commander, United States Naval Forces, Europe. This was his quote: "This kind of activity actually almost amounts to ethnic cleansing, and it cannot go on. That's why we came here in the first place." That is from our own Admiral Johnson, referring again to the term "ethnic cleansing."

NATO Secretary-General Jaap de Hoo Scheffer: "What happened last week, orchestrated and organized by extremist factions in the Albanian community, is unacceptable."

Javier Solana, General Secretary of the EU Council and High Representative for the EU's Common Foreign and Security Policy: "It's sad to see schools destroyed and children evacuated, people killed, and homes burnt. This is something which can't be tolerated. I'm shocked at the brutality, the destruction of schools, preventing children from being educated, the destruction of churches in which people only want to pray. Serbs are brave and must stay here. They must try to rebuild their homes, and we will help them with that. I'm leaving with a lot less optimism than when I came. I regret that tomorrow I will tell the EU Council of Ministers what I saw and heard here and that a huge amount of time was wasted here."

Mr. Speaker, this was last week, not 1999, when we went to war. Where's the outrage in America today over the ethnic cleansing and the killing that just occurred in Kosovo?

Soloman Passy, OSCE Chairman-in-Office: "This isn't about a chance happening, about Albanian extremist elements stirred up the violence."

Derek Chappell, UNMIK spokesman: "There has been violence in Kosovo before, but this time it's coordinated action. The violence erupted in a number of places at the same time, which shows that it was planned in advance."

Vladimir Putin, President of the Russian Federation: "This is ethnic cleansing. Even our Western colleagues accept that this is nothing other than ethnic cleansing. It is essential that there be a responsibly strong reaction in order to protect the Kosovo Serbs."

Mr. Speaker, I led the delegation to Vienna to convince the leaders of the Russian factions that they should admit that Milosevic had been involved in ethnic cleansing. I will not stand by and allow now the Russians to see the hypocrisy in America when we will not call the same actions by the Kosovo Albanians ethnic cleansing. That is what it was. That is what it is, and it must be called; it must be called into play. There must be a full and complete investigation, and those individuals responsible and involved must be held accountable.

I understand there are those making the rounds on the Hill this week and last week to try to cover up what occurred, to try to explain it away. You cannot explain away, Mr. Speaker, 31 deaths. You cannot explain away all the churches that were burned. You cannot explain away what the ultimate agenda was: to remove any presence of ethnic Serbs in Kosovo.

□ 2230

Mr. Speaker, the world needs to be consistent. The U.N., NATO, the U.S. and all of our allies must stand with the people of both Kosovo and Serbia for a consistent stand against ethnic cleansing, whoever may be the perpetrator. In this case, we have not done that, and it is wrong. An orchestrated campaign of ethnic cleansing must not be rewarded politically, and I will use my voice and will speak to our colleagues this week in encouraging a full and complete investigation of what occurred last week.

I will also, Mr. Speaker, ask and demand that the commitments that we made in the former Yugoslavia be followed up. In my visits to Serbia, to Belgrade, we have not carried out the promises that we made as a Nation to the people once Milosevic was removed from office, and that is unacceptable.

Mr. Speaker, I would hope that the media and Members of this body would focus on the plight of the innocent Serbian people who last week were dealt a very severe blow. Those Kosovo Serbs who were simply attempting to live in their enclaves were attacked, their institutions were destroyed and ethnic cleansing was done by those very people who cried ethnic cleansing back in 1999. This cannot be allowed to stand.

Mr. Speaker, the second story that has not been fully covered by the American media except for perhaps one newspaper, the Washington Times, is what occurred in Libya less than 1 month ago. Mr. Speaker, the President of the United States deserves significant credit for a story that has largely gone unreported in the mainstream American media. I did not see headlines on our national newspapers about what happened in Libya. I did not see headlines about the 90-minute speech that Muammar Qaddafi gave to his people on March 2. And so tonight, Mr. Speaker, I also want to talk about the untold story of Libya.

Mr. Speaker, approximately 8 months ago, after having helped form the International Energy Advisory Council made up of private energy corporations around the world, I was told by the representative of Libya, Abdul Majid Al -Mansouri, who is today here in Washington, that Libya was about ready to complete a major turnaround. I was intrigued. I asked to learn more. He told me that Qaddafi's son, Saif Islam Al-Qaddafi, wanted to meet with me and that if I came to London in October for a meeting of the International Energy Advisory Council, I could listen to Saif Islam Al-Qaddafi tell me the story of the change that was about to occur in Libya.

I could not make that trip in October, Mr. Speaker, but I did meet with Saif Islam Al-Qaddafi in January. We met for 3 hours and this young, 31-year-old, London-educated Ph.D. candidate in economics told me that his father was in the midst of a massive turnaround of this nation. Libya, which we have not had contact with for 29 years and which has been a major source of terrorism around the world, was about ready to change in a very dramatic way.

I was intrigued when Saif Islam Al-Qaddafi told me the story in the meeting that we had, and I said I was interested in potentially taking a delegation of our colleagues to visit with Qaddafi himself. While meeting with Saif, he made a cellular phone call and came back and said, you're going to be invited into Tripoli within the next several days.

Two days later, Mr. Speaker, a letter arrived from the Libyan parliament, the People's Congress, of what they call the Jamahiriya, their form of government, they call it a democracy, and that letter invited me to bring a delegation into Tripoli to visit.

Working with the military and assembling a bipartisan delegation of our colleagues, as I always do, seven of us left Washington to visit Libya and then on to visit our troops in Iraq and Afghanistan and spending a night at our military medical hospital at the military Air Force base in Ramstein, Germany. In fact, we brought 12 of our injured military personnel back home to America.

We spent 2 days in Tripoli, Mr. Speaker, 14 meetings in two days. We visited all the top officials of the country: Prime Minister Ghanem, the foreign minister, the minister in charge of removing weapons of mass destruction from Libya. We met with the leadership of Al Fateh University, a university with 75,000 students. We met with the leadership of the Qaddafi Foundation, which is now settling the claims of the families of the victims of the Lockerbie downing, that terrible tragedy that occurred, killing over 100 American citizens; and we met with Qaddafi himself.

We also traveled through the marketplace unannounced to gauge what the response of the Libyans would be to our visit. We had been told by officials at the National Security Council here in America that we would not be welcomed, the American flag would not be welcomed. Nothing could have been further from the truth. The reception was warm, and the attitude of every Libyan citizen that we met was positive. When they found out we were Americans, they put their hands out to shake our hands, they hugged us, and they thanked us for coming.

Our meeting with Qaddafi was held in his tent, across the field filled with camels from his home that we had bombed in 1986. The home is still in the same shape that it was back then, with the furniture and the holes in the walls exactly as it was after the bombing, which, as we all know, killed his year-and-a-half-old daughter.

The meeting with Qaddafi in the tent was a difficult one for those of us on the delegation because no one had met with Qaddafi from America. No one had been in Libya from America for 29 years. We were the first.

When we met with Qaddafi, we told him that we were glad to be invited there. We were happy that his statements were such that he was renouncing terrorism and had pledged to give up his weapons of mass destruction and that we would judge him not by his words but by his actions.

We also told him, Mr. Speaker, that we would never forgive and never forget what Qaddafi and the Libyans had done in helping to support terrorism around the world, especially the bombing of Pan Am 103 and the bombing in a Berlin nightclub that killed two young American GIs. But we told him that if he did what he said he was going to do in removing weapons of mass destruction, then our government would move quickly to establish a new direction in our relationship.

Our trip was a successful trip, Mr. Speaker, so much so that as we left Libya that first trip back in early February I was invited to come back on March 2 and deliver a speech to the people of Libya at the 27th session of what they call the great Jamahiriya, the assemblage of the leadership of the governing bodies throughout the country. Again we assembled a bipartisan delegation, and this time I called Senator JOE BIDEN and asked him if he would join us to have both bodies and both parties involved. He agreed, Mr. Speaker, but could not be with us on our plane so was provided a separate plane by the White House and landed the day that we were leaving, although we waited to greet him at the airport terminal to give him a briefing on Qaddafi's speech.

On our trip to Libya the second time, Mr. Speaker, we spent a day in Tripoli. We went back to Al Fateh University. We met with the students. We were in classrooms. We met with the faculty, the deans. We met with the Libyan Foundation. They told us about their plans for a massive human rights campaign. They explained to us their efforts to move Libya back into the family of nations. They talked about their efforts to deal with health care issues like AIDS. They talked about the Red Crescent and their attempt to bring Libya into the fold of the International Red Cross. They talked about Libya's efforts to deal with the human rights concerns of all Libyan people.

We thanked them for their time and then moved on the next day to Sirte, the city where Qaddafi is from. In Sirte 2 days earlier, the leaders of the 53 African nations had assembled for meetings about the unity of Africa with Libya in a leadership role. When visiting Sirte, we were taken out to the site of one of the largest manmade construction projects in the world, the project that Libya has been undertaking for over 20 years, to build the largest manmade river on the face of the earth, some 7,000 kilometers. This manmade river, in concrete pipes that are 12 feet in diameter, is supplying water to areas of the desert to convert them into arable usage for agriculture and farming and for the people to live on.

While we were there meeting with officials from all over the world, from the African nations, Europe, the Far East, China, South America, Central America, the Middle East, we prepared for the evening event, the opening session of the great Jamahiriya. We were ushered into the auditorium that probably seated 1,000 people, Mr. Speaker, and in that auditorium were 600 members of the elected bodies of the government of Libya, representing small towns, large cities, trade groups, educators, and a diverse section of the Libyan population. Some were dressed in traditional attire. Others were dressed in western dress, all of them sitting waiting for the speakers to begin the opening session. Over 100 countries were there, Mr. Speaker, leaders of the foreign ministries, ambassadors, foreign ministers themselves and parliamentary heads.

They brought our delegation in, Mr. Speaker, and placed the American Members of Congress in the front row for all to see. The session began with speeches by the Speaker of the Libyan parliament. That was followed by a speech from a female leader of the Libyan parliament who talked about women's issues in Libya. And then we had a speaker from the European parliament, the Egyptian government, the French parliament and several other countries from around the world.

Within about 30 minutes, Mr. Speaker, I was introduced to speak on behalf of our delegation. I spoke for approximately 15 minutes, beginning and ending my comments with Arabic to show some sensitivity to these people who we had considered our enemy for 29 years.

When I finished my speech and sat down, another speaker spoke for 2 or 3 minutes, and then Colonel Qaddafi himself was introduced. Mr. Speaker, the fireside chat, because that is what it was, it was not really a speech, there were no notes, the fireside chat that Muammar Qaddafi gave on live TV throughout Libya that night carried by Al-Jazeera but by no western media source, not one TV station, not CNN, not Fox, not ABC, NBC, CBS, none of them, but carried live throughout the Arab world, especially in Libya, was a speech that I equated with, at the end, the tearing down of the Berlin Wall and the event that eventful day in Moscow back in 1992 when President Boris Yeltsin stood atop the tank outside the Moscow White House surrounded by 100,000 Russian people and he proclaimed that communism was dead, that the Soviet Union was no longer a nation.

This speech was of equal importance because, for 90 minutes, Muammar Qaddafi, the symbol of terrorism throughout the world, the individual who funded the IRA in Ireland, who funded the Sandinistas in Nicaragua, who funded the radical Palestinians and who openly admitted that to his people that night, this speaker told his people that he had been wrong for 25 years. He sat there and he said, we supported all of these terrorist groups. We supported them with our money and with our efforts. And what did it get us? It got us isolation. It got us constant rebuke by nations of the West, Europe, America, and other nations around the world. It brought us sanctions by the U.N. and by America. It isolated us and our economy.

He went on to say, we were a major supporter of Nelson Mandela in South Africa when he was imprisoned. But when Nelson Mandela came out of prison, he became a best friend of America.

□ 2245

He said, How can Nelson Mandela, the man we supported, be a best friend of America and we be America's enemy? He said, There is something wrong.

As we sat there listening along with our European and other friends from around the world, our mouths were open. We could not believe the words he was saying to his own people. He referred to our delegation in the room at least five times; and he said, We are happy to have the Americans here for the first time in 3 decades. But he said, My speech and my decision is not because of the Americans alone. It is because we have decided that what is best for Libya and its people is to destroy and get rid of all of our weapons of mass destruction.

And so to his people, after admitting that he had been wrong for 25 years in supporting terrorism, Moammar Kadafi said, We no longer want any weapons of mass destruction; and we are giving it all up to the British, to the Americans, to the U.N.

And, in fact, they have done that, Mr. Speaker. We brought back boatloads of materials, nuclear material down at Oakridge which Secretary Abraham showed off to the people of America just a week ago. Nuclear fuel rods back to Russia, chemical agents and precursors, mustard gas that we are now destroying. The material to build weapons of mass destruction were in the hands of Moammar Kadafi; and here he was telling his people, No longer do we need or do we want these kinds of materials.

And then he went on to say, Mr. Speaker, in this amazing speech that America was never an enemy of Libya. He said, If America was our enemy, they would have taken us over. When we kicked them out of their military base in Tripoli, they would have stopped us and would have kept their position there, their troops there, and they would have attempted or would have successfully dominated our people and our country; but America did not do that.

And so for 90 minutes, Mr. Speaker, in a speech that largely went unheard outside of Libya and the Middle East, which is a terrible tragedy, Moammar Kadafi did a 180 degree turnaround. Amazing, Mr. Speaker.

But what was so disappointing is there were no headlines in the paper the next day. In fact, the only Washington reporter in the room that night was a reporter that I was able to get into the country, Ken Timmerman who writes for UPI and the Washington Times. Ken Timmerman on his own, because he could not fly with us on our plane, flew 36 hours and arrived in Libya at 4:00 a.m. in the morning. He went to all of our meetings. Nothing was closed. And I was able to get him a meeting personally with Colonel Kadafi. He asked all the tough questions, and he laid it all out in the Washington Times. But it was not in The Washington Post. It was not in New York Times. It was not in the Philadelphia Enquirer. It was not in the major newspapers of America, Mr. Speaker, this major change put forth by Moammar Kadafi. I would hope it was not because of bias, and I have really criticized the White House for not coming out and taking credit for this dramatic turnaround of our former enemy.

The liberals left over from previous administrations are already starting to write their op-eds; it was not because of President Bush's policy. Let me tell the Members, Mr. Speaker, none of those who wrote those op-eds sat where I did for 2½ hours across the seat from Moammar Kadafi. So all of their rhetoric is just that, rhetoric. I sat across from Moammar Kadafi in his den, and I met with him for 45 minutes alone with his interpreter; and I, Mr. Speaker, as much as anyone else on this planet know what was in Moammar Kadafi's mind when he made the decision. And for those pundits who are today suggesting that it had nothing to do with our activities in Iraq and Afghanistan, I would say, Mr. Speaker, they are full of you know what. They are simply attempting to politicize a result that was, to a large extent, caused by the foreign policy of our President.

Mr. Speaker, I would grant to those colleagues assembled in our body here that that was not the only reason; but Moammar Kadafi himself told me that he realized that it was not worth the risk of having America come in and do to him what we did to Saddam Hussein. There were other issues. The influence of his 31-year-old son, Saif Islam Al Kadafi, had a major impact on his father. The need for a modernization of the Libyan economy had a major impact. But for someone to say, as various people have done in op-eds running around the country, that the foreign policy of this President had nothing to do with Moammar Kadafi's decision, they are just lying. They are naive. In fact, they are stupid. And I can say that, Mr. Speaker, because I am the only American that has sat across from Moammar Kadafi in the last 2 months, for 2 hours and 45 minutes in one sitting and another hour in a second sitting. I understand what caused the decision.

Mr. Speaker, after the speech there was a huge round of applause from the assembled Libyan citizens in the auditorium and again the speech was carried live on Libyan TV; then they ushered our delegation back to the auditorium where they wanted us to greet Colonel Kadafi. Representatives from over 100 nations were following us all over the world. The Chinese had a delegation headed by the leader of their Parliament, the European Parliament, the French Parliament, all the African countries, the Middle Eastern countries, South America, Europe, Russia. They were all there. Even North Korea was there, Mr. Speaker.

They put us up at the front of the line, the Americans. I walked up and put my hand out to shake Colonel Kadafi's hand; and I said, Your speech was extremely impressive. I think it will go down in history as a major event that will impact the world.

He said, Congressman, I sat in the back in my office in the back of the auditorium and listened to your speech, and I enjoyed it very much.

And I said, Would you do me the honor of signing my speech?

So, Mr. Speaker, on that night of March 2, after 29 years, Colonel Kadafi, in front of our delegation and those with us from other nations, signed the speech. After he signed the speech, Mr. Speaker, he admired a pin that I had on my lapel. When we travel on CODELs, as all of our colleagues know, we wear the pin of our country and the pin of the flag of the country we are visiting. Our military escorts had given us pins with the American-Libyan flag interconnected. Kadafi admired the one on my lapel. I took it off, and I handed it to him. I said, Here, this is for you.

He put it in his hand and thanked me. And his top assistant standing next to him, who is a personal friend of mine, looked at me and said, Congressman, put the pin on his lapel.

So, Mr. Speaker, after 29 years of hatred between America and Libya, after bombings and killings that have killed innocent people, Moammar Kadafi wore the pin with the American flag and told us that he would follow through on each and every commitment that he had made to our State Department and to our President. In fact, it was amazing as all the delegations behind us, including the French, had to shake Kadafi's hand while the flag of America emblazoned his lapel.

Our delegation, Mr. Speaker, was bipartisan; and our delegation consisted of Democrats and Republicans from throughout the country who were there for this historical evening and this historical speech.

It is just a national tragedy, Mr. Speaker, an international tragedy, that the media throughout the world did not cover this event, did not have the photographs, did not have the text of what Moammar Kadafi told his people. But we will tell the story, Mr. Speaker, and we will go around and continue to support this administration in removing the weapons of mass destruction material that Kadafi has been giving us through his government.

This week, Mr. Speaker, Majid Al-Mansouri is in America. He is visiting with our leaders. He is interacting with Members of Congress, and he is here as a private citizen but a close adviser to both Prime Minister Ghanem and Saif Islam Al Kadafi to establish contacts with Americans. So I will be calling upon our colleagues in this body to spend some time with Majid Al-Mansouri as he describes in detail the efforts now under way.

Secretary Burns visited Libya last week and has begun the formal process of moving toward establishing an embassy in Tripoli and an embassy here in Washington.

Mr. Speaker, this is an unbelievable story. I wish the White House would take more credit. Typically, politicians are always taking credit for things they had nothing to do with, and here is our President not even talking about the historical nature of Kadafi's turnaround. That is why I am here tonight, Mr. Speaker. I am here because the American media has not told the story except for the Washington Times and Ken Timmerman. And I am here to tell all those cynics that the turnaround is real. We must encourage this turnaround, continue to support the Lybians as the Kadafi Foundation fights for human rights, fights for the kind of health care needs, fights for the continuation of movement toward free and fair elections that we take for granted sometimes in this country.

Two stories, Serbia and Libya, that need to be told in every newspaper in America.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BECERRA (at the request of Ms. PELOSI) for today on account of personal reasons.

Ms. KILPATRICK (at the request of Ms. PELOSI) for today on account of personal business.

Ms. JACKSON-LEE of Texas (at the request of Ms. PELOSI) for today and until noon March 30 on account of official business in the district.

Mr. HULSHOF (at the request of Mr. DELAY) for today and March 30 on account of a family emergency.

Mr. OSE (at the request of Mr. DELAY) for today on account of family reasons.

Mr. PORTMAN (at the request of Mr. DELAY) for today on account of the death of a family member.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BROWN of Ohio) to revise and extend their remarks and include extraneous material:)

Mrs. MCCARTHY of New York, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. MEEKS of New York, for 5 minutes, today.

Ms. DELAURO, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

(The following Members (at the request of Mr. GUTKNECHT) to revise and extend their remarks and include extraneous material:)

Mr. MCCOTTER, for 5 minutes, March 31.

Mr. BURTON of Indiana, for 5 minutes, today and March 30, 31, and April 1 and 2.

Mr. BURGESS, for 5 minutes, March 31.

Ms. PRYCE of Ohio, for 5 minutes, today.

Mr. SOUDER, for 5 minutes, today and March 30.

Mr. HENSARLING, for 5 minutes, March 31.

Mrs. BLACKBURN, for 5 minutes, today.

Mr. CARTER, for 5 minutes, today.

Mr. MARIO DIAZ-BALART of Florida, for 5 minutes, March 31.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3926. An act to amend the Public Health Service Act to promote organ donation, and for other purposes.

H.R. 1997. An act to amend title 18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes.

ADJOURNMENT

Mr. WELDON of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 56 minutes p.m.), under its previous order, the House adjourned until tomorrow, March 30, 2004, at 9 a.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7288. A letter from the Administrator, Food Safety and Inspection Service, Department of Agriculture, transmitting the Department's final "Major" rule—Meat Produced by Advanced Meat/ Bone Seperation Machinery and Meat Recovery (AMR) Systems [Docket No. 03–0381F] (RIN: 0583–AC51) received March 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7289. A letter from the Administrator, Food Safety and Inspection Service, Department of Agriculture, transmitting the Department's final rule—Prohibition of the Use of Certain Stunning Devices Used to Immobilize Cattle During Slaughter [Docket No. 01–033IF] received March 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7290. A letter from the Administrator, Food Safety and Inspection Service, Department of Agriculture, transmitting the Department's final rule—Prohibition of the Use of Specified Risk Materials for Human Food and Requirements for the Disposition of Non-Ambulatory Disabled Cattle [Docket No. 03–025IF] received March 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7291. A letter from the Administrator, Food Safety and Inspection Service, Department of Agriculture, transmitting the Department's final rule—Transfer of Voluntary Inspection of Egg Products Regulations [Docket No. 01–031F] (RIN: 0583–AC94) received March 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7292. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Ammonium Bicarbonate; Exemption from the Requirement of a Tolerance [OPP–2004–0001; FRL–7341–3] received March 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7293. A letter from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting notification of the 2004 compensation program adjustments, including the Agency's current salary range structure and the performance-based merit pay matrix; to the Committee on Agriculture.

7294. A letter from the Principal Deputy, Department of Defense, transmitting notification of the Department's intention to convert the combined commissary and exchange store at Orlando, FL, effective 90 days after the date of this letter; to the Committee on Armed Services.

7295. A letter from the Acting Under Secretary, Department of Defense, transmitting the annual report on operations of the National Defense Stockpile (NDS) in accordance with section 11(a) of the Strategic and Critical Materials Stock Piling Act as amended (50 U.S.C. section 98h–2) detailing NDS operations during FY 2003; to the Committee on Armed Services.

7296. A letter from the Assistant Secretary, Department of Defense, transmitting the Department's STARBASE Program 2003 Annual Report, pursuant to 10 U.S.C. 2193b(g); to the Committee on Armed Services.

7297. A letter from the Secretary, Federal Trade Commission, transmitting the Twenty-Sixth Annual Report to Congress consistent with Section 815 of the Fair Debt Collection Practices Act, pursuant to 15 U.S.C. 1692m; to the Committee on Financial Services.

7298. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Human Reliability Program [Docket No. S)–RM–00–HRP] (RIN: 1992–AA29) received March 1, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7299. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Financial Assistance Rules (RIN: 1991–AB66) received March 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7300. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Illinois; Definition of Volatile Organic Material and Volatile Organic Compound [IL218–01a, FRL–7635–5] received March 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7301. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Texas; Control of Emission of Oxides of Nitrogen (NO_X) From Cement Kilns [TX–164–1–7622; FRL–7638–5] received 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7302. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plnas; Illinois [IL219–1a; FRL–7632–7] received March 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7303. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plans; Ohio; Approval of Revision to Oxides of Nitrogen Regulations [OH160–1a; FRL–7632–4] received March 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7304. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Maryland; Nitrogen Oxides Allowance Allocations for 2006–2007, and Revisions to Set-Aside Requirements [MD145/154–3104; FRL–7634–6] received March 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7305. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants; Delegation of Authority to Louisiana [LA–69–2–7617a; FRL–7638–7] received March 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7306. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Research, Development, and Demonstration Permits for Municipal Solid Waste Landfills [F–2001–RDMP–0044; FRL–7637–9] (RIN: 2050–AE92) received March 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7307. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Revisions to the California State Implementation Plan, Yolo-Solano Air Quality Management District [CA 287–0416a; FRL–7636–7] received March 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7308. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting consistent with the Constitution and laws of the United States, including the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 Act (Pub. L. 108–106), the President's determination that the Government of Pakistan is cooperating with the United States in the Global War on Terrorism; to the Committee on International Relations.

7309. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15–409, "Vector-Borne Infectious Diseases Control Act of 2004," pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

7310. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15–408, "Millicent Allewelt Amendment Act of 2004," pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

7311. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15–397, "Enforced Leave Amendment Act of 2004," pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

7312. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15–396, "Low-Income, Long-Term Homeowner's Protection Clarification Temporary Act of 2004," pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

7313. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15–395, "Depreciation Allowance for Small Business De-Coupling from the Internal Revenue Code Temporary Act of 2004," pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

7314. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15–394, "Owner-Occupant Residential Tax Credit and Homestead Deduction Temporary Act of 2004," pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

7315. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15–393, "Operation Enduring Freedom and Operation Iraqi Freedom Active Duty Pay Differential Extension Temporary Amendment Act of 2004," pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

7316. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15–392, "Georgetown Project Second Temporary Amendment Act of 2004," pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

7317. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15–391, "Interim Disability Assistance Amendment Act of 2004," pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

7318. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15–390, "Choice in Drug Treatment Advisory Commission Amendment Act of 2004," pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

7319. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 15-410, "AccessRx Act of 2004," pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

7320. A letter from the Coordinator, Forms Committee, Federal Election Commission, transmitting revised instructions for FEC Form 1M, along with their Explanation and Justification; to the Committee on House Administration.

7321. A letter from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting a proposed plan under the Indian Tribal Judgment Funds Act, 25 U.S.C. 1401 et seq., as amended, for the use and distribution of the Assiniboine and Sioux Tribes of the Fort Peck Reservation (Tribe) judgment fund in Docket 773-87-L; to the Committee on Resources.

7322. A letter from the President and Chief Executive Officer, National Railroad Passenger Corporation, transmitting Amtrak's Grant and Legislative Request for FY04 and other materials, pursuant to 49 U.S.C. 24315(a); to the Committee on Transportation and Infrastructure.

7323. A letter from the Commissioner, Social Security Administration, transmitting a draft bill entitled, "To temporarily extend the period of time-limited eligibility of qualified aliens for supplemental security income benefits"; to the Committee on Ways and Means.

7324. A letter from the United States Trade Representative, transmitting the report of the Advisory Committee on Trade Policy and Negotiations, and the other policy, sectoral, and functional advisory committees duly constituted under said Acts, on the proposed free trade agreement between the United States and Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, pursuant to 19 U.S.C. 2155(e)(1); to the Committee on Ways and Means.

7325. A letter from the United States Trade Representative, transmitting the reports of the Advisory Committee for Trade Policy and Negotiations, and the policy, sectoral, and functional trade advisory committees chartered under those Acts, on the U.S.-Australia Free Trade Agreement, pursuant to 19 U.S.C. 2155(e)(1); to the Committee on Ways and Means.

7326. A letter from the Principal Deputy Under Secretary, Department of Defense, transmitting a report, prepared on behalf of the President, on progress in Kosovo toward achieving militarily significant benchmarks during the period July 1 to December 31, 2003, pursuant to Public Law 106-398, section 1212(c); jointly to the Committees on Armed Services, International Relations, and Appropriations.

7327. A letter from the Secretary, Department of Transportation, transmitting a proposed bill entitled, "To authorize appropriations for the motor vehicle safety and information and cost savings programs of the National Highway Traffic Safety Administration for fiscal years 2005-2007, and for other purposes"; jointly to the Committees on Energy and Commerce, Transportation and Infrastructure, and Science.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. MYRICK: Committee on Rules. House Resolution 580. Resolution providing for the consideration of the bill (H.R. 3966) to amend title 10, United States Code, and the Homeland Security Act of 2002 to improve the ability of the Department of Defense to establish and maintain Senior Reserve Officer Training Corps units at institutions of higher education, to improve the ability of students to participate in Senior ROTC programs, and to ensure that institutions of higher education provide military recruiters entry to campuses and access to students that is at least equal in quality and scope to that provided to any other employer (Rept. 108-451). Referred to the House Calendar.

DISCHARGE OF COMMITTEES

Pursuant to clause 2 of rule XII the Committees on Education and the Workforce, Energy and Commerce, the Judiciary, Resources and Science discharged from further consideration. H.R. 3550 committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

REPORTED BILL SEQUENTIALLY REFERRED

Under clause 2 of rule XII, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. H.R. 3550. A bill to authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes, with an amendment; referred to the Committees on Education and the Workforce, Energy and Commerce, Judiciary, Resources, and Science for a period ending not later than March 29, 2004, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of those committees pursuant to clause 1, rule X. (Rept. 108-452, Pt. 1) Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. VITTER:

H.R. 4050. A bill to establish a demonstration project to begin correcting structural bridge deficiencies; to the Committee on Transportation and Infrastructure.

By Mr. FILNER:

H.R. 4051. A bill to amend title 38, United States Code, to permit eligible veterans to receive direct access to chiropractic care; to the Committee on Veterans' Affairs.

By Mr. DELAHUNT (for himself, Mr. Young of Alaska, Mr. Gilchrest, Mr. Simmons, Mr. Allen, Mr. Van Hollen, Mr. Serrano, Ms. Bordallo, Mr. Jones of North Carolina, Mr. Ortiz, and Mr. Cannon):

H.R. 4052. A bill to increase the number of aliens who may receive certain nonimmigrant status during fiscal year 2004 and to require submissions of information by the Secretary of Homeland Security; to the Committee on the Judiciary.

By Mr. LANTOS (for himself and Mr. Dreier):

H.R. 4053. A bill to improve the workings of international organizations and multilateral institutions, and for other purposes; to the Committee on International Relations.

By Mr. WEINER:

H.R. 4054. A bill to require the establishment of regional consumer price indices to compute cost-of-living increases under the programs for Social Security and Medicare and other medical benefits under titles II and XVIII of the Social Security Act; to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DAVIS of Tennessee (for himself and Mr. Duncan):

H. Con. Res. 400. Concurrent resolution expressing the sense of the Congress that the United States flag flown over the United States Capitol should be lowered to half-mast one day each month in honor of the brave men and women from the United States who have lost their lives in military conflicts; to the Committee on House Administration.

By Mr. TOM DAVIS of Virginia (for himself, Mr. Wolf, Mr. Hoyer, Mr. Moran of Virginia, Mrs. Jo Ann Davis of Virginia, Mr. Waxman, Mr. Davis of Illinois, Mr. LaTourette, Mrs. Capito, Mr. McHugh, Mrs. Maloney, Mr. Platts, Ms. Norton, Mr. Van Hollen, Mr. Young of Alaska, Mr. Turner of Ohio, Mr. Cole, Mr. Lewis of Kentucky, Mr. Miller of Florida, Mr. Quinn, Mr. Gilchrest, and Mr. Ruppersberger):

H. Res. 581. A resolution expressing the sense of the House of Representatives regarding rates of compensation for civilian employees and members of the uniformed services of the United States; to the Committee on Government Reform, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGEL (for himself, Mrs. Maloney, Mr. Fossella, Mr. Towns, Mr. Israel, Mr. Sweeney, Mr. McNulty, Mr. Bishop of New York, Mr. Serrano, Mrs. Lowey, Mr. Berman, Mr. Ackerman, Mr. Frost, Mr. McHugh, Mr. Hinchey, Mr. Wexler, Mr. Boehlert, Mr. Crowley, Mr. Nadler, and Mr. Weiner):

H. Res. 582. A resolution congratulating The Jewish Museum on its 100th anniversary; to the Committee on Government Reform.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

263. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to a Resolution memorializing the United States Congress to enact legislation creating national energy policies resulting in the development of new sources of natural gas supplies for use by citizens and businesses; to the Committee on Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. KUCINICH introduced a bill (H.R. 4055) for the relief of Amina Silmi; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 218: Ms. Jackson-Lee of Texas.

H.R. 467: Mr. Grijalva and Mr. Waxman.

H.R. 476: Mr. Bereuter.

H.R. 548: Mr. King of Iowa, Ms. Pelosi, Ms. Jackson-Lee of Texas, Mr. Chandler, and Mr. Schiff.

H.R. 814: Mr. Cardoza.

H.R. 876: Ms. Majette.

H.R. 933: Mr. Udall of Colorado.

H.R. 992: Mr. Vitter.

H.R. 993: Mr. Vitter.

H.R. 994: Ms. Vitter.

H.R. 1098: Mrs. Musgrave.

H.R. 1101: Mr. Frost and Mr. Oberstar.

H.R. 1160: Mr. Farr.

H.R. 1306: Ms. Norton.

H.R. 1508: Mr. Hill and Mr. Wexler.

H.R. 1613: Mr. McDermott, Mr. Strickland, Mr. Tierney, Mr. Baca, Mr. Filner, Mr. LaTourette, Mr. Cardoza, Mr. Gutierrez, Ms. Kaptur, and Mr. Rodriguez.

H.R. 1653: Mr. Walden of Oregon.

H.R. 1678: Mr. Gallegly.

H.R. 1767: Mr. Nunes.

H.R. 1769: Mr. Pallone and Mr. Doyle.

H.R. 2402: Mr. Brady of Pennsylvania and Mr. Boucher.

H.R. 2440: Ms. Linda T. Sánchez of California.

H.R. 2442: Mr. Peterson of Minnesota, Mr. Smith of Washington, Mr. Pallone, Mr. Lampson, Mr. Wynn, Mr. Simmons, Mr. Rodriguez, Ms. Ros-Lehtinen, Mr. McIntyre, Mr. Abercrombie, Mr. Honda, Mr. Sandlin, Ms. McCollum, and Mr. LaHood.

H.R. 2485: Mr. Wu.

H.R. 2511: Mr. Wolf and Mr. Weiner.

H.R. 2536: Mr. Hastings of Florida, Mr. Hinchey, Mr. Hoyer, Mr. McGovern, Mr. Gutierrez, and Mr. Evans.

H.R. 2681: Mr. Farr and Mr. Weiner.

H.R. 2905: Mrs. Musgrave and Ms. Baldwin.

H.R. 2952: Mr. Inslee.

H.R. 2987: Mr. Payne.

H.R. 3104: Ms. Granger.

H.R. 3266: Mr. Ruppersberger.

H.R. 3416: Mr. Sanders.

H.R. 3507: Mr. Holt.

H.R. 3598: Mrs. Johnson of Connecticut, Mr. Platts, Mr. McGovern, Mr. McNulty, Mr. Houghton, Mr. Walden of Oregon, Mr. Gingrey, Mr. Gilchrest, and Mr. Hinojosa.

H.R. 3763: Mr. Cole, Ms. Velázquez, Mr. Smith of Texas, Mr. Tancredo, Mr. Greenwood, Mr. Cummings, Mr. Nethercutt, and Mr. Chandler.

H.R. 3778: Mr. Toomey.

H.R. 3784: Mr. Paul, Mr. Culberson, and Mr. Calvert.

H.R. 3800: Mr. Davis of Tennessee.

H.R. 3824: Mr. Hayworth.

H.R. 3881: Ms. Loretta Sanchez of California, Mr. Doyle, Mr. Hoyer, Ms. Kilpatrick, Mr. Boucher, Mr. Wu, Mr. Nadler, Mr. Wexler, Ms. Hooley of Oregon, Mr. Kennedy of Rhode Island, Mr. Emanuel, and Mr. Moran of Virginia.

H.R. 3888: Mr. Frank of Massachusetts.

H.R. 3889: Mr. Regula, Mr. Peterson of Minnesota, Mr. Smith of New Jersey, and Mrs. Myrick.

H.R. 3916: Mr. Gillmor.

H.R. 3961: Mr. Terry.

H.R. 3963: Mr. Kucinich.

H.R. 3978: Mr. Calvert.

H.R. 4026: Mr. Walden of Oregon and Mr. Hall.

H. Con. Res. 99: Mr. Smith of Washington.

H. Con. Res. 111: Mr. Walden of Oregon, Mr. Thompson of Mississippi, and Ms. Hooley of Oregon.

H. Con. Res. 276: Mr. Evans and Mr. Jackson of Illinois.

H: Con. Res. 310: Mr. Gingrey.

H. Con. Res. 352: Mr. Brown of Ohio, Ms. Berkley, and Mr. Ackerman.

H. Con. Res. 366: Ms. DeLauro, Mr. Blumenauer, Ms. Berkley, Mr. Rothman, Mr. Rush, Mr. Berry, and Mr. Edwards.

H. Con. Res. 367: Mr. Isakson.

H. Con. Res. 369: Mr. Lewis of Georgia.

H. Con. Res. 371: Mr. Boehner, Mr. Cardin, Mr. Graves, Mr. Burton of Indiana, and Mr. Shaw.

H. Con. Res. 386: Mr. Wicker.

H. Con. Res. 391: Mr. Spratt.

H. Con. Res. 392: Mr. George Miller of California, Ms. Eshoo, Mr. Abercrombie, Mr. Kucinich, Mr. Clay, and Mr. DeFazio.

H. Res. 313: Mr. Bereuter.

H. Res. 558: Mr. Gallegly, Mr. Hefley, and Ms. Harris.

H. Res. 565: Mr. Calvert and Ms. Harris.

H. Res. 570: Mr. Serrano.

H. Res. 575: Mr. Bereuter and Mr. Case.

H. Res. 576: Mr. Sandlin, Mr. Ney, Ms. Harris, Mr. Payne, Mr. Berman, Mr. Faleomavaega, Mr. Burton of Indiana, Mr. Leach, Mr. Wexler, Ms. Lee, and Mr. Sherman.

EXTENSIONS OF REMARKS

HONORING JAMES "JIM" VANDERFORD

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. PORTER. Mr. Speaker, I rise today to honor Mr. James "Jim" Vanderford for his many years of service to Lake Mead National Recreation Area (NRA). Mr. Vanderford is both an amazing ambassador for the National Park Service and Lake Mead NRA and a dedicated public servant. I have worked with Jim throughout my career and am also proud to call him one of my good friends.

After serving our Nation in the U.S. Marines from 1960–1963, Mr. Vanderford began his civilian Federal career with the Bureau of Land Management in 1971. In May of 1974, he accepted a position at Lake Mead NRA and began his long career of service at one of Nevada's most important natural resources. He has served as the Chief of Maintenance and Engineering since August of 1994.

During his 30 years of service at Lake Mead NRA, Mr. Vanderford designed and supervised the construction and upgrade of many of the park's facilities, including picnic areas, launch ramps, courtesy docks, restrooms, and water and wastewater treatment facilities. He also supervised millions of dollars in Federal Highway Administration road construction projects.

The work Jim Vanderford did during his time at Lake Mead NRA has impacted each one of the more than 9 million people that visit Lake Mead each year. His work ethic and institutional knowledge will be greatly missed.

I wish Jim the very best in his retirement and look forward to seeing him and his wife Jeri Lynn as they continue to reside in Boulder City, Nevada. I am proud of all that Jim has done for Southern Nevada and commend him for all his years of service.

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CONGRATULATING 2004 CENTRAL VALLEY COMMON THREADS AWARD WINNERS

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. RADANOVICH. Mr. Speaker, I rise today to congratulate Lillian Draxler, Debbie Jacobsen, Margaret Jensen, Mary Wickstrom and Bernice Woolf, the recipients of the 2004 Central Valley Common Threads Award. This award is presented to women in agriculture who have made a remarkable contribution to their community through volunteer work and philanthropy.

Lillian Draxler has been dedicated to the dairy industry her entire life. She helped establish the JCJ Dairy 30 years ago. For 38 years, Lillian has been engaged in the 4-H program both in Fresno and Kings counties serving in every capacity and coordinating every major event on the 4-H calendar. She provides leadership and funding to the Make-A-Wish Foundation, helps the Kings County Dairywomen amass scholarship funds for needy agriculture students, and is involved with the Dairy Herd Improvement Association. Lillian also assists the Farm Bureau and its Education and Agriculture Together programs.

Debbie Jacobsen has been active in the grape and teaching industry for more than 20 years. She is one of several principles in the family-owned J&L Vineyards and is teaching at Washington Union High School. Debbie currently serves as president of the Fresno County Farm Bureau and is the first woman to hold the position. She is a leader in the Farm Bureau's Ag in the Classroom program, speaking in classrooms and inviting school tours to her farm. She serves as co-chairman of the Fresno Fair Ag Education Fabulous Food Machine. Debbie is also on the Board of Directors for the California Foundation for Agriculture in the Classroom and received the group's prestigious Volunteer Educator Award in 1995.

Margaret Jensen has been involved in agriculture throughout her life. She helped plant and develop the pistachio industry in Madera County and was involved in the first commercial citrus planting in Madera County in 1958. Margaret is involved with Fresno State's Ag One Foundation and has been a member of the Fresno County Farm Bureau since 1935. She has contributed to numerous projects that have helped to benefit Fresno and the entire San Joaquin Valley. Some of these include the Break the Barriers building fund and helping to fully fund the chapel at Children's Hospital of Central California, a place that provides comfort and quiet for all faiths. –Mary Wickstrom has been a tireless advocate for agricultural advancement during her life. She established her own dairy in Chicago and, along with 11 other dairy families, formed the Hilmar Cheese Company. For several years, Mary shared the buying duties for items to be sold there. She is devoted to the preservation of productive farmland through good land use planning, and she puts those values to work. Mary participates as a member of the Merced County Planning Commission and as a charter member of the Merced County California Women for Agriculture. Mary has also been involved in the Hilmar FFA Booster Club and served as a leader in the 4-H program.

Bernice Woolf has been involved in numerous agricultural activities during the course of her life. She served three terms as a board member of the California Agricultural Education Advisory Board and currently serves on the board of the family businesses, Woolf Farming and Woolf Enterprises. These entities have her involved in the production, processing, and marketing of numerous agricultural products. Bernice is also a member of the Central Valley Chapter California Women for Agriculture, American Agri-Women, and served as director of Children's Hospital of Central California, the Fresno Arts Museum, and the Fresno City/County Historical Society. She also contributed to West Hills Community College Farm of the Future.

Mr. Speaker, I want to recognize the 2004 Central Valley Common Threads Award winners. These women have shown outstanding involvement, not only in agriculture but also in strengthening their respective communities. I urge my colleagues to join me in wishing these honorees a bright future and continued success.

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IN MEMORY OF SGT. 1ST CLASS RICHARD STEVEN GOTTFRIED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. SKELTON. Mr. Speaker, it is with sadness that I inform the House of the death of Sgt. 1st Class Richard Steven Gottfried of Lake Ozark, Missouri. Sgt. Gottfried was killed when the Humvee he was riding in was hit by a bomb near Tikrit, Iraq.

In Sgt. Gottfried's family, miliary service was a tradition. His grandfather was a prisoner of war during World War II, his father was wounded in Vietnam, and his brother retired from the service. He was proud to serve his country, and he did so with courage and distinction.

Sgt. Gottfried was posthumously awarded the Bronze Star and the Purple Heart. But these medals were by no means the extent of the honor bestowed upon him. The more than 400 people who attended his funeral, the tears of pain and the sounds of laughter as friends and family remembered the good times they shared with Steven all commemorated a life of kindness and service to others.

Mr. Speaker, when Sgt. Gottfried was killed he was nearing 20 years of service to his country in the U.S. Army and was preparing to retire. I know the Members of the House will join me in extending heartfelt condolences to his wife, Mary Jo; his son, Eric; and his daughter, Ashley.

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CONGRATULATIONS TO STEWART E. SUTIN, PH.D.

HON. MELISSA A. HART

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Ms. HART. Mr. Speaker, I would like to take this opportunity to congratulate Stewart E.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Sutin, Ph.D., upon his appointment as president of the Community College of Allegheny County (CCAC). I am confident that Dr. Sutin will be an excellent addition to CCAC, as well as to the community of southwestern Pennsylvania.

Dr. Sutin was previously employed by Mellon Financial Corp. as the senior vice president and head of the international department. He is a member of the Research Advisory Committee for Carnegie Mellon University and a member of the Bosch Institute for Applied Studies in International Management, one of Germany's largest international corporations. Dr. Sutin also serves on the advisory boards for the Center for International Studies, the Center for International Business Studies, and the Center for Latin American Studies, all at Duquesne University. Currently, he is a part-time lecturer at the Katz School of Business at the University of Pittsburgh.

Dr. Sutin brings extraordinary management experience, including a history of working with CEOs and motivating large and diverse staffs. He has energized business, as well as developed strong ties to all levels of the Pittsburgh business community, including significant relationships with area business and community leaders. One of Dr. Sutin's main focuses will be to ensure that CCAC's educational programs and workforce development initiatives meet local, national, and international economic trends. This will help to ensure that the nearly 81,000 credit and noncredit students that annually attend CCAC will remain among the region's most prepared to meet the challenges of the business world.

I ask my colleagues to join with me in commemorating Stewart E. Sutin, Ph.D., for his recent appointment as the new president of Community College of Allegheny County. His success serves as an inspiration to all of western Pennsylvania, as well as CCAC.

HONORING CORPORAL ROBERT TOMCZAK FOR HIS ACTIONS DURING OPERATION IRAQI FREEDOM

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. PORTER. Mr. Speaker, I rise today to honor the bravery and courage of Marine Reserve Corporal Robert Tomczak for serving our Nation during Operation Iraqi Freedom. For his actions in the face of heavy fire from the enemy, Corporal Tomczak was recently awarded the Bronze Star. I offer my thanks and the thanks of all Nevadans for Corporal Tomczak's dedication to his fellow Marines and for his willingness to serve our country in battle.

Corporal Tomczak served as the machine gun team leader for the Las Vegas-based Fox Company, 2nd Battalion, 23rd Marines. In the face of heavy enemy fire, Tomczak fought bravely and honorably to disrupt a flank assault and to silence incoming rocket-propelled grenade fire. While firing from behind sandbags, an armed gunman in a vehicle rammed his position, and falling sandbags from the vehicle's impact caused Corporal Tomczak to temporarily lose hold of his weapon. While still under enemy fire, he crossed into the open to retrieve his weapon and redeploy against the enemy.

Southern Nevada is proud to have men like Corporal Tomczak serving in our Nation's armed services. It is my distinct honor to commend Corporal Tomczak for all that he has done in his service to our country and for the State of Nevada.

TRIBUTE TO THE LIFE OF ROBERT N. BROWN

HON. MIKE PENCE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. PENCE. Mr. Speaker, Robert N. Brown's story began in Columbus 83 years ago on May 7, 1920, when he became the second baby born at the Bartholomew County Hospital. He was born the son of Raymond S. and Anna Newell Brown. He married Alice Elizabeth "Betty" Frantz on Aug. 9, 1947, in Columbus. He married Eloise Albert Sears on May 7, 1994, in Columbus. He was preceded in death by his parents; his first wife on August 19, 1991; and a sister, Elizabeth Marshall.

And Bob Brown was a family man who loved his family. He is survived by his second wife, of Columbus; a son, Jeffrey N. Brown of Columbus; daughters, Peggy A. Brown of Fountain Hills, Arizona, Rebecca E. Brown Thompson of Christchurch, New Zealand, and Susan A. Brown of Downers Grove, Illinois; stepchildren, Susan Sears of Briarcliff Manor, New York, and B.J. Sears of Los Angeles; a brother, Dr. Richard Brown of Phoenix; grandchildren, Zoran and Alex Gvojic, both of Downers Grove, Sarah DeClue of Chandler, Arizona, Erin Boggs of Scottsdale, Arizona, Cameron Thompson of Christchurch, and Christi and Ian Brown, both of Columbus; and two step grandchildren, Kelsey and Sayre Sundberg, both of Briarcliff Manor.

Please know that each of you have our deepest sympathies and prayers in your loss.

His daughter Susan told me this week. "Dad always had time for us, and until I grew up, I never knew how unusual that was."

His professional accomplishments are equally extraordinary.

Mr. Brown was the former publisher of The Republic newspaper and chairman of Home News Enterprises.

A Purdue University graduate, he was a U.S. Army veteran serving in World War II and during the Korean War.

He was named to the Indiana Newspaper Hall of Fame and received the Community Service Award from the Chamber of Commerce and the Mayor's Arts Award.

Professionally, he served as president of Hoosier State Press Association and the Inland Daily Press Association and was deeply involved in the American Newspaper Publishers Association and the American Press Institute.

He was an inventor, obtaining patents for a copy-cutting device and a composing room system for classified advertising.

Among his community affiliations were Bartholomew County Hospital Board trustee, Hospital Foundation, North Christian Church, United Way, Rotary Club, Heritage Fund, Columbus School Foundation, Foundation for Youth, Columbus Jaycees and the Boys Club Council. He and his wife, Betty, established the Robert and Betty Brown Awards for Vocal Excellence. An instrumental scholarship also was added.

And we will enjoy the product of that philanthropy throughout this service.

His story ended Friday, March 19, 2004, at Shell Point Pavilion in Fort Myers, Florida.

But that hardly tells the story. There is so much more to tell because Bob Brown was also a hero and an inventor and that story needs to be told as well.

Bob Brown was a soldier. After graduating from Purdue in May of 1941 Bob Brown went to work but would write in the family history, "Overshadowing everything we did was an ominous cloud of war."

Duty called. He enlisted in Army in 1942. Enrolled in the army school of advanced electronics at Chicago University and 2nd Lt Bob Brown, US Army Signal Corp reported to Fort Monmouth, New Jersey on 3 Dec 1942. An engineer by training, Lt Brown was schooled to operate a dramatic new top-secret technology known as Radar.

On 22 January 1944, Lt Bob Brown shipped out for the European theatre aboard the Queen Mary. He arrived in England and helped assemble Starting Point, the first early warning radar system in the history of modern warfare.

And he was there on 6 June 1944: D-Day. He wrote of that experience in the family history and I quote generously from his account of that time:

> One of the most dramatic days of my life was 6 June 1944. I awoke to a deafening roar and leaped out of my pup tent to find the sky filled with planes from horizon to horizon. There were bombers and fighters from the Allied countries of every size . . . All were either going or returning across the channel. 'My God! It's here'—the long awaited invasion had actually come. We knew we were part of it, but when and where?
>
> On 10 June 1944, four days later, the word came down. "Board an assigned landing craft with all vehicles at dawn 11 June and be prepared to land at Omaha Beach." The tension and excitement were unbearable. Our time had really come . . . As the beach neared, we all became quiet with apprehension. What would it be like to face enemy fire?
>
> When we arrived at the beach we were relieved to see the fighting had moved in land . . . For 100 miles around us, including the southern coast of England, the northern coast of France and the Channel between I could clearly see every ship in the water and many vehicles moving on the land.
>
> . . . For that brief period the magnitude of the operation overwhelmed me. We had actually landed in France! This invasion had to be the greatest feat in history.

Lt. Brown would serve courageously from D–Day to the Battle of the Bulge. After WWII, he returned to the service during the Korean War to train new heroes in the use of radar in combat operations at bases around the country.

Years later, as the illness that would take his life clouded his mind, according to Peggy, it was the memories of his service in World War II that, "Were the last memories to go." Almost until the end, he spoke with affection of the men and the times when his generation won freedom for the people of Europe and every generation that would follow.

His son Jeff told me that even 50 years later, "He felt his military service in World War II was the greatest contribution of his life."

And he was right. Lt. Brown was a hero.

Accordingly, and in recognition of his service to the people of France, I have been authorized to posthumously present the Medal of the Jubilee of Liberty, minted on the 50th anniversary of the D–Day invasion to Robert N. Brown on behalf of the Regional Council of Normandy and the grateful people of France for his heroism in Normandy France during Operation Overlord in June of 1944.

And Bob Brown was an inventor. Having studied electrical engineering at Purdue University and serving as a radar technical officer during World War II, Brown was fascinated by new technologies and gadgets.

And while he held two patents on labor-saving newspaper-production devices, it went deeper than that.

As his son Jeff told me this week. "He was an inventor. He wanted to invent something So he invented a newspaper."

Brown had succeeded his father Raymond Brown as publisher of the family-owned newspaper in Columbus, the Evening Republican (now called The Republic). Ambition and entrepreneurial spirit motivated Bob Brown in the early 1960s to start a newspaper from scratch, rather than buying an existing newspaper. It was, as Jeff would tell me this week, "His defining professional moment."

Foreseeing Johnson County's booming population growth in the decades ahead, Brown founded his newspaper, the Daily Journal, to cover the entire county.

Brown spearheaded construction of the Daily Journal's first ever glassed-in plant on US 31, the first newspaper in the nation to be built from the ground up with the then innovative offset-press technology.

The "Journal Hill" site north of Franklin took shape Sept. 14, 1962. The 11,000-square foot glass-enclosed building allowed passers-by on US 31 to see the new Goss Suburban offset press inside.

Offset printing was a technological leap forward. After a newspaper page was composited, it was photographed and the negative was rendered into a thin plate for the printing press. The innovation was less time-consuming and labor-intensive than the old "hot-type" printing method.

Publishers from all over the country came to Journal Hill to marvel at the new technology and this showman's glass wall display of the presses. Today virtually every major newspaper in America reflects both of these Brown innovations.

The first issue of the Daily Journal rolled off the press on July 22, 1963. Afternoon delivery was the norm at the time. From the start, his colleagues attest, Mr. Brown set the tone for the Daily Journal's news coverage: Fairness to all and special treatment for none.

Howard "Bud" Herron, former editor and later publisher of the Daily Journal and now publisher of The Republic in Columbus, noted Brown's push for employees to excel.

Herron recalled that Brown gave editors and publishers the freedom to make their own news judgments.

"He was a believer in the total integrity of the news operation," Herron said.

And Bob Brown was a gentle man. As Dorothy Hayes, one of the Daily Journal's original employees, recalled last week in a story that demonstrated the rare combination of kindness and high standards that characterized his life. "He was a perfectionist, and you tried so hard to do everything the way he wanted it done."

Hayes, now 70, remembered that Brown insisted on certain rules.

"He had this thing about Scotch tape. He didn't like it," she recalled.

Hayes, who had just turned 30, had whimsically Scotch-taped a clipping stating "Don't trust anyone over 30" to her cash register. The boss was not amused.

Brown wandered over and was talking to Hayes; and during the conversation, he nonchalantly scraped off the Scotch tape with his fingernail.

"He never said a word to me, but I got the message: 'Do not use Scotch tape,'" Hayes laughed. "He was very meticulous," she added compellingly. "He was the kindest man I've ever met, and the most fair."

And so he was. When I met Mr. Brown as a floppy haired junior highschooler, I was taken aback by his genuine interest in me and my future. He listened to my ideas and ambitions and always took time to gently challenge my plans and my thinking with a grandfatherly touch. I can still hear his voice during countless sessions in the Brown family living room, following one of my pronouncements about how I saw things, when he would gently say, "Mike, you might want to look at that a little differently."

Bob Brown was a gentle man, an inventor, a hero and a family man.

But make no mistake about it, Bob Brown was a leader too.

As Bud Herron said, "He didn't tiptoe through life. Everywhere he went he left broad, bold footprints."

And perhaps his peer and personal friend, Mr. J. Irwin Miller put it best when he said, "Today this community lost one of its great sons." The former Cummins Inc. Chairman went on to say, "The fact that The Republic is a thriving, fourth-generation family business is a testament to Bob's leadership, vision and hard work. He will be greatly missed by his family and by all of us who were honored to know him personally."

His devotion to his family, his service to America, his personal kindness; and his bold vision for his enterprise and our community are all the elements of a life of great quality.

It is written, "No greater love has a man than this that he should lay down his life for his friends."

Bob Brown put his life on the line for his nation, and laid down the balance of his life for his family, his community and the people of the enterprise to which he was born . . . namely . . . his friends.

And we, his friends, bid him this tender farewell with hearts overflowing with gratitude to God for the privilege of having known this man . . . Confident that just a few days ago, this good man—his mind and memory restored—his body young and strong again—as he did so many years ago, stepped onto the sands of another shore into the warm embrace of Raymond, Anna, Betty and Elizabeth and heard those deserved words, "Well done, thou good and faithful servant."

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

SPEECH OF

HON. RANDY NEUGEBAUER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

The House in Committee of the Whole House on the State of the Union had under consideration the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009:

Mr. NEUGEBAUER. Mr. Chairman, Congress does not have an income problem. What we have is a spending problem. We don't need to increase taxes, as the alternative budgets propose. What we need to do is hold down spending in order to start reducing this deficit.

My constituents are simply taxed-out. I can't go back to them and say that instead of allowing the tax relief approved in 2001 and 2003 to continue, we plan to let their taxes go back up so that Congress can spend more.

Which priorities come first? The priorities of families out there working hard and small businesses striving to expand and create jobs or the priorities of those who want more government spending? I believe the priorities of our families and small businesses come first, but others just don't seem to get it.

As a small business owner, I know how important tax relief is to the growth of small business, the economy and for job creation. We're on the right track with economic growth and job creation, and we need to continue down that path. Passing a budget alternative that increases taxes moves our country and the economy in the wrong direction. We need to continue to grow the American economy—not the American government.

The Republican budget gets our spending under control, cutting the deficit in half over four years without reducing our national defense, homeland security or veterans care. It acknowledges that out of the trillions of dollars in Federal spending, there is waste and abuse we can cut without diminishing effective and useful programs and benefits. Our budget sets sound priorities and gives us the means to follow through on them.

As we consider these budget alternatives today, the bottom line is that all of the Democratic alternatives raise taxes in order to grow spending. The Republican budget does not raise taxes and reduces spending. It's not hard to guess which alternative my constituents prefer.

ARIZONA'S VFW VOICE OF DEMOCRACY ESSAY

HON. RICK RENZI

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. RENZI. Mr. Speaker, it gives me great pleasure to announce that Arizona's winning essayist for VFW Voice of Democracy writing contest is Stephanie Hall, from Lakeside, Arizona in the First Congressional District.

In her essay, Stephanie recalls her grandfather's memories of his service to the Nation and the lessons of responsibility, patriotism and duty he taught her through his stories. Stephanie pledges to honor the memory of her grandfather and the legacy of those who served before him to safeguard the principles which they fought to defend.

I commend Stephanie for a thoughtful essay, and include it here in the RECORD for my colleague's attention.

MY COMMITMENT TO AMERICA'S FUTURE

As I helped my grandma pack my grandpa's belongings, I spotted an old, familiar shirt that Grandpa had loved to wear. I picked up the shirt, pressed my face into its folds, and breathed deeply. It smelled of mothballs, coffee beans, and Grandpa. Suddenly, all the emotions I had been fighting to contain all day welled up inside of me and threatened to seep out in the form of tears. I pressed the shirt tighter against my face. How I missed this wonderful man. I could hardly walk a step through my grandparent's house without being reminded of some memory. I remembered Grandpa cheering me on enthusiastically as I played baseball in the backyard. I remembered my excitement when Grandpa taught me how to build sand tunnels on the beach. But of all the memories, my fondest were those spent sitting next to Grandpa in his big chair, listening to his stories. For some reason, the stories that most captivated me were of my grandpa's escapades fighting in the Korean War. It astounded me that, not only had my grandpa wanted to fight, he even lied about his eye problem so that he could join the conflict. I asked him once why he didn't just stay home where it was safe. His answer was profound and has never left me. He stated simply, "Honey, I owe such a great debt to this country for the freedom and opportunities she has given me. My father was born in Norway and my mother was born in Ireland. They came here to provide a better life for me. I wanted to do my part to make sure that those same freedoms and opportunities I have been blessed with, were available for my children and grandchildren to enjoy."

My grandpa, as well as so many other dedicated men and women who fought for our country, completely embody to me the quote by Thomas Paine which states, "If there be trouble, let it be in my day, that my child may have peace." My generation would not have been able to enjoy so many of the opportunities, privileges, and peaceful times in our day had our forefathers not made a commitment to preserve them in theirs. Just as so many battles have been fought in the past to preserve America's future, today we are still fighting for the same reason. However, the battles we fight on a daily basis are of a different kind. Sometimes they've even so subtle that we don't eves recognize our foes.

The youth of today are under constant bombardment from many such disguised enemies. From the many harmful images portrayed by the media, to the dangerous substances readily available from our peers, it is evident that daily life for the average teenager has become a battleground. Yet the youth of today are destined to become the leaders of tomorrow. If we are to successfully carry on the bright torch of freedom, then we must prepare ourselves today. We need to be an active member of our community by becoming involved in community service, activities, or programs. We need to be aware of the world around us, so that we will be able to make educated decisions when we enter the voting pool. It is also very important to pursue a quality education, so that we will be able to find success and have A stronger voice in the decisions we make. We must ready ourselves to step forth and overcome the challenges that will inevitably face us. For after all, as Wycleaf Jean stated, "We must be the change that we wish to see in the world."

I am like my grandpa in that I too owe such a great debt to my country. My grandpa was given opportunities that his parents never had, and he used every opportunity to its utmost and then gave back by serving his country and improving the lives of his fellowmen. I have even more privileges, freedoms, and opportunities because of the path previously paved by my grandpa. I enjoy luxuries he never did. I have time and resources he never had. By following my grandpa's example and by using my opportunities to be the best I can be, I will be prepared to serve my country in various capacities, to have a greater influence for good on those around me, and to show my commitment to America's future. I will not let the sacrifices of our forefathers be in vain.

I will show my gratitude for the sacrifices made by my grandpa, along with so many other great men and women, by taking advantage of the many privileges given to me. These privileges came at a very dear price, paid for with pain, blood, and even human lives. By taking advantage of the many opportunities I have been given, just as my Grandpa, I too will be able to preserve the many freedoms and opportunities that I have been blessed with for my children and all future generations to enjoy.

DR. DOROTHY I. HEIGHT—A SALUTE ON HER 92ND BIRTHDAY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. RANGEL. Mr. Speaker, I rise today to salute one of the major leaders of the Civil Rights Movement of the 1960's, Dr. Dorothy I. Height, as she celebrates her 92nd birthday. As an African-American teacher and social activist, Dr. Height has secured her place in American society as a true liberator of black America.

Born on March 24, 1912, in Richmond, Virginia, she was educated in the public school system in Rankin, Pennsylvania. Dr. Height established herself at a very early age as a student with exceptional oratorical skills. Those skills earned her a scholarship to New York University where she received her bachelor's and master's in 4 years.

Dr. Height began her career working as a caseworker with the New York City Welfare Department. At the age of 25 she became a volunteer with the National Council of Negro Women while working simultaneously with the National Young Women's Christian Association (YWCA). Dr. Height developed leadership-training activities for volunteers and staff, and developed programs to promote interracial education.

In 1957 Dr. Height was named President of the Council of Negro Women, a position she held until 1997. While serving as President she worked closely with Dr. Martin Luther King, Jr., Roy Wilkins, Whitney Young, and A. Philip Randolph. She encouraged President Dwight D. Eisenhower to desegregate schools and President Lyndon B. Johnson to appoint African American women to positions in government.

As one of the major leaders of the Civil Rights Movement Dr. Height held many important positions such as being appointed as a consultant on African affairs to the secretary of state, and serving on the President's Committee on the Employment of the Handicapped.

Secretary of Health and Human Services Louis Sullivan recently appointed Dr. Height to the Advisory Council of the White House Initiative on Historically Black Colleges and Universities, and by President Bush to the National Advisory Council on Aging.

Dr. Height received a number of awards for her outstanding contributions, including: Woman of the Year from Ladies Home Journal (1974), induction into The National Women's Hall of Fame (1993), Springarn Medal from the National Association for the Advancement of Colored People (1993), William L. Dawson Award for "decades of public service to people of color and particularly women" from the Congressional Black Caucus, Presidential Medal of Freedom by President Clinton, and holds honorary degrees from more than 20 universities, including Harvard, Howard, Princeton, and Tuskegee Institute.

At the height of nearly 70 years of service Dr. Height is the author of a new book: "Open Wide The Freedom Gates: A Memoir." She continues to promote the importance of unity in black family life by organizing the Black Family Reunion Celebration, which continues to preserve the traditional values of the African-American family. Dr. Height is still active socially and professionally and serves as President Emeritus of the National Council of Negro Women (NCNW).

IN TRIBUTE OF GREEK INDEPENDENCE DAY

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. MEEHAN. Mr. Speaker, I rise today to celebrate the 183rd anniversary of Greek Independence Day.

On March 25, 1821, the people of Greece rose up against the oppressive rule of the Ottoman Turks. For 8 years, the Greeks struggled for freedom and democratic self-governance until their independence was secured in 1829. The success of this struggle—after almost 400 years of Turkish domination—demonstrates the remarkable ability of human beings to overcome enormous obstacles in the path to freedom.

The United States and Greece share a deep commitment to democracy and rule of law. American political thought was influenced just as much by Greek philosophy as the Greek revolution of 1821 was inspired by the American fight for freedom in 1776. In fact, Greek intellectuals used the U.S. Constitution as the basis for the constitution they drafted in the 1820s.

The common struggles of our countries have forged a bond that spans the generations. The friendship between the United States and Greece is based on a common heritage and shared values. Greece has stood by the United States as a steadfast ally during World War II, the Korean War, the Cold War, the Persian Gulf War, and now, the war on terrorism.

The citizens of Greece are preparing to host the 2004 Olympic Games, an honor that holds particular historical significance. Beginning in 776 B.C., the Olympic Games were held in the valley of Olympia in Greece every four years for almost 1200 years.

The modern Olympic Games were created by Baron Pierre de Coubertin and inspired by the ancient games. First staged in 1896 in Athens, the games attracted about 245 athletes to participate in 43 events. At the Sydney 2000 Games, more than 10,000 athletes took part in 300 events.

The Olympic Movement has survived wars, boycotts and terrorism to become a symbol of the ability of the people of all nations to come together in peace and friendship. And in 2004, the games return to their birthplace.

The Greek Government has made tremendous progress in recent months to improve the security infrastructure for the upcoming games and wish them the best as they prepare for the challenge of hosting the world's premiere athletic event.

I represent a large and active Greek-American community, and I have been proud to support U.S. participation in negotiations over Cyprus, the fight for freedom and human rights for all Cypriots, the inclusion of Greece in the Visa Waiver Pilot Program, and the presentation of the Congressional Gold Medal to His All Holiness Patriarch Bartholomew.

I congratulate the people of Greece on the anniversary of their independence, and I look forward to working together with Greek-Americans and the Greek Government on issues of mutual interest in the years ahead.

HONORING KASEY MILLISKI

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. CASTLE. Mr. Speaker, it is with great pleasure that I rise today to honor and pay tribute to Kasey Milliski upon her nomination as a Jefferson Award finalist. Ms. Milliski is a volunteer at the Ronald McDonald House Charities. The Ronald McDonald House provides a "home-away-from-home" for families of children being treated at nearby hospitals, and she has dedicated herself to helping many Delaware families in need.

Ms. Milliski's passion for volunteer work was born out of her own personal hardhships. In turn, she continues to reach out to sick children and their families with kindness and compassion. Ms. Milliski's simple approach to helping others is genuine and has a profound impact on many.

Mr. Speaker, I commend and congratulate Ms. Milliski upon her nomination as a finalist for the Jefferson Award. She is truly worthy of this honor.

PERSONAL EXPLANATION

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. ABERCROMBIE. Mr. Speaker, on March 25, 2004, because of my leave of absence, I was unable to vote on legislation. Had I been present, I would have voted as follows:

Rollcall 84, Previous Question on H. Con. Res. 393, "no";

Rollcall 85, H.R. 3786, allowing the Treasury to print documents for foreign governments, "yes";

Rollcall 86, H.R. 2993, Extend the Commemorative Coin Act, "yes";

Rollcall 87, H.R. 254, North American Development Bank, "yes";

Rollcall 88, H. Con. Res. 393, Budget Resolution, Congressional Black Caucus Substitute, "no";

Rollcall 89, H. Con. Res. 393, Stenholm/Blue Dog Substitute, "yes";

Rollcall 90, H. Con. Res. 393, Spratt/Democratic Substitute, "yes";

Rollcall 91, H. Con. Res. 393, H. Con. Res. 393, Final Passage, "no";

Rollcall 92, H.R. 3095, Allowing Local Officials to Order the Lowering of the U.S. Flag to Honor Deaths of Current or Past Local Government Employees, "yes".

HONORING MRS. NANCY O'CONNOR OF BUENA VISTA, COLORADO

HON. BOB BEAUPREZ

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. BEAUPREZ. Mr. Speaker, I rise today to honor a woman of great spirit and integrity.

Mrs. Nancy O'Connor has been a friend of mine for many years. She has utilized her passion for our democratic system to assist many Republicans like myself by serving on various campaigns. Nancy is one of the most sincere and generous individuals I have had the pleasure of knowing.

In addition to her 20 years of hard work for the good of the Republican Party, Nancy is the wife of Mr. Richard O'Connor and a wonderful mother to Mrs. Roxanne Hansen and Ms. Amber O'Connor. Nancy and Richard moved to Chaffee County, Colorado in 1971 to establish Hummingbird Hill Ranch and have been active community members ever since.

Nancy has also been a respected real estate broker for over 30 years. She has been the recipient of many awards for her dedication, including the recognition as fifth in the nation for sales under United County Real Estate in 2003 and fourth in the nation for 2002. She is also a respected Rotarian, member of the Chaffee County Republican Women and has been the Chairwoman of the Chaffee County Republican Party for 16 years.

Nancy has been a leader for many community service efforts in her community. For 12 years she has given her time and her wonderful talents as a cook to raising money for the Buena Vista High School Presidential Classroom project. She has helped many young men and women in her community to participate in this extraordinary experience by sponsoring the annual lasagna dinner with the Chaffee County Republican Women, and making enough homemade lasagna every year to feed an average of 250 people.

During her two-year term as President of the Buena Vista Rotary Club, in addition to winning the Humanitarian Service to Mankind Award, Nancy also led an effort to restructure the playground at Columbine Park for the kids of Buena Vista. Her efforts raised enough money to buy new equipment and not only add fun for local youth, but improved the community atmosphere as well.

To say the least, Nancy is an extraordinary woman with a very kind heart. She brightens the day of anyone she encounters and is always willing to offer a helping hand to those in need. To this day, she continues to send homemade cookies to myself and the other Colorado Republican delegation to say thank you for what we do.

Mr. Speaker, I would just like to take this opportunity to say thank you to Nancy for all that she does.

HONORING JIM ELLISON

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. CASTLE. Mr. Speaker, it is with great pleasure that I rise today to honor and pay tribute to Jim Ellison upon his nomination as a Jefferson Award finalist. For over 25 years, Mr. Ellison has aided Delawareans who are confronting personal crises. As a volunteer for CONTACT, Delaware's crisis line, Mr. Ellison has logged a state record of 8,553 hours, many of which he accumulated during the 11 p.m. to 7 a.m. shift.

Mr. Ellison's lifetime of service has had no limit. Prior to becoming a volunteer, he worked 29 years as a revenue officer for the Internal Revenue Service. Mr. Ellison also served in the Army Air Corps and from January 1944 until August 1945, Mr. Ellison cleaned machine guns for B–24 bombers.

Jim Ellison's tireless dedication to the well-being of others should serve as an inspiration to us all. He is a most worthy candidate for the Jefferson Award and a truly outstanding Delawarean and American.

Mr. Speaker, I commend and congratulate Mr. Ellison upon his nomination as a finalist for the Jefferson Award. May we all learn from, and exemplify, his selflessness.

IN RECOGNITION OF RICHIE PEREZ

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Ms. VELÁZQUEZ. Mr. Speaker, I rise today on the floor of the U.S. House of Representatives to pay tribute to the life of Richie Perez—a longtime community activist who lived in Brooklyn.

Richie Perez was a fighter. He fought for the rights of all people, and he fought against the devastating inequities that plague our society. He fought for the poor, the disenfranchised, the downtrodden—and gave them a voice.

His passion for activism began in the 1960s as a former member of the community-based organization for Puerto Rican empowerment called the Young Lords Party. He most recently founded the National Congress for Puerto Rican rights, acting as the co-chair of its Justice Committee, which works with families of victims of racial discrimination and police brutality.

He was a mentor to many and a hero to even more. He imparted his ideas and philosophies onto others by teaching classes on the Puerto Rican experience in New York, mass media and social policy at New York City's Hunter College. Not only was he an activist and a teacher, but he was an author as well, publishing several groundbreaking written works.

Richie Perez was a truth-seeker. Wherever he went, he spoke the truth, lived by the truth, and inspired the truth in others. He embodied the meaning of righteousness and what is good and real in our local communities. He believed in giving people a second chance, and in fighting back against the injustices that had imperiled them.

Therefore, Mr. Speaker, I rise today to honor Richie Perez, and join with my colleagues in the House of Representatives to recognize his extraordinary life.

TRIBUTE TO THE NFA CONVENTION IN ORLANDO, FLORIDA

HON. RIC KELLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. KELLER. Mr. Speaker, I would like to take a moment to recognize the National Franchisee Association (NFA), the association of Burger King franchisees. The NFA will be in Orlando May 3–6, 2004 for its 12th Annual Convention and Tradeshow. I am delighted the NFA has chosen once again to return to Orlando. In fact, this will be the third time the NFA has visited Orlando with nearly 3,500 Burger King franchisees, vendors, and other participants. With its theme parks and attractions, Orlando is one of our Nation's premier vacation and convention destinations—it's clear to see why groups like NFA want to return to Orlando over and over again. The theme of this year's NFA convention, "The Magic of the Fire," is quite apropos as it combines the "Magic" of Orlando and the entrepreneurial "Fire" of the Burger King franchisees.

Two Burger King franchisees, in particular, have been instrumental in bringing the Burger King family to Orlando. They are Julian Josephson and Dominick Vespoli.

Julian Josephson, the Chairman of the NFA, has a story very similar to many of our immigrant ancestors who brought their entrepreneurial spirit to this country seeking a brighter future. Julian moved to the United States from Johannesburg, South Africa in 1978. Since then, he and his business partner Stanley Smiedt, have built a successful business that includes nearly 40 Burger King Restaurants in Southern California, Texas, New Mexico, and Colorado. Julian has not only provided exceptional leadership to the NFA as chairman and vice president, he has served his community through numerous initiatives. Julian has been a dedicated husband and father to his wife Jenny and their children Heidi and Anthony. Julian and Jenny are the proud grandparents of Maya Silberstein.

Dominick Vespoli is the Convention Chairman. Dominick grew up in Jersey City, New Jersey and began working in Burger King restaurants in 1974. He worked in a variety of jobs learning the skills needed to run successful restaurants. In 1990, Dominick became a Burger King franchisee. He, and his business partner Nathan Blau, now own and operate 10 successful Burger King restaurants in New Jersey. Dominick has been a dedicated husband and father to his wife Celenia and their two sons, Jason and James.

The restaurant industry as a whole employs 12 million men and women, a significant driving force for our economy. I commend Julian and Dominick, and their fellow franchise owners, for their contributions to job creation and economic growth. These entrepreneurs are the backbone of our economy. I wish to thank them for their outstanding service to the NFA and their commitment to their communities. I look forward to seeing them both and the other Burger King franchisees when they visit Orlando in May.

HONORING JEFFREY BUSCH

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. CASTLE. Mr. Speaker, it is with great pleasure that I rise today to honor and pay tribute to Jeffrey Busch upon his selection as the Jefferson Award winner in Delaware. Mr. Busch is the founder and chairman of Safe Blood for Africa, an organization dedicated to stemming the tide of HIV and AIDS in sub-Saharan Africa. With true innovative spirit, he has brought a business approach to the logistical problems of getting safe blood to this region. Mr. Busch is not only a commendable American citizen, he is an exemplary citizen of the world.

With the utmost humility, Mr. Busch ensures safe blood for transfusions in 20 sub-Saharan African nations. His organization also protects Africans from the spread of such diseases as hepatitis B and C and syphilis. One would never know to speak to Mr. Busch that he has likely spared thousands of Africans from the dangers of HIV and AIDS.

Mr. Speaker, I commend and congratulate Jeffrey Busch upon his selection as the Jefferson Award winner in Delaware. His selflessness serves as an example to us all. Furthermore, it has been my sincere privilege to know Mr. Busch personally, and I am very proud to that he is a Delawarean.

RECOGNITION OF THE AMERICAN LEGION

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. SHIMKUS. Mr. Speaker, I rise today in honor of the American Legion, a noble organization, chartered by Congress in 1919. The American Legion turned 85 this week and its members across our Nation are celebrating this historic event.

I'm proud to report that my home district celebrated this occasion recently at an event hosted by Retired Air Force Colonel Ted Buck of Mt. Vernon. He served 22 years active duty including 30 months during the Vietnam War. He received two Distinguished Flying Crosses, The Vietnamese Gallantry Cross with a Silver Star and the Purple Heart. He was also awarded the Legion of Merit award for his duty as a pilot for Dr. Henry Kissinger on his historic shuttle diplomacy.

I mention Colonel Buck by name because he puts a face on an organization made up of many heroic men and women who, like Colonel Buck, have put their lives on the line for this Nation. While patriotism and support for our men and women in uniform comes in and out of favor here in Washington, D.C. our Nation is blessed to have an organization that exists to meet the needs of our veterans. I consider myself fortunate to be a member of the American Legion and I'm honored to have the opportunity to wish them a happy 85th birthday. I speak for all of my colleagues in wishing the American Legion many more years to continue their work to insure appropriate respect for the American veteran and their families.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

SPEECH OF

HON. BILL SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 25, 2004

The House in Committee of the Whole House on the State of the Union had under consideration the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009:

Mr. SHUSTER. Mr. Chairman, a few days ago, I reluctantly voted for the budget resolution that was thoroughly debated on the

House floor. My reluctance in voting for the budget was based on one main cause, my concern for our nation's veterans. Even though we increased funding in veterans' care once again, I believe there was further room for improvement.

The budget that we passed is a step forward in the areas of deficit reduction and spending control. I am heartened by our efforts to cap some areas of government spending but disappointed that we continue to debate the proper level of veterans' funding. In the past months, there has been great discussion in the funding that these brave individuals who have sacrificed so much for our country will receive from the VA. With that discussion, I believe that we should never lose sight of what these veterans have accomplished and what they have meant to our Nation's freedom.

As this process moves forward, I believe that there are additional areas of the budget that can be curtailed to further supplement our veterans' funding needs. For example, we should continue to scrutinize our massive foreign aid budget for savings that can be returned to the U.S. shores and to the veterans' needs.

In the end, I voted for this budget because we must continue the process and we will have opportunities to improve our veterans' funding. Additionally, to delay this budget means we delay our national defense and our homeland security priorities. To delay this budget risks not having a budget at all and that leaves no barriers to government spending. In a time of war, we can not allow that to happen.

We must all work hard to improve the budget before it comes to conference. I hope that at that point we will all be able to vote for the budget without reservation and with the confidence that our Nation's veterans have been properly cared for by the government.

HONORING JOANNE GLAUSER

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. CASTLE. Mr. Speaker, it is with great pleasure that I rise today to honor and pay tribute to Joanne Glauser upon her nomination as a Jefferson Award finalist. Mrs. Glauser is the co-founder of the Delaware chapter of Shoes That Fit and truly exemplifies the American spirit. After reading an article about children who were too poor to have clothes that fit properly, Joanne decided to take action. Five years later, she was named "top volunteer in the nation" by the executive director of Shoes That Fit.

In only the last 4 years, Mrs. Glauser's chapter has provided over 35,000 items to needy children in Delaware. Her selflessness and dedication have touched the lives of thousands who may otherwise have gone without.

Mr. Speaker, I commend and congratulate Mrs. Glauser upon her nomination as a finalist for the Jefferson Award. May she continue to serve as an example to us all.

CHILD NUTRITION IMPROVEMENT AND INTEGRITY ACT

SPEECH OF

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 24, 2004

Mr. UPTON. Mr. Speaker, obesity and poor nutritional habits are growing problems in our Nation, particularly among our children and adolescents. Health costs alone will be stratospheric in the near future due to the poor eating habits of our youth.

The very foods children need for good nutrition are often grown in their own communities. Farm to Cafeteria projects across the country link farmers with local schools to serve students the freshest possible foods as part of the National School Lunch Program. When combined with nutrition education, farm visits, and school gardens, children learn to enjoy and even get excited about eating healthy—and at the same time family farmers strengthen their markets and community ties. While Farm to Cafeteria projects have proven cost-effective over time, schools often need assistance to cover the initial staff resources, training, and equipment required for a successful project.

To respond to this need, our colleague Ron Kind and I have introduced the bipartisan Farm to Cafeteria Projects Act (H.R. 2626) that is now a part of this bill. The Farm-To-Cafeteria provision establishes a $10 million competitive grant program to provide schools with up to $100,000 to cover these costs and garner long-term benefits for children, farmers, and their communities during the term of the reauthorization.

I ask my colleagues to vote for this piece of legislation, to show the country that we care about what our children are eating.

TRIBUTE TO THE NORTHWEST BRONX COMMUNITY AND CLERGY COALITION ON THEIR 30TH ANNIVERSARY

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. SERRANO. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to the Northwest Bronx Community and Clergy Coalition as they celebrate their 30th anniversary.

Formed in 1974, the NWBCCC is a 501(c)3 organization with the mission of uniting area residents to identify common problems and empowering them to work together to solve them. The NWBCCC unites nine neighborhood organizations and a youth organization, Sistas and Brothas United, in an effort to improve the neighborhoods of the Bronx. They seek to influence the most important decisions that are made within their community, such as private investment patterns, the delivery of government services and major land use considerations.

This important organization is engaged in several initiatives aimed at improving housing and education. The NWBCCC Housing Committee provides tenant organizing assistance to over 75 tenant associations, resulting in hundreds of repairs and reinvestments to buildings each year. NWBCCC has also worked extensively to reduce overcrowding in schools. In 1999 and 2000 the organization's efforts led to the construction of over six new schools and annexes.

Mr. Speaker, what impresses me the most about this organization is its commitment to youth. Sistas and Brothas United, the youth organization within NWBCCC, has made great strides to help develop the minds of the youth in my community. SBU organizes hundreds of neighborhood youth to build youth leadership in order to identify local problems and work to bring about solutions. SBU's work currently focuses on school reform, campaigns to renovate abandoned buildings to become schools and youth centers, and efforts to improve parks and traffic safety.

In an effort to raise the consciousness of people within their community, some of the members of SBU have begun to compose and perform thought provoking and insightful poetry. The following is a poem that was written by Jorman Nunez and Jacklyn Torres, active members of SBU.

JN: Jacky And I are going to tell ya something from our prospective so listen to our lyrics
JT: Jorman got something to tell yall now, so Jorman let em hear it
JN: Asthma rates have been going up and all I do is gasp and pant
What are they doing to fix this? They're building another filtration plant
And what amazes me is in the Bronx they want to do it
Using the excuse of in a couple of years our water's going to be polluted
Trying to take the Bronx down well we don't want to destroy her
Besides . . . the only reason it's going to get polluted is cause they're constantly letting development be done over our water
so they're basically polluting our water and trying to fix it later as a solution
And build a plant to put smoke in there air and cause more pollution
There's something else I want to say ladies and gents
Check this out look at this environmental statement
Planning to build it in our low class area cause the statement say they should
And rejected putting it in another place just cause it was a white upper class neighborhood
We have to do whatever in our power to stop this by all means
Cause I'm tired of seeing all this atrocious disappointing scenes
JT: Attention every one, ladies and gentlemen gather round
The other night I'm writing a poem and my ceiling's fallin down
Now, yall must be wondering if my landlord is a clown
Well his name's * * * * *, so how does that sound
Since the landlord don't wanna help with the infestation of rats
I guess the only solution is to buy 10,000 cats
And as the funds for us go up, the neighborhood's still in strife
Unfortunately, because of this, a small child lost his life
Even after this, we remain on the same path

How many more casualties will we have, you do the math
So until these the problems are solved, don't even think of us relaxin
Cuz I still can't understand why a slumlord lives in a mansion
So I've said what yall need to know until we see better days
But my turn is over so Jorman say what you gotta say
JN: This has been keeping me up and I can't even rest
I just need to get a couple of things off my chest
the Governor is probably annoyed and thinks he's being mistreated
Shouldn't we be angry whenever he says education is vital and doesn't even mean it
Politicians get angry when we get so mad we shiver and shudder
But don't we have a right to be angry when we have books older than my grandmother
Governor I got something to tell you only once there won't be a sequel
We never are going to stop bothering you until all education is equal
Governor when I see you I'm going to be mean with my salutation
You're going to hear all of the angry voices of the minorities that you said only need an 8th grade education
I think you and the position of governor should start doing its separation
Cause the last time I checked governors aren't suppose to gamble with our education
They're suppose to help with problems that come along until they see no
But I guess he just rather be gambling with our future in one of his casinos
But listen I'm done I don't want to waste more of your time
Jacky it's your turn give them a piece of your mind
JT: Soldiers of society trying to keep their eyes on me
In their hands is my education
And I blindly search for academic salvation
Though I have no books to read, no chairs to sit in, no room to breathe
And yall say keep your head up
Well, to tell you the truth, I'm fed up
Even the Governor says we don't need college
All we need is an eight-grade education?
Yeah, that's enough knowledge
Though my sarcasm seems amusing,
It's dripping with the truth
Why does the government fail to realize the importance of our youth?
Governor, I have some things I'd like to say
But they would be inappropriate
So Jorman, it's your turn to play
JN: Jacky ya kind of mad ya need to rest
At least both of us got that stress off our chest
So that's just a part of what we know I hope this wasn't a loss
I just want to let ya see a couple of our points get across
JT: Yo Jorman look at their faces, don't they look kind of stunned?
JN: And that was just us two imagine all of us as one anniversary
JT: Man, if they only knew the power they hold in their hearts and in their voices
JN: Together they have the power to move mountains its all up to there choices
JT: So Jorman don't you think it's about time they get involved?
JN: Yeah cause if all of us unite all out problems would be solved
JT: Yeah, we should follow the examples of Rosa Parks, Malcolm X, and Dr. King
JN: Cause they all fought for what they believed in and now they're letting freedom ring
JN & JT: You have power in a lot of things, don't listen to all their lies
Cuz no one can ever take away your right to organize

This powerful poem demonstrates the level of awareness these youth possess and their strong commitment to empowering their community.

Mr. Speaker, through housing and education initiatives as well as youth empowerment programs the NWBCCC continues to provide invaluable service to the people of the Bronx. For their 30 years of service, I ask that my colleagues join me in honoring this remarkable organization.

HONORING MEGHAN PASRICHA

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 2004

Mr. CASTLE. Mr. Speaker, it is with great pleasure that I rise today to honor and pay tribute to Meghan Pasricha upon her nomination as a Jefferson Award finalist. Ms. Pasricha is founder of the successful Anti-Tobacco Action Club at Sanford School in Hockessin, Delaware. As a 10th grader, Meghan started her organization with 12 members and a goal: raising teenage awareness of tobacco-related health hazards.

Her hard work has paid off and today Meghan is the State chairwoman of the Kick Butts Generation, an anti-tobacco organization with over 4,000 local members. Ms. Pasricha's dedication to educating people about the dangers of tobacco is limitless. She recently gave a presentation at the World Conference on Tobacco in Heis, Finland, and has reached out to groups of children in places as far away as Mhau, India.

Mr. Speaker, I commend and congratulate Ms. Pasricha upon her nomination as a finalist for the Jefferson Award. Her determination and drive to educate and empower others serves as an example to us all. She is truly worthy of this honor.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, March 30, 2004 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 31

9:30 a.m.

Environment and Public Works

To hold hearings to examine the nominations of Stephen L. Johnson, of Maryland, to be Deputy Administrator of the Environmental Protection Agency, Ann R. Klee, of Virginia, to be an Assistant Administrator, Charles Johnson, of Utah, to be Chief Financial Officer, Benjamin Grumbles, of Virginia, to be an Assistant Administrator, all of the Environmental Protection Agency, and Gary Lee Visscher, of Maryland, to be a Member of the Chemical Safety and Hazard Investigation Board.

SD–406

Foreign Relations

To hold hearings to examine the nomination of Paul V. Applegarth, of Connecticut, to be Chief Executive Officer, Millennium Challenge Corporation, Department of State.

SD–419

Armed Services

Personnel Subcommittee

To hold hearings to examine the Defense authorization request for fiscal year 2005, focusing on active and Reserve military and civilian personnel programs.

SR–232A

10 a.m.

Banking, Housing, and Urban Affairs

To resume hearings to examine the current investigations and regulatory actions regarding the mutual fund industry focusing on soft-dollar practices.

SD–538

Appropriations

Defense Subcommittee

To hold a closed hearing to examine proposed budget estimates for fiscal year 2005 for intelligence and world wide threat assessment.

S–407, Capitol

Appropriations

Energy and Water Development Subcommittee

To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Department of Energy's Office of Environmental Management, Office of Civilian Radioactive Waste Management, and Office of Environment, Safety and Health.

SD–138

1:30 p.m.

Environment and Public Works

Transportation and Infrastructure Subcommittee

To hold hearings to examine the role of the U.S. Army Corps of Engineers in meeting the nation's water resource needs in the 21st century.

SD–406

2 p.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Senate Sergeant at Arms and the United States Capitol Police.

SD–138

2:30 p.m.
Banking, Housing, and Urban Affairs
To continue hearings to examine the current investigations and regulatory actions regarding the mutual fund industry focusing on fund costs and distribution practices.
SD–538

Foreign Relations
European Affairs Subcommittee
To hold hearings to examine the effects of the Madrid Terrorist Attacks on U.S. European cooperation in the war on terrorism.
SD–419

Appropriations
Foreign Operations Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for HIV/AIDS treatment and prevention programs.
SD–124

Intelligence
Closed business meeting to consider pending intelligence matters.
SH–219

APRIL 1

9:30 a.m.
Environment and Public Works
Clean Air, Climate Change, and Nuclear Safety Subcommittee
To hold an oversight hearing to examine the implementation of the National Ambient Air Quality Standards for particulate matter and ozone.
SD–406

Armed Services
To hold hearings to examine the proposed Defense Authorization Request for fiscal year 2005, focusing on the military strategy and operational requirements of the unified and regional commands; to be followed by a possible closed session in SR–222.
SD–106

Foreign Relations
To hold hearings to examine Convention on International Interests in Mobile Equipment and Protocol to Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, concluded at Cape Town, South Africa, on November 16, 2001 (Treaty Doc. 108–10), Additional Protocol Between the Government of the United States of America and the Government of Romania Concerning the Reciprocal Encouragement and Protection of Investment of May 28, 1992, signed at Brussels on September 22, 2003 (Treaty Doc. 108–13), Additional Protocol Between the United States of America and the Republic of Bulgaria Amending the Treaty Between the United States of America and the Republic of Bulgaria Concerning the Encouragement and Reciprocal Protection of Investment of September 23, 1992, signed at Brussels on September 22, 2003 (Treaty Doc. 108–15), Protocol Between the Government of the United States of America and the Government of the Republic of Estonia to the Treaty for the Encouragement and Reciprocal Protection of Investment of April 19, 1994, signed at Brussels on October 24, 2003 (Treaty Doc. 108–17), Additional Protocol Between the United States of America and the Czech Republic to the Treaty Between the United States of America and the Czech and Slovak Federal Republic Concerning the Reciprocal Encouragement and Protection of Investment of October 22, 1991, signed at Brussels on December 10, 2003 (Treaty Doc. 108–18), Additional Protocol Between the United States of America and the Slovak Republic to the Treaty Between the United States of America and the Czech and Slovak Federal Republic Concerning the Reciprocal Encouragement and Protection of Investment of October 22, 1991, signed at Brussels on September 22, 2003 (Treaty Doc. 108–19), Additional Protocol Between the Government of the United States of America and the Government of the Republic of Latvia to the Treaty for the Encouragement and Reciprocal Protection of Investment of January 13, 1995, signed at Brussels on September 22, 2003 (Treaty Doc. 108–20), Additional Protocol Between the Government of the United States of America and the Government of the Republic of Lithuania to the Treaty for the Encouragement and Reciprocal Protection of Investment of January 14, 1998, signed at Brussels on September 22, 2003 (Treaty Doc. 108–21), and Additional Protocol Between the United States of America and the Republic of Poland to the Treaty Between the United States of America and the Republic of Poland Concerning Business and Economic Relations of March 21, 1990, signed at Brussels on January 12, 2004 (Treaty Doc. 108–22).
SD–419

Appropriations
Interior Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Indian Health Service, Department of Health and Human Services.
SD–124

Judiciary
Business meeting to consider pending calendar business.
SD–226

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the National Institutes of Health.
SH–216

10 a.m.
Appropriations
Transportation Subcommittee
To hold hearings to examine future challenges facing the United States Postal Service.
SD–138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Department of Housing and Urban Development.
SD–628

1:30 p.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for programs under its jurisdiction.
SD–192

2 p.m.
Banking, Housing, and Urban Affairs
Business meeting to mark up the proposed Federal Housing Enterprise Regulatory Reform Act of 2004.
SD–538

2:30 p.m.
Judiciary
Immigration, Border Security and Citizenship Subcommittee
To hold hearings to examine securing our borders under a temporary guest worker program.
SD–226

Armed Services
Readiness and Management Support Subcommittee
To hold hearings to examine the proposed Defense Authorization Request for fiscal year 2005, focusing on military installation programs.
SR–232A

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to examine NASA fiscal year 2005 budget request.
SR–253

Veterans' Affairs
To hold hearings to examine the nominations of Robert N. Davis, to be a Judge of the United States Court of Appeals for Veterans Claims, and Pamela M. Iovino, of the District of Columbia, to be an Assistant Secretary of Veterans Affairs for Congressional Affairs.
SR–418

APRIL 2

9:30 a.m.
Armed Services
Emerging Threats and Capabilities Subcommittee
To hold hearings to examine the proposed Defense Authorization Request for fiscal year 2005, focusing on the Department of Defense Counternarcotics Program; to be followed by a closed session in SR–232A.
SR–222

APRIL 7

10 a.m.
Indian Affairs
Business meeting to consider pending calendar business.
SR–485

APRIL 8

2:30 p.m.
Foreign Relations
European Affairs Subcommittee
To hold hearings to examine anti-Semitism.
SD–419

Appropriations
Foreign Operations Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for foreign operations.
SD–138

Energy and Natural Resources
National Parks Subcommittee
To hold hearings to examine National Park Service concessions program, including implementation of the National Park Service Concessions Management Improvement Act (Public Law 105–391).
SD–366

APRIL 21

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for foreign assistance and to combat international terrorism.
SD–124

APRIL 27

10 a.m.
Energy and Natural Resources
To hold an oversight hearing to examine sustainable, low emission, electricity generation.
SD–366

MAY 11

10 a.m.
Energy and Natural Resources
To hold hearings to examine the impacts and costs of last year's fires, focusing on the problems faced last year and what problems agencies and the land they oversee may face next season, including aerial fire fighting assests and crew, and overhead availability.
SD–366

SEPTEMBER 21

10 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to examine the legislative presentation of the American Legion.
345 CHOB

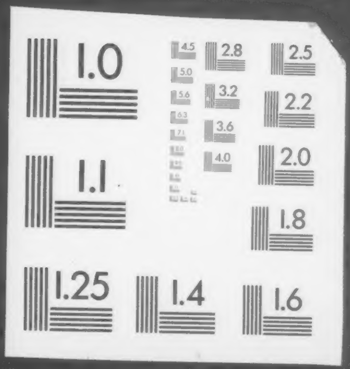
CANCELLATIONS

MARCH 31

10 a.m.
Health, Education, Labor, and Pensions
Business meeting to consider pending nominations.
SD–430

POSTPONEMENTS

Judiciary
To hold hearings to examine the nominations of William Duane Benton, of Missouri, to be United States Circuit Judge for the Eighth Circuit, Robert Bryan Harwell, to be United States District Judge for the District of South Carolina, and George P. Schiavelli, to be United States District Judge for the Central District of California.
SD–226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